



GWE

Annual Report 2003



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Review by the Chief Executive



Despite pessimistic prospects in summer and early autumn the year 2003 turned out to be quite successful for GWS.

The Group's result improved mainly due to Perlos' extremely good fourth quarter. Also Tamglass, the main business sector of our other associated company, Kyro, attained outstanding success last year. On the other hand, GWS Systems and GWS Pikval did not meet their profit targets, even if cashflow in these companies was positive.

The Group's balance sheet strengthened markedly. This was affected by the sale of shares in Perlos in addition to the good results attained by the associated companies. The Group's ratio of shareholders' equity to the balance sheet total was 49%, a figure in line with GWS's long-term equity target.

"What now, GWS?", as company historian, Jyrki Vesikansa asks.

We shall continue to be a diversified company involved in industrial business activities.

As I stated above, GWS's balance sheet provides the possibility for further investment. In other words, we shall continue with what we decided on some two years ago. At that time we had to suspend our investment activities due to the weak trend at Perlos. The situation is now different.

Although we have decided to keep the number of portfolio companies small, we are again starting to look for a new business area. We will only make strategic investments, requiring sufficient shareholding and vigorous participation in the development of the target firm.

We expect Perlos' rapid growth to continue in 2004. Kyro is inevitably suffering from the present exchange rate situation. GWS Systems and GWS Pikval will become profitable this year. The result of the entire GWS Group is expected to be better than for the previous year.

I wish to thank GWS staff and shareholders as well as all other business associates for their contribution to the company's success.

Heikki Mairinoja
Chief Executive

A handwritten signature in blue ink, appearing to read 'Heikki Mairinoja', written in a cursive style.

The year 2003 in brief

- consolidated turnover of EUR 36.1m dropped by 9.8% mainly due to changes in Group structure
- the profit trend of the associated company, the Perlos Corporation, recovered during the second half-year; the Kyro Corporation also continued to attain good profitability
- the subsidiary, GWS Systems, improved its operating profit in comparison to the previous year; GWS Pikval's operating profit was slightly down on the previous year; neither company attained target
- consolidated profit before extraordinary items amounted to EUR 13.5m (previous year EUR 12.4m); EUR 4.6m of the result was generated through share sales (previous year EUR 8.4m); the share of the profits of the associated company, the Perlos Corporation, grew by EUR 3.4m
- the rate of shareholders' equity to balance sheet total rose to 48.9% (previous year 43.2%)
- during 2003 the Group sold shares in the Perlos Corporation to the value of EUR 6.1m and in the Kyro Corporation to the value of EUR 1.4m; at yearend the Group stake in the Perlos corporation was about 34% and in the Kyro Corporation some 20%
- Isto Hantila, M.Sc.(Eng.), became President and CEO of the Perlos Corporation on 1.1.2004
- Sami Kähärä, M.Soc.Sci., became Managing Director at GWS Pikval Oy on 1.3.2004

Key Figures

EUR m (unless otherwise indicated)	2003	2002	2001
Turnover	36.1	40.0	62.9
Operating profit	16.6	15.2	20.9
as % of turnover	46.0	37.9	33.2
Profit before extraordinary items	13.5	12.4	18.7
as % of turnover	37.4	31.0	29.7
Shareholders' equity	75.8	70.8	65.7
Equity ratio	%	48.9	43.2
GWS stake in Perlos Corporation market capitalisation	116.3	116.4	238.7
GWS stake in Kyro Corporation market capitalisation	64.2	52.7	44.8
Liabilities (gross)	78.4	92.5	97.7
Interest-bearing debt	63.4	68.9	83.4
Investments	-2.3	-4.7	45.2
Return on equity (ROE)	%	19.0	19.4
Return on investment (ROI)	%	11.1	9.9
Equity/share	EUR	28.07	26.22
Staff	persons	364	450

Board of Directors, Board of Management and Auditors

BOARD OF DIRECTORS

Klaus Sohlberg, Chairman, Consul, B.Sc. (Econ.)
Heikki Tulenheimo, Vice Chairman, M.Sc. (Eng.)
Jan Hasselblatt, M.Sc. (Econ.)
Kari O. Sohlberg, Counsellor of Mining, M.Sc. (Econ.)
Kari Stadigh, M.Sc.(Eng.), M.Sc. (Econ.)
Teppo Taberman, M.Sc. (Econ.)
Tiina Tallberg, M.Sc. (Econ.)
Juhani Virkkunen, B.LL.

MANAGEMENT

Parent Company

Heikki Mairinoja, CEO
Pekka Soveri, Vice President
Risto Summa, Director Business
Development
Ari Saarenmaa, Business Controller

Associated Companies

PERLOS CORPORATION
Timo Leinilä, President and CEO
(up to 31.12.2003)
Isto Hantila, President and CEO
(from 1.1.2004)
KYRO CORPORATION
Pentti Yliheljo, President and CEO

Subsidiaries

GWS SYSTEMS OY
Heikki Hildén, Managing Director
GWS PIKVAL OY
Juhani Markkanen, Managing Director
(up to 29.2.2004)
Sami Kähärä, Managing Director
(from 1.3.2004)

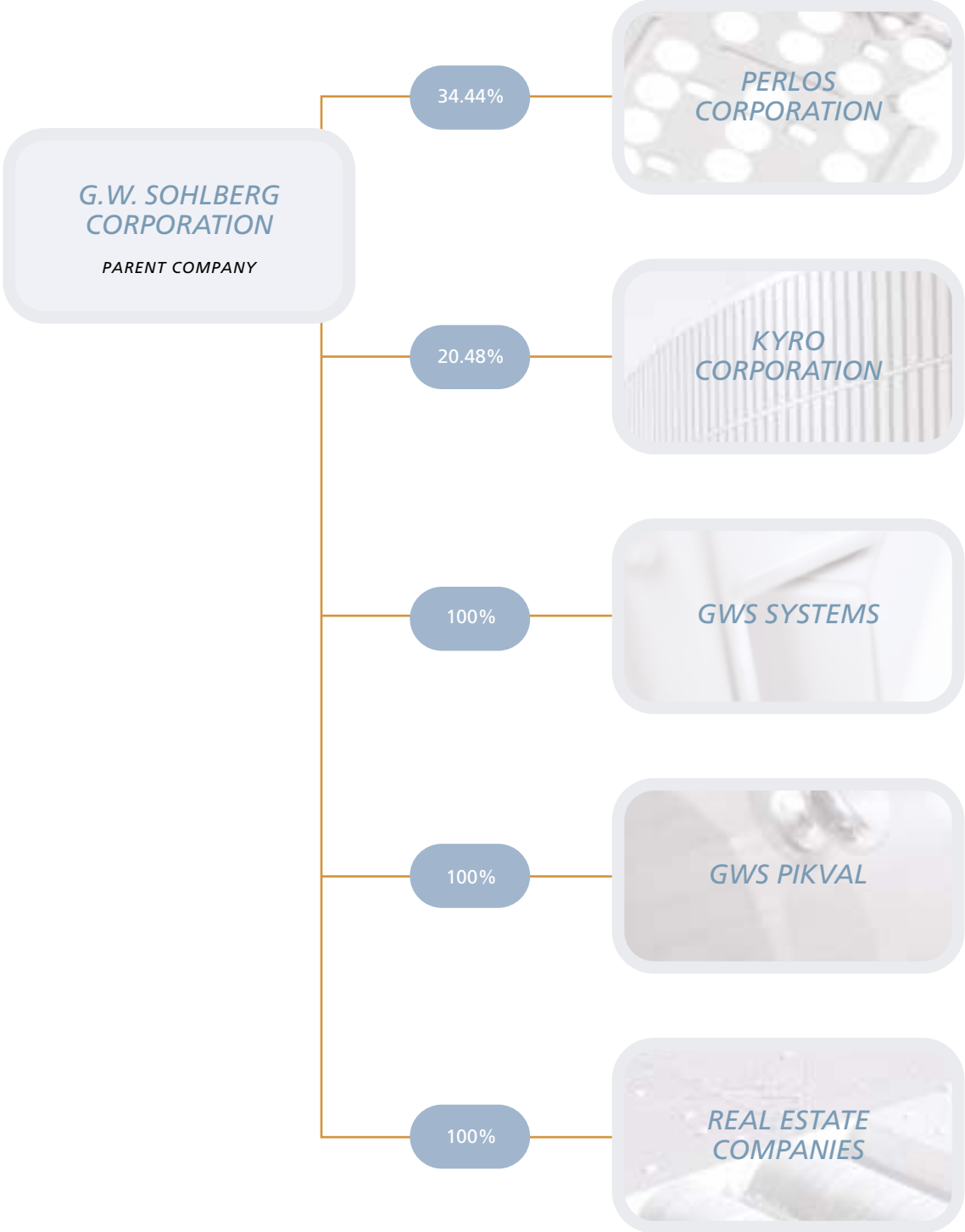
AUDITORS

Ernst & Young Oy, C.A. Corporation
Pekka Luoma, C.A.,
Responsible Auditor
Harri Pärssinen, C.A.

DEPUTY AUDITOR

Erkka Talvinko, C.A.

GWS Group



Associated Company the Perlos Corporation



Perlos is a global supplier to the mobile-phone and pharmaceutical industries. Perlos' range comprises such products as mechanical plastic and metal parts for mobile phones, moulds, antennas, connectors, asthma inhalers and various dosing devices used in birth control and cancer treatment. The Group has operations in Brazil, the UK, China, Malaysia, Sweden, Finland, Singapore, Hungary and the USA.

Perlos attained the targets set for 2003 with faster growth than the markets and achieved a profit-making result. Turnover increased by 24% to EUR 452.3m (2002 EUR 364.6m).

Profitability developed positively despite fierce price competition. As capacity utilisation improved during the second half year, the result turned to profit. In addition, in line with the profit improvement programme started at the beginning of 2003, operations were made more efficient by, among other things, streamlining and standardising global processes.

Operating profit for 2003 rose to EUR 17.3m from EUR 1.4m of the previous year, representing 3.8% of turnover (0.4%). Net profit amounted to EUR 8.6m (EUR 2.1m loss), representing 1.9% of turnover (-0.6%). The Group's liquidity has remained good.

The Group's gross investments for 2003 came to EUR 50.7 m (EUR 40.9m), representing 11.2% of turnover (11.2%). The most important items were investments in equipment for new plants and investments in upgrading production efficiency and in new technology. The Manaus plant in Brazil started production in the first half of 2003 and capacity was increased during the year through investments in equipment. Major investments in equipment were also made at the Komárom plant in Hungary and at a new plant in Beijing, China, inaugurated during the year. The plants in Brazil, Hungary and China primarily serve the mobile-phone industry.

The most significant individual investment made by the Pharma business sector was the conversion of the Sunderland plant in the UK to solely serve the pharmaceutical industry.

In 2003 the Perlos Group employed on average 4,437 people (3,641).

In autumn 2003 Timo Leinilä, M.Sc.(Eng.), company president and CEO since 1997, handed in his resignation from the company. He continued in the post until

the end of the year when Isto Hantila, M.Sc.(Eng.), took over as the new president and CEO of the company on 1 January 2004.

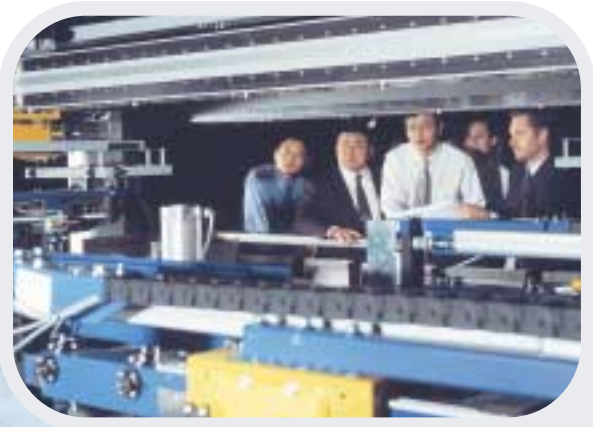
In the beginning of 2004 Perlos is expanding its Manaus plant in Brazil. Factory space will be almost doubled to some 9,000 m² through the construction of a new production hall connected to the present one. The extension is estimated to be operational at the beginning of the second half of the year. The Lehmonharju plant, supplying the telecommunications and electronics industries, will build a new painting line, enabling production of top-end, high-quality products to meet new market requirements. The new line is scheduled to go into production during the third quarter of 2004. At the same time the existing factory space of 15,000 m² will be extended by some 2,000 m².

Turnover of the Telecommunications and Electronics business sector for 2004 is expected to grow at least at the same pace as global mobile-phone markets and that of the Pharma business sector slightly.

The Group's turnover is expected to grow in the first quarter by over one-fourth year-on-year, while the result is anticipated to be clearly positive. In 2004 the Group's operating profit and earnings per share are forecast to improve on last year, mainly because capacity utilisation is expected to be better than in 2003, especially in the beginning of the year.

	2003	2002	Change	%
Turnover, EUR m	452.3	364.6	87.7	24
Operating profit, EUR m	17.3	1.4	15.9	1,136
Investments, EUR m	50.7	40.9	9.8	24
Staff, persons	4,437	3,641	796	22

Associated Company the Kyro Corporation



The Kyro Corporation's main business sector is Glaston Technologies, which comprises the globally operating, world leading glass processing machinery group and the glass processing group focusing on markets in Finland and in neighbouring countries. Kyro's other sector is energy, comprising Kyro Power Oy.

The Kyro Group's turnover grew in 2003 through corporate acquisitions by 57% to EUR 226.7m (EUR 144.3m). The strengthening of the euro against other invoicing currencies slowed the growth of turnover and sales. The effect of exchange rates on profitability was relatively greater. The Group's operating profit before amortisation of goodwill, nevertheless, grew by 21% to EUR 22.9m (EUR 18.9m). Net profit for the year amounted to EUR 12.2m (EUR 11.7m). The Group's financial position was good.

The Group's orderbook increased to EUR 81.4m (EUR 67.4m) despite unfavourable exchange rate trends. The orderbook was boosted by good commercial success in the fourth quarter and the orderbooks of the new companies to the Group.

Glaston Technologies' turnover grew through acquisitions by 68% in 2003 to EUR 198.4m (EUR 117.8m). In 2003 operating profit before goodwill amortisation grew by 27% to EUR 19.7m (EUR 15.5m), even though exchange rates reduced profitability relatively more than turnover.

The business cycle slowed sales of glass processing machinery especially in the beginning of the year in the USA and Central Europe. The investment climate in the USA turned in a clearly positive direction in the fourth quarter. Demand in the Far East picked up for the year despite the impact of SARS. Kyro's position in South America is determined by Brazil where demand continued to be reasonable. In the Middle East the Iraq War and uncertain situation impaired demand.

The situation in the Middle East and prevailing business cycle reduced utilisation capacity in the glass processing industry, which had an effect on the sales of maintenance services. However, the service contract base continued to grow. Purchasing decisions concerning second hand machines were postponed to the present year. The geographical network of Tamglass' and Bavelloni's maintenance operations was upgraded in Eastern Europe, among other areas.

Tamglass Technologies supplied glass to several demanding construction projects, such as the main post

office in Stockholm, the southern harbour terminal in Helsinki, Ikea's head office in Helsingborg and the new annex of Tampere University.

The energy business sector's turnover amounted to EUR 28.3m (EUR 26.3m) for the period under review. Operating profit came to EUR 5.6m (EUR 5.5m), representing 19.6% of turnover (20.9%). The low water level of the Kyrösjärvi lake impaired the utilisation rate of the hydropower plant. Kyro Power acquired the district heating network of the Hämeenkyrö municipality, which boosts the company's district heating operations.

Investments made by the Kyro Group amounted to EUR 62.7m (EUR 6.8m). They mainly comprised the acquisition costs of shares in Z.Bavelloni, the Glasto Group and Suomen Lämpölasi Oy.

The Kyro Group's staff numbered on average 1,015 (536). The number of employees has increased due to corporate acquisitions and recruitment for Tamglass plants in China and Brazil.

The basic structure of the business sectors within the Kyro Group is good. Glaston Technologies is world market leader in a growing business area and has a good orderbook. Kyro Power's business is stable and profitable.

The major question marks in 2004 for Kyro concern the exchange rate of the euro and its fluctuations as well as general economic trends, especially those prevailing in the large EU countries. If the euro stays at its present level or strengthens even further, 2004 will be more challenging for Kyro than the previous year.

	2003	2002	Change	%
Turnover, EUR m	226.7	144.3	82.4	57
Operating profit, EUR m	19.8	18.7	1.1	6
Investments, EUR m	62.7	6.8	55.9	822
Staff, persons	1,015	536	479	89

GWS Systems is a manufacturer of industrial workstations and Sovella shelving systems. Product development, manufacture and marketing are based in Jyväskylä. GWS Systems' sales offices operate in the USA, France, Sweden and Germany. In addition, the parent company has sales offices in the UK and China. Overseas operations account for almost half of turnover.

The year 2003 did not go according to plan for GWS Systems. Industrial investment was at an extremely low level during the first half year. In general the world economy picked up slightly during the autumn of 2003.

Demand for GWS Systems products improved in Germany and France, remained at the same level in domestic markets and deteriorated in the USA, the UK and Sweden. The reason for this was the continuing downturn in investment in the telecommunications and the electronics sectors.

The Workshop and Sovella product lines did well in 2003. The performance of the Concept product line was weaker than expected. With respect to exports, targets were met in Germany, Hungary, Norway and Russia. The largest shortfalls from target occurred in the USA, the UK and Spain.

The turnover of the GWS Systems Group amounted to EUR 19.3m (EUR 21.8m). Due to weak demand operating profit was negative despite a good autumn and company reorganisation. A major effort and at the same time a reorganisation activity was organising outplacement training during the autumn. It covered the entire staff and lasted fifteen days. Net loss mainly stemmed from overseas operations in the USA, the UK and China. The sales offices were drastically reorganised during the year. Overseas staff numbers fell from 46 to 34.

Development measures focused on ensuring future operations were continued during the year. A programme for the diversification of sales channels was introduced in line with strategy in conjunction with Finpro and work on this will continue in 2004. The launch of Visio laboratory fittings was continued

and a breakthrough is expected in 2004 primarily in the USA. The project to develop operations continued and organisational changes were carried out in the company at the end of the year.

The company employed on average 211 people (265). Investments deployed amounted to EUR 0.1m, mainly focused on production equipment. R&D costs came to EUR 0.3m.

No great changes are expected in the foreseeable future. The company's cost structure is, however, considerably lower than a year ago. GWS Systems will continue to follow very tight cost control and the budget also contains staff reorganisations in the year. As a consequence, the result for 2004 will be clearly positive. The budget assumes that demand will on average stay the same among existing customers. Growth will be generated through new customer segments and distribution channels. New distribution channels will also enable the sale of Workshop fittings outside Scandinavia.

	2003	2002	Change	%
Turnover, EUR m	19.3	21.8	-2.5	-11
Operating profit, EUR m	-0.2	-2.1	1.9	90
Investments, EUR m	0.1	1.8	-1.7	-94
Staff, persons	211	265	-54	-20

GWS Systems



GWS Pikval



GWS Pikval is a full-service supplier of fittings for department stores, retail outlets and other public facilities. The company's strengths are in project management and combining different fitting materials. The plant is based in Vaajakoski situated in the Rural District of Jyväskylä. The company's main market areas are Finland, Sweden, Norway, the Baltic countries, Poland and Russia.

The turnover of the GWS Pikval Group for 2003 amounted to EUR 16.8m, slightly down on the previous year.

Domestic shopfittings and public sector fittings exceeded targets by some ten per cent. On the other hand, exports, especially to Russia, Poland and Germany, were considerably below target.

The most important shopfitting projects in Finland were the Citymarket stores in Malmi and Oulu. The manufacture of fittings for Stockmann's department store in Moscow, Mega-1, provided work at the end of the year, but invoicing was deferred to 2004. As regards public-facility fittings, the most important projects were the Faculty of Veterinary Science at the University of Helsinki, the Department of Food Technology in Viikki and the Leppävaara local library in Espoo.

Expectations concerning turnover in Russia were not fulfilled, as existing repeat customers postponed their investments and orders by new customers did not provide the desired result. In order to improve the situation, reorganisation of operations was launched at the end of the year with the main objectives of setting up a leaner sales organisation in respect of costs and hedging risks.

In Poland a reorganisation was implemented in line with demand with the aim of attaining a positive result in 2004. In Scandinavia close cooperation continued with the successful Swedish hardware chain, Clas Ohlson AB. Pikval will provide fittings for the company's stores in Sweden and Finland for the next three years. Baltic operations have mainly comprised indirect export.

The quality project was completed and, connected to this, the quality control system, environmental system and occupational health and work safety system were granted certification.

Investment by GWS Pikval amounted to EUR 0.2m. R&D received EUR 0.4m.

Company staff numbered on average 120 people (135).

The managing director, Juhani Markkanen, retired on 29 February 2004 in accordance with GWS retirement regulations. Sami Kähärä, who joined the company on 8 September 2003, is filling the post.

The prospects for 2004 are encouraging. The order-book at the turn of the year is exceptionally good. In addition the measures implemented in export marketing will turn the result to positive.

	2003	2002	Change	%
Turnover, EUR m	16.8	17.4	-0.6	-3
Operating profit, EUR m	0.0	0.1	-0.1	-100
Investments, EUR m	0.2	0.4	-0.2	-50
Staff, persons	120	135	-15	-11

Report by the G.W. Sohlberg Corporation's Board of Directors for 2003

2003 was the G.W. Sohlberg Corporation's 95th financial year and 128th year of operations.

GROUP STRUCTURE

The G.W. Sohlberg Corporation's stake in the Perlos Corporation fell from 36.97% held at the end of the previous year to 34.44%. The stake in the Kyro Corporation decreased from 20.94% held at the turn of the previous year to 20.84%.

During the year the G.W. Sohlberg Corporation sold off the 19.9% stake held in GWS Finncont Oy's shares. The G.W. Sohlberg Corporation's stake in Amanda Capital Oyj dropped from 4.4% to 3.2%.

The Group's parent company has operated as a provider of central services to the Group.

TURNOVER

Consolidated turnover amounted to EUR 36.1m. Turnover declined by EUR 3.9m, or by 9.8% (previous year decrease 36.3%). Since GWS Systems' FPS business and GWS Finncont Oy's January figures were included in the turnover for 2002, the comparable decrease in turnover without the omitted operations was 2.7%. The largest drop in turnover was posted by the GWS Systems Group at 11.5%. This was due to the long-term slump in investments by the telecommunications and other electronics industries especially in export markets and by the divestment of the FPS business.

Direct exports and overseas operations together accounted for EUR 13.6m, which represents 37.8% of consolidated turnover.

FINANCIAL RESULT

The Group's financial result exceeded target and was up on the previous year. Profit before extraordinary items amounted to EUR 13.5m (EUR 12.4m). The result was boosted by the over 30% growth in the share of the associated companies' profits as compared to the previous year.

GWS Systems, including subsidiaries, had an operating profit of -EUR 0.2m. Operating profit improved over the previous year (-EUR 2.1m). GWS Pikval's operating profit, including subsidiaries, was slightly below the level of the previous year at -EUR 0.0m (EUR 0.1m). Neither company met the set targets.

The share of the Kyro Corporation's profit for the accounting period 2003 amounted to EUR 1.7m (EUR 1.6m). The share of the Perlos Corporation's profit for the accounting period 2003 came to EUR 11.2m (EUR 7.8m).

INVESTMENTS

The G.W. Sohlberg Corporation disposed of 1,000,000 shares in the Perlos Corporation during 2003. Income on the sale of the shares amounted to a sale price of EUR 6.1m. In addition, shares in the Kyro Corporation to the value of EUR 1.4m were sold off. The profit gained from the sale of the shares totalled EUR 4.6m (EUR 8.4m).

After the review period the G.W. Sohlberg Corporation has sold 1,600,000 shares in the Kyro Corporation, 200,000 shares in the Perlos Corporation and 6,743,000 shares in Amanda Capital Oyj. Income on the sale of the shares totalled a sale price of EUR 15.5m.

The target of positive cashflow by the subsidiaries kept industrial investment to a minimal level. Group investments in machinery and equipment amounted to EUR 0.4m representing 1.2% of turnover.

EUR 0.7m was invested in R&D activities by the Group's subsidiaries mainly focused on product development.

FINANCING

Consolidated liabilities amounted to EUR 78.4m (EUR 92.5m), of which EUR 69.3m (EUR 81.7m) was interest-bearing. At the same time the Group had cash assets of EUR 5.9m (EUR 12.8m).

The ratio of shareholders' equity to the balance sheet total was 48.9% (43.2%). The value of shares in the associated company, the Perlos Corporation, in the Group balance sheet is EUR 50.6m and the associated company, the Kyro Corporation, EUR 43.0m.

STAFF

Group staff numbered on average 364 (450) with 23 (31) in the parent company.

ASSOCIATED COMPANIES

The G.W. Sohlberg Corporation's stake in the associated company, the Perlos Corporation, decreased from 36.97% held at the end of the previous year to

34.44% due to a share sell-off and implementation of the options programme. The stake in the Kyro Corporation fell from 20.94% held at the turn of the previous year to 20.48%.

The associated companies, the Perlos Corporation and the Kyro Corporation, together with their subsidiaries, are included in the consolidated accounts using the equity accounting method, whereby the companies' figures for turnover and other such items are not included in the consolidated accounts except for share of the associated companies' profits recorded in the income statement and shares in associated companies recorded in the balance sheet.

The Perlos Corporation had a turnover of EUR 452.3m. Growth on the previous year was EUR 87.7m or about 24.1%. Turnover increased throughout the whole of 2003, while Perlos made an all-time record for turnover in the fourth quarter. Turnover grew especially through sales to new customers. Turnover before goodwill amortisation amounted to EUR 39.9m, representing 8.8% of turnover. The G.W. Sohlberg Corporation's dividend income from the Perlos Corporation was EUR 4.3m (EUR 5.1m).

The Kyro Corporation had a turnover of EUR 226.7m. Growth on the previous year was EUR 82.4m, or about 57.1%. Turnover made by the Glaston Technologies business sector grew by 68% in 2003 through corporate acquisitions (Z.Bavelloni, Glasto and Suomen Lämpöläsi Oy). In addition, the energy business sector's

turnover rose slightly. Operating profit before Group goodwill amortisation amounted to EUR 22.9m, representing 10.1% of turnover (13.0%). The G.W. Sohlberg Corporation's dividend income from the Kyro Corporation was EUR 2.5m (EUR 2.8m).

After the review period the G.W. Sohlberg Corporation's stake in the Kyro Corporation has fallen to 16.45%.

PROSPECTS FOR 2004

Perlos is expected to continue its rapid growth and the result to improve on the previous year. Kyro's Glass Technology business sector is being hit by the weak dollar and attainment of the previous year's result will be challenging.

The subsidiaries will make a positive result at the level of operating profit in 2004.

The result of the entire GWS Group is expected to be better than for the previous year.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF EARNINGS

	EUR k
Group disposable unrestricted shareholders' equity	53,091
Parent company disposable unrestricted shareholders' equity	35,354
The board proposes that the disposable assets be allocated as follows:	
• distributed as dividend to shareholders at EUR 2.00 per share	5,400
• deposited in the shareholders' equity	29,954
	35,354

Espoo, 4 March 2004

Klaus Sohlberg
Chairman

Heikki Tulenheimo
Vice Chairman

Jan Hasselblatt

Kari O. Sohlberg

Kari Stadigh

Teppo Taberman

Tiina Tallberg

Juhani Virkkunen

Heikki Mairinoja
CEO

Income Statement 1.1.-31.12.

EUR k	Group		Parent Company	
	2003	2002	2003	2002
TURNOVER	36,117	40,041	740	1,127
Change in inventories of finished products and WIP	287	28	-	-
Manufacture for own use	22	45	-	-
Share of associated companies' profits	12,882	9,883	-	-
Other operating income	7,058	10,831	8,521	12,329
Materials and services				
Materials, supplies and goods				
Purchases during accounting period	-14,260	-15,199	-	-
Change in inventories	104	-455	-	-
External services	-396	-530	-	-
Materials and services total	-14,552	-16,184	-	-
Staff expenditure				
Wages, salaries and fees	-10,888	-12,285	-1,391	-1,584
Staff social expenditure				
Pension costs	-1,991	-2,232	-514	-571
Other staff expenditure	-1,002	-1,440	-72	-117
Staff expenditure total	-13,881	-15,957	-1,977	-2,272
Depreciations and write-downs				
Depreciation according to plan	-2,636	-3,096	-340	-409
Depreciation total	-2,636	-3,096	-340	-409
Other operating expenditure	-8,700	-10,434	-3,379	-3,621
OPERATING PROFIT	16,597	15,157	3,565	7,154
Financial income and expenditure				
Long-term investment income from Group companies	-	-	31	1,777
Income from stake in associated companies	-	-	9,470	11,174
Long-term investment income from other companies	95	115	95	115
Other interest and financial income from Group companies	-	-	306	695
Other interest and financial income from other companies	635	879	621	824
Write-down refunds	-	711	-	711
Interest expenditure and other financial expenditure to Group companies	-	-	-131	-147
Interest expenditure and other financial expenditure to other companies	-3,852	-4,426	-3,610	-4,334
Financial income and expenditure total	-3,122	-2,721	6,782	10,815
PROFIT BEFORE EXTRAORDINARY ITEMS	13,475	12,436	10,347	17,969
Extraordinary items				
Extraordinary income	-	395	-	585
Extraordinary expenditure	-276	-4,313	-1,901	-4,698
Extraordinary items total	-276	-3,918	-1,901	-4,113
PROFIT BEFORE APPROPRIATIONS AND TAXES	13,199	8,518	8,446	13,856
Difference in depreciation decrease	-	-	20	82
Income tax	453	777	-2,427	-3,284
NET PROFIT FOR THE YEAR	13,652	9,295	6,039	10,654

Balance Sheet 31.12.

EUR k	Group		Parent Company	
	2003	2002	2003	2002
ASSETS				
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS				
Intangible assets				
Other long-term expenditure	792	1,032	53	97
Advances	6	7	-	-
Intangible assets total	798	1,039	53	97
Tangible assets				
Land and installation charges	9,372	9,404	489	489
Buildings and constructions	14,591	15,083	4,994	5,140
Machinery and equipment	6,977	8,462	536	552
Advances and purchases in progress	7	16	-	-
Tangible assets total	30,947	32,965	6,019	6,181
Investments				
Shares in Group companies	-	-	38,720	38,681
Receivables from Group companies	-	-	83	1,187
Shares in associated companies	93,556	90,777	69,790	72,071
Other shares and holdings	4,655	5,242	4,604	5,191
Other receivables	-	1,186	-	1,178
Investments total	98,211	97,205	113,197	118,308
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS TOTAL	129,956	131,209	119,269	124,586
INVENTORIES AND FINANCIAL ASSETS				
Inventories				
Materials and supplies	1,098	1,084	-	-
Work in progress	702	793	-	-
Other products/goods	3,755	3,822	-	-
Inventories total	5,555	5,699		
Receivables				
Long-term				
Loans receivable	-	-	-	-
Other receivables	-	6	-	-
Prepaid expenditure and accrued income	-	-	-	-
Long-term receivables total	0	6	0	0
Short-term				
Accounts receivable	5,483	5,386	346	300
Receivables from Group companies	-	-	5,242	11,537
Receivables from associated companies	21	11	-	-
Loans receivable	11	14	-	-
Other receivables	1,564	1,591	1,517	1,517
Prepaid expenditure and accrued income	6,337	7,191	5,854	6,407
Short-term receivables total	13,416	14,193	12,959	19,761
Receivables total	13,416	14,199	12,959	19,761
Cash and bank accounts	5,869	12,811	5,143	11,773
INVENTORIES AND FINANCIAL ASSETS TOTAL	24,840	32,709	18,102	31,534
ASSETS TOTAL	154,796	163,918	137,371	156,120

Balance Sheet 31.12.

EUR k	Group		Parent Company	
	2003	2002	2003	2002
LIABILITIES				
SHAREHOLDERS' EQUITY				
Restricted equity				
Share capital	18,900	18,900	18,900	18,900
Revaluation reserve	168	168	168	168
Other restricted equity	1,705	1,705	1,649	1,649
Restricted equity total	20,773	20,773	20,717	20,717
Unrestricted equity				
Accumulated profit from previous years	41,336	40,688	29,314	27,220
Net profit for the year	13,652	9,295	6,039	10,654
Unrestricted equity total	54,988	49,983	35,353	37,874
SHAREHOLDERS' EQUITY TOTAL	75,761	70,756	56,070	58,591
ACCUMULATED APPROPRIATIONS				
Accumulated difference in depreciation	-	-	915	935
COMPULSORY RESERVES				
Other compulsory reserves	684	686	679	679
LIABILITIES				
Long-term				
Loans from financial institutions	31,171	58,146	31,171	58,145
Loans from pension institutions	264	793	265	793
Debt to Group companies	-	-	15	8
Deferred tax liabilities	1,526	1,706	-	-
Other long-term liabilities	269	300	254	292
Long-term liabilities total	33,230	60,945	31,705	59,238
Short-term liabilities				
Loans from financial institutions	37,107	21,796	37,071	21,772
Loans from pension institutions	529	650	529	650
Advances received	16	632	-	-
Accounts payable	1,609	1,657	62	140
Debt to Group companies	-	-	7,122	9,891
Debt to associated companies	2	-	-	-
Other short-term debt	822	773	205	153
Accrued liabilities and prepaid income	5,036	6,023	3,013	4,071
Short-term liabilities total	45,121	31,531	48,002	36,677
LIABILITIES TOTAL	78,351	92,476	79,707	95,915
SHAREHOLDERS' EQUITY, RESERVES AND LIABILITIES TOTAL	154,796	163,918	137,371	156,120

Source and Application of Funds 31.12.

EUR k	Group		Parent Company	
	2003	2002	2003	2002
Cash from operations				
Operating profit/loss	16,597	15,157	3,565	7,155
Adjustments to operating profit/loss	-1,940	-5,367	-5,022	-8,823
Change in working capital	-704	5,000	2,948	8,895
Interest expenditure and costs paid	-3,852	-4,426	-3,740	-4,481
Dividends received	0	0	9,470	12,810
Interest income received	642	1,554	1,053	2,486
Tax and tax rebates	273	427	-2,428	-3,284
Net cash flow from operations	11,016	12,345	5,846	14,758
Cash flow from investments				
Investments in tangible and intangible assets	-519	-2,004	-208	-250
Income on disposal of tangible and intangible assets	4,440	14,565	8,092	10,161
Investments in other investment items	-1,006	-5,966	-39	-5,197
Repayments of loans receivable	-	-	2,282	3,427
Net cash flow from investments	2,915	6,595	10,127	8,141
Cash flow from financing				
Short-term loans raised	37,636	22,446	37,601	22,422
Short-term loans repaid	-22,446	-25,247	-22,422	-25,211
Long-term loans raised	5,000	12,000	5,000	12,000
Long-term loans repaid	-32,504	-15,785	-32,533	-15,785
Dividends paid	-8,559	-4,050	-8,559	-4,050
Group contributions received and paid	-	-	-1,690	-3,935
Net cash flow from financing	-20,873	-10,636	-22,603	-14,559
Change in liquid assets	-6,942	8,304	-6,630	8,340
Liquid assets 1.1.	12,811	4,507	11,773	3,433
Liquid assets 31.12.	5,869	12,811	5,143	11,773
Change in working capital				
Short-term operating receivables decrease (+) / increase (-)	783	-666	6,802	-210
Inventories decrease (+) / increase (-)	144	3,996	-	-
Short-term debt decrease (-) / increase (+)	-1,631	1,670	-3,854	9,105
Change in working capital	-704	5,000	2,948	8,895

G.W. Sohlberg Corporation

Group Supplementary Information

PRINCIPLES FOR THE PREPARATION, VALUATION METHODS AND COMPARABILITY OF THE CONSOLIDATED ACCOUNTS

CALCULATION PRINCIPLES FOR THE CONSOLIDATED ACCOUNTS

The consolidated accounts have been drawn up using the acquisition accounting method.

The price paid for the subsidiaries' shares in excess of shareholders' equity has been entered partly under fixed assets and partly under Group goodwill. The items under fixed assets are depreciated according to useful economic life. The goodwill part has been fully amortised.

INTRAGROUP BUSINESS TRANSACTIONS AND MARGINS

Intragroup business transactions, unrealised margins on intragroup deliveries, intragroup receivables and payables have been eliminated.

EXCHANGE RATE AND TRANSLATION DIFFERENCES

The income statements of Group companies in Sweden, the USA and Poland have been translated into euros using the average rate of exchange for the accounting period and the balance sheets using the average rate of exchange at the balance sheet date.

Translation differences due to fluctuations in exchange rates arising in the elimination of mutual shareholding have been entered under unrestricted shareholders' equity.

ITEMS DENOMINATED IN FOREIGN CURRENCY

Group companies' receivables and payables denominated in foreign currency have been translated into euros using the average exchange rate at the balance sheet date.

CHANGES IN GROUP STRUCTURE

There were no changes in Group structure during 2003.

ASSOCIATED COMPANIES

Associated companies including their subsidiaries have been entered using the equity accounting method.

THE PERLOS CORPORATION

During the accounting period a total of 1,000,000 shares in the Perlos Corporation was sold off. The inter-company margin generated by business transaction between the associated company and Group companies has been eliminated from the share of associated companies' profits.

The value of the Group's shareholding of 34.44% at the share price of EUR 6.33, quoted on the closing stock exchange day of trading of the year, amounted to EUR 116.3m.

THE KYRO CORPORATION

During the accounting period a total of 179,800 shares in the Kyro Corporation has been sold off in various blocks. At the end of the year the Group's shareholding stood at 20.48%. The amortisation period for goodwill is twenty years.

The value of the Group's shareholding at the share price of EUR 7.90, quoted on the closing stock exchange day of trading of the year, amounted to EUR 64.2m.

FIXED ASSETS

The balance sheet values of fixed assets are based on the original acquisition price less depreciation according to plan. Depreciation according to plan has been calculated on a straight-line basis on the useful economic life of the fixed assets. Land and buildings also include revaluations from previous years amounting to EUR 2.6m.

INVENTORIES

Fixed assets are presented at acquisition price or at the lower of replacement cost or probable market price. Purchasing and manufacturing variable costs have been capitalised under inventories.

CASH AND BANK ACCOUNTS

Cash and bank accounts include cash assets, bank accounts, deposits of under three months and other similar liquid assets.

SUPPLEMENTARY INFORMATION ON INCOME STATEMENT

EUR k (unless otherwise indicated)

1. Turnover by business sector and market area

Turnover by business sector:

Industrial fittings	19,261	21,607
Shop and public-facility fittings	16,856	17,656
Containers	0	778
Total	36,117	40,041

Turnover by business area:

Finland	22,478	24,985
Other Nordic countries	3,499	3,352
Other Europe	8,064	8,951
USA and Canada	1,596	2,164
Other countries	480	589
Total	36,117	40,041

2. Other operating income

Rental income	2,484	2,428
Profit on sale of fixed assets, grants etc.	4,574	8,403
Total	7,058	10,831

3. Depreciation according to plan

Other long-term expenditure	320	511
Buildings and constructions	536	732
Machinery and equipment	1,780	1,853
Total	2,636	3,096

Depreciation according to plan has been calculated from the initial acquisition price on a straight-line basis based on useful economic life.

The periods for depreciation according to plan are as follows:

Goodwill	10 years
Other long-term expenditure	2-10 years
Buildings	40 years
Constructions	10 years
Machinery and equipment	3-10 years

4. Other operating expenditure

Other operating expenditure comprises purchasing and manufacturing, sales and marketing and administration costs not including payroll costs.

5. Financial income and expenditure	2003	2002
Long-term investment income from other companies	95	115
Other interest and financial income from other companies	635	879
Write-down refunds	0	711
Interest expenditure and other financial expenditure to other companies	3,852	4,426
Total	3,122	2,721
6. Extraordinary income and expenditure		
<i>Extraordinary income</i>		
Sale of GWS Finncont Oy business	0	171
Sale of GWS Systems Oy's FPS business	0	199
Other	0	25
Total	0	395
<i>Extraordinary expenditure</i>		
Expenditure on sale of Group companies	210	179
Kiinteistö Oy Punamullantie 2, demolition loss	56	3,232
Klaukkala real estate sales loss	0	868
Other	10	34
Total	276	4,313
7. Appropriations		
<i>Distribution of decrease in difference in depreciation and change in voluntary reserves</i>		
Decrease in deferred taxation (income tax)	-184	-343
In profit for the year	-450	-842
Difference in depreciation total	-634	-1,185

SUPPLEMENTARY INFORMATION ON BALANCE SHEET ASSETS

1. Revaluations

Fixed assets include the following revaluations made during previous accounting periods:

Land	235	235
Buildings	2,355	2,355
Total	2,590	2,590

In making the revaluations the going value of the assets has been found to be substantially higher than the original value of the acquisition. Therefore, in compliance with the principles of conservatism, part of the difference between the going value and the book value has been entered during previous accounting periods as revaluation.

2. Prepaid expenses and accrued income

Long-term

	2003	2002
Tax credit receivables	5,709	6,223
TEL pension receivables	237	369
Other	391	599
Total	6,337	7,191

3. Fixed assets and other long-term investment

	Land	Buildings and constructions	Machinery and equipment	Acquisitions in progress	Shares in associated companies	Other shares and holdings	Other long-term expenditure
Acquisition cost 1.1.	9,169	31,002	18,479	16	90,777	5,242	3,756
Increases	0	38	436	0	6,155	13	86
Decreases	-32	0	-541	-9	-3,376	-600	0
Acquisition cost 31.12.	9,137	31,040	18,374	7	93,556	4,655	3,842
Accumulated depreciation 1.1.	0	-18,268	-10,048	0	0	0	-2,730
Decrease accumulated depreciation	0	0	431	0	0	0	0
Plan depreciation for accounting period	0	-536	-1,780	0	0	0	-320
Revaluations	0	0	0	0	0	0	0
Accumulated depreciation 31.12.	0	-18,804	-11,397	0	0	0	-3,050
Revaluations	235	2,355	0	0	0	0	0
Balance sheet value 31.12.	9,372	14,591	6,977	7	93,556	4,655	792

4. Undepreciated part of acquisition costs of machinery and equipment

5. Receivables from associated companies

Short-term

Accounts receivable	21	11
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SUPPLEMENTARY INFORMATION ON BALANCE SHEET LIABILITIES

1. Shareholders' equity

1.1. Restricted equity

Share capital

Parent company shares are divided as follows:

Common 900,000 (one share/one vote) 1.1. and 31.12	6,300	6,300
Preferred shares 1,800,000 (ten shares/one vote) 1.1. and 31.12.	12,600	12,600
Share capital total	18,900	18,900

Shares total 2.7m at a nominal value of EUR 7 per share.

Preferred shares are entitled to a dividend of eight per cent from net profit for the year, after which common shares are entitled to a dividend of up to eight per cent. If there is a distribution of dividend above this amount, each share is entitled to the same amount. (Articles of Association §15)

Revaluation reserve 1.1. and 31.12.
Other restricted shareholders' equity

Restricted total

Other restricted shareholders' equity mainly comprises the premium reserve.

1.2. Unrestricted shareholders' equity

Accumulated profit from previous years 1.1.

Distributed dividend 2002/2001

Eliminations and translations

Accumulated profit from previous years 31.12.

Net profit for the year

Unrestricted total

Shareholders' equity total

Book portion of accumulated depreciation difference

Distributable funds from unrestricted shareholders' equity

2. Compulsory reserves

Environment liability reserve

Reserve for rental costs

Other compulsory reserves

Total

The parent company holds a commitment that the real estate at Terbekenhofdreef 51-55, Wilrijk, Belgium, does not constitute a hazard to the environment. Belgian law and regulations are observed. To cover the commitment, an environment liability reserve of EUR 0.5m has been made, which has been entered under extraordinary expenditure in the accounts for 1997.

The reserve for rental costs has been entered under other operating expenditure for previous accounting periods. Change in other compulsory reserves has been entered under other operating expenditure.

3. Liabilities maturing in over five years

2003

2002

168

168

1,705

1,705

20,773

20,773

49,983

44,889

-8,559

-4,050

-88

-151

41,336

40,688

13,652

9,295

54,988

49,983

75,761

70,756

1,897

2,351

53,091

47,632

477

477

202

202

5

7

684

686

555

0

4. Accrued liabilities and prepaid income	2003	2002
Wages and salaries incl.social costs	1,933	1,825
Interest	325	515
Income tax	2,475	3,299
Other	303	384
Total	5,036	6,023
5. Accumulated appropriations		
<i>Accumulated depreciation difference</i>		
Deferred tax liability	775	955
Shareholders' equity	1,897	2,351
Total	2,672	3,306
6. Deferred tax liabilities		
Appropriations	775	955
Revaluations	751	751
Total	1,526	1,706
SUPPLEMENTARY INFORMATION ON INCOME TAX		
Income tax on normal operations	-177	724
Income tax on extraordinary items	-80	-1,136
Tax rebates from previous accounting periods	0	-22
Tax from previous accounting periods	-12	0
Change in deferred tax liability	-184	-343
Total	-453	-777
SECURITIES AND COMMITMENTS		
1. Loans with real estate mortgaged as security		
Financial institutions	1,009	3,027
Mortgages	8,784	18,471
2. Loans with securities as collateral		
Financial institutions	47,234	68,890
Book value of collateralised securities	35,605	61,531
3. Other commitments for own company		
Deposits	1,119	3,968
4. Other commitments		
Guarantees to others	320	563
Rents	2,213	2,438

**SUPPLEMENTARY INFORMATION ON STAFF
AND COMPANY OFFICERS**

	2003	2002
1. Average staff		
Wage earners	184	223
Salaried staff	180	227
Total	364	450
2. Directors' salaries and fees		
Parent company Board chairman and domestic Group company managing directors	696	747
Board members	126	103
Total	822	850
3. The retirement age for the chairman of the parent company board of directors and for domestic Group company managing directors is 60-65.		

SHARES AND HOLDINGS IN OTHER COMPANIES

1. Shares and holdings

	Group stake %	Group voting rights %	Group share in equity capital EUR k
Group companies in consolidated accounts			
GWS Systems Oy, Jyväskylä	100	100	10,055
GWS Industri AB, Sweden	100	100	100
G.W. Sohlberg GmbH, Germany	100	100	370
GWS Industries SARL, France	100	100	551
GWS INC., USA	100	100	1,410
GWS Pikval Oy, Jyväskylä	100	100	2,035
GWS Pikval Sp. z o.o., Poland	100	100	-92
Ahventien Plastiikki Oy, Virrat (in liquidation)	100	100	1,658
GWS Plast Oy, Nurmijärvi (in liquidation)	100	100	1,697
Kiinteistö Oy Työnjohtajankatu 1, Helsinki	100	100	15,772
Kiinteistö Oy Punamullantie 2, Nurmijärvi	100	100	-585
As Oy Helsingin Ehrensärdintie 25, Helsinki	100	100	3,732
Pakopaikka Oy, Helsinki	100	100	141
GWS Trade Oy, Helsinki	100	100	7

2. Other shares and holdings with significant Group stake

	Group stake %	Group voting rights %	Group share in equity capital EUR k	Shares/stake owned by the Group			
				stake %	No.	Nom. value EUR k	Book value EUR k
Associated companies							
Perlos Corporation	34.44	34.44	48,643	34.44	18,370,000	11,022	50,577
Kyro Corporation	20.48	20.48	27,828	20.48	8,127,400	1,300	42,979
Associated companies total							93,556
Other shares and holdings (over EUR 17k)							
Amanda Capital Oyj					6,734,000		1,214
Yomi Oyj					2,640		23
Flexlink AB					750,000		3,090
Oy Nordgolf Ab					3		17
Asunto Oy Pattistenrinne					1		248
Other shares							63
Other shares and holdings total							4,655
Investments total							98,211

Auditors' Report

TO THE SHAREHOLDERS OF THE G.W. SOHLBERG CORPORATION

We have examined the accounting records, the financial statements and the governance of the G.W. Sohlberg Corporation for the accounting period 1.1.-31.12.2003. The financial statements presented by the Board of Directors and the Chief Executive comprise an account of the operations, the income statement and balance sheet of both the Group and the Parent Company and supplementary information. On the basis of our examination we submit our report on the financial statements and governance.

The audit has been conducted in accordance with good auditing practice. The accounting records and principles employed in drawing up the financial statements have thus been examined to a sufficient extent to determine that the financial statement do not contain any essential errors or shortcomings. Examination of governance shows that members of the Board of Directors and the Chief Executive have acted in accordance with the law as stated in the Companies Act.

We hereby submit that the financial statements have been prepared in accordance with the Accounting

Act and other rules and regulations governing their preparation. The financial statements give a true and fair view of the result of the operations and the financial position of the Group and the Parent Company in conformity with the Accounting Act. The financial statements and consolidated accounts can be adopted and the members of the Board of Directors and the Chief Executive discharged from liability for the accounting period under review. The proposal by the Board of Directors for the disposal of earnings is in accordance with the Companies Act.

Helsinki, 12 March 2004

ERNST & YOUNG OY

C.A.Corporation

Pekka Luoma

C.A.

Harri Pärssinen

C.A.

G.W. Sohlberg Corporation Principles for Corporate Governance

GENERAL

The corporate governance of the G.W. Sohlberg Corporation (the "Company") complies with the Finnish Companies Act, other legislation and the Articles of Association of the G.W. Sohlberg Corporation.

This document defines, in particular, the general principles of the G.W. Sohlberg Corporation's higher bodies of governance and also the general administration of the Company.

ANNUAL GENERAL MEETING

The Annual General Meeting is the highest decision-making body in the Company. It meets on an annual basis to decide, among other things, on the following issues stipulated by the Companies Act and the Company's Articles of Association:

- approval of the annual accounts
- distribution of dividend
- election of members to the Board of Directors and of the auditors.

The Chairman of the Board of Directors, chairpersons of management bodies and the Company's executive management are present at the Annual General Meeting. The Annual General Meeting is convened by the Board of Directors and must be held on a date determined by the Board of Directors before the end of April.

THE BOARD OF DIRECTORS

The Annual General Meeting elects members to the Board of Directors from shareholders of the Company for a three-year term of office. One-third of the members of the Board of Directors retires in turn each year. A member whose term of office is expiring can be re-elected. In compliance with the Articles of Association the Board of Directors should comprise at least seven and at most nine members. The Board of Directors elects the Chairman and Vice Chairman from their own circle.

The recommendation for the term of office served by a member of the Board of Directors is 2-3 terms with an age limit of 70.

The Board of Directors represents the Company. Together with the Chief Executive it is responsible for the management and administration of the Company and for the appropriate organisation of operations. Legislation in force and the Articles of Association determine the responsibilities and authority of the Board of Directors. The duties of the Board of Directors is more specifically stipulated in these principles of governance.

Duties of the Board of Directors

It is the duty of the Board of Directors:

- to convene the Annual General Meeting and prepare issues to be dealt with by the Annual General Meeting and attend to their execution
- to attend to the administration of the Company and appropriate organisation of business operations as well as to ensure that supervision of the accounts and management of financial administration are properly conducted
- to approve the strategic targets, plans and basic values of the Company
- to approve action plans and budgets
- to monitor implementation of strategic plans and evaluate the results attained and, if necessary, to decide on changes in plans and targets
- to make decisions on loans, mortgages, guarantees, investments, the organisation of firms, major expansions of or reductions in operations, the establishment of new companies or business groups and entering new business sectors
- to approve the Company's operational policy and instructions for areas with significant bearing on management and control
- to decide on the Company's dividend policy and prepare the proposal for the disposal of earnings and other allocation of profit for the Annual General Meeting
- to decide, with a view to the Company's size, on other major issues that do not belong to the day-to-day running of business

- to grant and revoke procuration authorisations
- to appoint and dismiss the CEO and deputy CEO
- to approve the appointment and dismissal of direct subordinates to the CEO and the remuneration principles
- to select the subsidiaries' boards of directors on the recommendation of the Group's CEO and appoint the subsidiaries' managing directors based on nomination by their respective boards
- to monitor issues related to management succession on an annual basis and draw appropriate conclusions
- to make an annual evaluation of its own activities
- to assume responsibility for other duties required of the Board of Directors by the Companies Act or elsewhere.

The Company's CEO is invited to meetings of the Board of Directors unless the Board of Directors decides otherwise in a certain case. Auditors are present in meetings of the Board of Directors or a committee if the items under consideration require their presence.

REMUNERATION AND APPOINTMENTS

The Board of Directors assumes collegial responsibility for corporate appointment and remuneration issues.

The Board of Directors has selected from among its members a Nominations Committee comprising three members to prepare the management of remuneration and appointment issues to be dealt with by the Board of Directors.

In respect of appointment issues the duties of the Board of Directors include:

- making proposals to the Annual General Meeting concerning the composition of the Board of Directors
- approving principles governing remuneration of members of the Board of Directors

- planning CEO succession and that of the CEO's direct subordinates
 - identifying executive potential within the firm
 - identifying executive potential outside the firm
 - evaluation of the development of executive potential
- approving remuneration principles concerning the CEO and the CEO's direct subordinates
- preparing an induction programme for the new CEO

CEO

The CEO is responsible for operational management of the Company in conformity with the regulations stipulated by the Companies Act and their principles of administration and in compliance with the instructions and orders issued by the Board of Directors. The CEO is responsible for the execution of the strategy approved by the Board of Directors. He ensures that the Company's accounts comply with the law and the management of assets is arranged in a reliable manner. The CEO represents the Company in public.

The CEO manages the running of the Group's board of management. The CEO is responsible for attending to the appropriate delegation of tasks. The CEO has the appointment and dismissal of his/her direct subordinates accepted by the Company's Board of Directors.

AUDIT

In compliance with the articles of Association the Company has two full auditors and one deputy auditor. An auditor's term of office runs until the closure of the following Annual General Meeting.

The auditors hold a joint meeting with the Board of Directors at least twice a year.

Calculation Formulas for Key Indicators

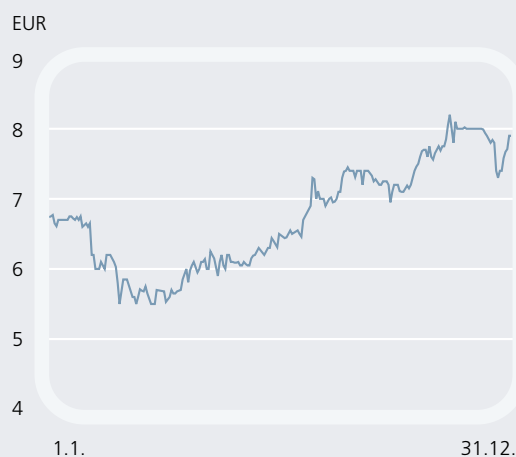
Interest-bearing net debt =	interest-bearing debt – interest bearing receivables – cash and other liquid financial assets	
Equity ratio, % =	$\frac{\text{shareholders' equity}}{\text{balance sheet total} - \text{advances received}}$	x 100
Return on equity, % (ROE) =	$\frac{\text{profit before extraordinary items} - \text{tax}}{\text{shareholders' equity (average)}}$	x 100
Return on investment, % (ROI) =	$\frac{\text{profit before extraordinary items} + \text{interest expenditure and other financial expenditure}}{\text{balance sheet total} - \text{non-interest-bearing debt (average)}}$	x 100
Equity/share, EUR =	$\frac{\text{shareholders' equity}}{\text{yearend number of shares}}$	

Share Price Trends

Perlos share price trend in 2003



Kyro share price trend in 2003



Source: HEX

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