



Year 2001 was an important transition year for Tamro Group. The Board of Directors abandoned the vision of the Nordic concept and shifted the corporate policy to cost leadership and the creation of added value through forward integration.

Tamro took its first steps in pharmacy ownership in Norway, Latvia and Estonia. Tamro Group's strategy to focus on the pharmaceutical distribution was finalised by the divestment of the company's stake in Mölnlycke Health Care AB.

More information:

→ [21 Dec 2001 Tamro sells its stake in the Swedish Mölnlycke Health Care AB](#)

The strong market position of over 50% in the Nordic countries gives Tamro Group a solid ground to achieve its strategy of cost leadership, customer orientation and forward integration.

Markets and operating environment

Markets

The year 2001 was highlighted by solid growth in pharmaceutical sales in each of the Nordic countries. Overall growth exceeded 9%, and it has remained at this level for the past four years. The increase in sales derives mainly from medicines launched during the last five years. This increased use of medicines is due to new therapy fields, intensified efforts to prevent diseases or their recurrence, and to the increased ageing of population.

In the Baltic States the growth of pharmaceutical wholesale varied between 5% and 10% and in Northwestern Russia reached a yearly growth rate of nearly 15% after a sluggish start.

Tamro Group took 70% of the total market growth in the Nordic countries. Tamro's market share rose to 51 (49)%, mainly due to the strong growth of wholesale operations in Norway.

Tamro Group is the clear market leader in Denmark, Sweden, Finland, Latvia and Northwestern Russia and the second largest wholesaler in Norway, Estonia and Lithuania.

Related topics:

→ [Market Facts](#)

Operating environment

A new Pharmacy Law, effective from 1 March 2001, freed pharmacy ownership and establishment in Norway. By the end of the year, 400 years of tradition had been replaced by full liberalisation of the pharmacy market and the establishment of three major pharmacy chains, of which the market leader is the Tamro Group company Apokjeden with its 40% share of the retail market. Deregulation continued also in Latvia and Estonia, where Tamro Group seized the opportunity to make its first pharmacy acquisitions.

In Denmark, the sales of certain ranges of OTC products were allowed outside pharmacies starting in October, and they are now sold to some extent in supermarkets, kiosks and gas stations. In Sweden, private entrepreneurs have demanded the liberalisation of OTC drugs. In Finland, the national medicinal strategy working group, which was established in November at the Ministry of Social Affairs and Health, will also examine the potential sales of OTC products through supermarkets.

In all the Baltic countries and also in Russia, decisions have been made to impose a VAT of 5-10% on medicines either in 2001 or in the years to come. The Baltic States also continued to implement new legislation in order to harmonise their regulatory requirements towards EU standards.

All the authorities in Tamro's operating area keep a keen watch on the pricing and reimbursement systems in order to curb the rising costs of medicines.

Q4 development

The positive growth of pharmaceutical wholesale continued during the fourth quarter. The aggregate sales of wholesalers in the Nordic countries grew by 9.6% compared to the corresponding period a year earlier. The increase was highest in Finland, over 13%, and lowest in Sweden, approximately 7%. Tamro's market share in the Nordic countries was 50.6%.


Tamro Group's net sales during the fourth quarter rose to EUR 1,002.7 (951.5) million, up 5.4% compared to the previous year. The Group operating profit was booked to EUR 39.0 million including in other income EUR 54.1 million from the sale of the shares in Mölnlycke Health Care AB and EUR 1.4 million from the sale of LP Logistics Services Ltd shares, and EUR 18.9 million in non-recurring write-offs from Lääketukku and Apokjeden Group goodwill amortisations. The EUR 10.1 million consolidated goodwill from the establishment of Apokjeden Group in 2001 has been amortised totally due to change of strategy and delay in restructuring.

Related topics:

→ [Quarterly Development](#)

Net sales and financial performance

The Group's net sales  for the fiscal year 2001 were EUR 3795.6 (3518.4) million, up 8% (EUR 278 million) on the previous year. Most of the growth was attributed to Norway, Denmark and the Baltic States. Tamro MedLab's share of the Group net sales was 2.4%.

The consolidated operating profit  was booked to EUR 66.6 (13.7) million. The result was strongly boosted by EUR 58.3 million in capital gains, mainly from the divestment of the shares in Mölnlycke Health Care AB at the year-end. At the same time also non-recurring write-offs of EUR 18.9 million were made, mainly due to goodwill amortisation from earlier acquisitions. The Group's full year operating profit margin without these non-recurring items was 0.8%.


The Group's financial performance is diverse. On one hand, both Denmark and Sweden exceeded expectations and contributed positively to Group performance. Also both Lithuania and Tamro MedLab succeeded well in turning the previous year's loss into the targeted profit.

On the other hand, neither Finland nor Norway reached their targets and they both made a loss. Finland's result is pulled down by the cost of commissioning the Tampere service centre and the delay in realising related rationalisation benefits.

In Norway, Apokjeden Group's loss results from accelerated pharmacy acquisitions and the high costs of starting up pharmacy chain operations. Improvements in Apokjeden's wholesale operations were on target.

The consolidated ordinary profit before taxes  was EUR 55.5 (2.5) million. The result includes a share of the affiliated company Mölnlycke Health Care AB's profit of EUR 3.1 (3.3) million, a share of the loss of the affiliated company Apokjeden AS of -1.2 EUR million during the first quarter of 2001, and the capital gains from the following sales of shares: EUR 1.5 million from Sponda, EUR 1.0 million from the Danish Bang & Tegner, EUR 1.4 million from LP Logistic Services Ltd and EUR 54.1 million from the stake of Mölnlycke Health Care AB.

The Group's ordinary net profit totalled EUR 38.1 (-1.9) million. The impact of Tamro's Norwegian operations on Tamro Group's net result after minority interests was EUR -8.0 million during the financial year. In addition, consolidated goodwill amortisation of Apokjeden Group amounted to EUR 10.1 million.

The return on capital employed was 13.1 (4.0)% and return on equity 10.4 (-0.6)%. Earnings per share  were EUR 0.33 (-0.02).

The Group's total net profit for 2001 was EUR 38.1 (-12.2) million. The Group figures for 2000 include

EUR 13.5 million in extraordinary costs from the manipulated accounting in Norway prior to the year 2000, and they are therefore not comparable with the figures of the financial year under review.

Related topics:

→ [Business Units 2001](#)

Financing

The free cash flow after capital investments was EUR -18.7 (29.3) million. The net working capital increased to EUR 259 (226) million.

Year-end liquid assets were EUR 60.2 (103) million. Net debt at year's end totalled EUR 171.8 (140) million. The Group's net gearing at the end of 2001 finished at 49.2 (46.4) %. Average interest-bearing net debt during 2001 was EUR 236 million.

The receivable from the Mölnlycke Health Care AB divestment at the end of 2001 was SEK 680 million. The receivable was paid on 25 January 2002.

The Group's net financial expenses were EUR 13.0 (14.5) million. Of that, exchange rate differences represented EUR 1.1 (-5.3) million, market value differences of government bonds EUR -1.3 million and other financial expenses EUR -0.4 million. The net interest expenses totalled EUR -12.5 (-9.8) million. The increase resulted from the higher portion of the financing denominated in NOK and the higher average net debt during 2001.

The translation differences from the foreign-currency-denominated shareholders' equity and equity-type loans of overseas subsidiaries were EUR -1.5 million during the financial year. This amount was booked directly to reduce Tamro Group's consolidated equity.

During 2001, Finnish government bonds with nominal value of EUR 10 million were sold, and at the end of 2001 the remaining EUR 19 million was transferred from long-term investments to short-term investments. The market value difference of EUR -1.3 million was booked to the net financial expenses.

The euro conversion in Finland was carried out at the beginning of December 2001, and from 3 December 2001 the euro has been the accounting currency in Finland.


Foreign currency

The majority of the Group's net sales comes from the Nordic countries: SEK represented 39%, DKK 24%, EUR 19% and NOK 12% of the Group's net sales. EEK, LVL, LTL and RUR represented the remaining 6% of the net sales.

The foreign-currency-denominated shareholders' equity and equity-type loans were EUR 204 million at year-end 2001. From that amount SEK represented 43%, DKK 40%, NOK 9% and others 8%.

The foreign currency and other financial risks are managed according to Tamro Group's finance policy.

Capital expenditure, acquisitions and divestments

The Group's gross investments  amounted to EUR 96.2 (35.8) million. The majority of these investments were allocated to pharmacy acquisitions in Norway, Latvia and Estonia. The major investment in Finland was the new Tampere service centre with a total investment of EUR 8.3 million, of which EUR 0.9 was allocated to 2001. Other investments relate mainly to the modernisation of distribution centres.

A significant capital investment was made in March in Norway, where the shareholders' equity in Apokjeden AS was increased by NOK 280 million.

The major divestment was the sell-off of shares in Mölnlycke Health Care AB in December for the price of SEK 680 million. The capital gains for the sale was booked at EUR 54.1 million. Other

divestments include the sale of Bang & Tegner shares, the sale of Sponda shares, the sale of Tamro MedLab's 50% stake in SIFT AB and the sale of shares in LP Logistic Services Ltd.

Major changes in the Group structure

In February 2001 the decision was made to merge Apokjeden AS and Tamro Distribution AS. Before the merger, Tamro's ownership in Apokjeden was 13% and in Tamro Distribution AS 51%. In the merger Tamro subscribed to 49% of the shares of the new entity Apokjeden Group, and Tamro Distribution AS became a fully-owned subsidiary of Apokjeden Group. Apokjeden Group has been consolidated into Tamro Group as of 1 April.

In June, Tamro acquired the total share capital of the Latvian wholesaler SIA Hansa Pharma Balticum and Hansa Pharma, the owner of Gimenes aptieka pharmacy chain. Both companies have been consolidated into Tamro Group as of 1 July.


More information:

→ 27 June 2001 Tamro Group strengthens its position in Latvia by acquisition

Research and development

Tamro focused its research and development on IT and different Internet-based information service solutions for principals and customers.

Personnel and organisation

Tamro's payroll averaged 2,854 (2,683) employees  during the financial year. Of the total staff, 23% worked in Denmark, 20% in Finland and in Sweden, 18% in Norway and 19% in the Baltic States and Russia. Of the total staff, an average of 376 employees (13%) worked in pharmacies in Norway, Latvia and Estonia. At the year-end the Group personnel amounted to 3,148, of which over 700 (23%) worked in pharmacies. The average amount of employees working in wholesale distribution decreased by 7.6% compared to the previous year.

The wages and salaries paid by the Group during 2001 totalled EUR 88 (79) million, including EUR 14 (14) million paid by the parent company Tamro Corporation. The remuneration paid to Tamro Corporation's Board of Directors and CEO amounted to EUR 0.4 (0.4) million.



Tamro's shares

Share capital

The share capital of Parent Company Tamro Corporation on 31 December 2001 amounted to EUR 114,837,083, divided into a total of 114,837,083 shares with a nominal value of EUR 1. Tamro Corporation shares are listed on the Helsinki Exchanges.

On 31 December 2001, 27% of Tamro Corporation's shares were in Finnish, 19.3% in Swedish and 35.3% in German ownership. In addition, another 18.2% of the shares were nominee holdings, and 0.2% other foreign holdings. Foreign ownership thus accounted for a total of 73% of Tamro's shares.

Share performance

The closing price  for 2001 stood at EUR 3.59, up 115% from the end of 2000 (EUR 1.67). The year's trading high was EUR 4.10 and trading low EUR 1.65. During 2001, a total of 19.6 (22.4) million shares changed hands, equivalent to 17% of the average number of all Tamro shares.  This share turnover represented a market value of EUR 67.3 (60.5) million. The share turnover decreased by 12.5%, but the market value of the traded shares rose by 11.2% compared to the previous year.

Tamro's market capitalisation  at year-end was EUR 411.0 million, compared with EUR 191.2 million at the close of 2000. The market capitalisation figure does not include own shares.

Own shares

The Annual General Meeting held on 23 April 2001 authorised the Board of Directors to decide on the repurchase and the transfer of own shares (book-entry securities).

By the end of 2001 the company had not bought back or transferred any Tamro Corporation shares. The company's holding of 341,000 own shares purchased according to the decision of the 1999 Annual General Meeting, corresponds to 0.3% of the year-end share capital.

Permanent insiders' shareholdings and options

At year's end, the Board Members and the CEO held a total of 205,000 Tamro Corporation shares, 250,000 year 1997 warrants and 400,000 year 2000 share option rights. Share holdings include assets of dependents and significantly influenced companies, and they correspond to 0.18% of shares and voting rights. The rest of the Group management and the permanent insiders owned correspondingly a total of 9,762 shares, 200,000 year 1997 warrants and 800,000 year 2000 share option rights.

Related topics:

[→ Shares and shareholders](#)

Board of Directors

The Annual General Meeting of 23 April 2001 elected six members to Tamro's Board of Directors. Dr Bernd Scheifele (CEO, Phoenix Group) was elected Chairman. The other Board members elected were Mikael von Frenckell, Johan Horelli, Dag Johannesson, Reimund Pohl and Dr Lorenz Näger.

The Authorised Public Accountants SVH Pricewaterhouse Coopers Oy and Johan Kronberg, APA, were elected Tamro's external auditors.

Related topics:

[→ Corporate Governance](#)

[→ Board of Directors](#)

Group Management

Stefan Pflug was appointed Group Logistics Director as of 1 September. Stefan Åkesson started as Tamro Sweden's Managing Director as of 1 December and Jorma Turunen as Tamro Finland's and Tamro MedLab's Managing Director as of 14 December.

Events after the financial year

The Extraordinary General Meeting of Apokjeden AS approved in December the proposal of the Board of Directors of Apokjeden AS to increase Apokjeden's share capital by NOK 40,982,500 through a rights issue to current shareholders in January 2002. Tamro's total capital investment into Apokjeden's shareholders' equity was NOK 121 million. After the share issue Tamro's ownership in Apokjeden AS increased to 56.15%.

More information:

[→ 27 Dec 2001 Apokjeden Extraordinary General Meeting approved an increase Apokjeden's share capital](#)

The Board of Directors appointed Øyvind Winther the new Managing Director of Apokjeden Group as of 15 January 2002.

The Board of Tamro Corporation appointed Mr Jo Langmoen the new CEO of Tamro Group as of 23 January 2002.

More information:

Outlook for the near future

The steady 7-9% underlying growth of pharmaceutical markets in the Nordic countries is estimated to continue. Tamro's consolidated sales are expected to grow accordingly.

The concentration of our markets in the Baltic States is expected to gain more ground due to the deregulation process advancing in these countries. Tamro will continue to play an active role in this consolidation process.

According to Tamro Group's strategy to achieve the cost leadership in the Nordic countries, our main target in 2002 is to increase efficiency and overall profitability within the whole Group. Special attention will be focused on Tamro Finland and Apokjeden Group, both of which are targeting to reach break-even. For the whole Tamro Group in 2002 we have our sights set on a substantial growth in the ordinary pre-tax profit excluding non-recurring items.

Print all graphs



Net sales by unit (EURm)	2001	2000	Change, %
Tamro Sweden	1,487.0	1,573.8	-5.5
Tamro Denmark	919.8	852.5	7.9
Tamro Finland	672.2	681.8	-1.4
Tamro Norway	453.3	185.0	145
Tamro Estonia	37.1	34.0	9.1
Tamro Latvia	59.2	43.3	36.7
Tamro Lithuania	39.4	30.7	28.3
Tamro Russia	47.7	34.2	39.5
Tamro MedLab	92.6	89.0	4.0
Other and internal	-12.7	-5.9	-115.3
Total	3,795.6	3,518.4	7.9

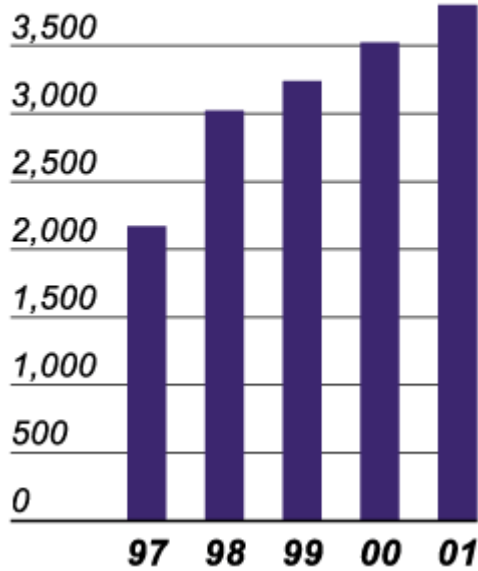
Number of employees by unit	2001	2000	Change, %
Tamro Sweden	519	578	-10.2
Tamro Denmark	632	667	-5.2
Tamro Finland	366	440	-16.8
Tamro Norway	491	110	346.4
Tamro Estonia	85	78	9.0
Tamro Latvia	189	93	103.2
Tamro Lithuania	86	149	-42.3
Tamro Russia	185	180	2.8
Tamro MedLab	257	271	-5.2
Other	44	117	-62.4
Group total	2,854	2,683	6.4





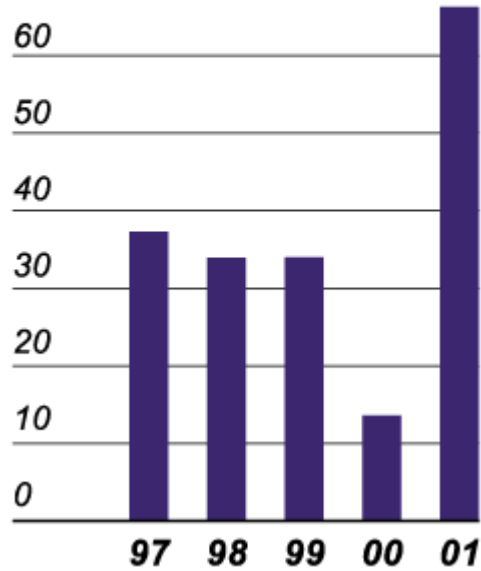
Net sales

4,000 €m



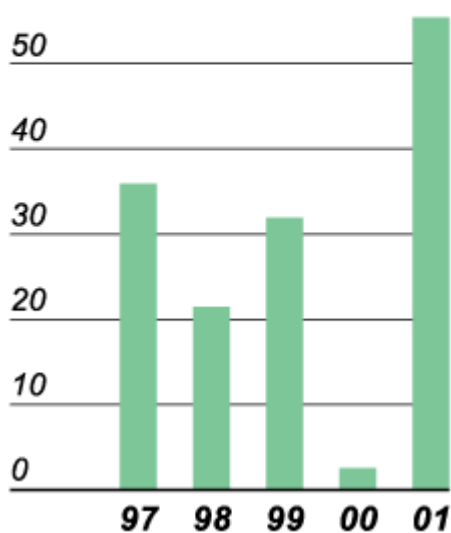
Operating profit

70 €m



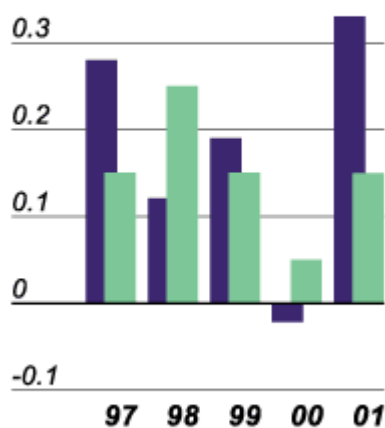
Ordinary profit before taxes

60 €m



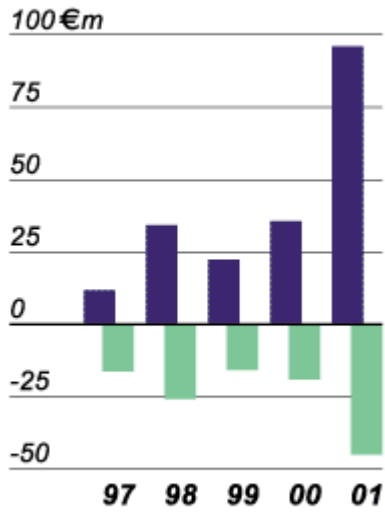
Earnings and dividend per share

0.4 €

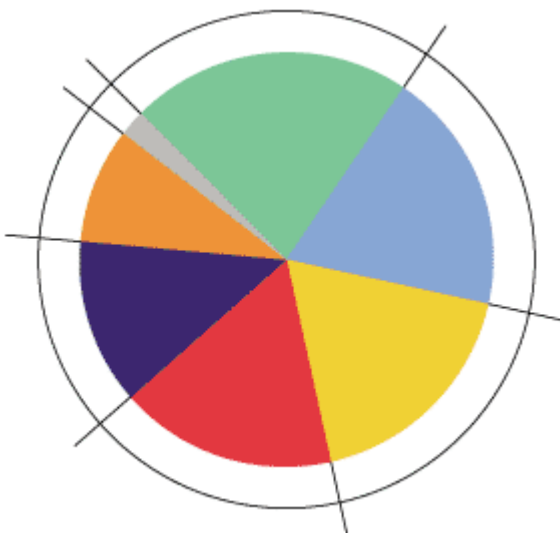


■ Earnings per share
■ Dividend per share

Investments and depreciation



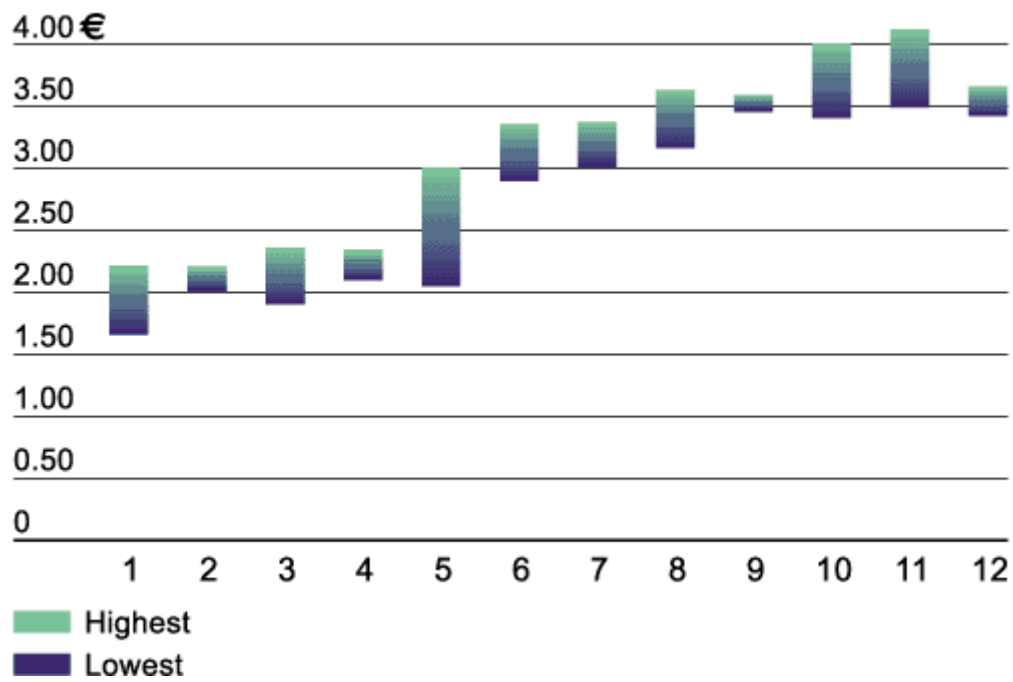
■ Investments
■ Depreciation



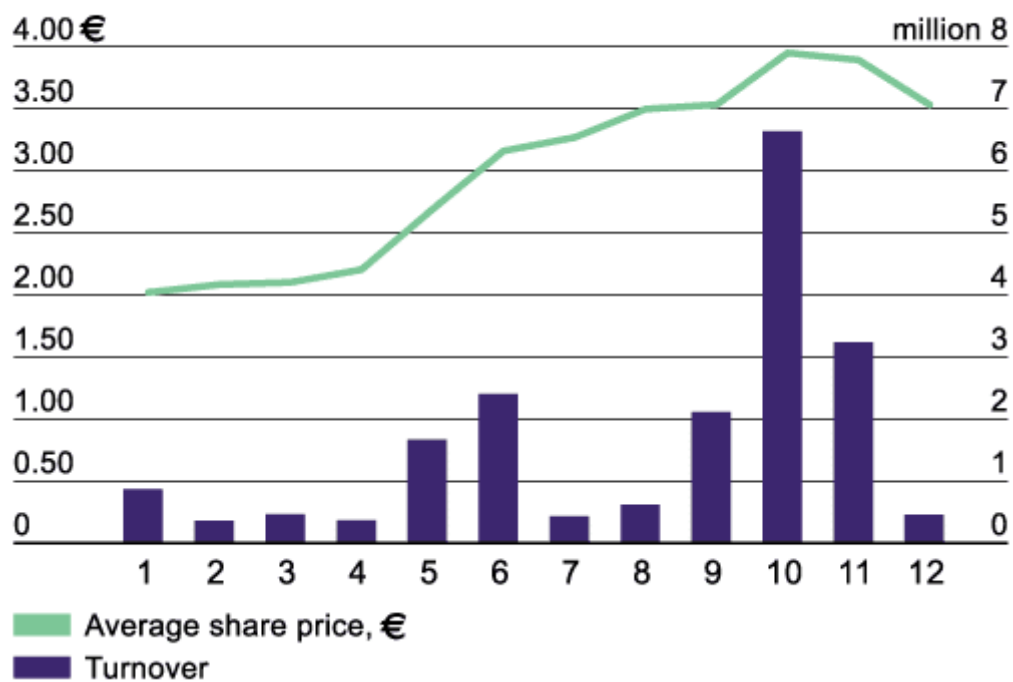
Employees average

■ Tamro in Denmark 22%
■ Tamro in the Baltics and in Russia 19%
■ Tamro in Sweden 18%
■ Tamro in Norway 17%
■ Tamro in Finland 13%
■ Tamro MedLab 9%
■ Others 2%

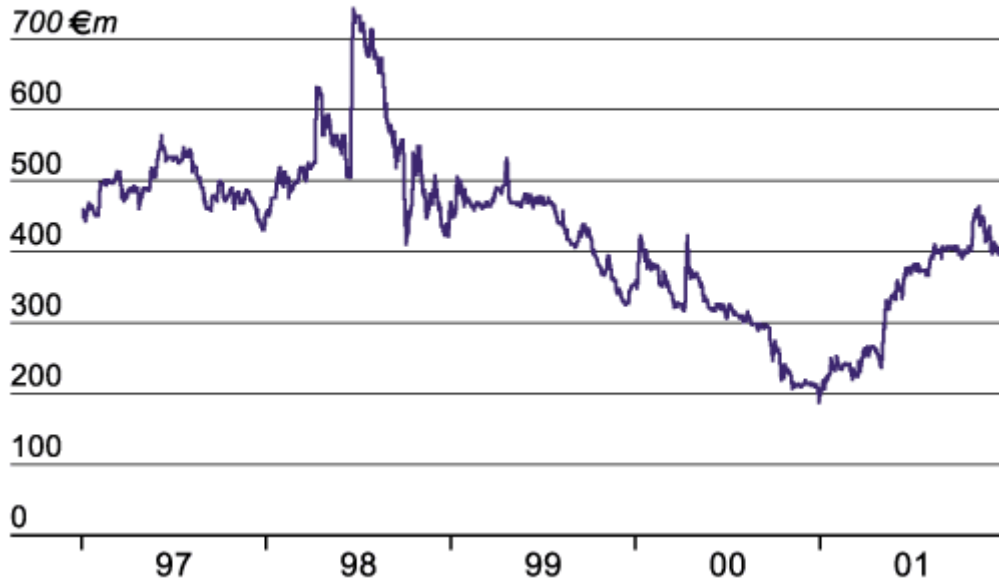
Share price development 2001



Average share price and turnover by month 2001



Market capitalisation 1997–2001



Consolidated Income Statement



CONSOLIDATED INCOME STATEMENT

1 Jan - 31 Dec
(in EUR thousands)

	NOTES	2001	%	2000	%
NET SALES	1	3,795,622	100.0	3,518,374	100.0
OTHER INCOME	2	58,286		3,282	
Raw materials and services	3	3,564,238		3,317,485	
Personnel expenses	4	108,271		96,432	
Depreciation and value adjustments	5	44,777		18,825	
Other operating expenses		70,032		75,229	
Total operating expenses		3,787,318		3,507,971	
OPERATING PROFIT		66,590	1.8	13,685	0.4
Financial income and expenses	6	-12,948		-14,516	
Share of affiliated companies' net income	11	1,893		3,281	
ORDINARY PROFIT BEFORE TAXES		55,535	1.5	2,450	0.1
Income taxes on ordinary activities	8	-21,857		-4,437	
Minority interest		4,454		51	
ORDINARY PROFIT		38,132	1.0	-1,936	-0.1
Extraordinary income and expenses, net of taxes	7	-		-10,304	
NET PROFIT FOR THE PERIOD		38,132	1.0	-12,240	-0.3



Pro forma Income Statement



PRO FORMA INCOME STATEMENT

(€m)	2001	MHC cap. gains 1)	LP-shares cap. gains 2)	Lääketukku amort. 3)	APO QW amort. 4)	Adjusted 2001	2000
Net Sales	3,795.6					3,795.6	3,518.4
Other income	58.3	-54.1	-1.4			2.8	3.3
Operating expenses	-3,742.5					-3,742.5	-3,489.2
Depreciation	-44.8			8.8	10.1	-25.9	-18.8
Operating profit	66.6	-54.1	-1.4	8.8	10.1	30.0	13.7
Financial income and expenses	-12.9					-12.9	-14.5
Share of affiliated companies' net income	1.9					1.9	3.3
Ordinary profit before taxes	55.5	-54.1	-1.4	8.8	10.1	19.0	2.5
Income taxes on ordinary activities	21.9	-15.7	-0.4	1.3		7.1	4.4
Minority interest	4.5					4.5	0.0
Ordinary net profit	38.1	-38.4	-1.0	7.5	10.1	16.4	-1.9
Extraordinary income and expenses, net of taxes	0.0					0.0	-10.3
Net profit for the period	38.1	-38.4	-1.0	7.5	10.1	16.4	-12.2

"2001" is our official result. In "Adjusted 2001" figures following items' effect has been eliminated:

1. Mölnlycke Health Care AB shares, capital gain
2. LP Logistic Services Ltd shares, capital gain
3. Lääketukku Oy, goodwill amortisation
4. Apokjeden goodwill amortisation at Tamro Group level



Consolidated Balance Sheet



CONSOLIDATED BALANCE SHEET

31 Dec (in EUR thousands)	NOTES	2001	%	2000	%
FIXED ASSETS					
INTANGIBLE ASSETS	9				
Intangible rights		3,229		4,390	
Goodwill		60,881		731	
Consolidated goodwill		8,443		19,285	
Other capitalised expenditure		1,617		1,051	
		74,170		25,457	
TANGIBLE ASSETS	9				
Land areas		11,985		12,186	
Buildings and structures		114,886		113,771	
Machinery and equipment		37,899		26,583	
Other tangible assets		890		476	
Advance payments and construction in progress		267		3,259	
		165,927		156,275	
FINANCIAL ASSETS					
Shares in subsidiaries		120		221	
Shares in affiliated companies	11	13,513		22,885	
Other shares and participations		982		10,903	
Other financial assets	10	748		32,929	
Own shares	32	975		569	
Deferred income tax asset	17	9,854		3,814	
		26,192		71,321	
TOTAL FIXED ASSETS		266,289	22.5	253,053	22.5
CURRENT ASSETS					
Inventories					
Materials and supplies		772		823	
Work in progress		236		280	
Goods		286,479		307,172	
		287,487		308,275	
Receivables					
Accounts receivable		483,514		462,180	
Loan receivable		1,439		212	
Prepaid expenses and accrued income		80,950		22,160	
Other receivables		5,222		9,467	
		571,125		494,019	
Short-term investments		23,016		21,594	
Cash and bank		37,138		47,704	
TOTAL CURRENT ASSETS		918,766	77.5	871,592	77.5
TOTAL ASSETS		1,185,055	100.0	1,124,645	100.0
31 Dec (in EUR thousands)	NOTES	2001	%	2000	%

SHAREHOLDERS' EQUITY	14				
Share capital	13	114,837		114,837	
Share premium account		5,640		5,640	
Revaluation reserve		1,135		1,136	
Other reserves		322		465	
Fund for own shares		975		569	
Retained earnings		209,751		178,258	
		332,660	28.1	300,905	26.8
Minority interest		17,219		1,850	
OBLIGATORY RESERVES	15	3,720	0.3	4,327	0.4
LIABILITIES					
LONG-TERM LIABILITIES					
Loans from financial institutions	16	39,523		5,915	
Pension fund loans	16	23,521		10,216	
Other long-term liabilities	16	81		85	
		63,125		16,216	
SHORT-TERM LIABILITIES					
Loans from financial institutions and other interest-bearing loans		163,353		225,502	
Pension fund loans		5,553		0	
Advances received		116		76	
Accounts payable		555,321		543,751	
Accrued expenses and deferred income	18	23,311		21,630	
Other current liabilities		20,677		10,388	
		768,331		801,347	
TOTAL LIABILITIES		831,456	70.2	817,563	72.7
TOTAL EQUITY AND LIABILITIES		1,185,055	100.0	1,124,645	100.0



Consolidated Cash Flow Statement



CONSOLIDATED CASH FLOW STATEMENT

1 Jan - 31 Dec
(in EUR millions)

	2001	2000
Operating profit	66.6	13.7
Depreciation, value adjustments and other adjustments	-14.3	38.4
Financial income and expenses	-14.1	-14.5
Other income and expenses	-0.3	0.1
Taxes	-17.0	-6.2
CHANGE IN NET WORKING CAPITAL	21.0	31.5
Inventories, increase (-), decrease (+)	20.9	-2.8
Current receivables, increase (-), decrease (+)	-69.8	-48.3
Non-interest bearing debts, increase (+), decrease (-)	18.5	83.8
CASH FLOW BEFORE INVESTMENTS	-9.4	64.1
INVESTMENTS		
Investments in fixed assets	-96.2	-35.8
Sale of fixed assets and other changes	86.9	0.9
FREE CASH FLOW	-18.7	29.3
FINANCING		
Long-term debt, increase (+), decrease (-)	25.2	-17.2
Short-term debt, increase (+), decrease (-)	-44.3	45.8
Long-term bonds, increase (-), decrease (+)	32.2	-
Capital increase	-	-
Dividends	-5.7	-17.2
Repurchase of own shares	-	-4.7
Translation differences and other changes	2.2	-1.2
CHANGE IN LIQUID ASSETS, INCREASE (+), DECREASE (-)	-9.1	34.8

The change in net working capital includes the receivable of sales of Mölnlycke Health Care shares. Accordingly, the receivable has been recorded in line Sale of fixed assets. The sales price was received on 25 January 2002.



Income Statement of Parent Company



INCOME STATEMENT OF THE PARENT COMPANY

1 Jan - 31 Dec
(in EUR thousands)

	NOTES	2001	%	2000	%
NET SALES	21	668,886	100.0	679,594	100.0
OTHER INCOME	22	53,831		2,886	
Raw materials and services	23	646,515		650,184	
Personnel expenses	24	16,943		17,718	
Depreciation according to plan	25	15,674		5,478	
Other expenses		12,911		20,053	
Total operating expenses		692,043		693,433	
OPERATING PROFIT		30,674	4.6	-10,952	-1.6
Financial income and expenses	26	13,051		24,130	
ORDINARY PROFIT BEFORE TAXES		43,725	6.5	13,178	1.9
Extraordinary income and expenses	27	-164		-22,372	
PROFIT BEFORE TAXES		43,561	6.5	-9,194	-1.4
Appropriations	28	12,113		2,858	
Income taxes	29	-5,868		-2,319	
NET PROFIT FOR THE PERIOD		49,806	7.4	-8,655	-1.3



Balance Sheet of Parent Company



BALANCE SHEET OF THE PARENT COMPANY

31 Dec (in EUR thousands)	NOTES	2001	%	2000	%
FIXED ASSETS					
INTANGIBLE ASSETS	30				
Intangible rights		1,874		2,164	
Goodwill		3,904		14,460	
Other capitalised expenditure		80		3	
		5,858		16,627	
TANGIBLE ASSETS	30				
Land areas		1,348		1,348	
Buildings and structures		43,221		46,804	
Machinery and equipment		5,541		4,674	
Other tangible assets		240		240	
		50,350		53,066	
FINANCIAL ASSETS					
Shares in subsidiaries	31	297,625		254,407	
Loan receivables from group companies	33	122,960		127,949	
Other shares and participations	32	409		47,070	
Other financial assets	10	0		32,205	
Own shares	32	975		569	
		421,969		462,201	
TOTAL FIXED ASSETS		478,177	54.5	531,894	60.6
CURRENT ASSETS					
INVENTORIES					
Materials and supplies		88,188		94,629	
LONG-TERM RECEIVABLES					
Receivables from group companies	33	72,691		72,141	
SHORT-TERM RECEIVABLES					
Accounts receivable		34,013		40,521	
Receivables from group companies	33	75,252		60,122	
Loan receivables		87		84	
Prepaid expenses and accrued income	34	77,834		19,529	
		187,186		120,256	
Short-term investments		22,865		16,227	
Cash and bank		28,531		42,339	
TOTAL CURRENT ASSETS		399,461	45.5	345,592	39.4
TOTAL ASSETS		877,638	100.0	877,486	100.0
31 Dec (in EUR thousands)	NOTES	2001	%	2000	%
SHAREHOLDERS' EQUITY	35				
Share capital	13	114,837		114,837	
Share premium account		5,640		5,640	
Revaluation reserve		1,093		1,093	
Fund for own shares		975		569	

Retained earnings		390,949		346,867	
		513,494	58.5	469,006	53.4
APPROPRIATIONS					
Accumulated depreciation difference	36	32,924	3.8	45,037	5.1
OBLIGATORY RESERVES	37	2,880	0.3	2,758	0.3
LIABILITIES					
LONG-TERM LIABILITIES					
Loans from financial institutions	38	13,560		0	
		13,560		0	
SHORT-TERM LIABILITIES					
Bonds with warrants		0		0	
Loans from financial institutions and other interest-bearing loans		115,864		184,176	
Accounts payable		121,851		120,609	
Liabilities to group companies	33	67,767		48,188	
Accrued expenses and deferred income	39	7,723		4,832	
Other current liabilities		1,575		2,880	
		314,780		360,685	
TOTAL LIABILITIES		328,340	37.4	360,685	41.1
TOTAL EQUITY AND LIABILITIES		877,638	100.0	877,486	100.0



Cash Flow Statement of Parent Company



CASH FLOW STATEMENT OF THE PARENT COMPANY

1 Jan - 31 Dec
(in EUR millions)

	2001	2000
Operating profit	30.7	-10.9
Depreciation, value adjustments and other adjustments	-36.0	13.4
Financial income and expenses	15.9	24.7
Other income and expenses	0.5	0.0
Taxes	-6.2	-0.2
CHANGE IN NET WORKING CAPITAL	4.8	26.9
Inventories, increase (-), decrease (+)	6.4	1.1
Current receivables, increase (-), decrease (+)	-68.0	-0.6
Non-interest bearing debts, increase (+), decrease (-)	1.6	-20.6
CASH FLOW BEFORE INVESTMENTS	-55.1	6.8
INVESTMENTS		
Investments in fixed assets	-2.3	-10.2
Investment in subsidiary shares	-30.7	-18.9
Investment in other shares	0.0	-0.9
Sale of fixed assets and other changes	84.5	5.6
FREE CASH FLOW	-3.5	-17.7
FINANCING		
Long-term receivables, increase (-), decrease (+)	14.3	-7.0
Short-term receivables, increase (-), decrease (+)	-46.6	7.0
Long-term debt, increase (+), decrease (-)	33.2	-12.5
Short-term debt, increase (+), decrease (-)	1.6	86.1
Group contribution	-0.2	0.2
Share issue	-	-
Repurchase of own shares	0.0	-4.7
Other changes	-0.3	-
Dividends	-5.7	-17.2
CHANGE IN LIQUID ASSETS, INCREASE (+), DECREASE (-)	-7.2	34.1

The change in net working capital includes the receivable of sales of Mölnlycke Health Care shares. Accordingly, the receivable has been recorded in line Sale of fixed assets. The sales price was received on 25 January 2002.





Tamro Corporation's financial statements and consolidated financial statements have been prepared in accordance with Finnish legislation, which in all material respects is based on the provisions of EU Directives 4 and 7.

Scope of the consolidated financial statements

The financial statements include the parent company as well as those Finnish and overseas subsidiaries in which the parent company holds, directly or indirectly, more than 50 per cent of the voting rights. The subsidiaries acquired during the financial year are included in the consolidated financial statements from the date of acquisition. If a subsidiary is divested before the close of the financial year, its figures are included in the consolidated financial statements until the time of sale.

The consolidated financial statements do not include certain smaller non-operating companies. The companies excluded from the consolidated financial statements have no significant effect on the consolidated non-restricted equity.

The financial statement data on affiliated companies have been consolidated using the equity method. Affiliates are defined as companies in which the Group holds 20 to 50 per cent of the voting rights. Certain small affiliates have not been included in the consolidated financial statements. The effect of these companies on the consolidated non-restricted equity is insignificant.

Consolidation principles

Both the purchase method and the pooling-of-interests method have been used when preparing the consolidated financial statements.

Pooling method

Tamro AB and Norneco A/S are consolidated using the pooling-of-interests method. The acquisition cost of the subsidiaries' shares is first eliminated from the subsidiary's restricted equity at the beginning of the financial year of acquisition, then from the premium fund created in connection with Tamro Corporation's private placement, and, lastly, from the Group's other non-restricted equity available for dividends. Thus the acquisitions do not create consolidated goodwill.

Purchase method

The acquisition cost method is used in the elimination of inter-subsidiary shareholdings. The difference between the acquisition cost of subsidiary shares and the shareholders' equity is allocated to the fixed assets of the subsidiaries. The consolidated goodwill remaining after the allocations is posted in the balance sheet as a separate item that will be amortised over a period of 10 years. However, goodwill from certain strategic and significant acquisitions may be amortised over a period of up to 20 years.

Foreign subsidiaries and translation differences

The financial statements of foreign subsidiaries have been converted and restated to correspond to the Finnish Accounting Act.

The income statements have been converted into euros at the weighted average rate of the financial year and the balance sheets at the foreign exchange mid-rate quoted by the European Central Bank on the balance sheet date. Translation differences have been recorded directly into equity. Exchange rate differences from the parent company's long-term intra-group loan receivables from the Swedish and Russian subsidiaries have been posted directly under translation differences in the consolidated accounts. These loans are considered as equity by nature.

Transaction costs associated with hedging the parent company's above-mentioned long-term intra-group loan receivables are posted under translation differences in the consolidated accounts. In the consolidated accounts the exchange rate differences attributable to equity type of transactions are netted against the period's translation difference in the Group's equity, net of any significant tax

effects.

Minority interest

The minority interest is calculated as a portion of the subsidiaries' equity and net income unless otherwise agreed in shareholders' agreement etc.

Duration of the financial year

The financial year of the Group companies coincides with the calendar year.

Intra-group transactions

The following intra-group transactions have been eliminated: sales and purchases, dividend payments, receivables and liabilities as well as the gross margin included in the value of inventories and fixed assets acquired from other Group companies. Internal profits between the Group and affiliated companies are eliminated in proportion to the ownership share and deducted from the consolidated retained earnings and non-current assets. The eliminated profit is recognised in revenue at the rate of depreciation.

Fixed assets

Fixed assets are posted to the balance sheet at their direct acquisition costs, allowing for depreciation according to plan. Some real-estate holdings include revaluation, as specified in the Notes to the balance sheets. The revaluation surplus is not subject to depreciation.

The depreciation according to plan on fixed assets is based on the original acquisition cost and the expected economic life of the item. For the most part, the straight-line method is used applying the following useful lives:

Intangible rights	5 - 10 years
Goodwill	5 - 10 years
Consolidated goodwill	5 - 20 years
Other intangible assets	5 - 7 years
Buildings and structures	10 - 40 years
Machinery and equipment	3 - 10 years
Other tangible assets	5 - 10 years

Capitalised interest in Tamro House

Interest expenses incurred during the construction of the parent company's office building and warehouse have been capitalised in year 1991 and included in the acquisition cost of buildings. The capitalised interest has been amortised over a period of 10 years.

Leasing

Leasing payments are charged to rental expense. The Group has no significant capital lease contracts. Leasing commitments are disclosed in the Notes to the financial statements.

Accounting for IT costs

Software purchase costs are mainly capitalised and posted in the balance sheet as intangible rights. Software is depreciated over a maximum period of 5 years. Minor software purchases are charged directly to income. In-house and outsourced IT development costs are charged to revenue.

Research and development

The Group R&D expenses, which represent only small amounts, are charged directly to income.

Financial investments and debt securities

Financial investments and debt securities are included in short-term investments under current assets. Debt securities are valued at lower of adjusted acquisition cost or market value. There are no material long-term financial investments at year-end.

Derivative financial instruments

Received and paid premiums related to currency options are posted as a prepayment in the balance sheet. Premium income and expenses are recorded to the income statement as the option matures.

Received and paid premiums related to interest options are posted as a prepayment in the balance sheet and recognised in income or expensed over the period from purchase until maturity.

Open option agreements are valued at market price.

Inventories

Inventories are valued at the lowest of their acquisition cost, replacement value or probable selling price. Materials and supplies use is recorded under the FIFO principle.

Foreign-currency denominated receivables and liabilities

All the foreign currency receivables and liabilities of the parent company and its Finnish subsidiaries have been converted into euros at the mid-rate quoted by the European Central Bank on the balance sheet date. Foreign subsidiaries' foreign-currency-denominated receivables and liabilities are converted at their appropriate exchange rates on the balance sheet date. Open positions on foreign-exchange forward contracts are valued at their market price on the balance sheet date and the exchange rate differences are posted under financial items on the income statement.

Pension liabilities

Pension expenses are calculated in accordance with the national legislation of each country. The pension plans of the Group companies have, as a general rule, been arranged with external pension insurance companies. Certain pension obligations based on collective bargaining agreements are included under long-term pension loans in the balance sheet. These pension benefits are determined by the labour market and cannot be influenced by the company.

Year-end tax appropriations and untaxed reserves

Appropriations include allocations to untaxed reserves, mainly in the form of accelerated depreciation.

In the income statement of the parent company, the difference between depreciation according to plan and accelerated cost recovery is transferred to untaxed reserves. The accumulated temporary depreciation difference is shown as an item under untaxed reserves in the balance sheet.

The consolidated balance sheet and the income statement are presented without any untaxed reserves and appropriations. The untaxed reserves of the Group companies break down into deferred income tax liability, shown as a long-term liability, and non-restricted equity. The appropriations made by Group companies, adjusted for the change in the deferred income tax liability, have correspondingly been eliminated from the consolidated income statement.

The untaxed reserves, net of deferred income tax liability, may not be distributed to shareholders as dividend.

Obligatory reserves

The obligatory reserves in the balance sheet are defined as commitments related to the current or prior financial years which on the balance sheet date are certain or likely to materialise but where there is uncertainty as to the amount or the timing of the obligation.

The estimated reserves are based on information available on the balance sheet date. Any income-impacting changes of obligatory reserves are included in the income statement item(s) to which they relate by their nature.

Net sales

The net sales consist of sales revenue from ordinary operations, rentals and leases as well as minor gains from the sale of fixed assets. The net sales are stated net of indirect taxes, sale discounts and credits (refunds).

Other income

Other income consists of capital gains on the divested long-term investments.

Extraordinary income and expense

Extraordinary income and expense items consist of significant, unusual business transactions incidental to the Group's normal operations. These also include correction items from prior years. In the parent company, group contributions paid and/or received have also been recorded under extraordinary items.

Taxes payable on extraordinary items are presented separately from income taxes on normal operations and included under extraordinary items.

Income taxes

The consolidated income tax charges of the Group companies' normal operations have been calculated in accordance with local tax laws of the relevant country of operation. The taxes include income taxes incurred for the financial year as well as taxes to be paid or received for prior periods on accrual basis. Moreover, any change in the deferred tax liability is included in the taxes. The change in the deferred income tax includes tax effects of timing differences, confirmed tax losses, changes in untaxed reserves and consolidation adjustments to net income.

Accounting for income taxes related to extraordinary items, see the chapter Extraordinary income and expense above.

The consolidated cash flow statement

Capital Investments in the consolidated cash flow statement include significant acquisitions and divestitures of companies valued at the sale price of the shares. Accordingly, the assets and liabilities of the acquired or divested company are not included in the change of net working capital, net investments or financing. Share transactions paid partly in kind (share swaps) are included in the cash flow statement only up to cash amount paid or received.

Differences between annual report and official financial statements

This annual report deviates from the official accounts in that financial data is partly presented in EUR millions.



Notes to the Financial Statements



(Figures are in EUR thousands unless otherwise stated)

2001

2000

NOTES TO THE CONSOLIDATED INCOME STATEMENT

1. NET SALES BY MARKET AREA AND UNIT, EUR MILLION

By market area:		
Sweden	1,496.1	1,578.5
Denmark	899.1	836.1
Finland	736.3	748.2
Norway	465.1	199.4
Baltic States	132.1	109.2
Russia	47.5	34.2
Others	19.4	12.8
	3,795.6	3,518.4
By unit:		
Tamro Sweden	1,487.0	1,573.8
Tamro Denmark	919.8	852.5
Tamro Finland	672.2	681.8
Tamro Norway	453.3	185.0
Tamro Baltics	135.7	105.7
Tamro Russia	47.7	34.2
Tamro MedLab	92.6	89.0
Others	-12.7	-3.6
	3,795.6	3,518.4

2. OTHER INCOME

Gain on sale of fixed assets	58,286	3,282
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3. RAW MATERIALS AND SERVICES

Raw materials and consumables		
Purchases during the financial period	3,516,827	3,290,693
Inventories, incr. (-), decr. (+)	20,788	-1,156
External services	26,623	27,948
Raw materials and services total	3,564,238	3,317,485

4. PERSONNEL EXPENSES

Average personnel by unit:		
Tamro Sweden	519	578
Tamro Denmark	632	667
Tamro Finland	366	440
Tamro Norway	491	110
Tamro Baltics	360	325
Tamro Russia	185	180
Tamro MedLab	257	271
Others	44	112
	2,854	2,683
Personnel expenses:		
Wages and salaries during the financial year	88,482	78,932
Payroll related social costs		
Pension costs	8,058	8,042
Other payroll related social costs	11,731	9,458
	108,271	96,432
Wages and salaries paid to:		
Boards of Directors, CEO and Managing Directors	2,027	1,954

Pension commitments for Board Members, CEO and Managing Directors: The parent company has no pension liabilities for Board Members. The pensionable age of the CEO and some Managing Directors has been stipulated at 60 years.

Other pension commitments:

The Group has made pension commitments for the management of a certain subsidiary. This liability is not significant enough to be incorporated into the Group's financial statements.

5. DEPRECIATION AND VALUE ADJUSTMENTS

Depreciation/amortisation according to plan		
Intangible rights	1,204	1,438
Goodwill	2,280	561
Consolidated goodwill	22,132	3,692
Other capitalised expenditure	1,126	420
Buildings	6,185	4,579
Machinery and equipment	11,737	8,105
Other tangible assets	113	30
	44,777	18,825

Depreciations for year 2001 include additional write-off of consolidated goodwill amounting to EUR 18.9 million, of which EUR 10.1 million is assigned to Apokjeden and EUR 8.8 million to Lääketukku.

6. FINANCIAL INCOME AND EXPENSES

Income from non-current financial assets	1,271	2,512
Other interest and financial income		
Interest income	2,805	2,639
Other financial income	84	85
Other interest and financial expenses		
Interest expenses	-16,506	-13,939
Other financial expenses	-1,733	-542
Exchange rate differences, net	1,131	-5,271
	-12,948	-14,516

7. EXTRAORDINARY INCOME AND EXPENSES

Income		
Change in deferred tax liabilities	-	3,107
Sundry income	-	104
	-	3,211
Expenses		
Correction to Norway's result relating to prior years	-	-13,475
Sundry expenses	-	-40
	-	-13,515
Extraordinary income and expenses, total	-	-10,304

8. INCOME TAXES ON ORDINARY ACTIVITIES

Current income taxes		
Finnish Group companies	-7,253	-169
Foreign Group companies	-9,094	-6,104
	-16,347	-6,273
Income taxes from previous years:	-290	-2,039
Change in deferred tax liability specified in note 17	-5,220	3,875
Income tax on ordinary activities	-21,857	-4,437



Notes to the Financial Statements



(Figures are in EUR thousands unless otherwise stated)

2001

2000

NOTES TO THE CONSOLIDATED BALANCE SHEET

9. FIXED ASSETS

	Intangible assets			Tangible assets					Advance payments and construction in progress
	Intangible rights	Goodwill	Consolidated goodwill	Other capitalised expenditure	Land areas	Buildings	Machinery and equipment	Other tangible assets	
Acquisition value 1 Jan	11,838	1,562	49,080	3,638	11,765	139,346	89,855	533	3,259
Increase	613	62,752	11,290	2,281	52	7,396	21,685	945	823
Decrease	-1	-118	-	-	-19	-956	-1,935	-230	-617
Other changes	-952	-	-	-	-	1,035	2,949	14	-3,196
Acquisition value 31 Dec	11,499	64,195	60,370	5,919	11,799	146,820	112,554	1,262	269
Accumulated depr. 1 Jan	-7,448	-831	-29,795	-2,587	-	-27,930	-63,272	-57	0
Increase	-1,204	-2,280	-22,132	-1,126	-	-6,185	-11,737	-113	
Decrease	1	118	-	-	-	834	1,337	162	
Other changes	417	-336	-	-594	-	-114	-881	-361	
Accumulated depr. 31 Dec	-8,234	-3,328	-51,927	-4,307	0	-33,395	-74,553	-369	0
Value adjustments 1 Jan & 31 Dec					420	2,355			
Translation difference	-35	13	-	5	-234	-894	-102	-3	-2
Bookvalue 31 Dec 2001	3,229	60,881	8,443	1,617	11,985	114,886	37,899	890	267
Bookvalue 31 Dec 2000	4,390	731	19,285	1,051	12,186	113,771	26,583	476	3,259

Value adjustments relate to the parent company only (from 1988). Deferred tax liability (EUR 805,000) has not been accounted for. Value adjustments related to fixed assets are not considered as a normal accounting practice of the Group.

(Figures are in EUR thousands unless otherwise stated)

2001

2000

Machinery and equipment in production use, book value	1,175	1,337
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10. OTHER FINANCIAL ASSETS

Government bonds	-	32,205
Other receivables	748	724
	748	32,929

EUR 10 million portion of the government bonds was sold in 2001 and the remaining portfolio was transferred to the short-term investments

11. AFFILIATED COMPANIES

Opening balance	22,885	14,090
New affiliated companies	12,723	5,810
Omitted affiliated companies	-19,265	
Share of net results	1,893	3,281
Translation differences	-83	-873
Share of adjusted deferred tax in affiliated company		
Other changes	-4,640	577
Closing balance	13,513	22,885

12. PREPAID EXPENSES AND ACCRUED INCOME

Receivable from sales of shares	73,109	-
Income tax receivable	123	14,384
Financial income	2,297	2,605
Prepaid expenses	1,957	2,579
Other income	3,164	1,487
Other prepaid expenses and accrued income	300	1,105
Total	80,950	22,160

13. SHARE CAPITAL AND SUBSCRIPTION TERMS AND CONDITIONS

The company's share capital as at 31 Dec 2001 totalled 114,837,083 euros, divided into 114,837,083 shares, each of which carries one vote. The total of 341,000 shares are owned by the company.

At the end of the year the company had also issued the following subscription warrants and share option rights which entitle their holders to the following share subscriptions:

	Number of shares	Holding
Issue of bonds with warrants 1997	4,552,000	3.74%
Share option rights 2000	2,330,000	1.91%
Total no of shares incl. warrants and share option rights	121,719,083	100.00%

Terms of subscription

Issue of bond with warrants 1997

Number of warrants 2,276,000 A
2,276,000 B

Subscription period A: 1 Dec 2000 to 31 Jan 2004
B: 1 Dec 2001 to 31 Jan 2004

Subscription terms and conditions

One warrant entitles its holder to subscribe to one Tamro Corporation share with a nominal value of EUR 1 at a subscription

price of EUR 6.56 per share less ordinary dividends paid after loan issuance.

Share option rights 2000

Number of share option rights	1,165,000 A
	1,165,000 B
Subscription period	A: 1 Apr 2002 to 30 Apr 2006 B: 1 Apr 2004 to 30 Apr 2006
Subscription terms and conditions	One class A share option right entitles its holder to subscribe to one Tamro Corporation share with a nominal value of EUR 1 at a subscription price of EUR 4.00 and one class B share option right entitles its holder to subscribe to one Tamro Corporation share with a nominal value of EUR 1 at a subscription price of EUR 4.80, less any dividends exceeding 50% of the earnings per share for the relevant accounting period, declared after 12 April 2000 and paid out before the time of subscription. If dividends are distributed for loss-making accounting periods, the whole amount paid out is to be deducted from the subscription price. However, the subscription price must be at least the nominal value of the share.

The Group owns a total of 390,000 year 1997 warrants.

14. CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium account	Revaluation reserve	Fund for own shares	Other reserves	Retained earnings	Total equity
Equity 1 Jan 2000	120,365	143	1,137	13,608	449	215,512	351,214
Subscription of new shares	1	1					2
Decrease	-5,529	5,495				34	0
Cancelled own shares				-17,372			-17,372
Pooling adjustment							0
Dividend						-17,174	-17,174
Net profit for the year						-12,240	-12,240
Translation differences						-3,714	-3,714
Fund for own shares				4,739		-4,739	0
Write-down of own shares				-406			-406
Adjustment of share in affiliated company						594	594
Transfers within equity		1	-1		16	-16	0
Other change							0
Equity 31 Dec 2000	114,837	5,640	1,136	569	465	178,258	300,905
Subscription of new shares							0
Decrease							0
Cancelled own shares							0
Dividend						-5,725	-5,725
Net income for the year						38,132	38,132

Translation differences						-1,368	-1,368
Fund for own shares							0
Write-down of own shares				406			406
Adjustment of share in affiliated company						311	311
Transfers within equity					-143	143	0
Other change			-1				-1
Equity 31 Dec 2001	114,837	5,640	1,135	975	322	209,751	332,660
Distributable equity							
Retained earnings			209,751				
Accumulated appropriations, net of tax			-25,616				
Distributable equity 31 Dec 2001			184,135				

(Figures are in EUR thousands unless otherwise stated)

2001

2000

15. OBLIGATORY RESERVES

Pension commitments		840	1,031
Reserve for taxes		2,588	2,758
Other reserves		292	538
		3,720	4,327
Changes in the obligatory reserves in the income statement			
Expenses		-1,014	-1,588
Extraordinary items		-	-2,155
		-1,014	-3,743

16. LONG-TERM LIABILITIES

Long-term liabilities fall due as follows:		
2003	18,512	55
2004-2006	34,168	5,432
2007-	402	428
On special conditions	10,043	10,301
	63,125	16,216
Foreign currency breakdown of long-term loans:		
NOK	33,641	-
EUR	13,561	-
SEK	9,961	10,216
DKK	5,881	5,915
Others	81	85
	63,125	16,216

Of the above pension loans EUR9,961,000 (10,216,000) equals the pension provision of the Swedish subsidiary Tamro AB, which according to local practise can be booked as a liability. The pension provision has a parent company guarantee.

17. DEFERRED INCOME TAXES

	1 Jan 2000	Charged/ (credited) to P/L income tax	Charged/ (credited) to P/L extraord	Other changes	31 Dec 2000
Deferred income tax liabilities					
Untaxed reserves and acc depr	18,399	-317	-96	-126	17,860
	18,399	-317	-96	-126	17,860
Deferred income tax assets					
Tax loss carry forwards	6,773	-3,504	0	34	10,243
Other temporary timing differences	8,407	-54	-3,011	41	11,431
	15,180	-3,558	-3,011	75	21,674
Net deferred income tax liability(+) / receivable(-)	3,219	-3,875	-3,107	-51	-3,814
	1 Jan 2001	Charged/ (credited) to P/L income tax	Charged/ (credited) to P/L extraord	Other changes	31 Dec 2001
Deferred income tax liabilities					
Untaxed reserves and acc depr	17,860	-1,369		-156	16,335
	17,860	-1,369	0	-156	16,335
Deferred income tax assets					
Tax loss carry forwards	10,243	-1,782		-9,208	21,233
Other temporary differences	11,431	8,371		-1,896	4,956
	21,674	6,589	0	-11,104	26,189
Net deferred income tax liability(+) / receivable(-)	-3,814	5,220	0	-11,260	-9,854

Deferred tax liability (EUR 805,000) related to the value adjustments has not been accounted for.

(Figures are in EUR thousands unless otherwise stated)

2001

2000

18. ACCRUED EXPENSES AND DEFERRED INCOME

Personnel expenses	11,700	10,419
Cost of goods	397	2,830
Income tax liability	5,528	1,890
Financial expenses	1,011	809
IT-expenses	99	160
Other accrued expenses and deferred income	4,576	5,522
Total	23,311	21,630

OTHER NOTES

19. CONTINGENT LIABILITIES

Mortgages		
For own debts (1)	23,600	4,201
Pledges	44,180	-
Guarantees		
For debts of the group companies' management	752	-
For debts of others	11,229	1,659
	11,981	1,659
Other commitments		
Leasing commitments		
Next year	2,135	2,661
Over one year	1,248	1,661
Rent commitments	9,620	1,589
Repurchase commitments	28	37
Other commitments	181	81
	13,212	6,029
Group liabilities, secured by mortgages, pledges and other commitments:		
Mortgages (1)	19,541	24,314
Pledges	41,502	-
	61,043	24,314

20. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives - notional amounts		
Currency instruments		
Currency forward contracts	141,561	99,474
Currency options - purchased	-	21,494
Currency options - sold	-	21,494
Interest rate instruments		
Interest rate forward contracts and futures	-	0
Interest rate option contracts	-	53,598
Interest rate swaps	10,000	-
Derivatives - market value		
Currency instruments		
Currency forward contracts	616	777
Currency options	0	0
Interest rate instruments		
Interest rate forward contracts and futures	-	0
Interest rate option contracts	-	-1
Interest rate swaps	29	-

The notional amounts of derivatives summarised here do not represent amounts exchanged by the parties and are thus not a measure of Tamro's derivatives-related exposure. According to the Finance Policy derivatives are used only to hedge the underlying business.



Notes to the Financial Statements



(Figures are in EUR thousands unless otherwise stated)

2001

2000

NOTES TO THE PARENT COMPANY INCOME STATEMENT

21. NET SALES BY MARKET AREA AND UNIT

By market area:		
Finland	666,539	674,642
Sweden	6	103
Baltic countries	2,341	4,849
Russia	0	0
	668,886	679,594
By unit:		
Tamro Finland	668,886	679,397
Others	0	197
	668,886	679,594

22. OTHER INCOME

Gain on sale of fixed assets	50,576	390
Rental and other income	3,255	2,496
	53,831	2,886

23. RAW MATERIALS AND SERVICES

Raw materials and consumables		
Purchases during the financial period	636,185	644,492
Inventories, incr. (-), decr. (+)	6,441	1,051
External services	3,889	4,641
	646,515	650,184

24. PERSONNEL EXPENSES

Personnel expenses:		
Wages and salaries during the financial year	13,500	14,100
Payroll related social costs		
Pension costs	2,658	2,660
Other payroll related social costs	785	958
	16,943	17,718
Wages and salaries paid to:		
Boards of Directors and CEO	406	449

25. DEPRECIATION ACCORDING TO PLAN

Intangible rights	581	500
Goodwill	10,556	1,806
Other capitalised expenditure	4	13
Buildings	1,713	1,669
Machinery and equipment	2,820	1,489
	15,674	5,478

26. FINANCIAL INCOME AND EXPENSES

Income from non-current financial assets		
Dividend income	11,507	26,575
Interest income	7,399	7,623
Other interest and financial income		
Interest income	10,823	10,318
Other financial income	38	8
Other interest and financial expenses		
Interest expenses	-11,517	-10,803
Other financial expenses	-6,289	-4,553
Exchange rate differences, net	1,090	-5,039
	13,051	24,130
From Group companies:		
Income from non-current financial assets		
Dividend income	11,445	25,377
Interest income	6,368	6,329
Other interest and financial income		
Interest income	9,404	9,079
Other financial income	38	8
Other interest and financial expenses		
Interest expenses	-512	-396
	26,743	40,397

27. EXTRAORDINARY INCOME AND EXPENSES

Income		
Sale of shares	-	395
Liquidation of a subsidiary	-	84
Profit on sale of business operations	-	-
Other extraordinary income	-	27
	-	506
Group contribution	-164	218
Expenses		
Write-off of loan receivables from Group and shares in subsidiaries *)	-	-20,550
Sale of shares	-	-2,490
Sundry expenses	-	-56
	-	-23,096
Extraordinary income and expenses, total	-164	-22,372

*) Year 2000 write-off of the shares in Tamro Distribution AS

28. APPROPRIATIONS

Accelerated depreciation in the income statement		
Intangible rights	-20	-52
Goodwill	10,556	1,806
Other capitalised expenditure	-1	1
Buildings	814	1,065
Machinery and equipment	764	39
	12,113	2,858

29. INCOME TAXES

Current income taxes	-5,517	-166
Income taxes from previous years	-351	-2,153
	-5,868	-2,319



Notes to the Financial Statements



1 Jan - 31 Dec

(Figures are in EUR thousands unless otherwise stated)

2001

2000

NOTES TO THE PARENT COMPANY BALANCE SHEET

30. FIXED ASSETS

	Intangible assets			Tangible assets			
	Intangible rights	Goodwill	Other capitalised expenditure	Land areas	Buildings	Machinery and equipment	Other tangible assets
Acquisition value 1 Jan	8,242	39,595	1,661	929	62,802	27,347	240
Increase	291		80		243	1,637	-
Decrease	-	-	-	-	-	-76	-
Other changes	-	-	-	-	-2,113	2,066	-
Acquisition value 31 Dec	8,533	39,595	1,741	929	60,932	30,974	240
Accumulated depr. 1 Jan	-6,078	-25,135	-1,657		-18,353	-22,673	
Increase	-581	-10,556	-4	-	-1,713	-2,820	-
Decrease	-	-	-	-	-	60	-
Accumulated depr. 31 Dec	-6,659	-35,691	-1,661	0	-20,066	-25,433	0
Value adjustments 1 Jan & 31 Dec				420	2,355		
Bookvalue 31 Dec 2001	1,874	3,904	80	1,348	43,221	5,541	240
Bookvalue 31 Dec 2000	2,164	14,460	4	1,348	46,804	4,674	240

31. GROUP COMPANIES

Company	Registered office	Group share of		Parent company share of holding %	Shares owned by the parent company		Book value	
		holding and votes %	shareholders' equity		Number of shares	Nominal value		
Nomeco A/S	Copenhagen, Denmark	100	82,019	100	7,200,000	19,364	197,155	
Tamro AB	Gothenburg, Sweden	100	85,950	-	-	-	-	
Tamro Health Care AB	Gothenburg, Sweden	100	14	-	-	-	-	
Tamro Sweden AB	Stockholm, Sweden	100	15,174	100	1,000	11	34,418	
Tamro SIA	Riga, Latvia	100	4,369	100	215	2,358	1,376	
Hansa Pharma Balticum SIA	Riga, Latvia	100	1,159	-	-	-	-	
Hansa Pharma SIA	Riga, Latvia	100	2,135	-	-	-	-	
Tamro MedLab AB	Gothenburg, Sweden	100	1,172	-	-	-	-	
Kemistien Oy	Vantaa, Finland	100	1,750	100	1,000,000	1,682	3,560	
Tamro UAB	Kaunas, Lithuania	100	5,269	100	51,809	7,352	5,920	
Apokjeden AS	Skårer, Norway	49	16,912	49	80,330	1,010	47,116	
Tamro Eesti AS	Tallinn, Estonia	100	3,062	100	5,500	352	530	
Medinord OÜ	Tallinn, Estonia	100	0	-	-	-	-	
Koduapteek OÜ	Tallinn, Estonia	100	0	-	-	-	-	
Tamro MedLab A/S	Roskilde, Denmark	100	486	-	-	-	-	
Tamro MedLab AS	Skårer, Norway	100	429	-	-	-	-	
Tamro MedLab Oy	Vantaa, Finland	100	2,304	100	5,000	5,000	5,000	
Medinord Oy	Vantaa, Finland	100	435	100	12	163	895	
Tam-Drug Oy	Vantaa, Finland	100	31	100	2,000	49	49	
Tamro Russia Oy	Vantaa, Finland	100	153	100	96,318	100	170	
Pharm Tamda 77	S:t Petersburg, Russia	85	-2	85	2,805	20	0	
							296,189	
Other subsidiaries, incl. non-operational							1,435	
							297,625	

32. OTHER SHARES AND PARTICIPATIONS

	Shares owned by the parent company	
	Number of shares	Nominal value
Finnish Central Securities Depository Ltd.	8	27
Helsinki Stock Exchange Ltd	24,400	27
Telephone company shares etc.		8
Housing corporations		114
Real estate and other shares		233
		409
Own shares acquired by the company	341,000	975

Own shares are valued at the acquisition cost. The share price at year-end was EUR 3.59.

(Figures are in EUR thousands unless otherwise stated)

2001

2000

33. RECEIVABLES AND LIABILITIES

Intra-group items		
Financial assets		
Loan receivables	122,960	127,949
Long-term receivables		
Loan receivables	72,691	72,141
Short-term receivables from Group companies		
Accounts receivable	10,485	2,660
Prepaid expenses and accrued income	18,642	9,203
Loan receivables	46,125	48,259
	75,252	60,122
Liabilities to Group companies		
Accounts payable	134	1,747
Accrued liabilities	235	81
Other short-term liabilities	67,398	46,360
	67,767	48,188

34. PREPAID EXPENSES AND ACCRUED INCOME

Sale of shares	73,109	-
Income tax receivable	-	12,981
Financial income	2,068	2,584
Prepaid expenses	417	2,074
Other income	2,240	1,890
Total	77,834	19,529

35. CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium account	Revaluation reserve	Fund for own shares	Other reserves	Retained earnings	Total equity
Equity 31 Dec 1999	120,365	143	1,093	13,608	0	377,402	512,612
Subscription of new shares	1	1					2
Decrease	-5,529	5,495				34	0
Cancelled own shares				-17,372			-17,372
Dividend						-17,174	-17,174
Net profit for the year						-8,655	-8,655
Fund for own shares				4,739		-4,739	0
Write-down of own shares				-406			-406
Donations						-1	-1
Equity 31 Dec 2000	114,837	5,640	1,093	569	0	346,867	469,006
Subscription of new shares							0
Decrease							0
Cancelled own shares							0
Dividend						-5,725	-5,725
Net profit for the year						49,806	49,806
Fund for own shares							0
Write-down of own shares				406			406
Donations							0
Other change						1	1
Equity 31 Dec 2001	114,837	5,640	1,093	975	0	390,949	513,494

(Figures are in EUR thousands unless otherwise stated)

2001

2000

36. ACCUMULATED DEPRECIATION DIFFERENCE

Accelerated depreciation		
Intangible rights	422	402
Goodwill	3,904	14,460
Other capitalised expenditure	4	2
Buildings	29,024	29,838
Machinery and equipment	-430	335
	32,924	45,037

37. OBLIGATORY RESERVES

Reserve for taxes	2,588	2,758
Other obligatory reserves	292	-
	2,880	2,758

38. LONG-TERM LIABILITIES

Long-term liabilities fall due as follows:		
2003	5,424	-
2004-2006	8,136	-
	13,560	-
Foreign currency breakdown of long-term liabilities:		
EUR	13,560	-

39. ACCRUED EXPENSES AND DEFERRED INCOME

Personnel expenses	2,172	1,806
Financial expenses	742	803
IT expenses	99	160
Income tax liability	3,933	116
Other accrued expenses and deferred income	777	1,947
Total	7,723	4,832

OTHER NOTES

40. CONTINGENT LIABILITIES

Mortgages (1)		
For own debts	23,010	2,943
Guarantees		
For subsidiaries	35,714	26,840
For debts of others	11,008	38
	46,722	26,878
Other commitments		
Leasing commitments		
Next year	1,177	1,807
Over one year	536	1,148
Rent commitments	497	1,095
Repurchase commitments	28	37
Other commitments	-	74
	2,238	4,161
(1) Parent company's liabilities, secured by mortgages	18,984	23,583

41. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives - notional amounts		
Currency instruments		
Currency forward contracts	144,436	99,739
Currency options - purchased	-	21,494
Currency options - sold	-	21,494
Interest rate instruments		
Interest rate forward contracts and futures	-	0
Interest rate option contracts	-	53,598
Interest rate swaps	10,000	-
Derivatives - market value		

Currency instruments		
Currency forward contracts	643	818
Currency options	0	0
Interest rate instruments		
Interest rate forward contracts and futures	-	0
Interest rate option contracts	-	-1
Interest rate swaps	29	-

The notional amounts of derivatives summarised here do not represent amounts actually exchanged between the parties and are thus not a measure of the parent company's derivatives-related exposure. According to the Finance Policy derivatives are used only to hedge the underlying business.



Proposal for Profit Distribution



The net profit of Tamro Corporation for the fiscal year is	EUR 49,806,100.80
Total retained earnings amount to	EUR 390,948,842.00
- of which the distributable portion is	EUR 390,948,842.00

The retained earnings shown in the Consolidated Balance Sheet as at 31 December 2001 is	EUR 209,751,000.00
- of which the distributable portion is	EUR 184,135,000.00

The Board of Directors proposes that	
- the dividend of EUR 0,15 per share, including a bonus dividend, be paid on 114 496 083 shares entitled to a dividend	EUR 17,174,412.45
- the remainder be posted to the retained earnings account	EUR 373,774,429.55

Vantaa, 28 February 2002

Dr Bernd Scheifele
Chairman

Mikael von Frenckell

Johan Horelli

Dag Johannesson

Dr Lorenz Näger

Reimund Pohl

Jo Langmoen
CEO





To the shareholders of Tamro Corporation

We have audited the accounting, the financial statements and corporate governance of Tamro Corporation for the period 1 January - 31 December 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

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

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

Vantaa, 28 February 2002

SVH Pricewaterhouse Coopers Oy
Authorised public accountants

Jukka Ala-Mello
APA

Johan Kronberg
APA



Financial Indicators 1997-2001



KEY FINANCIAL INDICATORS 1997-2001

	2001	2000	1999	1998	1997
FROM THE INCOME STATEMENT, EURm					
Net Sales	3,795.6	3,518.4	3,235.8	3,019.8	2,168.4
Other income	58.3	3.3	7.6	19.6	0.0
Operating expenses	-3,742.5	-3,489.1	-3,193.6	-2,979.8	-2,114.9
Depreciation	-44.8	-18.8	-15.5	-25.5	-16.0
Operating profit	66.6	13.7	34.2	34.1	37.5
Financial income and expenses	-13.0	-14.5	-4.7	-5.8	-2.3
Share of affiliated companies' net income	1.9	3.3	2.4	-6.9	0.7
Ordinary profit before taxes	55.5	2.5	31.9	21.4	35.9
Minority and income taxes on ordinary activities	-17.4	-4.4	-9.3	-7.3	-11.3
Ordinary net profit	38.1	-1.9	22.6	14.2	24.6
Extraordinary income and expenses, net of taxes	-	-10.3	0.9	1.5	0.6
Net profit for the period	38.1	-12.2	23.5	15.7	25.2
FROM THE BALANCE SHEET, EURm					
Tangible and intangible assets	240.1	181.7	177.3	169.8	172.0
Financial assets	26.2	71.3	85.0	41.2	23.6
Inventories	287.5	308.3	307.1	259.0	193.4
Receivables	571.1	494.0	457.5	391.9	237.4
Liquid assets and short-term investments	60.2	69.3	34.0	67.3	57.5
Equity	332.7	300.9	351.2	353.7	292.5
Minority	17.2	1.9	0.0	0.0	0.5
Obligatory reserves	3.7	4.3	0.6	0.9	0.3
Long term liabilities	63.1	16.2	36.6	40.7	37.0
Short term liabilities	768.4	801.3	672.5	534.0	353.7
Balance sheet total	1,185.1	1,124.6	1,060.9	929.2	684.0
KEY FIGURES					
Sales change, %	7.9	8.7	7.2	39.3	-2.5
Operating margin, %	1.8	0.4	1.1	1.1	1.7
Profit margin, %	1.5	0.1	1.0	0.7	1.7
Return on capital employed, %	13.1	4.0	8.2	8.4	12.7
Return on equity, %	10.4	-0.6	6.5	4.4	8.6

Free cash flow, EURm	-18.7	29.3	-86.7	42.6	16.0
Capital employed, EURm	581.8	544.4	564.3	441.7	321.9
Net debt, EURm	171.8	140.1	146.3	20.6	-28.6
Net gearing, %	49.2	46.4	43.5	5.9	-9.8
Interest cover	4.4	1.2	5.3	5.0	15.8
Equity Ratio, %	29.4	26.9	31.8	38.1	42.9
PER SHARE DATA *)					
Number of shares - at end, millions	114.5	114.5	116.0	120.3	88.2
Number of shares - average, millions	114.5	114.7	119.3	121.8	88.2
Earnings per share, EUR	0.33	-0.02	0.19	0.12	0.28
Dividend per share, old/new shares, EUR	0.15**)	0.05	0.15	0,25/0,10	0.15
Dividend per earnings, %	45	neg.	79	180	54
Effective dividend yield, %	4.2	3.0	4.9	5.7	3.0
Equity per share, EUR	2.90	2.62	2.90	2.86	3.31
P/E multiple	11	neg.	16	32	18
TAMRO SHARE INFORMATION					
Average trading price, EUR	3.44	2.65	3.47	5.11	5.53
Lowest trading price, EUR	1.65	1.62	2.75	3.36	4.79
Highest trading price, EUR	4.10	3.80	4.50	7.40	6.39
Price at 31 December, EUR	3.59	1.67	3.04	3.70	5.03
Trading volume, million shares	19.6	22.4	53.2	48.3	40.4
Trading volume, %	17	20	45	46	46
Market capitalisation at 31 December, EURm	411.0	191.2	352.3	445.2	441.3
OTHER					
Investments, EURm	96.2	35.8	22.6	34.5	11.9
as % of sales	2.5	1.0	0.7	1.1	0.6
Number of employees, average	2,854	2,683	2,532	2,578	2,249
*) excluding own shares					
**) Board proposal					



Calculation of Financial Ratios



PROFIT MARGIN

$$\frac{\text{Ordinary profit before taxes}}{\text{Net Sales}}$$

TRADING VOLUME IN %

$$\frac{\text{Number of shares traded during the period}}{\text{Average number of outstanding shares}}$$

CAPITAL EMPLOYED

Total assets - non-interest bearing liabilities

MARKET CAPITALISATION *)

Number of shares x market share price at 31 Dec

RETURN ON CAPITAL EMPLOYED

$$\frac{\text{Ordinary profit before taxes + interest expenses + other financial expenses}}{\text{Average capital employed}}$$

EARNINGS PER SHARE *)

$$\frac{\text{Ordinary net profit - minority interest}}{\text{Average number of shares}}$$

RETURN ON EQUITY *)

$$\frac{\text{Ordinary net profit - minority interest}}{\text{Average shareholders' equity and minority}}$$

DIVIDEND PER EARNINGS **)

$$\frac{\text{Dividend per share}}{\text{Earnings per share}}$$

FREE CASH FLOW

See Cash Flow Statement

EFFECTIVE DIVIDEND YIELD

$$\frac{\text{Dividend per share}}{\text{Market share price at 31 Dec}}$$

NET DEBT

Interest bearing debt - cash and bank - short-term investments - bonds

EQUITY PER SHARE *)

$$\frac{\text{Shareholders' equity}}{\text{Number of shares at 31 Dec}}$$

NET GEARING *)

$$\frac{\text{Net debt}}{\text{Shareholders' equity + minority interest}}$$

P/E MULTIPLE

$$\frac{\text{Market share price at 31 Dec}}{\text{Earnings per share}}$$

INTEREST COVER

$$\frac{\text{Ordinary profit before taxes + interest expenses}}{\text{Interest expenses}}$$

AVERAGE NUMBER OF EMPLOYEES

Calculated from month-end figures and adjusted for part-time employees.

EQUITY RATIO *)

$$\frac{\text{Shareholders' equity + minority interest}}{\text{Total assets - advances received}}$$

INVESTMENTS

Includes corporate acquisitions.

AVERAGE TRADING PRICE

$$\frac{\text{Value of trading volume}}{\text{Volume traded}}$$

SHARE ISSUE ADJUSTMENTS

The numbers of shares are fully comparable for the whole five-year period.

- *) Effect of own shares eliminated from the date of repurchase.
- **) Dividend is weighted with respect to old and new shares.



Quarterly Development



QUARTERLY DEVELOPMENT

	10-12 2001	7-9 2001	4-6 2001	1-3 2001	1-12 2001	1-12 2000	Change %
NET SALES							
(EURm)							
Tamro Sweden	364.4	343.3	389.6	389.7	1,487.0	1,573.8	-5.5
Tamro Denmark	242.0	224.7	223.8	229.3	919.8	852.5	7.9
Tamro Finland	181.7	160.5	166.7	163.3	672.2	681.8	-1.4
Tamro Norway	134.5	109.5	117.3	92.0	453.3	185.0	145.0
Tamro Estonia	10.9	8.3	9.1	8.8	37.1	34.0	9.1
Tamro Latvia	16.9	14.9	14.4	13.0	59.2	43.3	36.7
Tamro Lithuania	12.5	8.3	10.0	8.6	39.4	30.7	28.3
Tamro Russia	18.8	10.8	9.5	8.6	47.7	34.2	39.5
Tamro MedLab	24.2	22.2	22.9	23.3	92.6	89.0	4.0
Other and internal	-3.2	-1.2	-5.4	-2.9	-12.7	-5.9	-115.3
Group total	1,002.7	901.3	957.9	933.7	3,795.6	3,518.4	7.9
NUMBER OF EMPLOYEES, AVERAGE							
Tamro Sweden	516	470	544	546	519	578	-10.2
Tamro Denmark	622	637	635	632	632	667	-5.2
Tamro Finland	360	377	366	361	366	440	-16.8
Tamro Norway	680	582	497	206	491	110	346.4
Tamro Estonia	101	77	78	83	85	78	9.0
Tamro Latvia	262	303	95	97	189	93	103.2
Tamro Lithuania	84	83	86	90	86	149	-42.3
Tamro Russia	179	176	190	194	185	180	2.8
Tamro MedLab	255	258	256	259	257	271	-5.2
Others	27	29	56	61	44	117	-62.4
Group total	3,086	2,992	2,803	2,529	2,854	2,683	6.4
CONSOLIDATED INCOME STATEMENT							
(EURm)							
Net Sales	1,002.7	901.3	957.9	933.7	3,795.6	3,518.4	7.9
Other income	55.4	0.4	0.0	2.5	58.3	3.3	1,675.9
Operating expenses	-992.5	-888.9	-941.4	-919.7	-3,742.5	-3,489.2	7.3
Depreciation	-26.6	-7.6	-6.2	-4.4	-44.8	-18.8	137.9
Operating profit	39.0	5.2	10.3	12.1	66.6	13.7	386.6
Financial income and expenses	-3.5	-3.9	-3.4	-2.2	-13.0	-14.5	-10.8
Share of affiliated companies' net income	0.0	0.3	1.6	0.0	1.9	3.3	-42.3
Ordinary profit before taxes	35.5	1.6	8.5	9.9	55.5	2.5	2,166.7
Income taxes on ordinary activities	-15.5	-0.5	-2.7	-3.2	-21.9	-4.4	392.6
Minority interest	1.1	2.2	0.6	0.6	4.5	0.0	

Ordinary net profit	21.1	3.3	6.4	7.3	38.1	-1.9	2,069.6
Extraordinary income and expenses, net of taxes	-	-	-	-	-	-10.3	-100.0
Net profit for the period	21.1	3.3	6.4	7.3	38.1	-12.2	411.5

	31st Dec 2001	30th Sep 2001	30th Jun 2001	31st Mar 2001	31st Dec 2001	31st Dec 2000	Change %
CONSOLIDATED BALANCE SHEET							
(EURm)							
Assets							
Intangible and tangible assets	240.1	247.5	244.0	179.3	240.1	181.7	32.1
Financial assets	26.2	64.3	65.8	95.6	26.2	71.3	-63.3
Inventories	287.5	279.9	280.4	302.5	287.5	308.3	-6.7
Receivables	571.1	485.4	510.4	504.5	571.1	494.0	15.6
Liquid assets and short-term investments	60.2	30.7	26.9	22.9	60.2	69.3	-13.1
	1,185.1	1,107.8	1,127.5	1,104.8	1,185.1	1,124.6	5.4
Equity & liabilities							
Equity & minority	349.9	322.7	325.7	306.9	349.9	302.8	15.6
Obligatory reserves	3.7	2.4	2.5	4.8	3.7	4.3	-14.0
Long term liabilities	63.1	75.0	69.1	37.5	63.1	16.2	289.5
Short term liabilities	768.4	707.7	730.2	755.6	768.4	801.3	-4.1
Balance sheet total	1,185.1	1,107.8	1,127.5	1,104.8	1,185.1	1,124.6	5.4

	10-12 2001	7-9 2001	4-6 2001	1-3 2001	1-12 2001	1-12 2000	Change %
OTHER CONSOLIDATED KEY FIGURES							
Operating margin, %	3.9	0.6	1.1	1.3	1.8	0.4	
Profit margin, %	3.5	0.2	0.9	1.1	1.5	0.1	
Return on capital employed, %	29.1	4.7	9.6	9.6	13.1	4.0	
Return on equity, %	24.7	1.4	7.4	8.8	10.4	-0.6	
Gross investments, €m	25.4	18.7	14.9	37.2	96.2	35.8	169.1
Free cash flow, €m	-41.2	32.9	40.5	-50.9	-18.7	29.3	-163.8
Capital employed, €m	581.8	514.3	552.4	555.3	581.8	544.4	6.9
Net debt, €m	171.8	140.2	179.0	193.3	171.8	140.1	22.6
Net gearing, %	49.2	43.5	55.1	63.1	49.2	46.4	6.0
Equity Ratio, %	29.4	29.1	28.8	27.7	29.4	26.9	9.4
Number of shares - at end, millions (excluding own shares)	114.5	114.5	114.5	114.5	114.5	114.5	0.0
Number of shares - average, millions (excluding own shares)	114.5	114.5	114.5	114.5	114.5	114.7	-0.2
Earnings per share, € (excluding own shares)	0.18	0.03	0.06	0.06	0.33	-0.02	1,750
Equity per share, € (excluding own shares)	2.90	2.66	2.68	2.66	2.90	2.62	10.7

Number of employees,
average

3,086

2,992

2,803

2,529

2,854

2,683

6.4

