

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
---	-------	-------

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.

