



# Annual Report 2000

## We develop by growing closer

A global network of customers, leading brands, customer-oriented production and similar product technology tie Partek together.

Partek has strong brands. Behind them lies a wealth of know-how and strength. Growth reinforces our global presence and facilitates even more efficient operations.

Customer-order based manufacturing is a key feature in all our operations. The customers take part in tailoring their products to their individual requirements. By manufacturing module-based products, the flexibility, speed and efficiency of the business is increased. Through our extensive service and distribution network we are always near the customer.

We effectively combine hydraulics, electronics and information technology. Measuring and positioning systems are essential in our products. Similar technology and common components strengthen our purchasing power and product development, and increases our cost efficiency.

Great benefits are achieved by exchanging and combining knowledge and know-how in our businesses. This is key in our progress.



Rest is chair  
Chair is wood  
Wood is timber  
Timber is harvester  
Harvester is Valmet

Happiness is  
spaghetti  
Spaghetti is wheat  
Wheat is crop  
Crop is tractor  
Tractor is Valtra





Harmony is music  
Music is piano  
Piano is heavy  
Heavy is crane  
Crane is Hiab

Music is Walkman  
Walkman is import  
Import is container  
Container is reachstacker  
Reachstacker is Kalmar



# From the President and CEO

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Year 2000 was a record year for Partek. Both sales and profits increased strongly.



Year 2000 was a record year for Partek. Both sales and profits increased strongly.

A number of factors contributed to the excellent year.

Strong general demand was undoubtedly to our advantage. However, we also increased our market shares. We intend to do so also in the future. Organic growth was a strong 14 percent. Total growth was even higher.

During the year, Partek made several corporate acquisitions. They contributed to our growth. Above all however, they reinforced our strategic position as a market leader within our business areas. They also increased our geographical presence, with around one third of Partek's sales now originating from markets outside Europe. We do not call ourselves a global company for nothing.

The clear improvement in profits is testimony to the efforts made to achieve our declared financial targets for the business areas: eight percent operating margin, three times capital turnover rate and 10 percent growth. The engineering business came very close to achieving these goals.

An important factor in this process was increasing co-ordination between the business areas and raising productivity. In sourcing Group co-operation and standardisation led to substantially reduced costs, amounting to between 6 and 7 percent over the past three years. The next three years

should produce at least a similar improvement. A precondition for this is a clear reduction in the number of suppliers.

There are many other areas where co-operation can be increased: information technology, e-business, customer financing, distribution network and marketing. In this respect, we see clear potential that is strengthened by our market position and the closeness of our businesses.

During the past year, we launched a wide range of new, technologically advanced and highly competitive products. We are proud to be the leader in this respect as well. A significant share of our products have been introduced in the past few years. An essential aim of our development work is to ensure that our products raise the productivity of our customers.

The productivity of our customers is further improved through our ability to offer service, total maintenance contracts and possibly also the operation of the machine, in addition to simply supplying the machine itself. The after-sales business grew during the year. Partek moved downstream. We concluded a number of interesting comprehensive service contracts in i.a. Forest machines and Container handling. Furthermore, a number of our acquisitions represented the service business.

Larger and ever more globalised customers want global suppliers to an increasing extent – they want to focus on their core

competencies. We see this is an important reason why the after-sales market will show strong growth within our industry over the next few years. Partek intends to take its share of this growth.

We wish to contribute towards creating added value for our customers.

We also intend to add value for our shareholders. This is achieved through growth and improved profits. We are working hard to maintain the upward trend of the past few years. We are also open to structural actions. Many areas of the engineering industry are consolidating. I see Partek playing a role in this development.

Many shareholders expect a better total return on their investment. Partek's policy of high direct returns cannot compensate for the fact that the share-price performance was lacklustre last year, although it was better than the index.

Based on year 2000, all of Partek's business areas more than aptly compare to our best competitors in terms of profitability. Partek teams around the world have contributed to achieving this position. It gives us the strength to face uncertainties and challenges in 2001, but also to seize new chances and opportunities.

February 2001

Christoffer Taxell

# About Partek

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Partek's operations are based on a strong global position. With our products – mobile logistical solutions for ports and terminals, vehicle load-handling equipment, advanced forest machines and tractors – we serve our customers throughout the world.

Partek's success is founded on customer-oriented solutions, on innovative product development and on strong brands.

Partek's machines and services form key parts of our customers' businesses and processes wherever know-how is needed and the aim is to raise productivity. The solutions provided by Partek cover the entire product life-cycle.

Partek is a global player. The company has production plants in 14 countries on four continents and its own sales and service agencies in 30 countries. Local representatives and dealers ensure that Partek's products are available in more than 100 countries. Partek has almost 13,000 employees.

Partek is one of the oldest established companies in Finland. Its shares have been traded without interruption on the Helsinki Stock Exchanges since 1915. Partek's shareholders today number 11,200.

## **Partek's basic strategy is growth and market leadership**

All of Partek's business areas are leaders in their own segments on their main markets.

A strategy based on a strong market position implies continuous growth. The main focus is on organic growth. In recent years Partek has also grown strongly by

means of acquisitions and by taking part in corporate restructuring in its areas of core competencies.

The foundation for growth is based on Partek's customers who operate in expanding businesses. Container traffic is growing faster than world trade. The loading, unloading and movement of goods is to be done faster and faster. Environmental and efficiency demands are increasing in agriculture and forestry.

Partek also seeks growth by moving closer to the customer in the value chain, by raising its market share on existing markets, by extending its operations to new markets and by expanding its electronic business.

Partek aims to grow by moving closer to the customer in the value chain. Moving the focus in the value chain means that the services' share of net sales increases. This implies developing value-adding maintenance and spare parts services and customer financing.

Partek effectively combines hydraulics, electronics and information technology as well as measuring and steering systems, in order to answer to prevailing and future demands relating to efficiency, the environment and ergonomics.

The share of products made to customer-order is high and is continuously increasing. By manufacturing module-based products,

the flexibility, speed and efficiency of the business is increased.

### **Partek – a pioneer in utilising industrial e-business solutions**

Partek utilises e-business as part of the business processes to improve customer service and make operations more efficient. Internet-based solutions make the entire value chain integrated and transparent. In the company's visions for the future customers, suppliers and other partners can all be integrated in Partek's processes and systems via the Internet.

Partek's e-business solutions are: "Meidån Valtramme" (Our Valtra), a website for tractor customers providing trading and service functions, the integrated spare-parts service in Load handling, and the independent trading site for pre-owned machines, Mascus, which was started in January 2001.

### **Customers operate in transport, industry and primary production**

Partek supplies logistic solutions for ports, terminals and industrial customers. The demand for these products derives from the expansion in world trade and container traffic. The products include straddle carriers, RTG cranes, reachstackers, terminal and ro-ro tractors, tractors for handling empty containers and fork-lift trucks.

Partek's lifting equipment for vehicles facilitate the loading, unloading and movement of goods. Such equipment includes loader cranes, demountables, tailgate lifts and truck-mounted fork-lift trucks. Today more and more haulage companies, the public sector and the military are equipping

their vehicles with various kinds of lifting equipment to make distribution more efficient. Forest-machine entrepreneurs, forest companies, haulage companies and individual hauliers buy Partek's forest machines and cranes together with other equipment needed in forestry. With the expansion of the cut-to-length harvesting method in both North and South America, demand for Partek's forest machines also rises. The main products are harvesters, forwarders, tracked fellers and forest cranes.

Partek produces highly efficient and technically advanced tractors used by farmers, machine entrepreneurs and local governments. Tractor production is based on customers' orders, thereby making it possible to tailor the tractor to the customers' requirements. This method is unique in the industry and it gives Partek a clear advantage in efficiency.

### **Value added for customers and owners**

In its operations Partek wishes to create added value for both its customers and its owners. To achieve this Partek needs to be a sought-after partner and attractive employer. Growth, profitability and assurance of operational preconditions are related economic targets.

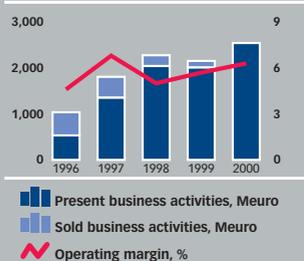
Partek endeavours to be a competitive investment among the world's leading engineering companies. The long-term goal for return on capital employed and return on equity is 15 percent, for the equity/total assets ratio it is at least 40 percent, and for gearing the target is 50 percent. At least a third of annual profit is distributed to shareholders in the form of dividends.

# Year in brief

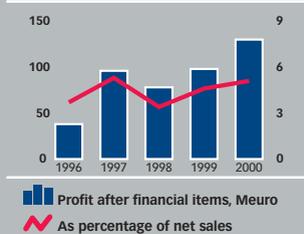
“We benefited from good demand, but we also acquired market shares. Organic growth was 14 percent, and total growth was even higher. Based on year 2000, all of Partek’s business areas more than aptly compare to our best competitors.”

Partek Group		2000	1999
Net sales	Meuro	2,543	2,153
Change	%	18	-5
Operating profit	Meuro	161	123
Operating margin	%	6.3	5.7
Profit after financial items	Meuro	130	98
Net profit for the period	Meuro	80	60
Balance sheet total	Meuro	2,259	1,685
Capital employed	Meuro	1,733	1,304
Gross capital expenditure	Meuro	581	159
Earnings/share	euro	1.63	1.24
Equity/share	euro	13.35	12.18
Personnel on average		11,752	11,168
<b>Target</b>			
Return on capital employed	%	15	12.1
Return on equity	%	15	13.0
Solvency ratio	%	>40	37.9
Gearing	%	50	88.4

## NET SALES AND OPERATING MARGIN



## PROFIT AFTER FINANCIAL ITEMS



## CAPITAL EMPLOYED AND ROC



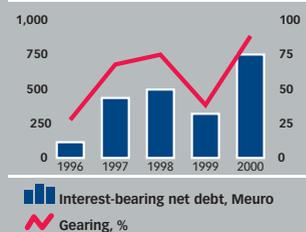
## EQUITY AND ROE



## CAPITAL STRUCTURE AND SOLVENCY



## INTEREST-BEARING NET DEBT AND GEARING



# Contents

## Partek in year 2000

### 2000 was a record year

- Net sales increased 18 percent to EUR 2,543 (1999: 2,153) million
- Operating profit rose 31 percent to EUR 161 (123) million, which is 6.3 (5.7) percent of net sales
- Profit after financial items increased by a third to EUR 130 (98) million

### Acquisitions support the strategy

- Partek's ownership in Kalmar and Zeteco rose above 99 percent, redemption of the remaining shares was started
- Timbco forest machines broadened the product range
- Through Moffett, Kooi and Princeton Partek became the world-leader in truck-mounted forklifts

### Accelerating growth

- Organic growth of 14 percent stood for the major part of growth
- Market shares increased
- About a third of Partek's sales originate from outside Europe

### Dividend

- The Board proposes to the AGM a dividend of EUR 0.60 (0.55) for year 2000, which represents 37 percent of profits after tax
- According to the proposal EUR 29.3 million would be paid in dividend

From the President and CEO

About Partek

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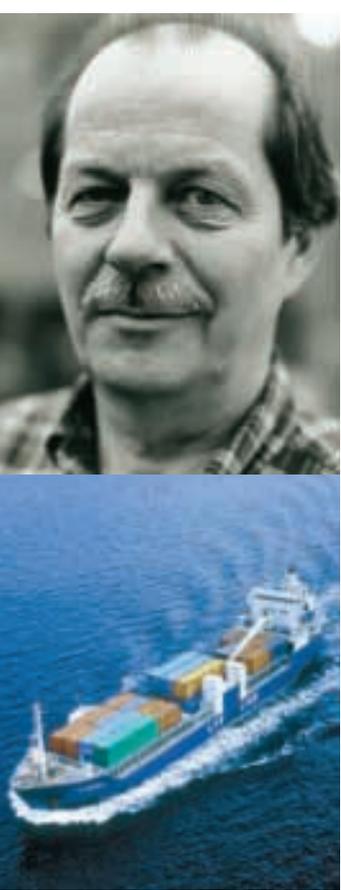


Container handling

# Container handling



Customers
■ Ports
■ Terminals and transportation companies
■ Heavy industry



Partek's Container handling business area, Kalmar Industries, is the world-leading supplier of material-handling solutions for ports, terminals, and demanding industrial customers in chosen segments.

Kalmar's product range includes straddle carriers, Rubber Tired Gantry (RTG) Cranes, reachstackers, terminal tractors, empty container lift trucks and forklifts for heavy industrial applications.

Kalmar reachstackers, straddle carriers and terminal tractors are all global market leaders.

Kalmar's products are manufactured in Finland, Sweden, the U.S. and Estonia. Kalmar has a worldwide sales and service network. All major markets are served by Kalmar sales companies and other markets by well recognised dealers. Nearly 70,000 Kalmar machines are in daily use in over 140 countries.

### Development in 2000

Year 2000 was the best year in Kalmar history in terms of orders, sales and profit. The success was due to stronger demand, increased market shares and improved efficiency.

Growth took place in all markets. Demand for Kalmar's products and services in-

creased particularly strongly in the Asian Pacific region, and North American sales continued to grow from an already high level.

Kalmar RT Center in Texas, USA, signed a contract for the delivery of a total of 390 container handling machines to the United States Army between 2000-2007. The contract is valued at USD 190 million. During the year, Kalmar booked delivery orders totalling EUR 39 million within the framework of the contract.

Partek's working capital project has been implemented in almost all Kalmar units.

### Expanding operations

In December the acquisition of Nelcon BV, a manufacturer of container-handling equipment, and Groot-Hensen BV, a related service company was announced. The company has annual net sales of EUR 80 million and 260 employees. Rotterdam-based Nelcon has a wide product range, including ship-to-shore container gantry cranes (SSC) and rail-mounted gantry cranes (RMG). In addi-

- Strong increase in operating profit
- Growth from new products, acquisitions and larger market shares
- A strengthened after-sales position



tion, Nelcon manufactures diesel-electric straddle carriers.

This acquisition is an important and logical step in Kalmar's overall business strategy of providing total handling services for its container-handling customers. The addition of Nelcon will also provide Kalmar with increased access to expertise regarding all types of handling equipment, thereby strengthening its position in comprehensive service and maintenance contracts of both Kalmar and non-Kalmar equipment. The transaction is subject to approval of regulatory authorities.

### Product development

During the year Kalmar has introduced several new products. To meet the needs related to the increasing size of containerships Kalmar introduced a new transport straddle carrier concept. It is primarily designed to transport containers, but it also has a 1-over-1 lifting capability.

Kalmar's unique innovation, the satellite-based automatic steering system for RTG cranes, Smartrail™, is gaining increasing market success due to the remarkable increase in handling productivity achieved. The proven success of the system has prompted customers to order the Smartrail system for their non-Kalmar equipment as well.

### After-sales

The trend for customers to outsource supporting services is continuing.

Kalmar Solutions includes all of Kalmar's service products. The aim is to provide services, which customers and their operations require in order to attain maximum benefit from their material-handling equipment. The goal is to offer total maintenance and operation contracts for the customer's entire fleet of material-handling equipment.

Kalmar Solutions' net sales increased 14 percent. The strong increase in sales of new machines will provide more service and maintenance contracts in coming years. This is in line with the goal of noticeably increasing Kalmar Solution's share of Kalmar's total net sales.

Kalmar won several major service contracts during the year, including a full service contract covering machines in the Eurofos port of Marseille. The sales and service company Klaus Eger GmbH, based in Bremen, Germany, was acquired. This acquisition noticeably increases Kalmar's strength in maintenance and service in northern German ports.



**The Kalmar reachstacker is a global market leader.** A total of 70,000 Kalmar machines are in daily use all over the world.

### Business segments

Net sales, Meuro	2000	1999
Container Handling	245.4	179.3
Industrial Systems	80.9	73.5
Trailer Logistics	142.2	117.7
Kalmar Solutions	144.8	126.7
Other	29.9	40.1
<b>Total</b>	<b>643.2</b>	<b>537.3</b>

### Key figures

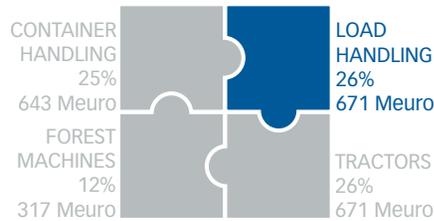
	2000	1999	Change %
Net sales, Meuro	643.2	537.3	20
Operating profit, Meuro	49.3	27.8	77
Operating margin, %	7.7	5.2	
Orders received, Meuro	744.3	521.8	43
Order book, Meuro	219.6	118.5	85
Capital employed, avg. Meuro	222.1	225.4	-1
ROC %	23	13	
Capital turnover rate	2.9	2.4	
Operational investments, Meuro	18.6	16.7	-19
Depreciation, Meuro	14.6	17.0	-14
Personnel, December 31	3,255	2,944	11
R&D expenses, Meuro	4.8	4.5	8





Load handling

# Load handling



Customers
Truck owners and transportation firm
Automobile industry and auto shops
The public sector
Ports and terminals
Equipment and truck-leasing firms



Partek's Load handling business area answers to the demands for increased efficiency in moving and handling goods by producing vehicle load-handling equipment for its customers. Partek is the leading supplier worldwide in the field.

Load handling comprises Partek Cargotec and Zeteco, which became Partek's subsidiary in March 2000. The products are Hiab loader cranes, Multilift and Leebur demountable load-handling systems, Moffett, Kooi and Princeton truck-mounted forklifts and Zepro and Waltco tailgate lifts, alignment systems for vehicles (Zetterbergs), vehicle bodies for trucks (Car-O-Liner and Josam) and Bromma container spreaders.

The sales companies and the individual importers and partners form a worldwide network of more than 1,500 sales and service points. The business area has production on three continents, 35 sales companies of its own and operations in nearly 100 countries.

### Development in 2000

The sales of Load handling increased during the year through corporate acquisitions and by strengthening its market positions. Relative sales growth was strongest in demountable load-handling systems, where Partek started producing Atlas demountables-equipment for the German company

F. Weyhausen. As Zeteco became part of the group, the sales of tailgate lifts were combined with Cargotec's sales network in Norway, Japan and Southeast Asia. The companies' synergies are also apparent in orders; the Swedish armed services (FMV) ordered a comprehensive logistical solution, in which Multilift supplied demountables. These were mounted on vehicles by Zetterbergs.

The development of truck sales is the biggest single factor influencing the sale of load-handling equipment. In Europe and Japan registrations of heavy trucks increased by about 5 percent in 2000, whereas registrations of new vehicles in the United States fell by about 17 percent. Despite this sales in the United States increased through acquired market shares.

The business area's profitability increased through improved efficiency, favourable market development and synergy benefits achieved in corporate acquisitions.

- Growth through acquisitions and a strengthened market position
- Net sales increased 60 percent and operating profit 152 percent
- Global market leader



## Expanding operations

The product portfolio was broadened by the purchase of truck-mounted forklift businesses. The range of tailgate lifts was broadened through Zeteco, which also added vehicle bodies for trucks. Zeteco also brought alignment systems for vehicles and Bromma, the global leader in container spreaders, to the group. The refuse-vehicles operations were divested. The acquisitions support Partek's strategy to be market leader. Today Partek is clearly the global leading supplier of load-handling equipment for vehicles.

Integrating the businesses acquired in 2000 will continue, and synergy benefits are expected particularly in sales and distribution, after-sales, sourcing and product development.

A decision was made to expand the container spreader plant in Malaysia, in order to answer to the increasing global demand. The expansion will come on-stream in spring 2001.

## Product development

Investment in product development continued during the year. The new Hiab XS crane generation was launched in September. It is a typical Partek product, as it combines advanced hydraulics, electronics and information technology, and as it is

produced in modules according to the customer's order.

The demountables operations introduced new models of low LHD-, LHZ- and heavy LBS-systems. Multilift also launched an advanced sideloader.

The container spreader operations developed a new generation of products, which includes a self-monitoring system that checks the condition of the spreader and looks for faults.

## After-sales

Load handling is active in the Group's joint e-business projects: the global sourcing information system, the e-marketplace project and the product information systems.

At the beginning of 2001 Load handling's Internet-based spare-parts service will also be introduced. It will be integrated with the daily business operations system, and it supports Partek's strategy to increase the share of after-sales to net sales. The share was 12 percent in 2000.



**The new Hiab XS model is tailor-made according to the customers' lift and transport needs.**

## Product lines

Net sales, Meuro	2000	1999
Partek Cargotec	464.3	419.2
Zeteco	215.3	-
Internal sales	-8.2	-
<b>Total</b>	<b>671.4</b>	419.2

## Key figures

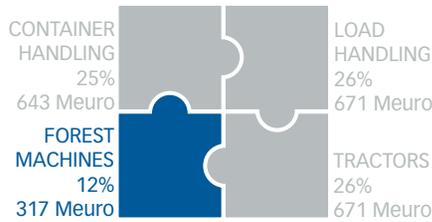
	2000	1999	Change %
Net sales, Meuro	671.4	419.2	60
Operating profit, Meuro	58.0	23.0	152
Operating margin, %	8.6	5.5	
Orders received, Meuro	679.1	432.5	57
Order book, Meuro	146.4	93.7	56
Capital employed, avg. Meuro	226.2	114.1	98
ROC %	25	18	
Capital turnover rate	2.8	3.1	
Operational investments, Meuro	18.1	6.3	187
Depreciation, Meuro	13.6	7.5	81
Personnel, December 31	3,912	2,016	94
R&D expenses, Meuro	16.5	10.2	63





Forest machines

# Forest machines



Customers
■ Forest machine entrepreneurs
■ Forest industry companies
■ Transportation companies



Partek's Forest machines business area produces technologically leading, environment-friendly and ergonomic forest machines and timber cranes. The aim is to be the leading specialised forest-machine producer and offer customers the most productive forest-machine solution in the world.

Partek has a competitive advantage because of its presence on all mechanised harvesting markets, thanks to which knowledge about the customers is great. Also, production of all key components, such as harvester heads that include measuring automation, and cranes, is in our own hands.

The business is divided into forest machines and timber cranes. The forest-machine brands are Valmet and Timbco, Loglift and Jonsered are the crane brands, and Cranab is the accessories brand.

The products are made in Finland, Sweden, the U.S. and Brazil. Forest machines has 12 own sales companies.

### Development in 2000

Forest machines' net sales rose strongly in 2000 and market positions were strengthened. Growth was based on the favourable trend in the forest industry, increased market shares and the acquisition of Timbco,

a U.S. forest machine company. The storm damage in central Europe at the end of 1999 increased demand at the beginning of 2000. The North American market developed sluggishly because of high interest rates and the high exchange rate of the dollar.

Demand for timber cranes continued good. Loglift and Jonsered combined have a considerable share of the European truck crane market.

The order book and orders received increased considerably. In December Forest machines received its largest order of all time. The Brazilian forest industry companies Aracruz and Veracel ordered 27 Valmet forwarders and 58 Valmet harvester heads. The EUR 28 million deal includes a five-year comprehensive service agreement. The order is an important step in Partek's strategy of increasing the share of after-sales services to net sales.

The throughput times for forest machines were halved through the extension and

- Strong sales growth
- The U.S. forest machine manufacturer Timbco was acquired
- The biggest order in our history was received from Brazil
- The Umeå factory was expanded and modernised





**Partek forest machines are world leaders in technology, ergonomics and environmental friendliness.**

modernisation of the plant in Umeå, Sweden, which was completed in April. The pre-conditions for producing customised machines have also improved. The extension and of the Umeå plant was the biggest investment of the year.

### Expanding operations

The U.S. forest machine producer Timbco was acquired in July and has been consolidated as a subsidiary since then. Timbco produces tracked forest machines in Shawano, Wisconsin. The machines are especially suited for difficult conditions like steep hills and swamps. Timbco holds the leading market position in its field in North America.

The acquisition broadens the product range to machines used in the full-tree felling method. Besides North America, this method is widely used in Asia, Australia, South America and eastern Europe, which are strategically important growth areas.

### Product development

Four new forest machine models were introduced in April, which increased sales and the order book. The machines include many significant technical, environmental and ergonomic improvements. The "AutoLev" cabin is automatically levelling

and therefore guarantees pleasant working conditions regardless of what position the machine is in. The machines' fuel consumption and noise levels have been markedly reduced. In total, products launched in 1998 – 2000 make up 49 percent of the net sales.

### After-sales

In spare-parts and maintenance services Forest machines has a clear competitive advantage. Valmet ProAct is a service in which the customer can purchase an extended guarantee for their machines. It covers regular condition inspections, maintenance and extended component warranties. The service was launched in 1999 in Sweden and is now available in several European countries. Later it will be extended worldwide. The new product has been received well. After-sales products accounted for 16 percent of the net sales.

### Product lines

Net sales, Meuro	2000	1999
Forest machines	253.2	187.9
Forest cranes	64.1	56.3
Internal sales	-0.1	-0.4
<b>Total</b>	<b>317.2</b>	243.8

### Key figures

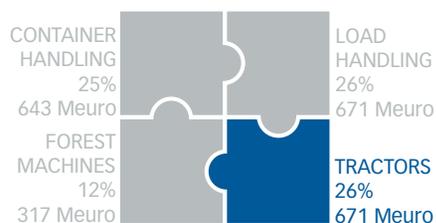
	2000	1999	Change %
Net sales, Meuro	317.2	243.8	30
Operating profit, Meuro	31.6	14.2	123
Operating margin, %	10.0	5.8	
Orders received, Meuro	340.9	244.7	39
Order book, Meuro	44.4	22.1	101
Capital employed, avg. Meuro	100.0	85.2	17
ROC %	33	18	
Capital turnover rate	3.2	2.9	
Operational investments, Meuro	5.0	7.0	-29
Depreciation, Meuro	4.9	4.5	9
Personnel, December 31	1,180	1,030	15
R&D expenses, Meuro	6.8	5.8	17





Tractors

# Tractors



Customers
■ Farmers
■ Forest owners
■ Contractors
■ Municipalities



Partek's Tractors business area produces tractors in the 60–200 horsepower class. The main market areas are Europe and Latin America. Valtra is the leading tractor brand in the Nordic countries and the second most sold in Brazil. Valtra has consistently increased its market share in Europe.

The competitive edge of Partek's tractor business is its exclusive specialisation in tractors. The customer-order system makes it possible to produce customised tractors.

The tractor plants are situated in Finland and Brazil. The diesel engine plant of Sisu Diesel Inc., which is part of the business area, is situated in Finland, but engines are also assembled in Brazil. The Tractors business area has 15 own sales companies and importers in 50 countries.

### Development in 2000

The Tractors business area increased its sales and strengthened its market positions. Latin America in particular experienced growth, although the markets were divided: in Brazil demand improved, but in other countries it fell.

Valtra tractors' sales and market shares increased on the main European markets although the overall market for tractors went down by about 7 percent. For the first time Valtra's market share rose above 50 percent

in Finland and above 30 percent in the Nordic countries. Sisu Diesel produced a record number of 20,729 diesel engines i.e. 4 percent more than in the year before.

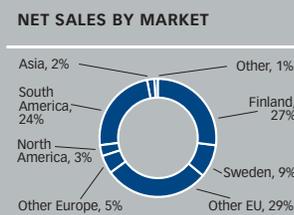
In the Suolahti factory especially, operating principles have been strongly developed. Thanks to this, the factory received the Finnish Logistics Award in June and the ISO 14001 environmental certificate in December.

The profitability of the tractor business improved through a higher capital turnover rate, especially in Latin America, but also in Europe.

### Expanding operations

Operations expanded to new markets. Sales companies were established in Canada and Australia. More than 400 tractors were delivered to North America. Deliveries to Iraq continued within the framework of the UN's Oil-for-Food programme. A new territorial conquest is the People's Republic of China, where Valtra tractors have received

- Operations were expanded to new markets, including Australia, Canada and China
- Valtra's market share exceeded 50 percent for the first time in Finland and 30 percent in the Nordic countries
- The customer service centre Atrium was built adjacent to the Suolahti factory



official approval for sale. Also the operations in eastern European countries progressed.

A customer centre called Atrium was built in connection to the Suolahti factory. The centre includes an exhibition space, a spare parts shop and various conference rooms. The new facilities improve the service offered to visiting groups and to customers who have come to see their tractor being manufactured. The service centre was the largest single investment for the tractor operations in 2000.

### Product development

Product development has borne fruit and improved profitability. The HiTech range already makes up half of the production at the Suolahti plant. Products introduced in 1998 – 2000 account for 69 percent of the net sales.

The new HiTech 2.0 model was introduced in end-October. By updating and developing the software, new features were created i.a. the possibility to drive the tractor using only the throttle at speeds below 10km/h.

The average tractor size is constantly increasing and technical characteristics develop rapidly, especially in hydraulics, transmission and cabin ergonomics. The new S series will answer to the growing demand for high-

horsepower tractors. The state of the art 260 horsepower tractor will be the new flagship of the product range. Production of the S series will start in 2001.

### After-sales

In Finland the capital turnover rate improved partly thanks to the Internet service "Meidän Valtramme" ("Our Valtra"), where customers can i.a. tailor their new tractors, buy and sell pre-used tractors and take part in tractor discussions. The service, which was launched in 2000, has proved to be a success. There are more than 10,000 registered users. The service has recently been opened in Norway.

Our Valtra also offers the possibility to buy service parts via the Internet.

In total after-sales accounted for about 10 percent of the net sales.



At the online service "Our Valtra" customers can tailor their new tractors and buy service parts.

### Product lines

Net sales, Meuro	2000	1999
Tractors / Europe	452.2	425.7
Tractors / Latin America	174.1	129.5
Diesel engines	99.4	96.9
Internal sales	-54.6	-59.6
Total	671.1	592.5

### Key figures

	2000	1999	Change %
Net sales, Meuro	671.1	592.5	13
Operating profit, Meuro	34.4	29.7	16
Operating margin, %	5.1	5.0	
Orders received, Meuro	666.3	591.6	13
Order book, Meuro	50.0	55.2	-9
Capital employed, avg, Meuro	187.0	194.9	-4
ROC %	19	16	
Capital turnover rate	3.6	3.0	
Operational investments, Meuro	14.0	14.0	0
Depreciation, Meuro	11.2	9.6	16
Personnel, December 31	2,358	2,375	-1
R&D expenses, Meuro	11.8	10.9	8

# Holdings

## **Mascus, an independent e-marketplace for pre-owned machines**

In January 2001 an independent electronic marketplace for pre-owned machines was opened for professionals. On the marketplace earth-moving equipment, tractors and trucks of different brands are sold.

The operations will also be introduced in Sweden and Great Britain. The product range will expand to include fork-lift trucks, load-handling equipment and forest machines.

Partek initiated the project and holds 80 percent of the shares; the aim is to broaden the ownership.

## **Truck operations**

Partek's fully-owned subsidiary Sisu Auto designs, produces and markets heavy (over 16 tonnes) Sisu trucks and imports and markets Renault trucks. RS Hansa Auto Oy services both Sisu and Renault trucks in Finland and Estonia. RS Hansa Auto became a fully-owned subsidiary of Sisu Auto when Renault VI's 50-percent holding in the company was acquired at the end of the year. Long-term co-operation agreements were made with Renault VI in connection with the transaction.

In Finland demand for heavy trucks fell 4.7 percent compared with the previous year. Sisu Auto's market share increased on the shrinking market. In 2000 Sisu Auto sold 456 (463) trucks, 61 (18) of which were exported, mostly to France.

The high exchange rate of the pound and the dollar has increased the prices of components and weakened profitability. Oy Sisu Auto Ab's net sales were EUR 55 (57) million and the order book at the end of the year was 93 (146) trucks. The operating loss was EUR 1.3 (1999: operating profit 1.7) million. RS Hansa Auto recorded a loss.

The consolidated net sales of the Sisu Auto Group were EUR 108 million (proforma) and the capital employed at the end of the year EUR 35 million. The Group employed 558 people at the end of the year.

## **Other holdings**

Partek's aim is to release capital from non-core holdings through divestments or other arrangements. The capital employed in Other holdings at the end of the year was about EUR 137 (175) million. Real estate holdings in Brussels, shares in Parma Metals Oy (50 percent) and 14.7 percent of Addtek International Oy Ab's shares were sold during the year, generating a cash flow totalling over EUR 50 million.

Partek's subsidiary Cellit Oy Ab engages in real estate activities. Cellit's net sales were EUR 6.6 (4.2) million and the operating profit EUR 2.8 (2.2) million. At the end of the year EUR 26 million was employed in the company.

Addtek International is the leading European producer and marketer of precast concrete elements. At the end of the year Partek held a 25.1 (39.8) percent interest in it. Partek's investment in Addtek was valued at EUR 46 million in the balance sheet at the end of the year. At the beginning of 2001 Partek made a conditional agreement together with the other owners of Addtek to sell all shares in Addtek to the Irish company CRH plc.

Paroc Group Oy Ab is the leading producer of rockwool-based insulation in the Baltic region. Paroc's net sales were EUR 260 (232, proforma) million, the operating profit was EUR 9 (13) million and the net profit was EUR 0.6 million. The company has made a considerable restructuring provision. Paroc is valued at EUR 47 million in Partek's balance sheet.

Partek also had a 35 percent interest in Sisu Akselit Oy at year-end. In Polar Kiinteistö Oyj Partek had a direct 6.1 percent interest and a 4.8 percent interest through Cervuctum Oy i.e. a total of 10.9 percent. The value of the holding in Polar has been written down by EUR 6.2 million.

# Partek Nordkalk

Partek's wholly-owned subsidiary Partek Nordkalk Corporation is the leading producer of limestone-based products in northern Europe. Nordkalk establishes its operations on access to own raw materials, on geological experience and knowledge on mineral and process technology, utilising logistics and basing product development on the customers' processes. Furthermore, Nordkalk has a broad customer base and a well-established market position in the Baltic area.

Nordkalk has operations in over 30 locations in Finland, Sweden, Estonia, Poland, Russia and Lithuania. The company has 21 mines and production in 25 locations, of which 11 are in Finland, 8 in Sweden, 3 in Estonia and 3 in Poland.

## Development during 2000

Total demand for limestone-based products was strong throughout the year. In the steel and pulp industries demand remained at last year's level, while it increased in the paper industry. The positive trend continued in the building industry, which strengthened demand. Demand for soil improvement lime was clearly weaker than in the previous year.

Industry's share of total net sales was 77 percent in 2000. Sales were fairly evenly divided between the largest customer groups: paper, steel and building materials industries. Agriculture's share was 11 percent and environmental management's share 12 percent of total sales.

Profitability was burdened by significant investments in Poland, as well as by dramatically increased fuel prices, which could not be compensated by price increases. The strikes in the paper industry and transportation sector in Finland during late winter

also had a negative effect. In Finland and Sweden the weather conditions were poor during the agricultural liming season, which led to decreased profitability.

## Continued expansion

In Szczecin in northern Poland, a new grinding plant was taken into use in the beginning of 2000. It supplies ground limestone for flue-gas cleaning in power plants and asphalt filler for the near-by markets.

The deposit of Wolica in southern Poland was granted mining rights and construction of a mill was started.

In June Nordkalk and the State of Poland signed an agreement concerning the purchase of 80 percent of the shares of the limestone company Miedzianka in southern Poland. The total investment stands at EUR 22 million.

Suomen Karbonaatti Oy, a subsidiary of Nordkalk, decided to invest 15 million euros in additional capacity for paper pigments in Lappeenranta, Finland.

## Environment and quality

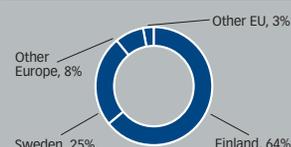
Two additional divisions within Nordkalk in Finland were awarded ISO 14001 environmental certification during the year, which means that all the production plants in Finland have now been certified.

In Sweden Uddagården's quality system was certified according to the ISO 9002 standard.

## NET SALES AND OPERATING MARGIN



## NET SALES BY MARKET



Financial ratios		2000	1999
Capital employed	Meuro	223.4	221.5
Return on capital employed	%	10.4	14.0
Solvency ratio	%	71.5	73.6
Gross capital expenditure	Meuro	49.1	31.6
Depreciation	Meuro	19.3	16.9
Personnel, December 31		1,435	1,029

Income statement		2000	1999
Net sales	Meuro	202.8	187.4
Change	%	8	-2
Operating profit	Meuro	20.3	25.5
Operating margin	%	10.0	13.6
Profit after financial items	Meuro	15.7	19.0
Extraordinary items	Meuro	-0.6	8.1
Taxes	Meuro	-5.7	-7.7
Minority interests	Meuro	-1.6	-1.3
Net profit for the period	Meuro	7.9	18.2

Balance sheet, Meuro		Dec. 31, 2000	Dec. 31, 2000
Fixed assets and other I-t investments		209.6	178.4
Inventories		28.5	24.4
Receivables		35.6	33.8
Cash and bank balances		17.6	40.9
Convertible capital loan		100.0	100.0
Other shareholders' equity		99.8	96.8
Minority interests		8.5	7.4
Interest-bearing liabilities		15.0	17.3
Non interest-bearing liabilities		67.9	56.0
Balance sheet total		291.3	277.5

# Partek's operating principles

At Partek responsible corporate activity means bearing responsibility and caring for the environment and for the well-being and safety of people. Partek's risk management procedures also cover many issues associated with company and product safety.



**The objective of the new employee incentive scheme, Bonshare,** is to promote Group integration, on the one hand, and to support employee interest in Partek and its share, on the other.

## PERSONNEL

### Active development of personnel and the employer image

Partek's values require each Partek employee to have a high level of professionalism, readiness to change, as well as commitment to the company and satisfying customers' needs. Management is based on development discussions with employees, which deal with targets, development needs and give reciprocal feedback.

The business areas are responsible for developing and training their personnel. The Group and the business areas are together responsible for developing key Group employees and young talents. The main Group tools for developing the key competencies of the employees are: Partek Development Center, which is a programme that determines personal areas for development, Partek Competence Programme, which aims at developing proficiency in international business and leadership, Partek Leadership Programme, which promotes managerial skills, and Partek Management Meeting, a joint learning and discussion forum for management. The international work environment presents the personnel with opportunities for versatile personal development. Partek encourages employee development through training, job rotation and Group projects.

At the end of the year a project analysing the focal points for future human resources work was implemented. European quality award criteria were used for reference.

Partek's principles for activities that maintain employees' ability to work have been collected into a common handbook for Finland. The aim is to promote the ability to work and working stamina, as well as the functioning of

the entire workplace. The programme is being implemented on a local basis.

At the beginning of 1999 a Group New Talent programme was initiated to coordinate contacts with colleges and students and to develop Group recruiting communications. The ageing of the personnel and the need for new know-how as well as the fairly low attractiveness of the engineering industry in many countries, means that Partek has to prepare itself for a greater personnel turnover and increased competition over new employees. During 2000 the focus of the programme was on Finland.

### Partek Bonshare – a share of the improved profit to the personnel

To complement the result-based remuneration systems at the unit level, a Group level incentive programme, which is based on Partek's profit and result improvement, was introduced in 2000. The aim is to promote Group integration, on the one hand, and to support employee interest in Partek and its share, on the other.

Part of the result improvement will be allocated as a bonus for all employees excluding the people in the Group option programme. The sum will be linked to the Partek share for three years, after which it will be divided evenly among the employees in the programme.

The programme is implemented for the first time based on the 2000 financial result. It is in force for a three-year trial period and initially concerns the EU and EEA areas due to legal issues. The bonus is based on the profit after financial items and is booked as a cost.

**ENVIRONMENT, HEALTH AND SAFETY  
Part of everyday work**

Partek's Group values i.e. reliability, expertise and far-sightedness, guide environmental, health and safety matters. Partek has been working for a long time on managing environmental issues. In 1991 Partek signed the International Chamber of Commerce's (ICC) industrial charter for achieving sustainable development. The Group's environmental policy has been shaped around this. The project Principles of Sustainable Development proceeded to its final stages in 2000. The programme of measures created in the project has been dimensioned in line with international developments in the near future.

Partek's environmental and risk management policies set the guidelines and aims for managing environmental, health and safety matters consistently in the Group. The units in Partek have also drawn up own, more detailed instructions that are based on the Group's principles.

Partek's objective is that environmental, health and safety matters will be managed as part of the everyday operations. The starting point is methodical operations and preventive measures. Help has been sought from various management systems. The first step is generally the construction of a quality system (ISO 9001/2). Next comes an environmental system (ISO 14001) and then a health and safety system (BS 8800/OHSAS 18001). Many companies have incorporated all these in their quality system.

At the end of the year the ISO 9001/2 quality system had been certified at most Partek companies engaged in production. Measured in terms of net sales, the quality systems covered over 90 percent of Partek's net sales. There were certified environmental systems at 28 percent of the production plants. An environmental system was being developed at

just under a half of the production units. The figures cover 25 units in eight countries. The units that became part of the Group in 2000 are not yet included in the reporting.

**Life-cycle idea – the path to the future**

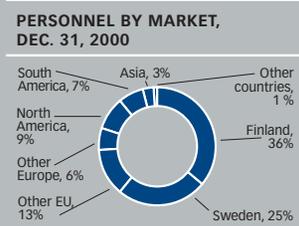
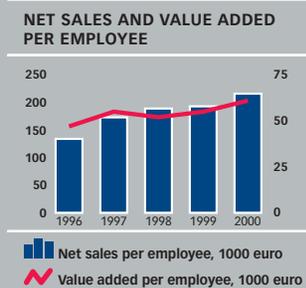
Partek pays a great deal of attention to reducing the harmful effects of the production processes on the environment and safety.

The usual stages in a production process are welding, machining, surface treatment and assembly. The use of cutting fluids, oils, paints and chemicals as well as the impurities, solvents, dust and vapours that they cause is a part of these work stages. The processes have been improved and harmful substances can be managed in such a way that they do not have a detrimental effect on the environment or on people. Nowadays production focuses increasingly on key stages such as product development and assembly, and other work stages are being transferred to suppliers and partners. It is customary to place strict demands on partners over environmental, health and safety matters, and also the Group's demands are being extended to suppliers.

As the biggest effects on the environment arise outside Partek's own production, the environmental way of thinking comprises analysing a product's entire life-cycle. The advantage of Partek's products is that they are long-term capital goods that can be serviced easily. Even when used they are generally sold and continue their working life. Because of the high proportion of steel in many of Partek's products, a large part of the machines can be recycled. The challenge is that the machines are big and heavy. Product development has eliminated the safety and environmental risks in handling big machines and loads. Innovative structural solutions have reduced the ground pressure of machines, fuel consumption and the noise level.

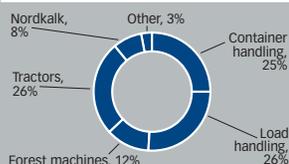


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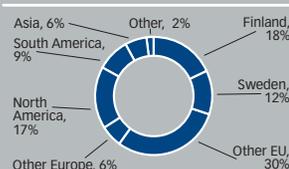


# Annual report of the Board of Directors

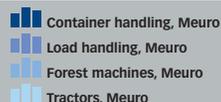
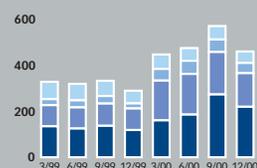
## NET SALES BY BUSINESS AREA



## NET SALES BY MARKET



## ORDER BOOK



In 2000 Partek grew substantially and the profit improved by a third. Good demand, an increase in market share in several areas and major corporate acquisitions contributed to the growth. The profit after financial items increased to EUR 130 (1999: 98) million.

Partek supplies mobile logistical solutions for customers in the transportation sector, industry and primary production. Partek's businesses hold the leading position in their market segments. Partek is the world's leading supplier of logistical solutions for ports and freight terminals and of chassis-mounted load-handling equipment. Forest machines is the strongest-growing supplier in its field and is increasing its market share in the cut-to-length harvesting method, which is spreading throughout the world. Tractors is the market leader in the Nordic countries and holds second place in Latin America market.

### Increased sales and orders received

Consolidated net sales rose 18 percent to EUR 2,543 (2,153) million. In the comparison period the insulation operations are included in the consolidated figures up to the date

of divestment on August 31, 1999, and subsequently in the associated companies' result.

The order book in the engineering operations totalled EUR 453 (287) million at the end of December, and orders received during the year were EUR 2,383 (1,758) million. Net sales rose 28 percent to EUR 2,260 (1,759) million. All business areas increased their net sales.

Net sales in Container handling grew by 20 percent. Deliveries to ports and terminals showed the biggest increase. Growth was strongest in Asia Pacific, particularly in China, Singapore and Korea. Sales of terminal tractors also increased in the United States.

Net sales in Load handling grew by 60 percent. In this annual report Zeteco AB is included in Load handling's figures from March 1, 2000. Demand for load handling equipment increased in Asia and North

Net sales	2000		1999	
	Meuro	%	Meuro	%
Container handling	643.2	25	537.3	25
Load handling	671.4	26	419.2	19
Forest machines	317.2	12	243.8	11
Tractors	671.1	26	592.5	28
Eliminations	-43.3		-33.7	
<b>Total</b>	<b>2,259.6</b>	<b>89</b>	1,759.1	82
Nordkalk	202.8	8	187.4	9
Insulation	-	-	144.1	7
Other units and eliminations	80.4	3	62.3	2
<b>Group</b>	<b>2,542.8</b>	<b>100</b>	2 152.9	100

Meuro	Order book			Orders received		
	Dec. 31, 2000	Dec. 31, 1999	Change %	2000	1999	Change %
Container handling	219.6	118.5	85	744.3	521.8	43
Load handling	146.4	93.7	56	679.1	432.5	57
Forest machines	44.4	22.1	101	340.9	244.7	39
Tractors	50.0	55.2	-9	666.3	591.6	13
Eliminations	-7.0	-2.7		-47.3	-32.6	
<b>Total</b>	<b>453.4</b>	286.8	58	<b>2,383.3</b>	1,758.0	36

America. In Europe it was stable.

Forest machines' net sales rose by 30 percent. Demand continued strong, especially in Europe.

There was an upswing in the demand for tractors in Brazil and net sales increased. Net sales on the shrinking European market remained at the previous year's level. Tractors' net sales rose by 13 percent.

### Good development in profitability.

#### Acquisitions increase gearing.

Partek's operating profit rose to EUR 161 (123) million, which is 6.3 (5.7) percent of net sales.

The operating profit of the engineering business rose to EUR 173 (95) million, which is 7.7 (5.4) percent of net sales. The targeted operating margin is 8 percent. The depreciation of EUR 22 (13) million on the goodwill brought by corporate acquisitions is shown on the Group level.

The operating profit includes net non-recurring items of EUR +19 (+22) million. The biggest items are the EUR 11 million capital gain on the divestment of 14.7 percent of the shares in the precast concrete element company Addtek International and the EUR

14 million refund obtained by the Group's Swedish subsidiaries from the life and pension insurance company SPP. The effect of write-downs on assets in Other Business Activities was EUR -6 million. The result includes a bonus of EUR 6 million to be paid under the employee incentive programme.

The associated companies accounted for EUR +10 (+9) million of the result.

Net financial expenses amounted to EUR 40 (34) million, i.e. 1.6 (1.6) percent of net sales. Profit after financial items was EUR 130 (98) million i.e. 5.1 (4.6) percent of net sales.

Interest-bearing net debt without capital loans increased to EUR 750 (320) million.

The consolidated balance sheet and financing were encumbered by the acquisitions made during the year. Partek has set a target for equity to total assets of above 40 percent and a gearing target of 50 percent, with the capital loans regarded as equity. Calculated in this way, equity to total assets fell from 50 percent to 38 percent and gearing rose from 38 percent to 88 percent.

Reducing capital employed is of special attention as the company grows. Projects

Operating profit and profit after financial items	2000 Meuro	Operating margin %	Meuro 1999	Operating margin %
Container handling	49.3	7.7	27.8	5.2
Load handling	58.0	8.6	23.0	5.5
Forest machines	31.6	10.0	14.2	5.8
Tractors	34.4	5.1	29.7	5.0
<b>Total</b>	<b>173.3</b>	<b>7.7</b>	<b>94.7</b>	<b>5.4</b>
Nordkalk	20.8	10.3	25.5	13.6
Insulation	-	-	8.9	6.2
Other units and eliminations	-5.5	-	6.7	-
Bonshare	-6.0	-	-	-
Goodwill depreciation on Group level	-22.0	-	-13.2	-
<b>Operating profit, Group</b>	<b>160.6</b>	<b>6.3</b>	<b>122.6</b>	<b>5.7</b>
Share of results of associated companies	9.7	0.4	9.3	0.4
Net financial costs	-40.1	-1.6	-33.8	-1.6
<b>Profit after financial items</b>	<b>130.2</b>	<b>5.1</b>	<b>98.1</b>	<b>4.6</b>

to reduce the working capital have been carried out at 43 units in 11 countries. Considerable improvements have been achieved in the turnover of accounts receivable and customer financing. The business areas' aim is to achieve a minimum capital turnover rate of three.

Earnings per share were EUR 1.63 (1.24) and the return on capital employed was 12.1 (11.1) percent. The return on equity was 13.0 (10.7) percent.

### Investment and acquisitions support Partek's strategy

The Group's gross investment amounted to EUR 581 (159) million, EUR 495 (64) million of which was spent on acquisitions. A major part of investments was in information systems. The extension to the forest machine plant at Umeå, Sweden was completed in the spring. In the autumn, a new customer service centre was opened at the tractor plant in Suolahti, Finland. Construction of a new paint shop was started at Kalmar's plant in Lidhult, Sweden.

The U.S. forest machine company Timbco was acquired in July. Timbco is a pioneer in tracked forest machines and is one of the leading companies in its sector in North America. Timbco's value in the deal was EUR 52 million.

Partek's holding in Kalmar Industries AB

increased during the year from 68 to 99 percent. The investment amounted to EUR 113 million. Partek has started redemption of the remaining shares, and Kalmar was delisted from the OM Stockholm Exchange in November 2000.

Zeteco AB became a Partek subsidiary in March. Partek's holding in Zeteco increased from 23 percent to 99 percent during the year. The investment amounted to EUR 145 million. Redemption of the remaining shares in Zeteco has started and Zeteco was delisted from the OM Stockholm Exchange in December 2000.

In October Partek acquired the truck-mounted forklift truck operations of U.S. Terex Corporation. The agreement covers Moffett Ltd in Ireland, Kooi BV in the Netherlands and Princeton Piggy Back operations in the United States. The price was EUR 155 million. Demand for truck-mounted forklifts has increased substantially during the past ten years and the trend is expected to continue. Truck-mounted forklifts have been developed for installation on the back of trucks and trailers. They give a vehicle more uses and make it possible to flexibly transfer goods from the vehicle to the destination point. The acquisitions of the truck-mounted forklift operations and of Zeteco, the world's foremost producer of tailgate lifts for trucks, make Partek the undisputed

#### Financial ratios for business areas

	Gross capital expenditure, Meuro		ROC %		Capital turnover rate	
	2000	1999	2000	1999	2000	1999
<b>Operational investments</b>						
Container handling	18.6	23.0	23	13	2.9	2.4
Load handling	18.1	6.3	25	18	2.8	3.1
Forest machines	5.0	7.0	33	18	3.2	2.9
Tractors	14.0	14.0	19	16	3.6	3.0
<b>Total</b>	<b>55.7</b>	<b>50.3</b>	<b>24</b>	<b>15</b>	<b>3.0</b>	<b>2.7</b>
Nordkalk	26.9	31.3	10	14	2.9	2.6
Insulation	-	10.1				
Other units	2.9	3.2				
<b>Total</b>	<b>85.5</b>	<b>94.9</b>				
<b>Shares and acquisitions</b>	<b>495.4</b>	<b>64.0</b>				
<b>Group</b>	<b>580.9</b>	<b>158.9</b>				

leader in chassis-mounted load-handling equipment.

In December an agreement was signed for the acquisition of the Dutch companies Nelcon BV, a producer of container cranes and straddle carriers, and Groot-Hensen B.V., a maintenance service company. The net sales of the Rotterdam-based companies are EUR 80 million and they employ 260 people. Nelcon has a wide product range that includes ship-to-shore container gantry cranes (STS), rail-mounted yard gantry cranes (RMG) and diesel-electric straddle carriers. The Groot-Hensen operations strengthen Kalmar's maintenance network on the north coast of continental Europe. The transaction is subject to customary regulatory approvals.

Klaus Eger GmbH, a sales and maintenance company operating at the ports of Hamburg and Bremerhaven, was also acquired in December.

An independent electronic marketplace for pre-owned machines, Mascus, was opened in January 2001. Several dealers market earth-moving machines, agricultural machines and transportation vehicles on the marketplace. The product range will later be expanded to forklift trucks, load-handling equipment and forest machines. Mascus Oy Ab's aim is to achieve a significant share of Europe's EUR 14 billion pre-owned machine

market inside three years. Partek owns 80 percent of the company, but the intention is to widen the ownership base.

The truck sales and service company RS Hansa Auto Oy became a wholly-owned subsidiary of Partek as Renault V.I's 50-percent holding in the company was acquired at the end of the year.

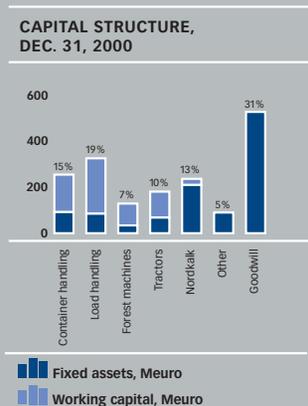
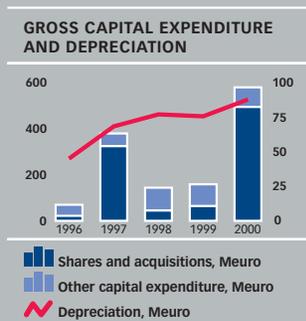
In March Partek sold its 50 percent holding in Parma Metals Oy. The transaction released EUR 3 million of capital.

In June Kalmar made a co-operation agreement with Föreningssparbanken Finans in Sweden concerning the financing of leased machines. The existing leasing agreements were transferred to Föreningssparbanken Finans, thus releasing EUR 17 million of capital.

Partek sold all its real estate holdings in Brussels during the year. The sale released EUR 16 million of capital. Partek no longer owns significant real estate abroad outside the core business.

In November the Norba refuse-collection business was sold to the British group Powell Duffryn. Norba's net sales in 1999 were EUR 37 million. The transaction released about EUR 13 million of capital.

At the end of December 14.7 percent



of Partek's 39.8 percent holding in the pre-cast concrete company Addtek International was sold. The purchaser was a group of Finnish institutional investors. The transaction released EUR 28 million of capital.

On February 1, 2001 Partek and the other owners of Addtek signed a conditional agreement for the sale of all Addtek shares to the Irish company CRH plc. The deal is subject inter alia, to regulatory approval.

### Moving closer to the customer in the value chain

Partek is seeking growth by moving closer to the customer in the value chain by developing value-adding maintenance and spare parts services and customer financing. In 2000 aftersales increased by 30 percent to EUR 341 (263) million.

The share of products made to customer-order is high and is continuously increasing. By manufacturing module-based products, the flexibility, speed and efficiency of the business is increased.

Partek utilises e-business as part of the business processes to improve customer service and make operations more efficient. Internet-based solutions make the entire value chain integrated and transparent.

Consolidated research and development expenditure was EUR 43 (39) million. The engineering business accounted for EUR 40 (31) million, which is 1.8 (1.8) percent of net sales. Partek effectively combines hydraulics, electronics and information technology as well as measuring and steering systems. These components are key in all product development, in order for Partek to answer

to prevailing and future demands relating to efficiency, the environment and ergonomics. Partek broadens its pool of knowledge through an extensive co-operation network, which includes universities, research institutes and industrial partners.

### Partek Nordkalk

Partek Nordkalk is a public company and publishes its own Annual Report. In October 1999 Nordkalk launched a EUR 100 million convertible capital loan (Going Public Bond). The loan period is five years and the aim is for Nordkalk to be listed on the stock exchange before the loan matures.

Nordkalk's net sales increased 8 percent to EUR 203 (187) million. The operating profit was EUR 20.8 (25.5) million before the payment of EUR 0.6 million to Partek's employee incentive programme. The 1999 profit includes a EUR 2.7 million capital gain on the divestment of the shares in SP Minerals.

Starting up new operations in Poland and the heavy increase in fuel prices weakened profitability. Poor weather conditions for liming in Finland and Sweden reduced demand for agricultural lime.

In June Partek Nordkalk acquired 80 percent of the Miedzianka limestone company, which is situated in the Kielce region in southern Poland. The investment was EUR 22 million. The remaining 20 percent of the shares will for the moment remain in the hands of the State and the personnel.

### Personnel increases through acquisitions

During the year the Group employed an average of 11,752 (11,168) people. At the

Personnel	Dec. 31, 2000	Dec. 31, 1999	Change
Container handling	3,255	2,944	311
Load handling	3,912	2,016	1,896
Forest machines	1,180	1,030	150
Tractors	2,358	2,375	-17
<b>Total</b>	<b>10,705</b>	<b>8,365</b>	<b>2,340</b>
Nordkalk	1,435	1,029	406
Other	753	357	396
<b>Group</b>	<b>12,893</b>	<b>9,751</b>	<b>3,142</b>

beginning of the year the number of employees was 9,751 and at the end 12,893.

Corporate acquisitions increased the number of personnel by 2,333. The divestment of Norba reduced the personnel by 192.

In Finland Group companies employed 4,659 (4,085) people at the end of the year, of which 81 (79) in the parent company.

### **Employee incentive programme was introduced**

A Group employee incentive programme, Bonshare, was introduced in 2000 as a supplement to the result-based remuneration systems in the units. The bonus is based on Partek's profit improvement. The aim is to strengthen unity in the Group and increase the personnel's interest in the Partek share and its development. The bonus is linked to Partek's share price development and is paid after three years.

The trial period is three years, and for legislative reasons the programme is introduced initially in the EU and EEA countries. The bonus for 2000 is EUR 6 million.

### **Decisions of the AGM**

The annual general meeting on March 30, 2000 confirmed the number of members of the board of directors at nine. Juha Toivola and Risto Virrankoski, who retired by rote, were re-elected, and Sakari Tamminen was elected as a new member of the board. Björn Mattsson has been acting as Chairman of the board and Risto Virrankoski as Vice Chairman. Thor Nyroos, authorised public accountant (APA) was re-elected auditor and Solveig Törnroos-

Huhtamäki (APA) was elected auditor after Eric Haglund. The APA auditing firm KPMG Wideri Oy Ab was elected deputy auditor.

The board expresses its warm gratitude to Erik Haglund for his valuable contribution as auditor in Partek during 25 years.

The AGM authorised the board to purchase and surrender a maximum of 2,440,830 of Partek's shares. The authorisation was not used.

### **Convertible capital loans**

No conversions into shares of the convertible subordinated bonds issued in 1994 were made during the year.

The EUR 54 million convertible capital loan issued in 1999 has a conversion period from June 1, 1999 to May 31, 2004. The loan can be converted into Partek shares, and through conversions the number of Partek shares can increase by a maximum of 4.6 million shares. The conversion price is EUR 11.77 per share. By December 31, 2000 EUR 53,803 of the loan had been converted into 4,570 shares, thus increasing the company's share capital by EUR 8,226.

### **Dividend**

In making a proposal for a dividend the board of directors takes into account development in the Group's result, the financial structure and growth expectations. The aim is to distribute to shareholders at least a third of the annual result calculated as the result before extraordinary items less the

minority interest and taxation.

The board of directors proposes to the annual general meeting that a dividend of EUR 0.60 (0.55) per share be paid for 2000, i.e. 37 percent of the result after taxation. According to the proposal, a total of EUR 29.3 million will be used for dividends.

### **Prospects**

The general economic outlook for 2001 is marked by uncertainty.

However, Partek started year 2001 with a markedly higher order book than a year ago,

especially in container handling, and with a broader global presence.

Partek aims to compensate a general downturn through the strengthened position, which the latest acquisitions have given, through a renewed and competitive product range, and by increasing market shares.

The past year shows that cost-efficiency is increased by integrating the businesses. Here we clearly see further opportunities.

# Income statement

Meuro	Note	GROUP				PARENT COMPANY	
		2000	%	1999	%	2000	1999
<b>Net sales</b>	2	<b>2,542.8</b>	<b>100</b>	2,152.9	100	<b>4.8</b>	6.6
Cost of goods sold		<b>-2,002.6</b>	<b>-79</b>	-1,706.4	-79	<b>-0.1</b>	-0.3
<b>Gross profit</b>		<b>540.2</b>	<b>21</b>	446.5	21	<b>4.7</b>	6.3
Selling and marketing expenses		<b>-204.7</b>		-177.1		<b>-2.7</b>	-2.4
Research and development expenses		<b>-43.4</b>		-39.2		<b>-</b>	-
Administration expenses		<b>-136.2</b>		-122.8		<b>-16.7</b>	-24.2
Other operating income	5	<b>52.3</b>		48.2		<b>23.7</b>	1.4
Other operating expenses	5	<b>-47.6</b>		-33.0		<b>-13.0</b>	-31.8
		<b>-379.6</b>	<b>-15</b>	-323.9	-15	<b>-8.7</b>	-57.0
<b>Operating profit/loss</b>	2, 3, 4	<b>160.6</b>	<b>6</b>	122.6	6	<b>-4.0</b>	-50.7
Share of results of associated companies	6	<b>9.7</b>		9.3			
Financial income and expenses	8						
Dividend income		<b>0.1</b>		0.2		<b>21.8</b>	74.6
Interest income from long-term investments		<b>4.6</b>		3.4		<b>12.6</b>	7.5
Other interest income		<b>5.6</b>		6.0		<b>8.1</b>	6.1
Interest expenses		<b>-53.4</b>		-40.4		<b>-32.2</b>	-21.5
Other financial items	7	<b>3.0</b>		-3.0		<b>4.0</b>	-7.8
		<b>-40.1</b>	<b>-2</b>	-33.8	-2	<b>14.3</b>	58.9
<b>Profit after financial items</b>		<b>130.2</b>	<b>5</b>	98.1	5	<b>10.3</b>	8.2
Extraordinary items							
Group contributions, received						<b>45.3</b>	0.8
						<b>45.3</b>	0.8
<b>Profit before appropriations and taxes</b>		<b>130.2</b>	<b>5</b>	98.1	5	<b>55.6</b>	9.0
Change in depreciation difference						<b>0.1</b>	1.6
Direct taxes	9	<b>-44.6</b>		-29.3		<b>-11.9</b>	-7.8
Minority interests		<b>-5.8</b>		-8.4			
<b>Net profit for the period</b>		<b>79.8</b>	<b>3</b>	60.4	3	<b>43.8</b>	2.8

# Balance sheet

Meuro	Note	GROUP				PARENT COMPANY	
		Dec. 31, 2000	%	Dec. 31, 1999	%	Dec. 31, 2000	Dec. 31, 1999
<b>Assets</b>							
<b>Fixed assets and other long-term investments</b> 10							
Intangible assets							
Goodwill		553.4		214.1			
Other capitalised expenditure		16.8		13.4		1.8	2.2
		570.2	25	227.5	13	1.8	2.2
Tangible assets							
Mineral deposits and land		100.4		79.4		5.3	5.5
Buildings and constructions		158.0		144.4		0.8	0.9
Machinery and equipment		199.0		189.4		0.7	0.5
Other tangible assets		4.6		4.3		0.1	0.1
Advance payments and construction in progress		24.8		16.8		–	0.1
		486.8	22	434.3	26	6.9	7.1
Investments							
Shares in group companies	11					521.4	540.0
Shares in associated companies	11	34.6		75.5		14.0	53.2
Other shares and participations	11	12.6		18.8		7.5	13.7
Long-term loan receivables	12	48.5		57.0		525.4	124.5
Other investments		1.2		0.6		–	–
		96.9	4	151.9	9	1,068.3	731.4
<b>Total fixed assets and long-term investments</b>		<b>1,153.9</b>	<b>51</b>	<b>813.7</b>	<b>48</b>	<b>1,077.0</b>	<b>740.7</b>
<b>Current assets</b>							
Inventories							
Materials and supplies		155.9		125.0		–	–
Work in progress		60.1		43.1		–	–
Finished goods		244.5		181.2		–	–
		460.5	20	349.3	21	–	–
Receivables 12							
Accounts receivable		459.6		355.7		3.4	1.4
Loan receivables		23.9		5.3		244.3	82.7
Other receivables		34.4		29.0		61.6	27.9
Deferred tax asset		11.7		8.2		–	–
Prepaid expenses and accrued income		51.5		35.7		25.0	21.9
		581.1	26	433.9	26	334.3	133.9
Cash and bank balances		63.9	3	88.5	5	9.5	56.2
<b>Total current assets</b>		<b>1,105.5</b>	<b>49</b>	<b>871.7</b>	<b>52</b>	<b>343.8</b>	<b>190.1</b>
<b>Total assets</b>		<b>2,259.4</b>	<b>100</b>	<b>1,685.4</b>	<b>100</b>	<b>1,420.8</b>	<b>930.8</b>

Meuro	Note	GROUP				PARENT COMPANY	
		Dec. 31, 2000	%	Dec. 31, 1999	%	Dec. 31, 2000	Dec. 31, 1999
<b>Shareholders' equity and liabilities</b>							
Shareholders' equity	13						
Share capital		<b>87.9</b>		87.9		<b>87.9</b>	87.9
Share premium account		<b>202.3</b>		202.3		<b>202.3</b>	202.3
Revaluation reserve		<b>6.1</b>		6.1		<b>6.1</b>	6.1
Other reserves		<b>3.9</b>		4.3		–	–
Retained earnings		<b>271.6</b>		233.7		<b>199.5</b>	223.5
Net profit/loss for the period		<b>79.8</b>		60.4		<b>43.8</b>	2.8
Capital loans	14	<b>182.3</b>		182.4		<b>82.3</b>	82.4
<b>Total shareholders' equity</b>		<b>833.9</b>	<b>37</b>	777.1	46	<b>621.9</b>	605.0
<b>Minority interests</b>		<b>14.2</b>	<b>1</b>	56.0	3	–	–
<b>Accumulated depreciation difference</b>		–		–		<b>0.1</b>	0.2
<b>Provisions</b>	15	<b>30.5</b>	<b>1</b>	18.5	1	<b>5.2</b>	3.2
<b>Liabilities</b>							
Long-term	16						
Loans from financial institutions		<b>371.5</b>		244.8		<b>251.6</b>	94.0
Pension fund loans		<b>44.0</b>		44.8		<b>22.7</b>	24.4
Other interest-bearing liabilities		<b>12.0</b>		8.6		–	–
Deferred tax liability		<b>12.8</b>		7.6		–	–
Other non interest-bearing liabilities		<b>2.5</b>		2.3		–	–
		<b>442.8</b>	<b>20</b>	308.1	18	<b>274.3</b>	118.4
Current	17,18						
Loans from financial institutions		<b>48.8</b>		49.8		<b>339.0</b>	59.3
Pension fund loans		<b>1.8</b>		1.9		<b>1.8</b>	1.9
Other interest-bearing liabilities		<b>406.7</b>		121.1		<b>157.1</b>	123.5
Advances received		<b>22.3</b>		7.4		<b>0.0</b>	–
Accounts payable		<b>216.5</b>		164.0		<b>1.5</b>	2.1
Other non interest-bearing liabilities		<b>60.4</b>		49.9		<b>1.1</b>	1.6
Accrued expenses and deferred income	19	<b>181.5</b>		131.6		<b>18.8</b>	15.6
		<b>938.0</b>	<b>42</b>	525.7	31	<b>519.3</b>	204.0
<b>Total liabilities</b>		<b>1,380.8</b>	<b>61</b>	833.8	49	<b>793.6</b>	322.4
<b>Total shareholders' equity and liabilities</b>		<b>2,259.4</b>	<b>100</b>	1,685.4	100	<b>1,420.8</b>	930.8

# Financial analysis

Meuro	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>Operating activities</b>				
Operating profit	160.6	122.6	-4.0	-50.7
Depreciation and value adjustments	92.8	77.3	11.1	8.5
Gains and losses from sale of fixed assets	-14.8	-35.5	-23.6	20.9
Other adjustments	-	9.0	-0.1	0.1
Cash flow before change in working capital	238.6	173.4	-16.6	-21.1
<b>Change in working capital</b>				
Inventories (- = increase)	-44.2	18.3	-	-
Current receivables (- = increase)	-31.0	14.8	-200.4	67.1
Non interest-bearing liabilities (+ = increase)	29.8	-43.8	2.0	-6.4
	-45.4	-10.7	-198.4	60.7
<b>Financial items, taxes and extraordinary items</b>				
Financial income and expenses	-47.2	-33.8	14.3	58.9
Taxes	-30.9	-22.3	-11.9	-7.8
Extraordinary items	-	-	45.3	0.8
	-78.1	-56.1	47.7	51.9
<b>Cash flow from operating activities</b>	115.1	106.6	-167.3	91.6
<b>Cash flow from investment activities</b>				
Insulation arrangement	-	94.7	-	-
Gross capital expenditure	-580.9	-158.9	-254.3	-65.3
Sale of fixed assets	59.4	20.1	333.6	72.4
	-521.5	-44.1	79.3	7.1
<b>Cash flow before financing</b>	-406.4	62.5	-88.0	98.7
<b>Financing</b>				
Capital loans	-	154.2	-	54.2
Change in interest-bearing debt (+ = increase)	413.7	-130.6	469.0	-115.6
Change in long-term receivables (- = increase)	-5.1	-11.6	-400.9	30.7
Dividends paid	-30.4	-27.1	-26.8	-24.6
Translation differences and other changes	3.6	-13.9	-	-
	381.8	-29.0	41.3	-55.4
<b>Change in liquid funds</b>	-24.6	33.5	-46.7	43.3
Liquid funds, January 1	88.5	55.0	56.2	12.9
Liquid funds, December 31	63.9	88.5	9.5	56.2

# Notes to the income statement and balance sheet

## NOTE 1 – ACCOUNTING PRINCIPLES

The consolidated financial statements of the Partek Group are prepared in accordance with current regulations in Finland. The consolidation and valuation principles comply with the International Accounting Standards, IAS, in all material respects. The year reviewed covers the months January–December and the financial statements are presented in euros.

When preparing financial statements in conformity with applicable regulations and generally accepted accounting principles, the company's management makes estimates and assumptions that affect the valuation and allocation of the reported figures. Actual results may deviate from such estimates.

### Consolidation principles

The consolidated financial statements include the accounts of the parent company, Partek Corporation, and all companies in which the parent company, directly or indirectly through subsidiaries, holds more than fifty percent of the voting rights at the end of the financial year. Companies acquired during the financial year have been included in the Group income statement from the date of acquisition and divested companies to the date of disposal.

All intercompany transactions are eliminated as part of consolidation process. Acquisitions of companies are accounted using the purchase method of accounting. The difference between the acquisition cost of the shares of a subsidiary and the equity at the time of acquisition is allocated to fixed assets to the extent that their current value exceeds the book value. In this calculation untaxed reserves net of tax, is included in the equity. The excess value allocated to fixed assets is depreciated according to the depreciation plan of the fixed asset item in question. The remaining difference is carried as goodwill on consolidation, which is amortised over its expected useful life, 5 – 20 years.

The goodwill of the engineering companies acquired between 1997 and 2000 will be amortised in 20 years because of the great strategic importance of the acquisitions to Partek.

Associated companies are consolidated in accordance with the equity method. The Group's share of the earnings of associated companies, less amortisation of the goodwill recorded on acquisition, is presented in the consolidated income statement. Dividends received from associated companies are eliminated. In the consolidated balance sheet, the investment in associated

companies and the Group's equity are adjusted with the Group's share in associated companies' increased net worth after their acquisition and goodwill less accumulated amortisation of goodwill.

Minority interests in earnings and shareholders' equity are presented separately in the income statement and balance sheet.

### Transactions in foreign currencies

Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction. At the end of accounting period receivables and liabilities are translated at the rates prevailing on the balance sheet date. Exchange rate differences related to sales and purchases are treated as adjustments to the underlying items. Exchange rate gains and losses associated with financing are entered as net amount under financial income and expenses.

### Foreign subsidiaries

In consolidated accounts all items in the income statement of foreign subsidiaries are translated into euro at the average exchange rates for the accounting period and all balance sheet items at the rates on the balance sheet date. Translation differences arising are treated as an adjustment affecting the consolidated equity. The equities of foreign subsidiaries are for the most part hedged using the equity hedging method, either by foreign currency loans or forward contracts. Exchange rate differences arising from the hedging transactions are credited or charged against translation differences arising from the translation of the shareholders' equity of the subsidiaries.

### Fixed assets

Fixed assets are stated in the balance sheet at the historical cost less accumulated depreciation. The balance sheet values of certain land areas and buildings include revaluations. These are specified separately in the notes to the financial statements.

The estimated useful lives that are the basis for depreciation and amortisation are as follows:

– Goodwill	5 – 20 years
– Other capitalised expenditure	3 – 17 years
– Buildings and structures	15 – 40 years
– Machinery and equipment	3 – 25 years
– Other tangible assets	5 – 10 years

Long-term financial assets include investments which are recorded at their historical cost less depreciation

of permanent decreases in value. Gains and losses on the disposal of fixed assets are included in operating income and expenses or in extraordinary items, depending on the nature of the transaction.

#### Leasing

Operating and financial lease payments are treated as rentals. Commodities are not treated as fixed assets. Annual leasing charges on the basis of existing leasing agreements are shown in the notes.

#### Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of inventories include a proportionate share of overhead arising from the purchase and production of the goods.

#### Revenue recognition

Sales are recorded upon delivery of products or performance of services, net of sales taxes and discounts.

#### Research and development

Research and development costs are expensed in the financial period during which they are incurred.

#### Warranty costs

The estimated warranty costs of goods delivered to customers are included in accrued expenses in the balance sheet. Actual warranty costs, including changes in the warranty liability, are charged against earnings for the period.

#### Pension liabilities

The Group companies' pension obligations are arranged according to local regulations and practices. In the parent company and in Finnish subsidiaries pension liabilities are covered by insurance. Costs of pensions are recorded as they are earned. Changes in uncovered pension liabilities are entered in the income statement. The pension liability is included in the balance sheet.

#### Provisions

Provisions are shown in the balance sheet as expenditure to which the company is committed but which has not yet been realized. This can, for example, be an uncovered pension liability, estimated loss in order book or restructuring cost. Changes in provisions are included in the income statement in a relevant group of expenses.

#### Income taxes

Income taxes in the income statement include taxes of the Group companies for the financial period, calculated in accordance with local regulations, as well as adjustments to prior year taxes and deferred taxes. Deferred tax assets and liabilities are determined for temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rate is used in determination of deferred tax income. The balance sheet includes all deferred tax liabilities and the probable realisable amount of deferred tax assets. No deferred tax liability is recognised for undistributed earnings of subsidiaries and revaluations.

#### Financial ratios

Partek Nordkalk Corporation has one convertible capital loan and Partek Corporation two. They are treated as equity in calculating the equity to total assets and gearing ratios, as defined by the Group targets set for these ratios.

In the business area reviews the results of operations are reported as operating profit, return on capital employed and capital turnover rate. These are based on the business areas' operational results, balance sheets and 12 months average capital employed. Goodwill arising from acquisition of engineering companies during 1997 – 2000 is not included in the business areas' capital employed, and depreciation of goodwill is not charged to their income. Goodwill and goodwill depreciation are recorded on the Partek Group level.

Country	Currency	Closing rates		Average rates	
		Dec. 31, 2000	Dec. 31, 1999	2000	1999
Brazil	BLR	1.81490	1.79970	1.68663	1.92186
Denmark	DKK	7.46310	7.44330	7.45387	7.43588
Estonia	EEK	15.64662	15.64662	15.64666	15.64666
Great Britain	GBP	0.62410	0.62170	0.60911	0.65863
Japan	JPY	106.92028	102.73045	99.29409	120.65199
Korea	KRW	1,177.13918	1,137.93876	1,044.94376	1,267.74627
Norway	NOK	8.23350	8.07650	8.11316	8.30978
Poland	PLZ	3.84980	4.15870	4.00467	4.22354
Sweden	SEK	8.83131	8.56250	8.44384	8.80718
USA	USD	0.93050	1.00460	0.92126	1.06541

## NOTE 2 – SEGMENT DATA

Meuro	NET SALES		OPERATING PROFIT	
	2000	1999	2000	1999
<b>By business area</b>				
Container handling	643.2	537.3	49.3	27.8
Load handling	671.4	419.2	58.0	23.0
Forest machines	317.2	243.8	31.6	14.2
Tractors	671.1	592.5	34.4	29.7
Nordkalk	202.8	187.4	20.8	25.5
Insulation	–	144.1	–	8.9
Others and eliminations	37.1	28.6	-33.5	-6.5
<b>Total</b>	<b>2,542.8</b>	2,152.9	<b>160.6</b>	122.6
<b>By geographical area</b>				
Finland	463.9	497.5		
Sweden	295.3	269.6		
Other EU	752.0	678.5		
Other Europe	166.1	143.8		
North America	425.7	271.8		
South America	217.0	150.3		
Asia	158.6	85.9		
Other countries	64.2	55.5		
<b>Total</b>	<b>2,542.8</b>	2,152.9		

	PERSONNEL ON AVERAGE		PERSONNEL EXPENSES, MEURO	
	2000	1999	2000	1999
<b>By business area</b>				
Container handling	3,107	3,141	134.6	125.8
Load handling	3,468	2,100	149.6	87.5
Forest machines	1,131	1,010	48.8	39.9
Tractors	2,358	2,375	79.2	70.4
Nordkalk	1,302	1,060	37.6	34.7
Insulation	–	1,124	–	38.6
Others and eliminations	386	358	19.1	15.9
<b>Total</b>	<b>11,752</b>	11,168	<b>468.9</b>	412.8
<b>By geographical area</b>				
Finland	4,321	4,896	165.5	172.5
Sweden	3,072	2,751	134.5	120.3
Other EU	1,460	1,232	67.9	58.4
Other Europe	601	418	9.7	6.7
North America	1,038	707	61.7	33.7
South America	843	904	16.7	13.0
Asia	334	214	9.3	6.1
Other countries	83	46	3.6	2.1
<b>Total</b>	<b>11,752</b>	11,168	<b>468.9</b>	412.8

**NOTE 3 – PERSONNEL EXPENSES**

Meuro	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>Wages and salaries</b>				
Salaries and payments to Board Members and Managing Directors	12.4	8.9	0.5	0.4
To others	343.0	311.7	4.3	4.1
Bonus to Board Members and Managing Directors	1.6	0.5	–	–
<b>Total</b>	<b>357.0</b>	<b>321.1</b>	<b>4.8</b>	<b>4.5</b>
<b>Other personnel expenses</b>				
Pensions and pension premiums	33.8	34.5	0.7	0.9
Other personnel expenses	78.1	57.2	0.4	0.3
<b>Total</b>	<b>111.9</b>	<b>91.7</b>	<b>1.1</b>	<b>1.2</b>
<b>Personnel expenses, total</b>	<b>468.9</b>	<b>412.8</b>	<b>5.9</b>	<b>5.7</b>
<b>Personnel</b>				
On average	11,752	11,168	86	79
At year end	12,893	9,751	92	79

**Salaries and fees to the Board of Directors and CEO**

The fees to the Board of Directors are confirmed by the Annual General Meeting and the salary and other benefits of the Chief Executive Officer by the Board of Directors. The Chief Executive Officer of the Parent Company, who is at the same time the President, has received during the year a salary totalling EUR 301,947 and a bonus of EUR 47,597. To the members of Boards of Directors of the Group companies, who are Partek employees, are not paid separate board fees.

**Pension terms and conditions**

The retirement age of the Group President and CEO and the members of the Group Management is 60 years. The full retirement pension is 60 percent of the salary on which the pension is determined. Pension liabilities are covered in full by pension insurances that are taken out with pension insurance companies.

**Dismissal**

The dismissal time is both for the company and the CEO six months. If the company dismisses the CEO, he will be paid in addition to the salary for the dismissal period a compensation for dismissal, which will correspond to 24 months fixed monetary salary.

**Salary committee**

The salary committee is a body chosen from among the Board of Directors that handles and decides on matters relating to the management's salary, incentive payments and contract of service as well as major policy decisions relating to the personnel administration.

**NOTE 4 – DEPRECIATION**

Meuro	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>Depreciation by function</b>				
Production	47.8	46.6	–	0.4
Selling and marketing	4.7	4.5	0.1	0.1
Research and development	1.3	1.2	–	–
Administration	6.7	6.2	0.5	0.5
Other	27.5	17.3	–	–
Depreciation according to plan, total	88.0	75.8	0.6	1.0
Extra depreciation	6.3	1.5	6.2	1.4
<b>Total</b>	<b>94.3</b>	<b>77.3</b>	<b>6.8</b>	<b>2.4</b>
<b>Depreciation according to plan</b>				
Goodwill	27.2	17.3	–	–
Other capitalised expenditure	3.0	3.1	0.2	0.5
Mineral deposits and land	1.3	0.8	–	–
Buildings and constructions	11.6	10.4	0.1	0.1
Machinery and equipment	43.9	43.2	0.3	0.3
Other tangible assets	1.0	1.0	–	0.1
<b>Total</b>	<b>88.0</b>	<b>75.8</b>	<b>0.6</b>	<b>1.0</b>

**NOTE 5 – OTHER OPERATING INCOME AND EXPENSES**

Meuro	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>Income</b>				
Rents	1.8	2.1	-	-
Profit on sale of Insulation business	-	28.0	-	-
Profit on sale of fixed assets	15.2	8.1	23.6	0.7
Refund from Swedish life and pension insurance company SPP	13.8	-	-	-
Other income	21.5	10.0	0.1	0.7
<b>Total</b>	<b>52.3</b>	<b>48.2</b>	<b>23.7</b>	<b>1.4</b>
<b>Expenses</b>				
Depreciation on goodwill	27.2	17.3	-	-
Bonshare	6.0	-	-	-
Taxes on real estate	0.5	0.4	0.1	0.1
Extra depreciation on fixed assets	6.3	1.5	10.5	1.5
Depreciation on receivables	0.8	5.4	1.5	6.1
Loss on sale of fixed assets	0.5	0.8	0.0	21.6
Wages for term of notice in connection with restructuring	0.2	1.2	-	-
Other restructuring costs	0.3	1.5	-	-
Other expenses	5.8	4.9	0.9	2.5
<b>Total</b>	<b>47.6</b>	<b>33.0</b>	<b>13.0</b>	<b>31.8</b>

**NOTE 6 – SHARES IN ASSOCIATED COMPANIES**

GROUP Meuro	Country	Holding %	Share of result		Share of equity		Goodwill	
			2000	1999	Dec.31,2000	Dec.31,1999	Dec.31,2000	Dec.31,1999
Addtek International Oy Ab*)	Finland	25.1	9.2	9.2	21.5	24.9		
Paroc Group Oy Ab*) Sept. 1, 1999 –	Finland	38.4	0.2	-0.1	8.9	8.8		
Parma Metals Oy*) – Febr. 29, 2000	Finland	50.0	0.1	1.0	-	2.6		
Sisu Akselit Oy*) Dec. 31, 1999 –	Finland	35.0	-	-	0.8	0.8		
RS Hansa Auto Oy – Dec. 31, 2000	Finland	50.0	-2.0	-1.4	-	-1.0		
Other associated companies in Finland			-	-	3.1	3.1		
Zeteco AB*) July 1, 1999 – Febr. 29, 2000	Sweden	23.4	0.4	1.6	-	15.6		
Other associated companies abroad			-0.5	-0.9	0.6	0.8		
Eliminations			2.3	-0.1	-0.5	-	0.2	20.1
<b>Total</b>			<b>9.7</b>	<b>9.3</b>	<b>34.4</b>	<b>55.6</b>	<b>0.2</b>	<b>20.1</b>

\*) owned by the Parent Company

**NOTE 7 – OTHER FINANCIAL ITEMS**

Meuro	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
Exchange rate differences	1.3	1.7	4.2	-6.8
Other financial income	3.4	0.7	-	-
Other financial expenses	-1.7	-5.4	-0.2	-1.0
<b>Total</b>	<b>3.0</b>	<b>-3.0</b>	<b>4.0</b>	<b>-7.8</b>

**NOTE 8 – INTERNAL DIVIDENDS, INTEREST INCOME AND EXPENSES**

Meuro	PARENT COMPANY	
	2000	1999
Dividends from Group companies	17.4	74.6
Interest income from Group companies	16.1	9.8
Interest expenses to Group companies	6.1	4.7

**NOTE 9 – DIRECT TAXES**

Meuro	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>Taxes in income statement</b>				
Taxes for extraordinary items	-	-	13.1	0.2
Direct taxes for the year	43.3	23.1	-0.6	10.2
Direct taxes from previous years	0.6	-1.9	-0.6	-2.6
Change in deferred tax asset / liability	0.7	8.1	-	-
<b>Total</b>	<b>44.6</b>	<b>29.3</b>	<b>11.9</b>	<b>7.8</b>

Meuro	GROUP	
	Dec. 31, 2000	Dec. 31, 1999
<b>Deferred tax asset</b>		
From consolidation entries	18.0	20.2
From valuation and matching differences	21.5	17.3
Balanced against liabilities	-27.8	-29.3
<b>Total</b>	<b>11.7</b>	<b>8.2</b>

Meuro	GROUP	
	Dec. 31, 2000	Dec. 31, 1999
<b>Deferred tax liability</b>		
From untaxed reserves	30.3	26.1
From consolidation entries	8.8	8.0
From valuation and matching differences	1.5	2.8
Balanced against receivables	-27.8	-29.3
<b>Total</b>	<b>12.8</b>	<b>7.6</b>

## NOTE 10 – FIXED ASSETS

GROUP		Other capitalised expenditure	Mineral deposits and land	Buildings and constructions	Machinery and equipment	Other tangible assets	Construction in progress
Meuro	Goodwill						
Acquisition cost Jan. 1, 2000	266.3	29.1	86.8	231.3	552.6	12.4	16.8
+/- Exchange rate differences	0.7	-0.1	-0.8	0.3	-2.4	–	–
+ Investments	2.5	6.0	2.3	7.7	42.0	1.2	26.3
- Decreases	-0.1	-0.2	-0.9	-6.9	-39.7	–	-0.6
+/- Transfers between items	–	-0.5	0.2	2.4	14.5	–	-16.6
+/- Other changes	358.7	-0.9	-1.3	33.6	12.4	–	1.1
Acquisition cost Dec. 31, 2000	628.1	33.4	86.3	268.4	579.4	13.6	27.0
Accumulated depreciation Jan. 1, 2000	-52.2	-15.6	-12.9	-97.6	-363.2	-8.1	-0.1
+/- Exchange rate differences	-0.3	–	0.2	–	1.4	–	–
- Depreciation during the year	-27.0	-3.0	-1.3	-11.4	-43.0	-1.0	–
+/- Other changes	4.8	2.0	5.3	-12.2	24.4	0.1	-2.1
Accumulated depreciation Dec. 31, 2000	-74.7	-16.6	-8.7	-121.2	-380.4	-9.0	-2.2
+ Revaluations	–	–	22.8	10.8	–	–	–
<b>Net book value Dec. 31, 2000</b>	<b>553.4</b>	<b>16.8</b>	<b>100.4</b>	<b>158.0</b>	<b>199.0</b>	<b>4.6</b>	<b>24.8</b>

PARENT COMPANY		Other capitalised expenditure	Mineral deposits and land	Buildings and constructions	Machinery and equipment	Other tangible assets	Construction in progress
Meuro							
Acquisition cost Jan. 1, 2000		3.3	0.8	3.1	1.4	0.2	0.1
+ Investments		0.3	–	0.1	0.6	–	–
- Decreases		-0.8	-0.2	–	-0.4	–	–
+/- Transfers between items		–	–	–	–	–	-0.1
+/- Other changes		0.3	0.1	–	–	–	–
Acquisition cost Dec. 31, 2000		3.1	0.7	3.2	1.6	0.2	–
Accumulated depreciation Jan. 1, 2000		-1.1	-0.1	-2.2	-0.9	-0.1	–
- Depreciation during the year		-0.2	–	-0.1	-0.3	–	–
+/- Other changes		–	–	-0.1	0.3	–	–
Accumulated depreciation Dec. 31, 2000		-1.3	-0.1	-2.4	-0.9	-0.1	–
+ Revaluations		–	4.7	–	–	–	–
<b>Net book value Dec. 31, 2000</b>		<b>1.8</b>	<b>5.3</b>	<b>0.8</b>	<b>0.7</b>	<b>0.1</b>	<b>–</b>

SHARES AND PARTICIPATIONS	GROUP		PARENT COMPANY		
Meuro	Shares and participations, associated companies	Shares and participations, others	Shares and participations, subsidiaries	Shares and participations, associated companies	Shares and participations, others
Acquisition cost Jan. 1, 2000	71.4	36.8	585.1	53.5	31.6
+/- Exchange rate differences	0.0	0.0	-	-	-
+ Investments	-	0.1	253.4	0.0	0.0
- Decreases	-5.0	-0.1	-302.0	-5.0	-
+/- Transfers between items	-2.1	-	34.2	-34.2	-
+/- Other changes	-35.9	0.0	-	-	-
Acquisition cost Dec. 31, 2000	28.4	36.8	570.7	14.3	31.6
Accumulated depreciation Jan. 1, 2000	4.1	-18.0	-62.4	-0.3	-17.9
+/- Exchange rate differences	0.0	-	-	-	-
- Depreciation during the year	-	-6.2	-4.3	-	-6.2
+/- Other changes	2.1	0.0	-	-	-
Accumulated depreciation Dec. 31, 2000	6.2	-24.2	-66.7	-0.3	-24.1
+ Revaluations	-	-	17.4	-	-
<b>Net book value Dec. 31, 2000</b>	<b>34.6</b>	<b>12.6</b>	<b>521.4</b>	<b>14.0</b>	<b>7.5</b>

**NOTE 11 – SHARES AND PARTICIPATIONS, DEC. 31, 2000**

		<b>GROUP Holding, %</b>	<b>PARENT COMPANY Holding, %</b>
<b>Associated companies:</b>			
Addtek International Oy Ab	Finland	25.1	25.1
Paroc Group Oy Ab	Finland	38.4	38.4
Sisu Akselit Oy	Finland	35.0	35.0
Other associated companies in Finland (8)			
Other foreign associated companies (8)			
<b>Other companies:</b>			
Cervuctum Oy	Finland	18.8	18.8
Polar Kiinteistö Oyj	Finland	6.1	6.1
Telephone shares and participations in Finland (26)			
Other companies in Finland (62)			
Other foreign companies (21)			
<b>Subsidiaries:</b>			
<b>Container handling business area</b>			
Kalmar Industries AB	Sweden	99.3	
AB Kalmar Industries Finans	Sweden	99.3	
AS Finmec	Estonia	99.3	
Kalmar Industries Oy Ab	Finland	99.3	
Kalmar Industries Sverige AB	Sweden	99.3	
Kalmar Industries Corp.	USA	99.3	
Kalmar LMV Sverige AB	Sweden	99.3	
Velsa Oy	Finland	99.3	
Other subsidiaries in Container handling (24)			
<b>Load handling business area</b>			
Partek Cargotec Oy Ab	Finland	100.0	100.0
Cargotec, Inc.	USA	100.0	
Hiab AB	Sweden	100.0	
Hiab Accessories B.V.	Netherlands	100.0	
Hiab Denmark A/S	Denmark	100.0	
Hiab Hana Co Ltd.	Korea	71.4	
Hiab LeeBur B.V.	Netherlands	100.0	
Kooi B.V.	Netherlands	100.0	
LeeBur Multilift B.V.	Netherlands	100.0	
Moffett Engineering Ltd	Ireland	100.0	
Multilift Oy	Finland	100.0	
Partek Cargotec AB	Sweden	100.0	
Partek Cargotec France S.A.	Denmark	100.0	
Partek Cargotec GmbH	Germany	100.0	
Partek Cargotec K.K.	Japan	100.0	
Partek Cargotec Ltd.	Great Britain	100.0	
Partek Cargotec S.A.	Spain	100.0	
Princeton Delivery Systems Inc.	USA	100.0	
Zeteco AB	Sweden	99.2	
Bromma Conquip AB	Sweden	99.2	
Car-O-Liner AB	Sweden	99.2	
Josam Holding AB	Sweden	99.2	
SMZ Industrier AB	Sweden	99.2	
Waltco Truck Equipment Co.	USA	99.2	
Zetterbergs Produkt AB	Sweden	99.2	
Other subsidiaries in Load handling (64)			

		GROUP Holding, %	PARENT COMPANY Holding, %
<b>Forest machines business area</b>			
Partek Forest Hold Oy Ab	Finland	100.0	33.8
Partek Forest AB	Sweden	100.0	
Cranab AB	Sweden	100.0	
Jonsered Cranes AB	Sweden	100.0	
K-Produkter AB	Sweden	100.0	
Loglift Oy Ab	Finland	100.0	
Partek Forest Ltda	Brazil	85.0	
Partek Forest Oy Ab	Finland	100.0	
Partek Forest Pty Ltd	Australia	100.0	
Partek Forest Llc.	USA	100.0	
Timbco Hydraulics Llc.	USA	100.0	
Other subsidiaries in Forest machines (10)			
<b>Tractors business area</b>			
Valtra Inc.	Finland	100.0	
Sisu Diesel Inc.	Finland	100.0	
Valtractores Mexico, S.A. de CV	Mexico	100.0	
Valtra Argentina Tractores S.A.	Argentina	100.0	
Valtra do Brasil S.A.	Brazil	100.0	
Valtra Norge AS	Norway	100.0	
Valtra Tracteurs France S.A.	France	100.0	
Valtra Tractores S.A.	Spain	100.0	
Valtra Tractors (UK) Ltd	Great Britain	100.0	
Other subsidiaries in Tractors (13)			
<b>Partek Nordkalk</b>			
Partek Nordkalk Corporation	Finland	100.0	100.0
Partek Nordkalk AB	Sweden	100.0	
Partek Nordkalk AS	Estonia	100.0	
Partek Nordkalk Polska Sp. z o.o.	Poland	100.0	
Nordkalk Miedzianka S.A.	Poland	80.0	
Partek Nordkalk Storugns AB	Finland	100.0	
Suomen Karbonaatti Oy	Finland	51.0	
Other subsidiaries in Partek Nordkalk (6)			
<b>Finance, service and other subsidiaries</b>			
Cellit Oy Ab	Finland	92.0	92.0
Green Arrow Insurance Ltd	Great Britain	100.0	100.0
Parcomp Oy Ab	Finland	100.0	100.0
Partek Finance N.V.	Belgium	100.0	100.0
Oy Sisu Ab	Finland	100.0	100.0
Oy Sisu Auto Ab	Finland	100.0	
RS Hansa Auto Oy	Finland	100.0	
Partek Holding Sverige AB	Sweden	100.0	0.0
Mascus Oy Ab	Finland	80.0	
Real estate companies (18)			
Other subsidiaries (27)			

Full details of shares in subsidiaries and other companies are included in the Statutory Accounts.

## NOTE 12 – LONG- AND SHORT-TERM RECEIVABLES

Meuro	Long-term				Short-term			
	GROUP		PARENT COMPANY		GROUP		PARENT COMPANY	
	Dec.31,2000	Dec.31,1999	Dec.31,2000	Dec.31,1999	Dec.31,2000	Dec.31,1999	Dec.31,2000	Dec.31,1999
<b>Board of Directors and top management</b>								
Loan receivables	-	-	-	-	0.0	-	-	-
<b>Other personnel</b>								
Loan receivables	0.2	0.1	0.1	0.1	0.2	-	0.0	0.1
<b>Subsidiaries</b>								
Accounts receivable			-	-			3.4	0.4
Loan receivables			466.3	56.9			225.4	76.1
Other receivables			-	-			61.1	23.9
Prepaid expenses and accrued income			-	-			3.9	5.2
<b>Total</b>			<b>466.3</b>	<b>56.9</b>			<b>293.8</b>	<b>105.6</b>
<b>Associated companies</b>								
Accounts receivable	-	-	-	-	9.1	20.2	0.0	0.9
Loan receivables	39.7	49.8	54.8	64.9	0.0	0.0	0.0	6.5
Other receivables	-	-	-	-	0.0	0.0	0.0	0.0
Prepaid expenses and accrued income	-	-	-	-	6.0	3.7	6.0	3.5
<b>Total</b>	<b>39.7</b>	<b>49.8</b>	<b>54.8</b>	<b>64.9</b>	<b>15.1</b>	<b>23.9</b>	<b>6.0</b>	<b>10.9</b>
<b>Other companies</b>								
Accounts receivable	-	-	-	-	450.5	335.5	0.0	0.1
Loan receivables	8.6	7.1	4.2	2.6	23.7	5.3	18.9	0.0
Other receivables	-	-	-	-	34.4	29.0	0.5	4.0
Deferred tax asset	-	-	-	-	11.7	8.2	-	-
Prepaid expenses and accrued income	-	-	-	-	45.5	32.0	15.1	13.2
<b>Total</b>	<b>8.6</b>	<b>7.1</b>	<b>4.2</b>	<b>2.6</b>	<b>565.8</b>	<b>410.0</b>	<b>34.5</b>	<b>17.3</b>
<b>Total receivables</b>	<b>48.5</b>	<b>57.0</b>	<b>525.4</b>	<b>124.5</b>	<b>581.1</b>	<b>433.9</b>	<b>334.3</b>	<b>133.9</b>

**NOTE 13 – SHAREHOLDERS' EQUITY**

Meuro	Total	Share capital	Share premium account	Revaluation reserve	Other reserves	Retained earnings	Capital loans
<b>GROUP</b>							
<b>Jan. 1, 2000</b>	777.1	87.9	202.3	6.1		298.5	182.4
Translation differences	4.4					4.4	
Conversion of capital loan	0.0	0.0	0.0				-0.1
Dividends paid	-26.8					-26.8	
Other changes	-0.6					-0.6	
Net result for the period	79.8					79.8	
<b>Dec. 31, 2000</b>	<b>833.9</b>	<b>87.9</b>	<b>202.3</b>	<b>6.1</b>		<b>355.3</b>	<b>182.3</b>
<b>PARENT COMPANY</b>							
<b>Jan. 1, 2000</b>	605.0	87.9	202.3	6.1		226.3	82.4
Conversion of capital loan	0.0	0.0	0.0				-0.1
Dividends paid	-26.8					-26.8	
Net result for the period	43.8					43.8	
<b>Dec. 31, 2000</b>	<b>621.9</b>	<b>87.9</b>	<b>202.3</b>	<b>6.1</b>		<b>243.3</b>	<b>82.3</b>

Meuro	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 2000	Dec. 31, 1999
<b>Distributable equity</b>				
Retained earnings	275.5	238.1	199.5	223.5
Net result for the period	79.8	60.4	43.8	2.8
Non-distributable equity	-0.8	-10.0	-	-
Equity share of untaxed reserves	-29.1	-28.5	-	-
<b>Total</b>	<b>325.4</b>	260.0	<b>243.3</b>	226.3

**NOTE 14 – CAPITAL LOANS**

Meuro	<b>GROUP</b>		<b>PARENT COMPANY</b>	
	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 2000	Dec. 31, 1999
Convertible subordinated bond, Partek Corporation	28.2	28.2	28.2	28.2
Convertible capital loan, Partek Corporation	54.1	54.2	54.1	54.2
Convertible capital loan, Partek Nordkalk Corporation	100.0	100.0		
<b>Total</b>	<b>182.3</b>	182.4	<b>82.3</b>	82.4

**NOTE 15 – PROVISIONS**

Meuro	GROUP		PARENT COMPANY	
	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 2000	Dec. 31, 1999
Pensions	3.0	1.8	-	-
Deliveries and claims	2.8	1.0	0.7	1.0
Credit losses	0.9	1.9	-	-
Restructuring	17.5	9.7	3.0	1.5
Other	6.3	4.1	1.5	0.7
<b>Total</b>	<b>30.5</b>	18.5	<b>5.2</b>	3.2

**NOTE 16 – LONG-TERM LIABILITIES**

Long-term liabilities are loans taken by individual Group companies in local or other currencies.

Most of the loans in other currencies have been taken to minimize the effects of exchange rate fluctuations on foreign subsidiaries' equities.

The main currencies are as follows:

Meuro	GROUP	
	Dec. 31, 2000	Dec. 31, 1999
<b>Local currencies</b>		
Euro	387.8	237.3
Other currencies	16.4	76.0
<b>Other currencies</b>		
Sweden SEK	89.0	47.9
USA USD	3.1	3.3
<b>Total</b>	<b>496.3</b>	364.5
<b>Loan repayments</b>	<b>-53.5</b>	-56.4
<b>Long-term liabilities, total</b>	<b>442.8</b>	308.1

**REPAYMENTS OF LONG-TERM LIABILITIES**

GROUP	2001	2002	2003	2004	2005	2006 or later	Total
Meuro							
Loans from financial institutions	48.8	57.8	38.5	37.4	137.6	100.1	420.2
Pension fund loans	1.8	1.8	1.5	1.4	1.4	37.9	45.8
Other interest-bearing liabilities	2.9	4.2	2.5	0.6	1.2	3.5	14.9
Other non interest-bearing liabilities	0.0	1.3	0.9	0.7	0.1	12.4	15.4
<b>Total</b>	53.5	65.1	43.4	40.1	140.3	153.9	496.3

**NOTE 17 – SHORT-TERM INTEREST-BEARING LIABILITIES**

Meuro	GROUP		PARENT COMPANY	
	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 2000	Dec. 31, 1999
Repayments of long-term liabilities	53.5	56.4	10.6	6.7
Subsidiaries			157.1	123.5
Other short-term liabilities	403.8	116.4	330.2	54.5
<b>Total</b>	<b>457.3</b>	172.8	<b>497.9</b>	184.7

**NOTE 18 – SHORT-TERM NON INTEREST-BEARING LIABILITIES**

Meuro	GROUP		PARENT COMPANY	
	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 2000	Dec. 31, 1999
<b>Subsidiaries</b>				
Accounts payable			0.6	0.4
Other non interest-bearing liabilities			0.1	0.1
Accrued expenses and deferred income			3.1	1.5
<b>Total</b>			<b>3.8</b>	2.0
<b>Associated companies</b>				
Advances received	0.4	–	–	–
Accounts payable	0.5	0.3	–	–
Accrued expenses and deferred income	–	0.8	–	–
<b>Total</b>	<b>0.9</b>	1.1	–	–
<b>Other companies</b>				
Advances received	21.9	7.4	–	–
Accounts payable	216.0	163.7	0.9	1.6
Other non interest-bearing liabilities	60.4	49.9	1.0	1.6
Accrued expenses and deferred income	181.5	130.8	15.7	14.1
<b>Total</b>	<b>479.8</b>	351.8	<b>17.6</b>	17.3
<b>Short-term non interest bearing liabilities, total</b>	<b>480.7</b>	352.9	<b>21.4</b>	19.3

**NOTE 19 – ACCRUED EXPENSES AND DEFERRED INCOME**

Meuro	GROUP		PARENT COMPANY	
	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 2000	Dec. 31, 1999
Purchases	4.1	2.4	0.9	0.4
Personnel costs	62.9	46.6	1.4	0.9
Warranties	32.2	24.9	–	–
Financial items	14.9	17.6	16.1	13.4
Taxes	17.9	11.6	0.4	0.9
Other	49.5	28.5	–	–
<b>Total</b>	<b>181.5</b>	131.6	<b>18.8</b>	15.6

**NOTE 20 – PLEDGED ASSETS AND CONTINGENT LIABILITIES**

Meuro	GROUP		PARENT COMPANY	
	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 2000	Dec. 31, 1999
<b>Pledged assets</b>				
Pledged assets as security for own debts				
Real estate mortgages	21.7	12.9		
Other mortgages	1.9	1.9		
Other pledges	7.2	0.9		
<b>Total</b>	<b>30.8</b>	<b>15.7</b>		
<b>Debt for which mortgages or pledges are given as security</b>	<b>14.9</b>	<b>8.0</b>		
Pledged assets for other own liabilities than debts				
Real estate mortgages	3.9	1.0		
Other mortgages	5.3	-		
Other pledges	5.2	5.0		
<b>Total</b>	<b>14.4</b>	<b>6.0</b>		
<b>Total pledged assets</b>	<b>45.2</b>	<b>21.7</b>		
<b>Contingent liabilities</b>				
Guarantees				
For subsidiaries	-	-	224.7	270.2
For associated companies	3.4	3.4	3.4	3.4
For others <sup>1)</sup>	41.6	50.1	0.6	0.5
Discounted bills	9.0	7.3	-	-
Pension fund liability	1.3	0.3	-	-
Other contingent liabilities <sup>1)</sup>	79.1	41.5	30.4	2.3
<b>Total contingent liabilities</b>	<b>134.4</b>	<b>102.6</b>	<b>259.1</b>	<b>276.4</b>

1) Guarantees for others include EUR 37.1 (48.1) million customer finance arrangements where the sold machines form security and other contingent liabilities include repurchase commitments for sold products to a value of EUR 48.0 (38.0) million.

**Leasing contracts**

In accordance with current leasing contracts leasing fees during the following years will amount to:

Meuro	GROUP		PARENT COMPANY	
	2000	2001	2000	2001
2001	11.4		0.2	
2002	10.6		0.1	
2003	8.1		-	
2004	6.8		-	
2005 or later	30.8		-	
<b>Total</b>	<b>67.7</b>		<b>0.3</b>	

**NOTE 21 – NOMINAL VALUES OF DERIVATIVE INSTRUMENTS**

Meuro	Total		Closed contracts		Open contracts		Market value	
	Dec.31,2000	Dec.31,1999	Dec.31,2000	Dec.31,1999	Dec.31,2000	Dec.31,1999	Dec.31,2000	Dec.31,1999
Foreign exchange forward contracts	1,017.0	578.7	336.7	160.8	680.3	417.9	17.8	-8.3
Interest rate swaps	95.3	0.0	0.0	0.0	95.3	0.0	-3.0	0.0
Interest rate forward contracts	50.0	23.4	50.0	0.0	0.0	23.4	0.0	0.0

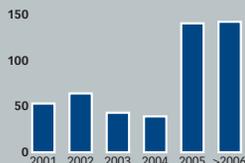
Derivative instruments are used to reduce currency and interest-rate risk of the Group.

**The principles followed in calculating market value**

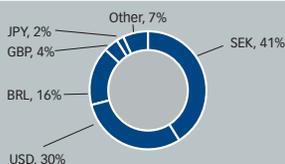
Foreign exchange forward contracts are valued at mark-to-market values on the balance sheet date. The market value of interest rate swaps is estimated on basis of the net present value of future cash flows. Interest rate forward contracts are valued at mark-to-market values on the balance sheet date.

# Financial risk management

## LONG-TERM INTEREST-BEARING DEBT MATURITY DISTRIBUTION



## NET EQUITY IN FOREIGN SUBSIDIARIES, 328 MEURO



Currency distribution, Dec. 31, 2000

## ESTIMATED NET FLOW OF FOREIGN CURRENCY DURING 2001



■ Base currency EUR, Meuro  
 ■ Base currency SEK, Meuro  
 ■ Base currency BRL, Meuro  
 ■ Base currency others, Meuro

Partek's business activities are exposed to financial risks such as currency risks, interest-rate risks, funding and liquidity risks, and counterpart risks. The intention is to reduce these operational financial risks.

Partek's treasury function manages the Group's financial risks centrally, which is in line with the finance policy confirmed by the Board of Directors. The Board has also approved detailed guidelines on the definition of financial risks, limits and the use of different financial instruments. Twice a year a report on financial risks is given to the Board for their follow-up.

The value of open derivative contracts at year-end appears in note 21. As the note does not include the underlying exposure hedged by the contracts, it does not give the complete picture of Partek's risk exposure.

### Currency risks

Foreign subsidiaries comprise the major part of Partek's business operations. Partek exports products from several countries, however mostly from Finland and Sweden. These activities cause currency risks i.e. translation and transaction exposure.

The Group's estimated net currency flows (transaction risk) are about EUR 413 million in 2001. Based on the current Group structure, the transaction risk is mainly divided between two basic currencies, the Euro representing approximately 48 percent and the Swedish crown (SEK) representing approximately 47 percent of the total net currency flows. The biggest exposure is generated from the two currency combinations USD against EUR (22%) and EUR against SEK (22%), accounting for approx. 44 percent of the transaction risk. The

USD is the most important export currency with about 42 percent of the net currency flows and it is divided against EUR (22%), SEK (15%) and Brazilian real BRL (5%).

As a rule the net currency flows are hedged for the following twelve months, so that exchange rate fluctuations affect the result with a lag of roughly on average 7 to 9 months. At year-end approximately 71 percent of the estimated net currency flows for the following year were hedged.

The translation exposure that arises from net assets abroad, i.e. the foreign subsidiaries' net equity, is hedged through loans or standardised derivatives in corresponding currencies. Exceptions to this rule may occur when the costs are deemed to be too high because of non-functioning markets and/or a too large interest-rate difference. At end-2000 the net equity of the foreign subsidiaries outside the euro-area amounted to EUR 328 (295) million. Approximately 75 (73) percent of the total net equity abroad was hedged. Of the rest, the major part or EUR 53 (50) million referred to the Brazilian real.

### Interest-rate risks

Changes in interest rates on interest-bearing receivables and debts in different currencies cause interest-rate risks. These risks are continuously managed by adjusting the duration of the net interest-bearing debts. Besides adjustments of the duration through different combinations of fixed and floating interest in the debt portfolio, various interest-rate derivatives, such as swap and forward rate agreements, are used to reach the targeted duration. Open derivative contracts at the end of 2000 are shown in note 21.

### **Funding and liquidity risks**

In minimising funding and liquidity risks the Group ensures that short-term debt in relation to total interest-bearing debt does not exceed a defined level, and that liquid assets and existing credit facilities cover estimated financing needs.

Interest-bearing debt, excluding convertible capital loans, which are accounted for as equity, amounted to EUR 885 (471) million at year-end. The percentage of short-term interest-bearing debts including repayments on loans within one year was 52 (37) percent. In the calculation long-term committed credit facilities have not been considered as long-term debt. Note 16 shows long-term interest-bearing debts on a currency-by-currency basis and repayments in future years.

In addition to liquid assets of EUR 64 (88) million, the unused credit facilities at year-end totalled EUR 261 (440) million. The change should be viewed in the light of that all corporate acquisitions during the year, amounting to approximately EUR 495 million, were made with liquid assets. In addition to the credit facilities, the Group has major liquidity reserves tied in businesses outside the engineering operations. The company also has a commercial paper programme in Finland amounting to EUR 80 million.

Interest-bearing net debts excluding convertible capital loans increased during the year by EUR 430 million to EUR 750 (320) million. The total amount of outstanding capital loans at year-end was EUR 182 million.

liquid assets. Derivative contracts are made only with leading banks and credit institutions. No credit losses related to counterparty risks have been recorded.

### **Counterparty risks**

Only counterparties with high credit-worthiness are accepted when investing

# Partek as an investment

Partek shares are quoted on the main list of the Helsinki Exchanges (HEX). The company has one series of shares and all shares have identical voting and dividend rights. The nominal share value is EUR 1.80.

At the end of 2000 the company's share capital was EUR 87,878,125.80 and the number of shares was 48,821,181. Partek's minimum share capital is EUR 31,500,000 and the maximum EUR 126,000,000. The share capital can be increased or reduced within these limits without amending the Articles of Association.

Partek has issued a convertible subordinated bond, an option programme and a convertible capital loan. Through these instruments the company's share capital can rise by a maximum of EUR 14,325,757.20 and the number of shares by, at most, 7,958,754 shares. During the year EUR 53,803 (FIM 319,000) of the convertible capital loan issued in 1999 was converted to 4,570 shares.

## Market capitalisation

The closing price for Partek's share year 2000 was EUR 13.30, which is 1.5 percent below the closing price in 1999. When comparing the weighted average price on the last trading day Partek's share fell during the year by 5.9 percent from EUR 13.25 to 12.47. During the year the HEX general index dropped by 10.6 percent, the HEX portfolio index lost

24.9 percent and the metal and engineering industry index fell by 16.2 percent. The highest price for Partek shares during the year was EUR 14.70 and the lowest was EUR 11.70. The taxable value per share for 2000 is EUR 8.83 (1999: EUR 9.10).

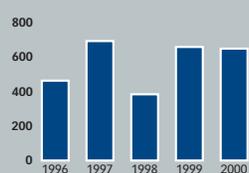
Partek's market capitalisation at the end of 2000 was EUR 649 million.

In 2000, 4.9 million Partek shares were traded. The average daily turnover was 19,000 (35,000) shares. The velocity of the Partek share i.e. the number of shares traded relative to the number of shares outstanding was 10 percent. The value of shares traded was EUR 64.6 million. The lot size on the HEX is 200 Partek shares.

## Convertible subordinated bond

In 1994 the company issued a convertible subordinated bond with a nominal value of EUR 28.2 million (FIM 167,820,000). The bond is in the nature of a capital loan. The loan has no maturity date and is not backed up by any guarantee or other security. The bonds are subordinate to the company's other obligations. Interest payments on the bond can only be made from distributable funds before the payment of a dividend. The nominal interest on the bond is 9.02 percent. If the preconditions for an early repayment are fulfilled the company has the right to pay back the loan at its nominal value starting June 1, 2004.

MARKET CAPITALISATION



VOLUME OF SHARES TRADED



The bonds can be converted into Partek shares. The issue-adjusted conversion price of the bonds is EUR 13.41 (FIM 79.75) per share. The bonds can be converted into shares each year between January 2 and November 30. By December 31, 2000 a total of EUR 13,443 (FIM 80,000) of the loan had been converted into 1,002 shares, which raised the share capital by EUR 1,683 (FIM 10,020). The convertible bonds are quoted on the Helsinki Exchanges. The last price for the loan in 2000 was 111.5 percent.

### Convertible capital loan

In January 1999 Partek issued a EUR 54 million (FIM 322 million) convertible capital loan. An annual interest of 5.0 percent is paid on the loan during the loan period, which is from January 26, 1999 to May 31, 2004. The loan will be repaid in one installment on May 31, 2004 provided that the repayment conditions according to the loan terms have been met. The issue price was 100 percent, and it was determined on the basis of the offer procedure arranged

for institutional investors.

The loan can be converted into Partek shares to the price of EUR 11.77 (FIM 70) per share, and this can increase the number of shares by a maximum of 4.6 million. The loan can be converted into shares each year between January 2 and November 30, during the conversion period, which is June 1, 1999 to May 31, 2004. By December 31, 2000 a total of EUR 53,803 (FIM 319,900) of the loan had been converted into 4,570 shares, which raised the share capital by EUR 8,226 (FIM 48,984). The loan was traded at 99 percent at the end of 2000.

### Management options

In 1997 1.26 million option rights were issued. The option programme covers almost 100 people in Partek. Each option right gives the right to subscribe one share and the amount of Partek shares can increase by up to 1,260,000 through subscriptions.

The aim of the option programme is to further motivate the management to work on a continuous and long-term basis in order

#### EQUITY AND SHARE PRICE



#### EARNINGS AND DIVIDEND



\* Board's proposal

#### Increases in share capital since 1995

Type of issue	Subscription period	Subscription ratio	Price/share, euro	Number of new shares	New share capital, euro
Share issue	April 10 – 22, 1997	Directed issue	13.20	10,000,000	81,571,144.33
Conversion of sub. bonds	November 30, 1997	Conversion	13.41	125	81,571,354.57
Subscription with option rights	April 17, 1998	Subscription	12.96	18,375	81,602,259.10
Subscription with option rights	May 11, 1998	Subscription	12.96	31,763	81,655,680.63
Subscription with option rights	June 2, 1998	Subscription	12.96	147,995	81,904,590.35
Subscription with option rights	June 29, 1998	Subscription	12.96	117,476	82,102,170.80
Conversion of sub. bonds	December 17, 1998	Conversion	13.41	877	82,103,645.81
Bonus issue	May 12, 1999	Change of nominal value to 1.80 euro			87,869,899.80
Conversion of capital loan	2000	Conversion	11.77	4,570	87,878,125.80

#### The effect of equity related instruments on equity capital

	Share capital, euro		Change, %	Number of shares		Change, %	Equity/share euro
	Change	Total		Change	Total		
Situation Dec. 31, 2000		87,878,125.80			48,821,181		13.35
Convertible subordinated bonds	3,785 983.20		4.3	2,103,324		4.3	13.41
Option rights	2,268 000.00		2.6	1,260,000		2.6	20.14
Convertible capital loan	8,271 774.00		9.4	4,595,430		9.4	11.77
Possible total increase		14,325,757.20	16.3		7,958,754	16.3	
Situation after increases		102,203,883.00			56,779,935		12.92

to develop Partek and its value. In order to be able to give option rights to new persons within the option programme at a later date, one company belonging to the Group was given the authority by the Board to subscribe to the option rights.

A total of 630,000 series A option rights and 630,000 series B option rights were issued. The subscription period for the series A option rights commenced on October 2, 2000 and for the series B option rights commences on October 2, 2002. The subscription period for all the option rights ends on October 2, 2003. The option rights can be converted into shares each year between January 2 and November 30.

The original subscription price of EUR 20.18 (FIM 120) per share for the series A option rights and EUR 23.55 (FIM 140) for the series B option rights exceeded the average volume-weighted price of Partek shares between September 1 and 12, 1997 by about 20 and 40 percent respectively. The subscription price per share is reduced by the dividend per share distributed after January 1, 1998. The subscription price is adjusted annually on the matching day of the dividend, and before the dividend for 2000 the subscription price is EUR 18.45 (FIM 109.73) for A option rights and EUR 21.82 (FIM 129.73) for B option rights.

#### **The Board's authority to raise the share capital**

The Board has no authorisation to raise the share capital.

#### **Authorisation to acquire and surrender own shares**

The Annual General Meeting (AGM) on March 30, 2000 authorised the Board for

one year after the closing of the AGM, to using distributable funds, purchase and surrender a maximum of five percent of Partek shares. The authorisation deviates from the distribution of shareholders' share ownership. The shares will be purchased or surrendered primarily to finance possible future acquisitions of companies or other assets relating to Partek's operations. By February 14, 2001 the authorisation had not been used.

#### **Dividend policy**

In making the proposal for a dividend the Board of Directors takes into account the development of the Group's profit, its financial structure and growth expectations. The aim is to distribute at least one third of the profit, calculated as the result before extraordinary items, less minority interest and allowing for tax.

#### **Shareholders**

At year-end 2000 Partek's shareholders numbered 11,164. Four out of five shareholders hold less than 1,000 shares. The ten largest shareholder groupings own 64.5 percent of the shares. Private individuals own 15 percent of the shares. Foreign investors hold some 4 percent of the shares. Nominee-registered holdings entitle foreign owners to only have shareholder's financial rights, such as the right to a dividend and the right to participate in share issues. Shareholders who do not register their shares in their own name cannot participate with the votes produced by the shares or use their voting rights at general meetings of shareholders.

The State of Finland owns 30.2 percent

of the shares in Partek, which it acquired as payment when Partek purchased Sisu in 1997. There are no restrictions to the sale of the State's holding.

### Agreements relating to the ownership of Company shares and to the use of voting rights

There are no valid agreements relating to the ownership of company shares or to the use of voting rights known to the company's Board.

### Management's shareholding

On December 31, 2000 the members of Partek's Board of Directors, and Management Group (Group Management, Group Administration Executives, and the Business Area Presidents) together held 35,812 (December 31, 1999: 25,466) Partek shares, which is 0.07 percent of the company's entire share capital and voting

rights. In addition to this, members of the Management Group owned convertible subordinated bonds and option rights issued by the Company entitling them to subscribe to a total of 300,000 shares. This is the equivalent of 0.6 percent of the Company's share capital and voting rights.

### Insiders

Partek follows the Helsinki Exchanges' insider directives of 1999. The statutory insiders are Members of the Board, the President and CEO and auditors. Insiders by definition are the Senior Executive Vice Presidents, Business Area Presidents, the Senior Vice Presidents of Corporate Control, Treasury, Communications and Investor Relations, General Council, and Corporate Development. The holding of Partek shares of the secretary to the CEO and of other secretaries to insiders employed by Partek, are monitored internally. Insider lists are upheld

Share key ratios		2000	1999	1998	1997	1996
Earnings per share (EPS)	euro	<b>1.63</b> <sup>1)</sup>	1.24	0.88	1.36	0.67
Equity per share	euro	<b>13.35</b>	12.18	11.70	11.12	9.71
Dividend per share	euro	<b>0.60</b> <sup>2)</sup>	0.55	0.50	0.67	0.67
Total dividend	Meuro	<b>29.3</b> <sup>2)</sup>	26.8	24.6	32.6	25.9
Dividend/Earnings	%	<b>36.7</b>	44.4	57.1	49.5	37.6
Effective dividend yield	%	<b>4.5</b>	4.2	6.4	4.7	5.6
Price/Earnings (P/E)		<b>8.1</b>	10.7	8.9	10.5	17.9

#### Number of shares

at the end of the year	1,000's	<b>48,821</b>	48,817	48,817	48,500	38,500
average	1,000's	<b>48,820</b>	48,817	48,679	45,432	38,500

#### Partek shares on the Helsinki Exchanges

Nominal value	euro	<b>1.80</b>	1.80	1.68	1.68	1.68
Adjusted share price at the end of the year	euro	<b>12.47</b>	13.25	7.87	14.29	12.04
Average share price during the year	euro	<b>13.18</b>	10.43	11.75	15.47	11.20
highest	euro	<b>14.70</b>	13.50	17.16	19.01	12.45
lowest	euro	<b>11.70</b>	7.00	6.53	11.77	7.75
Turnover	Meuro	<b>64.6</b>	90.7	254.8	258.7	116.5
Trading volume	1,000's	<b>4,853</b>	8,700	21,693	16,720	10,499
Velocity	%	<b>10.0</b>	17.8	44.6	36.8	27.3
Market capitalisation at year-end	Meuro	<b>649.3</b>	659.0	384.3	693.3	463.4

<sup>1)</sup> Fully diluted EPS for 2000 is EUR 1.50

<sup>2)</sup> Proposal by the Board of Directors

covering people involved in project relating to acquisitions or other measures that can have an impact on the share price. The Company's General Council is responsible for monitoring that the insider directives and the notification obligations are followed.

According to the Principles of Partek insiders' investments in Partek shares are to be of a long-term nature. No trading in Partek shares is allowed within 14 days of the release of Interim Reports and annual

accounts. All trading should be done when the capital market's information on factors effecting Partek's share price are as complete as possible, for example directly following the publication of results or acquisitions. Insiders are always to consult the Company's General Council before conducting trade in Partek shares.

### Investor relations

Partek wants to offer both domestic and

#### Largest shareholders, December 31, 2000

	No.	No. total	% <sup>1)</sup>
The State of Finland		14,721,835	30.2
Åbo Akademi University Foundation			
Åbo Akademi University Foundation	4,142,146		
Foundation of Martha och Albin Löfgrens Kulturfond	125,933		
Foundation of Martha och Albin Löfgrens Understödsfond	51,742	4,319,821	8.8
Metso Group			
Valfin Oy		4,126,039	8.5
Sampo Group			
Industrial Insurance Company Ltd	2,550,640		
Sampo Life Insurance Company Ltd	350,000		
Insurance Company of Finland Ltd	70,000		
Kaleva Mutual Insurance Company Ltd	48,442	3,019,082	6.2
Svenska litteratursällskapet i Finland		1,956,600	4.0
Varma-Sampo Mutual Pension Insurance Company		1,170,690	2.4
Odin Norden Mutual Fund		720,900	1.5
Ilmarinen Mutual Pension Insurance Company		668,122	1.4
Federation of Finnish Metal Engineering and Electrotechnical Industries MET		450,850	0.9
LEL Employment Pension Fund		322,200	0.7
<b>Total</b>		<b>31,476,139</b>	<b>64.5</b>

1) Percentage of total number of shares and voting rights.

#### Distribution of shares, December 31, 2000

By size of holding Shares/holder	Shareholders		Shares	
	No.	%	No.	% <sup>1)</sup>
1 – 1,000	8,841	79.2	2,764,378	5.7
1,001 – 5,000	1,885	16.9	3,997,791	8.2
5,001 – 10,000	220	2.0	1,557,466	3.2
10,001 – 50,000	162	1.4	3,284,033	6.7
50,001 –	56	0.5	37,193,135	76.2
Nominee register and other			24,378	0.0
<b>Total</b>	<b>11,164</b>	<b>100.0</b>	<b>48,821,181</b>	<b>100.0</b>

1) Percentage of total number of shares and voting rights.

By shareholder group	%
Companies	12.4
Financial and insurance institutions	10.4
Public sector entities	37.2
Non-profit organisations	20.4
Households/private individuals	15.3
Foreign ownership and nominee register	4.3
<b>Total</b>	<b>100.0</b>

foreign investors an interesting and liquid investment. It is Partek's intention for shareholders to receive an attractive return on their capital invested. Increase in share value and dividend payments are included in the return.

The function of investor relations is to communicate actively, transparently and regularly with the capital markets in order to supply sufficient information for Partek's market capitalisation to reflect as closely as possible the value of the company's assets and its ability to generate profits. The intention is to increase the shares' liquidity and to decrease the shareholders' risk and the volatility of the share.

Investor relations communicates with the markets through many channels. During the year the services for investors on Partek's web site [www.partekcorp.com](http://www.partekcorp.com) were improved and are now available, in addition to English, also in Finnish and Swedish. Partek's investor website took second place in a competition arranged by the Finnish Foundation for Share Promotion and the Finnish weekly business magazine Talouselämä. The services include sending

e-mails and SMS-messages (in Finland) to subscribers of Partek news releases. A CD-ROM company presentation was published and three editions of the group magazine Partek Today were mailed to shareholders. Partek arranged company presentation for investors, analysts and brokers at different locations in Finland and in the United States, in Stockholm, London, Frankfurt and Paris. Partek also took part in the investment fair, Sijoitus-Invest, in Helsinki. In connection with the annual and interim reports, press and analyst conferences were organised, as well as teleconferences.

Capital Market Day 2000 was held in the Port of Gothenburg and focused on the Container handling business area and on the strategy of going downstream in the value chain. Here Finnish and international analysts and investors had the opportunity to meet Partek's and Kalmar's top management and acquaint themselves with the harbour business. The number of analysts at brokerages and investment banks that regularly follow Partek and issue investment recommendations was 14 at the end of the year.

**The following brokerages and banks provide information about Partek as an investment:**

Alfred Berg  
Tel. +358 9 228 321  
[alfredberg@alfredberg.fi](mailto:alfredberg@alfredberg.fi)

Aktia Säästöpankki Oyj  
Tel. +358 10 247 5000  
[www.aktia.fi](http://www.aktia.fi)

ArosMaizels Oyj  
Tel. +358 9 12341  
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Conventum Securities Ltd  
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# Corporate Governance

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The working order of Partek's Board of Directors follows the Corporate Governance recommendations of the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers.

Nearly throughout its 100-year history Partek has had one share series that comprises equal voting and dividend rights. Each share has one vote at company shareholder meetings.

To amend the Articles of Association a decision by two shareholder meetings is needed. Two thirds of the votes and of the shares represented at two consecutive meetings must support the decision. The articles include a redemption clause. A shareholder whose ownership reaches or exceeds 33 1/3 percent or 50 percent of Partek shares or votes is, upon demand of other shareholders, obliged to redeem their shares and securities to which the shares entitle. The redemption price is the average volume-weighted share price on the HEX in a period preceding the redemption. If, however, the redeemer has paid a higher price for shares than the average price preceding the redemption this price is the redemption price. If the redemption clause takes force the redeemer is to give a written notification to the company's Board of Directors within seven days. An amendment to the redemption clause requires three-fourths of the votes and of the shares represented at a shareholder meeting, a stronger requirement than for the amendment of other Articles of Association.

## **Election of the Board of Directors**

Partek has an external Board, which comprises representatives of major share-

holders and external experts with a wide range of international industrial experience. Information about the Board members is shown on page 68 and is also available on Partek's web page [www.partekcorp.com](http://www.partekcorp.com).

The Annual General Meeting (AGM) is held by the end of May following the closing of the year-end accounts. AGM elects between 6 and 9 members to the Board. Members are elected for three years, starting from the AGM when elected and ending at the AGM three years later. One-third of the members stand down each year. A person who has turned 70 years old is not eligible for election. A vacancy on the Board is filled at an AGM or an extraordinary shareholder meeting.

## **The Board's work**

The Board chooses a chairman and vice-chairman from among its members. The Board takes care of Partek's administration and organises its operations appropriately. In addition to the duties separately specified by law and the Articles of Association, the Board, in accordance to its working order, confirms the company's long-term objectives and strategy, approves the budget and funding plan and decides on the investment framework and on major individual investments, mergers and acquisitions and on strategically important R&D projects. The Board also decides on equity-related investments and confirms the policy for the group's financial risk-management and its environmental policy.

The Board appoints employees who report to the President and the CEO, and approves the conditions of their employment. It selects outside members for the Boards of Directors of the business areas and decides on chari-

table donations. The Board assembles regularly six or seven times a year and when necessary.

For monitoring the Group's operations and financial development the Board receives a monthly financial report, and also a review by the CEO at every board meeting. The Board appoints the person-in-charge of internal audit.

### **Selection and duties of the President and CEO**

The Board of Directors appoints the company's President and CEO and decides on his/her terms of employment. The President and CEO deals with the operative administration in accordance with the instructions and authority given by the Board. Christoffer Taxell was elected to the Board in 1984 and appointed President and CEO in 1990.

### **Organisation and responsibilities of business operations**

The Group is divided into business areas and every business area has its own Board of Directors. The business area Boards decide on fundamental business development and strategies within the framework approved by Partek's Board of Directors.

Besides representatives of the Group Management, the Boards include external experts, representatives of the business area's personnel and, in order to increase co-operation between business areas, presidents of other operationally similar business areas.

### **Management incentive scheme**

The fees of the Board of Directors are confirmed by the AGM, and the Board of Directors

confirms the salary and fringe benefits of the President and CEO (note 3). Salaries and fees to the Presidents and fees to Board members for year 2000 amounted to EUR 12.4 million for the group. During the year, the parent company CEO, who is also the Group President, received EUR 301,947 in salary, and bonuses of EUR 47,597. Partek employees on the Boards of Directors of the Group subsidiaries are not paid separate fees.

The company has not granted loans to the members of the Board or to the Management Team nor has it given guarantees on their behalf.

The aim of Partek's incentive scheme for members of the Group and business area Management Teams is to further motivate the management to work on a long-term basis in order to develop the company's value. The incentive system comprises an active salary policy, an incentive salary in the form of bonuses, and an option programme. A salary committee selected within the Board of Directors prepares the management's salary and contractual matters and salary systems and prepares the management's salary and contractual matters and salary systems and draws up the principles and policies on staff administration for the decision of the Board.

The maximum annual bonus amounts to two to four months' base salary. To achieve this, targets must normally be exceeded. Partek's share price can also be used as a basis for determining a bonus. The Management Group members' bonuses are dependent on the Group result. The Business Areas' Management Team members' bonuses are dependent on the Business Area result.

# Five-year review

		2000	1999	1998	1997	1996
<b>Income Statement</b>						
Net sales	Meuro	<b>2,543</b>	2,153	2,277	1,807	1,036
change	%	<b>18.1</b>	-5.4	26.0	74.4	-6.0
foreign sales	%	<b>81.8</b>	76.9	76.7	75.0	80.1
Operating profit	Meuro	<b>161</b>	123	114	122	48
operating margin	%	<b>6.3</b>	5.7	5.0	6.8	4.6
Profit after financial items	Meuro	<b>130</b>	98	78	96	38
% of net sales	%	<b>5.1</b>	4.6	3.4	5.3	3.7
Profit before taxes	Meuro	<b>130</b>	98	109	93	99
% of net sales	%	<b>5.1</b>	4.6	4.8	5.2	9.5
Net profit for the period	Meuro	<b>80</b>	60	74	59	87
<b>Balance Sheet</b>						
	Meuro					
Fixed assets and other I-t investments		<b>1,154</b>	814	801	773	456
Inventories		<b>460</b>	349	367	379	136
Other current assets		<b>645</b>	522	524	523	269
Shareholders' equity		<b>834</b>	777	599	567	402
Minority interests		<b>14</b>	56	63	74	9
Provisions		<b>30</b>	18	35	41	21
Interest-bearing liabilities		<b>885</b>	471	602	566	191
Non interest-bearing liabilities		<b>496</b>	363	394	426	238
Balance sheet total		<b>2,259</b>	1,685	1,693	1,675	861
<b>Financial ratios</b>						
Gross capital expenditure	Meuro	<b>581</b>	159	144	380	70
% of net sales	%	<b>22.8</b>	7.4	6.3	21.0	6.7
Depreciation	Meuro	<b>88</b>	76	77	68	45
Research and development costs	Meuro	<b>43</b>	39	39	32	23
% of net sales	%	<b>1.7</b>	1.8	1.7	1.8	2.2
Capital employed	Meuro	<b>1,733</b>	1,304	1,264	1,208	602
Interest-bearing net debt	Meuro	<b>750</b>	320	496	435	114
Return on capital employed	%	<b>12.1</b>	11.1	11.1	14.8	9.9
Return on equity	%	<b>13.0</b>	10.7	8.7	13.1	8.0
Gearing	%	<b>88.4</b>	38.4	74.9	67.8	27.6
Solvency ratio	%	<b>37.9</b>	49.6	39.3	38.5	48.4
Solvency ratio 2	%	<b>29.8</b>	38.8	37.6	36.8	45.1
<b>Per employee</b>						
	1,000 euro					
Net sales		<b>216</b>	193	189	173	134
Value added		<b>61</b>	55	52	55	47
Personnel costs		<b>40</b>	36	36	36	35
Profit after financial items		<b>11</b>	9	6	9	5
<b>Personnel on average</b>						
Finland		<b>4,321</b>	4,896	5,288	4,490	2,627
Outside Finland		<b>7,431</b>	6,272	6,774	5,974	5,114
Total		<b>11,752</b>	11,168	12,062	10,464	7,741

# Calculation of financial ratios

## Return on capital employed (ROC), %

$$\frac{\text{Profit after financial items + financial expenses}}{\text{Balance sheet total - non-interest-bearing liabilities, average over the year}} \times 100$$

## Capital turnover rate (CTR)

$$\frac{\text{Net sales}}{\text{Balance sheet total - non-interest-bearing liabilities, average over the year}}$$

## Return on equity (ROE), %

$$\frac{\text{Profit after financial items - taxes in the income statement}}{\text{Shareholders' equity * + minority interest, average over the year}} \times 100$$

## Gearing, %

$$\frac{\text{Interest-bearing liabilities - cash and bank balances - other interest-bearing receivables}}{\text{Shareholders' equity + minority interest}} \times 100$$

## Solvency ratio, %

$$\frac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$$

## Solvency ratio 2, %

$$\frac{\text{Shareholders' equity* + minority interest}}{\text{Balance sheet total - advances received}} \times 100$$

## Value added, euro

$$\frac{\text{Operating profit + personnel costs + depreciation}}{\text{Personnel on average}}$$

## Earnings per share (EPS), euro

$$\frac{\text{Profit after financial items - taxes in the income statement - minority interest}}{\text{Number of shares over the financial year}}$$

## Equity per share, euro

$$\frac{\text{Shareholders' equity *}}{\text{Number of shares at the end of the financial year}}$$

## Dividend/earnings, %

$$\frac{\text{Proposed dividend paid for the financial year}}{\text{Profit after financial items - taxes in the income statement - minority interest}} \times 100$$

## Effective dividend yield, %

$$\frac{\text{Proposed dividend per share}}{\text{Share price at the end of the financial year}} \times 100$$

## Price/earnings (P/E-ratio)

$$\frac{\text{Share price at the end of the financial year}}{\text{Earnings per share (EPS)}}$$

## Market capitalisation, euro

$$\text{Number of shares at the end of the financial year} \times \text{share price at the end of the financial year}$$

\* Shareholders' equity excluding capital loans

# Board's dividend proposal

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## **Proposal to the Annual General Meeting**

The distributable equity of the parent company is EUR 243,289,569.55. The distributable equity of the Group is EUR 325,412,000. The number of shares entitled to dividends is 48,821,181.

The Board of Directors proposes that a dividend of EUR 0.60 per share, in total EUR 29,292,708.60 be distributed.

Pargas February 13, 2001

**Björn Mattsson**

Chairman

**Risto Virrankoski**

Vice Chairman

**Jan Ekberg**

**Arto Honkaniemi**

**Caj-Gunnar Lindström**

**Paavo Pitkänen**

**Sakari Tamminen**

**Juha Toivola**

**Christoffer Taxell**

President and CEO

# Auditors' report

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## **To the shareholders of Partek Corporation**

We have audited the accounts, the accounting records and the administration by the Board of Directors and the Managing Director of Partek Corporation for the year ended December 31, 2000. The accounts prepared by the Board of Directors and the Managing Director include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the accounts. Based on our audit we express our opinion on these accounts and the company's administration.

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

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

Helsinki, February 27, 2001

**Solveig Törnroos-Huhtamäki**

Authorised Public Accountant

**Thor Nyroos**

Authorised Public Accountant

# Board of Directors and auditors



From left: Arto Honkaniemi, Christoffer Taxell, Risto Virrankoski, Paavo Pitkänen, Björn Mattsson, Sakari Tamminen, Juha Toivola, Caj-Gunnar Lindström, Jan Ekberg

**Björn Mattsson**, b. 1941  
Chairman  
Lic. Phil., Honorary Counsellor  
Chairman of the Board, Finvest Oyj  
Member of the Board, Industrial Insurance Company Ltd., Hartwall Oyj Abp  
Chairman of the supervisory board, Alma Media Corporation  
Member of the supervisory board of Varma-Sampo Mutual Pension Insurance Company, Merita Bank plc among others  
Elected to Partek's board 1993  
Elected for the period 1999 – 2002  
Shareholding: 1,160

**Risto Virrankoski**, b. 1946  
Vice chairman  
M.Sc. (Econ.)  
Executive Vice President, Outokumpu Oyj  
Chairman of the Board, Okmetic Oyj  
Member of the Board, VR Ltd  
Elected to Partek's board 1997  
Elected for the period 2000 – 2003  
Shareholding: –

**Auditors:** Solveig Törnroos-Huhtamäki, APA; Thor Nyroos, APA

**Deputies:** KPMG Wideri Oy Ab, Authorised Public Accountants

**Caj-Gunnar Lindström**, b. 1942  
Dr. Sc. (Econ.)  
Managing Director, the Foundation of Åbo Akademi  
Chairman of the Board, Pension Insurance Company Verdandi  
Member of the Boards of Aktia Sparbank Abp, Life Insurance Company Verdandi among others  
Elected to Partek's board 1997  
Elected for the period 1998 – 2001  
Shareholding: –

**Arto Honkaniemi**, b. 1946  
LL.M., M.Sc. (Econ.)  
Industrial Counsellor, the Ministry of Trade and Industry  
Member of the Board, Outokumpu Oyj  
Elected to Partek's board 1998  
Elected for the period 1999 – 2002  
Shareholding: –

**Jan Ekberg**, b. 1936  
Dr. (Med.) h.c.  
Director  
Chairman of the Board, Bong Ljungdahl AB, Dynal Biotech ASA, Christianova AB and Handelsbanken Region Södra Sverige  
Member of the Boards of Nobel Biocare AB, Volvo Aero AB, Malmberg Water AB, Medhelp AB, Health Center Inc MBH among others  
Elected to Partek's board 1994  
Elected for the period 1998 – 2001  
Shareholding: 1

**Juha Toivola**, b. 1947  
M.Sc. (Phil.)  
President, Industrial Insurance Company Ltd. until February 1, 2001  
Senior Executive Vice President, Sampo-Leonia Insurance Company plc until February 1, 2001  
Member of the Boards of Elcoteq Network Corporation, Fiskars Corporation, Tamro Corporation, Sanitec Corporation among others  
Member of the supervisory board of Radiolinja Oy Ab  
Elected to Partek's board 1996  
Elected for the period 2000 – 2003  
Shareholding: 1,000

**Paavo Pitkänen**, b. 1942  
M.Sc. (Phil.)  
Managing Director, Varma-Sampo Mutual Pension Insurance Company  
Member of the Boards of Stora Enso Oyj, Wärtsilä Corporation, Sampo-Leonia Insurance Company plc among others  
Elected to Partek's board 1994  
Elected for the period 1998 – 2001  
Shareholding: –

**Sakari Tamminen**, b. 1953  
M.Sc. (Econ.)  
Executive Vice President, Metso Corporation  
Elected to Partek's board 2000  
Elected for the period 2000 – 2003  
Shareholding: 200

**Christoffer Taxell**, b. 1948  
LL.M.  
President and CEO, Partek Corporation  
Member of the Boards of Wärtsilä Corporation, Stockmann Plc, Sampo-Leonia Insurance Company plc among others  
Elected to Partek's board 1984  
Elected for the period 1999 – 2002  
Shareholding: 8,320

# Group Management

## Group Management



**Christoffer Taxell**, b. 1948  
LL.M.  
President and CEO  
Employed by Partek since 1990  
Shareholding: 8,320  
Options: 50,000



**Carl-Gustaf Bergström**,  
b. 1945  
M.Sc. (Econ.)  
Senior Executive Vice  
President  
Employed by Partek since 1970  
Shareholding: 7,139  
Options: 30,000



**Kari Heinistö**, b. 1958  
M.Sc. (Econ.)  
Senior Executive Vice  
President  
Employed by Partek since 1983  
Shareholding: 3,004  
Options: 30,000

## Business Area Presidents



**Christer Granskog**, b. 1947  
M.Sc. (Eng.)  
President, Kalmar  
Industries AB  
Employed by Partek since 1997  
Shareholding: 400  
Options: 30,000



**Olof Elenius**, b. 1951  
M.Sc. (Econ.)  
President, Partek Cargotec  
Oy Ab  
Employed by Partek since 1983  
Shareholding: 1,145  
Options: 20,000



**Hans Eliasson**, b. 1945  
Engineer  
President, Partek Forest AB  
Employed by Partek Forest  
since 1991  
Shareholding: 2,000  
Options: 20,000



**Jouko Tukiainen**, b. 1936  
M.Sc. (Eng.)  
President, Valtra Inc.  
Employed by Valtra since 1991  
Shareholding: 596  
Options: 20,000



**Christer Sundström**, b. 1943  
M.Sc. (Chem.)  
President, Partek Nordkalk Corporation  
Employed by Partek since 1974  
Shareholding: 1,750  
Options: 20,000

## Group Administration



**Helena Biström**, b. 1954  
M.Sc. (Econ.)  
Senior Vice President,  
Corporate Control  
Employed by Partek since 1998  
Shareholding: –  
Options: 20,000



**Outi-Maria Liedes**, b. 1956  
M. Sc. (Eng.), MBA  
Senior Vice President,  
Corporate Communications & IR  
Employed by Partek since 2001  
Shareholding: –  
Options: 20,000



**Veli-Matti Tarvainen**, b. 1954  
LL.M.  
Senior Vice President, General  
Counsel  
Employed by Partek since 1995  
Shareholding: 121  
Options: 20,000



**Olav Uppgård**, b. 1955  
M.Sc. (Econ.)  
Senior Vice President,  
Treasury  
Employed by Partek since 1984  
Shareholding: 955  
Options: 20,000



**Kaisa Viikula**, b. 1960  
Dr.Sc. (Econ.)  
Managing Director,  
Mascus Ltd  
Employed by Partek since 1995  
Shareholding: 7,521  
Options: 20,000

## Partek Nordkalk

## Mascus

# Contact information

See [www.partekcorp.com](http://www.partekcorp.com) for a more comprehensive contacts list.

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E-mail: [info@partekcorp.com](mailto:info@partekcorp.com)

### Group Management

Christoffer Taxell, President and CEO  
Carl-Gustaf Bergström, Senior Executive Vice President  
Kari Heinistö, Senior Executive Vice President

### Group Administration

Helena Biström, Corporate Control  
Lauri Hakkala, Information Technology  
Antti Koivupalo, Risk Management  
Outi-Maria Liedes, Corporate Communications & IR  
Liisa Sihvo, Human Resources  
Veli-Matti Tarvainen, Legal Affairs  
Olav Uppgård, Treasury  
Harri Hytönen, Sourcing  
Maija Kutvonen, Business Development

## BUSINESS AREAS

### CONTAINER HANDLING

#### Kalmar Industries AB

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#### Velsa Oy

cabins  
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#### Magnum

terminal tractors  
1301 Cherokee Trace  
White Oak, TX 75693, USA  
Tel +1 903 759 5490  
Fax +1 903 297 8166

#### Ottawa Truck

terminal tractors  
415 East Dundee Street  
Ottawa, KS 66067, USA  
Tel +1 913 242 2200  
Fax +1 913 242 6117  
Internet: [www.ottawatruck.com](http://www.ottawatruck.com)

#### Kalmar Pacific Limited

1501 – 04 Prosperity Center  
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## LOAD HANDLING

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### Hiab AB

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Tel +46 (0)650 910 00  
Fax +46 (0)650 121 74  
Internet: [www.hiab.com](http://www.hiab.com)

### Multilift Oy

Raisio Works  
demountables  
Nesteentie 36, PO Box 39  
FI-21201 Raisio, Finland  
Tel +358 (0)204 55 2399  
Fax +358 (0)204 55 2231

### LeeBur Multilift B.V.

demountables  
Hallenstraat 6, Postbus 141  
NL-5530 AC Bladel, The Netherlands  
Tel +31 497 3621 11  
Fax +31 497 362 199

### Zeteco AB

Klarabergsviadukten 70, Box 70369  
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Tel +46 (0)8 545 158 20  
Fax +46 (0)8 545 158 21  
Internet: [www.zeteco.com](http://www.zeteco.com)  
E-mail: [info@zeteco.com](mailto:info@zeteco.com)

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SE- 641 49 Katrineholm, Sweden  
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Fax +46 (0)150 48 95 51  
Internet: [www.zepro.com](http://www.zepro.com)  
E-mail: [zepro@zepro.com](mailto:zepro@zepro.com)

### Zetterbergs Produkt AB

vehicle bodies  
Box 5  
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Tel +46 (0)292 70500  
Fax +46 (0)292 70530  
Internet: [www.zetterbergs.se](http://www.zetterbergs.se)

**Bromma Conquip AB**

container handling  
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SE- 162 50 Vällingby, Sweden  
Tel +46 (0)8 620 09 00  
Fax +46 (0)8 739 37 86  
Internet: www.bromma.com

**Car-O-Liner AB**

alignment systems, light vehicles  
Granlidsvägen 4, Box 7  
SE-736 21 Kungsör, Sweden  
Tel +46 (0)227 412 00  
Fax +46 (0)227 319 00  
Internet: www.car-o-liner.se  
E-mail: info@car-o-liner.se

**Josam AB**

alignment systems, heavy vehicles  
Maskingatan 5, Box 419  
SE-701 48 Örebro, Sweden  
Tel +46 (0)19 30 40 00  
Fax +46 (0)19 32 03 16  
Internet: www.josam.se  
E-mail: info@josam.se

**Moffett Engineering Ltd.**

truck-mounted forklift trucks  
Ardee Road, Dundalk  
Co. Louth, Ireland  
Tel +353 42 9359500  
Fax +353 42 9359590  
Internet: www.moffett-mounty.com  
E-mail: sales@moffet-mounty.com

**Kooi BV**

truck-mounted forklift trucks  
Leijester Hegedyk 27  
9071 XB Oude Leije, The Netherlands  
Post Bus 1  
9076 ZN St Anna Parochie,  
The Netherlands  
Tel +31 518 409 400  
Fax +31 518 401 024  
Internet: www.kooiaap.com

**Princeton Delivery Systems Inc**

Piggy-Back truck-mounted forklift trucks  
955 West Walnut Street  
Canal Winchester, OH 43110, USA  
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Fax +1 614 834 5001  
Internet: www.piggy-back.com  
E-mail: sales@piggy-back.com

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**Partek Forest Ltda.**

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# AGM and dividend

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## Annual General Meeting

The Annual General Meeting of Partek Corporation will be held on Thursday March 29, 2001 at 5:00 p.m. at the company's Development Centre in Pargas, Finland. Shareholders whose names are registered by Monday, March 19, 2001, with the Partek register kept by the Finnish Central Securities Depository Ltd. are entitled to take part in the Annual General Meeting.

All shareholders wishing to attend must notify the head office in Pargas by 4:00 p.m. on Wednesday, March 27, 2001, either by telephone at +358 (0)204 55 6056 or in writing at the address: Partek Corporation, Share register, FIN-21600 Parainen. Possible proxies must be notified at the same time.

## Dividend

The Board of Directors proposes that a dividend be distributed for 2000 in the amount of EUR 0.60 per share i.e. a total of EUR 29.3 million. Shareholders whose names are registered on April 3, 2001 with the Partek register kept by the Finnish Central Securities Depository Ltd. are entitled to a dividend.

The dividend can be drawn from shareholders' bank accounts on Tuesday, April 10, 2001. If a shareholder has not registered information about his/her bankers to the book-entry securities register, the dividend will be paid to the shareholder in the form of a postal order. Dividends paid as postal orders will be in the Post Office on the day the dividend is paid in order that they may be delivered to the payee. Shareholders who have not transferred their shares to the book-entry securities system by the record date will be paid the dividend after the shares have been transferred to the system.

The dividend for 2000 falls within the sphere of the corporation tax avoiv fiscal system. Withholding tax will be deducted from dividends paid overseas.

# Financial information for year 2001

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## Partek will issue the following financial information in year 2001:

February 14, 2001	Financial result for 2000
Week starting March 19, 2001	Partek Annual Report 2000
March 29, 2001	Partek Annual General Meeting
May 4, 2001	Interim result for January – March
August 8, 2001	Interim result for January – June
October 29, 2001	Interim result for January-September

Partek's annual report, interim reports and the Group magazine Partek Today are published in Finnish, Swedish and English. The publications can be downloaded from Partek's Internet pages, where stock exchange releases, updated share data, and other financial information can also be found.

With the Alert Service on the Internet pages orders can be made for Partek's press releases via e-mail.

## The printed publications can be ordered via the Internet pages or from the following address:

Partek Corporation, Annual report orders, PO Box 61, FI-00501 Helsinki, Finland, Tel +358 (0)204 55 11, Fax +358 (0)204 55 4844, Internet: [www.partekcorp.com](http://www.partekcorp.com), E-mail: [info@partekcorp.com](mailto:info@partekcorp.com)

## Share register

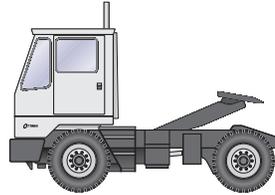
Shareholders are kindly requested to inform the book-entry register holding their book entry account of any changes of name, address or share ownership.

## Container handling



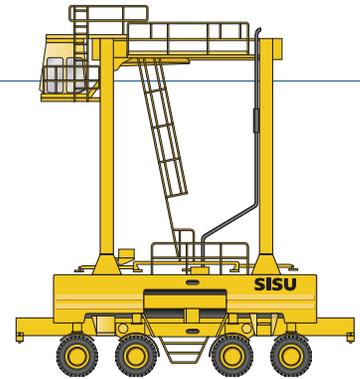
### Reachstacker

A reachstacker transports and stacks empty and laden containers. Reachstackers are used for container handling mainly in small and medium sized ports, but increasingly also in railway terminals.



### Terminal tractor

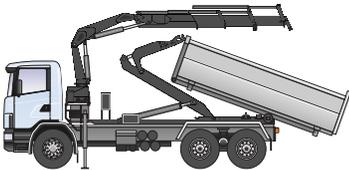
Terminal tractors are used for short distance transport of containers and trailers in ports and inland terminals.



### Straddle carrier

A straddle carrier transports and stacks empty and laden containers. Straddle carriers are a popular solution for container handling in medium to large sized export/import ports.

## Load handling



### Loader crane and demountable systems

Loader cranes are typically truck-mounted, have a hydraulic knuckleboom and are used for handling a variety of cargo. Demountable systems are used for loading and unloading platform bodies eg. containers, and may also be used in combination with a loader crane to form a multi-purpose vehicle.



### Tail-lift

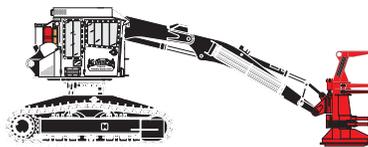
A tail-lift enables the efficient use of a delivery truck where items are continuously loaded and unloaded. The driver does not have to lift objects because the elevator function of the tail-lift makes the use of pallet cages and barrows possible.

## Forest machines



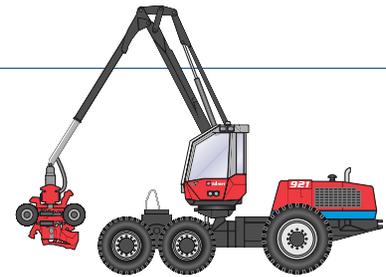
### Forwarder

A forwarder is a specially designed transport tractor, and is equipped with a crane and a grapple. In the cut-to-length method the forwarder loads the timber, felled by the harvester, onto its back wagon and transports it from the forest to the roadside. A timber truck transports the timber from there on.



### Tracked forest machine

A tracked forest machine is suitable for the most difficult harvesting conditions, for example steep and soft terrain. Different harvesting heads suitable for either the cut-to-length or the full-tree method can be attached to the basic machine.



### Harvester

A harvester is the first link in the felling and transporting chain in the Scandinavian cut-to-length method. The harvester is equipped with a crane and a harvesting head. In the cut-to-length method, the harvester fells, delimits and cuts trunks to size for a pre-determined purpose.

## Tractors



### Tractor of the future

In the future the size and efficiency of tractors will increase as farms grow and efficiency demands in agriculture increase. At the same time the tractor will become more "intelligent"; an increasing part of the tractor functions will be controlled by computers. Further emphasis has also been placed on ergonomics and safety.



### Tractor

A modern tractor is an efficient and versatile working machine. Through a variety of extra equipment and computerised control systems for the engine, transmission and gear shift its use can be made easier and more efficient.



Idea, design and layout:  
LINK Investor Relations in  
cooperation with Aastroem & Co.  
Photographs: Thomas Alvreten  
Print: Frenckell, March 2001  
Paper: Galerie Art Silk



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