Annual report 2001

PARTEK

Year 2001

Growth continued, the weaker market affected profits

- Net sales increased 8 percent to EUR 2,740 (2000: 2,543) million.
- Operating profit decreased to EUR 90 (161) million, and was 3.3 (6.3) percent of net sales. Operating profit includes net non-recurring items of EUR -10 (+19) million.
- Profit after financial items was EUR 42 (130) million.

Strengthened financial position

- Cashflow was clearly positive, EUR +106 (-406) million.
- Equity/total assets rose to 39.2 (End-2000: 37.9) percent and gearing decreased to 80.5 (88.4) percent.

Corporate development

- Partek acquired the ownership right to all shares in Kalmar and Zeteco.
- The container handling businesses of Nelcon and Groot-Hensen were consolidated from the beginning of the year.
- The vehicle alignment businesses were sold in November.
- The IT company Parcomp was sold in December.

Sales network expanded

- The dealer network was strengthened, especially in North America.
- The direct sales concept progressed in the Nordic countries.
- Our presence in new market areas, i.e. Asia, Australia and Africa, was strengthened.

New innovative products

- The innovative products introduced during the year combine increased cost-efficiency and more versatile areas of application.
- The Valmet 801 Combi is a combination of a forest harvester and a forwarder. Other new products included: the high-powered Valtra S series tractor, the low-revolution EcoPower tractor, the six-wheeled Valmet 901 forest machine, the Valmet 830 forwarder and the addition of large cranes in the HIAB XS product family. Kalmar's new Shuttle Carrier was well received on the markets and has proved to be fast and reliable.

Customer-driven mode of operations

- Our customer-driven approach has progressed in the development of products and applications, as well as in developing new added value services.
- Mascus, the electronic marketplace for pre-owned machines, began operations.

More efficient after-sales service

- Spare parts logistics were developed through electronic solutions.
- After-sales increased 7 percent to EUR 364 (341) million.
- During the year Partek signed new agreements, in which it took responsibility for the customer's entire fleet of machines.

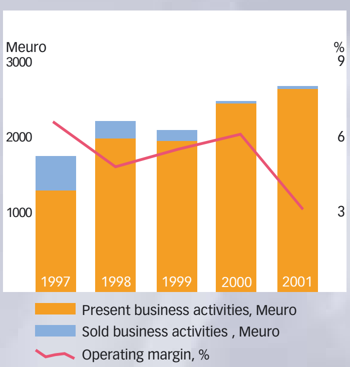
Dividend

- The Board proposes a dividend of EUR 0.50 (0.60) per share, i.e. 113 percent of the result.
- According to the proposal, a total of EUR 24.4 million will be used for dividends.

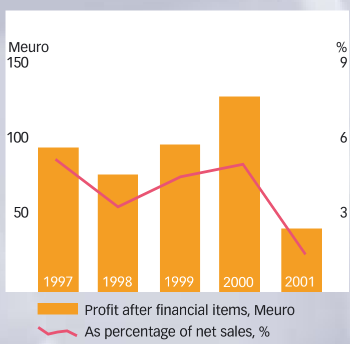
Partek Group

		Target	2001	2000
Net sales	Meuro		**2,740**	2,543
Change	%		**8**	18
Operating profit	Meuro		**90**	161
Operating margin	%		**3.3**	6.3
Profit after financial items	Meuro		**42**	130
Net profit for the period	Meuro		**22**	80
Balance sheet, total	Meuro		**2,176**	2,259
Capital employed	Meuro		**1,643**	1,733
Gross capital expenditure	Meuro		**96**	581
Earnings/share	euro		**0.44**	1.63
Equity/share	euro		**13.21**	13.35
Personnel at end of period			**12,447**	12,893
Return on capital employed	%	**15**	**6.2**	12.1
Return on equity	%	**15**	**3.7**	13.0
Solvency ratio	%	**>40**	**39.2**	37.9
Gearing	%	**50**	**80.5**	88.4

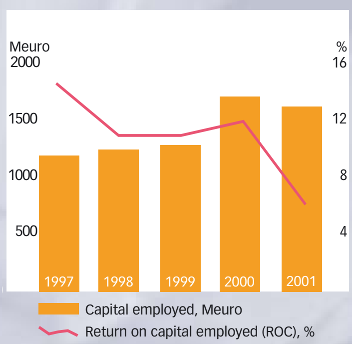
NET SALES AND OPERATING MARGIN



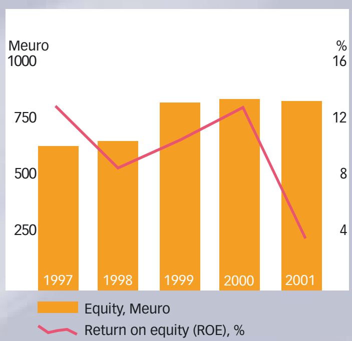
PROFIT AFTER FINANCIAL ITEMS



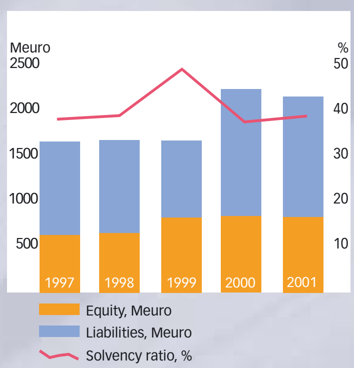
CAPITAL EMPLOYED AND ROC



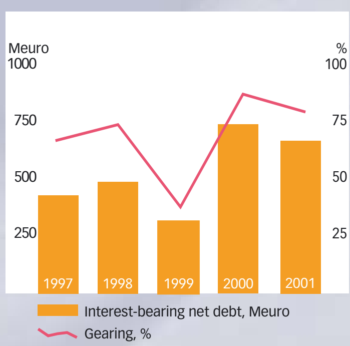
EQUITY AND ROE



CAPITAL STRUCTURE AND SOLVENCY



INTEREST-BEARING NET DEBT AND GEARING



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From the

President and CEO

The weakening of the economy started in the U.S.A. but had affected all markets by the second half of 2001. This development also marked Partek's business. We saw strong growth at the beginning of the year, but it levelled off towards the end of the year.

Weakening demand resulted in a tougher market climate, which for its part also affected Partek's financial results.

Partek's different customer segments are in different stages of the business cycle. Changes in the economic cycle affect forest-related businesses early, and this also applies to the distribution equipment business. Port-related activities are later in the cycle.

In this respect the year 2001 confirms the general picture.

Sales fell in the customer segments representing forest and distribution. Signs of a weakening also in the port segment showed towards the end of the year.

But we also witnessed that tractor demand follows a different rhythm and the year-end order book for Tractors was higher than for a long time.

Partek's growth in the past year was mainly the result of the acquisitions made in 2000. The affect of weaker demand varied between the new businesses. However, in general the businesses lived up to our expectations. They have strengthened the Group's strategic base and ability to generate profits.

There is no reason to hide the fact that Partek's financial results in 2001 were disappointing. Our challenge now is to turn this development around. This applies to the Group, as well as to its businesses. The direction is clear; the expressed operating margin target for the business areas is eight percent. This is difficult in the current market situation. Our main focus is therefore now on measures that strengthen our market position and cut the cost level.

The acquisitions in recent years are apparent in increased goodwill depreciation and financing costs. The solvency, however, was improved during the year. Gearing clearly fell, even if there is still some way to go to reach our target. Measures to cut working capital bore fruit. They will continue. This also applies to efforts to divest non-core holdings. Here we still have good potential, even if last year's economic situation, in this respect, was unfavourable.

After a period of extensive acquisitions, Partek is now concentrating on integrating and focusing the Group, and on the need to generate profit.

Further steps towards increased integration were taken during the year. This applied especially to sourcing and different measures to move closer to the customer. But there is still much to do.

When we in Partek refer to a customer-driven mode of operations, this encompasses a number of different issues.

Through customer order-based production, the customer receives the product he wants.

An increasing part of sales is performed directly to the end-customer. The distance between the customer and production is shrinking. Sales and marketing are becoming more efficient.

Our broadened service offering helps the customer focus on his core competencies. Partek delivers spare parts, which can be ordered over the Internet. Our target is integrated global spare parts logistics. We aim to meet the customers' growing demand for service, and also for total maintenance, even for operating the fleet. We are currently strengthening the means whereby we can offer different financing solutions.

We are convinced that Partek has good opportunities to further strengthen its position in after-sales. This is a strategic focal point.

Partek focuses on developing products, producing strategic components, assembly, and on increasing its share of after-sales services. We can part with production and services, where competitive suppliers can be found.

Five years ago, the Partek of today was shaped through the acquisition of Sisu and the consequent change of course.

Today we are a Group that serves professional customers who move and load goods, harvest forests and cultivate the fields. We have knowledgeable and motivated employees in a large number of countries. We have strong positions within all our customer segments. We see opportunities to enhance them further.

Ultimately the question for Partek is to develop its structure continuously so that it can create added value for its customers and owners, and can be strong enough in today's trend towards larger global companies.

I dare say that we are on the right track.

February 2002

Christoffer Taxell

PARTEK

Vision, strategy and values

Vision

Partek is valued by professionals as the best partner to provide products and solutions for loading and moving goods, harvesting forests and cultivating the fields.

Strategy

As a result of strong growth and focus on clearly defined customer segments, Partek has a strong global position in container and load handling, forest machines and tractors.

Customer-driven mode of operations

On-going contact with the customer in developing products and added-value services is the base of our customer-driven mode of operations.

An increasing part of our products is sold directly to the end-customer. The products originate from co-operation between the customer and the salesman. Our mass-customised products are founded on modular solutions.

In customer order-based production the customer receives the best possible product for his needs. Capital employed is also reduced in this concept.

Lifetime partnership

As a result of our customer-driven approach, our operations are more and more directed towards developing value-added services for our customers. Partek's global presence offers good opportunities for this.

Partek's customers are professionals whose investment decisions are often based on the entire lifecycle of the product. We offer solutions that cover different customer needs, ranging from machine design and sales to extensive maintenance and operational contracts, as well as sales and marketing of pre-owned machines.

Innovative solutions

Partek's competitiveness is based on the ability to develop the most innovative and reliable solutions for our customers' production and logistic processes. We develop new solutions by combining advanced machine design with the newest technology in other fields. Satellite-based positioning and steering, as well as wireless communication between the machine, service and the machine operator are today's way of working.

Leading position

Partek has further opportunities to strengthen its position on the global markets, above all through the strong brands, customer-driven approach and extensive distribution network. Kalmar, Hiab, Valmet and Valtra are leading brands in their fields.

Financial targets

Growth is achieved both through strategic acquisitions and organic growth. Our strong market position, new areas of application and an extended service offering support organic growth.

Our financial position is strengthened by divesting non-core holdings and operations, and by efficient management of our working capital.

Group targets

- Return on capital employed	15%
- Return on equity	15%
- Equity/total assets ratio	>40%
- Gearing	50%

The aim is to distribute at least one third of the profit in dividends.

Business area targets

- Operating margin	8%
- Capital turnover rate	3 times
- Annual net sales growth	10%

Values

The following values guide us in our endeavour to achieve our targets. We always deliver what we promise, and we promise only what we can deliver. We respect and support people both as individuals and as team members. We are open and honest to all stakeholders, and conduct our operations according to the highest ethical standards. We are not content with earlier achievements, but strive for continuous improvement, renewal and added value.

- We keep our promises
- We respect people
- We have an open mind
- We take the initiative

PARTEK

Business areas

Container handling

Partek is the leading supplier of heavy-duty material handling equipment and services to ports, intermodal traffic, terminals and demanding industrial customers

Partek's Container handling business area, Kalmar Industries, supplies handling solutions that enable customers to operate with a high level of efficiency and reliability. Every fourth container or trailer transfer in ports and terminals around the world is handled by a Kalmar machine.

The product range includes Rubber Tyred Gantry (RTG) cranes, Rail Mounted Gantry (RMG) cranes, straddle carriers, shuttle carriers, reachstackers, terminal tractors, empty container lift trucks and forklifts for heavy industrial applications. The product offering also includes Kalmar Nelcon ship-to-shore cranes, and Ottawa terminal tractors in the U.S.A. Kalmar is shifting from being a machine supplier to a global solution provider with a large range of value-added services such as maintenance contracts and fleet management.

The business area has activities in 140 countries through 12 sales companies and an expanding dealer network. Manufacturing plants are situated in Sweden, Finland, the U.S.A., the Netherlands and Estonia.

Growth in world container throughput offers stability

World container throughput increased by over four percent in 2001 according to industry estimates. This can be considered slow growth compared with the historic development. Despite this slowdown the long-term trend of containerised trade exceeding world GDP growth by a clear margin, is expected to continue.

Demand for container handling equipment increased in the beginning of the year, after which demand subsided, especially in the U.S.A.

The consolidation trend amongst shipping companies and major port operators continued. The five largest companies perform around one third of the overall container business. Similar consolidation affects all major customers of the business area in all industries.

Increased sales and stronger market position

Net sales increased 24 percent to EUR 796 (643) million. Nelcon and Groot-Hensen, which were consolidated from the beginning of 2001, increased net sales by 18 percent.

The business area succeeded in maintaining or increasing its market share across all product lines. Kalmar is historically the leader in straddle carriers, terminal tractors and reachstackers, and succeeded in keeping this lead. The number of delivered yard cranes, both RTGs and RMGs, increased, as well as the penetration of the advanced automation feature Smartrail®.

The North American market suffered more than most of the other markets in the last quarter of 2001. Nevertheless, Kalmar managed to increase its share of the decreasing market, thus reducing its dependency on Europe. Also the Asia Pacific contribution to the business is on an upward trend. The development in Russia and South America was favourable.

By focusing on the medium and heavy forklift sectors, the business area has strengthened its position as a dominant player in this market.

Kalmar RT Center, USA, started deliveries of Rough Terrain Container Handlers to the U.S. Army as part of the USD 190 million requirements type contract. In December, a major contract worth approximately EUR 30 million was received for the supply of straddle carriers to South African Port Operations.

Expanding potential

The acquisition of Nelcon, which was consolidated from the beginning of 2001, expanded the product range with ship-to-shore cranes (Kalmar Nelcon), RMGs and diesel-electric straddle carriers. It also added new pro-

Nine ContMaster reachstackers have been in use in the Santos port in Brazil since March. The largest operator in the port, and in all of South America, Santos Brasil SA, has ordered additional ContMasters. The aim of the rapidly growing port is to cut the waiting time of ships to zero. Modern and reliable solutions are needed in order to succeed. Kalmar's experts are responsible for faultless operations 24 hours a day, seven days a week. Antônio Carlos Sepúlveda, CEO of SBSA in the photo below.

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duction and services facilities in Rotterdam, Europe's largest port.

Our own network focuses on strengthening relations with larger customers, while service to the large number of industrial customers is improved by expanding the network of established dealers. During 2001, this concept made strong progress in France, UK, Germany and the U.S.A.

The Shuttle Carrier achieves excellent reliability and speed

The pioneering container handling solution, the two-high stacking Shuttle Carrier, was launched and is being tested by the Belgian stevedoring company Hesse Noord Natie. The new concept was developed to meet the demand for shorter ship-to-shore crane cycle times as container ships increase in size. During the test period, the Shuttle Carrier has performed well, and has achieved impressive cycle times.

Focus on after-sales

After-sales grew 12 percent to EUR 162 (145) million and represented 20.4 (22.5) percent of net sales.

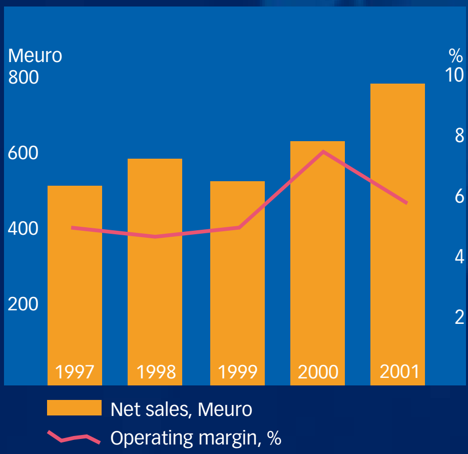
Kalmar signed several significant contracts for service and maintenance.

A contract covering everything except the machine operator and fuel was signed with Austrian Railways, which will use reachstackers in its renewed intermodal rail terminals. Kalmar received the contract based on the life cycle cost over five years and a five-year contract maintenance package. This illustrates our strong commitment to assist customers in their efforts to focus on their core business.

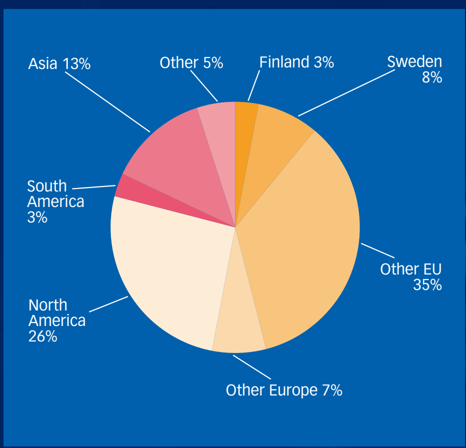
The container shipping company Maersk Sealand signed a preventative maintenance contract for all of its Kalmar equipment in eleven African countries.

At Ala Sawmill in Sweden, which is part of Stora Enso, Kalmar not only took over maintenance of the machines, but also operation of the truck fleet.

NET SALES AND OPERATING MARGIN



NET SALES BY MARKET



KEY FIGURES

	2001	2000	Change %
Net sales, Meuro	**795.8**	643.2	24
Operating profit, Meuro	**48.0**	49.3	-3
Operating margin, %	**6.0**	7.7	
Orders received, Meuro	**699.2**	744.3	-6
Orderbook, Meuro	**212.4**	219.6	-3
Capital employed, avg, Meuro	**254.1**	223.5	14
ROC %	**19**	23	
Capital turnover rate	**3.1**	2.9	
Operational investments, Meuro	**10.1**	18.6	-46
Depreciation, Meuro	**14.1**	14.6	-3
Personnel, December 31	**3,410**	3,255	5
R&D expenses, Meuro	**7.4**	4.8	54

NET SALES, MEURO

Business segments	**2001**	**2000**
Container Handling	**346.7**	224.8
Industrial Systems	**95.7**	80.9
Trailer Logistics	**153.1**	162.6
Kalmar Solutions	**161.7**	144.4
Others	**51.6**	36.9
Internal sales	**-13.0**	-6.4
Total	**795.8**	643.2

PARTEK

Business areas
Load handling

Partek is the global market leader in load handling solutions for vehicles. Today the Load handling business area, Partek Cargotec, can offer solutions that meet virtually all customer needs in on-road load handling.

Partek offers the widest range of products in the load handling industry, consisting of Hiab loader cranes, Multilift and LeeBur demountables, Moffett, Kooi-aap and Princeton Piggy-Back® truck-mounted forklifts, Zepro, Waltco, Focolift and Austria tail lifts, Nummi hydraulics and tipping gears and Zetterbergs vehicle bodies.

Customers range from one-truck owner operators to large transportation companies, fleet operators and rental companies with operations in several countries. Most of them work in local distribution, building materials supply and transportation of industrial products. Partek also provides load handling equipment for military use, telecom and power industries, as well as for primary production.

Customers are supported by the most comprehensive distribution network in the business, consisting of more than 1,500 outlets in nearly 100 countries.

The world's leading supplier of container spreaders, Bromma, is part of the business area. Bromma has production facilities in Europe, U.S.A. and Malaysia, and its customers comprise container crane producers and port operators around the world.

Market development in 2001

Truck sales, construction activity and distribution volumes are the most decisive indicators for load handling equipment sales. Truck sales fell compared to 2000. In European countries, the decrease varied between 5 and 15 percent, while truck production in North America dropped further by 33 percent. In the U.S.A., the downturn in 2000–2001 has been the steepest and deepest since industry deregulation and world recession in the early 1980s. The construction industry has also been in recession since 2000, meaning less job opportunities for many loadhandling customers. Distribution volumes in general follow economic growth in the different markets.

Because of the development of new applications and new customer segments, total demand for load handling equipment was not affected as severely as the decline in demand in the main customer segments. The increasing efficiency demands in the entire transportation chain also prompted customers to update their load handling equipment. However, overcapacity in most product segments in Europe led to increased price pressure.

Strengthened position

Net sales in Load handling increased six percent to EUR 710 (671) million. The sales developed most favourably in truck-mounted forklifts. Growth was achieved, partly as this concept was adapted in new application areas, and partly through entries into new market. Market shares increased in several markets, especially in tail lifts and truck-mounted forklifts.

Businesses acquired in 2000 – truck-mounted forklifts, tail lifts and vehicle bodies – were integrated into the business area.

Partek divested the vehicle alignment business (Josam, Car-O-Liner) in November 2001.

Enhancing customer service and operational flexibility

During 2001, the new tail lift and truck-mounted forklift products broadened the product range and enhanced the value of the sales and service network. This multi-product approach will be further developed in 2002. The aim is to take full advantage of synergies derived from the common customer base, and to deepen the applications expertise.

Wiklund's Haulage Company is the largest company in Sweden using on-road loader cranes for vehicles. The HIAB XS 700 is suited for different areas of use within the company. Wiklund's has found HIAB to be reliable and practical, and has ordered more cranes in addition to the current model.

PARTEK

Load handling

In product supply, the focus was on improving operational efficiency, flexibility and delivery times. Investments that enhance product quality and minimise the environmental impact of the operations were made in the plants.

The Loader cranes and demountables product line began a major re-engineering of its operations in the autumn. The goal is to adapt a more applications-orientated and customer-driven approach to production and to the distribution network.

Ambitious R&D programme continues

The new products launched in 2000 were well received in 2001. The new generation loader crane family, the HIAB XS, was introduced into many countries during the first half of 2001. Also the new demountables received much interest in the market. Demand for the new tail lifts introduced both in Europe and the U.S.A. was good.

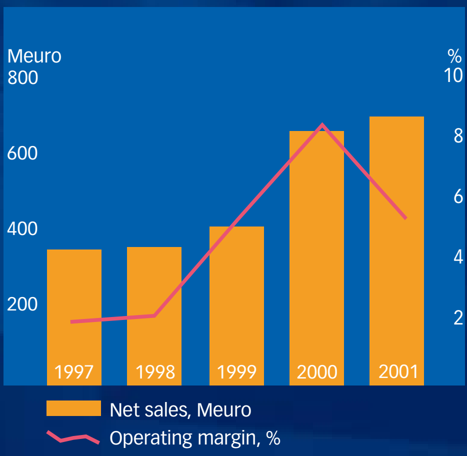
During 2001, the ambitious R&D programme continued, with several new products due to be launched in 2002. At the European Road Transport Show 2002 in Amsterdam in February, Hiab launched two new crane models as well as several product improvements and new applications. Multilift–LeeBur and Kooi also introduced new products.

Local service network strengthened

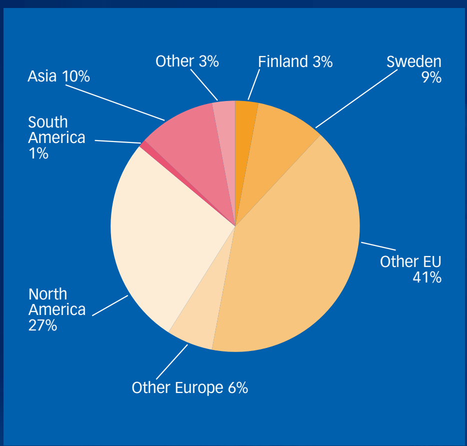
Sales of spare parts and service accounted for EUR 87.7 (80.1) million, which is 12.4 (11.9) percent of net sales.

The local service network was further strengthened close to our customers. The efficiency of spare parts logistics improved through the central parts warehouse in Metz, France. An on-line parts ordering system was introduced into the distribution channel.

NET SALES AND OPERATING MARGIN



NET SALES BY MARKET



KEY FIGURES

	2001	2000	Change %
Net sales, Meuro	**709.6**	671.4	6
Operating profit, Meuro	**38.7**	58.0	-33
Operating margin, %	**5.5**	8.6	
Orders received, Meuro	**673.0**	679.1	-1
Orderbook, Meuro	**109.4**	146.4	-25
Capital employed, avg, Meuro	**271.4**	237.5	14
ROC %	**15**	25	
Capital turnover rate	**2.6**	2.8	
Operational investments, Meuro	**19.2**	18.1	6
Depreciation, Meuro	**15.0**	13.6	10
Personnel, December 31	**3,549**	3,912	-9
R&D expenses, Meuro	**17.4**	16.5	5

NET SALES, MEURO

Business segments	**2001**	**2000**
Cargotec	**479.9**	464.3
Zeteco	**238.0**	215.3
Internal sales	**-8.3**	-8.2
Total	**709.6**	671.4

PARTEK

Business areas

Forest machines

Partek is one of the world's leading manufacturers of forest machines and cranes, and a pioneer in the field of mechanised timber harvesting. Partek's Forest machines business area, Partek Forest, offers a broad range of machines and cranes for harvesting by both the cut-to-length method and the full-tree method.

Partek offers its customers cost-efficient forest machines and cranes that are both environmentally friendly and take into consideration ergonomic issues. Our forest machines are sold under the globally strong brand names Valmet and Timbco, whilst our well-known crane brands are Jonsered, Loglift and Cranab. Partek and Metso Corporation signed an agreement at the beginning of the year that gives Partek the right to continue to use the brand Valmet in forest machines.

The business area has manufacturing facilities in Finland, Sweden and the U.S.A. Twelve own sales companies provide valuable direct contact with customers, who mainly comprise forestry-machine contractors, forest companies, hauliers and transportation companies.

Partek develops and manufactures all the central components, such as harvester heads, cranes, control systems, diesel engines, cabins and bogies.

Fluctuating market development

There was a downturn in demand in 2001, but this downturn could be characterised as tentative, although with strong regional variations. In Europe, demand was at a relatively satisfactory level even through the trend was downwards. In North America demand was very weak.

On the Brazilian market, demand was at a good level at the beginning of the year. During the autumn, however, there was some reluctance to invest.

New markets

The net sales of Forest machines in 2001 were EUR 259 (2000: 317) million. Operations in Europe accounted for two thirds of sales. The operational base in North America was expanded through the acquisition of the forest-machine company Timbco in 2000 and we began to integrate the sales and after-sales functions in North America.

Sales in Central and Eastern Europe rose. Russia, in particular, showed interesting development. Partek is therefore investing further in these markets.

Partek has entered into an agreement with Canada's leading distributor of earth-moving and forest machines, Komatsu Canada. Through its subsidiaries Federal, Terratech and Conneco, Komatsu Canada covers practically all of Canada. During the year, Partek also signed an agreement with the Komatsu dealer, Modern Machinery, based in Idaho, Montana and Washington, in the U.S.A. This extended distribution structure is expected to yield benefits in 2002.

The expansion of the plant in Umeå, Sweden, which was completed in the summer of 2000, made it possible to manufacture to a much greater extent to customer order. This has meant big changes, not least in the distribution channels, where stocks were significantly decreased.

Loglift and Jonsered were established in the North American market. Agreements were signed with a number of dealers, allowing them to distribute truck cranes embodying European technology. In Europe, Loglift and Jonsered further strengthened their market positions.

Focus on product development

Investment in product development and new technology continued. The Valmet combimachine was launched at the world's largest forest machine trade fair, Elmia Wood, in Sweden in June. The combimachine is

During the year, Partek made a five-year service and maintenance agreement covering 39 forwarders and 42 harvester heads with the forest companies Aracruz and Veracel in Brazil. Partek is responsible for taking care that the machines function continuously 365 days a year. Aracruz is the largest producer of short fiber pulp in the world. Veracel supplies raw materials to Aracruz. Alam Cusma is the service co-ordinator of Aracruz (photo below left).

PARTEK

the biggest news in the forest machine industry since the launch of the single-grip harvester in the mid-1980s. The Valmet 801 Combi, which both harvests and transports the wood, will go into serial production at the beginning of 2002. It has been developed in close collaboration with contractors and forest companies in Finland and Sweden, and has been very well received. In addition, the 921.1 harvester, the 830 and 860.1 forwarders, and a new range of harvester heads were introduced.

Other product launches included the static 60tm Jonsered 6020 production loader, the Jonsered 820 and 1120 cranes and the Loglift 96 and 82 cranes. The K800 aluminium cab for cranes was also introduced at the Elmia fair.

We also entered into co-operation with Ecofräsen AB, a company that manufactures Valmet Ecoplanter planting heads. Partek has acquired 40 percent of the company.

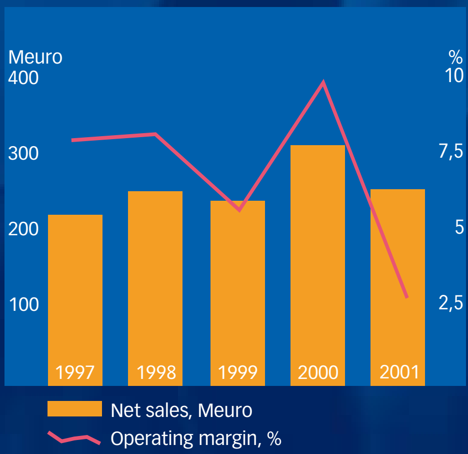
Progress in after-sales

Sales of spare parts and service were EUR 47.5 (49.5) million, which represents 18.3 (15.6) percent of net sales. The Proact after-sales product was introduced into several additional European markets, as well as in Australia, and the comprehensive service has won customers' praise.

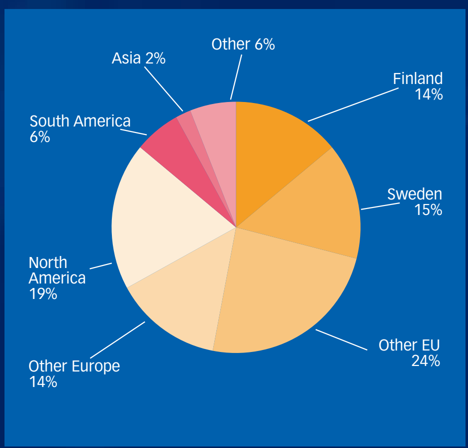
In 2001, Partek signed a five-year servicing and maintenance contract, encompassing harvesters and forwarders, with the forest companies Aracruz and Veracel in Brazil. Partek now has around 80 employees stationed in the companies' four logging regions in Eastern Brazil. The machines operate 365 days a year and are serviced by Partek engineers working in three shifts.

An electronic spare-part system was introduced and this will raise our level of service significantly.

NET SALES AND OPERATING MARGIN



NET SALES BY MARKET



KEY FIGURES

	2001	2000	Change %
Net sales, Meuro	**258.9**	317.2	-18
Operating profit, Meuro	**2.9**	31.6	-91
Operating margin, %	**1.1**	10.0	
Orders received, Meuro	**241.0**	340.9	-29
Orderbook, Meuro	**25.2**	44.4	-43
Capital employed, avg, Meuro	**100.9**	100.0	1
ROC %	**3**	33	
Capital turnover rate	**2.6**	3.2	
Operational investments, Meuro	**3.2**	5.0	-36
Depreciation, Meuro	**5.0**	4.9	2
Personnel, December 31	**1,082**	1,180	-8
R&D expenses, Meuro	**6.6**	6.8	-3

NET SALES, MEURO

Business segments	**2001**	**2000**
Forest machines	**199.2**	253.2
Forest cranes	**59.9**	64.1
Internal sales	**-0.2**	-0.1
Total	**258.9**	317.2

PARTEK

Tractors

Partek's Tractors business area, Valtra, caters for the needs of farmers, contractors, forestry customers and organisations. The tractors' modular design and great number of available accessories, as well as our customer-order system, which is unique in the industry, enable us to fulfil the specific requirements of different production segments and types of contracts.

A key competitive advantage of the Tractor business is the customer-order system, which has been in use for ten years, enabling us to tailor products to customer needs. Consequently, the custom-built tractor is delivered from the factory directly to the customer.

The tractor business has long traditions, as shown by the Valtra 50th Jubilee in 2001. The number of tractors delivered over the years totals 495,000, of which 300,000 are still in productive use. The tractors' longevity and the fact that the tractor fleet is growing enhances demand for after-sales services, i.e. maintenance and spare-part services. The tractor brand was changed to Valtra from ValtraValmet in connection with the 50th Jubilee.

Valtra's tractor factories are in Finland and Brazil. The main markets are Europe and Latin America, where Valtra has been operating for more than 40 years. Valtra's market share in Latin America is approximately 20 percent. In the Nordic countries, the home market, Valtra is the market leader with approximately 30 percent of the market. In 2001, already over half the tractors were sold in non-European countries.

The business area also includes Sisu Diesel, which specialises in the manufacture of diesel engines for tractors and construction machines. More than 40 percent of the diesel engines are sold to customers outside the Group.

Mr. Jouko Tukiainen retired from the post as President of Valtra at the end of 2001 at the age of 65. He has had a long and distinguished career in the Finnish engineering industry and in November 2001, he was awarded the honorary title Industrial Counsellor by the President of the Republic of Finland. Ilkka Hakala, Lic.Sc. (Eng.), was appointed President of the Tractors business area as of January 1, 2002.

Expanding markets in North and South America

The tractor market in Europe fell by about 7 percent. The South American market grew by 12 percent. This growth stemmed primarily from Brazil. The North American market rose by 8 percent.

Investment in developing sales channels

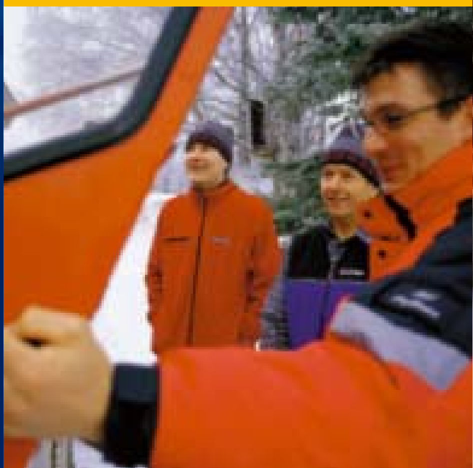
Net sales rose two percent to EUR 686 (671) million. In Brazil demand turned upward and sales increased. Sales on the contracting European market almost reached the previous year's level.

As the size of farms is growing, demand for high-powered tractors is increasing. The average horse power of tractors manufactured both in Finland and Brazil rose. The popular HiTech range and the new, over 200 horsepower S series tractors meet the customers' requirements for high-powered tractors.

The Tractor business nurtures the principle of being as close to the customer as possible. The successful direct sales concept developed in Finland was also applied in Norway and Sweden during the year. The implementation of this concept has required significant investments, but it will strengthen our market position in the next few years. In Europe, ten sales companies manage tractor sales and service through dealers.

The Internet service "Meidän Valtramme" ("Our Valtra"), which was launched in 2000, has continuously increased in popularity. The number of registered users is over 26,000. The service has made the sales process more efficient both for the customer and the salesman.

The Janhonen family has been living on the Janhola estate since the 17th century. The farm in Hankasalmi, Finland has 30 hectares of cultivated land and 170 hectares of forest. Valtra's tractors have been used for 50 years and the partnership has gone from generation to generation. The farm has had 14 Valtras over the years and now a new Valtra EcoPower has been ordered. Below, Mikko and Tapio Janhonen with Valtra's Aki Pellinen.



PARTEK

Exports to North America, Australia and China grew significantly.

With a total of 24,016 engines, Sisu Diesel achieved a record production, showing a year-on-year increase of 16 percent.

New products

One of the most impressive achievements in product development, the high-powered S series, was on display at the Agritechnica exhibition in Germany. The first S series tractors were sold at the end of the year. The S series makes use of the latest information technology. Productivity is improved through the effective and load-sensing hydraulic system.

Valtra 6750 EcoPower, a new model launched in the autumn, features 10 percent lower fuel consumption, a much lower noise level in the cab, and longer maintenance intervals. The tractor uses the environment-friendly SisuDiesel EcoPower engine.

In Brazil, Valtra began to manufacture new modernised multipurpose and orchard models.

Close to the customer

The customer centre Atrium opened its doors in Suolahti in early 2001. The number of customers visiting the factory rose to more than 10,000.

Sales companies were set up in Australia and the U.S.A. In 2001, Valtra tractors received official approval for sale in the People's Republic of China.

The service Valtra Recycled Parts was launched in Finland. It offers inspected spare parts for older models and includes a six-month guarantee.

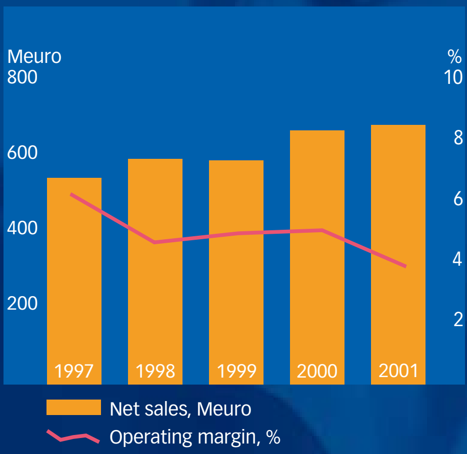
Intensifying spare-part sales through electronic services

The share of spare parts and services of net sales increased in Europe. Spare parts sales were EUR 66.6 (66.3) million, representing 9.7 (9.9) percent of total net sales.

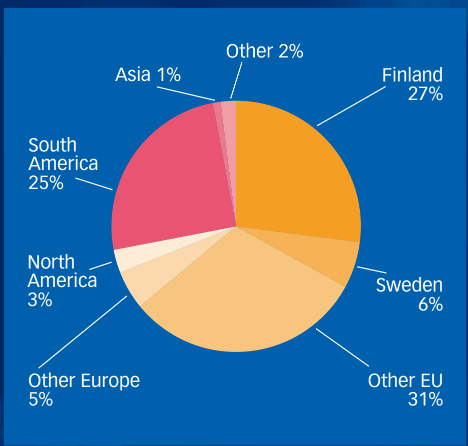
Valtra prepared for an increase in after-sales services by doubling the capacity at the spare part centre in Europe. Training premises for service personnel were also extended. To speed up deliveries and to make more efficient use of premises, Valtra brought a computer-controlled spare-parts system into use.

Electronic services have significantly contributed to enhanced operational efficiency. The latest services include spare parts ordering and pricing systems. Our Internet-based warranty system makes it easier to handle and monitor warranty claims.

NET SALES AND OPERATING MARGIN



NET SALES BY MARKET



KEY FIGURES

	2001	2000	Change %
Net sales, Meuro	**685.5**	671.1	2
Operating profit, Meuro	**26.5**	34.4	-23
Operating margin, %	**3.9**	5.1	
Orders received, Meuro	**719.1**	666.3	8
Orderbook, Meuro	**82.6**	50.0	65
Capital employed, avg, Meuro	**177.8**	187.0	-5
ROC %	**16**	19	
Capital turnover rate	**3.9**	3.6	
Operational investments, Meuro	**14.3**	14.0	2
Depreciation, Meuro	**11.1**	11.2	-1
Personnel, December 31	**2,395**	2,358	2
R&D expenses, Meuro	**13.2**	11.8	12

NET SALES, MEURO

Business segments	**2001**	**2000**
Tractors / Europe	**447.1**	452.2
Tractors / Latin America	**182.0**	174.1
Diesel engines	**113.3**	99.4
Internal sales	**-56.9**	-54.6
Total	**685.5**	671.1

PARTEK

Holdings

Mascus – an electronic marketplace for pre-owned machines

Mascus (www.mascus.com), an independent electronic marketplace designed for professionals, was launched on the Internet at the end of January 2001. The marketplace covers pre-owned machines from the UK, Sweden and Finland from more than 100 manufacturers and dealers. There are around 3,100 machines on sale, with a total value of approximately EUR 70 million. The product range includes transport vehicles, farming, forest, earth-moving and material-handling machinery. The average sales period is two months. Mascus also offers its customers financing, delivery and inspection services in connection with machine sales.

The number of site visits to Mascus has risen to more than 40,000 per month. The services are available in English, German, French, Swedish and Finnish.

Partek owns 80 percent of Mascus. The aim is to broaden the ownership base.

Truck operations

Partek's wholly-owned subsidiary Sisu Auto, designs, manufactures and markets heavy (over 16 tonnes) Sisu trucks. In addition, Sisu Auto imports Renault trucks and is in charge of sales, service and spare-part operations for both trademarks in Finland and Estonia. Sisu Auto has made a long-term co-operation agreement with Renault VI. During the year, the marketing, financial-management, import and spare-part logistics functions were centralised at the Karjaa factory in Finland with a view to simplifying operations. The new spare-parts centre was put into full operation and the import and initial inspection operations of Renault were also centralised at the factory. The year 2002 will see new operational centres in the Helsinki Metropolitan Area and Varkaus with a view to improving customer service. Sisu Auto is also making arrangements regarding the facilities at Jyväskylä and Seinäjoki. The company's order book was improved by an order for 47 off-road trucks by the Finnish Defence Forces at the end of the year.

In Finland, demand for heavy trucks has already been declining for three years, this year's figure showing a fall of 7.5 percent over the previous year. Sisu Auto's market share for the Sisu products decreased, whereas that for Renault delivery trucks and semi-trailer tractors increased. Sisu Auto delivered 569 (614) trucks, of which 41 (61) were exported, mainly to France and Estonia. In addition, Sisu Auto's subsidiary, RS Hansa Auto Eesti AS, sold 26 Renaults. In Finland, Sisu Auto's sales of pre-owned trucks totalled 919.

Profitability weakened as a result of low demand, in particular for timber and earth-moving trucks, the high exchange rate of the pound and US dollar in component purchases and the lower prices of pre-owned trucks. Sisu Auto's net sales totalled EUR 104 (proforma 108) million and the year-end order book amounted to 225 (133) vehicles. The operating loss was EUR 5.9 (proforma loss 5.3) million and the capital employed at year-end totalled EUR 27 million. The year-end number of employees amounted to 546 (558).

Other holdings

Partek aims to release capital from non-core holdings through divestments and other arrangements. The capital employed in other holdings amounted to EUR 119 (137) million.

Partek's subsidiary Cellit Oy Ab engages in real-estate activities. Cellit's net sales totalled EUR 5.9 (6.6) million and operating profit was EUR 2.2 (2.8) million. The company's employed capital at the end of the year amounted to EUR 24 (26) million.

Addtek International Oy Ab, in which Partek has a 26.3 (25.1) percent interest, is the leading European manufacturer and marketing company of precast concrete elements. Addtek's net sales amounted to EUR 531 (542) million and operating profit was EUR 28 (42) million. Partek's investment in Addtek was valued at EUR 37 million in the balance sheet at the end of the year. Negotiations on the sale of Addtek shares between the company's shareholders and the Irish company CRH plc ended in the autumn of 2001 without agreement.

Paroc Group Oy Ab, in which Partek has a 38.4 percent interest, is the leading manufacturer of rock-wool-based insulation in the Baltic region. Paroc's net sales were EUR 281 (260) million and operating profit before non-recurring items amounted to EUR 22 (21) million. Non-recurring costs relating to restructuring were EUR 17 (14) million. Partek's investment in Paroc is valued at EUR 42 million in the balance sheet.

At the end of the year, Partek also had a holding of 35 percent in Sisu Akselit Oy. In Polar Kiinteistöt Oyj, Partek had a direct 6.1 percent interest and a 6.5 percent indirect holding, through Cervuctum Oy, i.e. a total shareholding of 12.6 percent.

Nordkalk

Partek's wholly-owned subsidiary, Nordkalk Corporation, is the leading producer of high quality limestone-based products in northern Europe. The products are used mainly in the steel, building material, pulp and paper industries, as well as in environmental care and agriculture.

Nordkalk establishes its operations on access to own raw materials, geological experience, mineral and process technology expertise, effective logistics and customer-based product development. Nordkalk has operations in over 30 locations in Finland, Sweden, Estonia, Poland, Russia, Lithuania and Germany.

Development during 2001

Total sales of limestone-based products were stronger than in the previous year. Sales to the steel, paper and building material industries increased slightly, while sales to the pulp industry decreased.

Sales to the agricultural sector increased compared to year 2000, despite the fact that the autumnal liming was hindered by bad weather conditions.

Sales to environmental management, especially products for flue gas cleaning and water treatment, were at a somewhat higher level than in the previous year.

Consolidated operating profit increased 19 percent. Operations in Poland showed a clearly improved profit development, but were still not profitable on a full year basis.

Investments

A long-term investment program in Sweden was completed with the modernisation of the Uddagården plant in Falköping. Consequently Nordkalk's grinding plants in Sweden are competitive and they produce products and qualities required on today's market.

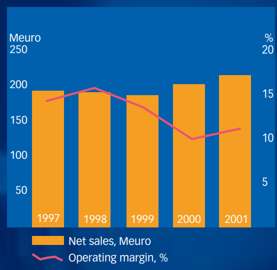
Nordkalk has continued to strengthen its position in Poland. In June, a new grinding plant was brought into use in Wolica. It mainly produces ground limestone for flue gas cleaning. The mill will also produce ground limestone for the building material and asphalt industries.

Nordkalk's subsidiary Suomen Karbonaatti Oy in Lappeenranta, Finland, brought additional capacity for paper pigments into use in autumn 2001. The investment of EUR 15 million is Nordkalk's largest investment ever in a single plant. The expansion makes it possible to produce new products and thus increase sales to the paper industry.

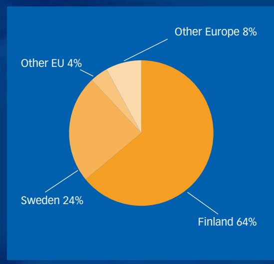
Environment and quality

The ISO 14001 certification procedure was completed in Sweden, which means that all production plants in Finland and Sweden have environmental certification.

NET SALES AND OPERATING MARGIN



NET SALES AND OPERATING MARGIN



KEY FIGURES

		2001	2000
Capital employed	Meuro	**230.7**	223.4
Return on capital employed	%	**11.0**	10.4
Solvency ratio	%	**70.8**	71.5
Gross capital expenditure	Meuro	**33.0**	49.1
Depreciation	Meuro	**21.2**	19.3
Personnel, December 31		**1,308**	1,435

INCOME STATEMENT

		2001	2000
Net sales	Meuro	**215.9**	202.8
Change	%	**6**	8
Operating profit	Meuro	**24.1**	20.3
Operating margin	%	**11.2**	10.0
Profit after financial items	Meuro	**18.0**	15.7
Extraordinary items	Meuro	**-13.5**	-0.6
Taxes	Meuro	**-2.7**	-5.7
Minority interests	Meuro	**-1.8**	-1.6
Net profit for the period	Meuro	**-0.1**	7.9

BALANCE SHEET

Meuro	2001	2000
Fixed assets and other l-t investments	**223.9**	209.6
Inventories	**30.0**	28.5
Receivables	**31.8**	35.6
Cash and bank balances	**11.5**	17.6
Convertible capital loan	**100.0**	100.0
Other shareholders´ equity	**101.6**	99.8
Minority interests	**9.0**	8.5
Interest-bearing liabilities	**20.1**	15.0
Non interest-bearing liabilities	**66.6**	67.9
Balance sheet total	**297.2**	291.3

Nordkalk Corporation publishes its own Annual Report.

Partek's

electronic business

Information technology and electronic solutions promote Partek´s customer-driven strategy.

E-business in Partek is a unity that consists of Internet services, business applications and IT infrastructure. E-business facilitates interaction with Partek, while at the same time making Partek´s own operations more effective and profitable.

Customers and partners can utilise information network applications with tailor-made interfaces. They can also exchange information between their own and Partek systems. The key development area in e-businesses is combining the interests of customers, partners and suppliers with Partek's production, service and spare parts logistics. Progress in IT benefits both Partek and its customers and partners.

The main target in developing e-business in Partek is to link all main applications in an open information network using Internet technologies. The end result is comprehensive co-operation, a transparent value chain, and efficient and effortless communication, without compromising IT security.

E-business supports Partek´s core competitive advantages and contributes to the realisation of Partek´s values. Information networks promote these goals as:

- Customers, Partek employees and partners communicate easily
- All necessary information is conveniently available
- Products and services are integrated

To be able to utilise e-business, we must streamline operations and processes over organisational borders and we must question traditional barriers both within the organisation and in relation to our partners. E-business solutions go hand in hand with the development of business processes.

Partek's electronic solutions focus on enterprise resource planning, customer relations management, the order fulfilment process, and management and development of spare parts logistics. In the pre-owned machine business (Mascus), Internet technologies create a global market.

Annual report of the
Board of Directors

Partek continued to grow in 2001. The growth in net sales was primarily due to acquisitions in 2000–2001. The profit after financial items fell to EUR 42 (2000:130) million.

Partek aims to be valued by professionals as the best partner to provide products and solutions for loading and moving goods, harvesting forests and cultivating the fields. As a result of strong growth and focus on clearly defined customer segments, Partek has a strong, global position.

During 2001, Partek focused on integrating the new businesses acquired through acquisitions. Despite weaker demand and increased competition, Partek succeeded in improving its market position for most products. Partek strengthened its presence in Asia, Australia and Africa.

Increased sales, order intake stagnated

Consolidated net sales rose 8 percent to EUR 2,740 (2,543) million. The order book totalled EUR 425 (453) million at end-December. Orders received during the year were EUR 2,294 (2,383) million.

Net sales in Container handling grew by 24 percent. Especially deliveries of ship-to-shore cranes contributed to the increased sales. Demand increased in the beginning of the year, after which it decreased especially in the U.S.

Net sales in Load handling grew by 6 percent. Most favourable was the development in sales of truck-mounted forklifts. The sales of trucks, which affects demand for load handling equipment, fell for the second year in a row.

Forest Machines' net sales dropped 18 percent. Demand in Europe was still on a relatively satisfactory level, but it was very poor in North America. A clear decrease in dealer stocks also added to the decrease in sales.

Tractors' net sales rose by 2 percent. In Brazil demand turned upward and sales increased. Net sales on the shrinking European market almost reached the previous year's level. More than half of the tractors were sold outside Europe. A record 24,016 diesel engines were delivered during the year, which represents 16 percent growth year-on-year.

Profitability weakened

Partek's operating profit fell to EUR 90 (161) million, which is 3.3 (6.3) percent of net sales. The operating profit includes net non-recurring items of EUR -10 (+19) million. In addition to tighter price competition, the result weakened due to adjustments in production capacity, marketing efforts and costs of integrating the businesses. The aim of these actions is to strengthen Partek's base of operations. Goodwill depreciation was EUR 30 (22) million and is the result of acquisitions.

The operating profit of the business areas fell to EUR 116 (173) million, which is 4.8 (7.7) percent of net sales. The operating margin target for the business areas is 8 percent.

The associated companies accounted for EUR 4 (10) million of the result.

Net financial expenses amounted to EUR 52 (40) million, i.e. 1.9 (1.6) percent of net sales. Profit after financial items was EUR 42 (130) million, i.e. 1.5 (5.1) percent of net sales. Earnings per share were EUR 0.44 (1.63). The return on capital employed was 6.2 (12.1) percent, return on equity was 3.7 (13.0) percent.

Partek's financial position strengthened

Cashflow was clearly positive, EUR +106 (-406) million. Working capital decreased and the equity to total assets ratio improved. The balance sheet total decreased to EUR 2,176 (end-2000: 2,259) million. Interest-bearing net debt without capital loans fell to EUR 678 (750) million. 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 rose from 37.9 percent to

39.2 percent and gearing fell from 88.4 percent to 80.5 percent.

Investment and restructuring

The Group's gross investment amounted to EUR 96 (581) million, EUR 15 (495) million of which was spent on acquisitions.

The Dutch companies Nelcon BV, a producer of ship-to-shore cranes and straddle carriers, and the maintenance service company Groot-Hensen BV, as well as the German sales and maintenance company Klaus Eger GmbH, which were all acquired at the end of 2000, have been consolidated in Container handling as of 2001.

The vehicle alignment business was sold in October 2001 and is included in the figures of Load handling till November 2001.

During the year, Partek received the ownership right to all shares in Kalmar Industries AB and Zeteco AB through redemption.

The negotiations concerning the sale of the shares in Addtek International Oy Ab between the owners of Addtek and Irish CRH plc ended in September. The negotiations did not lead to a result that satisfied the involved parties and the European Commission.

The fully-owned IT company Parcomp Oy Ab was sold to TietoEnator Oyj at the end of December.

Customer-driven operations

An ever-larger share of Partek's products and services are based on the customer-driven way of operating.

Approximately two thirds of the products sold are made according to customer order. This showed in 2001 in increased sales and in a reduced balance sheet.

Partek is close to its customers by being present on all markets, through knowledge of the customers' business processes and by selling directly to the end-customer.

The sales and dealer network covers more than 100 countries. Over half of Partek's products are sold through own companies.

The sales and service network was developed in 2001 by expanding the product range with the products acquired through acquisitions.

Container handling's own network focuses on strengthening relations with larger customers, while service to the large number of industrial customers is improved by expanding the network of established dealers.

During the fourth quarter, Partek entered into an agreement with Komatsu Canada Inc. covering sales of Valmet forest machines in Canada. The agreement strengthens Partek's position on this key market.

The sales network of Tractors progressed as the successful direct sales concept implemented in Finland was applied in Norway and Sweden.

Long-term efforts are put into finding new areas of application for the products, in order to improve the customers' business processes. Examples of this development work are new applications of truck-mounted forklifts, rough terrain container handlers and terminal tractors.

Innovative products

Partek introduced several innovative products in 2001. The new products combine increased cost-efficiency and more versatile areas of application.

The penetration of the satellite positioning-based advanced automation feature Smartrail®, which can be installed in both RTGs and RMGs, increased.

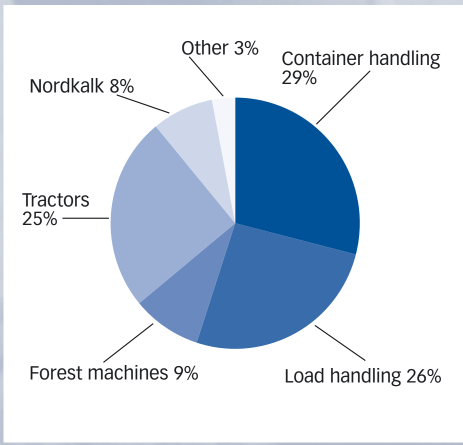
The new generation loader crane family, the HIAB XS, was well received in the many countries where it was introduced during the first half of 2001. Also the new demountables received much interest among customers.

A new product concept in forest harvesting, the harvester/forwarder Combimachine, was launched. Valmet Combi 801 both harvests and transports the wood, and is especially well suited for thinnigs.

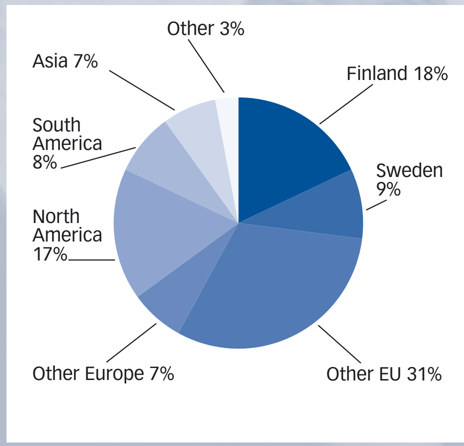
The four-cylinder EcoPower, a new tractor model launched in August, features lower fuel consumption, a much lower noise level in the cab, and longer maintenance intervals. The first high-powered Valtra S series tractors were sold at the end of the year. The S series makes use of the latest information technology. The ergonomics of the cab is clearly best in the industry. Productivity is improved through the effective and load-identifying hydraulic system.

Consolidated research and development expenditure was EUR 48 (43) million, which is 1.8 (1.8) percent of net sales.

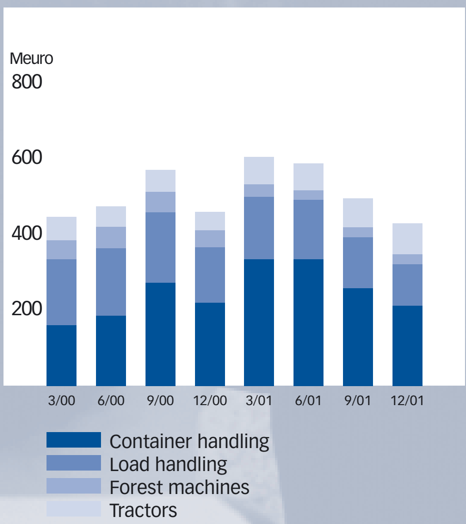
NET SALES BY BUSINESS AREA



NET SALES BY MARKET



ORDER BOOK



Net Sales	**2001**		2000	
	Meuro	**%**	Meuro	%
Container handling	**795.8**	**29**	643.2	25
Load handling	**709.6**	**26**	671.4	26
Forest machines	**258.9**	**9**	317.2	12
Tractors	**685.5**	**25**	671.1	26
Eliminations	**-40.1**		-43.3	
Total	**2,409.7**	**88**	2,259.6	89
Nordkalk	**215.9**	**8**	202.8	8
Other	**114.7**	**3**	80.4	3
Group	**2,740.3**	**100**	2,542.8	100

	Order book			**Orders received**		
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	Change %	**2001**	2000	Change %
Container handling	**212.4**	219.6	-3	**699.2**	744.3	-6
Load handling	**109.4**	146.4	-25	**673.0**	679.1	-1
Forest machines	**25.2**	44.4	-43	**241.0**	340.9	-29
Tractors	**82.6**	50.0	65	**719.1**	666.3	8
Eliminations	**-4.8**	-7.0		**-38.3**	-47.3	
Total	**424.8**	453.4	-6	**2,294.0**	2,383.3	-4

Lifetime partnership

In 2001, after-sales increased by 7 percent to EUR 364 (341) million.

The aim of Partek's innovative products, new business concepts and electronic services is to give customers the possibility to focus on their core business. Partek has developed into a global player with an extensive range of value-added services, which can even cover servicing and operating the customer's entire fleet of machines. Many contracts of this type were made during the year.

In Container handling, a preventative maintenance contract was signed with container shipping company Maersk Sealand for all of its Kalmar equipment in eleven African countries. Container handling took over an important maintenance contract for the Ala Sawmill in Sweden, which is part of Stora Enso. Kalmar not only takes care of the maintenance of the fleet, but also operates the fleet.

In Forest machines, the significant total maintenance contracts with the forest companies Aracruz and Veracel in Brazil were expanded. About 80 Partek employees take care of the companies' machines in eastern Brazil.

The Load handling local service network was further strengthened close to the customers. The efficiency of spare parts logistics improved through the central parts warehouse in Metz, France.

A new service, Valtra Recycled Parts, was launched in Finland. It offers inspected spare parts for older tractor models and includes a six-month guarantee.

Efficiency improving electronic services have expanded considerably.

Internet-based spare parts ordering systems strengthen the distribution channels in all business areas. The newest service in Tractors is an electronic spare parts ordering and pricing system. Also the efficiency of warranty management and follow-up has been enhanced through an Internet solution.

Mascus, the independent electronic marketplace for pre-owned machines, was opened on the Internet in January 2001. Partek owns 80 percent of the company. At year-end there were 3,100 pre-owned machines from Finland, Sweden and UK for sale on the marketplace. The products of over 100 machine manufacturers and dealers were represented. Mascus also offers its customers financing, delivery and inspection services in connection with machine sales.

Nordkalk Corporation

Partek's fully-owned subsidiary Nordkalk is a public company and publishes its own financial statements and Annual Report. Nordkalk's net sales increased 6 percent to EUR 215.9 (202.8) million. The operating profit rose to EUR 24.2 (20.8) million. Sales in Poland increased, primarily as a result of the acquisition of the Miedzianka limestone company, which was completed in 2000.

A long-term investment programme in Sweden was completed with the modernisation of the Uddagården plant in Falköping. In June, a new grinding plant was brought into use in Wolica, Poland. It mainly produces ground limestone for flue gas cleaning. Nordkalk's subsidiary Suomen Karbonaatti Oy in Lappeenranta, Finland, brought additional capacity for paper pigments into use in autumn 2001. The investment of 15 million euros is the biggest ever made at a single Nordkalk plant. The expansion makes it possible to produce new products and thus increase sales to the paper industry.

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.

Personnel

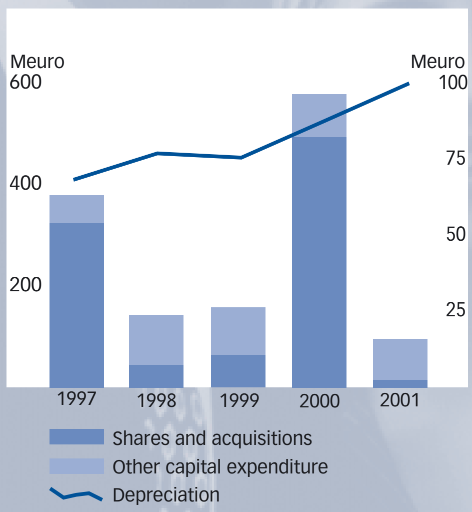
The number of employees in the Group decreased during the year by 446 and was 12,447 at year-end. Acquisitions increased the number of personnel by 275. Divested businesses reduced the personnel by 420. During the year the average number of employees was 13,085 (11,752).

In Finland Group companies employed 4,565 (4,659) people at the end of the year, of which 89 (92) in the parent company.

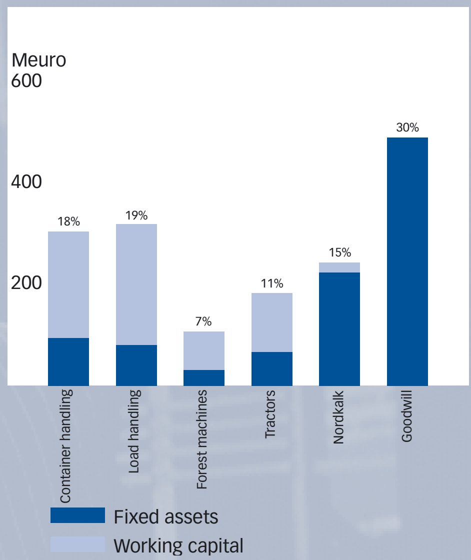
No bonus for 2001 within Partek Bonshare

Partek introduced the incentive programme Partek Bonshare for a three-year trial period in 2000. It covers employees in EEA countries and is based on Partek's profit

GROSS CAPITAL EXPENDITURE AND DEPRECIATION



CAPITAL STRUCTURE, DEC. 31, 2001



Financial ratios for business areas

	Gross capital expenditure Meuro		Return on capital employed % *)		Capital turnover rate *)	
	2001	2000	**2001**	2000	**2001**	2000
Operational investments						
Container handling	**10.1**	18.6	**19**	23	**3.1**	2.9
Load handling	**19.2**	18.1	**15**	25	**2.6**	2.8
Forest machines	**3.2**	5.0	**3**	33	**2.6**	3.2
Tractors	**14.3**	14.0	**16**	19	**3.9**	3.6
Total	**46.8**	55.7	**15**	24	**3.0**	3.0
Nordkalk	**32.6**	26.9				
Other units	**1.6**	2.9				
Total	**81.0**	85.5				
Shares and acquisitions	**15.2**	495.4				
Group	**96.2**	580.9				

* Rolling 12 months

Personnel

	Dec. 31, 2001	Dec. 31, 2000	Change
Container handling	**3,410**	3,255	155
Load handling	**3,549**	3,912	-363
Forest machines	**1,082**	1,180	-98
Tractors	**2,395**	2,358	37
Total	**10,436**	10,705	-269
Nordkalk	**1,308**	1,435	-127
Other	**703**	753	-50
Group	**12,447**	12,893	-446

improvement. The bonus for 2000 was EUR 6 million. The bonus is linked to Partek's share and will paid in spring 2004. No bonus will be allocated from Partek's profit in 2001.

Shareholder information

The annual general meeting on March 29, 2001 confirmed the number of members of the board of directors at nine. Jan Ekberg, Caj-Gunnar Lindström and Paavo Pitkänen, who retired by rote, were re-elected. Björn Mattsson has been acting as Chairman of the board and Risto Virrankoski as Vice Chairman.

Thor Nyroos, authorised public accountant (APA) and Solveig Törnroos-Huhtamäki, APA, were elected auditors. The APA auditing firm KPMG Wideri Oy Ab was elected deputy auditor.

The AGM authorised the board to purchase and surrender a maximum of 2,441,059 of Partek's shares. The authorisation was not used.

Convertible capital loans

No conversions into shares of the convertible subordinated bonds issued in 1994 or of the EUR 54 million convertible capital loan issued in 1999 were made during the year.

Dividend

In making a proposal for a dividend the board of directors takes into account trends 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 0.50 (0.60) per share be paid for 2001, i.e. 113 percent of the result after taxation. According to the proposal, a total of EUR 24,4 million will be used for dividends.

Prospects

The markets will turn upward, at the earliest, in the second half of the year.

Transport and distribution volumes will rise as the economy recovers. According to industry estimates, container throughput will increase, but growth will remain lower than in record years.

The market for forest machines is expected to strengthen at the end of this year, after the weak period. Tractor sales in Brazil are anticipated to remain at a good level, as the government has allocated extra funding for tractor purchases. No major changes are foreseen on the European tractor market.

Based on the efforts in developing new products, strengthening our market position and improving efficiency, Partek's aim is to achieve higher profits than in 2001. The current market situation will be reflected in the development, especially in the beginning of the year.

Partek has opportunities to further reduce the balance sheet.

Income Statement

Meuro	Note	GROUP 2001	%	2000	%	PARENT COMPANY 2001	2000
Net sales	**2**	**2,740.3**	**100**	2,542.8	100	**5.9**	4.8
Cost of goods sold		**-2,195.6**	**-80**	-2,002.6	-79	**0.0**	-0.1
Gross profit		**544.7**	**20**	540.2	21	**5.9**	4.7
Selling and marketing expenses		**-234.9**		-204.7		**-1.9**	-2.7
Research and development expenses		**-47.8**		-43.4		**-**	-
Administration expenses		**-143.1**		-136.2		**-18.0**	-16.7
Other operating income	**5**	**24.4**		52.3		**6.7**	23.7
Other operating expenses	**5**	**-53.2**		-47.6		**-3.5**	-13.0
Total		**-454.6**	**-17**	-379.6	-15	**-16.7**	-8.7
Operating profit/loss	**2,3,4**	**90.1**	**3**	160.6	6	**-10.8**	-4.0
Share of results of associated companies	**6**	**3.6**		9.7			
Financial income and expenses	**8**						
Dividend income		**0.1**		0.1		**40.3**	21.8
Interest income from long-term investments		**3.6**		4.6		**30.8**	12.6
Other interest income		**4.1**		5.6		**12.6**	8.1
Interest expenses		**-59.4**		-53.4		**-43.7**	-32.2
Other financial items	**7**	**0.0**		3.0		**4.0**	4.0
Total		**-51.6**	**-2**	-40.1	-2	**44.0**	14.3
Profit/loss after financial items		**42.1**	**2**	130.2	5	**33.2**	10.3
Extraordinary items							
Group contributions, received						**22.4**	45.3
Profit/loss before appropriations and taxes		**42.1**	**2**	130.2	5	**55.6**	55.6
Change in depreciation difference						**0.1**	0.1
Direct taxes	**9**	**-17.9**		-44.6		**-12.6**	-11.9
Minority interests		**-2.7**		-5.8			
Net profit/loss for the period		**21.5**	**1**	79.8	3	**43.1**	43.8

Balance sheet

		GROUP				PARENT COMPANY	
Meuro	Note	**Dec. 31, 2001**	%	Dec. 31, 2000	%	**Dec. 31, 2001**	Dec. 31, 2000
Assets							
Fixed assets and other long-term investments	**10**						
Intangible assets							
Goodwill		**517.1**		553.4			
Other capitalised expenditure		**21.7**		16.8		**3.5**	1.8
Total		**538.8**	**25**	570.2	25	**3.5**	1.8
Tangible assets							
Mineral deposits and land		**100.2**		100.4		**2.4**	5.3
Buildings and constructions		**160.1**		158.0		**0.5**	0.8
Machinery and equipment		**206.3**		199.0		**0.6**	0.7
Other tangible assets		**4.6**		4.6		**0.1**	0.1
Advance payments and construction in progress		**17.5**		24.8		**-**	-
Total		**488.7**	**22**	486.8	22	**3.6**	6.9
Investments							
Shares in group companies	**11**					**548.2**	521.4
Shares in associated companies	**11**	**39.0**		34.6		**16.6**	14.0
Other shares and participations	**11**	**12.2**		12.6		**7.1**	7.5
Long-term loan receivables	**12**	**42.3**		48.5		**504.2**	525.4
Other investments		**1.7**		1.2		**5.7**	-
Total		**95.2**	**4**	96.9	4	**1,081.8**	1,068.3
Total fixed assets and long-term investments		**1,122.7**	**52**	1,153.9	51	**1,088.9**	1,077.0
Current assets							
Inventories							
Materials and supplies		**155.8**		155.9		**-**	-
Work in progress		**70.5**		60.1		**-**	-
Finished goods		**244.4**		244.5		**-**	-
Total		**470.7**	**22**	460.5	20	**-**	-
Receivables	**12**						
Accounts receivable		**406.8**		459.6		**0.9**	3.4
Loan receivables		**2.7**		23.9		**325.9**	244.3
Other receivables		**39.4**		34.4		**41.2**	61.6
Deferred tax asset		**21.1**		11.7		**-**	-
Prepaid expenses and accrued income		**32.7**		51.5		**9.6**	25.0
Total		**502.7**	**23**	581.1	26	**377.6**	334.3
Cash and bank balances		**80.3**	**4**	63.9	3	**41.2**	9.5
Total current assets		**1,053.7**	**48**	1,105.5	49	**418.8**	343.8
Total assets		**2,176.4**	**100**	2,259.4	100	**1,507.7**	1,420.8

Meuro	Note	GROUP Dec. 31, 2001	%	Dec. 31, 2000	%	PARENT COMPANY Dec. 31, 2001	Dec. 31, 2000
Shareholders' equity and liabilities							
Shareholders' equity	**13**						
Share capital		**87.9**		87.9		**87.9**	87.9
Share premium account		**202.3**		202.3		**202.3**	202.3
Revaluation reserve		**6.1**		6.1		**6.1**	6.1
Other reserves		**4.3**		3.9		**-**	-
Retained earnings		**322.9**		271.6		**214.0**	199.5
Net profit/loss for the period		**21.5**		79.8		**43.1**	43.8
Capital loans	**14**	**182.3**		182.3		**82.3**	82.3
Total shareholders' equity		**827.3**	**38**	833.9	37	**635.7**	621.9
Minority interests		**14.2**	**1**	14.2	1		
Accumulated depreciation difference						**-**	0.1
Provisions	**15**	**28.5**	**1**	30.5	1	**3.5**	5.2
Liabilities							
Long-term	**16**						
Loans from financial institutions		**378.6**		371.5		**302.0**	251.6
Pension fund loans		**35.3**		44.0		**21.1**	22.7
Other interest-bearing liabilities		**12.1**		12.0		**-**	-
Deferred tax liability		**10.4**		12.8		**-**	-
Other non interest-bearing liabilities		**1.7**		2.5		**5.6**	-
Total		**438.1**	**20**	442.8	20	**328.7**	274.3
Current	**17,18**						
Loans from financial institutions		**59.1**		48.8		**7.4**	8.9
Pension fund loans		**1.6**		1.8		**1.6**	1.8
Other interest-bearing liabilities		**315.0**		406.7		**505.8**	487.2
Advances received		**31.6**		22.3		**0.1**	0.0
Accounts payable		**227.6**		216.5		**1.5**	1.5
Other non interest-bearing liabilities		**46.7**		60.4		**8.7**	1.1
Accrued expenses and deferred income	**19**	**186.7**		181.5		**14.7**	18.8
Total		**868.3**	**40**	938.0	42	**539.8**	519.3
Total liabilities		**1,306.4**	**60**	1,380.8	61	**868.5**	793.6
Total shareholders' equity and liabilities		**2,176.4**	**100**	2,259.4	100	**1,507.7**	1,420.8

Financial analysis

	GROUP		PARENT COMPANY	
Meuro	**2001**	2000	**2001**	2000
Operating activities				
Operating profit	**90.1**	160.6	**-10.8**	-4.0
Depreciation and value adjustments	**100.5**	92.8	**0.8**	11.1
Gains and losses from sale of fixed assets	**-4.7**	-14.8	**-5.3**	-23.6
Other adjustments	**-**	-	**-1.9**	-0.1
Cash flow before change in working capital	**186.0**	238.6	**-17.2**	-16.6
Change in working capital				
Inventories (+=decrease)	**39.9**	-44.2	**-**	-
Current receivables (+=decrease)	**74.6**	-31.0	**-43.3**	-200.4
Non interest-bearing liabilities (-=decrease)	**-48.5**	29.8	**3.6**	2.0
Total	**66.0**	-45.4	**-39.7**	-198.4
Financial items, taxes and extraordinary items				
Financial income and expenses	**-34.9**	-47.2	**44.1**	14.3
Taxes	**-41.5**	-30.9	**-12.6**	-11.9
Extraordinary items	**-**	-	**22.3**	45.3
Total	**-76.4**	-78.1	**53.8**	47.7
Cash flow from operating activities	**175.6**	115.1	**-3.1**	-167.3
Cash flow from investment activities				
Gross capital expenditure	**-96.2**	-580.9	**-36.4**	-254.3
Sale of fixed assets	**26.4**	59.4	**13.6**	333.6
Total	**-69.8**	-521.5	**-22.8**	79.3
Cash flow before financing	**105.8**	-406.4	**-25.9**	-88.0
Financing				
Change in interest-bearing debt (- = decrease)	**-83.1**	413.7	**65.7**	469.0
Change in long-term receivables (- = increase)	**24.1**	-5.1	**21.2**	-400.9
Dividends paid	**-31.1**	-30.4	**-29.3**	-26.8
Translation differences and other changes	**0.7**	3.6	**-**	-
Total	**-89.4**	381.8	**57.6**	41.3
Change in liquid funds	**16.4**	-24.6	**31.7**	-46.7
Liquid funds, January 1	**63.9**	88.5	**9.5**	56.2
Liquid funds, December 31	**80.3**	63.9	**41.2**	9.5

Notes for the Income Statement and Balance Sheet

1 - Accounting principles

The consolidated financial statements of the Partek Group are prepared in accordance with current regulations in Finland. 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 during period exceeding 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.

A change in the principle of hedging the equities of foreign subsidiaries has taken place during the year. After the change only equities denominated in USD are 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. See note 22.

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 revaluation. 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

Notes
for the Income Statement and Balance Sheet

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

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

Exchange rates		Closing rates		Average rates	
Country	**Currency**	**Dec. 31, 2001**	**Dec. 31, 2000**	**2001**	**2000**
Brazil	BRL	2.04510	1.81490	2.08893	1.68663
Denmark	DKK	7.43650	7.46310	7.45219	7.45387
Estonia	EEK	15.64662	15.64662	15.64666	15.64666
Great Britain	GBP	0.60850	0.62410	0.62179	0.60911
Japan	JPY	115.33014	106.92028	108.69707	99.29409
Korea	KRW	1,161.50225	1,177.13918	1,154.51068	1,044.94376
Norway	NOK	7.95151	8.23350	8.04826	8.11316
Poland	PLZ	3.49530	3.84980	3.66416	4.00467
Sweden	SEK	9.30120	8.83131	9.25046	8.44384
USA	USD	0.88130	0.93050	0.89504	0.92126

2 - Segment data

Meuro	Net sales 2001	2000	Operating profit 2001	2000
By business area				
Container handling	**795.8**	643.2	**48.0**	49.3
Load handling	**709.6**	671.4	**38.7**	58.0
Forest machines	**258.9**	317.2	**2.9**	31.6
Tractors	**685.5**	671.1	**26.5**	34.4
Nordkalk	**215.9**	202.8	**24.2**	20.8
Others and eliminations	**74.6**	37.1	**-50.2**	-33.5
Total	**2,740.3**	2,542.8	**90.1**	160.6
By geographical area				
Finland	**505.7**	463.9		
Sweden	**245.6**	295.3		
Other EU	**854.6**	752.0		
Other Europe	**193.5**	166.1		
North America	**465.8**	425.7		
South America	**210.5**	217.0		
Asia	**178.8**	158.6		
Other countries	**85.8**	64.2		
Total	**2,740.3**	2,542.8		

	Personnel on average 2001	2000	Personnel expenses (Meuro) 2001	2000
By business area				
Container handling	**3,531**	3,107	**153.4**	134.6
Load handling	**3,839**	3,468	**159.6**	149.6
Forest machines	**1,112**	1,131	**43.6**	48.8
Tractors	**2,430**	2,358	**82.2**	79.2
Nordkalk	**1,433**	1,302	**40.7**	37.6
Others and eliminations	**740**	386	**30.8**	19.1
Total	**13,085**	11,752	**510.3**	468.9
By geographical area				
Finland	**4,742**	4,321	**183.3**	165.5
Sweden	**3,002**	3,072	**124.7**	134.5
Other EU	**2,025**	1,460	**90.7**	67.9
Other Europe	**839**	601	**15.0**	9.7
North America	**1,103**	1,038	**67.1**	61.7
South America	**879**	843	**14.9**	16.7
Asia	**398**	334	**10.9**	9.3
Other countries	**97**	83	**3.7**	3.6
Total	**13,085**	11,752	**510.3**	468.9

Notes
for the Income Statement and Balance Sheet

3 - Personnel expenses

	Group		Parent company	
Meuro	**2001**	2000	**2001**	2000
Wages and salaries				
Wages and salaries				
Salaries and payments to Board Members and Managing Directors	**13.4**	12.4	**0.6**	0.5
To others	**380.0**	343.0	**4.2**	4.3
Bonus to Board Members and Managing Directors	**1.4**	1.6	**0.1**	0.0
Total	**394.8**	357.0	**4.9**	4.8
Other personnel expenses				
Pensions and pension premiums	**38.9**	33.8	**0.9**	0.7
Other personnel expenses	**76.6**	78.1	**0.3**	0.4
Total	**115.5**	111.9	**1.2**	1.1
Personnel expenses, total	**510.3**	468.9	**6.1**	5.9
Personnel				
On average	**13,085**	11,752	**82**	86
At year end	**12,447**	12,893	**89**	92

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 317,875 and a bonus of EUR 100,913. 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.

4 - Depreciation

	Group		Parent Company	
Meuro	**2001**	2000	**2001**	2000
Depreciation by function				
Production	**48.3**	47.8	**-**	-
Selling and marketing	**5.9**	4.7	**0.1**	0.1
Research and development	**1.5**	1.3	**-**	-
Administration	**8.5**	6.7	**0.7**	0.5
Other	**36.1**	27.5	**-**	-
Depreciation according to plan, total	**100.3**	88.0	**0.8**	0.6
Extra depreciation	**-**	6.3	**-**	6.2
Total	**100.3**	94.3	**0.8**	6.8

Notes
for the Income Statement and Balance Sheet

Meuro	Group 2001	Group 2000	Parent Company 2001	Parent Company 2000
Depreciation according to plan				
Goodwill	**35.5**	27.2	**-**	-
Other capitalised expenditure	**4.9**	3.0	**0.4**	0.2
Mineral deposits and land	**1.7**	1.3	**-**	-
Buildings and constructions	**12.2**	11.6	**0.1**	0.1
Machinery and equipment	**44.9**	43.9	**0.3**	0.3
Other tangible assets	**1.1**	1.0	**0.0**	0.0
Total	**100.3**	88.0	**0.8**	0.6

5 - Other operating income and expenses

Meuro	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Income				
Rents	**2.4**	1.8	**0.0**	0.0
Profit on sale of fixed assets	**5.1**	15.2	**6.4**	23.6
Refund from Swedish life and pension insurance company SPP	**-**	13.8	**-**	-
Other income	**16.9**	21.5	**0.3**	0.1
Total	**24.4**	52.3	**6.7**	23.7
Expenses				
Depreciation on goodwill	**35.2**	27.2	**-**	-
Bonshare	**-**	6.0	**0.0**	0.0
Taxes on real estate	**0.7**	0.5	**0.1**	0.1
Extra depreciation on fixed assets	**0.0**	6.3	**0.0**	10.5
Depreciation on receivables	**0.8**	0.8	**0.8**	1.5
Loss on sale of fixed assets	**0.5**	0.5	**1.1**	0.0
Wages for term of notice in connection with restructuring	**2.6**	0.2	**-**	-
Other restructuring costs	**1.4**	0.3	**-**	0.0
Other expenses	**12.0**	5.8	**1.5**	0.9
Total	**53.2**	47.6	**3.5**	13.0

6 - Shares in associated companies

Group Meuro	Country	Holding %	Share of result 2001	Share of result 2000	Share of equity Dec. 31, 2001	Share of equity Dec. 31, 2000	Goodwill Dec. 31, 2001	Goodwill Dec. 31, 2000
Addtek International Oy Ab *)	Finland	26.3	**3.1**	9.2	**25.9**	21.5		
Paroc Group Oy Ab *)	Finland	38.4	**-2.6**	0.2	**5.9**	8.9		
Sisu Akselit Oy *)	Finland	35.0	**-0.2**	0.0	**0.4**	0.8		
RS Hansa Auto Oy - Dec.31, 2000	Finland	50.0	**-**	-2.0	**-**	-		
Other associated companies in Finland			**0.0**	0.1	**0.8**	3.1		
Zeteco AB *) - Feb. 29, 2000	Sweden	23.4	**-**	0.4	**-**	-		
Other associated companies abroad			**-1.0**	-0.5	**2.1**	0.6		
Eliminations			**4.3**	2.3	**-0.5**	-0.5	**4.4**	0.2
Total			**3.6**	9.7	**34.6**	34.4	**4.4**	0.2

*) owned by the Parent Company

7 - Other financial items

Meuro	Group 2001	Group 2000	Parent company 2001	Parent company 2000
Exchange rate differences	**-0.3**	1.3	**4.5**	4.2
Other financial income	**2.5**	3.4	**-**	-
Other financial expenses	**-2.2**	-1.7	**-0.5**	-0.2
Total	**0.0**	3.0	**4.0**	4.0

Notes
for the Income Statement and Balance Sheet

8 - Internal dividends, interest income and expenses

Meuro	Parent company 2001	2000
Dividends from Group companies	**30.1**	17.4
Interest income from Group companies	**39.1**	16.1
Interest expenses to Group companies	**5.9**	6.1

9 - Direct taxes

	Group		Parent company	
Meuro	**2001**	2000	**2001**	2000
Taxes in income statement				
Taxes for extraordinary items			**6.5**	0.2
Direct taxes for the year	**25.4**	43.3	**5.8**	10.2
Direct taxes from previous years	**1.9**	0.6	**0.3**	-2.6
Change in deferred tax asset / liability	**-9.4**	0.7	**-**	-
Total	**17.9**	44.6	**12.6**	7.8

	Group	
Meuro	**2001**	2000
Deferred tax asset		
From consolidation entries	**22.4**	18.0
From valuation and matching differences	**27.3**	21.5
Balanced against liabilities	**-28.6**	-27.8
Total	**21.1**	11.7
Deferred tax liability		
From untaxed reserves	**26.5**	30.3
From consolidation entries	**9.3**	8.8
From valuation and matching differences	**3.2**	1.5
Balanced against receivables	**-28.6**	-27.8
Total	**10.4**	12.8

10 - Fixed assets

Group Meuro	Goodwill	Other capitalised expenditure	Mineral deposits and land	Buildings and constructions	Machinery and equipment	Other tangible assets	Construction in progress
Acquisition cost Jan. 1, 2001	628.1	33.4	86.3	268.4	579.4	13.6	27.0
+/- Translation differences	-7.6	-0.2	1.1	-1.4	-9.6	0.0	0.1
+Investments		10.0	0.3	8.5	43.3	1.2	17.7
-Decreases	-0.3	-0.9	-0.6	-7.8	-14.9	0.0	0.0
+/-Transfers between items		0.7	0.1	4.9	10.2	0.0	-15.9
+/- Other changes	6.3	-0.4	3.2	3.4	0.1	0.0	-9.0
Acquisition cost Dec. 31, 2001	626.5	42.6	90.4	276.0	608.5	14.8	19.9
Accumulated depreciation Jan. 1, 2001	-74.7	-16.6	-8.7	-121.2	-380.4	-9.0	-2.2
+/- Translation differences	-0.2	0.2	0.3	1.2	7.1	0.0	-0.2
-Depreciation during the year	-35.4	-4.9	-1.8	-12.2	-45.0	-1.1	
+/- Other changes	0.9	0.4	0.0	6.7	16.1	-0.1	
Accumulated depreciation Dec. 31, 2001	-109.4	-20.9	-10.2	-125.5	-402.2	-10.2	-2.4
+Revaluations			20.0	9.6			
Net book value Dec. 31, 2001	**517.1**	**21.7**	**100.2**	**160.1**	**206.3**	**4.6**	**17.5**

Notes
for the Income Statement and Balance Sheet

Parent company Meuro	Other capitalised expenditure	Mineral deposits and land	Buildings and constructions	Machinery and equipment	Other tangible assets
Acquisition cost Jan. 1, 2001	3.1	0.7	3.2	1.6	0.2
+Investments	2.8			0.2	
-Decreases	-0.7	-0.2	-1.5	-0.1	
+/-Transfers between items					
+/- Other changes			-0.2	-0.1	
Acquisition cost Dec. 31, 2001	5.2	0.5	1.5	1.6	0.2
Accumulated depreciation Jan. 1, 2001	-1.3	-0.1	-2.4	-0.9	-0.1
-Depreciation during the year	-0.5		-0.1	-0.3	0.0
+/- Other changes			1.5	0.2	
Accumulated depreciation Dec. 31, 2001	-1.8	-0.1	-1.0	-1.0	-0.1
+Revaluations		2.0			
Net book value Dec. 31, 2001	**3.4**	**2.4**	**0.5**	**0.6**	**0.1**

Meuro	Group		Parent company		
Shares and participations	**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, 2001	28.4	36.8	570.7	14.3	31.6
+/- Translation differences	0.0	0.0	-		
+Investments	3.2	0.1	31.9	2.2	
-Decreases	0.0	-0.5	-5.0	0.0	0.0
+/-Transfers between items				0.4	-0.4
+/- Other changes	1.3	0.0	0.0		0.0
Acquisition cost Dec. 31, 2001	32.9	36.4	597.6	16.9	31.2
Accumulated depreciation Jan. 1, 2001	6.2	-24.2	-66.7	-0 .3	-24.1
+/- Translation differences	0.0				
-Depreciation during the year					
+/- Other changes	-0.1				
Accumulated depreciation Dec. 31, 2001	6.1	-24.2	-66.7	-0.3	-24.1
+Revaluations			17.3		
Net book value Dec. 31, 2001	39.0	12.2	548.2	16.6	7.1

11 - Shares and participations, Dec. 31, 2001

Subsidiaries:		**Group holding %**	**Parent company holding %**
Container handling business area			
Kalmar Industries AB	Sweden	100.0	
Kalmar Industries Sverige AB	Sweden	100.0	
Kalmar Industries Oy Ab	Finland	100.0	100.0
Kalmar Industries Corp.	USA	100.0	
Kalmar RT Center Llc.	USA	100.0	
Kalmar Industries B.V.	Netherlands	100.0	
Velsa Oy	Finland	100.0	
AS Finmec	Estonia	100.0	
Other subsidiaries in Container handling (27)			

		Group holding %	Parent company holding %
Load handling business area			
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 Ltd.	Korea	92.1	
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.	France	100.0	
Partek Cargotec GmbH	Germany	100.0	
Partek Cargotec K.K.	Japan	100.0	
Partek Cargotec Ltd.	Great Britain	100.0	
Partek Cargotec Pte Ltd.	Singapore	100.0	
Partek Cargotec S.A.	Spain	100.0	
Princeton Delivery Systems Inc.	USA	100.0	
Bromma Conquip AB	Sweden	100.0	
SMZ Industrier AB	Sweden	100.0	
Waltco Truck Equipment Co.	USA	100.0	
Zetterbergs Produkt AB	Sweden	100.0	
Other subsidiaries in Load handling (56)			
Forest machines business area			
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)			
Tractors business area			
Valtra Inc.	Finland	100.0	
Sisu Diesel Inc.	Finland	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	
Valtractores Mexico, S.A. de CV	Mexico	100.0	
Valtra Argentina Tractores S.A.	Argentina	100.0	
Other subsidiaries in Tractors (12)			
Nordkalk			
Nordkalk Corporation	Finland	100.0	100.0
Nordkalk AB	Sweden	100.0	
Nordkalk AS	Estonia	100.0	
Nordkalk Sp. z o.o.	Poland	100.0	
Nordkalk Miedzianka S.A.	Poland	85.3	
Suomen Karbonaatti Oy	Finland	51.0	
Other subsidiaries in Nordkalk (8)			

Notes
for the Income Statement and Balance Sheet

		Group holding %	Parent company holding %
Finance, service and other subsidiaries			
Cellit Oy Ab	Finland	100.0	100.0
Green Arrow Insurance Ltd	Great Britain	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 (15)			
Other subsidiaries (27)			
Associated companies:			
Addtek International Oy Ab	Finland	26.3	26.3
Paroc Group Oy Ab	Finland	38.4	38.4
Sisu Akselit Oy	Finland	35.0	35.0
Cervuctum Oy	Finland	25.0	25.0
Other associated companies in Finland (7)			
Other foreign associated companies (10)			
Other companies:			
Polar Kiinteistöt Oyj	Finland	6.1	6.1
Telephone shares and participations in Finland (30)			
Other companies in Finland (60)			
Other foreign companies (21)			

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

12 - Long- and short-term receivables

	Long-term				Short-term			
	Group		Parent company		Group		Parent comapny	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Board of Directors and top management								
Loan receivables						0.0		
Other personnel								
Loan receivables	**0.0**	0.2	**0.0**	0.1	**0.1**	0.2	**0.0**	0.0
Subsidiaries								
Accounts receivable							**0.8**	3.4
Loan receivables			**455.7**	466.3			**325.2**	225.4
Other receivables							**37.9**	61.1
Prepaid expenses and accrued income							**7.8**	3.9
Total			**455.7**	466.3			**371.7**	293.8
Associated companies								
Accounts receivable					**3.1**	9.1	**0.0**	0.0
Loan receivables	**39.4**	39.7	**48.2**	54.8	**0.5**	0.0	**0.5**	0.0
Other receivables						0.0		0.0
Prepaid expenses and accrued income					**2.9**	6.0	**2.8**	6.0
Total	**39.4**	39.7	**48.2**	54.8	**6.5**	15.1	**3.3**	6.0

	Long-term				Short-term			
	Group		Parent company		Group		Parent company	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Other companies								
Accounts receivable					**403.7**	450.5	**0.1**	0.0
Loan receivables	**2.9**	8.6	**0.3**	4.2	**2.1**	23.7	**0.2**	18.9
Other receivables	**1.7**	1.2	**5.7**	-	**39.4**	34.4	**3.3**	0.5
Deferred tax asset			**-**	-	**21.1**	11.7	**-**	-
Prepaid expenses and accrued income			**-**	-	**29.8**	45.5	**-1.0**	15.1
Total	**4.6**	9.8	**6.0**	4.2	**496.1**	565.8	**2.6**	34.5
Total receivables	**44.0**	49.7	**509.9**	525.4	**502.7**	581.1	**377.6**	334.3

13 - Shareholders' equity

Meuro

Group	Total	Share capital	Share premium account	Revaluation reserve	Retained earnings	Capital loans
Jan. 1, 2001	833.9	87.9	202.3	6.1	355.3	182.3
Translation differences	1.3				1.3	
Dividends paid	-29.3				-29.3	
Other changes	-0.1				-0.1	
Net result for the period	21.5				21.5	
Dec. 31, 2001	**827.3**	**87.9**	**202.3**	**6.1**	**348.7**	**182.3**
Parent Company						
Jan. 1, 2001	621.9	87.9	202.3	6.1	243.3	82.3
Dividends paid	-29.3				-29.3	
Net result for the period	43.1				43.1	
Dec. 31, 2001	**635.7**	**87.9**	**202.3**	**6.1**	**257.1**	**82.3**

	Group		Parent company	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Distributable equity				
Retained earnings	**327.2**	275.5	**214.0**	199.5
Net result for the period	**21.5**	79.8	**43.1**	43.8
Non-distributable equity	**-4.6**	-0.8	**-**	-
Equity share of untaxed reserves	**-27.2**	-29.1	**-**	-
Total	**316.9**	325.4	**257.1**	243.3

14 - Capital loans

	Group		Parent company	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Convertible subordinated bond, Partek Corporation	**28.2**	28.2	**28.2**	28.2
Convertible capital loan, Partek Corporation	**54.1**	54.1	**54.1**	54.1
Convertible capital loan, Nordkalk Corporation	**100.0**	100.0		
Total	**182.3**	182.3	**82.3**	82.3

15 - Provisions

	Group		Parent company	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Pensions	**2.9**	3.0	**-**	-
Project deliveries and claims	**0.8**	2.8	**0.5**	0.7
Credit losses	**1.3**	0.9	**-**	-
Restructuring	**18.8**	17.5	**2.1**	3.0
Other	**4.7**	6.3	**0.9**	1.5
Total	**28.5**	30.5	**3.5**	5.2

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:

		Group	
Meuro		**Dec. 31, 2001**	Dec. 31, 2000
Local currencies			
Euro		**346.0**	387.8
Other currencies		**52.3**	16.4
Other currencies			
Sweden	SEK	**82.0**	89.0
USA	USD	**18.5**	3.1
Total		**498.8**	496.3
Loan repayments		**-60.7**	-53.5
Long-term liabilities, total		**438.1**	442.8

Repayments of long-term liabilities

Meuro	2002	2003	2004	2005	2006	2007 or later	Total
Group							
Loans from financial institutions	58.5	40.3	78.8	136.7	67.8	55.0	437.1
Pension fund loans	1.6	1.5	1.4	1.3	1.2	29.9	36.9
Other interest-bearing liabilities	0.6	3.6	0.5	1.1	0.5	6.4	12.7
Other non interest-bearing liabilities	0.0	2.2	0.5	0.0	0.1	9.3	12.1
Total	**60.7**	**47.6**	**81.2**	**139.1**	**69.6**	**100.6**	**498.8**

17 - Short-term interest-bearing liabilities

	Group		Parent company	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Repayments of long-term liabilities	**60.7**	53.5	**9.0**	10.6
Subsidiaries			**231.3**	157.1
Other short-term liabilities	**315.0**	403.8	**274.5**	330.2
Total	**375.7**	457.3	**514.8**	497.9

18 - Short-term non interest-bearing liabilities

	Group		Parent company	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Subsidiaries				
Accounts payable			**0.5**	0.6
Other non interest-bearing liabilities			**7.7**	0.1
Accrued expenses and deferred income			**3.9**	3.1
Total			**12.1**	3.8
Associated companies				
Advances received	**0.1**	0.4	**-**	-
Accounts payable	**0.1**	0.5	**0.0**	0.0
Other non interest-bearing liabilities	**0.5**	-	**-**	-
Total	**0.7**	0.9	**0.0**	0.0
Other companies				
Advances received	**31.5**	21.9	**0.1**	0.0
Accounts payable	**227.5**	216.0	**1.0**	0.9
Other non interest-bearing liabilities	**46.2**	60.4	**1.0**	1.0
Accured expenses and deferred income	**186.7**	181.5	**10.8**	15.7
Total	**491.9**	479.8	**12.9**	17.6
Short-term non interest-bearing liabilities, total	**492.6**	480.7	**25.0**	21.4

19 - Accrued expenses and deferred income

	Group		Parent company	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Purchases	**3.4**	4.1	**0.2**	0.9
Sales	**14.3**	19.0	-	-
Personnel costs	**60.5**	62.9	**0.9**	1.4
Warranties	**33.2**	32.2	**-**	-
Financial items	**14.3**	14.9	**11.5**	16.1
Taxes	**21.6**	17.9	**2.1**	0.4
Other	**39.4**	30.5	**-**	-
Total	**186.7**	181.5	**14.7**	18.8

20 - Pledged assets and contingent liabilities

	Group	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000
Pledged assets		
Pledged assets as security for own debts		
Real estate mortgages	**12.4**	21.7
Other mortgages	**6.0**	1.9
Other pledges	**3.8**	7.2
Total	**22.2**	30.8
Debt for which mortgages or pledges are given as security	**12.9**	14.9
Pledged assets for other own liabilities than debts		
Real estate mortgages	**2.8**	3.9
Other mortgages	**6.3**	5.3
Other pledges	**0.2**	5.2
Total	**9.3**	14.4
Total pledged assets	**31.5**	45.2

	Group		Parent company	
Meuro	**Dec. 31, 2001**	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
Contingent liabilities				
Guarantees				
For subsidiaries			**283.9**	224.7
For associated companies	**3.2**	3.4	**3.0**	3.4
For others [1)]	**31.7**	41.6	**0.5**	0.6
Discounted bills	**7.7**	9.0	**-**	-
Pension fund liability	**0.4**	1.3	**-**	-
Other contingent liabilities [1)]	**94.6**	79.1	**30.5**	30.4
Total contingent liabilities	**137.6**	134.4	**317.9**	259.1

[1)] Guarantees for others include EUR 26.6 (37.1) 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 63.0 (48.0) million.

Leasing contracts

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

Meuro	Group	Parent company
2002	**13.6**	**0.2**
2003	**10.9**	**0.1**
2004	**9.3**	
2005	**6.8**	
2006 or later	**25.7**	
Total	**66.3**	**0.3**

21 - Derivative instruments

Meuro	Dec. 31, 2001	Dec. 31, 2000
Nominal values		
Foreign exchange forward contracts	**661.4**	1,017.0
of which closed contracts	**153.3**	336.7
Interest rate swaps	**199.1**	95.3
Interest rate forward contracts	**45.4**	50.0
of which closed contracts	**45.4**	50.0
Market values		
Foreign exchange forward contracts	**-6.4**	17.8
Interest rate swaps	**-4.1**	-3.0
Interest rate forward contracts	**0.0**	0.0
Carrying amount		
Foreign exchange forward contracts	**-6.4**	17.3
Interest rate swaps	**-1.4**	-1.3
Interest rate forward contracts	**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.

22 - Financial risk management

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. That note does not give the complete picture of Partek's risk exposure, as it does not include the underlying exposure hedged by the contracts.

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. transaction and translation exposure.

The Group's estimated net currency flows (**transaction risk**) are about EUR 475 million in 2002. Based on the current Group structure, the transaction risk is mainly divided between two basic currencies, the Swedish crown (SEK) representing approximately 61 percent and the Euro representing approximately 36 percent of the total net currency flows. The biggest exposure is generated from the two currency combinations EUR against SEK (27%) and USD against SEK (25%), accounting for approx. 52 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 SEK (25%), EUR (15%) and Brazilian real BRL (2%).

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 7 to 9 months on average. At year-end approximately 67 percent of the estimated net currency flows for the following year was hedged.

The translation exposure arises from net assets abroad, i.e. net equity in foreign subsidiaries. A change in the equity hedging principles took place during the last quarter of 2001. The Group will not hedge the translation exposure in the future. The only exception being net equity denominated in USD. Formerly the translation exposure was fully hedged as a general rule, except for currencies where the hedging costs were deemed to be too high because of non-functioning markets and/or a too large interest-rate difference. For the USD a change in principles will be considered at a time which is deemed to be more favourable than the present situation.

At end-2001 the net equity of the foreign subsidiaries outside the Euro-area amounted to EUR 333 (328) million. Of the total net equity in foreign subsidiaries 35% was denominated in USD, 34% in SEK, 16% in BRL and 15% in other currencies. Approximately 34 (75) percent of the total net equity abroad was hedged, all of which was USD-denominated.

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 interest rate derivative contracts at the end of 2001 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.

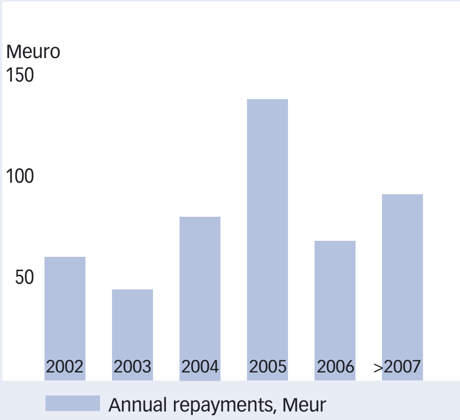
Interest-bearing debt, excluding convertible capital loans, which are accounted for as equity, amounted to EUR 802 (885) million at year-end. The percentage of short-term interest-bearing debts including repayments on loans within one year was 47 (52) percent. Long-term committed credit facilities have not been considered as long-term debt in the calculation. Note 16 shows long-term interest-bearing debts on a currency-by-currency basis and repayments in future years. During 2002, total debts of EUR 61 million will fall due. To reach the target for the funding risk the Group closed a new five-year syndicated loan transaction (Multicurrency Revolving Credit) of USD 190 million and raised other long-term funding of EUR 61 million. Interest-bearing net debts excluding convertible capital loans decreased during the year by EUR 72 million to EUR 678 (750) million. The total amount of outstanding capital loans at year-end was EUR 182 million.

The liquid assets amounted to EUR 80 (64) million at year-end and the unused credit facilities totalled EUR 307 (261) million. In addition, 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.

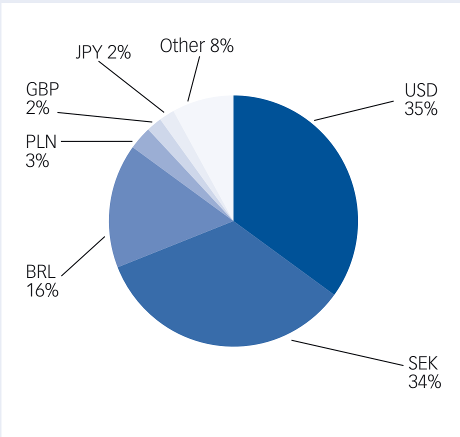
Counterparty risks

Only counterparties with high creditworthiness are accepted when investing liquid assets. Derivative contracts are made only with leading banks and credit institutions. No credit losses related to counterparty risks have been recorded.

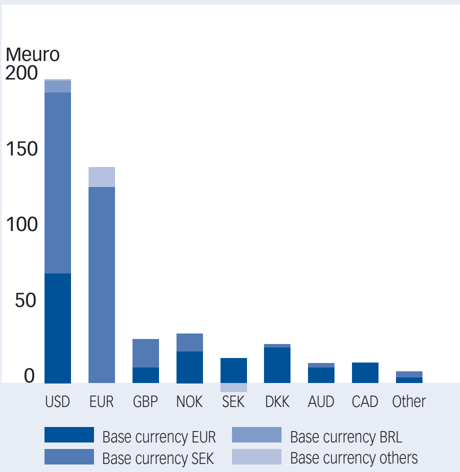
LONG-TERM INTEREST-BEARING DEBT MATURITY DISTRIBUTION



NET EQUITY IN FOREIGN SUBSIDIARIES, 31.12.2001, MEUR 333



ESTIMATED NET CURRENCY FLOWS DURING 2002, MEUR 475



Partek as an *investment*

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

At the end of 2001 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 31.5 million and the maximum EUR 126 million. 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 a maximum of 7,958,754 shares. No conversions of the equity related instruments were made during the year.

Market capitalisation

The weighted average price for Partek's share was EUR 8.96 on the last trading day in 2001, which is 28 percent below the price at the end of 2000. During 2001 the HEX all-share index dropped 32 percent, the HEX portfolio index lost 22 percent and the metal and engineering industry index rose 10 percent. The highest price for Partek's shares during the year was EUR 13.65 and the lowest was EUR 8.00. The taxable value per share for 2001 is EUR 6.30 (2000: EUR 8.83).

Partek's market capitalisation at the end of 2001 was EUR 444 million.

In 2001, 3.6 million Partek shares were traded. The average daily turnover was 14,300 (19,000) shares. The velocity of the Partek share, i.e. the number of shares traded relative to the number of shares outstanding was 7.3 percent. The total value of shares traded was EUR 37.3 million.

Convertible subordinated bond

In 1994 the company issued a convertible subordinated bond with a nominal value of EUR 28.2 million. The bond is in the nature of a capital loan. The loan has no maturity date and is not endorsed 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. The company has the right to pay back the loan at its nominal value starting June 1, 2004 if the preconditions for an early repayment are fulfilled.

The bonds can be converted into Partek shares. The issue-adjusted conversion price of the bonds is EUR 13.41 per share. The bonds can be converted into shares each year between January 2 and November 30. By December 31, 2001 a total of EUR 13,443 of the loan had been converted into 1,002 shares, which has raised the share capital by EUR 1,683. The convertible bonds are quoted on HEX. The last price for the loan in 2001 was 108 percent.

Convertible capital loan

In January 1999 Partek issued a EUR 54 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 instalment on May 31, 2004, provided that the repayment conditions are met.

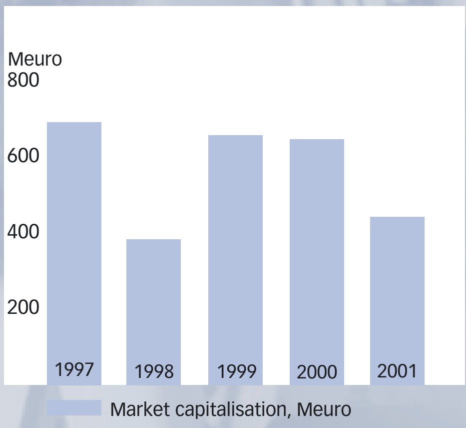
The loan can be converted into Partek shares at the price of EUR 11.77 per share, and this can increase the number of shares by a maximum of 4.6 million. The loan can be converted into shares each year between January 2 and November 30, during the conversion period, which is June 1, 1999 to May 31, 2004. By the end of December 2001 a total of EUR 53,803 of the loan had been converted into 4,570 shares, which has raised the share capital by EUR 8,226. The loan was traded at 101 percent at the end of 2001.

Management options

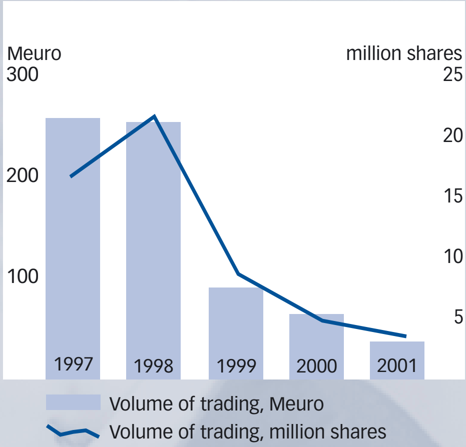
In 1997, 1.26 million option rights were issued. The option programme covers almost 100 people in Partek. Each option right gives the right to subscribe to one share and the amount of Partek shares can increase by up to 1.26 million through subscriptions.

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

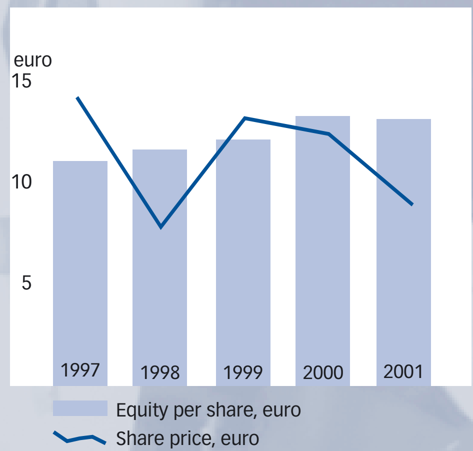
MARKET CAPITALISATION



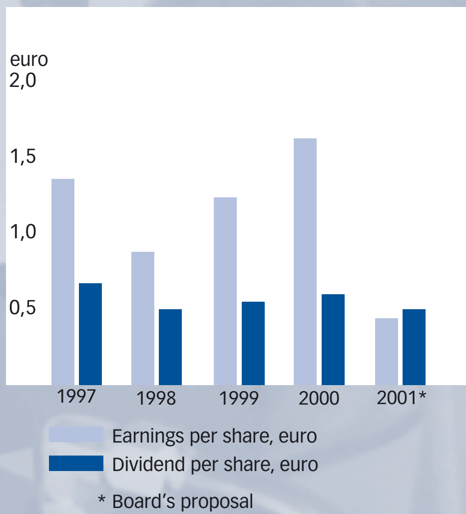
VOLUME OF SHARES TRADED



EQUITY AND SHARE PRICE



EARNINGS AND DIVIDEND



Share key ratios		**2001**	2000	1999	1998	1997
Earnings per share (EPS)	euro	**0.44**	1.63	1.24	0.88	1.36
Equity per share	euro	**13.21**	13.35	12.18	11.70	11.12
Dividend per share	euro	**0.50** 1)	0.60	0.55	0.50	0.67
Total dividend	Meuro	**24.4** 1)	29.3	26.8	24.6	32.6
Dividend/Earnings	%	**113.4**	36.7	44.4	57.1	49.5
Effective dividend yield	%	**5.5**	4.5	4.2	6.4	4.7
Price/Earnings (P/E)		**20.7**	8.1	10.7	8.9	10.5
Number of shares						
at the end of the year	1,000's	**48,821**	48,821	48,817	48,817	48,500
average	1,000's	**48,821**	48,820	48,817	48,679	45,432

Partek shares on the Helsinki Stock Exchange						
Nominal value	euro	**1.80**	1.80	1.80	1.68	1.68
Adjusted share price						
at the end of the year	euro	**8.96**	12.47	13.25	7.87	14.29
Average share price during the year	euro	**10.48**	13.18	10.43	11.75	15.47
highest	euro	**13.65**	14.70	13.50	17.16	19.01
lowest	euro	**8.00**	11.70	7.00	6.53	11.77
Turnover	Meuro	**37.3**	64.6	90.7	254.8	258.7
Trading volume	1,000's	**3,556**	4,853	8,700	21,693	16,720
Velocity	%	**7.3**	10.0	17.8	44.6	36.8
Market capitalisation						
at the end of the year	Meuro	**444.3**	649.3	659.0	384.3	693.3

1) Proposal by the Board of Directors

In order to be able to give option rights to new people 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 it will start 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 per share for the series A option rights and EUR 23.55 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 2001 the subscription price is EUR 17.85 for A option rights and EUR 21.22 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 29, 2001 authorised the Board for one year after the closing of the AGM, using distributable funds, to purchase and surrender a maximum of 2,441,059 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 13, 2002 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 the end of 2001 Partek's shareholders numbered 11,244. Almost four out of five shareholders hold fewer than 1,000 shares. The ten largest shareholder groupings own 64 percent of the shares. Private individuals own 16 percent of the shares. Foreign investors hold some 4 percent of the shares. Nominee-registered holdings entitle foreign owners only to 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, 2001 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, 2000: 35,812) 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 entitling them to subscribe to a total of 320,000 shares. This is the equivalent of 0.7 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 & CEO and auditors. Insiders by definition are the Senior Executive Vice Presidents, Business Area Presidents, the Senior Vice Presidents of

Largest shareholders, December 31, 2001	No.	No. total	% [1]
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 Capital Oy		4,126,039	8.5
If P&C Holding Ltd.			
If P&C Insurance Company Ltd.	1,628,029		
If Industrial Insurance Ltd.	842,611	2,470,640	5.1
Svenska litteratursällskapet i Finland		1,956,600	4.0
Varma-Sampo Mutual Pension Insurance Company		1,209,590	2.5
Odin Norden Mutual Fond		720,900	1.5
Ilmarinen Mutual Pension Insurance Company		668,122	1.4
Sampo Group			
Sampo Life Insurance Company Ltd	497,200		
Kaleva Mutual Insurance Company	48,442	545,642	1.1
Federation of Finnish Metal Engineering and Electrotechnical Industries MET		450,850	0.9
Total		**31,190,039**	**63.9**

1) Percentage of total number of shares and voting rights

Distribution of shares, December 31,2001

By size of holding

Shares/holder	Shareholders		Shares	
	No	**%**	**No**	**% [1]**
1 - 1 000	8,876	78.9	2,774,578	5.7
1 001 - 5 000	1,906	17.0	4,122,068	8.4
5 001 - 10 000	234	2.1	1,679,854	3.4
10 001 - 50 000	173	1.5	3,711,887	7.6
50 001 -	55	0.5	36,508,899	74.8
Shares not tranferred to the book-entry system			23,895	0.1
Total	**11,164**	**100.0**	**48,821,181**	**100.0**

1) Percentage of total number of shares and voting rights

	2001	**2000**
By shareholdergroup	**%**	**%**
Companies	13.4	12.4
Financial and insurance institutions	9.8	10.4
Public sector entities	36.5	37.2
Non-profit organisations	20.4	20.4
Households/private individuals	15.9	15.3
Foreign shareholders and nominee registered	4.0	4.3
Total	**100.0**	**100.00**

Corporate Control, Treasury, Communications & Investor Relations and General Counsel. The holdings of the secretary to the CEO and of other secretaries to insiders employed by Partek are monitored internally. Insider lists are drawn up covering people involved in projects relating to acquisitions or other measures that can have an impact on the share price. The Company's General Counsel is responsible for monitoring that the insider directives and the notification obligations are followed.

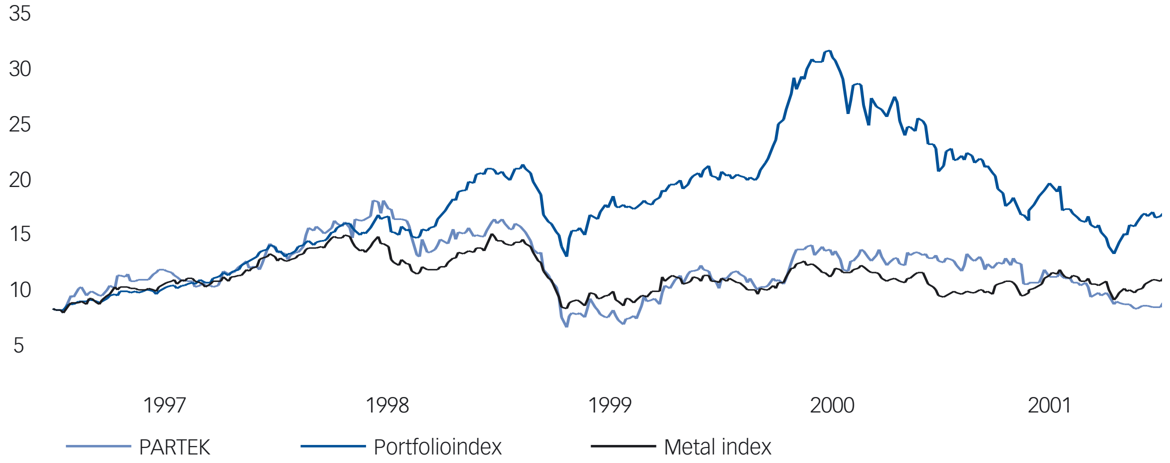
According to the Principles of Partek, insiders' investments in Partek shares are to be of a long-term nature. No trading in Partek shares is allowed within 14 days of the release of Interim Reports and annual accounts. All trading should be done when the capital market's information on factors affecting Partek's share price are as complete as possible, for example directly following the publication of results or acquisitions. Insiders should always consult the Company's General Counsel before trading in Partek shares.

Investor relations

Partek wants to offer both domestic and 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 aim 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.

SHARE PRICE DEVELOPMENT, EURO/SHARE



Increases in share capital since 1995

Type of issue	Subscription period	Subscription ratio	Price/share, euro	Number of 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
	Change	Total	%	Change	Total	%	euro
Situation Dec. 31, 2001		87,878 ,25.80			48,821,181		13.21
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	19.54
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		12.81

Five-year review

		2001	2000	1999	1998	1997
Income Statement						
Net sales	Meuro	**2,740**	2,543	2,153	2,277	1,807
change	%	**7.7**	18.1	-5.4	26.0	74.4
foreign sales	%	**81.5**	81.8	76.9	76.7	75.0
Operating profit	Meuro	**90**	161	123	114	122
operating margin	%	**3.3**	6.3	5.7	5.0	6.8
Profit after financial items	Meuro	**42**	130	98	78	96
% of net sales	%	**1.5**	5.1	4.6	3.4	5.3
Profit before taxes	Meuro	**42**	130	98	109	93
% of net sales	%	**1.5**	5.1	4.6	4.8	5.2
Net profit for the period	Meuro	**21**	80	60	74	59
Balance Sheet	Meuro					
Fixed assets and other l-t investments		**1,123**	1,154	814	801	773
Inventories		**471**	460	349	367	379
Other current assets		**582**	645	522	524	523
Shareholders´equity		**827**	834	777	599	567
Minority interests		**14**	14	56	63	74
Provisions		**28**	30	18	35	41
Interest-bearing liabilities		**802**	885	471	602	566
Non interest-bearing liabilities		**505**	496	363	394	426
Balance sheet total		**2,176**	2,259	1,685	1,693	1,675
Financial ratios						
Gross capital expenditure	Meuro	**96**	581	159	144	380
% of net sales	%	**3.5**	22.8	7.4	6.3	21.0
Depreciation	Meuro	**100**	88	76	77	68
Research and development costs	Meuro	**48**	43	39	39	32
% of net sales	%	**1.7**	1.7	1.8	1.7	1.8
Capital employed	Meuro	**1,643**	1,733	1,304	1,264	1,208
Interest-bearing net debt	Meuro	**678**	750	320	496	435
Return on capital employed	%	**6.2**	12.1	11.1	11.1	14.8
Return on equity	%	**3.7**	13.0	10.7	8.7	13.1
Gearing	%	**80.5**	88.4	38.4	74.9	67.8
Solvency ratio	%	**39.2**	37.9	49.6	39.3	38.5
Solvency ratio 2	%	**30.7**	29.8	38.8	37.6	36.8
Per employee	1000 euro					
Net sales		**209**	216	193	189	173
Value added		**54**	61	55	52	55
Personnel costs		**39**	40	37	36	36
Profit after financial items		**3**	11	9	6	9
Personnel on average						
Finland		**4,722**	4,321	4,896	5,288	4,490
Outside Finland		**8,363**	7,431	6,272	6,774	5,974
Total		**13,085**	11,752	11,168	12,062	10,464

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

Number of shares at the end of the financial year x share price at the end of the financial year

*) Shareholders' equity excluding capital loans

Board's dividend *proposal*

Proposal to the Annual General Meeting

The distributable equity of the parent company is EUR 257,106,342.69. The distributable equity of the Group is EUR 316,872,000.The number of shares entitled to dividends is 48,821,181.

The Board of Directors proposes that a dividend of EUR 0.50 per share, in total EUR 24,410,590.50 be distributed.

Pargas, February 12, 2002

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

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 31 December 2001. 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, 25 February, 2002

Solveig Törnroos-Huhtamäki
Authorized Public Accountant

Thor Nyroos
Authorized Public Accountant

Operating principles

Active corporate responsibility is part of our daily operations and management. Our operating principles derived from our corporate values provide a solid basis for the responsible management of the environment, human resources, and occupational health and safety.

Our operations are based on our corporate values. We guarantee quality, keep our promises and work together with a view to providing added value to our customers. We are open-minded and enterprising in taking overall responsibility. Our operations are based on high ethical values, whether dealing with the environment, people or products.

Sustainable development is the base for our operations

Our activities are guided by an advanced mode of operations and continuous development. Our operations are based on corporate policies and guidelines, and on our quality, environmental, occupational health and safety systems. Partek has signed the International Chamber of Commerce's Sustainable Development Charter. Implementing this charter involves taking into consideration the impact of business operations and products through their entire lifecycle and focusing on interaction with different stakeholder groups.

Continuous improvement is part of our daily operations

Creating quality, environmental and occupational health and safety systems has long been the starting point of our continuous improvement process. Measured by net sales, our quality systems account for approximately 90 percent of our production and most of our production units are covered by the ISO9001/2 quality system. Approximately 40 percent of our units have an environmental system measured by netsales, while 14 units are developing one. Also our partners and suppliers are faced with environmental, health and safety requirements. Partek's principles for activities that maintain employees' working capacity have been compiled into a common handbook for Finland.

International personnel policies

The project for future focal points in human resources carried out in late 2000 acted as a starting point for the Group's vision and value definitions. During 2001, Partek's human-resource policy was updated.

Those in charge of human resources (HR) in the business areas and the Group-level HR unit form an active co-operation network. The business areas are independently in charge of their HR development and employee training, while the Group's HR unit in co-operation with the business area HR unit is responsible for the development of key employees and young talents. Partek's international operating environment offers opportunities for versatile skill development through training, job rotation and participation in Group-level projects.

The New Talent programme aims to sharpen Partek's image as an attractive employer, co-ordinate contacts with universities and other schools as well as students. The programme also develops communication tools for recruitment.

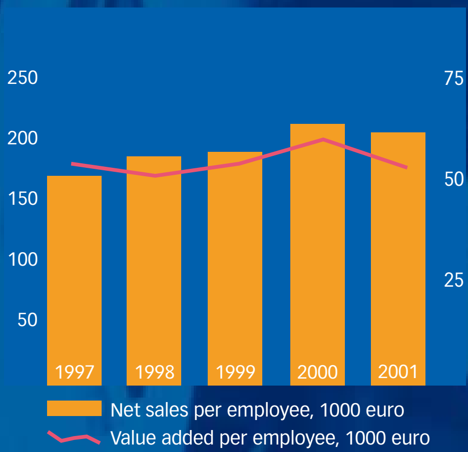
The Group-level incentive programme Partek Bonshare

Partek Bonshare, the three-year Group-level incentive scheme introduced in 2000, supplements the unit-level result-based remuneration system. The aim is to reward employees for their good performance and the results achieved, and to support their interest in Partek and its shares.

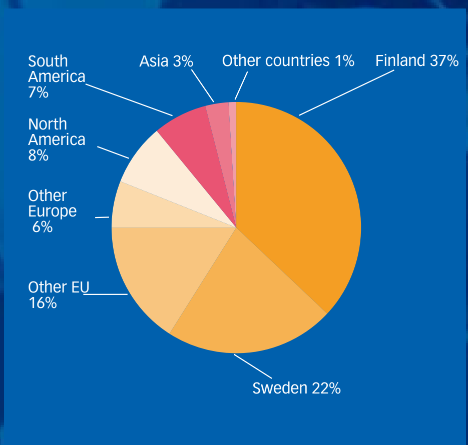
Data-collection systems and reporting principles designed for developing and unifying environmental, occupational health and safety issues cover our production units. Our business areas and Group companies prepare their internal reports.

By providing training and transferring expertise between the units, Partek systematically enhances employee skill. We are continuously looking for competitive practices from among our in-house staff and from other available best practices.

NET SALES AND VALUE ADDED PER EMPLOYEE



PERSONNEL BY MARKET, DEC. 31, 2001



PARTEK

Corporate Governance

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.

Partek has had a single share series with equal voting and dividend rights virtually throughout its over 100-year history. Each share has one vote at company shareholder meetings.

To amend the Articles of Association, two thirds of the votes and of the shares represented at two consecutive company shareholder 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, if other shareholders demand it, obliged to redeem shares and securities to which the shares entitle. The redemption price is the average volume-weighted share price on Helsinki Exchanges for a period preceding the redemption. If, however, the redeemer has paid a higher price for shares than the average price preceding the redemption, this higher price is the redemption price. The redeemer is to give a written notification to the Partek's Board of Directors within seven days after the redemption clause takes force. An amendment to the redemption clause requires three quarters of the votes and shares represented at a shareholder meeting, a higher requirement than for the amendment of other Articles of Association.

Election of the Board of Directors

Partek has an external Board, which comprises members, chosen by the annual general meeting for election, with a wide range of international industrial experience. Information about the Board members is shown on page 63 and is also available on Partek's website, www.partekcorp.com.

The Annual General Meeting (AGM) is held by the end of May following the closure of the year-end accounts. The AGM elects 6–9 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 retire 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 at an extraordinary shareholders 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 accordance with its strategic agenda, the Board confirms the company's long-term objectives and strategy, approves the budget and funding plan, in addition to the duties separately specified by law and the Articles of Association. The Board decides on the investment framework and on major individual investments, mergers and acquisitions and on strategically important R&D projects. It 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 CEO, and approves the conditions of their employment. It selects external members for the Boards of Directors of the business areas and decides on charity donations. The Board convenes regularly six to eight times a year and when necessary.

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

A salary committee selected from within the Board prepares salary and contractual matters relating to the management and management salary systems for approval by the Board. The committee also draws up the principles and policies on staff administration.

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 operational 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 consists of business areas, and every business area has its own Board of Directors. The Board of Directors of the business areas decide on fundamental business development and strategies within the framework approved by Partek's Board.

In addition to Group Management representatives, the business area Boards can include external experts, representatives of the business area's personnel and, in order to increase co-operation between business areas, Presidents of other business areas.

Management incentive scheme

The fees of Partek's Board are confirmed by the AGM. In 2001, the monthly remuneration of the chairman of the Board was FIM 18,000 (EUR 3,027), the vice chairman FIM 14,000 (EUR 2,355) and Board members FIM 11,000 (EUR 1,850). Board members received FIM 1,500 (EUR 252) for each Board meeting that they attended. Partek employees on the Boards of Directors of the Group subsidiaries are not paid separate fees. The Board confirms the salary and fringe benefits of the President and CEO (note 3). Salaries and fees for the business area and Partek Presidents and fees for business area and Partek Board members for the year 2001 amounted to EUR 13.4 million. In 2001 Partek's President and CEO received EUR 317,875 in salary, and EUR 100,913 in bonuses for 2000.

Partek 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 Partek and business area Management Teams is to further motivate them to work on a long-term basis in order to develop the value of the company. The incentive system comprises an active salary policy, an incentive salary in the form of bonuses, and an option programme.

The maximum annual bonus amounts to 2–4 months basic 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 depend on the Group results. The Business Areas' Management Team members' bonuses depend on the financial results of the Business Area and the Group.

AGM and dividend

Annual General Meeting

The Annual General Meeting of Partek Corporation will be held on Thursday April 4, 2002 at 5 p.m. at the company's Development Centre, Skräbbölevägen 16, 21600 Pargas. Shareholders whose names are registered by Monday March 25, 2002 with the Partek register kept by the Finnish Central Securities Depository Ltd. are entitled to take part in the Annual General Meeting.

All shareholder wishing to attend must notify the head office in Pargas by 4.00 p.m. on Tuesday, April 2, 2002 by telephone at +358 (0) 204 55 6056, by e-mail at agm@partek.fi, or by post to: Partek Corporation, Share register, FIN-21600 Pargas. Possible proxies must be notified at the same time.

Dividend

The Board of Directors proposes that a dividend be distributed for 2001 in the amount of EUR 0.50 per share. Shareholders, whose names are registered on April 9, 2002 with the Partek register kept by the Finnish Central Securities Depository Ltd. are entitled to a dividend.

The dividend can be withdrawn from shareholders' bank account on April 16, 2002. If a shareholder has not registered information about his/her bankers to the book-entries securities register, the dividend will be paid to the shareholder in the form of a postal order. Dividends paid as postal order 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 2001 falls within the sphere of the corporation tax avoir fiscal system. Withholding tax will be deducted from dividends paid to owners resident outside Finland.

Financial information in 2002

Partek will issue the following financial information in 2002:

13 February	Financial Result 2001
Week starting 11 March	Annual Report 2001
4 April	Annual General Meeting
30 April	Interim report for January–March
26 July	Interim report for January–June
24 October	Interim report for January–September

Partek's annual report and interim reports as well as the Group magazine Partek Today are published in English, Finnish and Swedish. The publications can be downloaded from the Partek homepage, where stock exchange releases, updated share data, and other financial information is also available. With the Alert Service on the homepage orders can be made for Partek's press releases via email.

The printed publications can be ordered via the homepage or from the following address:

Partek Corporation
Communications and IR/subscriptions
P.O. Box 61, FI-00501 Helsinki, Finland
Tel. +358 (0)204 5511, fax +358 (0)204 55 4844
Internet www.partekcorp.com
Email info@partekcorp.com

Share register

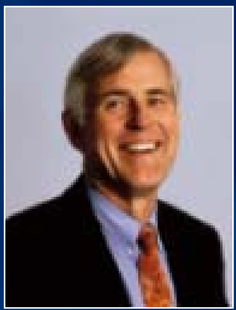
Shareholders are kindly requested to inform the book entry register holding their book entry account of any changes of name, address or share ownership.

Trading codes for Partek shares and listed Partek equity related instruments

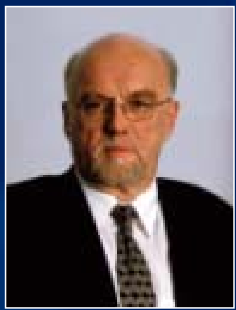
Hex Ltd., Helsinki Securities and Drevatives Exchange:
Share: PARIS
Convertible subordinated bond: PARVAIH041
Convertible capital loan: PARVO50004

Reuters: PAR1S.HE
Bloomberg: PTKH.FH

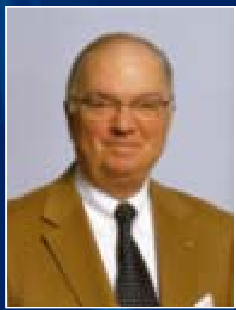
Board of Directors



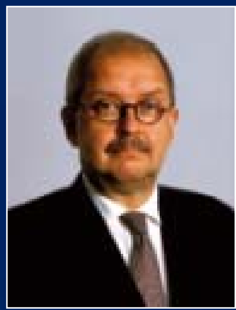
Björn Mattsson
b. 1941
Chairman
Lic. Phil., Honorary Counsellor
Chairman of the Board, Finvest Oyj, Biotie Therapies Oyj, Patria Industries Oyj
Member of the Board, Hartwall Oyj Abp
Chairman of the Supervisory Board, Alma Media Corporation
Elected to Partek´s Board 1993
Elected for the period 1999–2002
Shareholding: 1,160



Risto Virrankoski
b. 1946
Vice chairman
M.Sc. (Econ.)
Executive Vice President, Outokumpu Oyj
Member of the Board, VR Ltd, AvestaPolarit Oyj Abp
Elected to Partek´s Board 1997
Elected for the period 2000–2003
Shareholding: -



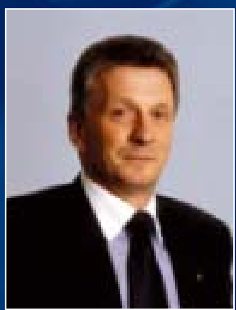
Jan Ekberg
b. 1936
Dr. (Med.) h.c.
Director
Chairman of the Board, Bong Ljungdahl AB, Christianova AB and Handelsbanken Region Södra Sverige
Member of the Board, Centrecourt AB, Nobel Biocare AB, Volvo Aero AB, Malmberg Water AB, Medhelp AB among others
Elected to Partek´s Board 1994
Elected for the period 2001–2004
Shareholding: 1



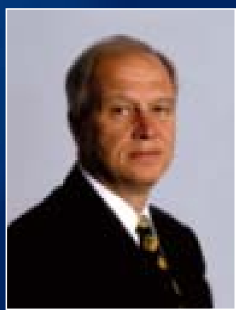
Arto Honkaniemi
b. 1946
LL.M., M.Sc. (Econ.)
Industrial Counsellor, Ministry of Trade and Industry
Member of the Board, Outokumpu Oyj
Elected to Partek´s Board 1998
Elected for the period 1999–2002
Shareholding: -

Caj-Gunnar Lindström
b. 1942
Dr. Sc. (Econ.)
Managing Director, the Foundation of Åbo Akademi
Chairman of the Board, Pension Insurance Company Veritas, Reinsurance Company Veritas
Member of the Board, Aktia Savings Bank plc, Life Insurance Company Veritas among others.
Elected to Partek´s Board 1997
Elected for the period 2001–2004
Shareholding: -

Paavo Pitkänen
b. 1942
M.Sc. (Phil.)
President and CEO, Varma-Sampo Mutual Pension Insurance Company
Member of the Board, Stora Enso Oyj, Wärtsilä Corporation, Sampo plc among others
Elected to Partek´s Board 1994
Elected for the period 2001–2004
Shareholding: -



Sakari Tamminen
b. 1953
M.Sc. (Econ.)
Executive Vice President, Metso Corporation
Member of the Supervisory Board, Insurance Company Henki-Sampo
Elected to Partek's Board 2000
Elected for the period 2000–2003
Shareholding: 200



Juha Toivola
b. 1947
M.Sc. (Phil.)
Member of the Board, Elcoteq Network Corporation, Fiskars Corporation among others
Chairman of the Supervisory Board of Radiolinja Oy Ab
Elected to Partek´s Board 1996
Elected for the period 2000–2003
Shareholding: 1,000

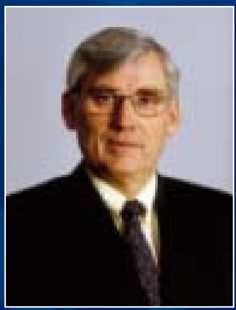
Christoffer Taxell
b. 1948
LL.M.
President and CEO, Partek Corporation
Member of the Board, Wärtsilä Corporation, Stockmann plc, Sampo plc
Chairman of the Board, TT – The Confederation for Finnish Industry and Employers
Elected to Partek´s Board 1984
Elected for the period 1999–2002
Shareholding: 8,320

PARTEK

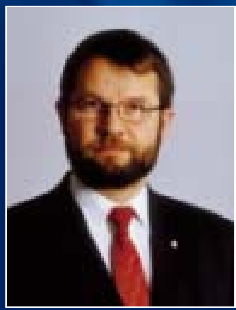
Group management

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

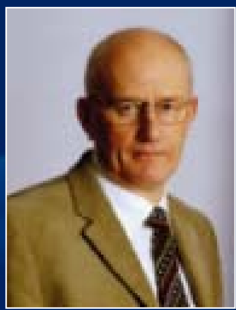


Kari Heinistö
b. 1958
M.Sc. (Econ.)
Senior Executive Vice President
Employed by Partek since 1983
Shareholding: 3,004
Options: 30,000

Business Area Presidents

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

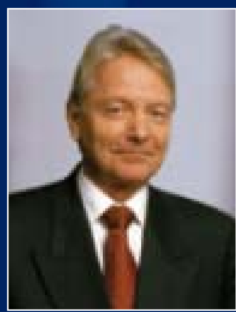
Olof Elenius
b. 1951
M.Sc. (Econ.)
President, Partek Cargotec Oy Ab
Employed at Partek since 1983
Shareholding: 1,145
Options: 20,000



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

Ilkka Hakala
b. 1955
Lic.Sc. (Eng.)
President, Valtra Inc.
Employed at Valtra since 2002
Shareholding: - -
Options: 20,000

Nordkalk



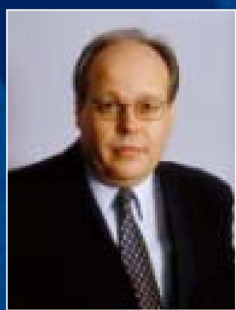
Christer Sundström
b. 1943
M. Sc. (Chem.)
President, Nordkalk Corporation
Employed at Partek since 1974
Shareholding: 1,750
Options: 20,000

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



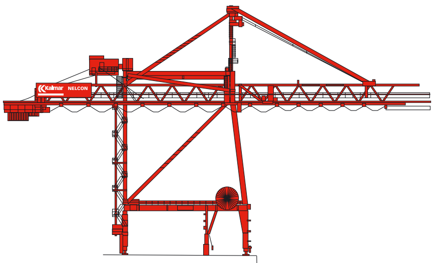
Olav Uppgård
b. 1955
M.Sc. (Econ.)
Senior Vice President, Treasury
Employed by Partek since 1984
Shareholding: 955
Options: 20,000

Mascus

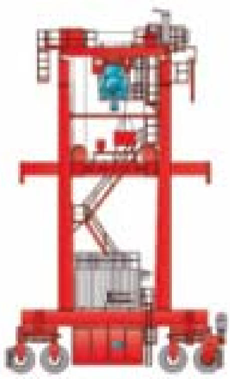
Kaisa Vikkula
b. 1960
Dr.Sc. (Econ.)
Managing Director, Mascus Oy Ab
Employed by Partek since 1995
Shareholding: 7,521
Options: 20,000

Group Administration

Lauri Hakkala, Information Technology **Harri Hytönen,** Purchasing **Antti Koivupalo,** Risk Management **Liisa Sihvo,** Human Resources



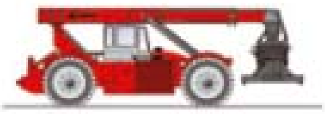
Ship-to-Shore Crane



RTG Crane

Straddle Carrier

Reachstacker



Rough Terrain
Container Handler

Terminal Tractor

Forklift

Loader Crane,
Demountable System

Tail Lift

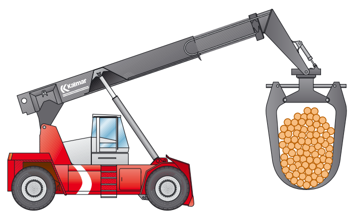
Truck-mounted
Forklift

Harvester

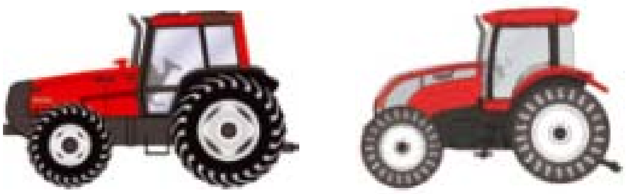
Forwarder

Tracked Forest Machine

Timber Truck and Timber Crane



Log Stacker



Tractor

Forest Tractor

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Internet: www.valtra.com