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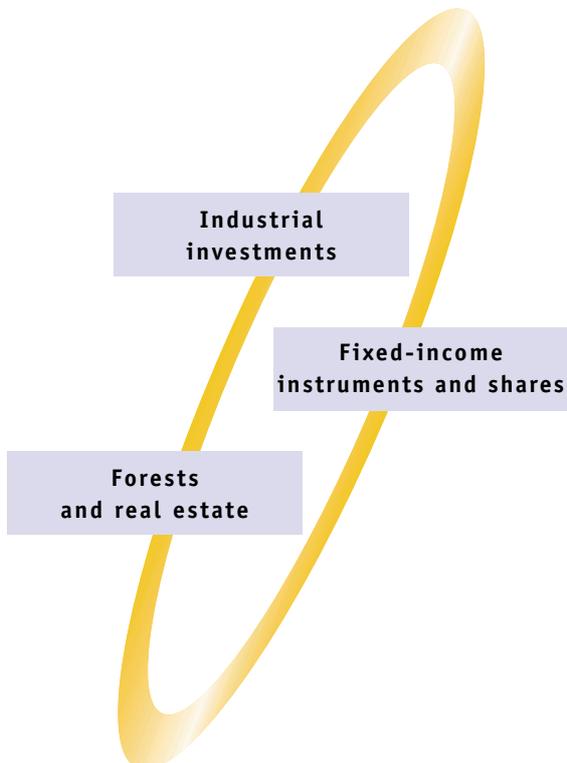


**AHLSTRÖM CAPITAL**

Ahlström Capital is a private investment company, which focuses on active direct equity investments. It also makes placements in fixed-income and equity instruments to balance the risks. The company's goal is to provide its shareholders with returns that outperform the public stock market at controlled levels of risk.

## **With strong traditions towards a rewarding future**

Ahlström Capital's investment portfolio amounts to approximately MEUR 200. The company's start-up capital consists of industrial shareholdings, real estate, forest land and cash, which transferred to Ahlström Capital in the demerger of A. Ahlstrom Corporation. The company's solid industrial experience, its strong traditions and its stable financial position afford its shareholders the opportunity for carefully balanced investments.





## Profit through renewal



Ahlström Capital was founded to continue Ahlström's successful industrial and investment business in a way that is based not only on strong traditions but also on solid industrial experience and new, jointly defined goals. The company's business has been guided by the desire of our shareholders to adjust and improve the investment portfolio with the aim of achieving a diversified asset mix targeted in particular at growing sectors of industry. By actively upgrading and diversifying the company's investments, we aim for higher returns at carefully managed levels of risk and thus to enhance the value of the company.

Since starting up in July, we have developed our portfolio and both made new investments and relinquished some of our existing holdings. We have also deployed effort in the corporate governance model demanded for investment business and asset management and we have worked on establishing the procedures and resources required for the company's operations.

### **A challenging year on the investment market**

In 2001 the business environment for the company took a worse turn than had been forecast. The background to this was the continuing uncertainty over the global economy in particular, and this made itself felt in a distinct downturn in companies' willingness to invest, combined with a slowdown in the corporate decision-making process, especially in high-technology industries. Consumer demand also tailed off in spite of the fact that many countries' central banks lowered interest rates on several occasions in an effort to boost the economy. On the company level, this led to weaker demand and declining cash flows. The tragic events of September 2001 in the USA also held back recovery in the marketplace.

The changes in the business climate also impacted on Ahlström Capital's investments, complicating the development of the company's industrial holdings. We reviewed dozens of prospects in 2001, but only a few met our criteria for new investments.

Losses incurred by Å&R Carton exerted a particularly strong drag on our financial result for 2001, but the order backlog and finances of Ahltronix also took a worse turn than was anticipated. The returns from our other investments met their targets, but the Ahlström Capital Group posted a net loss for the 2001 accounting period.

### **Realigning the course in investment policy**

We operate in the marketplace both as an active equity investor and as an institutional investor engaged in more traditional asset management. Our mode of operation offers our shareholders an opportunity for the kind of balanced and diversified investment, which in this form is not usually available to private individuals.

In addition to our approach favouring active equity investment, we channelled some of our investments towards the securities market, mainly to interest-bearing securities. The composition of our portfolio, containing lower-risk assets such as forests, real estate and now also interest-bearing securities in addition to industrial holdings, has performed to our advantage in the prevailing market conditions. A diversified portfolio balances the risks.

### **More direct investments**

In spite of the turbulent conditions of the business environment, our company has developed in the direction desired by our shareholders during the year under review.

Our goal for 2002 is above all to raise the number of direct investments, because we can achieve higher returns only by increasing the proportion of active investments, where we can participate in the value creation. To balance the risk we will continue to keep a part of our portfolio in interest-bearing securities. As the global economy recovers we will increase the proportion of our investments in shares. The restructuring and rehabilitation efforts, already initiated in Å&R Carton and Ahltronix, will continue. We expect to post a net profit for Ahlström Capital in 2002.

The global economy already shows signs of recovery. On the threshold of the economic recovery, there will be opportunities for an investor like Ahlström Capital to make new investments that have good prospects for growth and profit. We will put a lot of effort in recognizing and seizing these opportunities.

I would like to express my sincere thanks for the support and trust we have received in the past year.



Jan Inbarr  
President and CEO



## The goal is long-term growth of value



The company's goal is to provide its shareholders with better than average earnings at a balanced risk level. The long-term aim is to exceed the returns of the public stock markets.

To achieve its aims, Ahlström Capital actively develops and renews its existing investment portfolio, which is valued at almost MEUR 200. The company focuses on direct equity investments with high growth prospects to achieve its targeted level of returns. The allocation of direct investments to several different industries promotes a sufficient spread of risks.

Placements in fixed-income instruments and shares are expected to provide a steady growth of the value of the assets and a liquid basis for the development of the company's investment business. In accordance with its strategy, the company keeps under the prevailing market conditions part of its funds in interest-bearing securities to control the risks.

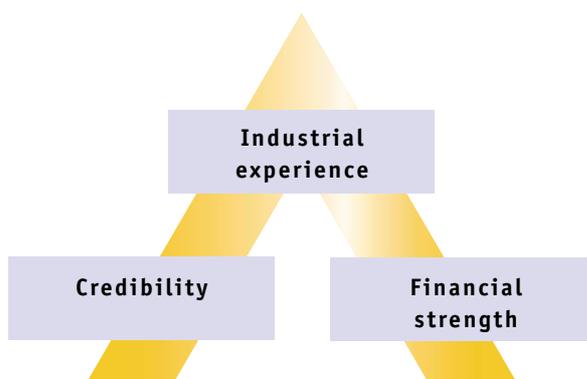
### **Strength through entrepreneurial traditions**

Ahlström Capital's strengths provide an excellent basis for making investments with good returns and for constantly enhancing shareholder value.

The company's ability to make far-reaching, attractive investments is based on the solid industrial experience of its owners and personnel and on their network of contacts, extending from the industrial sector to the financial market. These allow Ahlström Capital to identify and appraise potential investment opportunities and to develop the portfolio.

The company's financial strength is based on its initial capital, which transferred to Ahlström Capital when the company was established. This substantial capital makes it possible to make new long-term investments on a large scale and to develop existing holdings. It also enables us to obtain competitive terms and conditions on the securities markets.

Industrial experience, credibility and financial strength, combined with Ahlström's long entrepreneurial heritage, constitute a solid foundation for developing the company.





## Diversified investing



Ahlström Capital's investment strategy is founded on sufficient diversification and the creation of a balanced risk profile. The company operates not only as an equity investor participating actively in the operations of its direct industrial investments but also as an institutional investor engaged in more traditional asset management.

### **Active in several sectors**

In the private equity market, Ahlström Capital concentrates on mostly unlisted companies with established operations and good growth potential. In accordance with its strategy, Ahlström Capital makes direct equity investments in a variety of business sectors. At present the fields of industry are the electrical and electronics industry, packaging, forestry and real estate. In the long run, Ahlström Capital's objective is to focus on 3–5 clusters to build up industry-specific expertise, which can be exploited in many ways in developing target companies and boosting their value.

When appraising and selecting direct investment prospects, Ahlström Capital emphasises the growth potential of the business sector, the track record and the strategic position of the prospective target company as well as the competence of its management. The possibility to exit, when the time is ripe, is also important.

In order to diversify adequately and manage the risk-return ratio, Ahlström Capital strictly limits the size of the direct investment in any one company. Accordingly, the company may also hold a minority interest in the target company and cooperate with other investors.

### Value added through development

As an equity investor, Ahlström Capital aims to enhance the value of the target company by contributing actively to its development. The company representatives participate in the prospect's strategic work, supporting its management and making available their extensive network of contacts. In addition, Ahlström Capital's broad industrial experience is made available to the target company, along with expertise and the credibility derived from its strong entrepreneurial traditions, as well as its strong financial resources.

Ahlström Capital expects a return from its active holdings exceeding earnings from the public stock market. The profit from the investment is realised at the exit, often only years later; for example, through a trade sale or an initial public offering. The exit will often take place at a stage at which the company's participation will no longer contribute significant added value to the prospect.

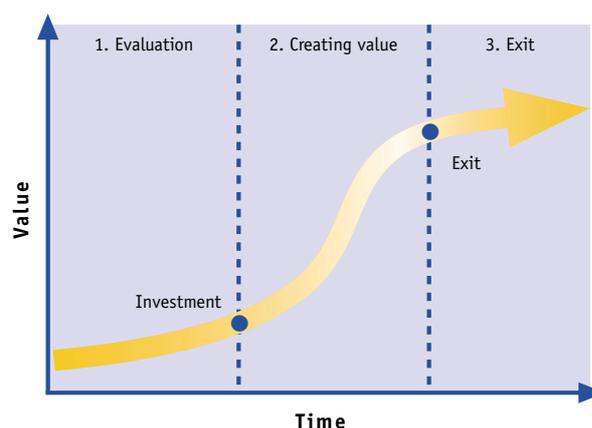
### Professional asset management

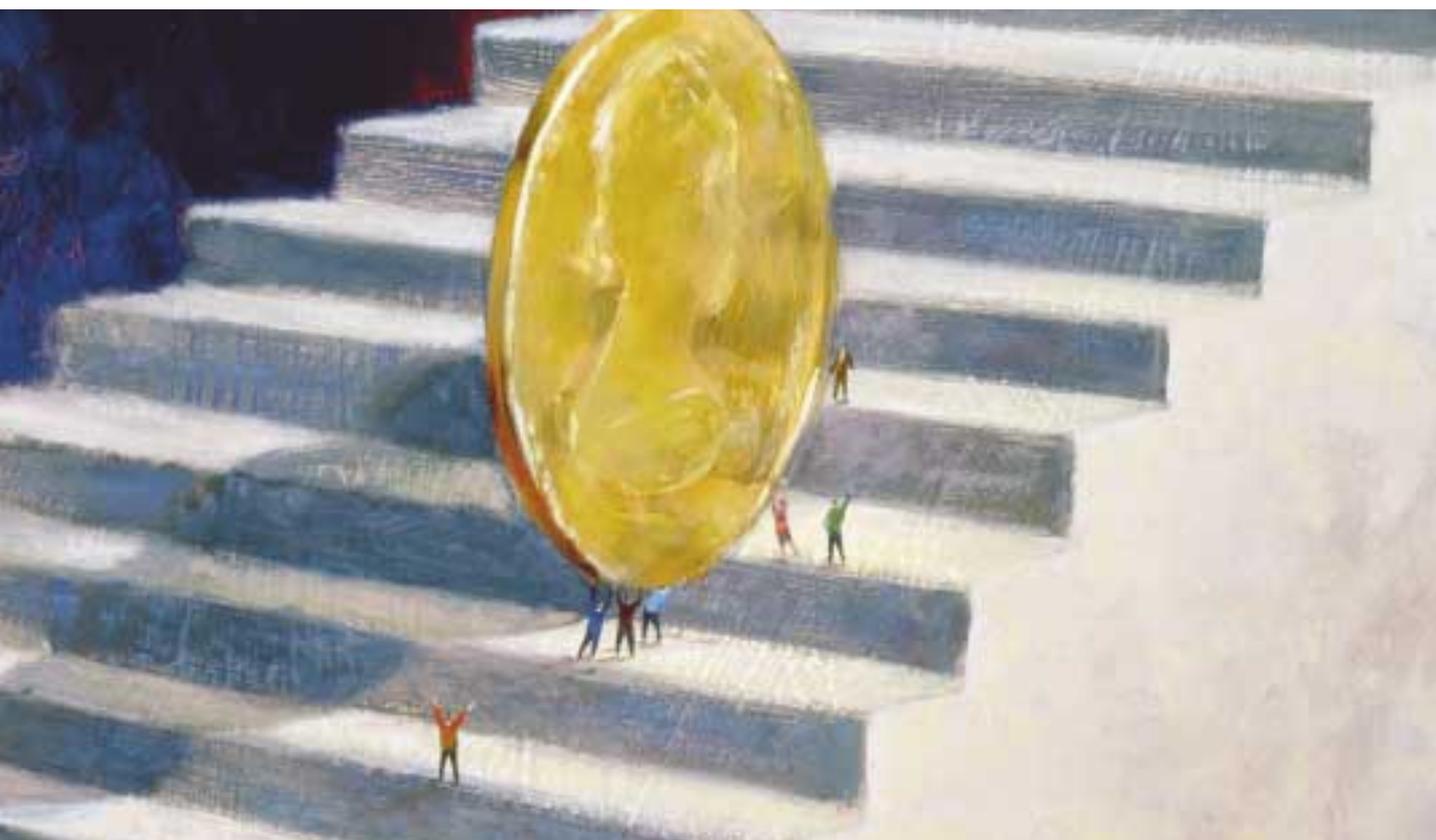
Ahlström Capital's professionally managed investments in fixed-income instruments serve as a steady source of income. The purpose of these investments is to secure the company's cash flow and to support the attainment of the chosen rate of return. To some extent, Ahlström Capital also intends to invest in shares.

Ahlström Capital's status in the securities markets is that of an institutional investor. The management of the company's investments in fixed-income instruments and shares is outsourced to professional asset managers. In selecting these, strong emphasis is put on cost competitiveness. This passive form of investment is expected to yield returns that follow the general economic and stock market trends. Using asset managers enables the company to achieve sufficient diversification of its investments with a small in-house team.

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The private equity life cycle





## Active development of the investment portfolio



### **Successful start of the development work**

The cornerstone of Ahlström Capital's portfolio is the assets, valued at approximately MEUR 200, that transferred to the company. These are comprised of industrial holdings including an interest in Å&R Carton AB and Ahltronix (former Ahlstrom Electronics Group), the commercial property on Eteläesplanadi in Helsinki, forest land, and liquid assets.

The changes that took place in the asset mix during the accounting period were related to the company's forest holdings and its direct investments. Ahlström Capital made a contract for the sale of significant tracts of forest land, and at the end of 2001 acquired an 8% interest in Vacon Plc.

### **Direct investments**

Ahlström Capital's direct industrial investments are Å&R Carton and Ahltronix as well as the investment made in Vacon Plc. In addition, the company owns the German marketing company Paul Lippke Handels-GmbH.

The exit from Andritz–Ahlstrom took place before Ahlström Capital went into business, on 29 June 2001, when A. Ahlstrom Corporation sold its 50% holding in the company to the Austrian company Andritz AG. The liquid assets freed up by the transaction transferred to Ahlström Capital.

**Liquid assets generating steady earnings**

The roughly MEUR 50 in liquid assets held by Ahlström Capital are mostly invested in short-term interest-bearing securities. Ahlström Capital’s liquid assets balance the risks of the investment portfolio and permit a rapid response to new investment opportunities.

**Reprofiling through the divestment of forests**

When it went into business, Ahlström Capital held a total of roughly 21,000 hectares of forest land in Finland. In accordance with its investment strategy, however, the company has set itself the goal of divesting its forest holdings when the market is favourable and reinvesting the assets in developing other business.

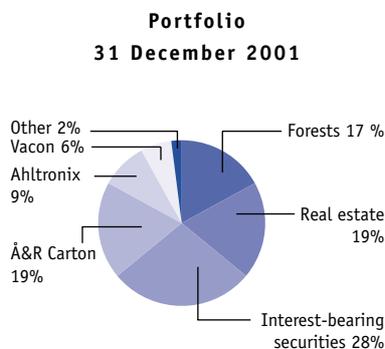
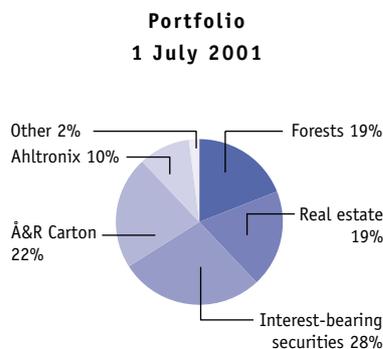
At the end of 2001 the company sold off tracts of forest amounting to approximately 1,700 hectares and made a contract for the sale of 13,700 hectares during 2002–2004. After these arrangements, the company will still hold about 5,000 hectares of forest land.

**Real estate bringing in a stable rental income**

Ahlström Capital’s assets include two office buildings. In Helsinki, the company owns a recently renovated commercial and office building at Eteläesplanadi 14, some 11,000 square metres of which have been leased out, mainly on long-term leases.

The company also has an office building in Varkaus, which has been rented out on a long-term lease.

Although demand for office facilities even in the best city-centre business locations has shown slight signs of slowing down in the past year, no major changes are expected over the next few years in the rental situation for the commercial and office facilities owned by Ahlström Capital.





### **Å&R Carton – a leading producer of packaging**

Å&R Carton supplies cardboard packaging and its main customers are leading international companies in the food and tobacco industries. Ahlström Capital's stake is approximately 44% of the company. The other major owner of Å&R Carton is CapMan Capital Management Ltd, Finland's leading private equity firm, which holds an equal stake. Cooperation with another private equity investor gives Ahlström Capital the opportunity for strong development of the investment target.

The trend in the business environment for Å&R Carton in 2001 was less favourable than expected. Overall consumer demand slowed markedly, making it felt in the carton packaging industry in the form of oversupply and escalating price competition. Output volumes declined and costs had to be cut. Partly as a result of this trend, Å&R Carton carried out far-reaching operational and structural reorganisations during 2001.

Due to the weaker market than forecast, Å&R Carton's profitability was poor. The company's net sales were MEUR 335 and it posted a net loss. The initiated restructuring and rehabilitation efforts will continue in 2002.



### **Ahltronix developing and internationalising**

Ahlström Capital owns the Ahltronix Group, which consists of three manufacturing units. Ahltronix is a contract manufacturer for the electronics industry, which makes circuit boards individually tailored to the customer's needs. Its customers are fast-growing companies that operate internationally.

The Ahltronix Group's net sales in 2001 were MEUR 30, up by approximately 40% on 2000. The financial performance was an improvement on the previous year although the company still posted a net loss.

The major investment in 2001 was an acquisition in March whereby Ahltronix Oy acquired the entire stock of Ahltronix Eesti AS (formerly AS Finesat RF) in Estonia. The purpose of the acquisition is to add flexibility and cost-effectiveness by harnessing the Estonian company's competitive manufacturing capacity.

In 2001 electronics contract manufacturing was negatively affected by the customers delaying their new investments and postponing their buying decisions as a result of the overall recession. For Ahltronix this tendency meant a downturn in production volumes below the previously planned level.

Despite the sluggish trend in the market during the past accounting period, the electronics industry is expected to grow rapidly in the next few years. The accelerating tendency of the electronics industry to outsource is expected to fuel demand for the services of contract manufacturers like Ahltronix.

### **Vacon growing profitably**

Ahlström Capital is one of the largest single owners of the publicly traded Vacon Plc, holding an 8% interest.

Vacon, located in Vaasa, develops, manufactures and markets power electronics devices for the needs of industry and utilities worldwide. Vacon's global market share for frequency converters is currently in the order of two per cent and it is well positioned to continue expanding its market share. Vacon is the technology leader for customer- and application-specific frequency converters.

In 2001 Vacon continued its profitable growth. The company made a strong effort in developing new products and in upgrading its sales network. Vacon's net sales expanded to MEUR 90.5, up by 39.5% on the previous year. The company's net profit was MEUR 6.8.



*Ahlström Capital increased its direct investments by acquiring in December an 8% interest in Vacon, a company specialised in designing and manufacturing frequency converters.*

### **Paul Lippke Handels operating in Europe**

Paul Lippke Handels-GmbH of Germany is a wholly owned subsidiary of Ahlström Capital. The company markets laboratory test systems and acts as retailer and agent, in particular for the plastic, food packaging, and pharmaceutical industries. Its prime market is Germany and other European countries.

Paul Lippke Handels's net sales in 2001 were MEUR 5.5 and the result was good.

Ahlström Capital continues to support the steady and profitable growth of the company.



### **Starting up the business**

Ahlström Capital Oy was entered in the Trade Register on 30 June 2001 and the company's operations began on 1 July 2001. The company was established as a result of the split of A. Ahlstrom Corporation into three companies: Ahlstrom Corporation, Ahlström Capital Oy and the new A. Ahlström Osakeyhtiö.

In the demerger, Ahlström Capital received from the old A. Ahlstrom Corporation by legal succession shareholders' equity amounting to approximately MEUR 174 and liabilities of roughly MEUR 20. Of these, about MEUR 4.9 were interest-bearing.

The net assets transferred to the company were the equivalent of roughly 18% of the old Ahlstrom Group's shareholders' equity and consisted mainly of forest land, a building on Esplanadi in Helsinki, industrial holdings including the Ahlstrom Electronics Group and an interest in Å&R Carton AB, plus liquid assets.

### **Ahlström Capital's mission and purpose**

Ahlström Capital Oy was founded to carry on Ahlstrom's long tradition of entrepreneurship. The purpose of the company is to provide its shareholders with the opportunity to continue investment in new sectors of business in a professional and balanced way, through a jointly owned company.

The objective set for Ahlström Capital is to expand the shareholders' wealth. This is to be attained by refining and diversifying the company's investment portfolio in pursuit of high return at the chosen level of risk.

The business, which started during the past financial year, concentrated initially on creating the procedures, routines and resources that are fundamental for successful investment business and asset management. The company's investment strategy that was prepared during the financial year is premised on active investment management and an adequate diversification of investments to reach a balanced risk profile.

### **The business climate and its impact**

Uncertainty over the global economy began to make itself felt in the second half of 2000. Towards the end of 2001, the overall economic development slowed markedly in most market areas. The international trend was weaker than had been forecast, particularly in high-tech industries.

As a result of uncertainty over the global economy, there was a considerable downturn in corporate investors' willingness to invest. Consumer demand was also weaker than forecast, although the central banks of various countries lowered interest rates on several occasions to bolster the economy. The tragic events in the USA in September 2001 contributed to holding back an upswing in the marketplace.

Dwindling cash flows and uncertain prospects have also complicated loan financing for corporate acquisitions. Private equity and venture capital investors have had considerable difficulty both in investing in new ventures and in finding buyers for earlier investments. Under the prevailing circumstances it has been very difficult for companies to seek a stock exchange listing. It has also often been financially unrewarding to exit from investments.

On the whole, 2001 was the second consecutive unfavourable year on the stock market. On the other hand, returns were fair on the fixed income and property markets.

### **Investments and the trend in the investment portfolio**

Ahlström Capital has done relatively well so far on a challenging investment market. An advantage of the company has been its diversified investment portfolio, which has also included low-risk assets.

At the start of its business, Ahlström Capital's investment portfolio was valued at approximately MEUR 194. During the financial year, the company's assets were allocated in various categories of investment. At the end of 2001, roughly MEUR 60 were placed in direct industrial investments. Liquid assets amounting to approxi-

mately MEUR 50 were in fixed income instruments. The company's holdings also include forest land and real estate. The direct industrial investments were represented by Å&R Carton and Ahltronix (formerly known as Ahlstrom Electronics), together with an investment in shares in Vacon Plc. The company also owns a marketing company in Germany, Paul Lippke Handels-GmbH.

The changes in Ahlström Capital's investment portfolio during the financial year were mainly associated with the company's forest holdings and direct investments. The company relinquished a large part of its holdings of forest land towards the end of the year when it sold about 1,700 hectares of forest and by signing a contract for the sale of 13,700 hectares of forest land in the 2002–2004 period. At the end of 2001, the company acquired a roughly 8% interest in Vacon Plc, a manufacturer of frequency converters. The exit from Andritz-Ahlstrom took place before the beginning of the company's actual financial year, so the impact of the transaction was reflected in the company's starting portfolio in the form of increased liquid assets. The liabilities of the contract for the sale of the shares in Andritz-Ahlstrom Oy were passed on to Ahlström Capital in the demerger of A. Ahlstrom Corporation.

An extensive renovation of the commercial and office building at Eteläesplanadi 14 in Helsinki was carried out in 2000–2001. The interiors were modernised and repaired and much of the technical building facilities were replaced. Most of the 11 000 square-metre floor area has been leased out to external parties on long-term contracts.

Ahlström Capital keeps a constant watch on the market trends and assesses the composition of its investment portfolio accordingly. In 2001 the company analysed tens of prospects for direct investment as well as numerous funds and other equity investment instruments.

In January 2002, in accordance with the contract referred to above, roughly 5,000 hectares of forest land was sold as the agreed quota for 2002.

### Group structure

Ahlström Capital Oy is the parent company of the Ahlström Capital Group. The Group includes Ahltronix Oy together with its subsidiaries, Karhula Osakeyhtiö, and Paul Lippke Handels-GmbH. Major holdings not forming part of the Group are Å&R Carton AB (44%) and Vacon Plc (8%).

In the Ahltronix Group, the business operations in Varkaus were incorporated during the financial year as a separate company under the name of Ahltronix Varkaus Oy. In addition, some of the shares in Rauman MO-Kiinteistö Oy owned by Ahltronix Rauma Oy were sold to a buyer outside the Ahlström Capital Group, which reduced the Group's holding in the company to 47%.

### Ahlström Capital's financial status and financing

Ahlström Capital's first accounting period was 1 July–31 December 2001.

The net sales for the first six months in business were MEUR 19.3 for the Group, generated by the business operations of Ahltronix and Paul Lippke Handels-GmbH plus the parent company's earnings from timber harvesting and rental income. Other income from operations amounted to MEUR 2.9. Of this, MEUR 2.8 was generated by gains on the sale of forest land as calculated from the historical acquisition cost. The revaluation included in the balance sheet values of the forest land sold has been reversed from the assets and shareholders' equity. The net impact on the Group's shareholders' equity arising from the gain on sale was thus only MEUR 0.2.

The Group's operating profit was MEUR 3.4. Net financing income before the impact of associated companies was MEUR 1.3 and was mostly generated by earnings from financial securities. The share in the losses of associated companies was MEUR 5.6, which was primarily due to the losses shown by Å&R Carton. The Ahlström Capital Group posted a net loss of MEUR 2.5.

Ahlström Capital's share of Å&R Carton's whole-year loss 2001 was MEUR 8.7.

The interest-bearing liabilities at the end of December 2001 were MEUR 3.6. The equity ratio at year-end was 87% and the gearing ratio was -26%.

The investments made in the industrial activities of the Group totalled MEUR 1.2. The most important of these were investments in expansion at Ahltronix.

Certain key figures for the financial year 1 January–31 December 2001 are given pro forma.

#### **Personnel, administration and auditors**

During the financial year 2001 Ahlström Capital Oy had a total of six employees. The number of personnel remained unchanged during the financial year. Jan Inborr, B.Sc. (Econ.), has served as the company's President and CEO since 30 June 2001.

The members of Ahlström Capital's Board of Directors were Morten Ahlström (chairman), Thomas Ahlström, Johannes Gullichsen, Karl Grotenfelt and Jouko Oksanen. The auditor was the auditing firm KPMG Wideri Oy Ab, with Sixten Nyman, Authorized Public Accountant, as the auditor in charge.

#### **The outlook for 2002**

For the time being, the overall economic trend will continue to be slower than in previous years. However, at the start of the present year some positive signs could be discerned, indicating that the global economy may start to recover in 2002, but there are still numerous factors of uncertainty on the capital markets.

An economic recovery will offer Ahlström Capital additional opportunities to continue diversifying its portfolio in accordance with its investment strategy into new ventures, both listed and unlisted. The number of direct investments in prospects with a good outlook for returns will be increased in a controlled way. It is still very difficult to forecast in greater detail the continuity and strength of the trend in the sectors of business engaged in by Ahlström Capital's subsidiaries and associated companies. Å&R Carton AB's programme to improve its results continues. The long-term prospects for growth and development by the company's industrial investments are good in the company's own view.

The company deploys efforts on developing its business operations in accordance with its long-term plans in order to continue its steady and profitable growth. The goal is a diversified investment portfolio that complies with the expectations for returns.

#### **Proposal by the Board of Directors for the distribution of profits**

The Board will propose to the Annual General Meeting to be held on 19 April 2002 that a dividend of EUR 3.50 per share be paid.

EUR 1,000	Note	1 July–31 Dec. 2001
<b>Net sales</b>	1	19,341
Other operating income	2	2,858
Materials and services		-11,183
Personnel expenses	3	-3,814
Depreciation and amortization	7	-933
Other operating expenses		-2,853
<b>Operating profit</b>		3,416
Financing income and expense	5	
Share in losses of associated companies		-5,603
Interest and financing income		1,518
Interest and other financing expenses		-238
		-4,323
<b>Result before appropriations and taxes</b>		-907
Income taxes	6	-1,594
<b>Result before minority interest</b>		-2,501
Minority interest		-28
<b>Net loss for the period</b>		-2,529

EUR 1,000	Note	31 Dec. 2001	1 July 2001
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	7		
Intangible rights		417	458
Goodwill		2,446	2,678
Other intangible assets		68	76
Advances paid			22
		2,931	3,234
Tangible assets	7		
Land and water areas		59,977	63,386
Buildings and constructions		10,603	8,934
Machinery and equipment		3,680	3,912
Other tangible assets		419	368
Advances paid and construction in progress		785	1,612
		75,464	78,212
Investments	8		
Shares in associated companies		2,578	8,144
Receivables from associated companies		29,450	29,450
Other shares		12,364	674
		44,392	38,268
<b>Current assets</b>			
Inventories			
Materials and supplies		3,463	3,984
Work in process		724	1,146
Completed products		612	1,184
Advances paid			13
		4,799	6,327
Receivables			
Long-term			
Deferred tax assets	14	3,111	2,223
		3,111	2,223
Short-term			
Accounts receivable		4,000	4,325
Receivables from associated companies	17	4,888	6,647
Deferred tax assets	14	239	282
Other receivables		440	1,137
Prepaid expenses and accrued income	9	3,234	423
		12,801	12,814
Financial investments		51,290	50,972
Cash and bank		3,186	1,883
<b>TOTAL ASSETS</b>		<b>197,974</b>	<b>193,933</b>

EUR 1,000	Note	31 Dec. 2001	1 July 2001
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	10		
Share capital		36,348	36,348
Capital in excess of par value		12,526	12,526
Retained earnings		123,231	124,962
Net loss for the period		-2,529	
		169,576	173,836
<b>Minority interest</b>		-8	67
<b>Provisions</b>	13	991	1,939
<b>Liabilities</b>			
Long-term			
Loans from financial institutions		2,392	3,519
Other long-term liabilities		146	197
Deferred tax liabilities	14	5,869	6,604
		8,407	10,320
Short-term			
Loans from financial institutions		1,073	1,155
Advances received		41	466
Accounts payable		14,442	3,511
Other liabilities		702	670
Accrued expenses and deferred income	15	2,750	1,969
		19,008	7,771
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		197,974	193,933

EUR 1,000	1 July–31 Dec. 2001
<b>Cash flow from operating activities</b>	
Operating profit	3,416
Depreciation and amortization	933
Other adjustments	-948
Cash flow from operating activities before change in net working capital	3,401
Change in net working capital	-2,551
Cash flow from operating activities	850
Interest and other financing income	1,763
Interest and other financing expenses	-551
Income taxes	-1,374
<b>Net cash flow from operating activities</b>	<b>688</b>
<b>Cash flow from investing activities</b>	
Capital expenditure	-1,197
Proceeds from sales of non-current assets	912
Dividends received	165
Changes in other receivables and notes receivable	2,644
<b>Net cash flow from investing activities</b>	<b>2,524</b>
<b>Cash flow from financing activities</b>	
Change in financial investments	-268
Change in long-term liabilities	-1,193
Change in short-term liabilities	-131
Other adjustments	-317
<b>Net cash flow used in financing activities</b>	<b>-1,909</b>
<b>Change in cash and bank</b>	<b>1,303</b>
Cash and bank 1 July 2001	1,883
<b>Cash and bank 31 December 2001</b>	<b>3,186</b>

## ACCOUNTING PRINCIPLES

The financial statements of Ahlström Capital Oy, the parent company of the Ahlström Capital Group, are prepared and presented in accordance with the Finnish Accounting Act and other regulations in force in Finland. The financial statements are presented in euros and are prepared under the historic cost convention except for revaluations of certain items included in non-current assets.

Ahlström Capital Oy was formed when A. Ahlstrom Corporation was demerged into three companies as of 30 June 2001. Official financial statements for 2001 have been produced for the first financial year of the company and Group, 1 July–31 December 2001. In addition, certain key figures for the period 1 January–31 December 2001 are presented on a pro forma basis.

### The consolidated financial statements

The consolidated financial statements include the accounts of the parent company and all companies in which it directly or indirectly owns more than 50 per cent of the voting rights.

The equity method of accounting is used to account for investments in associated companies in which the Group has 20 to 50 per cent of the voting rights.

Companies acquired during the accounting period are included in the consolidation from the date of acquisition, and companies that have been sold during the year are included up to the date of sale.

All intercompany transactions and accounts are eliminated in consolidation.

Acquisitions are accounted for under the purchase method of accounting, and accordingly, in each case, the purchase price is allocated to the assets acquired and the liabilities assumed based upon their estimated fair values at the date of the acquisition. The excess of the purchase price over the fair values of the assets acquired is recorded on the balance sheet as goodwill.

The sections of the purchase price allocated to assets are depreciated or charged to income at the same rate as the asset items in question. Goodwill is amortised on a straight-line basis over a maximum of 20 years.

### Revenue recognition

Income from the sale of goods and services is recognised as income when the goods are delivered or the services are rendered. Net sales are shown net of indirect taxes and discounts. Exchange gains and losses related to sales are included in financing income and expenses.

### Items denominated in foreign currency

Assets and liabilities denominated in foreign currency are translated in the financial statements into euros at the year-end rate. Exchange rate differences in receivables and liabilities are credited or charged to income.

The income statements of foreign subsidiaries are translated into euros at the average exchange rate for the accounting period, and the balance sheets at the year-end rate. The effect of such translation is included in the Group shareholders' equity.

### Research & development expenditure

Research and development costs are expensed as incurred.

### Pension costs

In Finland, the statutory pension liability and supplementary pension benefits are funded through insurance policies and accounted for in accordance with actuarial calculations. In other countries the pension liabilities are funded and accounted for in accordance with local legislation and practice.

The Group companies' own liability for pensions is included in long-term liabilities in the balance sheet. Pension insurance premiums and changes in pension liabilities are charged to income.

### Inventories

Inventories are stated at the lower of cost or market basis.

### Investments

Investments which are intended to generate income for more than one accounting period are booked in non-current assets at the original acquisition cost. Securities included in financial assets are stated at the lower of cost or market basis.

### Non-current assets

Intangible and tangible assets are presented in the balance sheet at cost less accumulated depreciation and amortization. The book values of certain forest and land areas include revaluations which are based on fair market values prevailing at the time the revaluations were made. If the basis for a revaluation subsequently declines or is no longer valid, the revaluation is adjusted correspondingly.

Depreciation is calculated on the cost or revaluated amounts using the straight-line method over the estimated useful lives of the assets.

The depreciation periods are as follows:

Buildings	25–40 years
Heavy machinery	10–20 years
Other machinery and equipment	3–10 years

Land and water areas are not depreciated.

### Taxes

Income taxes are comprised of current taxes paid and payable on taxable income for current and previous accounting periods in accordance with local tax laws, plus deferred taxes.

Deferred taxes are calculated for timing differences between book and taxable income. Deferred tax assets and liabilities have been calculated on temporary timing differences between taxation and financial statements, applying the tax rate confirmed for subsequent years as of the date of the financial statements. The deferred tax liability attributable to revaluations made in the book values of forest and land areas is included in the balance sheet only to the extent attributable to forest areas. The estimated probable benefit of the deferred tax assets is included in the balance sheet.

### Extraordinary items

Nonrecurring revenue and expense items not related to normal business operations are presented as extraordinary items in income statement.

## Notes to the financial statements

EUR 1,000

### Notes to income statement and balance sheet

	<b>Group</b>	<b>Parent company</b>
<b>1. Net sales</b>		
Distribution of net sales by country		
Finland	15,643	1,942
Other Nordic countries	733	
Germany	559	
Switzerland	709	
Italy	151	
France	414	
UK	196	
Belgium	169	
Rest of Europe	698	
Others	69	
Total	19,341	1,942
<b>2. Other operating income</b>		
Gain on sale of non-current assets	2,854	2,771
Insurance indemnification received	4	
Total	2,858	2,771
<b>3. Personnel costs</b>		
Wages and salaries	3,364	402
Pension costs	446	40
Other wage related costs	4	-83
Total	3,814	359
Salaries for Presidents	306	
Remunerations to Board members	23	23
<b>4. Average number of personnel</b>		
Salaried	75	6
Blue-collar	236	
Total	311	6
<b>5. Financing income and expense</b>		
Dividend income from associated companies		165
Interest and financing income from Group companies		294
Interest and financing income from others	1,518	1,498
Total	1,518	1,957
Write-downs in short term financial investments		-23
Interest and other financing expenses to Group companies		-6
Interest and other financing expenses to others	-238	-222
Total	-238	-251
<b>6. Income taxes</b>		
For current and previous years	-2,441	-2,154
Change in deferred taxes	847	887
Income taxes in the income statement	-1,594	-1,267

EUR 1,000

## 7. Intangible and tangible assets

Group	Goodwill	Intangible rights	Other intangible assets	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Acquisition cost at 1 July	3,171	848	122	14,649	13,070	6,183	522	1,612
Increases	53	11	35	27	206	1,008	55	1,973
Decreases	-64			912	903	94		
Reclassifications					2,720	79	1	-2,800
Acquisition cost at 31 Dec.	3,160	859	157	13,764	15,093	7,176	578	785
Accumulated depreciation and amortization at 1 July	493	390	46		4,136	2,271	154	
Increases	22		30		206	731		
Decreases						22		
Depreciation and amortization for the period	199	52	13		148	516	5	
Accumulated depreciation and amortization at 31 Dec.	714	442	89		4,490	3,496	159	
Revaluations at 1 July				48,738				
Decreases				2,525				
Revaluations at 31 Dec.				46,213				
Book value at 31 Dec.	2,446	417	68	59,977	10,603	3,680	419	785
<b>Parent company</b>		<b>Intangible rights</b>	<b>Other intangible assets</b>	<b>Land and water areas</b>	<b>Buildings and constructions</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Advances paid and construction in progress</b>
Acquisition cost at 1 July		8		6,782	6,903	195	40	1,612
Increases				17				1,290
Decreases				468	38	2		
Reclassifications					2,720	79	1	-2,800
Acquisition cost at 31 Dec.		8		6,331	9,585	272	41	102
Accumulated depreciation and amortization at 1 July					720	187	7	
Increases								
Decreases						2		
Depreciation and amortization for the period					128	9	2	
Accumulated depreciation and amortization at 31 Dec.					848	194	9	
Revaluations at 1 July				48,621				
Decreases				2,525				
Revaluations at 31 Dec.				46,096				
Book value at 31 Dec.		8		52,427	8,737	78	32	102

## Notes to the financial statements

EUR 1,000

### 8. Long-term investments

Group	Shares in associated companies	Other shares	Other receivables
Acquisition cost at 1 July	8,144	674	29,450
Share of income	-5,658		
Increases		11,691	
Decreases		1	
Reclassifications	92		
Acquisition cost at 31 Dec.	2,578	12,364	29,450
Book value at 31 Dec.	2,578	12,364	29,450

Parent company	Shares in Group companies	Shares in associated companies	Other shares	Other receivables
Acquisition cost at 1 July	16,328	15,824	644	29,450
Increases			11,691	
Decreases				
Reclassifications				
Acquisition cost at 31 Dec.	16,328	15,824	12,335	29,450
Book value at 31 Dec.	16,328	15,824	12,335	29,450

### 9. Prepaid expenses and accrued income

	Group	Parent company
Receivables related to sale of fixed assets	2,794	2,794
Accrued interest income	49	49
Periodization of social costs	111	
Other	280	15
Total	3,234	2,858

### 10. Shareholders' equity

Shareholders' equity at 1 July	173,836	186,492
Change in revaluations net of change in deferred tax liability	-1,793	-1,793
Translation adjustment	681	
Other changes	-619	
Net income	-2,529	3,354
Shareholders' equity at 31 Dec.	169,576	188,053
Retained earnings	120,702	139,187
Depreciation difference net deferred tax liability	89	
Distributable shareholders' equity	120,613	139,187

### 11. Share capital by type of share, 31 December 2001, parent company

Shares are divided into two series, A and B. The par value of all shares is EUR 100.

	Number	EUR
Series A, 1 vote/share, with redemption and conversion clause	363,482	36,348,200
Series B, 1 vote/share, with redemption clause		
Total	363,482	36,348,200

### 12. Maturity of long-term liabilities, Group

	2003	2004	2005	2006	2007-	Total
Loans from financial institutions	998	893	460	41		2,392
Deferred tax liabilities	3,800	1,900	17	17	135	5,869
Other long-term liabilities	64	64	18			146

### 13. Provisions

	Group	Parent company
Personnel costs	625	535
Other	366	323
Total	991	858

EUR 1,000

	<b>Group</b>	<b>Parent company</b>
<b>14. Deferred tax assets and liabilities</b>		
Long-term assets	3,111	3,111
Short-term assets	239	
Long-term liabilities	-5,869	-5,832
<b>Total</b>	<b>-2,519</b>	<b>-2,721</b>
Arising from:		
Depreciation difference	-37	
Revaluations	-5,832	-5,832
Tax losses	3,101	2,862
Other timing differences	249	249
<b>Total</b>	<b>-2,519</b>	<b>-2,721</b>
<b>15. Accrued expenses and deferred income</b>		
Personnel costs	1,025	87
Interest expense	60	58
Income tax liability	1,310	1,078
Other	355	
<b>Total</b>	<b>2,750</b>	<b>1,223</b>
<b>16. Receivables from and liabilities to Group companies</b>		
Notes receivable		12,139
Prepaid expenses and accrued income		167
<b>Total</b>		<b>12,306</b>
Accrued expenses and deferred income		1
Other short-term liabilities		730
<b>Total</b>		<b>731</b>
<b>17. Receivables from and liabilities to associated companies</b>		
Long-term investments	29,450	29,450
Prepaid expenses and accrued income	287	287
Other short-term receivables	4,601	4,601
<b>Total</b>	<b>34,338</b>	<b>34,338</b>
<b>18. Collaterals</b>		
For own liabilities		
Loans from financial institutions	3,333	2,943
Amount of mortgages	3,520	3,027
Book value of pledges	64	
For other own commitments	49	
<b>19. Contingent liabilities</b>		
Leasing commitments		
Current portion	92	
Long-term portion	88	
Other commitments	17	17
<b>20. Shares</b>		
<b>Subsidiaries</b>	<b>Country</b>	<b>Ownership, %</b>
Ahltronix Oy	Finland	100
Ahltronix Varkaus Oy	Finland	100
Ahltronix Rauma Oy	Finland	91.5
Ahltronix Eesti AS	Estonia	100
Finesat Oy	Finland	100
Karhula Osakeyhtiö	Finland	100
Paul Lippke Handels-GmbH	Germany	100
<b>Associated companies</b>		
Å&R Carton AB	Sweden	44.3
Kvartett-Invest Oy Ab	Finland	45
Rauman MO-Kiinteistö Oy	Finland	47
<b>Other significant shareholdings</b>		
Vacon Plc		
Holding 1,250,683 shares, ownership 8%		
Book value EUR 11,691,000, market value EUR 13,758,000 as at 20 Feb. 2002		

Income statement, statement of cash flows, Parent company

Parent company

EUR 1,000	Note	1 July–31 Dec. 2001
<b>Net sales</b>	1	1,942
Other operating income	2	2,771
Materials and services		-169
Personnel expenses	3	-359
Depreciation and amortization	7	-139
Other operating expenses		-1,142
<b>Operating profit</b>		2,904
Financing income and expense	5	
Interest and financing income		1,957
Interest and other financing expenses		-251
		1,705
<b>Result before appropriations and taxes</b>		4,610
Change in depreciation difference		11
Income taxes	6	-1,267
<b>Net income for the period</b>		3,354

Parent company

EUR 1,000	1 July–31 Dec. 2001
<b>Cash flow from operating activities</b>	
Operating profit	2,904
Depreciation and amortization	139
Other adjustments	-909
Cash flow from operations before change in net working capital	2,134
Change in net working capital	-3,525
Cash flow from operations	-1,391
Interest and other financing income	1,706
Interest and other financing expenses	-232
Income taxes	-1,076
<b>Net cash flow from operating activities</b>	-993
<b>Cash flow from investing activities</b>	
Capital expenditure	-1,307
Proceeds from sales of non-current assets	506
Dividends received	165
Changes in other receivables and notes receivable	2,644
<b>Net cash flow from investing activities</b>	2,008
<b>Cash flow from financing activities</b>	
Change in financial investments	-318
Change in long-term liabilities	-421
Change in short-term liabilities	442
<b>Net cash flow from financing activities</b>	-297
<b>Change in cash and bank</b>	718
Cash and bank 1 July	1,000
<b>Cash and bank 31 December 2001</b>	1,718

<b>Parent company</b>							
EUR 1,000	Note	31 Dec. 2001	1 July 2001	EUR 1,000	Note	31 Dec. 2001	1 July 2001
<b>ASSETS</b>				<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Non-current assets</b>				<b>Shareholders' equity</b>			
Intangible assets	7			Share capital	10	36,348	36,348
Intangible rights		8	8	Capital in excess of par value		12,518	12,518
		8	8	Retained earnings		135,833	137,626
Tangible assets	7			Net income for the period		3,354	
Land and water areas		52,427	55,403			188,054	186,492
Buildings and constructions		8,737	6,184	<b>Accumulated appropriations</b>			
Machinery and equipment		78	8	Depreciation difference		126	137
Other tangible assets		32	33	<b>Provisions</b>			
Advances paid and construction in progress		102	1,612		13	858	1,767
		61,377	63,240	<b>Liabilities</b>			
Investments	8			Long-term			
Shares in Group companies		16,328	16,328	Loans from financial institutions		2,102	2,523
Shares in associated companies		15,824	15,824	Deferred tax liabilities	14	5,832	6,564
Receivables from associated companies		29,450	29,450			7,934	9,087
Other shares		12,335	644	Short-term			
		73,937	62,246	Loans from financial institutions		841	841
				Advances received			94
<b>Current assets</b>				Accounts payable		11,983	347
Receivables				Liabilities to Group companies	16	731	305
Long-term				Other liabilities		26	460
Deferred tax assets	14	3,111	2,223	Accrued expenses and deferred income	15	1,224	141
Short-term						14,805	2,188
Accounts receivable		153	69	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Receivables from Group companies	16	12,306	12,894			211,776	199,671
Receivables from associated companies	17	4,888	6,944				
Other receivables		131					
Prepaid expenses and accrued income	9	2,858	75				
		20,336	19,982				
Financial investments		51,290	50,972				
Cash and bank		1,718	1,000				
<b>TOTAL ASSETS</b>		<b>211,776</b>	<b>199,671</b>				

### Proposal of the Board of Directors to the Annual General Meeting

According to the consolidated balance sheet as of 31 December 2001, the Group's retained earnings and net result for the accounting period are:

	EUR
Retained earnings	123,231,000
Net loss for the period	-2,529,000
Total	120,702,000
of which distributable funds	120,613,000

According to the parent company's balance sheet as at 31 December 2001, the retained earnings and net result for the accounting period are:

Retained earnings	135,833,096
Net income for the period	3,354,227
Total distributable funds	139,187,323

The Board of Directors proposes that

a dividend of 3.50 euros per share be paid on the 363,482 outstanding shares, 1,272,187  
and the remainder to be retained.

Helsinki, 1 March 2002

Morten Ahlström

Thomas Ahlström

Johannes Gullichsen

Karl Grotenfelt

Jouko Oksanen

Jan Inbarr  
President and CEO

### Auditors' report

#### To the shareholders of Ahlström Capital Oy

We have audited the accounting, the financial statements and the administration of Ahlström Capital Oy for the financial period 1 July–31 December 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on administration.

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

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

Helsinki, 4 March 2002

KPMG WIDERI OY AB

Sixten Nyman  
Authorized Public Accountant

<b>Pro forma key figures</b>	<b>1 Jan.–30 June 2001</b>	<b>1 July–31 Dec. 2001</b>	<b>1 Jan.–31 Dec. 2001</b>
Net sales, MEUR	20.8	19.3	40.1
Other income from operations, MEUR	0.5	2.9	3.4
Operating profit, MEUR	1.9	3.4	5.3
Share of associated companies' losses, MEUR	-3.1	-5.6	-8.7

### Financial key figures

Equity ratio 31 Dec. 2001	87%
Gearing 31 Dec. 2001	-26%
Earnings/share 1 July–31 Dec. 2001	-6.96 EUR
Equity/share 31 Dec. 2001	466.53 EUR

### Formulas for key figures

$$\text{Equity ratio} = \frac{\text{Shareholders' equity} + \text{Minority interest}}{\text{Balance sheet total} - \text{Advances received}} \times 100$$

$$\text{Gearing ratio} = \frac{\text{Interest-bearing debts} - \text{Securities included in financial assets} - \text{Cash and bank}}{\text{Shareholders' equity} + \text{Minority interest}} \times 100$$

$$\text{Earnings/share} = \frac{\text{Profit before extraordinary items and taxes (1 July–31 Dec.)} - \text{Taxes on regular operations} + / - \text{Minority interest}}{\text{Number of shares on average for accounting period}}$$

$$\text{Equity/share} = \frac{\text{Shareholders' equity 31 Dec. 2001}}{\text{Number of shares 31 Dec. 2001}}$$



Morten Ahlström

Thomas Ahlström



Karl Grotenfelt



Johannes Gullichsen



Jouko Oksanen

### Governance principles

The corporate governance of Ahlström Capital complies with high standards. It is based on the Finnish Companies Act and, where applicable, on the recommendations on corporate governance in public companies issued by the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers.

Ahlström Capital is a member of the European Private Equity & Venture Capital Association (EVCA) and the Finnish Venture Capital Association.

The company provides on a regular basis information to shareholders, employees and the public as required by law. It is a further requirement for good corporate governance that the company clearly defines and documents the division of responsibility and working methods of the Board of Directors and the management.

### General Meeting of Shareholders

Responsibility for the administration and operations of Ahlström Capital is held by the General Meeting of Shareholders, the Board of Directors, and the President. The highest authority in Ahlström Capital is exercised by the shareholders at the General Meeting of Shareholders. The Annual General Meeting decides on the number of members on the Board of Directors and elects the members to the Board. In addition to this, the General Meeting of Shareholders has exclusive authority under the Companies Act over matters including amending the company's articles of association, adopting the financial statements, deciding on the amount of dividend, and electing auditors.

### The Board of Directors

The Annual General Meeting elects no fewer than five and no more than seven ordinary members to the Board of Directors for a term of one year. The Board of Directors chooses a chairman from among its members.

Ahlström Capital Oy's Board of Directors represents the owners of the company. The duties and responsibilities of the Board of Directors are specified on the basis of the Finnish Companies Act and other applicable legislation, as well as of the articles of association and the rules of procedure adopted by the Board. The Board of Directors has general jurisdiction in all company affairs that are not specified by law or the articles of association to be decided or implemented by other bodies.

The Board of Directors confirms the company's general targets and strategy and approves its annual plans. The Board of Directors decides on direct investments and divestments. The Board of Directors also defines the guidelines and principles of other investments and it decides on the allocation of funds in different investment categories.

Ahlström Capital Oy's Board of Directors is comprised of five members. The company's Board of Directors convened on a total of three occasions during the 6-month accounting period. In addition to this, the Board of Directors has passed resolutions when necessary without convening.



Jan Inborr



Johan Borgström



Henrik Mikander



Kari Cederberg

Since the founding of the company, the members of the Board of Directors have been:

**Morten Ahlström**, born 1943, M.Sc. (Econ.&BA)  
Chairman of the Board of Directors  
President and CEO, Loxel A/S

**Thomas Ahlström**, born 1958, M.Sc. (Econ.&BA)  
Managing Director, SEB Merchant Banking

**Karl Grotenfelt**, born 1944, LL.M.  
Managing Director, Famigro Oy

**Johannes Gullichsen**, born 1964, graduate engineer

**Jouko Oksanen**, born 1951, M.Sc. (Econ.&BA)  
Director, Varma-Sampo Mutual Pension Insurance Company

#### **The President**

Ahlström Capital's President is appointed by the Board of Directors. The President plans and manages the company's business operations and bears responsibility for the company's operative administration in compliance with the directions and decisions of the Board of Directors. He supervises and manages the analysis and appraisal of prospective investments, and the development and divestiture of investments.

Jan Inborr has served as the company's President since 30 June 2001.

#### **Corporate Executive Team**

Ahlström Capital has a Corporate Executive Team comprised of four members.

The principal duty of the Corporate Executive Team

is to assist the President, to actively monitor and develop the operations of the company in accordance with the objectives set, to handle reporting, and to prepare decisions on investments for the discussion by the Board of Directors.

Since the founding of the company, the members of the Corporate Executive Team have been:

**Jan Inborr**, born 1948, B.Sc. (Econ.)  
President and CEO

**Johan Borgström**, born 1948, LL.B.  
General Counsel

**Kari Cederberg**, born 1947, M.Sc. (Econ.)  
Financial Director

**Henrik Mikander**, born 1949, MBA  
Investment Director

#### **Salaries and remuneration**

The General Meeting of Shareholders confirms the remuneration of the members of the Board of Directors annually in advance. The Board of Directors confirms the President's salary and benefits and it also decides on the salaries and benefits for the other senior management.

#### **Supervision**

Ahlström Capital's auditor is the auditing firm KPMG Wideri Oy Ab, with Sixten Nyman, Authorized Public Accountant, as the auditor in charge. The auditors supply the company's shareholders with the statutory auditor's report as part of the annual financial statements. The auditors also report on their observations to the company's Board of Directors.

### Shares and share capital

Ahlström Capital Oy's minimum share capital is EUR 9,090,000 and its maximum share capital is EUR 36,348,200, within which limits the share capital may be raised or lowered without amending the articles of association. The company's registered share capital on 31 December 2001 was EUR 36,348,200, and this was divided into 363,482 shares with a par value of EUR 100.

Ahlström Capital has two series of shares. Series A and B shares each entitle the holder to one vote at General Meetings of shareholders. At the end of 2001, the company's entire issued stock, comprising 363,482 shares, were series A shares.

A share in series A may, according to the articles of association, upon request be converted into a series B share in compliance with a specified procedure during the period 1 February–30 June 2004. The number of series B shares may not exceed 181,741. The company is entitled and obliged to buy back all the series B shares in compliance with a specified procedure, by lowering the share capital. The articles of association also include a redemption clause as referred to in chapter 3 section 3 of the Companies Act.

### Shareholdings

In the demerger of A. Ahlstrom Corporation, the shareholders in the company received series A shares in Ahlström Capital Oy in proportion to their holdings. At the end of 2001, Ahlström Capital Oy had 250 shareholders.

### Major shareholders on December 31, 2001

	Number of shares	Percentage of shares
Antti Ahlströmin Perilliset Oy	32,940	9.1
Varma-Sampo Mutual Pension Insurance Company	14,075	3.9
Huber, Mona	10,799	3.0
Tracewski, Jacqueline	10,076	2.8
Ahlström, Krister	9,435	2.6
Nahi, Kaj	7,191	2.0
Estate of Irma Bojesen	7,056	1.9
Ahlström, Börje	6,898	1.9
Lund, Niklas	6,888	1.9
Kylmälä, Kim	6,630	1.8
Others	251,494	69.1
<b>Total</b>	<b>363,482</b>	<b>100.0</b>

**Shareholders by group on December 31, 2001**

	Number of shares	Percentage of shares
Companies	35,823	9.9
Financial and insurance institutions	3,750	1.0
Public corporations	14,075	3.9
Finnish households	252,273	69.4
Foreign households	52,032	14.3
Others	5,529	1.5
Total	363,482	100.0

**Distribution of shareholdings on December 31, 2001**

Number of shares	Number of owners	Percentage of owners	Number of shares and votes	Percentage of shares	Number of average ownership
1-100	89	35.6	2,517	0.7	28
101-500	47	18.8	10,875	3.0	231
501-1,000	20	8.0	15,931	4.4	797
1,001-2,500	47	18.8	69,796	19.2	1,485
2,501-5,000	27	10.8	95,718	26.3	3,545
over 5,000	20	8.0	168,645	46.4	8,432

**Shareholding by the Board of Directors**

On December 31, 2001 the members of the Board of Directors held 2,305 shares in Ahlström Capital Oy, representing 0.6% of the voting rights and shares.

**Annual General Meeting**

Ahlström Capital Oy's Annual General Meeting will be held in Helsinki, Eteläesplanadi 14, at 5 p.m. on Friday 19 April 2002.

The Notice convening the Annual General Meeting was published in the Official Gazette no. 36/25 March 2002.

**Financial information**

Ahlström Capital's annual report for 2001 is published in English, Swedish and Finnish.

In 2002 the company will issue a financial review to its shareholders for the period 1 January–30 June 2002.

It is estimated that the company's annual report for 2002 will be completed in March 2003. The annual report and press releases can be found on the company's website [www.ahlstromcapital.com](http://www.ahlstromcapital.com).

Certain statements herein are not based on historical facts, including, without limitation those regarding expectations for market growth and developments, returns and profitability. Phrases containing "believes", "expects", "anticipates", "foresees", or similar expressions, are forward-looking statements. Since these are based on forecasts, estimates and projections, they involve an element of risk and uncertainty, which may cause actual results to materially differ from those expressed in such expectations and statements.



**Ahlström Capital Oy**  
P.O.Box 329, Eteläesplanadi 14  
00101 Helsinki, Finland  
Tel. +358 10 888 18  
Fax +358 10 888 4769  
[www.ahlstromcapital.com](http://www.ahlstromcapital.com)



**AHLSTRÖM CAPITAL**