



Annual Report 2001

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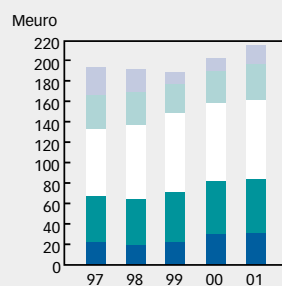
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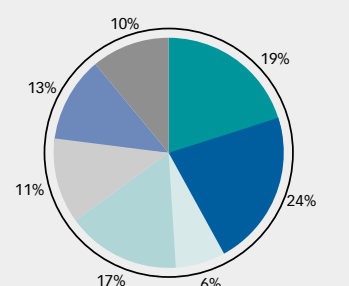
What is Nordkalk?

Nordkalk is the leading manufacturer 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 agriculture and environmental care. Sales in the year 2001 amounted to EUR 215.9 million and operating profit to EUR 24.1 million. Nordkalk employs some 1,300 people.

Sales by product group



Sales by customer segment



- Limestone
- Paper pigments
- Steel and metal
- Other industries
- Crushed and ground limestone
- Other
- Paper
- Environment
- Quick lime and hydrated lime
- Pulp
- Agriculture
- Construction

Limestone is part of our everyday lives

Our world is full of products in the manufacture of which limestone plays an important part. In many cases they contain limestone in some form or other but more usually they are used for purifying purposes of different kinds.

Did you know that limestone-based products are used in the manufacture of most of the things that you find on your breakfast table? Fields are treated with lime so that the farmer will get better crops and you your daily bread. Water is purified with lime, in the making of steel the molten metal is cleaned with burnt lime, sugar-beet juice is purified with lime, paper may contain up to 50 per cent limestone, eggs will have no shell if the chicken does not get chalk. Limestone products are even used in small amounts in the manufacture of glass and ceramics.

One name – one brand

Nordkalk's products are sold under a single brand – Nordkalk. Since the beginning of 2002 Partek has been omitted from the company's name so that the parent company is now called simply Nordkalk Oyj Abp. The new name serves to emphasise Nordkalk's independent image.

During the past year Nordkalk's values and objectives have been reaffirmed. The values may be seen as a kind of brand promise; they are reflected in all Nordkalk's operations throughout the whole company.

Trust

In Nordkalk we trust ourselves and our colleagues and partners. We believe in the mutual benefit of partnership. To know and understand our customer's processes helps us to meet the changing requirements.

Competence

In Nordkalk we have the competence to deliver the right solution for every situation. We see the possibilities of improving our customer's as well as our own processes.

Quality

In Nordkalk we deliver the right products at the right time.

Glossary

Limestone

Limestone is an organic or inorganic, sedimentary or crystallised carbonate rock consisting mainly of carbonate minerals. The dominating mineral is calcite and its chemical name is calcium carbonate (CaCO_3).

Calcite

Calcite is the main mineral in limestone. Its chemical name is calcium carbonate (CaCO_3).

Dolomite

Dolomite is a carbonate stone consisting mainly of dolomite minerals. The difference between dolomite and calcite minerals is that in dolomite an important part of calcium carbonate has been replaced by magnesium carbonate (MgCO_3).

Wollastonite

Wollastonite is a white or light grey, elongated, often needle-shaped mineral. Its chemical name is calcium silicate (CaSiO_3). Wollastonite is used, among other things, in ceramics and plastics.

Carbonate products: crushed and ground limestone

Limestone is crushed, ground and screened into different sizes. The size varies according to the usage.

Quick lime

Limestone is burnt in a rotary or shaft kiln to form quick lime. The calcium carbonate in the limestone is converted into calcium oxide. The chemical reactivity of the calcium oxide is exploited by, for example, the processing industry.

Hydrated lime

Produced via a controlled reaction between quick lime and water (slaking). The process transforms the calcium oxide into calcium hydroxide.

(GCC) Ground calcium carbonate

A paper pigment that is produced from ground, concentrated calcium carbonate. GCC is used as a coating pigment and filler by the paper industry.

(PCC) Precipitated calcium carbonate

A synthetic paper pigment produced from quick lime that has been made to react with carbon dioxide. PCC is used as a filler and coating pigment by the paper industry.



From the President

Nordkalk has an eventful year behind it. We have completed a number of major projects and given added impetus to our profit. Nordkalk has put a lot of effort into creating a more independent profile and establishing own values and goals. We have made a good profit, and the trend is clearly an upward one.

Because of events in the world considerable uncertainty clouds the future. We now operate in Europe and the overall world economic situation affects us more than it used to. Changes in the markets take place increasingly swiftly and we have to be ready to react to them at short notice.

Our strength lies in the fact that we are not dependent on a single industry. Limestone-based products are used in various forms for a whole range of different products

needed in everyday life. Limestone is an important factor when it comes to maintaining the standard of living that most of us have become accustomed to. It is just as important for maintaining the ecological balance. Efficient purification of drinking and waste water, for example, can give millions of people an improved quality of life.

The year started well

The year 2001 got off to good start as far as sales were concerned, especially for sales of soil-improvement lime, since liming conditions were very good in the early part of the year. The market in industry was stable at the beginning of the year except in the forest industry where the markets in Sweden and Finland clearly stagnated. In late autumn the situation improved when we were able to bring on stream our investment in new paper pigment products.



As a result total sales to industry were markedly better than last year.

Many investment projects were brought to completion during the year. Our subsidiary Suomen Karbonaatti Oy in Lappenranta was able to bring its new capacity for pigment products on stream according to plan. This investment was the largest that Nordkalk has ever made in a single production plant. It makes it possible for Nordkalk to supply the amounts and qualities that the paper industry needs. The factory is situated in an area that has the largest concentration of paper mills in the world. In Sweden the grinding plants have been modernised so that they now have the capacity and technological capability to manufacture the kinds of products the market demands.

We have an extremely competitive production structure when it comes to ground products.

In Poland a new mill was opened at Wolica, and this will further strengthen Nordkalk's position on the Polish market. Rationalisation in the nearby limestone company Miedzianka that was acquired in the summer of 2000 is proceeding according to plan; this will help to make operations more efficient and profitable. The Polish economy is developing slowly at the moment and this is also affecting our operations in Poland.

New name – new identity

As a phase in Nordkalk's efforts to create a more independent profile our name was changed from the beginning of 2002 to Nordkalk Corporation. In the same way the name Partek has now been omitted from the names of our subsidiary companies. In Sweden, where operations have been divided between several separate legal entities, they have now combined their operations in a single company under the name Nordkalk AB. The company has its domicile in Lärbro on Gotland, which also has a symbolic value since the whole island consists of limestone.

Nordkalk's identity has been the focus of much work during the year. Management, the personnel and to some extent even our customers have been involved in the process, as a result of which we have now clearly defined our objectives and values for Nordkalk. We want to be among the leading players in the European limestone market. This we hope to achieve this by reinforcing our present position around the Baltic, by developing and expanding our operations in a profitable way and by building up a strong identity accepted by everyone in the company.

Our values – Trust, Competence and Quality – represent good old truths that correspond well to the branch in which we work. We represent a base industry whose products are necessary and in some cases even indispensable in the production of many of the everyday products that surround us. Our customers should be able to rely on getting exactly what they want and, if necessary, getting expert advice to develop their processes for the mutual good of both supplier and customer.

Christer Sundström



- The customers attach importance to ever whiter papers. The whiteness of our paper depends to a large extent on the ground carbonate, which is an important ingredient in the coating paste. The new carbonate products also improve printing properties such as opacity," says Marko Laakkonen, production manager at UPM-Kymmene's paper mill at Kaukas, Lappeenranta.

Laakkonen is responsible for the No. 1 paper machine's production line, from the thundering interior of which rolls single and double-coated paper for offset and rotogravure printing.

The paper mill at Kaukas buys the ground calcium carbonate (GCC) that it needs for coating purposes from Nordkalk's subsidiary, Suomen Karbonaatti Oy.

- It is a great advantage that the supplier is in the same town; it operates in a way like our own "satellite". We have a good and trusting relationship with Suomen Karbonaatti's people. They have always taken our problems seriously and we have solved them together.

Laakkonen expects a supplier of raw materials to be reliable and quality.

- We expect what we order. Quality is of the utmost importance for success on the paper market, and to be able to make high-quality paper we need high-quality raw materials. The demands on quality are constantly changing and this means that our supplier of raw materials has to work actively to develop his products.



Industry

Paper

The paper industry uses limestone-based products as fillers and coating pigments. Paper of a high quality contains considerable quantities of minerals since they serve to improve the paper's printing properties, make it opaque and increase whiteness and gloss. The price also speaks in favour of paper pigment since it is a much cheaper raw material than pulp fibre.

Calcium carbonate from the mineral calcite is used to make two types of paper pigment: GCC (ground calcium carbonate) consists of finely ground limestone and PCC (precipitated calcium carbonate) is made from burnt lime. Both types of pigment are used in magazines and advertising paper, packaging and copying paper.

GCC is made by Nordkalk's subsidiary, Suomen Karbonaatti Oy, the other owner of which is Omya Oy. In autumn 2001 Suomen Karbonaatti began using an investment of 15 million euros that considerably expands the company's production capacity and makes it possible to manufacture more advanced and competitive GCC products. The Omya group, which is a world leader in ground calcium carbonate and has long experience of evolving different qualities of paper pigments, is responsible for Suomen Karbonaatti's product development. As a result of its product development and investment the Suomen Karbonaatti was last year able to increase its share of the paper pigment market.

Suomen Karbonaatti is situated in Lappeenranta, Finland, in the middle of the world's largest concentration of paper mills. It gets its raw material from Nordkalk's nearby open quarry at Ihalainen. From the high-class marble Nordkalk refines the calcite that its subsidiary uses as a raw material. The large deposit at Ihalainen can supply top-quality raw material for GCC for tens of years to come. An extensive research programme is under way at the quarry with the aim of extending the open-cast mine and optimising its operations. A major stripping programme has already begun.

The manufacture of PCC in satellite plants is concentrated to the paper mills. PCC has gained wide renown as a filler for paper but in recent years it has also begun to be used as a coating pigment. It is made from burnt lime supplied by Nordkalk's plants at Tytyri and Louhi. So that the PCC will have the whiteness needed the raw material must fill exact criteria. The limestone that is burned at Tytyri comes from the Norwegian company, Verdalskalk A/S, of which Nordkalk is part owner. At Louhi Nordkalk burns limestone from its own quarry. The largest manufacturer of PCC in the world is Specialty Minerals Inc. and Nordkalk owns a share in its subsidiary Specialty Minerals Nordic Oy Ab.

Demand for paper is expected to grow in the next few years, and this will increase the demand for paper pigments. When it comes to the use of minerals it is predicted that the use of calcium carbonate will increase most.



Industry

Industry is Nordkalk's largest customer segment, accounting for 77 per cent of total sales. Industrial processes use the calcium carbonate in limestone to manufacture many of the things we encounter in our daily lives: it is used in making plastics, paper, steel and building materials, for example.

Steel

Limestone-based products are used in almost all stages of the manufacture of steel: iron ore pellets contain ground limestone, limestone is used in the blast furnaces, and burnt lime is used to remove sulphur from the raw iron. In the conversion process, when the raw iron is transformed into steel, burnt lime is used to promote the formation of slag.

Sales to the steel industry increased somewhat during the year despite the overall stagnation of the industry.

Paper pulp

Paper is made of cellulose fibres that are obtained by cooking wood chips in a strong solution of caustic soda. The chemicals that are regained during the cooking process circulate in the pulp mill's recovery process where their composition is regenerated in the causticising process with the aid of burnt lime. The process places strict requirements on the lime: its reactivity should resemble that of reburnt lime as closely as possible, the lime that circulates in the recovery process.

Sales to the pulp industry declined during the past year since many pulp mills cut back their production because of falling demand.

Building materials

Even in the 1960's practically the only use for lime was by the building industry. Today it has a whole range of uses but limestone continues to occupy an important place in building. Of Nordkalk's total sales 17 per cent go to the building industry.

Ground limestone is the world's most widely used filler. It is found in roofing felt and wall panelling, in concrete, grout and mortar. Cement is made of limestone, and dolomite is used for making rockwool. Burnt lime is used as a binding agent in bricks and slaked lime in grout and mortar.

Sales to the building industry continued to be buoyant. Nordkalk manufactures raw materials for the building industry at several of its plants, the most important being Pargas in Finland. The Parfill factory is sited here and it makes a particularly white limestone powder from the white stone quarried in Pargas.

New advances were made on the construction materials front in Sweden where the filler Nordkalk Limus was launched on the market. This is well suited to self-compacting concrete (SCC). SCC is a new type of concrete that does not require vibration to set. Today SCC forms nearly a tenth of all concrete used in Sweden and its use is expected to increase. The Nordkalk Limus product line comprises different kinds of ground limestone that strongly affects the characteristics of the vibration-free concrete. Nordkalk Limus is also suitable as a filler in ordinary concrete.

Deliveries of Nordkalk Limus to the concrete stations in Sweden have begun promisingly. In addition to the actual product the customer also receives a service, which means that the composition of the concrete is developed in cooperation with Nordkalk's representative. Nordkalk Limus is ground at four sites close to the customers.



Road construction and soil stabilisation

Lime is an efficient substance for stabilising soft and wet clayey soils. Deep stabilisation is used as the basic method when building roads and railways, for example, to prevent the soil settling and improve bearing capacity. In surface stabilisation it is possible to improve the soil characteristics when building roads.

A new mixing station was brought on stream at Köping in Sweden. Here binding mixtures are made for stabilisation purposes. The stabilising materials used in Finland are mixed at Nordkalk's plant at Tytyri.

Demand for Nordkalk Terra stabilisation materials continued to be good in Finland. In Sweden many road-building projects are under way, which has increased the demand for stabilisation products.

The asphalt industry uses lime as a binder. Together with bitumen it binds the stone to form a strong surface with good durability even in widely varying conditions. Slaked lime is also used as a binder in asphalt.

Other industry

The sugar industry uses lime to purify the beet juice. Storugns on the island of Gotland supplies much of its output to sugar factories around the Baltic Sea.

Lime is a key component in the manufacture of glass. Nordkalk's ground lime is used as a raw material for building glass, and slaked lime is needed in the manufacture of glass fibre.

Limestone-based products are also used in the chemical industry, for example in the manufacture of plastics, paints and glue. Both ground limestone and burnt lime are used as ingredients in animal feeds and fertilisers. Burnt lime is also used in the production of calcium chloride, which is spread on the roads to reduce dust.

At Lappeenranta in Finland Nordkalk makes filler for paints and glue from microground, flotated calcite. The product has been on the market for almost two years and has been welcomed by customers. About a half of sales are exported, principally to Russia, where increasing consumer demand and the need for quality products have increased the demand for foreign raw materials.

Wollastonite is also quarried at Lappeenranta; wollastonite is a rare mineral that is found together with limestone. Apart from Lappeenranta wollastonite is produced on a large scale only in China, India, North America so that most of Nordkalk's output is exported. Last year Nordkalk sold wollastonite to more than 30 countries. The ceramics industry needs wollastonite for glazing and for making tiles. In the plastics industry the mineral makes it easier to adapt the mechanical properties, such as stiffness and shock resistance, of the plastic to different uses. Some wollastonite is also sold to the metal industry.

Many limestone-based products are used to neutralise the acidity of industrial waste water.



- We've been liming the fields as long as I can remember, says Marko Nummela, farmer with a degree in agriculture, at home on his farm at Koski TL, Finland.

- Liming gives better harvests. It makes it easier for the plants to absorb nutrients, prevents the soil from turning acidic and improves the composition of the soil, says Nummela. He knows from experience what he is talking about, and the results of the tests carried out on his farm give added weight to his claims.

Nummela has struck up acquaintance with Nordkalk's agricultural specialists as a result of the tests carried out on the farm.

- They have to stand in the mud and be able to see the world from the farmer's perspective. That's what I call know-how in a lime company.

For the last two years Nummela in his capacity of farming consultant has been spreading information about liming among his colleagues. Farmers applying for EU support have to take part in a course on liming, and about 3,000 farmers have already learned from Nummela.

- Liming is a familiar process for farmers, but the effect of the pH value on the solubility of trace elements, what heavy metals are to be found in the soil, and the future for GPS liming are not clear to everyone. Feedback from the courses has resulted in considerable praise for the information given during the lectures. Today's farmer needs a broad range of knowledge, says Marko Nummela.



culture

Limestone-based products are used in agriculture and horticulture as well as the animal feed industry. Agriculture's share of Nordkalk's total sales amounts to 10 per cent. The most important product is lime for soil improvement.

Soil improvement

In nature lime-rich areas are often luxuriant with a wide variety of flora since lime contributes to the fertility of the soil. By liming it is possible to regulate the acidity of the soil, which is reflected in its pH value. If the pH value is right, the natural nutrients in the soil will be released. Liming makes the soil more porous, therefore providing a good growing medium. Since the soil in the Nordic countries is by nature acidic, lime is a necessary soil improver for both agriculture and horticulture.

Nordkalk markets three different types of soil-improvement lime: calcite, magnesium-rich lime, and dolomite. These are available in either crushed or ground form. Nordkalk is the leading supplier of soil-improvement lime in Finland, Sweden and Estonia. More than half the fields in Finland and Sweden are treated with Nordkalk products. Customers in both countries are served by a wide network of factories. In Finland lime for soil improvement is made at ten plants, and in Sweden at five. The Uddagården plant at Falköping in Sweden brought its modernised grinding equipment on stream in June.

During the year sales of soil-improvement lime increased even though liming conditions in the autumn were poor because of poor weather in both Finland and Sweden.

Approximately 50,000 Finnish farmers took part in an environmental course last year, which included an hour-long lecture on liming. Participation in the course is a requisite for obtaining the European Union's environmental aid, and Nordkalk was responsible for the content of the lectures on liming. It is environmentally friendly to treat fields with lime since lime is a pure natural product and limed soil thrives.

GPS-controlled lime-spreader

Last year Nordkalk built Finland's first GPS-controlled lime spreader. The tractor-pulled spreader has been developed for use by liming entrepreneurs and has a number of technical innovations. Special weight has been attached to ease of driving in poor liming conditions.

The new spreader facilitates precision liming where different parts of the field are limed according to the actual need. GPS-located samples are taken from the field; this gives a data file with a map showing the need for liming in digital form. The amount of lime to be spread is regulated by an electrically powered hydraulic system. It is controlled by a computer that determines the amount of lime with the aid of a GPS-positioning device. In this way each area gets exactly the correct amount of lime since the need for liming may vary considerably within the same field.

In Sweden Nordkalk's partners already have a number of GPS-controlled spreaders in operation.

Garden lime

The soil is the basis of a good garden. Liming improves the structure of the soil and prevents acidification. Lime-rich soil means greener grass and healthier vegetables containing larger amounts of nutrients such as calcium and magnesium. If the soil contains too little lime (too low pH value) different impurities are more easily absorbed by the vegetables and transmitted to humans.

The rainy weather in the autumn disturbed garden liming, too, but Nordkalk's market share grew nonetheless.

Lime for animal feed

Animals need calcium to develop their bones and for their nerves. Cattle get some of their calcium from the grass they eat but this is usually not enough. The liming of pastures increases the animals' intake of calcium; however, the animals can only make use of 30-70 per cent of the calcium found in plants. Therefore lime is mixed with fodder and feed concentrates. Chickens need lime in order to produce eggshell. It is important that the feed has a high calcium content and is easily dissolved.

Nordkalk produces fodder lime in Finland, Sweden, Estonia and Poland. Sales in 2001 were more buoyant than the preceding year. The use of lime has increased as a result of the fact that meat and bone meal are no longer permitted in animal feeds because of the risk of BSE.

Conserving the environment is becoming increasingly important for our world. This fact is also reflected in Nordkalk's sales; the share accounted for by environmental products has increased to 13 per cent of the overall total. Sales of products for cleaning flue gases increased last year, mainly because of larger sales in Poland. The demand for products for environmental care is determined principally by environmental legislation and aid granted by the state and EU for such purposes.

Fluegas cleaning

When fossil fuels such as coal and oil are used for the production of energy, sulphur dioxide is given off and this has an acidifying effect on the environment. Flue gases can be cleaned with the aid of different limestone-based products that markedly reduce the burden on the environment.

The largest customers in the fluegas cleaning field are power stations. In Sweden the incinerators that burn refuse constitute an important group of customers and in Finland the number of customers was increased by the addition of a station that burns bio-refuse.

The Polish market for fluegas cleaning is growing steadily. In June a new grinding plant was opened at Wolica in southern Poland; this will mainly manufacture ground limestone for cleaning fluegases.

Water purification

Clean water is a necessity for a good quality of life. Drinking water can be purified and hardness regulated with limestone products. Most large waterworks use slaked lime and carbon dioxide to raise the pH value and alkaline quality of water, and in recent years they have also started to use crushed limestone. Last year Nordkalk successfully tested the method at several waterworks in Finland.

Demands on the cleaning of waste water have continued to rise in recent decades. Relatively simple and ineffective cleaning methods have been replaced by new, decidedly more diverse methods using limestone products as an important ingredient. In most sewage works mechanical, chemical and biological methods are combined to clean the water.

Water Group

Water Group represents a new service concept at Nordkalk. The group was set up in 2001 and is responsible for all Nordkalk's products related to the cleaning of water. Nordkalk has gathered together experts in the water-related field. The group's special expertise is used to help customers to choose the right product for their processes in both industrial and local-authority water cleaning.

Sludge treatment is another field in which the Water Group can place its know-how at the customers' disposal. The sludge can be stabilised with burnt lime, for example, raising the pH value and temperature and putting a stop to biological processes. The result is a nutrient-rich and hygienic soil-improvement medium. With the special product Nordkalk Velox biological refuse, sewage and industrial sludge can be effectively treated during composting. The product accelerates the decomposition process and reduces unpleasant smells.

Different types of lime filters make it possible to purify water even in cases where traditional methods cannot be used. During the year 2001 the Water Group supplied a turnkey Filtra plant for water purification to Jämsän Seudun Jätehuolto Oy, a waste handling plant in Finland.

Lake liming

The long-term work carried out for decades has made Nordkalk renowned throughout the world as a leading expert in the field of liming lakes and watercourses. Sweden has the world's most comprehensive publicly financed programme for liming, and as a specialist in the liming of lakes and forests Nordkalk participates in developing the programme and putting it into practice.

The most finely ground limestone is the usual product used for liming lakes but when it comes to wetlands a marked change has been noted in the customers' behaviour. A coarser kind of lime with a more long-term effect has been used to reduce the amount of dust created.

Lakes are usually limed from helicopters or boats. If winter conditions are good and there is ice on the lakes, the lime can be spread on the ice. Running watercourses are limed with the aid of different types of dosing apparatus. In Sweden there exists a well-tryed dosing concept; tailor-made solutions are evolved and old dosing equipment updated and rebuilt.

Hundred-year liming contract

In 1998, when Partek celebrated its one-hundred-year anniversary, a liming project to improve the quality of the water in the Alinenjärvi lake system was started at Nokia in Finland together with the town of Nokia and the Pirkkala environment centre.

The pH value and alkaline quality of the water are monitored each spring and autumn, and the results clearly show that the liming has had the desired effect. As a further step the upper lake of the system was limed in October 2001.



Environmental Care

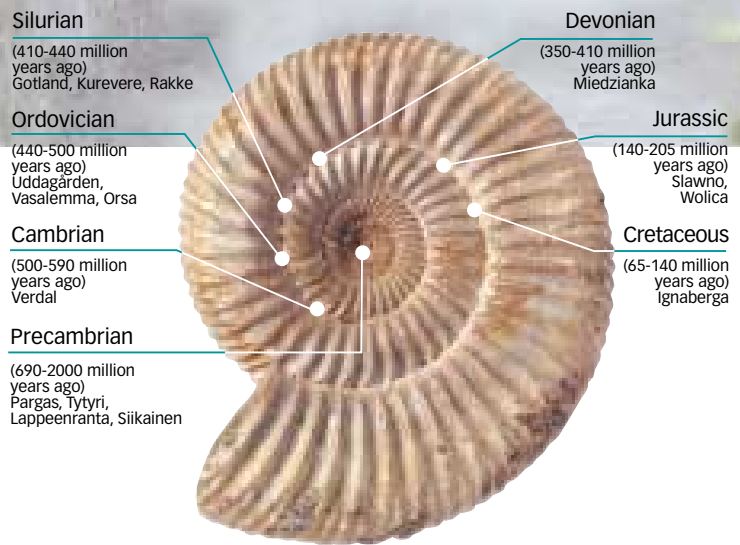
- In the wet scrubber the sulphur dioxides in the flue gases are combined with limestone slurry. For the process to work as efficiently as possible the ground limestone should be of exactly the correct quality, says director Roman Kalek from ZE Dolna Odra, one of Poland's largest power stations.

Dolna Odra began cleaning its flue gases in 1999 in accordance with its environmental policy. When it came to deciding on a supplier of ground limestone emphasis was laid on the quality of the limestone and reliability of supplies.

- For these reasons we decided to sign a contract with Nordkalk. Now that we have worked together for several years, we can note that Nordkalk has kept its promises.

The quality of the product they supply is excellent and the logistics operate without fail. The personnel know their job and are familiar with our processes. That helps us in our efforts to reduce the burden on the environment, says Kalek.

Environmental questions are important for Dolna Odra. The power station at Nowe Czarnowo now cleans its flue gases in two blocks and preparations are in hand to do so in the other six blocks. Dolna Odra gets its ground limestone from Nordkalk's plant in Szczecin, which lies some 40 km from the power station. The limestone is shipped in from Gotland, Sweden, in barges and then ground. The ground limestone is then transported in tankers to ZE Dolna Odra in Nowe Czarnowo. Four tankers a day on average ply between the plant and the power station.



Mineral Deposits

It is essential for Nordkalk's operations that the company should have access to good deposits of raw materials. Today Nordkalk extracts 11 million tonnes of stone each year at 18 quarries and three mines. The deposits represent different geological types and qualities of limestone and the extraction methods vary according to the characteristics of the rock.

During the year under review Nordkalk acquired a stake in the Järvenkylä deposit at Sauvo in Finland. It has a white crystalline stone of the same type as the limestone at Pargas and Lappeenranta. In Lappeenranta a start was made on a stripping programme so that the mine can be extended in the future, even below ground.

From the logistics point of view the quarries are strategically sited around the whole of the Baltic Sea. Nordkalk owns all the extraction rights and most of its quarries and mines and the existing reserves will cover Nordkalk's needs even in the long term. Different demands are set on the stone extracted depending on the customers requirements.

The very old crystalline limestone found at Pargas is the most important source of filler for the building industry in the Baltic region. At Lappeenranta the stone is of the same sort as Pargas and is an important raw material for paper

pigment. The Silurian limestone from Storugns on Gotland, for example, is well suited for burnt lime for the process industry.

The Silurian dolomite at Kurevere in Estonia is good for the artificial fertiliser industry, for rockwool and agriculture and not least for different industrial uses. The deposits will be exploited in the long term to become one of the most important sources of dolomite in the Baltic.

At Wolica in Poland Nordkalk extracts a porous stone whose high reactivity makes it one of the bests deposits in Europe for limestone for fluegas cleaning. Not far from Wolica lies the relatively recently acquired deposit at Miedzianka, which is one of the largest deposits of high-quality Devonian limestone in the country. The stone is supplied primarily to the steel, sugar and building industries.

Nordkalk has wide knowledge of its deposits. Extraction is adapted to the geology and planned carefully with the aid of an advanced data-processing system. This makes it possible to selectively mine different kinds of stone for different end-uses. This in turn ensures good and even quality when the limestone is refined further. Nordkalk's geologists also prospect continually in order to maintain the company's reserves and even extend them.



impact of the burning process on the properties of the lime during causticising.

In Finland a wide-reaching project for the study of SCC (Self Compacting Concrete) is in progress; Nordkalk is taking part in this together with the building industry, research institutes and universities.

Research and Development

Nordkalk's reputation as a specialist in the industry is based on constant research and product development.

The laboratory at Pargas is the leading research institute in Northern Europe for limestone-based products. The work of the R&D section is in the first place to develop existing products and processes but almost every year the section succeeds in evolving products that are completely new for the market.

The development work is carried out according to the customers' requirements, and often sales, marketing and production also take part in the work. Last year a new sales team was set up, Water Group, the members of which are specialists in product development and marketing to serve customers who have problems to do with water. It may be a question of anything from purifying drinking water to liming lakes.

Nordkalk's expenditure on R&D amounted to approx. 3.9 million in 2001.

Industrial uses

The focus in product development lies on finding uses for industry. The paper industry uses coating and filling pigments refined from limestone. Calcium carbonate is used to manufacture different types of paper pigments. Nordkalk is part owner of the Coating Technology Centre at Raisio, where the use of paper pigments (GCC and PCC) is studied for the coating and calendering of paper.

The use of calcium carbonate in the papermaking process is environmentally friendly since the manufacture of pigment does not impose a very large burden on the environment. This was confirmed in a lifecycle study that Nordkalk took part in together with the Swedish Pulp and Paper Research Institute (STFI).

In the pulp mills' causticising process quick lime is used to transform the green liquor from the pulping process into white liquor, which can be re-used in the process. Make-up lime is added to the process and the properties of the fresh quick lime must as far as possible correspond to that of the reburned lime. Last year Nordkalk studied the

Environmental uses

A further important group for R&D is made up of environmental uses. The use of crushed limestone for the alkali treatment of household water has been tested with success at several Finnish water purification plants. To prevent corrosion the water is passed through a bed of limestone; this increases the pH value and hardness of the water, thus reducing its tendency to corrode the pipes. During the current year a handbook about the process will be published. The alkali project was completed at the end of the year. It formed part of the nation-wide Water Services 2001 programme, which was supported by the National Technology Agency (Tekes) and coordinated by Nordkalk. The purpose of the programme was to achieve water of good quality, using safe methods and at reasonable cost.

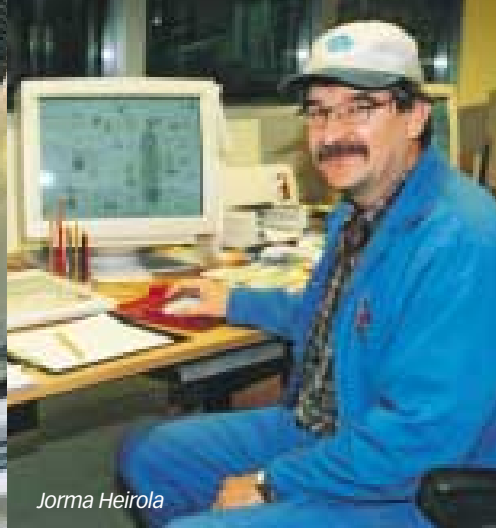
The ability of limestone to lower the contents of chlorinated organic compounds in the flue gases from power stations has been studied for many years in cooperation with other companies and research institutions in Finland. Laboratory experiments have been extended to full-scale tests, and parallel burning of refuse with different doses of limestone has been tested in different types of fluid-bed and conventional incinerators. The tests that have been carried out in different parts of Finland have proved promising. Since the legislation governing the use of refuse fuels is being tightened, Nordkalk will have a product concept that will ensure that the strict limits are not exceeded.

Nordkalk is participating in a project backed up by the National Technology Agency (Tekes), whose purpose is to chart emissions of carbon dioxide in Finland and to study the possibilities of binding carbon dioxide with silicates.

Lime is an efficient product for stabilising soft soils. Last year Nordkalk took part in the EU-financed EuroSoilStab project where different kinds of binding agents were tested on different soils. The aim was to find a suitable binding agent for every type of soil. Corresponding know-how was collected by the Swedish SD 2004 project. This is a continuation of the long-term Swedish Deep Stabilisation project. At Köping a new kind of mixing plant was brought on stream, which will make it possible to manufacture new binding agents.



Tenho Ankkuri



Jorma Heirola

Personnel

Nordkalk extracts and refines limestone, an industry that requires a high degree of skill from the personnel, skill that can only be acquired through practical experience for the most part. There are no schools that train people to be lime burners; new employees have to learn from those who have long experience.

- A lime burner has to know the process from start to finish and master all the machines. You learn the job on the job, says Tenho Ankkuri, a lime burner at Nordkalk's factory at Tytyri, Finland.

At the lime plant you begin as a greaser and after a couple of years or so you may become a burner. During your shift you go round from machine to machine to see that the burning process is going as it should. The burner supervises the whole process from a computer screen in the control room. At Tytyri there are two persons per shift who run two kilns, the old rotating kiln and the new shaft kiln that was completed in 1998. At the lime factory there are 12 ordinary employees who work on shifts around the clock.

- I was first a greaser for 15 years until a post as burner became vacant and then I started working with Jorma Heirola. The training period lasted about four months, and still I felt uncertain when I began on my own. Now I have been working as a burner for nearly five years but still the work feels like a challenge and I learn something new every day, says Ankkuri.

Jorma Heirola is one of two trained instructors at the Tytyri plant. Anybody who wants to train as an instructor has to have a lot of experience. Heirola has worked at the lime factory for more than 30 years and has trained every single one of the present burners at Tytyri.

- It is a responsible job being an instructor for without them we would not be able to manage. We have been given computer courses from outside but otherwise all the knowledge and skill are to be found in house, and that is something to be appreciated, says Heirola. Experience has been handed down literally from father to son since Heirola Jr. also works as a burner.

Miners also play a key role at Nordkalk and there is nowhere for them to get their training, either. A vocational qualification is being planned by the industry that can be taken when the apprentice can take either when

he has completed his training period or after gaining practical experience. Nordkalk and Outokumpu Oyj, both of which are members of the Finnish Mining Industry Association, the Finnish Civil Engineering Society and the Finnish Natural Stone Association, are helping to plan this qualification.

The geological and technical exploitation of raw materials is special basic skill at Nordkalk. Other key areas of expertise include knowledge of the customers' processes and logistics, which plays an important role in the transport of heavy stone loads and refined products.

At Nordkalk there are many teams where specialists have been gathered together from different groups of personnel. During the past year a new group was set up to support Nordkalk's operations in Poland and to exchange experiences from geology, production as well as about the environment and quality.

Number of employees

At year-end 2001 Nordkalk had 1,308 persons in its employ; of these 635 were in Finland, 227 in Sweden, 117 in Estonia, and 329 in Poland. The personnel in Poland were reduced according to plan by 133 persons.

Nordkalk's personnel have a large reserve of experience: more than 70 per cent of those working in Finland have been with the company for more than 10 years. Personnel management has two principal goals:

1) to ensure that this body of experience is handed on to the younger employees, and 2) to preserve job satisfaction among those who have worked for Nordkalk for many years.

The company gives support to the personnel's leisure activities at the local level. Nordkalk's factory at Louhi, Finland, received an honourable mention from the industrial safety authorities in Mikkeli for its exemplary safety record and activities designed to maintain work capacity.

Representatives of management and personnel meet at the joint cooperation meetings where topics addressed include the company's operations and matters concerning the size of the workforce and training needs. In Finland this is governed by legislation. In Sweden, where Nordkalk's operations were amalgamated into a single company from the beginning of 2002, there is a corresponding forum for management and personnel.



Environmental Management

Nordkalk extracts and processes limestone. Both the extraction process itself and the refining processes mean that the environment is affected. Nordkalk endeavours to minimise this impact, and the company's operations are continuously evaluated in accordance with its environmental policy. Divisional managers are responsible for environmental questions and for providing environment-related information within their respective divisions.

During the year under review a considerable amount of new investment was made with a view to reducing the burden on the environment. The total amount of this investment was 2.3 million, double the sum spent the previous year. This investment does not make any demand on profitability but in many cases it nonetheless has a cost-reducing effect.

Environmental policy

Nordkalk's environmental work is aimed at sustainable development; consequently, environmental aspects are taken into consideration in all the company's operations. All production processes are developed so that the environmental impact of extraction and refining can be kept to a minimum. The annual strategic planning process also includes environmental planning and Nordkalk's environmental measures are monitored regularly.

Advances in environmental management

During the year operations in Sweden were awarded an ISO 14001 certificate their environmental management system. Now all Nordkalk's production plants in Finland and all Nordkalk operations in Sweden have been environmentally certificated.

Nordkalk joined the agreement about saving energy signed between the Confederation of Finnish Industry and Employers and the Finnish Ministry of Trade and Industry as early as 2000. More efficient use of energy will lead to reduced costs and also to lower carbon dioxide emissions.

Nordkalk continued to take part in the Pro Archipelago Sea project, the aim of which is to improve the state of the Archipelago Sea. Nordkalk is also one of the main sponsors of the WWF Mermaid project that is working for the whole Baltic Sea. With production facilities around the entire Baltic Sea Nordkalk is fully aware of its responsibility regarding both emissions and effluents.

Conservation measures

The rehabilitation of the old industrial refuse site in Lappeenranta continued. The work on the site began in the year 2000 in accordance with the provisions of Nordkalk's environmental permit. The rehabilitation work continued in 2001 and work was started on planting the area. The work of rehabilitating the site is expected to be completed before the end of 2003.

New electric filters were installed in the kilns at Raahe and Pargas. This will reduce effectively the emission of particles.

At Sipoo in Finland certain shore areas of the factory area have been restored.

At Uddagården, Sweden, an extensive reconstruction of the factory was brought to a conclusion. This has reduced markedly both costs and environmental impact.

The work of reducing dust emissions continues unabated. Roads and industrial areas are asphalted each year and new sprinklers to reduce the amounts of dust released in adverse weather conditions.

The reconstruction of the compressor hall at Köping in Sweden has meant a considerable reduction in energy costs and noise. The risk of oily cooling water being released has now been minimised.

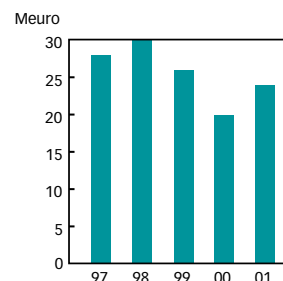
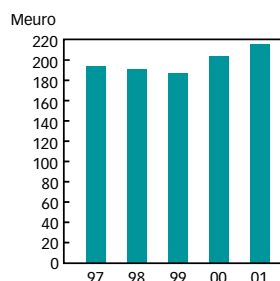
New uses for by-products are being found; this facilitates the work of rehabilitation and means revenues instead of costs. Waste stone from the extraction process can be used for road building and crushed for macadam, and flotation tailings can be used to restore refuse sites. Disused mines can also be used for storing waste stone.

Health and safety

Nordkalk has embarked a programme to chart the risks involved in all its operations. In a few places catastrophe drills have been organised and this work will continue in 2002.

Nordkalk also publishes a separate Environmental Report for year 2001.

Annual Report of the Board of Directors



Net sales

Operating profit

Nordkalk Group

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.

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

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

Consolidated net sales and operating profit

Consolidated net sales increased to EUR 215.9 (2000:202.8) million, which is an increase of 6 per cent. Sales in Poland increased, which was mainly due to the acquisition of the limestone company Miedzianka in 2000.

Consolidated operating profit increased 19 per cent to EUR 24.1 (20.3) million, which is 11.2 (10.0) per cent of net sales. Operations in Poland showed a clearly improved profit development but were still loss-making for the full year.

Depreciation according to plan amounted to EUR 21.2 (19.3) million.

Profit after financial items was EUR 18.0 (15.7) million, representing 8.3 (7.7) per cent of net sales.

Return on capital employed was 11.0 (10.3) per cent.

For full details reference is made to the Consolidated Income Statement and Balance Sheet and the parent company's financial statements together with notes, additional details and financial analyses.

Investments

A long-term investment program in Sweden was completed with the modernization 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 on the Polish market. 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 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 15 million euros is the biggest one ever made at a single Nordkalk plant. The expansion makes it possible to produce new products and thus increase sales to the paper industry.

Structural changes

As a step in Nordkalk's efficiency program, the operations in Sweden have been merged to one company, Nordkalk AB, from the beginning of 2002.

Change of name

The name of Partek Nordkalk Corporation was changed to Nordkalk Corporation in the beginning of 2002. The new name of the parent company is Nordkalk Oyj Abp. The names of the subsidiaries in Sweden, Estonia and Poland were also changed.

The change of name strengthens Nordkalk's independent profile.

Personnel

The total number of employees in Nordkalk Group was 1,308 at the end of the year.

The average number of employees in 2001 was 1,433. The number of employees in Poland has decreased as planned by 133 persons and was 329 at the end of the year.

Research and Development

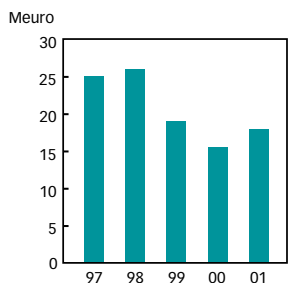
Total R&D expenditure increased to EUR 3.9 (3.7) million, which represents 1.8 (1.8) percent of net sales. During the past year the focus of the R&D activities remained on products for industrial processes.

Environment and quality

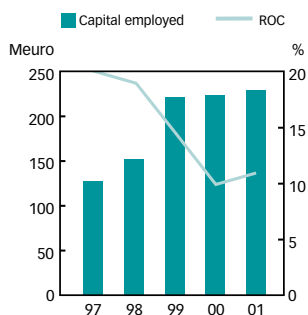
The ISO 14001 certification procedure was completed in Sweden, which means that all production plants in Finland and Sweden now have the environmental certification.

Board of Directors, President and Auditors
Members of the Board of Directors :

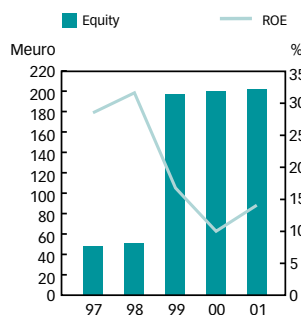
Christoffer Taxell	chairman
Carl-Gustaf Bergström	member
Patrick Enckell	member
Kari Heinistö	member
Christer Sundström	member and President of Nordkalk Corporation



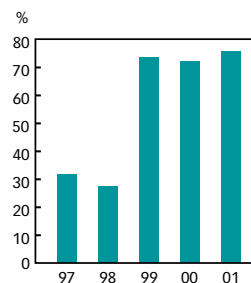
Profit after financial items



Capital employed and ROC



Equity (including capital loan) and ROE



Equity and total assets ratio (including capital loan)

Solveig Törnroos-Huhtamäki, APA, and Thor Nyroos, APA, have been auditors, and the deputy auditor has been KPMG Wideri Oy Ab, Authorised Public Accountants.

Shares

Partek Corporation owns 100 per cent of Nordkalk Corporation's shares.

Board's proposal for the distribution of profits

Profit available for distribution for the Nordkalk parent company is EUR 28.6 million and EUR 8.9 million for the Nordkalk Group. The board proposes that a dividend of EUR 0.10 per share, or a total of EUR 3,283,800 million, be paid.

Prospects for year 2002

Total sales of Nordkalk are expected to continue to increase during 2002, mainly through sales to export-related industries.

Pargas, February 6, 2002

Christoffer Taxell
 Carl-Gustaf Bergström
 Patrick Enckell
 Kari Heinistö
 Christer Sundström

Consolidated Income Statement

Jan. 1 - Dec. 31, 2001

	Note	2001 1000 euro	%	2000 1000 euro	%
Net sales	1	215 889	100.0	202 797	100.0
Cost of goods sold		168 548		159 128	
Gross profit		47 341	21.9	43 670	21.5
Selling , marketing and development expenses		10 597		10 487	
Administration expenses		17 125		17 006	
Other operating income	4	5 919		6 326	
Other operating expenses	4	1 404		2 234	
		23 208	10.7	23 400	11.5
Operating profit	2,3	24 133	11.2	20 269	10.0
Share of results of associated companies	5	-1		7	
Financial income and expenses	6,7	-6 136		-4 535	
Profit before extraordinary items		17 995	8.3	15 741	7.8
Extraordinary items	8				
Group contribution		-13 541	-6.3	-577	-0.3
Profit before taxes and minority interest		4 455	2.1	15 164	7.5
Direct taxes	9	-2 707		-5 668	
Minority interests		-1 823		-1 623	
Net profit/loss for the period		-75	0.0	7 873	3.9

Consolidated Balance Sheet

Dec. 31, 2001

	Note	Dec. 31, 2001 1000 euro	%	Dec. 31, 2000 1000 euro	%
Assets					
Fixed assets and long-term investments					
Intangible assets					
- Goodwill		2 031		2 047	
- Other intangible assets		5 624		4 614	
Tangible assets					
- Mineral deposits and land		57 570		53 358	
- Buildings and constructions		38 323		31 393	
- Machinery and equipment		108 963		97 618	
- Other tangible assets		2 948		2 895	
- Advance payments and construction in progress		5 702		15 093	
Investments					
- Shares in associated companies	11	638		559	
- Other shares and participations	11	2 038		2 029	
- Long-term receivables		70			
Total fixed assets and long-term investments		223 908	75.3	209 605	72.0
Current assets					
Inventories	12	30 039		28 461	
Short-term receivables	12	31 830		35 621	
Cash and bank balances		11 469		17 599	
Total current assets		73 338	24.7	81 681	28.0
Total assets		297 246	100.0	291 286	100.0
Shareholders' equity and liabilities					
Shareholders' equity					
Share capital	13	65 676		65 676	
Share premium account		485		510	
Other restricted equity		36			
Net profit for previous years		35 473		25 755	
Net profit/loss for the period		-75		7 873	
Capital loan	19	100 000		100 000	
Total shareholders' equity		201 596	67.8	199 814	68.6
Minority interest		8 988	3.0	8 514	2.9
Provisions	14	4 316	1.5	4 916	1.7
Liabilities					
Deferred tax liability	9,15	16 214		16 859	
Long-term liabilities	15	16 521		11 518	
Short-term liabilities	16	49 611		49 666	
Total liabilities		82 347	27.7	78 043	26.8
Total shareholders' equity and liabilities		297 246	100.0	291 286	100.0

Source and Application of Funds Group

	2001 1000 euro	2000 1000 euro
Operating activities		
Operating profit	24 133	20 269
Depreciation	21 303	19 154
Profit/loss on sale of fixed assets	-329	-527
Cash flow before changes in working capital	45 107	38 896
Change in working capital		
Inventories (- = increase)	-1 578	-4 050
Short-term receivables (- = increase)	-2 823	-1 765
Non interest-bearing liabilities (- = decrease)	-7 572	8 574
	-11 973	2 759
Financial items, taxes and extraordinary items		
Financial income and expenses	-6 136	-4 535
Taxes	-2 707	-1 947
Extraordinary income and expenses	0	-577
	-8 843	-7 059
Net funds from operating activities	24 291	34 596
Cash flow from investment activities		
Gross capital expenditure	-32 956	-49 115
Sale of fixed assets	675	2 128
	-32 281	-46 987
Net fund before financing	-7 990	-12 391
Financing		
Change in interest-bearing liabilities (+ = increase)	5 056	-2 238
Change in interest-bearing receivables (+ = decrease)	100	-76
Dividends paid		-5 922
Contribution paid	-876	
Translation differences and other changes	-2 419	-2 643
	1 861	-10 880
Change in liquid funds	-6 129	-23 270
Liquid funds, January 1	17 599	40 869
Liquid funds, December 31	11 469	17 599

Income Statement

Parent Company Jan.1 - Dec. 31, 2001

	Note	2001 1000 euro	%	2000 1000 euro	%
Net sales	1	116 061	100.0	109 907	100.0
Cost of goods sold		87 752		83 696	
Gross profit		28 309	24.4	26 210	23.8
Selling , marketing and development expenses		4 101		4 349	
Administration expenses		10 793		10 261	
Other operating income	4	4 667		4 327	
Other operating expenses	4	404		685	
		10 631	9.2	10 968	10.0
Operating profit	2,3	17 678	15.2	15 242	13.9
Financial income and expenses	6,7	1 273		185	
Profit before extraordinary items		18 950	16.3	15 428	14.0
Extraordinary items	8	-13 000	-11.2	-7 316	-6.7
Group contribution					
Profit before appropriations and taxes		5 950	5.1	8 112	7.4
Depreciation in excess of plan		3 422		4 095	
Direct taxes	9	-2 661		-502	
Net profit for the period		6 711	5.8	11 705	10.7

Balance Sheet

Parent Company Dec. 31, 2001

	Note	Dec. 31, 2001 1000 euro	%	Dec. 31, 2000 1000 euro	%
Assets					
Fixed assets and long-term investments					
	10				
Intangible assets		4 795		3 847	
Tangible assets					
- Mineral deposits and land		5 062		2 916	
- Buildings and constructions		16 617		15 756	
- Machinery and equipment		45 778		47 222	
- Other tangible assets		1 288		1 272	
- Advance payments and construction in progress		206		293	
Investments					
- Shares in subsidiaries	11	82 810		72 934	
- Long-term receivables from subsidiaries		39 174		44 930	
- Shares in associated companies	11	465		385	
- Other shares and participations	11	2 023		2 023	
Total fixed assets and long-term investments		198 218	80.3	191 579	79.0
Current assets					
Inventories	12	17 590		16 177	
Short-term receivables	12	23 359		21 881	
Cash and bank balances		7 657		12 780	
Total current assets		48 606	19.7	50 839	21.0
Total assets		246 824	100.0	242 417	100.0
Shareholders' equity and liabilities					
Shareholders' equity					
	13				
Share capital		65 676		65 676	
Share premium account		16		16	
Net profit for previous years		21 866		10 161	
Net profit for the period		6 711		11 705	
Capital loan	19	100 000		100 000	
Total shareholders' equity		194 269	78.7	187 559	77.4
Accumulated excess depreciation		21 667	8.8	25 088	10.3
Provisions	14	451	0.2	622	0.3
Liabilities					
Long-term liabilities	15	576		212	
Short-term liabilities	16	29 861		28 936	
Total liabilities		30 437	12.3	29 148	12.0
Total shareholders' equity and liabilities		246 824	100.0	242 417	100.0

Source and Application of Funds Parent Company

	2001 1000 euro	2000 1000 euro
Operating activities		
Operating profit	17 678	15 242
Depreciation	8 975	8 902
Profit/loss on sale of fixed assets	-302	-359
Cash flow before changes in working capital	26 351	23 786
Change in working capital		
Inventories (- = increase)	-1 412	-2 058
Short-term receivables (- = increase)	-2 746	4 329
Non interest-bearing liabilities (+ = increase)	190	631
	-3 969	2 902
Financial items, taxes and extraordinary items		
Financial income and expenses	3 469	-1 083
Taxes	-2 661	-502
Extraordinary income and expenses	-13 000	-7 316
	-12 192	-8 901
Net funds from operating activities	10 190	17 787
Cash flow from investment activities		
Gross capital expenditure	-21 460	-31 849
Sale of fixed assets	390	509
	-21 069	-31 340
Net fund before financing	-10 880	-13 553
Financing		
Change in long-term receivables (+ = decrease)	5 756	-4 068
Dividends paid	0	-5 922
	5 756	-9 990
Change in liquid funds	-5 123	-23 543
Liquid funds January 1	12 780	36 324
Liquid funds December 31	7 657	12 780

Accounting principles

The consolidated financial statements of Nordkalk Corporation 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 cover the parent company Nordkalk Corporation, and all companies in which the parent company, directly or indirectly, 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 consolidated 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, 10 years. That portion of surplus value assigned to a deposit is written off linearly over a period of 30 years. Deferred tax liability on allocated acquired surplus value has partly been taken into account in the consolidated balance sheet.

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.

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.

Fixed assets

Fixed assets are stated in the balance sheet at the historical cost less accumulated depreciation. The estimated useful lives that are the basis for depreciation and amortisation are as follows:

• Goodwill	10 years
• Other capitalised expenditure	3-10 years
• Buildings and structures	10-40 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.

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.

For financial leasing the differences between Finnish and international accounting practice are shown in the notes as well as their impact on certain key figures.

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. The research and development costs and their proportion of net sales are presented in the five-year review.

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.

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 a convertible capital loan. In the calculation of financial ratios solvency and gearing, these have been treated as equity according to the Partek group targets for these ratios.

Exchange rates		Year-end rates December 31,		Average rates	
Country	Currency	2001	2000	2001	2000
Finland	FIM	5.94573	5.94573	5.94573	5.94573
Sweden	SEK	9.30120	8.83131	9.25046	8.44384
Estonia	EEK	15.64662	15.64662	15.64666	15.64666
Poland	PLN	3.49530	3.84980	3.66416	4.00467
	EUR	1.00000	1.00000	1.00000	1.00000

Note 1 Net sales by geographical area and product groups
1000 euro

Geographical area	Group		Parent Company	
	2001	2000	2001	2000
Finland	138 902	130 175	112 637	106 484
Sweden	50 963	50 747	112	202
Other EU	7 820	5 387	2 429	2 445
Estonia + Poland	13 784	11 904	79	32
Other Europe	4 160	4 276	544	435
Others	259	309	259	309
Total	215 889	202 797	116 061	109 907

Product groups	Group	
	2001	2000
Limestone & paper pigments	153 621	145 815
Quick and hydrated lime	78 258	77 198
Internal sales	-15 990	-20 216
Total	215 889	202 797

Note 2 Personnel expenses
1000 euro

	Group		Parent Company	
	2001	2000	2001	2000
Wages and salaries				
Salaries and payments to Board Members and Managing Directors	811	712	150	138
To others	30 766	27 906	17 132	16 364
Bonus to Board Members and Managing Directors	71	45	19	23
Total	31 648	28 663	17 301	16 524
Other personnel expenses				
Pensions and pension premiums	4 064	3 871	3 116	2 631
Other payroll costs	4 978	5 102	1 640	1 851
Total	9 042	8 973	4 756	4 482
TOTAL	40 690	37 636	22 057	21 007
Personnel				
As an average during the year	1 433	1 302	602	611
At year end	1 308	1 435	575	576

The President of Nordkalk Corporation is entitled to retire at the age of 62.

Note 3 Depreciation

1000 euro

	Group		Parent Company	
	2001	2000	2001	2000
Depreciation by function				
Production	19 863	17 821	8 163	8 096
Selling, marketing and development	114	84	46	38
Administration	975	908	766	724
Other operating expenses, Goodwill	278	490		
Total	21 229	19 303	8 975	8 858

Depreciation according to plan

Goodwill	273	484		
Intangible assets	950	736	810	613
Mineral deposits and land	1 669	1 205		
Buildings and constructions	2 836	2 656	1 624	1 592
Machinery and equipment	15 027	13 784	6 239	6 342
Other tangible assets	474	438	302	311
Total	21 229	19 303	8 975	8 858

Note 4 Other operating income and expenses

1000 euro

	Group		Parent Company	
	2001	2000	2001	2000
Income				
Rents	896	673	693	672
Profit on sale of fixed assets	338	538	302	367
Other income	4 685	5 115	3 672	3 288
Total	5 919	6 326	4 667	4 327
Expenses				
Depreciation on goodwill	273	484		
Decrease in fixed asset value		76		44
Loss on sale of fixed assets	9	11		9
Taxes on real estate	501	288	90	82
Other expenses	621	1 375	314	550
Total	1 404	2 234	404	685

Note 5 Share of result and equity in associated companies

1000 euro

of equity	Land	Share- holding %	Share of result		Share	
			2001	2000	2001	2000
Pargas Vatten Ab	Finland	50.0	-1	1	478	479
Lohjan Energiahuolto Oy Loher	Finland	23.1	0	6	80	80
Pargas Hyreshus Ab	Finland	34.1	0		36	
Total			-1	7	594	559

Note 6 Other financial items
1000 euro

		Group		Parent Company	
		2001	2000	2001	2000
Exchange rate differences		866	439	1 763	866
Other financial income	external	271	274	25	26
Other financial expenses	external	280	232		
Total		857	481	1 788	892

Note 7 Dividends, interest income and expenses
1000 euro

		Group		Parent Company	
		2001	2000	2001	2000
Dividends from Nordkalk companies				2 012	1 014
Other dividends		30	16	638	411
Interest income from Nordkalk companies				3 030	2 326
Interest income from Partek companies		527	1 265	511	1 232
Other interest income		85	1 247	17	1 159
Interest expenses to Partek companies		25	2	4	2
Other interest expenses		7 611	7 542	6 719	6 847
Total		- 6 994	-5 016	-515	-707

Note 8 Extraordinary items
1000 euro

		Group		Parent Company	
		2001	2000	2001	2000
Income					
Group contribution received			11 878		
Expenses					
Group contribution paid		-13 541	-12 455	-13 000	-7 316
Total		-13 541	-577	-13 000	-7 316

Note 9 Direct taxes
1000 euro

		Group		Parent Company	
		2001	2000	2001	2000
Taxes in income statement					
Taxes for extraordinary items		-3 921	-235	-3 770	-2 122
Direct taxes for the year		6 692	2 182	6 431	2 623
Change in deferred tax asset/liability		-64	3 721		
Total		2 707	5 668	2 661	502

Deferred tax liability

From untaxed reserves		12 884	13 226		
From consolidation entries		3 397	3 724		
From valuation and matching differences		-67	-91		
Total		16 214	16 859		

Note 10 Fixed assets

1000 euro

Group

	Goodwill	Intangible assets	Mineral deposits and land	Buildings and constructions	Machinery and equipment	Other tangible assets	Construction in progress
Acquisition cost Jan. 1, 2001	4 086	7 749	60 731	51 644	193 815	6 516	15 093
Exchange rate differences	-174	-27	1 385	277	-1 917	5	-42
+ Investments		1 826	2 181	6 122	20 409	531	1 505
+ Other increases	280	150	2 145	3 572	7 414	76	58
- Decreases			-71	-145	-169		-10 912
Acquisition cost Dec. 31, 2001	4 193	9 698	66 370	61 470	219 552	7 127	5 702
Accumulated depreciation Jan. 1, 2001	-2 040	-3 135	-7 373	-20 251	-96 197	-3 621	
Exchange rate differences	151	14	286	-60	758	-6	
- Depreciation during the year	-273	-952	-1 713	-2 847	-15 042	-477	
- Accumulated depreciation for decreases				11	-108	-75	
Accumulated depreciation Dec. 31, 2001	-2 161	-4 074	-8 801	-23 146	-110 588	-4 179	
Residual value Dec. 31, 2001	2 031	5 624	57 570	38 323	108 963	2 948	5 702

Parent Company

	Intangible assets	Mineral deposits and land	Buildings and constructions	Machinery and equipment	Other tangible assets	Construction in progress
Acquisition cost Jan. 1, 2001	6 207	2 988	25 040	93 184	3 083	293
+ Investments	1 608	2 035	2 446	4 767	318	105
+ Other increases	150	165	39	62		70
- Decreases		-54		-122		-263
Acquisition cost Dec. 31, 2001	7 965	5 134	27 525	97 891	3 401	206
Accumulated depreciation Jan. 1, 2001	-2 360	-72	-9 283	-45 963	-1 811	
- Depreciation during the year	-810		-1 624	-6 239	-302	
- Accumulated depreciation for decreases				88		
Accumulated depreciation Dec. 31, 2001	-3 170	-72	-10 908	-52 113	-2 113	
Residual value Dec. 31, 2001	4 795	5 062	16 617	45 778	1 288	206

	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	385	2 074	72 934	385	2 069
Exchange rate differences					
+ Investments	81	10	293	81	
+ Other increases			9 583		
- Decreases	-1	-1		-1	-1
Acquisition cost Dec. 31, 2001	465	2 083	82 810	465	2 068
Accumulated depreciation Jan. 1, 2001	174	-45			-45
- Depreciation during the year					
- Accumulated depreciation for decreases	-1				
Accumulated depreciation Dec. 31, 2001	173	-45			-45
Residual value Dec. 31, 2001	638	2 038	82 810	465	2 023

Note 11 Shares and participations Dec. 31, 2001

	Group holding		Nominal value		Book value euro	
	Number of shares	%	Currency		Parent Company	Group
Subsidiaries:						
All-Kalk i Östergötland AB	20 000	100.0	SEK	2 000 000		110 953
AB Ignaberga Kalksten	7 500	100.0	SEK	750 000		1 384 553
Inkoo Shipping Oy Ab	3 000	60.0	FIM	3 000 000	506 582	506 582
Kalkproduktion Storugns AB	30 000	66.7	SEK	300 000		355 223
Nordkalk AB	250 000	100.0	SEK	25 000 000	18 866 430	18 866 430
Nordkalk AS	15 000	100.0	EEK	15 000 000	4 849 832	4 849 832
Nordkalk i Köping AB	120 000	100.0	SEK	12 000 000	15 371 858	15 371 858
Nordkalk i Luleå AB	2 500	100.0	SEK	250 000		27 093
Nordkalk Lease AB	100 000	100.0	SEK	10 000 000		1 612 695
Nordkalk Miedzianka S.A.	1 490 541	85.3	PLN	14 905 410	31 751 901	31 751 901
Nordkalk Sp. z o.o.	300 000	100.0	PLN	30 000 000	7 591 195	7 591 195
Ab Pargas Broborg	1 500	100.0	FIM	15 000	293 000	293 000
Suomen Karbonaatti Oy	12 495	51.0	EUR	2 101 508	3 578 740	3 578 740
Total subsidiaries					82 809 537	86 300 055
Associated companies:						
Lohjan Energiahuolto Oy Loher	6	23.1	FIM	300 000	171	79 556
Pargas Hyreshus Ab	1 022	34.1	FIM	10 220	80 730	80 730
Pargas Vatten Ab	22 500	50.0	FIM	2 250 000	384 576	478 088
Total associated companies					465 477	638 374
Other companies						
Flenvike Fastighets AB	80	0.1	SEK	44 000		4 645
OOO Kamennyi Lev	1	100.0	RUR	200 000		0
Köpings Företagarforum AB	1	0.1	SEK	5 000		538
Lappeenrannan Kerho Oy	15	-	FIM		138	138
Lappeenrannan Urheilutalo	34	-	FIM			0
Lohjan Puhelin Oy	5	-	FIM	500		135
Pargas Idrotts- och ungdomsgård Ab	1 500	-	FIM	75 000	12 816	12 816
Pargas Telefon Ab	4 100	-	FIM	16 400	10 061	10 061
Päijät-Hämeen Puhelinyhdistys	17	-	FIM		1 293	1 293
AS Rocca al Mare Suurhall	4	0.1	EEK	40		9 587
Savonlinnan Puhelinyhdistys	9	-	FIM	18 000	3 252	3 252
Specialty Minerals Nordic Oy Ab	11 680	4.7	EUR	1 964 435	1 434 643	1 434 643
Suur-Savon Sähkö Oy	250	-	FIM	2 500	86	86
Vaasan Läänin Puhelin Oy	2	-	FIM	160	342	342
Vakka-Suomen Puhelin Oy	9	-	FIM	900	1 170	1 170
Vasa Telefon Ab	2	-	FIM	160	740	740
Verdalskalk A/S	30	10.0	NOK	3 000 000	456 983	456 983
Viljavuospalvelu Oy	6 490	13.0	FIM	649 000	101 779	101 779
Total other companies					2 023 302	2 038 206

Note 12 Currents assets
1000 euro

Inventories

	Group		Parent Company	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Materials and supplies	15 346	14 123	9 208	8 984
Finished goods and work in progress	14 688	14 337	8 382	7 193
Advance payments	5	1		
Total	30 039	28 461	17 590	16 177

Short-term receivables

	Group		Parent Company	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
ACCOUNTS RECEIVABLE				
Nordkalk group			2 673	2 018
Partek group	7	32	4	9
Associated companies	406	530	340	412
Other	26 203	23 117	11 122	10 726
Total	26 616	23 679	14 139	13 165

LOAN RECEIVABLES

Nordkalk group			5 245	5 888
Partek group				
Other		223		
Total	0	223	5 245	5 888

PREPAID EXPENSES AND ACCRUED INCOME

Nordkalk group			710	212
Partek group	5	1 217	5	1 294
Associated companies				
Other	4 251	923	3 233	829
Total	4 256	2 140	3 948	2 335

OTHER RECEIVABLES

Nordkalk group				
Partek group		6 945		423
Associated companies				
Other	958	2 635	27	71
Total	958	9 579	27	494

SUMMARY

Nordkalk group			8 628	8 118
Partek group	12	8 194	9	1 725
Associated companies	406	530	340	412
Other	31 412	26 897	14 382	11 626
Total	31 830	35 621	23 359	21 882

SPECIFICATION OF PREPAID EXPENSES AND ACCRUED INCOME, EXTERNAL

Financial items		2		
Tax receivables	2 732		2 732	
Others	1 519	921	501	829
Total	4 251	923	3 233	829

Note 13 Change in shareholders' equity

1000 euro

	Group		Parent Company	
	2001	2000	2001	2000
Share capital Jan. 1	65 676	65 676	65 676	65 676
Changes				
Share capital Dec. 31	65 676	65 676	65 676	65 676
Share premium account Jan. 1	510	526	16	16
Translation differences	-25	-16		
Share premium account Dec. 31	485	510	16	16
Other restricted equity Jan. 1	0			
Changes	36			
Other restricted equity Dec. 31	36	0	0	0
Capital loan Jan. 1	100 000	100 000	100 000	100 000
Changes				
Capital loan Dec. 31	100 000	100 000	100 000	100 000
Net profit for previous years Jan. 1	33 628	30 638	21 866	16 083
Advanced dividend		-5 922		-5 922
Translation differences	1 887	1 039		
Other changes	-41			
Net profit for previous years Dec. 31	35 473	25 755	21 866	10 161
Net profit/loss for the period	-75	7 873	6 711	11 705
Total shareholders' equity	201 596	199 814	194 269	187 559
Distributable equity				
Net profit for previous years	35 473	25 755	21 866	10 161
Advanced dividend		5 922		5 922
Net profit/loss for the period	-75	7 873	6 711	11 705
Equity share of untaxed reserves	-26 360	-26 935		
Translation differences	-155	-1		
Total distributable equity	8 883	12 614	28 577	27 788

Note 14 Provisions

1000 euro

	Group		Parent Company	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Provision for restructuring	3 297	3 800		
Provision made for future environmental responsibilities	1 019	1 115	451	622
Total	4 316	4 916	451	622

Note 15 Long-term liabilities

1000 euro

	Group		Parent Company	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Loans from financial institutions	9 067	7 130		
Pension fund loans	2 157	2 296		
Deferred tax liability (Note 9)	16 214	16 808		
Other interest-bearing liabilities	5 051	4 174		
Other non interest-bearing liabilities	247	275	576	212
Total	32 735	30 683	576	212
Long-term interest-bearing liabilities	16 275	13 600		
Repayments of long-term liabilities	Year 2-5	Over 5	Year 2-5	Over 5
Loans from financial institutions	7 553	1 514		
Pension fund loans		2 157		
Deferred tax liability (Note 9)		16 214		
Other interest-bearing liabilities	2 986	2 065		
Other non interest-bearing liabilities		247	370	206
Total	10 539	22 196	370	206

Note 16 Short-term liabilities
1000 euro

SHORT-TERM NON INTEREST-BEARING LIABILITIES

	Group		Parent Company	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
ACCOUNTS PAYABLE				
Nordkalk group			973	1 075
Partek group	8	-430	3	-514
Associated companies	62	33	62	33
Others	16 180	16 489	7 190	6 555
Total	16 250	16 092	8 228	7 150
ADVANCES RECEIVED				
Others	2	4		
Total	2	4		
ACCRUED EXPENSES AND DEFERRED INCOME				
Nordkalk group			100	
Partek group	928	2 168	928	
Associated companies				
Others	7 758	7 791	5 436	6 558
Total	8 686	9 959	6 464	6 558
OTHER NON INTEREST-BEARING LIABILITIES				
Nordkalk group				
Partek group (incl. Group contribution)	13 537	11 070	13 000	13 238
Others	7 311	8 791	2 169	1 989
Total	20 848	19 861	15 169	15 227
SUMMARY				
Nordkalk group			1 073	1 075
Partek group	14 473	12 808	13 931	12 724
Associated companies	62	33	62	33
Others	31 251	33 075	14 795	15 103
Total short-term non interest-bearing liabilities	45 786	45 916	29 861	28 936

SHORT-TERM INTEREST-BEARING LIABILITIES

REPAYMENTS OF LONG-TERM LIABILITIES				
Partek group				
Others	3 142	2 356		
OTHER INTEREST-BEARING LIABILITIES				
Partek group		508		
Others	683	936		
Total short-term interest-bearing liabilities	3 825	3 800		
Total short-term liabilities	49 611	49 716	29 861	28 936

SPECIFICATION OF ACCRUED EXPENSES AND DEFERRED INCOME, EXTERNAL

Purchases	437			
Sales related items	968	823	711	520
Personnel costs	3 792	3 531	3 208	3 091
Guarantee liabilities	41	84	13	84
Taxes	64	251	3	56
Financial items	1 345	1 278	1 177	1 176
Others	1 110	1 824	324	1 631
Total	7 758	7 791	5 436	6 558

Not 17 Pledged assets, contingent liabilities and leasing contracts
1000 euro

	Group		Parent Company	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
PLEDGED ASSETS				
Real estate mortgages as security for own debts				
Loans from financial institutions	1 329	2 172		
Mortgages	5 690	5 941		
Other mortgages				
Other short-term debts	0	498		
Mortgages	538	566		
Total mortgages	6 227	6 507		
Other pledged assets				
Long-term interest-bearing liabilities	42	172		
Other pledges	959	959		
Total other pledged assets	959	959		
Pledged assets for other own liabilities than debts				
Real estate mortgages	959	959		
Other mortgages	34	34	34	34
Pledged assets for others' debts				
Real estate mortgages	7			
Total	8 186	8 458	34	34
CONTINGENT LIABILITIES				
Guarantees				
For subsidiaries			3860	
For associated companies	189		189	
Pension fund liability	46	47		
Other contingent liabilities	123	61		
Total	358	108	4049	0
LEASING CONTRACTS				
In accordance with current leasing contracts leasing fees during the next years will amount to:				
2002	5 566		4 330	
2003	5 415		4 118	
2004	5 155		3 945	
2005	4 881		3 723	
2006 or later	19 997		19 762	
Total	41 014		35 878	

Note 18 Adjustment for financial leasing

The effects of recording leasing contracts in the balance sheet as assets and liabilities and leasing charges as depreciations, repayments and interest expenses.

Meuro

Income statement	Operating profit		Financial items		Profit after financial items	
	2001	2000	2001	2000	2001	2000
As shown in the income statement	24.1	20.3	- 6.1	- 4.5	18.0	15.7
Adjustment for interest expenses included in leasing charges	1.4	1.7	- 1.4	- 1.7	-	
Adjusted Income Statement	25.5	22.0	- 7.5	- 6.2	18.0	15.7

Balance Sheet	Fixed assets		Liabilities		Balance Sheet total	
	2001	2000	2001	2000	2001	2000
Balance Sheet value as shown	223.9	209.6	82.3	78.0	297.2	291.3
Residual value of leased assets	32.1	33.8	32.1	33.8	32.1	33.8
Adjusted Balance Sheet	256.0	243.4	114.4	111.8	329.3	325.1

Solvency (%)

According to the Financial Statements	70.8	71.5
After adjustments in the Income Statement and in the Balance Sheet	63.9	64.1

Note 19 Main Terms and Conditions of the Capital Loan

The parent company has a capital loan of EUR 100 million.

Main terms and conditions are the following:

1. The loan is a capital loan as specified in the Finnish Companies Act. Status of the loan, as well as terms and conditions concerning repayment and interest, are different to those of a regular loan.

Repayment of the principal and payment of interest require that certain conditions are met. Should the Company be placed in liquidation or bankruptcy, the principal, interest and other yield shall be payable only at a priority inferior to that of all other creditors.

2. The maturity of the loan shall be from 28 October 1999 through 28 October 2004. The loan shall be repaid in a single instalment on 28 October 2004 in case the shares of the company have not been listed for public trading.

3. The loan shall pay annual fixed interest of 6.71%.

4. The loan is listed on the I-List of HEX Ltd, Helsinki Stock Exchange.

Complete terms and conditions of the loan are available on www.nordkalk.com.

Note 20 Nominal values of derivative instruments

1000 euro

	Dec. 31, 2001	Dec. 31, 2000
Nominal value		
Foreign exchange forward contracts	44 426	66 684
of which closed contracts	8 773	7 760
Market value		
Foreign exchange forward contracts	-860	1 192

The principle observed in calculating market value: Foreign exchange forward contracts are valued at market values on the balance sheet date. Derivative instruments are used to reduce currency and interest-rate risk of the Group.

Within its normal business the company has made, in limited scale, electricity forward contracts which are not included in note 20. The market value of these contracts is positive.

Calculation of financial ratios

Return on capital employed (ROC), %

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

Return on equity (ROE), %

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

Interest coverage

$$\frac{\text{Operating profit + financial income}}{\text{Interest expenses}}$$

Value added

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

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, %

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

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

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

*) Shareholders' equity excluding capital loans

Five-years review

		2001	2000	1999	1998	1997
From Income statement						
Net sales	Meuro	215,9	202,8	187.4	191.2	193.5
change-%	%	6.5	8.2	-2.0	-1.1	17.8
foreign sales	%	35.7	35.8	32.3	33.2	30.9
Operating profit	Meuro	24.1	20.3	25.5	30.3	27.7
% of net sales	%	11.2	10.0	13.6	15.8	14.3
Profit after financial items	Meuro	18.0	15.7	19.0	26.1	24.9
% of net sales	%	8.3	7.8	10.2	13.7	12.9
Profit before taxes and minority	Meuro	4.5	15.2	27.2	9.0	5.5
% of net sales	%	2.1	7.5	14.5	4.7	2.9
Net profit/loss for the period	Meuro	-0.1	7.9	18.2	3.7	-0.3
From balance sheet						
Fixed assets	Meuro	223.9	209.6	178.4	157.1	133.5
Inventories	Meuro	30.0	28.5	24.4	24.2	25.6
Other current assets	Meuro	43.3	53.2	74.6	31.2	28.5
Minority interest	Meuro	9.0	8.5	7.4	7.1	11.1
Equity	Meuro	201.6	199.8	196.8	50.7	48.0
Interest-bearing liabilities	Meuro	20.1	15.1	17.3	93.9	67.7
Non interest-bearing liabilities	Meuro	66.6	67.9	56.0	60.8	61.0
Balance sheet total	Meuro	297.2	291.3	277.5	212.5	187.7
Financial ratios						
Gross capital expenditure	Meuro	33.0	49.1	31.6	39.8	23.8
% of net sales	%	15.3	24.2	16.9	20.8	12.3
Depreciation	Meuro	21.2	19.3	16.9	14.2	14.2
Research and Development costs	Meuro	3.3	3.7	3.4	3.0	3.0
% of net sales	%	1.5	1.8	1.8	1.6	1.6
Capital employed	Meuro	230.7	223.4	221.5	151.8	126.7
Return on capital employed	%	11.0	10.4	14.0	19.1	20.2
Return on equity	%	14.0	9.5	16.8	32.2	28.6
Gearing	%	4.1	-1.3	-11.6	152.3	104.4
Interest coverage	times	3.3	3.1	6.3	7.1	7.9
Solvency ratio incl capital loan	%	70.8	71.5	73.6	27.2	31.5
Solvency ratio excl capital loan	%	37.2	37.2	37.6	27.2	31.5
Share key ratios						
Earnings per share (EPS)	euro	0.41	0.26	0.38	0.49	0.41
Equity per share	euro	3.09	3.04	2.95	1.54	1.46
Number of shares used in calculation of key ratios	1000 shares	32 838	32 838	32 838	32 838	32 838
Nominal value	euro	2	2	2	2	2
Per employee						
Net sales	1 000 euro	151	156	177	178	182
Value added		60	59	73	74	70
Wages and salaries		28	29	33	32	31
Profit after financial items		13	12	18	24	23
Personnel on average						
Personnel at year-end		1 433	1 302	1 060	1 075	1 062
		1 308	1 435	1 029	1 082	1 010

Auditors' report

To the shareholders of Nordkalk Corporation

We have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the President of Nordkalk Corporation for the year ended 31 December 2001. The financial statements prepared by the Board of Directors and the President 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. Based on our audit we express an opinion on these financial statements 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 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 the administration has been to examine that the Board of Directors and the President have complied with the rules of the Finnish Companies Act.

In our opinion, the financial statements, showing a loss of 75.000 euro in the consolidated income statement and a profit of 6.711.000 euro in the parent company income statement, have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company results of operations, as well as the financial position. The financial statements can be adopted and the members of the Board of Directors and the President 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 own capital is in compliance with the Finnish Companies Act.

Pargas 12 February 2002

Solveig Törnroos-Huhtamäki Thor Nyroos
Authorized Public Accountant *Authorized Public Accountant*

Board of Directors, Management Group



Patrick Enckell

Christer Sundström

Christoffer Taxell

Carl-Gustaf Bergström

Kari Heinistö

Boards of Directors:

Year of birth

Christoffer Taxell	1948	President and C.E.O., Partek
Carl-Gustaf Bergström	1945	Senior Executive Vice President, Partek
Kari Heinistö	1958	Senior Executive Vice President, Partek
Patrick Enckell	1937	
Christer Sundström	1943	President of Nordkalk

Management Group:

Employed since

Christer Sundström	1943	President	1974
Kjell Bartzner	1943	Director, Carbonate Sweden	1971
Eelis Eskelinen	1953	Director, Industrial Minerals	1980
Paavo Nikkari	1947	Director, Carbonate Finland	1981
Kim Nordell	1959	Administrative Director	1983
Esa Tikka	1953	Business Development Director	1980
Kari Vainio	1955	HR Director	1993



Norway

Sweden

Finland

Russia

Estonia

Lithuania

Poland

Germany

Verdal

Luleå

Raahе

Kokkola

Vimpeli

Seinäjäoki

Kristiinakaupunki

Siikainen

Louhi

Lappeenranta

Orsa

Vampula

Tytyri

Pargas

Sipoo

Helsinki

Inkoo

Vasalemma

Rakke

St. Petersburg

Köping

Stockholm

Kurevere

Uddagården

Ljung

Storugns

Landskrona

Ignaberga

Malmö

Siauliai

Lübeck

Szczecin

Gdańsk

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Miedzianka

Wolica

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