

## Market situation remained challenging

Magazine Paper, Newsprint and Fine Paper reported lower operating profits than in 2001, mainly due to lower sales prices, while Packaging Boards and Timber Products increased profits. Production was adjusted to market demand in order to avoid excess

inventories. Paper production was curtailed by 1 257 000 tonnes, some 8% of the Group's total capacity.

### Strong balance sheet

The debt/equity ratio was 0.37. Return on capital employed (ROCE)

excluding non-recurring items was 7.1%. Capital expenditure totalled EUR 878 million, which is 70.5% of depreciation.

### Key figures

	2001	2002		2001	2002
Sales, EUR million	13 508.8	12 782.6	Debt/Equity ratio	0.53	0.37
Operating profit, EUR million	1 486.9	-151.6	Earnings per share, EUR	1.03	-0.25
excluding non-recurring items, EUR million	1 495.2	926.5	excluding non-recurring items, EUR	0.94	0.57
% of sales	11.1	7.2	Cash earnings per share, EUR	2.43	2.49
Profit before tax and minority interests, EUR million	1 223.0	-343.2	excluding non-recurring items, EUR	2.34	1.97
excluding non-recurring items, EUR million	1 231.3	734.9	Equity per share, EUR	10.03	9.36
Profit for the period, EUR million	926.3	-222.2	Dividend per share, EUR	0.45	0.45*
Capital expenditure, EUR million	857.1	877.6	Payout ratio, %	48	79
Interest-bearing net liabilities, EUR million	4 819.9	3 055.1	Market capitalisation, EUR million, 31 Dec.	13 006	9 052
Capital employed, EUR million	13 859.1	11 242.4	Deliveries of paper and board, 1 000 tonnes	12 858	13 149
Return on capital employed (ROCE), %	10.7	-1.6	Deliveries of wood products, 1 000 m <sup>3</sup>	4 860	5 112
excluding non-recurring items, %	10.8	7.1	Average number of employees	44 275	43 853
Return on equity (ROE), %	10.4	-3.3			

\*) Board's dividend proposal

For more detailed information on the 2002 results, please see page 35 onwards in the Financials 2002 report.