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Industry Investment in brief

Finnish Industry Investment Ltd is a State-owned venture capital investment company operating under the Ministry of Trade and Industry.

The objectives of Finnish Industry Investment operations are:

- To promote product realization and commercialization of new innovations by investing in seed and growth-stage companies through venture capital funds.

- To promote regional venture capital investment and enterprise development operations and to develop efficient and appropriate allocation of European Union venture capital funds to funds and target companies.

- To promote substantial investments related to enterprise development, corporate restructuring and launches of important new industrial projects through direct investments.

At the end of 2001, State investments in the company totalled EUR 227.9 million.

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REVIEW BY THE MANAGING DIRECTOR



In the 2001 financial year Finnish Industry Investment focused its operations on venture capital investment for companies in their early stages. With its investment operations, Finnish Industry Investment promoted product realization and commercialization of new innovations. The company made investments in regional funds and tried to raise the funds' proportion of investment in seed-stage companies. In addition, the company invested in venture capital funds which focus their investments on information and communications technology, biotechnology and content production.

At the end of the financial year, Finnish Industry Investment was an investor in a total of 318 companies, either directly or through funds. Of the target companies, 230 were companies in their early stages and 88 were at a later growth stage. The personnel of the target companies amounted to 85,000 and total turnover to EUR 12 billion. In autumn 2001, Finnish Industry Investment examined the growth of target companies in its investment portfolio. The results showed that the turnover of the target companies increased an average of 40 per cent, personnel 17 per cent and operating profit an average of 10 per cent over the two years following the investment. At the same time, the turnover of all Finnish companies increased an average of 10 per cent per year.

New venture capital investments made by the company during the financial year amounted to EUR 37.9 million. At the turn of the year, investment decisions concerning projects in progress amounted to EUR 40 million.

State subscribed to the share issue in October

The State made a further investment of EUR 42.0 million in the company in 2001. The State owns the entire capital stock of the company and, according to the government programme, invests income arising from sales of State property to strengthen the basis for Finnish Industry Investment

operations. At year-end State investments in the company totalled EUR 227.9 million. Finnish Industry Investment's current investments and investment commitments to funds or directly to target companies totalled EUR 201.8 million at the end of the financial year.

Weaker performance

Finnish Industry Investment Ltd's performance was weaker in 2001 than the year before. Funds postponed exits from target companies because of the weak economic trend. Write-downs were booked both in direct investments and asset management portfolios.

Finnish Industry Investment Ltd made a profit of EUR 4.1 million for 2001 (EUR 14.3 million in 2000) and the Group recorded a loss of EUR 0.9 million (a profit of EUR 26.9 million in 2000).

Closer cooperation with other State-owned specialist finance companies

As part of its company image study, Finnish Industry Investment investigated expectations related to the State's special financing in spring 2001. Improvement proposals concerned clarification of the division of functions and increased cooperation between the various operators. In future, Industry Investment will intensify cooperation with the National Technology Agency (Tekes) as regards financing companies at their early stages and with Finnvera as regards direct investments.

Investments in regional development and restructuring

During the current 2002 financial year, Finnish Industry Investment will continue to invest in seed and growth stage companies through venture capital funds. It aims to strengthen regional venture capital investment and enterprise development. Industry Investment will focus on the development of regional operating models to promote well-organized cooperation between municipal venture capital companies, science parks, business incubators and regional venture capital funds.

Finnish Industry Investment aims to promote a restructuring of the economy. Direct investment is expected to increase. Projects that are significant with respect to industrial policy, such as sectoral restructuring, corporate restructuring and major technology projects, will be carried out jointly with private investors.


Juha Marjosola
Managing Director

INVESTMENT ACTIVITIES IN 2001

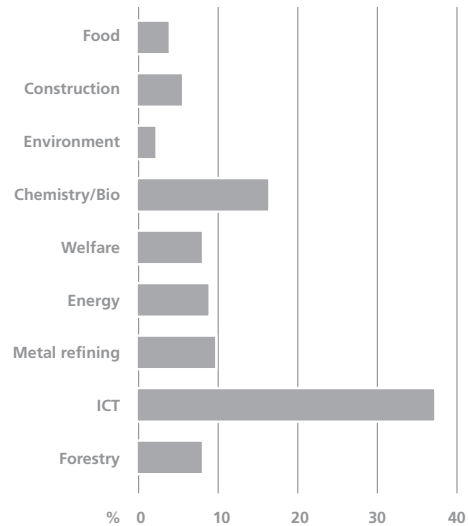
INVESTMENT ACTIVITIES IN 2001

The volume of Finnish Industry Investment's investment commitments increased from EUR 179.2 million to EUR 217.3 million in 2001. Operations focused on venture capital financing to companies at their start-up stage. Actual investments were mostly in regional funds and early-stage venture capital funds.

Finnish Industry Investment has made investment commitments worth EUR 177.9 million to a total of 39 venture capital funds. The total capital in these funds is EUR 1,641 million, with investments made by Finnish Industry Investment accounting for an average of 11 per cent. In the 2001 financial year, Industry Investment made new commitments to venture capital funds totalling EUR 34.5 million. At year-end, investment decisions concerning projects in progress amounted to EUR 40.0 million.

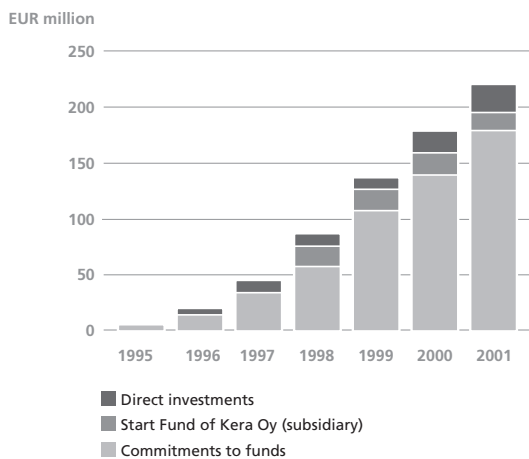
Since 1995, Finnish Industry Investment has made direct investments in eight target companies. The instruments used have been direct equity investments or various mezzanine financing instruments. According to Finnish Industry Investment's operating policy, exits from target companies will take place in line with an exit plan agreed on with the other investors. The company's direct investments focused on corporate or sectoral restructuring, rationalization and new industries. One direct investment was made in 2001.

Breakdown of investments by sector

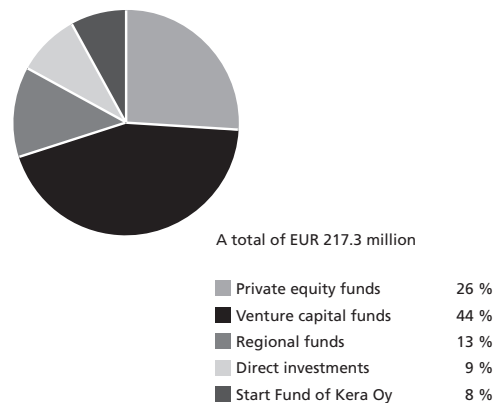


At the end of the 2001 financial year, Industry Investment's direct investments and investment commitments to target companies stood at EUR 18.8 million. A total of EUR 16.5 million was invested in target companies. EUR 3.4 million was spent in direct investments in target companies.

Current investments and investment commitments 1995-2001



Breakdown of investments and investment commitments on December 31, 2001



TRENDS IN VENTURE CAPITAL INVESTMENT

2001 was a difficult year on the venture capital market in both the United States and Europe. The decline that began on the U.S. venture capital market in the last quarter of 2000 continued throughout the year, and was registered by all the indicators. However, the fall was more moderate in Europe.

In the United States, venture capital investment reached USD 31 billion during the first three quarters of 2001. This was a considerable decrease on the year before, which saw 62 per cent more investment. The number of new investments fell to 2,156 target companies, a decrease of 61 per cent on 2000. Also the number of companies listed by venture capital investors fell 69 per cent on the year before.

The fall was more moderate in Europe. The volume of venture capital investment fell 17.4 per cent during the first half of 2001. Venture capital investments during the period totalled EUR 11.1 billion, and were made in 4,006 target companies, while the figures for the same period of 2000 were EUR 13.5 billion and 4,630 companies.

Steady trend in Finnish venture capital investment

According to preliminary data from the Finnish Venture Capital Association, venture capital investments made in 2001 totalled EUR 344 million. Euro-denominated investments in target companies fell 13 per cent on the previous year, when investments totalled EUR 397 million. In addition, investments were smaller and focused increasingly on

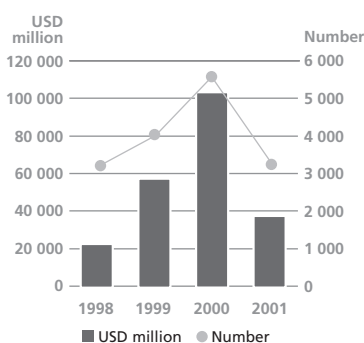
financing companies at an early stage. Even though the amount of invested euros decreased on the year before, the number of investments rose to 432 (418 investments in 2000).

According to preliminary data, new capital raised by venture capital investors came to EUR 412 million during 2001 (EUR 563 million in 2000). Although less new capital was accumulated than in previous years, the venture capital business was not hit as hard by the slowdown in Finland as elsewhere in Europe. Many significant Finnish venture capital funds were set up in early 2002, so the capital invested in these funds is not included in the 2001 figures.

The slight slowdown on the market was reflected in the investments made in the funds included in Finnish Industry Investment's investment portfolio in 2001. The number of target companies was 147 (162 in 2000), a decline of 10.2 per cent. In terms of investments to companies through the funds, Finnish Industry Investment's share of investments fell by 11 per cent, from EUR 24.8 million to EUR 22.2 million.

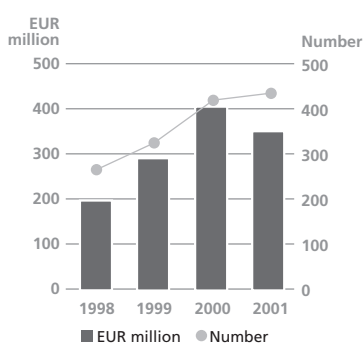
Despite the tough venture capital market, private capital investments continued to focus on regional venture capital funds in 2001. The creation of new regional funds in this market situation shows confidence in the investment activities of regional venture capital investment companies. Furthermore, it demonstrates Finnish entrepreneurship and the ability to establish successful growth companies outside biggest growth centres. Two of the fund investments made by Finnish Industry Investment in 2001 were in regional funds.

Number and size of investments in the United States 1998-2001



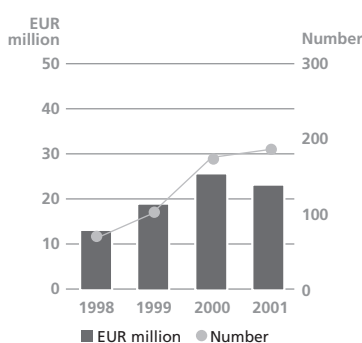
Source: NVCA

Number and size of investments in Finland 1998-2001



Source: FVCA

Number and size of investments in Industry Investments' portfolio 1998-2001



INVESTMENTS IN VENTURE CAPITAL AND PRIVATE EQUITY FUNDS

The stability of the Finnish market was reflected in the amount of new Finnish Industry Investment commitments to funds in 2001. Investment in venture capital and private equity funds continued strong and the amount of new commitments (EUR 34.5 million) remained close to the 2000 figure (EUR 36.6 million). Operations focused on venture capital financing of companies at the early stage. Investments focused on regional and venture capital funds. The new venture capital funds concentrated on information and communications technology, biotechnology and content production.

Finnish Industry Investment made five new investment commitments to new funds and follow-up investment commitments to four regional funds during the financial year. Investments in new funds totalled EUR 30.1 million and follow-up investments to regional funds EUR 4.4 million.

Overview of Finnish fund investment

Finnish Industry Investment has investment commitments in 39 venture capital funds. At the end of 2001, the funds had made a total of 381 investments in 298 companies. The funds are managed by 21 management companies.

The funds have called in altogether EUR 79.3 million of Finnish Industry Investment's capital for investments and operations, corresponding to 44.6 per cent of all commitments. About 91 per cent of the total called in by the funds has been spent on investments and 7 per cent on management fees while 2 per cent is held in the funds' accounts. The funds have returned a total of EUR 38.8 million to Finnish Industry Investment.

Early-stage fund investments focus on content production, the bio-cluster and technology

Venture capital investment focusing on early growth stage technology companies is Finnish Industry Investment's way of creating a basis for the entry of private capital into funds specializing in seed and early growth stage compa-

nies. By encouraging private sector investment in seed and start-up stage funds, Industry Investment promotes the market for early-stage venture capital financing.

CIM Venture Fund for Creative Industries Ky

In January 2001, Finnish Industry Investment took part in the founding of CIM Venture Fund for Creative Industries Ky, which focuses on content production. The fund makes equity-based investments, primarily in Finnish content production companies which have copyrights. Companies included engage in sports, music, performing arts, publishing, TV, film and new media. The current management company, CIM Creative Industries Management Ltd, acts as the fund's general partner. In addition to Finnish Industry Investment, investors include the European Investment Fund, private investors and leading Finnish content production companies. The size of the fund is EUR 22.2 million, with Industry Investment's commitment accounting for EUR 5 million, which is 22.6 per cent of the capital commitments.

Eqvitec Technology Fund II Ky

Eqvitec Partners Oy's second technology fund Eqvitec Technology Fund II Ky was founded in February 2001. Eqvitec funds specialize in Finnish technology companies at their early and expansion stage. Investment targets include companies engaged in developing and marketing technology applications and technology companies that specialize in mobile data communications, in particular. Finnish Industry Investment made a EUR 10 million commitment to the fund and is involved in earlier Eqvitec funds as well. The fund's size is EUR 133.8 million, with Finnish Industry Investment accounting for 7.5 per cent.

Bio Fund Ventures III Ky

Bio Fund Management established its third bio-sector fund in May 2001. Bio Fund Ventures III Ky's target companies include Nordic early and expansion stage companies with good potential for growth and internationalization. The welfare sector that is the fund's target has

The investments in venture capital and private equity funds made by Finnish Industry Investment are divided into three categories:

- Private equity funds invest in companies which are at their expansion stage in situations such as restructuring.
 - Venture capital funds invest in companies at their early stage or early growth stage.
 - Regional funds invest in local companies at various stages of growth.
-

grown significantly in recent years. 20 new companies in the field were founded in Finland during the financial period. The investment commitment of Finnish Industry Investment to the fund is EUR 10 million and the total size of the fund EUR 81.6 million. Finnish Industry Investment has a 12.3 per cent share of the fund.

Regional funds focus on financing local growth companies

Finnish Industry Investment promotes regional venture capital investment both through investments in funds and by consulting general partners of funds. Regional investment activities aim to boost growth in local businesses and to develop management skills. Industry Investment has played a part in the establishment of all limited liability partnership regional funds in Finland. During the 2001 financial year, Finnish Industry Investment was a co-founder of two new regional funds focusing on financing growth in local businesses. A significant number of investors in regional funds are private institutions.

GrowHow Rahasto I Ky

In summer 2001, Finnish Industry Investment took part in the establishment of GrowHow Rahasto I Ky, a fund operating in eastern Finland. The fund is managed by a regional venture capital management company, Teknia Invest Oy. After the first investment round in summer 2001, the fund's size was EUR 15.4 million. National investors accounted for two thirds of this, while about one third came from regional investors. The biggest investors were Finnish Industry Investment with EUR 3 million and a large institutional investor. European Investment Fund entered in November 2001 with funds from the European Union Technology Programme. After further investments, the fund's size rose to EUR 21 million, with Finnish Industry Investment accounting for 14.3 per cent.

Aboa Venture III Ky

The regional venture capital investor Aboa Venture Management Oy established its newest fund Aboa Venture III Ky in December 2001. Finnish Industry Investment was a co-founder in the first investment round, making a EUR 2 million commitment to the fund. The fund aims to invest about half of its funding in early-stage companies. In the IT field and in restructuring, the fund focuses on western

Finland, and in biotechnology on the whole country. The initial size of the fund after the first round was EUR 11.1 million. Finnish Industry Investment's share of the total committed capital is 18.0 per cent.

Follow-up investments in regional funds

Finnish Industry Investment increased its commitment to four regional funds. Further investments were made in funds in which Industry Investment was a co-founder and has been prepared to make a further commitment in previous years. Its investments were thus increased in the funds' later investor rounds.

A follow-up investment was made in Jokilaaksojen Rahasto I Ky in February 2001 when Finnish Industry Investment raised its commitment from EUR 1.1 million to EUR 1.9 million. After the second round targeted at municipal investors, the fund reached EUR 5.4 million in capital. The fund operates in North Ostrobothnia in the Siikajokilaakso, Pyhäjokilaakso and Nivala areas. Finnish Industry Investment has a 34.2 per cent share of the total committed capital in the fund.

In March 2001, Finnish Industry Investment made a EUR 0.8 million follow-up investment in Etelä-Pohjanmaan Rahasto Ky, bringing the fund up to EUR 5 million and Industry Investment's total investment to EUR 1.7 million, or 33.3 per cent of the total committed capital.

Midinvest Fund I Ky was founded in December 2000. A private management company called Midinvest Management Oy was founded at the same time to manage the fund. At the beginning of the 2001 financial year, the fund had EUR 3.7 million in investment commitments. In summer, the fund's size rose to EUR 13.4 million. Finnish Industry Investment's EUR 2 million follow-up investment increased its total investment to EUR 3.4 million. The fund operates in central Finland. Finnish Industry Investment's share of the committed capital is 25.2 per cent.

In 1998 Finnish Industry Investment was a co-founder of Metal Fund Ky. In summer 2001, the fund's capital was increased. Industry Investment raised its investment in Metal Fund Ky in November 2001, when the fund had invested a sufficient proportion of its earlier funds in target companies. The fund's size is EUR 5 million and Finnish Industry Investment's commitments total EUR 1.7, or 33.3 per cent. The fund operates in the Vaasa region.

DIRECT INVESTMENTS

Finnish Industry Investment makes direct investments together with other investors and financiers. As a rule, direct investments relate to major corporate or sectoral restructuring projects or financing arrangements, or to selected growth companies.

The aim of direct investment is to strengthen and diversify a company's production structure and to exploit the extensive R&D input made. Finnish Industry Investment also wants to help the companies to keep their know-how and production facilities in Finland. Other aspects of Finnish Industry Investment's activities in this field include raising the level of technology and increasing the employment rate.

In direct investments, the instruments include direct equity investments or various mezzanine financing instruments as well. Investments are expected to yield earnings on market terms. Exits from target companies will take place according to an agreed plan together with other investors.

In 2001, Finnish Industry Investment made direct investments in target companies worth EUR 3.4 million,

compared with EUR 8.4 million the year before. At the end of the financial year, Industry Investment's portfolio included six direct target company investments and investment commitments stood at EUR 18.8 million. In addition, Finnish Industry Investment decided in 2001 on one direct investment due in early 2002.

Finreila Oy

At the beginning of the 2001 financial year, Finnish Industry Investment invested in Finreila Oy, which is domiciled in Lappeenranta. Other investors in the company are the venture capital investment companies Indekon Oy and Besodos Oy. Finreila is a company in an energy and environmental technology cluster. In addition to Finland, Finreila operates in Russia, Poland, the Baltic countries and China. Its products include steam and hot water boilers, boiler plants, district heating systems, gas turbine power plants, energy saving technologies, and stainless steel products for the paper and food industries. Due to the large financial failures in two major projects, the company voluntarily entered to the debt restructuring process in August 2001.

START FUND OF KERA OY

2001 was the eleventh year of operation for Start Fund of Kera Oy, which became a subsidiary of Finnish Industry Investment in 1998.

During the financial year, the subsidiary continued to exit from target companies as planned. It made final exits from five target companies and contributed follow-up investments in two target companies in its portfolio. The cautious economic atmosphere during 2001 was reflected in the company's operations, and hampered and slowed

down the development of target companies and exits from them.

At the end of the financial year, Start Fund of Kera Oy's portfolio included 19 target companies with a total book value of EUR 6.5 million. In addition, the portfolio included two investments in funds with a book value totaling EUR 1.8 million. The liquid funds of the company stood at EUR 27.7 million.

The company aims to divest its entire target company portfolio by the end of 2003.

EFFECT OF INVESTMENT ACTIVITIES

Finnish Industry Investment has played a part in almost all fixed-term limited partnership venture capital funds in Finland. At the end of 2001, the company was an investor in altogether 318 companies, either directly or through its subsidiaries or funds.

Finnish Industry Investment aims to strengthen the financial standing of companies at early stages by helping to establish funds that focus on the start-up stage and by promoting the channelling of private capital into these funds. The target is to increase companies' potential for growth and internationalization, and promote structural change in industry. The effectiveness of Finnish Industry Investment is evaluated using measures that describe the realization of these targets.

Finnish Industry Investment: an overview of business life

At the end of 2001 Finnish Industry Investment was an investor in 318 active companies either directly or through subsidiaries or funds. The total of EUR 89.4 million in Industry Investment funds had been channelled into those companies. Of the target companies, 230 were companies at early stages (seed, start-up or early growth) and 88 were at a later growth stage. The personnel of the target companies amounted to 85,000 and total turnover to EUR 12 billion.

As venture capital investments are expected to yield certain earnings, the value of target companies is expected

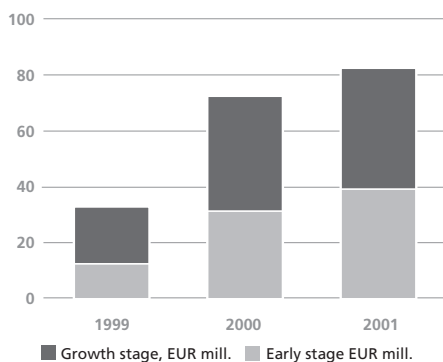
to develop according to plan. Venture capital investors thus promote the company's potential for going international and their growth in terms of turnover, personnel and profit. The effects of venture capital investments on growth and internationalization can be evaluated by the trend in these key figures following receipt of the venture capital investment.

Venture capital investors have focused on growth

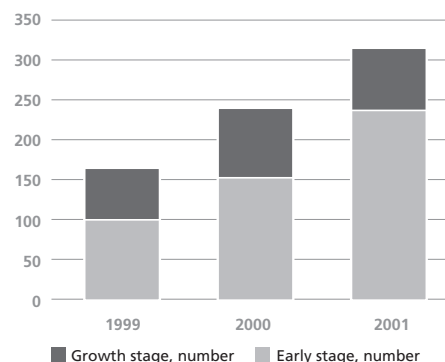
Finnish Industry Investment has examined the growth of target companies in its investment portfolio in terms of their turnover, personnel, operating profit and return on investment. In 1998, there were 66 new target companies in the portfolio either directly or through funds. That represented 43 per cent of all new target companies in the venture capital investment field in Finland in 1998. 36 of the selected 66 target companies (55 per cent) were early-stage companies.

In 1998-2000 the turnover of the 66 target companies under review increased an average of 40 per cent, personnel 17 per cent and operating profit an average of 10 per cent per year. Return on investment rose from 10 per cent to 13 per cent over two years. At the same time, the turnover of all Finnish companies increased an average of 10 per cent per year. From this sample, it can be deduced that venture capital investors focused primarily on growth in 1998-2000.

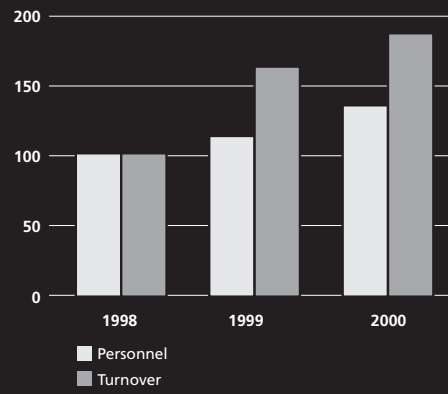
Investments, by development stage of the target companies 1999-2001



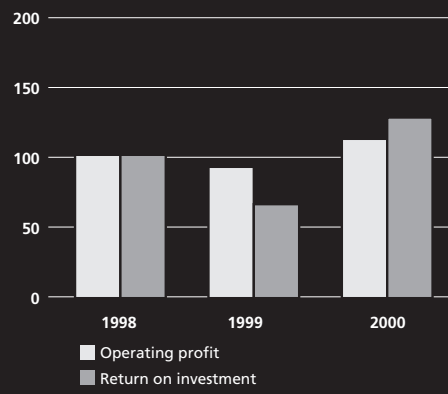
Number of target companies by development stage 1999-2001



Development of turnover and personnel in new target companies in 1998 during 1998-2000



Development of operating profit and return on investment in new target companies in 1998 during 1998-2000



REPORT BY THE BOARD OF DIRECTORS
JANUARY 1 – DECEMBER 31, 2001



Operating environment

As a result of the economic slowdown, falling share prices on stock exchanges and the caution shown and new valuation levels being reached regarding investment in technology shares, venture capital investment declined on all markets, especially in the United States. Venture capital investment totalled USD 31.0 billion in the United States during the first three quarters of the year, compared with USD 82.8 billion for the same period in 2000 (-69 per cent). In Europe, venture capital investments made during the first half of the year amounted to EUR 11.1 billion, compared with EUR 13.5 billion in the year before (-17.4 per cent).

In Finland, however, the venture capital market remained fairly stable. According to the Finnish Venture Capital Association, venture capital investments made in 2001 totalled EUR 344 million, while the corresponding figure for the previous year was EUR 397 million (-13 per cent). According to preliminary data, new capital invested in the venture capital sector came to EUR 412 million, against EUR 563 million in 2000. However, the total amount of capital managed by the sector increased 20 per cent to EUR 2.6 billion. The weak market prevented planned listings from being carried out. Fewer exits were made this year and those mainly through selling the companies. The fact that investors were waiting for better market prospects increased the amount of follow-up investment.

Investment activities

At the end of the financial year, Finnish Industry Investment's investment commitments to funds totalled EUR 177.9 million. New commitments made to funds amounted to EUR 34.5 million. The commitments made applied to information and biotechnology, content production and regional funds. Direct investments totalled EUR 18.8 million at year end. No exits from target companies were made and only one direct investment worth EUR 3.4 million was made during the year. At the end of the year, the company had made investment decisions on projects under way worth EUR 40 million.

At the end of the year, the company's total investments and commitments had a book value of EUR 198.4 million, and comprised 39 fund investments, 6 direct investments and the majority holding in Start Fund of Kera Oy. The Group company Start Fund of Kera exited from five partnership companies and made further investments

worth EUR 0.1 million. The investment portfolio comprised 19 companies at year end, and the book value of investments was EUR 6.5 million.

At the end of 2001, Industry Investment was an investor in more than 300 companies, either directly or through the Group company or funds. Nearly EUR 100 million in Industry Investment assets were channelled into these companies.

Capital invested

Finnish Industry Investment Ltd is a 100 per cent State-owned investment company. Its initial capital in 1995 was FIM 320 million. The State made further investments of FIM 80 million in 1997, FIM 205 million in 1998 and FIM 500 million in 2000. During the 2001 financial year, share capital was converted into euros and the State made a further investment of EUR 42.0 million. At the end of the financial year, total State investments in the company came to EUR 227.9 million.

Profit, balance sheet and shareholders' equity

Finnish Industry Investment Ltd's performance was weaker in 2001 than the year before. Funds postponed exits from target companies because of the weak economic trend. Write-downs were booked in both direct investments and asset management portfolios.

The total amount of venture capital investments in funds and target companies paid out was EUR 100.0 million and investments in the Group company EUR 16.7 million at the end of the financial year. Income from realization of and interest and dividend on venture capital investments came to a total of EUR 10.1 million before write-downs, EUR 3.4 million in which were entered.

The company's investments in liquid securities had a total book value of EUR 147.8 million at year end (EUR 118.9 million in interest-bearing instruments and EUR 28.9 million in equities). Income from investment in liquid securities totalled EUR 4.1 million before write-downs. EUR 4.8 million was booked as write-down. The company's investments in liquid securities are managed by three asset managers with unlimited power of attorney. In the financial statements, liquid securities were valued at the lower of their acquisition price or the current price at the close of business on the last day of the financial year.

◀ *Members of the board from the left:*

Sirkka-Liisa Roine, Kalle J. Korhonen, Harri Pynnä, Markku Tapio, Satu Huber, Antti Paasio and Pertti Kohi

Fixed expenses for the year totalled EUR 0.8 million, compared with EUR 0.6 million in 2000. Profit after taxes came to EUR 4.1 million, against EUR 14.3 million the previous year.

The Group company Start Fund of Kera Oy made a profit of EUR 2.1 million in 2001, compared with EUR 19.6 million in 2000. At year end, the shareholders' equity of Start Fund Of Kera stood at EUR 38.9 million (EUR 43.6 million in 2000).

The consolidated balance sheet total at year end was EUR 271.0 (244.0) million. Consolidated shareholders' equity stood at EUR 255.3 (221.4) million. The Group recorded a loss of EUR 0.9 million for the year (a profit of EUR 26.9 million in 2000).

Venture capital investments are valued in accordance with principles recommended by the Finnish Venture Capital Association.

Administration

The Annual General Meeting of Shareholders of Finnish Industry Investment Ltd held on March 19, 2001 elected Markku Tapio chairman of the Board of Directors, with Satu Huber, Pertti Kohi, Kalle J. Korhonen, Antti Paasio, Harri Pynnä and Sirkka-Liisa Roine as regular Board members.

Hannu Niilekselä of KPMG Wideri Oy Ab, Authorized Public Accountants, was elected as auditor.

The members of the Investment Council elected by the Board of Directors on April 20, 2001 were Jarmo Leppiniemi, Maija-Liisa Friman, Eero Hovi, Pertti Karhinen, Juha Korkeaoja, Pekka Kuosmanen, Reijo Laitinen, Veli-Pekka Saarnivaara, Ulla Sirkeinen and Matti Viialainen. Jarmo Leppiniemi is chairman of the Council.

The Managing Director of Finnish Industry Investment Ltd is Juha Marjosola, M.Sc. (Econ.).

Members of the Board are not paid any remuneration other than that deriving from their membership. None of the managers has a business relationship with the company. State liability does not exceed the sum of shareholders' equity.

Board proposal for the distribution of profit

The Group's distributable non-restricted shareholders' equity stood at EUR 27,422,968 on December 31, 2001. The parent company's non-restricted shareholders' equity on the same date was EUR 21,799,388, including EUR 4,110,233.41 in profit for the year. The Board proposes that a dividend of EUR 505.00 per share be distributed from the profits at the disposal of the annual general meeting, i.e. a total of EUR 1,368,550.00. The remaining EUR 2,741,683.41 would be carried over on the profit and loss account. The Board proposes that the dividend should be paid out on April 10, 2002.

Future prospects

Finnish Industry Investment will continue to invest actively in seed and growth stage companies through venture capital funds. Furthermore, the company aims to strengthen regional venture capital investment and enterprise development. Industry Investment will focus on the development of regional operating models to promote well-organized cooperation between municipal venture capital companies, science parks, business incubators and regional venture capital funds.

Direct investment is expected to increase. The aim is to promote a restructuring of the economy allowing projects that are significant in respect to industrial policy, such as sectoral restructuring, corporate restructuring and extensive technology projects, to be carried out jointly with private investors.

FINANCIAL STATEMENTS
JANUARY 1 – DECEMBER 31, 2001

INCOME STATEMENT

€	Group		Parent company	
	Jan. 1-Dec. 31, 2001	Jan. 1-Dec. 31, 2000	Jan. 1-Dec. 31, 2001	Jan. 1-Dec. 31, 2000
Other income from business operations	1 473 938.33	26 124 062.10		2 478 243.34
Personnel expenses	-543 006.48	-542 581.48	-541 699.66	-532 438.41
Depreciation	-29 259.89	-29 835.53	-29 259.89	-29 835.53
Depreciation on goodwill	-511 400.03	-511 400.45		
Other business expenses	-1 147 063.56	-3 476 177.07	775 324.48	-642 384.22
Operating profit/loss	-756 791.63	21 564 067.57	-1 346 284.03	1 273 585.18
Financial income and expenses				
Profit from investment in non-current assets	3 470 434.42	18 952 553.44	10 118 447.78	17 243 752.05
Other interest income and financial income/expense	413 456.30	1 629 189.13	-759 235.71	671 173.77
Interest expenses	-11 204.72	-107.98	-10 344.51	-68.29
Write-downs on investments in non-current assets	-2 970 768.09	-785 841.99	-3 363 758.53	
Profit+/loss- before extraordinary items, reserves and taxes	145 126.28	41 359 860.17	4 638 825.00	19 188 442.71
Direct taxes	-297 615.23	-7 904 477.49	-528 591.59	-4 860 507.78
Profit for the period before minority interest	-152 488.95	33 455 382.68		
Minority interest	-711 683.63	-6 559 375.30		
Profit (+)/loss (-) for the period	-864 172.58	26 896 007.38	4 110 233.41	14 327 934.93

BALANCE SHEET

€	Group		Parent company	
	Dec. 31, 2001	Dec. 31,2000	Dec. 31, 2001	Dec. 31, 2000
Assets				
Non-current assets				
Intangible assets	6 024.06	11 108.12	6 024.06	11 108.12
Consolidated goodwill	980 182.60	1 491 584.88		
Tangible assets	67 506.98	67 141.56	67 506.98	67 141.56
Investments				
Shares in Group companies			16 717 209.75	16 717 209.75
Shares and holdings	81 505 178.41	60 836 209.27	76 356 490.23	55 631 535.64
Receivables	6 289 450.53	5 676 066.69	4 885 821.37	3 969 463.80
Total investments	87 794 628.94	66 512 275.96	97 959 521.35	76 318 209.19
Non-current assets, total	88 848 342.58	68 082 110.52	98 033 052.39	76 396 458.87
Current assets				
Current receivables	6 028 437.00	4 115 602.70	3 439 184.90	2 347 335.94
Liquid securities	174 069 780.70	132 328 852.68	147 781 219.91	132 023 024.80
Cash in hand and at bank	2 022 490.16	39 518 814.23	526 931.59	1 348 671.83
Current assets, total	182 120 707.86	175 963 269.61	151 747 336.40	135 719 032.57
Assets, total	270 969 050.44	244 045 380.13	249 780 388.79	212 115 491.44

	Group		Parent company	
	Dec. 31, 2001	Dec. 31,2000	Dec. 31, 2001	Dec. 31, 2000
Liabilities				
Shareholders' equity				
Share capital	45 582 200.00	37 169 531.75	45 582 200.00	37 169 531.75
Issue premium fund	182 265 458.74	148 678 126.99	182 265 458.74	148 678 126.99
Profit for the previous year	28 287 140.91	8 655 719.78	17 689 154.71	8 137 504.61
Profit/loss for the financial year	-864 172.58	26 896 007.38	4 110 233.41	14 327 934.93
Shareholders' equity, total	255 270 627.07	221 399 385.90	249 647 046.86	208 313 098.28
Minority interest	14 910 150.72	14 198 466.68		
Liabilities				
Current				
Accounts payable	40 557.34	51 436.76	33 826.48	35 156.30
Other liabilities	519 676.20	32 763.90	36 676.57	30 517.53
Accrued liabilities and deferred income	228 039.11	8 363 326.89	62 838.88	3 736 719.33
Current liabilities, total	788 272.65	8 447 527.55	133 341.93	3 802 393.16
Liabilities, total	270 969 050.44	244 045 380.13	249 780 388.79	212 115 491.44

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

€	Group		Parent company	
	Jan. 1-Dec. 31, 2001	Jan. 1-Dec. 31, 2000	Jan. 1-Dec. 31, 2001	Jan. 1-Dec. 31, 2000
Cash flow from operations				
Net profit	-756 792	21 564 068	-1 346 284	1 273 585
Adjustments to operating profit	-933 278	-25 576 806	29 260	-2 448 408
Change in working capital	-3 217 632	2 358 721	19 805	737 042
Paid interest and payments of other financial expenses	-860	-108		-68
Direct taxes paid	-6 451 173	-1 176 525	-3 081 788	-1 176 525
Cash flow from extraordinary items				
Cash flow from operations (A)	-11 359 735	-2 830 650	-4 379 007	-1 614 374
Cash flow from investments				
Income from sale of investments	1 530 238	36 278 217	56 300	9 529 806
Interest from investments	3 131 148	18 095 625	2 828 688	16 598 040
Dividends from investments	141 323	325 561	5 065 186	155 229
Other income from investments	89 051	77 417	89 051	77 417
Investment in securities	-24 253 122	-31 848 653	-25 005 072	-31 531 057
Investment in tangible and intangible assets	-24 541	-26 584	-24 541	-26 584
Cash flow from investments (B)	-19 385 903	22 901 583	-16 990 388	-5 197 149
Cash flow from financing activities				
Share issue	42 000 000	84 093 963	42 000 000	84 093 963
Interest from financing activities	7 170 971	3 693 657	5 702 530	2 911 794
Dividends from financing	388 369		388 369	
Sales losses from financing	-2 158 867		-2 158 867	
Change in liquid securities	-46 886 575	-78 149 861	-20 608 092	-77 844 034
Dividends paid and other distribution of profit	-7 264 584	-1 261 746	-4 776 285	-1 261 746
Cash flow from financing activities (C)	-6 750 686	8 376 013	20 547 655	7 899 977
Change in liquid funds (A+B+C)	-37 496 324	28 446 946	-821 740	1 088 454
Liquid funds at beginning of period	39 518 814	11 071 869	1 348 672	260 218
Liquid funds at end of period	2 022 490	39 518 814	526 932	1 348 672
	-37 496 324	28 446 946	-821 740	1 088 454

NOTES TO THE FINANCIAL STATEMENT

ACCOUNTING PRINCIPLES USED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Finnish Industry Investment Ltd's subsidiary Start Fund of Kera Oy has been included in the consolidated financial statements using the acquisition cost method. The difference in shareholders' equity corresponding to the acquired share of the cost of acquiring the subsidiary is entered as goodwill. Consolidated goodwill is depreciated over five years. The minority interest has been separated from consolidated shareholders' equity and result and entered as a separate item. Start Fund of Kera Oy's partnership companies and the parent company's partnership funds have not been consolidated, but are valued in the consolidated financial statements at acquisition cost or market value, whichever is lower. Market value was defined following the Finnish Venture Capital Association's recommendations.

VALUATION PRINCIPLES USED IN THE FINANCIAL STATEMENTS

Physical fixed assets

Fixed assets are entered in the balance sheet at acquisition cost less planned depreciation.

Intangible assets		
Intangible rights	straight-line depreciation	5 years
Consolidated goodwill	straight-line depreciation	5 years
Other intangible assets		
Tangible assets		
Machinery and equipment	reducing balance	25%

Securities under fixed assets and other non-current investments

Holdings and shares and other non-current investments are valued in the balance sheet at acquisition cost or market value, whichever is lower. Market value has been defined following the recommended principles of the Finnish Venture Capital Association.

Securities under financial assets

Securities under financial assets are valued at acquisition cost or market value, whichever is lower. The difference between acquisition cost and nominal value is accrued as interest income.

INCOME STATEMENT

In the income statement, the basic formula given in section 1 of the Accounting Decree has been used, according to the State Accounting Committee decision. Income typical of venture investment, such as dividends, shares of profit and interest, is entered under 'financial income and expenses'. Sales gains arising in exits are entered under 'other business income'.

INCOME STATEMENT

€	Group		Parent company	
	2001	2000	2001	2000
Other business income				
Sales gains in shares	1 454 551	26 118 042		2 478 243
Other income	19 388	6 020		
	1 473 938	26 124 062		2 478 243
Financial income and expenses				
On investments of non-current assets				
Dividends	183 592	325 561	7 134 065	155 229
Shares of profits	2 619 623	16 937 000	2 445 414	16 937 000
Other financial income	667 220	1 689 992	538 969	151 523
	3 470 434	18 952 553	10 118 448	17 243 752
Other interest and financial income/expenses	5 559 103	5 132 643	4 090 662	4 174 628
Write-downs on investments in current assets	-5 145 647	-3 503 454	-4 849 897	-3 503 454
	413 456	1 629 189	-759 236	671 174
Write-downs on investments in fixed assets	-2 970 768	-785 842	-3 363 759	
Personnel expenses				
Salaries and fees	-458 079	-450 168	-456 818	-439 656
Pension expenses	-89 903	-61 924	-89 903	-62 684
Other personnel expenses	4 976	-30 490	5 021	-30 098
	-543 006	-542 582	-541 700	-532 438
Depreciation and write-downs on fixed assets				
Depreciation on tangible and intangible asset	-29 260	-29 836	-29 260	-29 836
Depreciation on consolidated goodwill	-511 401	-511 401		
	-540 661	-541 236	-29 260	-29 836

STAFF

During the financial period, the company had a staff of seven on average (the average number in 2000 was six).

These figures are the same for the group.

SALARIES AND FEES PAID TO THE MANAGEMENT

	Group		Parent company	
	2001	2000	2001	2000
Board of Directors	59 668	82 244	58 361	71 732

CHANGES IN ACQUISITION COSTS OF FIXED ASSETS

€	Group		Parent company	
	2001	2000	2001	2000
Intangible assets				
Acquisition cost Jan. 1	37 275	33 640	37 275	33 640
Increases	1 673	3 635	1 673	3 635
Decreases				
Accumulated depreciation	-26 168	-18 712	-26 168	-18 712
Depreciation during the period	-6 758	-7 455	-6 758	-7 455
Balance sheet Dec. 31	6 024	11 108	6 024	11 108
Consolidated goodwill				
Acquisition cost Jan. 1	2 557 003	2 557 003		
Increases				
Decreases				
Accumulated depreciation	-1 065 419	-554 017		
Depreciation during the period	-511 401	-511 401		
Balance sheet Dec. 31	980 183	1 491 585		
Machinery and equipment				
Acquisition cost Jan. 1	210 117	187 167	210 117	187 167
Increases	22 868	22 950	22 868	22 950
Decreases				
Accumulated depreciation	-142 975	-120 595	-142 975	-120 595
Depreciation during the period	-22 502	-22 380	-22 502	-22 380
Balance sheet Dec. 31	67 507	67 142	67 507	67 142

FINANCIAL SECURITIES UNDER CURRENT ASSETS

€

Group	2001		2000	
	Book value	Market value	Book value	Market value
Bonds	88 548 487	88 643 858	63 644 654	64 238 135
Deposits	690 000	690 000		
Interest rate fund units	39 557 520	39 691 049		
Certificates of deposits and commercial papers	16 386 796	16 491 057	38 404 034	38 910 897
	145 182 803	145 515 964	102 048 688	103 149 032
Shares	12 646 298	13 527 942	12 721 458	12 248 644
Equity fund units	16 240 680	16 240 680	17 558 707	18 718 064
	28 886 978	29 768 621	30 280 165	30 966 708

Parent company	2001		2000	
	Book value	Market value	Book value	Market value
Bonds	64 164 205	64 148 959	63 644 654	64 238 135
Deposits	690 000	690 000		
Interest rate fund units	39 557 520	39 691 049		
Certificates of deposits and commercial papers	14 492 595	14 592 263	38 404 034	38 910 897
	118 904 320	119 122 271	102 048 688	103 149 032
Shares	12 636 220	13 517 863	12 415 630	11 835 952
Equity fund units	16 240 680	16 240 680	17 558 707	18 718 064
	28 876 900	29 758 543	29 974 337	30 554 015

The book value of bonds, certificates of deposits and commercial papers is the lower of their acquisition price or market value. Shares are valued at the lower of their acquisition price or market price.

INCREASES AND DECREASES IN SHAREHOLDERS' EQUITY ITEMS DURING THE PERIOD

€	Group		Parent company	
	2001	2000	2001	2000
Share capital Jan. 1	37 169 532	20 350 739	37 169 532	20 350 739
Rights issue of share capital	8 412 668	16 818 793	8 412 668	16 818 793
Share capital Dec. 31	45 582 200	37 169 532	45 582 200	37 169 532
Reserve fund Jan. 1	0	43 056 109	0	43 056 109
Transferred to issue premium fund		43 056 109		43 056 109
Reserve fund Dec. 31	0	0	0	0
Issue premium fund Jan. 1	148 678 127	38 346 847	148 678 127	38 346 847
Issue premium	33 587 332	67 275 171	33 587 332	67 275 171
Transferred from reserve fund		43 056 109		43 056 109
Issue premium fund Dec. 31	182 265 459	148 678 127	182 265 459	148 678 127
Retained profit Jan. 1	35 551 727	9 917 466	22 465 439	9 399 250
Dividend distributed	7 264 586	1 261 746	4 776 285	1 261 746
Retained profit Dec. 31	28 287 141	8 655 720	17 689 155	8 137 505
Profit for the period	-864 173	26 896 007	4 110 233	14 327 935
Shareholders' equity, total	255 270 627	221 399 386	249 647 047	208 313 098

STATEMENT OF DISTRIBUTABLE FUNDS

€	Group		Parent company	
	2001	2000	2001	2000
Retained profit	28 287 141	8 655 720	17 689 155	8 137 505
Profit for the period	-864 173	26 896 007	4 110 233	14 327 935
Total	27 422 968	35 551 727	21 799 388	22 465 439
CONTINGENT LIABILITIES				
Leasing liabilities	63 541	32 732	63 541	32 732
Investment commitments				
Funds	99 031 063	91 941 533	98 599 465	91 193 750
Target companies		3 363 759		3 363 759
Total	99 031 063	95 305 292	98 599 465	94 557 509

SHARES, HOLDINGS AND OTHER INVESTMENTS OWNED BY THE GROUP AND PARENT COMPANY

Equity investments

€	Group			Parent company			Per partnership company's last financial statement			
	Company	holding %	nominal value	book value	holding %	nominal value	book value	result	shareholders' equity*	date
	Detection Technology Oy	25.09%	11 268,59	420 470				60 019	521 140	31.12.2000
	EcoPower Technology Oy	40.73%	12 558,00	0				-11 002	111 576	31.12.2000
	Elesco Holding Oy	29.00%	318 380	195 031				-910 182	-34 214	31.12.2000
	Fincitec Oy	39.07%	288 947	752 641				6 847	1 610 840	31.01.2001
	Finnish Measurement Systems FMS Oy	29.50%	33 638	0				-87 041	80 675	31.12.2001
	Fluid-Bag Oy Ab	22.31%	487 745	0				2 163	553 695	31.12.2000
	Forchem Oy	14.00%	205 346	526 754	14.00%	205 346	526 754			**
	Hämeen Lanka Oy	35.27%	156 415	441 467				-35 416	421 104	31.12.2000
	Ima Engineering Oy	35.91%	32 797	0				-64 081	83 314	31.12.2000
	Jopamac Oy	24.41%	87 458	0				-988 506	-870 519	31.12.2000
	Jutron Oy	5.40%	9 195	1 682 593	5.40%	9 195	1 682 593	-647 556	5 495 595	31.12.2000
	Kupari Solutions Oy	24.73%	50 456	75 685				-194 523	147 238	31.12.2000
	MAP Medical Technologies Oy	13.76%	116 050	196 443				-435 525	1 398 151	30.06.2001
	Okmetic Oyj	3.79%	447 825	3 010 674	3.79%	447 825	3 010 674	2 399 718	87 023 605	31.12.2000
	Plasma Modules Oy	34.65%	15 980	0				-546 147	-9 711	31.12.2000
	Plastilon Oy	24.43%	67 107	67 107				253 906	1 090 348	31.12.2000
	POM Technology Oy Ab	19.94%	48 606	281 378				-206 204	684 534	31.12.2000
	Rados Technology Oy	15.33%	432 579	828 157				38 816	2 361 938	31.12.2000
	Setec Oy	15.38%	1 034 860	3 418 753	15.38%	1 034 860	3 418 753	1 486 424	15 809 991	31.12.2000
	Tooler Oy	28.97%	101 400	85 271				-517 657	73 130	31.12.2000
	Wallas-Marin Oy	20.01%	9 351	5 126				154 407	501 455	31.12.2000
	Vista Communication Instruments Oy	11.04%	19 822	0				428 131	322 351	31.12.2000
	TOTAL			11 987 552			8 638 774			
	Start Fund of Kera Oy	subsidiary			66.67	9 690 818	16 717 210			

*including capital loan

**financial statements of the 1st financial period not yet adopted

Holdings in limited partnership

Fund	Group			Parent company			Per partnership company's last financial statement		
	holding %	investment commitment	book value	holding %	investment commitment	book value	result	shareholders' equity	date
MB Equity Fund Ky	17.44%	2 522 819	1 256 206	17.44%	2 522 819	1 256 206			
Finnventure Rahasto III Ky	13.66%	3 363 759	1 959 389	13.66%	3 363 759	1 959 389			
Forenvia Venture I Ky	31.34%	3 363 759	2 060 660	15.67%	1 681 879	1 030 330			
Telecomia Venture I Ky	34.02%	3 363 759	1 543 606	17.01%	1 681 879	774 025			
Profita Fund I Ky	18.07%	2 522 819	1 111 826	18.07%	2 522 819	1 111 826			
Tasku Ky	32.23%	3 363 759	1 662 442	32.23%	3 363 759	1 662 442	30 990	3 395 444	31.12.2000
Lahden Alueen Pääomarahasto Ky	28.40%	672 752	293 252	28.40%	672 752	293 252	-35 463	809 390	31.12.2000
Fenno Rahasto Ky	7.92%	3 363 759	3 052 618	7.92%	3 363 759	3 052 618			
Karhu Pääomarahasto Ky	21.48%	672 752	551 375	21.48%	672 752	551 375	63 021	2 950 708	31.12.2000
MB Equity Fund II Ky	9.99%	4 204 698	2 678 950	9.99%	4 204 698	2 678 950			
Sponsor Fund I Ky	3.33%	3 363 759	1 280 829	3.33%	3 363 759	1 280 829			
EQVITEC Teknologiarahasto I Ky	18.26%	12 445 907	7 806 903	18.26%	12 445 907	7 806 903			
Savon Kasvurahasto I Ky	12.90%	1 009 128	678 417	12.90%	1 009 128	678 417			
Finnventure Rahasto IV Ky	5.66%	3 363 759	2 945 600	5.66%	3 363 759	2 945 600			
MB Mezzanine Fund II Ky	5.00%	8 409 396	2 378 764	5.00%	8 409 396	2 378 764			
Etelä-Savon Pääomarahasto Ky	14.88%	756 846	756 846	14.88%	756 846	756 846			
Etelä-Pohjanmaan Rahasto Ky	33.33%	1 681 879	430 577	33.33%	1 681 879	430 577	-46 919	1 194 187	31.12.2000
Metal Fund Ky	33.33%	1 681 879	617 726	33.33%	1 681 879	617 726	-64 949	550 023	31.12.2000
Aura Capital Rahasto V Ky	13.33%	672 752	626 631	13.33%	672 752	626 631			
Kareliaventure Rahasto Ky	33.32%	1 093 222	589 563	33.32%	1 093 222	589 563	-80 074	666 231	31.12.2000
SFK 99-Rahasto Ky	5.02%	3 000 000	2 325 792	5.02%	3 000 000	2 325 792			
Aboa Venture II Ky	13.99%	1 345 503	955 885	13.99%	1 345 503	955 885			
EQT Finland Fund C.V.	6.08%	8 409 396	1 291 471	6.08%	8 409 396	1 291 471			
Bio Fund Ventures II Ky	5.00%	3 363 759	2 519 568	5.00%	3 363 759	2 519 568			
EQVITEC Technology Mezzanine Fund I A Ky	42.33%	17 000 000	3 739 691	42.33%	17 000 000	3 739 691	517 527	8 830 192	31.12.2001
Finnventure Rahasto V ET Ky	49.51%	16 818 793	10 035 066	49.51%	16 818 793	10 035 066	-514 223	9 302 775	31.12.2000
Finnmezzanine Rahasto III A Ky	9.87%	10 000 000	1 664 000	9.87%	10 000 000	1 664 000			
NEXIT Infocom 2000 Fund LP	6.12%	5 000 000	1 615 445	6.12%	5 000 000	1 615 445			
Industri Kapital 2000 Fund LP VII	5.75%	10 000 000	6 833 869	5.75%	10 000 000	6 833 869			
Seedcap Ky	24.96%	3 363 759	755 124	24.96%	3 363 759	755 124			*
Jokilaaksojen Rahasto I Ky	34.23%	1 850 067	352 312	34.23%	1 850 067	352 312	-12 772	-12 772	31.12.2000
Lapin Rahasto I Ky	26.04%	840 950	127 850	26.04%	840 950	127 850	-194 267	559 047	31.12.2000
Midinvest Fund I Ky	25.15%	3 363 759	357 570	25.15%	3 363 759	357 570			*
Slotsbacken Fund II Ky	18.24%	5 000 000	750 000	18.24%	5 000 000	750 000			
CIM Venture Fund for Creative Industries Ky	22.56%	5 000 000	298 845	22.56%	5 000 000	298 845			*
EQVITEC Technology Fund II Ky	7.47%	10 000 000	679 084	7.47%	10 000 000	679 084			
Bio Fund Ventures III Ky	12.26%	10 000 000	861 304	12.26%	10 000 000	861 304			
GrowHow Rahasto I Ky	14.27%	3 000 000	52 572	14.27%	3 000 000	52 572			
Aboa Venture III Ky	18.02%	2 000 000	20 000	18.02%	2 000 000	20 000			
TOTAL		181 249 142	69 517 626		177 885 383	67 717 716			

*financial statements of the 1st financial period not yet adopted

Other investments

€	Group		Parent company		
	Target	type of investment	book value	type of investment	book value
	Atmel Finland Development Center Oy	Loan	252 282		
	Detection Technology Oy	Convertible bond	420 470		
	EcoPower Technology Oy	Convertible bond	0		
	Elesco Holding oy	Convertible bond	252 282		
	Finnish Measurement Systems Oy	Subordinated loan	33 301		
	Finreila Oy	Subordinated loan	0	Subordinated loan	0
	Forchem Oy	Subordinated loan	916 358	Subordinated loan	916 358
	Ima Engineering Oy	Convertible loan	0		
	Jopamac Oy	Convertible loan	83 690		
	Kupari Solutions Oy	Convertible loan	109 322		
	Okmetic Oyj	Subordinated loan	605 705	Subordinated loan	605 705
	Plasma Modules Oy	Convertible loan	0		
	Tooler Oy	Subordinated loan	168 188		
	Turun TV-tehdas Oy	Loan	3 363 759	Loan	3 363 759
	Wallas-Marin Oy	Partly subordinated loan	84 094		
	TOTAL		6 289 451		4 885 821
	Total investments		87 794 629		97 959 521
	Investments commitments / funds		99 031 063		98 599 465
	Investments commitments / target companies		1 920 647		1 920 647
	Total		100 951 710		100 520 112

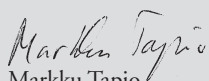
The Group's share of value of investments reported by funds based on its holding percentage (calculated per Finnish Venture Capital Association recommendations) is about EUR 71.5 million and that of the parent company about EUR 69.6 million.

The Group's value of target company investments made from its own balance sheet (calculated per Finnish Venture Capital Association recommendations) is about EUR 21.1 million and that of the parent company (without subsidiary investment) about EUR 14.6 million.


CHANGES IN THE VALUE OF HOLDINGS, SHARES AND OTHER INVESTMENTS HELD BY GROUP AND PARENT COMPANY

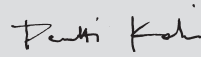
€	Group				Parent company				
	Shares	Holdings in funds	Receivables	Total	Shares	Holdings in funds	Receivables	Total	
	Acquisition costs Jan. 1, 2001	16 865 752	49 229 020	7 331 877	73 426 650	24 829 231	47 519 515	3 969 464	76 318 209
	Increases	599 848	24 083 352	4 313 417	28 996 617	526 753	23 771 611	4 280 116	28 578 480
	Decreases	2 022 070	3 794 746	739 791	6 556 607	0	3 573 410	0	3 573 410
	Acquisition costs Dec. 31, 2001	15 443 531	69 517 626	10 905 503	95 866 660	25 355 984	67 717 716	8 249 580	101 323 280
	Accumulated depreciation and write-downs Jan. 1, 2001	5 258 564	0	1 655 777	6 914 341				0
	Write-downs	441 493	0	3 573 826	4 015 319			3 363 759	3 363 759
	Cancellation of write-downs on other income from operations	2 244 078		613 550	2 857 628				0
	Book value Dec. 31, 2001	11 987 552	69 517 626	6 289 450	87 794 628	25 355 984	67 717 716	4 885 821	97 959 521

Helsinki, March 4, 2002


Markku Tapio
Chairman of the
Board of Directors


Kalle J. Korhonen
Vice Chairman of the
Board of Directors


Satu Huber


Pertti Kohi


Antti Paasio


Harri Pynnä


Sirkka-Liisa Roine


Juha Marjosola
Managing Director

The financial statements have been prepared in accordance with Generally Accepted Finnish Auditing Standards.
The auditors' report has been submitted today.

Helsinki, March 4, 2002

KPMG WIDERI OY AB
Authorized public accountants



Hannu Niilekselä, APA

AUDITORS' REPORT

We have audited the accounting, financial statements and corporate governance of Finnish Industry Investment Ltd for the period January 1 - December 31, 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements and balance sheets, and notes to the accounts, were prepared by the Board of Directors and the Managing Director. Based on our audit, we express the following opinion on these financial statements and the corporate governance.

We have conducted our audit in accordance with the Finnish Auditing Standards. The accounting and the principles, content and presentation of the financial statements were audited to verify that they were free of material misstatement. The purpose of the audit of corporate governance is to ensure that the Board of Directors and the Managing Director have legally complied with the provisions of the Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations covering the preparation of financial statements. They give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company results of operations, and of the financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Helsinki, March 4, 2002

KPMG WIDERI OY AB



Hannu Niilekselä
Authorized Public Accountant

FINNISH INDUSTRY INVESTMENT LTD 2001

- Total current investment commitments EUR 201.8 million.
 - New commitments made during the 2001 financial year EUR 37.9 million.
 - Investment decisions concerning projects in progress EUR 40 million at the end of the 2001 financial year.
 - Investments in 39 venture capital funds and six direct investments.
 - Result for the period EUR 4.1 million.
- Balance sheet total EUR 271.0 million, with shareholders' equity accounting for EUR 255.3 million.

Focuses of operations

- Venture capital financing for companies in their early stages
- Development of regional venture capital investment
- Direct investments in target companies

Board of Directors

Chairman Markku Tapio,

Director General, Ministry of Trade and Industry

Vice Chairman Kalle J. Korhonen,

Director General, Ministry of Trade and Industry

Satu Huber, Director of Finance, State Treasury

Pertti Kohi, Financial Counsellor, Ministry of Finance

Antti Paasio, Professor,

Turku School of Economics and Business Administration

Harri Pynnä, Senior Vice President,

Corporate Legal Affairs, Fortum Corporation

Sirkka-Liisa Roine, President,

Finnish Foundation for Share promotion

Investment Council

Chairman Jarmo Leppiniemi, Professor, Helsinki School of Economics and Business Administration

Members of the Investment Council:

Maija-Liisa Friman, Managing Director, Vattenfall Oy

Eero Hovi, Researcher, Finnish Metal Workers' Union

Pertti Karhinen, Managing Director, Rantasalmi Oy

Juha Korkeaaja, MP

Pekka Kuosmanen, MP

Reijo Laitinen, MP

Veli-Pekka Saarnivaara, Director General,

Technology Development Centre of Finland

Ulla Sirkeinen, Director,

Confederation of Finnish Industry and Employers

Matti Viialainen, Deputy Director,

Confederation of Finnish Trade Unions SAK

Management Group

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