



annual 2001 *account*

MOELVEN

KEY FINANCIAL FIGURES – MOELVEN INDUSTRIER – THE GROUP

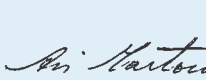
(Amounts in NOK million)	2001	2000	1999	1998	1997	
PROFIT AND LOSS						
Operating revenues	4 517	4 746	3 526	3 027	2 378	
Depreciation and write-downs	161	160	110	93	72	
Operating profit	93	223	90	53	125	
Net interest and financial items	-54	-63	-43	-34	-32	
Operating result before tax	39	160	47	23	138	
BALANCE						
Investments in fixed assets	105	77	72	104	104	Capitalised investments less investments due the acquisition of other companies
Total capital	2 393	2 345	1 928	1 893	1 236	
Total Equity	879	879	629	626	439	
Net interest-bearing debt	773	719	680	678	380	
Capital employed	1 652	1 598	1 309	1 304	819	Equity + net interest-bearing debt
EARNINGS/PROFITABILITY						
Net operating margin	2.1%	4.7%	2.5%	1.7%	5.3%	Operating profit Operating revenues
Gross operating margin	5.6%	8.1%	5.7%	4.8%	8.3%	Operating profit + depreciation and write-downs Operating revenues
Return on equity	3.0%	15.9%	5.4%	3.0%	25.0%	Operating result Average equity
Return on capital employed	5.7%	15.3%	6.8%	5.0%	16.3%	Operating profit Average capital employed
Interest cover	1.6	3.0	1.7	1.4	3.7	Operating result + financial costs Financial cost
CAPITAL						
Equity ratio	36.7%	37.5%	32.6%	33.1%	35.5%	Total equity Total capital
Capital turnover rate	1.9	2.2	1.8	1.9	2.0	Operating revenues Average total capital
LIQUIDITY						
Current ratio	1.98	1.9	1.74	1.83	1.68	Current assets Current liabilities
Quick ratio	0.91	0.84	0.79	0.84	0.72	Liquid funds + financial investments + receivables Current liabilities
Cash flow from operating result (NOK million)	194.8	250.7	109.5	110.7	202.9	Operating result before tax – taxes payable + depreciations and corrections regarding other non liquid items
SHARES						
Earnings per share in NOK	0.23	1.16	0.37	0.19	1.40	Operating result Average number of shares
Average number of shares (mill)	115.4	116.8	92.6	85.6	70.7	
Cash flow per share in NOK	1.69	2.15	1.68	1.32	2.87	Cashflow from operating result Average number of shares
Market price in NOK at 31.12.	11.0	7.70	7.65	4.80	6.90	
RISK-amount in NOK at 01.01.	-0.21	-0.11	-0.25	-0.35	-0.10	Overall RISK for Group Estimated RISK at 01.01.2002 is NOK -0.25
Dividend in NOK per share	0.25	0.35	0.25	0.25	0.25	
Price/earnings ratio (P/E)	48.68	6.78	20.9	28.20	3.75	Market price at 31.12. Operating result per share
Total return per share	32.3%	5.2%	64.6%	-26.8%	-5.9%	Dividend per share + change in value Market price at 01.01.
PERSONNEL						
Number of employees at 31.12.	3 149	3 046	2 404	2 298	1 759	
Average number of employees	3 057	3 136	2 351	2 181	1 700	


(Amounts in NOK million)	Note	2001	2000	1999
Revenue		4 455.2	4 700.5	3 488.4
Other operating income		61.3	45.4	37.3
Operating revenues	2, 3, 20	4 516.5	4 745.9	3 525.7
Raw materials and consumables used	4	2 750.9	2 936.2	2 239.7
Change in stock of work in progress, finished goods and projects		11.8	1.7	-9.0
Payroll expenses	17	999.6	977.1	747.6
Depreciation on fixed assets and intangible assets	14, 16	161.4	159.8	110.1
Other operating expenses		500.1	448.1	347.7
Operating expenses		4 423.8	4 522.9	3 436.1
OPERATING PROFIT		92.7	223.0	89.6
Income from associates	19	0.1	0.9	0.0
Other interest income		4.7	2.4	3.5
Other financial income		7.1	13.2	12.5
Other interest expenses		-52.2	-66.0	-44.7
Other financial expenses		-13.3	-13.9	-14.4
Financial income/financial expenses		-53.6	-63.4	-43.1
OPERATING RESULT BEFORE TAX		39.1	159.6	46.5
Tax on ordinary result	5, 6	12.7	24.3	12.5
OPERATING RESULT		26.4	135.3	34.0
Minority interests	20	0.5	0.0	-0.1
NET PROFIT FOR THE YEAR		26.9	135.3	33.9
Profit per share		0.2	1.2	0.4
Average number of shares		115 449 913	116 843 965	92 642 384


BALANCE SHEET AT 31.12. – MOELVEN INDUSTRIER – THE GROUP


(Amount in NOK million)	Note	2001	2000	1999
ASSETS				
Deferred tax assets	6	38.7	49.7	33.5
Goodwill	14	20.3	23.0	23.3
Total intangible fixed assets		59.0	72.7	56.8
Land		40.3	45.5	30.8
Buildings and other real property		312.4	288.6	279.0
Machinery and plant		401.2	458.8	422.4
Fixtures and fittings, tools, office machinery etc.		51.5	31.9	15.3
Total tangible assets	15, 16	805.4	824.8	747.5
Investments in associated companies	19	12.6	14.0	11.0
Investments in shares	18	25.0	32.3	26.4
Bonds and other receivables	7	24.9	28.2	24.2
Net pension funds	17	85.1	102.8	71.1
Total financial fixed assets		147.6	177.3	132.7
Total fixed assets		1 012.0	1 074.8	937.0
Stocks	8	743.9	702.9	540.8
Accounts receivable	7	433.2	413.9	335.2
Other debtors	7	157.4	88.9	82.4
Total debtors		590.6	502.8	417.6
Bank, deposits, cash in hand, etc.	10, 11	46.3	64.7	32.1
Total current assets		1 380.8	1 270.4	990.5
Total assets	20	2 392.8	2 345.2	1 927.5
EQUITY AND LIABILITIES				
Share capital		595.2	595.2	463.2
Own shares		-15.4	-22.1	0.0
Share premium reserve		67.1	67.1	71.1
Total paid-in capital		646.9	640.2	534.3
Other equity		226.3	233.8	90.0
Minority interests	20	5.7	4.8	4.8
Total equity	21	878.9	878.8	629.1
Pension liabilities	17	50.8	50.4	9.4
Other provisions	9	18.2	6.7	5.6
Total provisions		69.0	57.1	15.0
Liabilities to financial institutions	10	743.9	734.3	692.8
Other long-term liabilities		3.8	3.9	24.1
Total long-term liabilities		747.7	738.2	716.9
Liabilities to financial institutions	10	75.2	49.8	19.7
Trade creditors		278.8	301.3	263.1
Tax payable	5	6.0	3.1	1.1
Public duties payable		132.3	134.5	123.6
Dividends		29.7	41.7	29.7
Other short-term liabilities	9	175.2	140.7	129.3
Total short-term liabilities		697.2	671.1	566.5
Total liabilities		1 513.9	1 466.4	1 298.5
Total equity and liabilities	20	2 392.8	2 345.2	1 927.5
Mortgages	13	117.6	160.8	216.3
Guaranties	12	12.1	49.8	65.4


February 28, 2002
Moelven Industrier ASA



 Ari Martonen
 Chairman

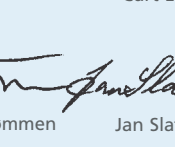

 Bo Borgström

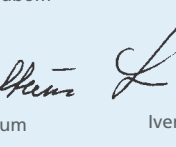

 Curt Lindbom

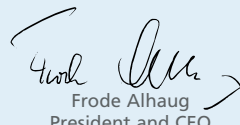

 Mikael Planting


 Svein Haare


 Helge Urstrømmen


 Jan Slattum


 Iver Melby


 Frode Alhaug
 President and CEO

(Amounts in NOK million)	Note	2001	2000	1999
CASH FLOW FROM OPERATIONS				
Operating result before tax		39.1	159.6	46.5
Tax paid	5	-3.0	-1.0	-2.7
Ordinary depreciations	16	161.4	159.8	110.1
Gain/loss from the sale of fixed assets		-4.0	-12.4	-3.3
Restructuring costs		-1.5	-25.5	0.0
Pension costs, provided for but not paid/ pension funds taken to income but not paid in	17	2.8	-28.9	3.4
Income from associates	19	-0.1	-0.9	0.0
Changes in current assets excl. liquid funds and deposits		-98.0	19.5	-54.0
Changes in current liabilities excl. loans		-28.5	-134.5	29.3
Net cash flow from operations		68.2	135.7	129.3
CASH FLOW FROM INVESTMENTS				
Payments to purchase fixed assets excl. acquisitions	15	-104.8	-77.1	-72.0
Net cashflow from acquisition/sale of subsidiaries		-44.1	-46.3	-1.9
Sale of fixed assets	15	17.5	18.2	12.6
Long-term investments, financial		29.5	26.5	-19.3
Net cash flow from investments		-101.9	-78.7	-80.6
CASH FLOW FROM FINANCING				
Changes in short-term liabilities and overdrafts		15.5	56.1	-41.0
Liquid share of income from associates		0.0	2.0	2.6
Changes in long-term debt		-11.6	-13.7	8.8
Issue of equity		0.0	-3.5	0.0
Payment of dividends and purchase/sale of own shares		11.4	-65.3	-23.2
Net cash flow from financing		15.3	-24.4	-52.8
LIQUID FUNDS				
Net change in liquid funds during the year		-18.4	32.6	-4.1
Liquid funds at 01.01.		64.7	32.1	36.2
Liquid funds at 31.12.	10	46.3	64.7	32.1
AVAILABLE LIQUID FUNDS				
Liquid funds at 31.12.		46.3	64.7	32.1
Unutilised credit facilities at 31.12.		555.0	603.5	376.0
Restricted deposits		1.6	2.0	2.4
Available liquid funds at 31.12.		599.7	666.2	405.7
Additional information in connection with acquisition/sale of subsidiaries:				
Additions:				
Fixed assets		46.4	189.1	15.8
Current assets		65.0	277.7	9.4
Liquid funds		19.0	0.7	3.3
Total equity		31.0	201.2	6.9
Interest-bearing debt		37.0	77.0	14.6
Non interest-bearing debt		62.4	189.3	7.0
Total balance from acquisitions		130.4	467.5	28.5

2001: Acquisition of Kristiania Entreprenør AS, Aicher GmbH and Modulpoolen in Sandsjöfors AB.

2000: Acquisition of Forestia AS (the timber industry activities), the assets and activities of Fredlunds Akustik AB and Hulåns Snickeri AB. Sale of the 40 per cent share in Limtræ Danmark AS.

1999: Acquisition of Splitkon AS and Agder Limtre AS. Acquisition of Grøndalen Elektro AS and Østby Elektriske AS. Sale of Moelven Byggsystem AS.

ACCOUNTING PRINCIPLES

CONSOLIDATION PRINCIPLES

Consolidated companies

The statement of accounts for the Group has been prepared as if the Group was one unit. The statement of accounts encompasses the parent company Moelven Industrier ASA and the subsidiaries where Moelven Industrier ASA, directly or indirectly, owns more than 50 per cent of the shares or by agreement has the controlling influence in the company. Investments in companies where the Group owns between 20 and 50 per cent of the shares and where the Group also has a considerable influence are dealt with according to the equity method. The accounts for subsidiaries which have joined the Group in the course of the year are entered in their entirety on the balance sheet as at 31.12, and the results from the date of purchase until 31.12 are entered in the profit and loss account. For subsidiaries sold in the course of the year, transactions from 01.01 until the date of sale are included in the profit and loss account.

Elimination of shares in subsidiaries/goodwill

Shares in the subsidiaries are eliminated against the subsidiaries' capital and reserves at the time of purchase. Included in share capital and reserves is the equity portion of temporary differences between accounting and taxable values in the subsidiary at the time of purchase. Any excess or less value at the time of purchase is ascribed to the relevant assets and depreciated subsequently in line with these. Deferred tax is calculated based on gross excess value and entered as a liability. Deferred tax asset is calculated based on gross less value and entered as an asset. Excess value which cannot be ascribed to assets is entered in the Group balance sheet as goodwill and depreciated over a 5 to 10-year period. In connection with acquisitions, revised estimates of company assets at the time of the acquisition and dispositions to cover restructuring costs may influence consolidated financial goodwill. Based on the new information about the assets in the acquired companies, the acquisition costs and goodwill may be revised in the first full accounting year after the acquisition takes place.

Conversion of foreign subsidiaries

The annual statement of accounts for foreign subsidiaries is, with regard to the items on the balance sheet, converted to NOK at year-end exchange rates. All items in the profit and loss accounts are converted to NOK at average rates of exchange for the accounting year. The difference which arises in connection with consolidation is entered in the Group balance sheet under other equity.

Shares and participating interest in associated companies

Associated public companies, in which the Group does not have a controlling interest, but still has considerable influence and a significant ownership share (20-50 per cent), are valued in the Group accounts in accordance with the equity method of accounting. The Group's share of the company's results after taxes (and depreciation on paid excess value), is listed as "Income from associates". In the Group's balance, shares in associated companies are listed at cost price, including any accumulated share of the results. Any share of the results must be subtracted from any dividends received.

On the balance sheet of the holding company, the shareholdings are listed according to the cost method of accounting. When depreciating in accordance with the requirements of the Norwegian Companies Act, the value of the share is listed as the shareholder's share of the associated company's value. The ownership interest in general partnerships in which the Group has significant influence is listed in accordance with the equity method of accounting. The net result is shown on a separate line in the profit and loss statement. The net amount of the share of the companies' assets and liabilities is shown in the balance.

Jointly controlled companies

For companies that are jointly controlled and owned, the straight line method of accounting is applied, with the inclusion of the Group's proportional share of the company's profit/loss and balance lines.

Minority interests

Minority interests are listed in the Group's balance sheet as the foreign ownership interests' share of book value equity in the relevant subsidiary. In the results for the Group, a reduction or addition is made corresponding to the minority interest's share of the result after taxes for the company.

Elimination of internal transactions

Unrealised profits in the companies' inventories relating to intra-group deliveries are eliminated from the Group's inventories and operating profit. Profits in connection with sales of fixed assets within the Group are eliminated from the ordinary depreciable base and operating profits. Deferred tax is eliminated from the Group's statement of accounts so that the tax charge in connection with internal profits is not payable until the stock is sold from the Group. In the Group statement of accounts, eliminations have also been made for internal dividends, group contributions, income and expenditure transfers, and accounts due and debts between the Group's companies.

Sub-groups

Moelven does not produce consolidated financial statements for the sub-groups. The Moelven Group is divided into business areas which do not follow the legal structure.

VALUATION AND CLASSIFICATION PRINCIPLES

Classification of assets and liabilities

Assets and liabilities arising in connection with the circulation of goods within the undertaking are classified as current assets and current liabilities respectively. Other receivables and short-term liabilities are classified as short-term items if they fall due within a one-year period after the closing of the accounts. Other assets and long-term liabilities are classified as fixed assets and long-term liabilities respectively.

The first year's payment on long-term financing is treated as a long-term loan.

Accounts receivable

Accounts receivable and other receivables appear in the balance sheet after provisions for possible losses.

Assets and liabilities in foreign currencies

Monetary items nominated in foreign currencies are translated at the exchange rate quoted on the balance sheet date. Exchange rate gains/losses in connection with the circulation of goods are entered as cost of goods sold or operating revenues. Other exchange rate gains/losses are entered as financial items. An exception is made from the balance sheet date rate principle in connection with currency hedging. Other posts in foreign currencies are calculated according to the lowest/highest rate at the time of acquisition and rate at 31.12. Accounts receivables and payables secured by forward exchange rate contracts are converted at the forward rate at 31.12.

Off-balance sheet financial instruments

The underlying intentions of the financial agreements entered into governs how they are treated for accounting purposes.

Hedging – foreign currency

As a rule, the Group usually finances the acquisition of assets with debt in the same currency. Payments in and out in connection with the purchase and sale in foreign currencies is usually hedged through futures contracts. Foreign currency gains or losses in connection with this type of hedging is reported together with the objects the agreement intends to protect, such as sales income or purchase costs. Costs relating to hedging against foreign currency fluctuations in relation to loan transactions are reported as financial items.

Hedging – interest

At the turn of the year, the Group had NOK 646 (442) million in long-term, fixed-rate loans. Any gains or losses as a result of premature termination of the loans are reported as financial items. The main part of the Group's debt is valued with a margin against a basic, defined interest rate. Parts of this are hedged with swap agreements. Currency exchange swaps are also used in order to reduce the interest rate spread among the group account systems. Payments in and out in connection with this type of hedging are reported together with the items the agreement intends to protect, i.e. financial costs.

Inventories

Inventories of raw materials and goods for resale (commodities) are valued at the lower value of the acquisition cost and net actual value. The actual value is the presumed sales price at the future date of sale, after deductions for sales costs.

Inventories of manufactured goods (work in progress and finished manufactured goods) and contracts are estimated at the full manufacturing cost at the place of manufacture or at the expected sales value if this is lower than the full cost of manufacture. In addition to the cost of the acquisition of the raw materials and purchased goods, other direct or indirect production costs, plus a proportion of the fixed costs associated with the production process, are included in the full cost of manufacture.

Projects

Contracted projects are entered as a net amount in the balance sheet. This involves reducing gross project balances by advance payment in connection with contracts. This also applies to projects with a long-term completion schedule or individual contracts that at any time tie up more than 20 per cent of the individual undertaking's capacity.

Projects with a long-term completion schedule are estimated at the full production cost plus a share of profit based on the degree of completion. The degree of completion is based on the accrued expenses in relation to the calculated total costs. Expected loss on contracts is fully charged in the accounts.

Shares in other companies

Shares in other companies at 31.12 are assessed individually. Gains/losses in connection with sales or write-downs of shareholdings are dealt with as operating revenues/operating costs.

Pension funds, pension liabilities and pension costs

Most of the Group's Norwegian companies have collective pension plans through insurance companies. These are plans, which entitle employees to an agreed future pension. The benefits are based on the number of years of earnings and the salary level reached at retirement. For the Group's foreign companies, the pension plans are based on the employer's contributions in accordance with agreed schemes. The pension schemes are dealt with in the accounts according to NRS (Norwegian Accounting Standards) for pension costs. Liabilities which are based on schemes are calculated actuarially. The liabilities are reduced by the value of the total pension funds and aggregated with the net present value of uninsured liabilities. The liabilities for contract pensions are included in the calculations. For the Group's main scheme, the pension funds are larger than the pension liabilities. The overfunding is shown as "net pension funds" under financial investments on the balance sheet. The overfunding is now utilisable as a result of a new law regarding company pensions. Pension costs, which encompass the current value of the year's pension savings with accrued interest costs of pension liabilities reduced by the expected returns on pension funds, are dealt with as operating costs under "salaries and employer's contributions".

Research and development expenses

All expenses in connection with market surveys, market developments and development of new products are entered in the accounts as costs as they arise.

Investments in environment

Expenses in connection with efforts to improve the interior or exterior environment are entered in the accounts as costs as they arise, unless the efforts lead to an increase in capacity, productivity or economic lifespan.

State operating/investment subsidies

Inclusion of operating subsidies in revenue follows the basic revenue/cost posting principles. Received operating subsidies are posted against the cost and revenue items to which the subsidy relates and are treated as a cost reduction in cases where the subsidy is ear-marked for certain operating costs. Investment subsidies are treated according to the gross principle and entered as operating revenues. Posting occurs in line with depreciation on the object of investment.

Fixed assets/depreciation

Fixed assets are entered in the balance sheet at the original purchase price with deductions for accumulated ordinary depreciation. Ordinary depreciation is undertaken in accordance with a fixed depreciation schedule, and is reckoned linearly over the lifetime of the assets. Gains/losses in connection with sales of fixed assets are treated as ordinary operating revenues/costs.

Maintenance costs

Costs in connection with normal maintenance and repairs of production equipment and other fixed assets are entered as costs as they arise. Upgrading and replacements of fixed assets are considered to be investments and capitalised.

Leasing

A difference is made between financial and operational leasing, based on a concrete assessment of the individual leasing agreement. In operational leasing, the leasing fees are entered directly as costs. Leased fixed assets, on the other hand, are capitalised and depreciated as ordinary fixed assets over the lifetime of the asset. Future payment commitments are classified as interest-bearing debt, with a contractual split between the leasing fee as part financial cost and part instalment on debt.

Deferred tax

Provisions for deferred tax is carried out according to the liability method without discounting. Calculated deferred tax based on temporary differences between tax return accounts and the general statement of accounts is offset against future tax benefits generated by deferrable losses on the tax return. This means that any posted deferred tax gain/liability is a net amount. There are, however, certain limitations on offsetting these amounts. For example, one may not do so for temporary differences that cannot be offset within the same time period.

NOTE 1. PURCHASE AND SALE OF BUSINESSES

Events in 2001:

- Moelven Westwood AB has purchased all of the shares in Modulpoolen in Sandsjöfors AB. The company manufactures and sells modular buildings and is part of the Modular Buildings division. The company, which is located in Småland in Sweden, has a turnover of some SEK 110 million and 70 employees. The company's accounts are consolidated as of 1 November and the new company's name is Moelven ByggModul Sandsjöfors AB.
- Moelven Industrier ASA has purchased a majority of shares in Aicher GmbH, so that Moelven's holding has risen from 49 percent to 85 percent. Moelven has been a shareholder in Aicher since January 2000. The investment – which financially has been treated as a holding in an associated company – will be consolidated as a subsidiary with minority interests as of 1 October. Annual turnover is € 17 million and the company has 95 employees.
- Moelven Innredningsgruppen AS has purchased all of the shares in Kristiania Entreprenør AS, which is a company involved in interior layout and carpentry contracting for commercial premises in the Oslo area. The company has an annual turnover of NOK 40 million. The company was acquired in order to strengthen the Group's capacity and position in the new-build segment for interior layout contractors. The company has 10 employees.
- Moelven Westwood AB has purchased all of the shares in Norra Ny Skogs AB, which is a timber purchasing company located in Värmland in Sweden. The company has eight employees and an annual turnover of SEK 60 million. Norra Ny Skogs AB has down through the years been an important raw material supplier for Moelven's Swedish and Norwegian sawmills, and the purchase must be seen as a strategic move to secure raw material supplies for the Group.
- Moelven Industrier ASA has sold its 40 per cent share in Byggtech Hurdal AS (previously Moelven Byggsystem AS).

Events in 2000:

- Moelven Limtregruppen AS took over a minority share in accordance with earlier agreements, and acquired 10.3 per cent of Mocon Holding AS at the agreed-upon option price of NOK 15 million. After this transaction, Moelven owns in all 91.2 per cent of Mocon Holding AS. The company's two minority shareholders now own 4.4 per cent each of the shares in the company. Mocon Holding AS with the subsidiaries Moelven Töreboda Limtre AB and Moelven Limtre AS are consolidated based on 100 percent ownership – taking account of the minority interest.
- Through its subsidiary Moelven Sveballe AS, Moelven Industrier ASA sold – as of 01. October 2000 – its 40 per cent share in Limtræ Danmark AS to the listed Danish company ITH AS. Limtræ Danmark AS was included in Moelven's Group accounts as a jointly controlled business. The sale gave a profit of NOK 6 million. The Group's net interest bearing debt and total capital was reduced by NOK 62 million and NOK 78 million, respectively. Moelven's share of Limtræ Danmark's annual turnover corresponds to NOK 120 million. As of the end of the third quarter 2000, Limtræ Danmark AS accounted for NOK 100 million in turnover and NOK 3.4 million in operating profit.
- In September, Moelven Westwood AB's subsidiary, Fragaria Invest AB acquired all the assets and activities in the company Hulåns Snickeri AB in Dala Järna. Hulåns Snickeri AB, which down through the years has been the main supplier of glazed partition walls to Moelven's subsidiary Eurowand AB, has 45 employees and an annual turnover of SEK 30 million.
- In February, Eurowand AB acquired all the assets and activities in the interior layout company Fredlunds Akustik AB, in Uppsala. In 1999, the company had 20 employees and the turnover was SEK 20 million.
- In a meeting on October 6 1999, the Board of Moelven Industrier ASA presented a proposal to acquire all of the shares in Forestia AS, a timber industry company owned fully by Norske Skogindustrier ASA. The proposal to issue a direct placement of shares with Norske Skogindustrier ASA was adopted in the extraordinary general meeting held for Moelven on 17 January 2000. As payment for the transaction, Moelven issued 26.4 million shares to Norske Skogindustrier ASA at a rate of NOK 7.50, and also made a cash payment of NOK 61 million. In all the compensation amounted to NOK 259 million. After the transaction, Moelven has a share capital of NOK 595,211,920, distributed among 119,042,384 shares. Norske Skog became the second largest shareholder with an ownership share of 22.2 per cent. The payment gave less value on concrete fixed assets in the range of NOK 180 million, which will give a reduction in future depreciation of NOK 18 million over a 10 year period. NOK 30 million was allocated for the anticipated restructuring of the business. After an assessment of actions to be put into effect regarding the raw material supply, a further NOK 10 million has been allocated for restructuring purposes. Of the total provision for restructuring purposes, NOK 22 million has been used in 2000. Deferred tax on less value and provisions equal NOK 59 million. Forestia has been consolidated into the group accounts from 17 January 2000. The timber industry activities in Forestia had sales amounting to NOK 1 300 million in 1999, and had 820 employees.

If Forestia had been a part of the Moelven Group for all of 2000 and 1999, the key financial figures (pro forma) would have been as follows in NOK million. (Pro forma figures not audited):

Result for:	2001	Pro forma 2000	Pro forma 1999
Operating revenues	4 517	4 828	4 717
Depreciation and write downs	161	160	161
Operating profit	93	223	77
Net operating margin in per cent	2.1	4.6	1.6
Number of employees	3 149	3 028	3 196

- Moelven Industrier ASA acquired 49 per cent of the shares in the German timber industry company Aicher GmbH. The transaction took effect as of 01.01.2000. The past year the company – 115 employees – had sales of € 20 mill. The company is presented in the accounts as "Investments in associated companies".
- Moelven Timber AS entered into a collaboration agreement with two Swedish sawmill groups, AB Karl Hedin and Bergqvist-Insjön AB, to establish a purchasing company for timber in Wärmaland and Dalarna – Weda Skog AB. Moelven owns 50 per cent of the shares, while the other two parties own 25 per cent each. The company is operational as of 01.01.2000.
- Together with other timber industry companies and raw material suppliers, Moelven Timber AS founded a company to improve the efficiency of timber transport – «Transportfellesskapet Østlandet AS». At the time of the formation, Moelven owned 20 per cent of the shares in this company. After the acquisition of Forestia AS, Moelven took over another 20 per cent share in the company, thereby coming up to a total of 40 per cent. The company was operational as of 01.01.2000. The 20 per cent share acquired through the Forestia transaction will be sold during 2001, and the company is therefore dealt with according to the cost method.

1999:

- With effect at 01.01.99, Moelv's laminated timber companies in Norway and Sweden – through Moelven Limtre AS and Moelven Töreboda Limträ AB – joined together with Agder Limtre AS and Splitkon AS to establish a new laminated timber group, in which the Norwegian companies merged and formed the company Mocon AS. Mocon Holding AS is the legal owner, and Moelven's ownership stake is 80.9 per cent in converted preference capital. Moelven has demanded that the minority owner exercise his option to sell the 14.6 per cent share for NOK 20 million. Moelven will then consolidate the Mocon companies as 100 per cent owned, with minority interests at 4.4 per cent. The discounted sales amount translates into capitalised goodwill equalling NOK 13.2 million, which will be depreciated over a 10-year period.
- With effect 01.01.99, 60 per cent of the shares in Moelven Byggsystem AS in Hurdal were sold. In the purchase contract, the parties agreed that Moelven would sell off the rest of the Group's ownership share in the course of a 3-year period.
- Moelven Elektro AS was in operation as of 01.01.99. The electric services activities in Moelven Engineering AS were transferred to Moelven Elektro AS as of the same date.
- In May, Moelven Elektro AS acquired 100 per cent of the shares in Grøndalen Elektro AS, Raufoss, with a subsequent merger. The purchase gave capitalised goodwill equalling NOK 1.7 million, which will be depreciated over a 5-year period. In 1998, the company – 18 employees – had sales of NOK 15 million.
- As of 01.07.99, the remaining 31.8 per cent shares in Moelven FireGuard AS were acquired at no extra cost.
- In October, Moelven Elektro AS acquired 100 per cent of the shares in Østby Elektriske AS, in Sem. The purchase gave capitalised goodwill equalling NOK 1.4 million, which will be depreciated over a 5-year period.

NOTE 2. Operating revenues

In the past for Group operating revenues, deliveries between group companies totalling NOK 874 million (NOK 898 million in 2000) have been eliminated.

NOTE 3. Business areas**3.1 Main figures for Group and business areas (Amounts in NOK million)****Criteria for division into business areas/divisions**

The divisions are based on Moelven's two core business areas: the Timber Group and the Building Group. The business areas are built around independent subsidiaries with clearly defined activities within their chosen fields. All transactions between the business areas take place on normal business terms. The division into business areas does not follow the formal legal ownership structure.

Items that are not attributable to the business areas

Others incl. eliminations includes elimination of internal transactions and services between divisions. It also includes the accounting figures for the parent company Moelven Industrier ASA, the Group's IT and R&D service functions.

Key figures	Group			Timber Group			Building Group			Other incl. eliminations		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Operating revenues	4 516.5	4 745.9	3 525.7	3 324.8	3 685.7	2 444.2	1 230.0	1 094.3	1 087.6	-38.3	-34.1	-6.1
Depreciations and write-downs	161.4	159.8	110.1	138.5	138.8	90.0	8.5	15.1	12.1	14.4	5.9	8.0
Operating profit	92.7	223.0	89.6	24.3	151.9	24.4	71.9	71.0	88.2	-3.5	0.1	-23.0
Financial items	-53.6	-63.4	-43.1	-39.3	-47.4	-35.9	9.5	7.5	8.8	-23.8	-23.5	-16.0
Operating result before tax	39.2	159.6	46.5	-15.0	104.6	-11.5	81.4	78.5	97.0	-27.2	-23.5	-39.0
Gross operating margin	2.1	4.7	2.5	0.7	4.1	1.0	5.8	6.5	8.1	9.1	-	-
Cash flow from operations	254.1	382.8	199.7	162.8	290.7	114.4	80.4	86.1	100.3	10.9	5.9	-15.0
Total capital	2 392.7	2 345.2	1 927.5	2 208.3	2 182.6	1 460.9	660.5	524.9	520.9	-476.1	-362.3	-54.3
interest bearing debt	819.2	784.1	712.5	841.8	739.2	563.1	49.3	67.2	42.7	-71.9	-22.3	106.7
interest free debt	694.6	682.3	586.0	568.7	544.2	393.6	299.2	203.7	227.7	-173.3	-65.6	-35.3
Equity ratio	36.7	37.5	32.6	36.1	41.1	34.6	47.2	48.4	48.1	-	-	-
Investments	104.8	77.1	72.4	76.9	62.6	46.5	26.3	11.7	18.3	1.6	2.8	7.6
Number of employees	3 149	3 046	2 404	2 019	2 022	1 436	1 080	978	900	50.0	46	68
Pro forma:												
Operating revenues	4 517	4 828	4 717	3 325	3 768	3 635	1 230	1 094	1 088	-38	-34	-6

Pro forma operating revenues show Forestia AS 2000 and 1999.

Forestia AS (the timber industry activities) was included in the accounts as of 17.01.2000 (Pro forma figures have not been audited).

3.2 Operating revenues by geographical markets

Operating revenues	Group			Timber Group			Building Group			Other incl. eliminations		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Scandinavia	3 365	3 385	2 292	2 187	2 332	1 275	1 220	1 087	1 026	-42	-34	-9
Euro-countries	874	705	670	867	703	661	3	2	6	4		3
Rest of Europa	27	303	293	21	303	266	6		27			
Japan	160	201	143	160	201	143						
Rest of the world	91	152	128	90	147	99	1	5	29			
Total	4 517	4 746	3 526	3 325	3 686	2 444	1 230	1 094	1 088	-38	-34	-6

3.3 Distribution of operating revenues by producing country

Operating revenues	Group			Timber Group			Building Group			Other incl. eliminations		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Norway	2 530	2 579	1 441	1 784	1 845	683	776	754	755	-30	-20	3
Sweden	1 918	2 067	1 980	1 472	1 741	1 656	454	340	333	-8	-14	-9
Denmark	0	100	105	0	100	105						
Germany	69			69								
Total	4 517	4 746	3 526	3 325	3 686	2 444	1 230	1 094	1 088	-38	-34	-6

3.4 No. of employees per business area

No. of employees	Group			Timber Group			Building Group			Other incl. eliminations		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Norway	1 868	1 909	1 171	1 143	1 191	440	685	681	675	40	37	56
Sweden	1 171	1 122	1 116	768	818	886	395	297	225	8	7	5
Denmark	0	0	98	0	0	98						
Germany	105	10	12	105	10	12						
Others	5	5	7	3	3					2	2	7
Total	3 149	3 046	2 404	2 019	2 022	1 436	1 080	978	900	50	46	68

3.5 Distribution of accounts receivables and stock by business area

Operating capital	Group			Timber Group			Building Group			Other incl. eliminations		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Accounts receivables	433.2	413.9	335.2	292.6	307.9	220.5	143.4	119.6	107.2	-2.8	-13.6	7.5
Raw materials and purchased goods	743.9	702.9	540.8	658.5	624.1	435.4	79.5	73.0	86.6	5.9	5.8	18.8
Gross operating capital	1 177.1	1 116.8	876.0	951.1	932.0	655.9	222.9	192.6	193.8	3.1	-7.8	26.3
As per cent of operating revenues	26	23	25	29	24	27	18	18	18	-	-	-
Trade creditors	278.8	301.3	263.1	200.8	245.8	189.2	78.7	72.4	66.5	-0.7	-16.9	7.4
Net operating capital	898.3	815.5	612.9	750.3	686.2	466.7	144.2	120.2	127.3	3.8	9.1	18.9
As per cent of operating revenues	20	17	17	23	18	19	12	11	12	-	-	-

NOTE 4. Cost of goods sold

Amounts in NOK million	2001	2000	1999
Purchase of raw materials, semi-finished goods for resale and services, incl. increased provision for warranty and service commitments	2 548.7	2 791.1	2 083.9
Transport costs of goods sold	239.8	247.7	172.0
Changes in stocks of raw materials and purchases	-37.6	-102.6	-16.2
Cost of goods sold	2 750.9	2 936.2	2 239.7

NOTE 5. Taxation

Amounts in NOK million	2001	2000	1999
Operating result before tax	39.1	159.6	46.5
Nominal tax in Norway 28 per cent	10.9	44.7	13.0
Re-consideration of deferred tax asset	0.0	-20.0	0.0
Net tax effect of tax exempt items and effect of other tax rates abroad	1.8	-0.4	-0.5
Tax	12.7	24.3	12.5
Taxes consist of payable taxes in:			
Norway	6.0	0.1	0.0
Sweden	0.0	1.2	1.0
Denmark	0.0	1.7	0.0
Total taxes payable	6.0	3.0	1.0
Changes in deferred tax	6.7	21.3	11.5
Total taxes	12.7	24.3	12.5

NOTE 6. Tax effect of temporary differences between accounting and tax-related balances (based on a 28 per cent nom. tax rate)

6.1 Deferred tax

Amounts in NOK million	2001	2000	1999
Temporary differences:			
Provision for receivables	-3.0	-3.2	-1.1
Provision for stocks	12.8	11.3	13.8
Cost provisions according to generally accepted accounting principles	-3.3	-2.3	-1.9
Other short-term temporary differences	1.4	1.0	-0.9
Subtotal short-term differences	7.9	6.8	9.9
Temporary differences:			
Accumulated excess tax depreciation	6.5	5.8	0.6
gain/loss account in associated company	0.0	0.0	6.7
Gain/loss account	9.5	9.5	2.4
Pension funds	23.8	28.8	19.9
Pension liabilities	-14.2	-14.1	-2.6
Other long-term items	-53.2	-47.6	-39.6
Subtotal long-term items	-27.6	-17.6	-12.6
Accommodated tax carry-forwards	0.0	0.0	0.0
Tax reducing differences (-), tax increasing differences (+)	-19.7	-10.8	-2.7
Deferred tax liability	0.0	0.0	0.0

6.2 Deferred tax benefit

Amounts in NOK million	2001	2000	1999
Non-accomodated negative differences	19.7	10.8	2.7
Non-accomodated carry-forwards	26.8	52.1	64.1
Deferred tax assets	46.5	62.9	66.8
Deferred tax asset capitalised in the accounts	38.7	49.7	33.5

Based on an assessment of the likely earnings and possible application of the tax-reducing differences, only a portion of the total deferred tax gain has been capitalised in the accounts.

6.3 Deferred tax benefit from deficits carried forward

Amounts in NOK million	2001	2000	1999
Norway	1.2	22.4	25.2
Sweden	25.6	29.0	35.9
Denmark and others	0.0	0.7	3.0
Deferred tax benefit from deficits carried forward	26.8	52.1	64.1

For the Group's Norwegian companies, the deficits have been carried forward in their entirety for the time period 1993-2001, and the timeframe in which the carry-forward opportunity expires is from 2003 to 2010. Of the tax-related deficit carried forward in the Group's Swedish companies, NOK 55 million has come about through the purchase of the Westwood Group. These deficits may over a five-year period – beginning the year after the acquisition – only be offset against profit from companies that were part of the Westwood Group at the time of the acquisition from 1999, a deficit incurred in 1998 for the purchased companies may be used for all the Group's Swedish companies. A tax deficit in Sweden may be carried forward for an unlimited period of time.

NOTE 7. Other receivables**7.1 Short-term items**

Amounts in NOK million	2001	2000	1999
Accounts receivables:			
Accounts receivables, gross	438.1	419.7	338.7
Provision against losses	-4.9	-5.8	-3.5
Accounts receivables, net	433.2	413.9	335.2
This year's recorded losses	3.1	3.5	5.8
Changes in provision for loss	-0.9	2.3	-1.7
Losses on accounts receivables	2.2	5.8	4.1
Other debtors:			
Receivables from employees	5.0	4.4	4.4
VAT credit	30.1	36.4	0.3
Receivables regarding write-back of SPP pension funds	20.5	0.0	0.0
Other receivables	101.8	48.1	77.7
Total other debtors	157.4	88.9	82.4

Included in the post "Other receivables" for 2001 is NOK 9.8 million (8.4 in 2000) in recorded, not received indemnity. Except for this, the post consists of accruals, prepayments and other items related to operations. Approx. 50 per cent of the Group's operating revenues are covered by debtor insurance.

7.2 Long-term items

Of the total amount of bonds and other receivables totalling NOK 24.9 million in 2001 (28.2 in 2000), NOK 3.4 million (4.3 in 2000) is from SIVA Moelv Næringspark AS, NOK 2.7 million is from loans to employees (3.4 in 2000). A self-insurance fund is also included, and amounts to NOK 2.6 mill (3.9 in 2000).

NOTE 8. Stock and orders

Amounts in NOK million	2001	2000	1999
Raw materials and purchased semi-finished goods	261.3	207.2	172.7
Work in progress	121.0	111.7	82.3
Finished goods	333.3	350.1	215.7
Orders	25.7	27.2	44.8
Prepayments to suppliers	2.6	6.7	25.3
Total stocks and orders	743.9	702.9	540.8
Spesification of projects:			
Own projects 31.12	0.0	0.0	11.1
Contracts at 31.12	86.7	86.4	84.1
Payments on account	-61.0	-59.2	-50.4
Total projects – net	25.7	27.2	44.8

NOTE 9. Other liabilities**9.1 Short-term liabilities**

Other short-term liabilities of NOK 175.2 mill (140.7 in 2000) essentially consists of accruals and provisions related to the operation of the Groups more than 40 operating units. The restructuring reserve from the acquisition of Forestia amounts to NOK 2.0 mill per 31.12.2001 (18.0 in 2000).

9.2 Long-term items

Warranty and service commitments expected to fall due in more than one year are presented under "Other long-term liabilities" with NOK 4.9 million (NOK 4.2 million in 2000). A reserve for costs regarding the closing down of two sawmills, amounting to NOK 7.7 mill is also included.

NOTE 10. Liquid holdings and debt

10.1 Interest-bearing receivables and debt

Amounts in NOK million	2001 *	2001	2000	1999
Restricted bank deposits		1.6	2.0	2.4
Other bank deposits		44.7	62.7	29.7
Total bank deposits/receivables		46.3	64.7	32.1
Bank overdraft and other short term interest bearing debt		75.2	49.8	19.7
Long-term interest-bearing debt:				
NOK	7.57%	202.7	177.8	92.6
SEK	4.65%	518.4	548.9	576.1
Euro	5.24%	22.8	7.6	8.4
Others		0.0	0.0	15.7
Total long-term interest-bearing debt		743.9	734.3	692.8
Net interest-bearing debt		772.8	719.4	680.4

* Average interest.

10.2 Repayment plans on long-term loans

Amounts in NOK million	2001	2000	1999
Long-term debt falling due within:			
1 year	38.6	85.8	47.2
2 years	63.2	34.7	45.2
3 years	133.6	274.5	45.1
4 years	103.5	38.2	295.3
5 years	46.2	252.9	44.1
6 years and more	358.8	48.2	215.9
Total	743.9	734.3	692.8

10.3 Interest adjustment

Amounts in NOK million – according to currency	NOK	SEK
Interest adjustment for the following years:		
2002	89.4	225.6
2003	54.4	132.4
2004	54.0	48.1
2005	25.0	10.2
2006	0.0	0.8
2007	0.0	0.0
2008	0.0	0.0
Total	222.8	417.1

The loans have been issued with a negative mortgage agreement, and with a standard paragraph relating to share capital, equity ratio and cash flow.

NOTE 11. Financial market risk

Financial assets exposed to credit or currency risks consist primarily of trade debtors and claims to financial institutions. The main part of the accounts receivables is covered by debtor insurance. An assessment has also been made of the solidity of the receivables, and provisions have been set up to account for potential losses. Historically, provisions set off for this purpose have been sufficient to cover such losses. Receivables from financial institutions primarily involve five Northern European banks. There are also currency risks involved with the trade receivables. The primary share of the Group's receivables in other currencies involves the currencies SEK, EUR, GBP, DKK, CHF, USD and JPY. The exposure to currency fluctuations is partially offset through futures contracts with duration up to eighteen months. With respect to SEK, the trade credit is larger than the receivables.

NOTE 12. Guarantees

Amounts in NOK million	2001	2000	1999
Loan guarantees/financial guarantees	10.0	27.7	8.3
Surety and prepayment guarantees	1.0	18.7	56.7
Joint guarantees other companies	1.1	3.4	0.4
Total	12.1	49.8	65.4

NOTE 13. Mortgages – secured loans

13.1 Loans with security in assets

Amounts in NOK million	2001	2000	1999
Bank overdraft	3.0	0.0	7.7
Long-term loans	114.6	160.8	208.6
Total	117.6	160.8	216.3

13.2 Book value of pledged assets

Amounts in NOK million	2001	2000	1999
Other receivables and prepayments	75.3	207.2	105.9
Stocks	101.2	247.5	139.8
Machinery, installations, incl. miscellaneous	88.1	104.4	149.7
Buildings	75.1	53.1	146.8
Land	9.9	9.9	17.8
Shares	10.1	0.0	0.0
Total	359.7	622.1	560.0

NOTE 14. Financial goodwill in connections with acquisition of subsidiaries

Amounts in NOK million	2001	2000	1999
Companies in the Timber Group	25.3	25.3	12.1
Additions from acquisition of Rosèn & Co. AB.	1.5	0.0	0.0
Additions from establishment of Mocon AS	0.0	0.0	13.2
Depreciation for the year	-2.3	-2.3	-2.2
Accumulated depreciation	-12.0	-9.7	-7.4
Subtotal Timber Group	14.8	15.6	17.9
Companies in the Building Group	15.0	11.1	8.0
Additions from acquisition of Grøndalen Elektro AS and Østby Elektriske AS	0.0	0.0	3.1
Additions from acquisition of Fredlunds Akustik AB	0.0	3.9	0.0
Depreciation for the year	-1.9	-1.9	-0.8
Accumulated depreciation	-9.5	-7.6	-5.7
Subtotal Building Group	5.5	7.4	5.4
Total capitalised goodwill	20.3	40.3	36.4
Depreciation for the year	-4.2	-4.2	-3.0
Accumulated depreciation	-21.5	-17.3	-13.1
Total for the Group	20.3	23.0	23.3

All acquisitions relating to capitalised goodwill are within the Group's primary business areas. The period of depreciation is set at 10 years. For additions in the Building Group, the goodwill is primarily connected to operating concept and human resources, and the period of depreciation is therefore set at 5 years.

NOTE 15. Investments in and sale of fixed assets

Amounts in NOK million	2001		2000		1999		1998		1997	
	Invest.	Sale	Invest.	Sale	Invest.	Sale	Invest.	Sale	Invest.	Sale
Fixtures and fittings etc *)	28.2	0.4	26.1	2.3	7.3	0.3	-	-	-	-
machines and plant	70.2	8.3	181.4	27.1	56.7	4.4	279.3	7.8	86.7	3.7
Buildings and other property	50.6	8.8	58.0	30.9	22.6	5.5	141.4	34.3	29.0	0.2
Land	2.2	0.0	15.8	0.5	1.0	2.4	25.0	10.4	1.0	0.0
Total	151.2	17.5	281.3	60.8	87.6	12.6	445.7	52.5	116.7	3.9

* For the years 1997-1998, this item was included in Machines and plant (previously "Machines, vehicles and equipment").

2001: The investments include additions from the acquisition of Modulpoolen i Sandsjöfors AB amounting to NOK 44.0 million, and NOK 0.9 and 1.5 from the acquisition of Kristiania Entreprenør AS and Aicher GmbH respectively.

2000: Included in the Group's investments are additions amounting to NOK 194.6 million from the acquisition of the timber industry activities of Forestia AS. Additions from the acquisition of Hulåns Snickereri AB amounts to NOK 9.6 million. Included in the disposal of fixed assets is the sale of the Group's 40 per cent share of Limtræ Danmark AS, which amount to NOK 42.5 million.

1999: Included in the Group's investments are additions amounting to NOK 15 million resulting from the acquisition of Splitkon AS, Agder Limtre AS, Grøndalen Elektro and Østby Elektriske AS. Investments amounting to NOK 5 million were made at the 40 percent owned Limtræ Danmark AS. Of the overall investments made this year, an amount equal to NOK 15 million is a result of investment decisions made in 1998.

1998: Investments of NOK 342 million arising from the purchase of Westwood AB with subsidiaries and Notnäs AB and Rosèn & Co. AB are included. Included in the invested amounts from the acquisition is NOK 88 million in capitalised excess value. Another NOK 15 million is included from fixed asset financed through leasing agreements. Leasing financing is included in the Group's interest-bearing debt with a corresponding amount. Included in the disposal of fixed assets is the NOK 30 million sale of fixed assets/land in the Westwood group.

1997: Investments in fixed assets acquired through the purchase of Byggsystem AS/Byggsystem AB are included, totalling NOK 12 million.

NOTE 16. Plants and properties

16.1 Plant and properties, book value

Amounts in NOK million	Buildings and other property	Land	Machines and plant	Fixtures and fittings, tools etc.	TOTAL
Acquisition value at 01.01.	470.7	48.9	949.4	56.7	1 525.7
Additions 2001	50.6	2.2	70.2	28.2	151.2
Value at disposal	9.2	0.0	13.2	2.3	24.7
Acquisition value at 31.12.	512.1	51.1	1 006.4	82.6	1 652.2
Acc. ord. depreciation at 01.01.	176.7	8.8	490.6	24.8	700.9
Disposals acc. depreciation	0.9	0.0	8.2	2.1	11.2
Depreciation current year¹⁾	23.9	2.0	122.8	8.4	157.1
Acc. ordinary depreciation at 31.12.	199.7	10.8	605.2	31.1	846.8
Net book value at 01.01.	294.0	40.1	458.8	31.9	824.8
Net book value at 31.12.	312.4	40.3	401.2	51.5	805.4
Ordinary depreciation rates in per cent	5-7	0	7-15	15-20	

²⁾ Depreciation and write-downs for the year in accordance with the profit and loss account includes depreciation on fixed assets of NOK 157.1 million, and amortisation on goodwill of NOK 4.2 million (4.2 in 2000).

16.2 Annual operating leasing costs

Amounts in NOK million	2001	2000	1999
Vehicles	7.1	6.4	4.6
Machines and equipment	0.0	2.1	4.7
Buildings and property	2.4	0.4	3.5
Total	9.5	8.9	12.8

NOTE 17. Wages and pension costs/pension liabilities**17.1 Payroll expenses**

Amounts in NOK million	2001	2000	1999
Wages and salaries	778.1	782.8	570.8
Employer's national insurance contribution and social expenses	170.1	184.3	137.9
Pension costs re. benefit and pension plans	18.8	14.0	14.1
Income regarding pay back of pension fees from the Swedish pension co-operative SPP	0.0	-34.3	0.0
Other social costs and other benefits	32.6	30.3	24.8
Total	999.6	977.1	747.6

Other social costs and other benefits includes NOK 2.4 million (2.0 in 2000) regarding sale of shares to employees at a discount price.

17.2 Pension costs

Amounts in NOK million	2001	2000	1999
Earnings for the year	15.0	14.8	5.9
Interest cost on pension liabilities	13.1	9.5	3.2
Pension costs (gross)	28.1	24.3	9.1
Expected return on pension assets	-17.0	-14.9	-6.8
Changes in estimates	0.4	-0.7	1.1
Pension costs (net), insured and uninsured plans	11.5	8.7	3.4
Pension costs for contractual pensions	7.5	5.7	1.2

17.3 Pension liabilities

Amounts in NOK million	2001	2000	1999
Balance at 01.01.			
Accumulated earnings	151.0	58.9	61.0
Pension based on future salary increases	23.6	6.5	6.9
Pension liabilities (gross)	174.6	65.4	67.9
Pension funds	-227.0	-127.1	-123.8
Pension liabilities (net), surplus	-52.4	-61.7	-55.9
Balance at 31.12.			
Pension liabilities (gross)	206.9	174.6	65.4
Pension funds (anticipated)	-233.5	-228.5	-115.9
Estimated change and variance, not charged	-7.7	1.5	-11.2
Pension liabilities (net), surplus	-34.3	-52.4	-61.7
Total net pension funds, permissible insured schemes	-85.1	-102.8	-71.1
Insured schemes not allowed to be offset by over-financed schemes	13.1	18.9	0.0
Pension liabilities, contractual pensions (AFP)	37.7	31.5	9.4
Total pension liabilities	50.8	50.4	9.4

Pension funds and liabilities in 2001 are related to Norwegian companies. In 2000, the net surplus financing included a write-back of pension funds from the Group's Swedish pension scheme in the insurance company SPP, amounting to NOK 24.8 million. The amount corresponded to the unpaid share of the initial write-back of NOK 34.3 million, and will be paid out in annual instalments over a period of five years.

The Group's total pension commitments (TBO) for ensured schemes is estimated to be NOK 266 million at the end of year 2001 (NOK 280 million for 2000). TBO refers to the current value of likely future pension commitments, assuming the members remain in the scheme until retirement.

Insured schemes: Pension funds are larger than pension liabilities for the Group's insured schemes. The surplus is in its entirety related to stipulations in the Norwegian Tax Law. Surplus is assessed to be viable as a result of a new law regarding company pensions. The Group's open pension plans cover approx. 60 per cent of the last salary of the person retiring at 67 years of age.

Uninsured schemes: Uninsured schemes are primarily related to contractual pensions and calculated in accordance with Norwegian Accounting Standards regarding pension costs. The commitment is included in employers' national insurance contributions. The estimate for the expected withdrawal of contractual pensions starting at the age of 62 is 50 per cent. All uninsured pension liabilities have been included in the above-mentioned calculation.

Pension schemes in the Group's foreign subsidiaries are organised in separate schemes.

17.4 Financial assumptions

Amounts in NOK million	2001	2000	1999
Return on pension funds	8.0%	8.0%	8.0%
Discount rate	7.0%	7.0%	7.0%
Growth in annual salaries and state pension	3.3%	3.3%	3.3%
Annual adjustments of pensions being drawn	2.5%	2.5%	2.5%

The pension liabilities that apply to the Group's Norwegian companies cover a total of 1963 people (1877 in 2000) for the insured schemes, of whom 1699 are active and 264 are pensioners. The pension liabilities in connection with contractual pensions encompass a total of 1876 persons. The annual cost regarding the estimated variance is based on the total anticipated remaining years of employment of the members over the next 15 years. The estimated variance does not exceed 10 per cent of the higher of the pension liabilities and pension funds for the start of the year.

NOTE 18. Shares and participating interest in other companies, long-term

Amounts in 1000 NOK	Share of ownership	Company's share capital	Number of shares	Face value	Book value at 31.12.2001
Forestia Plater AS	9.9	100	99	10	10 045
Vamo AS ¹⁾	45.0	100	4 500	45	45
Moelven Elementbygg AS	66.7	600	4 000	400	46
Mjøskompetanse AS	7.7	130	1	10	10
SIVA Moelv Næringspark AS	40.0	20 000	8 000	8 000	8 000
Såkorinvest AS	3.0	33 333	2 500	1 000	1 000
Residencial Los Bermejales SA ¹⁾	75.0	€ 3	375	€ 2	19
Total Moelven Industrier ASA					19 165
Bäckebrons Sågverk AB	11.0	SEK 4 100	4 500	SEK 450	470
Arbo Wood AB	4.1	SEK 120	50 000	SEK 50	855
SB Sägverksbrensle AB	15.0	SEK 112	40	SEK 100	4
Total Moelven Westwood AB					1 329
WEDA Skog AB ¹⁾	50	SEK 12 000	60 000	SEK 6 000	7 300
Nye Land Sag AS ¹⁾	30	5 000	1 500	1 500	1 500
Firma Kiehn Holz GmbH	10	€ 251		€ 25	1 433
Fire Guard Scandinavia AS	1.8	11 149	196 500	197	197
Skogcertifiering Mellansverige AB	26.9		806	806	69
Transportselskapet Østlandet AS	20	500	200	100	101
Støren Trelast AS	18.8	6 600	12 400	1 240	1 100
Impregnor AS	3.8	7 110	5 440	272	382
Thermia AB	0.6	SEK 43 200	2 500	SEK 250	214
Naturbränsle Mellansverige AB	4.5	SEK 2 800	1 265	SEK 127	121
Jures Medis AB	15	LT 6 033	180 982	LT 905	883
Svenskt Limträ AB	33	SEK 100	333	SEK 33	28
Mjøskompetanse AS	7.7	130	1	10	10
Total Moelven Treindustri					13 338
Total					33 832
¹⁾ For shares treated as shares in associated companies in the Group accounts: see note 19					
Vamo AS					45
Weda Skog AB					7 300
Nye Land Sag AS					1 500
Residencial Los Bermejales SA					19
Total for the Group					24 968

NOTE 19. Shares (20% -) and interest in associated companies – by equity method

Amounts in 1000 NOK	Shares of ownership	Value at 01.01.2001	Balance: Additions/Disp.	Value at 31.12.2001	Share profit
Vamo KS	40.5	82	-10	72	-10
Vamo AS	45.0	45	-	45	-
Moelven Elementbygg KS	60.0	230	-	230	-
Residencial Los Bermejales SA	75.0	503	247	750	247
Aicher GmbH *)	49.0	2 294	-2 294	-	-492
ANS Land Sag Eiendom	30.0	1 424	-25	1 399	185
Nye Land Sag AS	30.0	2 159	218	2 377	218
Weda Skog AB	50.0	7 300	-	7 300	-
OOO Moelven Energo	65.4	-	470	470	-
OOO Moelven Memo	50.0	-	8	8	-
Total for the Group		14 037	-1 386	12 651	148

*) Subsidiary from October 2001.

NOTE 20. Companies treated as subsidiaries, with minority ownership shares

The Group accounts for 2001 include the following companies with minority interests:

Moelven Hako Nord AS	30,0% (30,0% i 2000)
Moelven Laminated Timber Ltd	7,5% (7,5% i 2000)
Mocon Holding AS (Group)	4,4% (4,4% i 2000)
Aicher GmbH	15,0% (Associated company in 2000)

The companies' relative share in NOK million of key parts of the Group's result and balance sheet for 2001.

Profit or loss item	2001	2000	1999	Balance sheet items	2001	2000	1999
Operating revenues	28.9	11.3	30.3	Equity	5.7	4.8	4.8
Net profit for the year	-0.5	0.0	-0.1	Total capital	11.8	9.0	16.1

NOTE 21. Equity

21.1 Changes in equity

Amounts in NOK million	Share-capital	Share premium reserve	Own shares	Other equity	Minority interest	Profit/Loss	TOTAL equity
Balance at 31.12.2000	595.2	67.1	-22.1	233.8	4.8		878.8
Increase of capital							0.0
Net profit						26.9	26.9
Allocation of net profit							0.0
Foreign currency translation				-8.0			-8.0
Provision for dividend						-29.7	-29.7
Own share/sale of shares to employees			6.7	4.7			11.4
Minority interests				-0.9	0.9	-0.5	-0.5
Overføringer				-3.3		3.3	0.0
Balance at 31.12.2001	595.2	67.1	-15.4	226.3	5.7	0.0	878.9

21.2 Own shares

As specified in the general meeting decision of 5 April 2001, the Board has the authority to purchase up to 11 904 238 own shares with a face value of NOK 5.- per share, corresponding to a total of NOK 59.5 million. The purchase price must be no less than 2.50, no more than 20.00, and on a par with the market price at the time of purchase. The delegated authority is valid for a period of 18 months from the date of the delegation.

Moelven Industrier ASA incl. subsidiaries owned at 31 December 2001 a total of 3 089 071 own shares at an average rate of NOK 7.86 per share, corresponding to a total of NOK 24.2 million.

21.3 The largest shareholders at 28 February 2002

No. of shares:	119 042 384
Face value:	NOK 5.-
Share capital:	595 211 920
No. of own shares:	3 089 071
No. of voting shares:	115 953 313
Average no. of shares:	115 449 913

Shareholder	No. of shares	Percentage of voting shares
Finnforest Oyj	70 405 819	60.72
Viken Skogeierforening	15 620 939	13.47
Glommen Fond	12 754 402	11.00
Agder-Telemark Skogeierforening	6 332 814	5.46
Mjosen Skogeierforening	4 230 570	3.65
Skogeierforeninga Nord	3 427 738	2.96
Västra Skogsägarna	2 400 000	2.07
Norges Skogeierforbund	100 000	0.09
Otterdal AS	100 000	0.09
Betsi, Håkon	30 000	0.03
Forberg Engly Marialf	20 027	0.02
Jørgensen Jan	20 000	0.02
largest shareholders	115 442 309	99.6
Other 1.184 shareholders	511 004	0.4
Total	115 953 313	100.0

21.4 Business partners

Finnforest Oyj took over the majority of the shares in Moelven Industrier ASA on 22 August 2001 and owned at the end of the year shares corresponding to 59 per cent of the total votes. Finnforest Oyj has entered into a shareholders agreement with Viken Skogeierforening, Glommen Fond AS, Agder-Telemark Skogeierforening, Mjøsen Skogeierforening, Skogeierforeninga Nord and Västra Skogsägarna (referred to as Forestry Owners' Associations).

The shareholders agreement specifies that Finnforest shall appoint a majority of the members in the corporate assembly and 4 of the Board's 8 members, including the chairman, who shall have an extra vote in case of a tie. The forestry owners' associations shall choose 2 board members, and the employees at Moelven shall choose two board members. In the corporate assembly, which has 12 members, the forestry owners' associations shall choose the remaining number of members. The corporate assembly's chairman shall be chosen from among the candidates proposed by Finnforest by the shareholders in Moelven.

In accordance with the shareholders agreement, certain issues must be adopted unanimously by Moelven's board. If such issues are not adopted unanimously within 3 months (calculated from the meeting when a vote is finally taken on the matter), then the forestry owners' association may demand that Finnforest purchase their shares. Finnforest has a similar right to demand that the forestry owners' associations sell their shares to Finnforest if the board does not arrive at a unanimous decision. The sale or purchase price for the shares linked to this conditional option for the parties shall be set at the market rate based on a 100 per cent sale of Moelven shares, taking account of certain other relevant criteria for determining the market price.

Finnforest and the forestry owners' associations have also agreed to certain provisions regarding right-of-first refusal in relation to the sale of shares.

The companies that are part of the Finnforest and Moelven Groups, have – previous to Finnforest's acquisition of shares in Moelven – had a very limited amount of sale of goods and services to each other. This refers primarily to industrial timber that is used as raw material in the manufacture of wood-based building materials. The purchase/sale of such goods and services takes place in competition with other suppliers and shall take place at market prices. There has not been any sale of fixed assets, nor are there any agreements regarding the rental of significant assets or personnel between the two companies. Nor are there any credit- or debt-related issues beyond that which might follow from ordinary deliveries between the two companies.

21.5 Shares in Moelven Industrier ASA – owned by members of the Corporate Assembly, Board of Directors and the Executive Management

Corporate assembly	No. of shares	Board of directors	No. of shares
Runar Lillandt (chairman)		Ari Martonen (chairman)	
Arimo Uusitalo		Bo Borgström	
Antti Oksanen		Curt Lindbom	
Jaakko Punkari		Mikael Planting	
Olav Hørsdal		Svein Haare	
Sten Johnson		Helge Urstrømmen	
Halvard Sæther		Iver Melby *)	
Ole Bakke		Jan Slattum *)	200
Harald Løkkesveen *)	100	Alternate, attending all meetings:	
Hans E. Johnsen *)		Arne Rødø *)	
Odd Henning Kalager *)		Alternates:	
John Vangen *)		Ilkka Silvanto	
Alternates:		Olli Hirvonen	
Heikki Asunmaa		Runar Krogvik	
Markku Melkko		Torstein Oppdahl	
Lars Henrik Sundby		Executive management:	
Mads Jensen		Frode Alhaug (President and CEO)	10 000
		Anders L. Fossum	100
		Dag Sand	200
		Reidar Mo	200
		Hans Rindal	200
		Haumann Sund	100
		Morten Sveiverud	200
		Morgan Østenson	200

*) Employee representative

21.6 Share capital development since 1 January 1998

Change in Year/Type of change	Change in sharecapital NOK mill.	Total share capital NOK mill.	Change in no. of shares	Total shares
1998: Placement for acquisition of Moelven Hako AS	5.3	362.0	1 050 783	72 395 352
Placement for acquisition of Notnäs AB	42.5	404.5	8 500 000	80 895 352
Placement for acquisition of Westwood AB	58.7	463.2	11 747 032	92 642 384
2000: Placement to Norske Skogindustrier ASA for acquisition av Forestia AS	132.0	595.2	26 400 000	119 042 384

Face value per share NOK 5.-

(Amounts in NOK million)	Note	2001	2000	1999
Operating revenues	1	37.0	47.7	27.4
Payroll expenses	8	9.2	4.9	6.7
Depreciations and write-downs	7	3.5	3.5	3.3
Other operating expenses		20.7	30.1	21.8
Operating expenses		33.4	38.5	31.8
OPERATING PROFIT		3.6	9.2	-4.4
Income from subsidiaries ¹⁾		26.0	36.1	71.4
Income from associates	11	0.0	0.0	-0.1
Interest received from group companies		0.0	0.0	0.0
Other interest received and financial income		0.6	1.9	4.3
Interest paid to group companies		-19.2	-15.9	-12.8
Other interest and financial expenses		-5.6	-2.9	-0.9
Financial income/financial expenses		1.8	19.2	61.9
OPERATING RESULT BEFORE TAX		5.4	28.4	57.5
Tax on ordinary result	2, 3	0.5	-4.1	14.6
OPERATING RESULT		4.9	32.5	42.9
NET PROFIT FOR THE YEAR		4.9	32.5	42.9
The Board's proposal for allocation of net profit and capital transfer:				
Provision for dividends, NOK 0.25 per share		-29.7	-41.7	-29.7
Other equity		24.8	9.2	-13.2
Total	12	-4.9	-32.5	-42.9

¹⁾ Including group contributions.

(Amounts in NOK million)	Note	2001	2000	1999
CASH FLOW FROM OPERATIONS				
Operating result before tax		5.4	28.4	57.5
Write-down of long-term receivables		0.0	4.0	0.0
Ordinary depreciation	7	3.5	3.5	3.3
Gain/loss from sale of fixed assets	1	-3.0	-10.7	-0.7
Pension costs, provided for but not paid	8	0.1	-3.1	-0.8
Income from associates	11	0.0	0.0	-0.1
Dividends		0.0	0.0	0.0
Change in current assets, excl. liquid funds and deposits		11.7	-7.9	16.5
Change in current liabilities, excl. loans		1.1	3.5	-6.7
Net cash flow from operations		18.8	17.7	69.0
CASH FLOW FROM INVESTMENTS				
Payments to purchase fixed assets excl. acquisitions		-1.5	-2.0	-5.0
Net cash expenditure for purchase of subsidiaries		-18.0	-74.0	1.9
Sale of fixed assets		0.0	11.7	2.1
Long-term investments, financial		-26.7	-37.1	-32.4
Short-term lending		0.0	0.4	0.0
Cash flow from investments		-46.2	-101.0	-33.4
CASH FLOW FROM FINANCING				
Changes in short-term borrowings and overdraft		20.9	48.1	0.0
liquid share of income from associates		0.0	0.0	2.5
Changes in long-term debt		39.4	84.7	-4.0
Issue of equity		0.0	-3.5	0.0
Payment of dividends/purchase and sale of own shares		-32.3	-67.2	-23.2
Net cash flow from financing		28.0	62.1	-24.7
LIQUID FUNDS				
Net change in liquid funds during the year		0.6	-21.2	10.9
Liquid funds at 01.01.		0.4	21.6	10.7
Liquid funds at 31.12.		1.0	0.4	21.6
AVAILABLE LIQUID FUNDS				
Liquid funds at 31.12.		1.0	0.4	21.6
Unutilised credit facilities at 31.12.		20.0	20.0	20.0
Available liquid funds at 31.12.		21.0	20.4	41.6

(Amounts in NOK million)	Note	2001	2000	1999
ASSETS				
Deferred tax assets	3	47.9	48.4	44.3
Land	7	3.7	3.7	4.1
Buildings and other real property	7	22.8	24.8	27.1
Fixtures and fittings, tools, office machinery etc.	7	1.1	1.1	0.8
Total tangible fixed assets		27.6	29.6	32.0
Investments in subsidiaries	9	1 158.6	956.1	641.9
Loan to group companies		90.5	56.1	72.2
Investments in associates	11	0.3	0.3	4.3
Investments in shares	10	19.2	20.3	10.8
Bonds and other receivables	4	8.2	15.5	12.1
Net pension funds	8	53.7	49.9	45.8
Total financial fixed assets		1 330.5	1 098.2	787.1
Total fixed assets		1 406.0	1 176.2	863.4
Accounts receivables	4	0.1	14.1	0.4
Receivables from group companies		1.5	2.1	2.1
Loans to group companies		7.5	7.5	7.9
Other receivables	4	3.6	0.7	6.5
Total receivables		12.7	24.4	16.9
Bank deposits, cash in hand		1.0	0.4	21.6
Total current assets		13.7	24.8	38.5
TOTAL ASSETS		1 419.7	1 201.0	901.9
EQUITY AND LIABILITIES				
Share capital		595.2	595.2	463.2
Own shares		-15.4	-22.1	0.0
Share premium reserve		67.1	67.1	71.1
Total paid-in capital		646.9	640.2	534.3
Other equity		164.2	186.3	149.4
Total equity	12	811.1	826.5	683.7
Pension liabilities	8	3.6	1.4	1.3
Long-term, interest-bearing debt to group companies		65.9	236.8	167.5
Other long-term liabilities		428.8	36.0	5.7
Total other long-term liabilities		494.7	272.8	173.2
Bank overdraft within the group account system		69.0	48.1	0.0
Trade creditors		5.2	0.7	2.8
Accounts payable to group companies		0.2	5.6	4.2
Public duties payable		2.2	1.9	1.6
Dividends		29.7	41.7	29.7
Other short-term debt	5	4.0	2.3	5.4
Total current liabilities		110.3	100.3	43.7
Total liabilities		608.6	374.5	218.2
TOTAL EQUITY AND LIABILITIES		1 419.7	1 201.0	901.9
Mortgages		0.0	0.0	0.0
Guarantees	6	739.8	554.6	538.4
Face value per share NOK 5.-				
Number of shares	12	119 042 384	119 042 384	92 642 384

NOTE 1. Other operating revenues

Amounts in NOK million	2001	2000	1999
Net gain from sale of fixed assets	0.0	10.7	0.7
Net gain from sale of securities	3.0	0.5	0.4
Subsidiaries' share of joint expenses	26.2	26.9	17.3
Income from rentals – external	1.9	3.7	3.3
Income from rentals – internal	4.8	4.6	4.7
Other	1.1	1.3	1.0
Total other operating revenues	37.0	47.7	27.4

NOTE 2. Taxes

Amounts in NOK million	2001	2000	1999
Operating result before tax	5.4	28.4	57.5
28 per cent tax	1.5	8.0	16.1
Tax effect of tax exempt items	-1.0	-1.5	0.0
Correction of previous years	0.0	-10.6	-1.5
Total taxes	0.5	-4.1	14.6
Taxes consist of:			
Tax payable	0.0	0.0	0.0
Change in deferred tax	0.5	-4.1	14.6
Total taxes	0.5	-4.1	14.6

Correction of previous years in 2000 regards gain/loss account in associated company in the account of NOK 6.7 million. The remaining amount is connected to differences between taxes paid on dividends and the refund of these taxes.

NOTE 3. Tax effect of temporary differences between accounting balances and tax-related balances (based on 28 per cent nom. tax)**3.1 Deferred tax liability**

Amounts in NOK million	2001	2000	1999
Short-term temporary differences:			
Provision for receivables	-15.3	-15.0	-13.9
Cost provisions according to generally accepted accounting principles	-0.1	-0.1	-0.1
Subtotal short-term temporary differences	-15.4	-15.1	-14.0
Long-term temporary differences:			
Accumulated excess tax depreciation	-5.1	-4.7	-6.4
Gain/loss account in associated company	0.0	0.0	6.7
Gain/loss account	0.6	0.9	0.2
Pension funds	15.0	14.0	12.9
Pension liabilities	-1.0	-0.4	0.0
Other long-term items	-42.0	-42.6	-43.3
Subtotal long-term items	-32.5	-32.8	-30.3
Tax reducing differences (-), tax increasing differences (+)	-47.9	-47.9	-44.3
Deferred tax liabilities	0.0	0.0	0.0

3.2 Deferred tax benefit

Amounts in NOK million	2001	2000	1999
Non-accommodated tax reducing differences	47.9	47.9	44.3
Non-accommodated carry forwards	0.0	0.5	0.0
Deferred tax asset	47.9	48.4	44.3

NOTE 4. Receivables**4.1 Other receivables – short-term**

Other receivables, totalling NOK 14.1 million for 2000, includes NOK 13.8 million which have been paid in as of 15 January 2001 regarding disposal of property and shares.

4.2 Bonds and other securities – long-term

Of the 8.2 million included in Bonds and other receivables, NOK 4.0 million are receivables from SIVA Moelv Næringspark AS (same as in 2000), NOK 1.5 million (same as in 2000) are loans to employees, NOK 0.0 million (0.8 in 2000) is a restricted loan relating to Expo 2000, NOK 0.0 million (5.3 in 2000) is a subordinated loan to Aicher GmbH and NOK 2.6 million (3.9 in 2000) represent a self-insurance fund.

NOTE 5. Other short-term liabilities

This post consists in large part of accrued expenses.

NOTE 6. Guarantees

Amount in NOK million	2001	2000	1999
Loans guarantees/financial guarantees	597.5	505.0	470.0
Surety and repayment guarantees	111.7	18.7	56.7
Guarantees for employee tax deductions	30.6	30.9	11.7
Total	739.8	554.6	538.4

The company has no restricted bank deposits.

NOTE 7. Plant and properties**7.1 Payroll expenses**

Amounts in NOK million	Land	Buildings and Other property	Machines and installations	Fixtures and fittings, tools etc.	TOTAL
Acquisition value at 01.01.	3.7	49.7	2.7	0.8	56.9
Additions	0.0	1.3	0.0	0.2	1.5
Value at disposal	0.0	0.0	0.0	0.0	0.0
Acquisition value at 31.12.	3.7	51.0	2.7	1.0	58.4
Acquisition ordinary depreciation at 01.01.	0.0	24.9	2.0	0.4	27.3
Disposals accumulated depreciation	0.0	0.0	0.0	0.0	0.0
Depreciations current year	0.0	3.3	0.1	0.1	3.5
Accumulated ordinary depreciations 31.12.	0.0	28.2	2.1	0.5	30.8
Net book value 01.01.	3.7	24.8	0.7	0.4	29.6
Net book value 31.12.	3.7	22.8	0.6	0.5	27.6
Ordinary depreciation rates in per cent	-	2.5-10	10	20	

NOTE 8. Wages, salaries and pension costs/pension liabilities

Amounts in NOK million	2001	2000	1999
Wages	7.2	6.4	6.2
Employer's national insurance contribution	1.5	1.2	1.2
Pension costs	0.1	-3.1	-0.8
Other contributions/other personnell costs, incl. amount charged to subsidiaries	0.4	0.4	0.1
Total	9.2	4.9	6.7

8.2 Pension costs

Amounts in NOK million	2001	2000	1999
Earnings for the year	1.8	0.6	1.5
Interest cost on pension liabilities	2.4	1.5	1.4
Pension costs (gross)	4.2	2.1	2.9
Expected return on pension funds	-5.3	-5.1	-3.0
Changes in estimates and deviation	1.2	-0.1	-0.7
Pension costs (net), insured and uninsured plans	0.1	-3.1	-0.8

8.3 Pension liabilities

Amounts in NOK million	2001	2000	1999
Balance at 01.01.			
Accumulated earnings	19.2	20.3	34.1
Pensions based on future salary increases	1.7	1.2	1.0
Pension liabilities (gross)	20.9	21.5	35.1
Pension funds	-69.4	-66.0	-77.9
Pension liabilities (net), surplus	-48.5	-44.5	-42.8
Balance at 31.12.			
Pension liabilities (gross)	34.2	23.3	21.5
Pension funds (anticipated)	-70.6	-69.5	-61.0
Estimated change and variance, not charged	-13.7	-2.4	-5.0
Pension liabilities (net), surplus	-50.1	-48.6	-44.5
Total net pensin funds, permissible insured schemes	-53.7	-49.9	-45.8
Insured schemes not allowed to be offset by over-financed schemes	3.6	1.4	1.3

The company's total pension liabilities (TBO) for insured schemes are estimated at NOK 40.5 million at the end of 2001. TBO is the net present value of likely future pension commitments, assuming that the members remain in the scheme through to retirement age.

Insured schemes

Pension funds are larger than pension liabilities for the company's insured schemes. The surplus is in its entirety related to stipulations in the Norwegian Tax act. Surplus is assessed to be viable as a result of a new law regarding company pensions.

8.4 Financial assumptions

Amounts in NOK million	2001	2000	1999
Return on pension assets	8.0%	8.0%	8.0%
Discount rate	7.0%	7.0%	7.0%
Growth in annual salaries and state pensions	3.3%	3.3%	3.3%
Annual adjustment of pensions being drawn	2.5%	2.5%	2.5%

The pension liabilities that apply to the Group's Norwegian companies cover a total of 138 people for the insured schemes, of whom 64 are active and 74 are pensioners. The annual cost regarding the estimated variance is based on the total anticipated remaining years of employment of the members over the next 15 years. The estimated variance does not exceed 10 per cent of the higher of the pension liabilities and pension funds for the start of the year.

NOTE 9. Shares in subsidiaries

Amounts in 1000 NOK	Share of ownership	Company's share capital	No. of shares	Face value	Book value at 31.12.2001
Moelven Industrier ASA owns:					
Moelven Treindustri AS	100.0	300 000	20 000 000	300 000	260 186
Moelven Timber AS	100.0	100 000	10 000	100 000	110 897
Moelven Van Severen AS	100.0	35 000	3 500	35 000	35 006
Moelven Østerdalsbruket AS	100.0	15 000	1 500	15 000	15 005
Moelven Våler AS	100.0	48 000	4 800	48 000	48 006
Moelven Soknabruket AS	100.0	30 000	3 000	30 000	30 005
Moelven Numedal AS	100.0	10 000	1 000	10 000	10 005
Moelven Løten AS	100.0	10 000	1 000	10 000	10 006
Moelven Telemarksbruket AS	100.0	5 000	500	5 000	5 000
Moelven Notnäs AB	100.0	SEK 3 250	650 000	SEK 3 250	71 532
Moelven Wood AS	100.0	5 500	5 500	5 500	10 000
Moelven Langmoen AS	100.0	18 000	1 000	18 000	18 006
Moelven Hen AS	100.0	10 000	1 000	10 000	10 005
Moelven Gol AS	100.0	2 500	1 000	2 500	2 505
Moelven List AB	100.0	SEK 225	2 250	SEK 225	11 351
Moelven Fireguard AS	100.0	19 000	19 000	19 000	17 500
Aicher GmbH	85.0	€ 511	85 000	€ 435	9 218
Moelven Limtregruppen AS	100.0	20 000	2 000	20 000	30 000
Moelven Byggindustri AS	100.0	40 000	4 000	40 000	55 000
Moelven ByggModul AS	100.0	31 688	158 440	31 688	50 299
Moelven ByggModul AB	100.0	SEK 5 000	50 000	5 000	19 065
Moelven Byggfinansiering AS	100.0	100	100	100	3 050
Moelven Elektro AS	100.0	4 500	22 500	4 500	6 500
Moelven Engineering AS	100.0	3 000	3 000	3 000	7 200
Moelven Industrier AB	100.0	SEK 10 000	10 000	SEK 10 000	83 450
Moelven Westwood AB	100.0	SEK 107 046	40 000 000	SEK 107 046	99 580
Moelven Finans AS	100.0	115 500	3 300 000	115 500	116 388
Moelven Service AS	100.0	500	500	500	500
Moelven Nor East AS	100.0	3 270	3 270	3 270	8 779
Moelven France SARL	100.0	€ 610	4 000	€ 610	3 561
Moelven Iberica SA	100.0	€ 54	9 000	€ 54	959
Total Moelven Industrier ASA					1 158 564
Moelven Treindustri AS owns:					
Moelven Romedal AS	100.0	10 000	1 000	10 000	10 005
Moelven Timber AS owns:					
Moelven Mjøsbuket AS	100.0	12 000	12 000	12 000	15 990
Moelven Kværnum Bruk AS	100.0	2 000	4 000	2 000	2 360
Moelven Treinteriør AS	100.0	3 000	3 000	3 000	6 982
Moelven Eidsvoll AS	100.0	8 500	850	8 500	18 500
Moelven Eidsvold Værk AS	100.0	32 500	32 500	32 500	35 578
Total Moelven Timber AS					79 410
Moelven Westwood AB owns:					
Moelven Knappåssågen AB	100.0	SEK 2 000	20 000	SEK 2 000	2 564
Moelven Norsälven AB	100.0	SEK 3 500	35 000	SEK 3 500	47 874
Moelven Ransbysågen AB	100.0	SEK 1 000	10 000	SEK 1 000	14 533
Moelven Värmlands Trä AB	100.0	SEK 3 000	3 000	SEK 3 000	17 867
Moelven Component AB	100.0	SEK 2 580	25 800	SEK 2 580	6 665
UJ-Trading AB	100.0	SEK 1 000	10 000	SEK 1 000	7 694
Moelven Hulåns Snickeri AB	100.0	SEK 800	8 000	SEK 800	855
Trädan i Karlstad AB	100.0	SEK 100	1 000	SEK 100	94
Lerans Såg AB	100.0	SEK 1 000	10 000	SEK 1 000	1 197
Skåre Kontorshotell AB	100.0	SEK 100	1 000	SEK 100	620
Moelven Wood AB	100.0	SEK 100	1 000	SEK 100	97
Modulpoolen i Sandsjöfors AB	100.0	SEK 100	1 000	SEK 100	26 498
Moelven Notnäs Wood AB	100.0	SEK 3 800	38 000	SEK 3 800	13 165
Norra Ny Skogs AB	100.0	SEK 100	1 000	SEK 100	5 865
Total Moelven Westwood AB					143 026

NOTE 9. Shares in subsidiaries cont.

Amounts in 1000 NOK	Share of ownership	Company's share capital	No. of shares	Face value	Book value at 31.12.2001
Moelven Byggindustri AS owns:					
Nordia AS	100.0	22 000	2 200	22 000	52 610
Miljøveggen Distribusjon AS	100.0	100	10	100	100
Nordia Entreprise AS	100.0	232	232	232	4 300
Total Moelven Byggindustri AS					57 010
Moelven Industrier AB owns:					
Moelven Valåsen AB	100.0	SEK 50 000	500 000	SEK 50 000	152 172
Moelven Dalaträ AB	100.0	SEK 20 000	200 000	SEK 20 000	68 392
Eurowand AB	100.0	SEK 4 000	40 000	SEK 4 000	39 325
Total Moelven Industrier AB					259 890
Moelven Limtregruppen AS owns:					
Mocon Holding AS	91.2	68 000	61 995	61 995	68 795
Moelven Limtræ Gruppen Danmark AS	100.0	DKK 10 500	10 500	DKK 10 500	29 067
Moelven Laminated Timber Str. Ltd.	92.5	GBP 50	46 250	GBP 46	1
Total Moelven Limtregruppen AS					97 863
Mocon Holding AS owns:					
Moelven Limtre AS	100.0	11 000	11 000	11 000	43 028
Moelven Töreboda Limträ AB	100.0	SEK 12 000	120 000	SEK 12 000	42 000
Moelven Holzleimbau GmbH	100.0	€ 200	20	€ 200	0
Total Mocon Holding AS:					85 028
Moelven Töreboda Limträ AB owns:					
Moelven Töreboda Poland Sp.zo.o	100.0	PLN 4	40	PLN 4	9
Modulpoolen i Sandsjöfors AB owns:					
Moelven ByggModul Sandsjöfors AB	100.0	SEK 3 600	36 000	SEK 3 600	0
Sandsjöfors Byggleasing AB	100.0	SEK 100	1 000	SEK 100	427
Sandsjöfors Fastighets AB	100.0	SEK 275	2 750	SEK 275	235
Total Modulpoolen i Sandsjöfors AB					663
Moelven ByggModul AS owns:					
Moelven Hako Nord AS	70.2	5 700	40 000	4 000	4 000
Moelven Nor East AS owns:					
Nor East Timber AS	100.0	600	600	600	632
Moruscon AS	100.0	50	50	50	50
OOO Moelven Nor East	100.0	RUR 675	67	RUR 675	853
Total Moelven Nor East AS:					1 535

NOTE 10. Shares and interests in associated companies, long term

Amounts in 1000 NOK	Share of ownership	Company's share capital	No. of shares	Face value	Book value at 31.12.2001
Forestia Plater AS	9.9	100 000	99	9 900	10 045
Vamo AS	45.0	100	4 500	45	45
Moelven Elementbygg AS	66.7	600	4 000	400	46
Mjøskompetanse AS	7.7	130	1	10	10
SIVA Moelv Næringspark AS	40.0	20 000	8 000	8 000	8 000
Såkorinvest AS	3.0	33 333	2 500	1 000	1 000
Residencial Los Bermejales SA	75.0	€ 3	375	€ 2	19
Total Moelven Industrier ASA					19 165

NOTE 11. Shares (20% -) and interests in associated companies, by equity method

Amounts in 1000 NOK	Share of ownership	Company's share capital	No. of shares	Face value	Book value at 31.12.2001
Vamo KS	40.5	82	-10	72	-10
Moelven Elementbygg KS	60.0	230	-	230	-
Total		312	-10	302	-10

¹⁾ Vamo KS has granted a loan to Moelven Industrier ASA amounting to NOK 1.0 mill. at 31.12.01 (1.2 in 2000).

NOTE 12. Equity

Amounts in NOK million	Share capital	Share premium reserve	Own shares	Other equity	Net profit	TOTAL
Balance at 01.01.2001	595.2	67.1	-22.1	186.3		826.5
Net profit					4.9	4.9
Allocation of net profit				-24.8	24.8	0.0
Increase of capital						0.0
Own share/sale of shares to employees			6.7	2.7		9.4
Provisions for dividend					-29.7	-29.7
Balance at 31.12.2001	595.2	67.1	-15.4	164.2	0.0	811.1

NOTE 13. Number of employees

Average number of employees in 2001 was 11 (8 in 2000)

NOTE 14. Benefits, loans, mortgages to management, shareholders, etc.

Amounts in 1000 NOK	2001	2000	1999
Auditor's fee	290.0	260.0	245.0
Consultancy fees to auditor	0.0	680.0	68.0
Remuneration of board members	700.0	666.0	696.5
Remuneration of corporate assembly members	184.0	147.5	197.0
Salary to President and CEO	1 660.8	1 505.0	1 486.0
Other benefits enjoyed by President and CEO	112.4	113.4	73.9

The President/CEO has a salary guarantee extending 24 months beyond termination of employment. On reaching the age of 60, he can retire and will then receive an annual pension amounting to 80 per cent of pensionable salary. The amount will gradually be reduced and will equal 60 per cent when he reaches the age of 62. The President is covered by the company's pension scheme, which together with the social security benefits will cover 60 per cent of the pensionable salary at the age of 67. The President was in 1999 also granted a loan from Moelven Industrier ASA. The balance due as of 31 December 2001 was NOK 1.47 million. The loan has a duration of 5 years, with an interest of 6 per cent p.a. As from 1 January 2002 the interest rate is still 6 per cent p.a. The loan is secured with a mortgage in real property.

In 2001, the Auditor's fee for the Group as a whole amounted to NOK 3.8 million (3.7 in 2000).

AUDITOR'S REPORT FOR 2001

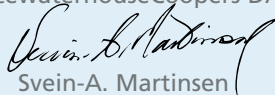
We have audited the annual financial statements of Moelven Industrier ASA as of 31 December 2001, showing a profit of NOK 4 866 223 for the parent company and a profit of NOK 26 882 000 for the group. We have also audited the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and auditing standards and practices generally accepted in Norway. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements have been prepared in accordance with the law and regulations and present the financial position of the Company and of the Group as of December 31, 2001, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information given in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Oslo, February 28, 2002
PricewaterhouseCoopers DA



Svein-A. Martinsen
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Main figures

(Amounts in NOK million)	2001	2000	1999	1998	1997
THE GROUP					
Operating revenues	4 516.5	4 745.9	3 525.7	3 027.4	2 377.5
Depreciation & write-downs	161.4	159.8	110.1	93.0	71.7
Operating profit	92.7	223.0	89.6	52.7	125.4
Financial items	-53.5	-63.4	-43.1	-29.9	12.4
Operating result before tax	39.2	159.6	46.5	22.8	137.8
Total capital	2 392.7	2 345.2	1 927.5	1 892.9	1 236.2
Equity ratio	36.7	37.5	32.6	33.1	35.5
Net operating margin in per cent	2.1	4.7	2.5	1.7	5.3
Cashflow from operations	254.1	382.8	199.7	145.7	197.1
Investments	105	77	72	104	104
No. of employees	3 149	3 046	2 404	2 298	1 759
Proforma, Moelven Group incl. Forestia AS, Westwood AB (Group) and Notnäs AB in period 2000 – 1997.					
Operating revenues	4 517	4 828	4 717	4 587	4 679
Depreciation & write-downs	161	160	161	157	160
Operating profit	92.7	223	77	45	171
Net operating margin in per cent	2.1	4.6	1.6	1.0	3.7
No. of employees	3 149	3 046	3 196	3 143	3 169
TIMBER GROUP					
Operating revenues	3 324.8	3 685.7	2 444.2	1 998.7	1 645.9
Depreciation & write-downs	138.5	138.8	90.0	71.8	53.6
Operating profit	24.3	151.9	24.4	19.1	83.1
Financial items	-39.3	-47.4	-35.9	-30.6	-13.8
Operating result before tax	-15.0	104.6	-11.5	-11.5	69.3
Total capital	2 208.3	2 182.6	1 460.9	1 427.0	975.6
Net operating margin in per cent	0.7	4.1	1.0	1.0	5.0
Cashflow from operations	162.8	290.7	114.4	90.9	136.7
Investments	77	63	47	73	77
No. of employees	2 019	2 022	1 436	1 316	957
Timber – sawmills					
Operating revenues	2 398.9	2 723.3	1 568.0	1 309.0	1 043.3
Depreciation & write-downs	100.3	94.3	72.4	52.4	41.3
Operating profit	1.2	94.1	3.8	4.5	66.4
Net operating margin in per cent	0.1	3.5	0.2	0.3	6.4
Investments	46	44	40	65	72
No. of employees	1 043	1 126	1 100	1 048	791
Wood – processing					
Operating revenues	1 160.7	1 222.1	620.5	547.4	347.1
Depreciation & write-downs	22.6	25.7	17.6	19.4	12.3
Operating profit	32.0	41.7	13.4	15.0	11.4
Net operating margin in per cent	2.8	3.4	2.2	2.7	3.3
Investments	24	10	7	9	5
No. of employees	647	570	336	268	166
Laminated Timber					
Operating revenues	383.4	536.0	530.8	434.6	421.9
Depreciation & write-downs	15.5	18.8	18.9	15.7	14.9
Operating profit	-8.9	16.1	7.2	-0.4	5.3
Net operating margin in per cent	-2.3	3.0	1.4	-0.1	1.3
Investments	7	9	11	9	46
No. of employees	322	326	414	326	353
Proforma, Moelven Timber Group incl. Forestia AS, Westwood AB (Group) and Notnäs AB in period 2000 - 1997.					
Operating revenues	3 324.8	3 767.7	3 605.5	3 258.3	3 847.4
Depreciation & write-downs	138.5	138.8	129.9	135.8	141.9
Operating profit/loss	24.3	151.9	22.8	11.4	128.7
Net operating margin in per cent	0.7	4.0	0.6	0.3	3.3
No. of employees	2 019	2 022	2 228	2 161	2 367
BUILDING GROUP					
Operating revenues	1 230.0	1 094.3	1 087.6	1 034.1	761.2
Depreciation & write-downs	18.1	15.1	12.1	9.2	9.7
Operating profit	71.9	71.0	88.2	61.3	60.1
Financial items	9.5	7.5	8.8	8.5	6.7
Operating result before tax	81.4	78.6	97.0	69.8	66.6
Total capital	660.5	524.9	520.9	499.3	424.0
Net operating margin in per cent	5.8	6.5	8.1	5.9	7.9
Kontantstrøm fra drift	90.0	86.1	100.3	70.5	69.8
Investments	26	12	18	25	35
No. of employees	1 080	978	900	923	762
Modular Buildings					
Operating revenues	590.0	542.9	561.6	557.2	343.5
Depreciation & write-downs	8.5	7.6	6.8	5.7	6.2
Operating profit	30.5	29.0	42.7	19.2	22.9
Net operating margin in per cent	5.2	5.3	7.6	3.4	6.7
Investments	21	6	6	7	23
No. of employees	514	414	412	459	376
Modular System Interiors					
Operating revenues	641.9	551.4	526.0	476.9	417.7
Depreciation & write-downs	9.6	7.5	5.3	3.5	3.5
Operating profit	41.4	42.0	45.5	42.1	37.2
Net operating margin in per cent	6.4	7.6	8.7	8.8	8.9
Investments	5	6	12	18	12
No. of employees	566	564	488	464	386
OTHER BUSINESSES					
Operating revenues	57	69	78	79	40
Depreciation & write-downs	6	6	8	12	8
Operating profit	-4	0	-23	-28	-18
Financial items	-24	-24	-16	-8	20
Operating result before tax	-27	-24	-39	-36	2
Cashflow from operations	3	6	-15	-16	-10
No. of employees	50	46	68	59	40