

Financial Review - First Three Quarters 2001**Market uncertainty continues**

The consolidated net sales of the Ensto Group for the first three quarters of 2001 were 135.9 million euros. The net sales for the corresponding period last year, 151.1 million euros, include business operations that were divested in 2000. Comparable net sales grew by 1.6%. The operating profit for the first three quarters now came to 6.7 million euros as compared with 13.1 million euros last year (in comparable figures 11.2 M€):

- Net sales were 135.9 M€, an increase of 1.6% in comparable figures.
- The operating profit was 6.7 M€, i.e. 4.9 percent of net sales.
- In June Ensto sold its subsidiary Sormat Oy to the operational management of the company and two industrial investors.
- According to an earlier sales agreement the Ensto Parts Oy production of machined metal components was taken over by Meconet Oy as of September.
- Jacek Ratajczak was appointed President of Ensto Utility Networks effective November 1, 2001. The members of the management group of Ensto Oy are Seppo Martikainen, President and CEO of Ensto Oy, Karita Mikkola, CFO and the business unit Presidents Sami Tulus (Building Technology), Kai Qvist (Enclosures and Components), Jussi Viitala (Industry) and Jacek Ratajczak (Utility Networks).

The third quarter brought no change in the overall development of the Ensto Group. The uncertainty on the market prevailed. The operating units of the group continued to closely monitor developments and took measures to adapt to the market situation. The biggest growth of sales was recorded in Building Technology and Utility Networks. The outlook for the contract-manufacturing units of Industry, Ensto Saloplast and TL-Coating, improved somewhat during September.

NET SALES AND OPERATING PROFIT

1.1.-30.9. M€	Net sales			Operating profit		
	2001	2000	Change%	2001	2000	Change%
Building Technology	46.5	44.3	+4.8	5.0	5.6	-10.0
Utility Networks	41.7	39.5	+5.8	5.2	5.5	-6.2
Enclosures and Components	21.6	22.1	-2.3	0.5	0.9	-48.7
Industry	46.7	46.4	+0.5	-0.4	3.4	-111.0
-Other and eliminations	-20.6	-1.2		-3.6	-2.3	
Total	135.9	151.1	-10.1	6.7	13.1	-48.8

BUSINESS UNITS

Building Technology

Sales by Building Technology continued to grow in the third quarter. Refurbishment construction in Finland and Scandinavia in particular had a favorable impact on the sales of Ensto products. Product development has continued to be strong within key product areas. The same applies to the efforts to boost internationalization. The added value built into the products of Building Technology held steady in a market situation of weakened new building activity.

Utility Networks

In Finland the demand for utility network equipment has been satisfactory throughout the reporting period. Towards the end of the summer the situation showed signs of improvement in Norway as well. Customers became more eager to invest and capacity utilization in Finland was reasonably satisfactory. Utility Networks has maintained its market positions and the investments in the Russian market have improved the prospects there. The operations of Ensto Aspol in Gdansk started up as warehousing and office functions moved to the new facility. Assembly is expected to start during the remainder of 2001.

Enclosures & Components

The cautious purchasing behavior among Enclosures and Components' customers became more marked and market uncertainty grew as a consequence. The weakening of demand applies to Finland, Sweden and the US. In Continental and Eastern Europe the situation on the other hand is somewhat better. Demand for metal enclosures and connectors has grown slightly but the demand for plastic enclosures has settled on last year's levels.

Industry

The weakening within the telecommunications sector has had a strong impact on the units of Industry. However, the market activity of the contract manufacturing units, Ensto Saloplast and TL-Coating, lead to a strengthening of the immediate prospects in the third quarter. The Industry units at Porvoo have continued to adapt their operations to the weak outlook for demand. The same applies to Ensto Idealplast. Ensto Audel's net sales and result continued to develop favorably.

PROSPECTS

The uncertainty that has prevailed on the markets since spring continued to grow in the third quarter. The competitive delivery processes of the Ensto Group have, however, strengthened the Group's ability to support its customers through a difficult down-cycle in which cost-efficiency carries special weight. The fourth quarter has generally been Ensto's strongest but the high level of comparison from last year and the current market outlook make the repetition of such a performance more challenging this year. On the whole Ensto expects the fiscal year 2001 to be significantly weaker than last year, which was the best one in Ensto's history.

INTERIM FIGURES

Income Statement, Summary M€

	1-9/2001	1-9/2000*	Change%	1-12/2000*
Net sales	135.9	151.1	-10.1	200.7
Operating profit	6.7	13.1	-48.8	17.9
% of net sales	4.9	8.7		8.9
Profit before extraordinary items	4.8	11.8	-58.9	16.0

Balance sheet total M€

9/2001	9/2000*	12/2000*
114.3	135.2	126.9

Other Financial Information M€

Exports from Finland	43.1	40.3	+7.0	55.9
Gross investments	6.2	5.3	+18.5	8.3
% of net sales	4.6	3.5		4.1
Product development	4.6	3.7	+25.1	5.8
% of net sales	3.4	2.5		2.9
Order book	13.0	16.4	-20.7	16.3
Return on equity, %	8.7	21.3		21.8
Return on investments, %	12.2	19.4		19.9
Equity/assets ratio, %	36.3	40.8		45.5
Earnings/share, €	0.15	0.46		0.67
Equity/share, €	2.49	3.32		3.51
Personnel, on average	1,668	1,794	-7.0	1,748
Personnel, end of period	1,546	1,649	-6.3	1,649

*The comparable figures include the divested business areas from the Group during the year 2000, i.e. the contract manufacturing of large plastic components, technical ceramics and the trace heating business.

The figures for Sormat Oy are included up until June 30, 2001.

The financial statements bulletin for the Ensto Group is published on February 14, 2002.

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Ensto Oy

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