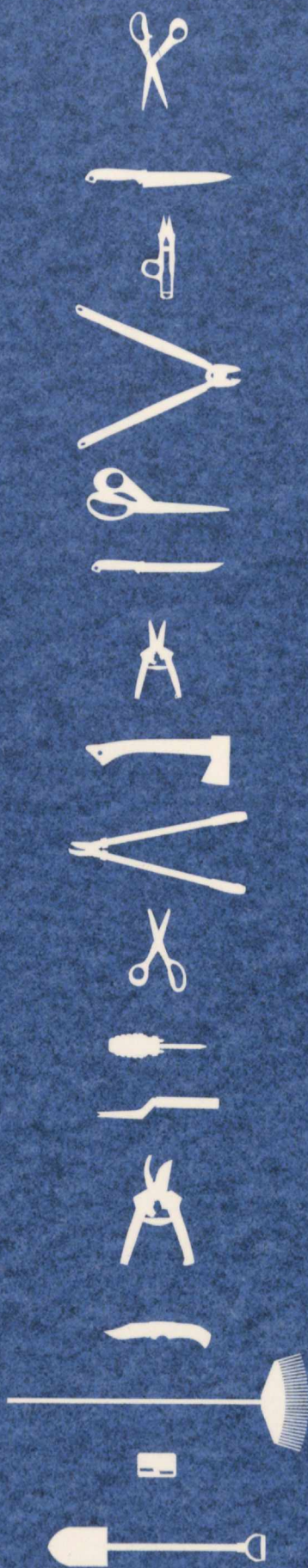


ANNUAL REPORT 1991



FISKARS

## ANNUAL REPORT 1991

### Contents

Information to shareholders .....	2
Summary of operations .....	2
Board of Directors, Auditors and Corporate Management .....	3
Fiskars business areas .....	4
Financial Statements .....	9
Annual Report by the Board of Directors .....	9
Consolidated Financial Statements (FAS) .....	14
Accounting Principles .....	18
Consolidated Financial Statements (IAS) .....	20
Notes to the Financial Statements .....	22
Key ratios (FAS) .....	30
Fiskars shares .....	31
Financial Statements, Parent Company .....	36
Proposal by the Board of Directors to the Annual General Meeting .....	38
Auditors' Report .....	39
Addresses .....	40



Fiskars personnel commemorated the 350th anniversary of Billnäs Works on 1st June 1991. Mr. Göran J. Ehrnrooth, Chairman of Fiskars Corporation, delivered a speech in honor of the occasion.

The 150-year long history of the Inha Plant was cause for a "family" celebration held in June in the garden of Pytinki Manor.

## INFORMATION TO SHAREHOLDERS

### Annual General Meeting of Shareholders

The Annual General Meeting of shareholders of Fiskars Oy Ab will be held at restaurant Marski, Mannerheimintie 10, Helsinki, on Thursday, April 9, 1992.

Shareholders wishing to attend the meeting should inform Fiskars Corporate Center by letter to P.O.Box 235, SF-00101 Helsinki, Finland, or by phone + 358-0-61 886 230 not later than 4.30 p.m. on Tuesday, April 7.

Shareholders are kindly requested to inform the Corporate Center of any change of address.

### Dividend

The Board of Directors proposes to the Annual General Meeting of shareholders that a dividend of FIM 2.40 be paid on shares of series A and FIM 1.90 for shares of series K. If accepted by the meeting, the dividend will be available at the Union Bank of Finland from April 13.

### Financial information

In addition to the Annual Report, the Fiskars Corporation publishes an interim review of operations covering the period January 1 through June 30, 1992; it will be published during week 35.

### Additional information

Fiskars Corporation, Communications,  
P.O.Box 235 (Mannerheimintie 14 A),  
SF-00101 Helsinki, Finland,  
telephone + 358-0-61 88 61,  
fax + 358-0-604 053.

### Summary of operations, FIM million

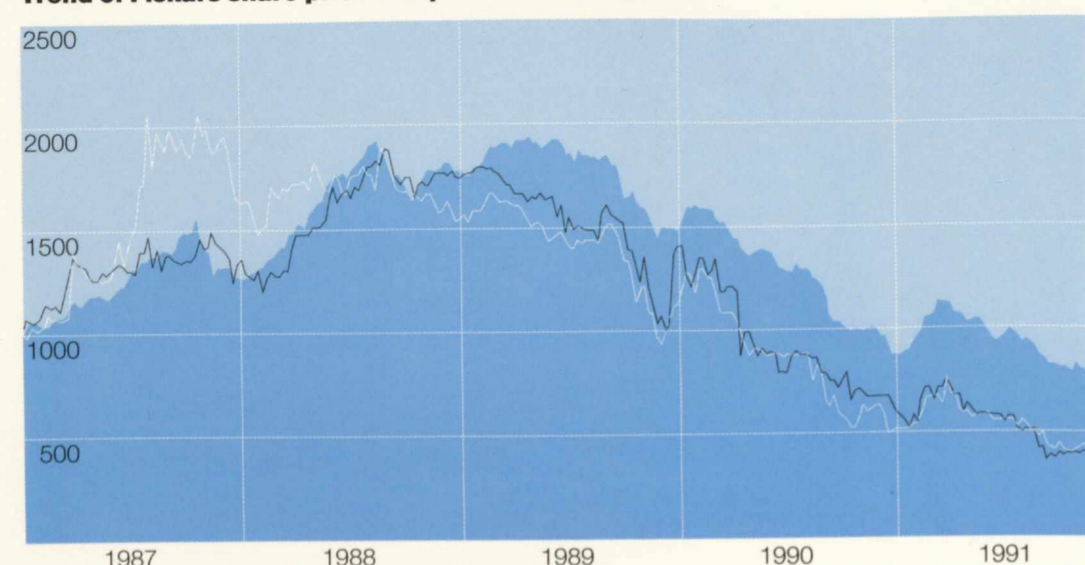
	1991	1990
Net sales	1558	1558
Operating margin	113	108
Operating profit	36	35
Earnings after financial items	-39	-29
Pre-tax earnings	-35	39
Earnings per share, FIM	neg.	neg.
Balance sheet total	2197	2318
Equity ratio %	44	45
Personnel at year-end	3174	3448

### Exchange rates as per December 31

	1991	1990
1 USD =	4.12 FIM	3.62 FIM
1 DEM =	2.71 FIM	2.41 FIM
1 GBP =	7.71 FIM	6.95 FIM
1 ECU =	5.52 FIM	4.93 FIM

### Trend of Fiskars share price compared to the HEX index

(1987 = 1000\*)



\*From the beginning of 1991 the Helsinki Stock Exchange introduced the HEX index.

HEX —  
Series A —  
Series K —

## BOARD OF DIRECTORS, AUDITORS AND CORPORATE MANAGEMENT

### Board of Directors of Fiskars Oy Ab

	Elected until the Annual General Meeting in	Elected to the Board in
Göran J. Ehrnrooth (1934), Chairman	1994	1974
Matti Pekkanen (1925), Deputy Chairman, M.Sc. (Eng.)	1993	1987
Robert G. Ehrnrooth (1939), President, EffJohn Oy Ab	1993	1966
Thomas Tallberg (1934), M.D., Helsinki University Central Hospital	1994	1966
Jarl Engberg (1938), Attorney-at-Law, Hannes Snellman Attorneys	1992	1980
Gustaf Gripenberg (1952), D. Eng., Helsinki University	1992	1986
Olof Bruncrona (1927), M.Sc. (Eng.) Director Emeritus, Fiskars Oy Ab	1993	1987
Ronald Wrede (1942), Master of Laws, Legislative Counsellor, Ministry for Foreign Affairs	1992	1987
Reijo Kaukonen (1939), President, Fiskars Oy Ab, until August 20, 1991		1984

### Auditors

Ordinary	Deputy
Eric Haglund, CPA	Sixten Nyman, CPA
Juhani Kolehmainen	Brita Hisinger-Jägerskiöld
Jacob Wallenberg	Peter Hartwall

### Corporate management

	Employed since
Stig Stendahl (1939)	President and CEO, from April 1, 1992
Juha Toivola (1947)	Deputy to the President *), Executive Vice President and CFO
Ingmar Lindberg (1945)	Corporate Vice President, administration and real estate
Wayne G. Fethke (1944)	Corporate Vice President, Consumer Products group

\*) acting President August 20, 1991–March 31, 1992

### Business areas

Wayne G. Fethke (1944)	Consumer Products group	1977
Roy Prestage (1940)	North America	1983
Stig Måtar (1945)	Scandinavia	1987
Jean Schellingen (1944)	Continental Europe	1987
Gareth Davies (1960)	Great Britain	1986
Juha Toivola (1947)	UPS group	1971
Aarne Sipilä (1948)	FPS Power Systems (until May 31, 1992)	1990
Raymond Meyer (1940)	Deltec	1984
Lars-Petter Godenhielm (1940)	Bronto Skylift	1989
Pauli Lantonen (1939)	Inha plant	1968
Henrik Elfving (1955)	Elesco	1991
Olli Männikkö (1944)	Ferraria	1987

## FISKARS BUSINESS AREAS

### Industrial operations



**Fiskars for Kids** turns cutting into a child's play.

The **Consumer Products group** is the most significant of Fiskars industrial operations accounting for more than half of the corporation's turnover. Scissors, knives, lawn and garden products are marketed through own subsidiaries in three principal markets: North America, Europe and the Nordic countries. Fiskars has production facilities in eight countries in these main markets.

The philosophy behind Fiskars 'market served' approach is to be a true partner with all the distribution levels of the trade. Our product offerings now cover the demand of traditional outlets, larger stores as well as modern hyper-marts. We can even faster respond to the new needs of our customers also in rapidly changing economic conditions, with the help of our electronic data interchange system. The new Fiskars way of cooperation also extends to manufacturing partners, to afford us the opportunity to fully serve consumers with more comprehensive product lines.

The North American units of the Consumer Products group were strengthened. The marketing organizations of scissors and housewares were combined to better address the total needs of the distribution. **Fiskars, Dura-**

**sharp and Cut-Rite** have for years been the preferred scissor brands among American consumers. Based on the success of the round-nose Fiskars for Kids hobby scissors, the pointed children's scissors were developed to meet the requirements of older children. Some of the other new product introductions include scissors specifically designed for the elderly and disabled persons. Following the successful launch of the versatile Multi-Plier, a multi-function tool the **Gerber** brand is extending from basic knives to outdoor recreational products. The new plant in Sauk City, Wisconsin, which manufactures lawn and garden products, has complemented offerings in its strongly



**Gator knife is a best-seller in the United States.**



successful **Wallace** product line during its first full year of operation.

In Europe, last year was a time of consolidating activities and strengthening markets. The scissors production of the German facility was moved to Finland to take advantage of existing assets and skills. This allows the German unit to focus on serving customers in the German speaking markets and the Benelux countries through its packaging, storage and distribution strengths.

Production and marketing of the **Wilkinson Sword** and **Fiskars** branded garden tools continued to be a success in the U.K. New introductions included the **Garden Devils** range and the ergonomically designed Finnish-made **Power Digger** tools. The Fiskars brand was launched in the marketing of kitchen and housewares, to complement the traditionally popular **Kitchen Devils** range.

The leading Italian knife manufacturer, **Montana**, has successfully expanded its activities by launching other Fiskars products in the Italian consumer market utilizing the existing strong distribution network. The Montana knives have also found their way to the kitchens of European and American consumers.

The Nordic business units continued to place strong emphasis on production consolidation programs. Knife production was moved to Fiskars, Finland, where all the **Fiskars** and **Knivman** cutting products for these markets will be assembled. The



**New tools for European gardens: ergonomic spade and wheelbarrow.**

acquisition of the Swedish garden and hand tool manufacturer **Norbergs Redskap** permitted the concentration of production and logistics in a single unit in Motala. In Denmark, the **Zinck-Lysbro** garden products are manufactured in a modernized facility in Silkeborg. The manufacture of wooden tool parts for the Nordic market is now concentrated in Denmark.

The Consumer Products group established its first joint venture with an Eastern European manufacturer. The facility in Slupsk, Poland, supplies components for lawn and garden products for the Nordic plants. Danish and Polish employees cooperated to introduce the Fiskars standards and production methods in the Polish factory.

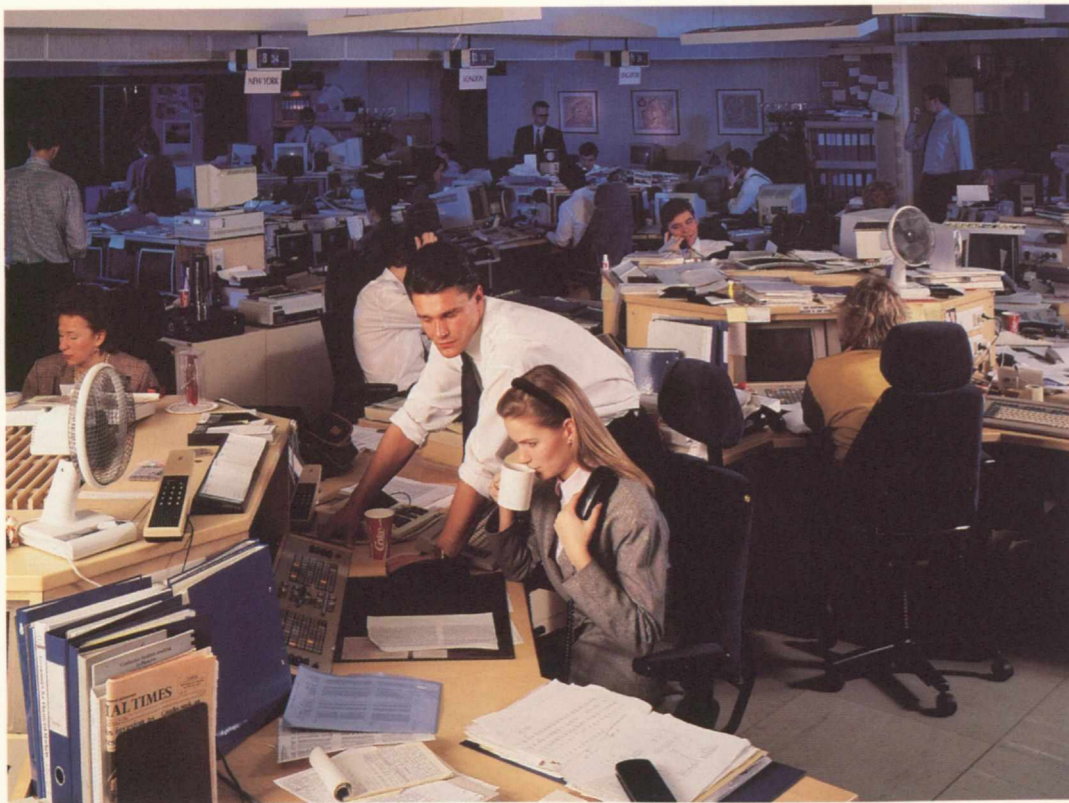
Activities at the scissors plant in India - a joint venture with Indian partners - continued according to plan.



**Tending roses requires nimble fingers and good tools.**



For banks and stock exchanges, money often equals electricity. UPS assures its uninterruptible supply.



**Fiskars Power Systems** in Europe and **Deltec** in the United States manufacture and market uninterruptible power supply (UPS) systems for computers. The companies work in close cooperation, both in the field of product development and in serving their global markets.

In Europe, the strongest market growth took place in Germany, but also the Eastern European region showed a good growth. In the United States, shrinking computer sales had an impact also on the demand for UPSs. Close cooperation with the major computer manufacturers continued. A nationwide marketing campaign was launched in the United States, to promote the sales of the new single-phase UPSs.

Several new product lines, introduced by the companies during the year, featured the latest technology in the field. Thanks to the new technology, the Fiskars UPSs are even more compact, more reliable and easier-to-use. Special attention in their design was focused on the communication between the computer and the UPS, to facilitate automatic shut-down of the computer during an extended power failure.

A significant milestone for Fiskars Power Systems was the international ISO 9001 standard certification granted to the quality system of its plant located in Finland.



Intelligent, user-friendly UPS control systems developed by Fiskars Power Systems and Deltec.



Bronto Skylift works around the clock: Vancouver Fire Department putting out a fire in the small hours of the night.

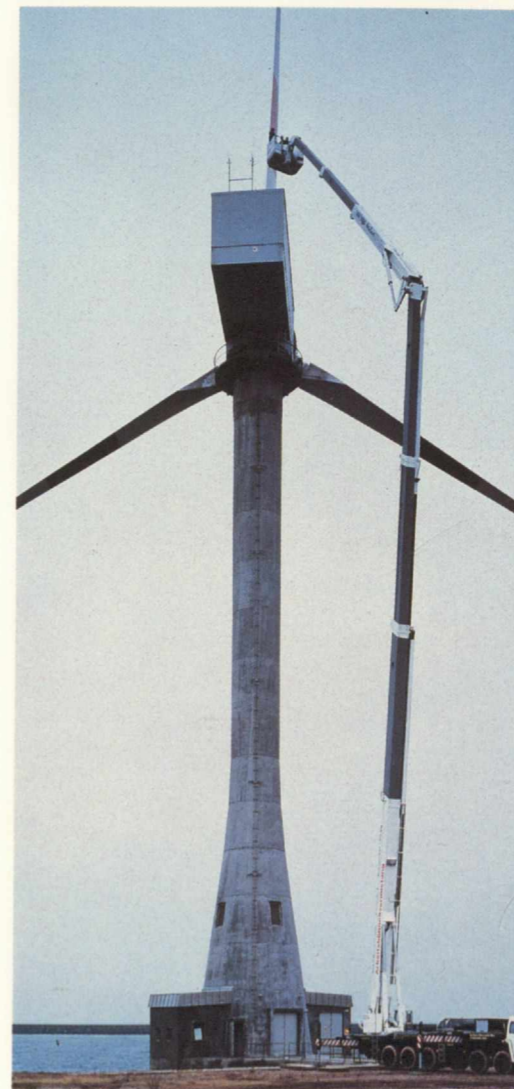
**Bronto Skylift** designs, markets, manufactures and services hydraulic access platforms for industrial, fire-fighting and rescue operations. The Bronto access platform equipment permits work at heights of over 70 m.

Bronto Skylift has a strong position as manufacturer of technically demanding mobile access platforms for fire-fighting and rescue purposes. Bronto has established good, long-standing customer relations with fire brigades in several European major cities. A marketing and servicing cooperation agreement was concluded with Pierce Manufacturing Inc., Wisconsin, a leading fire engine manufacturer for the American market.

Bronto's access platform equipment is used in Europe also by the construction industry and the public sector for maintenance and servicing of high buildings. An increasing number of construction equipment rental companies offer a wide range of Brontos from 17 to 70 metres.

Over 3,000 Bronto access platforms are in use in 60 countries.

Servicing a wind-driven power generator in Helgoland, Germany, at heights of 60 m and up is no problem with a Bronto.



Fiskars is Europe's leading aluminum boat manufacturer. Buster XL in action.

**Inha** production plant produces Buster aluminum boats, building and industrial components.

The Buster aluminum boats strengthened their success in all Nordic countries, despite a general market decline. The safety, durability and easy care of Busters was further improved to meet the expectations of both leisure and professional users. The latest addition to the Buster range, Buster XL, which can be equipped with a 50-90 hp motor, was launched in the fall. Over 50,000 Buster boats have been manufactured since its introduction 15 years ago.

Fiskars maintained its strong foothold as supplier of hinges to the Nordic door and window industry. The products which had been developed together with the customers retained their positions in the generally receding construction market.

Rail fittings were delivered to the Finnish, Swedish and Norwegian state railways. Fiskars' strong position as a Nordic fittings manufacturer is based on its long experience and R&D.



Fiskars makes the fittings for Nordic railways.



#### Real estate

Fiskars' real estate properties comprise about 15,000 hectares in the Southwest of Finland, and they represent a considerable corporate financial resource. The land holdings include 100 lakes and 250 km of shoreline. Modern forestry and farming are carried on in the area. Over several years, Fiskars has pursued a program to preserve the unique cultural heritage which comprises culturally valuable landscapes and buildings in the area.

**Ferraria** Corporation's activities comprise development operations for increasing the value of real estate properties, and services related to real estate maintenance.



## METRA

#### Shareholding in the Metra Corporation

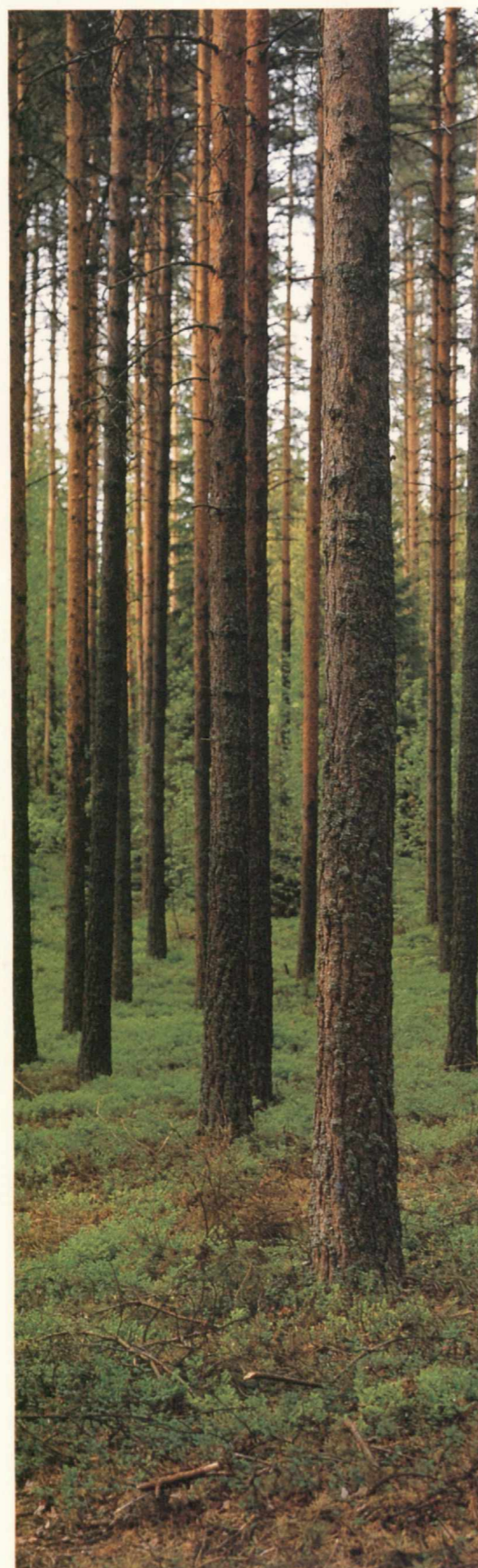
Metra Corporation is the most significant long-term investment of Fiskars. Metra's key business areas are diesel engine and construction-related industries.

Wärtsilä Diesel is the market leader in medium-speed diesel engines. The company has a worldwide service and sales network. Wärtsilä Diesel accounts for over one third of Metra's net sales.

Construction-related industry represents about half of the net sales and consists of mutually complementing businesses. Lohja supplies stone-based construction materials and construction systems. Sanitec is a major European manufacturer of bathroom ceramics, and Abloy Security one of the leading suppliers of locks and lock systems, and the world leader in access control and hotel lock systems.

Metra's net sales totalled almost FIM 10 billion. 75 % of net sales and 40 % of production are generated outside Finland. The number of personnel is 18,000, half of them employed in Finland.

Fiskars holding in Metra Corporation represents 13 % of the shares and 16 % of the vote.



*Well managed forests are a valuable asset.*

## FINANCIAL STATEMENTS 1991

### REPORT BY THE BOARD OF DIRECTORS

As the result of the deepest recession experienced in Finland since World War II, the GNP dropped by 6 % in 1991. Economic activity slowed down dramatically, and on 15th November the Finnish mark was devalued by 12 %.

Fiskars Corporation's result after financial items remained at the previous year's unsatisfactory level at a loss of FIM 39 million (loss FIM 29 million) despite a significantly improved profitability of the Consumer Products group. The extremely poor demand in Sweden and Finland affected all business areas and could not be compensated in other markets.

A major part of the extraordinary profits on divestment were spent in non-recurring costs of FIM 30 million on closing of operations. Result before appropriations and taxes was a loss of FIM 35 million (profit FIM 39 million). FIM 91 million of appropriations were released; result after taxes amounted to FIM 35 million.

However, the Board of Directors notes the positive structural development that has taken place. This structural development is in accordance with the strategic guidelines that have been set. The Consumer Products group increased its sales by 16 %, or FIM 122 million, and reinforced its position as the main industrial operation of the Corporation. The divestment of business units peripheral to current core businesses were finalized. Acquisitions, combining of production facilities and consolidation of operations were carried out both in the Consumer Products group and the UPS business. Capacity adjustments have required reduction of personnel and considerable expenditure. However, a significantly lower break-even level has been achieved; this is expected to have a positive impact on operating margin.

The number of personnel diminished by 274 to 3174, out of which 35 % are employed in Finland.

The operational cash flow was positive;

most of the selectively chosen investments, totalling FIM 73 million, were in automation of operations in the Consumer Products group, and increasingly in the tooling for new products.

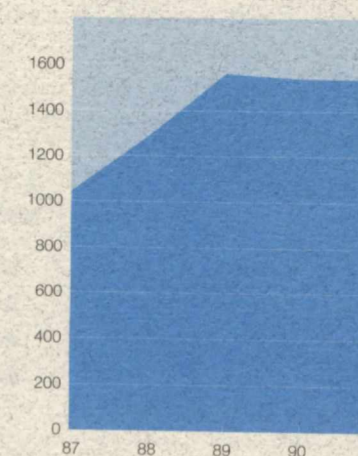
Interest-bearing liabilities remained unchanged from the previous year. There were no significant net exchange rate differences due to neutral currency positions. The long-term financing of the Corporation is considered to be stable, and liquidity is satisfactory. The equity ratio remained at the previous year's level at 44 % (45 %).

Fiskars' holding in the Metra Corporation is seen as an industrially sound long-term investment with a positive impact on the development of corporate assets. This holding yielded dividend income which, together with tax refund, amounted to FIM 17 million under the Finnish Avoir Fiscal corporate taxation system.

Due to the recession, the HEX index of the Helsinki Stock Exchange dropped by 22% in 1991. At the same time, the market value of Fiskars shares at the Helsinki Stock Exchange declined by 40 %. Since the beginning of 1992, the value of the Corporation's shares has risen significantly.

President Reijo Kaukonen resigned on 20th August 1991. The Board of Directors appointed Corporate Vice President Juha Toivola as Acting President.

#### Consolidated net sales, (FIM million)



The Board of Directors appointed on 4th March, 1992 Mr Stig Stendahl, M.Sc. Eng., as President and CEO. He will assume his responsibilities on 1st April, 1992. At the same time, the Board of Directors promoted Corporate Vice President Juha Toivola to Executive Vice President and as such the deputy to the President. Juha Toivola continues his responsibilities as the Chief Financial Officer of the Corporation.

The history of Fiskars Corporation is linked to the oldest industrial traditions of Finland. The Billnäs Works, established in 1641, celebrated its 350th anniversary in the village of its origin, by organizing many events and a celebration for the Fiskars personnel in the area.

The 150th anniversary of Inha Works gathered employees, retirees and representatives of the Ähtäri local administration for celebrations in June 1991. The Works, established in the heart of Central Finland, now

#### CHANGES IN CORPORATE STRUCTURE

The relative importance of the Consumer Products group continued to increase. The entire share capital of Norbergs Redskap AB, located in Southern Sweden, was acquired in early 1991; the group increased its holding in the Danish-based Zinck Holding A/S from 76 % to 100 %.

The Finnish operations of the European UPS business were incorporated into a separate subsidiary, and its operation continued under FPS Power Systems Oy Ab from the beginning of 1991. Similarly, the special electrotechnical applications business was incorporated into Elesco Oy Ab.

Bronto Skylift sold its immobile fire extinguishing equipment business, Ginge-Kerr

features modern production facilities for metal products and provides employment to 180 persons.

The Board of Directors thanks the customers, employees, investors and business associates for their confidence and cooperation during the past financial year.

#### Outlook

The Board of Directors considers that the conditions for profitable industrial operations have improved.

Uncertainty still prevails concerning the short-term market outlook. Fiskars Corporation's operations are closely linked to the economic trend in the United States and the dollar exchange rate. The markets in Nordic countries and Europe are expected to remain uncertain. On current volume level the profitability is expected to improve and liquidity to remain good.

early this year. FPS Power Systems focused on UPS systems; as a consequence, the Telecom Power operations were divested in April. The operations of the electrical enclosure manufacturer and supplier Fibox Oy Ab were sold at the end of November.

In January 1991 Fiskars exchanged its holding in Oy Lohja Ab to shares in Metra Oy Ab. At the end of the year Fiskars owned 13 % of the shares and 16 % of the votes in Metra. Its share of the votes in Lohja, previously considered as an associated company, was 24 %.

Inha's operations were incorporated at the beginning of 1992; the registration of the company is pending.

Consolidated net sales by market areas	1.1.-31.12.1991		1.1.-31.12.1990		Change MFIM
	MFIM	%	MFIM	%	
Finland	282	18	355	23	-73
Scandinavia	247	16	281	18	-34
Other Europe	451	29	369	24	82
North America	502	32	425	27	77
Others	76	5	128	8	-52
Consolidated total	1558	100	1558	100	0

Consolidated net sales	1.1.-31.12.1991		1.1.-31.12.1990		Change MFIM
	MFIM	%	MFIM	%	
Consumer Products group	884	57	762	49	122
Other industrial operations	561	36	561	36	0
Real Estate	68	4	76	5	- 8
Sales within groups	- 35	- 2	- 43	- 3	8
Present business operations	1478	95	1356	87	122
Restructuring	81	5	202	13	- 122
Consolidated total	1558	100	1558	100	0

The grouping corresponds to the present structure of businesses.

#### CORPORATE RESULTS

**Corporate net sales** remained at the previous year's level FIM 1,558 million (FIM 1,558 million in 1990). Ongoing operations increased their net sales by 9%. Outside Finland was generated 82% (77%) of net sales.

**Operating margin**, FIM 113 million (FIM 108 million), represented 7.3% (6.9%) of net sales.

**Operating profit** after depreciation according to plan increased from the previous year's FIM 35 million to FIM 36 million.

The strengthening of the US dollar contributed to the positive trend of net sales and operating profit in the Corporation's international operations. U.S. operations accounted for 32% of corporate net sales.

The dividend income of FIM 17 million includes FIM 6.6 million tax refund under the Finnish Avoir Fiscal corporate taxation system.

Net financial costs increased from FIM 75 million in the previous year to FIM 92 million, mainly as a result of the strengthening of the dollar. The overall effect of the devaluation of the Finnish mark on corporate result after financial items was minor.

**Result after financial items** amounted to a loss of FIM 39 million (loss FIM 29 million).

The profit on the sale of Fibox operations is included in extraordinary income.

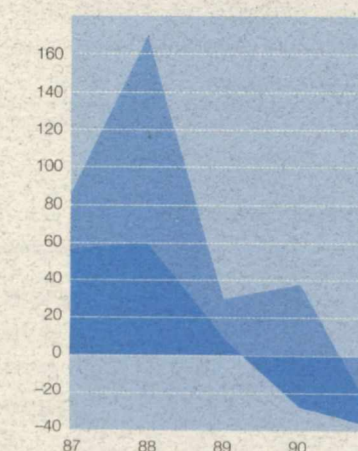
Extraordinary expenses include non-recurring costs of FIM 30 million on restructuring, relating to the divestment of the Ginge-Kerr operations, as well as the restructuring or closing of some industrial operations in Scandinavia.

**Result before appropriations, taxes, and minority interest** was a loss of FIM 35 million (profit of FIM 39 million).

Earnings per share were negative in 1991, taking into account associated companies and minority interest in compliance with the regulations of the Helsinki Stock Exchange.

Return on investment was 3.7% (3.7%) and return on equity was negative.

#### Consolidated results, (FIM million)



■ Result before Appropriations and Tax  
■ Result after Financial items

## OPERATIONAL RESULT OF BUSINESS UNITS

**The Consumer Products group** increased net sales by 16% from FIM 762 million to FIM 884 million; this represents 57% of consolidated net sales. The U.S. operations of the group improved their market shares despite the poor general economic situation, and succeeded in maintaining very good profitability.

The consolidation of market positions continued in Central Europe. Marketing and distribution for the German-speaking markets and the Benelux countries were centralized in Solingen, Germany, and the production of scissors was transferred from Solingen to Finland. The profitability of Central European operations remained unsatisfactory.

Measures to improve productivity and to strengthen market positions in Great Britain started yielding results, and profitability turned good.

Scandinavian acquisitions early in 1991 enabled the restructuring of operations. Production and logistics in Sweden were centralized in Motala, some parts of the production were transferred to Denmark and Finland. Profitability remained unsatisfactory, mainly due to restructuring costs and poor market demand in Sweden and Finland.

The overall result of the Consumer Products group was satisfactory.

In the European **UPS** operations determined development measures were carried out. Profitability was improved to some extent already in 1991, following the con-

centration of production to Finland and divestment of some operations. However, a satisfactory profitability was not yet achieved.

In the United States, demand for UPSs remained poor, reflecting the trend of computer markets. A new starting point was provided by Deltec's new products introduced at the beginning of 1992, and by the adaptation of production to a lower demand. The American UPS operations remained unprofitable.

**Bronto Skylift** was able to improve its performance but the profitability did not reach a satisfactory level.

The drop in **Inha's** sales is mainly attributable to a stagnating trend in construction and poor demand for boats in Sweden and Finland. Operations were adapted to the market situation, and the corresponding costs weakened profitability which was unsatisfactory.

**Ferraria's** business was adversely affected by the crash of real estate markets. Few deals were concluded, and operations were unprofitable.

**Forestry and farming.** The forests were managed in accordance with the long-term plan. Profitability suffered from decreasing timber prices, and forced adaptation of farming to comply with production quotas.

### Personnel and organization

In Finland the representation of personnel will be brought closer to operations, by establishing a Management Board with

personnel representation for each unit. This will be done both in the incorporated companies and in units which are part of the parent organization. The parent company's Management Board has been replaced by these arrangements.

The number of personnel in Finland and Scandinavia diminished by 20% (347 persons). The number of personnel at year-end was 3174 (3448).

### Financing; capital expenditure

The liquidity remained good, partly due to payments received on the sale of Fibox in December 1991. Liquid assets amounted to FIM 156 million at year-end (FIM 146 million). Cash flow was improved also by the release of capital tied up in operations. The amount of net working capital at the end of 1991 was FIM 90 million less than the year before.

Investments amounted to FIM 73 million. The most significant investments were the acquisition of the entire share capital in Norbergs Redskap AB, located in Southern Sweden, and the increased shareholding in the Danish-based Fiskars Zinck Holding A/S from 76% to 100%. These investments will reinforce the competitiveness of the Consumer Products group in Scandinavia. Other investments were used in industrial machinery and equipment.

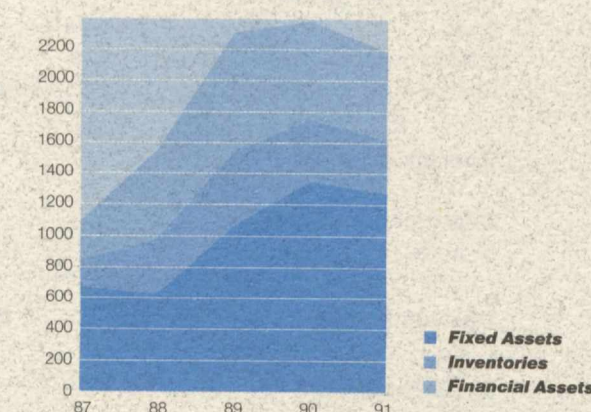
The value of Fiskars' shareholding in Metra was FIM 707 million at year-end. The Board of Directors estimates that the book value of the shares corresponds to the value of the strategic holding which they represent in Metra Corporation.

### Annual General Meeting of shareholders 1991

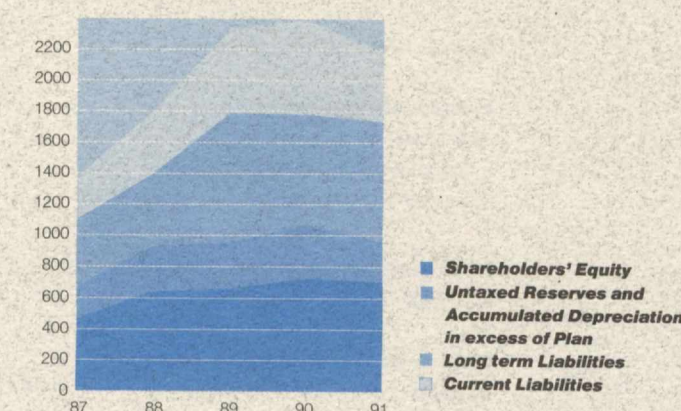
At the Annual General Meeting of shareholders on April 11, 1991, the financial statements for 1990 were approved as proposed by the Board of Directors. A dividend of 12% or FIM 2.40 per share was declared for A-series shares, totaling FIM 5,369,251.20, and a dividend of 9.5% or FIM 1.90 per share for K-series shares, totaling FIM 6,849,249.20. The general meeting reelected the retiring Board members Göran J. Ehrnrooth, Reijo Kaukonen and Thomas Tallberg.

Eric Haglund (CPA), Juhani Kolehmainen and Jacob Wallenberg were elected auditors. Sixten Nyman (CPA), Brita Hisinger-Jägerskiöld and Peter Hartwall were elected deputy auditors. The authorizations for an increase of share capital are dealt with on page 34.

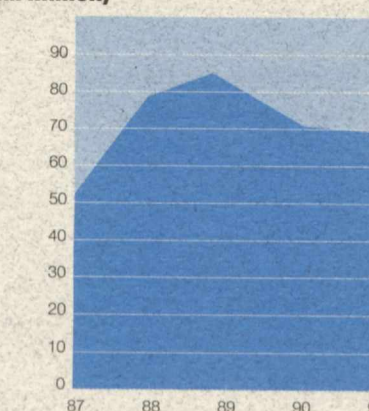
### Consolidated balance sheet Assets, (FIM million)



### Liabilities and equity, (FIM million)



### Investments in industrial fixed assets, (FIM million)



Personnel by market areas	31.12.1991		31.12.1990		Change
	persons	%	persons	%	
Finland	1106	35	1242	36	-136
Scandinavia	276	9	487	14	-211
Other Europe	528	16	484	14	44
North America	1260	40	1232	36	28
Others	4	0	3	0	1
Total	3174	100	3448	100	-274

# CONSOLIDATED INCOME STATEMENT (FAS) FIM MILL.

	1991		1990	
<b>Net sales</b>	<b>1558.4</b>	<b>100.0%</b>	1557.9	100.0%
<b>Variable and fixed cost</b>				
Materials and supplies	- 585.3		- 656.5	
Wages and salaries	- 318.5		- 333.0	
Other personnel costs	- 147.8		- 135.6	
Rents and leases	- 45.3		- 48.5	
Other variable and fixed costs	- 269.5		- 275.5	
Production for own use	1.3		4.1	
Change in inventories	- 80.0	-1445.1 - 92.7%	- 5.0	-1450.0 - 93.1%
<b>Operating margin</b>	<b>113.3</b>	<b>7.3%</b>	107.9	6.9%
<b>Depreciation according to plan</b>	<b>- 76.9</b>	<b>- 4.9%</b>	- 72.8	- 4.7%
<b>Operating profit</b>	<b>36.4</b>	<b>2.3%</b>	35.1	2.3%
<b>Financial income</b>				
Dividend income	16.5		10.9	
Financial income	20.6		26.0	
Financial expense	- 112.5	- 75.4 - 4.8%	- 100.9	- 64.0 - 4.1%
<b>Result after financial items</b>	<b>- 39.0</b>	<b>- 2.5%</b>	- 28.9	- 1.9%
<b>Extraordinary income and expense</b>				
Extraordinary income	33.7		163.6	
Extraordinary expense	- 30.0	3.7 0.2%	- 95.3	68.3 4.4%
<b>Result before appropriations and tax</b>	<b>- 35.3</b>	<b>- 2.3%</b>	39.4	2.5%
<b>Depreciation in excess of plan</b>	<b>13.3</b>	<b>0.9%</b>	- 1.0	- 0.1%
<b>Change in reserves</b>	<b>77.2</b>	<b>5.0%</b>	- 21.8	- 1.4%
<b>Taxes</b>	<b>- 20.6</b>	<b>- 1.3%</b>	- 15.2	- 1.0%
<b>Minority shareholders' interest</b>	<b>- 0.0</b>	<b>0.0%</b>	- 0.7	- 0.0%
<b>Net profit for the financial year</b>	<b>34.6</b>	<b>2.2%</b>	0.7	0.0%

# CONSOLIDATED FUNDS STATEMENT, (FAS) FIM MILL.

	1991		1990	
<b>Operations</b>				
Operating margin	113.3		107.9	
Financial net	- 75.4		- 64.0	
Extraordinary items	3.7		68.3	
Taxes	- 20.6		- 15.2	
Dividends paid	- 12.2		- 18.8	
	8.8		78.2	
Change in working capital	89.6	98.4	136.6	214.8
<b>Net investments</b>				
Acquired subsidiaries	- 7.0			
Sale of subsidiaries	4.6			
Investment in shares	- 3.6		- 569.7	
Sale of shares included in fixed assets			228.0	
Capital expenditure in industrial assets	- 62.2		- 70.8	
Sold fixed assets	28.6	- 39.6	69.0	- 343.5
Surplus/deficit after net investments		58.8		- 128.7
<b>Financing</b>				
Increase of share capital	0.0		93.5	
Change in long-term debt	130.7		- 105.6	
Change in short-term loans	- 147.9		108.5	
Conversion difference	- 32.3	- 49.5		96.4
Change in liquid funds		9.3		- 32.3
Liquid funds at the beginning of the year		146.3		178.6
Liquid funds at the end of the year		155.6		146.3
		9.3		- 32.3

**CONSOLIDATED BALANCE SHEET, (FAS) FIM MILL.**

<b>Assets</b>	<b>31.12.1991</b>	<b>%</b>	<b>31.12.1990</b>	<b>%</b>
<b>Financial assets</b>				
Cash and bank	<b>155.6</b>		146.3	
Trade debtors	<b>259.6</b>		298.8	
Prepaid expense and accrued income	<b>49.6</b>		39.7	
Other financial assets	<b>103.8</b>	<b>568.6</b>	<b>25.9</b>	116.3
			601.1	25.9%
<b>Inventories</b>				
Materials and supplies	<b>99.4</b>		120.9	
Finished goods and work in process	<b>221.5</b>		254.3	
Other inventories	<b>31.0</b>	<b>351.9</b>	<b>16.0%</b>	30.9
			406.1	17.5%
<b>Fixed assets</b>				
Land and water	<b>88.0</b>		86.8	
Buildings and constructions	<b>101.6</b>		102.1	
Machinery and equipment	<b>137.6</b>		147.7	
Shares	<b>745.0</b>		739.5	
Other long-term expenditure	<b>92.7</b>		99.3	
Goodwill	<b>35.1</b>		46.6	
	<b>1200.0</b>		1222.0	
Accumulated depreciation in excess of plan	<b>76.0</b>	<b>1276.0</b>	<b>58.1%</b>	88.8
			1310.8	56.5%
	<b>2196.5</b>	<b>100.0%</b>	<b>2318.0</b>	<b>100.0%</b>

<b>Liabilities and equity</b>	<b>31.12.1991</b>	<b>%</b>	<b>31.12.1990</b>	<b>%</b>
<b>Liabilities</b>				
Current liabilities				
Trade creditors	<b>97.4</b>		141.0	
Prepaid income and accrued expenses	<b>193.5</b>		156.3	
Current portion of long-term debt	<b>84.2</b>		56.5	
Other current liabilities	<b>80.8</b>	<b>455.9</b>	<b>20.8%</b>	228.7
			582.5	25.1%
Long-term liabilities				
Loans from financial institutions	<b>623.1</b>		548.3	
Pension premium loans	<b>182.9</b>		123.3	
Convertible bond loan	<b>3.7</b>		3.7	
Other long-term debt	<b>54.5</b>		58.2	
	<b>864.2</b>		733.5	
Current portion of long-term debt	<b>- 84.2</b>	<b>780.0</b>	<b>35.5%</b>	- 56.5
			677.0	29.2%
<b>Total liabilities</b>	<b>1235.9</b>	<b>56.3%</b>	1259.5	54.3%
<b>Minority shareholders' equity</b>	<b>0.0</b>	<b>0.0%</b>	13.4	0.6%
<b>Untaxed reserves and accumulated depreciation in excess of plan</b>				
Accumulated depreciation in excess of plan	<b>69.4</b>		82.1	
Investment reserve	<b>99.5</b>		150.4	
Other untaxed reserves	<b>81.4</b>	<b>250.3</b>	<b>11.4%</b>	110.4
			342.9	14.8%
<b>Shareholders' equity</b>				
Restricted equity				
Share capital	<b>117.2</b>		117.2	
Other restricted equity	<b>351.1</b>		348.4	
	<b>468.3</b>		465.6	
Unrestricted equity				
Retained earnings	<b>207.4</b>		235.9	
Net profit for the financial year	<b>34.6</b>		0.7	
	<b>242.0</b>	<b>710.3</b>	<b>32.3%</b>	236.6
			702.2	30.3%
	<b>2196.5</b>	<b>100.0%</b>	<b>2318.0</b>	<b>100.0%</b>

## GENERAL ACCOUNTING PRINCIPLES

The Fiskars Consolidated Financial Statements prepared in accordance with Finnish Accounting Standards (FAS) are presented on pages 14-17, while the financial statements prepared in accordance with International Accounting Standards (IAS) are on pages 20-21. The accounts for Corporate Finnish parent company, Fiskars Oy Ab, are on pages 36-37. The financial information is presented in Finnish marks and is prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

*Texts printed in italics indicate the essential differences between the accounting principles applied by Fiskars in its local statutory accounts (FAS) and the IAS accounts.*

### Principles of consolidation

The consolidated financial statements include the accounts of the parent company Fiskars Oy Ab and each of its subsidiaries in which Fiskars holds directly or indirectly more than 50% of the votes.

*The new subsidiary is included in consolidated accounts from the period of time it is established or acquired.*

### Intercompany transactions

All intercompany transactions are eliminated as part of the consolidation process.

### Minority interests

Minority interests are separated from the consolidated results and shareholders' equity figure, and are presented as distinct items in the profit and loss account and balance sheet.

### Goodwill

In calculating goodwill the purchase method of accounting is used and the Group's share of the acquired companies' net assets is deducted from the acquisition costs. Half of untaxed reserves is included in acquired net equity, while the other half of untaxed reserves is taken up as a deferred tax liability. Goodwill is amortised over a period not exceeding ten years.

*In IAS accounts goodwill represents the*

*excess of acquisition cost over the fair value of net assets acquired. Untaxed reserves, without deduction for deferred tax, are considered part of net equity acquired.*

### Investments in associated companies and other companies

Investments in associated companies (voting rights between 20% and 50%) and other companies (voting rights less than 20%) are stated at cost. Provision is made, where necessary, to reduce the book value of investments in associated companies to the estimated net realizable value.

*In the IAS accounts the Group's shares of profits and losses in associated companies is included in the consolidated profit and loss account in accordance with the equity method of accounting. The Group's share of post-acquisition reserves is added to the cost of associated company investments and Group equity in the consolidated balance sheet.*

### Transactions in foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. At the end of the accounting period the unsettled balances on foreign currency transactions are valued at the rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are treated as adjustments to results.

### Translation of foreign subsidiaries accounts

In the consolidated accounts, the reported figures of all foreign subsidiaries of the Group are translated into Finnish marks using the rates announced by the Bank of Finland as at the balance sheet date. Translation differences concerning investments in foreign entities and arising from the application of the purchase method are treated as an adjustment item affecting the consolidated shareholders' equity. The exchange differences arising on an effective hedge against these investments are also offset against the translation differences above.

### Research and development

Research and development costs are expensed in the financial period during which they were incurred.

### Pensions and coverage of pension liabilities

The pension schemes are generally funded through payments to independent insurance companies and are fully funded. Certain schemes concerning a small part of already pensioned employees are funded through a trustee-administered fund. The deficit in this fund is reported in the notes to the financial statements.

*In the IAS accounts the pension liability to the trustee-administered fund is included with the consolidated liabilities and the change in the liability with consolidated results.*

### Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first in first out (FIFO) basis. Net realizable value is the amount which can be realized from the sale of the asset in the normal course of business, after allowing for the costs of realization. In accordance with local accounting conventions the Group's subsidiaries in Finland and in certain other countries include in the cost of finished goods and work in progress the cost of materials and direct labor only. In all other subsidiaries an appropriate proportion of production overheads is also included.

*In the IAS accounts an appropriate proportion of production overheads is included in inventory values for all Group companies.*

### Fixed assets and depreciation

Fixed assets are generally stated at cost less accumulated depreciation, except for certain land and water areas which are stated at revalued amounts. The amount of revaluation is included in the restricted equity.

Depreciation is calculated on a straight line basis so as to write off the cost of fixed assets over their expected useful lives. In addition subsidiaries in Finland and certain other countries

make additional adjustment entries under appropriation items because of the local tax requirements. The accumulated amounts of these depreciation entries in excess of plan are presented as a separate item in the balance sheet.

Land and water areas are not depreciated.

*In the IAS accounts the values of fixed asset items are the values after accumulated depreciation.*

### Other income and expenses

Certain income and expenses of abnormal size, due to e.g. divestments or closing of operations, are presented as extraordinary items in the consolidated profit and loss account.

### Appropriations

In Finland and certain other countries companies are expected – based on local laws and accounting practice – to make certain appropriations, mainly effecting taxation, which do not affect the result for the accounting period. Legislation often stipulates, as a specific prerequisite for deductibility, that these deductions be also included in the accounts. The accumulated amount of these appropriation items is presented under untaxed reserves in the balance sheet.

*In the IAS accounts, appropriations with respect to the accounting period are added to the result for that period. Accumulated appropriations are included in the balance sheet as part of shareholders' funds.*

### Taxes

The consolidated financial statements include direct taxes based on the results of the Group companies for the accounting period. In consolidated accounts the decrease in the deferred tax liability at the time of acquisition of the subsidiaries is taken into account.

*In IAS accounts, because no tax is expected to arise in the foreseeable future in respect of untaxed reserves, no provision for deferred tax in respect of such reserves has been made.*

**FINANCIAL STATEMENTS, FIM MILLION,  
PREPARED IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING  
STANDARDS (IAS)**

<b>Consolidated income statement (IAS)</b>	<b>1991</b>	<b>1990</b>
Net sales	<b>1558.4</b>	1557.9
Costs	<b>-1529.3</b>	-1527.9
Profit from operations	<b>29.1</b>	30.0
Share of associated companies' results	<b>0.4</b>	40.6
Financial income	<b>36.9</b>	30.5
Financial expense	<b>- 112.5</b>	- 101.0
Profit before taxes, minority interest and extraordinary items	<b>- 46.1</b>	0.1
Taxes	<b>- 21.1</b>	- 19.9
Minority interest	<b>- 0.0</b>	- 1.3
Profit/loss before extraordinary items	<b>- 67.2</b>	- 21.1
Extraordinary items	<b>4.3</b>	30.7
Profit for the financial year	<b>- 62.9</b>	9.6

**Reconciliation between IAS accounts and accounts  
prepared under Finnish accounting standards (FAS)**

<b>Profit</b>	<b>1991</b>	<b>1990</b>
Net profit under FAS	<b>34.6</b>	0.7
Appropriations	<b>- 90.5</b>	22.8
	<b>- 55.9</b>	23.5
Share of profit in associated companies	<b>0.4</b>	40.6
Dividends from associated companies	<b>- 0.1</b>	- 6.1
Difference in inventory valuation	<b>- 3.6</b>	- 5.5
Difference due to different valuation of acquisitions	<b>- 1.6</b>	- 3.9
Increase in pension liability	<b>- 2.1</b>	- 1.2
Adjustment of gain on sale of shares in associated companies		- 37.8
Profit under IAS	<b>- 62.9</b>	9.6
<b>Equity</b>	<b>710.3</b>	702.2
Equity under FAS	<b>250.3</b>	342.9
Untaxed reserves	<b>960.6</b>	1045.1
Difference in inventory valuation	<b>5.9</b>	9.5
Difference between associated companies' value under equity accounting and cost of shares	<b>- 0.8</b>	34.9
Pension liability	<b>- 16.2</b>	- 14.1
Difference due to different valuation of acquisitions	<b>- 14.6</b>	0.3
Equity under IAS	<b>934.9</b>	1075.7

<b>Consolidated balance sheet (IAS)</b>	<b>1991</b>	<b>1990</b>
<b>Fixed and other long-term assets:</b>		
Buildings, land and water	<b>211.9</b>	207.6
Machinery and equipment	<b>191.3</b>	215.6
	<b>403.2</b>	423.2
Shares	<b>744.3</b>	774.3
Long-term receivables	<b>73.7</b>	89.9
Goodwill and other tangible assets	<b>141.5</b>	133.9
Long-term assets, total	<b>1362.7</b>	1421.3
<b>Current assets:</b>		
Inventories	<b>357.8</b>	415.6
Trade debtors	<b>339.3</b>	364.9
Cash and bank	<b>155.6</b>	146.3
Current assets, total	<b>852.7</b>	926.8
<b>Current liabilities:</b>		
Trade creditors, prepaid income and accrued expenses	<b>291.0</b>	297.2
Current portion of long-term debt	<b>84.2</b>	56.5
Short-term loans	<b>80.9</b>	228.7
Current liabilities, total	<b>456.1</b>	582.4
Net working capital	<b>396.6</b>	344.4
Net capital employed	<b>1759.3</b>	1765.7
<b>Equity:</b>		
Share capital	<b>117.2</b>	117.2
Other restricted equity	<b>343.9</b>	348.4
Untaxed reserves	<b>250.3</b>	342.9
	<b>711.4</b>	808.5
Unrestricted equity	<b>223.5</b>	267.2
Equity, total	<b>934.9</b>	1075.7
Minority shareholders' equity	<b>0</b>	17.7
Long-term debt	<b>824.4</b>	672.3
Capital provided	<b>1759.3</b>	1765.7

# NOTES TO THE FINANCIAL STATEMENTS

	Consolidated		Parent	
	1991 MFIM	1990 MFIM	1991 MFIM	1990 MFIM
<b>Income statement</b>				
<b>1. Net sales</b>				
Gross sales	1618.7	1640.9	253.9	426.2
Adjustments	- 60.3	- 83.0	- 26.2	- 41.3
	<u>1558.4</u>	<u>1557.9</u>	<u>227.7</u>	<u>384.9</u>
<b>2. Salaries</b>				
Directors' salaries and emoluments*	3.4	3.9	3.4	3.9
Manufacturing wages	140.4	127.2	30.7	45.3
Other wages and salaries	228.6	252.4	25.8	50.1
	<u>372.4</u>	<u>383.5</u>	<u>59.9</u>	<u>99.3</u>
Holiday pay	- 53.9	- 50.5	- 13.1	- 20.5
Wages and salaries per Income Statement	<u>318.5</u>	<u>333.0</u>	<u>46.8</u>	<u>78.7</u>
* Salaries include bonuses amounting to	0.0	0.2	0.0	0.2
<b>3. Personnel costs</b>				
In Finland				
Wages and salaries for time not worked	32.5	30.0	13.1	20.5
Social security charges	5.1	7.5	2.1	4.7
Pension costs	23.5	25.5	7.9	16.0
Transfer to Pension Fund	2.2	0.0	2.2	
Other personnel costs	9.1	5.0	2.3	2.1
	<u>72.4</u>	<u>67.9</u>	<u>27.6</u>	<u>43.3</u>
In other countries:				
Wages and salaries for time not worked	21.4	20.4		
Other personnel costs	54.0	47.2		
	<u>147.8</u>	<u>135.6</u>		
<b>4. Depreciation according to plan</b>				
Buildings and constructions	7.1	6.6	2.9	2.9
Machinery and equipment	41.2	39.1	8.0	12.1
Other tangible assets	21.5	19.1	2.0	1.1
Goodwill	7.1	8.0		
	<u>76.9</u>	<u>72.8</u>	<u>12.9</u>	<u>16.0</u>
<b>5. Depreciation in excess of/under plan</b>				
Buildings and constructions	+ 1.6	- 0.2	1.5	0.5
Machinery and equipment	- 14.9	- 0.1	- 3.9	1.4
Other tangible assets	- 0.0	0.8	0.2	0.5
Goodwill	- 0.0	0.5		
	<u>- 13.3</u>	<u>1.0</u>	<u>- 2.2</u>	<u>1.4</u>

	Consolidated		Parent	
	1991 MFIM	1990 MFIM	1991 MFIM	1990 MFIM
<b>6. Total depreciation (4 + 5)</b>				
Buildings and constructions	8.7	6.5	4.4	2.4
Machinery and equipment	26.3	39.0	4.1	13.4
Other tangible assets	21.5	19.9	2.2	1.7
Goodwill	7.1	8.5	0.0	0.0
	<u>63.6</u>	<u>73.8</u>	<u>10.7</u>	<u>17.5</u>
<b>7. Extraordinary income and expense</b>				
Extraordinary items in connection with restructuring				
* gains	33.7	163.6	1.8	161.8
* losses	- 30.0	- 95.3	- 5.3	- 29.0
Write down of shares in group companies			- 14.3	- 127.1
Group contributions			+ 23.9	+ 36.0
Extraordinary income and expense	<u>3.7</u>	<u>68.2</u>	<u>6.1</u>	<u>30.3</u>
Extraordinary income consists of gains realized on the sale of the Fibox-business. Extraordinary expense consists of non-recurring restructuring costs, notably realized in connection with the sale of the Ginge-Kerr-business and restructuring and closing the certain industrial operations in Scandinavia.				
<b>Balance sheet, Assets</b>				
<b>8. Loan receivables (reported under other financial assets in the balance sheet)</b>				
Long-term	23.6	13.0	82.9	67.5
	<u>23.6</u>	<u>13.0</u>	<u>82.9</u>	<u>67.5</u>
Receivables from persons in Corporate management	0.1	0.5	0.1	0.5
	<u>0.1</u>	<u>0.5</u>	<u>0.1</u>	<u>0.5</u>
<b>9. Intercompany receivables</b>				
Trade debtors			12.0	22.7
Loans receivable			75.3	56.1
Other short-term receivables			49.6	
Accrued income			25.6	1.6
			<u>162.5</u>	<u>80.4</u>
<b>10. Other financial assets</b>				
Other financial assets were mainly interest-bearing receivables, of which Investment Account Deposits FIM 50 Mill. (FIM 75 Mill.) was the largest part. No shares have been included in Other financial assets.				
<b>11. Inventories</b>				
Materials and supplies, external	99.4	120.9	9.7	16.7
Finished goods and work in process	221.5	254.3	17.7	40.2
Other inventories (land and water)	31.0	30.9		
Inventories (FAS)	351.9	406.1	27.4	56.9
Overheads for fixed costs (IAS)	5.9	9.5		
	<u>357.8</u>	<u>415.6</u>		

	Consolidated		Parent	
	1991 MFIM	1990 MFIM	1991 MFIM	1990 MFIM
<b>12. Fixed assets, other long-term assets and goodwill</b>				
1.1	<b>1310.8</b>	1034.1	<b>1265.2</b>	969.6
Capital expenditure	<b>72.8</b>	640.5	<b>90.2</b>	663.7
Depreciation according to plan	- <b>76.9</b>	- 72.8	- <b>12.9</b>	- 16.0
Sale of fixed assets	- <b>33.2</b>	- 297.0	- <b>17.9</b>	- 229.8
Incorporation of business units			- <b>37.5</b>	
Other changes	<b>2.5</b>	6.0	- <b>0.9</b>	- 122.3
31.12.	<b>1276.0</b>	1310.8	<b>1286.2</b>	1265.2
<b>13. Tangible assets</b>				
Gross capital expenditure at cost or valuation				
Land and water	<b>88.0</b>	86.8	<b>84.3</b>	83.5
Buildings and constructions	<b>175.3</b>	182.0	<b>72.5</b>	86.6
Machinery and equipment	<b>426.4</b>	399.0	<b>89.0</b>	131.9
	<b>689.7</b>	667.8	<b>245.8</b>	302.0
Accumulated depreciation according to plan				
Buildings and constructions	<b>51.3</b>	61.2	<b>24.9</b>	39.5
Machinery and equipment	<b>235.1</b>	183.5	<b>43.8</b>	45.0
	<b>286.4</b>	244.7	<b>68.7</b>	84.5
Net value after depreciation according to plan				
Land and water	<b>88.0</b>	86.8	<b>84.3</b>	83.5
Buildings and constructions	<b>124.0</b>	120.8	<b>47.6</b>	47.0
Machinery and equipment	<b>191.3</b>	215.5	<b>45.2</b>	86.9
Tangible assets (FAS/IAS)	<b>403.3</b>	423.1	<b>177.1</b>	217.4

Certain landholdings are shown at valuation. The amount of valuations decided upon by the Board of Directors have been based on experts' appraisals of fair market value. As a result of such valuations the value of landholdings have in previous years been increased by a total of 68.3 MFIM. The corresponding amount is included in the parent company's share capital or other restricted reserves.

<b>14. Shares</b>				
1.1.	<b>739.5</b>	395.4	<b>1043.9</b>	760.6
Investments	<b>3.6</b>	569.7	<b>79.7</b>	638.4
Sale of shares	-	228.0	- <b>17.6</b>	- 228.8
Other changes	<b>1.9</b>	2.4	- <b>0.0</b>	- 126.3
Shares (FAS) 31.12.	<b>745.0</b>	739.5	<b>1106.0</b>	1043.9
IAS-adjustment:				
Associated companies	- <b>0.7</b>	34.8		
Shares (IAS) 31.12.	<b>744.3</b>	774.3		

	Consolidated		Parent	
	1991 MFIM	1990 MFIM	1991 MFIM	1990 MFIM
<b>15. Other long-term expenditure and goodwill</b>				
Net value of Other long-term expenditure after depreciation according to plan				
1.1.	<b>99.3</b>	130.1	<b>3.4</b>	3.9
Capital expenditure	<b>2.7</b>	1.7	<b>1.3</b>	0.6
Depreciation according to plan	- <b>18.2</b>	- 19.1	- <b>1.9</b>	- 0.6
Other changes	<b>8.9</b>	- 13.4	+ <b>0.3</b>	- 0.5
31.12.	<b>92.7</b>	99.3	<b>3.1</b>	3.4
Goodwill				
1.1.	<b>46.6</b>	62.4		
Capital expenditure	<b>7.0</b>	1.8		
Depreciation according to plan	- <b>7.1</b>	- 8.0		
Other changes	- <b>11.4</b>	- 9.6		
31.12.	<b>35.1</b>	46.6		
IAS-adjustment	<b>13.7</b>	- 14.3		
Goodwill and other long-term expenditure (IAS)	<b>141.5</b>	131.6		
<b>16. Depreciation in excess of plan</b>				
Buildings and constructions	<b>22.4</b>	25.7	<b>21.0</b>	17.4
Machinery and equipment	<b>52.1</b>	70.5	<b>32.6</b>	59.1
Other tangible assets	<b>1.5</b>	0.9	<b>0.4</b>	0.6
Goodwill	<b>0.0</b>	1.4		
	<b>76.0</b>	98.5	<b>54.0</b>	77.2

The decrease in Depreciation in excess of plan is mainly caused by incorporation of business units.

<b>17. Taxation values (in Finland)</b>				
Land and water	<b>46.7</b>	40.9	<b>43.0</b>	39.6
Buildings and constructions	<b>76.6</b>	67.3	<b>32.8</b>	31.1
Bonds and shares	<b>196.0</b>	191.2	<b>195.8</b>	190.2
	<b>319.3</b>	299.4	<b>271.6</b>	261.0

Taxation values are assessed for real estate holdings in Finland and shares in other Finnish companies.

#### Balance sheet, liabilities and equity

<b>18. Intercompany liabilities</b>				
Trade creditors			<b>7.8</b>	10.6
Accruals			<b>26.1</b>	
Other short-term debts			<b>34.1</b>	
Long-term debts			<b>42.2</b>	37.2
			<b>110.2</b>	47.8

	Consolidated		Parent	
	1991 MFIM	1990 MFIM	1991 MFIM	1990 MFIM
<b>19. Long-term liabilities</b>				
Repayments of the long-term loans:				
	1992	1993	1994	1995
				Later
				Total
%	9.7	5.3	17.9	21.8
				45.2
MFIM	84.2	46.2	154.9	188.7
				390.4
				864.3 MFIM
<b>20. Bond loan</b>				
Convertible bond loan				
1987, á FIM 1000 interest 7.00 %	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>
<b>21. Reserves and depreciation in excess of plan</b>				
The difference between depreciation according to plan and book depreciation and reserves are shown as an appropriation in the income statement				
Reserves	180.9	260.7	125.4	202.9
Depreciation in excess of plan	<u>69.4</u>	<u>82.1</u>	<u>54.0</u>	<u>77.2</u>
Accumulated appropriations (FAS)	<u>250.3</u>	<u>342.8</u>	<u>179.4</u>	<u>280.1</u>
According to corporate management deferred tax on reserves and depreciation in excess of plan should no be included because				
- it is assumed that reserves will not be reversed in the foreseeable future				
- if reserves will be reversed, it is assumed that it can be done without tax consequences.				
<b>22. Shareholders' equity</b>				
<b>Restricted equity</b>				
<b>Share capital</b>				
K shares				
1.1.	72.4	69.4	72.4	69.4
New issue 1990		3.0		3.0
Conversion of bonds to share capital	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
31.12.	<u>72.4</u>	<u>72.4</u>	<u>72.4</u>	<u>72.4</u>
A shares				
1.1	44.7	40.7	44.7	40.7
New issue		4.0		4.0
Conversion of bonds to share capital		4.0		4.0
31.12.	<u>44.7</u>	<u>44.7</u>	<u>44.7</u>	<u>44.7</u>
	<u>117.2</u>	<u>117.2</u>	<u>117.2</u>	<u>117.2</u>
<b>Reserve fund</b>				
K shares				
1.1.	171.1	115.7	171.1	115.7
New issue, share premium		55.4		55.4
Conversion of bonds to share capital		0.1		0.1
31.12.	<u>171.1</u>	<u>171.1</u>	<u>171.1</u>	<u>171.1</u>
A shares				
1.1.	147.5	116.6	147.5	116.6
New issue, share premium		30.9		30.9
31.12.	<u>147.5</u>	<u>147.5</u>	<u>147.5</u>	<u>147.5</u>

	Consolidated		Parent	
	1991 MFIM	1990 MFIM	1991 MFIM	1990 MFIM
<b>Other restricted equity</b>				
1.1.	29.8	28.4	43.1	43.1
Other changes	<u>2.7</u>	<u>1.4</u>		
31.12.	<u>32.5</u>	<u>29.8</u>	<u>43.1</u>	<u>43.1</u>
Restricted equity, total	<u>468.3</u>	<u>465.5</u>	<u>478.9</u>	<u>478.8</u>
No new revaluations of parent company's fixed assets have taken place during the financial year.				
<b>Unrestricted equity</b>				
<b>Contingency fund</b>				
1.1.			127.3	127.3
31.12.			<u>127.3</u>	<u>127.3</u>
<b>Other unrestricted equity</b>				
1.1.	236.6	252.2	220.3	273.7
Dividends	- 12.2	- 18.8	- 12.2	- 18.8
Other changes	- 17.0	+ 2.5		
Unappropriated profits	207.4	235.9	208.1	254.9
Profit for the year	<u>34.6</u>	<u>0.7</u>	<u>30.3</u>	<u>34.5</u>
31.12.	<u>242.0</u>	<u>236.6</u>	<u>238.4</u>	<u>220.3</u>
Unrestricted equity, total	<u>242.0</u>	<u>236.6</u>	<u>365.7</u>	<u>347.6</u>
Equity, total (FAS)	<u>710.3</u>	<u>702.2</u>	<u>844.5</u>	<u>826.5</u>
IAS-adjustment	<u>224.6</u>	<u>373.5</u>		
Equity, total (IAS)	<u>934.9</u>	<u>1075.7</u>		
<b>23. Pledged assets and contingencies</b>				
<b>Mortgages</b>				
Guarantees for loans				
For own liabilities	185.5	197.2	106.1	127.1
<b>Guarantees</b>				
Guarantees for loans				
For group companies' liabilities			407.2	346.1
For associated companies' liabilities	6.3	17.1	0.1	0.2
<b>Other contingencies</b>				
For own liabilities*	103.1	53.9	13.2	9.3
Other	<u>0.0</u>	<u>16.1</u>	<u>0.0</u>	<u>0.8</u>
<b>Total pledged assets and contingencies</b>	<u>294.9</u>	<u>284.3</u>	<u>526.6</u>	<u>483.5</u>
<b>24. Pension liability</b>				
Deficit in Pension Fund	16.2	14.1	16.2	14.1

\* Other contingencies include an obligation to purchase the shareholding owned by a minority shareholder in one of the group companies.

# Subsidiaries and associated companies

	Number of shares	% of share capital	% of voting power	Nominal value (1000)	Book value (1000)	Book value FIM (1000)
<b>Industrial operations</b>						
<b>Consumer Products Group</b>						
CA Fiskars Canada Inc.		100	100	500 (CAD)	433 (USD)	1786
DE Wilhelm Boos jr. (GmbH & Co)		100	100	1000 (DEM)	5825 (DEM)	15836
DK Fiskars Danmark A/S	211	100	100	20000 (DKK)	75773 (DKK)	52844
ES Fiskars Spain S.A.	1000	100	100	1000 (ESB)	17 (NGL)	41
FI Fiskars Tools Oy Ab	* 100	100	100	1000 (FIM)	18265 (FIM)	18265
FR Fiskars S.A.R.L.	15000	100	100	1500 (FRF)	579 (NLG)	1397
GB Fiskars UK Ltd	1500000	100	100	1500 (GBP)	1500 (GBP)	11577
IT Coltellerie Montana S.r.l.	* 7000	100	100	7000000 (ITL)	22197 (FIM)	22197
NL Fiskars Nederland B.V.	35	100	100	35 (NLG)	35 (NLG)	84
NO Fiskars Norge Redskap A/S	70	100	100	7000 (NOK)	13514 (DKK)	9425
SE Fiskars Konsumentprodukter AB	5000	100	100	50 (SEK)	26115 (SEK)	19401
SE Fiskars Wedevåg Redskap AB	47000	100	100	4700 (SEK)	12793 (DKK)	9504
US Fiskars Inc.	25750	100	100	26185 (USD)	26185 (USD)	108013
Other Consumer subsidiaries (7)						884
<b>Consumer Products Group Associated Companies</b>						
IN Fiskars India Ltd	* 250000	20	20	250000 (INR)	775 (FIM)	775
PL Fiskars Poland Limited	350	35	35	1039 (PLZ)	644 (DKK)	449
<b>Fiskars Power Systems</b>						
DE Fiskars Elektronik GmbH		100	100	450 (DEM)	33 (DEM)	90
DK Fiskars Elektronik A/S		100	100	300 (DKK)	273 (DKK)	171
FI FPS Power Systems Oy Ab	* 50000	100	100	5000 (FIM)	9742 (FIM)	9742
GB Fiskars Electronics Limited	66000	100	100	66 (GBP)	84 (GBP)	648
NO Fiskars Elektronikk A/S	* 500	100	100	50 (NOK)	20 (FIM)	20
NO FPS Power Systems A/S	500	100	100	50 (NOK)	50 (NOK)	34
SE Fiskars Elektronik AB	5000	100	100	500 (SEK)	50 (SEK)	37
<b>Deltec</b>						
MX Deltec S.A.	1000	100	100	1000 (MXP)	25 (USD)	103
US Deltec Electronics Corporation	1000	100	100	21284 (USD)	21284 (USD)	87797
<b>Bronto Skylift</b>						
CA Bronto Skylift (Canada), Ltd.	1	100	100	2 (CAD)	7 (FIM)	7
CH Bronto Skylift AG	50	98	98	50 (CHF)	1073 (FIM)	1073
DE Bronto Skylift GmbH		100	100	50 (DEM)	120 (FIM)	120
FI Bronto Holding Oy Ab	* 500000	100	100	9999 (FIM)	9999 (FIM)	9999
FI Oy Bronto Skylift Ltd	7048	92,7	92,7	705 (FIM)	1129 (FIM)	1129
GB Bronto Skylift (UK) Limited	100	100	100	0,1 (GBP)	0 (FIM)	0
NO Bronto Skylift A/S	15	100	100	150 (NOK)	108 (FIM)	108
SE Bronto Skylift AB	2000	100	100	2000 (SEK)	1486 (FIM)	1486
SG Bronto Skylift Market. (FarEast) Pte	160000	80	80	160 (SGD)	341 (FIM)	341
US Bronto Skylift (USA) Inc.	8000	100	100	8 (USD)	424 (FIM)	424
Other subsidiaries of Bronto Skylift operations (4)						328

The companies marked with a star (\*) are either wholly or partially owned directly by Fiskars Oy Ab.

	Number of shares	% of share capital	% of voting power	Nominal value (1000)	Book value (1000)	Book value FIM (1000)
<b>Associated Company of Bronto Skylift</b>						
SE Svenska Brandslangfabriken AB	1000	50	50	100 (SEK)	2850 (SEK)	2117
<b>Other subsidiaries in industrial operations</b>						
FI Arch Industrial Design Oy	* 40	100	100	60 (FIM)	207 (FIM)	207
FI Elesco Oy Ab	* 5	100	100	1370 (FIM)	2661 (FIM)	2661
<b>Real estate operations</b>						
FI Ferrari Oy Ab	* 750000	100	100	75000 (FIM)	105000 (FIM)	105000
FI Hangon Keskushuolto Ky			100	(FIM)	1634 (FIM)	1634
FI Hangon Sähkö Oy	982	89	89	981 (FIM)	3190 (FIM)	3190
FI Ferrari Services Oy Ab	4049	100	100	405 (FIM)	1215 (FIM)	1215
FI Ferrari Development Oy Ab	120	100	100	60 (FIM)	60 (FIM)	60
Real Estate companies (8)						6834
<b>Holding and finance</b>						
CH Fiskars Finance AG	50	100	100	50 (CHF)	69 (NGL)	166
DE Fiskars GmbH	*	100	100	3550 (DEM)	22471 (FIM)	22471
DK Fiskars Zinck Holding A/S	* 2280	76	76	2280 (DKK)	60829 (FIM)	60829
GB Fiskars Limited, UK	* 100	100	100	0,1 (GBP)	14415 (FIM)	14415
NL Fiskars Europe B.V.	* 150	100	100	150 (NLG)	4299 (FIM)	4299
NO Fiskars A/S	* 30	100	100	150 (NOK)	86 (FIM)	86
SE Fiskars AB	* 50000	100	100	5000 (SEK)	44864 (FIM)	44864
US Fisco Holdings Inc.	* 200	100	100	13970 (USD)	50655 (FIM)	50655
<b>Other group companies</b> (non-operating companies)						
FI Bronto Satalift Oy	160000	100	100	1600 (FIM)	2537 (FIM)	2537
FI Geoinstruments Oy	* 50	100	100	50 (FIM)	1743 (FIM)	1743
FI Sammutin Oy	2000	100	100	500 (FIM)	1838 (FIM)	1838
FI Skarfo Oy Ab	* 42450	100	100	4245 (FIM)	4245 (FIM)	4245
DE 3Plus GmbH	2	100	100	272 (DEM)	272 (DEM)	739
DK Fiskars A/S	3000	100	100	300 (DKK)	586 (DKK)	409
SE Fiskars Knivman AB	30000	100	100	3000 (SEK)	12357 (SEK)	9180
SE Fiskars Maskin AB	900	100	100	90 (SEK)	1057 (SEK)	785
SE Lebolift AB	1500	100	100	150 (SEK)	640 (FIM)	640
SE AB Norbergs Spad & Redskapsfabriker	4000	100	100	400 (SEK)	9500 (SEK)	7058
US Kitchen Devils Ltd	100100	100	100	100 (GBP)	100 (GBP)	772
Other subsidiaries (8)						233
<b>Associated company</b>						
FI Private Banker Ane Gyllenberg Oy	* 108048	36,7	36,7	(FIM)	10331 (FIM)	10331
<b>Other companies</b>						
FI Metra Oy Ab. A restricted	* 2043076	15,5	13,5	(FIM)	511843 (FIM)	511843
FI Metra Oy Ab. A non-restricted	* 185259	28,0	1,2	(FIM)	46412 (FIM)	46412
FI Metra Oy Ab. B restricted	* 1114787	15,5	0,7	(FIM)	133825 (FIM)	133825
FI Metra Oy Ab. B non-restricted	* 124581	2,2	0,1	(FIM)	14955 (FIM)	14955
Total		12,9	15,5		707035	707035

Metra shares owned by Fiskars were quoted at Helsinki Stock Exchange at FIM 278.2 million at the end of 1991: A-shares 97 FIM/share, B-shares 50 FIM/share and B-shares non-restricted 50.50 FIM/share. Market quotations on March, 6, 1992 were as follows: A-shares 116 FIM, B-shares 72.50 FIM and B non-restricted 75 FIM.

The subsidiaries and associated companies are listed above if the book value of the shares exceeds FIM 250 thousand. Value of other shares in fixed assets was FIM 15.2 million of which in the parent company's fixed assets FIM 13.2 million. A complete list of all shareholdings is available at Fiskars Head Office.

## RATIOS REFLECTING THE DEVELOPMENT OF THE FISKARS CORPORATION (FAS)

### Ratios are based on financial statements

(Ratios have been calculated in accordance with the rules set forth by the Finnish Banking Inspection)

		1991	1990	1989	1988	1987
Net sales	MFIM	<b>1558</b>	1558	1564	1302	1068
of which outside Finland	MFIM	<b>1276</b>	1203	1157	937	758
in per cent of net sales	%	<b>82</b>	77	74	72	71
Percentage change of net sales	%	<b>0.0</b>	-0.4	20.1	21.9	45.7
Operating margin	MFIM	<b>113</b>	108	114	112	112
in per cent of net sales	%	<b>7.3</b>	6.9	7.3	8.6	10.5
Operating profit	MFIM	<b>36</b>	35	44	66	76
in per cent of net sales	%	<b>2.3</b>	2.2	2.8	5.1	7.1
Financial net	MFIM	<b>75</b>	64	31	6	17
in per cent of net sales	%	<b>4.8</b>	4.1	2.0	0.5	1.6
Earnings after financial items	MFIM	<b>-39</b>	-29	13	60	58
in per cent of net sales	%	<b>-2.5</b>	-1.9	0.8	4.6	5.4
Earnings before appropriations and tax	MFIM	<b>-35</b>	39	31	165	83
in per cent of net sales	%	<b>-2.2</b>	2.5	2.0	12.7	7.8
Taxes	MFIM	<b>-21</b>	15	10	6	6
Dividends paid	MFIM	<b>12*</b>	12	19	19	12
Share of result in associated companies	MFIM	<b>0</b>	35	31	20	5
Capital expenditure	MFIM	<b>73</b>	641	457	157	167
in per cent of net sales	%	<b>5</b>	41	29	12	16
Persons employed, avg.		<b>3304</b>	3531	3758	3024	2304
Persons employed, Dec. 31		<b>3174</b>	3448	3780	3084	2890
of which outside Finland		<b>2068</b>	2206	2514	1877	1210
Non-interest bearing debt	MFIM	<b>291</b>	297	319	244	179
Interest bearing debt	MFIM	<b>945</b>	963	958	624	547
Minority shareholders' equity	MFIM	<b>0</b>	13	14		3
Untaxed reserves	MFIM	<b>250</b>	343	319	311	210
Equity	MFIM	<b>710</b>	702	623	632	455
Balance sheet total	MFIM	<b>2197</b>	2318	2234	1811	1393
Return on investment	%	<b>3.7</b>	3.7	6.4	9	10
Return on equity	%	<b>neg</b>	neg	0.4	7	9
Equity ratio	%	<b>44</b>	45	42	52	48

\* Board of Directors' proposal, see page 38.

Return on investment in per cent =  $\frac{\text{Earnings after financial items} + \text{interest and other financial expense}}{\text{Balance sheet total} - \text{non-interest bearing debt (average of beginning and end of year amounts)}} \times 100$

Return on equity in per cent =  $\frac{\text{Earnings after financial items} - \text{tax}}{\text{Equity} + \text{minority shareholders' equity} + \text{untaxed reserves (average of beginning and end of year amounts)}} \times 100$

Equity ratio in per cent =  $\frac{\text{Equity} + \text{minority shareholders' equity} + \text{untaxed reserves}}{\text{Balance sheet total}} \times 100$

## INFORMATION ON FISKARS SHARES

### Ratios at Dec. 31

(Ratios have been calculated in accordance with the rules set forth by the Finnish Banking Inspection)

	1991	1990	1989	1988	1987
Share capital, FIM million	<b>117.2</b>	117.2	110.1	100.1	80.9
Shares, 1000 (nominal value FIM 20 each)					
A-series	<b>1421</b>	1421	1281	1281	845
Non-restricted A-series	<b>816</b>	816	756	756	152
K-series	<b>2883</b>	2883	2777	2777	2533
Non-restricted K-series	<b>722</b>	722	677	677	517
Total	<b>5842</b>	5842	5491	5491	4046
Adjusted number of shares at the end of the year, 1000	<b>5842</b>	5842	5491	5491	4318
Adjusted average number of shares, 1000	<b>5842</b>	5760	5491	5336	4290
Earnings per share, FIM	<b>neg</b>	neg	5.90	14.00	13.35
- incl. extraordinary items	<b>neg</b>	9.95	9.05	34.00	19.10
Nominal dividend per share FIM					
A-series	<b>2.40*</b>	2.40	3.80	3.80	3.40
K-series	<b>1.90*</b>	1.90	3.20	3.20	2.80
Dividend, FIM million	<b>12.2*</b>	12.2	18.8	18.8	11.9
Dividend per earnings in per cent	<b>neg</b>	neg	58.0	24.7	21.0
Adjusted dividend per share, FIM					
A-shares	<b>2.40*</b>	2.40	3.80	3.80	3.18
K-shares	<b>1.90*</b>	1.90	3.20	3.20	2.62
Price per earnings					
A-series	<b>neg</b>	neg	22.9	13.6	14.5
Non-restricted A-series	<b>neg</b>	neg	27.1	14.6	16.2
K-series	<b>neg</b>	neg	58.6	31.4	22.5
Non-restricted K-series	<b>neg</b>	neg	60.2	32.1	23.9
Dividend yield in per cent					
A-series	<b>4.4</b>	3.2	2.8	2	1.6
Non-restricted A-series	<b>4.4</b>	3.2	2.4	1.9	1.5
K-series	<b>1.9</b>	1.1	0.9	0.7	0.9
Non-restricted K-series	<b>1.8</b>	1.1	0.9	0.7	0.8
Equity per share, FIM	<b>164.43</b>	178.89	171.54	171.67	153.88
Market value of share capital, FIM million	<b>486</b>	780	1486	1925	1199
Number of shareholders	<b>3602</b>	3580	3554	3517	2849

\* Board of Directors' proposal, see page 38.

Earnings per share, FIM =  $\frac{\text{Earnings after financial items} + \text{share of results in associated companies} - \text{dividends from associated companies} - \text{minority interest} - \text{taxes}}{\text{Adjusted average number of shares}}$

Dividend per earnings in per cent =  $\frac{\text{Dividend paid}}{\text{Earnings (calculated as in earnings per share)}} \times 100$

Dividend per share, FIM =  $\frac{\text{Dividend paid}}{\text{Adjusted number of shares Dec. 31}}$

Price per earnings =  $\frac{\text{Adjusted market quotation Dec. 31}}{\text{Earnings per share}}$

Equity per share =  $\frac{\text{Equity} + \text{untaxed reserves}}{\text{Adjusted number of shares Dec. 31}}$

# PER SHARE DATA ADJUSTED FOR SHARE ISSUE

(Ratios have been calculated in accordance with the rules set forth by the Finnish Banking Inspection)

	1991	1990	1989	1988	1987
Dividend per share, FIM					
Series A	<b>2.40*</b>	2.40	3.80	3.80	3.18
Series A, non-restricted	<b>2.40*</b>	2.40	3.80	3.80	3.18
Series K	<b>1.90*</b>	1.90	3.20	3.20	2.62
Series K, non-restricted	<b>1.90*</b>	1.90	3.20	3.20	2.62
Dividend yield, in per cent					
Series A	<b>4.4</b>	3.2	2.8	2.0	1.6
Series A, non-restricted	<b>4.4</b>	3.2	2.4	1.9	1.5
Series K	<b>1.9</b>	1.1	0.9	0.7	0.9
Series K, non-restricted	<b>1.8</b>	1.1	0.9	0.7	0.8
Price/earnings ratio					
Series A	<b>neg</b>	neg	22.9	13.6	14.5
Series A, non-restricted	<b>neg</b>	neg	27.1	14.6	16.2
Series K	<b>neg</b>	neg	58.6	31.4	22.5
Series K, non-restricted	<b>neg</b>	neg	60.2	32.1	23.9
Adjusted average price per share, FIM					
Series A	<b>67.83</b>	125.45	180.70	207.63	187.50
Series A, non-restricted	<b>77.16</b>	133.32	205.43	217.15	210.86
Series K	<b>123.31</b>	245.22	396.18	412.57	317.07
Series K, non-restricted	<b>185.41</b>	237.62	416.82	418.68	326.11
Adjusted lowest price per share, FIM					
Series A	<b>46.50</b>	65.00	115.00	163.93	155.22
Series A, non-restricted	<b>49.60</b>	72.00	130.00	173.55	121.95
Series K	<b>98.00</b>	170.00	250.00	281.03	234.19
Series K, non-restricted	<b>98.00</b>	170.00	280.00	281.42	248.59
Adjusted highest price per share, FIM					
Series A	<b>95.00</b>	160.00	205.00	212.65	257.61
Series A, non-restricted	<b>115.00</b>	195.00	250.00	260.79	261.73
Series K	<b>200.00</b>	390.00	454.00	449.65	363.47
Series K, non-restricted	<b>220.00</b>	410.00	500.00	445.59	359.29
Market value of shares Dec 31, FIM million					
Series A	<b>78.2</b>	105.9	166.6	243.5	177.4
Series A, non-restricted	<b>44.0</b>	61.2	120.9	154.9	34.9
Series K	<b>288.2</b>	490.1	957.9	1221.7	810.5
Series K, non-restricted	<b>75.8</b>	122.8	240.4	304.7	175.5
Number of shares traded, 1000					
Series A	<b>63.3</b>	84.1	309.1	378.6	254.8
in per cent of the total number of series A	<b>4.5</b>	5.9	24.1	31.0	29.6
Series A, non-restricted	<b>34.9</b>	20.4	93.2	34.8	38.6
in per cent of the total number of series A	<b>4.3</b>	2.5	12.3	5.1	24.9
Series K	<b>51.9</b>	60.8	177.7	363.4	221.6
in per cent of the total number of series K	<b>1.8</b>	2.1	6.4	13.1	8.2
Series K, non-restricted	<b>21.9</b>	35.8	33.2	16.1	154.1
in per cent of the total number of series K	<b>3.0</b>	5.0	4.9	2.5	27.6
Adjusted number of shares, average, 1000					
Series A	<b>1421.5</b>	1421.5	1281.4	1223.2	861.1
Series A, non-restricted	<b>815.7</b>	815.7	755.7	681.2	155.3
Series K	<b>2882.9</b>	2882.7	2776.5	2776.5	2715.2
Series K, non-restricted	<b>722.2</b>	722.2	677.2	655.3	558.4
Adjusted number of shares Dec 31, 1000					
Series A	<b>1421.5</b>	1421.5	1281.4	1281.4	901.7
Series A, non-restricted	<b>815.7</b>	815.7	755.7	755.7	161.8
Series K	<b>2882.9</b>	2882.7	2776.5	2776.5	2703.9
Series K, non-restricted	<b>722.2</b>	722.2	677.2	677.2	550.8

Dividend yield in per cent =  $\frac{\text{Dividend per share}}{\text{Adjusted quotation at the end of period}} \times 100$

Adjusted average share price =  $\frac{\text{Value of shares traded during the period}}{\text{Adjusted number of shares traded during the period}}$

## Shares and voting rights

The share capital of Fiskars Oy Ab consists of K-series and A-series shares. Each share of the K-series confers the right of 20 votes and of the A-series one vote.

Share category	Quantity	Nominal value per share, FIM	Total FIM
A shares	2 237 188	á 20	44 743 760
K shares	3 605 057	á 20	72 101 140
K shares redeemed by the company	15 500	á 20	310 000
	<u>5 857 745</u>		<u>117 154 900</u>

If the Annual General Meeting declares a distribution of dividends, A-series shares are entitled to a dividend of at least two (2) percentage points higher than the K-series shares. When the share capital is increased through a share issue comprising both share categories, holders of K-series shares have a pre-emptive right to subscribe to new K-series shares, and holders of A-series shares to new A-series shares. If the share capital is increased by an issue of one category of shares only, all shareholders have an equal right to subscribe to the new shares. The company's minimum share capital is FIM 44,640,000 and the maximum share capital is FIM 178,560,000, within which limits the share capital may be increased or decreased by decision of the meeting of shareholders without amendment of the company's Articles of Association. The nominal value per share is FIM twenty (20). The company has K shares and A shares in an aggregate number of at maximum 8,928,000. The number of K shares shall be 8,928,000 at most, and the number of A shares 8,928,000 at most. The paid-up, registered share capital at 31.12.1991 was FIM

117,154,900; the total quantity of K-series and A-series shares corresponded to 74,338,328 votes.

## Restricted and unrestricted shares

Free shares do not contain restrictions on their transfer. By contrast, restricted shares bear a marking prohibiting the transfer of shares to a foreigner or a foreign corporation, or to a Finnish corporation or foundation, referred to in the Act of 28th July 1939, concerning the right of foreigners and certain corporations to own and possess fixed assets and shares. At a meeting of shareholders no-one shall cast more than 1/5 of the total votes of the shares represented at the meeting. In addition the voting rights of free shares at general meetings of shareholders is determined in accordance with the provision of the above act. Free shares represented 26.3% of all shares in Fiskars at December 31, 1991. If all the rights to acquire free shares on the basis of warrants are exercised, the quantity of free shares will increase to 26.9%. According to the provisions of the Articles of Association, the quantity of free Fiskars shares may not exceed 40%.

## Number of shares outstanding:

Share category	Restricted number of shares	Unrestricted number of shares	Total number of shares
A shares	1 421 467	815 721	2 237 188
K shares	2 882 856	722 201	3 605 057
	<u>4 304 323</u>	<u>1 537 922</u>	<u>5 842 245</u>

### Currently valid authorizations to issue shares and raise loans

The annual general meeting of shareholders of April 11, 1991, authorized the Board of Directors from April 11, 1991 to decide within the period of one year on an increase of the share capital through a new issue, in one or several quotas, and/or to decide on issuing one or several bond loans and/or option loans deviating from the shareholders' pre-emptive subscription rights. Through such new share issue, conversion of bonds and exercising the subscription rights of warrants the share capital can be increased by a maximum of FIM 10,000,000. A maximum of 500,000 shares with a nominal value of FIM 20 each can be issued, of which a maximum of 150,000 can be K-series shares. Further, the annual general meeting of sha-

reholders authorized the Board of Directors to decide upon the issue of a convertible bond loan and/or an option loan at a maximum value of FIM 100,000, to the Corporation's international and Finnish operative management within a period of one year from April 11, 1991. By exercising these issuing rights the corporation's share capital can be increased by a maximum of FIM 2 million through issuing a maximum of 100,000 A-series shares. The annual general meeting further authorized the Board of Directors to decide within the period of one year from April 11, 1991 upon the increase of share capital by a maximum of FIM 860,000 by issuing a maximum of 43,000 free A-series shares to holders of the company's warrants. According to the terms of the option loan the subscription price is FIM 170 per share.

Authorizations which have up to date not been exercised by the Board

- 500,000 shares, of which not more than 150,000 can be K-series shares, representing 4.3% of the votes;
- 100,000 A-series shares (free), representing 0.13% of the votes;
- 43,000 A-series shares (free), representing 0.06% of the votes

The Board of Directors does not intend to exercise these authorizations.

### Taxation values of the shares in Finland

The taxation values of Fiskars shares, approved for the 1991 taxation in Finland:

Share category	Taxation value, FIM
A, restricted	36,-
A, unrestricted	37,-
K, restricted	70,-
K, unrestricted	74,-

### Turnover of Fiskars shares on Helsinki Stock Exchange

Fiskars shares are listed on the Helsinki Stock Exchange. Turnover of Fiskars shares during the year 1991 was as follows:

Share category	Trading value		Quotation		Exchange quotation Dec. 30, 1991
	FIM million	Quantity	lowest	highest	
A restricted	4.3	63 339	46.50	95.00	50.20 *)
A unrestricted	2.7	34 890	49.60	115.00	52.00**)
K restricted	6.4	51 853	98.00	200.00	100.00*)
K unrestricted	4.1	21 875	98.00	220.00	100.00**)
	17.5	171 957			

\*) close

\*\*) purchase quotations

### Shareholders according to share ownership on December 31, 1991:

At the end of the year Fiskars had 3,602 (3,580) registered shareholders.

Number of shares	Shareholders		Shares	
	Quantity	%	Quantity	%
1- 100	2 075	57.6	68 564	1.2
101- 500	1 004	27.9	232 898	4.0
501- 1 000	207	5.7	148 148	2.5
1 001- 10 000	251	7.0	775 361	13.3
10 001-100 000	51	1.4	1 599 829	27.4
100 001-	14	0.4	3 017 445	51.6
Total	3 602		5 842 245	

### The biggest shareholders were on December 31, 1991:

	A shares		K shares		Total	Percentage of	
	restr.	unrestr.	restr.	unrestr.		shares	votes
Agrofin Oy Ab	208 340	82 149	370 772	66 358	727 619	12.5	12.2
Investor AB		263 400		212 000	475 400	8.1	6.1
Metra Oy Ab	29 000	19 772	62 300	117 340	228 412	3.9	4.9
Sampo Insurance Company Ltd.	62 522	12 716	121 283	11 865	208 386	3.6	3.7
Sophie von Julin foundation	24 058	5 736	130 186	700	160 680	2.8	3.6
I.A. von Julin's trust	23 495	15 970	94 755	30 200	164 420	2.8	3.4
Oy Julius Tallberg Ab	37 268	13 052	97 521	18 095	165 936	2.8	3.2
Pruna Oy Ab	16 612	3 638	104 338	3 738	128 326	2.2	2.9
Sumarum Oy Ab	16 612	3 638	104 338	3 738	128 326	2.2	2.9
Takava Oy Ab	16 612	3 638	104 338	3 738	128 326	2.2	2.9
Vessilä Oy Ab	16 312	3 638	104 338	3 738	128 026	2.2	2.9
Virala Oy	22 612	16 676	45 848	37 200	122 336	2.1	2.3
Industrial Mutual Insurance Company	32 140	6 500	73 442	6 170	118 252	2.0	2.2
Neste Battery Ltd.		130 000			130 000	2.2	0.2

### Management share ownership

The Board members, the acting President and the Vice Presidents owned, on December 31, 1991 a total of 22,348 Fiskars' unrestricted A shares and 48,596 restricted A shares and a total of 26,625 unrestricted K shares and 116,744 restricted K shares (amounting to 214,313 shares in total), controlling 4.0% of the voting rights.

### Convertible bonds and warrants

#### Convertible bonds

at January 1, 1991	3 717
Converted into shares	21
at December 31, 1991	3 696
Converted into shares during January 2 to January 15, 1992	1 207
Unconverted at January 16, 1992	2 489

The convertible bond loan was due on February 1, 1992.

#### Warrants

Warrants that entitle to subscription of 43,000 free A shares have been sold to the corporation's international and Finnish operative management.

## FINANCIAL STATEMENTS, PARENT COMPANY (FIM Mill.)

Income statement			Funds statement		
	1991	1990		1991	1990
<b>Net sales</b>	<b>227.7</b>	<b>384.9</b>	<b>Operations</b>		
<b>Variable and fixed cost</b>			Operating margin	- 5.1	11.5
Materials and supplies	- 72.5	-175.0	Financial net	- 27.0	6.0
Wages and salaries	- 46.8	- 78.7	Extraordinary items	6.1	93.7
Other personnel costs	- 27.6	- 43.3	Taxes	- 10.6	- 10.1
Rents and leases	- 8.3	- 17.4	Dividends paid	- 12.2	- 18.8
Other variable and fixed costs	- 49.5	- 59.2		- 48.8	82.1
Production for own use	1.3	3.8	Change in working capital	8.5	147.0
Change in inventories	- 29.4	- 3.6			
	<b>-232.8</b>	-373.4	Net financing from year's operations	- 40.3	229.3
<b>Operating margin</b>	<b>- 5.1</b>	11.5	<b>Net investments</b>		
Depreciation according to plan	- 12.9	- 16.0	Capital expenditure in industrial assets	- 10.3	- 25.3
Operating profit/loss	- 18.0	- 4.5	Sale of fixed assets	17.6	1.0
			Investments in shares	- 79.8	-638.4
<b>Financial income and expense</b>			Decrease in shares	17.6	228.8
Dividend income from subsidiaries	16.3	6.4		- 54.9	-433.9
Other dividend income	16.5	10.8	Deficit after net investments	- 95.2	-204.6
Interest income	22.9	25.9	<b>Financing</b>		
Interest expense	- 54.8	- 41.8	Increase of share capital	0.0	93.5
Other financial income			Change in long-term debt	72.7	8.9
and expense	- 27.9	4.7	Change in short-term loans	33.3	73.5
	- 27.0	6.0		106.0	175.9
Result after financial items	- 45.0	1.5	Change in liquid funds	10.8	- 28.7
<b>Other income and expense</b>					
Other income	1.8	161.8	Liquid funds at the beginning of the year	62.4	91.1
Other expense	- 19.6	-156.1	Liquid funds at the end of the year	73.2	62.4
Group contributions	23.9	- 36.0		10.8	- 28.7
	6.1	- 30.3			
Result before appropriations and tax	- 38.9	- 28.8			
Depreciation in excess of plan	2.2	- 1.4			
Change in inventory reserve	10.5	1.1			
Change in other reserves	67.0	4.7			
Taxes	- 10.6	- 10.1			
Net result for the financial year	30.3	- 34.5			

### PARENT COMPANY BALANCE SHEET (FIM Mill.)

[illegible]

These statements are based on official parent company financial statements.

# **PROPOSAL BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING**

At the end of the financial year the consolidated unrestricted equity amounted, according to the Balance Sheet, to FIM 242.0 million and the unrestricted equity of the Parent Company to FIM 365.7 million.

The Board proposes, that from funds at the disposal of the Annual General Meeting

a dividend of 12.0 % corresponding to FIM 2.40

per share\* be paid on shares of series A

a dividend of 9.5 % corresponding to FIM 1.90

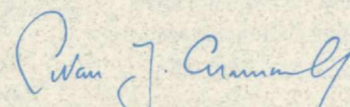
per share\* be paid on shares of series K


FIM 5 369 251.20

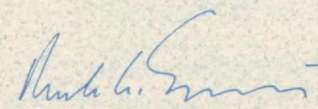
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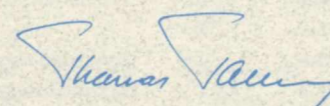
FIM 12 218 859.50

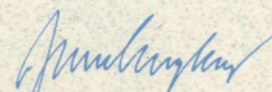
Helsinki March 10, 1992

  
Göran J. Ehrnrooth


  
Matti Pekkanen

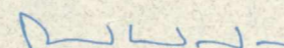
  
Robert G. Ehrnrooth

  
Thomas Tallberg

  
Jarl Engberg

  
Gustaf Gripenberg

  
Olof Bruncrona

  
Ronald Wrede

\* Provided that the Annual General Meeting adopts the Board of Directors' dividend proposal, the dividend tax payable by Fiskars Oy Ab in accordance with the Avoir Fiscal tax system will be:

FIM 1.60 per each A series share

FIM 1.27 per each K series share

# **AUDITORS' REPORT**

We have examined the annual financial statements, the consolidated financial statements, the accounting records and the administration of the Board of Directors and the Managing Director of Fiskars Oy Ab for the financial year 1991. Our examination was made in accordance with generally accepted auditing standards in Finland.

## **Parent company**

The annual financial statements have been prepared in accordance with the regulations in force.

As our audit has not given rise to any comments regarding the financial statements and the administration we recommend

that the income statement and the balance sheet be adopted,

that the unappropriated earnings be dealt with in accordance with the Board of Directors' proposal,

that the members of the company's Board of Directors and the Managing Director be discharged from

liability for the financial period audited by us.

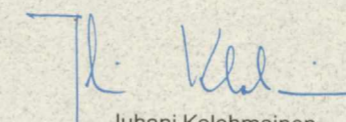
## **Group**

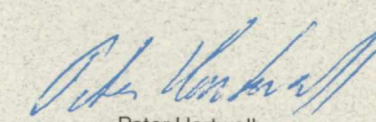
The consolidated financial statements have been prepared in accordance with the regulations in force.

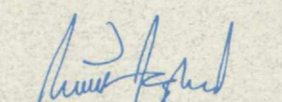
The unrestricted equity of the group, FIM 242.0 million, is shown in the balance sheet in accordance with the Companies Act.

We recommend that the consolidated income statement and the consolidated balance sheet be adopted.

Helsinki, March 12, 1992

  
Juhani Kolehmainen

  
Peter Hartwall

  
Eric Haglund  
Certified Public Accountant

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FISKARS

production  
sales and marketing  
joint ventures in India  
and Poland

FISKARS