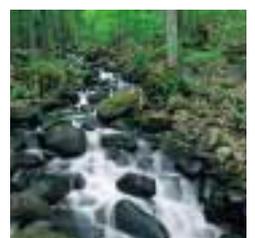
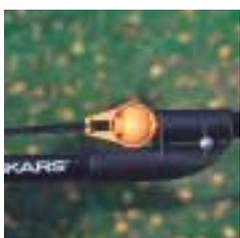


A close-up, artistic photograph of a pair of pliers. The pliers are dark blue or black, with silver-colored metal jaws. The background is a vibrant, solid blue. The lighting creates strong highlights and shadows, emphasizing the metallic texture and the sharp edges of the jaws. The pliers are positioned diagonally across the frame, with the handles at the bottom and the jaws pointing towards the top left.

ANNUAL REPORT 2000

FISKARS



Cover: Fiskars new hedge shears have already been awarded Chicago Athenaeum's Good Design 2000 and If Industrie Design Hannover's Design Award Winner 2001.

Annual Report 2000

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After grueling tests, Fiskars camping spade was approved both by the Finnish Defense Forces and Nato.

Information to Shareholders

The Annual General Meeting of the shareholders of Fiskars Corporation will be held on March 15, 2001 at 4.30 p.m. at the Finlandia Hall, Mannerheimintie 13 e, Helsinki.

Shareholders registered at March 5, 2001 in the shareholder register maintained by the Finnish Central Securities Depository Ltd. (Suomen Arvopaperikeskus Oy) are entitled to participate in the meeting. Shareholders wishing to attend the meeting should inform Fiskars Corporation not later than 4.30 p.m. on March 13.

Payment of dividend

The Board of Directors proposes that the Annual General Meeting declares a dividend of 0.31 euros per share of series A and 0.29 euros per share of series K. The record date for the dividend is March 20, 2001 and the payment date March 27, 2001.

Annual Report 2000

This Annual Report is published in Finnish, Swedish and English. The Annual Report is published on Fiskars Corporation's website www.fiskars.fi.

In 2001, the interim reports will be published as follows:

| | |
|---------------------|---------|
| January – March | week 19 |
| January – June | week 33 |
| January – September | week 44 |

The interim reports are published on Fiskars Corporation's website www.fiskars.fi. They can also be ordered by phone: +358 9 618 861, fax: +358 9 604 053 or e-mail: info@fiskars.fi.

Stock exchange information

Stock exchange releases are published in Finnish, Swedish and English also on Fiskars Corporation's website www.fiskars.fi.

| Summary of operations*) | 2000 | 1999 |
|-------------------------|------|------|
| | M€ | M€ |
| Net sales | 824 | 665 |
| Operating profit | 28 | 49 |
| Net profit | 26 | 40 |
| Balance sheet total | 1016 | 879 |
| Equity ratio | 39 % | 44 % |

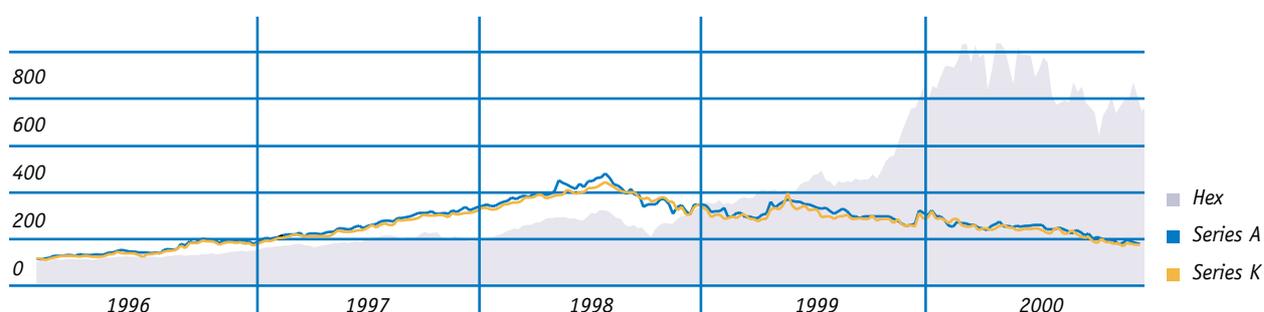
| Share data | € | € |
|----------------|------|------|
| Earnings/share | 0.46 | 0.73 |
| Equity/share | 7.17 | 6.92 |

| | | |
|-----------------------|------|------|
| Personnel at year-end | 5337 | 5657 |
|-----------------------|------|------|

*) A complete summary is presented on page 42.

| Exchange rates to the euro | 2000 | 1999 | 2000 | 1999 |
|----------------------------|------------------|---------------|-------|---------|
| | Income Statement | Balance Sheet | | |
| USD | 0.924 | 1.066 | 0.931 | 1.005 |
| GBP | 0.609 | 0.659 | 0.624 | 0.622 |
| SEK | 8.445 | 8.808 | 8.831 | 8.563 |
| NOK | 8.113 | 8.310 | 8.234 | 8.077 |
| DKK | 7.454 | 7.436 | 7.463 | 7.443 |
| FIM | | 5.94573 | | 5.94573 |

Trend of Fiskars share price compared to Hex (1996=100)



President's Review



Bertel Langenskiöld

The past year brought about significant changes both in the structure and management of Fiskars Corporation.

Fiskars Consumer Products were restructured by transferring its operations under Fiskars' wholly owned subsidiary Fiskars Consumer Products, Inc. (FCPI), headquartered in Madison, Wisconsin (USA). Mr. William (Bill) Denton assumed his responsibilities as the new President of the company on August 1.

Operationally last year was difficult for the consumer products business. The rapid growth through acquisitions in recent years and, more importantly, the declining US economy force us to examine the present structure and strategies of the company with a critical eye.

In the United States, especially the Garden category suffered from profitability problems, partly due to high raw-material prices in the latter half of the year. Also the Home, Office & Craft, and Leisure categories were adversely affected by the weakening economic trend but managed to retain their good profitability. The Wausau unit responsible for the scissors manufacture in the United States once again showed its strength in spite of the ruthless competition in many of its product segments, fueled by high dollar exchange rates and the resulting increase in imports.

In Europe, the profitability of operations declined in the UK and Germany. Operative measures were taken in the British market during the year to rectify the situation, and the German units are currently implementing a significant structural change. The Nordic markets have

been traditionally strong for Fiskars; an example of this is that Fiskars Norge AS was awarded the best non-listed company in Norway by Finansavisen Newspaper. The factories in Billnäs and Fiskars in Finland which supply products to other Fiskars units worldwide posted an excellent performance. The basis of future success was further strengthened by the introduction of new award-winning products.

The strong image of Fiskars name in its traditional product segments will provide a good basis for a continued development of activities above all in North America and Europe.

On the other hand, the present volume of the consumer products operations, approximately 800 million euros, ensures the critical mass making Fiskars a significant player in its selected market segments. At the same time the present size also offers a good possibility for a critical examination of the chosen strategies as well as for growth through acquisitions and organic growth supported by innovative products and new markets.

Inha Works had a very successful year both in the boat and hinge sectors. Fiskars continued to increase its market shares in the boat sector; especially the new bigger Buster models were extremely successful.

Fiskars Real Estate business posted a record performance. The resources invested in Fiskars Village are

widely known and the activity connected with the Village is financially profitable. The well managed forests generate good returns.

Long-term industrial investments in Wärtsilä Corporation, Sanitec and EQT Funds are important to Fiskars. During several years they have provided good yields and contributed significantly to the performance of last year.

As the new President I have the pleasure of thanking my predecessor Mr. Stig Stendahl who leaves his post to go on retirement for everything he has done for Fiskars Corporation. At the same time I wish him all the best for the future.

May I also use this opportunity to thank our customers, shareholders, suppliers and the entire Fiskars personnel who create the possibilities for Fiskars, Finland's oldest industrial corporation, to survive, grow and develop ; today.



Board of Directors and Auditors



From left:
Alexander Ehrnrooth,
Stig Stendahl,
Gustaf Gripenberg,
Robert G. Ehrnrooth,
Göran J. Ehrnrooth,
Mikael von Frenckell,
Juha Toivola,
Thomas Tallberg,
Paul Ehrnrooth.

BOARD OF DIRECTORS OF FISKARS CORPORATION

Göran J. Ehrnrooth (1934)

Chairman since 1984, elected to the Board in 1974. Term expires in 2003. President of the Corporation during 1969-1983. Member of the Board of Directors of Wärtsilä Corporation and Assa Abloy AB. Member of the Supervisory Board of Rautaruukki Corporation. Holds 386,347 Fiskars shares.

Mikael von Frenckell (1947)

Vice Chairman, elected to the Board in 2000. Term expires in 2002. M.Sc.(Pol.). Chairman of the Board and Partner in Sponsor Capital Ltd. Chairman of the Board of Tamfelt Corporation, Tamro Corporation and The Finnish Foundation for Share Promotion. Holds 30,000 Fiskars shares.

Robert G. Ehrnrooth (1939)

Elected to the Board in 1966. Term expires in 2002. Lic.Sc.(Econ.). Chairman of the Board of Directors of Wärtsilä Corporation and member of the Board of Directors of Finnair Corporation. Holds 596,264 Fiskars shares.

Thomas Tallberg (1934)

Elected to the Board in 1966. Term expires in 2003. M.D., The Institute for Bio-Immunotherapy. Chairman of the Board of Directors of Tallberg Group. Holds 502 Fiskars shares.

Gustaf Gripenberg (1952)

Elected to the Board in 1986. Term expires in 2001. D.Eng., Professor, Helsinki University of Technology. Holds 137,625

Fiskars shares.

Juha Toivola (1947)

Elected to the Board in 1997. Term expires in 2003. A.M.(Sc.M.). President of Industrial Insurance Company Ltd. and Vice President of the Sampo Group until February 1, 2001. Member of the Board of Elcoteq Network Corporation, Partek Corporation, Sanitec Corporation and Tamro Corporation. Holds 34,214 Fiskars shares.

Stig Stendahl (1939)

Elected to the Board in 2000. Term expires in 2001. M.Sc.(Ing.). President of the Corporation during 1992-2000. Member of the Board of Directors of KCI Konecranes International Plc. and Sanitec Corporation. Holds 87,482 Fiskars shares.

Deputy Members

Paul Ehrnrooth (1965)

Elected to the Board in 2000. Term expires in 2003. M.Sc.(Econ.) Chairman of the Board of Directors in Savox International Corporation. Holds 85,490 Fiskars shares.

Alexander Ehrnrooth (1974)

Elected to the Board in 2000. Term expires in 2003. M.Sc.(Econ.) MBA. CEO of Virala Ltd., Member of the Board of Menire Corporation (public). Holds 93,869 Fiskars shares.

AUDITORS

Ordinary

Eric Haglund

Authorized Public Accountant

Deputy

KPMG Wideri Oy Ab

Corporation of Auditors

Corporate Management

CORPORATE MANAGEMENT

| | | Employed since |
|----------------------------|--|----------------|
| Bertel Langenskiöld (1950) | President and CEO | 2000 |
| Ingmar Lindberg (1945) | Corporate Vice President, Real Estate and Administration | 1985 |
| Ove Bäckman (1950) | Vice President, Corporate Control | 1983 |
| Kurt-Erik Forsstedt (1942) | Vice President, Legal Counsel | 1980 |
| Erkki Hokkinen (1947) | Vice President, Corporate Development | 1988 |
| Leena Kahila-Bergh (1959) | Vice President, Corporate Communications | 1989 |
| Juha Rauhala (1954) | Vice President, Corporate Finance | 1989 |

BUSINESS AREAS

Fiskars Consumer Products, Inc.

| | | |
|---------------------------|--|------|
| William J. Denton (1944) | President | 2000 |
| Thomas H. Beyer (1954) | Senior Vice President, Controller | 2001 |
| Richard S. Krause (1961) | Senior Vice President, Market Development | 2001 |
| Anita A. Loch (1948) | Vice President, Human Resources | 2001 |
| Stephen J. Ruelle (1963) | Vice President, Business Development | 1989 |
| C. Steve Ramsey (1947) | Vice President, USA; Home, Office and Craft Products | 1984 |
| Gareth Davies (1960) | Vice President, Europe | 1986 |
| Michael P. Vierzba (1948) | Vice President, International | 1984 |

Inha Works

| | | |
|-----------------------|---|------|
| Pauli Lantonen (1939) | President until June 30, 2001 | 1968 |
| Vesa Koivula (1954) | Vice President, President from July 1, 2001 | 1995 |

Real Estate

Ferraria Oy Ab

| | | |
|------------------------|-----------|------|
| Ingmar Lindberg (1945) | President | 1985 |
|------------------------|-----------|------|

Consumer Products



William J. Denton

Fiskars' global consumer products operations are managed by its subsidiary Fiskars Consumer Products, Inc. (FCPI), headquartered in Madison, USA. Manufacturing units are located in the United States and Europe, and the company has worldwide distribution network in addition to its own sales offices. Mr. William J. Denton was appointed President of FCPI as from August 2000.

Activities during the year focused on integrating the companies acquired in the past couple of years with Fiskars' corporate culture, on developing customer service and analyzing the strategic values of the various business units.

The United States remains the principal market for Fiskars consumer products, where homogenous and well developed distribution channels together with the increased recognition of Fiskars brand will strengthen the Corporation's market position. Over 70 per cent of sales are generated in the United States.

In continental Europe the growth rate was strong, partly boosted by acquisitions. Fiskars' traditional market Scandinavia showed a delightful performance; an example of this was that the Norwegian subsidiary was rated the best non-listed company in Norway. A good fourth of FCPI's sales in 2000 was generated in Europe.

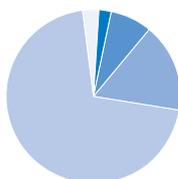
As in previous years, the company introduced a large number of new product innovations both in for the US market and Europe contributing to the strengthening of future growth potential. A distribution network is being developed for markets outside the United States and Europe. The best growth opportunities are anticipated in Mexico, South America and other Latin American markets.

In the United States, the consumer products operations are organized in three categories, Home, Office & Craft, Garden and Leisure. Local distributors are responsible for the sales and marketing of all product categories in Europe.

Key indicators

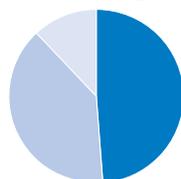
| | 2000 | 1999 |
|--------------------------|------|------|
| | M€ | M€ |
| Net sales | 792 | 640 |
| Share of total net sales | 96 % | 96 % |
| Operating profit | 27 | 50 |
| Personnel | 5015 | 5370 |

Net sales by market area



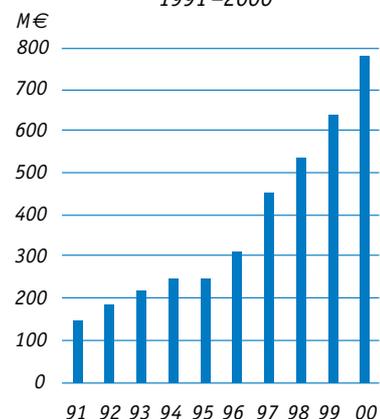
- Finland 2 %
- Scandinavia 7 %
- Other Europe 15 %
- North America 71 %
- Other 5 %

Net sales by product categories



- Home, office and craft 48 %
- Garden 42 %
- Leisure 10 %

Net sales of Consumer Products 1991-2000



Fiskars universal garden pruners cut branches even at the height of six meters.



Cleaving of large timber is easy with a Handy axe.



Fiskars scissors are the right tool for work and festive occasions.



Gerber Multiplier helps in many situations.

HOME, OFFICE AND CRAFT

Fiskars orange handled scissors rank among the most copied products in the world. Developed by the company in Finland in the 1960s, they form the foundation for the present-day operations known as Home, Office and Craft. Today the scissors are manufactured in all colors of the specter in the United States and Finland, and the range includes hundreds of models in different sizes. In addition the product lines supplied include other products for hobby, craft and paperwork, designed for office and home.

This category also includes Royal doormats, Power Sentry electrical accessories, Raadvad kitchen utensils, Montana knives as well as the kitchen utensils marketed in the UK with the Kitchen Devils brand and sold through major retail chains, department stores and independent dealers.

The Home, Office & Craft category plays an important role in Fiskars' initiatives to develop innovative products for new markets. This is particularly true of Eastern European markets and Latin America. Mexico has been an exciting market for Power Sentry products.





Craft products for kids grow increasingly popular.



Italian Montana knives are preferred also by professionals.



Roller cutter is a tool loved by quilters.



Royal doormats are made of recycled rubber tires.

GARDEN

The Garden group creates and distributes a wide variety of outdoor products and gardening tools. Fiskars is a leading manufacturer of cutting products. The latest product innovation are Power Gear Hedge Shears which thanks to their gear mechanism represent the best cutting power in tools of this type. Their unique design has already received recognition both in the United States and Europe: Chicago Athenaeum granted them its Good Design 2000 Award and if Industrie Design Hannover the Design Award Winner 2001.

The German Ebert Gruppe, acquired last year, produces plastic flower boxes and other garden products that complement Fiskars product range.

Other products include irrigation systems and garden furniture in resin, mainly distributed to the American market.

Garden products are distributed through leading hardware and home stores, retail chains and garden shops throughout the United States and Europe. Garden products represent an important part of FCPI's operations in diversifying to new geographical markets.

LEISURE

Although Leisure is the smallest product category of FCPI, its growth potential is seen as excellent. It includes the Gerber and EnviroShade products, Handy axes and camping saws as well as foldable camping spades produced in Finland.

Gerber Legendary Blades is renowned for its high-quality camping knives and multipurpose tools. Last year the product range was complemented by a number of innovative knives and upgraded models of the Multiplier tool.

Cool-In-The-Shade is the leading outdoor shade brand in the US market. The popularity of these shades used in trade shows and sports events is growing dramatically.

Systematic product development and follow-up of industry trends are critical for leisure products and require significant resources. Leisure products have also been instrumental in Fiskars' diversification to different geographical markets.





Gerber designs camping knives for many uses.

Plastic furniture withstands the onslaughts of weather.



Plastic flower boxes are durable and light.



Fiskars garden tools are easy to recognize by their black-and-orange colors.

Inha Works



Pauli Lantonen

Inha Works Ltd., located in Ähtäri, Central Finland, has organized its products in three categories. Production of Buster boats represents special know-how in treatment of aluminum. The Building Components group supplies door and window hinges to the building industry and also manufactures heating and drying radiators for bathrooms and other humid spaces. The products of Inha Forge include rail fasteners and fitting components mainly for Nordic railroad companies.

Demand for motorboats continued to grow rapidly in all Nordic countries. Sales of Buster boats, designed for leisure and professional use, increased by more than 40 % from the previous year. Growth was particularly strong in Finland and Sweden; Germany emerged as a new growth market. Buster boats are available in seven different

models, the most recent one being the Buster XXL introduced for the 2000 boating season. This is the second biggest boat of the fleet and has met with an enthusiastic reception in the market. Buster XXL was elected the favorite of the public at Helsinki International Boat Show in February 2000 and has established its position among the three best-selling Buster models. Systematic product development and renewal consolidated the position of Buster boats as the leading open boat range in the Nordic countries.

Demand for hinges increased in the wake of the recovery of domestic residential building industry and growing exports. Most of the increase was generated in the Estonian and Nordic markets. New hinge concepts were developed in cooperation with customers to better meet

the evolving needs of the industry. For instance safety requirements and easy installation have been addressed in the latest models. Inha Works' position as the leading Nordic hinge manufacturer was strengthened during the year thanks to investment in production equipment and successful product development activity.

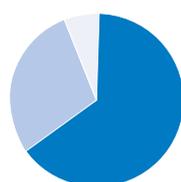
Formaterm radiators which have been developed for hot-water systems consolidated their position as popular heating and drying concepts for humid rooms. With their modern looks they are ideal also as decorative elements for demanding interiors.

Forged products represent the traditional expertise of Inha Works already since 160 years. Today the most important forged products are rail fasteners sold to Nordic railways under long-term supply contracts.

Key indicators

| | 2000 M€ | 1999 M€ |
|----------------------------|------------|------------|
| Net sales | 22 | 18 |
| - of which outside Finland | 37 % | 34 % |
| Share of total net sales | 3 % | 3 % |
| Operating profit | 4 | 3 |
| Personnel | 197 | 175 |

Net sales by market area



- Finland 63 %
- Scandinavia 30 %
- Other 7 %

FISKARS®

Buster

FORMATERM

Fiskars latest Buster model is the XXL.



Magnum got a new gray shade last year.



Heating and drying of humid rooms is easy with backwater radiators.



Fiskars hinges are an important export product.



Rail fasteners are made to withstand heavy use.

Real Estate



Ingmar Lindberg

Fiskars' Real Estate operations consist of the management of 15,000 hectares of real estate properties and related services. The land holdings situated in the Southwest of Finland represent a considerable corporate asset and include more than 100 lakes and 250 km of shore line.

Most of the land holdings, 11,000 hectares, are located in and around the old Fiskars Village. Traditional farming and forestry are carried on in this area according to long-term plans. The forests are harvested in accordance with forest management plans to maintain a balance between regeneration and demand based on long-term contracts with external parties. An interesting specialty that has emerged in recent years are deliveries of quality wood for instance to the furniture industry. Most

of the raw-material is harvested in the company's own forests, supplemented by purchases from other sources.

The revenues from the real estate operations are mainly used to maintain the historically valuable buildings at Fiskars Village and improve the surrounding landscape. The objective is to continue developing the Fiskars region as an attractive place to work and live in and to offer tourists an interesting opportunity to visit this historically unique and still thriving industrial community.

After the Jubilee Year 1999, the upgrading of Fiskars Village has progressed at a less hectic pace. Many new working facilities were renovated, however, also during 2000. A project designed to increase accommodation capacity in the Village will start in 2001. The company will build new small houses of four double rooms each. Two new houses will be built in the first year, and two more will be built each year until an adequate level of accommodation capacity is reached.

The cooperative of artists, designers and artisans that has been created at Fiskars Village in the past ten years has indisputably conquered its place as an influential force in the Finnish cultural and artistic life. Members today include nearly 100 professionals of different fields. The expositions organized at the Village for the seventh year running, together with other events - some of them open all the year round - are acclaimed also by international visitors.

The remaining 4,000 hectares of land holdings are located on the Hanko peninsula. The real estate company Ferrara has prepared a general plan for the area together with the municipalities with the objective of creating the conditions necessary for future development. The plan was approved by the Finnish Environmental Institute in 2000. A general plan for the Skogby-Harparskog area is under preparation. The purpose is to attract new permanent settlers and environmental small industry to this beautiful environment in the vicinity of the sea.



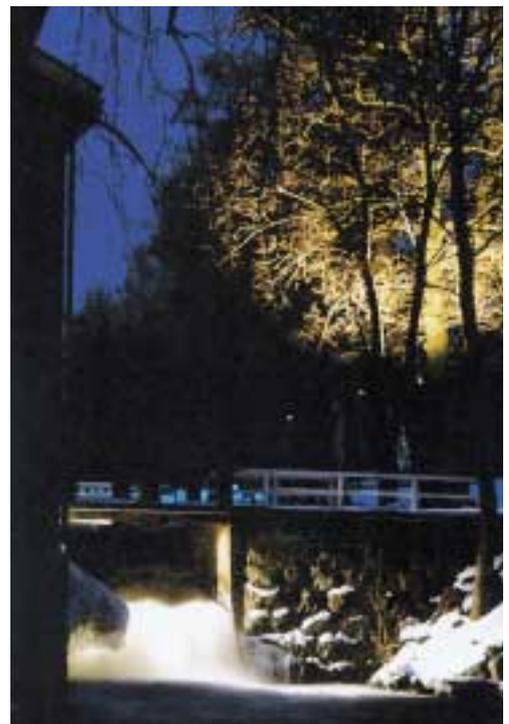
A growing number of companies select Fiskars Village as the venue for their training.

The Hankoniemi area will offer a beautiful place to work and live in.



Exhibition "Time for Wood" in the old Copper Smithy.

The historically unique Fiskars Village shows in a favorable light also by night thanks to the new illumination system.



Shareholdings

Wärtsilä

Fiskars holds 17 % of the share capital and 23 % of votes in Wärtsilä Corporation. Fiskars has retained a considerable interest in Metra Corporation since its establishment in 1991.

Metra changed its name to Wärtsilä in September 2000 following its refocusing on one industry. This was carried out when Wärtsilä NSD became Metra's wholly owned subsidiary and after the decrease of Metra's holding in Sanitec to 46.7 %.

Wärtsilä is the world's leading supplier of marine propulsion systems and a major provider of solutions for decentralized power generation and related maintenance and operating services. The Group also includes the Nordic special steel producer Imatra Steel and significant shareholdings that support the development of core business. Wärtsilä's brands are Wärtsilä, Sulzer and Imatra Steel.

Wärtsilä's consolidated net sales 2000 amounted to 2.7 (2.7) billion euros. Operating profit was 367 (273) million euros. Profit before extraordinary items was 336 (237) million euros. The number of personnel totaled 10,600.

The previous operations of Wärtsilä NSD are known with the common name of Power Division. Net sales increased to 2.3 (1.9) billion euros and its performance improved markedly. The operating profit was 86 (-29) million euros.

In 2000, Wärtsilä delivered altogether 4,500 MW of power plant and marine engine capacity.

Wärtsilä holds a strong position in the marine engine

markets especially for ro-pax vessels, ferries and cruisers. Wärtsilä's market share of the power plants operating with heavy fuel oil is 58 % (55).

Wärtsilä's research and development activity focuses on increasing engine efficiency and addressing environmental issues. Environmental aspects are important for land and marine applications. Wärtsilä's engines meet all the essential environmental criteria and the use of new technologies will help further reduce emissions.

Net sales generated by Imatra Steel was 194 (173) million euros. Imatra Steel's operating profit improved to 17 (11) million euros.

Sanitec

Fiskars holds about 6 per cent of Sanitec Corporation's shares. Sanitec is an international corporation that designs and markets bath and shower products, bathroom ceramics and sewage vacuum systems. The company's shares are quoted on the Helsinki Exchanges since July 1999.

Sanitec's main markets are in Europe. In addition, the company has production and representative offices in more than 30 countries. About 96 per cent of net sales are generated outside Finland.

Sanitec's net sales in 2000 amounted to 877 (630) million euros, and operating profit was 80 (76) million euros. The workforce totaled 9,500.

Other holdings

Fiskars' investments in several capital investment funds total about 20 million euros.



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Report by the Board of Directors

Report by the Board of Directors

Corporate net sales increased from the previous year's 665 million euros to 824 million euros (+24 %). The results from the industrial activities decreased due to the weakening markets in the US at the end of the year, and together with restructuring costs the last quarter was clearly unprofitable. The operating profit of 28 million euros declined by 42 % from the previous year (49). The income of 43 million euros earned from investment activities increased by 32 %, and the net result was 26 million euros (40). Return on equity was 7 % (11) and earnings per share amounted to 0.46 euros (0.73).

Changes in corporate structure

The internal ownership relations of the Consumer Products Group were reorganized at the beginning of 2000 by transferring also all the European group units to the American subsidiary Fiskars Consumer Products, Inc. (FCPI); now the legal structure of the Group is consistent with its operative organization. Fiskars Consumer Products, Inc. is a wholly owned Fiskars subsidiary based in Madison, Wisconsin since 1995.

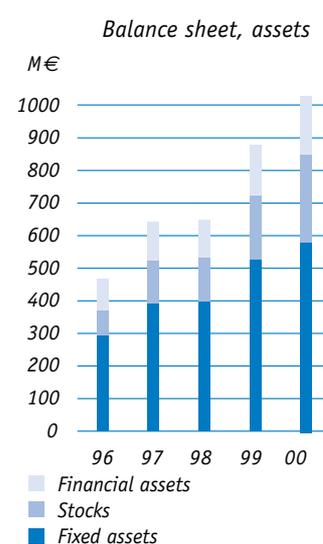
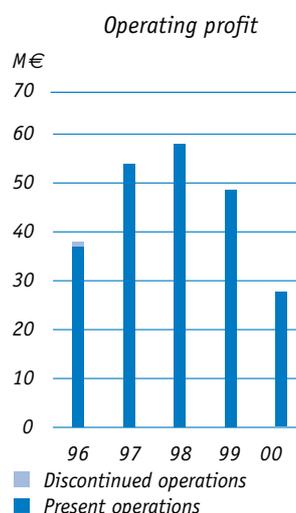
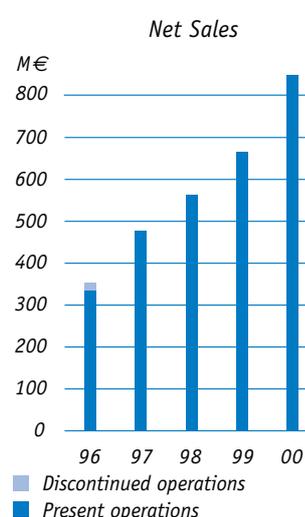
An agreement to acquire the German Ebert-Gruppe that manufactures resin flower boxes and garden flower

pots was made in April. Ebert's annual net sales amounts to approximately 28 million euros, and it has a workforce of about 180. The company provides a strong marketing channel to other Fiskars garden products thanks to its well known brand.

Operational results

As in previous years, the North American markets accounted for a major part, or 69 %, of the corporate net sales. Finland's share of the total net sales was 5 %.

The net sales of consumer products amounted to 792 million euros (640), corresponding to an increase of 24 % over the previous year. The growth is attributable partly to the acquisitions and to the strengthening of the US dollar; organic growth was also satisfactory both in the United States and Europe. The profitability of the European units continued to be good except for the German and British operations whose restructuring costs kept the result unprofitable. The performance of the Home, Office & Craft and Leisure categories in the United States was good. The result of the Garden category suffered from the competition fueled by cheap imports and from a significant rise in the prices of resin raw materials. In addition, the result was burdened with costs derived from



reorganization and structural changes, mainly of a nonrecurring nature. The operating profit of Consumer Products Group decreased on a yearly basis to 27 million euros (50).

Inha Works' net sales amounted to 22 million euros (18), exceeding the last year's figure by 22 %. Strong demand for Buster boats and hinges continued both in the domestic and export markets. Also the result was strong; Inha's operating profit increased by 50 % from the previous year to 4 million euros.

The result of the Real Estate operation was good.

Results from investment activities

Fiskars has increased its long-term investments in recent years among others in Nordic investment funds; part of these investments were realized during the reporting period. During the year, income from the investments rose to 43 million euros (32); the bonus dividend from Wärtsilä (former Metra) in the form of the shares of Sanitec represented 22 million euros of this figure.

Capital expenditure, financing

Capital expenditure totaled 104 million euros (173), acquisitions were 22 million euros. Industrial investments

accounted for 33 million euros (39) and long-term investments for 49 million euros (32) of the total figure. The consolidated balance sheet total increased by 16 % and was 1,016 million euros at the end of the year. The corporation's solvency was good and the financial position stable in spite of the decrease in equity ratio to 39 % (44), attributable to capital invested mainly in inventories.

Personnel

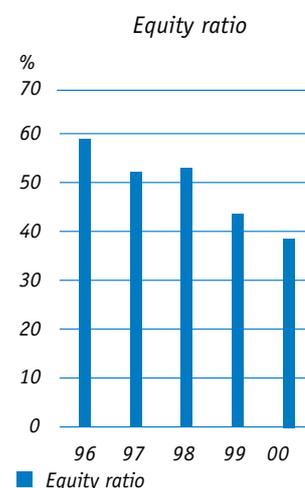
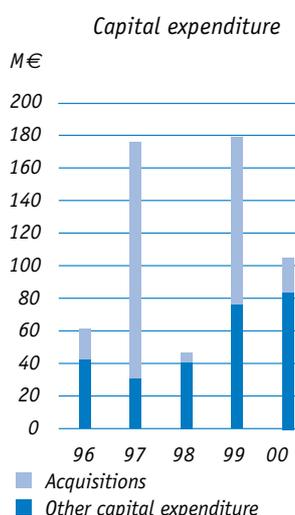
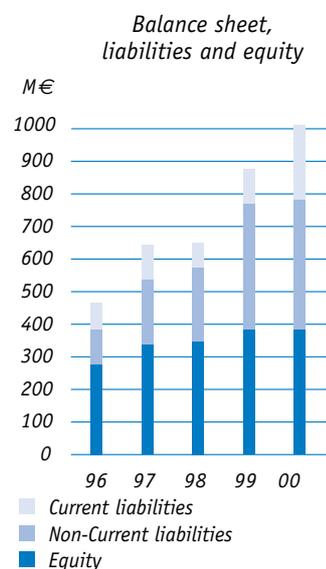
Mr. Bertel Langenskiöld, M. Sc. (Eng.), was appointed President and CEO of Fiskars Corporation as from 1 January 2001, when Mr. Stig Stendahl retired.

FCPI's former President Mr. Wayne Fethke resigned in April, and was succeeded by Mr. William J. Denton on 1 August 2000.

Fiskars Corporation's personnel totaled 5,337 at the end of the year (5,657); 836 (781) of the total workforce, i.e. 16 %, worked in Finland.

Annual General Meeting

The Annual General Meeting of Fiskars Corporation held on 16 March 2000 decided to distribute 16.8 million euros in dividend for 1999. The total dividend was unchanged from the previous year's 16.8 million euros which then included



a jubilee bonus of 4.1 million euros.

The retiring Board members Mr. Göran J. Ehrnrooth, Dr. Thomas Tallberg and Mr. Juha Toivola were reelected. The Board Vice Chairman Mr. Erik Stadigh and Board member Mr. Jarl Engberg who presented their resignations were succeeded by Mr. Mikael von Frenckell and the Corporate President and CEO Mr. Stig Stendahl as new members.

Mr. Paul Ehrnrooth and Mr. Alexander Ehrnrooth were elected as deputy members. Mr. Eric Haglund (APA) was reelected as ordinary auditor, and KPMG Wideri Oy Ab, Authorized Public Accountants, as deputy auditor.

The Annual General Meeting granted the Board of Directors an authorization to acquire and transfer not more than 1,962,303 shares of the company's A series and not more than 805,918 shares of the K series. The previous corresponding authorization was canceled. These authorizations have not been exercised.

Share prices and exchange

The price of Fiskars A shares at the end of the year was 7.40 euros (13.00 euros at the end of December 1999) and the price of K shares was 7.50 euros (13.00). The price of A shares declined during the year by 43 % and the price of K shares by 42 %. The HEX index of the

Helsinki Exchanges declined by 11 % from the beginning of the year.

During the reporting year, the exchange of A shares was 3,830,550 shares (9.8 % of the total number of A shares) at an average price of 9.32 euros, and the exchange of K shares 501,864 shares (3.1 %) at an average price of 9.31 euros.

Outlook

The instability in the US markets that started at the end of the year appears to continue also this year, and will affect also the sales of Fiskars' products. Development in Continental Europe are not easy to evaluate but the outlook in the Nordic countries remains fairly good.

Fiskars has made organizational changes in the Consumer Product Group and will further develop its structure in order to improve the profitability. Fiskars' well-known trademarks, niche products and the stable relations with the distribution channels offer a strong basis for the continued success of operations.

The corporation's financial position is expected to continue stable. Long-term investments represent an important part of Fiskars' activities and assets and are expected to yield significant revenues also in 2001.

| Net sales by business area | 1.1. – 31.12.2000 | | 1.1. – 31.12.1999 | | change |
|--|-------------------|-----|-------------------|-----|---------|
| | M€ | % | M€ | % | 00/99 % |
| Consumer Products | 792 | 96 | 640 | 96 | 24 |
| Inha Works | 22 | 3 | 18 | 3 | 22 |
| Industry total | 815 | 99 | 658 | 99 | 24 |
| Corporate operations, real estate, other | 12 | 1 | 10 | 2 | 21 |
| Eliminations | -3 | 0 | -3 | 0 | -6 |
| Corporate total | 824 | 100 | 665 | 100 | 24 |

| Result by business segment | | | | | change |
|--|----|-----|----|-----|---------|
| | M€ | % | M€ | % | 00/99 % |
| Consumer Products | 27 | 38 | 50 | 62 | -46 |
| Inha Works | 4 | 6 | 3 | 4 | 50 |
| Industry total | 31 | 44 | 52 | 64 | -41 |
| Corporate operations, real estate, other | -3 | -4 | -4 | -5 | -34 |
| Operating profit | 28 | 39 | 49 | 60 | -42 |
| Income from non-current investments | 43 | 61 | 32 | 40 | 32 |
| Consolidated segmental results | 71 | 100 | 81 | 100 | -12 |

| Net sales by market area | | | | | change |
|--------------------------|-----|-----|-----|-----|---------|
| | M€ | % | M€ | % | 00/99 % |
| Finland | 39 | 5 | 35 | 5 | 14 |
| Scandinavia | 59 | 7 | 56 | 8 | 5 |
| Other Europe | 120 | 15 | 110 | 17 | 9 |
| North America | 568 | 69 | 450 | 68 | 26 |
| Other | 38 | 5 | 15 | 2 | 158 |
| Corporate total | 824 | 100 | 665 | 100 | 24 |

| | | | | | |
|---------------------|----|---|----|---|---|
| Export from Finland | 35 | 4 | 32 | 5 | 9 |
|---------------------|----|---|----|---|---|

| Personnel by geographical area | 31.12.2000 | | 31.12.1999 | | change |
|--------------------------------|------------|-----|------------|-----|---------|
| | | % | | % | 00/99 % |
| Finland | 836 | 16 | 781 | 14 | 7 |
| Scandinavia | 231 | 4 | 240 | 4 | -4 |
| Other Europe | 941 | 18 | 681 | 12 | 38 |
| North America | 3 293 | 62 | 3 926 | 69 | -16 |
| Other | 36 | 1 | 29 | 1 | 24 |
| Corporate total | 5 337 | 100 | 5 657 | 100 | -6 |

Consolidated Income Statement

| | 2000 | | 1999 | |
|--------------------------------------|--------------|---------------|--------|--------|
| | M€ | | M€ | |
| Net sales | 823.8 | 100.0% | 664.9 | 100.0% |
| Cost of sales | -577.4 | | -443.0 | |
| Gross profit | 246.4 | 29.9% | 221.8 | 33.4% |
| Sales and marketing expenses | -134.2 | | -109.0 | |
| Administration expenses | -59.3 | | -43.8 | |
| Other operating income | 1.0 | | 0.3 | |
| Other operating expenses | -26.0 | | -20.9 | |
| Operating profit | 27.9 | 3.4% | 48.5 | 7.3% |
| Income from participating interests | 0.0 | | -0.1 | |
| Financial income and expenses | (6) 10.5 | | 12.3 | |
| Profit before taxes | 38.5 | 4.7% | 60.8 | 9.1% |
| Income taxes | (8) -12.8 | | -20.9 | |
| Profit for the financial year | 25.7 | 3.1% | 39.9 | 6.0% |

Consolidated Balance Sheet

| | | <i>Dec.31, 2000</i> | | <i>Dec.31, 1999</i> | |
|---|------|---------------------|---------------|---------------------|--------|
| | | <i>M€</i> | | <i>M€</i> | |
| Assets | | | | | |
| Fixed assets and other non-current investments | | | | | |
| Intangible assets | (9) | 2.4 | | 2.3 | |
| Goodwill | (10) | 136.3 | | 130.6 | |
| Tangible assets | (11) | 194.2 | | 177.0 | |
| Investments | (12) | 253.3 | | 216.1 | |
| | | 586.2 | 57.7% | 526.0 | 59.8% |
| Stocks and financial assets | | | | | |
| Stocks | (14) | 259.9 | | 196.8 | |
| Non-current debtors | (15) | 2.2 | | 0.7 | |
| Deferred tax assets | (16) | 15.5 | | 11.2 | |
| Current debtors | (17) | 142.8 | | 127.8 | |
| Cash in hand and at bank | | 9.3 | | 16.9 | |
| | | 429.8 | 42.3% | 353.5 | 40.2% |
| | | 1 016.0 | 100.0% | 879.5 | 100.0% |
| Liabilities | | | | | |
| Capital and reserves | | | | | |
| | (19) | | | | |
| Share capital | | 55.4 | | 55.4 | |
| Share premium account | | 21.3 | | 21.3 | |
| Revaluation reserve | | 3.9 | | 4.0 | |
| Other reserves | | 7.4 | | 8.9 | |
| Retained earnings | | 283.2 | | 253.6 | |
| Profit for the financial year | | 25.7 | | 39.9 | |
| | | 396.8 | 39.1% | 383.1 | 43.6% |
| Provisions | | | | | |
| | (21) | 2.4 | 0.2% | 1.9 | 0.2% |
| Creditors | | | | | |
| Deferred tax liabilities | (22) | 13.8 | | 10.4 | |
| Non-current creditors | (23) | 381.7 | | 384.8 | |
| Current creditors | (24) | 221.2 | | 99.3 | |
| | | 616.7 | 60.7% | 494.5 | 56.2% |
| | | 1 016.0 | 100.0% | 879.5 | 100.0% |

Consolidated Statement of Cash Flows

| | 2000 M€ | 1999 M€ |
|---|--------------|---------------|
| Cash flows from operating activities | | |
| Net profit before taxation | 38.5 | 60.8 |
| Depreciation | 41.6 | 32.5 |
| Reversal of items recorded on an accrual basis | (32) -10.2 | -12.0 |
| Cash generated before working capital changes | 69.9 | 81.3 |
| Change in current receivables | 8.9 | 7.8 |
| Change in stocks | -45.7 | -21.9 |
| Change in current non-interest bearing debt | -1.6 | -1.1 |
| Cash generated from operations | 31.5 | 66.1 |
| Financial income items received | 2.3 | 2.5 |
| Dividends received | 27.6 | 13.4 |
| Financial expense items paid | -31.5 | -18.6 |
| Taxes paid | -12.5 | -12.3 |
| Net cash flow from operating activities | 17.4 | 51.1 |
| Cash flows from investing activities | | |
| Acquisitions | -22.4 | -103.1 |
| Investments | -48.9 | -31.5 |
| Purchase of tangible and intangible assets | -32.5 | -38.7 |
| Proceeds from disposal of investments | 15.6 | 15.9 |
| Proceeds from sale of equipment | 1.2 | 3.7 |
| Net cash flow from investments | -87.0 | -153.7 |
| Cash flow after investments | -69.6 | -102.6 |
| Cash flows from financing activities | | |
| New issue | | 0.8 |
| Change in non-current debt | -29.7 | 133.7 |
| Change in current interest bearing debt | 109.5 | -7.8 |
| Change in non-current receivables | -1.7 | 0.5 |
| Dividends paid | -16.8 | -16.8 |
| Net cash flows from financing activities | 61.3 | 110.4 |
| Change in cash | -8.3 | 7.8 |
| Cash at beginning of year | 16.9 | 8.8 |
| Effect of exchange rate changes | 0.7 | 0.3 |
| Cash at end of year | 9.3 | 16.9 |

Statement of Changes in Consolidated Equity

| <i>M€</i> | <i>Share capital</i> | <i>Share premium account</i> | <i>Revaluation reserve</i> | <i>Other reserves</i> | <i>Retained earnings</i> | <i>Total</i> |
|---|--------------------------|----------------------------------|--------------------------------|---------------------------|------------------------------|--------------|
| Jan.1, 2000 | 55.4 | 21.3 | 4.0 | 8.9 | 293.5 | 383.1 |
| Translation adjustment | | | | -1.6 | 6.5 | 4.9 |
| Transfer from revaluation reserve following sale of landholdings | | | -0.1 | | 0.1 | 0.0 |
| Dividends | | | | | -16.8 | -16.8 |
| Net profit | | | | | 25.7 | 25.7 |
| Dec.31, 2000 | 55.4 | 21.3 | 3.9 | 7.4 | 308.9 | 396.8 |

General Accounting Principles

The financial statements have been prepared in accordance with regulations in force in Finland. These regulations are in conformity with the directives of the European Community.

The financial information is presented in euro

The preparation of financial statements in conformity with regulations in force and generally accepted accounting principles requires management to make estimates and assumptions that affect the valuation of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates

Scope of the Consolidated Financial Statements

The consolidated financial statements include the accounts of all companies where Fiskars directly or indirectly holds more than 50% of the votes. Acquired or established subsidiaries and investments in participating interests are included in the consolidated financial statements from the date of acquisition or establishment to the date of divestment.

Intercompany transactions, dividends, receivables and liabilities as well as unrealized intercompany profits have been eliminated.

The purchase method of accounting is used in elimination of intercompany shareholdings. Tax liability on the acquired company's untaxed reserves is included in deferred tax liabilities. The remainder is included in shareholders' equity. Where appropriate, the excess of acquisition cost over the value of acquired net assets is allocated to various balance sheet items. The residual is accounted for as goodwill and amortized over ten to twenty years. The amortization period is dependent on estimates concerning the useful economic life of acquired brands.

Investments in participating interests (20% - 50% of votes, more than 20% of shares) are included in the financial statements by applying the equity method of accounting. A proportional share of net income is included in financial items. Goodwill is amortized and any unrealized internal profit is eliminated. In the balance sheet the investment is valued at cost adjusted for the corporation's share of net assets accumulated after the date of acquisition.

Investments in other companies are stated in the balance sheet at cost or at net realizable value.

Transactions in foreign currencies

Foreign currency denominated income statements are translated into Euro at the average exchange rate for the financial period.

Balance sheets are translated at the end of period exchange rate. Consequently, net income according to the income statement will differ from net income according to the balance sheet. The difference is included in retained earnings. Currency translation adjustments on foreign subsidiaries' opening retained earnings are included in consolidated retained earnings. Currency translation adjustments on other reserves are included in consolidated other reserves.

Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction.

Unsettled balances in foreign currencies are translated at the rates prevailing on the balance sheet date, except for advance payments received or paid which are translated at the exchange rates on the payment date. Open hedging instruments pertaining to foreign currency items are valued at the market value, including interest components.

Both realized and unrealized exchange gains and losses have been included in the financial items in the income statement.

Net sales

Net sales is defined as invoiced amount less indirect taxes, rebates and exchange rate adjustments on foreign currency denominated sales.

Research and development costs

Research and development costs are expensed when incurred.

Retirement benefit plans In the consolidated accounts the retirement

benefit plans have been accounted for in accordance with IAS.

The retirement plans for the Finnish companies' employees are funded through payments to independent insurance companies. A small part of already retired employees receives their benefits from a trustee-administered fund. Any change in the deficit in the trustee-administered fund is included in net income of the parent company. The net deficit of the fund, which is almost fully covered, is taken up as a liability in the balance sheet.

Extraordinary income and expense

Income and expense of significant size and not a part of continuing operations, e.g. sale or discontinuation of a separate line of business, are taken up as extraordinary items, net of tax.

Fixed assets and other long-term investments

Fixed assets are stated at cost less accumulated depreciation according to plan. Certain land holdings have been revalued.

Revaluations are based on market values. If the market values fall below book value, the revaluation is reversed correspondingly.

Fixed assets are depreciated and amortized over their expected useful lives. Typically, the following expected useful lives are applied:

| | |
|---------------------------|---------------|
| • goodwill | 10 - 20 years |
| • other long-term expense | 3 - 10 years |
| • buildings | 25 - 40 years |
| • vehicles | 4 years |
| • machinery and equipment | 3 - 10 years |

Revaluation amounts of land and water holdings are not depreciated.

Gains and losses on disposal of fixed assets are included in operating profit.

Inventories and financial assets

Inventories are stated at the lower of cost or net realizable value. Cost includes both direct and indirect costs. Cost is determined on a first-in-first-out (FIFO) basis. Net realizable value is the amount that can be realized from the sale of the asset less any related sales cost.

Leasing

Operating leases are expensed. The corporation has not entered into financial lease agreements of any material size.

Provisions

Provisions consist of reserves for future costs to which the corporation has committed itself or of losses that are deemed probable and do not generate a corresponding income.

Appropriations

Appropriations in the parent company balance sheet consist of untaxed reserves and depreciation in excess of plan. In the consolidated balance sheet appropriations are taken up as equity and deferred tax liability. The change in appropriations is split into net income and increase or decrease in deferred tax cost.

Income taxes

Income taxes consist of the aggregate current tax expense in the group companies, prior year taxes and deferred taxes. Taxes related to extraordinary items are shown in connection with these items.

Deferred tax assets and liabilities are calculated at the current tax rate or, if a future tax rate has been announced, at that announced tax rate. Deferred tax liabilities are recognized in full whereas deferred tax assets are recognized only to the extent it is considered probable that the tax asset will realize a future tax savings.

Dividends

The dividend proposed by the Board of Directors has not been included as liability in the financial statements. Dividends to be paid are taken up as a liability following the decision of the Annual General Meeting

Notes to the Financial Statements

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| Income statement (foreign currency denominated income statements translated at average rate of exchange) | | | | |
| 1. Personnel costs | | | | |
| Wages and salaries, for time worked | 143.1 | 132.1 | 2.4 | 2.2 |
| Pension costs | 10.7 | 10.0 | 0.4 | 0.3 |
| Other personnel costs | 37.0 | 32.1 | 0.6 | 0.4 |
| Total | 190.7 | 174.3 | 3.4 | 2.8 |
| 2. Wages and salaries paid | | | | |
| Salaries to managing directors and boards | 4.3 | 4.6 | 0.5 | 0.5 |
| Wages and salaries to other personnel | 152.6 | 134.2 | 2.1 | 1.7 |
| Total | 157.0 | 138.8 | 2.6 | 2.2 |
| According to an agreement the President and CEO of the parent company can retire at the age of 60. | | | | |
| 3. Average number of employees | | | | |
| Finland | 777 | 753 | 50 | 48 |
| Scandinavia | 234 | 236 | | |
| Other Europe | 937 | 697 | | |
| North America | 3 359 | 3 906 | | |
| Other | 33 | 29 | | |
| Total | 5 340 | 5 621 | 50 | 48 |
| 4. Number of employees, end-of-period | | | | |
| Workers | 3 761 | 4 218 | 12 | 9 |
| Salaried | 1 576 | 1 439 | 40 | 38 |
| Total | 5 337 | 5 657 | 52 | 47 |
| 5. Depreciation and amortization according to plan by function (at average rate of exchange) | | | | |
| Manufacturing and procurement | 26.5 | 19.1 | 1.0 | 0.9 |
| Sales and marketing | 0.9 | 0.8 | | |
| Administration | 2.9 | 2.2 | 0.2 | 0.3 |
| Other operating expenses (intangible assets and goodwill) | 11.2 | 10.4 | 0.0 | 0.0 |
| Total | 41.6 | 32.5 | 1.2 | 1.2 |

NOTES TO THE FINANCIAL STATEMENTS

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| 6. Financial income and expense | | | | |
| Income from investments held as non-currents assets | | | | |
| Dividend income | | | | |
| From group undertakings | | | 16.2 | 5.0 |
| From other investments | 38.3 | 18.5 | 38.3 | 18.6 |
| Other interest and financial income | | | | |
| From group undertakings | | | 19.2 | 9.9 |
| From other investments | 4.4 | 14.0 | 4.4 | 14.0 |
| Income from investments held as non-current investments, total | 42.7 | 32.5 | 78.1 | 47.6 |
| Other interest and financial income | | | | |
| From group undertakings | | | 18.8 | 10.9 |
| From other parties | 0.5 | 1.4 | 0.1 | 9.4 |
| Interest and other financial expense | | | | |
| To group undertakings | | | -0.6 | -0.1 |
| To other parties | -32.7 | -21.6 | -30.3 | -19.6 |
| Total financial income and expense | 10.5 | 12.3 | 66.2 | 48.2 |
| Net exchange gains and losses included in financial items | -1.2 | 0.6 | -0.7 | 8.9 |
| 7. Extraordinary items | | | | |
| Income from group internal sale of shares | | | 0.9 | |
| Extraordinary income | | | 0.9 | |
| 8. Income taxes | | | | |
| Current taxes | -13.4 | -20.2 | -28.2 | -18.8 |
| Change in deferred tax | 0.5 | -0.7 | | |
| Income taxes per income statement | -12.8 | -20.9 | -28.2 | -18.8 |

Taxes in the consolidated income statement are lower than taxes in the parent company's income statement due to losses in the U.S. subsidiary. The tax benefit can be deducted from taxes paid during earlier accounting periods in accordance with the carry-back method.

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| Balance sheet, assets (currency denominated balance sheets translated at closing rate of exchange) | | | | |
| Movements in fixed assets | | | | |
| 9. Intangible assets | | | | |
| Original cost, Jan. 1. | 14.5 | 13.8 | 0.7 | 0.8 |
| Currency translation adjustment | 0.3 | 0.6 | | |
| Original cost, at the beginning of the year | 14.8 | 14.4 | 0.7 | 0.8 |
| Capital expenditure | 1.1 | 0.5 | 0.1 | 0.0 |
| Decrease | -0.1 | -0.4 | -0.1 | -0.1 |
| Transfers | | 0.0 | | |
| Gross value, Dec. 31. | 15.9 | 14.5 | 0.7 | 0.7 |
| Accumulated amortization according to plan, Jan. 1. | 12.2 | 10.0 | 0.5 | 0.5 |
| Currency translation adjustment | 0.3 | 0.4 | | |
| Accumulated amortization, at the beginning of the year | 12.5 | 10.3 | 0.5 | 0.5 |
| Amortization according to plan | 1.0 | 2.2 | 0.1 | 0.1 |
| Decrease | -0.1 | -0.4 | -0.1 | -0.1 |
| Accumulated amortization according to plan, Dec. 31. | 13.4 | 12.2 | 0.5 | 0.5 |
| Net book value, Dec. 31. | 2.4 | 2.3 | 0.2 | 0.2 |
| 10. Goodwill | | | | |
| Original cost, Jan. 1. | 164.7 | 122.3 | | |
| Currency translation adjustment | 12.4 | 18.3 | | |
| Original cost, at the beginning of the year | 177.1 | 140.6 | | |
| Capital expenditure | 5.6 | 24.3 | | |
| Decrease | 0.0 | -0.2 | | |
| Transfers | | 0.0 | | |
| Gross value, Dec. 31. | 182.8 | 164.7 | | |
| Accumulated amortization according to plan, Jan. 1. | 34.1 | 22.8 | | |
| Currency translation adjustment | 2.5 | 2.9 | | |
| Accumulated amortization, at the beginning of the year | 36.5 | 25.7 | | |
| Amortization according to plan | 9.9 | 8.6 | | |
| Decrease | | -0.2 | | |
| Accumulated amortization according to plan, Dec. 31. | 46.5 | 34.1 | | |
| Net book value, Dec. 31. | 136.3 | 130.6 | | |

NOTES TO THE FINANCIAL STATEMENTS

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| 11. Tangible assets | | | | |
| 11.1 Land and water | | | | |
| Original cost, Jan. 1. | 15.8 | 11.3 | 4.4 | 4.4 |
| Revaluation, Jan. 1. | 9.9 | 9.9 | 9.9 | 9.9 |
| Currency translation adjustment | 0.4 | 0.2 | | |
| Original cost, at the beginning of the year | 26.2 | 21.4 | 14.4 | 14.3 |
| Capital expenditure | 2.4 | 4.5 | 0.1 | 0.0 |
| Decrease | -0.2 | -0.1 | -0.1 | 0.0 |
| Transfers | -1.8 | | | |
| Book value, Dec. 31. | 26.6 | 25.8 | 14.4 | 14.4 |
| 11.2 Buildings | | | | |
| Original cost, Jan. 1. | 67.1 | 46.7 | 22.5 | 18.9 |
| Currency translation adjustment | 2.1 | 1.8 | | |
| Original cost, at the beginning of the year | 69.2 | 48.5 | 22.5 | 18.9 |
| Capital expenditure | 9.0 | 22.1 | 0.8 | 3.5 |
| Decrease | -1.2 | -4.0 | 0.0 | 0.1 |
| Transfers | 4.1 | 0.5 | | 0.1 |
| Gross value, Dec. 31. | 81.1 | 67.1 | 23.2 | 22.5 |
| Accumulated depreciation according to plan, Jan. 1. | 20.1 | 19.2 | 8.8 | 7.9 |
| Currency translation adjustment | 0.4 | 0.5 | | |
| Accumulated depreciation, at the beginning of the year | 20.5 | 19.7 | 8.8 | 7.9 |
| Depreciation according to plan | 3.5 | 2.6 | 0.8 | 0.7 |
| Decrease | -0.3 | -2.2 | 0.0 | 0.1 |
| Transfers | 0.0 | | | |
| Accumulated depreciation according to plan, Dec. 31. | 23.7 | 20.1 | 9.5 | 8.8 |
| Net book value, Dec. 31. | 57.4 | 47.0 | 13.7 | 13.7 |
| 11.3 Machinery and equipment | | | | |
| Original cost, Jan. 1. | 200.2 | 140.7 | 4.0 | 3.4 |
| Currency translation adjustment | 10.9 | 14.8 | | |
| Original cost, at the beginning of the year | 211.1 | 155.5 | 4.0 | 3.4 |
| Capital expenditure | 31.4 | 58.6 | 0.2 | 1.0 |
| Decrease | -5.6 | -13.5 | -0.1 | -0.3 |
| Transfers | -3.1 | -0.5 | | -0.1 |
| Gross value, Dec. 31. | 233.9 | 200.2 | 4.0 | 4.0 |
| Accumulated depreciation according to plan, Jan. 1. | 95.9 | 79.5 | 2.1 | 2.1 |
| Currency translation adjustment | 4.7 | 7.4 | | |
| Accumulated depreciation, at the beginning of the year | 100.6 | 86.8 | 2.1 | 2.1 |
| Depreciation according to plan | 26.8 | 20.7 | 0.3 | 0.4 |
| Decrease | -3.8 | -11.6 | -0.1 | -0.3 |
| Transfers | 0.0 | | | |
| Accumulated depreciation according to plan, Dec. 31. | 123.7 | 95.9 | 2.3 | 2.1 |
| Net book value, Dec. 31. | 110.2 | 104.2 | 1.7 | 1.9 |

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| 11.4 Total tangible assets | | | | |
| Original cost, Jan. 1. | 283.1 | 198.7 | 30.9 | 26.7 |
| Revaluation, Jan. 1. | 9.9 | 9.9 | 9.9 | 9.9 |
| Currency translation adjustment | 13.4 | 16.8 | | |
| Original cost, at the beginning of the year | 306.5 | 225.5 | 40.8 | 36.6 |
| Capital expenditure | 42.8 | 85.2 | 1.0 | 4.5 |
| Decrease | -6.9 | -17.6 | -0.2 | -0.3 |
| Transfers | -0.8 | 0.0 | 0.0 | 0.0 |
| Gross value, Dec. 31. | 341.6 | 293.0 | 41.6 | 40.8 |
| Accumulated depreciation according to plan, Jan. 1. | 116.1 | 98.6 | 10.9 | 10.0 |
| Currency translation adjustment | 5.1 | 7.9 | | |
| Accumulated depreciation, at the beginning of the year | 121.2 | 106.5 | 10.9 | 10.0 |
| Depreciation according to plan | 30.3 | 23.3 | 1.1 | 1.1 |
| Decrease | -4.1 | -13.8 | -0.1 | -0.2 |
| Transfers | 0.0 | 0.0 | 0.0 | 0.0 |
| Accumulated depreciation according to plan, Dec. 31. | 147.4 | 116.1 | 11.8 | 10.9 |
| Net book value, Dec. 31. | 194.2 | 177.0 | 29.8 | 30.0 |
| 12. Investments | | | | |
| 12.1 Holdings in group undertakings | | | | |
| Original cost, Jan. 1. | | | 96.5 | 80.8 |
| Capital expenditure | | | 50.4 | 16.4 |
| Decrease | | | -81.1 | -0.7 |
| Gross value, Dec. 31. | | | 65.7 | 96.5 |
| Write-downs, Jan. 1. | | | -9.1 | -9.1 |
| Decrease | | | 9.1 | |
| Write-downs, Dec. 31. | | | 0.0 | -9.1 |
| Net book value, Dec. 31. | | | 65.7 | 87.4 |
| 12.2 Participating interests | | | | |
| Value Jan.1 | 0.0 | 0.0 | 0.4 | 0.4 |
| Decreases | | 0.0 | | 0.0 |
| Value Dec. 31. | 0.0 | 0.0 | 0.4 | 0.4 |
| 12.3 Other shares and similar rights of ownership | | | | |
| Original cost, Jan. 1. | 171.5 | 147.7 | 171.1 | 147.0 |
| Capital expenditure | 42.4 | 24.3 | 42.4 | 24.4 |
| Decrease | | -0.5 | | -0.3 |
| Book value, Dec. 31. | 213.9 | 171.5 | 213.4 | 171.1 |

NOTES TO THE FINANCIAL STATEMENTS

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| 12.4 Receivables from group undertakings | | | | |
| Original cost, Jan. 1. | | | 180.3 | 129.2 |
| Exchange difference | | | 14.6 | 20.8 |
| Capital expenditure | | | 105.2 | 30.4 |
| Decrease | | | -32.9 | 0.0 |
| Book value, Dec. 31. | | | 267.2 | 180.3 |
| 12.5 Other receivables | | | | |
| Original cost, Jan. 1. | 44.6 | 34.5 | 38.3 | 34.4 |
| Currency translation adjustment | 0.5 | 3.4 | | |
| Original cost, at the beginning of the year | 45.1 | 37.9 | 38.3 | 34.4 |
| Increase | 6.3 | 10.1 | 6.3 | 7.4 |
| Decrease | -12.1 | -3.5 | -9.8 | -3.5 |
| Book value, Dec. 31. | 39.4 | 44.6 | 34.9 | 38.3 |
| 12.6 Total investments | | | | |
| Original cost, Jan. 1. | 216.1 | 182.2 | 486.6 | 391.9 |
| Currency translation adjustment | 0.5 | 3.4 | | |
| Original cost, at the beginning of the year | 216.6 | 185.6 | 486.6 | 391.9 |
| Exchange difference | | | 14.6 | 20.8 |
| Capital expenditure | 48.7 | 34.4 | 204.2 | 78.5 |
| Decrease | -12.1 | -4.0 | -123.8 | -4.5 |
| Gross value, Dec. 31. | 253.3 | 216.1 | 581.6 | 486.6 |
| Write-downs, Jan. 1. | | | -9.1 | -9.1 |
| Decrease | | | 9.1 | |
| Write-downs, Dec. 31. | | | 0.0 | -9.1 |
| Net book value, Dec. 31. | 253.3 | 216.1 | 581.6 | 477.5 |
| 13. Net book value of production machinery and equipment Dec. 31. | 77.8 | 72.9 | | |
| 14. Stocks | | | | |
| Raw materials and consumables | 50.7 | 44.0 | | |
| Work in progress | 37.0 | 29.3 | 0.0 | 0.0 |
| Finished products / Goods | 167.5 | 121.3 | 0.1 | 0.1 |
| Other stocks | 2.0 | 0.7 | | |
| Advance payments | 2.8 | 1.4 | | |
| Total stocks, Dec. 31. | 259.9 | 196.8 | 0.1 | 0.1 |

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| 15. Non-currents debtors | | | | |
| Trade debtors | 0.1 | 0.3 | | 0.3 |
| Loan receivables | 0.4 | 0.2 | 0.2 | 0.2 |
| Other debtors | 1.7 | 0.2 | 0.2 | |
| Total, Dec. 31. | 2.2 | 0.7 | 0.4 | 0.5 |
| 16. Deferred tax assets | | | | |
| Net operating losses | 3.5 | 5.0 | | |
| Timing differences | 12.1 | 5.9 | | |
| Deferred tax on consolidating entries | 0.0 | 0.3 | | |
| Total, Dec. 31. | 15.5 | 11.2 | | |
| 17. Current debtors | | | | |
| Trade debtors, external | 123.0 | 116.7 | 0.3 | 0.3 |
| Amounts owed by group undertakings | | | | |
| Trade debtors | | | 0.5 | 0.1 |
| Loan receivables | | | 264.9 | 193.4 |
| Other debtors | | | 59.7 | 40.2 |
| Prepayments and accrued income | | | 30.1 | 7.7 |
| | | | 355.2 | 241.4 |
| Other external debtors | | | | |
| Loan receivables | 0.0 | | 0.0 | |
| Other debtors | 3.5 | 3.0 | 0.1 | |
| Prepayments and accrued income | 16.2 | 8.1 | 1.1 | 1.7 |
| | 19.7 | 11.1 | 1.2 | 1.7 |
| Total, Dec. 31. | 142.8 | 127.8 | 356.8 | 243.5 |
| 18. Prepayments and accrued income | | | | |
| Prepaid and accrued interest | 1.0 | 1.5 | 0.9 | 1.5 |
| Prepaid income tax | 8.4 | 0.2 | | |
| Other prepayments and accruals | 6.8 | 6.4 | 0.1 | 0.2 |
| Total, Dec. 31. | 16.2 | 8.1 | 1.1 | 1.7 |

NOTES TO THE FINANCIAL STATEMENTS

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---------------------|-------|-----------------------|-------|
| | 2000 | 1999 | 2000 | 1999 |
| | M€ | M€ | M€ | M€ |
| Balance sheet, liabilities | | | | |
| 19. Capital and reserves | | | | |
| Share capital | | | | |
| A-shares | | | | |
| Jan. 1. | 39.2 | 23.5 | 39.2 | 23.5 |
| Share issue | | 0.1 | | 0.1 |
| Bonus issue | | 15.6 | | 15.6 |
| Dec. 31. | 39.2 | 39.2 | 39.2 | 39.2 |
| K-shares | | | | |
| Jan. 1. | 16.2 | 13.6 | 16.2 | 13.6 |
| Bonus issue | | 2.6 | | 2.6 |
| Dec. 31. | 16.2 | 16.2 | 16.2 | 16.2 |
| Share capital, Dec. 31. | 55.4 | 55.4 | 55.4 | 55.4 |
| Share premium account | | | | |
| Jan.1. | 21.3 | 38.7 | 21.3 | 38.7 |
| Transfer to share capital | | -18.1 | | -18.1 |
| Share issue | | 0.7 | | 0.7 |
| Share premium account, Dec. 31. | 21.3 | 21.3 | 21.3 | 21.3 |
| Revaluation reserve | | | | |
| Jan.1. | 4.0 | 4.0 | 4.0 | 4.0 |
| Transfer to retained earnings | -0.1 | | -0.1 | |
| Revaluation reserve, Dec. 31. | 3.9 | 4.0 | 3.9 | 4.0 |
| Other reserves | | | | |
| Jan.1. | 8.9 | 6.4 | 3.2 | 3.2 |
| Currency translation adjustment | -1.6 | 2.5 | | |
| Other reserves, Dec. 31. | 7.4 | 8.9 | 3.2 | 3.2 |
| Retained earnings | | | | |
| Jan.1. | 293.5 | 260.3 | 240.5 | 206.4 |
| Currency translation adjustment | 6.3 | 11.8 | | |
| Exchange difference related to hedging of investments in subsidiaries | 0.0 | -1.6 | | |
| Dividends | -16.8 | -16.8 | -16.8 | -16.8 |
| Currency translation adjustment on Net profit in foreign currency denominated income statements (average rate) vs. balance sheets (end of period rate) | 0.2 | 0.0 | | |
| Transfer from revaluation reserve | 0.1 | | 0.1 | |
| Net profit | 25.7 | 39.9 | 84.8 | 50.9 |
| Retained earnings, Dec. 31. | 308.9 | 293.5 | 308.6 | 240.5 |
| -less equity part of untaxed reserves | -2.2 | -3.0 | | |
| Distributable earnings, Dec. 31. | 306.6 | 290.5 | 308.6 | 240.5 |

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| 20. Appropriations (Untaxed reserves) | | | | |
| Depreciation in excess of plan, Jan. 1. | 3.4 | 3.2 | 1.8 | 1.7 |
| Changes during the year | -0.9 | 0.2 | 0.1 | 0.1 |
| Depreciation in excess of plan, Dec. 31. | 2.5 | 3.4 | 1.9 | 1.8 |
| Other untaxed reserves, Jan. 1. | 0.8 | 0.4 | | |
| Changes during the year | -0.1 | 0.4 | | |
| Other untaxed reserves, Dec. 31. | 0.7 | 0.8 | 0.0 | 0.0 |
| Untaxed reserves total, Dec. 31. | 3.1 | 4.2 | 1.9 | 1.8 |
| Less deferred tax liability | -0.9 | -1.2 | | |
| Equity part of untaxed reserves, Dec. 31. | 2.2 | 3.0 | | |
| 21. Provisions | | | | |
| Retirement benefits | 0.7 | 0.3 | 0.0 | |
| Other provisions for liabilities and charges | 1.7 | 1.6 | | |
| Total, Dec. 31. | 2.4 | 1.9 | 0.0 | 0.0 |
| Retirement benefits in consolidated accounts in accordance with International Accounting Standards (IAS) | | | | |
| Actuarial present value of benefits | 16.0 | 14.3 | | |
| Plan assets at fair value | 15.2 | 14.0 | | |
| Plan assets below the present value of benefits, Dec. 31. | 0.7 | 0.3 | | |
| Most retirement benefit plans are classified either as state plans or defined contribution plans. | | | | |
| 22. Deferred tax liabilities | | | | |
| Deferred tax liability on untaxed reserves | 0.9 | 1.2 | | |
| Timing differences | 12.3 | 9.2 | | |
| Deferred tax liability on consolidating entries | 0.6 | 0.0 | | |
| Total, Dec. 31. | 13.8 | 10.4 | | |
| Parent Company deferred tax liabilities 0.5 M€ (0.5) are only included in consolidated accounts. | | | | |
| 23. Non-current creditors | | | | |
| Loans from credit institutions | 366.8 | 363.9 | 362.8 | 363.9 |
| Pension loans | 8.1 | 8.8 | 8.1 | 8.8 |
| Amounts owed to group undertakings | | | 0.0 | 0.0 |
| Other creditors | 6.8 | 12.1 | | 0.0 |
| Total, Dec. 31. | 381.7 | 384.8 | 370.9 | 372.6 |

NOTES TO THE FINANCIAL STATEMENTS

| | <i>Consolidated</i> | | <i>Parent Company</i> | | | |
|---|---------------------|-------------|-----------------------|--------------|--------------------|--------------|
| | 2000 | 1999 | 2000 | 1999 | | |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> | | |
| 24. Current creditors | | | | | | |
| Loans from credit institutions | 1.5 | 1.4 | 1.5 | 1.4 | | |
| Pension loans | 0.5 | 0.6 | 0.5 | 0.6 | | |
| Advances received | 0.3 | 0.0 | 0.2 | 0.0 | | |
| Trade creditors | 45.7 | 42.2 | 0.3 | 0.3 | | |
| | 48.0 | 44.3 | 2.6 | 2.4 | | |
| Amounts owed to group undertakings | | | | | | |
| Trade creditors | | | 0.1 | 0.3 | | |
| Other creditors | | | 68.3 | 21.1 | | |
| Accruals and deferred income | | | 0.9 | 14.3 | | |
| | | | 69.3 | 35.7 | | |
| Other creditors | 113.9 | 10.3 | 110.0 | 3.7 | | |
| Accruals and deferred income | 59.4 | 44.8 | 26.3 | 16.9 | | |
| Total | 221.2 | 99.3 | 208.2 | 58.7 | | |
| 25. Accruals and deferred income | | | | | | |
| Income taxes payable | 4.6 | 6.5 | 15.8 | 8.9 | | |
| Interest payable | 9.8 | 6.0 | 9.8 | 6.0 | | |
| Wages, salaries and social costs | 12.2 | 12.0 | 0.4 | 0.3 | | |
| Purchases and other similar items | 32.8 | 20.3 | 0.3 | 1.7 | | |
| Total | 59.4 | 44.8 | 26.3 | 16.9 | | |
| 26. Repayments of non-current debt | | | | | | |
| | <i>2001</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> | <i>Later years</i> | <i>Total</i> |
| Credit institutions | 1.5 | 16.3 | 82.6 | 102.1 | 165.8 | 368.3 |
| Pension fund loans | 0.5 | 0.5 | 0.4 | 0.4 | 6.8 | 8.6 |
| Other non-current debt | 0.2 | 5.0 | 0.0 | 0.0 | 1.8 | 7.0 |
| Total | 2.2 | 21.7 | 83.1 | 102.5 | 174.4 | 383.9 |
| | 0.6% | 5.7% | 21.6% | 26.7% | 45.4% | 100.0% |
| | <i>Consolidated</i> | | <i>Parent Company</i> | | | |
| | 2000 | 1999 | 2000 | 1999 | | |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> | | |
| 27. Lease obligations | | | | | | |
| Operating leases, payments next year | 13.5 | 10.5 | 0.4 | 0.3 | | |
| Operating leases, payments later | 84.0 | 60.9 | 0.0 | 0.0 | | |
| Total | 97.5 | 71.4 | 0.4 | 0.3 | | |

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| 28. Contingencies and pledged assets | | | | |
| As security for own commitments | | | | |
| Real estate mortgages | 1.9 | 0.6 | 0.6 | 0.6 |
| Other pledged assets | 29.3 | 28.0 | 29.3 | 28.0 |
| Discounted bills of exchange | 0.9 | 0.7 | | |
| Lease commitments | 97.5 | 71.4 | 0.4 | 0.3 |
| Other contingencies | 2.2 | 2.3 | 0.0 | 0.0 |
| Total | 131.7 | 103.1 | 30.3 | 29.0 |
| Guarantees as security for group undertakings' commitments | | | 14.4 | 3.3 |
| Guarantees as security for other parties' commitments | 1.8 | 3.9 | 1.8 | 3.9 |
| Real estate mortgages as security for other parties' commitments | 0.0 | 0.1 | 0.0 | 0.1 |
| Total pledged assets and contingencies | 133.6 | 107.1 | 46.6 | 36.3 |
| 29. Debts with collateral | | | | |
| Mortgages | | | | |
| Pension loans | | | | |
| -Amount of liability | 2.2 | 0.6 | 0.6 | 0.6 |
| -Nominal value of mortgage | 1.9 | 0.6 | 0.6 | 0.6 |
| Other liabilities | | | | |
| -Amount of liability | 0.0 | 0.0 | 0.0 | 0.0 |
| -Nominal value of mortgage | 0.0 | 0.1 | 0.0 | 0.1 |
| Assets pledged | | | | |
| Pension loans | | | | |
| -Amount of liability | 8.0 | 8.9 | 8.0 | 8.9 |
| -Book value of assets pledged | 29.3 | 28.0 | 29.3 | 28.0 |
| 30. Nominal amounts of derivatives | | | | |
| Forward exchange contracts | 101.3 | 79.2 | 101.3 | 79.2 |
| Interest swaps | 129.0 | 99.5 | 129.0 | 99.5 |
| Forward interest rate agreements | 116.7 | 119.5 | 116.7 | 119.5 |
| 31. Market value vs. nominal amounts of derivatives | | | | |
| (+calculatory gain, -calculatory loss) | | | | |
| Interest swaps | -0.3 | 2.4 | -0.3 | 2.4 |
| Forward interest rate agreements | -0.5 | 0.4 | -0.5 | 0.4 |

Forward exchange contracts have been valued at market in the financial statements.

The calculatory result has been determined as the amount that would have had to be paid if interest swap agreements and forward rate agreements had been closed at Dec. 31, 2000 by offsetting agreements at the then prevailing interest rates.

NOTES TO THE FINANCIAL STATEMENTS

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---------------------|-------------|-----------------------|-------------|
| | <i>2000</i> | <i>1999</i> | <i>2000</i> | <i>1999</i> |
| | <i>M€</i> | <i>M€</i> | <i>M€</i> | <i>M€</i> |
| 32. Statements of cash flows | | | | |
| Reversal of items recorded on an accrual basis | | | | |
| Changes in provisions | 0.4 | 0.2 | 0.0 | -0.1 |
| Exchange differences | 1.2 | -0.6 | 0.7 | -8.9 |
| Financial income | -43.3 | -33.2 | -94.0 | -57.6 |
| Financial expense | 31.5 | 21.6 | 27.1 | 18.3 |
| Total | -10.2 | -12.0 | -66.1 | -48.4 |

FINANCIAL RISK MANAGEMENT

Financing and financial risks are managed centrally from the Corporate Head Office in Helsinki.

Foreign exchange risks

Two thirds of the corporation's business is in North America and the rest is mainly in Europe.

The revenue and expense of the North American business is mainly US dollar denominated while European business is mainly done in various European currencies.

Since the beginning of 2000 non-euro denominated equity is no longer hedged.

The corporation does not use derivative financial instruments speculatively. Open contracts pertain mostly to hedging of financing transactions, and have been valued at market.

Interest rate risk

Close to 90 per cent of the corporation's funding need is US dollar denominated. With the exception of pension loans, all loans are floating interest rate loans.

Long-term interest swap agreements with a total value of 120 million US dollars reduce the corporation's exposure to fluctuations in short-term interest rates. Forward rate agreements with a total value of 90 million US dollars and 20 million euros reduce the interest rate exposure in 2001.

Liquidity risk

The group had 140 million euros unutilized long-term revolving credit facilities available to meet the obligations. In addition there are various other short-term credit lines with the banks in the amount of ca 100 million euros. In Finland the Parent Company has Commercial paper programs amounting to 200

Shares and participations

| | | Domicile | % of Parent | share capital Consoli- dated | % of voting power Parent | Consoli- dated | Book value (€1000) | Market- value Dec.31,2000 (€ 1000) |
|--|--|------------------|----------------|------------------------------------|-----------------------------|-------------------|--------------------------|---|
| Shares in group undertakings | | | | | | | | |
| US | Fiskars Consumer Products, Inc. | Wisconsin | 85.7 | 100.0 | 85.7 | 100.0 | 18 768 | |
| AU | Fiskars (Australia) Pty Limited | Melbourne | 100.0 | 100.0 | 100.0 | 100.0 | | |
| CA | Fiskars Canada, Inc. | Toronto | 100.0 | 100.0 | 100.0 | 100.0 | | |
| DE | Ebert Design GmbH & Co. KG | Herford | 100.0 | 100.0 | 100.0 | 100.0 | | |
| DE | Fiskars Deutschland GmbH | Solingen | 100.0 | 100.0 | 100.0 | 100.0 | | |
| DE | Fiskars Europe Holding GmbH | Hilden | 100.0 | 100.0 | 100.0 | 100.0 | | |
| DE | Werga-Tools GmbH | Hilden | 100.0 | 100.0 | 100.0 | 100.0 | | |
| DK | Fiskars Consumer Europe ApS | Silkeborg | 100.0 | 100.0 | 100.0 | 100.0 | | |
| DK | Fiskars Danmark A/S | Silkeborg | 100.0 | 100.0 | 100.0 | 100.0 | | |
| FI | Fiskars Consumer Oy Ab | Pohja | 100.0 | 100.0 | 100.0 | 100.0 | | |
| FR | Fiskars France S.A.R.L. | Wissous | 100.0 | 100.0 | 100.0 | 100.0 | | |
| GB | Fiskars UK Limited | Bridgend | 100.0 | 100.0 | 100.0 | 100.0 | | |
| GB | Richard Sankey & Son Limited | Nottingham | 100.0 | 100.0 | 100.0 | 100.0 | | |
| GB | Vikingate Limited | Nottingham | 100.0 | 100.0 | 100.0 | 100.0 | | |
| HU | Fiskars Hungary Ltd | Budapest | 100.0 | 100.0 | 100.0 | 100.0 | | |
| IT | Fiskars Montana S.r.l. | Premana | 100.0 | 100.0 | 100.0 | 100.0 | | |
| MX | Fiskars de Mexico, S.A. de C.V. | Mexico City | 100.0 | 100.0 | 100.0 | 100.0 | | |
| NO | Fiskars Consumer Holding AS | Oslo | 100.0 | 100.0 | 100.0 | 100.0 | | |
| NO | Fiskars Norge AS | Oslo | 100.0 | 100.0 | 100.0 | 100.0 | | |
| PL | Fiskars Poland Ltd | Slupsk | 100.0 | 100.0 | 100.0 | 100.0 | | |
| RU | ZAO Baltic Tool | St Petersburg | 100.0 | 100.0 | 100.0 | 100.0 | | |
| SE | Fiskars Consumer Holding AB | Motala | 100.0 | 100.0 | 100.0 | 100.0 | | |
| SE | Fiskars Sverige AB | Motala | 100.0 | 100.0 | 100.0 | 100.0 | | |
| US | Alterra Holdings Corporation | Delaware | 100.0 | 100.0 | 100.0 | 100.0 | | |
| US | Aquapore Moisture Systems, Inc. | Delaware | 100.0 | 100.0 | 100.0 | 100.0 | | |
| US | EnviroWorks, Inc. | Delaware | 100.0 | 100.0 | 100.0 | 100.0 | | |
| US | Royal Rubber & Manufacturing Co. | California | 100.0 | 100.0 | 100.0 | 100.0 | | |
| FI | Ferraria Oy Ab | Pohja | 100.0 | 100.0 | 100.0 | 100.0 | 17 660 | |
| FI | Hangon Sähkö Oy | Hanko | 93.2 | 93.2 | 93.2 | 93.2 | | |
| FI | Inha Works Ltd. | Ähtäri | 100.0 | 100.0 | 100.0 | 100.0 | 399 | |
| DE | Fiskars Consumer Holding GmbH | Solingen | 100.0 | 100.0 | 100.0 | 100.0 | 13 475 | |
| US | Fiskars Consumer Products, Inc. | Wisconsin | 14.3 | 100.0 | 14.3 | 100.0 | | |
| SE | Fiskars AB | Motala | 100.0 | 100.0 | 100.0 | 100.0 | 10 758 | |
| Shares in other group undertakings | | | | | | | 4 652 | |
| Shares in participating interests owned by the parent company | | | | | | | | |
| IN | Fiskars India Limited | Mumbai | 29.9 | 29.9 | 29.9 | 29.9 | 381 | |
| | - equity 0.0 M€ | | | | | | | |
| IN | Finlandia Cutlery Pvt. Ltd. | Mumbai | 24.0 | 24.0 | 24.0 | 24.0 | 32 | |
| | - equity 0.0 M€ | | | | | | | |
| Other shares owned by the parent company | | | | | | | | |
| FI | Wärtsilä Corporation, A | Helsinki | 26.1 | 26.1 | 26.1 | 26.1 | 67 733 | 70 897 |
| FI | Wärtsilä Corporation, B | | 14.4 | 14.4 | 14.4 | 14.4 | 97 178 | 114 382 |
| | Wärtsilä total | | 17.4 | 17.4 | 23.5 | 23.5 | 164 911 | 185 279 |
| FI | Sanitec Corporation | Helsinki | 6.3 | 6.3 | 6.3 | 6.3 | 45 622 | 33 351 |
| FI | Menire Corporation | | 2.8 | 2.8 | 2.8 | 2.8 | 1 380 | 540 |
| FI | Sampo Insurance Company plc | | x | x | x | x | 165 | 4 599 |
| FI | Rautaruukki Corporation | | x | x | x | x | 143 | 279 |
| FI | Julius Tallberg-Kiinteistöt Oyj | | x | x | x | x | 172 | 76 |
| | Other shares in fixed assets | | | | | | 1 047 | |

Five Years in Figures

| | | 2000 | 1999 | 1998 | 1997 | 1996 |
|---|----|-------|-------|-------|-------|-------|
| Net sales | M€ | 824 | 665 | 562 | 478 | 353 |
| of which outside Finland | M€ | 785 | 630 | 528 | 445 | 320 |
| in per cent of net sales | % | 95.3 | 94.8 | 93.9 | 93.1 | 90.7 |
| Percentage change of net sales | % | 23.9 | 18.2 | 17.7 | 35.5 | -9.6 |
| Profit before depreciation and amortization | M€ | 70 | 81 | 84 | 74 | 52 |
| in per cent of net sales | % | 8.4 | 12.2 | 14.9 | 15.6 | 14.7 |
| Operating profit | M€ | 28 | 49 | 58 | 54 | 38 |
| in per cent of net sales | % | 3.4 | 7.3 | 10.3 | 11.3 | 10.7 |
| Financial net | M€ | 11 | 12 | -9 | -1 | -1 |
| in per cent of net sales | % | 1.6 | 1.8 | 1.6 | 0.2 | 0.4 |
| Earnings after financial items | M€ | 39 | 61 | 49 | 53 | 37 |
| in per cent of net sales | % | 5.8 | 9.1 | 8.7 | 11.0 | 10.4 |
| Taxes | M€ | 13 | 21 | 19 | 19 | 13 |
| Profit before extraordinary items | M€ | 26 | 40 | 30 | 34 | 24 |
| in per cent of net sales | % | 3.1 | 6.0 | 5.4 | 7.1 | 6.8 |
| Extraordinary items, net of tax | M€ | | | | 32 | 81 |
| Profit for the financial year | M€ | 26 | 40 | 30 | 66 | 105 |
| in per cent of net sales | % | 3.2 | 6.0 | 5.4 | 13.9 | 29.7 |
| Capital expenditure (incl. acquisitions) | M€ | 104 | 173 | 46 | 176 | 62 |
| in per cent of net sales | % | 12.6 | 26.1 | 8.2 | 36.8 | 17.4 |
| Research and development costs | M€ | 9 | 7 | 6 | 6 | 5 |
| in per cent of net sales | % | 1.0 | 1.1 | 1.1 | 1.3 | 1.4 |
| Equity | M€ | 397 | 383 | 347 | 337 | 276 |
| Interest bearing debt | M€ | 492 | 383 | 219 | 207 | 103 |
| Non-interest bearing debt | M€ | 128 | 114 | 84 | 100 | 87 |
| Balance sheet total | M€ | 1 016 | 879 | 649 | 643 | 466 |
| Return on investment | % | 9 | 12 | 12 | 14 | 13 |
| Return on equity | % | 7 | 11 | 9 | 11 | 10 |
| Equity ratio | % | 39 | 44 | 53 | 52 | 59 |
| Persons employed, average | | 5 340 | 5 621 | 4 854 | 4 547 | 3 670 |
| Persons employed, Dec. 31 | | 5 337 | 5 657 | 4 993 | 4 655 | 3 434 |
| of which outside Finland | | 4 501 | 4 876 | 4 230 | 3 978 | 2 777 |

Formulas for calculation of ratios

| | | | |
|--|---|--------------------------------|---|
| Return on investment in per cent = | $\frac{\text{Earnings after financial items + interest and other financial expense}}{\text{Balance sheet total - non-interest bearing debt (average of beginning and end of year amounts)}} \times 100$ | Dividend per share = | $\frac{\text{Dividend paid}}{\text{Adjusted number of shares Dec. 31}}$ |
| Return on equity in per cent = | $\frac{\text{Earnings after financial items - taxes}}{\text{Equity + minority shareholders' equity (average of beginning and end of year amounts)}} \times 100$ | Price per earnings = | $\frac{\text{Adjusted market quotation Dec. 31}}{\text{Earnings per share}}$ |
| Equity ratio in per cent = | $\frac{\text{Equity + minority shareholders' equity}}{\text{Balance sheet total}} \times 100$ | Equity per share = | $\frac{\text{Equity}}{\text{Adjusted number of shares Dec. 31}}$ |
| Earnings per share = | $\frac{\text{Earnings after financial items - minority interest - taxes}}{\text{Adjusted average number of shares}}$ | Dividend yield in per cent = | $\frac{\text{Dividend per share}}{\text{Adjusted quotation Dec. 31}} \times 100$ |
| Dividend per earnings in per cent = | $\frac{\text{Dividend paid}}{\text{Earnings (calculated as in Earnings per share)}} \times 100$ | Adjusted average share price = | $\frac{\text{Value of shares traded during the period}}{\text{Adjusted number of shares traded during the period}}$ |

Information on Fiskars Shares

| | | 2000 | 1999 | 1998 | 1997 | 1996 |
|---|---------------|----------|----------|----------|----------|----------|
| Share capital | M€ | 55.4 | 55.4 | 37.1 | 37.0 | 38.7 |
| Earnings per share | € | 0.46 | 0.73 | 0.55 | 0.62 | 0.44 |
| -incl. extraordinary income | € | 0.46 | 0.73 | 0.55 | 1.20 | 1.91 |
| Nominal dividend per share | €/A-share | 0.31 | 0.31 | 0.39 | 0.35 | 0.29 |
| | €/K-share | 0.29 | 0.29 | 0.37 | 0.33 | 0.27 |
| Dividend, million | M€ | 16.8*) | 16.8 | 16.8 | 15.1 | 12.5 |
| Adjusted dividend per share | €/A-share | 0.31 | 0.31 | 0.31 | 0.28 | 0.24 |
| | €/K-share | 0.29 | 0.29 | 0.29 | 0.26 | 0.21 |
| Equity per share | € | 7.17 | 6.92 | 6.28 | 6.11 | 5.03 |
| Adjusted average price per share | €/A-share | 9.32 | 11.38 | 15.85 | 10.92 | 6.62 |
| | €/K-share | 9.31 | 10.95 | 16.31 | 10.66 | 7.27 |
| Adjusted lowest price per share | €/A-share | 6.90 | 9.50 | 12.24 | 7.62 | 4.71 |
| | €/K-share | 7.01 | 10.00 | 12.93 | 7.67 | 4.93 |
| Adjusted highest price per share | €/A-share | 13.00 | 16.00 | 18.97 | 14.80 | 8.52 |
| | €/K-share | 13.49 | 16.65 | 18.51 | 13.87 | 8.40 |
| Adjusted price per share, Dec. 31 | €/A-share | 7.40 | 13.00 | 13.86 | 13.23 | 7.74 |
| | €/K-share | 7.50 | 13.00 | 14.70 | 13.53 | 8.18 |
| Market value of shares | M€ A-shares | 290.4 | 510.2 | 541.5 | 514.5 | 299.3 |
| | M€ K-shares | 120.9 | 209.5 | 236.9 | 218.0 | 131.8 |
| | Total, M€ | 411.3 | 719.7 | 778.5 | 732.5 | 431.1 |
| Number of shares (unadjusted), 1000 | A-shares | 39 246.1 | 39 246.1 | 28 037.2 | 27 901.2 | 27 754.0 |
| | K-shares | 16 118.4 | 16 118.4 | 16 118.4 | 16 118.4 | 16 118.4 |
| | Total | 55 364.4 | 55 364.4 | 44 155.6 | 44 019.6 | 43 872.4 |
| Adjusted number of shares, 1000 | A-shares | 39 246.1 | 39 246.1 | 39 076.1 | 38 886.6 | 38 681.4 |
| | K-shares | 16 118.4 | 16 118.4 | 16 118.4 | 16 118.4 | 16 118.4 |
| | Total | 55 364.4 | 55 364.4 | 55 194.5 | 55 005.0 | 54 799.8 |
| Adjusted average number of shares, 1000 | A-shares | 39 246.1 | 39 097.5 | 38 990.9 | 39 265.6 | 38 848.1 |
| | K-shares | 16 118.4 | 16 118.4 | 16 118.4 | 16 118.4 | 16 118.4 |
| | Total | 55 364.4 | 55 215.9 | 55 109.3 | 55 384.0 | 54 966.4 |
| Number of shares traded, 1000 | A-share | 3 830.6 | 3 866.7 | 4 457.5 | 2 880.9 | 7 458.9 |
| | in % of total | 9.8 | 9.9 | 11.4 | 7.4 | 19.3 |
| | K-shares | 501.9 | 2 414.6 | 1 268.8 | 969.6 | 2 742.6 |
| | in % of total | 3.1 | 15.0 | 7.9 | 6.0 | 17.0 |
| Price per earnings | A-share | 16 | 18 | 25 | 22 | 18 |
| | K-share | 16 | 18 | 26 | 22 | 18 |
| Dividend per earnings in per cent | | 65.6 | 42.2 | 55.2 | 44.3 | 52.2 |
| Dividend yield in per cent | A-share | 4.2 | 2.4 | 2.2 | 2.1 | 3.0 |
| | K-share | 3.9 | 2.2 | 2.0 | 2.0 | 2.7 |
| Number of shareholders | | 3 353 | 3 020 | 2 476 | 2 434 | 2 670 |

*) Board proposal

Other Information on Shares and Shareholders

| Number of shares and share capital | December 31, 2000 | | December 31, 1999 | |
|------------------------------------|-------------------|------------|-------------------|------------|
| | Number of shares | € | Number of shares | € |
| Outstanding A shares | 39 246 066 | 39 246 066 | 39 246 066 | 39 246 066 |
| Outstanding K shares | 16 118 364 | 16 118 364 | 16 118 364 | 16 118 364 |
| Outstanding shares, total | 55 364 430 | 55 364 430 | 55 364 430 | 55 364 430 |

| Number of shares and votes | December 31, 2000 | | December 31, 1999 | |
|---------------------------------------|-------------------|-------------|-------------------|-------------|
| | Number of shares | Votes | Number of shares | Votes |
| Outstanding A shares (1 vote/share) | 39 246 066 | 39 246 066 | 39 246 066 | 39 246 066 |
| Outstanding K shares (20 votes/share) | 16 118 364 | 322 367 280 | 16 118 364 | 322 367 280 |
| Total | 55 364 430 | 361 613 346 | 55 364 430 | 361 613 346 |

If the Annual General Meeting declares a distribution of dividends, shares of series A are entitled to a dividend of at least two percentage points higher than shares of series K. The calculated nominal value of both the A-share and the K-share is one euro.

| Minimum and maximum number of shares | December 31, 2000 | | December 31, 1999 | |
|--|-------------------|-------------|-------------------|-------------|
| | minimum | maximum | minimum | maximum |
| Shares of series A | 35 000 000 | 140 000 000 | 35 000 000 | 140 000 000 |
| Shares of series K | 35 000 000 | 140 000 000 | 35 000 000 | 140 000 000 |
| Total number of shares of series A and K | 35 000 000 | 140 000 000 | 35 000 000 | 140 000 000 |

| Minimum and maximum share capital | December 31, 2000 | | December 31, 1999 | |
|-----------------------------------|-------------------|--|-------------------|--|
| | € | | € | |
| Minimum share capital | 35 000 000 | | 35 000 000 | |
| Maximum share capital | 140 000 000 | | 140 000 000 | |

| Taxation values of the shares in Finland | 2000 | | 1999 | |
|--|-------|--|-------|--|
| | € | | € | |
| Series A share | 5.250 | | 9.415 | |
| Series K share | 5.319 | | 9.100 | |

| Turnover of shares at the Helsinki Exchanges | 2000 | | 1999 | |
|--|------|------------------|------|------------------|
| | M€ | Number of shares | M€ | Number of shares |
| Series A shares | 35.7 | 3 830 550 | 44.0 | 3 866 685 |
| Series K shares | 4.7 | 501 864 | 26.4 | 2 414 646 |
| Total | 40.4 | 4 332 414 | 70.4 | 6 281 331 |

Shareholders by owner groups December 31, 2000

| Ownership structure | Number of shareholders | | Number of shares | | Votes | |
|--|------------------------|--------|------------------|--------|-------------|--------|
| | | % | | % | | % |
| Private corporations | 190 | 5.66 | 15 026 410 | 27.14 | 103 626 184 | 28.66 |
| Financial institutions and insurance companies | 15 | 0.45 | 1 692 548 | 3.06 | 17 254 764 | 4.77 |
| Public entities | 13 | 0.39 | 5 714 943 | 10.32 | 33 794 378 | 9.35 |
| Non-profit organizations | 92 | 2.75 | 7 670 136 | 13.85 | 51 295 409 | 14.18 |
| Private individuals | 2 993 | 89.26 | 15 005 581 | 27.10 | 103 716 999 | 28.68 |
| Foreigners | 49 | 1.46 | 10 212 752 | 18.45 | 51 715 516 | 14.30 |
| Others | 1 | 0.03 | 42 060 | 0.08 | 210 096 | 0.06 |
| Total | 3 353 | 100.00 | 55 364 430 | 100.00 | 361 613 346 | 100.00 |

Division of shares on December 31, 2000

| <i>Number of shares</i> | <i>Number of shareholders</i> | <i>%</i> | <i>Number of shares</i> | <i>%</i> | <i>Number of votes</i> | <i>%</i> |
|-------------------------|-------------------------------|---------------|-------------------------|---------------|------------------------|---------------|
| 1 - 100 | 571 | 17.03 | 77 297 | 0.14 | 364 634 | 0.10 |
| 101 - 500 | 1 158 | 34.54 | 330 638 | 0.60 | 1 319 360 | 0.36 |
| 501 - 1 000 | 489 | 14.58 | 375 650 | 0.68 | 1 658 473 | 0.46 |
| 1 001 - 10 000 | 906 | 27.02 | 2 765 813 | 4.99 | 14 740 582 | 4.08 |
| 10 001 - 100 000 | 166 | 4.95 | 5 146 946 | 9.30 | 30 027 959 | 8.30 |
| 100 001 - | 63 | 1.88 | 46 668 086 | 84.29 | 313 502 338 | 86.70 |
| Total | 3 353 | 100.00 | 55 364 430 | 100.00 | 361 613 346 | 100.00 |

Major shareholders according to the shareholder register on December 31, 2000

| | <i>Shares of series A</i> | <i>Shares of series K</i> | <i>Total</i> | <i>Percentage of votes</i> | <i>Percentage of shares</i> |
|--|---------------------------|---------------------------|--------------|----------------------------|-----------------------------|
| Virala Ltd. | 2 121 483 | 1 498 926 | 3 620 409 | 8.9 | 6.5 |
| Oy Holdix Ab | 2 206 516 | 1 233 996 | 3 440 512 | 7.4 | 6.2 |
| Duba AB | 3 731 197 | 1 012 800 | 4 743 997 | 6.6 | 8.6 |
| Varma-Sampo Mutual Pension Insurance Company | 1 429 750 | 932 770 | 2 362 520 | 5.6 | 4.3 |
| Agrofin Oy Ab | 3 220 556 | 741 346 | 3 961 902 | 5.0 | 7.2 |
| Sampo Group | 707 097 | 818 048 | 1 525 145 | 4.7 | 2.8 |
| Oy Julius Tallberg Ab | 491 471 | 792 938 | 1 284 409 | 4.5 | 2.3 |
| Hambo Oy Ab | 996 231 | 740 235 | 1 736 466 | 4.4 | 3.1 |
| I.A. von Julin's Trust | 878 272 | 733 530 | 1 611 802 | 4.3 | 2.9 |
| Sophie von Julin's Foundation | 1 144 260 | 482 040 | 1 626 300 | 3.0 | 2.9 |
| The Local Government Pension Institute | 1 130 580 | 314 220 | 1 444 800 | 2.1 | 2.6 |

Share option program

The holders of warrants connected to the option program of 1998 are entitled to a maximum of 1,575,000 shares of series A corresponding to approx. 2.8% of the shares and approx. 0.4% of the votes. The warrants can be exercised as follows:

| | <i>Subscription period</i> | <i>Number of shares of series A</i> | <i>Subscription price/share €</i> |
|----------|----------------------------|-------------------------------------|-----------------------------------|
| Series A | 15 May to 15 June 2001 | maximum 525 000 | 17.36 |
| Series B | 15 May to 15 June 2002 | maximum 525 000 | 13.18 |
| Series C | 15 May to 15 June 2003 | maximum 525 000 | 10.10 |

Management's shareholding

On December 31, 2000 the Board members, the President and the Corporate Vice President controlled a total of 15,372,661 shares corresponding to 27.8% of the Corporation's shares and 32.0% of the votes. By exercising the warrants connected to the option program of 1998 the President and the Corporate Vice President are entitled to a total of 105,000 shares of series A corresponding to 0.2% of the shares and 0.03% of the votes.

Shareholders' Agreement

In December 1992 a group of private investors and companies entered into an agreement on pre-emptive rights between the parties in case of sales of shares. The agreement is still in force and the group represents about 54% of the total number of votes.

Insider Rules

The Board of Directors has decided that as of January 1, 2000 the Corporation applies the Guidelines for Insiders approved by the Helsinki Exchanges.

Parent Company Income Statement

| | 2000 | | 1999 | |
|--|-------------|---------------|-------|--------|
| | M€ | | M€ | |
| Net sales | 33.8 | 100.0% | 27.0 | 100.0% |
| Cost of sales | -2.1 | | -2.1 | |
| Gross profit | 31.8 | 93.9% | 24.9 | 92.2% |
| Administration expenses | -5.7 | | -6.2 | |
| Other operating income | 0.4 | | 1.1 | |
| Other operating expenses | -0.8 | | -1.5 | |
| Operating profit | 25.7 | 75.9% | 18.3 | 67.8% |
| Financial income and expenses | (6) 66.2 | | 48.2 | |
| Profit before extraordinary items | 91.8 | 271.4% | 66.6 | 246.3% |
| Extraordinary items | (7) 0.9 | | | |
| Profit after extraordinary items | 92.7 | 274.0% | 66.6 | 246.3% |
| Increase (-) or decrease (+) in depreciation reserve | -0.1 | | -0.1 | |
| Group contribution received | 20.4 | | 3.3 | |
| Income taxes | (8) -28.2 | | -18.8 | |
| Profit for the financial year | 84.8 | 250.7% | 50.9 | 188.5% |

Parent Company Balance Sheet

| ASSETS | | | | LIABILITIES | | | | |
|---|--------------|---------------|-------|-------------------------------|-------------------|--------------|---------------|------|
| Dec.31, 2000 | | Dec.31, 1999 | | Dec.31, 2000 | | Dec.31, 1999 | | |
| M€ | | M€ | | M€ | | M€ | | |
| Fixed assets and other non-current investments | | | | Capital and reserves | (19) | | | |
| Intangible assets | (9) 0.2 | | 0.2 | Share capital | | 55.4 | 55.4 | |
| Tangible assets | (11) 29.8 | | 30.0 | Share premium account | | 21.3 | 21.3 | |
| Investments | (12) 581.6 | | 477.5 | Revaluation reserve | | 3.9 | 4.0 | |
| | 611.6 | 62.8% | 507.6 | 67.0% | Other reserves | 3.2 | 3.2 | |
| Stocks and financial assets | | | | Retained earnings | | 223.7 | 189.6 | |
| Stocks | (14) 0.1 | | 0.1 | Profit for the financial year | | 84.8 | 50.9 | |
| Non-current debtors | (15) 0.4 | | 0.5 | | 392.4 | 40.3% | 324.3 | |
| Current debtors | (17) 356.8 | | 243.5 | | | | 42.8% | |
| Cash in hand and at bank | 4.5 | | 5.8 | Appropriations | (20) | 1.9 | 0.2% | |
| | 361.8 | 37.2% | 249.8 | 33.0% | | 1.8 | 0.2% | |
| | 973.4 | 100.0% | 757.5 | 100.0% | Provisions | (21) | 0.0 | 0.0% |
| | | | | | | 0.0 | 0.0% | |
| | | | | Creditors | | | | |
| | | | | Non-current | (23) | 370.9 | 372.6 | |
| | | | | Current | (24) | 208.2 | 58.7 | |
| | | | | | | 579.1 | 59.5% | |
| | | | | | | 431.3 | 56.9% | |
| | | | | | | 973.4 | 100.0% | |
| | | | | | | 757.5 | 100.0% | |

Parent Company Statement of Cash Flows

| | 2000 M€ | 1999 M€ |
|---|------------|------------|
| Cash flows from operating activities | | |
| Net profit before taxation | 91.8 | 66.6 |
| Depreciation | 1.2 | 1.2 |
| Reversal of items recorded on an accrual basis | (32) -66.1 | -48.4 |
| Cash generated before working capital changes | 26.9 | 19.4 |
| Change in current receivables | -17.7 | 2.2 |
| Change in stocks | 0.0 | 0.0 |
| Change in current non-interest bearing debt | -15.2 | 15.4 |
| Cash generated from operations | -6.0 | 37.0 |
| Financial income items received | 32.0 | 20.4 |
| Dividends received | 43.8 | 18.4 |
| Financial expense items paid | -24.3 | -15.4 |
| Taxes paid | -10.5 | -6.8 |
| Group contributions | 20.4 | 3.3 |
| Net cash flow from operating activities | 55.4 | 56.9 |
| Cash flows from investing activities | | |
| Investments | -204.2 | -98.5 |
| Purchase of tangible and intangible assets | -1.1 | -4.5 |
| Proceeds from disposal of investments | 119.4 | 15.9 |
| Proceeds from sale of equipment | 0.1 | 0.1 |
| Net cash flow from investments | -85.8 | -87.0 |
| Cash flow after investments | -30.4 | -30.1 |
| Cash flows from financing activities | | |
| New issue | | 0.8 |
| Change in non-current debt | -28.1 | 134.3 |
| Change in current interest bearing debt | 153.5 | 3.8 |
| Change in current receivables | -79.3 | -114.7 |
| Change in non-current receivables | -0.2 | 21.1 |
| Dividends paid | -16.8 | -16.8 |
| Net cash flows from investing activities | 29.1 | 28.5 |
| Change in cash | -1.3 | -1.6 |
| Cash at beginning of year | 5.8 | 7.4 |
| Cash at end of year | 4.5 | 5.8 |

Proposal by the Board of Directors to the Annual General Meeting

At the end of the financial year the distributable consolidated equity amounted to 306.6 million euros (290.5 million euros). The distributable equity of the Parent Company is 308.6 million euros (240.5 million euros).

For the accounting period of 1999 a dividend of 16,8 mill.

euro was paid.

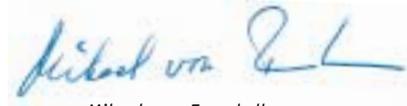
For 2000 the Board of Directors proposes a dividend of 0.31 euros per share of series A (0.31 euros) and 0.29 euros per share of series K (0.29 euros). Thus the dividend distribution would be:

| | |
|---|---------------------|
| on 39 246 066 shares of series A 0.31 euros/share, in total | 12 166 280.46 euros |
| on 16 118 364 shares of series K 0.29 euros/share, in total | 4 674 325.56 euros |
| Total distribution of dividend | 16 840 606.02 euros |

Helsinki, 15 February 2001



Göran J. Ehrnrooth



Mikael von Frenckell



Robert G. Ehrnrooth



Thomas Tallberg



Gustaf Gripenberg



Juha Toivola



Stig Stendahl



Bertel Langenskiöld
President and CEO

Auditor's Report

To the shareholders of Fiskars Corporation

I have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of Fiskars Corporation for the year ended 31 December 2000. The financial statements prepared by the Board of Directors and the Managing Director include the report of Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements. Based on my audit I express an opinion on these financial statements and the parent company's administration.

I have conducted my audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that I plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting

the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of my audit of the administration has been to examine that the Board of Directors and the Managing Director have complied with the rules of the Companies Act.

In my opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations for the year, as well as of the financial position at the year-end. The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited. The proposed dividend is in compliance with the Companies

Helsinki, 15 February 2001



Eric Haglund
Authorized Public
Accountant

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A close-up, low-angle shot of a Fiskars tool handle. The handle is black with a yellow section on the left. The word "FISKARS" is printed in white, bold, sans-serif capital letters on the black part of the handle, with a registered trademark symbol (®) to its upper right. The background is a vibrant blue with several thin, white, diagonal streaks that create a sense of motion or light trails. The lighting is bright, highlighting the texture of the handle and the sharpness of the text.

FISKARS®