

ANNUAL REPORT

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1996



**Contents**

Information to Shareholders .....	1
President's Review .....	2
Board of Directors and Auditors .....	4
Corporate Management .....	5
Industrial Operations .....	6
Consumer Products Group .....	6
Inha Works .....	10
Real Estate Group .....	12
Major Shareholdings .....	14
Metra Corporation .....	14
Exide Electronics, Gyllenberg and Björkboda .....	15
<b>Financial Statements 1996</b> .....	16
Report by the Board of Directors .....	17
Consolidated Income Statement .....	22
Consolidated Statement of Cash Flows .....	23
Consolidated Balance Sheet .....	24
Accounting Principles .....	26
Notes to the Financial Statements .....	28
Five Years in Figures .....	38
Information on Fiskars Shares .....	39
Parent Company Income Statement and Statement of Cash Flows .....	44
Parent Company Balance Sheet .....	45
Proposal by the Board of Directors for Appropriation of Profits .....	46
Auditor's Report .....	47
Addresses .....	48

**Information to Shareholders**

**Annual General Meeting of Shareholders** The Annual General Meeting of the shareholders of Fiskars Oy Ab will be held at Restaurant Marski, Mannerheimintie 10, Helsinki, Finland, on Thursday, March 20, 1997 at 4.30 p.m.

In order to take part in the Annual General Meeting, shareholders must be registered in the shareholder register maintained by the Finnish Central Securities Depository (Suomen Arvopaperikeskus Oy) not later than Monday, March 10, 1997.

Shareholders wishing to attend the meeting should inform Fiskars Corporate Center by letter to P.O. Box 235, FIN-00101 Helsinki, Finland, or by phone +358 9 61 886 230 (Lisbeth Jantunen) not later than 4.30 p.m. on Tuesday, March 18, 1997.

**Dividend** The Board of Directors proposes that the dividend be increased by a bonus of FIM 3.00 per share. The dividend would be FIM 10.50 (FIM 7.50) per share of series A and FIM 9.70 (FIM 6.70) per share of series K. The dividend decided by the shareholders' meeting will be paid to shareholders registered in the owner register to the record date. According to the decision of the Board of Directors, the record date is March 25, 1997. The Board of Directors proposes to the shareholders' meeting that the dividend be paid on April 1, 1997.

**Financial information** Fiskars' financial information is published in Finnish, Swedish and English.

In addition to the Annual Report, Fiskars Corporation publishes three interim reports in 1997, covering the periods January 1 to March 31, January 1 to June 30, and January 1 to September 30.

**Summary of operations, FIM million \*)**

	1996	1995
Net sales	2,097	2,320
Operating profit	225	239
Earnings after financial items	218	198
Extraordinary income	479	29
Taxes on operations	74	80
Profit for the year	623	147
Earnings per share, FIM	19.50	15.70
Balance sheet total	2,769	2,576
Equity ratio %	59	43
Personnel at year-end	3,434	4,088

\*) Complete summary is presented on page 38.

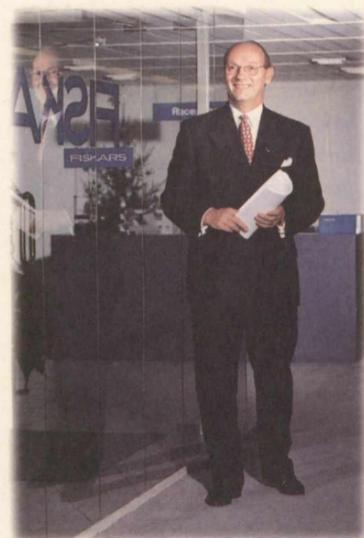
**Exchange rates**

	Average rate (Income Statement)		Closing rate, Dec 31 (Balance Sheet)	
	1996	1995	1996	1995
1 USD	4.58	4.37	4.64	4.36
1 SEK	0.68	0.62	0.67	0.65
1 DEM	3.05	3.06	2.99	3.04
1 GBP	7.19	6.91	7.87	6.74
1 ECU	5.75	5.66	5.77	5.60

**Trend of Fiskars share price compared to HEX (1992 = 100)**



## President's Review



A glance at the year 1996 reveals that things as a whole progressed as planned and that real surprises were conspicuously absent. The first part of the year was largely dominated by the sale of our UPS operations to Exide Electronics while efforts in the latter half were increasingly dedicated to the continued development of the Consumer Products Group.

The external operating environment remained stable providing a good basis for our operations. Finland's accession to the ERM played a positive influence on the European currency market, and as this happened in pace with the slowly strengthening exchange rate for the US dollar so important for our business, it impacted our result trend positively.

**Consumer Products Group** Our stated objective to focus on the consumer products sector was clearly manifested in the past year. We achieved a good organic growth both through direct volume increases and thanks to new successful products, while at the same time closing two acquisitions during the year and finalising negotiations for another major acquisition at the year-end.

Like in 1995, growth was strongest in the United States, although the trend was uneven in the various product groups. Our goal is to generate one fourth of sales from new products which have been in the market for less than three years, and this was achieved in nearly all of our markets.

Our new market areas in Eastern Europe, Southeast Asia, Australia and Latin America still remain small in volume even if we can point to some examples of considerable growth. We are convinced that our efforts in these interesting markets are well justified and will boost our results in a slightly longer perspective.

I mentioned earlier that volume growth was clearly best in the United States with an increase of 35% over 1995. A closer scrutiny of our American business units reveals that the growth rate was strongest in Wausau, Wallace and Power Sentry, while Gerber's development was somewhat slower. The newcomers Portable Products and Newpoint redeemed more than well the expectations placed on them. Also our Canadian subsidiary achieved a good sales growth. Our first Latin American subsidiary was established in Mexico.

Growth pace in Europe was relatively homogenous in all our companies, remaining, however, behind that of the US market. Subsidiaries in Poland, Russia and Hungary were started during the year. The factory in Slupsk, Poland, was extended, and the spade manufacturing plant in St. Petersburg, Russia, is approaching the trial running phase.

**New products and designs** Fiskars has recently gained a lot of positive publicity thanks to its innovative product development and design. This work is being successfully carried out both at Billnäs, Finland, and in all our manufacturing units. In the USA product development is, however, mainly concentrated to our Development Center in Middleton in the vicinity of Madison, Wisconsin, where the headquarters of the Consumer Products Group is located.

Middleton employs a dozen full-time personnel to create new products and new production methods. This is done in cooperation with the American units and the corresponding development teams at Billnäs and Bridgend, Wales, as well as with other units.

Intensive development of new products continued throughout the year and contributed strongly towards increased sales, which is an absolute must if we wish to maintain our credibility within the distribution. Consequently, several innovations were introduced in the category 'school, office and craft'; the already very successful Softouch technology was applied to a number of products in Wallace's garden product range. Often these innovations were new variations of existing products.

In the category of 'entirely new' products worth mentioning is the unique saw blade developed in Middleton in cooperation with the Wausau unit. This blade will from now on be utilized in some of Gerber's and Wallace's products. Similarly, the revolutionary, ergonomically designed Billnäs power pruners with a gear mechanism belong to the category of entirely new products.

Together with previously launched power loppers and the new big power loppers, these power pruners form a new product family which i.a. won the highly prestigious European Design Prize 1997 awarded by the EU, as well as the

Pro Finnish Design 1997 prize. These distinctions are prime examples which illustrate the esteem enjoyed by the achievements of our product development experts both among professionals and ordinary consumers.

**Organization** The steadily increasing number of business units and product groups imposes high demands on the resources of the Consumer Products Group. Systematic management training in the different companies is an important tool for dealing with these challenges, and training programs will therefore be continued and developed further.

The ongoing training of our personnel enables us to continuously develop the organization of the Consumer Products Group. During the year, a new business group including the operations of Wallace and Portable Products was created in the United States, and the two companies of the newly acquired Alterra Holdings Corporation, i.e. Royal Floor Mats and Aquapore also transferred to the new business group.

Certain changes in the division of responsibilities were introduced also in other business groups. They can be seen more or less as a continuous process supporting the optimal utilization of the existing management resources while taking into consideration the pace of growth in the different market areas.

**Inha Works'** sales and profitability continued to improve in 1996, thus strengthening its position within the corporation. Like in previous years, Inha was once again able to launch a new boat model, Buster M, which will replace the highly popular version Buster RS, of which altogether more than 20,000 units were sold in its twenty years of existence. Several new models were introduced in the hinge production. An agreement was signed with our British licensor Pandrol Ltd., enabling us to exploit their latest rail fitting product, Fastclip.

**Real Estate Group** Like in the previous years, the operations of the Real Estate Group consisted of preserving the cultural values and the unique historical buildings in the Fiskars industrial area, and to continue the development of a plan for the Hankoniemi Peninsula. Hangan Sähkö Oy was able to move into new convenient premises, which was reflected in more efficient operations and improved profitability.

**Acquisitions** The previously mentioned acquisition of Alterra, closed in January 1997, represents two new product areas for Fiskars. These two companies meet our acquisition criteria well with regard to market potential, profitability and product differentiation.

Royal Floor Mats is an old and especially in the United States well established company specializing in door mats both for indoor and outdoor purposes. The primary raw material is ground recycled rubber from discarded tyres, made into colourful mats with different patterns and coatings. The distribution channels are largely the same as our home-ware products, and the company is a clear market leader in its industry. Export potential to Europe and Southeast Asia opens interesting possibilities for a further expansion, while the American market is growing rapidly.

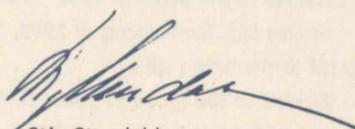
Aquapore also uses rubber rawmaterial to produce rubber hoses for lawn and garden irrigation systems. The two principal products are water-saving hoses; one of them can be connected to the irrigation system to enable accurate irrigation, and the special water saving characteristics of the other is permeability along its entire length. This is an important feature for many of the southwestern states where water supply can often be a major concern. In its market niche, Aquapore is the clear market leader in America.

Although we are still prepared to make completing new acquisitions and are on the lookout for targets both in the United States and Europe, the corporation as a whole seems to be heading for a period of slightly less dramatic changes. Our growth will continue, however, thanks to our efficient product development, emerging new markets, as well as already completed and future acquisitions.

It is my firm belief that we all have both potential and a strong ambition to increase the value of the capital entrusted under our management. Our financial base is solid, we have experienced and knowledgeable leaders, competent and committed personnel, and – perhaps the most important of all – a continuous flow of new and innovative products.

I wish to express my thanks for the trust shown to me and the other members of management in the past year by Fiskars' shareholders and Board of Directors. At the same time I thank all my colleagues and fellow employees, our customers and other constituent groups for a good and successful cooperation during an intensive and eventful year.

Helsinki, February 1997

  
Stig Stendahl

## Board of Directors and Auditors



Board of Directors of Fiskars Oy Ab

Göran J. Ehrnrooth (1934)

Chairman since 1984, elected to the Board in 1974. President of the company (1969–1983). Member of the Board of Directors, Metra Oy Ab. Term expires in 1997. Shareholding: 55,163 shares.

Erik Stadigh (1928)

Vice Chairman, elected to the Board in 1993. Former Deputy Managing Director at the Union Bank of Finland. Term expires in 1999. No Fiskars' shares.

Robert G. Ehrnrooth (1939)

Elected to the Board in 1966. Chairman of the Board of Directors, Metra Oy Ab. Former President of EffJohn Oy Ab. Term expires in 1999. Shareholding: 133,502 shares.

Thomas Tallberg (1934)

Elected to the Board in 1966. M.D., Helsinki University Central Hospital. Chairman of the Board of Directors, Tallberg Group. Term expires in 1997. Shareholding: 67 shares.

Jarl Engberg (1938)

Elected to the Board in 1980. Attorney-at-Law, Hannes Snellman Attorneys-at-Law Ltd. Term expires in 1998. Shareholding: 4,000 shares.

Gustaf Gripenberg (1952)

Elected to the Board in 1986. D. Eng., Helsinki University. Term expires in 1998. Shareholding: 18,350 shares.

Left to right:

Göran J. Ehrnrooth  
Thomas Tallberg  
Gustaf Gripenberg  
Jarl Engberg  
Erik Stadigh  
Robert G. Ehrnrooth

### Auditors

Ordinary

Eric Haglund, CPA

Deputy

KPMG Wideri Oy Ab  
Corporation of Auditors

## Corporate Management

### Corporate Management

Stig Stendahl (1939)

President and CEO

Employed since

1992

Olli Rysä (1945)

Vice President, Corporate Control

1990

Juha Rauhala (1954)

Vice President, Corporate Finance

1989

Erkki Hokkinen (1947)

Vice President, Corporate Development

1988

Kurt-Erik Forsstedt (1942)

Vice President, Legal Counsel

1980

Wayne G. Fethke (1944)

Corporate Vice President, Consumer Products

1977

Ingmar Lindberg (1945)

Corporate Vice President, Administration and Real Estate

1985

### Business areas

Wayne G. Fethke (1944)

Consumer Products Group

1977

Roy Prestage (1940)

North America

1983

Jim Woodside (1956)

North America

1993

Stig Matar (1945)

Finland, Germany, Italy, Eastern Europe

1987

Gareth Davies (1960)

Great Britain, France, Sweden, Norway, Denmark

1986

Mike Vierzba (1948)

Canada, Asia, Pacific, Latin America

1984

Pauli Lantonen (1939)

Inha Works

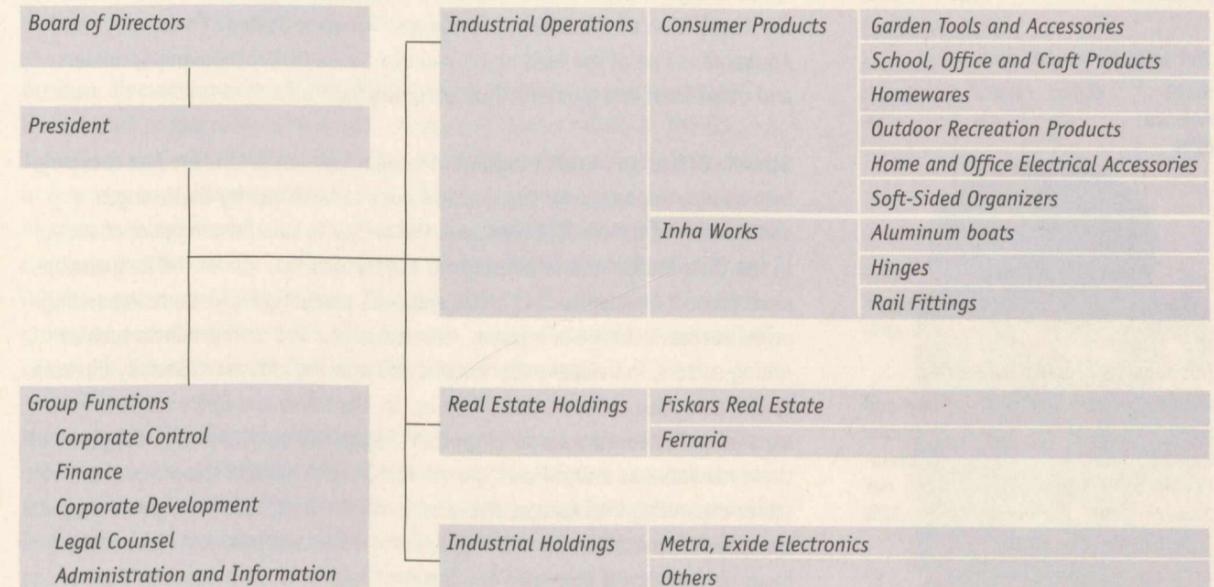
1968

Ingmar Lindberg (1945)

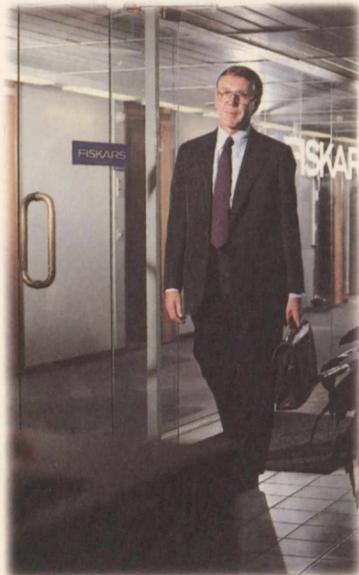
Real Estate Group

1985

### Organization



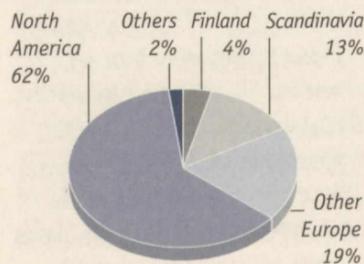
## Consumer Products Group



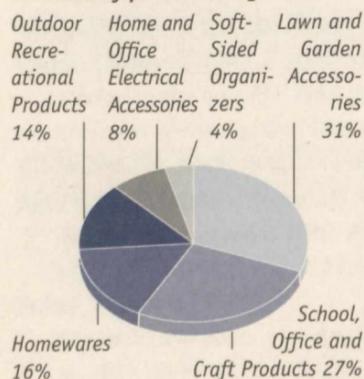
Wayne G. Fethke

Key indicators	1996	1995
Net sales, FIM million	1,867	1,485
- of which		
outside Finland %	96	95
Share of total net sales %	89	64
Operating profit, FIM million	239	199
Personnel	3,184	2,952

### Net sales by market area



### Net sales by product categories



The Consumer Products Group is the largest of Fiskars' industrial and commercial operations. It operates in six key categories in the consumer products market: Lawn and Garden Accessories; School, Office and Craft Products, Homewares, Outdoor Recreational Products, Home and Office Electrical Accessories, as well as Soft-Sided Organizers. The principal markets are in the United States and Europe.

During 1996, strong performance in many of the business units helped Fiskars to offset the impact of increasing global competitiveness from suppliers in geographies with low or subsidized labor and raw material costs. This performance serves to reinforce our strategy of building broad-base, flexible businesses, able to rapidly take advantage of market conditions as they continue to evolve.

**Lawn and Garden Accessories** Lawn and Garden Accessories is the largest but also the most seasonal product category. Huge volumes are shipped to customers during just a few weeks of the spring each year. As a result, inventory must be built in advance of the forecasted need. Thanks to initiatives introduced two years ago, the product group was again able to significantly improve its performance. In 1996 year the weather was more cooperative than the year before. Major initiatives such as the continuing developments in one-step manufacturing in Finland, inventory reduction programs in the US, improvements in the manufacturing processes in Wales, and organizational streamlining in Denmark allowed the group to improve profitability in these units.

Offerings in the Lawn and Garden Accessories range were further added by the acquisition of the American Aquapore Moisture Systems in January 1997. Aquapore is one of the leading US manufacturers of water-saving sprinklers and other lawn and garden irrigation products.

**School, Office and Craft Products** The development of this product category, increasingly important for Fiskars, continues to be driven by the strength and breadth of the product lines, and the ability to take advantage of changes in the distribution and retail patterns for this market. Fiskars has long emphasized product development in office and craft products, for instance expanding on its successful range of scissors. New stationery and craft products such as rolling cutters, individual paper cutters and drawing aids are especially directed to children. Also other product offerings for the home and office markets were expanded. The continuous development of specialty store chains to supply these markets was a significant growth factor, with more of the office chain stores expanding into Europe, Asia and South America. It is anticipated that the trend of specialization in the distribution will continue, and Fiskars will focus on its existing strengths and business relationships to meet this opportunity and take its share of the growth.

**Homewares** Homewares is another of the historical strength areas of Fiskars, and it continues to have significant stable positions in the markets in knives, kitchen tools, and other kitchen-type products. Growth in this market seg-

The smallest Handy weighs less than 0.5 kg.



Ergonomically designed power loppers and pruners are the gardener's new help for demanding jobs.



ment is sought by defining the segment and the customers in even greater detail to include additional products for use in other areas of the home. Also new products are developed internally for these markets.

In January 1997, Fiskars acquired Royal Door Mats which is the market leader in its sector in the United States. The company manufactures outdoor and indoor floor mats and complements Fiskars' homewares sector, potentially adding to exports from the United States to other countries.

**Outdoor Recreational Products** The Consumer Products Group's outdoor recreational products are primarily coming from Fiskars Gerber in the US. The efforts at Gerber included significant changes in manufacturing processes in response to tightening competition. The focus of recent years has been on new product launches. This has allowed an optimal utilization of Fiskars' special strengths and its good relations with the distribution. Also sales of Billnäs-made axes, highly popular among outdoor enthusiasts, continued to grow. The seventh model in the Handy series, a very compact axe convenient to carry in a backpack or a belt, was introduced last year.

**Home and Office Electrical Accessories** This category represents our fastest growing markets. During the second quarter of 1996, Fiskars acquired the assets of American Newpoint Corporation, a leading manufacturer and provider of electrical surge protection devices primarily directed to electrical, telephone and home satellite markets. Newpoint together with Power Sentry, acquired in 1995, will allow Fiskars to continue to consolidate its position in this fragmented, emerging market. The offerings and distribution channels of these two companies complement each other very well and provide good possibilities of further expansion for Fiskars in the US power surge protection market. Fiskars' strength is based on competitive products and a solid market position.



Children's craft products are great fun.



Aquapore's irrigation products are designed to save water.



Newpoint's power management solution protects the impeccable function of the computer.



Tools can be organized neatly thanks to Portable Products.

Gerber's range includes a knife for all recreational and craft uses.



**Soft-Sided Organizers** This area represents the newest product category, and results from the acquisition of US based Portable Products during the first quarter of 1996. Portable Products is the premier provider of canvas tool belts, bags and other portable tool organizers and carryalls. Portable Products represents a very synergistic blend of culture of innovativeness with Fiskars' other consumer products and with the distribution which is one of Fiskars' special strengths. The expectations for the increased success of these products, targeted particularly to the do-it-yourself market, are high.

Three main factors continue to fuel the growth of the Consumer Products Group, as they have for the last several years: development of new products, development of new marketplaces and acquisition of carefully selected products and companies.

**Development of new products** A major portion of the growth of the Consumer Products Group comes from the introduction of products innovative both in how they serve customers' needs and in their manufacturing techniques.

Perhaps the best example of this was the introduction in 1996 of a new line of geared lawn and garden products, including an ergonomically designed small pruner which conforms to the physical movement of the hand when it squeezes, and two versions of a power gear lopper whose unique gear design offers significantly improved cutting power with less effort.

The line of scissors and office products was added with new children's scissors, a personal paper trimmer, paper crimpers and several other products. Over 75 new products were introduced during 1996 to the School, Office and Craft category.

The development of new manufacturing processes is a constant challenge. The Wausau business unit for instance developed a new method for grinding saw teeth, cooperating with the Product Development Center in Middleton; the resulting products will be used in products for both the garden tool market and outdoor market. The successful Softouch technology was applied also to the new series of garden pruners.

**Market development** The Consumer Products Group began the process of expansion of its business into new geographical markets during the second half of 1994. Implementation of this strategy continued in 1996.

The business unit that is focused on Eastern Europe continued to experience significant growth during the year. The plans for a manufacturing unit located near St. Petersburg in Russia were delayed due to the economic and other uncertainties in the country. Key staff has been recruited and construction on the site is now nearing completion. The objective is to start operation during spring 1997. The performance of the units in Poland, Hungary and the Czech Republic was good, although the level of operations remained modest.

The energetic groundwork of the business group established for operations in Asia and the Pacific region is beginning to result in a growing customer base for Fiskars' products in Japan, China, Australia and other countries of this increasingly important market area.



The loops of the Softgrip office scissors are gentle and soft.

As a result of increasing stabilization in the area, development activities in Latin America accelerated with the establishment of a sales and distribution unit in Mexico City. The business unit will continue to concentrate on building distributor relationships in specific countries of this market area, and building customer demand through participation in selected consumer trade shows.

**Acquisitions** Two significant acquisitions were made in 1996, and a third acquisition was closed in early 1997.

Both Portable Products and Newpoint Corporation made immediate positive impact on the overall strength of the Consumer Products Group by contributing their expertise in these new areas. The organizational cultures of these two companies and their drive for excellence in their markets are very similar to the other business units of the Consumer Product Group. The incorporation of the companies into the Fiskars family has proven to be very comfortable.

Alterra Holdings Corporation, acquired in January 1997, is comprised of two companies which operate in the consumer products sector: Aquapore Moisture Systems specializes in garden irrigation systems and Royal Floor Mats manufactures door mats. Aquapore Moisture Systems is one of the leading US manufacturers of water saving sprinklers and other lawn and garden irrigation products. Established in 1924, Royal Floor Mats is the leader in the US outdoor and indoor mats market. The primary rawmaterial also in these products is recycled rubber. The companies further strengthen Fiskars' position in the US consumer products market, and create new opportunities for exports from the USA to other countries.

Fiskars intends to continue to actively look for other companies of similar strength in the market and congruence of values to add to the organization.

**Awards** For several years running, Fiskars has won distinctions for outstanding product development and design. One of the most esteemed awards in the USA is the "Gold Industrial Design Award" which was granted by Business Week to the Consumer Products Group in 1993 and 1994. Also in Europe, Fiskars has won awards in several consecutive years, i.a. at the Hannover Fair and the French Garden Fair in Paris.

The success continues. The power pruner/lopper range designed and manufactured in Finland won the highly prestigious European Design Prize 1997 awarded by the EU, as well as the Pro Finnish Design 1997 prize and several other distinctions.

New awards to the Wausau unit in the USA in 1996 included: The Learning Magazine granted the Teacher's Choice Award to Fiskars for Kids Softgrip scissors. The American Society on Aging awarded its Silver Award to Fiskars Softouch Craft Snip in its new products design competition.



Montana's knives are of top quality.



Royal Floor Mats makes door mats from recycled tyres.



New pruner design from Fiskars, Wales.

## Inha Works



Pauli Lantonen

Key indicators	1996	1995
Net sales, FIM million	92	85
- of which outside Finland %	28	28
Share of total net sales %	4	4
Operating profit, FIM million	12	11
Personnel	153	152

Inha Works produces and markets Buster aluminum boats, hinges to the door and window industry, special-purpose radiators and rail fasteners. Finland and the other Nordic countries are the principal markets.

The program initiated in 1994 to renew the Buster boat range continues: Finland's most popular boat Buster RS was replaced by Buster M which follows the new line of Buster boats. The new model was introduced to the press and dealers in fall 1996 and will be available to boaters from the beginning of the 1997 boating season.

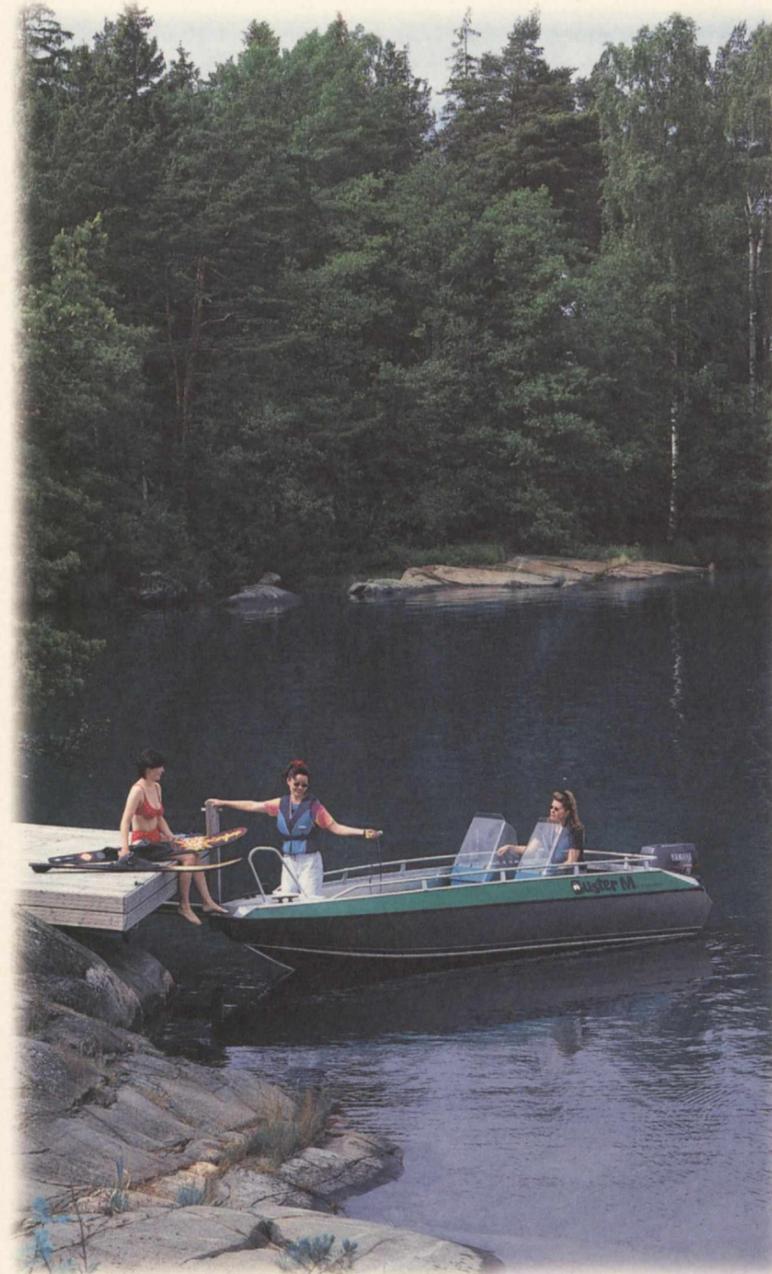
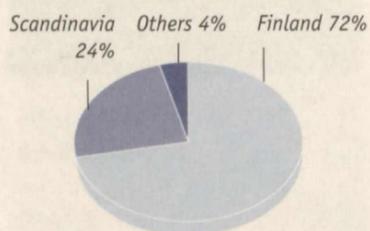
Demand for motor boats recovered from the level of previous years but remained, however, depressed in our principal market areas. New models, productional investments and efficient product development boosted the competitiveness of the Buster boats and strengthened their position as the leading Nordic brand in outboard motor boats. Buster was the first boat in Finland to be granted the CE marking required by the EU Directives.

New building construction continued to be minimal during the year, especially in Finland and Sweden, and demand for hinges remained relatively weak. Renovation of old houses recovered, however, giving a clear boost to the total demand for hinges compared with the previous year. Product development pays particular attention to customers' and end users' special requirements. Inha Works managed to further increase its market shares and consolidated its position as the leading hinge manufacturer in the Nordic countries. Productional investments, a comprehensive product range and flexible customer-driven operations will continue to strengthen the competitiveness of Inha's hinges.

Demand for radiators remained unchanged from the previous years, thanks to the renovation of bathrooms, saunas, washing facilities and other humid areas of old houses.

Deliveries of rail fasteners to the Finnish, Swedish and Norwegian Railways based on long-term agreements remained on a good level. Product development leans on strong product knowhow, productional investments and long experience of the industry supporting our position as the leading Nordic supplier of rail fasteners. A license agreement on the manufacture and marketing of Fastclip rail fasteners was signed with the British Pandrol Ltd. This innovative rail fastener represents a highly effective modern rail fastening and building technology.

### Net sales by market area



Buster M is the latest addition to Inha's boat family.



Buster's flagship Magnum is a solid choice for leisure and duty.



Today, hinges must be burglar-proof and easy to mount.

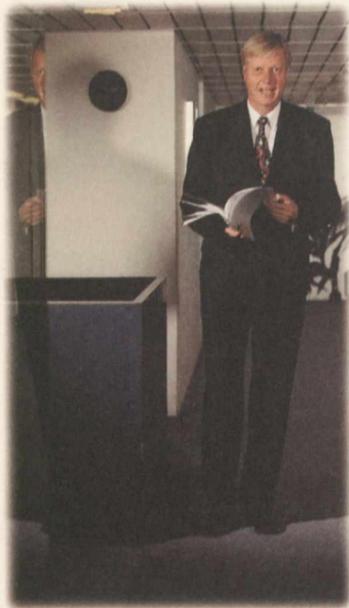


The rail fasteners supplied by Inha Works meet the requirements of modern trains.



Hinges are in demand due to lively renovation construction.

## Real Estate Group



Ingmar Lindberg

Real Estate operations consist of the management of 15,000 hectares of real estate properties and relating services. The land holdings, situated in the Southwest of Finland, represent considerable corporate assets, including more than 100 lakes and 250 km of shoreline. Modern forestry and farming are carried on in the area.

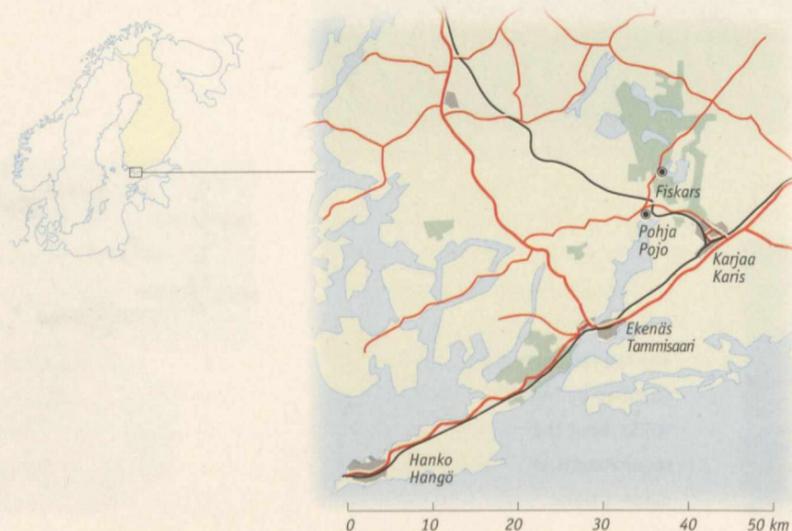
The Group's operations continued in 1996 in accordance with previously approved principles.

The traditional real estate business consisting of forestry and farming was managed according to set objectives. Wood harvesting operations are based on forest management plans, and sales are ensured by a long-term supply agreement with an external party. Transition to the EU era in agricultural operations works well from Fiskars' perspective. Handling of quality wood was further developed and provides additional earnings for the agricultural operations.

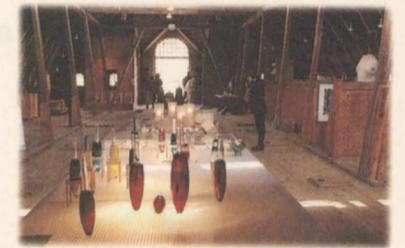
Ferraria's activities comprise value adding real estate development and related services. The Hankoniemi 2000 project proceeds according to plan, and work on the general plan for Ferraria's real properties in the area continues. The plan is scheduled to be approved during 1997.

**Historical and cultural environment** Efforts to preserve the cultural environment and historical buildings in the Fiskars area continue. The restoration program for the historically important buildings advances on schedule and will be completed for the Corporation's 350th anniversary celebration in 1999.

Other important projects in 1996 comprised the establishment of a restaurant in the Copper Smithy, a bridge to the upper floor of the Granary, and renovation of homes and working facilities for craftsmen moving into the area. The two high-quality restaurants operating at Fiskars today can cater for more than 100 customers.



The bridge leading to the Granary at Fiskars village was built of local larch.



Artists and craftsmen living at Fiskars organized their joint exhibition already for the third time.

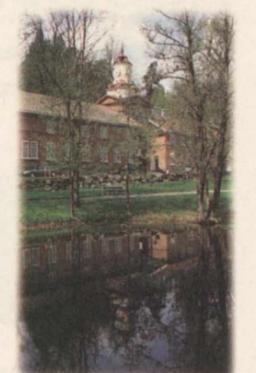


The forests in the Fiskars area and environs are well looked after and form beautiful parklike mosaics of coniferous, broadleaf and noble species.

Planning of the "Shoemaker's Hill" at Fiskars continues and is expected to be ready in early 1997. The area will provide the extra housing and sites needed by people who move to the village.

The industrial operations pursued in the area for several centuries are presented to the public at permanent exhibitions at Fiskars and Billnäs, maintained by the company. The exhibitions have been immensely popular among the more than 40,000 visitors to the region each year.

Migration of craftsmen and small enterprises to Fiskars continued. In summer 1996, about forty of these professionals organized their third joint exhibition in the Granary. A new feature was the exhibition "Time of Wood" at the Copper Smithy. Both exhibitions were very successful.



The Belfry is a familiar landmark for the tourists visiting Fiskars village every year.

## Significant Shareholdings



Fiskars is Metra Corporation's largest single shareholder. At the end of 1996, Fiskars held 15% of Metra's shares and 22% of the votes. Metra is listed on the Helsinki Stock Exchange.

Metra's core businesses are Wärtsilä Diesel and Sanitec. The third industrial division is Imatra Steel. Wärtsilä Diesel is the leading global manufacturer of medium-speed diesel and gas engines and a significant supplier of high-speed engines. The engines are used for ships and power plants.

Sanitec is Europe's largest bathroom ceramics producer and a major manufacturer of other bathroom products. Imatra Steel produces special steels and steel products for the automotive and engineering industries.

Metra's consolidated net sales 1996 totalled FIM 11.7 billion (FIM 10.6 billion in 1995). FIM 8.0 billion of this figure was contributed by Wärtsilä Diesel, FIM 2.7 billion by Sanitec and FIM 925 million by Imatra Steel. Metra's operating profit was FIM 1,104 million (FIM 985 million), and profit after net financial items FIM 894 million (FIM 795 million). Earnings per share were FIM 22.64 (FIM 19.78). The Group profits were due in particular to non-recurring gains. The total number of personnel was 12,006 at the beginning of the financial year and 12,076 at the end of the year. The group companies employed 3,589 persons in Finland at the year-end (3,576).

Metra's goal is to increase the long-term corporate value by developing its industrial operations. Metra aims to achieve and maintain strong profitability and strengthen its core businesses.

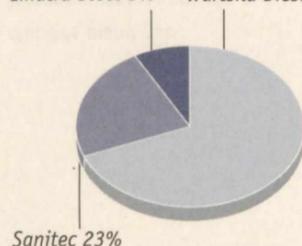
**Strengthening of core businesses continues** The structural measures for the development and strengthening of Metra Corporation's core business areas continued. Cimcorp Oy which supplies industrial automation systems was sold to the Swiss group Swisslog in summer 1996.

In September, Metra and the Italian Fincantieri Cantieri Navali S.p.A. announced their preagreement to combine their diesel operations. The final agreement was signed in January 1997. The new company, Wärtsilä NSD Oy Ab, will be the world's largest manufacturer of heavy-duty, diesel and gas engines. Metra's initial holding in the new company is 87.8% and Fincantieri's 12.2%. The company is comprised of Wärtsilä Diesel and the Fincantieri-owned New Sulzer Diesel and Diesel Ricerche as well as of an initial holding of 40% in Fincantieri's incorporated diesel engine operation Grandi Motori Trieste. The agreement is subject to the approval by the relevant national authorities after which the company can start operations.

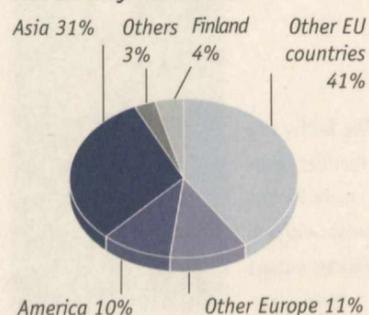
Metra Corporation won new orders valued FIM 11.5 billion (FIM 11.8 billion) during the year. Wärtsilä Diesel's order book at the year-end was FIM 4.7 billion (FIM 4.9 billion). Wärtsilä Diesel continued its product development and the marketing of its renewed engine range, and made capital investments to improve production. Sanitec had a successful year despite the slow start of 1996. Sanitec's success is based on a strong market position and flexible factory network. The decline in Imatra Steel's net sales and results compared to the record year 1995 was anticipated due to the drop in the prices of special steels.

Net sales by industry

Imatra Steel 8% Wärtsilä Diesel 69%



Net sales by market area



**Exide Electronics** The US based Exide Electronics Group Inc. acquired Fiskars' UPS operations (DPSI) in March 1996. A part of the consideration was paid in cash and the remainder in Exide's shares. Today Fiskars is Exide's largest shareholder with a 16% interest. Exide Electronic's common stock is traded on the NASDAQ stock exchange.

Exide Electronics' net sales amounted to USD 460 million in the fiscal year of 1996. The total number of personnel is 3,000.

Exide Electronics supplies strategic power management solutions to businesses and institutions as well as for use with personal computers. Exide is one of only three companies in the world providing a full range of UPS products and services on a worldwide scale. Exide's products include small systems for personal computers and local area networks and large systems for mainframe computers and data centers. In addition, the company's products are used to protect sensitive electronics instruments, including process control, air traffic control, medical and laboratory equipment and telecommunications systems. Exide's position was further strengthened following the DPSI deal especially in the market for small systems.

Exide Electronics Group Inc. has its headquarters in Raleigh North Carolina and manufacturing facilities in Raleigh and Wilmington North Carolina, San Diego California, Tijuana Mexico and Espoo Finland.

**Gyllenberg** Ane Gyllenberg Ltd., established in 1911, is Finland's leading asset management company. Gyllenberg offers services to private individuals and institutional investors.

Gyllenberg Asset Management is responsible for the management of the assets, and today manages clients' assets exceeding FIM 8 billion. The assets in the six Gyllenberg funds increased to FIM 1.7 billion by the year-end.

AG Private Bankers Ltd. continued to strengthen its position in 1996 and ranked among the leading brokers in Finland. Its market share on the Helsinki Stock Exchange was 6.7% and on the Finnish Options Exchange 15.2%.

Gyllenberg decided to apply for a banking license in 1997 to establish a bank which will offer new investment alternatives for customers wishing to place their liquid assets.

Fiskars owns 20% of Ane Gyllenberg Ltd.

**Björkboda** Björkboda Lås Oy Ab manufactures lock cases for outer and inner doors. Finland and other Scandinavian countries are the principal markets. Net sales 1996 totalled FIM 70 million and the number of personnel was 123.

The Abloy lock range was upgraded during the year, and new Boda products were introduced in markets outside the Nordic countries. Although the new construction sector remained depressed, Boda achieved its targets in the Nordic countries thanks to an increased volume in the renovation of houses. Also the general trend recovered slightly towards the end of the year. Björkboda sought growth also in the Baltic countries, Poland, Russia and other former East European markets where the need for construction is great.

Fiskars owns 18% of the shares in Björkboda Lås Oy Ab.

**EXIDE  
ELECTRONICS**  
Strategic Power Management™



**GYLLENBERG**  
1911

**BJÖRKBODA**

## Financial Statements 1996

17	Report by the Board of Directors
22	Consolidated Income Statement
23	Consolidated Statement of Cash Flows
24	Consolidated Balance Sheet
26	Accounting Principles
28	Notes to the Financial Statements
36	Subsidiaries and Associated Companies
38	Five Years in Figures
39	Information on Fiskars Shares
40	Per Share Data
41	Information on Shares and Shareholders
44	Parent Company Income Statement and Statement of Cash Flows
45	Parent Company Balance Sheet
46	Proposal by the Board of Directors for Appropriation of Profits
47	Auditor's Report

## Report by the Board of Directors

Economic trends in the company's principal markets in the first part of the year exceeded expectations. In spite of a slight decline in the latter half, the year as a whole was quite good. Finnish economy developed relatively well: low inflation and the stable exchange rates for the Finnish markka opened the way for Finland's accession to the European exchange rate mechanism (ERM).

Development in the US market – critically important for Fiskars – was favorable and demand for consumer goods was reasonably high also in Europe.

During 1996, the company finalized its long-term plan to concentrate operations in three core business areas: industrial operations in the consumer products sector, investments in long-term industrial assets, and real estate holdings. This objective of focusing activities on the key business areas was achieved in March when the UPS operations, specialized in uninterrupted power supply systems, was sold to the American Exide Electronics Group Inc.

The results from the corporation's industrial operations improved over the previous year. Production volumes increased and profitability improved both in the Consumer Products Group and at Inha Works.

The aforementioned Exide Electronics constitutes a new long-term investment in industrial holdings.

The activities of the Real Estate Group continued in accordance with previously approved principles. The planning of the Real Estate developments on the Hankoniemi peninsula proceeds as expected.

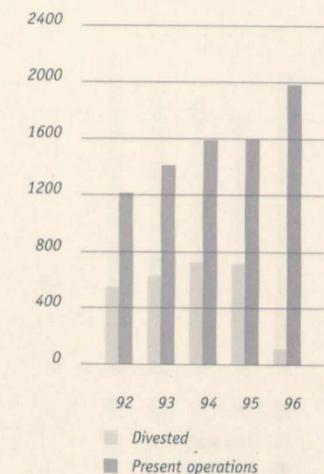
**Year 1996** Corporate net sales totalled FIM 2,097 million (FIM 2,320 million). After eliminating the net sales of FIM 112 million corresponding to the net sales for the first quarter of the year generated by the UPS operation sold in March and, correspondingly, its net sales of FIM 581 million for the previous year, the continuing operations grew by 24%. Operating profit totalled FIM 225 million (FIM 239 million); in addition, an extraordinary income of FIM 479 million, after deduction of taxes, was booked on the sale of the UPS business.

North America further strengthened its position as the biggest market area representing FIM 1,197 million or 57% of total sales, up from FIM 1,130 million and 49%, respectively, in the previous year.

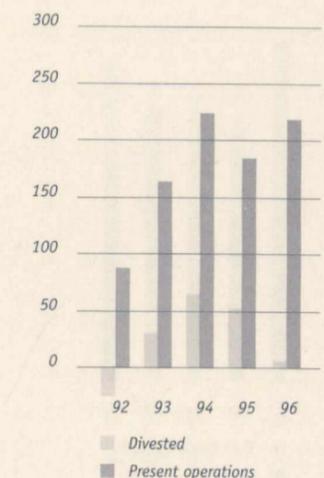
The Finnish market accounted for FIM 189 million of net sales and represented 9% of the total corporate sales. The corresponding figures for the previous year including the UPS operations were FIM 228 million and 10%. Exports from Finland totalled FIM 159 million, including intercompany sales.

Fiskars acquired the operations of Portable Products, Inc., based in Minnesota, USA, in March and the Californian-based Newpoint Corporation in June. Portable Products manufactures soft-sided organizers, such as belts and bags for carrying and storing tools. Newpoint, which manufactures and markets power surge protection equipment for satellite antenna, telephone and electrical networks, complements the offerings and marketing channels of Power Sentry, acquired by Fiskars in 1995. The development of the acquired companies met targets, and they adapted very well to Fiskars' operating environment. They account for approximately 6% of the Consumer Products Group's net sales.

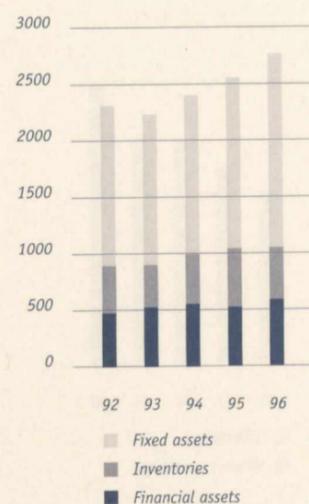
Net sales, MFIM



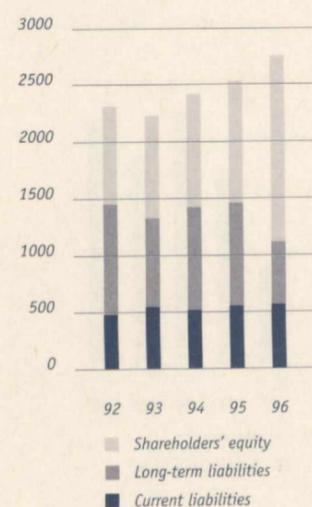
Operating profit, MFIM



Assets, MFIM



Equity and liabilities, MFIM



In January 1997, Fiskars acquired the American Alterra Holdings Corporation, comprising two companies which operate in the consumer products sector: Aquapore Moisture Systems specializes in garden irrigation systems and Royal Floor Mats manufactures door mats. The value of this acquisition is about FIM 360 million.

Aquapore Moisture Systems is one of the leading US manufacturers of water saving sprinklers and other lawn and garden irrigation products. The primary raw material in these products is ground recycled rubber from discarded car tyres. The company is located in Phoenix Arizona and it employs 55 persons. The net sales estimate is FIM 140 million.

Established in 1924, Royal Floor Mats is the leader in the US market for outdoor and indoor mats. The primary raw material also in these products is recycled rubber. The headquarters of the company and one of the manufacturing facilities are located in Los Angeles, California, another production unit in Calhoun, Georgia. Full-time personnel numbers about 160 and the net sales estimate is FIM 190 million.

**Shares** The price trend on the Helsinki Stock Exchange strengthened during the year. The HEX index improved steadily throughout the year, and increased by 46% on an annual level. The price of Fiskars series A share increased by totally 63% and the series K share by 57% during the year.

In February 1996, the Board decided to redeem A and K shares for FIM 38 million.

**Outlook** Prospects for the current year are good in all the principal markets. Strong sales growth is expected to continue especially in the United States, supported both by the completed acquisitions and internal growth. The financial position will remain stable.

Corporate profitability and the business areas rest on a firm basis. The divestiture of the UPS business was the last leg in the process of focusing the operative strategy. Thanks to the concentration of expertise and a solid financial position, the company today possesses good possibilities to further develop operations within the Consumer Products Group through internal growth and new acquisitions.

#### Results from industrial operations

**The Consumer Products Group's** net sales totalled FIM 1,867 million (FIM 1,485 million), representing a growth of 26% from the previous year. The share of consumer products of the corporate net sales increased to 89% (64%). Nearly two thirds of the net sales were generated in the US market which grew by 35%. The Group's operating profit amounted to FIM 239 million (FIM 199 million).

**Inha's** operational results developed in pace with the overall industry trend. Net sales increased by 8% from the previous year's FIM 85 million to FIM 92 million. Operating profit was FIM 12 million (FIM 11 million).

The net sales generated from the **UPS business** in the early part of the year totalled FIM 112 million and the corresponding result was FIM 6 million.

**Real Estate Group** The overall situation in the domestic real estate market was reflected in the net sales of the Real Estate Group which totalled FIM 42 million (FIM 46 million). Both the real estate development company Ferraria and the traditional farming and forestry posted positive results.

**Financial position** The cash flow both from operations and investments was clearly positive. Also, the financial situation of the corporation remained good throughout the year.

The equity ratio was 59%, and remains well over 50% even after the acquisition of Alterra.

The dividend income mainly comprises dividends from Metra. The total dividend of FIM 30 million (FIM 21 million) includes the corporate tax credit. Exide Electronics paid no dividend for their fiscal year which closed at the end of September 1996.

The share of the results of the associated companies was FIM 2 million (FIM 5 million).

Other net financial expenses decreased to FIM 39 million (FIM 67 million) mainly thanks to the corporation's good financial position.

The corporation does not speculate on financial instruments. Derivatives are used, in accordance with the principles approved by the Board of Directors, exclusively to manage currency and interest risks. The year-end market values of derivatives did not significantly deviate from their nominal values.

#### Other information on the financial statements

**The extraordinary income** on the sale of the UPS operations totalled FIM 652 million; the tax payable on the income is FIM 173 million.

**Profit for the year** after taxes and change in deferred tax liability totalled FIM 623 million (FIM 147 million).

**Earnings per share** (calculated in accordance with the rules of the Helsinki Stock Exchange) was FIM 19.50 (FIM 15.70), and equity per share was FIM 224.20 (FIM 146.80).

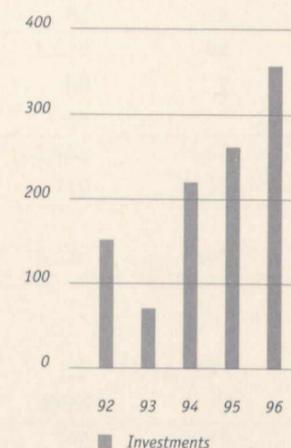
**Return on capital employed** was 12.8 per cent (13.8%) and return on equity 10.5 per cent (11.3%).

The currency denominated income statements of the foreign subsidiaries and the related reported amounts are translated into Finnish markka by using the yearly average rates. The accounting principles of the corporation and the parent company are in all essential respects in accordance with the international accounting standards (IAS).

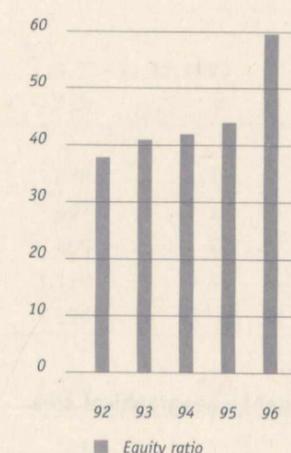
**Personnel** The number of Fiskars' personnel decreased by 892 following the sale of the UPS business, 162 of them in Finland. The employment situation in the Finnish units remained relatively good throughout the year. The corporation's total workforce at the year-end was 3,434 (4,088); 657 (833) of all employees worked in Finland.

**Corporate management** The Board of Directors appointed Mr. Erkki Hokkinen as Vice President, Corporate Development; Mr. Juha Rauhalas as Vice

Investments, MFIM



Equity ratio %



President, Corporate Finance; and Mr. Kurt-Erik Forsstedt as Vice President, Legal Counsel. The appointments became effective from 1 January 1996.

**Capital expenditure** Total investments in acquisitions (including the working capital of the acquired companies) was FIM 110 million. Capital expenditure in industrial fixed assets totalled FIM 93 million. Most of the investments were directed to maintenance and rationalization, as well as projects aimed at upgrading product development and distribution. Among the more significant individual investments can be mentioned the new distribution center in Wausau, USA, and an extension of the production facilities in Poland.

Investments in shares and other long-term investments totalled FIM 161 million, most of this, or FIM 106 million, related to Exide Electronics' shares. Fiskars holds 16% of Exide Electronics Group Inc.'s outstanding shares. Investments in Metra totalled FIM 38 million. As a result, Fiskars' holding in the Metra Corporation at the year-end was 15.1% of the shares and 22.1% of the votes.

The year-end market values of Metra's and Exide Electronics' shares exceeded their book values.

#### Annual General Meeting of shareholders 1996

The financial statements for 1995 were approved at the Annual General Meeting of shareholders on 21 March 1996, as proposed by the Board of Directors. The shareholders' meeting decided to approve a dividend of FIM 7.50 per share for series A shares and FIM 6.70 per share for series K shares.

The shareholders' meeting re-elected the Board members Mr. Erik Stadigh and Mr. Robert G. Ehrnrooth.

The company's Articles of Association were amended to the effect that the company shall have one ordinary auditor and, if needed, one deputy auditor.

Mr. Eric Haglund (CPA) was elected ordinary auditor, and the auditing firm KPMG Wideri Oy Ab was elected deputy auditor.

The shareholders' meeting decided to grant the Board of Directors an authorization for an increase of the share capital. This authorization is dealt with on page 42.

Personnel by geographical area	31.12.1996		31.12.1995		change
		%		%	
Finland	657	19	833	20	-21
Scandinavia	223	6	260	6	-14
Other Europe	425	12	440	11	-3
North America	2,120	62	2,555	63	-17
Other	9	0			
Corporate total	3,434	100	4,088	100	-16

Net sales by business area	1.1. - 31.12.1996		1.1. - 31.12.1995		change
	MFIM	%	MFIM	%	
Consumer Products	1,867	89	1,485	64	26
Inha	92	4	85	4	8
Industry total	1,959	93	1,570	68	25
Corporate operations, real estate, other	45	2	50	2	
Eliminations	-19		-20		
Current business operations	1,986	95	1,600	69	24
Sold business operations	112	5	719	31	
Corporate total	2,097	100	2,320	100	-10

Result by business segment	1.1. - 31.12.1996		1.1. - 31.12.1995		change
	MFIM	%	MFIM	%	
Consumer Products	239	89	199	73	20
Inha	12	4	11	4	10
Industry total	251	94	210	77	19
Corporate operations, real estate, other	-31		-25		
Current business operations	220	82	185	68	19
Sold business operations	6	2	53	19	
Operating profit	225	84	239	87	-6
Income from long-term investments	43	16	36	13	20
Consolidated segmental results	268	100	274	100	-2

Net sales by market area	1.1. - 31.12.1996		1.1. - 31.12.1995		change
	MFIM	%	MFIM	%	
Finland	189	9	228	10	-17
Scandinavia	272	13	307	13	-11
Other Europe	388	18	459	20	-15
North America	1,197	57	1,130	49	6
Other	51	2	196	8	-74
Corporate total	2,097	100	2,320	100	-10
Export from Finland	159	8	398	17	-60

## Consolidated Income Statement (MFIM)

	1996	%	1995	%
<b>Net sales</b>	<b>2,097.3</b>	<b>100.0%</b>	2,319.6	100.0%
Cost of goods sold	- 1,350.8		- 1,497.3	
<b>Gross profit</b>	<b>746.5</b>	<b>35.6%</b>	822.3	35.5%
Sales and marketing expenses	- 327.6		- 367.7	
Administrative expenses	- 144.6		- 144.6	
Other operating income	4.1		1.5	
Other operating expenses	- 53.2		- 72.9	
<b>Operating profit</b>	<b>225.3</b>	<b>10.7%</b>	238.6	10.3%
<b>Financial income and expense</b>	(4)			
Dividend income	30.0		21.3	
Interest income	21.2		15.2	
Other financial income	0.2		0.5	
Share of associated companies' results	2.1		4.9	
Interest expense	- 54.1		- 76.9	
Other financial expense	- 6.7		- 6.1	
<b>Profit before extraordinary items and taxes</b>	<b>217.9</b>	<b>10.4%</b>	197.5	8.5%
Extraordinary income, net of tax	(6) 479.3		29.4	
<b>Profit before taxes</b>	<b>697.2</b>	<b>33.2%</b>	226.9	9.8%
<b>Direct taxes</b>				
For the financial year	(7) - 74.4		- 80.1	
<b>Profit for the financial year</b>	<b>622.8</b>	<b>29.7%</b>	146.8	6.3%

## Consolidated Statements of Cash Flows (MFIM)

	1996	1995
<b>Cash flows from operating activities</b>		
Net profit before taxation, extraordinary items	217.9	197.5
Depreciation	(3) 83.2	86.6
Reversal of items recorded on an accrual basis	(32) 7.4	44.4
Cash generated before working capital changes	308.5	328.5
Change in short-term receivables	19.4	- 46.1
Change in inventories	- 16.5	- 119.1
Change in short-term non-interest-bearing debt	- 36.5	9.7
Cash generated from operations	275.0	173.1
Financial income items received	19.7	14.9
Dividends received	23.8	19.2
Financial expense items paid	- 71.7	- 86.7
Taxes paid	- 117.6	- 62.6
<b>Net cash flow from operating activities</b>	<b>129.1</b>	57.8
<b>Cash flows from investing activities</b>		
Acquisitions	- 110.4	- 28.8
Investment in shares	- 128.1	- 111.4
Purchase of property, plant and equipment	- 92.9	- 96.4
Investment in long-term receivables	- 32.8	- 24.9
Proceeds from sale of operations	827.6	124.2
Proceeds from sale of shares		6.0
Proceeds from sale of equipment	6.0	13.2
<b>Net cash flow from investments</b>	<b>469.4</b>	- 118.1
<b>Cash flows from financing activities</b>		
Redemption of shares	- 37.8	
Change in long-term debt	- 297.1	21.6
Change in short-term interest-bearing debt	- 77.0	42.4
Change in short-term receivables	0.2	
Change in long-term receivables	- 1.9	15.5
Dividends paid	- 52.7	- 31.4
<b>Net cash flows from financing activities</b>	<b>- 466.3</b>	48.0
<b>Change in cash</b>	<b>132.3</b>	- 12.3
<b>Cash at beginning of year</b>	<b>41.8</b>	54.0
Effect of exchange rate changes	2.1	0.0
<b>Cash at end of year</b>	<b>176.3</b>	41.7

## Consolidated Balance Sheet (MFIM)

		31.12.96	%	31.12.95	%
<b>Assets</b>					
<b>Fixed assets and other long-term expenditure</b>					
<b>Intangible assets</b>					
Goodwill	(8)	116.0		53.8	
Other long-term expenditure	(9)	17.4		46.0	
		<u>133.4</u>	<u>4.8%</u>	<u>99.8</u>	<u>3.9%</u>
<b>Tangible assets</b>					
Land and water	(10)	125.4		123.4	
Buildings and constructions	(11)	121.0		120.0	
Machinery and equipment	(12)	209.7		209.9	
		<u>456.1</u>	<u>16.5%</u>	<u>453.3</u>	<u>17.6%</u>
<b>Shares in fixed assets and other long-term investments</b>					
Shares in associated companies	(13)	14.8		13.5	
Other shares and participations	(13)	937.4		818.9	
Long-term receivables	(18)	171.8		133.7	
		<u>1,124.0</u>	<u>40.6%</u>	<u>966.1</u>	<u>37.5%</u>
<b>Inventories and financial assets</b>					
<b>Inventories</b>					
Raw-materials and consumables		135.2		189.7	
Work in progress		90.1		88.0	
Finished goods		239.4		246.4	
Payments on account		2.4		0.7	
		<u>467.0</u>	<u>16.9%</u>	<u>524.8</u>	<u>20.4%</u>
<b>Current receivables</b>					
Trade debtors		349.7		441.8	
Loans receivable		0.1		1.2	
Prepayments and accrued income		38.7		39.5	
Other debtors		23.5		7.9	
		<u>412.0</u>	<u>14.9%</u>	<u>490.4</u>	<u>19.0%</u>
<b>Cash at bank and in hand</b>					
		<u>176.3</u>	<u>6.4%</u>	<u>41.7</u>	<u>1.6%</u>
		<u>2,768.8</u>	<u>100.0%</u>	<u>2,576.1</u>	<u>100.0%</u>

		31.12.96	%	31.12.95	%
<b>Equity and liabilities</b>					
<b>Equity</b>					
<b>Restricted equity</b>					
Share capital	(22)	230.0		230.0	
Other restricted equity		291.5		282.5	
		<u>521.5</u>	<u>18.8%</u>	<u>512.5</u>	<u>19.9%</u>
<b>Unrestricted equity</b>					
Profit brought forward		495.2		436.5	
Profit for the financial year		622.8		146.8	
		<u>1,118.0</u>	<u>40.4%</u>	<u>583.3</u>	<u>22.6%</u>
<b>Equity, total</b>		<b>1,639.5</b>	<b>59.2%</b>	<b>1,095.8</b>	<b>42.5%</b>
<b>Provisions</b>					
	(24)	4.0	0.1%	10.9	0.4%
<b>Liabilities</b>					
<b>Long-term</b>					
Bond loans		0.1		55.1	
Amounts owed to credit institutions		469.2		723.5	
Pension fund loans		80.6		101.0	
Deferred tax liability	(23)	26.6		37.4	
Other long-term debt		55.2		44.1	
		<u>631.6</u>		<u>961.1</u>	
Less current portion		- 77.4		- 51.9	
Long-term debt, net		<u>554.2</u>	<u>20.0%</u>	<u>909.2</u>	<u>35.3%</u>
<b>Short-term</b>					
Amounts owed to credit institutions		26.3		86.4	
Current portion of long-term debt		77.4		51.9	
Payments on account		0.4		25.3	
Trade creditors		119.2		168.0	
Accruals and deferred income	(29)	331.8		215.4	
Other short-term debt		16.0		13.2	
		<u>571.1</u>	<u>20.6%</u>	<u>560.2</u>	<u>21.7%</u>
		<u>2,768.8</u>	<u>100.0%</u>	<u>2,576.1</u>	<u>100.0%</u>

## General Accounting Principles

The Fiskars Consolidated Financial Statements are presented on pages 22 – 25 and the parent company's financial statements on pages 44 – 45. The financial information is presented in Finnish markka and prepared under the historical cost convention, modified by revaluation of certain fixed assets.

Fiskars prepares its financial statements in accordance with the Finnish Accounting Standards established by the revised Finnish Accounting Act. These consolidated statements are in all essential respects in line with financial statements prepared under international accounting standards (IAS).

**Scope of the Consolidated Financial Statements** The consolidated financial statements include the accounts of all companies where Fiskars Oy Ab holds directly or indirectly over 50% of the vote. Investments in associates, i.e. companies where Fiskars holds a substantial ownership of 20% or more, are accounted for under the equity method. Acquired or established subsidiaries and investments in associated companies are included in the consolidated financial statements from the date of acquisition or establishment to the date of divestment.

**Intercompany shareholding and goodwill** The purchase method of accounting is used in elimination of intercompany shareholding. 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 a period not exceeding ten years.

**Intercompany transactions** All intercompany transactions are eliminated.

**Minority interests** Minority interests are deducted from the consolidated results and shareholders' equity and presented as separate items in the financial statements.

**Investments in associated companies and other companies** The Group's share of the results of the associated companies is recorded under financial items. The value of the investments in associated companies is stated in accordance with the equity method of accounting, by adjusting the original investment for the Group's share of the profits or losses in associated companies, distributions and goodwill depreciation. Investments in other companies are stated in the balance sheet at cost, making provision, when necessary, to reduce the book value to the estimated net realizable value.

**Transactions in foreign currencies** Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. At the end of the accounting period the hedged balances on foreign currency transactions are valued at the rates of outstanding forward agreements, and other balances at the exchange rates ruling at the balance sheet date. Foreign exchange gains and losses are included in financial income and expense.

**Translation of foreign subsidiaries' accounts** In the consolidated income

statement, the foreign currency amounts of foreign subsidiaries are translated into Finnish markka using average rates. The average rate is defined as the average of the opening rates of the financial year and each of the twelve end-of-month rates, as announced by the Bank of Finland. All balance sheet items, except for the profit of the year, are translated into Finnish markka using the closing rates. The currency translation adjustment on the profit of the year is included in unrestricted equity.

Currency translation adjustments relating to opening restricted and unrestricted equity in foreign entities are included in consolidated restricted or unrestricted shareholders' equity respectively. The general policy is to hedge the investments in foreign currency. Thus, the exchange differences arising on an effective hedge are charged against equity to offset the exchange differences described above.

The net assets of foreign subsidiaries are generally hedged against currency fluctuations. However, since the main focus of business is in the USA, a part of the accumulated net worth has been left US dollar denominated.

**Research and development expenditure** Research and development costs are expensed when incurred.

**Pensions and coverage of pension liabilities** The pension schemes are funded through payments to independent insurance companies, except for schemes concerning a small part of retired employees, that are funded through a trustee-administered fund. Changes in the deficit in pension fund are included in the parent company's result, and the total deficit is recorded in its liabilities. The deficit in the pension fund has been fully covered.

**Fixed assets and depreciation** Fixed assets are stated at cost less accumulated depreciation, except certain land and water areas, which are stated at revalued amounts. The amount of the revaluation in assets is included in restricted equity. Depreciation is calculated on a straight line basis to write off the cost of fixed assets over their expected useful lives.

**Inventories** Inventories are stated at the lower of cost or net realizable value. 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 in the normal course of business.

**Extraordinary income and expense** Income of unusual size, e.g. divestments, is taken up as extraordinary income (net of tax). Correspondingly, costs in conjunction with closing down or sale of operations are taken up as extraordinary expense.

**Accumulated depreciation in excess of plan and other untaxed reserves** In consolidated accounts, the untaxed reserves are included in the consolidated shareholders' equity after deduction of deferred tax liability.

**Taxes** Direct taxes include all taxes other than those relating to extraordinary items. Taxes in the consolidated accounts include the change in deferred tax liability.

## Notes to the Financial Statements (MFIM)

	Consolidated		Parent Company	
	1996	1995	1996	1995
<b>Income statement</b> (foreign currency denominated income statements translated at average rate of exchange)				
<b>1. Personnel costs</b>				
Wages and salaries, for time worked	392.1	421.3	17.9	12.8
Pension costs	37.7	40.2	4.2	2.5
Other personnel costs	110.5	131.5	3.2	3.3
Wages and salaries including other personnel costs	540.3	593.0	25.4	18.6
<b>2. Wages and salaries paid</b>				
Salaries to managing directors and boards	20.9	18.1	6.6	4.7
Wages and salaries to other personnel	414.0	461.5	12.1	9.2
Total wages and salaries paid	435.0	479.6	18.6	13.9
<i>Loans granted to the Corporate Management consists of one loan in the amount of 0.7 MFIM. The loan is due 31.12.1999. The interest rate is 6%. According to an agreement the President and CEO of the parent company can retire at the age of 60.</i>				
<b>3. Depreciation and amortization according to plan by function</b>				
Manufacturing and procurement	51.2	48.4	3.9	3.6
Sales and marketing	3.0	4.3		
Administration	5.9	6.3	1.4	1.1
Other	23.1	27.6		0.4
Total depreciation and amortization according to plan	83.2	86.6	5.4	5.1
<b>4. Financial income and expense</b>				
Dividend income	30.0	21.3	77.1	68.5
Interest income on long-term receivables	10.9	9.5	10.9	14.5
Interest income on short-term receivables	10.3	5.7	26.0	19.5
Other financial income	0.2	0.5	2.1	2.5
Exchange differences	1.4	0.5	20.8	-8.6
Exchange differences relating to equity hedging			-12.3	15.3
Share of associated companies' results	2.1	4.9		
Interest expense	-54.1	-76.9	-41.7	-59.5
Other financial expense	-8.1	-6.7	-5.4	-0.7
Total financial income and expense	-7.4	-41.2	77.6	51.5
<b>5. Intercompany financial income and expense</b>				
Dividend income			45.5	43.0
Interest income			19.9	23.1
Other financial income			2.1	2.5
Interest expense			-10.3	-13.9
Total intercompany financial income and expense			57.3	54.7
<b>6. Extraordinary income and expense</b>				
Gain on the sale of the UPS business	652.3		559.5	
Gain on the sale of the Bronto business		39.2		
Gains and losses on the sale of group companies				0.1
Tax related to extraordinary items	-173.0	-9.8	-156.7	
Extraordinary items, net of tax	479.3	29.4	402.8	0.1

## 7. Taxes

	Consolidated		Parent Company	
	1996	1995	1996	1995
Taxes paid and to be levied on the profit for the financial year	260.9	87.7	171.0	21.1
Of which related to extraordinary items	-173.0	-9.8	-156.7	
Taxes on profit before extraordinary items	87.9	77.9	14.2	21.1
Change in deferred tax	-13.5	2.2		
Taxes in income statement	74.4	80.1	14.2	21.1

## Balance sheet, assets (currency denominated balance sheets translated at closing rate of exchange)

### Movements in fixed assets

## 8. Goodwill

	1996	1995		
Original cost, Jan. 1	109.0	131.8		
Translation adjustment	4.5	-2.4		
Original cost at the beginning of the year	113.5	129.4		
Capital expenditure	80.9	33.1		
Decrease	-18.9	-53.1		
Other changes	-2.9	-0.3		
Gross value, Dec. 31	172.6	109.0		
Accumulated amortization according to plan, Jan. 1	55.2	77.4		
Translation adjustment	2.1	-1.8		
Accumulated amortization, at the beginning of the year	57.3	75.6		
Amortization according to plan	13.2	11.1		
Decrease	-14.0	-31.5		
Other changes	0.1	0.1		
Accumulated amortization according to plan, Dec. 31	56.6	55.2		
Net book value, Dec. 31	116.0	53.8		

## 9. Other long-term expenditure

	1996	1995		
Original cost, Jan. 1	136.0	143.4	2.7	2.2
Translation adjustment	9.5	-9.0		
Original cost at the beginning of the year	145.5	134.4	2.7	2.2
Capital expenditure	2.9	3.5	0.8	0.5
Decrease	-97.9	-1.7	-0.2	0.0
Other changes	2.8	-0.2	0.0	0.0
Gross value, Dec. 31	53.4	136.0	3.3	2.7
Accumulated depreciation according to plan, Jan. 1	90.1	80.7	1.2	0.8
Translation adjustment	6.6	-5.0		
Accumulated depreciation, at the beginning of the year	96.7	75.7	1.2	0.8
Depreciation according to plan	8.7	15.0	0.5	0.4
Accumulated depreciation on decrease of assets	-69.3	-0.5	-0.1	0.0
Other changes	-0.0	-0.1		
Accumulated depreciation according to plan, Dec. 31	36.0	90.1	1.7	1.2
Net book value, Dec. 31	17.4	46.0	1.6	1.5

Notes to the Financial Statements (MFIM)

	Consolidated		Parent Company	
	1996	1995	1996	1995
<b>10. Land and water</b>				
Original cost, Jan. 1	55.3	55.9	17.2	17.0
Valuation, Jan. 1	68.1	68.1	68.1	68.1
Translation adjustment	0.1	-0.1		
Book value, at the beginning of the year	123.5	123.9	85.3	85.1
Capital expenditure	1.9	0.2	0.4	0.2
Decrease	-0.0	-0.7	-0.0	-0.1
Other changes		-0.1		
Book value, Dec. 31	125.4	123.4	85.7	85.3
<b>11. Buildings</b>				
Original cost, Jan. 1	202.9	200.8	86.7	79.7
Translation adjustment	3.9	-2.8		
Original cost at the beginning of the year	206.8	198.0	86.7	79.7
Capital expenditure	5.2	13.7	2.1	7.0
Decrease	-0.4	-11.8	-0.0	-0.0
Other changes		3.1		
Gross value, Dec. 31	211.6	202.9	88.8	86.7
Accumulated depreciation according to plan, Jan. 1	82.9	76.6	37.0	33.8
Translation adjustment		-1.0		
Accumulated depreciation, at the beginning of the year	82.9	75.6	37.0	33.8
Depreciation according to plan	8.0	7.6	3.3	3.2
Accumulated depreciation on decrease of assets	-0.4	-0.3		
Other changes	0.0	0.0		
Accumulated depreciation according to plan, Dec. 31	90.6	82.9	40.3	37.0
Net book value, Dec. 31	121.0	120.0	48.5	49.7
<b>12. Machinery and equipment</b>				
Original cost, Jan. 1	540.1	492.0	14.4	13.0
Translation adjustment	22.1	-20.8		
Original cost at the beginning of the year	562.2	471.2	14.4	13.0
Capital expenditure	87.5	90.3	2.9	1.4
Decrease	-108.8	-19.6	-1.0	-0.0
Other changes	-0.6	-1.8		
Gross value, Dec. 31	540.3	540.1	16.4	14.4
Accumulated depreciation according to plan, Jan. 1	330.2	299.1	9.8	8.3
Translation adjustment	12.3	-12.0		
Accumulated depreciation, at the beginning of the year	342.5	287.1	9.8	8.3
Depreciation according to plan	53.4	52.9	1.5	1.5
Accumulated depreciation on decrease of assets	-66.5	-7.8	-1.0	0.0
Other changes	1.1	-2.1		
Accumulated depreciation according to plan, Dec. 31	330.5	330.2	10.4	9.8
Net book value, Dec. 31	209.7	209.9	6.0	4.7
<b>13. Shares</b>				
Original cost, Jan. 1	832.4	753.2	1,288.7	1,224.5
Translation adjustment	0.0	0.0		
Original cost at the beginning of the year	832.4	753.2	1,288.7	1,224.5
Capital expenditure	128.1	84.0	155.4	84.5
Decrease	-5.5	-6.0	-63.5	-6.2
Other changes	-2.8	1.2	-6.4	-14.2
Book value, Dec. 31	952.2	832.4	1,374.2	1,288.7

	Consolidated		Parent Company	
	1996	1995	1996	1995
<b>14. Movements in fixed assets, total</b>				
Original cost, Jan. 1	1,875.7	1,777.1	1,409.8	1,336.4
Valuation, Jan. 1	68.1	68.1	68.1	68.1
Translation adjustment	40.1	-35.2	0.0	0.0
Book value, at the beginning of the year	1,983.9	1,810.0	1,477.9	1,404.5
Capital expenditure	306.4	224.8	161.6	93.7
Decrease	-231.5	-92.9	-64.8	-6.2
Other changes	-3.4	1.8	-6.4	-14.2
Gross value, Dec. 31	2,055.4	1,943.8	1,568.3	1,477.8
Accumulated depreciation and amortization according to plan, Jan. 1	558.4	533.8	48.0	42.9
Translation adjustment	21.0	-19.8	0.0	0.0
Accumulated depreciation and amortization, at the beginning of the year	579.4	514.0	48.0	42.9
Depreciation and amortization according to plan	83.2	86.6	5.4	5.1
Accumulated depreciation on decrease of assets	-150.0	-40.0	-1.1	0.0
Other changes	1.1	-2.1	0.0	0.0
Accumulated depreciation and amortization according to plan, Dec. 31	513.8	558.5	52.4	48.0
Net book value of total fixed assets, Dec. 31	1,541.7	1,385.3	1,516.0	1,429.9

Changes in fixed assets in the notes 8 to 14 are translated at the closing rate of exchange.

<b>15. Net book value for production machinery and equipment, Dec. 31</b>	141.6	159.3
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**16. Depreciation policy**

Fixed assets are stated at historical cost less depreciation according to plan. Depreciation according to plan is calculated using varying straight line rates depending on the useful life of the asset.

In general the following depreciation and amortization rates have been applied:

Goodwill	10 years	10.0%
Other long-term expenditure	3-10 years	10.0-33.3%
Buildings and constructions	25-40 years	2.5-4.0%
Vehicles	4 years	25.0%
Machinery and equipment	3-10 years	10.0-33.3%

**17. Taxation values (in Finland)**

Land and water	38.7	46.9	28.6	36.2
Buildings and constructions	37.7	45.4	33.8	32.8
Bonds and shares	758.7	504.8	894.5	644.5
Total taxation values, Dec. 31	835.1	597.1	956.9	713.5

**18. Long-term investments**

Loans receivable	2.8		140.4	107.8
Other long-term investments	169.1	133.7	164.9	127.6
Total long-term investments, Dec. 31	171.8	133.7	305.3	235.4

Other long-term investments are mainly marketable bond loans issued by Metra Oy Ab.

Notes to the Financial Statements (MFIM)

	Consolidated		Parent Company	
	1996	1995	1996	1995
<b>19. Book value of shares in subsidiaries and associated companies included in long-term investments</b>				
Subsidiaries			440.0	465.8
Associated companies	14.8	13.5	11.7	11.2
Book value, Dec. 31	14.8	13.5	451.8	477.0

<b>20. Intercompany receivables</b>				
Trade debtors			0.2	0.3
Loans receivable			138.4	106.3
Prepayments and accrued income			16.1	2.7
Other debtors			252.9	233.5
Total, Dec. 31			407.6	342.7

<b>21. Receivables from associated companies</b>				
Trade debtors	0.0	0.0		
Loans receivable	0.6	0.2	0.6	0.2
Prepayments and accrued income		0.3		0.3
Other debtors				
Total, Dec. 31	0.6	0.6	0.6	0.5

Balance sheet, equity and liabilities

<b>22. Equity</b>				
<b>Restricted equity</b>				
<b>Share capital</b>				
K shares				
Jan. 1	87.2	59.9	87.2	59.9
Bonus issue		27.3		27.3
Dec. 31	87.2	87.2	87.2	87.2
A shares				
Jan. 1	142.8	58.2	142.8	58.2
Bonus issue		84.6		84.6
Dec. 31	142.8	142.8	142.8	142.8
Share capital, Dec. 31	230.0	230.0	230.0	230.0
<b>Reserve fund</b>				
Jan. 1	212.9	325.1	212.9	324.8
Bonus issue		-111.9		-111.9
Other changes		-0.3		
Reserve fund, Dec. 31	212.9	212.9	212.9	212.9
<b>Other restricted equity</b>				
Jan. 1	69.6	75.9	42.9	42.9
Translation adjustment	9.0	-6.6		
Other changes		0.3		
Other restricted equity, Dec. 31	78.6	69.6	42.9	42.9
Restricted equity, total	521.5	512.5	485.8	485.8

	Consolidated		Parent Company	
	1996	1995	1996	1995
<b>Unrestricted equity</b>				
Jan. 1	583.3	471.9	500.3	425.1
Translation adjustment	-0.6	-2.7		
Dividends	-52.7	-31.4	-52.7	-31.4
Redeemed shares	-37.8		-37.8	
Exchange differences arising on translation of foreign subsidiaries' profit and loss accounts at average rate vs. end-of-period rates	2.9	-1.3		
Profit/Loss for the financial year	622.8	146.8	492.6	106.6
Unrestricted equity, Dec. 31	1,118.0	583.3	902.5	500.3
Less equity part of untaxed reserves*	-43.2	-40.2		
Distributable equity, Dec. 31	1,074.8	543.1	902.5	500.3

\* Not distributable as dividends according to Finnish Companies Act.

<b>23. Untaxed reserves and deferred tax</b>				
Accumulated depreciation in excess of plan, Jan. 1	29.6	26.2	12.8	16.5
Changes during the financial year	2.1	3.4	-0.8	-3.7
Accumulated depreciation in excess of plan, Dec. 31	31.7	29.6	12.0	12.8
Other untaxed reserves, Jan. 1	26.2	38.5	0.0	0.0
Changes during the financial year	0.4	-12.3	0.0	0.0
Other untaxed reserves, Dec. 31	26.6	26.2	0.0	0.0
Depreciation in excess of plan and other untaxed reserves, Dec. 31	58.3	55.8	12.0	12.8
Less deferred tax liability, Dec. 31	-15.1	-15.6		
Equity part of untaxed reserves, Dec. 31	43.2	40.2		

Deferred tax liability				
Deferred tax liability on untaxed reserves	15.1	15.6		
Other deferred tax liability	11.5	21.8		
Total deferred tax liability, Dec. 31	26.6	37.4		

<b>24. Provision for liabilities and charges</b>				
Pension liabilities	0.6	6.6	0.6	6.6
Other provisions for liabilities and charges	3.3	4.3		
Total provision for liabilities and charges, Dec. 31	4.0	10.9	0.6	6.6

**25. Long-term liabilities**  
Repayments of long-term loans:

	1997	1998	1999	2000	Later	Total
Bond loans	0.0	0.0	0.0	0.0	0.0	0.1
Amount owed to credit institutions	71.6	56.2	68.7	34.2	238.5	469.2
Pension fund loans	4.9	4.6	4.2	4.0	62.9	80.6
Other long-term debt	0.9	1.7	1.1	1.1	50.3	55.2
Total	77.4	62.5	74.0	39.3	351.7	605.0
%	12.8%	10.3%	12.2%	6.5%	58.1%	100%

Notes to the Financial Statements (MFIM)

	Consolidated		Parent Company	
	1996	1995	1996	1995
<b>26. Intercompany liabilities</b>				
Long-term				
Long-term debts			13.4	13.8
Total long-term, Dec. 31			13.4	13.8
Short-term				
Trade creditors			2.1	0.2
Accruals and deferred income			0.2	2.7
Other short-term debt			126.7	258.1
Total short-term, Dec. 31			129.1	261.0
<b>27. Payables to associated companies</b>				
Short-term				
Trade creditors				
Accruals and deferred income		10.0		10.0
Other short-term debt				
Total short-term, Dec. 31	0.0	10.0	0.0	10.0
<b>28. Lease obligations</b>				
Operating leases, payments next year	22.5	23.2	1.6	
Operating leases, payments later	118.3	124.7	0.3	
Total operating leases, Dec. 31	140.8	147.9	1.9	0.0
<b>29. Accrued liabilities</b>				
Tax liabilities	188.0	51.6	164.8	16.2
Interest liabilities	6.1	8.3	4.3	10.2
Other	137.7	155.5	27.7	16.7
Total accrued liabilities, Dec. 31	331.8	215.4	196.8	43.1
<b>30. Contingencies and pledged assets</b>				
As security for own commitments				
-Real estate mortgages	76.3	114.4	76.3	101.1
-Chattel mortgages	4.6	10.7		
-Other pledged assets	169.6	145.6	169.6	145.1
-Discounted bills of exchange	3.3	4.0		
-Lease commitments	140.8	147.9	1.9	
-Other contingencies	5.6	5.3	0.2	0.2
Total	400.3	427.9	248.0	246.4
As security for group companies' commitments				
-Guarantees			77.6	358.9
Total			77.6	358.9
As security for associated companies' commitments				
-Guarantees	31.1	18.6	31.1	18.6
Total	31.1	18.6	31.1	18.6
As security for other parties' commitments				
-Guarantees	0.3	0.6		
-Other contingencies		4.6		
Total	0.3	5.2		
Pledged assets and contingencies, total	431.7	451.8	356.7	623.9

**31. Nominal amounts of derivatives**

	Consolidated		Parent Company	
	1996	1995	1996	1995
Forward exchange contracts	217.0		217.0	
Interest swaps	213.0		213.0	
Forward interest rate agreements	46.0		46.0	

**32. Statement of cash flows**

	Consolidated		Parent Company	
	1996	1995	1996	1995
Reversal of items recorded on an accrual basis:				
Write-down of shares	4.4		6.4	14.2
Exchange differences	-1.4	2.3	-8.5	-6.7
Financial income	-53.4	-41.9	-116.2	-105.0
Financial expense	57.8	84.0	47.1	60.2
Total	7.4	44.4	-71.2	-37.3

All amounts in the statement of cash flows have been recalculated into FIM at the average rate of exchange. Acquisitions include fixed assets, goodwill, net working capital less cash at date of purchase. For these reasons, the amounts in the statements of cash flows cannot be reconciled with the consolidated and parent company balance sheets and income statements without additional information.

## Subsidiaries and Associated Companies

	Number of shares	% of share capital		% of voting power		Nominal value FIM (1000)	Book value FIM (1000)	Net profit/loss per latest Financial Statements
		Parent	Consolidated	Parent	Consolidated			
<b>Shares owned by Fiskars Oy Ab</b>								
DE Fiskars Deutschland GmbH		99	100	99	100	4450 (DEM)	18744	-5768
DK Fiskars Danmark A/S	200000	100	100	100	100	20000 (DKK)	60829	15959
FI Skars Holding Oy Ab	500000	100	100	100	100	5000 (FIM)	9999	272
FI Skars Oy Ab	7600	5	100	5	100	760 (FIM)	38886	352
FI Ferraria Oy Ab	750000	100	100	100	100	75000 (FIM)	105000	0
FI Fiskars Consumer Oy Ab	200	100	100	100	100	2000 (FIM)	24646	132
FI Inha Works	5000	100	100	100	100	500 (FIM)	2375	-15
FI Kiinteistö Oy Danskog gård	4000	100	100	100	100	3000 (FIM)	3000	0
FR Fiskars France S.a.r.l.	35000	57	100	57	100	10500 (FRF)	4641	-5357
GB Fiskars Limited, UK	1500000	100	100	100	100	1500 (GBP)	14415	2716
IT Fiskars Montana S.r.l.	7000	100	100	100	100	7000000 (ITL)	36186	-2611
NL Fiskars Europe B.V.	150	100	100	100	100	150 (NLG)	4299	2397
RU A/O Baltic Tool	1743000	98	98	98	98	1743000 (RUR)	2378	-90
SE Fiskars AB	50000	100	100	100	100	5000 (SEK)	63967	-3225
US Fiskars Holdings, Inc.	300	100	100	100	100	20219 (USD)	50655	-1930
Other subsidiaries, 2							30	

### Shares owned by the parent company

FI Elesco Oy	2500	50	50	50	50	2500 (FIM)	2500	*
- equity 0.5 MFIM								
FI Ane Gyllenberg Ltd.	58830	20	20	20	20	1239 (FIM)	6741	*
- equity 68.8 MFIM								
IN Fiskars India Ltd	1056700	30	30	30	30	10567 (INR)	2268	*
- equity 0.6 MFIM								
Other associated companies, 2							195	

### Other shares owned by the parent company

FI Metra Oy Ab, series A	3280689	23.6	23.6	23.6	23.6	65613 (FIM)	697065	
FI Metra Oy Ab, series B	782800	6.0	6.0	6.0	6.0	15656 (FIM)	108339	
Metra, total		15.1	15.1	22.1	22.1	81269 (FIM)	805404	

The market value of Metra shares owned by Fiskars was MFIM 1,051.7 at the end of 1996; Helsinki Stock Exchange quotations were FIM 259 per share for A shares and FIM 258 per share for B shares.

US Exide Electronics Group, Inc.	1825000	16.5	16.5	16.5	16.5	18008 (USD)	106436	
FI Björkboda Lås Oy Ab	1800	18.0	18.0	18.0	18.0	1800 (FIM)	1800	
FI Insurance company Sampo	13617						467	
FI Rautaruukki Oy	72916						853	
FI Julius Tallberg-Kiinteistöt Oy	18150						1025	
FI Scandinavian Equity Partners							1	
Other shares in fixed assets							6430	

\* Per balance sheet Dec. 31, 1996. Financial year, 12 months.

## Shares owned by other group companies

### Consumer Products Group

	Number of shares	% of share capital	% of voting power	Nominal value (1000)	Book value (1000)	Book value FIM (1000)
CA Fiskars Canada Inc.	500	100	100	500 (CAD)	433 (USD)	2011
DK Raadvad A/S	5000	100	100	5000 (DKK)	10800 (DKK)	8434
GB Fiskars UK Ltd	1500000	100	100	1500 (GBP)	1500 (GBP)	11804
NO Fiskars Norge A/S	50000	100	100	50 (NOK)	9411 (DKK)	7349
PL Fiskars Polska Sp. z o.o.	7352	69	69	1162 (PLZ)	4137 (DKK)	3231
SE Fiskars Sverige AB	350000	100	100	3500 (SEK)	22052 (SEK)	14881
US Fiskars Inc.	35750	100	100	27101 (USD)	27101 (USD)	125854
Other Consumer Products Group subsidiaries, 4						145

### Other

CH Fiskars Finance AG	47	94	94	50 (CHF)	24464 (SEK)	16508
FI Hangan Keskushuolto Oy	100	92	92	15 (FIM)	550 (FIM)	550
FI Hangan Sähkö Oy	1332	92	92	1332 (FIM)	3890 (FIM)	3890
Other group companies, 2						15

### Other shares owned by the subsidiaries

FI Merita Oy	712533				7169 (FIM)	
Other					7780 (FIM)	

Operating subsidiaries and associated companies are listed above when the book value of the shares exceeds FIM 250,000.

A complete list of all shareholdings is available at the Fiskars Head Office.

## Five Years in Figures

		1996	1995	1994	1993	1992*
Net sales**	MFIM	2,097	2,320	2,324	2,041	1,729
of which outside Finland	MFIM	1,903	2,092	2,114	1,848	1,514
in per cent of net sales	%	90.7	90.2	91.0	90.5	87.6
Percentage change of net sales	%	-9.6	-0.2	13.9	18.0	11.0
Profit before depreciation and amortization	MFIM	309	325	377	281	147
in per cent of net sales	%	14.7	14.0	16.2	13.8	8.5
Operating profit **	MFIM	225	239	290	197	63
in per cent of net sales	%	10.7	10.3	12.5	9.7	3.6
Financial net	MFIM	8	41	45	72	79
in per cent of net sales	%	0.4	1.8	1.9	3.5	4.6
Earnings after financial items	MFIM	218	198	245	124	-16
in per cent of net sales	%	10.4	8.5	10.5	6.1	-0.9
Earnings before tax	MFIM	697	227	245	124	-24
in per cent of net sales	%	33.2	9.8	10.5	6.1	-1.4
Taxes	MFIM	-74	-80	-85	-25	20
Dividends paid	MFIM	75 ***	54	31	18	12
Capital expenditure (incl. acquisitions)	MFIM	364	262	221	72	155
in per cent of net sales	%	17.4	11.3	9.5	3.5	9.0
Research and development costs	MFIM	28	46	44	33	29
in per cent of net sales	%	1.4	2.0	1.9	1.6	1.7
Persons employed, average		3,670	3,927	3,722	3,117	3,182
Persons employed, Dec. 31		3,434	4,088	3,811	3,131	3,169
of which outside Finland		2,777	3,255	2,772	2,225	2,176
Equity	MFIM	1,639	1,096	991	901	848
Interest-bearing debt	MFIM	615	1,004	972	974	1,104
Non-interest-bearing debt	MFIM	515	476	463	374	368
Balance sheet total	MFIM	2,769	2,576	2,426	2,249	2,320
Return on investment	%	13	14	16	11	5
Return on equity	%	10	11	17	12	1
Equity ratio	%	59	43	41	40	37

\* The income statements for 1992 of foreign subsidiaries have been translated into FIM using the year-end rate. All other years have been translated at the average rate.

\*\* A chart showing net sales and operating profit of present operations can be found on page 17

\*\*\* Board proposal

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

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

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

## Information on Fiskars' Shares

Ratios at Dec. 31	1996	1995	1994	1993	1992
Share capital, FIM million	230	230	118	118	117
Shares, 1000 (nominal value FIM 30 each)					
Series A	4,626	4,739	2,873	2,242	2,216
Series K	2,686	2,726	2,726	3,433	3,583
Total	7,312	7,466	5,599	5,675	5,799
Adjusted number of shares at the end of the year, 1000	7,312	7,466	7,466	7,567	7,732
Adjusted average number of shares, 1000	7,339	7,466	7,558	7,743	7,772
Earnings per share, FIM	19.50	15.70	21.20	12.90	0.50
-incl. extraordinary items	84.80	19.70	21.20	12.90	neg
Nominal dividend per share, FIM					
Series A	10.50 *	7.50	6.00	3.40	2.40
Series K	9.70 *	6.70	5.20	2.90	1.90
Dividend, FIM million	74.6 *	53.8	31	18	12
Dividend per earnings in per cent	52.2	45.8	20	17	306
Adjusted dividend per share, FIM					
Series A	10.50	7.50	4.40	2.60	1.80
Series K	9.70	6.70	3.80	2.10	1.40
Price per earnings					
Series A	18	14	11	17	159
Series K	18	15	11	18	219
Dividend yield in per cent					
Series A	3.0	3.5	1.9	1.2	2.2
Series K	2.7	2.9	1.6	1.0	1.3
Equity per share, FIM	224.20	146.80	132.70	119.10	109.70
Adjusted market quotation, Dec. 31, FIM					
Series A					82.50
Series A, non-restricted	345.00	212.00	238.50	219.00	81.00
Series K					112.50
Series K, non-restricted	360.00	230.00	247.50	228.75	112.50
Market value of all outstanding shares Dec. 31, FIM million	2,563	1,632	1,813	1,702	780
Number of shareholders	2,670	2,892	2,948	3,075	3,626

\* Board's proposal, see page 46

Earnings per share, FIM =  $\frac{\text{Earnings after financial items} - \text{minority interest} - \text{taxes}}{\text{Adjusted average number of shares}}$

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

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

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

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

## Per Share Data Adjusted for Share Issue

	1996	1995	1994	1993	1992
Dividend per share, FIM					
Series A					1.80 *
Series A, non-restricted	10.50	7.50	4.40	2.60	1.80
Series K					1.40 *
Series K, non-restricted	9.70	6.70	3.80	2.10	1.40
Dividend yield, in per cent					2.2 *
Series A					2.2 *
Series A, non-restricted	3.0	3.5	1.9	1.2	1.3 *
Series K					1.3 *
Series K, non-restricted	2.7	2.9	1.6	1.0	1.3
Price/earnings ratio					
Series A, non-restricted	18	14	11	17	159
Series K, non-restricted	18	15	11	18	219
Adjusted average price per share, FIM					64.20 *
Series A					57.70
Series A, non-restricted	295.00	213.00	238.50	125.90	87.40 *
Series K					91.70
Series K, non-restricted	320.00	209.00	250.50	183.20	
Adjusted lowest price per share, FIM					40.50 *
Series A					39.00
Series A, non-restricted	210.00	150.00	198.80	80.30	63.80 *
Series K					65.30
Series K, non-restricted	217.00	157.50	198.80	101.30	
Adjusted highest price per share, FIM					94.50 *
Series A					93.00
Series A, non-restricted	380.00	247.50	262.50	225.00	121.50 *
Series K					122.30
Series K, non-restricted	370.00	254.20	285.00	240.00	
Adjusted price per share Dec. 31, FIM					82.50 *
Series A					81.00
Series A, non-restricted	345.00	212.00	238.50	219.00	112.50 *
Series K					112.50
Series K, non-restricted	360.00	230.00	247.50	228.75	
Market value of shares Dec. 31, FIM million					154.5 *
Series A					87.6
Series A, non-restricted	1,595.9	1,004.7	913.5	654.8	430.1 *
Series K					107.3
Series K, non-restricted	967.1	627.0	899.7	1,047.0	
Number of shares traded, 1000					322.5 *
Series A					17.2
in per cent of the total number of series A					79.5
Series A, non-restricted	903.1	760.3	694.1	1,045.7	7.4
in per cent of the total number of series A	19.5	16.0	23.7	35.0	146.2 *
Series K					3.8
in per cent of the total number of series K					88.8
Series K, non-restricted	457.1	192.3	244.5	368.7	9.3
in per cent of the total number of series K	17.0	7.1	8.8	8.1	
Adjusted number of shares, average, 1000					1,885.2 *
Series A					1,085.1
Series A, non-restricted	4,645.6	4,739.2	3,907.5	2,975.7	3,841.7 *
Series K					960.4
Series K, non-restricted	2,693.4	2,726.4	3,720.1	4,767.2	
Adjusted number of shares Dec. 31, 1000					1,872.8 *
Series A					1,082.0
Series A, non-restricted	4,625.7	4,739.2	3,830.4	2,989.8	3,822.9 *
Series K					954.1
Series K, non-restricted	2,686.4	2,726.4	3,635.2	4,577.1	

\* All shares are non-restricted as of Jan. 1, 1993

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

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

## Information on Shares and Shareholders

### Share capital

Minimum share capital	FIM 210,000,000
Maximum share capital	FIM 840,000,000
Paid-up and registered share capital	FIM 230,036,280

### Number and categories of shares

According to its Articles of Association the company has shares of series A and shares of series K at a maximum of	28,000,000
of which the maximum number of A shares	28,000,000
and the maximum number of K shares	28,000,000
Nominal value per share	FIM 30

### Differences between share categories

**Voting rights** At a General Meeting of the shareholders each share of series A confers the right of one vote and of series K 20 votes.

**Dividends** If the Annual General Meeting declares a distribution of dividends, share of series A are entitled to a dividend of at least two (2) percentage points higher than share of series K.

**Pre-emptive subscription right** When the share capital is increased through an issue of shares comprising both share categories, holders of shares of series A have a pre-emptive right to subscribe to new shares of series A, and holders of shares of series K to new shares of series K. If the share capital is increased by an issue of one category of shares only, all shareholders have an equal right to subscribe to the new shares.

### Number of shares and votes, December 31, 1996

	Number of shares	Nominal value	Share capital	Number of votes
Outstanding series A shares	4,625,666	à FIM 30 =	FIM 138,769,980	4,625,666
Outstanding series K shares	2,686,394	à FIM 30 =	FIM 80,591,820	53,727,880
Series A shares redeemed by the company	(34,796)	à FIM 20 =	FIM 695,920	-
Series A shares redeemed by the company	(113,528)	à FIM 30 =	FIM 3,405,840	-
Series K shares redeemed by the company	(268,606)	à FIM 20 =	FIM 5,372,120	-
Series K shares redeemed by the company	(40,020)	à FIM 30 =	FIM 1,200,600	-
Outstanding shares, total	7,312,060		FIM 230,036,280	58,353,546

### Turnover of Fiskars shares on the Helsinki Stock Exchange

Fiskars shares are listed on the Helsinki Stock Exchange.

Fiskars shares were traded during the year 1996 as follows:

Share	Trading		Quotations, FIM		Quotations, FIM	
	MFIM	Quantity	lowest	highest	30 Dec. 1996	28 Dec. 1995
Series A	266.5	903,100	210.-	380.-	345.-*)	212.-*)
Series K	146.5	457,079	217.-	370.-	360.-*)	230.-*)
	413.0	1,360,179				

\*) close

### Taxation values of the shares in Finland

The Finnish taxation values of the company's shares for 1996 were:

Share	Taxation value, FIM	
	31 Dec. 1996	31 Dec. 1995
Series A	240.-	150.-
Series K	230.-	160.-

**Authorization to issue shares and raise loans** The Annual General Meeting of shareholders of March 21, 1996 authorized the Board of Directors to decide within the period of one year from 21 March 1996 on an increase of the share capital through a new issue, in one or several quotas, and/or to decide on issuing one or several bond loans and/or option loans at subscription prices, amounts and other conditions approved by the Board of Directors. Through such a new share issue, conversion of bonds and exercise of the subscription rights of warrants, the share capital can be increased by a maximum of FIM 15,000,000. A maximum of 500,000 shares with a nominal value of FIM 30 each can be issued, of which a maximum of 150,000 can be shares of series K. The subscription can take place against other property than cash.

The authorization entitles the Board of Directors to deviate from the shareholders' pre-emptive rights to subscribe to shares, convertible bonds and option loans when there are weighty financial reasons to secure the conditions of the corporation's activity or to consolidate and to expand the company's international and/or national business. The authorization is subject to the limitations mentioned in chapter 4, article 10, paragraph 2, and chapter 5, article 3, paragraph 2, of the Finnish Companies Act.

An authorization which has up to date not been exercised by the Board of Directors:

- 500,000 shares, of which not more than 150,000 can be shares of series K, representing 5.4% of the votes;

The Board of Directors will not exercise this authorization.

### Shareholders according to share ownership on December 31, 1996

As of December 31, 1996, Fiskars had 2,670 (2,892) registered shareholders.

Ownership structure	Number of shareholders		Number of shares		Number of votes	
		%		%		%
Private corporations	157	5.88	1,756,339	24.02	15,264,959	26.16
Financial institutions and insurance companies	23	0.86	305,142	4.18	3,183,547	5.46
Public entities	16	0.60	627,103	8.58	4,348,823	7.45
Non-profit organizations	85	3.18	712,271	9.74	5,759,336	9.87
Households	2,355	88.20	2,328,268	31.84	20,925,354	35.86
Foreigners	33	1.24	1,575,286	21.54	8,828,878	15.13
Others	1	0.04	7,651	0.10	42,649	0.07
Total	2,670	100.00	7,312,060	100.00	58,353,546	100.00

### Division of shares

Number of shares	Number of shareholders		Number of shares		Number of votes	
		%		%		%
1 - 100	1,233	46.18	59,774	0.82	328,719	0.56
101 - 500	924	34.61	213,180	2.92	1,426,273	2.44
501 - 1,000	202	7.57	142,141	1.94	973,448	1.67
1,001 - 10,000	236	8.84	685,629	9.38	4,943,548	8.47
10,001 - 100,000	61	2.28	1,684,991	23.04	14,660,946	25.13
100,001 - 1,000,000	14	0.52	4,526,345	61.90	36,020,612	61.73
Total	2,670	100.00	7,312,060	100.00	58,353,546	100.00

### The major shareholders according to the shareholder register, December 31, 1996

	Shares of		Total	Percentage of	
	series A	series K		votes	shares
Virala Oy	220,122	236,826	456,948	8.5	6.2
Holdix Oy Ab	253,069	201,666	454,735	7.3	6.2
Investors Trading Aktiebolag	463,733	168,800	632,533	6.6	8.6
Eläke-Varma Mutual Insurance Company	267,405	143,125	410,530	5.4	5.6
Sampo Group	100,939	127,258	228,197	4.5	3.1
I.A. von Julin's Trust	92,652	122,255	214,907	4.3	2.9
Hambo Oy Ab	97,013	119,595	216,608	4.3	3.0
Oy Julius Tallberg Ab	44,139	116,616	160,755	4.1	2.2
Agrofin Oy Ab	252,591	97,371	349,962	3.8	4.8
Sophie von Julin's Foundation	134,900	80,340	215,240	3.0	2.9

**Management's shareholding** On December 31, 1996 the Board members, the President and Corporate Vice Presidents owned a total of 134,330 shares of series A and a total of 78,796 shares of series K (totalling 213,126 shares), representing 2.9% of the shares and 2.9% of the votes. The President and Corporate Vice Presidents subscribed to FIM 25,900 of the option loans raised by the company in 1993. Through exercising the subscription rights connected to the loan they can receive 0.6% of the shares and 0.07% of the votes.

**Shareholders' Agreement** In December 1992 a group of private investors and private companies entered into an agreement on pre-emptive rights between the parties in case of sales of shares. The agreement of which the Board of Directors notified the Helsinki Stock Exchange in accordance with the Stock Exchange rules is still in force and the Group represents about 52% of the total number of votes.

## Parent Company Income Statement (MFIM)

	1996	1995
<b>Net sales</b>	<b>64.4</b>	59.2
Cost of goods sold	-12.6	-11.8
<b>Gross profit</b>	<b>51.8</b>	47.4
Administrative expenses	-32.0	-30.0
Other operating income	2.9	2.4
Other operating expenses	-11.8	-15.8
<b>Operating profit</b>	<b>11.0</b>	4.0
<b>Financial income and expense</b> (4,5)		
Dividend income	77.1	68.5
Interest income on long-term receivables	10.9	14.5
Interest income on short-term receivables	26.0	19.5
Other financial income	2.2	2.5
Exchange differences	8.5	6.7
Interest expense	-41.7	-59.5
Other financial expense	-5.4	-0.7
<b>Profit before extraordinary items, appropriations and taxes</b>	<b>88.6</b>	55.5
Extraordinary income, net of tax (6)	402.8	0.1
<b>Profit before appropriations and taxes</b>	<b>491.4</b>	55.5
Increase (-) or decrease (+) in depreciation reserve	0.8	3.7
Group contributions received	14.6	71.5
Group contributions paid		-3.0
Direct taxes		
For the financial year (7)	-14.2	-21.1
<b>Profit for the financial year</b>	<b>492.6</b>	106.6

## Parent Company Statement of Cash Flows (MFIM)

	1996	1995
<b>Cash flows from operating activities</b>		
Net profit before taxation, extraordinary items	88.6	55.5
Depreciation	(3) 5.4	5.1
Reversal of items recorded on an accrual basis (32)	-71.2	-37.3
Cash generated before working capital changes	22.8	23.3
Change in short-term receivables	65.3	-55.4
Change in inventories	-0.1	0.0
Change in short-term non-interest-bearing debt	4.4	-29.2
Cash generated from operations	92.4	-61.3
Financial income items received	36.6	35.9
Dividends received	69.2	62.1
Financial expense items paid	-44.5	-65.1
Taxes paid	-14.4	-11.0
Group contributions	14.6	68.5
<b>Net cash flow from operating activities</b>	<b>153.8</b>	29.0
<b>Cash flows from investing activities</b>		
Investment in shares	-152.1	-109.4
Purchase of property, plant and equipment	-5.8	-9.1
Investment in long-term receivables	-32.8	-24.9
Proceeds from sale of shares	619.3	6.2
Proceeds from sale of equipment	0.2	0.1
<b>Net cash flow from investments</b>	<b>428.8</b>	-137.1
<b>Cash flows from financing activities</b>		
Redemption of shares	-37.8	
Change in long-term debt	-78.1	30.8
Change in short-term interest bearing debt	-206.6	135.8
Change in short-term receivables	-35.2	-75.4
Change in long-term receivables	-37.2	23.3
Dividends paid	-52.7	-31.4
Net cash flows from financing activities	-447.5	83.1
<b>Change in cash</b>	<b>135.1</b>	-25.1
<b>Cash at beginning of year</b>	<b>4.7</b>	29.8
<b>Cash at end of year</b>	<b>139.8</b>	4.7

## Parent Company Balance Sheet (MFIM)

	1996	1995		1996	1995
<b>Assets</b>			<b>Equity and liabilities</b>		
<b>Fixed assets and other long-term expenditure</b>			<b>Equity</b> (22)		
Intangible assets			Restricted equity		
Other long-term expenditure (9)	1.6	1.5	Share capital	230.0	230.0
Tangible assets			Other restricted equity	255.8	255.8
Land and water (10)	85.7	85.3		485.8	485.8
Buildings and constructions (11)	48.5	49.7	Non-restricted equity		
Machinery and equipment (12)	6.0	4.7	Profit brought forward	409.9	393.7
	140.2	139.7	Profit for the financial year	492.6	106.6
				902.5	500.3
Shares in fixed assets and other long-term investments			<b>Equity, total</b>	<b>1,388.3</b>	986.1
Shares in associated companies (13)	11.7	11.2	<b>Provisions and untaxed reserves</b>		
Other shares and participations (13,19)	1,362.5	1,277.5	Accumulated difference between depreciation according to plan and depreciation for tax purposes (23)	12.0	12.8
Long-term receivables (12)	305.3	235.4	Provisions for liabilities and charges (24)	0.6	6.6
	1,679.4	1,524.1	<b>Liabilities</b>		
<b>Inventories and financial assets</b>			Long-term		
Inventories			Bond loans	0.1	55.0
Work in progress	0.4	0.3	Amounts owed to credit institutions	407.9	429.0
Current receivables			Pension fund loans	80.6	80.7
Trade debtors	1.3	0.5	Other long-term debt	13.8	15.8
Loans receivable	253.0	217.7		502.4	580.5
Prepayments and accrued income	26.4	17.1	Less current portion	-42.0	-26.1
Other debtors		15.8	Long-term debt, net	460.4	554.4
	280.6	251.1	Short-term		
<b>Cash at bank and in hand</b>	<b>139.8</b>	4.7	Amounts owed to credit institutions	2.3	5.0
	2,242.1	1,921.4	Current portion of long-term debt	42.0	26.1
			Payments on account	0.2	0.4
			Trade debtors	3.5	0.9
			Accruals and deferred income (29)	196.8	43.1
			Other short-term debt	136.0	285.8
				380.7	361.5
				2,242.1	1,921.4

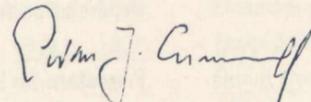
## Proposal by the Board of Directors to the Annual General Meeting

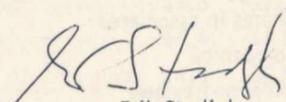
At the end of the financial year the distributable consolidated distributable equity amounted to FIM 1,074.8 million. The distributable equity of the Parent Company is FIM 902.5 million.

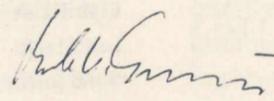
The Board of Directors proposes a dividend of FIM 10.50 per share of series A (FIM 7.50) and FIM 9.70 per share of series K (FIM 6.70). This dividend proposal includes a bonus of FIM 3.00 per share.

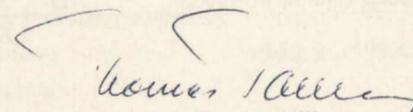
A dividend of FIM 10.50 per share be paid on 4,625,666 shares of series A	FIM 48,569,493.00
A dividend of FIM 9.70 per share be paid on 2,686,394 shares of series K	<u>FIM 26,058,021.80</u>
	FIM 74,627,514.80

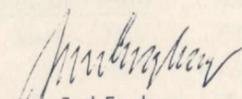
Helsinki, 27 February 1997

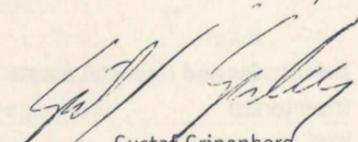
  
Göran J. Ehrnrooth

  
Erik Stadigh

  
Robert G. Ehrnrooth

  
Thomas Tallberg

  
Jarl Engberg

  
Gustaf Gripenberg

  
Stig Stendahl  
President and CEO

## Auditors' Report

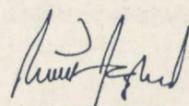
I have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of Fiskars Oy Ab for the year ended 31 December 1996. The financial statements prepared by the Board of Directors and the Managing Director include the report of the 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 Act.

I have reviewed the interim reports made public by the company during the year. It is my understanding that the interim reports have been prepared in accordance with the rules and regulations governing the preparation of such reports in Finland.

Helsinki, 27 February 1997

  
Eric Haglund  
Authorized Public Accountant

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## Fiskars worldwide



■ Joint venture in India

■ Sales and marketing

■ Production

FISKARS