



**OY FISKARS AB**

**Annual Report for 1978**



## OY FISKARS AB

# Annual Report for 1978

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The Supervisory Board's meeting on August 16, 1978 at Fiskars' Stenhuset Manor.

## SUPERVISORY BOARD OF DIRECTORS

		to serve until the AGM in
Jacob von Julin	chairman of the Board	1980
Jarl Gripenberg	deputy chairman	1980
T. Gunnar Nyström	member	1981
Klaus Ahola	member	1980
Robert G. Ehrnrooth	member	1981
Thomas Tallberg	member	1979
Johan L. von Julin	member	1979
Lauri Kalima	member	1981
Göran J. Ehrnrooth	member	1979

## AUDITORS

ordinary:	alternate:
Jarl Engberg	Otto Ekberg
Eric Haglund, CPA	Henry Lind, CPA
Henrik Brummer	Brita Hisinger-Jägerskiöld

## CORPORATE DIRECTORS

Göran J. Ehrnrooth	Managing Director Chairman of the Corporate Directors
Olof Bruncrona	Director Real Estate Division
Väinö Korpeinen	Director Engineering Division
Mauno Rautiainen	Director Corporate Planning
Kaj Åberg	Director Metal Products Division

## DEPARTMENT HEADS CORPORATE FUNCTIONS

Nybergh, Erik	Legal Matters & Company Secretary
Eklund, Nils	Purchasing Department
Huttunen, Osmo	Personnel Administration
Grandell, Helmer	Marketing Service
Tallberg, Torsten	Finance
Palin, N. H.	Technical Service
Tikkanen, Kaj	Materials Technique Department
Toivola, Juha	Planning Service Department
Laurila, Raimo	Systems Department

## NON-EXECUTIVE DIRECTORS

Zitting, Carl C.	Assistant Director	Metal Products Division
Höglund, Nils	Assistant Director	Metal Products Division
Klinge, Paul V.	Director, Marketing	Metal Products Division
Blomquist, Fredrik	Director, Marketing	Metal Products Division
Hiekkanen, Raimo	Director, Marketing	Engineering Division
Böök, Herved	Director	Plastic Products Division
Karo, Jorma H.	Assistant Director	Plastic Products Division

## 1969—78 IN FIGURES

Year	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Turnover (million marks)	132	154	143	166	214	314	328	345	361	369
Exports / %	17	23	27	31	32	30	29	32	38	36
Liquid assets and inventories (million marks)	103	99	94	96	122	148	155	167	180	192
Fixed assets	56	66	75	75	99	115	119	117	165	169
Current liabilities	73	56	66	64	98	118	123	120	150	117
Long-term debt	69	83	77	79	79	94	101	110	122	172
Share capital	11	11	11	11	11	21	21	21	21	21
Other shareholders' equity <sup>1)</sup>	6	15	15	17	33	30	29	33	52	51
Wages & salaries (million marks) <sup>2)</sup>	46	50	51	60	78	97	115	123	139	127
Capital expenditure	5	8	14	15	24	32	24	18	37	15
Recorded depreciations	4	8	8	6	10	15	19	13	8	10
Interest etc. net	8	8	9	7	10	12	14	13	16	19
Paid taxes	0.6	0.6	0.8	0.9	1.5	1.6	2.9	2.1	2.7	2.8
Profit for the year	0.6	0.8	0.7	2.5	1.1	2.0	1.7	1.5	0.2	0.4
Dividend	0.4	0.4	0.4	0.6	0.8	1.1	1.4	1.4	1.4	1.4 <sup>3)</sup>

<sup>1)</sup> excl. inventory reserve

<sup>2)</sup> incl. social security, etc.

<sup>3)</sup> proposal as per annual report

(1 US dollar = 4 Finnish marks)

## REVIEW OF THE FINNISH ECONOMY

The economic trend in the industrialized countries improved to some extent in 1978. Total production in the OECD countries was almost 4% higher than the year before. Inflation continued and consumer prices in the OECD countries increased by 7%. In the USA inflation accelerated and confidence in the dollar was undermined.

The weakness of the dollar was characteristic of the unstable money market. The effect of the devaluation of the Finnish mark in February was 6%. Some exchange rates at the end of the year (as compared to the previous year's rates): 1 US dollar=3.935 marks (4.030), 1 Swedish crown=0.920 (0.863), 1 pound sterling=8.02 (7.68), 1 German mark=2.155 (1.920) and 1 ruble=5.970 (5.704) marks.

Finnish foreign trade developed favourably. The balance of trade surplus amounted to 2,900 million marks (233), and the balance of payments was positive for the first time in nine years.

Price increases in Finland followed the development in other industrialized countries. Consumer prices increased by 8% and the earnings level, including wage drift, rose by 7%, but, taking into account adjustments of taxation rates and other relief measures, the real income grew by an estimated 4%.

The employment situation remained difficult throughout the year, the number of unemployed averaging 8% of the total labour force and amounting to 164,000 (157,000) in December.

The money market eased in spring 1978 and the very weak capital expenditure diminished the need for credits. Interest rates were reduced during the year and they were considerably below the international rate of 10% for the Eurodollar.

The Government's policy aimed at stimulating economic activity by the use of "recovery programmes". Their main goal was to improve employment and price competitiveness, to reach an external balance and curb inflation. To achieve this the Government presented, as in the previous year, two recovery programmes. One of them (recovery programme III) was closely connected with the follow-up of the devaluation, whereas the other (recovery programme IV) merely meant extending some temporary payment relief measures. The latter as a whole increased the costs borne by commerce and industry.

The industrial trend was characterized by a livelier demand, mainly in the forest industry, whereas the position of the metal industry deteriorated. The expectations of industry for 1979 are expressed as a cautious optimism according to the trend barometer published by the Confederation of Finnish Industries. Most of industry estimates that the situation will remain unchanged in the near future and about one quarter predicts an improvement. In the metal and construction industries one cannot yet speak of recovery.

## SUPERVISORY BOARD'S REPORT ON COMPANY OPERATIONS

The rapid deterioration of the Finnish economy in autumn 1977 affected almost all the company's areas of activity during the first quarter of 1978. The devaluation of the Finnish mark, together with the previously mentioned stimulatory measures, formed the basis for a visible, although remarkably slow, upturn in the company's economic result. The reductions of production capacity which were caused by sluggish demand and were at times even drastic resulted in lay-offs of personnel and a shorter working week and meant that a considerable part of production capacity remained idle. The backlog and inflow of orders stayed very low throughout the year, with a modest but nevertheless visible improvement in November—December. Domestic demand for the products of the metal and engineering industries was particularly weak.

However, thanks to increased activity in the last third of 1978 the gross margin improved considerably over the previous year, although turnover increased by merely 2%. But interest and other financing costs plus losses on currency exchange rates eliminated the effect of the improved margin to a large extent.

The profit for the year amounts to 0.4 million marks after depreciations by 60% of the maximum allowed by the Business Taxation Act. The result was affected by 1.6 million marks in losses on the exchange rates incurred during the year. The inventory reserve was reduced by 7 million marks.

The result of the Metal Products Division developed favourably, whereas the Engineering Division's result remained at the previous year's level, due to a slowdown in demand. The Plastic Products Division achieved satisfactory results; the Non-metal Industries' result was poor and the Real Estate Division reached the previous year's level.

The Aminnefors steel contract yielded improved income, reflecting the upturn which took place in the steel industry during the last half of the year. This contract expired on December 31, 1978, after the ten-year contractual period ended.

## Sales

Net turnover for the year was 369 million marks (361) and was mainly achieved through a 5%, i.e. 12 million mark increase in domestic sales. Exports decreased by 3% or 4 million marks.

Total sales, measured by the wholesale price index, were less than the previous year.

Demand for some products was weaker than in 1977. This was particularly true of industry, agriculture and forestry which represent more than 50% of the company's customers.

Exports amounted to 132 million marks (136); the metal industry continued to increase its exports while the boatyard was the one most heavily affected by the economic slump.

The continued instability and the drastic fluctuations in currency exchange rates complicated the company's marketing activities. The low rates for the US dollar continued to reduce the profitability of dollar-based exports.

## Personnel

As mentioned previously, some of the production capacity remained unutilized and this disrupted employment seriously.

An average of about 500 personnel were subjected to a shorter working week, lay-offs, etc. for most of the year. The situation finally improved considerably in November—December, thanks to an increased backlog of orders.

The number of personnel fell by 426 and totalled 2,844 at the end of the year.

By improving internal information the company continued its efforts to keep its personnel up-to-date with the prevailing economic situation and its repercussions on the operations of each factory. The company has for a long time applied many of the procedures stipulated in more detail under the new "Industrial Democracy Act". This act will come into force on July 1, 1979. The management is confident that the act will prove beneficial for all parties concerned.

The Supervisory Board of Directors is aware of the difficulties and disappointments which the year brought and expresses its thanks to the whole company for loyalty and hard work under conditions that have been difficult for individuals and the whole company alike.

### Organization

The basic organization of the company did not undergo any changes after the Plastic Products Industry was formed into a separate division at the beginning of the year.

The operations of the Metal Products Division were rearranged so as to form five product lines: Agricultural Implements, Consumer Products, Forgings and Springs, Fasteners, and Wires and Chains.

### Raw materials

The price increases of steel, which had been predicted at the turn of the previous year, were effected successively during the first half of 1978. The price level stabilized after the Davignon Agreement was signed and became effective in Europe.

Other raw materials and accessories prices show a rising tendency but have so far remained more or less stable, because many suppliers have free capacity which they are trying to utilize in keen competition. The latent price pressure is expected to lead to considerable increases in the prices of raw materials.

The raw materials and commodities index for the company was estimated to be at 118 at the turn of the year (November 1977=100). It should be noted that the fluctuations in the currency exchange rates are taken into account in this index.

### Capital expenditure

Total capital expenditure decreased according to plan from 37 million marks in 1977 to 15 million marks in 1978.

Increases in the share capital of subsidiaries and other companies in which Oy Fiskars Ab has an interest account for 5 million marks of the total capital expenditure.

The Metal Products and Plastic Products Divisions have some relatively large projects which were authorized in 1978 but will be carried out in 1979. Total investments in fixed assets will exceed 20 million marks in 1979.

### Finance

The company's cash flow was low for the second year in succession which made financing of company operations strained.

The company managed to keep the capital tied-up in operations almost at the planned level, although at the cost of low capacity utilization.

The company's losses on currency exchange rates were 1.6 million marks, although a balance in currencies was aimed at to reduce risk exposure.

According to calculations, the company's "currency basket" increased by 5.3% from December 1977 to December 1978, which means that the international competitiveness improved much less than what the nominal devaluation of the Finnish mark would have implied.

During the year the company's short-term and long-term credits were rearranged and converted. On December 1, 1978 the company launched a ten-year bond issue amounting to 22 million marks.

The company's debt increased, but the ratio between short-term and long-term credits improved.

## COMMENTS ON THE FINANCIAL STATEMENTS

### Income statement

Turnover increased by 8 million marks only, which means a decrease in volume. Both the materials and payroll costs diminished. The total payroll cost decreased by 11 million marks or by 8%. The total number of personnel fell by 13%. Wages and salaries decreased from 38% to 34% of total turnover.

The increase in other variable and fixed expenses is almost totally due to the growth of advertising expenditure, which increased by 4 million marks and was directed towards the opening of new markets.

The gross margin improved by more than 6 million marks. The inventory reserve was reduced by 7 million marks.

Depreciations totalling 10 million marks represent roughly 60% of the maximum allowed by the Business Taxation Act.

The net interest, or the differential between interests receivable and payable, increased by about 20% for the second year in succession. This is partly due to increased debt, partly to higher interest rates on short-term currency loans.

The devaluation of the Finnish mark in February and other changes in the exchange rates resulted in net losses amounting to 1.6 million marks. This expense has affected the result for the year.

### Balance sheet

#### Assets

The increase in sales during the last third of the year tied up more capital than previously in accounts receiv-

able. Receivables from subsidiaries totalled 29 million marks, of which delivery credits from marketing subsidiaries abroad accounted for 18 million marks. Inventories fluctuated considerably and were on average 10 million marks higher than the year before. Towards the end of the year the company managed, however, to reduce inventories to the level of the beginning of the year. The book value increased by 7 million marks, corresponding to the reduction of the inventory reserve by the same amount. The remaining inventory reserve amounts to 38 million marks, or 32% of direct acquisition costs.

The changes in fixed assets are presented in the breakdown below:

	(million marks)
Recorded value on January 1, 1978	165.2
Investments and additions	+ 15.1
Sales and reductions	- 0.9
Depreciations	- 10.2
Recorded value on December 31, 1978	<u>169.2</u>

Capital investments are explained in more detail on page 23.

#### Liabilities

New long-term credits amounting to 75 million marks were taken during the year. Of this amount 50 million marks were used to repay short-term credits, some of which were borrowed during the first half of 1978. Total debt rose by 18 million marks.

Other short-term loans include 23 million marks in amortizations of long-term loans in 1979.

All credits receivable and payable in foreign currencies are recorded at the exchange rate of the day the books are closed.

## INCOME STATEMENT

	December 31, 1977	December 31, 1978
<b>Net turnover</b>	+360 704 888.25	+368 742 479.94
Variable and fixed expenses		
Materials and supplies	167 207 064.01	164 868 138.36
Wages and salaries	92 229 680.47	85 675 814.05
Statutory and contractual personnel costs	46 430 851.20	41 758 901.68
Rents and leases	5 574 844.78	6 558 133.11
Other variable and fixed expenses	40 982 291.56	43 524 120.30
Goods for own use	- 3 056 533.60	- 1 778 050.81
Change in inventories	- 17 232 858.00	- 6 167 050.00
	-332 135 340.42	-334 440 006.69
<b>Operating margin</b>	+ 28 569 547.83	+ 34 302 473.25
<b>Depreciation</b>		
Buildings	3 612 152.00	5 827 730.12
Machinery and equipment	4 235 175.00	3 888 345.00
Other fixed assets	326 503.00	276 750.50
Intangible assets	76 515.00	122 636.00
Others	40 066.00	45 085.00
	- 8 290 411.00	- 10 160 546.62
<b>Net earnings from operations</b>	+ 20 279 136.83	+ 24 141 926.63
<b>Other income and expenses</b>		
Interest receivable	3 284 999.01	2 804 469.44
Dividends receivable	25 014.40	21 742.00
Other income	1 496 977.71	194 366.20
Other costs	- 3 309 261.70	- 2 288 796.03
	+ 1 497 729.42	+ 731 781.61
	+ 21 776 866.25	+ 24 873 708.24
Interest expenses	- 18 892 172.14	- 21 760 084.46
Direct taxes		
For the year	2 333 062.00	2 522 533.00
From previous years	365 030.16	240 827.53
	- 2 698 092.16	- 2 763 360.53
<b>Net profit for the period</b>	+ 186 601.95	+ 350 263.25

## BALANCE SHEET AS AT

	December 31, 1977	December 31, 1978	
<b>ASSETS</b>			
<b>Liquid assets</b>			
Cash and bank	6 599 969.07	7 223 717.64	
Accounts receivable	53 739 664.19	60 872 459.95	
Loans receivable	6 577 974.99	1 292 710.34	
Advances	2 512 841.84	3 090 915.44	
Prepaid expenses and accrued income	5 169 311.42	6 707 631.01	
Acc. receiv. from subsid. delivery credits	7 528 499.04	2 121 767.57	
" " " " others	18 647 762.21	27 026 162.86	
Delivery credits, receivable	4 289 434.81	3 150 376.81	111 485 741.62
<b>Inventories</b>			
Materials and supplies	16 551 264.00	18 649 798.00	
Products (finished and in process)	57 988 845.00	62 057 361.00	80 707 159.00
<b>Fixed assets</b>			
Work in progress	1 799 068.74	3 358 673.85	
Land	42 576 857.74	63 474 190.24	
Increase in value of land	20 000 000.00	—	
Buildings	43 560 903.47	39 473 234.40	
Machinery and equipment	35 960 458.68	36 202 141.25	
Other fixed assets	2 636 934.76	2 371 554.56	
Securities	18 170 567.24	23 652 868.23	
Intangible assets	389 240.18	574 083.05	
Others	120 041.60	91 687.68	169 198 433.26
	344 819 638.98	361 391 333.88	

## LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1977	December 31, 1978	
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	38 717 788.43	32 590 272.21	
Advances	1 792 732.60	3 407 756.98	
Prepaid income and accrued expenses	19 616 754.09	20 628 599.46	
Notes payable	56 765 260.00	30 145 058.00	
Delivery credits payable, short term	6 851 303.40	2 576 128.00	
Other current liabilities	26 128 539.93	27 666 257.51	117 014 072.16
<b>Long-term debt</b>			
Bank loans	64 014 825.36	90 663 128.82	
Loans from pension institutions	47 867 512.75	52 033 724.11	
Bond loan	—	22 000 000.00	
Delivery credits payable, long-term	3 597 616.00	1 175 841.00	
Other long-term debt	6 406 157.17	6 580 655.29	172 453 349.22
<b>Reserves</b>			
		2 564 000.00	2 564 000.00
<b>Shareholders' equity</b>			
Share capital	21 250 000.00	21 250 000.00	
Capital reserve	3 518 273.81	3 518 273.81	
Appreciation fund	36 228 809.28	36 222 995.28	
Supplementary reserve fund	6 270 317.00	6 276 131.00	
Other funds	63 731.00	63 731.00	
Retained earnings	2 979 416.21	1 678 518.16	
Net earnings for the period	186 601.95	70 497 149.25	69 359 912.50
		344 819 638.98	361 391 333.88

## ADDITIONAL NOTES ON THE BALANCE SHEET

<b>Wages and salaries</b>	<u>53 341 894.47</u>	<b>Pension obligations</b>	
<b>Change in shareholders' equity</b>		Company's own obligations	4 095 000.00
Share capital		Deficit of pension foundation	<u>4 852 820.08</u>
January 1, 1978	21 250 000.00		<u>8 947 820.08</u>
Capital reserve		<b>Other obligations</b>	
January 1, 1978	3 518 273.81	Mortgages (in circulation)	108 470 000.00
Appreciation fund		Obligations upon bonds	49 807 329.00
January 1, 1978	36 228 809.28	Discounted Bills of Exchange	<u>14 578 873.00</u>
Transfer of value adjustments			<u>172 856 202.00</u>
incurred through realization of		<b>Bond loan</b>	
land to S.R.F.	- 5 814.00	Bond loan, interest 9.75%, issued on	
	<u>36 222 995.28</u>	December 1, 1978, last amortization	
Supplementary reserve fund		on December 1, 1988	<u>22 000 000.00</u>
January 1, 1978	6 270 317.00		
Value adjustments incurred through			
realization of land, transferred			
from appreciation fund	+ 5 814.00		
	<u>6 276 131.00</u>		
Fund for social activities	63 731.00		
Profit			
January 1, 1978	3 166 018.16		
For dividend payments	- 1 487 500.00		
	<u>1 678 518.16</u>		
Profit for the period	350 263.25		
Shareholders' equity, total	<u>69 359 912.50</u>		

## SUPERVISORY BOARD'S PROPOSAL FOR DIVIDENDS AND RETAINED EARNINGS

The net profit is 350 263.25 marks. It is less than the 4% interest to be paid to the shareholders according to the company statutes, and will therefore be used in its entirety for payment of dividends.

The Board proposes that  
of the retained earnings from  
previous years totalling 1 678 518.16 marks  
a dividend of 1 137 236.75 marks  
be paid to the shareholders  
which together with the net profit  
for the year is 7 marks per share  
or 7% of the nominal value

and that  
the remainder 541 281.41 marks  
be retained on the Profit  
and Loss Account.

Helsinki, March 8, 1979

**Jacob von Julin**

<b>Jarl Gripenberg</b>	<b>T. Gunnar Nyström</b>
<b>Klaus Ahola</b>	<b>Robert G. Ehrnrooth</b>
<b>Thomas Tallberg</b>	<b>Johan L. von Julin</b>
<b>Lauri Kalima</b>	<b>Göran J. Ehrnrooth</b>

## SUPERVISORY BOARD'S ACCOUNT OF THE SALE OF THE COMPANY'S STEEL PRODUCT INDUSTRY TO OVAKO OY

The structural changes in the steel industry of Europe and particularly in that of Finland's neighbour Sweden formed the basis for negotiations within the private Finnish steel industry which were resumed in 1978.

As the negotiations progressed it became evident that by far the best alternative industrially would be to aim at merging the steel industry proper with the related steel products industry operated by both Fiskars and Wärtsilä. This would make it possible to harness all the advantages of integration and the extensive know-how reserves held by the shareholders for the benefit of the new company.

The outcome of the negotiations was published immediately after the signing of the agreement on March 2, 1979. This agreement means mainly the following for Oy Fiskars Ab.

All buildings, machinery, equipment and inventories pertaining to the Jokioinen and Loimaa Works, Bolt-making Works and the Screw and Fastening Works were sold to Ovako. The machinery, equipment and inventories of the Spring Manufacturing Works were also sold and some of the machinery and equipment of the central storage and delivery warehouse at Billnäs was included in the transaction. The whole personnel at these factories and the Materials Technique Department, as well as some of the personnel at the district sales offices and the head office, will go over to Ovako retaining their present employment conditions.

In the transaction Ovako will take over some of the sellers' debts, the final amounts of which will be defined as soon as inventories and other similar items have been evaluated. The agreed date of transfer is May 1, 1979.

The profit from the sale of buildings will be included in Fiskars' books for 1979. The sales price of machinery and equipment, as well as inventories, reduce the book value of each type of assets.

In connexion with the transaction, Fiskars and Wärtsilä will transfer considerable assets to Ovako. Taking into account the evaluations jointly accepted by all the parties, Ovako's share capital was raised from 45 to 65 million marks to reach the new ownership percentages. Fiskars' ownership of the new Ovako Oy Ab is 33.5%.

The Supervisory Board of Directors decided unanimously on March 1, 1979 to carry out the transaction.

### Outlook

After the above mentioned measures, it is estimated that Fiskars will reach 300 million marks in total sales in 1979, its personnel will number about 2 000 and the result is expected to improve on 1978.

Thus Fiskars will remain a diversified company and will in addition to its participation in the steel industry through Ovako, be engaged in the metal products industry, the engineering and foundry industry, the plastic products industry, the boatyard, electronics and wood working industries.

Helsinki March 8, 1979

SUPERVISORY BOARD OF DIRECTORS

## AUDITORS' REPORT

Having been elected by the Annual General Meeting of the shareholders of Oy Fiskars Ab on April 27, 1978 to audit the company's administration and accounts for 1978 and having now completed our audit we hereby submit our report.

We have examined the balance sheet, the statements of income and retained earnings and changes in financial position, the Supervisory Board's annual report, including an account of the sale of the company's steel product industry to Ovako Oy as well as the minutes of the Annual General Meeting of the shareholders and the Board meetings. Our examinations included such checks and accounting records and such other auditing procedures as we considered necessary.

The accounts and internal control of the company have been examined by Mr. Henry Lind, CPA. In a separate report he has informed the company management of the extent of his examinations.

The financial statements show a profit of 350,263.25 marks and were made in accordance with generally accepted auditing practice. The Supervisory Board's report on company operations contains additional information on the company's financial result and position. In the annex of the annual report the Supervisory Board gives its account of the sale of the company's steel product industry, to be transferred on May 1, 1979.

With reference to the above and since we have been able to establish that the affairs of the company have been managed with care, we recommend that the Annual General Meeting

adopt the Annual Accounts for 1978  
release the Supervisory Board and the Managing Director from responsibility for 1978 and  
accept the Supervisory Board's proposal for payment of dividends and retention of earnings.

Helsinki, April 10, 1979

Jarl Engberg

Brita Hisinger-Jägerskiöld

Eric Haglund  
CPA



The Scissor Works in Wausau, Wisconsin, USA, was inaugurated on October 18, 1978.

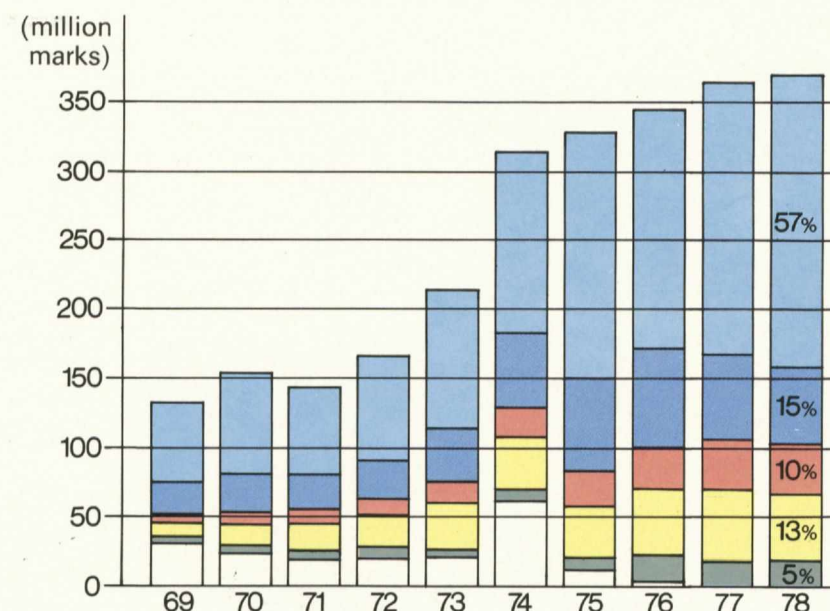
## CASH FLOW ANALYSIS

	1977 mill. marks		1978 mill. marks	
<b>Supply of funds</b>				
Result before interest, taxes, depreciations and reservations	19.7		25.3	
Sales of fixed assets	<u>0.5</u>	20.2	<u>0.9</u>	26.2
Increase (+)/decrease (−) in liabilities				
short-term	+30.1		−32.9	
long-term	<u>+12.0</u>	<u>42.1</u>	<u>+50.6</u>	<u>17.7</u>
		<u>62.3</u>		<u>43.9</u>
<b>Used funds</b>				
Net interest	15.6		19.0	
Taxes	2.7		2.8	
Dividends	<u>1.4</u>	19.7	<u>1.4</u>	23.2
Increase (+)/decrease (−) in liquid assets	− 5.1		+ 6.4	
inventories	<u>+10.2</u>	5.1	<u>− 0.8</u>	+5.6
Investments in buildings, machinery and structures	28.8		9.5	
commercial papers	<u>8.7</u>	<u>37.5</u>	<u>5.6</u>	<u>15.1</u>
		<u>62.3</u>		<u>43.9</u>



The Inha Works at Ähtäri.

DEVELOPMENT OF  
TURNOVER 1969—1978  
(including branches  
merged in 1973)



## SALES AND INFLOW OF ORDERS

The sales activity was sluggish at the beginning of the year and the sales figures for the first half were lower than the year before. The situation improved considerably in autumn resulting in a total increase in sales for the year of 2%.

Exports diminished for the first time in the 70s in volume as well as in the proportion of total sales. This was mainly due to the fact that exports from the Boatyard were considerably below the previous year's level.

The Metal Products Division managed to keep the same sales pace as the year before. The increase was more than 10% for the second year in succession. This year was, however, as difficult as 1977 for the Engineering Division and total sales decreased.

The Plastic Products Division's sales remained at the previous year's level, while the Moulding Factory and the Electronics increased their sales.

The backlog of orders remained below normal throughout the year, which hampered the planning of operations. Towards the end of the year the situation improved slightly and the backlog of orders at the turn of the year corresponded to three months' sales and was a little larger than the year before.

### Breakdown of turnover

	1977 million marks	1978 million marks	Change million marks	Change %
Domestic	225	237	+12	+5
Export	136	132	-4	-3
	361	369	+8	+2

## BREAKDOWN OF SALES ACCORDING TO CONSUMER GROUP

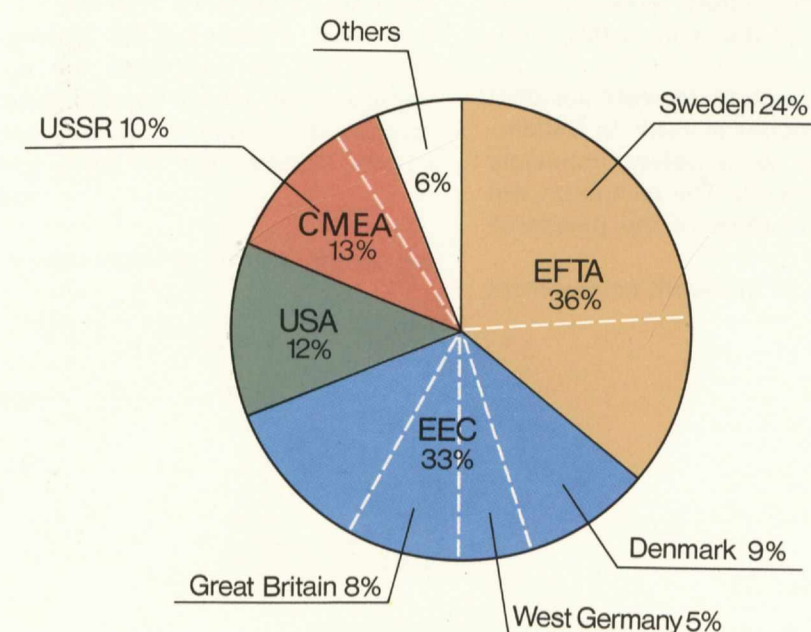
	1977		1978	
Industry				
Bolts, screws and wires	8%		12%	
Foundry products & forgings	6%		4%	
Others	15%	29%	21%	37%
Building industry				
Bolts, screws and wires	7%		6%	
Others	6%	13%	5%	11%
Agriculture and forestry				
Machines and tools	16%		13%	
Others	5%	21%	5%	18%
Consumer households		21%		19%
Others (state, municipalities, etc.)		16%		15%
		100%		100%

TURNOVER (1 000 marks)	1977		1978	
	Total	Exports %	Total	Exports %
Sales excl. turnover tax				
Metal Products Division	191 302	38	210 866	40
Engineering Division	63 947	31	57 387	32
Plastic Products Division	37 951	31	38 038	30
Non-metal Industries	50 494	57	45 127	36
Real Estate Division	19 741	20	19 176	—
Total sales	363 435	38	370 594	36
Raw material billing less corrective items	-2 731		-1 852	
Turnover	360 704		368 742	
Change on previous year	+5%		+2%	

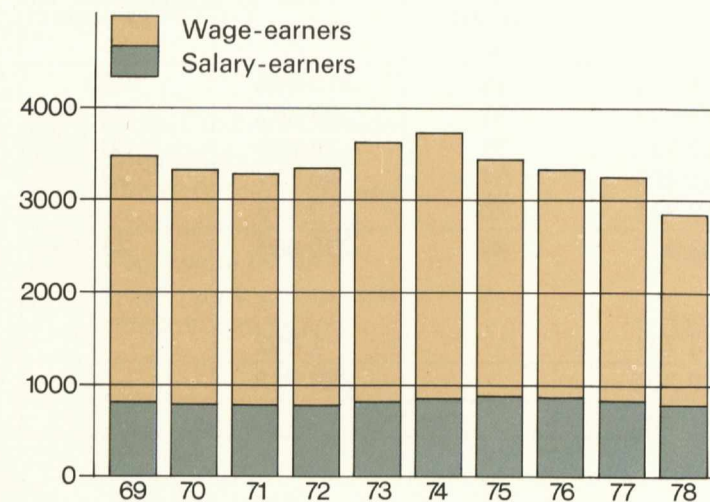
## BREAKDOWN OF EXPORTS

The growth of exports to the EEC countries has continued, whereas other exports have stagnated or even decreased. As far as the USA is concerned, most of the decrease is due to a shift from exports to direct sales from the new scissors factory in Wisconsin. There was an encouraging increase in exports to Great Britain, Norway and France, particularly the latter, where the volume doubled.

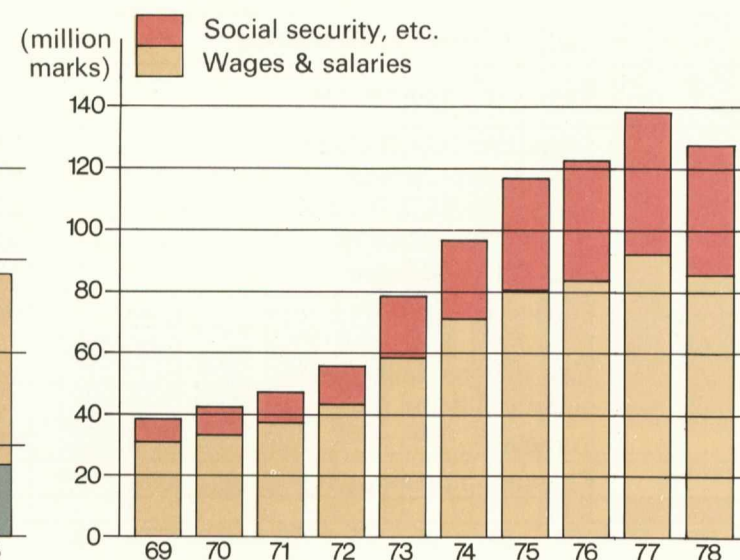
	1977 1 000 Fmks	1978 1 000 Fmks
EFTA (Sweden)	49.5 (33.4)	46.8 (32.2)
EEC (Denmark)	41.5 (14.0)	43.3 (12.3)
(Great Britain)	( 8.3)	(10.8)
(West Germany)	( 7.9)	( 6.7)
USA	19.0	16.1
CMEA (USSR)	18.5 (13.6)	17.5 (12.7)
Others	8.2	8.3
	136.6	132.0



## PERSONNEL DEVELOPMENT 1969—1978



## TOTAL PAYROLL COSTS 1969—1978



## PERSONNEL ADMINISTRATION

The year under review was very difficult as far as employment was concerned. Production was reduced at eleven factories. The average monthly number of employees subjected to some sort of work reduction was more than 500. About 160 people had to be given notice due to a permanent decrease in employment. This, coupled with normal turnover of personnel and natural attrition decreased the total number of personnel by 426 or 13%.

Recruitment of new personnel during the year required special authorization. Thanks to such regulatory steps 80 members of personnel could be re-located at some other company factory. The employment situation improved to a certain extent towards the end of the year. Work safety was supervised and co-ordinated by 19 work safety managers, 32 work safety representatives and altogether 100 members of the work safety committees.

The company will wage a campaign to decrease accident frequency and the degree of injuries at work. In December 42 plant managers and work safety managers participated in the preliminary work. The campaign will cover the whole company and most of the personnel will be actively engaged in it.

Investments in improvements of the work environment were 0.9 million marks.

During the year 27 new apartments for personnel were completed. The company's own investments in housing totalled 0.5 million marks. Eight residential sites and three one-family houses were sold to employees.

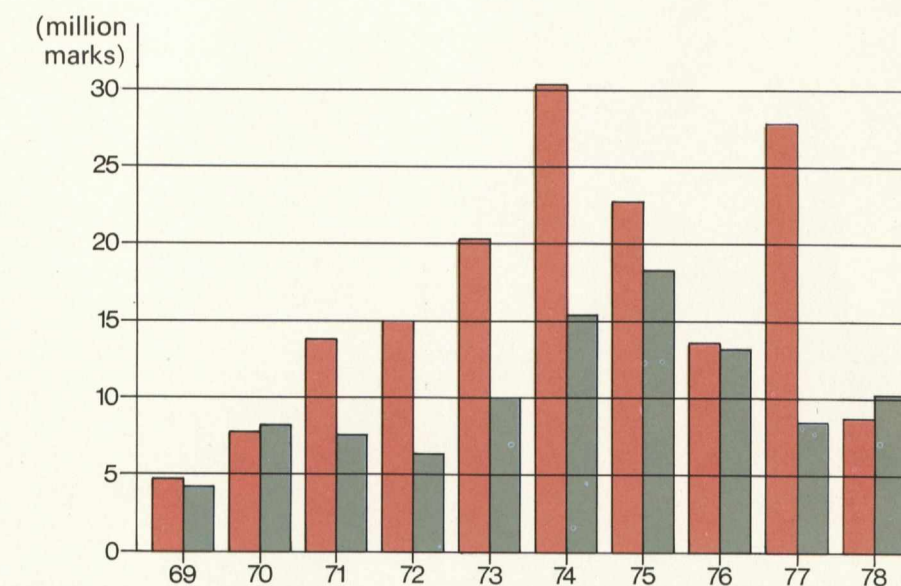
During the year under review 71 people retired and 142 people were decorated for specific years of service. Of these 4 had been 50 years and 19 persons 40—45 years in the company's service.

Payroll costs amounted to 127 million marks (138), of which 86 million marks were direct remuneration costs and 42 million marks or 49% the employer's statutory and voluntary social security and remuneration fringe costs.

Personnel numbered 2 844 at the end of the year. Of these 791 were management, technicians and clerks and 2 053 blue-collar workers.

## CAPITAL INVESTMENTS IN DEPRECIABLE FIXED ASSETS AND DEPRECIATIONS 1969—1978

Capital investments  
Depreciations



## CAPITAL EXPENDITURE

The investments recorded during 1978 amounted to 15.1 million marks; the corresponding sum in the previous year was 37.5 million marks. The decrease reflects the economic slump of 1977—78, which prevailed in most of the company's areas of activity. Increases in the share capital of some subsidiaries and other companies of interest accounted for one third of the total capital expenditure. They were share issues in Fiskars Manufacturing Corporation, Oy Metsä-Skogby Ab and Oy Telko Ab.

A new scissors factory was inaugurated in Wausau, Wisconsin, USA according to plan. This investment was mainly financed by foreign credits and is not included in the figures below.

The largest project among the company's own new capital investments is the expansion of the Plastic Products Division's production of district heating pipes. Moreover, the Boltmaking Works started the installation of a new galvanizing plant in cooperation with a domestic licence owner.

The breakdown of investments is shown below (in million marks):

	1977	1978
Metal Products Division	11.6	3.1
Engineering Division	12.2	1.9
Plastic Products Division	2.5	2.7
Non-metal Industries	0.6	0.2
Others	10.6	7.2
	37.5	15.1

Breakdown according to asset category (million marks):

	1977	1978
Land and water	0.9	0.9
Buildings and structures	9.2	1.0
Machinery and equipment	18.0	7.2
Other tangible assets	0.5	0.1
Shares	8.7	5.6
Other	0.2	0.3
	37.5	15.1

Work in process of the above

	1.8	3.4
--	-----	-----



The Company's first initiative champion, Uolevi Kivi, Fiskars Works, was awarded a valuable watch and diploma for 8 suggestions which were accepted in accordance with the Company's rules.

## SOCIAL IMPACT

It is not possible within the framework of an annual report to mention all the social consequences of the company's activities, as they comprise eight branches of industry in 12 regions of the country. In addition the company is also engaged in farm and forest management, and in the production and distribution of hydroelectric energy.

Some of the social effects of the company's gross income can, however, be measured in terms of money by examining the share of income attributable to the different interest groups.

The income statement is regrouped below to reflect the situation:

	million marks	
1. Gross income from sales	407.9	
less turnover tax to the State	- 22.8	
less discounts and other reductions	- 16.4	368.7
+ Other income		+3.0
Available income, total		371.7
2. To suppliers of materials and services		208.5
3. To employees		
Wages and salaries	85.8	
less payroll tax	- 32.6	
Personnel fringe costs	41.8	
less social security payments	- 9.1	
Voluntary social security costs	2.1	88.0
4. To society		
Direct taxes	2.8	
Social security payments	9.1	
Payroll tax	32.6	
Withholding tax on dividends	0.5	
Electricity tax	0.5	45.5
5. To banks and financing institutions		
Interests	21.8	
Bank commissions	2.5	
Differences of the exchange rates	2.2	26.5
6. To shareholders		
Dividends	1.4	
less withholding tax on dividends	- 0.5	0.9
7. Retained within the company		
Depreciations	10.2	
Changes in reserves	- 7.9	2.3
Total		371.7

These items are explained in more detail on the following page.



These people were awarded decorations for 45 or 50 years' service. In the front row, from the left: Lennart Liimatainen, 50, Moulding Factory; Vilhelmiina Toompuu, 45, Boltmaking Works; Reino Kivi, 50, Fiskars Works; In the back row, from the left: Olavi Nurmi, 50, Farm Management, Alarik Into, 45, Jokioinen Works; Albin Lönn, 45, Porvoo Engineering Works; Eero Sutinen, 50, Spring Manufacturing Works. Missing from the picture: Holger Berg, 45, Scissor Works and Ester Lund, 45, Moulding Factory.

### 1. Available gross income

The turnover tax on gross income goes to the State. The company only collects this item. Other reductions include freight and sales commissions, etc.

### 2. Suppliers of materials and services

This interest group gets the overwhelmingly largest part of the gross income. The share is 56%, of which most goes to domestic suppliers.

### 3. Employees

This figure is composed of wages and salaries after payroll taxes, statutory superannuation, accident and other personnel insurance premiums and voluntary personnel costs including health service costs.

### 4. Society

Society gets direct taxes and social security payments. This item also includes tax withheld on payrolls and dividends. Society also benefits from the environmental improvements and work safety investments which are included in the company's capital expenditure.

### 5. Banks and financing institutions

In addition to direct interest costs, this item includes bank guarantee commissions and compensation for the services rendered by financial institutions. Also the differences in the exchange rates on loans are paid to the lenders.

### 6. Shareholders

The dividends are paid in accordance with the Supervisory Board's recommendation. The withholding tax on dividends is assumed to be unchanged from the previous year.

### 7. Company

The company retains capital in the form of depreciations for the repurchase of machines and buildings. In this way the company ensures continuous operations.

The result varies from year to year, and to minimize the effect of economic fluctuations, existing inventory reserves are used to balance the book result.



Sirpa Pulkkinen on the assembly line of the automatic scissors riveting machine at the Scissor Works.

## METAL PRODUCTS DIVISION

The market situation was still unfavourable at the beginning of the year, particularly for the steel products industry. The trend has improved steadily, however, and towards the end of the year the market situation could be considered satisfactory. Sales of steel products increased during the last four months by almost 40% compared with the beginning of the year.

Total sales did not increase more than 10% on the previous year and amounted to 211 million marks (119).

In spite of considerable increases in steel prices during the first half of the year the Division managed to improve its result remarkably and the result became satisfactory during the last half.

The Division comprises 11 factories and five product lines (see also: Organization, page 39): Agricultural Implements, Consumer Products, Forgings and Springs, Wires and Chains, and Fasteners.

The number of personnel decreased and was 1 463 (1 629) at the end of the year.

### Agricultural Implements:

Demand on agricultural machinery slowed down on all markets, above all at home, where the decrease in volume mostly affected the domestic plough manufacture. Exports stayed at the previous year's level, but domestic sales dropped by 40%.

Fiskars Works reduced production, and by adopting a shorter working week and temporary lay-offs it managed to avoid excess inventories.

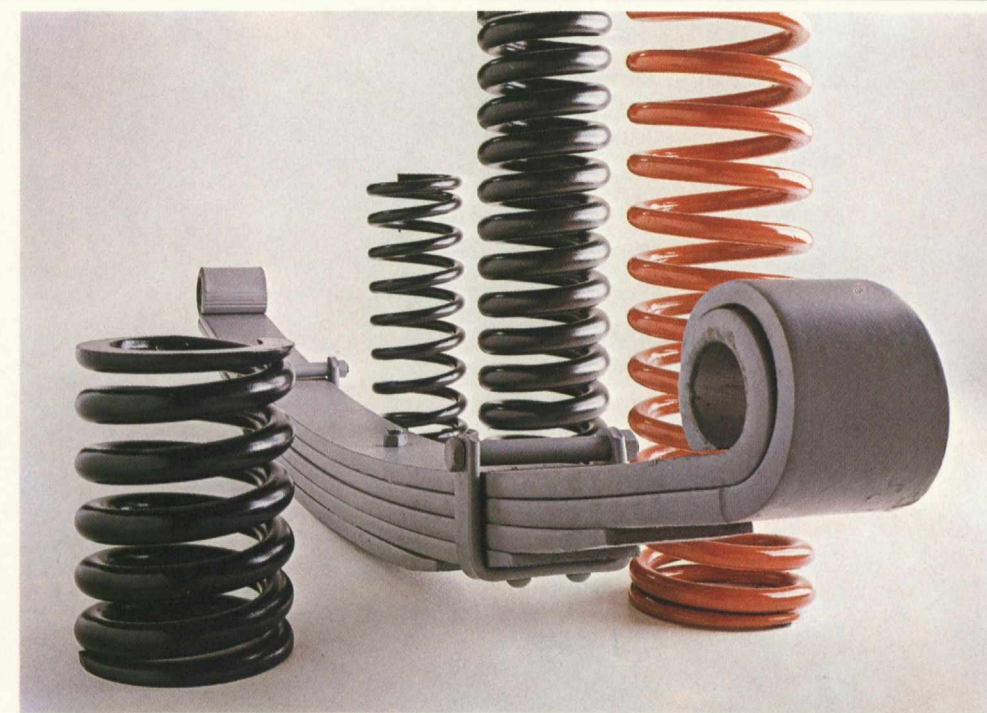
### Consumer Products:

The Scissor Works at Billnäs increased its sales by 7%. Deliveries to the US factory accounted for one fourth of the total production volume. During the previous year one third was exported to the American market. The factory at Billnäs returned to two shifts during the summer.

The company intensified its scissors marketing and advertising efforts which are expected to yield results in 1979. The growth of volume in foreign markets — excluding the US — was 22% and in the home market 50%. Sales to the US remained at the previous year's level.

The Cutlery Works increased deliveries of fibre glass flagpoles by almost 20%. Flagpoles are today the main product of the factory. Exports accounted for most of the sales increase. Knife production stayed at the previous year's level. The factory returned to a full working week in the autumn.

Some spring types which are delivered to Saab-Scania, Sodertälje, Sweden; Burmeister & Wain, Copenhagen, Denmark; Norges Statsbaner, Norway; Saab-Valmet, Uusikaupunki, Finland.



The Tool Works operated at almost full capacity. Most of the production was tools for the US scissors factory and for new products.

### Forgings and Springs

The Spring Manufacturing Works operated at almost full capacity, thanks to the high quality of its products and its reliable deliveries. The result improved and can be considered fully satisfactory.

Billnäs Works increased its sales by 15%, but did not reach the projected volumes or result. A project called "Fiskars for Forestry" was launched during the year and is estimated to have great potential in exports to developing countries. The basic work is completed and results are expected during 1979.

### Wires and Chains:

The Jokioinen Works also increased its sales volume in 1978. At the beginning of the year the situation was not satisfactory, although a 20% increase in volume was achieved. Increases in raw materials prices were compensated for by corresponding increases in end products, and the total result was satisfactory.

The Loimaa Works operated at almost full capacity thanks to deliveries to the USSR. Orders received from domestic buyers remained exceptionally low at the beginning of the year but increased during the latter half; this improved the result for the period. The factory has achieved good results in the field of

research and development and strengthened its position in the snow chain line of products. The Loimaa Works introduced a high tensile lifting chain during the year.

### Fasteners:

This product line includes the Boltmaking Works and the Screw and Fastening Works as well as the central storage and delivery warehouse at Billnäs.

The Boltmaking Works underwent a structural change which resulted in considerable reductions and temporary lay-offs, especially at the beginning of the year. After heavy losses at the beginning of the year the factory reached a satisfactory result during the autumn.

The Screw and Fastening Works increased its sales volume steadily as in the previous year and reached a good result. Budget targets were exceeded.

The central storage and delivery warehouse delivered goods to the amount of 110 million marks, corresponding to half of the Division's total sales. The deliveries numbered 30 000 and comprised 200 000 order lines.



The F 5000 L hydraulic log crane, mounted on a tractor, brings a load of timber to be placed in temporary storage.

## ENGINEERING DIVISION

Most of the Engineering Division's areas of activity suffered from a slowdown of demand and the trend reached its all time low. The financial result for the year did not improve notably from the previous year. The Division's total sales dropped to 57 million marks (64), of which exports accounted for 32% (31). The division comprises five factories and the number of personnel was 506 (628).

The Salo Engineering Works and the Porvoo Engineering Works, which manufacture hydraulic log cranes and their components, respectively, operated most of the year at 2/3 of their capacity. The domestic sales of hydraulic log cranes increased, but exports, above all to the CMEA countries, dropped. Demand at home and in the Western markets improved slightly towards the end of the year. A capital investment programme to rationalize log crane production was completed.

The foundry at Salo had to adopt a shorter working week. Due to low prices and capacity utilization caused by weak demand, the result for the year was negative.

The Kellokoski Works had to resort to lay-offs and a shorter working week due to sluggish demand.

The capacity utilization at the Inha Works deteriorated towards the autumn, improving again at the end of the year and averaged 55%. Lay-offs and a shorter working week could not be avoided.

The Buster aluminium boats strengthened their market positions at home and in Scandinavia. The preliminary sales figures for the autumn predict a positive trend during the coming season, too.

Exports of forgings were increased, but that could not compensate for the drop in sales of rail fastening materials to the Finnish State Railways. Deliveries were even smaller than the year before and remained considerably below the volumes which had been projected some years earlier.

Osmo Leskinen exhibits the new PEX plastic pipe system which makes heat insulating considerably more economical and is particularly suitable for one-family houses, low density housing areas and hot-houses.



## PLASTIC PRODUCTS DIVISION

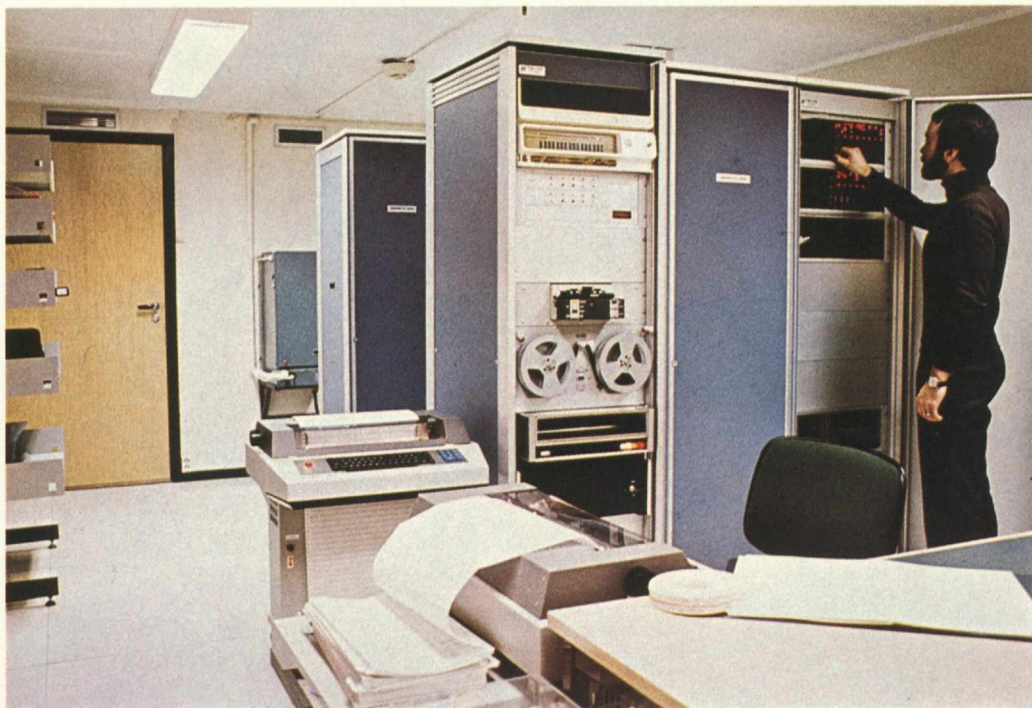
Lack of space at the Division's factory in Tammi-saari resulted in the transfer of the production of some new articles to a rented plant located in Hanko.

Demand for district heating insulating elements was low at the beginning of the year due to deferred purchase decisions by municipalities. The inflow of orders increased in May—June and total deliveries reached the previous year's level.

The European markets for electrical distribution boxes were sluggish throughout the year. This was caused by low investment activity and increased competition. Capacity utilization remained low and deliveries did not reach the previous year's level.

The Division is actively engaged in research and development of new products and several new ideas are expected to be ready for launching in 1979—81.

The Division's sales amounted to 38.0 million marks (38.0), of which 11.5 million marks (11.8) or 30.3% were exports. Profitability was satisfactory considering that all the research and development costs were charged against profit. The number of personnel was 135 (134).



This traffic control system was delivered to Trondheim, Norway.

## NON-METAL INDUSTRIES

After the plastic products industry was formed into a separate Division at the beginning of the year three branches not connected with the main lines of the company remained: Electronics, Boatyard and the Moulding Factory.

The total sales of these branches were 45 million marks (51), of which 36% were exports. The number of personnel was 435 (561).

### Electronics

Turnover developed favourably and profitability was satisfactory.

The most important delivery in the field of traffic electronics was an advanced automatic traffic control system to the city of Jyväskylä.

An order for a similar system was received from the city of Tallinn, USSR. Delivery will take place in 1979.

As a result of extensive research and development work, the factory delivered its first traffic control system based on micro-processor technique. The telecommunication meters delivered to the Department of Post and Telegraphy are another new product based on the same technique.

Orders for power electronics dropped considerably, and no significant improvement is in sight.

Capacity utilization remained satisfactory in spite of diminished order volume.

Exports were 10% (17) of turnover and the number of personnel was 134 (155).



The new bestseller from the Boatyard: Finnsailer 34, design Hans Groop.

### Boatyard

The Boatyard in Turku met with great difficulties and the sales of leisure boats decreased. The inventories of sales agents and Fiskars' own marketing subsidiaries abroad were, however, reduced during the year, which resulted in a livelier inflow of orders at the end of 1978. The Boatyard's new motor cruiser model, the Finnsailer 34, was introduced at the autumn boat shows; demand has been keen.

The sales of life and service boats remained modest but towards the end of the year the Boatyard received several orders from Government offices and the demand for life boats increased.

The Boatyard was forced to reduce its personnel considerably to adapt itself to the low capacity utilization which is expected to remain at the present level for the next few years. The backlog of orders at the end of the year was, however, much improved over the previous year and employment seems secured for a long time ahead.

Exports were 53% (84) of total sales. The number of personnel was 132 (218).

### Moulding Factory

The production of mouldings increased by 5% and the production of ready frames by 46%. As productivity increased, the profitability improved considerably, although the result is still not satisfactory.

The weak exchange rate for the US dollar adversely affected profitability. Exports to the US were lower in volume than projected and the personnel in mouldings production had to be laid off for a fortnight in August.

Exports accounted for 62% (63) of total sales. The number of personnel was 169 (188).



The Supervisory Board of Fiskars' housing companies at their meeting in Tammisaari. From the left: Leif Ekberg, member; Torsten Kevin, member; Erik Dahl, superintendent; Olof Bruncrona, chairman; Birgitta Nylund, member; Erik Nybergh, member; Stig Nyström, superintendent.

## REAL ESTATE DIVISION

Altogether 2.39 hectares of the company's land was sold in 14 sales contracts, 8 of which were for residential sites and 5 for other housing purposes. A further 2 hectares of industrial land was exchanged for a condominium site and a school site was donated to Ähtäri municipality. A new condominium comprising 27 apartments, financed by a State-sponsored loan, was completed at Loimaa.

Fiskars Electrical Department distributed 58 500 MWh (58 600) of hydro-electric energy and produced 12 500 MWh (12 500) in its own power plants. In December Oy Metsä-Skogby Ab joined the distribution network.

Farm management suffered for the second year in succession from unfavourable weather conditions. The farming plan included rye, cattle fodder and oil plants.

Timber supplies totalled 87 000 cu.m. (86 000) and deliveries to Metsä-Skogby amounted to 43 000 cu.m. (32 600). Timber was also supplied for the needs of the Moulding Factory.

The timber harvest from the company's own forests totalled 36 700 cu.m. (32 700).

The Real Estate Division employed 147 people (152).



An assortment of forestry tools which are included in the project "Fiskars for Forestry". This project comprises methods and tools for the forestry industry in developing countries.

## OY PREDIUM AB

In order to expedite the resolution covering the planned land development owned by Predium the company offered to sell to the State a large area which eventually would become a national park. The negotiations with various Government offices have however not yet led to a solution regarding the final scope of plans to be developed.

## OY METSÄ-SKOGBY AB

The sawmill operated throughout the year utilizing one line in one shift. Production was 38 500 cu.m. (36 300) and most of it was exported. The achieved volume is too small for profitable operation. Total sales amounted to 21.9 million marks (20.6). The number of personnel was 101 (97).

The financing of an investment to increase production to 90 000 cu.m. annually was negotiated and the decision to carry out the project was made. The first stages of the expansion will be taken into use in April 1979. Full production will be reached during 1980.



Inauguration of the scissors factory in the USA. Personnel manager Jerry Polus describes how Joan Schrieber rivets the scissors.

## FISKARS MANUFACTURING CORPORATION

The decision made in June 1977 to build a scissors factory in the US was carried out within the planned time and projected cost estimates. Production was started during autumn 1978 and the factory reached planned production volume before the end of the year.

Right from the beginning competent management and cooperative personnel achieved good results and high efficiency in the use of the modern equipment. The achieved efficiency is also partly a result of the improvements in manufacturing technique that have been made in close co-operation between technical management in the US and Finland.

FMC fulfills its role in a strategically optimal way by operating within the customs and freight barriers of the enormous American market and by being independent of the currency fluctuations which had made the profitability of deliveries from Finland questionable. The company's chances of success in the American market are considered good.

The inauguration of the scissors factory in Wausau, Wisconsin on October 18 was attended by a great number of invited American customers and other business associates as well as representatives of the parent company.

FMC's sales to customers were 14 million marks (0). This amount includes some deliveries from the parent company.

The number of personnel at the end of the year was 75 (6).

## MARKETING SUBSIDIARIES

Fiskars USA Ltd. is inactive at present. The subsidiary in Austria increased its sales substantially. The remaining subsidiaries faced stiffer competition than in 1977 and had to gear their operations accordingly.

Total sales were 26 million marks (26), of which the Boatyard's products accounted for 35% (47). The number of personnel abroad was 32 (47).

## TURNOVER OF SHARES ON THE STOCK EXCHANGE; SHAREHOLDERS

The turnover of the company's shares on the Helsinki Stock Exchange amounted to 784 277 marks. 7 279 shares (7 014) were sold, corresponding to 3.3% of total share capital. The price per share at the beginning of the year was 135 marks and at the end of the year 106 marks; the high during the year was 140 and the low 91 marks. The taxable value on December 31, 1978 was 105 marks (135) per share.

The share capital remained unchanged and is composed of 212 500 shares with a nominal value of 100 marks each. At the end of the year, the registered shareholders numbered 1 003 (978).

The shares are distributed as follows:

	% of the share capital
Private persons	85.0
Foundations and other public interest organizations	7.9
Business enterprises	5.4
Banks and insurance companies	1.7
	100.0

The biggest shareholder owns 5.2% of the share capital.

## SUBSIDIARIES AND OWNERSHIP IN OTHER COMPANIES

Sales companies abroad (owned entirely by Fiskars)

Fiskars Ges.m.b.H., Austria, established 1972  
Fiskars Svenska AB, Sweden, established 1974  
Fiskars GmbH, West Germany, established 1975  
Ballena Ltd., Great Britain, established 1970  
(purchased by Fiskars 1975)  
Fiskars USA Ltd., established 1976  
Fiskars A/S, Norway, established 1978  
and  
Fiskars A/S, Denmark, established 1969 (99.7%)

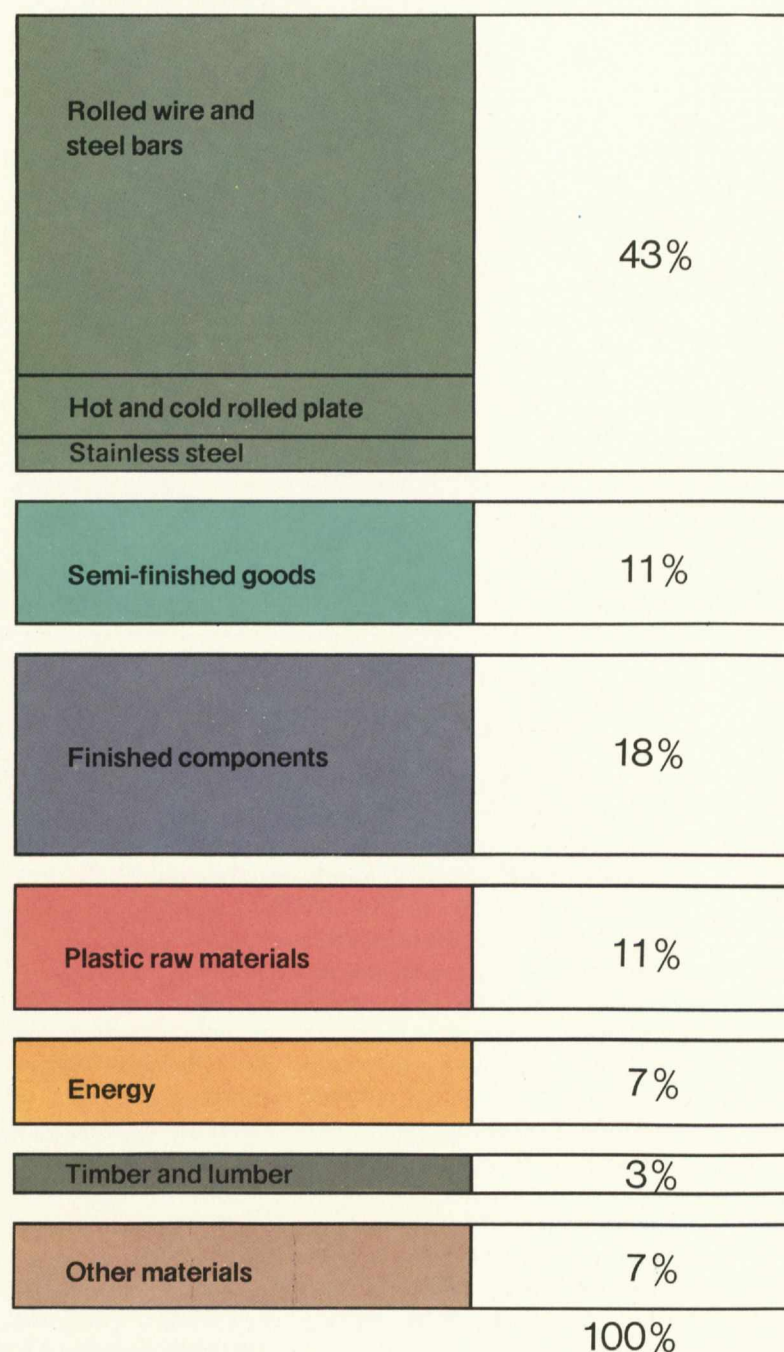
Manufacturing companies (owned entirely by Fiskars)  
Fiskars Manufacturing Corp., USA, established 1977

Ownership in other companies of importance to the company's operations

Oy Predium Ab	100%
Oy Metsä-Skogby Ab	50%
Tietotyö Oy	50%
Ovako Oy	36%
Oy Telko Ab	18.7%

The list does not include housing companies or similar.

## MATERIALS AND SUPPLIES



## INDUSTRIAL AND PERSONNEL STRUCTURE

### BREAKDOWN OF PERSONNEL ACCORDING TO YEARS OF SERVICE

Management, technicians and clerks			Labour		
less than 7 years	295	37,3%	less than 7 years	967	47,1%
7—19 "	328	41,5%	7—19 "	663	32,3%
20—29 "	90	11,4%	20—29 "	255	12,4%
30—39 "	58	7,3%	30—39 "	133	6,5%
40—50 "	20	2,5%	40—50 "	35	1,7%
	791	100,0%		2053	100,0%






## BRANCH

## FACTORIES

## PRODUCTS

Steel products industry (will be incorporated into Ovako Oy from May 1, 1979)	Jokioinen Works Loimaa Works Boltmaking Works Screw and Fastening Works Spring Manufacturing Works	Wires and nails Chains Bolt products Screw products Leaf springs and spiral springs
Metal products industry	Cutlery Works Scissor Works Tool Works Billnäs Works Inha Works  Kellokoski Works	Household utensils, flagpoles in fibre glass Scissors Machine tools, metal, plastics Hand tools, forgings Hinges, lockers, heat radiators, aluminium boats, rail fasteners Oil drums, stands for garbage disposal bags
Engineering industry	Fiskars Works Salo Engineering Works Porvoo Engineering Works	Ploughs, harrows Log cranes Hydraulic components
Foundry	Foundry, Salo	Steel and iron casting, unit weight 50—4000 kg
Plastic products industry	Plastic Works	Heat insulating culverts, distribution boxes for electrical installations
Boatyard Electronics Wood working	Boatyard Electronics Moulding Factory	Leisure and service boats in fibre glass Traffic and industrial electronics Wooden frames and mouldings

### BREAKDOWN OF PERSONNEL

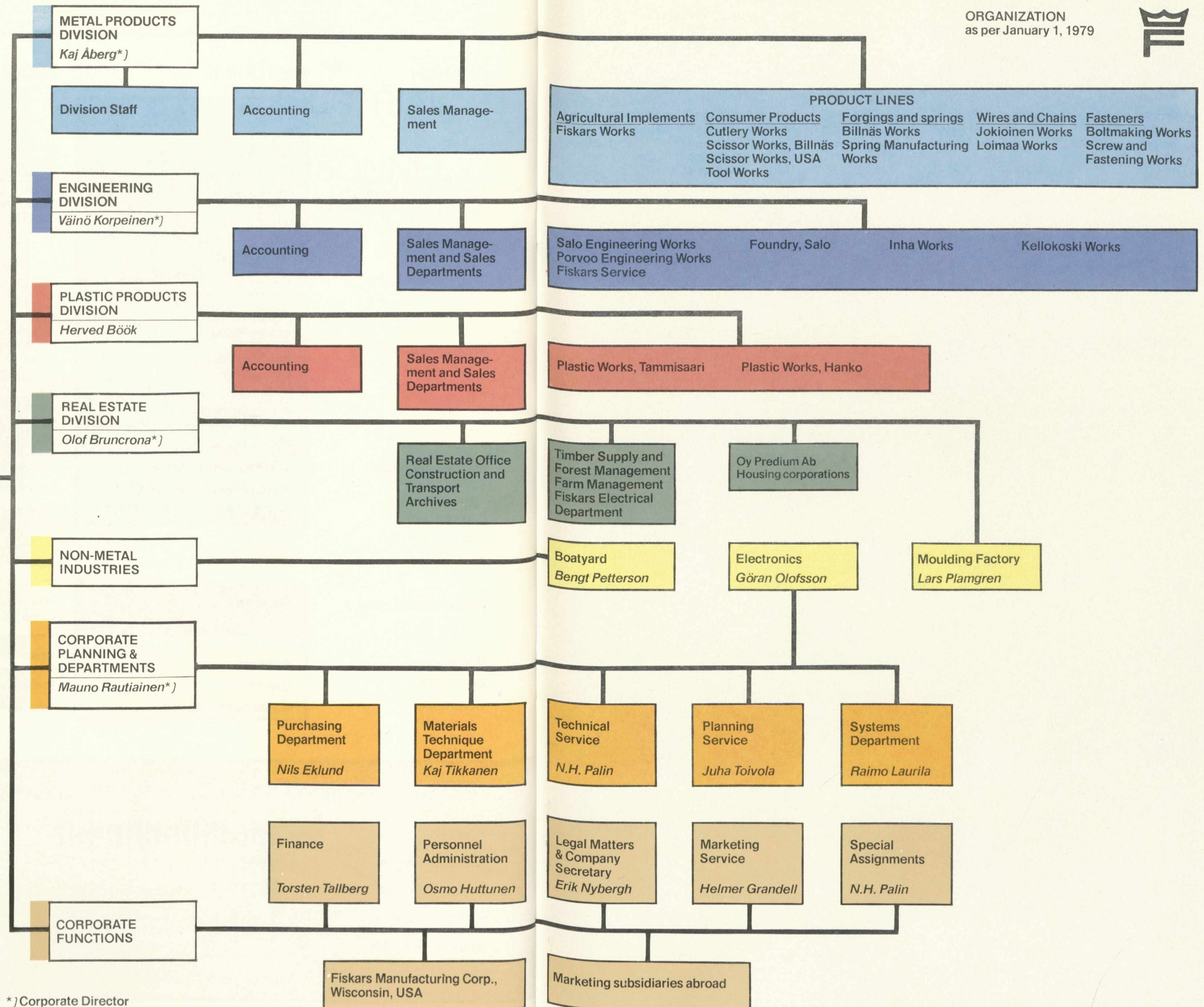
Production	2 285	
Area administration	192	
Sales and distribution	194	
R & D and technology	93	
Corporate functions	80	
Total	2 844	



ANNUAL GENERAL  
MEETING

SUPERVISORY  
BOARD OF DIRECTORS

MANAGING  
DIRECTOR  
*Göran J. Ehrnrooth\**)



\*) Corporate Director



## OY FISKARS AB

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