# FISKARS ANNUAL REPORT 1983



### FISKARS GROUP

SUMMARY OF OPERATIONS, FIM million	1979	1980	1981	1982	1983
Turnover	401	391	429	454	471
sales outside Finland	175	175	186	185	239
as % of turnover	44	45	43	41	51
Parent Company turnover	373	362	377	383	366
Parent Company exports	149	150	150	128	141
Operating margin	21	32	43	48	65
as % of total sales	5	8	10	11	14
Depreciation according to plan	5	9	14	16	16
Financial costs, net	- 17	- 23	- 28	- 28	- 21
Income from operations*	- 1	- 4	- 2	+ 4	+ 27
as % of turnover	- 0	- 1	-0,5	+ 1	+ 6
Parent Company dividend	1.9	1.9	1.5	1.5	2.7 **
Return on capital employed	4	5	5	7	12
Equity + reserves	151	150	146	157	219
Equity ratio	36	30	30	30	39
Personnel at year's end	2 136	2 214	2 129	1 839	1 733
Investments	43	35	28	19	31

\* Before unrealized exchange losses on long term debt, extraordinary items, appropriations and taxes.

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# CHAIRMAN'S STATEMENT



Chairman of the Board, Göran J. Ehrnrooth and Managing Director, Reijo Kaukonen

1983 was in many ways a significant year and a turning-point for Fiskars.

Fiskars, whose origins date back to 1649, completed one hundred years as a limited company on October 16. Shareholders, business associates and personnel all joined to celebrate this centenary in the Stenhuset manor house in Fiskars. The Company established a Jubilee Fund, the aim of which is to further the internationalisation of Finnish companies by supporting overseas studies.

To our delight, the Fiskars Jubilee Fund received generous contributions from a large number of donors who wanted to remember the Fiskars Company's centenary.

On October 13, 1983 an extraordinary shareholders meeting decided to increase the Company's share capital by FIM 15 million to FIM 37.2 million. By the close of the share issue on December 16, 1983 all the shares had been subscribed and the Company had received 800 new shareholders. The aim of this share issue was to widen the ownership basis of the Company and to ensure that share capital corresponds to the development of the Group.

The same meeting confirmed the change of the Company's name to Fiskars Oy Ab to strengthen Fiskars' corporate image and meet data processing requirements.

The year 1983 also marked the achievement of one of the Group's most important structural objectives: our international operations have grown to the point that over 50 % of sales are to customers abroad. Several companies and product lines were purchased and the Group's possibilities for continuing growth improved in the US and Europe.

This was complemented by the acquisition of Oy Rahkola Ab on the domestic market.

The operational results in all three industrial groups – Consumer Products, Electronics and Investment Products – showed positive improvement.

The operations of our subsidiaries Fiskars Manufacturing Corp. and Predium were successful and as in previous years had a positive impact on the Group's development.

A significant turning point was that operations of both the Group and Parent Company were profitable. Group profit before appropriation and taxes was FIM 27 million on a turnover of FIM 471 million.

In my opinion the Fiskars Group has the potential for real growth in the future. The Group's financial position has further stabilized and thus supports such a forecast.

In previous annual reports, the Board has pointed out that the old factories in Fiskars and Billnäs are becoming obsolete. In 1983 an investment decision was made to completely renew and partly relocate the production units at these sites by the end of 1984. As part of this plan a letter of intent was signed with the municipality of Pohja concerning the sale of approx. 25 hectares of land containing housing and redundant factory space. The investment programme is expected to have a significant influence on the future profitability and development of the product lines in question.

Our affiliate company Ovako achieved a welcome improvement in results, although the worldwide structural problems in the steel industry appear set to continue. The Metsä-Skogby sawmill company, in which Fiskars has 50 % shareholding, also improved its financial position in 1983.

Promoting the image of Fiskars "Crown Quality" goes hand in hand with the development of personnel resources. Well-trained management and skilled enterprising personnel provide strong backing for the Group's quality-conscious and customer-orientated new profile.

I should like to wish the new managing director Reijo Kaukonen every success in his effort to steer Fiskars forward in both the domestic and international arenas.

Finally, I should like to express my deepest gratitude to my predecessor Jacob von Julin, who has been a member of the Board for over 50 years, its Chairman for 36 years, and continues as the Group's first Honorary Chairman.

Helsinki, February 1984

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# FISKARS JUBILEE EXHIBITION 1983



On October 16, 1983, Fiskars completed 100 years as a limited company. To celebrate this event, a historically important exhibition was opened in the Stenhuset manor house in Fiskars showing the products Fiskars has made during this period.

The President of Finland, Mauno Koivisto, being guided round the exhibition by Göran J. Ehrnrooth.



Fiskars employees visit the Jubilee Exhibition.



Lieutenant-General P.J. Väyrynen at the opening cere-

# FISKARS TODAY

Fiskars comprises four operational groups, whose business development and performance are supervised by Management Board committees.

### CONSUMER PRODUCTS GROUP



Through its fast growing international sales organisation, Fiskars markets high quality handtools for household, professional and do-it-yourself use.

The international popularity of these branded products continues to grow because through intensive development work Fiskars

has succeeded in changing not only the design, but also the materials and production technologies of many traditional household tools.

Fiskars is the world's leading scissors brand. Innovations in scissors production are now being applied to knives and other handtools. This will increase the number of customers for Fiskars products, widen the product range offered through the sales network and strengthen the group's position as an international manufacturer of consumer products.

Using the finest Finnish wood, Fiskars makes frames and mouldings to suit varying tastes and purposes. The group has six production plants in Finland and three in the US.

### **ELECTRONICS GROUP**



Modern society is becoming increasingly dependent on electricity and computers. Fiskars develops and manufactures the products this society needs – with their aid professional users ensure energy distribution, as well as data communication and processing. As a part of the rapidly

growing electronics industry Fiskars has specialised in niche markets where it has succeeded in gaining technological leadership.

Power Electronics ensures uninterruptable supply of power for EDP and telecommunication systems.

Traffic Control Systems help traffic flow smoothly

High quality injection-moulded polycarbonate enclosures protect electrical equipment from environmental damage.

In its chosen market segments Fiskars has become an internationally renowned supplier.

The group has four production units in Finland.

### INVESTMENT PRODUCTS GROUP



Fiskars produces special products for land and sea transportation as well as industrial use – all fulfilling the most stringent customer requirements concerning suitability and reliability under demanding conditions

Intensive research and development, together with in

depth understanding of end-users' needs enable Fiskars to offer superior quality. Professionals in the European forest industry — both East and West — use Fiskars log loaders. Fiskars delivers lifeboats and special vessels that meet the strict specifications for oilrigs and large oceanliners. Demanding specialist vessels have been developed for naval and coastguard use. Due to their seaworthiness and sturdy construction, Buster aluminum boats have become extremely popular amongst safety- and quality- conscious users.

Fiskars also produces specialist building products such as hinges and radiators. Steel forgings are supplied for railroads and engineering works. The group has four production plants in Finland.

### **REAL ESTATE GROUP**



When industrial production of iron began in the 1640's in Finland, the forests and falls of Fiskars made it an ideal place to commence such production.

Today land and forest holdings also provide important production and financial resources. The Fiskars Group owns and

intends to maintain in the long term a total of over 15 000 hectares of land and forest.

Fiskars employs the latest agricultural, forestry and energy producing techniques in these localities, at the same time developing and maintaining their unique natural values and cultural traditions.

For generations the Company's forests have been managed according to a long-term forestry plan, which ensures a balance between utilization and active renewal of these resources.

The Company's hydroelectric stations produce half of the electricity distributed by Fiskars.

# **BOARD OF DIRECTORS**

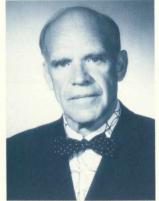


Board meeting on 20.12.1983 under the chairmanship of Jacob von Julin. Left to right: Robert G. Ehrnrooth, Jarl Engberg, Jarl Gripenberg, Jacob von Julin, Göran J. Ehrnrooth, Thomas Tallberg and Lauri Kalima.

ELECTED UNTIL THE ANNU MEETING IN	AL GENERAL
Jacob von Julin Honorary Chairman	1986
Göran J. Ehrnrooth Chairman	1985
Jarl Gripenberg Deputy Chairman	1986
T. Gunnar Nyström Member	† 18.8.1983
Robert G. Ehrnrooth Member	1984
Thomas Tallberg Member	1985
Lauri Kalima Member	1984
Jarl Engberg Member	1986

AUDITORS	
Ordinary	Deputy
Eric Haglund	Henry Lind
Brita Hisinger-Jägerskiöld	Peter Hartwall
Christian Hildén	Krister Hamberg

### IN MEMORIAM



T. Gunnar Nyström, Doctor of Medicine and Surgery, and Member of the Board of Directors, died on 18.8.1983.

He was elected to the Board in 1956. With both his great ability and humanitarian outlook, T. Gunnar Nyström gave valued support to the Board as well as the Company's managing directors. The Company remembers him with gratitude.

# ANNUAL REPORT FROM THE BOARD OF DIRECTORS

### **GENERAL**

The three major industrial groups of Fiskars – the Consumer Products group, the Electronics group and the Investment Products group – were able during the year to focus their activities on strengthening their marketing operations and improving profitability.

Controlled growth in international markets was given high priority.

The continuing consolidation of the Group's financial structure and deliberate efforts to increase the return on assets were reflected in all operations.

The Board is pleased to report that the improvement in results by the Group and Parent Company is in full accordance with the main lines of the above strategy. The Board would like to congratulate the personnel of the Group on their fine performance during the year.

The Board would like to express its gratitude to the shareholders, both old and new, who showed their confidence in Fiskars by participating in the Parent Company's share issue.

Fiskars would also like to thank its customers, suppliers, financiers and other business associates and looks forward to continued future cooperation.

### TURNOVER

The Group's turnover rose 4 % to FIM 471 million (454).

The Parent Company's turnover fell 5 % to FIM 366 million (383) as a result of the selling of certain business lines at the end of 1982.

The Group's three industrial groups, together with the Real Estate group, saw sales rise 18 % and achieved clear growth in real terms.

### GROUP TURNOVER DEVELOPMENT

FIM million	1979	1980	1981	1982	1983
Consumer Products group Electronics group Investment Products group Real Estate group Business lines sold etc.	96 35 86 27 157	102 42 125 30 92	134 49 129 35 82	152 62 124 38 78	200 75 136 33 27
	401	391	429	454	471

Group sales to Finland fell FIM 28 million to FIM 226 million (254).

The increase in domestic sales of consumer products was considerable, although overall domestic sales fell due to the sale of the Inkoo Plastics Plant.

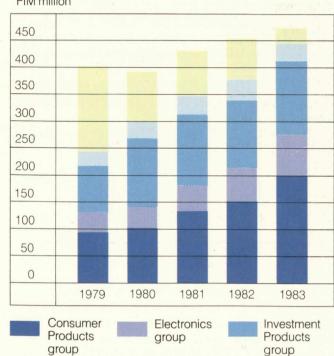
### GROUP SALES BY MARKET AREAS

1983 FIM mill.	1982 FIM mill.	Change %
232	269	-14
48	54	-11
55	45	+22
33	18	+83
115	83	+39
7	12	-42
490	481	
19	27	
471	454	+ 4
	232 48 55 33 115 7 490	FIM mill. FIM mill.  232 269 48 54 55 45  33 18 115 83 7 12  490 481 19 27

### PARENT COMPANY EXPORTS BY MARKET AREAS

the same of the sa			
	FIM mill.	1983	1982
EFTA	43.2	31	. 37
EEC	48.3	34	-33
CMEA	33.3	24	14
USA	9.1	6	7
Others	6.6	5	9
	140.5	100	100

# FISKARS GROUP TURNOVER 1979-83 FIM million



Business

lines sold

Real Estate

group

### INDUSTRIAL GROUPS

The Consumer Products group, which due to the strong market position of its scissors products is the most international of the groups, developed well overall. As a result of the exceptional success of the Fiskars Manufacturing Corp. and the favourable exchange rate of the dollar, sales on the US market accounted for over half of the group's total sales. Both scissors' volume and profit grew strongly, so that even though other consumer products did not reach their objectives, the group's overall profitability was satisfactory.

The Electronics group's various product lines achieved good increases in sales volume in their own fast-growing niche markets. Group profitability was good.

Development for the Investment Products group in the different product lines was uneven. The group's overall profitability improved and reached a satisfactory level.

The operations of the group's international sales subsidiaries were directed towards widening consumer product markets. The growth in sales volume achieved was good, and Fiskars-branded products strengthened their position in European markets.

### REAL ESTATE GROUP

The group's operations are by nature long-term, and its results are evaluated on a different basis from that in industry.

Income from agricultural activities was good although that for electrical distribution did not reach the level of the previous year. In the area of forest management, fellings were lower than the annual growth rate.

During the year the Parent Company sold a total of 14 hectares of land and purchased a 150-hectare forest estate.

The Predium subsidiary continued its operations according to plan with positive results.

### PROFITABILITY

The Group's operating margin equalled 13.8 % of net sales. The Group's operating margin improved by 35 % to FIM 64.9 million (48).

The Parent Company achieved a significant improvement in profitability - a prerequisite in the prospects for 1983. The Parent Company's operating margin before depreciation was FIM 38 million (25) equalling 10.4 % (6.6) of net sales. Depreciation according to plan was FIM 16 million (15.5) for the Group, maximum allowable for tax purposes being FIM 16.7 million.

As a result of the improved financial structure the Group's net financial expenses, including realized and unrealized exchange losses, decreased to 4.5 % of net sales.

After deduction of extraordinary items of FIM 0.6 million the Group's income statement shows a profit. before appropriations and tax, of FIM 26.9 million

Including FIM 0.7 million depreciation in excess of plan the total amount depreciated corresponds to the maximum depreciation allowed under the Business Tax Act and corresponding regulations abroad. Untaxed reserves have been increased by FIM 6.6 million. Taxes amount to FIM 5.0 million, and the Group's net profit for the financial year is FIM 14.7 million (4.0).

In contrast to the previous year realized gains on sales of land and other fixed assets of FIM 3.3 million and tax refunds of FIM 0.8 million have been credited to the Parent Company's Contingency reserve.

The Parent Company shows a profit of FIM 4.6 million (1.2).

Return on capital employed in industrial operations (excluding forests and shares) amounted to 12 % (7) for the Group. The long-range goal set by the Board calls for a return on assets of 15 %.

### THE BALANCE SHEET

Each category of fixed assets is shown net after book depreciation. Accumulated depreciation in excess of plan is taken up as a separate item under Fixed assets and under Reserves. The purpose of this accounting method is to show the accumulated depreciation charged versus the depreciation required in view of the useful economic life of the assets. Last year's balance sheets have been modified accordingly.

In the Parent Company's balance sheet land and water have been revalued by FIM 30 million. The surplus arising from the revaluation has been transferred to the revaluation fund.

The book value of land and water is conservative in respect of both the geographical location in SW Finland and its forest resources.

The share issue premium of FIM 0.3 million has been transferred to the Reserve fund.

Investment expenditure was FIM 30 million (19).

The Group's equity ratio has been strengthened to 39 % (30).

The new issue of shares brought FIM 7.8 million to the Parent Company. The Parent Company's liquidity and foreign exchange position remained good throughout the year.

The deficit in pension obligations was FIM 10.6 million (11.4) at the balance sheet date.

The Parent Company's equity ratio was 45 % (36).

### BREAKDOWN OF INVESTMENTS

e dege zones e	1983 FIM million	1982 FIM million
Consumer Products group	17.0	9.1
Electronics group*	2.1	3.0
Investment Products group	3.0	2.4
Real Estate group	4.4	3.1
Others	4.2	1.5
1. 1. 4. 1. 1. 1. 1.	30.7	19.1

\* Expenditure in product development and tooling was FIM 6.9 million representing 9 % of the Electronics group's turnover. The amount has been charged against income.

### **INVESTMENTS**

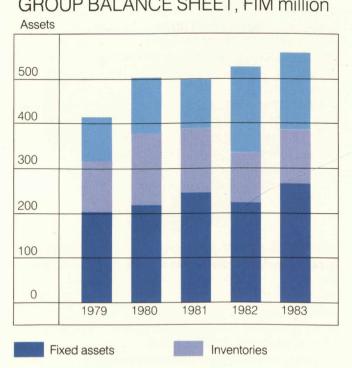
Group investments totalled FIM 30.7 million (19), of which the Parent Company's share was FIM 22 million (15).

The major part of these investments was allocated as in previous years to the Consumer Products group. The largest single investment, approx. FIM 5 million, concerned the modernization of the Fiskars Knife Plant and its move to new premises

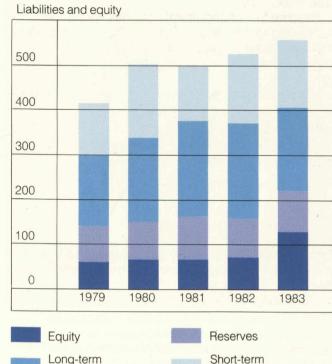
Fiskars also participated in the raising of Oy Metsä-Skogby Ab's share capital by FIM 3 million.

In accordance with the practice of previous years, all investments in product development and tooling were entered as expenditure costs for the year.

## GROUP BALANCE SHEET, FIM million



Financial assets



liability

FINANCING

The Group's liquidity has remained good throughout the year. Debts have decreased by FIM 29 million despite notably larger investment expenditure.

liability

### **PERSONNEL**

### PARENT COMPANY

The number of personnel employed during the year was generally compatible with the volume of production.

The Board's stated intention in 1983, to avoid short-time working, was achieved in practice.

The central aim of personnel administration in the coming years will be to increase training for both management and other personnel. Continual introduction of new technologies and automation will become commonplace.

The total personnel of the Parent Company numbered 1535(1658) on 31.12.1983. Group personnel totalled 1733(1838).

During 1983, 55 Fiskars employees received awards from the Finnish Central Chamber of Commerce.

In addition, 26 employees were admitted to the Finnish orders of the White Rose and the Lion in connection with the Company's centenary.



In 1983 the Finnish Central Chamber of Commerce awarded 50 -year and 45 -year longservice medals to Börje Berglund 50, Billnäs Plant (seated left), Urho Lindholm 45, Farm Management, Henry Lindström 50, Tool Plant (standing left) and Kurt-Erik Damén 45, Tool Plant

### **ORGANISATION**

At the Board's Centenary Meeting on October 13, 1983, Jacob von Julin was invited to become the Company's first Honorary Chairman. On January 1, 1984, Managing Director Göran J. Ehrnrooth was elected Chairman of the Board.

Also on January 1, 1984, Reijo Kaukonen, previously Deputy Managing Director, was nominated the new Managing Director.

The division of responsibility among the Management Board was also redefined. Christian Elfving and Wayne Fethke, President of Fiskars Manufacturing Corp., were elected as new Board Members during 1983.

Further details of the Company's organisation are shown on page 32.

# CHANGES IN THE GROUP'S STRUCTURE AND ACQUISITIONS

The Group's strategy concentrated on strengthening its international competitiveness.

During the year the Fiskars Manufacturing Corp. acquired a product line for do-it-yourself tools. In June 1983, Fiskars acquired the whole shareholding of Finnovation S.A.R.L. This company successfully markets consumer products in France.

Also in 1983 a sales subsidiary, Fiskars Nederland B.V., was established in Holland. This company concentrates on marketing consumer products, while the joint-venture Wilkinson-Fiskars B.V. coordinates marketing activities.

Fiskars AB had its operations reactivated and is now mainly involved in the marketing of consumer products.

The whole shareholding of Finnsales Ltd in Birmingham, UK transferred to Fiskars on January 1, 1984. This company markets the Group's frames and mouldings.

Oy Rahkola Ab, which manufactures similar tools to Billnäs and markets them to much the same customer group, came into Fiskars' ownership on January 1, 1984.

### AFFILIATE COMPANIES

Widespread structural changes were carried out in Ovako Oy Ab to enable the company to compete in the world steel market. There was a marked improvement in the company's performance and although turnover remained at the FIM 1 100 million level, a positive result was achieved. Fiskars has a 33.5 % shareholding in Ovako.

Due to improved market conditions Oy Metsä-Skogby Ab turned in a better result. Fiskars participated with its 50 % share in a FIM 6 million share issue. Metsä-Skogby's turnover was FIM 55 million (38).

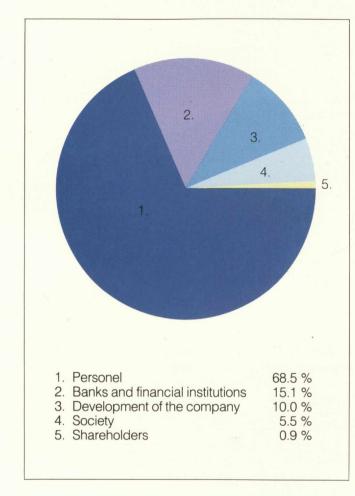
Procons Oy, a software company, of which Fiskars owns 49 % showed continued growth and turnover rose to FIM 13.5 million.

### IMPACT ON SOCIETY (PARENT COMPANY)

The Company has 15 production plants in 10 localities. In addition, the Company engages in agriculture and forestry, as well as both producing and distributing electricity.

In practice, the Company's impact on society is seen most clearly in those communities where Fiskars industrial units are significant providers of employment, e.g. in Pohja and Inha. In both these places, the Company distributes considerable funds for cultural purposes.

# DISTRIBUTION OF FUNDS AT THE COMPANY'S DISPOSAL:



# DISTRIBUTION OF FUNDS AT THE COMPANY'S DISPOSAL:

Net sales		F	IM mill. 366.0
./. Purchases			149.3
./. Other external costs and services			44.5
Available			172.2
Gain on sales of fixed assets etc			4.1
Available for distribution			176.3
1 Personnel			
Wages and salaries Statutory personnel costs Voluntary personnel costs		82.7 33.4 4.7	120.8
2 Banks and financial institutions Interest		23.3	
Bank charges Exchange losses on loans		2.0	26.5
3 Shareholders Dividends			1.5
4 Development of the company Depreciation Profit ./. dividends paid		10.7 3.1	
Gain on sales of fixed assets etc		4.1	17.9
5 Society Paid directly to the State and municipalities			
Taxes Social security charges Electricity tax	2.9 6.4 0.3	9.6	9.6
			176.3
Collected on behalf of the State and municipalities			
Saloctay	20 2		

### 

8

### TURNOVER OF SHARES ON THE STOCK EXCHANGE; GROUPING OF SHAREHOLDERS

Turnover of Company shares on the Helsinki Stock Exchange amounted to FIM 5 144 199. 18 526 shares were traded (18 474), which corresponds to 8.7 % of the total share capital.

The Company's quotation was FIM 230 at the beginning of the year and FIM 259 at its end (after the share issue). A high of FIM 330 and a low of FIM 210 were registered.

The taxation value on 31.12.1983 was FIM 245(206) per share.

The Company's share capital was increased. It now consists of 297 500 shares which started paying dividends in 1983, and 74 500 shares which start in 1984.

The nominal value of each share is FIM 100. At the end of the year, the Company had 1 845 (1 024) registered shareholders.

# DISTRIBUTION OF SHARE OWNERSHIP ACCORDING TO SHARE REGISTER 31.12.1983:

	Proportion of share capital, %		
	1983	1982	
Private persons Foundations and other	67.5	79.4	
public organisations	8.2	8.1	
Business enterprises Banks and insurance	16.6	9.1	
companies	7.7	3.4	
	100.0	100.0	

### OUTLOOK

At the beginning of 1984 the order books were up on the previous year.

The strategic object of the industrial groups continues to be strengthening the resources needed for successful penetration of international markets. Domestic marketing will also be stepped up. These activities will be backed by the introduction of new products acquired. The Group plans yet again this year to further strengthen its market position in the US.

The Group's financial stability enables it to effect large investment programmes in Fiskars and Billnäs. Other Group investments will also be on a considerably larger scale than in previous years.

Achieving the targeted return on assets will in turn require strict asset management. The middle-management training underway will help operating units reach their objectives with more certainty.

The outlook for both Ovako and Metsä-Skogby has improved.

In 1984 Group turnover is expected to rise a good 10 % and the operating margin by the same amount. The Group's financial position will remain good in spite of the fact that the growth planned, as well as investments and acquisitions, will increase the capital employed.

# PRICE DEVELOPMENT OF FISKARS SHARES AT THE HELSINKI STOCK EXCHANGE ACCORDING TO THE UNITAS GENERAL INDEX (1975=100)



Fiskars

The Unitas General Index

# GROUP INCOME STATEMENT

	198	3	198	2
Net sales		+471 304		+454 499
Variable and fixed costs  Materials and supplies Wages and salaries Statutory and contractual personnel costs Rents and leases Other variable and fixed costs Production for own use Change in inventories	-185 830 -103 191 - 47 521 - 9 970 - 67 903 + 3 194 + 4 797	<u>-406 424</u>	-166 485 -100 080 - 45 950 - 9 404 - 58 244 + 2 302 - 28 772	<b>-406 633</b>
Operating margin		+ 64 880		+ 47 866
Depreciation according to plan		15 951		_ 15 527
Operating profit		+ 48 929		+ 32 339
Financial income and expenses Dividends received Interest income Exchange losses on long-term debts Interest expenses	+ 137 + 7179 - 1212 - 27528	- 21 424	+ 55 + 3 406 - 6 952 - 30 867	- 34 358
Other income and expenses Other income Other expenses	+ 486 - 1 045	559	+ 10 666 - 3 175	+ 7 491
Profit before appropriations and taxes		+ 26 946		+ 5 472
Depreciation in excess of plan		- 690		- 5 763
Change in reserves Operating reserve Inventory reserve Bad debts reserve Taxes Net profit for the financial year	- 7 000 + 213 + 236	- 6 551 - 5 016 + 14 689	+ 7587 - 81	+ 7 506 - 3 196 + 4 019

# GROUP BALANCE SHEET

ASSETS	31.12.	1983	31.12.1982	
Financial assets Cash and bank deposits Accounts receivable Loans Advance payments to suppliers Prepaid expenses and accrued income Share issue receivable	42 350 90 463 12 199 4 978 7 006 3 040		50 974 101 777 24 580 3 911 3 620	
Other financial assets	10 828	170 864	2 700	187 562
Inventories  Materials and supplies Finished and semi-finished goods	28 380 91 347	119 727	26 888 86 390	113 278
Fixed assets Construction-in-progress Land and water Revaluation 1983 Buildings and constructions Machinery and equipment Other tangible assets Bonds and shares Intangible assets Other long-term expenditure  Depreciation in excess of plan	1 094 69 520 30 000 43 093 29 925 5 684 37 934 1 815 1 374 220 439 46 653	267 092	543 66 972 41 742 24 981 3 616 35 562 820 2 299 176 535 46 856	223 391
		557 683		524 231

LIABILITIES AND EQUITY	31.12.	1983	31.12.1982	
Liabilities Short-term Accounts payable Advances from customers Prepaid income and accrued expenses Notes payable Current portion of long-term debts Other short-term liabilities	35 459 7 184 33 306 29 091 37 188 7 828	150 056	25 867 5 672 31 314 39 249 38 141 14 184	154 427
Long-term Loans from financial institutions Pension fund loans Bonds Other long-term debts	100 397 68 182 11 000 8 484	188 063	124 780 64 220 13 750 9 892	212 642
Reserves and depreciation in excess of plan Operating reserve Inventory reserve Bad debts reserve Depreciation in excess of plan	7 000 34 809 2 671 46 653	91 133	35 021 2 907 46 856	84 784
Equity Restricted equity Share capital New issue 1983 Reserve fund Other restricted reserves	29 750 7 450 4 126 61 979 103 305		21 250 3 857 39 228 64 335	
Unrestricted equity Unappropriated profits Net profit for the financial year	10 437 14 689 25 126	128 431	4 024 4 019 8 043	72 378
		557 683		524 231

# **FUNDS STATEMENTS**

(FIM 1 000)

1983 64 880 - 20 754 - 4 201	1982 47 866	1983	1982
- 20 754			
- 20 754			
- 20 754		00 440	05 475
	- 27 871	38 146 - 14 181	25 475 - 19 236
	- 3 196	- 2111	- 19 230 - 2 937
39 925	16 799	21 854	3 302
654	1 004	22	971
			21 041
	21 332		21041
	35 236		32 164
	- 103		
900	1 707		
66 449	76 035	46 127	57 478
31 591	25 193	21 980	15 719
			22 686
1 488	1 488	1 488	1 488
64		64	_
73 280	51 557	56 678	39 893
- 6 831	24 478	- 10 551	17 585
66 449	76 035	46 127	57 478
- 16 698	+ 75 691	- 26 356	63 132
+ 6 449	- 28 772	+ 1 269	- 27 221
+ 3418		+ 14 536	- 18 326
- 6 831	24 478	- 10 551	17 585
	- 654 6 670 7 719 11 889 - 900 66 449 31 591 40 137 1 488 64 73 280 - 6 831 66 449 - 16 698 + 6 449 + 3 418	-       654       1 004         6 670       21 392         7 719       —         11 889       35 236         —       1 03         900       1 707         66 449       76 035         31 591       25 193         40 137       24 876         1 488       1 488         64       —         73 280       51 557         —       6 831       24 478         66 449       76 035         —       16 698       + 75 691         + 6 449       - 28 772         + 3 418       - 22 441	- 654       1 004       22         6 670       21 392       4 839         7 719       - 7719         11 889       35 236       11 693         - 103          900       1 707          66 449       76 035       46 127             31 591       25 193       21 980         40 137       24 876       33 146         1 488       1 488       1 488         64       - 64         73 280       51 557       56 678         - 6 831       24 478       - 10 551         66 449       76 035       46 127            - 16 698       + 75 691       - 26 356         + 6 449       - 28 772       + 1 269         + 3 418       - 22 441       + 14 536

# PARENT COMPANY INCOME STATEMENT

	198	3	198	2
Net sales		+365 982		+383 514
Variable and fixed costs  Materials and supplies Wages and salaries Statutory and contractual personnel costs Rents and leases Other variable and fixed costs Production for own use Change in inventories	-149 913 - 82 663 - 44 463 - 9 960 - 45 300 + 3 194 + 1 269	_327 836	-149 312 - 84 999 - 44 261 - 9 729 - 44 819 + 2 301 - 27 221	-358 040
Operating margin		+ 38 146		+ 25 474
Depreciation according to plan Operating profit		- 9 999 + 28 147		- 9 387 + 16 087
Financial income and expenses Dividends received Interest income Exchange losses on long-term debts Interest expenses	+ 137 + 9 563 - 1 212 - 23 339	- 14 851	+ 55 + 6 467 - 6 952 - 25 293	- 25 723
Other income and expenses Other income Other expenses	+ 29 - 142	113	+ 10 667 - 3 209	+ 7 458
Result before appropriations and taxes		+ 13 183		- 2178
Depreciation in excess of plan		- 690		- 5 763
Change in reserves Operating reserve Inventory reserve Taxes	- 7 000 + 2 000	- 5 000 - 2 926	+ 12 100	+ 12 100 - 2 937
Net profit for the financial year		+ 4 567		+ 1 222

# PARENT COMPANY BALANCE SHEET

ASSETS	31.12.1983	31.12.1982
Financial assets Cash and bank deposits Accounts receivable Loans Advance payments to suppliers Prepaid expenses and accrued income Share issue receivable Other financial assets	36 166 70 783 29 444 4 855 6 148 3 040 8 996 159 4	48 811 87 527 39 687 3 744 3 320 — 32 2 700 185 788
Inventories Materials and supplies Finished and semi-finished goods	23 463 67 042 90 5	23 771
Fixed assets Construction-in-progress Land and water Revaluation 1983 Buildings and constructions Machinery and equipment Other tangible assets Bonds and shares Intangible assets Other long-term expenditure  Depreciation in excess of plan	332 67 499 30 000 28 391 16 329 859 53 421 845 1 374 199 050 46 653 245 7	543 65 002 ———————————————————————————————————
	<u>495 6</u>	<u>40</u> <u>481 171</u>

LIABILITIES AND EQUITY	31.12.	31.12.1983		31.12.1982	
Liabilities					
Short-term Short-term	00.450		00.000		
Accounts payable	29 458		23 603		
Advances from customers	7 184 27 622		5 672 29 601		
Prepaid income and accrued expenses  Notes payable	21 022		14 766		
Current portion of long-term debts	31 700		32 924		
Other short-term liabilities	7 003	102 967	12 162	118 728	
Long-term					
Loans from financial institutions	85 650		105 891		
Pension fund loans	68 182		64 220		
Bonds	11 000	100.010	13 750	100 071	
Other long-term debts	4 817	169 649	5 210	189 071	
Reserves and depreciation in excess of plan	7.000				
Operating reserve	7 000		00.550		
Inventory reserve Bad debts reserve	27 558 2 564		29 558 2 564		
Depreciation in excess of plan	46 653	83 775	46 856	78 978	
Depreciation in excess of plan	40 000	03773	40 000	70 970	
Equity Restricted equity					
Share capital	29 750		21 250		
New issue 1983	7 450		_		
Reserve fund	4 126		3 857		
Revaluation fund	57 395		35 930		
Other restricted reserves	13 700		13 786		
	112 422		74 824		
Unrestricted equity	20.944		16 571		
Contingency reserve Other funds	20 811		64		
Unappropriated profits	1 449		1 714		
Net profit for the financial year	4 567		1 222		
146t profit for the financial year	26 827	139 249	19 571	04.204	
	20 027	139 249	195/1	94 394	
		495 640		481 171	

# NOTES TO THE FINANCIAL STATEMENT

### GENERAL ACCOUNTING PRINCIPLES

### Consolidated companies

All companies in which the Group directly or indirectly has more than 50 per cent of the voting shares have been included in the consolidated accounts; except for Fiskars Nederland B.V., which was started in the autumn of 1983. The effect of Fiskars B.V. on the Group's distributable equity and net profit is not significant.

Finnovation S.A.R.L., a company that was acquired during the year, has been included in the accounts from the date of acquisition.

No significant minority interest exists in the Group.

### Consolidation principles

### Inter-company transactions

Inter-company transactions, such as sales to Group companies and purchases from Group companies, inter-company receivables and liabilities and inter-company profit in stock value at the year-end have all been eliminated from the consolidated Group accounts.

### Shares in subsidiaries

The Group's shareholding in subsidiaries has been eliminated using the purchase method. The goodwill that arose from the purchase of Finnovation S.A.R.L. has been charged against income during 1983.

All other Group companies have been founded by the Parent Company.

# Conversion of foreign subsidiaries' accounts into Finnish marks

The annual accounts of the Group's foreign subsidiaries have been converted into Finnish marks at the rate of exchange prevailing at the balance sheet date. Differences in consolidation arising from exchange gains on acquired equity have been transferred to Restricted equity. Exchange losses have been charged against Unrestricted equity.

### Inventory valuation

The inventories of the Parent Company and its Finnish subsidiaries have been valued at the direct cost of manufacture or purchase. The first-in first-out principle has been applied.

The inventories of foreign subsidiaries have been valued in accordance with the principles prevailing in each respective country, which means that in some cases certain indirect costs are included in the inventory value.

### Receivables and liabilities in foreign currency

The Parent Company's receivables and liabilities have been converted into Finnish marks at the rate of exchange prevailing at the balance sheet date. Realized and unrealized exchange differences are charged against income.

### Fixed assets

Fixed assets are entered at direct cost. Both depreciation according to plan and in excess of plan have been deducted from each category of fixed assets.

Depreciation according to plan is calculated according to the useful economic life of the assets. Depreciation in excess of plan is shown under appropriations in the income statement. The accumulated depreciation in excess of plan is taken up as a separate item in Fixed assets and in Reserves.

The surplus arising from revaluation of land and buildings is transferred to the Revaluation fund.

### Pension costs

Pension plans for present employees are mainly covered by insurance policies.

### Reserves

Legislation in Finland and some other countries permits appropriations in the form of Reserves.

### Return on capital employed

Return is defined as profit before interest, appropriations and taxes. Income from forestry and dividends received are deducted. The figure is further adjusted by eliminating extraordinary items (Other income and expenses).

The capital employed is calculated by deducting land and shares not employed in industrial operations.

Return is calculated on the average of the capital employed at the current and previous year's balance sheet dates.

	G	roup	Pa	arent
(FIM 1 000)	1983	1982	1983	1982
Wages and salaries     Manufacturing				
wages	66 151	65 911	59 160	61 563
Salaries	55 602	53 486	42 065	42 753
	121 753	119 397	101 225	104 316
Vacation and sick-leave pay	- 18 562	- 19 317	- 18 562	- 19 317
Wages and salaries				
for time worked	103 191	100 080	82 663	84 999

Directors' salaries and emoluments were FIM 2.8 million (Group) and FIM 0.5 million (Parent). The average number of persons employed was 1 785 (Group) and 1 596 (Parent).

	Gro	oup	Pa	rent
(FIM 1 000)	1983	1982	1983	1982
Statutory and contractual personnel confinand     Vacation and	osts			
sick-leave pay Social security	18 562	19 317	18 562	19 317
charges Pension costs Pension costs,	6 420 13 958	6 563 13 633	6 420 13 958	6 563 13 633
non-recurring Transfer to	843	314	843	- 314
pension fund Other personnel cos	1 976 ts 2 704	1 053 3 381	1 976 2 704	1 053 3 381
	44 463	44 261	44 463	44 261
Abroad	3 058	1 689		
	47 521	45 950		

### 3. Change in inventory and reserves

Due to acquisitions and exchange rate differences the changes in inventory and reserves according to the income statement do not agree with the differences between the balance sheet figures.

		Gro	oup	Par	ent
	(FIM 1 000)	1983	1982	1983	1982
4.	Depreciation According to plan In excess of plan	15 951 690	15 527 5 763	9 999 690	9 387 5 763
	Book depreciation Depreciation calculated on current	16 641	21 290	10 689	15 150
	cost values (FIM mill.)	22.5	25.9	16.6	19,7

Depreciation according to plan is based on the useful economic life of the assets. Depreciation according to plan is calculated on the historical cost using the straight-line method. The percentages applied are 3–4 % (buildings), 8–33 % (machinery and equipment).

Depreciation on the current cost values of fixed assets are calculated on the historical costs of fixed assets, which have been adjusted for inflation by indeces.

		Gro	up	Pare	ent
	(FIM 1 000)	1983	1982	1983	1982
5.	Breakdown of book depreciation Buildings and constructions Machinery and	3 135	2 873	2 793	2 545
	equipment Other tangible assets	9 237 2 221	7 478 1 910	6 998 80	5 847

Total book depreciation	16 641	21 290	10 689	15 150
Goodwill	123			
expenditure Bonds and shares	560	2 788 6 000	560	399 6 000
Intangible assets Other long-term	1 365	241	258	241

As in 1982 book depreciation for 1983 corresponds to the maximum allowable under tax laws in Finland and abroad.

	Gro	up	Pare	ent
(FIM 1 000)	1983	1982	1983	1982
6. Exchange losses Exchange losses on long-term borrowing: Realized exchange losses Unrealized exchange losses	405 807	476 6 476	405 807	476 6 476
	1 212	6 952	1 212	6 952

### 7. Other income and expenses

Contrary to 1982 gains on the sales of fixed assets totalling FIM 3.3 million have been credited to the Contingency reserve.

### . Taxes

Contrary to 1982 tax refunds of FIM 0.8 million have been credited to the Contingency reserve.

	Fai	ent
(FIM 1 000)	1983	1982
Receivables from and liabilities to Group companies		
Accounts receivable Loans granted Accruals and prepayments Accounts payable	23 956 17 245 120 436	24 529 17 245 960

### 10. Loans

Loans to directors of the Group amounted to FIM 0.4 million in 1983.

### 11. Inventory

Landholdings owned by Oy Predium Ab and intended for sale are included under Inventories in the Group Balance Sheet.

		G	roup	Pa	arent		
	(FIM 1 000)	1983	1982	1983	1982		
12.	Changes in fixed assets						
	1.1.	176 535	193 824	159 291	179 764		
	Gross investments	+ 31 591	+ 25 392	+ 21 980	+ 15 719		
	Revaluation	+ 30 000		+ 30 000			
	Other changes	- 1046	- 21 391	- 1 532	- 21 042		
	Book depreciation	- 16 641	- 21 290	- 10 689	- 15 150		
	31.12.	220 439	176 535	199 050	159 291		
	Value of land, buildi						
	for taxation purpose Land and water Buildings and	35 833	32 023	34 252	30 431		
	constructions	66 672	70 540	44 899	48 804		
	Shares	28 705	29 975	50 113	49 493		

		G	roup		Parent		
(FIM 1 000)		1983	1982		1983	1982	
Reserves Operating reserve 1.1. Increase + /		-	_		_		
Decrease -	+	7 000		+	7 000		
31.12. Inventory reserve		7 000			7 000	-	
1.1. Increase + /		35 021	42 608		29 558	41 658	
Decrease – Other change	+	213	- 7 587	-	2 000	- 12 100	
31.12.		34 809	35 021		27 558	29 558	
Bad debts reserve 1.1. Increase + /		2 907	2 826		2 564	2 564	
Decrease -	-	236	+ 81				
31.12.		2 671	2 907		2 564	2 564	
Accumulated depreciation in excess of plan 31.12.		46 653	46 856		46 653	46 856	
	Reserves Operating reserve 1.1. Increase + / Decrease - 31.12. Inventory reserve 1.1. Increase + / Decrease - Other change 31.12.  Bad debts reserve 1.1. Increase + / Decrease - 31.12.  Accumulated depreciation in excess of	Reserves Operating reserve 1.1. Increase + / Decrease - +  31.12. Inventory reserve 1.1. Increase + / Decrease Other change +  31.12.  Bad debts reserve 1.1. Increase + / Decrease 31.12.  Accumulated depreciation in excess of	Reserves	Reserves Operating reserve 1.1.	Reserves	Reserves	

14. Bond loan

The Parent Company has issued a bond loan. The amount due was FIM 13.8 million at the balance sheet date. The bond loan was issued 1.12.1978 and the last instalment is due 1.12.1988. The interest rate is 9.75 per cent. The current portion of the bond loan is included in Other short-term liabilities.

		Gr	oup	Pa	rent
	(FIM 1 000)	1983	1982	1983	1982
15.	Pledged assets and contingencies Pledged assets for Parent Compan and Group companies' own obligations	y's 112 370	113 974	106 463	113 974
	Contingent liabilities and guarantees  – for Group				
	companies  – for others	22 977	23 826	32 477 22 977	40 945 23 826
		22 977	23 826	55 454	64 77
	Discounted bills of exchange and instalment contracts  — Group companies	7.454	7 707	9 320	10 516
	- others	7 454	7 727	5 267 14 587	7 72°
16.	Pension Liability  — Parent Company's			6 667	6 656
	pension obligations  – Deficit in pension fund			3 939	4 71

### 17. Changes in the Group's equity 1983

Restricted equity	Share capital	New Reserve issue fund 1983	Other restricted reserves
1.1. Bonus issue New issue	21 250 + 8 500 +	- 3 857 7 450 + 269	39 228 - 8 500
Revaluation Other change			+ 30 000 + 1 251
31.12.	29 750	7 450 4 126	61 979
Restricted equity, total			103 305
Unrestricted equity		Unappropriated profits	Profit for the year
1.1.		8 043	
Dividends Other change		- 1 488 + 3 882	
Profit for the year			14 689
31.12.		10 437	14 689
Unrestricted equity, total			25 126
Equity, total			128 431

Exchange gains FIM 4.0 million arising on consolidation are included in Other restricted reserves.

Exchange losses FIM 0.4 million arising on consolidation have been charged against Unappropriated profits.

### 18. Changes in the Parent Company's equity

Other restricted reserves	Revalua- tion fund	Reserve fund	New issue 1983	Share capital	Restricted equity
13 786	35 930	3 857	-	21 250	1.1. Bonus
	- 8 500			8 500	issue +
	+ 30 000	269	7 450 -	) H	New issue Revaluation
	, 00 000				Transfer to Contingency
- 86	- 34				reserve
13 700	57 395	4 126	7 450	29 750	31.12.
112 422					Restricted equity, total

Unrestricted equity		ingency fund reserve	re	Other	Unappro- priated profits	Profit for the year
1.1. Transfer from		16 571		64	2 936	-
restricted equity Gain on sale of	+	121				
fixed assets	+	3 305				
Tax refunds	+	814				
For social purposes	3		-	64		
Dividends					- 1 488	
Profit for the year						+ 4 567
31.12.		20 811		-	1 449	4 567
Unrestricted						
equity, total						26 827
Equity, total						139 249

Shares included in fixed assets	No. of shares	% of Share capital	Nominal value (FIM 1 000 or foreign currency)	Book value (FIM 1 000)
Shares in subsidiaries				
Fiskars Manufacturing Corporation, USA	250 1 000	100	2 500 (USD)	10 590
Fiskars Sales Corporation, USA Fiskars A/S, Denmark	1 000	100 99.7	1 (USD) 4 490 (DKK)	3 066
Fiskars A/S, Norway	30	100	1 500 (NOK)	117
Fiskars AB, Sweden	1 000	100	100 (SEK)	84
Fiskars GmbH, West Germany		100	49 (DEM)	73
Fiskars Ges.m.b.H., Austria		99		126
Fiskars Nederland B.V., Holland	35	100	1 000 (NLG)	66
Finnovation S.A.R.L., France Oy Predium Ab	299 14 998	100	100 (FRF) 1 500	174 1 500
Elesco Oy	120	100	60	60
Oy Filektron Ab	18	100	2	2
Oy Ferraria Ab	98	100	1	1
Oy Metra Ab	98	100	1	1
Ab Åbo Båtvarf – Turun Veneveistämö Oy	150	100	15	15
				15 879
Shares in other subsidiaries (housing companies)				129
Other shares				
Other shares  Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann – Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientiluotto Oy Oy Finnish Design Center Ab (x=less than 1 %)	34 840 1 000 2 250 125 50 000 140 199 2 25 4 200	33,5 50,0 18,7 × × 2,3 49,7 × 50,0 ×	34 840 10 000 1 687 625 50 240 199 100 25 (NLG) 20	21 808 10 000 2 231 625 50 240 199 100 44 40 20
Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann – Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientiluotto Oy Oy Finnish Design Center Ab (x=less than 1 %)	1 000 2 250 125 50 000 140 199 2 25 4	50,0 18,7 × × 2,3 49,7 × 50,0 ×	10 000 1 687 625 50 240 199 100 25 (NLG)	10 000 2 231 625 50 240 199 100 44 40 20
Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann – Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientiluotto Oy Oy Finnish Design Center Ab (x=less than 1 %)	1 000 2 250 125 50 000 140 199 2 25 4	50,0 18,7 × × 2,3 49,7 × 50,0 ×	10 000 1 687 625 50 240 199 100 25 (NLG)	10 000 2 231 625 50 240 199 100 44 40 20 35 357
Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann – Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientiliuotto Oy Oy Finnish Design Center Ab (x=less than 1 %)  Telephone shares  Shares in housing companies	1 000 2 250 125 50 000 140 199 2 25 4	50,0 18,7 × × 2,3 49,7 × 50,0 ×	10 000 1 687 625 50 240 199 100 25 (NLG)	10 000 2 231 625 50 240 199 100 44 40 20 35 357
Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann – Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientiluotto Oy Oy Finnish Design Center Ab	1 000 2 250 125 50 000 140 199 2 25 4	50,0 18,7 × × 2,3 49,7 × 50,0 ×	10 000 1 687 625 50 240 199 100 25 (NLG)	10 000 2 231 625 50 240 199 100 44 40 20 35 357
Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann — Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientilluotto Oy Oy Finnish Design Center Ab (x=less than 1 %) Telephone shares Shares in housing companies	1 000 2 250 125 50 000 140 199 2 25 4	50,0 18,7 × × 2,3 49,7 × 50,0 ×	10 000 1 687 625 50 240 199 100 25 (NLG)	10 000 2 231 625 50 240 199 100 44 40 20 35 357 90 1 471 495
Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann – Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientilluotto Oy Oy Finnish Design Center Ab (x=less than 1 %)  Telephone shares Shares in housing companies  Other shares  Total shares, Parent  Shares owned by other Group companies	1 000 2 250 125 50 000 140 199 2 25 4	50,0 18,7 × × 2,3 49,7 × 50,0 ×	10 000 1 687 625 50 240 199 100 25 (NLG)	10 000 2 231 625 50 240 199 100 44 40 20 35 357 90 1 471 495
Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann — Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientiluotto Oy Oy Finnish Design Center Ab (x=less than 1 %)  Telephone shares Shares in housing companies Other shares Total shares, Parent  Shares owned by other Group companies Housing companies	1 000 2 250 125 50 000 140 199 2 25 4	50,0 18,7 × × 2,3 49,7 × 50,0 ×	10 000 1 687 625 50 240 199 100 25 (NLG)	10 000 2 231 625 50 240 199 100 44 40 20 35 357 90 1 471 495 53 421
Ovako Oy Ab Oy Metsä-Skogby Ab Starckjohann – Telko Oy Rautaruukki Oy Uusi Suomi Oy Tietotehdas Oy Procons Oy Oy Liikkeenjohdon Koulutuskeskus Ab Wilkinson-Fiskars B.V. Suomen Vientilluotto Oy Oy Finnish Design Center Ab (x=less than 1 %)  Telephone shares Shares in housing companies  Other shares  Total shares, Parent  Shares owned by other Group companies	1 000 2 250 125 50 000 140 199 2 25 4	50,0 18,7 × × 2,3 49,7 × 50,0 ×	10 000 1 687 625 50 240 199 100 25 (NLG)	10 000 2 231 625 50 240 199 100 44 40 20 35 357 90 1 471 495 53 421

# GENERAL MEETINGS OF SHAREHOLDERS

### ANNUAL GENERAL MEETING OF SHAREHOLDERS 1983

financial statement for 1982 was approved in accordance with the Board's proposal. A dividend of 7 % was declared; i.e. FIM 7 per share, totalling FIM 1 487 500.

Retiring members, Jacob von Julin, Jarl Gripenberg and Jarl Engberg were re-elected to the

Eric Haglund and Brita Hisinger-Jägerskiöld and Christian Hildén were re-elected as auditors.

Henry Lind, Peter Hartwall and Krister Hamberg were re-elected as deputy auditors.

### EXTRAORDINARY MEETING OF SHAREHOLDERS 1983

At the meeting of shareholders on May 11, 1983, the On October 13, 1983, an extraordinary meeting of shareholders was held in Fiskars. The meeting decided on a share issue, by which the Company's share capital would be increased by FIM 15 950 000 to FIM 37 200 000. The share issue took the form of a FIM 8 500 000 bonus issue combined with a FIM 7 450 000 new issue. In addition, the meeting resolved to change the Company's operating name to Fiskars Oy Ab.

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

Unappropriated profits from previous years Profit for the	FIM 1 448 737.57	If the Annual General Meeting sal of the Board, the Parent Coamounts to FIM 136.5 million.		
financial year	FIM 4 566 577.85	Breakdown of equity:		
Total	FIM 6 015 315.42	s.ou.idom, o. oquity.	1983 FIM r	1982
Unrestricted equity for	FIM 25 million	RESTRICTED EQUITY		
the Group amounts to	FIIVI 25 ITIIIIION	Share capital	29.7	21.2
The Board proposes that		<ul> <li>New issue 1983</li> <li>Reserve fund</li> </ul>	7.5 4.1	3.9
- in accordance with		Revaluation fund	57.4	35.9
Company by-laws, 4 %		Other restricted reserves	13.7	13.8
interest be paid to shareholders	FIM 1 190 000.00		112.4	74.8
- an additional 5 % be	11101 1 130 000.00	UNRESTRICTED EQUITY		
paid to shareholders	FIM 1 487 500.00	Distributable reserves	20.8	16.6
thus totalling 9 % of the		Unappropriated profits	3.3	1.4
nominal value of shares			24.1	18.0
<ul> <li>to be carried forward</li> </ul>	FIM 3 337 815.42	Total	136.5	92.8

Helsinki, March 8, 1984

Jacob von Julin

Göran J. Ehrnrooth

Robert G. Ehrnrooth

Lauri Kalima

Jarl Gripenberg

Thomas Tallberg

Jarl Engberg

Reijo Kaukonen Managing Director

# **AUDITORS' REPORT**

We have examined the annual accounts, the consolidated accounts, the accounting records and the administration by the board of directors and the managing director of Fiskars Oy Ab for the financial year 1983. Our examination was made in accordance with generally accepted auditing standards in Finland.

### PARENT COMPANY

The annual accounts showing a profit for the period of FIM 4 566 577.85 have been prepared in accordance with the regulations in force.

As our audit has not given cause for any comments regarding the accounts and the administration we recommend that

> the income statement and the balance sheet be adopted,

> the unappropriated earnings be dealt with in accordance with the board of directors' proposal,

the members of the board of directors and the managing director be discharged from liability for the financial period audited by us.

### GROUP

The consolidated accounts have been prepared in accordance with the regulations in force. The unrestricted equity of the Group is shown in the balance sheet in accordance with the Companies

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

Helsinki, March 19, 1984

Brita Hisinger-Jägerskiöld

Christian Hildén

Eric Haglund Authorized Public Accountant

Fiskars enjoyed great success in US consumer markets. The Group's subsidiary, Fiskars Manufacturing Corporation, produces in its own plant scissors, knives and handtools, all of which have captured a considerable share of the market in a short space of time. Traditional Finnish-made tools are enjoying wider popularity as leisure time increases.

# CONSUMER PRODUCTS GROUP



### BRISK GROWTH IN MAIN MARKETS

Fiskars consumer products' favorable development in sales continued in 1983. Total sales of the various product lines increased by 32 % over the previous year and exceeded their objectives. Scissors' sales especially grew rapidly in Finland, Western Europe and the US.

International sales account for over 90 % of Fiskars' scissors production, over 60 % of knives and approx. 50 % of frames and mouldings.

Internationalisation of group activities proceeded according to plan. During the year Fiskars acquired its distributor in France and at the beginning of 1984 its distributor in the UK. Fiskars sales subsidiaries commenced operations in Holland and Sweden.

### OPERATIONS EXPAND IN THE US

Fiskars Manufacturing Corporation (FMC) in the US continued its favorable strong development by expanding both its markets and product range. In addition to scissors and knives, the company moved into the do-it-yourself tool field by purchasing the operations of the innovative handtool manufacturer S/V Tool Inc.

Through a combination of selective product development, aggressive marketing and bold investment, Fiskars has grown since 1978 into an increasingly strong manufacturer of branded products in the US, the world's largest and at the same time most demanding consumer products market. In 1983, sales exceeded FIM 100 million.

### SCISSORS – A WORLD PRODUCT

Fiskars achieved a new sales record for scissors in Finland during the year. Sales levels also rose in three major European markets: the UK, West Germany and France.

As a result of joint product development work by the Finnish and US plants, Fiskars introduced new products onto the market, including kitchen scissors, snips, garden pruners and a scissors' sheath sharpener, all of which proved great initial successes.

The profit development of the scissors plants continued to be favorable.

### KNIFE TECHNOLOGY RENEWED

Knife sales did not develop as planned. Strict price competition prevailed on the market, to which Fiskars did not fully respond.

The Knife Plant moved to new up-to-date production facilities in Fiskars at the turn of the year. This limited production, but the new production methods will greatly improve competitiveness in the coming years. Joint product development resulted in new knife products, which the group will introduce in all its markets.

# TOOL RANGE AND CUSTOMER-BASE WIDEN

Markets for traditional handtools, such as hammers and axes, change slowly. Dumping was also a growing threat in Finland. Political and economic difficulties in certain target countries slowed down deliveries of Fiskars' Forestry and Farming products.

At the beginning of 1984, Fiskars purchased the whole shareholding of Oy Rahkola Ab. This widening of the handtool product base will also help Fiskars increase its international competitiveness.

Cooperation between the group's newly acquired US handtool operation and Billnäs, gave Fiskars the opportunity to compete in the growing do-it-yourself sector in Europe also. Plans to modernise the Billnäs Plant in 1984 were continued.

### FRAMES AND MOULDINGS RENEW RANGE AND PRODUCTION

Although active marketing in the US and UK increased orders in hand at the end of the year, sales of frames and mouldings did not develop as well as expected.

A product development programme to adapt quickly to changing consumer patterns in Scandinavia and Western Europe was started. Production technology will be renewed at the same time to increase overall international competitiveness.

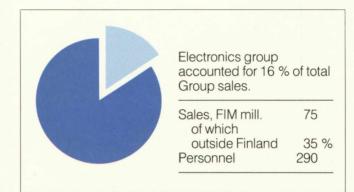
# FISKARS CROWN QUALITY PUBLICLY RECOGNISED

The Finnish Society for Quality awarded its sole prize for the year 1983 to Fiskars in recognition of the quality control and development programme in operation at the Company's Scissors Plant.

# 6 9 9

The phenomenal growth of data processing and telecommunications worldwide in turn continues to speed the development of Fiskars Electronics group. Innovative work has lead to leadership in selected niche markets.

# **ELECTRONICS GROUP**



### ALL PRODUCT LINES EXCEED OBJECTIVES

Strictly-defined market segments, a focused product range and active product development and marketing - these are the factors that have created the basis for the controlled growth of Fiskars Electronics group.

Power Electronics, Traffic Control Systems, Enclosures and Advanced Products all developed better than expected in 1983. Total sales for the Electronics group increased by 21 % over the

previous year.

Product development work and related market research were stepped up considerably during the year. In keeping with the group's intention of competing for leadership in certain niche markets internationally, this high emphasis on research and development will continue.

### HIGH TECHNOLOGY DELIVERED TO SEVERAL COUNTRIES

Power Electronics strengthened its position as the leading manufacturer in Finland. Uninterruptable power supply (UPS) systems were delivered to computer installations and power station automation systems in Finland. Several Finnish shipyards also installed UPS systems in new buildings.

Numerous power supply systems were delivered to telephone exchanges in Finland and on a subcontract basis to the Soviet Union. Power units were also supplied on a large scale to the electronics industry.

Product development concentrated on renewing the design and component technology of UPS construction and component technology. Production and delivery capacity were improved

according to plan so that the backlog of orders outstanding at the beginning of the year was cleared.

### USER-FRIENDLY DESIGN BOOSTS EXPORTS

Fiskars maintained its leading position on the domestic traffic control systems market - FTC computerized traffic control centers were delivered to the cities of Espoo and Helsinki. Exports, however, grew even faster than domestic sales. Deliveries to Norway increased significantly and Fiskars continues as market leader there. Sales to Sweden and Denmark reached the levels of previous year.

Fiskars enjoyed success on the Irish market despite of strong competition.

A joint-venture project aimed at markets in the Middle East was initiated and results are expected

Product line profitability improved considerably over the previous year as a result of the shortened through-put times. This was mainly due to the streamlining of the product range. User-friendly product development continued according to previously laid down principles.

### RAPID GROWTH THROUGH MARKET CONCENTRATION

Exports accounted for more than 70 % of enclosures sales. Last year marketing activities concentrated especially on Scandinavia and Europe and resulted in brisk growth. The set objectives were considerably exceeded.

Capacity at the Tammisaari Plant was increased by installing new machinery and technology. The high capacity utilization and strict control over expenditure during the year improved both productivity and profitability.

### ADVANCED PRODUCTS TO BE DELIVERED IN 1984

Advanced Products concentrated again in 1983 on projects combining unique Fiskars knowhow in electromechanical engineering and electronics.

The product line received significant orders which are due to be delivered during 1984

# INVESTMENT PRODUCTS GROUP



Investment Products group accounted for 29 % of total Group sales.

Sales, FIM mill. 136 of which outside Finland 42 % Personnel 510 Productivity continued to develop favorably as a result of determined improvements in method.

### NEW JOINTLY DEVELOPED PATROL BOAT

The worldwide shipyard crises resulted in continued low demand for lifeboats and the Boatyard did not reach its 1983 sales objectives.

Fiskars received a challenging order from the Finnish Coastguard for a new patrol boat, the prototype and first production version of which were handed over in 1983. The aluminum hull provides both exceptional maneuvrability and reliability. The Inha Plant used its experience with Buster boats to produce the hull, while the Turku Boatyard was responsible for the boat's design, assembly and outfitting.

Cooperation between the Boatyard and Advanced Products on deliveries of light minesweepers for the Finnish Navy continued.

# SPECIAL VESSELS FOR DEMANDING CONDITIONS

Fiskars continued to deliver lifeboats for oilrigs and luxury oceanliners.

After intense international competition, the Turku Boatyard won a lifeboat order from the Wärtsilä Shipyard for passenger car ferries being delivered to Silja Line and SF Line.

Utility vessel product development and prototype testing concentrated on meeting the demands of new seagoing regulations and classification standards.

### INHA INVESTS IN DEVELOPMENT

Buster outboard motorboats strengthened their position as market leaders in Finland. Marketing was also improved in Sweden, and plans for local assembly in markets further afield drawn up.

Development work on new building products proceeded according to plan, and Fiskars introduced a new range of special radiators at the end of the year. Considerable effort was put into increasing exports to Scandinavia and the UK.

# DEMAND SLACKENS, INVESTMENTS DELAYED

Overall demand for investment products in general was weak in 1983. Sales development among the various product lines was non-uniform. The whole group grew by 10 % compared to the previous year.

The recovery in the US and Sweden towards the end of the year began to effect demand for Fiskars products leading again to increased orders. The group exceeded its sales objectives.

# LOG LOADERS BRING SUCCESS IN NEIGHBORING COUNTRIES

Sales of log loaders in Sweden speeded up after the devaluation of the Swedish Crown led to rapid growth in the country's forest industry. As demand grew, Fiskars was able to increase its market share.

In Norway, marketing was improved which in turn led to a favorable increase in orders.

In spite of the present imbalance in trade between Finland and the Soviet Union, the volume of log loader deliveries by Fiskars remained at the previous year's level.

### NEW PRODUCTS WELL RECEIVED

Log loader development work has concentrated on ensuring durability, reliability and easy maintenance. Prime examples of this in 1983 were the new F 50 log loader and the N 25 and N 35 log grabs. In Finland the new Fiskars fixed industrial cranes for the woodprocessing industry were favorably received. Customer service and production control have been improved by the introduction of a new realtime Promacs system.

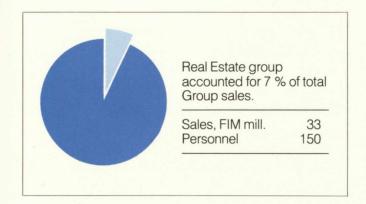






Users of products manufactured by Fiskars Investment Products group appreciate their user-friendly design, reliability and safety. These properties are especially important in the often rapidly changing and difficult operating conditions for example in the forestry and maritime sectors.

# **REAL ESTATE GROUP**



# REAL ESTATE HOLDINGS INCREASE

Approx. 14 hectares of land were sold and 150 hectares of forest purchased. A letter of intent was signed with the municipality of Pohja concerning the sale of certain historic buildings and their grounds in the possession of the Company.

### GOOD YEAR FOR AGRICULTURE

Fiskars farms a total of approx. 580 hectares, concentrating mainly on grain harvesting.

The weather during the year ensured a good harvest of high quality grain. In relation to the size of the crop, harvesting costs remained low.

### FOREST FELLINGS STABLE

Fiskars is responsible for managing both its own and certain neighboring privately-owned forest estates. The Company's own estates increased through the above-mentioned acquisition; the area

The Company harvested a total of 33 000 m<sup>3</sup> (31 600). This was below the growth rate provided for in the Company's forestry plan, i.e. over 5 m<sup>3</sup> per hectare.

Fiskars' three hydroelectric power stations (Billnäs, Åminnefors and Fiskars) produced a total of 8 900 megawatt-hours – 3 000 MWh less than in 1982. This fall in production was due to water conditions. Fiskars distributed 28 600 MWh to both industrial

and private consumers, which was 4 400 MWh more than in the previous year.

### LIVELY YEAR FOR PROPERTY MAINTENANCE

Property maintenance concentrated on alteration work in the community of Fiskars, and converting the engineering works' assembly plant for knife production.

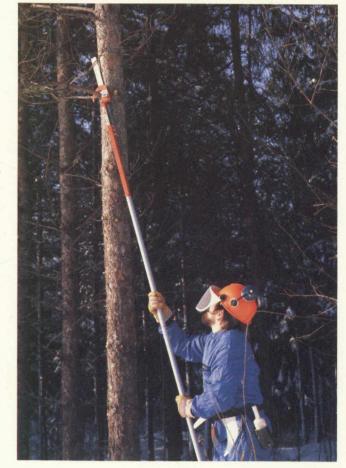
### PREDIUM PROCEEDS ACCORDING TO PLAN

In 1983, Predium sold 78 building plots in the Tammisaari and Tenhola coastal areas for recreational purposes.

Predium built various service facilities in the same areas. Since planning permission for these schemes was first granted, Predium has sold a total of 344 such plots.

under growth now covers approx. 13 000 hectares.

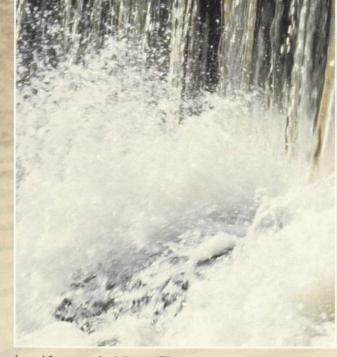
### **ELECTRICITY DISTRIBUTION GROWS**



Fiskars' forests provide ideal testing grounds for Billnäs forestry tools.







Fiskars' stability stems in part from its considerable land and forestry holdings. These resources supply timber, agricultural produce and electricity both for internal and external use. While pursuing its business objectives. Fiskars nevertheless actively promotes local natural and cultural heritage.

# MANAGEMENT MARCH 1, 1984

Chairman of the Board

Göran J. Ehrnrooth \*

Managing Director

Reijo Kaukonen \*

### CORPORATE FUNCTIONS

Juha Toivola \* Finance Nils Eklund Purchasing Personnel Osmo Huttunen Kurt-Erik Forsstedt Legal Mauno Rautiainen \* Development Technology Olof Dahlavist F-Systems Raimo Laurila

# CONSUMER PRODUCTS GROUP

Scissors, knives, handtools Lars Palmgren \* Wayne Fethke \* Scissors and knives, US

Frames and mouldings

Karl-Gustav Gummerus

### **ELECTRONICS GROUP**

Power Electronics Traffic Control Systems Enclosures

**Advanced Products** 

Kimmo Pokkinen Pekka Kurki Christian Elfving \* Pekka Pylkkänen

### INVESTMENT PRODUCTS GROUP

Cranes Inha Products

Väinö Korpeinen \* Pauli Lantonen Life boats and Special Vessels Aapo Latvalahti

### **REAL ESTATE GROUP**

Real Estate group

Olof Bruncrona \*

\* Member of the Board

# FISKARS IN FINLAND

Head Office, Mannerheimintie 14 A, P.O.Box 235, 00101 Helsinki. Tel. 358-0-644 011. Telex 124826 fhels sf.

### CONSUMER PRODUCTS GROUP

Scissors plant, 10330 Billnäs. Telex 13157 fbill sf. Mgr Sakari Gröhn Knife plant, 10470 Fiskars. Telex 13164 fmek sf. Mgr Birger Ahlskog Billnäs plant, 10330 Billnäs. Telex 13157 fbill sf. Mgr Hans von Konow Tool plant, 10330 Billnäs. Telex 13157 fbill sf. Mgr Sakari Gröhn Moulding plant, P.O.Box 26, 06101 Porvoo.

Billnäs sawmill. 10330 Billnäs. Telex 13157 fbill sf. Mgr Karl-Gustav Gummerus Oy Rahkola Ab, P.O.Box 30.

Telex 1711 fporv sf. Mgr Karl-Gustav Gummerus

65101 Vaasa. Telex 74122 rahko sf. Mgr Lars Palmgren

### **ELECTRONICS GROUP**

Power electronics plant, Ruosilankuja 3 B, 00390 Helsinki, Telex 125286 fipel sf. Mgr Kimmo Pokkinen Plastics plant, Ajurinpuistotie 2, P.O.Box 32, 10601 Tammisaari. Telex 13123 feken sf. Mar Nils Ewalds

Traffic electronics plant, Elimäenkatu 17. 00510 Helsinki. Telex 123292 felek sf. Mgr Pekka Kurki

Elesco, Soukantie 13, 02360 Espoo. Telex 124826 fhels sf. Mgr Pekka Pylkkänen

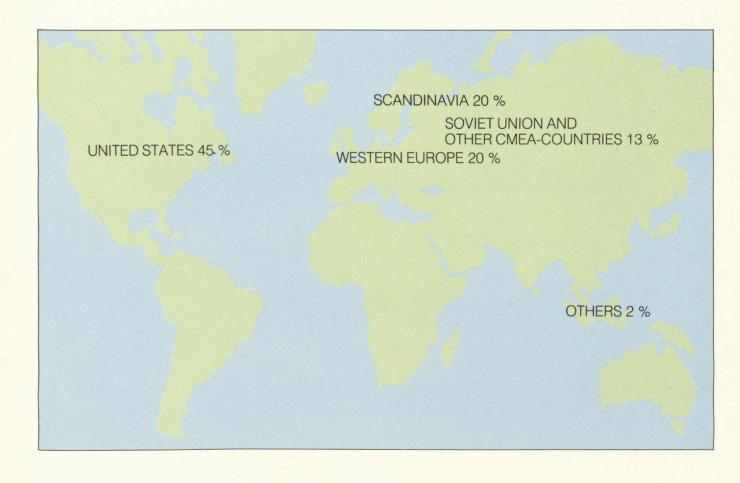
### INVESTMENT PRODUCTS GROUP

Salo engineering plant, Tehdaskatu 7. 24100 Salo. Telex 6814 fsalo sf. Mgr Lauri Vakkilainen Fiskars-Service, Tehdaskatu 7, 24100 Salo. Telex 6814 fsalo sf. Mgr Olavi Soini Porvoo engineering plant, P.O.Box 26, 06101 Porvoo. Telex 1711 fporv sf. Mar Tauno Kääriäinen Inha plant, 63920 Inha. Telex 72133 finha sf. Mgr Pauli Lantonen Boatyard, 20810 Turku. Telex 62311 tuve sf. Mgr Aapo Latvalahti

### **REAL ESTATE GROUP**

Real estate services, 10470 Fiskars. Telex 13164 fmek sf. Mgr Seppo Soininen Forest management, 10470 Fiskars. Telex 13164 fmek sf. Mgr Claes Johan Grönvall Farm management, 10470 Fiskars. Telex 13164 fmek sf. Mgr Sven Storsjö Electricity distribution. 10470 Fiskars. Telex 13164 fmek sf. Mgr Ralf Lytz Ov Predium Ab, Pohi. Rautatienkatu 11 A, 00100 Helsinki. Telex 124826 fhels sf. Mar Gösta Roos

# SALES OUTSIDE FINLAND



Fiskars Manufacturing Corporation

P.O. Box 1727, Wausau, Wisconsin 54401, USA. Telex 290840 fiskarsmc wasu. Wayne Fethke

Fiskars A/S

Maglebjergvej 4, DK-2800 Lyngby, Denmark. Telex 37361 tecco dk.

Aage Baekke

Fiskars A/S

Postboks 57, Bærumsveien 373,

N-1346 Giettum, Norway, Telex 19987 foslo n. Ann Smeds

Fiskars Ges.m.b.H.

Trattnerhof 2, A-1010 Vienna, Austria.

Telex 135844 jaske a. Ingrid Jaschke

Fiskars GmbH

Industriestrasse 21. D-6056 Heusenstamm. West Germany. Telex 4185105 fska d. Gösta von Platen

Fiskars AB

Åldermansvägen 19-21, S-171 48 Solna, Sweden. Telex 14580 fiskar s.

Thomas Lindavist

Finnovation S.A.R.L. 29, Rue de Miromesnil, F-75008 Paris, France. Telex finn 220885 f.

Jean-Pierre de Lutz

Fiskars Nederland B.V.

"De Molenwiek", Groningenweg 6, NL-2803 P.V. Gouda, Holland. Telex 62055 fkars nl. Juhani Mäkinen

