Annual Report 1989

FISKARS

Annual General Meeting of shareholders

The Annual General Meeting of shareholders of Fiskars Oy Ab will be held at Hotel Palace, Eteläranta 10, Helsinki, on Wednesday, April 11, 1990.
Shareholders wishing to attend the meeting should inform Fiskars Corporate Head Office by letter to P.O.Box 235, SF-00101 Helsinki, Finland, or by phone +358-0-61 886 230/Jantunen not later than 4.30 p.m. on Monday, April 9.
Shareholders are kindly requested to inform the Corporate Head Office of changes in their addresses.

Financial information

In addition to the annual report, The Fiskars Corporation publishes an interim review of operations covering the period January 1 through June 30, 1990, which will be published week 35.
Both publications are available in Finnish and as translations in English and Swedish at no cost from the Fiskars Corporation, Information Department, P.O.Box 235 (Mannerheimintie 14 A), SF-00101 Helsinki, Finland, telephone +358-0-61 88 61.

Annual Report 1989

Contents

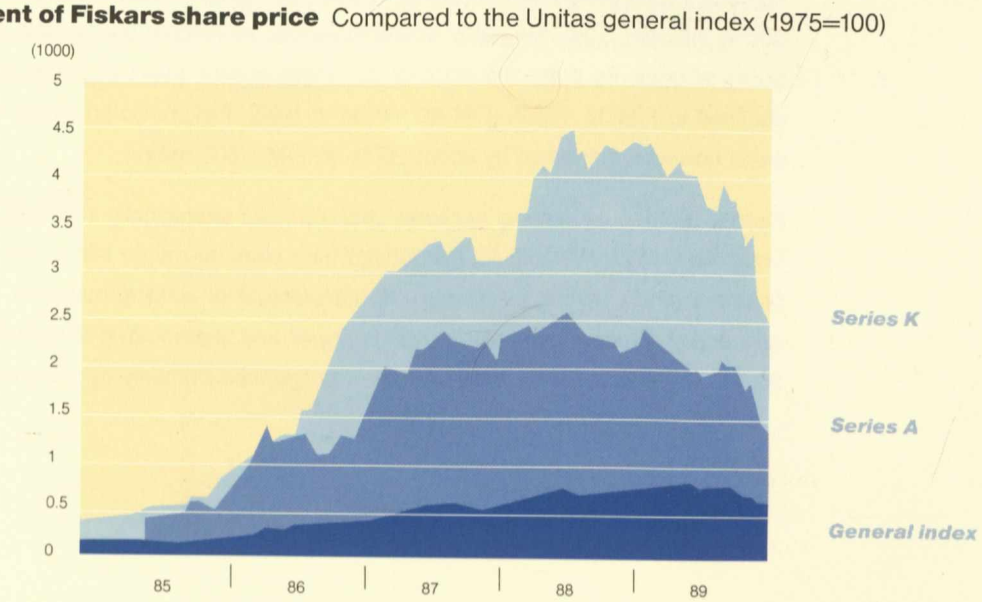
Summary of operations

FIM million	1985	1986	1987	1988	1989
Net sales	627	705	1027	1252	1503
Sales outside Finland	372	480	721	896	1111
as % of net sales	60	68	71	72	74
Operating margin	71	80	112	112	114
as % of net sales	12	11	11	9	8
Operating profit	52	55	76	66	44
as % of net sales	8	8	7	5	3
Earnings after financial items	31	33	58	60	13
as % of net sales	5	5	6	5	1
Pre-tax earnings	41	49	83	165	31
as % of net sales	6	7	8	13	2
Earnings after financial items, after tax, including share of associated companies' results	58	20	57	74	32
Earnings per share	15.33	5.05	13.33	14.02	5.90
Price/earnings K	4	49	23	32	58
A	5	27	15	14	23
Return on equity, %	10	7	9	7	0,4
Return on investment, %	10	9	10	9	6,4
Dividend, FIM million	5.5	7.4	11.9	18.8	18.8
Dividend per share K	1.93	2.44	2.62	3.20	3.20*
A	2.25	2.81	3.18	3.80	3.80*
Balance sheet total	726	1080	1393	1811	2234
Equity + reserves	293	525	664	943	942
Equity ratio, %	40	49	48	52	42
Market value at Stock Exchange Dec 31	260	715	1198	1924	1486
Personnel at year-end	1998	2218	2890	3084	3780
of which abroad	420	783	1210	1877	2514
Gross investments	55	152	167	157	291

*) Board proposal

Formulas used when calculating ratios and share data are shown on page 42—43.

Development of Fiskars share price Compared to the Unitas general index (1975=100)



President's review

Fiskars Corporation will enter the 1990's overall as a strong enterprise. Its core business units are strongly positioned in their respective chosen markets. The Fiskars brand is both international and well appreciated among consumers. A high degree of internationalization is characteristic of Fiskars industrial operations; this is evidenced by the fact that two thirds of all personnel work outside Finland, from where three fourths of the corporation's turnover originate. Fiskars' financial solidity is good and its ownership structure is stable.

By means of both internal and external development, Fiskars Consumer Products Group has increased its share to almost half of corporate net sales, and its sound level of profitability continues to develop favorably. Last year's acquisitions strengthened considerably the group's market position, both in continental Europe and in Scandinavia. Fiskars scissors, knives and garden tools are now through our distribution companies more readily available to consumers from the group's production plants in North America, the European Community and Scandinavia.

With Industrial Products, Fiskars serves such focused areas where it has unique know-how and expects to maintain a sustainable grip of the business-to-business market. To accelerate the specialization, the group structure of the electronics and investment products was dismantled, and the operations were differentiated into autonomous business units. In this context, it was decided that certain smaller business units that are peripheral to the targeted breakthrough areas were to be divested.

Among the Industrial Products, both enclosures and Inha industrial components as well as aluminum boats continued their successful trend. Fiskars operations in the field of UPS (uninterruptible power supply) systems in the USA and Scandinavia are now achieving both a strategic position within the corporation and the volume needed for profitability.

The electronics units in Littleton, USA, and in Växjö, Sweden, which were only loosely connected with the mainstream operation were deeply unprofitable. The Bronto Skylift unit of the Metra group also posted a much more negative result than expected. Forceful action programs in order to improve profitability caused additional expenses during the year. This was partly counterbalanced by income on the sale of certain business units. As a consequence of the above events, result after financial items declined to FIM 13 million (FIM 60 million in 1988). Fiskars Corporation's total net sales however, increased by about 20 % to FIM 1,503 million.

Fiskars 20 % shareholding in Ovako Group proved strategically important, when Oy Lohja Ab and Oy Wärtsilä Ab announced their plans to merge into a new powerful business group, mainly involved in the manufacture of building materials. In this connection, Fiskars increased its voting power and shareholding in Oy Lohja Ab to 20 %. The acquisition of these shares was financed primarily by transferring Fiskars shareholding in Ovako to Wärtsilä, and with the rights issue of Fiskars shares to Agrofin, in accordance with the Board of Director's authority. Following these measures, Fiskars now has a possibility to contribute in the development of one of the largest industrial corporations in Finland that has similarities with its own operations. Furthermore, Fiskars Corporation's sizeable assets invested in industrial shares have now been attached a value that can be monitored by means of public quotations on the stock exchange.

Fiskars' increased holding in Lohja clarifies the split of its assets into two strategically targeted segments: those tied in own industrial operations on one hand, and capital invested in shares of affiliated companies and in real estate on the other hand.

As the consolidation phase of the corporation's Industrial Product operations is now nearing its conclusion, the profitability of Fiskars operations will significantly improve in the near future. Capital freed by divestments will be allocated to the continued development of the successful businesses.

Helsinki, March 1990

Reijo Kaukonen
President

Highlights of the year

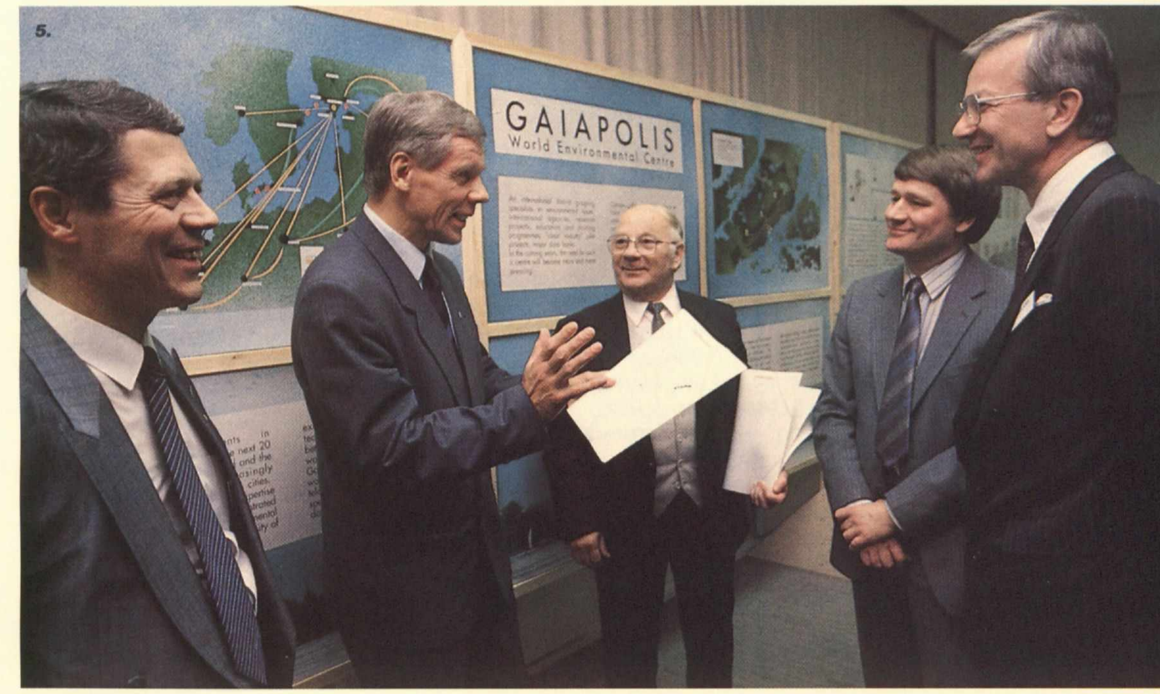
1. Mr. Kalevi Sorsa, Speaker of the Finnish Parliament (in the middle), and Mr. Jaakko Numminen, Secretary General of the Ministry of Education, acquainted themselves with the Corporation's activities and cultural heritage at Fiskars village in September, guided by President Reijo Kaukonen.

2. Montana, the Italian knife manufacturer, was acquired by Fiskars in the fall. Luigi Peppini explains the secrets of knife marketing in Italy.

3. The new plant in Tijuana, Mexico, complements Deltec's UPS operations.

4. Fiskars Design Center was the venue of several internal training seminars. Here the Corporate Management Council, comprised of the Corporation's international top management, assembled in one of its sessions.

5. Ferraria's idea contest "Hankoniemi 2000" closed in December 1989. The entries were presented to the decision-makers of the region. Professor Matti K. Mäkinen, member of the jury, gives a vivid description of his views.



6. An exhibition showing Fiskars history was opened to public in June. The cutting of the ribbon was witnessed by personnel representatives.

7. Gripit agreement was signed by Per Goller (on the left) and Tom Knoff, on behalf of Elkem and Reijo Kaukonen and Juha Toivola on behalf of Fiskars.

8. Fiskars has established a special foundation to honor the life's work of Jacob von Julin (1906–1987). Mr. Rolf Kullberg, Chairman of the Foundation's Board (on the left) hands the prize, now awarded for the first time, to industrial designer Bertel Gardberg.

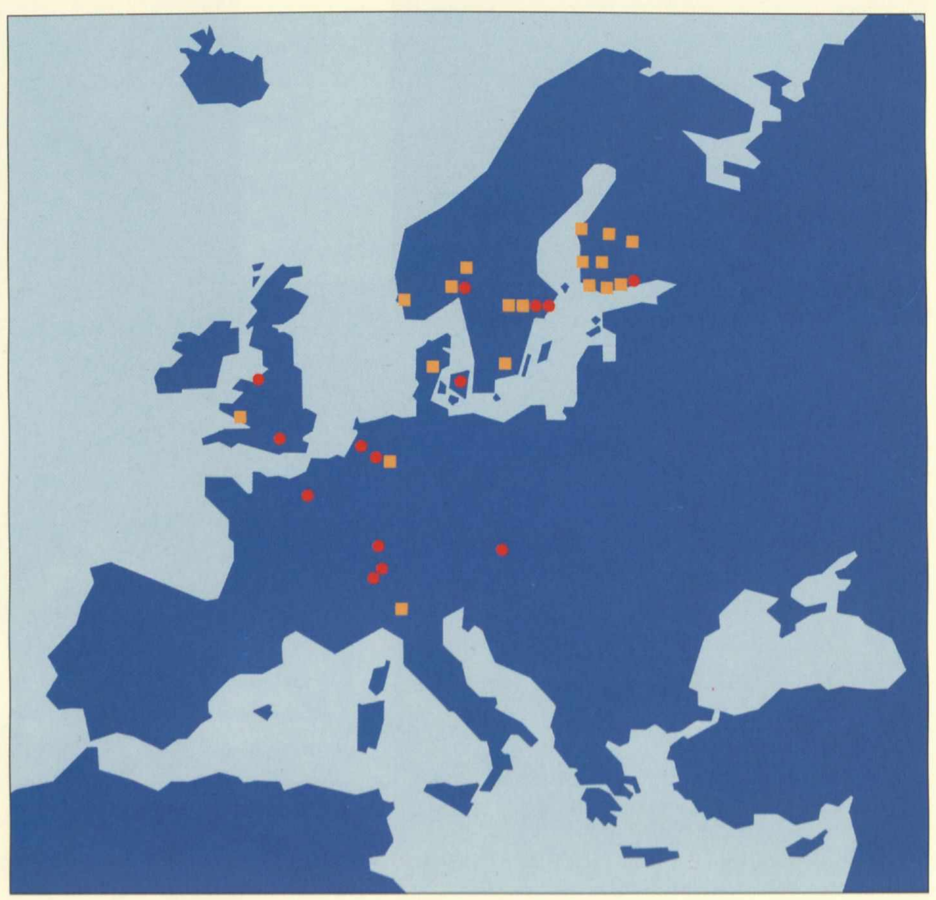
Board of Directors, Corporate Management and Auditors

Board of Directors of Fiskars Oy Ab	Elected until the Annual General Meeting in	Elected to the Board in
Göran J. Ehrnrooth (1934), chairman	1991	1974
Matti Pekkanen (1925), Deputy Chairman, President, Central Association of Finnish Forest Industries	1990	1987
Robert G. Ehrnrooth (1939), President, EFFOA-Finland Steamship Co. Ltd.	1990	1966
Thomas Tallberg (1934), M.D., Helsinki University Central Hospital	1991	1966
Jarl Engberg (1938), Attorney-at-Law, Hannes Snellman Attorneys	1992	1980
Gustaf Gripenberg (1952), D.Eng., Helsinki University of Technology	1992	1986
Olof Bruncrona (1927), M.Sc. (Eng.) Director Emeritus, Fiskars Oy Ab	1990	1987
Ronald Wrede (1942), Master of Laws, Legislative Counsellor, Ministry for Foreign Affairs	1992	1987
Reijo Kaukonen (1939), President, Fiskars Oy Ab	1991	1984

Board members' term of office is three years.

Auditors

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



Fiskars in Europe:

■ manufacturing and sales

● sales and marketing

Corporate Management

		Present position from year
Reijo Kaukonen (1939)	Corporate President	1984
Wayne G. Fethke (1944)	Corporate Vice President, consumer products	1988
Ingmar Lindberg (1945)	Corporate Vice President, administration and real estate	1985
Juha Toivola (1947)	Corporate Vice President, finance	1980
Carl-Erik Kortman (1946)	Corporate development	1989
Consumer products		
Roy Prestage (1940)	Scissors & garden tools, North America	1988
James Wehrs (1951)	Knives, North America	1990
Stig Måtar (1945)	Scandinavia	1988
Jean Schellingen (1944)	Continental Europe	1988
Fletcher Nicholson (1937)	Great Britain	1988
Industrial products		
Aarne Sipilä (1948)	UPS-Europe	1990
Raymond Meyer (1940)	Deltec	1989
Tapani Niemi (1953)	Enclosures	1988
Pauli Lantonen (1939)	Inha	1983
Lars-Petter Godenhielm (1940)	Metra	1989
Juhani Hanninen (1948)	Development, electronics	1989
Olli Männikkö (1944)	Ferraria	1988

The business units are guided by boards which are chaired by Corporate President or a Corporate Vice President.

Corporate Executive Committee

Reijo Kaukonen	Corporate President, chairman
Wayne G. Fethke	Corporate Vice President
Ingmar Lindberg	Corporate Vice President
Juha Toivola	Corporate Vice President

Management Board

Reijo Kaukonen, Chairman	Tapani Niemi
Tauno Kasanen*	Jukka Telatie*
Pauli Lantonen	Juha Toivola
Ingmar Lindberg	Roger Träskelin*
Stig Måtar	*Personnel representative
Reijo Mäihäniemi	

Fiskars in North America and Asia:

■ manufacturing and sales

● sales and marketing

Fiskars' business areas

The new scissor sharpener, like Fiskars knife sharpeners before, has reaped international awards for practical and functional design.

Fiskars operates in three business areas: Consumer Products, Industrial Products, Real Estate and Affiliated Companies.

Fiskars Consumer Products achieved several major breakthroughs in the 1980's. These products now account for about 50 per cent of corporate net sales. Fiskars is one of the world's leading manufacturers of scissors, knives and garden tools. In North America, the EC and Nordic countries, Fiskars has a solid global position and a good knowledge of the local markets, based on close customer contacts. The key success factors for Fiskars Consumer Products are a good quality/price ratio and a wide product range. Since the customer base of Fiskars consumer products is large and varied they are not vulnerable to trend fluctuations. In its main markets, Fiskars operates through its own dynamic sales and marketing organizations, thus ensuring a good understanding of the local conditions and a more competitive distribution position.

The scissors and garden tools operations in the U.S. continued their success. This was largely attributable to efficient and extensive distribution operations and the introduction of a wider product range. Gaining a significant share of the office supplies segment meant an important breakthrough for Fiskars scissors in the United States. The demand of the large North American market was satisfied through complementary deliveries from the Fiskars plant in India.

The knives program for America comprises leisure and kitchen knives for professionals and consumers. Following the acquisition of the Wilkinson Sword's Home and Garden business, Fiskars has greatly strengthened its foothold in the United States and Canada by introducing its knives range in these markets. Production in the United States is supported by manufacture in Mexico.

Sales of consumer products expanded considerably in **Scandinavia,** as a result of the acquisition of a majority shareholding in the Gripit Group. Today, Fiskars manufactures garden and hand tools in Sweden, Denmark, Norway and Finland. The R&D activities which already for several years have benefited the entire organization of Fiskars continued also this year. The new scissors range and the previous year's bestseller — ceramic knife sharpener — were complemented by the first scissor sharpener designed for household use.

Fiskars has a strong position in the important integrating **Continental European** marketplace, particularly in France and Germany. By acquiring an Italian cutlery manufacturer, Montana, Fiskars further strengthened its presence in the EC countries. The company is a market leader in Italy, and has long traditions as a manufacturer of knives that combine superior quality with world-famous Italian design. Montana's strong established marketing network provides other Fiskars products a penetration into the Italian market which has a large buying potential. On the other hand, the new products provide new opportunities to Fiskars expanding international distribution channels.

In **Great Britain,** Fiskars holds a leading position as manufacturer and distributor of scissors, knives, and now also garden tools. Product development resulted in an innovative garden tool range that met with worldwide success. The garden tools are manufactured in the modern plant in Wales and marketed through Fiskars international distribution network.

Functional, high-quality consumer products provide true utility value, both in- and outdoors.

The Italian Montana knives bring new international color and design to the sharp knife family of Fiskars.

The round-tip safety scissors, specially designed for children's hobbies, have gained a solid popularity among young users worldwide.

Top-class garden tools reach in new dimensions.

Bronto Skylift access platforms showed their prowess in fighting a fire in downtown Montreal, permitting working also from above the fire.

Fiskars **Industrial Products** comprises autonomous business units and companies that operate in narrow special segments. Most of the products of these business operations safeguard the smooth and efficient functioning of the community.

Deltec, a Fiskars subsidiary, manufactures and markets UPS (uninterruptible power supply) equipment primarily in North America. This business is a growth sector, since the sophisticated data and telecommunications systems of the modern information society do not tolerate disturbances in power supply. The acquisition of Deltec improved Fiskars positions in the interesting and expanding North American market. In the United States, Deltec operates through several efficient marketing networks. Deltec's production facilities are located in San Diego, California and in a new plant in Tijuana, Mexico.

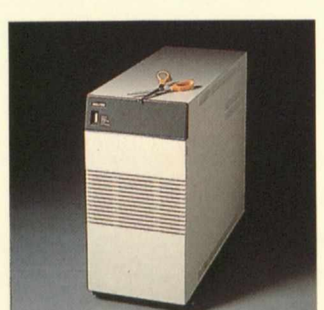
The European UPS operations have been organized into an autonomous business unit with production plants in Finland and Sweden. Marketing was initially started in Scandinavia, which as a home market provided a good springboard; today it covers Europe. In the EC, Great Britain emerged as an interesting and sizeable target area with considerable growth potential. The UPSs are designed for safe and reliable operation, and they are compatible with different electrical standards. Special attention is paid to their outer appearance to make them fit unobtrusively in their operating environment.

Enclosures in polycarbonate shield electrical and electronic equipment from external disturbances such as shocks, humidity, heat and corrosive agents. On the other hand, they also protect the user from electrical shocks. The market of enclosures is moving from traditional metal to plastic materials. Builders of power distribution centers, and machine and equipment manufacturers are the principal user categories of Fiskars enclosures. 80 per cent of the Tammisaari plant's output is exported, primarily to the EC.

Of **Inha's products,** aluminium boats are marketed with the Buster brand. The new youthful addition to the range was well received by the markets. A boat of more than six meters long — under development phase — was tested during the summer in extreme and trying conditions. The user safety, durability and versatility of the boats were aptly demonstrated during a successful exploration expedition, undertaken by a group of Finnish journalists who followed an ancient Viking route from Stockholm along Russian rivers down to Istanbul.

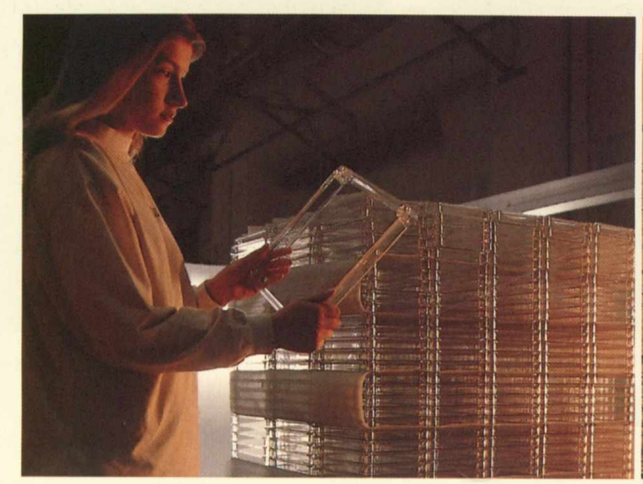
Building components reinforced their demand among customers who value the high quality and functionality of these products.

Computer-aided design (CAD) of products is being increasingly used to ensure high quality and product safety in the most trying conditions.



A power interruption lasting a fraction of a second can be expensive for the trade. More and more businesses safeguard the uninterruptible power supply of their check-out functions with Fiskars UPSs.

Fiskars enclosures for electrical equipment have proved overwhelmingly successful. Here they pass a rigorous quality control.



The safety and easy care of Buster boats is widely recognized among leisure time and professional users alike.

Metra's Bronto Skylift mobile access platforms permit working in heights of more than 60 meters. The varying requirements in maintenance, building industry and fire protection operations further increase demand for sophisticated lifting equipment. Telescopic platforms and ladder-boom outfits used for fire fighting and rescue operations continued to conquer market share from the more traditional articulated boom and truck applications. The modern Ginge-Kerr fire fighting equipment is non-polluting and does not damage people, property or environment.

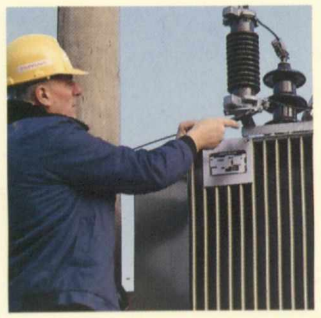
Real estate property that comprises more than 15,000 hectares of land and water in the Southwest of Finland constitutes a significant financial resource. Operations in the area include farming and forestry.

An international planning contest to conceive new development ideas for the 4,000 hectares of land, owned by **Ferraria,** was arranged during the year. The objective of the "Hankoniemi 2000" program was to find ways to improve the productive use of this unique land and water area, in cooperation with the municipalities of the region.

Of the **affiliated companies** the most significant is the Lohja Corporation in which Fiskars is today the largest single shareholder with a 20 per cent holding. Lohja's principal activities are in building materials industry. Lohja's net sales amount to FIM 4000 million. Fiskars is also a shareholder in Gyllenberg Securities Oy Ab and Ane Gyllenberg Oy private bankers. Both companies provide placement and financial advisory services to investors and business enterprises.

Fiskars extensive well-cared land and forest areas give shelter and nesting place also to the Canadian goose (Branta canadensis).

Traditional in-house service functions have been converted into business operations.



Annual report from the Board of Directors

Far-reaching decisions on the strategic alternatives and future structure of Fiskars Corporation were made during the year. The strategy is based on the grouping of the Corporation's activities in industrial operations on one hand, and in affiliated companies and real estate business on the other.

The core areas of the industrial operations are consumer products and industrial products, comprising the UPS operations, enclosures, Inha products and the Metra subcorporation.

Measures to aline the structure to the chosen strategy and to improve profitability were started towards the year-end. One phase in this process was the divestment in December 1989 of certain smaller peripheral operations, most of them electronics business units.

The Corporation pursues its aggressive strategy in the Consumer Products Group that concluded two acquisitions in Europe. The uninterruptible power supply operations (UPS) were strengthened by an acquisition in the USA. Investments in these industrial operations amounted to FIM 320 million.

Fiskars participated in the planning and organizing of the extensive industrial cooperation between Oy Lohja Ab and Oy Wärtsilä Ab. As a result, Fiskars sold on 5th January 1990 its shareholding in the Nordic special steel corporation, Ovako Steel AB, in which Wärtsilä then owns 50 %.

In this connection, Fiskars increased its holding in Lohja by subscribing new shares and also by acquiring Lohja's shares from Agrofin Oy Ab by means of a directed Fiskars issue. As a result of these complementary purchases of shares, Fiskars will be the largest single shareholder in Lohja with its more than 20 % stake.

The importance of affiliated companies to Fiskars Corporation's substance value is increasing and this holding will constitute a vital long-term resource for the Corporation.

Fiskars Corporation's consolidated earnings for 1989 were unsatisfactory. In particular, the result for the latter half of the year was poorer than expected. The equity ratio weakened, due to an increase of FIM 400 million in interestbearing capital and weaker than expected operating cash flow.

Consolidated result

Corporate net sales increased by 20 % to FIM 1,503 million (FIM 1,252 million in 1988). Sales outside Finland represented 74 % of total net sales (72 %).

The consolidated operating margin was FIM 114 million (FIM 112 million), representing 8 % of net sales (9 %).

Depreciation according to plan and financial expenses increased considerably, primarily due to acquisitions. Financial income includes a FIM 22 million profit from sale of shares. Currency positions have been kept in balance and no major exchange gains or losses have been recorded.

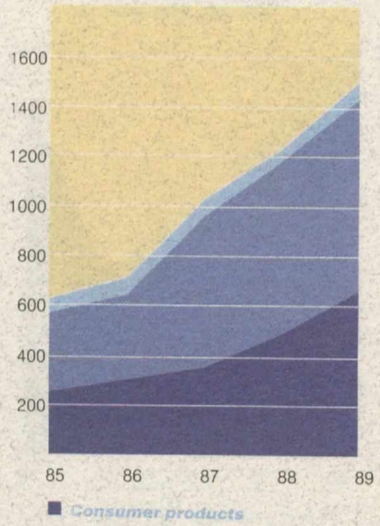
Earnings after financial items decreased from FIM 60 million in the previous year to FIM 13 million.

Extraordinary income and expense, FIM 17 million (FIM 105 million), includes gains on sale of real estate.

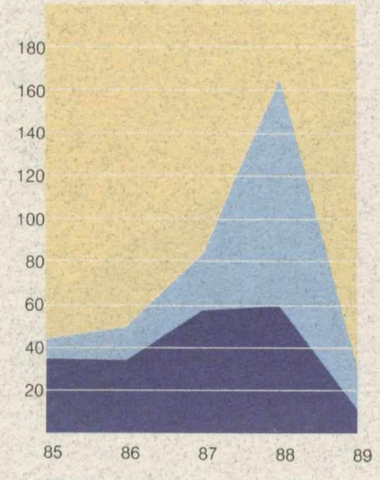
Return on net assets was 6 % (9 %) and return on equity 0 % (7 %).

The currency unit used in this report is the Finnish mark (abbreviated FIM). Its exchange rate on December 31, 1989 was 4.051 Finnish marks to 1 US dollar.

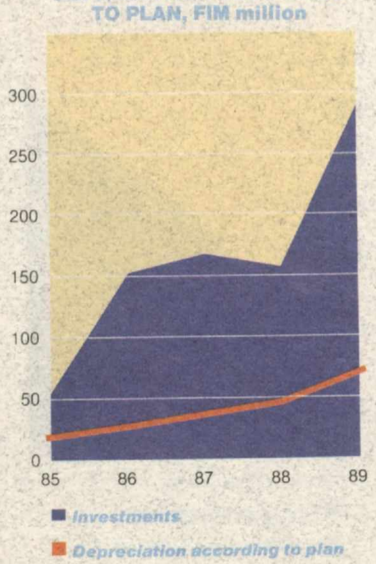
CONSOLIDATED NET SALES
FIM million



EARNINGS, FIM million



INVESTMENTS AND DEPRECIATION ACCORDING TO PLAN, FIM million



Operational result of businesses

The Consumer Products Group's net sales, representing almost half of corporate net sales, increased by 31 %, mainly as a result of acquisitions. The activities of the Danish Gripit Group, and the Italian Montana, acquired and incorporated during the year, were successfully integrated with the existing operations of the Group. The result from European operations was encumbered with expenses relating to acquisitions. The good profitability level of the U.S. operations continued. As a whole, the operational result of the Consumer Products Group was satisfactory.

Industrial Products' sales increased by 34 %. The profitability of the different business units varied and was unsatisfactory as a whole. Enclosures and Inha products continued their favourable trends. The results of the electronics business units in Littleton, USA, and Växjö, Sweden, only loosely related to the UPS operations, remained loss-making, despite of efforts to improve profitability. Also the Bronto Skylift operations of Metra remained unprofitable.

Consolidated net sales

	Total net sales		Sales abroad		
	FIM million 1989	FIM million 1988	FIM million 1989	% 1989	% 1988
Consumer Products	649	495	586	90	89
Industrial Products	780	584	505	65	60
Real Estate	54	39	0	0	18
	1,483	1,118	1,091	74	71
+ Business operations sold	20	134	20		
Consolidated total	1,503	1,252	1,111	74	72

Consolidated net sales by market area

	1989 FIM million	1988 FIM million	Change %
Finland	410	333	+ 23
Scandinavia	261	190	+ 37
Western Europe	311	245	+ 27
USA	481	310	+ 55
Soviet Union and other CMEA countries	33	31	+ 6
Others	60	67	– 10
	1,556	1,176	+ 32
– Adjusting items	– 73	– 58	
+ Business operations sold	20	134	
Net sales	1,503	1,252	

The Real Estate operations are long-term in nature. Consequently, the criteria for assessing their profitability differ from those of the industrial operations. Timber harvesting, agricultural operations and the real estate development of the Ferraria subsidiary proceeded according to plan.

Affiliated companies

Of the affiliated companies, Ovako Steel AB's net sales amounted to FIM 4,000 million, and earnings after financial items to FIM 144 million. Gyllenberg Securities Oy Ab's net sales totalled FIM 389 million, and earnings after financial items FIM 3.4 million. The corresponding figures for Ane Gyllenberg Oy were FIM 183 million and FIM 6 million.

Changes in corporate structure, acquisitions and joint ventures

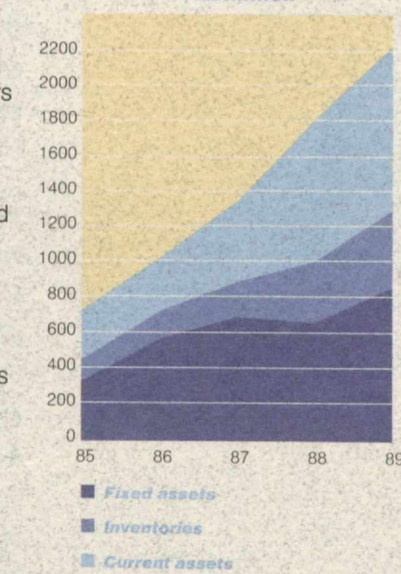
Deltec Corporation, the American based manufacturer of uninterruptible power systems (UPS), was acquired by Fiskars at the beginning of the year. Deltec employs altogether about 400 persons in California and Tijuana, Mexico.

Following the acquisition of a 76 % holding in Zincks Fabriker, Gripit became a subsidiary of Fiskars. Gripit manufactures garden and hand tools in its plants located in Finland, Norway, Denmark and Sweden. Personnel numbers about 350, and the company has a strong market position in all Scandinavia. The transaction was a sequence to the acquisitions of Wallace in the USA, and the British Home and Garden Division of Wilkinson Sword, and reflects Fiskars determination to improve its positions in the markets for garden tools.

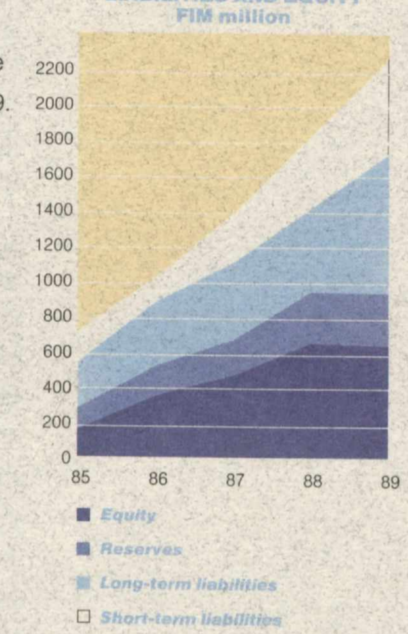
In August, Fiskars acquired the entire share capital of the Italian knife manufacturer Coltellerie Montana s.r.l. The company is a market leader in Italy, and its Montana branded products are marketed also elsewhere in Europe. The acquisition supports Fiskars endeavors to strengthen its foothold in the integrating European consumer products market. Montana is located in the Milan metropolitan region, and it employs over 100 persons.

Fiskars divested some of its smaller business units which were peripheral to its core businesses. Kraftelektronik AB was sold in a management-buy-out in December 1989. The manufacture of circuit boards located in Växjö was sold to a Swedish company. The operations of Bankeryd Maskin AB was acquired by the company's operative management. Test Systems operations were divested in the latter half of the year.

CONSOLIDATED BALANCE SHEET ASSETS FIM million



LIABILITIES AND EQUITY FIM million



Personnel and organization

The Corporation's industrial business units will operationally be restructured into autonomous companies. Operational boards have been appointed for each of these companies. The boards are chaired by the Corporation's President or a Corporate Vice President.

In 1988—1989 the Management Board of Fiskars parent company experimentally included personnel representatives. Since this experiment proved successful, the procedure was made permanent at the same time complying the provisions of the law on personnel representation which will enter into force at the beginning of 1991 in Finland.

In the spring, the Board of Directors appointed Ingmar Lindberg and Juha Toivola as Corporate Vice Presidents. Vice President Lindberg is responsible for human resources development, communications, and real estate operations. Vice President Toivola's areas of responsibility cover corporate control, financing, corporate legal affairs, and treasury services.

At the beginning of 1990, Wayne G. Fethke was appointed Corporate Vice President.

His area of responsibility covers the entire Consumer Products Group.

The Board of Directors has appointed a Corporate Executive Committee (CEC) to coordinate international affairs. The CEC is composed of the Corporation's President and Corporate Vice Presidents.

A new executive development program, Senior Management Development Workshop, was launched during the year. Management training also included special programs dealing with different topics, including financial administration.

The personnel of the parent company business units participated in training programs dealing with business economics.

The total number of employees at year-end was 3 780 (3 080); 2 514 of these were employed outside Finland (1 880).

Application of funds and financing

Funds provided by operations decreased from the previous year and amounted to FIM 73 million. Cash flow after changes in working capital was FIM 11 million in the red, including the increase in working capital due to acquisitions.

Investments in fixed assets amounted to FIM 291 million (FIM 157 million). The most significant investments were the acquisitions mentioned earlier. Other investments in fixed assets were fairly evenly distributed on the different industrial business units.

The majority of the acquisitions were financed by long-term loans. The net increase in long-term liabilities was FIM 323 million.

The Corporation's liquidity was good throughout the year, despite significant investments and poorer than expected financing from operations. Other changes in current assets mainly comprise investment deposits in the Bank of Finland and investments in Lohja shares.

Liabilities totalled FIM 1,277 million (FIM 868 million), whereas equity remained on the previous year's level at FIM 942 million (FIM 943 million). Equity ratio decreased to 42 % (52 %), but can still be considered good.

Increases in share capital, turnover of Fiskars shares and main shareholder groups

Based on the authorization granted by the Annual General Meeting of shareholders on April 14, 1989, the Board of Directors decided to increase the corporation's share capital with FIM 7 million through a directed share issue to Agrofin Oy Ab by issuing 150,000 K-series shares and 200,000 A-series shares. The issues were carried out at the following rates: restricted A-series shares at FIM 167 each, unrestricted A-series shares at FIM 192 each, restricted K-series shares at FIM 385 each and unrestricted K-series shares at FIM 399 each. There are 150,000 A-series shares left of this authorization. After this Agrofin owns 15.8 % of the issued shares and 16.8 % of the outstanding voting power.

Further, the Annual General Meeting of shareholders authorized the Board of Directors to decide upon the issue of a convertible bond loan and/or an option loan, at a maximum value of FIM 100,000 to the corporation's international and Finnish operative management within a period of one year from April 14, 1989. By exercising these rights the corporation's share capital can be increased by a maximum of FIM 2 million through issuing a maximum of 100,000 A-series shares. The Board of Directors has not used this authorization.

Turnover of Fiskars shares on the Helsinki Stock Exchange during the period January 1 through December 31, 1989 was as follows:

Series	Trading value FIM million	Quantity	Quotation highest	Quotation lowest
A restricted	55.9	309,104	205.00	115.00
A unrestricted	19.2	93,220	250.00	130.00
K restricted	70.4	177,718	454.00	250.00
K unrestricted	13.8	33,217	500.00	280.00
	159.3	613,259		

Finnish taxation values and quotations on the Helsinki Stock Exchange on December 29, 1989 were as follows:

Series	Quotation (FIM)	Taxation value (FIM)
A restricted	130.00	100.00
A unrestricted	160.00	105.00
K restricted	345.00	240.00
K unrestricted	355.00	245.00

At the end of the year Fiskars had 3,554 (3,517) registered shareholders.

Share ownership as of December 31, 1989 was as follows:

	Percentage of share capital 1989	1988
Private individuals	39.7	39.9
Non-profit organizations	8.1	8.2
Business enterprises	42.6	42.7
Banks and insurance companies	9.6	9.2
	100.0	100.0

The biggest shareholders were:

	Percentage of shares	votes
Agrofin Oy Ab	10.5	13.0
AB Investor	8.6	6.3
Oy Lohja Ab	3.0	4.0
Sampo Insurance Company Ltd.	3.8	3.9
Sophie von Julin foundation	3.0	3.7
I.A. von Julins Sterbhus	3.0	3.6
Oy Julius Tallberg Ab	3.0	3.3
Virala Oy	2.2	2.4
Industrial Mutual Insurance Company	2.2	2.3
Pruna Oy Ab	1.6	2.0
Takava Oy Ab	1.6	2.0
Sumarum Oy Ab	1.6	2.0
Vessilä Oy Ab	1.6	2.0
Neste Battery Ltd.	2.4	0.2

The Board members, the President and the Vice Presidents owned a total of 172,350 shares controlling 3.4 % of the voting rights.

1989 Annual General Meeting

At the annual general meeting of shareholders on April 14, 1989 the financial statements for 1988 were approved as proposed by the Board of Directors. A dividend of 19 % or FIM 3.80 per share was declared for A-series shares, totaling FIM 7,741,109.20 and a dividend of 16 % or 3.20 per share for K-series shares, totaling FIM 11,051,948.80.

The meeting re-elected the retiring members of the Board Jarl Engberg, Gustaf Gripenberg and Ronald Wrede.

Eric Haglund (C.P.A.), Juhani Kolehmainen and Jacob Wallenberg were elected auditors. Sixten Nyman (C.P.A.), Peter Hartwall and Brita Hisinger-Jägerskiöld were elected deputy auditors.

The Annual General Meeting of shareholders authorized the Board of Directors to decide upon the increase of share capital, in one or several quotas, through new issue and/or issue of one or several convertible bond and/or option loans deviating from the shareholders' preferential subscription rights. Through new share issue, convertion of bonds and exercising the subscription rights of the warrants the Board is authorized to increase the share capital by a maximum of FIM 10,000,000 corresponding to a maximum of 500,000 shares of nominal value FIM 20 each, of which a maximum of 150,000 shares can be K-series shares.

Further, the Annual General Meeting of shareholders authorized the Board of Directors to decide upon the issue of a convertible bond loan and/or an option loan, at a maximum value of FIM 100,000, to the corporation's international and Finnish operative management within a period of one year from April 14, 1989. By exercising these issuing rights the corporation's share capital can be increased by a maximum of FIM 2 million through issuing a maximum of 100,000 A-series shares.

Outlook

The extensive strategic investments carried out in 1989 in the industrial operations, together with the implemented structural changes are expected to improve corporate results in 1990.

In January 1990, a profit of FIM 160 million was realized on the sale of Ovako's shares. A non-recurrent cost of about FIM twenty to thirty million is expected to arise on the divestment of the non-UPS-related electronics business units. The strategic process of structural change that was initiated in the fall of 1989 will thus be completed.

The above actions and the directed share issue in the early part of the year will increase the corporation's equity ratio. The Corporation will continue investments in accordance with adopted strategies. Net sales are expected to increase and sales to customers outside Finland will remain on the attained high level.

Consolidated income statement (FIM million)

		1989	%		1988	%
NET SALES		*1 503.3*	*100.0*		1 251.8	100.0
COSTS OF MANUFACTURING, SELLING AND ADMINISTRATION		*-1 389.4*	*-92.4*		-1 139.4	-91.0
OPERATING MARGIN		*113.9*	*7.6*		112.4	9.0
DEPRECIATION ACCORDING TO PLAN		*- 69.6*	*- 4.6*		-46.4	- 3.7
OPERATING PROFIT		*44.3*	*2.9*		66.0	5.3
FINANCIAL INCOME AND EXPENSE						
Dividends received	*9.6*			7.7		
Financial income	*57.9*			48.0		
Financial expense	*- 98.6*	*- 31.1*	*- 2.1*	- 61.7	- 6.0	- 0.5
EARNINGS AFTER FINANCIAL ITEMS		*13.2*	*0.9*		60.0	4.8
EXTRAORDINARY ITEMS						
Extraordinary income	*18.2*			115.2		
Extraordinary expense	*- 0.9*	*17.3*	*1.2*	- 10.4	104.8	8.4
PRE-TAX EARNINGS		*30.5*	*2.0*		164.8	13.2
DEPRECIATION IN EXCESS OF PLAN		*- 13.8*	*- 0.9*		-32.8	- 2.6
CHANGE IN RESERVES		*6.9*	*0.5*		-74.1	- 5.9
TAXES		*- 9.6*	*- 0.6*		- 6.1	- 0.5
Minority share		*- 1.8*	- 0.1		2.4	0.2
NET PROFIT FOR THE FINANCIAL YEAR		*12.2*	*0.8*		54.2	4.3

Consolidated balance sheet (FIM million)

ASSETS	Dec. 31, 1989		%	Dec. 31, 1988		%
FINANCIAL ASSETS						
Cash and bank	178.6			269.9		
Trade receivables	320.1			293.9		
Loans receivables	2.0			5.0		
Advance payments	3.8			9.8		
Prepaid expenses and accrued income	47.6			22.2		
Other financial assets	372.6	924.7	41.4	210.9	811.7	44.8
INVENTORIES						
Materials and supplies	135.2			105.3		
Finished and semi-finished goods	298.7			211.1		
Other inventories	30.4	464.3	20.8	31.6	348.0	19.2
FIXED ASSETS						
Construction-in-progress	27.3			25.8		
Land and water	86.6			85.7		
Buildings and constructions	105.5			88.7		
Machinery and equipment	114.4			77.8		
Other tangible assets	14.1			4.7		
Shares	209.8			227.5		
Intangible assets	4.0			4.9		
Other long-term expenditure	126.1			29.4		
Goodwill	59.0			33.2		
	746.8			577.7		
Depreciation in excess of plan	97.9	844.7	37.8	73.5	651.2	36.0
		2 233.7	100.0		1 810.9	100.0

LIABILITIES AND EQUITY	Dec. 31, 1989		%	Dec. 31, 1988		%
LIABILITIES						
Short-term						
Trade payables	135.5			124.8		
Advance payments	7.7			11.2		
Prepaid income and accrued expense	174.9			107.6		
Short-term notes payable	80.8			87.6		
Current portion of long-term loans	51.5			50.1		
Other short-term liabilities	39.4	489.8	21.9	20.5	401.8	22.2
Long-term						
Loans from financial institutions	607.8			312.6		
Pension loans	115.2			107.6		
Convertible bond loan	3.8			3.8		
Other long-term liabilities	60.8	787.6	35.3	42.4	466.4	25.8
TOTAL LIABILITIES		1 277.4	57.2		868.2	47.9
MINORITY INTEREST		14.4	0.6		0.1	0.0
UNTAXED RESERVES AND DEPRECIATION IN EXCESS OF PLAN						
Depreciation in excess of plan	79.1			66.6		
Investment reserve	150.8			150.0		
Other reserves	89.1	319.0	14.3	94.1	310.7	17.2
EQUITY						
Restricted equity						
Share capital	110.1			100.1		
Unregistered share capital increase				10.0		
Reserve fund	232.3			232.3		
Other restricted reserves	28.3			27.3		
	370.7			369.7		
Unrestricted equity						
Unappropriated profits	240.0			208.0		
Net profit	12.2			54.2		
	252.2	622.9	27.9	262.2	631.9	34.9
		2 233.7	100.0		1 810.9	100.0

Funds statement (FIM million)

	Consolidated 1989	Consolidated 1988	Parent Company 1989	Parent Company 1988
OPERATIONS				
Operating margin	113.9	112.4	33.6	54.0
Financial net	– 31.1	– 6.0	43.3	34.4
Taxes	– 9.6	– 6.1	– 3.5	– 3.9
Funds provided by year's operations	73.2	100.3	73.4	84.5
Changes in working capital	– 84.4	– 93.3	58.7	– 108.5
Net financing from year's operations	– 11.2	7.0	132.1	– 24.0
INVESTMENTS				
Investment in fixed assets	– 291.1	– 157.4	– 167.2	– 210.0
Disposals of fixed assets	28.0	71.6	9.8	131.0
Remaining after net investments	– 274.3	– 78.8	– 25.3	– 103.0
FINANCING				
Shareholder financing:				
Increase in share capital		159.3		159.3
Redemption of shares		– 7.0		– 7.0
Dividends	– 18.8	– 11.9	– 18.8	– 11.9
Debt financing:				
Change in short-term borrowing	12.1	36.9	5.4	4.4
Change in long-term borrowing	322.6	39.9	95.8	– 25.2
	41.6	138.4	57.1	16.6
OTHER ITEMS				
Change in other financial assets	– 161.7	– 125.2	– 150.3	– 110.7
Extraordinary items	17.3	104.7	– 33.4	182.2
Minority interest	12.6			
Translation differences	– 1.1			
Change in liquid funds	– 91.3	117.9	– 126.6	88.1
Liquid funds at the year-end	178.6	269.9	91.1	217.7

Parent company income statement (FIM million)

	1989		%	1988		%
NET SALES		408.6	100.0		510.6	100.0
COSTS OF MANUFACTURING, SELLING AND ADMINISTRATION		– 375.0	– 91.8		– 456.6	– 89.4
OPERATING MARGIN		33.6	8.2		54.0	10.6
DEPRECIATION ACCORDING TO PLAN		– 15.0	– 3.7		– 13.5	– 2.6
OPERATING PROFIT		18.6	4.6		40.5	7.9
FINANCIAL INCOME AND EXPENSE						
Dividends from subsidiaries	11.2			12.1		
Other dividends received	9.5			7.7		
Interest income	39.2			27.7		
Interest expense	– 30.8			– 29.2		
Other financial income	22.0			20.2		
Other financial expense	– 7.8	43.3	10.6	– 4.1	34.4	6.7
EARNINGS AFTER FINANCIAL ITEMS		61.9	15.1		74.9	14.7
EXTRAORDINARY ITEMS						
Extraordinary income	18.1			193.4		
Extraordinary expense	– 0.7			– 11.1		
Group contributions	– 50.8	– 33.4	– 8.2		182.3	35.7
PRE-TAX EARNINGS		28.5	7.0		257.2	50.4
DEPRECIATION IN EXCESS OF PLAN		– 7.3	– 1.8		– 31.6	– 6.2
Change in inventory reserve		– 0.2	0.0		11.2	
Change in other reserves		21.7	5.3		– 74.5	– 14.6
TAXES		– 3.5	– 0.9		– 3.9	– 0.8
NET PROFIT FOR THE FINANCIAL YEAR		39.2	9.6		158.4	31.0

Parent company balance sheet (FIM million)

ASSETS	Dec. 31, 1989		%	Dec. 31, 1988		%
FINANCIAL ASSETS						
Cash and bank	91.1			217.7		
Trade receivables	125.2			182.1		
Loans receivables	140.7			123.7		
Advance payments	2.6			1.5		
Prepaid expenses and accrued income	13.7			7.1		
Other financial assets	337.5	710.8	45.8	187.2	719.3	51.0
INVENTORIES						
Materials and supplies	13.3			12.7		
Finished and semi-finished goods	47.1	60.4	3.9	38.3	51.0	3.6
FIXED ASSETS						
Construction-in-progress	2.6					
Land and water	82.9			82.0		
Buildings and constructions	29.3			32.5		
Machinery and equipment	10.2					
Other tangible assets	3.4			4.1		
Shares in subsidiaries	371.6			227.7		
Shares in other companies	203.4			222.8		
Intangible assets	2.5			1.7		
Other long-term expenditure	1.4			1.4		
	707.3			572.2		
Depreciation in excess of plan	74.1	781.4	50.3	67.3	639.5	45.4
		1 552.6	100.0		1 409.8	100.0

LIABILITIES AND EQUITY	Dec. 31, 1989		%	Dec. 31, 1988		%
LIABILITIES						
Short-term						
Trade payables	63.9			55.7		
Advance payments	4.4			6.3		
Prepaid income and accrued expense	67.9			38.3		
Short-term notes payable	6.1					
Current portion of long-term loans	26.2			32.1		
Other short-term liabilities	2.9	171.4	11.0	3.6	136.0	9.6
Long-term						
Loans from financial institutions	148.7			80.8		
Pension loans	95.2			92.8		
Convertible bond loan	3.8			3.9		
Other long-term liabilities	64.4	312.1	20.1	32.9	210.4	14.9
TOTAL LIABILITIES		483.5	31.1		346.4	24.6
UNTAXED RESERVES AND DEPRECIATION IN EXCESS OF PLAN						
Depreciation in excess of plan	74.1			67.2		
Investment reserve	150.0			150.0		
Re-investment reserve				20.9		
Inventory reserve	18.1			17.9		
Other reserves	40.6	282.8	18.2	41.4	297.4	21.1
EQUITY						
Restricted equity						
Share capital	110.1			100.1		
Unregistered share capital increase				10.0		
Reserve fund	232.2			232.2		
Other restricted reserves	43.1			43.3		
	385.4			385.6		
Unrestricted equity						
Contingency fund	127.2			127.1		
Unappropriated profits	234.5			94.9		
Net profit	39.2			158.4		
	400.9	786.3	50.6	380.4	766.0	54.3
		1 552.6	100.0		1 409.8	100.0

Consolidated income statement (IAS)

(FIM Million)

	1989	1988
Net sales	1,503.3	1,251.8
Operating costs	– 1,467.8	– 1,183.3
Profit from operations	35.5	68.5
Share of associates' results	37.2	19.8
Interest and other financial income	60.7	56.0
Interest and other financial expense	– 98.6	– 62.0
Profit before taxes, minority share and extraordinary items	34.8	82.3
Taxes	– 13.7	– 6.0
Minority interest	– 2.5	2.4
Profit before extraordinary items	18.6	78.7
Extraordinary items	17.3	104.8
Profit for the financial year	35.9	183.5
EPS (FIM/share)	3.39	15.01
ROI (per cent)	7.3	11.3
ROE (per cent)	1.9	9.4

Consolidated balance sheet (IAS)

	1989	1988
Fixed and other long-term assets:		
Construction-in-progress	27.3	25.8
Buildings, land and water	220.8	184.7
Machinery and equipment	194.3	144.5
	442.4	355.0
Shares	245.3	252.8
Long-term receivables	81.5	54.9
Goodwill and other intangible assets	173.8	58.1
Long term assets, total	943.0	720.8
Current assets:		
Inventory	479.3	360.5
Trade receivables and advances	472.6	367.8
Investments	192.0	120.6
Cash and bank	178.6	269.9
Current assets, total	1,322.5	1,118.8
Current liabilities:		
Trade payables and accrued liabilities	310.4	232.6
Advance payments received	7.7	11.2
Current portion of long-term loans	51.5	50.1
Short-term loans	120.2	108.1
Current liabilities, total	489.8	402.0
Net working capital	832.7	716.8
Net capital employed	1,775.7	1,437.6
Equity:		
Share capital	110.1	100.1
Other restricted capital	260.5	272.7
Untaxed reserves	319.1	310.7
	689.7	683.5
Unrestricted equity	294.5	308.1
Equity total	984.2	991.6
Minority interest	18.8	
Long-term liabilities	772.7	445.9
Capital provided	1,775.7	1,437.6
Equity ratio	55 %	69 %

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

NET PROFIT	1989	1988
Net profit under FAS	12.2	54.2
Appropriations	6.9	107.0
	19.1	161.2
Share of profit in associated companies	37.2	25.7
Dividends from associated companies	– 6.6	– 5.9
Difference in inventory valuation	2.5	– 2.3
Difference due to different valuation of acquisitions	– 3.4	1.4
Pension liability increase	– 12.9	3.4
Net profit under IAS	35.9	183.5

EQUITY		
Equity under FAS	622.9	631.9
Untaxed reserves	319.0	310.7
	941.9	942.6
Difference in inventory valuation	15.0	12.5
Difference between associated companies' value under equity accounting and cost of shares	35.4	26.8
Pension liability	– 12.9	
Difference due to different valuation of acquisitions	4.8	9.7
Equity under IAS	984.2	991.6

Accounting policies

These notes refer primarily to the accounts prepared in accordance with generally accepted accounting standards in Finland. The material differences between Finnish accounting standards (FAS) and International accounting standards (IAS) are described below (printed in italics). The IAS accounts are presented on pages 26—27.

The accounts have been prepared under the historical cost convention with the exception of certain landholdings, which have been revalued.

The consolidated accounts include all companies in which the Parent Company, directly or indirectly, controls more than 50 per cent of the voting rights.

Investments in associated companies (companies in which the corporation holds an interest of 20—50 %) are shown at cost.

In the IAS accounts, instead of dividends received, a proportionate share of the associated company's result is taken up as income for the financial year. In the balance sheet the investment is valued at cost adjusted periodically to recognize the share of earnings or losses after the date of acquisition and reduced by dividends received (equity method).

The earnings or losses of companies acquired during the year are included in the consolidated accounts to the extent these earnings or losses have been incurred after the effective date of acquisition.

All intra-group transactions and balances are eliminated from the consolidated accounts.

The consolidated accounts have been prepared using the purchase method of accounting, whereby the book value of the investment and the equity acquired are eliminated. In determining equity acquired, it is assumed that half of untaxed reserves represent a deferred tax liability. The difference between net assets at the date of acquisition and corresponding purchase price has been allocated to specific assets or considered as goodwill. Goodwill is written off over a period of ten years.

In the IAS accounts untaxed reserves are included in equity acquired without deduction of deferred tax.

Translation of foreign subsidiaries' accounts into Finnish marks

The accounts of foreign subsidiaries have been translated into Finnish marks using the exchange rate ruling at the balance sheet date. Translation differences on investments that arise due to changes in exchange rates between the date of acquisition and the balance sheet date have been charged directly to equity in the balance sheet.

Inventories

Inventories have been valued at the lowest of cost, replacement cost or net realizable value.

In determining costs only the direct costs of manufacturing have been included in inventories held by the Parent Company and its Finnish subsidiaries. The first-in-first-out principle has been applied.

Inventories in foreign subsidiaries have been valued in accordance with the principles prevailing in each respective country, and manufacturing overheads have been included in some cases.

In the IAS accounts inventory value includes manufacturing overheads in all cases.

Receivables and liabilities in foreign currencies

Assets and liabilities have been converted into Finnish marks at the rate of exchange ruling at the balance sheet date. Both realized and unrealized exchange differences have been included in the results for the year.

Fixed assets

Fixed assets are shown at cost with the exception of certain landholdings that have been revalued. The following methods of depreciation have been applied:

- Depreciation according to plan. Depreciation is calculated using the straight line method so as to write off the cost of the asset evenly over its estimated useful life.
- Book depreciation. Book depreciation is calculated on the basis of fiscal requirements. In order for depreciation to be tax-deductible in Finland the full amount must be charged in the company's books.

The difference between depreciation according to plan and book depreciation is shown in the income statement as an appropriation. In the balance sheet, fixed assets are carried at original cost or valuation less book depreciation.

Accumulated depreciation in excess of plan is shown as a separate item in fixed assets and in reserves.

Under Finnish accounting practice certain fixed assets may be revalued if the appreciation in value is considered to be permanent. Accordingly, certain landholdings are shown at valuation. The surplus arising on revaluation is shown as restricted equity.

Untaxed reserves

Tax regulations in Finland and Sweden allow transfers to be made from the profit for the year to untaxed reserves. Such transfers are usually tax-deductible only when entered into the company's books. In accordance with the Accounting Act these transfers are made from pre-tax earnings under movements in reserves in the income statement. The total of transfers to reserves from the profit for the year and from previous years is shown under untaxed reserves in the balance sheet.

In the IAS accounts the transfer to untaxed reserves is not shown in the income statement and is thus included in the net profit figure for the financial year.

Taxes

The tax charge in the income statement consists of taxes payable on taxable income for the year. The tax charge excludes deferred tax on transfers to untaxed reserves as it is assumed that these transfers will not be reversed in the foreseeable future.

Pensions

The retirement benefit plans for present employees have been covered by insurance policies with independent insurance companies. The Parent Company's Pension Fund covers retirement benefits for persons already retired. The deficit in the Pension Fund is explained in the notes.

In the IAS accounts the deficit in the Pension Fund is taken up under liabilities, and the change in the deficit is included in operating costs. When assessing the amount of deficit the assets of the Pension Fund have been valued at their fair market value.

Research and development

All research and development costs are charged against income as incurred.

Ratios

Ratios have been calculated in accordance with the rules of the Helsinki Stock Exchange.

Notes to the Financial statements
All amounts in FIM million

1. Income statement

Due to the acquisition of new subsidiaries and exchange differences on consolidation the figure for Change in Inventory does not equal figure arrived at when comparing the Balance Sheets of 1989 and 1988.

2. Net sales

Value added tax, outward freight costs, sales commissions, discounts and bad debts have been deducted from gross sales in order to arrive at the net sales figure.

3. Salaries

	Group		Parent Company	
	1989	1988	1989	1988
Manufacturing wages	160.1	141.6	42.7	50.5
Other wages and salaries	250.7	176.4	53.2	53.5
	410.8	318.0	95.9	104.0
Holiday and sick-leave pay	– 53.9	– 48.0	– 17.6	– 19.2
Wages and salaries per Income Statement	356.9	270.0	78.3	84.8

Directors' salaries and emoluments were FIM 2,262 thousand. The average number of persons employed was 3,758, of which the Parent Company employed 857.

4. Statutory and contractual personnel costs

	Group		Parent Company	
	1989	1988	1989	1988
In Finland				
Holiday and sick-leave pay	26.2	23.6	17.5	19.3
Social security charges	8.4	8.0	6.1	6.5
Pension costs	20.1	19.5	13.9	14.5
Transfer to Pension Fund	0.7	1.0	0.7	1.0
Other personnel costs	5.6	6.9	2.9	3.4
	61.0	59.0	41.1	44.7
Personnel costs abroad	81.3	46.5		
Personnel costs per Income Statement	142.3	105.5	41.1	44.7

5. Other costs

Other costs include purchases of subcontractors' services, energy for own use and sale, costs for maintaining production machinery and buildings, marketing costs and costs of personnel development. Research and development costs amounted to FIM 30 million (30 MFIM).

6. Depreciation according to plan

	Group		Parent Company	
	1989	1988	1989	1988
Buildings	6.0	4.5	2.6	2.2
Machinery and equipment	37.8	21.0	11.2	7.2
Other tangible assets	1.0	3.7	0.4	3.1
Intangible assets	2.6	2.6	0.9	0.8
Other long-term expenditure	14.3	7.9	0.0	0.2
Goodwill	7.9	6.7	—	—
	69.6	46.4	15.0	13.5

7. Book depreciation

	Group 1989	Group 1988	Parent Company 1989	Parent Company 1988
Buildings	17.2	5.8	13.3	3.6
Machinery and equipment	39.9	53.5	7.8	38.3
Other tangible assets	1.0	2.8	0.4	2.2
Intangible assets	2.6	2.6	0.9	0.8
Other long-term expenditure	14.3	7.9	0.0	0.2
Goodwill	8.4	6.7	—	—
	83.4	79.3	22.4	45.2
Depreciation in excess of plan	13.8	32.8	7.3	31.6

Depreciation according to plan is calculated using varying rates depending on the useful life of the asset. In most cases the following useful lives apply:

Buildings	25—33 years
Machinery and equipment	10—12,5 years
Vehicles	4 years
Moulding tools	3 years
Goodwill	10 years

8. Financial income and expenses

Financial income	Group 1989	Group 1988	Parent Company 1989	Parent Company 1988
Interest income	35.9	27.4	39.2	27.7
Exchange gains		0.1		—
Profit on sale of shares carried under "Other current assets"	22.0	20.5	22.0	20.2
	57.9	48.0	61.2	47.9

Financial expenses	Group 1989	Group 1988	Parent Company 1989	Parent Company 1988
Interest expense	89.4	56.5	30.8	29.2
Exchange losses	5.8	1.0	6.6	0.7
Other financial expenses	3.3	4.2	1.2	3.4
	98.5	61.7	38.6	33.3

9. Extraordinary income and expenses

Income and expenses shown below earnings after financial items relate only to items of a non-recurring nature that are not a part of the corporation's usual operations.

10. Taxes

Taxes in the Income Statement consist of income taxes paid and payable on taxable profit.

11. Current assets

Other current assets include the Parent Company's investment fund deposits and investments in listed shares. The largest investment in listed shares is 1,275,888 shares in Lohja Corporation corresponding to 9 per cent of the share capital and 6 per cent of the votes.

12. Intercompany receivables and liabilities

	Parent Company 1989	Parent Company 1988
Trade receivable	74.1	122.2
Loans receivable	138.8	122.4
Trade payable	34.5	27.4
Long-term debts	56.2	27.0

13. Loans receivable

Loans receivable from persons in Corporate management total 1.0 million FIM.

14. Fixed assets

Gross capital expenditure and depreciation according to plan	Gross investments	Accumulated depreciation	Residual value
Construction-in-progress	27.3	—	27.3
Land and water	86.6	—	86.6
Buildings and constructions	188.4	57.2	131.2
Machinery and equipment	329.8	147.0	182.8
Other tangible assets	22.0	7.5	14.4
Bonds and shares	209.8	—	209.8
Intangible assets, net	4.0	—	4.0
Other long-term expenditure, net	126.1	—	126.1
Goodwill, net	62.4	—	62.4
Total 1989	1056.6	211.7	844.7
Total 1988	735.9	84.6	651.2

Gross capital expenditure and book depreciation			
Construction-in-progress	27.3	—	27.3
Land and water	86.6	—	86.6
Buildings and constructions	188.4	82.9	105.5
Machinery and equipment	329.8	215.5	114.4
Other tangible assets	22.0	7.9	14.1
Bonds and shares	209.8	—	209.8
Intangible assets, net	4.0	—	4.0
Other long-term expenditure, net	126.1	—	126.1
Goodwill	62.4	3.4	59.0
Total 1989	1056.6	309.7	746.8
Total 1988	735.9	158.1	577.7
Depreciation in excess of plan 1989			97.9

Depreciation in excess of plan in acquired companies is considered part of equity purchased. Upon consolidation this amount is eliminated and consequently depreciation in excess of plan under fixed assets does not correspond to the amount under untaxed reserves in consolidated balance sheet.

Taxation values are assessed for real estate holdings in Finland and shares in other Finnish companies. The taxation values assessed are generally significantly below the fair market value of these assets.

Taxation values (in Finland):
Landholdings 52.4, Buildings 60.8, Shares (in Finnish companies) 231.2

15. Capital expenditure

	Group 1989	Group 1988	Parent Company 1989	Parent Company 1988
Construction-in-progress	4.9	7.2	2.6	
Land and water	0.9	6.9	0.9	6.8
Buildings and constructions	12.0	25.5	9.0	9.4
Machinery and equipment	57.2	59.9	17.1	18.4
Other tangible assets	1.8	4.1	0.3	3.6
Bonds and shares	208.9	36.7	135.3	177.0
Intangible assets	2.1	3.4	1.1	1.0
Other long-term expenditure	3.3	13.7	0.9	0.5
	291.1	157.4	167.2	216.7

16. Reserves

	Group 1989	Group 1988	Parent Company 1989	Parent Company 1988
Investment reserve				
Jan. 1	150.0	78.0	150.0	78.0
Increase + /Decrease –	– 2.9	+ 72.0	—	+ 72.0
Other changes	+ 3.7			
Dec. 31	150.8	150.0	150.0	150.0
Other reserves:				
Operating reserve				
Jan. 1	31.7	35.2	31.7	34.0
Increase + /Decrease –	– 2.9	– 3.9	– 2.6	– 2.3
Other changes	+ 1.4	+ 0.4		
Dec. 31	30.2	31.7	29.1	31.7
in per cent of Parent Company's salaries			30.0	30.0
Inventory reserve				
Jan. 1	31.7	29.9	17.9	29.0
Increase + /Decrease –	15.9	+ 2.2	+ 0.2	– 11.1
Other changes	– 0.6	– 0.4		
Dec. 31	47.0	31.7	18.1	17.9
in per cent of Parent Company's inventory value			30.0	35.0
Doubtful debts reserve				
Jan. 1	9.8	5.6	9.7	5.0
Increase + /Decrease –	+ 1.9	+ 4.2	+ 1.8	+ 4.7
Other changes	– 0.5	+ 0.0		
Dec. 31	11.2	9.8	11.5	9.7
Reinvestment and other reserves				
Jan. 1	20.9	0.6	20.9	—
Increase	– 20.1	+ 20.9	– 20.9	
Other changes	– 0.1	– 0.6		
Dec. 31	0.7	20.9	0.0	+ 20.9
Other reserves total	89.1	94.1	58.7	80.2

17. Changes in consolidated equity

Restricted equity	Share capital	Unregis-tered share capital	Reserve fund	Other restricted equity
Jan. 1	100.1	10.0	232.3	27.2
Transfer to share capital	+ 10.0	– 10.0		
Transfer to unappropriated profits				– 0.2
Other changes				+ 1.3
Dec. 31	110.1	—	232.3	28.3
Restricted equity, total				370.7

Unrestricted equity	Retained profits	Profits for the year
Jan. 1	262.2	
Dividends paid	– 18.8	
Transfer from restricted reserves	+ 0.2	
Translation difference arising upon consolidation	– 3.6	
Profit for the year		12.2
Dec. 31	240.0	12.2
Unrestricted equity, total		252.1
Equity, total		622.9

Translation differences in consolidation have been booked as a decrease of unrestricted equity.

18. Changes in the Parent Company's equity

Restricted equity	Share capital	Unregiste-red share capital	Reserve fund	Other restricted equity
Jan. 1	100.1	10.0	232.2	43.3
Transfer fo share capital	+ 10.0	– 10.0		
Transfer to contingency fund				– 0.2
Dec. 31	110.1	0.0	232.2	43.1
Restricted equity, total				385.4

Unrestricted equity	Contingency reserve	Retained profits	Profit for the year
Jan. 1	127.1	253.3	
Dividends		– 18.8	
Transfer from restricted reserves	+ 0.2		
Profit for the year			39.2
Dec. 31	127.2	234.5	39.2
Unrestricted equity, total			400.9
Equity, total			786.3

19. The Parent Company's share capital and convertible bond loans

On December 31, the share capital consisted of 5,490,868 shares of nominal value FIM 20 each.

	Number of shares
A shares, total issued	2,037,134
K shares, total issued	3,453,734
Total number of shares outstanding	5,490,868

Convertible bond loan

Jan. 1, 1989	3,849
Converted into shares	—
December 31, 1989	3,849
Converted into shares Jan. 2 — Jan. 15, 1990	132
Outstanding bond loans Jan. 16, 1990	3,717

Convertible bonds issued on Feb 1, 1987 can be converted into 33,453 shares corresponding to a share capital increase of FIM 669,060.

Each convertible bond of FIM 1,000 nominal value can be converted into 9 A and/or K shares during the following periods:

Jan. 2 — Jan. 15, 1991

Jan. 2 — Jan. 15, 1992

The bond can also be converted into shares if the company increases its share capital during the loan period by new issue other than private placement or if the company issues a new convertible bond loan. Interest of 7 per cent is paid on the convertible bond loan.

Warrants

Warrants that entitle to subscription of 43,000 A shares, corresponding to 0.06 % of the voting rights, at a price of FIM 170 each, have been sold to the corporation's international and Finnish operative management.

Remaining authorizations

Annual Meeting on April 14th, 1989

— 150,000 A shares corresponding to 0.2 % of voting power

— 100,000 A shares corresponding to 0.13 % of voting power

20. Pledged assets and contingencies

	Group		Parent Company	
	1989	1988	1989	1988
Real estate mortgages				
— for own liabilities	128.3	162.1	110.6	147.2
Chattel mortgages				
— other	1.1	0.5	—	—
Other mortgages				
— for own liabilities	51.7	52.7	—	—
	181.1	215.3	110.6	147.2
Factoring liability	—	6.6	—	6.5
Contingencies				
— for own liabilities	4.1	1.5	251.6	184.5
— other	30.5	42.0	23.4	40.5
	34.6	50.1	275.0	231.5
Discounted Bills of Exchange				
— for own liabilities	—	—	—	—
— other	—	4.7	—	0.1
	—	4.7	—	0.1
Other liabilities	26.9	10.9	8.3	—
	26.9	10.9	8.3	—
Total pledged assets and contingencies	242.6	281.0	393.9	378.8

As result of the sale of Ovako Steel AB shares on January 5, 1990 the Parent Company's and Corporation's contingencies were reduced by FIM 23.4 million.

21. Leased assets

Minimum future rental payments under non-cancellable operating lease agreements are as follows:

1990	10.9
1991	7.9
1992	6.3
1993	5.1
1994—	11.4

22. Repayment of long-term debts

1990	51.5
1991	39.4
1992	50.9
1993	52.8
1994—	644.5

23. Pension liability

	Group		Parent Company	
	1989	1988	1989	1988
Deficit in Pension Fund	14.7	14.7	14.7	14.7

The deficit in the Pension Fund was FIM 12.9 million (0.0) with consideration taken to the market value of the Pension Fund's assets at the balance sheet date.

24. Shares included in fixed assets

	Number of shares	% of share capital	Nominal value (1 000)		Book value (1 000)
Shares owned by Fiskars Oy Ab					
Subsidiaries					
Fisco Holdings Inc., USA	26 185	100	26 185	(USD)	120 297
Fiskars Europe BV, Holland	150	100	150	(NLG)	4 299
Fiskars AB, Sweden	5 000	100	32 000	(SEK)	22 833
Geoinstruments Oy	50	100	50		1 895
Ferraria Oy Ab	750 000	100	75 000		105 000
Oy Metra Ab	500 000	100	500		9 999
Kiinteistö Oy Danskog gård Ab	4 000	100	3 000		3 000
Fiskars Ltd, Bridgend, Great Britain	1500	100	1500	(GBP)	14 415
Fiskars NZ Ltd, New Zealand	250	100	250	(NZD)	3 166
A/S Zincks Fabriker, Denmark	2 280 000	76	2280	(DKK)	46 887
Coltellerie Montana Srl, Italy	6 980	96	6 980 000	(ITL)	22 127
Gripit Holding A/S, Denmark	6 680	33.4	6 680	(DKK)	17 370
					371 288
Other companies					318
					371 606
Associated companies					
Ovako Steel AB, Sweden	11 120 000	20	112 000	(SEK)	179 579
Fiskars India Ltd, India	200 000	20	2 000 000	(INR)	655
Gyllenberg Securities Oy Ab	120 000	40	12 000		12 000
Oy Ane Gyllenberg Ab	3 235	22	3 235		3 960
					196 194
Other companies					
Asunto Oy Puistokatu 9	6	X	100		2 992
Finnovator Oy	23 999	19.9	240		2 400
Hankoniemen kehitysyhtiö Oy	800	X	800		800
Central Share Register Co-operative	3	X	210		210
Housing companies					147
Other shares					646
					7 195
					574 995

	Number of shares	% of share capital	Nominal value (1 000)		Book value (1 000)	
Shares owned by other group companies						
Subsidiaries						
Fiskars Manufacturing Corp., USA	4 935	100	4 935	(USD)	4 935	(USD)
Fiskars Electronics Corp., USA	2 500	100	2 500	(USD)	2 500	(USD)
Gerber Legendary Blades Inc., USA	15 000	100	15	(USD)	9 040	(USD)
Fiskars Knivman AB, Sweden	30 000	100	3 000	(SEK)	12 357	(SEK)
Bankeryds Maskin AB, Sweden	900	100	90	(SEK)	465	(SEK)
Fiskars Kundservice AB, Sweden	600	100	60	(SEK)	300	(SEK)
Fiskars Elektronik AB, Sweden	50 000	100	5 000	(SEK)	29 086	(SEK)
Fiskars A/S, Denmark	41	100	4 490	(DKK)	1 489	(NLG)
Fiskars A/S, Norway	30	100	150	(NOK)	41	(NLG)
Fiskars GmbH, FRG		100	50	(DEM)	31	(NLG)
Fiskars GesmbH, Austria		100	500	(ATS)	47	(NLG)
Fiskars S.A.R.L, France	500	100	500	(FRF)	250	(NLG)
Fiskars AG, Switzerland	50	100	60	(CHF)	68	(NLG)
Fiskars Electr. U.K.Ltd, Great Britain	66 000	100	66	(GBP)	84	(GBP)
Brontosaurus Oy	150	100	150		150	(FIM)
Lebo Lift AB, Sweden	1 500	100	150	(SEK)	641	(FIM)
Nummela Lift Oy	160 000	100	1 600		10 134	(FIM)
Bronto Skylift AB, Sweden	2 000	100	2 000	(SEK)	1 486	(FIM)
Bronto Skylift AG, Switzerland	49	98	49	(CHF)	1 073	(FIM)
Bronto Skylift A/S, Norway	15	100	150	(NOK)	2 097	(FIM)
Bronto Skylift Marketing (Far East) Pte	160	80	160	(SGD)	341	(FIM)
Bronto Skylift GmbH, FRG		100	50	(DEM)	120	(FIM)
Bronto Skylift North America Inc, Canada	2 000	100	2 000	(CAD)	7	(FIM)
Bronto Skylift North America Inc, USA	100 000	100	100	(USD)	424	(FIM)
Teknokela Oy	90	100	90		1 227	(FIM)
Ginge-Kerr A/S, Norway	200	100	200	(NOK)	719	(NOK)
Ginge-Kerr AB, Sweden	2 500	100	250	(SEK)	250	(SEK)
Ginge-Kerr UK Ltd	250 000	100	250	(GBP)	902	(GBP)
Ginge-Kerr A/S, Denmark	32 000	100	19 000	(DKK)	15 385	(FIM)

	Number of shares	% of share capital	Nominal value (1 000)		Book value (1 000)	
Shares owned by other group companies						
Subsidiaries						
Oy Bronto Skylift Ltd	7 048	92.7	705		1 129	(FIM)
Sammutin Oy	2 000	100	500		7 988	(FIM)
Fiskars Elektronik A/S, Denmark	129	100	300	(DKK)	268	(SEK)
Fiskars Elektronikk A/S, Norway	500	100	50	(NOK)	32	(SEK)
Fiskars Elektronik GmbH, FRG	1	100	50	(DEM)	124	(SEK)
Oy Finnduktor Ab	500	100	500	(FIM)	72	(SEK)
W. Boos Jr GmbH & Co, FRG		100	1 000	(DEM)	5 890	(DEM)
Gebr. Boos GmbH, FRG		100	50	(DEM)	50	(DEM)
Coltellerie Montana Srl, Italy	20 000	4	20 000	(ITL)	29	(NLG)
Fiskars Spain S.A, Spain	1 000 000	99	1 000	(ESB)	17	(NLG)
Ginge-Kerr Offshore A/S, Norway	50	100	50	(NOK)	6 550	(NOK)
Gripit Holding A/S, Denmark	4	66.6	13 320	(DKK)	39 324	(DKK)
Länsi-Uudenmaan Sähköpalvelu Oy	150	100	45	(FIM)	3 252	(FIM)
Hangon Sähkö Oy	183	61	183	(FIM)	1 590	(FIM)
Ulveco AB, Sweden	500	100	50	(SEK)	50	(SEK)
Knivman Bankeryd AB, Sweden	500	100	50	(SEK)	50	(SEK)
Fiskars Inc., USA	11 185	100	11 185	(USD)	11 185	(USD)
Deltec Corporation, USA	36 284	100	36 284	(USD)	36 284	(USD)
Fiskars Zinck-Lysbro A/S, Denmark	1	100	7 000	(DKK)	11 489	(DKK)
Wedevåg Redskap AB, Sweden	46 000	100	4 600	(SEK)	6 905	(DKK)
Gripit Oy Ab	100	100	1 000	(FIM)	20 961	(DKK)
Fiskars Norge Redskap A/S, Norway	1	100	7 000	(NOK)	11 560	(DKK)
Hangon Keskushuolto Ky					1 485	(FIM)
Housing companies					3 778	(FIM)
In other Fiskars companies					370	(FIM)
Associated companies						
Svenska Brandslangsfabriken AB	651	50	2 850	(SEK)	1 856	(FIM)
Other companies						
Housing companies					3 509	(FIM)
In other Fiskars companies					3 598	(FIM)

Proposal by the Board of Directors to the Annual General Meeting 1990

Unrestricted equity according to consolidated balance sheet amounts to FIM 252 million.

Distributable profit in the Parent Company:

Unappropriated profits from previous years		234,470,165.82
Profit for the financial year		39,185,337.16
Total	FIM	273,655,502.98
The Board proposes		
— a dividend of 19 % corresponding to FIM 3.80 per share to be paid on shares of series A	FIM	7,741,109.20
— a dividend of 16 % corresponding to FIM 3.20 per share to be paid on shares of series K	FIM	11,051,948.80

— and that the balance of FIM 254,862,444.98 is carried forward.

Helsinki March 12, 1990

Göran J. Ehrnrooth

Matti Pekkanen

Robert G. Ehrnrooth

Thomas Tallberg

Jarl Engberg

Gustaf Gripenberg

Olof Bruncrona

Ronald Wrede

Reijo Kaukonen

Auditors' Report

We have examined the annual financial statements, the consolidated financial statements, the accounting records and the administration of the board of directors and the managing director of Fiskars Oy Ab for the financial year 1989. Our examination was made in accordance with generally accepted auditing standards in Finland.

Parent company

The annual financial statements, which show a profit for the period of 39,185,337.16 marks, have been prepared in accordance with the regulations in force.

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

that the income statement and the balance sheet be adopted,

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

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

Group

The consolidated financial statements have been prepared in accordance with the regulations in force. The unrestricted equity of the group is shown in the balance sheet in accordance with the Company's Act.

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

Helsinki, March 21, 1990

Juhani Kolehmainen

Jacob Wallenberg

Eric Haglund
Certified Public Accountant

Formulas for calculation of ratios

Earnings per share (EPS)

Earnings before extraordinary items
+/— Minority share
+/— Share of associated companies' earnings
— Dividends from associated companies
— Taxes
= Earnings

Earnings per share=Earnings/diluted average number of shares

Dividend per earnings in per cent

$$\frac{\text{Total dividend paid}}{\text{Earnings (defined as in EPS)}} \times 100$$

Dividend per share

Nominal dividend paid divided by factors adjusting for share issues that have taken place during or after the financial year

Equity per share

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

Price

Market quotation prior to share issue divided by dilution factor

Price per earnings (P/E)

$$\frac{\text{Market quotation Dec. 31}}{\text{Earnings per Share}}$$

Dividend yield in per cent

$$\frac{\text{Dividend per share}}{\text{Price}} \times 100$$

Market value of shares

Number of shares × market quotation Dec. 31

Return on equity in per cent (ROE)

$$\frac{\text{Earnings before extraordinary items less tax}}{\text{Equity + reserves + minority interest (average)}} \times 100$$

Return on investment in per cent (ROI)

$$\frac{\text{Earnings before extraordinary items + interest and other financial expenses}}{\text{Balance sheet total — non-interest bearing debt (average)}} \times 100$$

Equity ratio in per cent

$$\frac{\text{Equity + untaxed reserves + minority share}}{\text{Balance sheet total — advance payments received}} \times 100$$

Data per share adjusted for share issues

	1985	1986	1987	1988	1989
All shares					
Earnings per share, FIM	15.33	5.05	13.33	14.02	5.90
Equity + Reserves per share, FIM	77.35	124.34	153.88	171.67	171.54
Dividend/earnings, in per cent	9.2	29.6	21.0	24.7	58.0
Market value of shares Dec 31, FIM million	255.3	895.9	1,198.5	1,924.8	1,485.8
Adjusted number of shares, avg., 1000	3 790.2	3 923.9	4 290.0	5 336.2	5 490.9
Adjusted number of shares, Dec 31, 1000	3 790.2	4 222.3	4 318.3	5 490.9	5 490.9
A-series share					
Dividend per share, FIM	2.25	2.81	3.18	3.80	3.80
Dividend yield, in per cent	4.0	2.4	1.6	2.0	2.8
Price per earnings	3.7	23.4	14.5	13.6	22.9
Adjusted average price per share, FIM	55.22	142.85	187.50	207.63	180.70
Adjusted lowest price per share, FIM	47.69	92.74	115.22	163.93	115.00
Adjusted highest price per share, FIM	61.82	189.23	257.61	212.65	205.00
Number of shares traded, 1000	84.6	93.8	254.8	378.6	309.1
in per cent of the total number of the A-series share	26.0	15.8	29.6	31.0	24.1
Adjusted number of shares, avg., 1000	325.3	593.3	861.1	1 223.2	1 281.4
Adjusted number of shares, Dec 31, 1000	508.2	901.7	901.7	1 281.4	1 281.4
Market value of shares Dec 31, FIM million	28.4	106.4	177.4	243.5	166.6
A-series share, non-restricted					
Dividend per share, FIM	2.25	2.81	3.18	3.80	3.80
Dividend yield, in per cent	4.2	2.5	1.5	1.9	2.4
Price per earnings	3.5	22.3	16.2	14.6	27.1
Adjusted average price per share, FIM	60.54	162.31	210.86	217.15	205.43
Adjusted lowest price per share, FIM	47.75	86.30	121.95	173.55	130.00
Adjusted highest price per share, FIM	67.79	201.69	261.73	260.79	250.00
Number of shares traded, 1000	131.2	9.3	38.6	34.8	93.2
in per cent of the total number of the A-series non-restricted share	161.1	7.3	24.9	5.1	12.3
Adjusted number of shares, avg., 1000	81.4	126.8	155.3	681.2	755.7
Adjusted number of shares. Dec 31, 1000	123.5	130.9	161.8	755.7	755.7
Market value of shares Dec 31, FIM million	6.7	14.7	34.9	154.9	120.9
K-series share					
Dividend per share, FIM	1.93	2.44	2.62	3.20	3.20
Dividend yield, in per cent	2.8	1.0	0.9	0.7	0.9
Price per earnings	4.6	48.2	22.5	31.4	58.6
Adjusted average price per share, FIM	60.55	210.23	317.07	412.57	396.18
Adjusted lowest price per share, FIM	49.66	112.41	234.19	281.03	250.00
Adjusted highest price per share, FIM	72.41	295.08	363.47	449.65	454.00
Number of shares traded, 1000	84.0	133.3	221.6	363.4	177.7
in per cent of the total number of the K-series shares	3.1	5.1	8.2	13.1	6.4
Adjusted number of shares, avg., 1000	2 717.4	2 608.1	2 715.2	2 776.5	2 776.5
Adjusted number of shares, Dec 31, 1000	2 540.5	2 703.9	2 703.9	2 776.5	2 776.5
Market value of shares Dec 31, FIM million	177.9	658.6	810.5	1 221.7	957.9
K-series share, non-restricted					
Dividend per share, FIM	1.93	2.44	2.62	3.20	3.20
Dividend yield, in per cent	2.8	1.0	0.8	0.7	0.9
Price per earnings	4.5	47.4	23.9	32.1	60.2
Adjusted average price per share, FIM	65.50	223.18	326.11	418.68	416.82
Adjusted lowest price per share, FIM	50.11	117.26	248.59	281.42	280.00
Adjusted highest price per share, FIM	76.64	295.50	359.29	445.59	500.00
Number of shares traded, 1000	23.6	44.2	154.1	16.1	33.2
in per cent of the total number of the K-series non-restricted shares	3.6	7.4	27.6	2.5	4.9
Adjusted number of shares, avg., 1000	666.1	595.7	558.4	655.3	677.2
Adjusted number of shares, Dec 31, 1000	618.1	485.8	550.8	677.2	677.2
Market value of shares Dec 31, FIM million	42.3	116.2	175.5	304.7	240.4

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