Tamro develops, produces and markets health-care distribution services and products with considerable value to human life and which benefit the whole of society.

One hundred years old, Tamro's priority areas today are as follows:

The distribution of pharmaceuticals and other health-care products in Finland

The marketing of hospital, laboratory and school supplies in Finland

The production and marketing of disposable hospital supplies in Europe

Health-care wholesale business in the Baltic states and St. Petersburg

Distribution, marketing and wholesaling are paramount objectives and the manufacture of hospital textiles is at least a close second.

The aim is to increase the value of the owners' investments.
This will be attained by better customer and personnel satisfaction than that of competitors and by efficient operations.

Operations are based on key values:

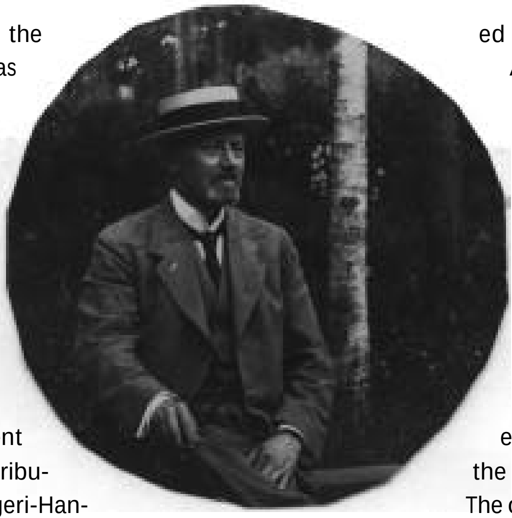
Satisfied customers

Partnership

Appreciation for the personnel

Profitability

The Tamro Corporation of today is the result of many mergers. Tamro has been a seminal influence at every significant stage of the evolution of the health-care business in Finland.



Adolf Fredrik Borg

The origin of pharmaceutical distributors On May 15, 1895, pharmacist Adolf Fredrik Borg and three other pharmacists from Tampere signed a deed of partnership confirming the establishment of Finland's first pharmaceutical distributor. The company was called Drogeri-Handelsbolaget i Tammerfors, later changed to Tampereen Rohdos Oy. During the same year, four pharmacists in Helsinki started Aktiebolaget Helsingfors Apotekares Drognederlag, later known as Aurum.

These two pharmaceutical distributors competed keenly with each other for the next 75 years. In 1912 a new entrant joined the race: Suomen Apteekkarien Osuusliike, a Turku-based cooperative that came to be called Pharmakon.

At the end of the 1940's, two pharmaceutical manufacturers, Huhtamäki and Orion Corporation, started companies to distribute their products – Lääketukku Oy and Oriola Oy.

Finland's first three pharmaceutical distributors were also interested in setting up industrial production. Tampereen Rohdos started to produce galenical products and processed medicines in 1907, which ultimately evolved into the Oy Star Ab pharmaceutical plant. Aurum started up the Medica pharmaceutical plant by establishing a company in 1911 to produce pharmaceutical, chemical and technical preparations, and Pharmakon founded Oy Rohto Ab in 1947. Today, these plants are a part of Finland's second biggest pharmaceutical producer, Leiras.

In the 1960's, the wholesale product range expanded to include laboratory and hospital products when Aurum acquired a company marketing laboratory supplies, Oy Apta Ab, and Pharmakon began to increase its range of medical supplies.

The companies merge At the end of the 1960's, there was a major structural change in the Finnish pharmaceutical distribution business, a gradual changeover from a multichannel system to business partnership in which the pharmaceutical manufacturer made an exclusive contract with a single distributor for the distribution of all its products. The wholesale trade's main product became the sale of distribution services to industry. Margins fell compared with the multichannel days, and it became increasingly necessary to increase efficiency.

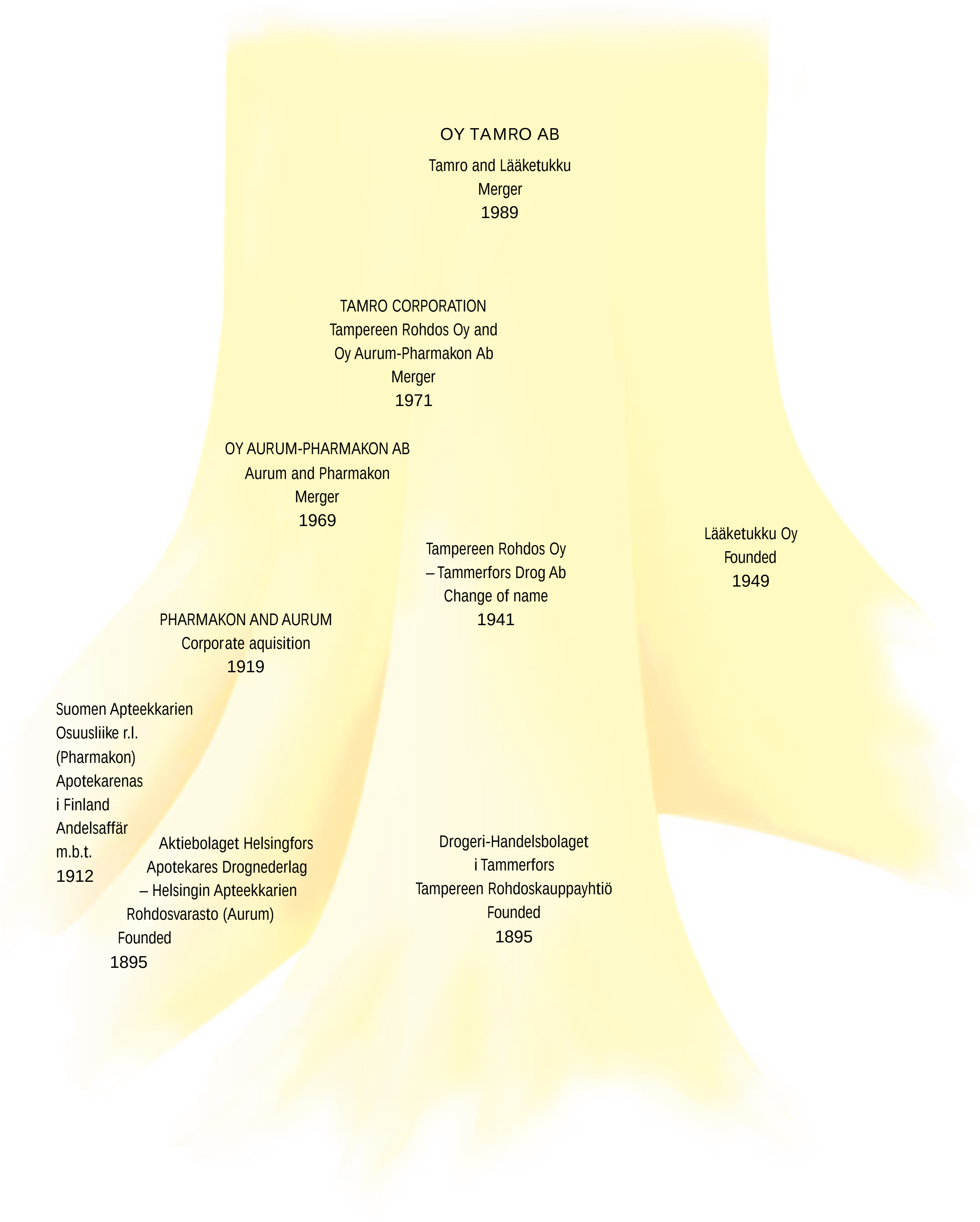
Pooling resources was seen as one form of rationalization. At first, the Pharmakon Group merged its subsidiaries into a new company, Oy Aurum-Pharmakon Ab. At roughly the same time, negotiations lasting three years were started between Tampereen Rohdos and Aurum-Pharmakon. In 1971, Aurum-Pharmakon was merged into Tampereen Rohdos under the name of Tamro Corporation. The name was taken from a real-estate company owned by Pharmakon and was originally an abbreviation of Tammisaaren Rohtola. The name was excellent for Tampereen Rohdos, and it had previously considered adopting it, but this was preempted when a competitor registered the business name.

The operations of Tampereen Rohdos and Aurum-Pharmakon were combined on the practical level in an operational center built in the Konala district of Helsinki, which was the focus of operations for 20 years. In 1988, the construction was started of Tamro House, a new operational and distribution center in Koivuvaara, Vantaa. During the same year Tamro acquired a majority holding in its biggest competitor, Lääketukku Oy, which was merged with Tamro in 1989. This pooling of resources safeguarded Tamro's position as Finland's biggest health-care product distributor.

Strong influence of owners The founders and partners of Tamro's ancestral companies were pharmacists. In 1955, Tampereen Rohdos went on the stock exchange, but the main ownership structure stayed firmly unchanged until 1974, when Finland's first stock exchange war broke out. Tamro tried to extricate the Medica pharmaceutical factory from the so-called Medifarma contract, which had caused the loss to Tamro of Medica as a business partner. The struggle for the ownership of Medica ultimately resulted in more than 70 percent of Tamro's equity winding up with institutional investors: Huhtamäki, the Union Bank of Finland, Pension Varma and the Industrial Mutual Insurance Company. Huhtamäki, today an important partner of Tamro, was then Tamro's biggest competitor because of its ownership of Lääketukku. The competitor's large stake in Tamro presented difficulties for its development. This knot was disentangled in 1986 by Spontel Oy, which acquired the holdings of Tamro's institutional shareholders. Tamro was withdrawn from the stock exchange in 1987.

Spontel was a good owner for Tamro in those days. However, Spontel was a boom-time company that ran into many obstacles with the onset of an economic recession. As with natural selection, society selects the companies that are necessary to it. Spontel's shareholders passed a resolution at the annual general meeting of 1993: Spontel moved into Tamro's line of business and adopted the name of Tamro. The wheel had practically turned full circle. Tamro is once more on the stock exchange, and ownership of the company is divided almost equally between institutional investors and other stockholders.

A healthy future - Sana Futurae Tamro is one hundred years old in 1995. Its centennial emblem (on the cover) communicates the vitality and continuous development of this company, a pioneer in its field. Tamro aims to be a partner that exceeds its customers' expectations. It knows it can only achieve this by taking care of its personnel. The end result of the work is good earnings and profitable business which will keep the owners happy. This is the key to a healthy future, today as in the past.



Key points for the Group

- Distinct improvement in earnings
- Organizational structure streamlined
- Kolmi-Set gains bridgehead in Europe
- Tamda's scope widens
- The Healthy Future business development program

Trend of the divisions

+ Pharmaceutical Distributing Division improved its standing and earnings

+ Strong financial performance by Hospital and Laboratory Division

+ Kolmi-Set reinforced its standing in the Nordic countries and France

+ Good financial performance by Printel

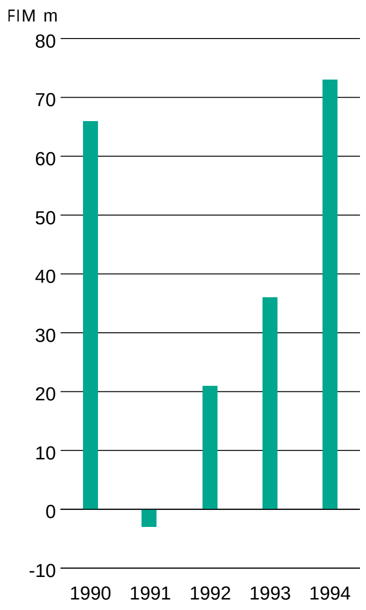
+ Arctos was sold and financing for Castrum was stabilized

– Tamda's trend in earnings on tough markets

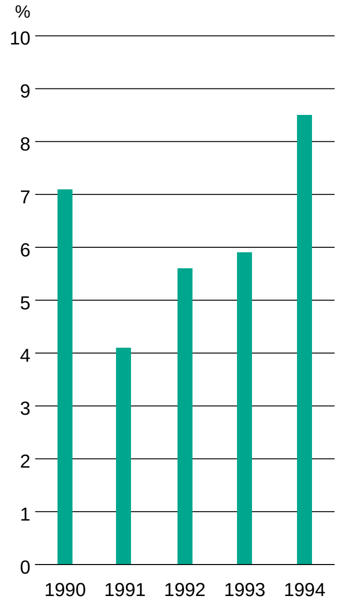
– Sponfinans turned in a weaker financial performance

Financial Highlights		1994	1993
Net sales	FIM m	3,503	3,230
Operating profit	FIM m	100	94
Income after financial items	FIM m	73	36
Profit before taxes	FIM m	90	- 164
Return on investments	%	8.5	5.9
Earnings per share	FIM	1.34	0.68
Equity ratio	%	50.8	43.8
Gross investments	FIM m	102	30
Employees, average		1,362	1,178

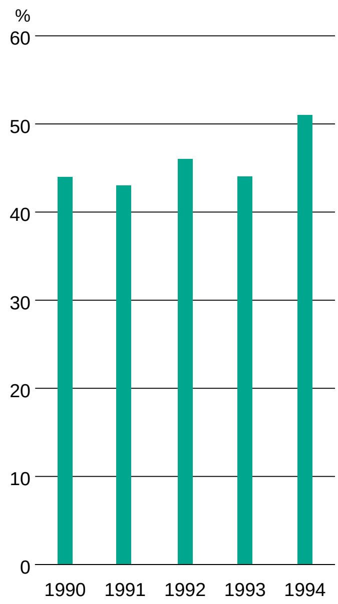
INCOME AFTER FINANCIAL ITEMS



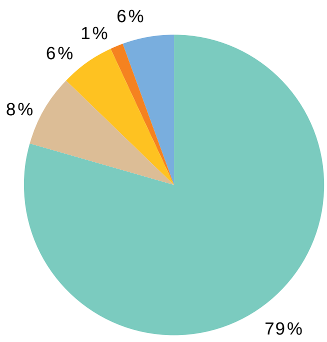
RETURN ON INVESTMENT



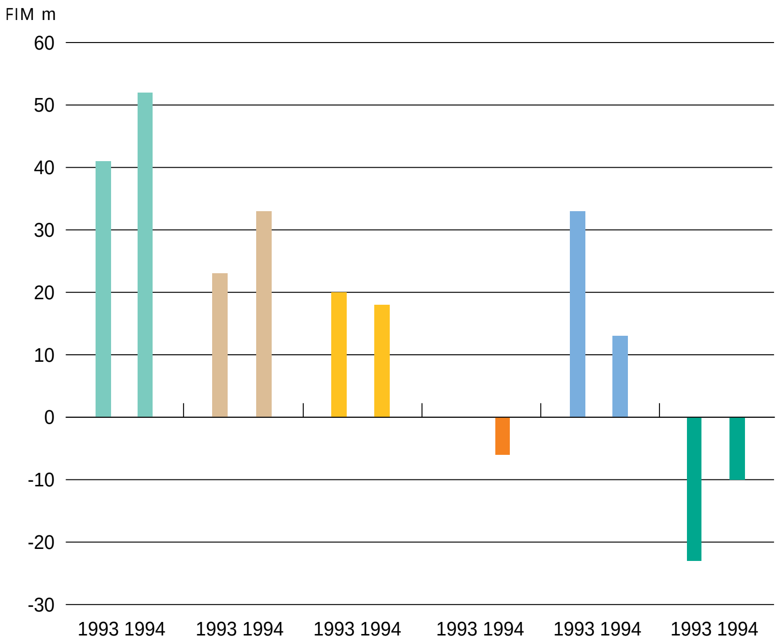
EQUITY RATIO



NET SALES BY PROFIT CENTER 1994



OPERATING PROFIT BY PROFIT CENTER



Pharmaceutical Distributing Division

Hospital and Laboratory Division

Kolmi-Set Division

Tamda Division

Sponfinans Division

Other

REVIEW BY THE PRESIDENT

In 1994, Christmas was celebrated for the hundredth time since Tamro was founded and for the second time since our shareholders decided on May 17, 1993, to concentrate the company's business operations in the field of health care. This was the same decision that our founding shareholders made 100 years ago. Both decisions shaped Tamro's policy for a number of years. Between the two decisions, there have been a number of occasions when another field than health care has been tried out – with varying success. However, it has been Tamro's health-care business that has mostly been healthy throughout.

As a result of the decision made in 1993, Tamro did not practice the manufacturing and marketing of consumer goods during the year under review. Also, during 1994, a preliminary agreement was signed to sell off the securities business, which finally took place in January, 1995. Furthermore, the long-term contract for the financing of Castrum Oy was altered and extended at the end of 1994. By this new contract, Castrum Oy's main owners and leading financial backers put the company's financial position on a stable footing until the end of the millennium. When it is considered that our subsidiaries Printel Oy and LS-Logistics Services Ltd. are in fields of business comparable to health care, there were few business operations or balance sheet items in 1995 left outside our core competence that require action. Health care and quasi-health care accounted for roughly 98 percent of Tamro's net sales and some 84 percent of the balance sheet total.

Within its core business, Tamro practices commercial operations primarily under the names of Tamro Corporation and its subsidiaries, Oy Tamda Ab, Tam-Drug Oy, Printel Oy and LS-Logistics Services Ltd., as well as industrial operations within the framework of Kolmi-Set Oy. One of the priority areas in commercial operations in the Baltic region partly takes the form of cooperation with our Swedish partner, ADA AB. The main thrust in industrial operations is in the development, manufacturing and marketing of disposable sterile surgical textiles and incontinence products for the European market.

In the 1988-92 period, the majority of our investments were mainly targeted on the development of the Pharmaceutical Distributing Division and the Hospital and Laboratory Division, which do most of their business in Finland. We are now capitalizing on these investments for the first few years. At the same time, our primary effort is increasingly turned toward expanding our international business in accordance with the priorities referred to above. Tamda and Kolmi-Set together accounted for 74 percent of gross investment in 1994.

Tamro's core values are customer satisfaction, partnership, appreciation for the personnel, and profitability. It takes control and supervision to keep these values in focus in our everyday business. At Tamro, this takes the form of the Healthy Future development program. In its initial stage, the Healthy Future program covers most of Tamro's operations in Finland. The program's startup has already received positive feedback from our customers, partners and our own employees.

Tamro's profitability in the 1990's has not been up to expectations. The first year of business in which the relative profitability approached the level demanded by our owners was 1994. The return on investment at Tamro for the year under review was 8.5 percent and the profit before appropriations and taxes reached FIM 90 million, in contrast to the heavy losses of previous years. Concentration on the health-care priorities referred to above has created a basis for achieving a level of profitability which is good by international standards. This trend is influenced by the fact that the major deployments have already been made in Finland, and to a large extent also in the Baltic region, and we can now expect to see the benefits on the bottom line. I am convinced that, following its centennial at the beginning of this year, Tamro will be better able to meet the expectations of all interested parties – the owners, customers, partners and its own personnel.

Most health-care costs are paid out of public funds. Most of each mark of Tamro's sales comes out of the taxpayer's pocket in one way or another. The one who pays the bill has every right to demand quality and service to match the price. According to international statistics, Finland has the second-cheapest distribution of pharmaceuticals and health-care products in Europe. We will keep it as our goal to sell ever better services at a lower price. We will succeed in the long run only if our efficiency is on a high level.

The 1994 trend shows that Tamro is getting a strong grip on the market in its area. The growth of our domestic market share and the rapid expansion of our international operations are signs of the confidence in us shown by those around us. I would like to thank, first and foremost, our customers and partners, the owners of our company and its governing bodies, my co-workers and officials. We are in many ways now moving on to a new stage, one that is full of promise. For my part, I would like humbly to express my gratitude for the privilege and the honor of being part of Tamro as it reaches its hundredth year of age.

February, 1995

Matti Elovaara

The Pharmaceutical Distributing Division provides its partners with a competitive advantage in Finland with its health-care logistics systems.

The strategic deployments over the 1989-92 period in market share, new technology and greater nationwide coverage by the distribution network bore fruit in the progress the division made during 1994. Its market position, quality of operations and financial performance all improved. The input of the skilled and seasoned personnel once more made a difference.

Profits improved to a good level The Pharmaceutical Distributing Division reached its targets in all its fields of business. The division's operating profit was FIM 52 million and was up by more than a fourth on 1993. Net sales were up by 8 percent to FIM 2,784 million. Tamro's market share of Finland's pharmaceuticals was 61.5 percent, an increase of 0.7 percentage points.

Pharmaceutical sales in Finland during 1994 amounted to FIM 4.3 billion at wholesale prices, representing an increase of 8 percent. Foreign pharmaceuticals increased their share to 62.6 percent and their increase in sales was 13 percent. Domestic sales of pharmaceuticals grew by less than 1 percent. Sales of foreign generic pharmaceuticals totaled FIM 28 million. Pharmaceutical sales to pharmacies grew by 6 percent and to hospitals by 18 percent. Sales of pharmaceuticals were given a boost by Finland's aging population, patterns in susceptibility, increased noninstitutional care, and innovations in medical treatment.

The Pharmaceutical Distributing Division invested FIM 4 million and it employed 407 people at the end of the year.

Pharmaceutical distribution for people The starting point for streamlining operations is to exceed the customers' expectations. The Healthy Future development program embraces the activities of all Tamro Corporation's divisions and units. During the year, a survey was carried out of the expectations of the customers, partners and employees. Development programs were drawn up on the basis of this work. The aim is to analyze, measure and change operations with the aim of ensuring customer satisfaction and competitive edge. Teamwork and capitalizing on the skills of all the personnel are of paramount importance to this project.

All fields of operation and departments found a distinct downturn in the number of quality deviations during 1994. Stabilizing quality at a favorable level was ensured with security and maintenance programs. District Advisory Boards and the Principals' Advisory Board made a positive input into work to develop quality and customer service.

Tamro is your partner Tamro has developed an operational model with the name "Managed Distribution". It is a system whereby customers are given a competitive advantage in pharmaceutical distribution. Working together, roles are assigned in the line of command for pharmaceutical logistics, and Tamro concentrates on attending to the growing needs of marketeers in addition to its traditional distribution services. In 1994, special attention was paid to action to promote marketing, training, and communication and info services.

Logistical development projects were started, not only with numerous partners but also in respect of flows of information and goods. These underpinned competitive edge on the pharmaceuticals markets in the Baltic region in respect of logistics. A logistics training day was held for partners in March.

Tamro's independent telephone marketing service received a warm welcome in supporting the partners' marketing efforts.

The partners participated in training days and special theme days held with staff from pharmacies and hospital dispensaries.

Unassumingly for the customer Operational quality development was reinforced by stepping up the number of customer service staff. The intention was to guarantee fulfillment of the customer's needs, both for products and for services. The new resources were targeted on pharmacy sales, field sales and hospital supply sales, and training.

Working seminars were held with pharmacists and hospital dispensary staff. Solutions for problems were sought. Of the numerous sessions held for customers, the biggest were the Pharmacists' Days in the spring and the Pharmacy Days in the fall.

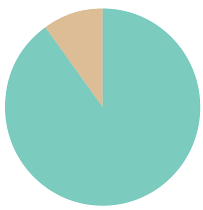
Customer training and communications were boosted. The biggest project of 1994 was the launch of the Pharmacy Institute, which provides pharmacists and chief dispensers with opportunities for training in running a business.

Outlook for 1995 At the beginning of 1995, Finland became a member of the European Union. This will not in itself mean any great changes to pharmaceutical distribution, but it does require greater vigilance against competition. Many of the points referred to above give reason for confidence in increased sales of pharmaceuticals in 1995. Our success depends on us.

Among the goals for 1995 are sustaining the profitability we have attained and implementing the Healthy Future development program. In addition to a customer-centered way of working, our priority areas are systems development programs with our customers and raising our employees' job satisfaction.

	1994	1993
Operating profit (FIM m)	52	41
Net sales (FIM m)	2,784	2,585
Contribution to Group sales (%)	79	80
Investments (FIM m)	4	5
Employees	407	414

DISTRIBUTION OF SALES
Pharmaceuticals 89%
Other 11%



The Hospital and Laboratory Division markets and services products used by health-care institutions and laboratories for research, education and industrial purposes.

The total market in the division's field of business grew only during the second half of the year. Growth amounted to only about 6 percent.

The Hospital and Laboratory Division's operating profit amounted to FIM 33 million and was up by 43 percent. The division's net sales grew by 12 percent to reach FIM 273 million.

All departments exceeded their sales and financial performance targets and the division expanded its market share in Finland.

During the year, 11 new employees were hired for marketing work, and the payroll stood at 127 at the end of the year.

Improvements in customer satisfaction We have carried out a broad-based training program involving all our personnel. The program's main goal was to understand the needs of our customers for both today and the future. Our people took part in this change with eagerness and commitment. Feedback from customers indicates that it was a step in the right direction, and surveys show an increase in customer satisfaction.

Our new principals are convinced that Tamro is the right marketing channel for them in Finland, the Baltic states and the St. Petersburg region.

Medipart develops The department expanded its net sales of hospital supplies by 15 percent.

In many product groups, we succeeded in cooperation with our customers to develop overall economy solutions that promoted the growth of the department's market share. Delivery capability and reliability were enhanced considerably during the year as a result of action taken to effect improvements.

At the end of the year, a contract was made for the marketing in Finland of small diagnostic equipment made by Welch Alley Inc. as of January 1, 1995.

Apta's new products Apta made new marketing contracts with leading manufacturers in the trade. The main contracts are with CEM Corporation (microwave cauterizing instruments), Janke & Kunkel GmbH (Ikaverk small items for laboratories), and Whatman International Ltd (gas generators).

The market share was expanded for laboratory diagnostic products and basic laboratory equipment in particular. Apta's net sales grew by 16 percent.

Hospital Equipment Department strengthened its position The Hospital Equipment Department reinforced its standing as one of the biggest suppliers of equipment for health-care in Finland. Sales of equipment for operating rooms and intensive care tripled in 1994.

The marketing of orthopedic products was launched on July 1, 1994. Our Swiss principal, Allo-Pro AG, manufactures products including knee and hip prosthetics.

The X-ray Department started sales of X-ray equipment, computer plotters and magnetic imaging equipment manufactured by Shimadzu on April 1, 1994. The agency supports and complements Fuji's digital plate imaging systems, sales of which once again exceeded the target.

The trend for products in the field of procedural radiology and cardiology continued at a brisk pace and sales growth was over 10 percent.

The department's net sales grew by 17 percent, well above the targeted figure.

Attention on quality in Kemia Further progress was made in consolidating the market position of the laboratory supplies and research chemicals marketed by Kemia. The department's net sales were up by 6 percent.

The most rapid growth in sales was in the specialty product groups such as chromatography, biotechnology and lab safety products.

In collaboration with the manufacturers, quality documentation for products was improved in line with customers' needs. The department deployed efforts in systematic marketing, enhancing customer satisfaction, and the use of information technology.

Equipment maintenance vital to sales Equipment maintenance is an important part of our customer services. Keeping the customer's equipment operational is an essential precondition for successful sales. During the year under review, we upgraded our working methods by paying even closer attention to our customers' wishes and by channeling more resources toward development aims.

The department's net sales increased by 31 percent.

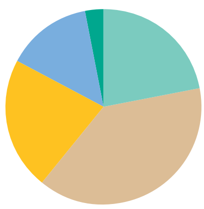
Outlook for 1995 Demand for hospital and laboratory products is expected to grow a little in 1995. We will continue to improve customer satisfaction and thus expand our market share in selected priority areas. We believe our profitability will be maintained at the 1994 level although we are deploying greater effort in marketing in St. Petersburg and the Baltic states in 1995.

We do not think Finland's accession to the EU will greatly affect the purchasing decisions in our line of business in Finland.

	1994	1993
Operating profit (FIM m)	33	23
Net sales (FIM m)	273	243
Contribution to Group sales (%)	8	8
Investments (FIM m)	4	1
Employees	127	116

DISTRIBUTION OF SALES

Hospital Equipment 22%
Medipart 39%
Apta 22%
Kemia 14%
Other 3%



Kolmi-Set develops, manufactures and markets disposable sterile and hygiene products for hospitals and institutions in Europe.

The Kolmi-Set Division enjoyed vigorous growth and internationalization in 1994. With roughly a 10 percent market share, Kolmi-Set is the third biggest on the European market for disposable hospital textiles. The company's goal is to be one of the two biggest on the European market by the turn of the millennium. The natural area for growth, after Scandinavia, is continental Europe.

A year of growth and internationalization The Kolmi-Set Division's sales grew by 53 percent and totaled FIM 209 million. The trend in financial performance remained at the favorable level of the previous year and the operating profit amounted to FIM 18 million. All the profit centers exceeded their targeted earnings, with the exception of protective clothing. The company based in France operated at a loss.

Much of the sales growth was generated by a corporate acquisition in France. Purchased from the Bolloré Group in June, the name of the company, which makes surgical textiles and protective clothing, was changed to Kolmi-Set S.A. The company has a comprehensive sales network in France and holds a 20 percent market share in the French market for hospital textiles. It is also Europe's biggest manufacturer of protective clothing.

In Scandinavia, the most vigorous growth was in Sweden, at 86 percent, and Norway with 31 percent. Kolmi-Set also has its own sales personnel in Estonia. Sales personnel will be hired in Latvia and St. Petersburg in 1995. The distribution of products in these countries goes through Tamda, which is owned by the parent company.

Exports and international business generated 60 percent of total sales and rose to FIM 133 million.

Capital expenditure totaled FIM 70 million, of which FIM 55 million was accounted for by the aquisition of the French company. The remainder, FIM 15 million was mainly used for purchasing production machinery.

At the end of the year, the division had 374 employees, 141 more than in 1993. Of the personnel, 39 percent work outside Finland.

Dynamic growth for surgeon's gowns Sales of surgical textiles grew by 31 percent. The market share in Scandinavia expanded to 30 percent. A corporate acquisition in France reinforced the division's positions in continental Europe. The most successful new product was an angiography package, and sales of a surgeon's gown also grew very well. A contract with the city of Gothenburg will mean deliveries of some 80,000 surgeon's gowns a year. Sales to 3M continued on a favorable track and the collaboration is continuing, with a few regional revisions. Subcontracting was expanded in Sortavala, Russia, and new subcontracting contacts were opened up in Estonia. Surgical textiles are manufactured both in Ilomantsi, Finland and in Angers, France, but future investments for surgical textiles will be made in Ilomantsi.

Europe's biggest maker of protective clothing The acquisition of the French company dramatically boosted market share and greatly augmented the division's expertise on protective clothing. The company has a market share of about 40 percent in France, and it exports to several countries in Europe and Africa. The Angers factory will concentrate in the future on the production of automatically manufactured protective clothing. Sales of products for institutions in Finland went into a modest upswing after many years of recession.

Improvements in incontinence products Sales of incontinence products grew by 29 percent and sales developed according to plan. Positions in all the Scandinavian countries were successfully reinforced in the course of 1994.

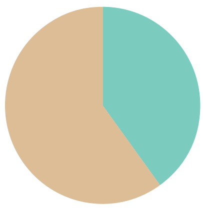
Sales of all-in-one diapers continued to grow apace. The structure of the shaped diaper has been modified in line with customers' wishes. The compression packing line purchased to handle the dense packing required for shaped diapers came on line in November, as did an automatic shaped diaper boxing line. A production line for a new bed diaper was completed for test production at the end of the year. Test marketing of the diapers will be carried out in France during the first half of 1995.

New information system serves internationalization During the year an investment program was carried out to modernize the company's database system. The project was based on the recognition of the company's core processes and their improvement. The personnel participated in this, the largest development and training event in the history of the company. The system is expected to support the company's internationalization in particular. In the course of 1995, all the Scandinavian subsidiaries will be linked up to this system.

Future prospects The economic recovery that marked the closing months of 1994 in the main European countries is likely to gather momentum in 1995. As a result, raw material prices have gone into a steep climb. The price rises in Kolmi-Set's essential raw materials, pulp and plastic, have been exorbitant. A change in the Finnish mark's exchange rate is also a cause for uncertainty. However, there is every reason to suppose that heavy commitment to R&D and marketing will compensate for rising costs and that they will ensure an increased market share in 1995 as before.

	1994	1993
Operating profit (FIM m)	18	20
Net sales (FIM m)	209	137
Contribution to Group sales (%)	6	4
Foreign sales (FIM m)	133	63
Investments (FIM m)	70	11
Employees	374	233

DISTRIBUTION OF SALES
Surgical textiles 50%
Incontinence products 25%
Protective clothing 25%



INTERNATIONAL OPERATIONS
Scandinavia 40%
Other Europe 60%

Tamda is a wholesaler that sells pharmaceuticals, health-care products and high-quality distribution services inthe Baltic states and the St. Petersburg area of Russia.

Tamda has its second real year in business in 1994. Operations were developed in Estonia and Latvia and business was started in Lithuania and St. Petersburg. The division's product range was augmented by a considerable number of new cooperation agreements with pharmaceutical manufacturers in Eastern Europe as well as, increasingly, with Western manufacturers.

The Tamda Division's net sales totaled FIM 48 million and its operating loss amounted to FIM 6 million.

The total personnel strength of the division was 212 people at the end of the year.

Oy Tamda Ab Oy Tamda Ab is the parent company for all the subsidiaries and affiliates operating in the Baltic states. It is primarily a holding company. It also coordinates and controls the business of the subsidiaries as well as the operations of Tamro subsidiary Pharm Tamda 77, which was established in St. Petersburg.

The following shareholding arrangements were made in the course of 1994: all the holdings of minority stockholders in AS Pharos were bought out in return for an equal nominal value of shares in Tamda Eesti AS. Tamda's stake in Medikamentu Lieltirgotava & Tamda SIA rose to roughly 60 percent and it became a Tamda subsidiary. Tamda Lithuania's share capital was raised, and some of the increase went into effect during 1994. Pharm Tamda 77, which is a subsidiary of Tamro Corporation based in St. Petersburg, was also established in 1994.

The personnel strength at the end of the year was 6 people.

Estonia At the beginning of the year, the business and organizations of Tamda Eesti AS and AS Pharos were merged, since when Tamda Eesti AS has practiced the actual business. AS Pharos operates as a building management company and it employs no personnel.

The market for pharmaceuticals did not develop as anticipated. Reforms of the sickness insurance system, slow progress in registering pharmaceuticals and the unexpectedly slow pace at which Western factories have been established led to a situation in which budgeted sales were not achieved during the early part of the year. It was only during the closing months of 1994 that sales attained the budgeted level.

The personnel strength at the end of the year was 48 people.

Latvia The year under review was ML & T SIA's first full year in business. The organization and working methods were developed and major renovations were performed on the business premises, including a refurbishment of the warehouse to Western GMP standards. The product range was augmented and the distribution of hospital supplies was started.

The company fell short of its sales targets as the market developed much more slowly than anticipated. Among the reasons for this were international medical aid, gray markets and the absence of a reimbursement scheme for medicines, coupled with poor overall economic development. Toward the end of the year, the budgeted level of monthly sales was achieved.

The personnel strength at the end of the year was 104 people.

Lithuania After the expiry of a joint venture contract with Kaunas Medical Warehouse, a joint working agreement was signed with the same company under the terms of which business continued until the end of the year. Tamda Lithuania was activated and people were hired for it, premises were found and the product range was augmented. Other steps were taken to empower the company to handle business by itself from the very start of 1995.

Because of the late start-up of business, sales targets were not met. The personnel strength at the end of the year was 7 people.

St. Petersburg Pharm Tamda 77 was started in June and business was commenced at the end of summer. The company's business premises were inaugurated in November. There were difficulties in obtaining the necessary operating permits, but all the necessary licenses were received by the end of the year. Constantly changing legislation and regulations caused delays in augmenting the product range, but in other respects business got off to a start as planned, although rapid inflation caused problems of its own.

The personnel strength at the end of the year was 47 people.

Outlook for 1995 At the outset of 1995, the Tamda Division is the only pharmaceutical and health-care distributor with its own companies up and running and business operations in all the Baltic states and the St. Petersburg region. The state of affairs and conditions are very different in these countries, but the work of getting established has been done. Toward the end of 1994 a market share of over 20 percent was reached in Estonia and Latvia, so business in 1995 will be built on a considerably stronger foundation than one year previously. Conditions appear to be improving, especially in the Baltic states.

	1994
Operating loss (FIM m)	- 6
Net sales (FIM m)	48
Contribution to Group sales (%)	1
Foreign sales (FIM m)	48
Investments (FIM m)	5
Employees	212

The policy of selling off non-health-care business was continued during 1994. A letter of intent was signed in November according to which the Arctos Group was transferred, following a stock transaction that took place in 1995, to the ownership of the Thomesto Group. The other major event of the year was a financing agreement, concerning the affiliate Castrum Oy, which was made at the end of the year. At the start of 1995, Printel Oy was merged with the Hospital and Laboratory Division and LS-Logistics Services Ltd. was merged with the Pharmaceutical Distributing Division, and these are now a part of the Group's core business.

The division's net sales were down by 6 percent on the previous year at FIM 190 million. Operating profit was FIM 13 million, as against FIM 33 million in 1993.

Printel Printel Oy's net profit, FIM 11 million, and operating profit, FIM 13 million, were almost double the previous year's figures. The improvement in earnings was due to cost-cutting measures and increased net sales.

Net sales were up 10 percent to FIM 107 million. Because of the straitened circumstances public bodies were in, competition became even tougher in both fields of business, educational supplies and special forms. The work begun in previous years to sell a wider range of form supply services to new customers achieved results. Project exports to Russia of educational and daycare supplies were started. The volume of business was also increased by printing work in connection with a structural change in the banking system.

The number of employees declined by four during the year and was 58 at the end of December.

Demand from the public sector will continue to be muted in 1995. A combination of higher costs and the nonrecurring projects that boosted profits in 1994 are likely to make it difficult to achieve such exceptionally good results as in 1994.

LS-Logistics Services As was anticipated, LS-Logistics Services Ltd.'s net result was still in the red, constituting a loss of FIM 1 million, compared with a loss of FIM 2 million in 1993. The net sales for fiscal 1994 were FIM 9 million, as the year before. The company's field of business is to generate various logistical services to assist companies' materials operations. The goal for the fiscal year - to diversify the service concept - had little impact on the financial result or volume of business as yet.

The company employed 29 people at the end of the year.

The objective set for 1995 is to expand the customer base and to enhance service capability, and with the aid of these to attain a distinct improvement in earnings.

Tammermatic Oy Tammermatic Ab's operating profit doubled and was FIM 4 million. Net sales rose to FIM 53 million, which was a 12 percent increase. Exports once again contributed a large slice of this, 84 percent. The change in demand for the company's products varied greatly between different market areas. The more than three-year decline in demand in the main markets of the UK, Sweden and Finland bottomed out, but they were still only about half of the normal level of investment in replacements in Sweden and Finland.

The prolonged readjustment of the company's business to a low cost level on a weak market made itself felt as an improvement in profitability as the volume of business began a distinct increase.

The company had 95 employees at the end of the year.

The continuing shakeout on the market and in exports make it difficult to forecast the trend in profits for 1995.

Arctos Arctos's operating profit amounted to FIM 2 million, as against FIM 11 million in 1993. Net sales declined from FIM 31 million in 1993 to FIM 19 million. The number of employees at the end of the year was unchanged at 27.

The issued stock of the Arctos Group owned by the parent company was reassigned to the Thomesto Group in a transaction that took place in January 1995. As Arctos Corporate Finance Oy was the subject of a management buyout in June, the Tamro Group has withdrawn completely from business connected with the securities market.

The affiliated company Castrum and other investments Sponfinans's second sphere of operations comprises the management of the assets under its control. The combined book value of these investments was FIM 187 million at the end of 1994. Among the more noteworthy items were FIM 104 million invested in Castrum Oy, FIM 14 million in Martela Oy, and FIM 59 million in investments in real property.

Castrum is a stock-exchange listed real estate development company. Its equity is 49.5 percent owned by the Tamro Group.

On December 30, 1994, Castrum made a five-year financing agreement that will maintain the company's financing at its present level until the end of 1999. Tamro, acting in concert with the other main owners, also underwrote Castrum's convertible bond issue in the amount of FIM 52 million. Tamro's share of the underwriting is FIM 30 million. The contractual arrangements released Tamro from guarantee liabilities and a remaining cash flow guarantee totaling FIM 11 million.

The additional investment, amounting to some FIM 12 million, will protect the capital value of the Castrum investment for the Tamro Group. It will also mean an improvement in Castrum Oy's trend in earnings as its loss is decreased.

Castrum again posted a net loss. The loss for the fiscal year, FIM 25 million, was substantially smaller than last year's loss of FIM 85 million because there was no longer any necessity to write down real estate values.

The company will post a loss in 1995 also. However, both the company's cash flow and its financial performance will improve tangibly as the financing agreement will reduce net financing costs by some FIM 8 million.

Realization of assets In 1994, Sponfinans continued to realize its real estate investments, to protect the interests of its holdings, and to disburse its various liabilities.

A total of FIM 32 million was posted as expenses against Sponfinans's asset items in the 1994 financial statements. FIM 52 million was entered in extraordinary income as a result of the realization of the company's assets, the liquidation of liabilities, and from the restoration of previous expense entries. The main items were an adjustment of the Speditor acquisition price being FIM 18 million, and the FIM 12 million Group's share of the damages ordered by Helsinki District Court to be paid to Convector International by Cast-Rixa Oy and its shareholders. Scantrailer Group, of which the Tamro Group had a 34.9 percent shareholding,

drifted into bankruptcy in February, 1994. All the relevant investments and liabilities were booked as expenses by the Group in 1993.

The realization of Sponfinans's assets will continue in 1995. They are no longer expected to have a major effect on the Group's financial performance.

	1994	1993
Operating profit (FIM m)	13	33
Net sales (FIM m)	190	201
Contribution to Group sales (%)	6	6
Foreign sales (FIM m)	48	35
Investment (FIM m)	4	4
Employees	211	214

Share capital

Tamro Corporation's share capital is FIM 480 million and was not changed in 1994.

The annual general meeting of May 3, 1994, voted in favor of the Board of Directors' proposal for a FIM 3.6 million targeted issue of warrant bonds to the employees of the Finnish companies in the corporation's core business area and to the members of Tamro Group Ltd.'s Board of Directors. The preemptive right of shareholders was bypassed because the warrant bonds were intended to form part of a personnel incentive scheme. The issue was targeted in accordance with the Board's proposal as of May 16, 1994, and it was fully subscribed. The interest rate on the bonds is 5 percent and they mature in five years. The warrants confer entitlement to subscribe Tamro Corporation shares in such a way that the 1,000 warrants attached to each FIM 1,000 certificate bestow entitlement to subscribe 1,000 shares with a par value of FIM 10 at a subscription price of FIM 23 between December 1, 1998, and January 31, 2000. Tamro Corporation's equity may increase by a maximum of 3,600,000 shares or FIM 36 million as a result of the issues.

The annual general meeting authorized the Board of Directors to decide on raising the share capital by a maximum of FIM 96 million and/or issuing convertible and/or warrant bonds. The authorization includes an entitlement to bypass shareholders' preemptive rights. The authorization is valid until May 25, 1995.

Warrant bond issue 1/1987 (FIM 142.1 million) matured on October 24, 1994. The holders of the warrants opted not to exercise their subscription rights in 1994.

At the beginning of 1990, an offer was made to repurchase the FIM 50 million targeted issue of convertible bonds dating from February 15, 1989, to the Group's personnel. FIM 0.8 million of the convertible bonds, conferring entitlement to subscribe 16,200 shares at an issue price of FIM 50 valid until May 31, 1995, is still unrepurchased. The bonds carry an interest rate of 10 percent and mature on May 15, 1995.

Share Issues

Share issue	Date of payment	Number of shares issued	Issue price FIM	Total number of shares	Capital stock FIM 1,000
Targeted	Nov. 26, 1984	1,956,800	50	2,000,000	100,000
Targeted	Dec. 16, 1984	900,000	50	2,900,000	145,000
Targeted	Jan. 17, 1985	800,000	60	3,700,000	185,000
Targeted	Oct. 1, 1985	302,500	68	4,002,500	200,125
Targeted	Oct. 31, 1985	50,000	80	4,052,500	202,625
Targeted	Apr. 17, 1986	324,675	77	4,377,175	218,859
Targeted	Oct. 31, 1986	1,200,000	-	5,577,175	278,859
Conversion [1]	April 27, 1987	100,000	50	5,677,175	283,859
Bonus issue	April 29, 1987	1,135,435	-	6,812,610	340,631
Conversion [2]	Aug 19, 1987	291,600	-	7,104,210	355,210
Targeted	Dec. 18, 1987	194,438	-	7,298,648	364,932
Targeted	April 11, 1988	234,000	-	7,532,648	376,632
Warrant bond 1/87	Oct. 31, 1988	965	225	7,533,613	376,681
Targeted	Oct 31, 1988	909	279	7,534,522	376,726
Targeted [3]	Jan. 3, 1989	350,000	246	7,884,522	394,226
Change in par value	April 17, 1989			39,422,610	394,226
Share issue	April 17, 1989	8,625,977	30	48,048,587	480,486
Warrant bond 1/87	Oct. 31, 1989	450	45	48,049,037	480,490

1) Issued on November 2,1984 2) Issued on March 4, 1986 3) Subscription date December 30, 1988, entered in capital account December 31,1988

Major Shareholders on December 31, 1994

Shareholder	Holding	Percentage holding %
1. Unitas	9,345,502	19.4
2. Sampo Group	6,232,530	13.0
3. Orion	5,260,000	10.9
4. OKOBANK	3,479,904	7.2
5. PensionVarma	1,472,000	3.1
6. Kansallis-Osake-Pankki	489,500	1.0
7. Nova Life Ins. Company	440,000	0.9
8. Veikko Laine Oy	430,000	0.9
9. SYP-Invest Oy	400,000	0.8
10. Placeringsfonden Gyllenberg Finlandia	364,000	0.8
Others	20,135,601	41.9
Total	48,049,037	100.0

Management shareholding

The members of the company's Supervisory Board and Board of Directors and the Managing Director had combined holdings at the end of the year under review amounting to 38,680 Tamro Corporation shares and 560,000 warrants from the 1994 warrant bond issue. Their holdings amounted to 0.08 percent of the shares and voting rights. If the warrants are exercised, the above-mentioned holdings of shares and warrants will amount to 1.16 percent of the company's shares and voting rights.

The Group's other management correspondingly held a total of 15,766 Tamro Corporation shares and 400,000 1994 warrant bond issue warrants at the end of 1994.

Shareholding on a numerical basis (in a book-entry securities system on December 31,1994)

Number of shares		Shareholders	Number of shares and voting rights	Percentage of shares and voting rights
1 -	500	5,835	1,138,153	2.4%
501 -	1,000	1,653	1,268,863	2.6%
1,001 -	5,000	1,861	4,273,225	8.9%
5,001 -	20,000	355	3,313,001	6.9%
20,001 -	50,000	45	1,562,480	3.3%
50,001 -	500,000	41	7,076,286	14.7%
500,001 -		12	28,036,656	58.4%
Shares not yet registered in the book-entry securities system			1,380,373	2.9%
Total		9,802	48,049,037	100.0%

Distribution of shareholding by type of shareholders, December 31,1994

Type of shareholder	Shareholders		Shares	
	Number	%	Number	%
Households and private individuals	8,968	91.5	9,043,602	18.8
Enterprises	521	5.3	11,126,003	23.2
Financial institutions	135	1.4	21,417,877	44.6
Nonprofit corporations	128	1.3	1,820,051	3.8
Foreign shareholders	44	0.4	75,461	0.2
Public bodies	2	0.0	9,150	0.0
Administratively registered holdings	4	-	3,176,520	6.6
Shares not yet registered in the book-entry securities system	-	-	1,380,373	2.9
Total	9,802	100.0	48,049,037	100.0

The Book-entry Securities System

The Board of Directors decided to transfer the company's stock to a book-entry securities register in accordance with the resolution passed at Tamro Group Ltd's extraordinary general meeting of February 7, 1994. The transfer took place during the notification period (October 3, 1994 - October 28, 1994) when a total of 95.9 percent of the shares were transferred to book entries, and after this period they were registered as secondary entries. By the end of the year, the percentage of shares transferred to the book-entry securities system was 97.1 percent in all, or 46,668,664 shares.

When shares are transferred to the book-entry securities system, the share certificates are surrendered and the holdings are registered in a personal book-entry account. Book-entry accounts are kept in book-entry securities registers by various banks and investment brokerage firms as well as by the Central Share Register of Finland Cooperative.

In accordance with the Companies Act, only those shareholders whose shares are on a book-entry securities system are entitled to draw dividends and participate in share issues. Shareholders whose shares have been transferred to a book-entry securities system are entitled to attend company meetings, as are those whose shareholdings were registered in the company's share register before the notification date (October 28, 1994) and who have possession of the untransferred share certificates on the day of the meeting.

Securities market

The turnover of shares on the Helsinki Stock Exchange increased by 48 percent on the previous year and totaled FIM 68.7 billion (FIM 46.3 billion in 1993). The HEX share index rose by 16 percent during the year, rising from 1582 at the beginning of the year to 1842.7 by the end. The daily closing index of the HEX index reached its high of 1971.9 on February 2, 1994, and its low of 1601 on January 3, 1994. The 'Other Services' industry-specific index rose by 23 percent in the course of 1994.

The market capitalization of the shares traded on the Helsinki Stock Exchange was FIM 181 billion at the end of 1994. The market capitalization rose by 33 percent on the previous year. Ten companies joined the Helsinki Stock Exchange list in 1994 and three were delisted.

Share price and turnover

The price of Tamro shares went up from FIM 17.80 at the end of the previous year to FIM 22, a rise of 23.6 percent. This is in line with the annual rise in the 'Other Service' industry-specific grouping. The share reached its high, FIM 27.50, on February 2 and hit its low of FIM 18 at the beginning of the year. At the end of the year, the market capitalization of the company was FIM 1,057 million.

Tamro shares were traded briskly throughout the year, although it did not reach the 1993 record level of trading. The turnover of shares totaled 18.3 million (38.15 percent) with a value of FIM 414.9 million.

Share information

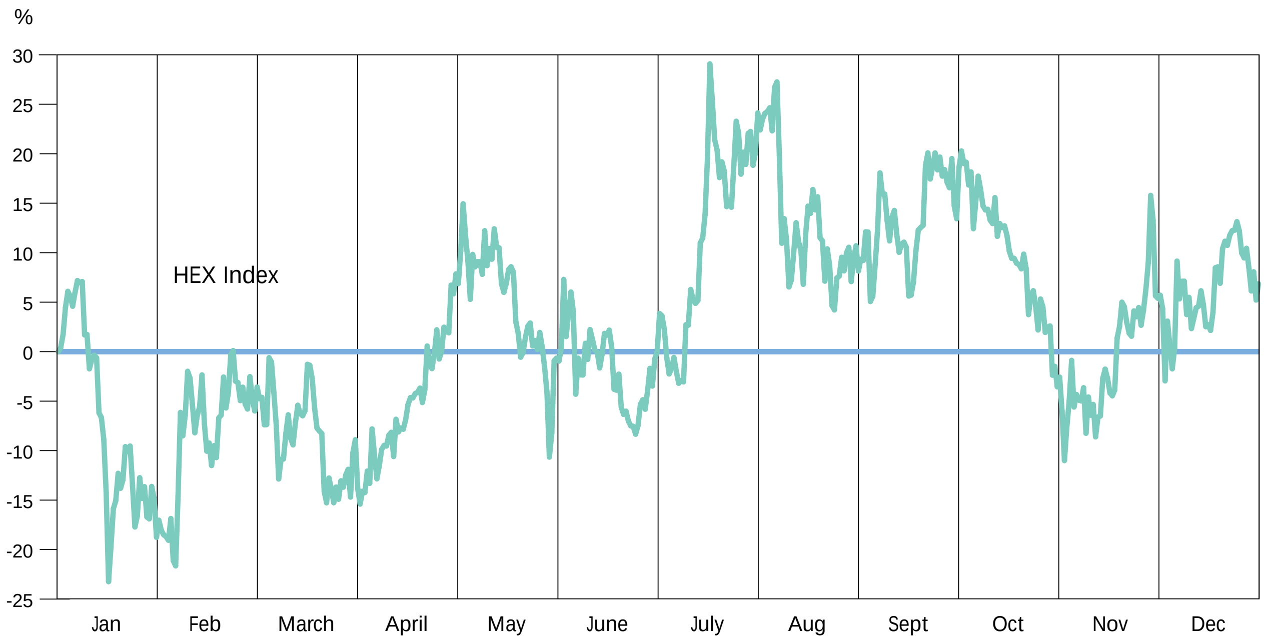
		1994	1993	1992	1991	1990
Share capital (1,000,000 shares)						
Number of shares (par)						
- closing balance		48.0	48.0	48.0	48.0	48.0
Number of shares (adjusted for share issue)						
- closing balance		48.0	48.0	48.0	48.0	48.0
- closing balance including warrant bond issue 1994		51.6	48.0	48.0	48.0	48.0
- average		48.0	48.0	48.0	48.0	48.0
Per-share profit and P/E multiple						
Earnings per share	FIM	1.34	0.68	- 0.67	- 1.58	0.95
P/E multiple		16	26	neg.	neg.	25
Per-share net assets, dividend and yield						
Equity and untaxed reserves per share	FIM	19.20	17.80	21.40	23.50	30.70
- change	%	8	- 17	- 9	- 23	1
Dividend per share	FIM	0.50 [1)]	0.00	0.00	0.00	1.50
Nominal dividend per share	FIM	0.50 [1)]	0.00	0.00	0.00	1.50
Effective dividend yield	%	2.27	0.00	0.00	0.00	6.25
Share trading volume and prices						
Trading volume	FIM m	415	561	63	94	285
Trading volume	1,000 shares	18,331	38,783	8,102	4,504	9,952
Turnover of shares	%	38	81	17	9	21
Share prices						
- closing price	FIM	22.00	17.80	6.20	9.50	24.00
- high for the year	FIM	27.50	19.60	13.00	27.50	33.00
- low for the year	FIM	18.00	6.30	3.40	9.50	22.60
Market value of capital stock	FIM m	1,057	855	298	456	1,153
Par value	FIM	10.00	10.00	10.00	10.00	10.00
Number of shareholders		9,802	13,262	13,326	13,309	13,267

[1)] Proposal of the Board

INFORMATION ON TAMRO'S SHARES

SHARE PRICE AND TRADING VOLUME OF TAMRO'S SHARES IN 1994

TAMRO'S SHARE PRICE IN COMPARISON WITH THE HEX INDEX 1994



		1994	1993	1992	1991	1990
Net sales	FIM m	3,503	3,230	3,118	3,380	3,594
Oper. profit before depreciation	FIM m	157	160	122	108	219
Oper. profit before depreciation	%	4.5	5.0	3.9	3.2	6.1
Operating profit	FIM m	100	94	46	22	144
Operating profit	%	2.9	2.9	1.5	0.6	4.0
Income after financial items	FIM m	73	36	21	- 3	66
Profit before taxes	FIM m	90	- 164	- 137	- 235	260
Liquid assets	FIM m	71	186	205	199	426
Interest-bearing debts	FIM m	245	404	667	751	1,111
Invested capital	FIM m	1,174	1,266	1,705	1,924	2,607
Share capital	FIM m	480	480	480	480	480
Shareholders' equity						
+ untaxed reserves	FIM m	925	856	1,035	1,168	1,474
Balance sheet total	FIM m	1,828	1,992	2,261	2,711	3,410
Funds generated from operations	FIM m	160	57	46	81	39
Gross investments	FIM m	102	30	19	160	433
Employees, average		1,362	1,178	1,371	1,584	2,409
Return on investment	%	8.5	5.9	5.6	4.1	7.1
Return on equity	%	7.0	3.7	1.8	- 0.2	3.0
Equity ratio	%	50.8	43.8	45.9	43.3	43.9
Current ratio	%	1.5	1.3	1.8	1.4	1.5
Earnings per share	FIM	1.34	0.68	- 0.67	- 1.58	0.95
Net assets per share	FIM	19.20	17.80	21.40	23.50	30.70
P/E multiple		16	26	neg.	neg.	25

Calculation of key ratios

Liquid assets = Group liquid assets + marketable securities included in current assets + money market deposits in other receivables + convertible bonds in current assets

Invested capital = Balance sheet total - interest-free liabilities - obligatory reserves (average for year)

$$\text{Return on investment (\%)} = \frac{\text{Profit after financial items + interest expense + other financial expenses}}{\text{Invested capital, average}} \times 100$$

$$\text{Return on equity (\%)} = \frac{\text{Profit after financial items - corresponding taxes}}{\text{Shareholders' equity + reserves + average minority interest}} \times 100$$

$$\text{Equity ratio (\%)} = \frac{\text{Balance sheet equity + reserves + minority interest}}{\text{Balance sheet total - advances received}} \times 100$$

$$\text{Current ratio} = \frac{\text{Financial assets + inventories}}{\text{Current liabilities}}$$

$$\text{Earnings per share (FIM)} = \frac{\text{Profit after financial items - corresponding taxes - minority interest}}{\text{Average number of shares (adjusted)}}$$

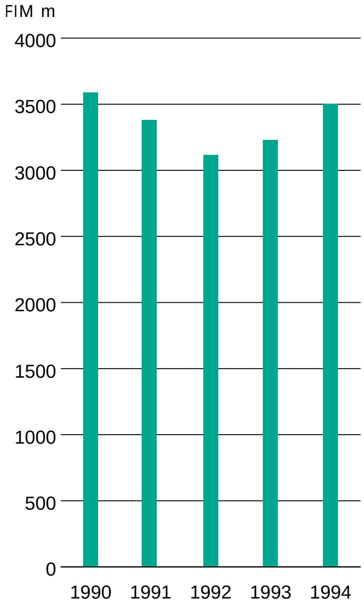
$$\text{Net assets per share (FIM)} = \frac{\text{Shareholders' equity + reserves}}{\text{Number of shares at year's end (adjusted)}}$$

$$\text{P/E multiple} = \frac{\text{Stock market price on Dec. 31/share issue coefficient}}{\text{Earnings per share}}$$

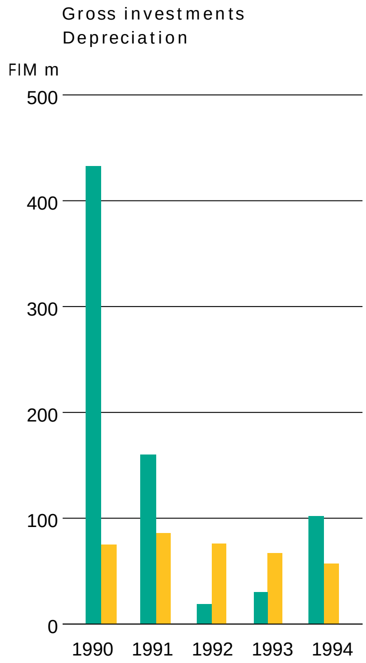
The information from the financial statements for 1990-92 has not been adjusted in line with the information based on the new Accounting Act. Because of the treatment of tax debt, however, the information is mostly comparable, with the exception of the share in affiliates' profits, which is, however, taken into account in the calculation of the key share indicators for 1991-92. Since 1993 the reserves have been included in shareholders' equity

The effect of the dilution of the number of shares by warrant bonds has not been figured in as subscription can only begin on December 12, 1998.

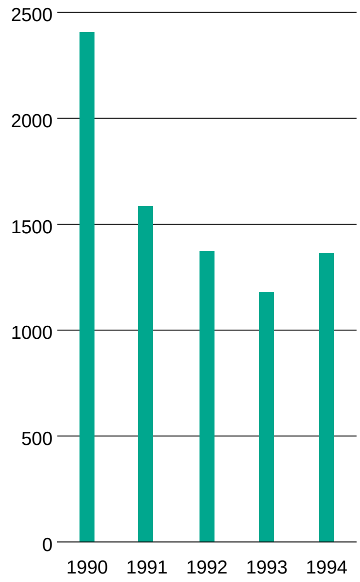
NET SALES



GROSS INVESTMENTS AND DEPRECIATION

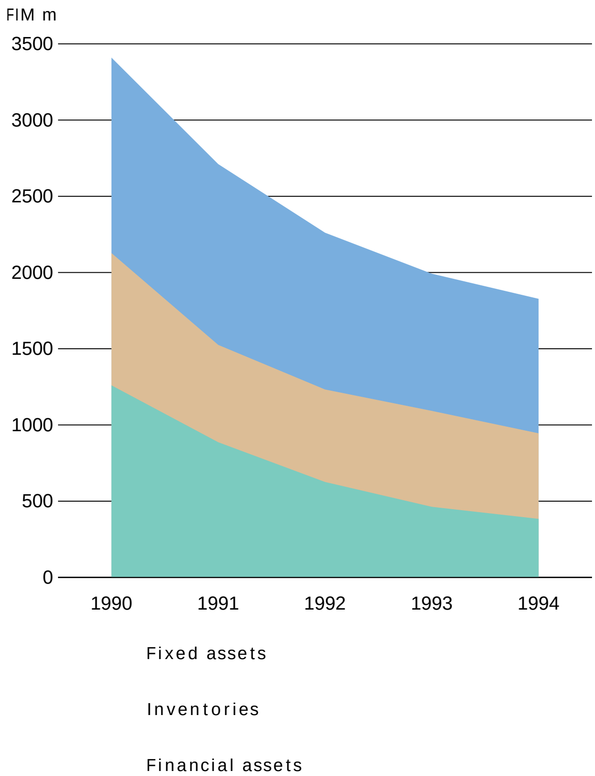


EMPLOYEES, AVERAGE

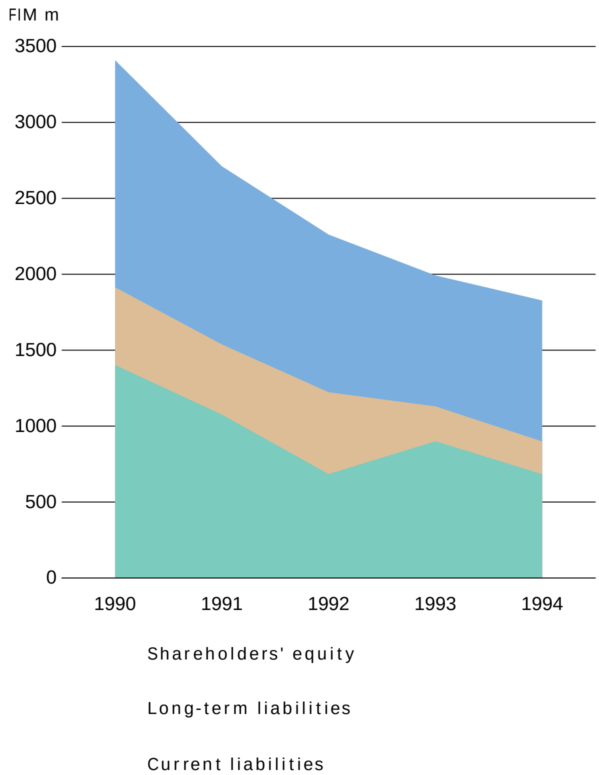


BALANCE SHEET

Assets



Shareholders' equity and liabilities



The Board of Directors of Tamro Corporation (front, from left) Erkki J. Toivanen, Jouko K. Leskinen (Chairman), and (back, from left) Matti Liukkonen, Kurt Stenvall, and the secretary to the Board of Directors, Juhani Mäkinen.

The Finnish economy went into an upswing last year. Exports and industrial production increased, which led to more investment by industry. The decline in private consumption bottomed out, retail and wholesale business improved, and expectations were still cautiously optimistic. The continuing risks were unemployment, high real interest rates, and especially the depth of the government debt spiral. Pay increases at the end of the year will erode competitiveness and fuel inflation. It remains to be seen how the historic decision for Finland to join the European Union will stimulate the entire economy.

Health care accounted for more than 98 percent of Tamro's net sales. The Pharmaceutical Distributing Division and the Hospital and Laboratory Division strengthened their positions in distributing and hospital supplies. Tamda's operations covered the St. Petersburg area as well as the Baltic states. The Kolmi-Set Division acquired one of the leading French companies in the field, thereby taking a great step forward into continental Europe. Printel expanded its share of Finnish schools' purchasing. Arctos was sold off at the beginning of 1995 in accordance with a letter of intent signed at the end of the year, and financing for Castrum was assured through to the end of the millennium.

The Group's net profit showed substantial improvement and exceeded the target figure.

A year of structural change

The merger of Tamro Corporation with Tamro Group Ltd. was entered in the Trade Register on August 31, 1994. In this way, the top layer of the corporate structure was abolished in line with the resolutions passed at the extraordinary general meetings held in February. When the new Articles of Association came into force, the name of Tamro Group Ltd. was changed to Tamro Corporation, its domicile was changed from Helsinki to Vantaa and a Supervisory Board was introduced into the Group structure.

In June, a French company manufacturing hospital textiles, Bolloré, was acquired for the Kolmi-Set Division. Tamro's stake in the new company, Kolmi-Set S.A., is 100 percent.

In an intra-Group transaction at the beginning of January, the entire issued stock and the business of Estonia-based AS Pharos were transferred to Tamda Eesti AS. After this arrangement, the Group's interest in Tamda Eesti AS is 84.4 percent. Oy Tamda Ab's interest in Medikamentu Lieltirgotava & Tamda SIA, a company operating in Latvia, rose to 59.5 percent from 40 percent. The Group holds 60 percent of Pharm Tamda 77, a subsidiary established in St. Petersburg in the spring.

At the end of the year a contract was made on the reassignment of the ownership of Arctos Holding Oy to Thominvest Oy. The transaction became effective at the beginning of 1995.

In accordance with a resolution of the annual general meeting of Spontel Oy in 1993, a special audit by authorized public accountants Kullervo Kaurola and Kristian Hallbäck of the company's accounts and administration was carried out for the 1988-92 period, in addition to the management incentive scheme throughout its active period except for a time limit of up to May 17, 1993, on investments in subsidiaries and affiliates. An extraordinary general meeting held on January 23, 1995, decided on the basis of the report that the audit did not give cause for further action.

Net sales on the increase

The increase in Tamro's net sales exceeded expectations. The Group's net sales without securities trading were FIM 3,503 million, 8 percent up on the previous year. Health care accounted for over 98 percent of net sales.

The Pharmaceutical Distributing Division's share of pharmaceutical sales in Finland rose to 61.5 percent. The division's net sales amounted to FIM 2,784 million. The increase was 8 percent, in line with the target figure.

The Hospital and Laboratory Division's net sales grew by 12 percent, reaching FIM 273 million. The division expanded its market share as a health-care goods supplier in Finland.

The Kolmi-Set Division's net sales amounted to FIM 209 million, an increase of 53 percent. If the effect of the factory acquired in France is omitted, the comparable figure for growth is 12 percent. This expansion indicates a strengthening of the position in Scandinavia.

At FIM 48 million, the Tamda Division's net sales fell short of the forecast figure. Tamda has now achieved a strong position in the pharmaceutical distribution business in Estonia and Latvia.

The Sponfinans Division's net sales totaled FIM 190 million, 6 percent down on the previous year. Within the division, Printel increased its market share as a supplier of goods to schools.

Earnings exceeded budgeted figures

Tamro's favorable earning trend continued in 1994. The Group's income after financial items doubled to FIM 73 million or 2.1 percent of net sales (1.1 percent in 1993). Net sales were boosted by a favorable trend in the health-care divisions and Printel, and in a trend toward lower costs. The merger of Tamro Group Ltd. with Tamro Corporation reduced administrative costs.

The Pharmaceutical Distributing Division's operating profit grew by 27 percent , reaching FIM 52 million, which was in line with the budgeted figure. A stronger market position, a reduction in quality costs and streamlined operations increased the operating income.

There was a large increase in the Hospital and Laboratory Division's earnings, which were well above the budgeted figure. Operating profit increased by over 40 percent

NET SALES BY PROFIT CENTER (FIM m)

	1994	1993
Pharmaceutical Distrib. Division	2,784	2,585
Hospital and Laboratory Division	273	243
Kolmi-Set Division	209	137
Tamda Division	48	–
Sponfinans Division	190	201
Intra-Group and other net sales	- 1	- 6
Business sold	–	70
Total net sales	3,503	3,230

OPERATING PROFIT BY PROFIT CENTER (FIM m)

	1994	1993
Pharmaceutical Distrib. Division	52	41
Hospital and Laboratory Division	33	23
Kolmi-Set Division	18	20
Tamda Division	-6	–
Sponfinans Division	13	33
Other	- 10	- 23
Total operating profit	100	94

to FIM 33 million. The success was influenced by an increase in market shares and high-quality operations, coupled with a reduction in logistical costs.

Tamda's operating loss was FIM 6 million. Slower than anticipated market growth was the main reason why the result was not as good as expected.

The Kolmi-Set Division's operating profit, FIM 18 million, was on a par with the previous year and was below the target figure. During the year, the factory acquired in France was taken into the division's possession as expected. Flagging demand for nonwovens exerted a drag on the growth of the division's operating profit.

The Sponfinans Division fell short of its budgeted earnings and its operating profit fell by 61 percent to FIM 13 million. The previous year's operating profit included business that no longer existed in 1994. The trend was favorable, especially for Printel and Tammermatic.

The Group's net financing expenses fell by FIM 18 million and totaled FIM 16 million. The reasons were a reduction in interest-bearing debt and lower interest rates.

The loss posted by the affiliated company Castrum Oy exerted a FIM 11 million drag on the Tamro Group's income after financial items (FIM 23 million). A convertible bond issue by Castrum Oy, agreed on with the other main shareholders at the end of the year, will ensure the company's finances until the year 2000. It also reduced Tamro's share of Castrum Oy's loss in 1994.

The income after financial items amounted to FIM 73 million, more than double that of 1993. The return on investment increased to 8.5 percent from the previous year's 5.9 percent. Earnings per share amounted to FIM 1.34, compared with FIM 0.68 in 1993.

Extraordinary items were lower by no less than FIM 216 million in net amounts and they amounted to a profit of FIM 16 million. The largest extraordinary expense was a suit for damages awarded to Convector against Cast-Rixa Oy and its owners. The Group's share of this was FIM 24 million, of which half was covered as an obligatory reserve in the financial statements for 1993. There was a FIM 14 writedown against the holding in Cast-Rixa. The largest extraordinary income items were a refund of FIM 18 million as a repayment of the purchase of Speditor shares, FIM 11 million entered as income from the sale of subsidiary Dolic, FIM 19 million from a refund of a cash flow guarantee for Castrum in 1993, and a capital gain of FIM 5 million on the sale of the Consumer Goods Division's business operations.

In the parent company, FIM 143 million was disbursed from the voluntary reserves and recognized as income. Distributable equity went into the black at FIM 104 million for the Group and FIM 114 million for the parent company. The losses confirmed in taxation for previous fiscal years make it possible to recognize voluntary reserves as income without tax effects. The taxes booked for the year correspond to the tax on the dividend proposed by the Board of Directors, FIM 0.50 per share.

The profit before taxes was FIM 90 million, compared with a severe loss amounting to FIM 164 million the previous year.

Investments in new market areas

Gross capital expenditure totaled FIM 102 million, of which FIM 78 million went towards fixed assets - a figure three times that of the previous year. The main subject of investment was expanding the market areas of the main divisions. The biggest investment item was the acquisition of a hospital supplies factory in France from Bolloré Technologies for FIM 55 million. The other large investments were in building up a distribution system in St. Petersburg and the Baltic states, and in manufacturing machinery for Kolmi-Set. The investments were financed out of cash flow and liquid assets.

Improved equity

The Group's equity ratio was favorable at 51 percent, compared with the previous year's figure of 44 percent.

Liquidity was good throughout the year. Liquid assets totaled FIM 71 million at the end of the year, compared with FIM 185 million the previous year. The reduction was partly due to investments and the payment of interest-bearing debts. Interest-bearing liabilities declined by FIM 153

GROSS INVESTMENTS BY PROFIT CENTER (FIM m)

	1994	1993
Pharmaceutical Distrib. Division	4	5
Hospital and Laboratory Division	4	1
Kolmi-Set Division	70	11
Tamda Division	5	5
Sponfinans Division	4	4
Shared by Group	15	4
Total for Group	102	30

NUMBER OF EMPLOYEES BY PROFIT CENTER, DEC. 31

	1994	1993
Pharmaceutical Distrib. Division	407	414
Hospital and Laboratory Division	127	116
Kolmi-Set Division	374	233
Tamda Division	212	3
Sponfinans Division	211	214
Shared by Group	52	59
Business sold	–	76
Total for Group	1,383	1,115

million and amounted to FIM 245 million at the end of the fiscal year. A FIM 142 million warrant bond issue was repaid in full in October 1994.

Changes in the external value of the Finnish mark did not materially affect the Group's net profit.

Personnel input on the increase

The personnel played a major role in improving the financial performance in all fields and, if structural changes are discounted, net sales were boosted without any increase in the payroll.

The Healthy Future operational development program aims to raise the return on investment by enhancing customer satisfaction and personnel satisfaction as well as by boosting efficiency. Operations are made more customer-oriented and all the employees participated in performing and improving operations to increase value for the customer. Company training prominently featured the program in 1994 and this will continue to be the case for some years.

Personnel satisfaction was surveyed in the autumn and development measures based on this will be carried out in the form of cooperation involving all the employees.

The personnel incentive scheme was improved by means of a warrant bond issue. The issue, in the amount of FIM 3.6 million, was targeted on the employees of the Group's core business and Board members. It was fully subscribed.

At the end of 1994, the Tamro Group employed 1,383 people. This was 268 more than at the end of the previous year. The increase results from the expansion of operations in the Baltic states and St. Petersburg as well as from the acquisition of the factory in France by Kolmi-Set. The Group had 354 employees - one fourth of the personnel - outside Finland at the end of the fiscal year. The number of employees in Finland on December 31, 1994, was 1,029. The corresponding figure for the end of 1993 was 1,060.

The average number of the Group's employees during the year was 1,362, compared with 1,178 in 1993.

The parent company employed 576 people at the end of the year. The comparable figure for the previous year was 9. The average figures for the parent company were 198 in 1994 and 12 in 1993. The large difference derives from the merger of Tamro Corporation into Tamro Group Ltd. on August 31, 1994.

The wages and salaries paid by the Group during the year under review were FIM 162 million (FIM 160 million). The salaries and emoluments paid to the various companies' Boards of Directors, the members of the Supervisory Board and Presidents totaled FIM 6 million (FIM 6 million). Management performance- related bonuses totaled FIM 0.2 million (FIM 0.1 million). The parent companies paid out FIM 30 million (FIM 5 million) in wages and salaries, of which a total of FIM 1 million (FIM 1 million) was for members of the Board of Directors and the President.

Share capital and Board of Directors

The turnover of Tamro Corporation shares on the Helsinki Stock Exchange amounted to 18.3 million, which is 38 percent of the entire issued stock. The share price was steady and rose by 24 percent during the year. The price at the end of the year was FIM 22.00.

Tamro Corporation's shares were transferred to a book-entry securities system in October. At the end of the year, the company had 9,802 registered shareholders.

Tamro Corporation's share capital was unaltered at FIM 480 million. Its market capitalization on December 31, 1994, was FIM 1,057 million, up from FIM 855 million one year previously.

The members of the parent company's Board of Directors were, for the entire year: Jouko K. Leskinen (Chairman), Matti Liukkonen, Kurt Stenvall, and Erkki J. Toivanen. Matti Elovaara is the President.

The Board of Directors was authorized by the annual general meeting of May 3, 1994, to decide on increasing the share capital by a maximum of FIM 96 million and/or an issue of convertible bonds and/or warrant bonds. The authorization is valid until May 25, 1995, and it includes entitlement in a targeted issue to bypass the preemptive rights of existing shareholders. The authorization was not used during the fiscal year.

On June 15, 1994, the Board of Directors approved the subscription of FIM 3.6 million warrant bond issue targeted to the employees.The warrants can be exercised to subscribe 3.6 million shares at a price of FIM 23 per share between December 1, 1998, and January 31, 2000.

Thoughts for 1995

The Group will concentrate on making sure of the profitable use of investments placed in 1994 (France, the Baltic states and St. Petersburg). Health care will become a stronger part of the Group, and the policy of relinquishing other fields of business will continue. No substantial extraordinary expenses or write-downs on investments are likely to occur.

The trend for the health-care market in Finland is mildly positive. General uncertainty over the strength and duration of the economic upswing is likely to keep the competition keen. This will require great efforts to reinforce market positions. The main development projects are the customer-oriented operational development program, Healthy Future, and investments in computer systems and technology.

The Group's net sales are forecast to grow to some FIM 3.8 billion and it is estimated that the profit after financial items will show improvement.

INCOME STATEMENTS

January 1-December 31 (FIM million)		CONSOLIDATED				PARENT COMPANY	
		1994	%	1993	%	1994	1993
1	NET SALES	3,502.5	100.0	3,230.4	100.0	1,074.6	1.6
	Expenses						
	Materials, supplies and products						
	Purchases during the financial period	2,966.2		2,742.3		900.6	0.0
	Inventories, incr. (-) or decr. (+)	31.0		- 7.9		71.6	0.0
	External services	7.9		2.6		0.0	0.0
2	Personnel expenses	209.1		207.2		41.6	6.9
	Rents and leases	24.5		28.7		5.5	1.8
	Other expenses	106.9		97.2		26.8	6.9
		3,345.6		3,070.1		1,046.1	15.6
	OPERATING PROFIT BEFORE DEPRECIATION	156.9	4.5	160.3	5.0	28.5	- 14.0
3	Depreciation according to plan	56.6		66.7		12.6	0.3
	OPERATING PROFIT	100.3	2.9	93.6	2.9	15.9	- 14.3
4	Financial income and expenses	- 15.5		- 34.2		4.4	0.6
10	Share of affiliated companies' net income	- 11.4		- 23.3		0.0	0.0
	INCOME AFTER FINANCIAL ITEMS	73.4	2.1	36.1	1.1	20.3	- 13.7
5	Extraordinary income and expenses	16.3		- 200.2		- 16.5	- 172.8
	PROFIT BEFORE APPROPRIATIONS AND TAXES	89.7	2.6	- 164.1	- 5.1	3.8	- 186.5
6	Appropriations	-		-		142.9	9.1
7	Direct taxes	- 12.7		- 2.7		0.0	0.1
	Minority interest	2.2		- 0.2		0.0	0.0
	NET PROFIT/LOSS FOR THE YEAR	79.2	2.3	- 167.0	- 5.2	146.7	- 177.3

BALANCE SHEETS

December 31 (FIM million)		CONSOLIDATED				PARENT COMPANY			
		1994	%	1993	%	1994	%	1993	%
ASSETS									
	FIXED ASSETS AND OTHER NON-CURRENT INVESTMENTS								
8	Intangible assets								
	Intangible rights	7.5		9.1		6.2		0.0	
	Goodwill	5.2		6.1		200.6		0.0	
	Consolidated goodwill	201.3		217.1		0.0		0.0	
	Other capitalized expenditure	4.7		2.7		0.4		0.0	
		218.7		235.0		207.2		0.0	
8	Tangible assets								
	Land and water areas	39.4		34.5		5.7		0.0	
	Buildings and structures	370.0		367.1		292.0		0.0	
	Machinery and equipment	90.0		70.1		31.5		0.6	
	Other tangible assets	1.1		1.0		1.0		0.3	
	Advance payments and construction in progress	4.2		0.0		0.0		0.0	
		504.7		472.7		330.2		0.9	
	Financial assets								
9	Shares in subsidiaries	1.6		2.8		176.6		472.5	
10	Shares in affiliated companies	74.7		97.2		41.5		50.5	
11	Other shares and participations	33.3		34.8		12.4		10.7	
	Loans receivable	34.5		38.9		0.2		4.7	
		144.1		173.7		230.7		538.4	
	TOTAL FIXED ASSETS	867.5	47.5	881.4	44.3	768.1	48.0	539.3	75.3
12	VALUATION ITEMS	14.7	0.8	18.5	0.9	10.0	0.6	0.0	0.0
	CURRENT ASSETS								
	Inventories								
	Materials and supplies	8.2		3.2		0.0		0.0	
	Work in progress	4.8		2.5		0.0		0.0	
	Goods	523.7		542.5		467.2		0.0	
13	Securities	24.6		71.2		0.0		0.0	
		561.2		629.4		467.2		0.0	
	Receivables								
	Accounts receivable	237.8		218.8		186.3		0.0	
14	Loans receivable	29.2		24.4		10.3		6.1	
	Group receivables	-		-		111.6		83.8	
	Prepaid expenses and accrued income	25.2		18.9		12.5		54.6	
	Other receivables	25.9		47.9		5.5		32.2	
		318.1		310.0		326.2		176.7	
	Investments	20.9		0.0		20.9		0.0	
	Cash and bank	45.1		153.0		8.4		0.0	
	TOTAL CURRENT ASSETS	945.3	51.7	1,092.4	54.8	822.7	51.4	176.7	24.7
	TOTAL ASSETS	1,827.5	100.0	1,992.3	100.0	1,600.8	100.0	716.0	100.0

December 31 (FIM million)		CONSOLIDATED				PARENT COMPANY			
		1994	%	1993	%	1994	%	1993	%
SHAREHOLDERS' EQUITY AND LIABILITIES									
15, 16	SHAREHOLDERS' EQUITY								
	Restricted equity								
	Capital stock	480.5		480.5		480.5		480.5	
	Other restricted equity	6.5		190.6		6.5		177.2	
		487.0		671.1		487.0		657.7	
	Non-restricted equity								
	Distributable non-restricted equity	103.8		- 291.1		113.6		- 177.3	
18	Other non-restricted equity	334.1		475.5		0.0		0.0	
		437.9		184.4		113.6		- 177.3	
	TOTAL SHAREHOLDERS' EQUITY	924.9	50.6	855.5	42.9	600.6	37.5	480.4	67.1
	MINORITY INTEREST	3.4	0.2	6.7	0.3	0.0	0.0	0.0	0.0
	RESERVES								
18	Accumulated depreciation difference	-	-	-	-	306.8	19.2	0.0	0.0
18	Voluntary reserves	-	-	-	-	0.0	0.0	1.4	0.2
17	Obligatory reserves	46.3	2.5	83.1	4.2	28.1	1.7	38.5	5.4
	LIABILITIES								
19	Long-term liabilities								
20	Bonds with warrants	3.2		0.0		3.6		0.0	
20	Convertible bonds	2.4		0.9		0.0		0.9	
	Loans from financial institutions	48.6		61.1		3.8		5.0	
	Pension fund loans	152.3		158.7		112.0		2.3	
	Other long-term liabilities	8.9		9.0		0.0		0.0	
		215.4		229.7		119.4		8.2	
	Current liabilities								
	Group payables	-		-		19.9		40.7	
	Loans from financial institutions	3.8		11.1		1.3		1.3	
	Pension fund loans	12.5		12.7		9.0		0.2	
	Advances received	0.7		24.7		0.5		0.0	
	Accounts payable	506.3		539.0		480.7		0.2	
	Accrued expenses and deferred income	66.0		65.4		32.5		2.8	
	Other current liabilities	48.2		164.4		2.0		142.3	
		637.5		817.3		545.9		187.5	
	TOTAL LIABILITIES	852.9	46.7	1,047.0	52.6	665.3	41.6	195.7	27.3
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,827.5	100.0	1 992.3	100.0	1,600.8	100.0	716.0	100.0

January 1-December 31 (FIM million)	CONSOLIDATED		PARENT COMAPANY	
	1994	1993	1994	1993
SOURCE OF FUNDS				
Funds generated from operations				
Operating profit before depreciation	157	160	29	16
Other income/expenses	30	- 67	-	-
Extraordinary income and expenses	-	-	21	- 59
Group contribution	-	-	0	9
Financing income and expenses	- 15	- 33	4	- 30
Taxes	- 12	- 3	-	-
	160	57	54	- 64
Capital financing				
Sale of fixed assets	3	56	21	32
Change in minority interest	- 1	2	-	-
Translation difference	3	- 2	-	-
Change in net working capital	66	170	179	383
	71	226	200	415
TOTAL SOURCE OF FUNDS	231	283	254	351
APPLICATION OF FUNDS				
Investments in fixed assets	79	29	21	135
Investment assistance	- 1	- 4	-	-
Decrease in interest-bearing debts	153	258	233	216
TOTAL APPLICATION OF FUNDS	231	283	254	351
CHANGE IN NET WORKING CAPITAL				
Change in financial assets	- 79	- 108	- 194	- 393
Change in inventories	- 63	27	- 72	0
Change in short-term non-interest-bearing debts	76	- 89	87	10
	- 66	- 170	- 179	- 383

The parent company and consolidated financial statements of Tamro Corporation (formerly Tamro Group Ltd.) have been prepared in accordance with the new revised accounting legislation. The previous year's information has been revised to make it comparable with the financial statements. Owing to the effect of Tamro-jakelu Oy (formerly Oy Tamro Ab), which was merged with the parent company, the previous year's information for the parent company is not comparable.

Scope of the consolidated financial statements

The consolidated financial statements include the parent company, Tamro Corporation, as well as those subsidiaries in Finland and abroad in which the parent company holds, either directly or indirectly, more than 50 percent of the voting rights. Subsidiaries acquired during the fiscal year are included in the consolidated financial statements from the date of acquisition. If a subsidiary has been sold before the close of the fiscal year, the company is included in the consolidated financial statements up to the time of sale, which is a departure from the Group's previous practice.

The consolidated financial statements do not include certain subsidiaries which are listed in the section "Subsidiary holdings owned by the parent company." The companies which have been excluded from the consolidated financial statements have no material effect on the consolidated non-restricted equity or the effect is taken into account as a provision in the consolidated accounts.

The financial statement information of affiliated companies has been consolidated according to the equity method. Affiliated companies are taken to be those companies in which the Group has from 20% to 50% of the votes conferred by the shares. Certain small affiliated companies have not been included in the consolidated financial statements. The effect of these companies on the consolidated non-restricted equity is immaterial.

Shares in subsidiaries

Inter-company shareholdings have been eliminated using the acquisition cost method. Accordingly, both the restricted and non-restricted equity at the time of acquisition have been taken to constitute the shareholders' equity of the subsidiary. When the shares in a subsidiary have been acquired through a targeted issue by the parent company, the increase in the capital stock has been entered in the balance sheet at its par value.

The difference between the acquisition cost of shares in subsidiaries and the shareholders' equity has been partially allocated to the fixed assets of the subsidiaries. The goodwill left after the allocations is shown in the balance sheet as a separate item which is amortized over a period of 20 years.

Foreign subsidiaries

The financial statements of foreign subsidiaries have been converted and grouped to correspond to Finland's Accounting Act. The translation into Finnish marks has been done at the average foreign exchange rate quoted by the Bank of Finland on the balance sheet date.

Minority interest

Minority interest consists of the minority share of the equity, voluntary reserves and depreciation difference of the subsidiaries.

Duration of the fiscal year

The fiscal year of the companies belonging to the Group is usually the calendar year. For a company which has become part of the Group during the fiscal year, that company's income statement is included in the consolidated financial statements from the date of acquisition. The information concerning the Group, which is presented in the Notes to the Financial Statements, includes the subsidiaries from the time of their acquisition.

Inter-company transactions

Inter-company transactions such as sales and purchases within the Group, dividends which the Group companies have paid one another, inter-company receivables and liabilities as well as the gross margin included in the value of inventories and fixed assets acquired from other companies within the Group have been eliminated.

Fixed assets

Fixed assets have been valued at direct acquisition or production cost with the exception of certain revalued real-estate holdings, the value of which has been augmented to account for appreciation. In the consolidated financial statements, part of the costs of acquiring subsidiaries has been allocated to real-estate properties. These items have been accounted for in the consolidated financial statements by recording planned depreciation on the buildings belonging to the properties.

Planned depreciation on fixed assets is based on their original acquisition cost and the expected economic life of the item. No depreciation has been recorded on revaluations.

The depreciation is for the most part based on straight-line depreciation according to the following schedule:

buildings and structures	2.5 - 10.0%
machinery and equipment	2.0 - 20.0%
other long-term expenditure	16.0 - 20.0%

Consolidated goodwill is amortized in equal amounts over a 20-year period.

For the parent company, the difference between planned and accounting depreciation is shown as an appropriation in the income statement. In the Parent Company Balance Sheet, the different groups of fixed assets are shown according to the original acquisition cost less accumulated planned depreciation. The accumulated difference between planned and accounting depreciation is shown as a single item in reserves.

Inventories

Inventories have been valued at the lower of acquisition cost, replacement value or probable selling price. The use of materials and supplies has been booked according to the FIFO principle.

Receivables and debts denominated in foreign currency

All the foreign currency-denominated receivables and debts of the parent company and its subsidiaries in Finland have been translated into Finnish marks at the average rate quoted by the Bank of Finland on the balance sheet date.

Pension commitments

Pension expenses are shown in accordance with the local legislation of each country. The retirement plan of Group companies in Finland has as a rule been provided through external pension insurance companies. To a small extent, the retirement plans have been arranged as a commitment of the Group companies. Pension liabilities are stated as long-term liabilities and valuation items.

Voluntary reserves and excess depreciation

Within the Group, appropriations and year-end voluntary reserves and accumulated excess depreciation have been included in the consolidated non-restricted equity. Voluntary reserves are not considered to involve a concealed tax liability due to the accumulated losses of the Group's parent company and domestic subsidiaries.

Obligatory reserves

The obligatory reserves in the balance sheet include those items that are based on either contractual obligation or other commitments, but which have not yet been realized. These may include contingent liabilities, assumed credit losses or other future losses which are considered unavoidable. The change in obligatory reserves is included in the income statement items to which they belong naturally.

Net sales

Net sales consist of sales income from ordinary operations and rental income as well as minor gains on the sale of fixed assets. Sales income is stated net of indirect taxes, discounts on sales, credits, credit losses, commissions paid and freight charges for goods shipped. The parent company's net sales furthermore include administrative services and guarantee commissions.

Trading in securities has been entered under net sales in the official financial statements according to the more extensive so-called gross principle. In the Annual Report, the net sales on trading in securities are presented according to the net principle. The gross profit on sales is in this case included in net sales. Use of the net principle gives a more accurate picture of the extent of the Group's operations.

Figures in FIM millions.

In order to improve comparability, the previous year's income statement has been altered to correspond to the new accounting policy. With respect to the published financial statements for 1993, the income statement changed as follows:

Consolidated net profit before appropriations in the published income statement for 1993	- 164.1
- Share of the profit of affiliated companies	
before extraordinary items	- 23.3
in extraordinary items	- 29.9
- Increase in obligatory reserves	- 26.8
- Cancellation of undervaluation of shares in affiliates in the consolidated financial statements	80.0
- Consolidated net profit before appropriations 1993 conversion	- 164.1
- Direct taxes	- 2.7
- Minority interest in published income statement	- 0.4
- Adjustment to minority interest	- 0.1
Consolidated net profit for 1993 in the now-published income statement	- 167.0

1. Net sales by market area and profit center

	CONSOLIDATED	PARENT COMPANY
	1994	1994
By market area:		
Finland	3,278.7	1,072.9
Other Nordic countries	70.1	-
Baltic countries	47.3	1.6
France	47.0	-
Other countries	59.4	-
Total	3,502.5	1,074.5

	CONSOLIDATED		PARENT COMPANY	
	1994	1993	1994	1993
By profit center:				
Pharmaceutical Distributing Division	2,783.6	2,585.5	967.5	-
Hospital and Laboratory Division	272.6	243.3	101.4	-
Kolmi-Set Division	208.6	137.1	-	-
Tamda Division	48.2	-	-	-
Sponfinans Division	189.2	201.0	-	-
Others	0.3	63.5	5.6	1.6
Total	3,502.5	3,230.4	1,074.5	1.6

2. Personnel expenses

Manufacturing wages and salaries	39.6	26.0	-	-
Fixed wages and salaries	117.5	131.6	29.7	5.6
Total wages and salaries	157.1	157.6	29.7	5.6
Pension expenses	29.2	31.2	7.0	0.6
Other personnel expenses	22.8	18.2	4.9	0.7
Personnel expenses, total	209.1	207.2	41.6	6.9
Fringe benefits, taxation value	6.0	6.3	1.5	0.3

3. Depreciation

Depreciation according to plan				
Intangible rights	- 3.8	- 4.0	- 1.1	-
Goodwill	- 1.1	- 1.1	- 4.8	-
Consolidated goodwill	- 15.8	- 16.8	-	-
Other capitalized expenditure	- 1.7	- 1.0	- 0.1	-
Buildings	- 15.2	- 13.8	- 3.3	-
Machinery and equipment	- 19.0	- 30.0	- 3.3	- 0.3
Total	- 56.6	- 66.7	- 12.6	- 0.3
Depreciation difference				
Intangible rights	0.1	-	- 0.2	-
Consolidated goodwill	- 15.6	- 17.0	- 5.7	-
Other capitalized expenditure	-	0.1	-	-
Buildings	- 0.2	- 6.1	3.0	-
Machinery and equipment	- 5.6	5.1	3.3	-
Sales/correction item relating to fixed assets	5.8	7.9	-	-
Share of depreciation difference in equity	15.5	10.0	-	-
Change in depreciation difference in the income statement	0.0	0.0	0.4	0.0

4. Financial income and expenses excluding the share of affiliated companies net income

Dividend income	-	0.4	4.4	3.5
Interest income	13.4	17.0	12.2	26.5
Other financial income	0.4	-	-	0.8
Exchange rate gains	0.5	3.2	0.3	2.1
Interest expenses	- 24.5	- 44.2	- 11.1	- 26.7
Other financial expenses	- 4.3	- 5.0	- 1.3	- 1.6
Exchange rate losses	- 1.0	- 5.6	- 0.2	- 4.0
Total	- 15.5	- 34.2	4.3	0.6

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
From Group companies:				
Dividend income	-	-	4.4	3.3
Interest income	-	-	6.2	19.9
Other financial income	-	-	-	-
Exchange rate gains	-	-	-	-
Interest expenses	-	-	-1.4	-8.7
Other financial expenses	-	-	-	-
Exchange rate losses	-	-	-	-
Total	0.0	0.0	9.2	14.5

5. Extraordinary income and expenses

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
Income				
Cancellation of expense entries, Castrum	19.3	-	4.7	-
Adjustment to Speditor sale price	17.9	-	17.9	-
Cancellation of expense entries, Scantrailer	4.7	-	4.7	-
Sale of business operations	4.7	-	-	-
Gain on merger	-	-	19.9	-
Sale of fixed assets	-	5.5	-	-
Sale of subsidiaries	10.1	6.6	0.5	-
Cancellation of write-down	-	-	-	15.7
Sundry income	1.0	0.8	-	-
Total	57.7	12.9	47.7	15.7
Group contributions	-	-	-	9.2
Expenses				
Contingent liability expenses, Convector	-11.8	-	-23.7	-
Write-downs on fixed assets	-11.1	-19.3	-9.9	-96.4
Write-downs and losses on loans receivable	-9.2	-18.9	-9.2	-13.1
Contingent liability expenses, Castrum	-	-32.1	-0.3	-5.4
Contingent liability expenses, Scantrailer	-	-50.7	-	-50.7
Goodwill expense entry	-	-	-19.6	-
Other contingent liability expenses	-1.5	-6.2	-1.5	-1.2
Losses on sale of shares	-	-33.2	-	-28.9
Share of associated companies' extraordinary expenses	-0.8	-29.9	-	
Unallocated reserve	-	-11.9	-	-
Other sundry expenses	-7.0	-10.9	-	-2.0
Total	-41.4	-213.1	-64.2	-197.7
Extraordinary income and expenses. total	16.3	-200.2	-16.5	-172.8

6. Appropriations

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
Depreciation difference	-15.5	-10.0	0.4	-
Inventory reserve	43.7	66.2	-	-
Credit loss reserve	-	9.4	-	9.1
Operating reserve	14.1	-11.3	-	1.5
Transition reserve	99.2	-99.2	142.5	-1.5
Other reserves	-0.1	0.1	-	-
Share of equity	-141.4	44.8	-	-
Total	0.0	0.0	142.9	9.1

7. Direct taxes

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
For the fiscal year	-13.8	-3.2	-	-
For previous fiscal years	1.1	0.5	-	0.1
Total	-12.7	-2.7	0.0	0.1

8. Fixed assets

		Aquisition cost January 1	Increase +	Decrease -	Accumulated depreciation according to plan	Balance sheet value December 31
Group						
Intangible assets						
Intangible rights		31.8	2.6	-0.1	-26.8	7.5
Goodwill		10.3	0.4	-	-5.4	5.3
Consolidated goodwill		326.2	-	-	-124.9	201.3
Other capitalized expenditure		15.6	4.0	-1.8	-13.2	4.6
Group	Jan. 1 - Dec. 31, 1994	383.9	7.0	-1.9	-170.3	218.7
Group	Jan. 1 - Dec. 31, 1993	384.7	2.5	-3.3	-148.9	235.0
Tangible assets						
Land areas		34.6	4.9	-	-	39.5
Buildings		447.5	27.5	-	-105.0	370.0
Machinery and equipment		236.3	62.0	-17.7	-190.6	90.0
Other tangible assets		0.9	0.1	-	-	1.0
Advance payments and construction in progress		0.0	8.0	-3.8	-	4.2
Group	Jan. 1 - Dec. 31, 1994	719.3	102.5	-21.5	-295.6	504.7
Group	Jan. 1 - Dec. 31, 1993	773.9	21.6	-76.2	-246.6	472.7

	Aquisition cost January 1	Increase +	Decrease -	Accumulated depreciation according to plan	Balance sheet value 31.12.
Parent company					
Intangible assets					
Intangible rights	0.4	31.0	-	- 25.2	6.2
Goodwill	-	313.9	-	- 113.3	200.6
Other capitalized expenditure	2.4	9.4	- 2.4	- 9.0	0.4
Parent company Jan. 1 - Dec. 31, 1994	2.8	354.3	- 2.4	- 147.5	207.2
Parent company Jan. 1 - Dec. 31, 1993	2.8	-	0.0	- 2.8	0.0
Tangible assets					
Land areas	-	5.8	-	-	5.8
Buildings	-	341.8	-	- 49.8	292.0
Machinery and equipment	3.7	134.4	- 4.1	- 102.5	31.5
Other tangible assets	0.2	0.7	-	-	0.9
Parent company Jan. 1 - Dec. 31, 1994	3.9	482.7	- 4.1	- 152.3	330.2
Parent company Jan. 1 - Dec. 31, 1993	4.9	0.2	- 1.1	- 3.0	1.0
Value adjustments					
The above-mentioned figures include value adjustments					
Group					
Land areas	4.7	-	-	-	4.7
Buildings	26.9	-	-	-	26.9
Parent company					
Land areas	0	2.5	-	-	2.5
Buildings	0	14.0	-	-	14.0

The parent company's increases come mainly from the merger.

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
Machinery and equipment in production, use balance sheet value	64.1	46.5	18.1	0.0
Taxation values				
Land areas	12.3	7.5	2.7	-
Buildings	174.0	159.4	118.7	-
Shares in subsidiaries	-	-	676.9	386.2
Other shares and participations	62.9	56.0	35.4	24.7
Total	249.2	222.9	833.7	410.9

If no taxation value was available, the book value is given.

9. Shares in subsidiaries

Company/registered office	Number of shares	Holding %	Par value 1,000 units	Book value FIM million	Group share of equity FIM million	Profit or loss for fiscal year FIM million
Parent company shares in subsidiaries:						
Sponfinans Oy/Helsinki	1,497,628	100	119,810	84.3	99.8	20.4
Kolmi-Set Oy/Ilomantsi	160	100	16,000	26.1	22.3	- 0.3
Kolmi-Set AB/Stockholm, Sweden	2,000	100	200 SEK	0.6	1.4	0.9
Kolmi-Set AS/Roskilde, Denmark	300	100	300 DKK	0.2	3.4	1.6
Kolmi-Set A/S/Skjetten, Norway	3,900	100	3,900 NOK	3.4	0.9	1.2
Kolmi-Set S.A./Angers, France	584,154	100	58,415 FRF	55.6	46.7	- 5.1
Oy Tamda Ab/Vantaa	2,550	51	2,550	2.6	1.9	- 0.6
Pharm Tamda 77/St Petersburg/Russia*)	1,980	60	377,507 RBL	0.6	- 1.0	- 2.6
Oy Drugtrade Ab/Vantaa	5,400	100	54	0.5	0.4	-
Oy Tam-Cross Ab/Vantaa	300	100	300	0.4	0.4	0.1
Tam-Drug Oy/Vantaa	2,000	100	200	0.2	0.2	-
Non-operational subsidiaries *)				0.8	-	-
Other subsidiaries	-	-	-	1.3	-	-
Total				176.6		
Subsidiary holdings owned by subsidiaries:						
Printel Oy/Vantaa	1,000,000	100	10,000	21.2	11.7	1.7
Oy Tammermatic Ab/Tampere	500	100	5,000	6.5	5.0	0.3
Arctos Holding Oy/Helsinki	4,000	100	4,000	4.0	4.0	-
Pankkiiriliike Arctos Securities Oy/Helsinki	10,000	100	10,000	11.6	10.5	0.5
Arctos Corporate Finance Oy/Helsinki	10,000	100	1,000	1.0	1.0	-
Medikamentu Lieltirgotava & Tamda LV SIA/Latvia	88	60	537 LVL	4.8	3.0	- 2.6
Tamda LV SIA/Latvia	500	100	50 LVL	0.5	0.3	-
Tamda Eesti AS/Estonia	4,560	84	4,558 EEK	1.9	0.8	- 1.0
AS Pharos/Estonia	240	100	2,400 EEK	1.0	1.1	-
Tamda Lithuania/Lithuania	-	100		2.5	1.7	- 0.5
LS-Logistics Services Ltd/Vantaa	3,000	100	600	0.6	0.6	-
Real estate companies (8 companies)	-	-	-	58.7	-	-
Other	-	-	-	0.7	-	-
Total	-	-	-	115.0	-	-

*) not included in the consolidated financial statements

10. Affiliated companies

Company/registered office	Number of shares	Holding %	Par value 1,000 units	Book value FIM million	Group's share of equity FIM million	Profit or loss for fiscal year FIM million
Affiliated company holdings owned by the parent company:						
Castrum Oy/Helsinki *)	4,342,606	33	43,426	41.5	74.7	- 22.6
Cast-Rixa Oy/Helsinki**)	16,241	49	1,624	0.0	1.4	- 25.4
				41.5		
Affiliated company holdings owned by a subsidiary:						
Castrum Oy	2,087,394	16	20,874	19.9		

*) Unapproved 1994 financial statements at the time of preparing the Tamro Group's financial statements
**) Figures in the 1993 financial statements; the company was placed in receivership in 1994

The holding in Sponfinans Oy including the Group's holding in Castrum Oy rises to 49.5% of the shares and votes.

The changes in the book values of associated companies are:

	CONSOLIDATED		PARENT COMPANY	
	1994	1993	1994	1993
Opening balance	97.2	129.2	50.5	109.2
Equity value correction, January 1, 1993	-	21.3	-	-
Write-down on shares	- 10.3	-	- 9.0	- 58.7
Share of affiliated companies' net income *)	- 12.2	- 53.3	-	-
Closing balance	74.7	97.2	41.5	50.5

Within the group, the balance sheet value of affiliated companies consists of the Group's share of the equity of the affiliated companies as at January 1, 1993, adjusted for subsequent changes in the affiliated company's equity.

*) of which in extraordinary items: FIM million - 0.8 (1993: FIM million - 29.9)

11. Other shares and participations

Company	Number of shares	Holding %	Par value 1,000 units	Book value FIM million
Other shares and participations owned by the parent company:				
Martela Oy	302,400	15	3,024	9.8
Nomeco A/S	2,000		200 DKK	0.4
Suomen Osakekeskusrekisteri Osuuskunta	6	-	-	0.4
Other	-	-	-	1.8
Total	-	-	-	12.4
Other shares and participations owned by subsidiaries:				
KOy Hermitec	2,155	22	-	12.0
Martela Oy	91,660	5	917	3.9
Real estate and housing corporations	-	-	-	1.8
Other	-	-	-	3.2
Total	-	-	-	20.9
Consolidated total				33.3

12. Valuation items

	CONSOLIDATED		PARENT COMPANY	
	1994	1993	1994	1993
Pension liability debt				
Opening balance	6.8	7.2	0.0	0.0
Reduction	- 2.1	- 0.4	-	-
Closing balance	4.7	6.8	0.0	0.0
Interest payments during construction				
Opening balance	11.7	13.4	0.0	-
From merger	-	-	10.6	-
Amortization during fiscal year	- 1.7	- 1.7	- 0.6	-
Closing balance	10.0	11.7	10.0	-
Valuation items, total as at December 31	14.7	18.5	10.0	-

13. Shares and participations included in inventories and financial assets

The difference between the balance sheet value of shares and participations included in inventories and financial assets and their market values is immaterial.

14. Receivables and liabilities

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
For Group companies				
Accounts receivable	-	-	2.7	-
Group receivables	-	-	111.6	83.7
Prepaid expenses and accrued income	-	-	1.4	50.1
Accounts payable	-	-	5.3	-
Accrued expenses and deferred income	-	-	-	-
Group payables	-	-	19.9	40.7
For affiliated companies				
Loans receivable, current	8.2	-	8.2	-
Loans receivable, non-current	33.9	37.4	-	3.5
Loans to Group management	0.1	0.1	0.1	-

The loans are in force for the time being. The interest on the loans in 1994 was the Bank of Finland base rate + 1%.

Receivables in financial assets, which fall due after one year or more

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
Loans receivable	4.0	0.6	-	-

15. Equity and reserves

To improve comparability, the previous year's Consolidated Balance Sheet has been altered to correspond to the new accounting policy as follows:

	Minority	Reserves	Non-restricted equity at end of 1993
Figures in the published financial statements for 1993	4.6	477.8	- 291.3
Reserves as at January 1, 1993	2.2	- 442.3	440.1
Change in voluntary reserves, 1993		- 44.8	44.8
Change in Group structure	- 0.2	4.1	- 3.9
Adjustment to depreciation difference		5.3	- 5.3
Minority interest in 1993 net profit, change	0.1		- 0.1
Other changes		- 0.1	0.1
Previous year's figures in the financial statements for 1994	6.7	0.0	184.4

16. Changes in shareholder's equity

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
Restricted equity				
Capital stock, no changes	480.5	480.5	480.5	480.5
Reserve fund				
Opening balance	177.2	241.9	177.2	241.9
Covered previous years' losses	- 177.2	- 64.7	- 177.2	- 64.7
Closing balance	0.0	177.2	0.0	177.2
Value adjustment fund				
Opening balance	6.5	7.3	-	-
Change	-	- 0.8	-	-
From merger	-	-	6.5	-
Closing balance	6.5	6.5	6.5	-
Translation differences				
Opening balance	7.0	8.6	-	-
Change	- 7.0	- 1.6	-	-
Closing balance	0.0	7.0	-	-
Restricted equity, closing balance	487.0	671.2	487.0	657.7
Non-restricted equity				
Opening balance	184.4	295.0	- 177.3	- 64.7
Covered from reserve fund	177.2	64.7	177.2	64.7
Change in Group structure	-	- 3.9	177.2	-
Adjustment to depreciation difference	-	- 5.3	-	-
Net profit for the fiscal year	79.2	- 167.0	146.7	- 177.2
Translation difference	- 4.6	0.9	-	-
Other change *)	1.7	0.1	- 33.1	-
Non-restricted equity, closing balance	437.9	184.4	113.6	- 177.2
of which				
- unappropriated retained earnings	103.8	- 291.1	113.6	- 177.2
- other non-restricted equity	334.1	475.5	-	-

Other non-restricted equity includes the total accelerated depreciation difference and voluntary reserves of the Group's subsidiaries, see position 18.

*) The change in the parent company's non-restricted equity is due to the value adjustment of shares in subsidiaries, which was cancelled owing to the merger.

The company's capital stock as at December 31, 1994 was FIM 480,490,370 and it is divided into 48,049,037 shares, each of which carries one vote.

At the end of the year the company had also issued the following subscription warrants

	Number of shares	Holding
Issue of bonds with warrants 1994	3,600,000	6.97%
Convertible bond issue 1/1989	16,200	0.003%
Total	3,616,200	7.00%

17. Obligatory reserves

	CONSOLIDATED		PARENT COMPANY	
	1994	1993	1994	1993
Guarantee liability, Castrum *)	-	14.8	-	-
Damage claim liability **)	23.7	11.9	23.7	-
Contingent liability reserve, Scantrailer ***)	2.9	34.8	2.9	34.8
Unallocated write-downs, real estate	11.4	11.4	-	-
Other reserves for losses	4.3	8.2	1.5	3.7
Other provisions	4.0	-	-	-
Redemption of minority interests in Tamro Corporation	-	2.0	-	-
Total	46.3	83.1	28.1	38.5

*) Recorded as income as a consequence of the financing solution at the end of 1994
**) Joint liability for damages as set forth in the annual Report of the Board
***) Owing to the bankruptcy of the Scantrailer Group, about FIM 30 million has been paid from the previous year's liability reserve

Changes in the obligatory reserves in the income statement

Profit before financial items	-	- 1.7		- 1.7
Extraordinary items	1.9	- 80.3	- 20.8	- 36.8
	1.9	- 82.0	- 20.8	- 38.5

18. Depreciation difference and voluntary reserves

	CONSOLIDATED		PARENT COMPANY	
	1994	1993	1994	1993
Depreciation difference				
Intangible rights	1.5	1.6	1.3	-
Goodwill	0.7	0.7	94.7	-
Consolidated goodwill	94.7	85.1	-	-
Other capitalized expenditure	0.1	0.1	-	-
Buildings	212.9	212.4	204.3	-
Machinery and equipment	24.1	20.0	6.5	-
Accumulated depreciation difference, total	334.0	319.9	306.8	0.0
Voluntary reserves				
Inventory reserve	-	43.7	-	-
Operating reserve	-	14.7	-	-
Transitional reserve	-	99.2	-	1.4
Other reserves	0.1	0.3	-	-
Voluntary reserves, total	0.1	157.9	0.0	1.4
Depreciation difference and voluntary reserves, total	334.1	477.8	306.8	1.4
Minority interest	-	- 2.3	-	-
Transfer to shareholder's equity	- 334.1	- 475.5	-	-
	0.0	0.0	306.8	1.4

In the Consolidated Balance Sheet, the accumulated depreciation differences and voluntary reserves totaling FIM m 334.1 (1993: FIM m 477.8) are shown as other non-restricted equity.

19. Long-term liabilities

Long-term liabilities fall due as follows:	CONSOLIDATED	PARENT COMPANY
1996	15.4	9.8
1997-1999	73.8	28.7
2000-	117.3	80.9
On special conditions	8.9	-
Total	215.4	119.4
Foreign currency breakdown of long-term loans:		
FIM	211.2	119.4
Others	4.2	-
Total	215.4	119.4
Loans falling due in five years or more by balance sheet item:		
Convertible bonds	2.4	-
Loans from financial institutions	3.7	-
Pension loans	108.9	80.9
Other long-term loans	3.7	-
Total	118.7	80.9

20. Bonds as at December 31, 1994

Conditions of bonds issued by the parent company:

Convertible bond 1989	Amount of issue, FIM	810,000
	Interest	10 %
	Conversion period	May 16 to October 31 annually beginning 1991 The conversion period ends on May 31, 1995
	Conversion ratio and price	FIM 50 of debt capital entitles the holder of the bond to one new share at a par value of FIM 10
	Repayment of issue	Bullet payment on May 15, 1995
Issue of bonds with warrants 1994	Amount of issue, FIM	3,600,000
	Interest	5 %
	Warrants, no.	3,600,000
	Subscription period	Dec. 1, 1998 to Jan. 31, 2000
	Subscription conditions	One warrant entitles a holder to subscribe one Tamro Corporation share with a par value of FIM 10 at a subscription price of FIM 23 per share
	Repayment of issue	Bullet payment on May 16, 1999

Bonds issued by the Group

	Total amount outstanding and unpaid	In the Group's possession	In the possession of others
Tamro Corporation			
Convertible bond issue	0.8	-	0.8
Issue of bonds with warrants	3.6	0.4	3.2
Other Group companies			
Convertible bond issue, Oy Tamda Ab	5.0	2.5	2.5

21. Contingent liabilities

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
Mortgages				
For own debts	137.2	149.9	78.3	-
Mortgages, total	137.2	149.9	78.3	-
Pledges				
For own obligations	10.4	427.8	-	368.5
For others	0.9	1.0	-	-
Pledges, total	11.3	428.8	-	368.5
Guarantees				
For subsidiaries	-	-	51.3	102.9
For debts of management	-	0.4	-	-
For debts of affiliated companies *)	30.0	3.6	30.0	14.8
For debts of others	5.5	4.0	4.2	2.3
Guarantees, total	35.5	8.0	85.5	120.0

*) Subscription guarantee in the manner presented in the Annual Report of the board of Directors, FIM 30,0 as at December 31, 1994.

	CONSOLIDATED 1994	CONSOLIDATED 1993	PARENT COMPANY 1994	PARENT COMPANY 1993
Other commitments				
Leasing commitments				
Next year	22.6	12.7	19.3	0.0
Over one year	6.1	7.4	3.2	0.0
Rent commitments	34.2	37.7	35.0	-
Repurchase commitments	2.6	2.1	0.8	-
Option and future commitments	0.0	6.6	-	-
Other commitments	7.7	2.0	-	-
Other commitments, total	73.2	68.5	58.3	0.0

Group liabilities, secured by mortgages, pledges and other commitments.

	Mortgages or pledges for own debts or debts of a group company	Corresponding debt in Consolidated Balance Sheet
Mortgages	137.2	109.2
Pledges	10.4	1.6

Pension commitments for members of the Board of Directors and the President

The parent company does not have pension commitments for members of the Board of Directors. The pensionable age of the parent company's president has been agreed to be 60 years. The pensionable age of the other presidents of Group companies is determined as a rule in accordance with the Group's normal dispositions regarding pensions.

22. Management ownership of shares

At the end of the fiscal year, the members of the company's Supervisory Board and Board of Directors as well as the president owned a total of 38,680 Tamro Corporation shares and 560,000 warrants for the bonds issued in 1994. The share ownership corresponds to 0.08% of the company's shares and voting rights. If the warrants connected with the bond issue are exercised for share subscriptions, the above-mentioned ownership of shares and warrants will correspond to 1.16 % of the Company's shares and voting rights in 1998.

Similarly, the Group's other management owned a total of 15,766 Tamro Corporation shares at the end of 1994 and 400,000 warrants for the bond issue.

The net profit of Tamro Corporation for the fiscal year is	FIM	146,715,327.82
And other non-restricted equity amounts to	FIM	- 33,081,562.40
Total	FIM	113,633,765.42
The distributable non-restricted equity shown in the Consolidated Balance Sheet as at December 31, 1994 is	FIM	103,807,000.00
The Board of Directors proposes that		
- a dividend of FIM 0.50 per share be paid on 48,049,037 shares entitled to a dividend	FIM	24,024,518.50
- a sum to be set aside for the discretionary use of the Board of Directors for scientific and charitable donations, being	FIM	180,000.00
- the remainder be posted to the retained earnings account	FIM	89,429,246.92

Vantaa, March 9, 1995

Jouko K. Leskinen
Chairman

Matti Liukkonen

Kurt Stenvall

Erkki J. Toivanen

Matti Elovaara
President

To the shareholders of Tamro Corporation

We have examined Tamro Corporation's accounting records, annual accounts and administration for the 1994 fiscal year. The financial statements prepared by the Board of Directors and the President include a report of operations as well as consolidated and parent company income statements, balance sheets and notes to the financial statements. On the basis of the audit carried out by us, we submit this statement on the company's financial statements and administration.

The books and accounting conventions, together with the content and format of the financial statements, have been audited by us as required by generally accepted auditing principles. In examining the company's administration, we have scrutinized the actions of the Supervisory Board, Board of Directors and President to verify their conformity with the Companies Act.

The financial statements have been prepared in accordance with the Accounting Act and other applicable rules and regulations. The financial statements present correct and sufficient information of the result of operations and financial position of the Group and the parent company as specified by the Companies Act.

The closing of the accounts, including the consolidated financial statements, can be adopted and release from liability can be granted to the members of the Board of Directors and Supervisory Board as well as the President for the fiscal year audited by us.

The Board of Directors' proposal for the disposal of the non-restricted equity shown in the balance sheet is in conformity with the Companies Act.

We have examined the interim reports published in the course of the year. In our opinion, they were drawn up in accordance with the applicable regulations.

Vantaa, March 14, 1995

Salmi, Virkkunen & Helenius Oy,
Authorized Public Accountants

Pekka Nikula
CPA

Kimmo Rautvuori
CPA

STATEMENT BY THE SUPERVISORY BOARD

At its meeting held today, the Supervisory Board has discussed Tamro Corporation's financial statements and the consolidated financial statements, both for 1994, and the auditors' report was examined.

As its statement to the 1995 Annual General Meeting, the Supervisory Board recommends that the consolidated and parent company's income statements and balance sheets for 1994 be adopted and that the proposal by the Board of Directors for the disposal of profits be approved.

The terms expire on the Supervisory Board of members Erik Forssell, Ritva Laurila, Antti Moisio, Arvo-T. Rautio and Pär Stenbäck.

Vantaa March 14, 1995

Reijo Purasmaa

Matti Aura

Supervisory Board

(from September 1, 1994, elected by the Extraordinary General Meeting on February 7,1994)

CHAIRMAN

Mikael von Frenckell (47), Executive Vice President
Union Bank of Finland Ltd.

VICE CHAIRMAN

Reijo Purasmaa (52), Pharmacist

MEMBERS

Pirjo Ala-Kapee (50), Mayor, City of Vantaa

Matti Aura (51), President
Central Chamber of Commerce

Erik Forssell (54), Pharmacist

Carl-Olaf Homén (58), President,
Industrial Insurance Company Ltd.

Ritva Laurila (62), Member of Parliament

Tuomo Lähdesmäki (37), President, Leiras Oy

Antti Moisio (53), Deputy Manager of Social Affairs and Public Health, City of Espoo

Arvo-T. Rautio (59), Pharmacist

Arvo Relander (58), Hospital Director
Helsinki University Central Hospital

Torbjörn Sonck (48), President, Ciba-Geigy Oy

Göran Stenberg (59), President, Suomen Astra Oy

Pär Stenbäck (53), Secretary General
Nordic Council of Ministers

Tage Åkerlund (55), Pharmacist

REPRESENTATIVES OF PERSONNEL

Helge Grönfors (59), warehouse employees in Helsinki

Arja Heino (51), employees of regional network, Turku

Marja Nuorivaara (56), office employees in Helsinki

Kristina Åhman (51), other employees

The Supervisory Board has convened once since September 1, 1994.

Board of Directors

CHAIRMAN

Jouko K. Leskinen (51)
CEO, The Sampo Group

MEMBERS

Matti Liukkonen (49)
Managing Director, OKOBANK
Kurt Stenvall (62)
Master of Laws
Erkki J. Toivanen (67)
Chairman of the Board, Onninen Oy

The Board of Directors has convened ten times during the period under review.

Auditors

Pekka Nikula, CPA

Salmi, Virkkunen & Helenius Oy
Authorized Public Accountants

Oy Tamro Ab's Management Team (from left) Jorma Turunen, Pentti Tarkkanen, Heikki Sarekoski, Asko Piekkola, Björn Mattila, Tapio Mansukoski and Matti Elovaara.

GROUP ORGANIZATION AT MARCH 1, 1995

OY TAMRO AB
President
Matti Elovaara

- PHARMACEUTICAL DISTRIBUTING DIVISION
  Vice President
  Division Director
  Tapio Mansukoski
  - *Disribution Contracts* — *Juha Keskitalo*
  - *Marketing* — *Hans Fock*
  - *Southern Finland Region* — *Markku Juhola*
  - *Turku Region* — *Jaana Vartiainen*

- HOSPITAL AND LABORATORY DIVISION
  Division Director
  Björn Mattila
  - *Medipart* — *Asko Kinnunen*
  - *Hospital Equipment* — *Seppo Järvinen*
  - *Apta* — *Markku Pohjola*
  - *Kemia* — *Raimo Viertola*

- KOLMI-SET DIVISION
  Division Director
  Jorma Turunen
  - *Ilomantsi Plant* — *Paavo Varis*
  - *Hyvinkää Plant* — *Jouko Pirkkanen*
  - *Plant in France* — *Rémy Rochard*
  - *Marketing* — *Keijo Väkiparta*

- TAMDA DIVISION
  Division Director
  Heikki Sarekoski
  - *Tamda, Estonia* — *Tarvo Vaasa*
  - *Tamda, Latvia* — *Juris Cilinskis*
  - *Tamda, Lithuania* — *Henrikas Petkevicius*
  - *Pharm Tamda 77, St Petersburg* — *David Panikashvili*

- INFORMATION
  Eila Volanen

- FINANCE AND ADMINISTRATION
  Director
  Pentti Tarkkanen
  - *Finance* — *Risto Saarni*
  - *Personnel* — *Outi Ovaskainen*
  - *Bookkeeping and Accounting* — *Sirpa Koskinen*
  - *Business Cars* — *Henry Nordberg*

- INTERNAL AUDITOR
  Ritva Salomaa

- SPONFINANS DIVISION
  Division Director
  Asko Piekkola
  - *Tammermatic* — *Markku Ottela*
  - *Affiliated Companies and Investment Business* — *Asko Piekkola*

- *Tampere Region*
  Timo Mäenpää
- *Kuopio Region*
  Markku Ylinen
- *Oulu Region*
  Ilkka Lievonen
- *Logistics Services*
  Supporting Services
  Markku Kyyrönen
- *Pharmaceutical Affairs*
  Anders Karlsson
- *Healthy Future Development Program*
  Kai Särkelä
- *Marketing Research*
  Leila Jääskeläinen

- *Service*
  Hans Merkl
- *Customer Service*
  Anneli Talme
- *Purchasing*
  Anne Aitola
- *Printel*
  Hannu Leppänen

- *Finance*
  Maire Karvinen
- *Quality Assurance*
  Juhani Kivijärvi
- *Product Development*
  Anne Mykkänen

- *St. Petersburg and other Russia*
  Jorma Kajaste
- *Finance*
  Leena Schnapp

- *Office Services*
  Jukka Korpikoski

DISTRICT ADVISORY COMMITTEES

SOUTHERN FINLAND

Pharmacists
Raili Auramo, Lammi
Gustav Braxén, Helsinki
Kaj Forsén, Karjaa
Rea Hagner, Espoo
Salme Hannula, Helsinki
Stig Holmström, Kuusankoski
Anja Holopainen, Hartola
Antti Härmä, Kouvola
Leif Ivars, Vantaa
Kaisa Jauho, Inkeroinen
Helena Lako, Helsinki
Irmeli Larkka, Imatra
Anja Latomäki, Helsinki
Ulla Leino, Vantaa
Esko Matilainen, Kotka
Anna-Liisa Metsäpelto, Mäntyharju
Ahti Nokela, Kerava
Irma-Sirkka Ojala, Hamina
Anita Oksanen, Helsinki
Nils-Olof Otterström, Espoo
Paavo Palmu, Kotka
Martti Perälä, Lappeenranta
Mirja Pohto-Iivanainen, Nurmijärvi
Aila Rautiainen, Helsinki
Marja-Liisa Rämö, Lappeenranta
Ulla-Maija Savioja, Lahti
Eeva-Liisa Seppä, Karkkila
Eeva Teitti, Lahti
Finn Thesslund, Porvoo
Kerttu Vesalainen, Kuusankoski
Lahja Vuorinen, Karhula
Carl-Johan Widén, Helsinki
Karl-Gustav Widén, Helsinki

KUOPIO

Pharmacists
Matti Ahomaa, Kontiolahti
Sirpa Autio, Iisalmi
Sirpa Anneli Autio, Ilomantsi
Olavi Heikkilä, Lieksa
Kalle Hiekka, Konnevesi
Eeva Honkanen, Hankasalmi
Marja Immonen, Liperi
Kaarlo Järvinen, Karstula
Risto Kananen, Kuopio
Ritva Kinnunen, Saarijärvi
Raija Kosunen, Juva
Aarno Launonen, Viitasaari
Irja Launonen, Siilinjärvi
Marja Lounela, Rautalampi
Reino Mustonen, Nilsiä
Heli Mäkeläinen, Kuopio
Leena Mäkinen, Joensuu
Marcus Olli, Kuopio
Aino Rantanen, Suolahti
Simo Soiviola, Varpaisjärvi
Kerttu Tossavainen, Eno
Raakel Tyyskä, Lapinlahti
Seppo Vuorento, Pieksämäki
Pirjo Vuosmaa-Tikka, Lievestuore
Erkki Wartiainen, Kangasniemi

OULU

Pharmacists
Leena Huttunen, Kokkola
Paavo Järvelin, Rovaniemi
Simo Kallio, Oulu
Lea Karinen, Kuhmo
Leena Kyösti, Kannus
Saara Lamponen, Raahe
Elli Lehikoinen, Sotkamo
Reetta Mustonen, Kuusamo
Sirpa Orre, Posio
Heikki Partanen, Muhos
Vesa Riihimäki, Kolari
Saara Räävi, Ylitornio
Risto Saastamoinen, Pudasjärvi
Kalle Tuori, Ruukki

TAMPERE

Pharmacists
Kirsti Alastalo, Hauho
Seija Antere, Tampere
Kaarina Anttila, Parkano
Juha Anttinen, Vaasa
Toivo Hurmerinta, Vammala
Kalevi Järvihaavisto, Toijala
Seija Kara, Tyrvää
Esko Karimäki, Pietarsaari
Maija-Riitta Kattelus, Valkeakoski
Maija Kirma, Tampere
Laila Lahtinen, Lapua
Heimo Lankinen, Valkeakoski
Kaisa Mersalo, Hämeenkyrö
Elvi Michelsson, Lempäälä
Ritva Niemelä, Tampere
Max Norrdahl, Lapua
Juha Nuutila, Ylistaro
Terttu Palander, Alajärvi
Sirkka Peltola, Tampere
Tapio Peltonen, Mänttä
Aino Perälä-Suominen, Vaasa
Sirkka Pietiläinen, Jämsä
Raimo Rantanen, Lavia
Kerttu Roppo, Längelmäki
Irma Saarinen, Tampere
Pirkko Salovaara, Tampere
Marja-Leena Sarparanta, Orivesi
Pekka Sedig, Vaasa
Gunnel Strengell, Vöyri
Marja Sääksi, Pirkkala
Aune Virkkunen, Tampere
Reijo Välimäki, Nokia

TURKU

Pharmacists
Riitta Arola, Nousiainen
Henrik Brenner, Nauvo
Sirkka-Leena Hartikainen, Rauma
Pekka Hedman, Loimaa
Marja-Liisa Isomuotia, Salo
Paavo Kahela, Turku
Liisa Luoma, Harjavalta
Paavo Marjanen, Raisio
Heikki Maunula, Salo
Pirkko Mikkonen, Forssa
Monica Molander, Pori
Lauri Nieminen, Pori
Riitta-Liisa Ronkainen, Lappi TI
Maija Ruisvaara, Naantali
Jorma Saaristo, Perniö
Eeva Schrey, Turku
Sven Strandin, Parainen
Matti Tukiainen, Forssa
Marketta Uitto, Pomarkku

HEALTH CARE COMMITTEE

Professor Veli Matti Huittinen, Helsinki, Chairman

Professor Reijo Tilvis, Helsinki, Vice Chairman

Professor Juha Niinikoski, Turku

Senior Physician Ossi Auvinen, Tampere

Docent Timo Lehtonen, Espoo

Professor Lauri Nuutinen, Oulu

Medical Officer Seppo Tikka, Lahti

ADVISORY COMMITTEE OF PRINCIPALS

Managing Director Jaakko J. Aalto, Glaxo Pharmaceuticals Oy

Managing Director Jussi Holopainen, Zeneca Oy

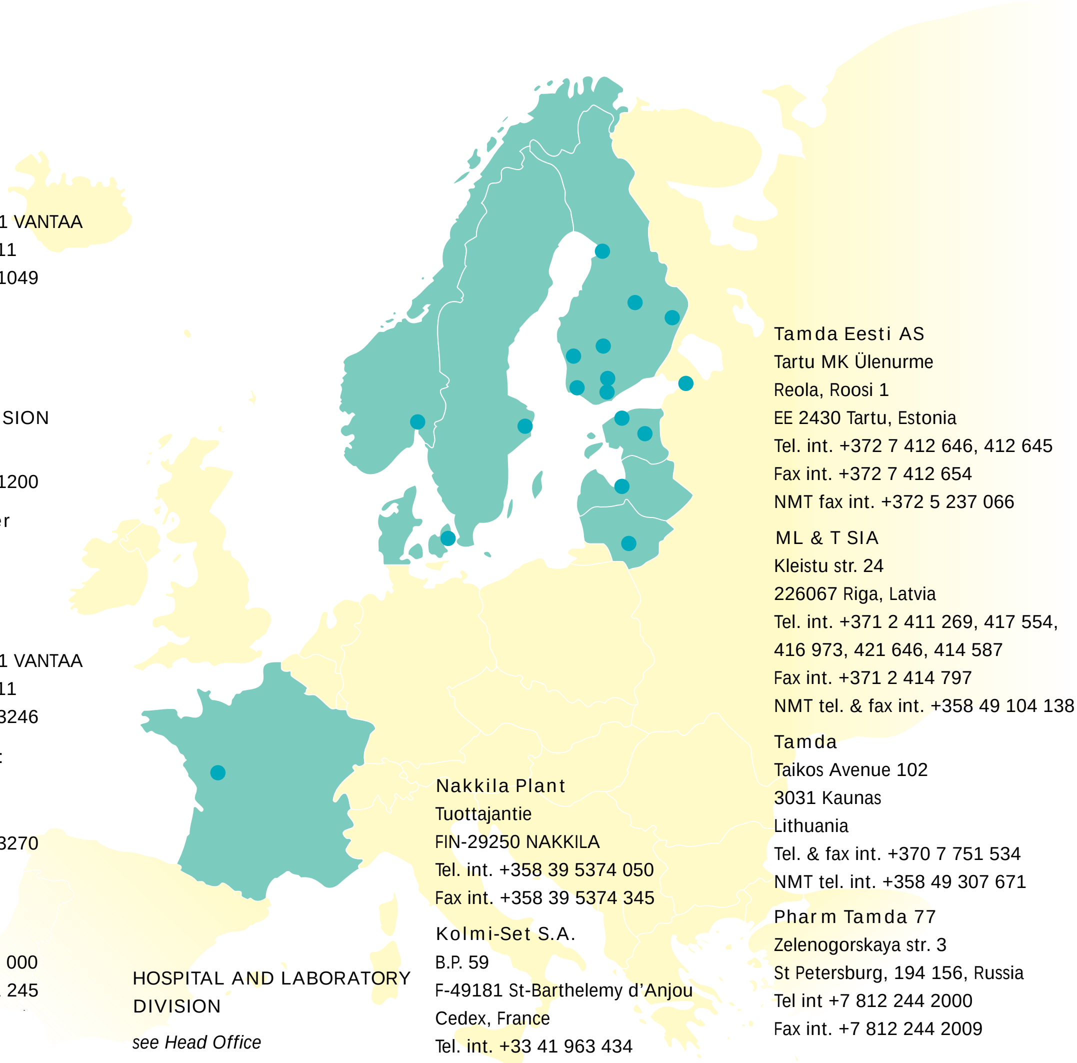
Marketing Director Kari Järviö, Leiras Oy

Managing Director Pasi Lehtovaara, Pfizer Oy

Managing Director Lasse Savonen, Suomen Astra Oy

Managing Director Riitta Scheiman, Oy Pharmacia Ab

Managing Director Seppo Silander, Fisons Oy



HEAD OFFICE

Rajatorpantie 41 B
FIN-01640 VANTAA
Postal address
P.O. Box 11, FIN-01641 VANTAA
Tel. int. +358 0 852 011
Fax int. +358 0 8520 1049
Others: see Divisions
Telex 124717 tamro sf

PHARMACEUTICAL DISTRIBUTING DIVISION

see Head Office
Fax int. +358 0 8520 1200

Distribution Center
Tamro House
Rajatorpantie 41 E
FIN-01640 VANTAA
Postal address
P.O. Box 11, FIN-01641 VANTAA
Tel. int. +358 0 852 011
Fax int. +358 0 8520 3246

Regional Network:
Southern Finland
see Head Office
Fax int. +358 0 8520 3270

Kuopio
Kellonkierto 7
FIN-70460 KUOPIO
Tel. int. +358 71 3641 000
Fax int. +358 71 3641 245

Oulu
Kangaskontiontie 14
FIN-90240 OULU
Tel. int. +358 81 557 1411
Fax int. +358 81 557 2940

Tampere
Kaskimäenkatu 7
FIN-33900 TAMPERE
Postal address
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Tel. int. +358 31 2654 311
Fax int. +358 31 2654 756

Turku
Rieskalähteentie 75
FIN-20300 TURKU
Postal address
P.O. Box 219, FIN-20101 TURKU
Tel. int. +358 21 381 333
Fax int. +358 21 381 048

Tam-Drug Oy
Rajatorpantie 41 B
FIN-01640 VANTAA
Tel. int. +358 0 852 011
Fax int. +358 0 853 2991

Oy Drugtrade Ab
Rajatorpantie 41 C
FIN-01640 VANTAA
Postal address
P.O. Box 20, FIN-01641 VANTAA
Tel. int. +358 0 853 2066
Fax int. +358 0 8520 2170

LS-Logistics Services Ltd.
Heidehofintie 2
FIN-01300 VANTAA
Tel. int. +358 0 857 551
Fax int. +358 0 8575 5670

HOSPITAL AND LABORATORY DIVISION

see Head Office
Fax int. +358 0 8520 1818
Customer Service: see departments below

Fax int.
Medipart: +358 0 8520 1818
Hospital Equipment:
+358 0 8520 1919
Apta: +358 0 8520 1770
Kemia: +358 0 8520 1717

Printel Oy
Sähkötie 1
FIN-01510 VANTAA
Tel. int. +358 0 82 941
Fax int. +358 0 821 820

KOLMI-SET DIVISION

Kolmi-Set Oy
Rajatorpantie 41 B
FIN-01640 VANTAA
Tel. int. +358 0 8520 1400
Fax int. +358 0 8520 1420

Ilomantsi Plant
FIN-82900 ILOMANTSI
Tel. int. +358 74 682 611
Fax int. +358 74 682 6600

Hyvinkää Plant
Postal address
P.O. Box 200
FIN-05801 HYVINKÄÄ
Tel. int. +358 14 470 281
Fax int. +358 14 470 083

Nakkila Plant
Tuottajantie
FIN-29250 NAKKILA
Tel. int. +358 39 5374 050
Fax int. +358 39 5374 345

Kolmi-Set S.A.
B.P. 59
F-49181 St-Barthelemy d'Anjou
Cedex, France
Tel. int. +33 41 963 434
Fax int. +33 41 963 453, 963 452

Scandinavian Sales Companies:
Kolmi-Set AB
Danmarksgatan 46
S-164 40 Kista, Sweden
Tel. int. +46 8 751 0390
Fax int. +46 8 751 0392

Kolmi Set A/S
Hvamveien 4
N-2013 Skjetten, Norway
Tel. int. +47 6 844 660
Fax int. +47 6 844 100

Kolmi Set AS
Langebjerg 23
DK-4000 Roskilde, Denmark
Tel. int. +45 46 754 044
Fax int. +45 46 757 710

TAMDA DIVISION

Oy Tamda Ab
Rajatorpantie 41 B
FIN-01640 VANTAA
Tel. int. +358 0 852 011
Fax int. +358 0 8520 1060

Tamda Eesti AS
Pärnu mnt 232
EE 0100 Tallinn, Estonia
Tel. int. +372 2 557 689
Fax int. +372 6 392 343
NMT tel. int. +372 5 237 064
NMT tel. & fax int.
+372 5 237 067

Tamda Eesti AS
Tartu MK Ülenurme
Reola, Roosi 1
EE 2430 Tartu, Estonia
Tel. int. +372 7 412 646, 412 645
Fax int. +372 7 412 654
NMT fax int. +372 5 237 066

ML & T SIA
Kleistu str. 24
226067 Riga, Latvia
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416 973, 421 646, 414 587
Fax int. +371 2 414 797
NMT tel. & fax int. +358 49 104 138

Tamda
Taikos Avenue 102
3031 Kaunas
Lithuania
Tel. & fax int. +370 7 751 534
NMT tel. int. +358 49 307 671

Pharm Tamda 77
Zelenogorskaya str. 3
St Petersburg, 194 156, Russia
Tel int +7 812 244 2000
Fax int. +7 812 244 2009

SPONFINANS DIVISION

Sponfinans Oy
Rajatorpantie 41 B
FIN-01640 VANTAA
Tel. int. +358 0 852 011
Fax int. +358 0 8520 2415

Oy Tammermatic Ab
Tesomanvaltatie 28
FIN-33300 TAMPERE
Postal address
P.O. Box 206
FIN-33101 TAMPERE
Tel. int. +358 31 344 3122
Fax (int. +358 31 344 5477

The Annual General Meeting

The Annual General Meeting of Tamro Corporation will be held at Tamro House, Rajatorpantie 41 B, Vantaa, on April 27, 1995 at 4 p.m. Shareholders who wish to attend must give notification not later than 4 p.m. on April 25, 1995, either by writing to Tamro Corporation, P.O. Box 11, FIN-01641 Vantaa, or by phoning Eva Mäkeläinen/(+358 0) 8520 1562. Letters of notification must arrive by the deadline. Please give notice of any proxies in the notification.

Entitlement to attend the company meeting

Shareholders whose shares have been transferred to the share register maintained by the Central Share Register of Finland Cooperative no later than April 13, 1995, as well as those shareholders who were entered in the company's shareholders' register before October 28, 1994, are entitled to attend the company meeting. In such a case, the shareholder must present his or her share certificate or other evidence that the holding is not entered in a book-entry securities account.

Payment of dividend

If the company meeting passes the Board's proposal for dividend, FIM 0.50 per share will be paid to those shareholders who are registered in the shareholders' register kept by the Central Share Register of Finland Cooperative on the matching date, May 4, 1995. Dividend will be paid on May 9, 1995.

Interim Reports 1995

Tamro Corporation will publish the following interim reports for 1995 in Finnish, Swedish and English:
– January-April, on June 15, 1995
– January-August, on October 25, 1995
Annual and interim reports can be ordered from:
Tamro Corporation
Information Department
P.O. Box 11, FIN-01641 Vantaa
Fax int. (+358 0) 8520 1009