AMER GROUP
1995

CONTENTS

ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting of Amer Group Ltd will be held on Thursday, 7 March 1996 at 2.00 p.m. at Amer Group's headquarters in Helsinki. The address is Mäkelänkatu 91.

DIVIDENDS

The Board of Directors' proposal for distribution of earnings appears on page 32. Only parties appearing on the shareholders' register maintained by the Central Share Register at the record date, 12 March 1996, are entitled to receive dividends. The date proposed by the Board of Directors for the distribution of dividends is 15 March 1996.

SHARE REGISTER

Amer Group's shareholder register is administered by means of automatic data processing by the Central Share Register. Shareholders must inform the registrar, keeping their book-entry accounts, of any changes of address, pledges and other matters relating to their shareholdings.

FINANCIAL REPORTING

For the fiscal year 1996, Amer Group will publish the Interim Report for the period January to April on 6 June, and the Interim Report for the period January to August on 10 October. In 1997, the Financial Performance Bulletin and the Annual Report will be published in February.
The reports are published in English and Finnish. These publications can be ordered by writing to: Amer Group Ltd, Communications, P.O.Box 130, FIN-00601 Helsinki, Finland, or by telephoning (int.) +358-0-7577 309.

Amer Group specialises in the manufacture and marketing of international branded goods, with the Sports Division representing approximately 75 % of the Group's net sales. In 1995, the Group's annual net sales amounted to FIM 6,2 billion. Its largest markets are the United States and Europe.

There were further structural changes in the Amer Group in 1995 whilst the Group continued to concentrate on sporting goods. The integration of the Austrian Atomic Group, acquired towards the end of 1994, went ahead as planned, and the Group strengthened its position as the world's second largest sports equipment manufacturer. The Publishing and Printing Division's book publishing operations were sold at the beginning of the financial year. From the Automotive Division, the Toyota operations and forklift business were divested in November and the tyre importer at the beginning of the current financial year. Besides the sporting goods business, Amer Group also operates in the automotive market through its subsidiary Auto-Bon Oy which imports Citroën and Suzuki cars, in tobacco manufacturing through Amer Tobacco Ltd, the biggest cigarette manufacturer in Finland, and in personal planning systems through the Time/system Companies.

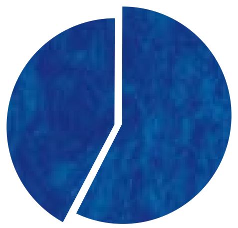
The parent company, Amer Group Ltd, is a publicly listed company that was originally established in 1950 by four Finnish commercial and technical organisations, who founded Amer Tobacco for the purpose of generating revenues to finance commercial and technical education and research in post-war Finland. To safeguard its long-term growth potential, Amer started to diversify from the tobacco industry into other fields. After expanding the shareholder base, the Company listed on the Helsinki Stock Exchange in 1977 and on the London Stock Exchange in 1984.

Over the years, Amer has been involved in many new businesses, but has recently tightened its focus and now concentrates on a few core areas. The Group's long-term focus is its sporting and leisure goods operations and the stated strategic goal is to gain a strong sustainable position in the global sporting goods market. Success in this industry requires continuous innovative R&D, efficient production, and energetic marketing initiatives, all of which have now been adopted as key corporate priorities.

Amer's objective as a publicly listed company is to earn significant returns on the capital invested by its shareholders. To achieve the long-term goals of increasing earnings per share by at least 10 % annually and distributing on average one third of annual profits in dividends, the Group focuses on profitable businesses while simultaneously safeguarding the equity ratio required for the continued success of its operations.

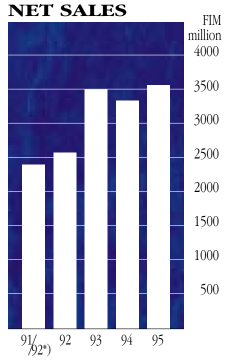
OPERATING DIVISIONS

SPORTS DIVISION



58 %

NET SALES



Wilson Sporting Goods Co. is one of the leading global sporting goods companies producing and marketing golf, racquet and team sports equipment. MacGregor Golf Company specialises in golf equipment. The Atomic companies manufacture and market alpine and cross-country ski equipment under Atomic and Dynamic brands, and snowboards and in-line skates under Oxygen brand.

Golf equipment is expected to represent 36 %, racquet sport 25 % and team sports equipment 18 % of divisional net sales in 1996. Winter sports equipment will account for 16 % and in-line skates for 5 % of net sales.

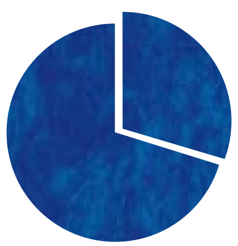
Business:

Manufacture and marketing of golf, racquet and team sports equipment, alpine and cross-country ski equipment as well as the manufacture and marketing of snowboards and in-line skates.

Units and principal locations:

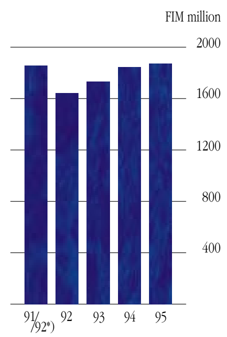
Wilson Sporting Goods Co. (Chicago, Illinois, USA), MacGregor Golf Company (Albany, Georgia, USA), Atomic Austria GmbH (Altenmarkt, Austria)

AUTOMOTIVE DIVISION



30 %

NET SALES



Auto-Bon Oy imports and markets Citroën and Suzuki cars and commercial vehicles. The cars are marketed both through a nationwide dealer network and by Auto-Bon's own retail outlet. Moottorialan Luotto Oy finances leasing contracts for cars and vans.

Towards the end of 1995, Amer Group sold its Toyota operations and forklift truck operations. The tyre importer was divested at the beginning of the current financial year.

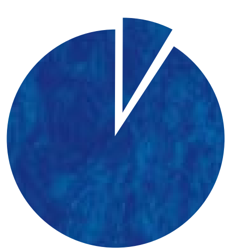
Business:

Import and distribution of cars and commercial vehicles, management and financing of vehicle leasing contracts.

Units and principal locations:

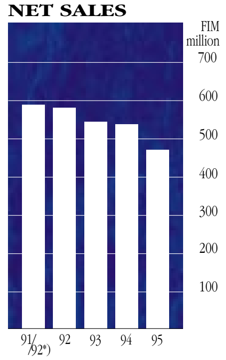
Auto-Bon Oy (Vantaa, Finland), Moottorialan Luotto Oy (Vantaa, Finland)

TOBACCO DIVISION



8 %

NET SALES



Amer Tobacco Ltd is the leading Finnish cigarette manufacturer. Cooperation with Philip Morris started in 1961 when the first licensing agreement was signed. The current agreement was renewed in 1995 and it will be valid until the end of 2001. The world's most popular cigarette Marlboro is also the best-selling brand in Finland. Other licensed cigarette brands are L&M and Belmont.

Besides licensed products, Amer Tobacco also manufactures its own cigarette brands, pipe and cigarette tobacco, and imports cigars and other tobacco products as well.

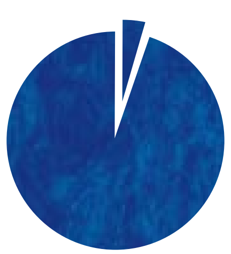
Business:

Production, sale and export of cigarettes and other tobacco products, importation of cigars and other tobacco products.

Unit and principal location:

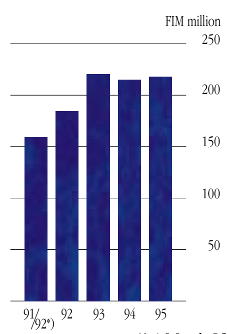
Amer Tobacco Ltd (Tuusula, Finland)

TIME/SYSTEM DIVISION



4 %

NET SALES



*) 1 March-28 Feb.

Time/system, which offers solutions for increased personal and organisational efficiency, is a global producer and marketer of personal planning systems, with Europe as its principal market.

The products are marketed through a wide distributor network. Own sales subsidiaries are located in the Nordic countries, Great Britain and Italy, as well as from the beginning of 1996 also in Germany.

Business:

Production and marketing of personal planning systems.

Unit and principal location:

Time/system International a/s (Allerød, Denmark)

Time/system

YEAR IN BRIEF

- *The consolidated results decreased significantly. Profit before extraordinary items for 1995 was FIM 75 million (FIM 220 million in 1994). Adjusted earnings per share decreased to FIM 3.10 (FIM 9.90).*

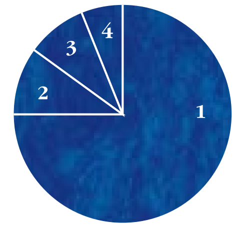
- *Changes in the corporate structure continued. In 1995, the book publishing operations with related shareholdings were divested, as well as the shareholding in WSOY. The Toyota operations were sold towards the end of the year.*

- *The licence agreement with Philip Morris was renewed; the new agreement is valid from the beginning of the current year until the end of 2001.*

- *Following the divestments, the equity ratio improved to 47 %, and the interest bearing loans decreased by more than FIM 1 billion.*

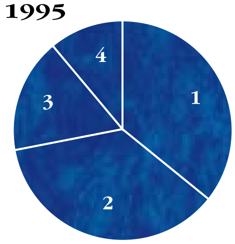
- *The Group's K-shareholders received an approach with a view to the purchase of their K shares. At the time of writing this report, negotiations are still going on.*

PERCENTAGES OF NET SALES 1996



1 SPORTS DIVISION 75 %
2 AUTOMOTIVE DIVISION 10 %
3 TOBACCO DIVISION 9 %
4 TIME/SYSTEM DIVISION 6 %

GEOGRAPHIC BREAKDOWN OF NET SALES 1995



1 NORTH AMERICA 36 %
2 FINLAND 36 %
3 REST OF EUROPE 17 %
4 OTHERS 11 %

KEY FIGURES
FIM million

	1995	1994	**Change %**
Net sales	**6,166**	6,931	– 11
Overseas sales	**3,952**	4,596	– 14
Operating profit	**263**	430	– 39
% of net sales	**4.3**	6.2	
Profit after financial items	**140**	271	
Return on investment (ROI), %	**5.9**	8.6	
Earnings per share, FIM	**3.1**	9.9	
Dividend per share, FIM	**3.0** [1)]	3.0	
Return on shareholders' equity (ROE), %	**2.6**	8.4	
Equity ratio, %	**47**	40	
Personnel at year end,	**5,137**	6,199	
outside Finland	**4,569**	4,813	

[1)] Proposal of the Board of Directors
Calculation of key figures, see page 38

CEO'S REVIEW

Amer Group had set its expectations high for 1995. Significantly improved profitability in 1994 and Amer's strengthened position in the sporting goods and leisure industry, which had been selected as the Group's principal operation, gave every reason to expect steady and positive progress in the company's performance.

However, 1995's results proved to be significantly weaker than 1994's and as such were a great disappointment. On the other hand, the corporate equity ratio improved, mainly due to the disposal or divestiture of certain operations, and was approaching 50 per cent at the year end.

The single most significant factor which adversely affected the results was the difficulties that occurred in both Wilson and MacGregor's golf operations. In other respects, the Sports Division achieved its targets, including the Atomic Companies, whose integration proceeded according to plan.

Streamlining of the corporate structure continued. The previous decision taken in principle to withdraw from the book publishing business, was finalised during 1995. As a result, Amer Group's holding in Werner Söderström Osakeyhtiö was sold in December, in addition to the operations of Weilin+Göös and other related businesses, which had already been sold at the beginning of the year. The negotiations with Toyota Motor Corporation regarding the sale of the Toyota operations, which had been going on for nearly two years, were also completed, and the agreement was signed and the operations transferred to the new owner on 1st November.

One of the highlights of 1995 was the revised licence agreement signed with Philip Morris. It ensures the continuation of the co-operation started in 1961 at least until the end of 2001.

After all these developments, the start point for 1996 has essentially improved. The restructuring measures implemented and development programmes launched in problem areas, give every reason to expect that performance in the current year will be better than last year, and will provide a foundation for sustainable good profitability and positive progress in accordance with the company's set objectives.

In September, Amer Group was informed that its K-shareholders had been approached by third parties with a view to purchasing their K shares. At the time of writing this report, negotiations between the potential bidders and the K-shareholders are still taking place.

For Amer Group employees, 1995 proved to be an exceptionally demanding year. In the prevailing conditions, they managed, however, to excel in their duties, providing a strong basis for the continued positive development of the Group. For this contribution, I wish to express my sincere thanks to everyone in Amer Group's various business units.

Raimo Taivalkoski

SPORTS DIVISION

KEY INDICATORS

FIM million	1995	1994	Change
NET SALES	3,597	3,368	7 %
Wilson	2,714	3,154	- 14 %
Atomic	674		
MacGregor	221	223	- 1 %
Intercompany sales	- 12	- 9	
OPERATING PROFIT	81	242	- 67 %
Wilson	75	263	- 71 %
Atomic	38	..	..
MacGregor	- 32	- 21	
CAPITAL EXPENDITURE	102	88	16 %
PERSONNEL (average)	4,457	3,285	1,172
Wilson	3,254	3,089	165
Atomic	996	..	996
MacGregor	207	196	11

The Sports Division's currency denominated net sales increased by 25 %, net sales denominated in Finnish markka grew by 7 % to FIM 3,597 million (FIM 3,368 million in 1994). Wilson Sporting Goods Co.'s profitability declined, while MacGregor Golf Company's losses increased. The Atomic Companies result fell slightly short of the targets. The Division's Finnish markka denominated operating profit totalled FIM 81 million (FIM 242 million).

WILSON SPORTING GOODS CO.

Demand for sporting goods grew slowly in Europe, Canada and Asia Pacific region, while Wilson's sales increased in these markets. Growth was also slow in the United States, although Wilson's sales were flat compared to last year. Both demand and Wilson's sales in the Japanese market declined.

The world-wide consolidation of the trade continues, as large sporting goods chains, mass merchants and discounters are growing, resulting in increased margin pressure and demands for customer service, logistics and inventory management.

Wilson's net sales, including royalty revenues, amounted to FIM 2,714 million (USD 621 million.). Net sales grew by 3 % in dollars terms, whilst Finnish markka denominated net sales decreased by 14 %. The Company's profitability declined significantly from 1994 due to problems in the US golf ball and golf club operations. To improve competitiveness, the company's golf club plant was closed in Newbury Park, California, which resulted in an extraordinary charge of FIM 22 million. In addition, operating profits were burdened by one-off costs incurred in connection with the restructuring of the European Headquarters and the Japanese sales force. Marketing spend was increased to a total of USD 72 million or 12 % of net sales. Also, investment in R&D was higher than last year.

Pete Sampras

Bernhard Langer

Total worldwide sales of licensed Wilson branded products exceeded USD 150 million.

In 1995, sales and distribution subsidiaries were established in Austria and Brazil. In addition a new Korean subsidiary started operating in January 1996. Wilson and Atomic's sales and distribution operations were merged in Canada, Finland and Spain.

Of Wilson's total capital expenditure of FIM 58 million, a significant part (FIM 21 million) related to automation at the golf ball manufacturing plant in Humboldt, Tennessee.

GOLF

Worldwide golf equipment sales continued to grow slowly. Golf industry sales in the USA and Europe are growing, whereas the Japanese market continues to decline. Key market trends include a shift from stainless steel to titanium metal woods, switching from steel-shafted irons to graphite shafts, and a move to lower price points in golf balls.

The Golf Division's worldwide net sales fell by 6 % in dollar terms. Sales volume of golf clubs declined; the main problem in clubs was the transition from the Killer Whale metal wood line to the premium Invex metal wood line; and the delay in the launch of Invex from the spring to the autumn. Marketing spend, as well as spending on R&D, was increased.

In the USA, Wilson maintained its position as the number one company in the value club sector with a 22 % market share. In premium clubs, its market share remained flat compared to 1994 at 5 %.

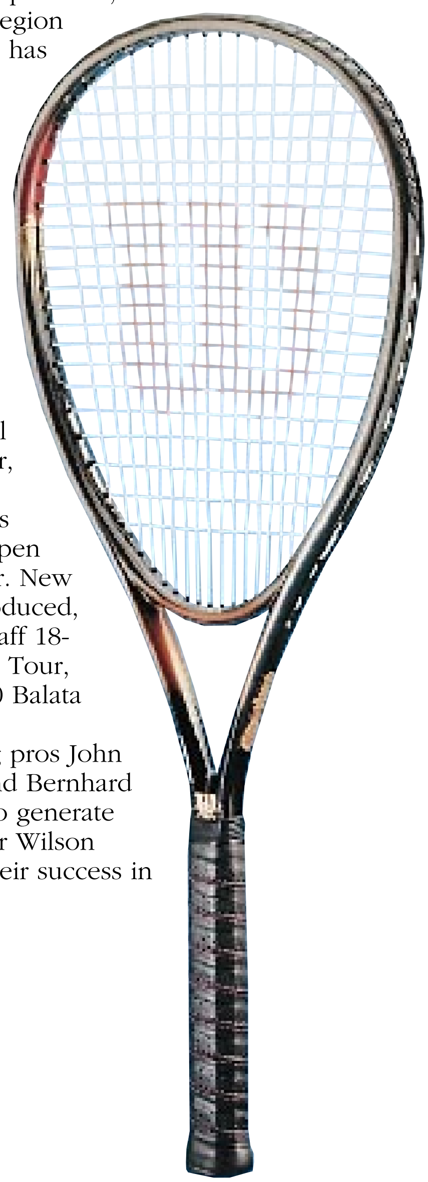
In golf balls, the key issues related to fierce market competition, and lower than anticipated demand for premium golf balls. Wilson's sales and profitability of golf balls declined, a key issue being the market switch to 18-ball packs sold through retail channels; Wilson's market share in golf balls was 16 % (18 % in 1994).

In Japan, domestic golf brands are strong both in golf clubs and balls, while foreign brands are suffering. Wilson's position remained relatively weak due to distribution changes and delays in the supply of new premium products in the first part of the year.

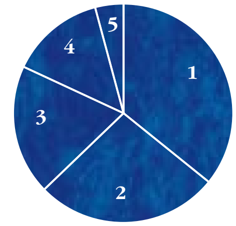
In Europe, Wilson maintained its market share in golf products, and in Asia Pacific region and Canada, Wilson has a strong position as the leading golf company.

In golf clubs, Wilson's focus will be on new premium category game improvement products. Wilson introduced the new Staff RM forged irons in August and the new Invex metal woods in September, which was given a boost by John Daly's win at the British Open with an Invex driver. New golf balls were introduced, including the Pro Staff 18-ball Pack, the "TC2" Tour, and a new Ultra 500 Balata Ball.

Wilson's touring pros John Daly, Vijay Singh and Bernhard Langer, continued to generate positive publicity for Wilson products through their success in major tournaments.

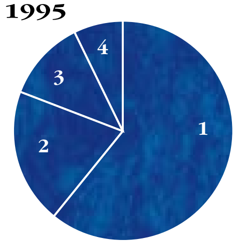


BREAKDOWN OF NET SALES 1995



1 GOLF 36 %
2 RACQUET 27 %
3 TEAM SPORTS 19 %
4 WINTER SPORTS EQUIPMENT 14 %
5 IN-LINE SKATES 4 %

GEOGRAPHIC BREAKDOWN OF NET SALES 1995



1 NORTH AMERICA 61 %
2 EUROPE 20 %
3 JAPAN 12 %
4 OTHERS 7 %

Steffi Graf

RACQUET

In 1995, Wilson clearly established itself as the number one worldwide brand in tennis. Wilson is the global leader in tennis racquets and shares the number two position in tennis balls.

Following a slow start, the US racquet market has seen a positive sales trend in the second half of 1995, while Japan, Europe and Asia Pacific continued to decline. Wilson's global tennis sales grew by 10 % in dollar terms compared to last year, driven by market share gains.

In the US tennis racquet market, Wilson strengthened its leading position by growing its share to 45 % (41 % in 1994). In tennis balls, Wilson's share remained flat at 39 % in an extremely competitive market. Racquetball racquet share improved to 12 % in 1995 (7 % in 1994) with the introduction of a new racquet line which incorporates the innovative new Strike Zone technology.

Wilson introduced several new tennis racquets including new stretch versions of its popular Sledge Hammer line. The new Aggressor shoe range was introduced in June.

As the industry leader, Wilson has taken a stand to support overall industry growth through school and youth programmes. Wilson's staff players, Steffi Graf and Pete Sampras, dominated the major tennis tournaments, winning both at Wimbledon and the US Open, and finishing the year as the world number one tour players.

TEAM SPORTS

The US basketball, American football and apparel markets grew, although the baseball market decreased significantly. Wilson's dollar denominated sales of team sports equipment increased by 8 % and the company gained market share in every product category in the United States; Wilson is the market leader in footballs, with a 68 % market share, number two in baseballs (21 %) and in baseball gloves (21 %), as well as in basketballs (23 %). Demand for uniforms, particularly NFL (National Football League) licensed apparel, grew rapidly. The company's overall market share was 7 %.

New products included the Youth Sports products line for children, baseball gloves, where the dial fit technology was introduced to lower point gloves, and Grant Hill and Michael Jordan basketballs. Wilson signed a contract with the Association of Volleyball Professionals (AVP) as the official game ball supplier. Together with the contracts with the United States and Canadian National Football Leagues, the new contract further strengthens Wilson's market position in North America.

Wilson's team sports professional staff includes basketball stars Michael Jordan, Grant Hill, Shawn Kemp and Penny Hardaway, and baseball players Gregg Maddux, Barry Larkin, Barry Bonds and Tom Glavine.

MACGREGOR GOLF COMPANY

MacGregor Golf Company's Finnish markka denominated net sales were flat at FIM 221 million (USD 50 million). The dollar denominated sales increase was 19 %. Operations continued to be unprofitable, and losses increased from the previous year. The main reasons for MacGregor's unprofitability are low margins due to the product mix and insufficient control of fixed costs.

New products included VIP Oversize irons, VIP titanium fairway woods, and the women's game improvement club line, DX System Five-1-Five, for the intermediate player.

Golf professionals who play with MacGregor equipment include John Cook, Duffy Waldorf, Anders Forsbrand and Tom Weiskopf.

PROSPECTS FOR 1996

Modest growth is expected to continue in the sporting goods industry in the United States, Canada and Europe; the Japanese market decline should slow considerably. Golf and team sports will continue to grow modestly, and according to cautious estimates, the growth seen towards the end of the year should also continue in the US tennis market.

Wilson's key drivers continue to be technological innovation and product development aimed at introducing game improvement products for amateur players; enhancement of Wilson's brand image through advertising and grassroots programmes; better customer service; and expansion of operations in markets outside the USA.

Wilson's primary focus is to improve the profitability of the golf business. The key emphasis is to enhance the pro image in clubs and balls by introducing high technology products, improving quality and distribution coverage in all main product categories, and improving manufacturing and sourcing efficiencies.

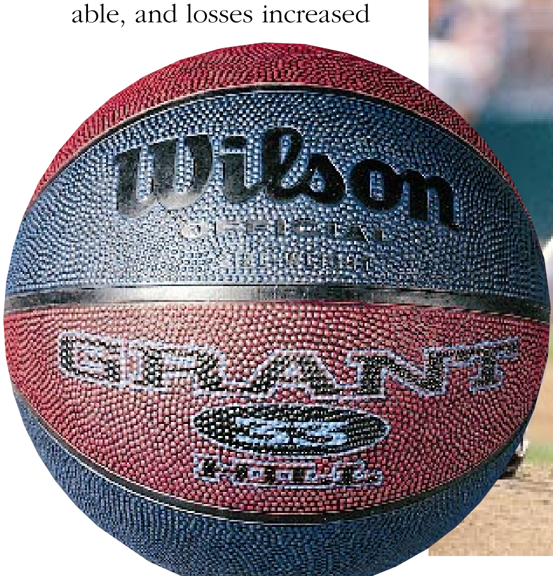
The Invex metal woods will have a significantly positive impact on the profitability and image of the company.

Fierce competition in the golf ball market will continue, although, profitability of Wilson's golf ball operations will improve through lower manufacturing costs. Profitability in golf operations as well as in all other operations in Europe and Japan will all improve following the restructuring that took place in 1995.

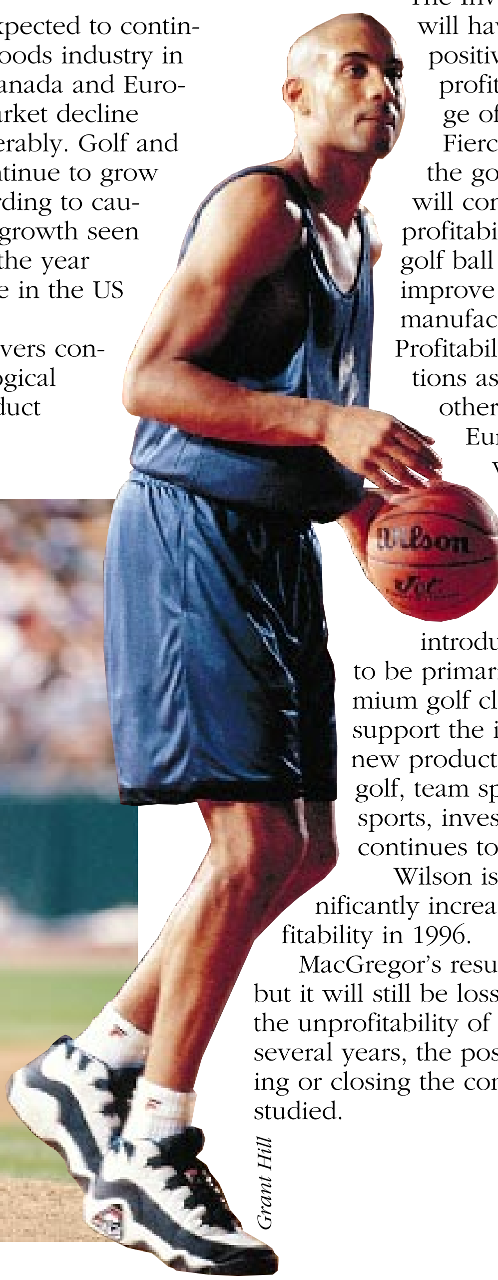
New product introductions continue to be primarily in the premium golf club market. To support the increased rate of new product launches in golf, team sports and racquet sports, investment in R&D continues to be significant.

Wilson is expected to significantly increase sales and profitability in 1996.

MacGregor's result will improve but it will still be lossmaking. Due to the unprofitability of operations for several years, the possibility of divesting or closing the company is being studied.



Gregg Maddux



Grant Hill

ATOMIC COMPANIES

*I*ntegration of the Atomic Companies, which were acquired towards the end of 1994, proceeded according to plan, and their market position was consolidated. The Atomic companies' net sales totalled FIM 674 million (ATS 1,555 million). Winter sports equipment accounted for 78 % and in-line skates for 22 % of this figure. The result fell slightly short of targets, and operating profit amounted to FIM 38 million.

According to the integration plan introduced as a result of the acquisition, development and investment programmes were carried out to improve profitability and logistics and to reduce the capital employed. Production was streamlined, whilst sales, marketing and logistics were reorganised. Corporate management was strengthened, and financial administration systems developed.

A factory that operated in rented facilities in Wagrain was closed, and ski and snowboard manufacturing was centralised at the Altenmarkt plant. A concept based on cellular manufacture was introduced into production, and the first units are already operating. Additionally, the Koflach factory, which manufactures in-line skates and ski boots, replaced a major part of its traditional production process by cellular production. As a result capacity was increased to match the increased demand for in-line skates.

To enhance the distinctive identity of Atomic, Oxygen and Dynamic an organisational matrix of separate brand management was developed, including product management, marketing and communications, as well as racing activities.

Sales organisations were developed in co-operation with Wilson. For instance, in Canada and Finland, the sales and distribution functions were merged so that they now operate in the same locations under one management. In Japan, Wilson also included Dynamic skis and Oxygen snowboards and in-line skates in its sales programme.

Atomic's capital expenditure of FIM 43 million was mainly earmarked for investments in rationalising production. Another priority during the fiscal year was the development of new ski technology.

ALPINE AND OTHER SKI EQUIPMENT

The total market for alpine ski equipment declined by more than 10 % during the year although Atomic's sales decreased only slightly. Competition continued to be extremely tough. The rapidly growing snowboard market has been eroding demand for alpine ski equipment, especially in the leading ski equipment market, Japan. Low-priced long-distance tourism is also competing for skiing customers during the winter season. Atomic's market share as the number two global alpine ski brand remains stable, however, at about 13 %. During the year under review, Atomic renewed its representation agreement in Japan with Asics until the end of 1999, with the aim of maintaining sales of Atomic skis in Japan at current levels.

Demand for cross-country ski equipment remained stable. Atomic sold reasonably well and its market share continues to strengthen, reaching 6 %. Atomic's product range includes cross-country skis only in the medium and upper price segments, as well as hiking and telemark skis.

Besides Atomic and Dynamic branded skis, Atomic also manufactures Koflach alpine ski boots and mountaineering boots, ski bindings under the Ess brand, and markets Atomic and Colt ski poles.

The Atomic racing team includes amongst others Luc Alphand, Lasse Kjus, Bernhard Knauss, Hans Knauss and Heidi Zeller-Bähler (alpine), Ljubov Egorova, Nina Gavriljuk, Larissa Lazutina, Jari Isometsä and Mika Myllylä (cross-country), Janne Ahonen, Espen Bredesen, Mika Laitinen (ski jumping) and Kenji Ogiwara (Nordic combined).

SNOWBOARDS

The rapid growth in the global snowboard market continued. Total sales in 1995 were around one million snowboards, double the volumes of the previous year. In addition, sales of Oxygen snowboards in the medium to upper price segment doubled.

The snowboarding market remains quite fragmented with more than 150 different brands. Oxygen, supported by its expertise in production and technology, is expected to benefit as a result of customers preferring to purchase products from strong suppliers as the market matures.

IN-LINE SKATES

As in the snowboard market, good demand also prevailed for in-line skates. The North American market is settling down, however, although the growth in other markets continues to be strong.

The total market for in-line skates in 1995 increased dramatically from 5.5 million to 12 million pairs. Sales of Oxygen skates exceeded 500,000 pairs. Oxygen, positioned in the upper price segment, ranks fifth in the world with a market share of 4 %. Oxygen's share of in-line skates in the price range of over USD 100 was 11 %.

PROSPECTS FOR 1996

The first cost savings from more efficient production are expected to be achieved this year. The modernisation of the Altenmarkt factory will be completed in the latter part of the year, and the joint management information system with Wilson's European operations will come into use during 1996. More resources will be invested in Atomic's brand advertising and in publicity aimed at enhancing the recognition of the Oxygen brand.

The declining trend in the total market for alpine ski equipment is likely to continue. Atomic's sales are expected to remain at the previous year's level, thanks to new product ranges. The new so-called Beta technology, which affects the weight and torsion of skis, is already integrated into 1996-97 models.

Lasse Kjus

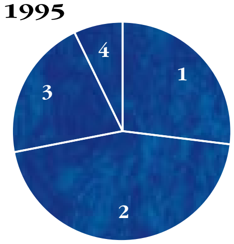
Sales of alpine ski boots will decrease because of the shrinking alpine ski markets. However, sales of bindings are expected to grow, boosted by new lower priced models. Demand for cross-country ski equipment will grow slightly, increasing Atomic's market share.

The strong demand for snowboards will continue, but competition will also become tougher. Sales of Oxygen snowboards are expected to double supported by expanding markets, a stronger organisation and good product lines. Annual production capacity will gradually be increased to 200,000 boards during 1996. Snowboards are expected to account for 8 % of Atomic's net sales.

While the dramatic growth rate in demand for in-line skates is levelling out in the United States, the boom is now spreading to Europe. Oxygen skates are expected to increase their sales to approximately one third of Atomic's total net sales. Several major sporting goods manufacturers are planning to launch their own in-line skate ranges which will also increase competition in this market.

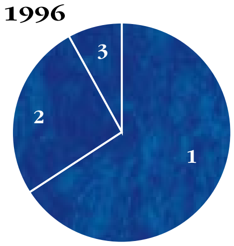
Atomic companies' net sales will grow and the result is expected to increase slightly.

ATOMIC GEOGRAPHIC BREAKDOWN OF NET SALES 1995



1 NORTH AMERICA 27 %
2 EUROPE 45 %
3 JAPAN 21 %
4 OTHERS 7 %

BREAKDOWN OF NET SALES 1996



1 SKI EQUIPMENT 66 %
2 IN-LINE SKATES 26 %
3 SNOWBOARDS 8 %

AUTOMOTIVE DIVISION

KEY INDICATORS

FIM million	1995	1994	Change
NET SALES	1,872	1,843	2 %
Toyota Automotive Group	1,305	1,400	- 7 %
Auto-Bon	368	299	23 %
Kone-Diesel	83	65	28 %
Forklift Group	76	77	- 1 %
Moottorialan Luotto	255	247	3 %
- intercompany sales	- 215	- 245	
OPERATING PROFIT	100	117	- 15 %
OVERSEAS SALES	116	190	- 39 %
CAPITAL EXPENDITURE	199	205	- 3 %
PERSONNEL (average)	642	750	- 108

The Automotive Division comprised Auto-Bon Oy, Moottorialan Luotto Oy and Korpivaara Oy Kone-Diesel for the whole of 1995, and Korpivaara Oy's Toyota and forklift operations until 31 October, when Amer Group sold them to Toyota Motor Corporation. The operations of Kone-Diesel (which imports Bridgestone and Firestone tyres) were sold at the beginning of the current year.

The Division's net sales totalled FIM 1,872 million (FIM 1,843 million in 1994). The Toyota and forklift operations accounted for FIM 1,381 million of this figure. Operating profit was FIM 100 million (FIM 117 million).

The Finnish automotive market experienced a second consecutive year of recovery. The total number of passenger cars sold increased by 19 % over the previous year, with a total of 79,900 registrations. The number of van registrations almost doubled to 6,700.

Auto-Bon's good performance trend continued, largely thanks to its Citroën operations. Net sales increased from FIM 299 million in the previous year to FIM 368 million. The number of Citroën passenger car registrations was 2,530; market share improved exceeding 3 %. This is an all-time record for Citroën in Finland. Of all fleet car registrations, Citroën accounted for 4.5 %.

Sales of the Citroën ZX range increased by nearly 120 %, boosted by its wagon model. Xantia's sales also grew, supported by the launch of the Break wagon model in November. The special series sold during the year included the ZX Tonic, the ZX Image, the Xantia Onyx, and the Xantia Meribel.

Suzuki sales grew by nearly 90 %. The total number of Suzuki registrations was 480, representing a market share of 0.6 %.

With the launch of the Baleno passenger car range in June, Suzuki entered the highest volume market segment for the first time. Production of the Suzuki Swift was transferred from Japan to Hungary, and the first cars manufactured by Magyar Suzuki Corporation arrived in Finland in the early autumn. Suzuki remained the leading make in off-road 4WD vehicles. The Vitara range held a market share of 34 % in its own category.

Moottorialan Luotto's portfolio of service and leasing agreements declined by approximately 14 % to 4,200. 1,430 new leasing agreements were signed, of which Citroën represented one third.

The Division's capital expenditure totalled FIM 199 million. FIM 194 million related to the acquisition of vehicles in the leasing operations.

PROSPECTS FOR 1996

The passenger car market is expected to show continued growth, although the increase is likely to be below the previous year's level, because of high unemployment and tight fiscal policy. The number of new passenger car registrations is forecast to increase by 7 % to approximately 87,000 cars, and commercial vehicle registrations by 5 % to 7,000 vehicles.

Citroën's new model to be launched in 1996 is Saxo in the smallest size group. This, together with the Xantia Break, is expected to further increase Citroën's market share.

The Automotive Division is expected to have net sales of FIM 525 million. Profitability of the import operations is expected to improve slightly. As a result of a decreasing number of leasing agreements, Moottorialan Luotto's net sales and profitability will be significantly lower than last year.

TOBACCO DIVISION

Amer Tobacco's 1995 net sales declined by 12 % to FIM 472 million (FIM 539 million in 1994). Its operating profit decreased accordingly by 21 % to FIM 71 million. Gross sales remained at the previous year's level and were FIM 3,125 million (FIM 3,162 million).

Consumption of tobacco products in Finland remained at the previous year's level. Total deliveries of tobacco products declined, however, by 5 %. Total cigarette deliveries to the trade decreased by 6 % to 5,205 million units. The drop in total deliveries was primarily due to increased tourism-related contraband imports. By contrast, deliveries of pipe and cigarette tobacco remained stable and totalled 1,024 tons. Cigar sales increased by 11 % to 64 million units.

Tough competition in the Finnish market continued. Excise taxes were increased on 1 January 1995 following Finland's EU membership. As a result, cigarette retail prices were increased by 5 % and pipe tobacco prices by 10 %. For competitive reasons, however, these price increases were not sufficient to compensate for the tax increases, resulting in declining industry margins but higher revenues to the state. At the beginning of the current year, tax on a packet of Marlboro represented 76.6 % of the retail price. This compares with a tax rate of 75.6 % at the end of 1994. The competitive situation also led to an increase in the market share of cheaper cigarette brands, which have already gained 30 % of the market.

The domestic tobacco industry underwent major structural changes during the fiscal year. Of Amer Tobacco's two domestic competitors, one transferred to foreign ownership in February and the other closed its manufacturing operations in Finland at the end of the year. As the only domestic manufacturer, Amer Tobacco, incorporated on October 1, 1995, retained its leading position. With total deliveries of 3,580 million cigarettes (3,866 million in 1994), the company's share of the domestic cigarette market was 69 % (70 %). Marlboro continued to be the most popular cigarette brand with a market share of 35 %; L&M and Belmont were second and third with market shares of 20 % and 14 %, respectively. Marlboro Medium was launched in March.

Amer Tobacco's share of the pipe and cigarette tobacco market decreased to 15 % (19 %), and its share of the cigar market retained unchanged at 4 %.

During the fiscal year, Amer Tobacco and Philip Morris Products Inc. continued their co-operation which first began in 1961. The licence agreement was reviewed in November and extended until the end of 2001. The new agreement, which became effective from the beginning of the current year, will weaken the profitability of Amer Tobacco's licensed products compared to the previous situation. At the same time, the companies signed an agreement concerning the manufacture of certain Philip Morris products for tax-free sales and to the Swedish market.

A new representation agreement for Schimmelpenninck cigars was signed with Rothmans International Tobacco Products (Export) B.V.

KEY INDICATORS

FIM million	1995	1994	Change
GROSS SALES	3,125	3,162	- 1 %
EXCISE TAX	2,083	2,045	2 %
NET SALES	472	539	- 12 %
OPERATING PROFIT	71	90	- 21 %
OVERSEAS SALES	35	30	17 %
CAPITAL EXPENDITURE	6	6	-
PERSONNEL (average)	361	361	-

Export deliveries remained at the previous year's level in spite of some problems with exports to Russia. In total, Amer Tobacco exported 366 million cigarettes. Amer Tobacco's subsidiary Amer-Es AS became operative in Estonia and will manage the import and distribution of Amer Tobacco's products there.

The Division's capital expenditure of FIM 6 million involved mainly replacement and rationalisation investments.

PROSPECTS FOR 1996

Total consumption of cigarette products in Finland is expected to remain fairly stable. Tobacco excise tax was again increased on 1 January 1996. This increase raised cigarette retail prices by 5 % and pipe tobacco prices by 10 %. As a result, the gap between tobacco prices in Finland and the neighbouring Russian regions continues to widen and is expected to result in an increase in contraband cigarette imports from there.

Growth prospects in export markets are good, and sales volumes are expected to grow especially in Estonia. Exports to Russia are expected to recover.

The new licence agreement and growing cigarette contraband trade will weaken Amer Tobacco's profitability, although the Division's performance is expected to remain good.

TIME/SYSTEM DIVISION

KEY INDICATORS

FIM million	1995	1994	Change
NET SALES	218	215	1 %
OPERATING PROFIT	53	50	6 %
CAPITAL EXPENDITURE	5	63	..
PERSONNEL (average)	224	203	21

The Time/system companies continue to operate as a separate division, following the sale of Amer Group's book publishing operations at the beginning of 1995.

Time/system's currency denominated net sales increased by 7 %, while the Finnish markka denominated net sales, FIM 218 million, remained at the previous year's level. Profitability remained good. Operating profit improved to FIM 53 million (FIM 50 million in 1994).

The total market for personal planning systems grew during the fiscal year. Time/system software products strengthened their position in all markets, and the strategic importance of these products increased. At the same time, competition increased in most markets. In particular, the non conceptual diaries, sold mainly through retail channels at lower prices, showed significant growth. Despite very rapid increases in paper prices, the company was able to achieve the same level of gross margin as last year, due to internal rationalisation. During the year, the transition from direct marketing to corporate sales as the main sales channel continued, giving Time/system a better opportunity to get closer to the customer.

During the summer, Time/system launched its products for the first time in Brazil and Mexico. This brings the total of countries where Time/system is distributed to 36. Time/system has its own distributors in the Nordic countries, Great Britain, Italy, and Germany, which is the largest single market for Time/system products.

Investments in 1995, FIM 5 million, concentrated on further rationalisation of production achieving efficiency gains.

ACQUISITION OF TIME/SYSTEM GERMANY

The agreement to acquire the distributor for Time/system in Germany was signed in December, and the acquisition was completed on 2nd January 1996. The company's annual net sales amount to FIM 150 million and it has 120 employees.

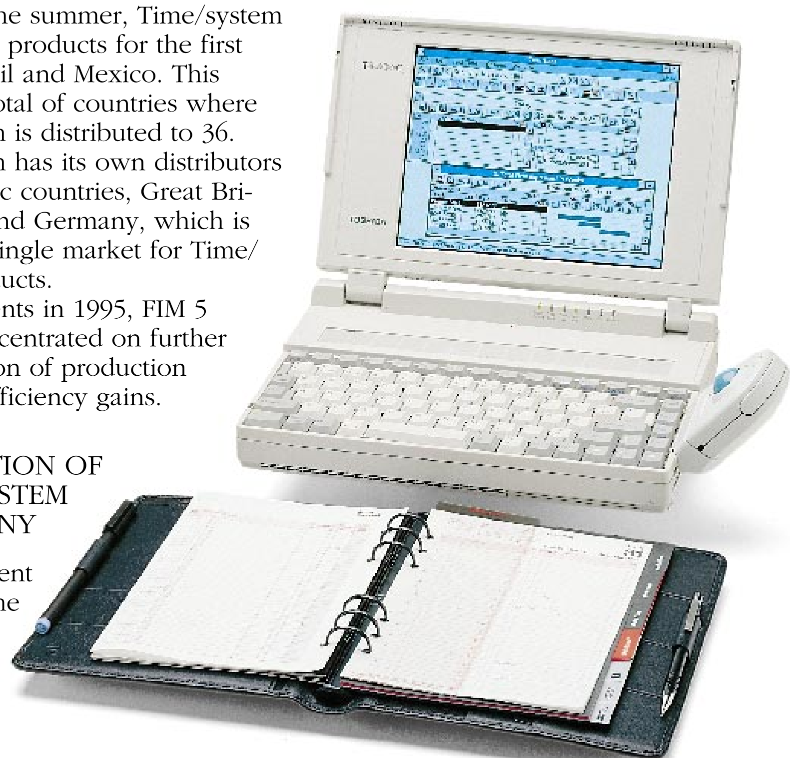
In 1995, Time/system Germany represented roughly 35 % of the division's annual net sales. Following the acquisition, Time/system International's influence in the European market will increase considerably, through a more consistent implementation of divisional strategy, whilst the introduction of new products is expected to become more efficient.

PROSPECTS FOR 1996

Competition within the industry will be increasingly tough, but the market is also expected to continue to grow. Software will gain a bigger market share, and this will have a positive impact on sales.

Top priorities for Time/system will be the successful integration of the German distributor and investment in a new data processing system.

Time/system is expected to increase its net sales, and profitability should remain good.



Pictured (front, from right):
Tauno Huhtala, Timo Peltola, Chairman;
Pekka Kainulainen, Vice Chairman;
Raimo Taivalkoski, (back from right)
Timo Maasilta and Olle Koskinen.

In many respects, 1995 was an eventful year for Amer Group. In line with our adopted strategy, structural changes were progressed through divestments, and the Group continued to concentrate on sporting goods. On the other hand, performance fell short of expectations and unforeseen problems emerged in the golf operations. A management reshuffle was also necessary, and the latter part of the year was characterised by uncertainty concerning the ownership of the company's K shares and negative publicity relating to this.

Positive factors to mention include the improvement in the equity ratio to approximately 50 % and the extension of the licence agreement with Philip Morris.

The book publishing operations, together with related shareholdings in associated companies, were sold at the beginning of the year. Towards the end of the year, the majority of Korpivaara's operations were sold, and the tyre importer was divested in early 1996.

GROSS AND NET SALES

The Group's gross sales for the 1995 financial year totalled FIM 9,456 million (FIM 10,195 million in 1994).

The Group paid FIM 2,083 million in excise tax on tobacco products to the State of Finland, and FIM 310 million in motor vehicle taxes.

The Group's net sales totalled FIM 6,166 million (FIM 6,931 million). Excluding exchange rate fluctuations, sales declined by 2 %. Given stable exchange rates, comparable year on year sales of the present businesses increased by 3 %. The Sports Division's currency denominated net sales increased by 25 % while the markka denominated net sales increased by 7 %. Wilson's dollar denominated net sales increased by 3 % while markka denominated net sales decreased by 14 %. The Atomic Companies are included for the first time in the Group's figures, with net sales of FIM 674 million. The Automotive Division's net sales grew by 2 % to FIM 1,872 million; the Tobacco Division's net sales decreased by 12 %, and Time/system Division's net sales grew by 1 %.

Geographically, 36 % of net sales were generated in North America, 36 % in Finland, 17 % in the rest of Europe and 11 % in the Rest of the World.

FINANCIAL PERFORMANCE WEAKENED

The Group's financial result decreased significantly from 1994. A profit warning was released in July, when the unexpectedly poor progress of the Group's golf businesses was first evident.

Operating profit was FIM 263 million (FIM 430 million in 1994), representing 4 % of net sales. The Sports Division's operating profit was FIM 81 million (FIM 242 million), with Wilson representing FIM 75 million, a decrease of 71 % from 1994, and Atomic representing FIM 38 million. MacGregor Golf Company's profitability worsened, operating losses increasing to FIM 32 million.

Sales volumes of Wilson golf equipment decreased. An additional unfavourable influence for the golf club business has been the fact that demand for lower priced commercial products has been higher than for premium pro golf products. For product development reasons, the launch of some new Wilson clubs was deferred. Also, profitability of golf balls decreased due to a fierce competition. Operating profit is burdened by one-off costs incurred in connection with the restructuring of the European and Japanese sales organisations. Investment in R&D was increased. Furthermore, spending on marketing grew significantly, with the total cost being USD 72 million. In addition, the outturn was burdened by amortisation of goodwill arising from the Wilson acquisition.

Losses at MacGregor golf clubs increased because of the margins mix and insufficient control of fixed costs.

Atomic fell short of its targets because of tough price competition in the ski market, and one-off costs relating to the reorganisation of production. Net sales of in-line skates increased strongly; however, profitability did not grow as expected due to production problems caused by strongly increased demand, and due to the unfavourable trend in the US dollar.

The Automotive Division's operating profit totalled FIM 100 million (FIM 117 million). The Finnish automotive market experienced a second consecutive year of recovery. However, the price competitiveness and profitability of Japanese cars deteriorated, whereas the market share and profitability of Citroën cars improved. The Group sold Korpivaara's Toyota automotive operations as well as the forklift operations to Toyota Motor Corporation at the beginning of November, while a strategy for future development of the Citroën and Suzuki operations was agreed in October.

In Finland, cigarette manufacturers' deliveries declined by 6 %, and price competition continued to be tough. The decline was primarily due to increased tourism-related contraband imports. Amer Tobacco's operating profit decreased to FIM 71 million (FIM 90 million), but the company maintained its dominant position, with 69 % share of the Finnish cigarette market. The Philip Morris licence agreement was reviewed and extended until the end of 2001.

The Time/system Division's profitability remained at a good level with operating profits of FIM 53 million (FIM 50 million).

Depreciation totalled FIM 238 million (FIM 256 million) and includes FIM 30 million for the amortisation of goodwill (FIM 43 million), FIM 24 million of which (FIM 29 million) relates to Wilson. The decrease in depreciation was mainly due to the decrease in the balance of the Automotive Division's leasing assets.

The Group's profit after financial items decreased by 48 % to FIM 140 million (FIM 271 million). Net financial expenses decreased by FIM 36 million or by 23 % as a result of reduced average net debt. The positive impact of lower average exchange rates on profitability was partly offset by higher US dollar interest rates. The Group's net financial expenses represented 2 % of net sales (2 % in 1994) and include FIM 2 million currency gains (FIM 8 million losses in 1994).

Profit after taxes and before extraordinary items was FIM 75 million (FIM 220 million).

The result was burdened by extraordinary items of FIM 73 million, including the loss of FIM 29 million relating to the Toyota deal, and the loss of FIM 59 million relating to the disposal of WSOY shares. The sale of the book publishing operations resulted in an extraordinary profit of FIM 49 million. An extraordinary charge of FIM 22 million was incurred due to the closure of a golf club factory in California.

Return on investment was 6 % (9 %). Return on equity declined from 8 % in the previous year to 3 %.

Adjusted earnings per share were FIM 3.10 (FIM 9.90).

DIVIDEND

The Board of Directors proposes that a dividend of FIM 3.00 per share be paid for the 1995 financial year, at a total of FIM 71 million. The proposed dividend is the same as the 1994 dividend and exceeds the Group's stated target level for dividends. The proposal is based on taxes paid in Finland as well as future tax surpluses.

CHANGES IN THE CORPORATE STRUCTURE

In January, an agreement was signed with Werner Söderström Osakeyhtiö - WSOY to sell the book publishing operations of Weilin+Göös and the shares of Bertmark Media AB to WSOY. The deal also included the Group's 50 % shareholdings in Ajasto Osakeyhtiö and Kiviranta Oy.

The lengthy negotiations with Toyota Motor Corporation concerning the sale of the Toyota operations were finalised in August. The deal, which also included the forklift operations, was concluded on November 1st, 1995.

An agreement concerning the sale of the Automotive Division's tyre importer Kone-Diesel to Bridgestone/ Firestone Europe S.A. was reached in December and completed on January 2nd, 1996.

In order to strengthen the Time/system Division's position in Europe, the Group acquired the shares of the German distributor Time/system GmbH Management Organisation. Ownership was transferred to Amer Group on January 2nd, 1996.

CAPITAL EXPENDITURE

The Group's gross capital expenditure totalled FIM 318 million, representing 5 % of net sales. Investments in land and buildings totalled FIM 13 million. Investments in machinery and equipment represented FIM 296 million. FIM 194 million related to the acquisition of vehicles in the Automotive Division's leasing operations, FIM 28 million to production machinery at Wilson, and FIM 26 million for production machinery at Atomic.

Income from disposals of fixed assets totalled FIM 737 million, including FIM 344 million from the sale of land, buildings, machinery and equipment relating to the Toyota operations, FIM 139 million from sales of vehicles relating to the Automotive Division's leasing operations, FIM 155 million from the sale of WSOY's shares, and FIM 69 million from the sale of the fixed assets of the book publishing operations.

Of the FIM 74 million R&D expenditure, FIM 40 million related to Wilson and FIM 27 to Atomic Companies.

FINANCE

The Group's liquidity remained good throughout the year. Financing from operations totalled FIM 240 million and represented 4 % of net sales.

The Group's financial position improved from the previous fiscal year. Changes in the corporate structure contributed to the improved equity ratio which reached 47 % (40 %) at the end of the year. The gearing ratio decreased to 0.5 (0.8). The Group's net debt decreased by FIM 1,026 million to FIM 1,306 million at the financial year end.

In March, a USD 200 million revolving credit facility was signed, proceeds of which were used to retire existing loans, as well as for working capital purposes. Of the revolving credit facility USD 120 million was still available at the year end.

At the year end, the Group's liquid assets totalled FIM 119 million.

At the year end, the Board of Directors did not have any share issue authorisations outstanding.

PERSONNEL

The number of Amer Group employees decreased by 1,062 during the financial year to 5,137. Of this figure, 612 related to the Automotive Division's divested Toyota operations and 432 to the sale of the Publishing and Printing Division's units. The average number of employees during 1995 was 5,748 (5,360).

Following the divestment of the book publishing operations and the incorporation of Amer Tobacco Ltd, the number of personnel employed by the parent company decreased by 479 to 51. The parent company employed an average of 326 persons during the year (560).

The number of personnel employed in the Group's US units was 2,893, whilst 568 worked in Finland and 1,676 elsewhere.

CHANGES IN CORPORATE MANAGEMENT

On 23 August, 1995, the Supervisory Board relieved Mr. Seppo Ahonen of his duties as President and CEO of Amer Group Ltd. Mr. Raimo Taivalkoski, then Chairman of the Board of Directors, was appointed as President and CEO. He also continues as a member of the Board of Directors. Mr. Timo Peltola, then Vice Chairman of the Board of Directors, was appointed Chairman.

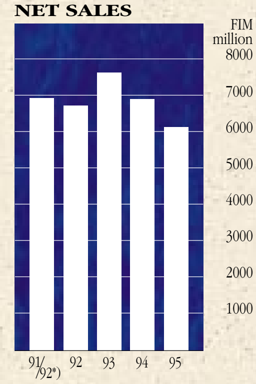
Mr. Olle Koskinen was appointed as a new member to replace Mr. Klaus Grönbärj who had tendered his resignation, for the period from 1st January to 31 December 1996.

Following the divestment of the Toyota operations, the President of the Automotive Division Mr. Mikko Ennevaara, resigned from Amer Group. Auto-Bon Oy's President Mr. Markku Tamminen succeeded him as President of the Division.

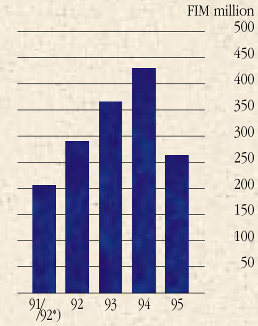
Mr. Roger Talermo assumed his post as President of the Atomic Companies and member of the Sports Division's Board of Management. In July, Mr. Kim Ignatius, Vice President of Wilson's International Markets Division, was appointed Vice President/General Manager of Wilson's Worldwide Golf.

Mr. Martti Larva, Senior Vice Presi-

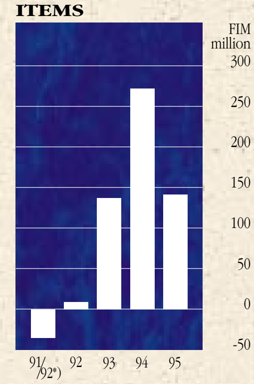
NET SALES



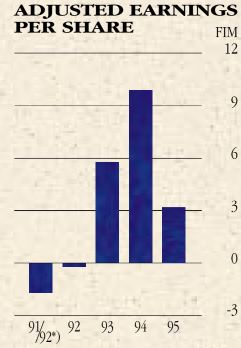
OPERATING PROFIT



PROFIT/LOSS BEFORE TAXES AND EXTRAORDINARY ITEMS



ADJUSTED EARNINGS PER SHARE



*)1 March-28 Feb.

dent, Human Resources and Corporate Affairs, resigned from the Group in August.

AMER GROUP SHAREHOLDERS

The company had 17,968 A-shareholders at the year end. Foreign shareholdings increased to 36 % of the total during 1995.

In September, Amer Group was informed that its K-shareholders had been approached by third parties with a view to purchasing their K shares. The K-shareholders have had negotiations on a possible sale. The Board of Directors of Amer Group Ltd has resolved that it is of mutual interests of both the Company and all its shareholders to disclose information to the K-shareholders which has not been disclosed previously but does not compromise the corporate interests. This disclosure is intended to contribute as soon as possible to a resolution of the uncertainty surrounding Amer relating to these negotiations. The disclosure was discussed with the relevant regulatory authorities. The members of the Company's Board of Directors have not participated in handling of this matter by the respective organisations who own the K shares.

The Articles of the Association provide that the Company has pre-emptive rights of redemption of the K shares. The redemption price is the price paid for the K shares in question.

At the time of writing this report, negotiations between the potential bidders and the K-shareholders are still taking place.

PROSPECTS FOR 1996

The Group's net sales are expected to exceed FIM 5 billion in the current financial year.

Divisional capital expenditure is budgeted at FIM 338 million, FIM 102 million of which relates to the acquisition of Time/system Germany. A total of FIM 144 million will relate to production machinery at Wilson and the Atomic Companies, and FIM 61 million to the Automotive Division's leasing equipment. R&D is budgeted at FIM 76 million. Divestments are expected to total FIM 73 million.

The Group's liquidity is expected to remain good. Net financial expenses will decrease following lower net debts.

NET SALES AND GROSS SALES

FIM million	**1995**	**%**	1994	%	Change %
Sports Division	**3,597**	**58**	3,368	48	7
Wilson	**2,714**		3,154		– 14
Atomic	**674**		–		
MacGregor	**221**		223		– 1
less intercompany sales	**– 12**		– 9		
Automotive Division	**1,872**	**30**	1,843	27	2
Tobacco Division	**472**	**8**	539	8	– 12
Time/system Division	**218**	**4**	215	3	1
less intercompany sales	**– 4**		– 5		
	6,155		5,960		3
Discontinued operations	**11**		971	14	
Net sales, total	**6,166**	**100**	6,931	100	– 11
Excise tax	**2,081**		2,042		2
Sales taxes	**1,106**		1,100		1
Gross sales, total	**9,456**		10,195		– 7

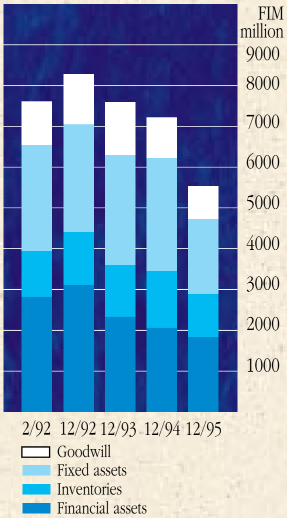
GEOGRAPHIC BREAKDOWN OF NET SALES

FIM million	**1995**	**%**	1994	%	Change %
North America	**2,214**	**36**	2,960	43	– 25
Finland	**2,215**	**36**	2,335	34	– 5
Rest of Europe	**1,060**	**17**	1,063	15	0
Others	**677**	**11**	573	8	18
Total	**6,166**	**100**	6,931	100	– 11

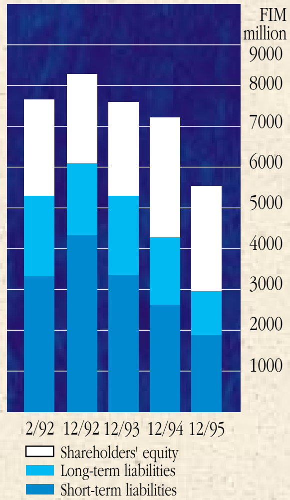
OPERATING PROFIT BY DIVISION

FIM million	**1995**	1994	Change %
Sports Division	**81**	242	– 67
Wilson	**75**	263	– 71
Atomic	**38**	–	–
MacGregor	**– 32**	– 21	– 52
Automotive Division	**100**	117	– 15
Tobacco Division	**71**	90	– 21
Time/system Division	**53**	50	6
Corporate Headquarters	**– 42**	– 55	
	263	444	– 41
Discontinued operations		– 14	
Group, total	**263**	430	– 39

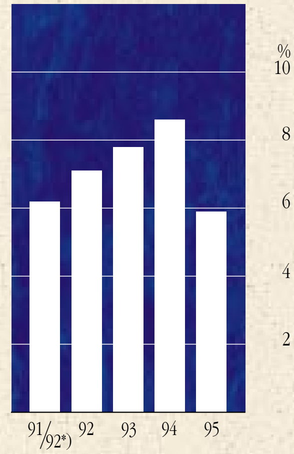
ASSETS



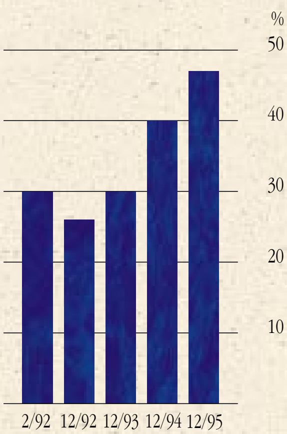
FINANCING



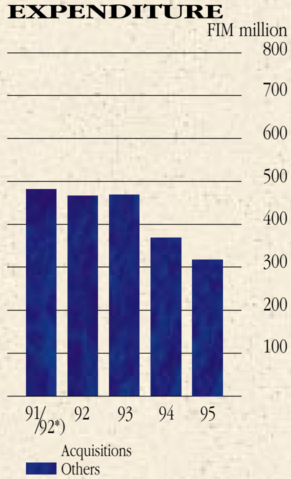
RETURN ON INVESTMENT



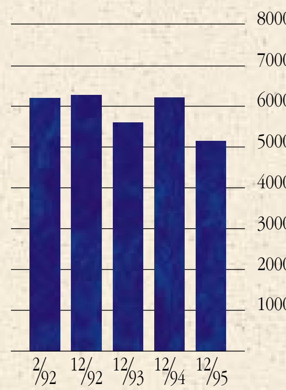
EQUITY RATIO



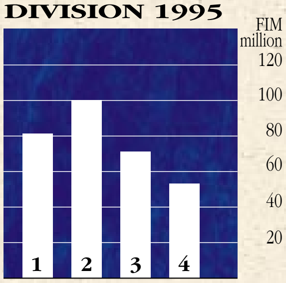
CAPITAL EXPENDITURE



PERSONNEL AT YEAR END

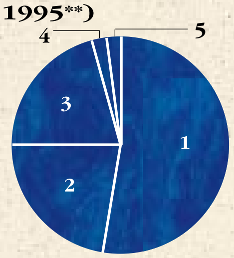


OPERATING PROFIT BY DIVISION 1995



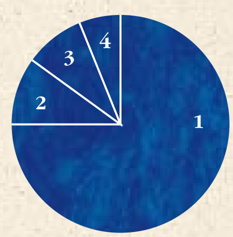
1 SPORTS DIVISION
2 AUTOMOTIVE DIVISION
3 TOBACCO DIVISION
4 TIME/SYSTEM DIVISION

PERCENTAGES OF CAPITAL EMPLOYED 1995**)



1 SPORTS DIVISION 53 %
2 CORPORATE HEADQUARTERS 22 %
3 AUTOMOTIVE DIVISION 21 %
4 TIME/SYSTEM DIVISION 2 %
5 TOBACCO DIVISION 2 %

PERCENTAGES OF NET SALES 1996



1 SPORTS DIVISION 75 %
2 AUTOMOTIVE DIVISION 10 %
3 TOBACCO DIVISION 9 %
4 TIME/SYSTEM DIVISION 6 %

*) 1 March-28 Feb.
**) Divisional capital employed includes goodwill.

STATEMENT OF INCOME

FIM million	Note	CONSOLIDATED 1995	%	1994	%	PARENT COMPANY 1995	1994
Gross sales		**9,456**		10,195		**2,093**	3,350
Adjustments to gross sales							
Excise tax		**2,081**		2,042		**1,391**	2,042
Sales taxes		**1,106**		1,100		**370**	582
Discounts		**103**		122		**12**	20
Total adjustments to gross sales		**3,290**		3,264		**1,773**	2,644
Net sales		**6,166**	**100**	6,931	100	**320**	706
Change in inventories of finished goods increase (+), decrease (–)	1)	**103**		44		**16**	– 15
Production for own use (+)		**57**		48		**–**	–
Share of the associated companies' profit		**– 1**		16		**–**	–
Other operating income		**44**		34		**32**	22
Expenses							
Materials and supplies							
Purchases during the period		**3,345**		4,265		**108**	294
Increase (–) or decrease (+) in inventories	1)	**327**		– 112		**40**	– 34
External charges		**73**		98		**–**	5
Wages, salaries and social expenditure	2)	**1,079**		1,099		**74**	124
Rent		**69**		73		**20**	22
Other operating expenses		**975**		964		**137**	247
Total expenses		**5,868**	**95**	6,387	92	**379**	658
Depreciation	3)	**238**	**4**	256	4	**18**	36
Operating profit		**263**	**4**	430	6	**– 29**	19
Financing income and expenses	4)	**– 123**	**2**	– 159	2	**187**	– 26
Profit after financial items		**140**	**2**	271	4	**158**	– 7
Minority interest		**2**		1		**–**	–
Profit before taxes and extraordinary items		**142**		272		**158**	– 7
Income taxes	5)	**– 67**		– 52		**– 9**	– 24
Profit before extraordinary items		**75**		220		**149**	– 31
Extraordinary items	6)	**– 73**		– 35		**– 205**	–
Group contribution		**–**		–		**58**	109
Increase (–) or decrease (+) in untaxed reserves	7)	**–**		–		**46**	14
Net profit for the period		**2**		185		**48**	92

SOURCES AND APPLICATIONS OF FUNDS

FIM million	CONSOLIDATED 1995	1994	PARENT COMPANY 1995	1994
Funds from operations				
Profit/loss after financial items	**140**	271	**158**	– 7
Depreciation	**238**	256	**18**	36
Taxes	**– 122**	– 47	**– 9**	– 24
Extraordinary items	**30**	– 6	**59**	109
Total from operations	**286**	474	**226**	114
Change in working capital				
Increase (–) or decrease (+) in inventories	**259**	– 127	**126**	– 20
Increase (–) or decrease (+) in short-term trade receivables	**80**	110	**571**	147
Increase (+) or decrease (–) in interest-free short-term liabilities	**– 189**	24	**– 617**	– 48
Total	**150**	7	**80**	79
Total funds from operations	**436**	481	**306**	193
Change in fixed assets and other investments				
Company acquisitions	**–**	– 356	**–**	– 20
Purchases of fixed assets	**– 318**	– 367	**– 10**	– 8
Sales of fixed assets	**512**	143	**124**	–
Purchases of investments	**– 1**	– 2	**– 245**	– 1
Sales of investments	**225**	125	**126**	17
Other change in fixed assets	**85**	33	**21**	– 6
Change in other shareholders' equity and valuation items	**– 115**	1	**– 137**	303
	388	– 423	**– 121**	285
Surplus in financing	**824**	58	**185**	478
Financing activities				
Share issue	**–**	481	**–**	481
Dividends to shareholders	**– 71**	– 38	**– 71**	– 38
Long-term financing, net	**– 492**	– 285	**– 474**	– 192
Short-term financing, net	**– 258**	– 389	**367**	– 801
Total	**– 821**	– 231	**– 178**	– 550
Change in liquid funds	**3**	– 173	**7**	– 72
Liquid funds				
Liquid funds at year end	**119**	113	**26**	19
Liquid funds at year beginning	**116**	286	**19**	91
Change in liquid funds	**3**	– 173	**7**	– 72

The above figures cannot be directly traced from the balance sheet
due to acquisitions/divestments of subsidiaries and changes in rates of exchange.

BALANCE SHEET

FIM million		CONSOLIDATED				PARENT COMPANY			
ASSETS		**31 Dec. 95**	**%**	31 Dec. 94	%	**31 Dec. 95**	**%**	31 Dec. 94	%
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS	8), 9)								
Intangible fixed assets	10)								
Intangible rights		**136**		109		**1**		1	
Goodwill		**810**		998		**–**		–	
Other capitalised expenditure		**37**		57		**2**		11	
		983	**18**	1,164	16	**3**	**–**	12	–
Tangible fixed assets	10)								
Land and water		**148**		247		**11**		21	
Buildings		**674**		1,052		**157**		198	
Machinery and equipment		**674**		793		**9**		109	
Advances paid and construction in progress		**12**		71		**–**		–	
		1,508	**27**	2,163	30	**177**	**4**	328	6
Other long-term investments	11)								
Investments in subsidiaries		**–**		–		**1,898**		1,842	
Investments in associated companies		**84**		124		**39**		56	
Other bonds and shares		**26**		261		**23**		143	
Loans	12)	**40**		64		**30**		34	
Other investments		**3**		3	–	**–**		–	
		153	**3**	452	6	**1,990**	**44**	2,075	35
TOTAL FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		**2,644**	**48**	3,779	52	**2,170**	**48**	2,415	41
CURRENT ASSETS									
Inventories									
Raw materials and consumables		**192**		180		**–**		74	
Work in progress		**57**		59		**–**		5	
Finished goods		**814**		1,142		**–**		47	
		1,063	**19**	1,381	19	**–**	**–**	126	2
Receivables	14)								
Accounts receivable	13)	**1,518**		1,614		**30**		515	
Receivables from subsidiaries		**–**		–		**2,230**		2,857	
Loans receivable		**8**		14		**3**		8	
Prepaid expenses and accrued income		**135**		195		**30**		47	
Other receivables		**51**		100		**–**		1	
		1,712	**31**	1,923	27	**2,293**	**51**	3,428	57
Cash and cash equivalents		**119**	**2**	139	2	**26**	**1**	19	–
ASSETS		**5,538**	**100**	7,222	100	**4,489**	**100**	5,988	100

BALANCE SHEET

FIM million **SHAREHOLDERS' EQUITY AND LIABILITIES**		**CONSOLIDATED** **31 Dec. 95**	**%**	31 Dec. 94	%	**PARENT COMPANY** **31 Dec. 95**	**%**	31 Dec. 94	%
SHAREHOLDERS' EQUITY	15)								
Restricted equity									
Share capital		**475**		475		**475**		475	
Capital surplus		**1,092**		1,027		**1,092**		1,027	
Revaluation surplus		**21**		159		**–**		60	
Total restricted equity		**1,588**	**29**	1,661	23	**1,567**	**35**	1,562	26
Unrestricted equity									
Retained earnings		**923**		1,006		**504**		510	
Net profit for the period		**2**		185		**48**		92	
Unrestricted equity		**925**	**17**	1,191	16	**552**	**12**	602	10
TOTAL SHAREHOLDERS' EQUITY		**2,513**	**46**	2,852	39	**2,119**	**47**	2,164	36
MINORITY INTEREST		**65**	**1**	71	1	**–**	**–**	–	–
UNTAXED RESERVES									
Accumulated depreciation in excess of plan	16)	**–**	**–**	–	–	**36**	**1**	94	2
Untaxed reserves									
Transition reserve		**–**	**–**	–	–	**65**	**2**	65	1
Provision for contingent losses		**1**		3		**–**		–	
VALUATION ITEMS		**–**	**–**	–	–	**106**	**2**	209	3
LIABILITIES	17)								
Long-term liabilities	18)								
Bonds		**–**		107		**–**		107	
Convertible bonds		**321**		350		**321**		350	
Loans from financial institutions		**426**		738		**424**		736	
Pension loans		**119**		204		**107**		138	
Other long-term debt	21)	**212**		255		**7**		7	
		1,078	**19**	1,654	23	**859**	**19**	1,338	22
Current liabilities	20), 21)								
Interest-bearing liabilities	19)	**526**		1,038		**486**		967	
Advances received		**4**		8		**–**		–	
Accounts payable		**357**		636		**2**		90	
Payables to subsidiaries		**–**		–		**776**		494	
Accrued liabilities		**400**		380		**38**		75	
Other interest-free current liabilities		**594**		580		**2**		492	
		1,881	**34**	2,642	37	**1,304**	**29**	2,118	36
TOTAL LIABILITIES		**2,959**	**53**	4,296	60	**2,163**	**48**	3,456	58
SHAREHOLDERS' EQUITY AND LIABILITIES		**5,538**	**100**	7,222	100	**4,489**	**100**	5,988	100

NOTES TO FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The financial statements are presented in Finnish markka under the historical cost convention as modified by the revaluation of certain fixed assets.

Principles of consolidation

The consolidated financial statements include all Finnish and foreign subsidiaries in which the Parent Company owns directly or indirectly more than 50 % of the voting rights of the shares. The results of companies acquired during the financial period are included in the Group accounts from the date of acquisition. The results of divested operations are included up to the date of divestment. All intercompany transactions have been eliminated. The financial statements of subsidiary companies have been consolidated using the acquisition method. The difference between the acquisition cost and the underlying value of net assets of subsidiaries acquired is partly written off against the subsidiaries' fixed assets. The proportion exceeding current values is stated as a separate goodwill item. The goodwill on acquisitions is amortised over 10 years except the goodwill of Wilson Sporting Goods Co., which is amortised according to American principles over a period of 40 years. Associated companies (being those in which the Group holds 20 to 50 % of the voting rights) are accounted for in the consolidated financial statements under the equity method.

Net sales

Net sales represents the invoiced value of goods sold and services provided, less excise tax, sales taxes and discounts. Net sales are stated in accordance with EU guidelines and US-GAAP rules. Comparison figures for the previous year have been changed accordingly.

Inventories and work in progress

Inventories and work in progress are stated at the lower of cost and realisable value. Cost is determined on a first-in-first-out basis. Cost of manufactured products includes direct labour and an appropriate proportion of production overhead.

Realisable value is the amount which can be realised in the normal course of business after allowing for the costs of sale.

Foreign currencies

The Group's exchange rate gains on foreign denominated liabilities which represent a hedge against overseas subsidiaries' net assets have been matched against each subsidiary's translated equity. The Parent Company's exchange rate gains on such liabilities have been entered in valuation items.

Assets and liabilities denominated in foreign currencies and those of foreign subsidiaries are translated into Finnish markka at the rates of exchange in effect at the balance sheet date, with the exception of the above mentioned assets and liabilities.

The income statements of foreign subsidiaries have been translated into Finnish markka using the average rates of exchange during the financial year. Exchange rate differences on the translation of the opening equity of foreign subsidiaries are charged to retained earnings.

Other exchange rate differences are credited or charged net to the statement of income.

The following exchange rates have been used in the Group consolidation:

	Statement of Income		Balance Sheet	
	1995	1994	31 Dec. 95	31 Dec. 94
USD	4.3667	5.2235	4.3586	4.7432

Fixed assets

Depreciation is calculated on a straight line basis so as to write off the cost or revalued amounts of fixed assets over their expected useful lives. The principal annual rates used are as follows

Intangible rights	10-15 years
Buildings	40 years
Machinery and equipment	3-10 years

The acquisition cost of the trademarks and patents of the Atomic Companies is depreciated over 15 years.

Vehicles owned by Automotive Division and leased out are depreciated in equal annual instalments so as to write down the costs of the vehicles to their estimated residual values at the end of the lease term.

Land is not depreciated.

Under Finnish tax legislation, the maximum depreciation rates permitted, using the declining balance method, are:

Buildings	4-7 %
Machinery and equipment	30 %

In the financial statements, additional depreciation has been charged by Finnish companies in order to reflect the maximum rates permitted by the Business Income Tax Act.

Fixed assets are stated at cost, except for certain land and buildings which are stated at revalued amounts, less accumulated depreciation.

Amer Group revalues land, buildings and other investments periodically. The Directors determine the extent of such revaluations by reference to estimates of the market values of such assets provided by independent appraisers. The most recent such valuation for accounting purposes was carried out in 1995.

Leasing

The Group has no significant finance nor operating leasing agreements. Leasing payments are treated as rentals.

Research and development

Research and development costs are charged as an expense in the statement of income in the period in which they are incurred.

Pension liabilities

The Parent Company's and its domestic subsidiaries' pension and related fringe benefit arrangements are administered by a pension insurance company.

A minor part of the cost of supplementary pensions is borne directly by the Parent Company. Such costs are accounted for as expenses when due for payments; pension liabilities are included in other long-term interest-free liabilities.

Foreign subsidiaries administer their pension schemes according to local practice.

Tax

The tax provision is calculated in accordance with the tax legislation of each company's domicile. Deferred tax liabilities arising from timing differences between the fiscal and commercial net profit are calculated by applying the tax rate at the balance sheet date or at the estimated date of tax payment.

Changes in deferred tax liabilities are charged to the statement of income.

The untaxed reserves of the Finnish companies include a deferred tax liability calculated at a tax rate of 28 % valid from the beginning of 1996.

Untaxed reserves

Under Finnish tax legislation, companies were permitted to claim various tax deductions, principally by deducting from profit appropriations to untaxed reserves and accumulating these charges in the balance sheet under accounts entitled "Untaxed reserves". Under new tax legislation, valid from the beginning of the year 1993, new tax deductions under untaxed reserves are no longer permitted, and the existing reserves have to be dissolved by the end of year 1997.

Untaxed reserves net of tax liabilities are included in the balance sheet as part of shareholders' equity at Group level and are not available for distribution by way of dividend to the shareholders unless transfers are made to profit and tax is deducted.

Official financial statements

The accounts to be registered by the Trade Registrar have been prepared in the format prescribed by the Bookkeeping Act and the Companies' Act.

NOTES TO THE STATEMENT OF INCOME

FIM million	Consolidated 1995	1994	Parent Company 1995	1994
1. The difference between the change in inventories shown in the statement of income and the comparable figure shown in the sources and applications of funds statement				
Difference between the average and the balance sheet exchange rates for foreign subsidiaries	**–**	– 4	**–**	–
The value of inventories in subsidiaries acquired/divested	**– 35**	–25	**–**	–
2. Wages and salaries, statutory and other benefits				
Wages and salaries	**801**	847	**44**	73
Vacation, leave and sick pay	**113**	103	**10**	16
Pensions and pension fees	**62**	55	**11**	18
Other statutory and contractual benefits and social security	**84**	75	**6**	12
Voluntary benefits and social security	**19**	19	**3**	5
	1,079	1,099	**74**	124
Fringe benefits	**15**	16	**3**	4
Remuneration of the Supervisory Board, the Board of Directors and the Presidents,	**12**	16	**3**	3
including bonuses	**1**	2	**–**	–

Members of the Board do not have contractual retirement benefits with the Company. The President of the Parent Company and the Presidents of Finnish subsidiaries have supplemental retirement benefits with 60 years retirement age.

FIM million	Consolidated 1995	1994	Parent Company 1995	1994
3. Depreciation				
Depreciation according to plan				
Intangible assets	**1**	1	**–**	–
Group goodwill	**30**	43	**–**	–
Other capitalised expenditure	**9**	14	**2**	6
Buildings	**37**	37	**4**	7
Machinery and equipment	**161**	161	**12**	23
	238	256	**18**	36
Statutory depreciation	**222**	280	**7**	22
Depreciation in excess of plan	**– 16**	24	**–11**	–14
Depreciation difference of fixed assets sold	**–166**	– 7	**–35**	–
Depreciation difference in statement of income	**–182**	17	**–46**	–14
Transferred to shareholders' equity net of tax liabilities	**182**	–17	**–**	–

FIM million	Consolidated 1995	1994	Parent Company 1995	1994
4. Financing income and expenses				
Dividends received from subsidiaries	**–**	–	**32**	160
Other dividends	**5**	4	**24**	10
Interest income on long-term investments	**3**	3	**3**	2
Interest income, intercompany	**–**	–	**140**	126
Other interest income	**36**	32	**16**	23
Exchange rate gains	**2**	–	**147**	–
Other financial income	**1**	2	**–**	–
Interest expenses, intercompany	**–**	–	**– 23**	– 32
Interest expenses	**–165**	–186	**–148**	–164
Exchange rate losses	**–**	– 8	**–**	–146
Other financing expenses	**– 5**	– 6	**– 4**	– 5
	–123	–159	**187**	– 26
5. Income taxes				
Estimated income taxes for the period	**–107**	– 52	**– 9**	– 12
Taxes for prior periods	**– 15**	5	**–**	– 12
Change in deferred tax liability	**55**	– 5	**–**	–
	– 67	– 52	**– 9**	– 24
6. Extraordinary items				
Gains on sale of operations	**49**	–	**60**	–
Losses/gains on long-term investments in shares	**– 59**	7	**– 44**	–
Adjustments to value of fixed assets	**–**	–	**–165**	–
Costs of divesting operations	**– 41**	– 42	**– 56**	–
Restructuring of operations	**– 22**	–	**–**	–
	– 73	– 35	**–205**	–
7. Change in untaxed reserves				
Depreciation in excess of plan	**182**	– 17	**46**	14
Transferred to shareholders' equity net of tax liabilities	**–182**	17	**–**	–

NOTES TO THE BALANCE SHEET

FIM million	Consolidated 1995	1994	Parent Company 1995	1994
8. Revaluation included in fixed assets				
Land and water	**11**	20	**2**	7
Buildings	**30**	114	**18**	40
Investments	**11**	77	**11**	65
	52	211	**31**	112
9. Tax values of fixed assets				
Land and water	**112**	131	**3**	7
Buildings	**490**	574	**93**	112
Investments in subsidiaries	**–**	–	**2,069**	1,801
Other investments	**142**	254	**64**	111

The above comprises the tax values of Finnish companies and book values of foreign companies.

10. Fixed assets
FIM million

Group

	Intangible rights	Group goodwill	Other capitalised expenditure	Intangible assets, total	Land and water	Buildings and constructions	Machinery and equipment	Advances paid and construction in progress	Tangible assets, total	Total
Initial cost or revaluation, 1 January 1995:	124	1,201	120	1,445	247	1,334	1,429	71	3,081	4,526
Additions	–	–	7	7	–	13	297	3	313	320
Company acquisitions	–	–	–	–	–	–	–	–	–	–
Disposals	–	–86	–51	–137	–82	–375	–466	–	–923	–1,060
Transfers	30	–	2	32	–16	– 66	32	–57	–107	– 75
Exchange differences	–	–86	– 3	– 89	– 1	– 12	– 33	– 5	– 51	– 140
Balance, 31 December 1995	154	1,029	75	1,258	148	894	1,259	12	2,313	3,571
Accumulated depreciation, 1 January 1995:	15	203	63	281	–	282	636	–	918	1,199
Depreciation during the period	1	30	9	40	–	37	161	–	198	238
Company acquisitions	–	–	–	–	–	–	–	–	–	–
Disposals	–	– 1	–33	– 34	–	– 96	–195	–	–291	– 325
Exchange differences	2	–13	– 1	– 12	–	– 3	– 17	–	– 20	– 32
Balance, 31 December 1995	18	219	38	275	–	220	585	–	805	1,080
Balance sheet value, 31 December 1995	136	810	37	983	148	674	674	12	1,508	2,491
Fire insurance value						1,143	1,064			

Parent Company

	Intangible rights	Goodwill	Other capitalised expenditure	Intangible assets, total	Land and water	Buildings and constructions	Machinery and equipment	Advances paid and construction in progress	Tangible assets, total	Total
Initial cost or revaluation, 1 January 1995:	1	–	39	40	21	262	264	–	547	587
Additions	–	–	–	–	–	–	9	1	10	10
Disposals	–	–	–24	– 24	–10	– 41	–246	– 1	–298	– 322
Transfers	–	–	–	–	–	– 15	–	–	– 15	– 15
Balance, 31 December 1995	1	–	15	16	11	206	27	–	244	260
Accumulated depreciation, 1 January 1995:	–	–	28	28	–	64	155	–	219	247
Depreciation during the period	–	–	2	2	–	4	12	–	16	18
Disposals	–	–	–17	– 17	–	– 19	–149	–	–168	– 185
Balance, 31 December 1995	–	–	13	13	–	49	18	–	67	80
Balance sheet value, 31 December 1995	1	–	2	3	11	157	9	–	177	180
Fire insurance value						275	31			

11. Investments in subsidiaries and Group holdings in associated or other companies

31 December 1995

Amer Group Ltd subsidiaries	Number of shares	Percentage of shares owned		Nominal value, thousands	Book value, FIM thousands	Net profit for the period, FIM thousands
Amer Holding Company, Chicago, USA	–	100.0	USD	227,435	881,695	22,541
MacGregor Golf Company						
MacGregor Golf Australia Pty Ltd						
MacGregor Golf France S.A.						
MacGregor Golf G.m.b.H.						
MacGregor Golf (Hong Kong) Limited						
MacGregor Golf Limited (Ireland)						
MacGregor Golf Company Limited - Taiwan						
MacGregor Golf (UK) Limited						
Wilson Sporting Goods Co.						
Amer Sports Canada Inc.						
Wilbras LTDA.						
Wilson France S.A.R.L.						
Wilson Japan, Inc.						
Wilson Sporting Goods Asia Pacific Pte Ltd						
Wilson Sporting Goods Australia Pty Ltd						
Wilson Sporting Goods Company Limited						
Wilson Sporting Goods Co. de Mexico						
Wilson Sporting Goods Espana, S.A.						
Wilson Sporting Goods GmbH						
Wilson Sporting Goods S.A.						
Wilson Sporting Goods CS spol sro						
Wilson Sporting Goods Malaysia Sdn Bhd						
Amer Sport AG, Littau, Switzerland	200	100.0	CHF	200	726	384
Amer Sport Oy, Helsinki, Finland	50	100.0		5,000	5,000	– 3
Amer Tobacco Ltd, Tuusula, Finland	10	100.0		10,000	12,362	11,777
As Amer-Es, Tallinn, Estonia						
Amera Oy, Helsinki, Finland	165	100.0		165	165	6
Amernet Holding B.V., Rotterdam, The Netherlands	–	100.0	NLG	25,840	51,606	2,223
Atomic Austria GmbH, Altenmarkt, Austria	–	90.0	ATS	405,000	178,476	6,460
Atomic Deutschland GmbH, Munich, Germany	–	100.0	DEM	1,000	3,050	– 667
Atomic France S.A., St. Etienne De Saint-Geoirs, France	30,000	100.0	FRF	3,000	–	15,297
Atomic Realty Corp., Amherst, USA	10	100.0		–	2,887	140
Atomic Schweiz AG, Littau, Switzerland	600	100.0	CHF	600	2,163	– 1,142
Atomic Ski USA Inc., Amherst, USA	10,000	100.0	USD	10,910	46,652	– 5,000
Dynamic S.A., St. Etienne De Saint-Geoirs, France	164,994	100.0	FRF	41,249	–	– 4,680
Finnsea Oy, Helsinki, Finland	2,001	100.0		20,010	20,087	– 5,383
Keskinäinen Kiinteistö Oy Marikko, Helsinki, Finland	15,000	100.0		15,000	15,000	– 88
Kiinteistö Oy Autoprint, Helsinki, Finland	1,455	100.0		145,500	1,330	187
Kiinteistö Oy Maistraatinportti 4, Helsinki, Finland	4,443	50.8		9	44,704	– 75
Kiinteistö Oy Mannerheimintie 40, Helsinki, Finland	54,833	53.9[1)]		7,677	17,519	– 69
Koflach Sport GmbH, Köflach, Austria	–	100.0	ATS	1,000	892	–11,356
Konalan Hankasuo Oy, Helsinki, Finland	500	100.0		500	7,894	2
Korpivaara Oy, Vantaa, Finland	349,500	100.0[1)]		349,500	349,500	164,731
Auto-Bon Oy						
Farming Oy						
Porkkalan Auto Oy						
Moottorialan Luotto Oy, Vantaa, Finland	100,000	100.0		100,000	203,424	1
Time/system Finland Oy, Helsinki, Finland	10	100.0		1,000	1,000	592
Time/system International a/s, Allerød, Denmark	10,000	100.0	DKK	10,000	39,015	29,611
Time/system Danmark a/s						
Time/system Italia S.r.l.						
Time/system Norge a/s						
Time/system Sverige AB						
Time/system (UK) Ltd.						
VARPAT Patentverwertungs AG, Littau, Switzerland	2,000	100.0	CHF	200	12,188	314
Wilson Sporting Goods GmbH, Vienna, Austria		100.0	ATS	500	193	– 4,834
Non-operating companies					19	–
Total					1,897,547	

1) Including subsidiaries' shares

Investments in associated companies, Amer Group Ltd	Number of shares	Percentage of shares owned		Nominal value, thousands	Value, FIM thousands	Net profit for the period, FIM thousands
Amerpap Oy, Helsinki, Finland	1,400	25.0		7,000	13,509	15,385
WA-Kuori Oy, Tampere, Finland	31,850	49.0		31,850	31,347	– 932
Investments in associated companies, subsidiaries						
MacGregor Golf Ltd. (Japan), Tokyo, Japan	115,000	25.0	USD	2,500	–	–
MacGregor Scandinavia AB, Stockholm, Sweden	125	25.0	SEK	13	1,913	–
Stronghold Paper Group B.V., Amersfoort, The Netherlands	9,853	35.0	NLG	99	37,241	–
Investments in associated companies, total					84,010[1)]	
Other bonds and shares						
Asunto Oy Simonlinna, Helsinki, Finland	2,947	14.7		3	10,694	
Länsi-Pasilan Autopaikat Oy, Helsinki, Finland	38	1.2		–	1,831	
Other property shares	–	–		–	10,880	
Helsinki Telephone Company, Helsinki, Finland	178	–		–	353	
Other stocks and shares	–	–		–	2,049	
Total					25,807	

1) Share of the associated companies' shareholders' equity FIM 64 million.

FIM million	Consolidated **1995**	Consolidated 1994	Parent Company **1995**	Parent Company 1994
12. Loans receivable				
Loans receivable from the Directors and the Presidents of the companies	–	1	**–**	–

The loans to the Directors and the Presidents are granted at normal basis.

FIM million	Consolidated **1995**	Consolidated 1994	Parent Company **1995**	Parent Company 1994
13. Accounts receivable				
Receivable on instalment credit sales	**101**	168	**29**	73
14. Receivables from subsidiaries/associated companies				
Accounts receivable	**–**	–	**1**	5
Loans	**–**	–	**2,166**	2,726
Prepaid expenses	**–**	–	**63**	126
Receivables from subsidiaries	**–**	–	**2,230**	2,857
Accounts receivable	**–**	2	**–**	1
Loans	**11**	17	**11**	17
Prepaid expenses	**–**	1	**–**	1
Receivables from associated companies	**11**	20	**11**	19

FIM million	Consolidated **1995**	Consolidated 1994	Parent Company **1995**	Parent Company 1994
15. Shareholders' equity				
Share capital at beginning of period				
K shares	**40**	40	**40**	40
A shares	**435**	339	**435**	339
	475	379	**475**	379
New issue				
A shares	**–**	96	**–**	96
Share capital at end of period				
K shares	**40**	40	**40**	40
A shares	**435**	435	**435**	435
	475	475	**475**	475
Capital surplus at beginning of period	**1,027**	642	**1,027**	642
Premium on share issue	**–**	385	**–**	385
Transfer of targeted share issue	**65**	–	**65**	–
Capital surplus at end of period	**1,092**	1,027	**1,092**	1,027
Revaluation surplus at beginning of period	**159**	159	**60**	60
Write-down of revaluation	**–138**	–	**–60**	–
Revaluation surplus at end of period	**21**	159	**–**	60
Total restricted equity at end of period	**1,588**	1,661	**1,567**	1,562
Unrestricted equity at beginning of period	**1,191**	1,051	**602**	548
Dividends	**– 71**	–38	**–71**	–38
Exchange differences	**– 11**	– 7	**–**	–
Transfer of targeted share issue	**– 65**	–	**–**	–
Write-down of revaluation	**–110**	–	**–26**	–
Other	**– 11**	–	**– 1**	–
Net profit for the period	**2**	185	**48**	92
Unrestricted equity at end of period	**925**	1,191	**552**	602
Shareholders' equity at end of period	**2,513**	2,852	**2,119**	2,164
Distributable earnings	**685**	797	**552**	602

FIM million	Consolidated 1995	1994	Parent Company 1995	1994

16. Accumulated depreciation in excess of plan

Buildings	**28**	164	**31**	26
Machinery and equipment	**128**	184	**5**	68
	156	348	**36**	94

17. Currency mix

The currency mix of the Group loans at 31 December 1995 with annual repayments

USD	ATS	FRF	GBP	JPY	CAD	Others
66 %	15 %	4 %	3 %	3 %	2 %	7 %

18. Long-term liabilities (interest-bearing)

	Outstanding 31 Dec. 95	Repayment dates 1996	1997	1998-2000	2001 and after
Bonds	107	107	–	–	–
Convertible bonds	321	–	–	–	321
Loans from financial institutions	432	6	44	380	2
Pension loans	128	9	9	22	88
Other long-term debt	33	–	1	1	31
	1,021	122	54	403	442

FIM 107 million 8.75 % bonds: The loan period is 23 August 1993 to 23 August 1996.

The 1993 USD 74 million 6.25 % convertible subordinated bonds: The loan period is 15 June 1993 to 15 June 2003. The bonds constitute subordinated debenture bonds. The 1994 FIM 0.5 million bonds with equity warrants: The loan period is 2 May 1994 to 2 May 1999 and the interest rate is 5 %. Further details on the loans: see page 34.

FIM million	Consolidated 1995	1994	Parent Company 1995	1994

19. Interest-bearing current liabilities

Commercial Papers	**228**	278	**228**	277
Current repayments of long-term loans	**122**	38	**121**	24
Other current debt	**176**	722	**137**	666
	526	1,038	**486**	967

20. Payables to subsidiaries/associated companies

Accounts payable	**–**	–	**–**	1
Accrued liabilities	**–**	–	**3**	4
Current liabilities	**–**	–	**773**	489
Payables to subsidiaries	**–**	–	**776**	494
Accounts payable	**–**	1	**–**	1
Accrued liabilities	**–**	13	**–**	13
Payables to associated companies	**–**	14	**–**	14

21. Interest-free liabilities

Long-term interest-free liabilities	**179**	224	**5**	5
Short-term interest-free liabilities	**1,355**	1,604	**45**	662
Total interest-free liabilities	**1,534**	1,828	**50**	667
Other long-term debt				
Deferred tax liability	**106**	158	**–**	–
Other interest-free current liabilities				
Excise tax	**366**	302	**–**	302
Sales taxes	**155**	142	**–**	123
Income tax	**6**	27	**–**	24
Other interest-free liabilities	**67**	109	**2**	43
	594	580	**2**	492

CONTINGENT LIABILITIES AND SECURED ASSETS

	Consolidated 1995	1994	Parent Company 1995	1994
Charges on assets				
Group companies	**97**	161	**60**	110
Others	**8**	11	**8**	11
	105	172	**68**	121
Mortgages pledged, Group companies	**202**	291	**141**	156
Guarantees				
Subsidiaries	**–**	–	**168**	363
Others	**39**	54	**36**	50
	39	54	**204**	413
Liabilities for rental agreements				
Business premises	**195**	151	**65**	–
Others	**16**	17	**1**	4
	211	168	**66**	4
Other contingent liabilities				
Group companies	**325**	423	**–**	–
Others	**147**	115	**7**	22
	472	538	**7**	22

There are no guarantees or contingencies given for the management of the Company, for the shareholders or for the associated companies. There are no derivative obligations.

PERSONNEL AT YEAR END

	1995	1994	Change
Wilson Sporting Goods Co.	**3,235**	3,136	
Atomic Companies	**941**	1,016	
MacGregor Golf Company	**192**	213	
Sports Division	**4,368**	4,365	3
Korpivaara Oy	**34**	636	
Auto-Bon Oy	**85**	81	
Moottorialan Luotto Oy	**13**	27	
Automotive Division	**132**	744	– 612
Tobacco Division	**366**	350	16
Time/system Division	**217**	228	– 11
Corporate Headquarters	**54**	60	– 6
	5,137	5,747	– 610
Disclosed operations	**–**	452	– 452
	5,137	6,199	–1,062

PARENT COMPANY,
PROPOSAL FOR DISTRIBUTION OF EARNINGS

The unrestricted shareholders' equity according to the consolidated balance sheet at 31 December 1995 totals FIM 924,875,000.00, of which distributable earnings total FIM 684,481,000.00.

The unrestricted shareholders' equity according to the Parent Company balance sheet at 31 December 1995 totals FIM 552,391,963.45.

The Board of Directors proposes to the Annual General Meeting that

a dividend of FIM 3.00 per share be declared on the share capital of FIM 474,881,340.00	FIM	71,232,201.00
to be donated to the Amer Cultural Foundation	FIM	150,000.00
to be reserved for donations at the discretion of the Board of Directors	FIM	150,000.00
to be carried over to the profit and loss account	FIM	480,859,762.45
	FIM	552,391,963.45

Should the Annual General Meeting approve the above proposals, the shareholders' equity of the Parent Company will be as follows.

Shareholders' equity		
Restricted equity		
Share capital	FIM	474,881,340.00
Capital surplus	FIM	1,092,452,955.00
	FIM	1,567,334,295.00
Unrestricted equity		
Retained earnings	FIM	480,859,762.45
Total shareholders' equity	FIM	2,048,194,057.45

Helsinki, 14 February 1996

Timo Peltola

Tauno Huhtala

Timo Maasilta

P. Kainulainen

Olle Koskinen

Raimo Taivalkoski
President and CEO

REPORT OF THE AUDITOR

To the Shareholders of Amer Group Ltd

We have audited the accounts, the accounting records and the corporate governance of Amer Group Ltd for the 1995 financial year. The accounts prepared by the Board of Directors and the President and CEO include, both for the Group and the Parent Company, a report on operations, an income statement, a balance sheet and notes to the accounts. Based on our audit we express an opinion on these accounts and on corporate governance.

We have audited, in accordance with Finnish auditing standards, the accounting records, and the accounts, the disclosures and the presentation of information, including the accounting policies, in the accounts. The purpose of this audit is to obtain assurance about whether the accounts are free from material misstatements. The purpose of the audit of corporate governance is to examine that the Supervisory Board, the members of the Board of Directors and the President and CEO have legally complied with the rules of the Companies' Act.

In our opinion the accounts have been prepared in accordance with the regulations of the Accounting Act and other legislation and regulations relevant to the preparation of the accounts, and give a true and fair view of the Parent Company's and the Group's results from operations and financial position in accordance with such legislation and regulations. The profit of the Parent Company for the 1995 financial year is FIM 47,844,582.54 and the profit of the Group FIM 1,717,000.00. The accounts including the Group accounts may be approved, and the Supervisory Board, the members of the Board of Directors and the President and CEO of the Parent Company may be discharged from liability for the financial year examined by us. The proposal of the Board of Directors concerning the disposition of the unrestricted shareholders' equity according to the balance sheet is in accordance with the Companies' Act.

The interim reports published during the financial year have been prepared in accordance with the relevant regulations.

Helsinki, 14 February 1996

SVH Coopers & Lybrand Oy
Authorised Public Accountants

Anneli Lindroos
Authorised Public Accountant

STATEMENT BY THE SUPERVISORY BOARD

The Supervisory Board of Amer Group Ltd has examined the Company's financial statements and consolidated financial statements as well as the Auditors' Report for 1995. As its statement to the Annual Shareholders' Meeting, to be held on 7 March 1996, the Supervisory Board submits that it has no comments to make regarding the financial statements, and concurs with the proposal made by the Board of Directors for the distribution of profit for the year.

The terms of the following members of the Supervisory Board are due to expire: Juhani Horelli, Veli Korpi, Mikko Leppänen, Matti Mare, Ilpo Saarinen, Harri Tilli and Kari Tähtinen.

Helsinki, 26 February 1996

For the Supervisory Board

Jukka Härmälä
Chairman

SHARES AND SHAREHOLDERS

SHARES AND VOTING RIGHTS

There are two classes of Amer Group shares, A shares and K shares.

A-shareholders have a preferential right to receive dividends. The dividend amounts to 10 % of the share's FIM 20 nominal value. Furthermore, A shares entitle their holders to receive dividends of at least equal value to those due to K-shareholders.

K shares held by the Group's founding shareholders carry ten votes per share while A shares carry one vote per share. However, A-shareholders are allowed only one vote for each commencing series of ten shares in their possession on the condition that each A-shareholder has a minimum of one vote.

Amer Group shares are entered in the Finnish automated book-entry securities system.

SHARE CAPITAL

At the year end, there were 23,744,067 Amer Group shares outstanding. Of these, 1,990,656 (8.4 %) were K shares, and 21,753,411 (91.6 %) were A shares.

At the year end, the Company's paid-in and registered share capital amounted to FIM 474,881,340. The Articles of Association set the minimum share capital at FIM 290 million and the maximum at FIM 1,160 million.

At the year end, the Board of Directors had exercised all the granted share issue authorisations.

CONVERTIBLE SUBORDINATED BONDS 1993

The remaining amount of the USD 75 million convertible subordinated bonds issued in June 1993 is USD 73.75 million. The conversion price of the A shares is FIM 133.80. If all the remaining bonds are converted during the period of conversion 26 July 1993 - 8 June 2003, the number of A shares would increase by 3,044,971 and the share capital by FIM 60,899,420. The Convertible bonds carry an annual coupon of 6.25% and they are listed on the London Stock Exchange.

Adjusted for the effect of the bonds with warrants on the share capital, the shares which could still be converted from the convertible subordinated bonds, represent 11.1 % of the share capital and 1.4 % of the total number of votes.

ISSUE OF BONDS WITH WARRANTS TO AMER GROUP MANAGEMENT IN 1994

The loan principal of the bonds with warrants issued to the management of Amer Group in 1994 is FIM 555,000. The loan period is 5 years from 2 May 1994 to 2 May 1999 with 5 per cent annual interest. At the end of 1995, the incentive scheme covered 31 individuals.

Following exercise of these warrants, the number of shares in issue would increase by a maximum of 555,000 new A shares, and the share capital by a maximum of FIM 11,100,000 during the exercise period 1 December 1998 to 31 January 2001. The subscription price of the shares is FIM 146.

Adjusted for the effect of the issue of the convertible bonds on the share capital, the shares subscribed for by exercise of the warrants would represent 2.0 % of the share capital and 0.25 % of the total number of votes. The total amount of warrants subscribed for by the President and the Executive Vice President represented 0.1 % of the shares and 0.01 % of the votes.

SHAREHOLDER AGREEMENT

Amer Group Ltd's K-shareholders, The Engineering Society of Finland, The Association of Graduates of the Schools of Economics (SEFE), The Student Union of the Helsinki School of Economics and Business Administration (KY), and the Land and Water Technology Foundation, have concluded a mutual agreement regarding the disposal of shares and the ownership of Amer.

According to the agreement, K-shareholders may transfer shares to parties outside the agreement, only on the condition that all other K-shareholders are able to sell their K shares at the same price and under the same conditions.

SHARE PRICES

During 1995, the Helsinki Stock Exchange's HEX index declined by 5 %, whilst the London Stock Exchange's FTSE 100 index rose by 14 %.

In Helsinki, Amer Group A shares closed 1995 at a price of FIM 67.90, representing a fall of 17 % during the calendar year. The Helsinki 1995 share price high/low was FIM 95.30/ FIM 64.00. The average share price was FIM 79.

On the London Stock Exchange Automated Quotation System (SEAQ), Amer Group's shares closed 1995 at GBP 10.09, representing a fall of 12 % during the year. The London share price high/low was GBP 13.81/GBP 8.91.

LISTINGS AND TRADING

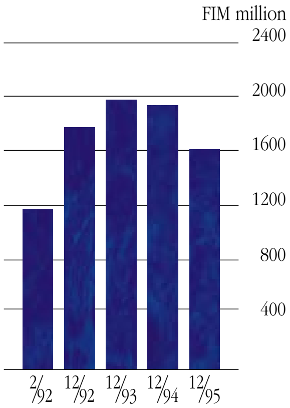
Amer Group A shares have been listed on the Helsinki Stock Exchange since 1977 and on the London Stock Exchange since 1984. The Group's shares have been quoted on the London's SEAQ International since 1990. Amer equity can also be traded in the USA through an American Depositary Receipt (ADR) facility.

During 1995, 10,098,748 Amer Group A shares with a value of FIM 799 million were traded on the Helsinki Stock Exchange. London Stock Exchange trading volume was 3,822,345 shares. The trading volume in Helsinki represented 46 % and in London 18 % respectively (overall 64 %) of the total number of shares in issue.

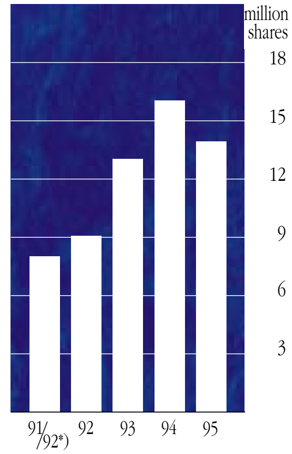
INTERESTS OF DIRECTORS AND OTHER SENIOR MANAGEMENT

The total number of shares owned by the members of the Supervisory Board, the Board of Directors, the President and the Executive Vice President as at 31 December 1995 was 11,336 A shares, representing 0.05 % of the issued share capital. The respective number of votes was 1,136, representing 0.005 % of the total number of votes.

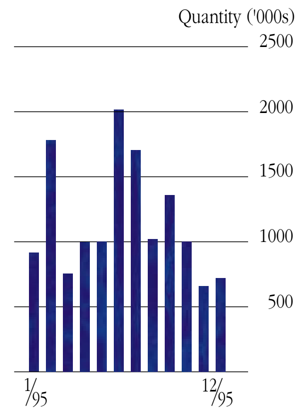
MARKET VALUE OF SHARES



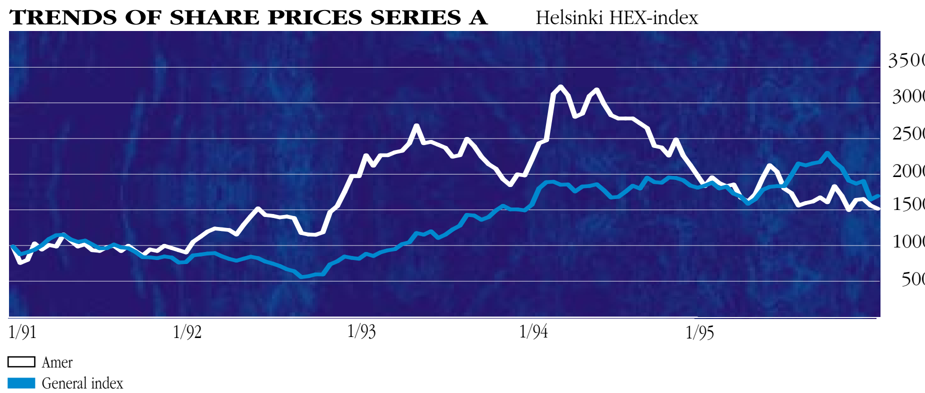
TRADING OF SHARES SERIES A



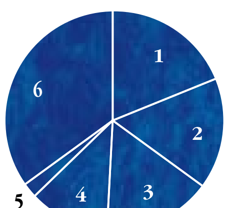
TRADING OF SHARES SERIES A



TRENDS OF SHARE PRICES SERIES A



SHAREHOLDING IN AMER GROUP LTD 31 Dec. 1995



1 INDIVIDUALS 19 %
2 CORPORATIONS 16 %
3 FOUNDATIONS AND OTHER ASSOCIATIONS 16 %
4 BANKS AND INSURANCE COMPANIES 12 %
5 INVESTMENT FUNDS 2 %
6 OTHERS 35 % **)

Number of shares per shareholder	Shareholders	Percentage of shareholders	Percentage of share capital
1– 100	8,233	45.8	1.7
101– 1,000	8,752	48.7	11.4
1,001– 10,000	894	5.0	9.3
10,001–100,000	68	0.4	8.6
over 100,000	21	0.1	69.0
Total	17,968	100.0	100.0

MAJOR SHAREHOLDERS ON 31 DECEMBER 1995

	A shares %	K shares %	Total %	% of votes
The Engineering Society of Finland	1.4	34.0	4.1	30.8
The Student Union of the Helsinki School of Economics and Business Administration, KY	1.4	25.0	3.4	22.7
The Association of Graduates of the Schools of Economics-SEFE	1.3	25.0	3.3	22.7
The Land and Water Technology Foundation	1.3	16.0	2.5	14.6
Sponda Group	8.5	–	7.8	0.8
Insurance Company Sampo Pensions, Ltd	2.8	–	2.6	0.3
Tukinvest Oy	2.6	–	2.4	0.3
The Finnish Local Government Pension Institution	2.1	–	1.9	0.2
Paavo Korpivaara	1.5	–	1.4	0.1
Pension-Varma Mutual Insurance Company	1.5	–	1.4	0.1
The Pension Insurance Company Ilmarinen Ltd	1.4	–	1.3	0.1
Partita Oy	1.3	–	1.2	0.1
Merita Ltd	1.3	–	1.1	0.1
Kaleva Mutual Insurance Company	1.1	–	1.1	0.1
Kansa General Insurance Company Ltd	0.9	–	0.8	0.1
Sampo Insurance Company, Ltd	0.6	–	0.5	0.1
Amer Cultural Foundation	0.5	–	0.4	0.0
Pension Foundation Polaris	0.4	–	0.4	0.0
Kansa Pension Insurance Company (in liquidation)	0.3	–	0.3	0.0
Finnish Export Credit Ltd	0.3	–	0.3	0.0
Nominee registrations	35.6	–	32.6	3.5

*) 1 March-28 Febr.
**) includes shares registered in the name of a nominee

SHARE CAPITAL AND PER SHARE DATA

FIM million	**1995**	1994	1993	1992/93	1991/92
Share capital	**475**	475	379	379	379
K shares	**40**	40	40	40	40
A shares	**435**	435	339	339	339
Market value of shares	**1,612**	1,947	1,990	2,028	1,183
Number of shares, million	**24**	24	19	19	19
K shares	**2**	2	2	2	2
A shares	**22**	22	17	17	17
Adjusted number of shares, million	**23.7**	23.7	20.3	20.3	20.3
Adjusted average number of shares, million	**23.7**	22.2	20.3	20.3	20.3
Share issues					
New issue	**–**	96	–	–	–
Premium on share issue	**–**	385	–	–	–
Total dividends	**71** [1]	71	38	38	38
Dividend per share, FIM	**3.00** [1]	3.00	2.00	2.00	2.00
Avoir fiscal tax allowance per share, FIM	**1.00**	1.00	0.67	0.67	1.13
Adjusted dividend per share, FIM	**3.00** [1]	3.00	1.87	1.87	1.87
Adjusted earnings before taxes per share, FIM	**5.98**	12.26	6.74 [2]	4.50	–1.04
Adjusted earnings per share, FIM	**3.13** [3]	9.90	5.85 [2]	3.64	–1.70
Adjusted cash flow earnings per share, FIM	**13.16**	21.43	21.18 [2]	17.59	12.07
Dividend % of earnings	**96**	32	32 [2]	51	neg.
Dividend margin	**1.0**	3.3	3.1 [2]	1.9	neg.
Effective yield, % [4]	**4.4**	3.7	1.9 [2]	1.9	3.4
P/E ratio[4]	**21.7**	8.3	16.9 [2]	27.5	neg.
Share value, FIM					
Nominal value	**20.00**	20.00	20.00	20.00	20.00
Shareholders' equity per share, adjusted	**105.83**	120.10	109.95	106.49	112.55
Share price at closing date	**67.90**	82.00	106.00	107.00	59.50
Adjusted share price[4]	**67.90**	82.00	99.03	99.96	55.59
Trading volume					
A shares	**1,100**	2,011	1,304 [2]	710	477
1,000s	**13,921**	16,041	13,023 [2]	9,564	8,017
Number of shareholders	**17,968**	19,329	19,260	18,383	27,050

[1] Proposal of the Board of Directors for 1995.
[2] Period 1 January to 31 December 1993.
[3] Adjusted earnings per share diluted for the exercise of convertible bonds and bonds with equity warrants FIM 3.50.
[4] The figures for 1991/92 refer to restricted shares only.
Calculation of key indicators, see page 38.

FIVE YEAR SUMMARY

FIM million	1995	Change %	1994	1993 12 months	1992/93	1991/92
Gross sales	**9,456**	**– 7**	10,195	11,289	10,637	10,493
Excise tax	**2,081**	**2**	2,042	2,026	2,074	1,979
Sales taxes	**1,106**	**1**	1,100	1,162	1,207	1,183
Car tax	**310**	**–26**	416	271	356	305
Net sales	**6,166**	**–11**	6,931	7,658	7,000	6,957
Overseas sales	**3,952**	**–14**	4,596	5,227	4,374	3,985
Depreciation	**238**	**– 7**	256	311	283	279
Operating profit	**263**	**–39**	430	366	349	206
% of net sales	**4**		6	5	5	3
Net financing expenses	**–123**	**23**	– 159	– 229	– 258	– 241
% of net sales	**2**		2	3	4	3
Result before taxes and extraordinary items	**142**	**–48**	272	137	91	– 35
% of net sales	**2**		4	2	1	1
Taxes	**67**		52	18	17	13
Result before extraordinary items	**75**	**–66**	220	119	74	– 48
% of net sales	**1**		3	2	1	1
Financing from operations	**240**	**–46**	441	417	342	195
% of net sales	**4**		7	5	5	3
Capital expenditure	**318**	**–56**	725	470	514	482
Divestments	**737**		268	315	220	181
Fixed assets	**2,644**	**–30**	3,779	4,010	4,214	3,705
Inventories and work in progress	**1,063**	**–23**	1,381	1,261	1,313	1,123
Financial assets	**1,831**	**–11**	2,062	2,329	2,682	2,827
Shareholders' equity, untaxed reserves and minority interest	**2,578**	**–12**	2,923	2,274	2,203	2,327
Interest-bearing liabilities	**1,425**	**–42**	2,471	3,458	4,253	3,936
Interest-free liabilities	**1,535**	**–16**	1,828	1,868	1,753	1,392
Balance sheet total	**5,538**	**–23**	7,222	7,600	8,209	7,655
Return on investment (ROI), %	**5.9**		8.6	7.8	8.3	6.2
Return on shareholders' equity (ROE), %	**2.6**		8.4	5.3	3.4	neg.
Equity ratio, %	**47**		40	30	27	30
Debt to equity ratio (equity includes reserves)	**0.6**		0.8	1.5	1.9	1.7
Gearing	**51**		80	138	171	157
Net leveraging/Net sales, %	**18**		33	39	47	36
Net leveraging/Financing from operations	**4.7**		5.1	7.2	9.7	12.8
Profits from associated companies	**– 1**		16	11	4	18
Dividends from associated companies	**3**		8	4	4	4
Average personnel	**5,748**	**7**	5,360	5,930	6,345	7,008
Average personnel outside Finland	**4,668**	**19**	3,923	4,203	4,237	4,708

CALCULATION OF KEY INDICATORS

Return on investment (ROI), %:

$$100 \times \frac{\text{(Profit after financial items + interest and other financing expenses)}}{\text{Balance sheet total less interest-free liabilities*)}}$$

Return on shareholders' equity (ROE), %:

$$100 \times \frac{\text{(Profit before extraordinary items + minority interest)}}{\text{Shareholders' equity + minority interest*)}}$$

Equity ratio:

$$100 \times \frac{\text{(Shareholders' equity + minority interest)}}{\text{Balance sheet total}}$$

Gearing:

$$100 \times \frac{\text{(Interest-bearing liabilities – cash and cash equivalents)}}{\text{Shareholders' equity + minority interest}}$$

Net leveraging:

Current and long-term liabilities less financial assets

Financing from operations:

Net profit for the period + depreciation

Adjusted cash flow earnings per share:

Financing from operations before extraordinary items divided by the average number of shares adjusted for the bonus element of share issues

Adjusted dividend per share:

Total dividend divided by the number of shares at year end adjusted for the bonus element of share issues

Adjusted earnings per share:

Profit before extraordinary items divided by the average number of shares adjusted for the bonus element of share issues

Adjusted share price:

Share price at year end adjusted for the bonus element of share issues

Dividend margin:

$$\frac{\text{Adjusted earnings per share}}{\text{Adjusted dividend per share}}$$

Dividend yield, %:

$$100 \times \frac{\text{Adjusted dividend}}{\text{Adjusted share price}}$$

P/E ratio:

$$\frac{\text{Adjusted share price}}{\text{Adjusted earnings per share}}$$

Equity per share:

Shareholders' equity at year end divided by the number of shares at year end adjusted for the bonus element of share issues

Market value of shares:

Number of shares at year end multiplied by share price at the same date. For this purpose the price of K shares is assumed to be the same as that of the A shares.

*) Monthly average of the financial period.

GROUP ADMINISTRATION AND AUDIT

SUPERVISORY BOARD

		Term expiring
Chairman: Jukka Härmälä (49)	President and CEO, Enso-Gutzeit Oy	1998
Vice Chairman: Markku Talonen (49)	Chairman and President, Instrumentarium Corp.	1998
Matti Aura (52)	Member of Parliament, Managing Director, The Central Chamber of Commerce of Finland	1998
Markku von Hertzen (47)	Managing Director, The Association of Graduates of the Schools of Economics-SEFE	1997
Juhani Horelli (48)	President, Rotomec Automation S.r.l.	1996
Heikki Jalas (56)	Attorney-at-Law, Jalas & Tiusanen	1997
Veli Korpi (65)	B.Sc. (Econ.)	1996
Alari Kujala (54)	M.Sc. (Eng.)	1997
Mikael Laine (31)	Financial Director, Mikrolog Oy Ltd	1998
Mikko Leppänen (62)	B.Sc. (Econ.)	1996
Antti Leskelä (52)	Senior Adviser, IVO International Ltd.	1998
Matti Mare (55)	CEO and Managing Director, KeskustaKehitys Oy	1996
Markku Markkula (45)	Member of Parliament	1997
Kalle Mattila (43)	President, ABB Power Oy	1998
Yrjö Niskanen (63)	President, Chairman of the Board, The Pohjola Group	1997
Jorma Routti (57)	Director-General, Commission of the European Communities, Science, Research and Development	1997
Ilpo Saarinen (43)	Managing Director, Keskus-Sato Oy	1996
Timo Syrjälä (37)	Manager, ABB Treasury Center (Finland) Oy	1997
Harri Tilli (50)	Vice President, Merita Bank Ltd	1996
Kari Tähtinen (49)	President, Imatra Steel Oy Ab	1996
Pekka Österlund (42)	Powerstation Manager, IVO Generation Services (UK) Ltd	1998

BOARD OF DIRECTORS

		Term expiring
Chairman: Timo Peltola (49)	President and CEO, Huhtamäki Oy	1996
Vice Chairman: Pekka Kainulainen (54)	Director, The Finnish Institute of Management	1998
Tauno Huhtala (57)	B.Sc. (Econ.)	1998
Olle Koskinen (53)	President, Ajasto Osakeyhtiö	1996
Timo Maasilta (41)	Managing Director, The Land and Water Technology Foundation	1997
Raimo Taivalkoski (55)	President and CEO, Amer Group Ltd, Senior Executive Vice President, Partek Corporation	1997

AUDIT

SVH Coopers & Lybrand Oy, Authorised Public Accountants
(formerly Salmi, Virkkunen & Helenius Oy)

Partner in charge:
Anneli Lindroos, Authorised Public Accountant

AMER GROUP ORGANISATION

AMER GROUP

PRESIDENT & CEO
Raimo Taivalkoski

EXECUTIVE VICE PRESIDENT & CFO
Kari Miettinen

Corporate Headquarters

FINANCE
Disa Söderman

TREASURY
Teuvo Rossi

COMMUNICATIONS
Marja-Leena Simola

ADMINISTRATION & PERSONNEL
Jouko Rauman

SPORTS DIVISION

Wilson Sporting Goods Co.

DIVISION BOARD OF DIRECTORS
Raimo Taivalkoski, Chairman
Kari Miettinen
Roger Talermo

COO
Jim Reid-Anderson
from 1 March 1996

FINANCE & ADMINISTRATION
Jim Reid-Anderson

GOLF
Kim Ignatius

RACQUET
Jim Baugh

TEAM SPORTS
Chris Considine

INTERNATIONAL MARKETS
Jim Reid-Anderson

EUROPE
Bruno Mertens

JAPAN
Tamio Yamamoto

MacGregor Golf Company

DIVISION BOARD OF DIRECTORS
Raimo Taivalkoski, Chairman
Kari Miettinen
Roger Talermo

PRESIDENT
David M. Gibbons

FINANCE
Rich Eckman

AMERICAS
Gary McKenna

EUROPE, AFRICA, AUSTRALIA
John Ennis

ASIA
Boris Nagai

OPERATIONS
Rich Eckman

Atomic Companies

DIVISION BOARD OF DIRECTORS
Raimo Taivalkoski, Chairman
Kari Miettinen
Roger Talermo

PRESIDENT
Roger Talermo

FINANCE
Pertti Vallila

OPERATIONS
Egon Zveglic

KOFLACH
Walter Wittman

ATOMIC BRAND
Thomas Zettler

DYNAMIC BRAND
Daniel Fournier

OXYGEN BRAND
Steve Felsen

AUTOMOTIVE DIVISION

DIVISION BOARD OF DIRECTORS
Raimo Taivalkoski, Chairman
Kari Miettinen
Markku Tamminen

AUTO-BON OY
Markku Tamminen

RETAIL
Hannu Koskinen

FINANCE
Markku Määttä

COMMUNICATIONS
Marjaana Olenius

MOOTTORIALAN LUOTTO OY
Markku Tamminen

TOBACCO DIVISION

DIVISION BOARD OF DIRECTORS
Raimo Taivalkoski, Chairman
Jukka Ant-Wuorinen
Kari Miettinen

PRESIDENT
Jukka Ant-Wuorinen

MARKETING
Jan-Erik Grönlund

PRODUCTION
Veijo Rosimo

FINANCE
Timo Levänen

LEGAL AFFAIRS
Kalle Soikkanen

TIME/SYSTEM DIVISION

DIVISION BOARD OF DIRECTORS
Raimo Taivalkoski, Chairman
Kari Miettinen
Ole Dahl

PRESIDENT
Ole Dahl

FINANCE
Flemming P. Allerup

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Per Hamann

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Philip Sonne

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Layout: Matti Savimaa
Photo Credit: Page 9,
Bernhard Langer © 1995
AllSport UK/Stephen Munday
Repro: Kiviranta Oy
Printed by Sävypaino
Paper: Galerie Art Silk 130 g/m²
Cover: Galerie Art Silk 250 g/m²