



HYY GROUP  
*Annual Report 1995*

# *C o n t e n t*

## *General Principles of*

*HYY Group.....3*

*Review of the President and CEO.....4*

*HYY Group 1991-1995.....6*

*Real Estate Division .....8*

*Travel Group.....9*

*Service Division.....10*

*Book Division.....11*

*Green Values of HYY Group .....12*

## *Annual Report 1995*

### *Financial Statements in accordance with the International Accounting Standards (IAS)*

*Annual Report .....15*

*Income Statement.....18*

*Balance Sheet .....18*

*Cash Flow Statement.....19*

*Preparation Principles.....19*

*Notes to the Income Statement and*

*balance Sheet (IAS) .....21*

*Signatures.....23*

*Report of Auditors.....23*

*Owner of the Group .....24*

*Administration.....26*

*Boards of Directors.....26*

*HYY Group Executives .....27*

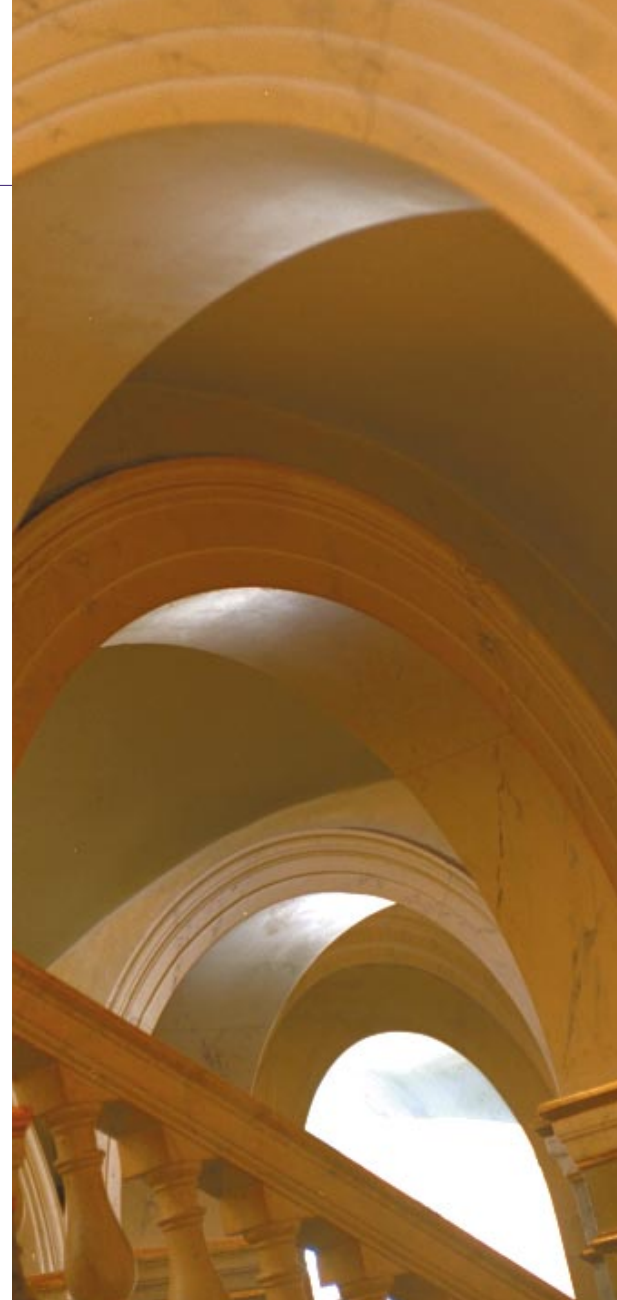
*Auditors.....27*

*Outlets.....28*



## GENERAL PRINCIPLES OF HYY GROUP

- Business is to be streamlined, specialized and focused.
- The Group does not value growth for growth's sake. The result and the cash-flow return on investments are more important than net sales.
- The business units must be small or large enough in their own sector. The decisive factor in growth is to achieve and maintain the critical mass required for successful operations.
- The Group does not undertake new operations without discontinuing operations with equal risk exposure. New lines of business are not actively investigated.
- The Group is a conservative risk-taker. The objective is to increase the proportion of shareholders' equity not distributed by the Group. Only the Income Return is used as the basis of profit sharing, not the unrealized Capital Return from Real Estate Division, which capital forms the principal risk buffer of the entire Group.
- The management of the Group aims at harmonized development, where the tasks and frames defined and accepted by the owner, the strategic intents arising from the needs of the business units, the learning ability of the work units, and the employees' commitment to change are reconciled.
- The integration between decision-making by the owner and Group management is accepted and exploited. The ability to make rapid decisions - a key factor of success is maintained by anticipating future developments and opportunities: foreseeable policy, risk and authority issues are given a great deal of consideration.
- The Group believes in
  - committed employees
  - hard intellectual work
  - perseverance moderation
  - sustainable development
  - ethical and economic solidity.



# PRESIDENT AND CEO'S REVIEW

## *Anticipated Leap Year in Terms of Result Primarily Owing to Investments Total Result at the Average Level of 1990s*

The owner of the Group confirmed the objectives for 1995 operative result to be FIM 20 million before taxes and appropriations, and excluding the consolidated FAS depreciation of goodwill. At the time of setting the objectives, we were aware of the year 1994 being exceptionally successful thanks to the record result of the Travel Group. The income finance generated in 1994, particularly in Germany, and the Travel Group's balance sheet, which strengthened further despite the fairly generous profit sharing, facilitated in the line with Group's risk policy the considerable investments in expansion in the Nordic countries and Germany. Further, we were aware of the annual impact of the investment in the information technology system which is one of the Travel Group's key competences. Last year I indicated in my review that the year 1995 would be a leap year in terms of annual result, and that the Group's result would deteriorate temporarily because the Travel Group's result would be moderate compared to that for the previous years and changes in the results of the other divisions would be insignificant. The 1995 operative result, comparable to the confirmed objective, amounted to FIM 20 million. Consequently, the overall objective was achieved and profit sharing capability was sustained. On various occasions I have, however, expressed my disappointment, because in the 1990s we have been accustomed to surpassing the set objectives. Had it not been for unfortunate adversities, limited in number though, the Travel Group would have shown an even more profitable result. It is worth noting that the development in KILROY travels' market position and result, particularly in Denmark and Finland was far better than anticipated.

## *KILROY travels Strenghtens Positions*

KILROY travels did not achieve its net sales objective owing to the postponement of the beginning of the rearrangement and expansion phase, in Germany which resulted from the

change of management. Further, the establishment of six new outlets in the Nordic countries took longer than anticipated. The contribution of the new outlets will be fully reflected in the net sales during the current year. KILROY's net sales in the Nordic countries increased significantly, i.e. about 20%, for the third successive year. KILROY's position as an unchallengeable market leader in its segment continued to improve further. Owing to a different starting point, net sales increased by about 35% in Germany. Outside the basic markets and own market channel selling through agents was cut down, which resulted in a lower than 10% increase in total net sales. HYY Group and its Travel group have generally been very successfull in their acquisitions. During the years 1987 and 1994 six takeovers of unhealthy companies or new establishments were made, all of them proved successful. The seventh acquisition, however, gave us a learning experience the utilization of which will be valuable in future operations. To be fair, it has to be noted that the profit KILROY's result clearly showed was fairly satisfactory compared to that of international and domestic competitors. Throughout the 1990's and also based on the 1995 result, the Danish KILROY parent company will pay out a considerable dividend to its majority owner HYY Group and its minority shareholders in the other Nordic countries. Despite this own equity of the parent company and the subgroup was according to FAS about FIM 47 million, in which the proportion of unrestricted equity was approximately FIM 28 million. No Finnish company active in the travel agency business has been capable of similar performance. KILROY's international competitors in the same segment are significantly weaker in terms of their solvency and profitability.

The net sales and profitability of the Group's Real Estate Division weakened slightly. Before this the loss of the owner's social, cultural and activity real estate, to the value of FIM 3.2 million, has been recognized from the result, and interest payments, to the value of FIM 1.7 million, for investments which the owner has not as yet wanted to recognize as income. In the renting operations of the Real Estate Division we followed

our long term principles and did not resort to any discount bargain sales. During the year the focus was on making the product fit for an improved market situation. Return on investment in the Real Estate Division amounted to 16.9% calculated from the balance sheet values even after the items straining the result.

## *New Accounting Conventions for Real Estate*

During the past few years HYY Group has, in cooperation with a few other large real estate owners, actively participated in the research and development projects of the Finnish Real Estate Association and the Institute for Real Estate Economy. The projects aim at internationally comparable national accounting conventions for the calculation of the income return, capital return and thereby the total return. A further, more extensive aim is to develop the markets for real estates and the relevant instruments as investment alternatives.

In the financial statements for 1995 HYY Group has recorded the values based on discounted cash flow i.e. investment values and their changes during 1993 and 1995 for the most significant real estate, i.e. the City Center real estate. The accounting principles are presented in more detail in the notes to the financial statements. The net return on regular renting operations of HYY Group's City Center real estate was 6.6% calculated on the investment values in 1995. Based on changes in investment values during the year the rate of return was 6.0% indicating a total return rate of 12.6%. In 1994 the income return rate was 6.3% and the capital return rate was -2.2%, i.e. the total rate of return was as low as 4%. In the financial statements for 1996 the Group will record the total rate of return based on the same convention for all its significant real estate property.

## *Progress in Cooperation with Universities*

The Book Division has been chosen to be one of the development lines within the Group, and its progress has advanced according to the plans.



Net sales improved by about 8% and the result showed a slight profit. I do appreciate the fact that during the year we were able to implement also shareholding cooperation in the bookstore operations with the University of Helsinki. If there is willingness among universities for corresponding rationalization in publishing nonfiction and scientific literature, HYY Group will be ready to expand cooperation.

In the traditional catering line UniCafe as a chain of university restaurants was capable of simultaneous change and success. Net sales improved by about 7% and increasing efficiency based on chain operations was significant. The material improvement in result was largely attributable to these factors. At the annual level the result was almost too good owing to the change in the opinion of the tax authorities concerning the value-added tax. The tax effect on the result was FIM 1.9 million in 1995.

The ROI of the entire Group was 16.2% in 1995 calculated in accordance with the renewed guidelines set by the Committee for Corporate Analysis. The leverage ratio based on book values was as low as 11.2%. If the opportunity of revaluation, concerning land areas (sites and the building rights) in compliance with the stipulations of the Accounting Act concerning the consistency of revaluation and the transferrability of a property item, had been taken leverage ratio of the balance sheet as of 31 December 1995 would have been 48.9%. The opening ROE of the group after revaluation at the beginning of 1996 on the basis of the 1995 net return would have been 8%.

### *Future Prospects*

Management culture in the HYY Group has been characterized by the emphasis on the owner's decision making policy, the key issue in which is the owner's strategy document discussed every second year. This document defines, from the owner's viewpoint and on the basis of the owner's values, objectives and possibilities, the basic operations of the HYY Group and the framework of values and risktaking for the strategic busi-

ness units. The units formulate and adapt their success and survival strategies to the framework set by the owner. The units' market centered strategies are, of course, based on their competences, learning abilities and commitment of the management and staff. In the most recent owner strategy document the owner clearly and specifically accepts that operations will continue for the next few years in all the four lines: real estate, travel, book and catering. No completely new lines of operations will be on this palette. Risk policy will continue to be conservative. Achieving the right size in each division is based on the strategy of eating up an elephant; piece by piece, without suffocating, based on the generated cash flow.

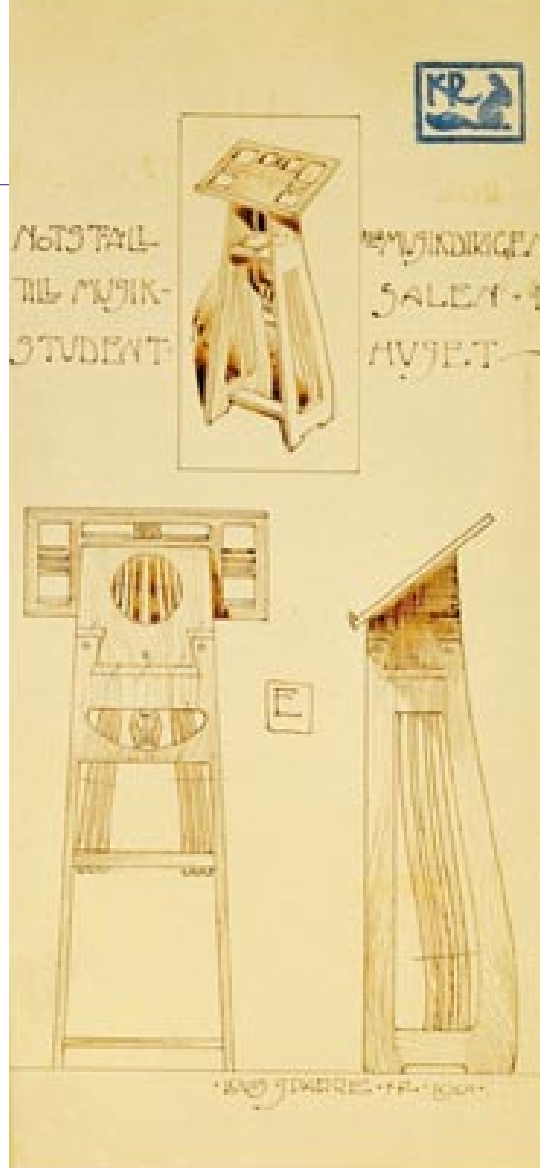
In the catering and book divisions a significant improvement in market and cost effectiveness can be attributed to chain operations. Innovativeness will be enhanced and expansion continued to some extent.

In the next few years KILROY travels will continue its determined but controlled growth in the Nordic countries, Germany and adjacent European markets. After the long step forward during the past year, digesting our investments and raising the profit of our operations will characterize the current year. In April new outlets will be opened in Berlin, close to Humbolt University, and in May in Amsterdam, close to the centrally located university.

In the Real Estate Division, considerable investments have been made during the last few years, mainly the interior renovation of the City Centre Estate. Alteration and improvement investments in office premises will continue during the current year. Over the short term, the investments will strain the income level of the Real Estate Division, but over the longer term they are necessary in order to guarantee the income level.

The owner of the Group has set the income objective of the HYY Group for 1996 to be a little over FIM 20 million profit before taxes and appropriations. In April 1996, when the development of the first quarter was known, we have no

*The choir-leader's music stand designed by Count Louis Sparre for the music hall of the Old Student House.*



reason to doubt the achievement of the objective.

I wish to thank our clientele who are mostly young educated people whose pace continually puts our capabilities to test. Further, I owe my thanks to the Group employees, who have adapted the everlasting change process as part of our corporate culture. I wish to express my gratitude to the representatives of the owner – the Student Union and the minority shareholders of the subgroups – for their contribution to the decision making and administration of the Group and their staunch support to the corporate management.

Tapio Kiiskinen  
President and CEO of HYY Group

# HYY GROUP

HYY Group's net sales were FIM 710,8 million. Net sales increased by 8 %.

33 % of the Group's net sales were generated in Finland and 67 % in the other Nordic countries, Germany, Spain, France and other European markets.

The ROI of the Group was 16,2 %. The Group result weakened temporarily as anticipated. Profits before taxes, extraordinary items and minori-

ty interests amounted to FIM 17,0 million. The book profit was FIM 13,4 million. HYY Group will distribute FIM 12,0 million out of the 1995 profit to the Student Union of Helsinki University. HYY Group covered the deficit of FIM 3,2 million arising from the social, cultural and operational premises of the Student Union, which strained the Group's total result. In addition, UniCafe distributed FIM 2,5 million to the members of the Student Union as a supplementary price support for student meals.

## Calculation Principles of Parameters

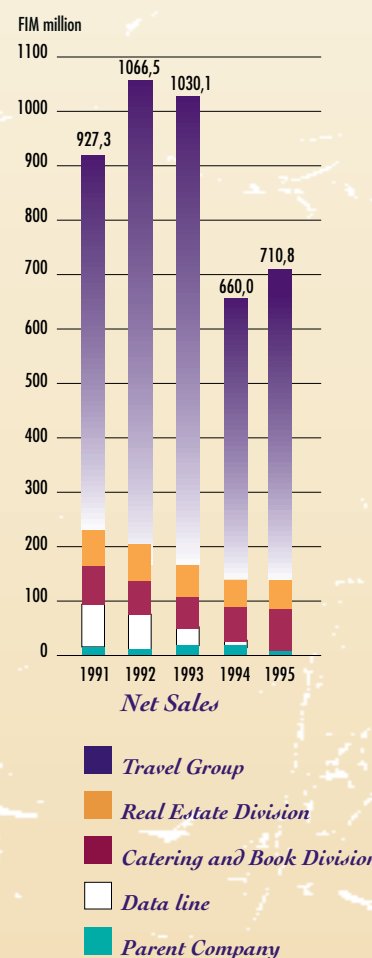
<b>Total result</b>	Result before appropriations and taxes – taxes +/- exchange losses
<b>Return on investments (ROI), %</b>	$\frac{\text{Net income} + \text{financing expenses} + \text{taxes} \times 100}{\text{Total assets} - \text{interest-free liabilities (average)}}$
<b>Return on Equity (ROE), % if legal revaluation of fixed assets is realized 1)</b>	$\frac{\text{Net income} + \text{financing expenses} + \text{taxes} \times 100}{\text{Total assets} + \text{revaluation possibility} - \text{interest-free liabilities (average)}}$
<b>Leverage ratio according to book value, %</b>	$\frac{\text{Equity} + \text{minority interest} + \text{reserves} \times 100}{\text{Total assets} - \text{advances received}}$
<b>Leverage ratio, legal revaluation possibility included, % 2)</b>	$\frac{\text{Equity} + \text{minority interest} + \text{reserves} + \text{revaluation possibility} \times 100}{\text{Total assets} - \text{advances received} + \text{revaluation possibility}}$
<b>Leverage ratio, fixed assets reserve included, % 3)</b>	$\frac{\text{Equity} + \text{minority interest} + \text{reserves} + \text{fixed assets reserve} \times 100}{\text{Total assets} - \text{advances received} + \text{fixed assets reserve,}}$
<b>Security ratio</b>	$\frac{\text{Security value of the securable fixed assets}}{\text{Liabilities with interest (or pledges, mortgages and other securities, if greater)}}$
<b>Tied risks by division</b>	Owner's total risk = investments in terms of equity + loans granted + securities as pledges and guarantees given

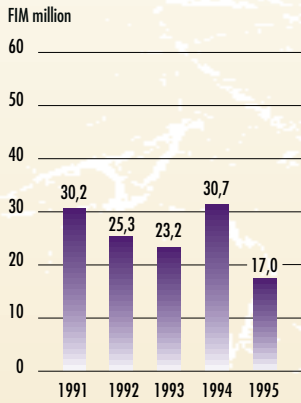
The parameters are calculated in accordance with the in 1995 renewed conventions defined by the Finnish Committee for Corporate Analysis. The investment value and the annual capital return of the City Center Real Estate has been calculated in accordance with the conventions created by the Finnish Institute for Real Estate Economics.

1) Income return without forthcoming capital return at the beginning of the year, if the revaluation possibility had been realized at the end of the year. Does not indicate the realized overall result or return on equity.

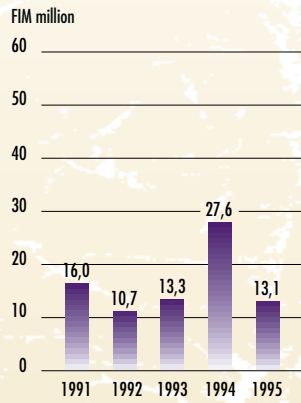
2) The officially audited revaluation possibility according to the Finnish Accounting Law (materiality, consistency, tradeable), is added to the shareholders' equity in the capital structure review.

3) The officially audited difference between the book value and the investment value (market value) at the closing date of the accounts, i.e. fixed assets reserve, is added to the shareholders equity in the capital structure review.

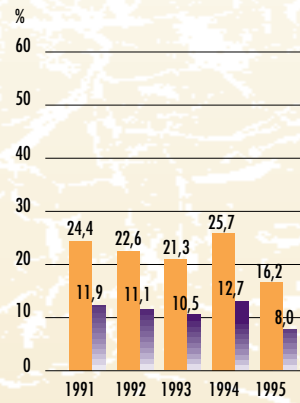




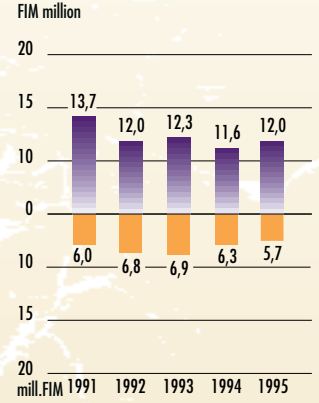
Profit before taxes and extraordinary items



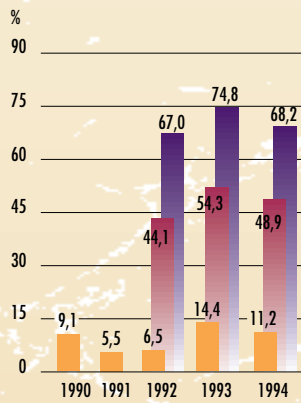
Total profit



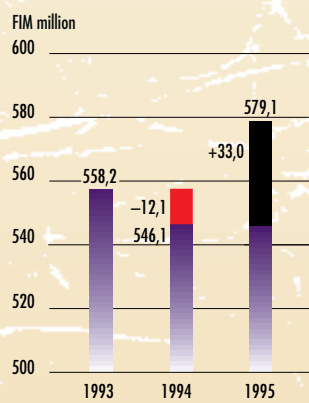
Return on Investments, %  
Return of Equity if revaluation of Fixed Assets realized 31.12.



Dividends  
Dividends from HYY Group to HYY's contingency reserve  
Supporting HYY's members and operations by encumbering the Group result

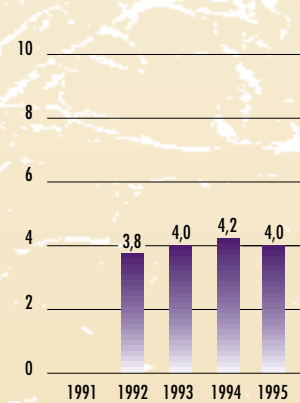


Leverage ratio according to book values, %  
Leverage ratio, legal revaluation possibility included, %  
Leverage ratio, Fixed assets reserve included, %



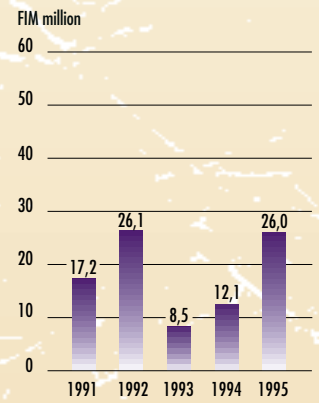
Capital value of City Center Real Estate based on discounted cash flow.

Capital value  
Annual negative capital return  
Annual positive capital return

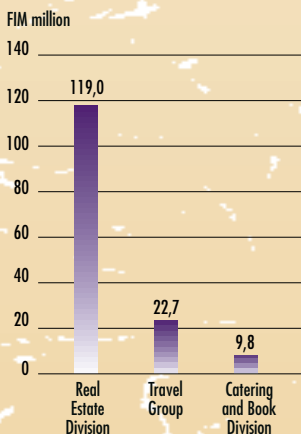


Security Ratio

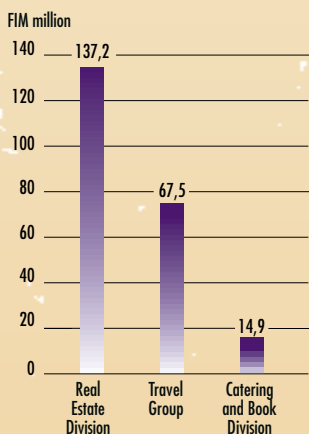
Not calculated 1991



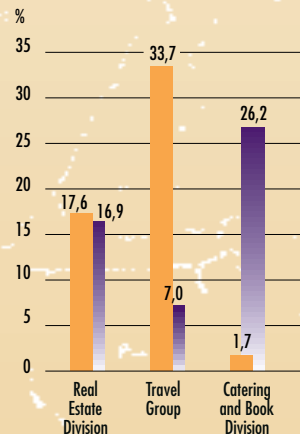
Investments



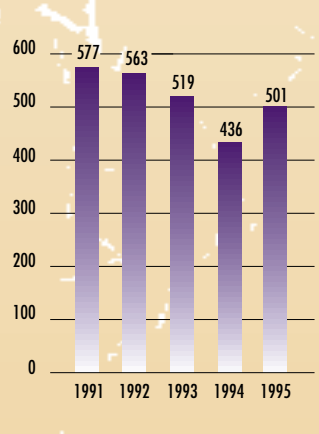
Tied risks by division 1995



Invested capital by division 1995



Return of Investments (ROI) by division  
1994 1995



The average number of employees



*The business operations of Real Estate Division include investing in, developing and maintaining real estate and commercial properties. The goal is good long-term profitability, being among the best in the field in Finland, achieved on the basis of lasting commercial values.*

## REAL ESTATE DIVISION

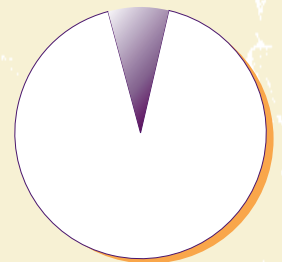
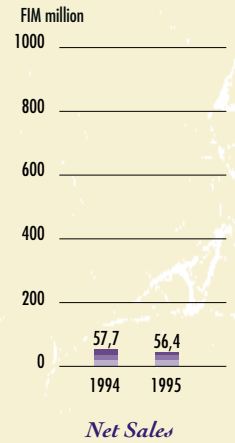
*The service operations of Real Estate Division include providing the necessary premises for the different units of the Student Union and for separately designated organizations operating within the Student Union, and renting apartments at a reasonable price principally to members of the Student Union.*

Real Estate Division runs most of its business in the real estate owned by the Student Union, in the City Centre Real Estate located in the heart of Helsinki in the Leppäsuo real estate in Kamppi, near the city centre. City Centre Real Estate includes City Real Estate Kaivopiha, which at the time of its completion was Finland's first European-style renovated commercial and activity centre built in the old city centre. City Centre Real Estate also houses several premises used for a wide range of activities by the Student Union and related organizations. The Leppäsuo Real Estate comprises student housing, a library, and commercial and teaching premises. Moreover,

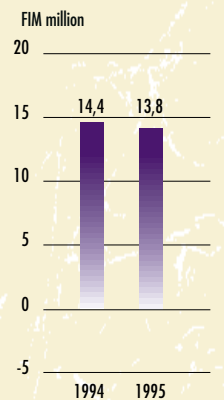
Real Estate Division comprises a commercial property and apartment building located in Lauttasaari in Helsinki, apartments in Haaga reserved for students, as well as commercial properties and apartment buildings in Turku, Tampere, Jyväskylä and Oulu.

Other real estate: HYY Ejendomme A/S, a KILROY travels International A/S Danish real estate subsidiary which owns two commercial properties in Copenhagen.

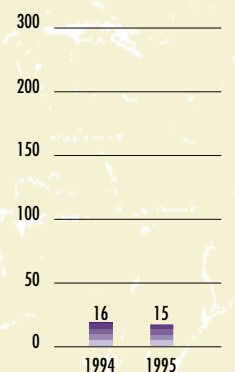
In 1995 the net sales of Real Estate Division were FIM 56,4 million and the average number of employees was 15.



Share of the Group's Net Sales, %

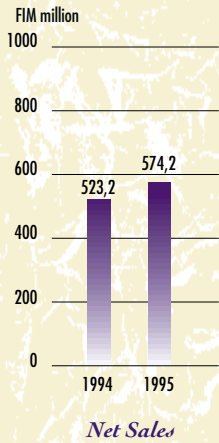


Profit before taxes and extraordinary items

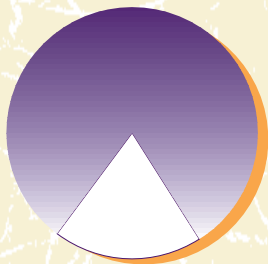


The Average number of Employees

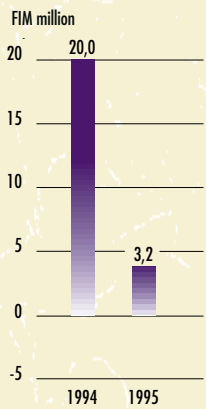




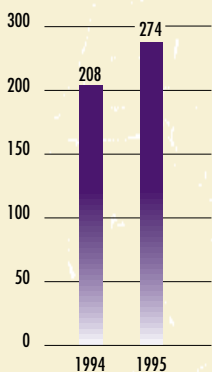
Net Sales



Share of the Group's Net Sales, %



Profit before taxes and extraordinary items

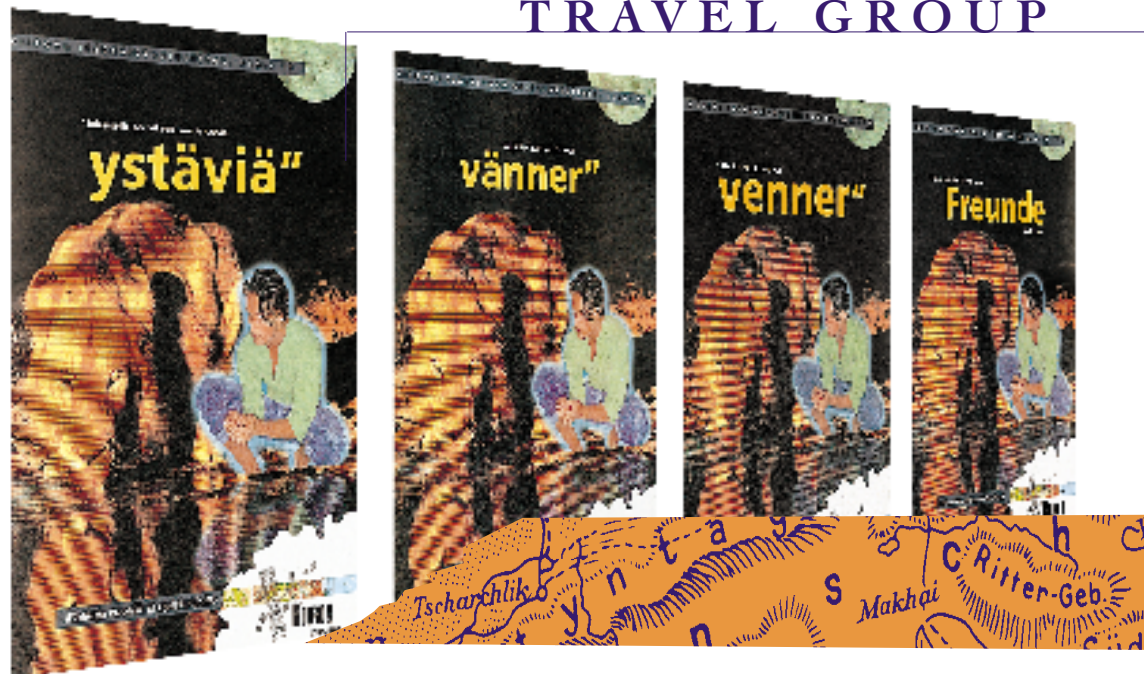


The Average number of Employees

*Travel Group is the second major business field of HYY Group's business operations. The subgroup KILROY travels provides individual, tailored, flexible, safe and inexpensive travel, based on a unique ticket system, a superior price/quali-*

*ty ratio as well as an international service concept, to young people aged 16 to 25 and to students aged 16 to 34. It operates on its home market in the Nordic countries, on its other basic market in Europe as well as in other parts of the world.*

## TRAVEL GROUP



KILROY travels strives to develop profitable services to the Young Independent Traveler through contracts. The goal is reasonable, sustainable distributable income.

KILROY travels will continue to abide by its four principles in the future: focus on the youth and student market segment; branding its products so that KILROY travels is synonymous with inexpensive, value-added travel products for young people; making information technology a key success factor; and transforming the different corporate cultures into a

common KILROY travels corporate culture, where know-how, expertise and other assets are shared and developed.

In 1995, the net sales were FIM 574,2 million. The average number of employees was 274

*The companies operating within Catering Division provide services to students and educational communities especially at Helsinki University but also on the open market. They aim at supporting basic business and maintaining market efficiency.*



## CATERING DIVISION

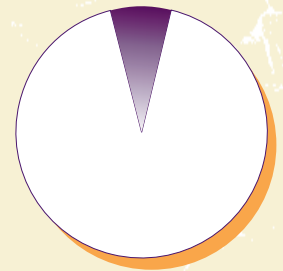
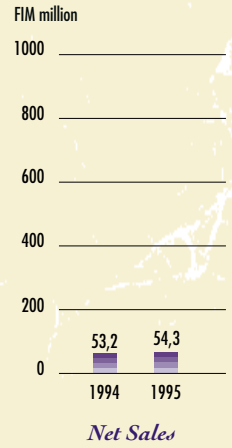


Catering Division runs non-profit operations. Any profit is used within the division to develop services and in particular to lower the prices of services intended for the members. The requirements laid down for the restaurant and accommodation operations, in the light of the restrictions imposed by the buildings housing the operations, is a good national result that will back the basic operations. Catering Division also has objectives related to quality and to the values of the students.

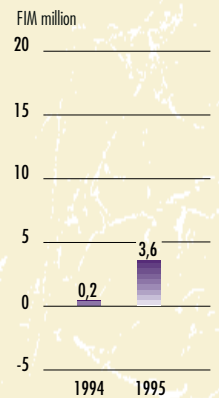
Oy UniCafe Ab provides inexpensive, popular and high-quality catering services to the students and staff of Helsinki University. The market and cost efficiency is based on the concept of chain operations.

Oy Gaudeamus Ab produces and sells restaurant, entertainment and accommodation services. All the company's operations are conducted in the buildings owned by the Student Union, and its business idea is in line with the basic operating principles of the real estate.

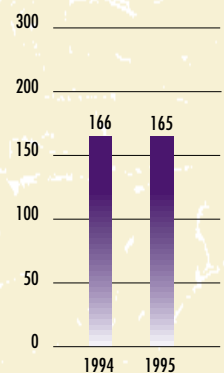
Catering Division will continue to be at the heart of HYY Group's operations, where the expertise and initiative of the owner has a particularly significant role. In 1995, Catering Division's net sales were FIM 54.3 million and the average number of employees was 165.



*Share of the Group's Net Sale, 8 %*

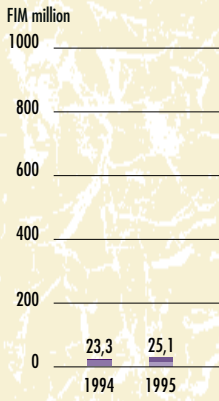


*Profit before taxes and extraordinary items*

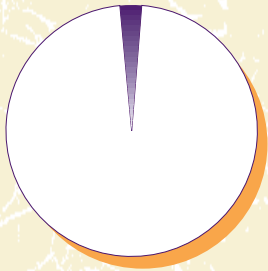


*The Average Number of Employees*





Net Sales



Share of the Group's Net Sale, 3%



Profit before taxes and extraordinary items



The Average Number of Employees

*Book Division principally caters to the needs of Helsinki University and other Finnish scientific and educational communities by publishing, editing and selling foreign and Finnish scientific and non-fiction literature, by running stationary stores and supplying hand-outs for students. The objective is an adequate profit margin needed for successful operations.*

## BOOK DIVISION



The publishing function was integrated in autumn 1995 into the new company Oy Ylioppilaskustannus University Bookstore Finland Ltd, which is heavily involved in publishing, under the name Gaudeamus Kirja, literature on humanistic, societal, environmental and topical issues. The bottomline is the quality of the substance, topicality and genuinely sufficient demand. Under the name Otatiето, in accordance with the same principles, the company carries on publishing literature on technical and technological issues.

Oy Yliopistokirjakauppa University Bookstore Finland Ltd carries on the wholesale and retail trade

and stationary store operations. In October 1995, Helsinki University became a considerable minority holder with a 20% interest. The cooperation aims at enhancing the position of Yliopistokirjakauppa in the academic community and at generating benefits to both interested parties.

Otatiето Oy publishes technical literature, operates bookstores and stationary stores, and produces hand-outs for the Helsinki University of Technology and its students as well as for other universities and colleges of technology in Finland. In 1995, Book Division's net sales were FIM 25.1 million and the average number of employees was 27.

## GREEN VALUES OF HYY GROUP



*Since the early 1990s, HYY Group has been carrying out a sustainable goal-congruent strategy defined by the owner. Being a service company, direct impacts on the environment are insignificant. There were no adaptable environmental programme models. HYY Group has been among the first service companies to develop an environmental strategy in order to minimize service industry related indirect impacts on the environment.*

For five years, HYY Group has set industry and division specific goals, whose implementation has been evaluated through an ecological accounting system. During 1995, HYY

Group has drew up, based on the experiences, a full-scale environmental control system which includes industry specific environmental programmes with practicable goals as well as an ecological accounting, environmental auditing and management system.

The ecological emphasis varies from one industry to another. In the service division, the main emphasis in catering is on using organic products and avoiding disposable kitchenware and products. In publishing, the aim is to use swan-labelled paper and provide a comprehensive range of environmentally friendly paper products in bookstores. Literature on environmental issues is also emphasized in publishing. In the real estate division, the main operations are waste disposal, consumption of energy and water as well as recycling. In planning the construction, renovation and repair of buildings and

premises, an ecological review is carried out. In the travel division, daily environmental issues deal with office routines where the aim is to reduce unnecessary copying and paper consumption.

Scenarios for the impacts of aviation on the environment have been worked out. In the product and service development as well as marketing, the clients' environmental awareness and available options are enhanced in a sophisticated manner.

During 1996, in the implementation of the HYY Group environmental programme, the entire personnel is motivated so that the environmental goals become a part of their day-to-day work through networking, training and communication. Monitoring and reporting are being developed so that the benefits of the environment sparing activities become feasible in the divisions.

The strong environmental or green stance of HYY Group is the key in the owner-client related marketing.



# HYY GROUP ANNUAL REPORT 1995

*Financial statements in accordance with International Accounting Standards (IAS)*

## *Real Estate Division*

The real estate business means long-range real operations: investment in, and development and maintenance of real estates and condominium apartments. The goal is good long-term profitability achieved on the basis of lasting commercial values. The result has been among the best in the industry in Finland.

The service operations of Real Estate Division include providing appropriately equipped facilities and premises to the different units of the Student Union and related organizations; and renting apartments at a reasonable price mainly to members of the Student Union.

The most important real estate owned by the Student Union: the City Center real estate located in the heart of Helsinki and the Leppäsuo real estate in Kamppi. City real estate Kaivopiha is a part of City Center real estate. Kaivopiha was Finland's

first European-style renovated commercial and activity center built in the early city center. City Center real estate houses extensive premises used by the Student Union and related organizations. Leppäsuo real estate comprises student housing, a library, and commercial and teaching premises. Real Estate Division owns a commercial property and apartment building in Lauttasaari, Helsinki. Further, the Division owns apartment buildings for students in Haaga, Helsinki; commercial and apartment buildings in the cities of Turku, Tampere, Jyväskylä and Oulu. The travel group's subgroup includes the Danish real estate company, HYY Ejendomme A/S which owns two commercial properties in Copenhagen.

Kaivopiha is responsible for the management of City Center Real Estate, and the marketing, renting, managing, and building of the premises, and for certain repair and maintenance projects.

### *Outlines of operations*

In 1995 the net sales of Real Estate Division were FIM 56.4 million (1994 FIM 57.7 million), an about 2% decrease on the net sales for the previous year. The profit was FIM 13.8 million after IAS depreciations of 5.9 million and net interests of FIM 9.1 million. On the profit indirect and real estate taxes were paid to the value of FIM 4.9 milli-

on. The overall result was fairly satisfactory and compared favourably to that of the competitors, especially when considering the losses accounted for by the service real estates and the interest payments on investments, which are to be attributed to the owner's basic principles.

### *Financial result*

In 1996 the aim is to rent out most of the currently vacant premises in City Real Estate at a competitive rent, duly proportioned to the term and the invested capital. The improvement in the occupancy rate will not result in a significantly better profitability in the next few years, because of the depreciations and interests on the higher investment level. Domus Academica, which offers student accommodation in the center of Helsinki, shows no occupancy rate problems at the current level of rent and accommo-

dation allowance. The renovation and repair work in the apartment section of Domus Academica will be continued.

The University of Helsinki has given notice of removal from the premises in Leppäsuo Real Estate. The vacant premises will have to be rebuilt to meet the requirements and solvency of the new tenants.

### *Development prospects*

## Travel Group

---

**Outline of operations** Travel services form the second major line of HYY Group's operations.

KILROY travels subgroup offers in the domestic market in the Nordic countries, the basic market in Europe and cooperation markets in the other parts of the world individual, flexible, safe and inexpensive travel services to countries and destinations of the travellers' choice. The target group are young people in the age group 16 - 34 (young 16 - 25, students 16 - 30). KILROY's global service concept and its own superior KILROY ticket system form the basis for operations. The other KILROY travel services aim at concentration on and development of profitable service to the same target group, based on contracts.

**Financial result** Net sales denominated in Finnish marks were FIM 574.2 million (1994 FIM 523.2 million), an about 10% increase on the previous year. In accordance with the strategy revised in 1993 the growth target for retailing through own market channel in the Nordic countries was about 20% and in Germany 35%. Wholesale trade, referred to as agent sale, carried out in countries outside the above areas increased significantly. Travel Group's profit after income and cost entries based on conservative commercial practice, IAS depreciations to the value of FIM 7.9 million and net financing income, and before taxes amounted to FIM 3.2 million (1994 FIM 20.0 million). FIM 1.7 million was entered as tax payments. The book profit after taxes was FIM 1.6 million (1994 FIM 16.2 million), in which the minority share was FIM 0.2 million (1994 FIM 1.8 million).

In compliance with the confirmed strategy, the owners have accepted a moderate profit level for the years 1995-96. During 1995, the number of outlets was increased by the establishment or acquisition of 11 new retail outlets in the Nordic countries and Germany. At the beginning of the year there

**Development prospects** During 1996, KILROY travels will continue goal-congruent but controlled growth strategy to an adequate extent particularly in the Nordic countries, Germany and the adjacent areas in Europe. KILROY's own target group will be the source of growth. KILROY's own retail market channel will be employed in order to target at the Young Independent Travellers.

The goal is reasonable, sustainable, distributable income.

Travel Group comprises a subgroup whose parent company is KILROY Travels International A/S. HYY Group owns directly or indirectly 88.8 % (voting rights) of the parent company. The remaining 11 % is owned by Felagstofnun Studenta i Reykjavik, Studentssamskipnaden i Oslo, Danmarks Internationale Studenterkomité, Sveriges Förenade Studentkårer and Scandinavian Student Travel Foundation.

were 20 outlets in the area. Owing to the immediate recognition of the establishment and market entry expenses and the rapid recognition of the goodwill, the impact on the result of the first year of operations was material. During the year an extensive development process concerning the entire personnel, and the information technological system specifically for retail trade, which is one of the core competences of KILROY travels. The system will be introduced in spring 1996. The immediate recognition of these expenses when incurred had a material effect on the decreased profit for 1995.

The net sales of KILROY travels, according to the Danish financial statements for 1995, were about DKK 730 million. Net profit was about DKK 4.3 million. In accordance with the subgroup's own financial statements, own equity according to the Finnish and IAS accounting standards was FIM 46.6 million on the balance sheet date 31 December 1995 (1994 FIM 49 million), in which the proportion of unrestricted equity was FIM 28.1 million. In 1995 a 30% dividend was paid out based on the 1994 result.

KILROY travels' result is expected to grow materially in 1996 compared to the previous year. The aim of the development strategy is the sustained fairly satisfactory result of 1994 during the last years of this decade.

## Catering Division

---

**Outlines of operations** The companies operating within Catering Division provide services to students and educational communities especially at Helsinki University but also on the open market. They aim at supporting basic business and maintaining market efficiency. The catering companies' parent HYY Group does not expect dividend on invested own equity. The profit which indicates the success and efficient operations of customer based service is allocated to the development of the services and especially to the reduc-

tion in prices offered to the members. Restaurant and accommodation services are expected to generate a nationally good profit considering the restrictions imposed by the premises. Catering Division also has objectives related to quality and to the values of the students.

Oy UniCafe Ab provides a comprehensive range of inexpensive high-quality catering services. To the students and staff of Helsinki University in the

greater Helsinki area. Market and cost efficiency is based on the concept of chain operations.

Oy Gaudeamus Ab produces and sells restaurant, cafeteria, entertainment and accommodation services. All the operations were conducted in the buildings owned by the Student Union. The business idea

The net sales in 1995 were FIM 54.3 million (1994 FIM 53.1 million), a 2.3 % increase on the previous year. The profit was FIM 3.6 million after the IAS depreciations of FIM 0.6 million and net financing income of FIM 0.6 million but before appropriations. The overall result reached the level in accordance with the basic principles. UniCafe's higher

UniCafe will continue to develop long-term competitive advantages employing the exceptionally good income finance for the year 1995 which the parent company returned in full. In order to create a decisive edge over the major competitors. Product concepts are being renewed. The price quality ratio will be further improved. Brand related value-added will be enhanced. The cost effectiveness of chain operations will be utilized.

## *Book Division*

Book Division principally caters to the needs of Helsinki University and other Finnish scientific and educational communities by publishing, editing and selling foreign and Finnish scientific and non-fiction literature, by running stationary stores and supplying handouts for students. The main objective is an adequate profit margin indicating market based rationale and success. The publishing function was integrated in autumn 1995 into the new company Oy Ylioppilaskustannus University Bookstore Finland Ltd, which is heavily involved in publishing under the name Gaudeamus literature on humanistic, societal, environmental and topical issues. The bottom line is the quality of the substance, topicality and genuinely sufficient demand. Under the name Otatiето, in accordance with the same principles, the

Net sales in 1995 were FIM 25.1 million (1994 FIM 23.3 million), a 7.7% increase on the previous year. Book Division showed a loss of FIM 0.1 million, i.e. the result after IAS depreciations was FIM

Yliopistokirjakauppa together with the subsidiaries concentrates on enhancing its position as the leading publisher and retailer of non-fiction and scientific literature in Finland. The outlets and operations of the stationary store chain will be renewed with a view to guaranteeing sufficient profitability. The net sales of the company are expected to grow and the result to improve during 1996 compared to the previous year. Yliopistokustannus under the

was in line with the basic operating principles of the real estates.

Catering Division will continue to be emphasized in HYY Group's operations. The customer-centered expertise and initiative of the owner manager are of significance.

than expected result was mainly attributable to the Supreme Administrative Court's resolution in autumn 1995 concerning the interpretation of the value-added tax on student meals. The decision was contradictory to that taken by the Central Tax Board.

UniCafe's net sales are expected to improve thanks to renewed operations and new outlets. Goal-congruent improvements in the price quality ratio will result in lower income which corresponds to the long-term acceptable level set by the owner.

Gaudeamus concentrates on rationalizing and streamlining the overall operations of the Old Student House, and on showing a profit. Hostel operations will be continued along the established lines.

### *Financial result*

### *Development prospects*

company carries on publishing literature on technical and technological issues. Oy Yliopistokirjakauppa Bookstore Finland Ltd, under this new name, previously Oy Libri Academici Ab, continues to carry on the wholesale and retail trade, and stationary store operations. In October 1995, Helsinki University a considerable minority holder with a 20 % interest. The cooperation aims at enhancing the position of Oy Yliopistokirjakauppa in the academic community. Oy Yliopistokirjakauppa's subsidiary Otatiето Oy runs a book and stationary store and produces handouts for the students of the Helsinki University of Technology and other universities and colleges of technology in Finland. Otatiето sold the publishing operations of technical literature to Oy Yliopistokustannus.

0.7 million, and the net interest FIM 0.4 million, but before appropriations. The result met the target accepted for Book Division.

names of Gaudeamus Kirja and Otatiето will continue to publish literature on humanistic, societal and environmental as well as topical issues, and technical and technological literature.

The aim is to maintain sufficient net sales and satisfactory result. The company operations may expand as a result of possible rearrangements to be implemented during 1996.

### *Financial result*

### *Development prospects*



## Parent Company

---

### *Outlines of operations*

The Group's Parent Company HYY Group Ltd is in charge of developing the subsidiaries' and the owner's business, organizing operational and corporate structures. Further, the Parent Company is res-

ponsible for strategic management and certain internal services. HYY Group Ltd functions as the Group's internal bank, managing the Group's domestic financing.

### *Financial result*

HYY Group's net sales in 1995 were FIM 10.4 million (1994 FIM 10.6 million). The Parent Company showed a profit of FIM 4.4 million after IAS depreciations which amounted to FIM 0.9 million, and

net financing income of FIM 2.7 million, and after the net difference of FIM 2.7 million in intraGroup contributions received and paid which were entered under extraordinary items.

### *Development prospects*

The demand for and supply of internal services which are centrally provided by the Parent Company will continue to diminish. The information system facilitates a de-centralised operational

model. In the future, the Parent Company will assume the role of a supervisor, consultant and controller.

## Consolidated Result

---

Group net sales were in 1995 FIM 710.8 million (1994 FIM 660.0 million), an about 8 % increase on the previous year. The consolidated result showed a profit of FIM 13.4 million (1994 FIM 22.1 million) after IAS depreciations of FIM 13.2 million on fixed assets and other long-term expenditures, and

amortizations on goodwill worth FIM 3.5 million, net financing expenses of FIM 4.8 million, after the capitalization of reserves and provisions in compliance with the Accounting and Corporate Tax Law, indirect taxes of FIM 6.5 million and the minority interest of FIM 0.2 million.

## Investments

---

Distribution of gross investments by division:

Real Estate Division	FIM 8.8 million
Travel Subgroup	FIM 15.3 million
Catering Division	FIM 1.4 million
Book Division	FIM 0.3 million
Parent Company	FIM 0.2 million
	<b>FIM 26.0 million</b>

Development and repair investments in the City Center Real Estate accounted for a major part of total investments. Other companies invested mainly

in the acquisition of hardware for information technology systems. The cash register system of UniCafe restaurants was renewed and unified. Half of the restaurants moved over to the computer era. The equipment and furniture of the restaurant Domus were renovated. The Parent Company invested in data networks for the Finnish operations. Investments by the Travel Group were allocated to the acquisition of hardware and software for an extensive operative system covering the entire subgroup. Investments of the subgroup in new subsidiaries amounted to FIM 5.9 million.



## Financing

The cash flow financing of the Group's ordinary business operations showed a surplus of FIM 41 million. The income finance was adequate to cover in full the FIM 29 million investments of the Group. Revenue generated by the sale of marketable securities and intangible fixed assets amounted to FIM 7 million. Profit to the value of FIM 12 million was distributed to the Student Union.

Group financing on the domestic market was centrally managed by the internal bank of the Parent Company.

The Group's long-term loans were amortized by FIM 24 million, and new loans amounting to FIM 4 million were taken. Further, the Group had FIM 8 million of the financing limit at its disposal. The increase in other long-term liabilities on the consolidated balance sheet is attributable to the change in the definition and recognition of financing items between the Group and the Student Union, which used to be entered under current liabilities in the previous accounting periods. This change accounts for FIM 8.1 million of the increase.

The average weighted effective interest rate on loans was 8.1% in 1995 (8.8% in 1994).

## Personnel

During the accounting year 1995 the number of HYY Group's employees was 501 on average (436 in 1994). The increase in the number results from the establishment of new companies in the Nordic countries and Germany.

Increase in personnel by division:

Division	1995	1994
Real Estate Division	15	14
Travel Group	274	208
Catering Division	165	166
Book Division	27	24
Parent Company		
HYY Group Ltd	20	22
<b>Group total</b>	<b>501</b>	<b>436</b>

## IAS

(FIM 1000)

	1995	1994	<i>Comparison of Finnish and IAS Financial Statements</i>
Profit for the year in Finnish statements	13.370	22.118	
Reserves	(3.118)	(995)	
Previously recognized pension expenses	538	244	
Unrealized exchange rate profit / loss for the year	2.736	4.641	
Adjustment of previous year's taxes	(989)		
Profit for the year in IAS statements	12.536	26.008	
Shareholders' equity in Finnish statements	26.212	28.690	
Unrealized exchange rate profit / loss	(3.035)	(5.771)	
Pension liability	(6.507)	(7.044)	
Reserves	1.942	5.060	
Shareholders' equity IAS statements	18.613	20.936	

(Negative figures in brackets)

# HYY GROUP

## *Income Statement*

(FIM 1000)	1995	1994
<b>NET SALES</b>	<b>711.930</b>	<b>675.626</b>
Expenses	(689.599)	(636.268)
<b>OPERATING INCOME</b>	<b>22.332</b>	<b>39.359</b>
Proportion in affiliates	50	162
Financing income and expenses	(2.141)	(3.977)
<b>PROFIT BEFORE TAXES AND MINORITY INTEREST</b>	<b>20.241</b>	<b>35.544</b>
Taxes	(7.537)	(7.678)
Minority interest	(168)	(1.857)
<b>NET PROFIT FOR THE ACCOUNTING PERIOD</b>	<b>12.536</b>	<b>26.008</b>

## *Balance Sheet*

	1995	1994
<b>FIXED ASSETS AND OTHER LONG-TERM EXPENSES</b>		
Tangible fixed assets	150.183	139.818
Shares and securities, goodwill, intangibles and other long-term expenses	28.808	23.762
Long-term loans	4.562	4.639
	<b>183.553</b>	<b>168.219</b>
<b>CURRENT AND FINANCING ASSETS</b>		
Inventories	6.567	6.017
Receivables and advances	32.430	21.968
Cash and bank	103.481	101.128
Other liquid assets	1.925	8.618
	<b>144.403</b>	<b>137.731</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and adjusting entries for liabilities	75.641	33.131
Repayment of long-term loans	14.702	19.570
Other short-term liabilities	79.447	95.640
	<b>169.790</b>	<b>148.341</b>
<b>NET WORKING CAPITAL</b>	<b>(25.387)</b>	<b>(10.610)</b>
	<b>158.165</b>	<b>157.609</b>
Shareholders' equity	18.613	20.936
Minority interest	5.339	4.953
Long-term liabilities	134.214	131.720
	<b>158.165</b>	<b>157.609</b>

(Negative figures in brackets.)

## *Cash Flow Statement*

FIM 1000)	1995	1994
<b>ORDINARY OPERATIONS</b>		
Cash inflow:	700.788	679.387
Cash payments	(505.980)	(516.158)
To suppliers	(85.108)	(71.729)
To employees	(56.755)	(48.759)
For interest	(4.667)	(8.362)
For taxes	(7.333)	(7.840)
	(659.843)	(652.848)
Net cash flow from ordinary operations	40.945	26.539
<b>INVESTMENT</b>		
Income from sale of operations	0	1.080
Investment loans, decrease	116	39
Income from sale of affiliates	50	0
Investment in subsidiaries	(2.189)	7.582
Investment in fixed assets	(27.227)	(5.121)
Net cash flow from investment activities	(29.250)	3.580
<b>FINANCING ACTIVITIES</b>		
Long-term liabilities, decrease	(11.007)	(6.470)
Equity-based financing, increase	300	0
Loan receivables and deposits, change	6.324	3.157
Income from sale of shares	245	708
Fixed asset securities, change	6.627	7.809
Dividends received	7	606
Dividends from affiliates	40	30
Dividends for minority holders	(998)	(348)
Dividends paid	(12.025)	(11.740)
Net cash flow from financing activities	(10.487)	(6.248)
Net change in cash funds	1.208	23.871
Cash on 1 January	101.128	89.399
Effect of change in exchange rates	988	(8.166)
Effect of change in corporate structure	156	(3.978)
Cash on 31 December	103.480	101.128

(Negative figures are shown in brackets)

## *Preparation Principles*

The consolidated financial statements of the Group include, in addition to the real estate owned by the Student Union of Helsinki University, the companies in which the Parent Corporation has directly or indirectly over 50 % of the votes. All companies in which the direct or indirect shareholding of the

Parent Corporation is 20 to 50 % are considered affiliated companies. However, the affiliated real estate companies have been excluded from the consolidated financial statements, because they have no effect on the Group's result and shareholders' equity.

## *Scope*

# HYY GROUP

## *Accounting principles*

The consolidated financial statements are given in Finnish marks, and they are based on the original acquisition costs. The book value based on the acquisition cost has been adjusted to the current market value, when necessary. The financial statements have been prepared using the cost concept. Part of the difference between the subsidiaries' acquisition value and the balance sheet value at the time of the acquisition are presented in the fixed

assets items, and the rest as goodwill on which straight-line amortizations have been made in compliance with a 5-year plan. The proportion of the affiliated companies in the result is based on the equity method. Intra-Group business transactions have been eliminated, intercompany receivables and payables have been deducted in connection with relevant balance-sheet items.

## *Foreign currency translation*

Foreign financial statements, receivables and payables denominated in foreign currency have been converted into Finnish marks according to the closing date rate. The exchange rate profit generated by the conversion of the share capital and non res-

tricted shareholders' equity has been netted against the non realized exchange rate losses of the corresponding loans. The non realized exchange rate differences related to financing have been entered under the financing items of the income statement.

## *Net sales*

The net sales comprise the sales revenue from products and services plus the earnings from rents from real estate and usage charges, minus indirect

taxes on sales and other correction items. The net sales include revenue from the disposal of fixed assets.

## *Pensions and pension liabilities*

The pensions and additional benefits of all the employees has been attended to thorough outside insurance companies. The Parent Corporation's pension liability for employees already retired has

been booked under long-term liabilities. The reduction in the pension liability has been entered into the income statement by crediting personnel expenses.

## *Valuation of inventories*

The weighted average price or the lightly selling price below it has been used in the valuation of inventories. In the case of own production the price includes the direct labour and raw material cost arising from the production.

Valuation and periodization of fixed assets The values of fixed assets are based on the original acquisition prices. A depreciation plan has been used to calculate the depreciation on fixed assets. The right-off periods based on the estimated useful

lives are the following:

Buildings and constructions	25 to 40 years
Machinery and equipment of buildings	10 to 15 years
Equipment and furniture	2 to 5 years
Goodwill	5 years
Other intangible fixed assets	2 to 10 years

The value of land is non depreciable.

## *Untaxed reserves*

Finnish tax legislation permits the decrease in taxable income by making different types of reserve in the financial statements. The net profit in accordance with the IAS standards has been calculated

before the change in the specified reserves. These reserves are shown on the balance sheet as part of the shareholders' equity.

## *Deferred tax debt*

A PA tax reserve shall be made according to the tax rate prevailing at the end of the accounting period in order to take into account the deferred tax debt.

The tax debt contained in the reserves made is not materially significant, and the release of reserves will not cause tax implications.



FIM 1.000

**NET SALES BY DIVISION**

	1995	1994
Real Estate Division	56.447	57.745
Travel Group	574.160	538.228
Catering Division	54.302	53.153
Book Division	25.061	23.311
Other	846	3.189
	<b>710.816</b>	<b>675.626</b>

**EXPENSES**

Expenses comprise the following items:		
Materials and supplies	517.386	482.644
Personnel expenses	85.263	73.012
Depreciation	16.694	15.274
Other expenses	70.704	65.493
Change in inventories	(448)	(156)
	<b>689.599</b>	<b>636.268</b>

**FINANCING INCOME AND EXPENSES**

Interest income	6.848	6.050
Interest expenses	(10.213)	(10.619)
Other financing income/ expenses	(1.225)	593
	<b>(2.140)</b>	<b>(3.976)</b>

**FIXED ASSETS AND DEPRECIATIONS**

Original acquisition cost

Land	9.759	9.724
Buildings and constructions	188.809	182.601
Machinery and fixtures	19.764	19.111
Machinery and equipment	54.988	40.210
Shares and securities	11.913	13.223
Other intangible fixed assets	12.137	6.959
Goodwill	17.134	11.214
	<b>314.504</b>	<b>283.042</b>

Accumulated depreciations

Buildings and constructions	76.407	71.307
Machinery and fixtures	13.889	12.320
Machinery and equipment	32.894	28.201
Other intangible fixed assets	5.218	3.977
Goodwill	7.106	3.657
	<b>135.514</b>	<b>119.462</b>

Book value

Land	9.759	9.724
Buildings and constructions	112.402	111.294
Machinery and fixtures	5.875	6.791
Machinery and equipment	22.094	12.009
Shares and securities	11.913	13.223
Other intangible fixed assets	6.919	2.982
Goodwill	10.028	7.557
	<b>178.990</b>	<b>163.580</b>

**TAXES**

The taxes in the income statement contain corporate and other corresponding taxes, and real estate tax replacing the income tax. The tax debt contained in the reserves shall not become payable in the future, since the amounts can be released without consequences.

*Notes to the  
income statement  
and balance sheet  
(IAS)*

# HYY GROUP

*Notes to the  
income  
statement and  
balance sheet  
(IAS)*

**NON-TAXABLE RESERVES CONTAINED  
IN SHAREHOLDER'S EQUITY**

Transition reserve  
Accumulated difference between total  
and planned depreciations

**LONG-TERM LIABILITIES**

Loans from financial institutions  
Foreign currency loans  
taken in Finland  
Pension loans  
Advances received  
Other long-term liabilities

Repayment of loans

**REPAYMENT PLAN FOR  
LONG-TERM LIABILITIES**

FIM 1000

**LOANS FROM FINANCIAL INSTITUTIONS**

**FOREIGN CURRENCY LOANS**

**PENSION LOANS**

**OTHER LIABILITIES**

	1995	1994
Transition reserve	377	1.462
Accumulated difference between total and planned depreciations	1.565	3.598
	1.942	5.060
<b>LONG-TERM LIABILITIES</b>		
Loans from financial institutions	54.134	52.925
Foreign currency loans taken in Finland	32.534	42.769
Pension loans	36.169	34.960
Advances received	0	44
Other long-term liabilities	9.152	14.392
	131.989	145.090
Repayment of loans	(14.916)	(19.570)
	117.073	125.520

	1996	1997	1998-2000	2001-
<b>LOANS FROM FINANCIAL INSTITUTIONS</b>	6.525	10.311	18.965	10.617
<b>FOREIGN CURRENCY LOANS</b>	5.604	5.604	21.324	0
<b>PENSION LOANS</b>	2.573	2.649	6.055	24.893
<b>OTHER LIABILITIES</b>	209	260	5.939	2.738
	14.916	18.824	52.282	38.248

The interest rates of loans denominated in Finnish marks are based either on the basic rates of the Bank of Finland or on the market rate. The interest on foreign currency loans bear either a fixed or a fluctuating rate. As regards pension loans, the interest rate is determined in a statute enacted by the

Finnish government. At the end of 1995 the interest rate was 6.5 % . In 1995 the average effective rate of interest on loans was 8.1 % on the domestic market. The mortgages and guarantees given as collateral on the loans amounted to FIM 192.5 million.

**Guarantees** There were no guarantees related to operations. Guarantees given on behalf of the affiliated compa-

nies were FIM 0.8 million and on behalf of others FIM 192.5 million.

FIM 1000

**SHAREHOLDERS' EQUITY**

At the beginning of the year  
Dividends to minority  
shareholders  
Profit sharing  
Proportion in affiliated companies'  
profit for the previous year  
Change in exchange rate  
Change in Group structure  
Adjustment of previous years' profit  
Profit for the year  
At the end of the year

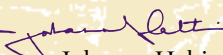
	1995	1994
At the beginning of the year	20.936	9.694
Dividends to minority shareholders	(1.114)	(480)
Profit sharing	(12.025)	(11.740)
Proportion in affiliated companies' profit for the previous year	-	31
Change in exchange rate	(566)	244
Change in Group structure	(18)	(2820)
Adjustment of previous years' profit	(1.136)	-
Profit for the year	12.536	26.008
At the end of the year	18.613	20.936

## *Signatures of the Board Members and the President*

Helsinki March 22, 1996

  
Tatu Rauhamäki

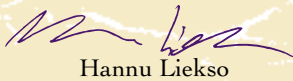
  
Kai Haarma

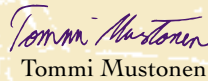
  
Johanna Haltia

  
Antti Kahri

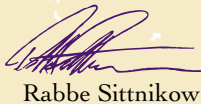
  
Janne Laine

  
Otto Lehtipuu

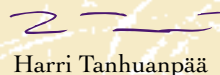
  
Hannu Liekso

  
Tommi Mustonen

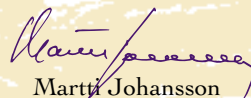
  
Mikko Myller

  
Rabbe Sittnikow

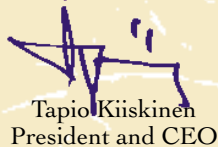
  
Vesa Syrjä

  
Harri Tanhuanpää

  
Mika Ihamuotila

  
Martti Johansson

  
Pentti Laaksonen

  
Tapio Kiiskinen  
President and CEO

## *Report of auditors*

We have reviewed the accounts of HYY Group. These accounts have been adapted from the Company's consolidated statutory accounts, which have been prepared in accordance with Finnish accounting practice.

In our opinion the accounting policies used in this adaption are in accordance with international Accounting Standards (IAS).

Helsinki March 26, 1996

KPMG WIDERI OY AB

  
Reino Tikkanen

## OWNER OF THE GROUP

*The Student Union of Helsinki University (HYY) is a legal entity whose members are all, about 29,000, students of the University of Helsinki, studying to obtain the Bachelor's or Master's degree. These almost 30,000 students are ultimately the owners of HYY Group's business operations.*

MEMBERS OF STUDENT UNION OF  
HELSINKI UNIVERSITY 29.000

REPRESENTATIVE COUNCIL  
OF STUDENT UNION 60

BOARD OF STUDENT UNION  
7-13

SHAREHOLDER'S GENERAL MEETING

BOARD OF DIRECTORS OF  
HYY GROUP LTD 10-15

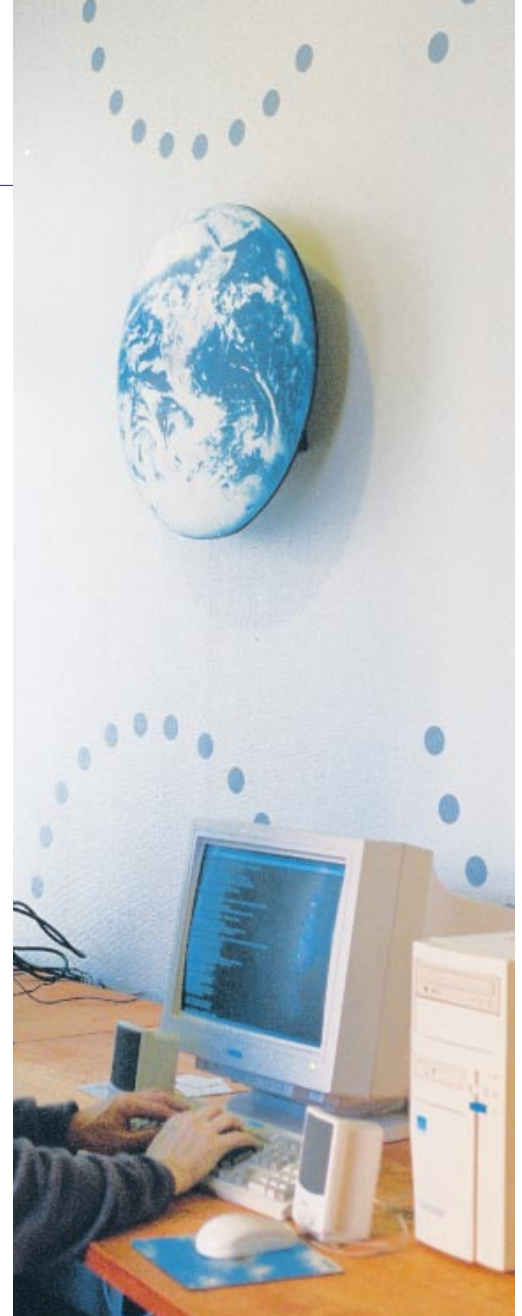
The Student Union was founded in 1868. HYY Group acts as a union protecting the interests of the members and offers many services to them. Moreover, it functions as a central and service organization for about 200 other student organizations supported by it. The Secretariat coordinates educational, social and union issues. The Student Union finances the activities through membership fees and the Group's profitsharing. The members can exercise influence and control in elections, committees and subcommittees.

Thanks to their financial health, the Student Union provides unique services to the members. Among these services and benefits are cheap meals, health services, legal assistance,

short-term loans, financial support for various activities, eg publishing and courses.

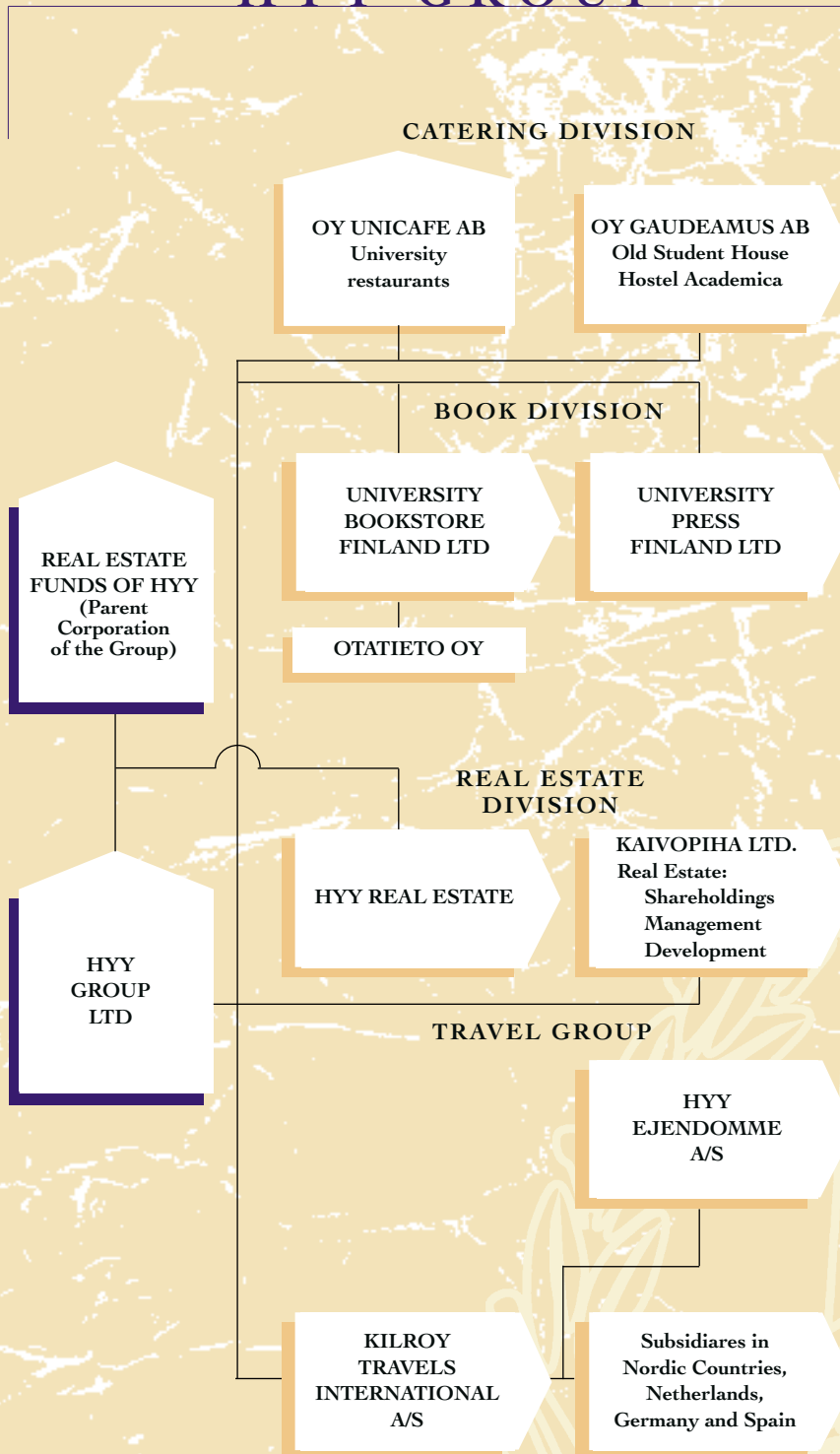
The Student Union's first building, the Old Student House, was completed in 1870 and the second, the New Student House, in 1910. At present, this operational real estate forms part of downtown Helsinki together with the commercial properties built in the 1950s and 1980s.

Supreme power of decision in the Student Union is exercised by a body of 60 representatives elected every second year. The Council of Representatives elects the Board of the Student Union which, in turn, as the shareholder's general meeting appoints the Board of Directors of HYY Group.





# HYY GROUP



*Domus Academica*



HYY GROUP

# OWNER'S REPRESENTATIVE ADMINISTRATION

1 May 1996

## REPRESENTATIVE COUNCIL OF STUDENT UNION

### *President*

Anna Kaarina Piepponen

### *Vice- Presidents*

Miikka Heinäsmäki  
Matti Hautsalo

### *Members*

60 members of Student  
Union, elected in general  
elections for a period of two  
years

## BOARD OF STUDENT UNION

### *Chairman*

Esa Iivonen

### *Vice-chairman*

Sami Heistaro

### *Members*

Satu Huhtamäki  
Heini Hult  
Antti Kahri  
Pia Majonen  
Jussi Pakari  
Tatu Rauhamäki  
Timo Reina  
Rabbe Sittnikow  
Elina Ussa

### *Secretary General of Student Union*

Markku Lahtinen

## SHAREHOLDERS' COMMITTEE OF SUBGROUP KILROY travels INTERNATIONAL A/S

### *Chairman*

Harri Tanhuanpää

### *Members*

Antti Kahri  
Janne Laine  
Hannu Liekso  
Mikko Myller  
Magnus Forss  
Odd Wilhelmsen  
Bernhard A. Petersen  
Lone Lund-Rasmussen

### *Representatives of Personnel*

Merete Thaysen  
Tuija Kuha  
Peter Kruger  
Lone Christensen  
Christine Friis  
Christina Quick

# BOARD OF DIRECTORS

1 May 1996

## BOARD OF DIRECTORS OF HYY GROUP

### *Chairman*

Tatu Rauhamäki

### *Members*

Kai Haarma  
Johanna Haltia  
Janne Laine  
Otto Lehtipuu  
Hannu Liekso  
Tommi Mustonen  
Mikko Myller  
Vesa Syrjä  
Harri Tanhuanpää  
Antti Kahri  
Rabbe Sittnikow

### *Professional members*

Mika Ihamuotila  
Martti Johansson  
Pentti Laaksonen

### *Representative of personnel*

Mika Torvinen

## BOARD OF DIRECTORS OF KILROY TRAVELS INTERNATIONAL A/S

### *Chairman*

Tapio Kiiskinen

### *Vice-chairperson*

Linnea Meder

### *Members*

Gerner Andersen  
Kurt Stovlund  
Tatu Rauhamäki

### *Representative of personnel*

Cristine Friis

# HYY GROUP EXECUTIVES

1 May 1996

## HYY GROUP

Tapio Kiiskinen  
President and Chief  
Executive Officer

Linnea Meder  
First Vice-president  
HYY Group Ltd  
Real Estate Division  
Corporate Finance and  
Investments

## SERVICE DIVISION

Marjo Berglund  
Director  
Oy UniCafe Ab  
Oy Gaudeamus Ab

Liisa Lehtinen  
Ass. Director  
Oy UniCafe Ab

## BOOK DIVISION

Aila Santanen  
Managing Director  
Oy Yliopistokustannus  
University Press  
Finland Ltd.  
Oy Yliopistokirjakauppa  
Universitys Bookstore  
Finland Ltd.  
Otatieto Oy

## TRAVEL GROUP

Borge Faaborg  
Managing Director and  
Chief Executive Officer  
KILROY travels  
International A/S  
HYY Ejendomme A/S

Claus Madsen  
Director of Finance  
KILROY travels  
International A/S

Dagmar Thomsén  
Director of  
Commercial Services  
KILROY travels  
International A/S

Claus H. Hejlesen  
Ass. Director  
Business Development  
KILROY travels  
International A/S  
Managing Director  
KILROY travels Denmark  
A/S

Leena Dahl-Mäkinen  
Managing Director  
Oy KILROY travels  
Finland Ab

Monica Murphy  
Managing Director  
KILROY travels Sweden  
AB

Tuire Mäkelä  
Managing Director  
KILROY travels Germany  
GmbH

Siri-Lill Stensby  
Managing Director  
KILROY travels Norway  
A/S

Luis Almonacid  
Managing Director  
KILROY travels Spain S.A

## REAL ESTATE DIVISION

Yrjö Herva  
Director  
Kaivopiha Ltd

## AUDITORS

Real Estate Division - Book Division - Service Division - HYY Group Ltd  
KPMG Wideri Oy Ab

KILROY travels International A/S  
KPMG C. Jespersen, KPMG Wideri Oy Ab

# OUTLETS

## *Real Estate Division*

**KAIVOPIHA OY**  
City Real Estate Kaivopiha  
PB 1099, Mannerheimintie 5 C  
FIN-00101 HELSINKI  
Tel. +358-0-1311 4250  
Telefax +358-0-601 020  
<http://www.kaivopiha.fi>

**Domus Academica Dormitory Office**  
PB 1099, Mannerheimintie 5 C  
FIN-00101 HELSINKI  
Tel. +358-0-1311 4258  
Telefax +358-0-1311 4306

**HYY Ejendomme AS**  
Skindergade 28  
DK-1159 COPENHAGEN K

## *Travel Group*

### **KILROY travels International A/S**

Corporate Head Office  
Skindergade 28 A, 1  
DK-1159, COPENHAGEN K  
Tel. +45-33-780 300  
Telefax +45-33-324 066

Financial Services and IT  
Hauchsvej 17  
DK-1825 FREDERIKSBERG C,  
COPENHAGEN  
Tel. +45-33-780 300  
Telefax +45-31-216 331

### **KILROY travels Denmark A/S**

Skindergade 28  
DK-1159 COPENHAGEN K  
Tel. +45-33-110 044  
Telefax +45-33-323 269

Lyngby Torv 6  
DK-2800 LYNGBY  
Tel. +45-45-887 888  
Telefax +45-45-887 398

Pantheonsgade 7  
DK-5000 ODENSE C  
Tel. +45-66-177 780  
Telefax +45-66-179 872

Østeraagade 23  
DK-9000 AALBORG  
Tel. +45 99 35 11 00  
Telefax + 45 98 11 1497

Fredensgade 40  
DK-8100 ÅRHUS C  
Tel. +45-86-201 144  
Telefax +45-86-202 205

### **OY KILROY travels Finland AB**

Kaivokatu 10 D  
FIN-00100 HELSINKI  
Tel. +358-0-680 7811  
Telefax +358-0-651 528

Hämeenkatu 14  
FIN-20500 TURKU  
Tel. +358-21-233 7033  
Telefax +358-21-232 3250

Tuomiokirkonkatu 36  
FIN-33100 TAMPERE  
Tel. +358-31-223 0995  
Telefax +358-31-222 1338

Pakkahuoneenkatu 8  
FIN-90100 OULU  
Tel. +358-81-372 720  
Telefax +358-81-379 615

### **KILROY travels Germany GmbH**

Pääkonttori  
Hardenbergstrasse 9  
D-106 23 BERLIN  
(Charlottenburg)  
Tel. +49-30-310 0040  
Telefax +49-30-312 6975

### **KILROY travels Germany, Leipziger Flug Reisen GmbH**

August-Bebel-Str. 5  
D-04275 LEIPZIG  
Tel. +49-341-303 090  
Telefax +49-341-303 0930

### **KILROY travels Germany, Bavaria Studentenreisen GmbH**

Augustusplatz 9  
D-04109 LEIPZIG  
Tel. +49-341-211 4220  
Telefax +49-341-960 5152

Ernst Lehmannstr. 19  
D-391 06 MAGDEBURG  
Tel. +49-391-561 9589  
Telefax +49-391-561 9699

Astra Business Center  
Zellescher Weg 25  
D-01217 DRESDEN  
Tel. +49-351-4723-198  
Telefax +49-351-472 0866

### **KILROY travels Germany – ARTU GmbH**

Hardenbergstrasse 9  
D-106 23 BERLIN  
(Charlottenburg)  
Tel. +49-30-310 0040  
Telefax +49-30-312 6975

Takustrasse 47  
D-141 95 BERLIN  
(Dahlem)  
Tel. +49-30-831 5094  
Telefax +49-30-832 5376

Georgenstrasse  
Stadtbahnbogen 184  
D-10117 BERLIN  
(Mitte)

Mariannenstrasse 7  
D-10997 BERLIN  
(Kreuzberg)  
Tel. +49-30-614 6822  
Telefax +49-30-614 9983

Nollendorfpfplatz 7  
(Schöneberg)  
D-10777 BERLIN  
Tel. +49-30-216 3091  
Telefax +49-30-215 9221

N3, 3  
D-68123 MANNHEIM  
Tel. +49-621-10 057  
Telefax +49-621-10 059

### **KILROY travels Netherlands BV**

Singel 413-415  
NL-1012 WP AMSTERDAM

### **KILROY travels Norway A/S**

Nedre Slottsgate 23  
N-0157 OSLO  
Tel. +47-22-420 120  
Telefax +47-22-332 102

Universitetssentret  
Box 54, Blindern  
N-0313 OSLO  
Tel. +47-22-853 240  
Telefax +47-22-853 239

Parkveien 1  
BOX 113, Studiesentret  
N-5027 BERGEN  
Tel. +47-55-326 400  
Telefax +47-55-328 866

Breigata 11  
N-4006 STAVANGER  
Tel. +47-51-89 5550  
Telefax +47-51-89 5225

Jomfrugata 1  
N-7011 TRONDHEIM  
Tel. +47-73-502 290  
Telefax +47-73-502 294

### **KILROY travels Spain S.A**

Hilarion Eslava 18  
E-28015 MADRID  
Tel. +34-1-544 7021  
Telefax +34-1-544 1345

### **KILROY travels Sweden AB**

Box 7144, Kungsgatan 4  
S-103 87 STOCKHOLM  
Tel. +46-8-234 515  
Telefax +46-8-101 693

Universitetsvägen 9  
(Frescati), Box 50004  
S-104 05 STOCKHOLM  
Tel. +46-8-160 515  
Telefax +46-8-153 321

Berzeliigatan 5  
S-412 53 GOTHENBURG  
Tel. +46-31-200 860  
Telefax +46-31-164 739

Klostergatan 14  
S-222 22 LUND  
Tel. +46-46-151 210  
Telefax +46-46-188 330

Bredgränd 3  
S-75320 UPPSALA  
Tel. +46-18-130 090  
Telefax + 46-18-130 095



### *Book Division*

#### **OY YLIOPISTOKUSTANNUS UNIVERSITY PRESS FINLAND LTD**

Publishing Company  
Gaudeamus Kirja  
PB 1099, Mannerheimintie 5 C,  
7th floor  
FIN-00101 HELSINKI  
Tel. +358-0-1311 4280  
Telefax +358-0-1311 4317

Publishing Company  
Otatiето  
PB 1099, Mannerheimintie 5 C,  
7th floor  
FIN-00101 HELSINKI  
Tel. +358-0-1311 4280  
Telefax +358-0-1311 4317

#### **OY YLIOPISTO- KIRJAKAUPPA UNIVERSITY BOOKSTORE FINLAND LTD**

University Bookstore  
Head Office / Centrum  
Yliopistonkatu 5  
FIN-00100 HELSINKI  
Tel. +358-0-6689 2620  
Telefax +358-0-6689 2660  
E-mail [Libri@cc.helsinki.fi](mailto:Libri@cc.helsinki.fi)

#### **University Bookstore Paperstores**

Porthania  
Yliopistonkatu 3  
FIN-00100 HELSINKI  
Tel. +358-0-622 3363

Viikki  
PL 27, Viikki A  
FIN-00014 HELSINGIN  
YLIOPISTO  
Tel. +358-0-376 732

Arabia  
Hämeentie 135  
FIN-00560 HELSINKI  
Tel. +358-0-756 3248

#### **OTATIETO OY**

Bookstore  
Otakaari 1 F  
FIN-02150 ESPOO  
Tel. +358-0-4682 160  
Telefax +358-0-455 1321

Compendiums  
Sähkömiehentie 3  
FIN-02150 ESPOO  
Tel. +358-0-468 3118  
Telefax +358-0-4553 020

### *Catering Division*

#### **OY GAUDEAMUS AB**

Ravintola Vanha  
Mannerheimintie 3  
FIN-00100 HELSINKI  
Tel. +358-0-656 263  
Telefax +358-0-1311 4236  
<http://www.vanha.fi>

Hostel Academica  
Hietaniemenkatu 14  
FIN-00100 HELSINKI  
Tel. +358-0-402 0206  
Telefax +358-0-441 201

#### **OY UNICAFE AB**

Office  
Mannerheimint. 5 C  
PB 1099  
FIN-00101 HELSINKI  
Tel. +358-0-1311 4271  
Telefax +358-0-1311 346  
<http://www.unicafe.fi>

#### **Restaurants**

Porthania  
Hallituskatu 11-13  
FIN-00100 HELSINKI  
Tel. +358-0-622 4202

Metsätalo  
Fabianinkatu 39  
FIN-00170 HELSINKI  
Tel. +358-0-622 4562

Ladonlukko  
Talonpojantie 2, A-rak.  
Yliopiston Viikin laitokset  
FIN-00710 HELSINKI  
Tel. +358-0-708 5042

Kumpula  
PL 55 (A.I. Virtasen aukio 1)  
FIN-00014 HELSINGIN  
YLIOPISTO  
Tel. +358-0-1914 0109

Vallila  
Teollisuuskatu 23-25  
FIN-00510 HELSINKI  
Tel. +358-0-708 44291

Tiedepuisto  
Viikinkaari 9  
FIN-00710 HELSINKI  
Tel. +358-0-7085 9526

Yliopiston ravintola  
Fabianinkatu 33  
FIN-00170 HELSINKI  
Tel. +358-0-622 4563

Meilahti  
Haartmaninkatu 3  
FIN-00290 HELSINKI  
Tel. +358-0-421 8775

Ruskeasuo  
Kytösuontie 9  
FIN-00300 HELSINKI  
Tel. +358-0-1912 7429

Eläinmuseo  
Pohj. Rautatiekatu 13  
FIN-00100 HELSINKI  
Tel. +358-0-191 7407

Domus  
Hietaniemenkatu 14  
FIN-00100 HELSINKI  
Tel. +358-0-454 3538

Käsityö  
Helsinginkatu 34  
FIN-00530 HELSINKI  
Tel. +358-0-191 7051

Yliopiston kirjasto  
Unioninkatu 36  
FIN-00170 HELSINKI  
Tel. +358-0-1912 2748

Valtiotiede  
Unioninkatu 37  
FIN-00170 HELSINKI  
Tel. +358-0-191 8836

Fysiikka  
Siltavuorenpenger 20  
FIN-00170 HELSINKI  
Tel. +358-0-191 8322

Kasvitiede  
Kaisaniemenranta 2  
FIN-00170 HELSINKI  
Tel. +358-0-191 8667

Franzenia  
Franzeninkatu 13  
FIN-00500 HELSINKI  
Tel. +358-0-191 7010

Vuorikatu  
Vuorikatu 20  
FIN-00100 HELSINKI  
Tel. +358-0-622 4369

Teologia  
Neitsytpolku 1 B  
FIN-00140 HELSINKI  
Tel. +358-0-191 3925

Opettajain kahvila  
Ratakatu 6  
FIN-00120 HELSINKI  
Tel. +358-0-191 8108

### *Administration Parent Company*

#### **HYY GROUP LTD.**

Group management and internal  
services  
PL 1099, Mannerheimintie 5 C,  
3rd floor  
FIN-00101 HELSINKI  
Tel. +358-0-1311 4226  
Telefax +358-0-131 14306  
<http://www.hyy.fi>

12.10.1996 As from 12 October 1996 the following changes in area codes will be effective.  
Helsinki (9) instead of (0), Tampere (3) instead of (31), Turku (2) instead of (21), Oulu (8) instead of (81)



*The entrance welcomes to the Old Student House.*



*Design: Ogilvy & Mather*

*Repro: Oulurepro Helsinki*

*Printers: Erikospaino*

