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*The past four years have provided us with both professional challenges and stimulation. Half of the plan is still to be implemented - and half of the goals still to be attained.*

**Annual report 1995**

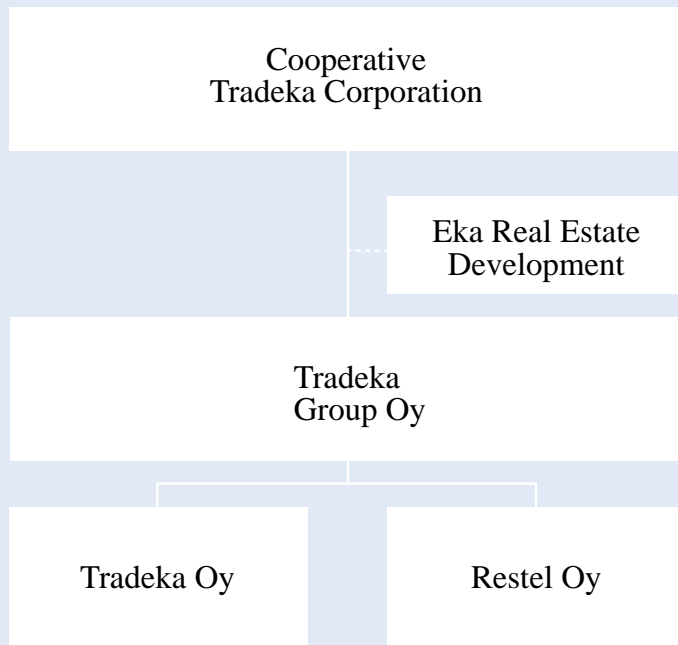
**Everyone's individual commitment to the uncompromising implementation of the plan was the guarantee of a positive result trend. That will be our strength in the future as well.”**

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## Commitment, competence and co-operation

### TRADEKA'S CORPORATE STRUCTURE



TRADEKA CORPORATION IN BRIEF	1993	1994	1995
Net turnover, FIM million	7 770	5 364	5 534
Operating profit before depreciation, FIM million	-113	254	375
Operating profit, FIM million	-312	103	246
Profit/loss before extraordinary items, appropriations and taxes, FIM million	- 621	-21	238
Investments, FIM million	340	111	100
Balance sheet total, FIM million	8 582	3 230	3 023
Personnel	7 144	5 150	5 090



For Tradeka Corporation, 1995 proved to be better than expected. An upswing in the national economy increased private consumption and the buying power of private households. The downward trend in general interest level and a low inflation helped us make a good result. On the other hand, we have been consciously cautious and made economic plans that leave nothing to chance.

The operational change that Tradeka companies have gone through is best illustrated by the operating profit before depreciation, which on the corporate level improved by FIM 121 million from the previous year. The change was induced by improving the management of the gross margin on sales as well as of fixed costs. Development in Tradeka Oy is based on a programme conceived in 1991, which has since been implemented in a most determined manner. Restel Oy started its development programme in 1992.

We have been able to turn half of the plans made in 1991 -1992 into reality. The past four years have been extremely challenging, and relief is not yet in sight. Over half of the plans are still to be implemented, and half of the goals to be attained.

During the past year, we at Tradeka were still very much involved in issues related to the restructuring

programme. We were also very busy with preparing for cooperation with Elanto. This year we will be able to concentrate fully on developing our business operations.

Improving our business concepts and our information systems will be particularly important. We intend to switch over to a fully automated product management and order system after a period of testing and developing. Another area of special emphasis will be the Loyal Customer Scheme, which attracted a record number of new customers last year.

Our cooperation with Elanto, which began on 1 January, 1996, has started out very well. The most extensive operation this year will be to introduce new, integrated systems and models of operation into our retail outlets. Tradeka and Elanto have joined their professional expertise to form organisations that will concentrate on developing the chains' operations. Renewing the specialty goods trade in the Euro-market/Maxi chain will be of particular importance. While working hard to reach our common goals we must also be able to bring together different business cultures and create new operational principles in mutual respect of one another's skills and competences.

Official forecasts on the outlook of the national economy for 1996 reflect growing uncertainty. Pessimistic public comments have painted an even bleaker picture on the situation. For my part, I do not want to make the situation seem any worse, but I believe that we are well advised to be cautious. Any deviations from plans will be put under careful scrutiny.

Everyone's individual commitment to the uncompromising implementation of our plans was the guarantee of a positive result trend

in Tradeka companies. It will be our strength in the future as well. This year and the next, particular emphasis will be placed on the implementation of our plans, as positive results can only be achieved when plans are turned into thousands and thousands of individual acts. During the previous year, the personnel of Tradeka and Restel showed their ability to continuously meet new challenges. I thank the entire personnel for that.

I also wish to express my gratitude to our suppliers, creditors and other cooperation partners for their good cooperation for the benefit of all parties concerned.

Helsinki 17 April, 1996

*Antti Remes*  
*President*

## Tradeka kept up a good pace

### TRADEKA CONSOLIDATED

President Aarno Mäntynen

1995 was Tradeka Oy's first year of operations as an incorporated company separate from the parent cooperative. The company was founded and registered on 30 December 1994. Incorporation was completed on 21 December 1995 by transferring the stocks and shares of real estate properties occupied by retail trade to Tradeka Oy's balance sheet, and by increasing the company's share capital.

Tradeka Consolidated comprises Tradeka Oy and its fully owned foreign

subsidiaries A/O Tradeka M, A/O Renlund SPb, A/S Renlund-Tallinn and Suomen Tilirahoitus Oy (70% ownership) as well as 15 real estate subsidiaries. The corporation has 37 real estate associated companies.

The development of Tradeka's business operations continued according to the principles defined in 1991. The reform of operations that has now lasted for four years has required an enormous amount of work and determination from everyone at Tradeka. Of particular importance was the commitment of the entire personnel to the reform project and to good customer

### TRADEKA CONSOLIDATED

	1993	1994	1995	94/95
<i>NET TURNOVER, FIM million</i>				
Siwa	1 862	1 868	1 857	-0.6 %
Valintatalo	1 585	1 298	1 360	+6.6 %
Euromarket	1 319	1 183	1 243	+5.0 %
International operations	49	101	87	-13.9 %
Suomen Tilirahoitus Oy			21	
Loyal Customers' bonuses		-8		
<b>TOTAL, FIM million</b>	<b>4 816</b>	<b>4 441</b>	<b>4 568</b>	<b>+2.9 %</b>
<b>OPERATING PROFIT, FIM million</b>	<b>-80</b>	<b>50</b>	<b>115</b>	<b>+65</b>
<i>INVESTMENTS IN FIXED ASSETS, FIM million</i>				
	65	48	65	+17
<i>NUMBER OF OUTLETS</i>				
Siwa	465	435	434	-1
Valintatalo	152	121	118	-3
Euromarket	25	20	21	+1
International operations	7	8	6	-2
Other	1	1	0	-1
<b>TOTAL</b>	<b>650</b>	<b>585</b>	<b>579</b>	<b>-6</b>
PERSONNEL (average)	3 849	3 193	3 145	-48
PERSONNEL (international)	187	245	157	-88



service. To guarantee good service, Tradeka introduced a complete freshness, quality and price guarantee in all its chains.

### **OVER 600,000 LOYAL CUSTOMERS**

Of the 1995 reform projects, two deserve to be singled out: information systems and the Loyal Customer Scheme. They already provide Tradeka with a clear competitive edge, and will be of increasing significance in the future.

The modernisation of the checkout systems and the development of integrated systems for shops' management that are now in progress will permit Tradeka to have full benefit of its nationwide multiple structure. The programmes for product management and automated order systems are still in testing stage, but once completed, they will enable an even more precise selection of product range.

During the year, the Loyal Customer Scheme that was introduced nationwide in spring 1994 attracted a record number of new customers; 146,000 new households joined the Loyal Customer Scheme, and 240,000 loyal customer cards were granted. At the end of April 1996, there were 603,000 card holders and 372,000 loyal customer accounts.

### **INCREASE IN MARKET SHARE**

The net turnover of Tradeka Consolidated was FIM 4,568 million; an increase of 2.9% compared to last year. The comparable growth in turnover of the domestic chains was no less than 6.6%.

The impact of Finland's joining the EU was shown as reduced prices; in Tradeka's retail outlets, the prices decreased by 11.8% contributing to a considerable growth in the sales volume of the chains.

The decrease in market share attributable to the restructuring of the sales outlet network reached its turning point in 1994. According to Marketindex, Tradeka's share in the daily goods market increased by 0.3% last year amounting to 9.6%.

### **RESULT EXCEEDED TARGETS**

The result of Tradeka Consolidated exceeded the set targets. Favourable development was mainly attributable to more efficient cost management as well as improved management of the gross margin on sales. All domestic chains improved their result from the previous year.

The result of Tradeka International weakened. At the end of the year, its activities were adjusted to correspond to the declined sales volume of the foreign subsidiaries. Two hardware stores were divested, and thanks to the reform of the sales outlets' operations, both sales and result began to improve.

The operating profit before depreciation of Tradeka Consolidated was FIM 169 million, showing an increase of FIM 59 million from the previous year. Operating profit, FIM 115 million, improved by FIM 65 million from the previous year. Profit before extraordinary items, appropriations and taxes was FIM 54 million, while a year earlier the result had shown a loss of FIM 40 million. FIM 53 million of the profit was generated by the parent company. Of the total result, the share of Suomen Tilirahoitus Oy was FIM 5.7 million while the combined result of the Russian and Estonian subsidiaries was FIM 2.6 million.

### **SIWA FOCUSED ON FRESHNESS**

The net turnover of the Siwa chain totalled FIM 1,857 million; a decrease of 0.6% compared to the previous year. In comparable figures, the net turnover of the chain showed a 2.1% growth from the previous year. The chain's

result improved from the previous year and remained very good.

During the year, 19 shops were opened in new or enlarged premises, and 39 shops were modernised according to the SIWA 2000 concept. Owing to changes in the competitive situation, nine shops were closed. The number of shops decreased by one, making the number of the chain's outlets at the end of the year 434, of which 58 were Siwa 2000 shops.

In addition to introducing the Siwa 2000 concept, Siwa focused on daily perishables trade. Special perishables trade managers were trained, who, in addition to their own jobs, were involved in renewing the shops, and acted as contact people for their own product area between the field and the support organisation.

Following the example of the other chains of Tradeka, Siwa chain introduced a complete price, quality and freshness guarantee last autumn. The guarantee proves Siwa to be a reliable, quality fresh goods store.

### **VALINTATALO DEVELOPED INFORMATION SYSTEMS**

The net turnover of Valintatalo amounted to FIM 1,360 million; a growth of 6.6% compared to the previous year. The comparable increase in net turnover was 9.9%. The chain showed a positive result - it improved from the previous year and exceeded the budget, too.

No significant changes were made in 1995 to the sales outlet network that had gone through a tremendous change between 1992 and 1994. Two new shops were opened, one in the centre of Joensuu and the other in Epilä, Tampere. Four shops were transferred to the Siwa chain, one was closed, and the Naturell health food shop that operated in Helsinki was sold together with its business name. At the end of the year, the chain comprised 118 Valintatalo shops.

Management of space allocation was extended to cover perishable goods, too. In pricing, a flexible price system was adopted in full, and a sales manager system was developed in cooperation

with the hardware supplier to facilitate the chains' management. A new computer system was introduced for the processing and transfer of material used in newspaper advertising.

### **EUROMARKET INVESTED IN MANAGEMENT SKILLS**

The net turnover of the Euromarket chain totalled FIM 1,243 million; an increase of 5.0% from the previous year. The comparable growth figure was 7.5%. The chain's result was positive, it improved from the previous year and was clearly above the targeted level.

The conversion of EKA markets to Euromarkets continued. EKA markets in Oulu, Iisalmi, Rauma and Vaasa were expanded and converted into Euromarkets which were opened in February, April, May and October, respectively. A new Euromarket was opened in the Kolmisoppi shopping centre in Kuopio in October.

At the end of the year, the EKA/Euromarket chain comprised 21 units, 10 EKA markets and 11 Euromarkets. Changes continued this year; a Euromarket was opened in Kotka, and later this year the EKA market in Kemi will be renewed. The objective is to open new Euromarkets in Imatra and Hyvinkää during this autumn. In connection with the district exchanges related to cooperation with Elanto, the Maxi department store in Kerava was transferred to Tradeka's possession on 1 February 1996.

Sourcing of specialty products was started in cooperation with an international supply company Intergroup A.m.b.a, of which Tradeka is a shareholder. The combined net turnover of the company's shareholders is over FIM 13 billion.

Offerings and operations tailored to match demand, more efficient utilisation of the benefits of chain operations, and improved efficiency via division of labour exploiting the chain concept were the priority development areas in business operations. In all EKA and Euromarkets, a training programme aiming at improving personnel's inter-

active skills and enhancing supervisors' management skills was introduced.

The operations in 1996 emphasise strengthening the specialty goods trade by utilising the united product organisation of Euromarket and Maxi, which began its operations at the beginning of the year. At the same time, the potential to introduce the "offerings matched to demand" policy to specialty goods trade will be built up.

### **A YEAR OF ADJUSTMENT FOR TRADEKA INTERNATIONAL**

The net turnover of the company engaged in international operations, Tradeka International, was FIM 87 million; a decrease of 13.9% compared to the previous year. Along with the decline in net turnover, the result also weakened from the previous year and moved into the red.

The operations of Tradeka International, which is engaged in Tradeka's Russian and Baltic retail trade, were revised and reorganised. Ownership in the Moscow hardware store was divested, and one of the two hardware stores in Tallinn was closed. At the end of the year, there were six retail outlets abroad: two daily goods stores and two hardware stores in St. Petersburg, a daily goods store in Moscow, and a hardware store in Tallinn.

The stores' business concepts and particularly the product ranges were modified to reach a wider range of Russian consumers. The Helsinki-based support organisation, retail outlet organisations and the local administration were adjusted to meet the volume of the business operations.

Risk and tax control was further developed. The follow-up and reporting procedures concerning sales and the result were standardised to meet the requirements of the parent company. After an upward turn at the end of last year, a positive result trend for both sales and the result has continued this year.

Certain measures will be taken this year to ensure a positive result for Tradeka International. These measures include accurate product selection and local price follow-up. The objective is to expand the

Loyal Customer Scheme to be introduced into the foreign subsidiaries as well. Russian and Estonian personnel will participate in various training programmes in Finland.

### **1996 – THE YEAR OF COOPERATION WITH ELANTO**

Two years in succession, Tradeka has exceeded the targets set for it in the restructuring programme. This forms a solid foundation for future years. Last year's reduction of prices in daily consumer goods trade and increase in labour costs now require extremely careful control of all profit and expense factors.

The official forecast claims that the growth of economy will begin to slow down; this poses another challenge for Tradeka. Throughout the country, daily consumer goods retail trade has started rather cautiously, which is a sign of slackening demand. Tradeka has taken this into consideration and has introduced measures to secure a positive result. As before, Tradeka intends to reach its goals by working with accuracy and determination.

The cooperation between Tradeka and Elanto that started at the beginning of the year provides a good chance of success. Based on equal ownership, Tradeka and Elanto together founded a chains' management company, Ketjuetu Oy. This company will take over all the support organisations of Tradeka's chains.

Ketjuetu Oy started its operations on 1 January 1996. It will be in charge of managing the operations of Tradeka Oy's and Elanto Vähittäiskauppa Oy's retail outlets, managing the product range, supplying daily and specialty goods, allocation of space, marketing to loyal customers and planning the location of stores.

The outlets of Tradeka and Elanto operate in three chains: the Euromarket/Maxi chain, the Valintatalo chain and the Siwa chain. All the retail outlets will be streamlined into a unified chain concept during the year.

A priority in the operations of 1996 is to stabilise the cooperation between Tradeka and Elanto in a way that best benefits the operations and the competitiveness of the chains.







## **Restel's result showed profit**

RESTEL CONSOLIDATED  
President Ralf Sandström

Last year, the increase in demand that in the hotel and restaurant sector had started in 1994 strengthened somewhat. The overall sales volume increased by 3.5% from the previous year, and licensed restaurants' sales grew by over 3.5%. However, as the number of licensed customer places increased at the same time, the total volume of sales per customer declined.

Hotel accommodation sales increased by over 12%. This was mainly attributable to a recovery of domestic demand; international demand remained on the previous year's level. The number of hotel rooms remained unchanged. The increase in supply reached a standstill while demand revived, which contributed to the increase in hotel rooms' occupancy rate from 43.5% to 45.5%.

### **NET TURNOVER INCREASED AND RESULT IMPROVED**

In 1995, Restel focused on implementing and deepening its strategy in a steadfast manner. The sales growth figures clearly exceeded the average figures in the sector. As regards capacity, only minor changes occurred.

The net turnover of Restel Consolidated amounted to FIM 965 million, showing an increase of FIM 54 million and 6.0% from the previous year. Gross

margin was FIM 721 million and operating profit before depreciation FIM 114 million. Compared to 1994, there was a FIM 69 million increase in the gross margin and FIM 51 million increase in the operating profit before depreciation.

Result before extraordinary items, appropriations and taxes showed a profit of FIM 37 million; an increase of FIM 72 million from 1994.

### **HOTELS**

The net turnover of Restel hotels improved by 10.6% from the previous year, totalling FIM 447 million. FIM 294 million of net turnover was generated by Cumulus hotels and FIM 153 million by Rantasipi hotels. The hotels' accommodation turnover grew by 14% from the previous year.

There were 33 hotels at the end of the year and 58 restaurants operating in connection with a hotel. There were no changes in the number of hotels and hotel restaurants during the year. Guest rooms were renovated in the Cumulus hotels in Helsinki, Oulu and Mikkeli as well as in the Rantasipi hotels in Joutsa and Laajavuori.

Cumulus hotels and hotel Rantasipi Forssa were incorporated into Cumulus Oy in the end of 1994. Other Rantasipi hotels belong to Rantasipi Oy.



The result of Rantasipi Oy showed a profit, while the the result of Cumulus Oy showed a slight loss. The overall result of the hotel operations was slightly in the red, but nevertheless showed a considerable improvement from the previous year.

## RESTAURANTS

The net turnover of Restel's restaurants totalled FIM 516 million; an increase of 2.4% from 1994. The restaurants' result improved from the previous year and showed a profit.

Two restaurants were sold and one was closed down. Fifteen restaurants changed their business concept or introduced other major changes. At the end of the year, the number of restaurants was 202. At the turn of 1994-1995, the restaurants were incorporated into Restel Ravintolat Oy.

## CAPITAL EXPENDITURE AND FINANCING

The capital expenditure of Restel Consolidated amounted to FIM 23 million, and was directed towards network maintenance and changes in business concepts. Restel's financial position remained good throughout the year.

## OPERATIONS IN 1996

Increase in sales in the hotel and restaurant sector clearly slowed down towards the end of 1995. This year's increase in sales is estimated to remain lower than

## RESTEL CONSOLIDATED

	1993	1994	1995	94/95
Net turnover, FIM million	1 043	910	965	+6.0 %
Profit/loss before extraordinary items, appropriations and taxes, FIM million	-124	-35	37	+72
Investments in fixed assets, FIM million	19	13	23	+10
Number of outlets				
Hotels	33	33	33	-
Restaurants	268	257	260	+3
PERSONNEL	2 250	1 665	1 626	-39

anticipated. As the restaurant capacity is still increasing, volume of sales per customer will decline in the years to come.

Restel will continue an uncompromising implementation of its strategies. Previous year's development proved that the chosen courses of action were profitable.

The range of the hotel chains improved significantly at the end of the year, as four Elanto hotels situated in Helsinki were annexed into Restel's hotel chains

and made subject to its management in accordance with a business management contract. The owner of the hotels is Elannon Hotellit Oy, for whose benefit the business is practised. In addition, Hotel Pohjanhovi located in Rovaniemi returned to the Rantasipi chain in accordance with a business management contract.

This year, the first months' result of Restel Consolidated has reached the targeted level.



# **Eka Real Estate Development improved the utilization rate**

EKA REAL ESTATE DEVELOPMENT  
President Heikki Venho

Eka Real Estate Development was founded as a real estate company in accordance with the restructuring programme. All real property and shares of Cooperative Tradeka Corporation that are not included in the balance sheet of Tradeka Oy have been transferred into the possession Eka Real Estate Development. From a legal perspective, Eka Real Estate Development is still a part of Cooperative Tradeka Corporation. Preparations for incorporation are still under way, but incorporation should be completed during 1996.

The real estate company's task is to improve the return on income accruing from the real properties in its possession. To this effect, the company intends to lease premises, and maintain and improve the condition of real properties by means of capital expenditure. All property will be sold for the benefit of creditors by the end of the restructuring programme, i.e. end of 2003.

At the end of 1995, Eka Real Estate Development possessed 334 properties in different parts of Finland, a majority of which were business premises. The total space suitable for renting was 400,000 square metres. Approximately 1,000 contracts have been made to lease these premises. Of the total space for rent, 49.3% was occupied by companies belonging to Tradeka Corporation.

The net turnover of Eka Real Estate Development was FIM 117 million. Operating profit before depreciation, FIM 58 million, was within budget. In

the income statement and the balance sheet, these figures are included in Tradeka Corporation's figures. Operations in 1995 focused specifically on improving the utilisation rate of the real properties.

Empty premises were renovated and leased. FIM 9 million were invested to improve and maintain the return on income. The utilization rate of the premises improved by 4 percentage points and reached 74% at the end of the year. A total of 40 transactions were concluded on the real properties and real property shares yielding FIM 25 million. The sales of fixed asset shares of 17 companies yielded FIM 5.4 million.

A contract has been made with VVO Kiinteistövastuu concerning the management of the properties, and accounting services have been purchased from Tradeka Group Oy. The number of personnel in Eka Real Estate Development was ten. The chairman of the Board of Directors is Matti Sarnela.

# Report by the Board of Directors 1995

Tradeka Corporation went through a structural reorganisation to meet the functional requirements of the mandatory restructuring programme. The parent company, Cooperative Tradeka Corporation, is responsible for the ownership and owners' control. Corporate management and supporting services are centrally provided by Tradeka Group Oy. Tradeka Consolidated is in charge of the retail trade, Restel Consolidated of the hotel and restaurant operations and Eka Real Estate Development, which is legally still a part of the parent cooperative, of real properties.

The name of the cooperative was changed to correspond to the new structure and the main line of business. The new name, Cooperative Tradeka Corporation, was entered into the trade register on 11 October 1995.

For four years in succession, the business operations have been revised consistently in Tradeka and Restel Consolidated. The core areas of development have been customer-orientation, more extensive chain operations, and the constant development of both information systems and the Loyal Customer Scheme.

The first phase of Tradeka Oy's incorporation was completed on 30 December 1994, and the entire incorporation was completed on 21 December 1995, when the cooperative transferred the properties used by retail trade as well as real property shares, business stocks and shares as capital contribution to the company. The ownership of Suomen Tilirahoitus Oy (70% ownership), three retail companies in Russia and Estonia, 15 real estate subsidiaries and 37 real estate associated companies was transferred from the cooperative to Tradeka Oy in connection with the incorporation. The value of the property transferred in December 1995 against liability and an increase in share capital was FIM 634 million. The share capital of Tradeka

Oy was increased to FIM 4 million.

Four real estate subsidiaries and ownership in A/O Renlund Moscow were sold. Subsidiaries that had previously provided occupational health care services and clerical services, Työterveyspalvelu Oy Avit and Tietorengas Oy, respectively, were merged into the cooperative.

To a large extent, compromises have been reached regarding recovery actions relating to the restructuring programme. In October, the Helsinki Court of Appeals ruled on the complaints concerning the restructuring programme, for instance deposits made to financial services offices. The proceedings will continue in the Supreme Court. Payments and interests on debts were made according to a payment plan defined in the restructuring programme.

In addition to Cooperative Tradeka Corporation and its subsidiaries, the consolidated financial statement includes a share of Inex Partners Oy that corresponds to cooperative's ownership, and shares of other companies listed on page 29. In the absence of authority, the financial statement of cooperative's subsidiary Kontioyhtymä Oy is not included in the consolidated financial statement. The same procedure was used in the previous financial statements.

Due to the mandatory restructuring programme and the incorporation of Tradeka Oy, the composition of the parent cooperative's financial statement is not comparable with the previous year's figures.

## NET TURNOVER

The Corporation's consolidated net turnover amounted to FIM 5,534 million, showing an increase of FIM 170 million from the previous year. FIM 4,568 million of net turnover was generated by Tradeka Consolidated and FIM 965 million by Restel Consolidated. Sales volumes increased in both

retail trade and the hotel and restaurant sector.

With regard to the number of places of business, there were no significant changes. In Tradeka, the number of the chains' retail outlets decreased by four and was 573. The number of Restel restaurants and hotels increased by three and was 293.

The Loyal Customer Scheme was further developed by making cooperation agreements. During the year, 146,000 new households joined the scheme. At the end of the year, there were 500,167 loyal customer cards in circulation. Sales to loyal customer amounted to FIM 2.1 billion.

Cooperative Tradeka Corporation's net turnover and other income from business operations totalled FIM 137 million. The change from the previous year (-4,371 million) was attributable to the incorporation of Tradeka. Cooperative's other income business from business operations mainly covered rental revenue from Eka Real Estate Development.

## RESULT

The consolidated operating profit before depreciation amounted to FIM 375 million (FIM +121 million), which was clearly above the targeted level. The improvement in business operations' result is based on increased gross margin on sales and more efficient management of fixed costs. As the fixed costs remained on the previous year's level, the entire FIM 121 million increase in gross margin went to improve the operating profit before depreciation.

Tradeka's consolidated operating profit before depreciation was FIM 169 million, while the figure for Restel Consolidated was FIM 114 million; an increase of FIM 51 million compared to the previous year.

Operating profit before depreciation generated by the cooperative was FIM 10 million, by the subsidiaries

belonging to Eka Real Estate Development FIM 58 million, and by other commercial subsidiaries FIM 4 million.

Including Inex Partners Oy in the consolidated operating profit before depreciation raised the total sum by FIM 20 million.

The consolidated depreciation on fixed assets and other long-term costs was FIM 129 million (FIM -22 million). The change is attributable to realisation of properties, and the depreciation on goodwill of Restel Oy in 1994.

Operating profit amounted to FIM 246 million (FIM +143 million). As the net financial costs were only FIM 8 million, the consolidated profit before extraordinary items, appropriations and taxes came up to FIM 238 million; an increase of FIM 259 compared to the previous year.

Cooperative's surplus before extraordinary items was FIM 104 million. In 1994, the figure had showed a loss of FIM 12 million.

The consolidated extraordinary income and costs mainly comprised agreements concerning recovery actions related to the cooperative's restructuring programme, changes based on the ruling of the Court of Appeals in the proceedings of certain debts, such as deposits made to financial services offices, and the verification of items in dispute.

The net amount of extraordinary items was FIM 3 million, which is FIM 725 less than in the previous year. They included the reduction of cooperative's debts in 1994 in accordance with the restructuring programme.

The parent cooperative's extraordinary income and costs also included Consolidated Corporation's internal profit from the assignment of property incorporated into Tradeka Oy in 1995, as well as a FIM 32 million group contribution granted by the company. Profit from the assignment amounted to FIM 296 million, for

which reason FIM 283 million worth of revaluations were cancelled.

In Tradeka Oy, depreciation difference in excess of planned depreciation was booked on both equipment and buildings transferred to the company.

Consolidated profit for the year totalled FIM 217 million. The profit decreased from the previous year as a result of reduced extraordinary income. Cooperative's surplus was FIM 446 million (FIM -201 million).

## CAPITAL EXPENDITURE

Consolidated capital expenditure totalled FIM 100 million. FIM 65 million worth of investments were carried out in Tradeka Consolidated and FIM 23 million in Restel Consolidated. The most significant, completely new place of business was Euromarket in Kuopio, which was opened in November. In addition to the functional network, major investments were made to develop information systems.

## BALANCE SHEET STRUCTURE

The consolidated balance sheet total was FIM 3,023 million, showing a decrease of FIM 207 million.

Fixed assets and other long-term investments decreased by FIM 296 million, and the amount of current and liquid assets increased by FIM 89 million. Consolidated liabilities totalled FIM 3,164 million (FIM -175 million). As a result of reductions and revisions, unbalanced restructuring debt decreased by FIM 97 million. Shareholders' equity totalled FIM -1,325 million and stabilised liabilities FIM 1,096 million.

The internal structure of fixed assets of the parent cooperative changed due to the incorporation of Tradeka Oy. As a result of revaluation cancellations, restricted equity was reduced to FIM 345 million. The cooperative's shareholders equity totalled FIM -516 million and stabilised liabilities FIM 1,083 million.

## FINANCING

Consolidated net financial costs were FIM 8 million; a decrease of FIM 116 million from the previous year. This was attributable to the interest on the cooperative's secured debt, which, thanks to a low inflation rate, was only 1%. As in the previous year, interest on the equity loan (12.5%) has been booked in the financial statement as a change in liabilities.

In connection with the incorporation, liabilities worth FIM 853 million were transferred to Tradeka Oy, for which the company paid 7.25% interest. Consequently, the restructuring of the parent cooperative did not yield any interest benefit to Tradeka Oy. Interest on the FIM 159 million liabilities transferred from the cooperative to Restel Oy is 7.0%.

Tradeka Oy paid the cooperative FIM 44 million in compensation for delay of the property that had been in its use. In the financial statement, the sum has been included in other income and costs under sources of funds.

The cash flows of both Tradeka and Restel Consolidated exceeded the set targets. The consolidated companies' liquidity remained satisfactory throughout the year.

## PERSONNEL, WAGES AND SALARIES

The number of Tradeka Corporation's personnel averaged at 5,090 (5,150 the previous year); 3,302 of these were employed by Tradeka Consolidated, 1,626 by Restel Consolidated, 145 by Tradeka Group Oy and 17 by the cooperative.

Wages and salaries to administrative bodies and to presidents amounted to FIM 4 million, wages and salaries to other personnel totalled FIM 586 million. The corresponding figures in the parent cooperative were FIM 2 million and FIM 6 million.

## MEMBERSHIP

The cooperative had 370,792 members

(-883). Even though the number of members decreased, 1,975 new households enrolled or paid their membership fee in full. The Council of Representatives decided, by an amendment of rules, to postpone the 1996 election of representatives until 1998.

## BUSINESS OPERATIONS IN 1996

Cooperation with Elanto Cooperative started 1 January 1996, covering the services for retail trade, hotel and restaurant operations and administrative operations. Both Cooperative Tradeka Corporation and Elanto Cooperative will continue their activities as independent companies and are both responsible for implementing their own restructuring programmes.

In retail trade, the outlets of Tradeka Oy and Elannon Vähittäiskauppa Oy will operate in three chains: Euro/Maxi, Valintatalo and Siwa. A chains' management and supply company was founded together with Elanto based on equal ownership. The joint company, Ketjuetu Oy T & E will manage the operations of the retail trade chains and produce the following services for their use: selection management, daily consumer goods purchasing operations, specialty goods supply, allocation of space, Loyal Customer operations and planning the location of retail outlets.

In hotel operations, a management agreement was made between Restel Oy and Elanto Cooperative, according to which Restel will be in charge of managing and developing the operations of the incorporated hotels for the benefit of Elanto.

An equally owned company, Palveluetu Oy T & E, will produce the administrative services required by both parties: accounting and clerical services; services of accountants and taxation experts; information processing, finance and personnel services.

The cooperation has already resulted in supply and marketing ad-

vantages for the chains' operations as well as savings in the support operations. The solution improves the prerequisites of growth and profitability in both retail trade and in hotel and restaurant operations.

The incorporation of Tradeka Group Oy and Eka Real Estate Development will be completed in the beginning of the year. In connection with this, the cooperative will transfer all holdings in Tradeka Oy and 13% of holdings in Restel Oy to Tradeka Group Oy.

Two years in succession, the operating profit before depreciation and the cash flow in both Tradeka and Restel Consolidated have exceeded the targets set in the restructuring programme. This forms a solid foundation for future years. However, a decrease in prices of daily consumer goods and an increase in cost of labour caused by the EU membership last year require precise management of all cost and profit factors this year. That will be an area of specific attention in this year's operations.

In 1996, the Corporation aims at increasing net turnover by approximately 6%, and reaching the 1995 level as regards the operating profit before depreciation as well as the operating profit. Even though during the first months of the year, demand in the daily consumer goods trade and in the restaurant operations has developed more slowly than anticipated throughout the country, the goals set for the entire year can still be attained.

Factors contributing to our success are the continuous development of business operations based on an information system, cooperation, and the Loyal Customer Scheme, the popularity of which exceeded all targets.



**Tradeka Corporation  
Consolidated Financial  
Statements  
31 December 1995**

## TRADEKA CORPORATION

**Consolidated Statement of Income 1 January to 31 December 1995**

	FIM million			% of Balance Sheet	
	1995	1994	-95/-94	1995	1994
<b>Net turnover</b>	<b>5 534</b>	<b>5 364</b>	<b>170</b>	<b>100.00</b>	<b>100.00</b>
<b>Other income from operations</b>	<b>113</b>	<b>117</b>	<b>-4</b>	<b>2.04</b>	<b>2.18</b>
Variable costs:					
Materials and supplies:					
Purchases during the year	-3 867	-3 783	-84		
Reduction in inventories	10	-29	39		
<b>Total</b>	<b>-3 857</b>	<b>-3 812</b>	<b>-45</b>	<b>-69.69</b>	<b>-71.07</b>
<b>Gross margin</b>	<b>1 790</b>	<b>1 669</b>	<b>121</b>	<b>32.35</b>	<b>31.11</b>
Fixed costs:					
Personnel costs	-769	-780	11		
Rent	-195	-215	20		
Other Costs	-451	-420	-31		
<b>Total</b>	<b>-1 415</b>	<b>-1 415</b>	<b>0</b>	<b>-25.58</b>	<b>-26.37</b>
<b>Operating profit before depreciation</b>	<b>375</b>	<b>254</b>	<b>121</b>	<b>6.77</b>	<b>4.74</b>
Depreciation on fixed assets and other long-term costs	-127	-138	11		
Depreciation on goodwill	-2	-13	11		
<b>Total</b>	<b>-129</b>	<b>-151</b>	<b>22</b>	<b>-2.32</b>	<b>-2.82</b>
<b>Operating profit</b>	<b>246</b>	<b>103</b>	<b>143</b>	<b>4.45</b>	<b>1.92</b>
Financial income and costs:					
Financial income	37	31	6		
Financial costs	-45	-155	110		
<b>Total</b>	<b>-8</b>	<b>-124</b>	<b>116</b>	<b>-0.15</b>	<b>-2.30</b>
<b>Profit/loss before extraordinary items, appropriations and taxes</b>	<b>238</b>	<b>-21</b>	<b>259</b>	<b>4.30</b>	<b>-0.38</b>
Extraordinary income and costs:					
Extraordinary income	14	1 987	-1 973		
Extraordinary costs	-11	-1 259	1 248		
<b>Total</b>	<b>3</b>	<b>728</b>	<b>-725</b>	<b>0.04</b>	<b>13.57</b>
<b>Profit/loss before appropriations and taxes</b>	<b>241</b>	<b>707</b>	<b>-466</b>	<b>4.34</b>	<b>13.18</b>
Decrease in valuation difference	-15	0	-15	-0.27	0.00
Increase in voluntary provisions	-3	-2	-1	-0.05	-0.04
Direct taxes	-5	-2	-3	-0.09	-0.04
<b>Profit/loss before minority interest</b>	<b>218</b>	<b>703</b>	<b>-485</b>	<b>3.94</b>	<b>13.10</b>
Minority interest	-1	-2	1	-0.02	-0.03
<b>PROFIT FOR THE YEAR</b>	<b>217</b>	<b>701</b>	<b>-484</b>	<b>3.91</b>	<b>13.07</b>

## TRADEKA CORPORATION

**Consolidated Balance Sheet at 31 December 1995**

ASSETS	FIM million			% of Balance Sheet	
	1995	1994	-95/-94	1995	1994
<b>Fixed assets and other long-term investments</b>					
Intangible assets					
Establishment and structural costs	2	0	2		
Immaterial rights	11	12	-1		
Goodwill	1	2	-1		
Other long-term costs	127	131	-4		
<b>Total</b>	<b>141</b>	<b>145</b>	<b>-4</b>	<b>4.66</b>	<b>4.48</b>
Tangible assets					
Land and water	278	352	-74		
Buildings and plants	942	1 133	-191		
Machinery and equipment	235	245	-10		
Other tangible assets	16	19	-3		
Advance payments and work in progress	24	10	14		
<b>Total</b>	<b>1 495</b>	<b>1 759</b>	<b>-264</b>	<b>49.45</b>	<b>54.45</b>
Fixed assets and other long-term investments					
Shares and holdings in subsidiaries	0	0	0		
Shares in associated companies	138	152	-14		
Other shares and holdings	55	69	-14		
Loans receivable	47	47	0		
<b>Total</b>	<b>240</b>	<b>268</b>	<b>-28</b>	<b>7.95</b>	<b>8.31</b>
<b>Total fixed assets</b>	<b>1 876</b>	<b>2 172</b>	<b>-296</b>	<b>62.06</b>	<b>67.24</b>
<b>Valuation items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Current and liquid assets</b>					
Current assets					
Finished goods	306	295	11		
Other current assets	2	2	0		
Advance payments	0	6	-6		
<b>Total</b>	<b>308</b>	<b>303</b>	<b>5</b>	<b>10.19</b>	<b>9.39</b>
Receivables					
Accounts receivable	212	230	-18		
Loans receivable	6	7	-1		
Prepaid liabilities and accrued income	48	87	-39		
Other receivables	4	6	-2		
<b>Total</b>	<b>270</b>	<b>330</b>	<b>-60</b>	<b>8.93</b>	<b>10.20</b>
Cash at hand and in banks	569	425	144	18.82	13.17
<b>Total current and liquid assets</b>	<b>1 147</b>	<b>1 058</b>	<b>89</b>	<b>37.94</b>	<b>32.76</b>
<b>Total assets</b>	<b>3 023</b>	<b>3 230</b>	<b>-207</b>	<b>100.00</b>	<b>100.00</b>

## TRADEKA CORPORATION

**Consolidated Balance Sheet at 31 December 1995**

SHAREHOLDERS' EQUITY AND LIABILITIES	FIM million			% of Balance Sheet	
	1995	1994	-95/-94	1995	1994
<b>Shareholders' equity</b>					
Restricted equity					
Share capital	53	53	0		
Reserve fund	90	90	0		
Valuation fund	214	474	-260		
Total	357	617	-260	11.79	19.09
Non-restricted equity					
Loss from previous years	-1 899	-2 600	701		
Profit for the year	217	701	-484		
Total	-1 682	-1 899	217	-55.62	-58.78
<b>Total shareholders' equity</b>	<b>-1 325</b>	<b>-1 282</b>	<b>-43</b>	<b>-43.83</b>	<b>-39.69</b>
<b>Stabilized liabilities</b>					
Stabilized restructuring debt					
Stabilized pension loans	237	244	-7		
Equity loan	233	234	-1		
Interest-free equity loan	606	611	-5		
Other stabilized loans	20	20	0		
Total stabilized liabilities	1 096	1 109	-13	36.27	34.35
<b>Minority interest</b>	<b>33</b>	<b>30</b>	<b>3</b>	<b>1.10</b>	<b>0.91</b>
<b>Reserves</b>					
Accumulated depreciation difference	16	1	15	0.53	0.03
Investment reserve	0	0	0	0.01	0.00
Other reserves	16	13	3	0.52	0.40
Statutory reserves	23	20	3	0.77	0.61
<b>Liabilities</b>					
Other restructuring debt					
Secured debt	1 664	1 683	-19		
Long-term partitioning debt	575	581	-6		
Short-term partitioning debt	117	173	-56		
Other restructuring debt	30	46	-16		
Total	2 386	2 483	-97	78.91	76.89
<b>Long-term</b>					
Loans from financial institutions	137	141	-4		
Pension loans	121	131	-10		
Other long-term liabilities	1	1	0		
Total	259	273	-14	8.55	8.45
<b>Short-term</b>					
Loans from financial institutions	0	0	0		
Trade payables	2	2	0		
Advances received	264	145	119		
Accrued liabilities and prepaid income	193	384	-191		
Other current liabilities	60	52	8		
Total	519	583	-64	17.17	18.05
<b>Total liabilities</b>	<b>3 164</b>	<b>3 339</b>	<b>-175</b>	<b>104.63</b>	<b>103.39</b>
<b>Total shareholders' equity and liabilities</b>	<b>3 023</b>	<b>3 230</b>	<b>-207</b>	<b>100.00</b>	<b>100.00</b>

## TRADEKA CORPORATION

## Consolidated Statement of Sources and Application of Funds 1 January to 31 December 1995

	FIM million	
	1995	1994
<b>BUSINESS OPERATIONS:</b>		
Operating profit before depreciation	375	254
Financial income and costs	-17	-107
Extraordinary items	14	-25
Taxes	-4	-2
Funds from operations	368	120
./. Increase in current assets	-5	58
./. Increase in current receivables	60	894
+ Increase in current interest-free liabilities	-64	-809
Change in working capital	-9	143
<b>Cash flow from business operations</b>	<b>359</b>	<b>263</b>
<b>INVESTMENTS:</b>		
Fixed assets	-100	-111
Revenue from sales of fixed assets	7	17
Net investments	-93	-94
<b>Cash flow before financing</b>	<b>266</b>	<b>169</b>
<b>FINANCING:</b>		
./. Increase in long-term receivables	0	0
+ Increase in long-term liabilities	0	88
./. Decrease in long-term liabilities	-124	-159
+ Increase in current liabilities	0	0
+ Increase in minority interest	2	0
+ Increase in share capital	0	0
Cash flow from financing	-122	-71
<b>Increase in liquid funds according to the statement</b>	<b>144</b>	<b>98</b>
The impact of the change in the consolidated corporate structure	0	-304
<b>Increase of liquid funds on the balance sheet (+)</b>	<b>144</b>	<b>-206</b>

## Notes to the Consolidated Statement of Income

NET TURNOVER	FIM million		
	1995	1994	95/94
Retail trade	4 545	4 441	104
Restaurant operations	727	699	28
Hotel operations	204	179	25
Other net turnover	58	45	13
Total	5 534	5 364	170

The share of international operations of total net turnover was insignificant (FIM 89 million).

### OTHER INCOME FROM OPERATIONS AND RENTAL COSTS

Other income from operations totalled FIM 113 million (FIM 117 million in 1994) which mainly comprised FIM 101 million worth of rental income while the trade profit was FIM 12 million.

### VARIABLE COSTS

The FIM 20 million share of the results, represented by the 50 % ownership in Inex-Partners Group, decreases the variable costs. The aforementioned 1994 share (FIM 13 million) was included in other income from operations from which it in the comparable information has been transferred to decrease variable costs.

PERSONNEL COSTS	FIM million		
	1995	1994	95/94
Wages and salaries	586	573	13
Pension costs	98	116	-18
Other personnel costs	85	90	-5
Total	769	779	-10

The total value of fringe benefits comparable to remuneration was FIM 3 million in 1995 (FIM 4 million in 1994).

The retirement age of Cooperative Tradeka Corporation's, Tradeka Oy's and Restel Oy's management under the corporate pension scheme is 60 years.

Monthly remuneration and meeting fees to members of the parent Cooperative's Supervisory Board and to members of the subsidiaries' Boards of Directors, as well as remuneration and benefits paid to the Corporation's and subsidiaries' Presidents totalled FIM 4 million (FIM 3 million in 1994).

Other salaries and wages subject to withholding of advance tax totalled FIM 586 million.

The total corporate personnel expressed in full-time employments averaged 5,090 in 1995 (5,150 in 1994).

### Depreciation

Planned depreciation is calculated on a straight line basis over the expected useful lives of fixed assets using the historical cost method. The periods of depreciation are basically identical with those of the parent Cooperative, although individual companies are permitted to make the necessary adjustments.

Planned depreciation	FIN million		
	1995	1994	95/94
Establishment and structural costs	0		0
Immaterial rights	1	8	-7
Other long-term costs	22	24	-2
Buildings and plants	34	30	4
Machinery and equipment	68	73	-5
Other tangible assets	2	3	-1
Goodwill	2	13	-11
Total	129	151	-22

The reduced total depreciation was attributable to the non-recurring depreciation on equipment and long-term costs and also goodwill booked for the parent Cooperative and Restel Oy in the previous year.

### FINANCIAL INCOME AND COSTS

Financial income	FIM million		
	1995	1994	95/94
Dividends	1	0	1
Interest income	32	29	3
Share of associated companies' result	2	0	2
Other financial income	2	2	0
Total	37	31	6
Financial costs			
Interest costs	-29	-124	95
Exchange rate losses	0	-12	12
Other financial costs	-14	-15	1
Share of associated companies' results	-2	-4	2
Financial costs	-45	-155	110
Net financial income and costs	-8	-124	116

Consolidated financial income and especially financing costs are to a large extent attributable to the parent Cooperative (see comments in a note, page 35).

Of all the associated companies, only the share of the results of the Inex-Partners Group decreases the variable costs. The impact of the results of other associated companies is stated in the financial income and costs.

### Extraordinary income and costs

Included in the extraordinary costs are the additional reductions in restructuring debts (FIM 5 million), while other extraordinary income (FIM 9 million) is mainly attributable to the parent Cooperative (see comments in a note, page 36). The total of extraordinary costs were FIM 11 million which, among other things, were due to the changes in the corporate structure.



**TRADEKA CORPORATION**  
**Notes to the Consolidated Balance Sheet**

CONSOLIDATED GOODWILL	FIM million		
	1995	1994	95/94
Acquisition cost 1 Jan	24	625	-601
Increases 1 Jan to 31 Dec	0	0	0
Decreases 1 Jan to 31 Dec	0	-601	601
Acquisition cost 31 Dec	24	24	0
Accumulated planned depreciation	-23	-22	-1
Book value 31 Dec	1	2	-1

INTANGIBLE ASSETS	FIM million		
	1995	1994	95/94
Establishment and structural costs			
Acquisition cost 1 Jan	22	33	-11
Increases 1 Jan to 31 Dec	2	0	2
Decreases 1 Jan to 31 Dec	-22	-11	-11
Acquisition cost 31 Dec	2	22	-20
Accumulated planned depreciation	-0	-22	22
Book value 31 Dec	2	0	2

**Immaterial rights**

Acquisition cost 1 Jan	14	14	0
Increases 1 Jan to 31 Dec	0	0	0
Decreases 1 Jan to 31 Dec	-1	0	-1
Acquisition cost 31 Dec	13	14	-1
Accumulated planned depreciation	-2	-2	0
Book value 31 Dec	11	12	-1

Intangible assets mainly include association fees in various real estate companies.

**Other long-term costs**

Acquisition cost 1 Jan	473	534	-61
Increases 1 Jan to 31 Dec	21	16	5
Decreases 1 Jan to 31 Dec	-97	-53	-44
Depreciation in extraordinary costs	0	-24	24
Acquisition cost 31 Dec	397	473	-76
Accumulated planned depreciation	-270	-342	72
Book value 31 Dec	127	131	-85

**TANGIBLE ASSETS**

Land	FIM million		
	1995	1994	95/94
Acquisition cost 1 Jan	191	136	55
Increases 1 Jan to 31 Dec	0	74	-74
Decreases 1 Jan to 31 Dec	-17	-19	2
Acquisition cost 31 Dec	174	191	-17
Value appreciation 1 Jan	161	249	-88
Increases 1 Jan to 31 Dec	0	33	-33
Decreases 1 Jan to 31 Dec	-57	-121	64
Value appreciation 31 Dec	104	161	-57
Book value 31 Dec	278	352	-74

Buildings and plants	FIM million		
	1995	1994	95/94
Acquisition cost 1 Jan	981	840	141
Increases 1 Jan to 31 Dec	26	166	-140
Decreases 1 Jan to 31 Dec	-9	-25	16
Acquisition cost 31 Dec	998	981	17
Accumulated planned depreciation	-134	-100	30
Residual acquisition cost 31 Dec	864	881	-17
Value appreciation 1 Jan	252	155	97
Increases 1 Jan to 31 Dec	0	135	-135
Decreases 1 Jan to 31 Dec	-174	-38	-136
Value appreciation 31 Dec	78	252	-174
Book value 31 Dec	942	1 133	-191

Accumulated difference between total and planned depreciation 1 Jan	1	1	
Increase in depreciation difference	8	-0	
Accumulated difference 31 Dec	9	1	

**Equipment**

Acquisition cost 1 Jan	511	559	-48
Increases 1 Jan to 31 Dec	52	39	13
Decreases 1 Jan to 31 Dec	-67	-87	20
Acquisition cost 31 Dec	496	511	-15
Accumulated planned depreciation	-261	-266	5
Book value 31 Dec	235	245	-10

Accumulated difference between total and planned depreciation 1 Jan	0	0	
Increase in depreciation difference	7	0	
Accumulated difference 31 Dec	7	0	

**Other tangible assets**

Acquisition cost 1 Jan	36	37	-1
Increases 1 Jan to 31 Dec	1	0	1
Decreases 1 Jan to 31 Dec	-4	-1	-3
Acquisition cost 31 Dec	33	36	-3
Accumulated planned depreciation	-17	-17	0
Book value 31 Dec	16	19	-3

**INVESTMENT IN FIXED ASSETS**

	FIM million		
	1995	1994	95/94
Intangible assets	2	16	-14
Long-term costs	21	0	21
Land	0	13	-13
Buildings	8	6	2
Equipment	52	39	13
Other tangible assets	1	0	1
Work in progress	17	1	16
Other shares and holdings	0	36	-36
Total	100	111	-11

The parent Cooperative's investment in fixed assets, excluding subsidiaries' shares, totalled FIM 10 million Tradeka's FIM 65 million and Restel's FIM 23 million. The remaining investments were mainly in real estate companies.

TAXABLE VALUES	FIM million		
	1995	1994	95/94
Real properties	934	853	81
Shares and holdings	210	212	-2
Total	1 144	1 065	79

When no approved taxable value has been available, the book value has been used.

CHANGES IN SHAREHOLDERS' EQUITY	FIM million			
	1.1.95	+	-	31.12.95
Restricted equity				
Share capital	53	0		53
Reserve fund	90			90
Valuation fund	474		-260	214
Non-restricted equity				
Loss from previous years	-1 899			-1 899
Profit for the year		217		217
Total	-1 282	217	-260	-1 325

During 1994, real estate companies transferred FIM 12 million from the non-restricted equity into construction funds and, in addition, a capital item of FIM 50 million, previously stated under non-restricted equity, was transferred to restricted equity. In the 1994 consolidated financial statement, eliminations were allocated to the non-restricted equity without correcting acquisition cost calculations, and therefore FIM 56 million was eliminated in excess from the non-restricted equity and the same amount was not eliminated from restricted equity. In connection with the preparation of the 1995 consolidated financial statement, the allocations that also concern the previous year were corrected.

	FIM million		
	31.12.94	Correction	1.1.95
Restricted equity			
Reserve fund	146	-56	90
Non-restricted equity			
Loss from previous years	-1 955	56	-1 899
Total	-1 809	0	-1 809

VALUATION ITEMS UNDER FIXED ASSETS	FIM million			
	1.1.1995	+	-	31.12.95
Land	161	0	-57	104
Buildings	252	0	-174	78
Shares and holdings	61	0	-29	32
Total	474	0	-260	214

Changes in the revaluation relating to the incorporation of Tradeka occurred in the parent Cooperative.

## PROVISIONS

In the parent Cooperative, statutory reserves were made mainly relating to the factors of uncertainty involved in the restructuring programme (see also page 37).

Voluntary provisions included reservations in the housing assets of real estate subsidiaries, a credit loss reserve in Suomen Tilirahoitus Oy and transition reserves. The tax liability corresponding to voluntary reserves was FIM 3 million.

Increase in depreciation difference accumulated in Tradeka Oy.

**LONG-TERM LIABILITIES AND AMORTIZATIONS** FIM million

	Loan 31 Dec 1995	amortizations 1997- 1996	2000	2001-
Stabilized debt:				
Stabilized restructuring debt	1 078			1 078
Other stabilized debt	20			20
<b>Total</b>				
stabilized debt	1 098	0	0	1 098
Other restructuring debt	2 386	-173	-686	1 527
Loans from financial institutions	137	-6	-112	19
Pension loans	121	-6	-27	88
Other long-term liabilities	1	0	-1	0
<b>Total</b>	<b>3 743</b>	<b>-185</b>	<b>-826</b>	<b>2 732</b>

The Corporation's long-term liabilities are primarily in the parent Cooperative (FIM 3,557 million; see also the similar comments of the parent Cooperative, page 38). On the basis of countersecurity liability, Restel Oy amortises the stabilised pension loans of the parent Cooperative, resulting in a partial elimination of the stabilised loans of the parent Cooperative from the consolidated financial statement.

In addition to the parent Cooperative's liabilities, the liabilities also include stabilized external liabilities to the Restel Group (FIM 20 million).

**CONTINGENT LIABILITIES 31 DEC** FIM million

	1995	1994	95/94
Mortgages pledged in security for debt:			
for own debt	2 205	2 187	18
on behalf of others	108	113	-5
<b>Total</b>	<b>2 313</b>	<b>2 300</b>	<b>13</b>
Pledges:			
securities for own debt	761	833	-72
receivables for own debt	778	834	-56
on behalf of others	0	0	0
<b>Total</b>	<b>1 539</b>	<b>1 667</b>	<b>-128</b>
Guarantees:			
for own debt	55	30	25
on behalf of others	151	188	-37
<b>Total</b>	<b>206</b>	<b>218</b>	<b>-12</b>
Other liabilities			
parent's liabilities for interest on stabilized loans	37	6	31
leasing liabilities	14	8	6
<b>Total</b>	<b>51</b>	<b>14</b>	<b>37</b>
<b>Total contingent liabilities</b>	<b>4 109</b>	<b>4 199</b>	<b>-90</b>

The interest liability relating to the stabilised loan, in accordance with the restructuring programme, was FIM 36 million (FIM 6 million in 1994) and the interest liability relating to stabilised pension loans was FIM 1 million.

**PENSION LIABILITY** FIM million

	1995	1994	95/94
Share of Tradeka Corporation's group companies of the non-covered pension liability of Eläkekassa Tuki	1	1	0
Liability for current voluntary pensions granted by group companies	0	1	-1
<b>Total</b>	<b>1</b>	<b>2</b>	<b>-1</b>

As required by the restructuring program, the parent company has booked the non-covered pension liability of Eläkekassa Tuki as costs and debt. Also the voluntary pension liabilities granted by Tradeka Corporation were credited and charged in 1994 as costs and restructuring debt.

Based on their shareholder and guarantee undertakings, Tradeka Corporation's group companies have an adhesion liability for Eläkekassa Tuki's uncovered pension liability.

# Principles of Consolidation

## SCOPE OF CONSOLIDATION AND COMPARABILITY

The parent company is Cooperative Tradeka Corporation (formerly known as Cooperative Eka Corporation, the change of name was registered on 11 October 1995).

Consolidated subsidiaries included in the consolidated financial statement are listed in notes, pages 27 - 28, and associated companies in a note on the page 29.

All the subsidiaries and associated companies are included in the consolidated financial statement with exception of those marked with (\*) in the notes.

The financial statement of Kontio-yhtymä ko-yh Oy has not been combined with the consolidated financial statement due to lack of real control of the consolidated corporation. The ownership of the American CG America Corporation Group was transferred to Kontio-yhtymä at the end of 1994. CGAC was previously owned by Kansa International Corporation Ltd. Under agreements made in conjunction with the sale, the bankruptcy estate of KIC retained real control of Kontio-yhtymä. The Tradeka Corporation, as the sole shareholder in the Kontio-yhtymä is obligated to exercise its vote in the decision-making bodies of Kontio-yhtymä according to the will of the bankruptcy estate of KIC. The purpose of this is to ensure the controlled sale of CGAC and to safeguard the interests of the creditors of KIC.

Other subsidiaries and associated companies excluded from the consolidated financial statement are non-operative, or obtained in 1995, or housing and real estate companies, and they do not have a significant effect

on the consolidated non-restricted equity.

The changes in the consolidated corporate structure have been listed in a note, page 26. Fundamentally, the changes are internal incorporation arrangements of the consolidated corporation that especially affect the comparability of the financial statement of the parent Cooperative to that of the previous year.

The business operations of the consolidated corporation are comparable to those of the previous year. As a result of the incorporation of Tradeka Oy, the valuation of its fixed assets does, however, substantially deviate from past; book values that are more descriptive than the current values have, due to internal trade, released FIM 260 million worth of revaluations. In addition, the consolidated balance sheet values of land, construction, and securities transferred to Tradeka Oy correspond to the original acquisition costs and accrued expenses in question.

## CALCULATION PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statement is based on the historical cost method. To a large extent, the subsidiaries have been established by the Corporation. The prices paid for subsidiaries exceeding their own shareholders' equity are primarily stated in the fixed assets, otherwise they are stated as consolidated goodwill. By 31 December 1995, the items credited or charged in land areas were FIM 19 million, and in construction FIM 92 million. The items credited or charged to construction will be depreciated in accordance with appropriate fixed asset item and items stated as consolidated goodwill according to a 10 % straight-line depreciation.

## INTERNAL BUSINESS TRANSACTIONS AND MARGINS

The internal business transactions between the group companies, internal receivables and payables as well as

internal distribution of profits, non-realised margins and sales profits, have been eliminated.

In the 1995 consolidated financial statement, internal margins in the sum of FIM 594 million (FIM 323 million in 1994) were eliminated. Relating to the incorporation of Tradeka Oy, the parent Cooperative booked a FIM 296 million internal profit of assignment. As a result of the depreciations made by Tradeka Oy, FIM 6 million were realised from the margins in question and therefore the non-realised margins related to Tradeka Oy in the consolidated financial statement are FIM 290 million. The sum of the remaining margins to be eliminated in respect to the incorporation of Restel Oy, which occurred at the end of 1990, is FIM 132 million (FIM 142 million in 1994), and remaining from the internal real estate trade made with the companies of RK-Reaktia Group in 1988 is FIM 161 million (FIM 167 million in 1994). Other margins originating from internal real estate trade amounted to FIM 11 million (FIM 14 million in 1994).

## FOREIGN SUBSIDIARIES

Foreign subsidiaries' financial statement values have been converted to Finnish markka by using the average exchange rate of the Bank of Finland at the closing date. The exchange rate differences resulting from the consolidation of foreign subsidiaries are credited or charged to the income statement.

## ASSOCIATED COMPANIES

The associated companies have been combined by using the equity method. The share corresponding to the Corporation's holdings of the associated companies' financial period results is stated in the financial items with the exception of Inex-Partner Group's results which decrease the variable costs.

# Changes in Corporate Structure

## MANDATORY RESTRUCTURING

The restructuring of the Cooperative Tradeka Corporation involved a transfer of the shareholdings of Suomen Tilirahoitus Oy, A/O Tradeka-Moskova, A/O Renlund Spb and Renlund Tallinn as well as of 15 real estate subsidiaries and 37 real estate cooperatives from the Cooperative to Tradeka Oy through an assignment of non-cash issue signed on 21 December 1995.

## ESTABLISHMENT OF NEW COMPANIES

The business operations of Cumulus Oy and Restel Ravintolat Oy, which were incorporated by Restel Oy at the turn of 1994-1995, began on 1 January 1995.

At the end of 1995, the equally owned associated companies of Ketjuetu Oy T & E and Palveluetu Oy T & E were established for the cooperation with Osuusliike Elanto. The business operations began on 1 January 1996.

## COMPANY ACQUISITIONS

In the spring of 1995, Tradeka Oy bought 42 % of the ownership of Kiinteistö Oy Noljakan Liikekeskus situated in Joensuu. In addition, through internal transaction, Tradeka Oy bought the entire shareholdings of the Kiinteistö Oy Forssan Yhtiökadun Leipomokiinteistö of from RK-Reaktia Oy on 22 September 1995.

## DIVESTITURES

At the beginning of 1995, the Cooperative Tradeka Corporation sold its ownership in A/O Renlund-Moskova to a Russian minority shareholder. In addition, during the year the corporation sold its shareholdings in four real estate subsidiaries - Koy Metsäkumuntie 24, Koy Raahen Kauppaporvari, Koy Kolmisopentie 3 and the Kangasalan Palvelukeskus Koy - to domestic investors.

## MERGERS

The merger of Työterveyspalvelu Oy Avit into the Cooperative Tradeka Corporation was entered into the trade register on 31 October 1995 and the merger of Tietorengas Oy on 29 November 1995. Prior to the latter, Lintulahden Kiinteistöpalvelu Oy and Tivir Oy were merged into Tietorengas Oy (both entered into the trade register on 15 November 1995).

Currently, the merger of Autopieli Oy and Kiinteistö Oy Somertammi into the parent Cooperative is pending.

## DISSOLUTIONS

During the year, the liquidation of the following non-operational companies expired and the companies were dissolved: Tilaintensiivi Oy and Tilavisio Oy (both entered into the trade register on 18 January 1995) as well as Osuuskunta Fuel (5 April 1995).

## Subsidiaries at 31 December 1995

	Corporation's share		Shares owned by Cooperative Tradeka Corporation				Subsidiary's result for the year*** FIM '000
	%	of s.e.** FIM '000	%	shareholding no. of shares	nominal value FIM '000	book value FIM '000	
<b>Operative companies</b>							
Tradeka Group Oy	100	15	100	15	15	15	16
Tradeka Oy	100	286 115	100	4 000	4 000	286 115	120
-Suomen Tilirahoitus Oy	70	15 688					4 105
- A/O Tradeka Moskova	100	8 946					42
- A/O Renlund Spb	100	4 936					588
- A/S Renlund-Tallinn	100	1 146					-262
- Ki Oy Forssan Yhtiökadun Leipomoki	100	-2 554					14
- Kolmenkeikka Ki Oy	55	132					0
- Kotkan Kirkkokatu Ki Oy	100	9 209					-0
- Muotialantie As Oy	58	64					15
- Mäntyharjun Torinkulma Oy	71	1 153					25
- Oulun Eka Ki Oy	100	7 878					0
- Peimarin Puoti Oy	84	42					-9
- Peltosaaren Liikekeskus	86	347					-8
- Pihlavan Palvelukeskus Ki Oy	87	394					11
- Pykälikkö Ki Oy	56	1 640					-9
- Sallan Kauppakeskus Oy	60	1 230					-0
- Salon Vanamopolku Ki Oy	100	2 199					-0
- Sodankylän Sompiontie 6 Ki Oy	64	4 053					-0
- Tampereen Eka Ki Oy	100	18 200					-0
- Tenavan Ostoskeskus Oy	92	125					-0
- Tesomankeskus Ki Oy	57	79					16
Restel Oy	100	-220 540	100	166 700	3 334	105 000	111 522
- Restel Ravintolat Oy	100	502					-40
- Cumulus Oy	100	506					-276
- Rantasipi Oy	100	679					995
- Ki Oy Koppelokuja 9 A	100	1 961					-3
- Ki Oy Keskusväylä Oy	54	4 051					-66
- Nastolan Liikekeskus Oy	58	332					-2
- Ahjola Oy	100	148					14
- Juhlakokit Oy	100	234					-15
- Middle Beers Oy	100	21					-13
Lintulahti-konserni	100	-202 748	100	5 000	5 000	2 244	460
RK-Reaktia-konserni	100	-143 523	100	2 000	2 000	2 024	7 603
* Kontio-yhtymä ko-yh Oy	100	"	100	3	15	15	"
<b>* 33 real estate subsidiaries</b>	<b>75</b>	<b>17 535</b>	<b>58</b>	<b>484 233</b>	<b>10 314</b>	<b>57 431</b>	<b>551</b>
<b>Other companies, non-operative</b>							
Autopieli Oy	100	-21	100	25	25	0	-3
* E-myymälät ja tavaratalot Oy	100	0	67	4	0	0	0
* Paraisten Centrum	100	0	100	5	5	0	0
Savonjuoma Oy	100	16	100	100	10	5	0
Tirkkosen Seuraajat Oy	100	42	100	8 371	42	29	0
* Vähittäiskauppatut Oy	100	0	100	30	15	15	0
* Yhteistukku Oy	67	0	67	2	0	0	0
		-179 771		670 488	82 351	452 894	125 392

\* not included in consolidated financial statements

\*\* of shareholder's equity

\*\*\* result = profit/loss



## Real estate subsidiaries at 31 December 1995

	Corporation's share		Shares owned by Cooperative Tradeka Corporation				Subsidiary's result for the year*** FIM ,000
	%	of s.e.** FIM '000	shareholding %	no. of shares	nominal value FIM '000	book value FIM '000	
<b>Real estate subsidiaries</b>							
Espeen Alokastie 5 As Oy	100	-807	100	604	15	15	-0
Hakatornit Oy	58	699	58	629	629	3 329	1
Hämeenlinnan Brahenkatu 33 Ki Oy	100	825	100	996	100	1 214	10
Haminan Kiinteistö Oy	100	5	100	10	5	10	0
Helsingin Hämeentie 17 As Oy	100	-13 029	100	10 000	1 220	1 220	0
Huoltotammi Oy	98	139	98	5 894	59	60	2
H:linnan Hämeensaarentie 5 Ki Oy	100	1 543	100	996	100	3 717	-35
Iisalmen Satamakatu 8 Ki Oy	100	1 224	100	50	50	6 026	7
Joensuun Tavaratalo Ki Oy	100	1 467	100	200	2 000	2 514	1
Joensuun Teollisuus-Kansa Ki Oy	100	1 051	100	96	96	900	13
Jokitammi Ki Oy	100	1 917	100	390 000	1 950	1 950	0
Kansankulma Oy	97	661	97	253	255	250	-38
Karkkilan Koulukatu 10	88	-257	59	5 920	178	203	95
Kemin Keskuspuistok.	100	5 364	100	50	50	16 548	0
Kempeleen Ostoskeskus Oy	67	197	67	448	90	454	5
Keuruun Pihlajavedentie 2	100	-449	100	1 000	20	20	53
Kuopion Kiwikartano Ki Oy	61	13 697	23	12 257	1 893	1 870	-0
Kvarnbacka Ki Oy	100	-2 181	100	100	200	216	-0
Lahden Hämeenkatu 24 As Oy	100	105	100	5 087	102	102	0
Mäntän Seppälänpuistotie 7 Ki Oy	100	3 539	100	50	50	7 896	0
Merihaan Rantakuja Ki Oy	100	-84	100	2 000	2	3	-0
Outokummun Kiisukatu 17	100	3 291	100	50	50	2 908	86
Piispankylän Mestaritie Ki Oy	100	-3 056	100	15 000	15	44	0
Porokoan Lomakylä Oy	100	-486	100	15 200	15	15	18
Savonlinnan Palvelupiste Oy	100	93	100	40	40	112	9
Skutnäsinkatu 18 Ki Oy	53	64	53	185	4	112	-3
Somertammi Ki Oy	83	71	83	50	25	25	25
Suolahden Asemakatu 7 Ki Oy	100	-8 270	81	8 144	163	163	175
Torkkelinkulma Oy	100	109	100	100	100	100	-0
Tourulan Liikekeskus Ki Oy	50	5 797	50	7 508	676	1 438	-0
Turun Kärsämäentie 8 Ki Oy	100	3 266	100	996	100	3 092	-45
Voima Ki Oy	65	677	62	195	20	823	142
Ylä-Voima Talo Oy	100	335	80	125	100	81	33
	75	17 535	58	484 233	10 314	57 431	551

\* not included in consolidated financial statements

\*\* of shareholder's equity

\*\*\* result = profit/loss

## Associated companies at 31 December 1995

	Corporation's share		Share owned by Cooperative Tradeka Corporation				Subsidiary's result for the year*** FIM '000
	%	of s.e.** FIM '000	%	no. of shares	nominal value FIM '000	book value FIM '000	
Inex-Partners	50	46 903	50	40 000	40 000	67 000	31 846
Suomen Yrityskehitys Syke	25	1 118	25	5 250	5 250	1 068	-65
Kirjakanava Oy	34	907	34	193	1 930	1 938	-512
Finn-Match Oy	33	2 175	33	5	500	500	4 985
Kantava Oy	37	821	37	146 997	14 700	2 227	-3 525
<b>Real estate company's associated real estate companies</b>							
Hotelli Turku Ki Oy	50	25 000	50	2 967	297	35 000	-0
* Juankosken Pankkitalo Oy	35	1 153	35	3 536	18	700	"
* Kasperin Liiketalo Oy	50	51	50	50	25	20	"
* Kauppalantie 22 As Oy	21	142	21	28	1	900	"
Kevätkatu 1 Ki Oy	49	194	49	2 450	245	245	0
Lapinmaan Ki Oy	50	2 306	50	30	30	868	0
* Mandinkulma Ki Oy	24	319	24	1 454	291	1 968	"
Munkkiniemenranta 31 Ki Oy	30	6 464	30	417	0	313	45
Orimatti Oy	29	332	29	735	7	8	36
Salaistentie 4 As Oy	29	179	29	1 848	185	185	-2
Sompasaaren Tukoeka Ki Oy	34	5 164	34	38	570	1 642	-412
Sompasaaren Tuoretuotevar. Ki Oy	33	7	33	546	5	5	2
Untuvaisentie As Oy	20	4 548	20	1 088	736	3 721	15
<b>1 Number of Tradeka Oy's associated real estate companies</b>	<b>38</b>	<b>27 038</b>					<b>293</b>
<b>1 Number of Restel Oy's associated real estate companies</b>	<b>11</b>						<b>-53</b>
<b>Total associated companies</b>				<b>207 632</b>	<b>64 789</b>	<b>118 308</b>	<b>32 653</b>

\* not included in consolidated financial statements

\*\* of shareholder's equity

\*\*\* result = profit/loss

1 not included associated companies of the subsidiaries

**Cooperative  
Tradeka Corporation  
Financial Statements  
31 December 1995**

## COOPERATIVE TRADEKA CORPORATION

**Statement of Income 1 January to 31 December 1995**

	FIM million		
	1995	1994	-95/-94
<b>Net turnover</b>	<b>7</b>	<b>4 403</b>	<b>-4 396</b>
<b>Other income from operations</b>	<b>130</b>	<b>105</b>	<b>25</b>
Variable costs:			
Materials and supplies:			
Purchases during the year	0	-3 513	3 513
Reduction in inventories	-1	-30	29
Total	-1	-3 543	3 542
<b>Gross margin</b>	<b>136</b>	<b>965</b>	<b>-829</b>
Fixed costs:			
Personnel costs	-9	-474	465
Rents	-78	-176	98
Other costs	-39	-240	201
Total	-126	-890	764
<b>Operating profit before depreciation</b>	<b>10</b>	<b>75</b>	<b>-65</b>
Depreciation on fixed assets and other long-term costs	-17	-70	53
<b>Operational deficit</b>	<b>-7</b>	<b>5</b>	<b>-12</b>
Financial income and costs:			
Financial income	132	117	15
Financial costs	-21	-134	113
Total	111	-17	128
<b>Surplus before extraordinary items, appropriations and taxes</b>	<b>104</b>	<b>-12</b>	<b>116</b>
Extraordinary income and costs:			
Extraordinary income	341	1 960	-1 619
Extraordinary costs	-0	-1 300	1 300
Total	341	660	-319
<b>Surplus before appropriations and taxes</b>	<b>445</b>	<b>648</b>	<b>-203</b>
Direct taxes	1	-1	2
<b>SURPLUS FOR THE YEAR</b>	<b>446</b>	<b>647</b>	<b>-201</b>

COOPERATIVE TRADEKA CORPORATION  
**Balance Sheet at 31 December 1995**

ASSETS	FIM million			% of Balance Sheet	
	1995	1994	-95/-94	1995	1994
<b>Fixed assets and other long-term investments</b>					
Intangible assets					
Immaterial rights	3	6	-3		
Other long-term costs	0	0	0		
Total	3	6	-3	0.11	0.18
Tangible assets					
Land and water	129	199	-70		
Buildings and plants	322	657	-335		
Machinery and equipment	0	147	-147		
Other tangible assets	1	3	-2		
Advance payments and work in progress	5	9	-4		
Total	458	1 015	-557	14.79	31.46
Fixed assets and other long-term costs					
Shares in subsidiaries	453	619	-166		
Shares in associated companies	118	173	-55		
Other shares and holdings	26	48	-22		
Loans receivable	1 611	1 064	547		
Total	2 208	1 904	304	71.35	59.01
<b>Total fixed assets</b>	<b>2 669</b>	<b>2 925</b>	<b>-256</b>	<b>86.25</b>	<b>90.65</b>
<b>Current and liquid assets</b>					
Current assets					
Financial assets	2	3	-1	0.06	0.08
Receivables					
Accounts receivable	7	5	2		
Loans receivable	169	6	163		
Prepaid liabilities and accrued income	67	62	5		
Other receivables	0		0		
Total	243	73	170	7.85	2.25
Cash at hand and in bank	180	226	-46	5.84	7.02
<b>Total current and liquid assets</b>	<b>425</b>	<b>302</b>	<b>123</b>	<b>13.75</b>	<b>9.35</b>
<b>Total assets</b>	<b>3 094</b>	<b>3 227</b>	<b>-133</b>	<b>100.00</b>	<b>100.00</b>

COOPERATIVE TRADEKA CORPORATION

## Balance Sheet at 31 December 1995

SHAREHOLDERS' EQUITY AND LIABILITIES	FIM million			% of Balance Sheet	
	1995	1994	-95/-94	1995	1994
<b>Shareholders, equity</b>					
Restricted equity					
Share capital	53	53	0		
Reserve fund	79	79	0		
Revaluation fund	213	496	-283		
Total	345	628	-283	11.16	19.48
Non-restricted equity					
Loss from previous years	-1 307	-1 954	647		
Profit for the year	446	647	-201		
Total	-861	-1 307	446	-27.84	-40.51
<b>Total shareholders' equity</b>	<b>-516</b>	<b>-679</b>	<b>163</b>	<b>-16.68</b>	<b>-21.03</b>
<b>Stabilized liabilities</b>					
Stabilized pension loans	244	244	0		
Equity loan	233	234	-1		
Interest-free equity loan	606	611	-5		
<b>Total stabilized liabilities</b>	<b>1 083</b>	<b>1 089</b>	<b>-6</b>	<b>35.01</b>	<b>33.76</b>
<b>Reserves</b>					
Statutory reserves	20	17	3	0.65	0.51
<b>Liabilities</b>					
Other restructuring debt					
Secured debt	1 664	1 683	-19		
Long-term partitioning debt	575	581	-6		
Short-term partitioning debt	117	174	-57		
Other restructuring debt	30	46	-16		
Total	2 386	2 484	-98	77.10	76.96
Long-term					
Loans from financial institutions	88	88	0	2.84	2.73
Short-term					
Advances received	0	0	0		
Accounts payable	6	6	0		
Prepaid income and accrued liabilities	24	148	-124		
Other current liabilities	3	74	-71		
Total	33	228	-195	1.08	7.07
<b>Total liabilities</b>	<b>2 507</b>	<b>2 800</b>	<b>-293</b>	<b>81.02</b>	<b>86.78</b>
<b>Total shareholders' equity and liabilities</b>	<b>3 094</b>	<b>3 227</b>	<b>-133</b>	<b>100.00</b>	<b>100.00</b>

COOPERATIVE TRADEKA CORPORATION  
**Statement of Sources and Application of Funds**  
**1 January to 31 December 1995**

	FIM million	
	1995	1994
<b>BUSINESS OPERATIONS:</b>		
Operating profit before depreciation	10	75
Financial income and costs	102	-7
Extraordinary items	57	24
Taxes	1	-1
<b>Funds from operations</b>	<b>170</b>	<b>91</b>
./ Increase in current assets	1	323
./ Increase in current receivables	-170	169
+ Increase in current interest-free liabilities	-195	-389
<b>Change in working capital</b>	<b>-364</b>	<b>103</b>
<b>Cash flow from business operations</b>	<b>-194</b>	<b>194</b>
<b>INVESTMENTS:</b>		
Fixed assets	-11	-377
Revenue from sales of fixed assets	810	66
<b>Net investments</b>	<b>799</b>	<b>-311</b>
<b>Cash flow before financing</b>	<b>605</b>	<b>-117</b>
<b>FINANCING:</b>		
./ Increase in long-term receivables	-547	-15
+ Increase in long-term liabilities	0	88
./ Decrease in long-term liabilities	-104	-145
+ Increase in current liabilities	0	0
+ Increase in share capital	0	0
<b>Cash flow from financing</b>	<b>-651</b>	<b>-72</b>
<b>Increase of liquid funds on the balance sheet (+)</b>	<b>-46</b>	<b>-189</b>

# COOPERATIVE TRADEKA CORPORATION

## Notes to the Statement of Income

### NET TURNOVER

Net turnover consisted of FIM 7 million worth of services charged by the management.

Other income from operations includes rental income of FIM 118 million (FIM 96 million in 1994) and profits of FIM 12 million (FIM 9 million) on acquisitions and sales of assets.

PERSONNEL COSTS	FIM million		
	1995	1994	95/94
Wages and salaries	6	350	-344
Pension costs	2	72	-70
Other personnel costs	1	52	-51
Total	9	474	-465

The total value of fringe benefits comparable to remuneration was FIM 0,3 million in 1995.

Monthly remuneration and meeting fees to members of the Supervisory Board and the Board of Directors, as well as remuneration and benefits paid to the Corporation's and subsidiaries Presidents totalled FIM 2 million (FIM 2 million).

Other salaries and wages subject to withholding of advance tax totalled FIM 6 million (FIM 353 million).

Cooperative Tradeka Corporation's total personnel expressed in full-time employments averaged 17 in 1995 (3,183 in 1994).

### DEPRECIATION

Planned depreciation is calculated on a straight line basis over the expected useful lives of fixed assets using the historical cost method. The periods of planned depreciation are:

Intangible assets	5-10 yrs
Buildings and plants	40/30/20 yrs
Machinery and equipment	7 yrs

PLANNED DEPRECIATION	FIM million		
	1995	1994	95/94
Intangible assets	0	13	-13
Buildings and plants	17	17	0
Machinery and equipment	0	39	-39
Other tangible assets	0	1	-1
Total	17	70	-53

The reduced total depreciation was mainly attributable to the incorporation of Tradeka Oy. Since buildings were conveyed to Tradeka Oy at the end of 1995, planned depreciation for their part has been booked for the Cooperative.

FINANCIAL INCOME AND COSTS	FIM million		
	1995	1994	95/94
Financial income			
Dividends	1	0	1
Interest income			
from subsidiaries	73	85	-12
Interest income from others	13	31	-18
Exchange rate gains	1	1	0
Other financial income			
from subsidiaries	44		44
Total financial income	132	117	15

Financial costs	FIM million		
	1995	1994	95/94
Interest costs			
Secured debt	-17	-141	124
Other restructuring debt	0	52	-52
Other costs	-7	-8	1
Interest reserve	9	-16	25
Total financial costs	-15	-113	98
Exchange rate losses			
and forwarding costs	0	-9	9
Other financial costs to others	-6	-12	6
Financial costs	-21	-134	113
Net financial income and costs	111	-17	128

Assignment of real estates and securities to Tradeka Oy took place 21 December 1995. The incorporation agreement stated that the right of possession concerning the mentioned property was transferred to Tradeka Oy on 1 January 1995. The compensation for the use of properties, which is primarily determined in a similar way as capital costs, has been booked as other financial income from subsidiaries in the cooperative's financial statement.

The annual interest on secured debt is 1%, as defined in the restructuring programme. Of the FIM 16 million statutory provision included in the interest, FIM 11 million has been released based on a reached contract. To prepare for the potential improvement in the creditors' position, the provision for interest has been increased by FIM 2 million, therefore the net change in the interest provision included in the statutory reserves, improving result, was FIM 9 million in 1995.

EXTRAORDINARY INCOME AND COSTS	FIM million		
	1995	1994	95/94
Extraordinary income			
Reduction of			
restructuring debt	5	1 924	-1 919
Merger profit and partitioning quotas	1	30	-29
Profit on acquisitions and sales	296	0	296
Group contributions received	32	0	32
Other extraordinary income	7	6	1
Total	341	1 960	-1 619



**Extraordinary costs**

Depreciation on fixed assets	0	-458	458
Depreciation on receivables	0	-274	274
Booked costs of pension liabilities	0	-365	365
Guarantee costs	0	-132	132
Other restructuring costs	0	-69	69
<b>Total restructuring costs</b>	<b>0</b>	<b>-1 298</b>	<b>1 298</b>
Losses on mergers and dissolutions	-0	0	-0
Losses on acquisitions and sales	-0	0	-0
Other extraordinary costs	-0	-2	2
<b>Total</b>	<b>-0</b>	<b>-1 300</b>	<b>1 300</b>
<b>Net extraordinary income and costs</b>	<b>341</b>	<b>660</b>	<b>-319</b>

Net reductions in restructuring debt in 1995 were attributable to the decisions of Helsinki Court of Appeals on matters of dispute, to compromises reached in actions for recovery, to the set-offs of receivables and debts existing before the commencement of the restructuring programme, and to the correction of errors found after the approval of the restructuring program. To the extent that the decisions of the Court of Appeals have been appealed, preparations have been made in case of a potential decrease in the amount of reductions in the restructuring debt by booking FIM 11 million under depreciation of extraordinary costs and statutory reserves, of which FIM 10 million goes to dealing with the deposits made to financial services office in accordance with the decision of the Court of Appeals. The expenses caused by expert and legal services pertaining to the actions for recovery and compromises reached in them have been booked together with the respective income according to net principle.

Under extraordinary income and costs, only items realised in conjunction with the incorporation of Tradeka Oy have been treated as trade profits and losses.

Group contribution was primarily granted by Tradeka Oy; the share of RK-Reaktia Oy was FIM 0.2 million.

Other extraordinary income includes FIM 5 million worth of repayment of depreciation for 1994 concerning secured debt; the remaining amount is balances of savings accounts that have been out of use for over 10 years, which have been entered as income.

## COOPERATIVE TRADEKA CORPORATION

# Notes to the Balance Sheet

**INTANGIBLE ASSETS**

FIM million

Intangible rights	1995	1994	95/94
Acquisition cost 1 Jan (=Book value)	6	6	0
Increases 1 Jan to 31 Dec	0	0	0
Decreases 1 Jan to 31 Dec	3	0	-3
Acquisition cost 31 Dec (=Book value)	3	6	-3
Intangible assets mainly include association fees in various real estate companies.			
<b>Other long-term costs</b>			
Acquisition cost 1 Jan	141	163	-22
Increases 1 Jan to 31 Dec	0	6	-6
Decreases 1 Jan to 31 Dec	-141	-16	-125
Depreciation in extraordinary costs	0	-12	12
Acquisition cost 31 Dec	0	141	-141
Accumulated planned depreciation	0	-141	141
Book value 31 Dec	0	0	0

The main part of long-term costs has been incorporated into Tradeka Oy and Tradeka Group Oy.

**TANGIBLE ASSETS**

FIM million

Land	1995	1994	95/94
Acquisition cost 1 Jan	40	52	-12
Increases 1 Jan to 31 Dec	0	1	-1
Decreases 1 Jan to 31 Dec	-15	-13	-2
Acquisition cost 31 Dec	25	40	-15
Value appreciation 1 Jan	159	246	-87
Increases 1 Jan to 31 Dec	0	34	-34
Decreases 1 Jan to 31 Dec	-55	-121	66
Value appreciation 31 Dec	104	159	-55
Book value 31 Dec	129	199	-70

**Buildings and plants**

Acquisition cost 1 Jan	462	478	-16
Increases 1 Jan to 31 Dec	5	9	-4
Decreases 1 Jan to 31 Dec	-149	-25	-124
Acquisition cost 31 Dec	318	462	-144
Accumulated planned depreciation	-74	-57	-17
Residual acquisition cost 31 Dec	244	405	-161
Value appreciation 1 Jan	252	155	97
Increases 1 Jan to 31 Dec	0	135	-135
Decreases 1 Jan to 31 Dec	-174	-38	-136
Value appreciations 31 Dec	78	252	-174
Book value Dec 31	322	657	-335

**Equipment**

Acquisition cost 1 Jan	273	248	25
Increases 1 Jan to 31 Dec	0	34	-34
Decreases 1 Jan to 31 Dec	-270	-9	-261
Acquisition cost 31 Dec	3	273	-270
Accumulated planned depreciation	-3	-126	123
Book value Dec 31	0	147	-147

### Other tangible assets

Acquisition cost 1 Jan	14	17	3
Increases 1 Jan to 31 Dec	0	-3	3
Decreases 1 Jan to 31 Dec	-7	0	-7
Acquisition cost 31 Dec	7	14	-7
Accumulated planned depreciation	-6	-11	5
Book value 31 Dec	1	3	-2

INVESTMENT IN FIXED ASSETS	FIM million		
	1995	1994	95/94
Intangible assets	0	6	-6
Land	0	1	-1
Buildings	5	6	-1
Equipment	0	34	-34
Other tangible assets	0	0	0
Work in progress	5	2	3
Shares in subsidiaries	1	293	-292
Other shares and holdings	0	35	-35
Total	11	377	-366

In conjunction with the incorporation of Tradeka Oy, the company's share capital was increased by FIM 1 million at the end of 1995.

Other capital expenditure were investments in fixed assets and normal replacement investments.

TAXABLE VALUES	FIM million		
	1995	1994	95/94
Real properties	339	461	-122
Shares and holdings	457	392	65
Total	796	853	-57

When no approved taxable value has been available, the book value has been used.

In the financial statement, receivables due within one year or within a longer period have been presented as loans receivable belonging to long-term investments. Loans receivable under current and liquid assets comprise loans issued by financial services offices (FIM 3 million), with the exception of short-term loans. Loans issued by financial services office will be due according to a payment plan devised beforehand.

Current assets consist exclusively of shares whose book values do not essentially differ from their market values.

Receivables and payables in subsidiaries and associated companies	FIM million		
	1995	1994	95/94
Receivables			
Accounts receivable	0	0	0
Loans receivable, long-term	1 565	1 008	557
Loans receivable, current	153		153
Prepaid liabilities and accrued income	44	56	-12
Receivables from subsidiaries	1 762	1 064	698
Liabilities			
Accounts payable	0	0	0
Accrued liabilities and prepaid income	0	0	0
Other current liabilities	0	-67	67
Liabilities to subsidiaries	0	-67	67
Loans			
Secured pension loans (recessive liability)	-7		-7
Net liabilities to subsidiaries	1 755	997	758

There are no receivables or liabilities in associated companies.

The Cooperative owes Inex-Partners Oy a total of FIM 16 million in restructuring debt, of which FIM 14 million is secured debt.

The increase in loans receivable (FIM +710 million) was especially attributable to the corporatization of Tradeka Oy.

CHANGES IN SHAREHOLDERS' EQUITY	FIM million			
	1. Jan 95	+	-	31. Dec 95
Restricted equity				
Share capital	53	0		53
Reserve fund	79			79
Revaluation fund	496	0	-283	213
Non-restricted equity				
Deficit from previous years	-1 307	0		-1 307
Surplus for the year		446		446
Total	-679	446	-283	-516

Membership fees paid in 1995 totalled FIM 160.000 (FIM 54.000 in 1994). The non-paid cooperative share capital excluding resigned members' fees was FIM 51 million (FIM 52 million).

Shareholders' equity and stabilized restructuring debts totalled FIM 567 million (FIM 410 million).

VALUATION ITEMS UNDER FIXED ASSETS	FIM million			
	1. Jan 95	+	-	31. Dec 95
Land	159		-55	104
Buildings	252		-174	78
Shares in subsidiaries	23		-19	4
Shares in associated companies	52		-25	27
Other shares	10		-10	0
Total	496	0	-283	213

Revaluations concerning the property incorporated into Tradeka Oy were annulled in 1995.

The remaining revaluations will be annulled in conjunction with the incorporation of Eka Real Estate Development, with the exception of a FIM 27 million revaluation concerning the shares of the associated company Inex-Partners Oy.

### STATUTORY RESERVES

An interest provision of FIM 16 million was booked in the 1994 financial statement to provide for the potential improvement in the creditors' position. A net amount of FIM 9 million of the provision was released in 1995, leaving FIM 7 million in interest provision under statutory reserves on 31 December 1995.

As regards decisions under appeal made by the Helsinki Court of Appeals concerning the restructuring program, FIM 11 million worth of adjustments to restructuring debt allocated in extraordinary items was booked under statutory reserves in 1995. Other statutory reserves provide for the potential guarantees incurring after the commencement of the restructuring program.

**LONG-TERM LIABILITIES AND AMORTIZATIONS** FIM million

	Loan amortizations			
	31 Dec 1995	1996	1997- 2000	2001-
Restructuring debt				
Stabilized pension loans	244			244
Equity loan	233			233
Interest-free equity loan	606			606
Total stabilized debt	1 083			1 083
Secured debt	1 664	-85	-340	1 239
Long-term partitioning debt	575		-287	288
Short-term partitioning debt	117	-58	-59	0
Other restructuring debt	30	-30		0
Total	3 469	-173	-686	2 610
Loan from financial institutions	88		-88	0
Total	3 557	-173	-774	2 610

**STABILIZED RESTRUCTURING DEBT**

Stabilized loans are liabilities, over which all other loans take precedence. No repayments were made on the stabilized loans during 1995. Changes in liabilities are attributable to compromises reached in actions for recovery, creditors' payments in lieu of performance based on guarantees, and correction of errors found after the approval of the restructuring program.

**INTEREST-FREE EQUITY LOAN**

After the changes mentioned above, the interest-free equity loan on the terms of shareholders' equity and in accordance with the approved restructuring program totals FIM 606 million (FIM 611 million in 1994).

**EQUITY LOAN**

The equity loan totalled FIM 233 million (FIM 234 in 1994). According to the terms of the equity loan, the loan principal can be repaid on the dissolution or bankruptcy of the company, so that all other loans take precedence over it. Before this, the loan principal can only be repaid if the Cooperative will have full cover on the share capital calculated on the basis of the confirmed balance sheet and consolidated balance sheet of the previous financial period. According to the restructuring program, an annual interest rate (five years' market rate + 2 %) will be capitalised on the loan until the due date. The principal will be paid before the interest. In the financial statement, the interest has been booked as liability for interest outside the balance sheet. Liability for interest has been calculated on the basis of 12.5% annual interest rate for both the principal and the 1994 liability for interest. Increase in the liability for interest in 1995 was FIM 30 million, and total liability in the financial statement was FIM 36 million.

**STABILIZED PENSION LOAN**

According to a signed promissory note, Eläkekassa Tuki has granted a loan of FIM 182 million to Cooperative Tradeka Corporation on condition that repayment of the loan and payment of interest can take place on the basis of Cooperative's confirmed financial statement and consolidated financial statement, and within the framework of the unrestricted equity indicated by them. Repayment must not risk payments under the payment plan. In addition, other terms of the loan state that other stabilized loans take precedence over this one.

The loan granted by Eläkekassa Tuki includes a recessive liability for the payment of pensions during 1994-2003 at an annual rate of 8%. The maximum calculational capitalised value of the recessive liability is FIM 62 million, booked in the financial statement as a stabilized guarantee loan relating to stabilized debt. During 1995, guarantors have, on behalf of the cooperative, paid a total of FIM 24 million in pensions mentioned above, of which subsidiary Restel Oy paid FIM 7 million. Liability for interest relating to the payments for 1995 is FIM 1 million.

**OTHER RESTRUCTURING DEBT****Secured debt**

At the end of the year, secured debt totalled FIM 1,664 million (FIM 1,683 in 1994). The secured debt includes loans worth FIM 680 million to be amortised between 1996-2003 and FIM 984 million repayable in conjunction with the sales of real properties. Repayments in conjunction with realisations amounted to FIM 22 million in 1995, and other changes FIM + 3 million net. According to the restructuring program, the interest rate on the secured debt is 4.5% in 1995, increasing by 0.5 percentage points annually. However, the annual rate will be 6% as of 1998. The interest is tied to the consumer price index, therefore an interest of 1%, i.e. FIM 17 million is payable for 1995.

**Long-term partitioning debt**

The long-term partitioning debt of FIM 575 million will be amortised on a straight line basis between 1998-2003. There is no interest on the debt. The net change in 1995 FIM 6 million was attributable to the revision of secured debts mentioned above.

**Short-term partitioning debt**

FIM 117 million remains of the short-term partitioning debt (FIM 174 in 1994). According to the program, the debt will be amortised on a straight line basis between 1994-1997. In 1995, FIM 55 million was used to repay the debt. There is no interest on the debt.

**Preferential restructuring debt**

Preferential debt included in other restructuring debt (FIM 16 million) was repaid in 1995.

**The future convertible bonds of subsidiaries**

The objective is that in 1996, Cooperative Tradeka Corporation will subscribe the convertible bonds of Tradeka Oy, Restel Oy and a real estate company to be founded, each for a price of FIM 10 million. After subscription, the convertible bonds will be assigned to the Cooperative's creditors of secured debt as a FIM 30 million instalment on the restructuring debt.

Creditors of secured debt have the right to convert the convertible bonds of Tradeka Oy and Restel Oy into shares, provided that the terms defined in the restructuring program, which relate to the profitability of business operations, cash flow from business operations and investments, are not met. They also have the right to convert into shares the convertible bonds of the real estate company to be founded. If the convertible bonds are converted into shares, they will grant the shareholder an approximately 75% share of votes and ownership in the mentioned companies.

**Total restructuring debt**

Restructuring debt totalled FIM 3,469 million on 31 December 1995 (FIM 3,573 in 1994). FIM 96 million worth of repayments were made, and owing to different compromises, court decisions and various revisions, the debt decreased by FIM 11

million net. Some of the creditors have been provided with excessive collaterals, whose potential impact has in the financial statement been provided for by stating FIM 75 million of the loans otherwise subject to reduction as secured debt, which is entitled to full recovery.

	CONTINGENT LIABILITIES 31 DEC		
	FIM million		
	1995	1994	95/94
Mortgages pledged in security for debt:			
for own debt	1 181	1 334	-153
on behalf of subsidiaries	5	0	5
on behalf of associated companies	5	5	0
on behalf of others	4	6	-2
Total	1 195	1 345	-150
Pledges:			
securities for own debt	512	390	122
receivables for own debt	778	834	-56
on behalf of bankrupted companies	0	1	-1
Total	1 290	1 225	65
Guarantees given:			
on behalf of subsidiareis	2	3	-1
on behalf of associated companies	88	110	-22
on behalf of bankrupted companies	1	14	-13
on behalf of others	62	63	-1
Total	153	190	-37
Other liabilities			
Interest liabilities for stabilized loans	37	6	31
Total	37	6	31
Total contingent liabilities	2 675	2 766	-91

The liabilities for interest that concern stabilised restructuring debt have been explained in conjunction with respective credits.

#### PENSION LIABILITY

As required by the restructuring program, the non-covered pension liability of Eläkekassa Tuki was booked in 1994 as costs and debt; FIM 244 million corresponds to the stabilized pension loan and FIM 88 million to the short term partitioning debt. At the end of 1994 and 1995, FIM 21 million in repayments were made on the latter debt, thereby FIM 42 million of debt remains. The entered debts cover the calculated pension liability (FIM 223 million) and the recessive liability relating to the stabilised pension loan.

Also the voluntary pension liabilities granted by Cooperative Tradeka Corporation were booked on 1994 as costs and restructuring debt.

Based on its shareholder and guarantee undertakings, Cooperative Tradeka Corporation has an adhesion liability of FIM 4 million for Eläkekassa Tuki's uncovered pension liability (FIM 4 million in 1994).

## BOARD'S PROPOSAL FOR DISTRIBUTION OF EARNINGS

The Board of Directors proposes that the surplus of FIM 445,724,166.07 for 1995 be used in accordance with Article 10:1 of the Cooperative's rules and regulations to cover for losses brought forward.

Helsinki 29 March 1996

Olavi Syrjänen  
Margit Eteläniemi  
Markku Alhava  
Kari Pöyhönen

Maunu Ihalainen  
Aarno Aitamurto  
Jukka Simula

Antti Remes  
President

# AUDITORS' REPORT

## to the Representative Council of Cooperative Tradeka Corporation

We have audited the accounts, the accounting records and the administration of Cooperative Tradeka Corporation for the financial year 1 January to 31 December 1995. The accounts prepared by the Board of Directors and the President include both the consolidated and the Cooperative's statement of income, balance sheets and notes to the financial statements, including the statements of sources and application of funds. We give our opinion on the accounts and the administration based on our audit.

We have examined the accounts and the accounting records, the accounting

policies, contents and disclosures and the presentation of the information in accordance with the Finnish accounting standards, to obtain assurance that the accounts do not contain essential errors or shortcomings. The administration was audited to obtain assurance that the actions of the Supervisory Board, the Board of Directors and the President have been in conformity with the regulations of the Cooperatives Act.

The accounts have been prepared in accordance with the regulations of the Accounting Act and other relevant legislation and regulations, and give a true and fair picture of the consolidated

and the Cooperative's result from operations and financial position.

The accounts, including the consolidated financial statements, may be approved, and the members of the Cooperative's Supervisory Board and Board of Directors as well as the President may be discharged from liability for the financial year audited by us. The Board's proposal to use the surplus is in conformity with the Cooperatives Act.

Helsinki 12 April 1996

Mauri Palvi  
Chartered Public  
Accountant

Veijo Riistama  
Chartered Public  
Accountant

## STATEMENT BY THE SUPERVISORY BOARD

The Supervisory Board has examined Cooperative Tradeka Corporation's financial statements and the consolidated financial statements, reviewed the report of the Board of Directors, and the Board's proposal for distribution of the

surplus, and submits them, together with the auditors' report, to the meeting of the Council of Representatives. The Supervisory Board proposes that the financial statements and the consolidated financial statements be adopted.

As its opinion in accordance with Article 21:1 of the Cooperative's rules, the Supervisory Board states that the proposal by the Board of Directors for distribution of the surplus is in conformity with Article 10 of the rules.

Helsinki 17 April 1996

Markku Pohjola

Raimo K. Mäkelä

## The Loyal Customer Scheme attracted a record number of customers

Tradeka's Loyal Customer Scheme enjoyed unprecedented popularity in 1995. There are now as many as 372,000 Loyal Customer accounts and 603,000 card holders in Finland. Bonuses, which are accumulated in periods of one year, are awarded by 1,500 different outlets for purchasing goods or services. An equal number of places provide Loyal Customers with special offers. Membership in the cooperative is not a prerequisite for joining the Loyal Customer Scheme.

During the year, 146,000 in new Loyal Customer households joined. They were granted a total of 240,000 cards. In November, Elanto Cooperative also joined Tradeka's Loyal Customer Scheme, boosting the growth even further.

Of the 603,000 loyal customers, 526,000 joined through Tradeka and 77,000 through Elanto. 40% of the customers that joined through Tradeka were members of the cooperative. 22,000 of the loyal customer cards allowed buying on credit. The credit is granted by Tradeka Oy's subsidiary,

Suomen Tilirahoitus Oy.

In addition to goods and services provided by Tradeka and Restel, the loyal customer system involves many cooperating partners; using the services of these companies is rewarded by a bonus. Sotka furniture stores and Sampo's insurance services have been involved since the very beginning. In 1995, travel agency Spies Tjäreborg Oy and Pokapörssi, a chain of optician's stores, joined the system. Since the beginning of this spring, bonus is also accumulated when shopping in Expert household appliance stores and using Neste service stations.

Loyal Customers are active buyers with considerable buying power. Tradeka's loyal customer system has many competitive advantages over other similar systems: joining is free, and the system offers a wide variety of goods and services. Sales to loyal customers exceeded FIM 2 billion, and over FIM 30 million worth of bonus was paid to almost 100,000 customers.

## Member owners

At the end of the year, the Cooperative had 370,792 members; 883 less than a year earlier. During the year, 1,068 new members enrolled, while during the previous year only 476 enrolled. The number of resignations was clearly smaller than during the previous year: 1,218 compared with 3,867 in 1994. The number of members also decreased because members whose address and other identification data was lacking were transferred to a so-called passive register.

The Loyal Customer Scheme and its benefits to members made membership in the Cooperative more attractive. For a membership fee paid in full, an initial deposit of FIM 2,000 will be made on the loyal customer account annually, so the balance of purchases entitled to bonus is FIM 4,000. The Loyal Customer Scheme encouraged 907 members to pay the remaining amount of their FIM 200 membership fee.

So far, over a half of the member households have joined the Loyal Customer Scheme. Those who have not joined are mainly people with no access to Tradeka's services, owing to prior closures of outlets. As the services entitled to bonuses expanded to cover e.g. travel agency services and fuel purchases, the benefits for these customers improved significantly.

### Membership by district, 31 December 1995

<i>District</i>	<i>Membership</i>
Uusimaa	40 470
Häme South	32 456
Tampere	39 922
Turku	35 273
Pori	31 053
Jyväskylä	24 744
Seinäjoki	21 039
Kuopio	27 788
Kymi	31 487
Mikkeli	17 448
Joensuu	14 438
Oulu	35 063
Lapland	19 478
Total	370 792

# Cooperative Eka Corporation, Council of Representatives

The annual general meeting of Cooperative Eka Corporation's Council of Representatives was held on 17 May 1995.

## SUPERVISORY BOARD

Mr. Matti Luttinen  
Lahti, Chairman  
until 23 August 1995

Mr. Markku Pohjola  
MP, Vihti  
Chairman,  
from 24 August 1995

Ms. Sinikka Mönkäre  
MP, Imatra  
Vice Chairman  
until 17 May 1995

Ms. Ritva Kitinoja  
Oulu  
Vice Chairman  
from 24 August 1995

Mr. Juhani Vähäkangas  
Raahe  
Vice Chairman

Mr. Seppo Grönqvist  
Eräjärvi

Mr. Jukka Gustafsson  
MP, Tampere

Ms. Iiris Hacklin  
Jämsä

Mr. Markku Harju  
Kemijärvi

Mr. Harri Helminen  
Anjalankoski

Ms. Helena Hevonkoski  
Virrat  
from 17 May 1995

Ms. Anne Huotari  
MP, Kajaani

Mr. Reijo Jeskanen  
Joensuu

Ms. Minna Karhunen  
MP, Hyvinkää

Mr. Matti Kivikoski  
Salo

Ms. Marketta Korrensalo  
Kemi

Ms. Leila Koski  
Rauma

Mr. Johannes Koskinen  
MP, Hämeenlinna

Mr. Jorma Kukkonen  
MP, Kuopio

Mr. Jukka Laakso  
Mynämäki

Mr. Eero Laine  
Imatra  
from 17 May 1995

Mr. Pekka Leppänen  
MP, Suolahti

Mr. Antti Leskinen  
Savonlinna

Mr. Veikko Nurmi  
Kaukua

Mr. Matti Pajuja  
Lohja

Mr. Iivo Polvi  
MP, Iisalmi

Ms. Terhi Päivärinta  
Pietarsaari

Mr. Matti Saarinen  
MP, Lohja

Ms. Marketta Semi  
Vaasa

Mr. Ilkka Sepponen  
Turku

## Personnel representatives:

Ms. Ritva Vartia  
Mikkeli

Mr. Antero Ylikokkare  
Kemi

Mr. Matti Koskenmäki  
Turku

## Deputy representatives:

Ms. Pirjo Thilman  
Kouvola

Mr. Timo Voittoinen  
Hämeenlinna

Mr. Kalevi Aitakangas  
Pori

Ms. Sirkka-Liisa Rosenlund  
Helsinki

## BOARD OF DIRECTORS

Mr. Olavi Syrjänen  
Chairman

Mr. Maunu Ihalainen  
Vice Chairman

Mr. Aarno Aitamurto

Mr. Markku Alhava  
from 10 May 1995

Ms. Margit Eteläniemi

Mr. Jukka Simula

## Personnel representatives

### Ordinary members

Ms. Pirkko Behm  
until 22 March 1995

Mr. Kari Pöyhönen  
from 23 March 1995

### Deputy member

Mr. Martti Kesseli

### President

Mr. Antti Remes

## AUDITORS

### Ordinary

Mr. Mauri Palvi  
Authorised Public  
Accountant

Mr. Veijo Riistama  
Authorised Public  
Accountant

### Deputy

KPMG Wideri Oy Ab

Mr. Kari Lydman,  
Authorised Public  
Accountant

## Appointed by the Circuit Court of Helsinki to supervise the mandatory restructuring

Mr. Jyrki Tähtinen  
Attorney-at-Law

# **Business organisation 1 January 1996**

## **COOPERATIVE TRADEKA CORPORATION**

**President**  
Mr. Antti Remes

**Legal Affairs**  
Mr. Juha Laisaari

**Membership  
Administration**  
Mr. Raimo K. Mäkelä

**Eka Real Estate  
Development**  
Mr. Heikki Venho

## **TRADEKA GROUP OY**

**President**  
Mr. Antti Remes

**Internal Auditing**  
Mr. Risto Salminen

**Communications**  
Ms. Riitta Raasakka-Niklander

## **TRADEKA OY**

**President**  
Mr. Aarno Mäntynen

**Tradeka International**  
President  
Mr. Waldemar Tuutti

**Suomen Tilirahoitus Oy**  
President  
Mr. Tapio Lehtikainen

## **RESTEL OY**

**President**  
Mr. Ralf Sandström

**Finance Administration**  
Mr. Mats Rosengård

**Administration**  
Mr. Kari Lalu

**Hotel Division**  
Mr. Jari Laine

**Restaurant Division**  
Mr. Ralf Sandström

## **KETJUETU OY**

**President**  
Mr. Aarno Mäntynen

**Retail Outlets**  
Mr. Reijo Kiukkonen

**Business Support**  
Mr. Tapio Lehtikainen

## **SIWA**

**Senior Vice President**  
Mr. Harri Finér

**Business Development**  
Mr. Markku Uitto

**Marketing**  
Mr. Ilpo Virtanen

**Controller**  
Ms. Jaana Lehto

## **VALINTATALO**

**Senior Vice President**  
Mr. Leo Järvensivu

**Business Development**  
Mr. Juha Salmi

**Marketing**  
Mr. Unto Virtanen

**Controller**  
Mr. Toivo Hakonen

## **EUROMARKET/MAXI**

**Senior Vice President**  
Mr. Pekka Kosonen

**Marketing**  
Mr. Seppo Hämäläinen

**Sales**  
Mr. Pertti Palanen  
(daily consumer goods)  
Mr. Jyrki Aalto  
(specialty goods)

**Field operations**  
Mr. Juhani Mast

**Controller**  
Mr. Hannu Harju

## **PALVELUETU OY**

**President**  
Mr. Olli Suominen

**EDP and Development**  
Mr. Olli Suominen

**Controller**  
Mr. Risto Nokireki

**Personnel**  
Ms. Pirkko Virtanen

**Accounts and Taxation**  
Mr. Uolevi Lahti

**Operational Accounting**  
Mr. Mikko Harjunen

**Financial Administration**  
Mr. Ossi Hynninen





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