AMER GROUP
1996

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ANNUAL SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting of Amer Group Ltd will be held on Tuesday, 18 March 1997 at 2.00 p.m. at Amer Group's headquarters in Helsinki. The address is Mäkelänkatu 91.

DIVIDENDS

Because of the significant losses, the Board of Directors propose that no dividend be distributed for the 1996 financial year. The Board of Directors' recommendation appears on page 32.

SHARE REGISTER

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

FINANCIAL REPORTING

For the fiscal year 1997, Amer Group will publish the Interim Report for the period January to April on 29 May, and the Interim Report for the period January to August on 2 October. In 1998, the Financial Performance Bulletin and the Annual Report will be published in February.

The reports are available in English and Finnish. These publications can be ordered by writing to: Amer Group Ltd, Communications, P.O.Box 130, FIN-00601 Helsinki, Finland, or by telephoning (int.) +358-9-7577 309.

AMER GROUP

Amer Group's operations are based on strong international brands. Once known as a diversified holding company, Amer has divested some of its businesses in recent years. Today there is a clear focus on sporting goods and other leisure time products, together representing about 80% of likely net sales in 1997. Wilson, Atomic and Oxygen are the best known of the Group's own brands. In addition to the Sporting Goods Division, the Group includes Finland's largest cigarette manufacturer Amer Tobacco, and Time/system, which is a global producer and marketer of personal planning systems.

The core of Amer's strategy consists of strong reliable branded products that consumers wish to be identified with. The Sporting Goods Division manufactures innovative game improvement products for average players. Nonetheless, the role of top athletes is crucial for product development; they contribute their expertise and experience in the development of the best sporting goods products.

Another essential element of the strategy is to cover a wide palette of sports. The corporate portfolio includes summer and winter sports, indoor and outdoor sports, traditional and trend sports. While this variety offers consumers an enormous choice, it also ensures the position of the Group as a major supplier and promotes the establishment of lasting business contacts with the trade. This wide range of sports also benefits investors, as it balances the cyclicality of business, reducing, for example, dependency on the weather.

Amer Group Ltd was established in 1950. The company was listed on the Helsinki Stock Exchange in 1977 and on the London Stock Exchange in 1984. One of Amer's objectives as a public company is to generate good returns to shareholders and to distribute a third of the Group's annual profits in dividends. The Group's medium term goal is to achieve a significant improvement in its results.

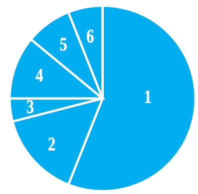
THE YEAR IN BRIEF

• Amer Group's performance was unprofitable resulting in a loss of FIM 234 million before taxes and extraordinary items for 1996, compared with a profit of FIM 140 million in 1995. Losses per share were FIM 7.40 (1995; earnings per share FIM 3.10).

• Changes to the Group's structure continued. During the year, the Automotive Division was divested. A decision was also made to divest MacGregor Golf Company, whose operations have been unprofitable for years.

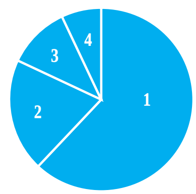
• A restructuring programme was initiated at Wilson Sporting Goods Co. in order to improve in particular the profitability of the Golf and Team Sports Divisions, and to streamline the organisation to respond better to current market conditions.

PERCENTAGES OF NET SALES 1996



1 WILSON 56 %
2 ATOMIC 15 %
3 MACGREGOR 4 %
4 AUTOMOTIVE DIVISION 11 %
5 TOBACCO DIVISION 8 %
6 TIME/SYSTEM 6 %

PERCENTAGES OF NET SALES 1997



1 WILSON 62 %
2 ATOMIC 20 %
3 TOBACCO DIVISION 11 %
4 TIME/SYSTEM 7 %

KEY FIGURES
FIM million

	1996	1995	**Change %**
Net sales	**4,958**	6,166	–20
Overseas sales	**4,055**	3,952	3
Operating loss/profit	**-120**	263	
% of net sales		4.3	
Loss/profit before taxes and extraordinary items	**–234**	140	
Return on investment (ROI), %	**–2.3**	5.9	
Earnings per share, FIM	**–7.4**	3.1	
Dividend per share, FIM	-[1]	3.0	
Return on shareholders' equity (ROE), %	**–7.2**	2.6	
Equity ratio, %	**44**	47	
Personnel at year end,	**4,667**	5,137	
outside Finland	**4,251**	4,569	

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

CEO'S REVIEW

The trend of negative performance by Amer Group which started in 1995 continued last year. 1996's significantly lossmaking results are primarily due to the Sports Division's unprofitability and a declining performance trend in the Group's other divisions, as well as to high one-off costs.

Undoubtedly, management and ownership issues, which were compounded by the international branded sporting goods business' problems, at a time when the Group was also undergoing structural change, have affected its results.

After a short but very intensive period of analysis, the process of structural reorganisation commenced in the Autumn of 1996. As the problems are broadly based, the measures introduced will need several years to take full effect.

Many measures have already been implemented; the most notable ones being the cost reductions at Wilson's headquarters and in its golf division, where together more than 300 redundancies occurred during the year. These measures are aimed at rapidly improving the company's profitability and building a foundation for the future. However, the most important measures have been the actual changes themselves and the strategic decisions taken. The Automotive Division has been divested, as have MacGregor Golf Company's unprofitable operations, whose product lines overlapped with Wilson's golf offer. Clear strategies have been developed for all the Group's businesses, including Amer Tobacco and Time/system, both for the short and the medium term. Changes were also made to the Sports Division's top management.

In the Sports Division, Wilson, Atomic and Oxygen are the brands that are being given top priority. Today, the Sports Division's key management positions are manned by capable managers who have good knowledge of the industry and have proven successes to their credit. In accordance with the new strategy, both Wilson and Atomic's organisations are committed to premium products which are innovative, enhance game improvement and are targeted to the average consumer. The trade, whose role is significant as a link between the consumer and the manufacturer, have the opportunity to build long term and diversified business relationships with the Group. They are offered a comprehensive sports portfolio from winter and summer sports, indoor to outdoor games, from traditional to trend sports.

Amer Group will in the future operate in branded products focused on sports and leisure. For Amer's shareholders, the Group's new focus and its strategic management and control systems which will be adopted by the Corporate Management alongside its financial control, will result in a better balanced risk together with competitive returns on their investment in the longer term.

This has been a very demanding year for all the Group's employees; they have, however, had the courage and dedication to continue with their work, and they deserve acknowledgement for that. Our ship cannot be turned around in a day, it will take two, three years. I am confident, however, that Amer Group's employees worldwide are willing to give of their best which in the future will ensure the continued development of our Group and good shareholder returns.

Roger Talermo

KEY INDICATORS

FIM million	1996	1995	Change
NET SALES	3,738	3,597	4%
Wilson	2,816	2,714	4%
Atomic	735	674	9%
MacGregor	221	221	-
Intercompany sales	-34	-12	
OPERATING LOSS/PROFIT	-175	81	-
Wilson	-84	75	-
Atomic	-54	38	-
MacGregor	-37	-32	-
CAPITAL EXPENDITURE	116	102	14%
Wilson	64	58	
Atomic	49	43	
MacGregor	3	1	
PERSONNEL (average)	4,245	4,457	-212
Wilson	3,049	3,254	-205
Atomic	1,005	996	9
MacGregor	191	207	-16

THE YEAR IN BRIEF

- *The Sports Division's profitability declined drastically and as a result, became lossmaking. The most notable problems were in the Group's golf operations and Wilson's Team Sports Division.*
- *Atomic also became lossmaking. In spite of increased sales, profitability did not progress as expected due to high one-off costs. There were also problems in the Japanese market. In addition, problems in implementing the new cellular manufacturing concept in production resulted in additional costs being incurred.*
- *The restructuring of Wilson's golf operations began during the second half of 1996. Towards the end of the year, a decision was also made to divest MacGregor Golf Company and to concentrate on the Wilson brand. The transaction was completed in February 1997.*
- *Wilson's Racquet Sports Division remains successful; Wilson is the world's leading tennis racquet brand and shares number two position in tennis balls.*
- *Sales of Oxygen products continued to increase.*

WILSON

Wilson Sporting Goods Co. is one of the leading global sporting goods companies producing and marketing racquet, golf and team sports equipment. The company's strategy is to develop innovative game improvement products for average sports participants.

GENERAL HIGHLIGHTS

Demand for sporting goods in the United States, Canada, Asia Pacific and Europe grew slowly, while the Japanese market continued to decline. Wilson sales grew in Europe, Southern Asia Pacific and Latin America, whereas in the United States and Canada the company's sales declined and were flat compared to 1995 in Japan.

Wilson's net sales, including royalty revenues, amounted to FIM 2,816 million. Net sales increased by 2% in currency terms and by 4% in Finnmarks. The company's profitability declined significantly compared to 1995 resulting in losses, primarily due to continued problems in premium golf club and golf ball sales, but also because of apparel and baseball products' lower sales and profitability.

In addition, sales and profitability declined significantly in Japan due to the weaker yen, lower golf product sales and high operating expenses during the year.

Strong sales growth continued globally in all tennis product categories.

Total worldwide sales of licensed Wilson branded products exceeded USD 250 million.

During the year, many changes were made in the company's management and responsibilities have been renewed. In August, Mr Jim Baugh, Vice President and General Manager of Wilson's Racquet Sports was appointed as new Wilson President. All the divisions (Golf, Racquet, Team Sports) as well as all markets, excluding Europe and Japan, report to Mr Baugh.

Sledge Hammer 2.8 Stretch - The number one selling racquet in the U.S. in 1996.

The number one ranked women's tennis player for 1996, Steffi Graf, switched to a new Wilson racquet Pro Staff 7.5 and won the French Open, Wimbledon and the U.S. Open.

Wilson. The official ball of the U.S. Open tennis tournament since 1979.

In September, Wilson's Corporate functions and staff numbers, including the US Golf Division and the Team Sports Division, were downsized. During 1996, the total number of Wilson employees decreased by 525. The extraordinary costs resulting from the restructuring and a review of inventories and product lines totalled FIM 124 million.

In 1996, sales and distribution subsidiaries were established in Korea and Thailand.

Of Wilson's total capital expenditure of FIM 64 million, a significant part related to automation at the golf ball manufacturing plant in Humboldt, Tennessee, and upgrading of the MIS system in Europe.

RACQUET SPORTS

The US tennis market continued to grow during the period mainly enhanced by excitement relating to new, longer racquets. The Division's currency denominated net sales grew by 19% driven by increased participation and Wilson's increased market share.

Globally, Wilson continued to be a leading brand in tennis. In tennis racquets, where Wilson is clearly a leading brand, the company strengthened its position by introducing new premium game improvement racquets. In tennis balls, Wilson maintained its number two position. In the United States the company's market share in tennis racquets grew to 48% (1995: 44%) and 42% in tennis balls (1995: 39%). Wilson has six of the top ten selling performance racquets in the US.

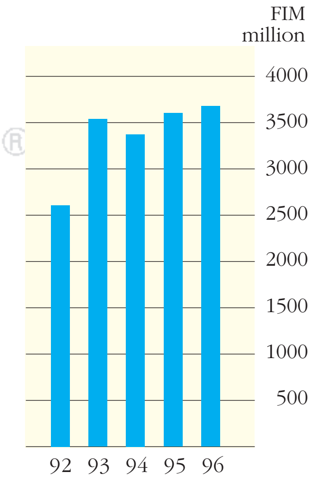
During the year, Wilson introduced several new models including a new Hammer 5.5 racquet featuring a new spin technology. The new Pro Staff Extreme 300 shoe was also well received by the market.

Wilson's racquet ball operations were consolidated in Chicago and the San Diego office will be closed in early 1997. The footwear strategy will be refocused on the performance tennis shoe category.

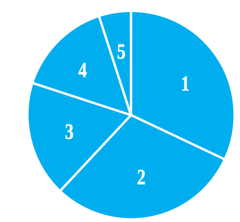
Wilson's top professional players Steffi Graf, Pete Sampras and Lindsay Davenport dominated the major tennis tournaments including Wimbledon, the Olympics and the US Open.

A member of the Wilson Golf Advisory Staff, John Daly plays with a Wilson Staff Titanium driver, Staff RM irons, the 8802 putter and the new Staff Titanium Spin golf ball.

NET SALES

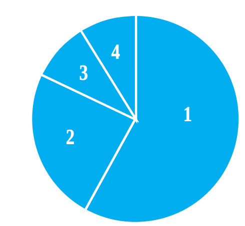


BREAKDOWN OF NET SALES 1996



1 GOLF 32 %
2 RACQUET 30 %
3 TEAM SPORTS 18 %
4 WINTER SPORTS EQUIPMENT 14 %
5 IN-LINE SKATES 6 %

GEOGRAPHIC BREAKDOWN OF NET SALES 1996



1 NORTH AMERICA 58 %
2 EUROPE 24 %
3 JAPAN 9 %
4 OTHERS 9 %

GOLF

Global golf equipment sales continued to grow modestly. The US and European golf markets are growing while Japanese demand continues to decline.

The Golf Division's net sales fell by 10% in currency terms, and it was unprofitable. Sales volumes of premium golf clubs and golf balls were lower than expected while operating expenses in the United States remained high. Profitability was also affected by extraordinary charges relating to the restructuring of its operations and close-out sales of metal woods.

The Golf Division's problems have also impacted the profitability and competitiveness of the international sales and distribution network due to the lack of competitive new premium products being launched at the right time.

In September, the new Staff Titanium golf balls were launched. The balls are targeted at the premium category through limited distribution channels. Deliveries will start in the spring of 1997. The new golf bag line was launched in October. In January 1997, the new Staff FS irons were launched; the new irons are based on the new "Fat Shaft" shaft technology which affects the torsion of the club. At the same time, new Staff Titanium woods were also introduced into the market. Both the Staff FS irons and the Staff Titanium woods will only have limited availability during the current year.

The restructuring of Wilson's golf operations began during the latter part of the year. The primary focus of the restructuring programme is to reduce operating expenses and establish an organisation that is more product focused and customer driven.

In accordance with its new strategy, the Golf Division will develop game improvement premium products for the average player and refocus on profitability instead of sales. In products the primary focus is on the ball business, where Wilson is one of the leading companies globally with a good 8% market share. In the United States Wilson's market share is 15%.

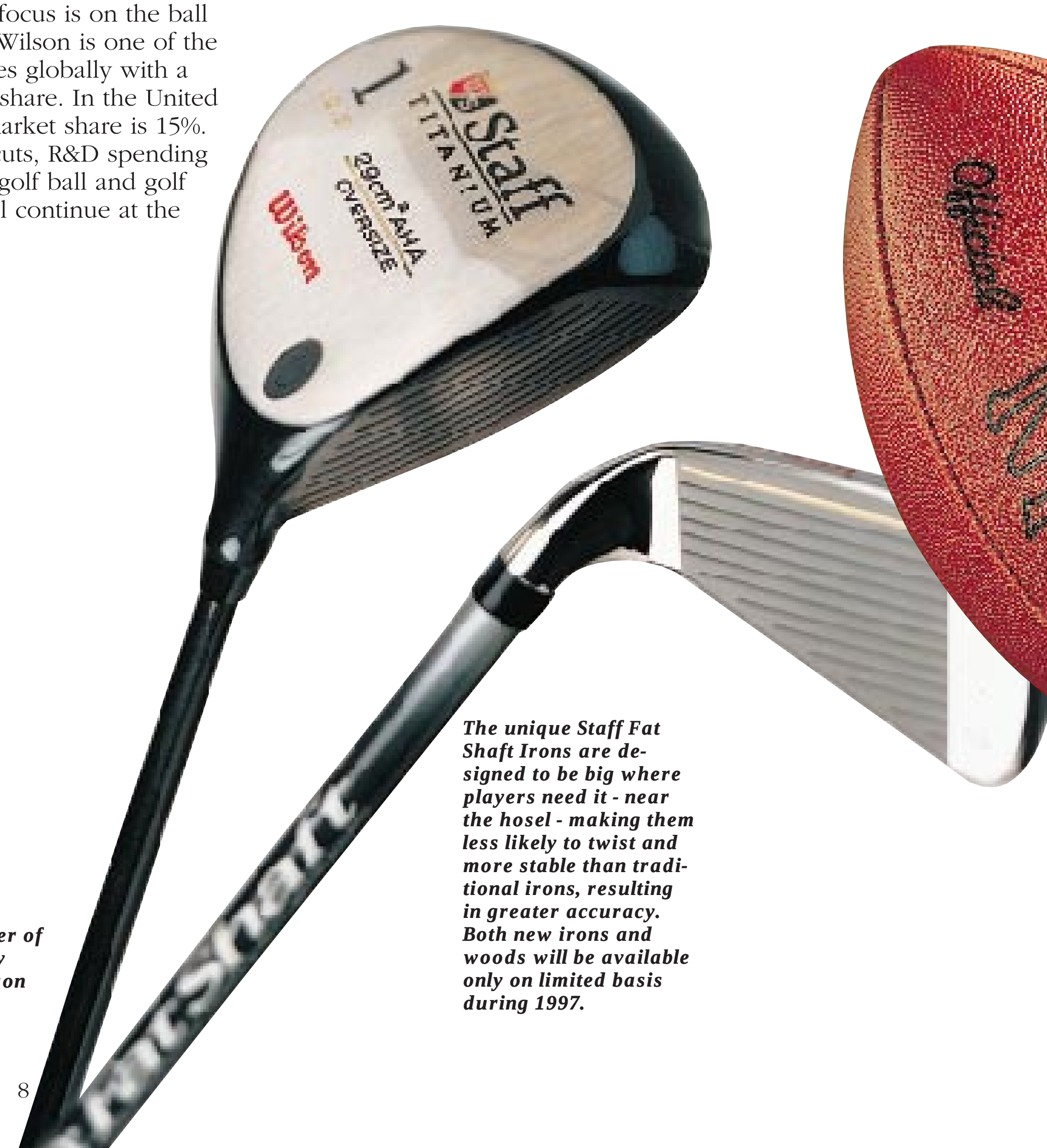
Despite cost cuts, R&D spending on the premium golf ball and golf club business will continue at the same level as last year to ensure new innovative product introductions in the future. Wilson is remaining in all current product lines such as balls, clubs, bags and accessories, while discontinuing unprofitable products within selected categories.

Such world famous touring pros as John Daly, Vijay Singh and Mark McCumber, among others, play with Wilson's products.

TEAM SPORTS

The US basketball, American football and apparel markets grew modestly. The baseball market, which declined significantly during 1996, is expected to stabilise in 1997.

Vijay Singh - Member of the Wilson Advisory Staff - uses the Wilson Staff RM irons.



The unique Staff Fat Shaft Irons are designed to be big where players need it - near the hosel - making them less likely to twist and more stable than traditional irons, resulting in greater accuracy. Both new irons and woods will be available only on limited basis during 1997.

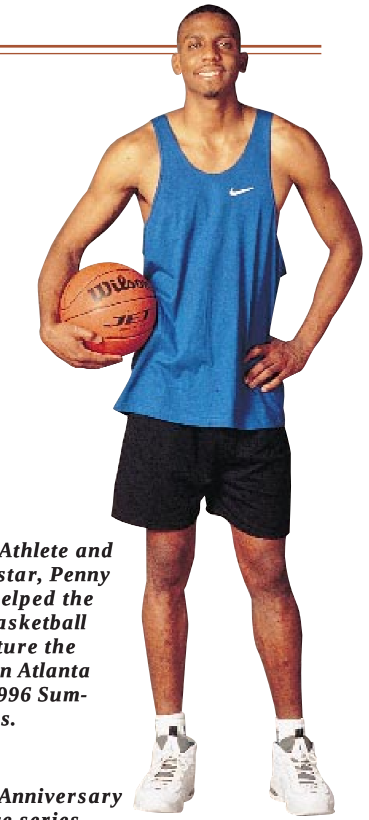
Wilson's global Team Sports' net sales declined by 7% in currency terms, driven by lower sales of baseball gloves, apparel and footballs in the US. The Division was lossmaking due to problems in the apparel business.

Wilson maintained its strong market position in all team sports' product categories in the United States. Wilson's market share in American footballs is 68%, in basketballs 23% and in baseball gloves 23%.

In November, the company signed an endorsement contract with Los Angeles Dodger pitcher Hideo Nomo. The Nomo baseball product line was introduced in January 1997 in Japan.

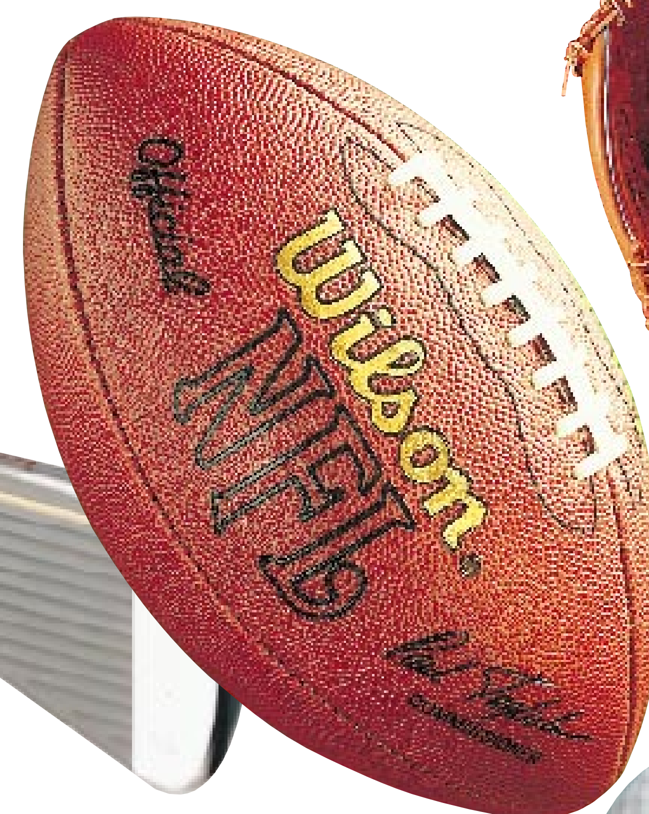
The new product introductions included the "Jet Evolution" composite leather basketball and AVP (Association of Volleyball Professionals) volleyballs.

Wilson top professional team sports' staff include basketball players Michael Jordan, Grant Hill and Penny Hardaway and baseball players Gregg Maddux, Barry Larkin and Barry Bonds.



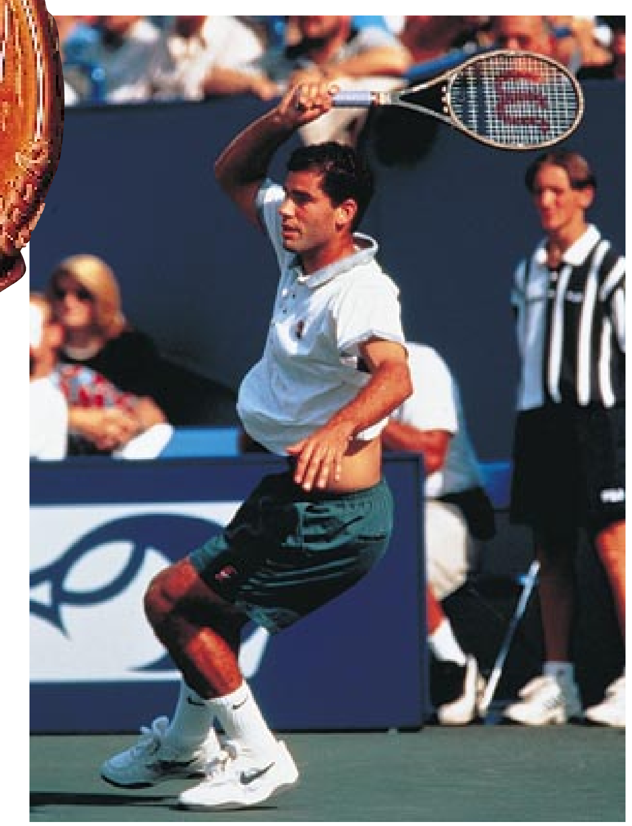
Wilson Staff Athlete and NBA® superstar, Penny Hardaway helped the USA Men's Basketball Team to capture the Gold Medal in Atlanta during the 1996 Summer Olympics.

1997 marks the 40th Anniversary of the A2000 ball glove series - the best selling ball glove in the history of the sport of baseball.



Wilson. The Official Football of the NFL since 1941.

The new Staff Titanium golf ball series feature the first titanium core. The popularity of titanium as a material is based on its lightness and hardness.



Pete Sampras plays with Wilson; Sampras was ranked number one on the men's ATP Tour for 1996 - for the fourth year in succession.

PROSPECTS FOR 1997

Global markets for Wilson's sports, tennis, golf and team sports products, are expected to remain flat or to grow only modestly. The Japanese market is expected to continue to be difficult.

Wilson's primary focus is to improve the profitability of its golf, team sports and Japanese businesses. Following its restructuring, operating expenses will be substantially lower than in the past.

In the future competitiveness will be enhanced by the introduction of new game improvement products for average players. The company's strategy is being refocused from sales growth to profitability. In addition, more attention will be directed to consistent branding with the focus on the Wilson brand. Marketing efforts will be in programmes addressed to core consumers. Unprofitable product lines within the existing product categories will be discontinued.

Wilson's net sales are expected to remain at the 1996 level, while its results are expected to improve significantly.

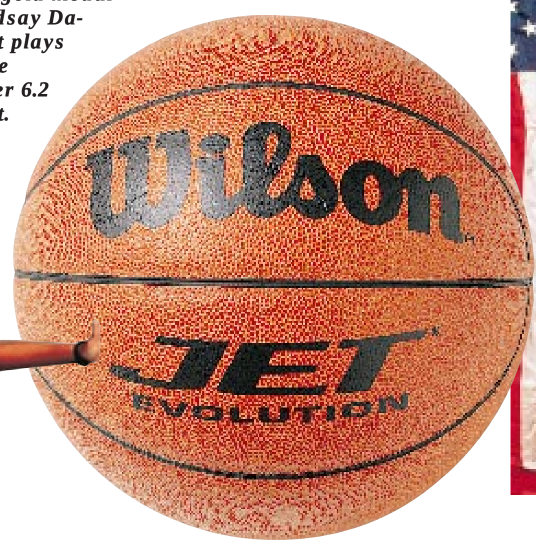
ATOMIC

Atomic manufactures and markets alpine and cross-country ski equipment under the Atomic and Dynamic brands, and snowboards and in-line skates under the Oxygen brand. The company also produces mountaineering and touring boots under the Koflach brand and bindings under the Ess brand.

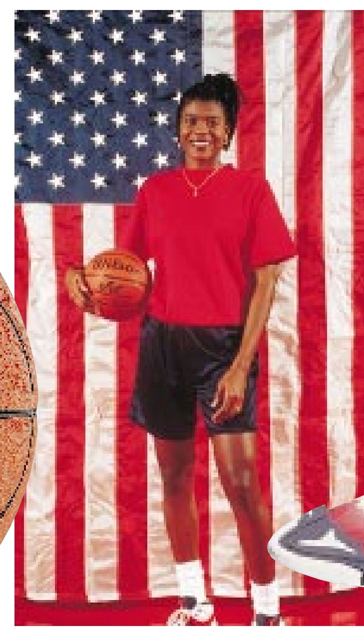
THE YEAR IN BRIEF

- *Atomic was lossmaking. Sales declined in Japan.*
- *New ski technology impacted the marketplace and demand for carving skis grew strongly. Atomic's new BetaCarv series performed well.*
- *Oxygen products now exceed 40% of Atomic's total net sales.*

The 1996 Summer Olympics women's singles gold medalist, Lindsay Davenport plays with the Hammer 6.2 racquet.



In 1996, Wilson introduced the new Jet Evolution basketball, which features Wilson's cushion core technology and composite leather cover to provide unmatched grip and control.



Wilson Staff Athlete, Sheryl Swoopes, was an important member of the USA Women 's 1996 Gold Medal Olympic Basketball Team.

GENERAL HIGHLIGHTS

Atomic's net sales totalled FIM 735 million (ATS 1,694 million). Growth, of 9%, was generated mainly from increased sales of in-line skates and snowboards. In spite of this sales increase, profitability did not progress as expected. Performance was affected by high additional one-off costs, resulting in a loss of FIM 54 million.

Sales of alpine skis declined, mainly due to a significant fall in the Japanese market, where the trade had reduced inventories. Average prices for skis also decreased in the Japanese market. In addition, close-out sales during the year were much lower than in 1995 when Atomic's old inventories were realised.

One goal for the year was to increase the proportion of in-line skates in Atomic's net sales, which are highly dependent on winter weather conditions. This goal was achieved; Oxygen in-line skates now represent almost 30% of Atomic's total net sales.

The modernisation of the Altenmarkt plant was completed. During the first part of the year, there were problems in implementing the cellular production system, which resulted in higher personnel costs being incurred following the introduction of special shifts during the second half of the year.

At the Köflach production plant a number of investments were made to facilitate a two component production process for ski boots. Returns on this investment are expected during 1997 when a completely new ski boot concept, Atomic branded, will be launched.

To strengthen Atomic's skis and Oxygen's snowboards' brand image and product quality, new quality standards were introduced.

Atomic's capital expenditure amounted to FIM 49 million, with the main focus on rationalisation of production and moulds for new products.

ALPINE AND OTHER SKI EQUIPMENT

The decline in the overall alpine ski equipment market continued worldwide, including Japan, which represents one third of the global alpine ski market. Atomic increased its market share in the upper price segment thanks to its innovative BetaCarv ski range, whereas total sales decreased. Atomic's market share, including Dynamic, as the number two global alpine ski brand, remains stable, at about 13%. The world alpine ski market amounts to approximately 4 million pairs.

The other ski brand, Dynamic, succeeded in holding its position in a very tough French market.

Demand for cross-country ski equipment remained stable. Atomic's cross-country skis sold better than in 1995; market share was about 8%. The global cross-country ski market totals around 1.5 million pairs.

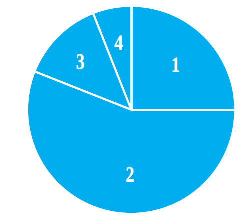
Sales of Koflach ski boots decreased due to the decline in the Japanese market.

Koflach's mountaineering and touring boots continued to be successful. In the plastic mountain boot segment, Koflach maintained its position as world market leader.

The Atomic racing team performed well during the year. The best known team members include alpinists Lasse Kjus, Hans Knauss, Steve Locher, Luc

Atomic's new Beta-Carv/X models were successful in many ski tests.

ATOMIC GEOGRAPHIC BREAKDOWN OF NET SALES 1996



1 NORTH AMERICA 25 %
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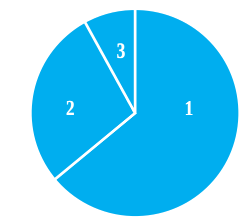
BREAKDOWN OF NET SALES 1996



1 SKI EQUIPMENT 64 %
2 IN-LINE SKATES 28 %
3 SNOWBOARDS 8 %

Alphand, Josef Strobl and Alexandra Meissnitzer, cross-country skiers Ljubov Egorova, Jari Isometsä and Mika Myllylä, ski jumpers Janne Ahonen, Mika Laitinen and Espen Bredesen as well as Samppa Lajunen, Jari Mantila, Kenji Ogiwara and Mario Stecher in Nordic combined.

SNOWBOARDS

Growth continued in the global snowboard market, with total sales of around 1.6 million snowboards in 1996. Sales of Oxygen snowboards more than doubled compared to the previous year.

In its domestic market, Austria, Oxygen is the leading snowboard brand. During 1996, marketing activities were intensified by setting up an Oxygen snowboard team, which did well in the World Cup. The following athletes are on Oxygen's international snowboard team: Robin Nordblad, Werner Ebenbauer and Jagna Marzculajtis in freestyle and Felix Stadler, Kenyon Robinson, Jason Onley and Tanja Sendlhofer in alpine.

IN-LINE SKATES

Demand for in-line skates continued to be strong in Europe, while sales in the United States stagnates. The total worldwide market for in-line skates rose to 17 million pairs. Competition among manufacturers increased on the back of falling prices in the United States and Germany, which are important markets for Oxygen.

Sales of Oxygen skates increased from the previous year; deliveries totalled over 600,000 pairs. Oxygen's market share strengthened in the middle and upper price segments and, enhanced by the new Argon model, Oxygen became one of the most popular brands amongst image-conscious youth.

Members of Oxygen's Raider Team include among others Manuel Belleres, Matteo Attanasio, T. J. Webber and Tasha Hudgson.

PROSPECTS FOR 1997

The traditional alpine ski market continues to decline, although demand for carving skis is expected to get stronger and to boost alpine skiing in general. Atomic is also expanding its range of carving skis, and sales are expected to remain at the previous year's level.

During the spring of 1997, a completely new Atomic branded ski boot will be launched alongside Atomic skis, in order to realise the potential synergy benefits of Atomic's strong brand name, particularly in marketing and advertising.

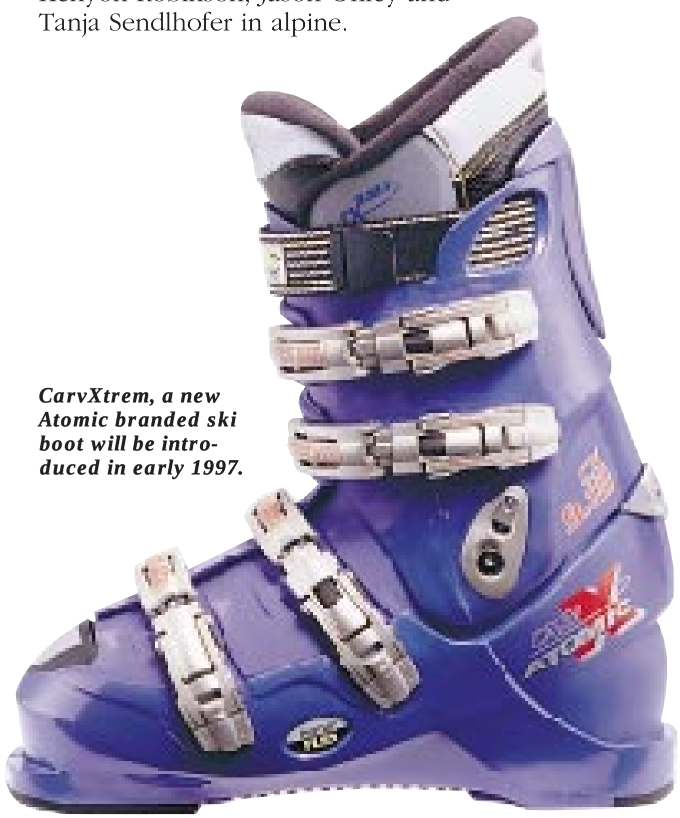
Demand for cross-country ski equipment is expected to be flat compared to 1996; Atomic's market share is, however, expected to increase.

The company will expand its cross-country ski range across several price segments.

The snowboard market is still growing in Europe, and sales of Oxygen snowboards are also expected to increase. Oxygen will launch new board models, some of which are based on a completely new construction and others on new materials, such as titanium.

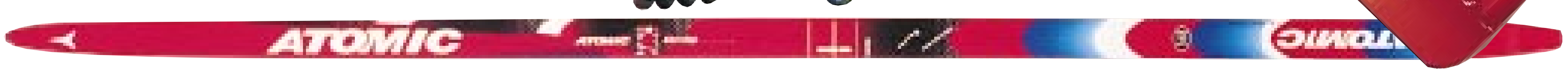
Demand for in-line skates has slowed down in the United States, but in Europe although growth continues, competition is increasing. Oxygen's sales are expected to grow. A new skate generation will be launched for the fitness sector during the second half of the year.

In 1997, Atomic is expected to increase net sales and clearly improve its results.



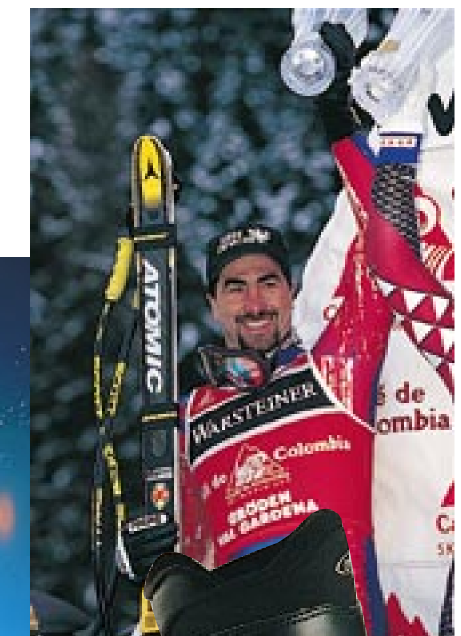
CarvXtrem, a new Atomic branded ski boot will be introduced in early 1997.

Oxygen in-line skates now total almost 30% of Atomic's net sales.



Oxygen's top model snowboards feature the so called D-star construction and new materials, such as titanium.

Lasse Kjus, the Norwegian alpinist, won the overall World Cup classification in 1995/96 - on Atomic skis.



Luc Alphand from France won the Downhill World Cup 1995/96.

The Argon collection was designed through collaboration between Oxygen and the world's top professional aggressive skaters.

TOBACCO DIVISION

KEY INDICATORS

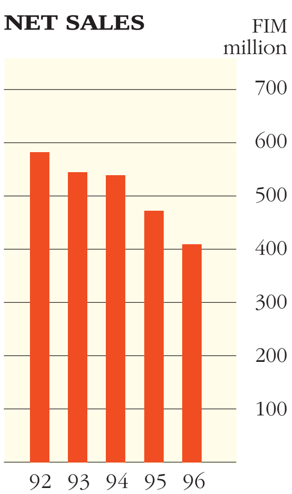
FIM million	1996	1995	Change
GROSS SALES	2,817	3,125	–10%
EXCISE TAX	1,893	2,083	– 9%
NET SALES	409	472	–13%
OPERATING PROFIT	27	71	–62%
OVERSEAS SALES	35	35	
CAPITAL EXPENDITURE	5	6	–17%
PERSONNEL (average)	362	361	1

Amer Tobacco Ltd is Finland's leading cigarette manufacturer. The major part of its production consists of cigarettes manufactured under licence from Philip Morris Products Inc. Besides licensed products, Amer Tobacco also manufactures its own cigarette brands, pipe and cigarette tobacco, and also imports Rizla smoking accessories and Schimmelpenninck cigars.

Amer Tobacco's own cigarette brands are also manufactured under licence in St. Petersburg for the Russian market, whilst in Estonia Amer Tobacco's brands are imported and distributed by its own subsidiary.

THE YEAR IN BRIEF

- *Deliveries of cigarettes continued to decline in Finland as a result of falling consumption and increased contraband trade. In addition, volumes were affected by the shift towards cheaper roll your own cigarettes.*
- *Amer Tobacco's net sales and operating profits decreased significantly. The new licence agreement with Philip Morris weakened the profitability of the licensed brands.*
- *Amer Tobacco maintained its leading market position.*



Total deliveries of tobacco products in Finland decreased and were lower than at any point during the current decade. The drop was greater in cigarettes, 13%, due to falling consumption, contraband trade, and the shift towards cheaper roll your own cigarettes. An additional reason for the fall was the change in stocks that resulted from extra stock purchases made by the trade at the end of 1995, following the excise tax increase on 1 January 1996. Deliveries of cigars remained at the same level as last year, whereas deliveries of cigarette tobacco increased.

These general market trends were also reflected in Amer Tobacco's performance; net sales decreased by 13%. Domestic deliveries were 3,023 million cigarettes, 16% less than in 1995. Deliveries, as well as pipe and cigarette tobacco market share decreased. In addition, net sales and profitability were affected by the growth in market share of lower priced cigarette brands, which have already gained 36% of the market. The new licence agreement with Philip Morris weakened licensed products' profitability. As the only domestic manufacturer, Amer Tobacco, however, retains its leading position; the company's share of the domestic cigarette market was 67% (69%).

Tough competition continued in a declining Finnish market. Increases in excise tax at the beginning of the financial year were not passed on in retail prices and industry margins were still below 1994 levels. During the financial year Amer Tobacco, however, raised its retail prices twice, in January and in September. The tax on a packet of Marlboro currently represents 76.6% of the retail price; in comparison the EU minimum tax rate is 70%.

Marlboro continued to be the most popular cigarette brand with a market share of 30%; L&M and Belmont were second and third with market shares of 24% and 13%, respectively. L&M Menthol and Belmont Full Flavor were both launched during the year.

Export volumes to Estonia, as well as volumes of Philip Morris products delivered to the tax free trade, increased whilst the problems with exports to Russia continued.

Towards the end of the year, Amer Tobacco established an agreement with Nevo Tobacco Ltd. and SVS-Holding Ltd. to start licence manufacturing and distribution of its own cigarette brands in St. Petersburg for the Russian market. Initially, production, which is planned to start in early 1997, will consist of Form and Trend branded cigarettes.

The Division's capital expenditure of FIM 5 million related to rationalisation and productivity improvements.

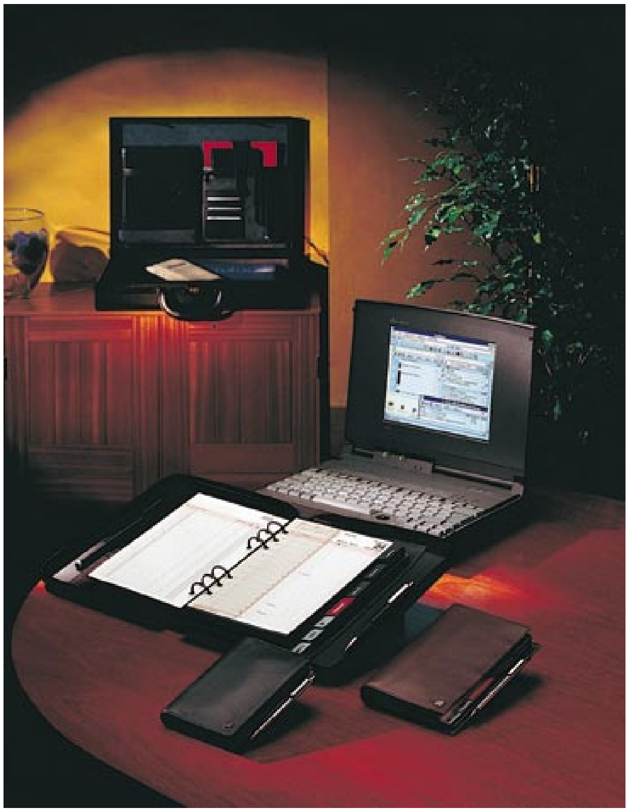
Marlboro, the world's most popular brand, is also the best selling brand in Finland with a market share of 30%.

PROSPECTS FOR 1997

Despite the fact that total Finnish consumption of tobacco products is the lowest in the EU, it is expected to decline further. Deliveries are largely dependent on trends in contraband.

Amer Tobacco raised its retail prices on 1 January 1997, to compensate for the previous years' excise tax increases. Domestic sales are expected to grow, and growth prospects in export markets are also good. Amer Tobacco's profitability is also expected to recover from the previous year's level.

TIME/SYSTEM



Sales of software products increased in all markets. Time/system Task-Timer for Windows was very successful and was a test winner in many industry publications.

KEY INDICATORS

FIM million	1996	1995	Change
NET SALES	297	218	36%
OPERATING PROFIT	46	53	-13%
CAPITAL EXPENDITURE	122	5	-
PERSONNEL (average)	340	224	116

Time/system, which offers solutions for increased personal and organisational efficiency, is a global producer and marketer of personal planning systems.

Its products are sold in around 40 countries. The customer database totals about 900,000 regular users. Wholly owned sales subsidiaries are located in the Nordic countries, Great Britain, Germany and Italy, whilst in other countries the products are marketed through a wide distributor network, with Europe as the principal market, representing 90% of net sales.

International markets for personal planning systems developed very differently during the fiscal year. While some markets, such as Germany, Great Britain, Finland and Spain made good progress, others experienced weakening sales. Sales of PC software grew in all markets. In general, competition within the industry increased, but Time/system's market position remained stable.

Time/system's currency denominated net sales increased by 35%. Growth was generated from the acquisition of Time/system Germany. Profitability remained good.

The integration of Time/system Germany's operations proceeded according to plan, resulting in increased sales and profits. The organisation has been transformed to become a more customer and sales oriented company. Germany is the biggest individual market for Time/system products.

In order to achieve higher flexibility and greater cost effectiveness in production and distribution, a restructuring programme was initiated early in 1996 to streamline production. Implementing the changes has taken longer than anticipated, but the results will show through in 1997.

The planning and realisation of a new EDP system, which will be installed in 1998, is running on schedule. It will improve the information flow to and from markets, thus bringing Time/system closer to the customer.

Capital expenditure totalled FIM 122 million, with a major part, FIM 108 million, representing the acquisition of Time/system Germany. The balance was concentrated on rationalisation and productivity improvements, as well as the new EDP system as described above.

PROSPECTS FOR 1997

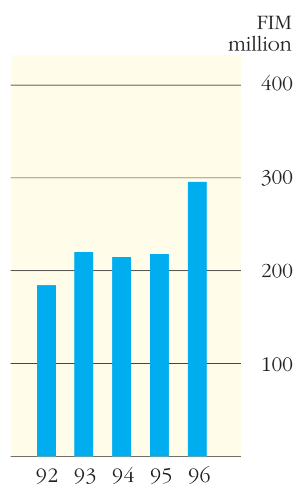
During 1997, Time/system will expand its personal planning systems' consultancy and advisory services. In 1997, a special emphasis will be put on streamlining logistical and order fulfilling processes from production to consumer.

Time/system's net sales are expected to increase and its results to remain good.

THE YEAR IN BRIEF

- *Time/system's profitability continued to be good.*
- *The integration of Time/system Germany, which was acquired at the beginning of 1996, progressed according to plan. Following this acquisition, Time/system International's position in European markets was strengthened.*
- *Production was reorganised.*

NET SALES



REPORT OF THE BOARD OF DIRECTORS

Pictured (from left to right): Roger Talermo, Pekka Kainulainen, Vice Chairman; Timo Maasilta, Antti Lagerroos, Chairman; Tauno Huhtala and Olle Koskinen.

During 1996, structural changes at Amer Group progressed in accordance with our adopted strategy, and the company continued to focus on sporting goods. However, the unprofitable performance continued and resulted in significant losses being reported. Problems at Wilson and MacGregor's golf operations continued to affect the Group's results, as did declines in the other divisions' profitability. In addition, changes to the Group's structure had an impact on the overall performance.

Several changes were necessary to both the Corporate management and the Sports Division's management. Questions relating to the ownership of the company's K shares caused uncertainty in the first part of the year; the problem was solved in March having had an impact for more than six months in total. In addition to this, the latter part of the year was characterised by negative publicity relating to the Group's unprofitable performance.

Time/system was strengthened by the acquisition of its German distributor in early 1996. Towards the end of the year, the Group divested all its vehicle businesses, and a decision was made to divest MacGregor Golf Company, whose operations have been unprofitable for several years, and to focus on the Wilson brand.

GROSS AND NET SALES

The Group's gross sales for the 1996 financial year totalled FIM 7,777 million (1995: FIM 9,456 million).

The Group paid FIM 1,893 million in excise tax on tobacco products to the State of Finland, and FIM 101 million in motor vehicle taxes.

The Group's net sales totalled FIM 4,958 million (1995: FIM 6,166 million). Excluding exchange rate fluctuations, sales declined by 21 %. Given stable exchange rates, continuing businesses' comparable year on year sales would have increased by 2%. The Sports Division's currency denominated net sales increased by 2%, and by 4% in Finnmarks. Wilson's currency denominated net sales increased by 2%, and by 4% in Finnmarks. Atomic's currency denominated net sales increased by 7% and by 9% in Finnmarks. The Automotive Division's net sales for the eleven months of the year that it was part of the Group totalled FIM 516 million. The Tobacco Division's net sales decreased by 13%, and following the acquisition of its German distributor, Time/system's net sales grew by 36%.

Geographically, 44% of net sales were generated in North America, 18% in Finland, 24% in the Rest of Europe and 14% in the Rest of the World.

UNPROFITABLE PERFORMANCE

The Group's financial performance weakened significantly compared to 1995 and was lossmaking. A profit warning was released initially in June in connection with the first interim report, and then again in August, when the move into losses was clearly evident.

Operating losses totalled FIM 120 million (1995: a profit of FIM 263 million). The negative impact of exchange rate fluctuations on the Group's operating loss was FIM 17 million. The Sports Division's operating losses were FIM 175 million (1995: a profit of FIM 81 million), with Wilson representing FIM 84 million, and Atomic representing FIM 54 million. MacGregor Golf Company's losses increased and totalled FIM 37 million.

The overall impact of the structural changes to the Group was an additional loss of FIM 31 million.

Wilson's profitability dropped significantly compared to 1995. Wilson's Racquet Sports Division, however, continued to be successful. Sales increased, and Wilson maintained its number one position in tennis worldwide.

In contrast, problems in sales of premium golf clubs and golf balls continued. In addition, the Team Sports Division's profitability weakened because of lower sales of apparel and baseball products. In Japan, golf product sales declined, whilst operating expenses remained high. Profitability was also affected by the weaker yen.

Furthermore, Wilson's outturn was burdened by amortisation of goodwill arising from the original Wilson acquisition.

Atomic's net sales increased, but profitability did not meet expectations mainly due to lower than expected sales in Japan, and due to the problems in implementing the new cellular manufacturing concept in production, which resulted in additional costs being incurred. Sales of in-line skates and snowboards increased strongly.

The Automotive Division's operating profit for the period from January to November totalled FIM 29 million (1995: FIM 65 million). Growth in the overall Finnish car and van market continued to be more rapid than anticipated. As predicted, the profitability of the Group's import operations weakened, as a result however of the declining value of the Finnish markka in the first half of the year. In addition, the expiry of the Toyota leasing agreements reduced the leasing operations' net sales and profitability.

In Finland, cigarette manufacturers' deliveries declined by 13%, and price competition continued to be tough. The decline was primarily due to falling consumption, increased contraband imports and a shift towards roll your own cigarettes. Amer Tobacco's operating profit decreased to FIM 27 million (1995: FIM 71 million) as a result of the above mentioned reasons and the new Philip Morris agreement which affected licensed cigarettes' profitability. The company nonetheless maintained its dominant position, with a 67% share of the Finnish cigarette market.

Time/system's profitability remained at a good level with operating profits of FIM 46 million (1995: FIM 53 million).

Depreciation totalled FIM 253 million (1995: FIM 238 million) and includes FIM 40 million for the amortisation of goodwill (1995: FIM 30 million), FIM 25 million of which (1995: FIM 24 million) relates to Wilson.

The Group's losses before taxes and extraordinary items totalled FIM 234 million (1995: a profit of FIM 140 million). Net financial expenses decreased by FIM 9 million. Net interest expenses were increased by low Finnish markka interest rates compared to US dollar interest rates. The Group's net financial expenses remained at the previous year's level, representing 2% of net sales and include FIM 2 million of currency losses (1995: currency gains of FIM 2 million).

Taxes for 1996 totalled FIM 26 million. In addition, the Group's losses before extraordinary items include FIM 85 million due to a decrease in deferred tax liability, and a tax credit of FIM 2 million relating to prior years.

Losses before extraordinary items were FIM 176 million (1995: profits of FIM 75 million).

The results were burdened by extraordinary items of FIM 150 million, including a profit of FIM 15 million relating to the divestment of the vehicle businesses. Other extraordinary items included FIM 124 million relating to Wilson's reorganisation and losses of FIM 40 million relating to the sale of MacGregor's operations.

Return on investment was 2% negative compared with 6% in 1995. Return on equity was negative by 7% compared to 3% in 1995.

Losses per share were FIM 7.40 (1995: earnings of FIM 3.10).

DIVIDEND

The Board of Directors propose that no dividend be paid for the 1996 financial year due to the Group's significant losses. For 1995, a dividend of FIM 3.00 was paid per share, at a total cost of FIM 71 million.

CHANGES IN CORPORATE STRUCTURE

In order to strengthen Time/system's position, the Group acquired its German distributor Time/system GmbH Management Organisation. Ownership was transferred to Amer Group at the beginning of 1996.

In November, the Group signed agreements to sell its Citroën and Suzuki car and van importation operations and related businesses to Oy Veho Ab, and its car leasing operations to Hertz Leasing Oy, respectively. Both deals became effective on 1 December 1996.

In October, a Letter of Intent was signed to sell all MacGregor Golf Company's operations. The transaction with the American based company MGC Holding Inc., owned by the British Masters International Ltd and Apax Partners, was completed on 3 February 1997.

CAPITAL EXPENDITURE

The Group's gross capital expenditure totalled FIM 297 million, representing 6% of net sales. FIM 108 million related to the acquisition of Time/system Germany. Investments in land and buildings totalled FIM 9 million. Investments in machinery and equipment represented FIM 174 million. FIM 53 million related to the acquisition of vehicles in the Automotive Division's leasing operations, FIM 29 million to production machinery at Wilson, and FIM 31 million to production machinery at Atomic.

Income from disposals of fixed assets totalled FIM 332 million, including FIM 221 million from the sale of land, buildings, machinery and equipment relating to the vehicle businesses and FIM 91 million from other sales of vehicles relating to the Automotive Division's leasing operations.

Of the FIM 71 million R&D expenditure, FIM 43 million related to Wilson and FIM 26 million to Atomic.

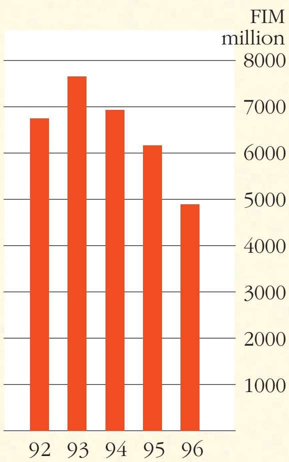
FINANCE

Financing from operations was negative by FIM 71 million.

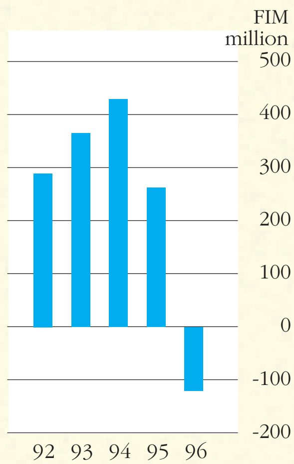
The Group's equity ratio declined from 47% to 44% at the end of the year. The gearing increased to 60 (1995: 51). The Group's year end net debt remained at the previous year's level of FIM 1,304 million. As a result of its credit facilities, the Group's liquidity remained good with liquid assets totalling FIM 299 million at the end of the year.

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

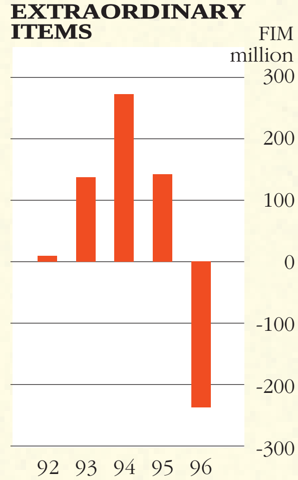
NET SALES



OPERATING LOSS/PROFIT



LOSS/PROFIT BEFORE TAXES AND EXTRAORDINARY ITEMS



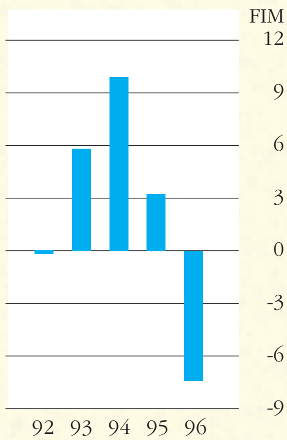
FINANCIAL RISK MANAGEMENT

At Amer Group, the treasury function is centralised. Each business unit finances its operations mainly in local currency. Foreign exchange risks arising from the Group's intercompany funding and from external interest bearing receivables and liabilities, are monitored, currency by currency, through currency exposure calculations. Foreign exchange risks resulting from the translation of subsidiaries' equities are also taken into account in the calculations. Net exposure against foreign exchange rate risks are hedged with forward contracts, the outstanding nominal value of which amounted to FIM 2,253 million at the year end.

The business units cover their own commercial foreign exchange rate risk by taking out intercompany forward contracts with the Corporate Treasury, which further covers its own exposures by external forward contracts with domestic and foreign banks. The value of these forward contracts totalled FIM 86 million at the end of the year.

62% of the Group's interest bearing liabilities are denominated in US dollars, the majority at floating interest rates. To hedge interest rate risks, the Group uses forward rate contracts and options. At the year end, the outstanding nominal value of interest rate forward contracts totalled FIM 1,858 million and the amount of interest rate options (call options) FIM 464 million.

ADJUSTED EARNINGS PER SHARE



NET SALES AND GROSS SALES

FIM million	**1996**	**%**	1995	%	Change %
Sports Division	**3,738**	**75**	3,597	58	4
Racquet	**1,146**		946		21
Golf	**976**		1,068		– 9
Team Sports	**694**		700		– 1
Wilson	**2,816**		2,714		4
Atomic	**421**		480		– 12
Oxygen	**314**		194		62
Atomic	**735**		674		9
MacGregor	**221**		221		–
less intercompany sales	**– 34**		–12		
Automotive Division	**516**	**11**	555	9	– 7
Tobacco Division	**409**	**8**	472	8	– 13
Time/system	**297**	**6**	218	4	36
less intercompany sales	**– 2**		– 4		
	4,958		4,838		2
Sold Operations	**–**		1,328	21	
Net Sales, total	**4,958**	**100**	6,166	100	– 20
Excise Tax	**1,890**		2,081		– 9
Sales Taxes	**805**		1,106		– 27
Gross Sales, total	**7,777**		9,456		– 18

GEOGRAPHIC BREAKDOWN OF NET SALES

FIM million	**1996**	**%**	1995	%	Change %
North America	**2,168**	**44**	2,214	36	– 2
Finland	**903**	**18**	2,215	36	– 59
Rest of Europe	**1,210**	**24**	1,060	17	14
Others	**677**	**14**	677	11	–
Group, total	**4,958**	**100**	6,166	100	– 20

OPERATING LOSS/PROFIT BY DIVISION

FIM million	**1996**	1995
Sports Division	**–175**	81
Wilson	**– 84**	75
Atomic	**– 54**	38
MacGregor	**– 37**	– 32
Automotive Division	**29**	65
Tobacco Division	**27**	71
Time/system	**46**	53
Corporate Headquarters	**– 47**	– 42
	–120	228
Sold Operations	**–**	35
Group, total	**–120**	263

The forward contracts are valued at the year end rate.

PERSONNEL

The number of Amer Group employees decreased by 470 during the financial year to 4,667. Of the decrease, 525 related mainly to the restructuring of Wilson's operations and 132 to the sale of the vehicle businesses. The average number of employees during 1996 was 5,115 (1995: 5,748). The number of parent company employees decreased by four and was 47 at the end of the year. The parent company employed an average of 52 persons during the year (1995: 326).

The number of personnel employed in the Group's US units was 2,316, with 416 in Finland and 1,935 elsewhere.

MANAGEMENT CHANGES

On 11 April 1996, the Supervisory Board appointed Mr Antti Lagerroos as Chairman of the Board of Directors effective 1 May 1996, to replace Mr Timo Peltola, who had tendered his resignation. In December, Mr Lagerroos was re-elected to the Board for the three year period commencing 1 January 1997. He was also reappointed as Chairman of the Board.

The Supervisory Board appointed Mr Roger Talermo, President of Atomic and a member of the Group's Sports Division's Executive Board since 1 August 1995, as President and CEO of Amer Group Ltd as of 1 May 1996. He was also appointed a Board Member, replacing Mr Raimo Taivalkoski, the acting Group President and CEO since 23 August 1995, who also resigned from his duties as a Board Member.

In December, Mr Olle Koskinen, whose term expired at the end of 1996, was re-elected as a Board Member for the three year period from 1 January 1997.

Mr Jim Baugh, Vice President/General Manager of Wilson's Racquet Sports Division, was appointed Wilson's new President as from 20 August 1996. Mr Baugh succeeded Mr Jim Reid-Anderson, Wilson's Senior Vice President and CFO, who was appointed acting President on 1 March 1996 after the resignation of Mr John Riccitiello; Mr Reid-Anderson himself resigned in August, as did Mr Kim Ignatius, Vice President/General Manager of Wilson's Golf Division. Mr Steve Millea, Vice President/General Manager of Wilson's International Markets was appointed as CFO and Mr John Embree, Business Director for Wilson Racquets, as Vice President/General Manager of Wilson's Racquet Division. Mr Luke Reese, Commercial Director for Wilson Europe, was appointed as General Manager, Sports Division/Europe.

In September, Mr Michael Schineis, was appointed President of Atomic. He joined the Group at the end of October.

In December, Mr Kari Miettinen, Executive Vice President and CFO, tendered his resignation as from 1 April 1997. In January, Mr Pekka Paalanne was appointed as Senior Vice President and CFO effective from 1 March 1997. Mr Eero Alperi was appointed Director, Corporate Planning and Business Development, as from 14 February 1997.

AMER GROUP SHAREHOLDERS

The Company had 14,827 A shareholders at the year end. Foreign shareholdings increased again and represented approximately 65% of the total shares in issue at the end of 1996.

Amer's stock was heavily traded during the year; 93% of the A shares in issue were turned over on the Helsinki Stock Exchange and 86% on the London Stock Exchange. The lowest Amer share price was FIM 66 in June and the highest FIM 120 in August. The average price for 1996 was FIM 96.

The market capitalisation of the Company was FIM 2,288 million at the year end.

HELSINKI STOCK EXCHANGE ISSUED CAUTION

On 23 September 1996, The Disciplinary Board of the Helsinki Stock Exchange cautioned Amer Group Ltd and ordered the Company to pay FIM 100,000 as a disciplinary sanction. According to the Disciplinary Board's decision, the Group violated the rules of the Stock Exchange when publishing its estimate of losses for the 1996 financial year for the first time in the first interim report dated 6 June 1996. According to the ruling, the profits warning should have been made immediately after the Board Meeting on 25 April 1996, when the evident change to the Group's performance first became apparent, and the results for the first three months of the year had become known to the Board.

In December, the Finnish Financial Supervision Authority asked the Helsinki Police Department to investigate whether the Company had violated the Securities Market Act relating to the profits warning as described above. At the time of writing this report, the investigation continues.

PROSPECTS FOR 1997

The Group's net sales are expected to exceed FIM 4 billion in the current financial year.

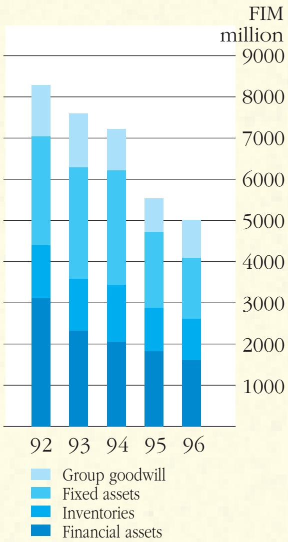
Divisional capital expenditure is budgeted at FIM 129 million, a total of FIM 102 million of which relates to production machinery at Wilson and Atomic, and FIM 19 million to Time/system's production and its new EDP system.

R&D is budgeted at FIM 81 million.

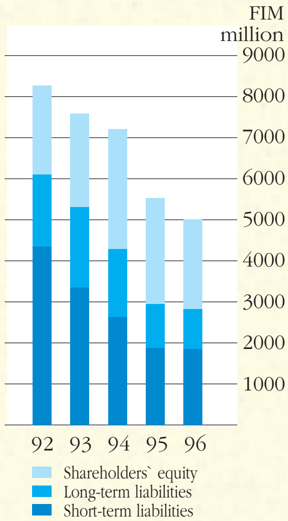
Net financial expenses will decrease as a direct result of lower net debts. Because of its credit facilities the Group's liquidity is expected to remain good.

The Group's financial performance will improve towards the end of the current year, but, overall, it may remain lossmaking.

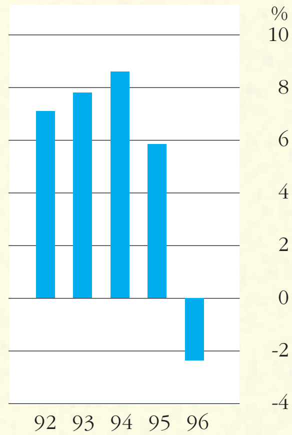
ASSETS



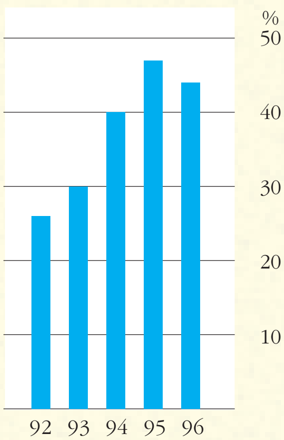
FINANCING



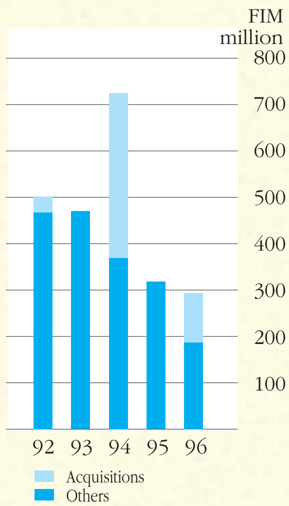
RETURN ON INVESTMENT



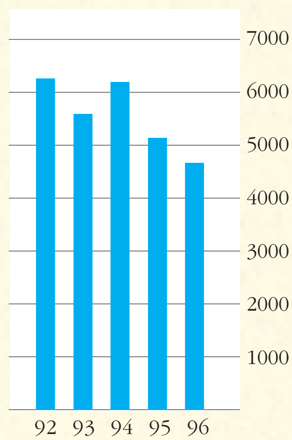
EQUITY RATIO



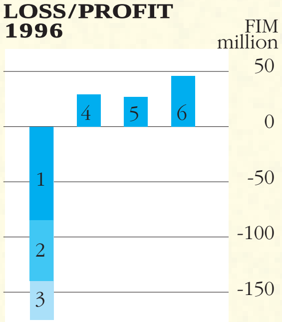
CAPITAL EXPENDITURE



PERSONNEL AT YEAR END

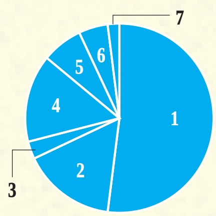


OPERATING LOSS/PROFIT 1996



1 WILSON
2 ATOMIC
3 MACGREGOR
4 AUTOMOTIVE DIVISION
5 TOBACCO DIVISION
6 TIME/SYSTEM

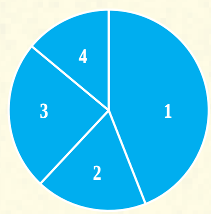
PERCENTAGES OF CAPITAL EMPLOYED 1996*)



1 WILSON 52 %
2 ATOMIC 16 %
3 MACGREGOR 3 %
4 CORPORATE HEADQUARTERS 15 %
5 AUTOMOTIVE DIVISION 7 %
6 TIME/SYSTEM 5 %
7 TOBACCO DIVISION 2 %

*) Divisional capital employed includes goodwill.

GEOGRAPHIC BREAKDOWN OF NET SALES 1996



1 NORTH AMERICA 44 %
2 FINLAND 18 %
3 REST OF EUROPE 24 %
4 OTHERS 14 %

STATEMENT OF INCOME

FIM million		CONSOLIDATED 1996	%	1995	%	PARENT COMPANY 1996	1995
Gross sales		**7,777**		9,456		–	2,093
Adjustments to gross sales							
Excise tax		**1,890**		2,081		–	1,391
Sales taxes		**805**		1,106		–	370
Discounts		**124**		103		–	12
Total adjustments to gross sales		**2,819**		3,290		–	1,773
Net sales		**4,958**	**100**	6,166	100	–	320
Change in inventories of finished goods increase (+), decrease (–)		**– 56**		103		–	16
Production for own use (+)		**84**		57		–	–
Share of the associated companies' profit		**– 9**		– 1		–	–
Other operating income		**41**		44		**30**	32
Expenses							
Materials and supplies							
Purchases during the period		**2,740**		3,345		–	108
Increase (–) or decrease (+) in inventories		**– 18**		327		–	40
External charges		**52**		73		–	–
Wages, salaries and social expenditure	1)	**1,002**		1,079		**18**	74
Rent		**71**		69		**21**	20
Other operating expenses		**1,038**		975		**17**	137
Total expenses		**4,885**	**99**	5,868	95	**56**	379
Depreciation	2)	**253**	**5**	238	4	**9**	18
Operating loss/profit		**– 120**		263	4	**– 35**	– 29
Financing income and expenses	3)	**– 114**	**2**	– 123	2	**– 538**	187
Loss/Profit before taxes and extraordinary items		**– 234**		140	2	**– 573**	158
Taxes	4)	**61**		– 67		**–**	– 9
Minority interest		**– 3**		2		**–**	–
Loss/Profit before extraordinary items		**– 176**		75		**– 573**	149
Extraordinary items	5)	**– 150**		– 73		**– 36**	–205
Group contribution		**–**		–		**316**	58
Increase (–) or decrease (+) in untaxed reserves		**–**		–		**73**	46
Net loss/profit for the period		**– 326**		2		**– 220**	48

SOURCES AND APPLICATIONS OF FUNDS

FIM million	CONSOLIDATED 1996	1995	PARENT COMPANY 1996	1995
Funds from operations				
Loss/Profit before taxes and extraordinary items	**– 234**	140	**– 573**	158
Depreciation	**253**	238	**9**	18
Taxes	**– 24**	– 122	**–**	– 9
Extraordinary items	**– 72**	30	**934**	59
Total from operations	**– 77**	286	**370**	226
Change in working capital				
Increase (–) or decrease (+) in inventories	**102**	259	**–**	126
Increase (–) or decrease (+) in short-term trade receivables	**446**	80	**– 218**	571
Increase (+) or decrease (–) in interest-free short-term liabilities	**– 326**	– 189	**– 9**	– 617
Total	**222**	150	**– 227**	80
Total funds from operations	**145**	436	**143**	306
Change in fixed assets and other investments				
Company acquisitions	**– 108**	–	**–**	–
Purchases of fixed assets	**– 189**	– 318	**– 1**	– 10
Sales of fixed assets	**332**	512	**2**	124
Purchases of investments	**–**	– 1	**– 1**	– 245
Sales of investments	**–**	225	**–**	126
Other change in fixed assets	**27**	85	**2**	21
Change in other shareholders' equity and valuation items	**1**	– 115	**– 107**	– 137
	63	388	**– 105**	– 121
Surplus in financing	**208**	824	**38**	185
Financing activities				
Dividends to shareholders	**– 71**	– 71	**– 71**	– 71
Long-term financing, net	**– 107**	– 492	**– 111**	– 474
Short-term financing, net	**147**	– 258	**325**	367
Total	**– 31**	– 821	**143**	– 178
Change in liquid funds	**177**	3	**181**	7
Liquid funds				
Liquid funds at year end	**299**	119	**207**	26
Liquid funds at year beginning	**122**	116	**26**	19
Change in liquid funds	**177**	3	**181**	7

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

BALANCE SHEET

FIM million		CONSOLIDATED				PARENT COMPANY			
ASSETS		**31 Dec. 96**	**%**	31 Dec. 95	%	**31 Dec. 96**	**%**	31 Dec. 95	%
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS	6), 7)								
Intangible fixed assets	8)								
Intangible rights		**127**		136		**1**		1	
Group goodwill		**913**		810		**–**		–	
Other capitalised expenditure		**33**		37		**2**		2	
		1,073	**21**	983	18	**3**	**–**	3	–
Tangible fixed assets	8)								
Land and water		**147**		148		**9**		11	
Buildings		**649**		674		**150**		157	
Machinery and equipment		**354**		674		**3**		9	
Other tangible fixed assets		**3**		–		**3**		–	
Advances paid and construction in progress		**41**		12		**–**		–	
		1,194	**24**	1,508	27	**165**	**4**	177	4
Other long-term investments	9)								
Investments in subsidiaries		**–**		–		**1,246**		1,898	
Investments in associated companies		**70**		84		**39**		39	
Other bonds and shares		**24**		26		**22**		23	
Loans	10),12)	**40**		40		**31**		30	
Other investments		**3**		3		**–**		–	
		137	**3**	153	3	**1,338**	**30**	1,990	44
TOTAL FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS		**2,404**	**48**	2,644	48	**1,506**	**34**	2,170	48
CURRENT ASSETS									
Inventories									
Raw materials and consumables		**180**		192		**–**		–	
Work in progress		**47**		57		**–**		–	
Finished goods		**779**		814		**–**		–	
		1,006	**20**	1,063	19	**–**	**–**	–	–
Receivables	12)								
Accounts receivable	11)	**1,142**		1,518		**4**		30	
Receivables from subsidiaries		**–**		–		**2,655**		2,230	
Loans receivable		**5**		8		**3**		3	
Prepaid expenses and accrued income		**111**		135		**19**		30	
Other receivables		**52**		51		**–**		–	
		1,310	**26**	1,712	31	**2,681**	**61**	2,293	51
Cash and cash equivalents		**299**	**6**	119	2	**207**	**5**	26	1
ASSETS		**5,019**	**100**	5,538	100	**4,394**	**100**	4,489	100

BALANCE SHEET

FIM million SHAREHOLDERS' EQUITY AND LIABILITIES	Note	CONSOLIDATED 31 Dec. 96	%	31 Dec. 95	%	PARENT COMPANY 31 Dec. 96	%	31 Dec. 95	%
SHAREHOLDERS' EQUITY	13)								
Restricted equity									
Share capital		**475**		475		**475**		475	
Capital surplus		**1,092**		1,092		**1,092**		1,092	
Revaluation surplus		**21**		21		**–**		–	
Total restricted equity		**1,588**	**32**	1,588	29	**1,567**	**35**	1,567	35
Unrestricted equity									
Retained earnings		**856**		923		**480**		504	
Net loss/profit for the period		**– 326**		2		**– 220**		48	
Unrestricted equity		**530**	**10**	925	17	**260**	**6**	552	12
TOTAL SHAREHOLDERS' EQUITY		**2,118**	**42**	2,513	46	**1,827**	**41**	2,119	47
MINORITY INTEREST		**67**	**2**	65	1	**–**	**–**	–	–
UNTAXED RESERVES									
Accumulated depreciation in excess of plan	14)	**–**	**–**	–	–	**27**	**1**	36	1
Untaxed reserves									
Transition reserve		**–**	**–**	–	–	**–**	**–**	65	2
Provision for contingent losses		**80**	**2**	1	–	**–**	**–**	–	–
VALUATION ITEMS		**–**	**–**	–	–	**–**	**–**	106	2
LIABILITIES	15)								
Long-term liabilities	16)								
Convertible bonds		**343**		321		**343**		321	
Loans from financial institutions		**321**		426		**302**		424	
Pension loans		**100**		119		**100**		107	
Other long-term debt	19)	**128**		212		**4**		7	
		892	**17**	1,078	19	**749**	**17**	859	19
Short-term liabilities	18), 19)								
Interest-bearing liabilities	17)	**806**		526		**686**		486	
Advances received		**–**		4		**–**		–	
Accounts payable		**295**		357		**2**		2	
Payables to subsidiaries		**–**		–		**1,069**		776	
Accrued liabilities		**359**		400		**31**		38	
Other interest-free short-term liabilities		**402**		594		**3**		2	
		1,862	**37**	1,881	34	**1,791**	**41**	1,304	29
TOTAL LIABILITIES		**2,754**	**54**	2,959	53	**2,540**	**58**	2,163	48
SHAREHOLDERS' EQUITY AND LIABILITIES		**5,019**	**100**	5,538	100	**4,394**	**100**	4,489	100

NOTES TO FINANCIAL STATEMENTS

ACCOUNTING POLICIES

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

Principles of consolidation

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

Net sales

Net sales represents the invoiced value of goods sold and services provided, less excise tax, sales taxes and discounts. Net sales are stated in accordance with EU guidelines and US-GAAP rules.

Inventories and work in progress

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

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

Foreign currencies

The Group's exchange rate gains on foreign denominated liabilities which represent a hedge against overseas subsidiaries' net assets have been matched against each subsidiary's translated equity.
Assets and liabilities denominated in foreign currencies and those of foreign subsidiaries are translated into Finnish markka at the rates of exchange in effect at the balance sheet date.

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

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

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

	Statement of Income		Balance Sheet	
	1996	1995	31 Dec. 96	31 Dec.95
USD	4.5935	4.3667	4.6439	4.3586

Fixed assets

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

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

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

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

Land is not depreciated.

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

Buildings	4-7%
Machinery and equipment	30%

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

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

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

Leasing

The Group has neither significant finance nor operating leasing agreements. Leasing payments are treated as rentals.

Research and development

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

Pension liabilities

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

A minor part of the cost of supplementary pensions is borne directly by the Parent Company. Such costs have been expensed; pension liabilities are included in other long-term interest-free liabilities.

Foreign subsidiaries administer their pension schemes according to local practice.

Tax

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

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

The untaxed reserves of the Finnish companies include a deferred tax liability.

Untaxed reserves

Under Finnish tax legislation, companies were permitted to claim various tax deductions, principally by deducting from profit appropriations to untaxed reserves and accumulating these charges in the balance sheet under accounts entitled “Untaxed reserves”. Under new tax legislation valid from the beginning of the year 1993, new tax deductions under untaxed reserves are no longer permitted, and the existing reserves have to be dissolved by the end of year 1997. Such untaxed reserves have been dissolved in 1996.

Official financial statements

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

NOTES TO THE STATEMENT OF INCOME

1. Wages and salaries, statutory and other benefits

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
Wages and salaries	**778**	801	**11**	44
Vacation, leave and sick pay	**74**	113	**2**	10
Pensions and pension fees	**51**	62	**4**	11
Other statutory and contractual benefits and social security	**86**	84	**1**	6
Voluntary benefits and social security	**13**	19	**–**	3
	1,002	1,079	**18**	74
Fringe benefits	**8**	15	**1**	3
Remuneration of the Supervisory Board, the Board of Directors and the Presidents,	**17**	12	**3**	3
including bonuses	**1**	1	**–**	–

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

2. Depreciation

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
Depreciation according to plan				
Intangible assets	**13**	1	**–**	–
Group goodwill	**40**	30	**–**	–
Other capitalised expenditure	**5**	9	**1**	2
Buildings	**33**	37	**6**	4
Machinery and equipment	**162**	161	**2**	12
	253	238	**9**	18
Statutory depreciation	**160**	222	**1**	7
Depreciation in excess of plan	**– 93**	– 16	**– 8**	–11
Depreciation difference of fixed assets sold	**– 39**	–166	**–**	–35
Depreciation difference in statement of income	**–132**	–182	**– 8**	–46
Transferred to shareholders' equity net of tax liabilities	**132**	182	**–**	–

3. Financing income and expenses

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
Dividends received from subsidiaries	**–**	–	**40**	32
Other dividends	**–**	5	**3**	24
Interest income on long-term investments	**2**	3	**2**	3
Interest income, intercompany	**–**	–	**140**	140
Other interest income	**21**	36	**13**	16
Exchange rate gains	**–**	2	**83**	147
Other financial income	**1**	1	**–**	–
Interest expenses, intercompany	**–**	–	**– 48**	– 23
Interest expenses	**–132**	–165	**–115**	–148
Exchange rate losses	**– 2**	–	**–**	–
Other financing expenses	**– 2**	– 5	**– 2**	– 4
Value adjustments	**– 2**	–	**–654**	–
	–114	–123	**–538**	187

4. Taxes

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
Estimated taxes for the period	**– 26**	–107	**–**	– 9
Taxes for prior periods	**2**	– 15	**–**	–
Change in deferred tax liability	**85**	55	**–**	–
	61	– 67	**–**	– 9

5. Extraordinary items

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
Gains on sale of operations	**15**	49	**–**	60
Losses on long-term investments in shares	**–**	– 59	**–**	– 44
Adjustments to value of fixed assets	**–**	–	**–**	–165
Costs of divesting operations	**– 41**	– 41	**– 36**	– 56
Restructuring of operations	**–124**	– 22	**–**	–
	–150	– 73	**– 36**	–205

NOTES TO THE BALANCE SHEET

6. Revaluation included in fixed assets

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
Land and water	**10**	11	**1**	2
Buildings	**25**	30	**14**	18
Investments	**11**	11	**11**	11
	46	52	**26**	31

7. Tax values of fixed assets

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
Land and water	**115**	112	**3**	3
Buildings	**480**	490	**91**	93
Investments in subsidiaries	**–**	–	**1,728**	2,069
Other investments	**143**	142	**67**	64

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

8. Fixed assets
FIM million

Group

	Intan-gible rights	Group goodwill	Other capital-ised expen-diture	Intan-gible assets, total	Land and water	Buildings and con-structions	Machin-ery and equip-ment	Other tangible fixed assets	Advances paid and construc-tion in progress	Tangible assets, total	Total
Initial cost or revaluation, 1 January 1996:	154	1,029	75	1,258	148	894	1,259	–	12	2,313	3,571
Additions	3	–	3	6	–	4	139	–	41	184	190
Company acquisitions	3	89	–	92	–	–	2	–	–	2	94
Disposals	–	–	– 7	– 7	1	– 14	–520	–	–	–533	– 540
Transfers	–	– 55	– 4	– 59	– 2	8	21	3	–12	18	– 41
Exchange differences	–3	64	3	64	–	10	25	–	–	35	99
Balance, 31 December 1996	157	1,127	70	1,354	147	902	926	3	41	2,019	3,373
Accumulated depreciation, 1 January 1996:	18	219	38	275	–	220	585	–	–	805	1,080
Depreciation during the period	13	40	5	58	–	33	162	–	–	195	253
Disposals	–	– 57	– 6	– 63	–	– 1	–188	–	–	–189	– 252
Exchange differences	–1	12	–	11	–	1	13	–	–	14	25
Balance, 31 December 1996	30	214	37	281	–	253	572	–	–	825	1,106
Balance sheet value, 31 December 1996	127	913	33	1,073	147	649	354	3	41	1,194	2,267
Fire insurance value						1,200	901	6			

Parent Company

	Intan-gible rights	Goodwill	Other capital-ised expen-diture	Intan-gible assets, total	Land and water	Buildings and con-structions	Machin-ery and equip-ment	Other tangible fixed assets	Advances paid and construc-tion in progress	Tangible assets, total	Total
Initial cost or revaluation, 1 January 1996:	1	–	15	16	11	206	27	–	–	244	260
Additions	–	–	1	1	–	–	–	–	–	–	1
Disposals	–	–	–	–	–	– 1	– 1	–	–	– 2	– 2
Transfers	–	–	– 1	– 1	– 2	3	– 3	3	–	1	–
Balance, 31 December 1996	1	–	15	16	9	208	23	3	–	243	259
Accumulated depreciation, 1 January 1996:	–	–	13	13	–	49	18	–	–	67	80
Depreciation during the period	–	–	1	1	–	6	2	–	–	8	9
Disposals	–	–	– 1	– 1	–	3	–	–	–	3	2
Balance, 31 December 1996	–	–	13	13	–	58	20	–	–	78	91
Balance sheet value, 31 December 1996	1	–	2	3	9	150	3	3	–	165	168
Fire insurance value						270	19	6			

9. Investments in subsidiaries and Group holdings in associated or other companies
31 December 1996

Amer Group Ltd subsidiaries	Number of shares	Percentage of shares owned		Nominal value, thousands	Book value, FIM thousands	Net profit/loss for the period, FIM thousands
Amer Holding Company, Chicago, USA	–	100.0	USD	227,435	331,695	18,420
MacGregor Golf Company						
MacGregor Golf Australia Pty Ltd						
MacGregor Golf France S.A.						
MacGregor Golf G.m.b.H.						
MacGregor Golf (Hong Kong) Limited						
MacGregor Golf Limited (Ireland)						
MacGregor Golf Company Limited – Taiwan						
MacGregor Golf (UK) Limited						
Wilson Sporting Goods Co.						
Amer Sports Canada Inc.						
Wilbras LTDA.						
Wilson France S.A.R.L.						
Wilson Japan, Inc.						
Wilson Sporting Goods Asia Pacific Pte Ltd						
Wilson Sporting Goods Australia Pty Ltd						
Wilson Sporting Goods Company Limited						
Wilson Sporting Goods Co. de Mexico						
Wilson Sporting Goods Espana, S.A.						
Wilson Sporting Goods GmbH						
Wilson Sporting Goods S.A.						
Wilson Sporting Goods CS spol sro						
Wilson Sporting Goods Korea Ltd.						
Wilson Sporting Goods Malaysia Sdn Bhd						
Wilson Sporting Goods (Thailand) Inc.						
Amer Sport AG, Littau, Switzerland	200	100.0	CHF	200	726	249
Amer Sport Oy, Helsinki, Finland	50	100.0		5,000	5,000	– 120
Amer Tobacco Ltd, Tuusula, Finland	10	100.0		10,000	12,362	– 324
As Amer-Es, Tallin, Estonia						
Amera Oy, Helsinki, Finland	165	100.0		165	165	1
Amernet Holding B.V., Rotterdam, The Netherlands	–	100.0	NLG	25,841	91,621	665
Amernet Holding (Deutschland) G.m.b.H, Hamburg, Germany						
Time/system Management Organisation GmbH & Co., Hamburg, Germany						
Time/system Finland Oy, Helsinki, Finland						
Time/system International a/s, Allerød, Denmark						
Time/system Danmark a/s						
Time/system Italia S.r.l.						
Time/system Norge a/s						
Time/system Sverige AB						
Time/system (UK) Ltd.						
Atomic Austria GmbH, Altenmarkt, Austria	–	90.0	ATS	405,000	178,476	–29,810
Atomic Deutschland GmbH, Munich, Germany	–	100.0	DEM	1,000	3,050	– 693
Atomic France S.A., St. Etienne De Saint-Geoirs, France	30,000	100.0	FRF	3,000	–	– 945
Atomic Realty Corp., Amherst, USA	10	100.0	USD	–	2.887	161
Atomic Schweiz AG, Littau, Switzerland	600	100.0	CHF	600	-	– 5,854
Atomic Ski USA Inc., Amherst, USA	10,000	100.0	USD	10,910	46,652	87
Dynamic S.A., St. Etienne De Saint-Geoirs, France	164,994	100.0	FRF	41,249	–	
Finnsea Oy, Helsinki, Finland	2,001	100.0		20,010	20,087	460
Keskinäinen Kiinteistö Oy Marikko, Helsinki, Finland	15,000	100.0		15,000	15,000	–
Kiinteistö Oy Autoprint, Helsinki, Finland	1,455	100.0		145,500	1,330	61
Kiinteistö Oy Maistraatinportti 4, Helsinki, Finland	4,443	50.8		9	44,704	32
Kiinteistö Oy Mannerheimintie 40, Helsinki, Finland	54,833	53.9 1)		7,677	17,519	70
Koflach Sport GmbH, Köflach, Austria	–	100.0	ATS	1,000	892	–24,300
Konalan Hankasuo Oy, Helsinki, Finland	500	100.0		500	7,894	8
Korpivaara Oy, Vantaa, Finland	350,000	100.0		350,000	350,450	3,205
Autotalo Autoprint Oy Koivuhaka						
Farming Oy						
Porkkalan Auto Oy						
Moottorialan Luotto Oy, Vantaa, Finland	100,000	100.0		100,000	103,424	– 1
VARPAT Patentverwertungs AG, Littau, Switzerland	2,000	100.0	CHF	200	12,188	376
Wilson Sporting Goods GmbH, Vienna, Austria		100.0	ATS	500	–	– 1
Non-operating companies					18	
Total					1,246,140	

1) Including subsidiary's shares

Investments in associated companies, Amer Group Ltd	Number of shares	Percentage of shares owned		Nominal value, thousands	Value, FIM thousands	Net profit /loss for the period, FIM thousands
Amerpap Oy, Helsinki, Finland	1,400	25.0		7,000	8,960	14,862
WA-Kuori Oy, Tampere, Finland	31,850	49.0		31,850	32,066	– 517
Investments in associated companies, subsidiaries						
MacGregor Golf Ltd. (Japan), Tokyo, Japan	115,000	25.0	USD	2,500	–	
MacGregor Scandinavia AB, Stockholm, Sweden	125	25.0	SEK	13	–	
Stronghold Paper Group B.V., Amersfoort, The Netherlands	9,853	35.0	NLG	99	29,215	
Investments in associated companies, total					70,241[1]	
Other bonds and shares						
Asunto Oy Simonlinna, Helsinki, Finland	2,947	14.7		3	10,694	
Länsi-Pasilan Autopaikat Oy, Helsinki, Finland	38	1.2		–	1,831	
Other property shares	–	–		–	9,302	
Helsinki Telephone Company, Helsinki, Finland	147	–		–	306	
Other stocks and shares	–	–		–	1,897	
Total					24,030	

1) Share of the associated companies' shareholders' equity FIM 61 million.

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
10. Loans receivable				
Loans receivable from the Directors and the Presidents of the companies	**–**	–	**–**	–
11. Accounts receivable				
Receivable on instalment credit sales	**7**	101	**4**	29
12. Receivables from subsidiaries/associated companies				
Accounts receivable	**–**	–	**1**	1
Loans	**–**	–	**2,337**	2,166
Prepaid expenses	**–**	–	**317**	63
Receivables from subsidiaries	**–**	–	**2,655**	2,230
Accounts receivable	**–**	–	**–**	–
Loans	**10**	11	**10**	11
Prepaid expenses	**–**	–	**–**	–
Receivables from associated companies	**10**	11	**10**	11

FIM million	Consolidated 1996	Consolidated 1995	Parent Company 1996	Parent Company 1995
13. Shareholders' equity				
Share capital at beginning of period				
K shares	**40**	40	**40**	40
A shares	**435**	435	**435**	435
	475	475	**475**	475
Share capital at end of period				
K shares	**40**	40	**40**	40
A shares	**435**	435	**435**	435
	475	475	**475**	475
Capital surplus at beginning of period	**1,092**	1,027	**1,092**	1,027
Transfer of targeted share issue	**–**	65	**–**	65
Capital surplus at end of period	**1,092**	1,092	**1,092**	1,092
Revaluation surplus at beginning of period	**21**	159	**–**	60
Write-down of revaluation	**–**	–138	**–**	–60
Revaluation surplus at end of period	**21**	21	**–**	–
Total restricted equity at end of period	**1,588**	1,588	**1,567**	1,567
Unrestricted equity at beginning of period	**925**	1,191	**552**	602
Dividends	**– 71**	– 71	**– 71**	–71
Exchange differences	**8**	– 11	**–**	–
Transfer of targeted share issue	**–**	– 65	–	–
Write-down of revaluation	**– 1**	–110	**– 1**	–26
Other	**– 5**	– 11	–	– 1
Net loss/profit for the period	**–326**	2	**–220**	48
Unrestricted equity at end of period	**530**	925	**260**	552
Shareholders' equity at end of period	**2,118**	2,513	**1,827**	2,119
Distributable earnings	**504**	685	**260**	552

FIM million	Consolidated 1996	1995	Parent Company 1996	1995

14. Accumulated depreciation in excess of plan

Buildings	**15**	28	**24**	31
Machinery and equipment	**13**	128	**3**	5
	28	156	**27**	36

15. Currency mix

The currency mix of the Group loans at 31 December 1996 with annual repayments

USD	ATS	DEM	JPY	CAD	FRF	Others
62 %	17 %	5 %	4 %	3 %	3 %	6 %

16. Long-term liabilities (interest-bearing)

	Outstanding 31 Dec. 96	Repayment dates 1997	1998	1999-2001	2002 and after
Convertible bonds	343	–	–	–	343
Loans from financial institutions	355	40	81	217	17
Pension loans	107	7	7	19	74
Other long-term debt	33	–	–	1	32
	838	47	88	237	466

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

FIM million	Consolidated 1996	1995	Parent Company 1996	1995

17. Interest-bearing short-term liabilities

Commercial Papers	**198**	228	**198**	228
Current repayments of long-term loans	**47**	122	**47**	121
Other short-term debt	**561**	176	**441**	137
	806	526	**686**	486

18. Payables to subsidiaries/associated companies

Accounts payable	**–**	–	**–**	–
Accrued liabilities	**–**	–	**–**	3
Short-term liabilities	**–**	–	**1,069**	773
Payables to subsidiaries	**–**	–	**1,069**	776
Accounts payable	**–**	–	**–**	–
Accrued liabilities	**–**	–	**–**	–
Payables to associated companies	**–**	–	**–**	–

19. Interest-free liabilities

Long-term interest-free liabilities	**175**	179	**3**	5
Short-term interest-free liabilities	**1,056**	1,355	**36**	45
Total interest-free liabilities	**1,231**	1,534	**39**	50
Other long-term debt				
Deferred tax liability	**21**	106	**–**	–
Other interest-free short-term liabilities				
Excise tax	**201**	366	**–**	–
Sales taxes	**126**	155	**–**	–
Income tax	**3**	6	**–**	–
Other interest-free liabilities	**72**	67	**3**	2
	402	594	**3**	2

CONTINGENT LIABILITIES AND SECURED ASSETS

	Consolidated 1996	1995	Parent Company 1996	1995
Charges on assets				
Group companies	**102**	97	**63**	60
Others	**5**	8	**5**	8
	107	105	**68**	68
Mortgages pledged, Group companies	**202**	202	**141**	141
Guarantees				
Subsidiaries	**–**	–	**260**	168
Others	**14**	39	**12**	36
	14	39	**272**	204
Liabilities for leasing and rental agreements				
Business premises in 1997/1996	**22**	22	**12**	12
Others in 1997/1996	**9**	9	**1**	1
Business premises for later years	**309**	273	**102**	113
Others for later years	**11**	7	**–**	–
	351	311	**115**	126
Other contingent liabilities				
Group companies	**274**	325	**–**	–
Others	**63**	147	**–**	7
	337	472	**–**	7
Notional amounts of derivative financial instruments				
Foreign exchange forward contracts	**2,339**		**2,300**	
Interest rate contracts	**1,858**		**1,858**	
Interest options, call	**464**		**464**	
Total	**4,661**		**4,622**	

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

PERSONNEL AT YEAR END

	1996	1995	Change
Wilson	**2,710**	3,235	
Atomic	**1,029**	941	
MacGregor	**192**	192	
Sports Division	**3,931**	4,368	–437
Automotive Division	**–**	132	–132
Tobacco Division	**354**	366	– 12
Time/system	**332**	217	115
Corporate Headquarters	**50**	54	– 4
	4,667	5,137	–470

PARENT COMPANY, PROPOSAL OF THE BOARD OF DIRECTORS CONCERNING THE DISPOSITION OF THE UNRESTRICTED SHAREHOLDERS' EQUITY

The unrestricted shareholders' equity according to the consolidated balance sheet at 31 December 1996 totals FIM 530,175,000.00, of which distributable earnings total FIM 503,948,000.00.

The unrestricted shareholders' equity according to the Parent Company balance sheet at 31 December 1996 totals FIM 259,678,444.20.

The Board of Directors proposes to the Annual General Meeting that

no dividend to be declared		
to be reserved for donations at the discretion of the Board of Directors	FIM	150,000.00
to be carried over to the profit and loss account	FIM	259,528,444.20
	FIM	259,678,444.20

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

Shareholders' equity		
Restricted equity		
Share capital	FIM	474,881,340.00
Capital surplus	FIM	1,092,452,955.00
	FIM	1,567,334,295.00
Unrestricted equity		
Retained earnings	FIM	259,528,444.20
Total shareholders' equity	FIM	1,826,862,739.20

Helsinki, 13 February 1997

Antti Lagerroos *P. Kainulainen*

Tauno Huhtala *Olle Koskinen*

Timo Maasilta *Roger Talermo*

REPORT OF THE AUDITOR

To the Shareholders of Amer Group Ltd

We have audited the accounts, the accounting records and the corporate governance of Amer Group Ltd for the 1996 financial year. The accounts prepared by the Board of Directors and the President and CEO include, both for the Group and the Parent Company, a report on operations, an income statement, a balance sheet and notes to the accounts. Based on our audit we express an opinion on these accounts and on corporate governance.

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

In our opinion the accounts have been prepared in accordance with the regulations of the Accounting Act and other legislation and regulations relevant to the preparation of the accounts, and give a true and fair view of the Parent Company's and the Group's results from operations and financial position in accordance with such legislation and regulations. The loss of the Parent Company for the 1996 financial year is FIM 220,225,234.25 and the loss of the Group FIM 325,552,000.00. The accounts including the Group accounts may be approved, and the Supervisory Board, the members of the Board of Directors and the President and CEO of the Parent Company may be discharged from liability for the financial year examined by us. The proposal of the Board of Directors concerning the disposition of the unrestricted shareholders' equity according to the balance sheet is in accordance with the Companies' Act.

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

Helsinki, 14 February 1997

SVH Coopers & Lybrand Oy
Authorised Public Accountants

Göran Lindell
Authorised Public Accountant

STATEMENT BY THE SUPERVISORY BOARD

The Supervisory Board of Amer Group Ltd has examined the Company's financial statements and consolidated financial statements as well as the Auditors' Report for 1996. As its statement to the Annual Shareholders' Meeting, to be held on 18 March 1997, the Supervisory Board submits that it has no comments to make regarding the financial statements, and concurs with the proposal made by the Board of Directors concerning the disposition of the unrestricted shareholders' equity for the year.

The terms of the following members of the Supervisory Board are due to expire: Markku von Hertzen, Heikki Jalas, Alari Kujala, Markku Mannerkoski, Markku Markkula and Timo Syrjälä.

Helsinki, 24 February 1997

For the Supervisory Board

Jukka Härmälä
Chairman

SHARES AND SHAREHOLDERS

SHARES AND VOTING RIGHTS

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

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

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

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

SHARE CAPITAL

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

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

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

CONVERTIBLE SUBORDINATED BONDS 1993

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

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

ISSUE OF BONDS WITH WARRANTS TO AMER GROUP MANAGEMENT IN 1994

The loan principal of the bonds with warrants issued to Amer Group's management in 1994 is FIM 555,000. The loan period is 5 years from 2 May 1994 to 2 May 1999 with 5 per cent annual interest. At the end of 1996, the incentive scheme covered 24 individuals.

Following exercise of these warrants, the number of shares in issue would increase by a maximum of 555,000 new A shares, and the share capital by a maximum of FIM 11,100,000 during the exercise period 1 December 1998 to 31 January 2001. Pursuant to the terms of the bonds, the Company's Board of Directors adjusted the subscription price of the shares to FIM 146, following the 1994 rights issue.

Adjusted for the effect of the issue of the convertible bonds on the share capital, the shares subscribed for by exercise of the warrants would represent 2.0% of the share capital and 0.25% of the total number of votes. The total amount of warrants subscribed for by the President and the Executive Vice President represented 0.3 % of the shares and 0.04% of the votes.

SHAREHOLDER AGREEMENT

Amer Group Ltd's K shareholders, The Finnish Association of Graduate Engineers TEK, The Finnish Association of Graduates in Economics and Business Administration (SEFE), The Student Union of the Helsinki School of Economics and Business Administration (KY), and the Land and Water Technology Foundation, have concluded a mutual agreement regarding the disposal of shares and the ownership of Amer.

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

SHARE PRICES

During 1996, the Helsinki Stock Exchange's HEX index increased by 46%, whilst the London Stock Exchange's FTSE 100 index rose by 5%.

In Helsinki, Amer Group A shares ended 1996 at a price of FIM 95.00, representing an increase of 40% during the calendar year. The Helsinki 1996 share price high/low was FIM 120.00/FIM 66.00. The average share price was FIM 96.00.

On the London Stock Exchange Automated Quotation System (SEAQ), Amer Group's shares ended 1996 at GBP 11.88, representing an increase of 18% during the year. The London share price high/low was GBP 13.60/ GBP 9.38.

LISTINGS AND TRADING

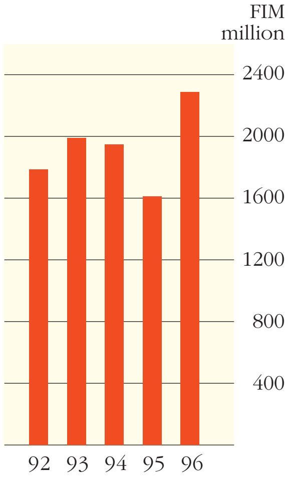
Amer Group A shares have been listed on the Helsinki Stock Exchange since 1977 and on the London Stock Exchange since 1984. The Group's shares have been quoted on London's SEAQ International since 1990. Amer equity can also be traded in the USA through an American Depositary Receipt (ADR) facility.

During 1996, 20,256,980 Amer Group A shares with a value of FIM 1,823 million were traded on the Helsinki Stock Exchange. London Stock Exchange trading volume was 18,666,311 shares. The trading volume in Helsinki represented 93%, and London 86%, respectively (overall 179%), of the total number of shares in issue.

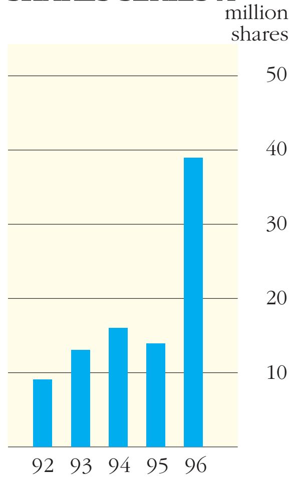
INTERESTS OF DIRECTORS AND OTHER SENIOR MANAGEMENT

The total number of shares owned by members of the Supervisory Board, the Board of Directors, the President and the Executive Vice President as at 31 December 1996 was 2,853 A shares, representing 0.01% of the issued share capital. The respective number of votes was 286, representing 0.002% of the total number of votes.

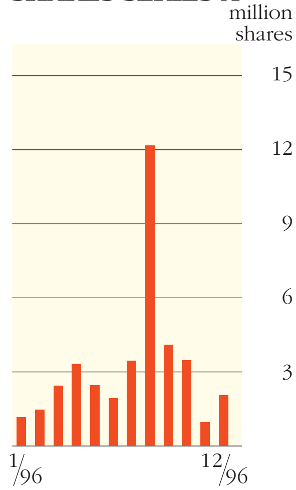
MARKET VALUE OF SHARES



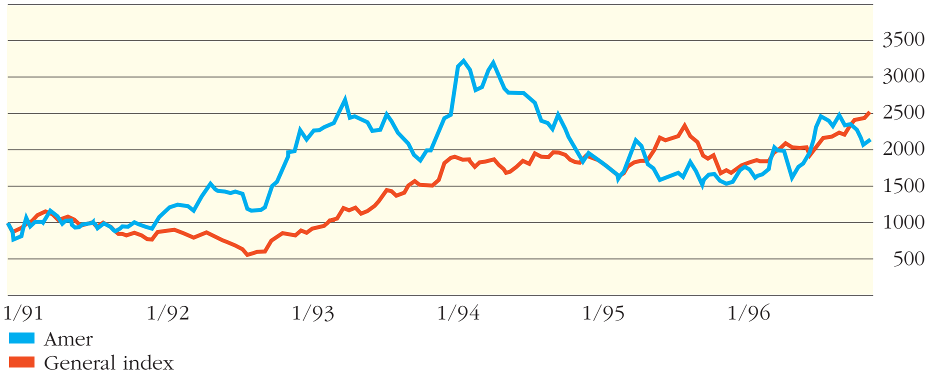
TRADING OF SHARES SERIES A



TRADING OF SHARES SERIES A



TRENDS OF SHARE PRICES SERIES A Helsinki HEX index



Number of shares per shareholder	Shareholders	Percentage of shareholders	Percentage of share capital
1– 100	7,079	47.7	1.4
101– 1,000	7,080	47.8	9.0
1,001– 10,000	626	4.2	5.8
10,001–100,000	27	0.2	3.1
over 100,000	15	0.1	80.7
Total	14,827	100.0	100.0

MAJOR SHAREHOLDERS ON 31 DECEMBER 1996

	A shares %	K shares %	Total %	% of votes
The Finnish Association of Graduate Engineers TEK	0.9	34.0	3.7	30.7
The Student Union of the Helsinki School of Economics and Business Administration, (KY)	1.2	25.0	3.2	22.7
The Finnish Association of Graduates in Economics and Business Administration (SEFE)	1.2	25.0	3.2	22.7
The Land and Water Technology Foundation	1.3	16.0	2.5	14.6
Tukinvest Oy	2.6		2.4	0.3
Paavo Korpivaara	1.4		1.3	0.1
The Pension Insurance Company Ilmarinen Ltd	1.4		1.2	0.1
Sampo Enterprise Insurance Limited	1.2		1.1	0.1
Kaleva Mutual Insurance Company	0.9		0.8	0.1
Partita Oy	0.8		0.7	0.1
Merita Ltd	0.5		0.5	0.0
Pension-Varma Mutual Insurance Company	0.5		0.4	0.0
The Finnish Local Government Pension Institution	0.5		0.4	0.0
Amer Cultural Foundation	0.5		0.4	0.0
Pension Foundation Polaris	0.4		0.4	0.0
Hannu Korpivaara	0.3		0.3	0.0
Merita Bank Ltd	0.2		0.2	0.0
OP-Pirkka Mutual Fund	0.2		0.1	0.0
Suomi Mutual Life Assurance Company	0.2		0.1	0.0
OP-Delta Mutual Fund	0.1		0.1	0.0
Nominee registrations	64.8		59.4	6.4

SHARE CAPITAL AND PER SHARE DATA

FIM million	**1996**	1995	1994	1993	1992/93
Share capital	**475**	475	475	379	379
K shares	**40**	40	40	40	40
A shares	**435**	435	435	339	339
Market value of shares	**2,288**	1,612	1,947	1,990	2,028
Number of shares, million	**24**	24	24	19	19
K shares	**2**	2	2	2	2
A shares	**22**	22	22	17	17
Adjusted number of shares, million	**23.7**	23.7	23.7	20.3	20.3
Adjusted average number of shares, million	**23.7**	23.7	22.2	20.3	20.3
Share issues					
New issue	**–**	–	96	–	–
Premium on share issue	**–**	–	385	–	–
Total dividends	**–** [1]	71	71	38	38
Dividend per share, FIM	**–**	3.00	3.00	2.00	2.00
Avoir fiscal tax allowance per share, FIM	**–**	1.00	1.00	0.67	0.67
Adjusted dividend per share, FIM	**–**	3.00	3.00	1.87	1.87
Adjusted earnings before taxes per share, FIM	**–9.98**	5.98	12.26	6.74 [2]	4.50
Adjusted earnings per share, FIM	**–7.39** [3]	3.13	9.90	5.85 [2]	3.64
Adjusted cash flow earnings per share, FIM	**3.24**	13.16	21.43	21.18 [2]	17.59
Dividend % of earnings	**–**	96	32	32 [2]	51
Dividend margin	**–**	1.0	3.3	3.1 [2]	1.9
Effective yield, %	**–**	4.4	3.7	1.9 [2]	1.9
P/E ratio	**–12.8**	21.7	8.3	16.9 [2]	27.5
Share value, FIM					
Nominal value	**20.00**	20.00	20.00	20.00	20.00
Shareholders' equity per share, adjusted	**89.20**	105.83	120.10	109.95	106.49
Share price at closing date	**95.00**	67.90	82.00	106.00	107.00
Adjusted share price	**95.00**	67.90	82.00	99.03	99.96
Trading volume					
A shares	**3,626**	1,100	2,011	1,304 [2]	710
1,000s	**38,923**	13,921	16,041	13,023 [2]	9,564
Number of shareholders	**14,827**	17,968	19,329	19,260	18,383

[1] Proposal of the Board of Directors for 1996.
[2] Period 1 January to 31 December 1993.
[3] Adjusted earnings per share diluted for the exercise of convertible bonds and bonds with equity warrants FIM –5.70.
Calculation of key indicators, see page 38.

FIVE YEAR SUMMARY

FIM million	1996	Change %	1995	1994	1993 12 months	1992/93
Gross sales	**7,777**	**–18**	9,456	10,195	11,289	10,637
Excise tax	**1,890**	**– 9**	2,081	2,042	2,026	2,074
Sales taxes	**805**	**–27**	1,106	1,100	1,162	1,207
Car tax	**101**	**–67**	310	416	271	356
Net sales	**4,958**	**–20**	6,166	6,931	7,658	7,000
Overseas sales	**4,055**	**3**	3,952	4,596	5,227	4,374
Depreciation	**253**	**6**	238	256	311	283
Operating loss/profit	**–120**	**–**	263	430	366	349
% of net sales	**–**		4	6	5	5
Net financing expenses	**–114**	**7**	– 123	– 159	– 229	– 258
% of net sales	**2**		2	2	3	4
Result before taxes and extraordinary items	**–234**	**–**	140	271	137	91
% of net sales	**–**		2	4	2	1
Taxes	**– 61**	**–**	67	52	18	17
Result before extraordinary items	**–176**	**–**	75	220	119	74
% of net sales	**–**		1	3	2	1
Financing from operations	**– 71**	**–**	240	441	417	342
% of net sales	**–**		4	7	5	5
Capital expenditure	**297**	**– 7**	318	725	470	514
Divestments	**332**	**–55**	737	268	315	220
Fixed assets	**2,404**	**– 9**	2,644	3,779	4,010	4,214
Inventories and work in progress	**1,006**	**– 5**	1,063	1,381	1,261	1,313
Financial assets	**1,609**	**–12**	1,831	2,062	2,329	2,682
Shareholders' equity, untaxed reserves and minority interest	**2,185**	**–15**	2,578	2,923	2,274	2,203
Interest-bearing liabilities	**1,603**	**12**	1,425	2,471	3,458	4,253
Interest-free liabilities	**1,231**	**–20**	1,535	1,828	1,868	1,753
Balance sheet total	**5,019**	**– 9**	5,538	7,222	7,600	8,209
Return on investment (ROI), %	**– 2.3**		5.9	8.6	7.8	8.3
Return on shareholders' equity (ROE), %	**– 7.2**		2.6	8.4	5.3	3.4
Equity ratio, %	**44**		47	40	30	27
Debt to equity ratio (equity includes reserves)	**0.7**		0.6	0.8	1.5	1.9
Gearing	**60**		51	80	138	171
Net leveraging/Net sales, %	**25**		18	33	39	47
Net leveraging/Financing from operations	**– 17.1**		4.7	5.1	7.2	9.7
Profits from associated companies	**– 9**		– 1	16	11	4
Dividends from associated companies	**3**		3	8	4	4
Average personnel	**5,115**	**–11**	5,748	5,360	5,930	6,345
Average personnel outside Finland	**4,571**	**– 2**	4,668	3,923	4,203	4,237

CALCULATION OF KEY INDICATORS

Return on investment (ROI), %:

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

Return on shareholders' equity (ROE), %:

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

Equity ratio:

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

Gearing:

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

Net leveraging:

Short-term and long-term liabilities less financial assets

Financing from operations:

Net profit for the period + depreciation

Adjusted cash flow earnings per share:

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

Adjusted dividend per share:

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

Adjusted earnings per share:

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

Adjusted share price:

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

Dividend margin:

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

Dividend yield, %:

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

P/E ratio:

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

Equity per share:

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

Market value of shares:

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

*) Monthly average of the financial period.

GROUP ADMINISTRATION AND AUDIT

SUPERVISORY BOARD

		Term expiring
Chairman: Jukka Härmälä (50)	President and CEO, Enso Oy	1998
Vice Chairman: Markku Talonen (50)	Chairman and President, Instrumentarium Corp.	1998
Markku von Hertzen (48)	Managing Director, The Finnish Association of Graduates in Economics And Business Administration (SEFE)	1997
Heikki Jalas (57)	Attorney-at-Law, Jalas & Tiusanen Oy	1997
Heikki Kauppi (42)	Secretary General, The Finnish Association of Graduate Engineers TEK	1999
Kari Kolu (40)	President and CEO, Sponda Oy	1999
Juhani Korhonen (48)	Director of Administration Onvest Oy	1999
Alari Kujala (55)	M.Sc. (Eng.)	1997
Jarmo Leppiniemi (49)	Professor, The Helsinki School of Economics and Business Administration	1998
Antti Leskelä (53)	Senior Adviser, IVO Power Engineering Ltd.	1998
Markku Mannerkoski (60)	President, VTT	1997
Matti Mare (56)	CEO and Managing Director, Keskustakehitys Oy	1999
Markku Markkula (46)	Member of Parliament	1997
Kalle Mattila (44)	President, ABB Power Oy	1998
Leea Murtolehto (41)	Managing Director, Kliiwari Oy	1999
Tarja Ollilainen-Ahola (37)	Finance Director, The Student Union of Helsinki School of Economics and Business Administration (KY)	1998
Ilpo Saarinen (44)	Managing Director, Sato-Yhtymä Oy	1999
Timo Syrjälä (38)	Manager, ABB Treasury Center (Finland) Oy	1997
Kari Tähtinen (50)	President, Imatra Steel Oy Ab	1999
Pekka Österlund (43)	Power station Manager, IVO Generation Services (UK) Ltd	1998

BOARD OF DIRECTORS

		Term expiring
Chairman: Antti Lagerroos (51)	President and CEO, Finnlines Ltd	1999
Vice Chairman: Pekka Kainulainen (55)	President, The Finnish Institute of Management	1998
Tauno Huhtala (58)	B.Sc. (Econ.)	1998
Olle Koskinen (54)	President, Ajasto Osakeyhtiö	1999
Timo Maasilta (42)	Managing Director, The Land and Water Technology Foundation	1997
Roger Talermo (41)	President and CEO, Amer Group Ltd	1997

AUDIT

SVH Coopers & Lybrand Oy, Authorised Public Accountants

Partner in charge:
Göran Lindell, Authorised Public Accountant

AMER GROUP ORGANISATION FROM 1 APRIL 1997

AMER GROUP

PRESIDENT & CEO
Roger Talermo

SENIOR VICE PRESIDENT & CFO
Pekka Paalanne

FINANCE
Disa Söderman

COMMUNICATIONS
Marja-Leena Simola

CORPORATE PLANNING
Eero Alperi

ADMINISTRATION & PERSONNEL
Jouko Rauman

SPORTS DIVISION

Wilson

BOARD OF DIRECTORS
Roger Talermo, Chairman
Pekka Paalanne
Jim Baugh

PRESIDENT
Jim Baugh

FINANCE & ADMINISTRATION
Steve Millea

GOLF
Jim Baugh (acting)

RACQUET
John Embree

TEAM SPORTS
Chris Considine

INTERNATIONAL MARKETS
Steve Millea

EUROPE
Luke Reese

JAPAN
Tamio Yamamoto

Atomic

BOARD OF DIRECTORS
Roger Talermo, Chairman
Pekka Paalanne
Michael Schineis

PRESIDENT
Michael Schineis

FINANCE
Pertti Vallila

OPERATIONS
Egon Zveglic

KOFLACH
Walter Wittman

ATOMIC BRAND
Thomas Zettler

DYNAMIC BRAND
Daniel Fournier

OXYGEN BRAND
Steve Felsen

TOBACCO DIVISION

BOARD OF DIRECTORS
Roger Talermo, Chairman
Pekka Paalanne
Jukka Ant-Wuorinen

PRESIDENT
Jukka Ant-Wuorinen

MARKETING
Jan-Erik Grönlund

PRODUCTION
Veijo Rosimo

FINANCE
Timo Levänen

LEGAL AFFAIRS
Kalle Soikkanen

TIME/SYSTEM

BOARD OF DIRECTORS
Roger Talermo, Chairman
Pekka Paalanne
Ole Dahl

PRESIDENT
Ole Dahl

FINANCE
Flemming P. Allerup

SALES & MARKETING
Per Hamann

PRODUCTION
Jen Pedersen

CORPORATE AFFAIRS
Mikael Wissum

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