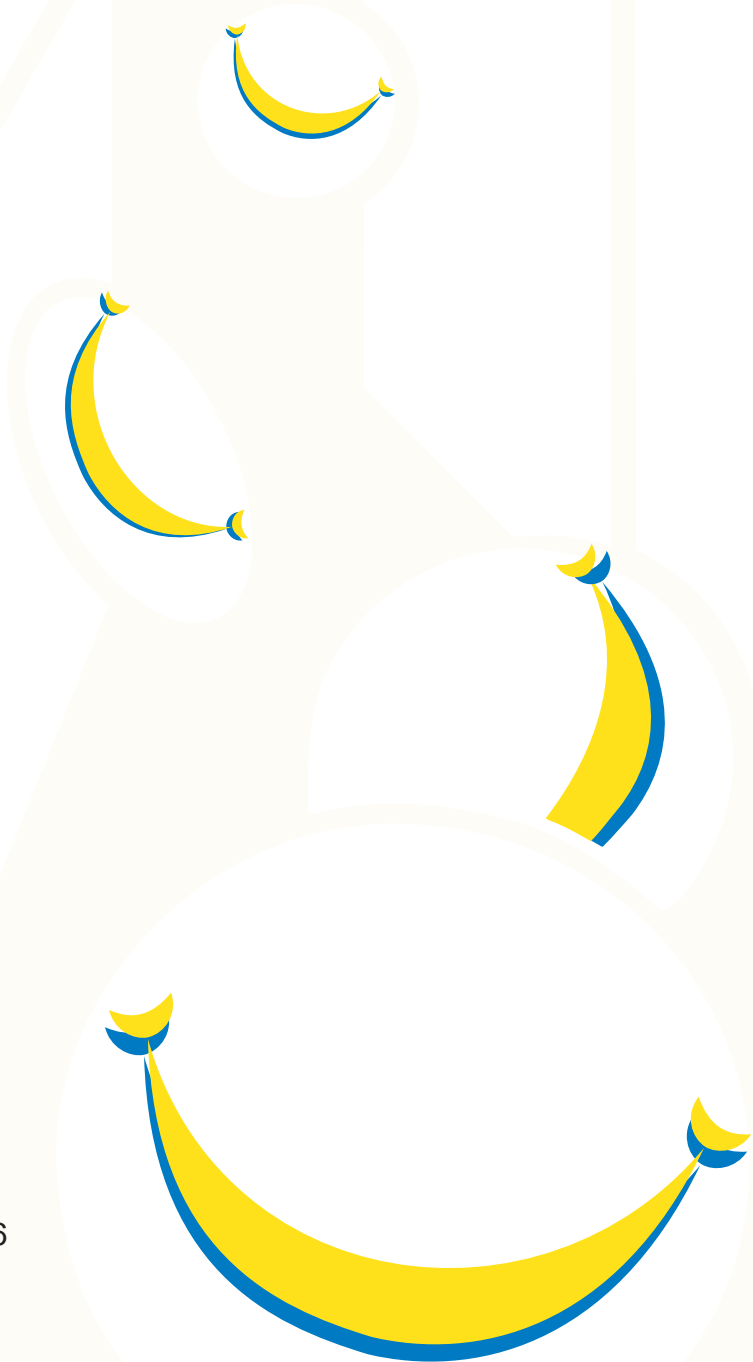




ANNUAL REPORT 1996



INGMAN FOODS

Ingman Foods is a Finnish food industry group which concentrates on milk processing. Its product range includes refrigerated products and liquid milk products, ice-cream products, cheeses and butter.

Ingman products are sold throughout Finland. They are also exported to, for instance, Russia and Sweden. Ingman Foods is the biggest Finnish ice-cream exporter.

The Ingman Foods A shares are quoted on the broker's list on the Helsinki Stock Exchange.

Financial period 3.1.1996–2.1.1997:

Net sales	FIM 1031.0 million
Operating profit before depreciation	FIM 76.8 million
Profit before transfers from/to untaxed provisions and taxes	FIM 22.9 million
Balance sheet sum total	FIM 1164.9 million
Solidity	48.5%
Average no. of employees	546



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MANAGING DIRECTOR'S REPORT



Despite a slight downturn at the beginning of the year, the Finnish economy again started to expand strongly. The general situation with low inflation and consequent low interest rates formed a good basis for a positive profit development. The situation in the dairy sector where costs and income were in imbalance, remained almost unchanged, however. Foreign competition increased in all product groups.

Within Ingman Foods, the reorganization of activities was continued to improve the balance between the various product groups. The establishment of Jk Juusto Kaira Oy together with Kuusamon Osuusmeijeri (50 per cent of shares) and Ranuan Meijeri and Ingman Foods Oy Ab was part of the process leading to the effective utilization of Northern Finland's milk ingredients. The

efforts to increase the capacity of the plant in Sipoo through exports were not particularly successful. The liquid milk products packaging capacity at Hämeenlinnan Osuusmeijeri was well utilised at the end of the year. Cooperation with Laaksojen Maitokunta in Ylivieska, which started at the end of the year, seeks to fill the gap in the cheese assortment on one hand, and the gap in the supply of milk ingredients on the other hand. The milk ingredient base totalling some 200 million litres seems likely to be optimal over the next few years.

The objectives set for domestic sales were basically achieved. Sales of milk increased by 60 per cent, and market shares in ice cream and yogurt remained unchanged. The market share in cheese fell, according to plan in this case, as the price level was

unacceptable. Ice-cream exports to Russia made a promising start only to decline again after Russia's presidential election. The effort to make a breakthrough in exports to Sweden failed to reach expectations, whereas some export contracts with other countries were signed.

The profits of the domestic dairy subsidiaries Ranuan Meijeri Oy and Kiteen Meijeri Oy went down, and they were dependent on group contributions. The financial result of Halkivahan Meijeri Oy just reached break-even point, and the associated company Jk Juusto Kaira Oy with its initial costs operated at a loss for the first three months.

Oy Leimark Invest Ab's result was very good, partly due to the strong upswing on the stock exchange during the year.

The activities of the subsidiary company A/O Ingman in St Petersburg stabilized and reached breakeven point, as did the newly established SIA Ingman in Riga.

The associated companies Hjem-Is Europa and Ingman Vega both had a successful year, and their profitability improved. The investments made during the year are expected to further improve the result next year.



The financial result was somewhat better than the year before. Group net sales increased by mere 3.6 per cent, due to lower export figures. Operating profit before depreciation increased from FIM 40.2 million to FIM 76.8 million, and the profit before extraordinary items was FIM 22.0 million.

Liquidity was good throughout the year, and solvency increased from 45.8 per cent to 48.5 per cent.

Profitability is clearly a problem, and all possible efforts will be taken to reach an acceptable level.

The outlook for the parent company for 1997 seems somewhat better, mainly because of internal measures. Instability on the domestic market could bring about surprises, and no significant improvement in the price level is expected. Export opportunities are hard to estimate but on the whole, total exports will probably remain at the same level as before.

I would like to thank all the employees for the years we have worked together and wish them every success in the following year. I would also like to extend my thanks for the many years of good cooperation to our customers, milk producers and other interest groups.

C-G Ingman

INGMAN FOODS

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

The members of Ingman Foods Oy Ab's Board of Directors are:

Eero Durchman,
Chairman
Göran J. Ehrnrooth
C-G Ingman
Hans Ingman
Lars Ingman
Robert Ingman
Cecilia Rydbeck
Teppo Taberman
Magnus Westerholm

The directors of Ingman Foods Oy Ab are:

Managing Director
C-G Ingman
Sales Director
Leif Hellman
Production Director
Hans Ingman
Marketing Director
Marika Ingman
Director of Finance
Robert Ingman
Export Director
Eino Lindfors

The auditors of Ingman Foods Oy Ab are:

Jukka Reimi,
Certified Public Accountant
Olli Wesamaa,
Approved Public Accountant

SHARE CAPITAL, SHAREHOLDERS AND MANAGEMENT'S SHARE OWNERSHIP

SHARE CAPITAL

According to the articles of association, the minimum share capital of Ingman Foods Oy Ab is FIM 12,000,000 and maximum share capital FIM 48,000,000. The share capital may be raised or lowered within these limits without amendments to the articles. On 2 January 1997, FIM 28,035,975 had been paid up and entered in the Trade Register. A share's nominal value is FIM 25.

The share capital is divided into A and B shares. The A shares carry twenty voting rights and the B shares one voting right. Both shares carry equal rights to dividends.

Division of Share Capital per Kind

	Shares	%	Votes	%
A shares	990,439	88.3	19,808,780	99.3
B shares	131,000	11.7	131,000	0.7
Total	1,121,439	100.0	19,939,780	100.0

SHARE QUOTATION AND OWNERSHIP RESTRICTIONS

The Ingman Foods A shares are quoted on the brokers' list whereas the B shares are not.

According to section 18 of the company's articles, anyone not previously in possession of shares in the company shall ask the Board of Directors in writing for permission to obtain such shares. The Board may consider the request before handover.

MANAGEMENT'S SHARE OWNERSHIP

The members of the Ingman Foods Board of Directors and the Managing Director hold 616,564 A shares and 131,000 B shares which correspond to 66.7 per cent of the total shareholding and 62.5 per cent of the voting rights.



The financial results of the Swedish companies Glassförsäljarna i Södertälje AB and Lennocks Glassförsäljning AB, which are closing down, have also been included in the consolidated Group accounts.

Ingman Foods Oy Ab holds shares in associated companies included in the consolidated Group accounts, as follows:

Jk Juusto Kaira Oy	50.0 %
UAB Ingman Vega	45.1 %
Hjem-Is Europa A/S	24.5 %
Oy Ingman Invest Ab	26.7 %
Oy Ing-Finance Ltd	26.7 %
Oy Ing-Stock Ltd	26.7 %

10 Biggest Ingman Foods Shareholders According to the Book Entry Register on 2 January 1997

	No. of		Total	%	No. of	
	A shares	B shares			votes	%
C-G Ingman	227,816	43,666	271,482	24.2	4,599,986	23.1
Hans Ingman	179,982	43,668	223,650	19.9	3,643,308	18.3
Robert Ingman	113,400	24,016	137,416	12.3	2,292,016	11.5
Lars Ingman	83,018	19,650	102,668	9.2	1,680,010	8.4
Ing-Stock Oy Ltd.	43,103		43,103	3.8	862,060	4.3
Oy Karl Fazer Ab	37,566		37,566	3.3	751,320	3.8
Nova Life Insurance Company Ltd.	14,000		14,000	1.2	280,000	1.4
Oy Holding Company Ab	12,604		12,604	1.1	252,080	1.3
Cecilia Rydbeck	11,632		11,632	1.0	232,640	1.2
AB Svenska Småbruk och Egnahem	9,720		9,720	0.9	194,400	1.0

According to the Book Entry Register, Ingman Foods had 893 shareholders on 2 January 1997.

Division of Share Ownership on 2 January 1997

Shares/ shareholder	Shareholders		Shares		Votes	
	no.	% of owners	no.	% of shares	no.	% of votes
1-100	502	58.7	19,548	1.7	390,960	2.0
101-500	244	28.5	56,736	5.1	1,134,720	5.8
501-1000	49	5.7	34,340	3.1	686,800	3.5
1001-	61	7.1	991,028	88.4	17,331,560	88.7
Totalt	856	100.0	1,101,652*)	99.2	19,544,040	98.0

*) There are also 7,301 shares which have not been exchanged for book entries and 12,486 unregistered book entries on the waiting list.

Ingman Foods is a Finnish food industry group in which the operating environment has changed rapidly. Finland has joined the EU, and the company now operates in an open market. At the same time, the company has taken a strategic decision to concentrate on milk-based products, and the other product groups have consequently been sold off.

Ingman Foods Group has production units in Sipoo, Lapinjärvi, Kitee and Urjala. The associated company Jk Juusto Kaira Oy, of which Ingman Foods owns 50 per cent, has production units in Kuusamo and Ranua. A substantial part of the total output comes from Ingman Foods' cooperation dairies.

The major product groups are:

- refrigerated products: yogurt, curdled milk, puddings, food cream, unripened cheese, milk, sour milk and cream
- ice-cream products
- dairy products: cheese, butter, lactose and milk protein.

The Group net sales during the financial period 3.1.1996-2.1.1997, amounted to FIM 1031.0 million. The Group employed an average of 546 persons.

INGMAN FOODS GROUP

Apart from the parent company, the productive part of the Ingman Foods Oy Ab Group consists of the dairy subsidiaries Halkivahan Meijeri Oy, Kiteen Meijeri Oy and Ranuan Meijeri Oy. The subsidiary Oy Leimark Invest Ab operates in securities trading, and A/O Ingman is a sales and distribution office in St Petersburg. The newly established SIA Ingman is a sales office in Riga, Latvia. The subsidiary company Kiinteistö Oy Helsingin Hämeentie 109-111 is included in the consolidated Group accounts but not in the previous year's comparison figures.

Ingman Foods Oy Ab holds shares in its productive subsidiaries, as follows:

Halkivahan Meijeri Oy	97.0 %
Kiteen Meijeri Oy	98.5 %
Ranuan Meijeri Oy	98.5 %
Oy Leimark Invest Ab	100.0 %
A/O Ingman	80.0 %
SIA Ingman	54.0 %
Kiinteistö Oy Helsingin Hämeentie 109-111	98.0 %

BOARD OF DIRECTORS' REPORT

3.1.1996-2.1.1997



After the difficult year of 1995 when the financial result was not particularly good, activities recovered somewhat during 1996. Even though the price level remained unsatisfactory for a great part of the product range, profitability increased due to rationalization measures and slightly increased volumes. As also securities trading in the subsidiary company Oy Leimark Invest Ab was profitable this year, the total financial result was positive.

FINANCIAL RESULT

Group net sales increased by 3.6 per cent to FIM 1031.0 million. Net sales in the refrigerated products and ice-cream groups increased, whereas net sales in the dairy products group decreased. This was partly due to reduced cheese production, with the ingredients directed to the refrigerated products group and sold as packaged milk or cream.

Net income from exports and activities abroad decreased by 11.6 per cent to FIM 129.2 million. Problems were experienced in both the Russian and Swedish markets.

Operating profit before depreciation increased by 91.0 per cent to FIM 76.8 million. A significant part of this increase was due to the excellent result of the investment company Oy Leimark Invest Ab. Operating profit from core activities also improved during the year, and operating profit accounted for 7.5 per cent of net sales.

The financial items totalled -FIM 15.4 million, as compared with -FIM 7.6 million in 1995. Because of falling exchange profits and dividends received, financial costs increased although interest rate costs went down. The financial items still include exchange profits, however.

Net extraordinary income totalled -FIM 7.2 million. Extraordinary expenses of -FIM 15.2 million are mainly due to restructuring and guarantee costs, e.g. resulting from operations in Sweden. All costs arising from the reorganization of activities in Sweden have now been entered as costs.

Depreciation was recorded according to plan to the amount of FIM 39.4 million. The FIM 4.9 million increase in depreciation comes from the change in Group structure since the real estate company Kiinteistö Oy Helsingin Hämeentie 109-111 joined the Group.



MILK PROCUREMENT

The procurement of milk within the Group decreased by 2.55 per cent. The structural changes which started when Finland joined the EU continued, and several suppliers gave up milk pro-

duction. The number of milk suppliers decreased by 70 in all, as 82 suppliers stopped production and 12 new suppliers joined the Group. The number of suppliers will continue to decrease although more slowly. As many suppliers are increasing their milk production, the total change in milk procurement will be minimal. The total change in the Group's procurement of milk is presented in the table below:

	1996	1995	Change
	litres	litres	%
Kotisaari-Ingman	21,339,225	21,108,149	+1.09
Halkivahan Meijeri Oy	1,984,537	2,228,699	-10.96
Kiteen Meijeri Oy	13,133,031	13,473,647	-2.53
Ranuan Meijeri Oy	23,160,162	24,365,817	-4.95
Total	59,616,955	61,176,312	-2.55

The company's milk supply is increasingly based on buying additional milk from the co-operation dairies. While 36.7 million litres were bought in 1995, this rose to 48.2 million in 1996.

SUBSIDIARIES

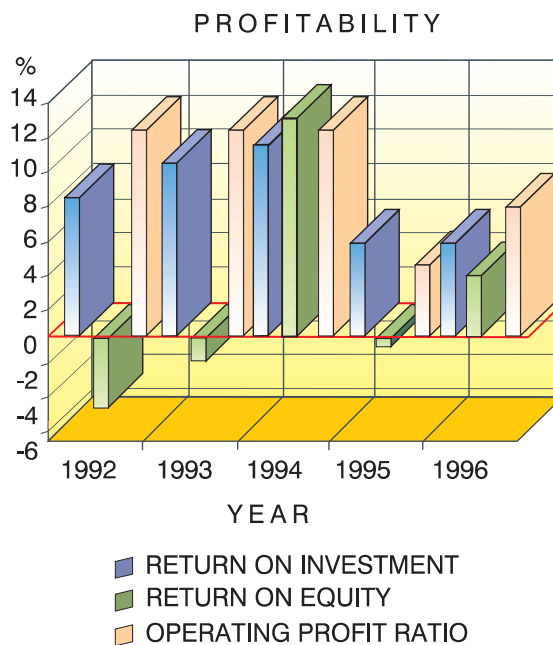
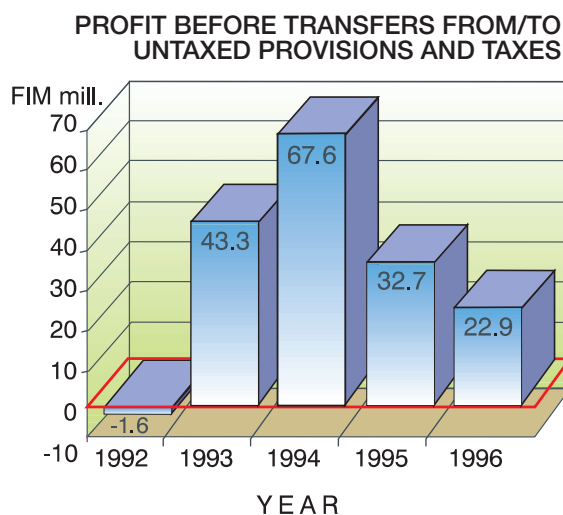
Dairies

The financial results of the dairy subsidiaries weakened somewhat. The higher calculatory price of milk coupled with only slowly rising product prices were the main reasons for declining results. The dairies' total net sales remained practically unchanged, with the exception of Ranuan Meijeri Oy where net sales fell significantly as activities were transferred to the newly established Jk Juusto Kaira Oy. A slight rise in the price level is evident, however, and financial prospects for the dairy subsidiaries will seemingly improve although the dairies are expected to operate at a loss also in 1997.

Investment Companies

Price developments on the Helsinki Stock Exchange were very good. The FOX index went up by 38.4 per cent, and the HEX portfolio index by 43.8 per cent in 1996. In consequence, the financial result of Oy Leimark Invest Ab was also very good.

Because of the positive result, the parent company was able to provide a group contribution of FIM 14.1 million to the other companies of the Group. Even if developments on the stock exchange have been good during the first part of 1997, the total development is expected to be markedly weaker than in 1996. Nevertheless, Oy Leimark Invest Ab expects a positive result also in 1997.





PRODUCTS AND TRADE MARKS

Refrigerated Products

Ice-Cream Products

Milk Products

Dairy Products

The changes in the Ingman Foods' range of products initiated in 1995 were finally completed. The number of products is now clearly smaller and this means that costs can be cut and efficiency increased by concentrating on the products that sell best.

Ingman's volume products in all product groups have a new package design with the special diamond symbol, and a novel marketing policy has been adopted for these products. The youthful and humorous Mr Milk has become familiar to the consumer on TV as a messenger of Ingman's products. These new elements – new basic product assortment, packages and communication – have all influenced sales very positively.

As to other branded products, investments were focused on increasingly fewer brands. The most important brands are found in the ice-cream group: Kingis, Jättis, Jazz and Mövenpick. Both Kingis and Jättis sold very well. The new Kingis multi-pack was warmly welcomed, and the new chocolate Jättis was one of the summer's bestsellers. The Jazz cone also turned out to be a positive phenomenon in the premium ice-cream segment. Mövenpick ice creams were packed in a new one-litre package which is also more nature-friendly.

At year end, an analysis was made of how successful the marketing communication had been. In brief, it was found that Ingman's corporate profile had changed in a modern and youthful direction, thanks to the new diamond products' advertising. The position of the most important ice-cream brands had also strengthened, as compared with that of competitors.

REFRIGERATED PRODUCTS

Domestic sales of refrigerated products increased over 1995. The total market for yogurt continued to grow by about 9 per cent. More than half of the yogurts were sold in one-kilo packages. Ingman Foods had a market share of 27 per cent in yogurts.

The total market for curdled milk shrank by about 1 percentage point. Consumption increasingly turned towards the unflavoured variants. Ingman Foods' market share in this group was 23 per cent.

A growing interest was shown in cream products that are used in cooking, and new markets opened up. Also, the market shares in Crème Fraiche and smetana sour cream went up.

Exports of refrigerated products decreased in 1996.

ICE-CREAM PRODUCTS

The total ice-cream market in Finland shrank by 5 per cent over the record year 1995, and amounted to 68.6 million litres. One reason was the short summer which only began in August. Ice-cream exports increased to 11 million litres, and ice-cream imports rose sharply to almost 15 million litres.

Ingman Foods markedly strengthened its position as an ice-cream producer in 1996. In spite of the shrinking total market, Ingman Foods' market share grew by more than 5 percentage points to 30.8%. Ingman Foods' market share was by far the biggest in comparison with the other producers, and Ingman Foods also maintained its position as the biggest Finnish ice-cream exporter. The volume of exports to eastern markets remained approximately the same as in 1995, although the customer base narrowed.



On the domestic market, Ingman Foods' role strengthened in the home-package segment. The new package designs were a success and led to an increase in sales. The strong brands Kingis, Jättis and Ville Vallaton also maintained their positions in 1996.

MILK PRODUCTS

The total consumption of liquid milk products has fallen by 1 to 2 per cent since 1995. Sales of Ingman Foods' liquid milk products increased from 23 million litres in 1995 to 38 million litres in 1996.





DAIRY PRODUCTS

This product group consists of cheese, butter and (the powder products) milk powder, milk protein and lactose, with cheese being the most important.

Consumption of cheese continued to grow and in 1996, Finns consumed an average of 14.8 kilos of cheese per capita. Net sales within the Ingman Foods dairy group amounted to FIM 257.1 million, a decrease of 12.6 per cent from FIM 294 million in 1995. The decrease was due, among other things, to the redistribution of existing milk ingredients.

Ingman Foods' market share in cheese in Finland was approximately 12 per cent and in butter approximately 10 per cent. About 16 per cent of Ingman Foods' cheese production and about 40 per cent of its butter production were exported.

The low price level continued to keep the profitability of the whole group weak. Positive development of market shares was evident, however, in Emmenthaler and processed cheese. Exports of processed cheese and powder products also developed encouragingly.

NET SALES

The breakdown of Group net sales according to product groups is presented below (FIM million):

	1996	1995	Change %
Refrigerated products	345.1	301.4	+14.5
Ice-cream products	259.9	237.5	+9.4
Dairy products	257.1	294.0	-12.6
Frozen products	0.0	70.8	-100.0
Milk ingredients	58.8	15.0	+392.0
Others	110.1	76.9	+43.2
Total	1031.0	995.6	+3.6

Sales of milk ingredients to units outside the Group has increased markedly. These units, i.e. Hämeenlinnan Osuusmeijeri and Jk Juusto Kaira Oy, then use the ingredients to make products which are sold back to the Group for marketing further.

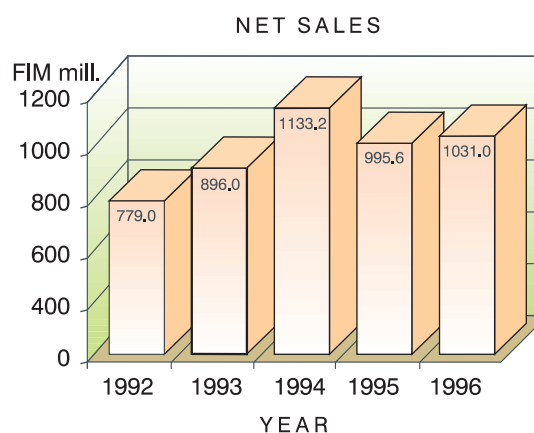
PERSONNEL, SALARIES AND WAGES

Due to the rationalization measures, the number of employees continued to decline evenly. This affected all personnel groups but was based on natural wastage. The Group employed an average of 546 persons as compared with 615 persons in 1995. The number of employees at year end was 500 persons as compared with 574 at the end of 1994.

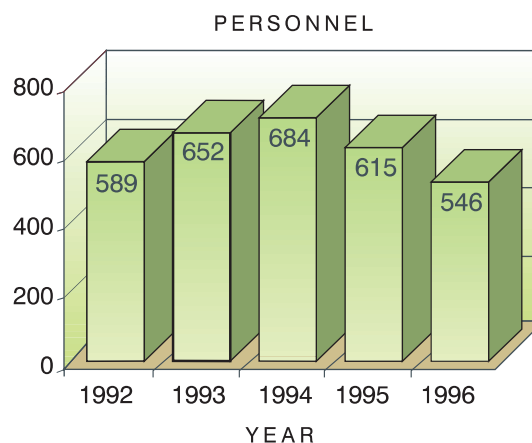
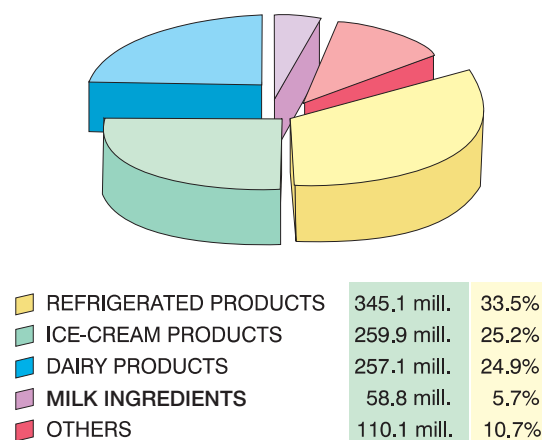
The breakdown of personnel at year end is presented below:

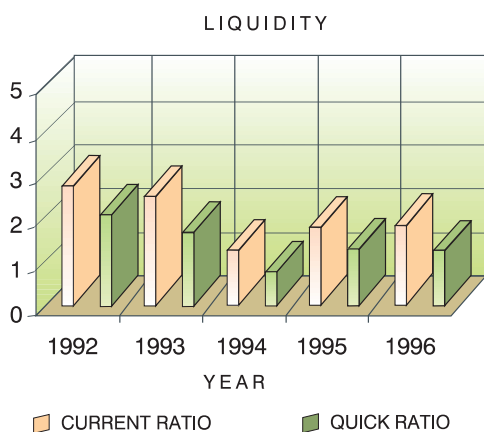
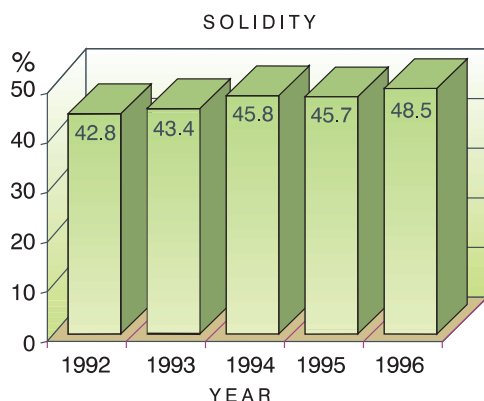
	1996	1995	Change +
Refrigerated products	83	95	-12
Ice-cream products	131	143	-12
Other units	31	40	-9
Shops	0	0	-
Marketing and distribution	165	180	-15
Administration and service	28	38	-10
Subsidiaries	62	78	-16
Total	500	574	-74

The salaries, fringe benefits and remunerations paid to the members of the Board of Directors and the Managing Directors of the Group during the year totalled FIM 1,689,242, and to the other employees FIM 70,988,881. The parent company employed an average of 468 persons as compared with 545 in 1995. The salaries, fringe benefits and remunerations paid to the members of the Board of Directors and the Managing Director of the parent company during the year totalled FIM 846,453, and to the other employees FIM 64,838,094.



BREAKDOWN OF NET SALES (FIM)





INVESTMENTS AND FINANCING

Investments in fixed assets were small. Most investments were reinvestments in production machines. Total investments amounted to FIM 97.6 million gross, as compared with FIM 76.1 million in 1995. Fixed assets amounting to FIM 2.3 million were sold, and FIM 5.5 million was also transferred to the newly established Jk Juusto Kaira Oy as a result of the transfer of operations. Shares in fixed assets amounting to FIM 27.3 million net were sold. This resulted to good liquidity throughout the year. Solvency increased and now stands at 48.5 per cent, as compared with 45.7 per cent in 1995. Long-term liabilities decreased from FIM 565.5 million to FIM 457.0 million, i.e. by FIM 108.5 million. In 1997, amortizations will amount to FIM 100.2 million.

The following changes occurred in the Group's working capital:

	1996	1995	Change
	FIM mill.		
Accounts receivable	84.5	78.8	+5.7
Inventories	130.0	145.6	-15.6
Accounts payable	60.0	64.1	-4.1
Working capital	154.5	160.3	- 5.8

STRATEGIC DECISIONS

Problems concerning profitability continued in the dairy group. In order to rationalize cheese production in the north, a decision was taken in June to merge the activities of Ranuan Meijeri Oy and Kuusamon Osuusmeijeri into a new company, Jk Juusto Kaira Oy. Operations were transferred as of 16 September, and since then, Ranuan Meijeri Oy's role has been responsibility for milk collection. The initial costs in establishing Jk Juusto Kaira Oy were heavy, but operations are expected to improve in 1997. The financial result, however, is still expected to be clearly negative.

To boost sales in Latvia, it was decided in September to establish a distribution office, SIA Ingman. This was implemented in cooperation with Edvard Pajunen Oy, with Ingman Foods holding 54 per cent of the shares. Ingman Foods' initial investment amounted to FIM 0.3 million and this will have no major impact on the financial results over the next two years.

In order to safeguard the supply of milk ingredients, Ingman Foods signed a cooperation agreement with Laaksojen Maitokunta in Ylivieska. According to the agreement, Emmenthaler cheese produced by Laaksojen Maitokunta will be marketed by Ingman Foods. An integral part of the cooperation is that Laaksojen Maitokunta will also supply additional milk to Ingman Foods.

FUTURE PROSPECTS

The domestic price level is unsatisfactory. Sales have taken a disadvantageous turn during the first months of 1997. The number of domestic competitors also seems to be growing which makes competition keener. Export prospects both to the east and to the west are uncertain. At the same time, the price of milk continues to rise. In spite of a good start, prospects on the stock market are also uncertain, and the index is expected to rise considerably less than the year before. Consequently, the result of the investment companies' activities will weaken. Rationalization of activities will continue, however, and apart from cost savings which may be expected to some degree, the aim is to free capital which is tied up in operations. Profit prospects include many uncertain factors, and so at the moment profits for 1997 are estimated to remain on the same level as in 1996.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	3.1.1996–2.1.1997	3.1.1995–2.1.1996
Net sales	1,031,048,913.84	995,553,268.61
Increase (+) or decrease (-) in product inventories	- 15,366,443.19	- 46,876,802.30
Other operating income	13,212,748.74	13,117,716.38
Variable costs		
Materials, supplies and goods		
Purchases during the financial period	743,882,501.27	703,126,722.37
Increase (-) or decrease (+) in inventories	- 3,632,951.10	+ 1,947,106.37
Personnel costs	55,590,969.52	58,641,731.69
Other variable costs	<u>33,129,940.29</u>	<u>40,142,897.25</u>
Gross margin on sales	<u>199,924,759.41</u>	<u>157,935,725.01</u>
Fixed costs		
Personnel costs	34,510,029.15	34,878,947.04
Rents	9,875,214.07	9,954,628.97
Other fixed costs	<u>78,725,677.03</u>	<u>72,944,004.17</u>
Operating profit before depreciation	76,813,839.16	40,158,144.83
Depreciation of fixed assets and other non-current assets		
Other non-current assets	2,354,070.20	2,476,394.79
Buildings	10,934,872.36	7,539,656.34
Machinery and equipment	<u>26,142,131.75</u>	<u>24,499,061.60</u>
Operating profit	<u>37,382,764.85</u>	<u>5,643,032.10</u>
Financial income and expenses		
Dividend income	1,267,418.00	6,720,830.00
Interest income	9,726,047.34	15,477,808.75
Other financial income	14,838,174.90	35,611,856.48
Interest expenses	- 28,252,445.74	- 36,267,130.26
Other financial expenses	<u>- 12,948,680.20</u>	<u>- 29,108,182.54</u>
Loss-/profit+ before extraordinary items, provisions and taxes	22,013,279.15	- 1,921,785.47
Share of associated companies' profits	8,083,173.32	8,937,741.83
Extraordinary income and expenses		
Extraordinary income	8,455,046.22	49,430,570.52
Extraordinary expenses	<u>- 15,651,500.41</u>	<u>- 23,743,786.21</u>
Profit before provisions and taxes	22,899,998.28	+ 25,686,784.31
Increase (-) or decrease (+) in depreciation difference	- 15,159,539.02	- 16,817,496.71
Increase (-) or decrease (+) in non-obligatory provisions	+ 724,948.00	-
Direct taxes	- 1,776,332.07	- 1,322,313.77
Minority interest	<u>141,285.24</u>	<u>21,836.17</u>
Profit for the financial period	<u><u>6,830,360.43</u></u>	<u><u>14,584,766.36</u></u>

CONSOLIDATED BALANCE SHEET

ASSETS	2.1.1997	2.1.1996
FIXED ASSETS AND OTHER NON-CURRENT ASSETS		
Intangible assets		
Other capitalized costs	9,285,581.26	11,276,335.25
Tangible assets		
Land and water areas	10,985,927.57	11,243,332.35
Buildings and structures	322,034,628.12	273,612,381.79
Machinery and equipment	269,748,856.51	278,927,800.89
Advance payments and purchases in progress	<u>436,756.25</u>	<u>1,002,593.37</u>
	603,206,168.45	564,786,108.40
Securities included in fixed assets		
Shares and securities	98,421,187.85	155,114,905.99
CURRENT ASSETS		
Inventories		
Materials and supplies	18,716,879.81	24,786,263.33
Finished products/goods	48,343,104.45	66,510,311.82
Other inventories	<u>62,943,224.91</u>	<u>54,314,401.56</u>
	130,003,209.17	145,610,976.71
Receivables		
Account receivables – trade	84,462,110.17	78,766,030.79
Loan receivables	55,834,427.83	30,452,011.79
Accrued income and prepaid expenses	14,546,884.59	13,772,467.48
Other receivables	<u>57,105,114.96</u>	<u>67,195,835.97</u>
	211,948,537.55	190,186,346.03
Bank and cash	<u>112,057,915.97</u>	<u>232,696,020.72</u>
	<u>1,164,922,600.25</u>	<u>1,299,670,693.10</u>

SHAREHOLDERS' EQUITY AND LIABILITIES

2.1.1997

2.1.1996

SHAREHOLDERS' EQUITY

Restricted equity

Share capital

28,035,975.00

28,035,975.00

Restricted reserves

1,528,815.75

29,564,790.75

1,528,815.75

29,564,790.75

Non-restricted equity

Retained earnings and other
non-restricted equity

184,061,987.19

207,999,445.87

Profit for the financial period

6,830,360.43

190,892,347.62

14,584,766.36

222,584,212.23

MINORITY INTERESTS

1,568,319.34

313,957.70

PROVISIONS

Accumulated
depreciation difference

343,074,086.94

338,818,617.28

Non-obligatory provisions

Transition provision

-

2,680,000.00

VALUATION ITEMS

-

LIABILITIES

Long-term

Loans from
financial institutions

344,793,068.26

323,764,095.43

Pension loans

12,010,876.66

356,803,944.92

71,624,556.92

395,388,652.35

Current

Accounts payable – trade

60,044,862.05

64,088,885.42

Accrued expenses and
prepaid income

31,991,602.20

33,898,807.86

Other current liabilities

150,982,646.43243,019,110.68212,332,769.51310,320,462.791,164,922,600.251,299,670,693.10

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FIM 1,000 OPERATIONS	3.1.1996–2.1.1997	3.1.1995–2.1.1996
Funds generated from operations		
Operating profit	37,383	4,807
Depreciation	39,431	34,515
Financial income and expenses	- 15,369	- 7,565
Share of associated companies' profits	8,083	8,937
Other income and expenses	- 6,565	+ 25,687
Taxes	<u>- 1,776</u>	<u>- 1,322</u>
	61,187	65,059
Change in working capital		
Inventories, decrease (+)	+ 15,608	+ 48,821
Current receivables, increase (-), decrease (+)	- 21,762	+ 89,442
Current liabilities, increase (+), decrease (-)	<u>+ 22,237</u>	<u>- 28,774</u>
	16,083	109,489
OPERATIONS' CASH FLOW	77,270	174,548
Investments		
Investments in fixed assets	- 97,620	- 76,102
Sales of fixed assets	<u>68,179</u>	<u>51,415</u>
	- 29,441	- 24,687
CASH FLOW BEFORE FINANCING	47,829	149,861
FINANCING		
Long-term liabilities, increase	+104,000	+269,404
Long-term liabilities, decrease	-232,122	-222,807
Dividends	- 10,070	- 11,189
Annulled dividends	+ 130	-
Conversion difference and other changes	<u>- 30,405</u>	<u>- 7,037</u>
	-168,467	+ 28,371
DECREASE (-), INCREASE (+) IN LIQUID FUNDS	-120,638	+178,232

PARENT COMPANY STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FIM 1,000 OPERATIONS	3.1.1996–2.1.1997	3.1.1995–2.1.1996
Funds generated from operations		
Operating profit	24,848	11,490
Depreciation	34,274	32,227
Financial income and expenses	- 6,572	- 2,917
Other income and expenses	+ 4,629	+ 15,014
Taxes	<u>- 1,655</u>	<u>- 1,143</u>
	55,524	54,671
Change in working capital		
Inventories, increase (-), decrease (+)	+ 18,436	+ 49,203
Current receivables, increase (-), decrease (+)	- 52,137	- 44,677
Current liabilities, increase (+), decrease (-)	<u>+ 15,138</u>	<u>- 40,532</u>
	- 18,563	- 36,006
OPERATIONS' CASH FLOW	36,961	18,665
Investments		
Investments in fixed assets	- 38,407	- 74,294
Sales of fixed assets	<u>63,874</u>	<u>47,920</u>
	+ 25,467	- 26,374
CASH FLOW BEFORE FINANCING	62,428	- 7,709
FINANCING		
Long-term liabilities, increase	+ 50,000	+263,404
Long-term liabilities, decrease	-217,881	-215,335
Dividends	- 10,093	- 11,214
Annulled dividends	+ 130	-
	<u>-177,844</u>	<u>+ 36,855</u>
DECREASE (-), INCREASE (+) IN LIQUID FUNDS	-115,416	+ 29,146

PARENT COMPANY PROFIT AND LOSS ACCOUNT

	3.1.1996–2.1.1997	3.1.1995–2.1.1996
Net sales	886,609,130.37	917,120,753.41
Increase (+) or decrease (-) in product inventories	- 13,429,371.00	- 44,000,015.00
Other operating income	6,981,550.96	12,377,864.30
Variable costs		
Materials, supplies and goods		
Purchases during the financial period	626,763,546.89	642,061,274.26
Increase (-) or decrease (+) in inventories	+ 5,006,814.00	+ 5,202,679.00
Personnel costs	49,459,221.80	50,939,158.99
Other variable costs	<u>27,285,986.59</u>	<u>32,489,911.55</u>
Gross margin on sales	171,645,741.05	154,805,578.91
Fixed costs		
Personnel costs	32,197,994.86	32,781,537.76
Rents	9,908,892.62	9,690,871.17
Other fixed costs	<u>70,416,653.10</u>	<u>67,779,586.30</u>
Operating profit before depreciation	59,122,200.47	44,553,583.68
Depreciation of fixed assets and other non-current assets		
Other non-current assets	2,343,426.66	2,464,106.68
Buildings	7,616,297.40	7,312,146.56
Machinery and equipment	<u>24,314,113.99</u>	<u>22,450,614.29</u>
Operating profit	24,848,362.42	12,326,716.15
Financial income and expenses		
Dividend income	3,870,895.56	8,933,038.60
Interest income	10,967,232.83	15,713,976.80
Other financial income	14,582,740.03	35,077,611.67
Interest expenses	- 23,666,706.61	- 34,606,845.59
Other financial expenses	<u>- 12,326,644.36</u>	<u>- 28,034,979.15</u>
Profit before extraordinary items, provisions and taxes	18,275,879.87	9,409,518.48
Extraordinary income and expenses		
Extraordinary income	19,555,046.22	49,430,570.52
Extraordinary expenses	<u>- 14,295,358.63</u>	<u>- 34,416,161.21</u>
Profit before provisions and taxes	23,535,567.46	15,014,409.31
Increase (-) or decrease (+) in depreciation difference	- 15,999,253.18	- 16,718,312.81
Direct taxes	<u>- 1,654,871.30</u>	<u>- 1,143,377.90</u>
Profit for the financial period	<u>5,881,442.98</u>	<u>6,562,237.08</u>

PARENT COMPANY BALANCE SHEET

ASSETS	2.1.1997		2.1.1996	
FIXED ASSETS AND OTHER NON-CURRENT ASSETS				
Intangible assets				
Other capitalized costs		9,225,457.84		11,097,385.98
Tangible assets				
Land and water areas	9,467,177.27		9,467,178.27	
Buildings and structures	261,723,860.14		268,155,376.45	
Machinery and equipment	263,158,416.30		262,163,471.81	
Advance payments and purchases in progress	<u>436,756.25</u>	534,786,209.96	<u>1,002,593.37</u>	540,788,619.90
Securities included in fixed assets				
Shares in subsidiaries	42,192,297.47		42,490,324.07	
Other shares and securities	<u>62,637,819.92</u>	104,830,117.39	<u>113,575,297.96</u>	156,065,622.03
CURRENT ASSETS				
Inventories				
Materials and supplies	17,800,188.00		22,807,002.00	
Finished products/goods	<u>47,421,312.00</u>	65,221,500.00	<u>60,850,683.00</u>	83,657,685.00
Receivables				
Account receivables – trade	88,809,859.33		89,123,495.87	
Loan receivables	104,010,820.81		38,844,845.71	
Accrued income and prepaid expenses	6,784,541.61		9,008,899.02	
Other receivables	<u>56,346,403.37</u>	255,951,625.12	<u>66,836,828.81</u>	203,814,069.41
Bank and cash		<u>107,628,905.66</u>		<u>223,045,781.73</u>
		<u>1,077,643,815.97</u>		<u>1,218,469,164.05</u>

SHAREHOLDERS' EQUITY AND LIABILITIES

2.1.1997

2.1.1996

SHAREHOLDERS' EQUITY

Restricted equity

Share capital	28,035,975.00		28,035,975.00	
Restricted reserves	<u>1,528,815.75</u>	29,564,790.75	<u>1,528,815.75</u>	29,564,790.75

Non-restricted equity

Contingency fund	1,135,011.55		1,135,011.55	
Retained earnings	196,130,983.20		199,531,050.86	
Profit for the financial period	<u>5,881,442.98</u>	203,147,437.73	<u>6,562,237.08</u>	207,228,299.49

PROVISIONS

Accumulated
depreciation difference

340,077,477.30

324,078,224.11

LIABILITIES

Long-term

Loans from financial institutions	290,153,023.61		306,890,876.91	
Pension loans	<u>11,077,169.68</u>	301,230,193.29	<u>68,870,692.74</u>	375,761,569.65

Current

Accounts payable – trade	51,788,659.17		51,665,469.60	
Accrued expenses and prepaid income	27,954,212.79		30,321,539.45	
Other current liabilities	<u>123,881,044.94</u>	<u>203,623,916.90</u>	<u>199,849,271.00</u>	<u>281,836,280.05</u>
		<u>1,077,643,815.97</u>		<u>1,218,469,164.05</u>

NOTES TO THE FINANCIAL STATEMENTS

2.1.1997

ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared according to the past equity method. Intergroup transactions, assets and liabilities have been eliminated. The net consolidation reserve for the Finnish subsidiaries has been entered as income.

Associated companies, where the Group ownership is 20 to 50 per cent, have been consolidated using the equity method.

The fixed assets are stated in the Balance Sheet according to the acquisition costs less annual depreciation according to plan. The accumulated difference between recorded depreciation and depreciation according to plan is shown as a separate post among provisions.

The depreciation according to plan on the Profit and Loss Account is based on the estimated economic lives of the assets. The difference between recorded depreciation and depreciation according to plan is shown separately as an increase in accumulated depreciation difference on the Profit and Loss Account.

Depreciations according to plan are calculated according to the following normative lifetimes:

Buildings	20 to 50 years
Machinery and equipment	5 to 30 years
Other long-term liabilities	5 to 10 years

1 DEPRECIATION

Depreciation	According to plan	Recorded	Depreciation difference
Parent company			
Other non-current assets	2,343,426.66	2,343,426.66	-
Buildings and structures	7,616,297.40	8,238,319.68	622,022.28
Machinery and equipment	24,314,113.99	39,059,929.80	14,745,815.81
	34,273,838.05	49,641,676.14	15,367,838.09
Change in depreciation difference influenced by fixed asset sales			631,415.09
			15,999,253.18
Group			
Other non-current assets	2,354,070.20	2,350,072.60	- 3,997.60
Buildings and structures	10,934,872.36	11,410,991.28	476,118.92
Machinery and equipment	26,142,131.75	40,198,134.36	14,056,002.61
	39,431,074.31	53,959,198.24	14,528,123.93
Change in depreciation difference influenced by fixed asset sales			631,415.09
			15,159,593.02

2 PERSONNEL COSTS

	Parent company	Group
Wages, salaries and fringe benefits	65,665,913.83	72,642,969.07
Pension costs	9,940,989.25	10,979,678.31
Other personnel costs	6,877,474.58	7,316,064.29
Total	82,484,377.66	90,938,711.67

3 FINANCIAL INCOME AND EXPENSES – GROUP

Parent company	
Dividend income from subsidiaries	833,333.00
Interest income from subsidiaries	1,898,501.03
Interest expenses on loans from subsidiaries	263,913.29

4 EXTRAORDINARY INCOME AND EXPENSES

	Parent company	Group
Profit from sales – shares	7,440,120.99	7,440,120.99
Profit from sales – fixed assets	1,014,925.23	1,014,925.23
Group contribution	11,100,000.00	-
Loss from sales – shares	720,611.00	726,611.00
Write-offs and reorganization expenses	13,574,747.63	14,924,889.41

5 FIXED ASSETS

INTANGIBLE ASSETS

Other capitalized costs

		Parent company	Group
Acquisition cost	3.1.96	31,059,330.44	31,424,014.89
Increases		+ 472,488.52	+ 475,769.56
Decreases		- 990.00	- 112,453.35
Acquisition cost	2.1.97	31,530,828.96	31,787,331.10
Accumulated depreciation according to plan		-19,961,944.46	-20,147,679.64
Depreciation according to plan		- 2,343,426.66	- 2,354,070.20
Book value	2.1.97	9,225,457.84	9,285,581.26
Accumulated depreciation difference	3.1.96	-	23,093.39
Decrease		-	- 23,093.39
Accumulated depreciation difference	2.1.97	-	-

TANGIBLE ASSETS

Buildings

Acquisition cost	3.1.96	306,346,965.69	314,440,735.33
Increases		+ 1,252,861.97	+ 65,232,987.05
Decreases		- 36,988.86	- 5,844,776.34
Acquisition cost	2.1.97	307,562,838.80	373,828,946.04
Accumulated depreciation according to plan		- 38,191,589.24	- 40,828,353.54
Loss from sales		- 31,092.02	- 31,092.02
Depreciation according to plan		- 7,616,297.40	- 10,934,872.36
Book value	2.1.97	261,723,860.14	322,034,628.12
Accumulated depreciation difference	3.1.96	167,467,953.08	171,948,999.47
Increase		+ 590,930.26	+ 445,026.90
Decrease		-	- 3,932,257.69
Accumulated depreciation difference	2.1.97	168,058,883.34	168,461,768.68

Machinery and equipment

Acquisition cost	3.1.96	351,206,665.61	380,738,302.28
Increases		+ 26,490,751.06	+ 29,042,356.99
Decreases		- 1,844,199.70	- 12,741,676.74
Acquisition cost	2.1.97	375,853,216.97	397,038,982.53
Accumulated depreciation according to plan		- 89,043,193.80	-101,810,501.39
Profit from sales		+ 662,507.12	+ 662,507.12
Depreciation according to plan		- 24,314,113.99	- 26,142,131.75
Book value	2.1.97	263,158,416.30	269,748,856.51
Accumulated depreciation difference	3.1.96	156,610,271.03	166,846,524.42
Increase		+ 15,408,322.93	+ 14,718,509.73
Decrease		-	- 6,952,715.89
Accumulated depreciation difference	2.1.97	172,018,593.96	174,612,318.26

SHARES AND SECURITIES

Subsidiary shares

	Number	%	Nominal value	Book value
Kiteen Meijeri Oy	9,850	98.5	985,000.00	1,092,370.00
Halkivahan Meijeri Oy	7,761	97.0	388,050.00	151.00
Oy Leimark Invest Ab	5,000	100.0	5,000,000.00	4,989,660.00
Ranuan Meijeri Oy	434,119	98.6	4,341,190.00	5,393,585.65
Kiint. Oy Helsingin Hämeentie 109-111	6,370	98.0	63,700,000.00	28,324,880.00
Glassförsäjjarna i Södertälje AB	9,000	100.0	SEK 900,000.00	573,390.00
Lännocks Glassförsäjjning AB	10,000	100.0	SEK 1,000,000.00	1.00
Ingman Foods Sverige AB	500	100.0	SEK 50,000.00	31,855.00
A/O Ingman		80.0	RUR 1,200,000,000.00	1,475,564.42
SIA Ingman	34	54.0	LVL 34,000.00	280,840.40
Other subsidiary shares		100.0		30,000.00

Other shares and securities

	Number	%	Nominal value	Book value
Jk Juusto Kaira Oy	7,500	50.0	7,500,000.00	11,455,026.86
Oy Ing-Stock Ltd	4	26.7	4,000.00	3,330,342.10
Oy Ing-Finance Ltd	4	26.7	4,000.00	101,057.64
Oy Ingman Invest Ab	4	26.7	4,000.00	213,204.14
Ingman Vega UAB, Litauen	120	45.1	LTL 1,500,000.00	12,006,483.52
Hjem-Is Europa A/S	39,147	24.5	DKK 3,914,700.00	50,801,701.45
Chymos Juomat Oy	275,000	11.0	2,750,000.00	6,050,000.00
Merita B	532,640		5,326,400.00	6,036,394.05
Shares in housing companies				7,989,342.75
Shares and securities in other companies				437,635.34

TAXATION VALUE OF REAL PROPERTY

	Parent company	Group
Land areas	3,425,257.00	3,457,993.00
Buildings	62,124,731.0	99,887,912.00
Shares	129,824,673.00	65,210,536.00

6 RECEIVABLES AND LIABILITIES – GROUP COMPANIES

Parent company

Loan receivables	51,562,108.98
Account receivables	15,221,531.66
Accounts payable	933,523.01
Accrued income and prepaid expenses	2,020,500.00
Other current liabilities	30,258.00

7 RECEIVABLES AND LIABILITIES – ASSOCIATED COMPANIES

	Parent company	Group
Loans receivable	44,996,874.0	44,996,874.01
Accounts receivable	3,018,570.62	8,250,068.86
Accounts payable	2,145,502.48	2,282,358.95
Other current liabilities	480,433.44	480,433.44

8 CHANGES IN SHAREHOLDERS' EQUITY

Restricted equity				
Share capital	2.1.97	1,121,439 shares	FIM 25 each	28,035,975.00
Restricted reserves	2.1.97			<u>1,528,815.75</u>
Restricted equity, total				29,564,790.75
Non-restricted equity				
Parent company				
Contingency fund	2.1.97			1,135,011.55
Profit for previous financial periods				
3.1.96				206,093,287.94
dividends paid				- 10,092,951.00
dividends annulled				+ 130,646.26
2.1.97				<u>196,130,983.20</u>
Profit for financial period				<u>5,881,442.98</u>
Non-restricted equity, total				203,147,437.73
Group				
Other non-restricted equity 3.1.96				222,584,212.23
dividends paid				- 10,070,307.00
dividends annulled				+ 130,646.26
change in group structure and conversion difference				- <u>28,582,564.30</u>
2.1.97				<u>184,061,987.19</u>
Profit for financial period				<u>6,830,360.43</u>
Non-restricted equity, total				190,892,347.62

9 PROVISIONS

Transition provision	3.1.96	Parent company	Group
Decrease			2,680,000.00
	2.1.97	-	<u>-2,680,000.00</u>
			-

10 LIABILITIES

Long-term		Parent company	Group
Loans from financial institutions	2.1.97	378,541,826.61	437,727,325.26
Balance after five years		12,500,000.00	25,590,000.00
Pension loans	2.1.97	13,042,978.68	14,065,341.66
Balance after five years		5,121,103.29	5,832,348.70

11 MORTGAGES, PLEDGES, CONTINGENT LIABILITIES

Mortgages and pledges

Real estate mortgages		Parent company	Group
Pledges		FIM thousands	FIM thousands
		43,800	129,190
		26,024	86,056

Contingent liabilities

on behalf of subsidiaries		Parent company	Group
for pensions		FIM thousands	FIM thousands
for leasing		54,776	-
on behalf of third parties		105	105
		1,807	1,807
		23,765	23,810

PROPOSAL TO THE GENERAL MEETING OF SHAREHOLDERS

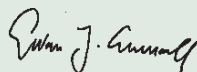
According to the Balance Sheet of 2 January 1997, the consolidated non-restricted equity is FIM 190,892,347.62, of which the profit for the year is FIM 6,830,360.43. The non-restricted equity of the parent company is FIM 203,147,437.73. The profit for the financial period is FIM 5,881,442.98.

The Board of Directors proposes that the shareholders receive a dividend of FIM 9.50 per share totalling FIM 10,653,670.50 and that the balance carried forward be FIM 192,493,767.23.

Sipoo, 3rd April 1997



Eero Durchman



Göran J. Ehrnrooth



C-G Ingman
Verkställande direktör



Hans Ingman



Lars Ingman



Robert Ingman

Cecilia Rydbeck

Teppo Taberman

Magnus
Westerholm

The financial statements have been drawn up according to generally accepted accounting standards.

We have today given an Auditors' Report.

Sipoo, 3rd April 1997

Jukka Reimi
Certified Public
Accountant

Olli Wesamaa
Approved Public
Accountant

AUDITORS' REPORT

We have examined the bookkeeping, financial statements and the consolidated financial statements as well as the administration of Ingman Foods Oy Ab for the financial period 3.1.1996–2.1.1997 in compliance with the Auditing Act.

Parent company

The financial statements, showing a profit of FIM 5,881,442.98 for the financial period, have been prepared in accordance with the Bookkeeping Act and with other regulations and instructions on the financial statements.

The financial statements give a true and fair view of the state of affairs and of the results of the activities of the company.

We propose:

- that the financial statements be adopted,
- that the profit to be used as proposed by the Board of Directors, and
- that the members of the Board of Directors and the Managing Director be discharged from liability for the financial period.

Group

The consolidated financial statements, showing a profit of FIM 6,830,360.43 for the financial period, have been prepared in accordance with the Bookkeeping Act and with other regulations and instructions on the consolidated financial statements.

The consolidated financial statements give a true and fair view of the state of affairs and of the results of the activities of the group.

We propose that the consolidated financial statements to be adopted.

We have reviewed the interim reports published during the financial period. According to our review they have been prepared in accordance with the prevailing regulations.

Sipoo, 3rd April 1997

Jukka Reimi
Certified Public
Accountant

Olli Wesamaa
Approved Public
Accountant

FINANCIAL DEVELOPMENT IN TERMS OF FINANCIAL RATIOS

Financial Development

	1992	1993	1994	1995	1996
Net sales, FIM mill.	779.0	896.0	1133.2	995.6	1031.0
Operating profit before depreciation, FIM mill.	92.3	106.8	134.9	40.2	76.8
% of net sales	11.9	11.9	11.9	4.0	7.5
Operating profit, FIM mill. % of net sales	62.3	73.1	99.8	5.6	37.4
Profit after financial items, FIM mill.	-23.6	-5.9	77.4	-1.9	22.0
Profit before transfers from/to untaxed provisions and taxes, FIM mill.	-1.6	43.3	67.6	32.7	22.9
Income from shareholders' equity, %	-5.0	-2.0	12.6	-0.6	3.5
Income from capital invested, %	8.0	9.7	10.9	5.4	5.4
Balance sheet sum total, FIM mill.	1111.6	1206.1	1268.4	1299.7	1164.9
Shareholders' equity (excl. provisions), FIM mill.	210.1	225.8	255.8	252.1	220.5
Gross investments, FIM mill.	52.3	113.7	100.9	76.1	97.6
Solvency, %	42.8	43.4	45.8	45.7	48.5
Average no. of personnel	589	652	684	615	546

Financial Ratios Per Share

	1992	1993	1994	1995	1996
Earnings/share, FIM	-42.39	-17.74	61.80	-2.89	18.05
Shareholders' equity/share, FIM	645.84	381.41	452.62	444.10	416.85
Dividend/share, FIM	10.00	10.00	10.00	9.00	9.50
Dividend/result, %	-24.2	-189.2	14.5	-525.19	48.4
Effective dividend income, %	4.5	3.6	2.6	5.0	3.3
Price/earnings ratio (P/E)	neg.	neg.	8.7	neg.	15.8

Price development and trading volume of A shares

	1992	1993	1994	1995	1996
Average price	200.84	260.74	464.57	313.42	263.04
Average price, share-issue-adjusted	106.70	154.93	464.57	313.42	263.04
Max. price	280.00	400.00	580.00	400.00	350.00
Min. price	128.00	130.00	345.00	165.00	165.00
Share capital market value, FIM mill. (B shares included at A share price)	125.2	314.0	426.1	201.9	320.7
Trading volume, no. % of no. of A shares	3.083	6.296	40.114	18.395	15.690
No. of shares during the financial year					
–averag	569,187	569,187	1,121,439	1,121,439	1,121,439
–year end	569,187	1,121,439	1,121,439	1,121,439	1,121,439

The financial ratios have been calculated according to the following formulas:

Income from shareholders' equity=	$\frac{\text{Profit before extraordinary items} - \text{taxes}}{\text{Financial period's average of (shareholders' equity+minority interest+provisions+accumulated depreciation difference)}}$
Income from capital invested=	$\frac{\text{Profit before extraordinary items+interests+financing costs}}{\text{Financial period's average of (balance sheet sum total - interest free liabilities)}}$
Solvency=	$\frac{\text{Shareholder's equity+minority interest+provisions} - \text{tax debt+accumulated depreciation difference}}{\text{Balance sheet sum total}}$
Earnings/share=	$\frac{\text{Profit before extraordinary items} - \text{taxes}}{\text{Average no. of shares during the financial period}}$
Shareholders' equity/share=	$\frac{\text{Shareholders' equity+provisions+accumulated depreciation difference+/-valuation items}}{\text{No. of shares at period end}}$
Dividend/profit=	$\frac{\text{Dividend paid}}{\text{Profit before extraordinary items}}$
Effective dividend income=	$\frac{\text{Dividend/share}}{\text{Broker's list price on closing day}}$
Price/earnings ratio=	$\frac{\text{Brokers' list price on closing day}}{\text{Earnings/share}}$

With the exception of the share average price, the adjacent financial ratios and prices have not been adjusted for share issues.

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