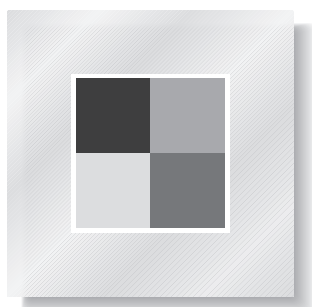


MARKKINOINTI VIHERJUURI



ANNUAL REPORT 1996

English Summary

MARKKINOINTI VIHHERJUURI - ANNUAL REPORT 1996

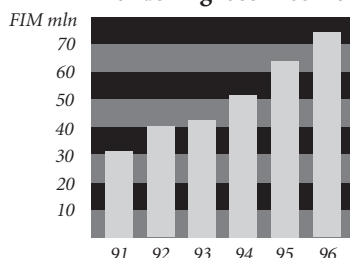
English Summary

The favourable trend in GDP and private consumption in Finland during 1996 was reflected in the rise in gross income of advertising agencies. The total gross income of the member companies of the Finnish Association of Advertising Agencies was 6 % up on the previous year. The Finnish Association of Advertising Agencies represents approximately 70% of all the country's advertising agencies. Competition has remained stable; after the turbulent phase of the last few years, the relative positions and profiles of the various agencies are now stabilising. As a result, there are now two large advertising companies in Finland and a large number of individual advertising agencies. The advertising companies provide their clients with a full range of marketing communications services, while advertising planning is the mainstay of advertising agencies.

Markkinointi Viherjuuri

Markkinointi Viherjuuri is a group of advertising companies whose business mission is to improve clients' competitiveness by offering a complete range of communications services – the 'total communications' concept. The company's key services are advertising planning and production, graphic design, direct marketing and network communications. Since the early 1990s, Markkinointi Viherjuuri has been seeking steady growth, an expansion in its activities and a strong position as one of Finland's largest advertising companies.

Trends in gross income



Financing

Markkinointi Viherjuuri's interest-bearing debt totalled FIM 13.4 million (FIM 10.1 million in 1995). Shareholders' equity plus minority interest and reserves FIM 37.6 million (FIM 33.6 million in 1995). The solvency ratio was 50.1% (44.2% in 1995).

Trading in shares on the OTC list

Markkinointi Viherjuuri Oy's shares are quoted on Helsinki Stock Exchange. Of the total number of shares, 24% changed hands during 1996. The value of shares traded amounted to FIM 10.1 million. The lowest share price of the year, FIM 11.00, was quoted in January, and the highest, FIM 20.60, in November.

Staff

The number of staff employed was 148 at the beginning of the year and 164 at the year-end.

Outlook for 1997

We believe the current year will be a good one for Markkinointi Viherjuuri. Growth is expected to remain steady. The justification for such a positive outlook is evident in terms of the Group's clientele, its professional staff and the investments made, which have already increased efficiency and productivity. A key objective is to raise profitability so that the company is able to further improve the level of dividends paid.

Financial trends and performance: key figures

	1996	1995
Turnover	FIM 267.8 million	FIM 242.5 million
Gross income	FIM 74.2 million	FIM 63.7 million
Operating profit	FIM 12.8 million	FIM 10.9 million
Profit before taxes and extraordinary items	FIM 8.9 million	FIM 7.4 million
Earnings per share	FIM 2.63	FIM 2.16
Shareholders' equity	FIM 15.15 per share	FIM 13.58 per share



VIHERJUURI GROUP



Markkinointi Vihherjuuri Oy

Markkinointi Vihherjuuri Oy is the parent company within the Group and a marketing communications agency. Its operations are divided into financial administration, marketing and planning.



Mainostoimisto PM Oy

Mainostoimisto PM is a planning and production agency specialising in marketing for the retail trade and service organisations and, particularly, in chain marketing.



Vihherjuuren Mainostoimisto Oy

Vihherjuuren Mainostoimisto is an advertising agency specialising in advertising planning and production as well as coordination of total communications services for branded products.



Mediatoimisto Pyramid Oy

Pyramid specialises in media planning and sales as well as the management and use of research information.



Vihherjuuren Ilme Oy

Vihherjuuren Ilme is an agency specialising in planning and consultancy for corporate and product identity, corporate graphics and packaging design.



Tikon Public Relations

Tikon specialises in the planning of corporate communications and the implementation of various PR activities for different organisations, thereby performing an essential contribution to the Vihherjuuri Group's total communications services.



Vihherjuuren Suora Oy

Among the Group's advertising agencies, Vihherjuuren Suora is specialised in direct mail and marketing.



Varis & Ojala Oy

Varis & Ojala is a graphic design agency which focuses on the three main areas within corporate graphics and consultation: graphic design programmes, product graphics and publication graphics.



Mainostoimisto Vera Oy

Mainostoimisto Vera plans and produces consumer and business-to-business marketing communications. Vera's main areas of expertise are branded and industrial products, services, the retail trade and the corporate sector.



1996

VIHERJUURI GROUP – KEY FIGURES

FIM mln	1992	1993	1994	1995	1996
Turnover	173.3	138.6	182.4	242.5	267.8
Growth %	101.6	-20.0	31.5	33.0	10.4
Gross income	40.0	43.6	52.3	63.7	74.2
Growth %	32.2	9.0	20.0	21.7	16.6
Operating profit	1.6	5.8	5.1	10.9	12.8
% of net sales	0.9	4.2	2.8	4.5	4.8
% of gross income	4.1	13.3	9.7	17.1	17.2
Depreciations	2.3	1.3	1.9	3.0	3.1
Financial items (net)	-1.2	-0.8	-1.0	-0.5	-0.8
Profit before taxes and extraordinary items	-1.9	3.8	2.2	7.4	8.9
Taxes	0.0	0.1	0.3	2.4	2.5
Minority interests	0.0	0.0	0.0	0.0	0.0
Profit before extraordinary items	-1.9	3.6	1.9	5.0	6.4
Extraordinary items	0.0	0.0	-1.5	-0.9	0.0
Profit before appropriations	-1.9	3.6	0.4	4.1	6.4
Net investment	3.9	1.0	13.0	3.4	2.3
Return on investment %	-1.2	10.8	8.0	19.2	20.9
Solvency ratio %	54.7	60.0	44.2	44.2	50.1
Personnel on December 31	112	108	146	148	164



BALANCE SHEET DEVELOPMENT 1992–1996

Assets, FIM mln	1992	1993	1994	1995	1996
Fixed assets	30.7	30.4	40.5	40.6	39.8
Inventories and current assets	17.8	19.4	28.7	35.6	35.3
Total	48.5	49.8	69.2	76.2	75.1

Liabilities and shareholders' equity, FIM mln

Shareholders' equity	24.2	27.5	27.6	31.0	34.2
Minority interest			0.1		0.1
Reserves	2.4	2.6	3.2	2.6	3.3
Interest-free liabilities	12.7	11.4	21.1	32.5	24.1
Interest-bearing liabilities	9.2	8.3	17.2	10.1	13.4
Total	48.5	49.8	69.2	76.2	75.1

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