Annual report 1996

Tradeka Corporation

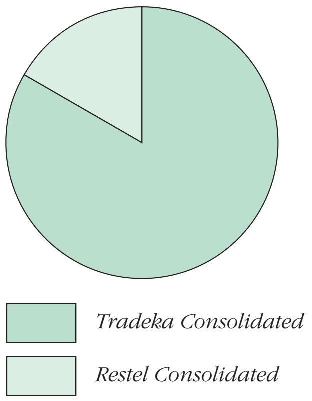
Contents

Tradeka Corporation in brief

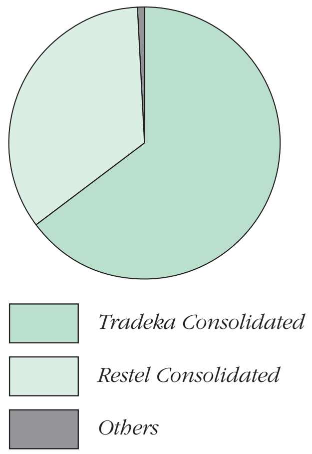
	1995	1996	95/96
Net turnover FIM million	5 534	5 770	+ 4.3 %
Income* FIM million	238	335	+ 97
Balance sheet total FIM million	3 023	3 105	+ 82
Personnel, average	5 090	4 842	– 248
Outlets:			
– *Stores*	579	554	– 25
– *Hotels*	33	33	
– *Restaurants*	260	261	+ 1

* profit before extraordinary items, appropriations and taxes

Distribution of Turnover



Distribution of Personnel



President's review

All of us who work for Tradeka can be content with our company results for the year 1996 – but only for a while. The profitability of business operations increased and, for the third year in a row, the objectives of the restructuring program were surpassed.

Company turnover amounted to FIM 335 million or 5.8% of net sales before extraordinary items, appropriations and taxes. This result shows an increase of FIM 97 million from the previous year and all the business divisions yielded profits. Everyone at Tradeka and Restel has contributed with their work to the favourable profit development. The people working at the stores, hotels and restaurants have once again put themselves on the line on behalf of their own company. For that they must be greatly commended.

In addition to regular work tasks, the beginning of cooperation with Elanto has required extra work during the year. Two joint ventures were successfully established: the incorporation of the retail store chains along with all the changes that came with it, as well as the transfer of the management of Elanto's hotel business activities to Restel. The financial goals set for the cooperation work were achieved according to plan during the first year.

At the same time, we have continued to develop our operations in accordance with our long-term plans. Work has been carried out systematically, though new things are continually being learned, and the plans being defined more closely. Our objective is to provide customer service that improves constantly while retaining and increasing the present level of profitability.

In retail trade, the key factor in realising these objectives is efficient control of product flow, an area where the development of the required tools has continued. Because no other operational models similar to Tradeka's, which is based on three corresponding chains that centrally direct the product range, exist elsewhere in the world, the data systems needed to direct its comprehensive logistics were not readily available. Systems and programs have had to be custom-made to suit the corporation's own operations.

The preliminary groundwork concerning future investments requires a great deal of work on the part of Tradeka and their equipment and program supplier organisations. The commitment of human resources to the initiation of the cooperation with Elanto somewhat slowed the development of the systems, but the lost time will be made up this year.

In hotel and catering operations, where service is strongly based on personal contribution by the employee, the focus was again on improving the service competence of the personnel. Restel's success can also be attributed to strict cost management, especially in the extremely competetive restaurant business. A deviation in Tradeka Corporation's balance sheet is the result of the negativity of shareholder equity of Cooperative Tradeka Corporation, which is going through a restructuring program. In the eyes of balance sheet aestheticians, a minus may look ugly, but despite its existence, profits can be made and life can continue. The restructuring program, which will be in effect until the year 2003, includes a mechanism by which the corporation's shareholder equity will return to normal.

Financial forecasts for the year 1997 predict an increase in the national economy, as well as in retail trade sales. For the companies owned by Tradeka, the year has started off favourably. We have drafted the budget in the traditional, cautious manner, but the net sales, number of customers, average number of purchases and profits received since the beginning of the year are already greater than last year.

But this year's results will also be produced a day, a week and a month at a time. We will look back at the favourable result of 1996 with humbleness, all the while remembering that we still have a great deal of work ahead of us.

During the last few years we have lived through vast changes, and they are by no means over. In the future, the changes will mostly be internal ones, related to the introduction of new systems. All this will, however, provide us with great potential when we become able to make full use of the possibilities offered to us by our company structure.

I thank the customers, the personnel, the suppliers and our other associates for the year 1996. In collaborating for the benefit of everyone, we have been able to surpass the goals that were set. This is an excellent point from which to continue.

Helsinki, 23 April 1997

Antti Remes

Finland's most versatile Customer Loyalty Scheme

Tradeka's loyal customers are growing in number. The loyal customer scheme, which was introduced nation-wide in the spring of 1994, has expanded with each year. At this moment there are already 560,000 loyal customer accounts and 920,000 loyal customer cards.

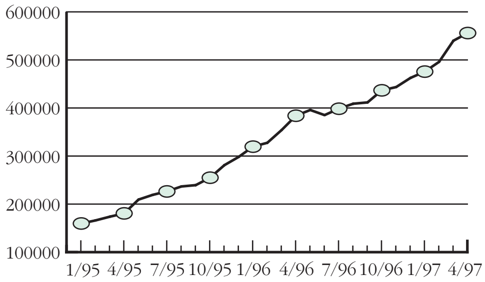
Over 20% of all the households in Finland are Tradeka loyal customers. During 1996, 164,368 new households joined, including those which came through Elanto, and 282,252 new cards were granted.

At the beginning of 1997 the loyal customer scheme finally got an official name which distinguishes it from competitive schemes. YkkösBonus (FirstBonus) is representative of the benefits of being a Tradeka loyal customer, as well as its place on the market.

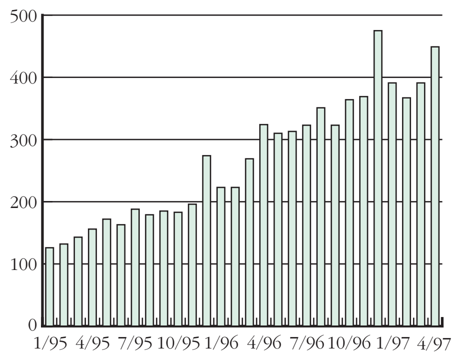
Expert household appliance stores, Värisilmä interior decoration stores and Neste service stations joined the system as new business associates. There are already over 1,500 places nation-wide where YkkösBonus purchases can be made.

The loyal customer sales for the second full year in operation reached FIM 3.9 million, of which FIM 2.9 million came from Tradeka and Restel. The 144,000 loyal customers were paid FIM 44 million in bonuses.

Loyal Customer Accounts 1995 – 1997



Loyal Customer Sales 1995 – 1997 FIM million



The following benefits make YkkösBonus the best in Finland:

– YkkösBonus stores are the most versatile in Finland
– a free personal loyal customer card
– up to 3.67% received in YkkösBonuses from all purchases, even from sales items
– YkkösBonus stamps or money can be collected in 12-month periods during which total purchases exceed the FIM 6,000 minimum
– free cards for family members
– YkkösBonus newsletter and Me magazine are received in the mail once a month
– the option to include credit-card features on the YkkösBonus card
– the monthly YkkösBonus sales offers at Euromarket and Maxi

Tradeka Consolidated

PRESIDENT AARNO MÄNTYNEN

Net turnover at Tradeka Consolidated was FIM 4,807 million, showing an increase of 5.3% compared with the previous year. The result before extraordinary items, appropriations and taxes was FIM 127 million, which is FIM 73 million more than the previous year.

Tradeka Consolidated is made up of Tradeka Oy, which is responsible for the operations of three chains of stores specialising in daily goods (Siwa, Valintatalo and Euromarket/Maxi), retail-trade subsidiaries in Russia and Estonia, a 70% share of Suomen Tilirahoitus Oy, 15 real-state subsidiaries, and 38 real-estate associated companies.

A FIM 37 million non-recurring payment, received as operating profit compensation for the stores handed over to Elanto, affected the result. Prevailing taxation practice and sound accounting principles required the inclusion of the payment as a lump sum under other income from business activity. For the same reasons, the FIM 26 million operating profit payment paid for the stores bought from Elanto had to be registered as a long-running expense, which will be removed within ten years.

The market share of Tradeka's domestic chains remained unchanged and is 9.6%. The transfer of 26 stores to Elanto's Retail Sales Oy in the middle of the operational year will affect the market share statistics compiled by A.C. Nielsen by leaving the share below the level required for the growth of net sales.

Cooperation with Elanto

Cooperation with Elanto, which started at the beginning of the year, affected Tradeka's operations in many ways. The joint company Ketjuetu Oy, which was formed to manage the chains and make purchases, started operating and the earlier support organisations of Tradeka's chains were transferred to the new company. The outlets of Tradeka and of the newly established Elanto Retail Sales Oy were linked into the jointly managed chains and so, under a common chain management, 53 of the stores that previously belonged to Elanto's earlier chains were renewed to conform to the new chain concepts.

At the beginning of the year Tradeka and Elanto outlets had separate suppliers, which created work especially for the chains' product organisations. On July 1, 1996 the situation changed for the better when Elanto outlets switched suppliers from Tuko to become customers of Inex Partners Oy. Administrative services were purchased from Palveluetu Oy, another joint company established by Tradeka and Elanto at the beginning of the year. Aarno Mäntynen, the president of Tradeka Oy, has also acted as president of Ketjuetu Oy and Elanto Retail Sales Oy since the first of January, 1996.

Operations based on demand

The pervasion of a demand-based method of operating in the whole organisation, and the development of the tools needed for its practical realisation, pose still another major challenge for the operations of the coming years, as they did last year.

The goal of the Voima project, which is in effect throughout the whole retail trade organisation, is to develop data systems that will operate on all levels, from the stores to product management to the company's administration, and vice versa, covering all the different processes involved in business activity.

Equipment and program suppliers worked in collaboration during the year to develop basic models of systems, and preliminary data concerning product management was collected. New cash register systems were tested and their generalisation was initiated. The goal is to renew the cash registers in all stores by the summer of 1999.

The objectives of the realisation of an operating system based on demand have two aspects. The aim of efficient logistics is, on one hand, to provide additional efficiency for the chains' operations and to cut down expenses. On the other hand, the faster circulation of goods and the larger selection of goods that fit into the existing shelf space will guarantee the customer fresher goods and more products to choose from. Close cooperation with the suppliers is under way in order to achieve both goals.

Siwa changed its look

The net turnover of the Siwa retail chain was FIM 1,881 million, which is 1.3% more than the previous year. The comparable net sales growth was 4.4%.

During the year 18 stores were updated to Siwa 2000s. One new store was opened and nine unprofitable stores were closed. Ten Siwa stores were sold to Elanto Retail Sales Oy and the business operations of five Marketta stores were bought from Elanto. The stores were renewed and incorporated into the Siwa concept. The net change of the stores was -13 and at the end of the year Tradeka had 421 Siwa stores, of which 69 were larger Siwa 2000 outlets.

The Siwa business concept was modified to conform more closely to the operational model of a local convenience store and the chain's internal and external appearance was developed to achieve an even brighter look. Since 1995, the main objectives of the chain have been to strengthen the perishable goods market and to ensure that the price, quality and freshness guarantees do what they are supposed to do.

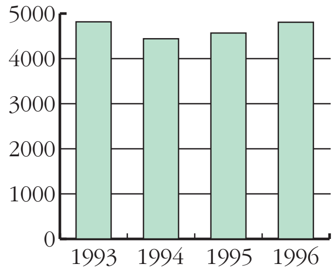
The Siwa chain realised a comprehensive charting of the network of places of business and compiled a set of regulations and a program for establishing new stores in the future. The realisation of the program is the main goal for next several years.

A Plus in marketing for Valintatalo

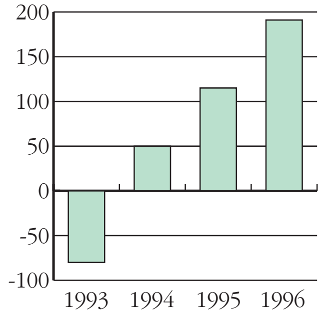
The net turnover of the Valintatalo chain decreased by 3.1% from the previous year to FIM 1,318 million. Comparable net sales growth was 6.3%, which is clearly higher than the growth of the perishable goods trade.

An operational model was developed in cooperation with British ex-

Turnover for Tradeka Consolidated
FIM million

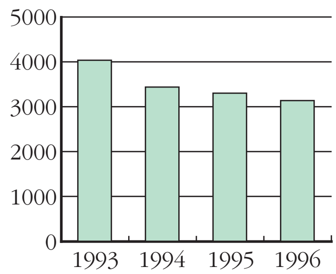


Income* for Tradeka Consolidated
FIM million

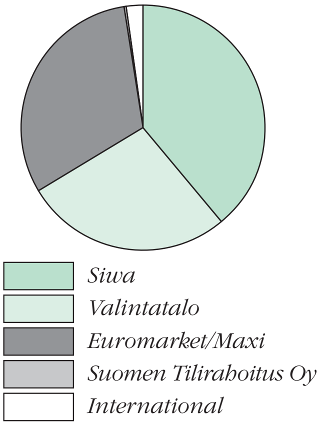


** Operating profit*

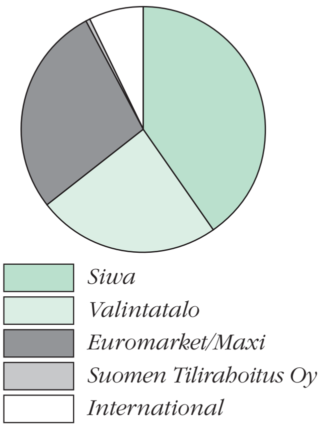
Number of Employees in Tradeka Consolidated



Distribution of Turnover for Tradeka Consolidated



Distribution of Personnel for Tradeka Consolidated



perts for a supermarket outlet covering over 1,500 square metres of selling space. Of the two Valintatalo Plus pilot stores, the second one was opened at the end of the year in Kajaani, while the first one had already been opened by Elanto earlier in the fall at Itäkeskus shopping centre in Helsinki.

Tradeka sold 16 Valintatalo outlets to Elanto Retail Sales Oy. The outlet in Pyykösjärvi in Oulu was destroyed in a fire, and the opening of the store that was built in its place was moved to this year. The business operations of five Marketta stores were bought from Elanto and they were renovated and incorporated into the Valintatalo concept. The total number of Valintatalo outlets owned by Tradeka decreased by twelve, leaving a total of 106 stores at the end of 1996.

Expansion investments were made at the Valintatalos in Kolari and in Mukkula, Lahti. Some of the stores switched to night delivery of industrial products and to unloading shipments and stocking shelves in the morning before opening hours. A system of rewards based on the activity of the entire personnel was experimented with in sixteen stores.

Euromarket sales grow

The net turnover of Euromarket/Maxi chain was FIM 1,493 million, which showed an increase of 20.1% from the previous year. Considering the changes that took place in the store network, the comparable rate of growth was 7.5%.

The EKA markets in Kotka, Kemi and Imatra were converted into Euromarkets during the year. The expansion of the Euromarket in Lahti was finished in November. The EKA market in Kajaani joined the Valintatalo chain in November and the operations of the Maxi store in Kerava were transferred to Tradeka at the beginning of February. At the end of the year 21 of the markets owned by Tradeka belonged to the Euromarket/Maxi chain, so the number of stores remained unchanged.

The theme of the year in the development of the chain was “Lots more together.” The goal of the management training course held under this theme was to improve the cooperational skills of the personnel. In addition, a system of rewards was introduced in the test units. The development of operations involving common marketing and product organisations for the Maxi and Euromarket outlets, which had merged at the beginning of the year, were the chain’s special effort of the year.

The theme of 1997 “A satisfied customer means a profit” concentrates on providing quality for the customer and on the daily condition of the stores. The conversion of the remaining EKA markets into Euromarkets continues, and this year three units will be renovated and expanded.

The rise to profitability for Tradeka International

Tradeka International is made up of the Russian subsidiary companies of ZAO Tradeka M and ZAO Renlund SPb, the Estonian subsidiary company A/S Renlund-Tallinn and the Helsinki management unit.

The net turnover of international operations was FIM 95 million, which is 3% more than the previous year. The targets set for the result were exceeded and the total result was profitable.

The number of stores operating abroad remained unchanged. Two

Siwa daily goods stores and two Renlund hardware stores operated in St. Petersburg, one Siwa supermarket in Moscow and one Renlund store in Tallinn.

The operations of stores abroad concentrated on varying the selection of goods, on more efficient space management, and on active pricing, which was based on the local competitive situation. These measures were taken in order to attract a larger group of local customers. In Russia, the focus continued to be on the management of country risks and taxes.

1997 – The Year of Image Promotion and Data Systems

In the fall of 1996 Tradeka started to reform marketing. The LM-McCann advertising agency was chosen as business associate on the task. The new lines of the chain images and those of the loyal customer membership were defined in coordination with each other. The objective of the new marketing strategy, introduced in the spring of 1997, is to emphasise the emotional aspects of the rationally and efficiently operating Tradeka chains.

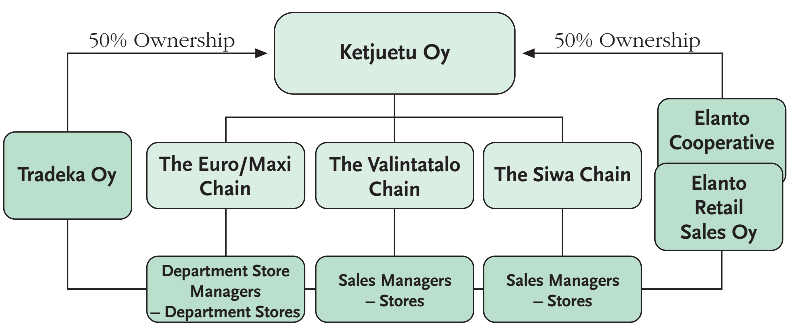
This year again, the operations of all the chains will concentrate on spreading the concept of demand-based operations and on the development of system solutions that support it. The distribution of the new cash register systems will continue, and the ordering system trial runs will be started in various selected product groups. The goal is to construct a comprehensive data system by the year 1999 which covers all the operations involved in the logistics chain, and to change to at least a semi-automated product order system in most product groups.

Economic forecasts and current trends predict a favourable year for the daily goods and department store trade. A new marketing strategy, demand-based operations, which continuously becomes more particularised, and the rapidly growing number of loyal customers ensure that Tradeka keeps up with the positive progress. The objective is to reach the same relative levels of production and profit this year that the chains achieved earlier.

Store Outlets 31.12.1996

Siwa	421	– 13
Valintatalo	106	– 12
Euromarket/Maxi	21	–
International	6	–
Total	**554**	**– 25**

Organisation of the Retail Trade



Restel Consolidated

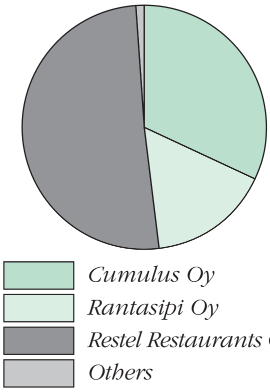
PRESIDENT RALF SANDSTRÖM

Demand in the Finnish hotel and restaurant sector continued to grow in 1996, although not as strongly as the general economic development. The volume of sales made by hotels and restaurants increased by almost 3.5% from the previous year.

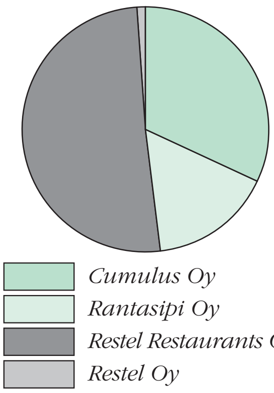
The nominal value of sales of restaurants licensed to sell alcohol grew by 3.8%. The introduction of over 40,000 new places for customers to the market, however, lowered the volume of sales per customer by over three per cent. In 1996 the total volume of sales per customer was almost 40% lower than in 1990, which was the peak year for sales.

Hotel accommodation sales increased a nominal 6.1%. The increase in sales volume held at two percent due to the four percent increase in the average price of hotel rooms. There were no noticeable changes in hotel capacity last year. The occupancy rate increased from the 45.5% of the previous year to 46%.

Distribution of Turnover for Restel Consolidated



Distribution of Personnel for Restel Consolidated



Net turnover unchanged, result improved

Restel continued the planned realisation of its strategy. Only slight changes in capacity took place. Special attention was paid to refining a customer-based and cost-efficient model of operations.

The net turnover of Restel Consolidated was FIM 960 million, which showed a decrease of FIM 5 million, or 0.5% from the previous year. Operating profit totalled FIM 138 million, there was an increase of FIM 25 million compared with the previous year.

The result before extraordinary items, appropriations and taxes was FIM 68 million, which is FIM 31 million more than the previous year. The clear improvement of the result can be attributed to the relative rise in the gross sales margin and to strict cost management.

Hotels

Restel Hotels' net turnover increased by 3.8% from the previous year to over FIM 463 million. FIM 309 million of the net turnover was generated by Cumulus hotels and FIM 154 million by Rantasipi hotels. Hotel accommodation net sales showed an increase of 14.7% from the previous year.

At the end of the year there were 33 hotels which contained 58 restaurants altogether. There were no changes in the numbers of business places during the year. Hotel rooms were renovated at the Cumulus hotels located in Kemi, Mikkeli and Jyväskylä, and at the Rantasipi hotels in Ruka, Laajavuori and Joutsa, as well as at the Martina hotel in Imatra.

Four hotels in Helsinki owned by Elanto were transferred to the control of Restel hotel chains with the signing of a business management agreement. Hotel Pohjanhovi in Rovaniemi returned to the Rantasipi chain also under a business management agreement. In November the thoroughly renovated and renewed Pohjanhovi celebrated its 60th year of operation.

The net turnover of both of Restel's hotel chains, Cumulus Oy and Rantasipi Oy, were profitable. In its entirety, the result of hotel operations was significantly more favourable than the previous year.

Restaurants

The net turnover of Restel's restaurant operations declined by 5.8% from the previous year, to FIM 488 million. Four Hyvä Ystävä restaurants located in Helsinki came under the ownership of Restel in the fall. The restaurants form the basis of Ahjola Oy's business activity. An agreement was made with Helsinki Halli Oy concerning bar and restaurant operations requiring an alcohol license in the Hartwall Arena, which started operations in the spring of 1997. Three restaurants were either sold or closed during the year. A change in the business concept or some other comprehensive change was realised in 12 restaurants. The total number of separate restaurants at the end of the year was 203.

The results of the restaurant chains, Restel Restaurants Oy and Ahjola Oy were all profitable. The total result of restaurant operations was somewhat weaker than the previous year.

Investments and finance

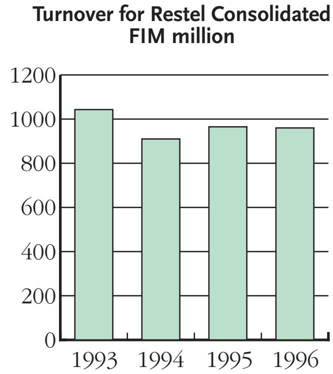
The total amount of investments in 1996 was FIM 36 million. The investments were mostly directed towards network maintenance and conceptual changes.

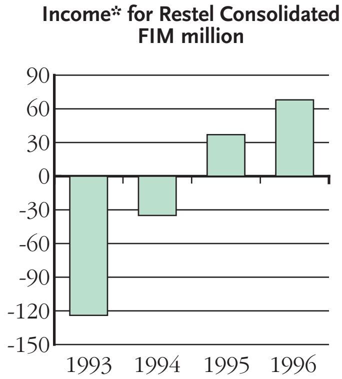
Restel's financial status remained satisfactory throughout the year.

Prospects for 1997

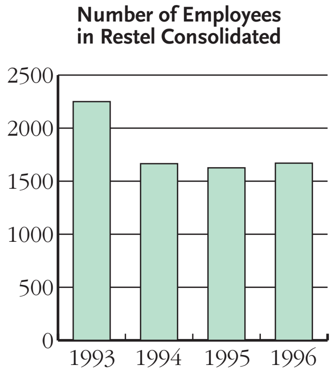
The amount of sales in the hotel and restaurant sector are predicted to increase in 1997 along with the positive development of the national economy. The continued increase in the capacity of licensed restaurants may lead, however, to a decline in the volume of sales per customer this year, as well.

At the beginning of the year, Restel made an agreement with the international Ramada chain to use the Ramada-name on four of its hotels. Restel Group's result for the first quarter of the year has not deviated from the planned result.





Profit before extraordinary items, appropriations and taxes



Eka Real Estate Development

President Heikki Venho

Eka Real Estate Development is a real estate unit organised in accordance with the company restructuring program. It has control over the shares and real estate property of Cooperative Tradeka Corporation. The incorporation of Eka Real Estate Development remains unrealised due to stamp duty risks. Real estate operations are, from the legal point of view, a part of the parent Cooperative.

The task of a real estate unit is to sell and make profit from the property in its possession. With this in mind, it rents premises, and maintains and improves the condition of the real property through investments. The intention is to sell the property for the benefit of creditors by the end of the year 2003, when the restructuring program is scheduled to be finalised.

At the end of 1996, Eka Real Estate Development had 285 pieces of real estate in its possession all over the country, most of which was offices. The total area of space suitable for renting totalled 370,000 square metres. The number of lease contracts concerning this space was around 1,000. Half of the area was in the use of companies belonging to Tradeka Corporation.

The subtle recovery of the real estate market has improved the occupancy rate of real estate property and sped up the implementation of a realisation program. The occupancy rate improved by three per cent to a total of 77% by the end of the year. FIM 17 million were invested to improve and maintain the operating profit. The most significant single investment involved the conversion of the EKA market in Kemi to a Euromarket in cooperation with Tradeka Oy.

The net turnover of Eka Real Estate Development was FIM 123 million, which is FIM 6 million more than the previous year. The net turnover is included under Other Income in the Group's profit and loss account. The operating profit of real estate operations improved from the previous year and exceeded budget expectations, totalling FIM 64 million.

62 transactions involving the selling of real estate property and shares took place, amounting to FIM 56 million. Shares of fixed assets were sold for an additional FIM 9 million.

In 1996, negotiations took place involving the selling of land construction rights and the start of construction work in accordance with the town plan in the area of Lintulahti, which covers over 40,000 square metres in Sörnäinen, Helsinki. In January 1997, an agreement was signed with Skanska Oy regarding the selling of the housing plots and an old coffee roasting house. In January the share majority of Lahden Hakatornit was also sold, as well as a number of other housing companies and sites, to VVO Consortium.

The number of real estate sales is expected to rise again in 1997, although there are still no investors among the buyers. Eka Real Estate Development has received a better price for the property it has sold than that which was estimated in the restructuring program in 1994.

Report by the Board of Directors 1996

For the third year in a row, the business units of Tradeka Corporation exceeded the budgeted profits, as well as the goals that were set for them in the restructuring program by Cooperative Tradeka Corporation. As a result of the development work that has continued since 1991, Tradeka Consolidated and Restel Consolidated have achieved levels of production and result that are competitive in their lines of business.

Operations in 1996

The Loyal Customer Scheme was developed further in 1996. The arrival of new business associates in the system helped expand the loyal customer services to include a home appliance, interior decoration and service station chain. The addition of Elanto Cooperative into the system at the end of 1995 significantly increased the number of members of the loyal customer scheme. 102,670 new loyal customer accounts were opened during the year. At the end of the year the total number of loyal customer households was 462,550 and the total number of members was 782,400.

Cooperation began in the sectors of retail trade, hotel operations and production of administrative services with Elanto Cooperative. A general agreement concerning the cooperation was signed on November 30, 1995.

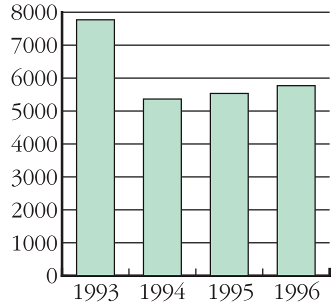
The operations of the equal-share-holding cooperative companies Ketjuetu Oy T & E, which is a chain management company, and Palveluetu Oy T & E, which provides administrative services, started on January 1, 1996. Tradeka Oy owns 50% of the share capital of Ketjuetu Oy and Tradeka Group Oy owns 50% of the capital share of Palveluetu Oy. A maintenance agreement transferred management of Elanto Hotels Oy to Restel Oy. Cooperation worked out as planned and the targets set for marketing, productivity and cost benefits were achieved.

A new cooperative contract, effective until the year 2007, was made with SOK for the supply and logistics company Inex Partners Oy of which the Cooperative owns 50% and SOK 50%. On July 1, 1996 Elanto Cooperative and its subsidiaries became customers of Inex Partners Oy.

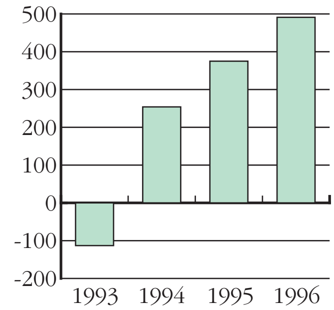
The group structure outlined in the restructuring program is intended to be realised in 1997. It involves the transfer of the total ownership of Tradeka Oy and 13% of that of Restel Oy from the Cooperative into the hands of Tradeka Group Oy and the incorporation of Eka Real Estate Development. The incorporation schedule has been reconsidered because of matters involving capital transfer tax in the transfer of property, and in order to ensure that the rights of the Cooperative's creditors are secured. In legal matters, Eka Real Estate Development functions as part the Cooperative, but in matters involving accounting and operations, it functions as a separate unit which is responsible for real estate operations.

The Cooperative has subscribed for FIM 10 million in convertible bonds which will be transferred to the creditors specified in the restructuring program. The holders of the promissory notes have the right to convert them into shares if the development of the business opera-

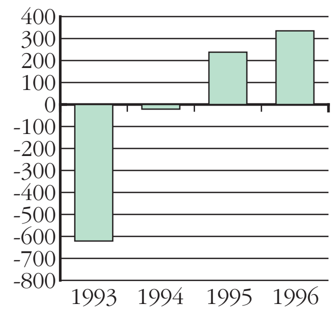
Turnover for Tradeka Corporation FIM million



Gross Margin for Tradeka Corporation (FIM million)



Income* for Tradeka Corporation (FIM million)



** Profit before extraordinary items, appropriations and taxes* tions of the companies do not meet the goals set for them in the cooperative restructuring program during its period of effectiveness. The part of the restructuring program involving recoveries has yet to be completed.

Eka Real Estate Development sold FIM 65 million worth of real estate property and shares during the accounting period. The selling of housing lots in the area of Lintulahti in Helsinki, an old coffee roasting house and the share majority of Lahden Hakatornit, as well as of the shares of several other housing companies and sites, was prepared at the end of the year. The transactions took place in January of this year. The cooperative's restructuring program does not set deadlines for the realisation of property, but the sales helped in part to secure the success of the program.

In January, the selling of the shares of Kirjakanava Oy and of Tammi Publishing Company marked the end of publishing operations. The completely owned subsidiary real estate companies RK Reaktia Oy and Lintulahti Oy were merged into the Cooperative.

Net turnover and other business activity income

The consolidated net turnover increased by FIM 4.3% from the previous year to FIM 5,770 million. FIM 4,807 million of the net turnover came from Tradeka Consolidated and FIM 960 million from Restel Consolidated. The net turnover of Tradeka Consolidated increased by 5.3%, while that of Restel Consolidated decreased by 0.5%.

The greatest contributors to the FIM 156 million in other business activity income were the FIM 107 million received as income from rents, the FIM 37 million compensation received by Tradeka Oy for the 26 places of business that were handed over to Elanto Retail Sales Oy and the FIM 12 million in profits for the selling of fixed assets. The income from other business activities increased by FIM 43 million from the previous year.

The Cooperative's net turnover and income from other business activity amounted to FIM 142 million. The majority, FIM 123 million, of income from other business activities came from Eka Real Estate Development leases.

Result

The operating profit exceeded the target level and improved from the previous year. The operating profit was FIM 491 million (+ FIM 116 million). The improvement is attributable to the increase in the net turnover, other business activity income and the achieved savings in fixed costs.

An increase in the efficiency of operations, the transfer of personnel and operations from Tradeka Oy and Tradeka Group Oy to Ketjuetu and Palveluetu starting from January 1, 1996, and a decrease in number of early personnel retirements had an effect on fixed costs. Personnel costs decreased by FIM 57 million. The service payments made by the consolidated companies to Ketjuetu and Palveluetu, are included, in turn, under other fixed costs, which increased by FIM 35 million.

The operating profit of Tradeka Consolidated was FIM 261 million (+ FIM 92 million), Restel Consolidated FIM 138 million (+ FIM 25 million) and of the Cooperative FIM 22 million (+ FIM 12 million). The operating profits of Tradeka Consolidated and Restel Consolidated reached the values set in the restructuring program.

The corporation's net turnover after a depreciation of FIM 128 million was FIM 363 million. The result showed an increase of FIM 117 million compared to the previous year. After a subtraction of FIM 28 million in the form of net financial costs, the net turnover of Corporation amounted to FIM 335 million (+ FIM 97 million) before extraordinary items, appropriations and taxes. The Cooperative's comparable surplus was FIM 98 million (- FIM 6 million).

Extraordinary income totalled FIM 80 million, of which FIM 42 million resulted from changes in the joint accounting methods of associated companies and FIM 26 million from the realisation of sales profits received from earlier internal sales. Extraordinary costs included the loss of FIM 12 million for selling the shares of the real estate property of Tradeka Oy's EKA market in Pori, and the FIM 6 million of booked costs concerning the controversial rental agreements of Restel Consolidated, dating from 1993.

The major contributors to the amount of the cooperative's extraordinary income were the FIM 90 million subvention payment granted by Tradeka Oy, the FIM 1.8 million subvention payment granted by Tradeka Group Oy and the FIM 27 million in returns for depreciated income.

The accounting period profit amounted to FIM 364 million (+ FIM 148 million) and the Cooperative's surplus totalled FIM 224 million. The surplus declined from the previous year by FIM 222 million due to the decrease in extraordinary income.

Investments

The total amount of investments made by the consolidated companies totalled FIM 247 million. Investments made by Tradeka Consolidated amounted to FIM 181 million and Restel Consolidated to FIM 36 million. The investments of the Cooperative totalled FIM 26 million. The main areas of investment were the renewal of old places of business and the establishment of new ones, purchase of equipment and data systems.

The total number of investments made by Tradeka Consolidated exceeded the estimated minimum number of investments determined in the restructuring program. No similar investment precondition has been named for Restel Consolidated.

Financing

Due to the general decline in the interest rates, the financial income showed a decrease of FIM 6 million from the previous year and totalled FIM 30 million. The interest on secured debts was 2% in accordance with the restructuring program (1% the previous year). As a result, the company's financial costs rose to FIM 57 million.

The majority of the long-term debts of Tradeka Oy and Restel Oy are made up of loans granted by the Corporation. Tradeka Oy paid 7.25% interest rate and Restel Oy 7.0% interest rate for their loans. FIM 112 million of the Cooperative's FIM 126 million in financial income was interest income from subsidiary companies. Financial costs were FIM 40 million after the FIM 7 million removal of interest reserves.

The Cooperative's equity loan interest rate (9.5%) was handled as a risk change, as in previous years.

The cash flow of Tradeka Consolidated and Restel Consolidated exceeded target levels and the liquidity of all the consolidated companies was satisfactory throughout the year. The cash flow of Tradeka Consolidated exceeded the target value set in the restructuring program. No similar cash flow target levels have been set for Restel Consolidated.

Balance sheet structure

The final sum of Tradeka Corporation's consolidated balance sheet was FIM 3,106 million which shows an increase of FIM 82 million. Shareholders' equity totalled -FIM 995 million (previous year - FIM 1,325 million) and stabilised debts FIM 1,096 million. The total amount of debt was FIM 2,904 million, of which FIM 2,116 came from the Cooperative's so called other restructuring debt. The Cooperative paid FIM 266 million worth of these restructuring debts with money received from sold real estate and other property during the accounting period in accordance with the restructuring schedule.

The Cooperative's non-restricted equity was FIM 637 million negative and other equity FIM 294 in the negative. Stabilised debts totalled FIM 1,085 million.

Personnel, salaries and rewards

The number of employees converted to full-time employees was around 4,842 (-248) of which 3,137 worked at Tradeka Consolidated and 1,670 at Restel Consolidated, 18 at Tradeka Group Oy and 17 at the Cooperative, including Eka Real Estate Development. The main reason for the decrease in the number of employees is their transfer to the services of Ketjuetu Oy or Palveluetu Oy.

The salaries, including benefits, paid to the members of the administrative body and the presidents of the cooperative companies totalled FIM 4.2 million. The corresponding amount paid to other employees was FIM 567.5 million. On the part of the Cooperative the sums were FIM 2.2 million and FIM 8.4 million.

Members

The Cooperative's register of active members included 370,048 members at the end of the year (-777 members). 974 new members joined.

A meeting of representatives decided on a change in regulations, according to which a member who does not fill the responsibilities determined in the regulations can be expelled. A decision was made according to the new regulation to nullify the memberships of those people who had not been in contact with the Cooperative since 1991, or whose contact information was missing.

On December 31, 1996 the total membership fees paid totalled FIM 53 million (+ FIM 0.2 million), of which FIM 3.4 million was from resigned members.

Operations in the year 1997

In 1997 the emphasis will be on achieving the planned results, the continuance of the business operation development programs and the realisation of a legal structure in accordance with the restructuring program.

The objective of the business activity units is to retain the achieved relative level of productivity and results. The net turnover and result of the first quarter of the year have been within the budgets. The full benefits from the cooperation with Elanto will be received this year, which will help to ensure that the objectives are reached.

The target areas of the development of business operations are still the YkkösBonus Loyal Customer Scheme and the renewal of operations and data systems in order to deepen the concept of customer- and demand-based operations.

Tradeka Corporation

Consolidated Statement of Income 1 Jan to 31 Dec 1996

	FIM million			% of Net turnover	
	1996	1995	96/95	1996	1995
Net turnover	**5 770**	**5 534**	**236**	**100.00**	**100.00**
Other income from operations	**156**	**113**	**43**	**2.71**	**2.04**
Variable costs:					
Materials and supplies:					
Purchases during the year	–4 061	–3 867	–194		
Reduction in inventories	22	10	12		
Total	–4 039	–3 857	–182	–69.99	–69.69
Gross margin	**1 887**	**1 790**	**97**	**32.72**	**32.36**
Fixed costs:					
Personnel costs	–712	–769	57		
Rent	–198	–195	–3		
Other costs	–486	–451	–35		
Total	–1 396	–1 415	19	–24.20	–25.58
Operating profit before depreciation	**491**	**375**	**116**	**8.52**	**6.78**
Depreciation of fixed assets and other long-term costs	–128	–127	–1		
Depreciation on goodwill	–0	–2	2		
Total	–128	–129	1	–2.22	–2.33
Operating profit	**363**	**246**	**117**	**6.29**	**4.45**
Financial income and costs:					
Financial income	30	35	–5		
Financial costs	–58	–43	–15		
Total	28	–8	–20	–0.48	–0.15
Profit before extraordinary items, appropriations and taxes	**335**	**238**	**97**	**5.81**	**4.30**
Extraordinary income and costs:					
Extraordinary income	80	14	66		
Extraordinary costs	–23	–11	–12		
Total	57	3	54	1.00	0.06
Profit before appropriations and taxes	**392**	**241**	**151**	**6.81**	**4.36**
Decrease in valuation difference	–16	–15	–1	–0.28	–0.27
Increase in voluntary provisions	–1	–3	2	–0.02	–0.05
Direct taxes	–10	–5	–5	–0.17	–0.10
Profit before minority interest	**365**	**218**	**147**	**6.34**	**3.94**
Minority interest	–1	–1	0	–0.02	–0.02
Profit for the year	**364**	**217**	**147**	**6.31**	**3.91**

Tradeka Corporation

Consolidated Balance Sheet at 31 December 1996

Assets	FIM million			% of Balance Sheet	
	1996	1995	96/95	1996	1995
Fixed assets and other long-term investments					
Intangible assets					
Establishment and structural costs	1	2	–1		
Immaterial rights	10	11	–1		
Goodwill	0	1	–1		
Other long-term costs	154	127	27		
Total	165	141	24	5.3	4.7
Tangible assets					
Land and water	264	278	–14		
Buildings and plants	944	942	2		
Machinery and equipment	211	235	–24		
Other tangible assets	18	16	2		
Advance payments and work in progress	30	24	6		
Total	1 467	1 495	–28	47.2	49.4
Fixed assets and other long-term investments					
Shares in associated companies	173	138	35		
Other shares and holdings	50	55	–5		
Loans receivable	45	47	–2		
Other investments	2	0	2		
Total	270	240	30	8.7	7.9
Total fixed assets	**1 902**	**1 876**	**26**	**61.2**	**62.1**
Valuation items	**0**	**0**	**0**	**0.0**	**0.0**
Current and liquid assets					
Current assets					
Finished goods	328	306	22		
Other current assets	4	2	2		
Advance payments	0	0	0		
Total	332	308	24	10.7	10.2
Receivables					
Accounts receivable	232	212	20		
Loans receivable	2	6	–4		
Prepaid liabilities and accrued income	66	48	18		
Other receivables	6	4	2		
Total	306	270	36	9.9	8.9
Cash at hand and in banks	565	569	–4	18.2	18.8
Total current and liquid assets	**1 203**	**1 147**	**56**	**38.8**	**37.9**
Total assets	**3 105**	**3 023**	**82**	**100.0**	**100.0**

Tradeka Corporation

Consolidated Balance Sheet at 31 December 1996

Shareholders' equity and liabilities

	FIM million			% of Balance Sheet	
	1996	1995	96/95	1996	1995
Shareholders' equity					
Restricted equity					
Share capital	50	50	0		
Resigned members' fee	3	3	0		
Reserve fund	85	90	–5		
Valuation fund	185	214	–29		
Total	323	357	–34	10.4	11.8
Non-restricted equity					
Loss from previous years	–1 682	–1 899	217		
Profit for the year	364	217	147		
Total	–1 318	–1 682	364	–42.4	–55.6
Total shareholders' equity	**–995**	**–1 325**	**330**	**–32.0**	**–43.8**
Stabilized liabilities					
Stabilized restructuring debt					
Stabilized pension loans	234	237	–3		
Equity loan	234	233	1		
Interest-free equity loan	608	606	2		
Other stabilized loans	20	20	0		
Total stabilized liabilities	**1 096**	**1 096**	**0**	**35.3**	**36.3**
Minority interest	**39**	**33**	**6**	**1.3**	**1.1**
Reserves					
Accumulated depreciation difference	**32**	**16**	**16**	**1.0**	**0.5**
Investment reserve	**0**	**0**	**0**	**0.0**	**0.0**
Other reserves	**17**	**16**	**1**	**0.5**	**0.5**
Statutory reserves	**12**	**23**	**–11**	**0.4**	**0.8**
Liabilities					
Other restructuring debt					
Secured debt	1 450	1 664	–214		
Long-term partitioning debt	576	575	1		
Short-term partitioning debt	60	117	–57		
Other restructuring debt	30	30	0		
Total	2 116	2 386	–270	68.1	78.9
Long-term					
Loans from financial institutions	130	137	–7		
Pension loans	112	121	–9		
Other long-term liabilities	5	1	4		
Total	247	259	–12	7.9	8.6
Short-term					
Loans from financial institutions	22	0	22		
Pension loans	8	0	8		
Trade payables	3	2	1		
Advances received	267	264	3		
Accrued liabilities and prepaid income	169	193	–24		
Other current liabilities	72	60	12		
Total	541	519	22	17.4	17.2
Total liabilities	**2 904**	**3 164**	**–260**	**93.5**	**104.6**
Total shareholders' equity and liabilities	**3 105**	**3 023**	**82**	**100.0**	**100.0**

TRADEKA CORPORATION

Consolidated Statement of Sources and Application of Funds 1 Jan to 31 Dec 1996

FIM million	1996	1995
BUSINESS OPERATIONS:		
Operation profit before depreciation	491	375
Financial income and costs	–35	–17
Extraordinary items	6	14
Taxes	–10	–4
Funds from operations	452	368
./. Increase in current assets	–24	–5
./. Increase in current receivables	–37	60
+ Increase in current interest-free liabilities	–9	–64
Change in working capital	–70	–9
Cash flow from business operations	**382**	**359**
INVESTMENTS:		
Fixed assets	–247	–100
Revenue from sales of fixed assets	107	7
Net investments	–140	–93
Cash flow before financing	**242**	**266**
FINANCING:		
./. Increase in long-term receivables	0	0
+ Increase in long-term liabilities	20	0
./. Decrease in long-term liabilities	–302	–124
+ Increase in current liabilities	31	0
+ Increase in minority interest	5	2
+ Increase in share capital	0	0
Cash flow from financing	–246	–122
Increase of liquid funds on the balance sheet (+)	**–4**	**144**

TRADEKA CORPORATION
Notes to the Consolidated Statement of Income

Net Turnover

FIM million	1996	1995	96/95
Retail trade	4 785	4 545	240
Restaurant operations	703	727	–24
Hotel operations	230	204	26
Other net turnover	52	58	–6
Total	5 770	5 534	236

Other income from operations

FIM million			
Rental income	107	101	6
Compensation for selling of fixed assets	36	0	36
Profits for selling of fixed assets	12	12	0
Other income	1	0	1
Total	156	113	43

Personnel costs

FIM million			
Wages and salaries	570	586	–16
Pension costs	76	98	–22
Other personnel costs	66	85	–19
Total	712	769	–57
Total value of fringe benefits comparable to remuneration	2	3	–1

Salaries and wages subject to withholding tax, along with fringe benefits			
– monthly remuneration and meeting fees paid to members of the administrative body and the Presidents of the Corporation and subsidiaries	4	4	0
– other salaries and wages	567	585	–18

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

Total corporate personnel expressed in full-time employments	4 842	5 090	–248

Depreciation

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

Planned depreciations and periods of depreciations FIM million			
Intangible assets:			
Establishment and structural costs 5 years	0	0	0
Immaterial rights 5 years	2	2	0
Other long-term costs 5–10 years	28	21	7
Tangible assets:			
Buildings and plants 10–40 years	31	34	–3
Machinery and equipment 7 years	65	68	–3
Other tangible assets 5–10 years	2	2	0
Total fixed assets and other long-term costs	128	127	1
Goodwill 10 years	0	2	–2
Total planned depreciation	128	129	–1

Financial income and costs

FIM million	1996	1995	96/95
Financial income			
Dividends	0	1	–1
Share of associated companies' result	1	0	1
Interest income	28	32	–4
Other financial income	1	2	–1
Total	30	35	–5
Financial costs			
Interest costs	–50	–29	–21
Other financial costs	–8	–14	6
Total	–58	–43	–15
Net financial income and costs	–28	–8	–20

The annual interest on secured debt was 2% (1% in 1995).

Extraordinary income and costs

FIM million			
Extraordinary income			
Reduction of restructuring debt	4	5	–1
Sales profits	26	4	22
Effect of associated companies	42	0	42
Other extraordinary income	8	5	3
Total	80	14	66
Extraordinary costs			
Losses from selling of shares	–12	0	–12
Other extraordinary costs	–11	–11	0
Total	–23	–11	–12
Net extraordinary income and costs	57	3	54

The reductions of restructuring debts are commented on in the notes of the parent Cooperative (page 37).

FIM 26 million worth of the consolidation's internal sales profits were realised in connection with the selling of the subsidiary real estate companies As. Oy Helsingin Hämeentie 17 and Kiinteistö Oy Keuruun Männistö.

The alteration in the merger method of associated company Inex Partners Oy is described in the notes to the consolidated financial statement, under *Associated companies* on page 27. In addition to the above, the contribution of the associated companies of Restel Oy on the consolidated financial statement of Tradeka Corporation was FIM 11 million.

The sales losses experienced were largely due to the purchase and sale of Kiinteistö Oy Porin Eteläväylä 2 by Tradeka Oy, wich was done to secure the business operations of the EKA market in Pori.

TRADEKA CORPORATION

Notes to the Consolidated Balance Sheet

Consolidated goodwill

FIM million	1996	1995
Acquisition cost 1 Jan	24	24
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	0	0
Acquisition cost 31 Dec	24	24
Accumulated planned depreciation	–24	–23
Book value 31 Dec	0	1

Intangible assets

FIM million		
Establishment and structural costs		
Acquisition cost 1 Jan	2	22
Increases 1 Jan to 31 Dec	0	2
Decreases 1 Jan to 31 Dec	0	–22
Acquisition cost 31 Dec	2	2
Accumulated planned depreciation	–1	0
Book value 31 Dec	1	2
Immaterial rights		
Acquisition cost 1 Jan	13	14
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	0	–1
Acquisition cost 31 Dec	13	13
Accumulated planned depreciation	–3	–2
Book value 31 Dec	10	11

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

Other long-term costs		
Acquisition cost 1 Jan	397	473
Increases 1 Jan to 31 Dec	57	21
Decreases 1 Jan to 31 Dec	–2	–97
Acquisition cost 31 Dec	452	397
Accumulated planned depreciation	–298	–270
Book value 31 Dec	154	127

Tangible assets

FIM million	1996	1995
Land		
Acquisition cost 1 Jan	174	191
Increases 1 Jan to 31 Dec	4	0
Decreases 1 Jan to 31 Dec	–17	–17
Acquisition cost 31 Dec	161	174
Value appreciation 1 Jan	104	161
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	–1	–57
Value appreciation 31 Dec	103	104
Book Value 31 Dec	264	278
Buildings and plants		
Acquisition cost 1 Jan	998	981
Increases 1 Jan to 31 Dec	48	26
Decreases 1 Jan to 31 Dec	–14	–9
Acquisition cost 31 Dec	1 032	998
Accumulated planned depreciation	–165	–134
Residual acquisition costs 31 Dec	867	864
Value appreciation 1 Jan	78	252
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	–1	–174
Value appreciation 31 Dec	77	78
Book Value 31 Dec	944	942
Accumulated difference between total and planned depreciation 1 Jan	9	1
Increase in depreciation difference	11	8
Accumulated difference 31 Dec	20	9
Equipment		
Acquisition cost 1 Jan	496	511
Increases 1 Jan to 31 Dec	57	52
Decreases 1 Jan to 31 Dec	–15	–67
Acquisition cost 31 Dec	538	496
Accumulated planned depreciation	–326	–261
Book value 31 Dec	212	235
Accumulated difference between total and planned depreciation 1 Jan	7	0
Increase in depreciation difference	5	7
Accumulated difference 31 Dec	12	7
Other tangible assets		
Acquisition cost 1 Jan	33	36
Increases 1 Jan to 31 Dec	4	1
Decreases 1 Jan to 31 Dec	0	–4
Acquisition cost 31 Dec	37	33
Accumulated planned depreciation	–19	–17
Book value 31 Dec	18	16

Notes to the Consolidated Balance Sheet

Investment in fixed assets

FIM million

	1996	1995	96/95
Establishment and structural costs	0	2	–2
Long-term costs	57	21	36
Land	4	0	4
Buildings	48	8	40
Equipment	57	52	5
Other tangible assets	4	1	4
Work in progress	6	17	–11
Other shares and holdings	71	0	71
Total	247	100	147

The parent Cooperative's investment in fixed assets, excluding subsidiaries' shares, totalled FIM 5 million, Tradeka Oy's FIM 181 million and Restel Oy's FIM 36 million. The remaining investments were mainly in real estate companies.

Taxable values

FIM million

Real properties	913	934	–21
Shares and holdings	264	210	54
Total	1 177	1 144	33

Where no approved taxable value was available, the book value was used.

Changes in shareholders' equity

FIM million

	1 Jan 96	+	–	31 Dec 96
Restricted equity:				
Share capital	50	0	0	50
Resigned members' fees	3	0	0	3
Reserve fund	90	0	–5	85
Valuation fund	214	0	–29	185
Non-restricted equity:				
Loss from previous years	–1 899	0	217	–1 682
Profit for the year	217	364	–217	364
Total	–1 325	364	–34	–995

Valuation items under fixed assets

FIM million

	1 Jan 96	+	–	31 Dec 96
Land	104	0	0	104
Buildings	79	0	–2	77
Shares and holdings	31	0	–27	4
Total	214	0	–29	185

Changes in the revaluation occurred in the parent Cooperative.

Reserves and the corresponding tax debts

Accumulated depreciation difference

The addition of depreciation difference (+ FIM 16 million) and accumulated depreciation difference of FIM 32 million were almost solely related to Tradeka Oy Consolidated.

Investment and other reserves

Voluntary provisions included reservations in the housing assets of real estate subsidiaries, a credit loss reserve in Suomen Tilirahoitus Oy and transition reserves. Also, the investment reserve of FIM 0.2 million was in Suomen Tilirahoitus Oy.

Statutory reserves

As of December 31, 1996, almost all statutory reserves were in the parent Cooperative. The amount of reserves had decreased by FIM 8 million. The FIM 3 million credit loss and tax reserves of over-seas subsidiary companies had been removed.

Tax debts

The total amount of tax debts which correspond to the accumulated depreciation difference and voluntary reserves was FIM 14 million (FIM 8 million the previous year).

Notes to the Consolidated Balance Sheet

Long-term liabilities and amortizations

FIM million

	Loan 31 Dec 96	Amortizations 97	98–2001	2001–
Stabilized debt:				
Stabilized restructuring debt	1 076	–2	–30	1 044
Other stabilized debt	20			20
Total stabilized debt	1 096	–2	–30	1 064
Other restructuring debt	2 116	–196	–722	1 198
Loans from financial institutions	152	–23	–86	43
Pension loans	120	–8	–20	92
Other long-term liabilities	5	–1	–4	0
Total	3 489	–230	–862	2 397

The Corporation's long-term liabilities are primarily in the parent Cooperative (FIM 3,289 million; see also the similar comments of the parent Cooperative, page 40). On the basis of countersecurity liability, Restel Oy amortises the stabilized pension loans of the parent Cooperative, resulting in a partial elimination of the stabilized loans of the parent Cooperative from the consolidated financial statement.

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

Contingent liabilities 31 Dec

FIM million

	1996	1995	96/95
Mortgages pledged in security for debt:			
for own debt	2 080	2 205	–125
on behalf of others	171	108	63
Total	2 251	2 313	–62
Pledges:			
securities for own debt	865	761	104
receivables for own debt	1 740	778	962
on behalf of others	0	0	0
Total	2 605	1 539	1 066
Guarantees:			
for own debt	9	54	–45
on behalf of others	65	152	–87
Total	74	206	–132
Other liabilities:			
parent's liabilities for interest on stabilized loans	65	37	28
leasing liabilities	8	14	–6
Total	73	51	22
Total contingent liabilities	5 003	4 109	894

The interest liability relating to the stabilized loan, in accordance with the restructuring program, was FIM 61 million (FIM 36 million in 1995) and the interest liability relating to stabilized pension loans was FIM 4 million.

Pension liability

FIM million

	1996	1995	96/95
Share of Tradeka Corporation's group companies of the non-covered pension liability of Eläkekassa Tuki	3	4	–1
Liability for current voluntary pensions granted by group companies	0	0	0
Total	3	4	–1

As required by the restructuring program, the parent company has booked the non-covered pension liability of Eläkekassa Tuki as costs and debt.

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

Principles of Consolidation

Scope of consolidation and comparability

The parent company is Co-operative Tradeka Corporation.

Consolidated subsidiaries included in the consolidated financial statement are listed in the notes, pages 29-30, and associated companies in a note on page 31.

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

The financial statement of Kontio-yhtymä Oy has not been combined with the consolidated financial statement. The company was sold in the beginning of 1997. Other subsidiaries and associated companies excluded from the consolidated financial statement are non-operative, and they do not have a significant effect on the consolidated non-restricted equity.

The changes in the consolidated corporate structure have been listed in a note on page 28.

Calculation principles of consolidated financial statement

The consolidated financial statement is based on the historical cost method. To a large extent, the subsidiaries have been established by the Corporation. The aqcuisition costs paid for subsidiaries exceeding their own shareholders' equity are primarily stated in the fixed assets; otherwise they are stated as consolidated goodwill. By 31 December 1996 the items credited or charged in land areas were FIM 11 million, and in construction FIM 115 million. The items credited or charged to construction will be depreciated in accordance with appropriate fixed asset items and items stated as consolidated goodwill according to a 10% straight-line depreciation.

Internal business transactions and margins

The internal business transactions between the group companies, internal receivables and payables as well as internal distribution of profits, non-realized margins and sales profits, have been eliminated.

In the 1996 consolidated financial statement, internal margins in the sum of FIM 554 million (FIM 594 million in 1995) were eliminated. The amounts of contributions related to the incorporations realised in the years 1990 and 1995 that remain to be eliminated are FIM 114 million on the part of Restel Oy (FIM 132 million in 1995) and FIM 280 million on the part of Tradeka Oy (FIM 290 million in 1995). Other contributions to be eliminated, resulting from the Cooperative's internal real estate sales, are FIM 160 million (FIM 172 million in 1995).

Minority share

Minority shares have been separated from the Cooperative's shareholders' equity and its result and handled as a separate item.

Foreign subsidiaries

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

Associated companies

The associated companies have been consolidated under the equity method. The share of their results corresponding to the corporation's holding is stated on the part of Inex Partners Oy under varying costs, on the part of Ketjuetu Oy T & E and Palveluetu Oy T & E under fixed costs and on the part of associated real estate companies under financial items.

The merger of Inex Partners Oy in 1996 has been carried out in a new manner; acquisition costs of shares have been used instead of book value, so the FIM 27 million revaluation of assets of Cooperative Tradeka Corporation has been annulled. On the other hand, in place of the shareholders' equity of Inex Partners Group, acquisition costs have been modified with the Group's tax debts minus the amount of reserves, which keeps the position of Tradeka Consolidated as holder of the Group's shares almost unchanged (+ FIM 4 million). The effect of the merger method on the company's unrestricted equity has been recorded under extraordinary income.

Changes in Corporate Structure

Mandatory restructuring

Cooperative Tradeka Corporation was to transfer all other real estate property and securities except those which serve retail trade alone into the hands of the company being established. For that purpose, Eka Real Estate Development Oy was formed at the end of the year and entered into the company register on November 19, 1996.

Establishment of new companies

At the beginning of 1996, Cooperative Tradeka Oy participated with a 57% share in the establishment of Kiinteistö Oy Oulun Terminaalivarasto.

Company acquisitions

In the fall, Tradeka Oy acquired a 60% share of Kiinteistö Oy Kuussalon Liikekeskus in Kangasala. Additionally, the company purchased the share capital of Kiinteistö Oy Porin Eteläväylä in the summer, and sold it at the end of the year. The transactions secured the operations of EKA market in Pori.

Company sales

Cooperative Tradeka Corporation sold its share of Kiinteistö Oy Tourulan Liikekeskus, Kiinteistö Oy Keuruun Männistö and Asunto Oy Helsingin Hämeentie 17 during the year.

Mergers

The mergers of RK-Reaktia Oy and Lintulahti Oy into Cooperative Tradeka Corporation were entered into the company register on December 10, 1996. As a result of the merger, 18 subsidiary real estate companies came into the immediate possession of the Cooperative. The mergers of inactive subsidiary companies that were in hand at the beginning of the year were entered into the company register; Kiinteistö Oy Somertammi on May 22, 1996 and Autopieli Oy on July 5, 1996.

Subsidiaries at 31 December 1996

	Corporation's share		Shares owned by Cooperative Tradeka Corporation				Subsidiary's result for the year ***
			Shareholding		Nominal value	Book value	
	%	of s.e. ** FIM '000	%	no. of shares	FIM '000	FIM '000	FIM '000
Operative companies							
Tradeka Group Oy	100	31	100	15	15	15	10
Tradeka Oy	100	288 291	100	4 000	4 000	286 115	2 055
– Suomen Tilirahoitus Oy	70	22 279					5 310
– ZAO Tradeka Moskova	100	10 043					1 055
– ZAO Renlund SPb	100	4 923					–601
– A/S Renlund–Tallinn	100	1 146					–572
– Ki Oy Forssan Yhtiökadun Leipomokiint.	100	–2 544					–6
– Kolmenkeikka Ki Oy	55	132					0
– Kotkan Kirkkokatu Ki Oy	100	8 876					–333
– Kuussalon Liikekeskus Ki Oy	60	1 730					–18
– Muotialantie As Oy	58	74					2
– Mäntyharjun Torinkulma Oy	71	1 169					–3
– Oulun Eka Ki Oy	100	7 417					–461
– Peimarin Puoti Oy	84	35					1
– Peltosaaren Liikekeskus	86	340					0
– Pihlavan Palvelukeskus Ki Oy	87	365					–44
– Pykälikkö Ki Oy	56	1 638					4
– Sallan Kauppakeskus Oy	60	1 234					7
– Salon Vanamopolku Ki Oy	100	2 199					–0
– Sodankylän Sompiontie 6 Ki Oy	64	3 983					–129
– Tampereen Eka Ki Oy	100	17 772					–428
– Tenavan Ostoskeskus Oy	92	131					18
– Tesomankeskus Ki Oy	57	99					20
Restel Oy	100	–219 299	100	166 700	3 334	105 000	54 719
– Restel Ravintolat Oy	100	526					64
– Cumulus Oy	100	284					54
– Rantasipi Oy	100	2 854					1 180
– Ki Oy Koppelokuja 9 A	100	1 958					0
– Ki Oy Keskusväylä Oy	54	2 136					10
– Nastolan Liikekeskus Oy	58	192					–18
– Ahjola Oy	100	268					106
– Juhlakokit Oy	100	219					–19
– Middle Beers Oy	100	8					–13
* Kontio-yhtymä ko-yh Oy	100	..	100	3	15	15	..
* Eka-Kiinteistöt Oy	100		100		0	15	0
49 real estate subsidiaries	78	–28 810	118	673 958	20 347	135 352	3 636
Other companies, non-operative							
* E-myymälät ja tavaratalot Oy	100	0	67	4	0	0	0
* Paraisten Centrum	100	0	100	5	5	0	0
Savonjuoma Oy	100	15	100	100	10	5	–1
Tirkkosen Seuraajat Oy	100	42	100	8 371	42	29	–1
* Vähittäiskauppaketjut Oy	100	0	100	30	15	15	0
* Yhteistukku Oy	67	0	67	2	0	0	0
		131 754		853 188	85 359	526 562	65 606

* not included in consolidated financial statements ** shareholders' equity *** result = profit/loss

Real estate subsidiaries at 31 December 1996

	Corporation's share		Shares owned by Cooperative Tradeka Corporation				Subsidiary's result for the year ***
		of s.e. **	Shareholding		Nominal value	Book value	
	%	FIM '000	%	no. of shares	FIM '000	FIM '000	FIM '000
Real estate subsidiaries							
Espoon Alokastie 5 As Oy	100	–808	100	604	15	15	–1
Hakatornit Oy	58	698	58	629	629	3 329	–0
Haminan Kiinteistö Oy	100	5	100	10	5	10	0
Helsingin Hämeentie 19 Ki Oy	100	–82 791	100	20 000	2 000	2 032	3 280
Huoltotammi Oy	98	139	98	5 894	59	60	0
H:linnan Hämeensaarentie 5 Ki Oy	100	1 554	100	996	100	3 717	46
H:linnan Raatihuoneenkatu 14 Ki Oy	100	–20 175	100	10 000	2 100	2 134	286
Hämeenlinnan Brahenkatu 33 Ki Oy	100	834	100	996	100	1 214	0
Iisalmen Satamakatu 8 Ki Oy	100	1 232	100	50	50	6 291	–264
Imatran Torkkelinkatu 7 As Oy	100	–661	100	10 000	110	112	16
Joensuun Tavaratalo Ki Oy	100	2 160	100	200	2 000	3 212	–6
Joensuun Teollisuus-Kansa Ki Oy	100	1 029	100	96	96	900	–35
Jokitammi Ki Oy	100	1 917	100	390 000	1 950	1 950	–0
Kansankulma Oy	97	634	97	253	255	250	10
Karkkilan Koulukatu 10	88	35	59	5 920	178	203	237
Kemin Keskuspuistok.	100	2 157	100	50	50	16 548	–158
Kempeleen Ostoskeskus Oy	67	200	67	448	90	454	–0
Kenraalintie 6 Ki Oy	100	–2 897	100	2 441	24	569	41
Keuruun Pihlajavedentie 2	100	–347	100	1 000	20	20	52
Kuopion Kiwikartano Ki Oy	61	13 697	23	12 257	1 839	2 086	0
Kvarnbacka Ki Oy	100	–2 181	100	100	200	216	0
Lahden Hämeenkatu 24 As Oy	100	105	100	5 087	102	102	0
Lappeenrannan Liike- ja Hotelli Ki Oy	100	1 972	100	10 000	2 460	2 499	–3
Lintulahdenkukkula Ki Oy	100	14 048	100	15 000	15	13 996	–88
Lintulahdenmäki Ki Oy	100	12 179	100	15 000	15	12 096	–180
Lintulahdenpenger Ki Oy	100	7 562	100	15 000	15	7 498	23
Lintulahdenrinne Ki Oy	100	7 548	100	15 000	15	7 498	31
Lintulahdenvuori Ki Oy	100	14 027	100	15 000	15	13 996	–8
Luukkaantori 5 Ki Oy	100	–1 559	100	1 373	16	17	30
Mastolan Keskusvarasto Ki Oy	100	–894	100	10 000	20	20	0
Merihaan Rantakuja Ki Oy	100	–85	100	2 000	2	3	–1
Mäntän Seppälänpuistotie 7 Ki Oy	100	3 475	100	50	50	7 896	–64
Oriveden Keskustie 34 Ki Oy	100	–4 289	100	10 000	900	914	224
Oulun Terminaalivarasto Ki Oy	57	11 786	57	8 491	170	12 068	–500
Outokummun Kiisukatu 17	100	3 448	100	50	50	2 908	71
Parkanon Tavaratalo Ki Oy	100	–4 021	100	10 000	540	461	77
Piispankylän Mestaritie Ki Oy	100	–3 056	100	15 000	15	44	–0
Porokoan Lomakylä Oy	100	–453	100	15 200	15	15	15
Savonlinnan Palvelupiste Oy	100	95	100	40	40	112	–8
Skutnäsinkatu 18 Ki Oy	53	65	53	185	4	112	5
Suolahden Asemakatu 7 Ki Oy	100	–7 919	81	8 144	163	163	176
Suurlohjankatu 4–8 Ki Oy	100	1 272	100	10 000	1 500	1 524	–0
Torkkelinkulma Oy	100	109	100	100	100	100	0
Turun Kärsämäemtie 8 Ki Oy	100	3 260	100	996	100	3 092	39
Valkeakosken Apiankatu 2 Ki Oy	100	–3 873	100	10 000	600	610	76
Varkauden Kauppakatu 42–44	100	–1 883	100	10 000	600	610	211
Varkauden Kauppakatu 47	100	810	100	10 000	840	853	–0
Voima Ki Oy	55	658	55	173	17	741	5
Ylä-Voima Talo Oy	100	368	80	125	100	81	0
49 real estate subsidiaries	78	–28 810	118	673 958	20 347	135 352	3 636

** shareholder's equity

*** result = profit/loss

Associated companies at 31 December 1996

	Corporation's share		Shares owned by Cooperative Tradeka Corporation				Subsidiary's result for the year ***
		of s.e. **	Shareholding	no. of	Nominal value	Book value	
	%	FIM '000	%	shares	FIM '000	FIM '000	FIM '000
Inex Partners	50	62 604	50	40 000	40 000	67 000	31 401
Suomen Yrityskehitys Syke	25	1 107	25	5 250	5 250	1 068	–46
Finn-Match Oy	33	766	33	5	500	500	172
Kantava Oy	37	1 627	37	146 997	14 700	2 227	2 196
Real estate company's associated real estate companies							
Hotelli Turku Ki Oy	50	25 000	50	2 967	297	35 000	–3
* Kasperin Liiketalo Oy	50	51	50	50	25	20	..
Kauppalantie 22 As Oy	21	173	21	28	1	900	30
Kevätkatu 1 Ki Oy	49	194	49	2 450	245	245	0
Lapinmaan Ki Oy	50	2 610	50	30	30	1 086	8
* Mandinkulma Ki Oy	24	319	24	1 454	291	1 968	..
Munkkiniemenranta 31 Ki Oy	30	5 911	30	417	0	313	–323
Orimatti Oy	29	395	29	735	7	59	43
Salaistentie 4 As Oy	29	179	29	1 848	185	185	–1
Sompasaaren Tukoeka Ki Oy	34	6 321	34	38	570	2 837	–110
Sompasaaren Tuoretuotevar. Ki Oy	33	7	33	546	5	5	0
Yhteispolku Ki Oy	34	0	34	335	0	0	0
Number of Tradeka Oy's associated real estate companies	38 kpl	27 038					133
Number of Restel Oy's associated real estate companies	11 kpl						0
Total associated companies				203 150	62 106	113 413	33 502

* included in consolidated financial statements to the value of acquisition cost equity

** s.e. = shareholders' equity

*** result = profit/loss

Cooperative Tradeka Corporation

Statement of Income 1 January to 31 December 1996

FIM million

	1996	1995	96/95
Net turnover	**7**	**7**	**0**
Other income from operations	**135**	**130**	**5**
Variable costs:			
Materials and supplies:			
Purchases during the year	–3	0	–3
Reduction in inventories	2	–1	3
Total	–1	–1	0
Gross margin	**141**	**136**	**5**
Fixed costs:			
Personnel costs	–10	–9	–1
Rents	–74	–78	4
Other costs	–35	–39	4
Total	–119	–126	7
Operating profit before depreciation	**22**	**10**	**12**
Depreciation on fixed assets and other long-term costs	–10	–17	7
Operational deficit	**12**	**–7**	**19**
Financial income and costs:			
Financial income	126	132	–6
Financial costs	–40	–21	–19
Total	86	111	–25
Surplus before extraordinary items, appropriations and taxes	**98**	**104**	**–6**
Extraordinary income and costs:			
Extraordinary income	128	341	–213
Extraordinary costs	–2	–0	–2
Total	126	341	–215
Surplus before appropriations and taxes	**224**	**445**	**–221**
Direct taxes	0	1	–1
Surplus for the year	**224**	**446**	**–222**

COOPERATIVE TRADEKA CORPORATION

Consolidated Balance Sheet at 31 December 1996

ASSETS	FIM million			% of Balance Sheet	
	1996	1995	96/95	1996	1995
Fixed assets and other long-term investments					
Intangible assets					
Immaterial rights	3	3	0		
Other long-term rights	2	0	2		
Total	5	3	2	0.2	0.1
Tangible assets					
Land and water	126	129	–3		
Buildings and plants	291	322	–31		
Machinery and equipment	0	0	–0		
Other tangible assets	2	1	1		
Advance payments and work in progress	2	5	–3		
Total	421	458	–36	14.0	14.8
Fixed assets and other long-term investments					
Shares in subsidiaries	527	453	74		
Shares in associated companies	110	118	–8		
Other shares and holdings	23	26	–3		
Loans receivable	1 502	1 611	–109		
Total	2 162	2 208	–46	71.7	71.4
Total fixed assets	**2 588**	**2 669**	**–81**	**85.8**	**86.3**
Current and liquid assets					
Current assets					
Financial assets	4	2	2	0.1	0.1
Receivables					
Accounts receivable	20	7	13		
Loans receivable	137	169	–32		
Prepaid liabilities and accrued income	9	67	–58		
Other receivables	32	0	32		
Total	198	243	–45	6.6	7.9
Cash at hand and in bank	227	180	47	7.5	5.8
Total current and liquid assets	**429**	**425**	**4**	**14.2**	**13.7**
Total assets	**3 017**	**3 094**	**–77**	**100.0**	**100.0**

Cooperative Tradeka Corporation

Consolidated Balance Sheet at 31 December 1996

Shareholders' equity and liabilities	FIM million			% of Balance Sheet	
	1996	1995	96/95	1996	1995
Shareholders' equity					
Restricted equity					
Share capital	50	50	–0		
Resigned members' fee	3	3	0		
Reserve fund	79	79	0		
Revaluation fund	211	213	–2		
Total	344	345	–1	11.4	11.2
Non-restricted equity					
Deficit from previous years	–861	–1 307	446		
Surplus for the year	224	446	–222		
Total	–637	–861	224	–21.1	–27.8
Total shareholders' equity	**–294**	**–516**	**222**	**–9.7**	**–16.7**
Stabilized liabilities					
Stabilized pension loans	244	244	–1		
Equity loan	234	233	1		
Interest-free equity loan	608	606	2		
Total stabilized liabilities	**1 085**	**1 083**	**2**	**36.0**	**35.0**
Reserves					
Statutory reserves	**12**	**20**	**–8**	**0.4**	**0.6**
Liabilities					
Other restructuring debt					
Secured debt	1 450	1 664	–214		
Long-term partitioning debt	576	575	1		
Short-term partitioning debt	60	117	–57		
Other restructuring debt	30	30	0		
Total	2 116	2 386	–270	70.1	77.1
Long-term					
Loans from financial institutions	66	88	–22	2.2	2.8
Short-term					
Loans from financial institutions	22	0	22		
Pension loans	0	0	0		
Advances received	0	0	0		
Accounts payable	4	6	–2		
Prepaid income and accrued liabilities	4	24	–20		
Other current liabilities	1	3	–2		
Total	31	33	–2	1.0	1.1
Total liabilities	**2 213**	**2 507**	**–294**	**73.4**	**81.0**
Total shareholders' equity and liabilities	**3 017**	**3 094**	**–77**	**100.0**	**100.0**

Cooperative Tradeka Corporation

Statement of Sources and Application of Funds
1 January to 31 December 1996

FIM million

	1996	1995
Business operations:		
Operating profit before depreciation	22	10
Financial income and costs	79	102
Extraordinary items	61	58
Taxes	0	1
Funds from operations	162	171
./. Increase in current assets	–2	1
./. Increase in current receivables	45	–170
+ Increase in current interest-free liabilities	–24	–195
Change in working capital	19	–364
Cash flow from business operations	**181**	**–193**
Investments:		
Fixed assets	–26	–11
Revenue from sales of fixed assets	51	808
Net investments	25	797
Cash flow before financing	**206**	**604**
Financing:		
./. Increase in long-term receivables	108	–546
+ Increase in long-term liabilities	3	0
./. Decrease in long-term liabilities	–293	–104
+ Increase in current liabilities	22	0
+ Increase in share capital	0	0
Cash flow from financing	–160	–650
Increase of liquid funds on the balance sheet (+)	**46**	**–46**

Cooperative Tradeka Corporation

Notes to the Statement of Income

Net turnover

FIM million

	1996	1995	96/95
Net turnover	7	7	0

Net turnover consisted of services charged by the management.

Other income from operations

FIM million

Rental income	123	117	6
Profit from sales of fixed assets	12	12	–0
Dividends from shares of current assets	0	0	0
Other income	0	0	–0
Total	135	130	5

Personnel costs and personnel

FIM million

Wages and salaries	8	7	1
Pension costs	1	2	–1
Other personnel costs	1	1	0
Total	10	9	1
Total value of fringe benefits comparable to remuneration	0	0	0

Wages and salaries as well as monthly remuneration and meeting fees, along with fringe benefits			
– paid to members of the administrative body and to the corporation's president	2	2	0
– other salaries and wages subject to withholding tax	8	7	1

Other salaries and wages include also repayments of the restructuring debt subject to withholding tax.

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

Total personnel expressed in full-time employments	17	17	0

Depreciation

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

Planned depreciation and periods of depreciation

FIM million

Intangible assets 5–10 years	0	0	0
Buildings and plants 20–40 years	10	17	–7
Machinery and equipment 7 years	0	0	–0
Other tangible assets 5-10 years	0	0	0
Total	10	17	–7

Since buildings were conveyed to Tradeka Oy at the end of 1995, planned depreciation on their part has been booked for the Cooperative.

Financial income and costs

FIM million

	1996	1995	96/95
Financial income			
Dividends	1	1	0
Interest income from subsidiaries	112	73	39
Interest income from others	11	14	–3
Exchange rate gains	0	0	0
Other financial income	2	44	–42
Total financial income	126	132	–6

The increase in interest income from subsidiaries can be attributed to Tradeka Oy. Other financial income in 1995 included compensation corresponding to capital income paid by Tradeka Oy for the proprietory right of real estate and shares for the year 1995. The said property was incorporated into Tradeka Oy on 21 December 1995.

Financial costs			
Interest costs from secured debt	–38	–17	–21
Interest costs from other debt	–4	–7	3
Interest reserve	7	9	–2
Total interest costs	–35	–15	–20
Other financial costs to others	–5	–6	1
Financial costs	–40	–21	–19

A 2% yearly interest rate (1% the previous year) has been calculated in accordance with the restructuring program for secured debt. The FIM 7 million statutory reserve was removed in 1996 in connection with the creditor pay off that took place in accordance with act 102 on company restructuring.

Net financial income and costs	86	111	–25

Extraordinary income and costs

FIM million

Extraordinary income			
Reduction of restructuring debt	4	5	–1
Merger profit and partitioning quotas	3	1	2
Return of depreciated receivables	27	4	23
Profit on acquisitions and sales	0	296	–296
Group contributions received	92	32	60
Other extraordinary income	2	3	–1
Total	128	341	–213
Extraordinary costs	–2	–0	–2
Net extraordinary income and costs	126	341	–215

The reductions in restructuring debt in 1996 were attributable to compromises reached in actions for recovery, to the set-offs of receivables and debts existing before the commencement of the restructuring program, and to the correction of errors found after the approval of the restructuring program. The expenses caused by legal services pertaining to the actions for recovery and compromises reached in them have been booked together with the respective income according to net principle.

The FIM 208 million depreciation made in 1993 from the company receivables has been returned in connection with the merger of Lintulahti Oy. The depreciation has been netted into incidental income with the FIM 205 million actual merger loss. The gains made from the merger of RK-Reaktia Oy and Somertammi Oy and the gain from the dissolution of Sijoitus-Ahjo Oy totalled FIM 0.3 million.

In addition to Lintulahti, FIM 26.6 million worth of depreciated receivables were returned (FIM 4.6 in 1995).

The fixed asset sales profits of 1995 are related to the incorporation of Tradeka Oy.

Group contribution was granted by Tradeka Oy and Tradeka Group Oy.

Notes to the Balance Sheet

Intangible assets

FIM million	1996	1995
Immaterial rights		
Acquisition cost 1 Jan (=Book value)	3	6
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	0	–3
Acquisition cost 31 Dec	3	3
Other long-term costs		
Acquisition cost 1 Jan	0	141
Increases 1 Jan to 31 Dec	2	0
Decreases 1 Jan to 31 Dec	0	–141
Depreciation in extraordinary costs	0	0
Acquisition cost 31 Dec	2	0
Accumulated planned depreciation	0	0
Book value 31 Dec	2	0

Tangible assets

FIM million		
Land		
Acquisition cost 1 Jan	25	40
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	–2	–15
Acquisition cost 31 Dec	23	25
Value appreciation 1 Jan	104	159
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	–1	–55
Value appreciation 31 Dec	103	104
Book value 31 Dec	126	129
Buildings and plants		
Acquisition cost 1 Jan	318	462
Increases 1 Jan to 31 Dec	5	5
Decreases 1 Jan to 31 Dec	–26	–149
Acquisition cost 31 Dec	297	318
Accumulated planned depreciation	–83	–74
Residual acquisition cost 31 Dec	214	244
Value appreciation 1 Jan	78	252
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	–1	–174
Value appreciations 31 Dec	77	78
Book value 31 Dec	291	322
Equipment		
Acquisition cost 1 Jan	3	273
Increases 1 Jan to 31 Dec	0	0
Decreases 1 Jan to 31 Dec	0	–270
Acquisition cost 31 Dec	3	3
Accumulated planned depreciation	–3	–3
Book value 31 Dec	0	0
Other tangible assets		
Acquisition cost 1 Jan	7	14
Increases 1 Jan to 31 Dec	1	0
Decreases 1 Jan to 31 Dec	0	–7
Acquisition cost 31 Dec	8	7
Accumulated planned depreciation	–6	–6
Book value 31 Dec	2	1

Investment in fixed assets

FIM million	1996	1995	96/95
Immaterial rights	0	0	0
Other long-term costs	2	0	2
Land	0	0	–0
Rakennukset	5	5	0
Buildings	0	0	–0
Other tangible assets	1	0	1
Work in progress	–4	5	–9
Shares in subsidiaries	21	1	21
Other shares and holdings	0	0	0
Total	26	11	15

As a result of the mergers of Lintulahti Oy and RK-Reaktia Oy, the Cooperative's subsidiary company share value increased by FIM 63 million. Actual share investments totalled FIM 21 million, of which FIM 12 million went into the share capital of Kiinteistö Oy Oulun Terminaalivarasto and the rest into the funds of real estate companies.

Taxable values

FIM million			
Real properties	325	339	–14
Shares and holdings	1 114	792	322
Total	1 439	1 131	308

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

Cooperative Tradeka Corporation

Notes to the Balance Sheet

Shares and receivables belonging to long-term investments

FIM million

	1996	1995	96/95
Shares in subsidiaries	527	453	74
Shares in associated companies	110	118	–8
Other shares	23	26	–3
Total	659	597	62
Loans receivable from subsidiaries	1 458	1 565	–107
Loans receivable from associated companies	2	2	0
Other long-term loans receivable	42	44	–2
Total	1 502	1 611	–109

In the financial statement, receivables due within one year or within a longer period have been presented as loans receivable belonging to long-term investments. Loans receivable under current and liquid assets comprise loans issued by financial services office (FIM 1.6 million), with the exception of short-term loans. Loans issued by financial services office will be due according to a payment plan devised beforehand.

Current assets

FIM million

Securities	4	2	2

Current assets includes shares only, and their book values do not deviate significantly from their market values. The 1996 increase was attributable to the transfer of listed fixed asset shares into current assets.

Short-term receivables from subsidiaries

FIM million

Accounts receivable	14	0	14
Loans receivable	135	153	–18
Prepaid liabilities and accrued income	0	44	–44
Other receivables	32	0	32
Total	181	197	–16

Liabilities to subsidiaries

FIM million

Accounts payable	0	0	0
Accrued liabilities and prepaid income	0	0	0
Other current liabilities	0	0	0
Total	0	0	0
Loans:			
Secured pension loans (recessive liability)	–10	–7	–3
Net liabilities to subsidiaries	**171**	**190**	**–19**

In addition to the above, the Cooperative owes the associated company Inex Partners Oy FIM 16 million in secured restructuring debt.

Shareholders' equity

FIM million

	1 Jan 96	+	–	31 Dec 96
Restricted equity:				
Share capital	50	0	0	50
Resigned members' fee	3	0	0	3
Reserve fund	79	0	0	79
Revaluation fund	213	0	–2	211
Non-restricted equity:				
Deficit from previous years	–1 307	0	446	–861
Surplus for the year	446	224	–446	224
Total	–516	224	–2	–294

Membership fees paid in 1996 totalled FIM 209,434 (160,250 in 1995). The non-paid cooperative share capital excluding resigned members' fees was FIM 51.2 million (FIM 51.3 million in 1995).

Shareholders' equity and stabilized restructuring debts totalled FIM 791 million (FIM 567 million in 1995).

Valuating items under fixed assets

FIM million

	1 Jan 96	+	–	31 Dec 96
Land	104		–0	104
Buildings	78		–1	77
Shares in subsidiaries	4		0	4
Shares in associated companies	27		0	27
Other shares	0		0	0
Total	213	0	–2	211

Revaluations of assets regarding completed sales were cancelled.

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

Statutory reserves

In the 1996 financial statement, a FIM 7 million interest rate provision was booked to provide for the potential improvement of the creditors' position. The provision was removed in 1996 in connection with the creditor pay-off in accordance with Act 102 on company restructuring.

On December 31, 1996 FIM 10 million remains in statutory reserves in case of a possible decrease in the restructuring debt cuts of financial services office depositors and FIM 2.05 million to provide for potential retirement and security payments.

Notes to the Balance Sheet

Long-term liabilities and amortizations

FIM million

	Loan 31 Dec 96	Amortizations 97	98–2001	2002–
Restructuring debt:				
Stabilized pension loans	244			244
Equity loan	234			234
Interest-free equity loan	608			608
Total stabilized debt	1 085			1 085
Secured debt	1 450	–107	–338	1 005
Long-term partitioning debt	576	0	–384	192
Short-term partitioning debt	60	–60	0	0
Other restructuring debt	30	–30		0
Total	3 201	–197	–722	2 282
Loan from financial institutions	88	–22	–66	0
Total	3 289	–219	–788	2 282

Stabilized restructuring debt

Stabilized loans are liabilities over which all other loans take precedence. No repayments were made on the stabilized loans during 1996. Changes in liabilities are attributable to compromises reached in actions for recovery, and creditors' payments in lieu of performance based on guarantees.

Interest-free equity loan

After the changes mentioned above, the interest-free equity loan on the terms of shareholders' equity and in accordance with the approved restructuring totals FIM 607.6 million (FIM 606.3 million in 1995).

Equity loan

The equity loan totalled FIM 234.1 million (FIM 233.5 million in 1995). According to the terms of the equity loan, the loan principal can be repaid upon the dissolution or bankruptcy of the company, so that all other loans take precedence over it. Before this, the loan principal can only be repaid if the Cooperative will have full cover on the share capital calculated on the basis of the confirmed balance sheet and consolidated balance sheet of the previous financial period. According to the restructuring program, an annual interest rate (five years' market rate + 2%) will be capitalised on the loan until the due date. The principal will be paid before the interest. In the financial statement, the interest has been booked as liability for interest outside the balance sheet. In 1996 the liability for interest has been calculated on the basis of 9.5% annual interest rate for both the principal and the previous years' liability for interest. Increase in the liability for interest in 1996 was FIM 25 million, and total liability in the financial statement was FIM 61 million.

Stabilized pension loan

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

The loan granted by Eläkekassa Tuki includes a recessive liability for the payment of pensions during 1994-2003 at an annual rate of 8%. The maximum calculational capitalised value of the recessive liability is FIM 62 million, booked in the financial statement as a stabilized guarantee loan relating to stabilized debt. During 1996, guarantors have, on behalf of the Cooperative, paid FIM 10 million in pensions mentioned above, and by the end of the year a total of FIM 34 million; of which sudsidiary Restel Oy paid FIM 9.5 million (FIM 7 million in 1995). Liability for interest relating to the payments for 31 December, 1996 was FIM 3.5 million (FIM 1.1 million in 1995).

Other restructuring debt

Secured debts

According to the restructuring program, secured debts are comprised of debts which will be paid off in equal portions (FIM 676 million) between 1996 and 2003, and of debts that will be paid back in connection with the realisation of real estate property (FIM 983 million). At the end of the year FIM 1,450 million (FIM 1,664 million the previous year) of these debts remained. During the year, FIM 209 million was paid in secured debts, while the changes concerning the position of creditors decreased the amount of secured debts by FIM 5 million.

The yearly consumer price index bound interest rate for the year 1996 was 2% (1% the previous year).

Long-term partitioning debt

The long-term partitioning debt FIM 576 million will be amortized on a straight line basis between 1998-2003. There is no interest on the debt. The 1996 net change of + FIM 1 million resulted from changes concerning the position of secured creditors.

Short-term partitioning debt

FIM 60 million remains of the short-term partitioning debt (FIM 117 million in 1995). According to the program, the debt will be amortized on a straight line basis between 1994-1997. In 1996, FIM 57 million was used to repay the debt. There is no interest on the debt.

Other restructuring debt

The future convertible bonds of subsidiaries

In 1996 Cooperative Tradeka Corporation subscribed for the FIM 10 million in convertible bonds that were issued by Tradeka Oy and Restel Oy, and will subscribe for the convertible bonds of equal value of Eka Real Estate Development Oy after its incorporation. The convertible bonds will be handed over to the Cooperative's secured creditors in accordance with the restructuring program as payment for the FIM 30 million in restructuring debts.

Creditors of secured debt have the right to convert the convertible bonds of Tradeka Oy and Restel Oy into shares, provided that the terms defined in the restructuring program, which relate to the profitability of business operations, cash flow from business operations and investments, are not met. They also have the right to convert into shares the convertible bonds of the real estate company to be founded.

If the convertible bonds are converted into shares, they will grant the shareholder an approximately 75% share of votes and ownership in the mentioned companies.

Notes to the Balance Sheet

Total restructuring debt
Restructuring debt totalled FIM 3,201 million on 31 December, 1996 (FIM 3,469 million in 1995). FIM 258 million worth of repayments were made, and owing to different compromises, court decisions and various revisions, the debt decreased by FIM 10 million net. Some of the creditors have been provided with excessive collateral, whose potential impact has in the financial statement been provided for by stating FIM 33 million of the loans otherwise subject to reduction as secured debt (FIM 75 million in 1995), which is entitled to full recovery. During 1996, the amount of reserves decreased as a result of the creditor pay-off described in Act 102 on company restructuring.

Contingent liabilities

FIM million	1996	1995	96/95
Mortgages pledged in security for debt:			
for own debt	1 119	1 181	–62
on behalf of subsidiaries	5	5	0
on behalf of associated companies	5	5	0
on behalf of others	4	4	–0
Total	1 133	1 195	–62
Pledges:			
securities for own debt	519	512	7
receivables for own debt *	1 740	958	782
Total	2 259	1 470	789
Guarantees given:			
on behalf of subsidiaries	2	2	–0
on behalf of associated companies	51	88	–37
on behalf of bankrupted companies	1	1	0
on behalf of others	13	62	–49
Total	66	153	–87
Other liabilities:			
Interest liabilities for stabilized loans	65	37	28
Total	65	37	28
Total contingent liabilities	3 523	2 855	668

* The receivables of Cooperative Tradeka Corporation pledged in security for debts, listed above, also include receivables which the Cooperative has stabilised and removed from the accounting books. At the end of 1996, the amount of depreciated receivables was FIM 162.9 million, and at the end of 1995 FIM 179.5 million (comparative data for 1995 has been changed above). The liabilities that have been pledged in security by Tradeka Oy are presented in the itemisation in their nominal values, which are in accordance with the promissory note values, while the book value is FIM 115.3 million lower after loan payments have been made.

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

Pension liability

As required by the restructuring program, the non-covered pension liability of Eläkekassa Tuki was booked in 1994 as costs and debt; FIM 244 million corresponds to the stabilized pension loan and FIM 88 million to the short-term partitioning debt. In 1994-1996 FIM 21 million in yearly repayments were made on the latter debt, thereby FIM 21 million of debt remains. The entered debts cover the calculated pension liability of FIM 212 million (FIM 223 million in 1995) and the recessive liability relating to the stabilised pension loan.

Based on its shareholder and guarantee undertakings, Cooperative Tradeka Corporation has an adhesion liability of FIM 3 million for Eläkekassa Tuki's uncovered pension liability (FIM 4 million in 1995).

Board's proposal for distribution of earnings

The Board of Directors proposes that the surplus of FIM 223,988,694.94 for 1996 be used in accordance with Article 10:1 of the Cooperative's rules and regulations to cover for losses brought forward.

Helsinki, 11 April 1997

Olavi Syrjänen
Aarno Aitamurto
Margit Eteläniemi
Kari Pöyhönen

Maunu Ihalainen
Markku Alhava
Jukka Simula

Antti Remes
President

Auditors' report

To the members of Cooperative Tradeka

We have audited the accounts, the accounting records and the administration of Cooperative Tradeka Corporation for the financial year 1 January to 31 December 1996. The accounts prepared by the Board of Directors and the President include both the consolidated and the Cooperative's statement of income, balance sheets and notes to the financial statements, including the statements of sources and application of funds. We present our opinion on the accounts and the administration based on our audit.

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

The accounts have been prepared in accordance with the regulations of the Accounting Act and other relevant legislation and regulations, and give a true and fair picture of the consolidated and the Cooperative's result from operations and financial position.

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

Helsinki, 15 April 1997

Mauri Palvi
Chartered Public Accountant

Veijo Riistama
Chartered Public Accountant

Statement by the Supervisory Board

The Supervisory Board has examined Cooperative Tradeka Corporation's financial statements and the consolidated financial statements, reviewed the report of the Board of Directors, and the Board's proposal for distribution of the surplus, and submits them, together with the auditors' report, to the meeting of the Council of Representatives. The Supervisory Board proposes that the financial statements and the consolidated financial statements be adopted.

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

Helsinki, 23 April 1997

Markku Pohjola

Raimo K. Mäkelä

Tradeka Corporation's Council of Representatives

The annual general meeting of Co-operative Tradeka Corporation's Council of Representatives was held on 15 May, 1996.

Southern Häme District:
Ms. Maija Auvinen
Mr. Jorma Hakala
Mr. Esko Helle
Mr. Ilkka Joenpalo
Ms. Liisa Kajander
Mr. Uolevi Karhima
Mr. Aarne Kauranen
Mr. Pentti Kirkkola
Mr. Juhani Kuivalainen
Ms. Merja Leppänen
Mr. Matti Luttinen
Ms. Kaija Nieminen
Mr. Mauri Ojamäki
Ms. Leea-Marja Vuorinen

Joensuu District:
Mr. Ossi Haatainen
Mr. Pauli Hakkarainen
Mr. Esa Lahtela
Ms. Raija Lihavainen
Ms. Kerttu Törnqvist
Ms. Sinikka Väyrynen

Jyväskylä District:
Mr. Arvi Hakkarainen
Ms. Seija Janhonen
Ms. Riitta Kemppainen
Mr. Sakari Knuuttila
Mr. Topi Lähteenmäki
Mr. Matti Niskanen
Mr. Arvo Oranen
Mr. Martti Peura
Mr. Raimo Rajanen
Mr. Jorma Toikkanen
Ms. Marja-Leena Viljamaa

Kuopio District:
Mr. Niilo Auvinen
Ms. Ritva Huttunen
Mr. Erkki Hämäläinen
Ms. Sinikka Kortte
Mr. Leo Kukkonen
Mr. Matti Mänttäri
Ms. Iines Parkkonen
Mr. Kari Rajamäki
Mr. Markku Söderström
Ms. Anneli Tahvanainen
Ms. Marja-Liisa Tykkyläinen
Mr. Jorma Vokkolainen

Kymi District:
Mr. Tauno Hellsten
Ms. Ellen Helo
Mr. Pauli Huttunen
Mr. Pauli Hömppi
Ms. Anna-Liisa Kasurinen
Mr. Jorma Koivisto
Mr. Jouko Kotola
Mr. Hannu Myyryläinen
Ms. Maire Puustinen
Mr. Esko Ruokonen
Mr. Kari-Antti Soininen
Mr. Pentti Tiusanen
Mr. Matti Vähänäkki

Lappi District:
Mr. Aimo Ajo
Ms. Sisko Akujärvi
Mr. Asko Apukka
Mr. Eero Filpus
Mr. Toivo Jussi
Ms. Eeva-Liisa Kilpeläinen
Ms. Pirjo Miilumäki
Mr. Aatos Monto

Mikkeli District:
Mr. Valto Aholainen
Mr. Juha Bilund
Ms. Maija-Liisa Jaatinen
Ms. Virpi Kaksonen
Ms. Kaija Karvinen
Mr. Raimo Mähönen
Mr. Sauli Paakkari
Mr. Harri Virtanen

Oulu District:
Mr. Seppo Ahde
Mr. Aarno von Bell
Mr. Veikko Hannus
Mr. Jalo Heikkinen
Mr. Raimo Järvenpää
Mr. Arvo Karppinen
Ms. Anneli Kiiskinen
Ms. Leena Mustonen
Mr. Juhani Mällinen
Ms. Irma Pellinen
Mr. Matti Raudaskoski
Mr. Mikko Raudaskoski
Mr. Martti Turkka
Mr. Aimo Törmälehto

Pori District:
Ms. Raila Aho
Mr. Aulis Juvela
Ms. Annikki Järvinen
Mr. Pentti Kalliola
Mr. Jaakko Kujanpää
Mr. Timo Laaksonen
Ms. Ritva Nässi
Ms. Marita Pohjankivi
Mr. Timo Roos
Ms. Leila Rostedt
Mr. Matti Salo
Mr. Väinö Vilponiemi
Mr. Raimo Vuoristo

Seinäjoki District:
Mr. Markus Aaltonen
Mr. Erkki Korhonen
Mr. Arvo Lehtimäki
Ms. Taina Lehto
Ms. Anja Paananen
Ms. Jaana Pikkarainen-Haapasaari
Mr. Raimo Rauhala
Ms. Marjatta Vehkaoja
Mr. Jarmo Wahlström

Tampere District:
Ms. Laila Halme
Ms. Inna Ilivitzky
Mr. Aimo Ilomäki
Ms. Sirpa Koivisto
Ms. Orvokki Korhonen
Ms. Riitta Käkönen
Mr. Pertti Lahtinen
Mr. Jukka Leino
Mr. Esa Mikkola
Ms. Arja Ojala
Mr. Jorma Rantanen
Mr. Seppo Salminen
Mr. Heikki Seppi
Mr. Mauri Sirnö
Ms. Riitta Virtanen

Turku District:
Mr. Heikki Aaltonen
Mr. Esko Heinonen
Ms. Anna-Liisa Jokinen
Ms. Ulla Kauppinen
Ms. Helena Keto-Oja
Ms. Annika Lapintie
Mr. Riku Niiniaho
Mr. Pertti Paasio
Mr. Simo Paassilta
Mr. Hannu Peltonen
Ms. Virpa Puisto
Mr. Jukka Roos
Mr. Rauno Saari
Mr. Sauli Saarinen

Uusimaa District:
Ms. Maija Aalto
Mr. Veikko Alho
Ms. Eila Asikanius
Ms. Riitta Honkanen
Ms. Ulpu Iivari
Ms. Maija Jakka
Mr. Timo Karasmäki
Mr. Keijo Kirjavainen
Ms. Marjo Kiukkonen
Ms. Saara Laurila
Ms. Aura Lindroos
Ms. Sirpa Makkonen
Ms. Toini Nieminen
Mr. Veijo Nyman

Tradeka Corporation's Supervisory Board

Mr. Markku Pohjola, Vihti
Chairman
Ms. Ritva Kitinoja, Oulu
Vice Chairman
Mr. Juhani Vähäkangas, Raahe
Vice Chairman
Mr. Seppo Grönqvist, Eräjärvi
Mr. Jukka Gustafsson, Tampere
Ms. Iiris Hacklin, Jämsä
Mr. Markku Harju, Kemijärvi
Mr. Harri Helminen, Anjalankoski
Ms. Helena Hevonkoski, Virrat
Ms. Anne Huotari, Kajaani
Mr. Reijo Jeskanen, Joensuu
Ms. Minna Karhunen, Hyvinkää
Mr. Matti Kivikoski, Salo

Ms. Marketta Korrensalo, Kemi
Ms. Leila Koski, Rauma
Mr. Johannes Koskinen, Hämeenlinna
Mr. Jorma Kukkonen, Kuopio
Mr. Eero Laine, Imatra
Mr. Pekka Leppänen, Suolahti
Mr. Antti Leskinen, Savonlinna
Mr. Tapio Luttinen *, Lahti
Mr. Turkka Merisaari *, Turku
Mr. Veikko Nurmi, Kauttua
Mr. Matti Pajuoja, Lohja
Mr. Iivo Polvi, Iisalmi
Ms. Terhi Päivärinta, Pietarsaari
Mr. Matti Saarinen, Lohja
Ms. Marketta Semi, Vaasa
Mr. Ilkka Sepponen, Turku

Personnel representatives
Mr. Matti Koskenmäki, Turku
Mr. Reino Sirviö *, Lempyy
Ms. Pirjo Thilman *, Karhula
Ms. Ritva Vartia, Mikkeli

Deputy representatives
Ms. Sirkka-Liisa Rosenlund, Helsinki
Mr. Risto Malmi *, Oulu
Ms. Christel Paasila *, Helsinki
Mr. Kalevi Aitakangas, Pori

* from 15 May, 1996

Tradeka Corporation's Board of Directors

Mr. Olavi Syrjänen
Chairman
Mr. Maunu Ihalainen
Vice Chairman
Mr. Aarno Aitamurto
Mr. Markku Alhava

Ms. Margit Eteläniemi
Mr. Jukka Simula

President
Mr. Antti Remes

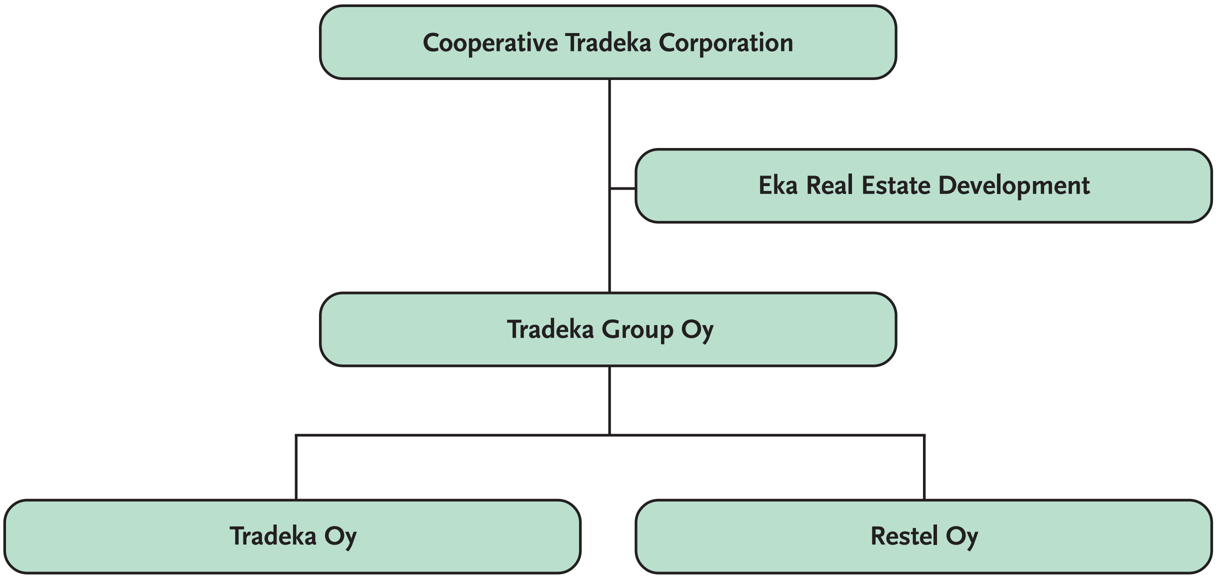
Personnel representatives
Ordinary member Mr. Kari Pöyhönen
Deputy member Mr. Martti Kesseli

Auditors

Ordinary auditors
Mr. Mauri Palvi,
Authorised Public Accountant
Mr. Veijo Riistama
Authorised Public Accountant

Deputy auditors
KPMG Wideri Oy Ab
Mr. Kari Lydman
Authorised Public Accountant

Public Accountant Appointed by the Circuit Court of Helsinki to supervise the mandatory restructuring
Mr. Jyrki Tähtinen
Attorney-at-law



Business organisation

Cooperative Tradeka Corporation

President
Mr. Antti Remes

Legal Affairs
Mr. Juha Laisaari

Membership Administration
Mr. Raimo K. Mäkelä

Eka Real Estate Development

President
Mr. Heikki Venho

Tradeka Group Oy

President
Mr. Antti Remes

Internal Auditing
Mr. Risto Salminen

Communications
Ms. Riitta Raasakka-Niklander

Tradeka Oy

President
Mr. Aarno Mäntynen

Tradeka International
President
Mr. Waldemar Tuutti

Suomen Tilirahoitus Oy
President
Mr. Tapio Lehikoinen

Restel Oy

President
Mr. Ralf Sandström

Finance Administration
Mr. Mats Rosengård

Administration
Mr. Kari Lalu

Hotel Division
Mr. Jari Laine

Restaurant Division
Mr. Ralf Sandström

Ketjuetu Oy

President
Mr. Aarno Mäntynen

Retail Outlets
Mr. Reijo Kiukkonen

Business Support
Mr. Tapio Lehikoinen

Siwa

Senior Vice-President
Mr. Harri Finér

Business Development
Mr. Markku Uitto

Marketing
Mr. Ilpo Virtanen

Controller
Ms. Jaana Lehto

Valintatalo

Senior Vice President
Mr. Leo Järvensivu

Business Development
Mr. Leo Järvensivu

Marketing
Mr. Juha Salmi

Conroller
Mr. Toivo Hakonen

Euromarket/ Maxi-ketju

Senior Vice-President
Mr. Pekka Kosonen

Marketing
Mr. Seppo Hämäläinen

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

Field Operations
Mr. Juhani Mast

Controller
Mr. Hannu Harju

Palveluetu Oy

President
Mr. Olli Suominen

EDP and Development
Mr. Olli Suominen

Controller
Mr. Risto Nokireki

Personnel
Ms. Pirkko Virtanen

Accounts and Taxation
Mr. Uolevi Lahti

Operational Accounting
Mr. Mikko Harjunen

Financial Administration
Mr. Ossi Hynninen

Tradeka Corporation's key figures 1993–1996

FIM million	1993	1994	1995	1996
Net turnover	7 770	5364	5 534	5 770
Gross margin	2 011	1 669	1 790	1 887
– % of net turnover	25.9	31.1	32.4	32.7
Fixed costs	2 124	1 415	1 415	1 396
Operating profit before depreciation	–133	254	375	491
– % of net turnover	–1.5	4.7	6.8	8.5
Depreciation	199	151	129	128
Operating profit	–312	103	246	363
– % of net turnover	–4.0	1.9	4.5	6.3
Profit before extraordinary items, appropriations and taxes	–621	–21	238	335
– % of net turnover	–8.0	–0.4	4.3	5.8
Investments	340	111	100	247
Balance sheet total	8 582	3 230	3 023	3 105
Personnel, average	7 144	5 150	5 090	4 842

Tradeka

Hämeentie 19, P.O. Box 72, FIN-00501 Helsinki, Finland
Tel. intl +358-9-7331, telefax intl +358-9-733 2120