ANNUAL REPORT

1998

FISKARS SINCE 1649

Annual Report 1998

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Fiskars Village.

Information to Shareholders

The Annual General Meeting of the shareholders of Fiskars Corporation will be held on 18 March 1999 at 4.30 p.m. at Hotel Radisson SAS Royal, Runeberginkatu 2, Helsinki, Finland.

Shareholders registered at 12 March 1999 in the shareholder register maintained by the Finnish Central Securities Depository Ltd (Suomen Arvopaperikeskus Oy) are entitled to participate in the meeting. The shareholders wishing to attend the meeting should inform Fiskars Corporation not later than 4.30 p.m. on 16 March 1999.

Payment of dividend The Board of Directors proposes that the Annual General Meeting declare a dividend of FIM 2.30 per share of series A and FIM 2.20 per share of series K for 1998. The proposed dividend includes a jubilee bonus of FIM 0.55 per share on both series. The record date for the dividend is 23 March 1999 and the payment date 30 March 1999.

The interim reports in 1999 will be published as follows:

January – March	week 19
January – June	week 33
January – September	week 46

Fiskars publishes its financial information in English, Finnish and Swedish.

The reports can be ordered from:

Fiskars Corporation
Corporate Communications
P.O. Box 235
FIN-00101 HELSINKI, FINLAND
Fax +358 9 604 053
E-mail: info@fiskars.fi

Please notify the manager of your book-entry account of any change of address.

Summary of operations *)

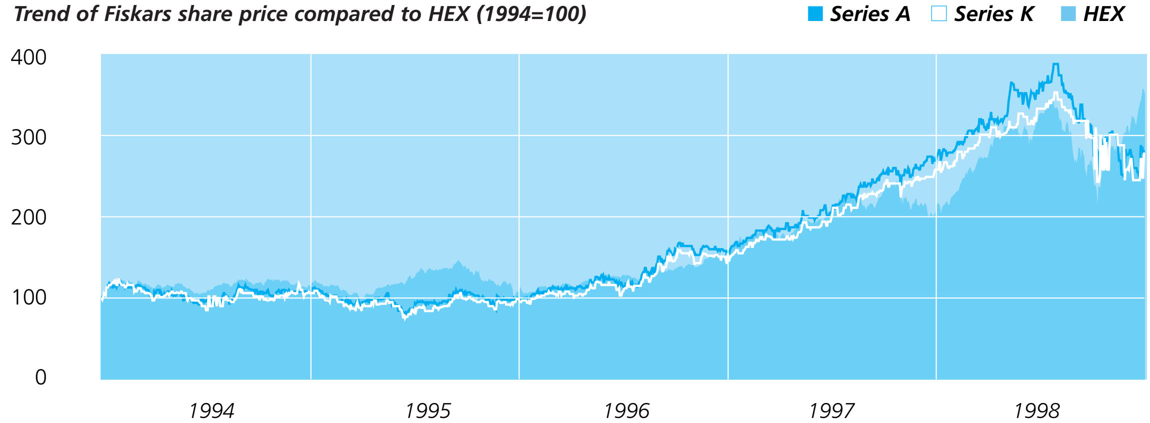
	1998		1997	
	MFIM	M€	MFIM	M€
Net sales	3344	562	2842	478
Operating profit	345	58	320	54
Earnings after financial items	181	30	202	34
Extraordinary income			192	32
Profit for the year	181	30	394	66
Balance sheet total	3862	650	3823	643
Equity ratio	53 %		52 %	
	FIM	€	FIM	€
Earnings / share	4.10	0.69	4.60	0.77
Equity / share	46.70	7.85	45.40	7.64
Personnel at year-end	4993		4655	

*) A complete summary is presented on page 42

Exhange rates

	Average rate Income Statement		Closing rate Balance sheet	
	1998	1997	1998	1997
1 USD	5.34	5.19	5.10	5.42
1 SEK	0.67	0.68	0.63	0.69
1 DKK	0.80	0.79	0.80	0.79
1 DEM	3.04	2.99	3.04	3.03
1 GBP	8.85	8.51	8.43	8.99
100 ITL	0.31	0.31	0.31	0.31
1 EUR	5.95	5.95	5.95	5.95

Trend of Fiskars share price compared to HEX (1994=100)



Fiskars Today

Fiskars is focused on the consumer products business which represents more than 90 % of corporate net sales. The company is the world's leading manufacturer of scissors and other cutting products for home, school and office. Other important consumer products are lawn and garden accessories, as well as craft and outdoor recreation products. Fiskars consumer products are manufactured in 11 countries and marketed under the Fiskars brand names in more than 120 countries.

Fiskars' other industrial operation Inha Works manufactures aluminum boats, building components and rail fasteners primarily to the Nordic markets.

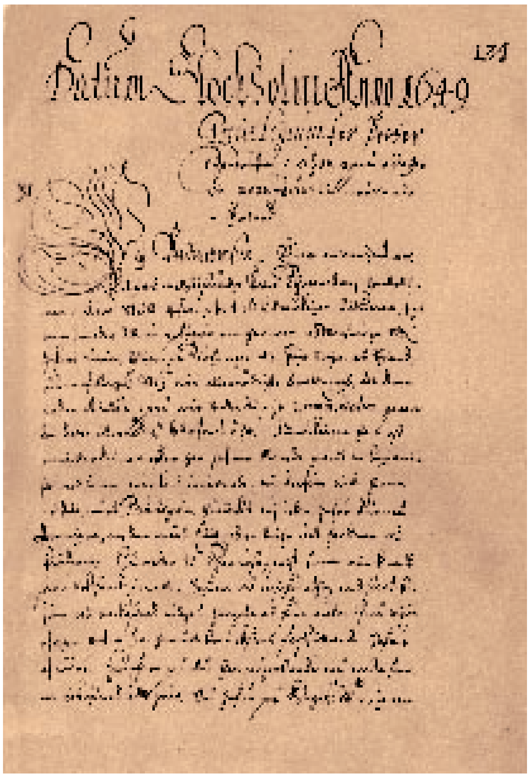
Fiskars' most important industrial investment is its 15 per cent holding in Metra Corporation. In addition, Fiskars owns about 15,000 hectares of land and forest, which have been part of the corporate assets since the early days of Fiskars Works.

In 1998, corporate net sales totaled FIM 3.3 billion (EUR 560 million). The workforce was 5,000 and 3,400 of these worked in the United States.

The company's shares are listed on the Helsinki Stock Exchange.

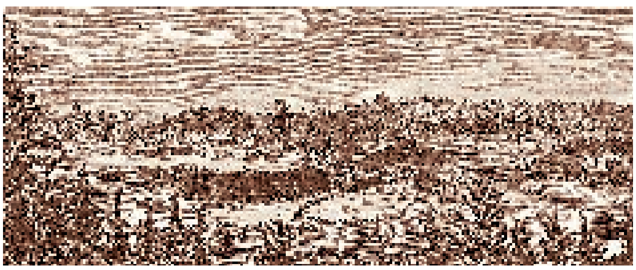
Industrial activities have continued without interruption at the Fiskars Works since the year 1649. Thus Fiskars this year celebrates its 350th anniversary.

Fiskars Iron Works is established
1649



The first page of the deed of privilege granted to Peter Thorwöste in 1649. The privilege gave him entitlement to establish an iron furnace, hammer smithy and a manufacturing workshop at Fiskars.

Bengt Magnus Björkman becomes the owner of Fiskars Works and Finland's first copper mine at Orijärvi.
1783



Johan Jacob Julin acquires Fiskars Works.

The era of the Julin family begins at Fiskars.
1822

Fiskars Aktiebolag-Osakeyhtiö is established.
1883

Fiskars acquires several steel products companies.
1920–30

Fiskars designs the world's first scissors with plastic handles.
1967

Fiskars establishes scissors manufacturing in the United States
1977

Fiskars withdraws from the traditional iron and steel industry.
1980

Fiskars celebrates its 350th anniversary
1999

FISKARS SINCE 1649

President's Review

Stig Stendahl

The strong development that Fiskars has been able to show in recent years was to some extent hampered by a number of external factors that became apparent already towards the end of 1997. The financial crisis originating in Southeast Asia spread during the year to Russia as well as to Eastern Europe and Latin America. At the same time the United States were undergoing a period of considerable uncertainty which was partly of a political nature and partly the result of the Southeast Asian crisis. Markets in Western Europe remained largely unaffected by the problems in Asia as well as in North and South America.

This was reflected in the development of Fiskars especially in the second half of 1998 which confirmed how greatly our operations depend on a stable American market combined with a change in the dependence on cyclical demand.

The increased dependence on the cyclical nature of operations is partly attributable to the acquisitions of Aquapore and EnviroWorks both of whom are typical "gardening companies", in other words, strongly relying on sales before the beginning of the gardening season. Even if the sales trend for the first half of the year was good, the acquisitions did not quite live up to expectations partly due to difficult weather conditions mainly in the United States.

As also strongly increased imports of textiles and home electronics from Southeast Asia altered consumption patterns above all in the United States and Great Britain when, at the same time, demand for products of the type represented by Fiskars declined to some extent, a weaker performance in the second half of 1998 could not be avoided. Thanks to energetic marketing initiatives Fiskars managed, however, to retain its high market shares in the categories concerned.

Only one small acquisition was made last year, i.e. the German distribution company Werga-Tools GmbH. This successful family enterprise has a very strong position in the German lawn and garden products market and is expected to become an important channel for the introduction of a continuously expanding line of new Fiskars garden tools to this market.

The British Vikingate Ltd. whose operations are managed by its subsidiary Sankey was acquired in January this year. The company specializes in propagators and plastic flower pots and its product lines will therefore be an excellent complement to the American EnviroWorks' Planterra flower pot line both by its production technology and marketing structure.

A new subsidiary was established in Australia during the year to make better use of Fiskars´ interests and opportunities not only in the Australian market but also in other regions of the Pacific Rim. Although the local economies in several of those countries where Fiskars operates through distributors are not particularly strong, the company intends to continue a controlled expansion of its activities.

Product development resulted in the introduction of a large number of new products during the year, adding to Fiskars' reputation as a creative and innovative company. Cooperation between the Corporation's product development units has been rewarding and augurs well also for the future.

Fiskars' strategy of growth based on new products, new markets and acquisitions thus still holds and will continue to do so. In the opinion of the corporate management, temporary changes and disturbances in the markets give no cause to alter the strategy that has proved to be so successful to date.

May it be noted in conclusion that the year turned out to be much tougher than the previous years. A number of circumstances beyond Fiskars' control contributed to situations which required both skill, flexibility and hard work. The management and the personnel have had to face many new situations and challenges which have given valuable experience and useful lessons with a view to the future.

Even if it is hardly likely that this year would be less complex than the past year, I hope that the concerns that Fiskars had to overcome in the latter half of 1998 will prove to be of a transient nature. At the same time I am convinced that the changes implemented in the organizational and personnel structure will help to cope with the challenges brought about by the last year of the millennium. Our personnel is highly qualified and motivated, it only remains to make use of the fact that Fiskars has both the ideas, products, organization, financial strength and ambitions to continue growing profitably.

I wish to express my heartfelt thanks to our customers, suppliers and other constituent groups for good cooperation and good results.

May I also thank the shareholders and the Board of Directors of Fiskars for the steadfast confidence shown during the year, as well as all the colleagues and fellow employees for your hard and loyal work in conditions that were at times unpredictable and difficult to cope with.

Fiskars celebrates its 350th anniversary this year. This unique event gives us an extra reason to stand guard over our good development. It also gives us an opportunity to present a lively community with long industrial traditions that coexists in harmony with modern industrial operations and high-class arts and crafts.

I have the pleasure of wishing all our shareholders, friends and supporters warmly welcome to visit Fiskars village and its attractions next summer.

Helsinki, February 1999

Stig Stendahl

Board of Directors and Auditors

Robert G. Ehrnrooth *Jarl Engberg* *Gustaf Gripenberg* *Juha Toivola*

Erik Stadigh *Göran J. Ehrnrooth* *Thomas Tallberg*

Board of Directors of Fiskars Corporation

Göran J. Ehrnrooth (1934)

Chairman since 1984, elected to the Board in 1974. Term expires in 2000. President of the Corporation during 1969-1983. Member of the Board of Directors, Metra Corporation. Member of the Supervisory Board of Rautaruukki Corporation. Holds 309,078 Fiskars shares.

Erik Stadigh (1928)

Vice Chairman, elected to the Board in 1993. Term expires in 1999. Former Deputy Managing Director at the Union Bank of Finland. No Fiskars shares.

Robert G. Ehrnrooth (1939)

Elected to the Board in 1966. Term expires in 1999. Chairman of the Board of Directors, Metra Corporation. Former President of EffJohn Oy Ab. Holds 477,012 Fiskars shares.

Thomas Tallberg (1934)

Elected to the Board in 1966. Term expires in 2000. M.D., The Institute for Bio-Immunotherapy. Chairman of the Board of Directors, Tallberg Group. Holds 402 Fiskars shares.

Jarl Engberg (1938)

Elected to the Board in 1980. Term expires in 2001. Attorney-at-Law, Hannes Snellman Attorneys at Law Ltd. Holds 12,000 Fiskars shares.

Gustaf Gripenberg (1952)

Elected to the Board in 1986. Term expires in 2001. D.Eng., Helsinki University, Holds 110,100 Fiskars shares.

Juha Toivola (1947)

Elected to the Board in 1997. Term expires in 2000. President of Industrial Insurance Company Ltd and Vice President of the Sampo Group. Holds 27,372 Fiskars shares.

Auditors	*Ordinary*	*Deputy*
	Eric Haglund, Authorized Public Accountant	KPMG Wideri Oy Ab, Corporation of Auditors

Corporate Management and Organization

Corporate Management		*Employed since*
Stig Stendahl (1939)	*President and CEO*	1992
Wayne G. Fethke (1944)	*Corporate Vice President, Consumer Products Group*	1977
Ingmar Lindberg (1945)	*Corporate Vice President, Real Estate and Administration*	1985
Ove Bäckman (1950)	*Vice President, Corporate Control*	1983
Juha Rauhala (1954)	*Vice President, Corporate Finance*	1989
Erkki Hokkinen (1947)	*Vice President, Corporate Development*	1988
Kurt-Erik Forsstedt (1942)	*Vice President, Legal Counsel*	1980
Business Areas		
Wayne G. Fethke (1944)	*Consumer Products Group*	1977
Gerald J. Erickson (1944)	*Consumer Products Group*	1977
James P. Morley (1947)	*Business Development*	1997
Roy D. Prestage (1940)	*group I: North America (Gerber, Newpoint, Power Sentry)*	1983
Stig Måtar (1945)	*group II: Finland, Germany, Italy, Eastern Europe*	1987
Gareth Davies (1960)	*group III: Great Britain, France, Sweden, Norway, Denmark*	1986
Michael P. Vierzba (1948)	*group IV: North America, Canada, Asia, Pacific, Latin America*	1984
James W. Woodside (1956)	*group V: North America (Wallace, Aquapore, EnviroWorks, Royal Mats)*	1993
C. Steve Ramsay (1947)	*group VI: North America (Wausau, Portable Products)*	1984
Pauli Lantonen (1939)	*Inha Works*	1968
Ingmar Lindberg (1945)	*Real Estate Group*	1985

Organization

Board of Directors

President

Group Functions
- *Corporate Control*
- *Corporate Finance*
- *Corporate Development*
- *Legal Counsel*
- *Administration and Information*

Industrial Operations
- *Consumer Products*
  - *Lawn and Garden Accessories*
  - *School, Office and Craft Products*
  - *Homewares*
  - *Home and Office Electrical Accessories*
  - *Outdoor Recreation Products*
- *Inha Works*
  - *Aluminum Boats, Hinges, Rail Fasteners*

Long-term Investments
- *Industrial Holdings*
  - *Metra Corporation*
- *Real Estate Holdings*
  - *Fiskars Real Estate*
  - *Ferraria*

Consumer Products Group

Wayne G. Fethke

Fiskars Consumer Products Group has been steadily building a solid platform for business growth which has exceeded 20 per cent on average annually in the past ten years. The business activities now spread across the globe, which will contribute to sales and profitability growth in the years to come. Consumer Products Group has manufacturing facilities in 11 countries, sales offices in 17 countries plus over 120 distributors.

Historically, the main markets have been Western Europe and North America. Over the last several years, emphasis has been on expanding operations also into Eastern Europe, Latin America and the Asia Pacific region. Although sales volumes in these markets represent a relatively modest share of corporate net sales, the growth trend has been very positive in the past year.

During the year, Fiskars established its first subsidiary in the Pacific Rim in Australia. Like the Mexican, Hungarian and Czech subsidiaries, this office will initially operate as a sales and distribution organization expanding is activities in pace with growing sales.

The Consumer Products Group has for several years based its growth on new product development, expansion on new geographical markets and acquisitions. This strategy still holds, and in 1998, the cooperation between the various units especially in product development and marketing yielded excellent results.

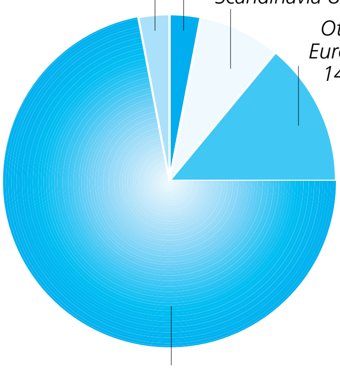
Business Categories:

- *Lawn and Garden Accessories*
- *School, Office and Craft Products*
- *Homewares*
- *Home and Office Electrical Accessories*
- *Outdoor Recreation Products*

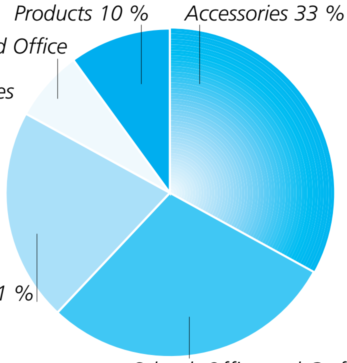
Key indicators:

	1998		1997	
	MFIM	**M€**	MFIM	M€
Net sales	**3196**	**538**	2700	454
- of which outside Finland	**97 %**		97 %	
Share of total net sales	**96 %**		95 %	
Operating profit	**342**	**58**	341	57
Personnel	**4717**		4377	

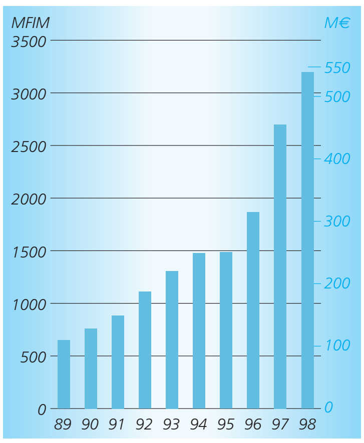
Net sales by market area:



Net sales by product categories:



Net sales of Consumer Products Group 1989–1998:



Lawn and Garden Accessories

Lawn and Garden Accessories has grown in recent years into the largest business category of the Consumer Products Group. As the products are mainly sold in the spring season and as shipments are concentrated into a very short period, inventory must be built in advance based on the forecasted need. In addition to seasonality, sales are also sometimes subject to the unpredictability of the weather, which means challenges for production planning.

The Billnäs and Wallace units which are the successful backbone of the Lawn and Garden Accessories operation, introduced a number of new products. Perhaps the most exciting of these is the Universal Garden Cutter, developed in Finland. With its unsurpassed user characteristics, it is the most versatile garden cutter available in the market.

Lawn and garden products are manufactured also in Bridgend, Wales, as well as in the other Nordic countries, Poland and Russia.

New business units include the two acquisitions made in 1997, i.e. Arizona based Aquapore, and EnviroWorks in Orlando, Florida as well as the German Werga-Tools acquired in August 1998.

In 1998, Aquapore which is a manufacturer of irrigation systems, expanded its product offering and developed several new products manufactured from recycled automobile tires. Crushed rubber and mats made of this raw-material, used in gardens to prevent weed growth, decorative garden stepping stones and rubber lawn edgings represent an innovative thinking in the lawn and garden market.

EnviroWorks manufactures a wide range of flower pots for indoor and outdoor use. Its other product line includes protective sun shades for home and professional applications.

The efficient organization of the German Werga-Tools GmbH and its strong position in the important, highly competitive German market support the marketing of products supplied by other Fiskars units.

Product development between the units of the Consumer Products Group was lively; prime examples include especially Billnäs and Wallace as well as EnviroWorks and Aquapore. Product development continues focused on garden tools used in the fall season; examples of this are Wallace Harvest Gear products and the previously mentioned Garden Universal Cutter introduced during the year.

In January 1999, Fiskars acquired the UK based Vikingate Ltd. whose subsidiary Sankey manufactures plastic flower pots and other gardening and nursery products. Sankey's products consolidate Fiskars' leading position in the British homewares and garden market, and improve export opportunities into other European markets. The production technologies of EnviroWorks and Sankey complement each other providing good possibilities for cooperation.

FISKARS®   WALLACE

WILKINSON SWORD   GARDEN DEVILS

MOISTURE MASTER   PLANTERRA

SOLARTEX®   ENVIROSHADE

SANKEY   WERGA

School, Office and Craft Products

The success of this increasingly important product category continues to be driven by the strength and breadth of the product lines and the ability to take advantage of the growth and trends in the distribution. A continuous flow of new products is important for the market success. Particularly the big US market represents a potential for development of products targeted at different age groups and for leisure activities.

All the product categories were successfully expanded, and new products were developed to complement the scissors and office products categories. Demand for the products of the Photographic Memories program continued to strengthen during the year and the next generation of the Creative Works stationery products were introduced. New products were added also to the Softgrip and Softouch scissors product lines. The new lines of paper cutters and rolling fabric cutters offer high quality tools for crafting.

The scissors manufacturing units in Billnäs and Wausau worked together on a project to build true left-handed scissors whose blades and handles are designed as mirror images of the right-handed scissors. Children's scissors based on this concept were launched already in 1991, and now left-handed adults have their own scissors.

Homewares

This category is traditionally one of the strength areas of Fiskars and continues to have a strong market position in knives, kitchen tools and gadgets, primarily serving the European markets. This market segment has been strengthened by the inclusion of new products that can be marketed in the same distribution channels as other homewares or bring new distribution.

Royal Floor Mats, acquired in 1997, is a good example of this successful philosophy. Royal manufactures doormats for indoor and outdoor use of recycled rubber obtained from discarded automobile tires. It has expanded vigorously in Europe, North America and Australia. The marketing resources pooled in the Nordic units have yielded good results.

Fiskars Italy has successfully integrated Kaimano's knife production and introduced over 50 products under the Kaimano brand complementing the existing product line marketed under the Fiskars Montana brand.

In Denmark, the strong sales growth of Raadvad was driven by a large number of new product introductions. The extensive Danish homewares line satisfies the kitchen tool requirements of both private households and professionals.

Home and Office Electrical Accessories

Newpoint and Power Sentry in the United States supply electrical surge protection products and multiple outlet strips. Due to differences in electrical voltage, these products are today limited to the American markets.

While the business continued to grow and develop, a clear change in demand occurred during 1998. Some customers shifted away from high quality products to lower price items. At the same time there were major changes in the market both due to mergers and growing imports, resulting in an adaptation of the operations of Newpoint and Power Sentry.

In 1998, Newpoint introduced a new product program to better meet the present requirements and have improved possibilities to compete against imports from Southeast Asia. Also Power Sentry complemented its offering by adding new models and introducing a totally new line of small electrical safety products for homes, such as night lights.

Outdoor Recreational Products

Manufacture of Outdoor Recreational Products has been mainly concentrated at Fiskars Billnäs and Gerber in Portland, Oregon. The principal markets are in North America and Scandinavia. In 1998, also EnviroWorks and Portable Products expanded into serving this market.

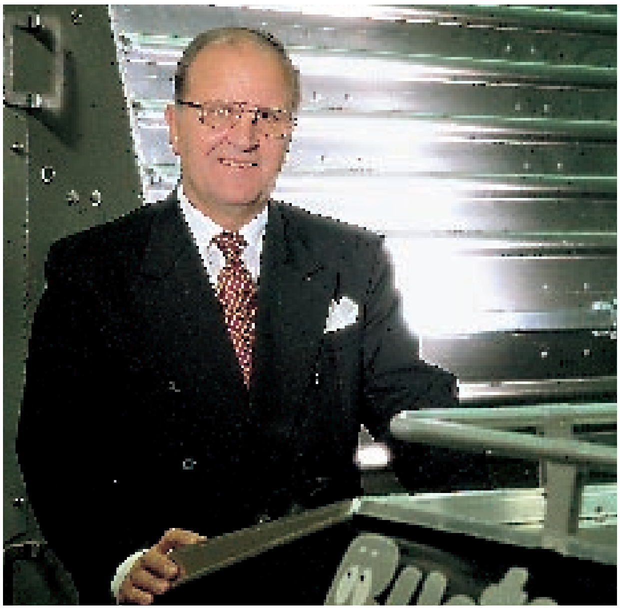
EnviroWorks has a large range of protective sunshades and is a major US supplier of backyard portable shade structures. During the year, the unit developed the capabilities for silkscreening names and customer logos on the products resulting in customized applications for sporting and commercial events.

Portable Products has also developed several lines of products geared for outdoor use, ranging from products for tool organization to bags carrying outdoor equipment.

Gerber expanded its offering of multipurpose pocket tools by introducing new versions of its Multiplier tool as well as knives for recreational use.

The Handy axes with their unique durability and using characteristics are popular especially in the Nordic countries, preferred by people who cut their firewood and among hikers.

Inha Works



Pauli Lantonen

Inha Works is the leading manufacturer of aluminum boats for professional and leisure use in Northern Europe. It also produces building components mainly for the Nordic market, including hinges to the door and window industry, and special purpose radiators for humid rooms. Inha's third product line represents Fiskars' traditional know-how in forged products.

Demand for powerboats grew in Finland and the other Nordic countries in 1998. The sales of Buster boats increased and Inha's share of the Nordic markets grew by nearly 40 % over the previous year. Exports represented over 50 % of the boat sales. Inha's active customer driven product development, innovative models, and continuous improvement of production processes strengthened the position of Buster as the leading outboard boat in Scandinavia. The most recent addition to the Buster family is Buster XS that replaces the Mix Buster.

Demand for hinges increased as a result of the recovery of new construction and renovation especially in Finland and also in the other Nordic countries, together with increased exports by the door and window industry. Towards the end of the year the weak Russian economy had some effects on the inflow of orders. Estonia and Poland are promising emerging markets in addition to the traditional export countries. Convenient installation and symmetrical design of the hinges as well as customers' other special requirements are given attention, and the products are developed in cooperation with customers. Inha Works consolidated its position as the leading Nordic hinge manufacturer, supported by its energetic product development activity and significant investments in production,.

Demand for radiators for bathrooms and other humid rooms increased as a result of the recovering market for new construction and renovation in Finland.

Inha's principal line of forged products consists of rail fasteners, sold mainly to the Finnish, Swedish and Norwegian railways under long-term supply agreements.

Inha Works was established in Central Finland 150 years ago and has been part of Fiskars Corporation since 1917.

FISKARS®

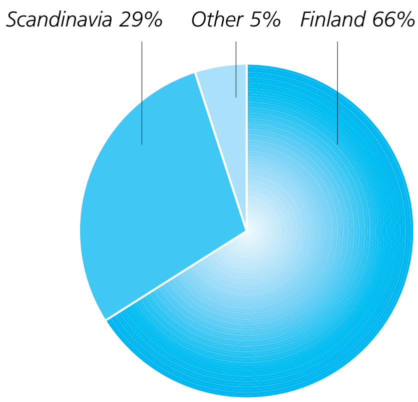
Buster

FORMATERM

Key indicators:

	1998		1997	
	MFIM	**M€**	MFIM	M€
Net sales	**119**	**20**	111	19
- of which outside Finland	**34 %**		28 %	
Share of total net sales	**4 %**		4 %	
Operating profit	**21**	**4**	16	3
Personnel	**174**		174	

Net sales by market area:



Real Estate Group

Ingmar Lindberg

Fiskars Real Estate operations consist of the management of 15,000 hectares of real estate properties and related services. The land holdings situated in the Southwest of Finland represent a considerable corporate asset and include more than 100 lakes and 250 km of shoreline.

An agreement was reached in 1998 with the environmental authorities to designate an area of 100 hectares for protection and to ensure the integrity of this valuable old-growth forest also in the future.

Most of the land holdings (11,000 hectares) are located in and around the historical Fiskars village. Traditional forestry and farming are carried on in this area according to long-term plans and wood is harvested using methods that ensure a good balance between the requirements of forest regeneration and the needs of wood processing industry. An interesting special aspect of the operations that has emerged in recent years are deliveries of high quality wood and rare species to the furniture industry. The raw-material is mainly supplied from the company's own forests and purchased to some extent from other sources.

The revenues from real estate operations are mainly used to maintain the historically valuable buildings in the Fiskars village and to preserve the surrounding landscape. The objective is to make the region an attractive place to work and live and to offer tourists the opportunity to visit this unique and lively historical industrial community.

The authorities approved a new general plan for "Skomakarbacken" in the fall of 1998. This will permit the construction of new buildings as well as renovation of old buildings, providing possibilities for expansion of residential settlement in harmony with the traditional surroundings.

Fiskars owns 4,000 hectares of land on the Hanko peninsula. The real estate company Ferraria has prepared a general plan for the area together with the neighboring municipalities, creating the conditions for its future development. The area is primarily reserved for year-round living, holiday homes for families and for the location of environmentally friendly small-scale industry.

Ilse Ackermann: Fiskars Village, a colourful experience.

Shareholding in Metra Corporation

Metra Corporation

Fiskars' participation in Metra Corporation's share capital is 15 %, giving entitlement to 22 % of the votes. Fiskars has been a shareholder in Metra since its establishment in 1991.

Metra's core businesses are Wärtsilä NSD and Sanitec. Wärtsilä NSD is a global engineering group offering its customers complete solutions for power plants and marine propulsion. The company designs, manufactures, licenses, markets and services Wärtsilä and Sulzer engines in the 500 – 66,000 kW range.

Sanitec is one of the leading bathroom ceramics companies in Europe, with operations also in the Middle East and Southeast Asia. Sanitec's local brands in ceramic and other bathroom products are well established in their respective markets.

Metra's third industrial operation Imatra Steel produces special steels and steel products for the automotive and mechanical engineering industries.

Metra Corporation's net sales 1998 remained unchanged from the 1997 level at FIM 15.5 billion (FIM 15.3 billion). The consolidated result before extraordinary items was FIM 267 million (FIM 394 million). This figure includes significant non-recurring items.

The results of Sanitec and Imatra Steel were good in 1998. Sanitec was successful in its strong and established markets, strengthening its position in the European shower, bathtub and whirlpool markets following the acquisition of the Italian based Domino S.p.A. Imatra Steel showed that it ranks among the highest-performing companies in the steel industry.

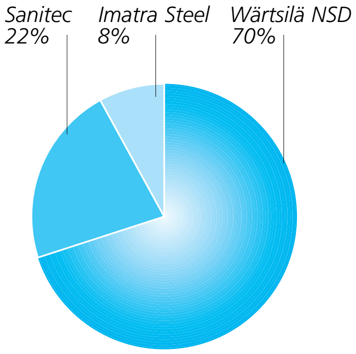
However, the 1998 financial year was adversely affected by the heavy loss of Wärtsilä NSD, the Group´s largest division. The losses are connected with Wärtsilä NSD's power plant business and the direct and indirect impacts of the Southeast Asian economic crisis. The power business was further burdened by significant problems and cost overruns in certain projects related to new markets and involving new engine or plant technologies. The result of Wärtsilä NSD's associated company Cummins Wärtsilä recorded a heavy loss.

Wärtsilä will implement an extensive structural program to improve the efficiency of operations, cut costs and adapt its manufacturing capacity and operating concept to the prevailing market situation, resulting in reduced engine volume and streamlined organization. These arrangements will include attrition of personnel by 1,000 in Wärtsilä NSD's subsidiaries and Cummins Wärtsilä.

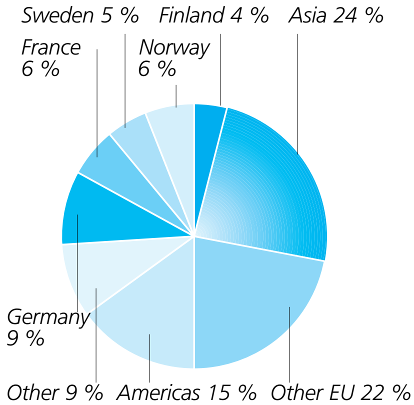
The total value of new orders received by Wärtsilä NSD during the year was FIM 11.1 billion (FIM 12.3 billion) and its order book at the end of 1998 totaled FIM 7.2 billion and corresponds to the good level of 1997 (FIM 7.0 billion).

METRA

Net sales by industry:



Net sales by market area:



Financial Statements 1998

Report by the Board of Directors

General Development in the western industrialized countries was mainly positive in 1998, although with some indications of stagnating growth in a number of markets. The economic crisis that had started in Asia in the previous year aggravated during 1998, and the weakened economic situation in Russia led to a drastic devaluation of the ruble. Also in South America, the economic crises turned considerably more acute towards the end of the year. These uncertainties had repercussions both in the US and the East European markets.

Operational results Corporate net sales increased by 18 % from the previous year to FIM 3,344 million (FIM 2,842 million). Operating profit amounted to FIM 345 million (FIM 320 million) and net result after tax was FIM 181 million (FIM 202 million). Return on investment was 12 % (14 %) and return on equity was 9 % (11 %). Earnings per share were FIM 4.10 (FIM 4.60) and equity per share increased to FIM 46.70 (FIM 45.40).

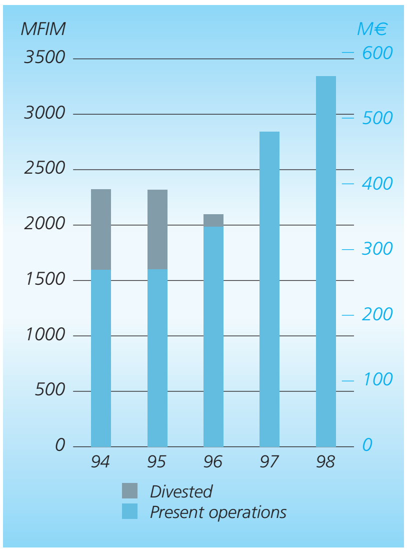
Development of operations The largest part of corporate net sales growth was generated in North America where sales increased by 24 % over the previous year. While about half of the increase is attributable to acquisitions also the organic growth was strong; 68 % of the total corporate net sales was generated in the North American market. The growth rate in Finland was 4 % and sales represented 6 % of total sales.

The Consumer Product Group's net sales increased by 18 % to FIM 3,196 million (FIM 2,700 million). The general uncertainty prevailing especially in the American consumer market was reflected also in the demand for Fiskars products. At the same time, the distribution channels adopted a cautious approach reducing their inventories and buying smaller volumes at a time. The operating profit of the Group remained unchanged from the previous year's level at FIM 342 million (FIM 341 million). Due to acquisitions and harsher competition, the marketing costs grew at a faster rate than sales.

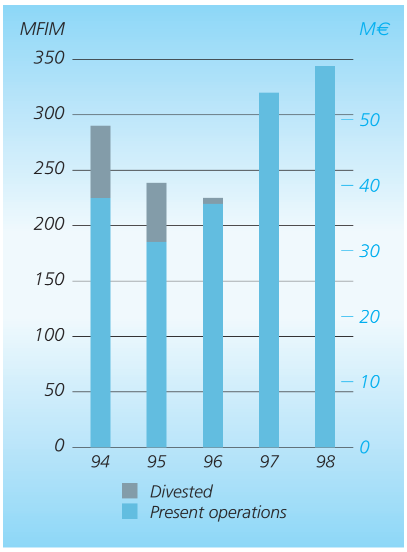
Operations in Eastern Europe developed positively although exchange rate changes pressed the result. The Asian and South American markets also suffered from problems related to exchange rate changes. The significance of these markets for the total volume of corporate sales is, however, modest.

The favorable development at Inha Works prevailed. Net sales increased to FIM 119 million (FIM 111 million) thanks to excellent boat sales. Demand for hinges was good although the exports by the Finnish door and window industry to the Russian market slowed down towards the year-end. Inha Works' operating profit increased to FIM 21 million (FIM 16 million).

Net sales



Operating profit



The improved result from the Real Estate operations over the previous year was attributable to the sale of certain real estate assets.

Income from long-term investments decreased to FIM 45 million (FIM 65 million) because of a decrease in dividends from Metra. The proposal of Metra's Board of Directors for dividend per share for fiscal year 1998 is 20 % lower than for 1997.

Acquisitions; capital expenditure; financing Werga-Tools GmbH, a German supplier of lawn and garden products, was acquired in August 1998. Werga ranks among the leading companies in its industry with net sales of FIM 120 million.

In January 1999, Fiskars acquired the UK based Vikingate Ltd. whose subsidiary Richard Sankey & Sons manufactures plastic flower pots and other gardening and nursery products. The company has net sales of FIM 90 million.

Capital expenditure in industrial fixed assets totaled FIM 215 million and in long-term investments FIM 56 million.

The balance sheet structure remained unchanged during the financial year. Liquidity was good and the financial position remained stable. The company had altogether FIM 750 million of revolving long-term credit facilities available at the year-end. Equity ratio at the end of the year was 53 % (52 %).

Personnel The total corporate workforce was 4,993 at the end of 1998 (4,655); 3,397 of the total worked in the United States and 763 in Finland. The employment situation was good in all Finnish units.

Shares On 14 October 1998, Fiskars Corporation´s share capital was increased by FIM 679,980 in accordance with the terms of the 1993 option loan, by issuing 22,666 new shares of series A for a total subscription price of FIM 5,155,182.

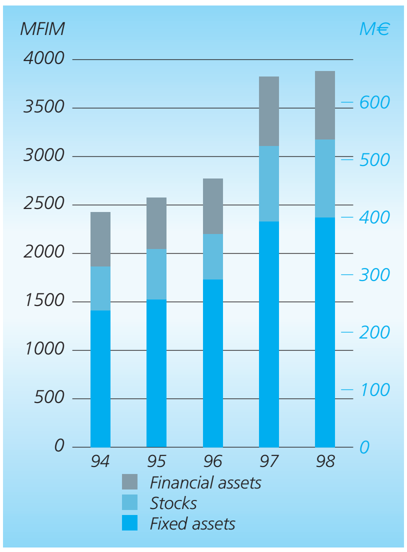
The Extraordinary General Meeting decreased the par value of the company's shares from FIM 30 to FIM 5.

The price of Fiskars A-share increased by 5 % and the price of the K-share by 8 % during 1998. At the end of the year, the HEX index of the Helsinki Stock Exchange was 70 % higher than at the beginning of the year.

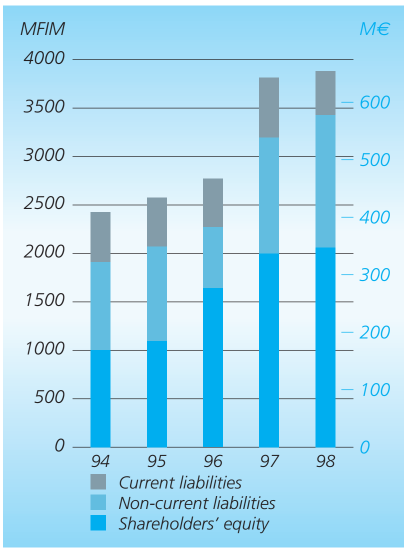
General Meetings The Annual General Meeting of Fiskars Oyj Abp held on 19 March 1998 decided to distribute a total dividend of FIM 89.6 million for 1997. The resigning Board members Mr. Jarl Engberg and Mr. Gustaf Gripenberg were reelected. Both the ordinary auditor Mr. Eric Haglund (APA) and the deputy auditor KPMG Wideri Oy Ab, Corporation of Auditors, were reelected.

The Extraordinary General Meeting held on 23 November 1998 decided to authorize the Board of Directors to acquire and assign a maximum number of

Assets



Equity and liabilities



1,380,000 of the company's own A-shares and a maximum number of 780,000 of K-shares. This authorization has not been exercised. The General Meeting also decided to issue 1,260,000 option rights to members of management in companies belonging to Fiskars Corporation as designated by the Board of Directors, and to change the par value of the shares from FIM 30 to FIM 5 per share through a split where one old share gave entitlement to six new shares.

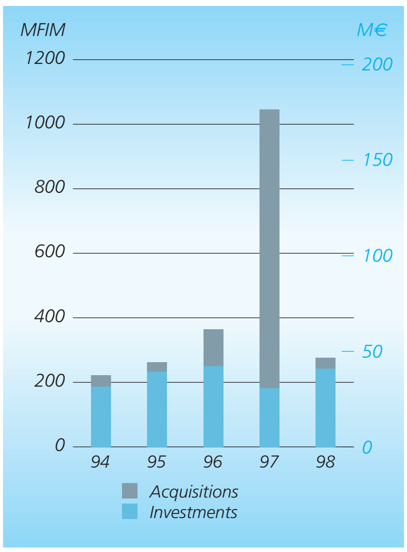
Year 2000 and euro Fiskars Corporation has evaluated the problems anticipated in computer applications in year 2000. The modification requirements of all corporate units have been analyzed, and changes are expected to be implemented before the end of June 1999. The Corporation will also undertake all the necessary measures to safeguard continued operations even in situations where the customers' or the suppliers' systems may be adversely affected.

Fiskars Corporation has adopted the euro as an accounting currency at the beginning of the current year, thus interim reports and financial statements will henceforth be published in euros.

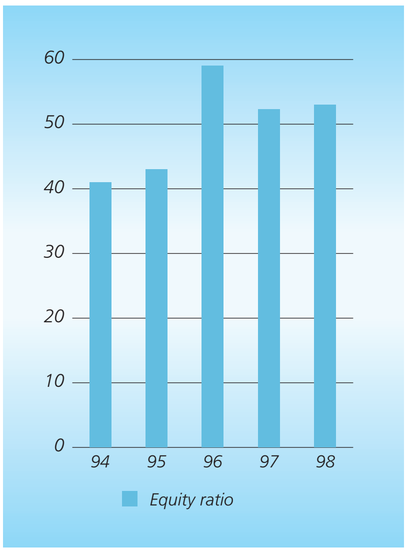
Outlook The corporate expectations for the current year are cautiously optimistic. Although the growth in the consumer products sector is typically quite modest, the organic corporate growth is expected to be maintained at previous year's level thanks to a continuous flow of new innovative products. Fiskars also looks for growth through the acquisition of interesting companies in the United States and Europe.

Fiskars jubilee year This year Fiskars celebrates the 350th anniversary of its industrial activity which has continued without interruption at the Fiskars Works since 1649.

Investments



Equity ratio %



Net sales by business area	***1.1.–31.12.1998***			*1.1.–31.12.1997*			*change*
	MFIM	***M€***	%	*MFIM*	*M€*	%	*98/97 %*
Consumer Products	**3 196**	**538**	96	2 700	454	95	18
Inha Works	**119**	**20**	4	111	19	4	7
Industry total	**3 315**	**558**	99	2 811	473	99	18
Corporate operations, real estate, other	**51**	**9**	2	45	8	2	15
Eliminations	**-23**	**-4**		-14	-2		
Corporate total	**3 344**	**562**	100	2 842	478	100	18

Results by business segment	***1.1.–31.12.1998***			*1.1.–31.12.1997*			*change*
	MFIM	***M€***	%	*MFIM*	*M€*	%	*98/97 %*
Consumer Products	**342**	**58**	88	341	57	89	0
Inha Works	**21**	**4**	5	16	3	4	28
Industry total	**362**	**61**	93	357	60	93	1
Corporate operations, real estate, other	**-17**	**-3**		-37	-6		
Operating profit	**345**	**58**	88	320	54	83	7
Income from long-term investments	**45**	**8**	12	65	11	17	-31
Consolidated segmental results	**389**	**65**	100	385	65	100	1

Net sales by market area	***1.1.– 31.12.1998***			*1.1.–31.12.1997*			*change*
	MFIM	***M€***	%	*MFIM*	*M€*	%	*98/97 %*
Finland	**205**	**34**	6	197	33	7	4
Scandinavia	**303**	**51**	9	283	48	10	7
Other Europe	**462**	**78**	14	437	73	15	6
North America	**2 289**	**385**	68	1 851	311	65	24
Other	**84**	**14**	3	74	12	3	15
Corporate total	**3 344**	**562**	100	2 842	478	100	18
Export from Finland	**177**	**30**	5	156	26	5	14

Personnel by geographical area	***31.12.1998***		*31.12.1997*		*change*
		%		%	*98/97 %*
Finland	**763**	**15**	737	16	4
Scandinavia	**243**	**5**	235	5	3
Other Europe	**563**	**11**	497	11	13
North America	**3 397**	**68**	3 158	68	8
Other	**27**	**1**	28		
Corporate total	**4 993**	**100**	4 655	100	7

Consolidated Income Statement

	1998			1997		
	MFIM	**M€**		MFIM	M€	
Net sales	**3 343.8**	**562.4**	**100.0%**	2 841.9	478.0	100.0%
Cost of sales	**-2 121.4**	**-356.8**		-1 812.2	-304.8	
Gross profit	**1 222.4**	**205.6**	**36.6%**	1 029.7	173.2	36.2%
Sales and marketing expenses	**-553.8**	**-93.1**		-432.6	-72.8	
Administration expenses	**-236.7**	**-39.8**		-192.6	-32.4	
Other operating income	**13.6**	**2.3**		2.8	0.5	
Other operating expenses	**-100.9**	**-17.0**		-87.0	-14.6	
Operating profit	**344.5**	**57.9**	**10.3%**	320.3	53.9	11.3%
Share of associated companies' results	**-0.4**	**-0.1**		2.9	0.5	
Financial income and expenses (6)	**-52.8**	**-8.9**		-8.8	-1.5	
Profit before extraordinary items and taxes	**291.4**	**49.0**	**8.7%**	314.4	52.9	11.1%
Income taxes (7)	**-110.5**	**-18.6**		-112.1	-18.9	
Profit before extraordinary items	**180.9**	**30.4**	**5.4%**	202.3	34.0	7.1%
Extraordinary items, net (8)	**0.0**	**0.0**		191.9	32.3	
Profit for the financial year	**180.9**	**30.4**	**5.4%**	394.2	66.3	13.9%

Consolidated Balance Sheet

		31.12.1998			31.12.1997		
Assets		*MFIM*	*M€*		*MFIM*	*M€*	
Fixed assets and other non-current investments							
Intangible assets	(9)	**22.7**	**3.8**		33.1	5.6	
Goodwill	(10)	**591.3**	**99.5**		642.7	108.1	
Tangible assets	(11)	**654.0**	**110.0**		613.1	103.1	
Investments	(12)	**1 083.1**	**182.2**		1 038.7	174.7	
		2 351.2	**395.4**	**60.9%**	2 327.5	391.5	60.9%
Stocks and financial assets							
Stocks	(14)	**807.7**	**135.9**		776.9	130.7	
Non-current debtors	(15)	**7.4**	**1.2**		7.0	1.2	
Deferred tax assets	(16)	**77.1**	**13.0**		51.4	8.6	
Current debtors	(17)	**565.7**	**95.1**		592.7	99.7	
Cash in hand and at bank		**52.4**	**8.8**		67.5	11.4	
		1 510.3	**254.0**	**39.1%**	1 495.6	251.5	39.1%
		3 861.5	**649.5**	**100.0%**	3 823.1	643.0	100.0%

Liabilities							
Capital and reserves	(19)						
Share capital		**220.8**	**37.1**		220.1	37.0	
Share premium account		**230.2**	**38.7**		225.7	38.0	
Revaluation reserve		**23.8**	**4.0**		23.8	4.0	
Other reserves		**38.1**	**6.4**		53.6	9.0	
Retained earnings		**1 366.4**	**229.8**		1 083.0	182.1	
Profit for the financial year		**180.9**	**30.4**		394.2	66.3	
		2 060.2	**346.5**	**53.4%**	2 000.5	336.5	52.3%
Provisions	(21)	**9.6**	**1.6**	**0.2%**	7.0	1.2	0.2%
Creditors							
Deferred tax liabilities	(22)	**73.2**	**12.3**		20.6	3.5	
Non-current creditors	(23)	**1 269.3**	**213.5**		1 171.8	197.1	
Current creditors	(24)	**449.1**	**75.5**		623.2	104.8	
		1 791.7	**301.3**	**46.4%**	1 815.6	305.4	47.5%
		3 861.5	**649.5**	**100.0%**	3 823.1	643.0	100.0%

Consolidated Statement of Cash Flows

		1998		1997	
Cash flows from operating activities		***MFIM***	***M€***	*MFIM*	*M€*
Net profit before taxation, extraordinary items		**291.4**	**49.0**	314.4	52.9
Depreciation		**153.1**	**25.7**	122.4	20.6
Reversal of items recorded on an accrual basis	(32)	**53.1**	**8.9**	5.9	1.0
Cash generated before working capital changes		**497.6**	**83.7**	442.7	74.5
Change in current receivables		**-5.3**	**-0.9**	-52.3	-8.8
Change in stocks		**-60.8**	**-10.2**	-102.0	-17.2
Change in current non-interest bearing debt		**-27.3**	**-4.6**	27.6	4.6
Cash generated from operations		**404.2**	**68.0**	316.0	53.1
Financial income items received		**18.4**	**3.1**	17.0	2.9
Dividends received		**24.4**	**4.1**	36.0	6.1
Financial expense items paid		**-110.4**	**-18.6**	-87.2	-14.7
Taxes paid		**-100.6**	**-16.9**	-109.1	-18.3
Net cash flow from operating activities		**236.0**	**39.7**	172.7	29.0
Cash flows from investing activities					
Acquisitions		**-36.9**	**-6.2**	-863.5	-145.2
Investment in shares		**-36.7**	**-6.2**	-48.6	-8.2
Purchase of property, plant and equipment		**-178.0**	**-29.9**	-115.7	-19.5
Investment in non-current receivables		**-19.6**	**-3.3**	-17.4	-2.9
Proceeds from sale of shares		**0.2**	**0.0**	419.4	70.5
Proceeds from sale of equipment		**30.1**	**5.1**	3.6	0.6
Taxes paid on extraordinary items		**-77.0**	**-13.0**	-159.3	-26.8
Net cash flow from investments		**-317.9**	**-53.5**	-781.5	-131.4
Cash flow after investments		**-81.9**	**-13.8**	-608.8	-102.4
Cash flows from financing activities					
New issue		**5.2**	**0.9**	2.9	
Change in non-current debt		**117.9**	**19.8**	575.9	96.9
Change in current interest bearing debt		**31.1**	**5.2**	-6.3	-1.1
Change in non-current receivables		**1.7**	**0.3**	-2.6	-0.4
Dividends paid		**-89.6**	**-15.1**	-74.6	-12.5
Net cash flows from financing activities		**66.3**	**11.2**	495.3	83.3
Change in cash		**-15.6**	**-2.6**	-113.5	-19.1
Cash at beginning of year		**67.5**	**11.4**	176.3	29.7
Effect of exchange rate changes		**0.5**	**0.1**	4.7	0.8
Cash at end of year		**52.4**	**8.8**	67.5	11.4

General Accounting Principles

The financial statements have been prepared in accordance with the new regulations in force in Finland since 31 December 1997. The consolidated financial statements are in all material respects in conformity with international accounting standards (IAS). The financial statements of 1997 have been restated to the extent the new regulations require a different grouping of income statement and balance sheet items. Retained earnings 1 January 1998 are affected only by the recognition of deferred tax assets and liabilities.

The financial information is presented in Finnish markka.

The preparation of financial statements in conformity with regulations in force and generally accepted accounting principles requires management to make estimates and assumptions that affect the valuation of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates

Scope of the Consolidated Financial Statements The consolidated financial statements include the accounts of all companies where Fiskars directly or indirectly holds more than 50% of the votes. Acquired or established subsidiaries and investments in associated companies are included in the consolidated financial statements from the date of acquisition or establishment to the date of divestment.

Intercompany transactions, dividends, receivables and liabilities as well as unrealized intercompany profits have been eliminated.

The purchase method of accounting is used in elimination of intercompany shareholdings. Tax liability on the acquired company's untaxed reserves is included in deferred tax liabilities. The remainder is included in shareholders' equity. Where appropriate, the excess of acquisition cost over the value of acquired net assets is allocated to various balance sheet items. The residual is accounted for as goodwill and amortized over ten to twenty years. The amortization period is dependent on estimates concerning the useful economic life of acquired brands.

Investments in associated companies (20% - 50% of votes, more than 20% of shares) are included in the financial statements by applying the equity method of accounting. A proportional share of the associated company's net income is included in financial items. Related goodwill is amortized and any unrealized internal profit is eliminated. In the balance sheet the investment is valued at cost adjusted for the corporation's share of net assets accumulated after the date of acquisition.

Investments in other companies are stated in the balance sheet at cost or at net realizable value.

Transactions in foreign currencies Foreign currency denominated income statements are translated into Finnish markka at the average exchange rate for the financial period.

Balance sheets are translated at the end of period exchange rate. Consequently, net income according to the income statement will differ from net income according to the balance sheet. The difference is included in retained earnings.

Currency translation adjustments on foreign subsidiaries' opening retained earnings are included in consolidated retained earnings. Currency translation adjustments on other equity are included in consolidated other reserves.

The main part of the corporation's business is conducted in the United States. The net assets related to the business in the US are therefore not hedged against fluctuations in the value of the US dollar. Investments in other foreign subsidiaries are hedged by loans and other financial instruments. The exchange gains and losses related to these hedging instruments are balanced against currency translation adjustments on the equities of the subsidiaries.

Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction.

Unsettled balances in foreign currencies are translated at the rates prevailing on the balance sheet date, except for advance payments received or paid which are translated at the exchange rates on the payment date. Open hedging instruments pertaining to foreign currency items are valued at the market value, including interest components.

Both realized and unrealized exchange gains and losses have been included in the financial items in the income statement.

Net sales Net sales is defined as invoiced amount less indirect taxes, rebates and exchange rate adjustments on foreign currency denominated sales

Research and development costs Research and development costs are expensed when incurred.

Pensions and coverage of pension liabilities The cost of pension arrangements is the aggregate of the pension cost for the group companies as calculated in accordance with local regulations and agreements.

The retirement plans for the Finnish companies' employees are funded through payments to independent insurance companies. A small part of already retired employees receives their benefits from a trustee-administered fund. Any change in the deficit in the trustee-administered fund is included in net income of the parent company. The net deficit of the fund, which is almost fully covered, is taken up as a liability in the balance sheet.

Extraordinary income and expense Income and expense of significant size and not a part of continuing operations, e.g. sale or discontinuation of a separate line of business, are taken up as extraordinary items, net of tax.

Fixed assets and other long-term investments

Fixed assets are stated at cost less accumulated depreciation according to plan. Certain land holdings have been revalued. The credit of the revaluation entry is included in other reserves.

Revaluations are based on market values. If the market values fall below book value, the revaluation is reversed correspondingly.

Fixed assets are depreciated and amortized over their expected useful lives. Typically, the following expected useful lives are applied:

goodwill	10 - 20 years
other long-term expense	3 - 10 years
buildings	25 - 40 years
vehicles	4 years
machinery and equipment	3 - 10 years

Revaluation amounts and land and waterholdings are not depreciated.

Gains and losses on disposal of fixed assets are included in operating profit.

Inventories and financial assets Inventories are stated at the lower of cost or net realizable value. Cost includes both direct and indirect costs. Cost is determined on a first-in-first-out (FIFO) basis. Net realizable value is the amount that can be realized from the sale of the asset less any related sales cost.

Leasing Operating leases are expensed. The corporation has not entered into financial lease agreements of any material size.

Provisions Provisions consist of reserves for future costs to which the corporation has committed itself or of losses that are deemed probable and do not generate a corresponding income.

Appropriations Appropriations in the parent company balance sheet consist of untaxed reserves and depreciation in excess of plan. In the consolidated balance sheet appropriations are taken up as equity and deferred tax liability. The change in appropriations is divided into net profit and increase or decrease in deferred tax liability.

This method of accounting has been applied by the corporation already in previous years, thus this practice, now required by the accounting act, has not caused any change in the prior year deferred tax liability.

Income taxes Income taxes consist of the aggregate current tax expense in the group companies, prior year taxes and deferred taxes. Taxes related to extraordinary items are shown in connection with these items.

Deferred tax assets and liabilities are calculated at the current tax rate or, if a future tax rate has been announced, at that announced tax rate. Deferred tax liabilities are recognized in full whereas deferred tax assets are recognized only to the extent they are likely to have an asset value.

The current tax also includes the restated deferred tax asset/liability for prior years relating to the change in the accounting act.

Dividends The dividend proposed by the Board of Directors has not been included as liability in the financial statements. Dividends to be paid are taken up as a liability following the decision of the Annual General Meeting.

Notes to the Financial Statements

	CONSOLIDATED		PARENT COMPANY	
	1998	*1997*	***1998***	*1997*
	MFIM	*MFIM*	*MFIM*	*MFIM*
Income statement (foreign currency denominated income statements translated at average rate of exchange)				
1. Personnel costs				
Wages and salaries, for time worked	**621.7**	526.6	**12.3**	11.7
Pension costs	**48.7**	44.8	**2.6**	2.6
Other personnel costs	**161.4**	120.1	**2.7**	3.1
Wages and salaries including other personnel costs	**831.8**	691.5	**17.6**	17.4
2. Wages and salaries paid				
Salaries to managing directors and boards	**23.5**	22.5	**2.8**	2.7
Wages and salaries to other personnel	**639.5**	555.2	**9.4**	10.3
Total wages and salaries paid	**663.0**	577.7	**12.2**	13.0

Loans granted to the Corporate Management consists of one loan in the amount of 0.7 MFIM. The loan is due on December 31, 1999.
The interest rate is 6 %.
According to an agreement the President and CEO of the parent company can retire at the age of 62.

	CONSOLIDATED 1998	1997	PARENT COMPANY 1998	1997
3. Average number of employees				
Finland	**749**	677	**47**	48
Scandinavia	**233**	225		
Other Europe	**566**	463		
North America	**3 280**	3 159		
Other	**26**	23		
Total	**4 854**	4 547	**47**	48
4. Number of employees, end-of-period				
Workers	**3 723**	3 512	**9**	9
Salaried	**1 270**	1 143	**38**	39
Total	**4 993**	4 655	**47**	48
5. Depreciation and amortization according to plan by function				
Manufacturing and procurement	**79.3**	66.9	**4.2**	3.9
Sales and marketing	**3.1**	2.5		
Administration	**10.4**	8.1	**1.8**	1.6
Other operating expenses (intangibles)	**60.3**	44.8	**0.0**	0.0
Total depreciation and amortization according to plan	**153.1**	122.4	**6.0**	5.6
6. Financial income and expense				
Income from investments held as non-currents assets				
Dividend income				
From group companies			**16.0**	57.0
From associated companies				1.8
From other investments	**33.9**	49.9	**33.9**	49.6
Other interest and financial income				
From group companies			**75.6**	44.4
From other investments	**11.1**	11.8	**11.1**	11.8
Income from investments held as non-current investments, total	**45.0**	61.8	**136.6**	164.5
Other interest and financial íncome				
From group companies			**26.9**	25.6
From other parties	**5.1**	6.3	**2.9**	3.5
Reduction in value of investments				
Reduction in value of investments held as non-current assets		-0.1		
Interest and other financial expense				
To group companies			**-1.5**	-2.7
To other parties	**-102.9**	-76.8	**-153.3**	-89.8
Total financial income and expense	**-52.8**	-8.8	**11.7**	101.1
Net exchange gains and losses included in financial items	**-6.7**	2.4	**-53.1**	-20.0

	CONSOLIDATED		PARENT COMPANY	
	1998	*1997*	***1998***	*1997*
	MFIM	*MFIM*	*MFIM*	*MFIM*
7. Income taxes				
Current taxes	**99.6**	181.2	**37.7**	125.4
-of which related to extraordinary items		-77.4		-77.1
Current taxes related to ordinary activities	**99.6**	103.8	**37.7**	48.3
Change in deferred tax assets/liabilities	**10.9**	8.3		
Income taxes per income statement	**110.5**	112.1	**37.7**	48.3
8. Extraordinary income and expense				
Gain on the sale of Exide Electronics shares		185.3		184.3
Gain of the sale of shares in associated companies		45.2		52.1
Gain of the sale of other shares		38.0		38.0
Other		0.8		1.2
Extraordinary income	**0.0**	269.3	**0.0**	275.7
Tax related to extraordinary items		-77.4		-77.1
Extraordinary items, net of tax	**0.0**	191.9	**0.0**	198.6

Balance sheet, assets (currency denominated balance sheets translated at closing rate of exchange)

Movements in fixed assets

	CONSOLIDATED 1998	CONSOLIDATED 1997	PARENT COMPANY 1998	PARENT COMPANY 1997
9. Intangible assets				
Original cost, Jan. 1.	**79.1**	53.4	**4.1**	3.3
Translation adjustment	**-1.5**	1.3		
Original cost, at the beginning of the year	**77.6**	54.8	**4.1**	3.3
Capital expenditure	**4.3**	25.7	**0.9**	0.8
Decrease	**-0.4**	-0.2	**-0.3**	
Transfers	**0.5**	-1.3		
Gross value, Dec. 31.	**81.9**	79.0	**4.6**	4.1
Accumulated amortization according to plan, Jan. 1.	**46.0**	36.0	**2.3**	1.7
Translation adjustment	**-0.5**	1.0		
Accumulated amortization, at the beginning of the year	**45.5**	37.1	**2.3**	1.7
Amortization according to plan	**13.7**	8.8	**0.9**	0.6
Decrease	**-0.4**	0.0	**-0.3**	
Transfers	**0.4**			
Accumulated amortization according to plan, Dec. 31.	**59.2**	45.9	**2.8**	2.3
Net book value, Dec. 31.	**22.7**	33.1	**1.8**	1.8
10. Goodwill				
Original cost, Jan. 1.	**740.0**	172.6		
Translation adjustment	**-42.8**	22.0		
Original cost, at the beginning of the year	**697.1**	194.6		
Capital expenditure	**32.7**	544.0		
Decrease	**-3.1**			
Transfers	**0.2**	1.3		
Gross value, Dec. 31.	**727.0**	740.0		
Accumulated amortization according to plan, Jan. 1.	**97.3**	56.6		
Translation adjustment	**-4.9**	4.5		
Accumulated amortization, at the beginning of the year	**92.4**	61.1		
Amortization according to plan	**43.2**	36.2		
Transfers	**0.0**			
Accumulated amortization according to plan, Dec. 31.	**135.6**	97.3		
Net book value, Dec. 31.	**591.3**	642.7		

Notes to the Financial Statements

	CONSOLIDATED		PARENT COMPANY	
	1998	*1997*	***1998***	*1997*
	MFIM	*MFIM*	*MFIM*	*MFIM*
11. Tangible assets				
11.1 Land and water				
Original cost, Jan. 1.	**69.6**	66.2	**26.7**	26.6
Revaluation, Jan. 1.	**59.1**	59.1	**59.1**	59.1
Translation adjustment	**-0.2**	0.1		
Original cost, at the beginning of the year	**128.6**	125.4	**85.8**	85.7
Capital expenditure	**0.0**	2.8	**0.0**	0.3
Decrease	**-2.0**	0.2	**0.0**	-0.2
Transfers	**-0.4**	0.3	**-0.5**	
Book value, Dec. 31.	**126.2**	128.7	**85.3**	85.8
11.2 Buildings				
Original cost, Jan. 1.	**253.5**	211.6	**91.1**	88.8
Translation adjustment	**-6.4**	5.2		
Original cost, at the beginning of the year	**247.1**	216.8	**91.1**	88.8
Capital expenditure	**28.3**	27.0	**21.2**	2.4
Decrease	**-10.0**	-0.3	**0.0**	0.0
Transfers	**12.2**	10.0		
Gross value, Dec. 31.	**277.6**	253.5	**112.3**	91.1
Accumulated depreciation according to plan, Jan. 1.	**103.3**	90.6	**43.7**	40.3
Translation adjustment	**-0.8**	2.1		
Accumulated depreciation, at the beginning of the year	**102.4**	92.7	**43.7**	40.3
Depreciation according to plan	**11.2**	10.6	**3.4**	3.4
Decrease	**0.2**	-0.1		
Transfers	**0.2**			
Accumulated depreciation according to plan, Dec. 31.	**114.1**	103.3	**47.1**	43.7
Net book value, Dec. 31.	**163.5**	150.2	**65.2**	47.5
11.3 Machinery and equipment				
Original cost, Jan. 1.	**756.8**	540.3	**19.0**	16.4
Translation adjustment	**-32.4**	50.5		
Original cost, at the beginning of the year	**724.3**	590.8	**19.0**	16.4
Capital expenditure	**142.7**	185.7	**2.1**	2.6
Decrease	**-23.2**	-9.5	**-1.3**	0.0
Transfers	**-7.1**	-10.3	**0.5**	
Gross value, Dec. 31.	**836.8**	756.8	**20.2**	19.0
Accumulated depreciation according to plan, Jan. 1.	**422.6**	330.6	**12.0**	10.4
Translation adjustment	**-15.6**	27.7		
Accumulated depreciation, at the beginning of the year	**407.1**	358.3	**12.0**	10.4
Depreciation according to plan	**79.4**	70.6	**1.7**	1.6
Decrease	**-18.8**	-6.3	**-1.3**	
Transfers	**4.8**			
Accumulated depreciation according to plan, Dec. 31.	**472.5**	422.6	**12.3**	12.0
Net book value, Dec. 31.	**364.3**	334.1	**7.9**	7.0
11.4 Total tangible assets				
Original cost, Jan. 1.	**1 079.9**	818.1	**136.8**	131.8
Revaluation, Jan. 1.	**59.1**	59.1	**59.1**	59.1
Translation adjustment	**-39.0**	55.8	**0.0**	
Original cost, at the beginning of the year	**1 100.0**	933.0	**195.9**	190.9
Capital expenditure	**171.1**	215.5	**23.3**	5.2
Decrease	**-35.2**	-9.5	**-1.4**	-0.2
Transfers	**4.7**	0.0	**0.0**	0.0
Gross value, Dec. 31.	**1 240.6**	1 138.9	**217.8**	195.9

		CONSOLIDATED		PARENT COMPANY	
		1998	1997	**1998**	1997
		MFIM	MFIM	MFIM	MFIM
	Accumulated depreciation according to plan, Jan. 1.	**525.9**	421.2	**55.6**	50.7
	Translation adjustment	**-16.4**	29.9		
	Accumulated depreciation, at the beginning of the year	**509.5**	451.1	**55.6**	50.7
	Depreciation according to plan	**90.6**	81.2	**5.1**	5.0
	Decrease	**-18.6**	-6.4	**-1.3**	0.0
	Transfers	**5.0**	0.0	**0.0**	0.0
	Accumulated depreciation according to plan, Dec. 31.	**586.5**	525.9	**59.4**	55.6
	Net book value, Dec. 31.	**654.0**	613.0	**158.4**	140.2
12.	**Investments**				
12.1	**Holdings in group undertakings**				
	Original cost, Jan. 1.			**459.4**	508.1
	Capital expenditure			**35.2**	2.5
	Decrease			**0.0**	-51.3
	Gross value, Dec. 31.			**494.6**	459.4
	Write-downs Jan.1			**68.1**	68.1
	Change during the year				
	Write-downs, Dec.31.			**68.1**	68.1
	Net book value, Dec.31.			**426.5**	391.3
12.2	**Participating interests**				
	Value Jan.1	**0.3**	14.8	**2.5**	11.7
	Increase		2.9		
	Decrease	**-0.3**	-17.4		-9.2
	Value Dec.31.	**0.0**	0.3	**2.5**	2.5
12.3	**Other shares and similar rights of ownership**				
	Original cost, Jan. 1.	**841.5**	937.4	**837.7**	922.4
	Translation adjustment		0.3		
	Original cost, at the beginning of the year	**841.5**	937.6	**837.7**	922.4
	Capital expenditure	**36.9**	49.4	**36.8**	56.5
	Decrease	**-0.4**	-145.5	**-0.2**	-141.2
	Book value, Dec. 31.	**878.0**	841.5	**874.3**	837.7
12.4	**Other receivables**				
	Original cost, Jan. 1.	**196.8**	169.2	**185.3**	164.9
	Translation adjustment	**-0.7**			
	Original cost, at the beginning of the year	**196.1**	169.2	**185.3**	164.9
	Increase	**21.3**	27.6	**21.3**	20.5
	Decrease	**-12.3**		**-2.2**	
	Book value, Dec. 31.	**205.1**	196.8	**204.4**	185.3
12.5	**Total investments**				
	Original cost, Jan. 1.	**1 038.7**	1 121.4	**1 484.9**	1 607.1
	Translation adjustment	**-0.7**	0.3	**0.0**	0.0
	Original cost, at the beginning of the year	**1 038.0**	1 121.7	**1 484.9**	1 607.1
	Capital expenditure	**58.2**	79.9	**93.3**	79.5
	Decrease	**-13.1**	-162.9	**-2.4**	-201.7
	Gross value, Dec. 31.	**1 083.1**	1 038.7	**1 575.8**	1 484.8
	Write-downs Jan.1.			**68.1**	68.1
	Changes during the year				0.0
	Write-downs Dec.31.	**0.0**	0.0	**68.1**	68.1
	Net book value, Dec. 31.	**1 083.1**	1 038.7	**1 507.7**	1 416.8

Notes to the Financial Statements

	CONSOLIDATED		PARENT COMPANY	
	1998	1997	**1998**	1997
	MFIM	MFIM	MFIM	MFIM
13. Net book value of production machinery and equipment Dec. 31.	**259.9**	243.8		
14. Stocks				
Raw materials and consumables	**216.9**	214.8		
Work in progress	**150.0**	147.4	**0.1**	0.1
Finished products / Goods	**432.3**	406.6	**0.5**	0.6
Other stocks	**4.8**	5.4		
Advance payments	**3.9**	2.7		
Total stocks, Dec. 31.	**807.7**	776.9	**0.6**	0.7
15. Non-currents debtors				
Trade debtors	**2.4**		**2.0**	
Amounts owed by group undertakings				
Loan receivables			**768.3**	827.4
			768.3	827.4
Trade debtors	**2.9**	4.7	**2.9**	10.2
Other debtors	**2.0**	2.4		
	4.9	7.0	**2.9**	10.2
Total, Dec. 31.	**7.4**	7.0	**773.2**	837.6
16. Deferred tax assets				
Net operating losses	**22.3**	15.5		
Timing differences	**52.0**	35.9		
Deferred tax on consolidating entries	**2.8**			
Total, Dec. 31.	**77.1**	51.4		

Parent Company deferred tax assets 0.2 MFIM (0.9) are only included in consolidated accounts.

17. Current debtors				
Trade debtors	**508.8**	522.8	**1.4**	1.1
Amounts owed by group undertakings				
Trade debtors			**0.4**	0.5
Loan receivables			**578.4**	478.7
Other debtors			**66.6**	52.6
Prepayments and accrued income			**45.9**	62.2
			691.2	593.9
Loan receivables	**0.1**	0.1	**0.1**	0.1
Other debtors	**12.2**	6.5		0.0
Prepayments and accrued income	**44.6**	63.3	**15.1**	11.8
	56.9	69.9	**15.2**	11.9
Total, Dec. 31.	**565.7**	592.7	**707.8**	606.9
18. Prepayments and accrued income				
Prepaid and accrued interest	**8.0**	10.2	**7.9**	10.1
Prepaid income tax	**3.5**	12.1		
Other prepayments and accruals	**33.1**	41.0	**7.2**	1.7
Total, Dec. 31.	**44.6**	63.3	**15.1**	11.8

	CONSOLIDATED		PARENT COMPANY	
	1998	1997	**1998**	1997
	MFIM	*MFIM*	*MFIM*	*MFIM*
Balance sheet, liabilities				
19. Capital and reserves				
Share capital				
A-shares				
Jan. 1.	**139.0**	142.8	**139.0**	142.8
Transfer to share premium account		-4.6		-4.6
Share issue	**0.7**	0.8	**0.7**	0.8
Dec. 31.	**139.7**	139.0	**139.7**	139.0
K-shares				
Jan. 1.	**81.1**	87.2	**81.1**	87.2
Transfer to share premium account		-6.1		-6.1
Dec. 31.	**81.1**	81.1	**81.1**	81.1
Share capital Dec. 31.	**220.8**	220.1	**220.8**	220.1
Share premium account				
Jan.1.	**225.7**	212.9	**225.7**	212.9
Transfer from share capital		10.7		10.7
Share issue	**4.5**	2.1	**4.5**	2.1
Share premium account Dec. 31.	**230.2**	225.7	**230.2**	225.7
Revaluation reserve				
Jan.1.	**23.8**	23.8	**23.8**	23.8
Revaluation reserve Dec. 31.	**23.8**	23.8	**23.8**	23.8
Other reserves				
Jan.1.	**53.7**	54.8	**19.1**	19.1
Translation adjustment	**-15.6**	-1.1		
Other reserves Dec.31.	**38.1**	53.7	**19.1**	19.1
Retained earnings				
Jan.1.	**1 477.2**	1 118.0	**1 204.6**	902.5
Translation adjustment	**-19.8**	36.8		
Dividends	**-89.6**	-74.6	**-89.6**	-74.6
Translation adjustment on Net profit in foreign currency denominated income statements (average rate) vs. balance sheets (end of period rate)	**-1.3**	2.8		
Net profit	**180.9**	394.2	**112.0**	376.7
Retained earnings, Dec. 31.	**1 547.4**	1 477.2	**1 227.0**	1 204.6
-less equity part of untaxed reserves	**-14.9**	-20.0		
Distributable earnings, Dec. 31.	**1 532.5**	1 457.2	**1 227.0**	1 204.6
20. Appropriations (Untaxed reserves)				
Depreciation in excess of plan, Jan. 1.	**22.2**	31.7	**11.1**	12.0
Changes during the year	**-3.2**	-9.5	**-1.0**	-1.0
Depreciation in excess of plan, Dec. 31.	**19.0**	22.2	**10.1**	11.1
Other untaxed reserves, Jan. 1.	**2.6**	26.6		0.0
Changes during the year	**-0.2**	-24.0		0.0
Other untaxed reserves, Dec. 31.	**2.4**	2.6	**0.0**	0.0
Untaxed reserves total, Dec. 31.	**21.4**	24.8	**10.1**	11.1
Less deferred tax asset	**-6.5**	-4.8		
Equity part of untaxed reserves	**14.9**	20.0		
21. Provisions				
Pension liability	**6.6**	1.3	**0.8**	0.9
Other provisions for liabilities and charges	**3.0**	5.7		
Total provisions, Dec. 31.	**9.6**	7.0	**0.8**	0.9

	CONSOLIDATED		PARENT COMPANY		
	1998	*1997*	***1998***		*1997*
	MFIM	*MFIM*	*MFIM*		*MFIM*
22. Deferred tax liabilities					
Deferred tax liability on untaxed reserves	**6.5**	4.8			
Timing differences	**64.2**	15.8			
Deferred tax liability on consolidating entries	**2.5**				
Deferred tax liabilities, Dec. 31.	**73.2**	20.6			

Parent Company deferred tax liabilities 15.1 MFIM (3.1) are only included in consolidated accounts.

23. Non-current creditors					
Convertible debentures		0.0			0.0
Loans from credit institutions	**1 172.1**	1 052.9	**1 228.2**	(*	1 037.3
Pension loans	**56.2**	59.7	**56.2**		59.7
Amounts owed to group undertakings			**0.0**		14.1
Other creditors	**41.1**	59.2	**4.3**		5.7
Total non-current creditors, Dec. 31.	**1 269.3**	1 171.8	**1 288.6**		1 116.9

**) In the Parent Company statements foreign currency denominated debt is valued at the exchange rate of the balance sheet date or the exchange rate of the day the loan was raised, whichever is higher.*

24. Current creditors				
Convertible debentures	**0.0**	0.0	**0.0**	0.0
Loans from credit institutions	**5.8**	36.9	**5.8**	17.6
Pension loans	**3.5**	3.8	**3.5**	3.8
Advances received	**0.2**	0.4	**0.3**	0.3
Trade creditors	**193.4**	187.8	**3.5**	1.2
	203.0	228.8	**13.1**	22.9
Amounts owed to group undertakings				
Trade creditors			**1.1**	1.0
Other creditors			**77.8**	44.6
Accruals and deferred income			**2.4**	0.3
			81.3	45.9
Other creditors	**62.6**	59.9	**46.8**	16.5
Accruals and deferred income	**183.6**	334.5	**32.1**	142.7
Total, Dec. 31.	**449.1**	623.2	**173.2**	228.0
25. Accruals and deferred income				
Income taxes payable	**22.9**	136.6	**12.2**	104.8
Interest payable	**16.6**	19.7	**16.4**	18.6
Wages, salaries and social costs	**63.1**	63.2	**2.7**	1.5
Purchases and other similar items	**81.0**	115.0	**0.8**	17.8
Total accruals and deferred income, Dec. 31.	**183.6**	334.5	**32.1**	142.7

26. Repayments of long-term loans:

	1999	2000	2001	2002	Later years	Total
Bond loans	0.0					0.0
Credit institutions	5.8	16.6	16.6	70.4	1 068.5	1 177.9
Pension fund loans	3.5	3.3	3.0	2.8	47.1	59.7
Other long-term debt	2.4	27.0	2.1		12.0	43.6
Total	11.8	46.9	21.7	73.2	1 127.6	1 281.2
%	0.9%	3.7%	1.7%	5.7%	88.0%	100.0%

	CONSOLIDATED		PARENT COMPANY	
	1998	*1997*	***1998***	*1997*
27. Lease obligations	*MFIM*	*MFIM*	*MFIM*	*MFIM*
Operating leases, payments next year	**41.1**	39.9	**1.6**	1.6
Operating leases, payments later	**261.8**	245.6	**0.0**	0.0
Total operating leases, Dec. 31.	**302.9**	285.5	**1.6**	1.6

		CONSOLIDATED		PARENT COMPANY	
		1998	*1997*	***1998***	*1997*
		MFIM	*MFIM*	*MFIM*	*MFIM*
28.	**Contingencies and pledged assets**				
	As security for own commitments				
	Real estate mortgages	**4.2**	77.1	**4.2**	77.1
	Chattel mortgages		4.3		
	Other pledged assets	**166.2**	167.0	**166.2**	167.0
	Discounted bills of exchange	**3.0**	4.4		
	Lease commitments	**302.9**	285.5	**1.6**	0.2
	Other contingencies	**9.3**	7.0	**0.2**	0.2
	Total	**485.5**	545.4	**172.2**	244.5
	Guarantees as security for group companies' commitments			**20.0**	45.1
	Guarantees as security for other parties' commitments	**24.8**	26.2	**24.5**	25.9
	Total pledged assets and contingencies, Dec. 31.	**510.3**	571.6	**216.7**	315.5
29.	**Debts with collateral**				
	Mortgages				
	Loans from financial institutions				
	- Amount of liability		386.0		386.0
	- Nominal value of mortgage		55.1		55.1
	Pension loans				
	- Amount of liability	**9.8**	9.4	**9.8**	9.4
	- Nominal value of mortgage	**3.7**	3.7	**3.7**	3.7
	Other liabilities				
	- Amount of liability	**0.1**		**0.1**	
	- Nominal value of mortgage	**0.5**		**0.5**	
	Assets pledged				
	Pension loans				
	- Amount of liability	**50.4**	54.0	**50.4**	54.0
	- Book value of asset pledged	**166.2**	167.0	**166.2**	167.0
30.	**Nominal amounts of derivatives**				
	Forward exchange contracts	**190.4**	590.8	**190.4**	590.8
	Interest swaps	**305.8**	325.2	**305.8**	325.2
	Forward interest rate agreements	**203.9**	189.7	**203.9**	189.7
31.	**Market value vs. nominal amounts of derivatives**				
	(+calculatory gain, -calculatory loss)				
	Interest swaps	**-12.7**	-3.7	**-12.7**	-3.7
	Forward interest rate agreements	**-0.9**	-0.3	**-0.9**	-0.3

Forward exchange contracts have been valued at market in the financial statements.
The calculatory result has been determined as the amount that would have had to be paid if interest swap agreements and forward rate agreements had been closed at Dec. 31.1998 by offsetting agreements at the then prevailing interest rates.

		1998	1997	1998	1997
32.	**Statements of cash flows**				
	Reversal of items recorded on an accrual basis:				
	Write-down of shares		0.1		
	Exchange differences	**6.7**	-2.4	**53.1**	20.0
	Financial income	**-49.8**	-71.0	**-164.6**	-193.6
	Financial expense	**96.2**	79.2	**99.8**	72.6
	Total	**53.1**	5.9	**-11.7**	-101.0

Financial Risk Management
Financing and financial risks are managed centrally from the Corporate Head Office in Helsinki.

Foreign exchange risks Two thirds of the corporation's business is in North America and the rest is mainly in Europe. Thus the value of the US dollar has a significant impact on the corporation's result.

The revenue and expense of the North American business is mainly US dollar denominated while European business is mainly done in various European currencies.

At the beginning of 1998 the hedging of US dollar denominated equity was abandoned. Currently, only the relatively small amounts of net equity in Sweden, Norway, Denmark and the UK are hedged.

The corporation does not use derivative financial instruments speculatively. Open contracts pertain mostly to hedging of financing transactions, and have been valued at market.

Interest rate risk Some 90 per cent of the corporation's loans are US dollar denominated. With the exception of pension loans, all loans are floating interest rate loans.

Long-term interest swap agreements with a total value of 60 million US dollars reduce the corporation's exposure to fluctuations in short-term interest rates. Forward rate agreements with a total value of 80 million US dollars reduce the interest rate exposure in 1999.

Shares and participations

		Domicile	Number of shares	% of share capital Parent	% of share capital Consolidated	% of voting power Parent	% of voting power Consolidated	Nominal value (1000)		Book value (FIM 1000)	Market value (FIM 1000)
Shares in subsidiaries owned by the parent company											
DE	Fiskars Deutschland GmbH	Solingen		100	100	100	100	4 450	(DEM)	52 634	
DK	Fiskars Danmark A/S	Silkeborg	200 000	100	100	100	100	20 000	(DKK)	60 829	
FI	Ferraria Oy Ab	Pohja	750 000	100	100	100	100	75 000	(FIM)	105 000	
FI	Fiskars Consumer Oy Ab	Pohja	200	100	100	100	100	2 000	(FIM)	24 646	
FI	Inha Works Ltd.	Ähtäri	5 000	100	100	100	100	500	(FIM)	2 375	
FI	Kiinteistö Oy Danskog gård Ab	Tammisaari	4 000	100	100	100	100	3 000	(FIM)	3 000	
FI	Baltic Tool Finland Oy Ab	Helsinki	250	100	100	100	100	2 500	(FIM)	2 500	
FR	Fiskars France S.A.R.L.	Wissous	35 000	57	100	57	100	10 500	(FRF)	4 641	
GB	Fiskars UK Limited	Bridgend	1 500 000	100	100	100	100	1 500	(GBP)	14 415	
HU	Fiskars Hungary Ltd	Budapest	7	100	100	100	100	1 000	(HUF)	1 327	
IT	Fiskars Montana S.r.l.	Premana	7 000	100	100	100	100	7 000 000	(ITL)	36 186	
NL	Fiskars Europe B.V.	Best	150	100	100	100	100	150	(NLG)	4 299	
SE	Fiskars AB	Motala	50 000	100	100	100	100	5 000	(SEK)	63 967	
US	Fiskars Holdings Inc.	Wisconsin	300	100	100	100	100	20 219	(USD)	50 655	
	Other subsidiaries, 1									15	
										426 489	
Shares in associated companies owned by the parent company											
IN	Fiskars India Limited - equity 0.0 MFIM	Mumbai	1 056 700	30	30	30	30	10 567	(INR)	2 268 *	
IN	Finlandia Cutlery Pvt. Ltd. - equity 0.0 MFIM	Mumbai	120 000	24	24	24	24	1 200	(INR)	189 *	
	Other associated companies, 1									6	
										2 463	
Other shares owned by the parent company											
FI	Metra Oyj Abp, A	Helsinki	3 632 724	26.1	26.1	26.1	26.1	72 654	(FIM)	402 345	325 855
FI	Metra Oyj Abp, B		4 883 754	12.2	12.2	12.2	12.2	97 675	(FIM)	460 916	429 770
	Metra, total		8 516 478	15.8	15.8	23.0	23.0	170 330	(FIM)	863 261	755 626
FI	Sampo Insurance Company plc		79 988	x	x	x	x	100	(FIM)	982	11 606
FI	Rautaruukki Oyj		72 916	x	x	x	x	729	(FIM)	853	2 071
FI	Julius Tallberg-Kiinteistöt Oyj		18 150	x	x	x	x	545	(FIM)	1 025	635
FI	Björkboda Lås Oy Ab		1 800	18	18	18	18	1 800	(FIM)	1 800	
	Other shares in fixed assets									6 357	
										874 278	

* Per balance sheet Dec. 31 , 1998. Length of financial year, 12 months.

x Less than 5%

		Domicile	*Number of shares*	*% of share capital*	*% of voting power*	*Nominal value (1000)*		*Bookvalue (1000)*		*Bookvalue (FIM 1000)*
Shares owned by other group companies										
Consumer Products Group										
AU	Fiskars (Australia) Pty Limited	Melbourne	1	100	100	300	(AUS)	182	(USD)	927
CA	Fiskars Canada Inc.	Toronto	500	100	100	500	(CAD)	433	(USD)	2 207
DE	Werga-Tools GmbH	Hilden		100	100	600	(DEM)	11 017	(DEM)	33 492
MX	Fiskars de Mexico. S.A. de C.V.	Mexico City	50 000	100	100	50	(MXN)	300	(USD)	1 529
NO	Fiskars Norge A/S	Oslo	50 000	100	100	50	(NOK)	9 411	(DKK)	7 512
PL	Fiskars Polska Spólka z o.o.	Slupsk	10 700	68.7	68.7	1 691	(PLZ)	4 881	(DKK)	3 896
RU	ZAO Baltic Tool	St Petersburg	1 775 000	100	100	1 775	(RUR)	2 607	(FIM)	2 607
SE	Fiskars Sverige AB	Motala	350 000	100	100	3 500	(SEK)	22 052	(SEK)	13 820
US	Fiskars Inc.	Wisconsin	35 750	100	100	27 101	(USD)	27 101	(USD)	138 107
US	Aquapore Moisture Systems. Inc.	Delaware	100	100	100	0	(USD)	25 695	(USD)	130 942
US	EnviroWorks. Inc.	Delaware	1 000	100	100	0	(USD)	77 921	(USD)	397 085
US	Royal Rubber & Manufacturing Co.	California	1 794	100	100	179	(USD)	51 359	(USD)	261 725
	Other Consumer group subsidiaries, 3									–
Other										
CH	Fiskars Finance AG	Zug	100	100	100	100	(CHF)	1 849	(SEK)	1 159
FI	Hangon Sähkö Oy	Hanko	1 351	93.2	93.2	1 351	(FIM)	3 987	(FIM)	3 987
	Other group companies, 1									15
Other shares owned by the subsidiaries										
	Other									3 751

This list includes all active group and associated companies.

A complete list of all shareholdings is available at the Fiskars Corporation Head Office

Five Years in Figures

		In FIM						In euro				
		1998	*1997*	*1996*	*1995*	*1994*		***1998***	*1997*	*1996*	*1995*	*1994*
Net sales	MFIM	**3344**	2842	2097	2320	2324	M€	**562**	478	353	390	391
of which outside Finland	MFIM	**3139**	2645	1903	2092	2114	M€	**528**	445	320	352	356
in per cent of net sales	%	**93.9**	93.1	90.7	90.2	91.0	%	**93.9**	93.1	90.7	90.2	91.0
Percentage change of net sales	%	**17.7**	35.5	-9.6	-0.2	13.9	%	**17.7**	35.5	-9.6	-0.2	13.9
Profit before depreciation and amortization	MFIM	**498**	443	309	325	377	M€	**84**	74	52	55	63
in per cent of net sales	%	**14.9**	15.6	14.7	14.0	16.2	%	**14.9**	15.6	14.7	14.0	16.2
Operating profit	MFIM	**345**	320	225	239	290	M€	**58**	54	38	40	49
in per cent of net sales	%	**10.3**	11.3	10.7	10.3	12.5	%	**10.3**	11.3	10.7	10.3	12.5
Financial net	MFIM	**53**	6	8	41	45	M€	**9**	1	1	7	8
in per cent of net sales	%	**1.6**	0.2	0.4	1.8	1.9	%	**1.6**	0.2	0.4	1.8	1.9
Earnings after financial items	MFIM	**291**	314	218	198	245	M€	**49**	53	37	33	41
in per cent of net sales	%	**8.7**	11.0	10.4	8.5	10.5	%	**8.7**	11.0	10.4	8.5	10.5
Taxes	MFIM	**110**	112	74	80	85	M€	**19**	19	13	13	14
Profit before extraordinary items	MFIM	**181**	202	143	117	160	M€	**30**	34	24	20	27
in per cent of net sales	%	**5.4**	7.1	6.8	5.1	6.9	%	**5.4**	7.1	6.8	5.1	6.9
Extraordinary items, net of tax	MFIM		192	479	29		M€		32	81	5	0
Profit for the financial year	MFIM	**181**	394	623	147	160	M€	**30**	66	105	25	27
in per cent of net sales	%	**5.4**	13.9	29.7	6.3	6.9	%	**5.4**	13.9	29.7	6.3	6.9
Capital expenditure (incl. acquisitions)	MFIM	**271**	1045	366	262	221	M€	**46**	176	62	44	37
in per cent of net sales	%	**8.2**	36.8	17.4	11.3	9.5	%	**8.2**	36.8	17.4	11.3	9.5
Research and development costs	MFIM	**38**	37	28	46	44	M€	**6**	6	5	8	7
in per cent of net sales	%	**1.1**	1.3	1.4	2.0	1.9	%	**1.1**	1.3	1.4	2.0	1.9
Equity	MFIM	**2060**	2001	1639	1096	991	M€	**347**	337	276	184	167
Interest bearing debt	MFIM	**1301**	1228	615	1004	972	M€	**219**	207	103	169	163
Non-interest bearing debt	MFIM	**500**	594	515	476	463	M€	**84**	100	87	80	78
Balance sheet total	MFIM	**3861**	3823	2769	2576	2426	M€	**649**	643	466	433	408
Return on investment	%	**12**	14	13	14	16						
Return on equity	%	**9**	11	10	11	17						
Equity ratio	%	**53**	52	59	43	41						
Persons employed, average		**4854**	4547	3670	3927	3722						
Persons employed, Dec. 31		**4993**	4655	3434	4088	3811						
of which outside Finland		**4230**	3978	2777	3255	2772						

Return on investment in per cent = $\frac{\text{Earnings after financial items + interest and other financial expense}}{\text{Balance sheet total - non-interest bearing debt (average of beginning and end of year amounts)}} \times 100$

Return on equity in per cent = $\frac{\text{Earnings after financial items - taxes}}{\text{Equity + minority shareholders' equity (average of beginning and end of year amounts)}} \times 100$

Equity ratio in per cent = $\frac{\text{Equity + minority shareholders' equity}}{\text{Balance sheet total}} \times 100$

Earnings per share = $\frac{\text{Earnings after financial items - minority interest - taxes}}{\text{Adjusted average number of shares}}$

Dividend per earnings in per cent = $\frac{\text{Dividend paid}}{\text{Earnings (calculated as in Earnings per share)}} \times 100$

Dividend per share = $\frac{\text{Dividend paid}}{\text{Adjusted number of shares Dec. 31}}$

Price per earnings = $\frac{\text{Adjusted market quotation Dec. 31}}{\text{Earnings per share}}$

Equity per share = $\frac{\text{Equity}}{\text{Adjusted number of shares Dec. 31}}$

Dividend yield in per cent = $\frac{\text{Dividend per share}}{\text{Adjusted quotation Dec. 31}} \times 100$

Adjusted average share price = $\frac{\text{Value of shares traded during the period}}{\text{Adjusted number of shares traded during the period}}$

Information on Fiskars Shares

				In FIM						In euro		
		1998	*1997*	*1996*	*1995*	*1994*		***1998***	*1997*	*1996*	*1995*	*1994*
Share capital	MFIM	**221**	220	230	230	118	M€	**37.1**	37.0	38.7	38.7	19.9
Earnings per share	FIM	**4.10**	4.60	3.25	2.60	3.55	€	**0.69**	0.77	0.55	0.44	0.60
-incl. extraordinary income	FIM	**4.10**	8.90	14.15	3.30	3.55	€	**0.69**	1.50	2.38	0.56	0.60
Nominal dividend per share	FIM per A-share	**2.30**	2.08	1.75	1.25	1.00	€	**0.39**	0.35	0.29	0.21	0.17
	FIM per K-share	**2.20**	1.95	1.62	1.12	0.87	€	**0.37**	0.33	0.27	0.19	0.15
Dividend, million	MFIM	**99.9***	89.6	74.6	53.8	31.4	M€	**16.8**	15.1	12.5	9.0	5.3
Adjusted divedend per share	FIM per A-share	**2.30**	2.10	1.75	1.25	0.75	€	**0.39**	0.35	0.29	0.21	0.13
	FIM per K-share	**2.20**	1.95	1.62	1.12	0.63	€	**0.37**	0.33	0.27	0.19	0.11
Equity per share	FIM	**46.70**	45.40	37.37	24.47	22.12	€	**7.85**	7.64	6.29	4.12	3.72
Adjusted average price per share	FIM per A-share	**118.00**	81.17	49.17	35.50	39.75	€	**19.85**	13.65	8.27	5.97	6.69
	FIM per K-share	**120.00**	78.83	53.33	34.83	41.75	€	**20.18**	13.26	8.97	5.86	7.02
Adjusted lowest price per share	FIM per A-share	**91.00**	56.67	35.00	25.00	33.13	€	**15.31**	9.53	5.89	4.20	5.57
	FIM per K-share	**95.00**	56.67	36.17	26.25	33.13	€	**15.98**	9.53	6.08	4.42	5.57
Adjusted highest price per share	FIM per A-share	**141.00**	110.00	63.33	41.25	43.75	€	**23.72**	18.50	10.65	6.94	7.36
	FIM per K-share	**136.00**	102.50	61.67	42.37	47.50	€	**22.87**	17.24	10.37	7.13	7.99
Adjusted price per share, Dec 31	FIM per A-share	**103.00**	98.33	57.50	35.33	39.75	€	**17.32**	16.54	9.67	5.94	6.69
	FIM per K-share	**108.00**	100.00	60.00	38.33	41.25	€	**18.17**	16.82	10.09	6.45	6.94
Market value of shares, Dec. 31	MFIM A-shares	**2888**	2744	1596	1005	914	M€	**485.7**	461.5	268.4	169.0	153.6
	MFIM K-shares	**1741**	1612	967	627	900	M€	**292.8**	271.1	162.7	105.5	151.3
	Total	**4629**	4355	2563	1632	1813	M€	**778.5**	732.6	431.1	274.4	305.0
Shares, 1000 (nominal value FIM 5 each)	A-shares	**28037.2**	27901.2	27873.6	28434.0	17238.0						
	K-shares	**16118.4**	16118.4	16160.4	16356.0	16356.0						
	Total	**44155.6**	44019.6	44034.0	44790.0	33594.0						
Adjusted number of shares Dec 31, 1000	A-shares	**28037.2**	27901.2	27754.2	28435.2	22982.4						
	K-shares	**16118.4**	16118.4	16118.4	16358.4	21811.2						
	Total	**44155.6**	44019.6	43872.6	44793.6	44793.6						
Adjusted average number of shares, 1000	A-shares	**27976.1**	28173.2	27873.6	28435.2	23445.0						
	K-shares	**16118.4**	16118.4	16160.4	16358.4	22320.6						
	Total	**44094.5**	44291.5	44034.0	44793.6	45765.6						
Number of shares traded, 1000	A-shares	**3312.2**	2110.8	5418.6	4561.8	4164.6						
	in % of total	**11.8**	7.6	19.5	16.0	23.7						
	K-shares	**1268.8**	969.6	2742.6	1153.8	1467.0						
	in % of total	**7.9**	6.0	17.0	7.1	8.8						
Price per earnings	A-share	**25**	22	18	14	11						
	K-share	**26**	22	18	15	11						
Dividend per earnings in per cent		**55.2**	44.3	52.2	45.8	19.6						
Dividend yield in per cent	A-share	**2.2**	2.1	3.0	3.5	1.9						
	K-share	**2.0**	2.0	2.7	2.9	1.6						
Number of shareholders		**2476**	2434	2670	2892	2948						

** Board's proposal, see page 48*

Other Information on Shares and Shareholders

Number of shares and share capital		***31 December 1998***			*31 December 1997*	
	Number of shares	***FIM***	*euro*	*Number of shares*	*FIM*	*euro*
Outstanding A shares	**28 037 202**	**140 186 010**	**23 577 594**	27 901 206	139 506 030	23 463 230
Outstanding K-shares	**16 118 364**	**80 591 820**	**13 554 571**	16 118 364	80 591 820	13 554 571
Outstanding shares, total	**44 155 566**	**220 777 830**	**37 132 165**	44 019 570	220 097 850	37 017 801

Number of shares and votes	***31 December 1998***		*31 December 1997*	
	Number of shares	***Votes***	*Number of shares*	*Votes*
Outstanding series A shares (1 vote/share)	**28 037 202**	**28 037 202**	27 901 206	27 901 206
Outstanding series K shares (20 votes/share)	**16 118 364**	**322 367 280**	16 118 364	322 367 280
Total	**44 155 566**	**350 404 482**	44 019 570	350 268 486

If the Annual General Meeting declares a distribution of dividends, shares of series A are entitled to at dividend of at least two percentage points higher than shares of series K.

Maximum number of shares	***31 December 1998***	*31 December 1997*
Shares of series A at a maximum of	**168 000 000**	168 000 000
Shares of series K at a maximum of	**168 000 000**	168 000 000
Maximum number of series A and K, total	**168 000 000**	168 000 000

Minimum and maximum share capital	***31 December 1998***	*31 December 1997*
Minimum share capital	**FIM 210 000 000**	FIM 210 000 000
Maximum share capital	**FIM 840 000 000**	FIM 840 000 000

Taxation values of the shares in Finland

	1998	*1997*
Share	*FIM*	*FIM*
Series A shares	**70.00**	70.00
Series K shares	**70.00**	68.33

Turnover of shares at the Helsinki Stock Exchange		***1998***			*1997*	
Share	***MFIM***	***M€***	***Number of shares***	*MFIM*	*M€*	*Number of shares*
Series A shares	**390.2**	**65.6**	**3 312 215**	171.3	28.8	351 836
Series K shares	**152.9**	**25.7**	**1 268 844**	76.5	12.9	161 607
Total	**543.1**	**91.3**	**4 581 059**	247.8	41.7	513 443

Shareholders by owner groups

Ownership structure	*Number of shareholders*	*%*	*Number of shares*	*%*	*Votes*	*%*
Private corporations	127	5.13	11 436 138	25.90	97 710 008	27.88
Financial institutions and insurance companies	21	0.85	2 196 504	4.97	21 475 614	6.13
Public entities	22	0.89	4 258 356	9.64	29 737 356	8.49
Non-profit organizations	82	3.31	4 258 572	9.65	33 979 740	9.70
Households	2 185	88.25	12 966 582	29.37	115 082 158	32.84
Foreigners	38	1.53	8 998 284	20.38	52 206 792	14.90
Others	1	0.04	41 130	0.09	212 814	0.06
Total	2 476	100.00	44 155 566	100.00	350 404 482	100.00

Division of shares on 31 December 1998

Number of shares	*Number of shareholders*	*%*	*Number of shares*	*%*	*Number of votes*	*%*
1 - 100	330	13.33	58 668	0.13	319 880	0.09
101 - 500	793	32.03	219 143	0.50	1 131 599	0.32
501 - 1 000	406	16.40	299 666	0.68	1 712 772	0.49
1 001 - 10 000	744	30.05	2 280 859	5.17	15 895 271	4.54
10 001 - 100 000	145	5.86	4 512 492	10.22	34 263 832	9.78
100 001 -	58	2.34	36 784 738	83.31	297 081 128	84.78
Total	2 476	100.00	44 155 566	100.00	350 404 482	100.00

The major shareholders according to the shareholder register on 31 December 1998

	Shares of series A	*Shares of series K*	*Total*	*Percentage of votes*	*Percentage of shares*
Virala Oy Ab	1 359 532	1 476 456	2 835 988	8.8	6.4
Oy Holdix Ab	1 518 414	1 233 996	2 752 410	7.5	6.2
Extoria Trade Aktiebolag	2 782 398	1 012 800	3 795 198	6.6	8.6
Varma-Sampo Mutual Pension	954 096	922 770	1 876 866	5.5	4.3
Sampo Group	621 167	815 148	1 436 315	4.8	3.2
Agrofin Oy Ab	2 329 017	682 144	3 011 161	4.5	6.8
Hambo Oy Ab	603 774	732 570	1 336 344	4.3	3.0
Oy Julius Tallberg Ab	238 590	750 138	988 728	4.3	2.2
I.A. von Julin's Trust	555 912	733 530	1 289 442	4.3	2.9
Sophie von Julin's Foundation	809 400	482 040	1 291 440	3.0	2.9
The Local Government Pension Institute	841 620	314 220	1 155 840	2.0	2.6

Option program The holders of warrants connected to the option loans of 1993 are entitled to a total of 135,978 shares of series A corresponding to 0.3% of the shares and 0.04% of the votes .The nominal aggregate value of these shares is FIM 679,890 (euro 114,349). The warrants can be exercised as follows:

	Period	*Number of shares of series A*	*Subscription price / share FIM*	*Subscription price / share euro*
Series C	1 to 31 October 1999	135 978	35.00	5.89

The holders of warrants connected to the option program of 1998 are entitled to a maximum of 1,260,000 shares of series A corresponding to approx. 3% of the shares and approx. 0.4% of the votes. The nominal aggregate value of these shares is FIM 6.3 million (1.06 million euro). The warrants can be exercised as follows:

	Period	*Number of shares of series A*	*Subscription price / share FIM*	*Subscription price / share euro*
Series A	15 May to 15 June 2001	maximum 420 000	129.00	21.70
Series B	15 May to 15 June 2002	maximum 420 000		not fixed
Series C	15 May to 15 June 2003	maximum 420 000		not fixed

Management's shareholding On 31 December 1998, the Board members, the President and the Corporate Vice Presidents controlled a total of 11,977,475 shares corresponding to 27.1% of the Corporation's shares and 31.4% of the votes. By exercising the warrants of series C connected to the option loans of 1993 and the warrants of series A connected to the option program of 1998 the President and the Corporate Vice Presidents are entitled to a total of 151,992 shares of series A corresponding to 0.3% of the shares and 0.04% of the votes.

Shareholders' Agreement In December 1992 a group of private investors and companies entered into an agreement on pre-emptive rights between the parties in case of sales of shares. The agreement is still in force and the group represents about 54% of the total number of votes.

Parent Company Income Statement

	1998			1997		
	MFIM	*M€*		*MFIM*	*M€*	
Net sales	**142.0**	**23.9**	**100.0%**	127.0	21.4	100.0%
Cost of sales	**-11.5**	**-1.9**		-11.0	-1.8	
Gross profit	**130.5**	**21.9**	**91.9%**	116.0	19.5	91.4%
Administration expenses	**-36.2**	**-6.1**		-31.2	-5.2	
Other operating income	**14.9**	**2.5**		2.1	0.3	
Other operating expenses	**-0.3**	**0.0**		-7.2	-1.2	
Operating profit	**108.9**	**18.3**	**76.7%**	79.6	13.4	62.7%
Financial income and expenses (6)	**11.7**	**2.0**		101.1	17.0	
Profit before extraordinary items	**120.6**	**20.3**	**84.9%**	180.7	30.4	142.3%
Extraordinary items (8)	**0.0**	**0.0**		275.7	46.4	
Profit before appropriations and taxes	**120.6**	**20.3**	**84.9%**	456.4	76.8	359.5%
Increase (-) or decrease (+) in depreciation reserve	**1.0**	**0.2**		1.0	0.2	
Group contribution received	**28.1**	**4.7**		44.7	7.5	
Income taxes (7)	**-37.7**	**-6.3**		-125.4	-21.1	
Profit for the financial year	**112.0**	**18.8**	**78.8%**	376.7	63.4	296.7%

Parent Company Balance Sheet

Assets		**31.12.1998**			31.12.1997		
		MFIM	*M€*		*MFIM*	*M€*	
Fixed assets and other non-current investments							
Intangible assets	(9)	**1.8**	**0.3**		1.8	0.3	
Tangible assets	11)	**158.4**	**26.6**		140.2	23.6	
Investments	(12)	**1 507.6**	**253.6**		1 416.8	238.3	
		1 667.8	**280.5**	**52.2%**	1 558.8	262.2	51.1%
Stocks and financial assets							
Stocks	(14)	**0.6**	**0.1**		0.7	0.1	
Non-current debtors	(15)	**773.2**	**130.0**		837.6	140.9	
Current debtors	(17)	**707.9**	**119.1**		606.9	102.1	
Cash in hand and at bank		**44.0**	**7.4**		46.0	7.7	
		1 525.7	**256.6**	**47.8%**	1 491.3	250.8	48.9%
		3 193.5	**537.1**	**100.0%**	3 050.1	513.0	100.0%

Liabilities		**31.12.1998**			31.12.1997		
		MFIM	*M€*		*MFIM*	*M€*	
Capital and reserves	(19)						
Share capital		**220.8**	**37.1**		220.1	37.0	
Share premium account		**230.2**	**38.7**		225.7	38.0	
Revaluation reserve		**23.8**	**4.0**		23.8	4.0	
Other reserves		**19.1**	**3.2**		19.1	3.2	
Retained earnings		**1 115.0**	**187.5**		827.9	139.2	
Profit for the financial year		**112.0**	**18.8**		376.7	63.4	
		1 720.8	**289.4**	**53.9%**	1 693.2	284.8	55.5%
Appropriations	(20)	**10.1**	**1.7**	**0.3%**	11.1	1.9	0.4%
Provisions	(21)	**0.8**	**0.1**	**0.0%**	0.9	0.2	0.0%
Creditors							
Non-current creditors	(23)	**1 288.6**	**216.7**		1 116.9	187.8	
Current creditors	(24)	**173.2**	**29.1**		228.0	38.4	
		1 461.8	**245.9**	**45.8%**	1 344.9	226.2	44.1%
		3 193.5	**537.1**	**100.0%**	3 050.1	513.0	100.0%

Parent Company Statement of Cash Flows

	Note	1998 MFIM	1998 M€	1997 MFIM	1997 M€
Cash flows from operating activities					
Net profit before taxation, extraordinary items		**120.6**	**20.3**	180.7	30.4
Depreciation		**6.0**	**1.0**	5.6	0.9
Reversal of items recorded on an accrual basis	(32)	**-11.7**	**-2.0**	-101.0	-17.0
Cash generated before working capital changes		**114.9**	**19.3**	85.3	14.3
Change in current receivables		**7.2**	**1.2**	-32.8	-5.5
Change in inventories		**0.1**	**0.0**	-0.3	-0.1
Change in current non-interest bearing debt		**-11.8**	**-2.0**	-8.9	-1.5
Cash generated from operations		**110.4**	**18.6**	43.3	7.3
Financial income items received		**118.3**	**19.9**	70.5	11.9
Dividends received		**40.4**	**6.8**	94.0	15.8
Financial expense items paid		**-155.0**	**-26.1**	-78.2	-13.2
Taxes paid		**-43.7**	**-7.3**	-16.4	-2.8
Group contributions		**28.1**	**4.7**	44.7	7.5
Net cash flow from operating activities		**98.5**	**16.6**	157.9	26.6
Cash flows from investing activities					
Investment in shares		**-72.0**	**-12.1**	-51.9	-8.7
Purchase of property, plant and equipment		**-24.1**	**-4.1**	-6.0	-1.0
Investment in non-current receivables		**-19.1**	**-3.2**	-11.5	-1.9
Proceeds from sale of shares		**0.2**	**0.0**	419.2	70.5
Proceeds from sale of equipment		**0.1**	**0.0**	0.2	0.0
Taxes paid on extraordinary items		**-77.0**	**-13.0**	-156.7	-26.4
Net cash flow from investments		**-191.9**	**-32.3**	193.3	32.5
Cash flow after investments		**-93.4**	**-15.7**	351.2	59.1
Cash flows from financing activities					
New issue		**5.2**	**0.9**	2.9	0.5
Change in non-current debt		**159.3**	**26.8**	629.9	105.9
Change in current interest bearing debt		**63.9**	**10.7**	-28.1	-4.7
Change in current receivables		**-113.9**	**-19.2**	-278.4	-46.8
Change in non-current receivables		**66.4**	**11.2**	-696.6	-117.2
Dividends paid		**-89.6**	**-15.1**	-74.6	-12.5
Net cash flows from investing activities		**91.3**	**15.4**	-444.9	-74.8
Change in cash		**-2.1**	**-0.4**	-93.7	-15.8
Cash at beginning of year		**46.1**	**7.8**	139.8	23.5
Cash at end of year		**44.0**	**7.4**	46.0	7.7

Proposal by the Board of Directors to the Annual General Meeting

At the end of the financial year the distributable consolidated equity amounted to FIM 1 532.5 million (258 million euros). The distributable equity of the Parent Company is FIM 1 227.0 million (206 million euros).

The Board of Directors proposes a dividend of FIM 2.30 per share of series A (FIM 2.08) and FIM 2.20 per share of series K (FIM 1.95). This dividend proposal includes a 350-year anniversary bonus of FIM 0.55 per share for both series. Thus dividend should be paid:

on 28 037 202 shares of series A 2.30 FIM/share, in total	64 485 564 FIM
or 0.38683 euro/share, in total	10 845 693 euros
on 16 118 364 shares of series K 2.20 FIM/share, in total	35 460 400 FIM
or 0.37001 euro/share, in total	5 964 011 euros
Total distribution of dividend	99 945 964 FIM
	16 809 907 euros

Helsinki, 18 February 1999

Göran J. Ehrnrooth

Erik Stadigh

Robert G. Ehrnrooth

Thomas Tallberg

Jarl Engberg

Gustaf Gripenberg

Juha Toivola

Stig Stendahl
President and CEO

Auditor's Report

To the shareholders of Fiskars Corporation

I have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of Fiskars Corporation for the year ended 31 December 1998. The financial statements prepared by the Board of Directors and the Managing Director include the report of Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements. Based on my audit I express an opinion on these financial statements and the parent company's administration.

I have conducted my audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that I plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of my audit of the administration has been to examine that the Board of Directors and the Managing Director have complied with the rules of the Companies Act.

In my opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations for the year, as well as of the financial position at the year-end. The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited. The proposed dividend is in compliance with the Companies Act.

I have reviewed the interim reports made public by the company during the year. It is my understanding that the interim reports have been prepared in accordance with the rules and regulations governing the preparation of such reports in Finland.

Helsinki, 18 February 1999

Eric Haglund
Authorized Public Accountant

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