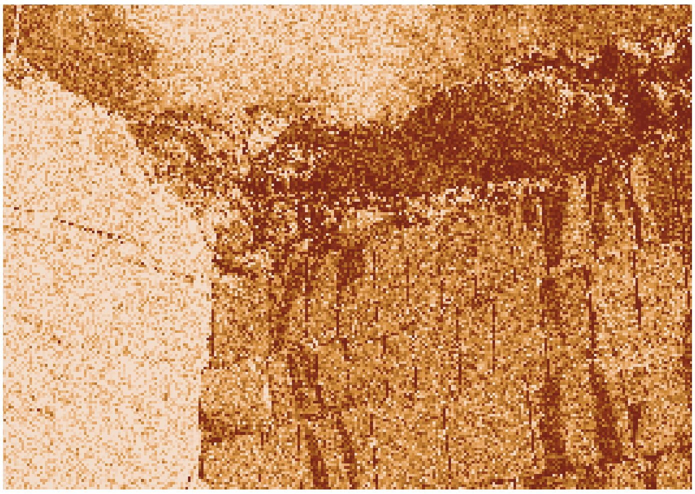
Annual Report 1999

TULIKIVI

Tulikivi Oyj



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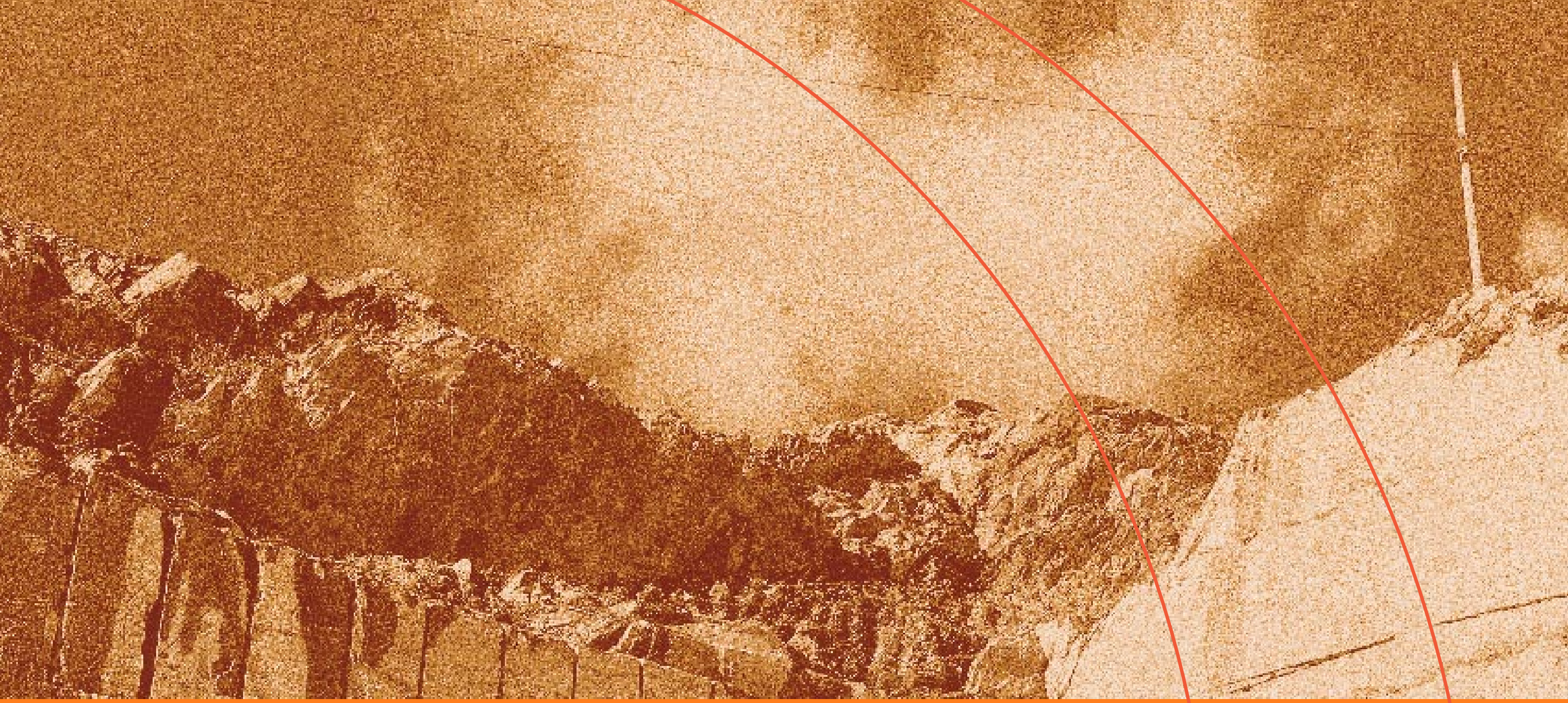
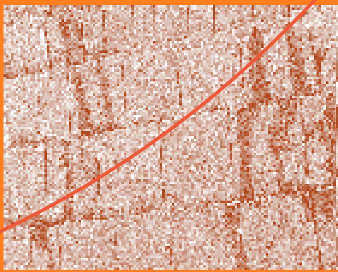


IN THE BEGINNING *the world was but fire,*
climbing miles high;
under the crushing weight and seething heat,
her minerals crystallised myriad;
and with the passage of uncounted millennia,
a metamorphosis –
soapstone became.

WITH TIME *man harnessed the divine fire,*
and discovered her soapstone forged;
and today, this product of fire,
holds the renown of one
known as Tulikivi.



Contents

Business concept and strategy of the Tulikivi Group

The business concept of the Tulikivi Group is to concentrate on the procurement and processing of natural stone. The Group manages large-scale raw material deposits, practices quarrying, processes natural stone to high-quality end products and also deals with global marketing and distribution of its own products.

The Group's business operations are split up into two core areas; fireplace business and stone processing business.

Fireplace business

The fireplace business will concentrate on designing, manufacturing and marketing of heat-retaining stoves made of soapstone. The strategy is to design and manufacture customer-driven fireplaces with a state-of-the-art design and technology as well as to focus on comprehensive customer service. The customer service covers the installation and test operation of the fireplace in addition to guiding the customer concerning a proper use of the product.

The objective of the business operations is to strengthen the present market leader position in the western countries, especially on the market of manufactured, heat-retaining fireplaces. The main market areas of the fireplace business are Europe and North America. The success of Tulikivi on these markets is based on technical properties of the stoves, classical design and a well-built brand – all properties establishing a foundation for the future fireplace business as well.

Stone processing business

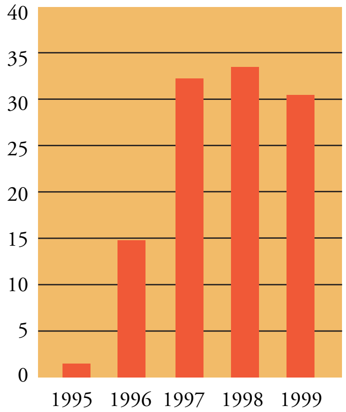
The stone processing business will concentrate on designing, manufacturing and marketing of soapstone-based fireplace liners and on further processing of natural stone materials into building stone e.g. for project delivery purposes.

The strategy of the fireplace coating stone operations is to improve competitiveness of the manufacturers through intensive design and production cooperation. In its business, Tulikivi tends to achieve volume advantages. The target is to strengthen the present market leader position as a deliverer of soapstone-based liners to the most important fireplace manufacturers in Europe.

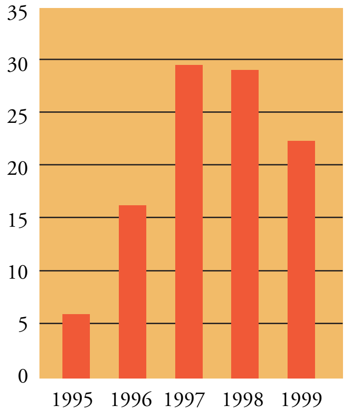
The building stone projects of the stone processing business will focus on project deliveries of stone sections made of natural stones mainly in the market areas of Finland and North Europe. The set target aims at increasing the use of natural stone in building projects as well as enhancing the market share by combining the potential opportunities for using soapstone and granite together as well as by centralizing building stone sales to be performed by one and only profit center.

Key Indicators

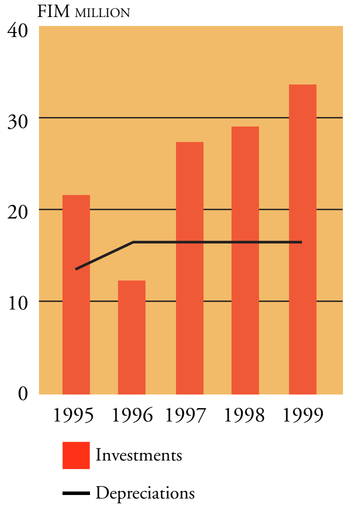
Profit before extraordinary items, FIM million



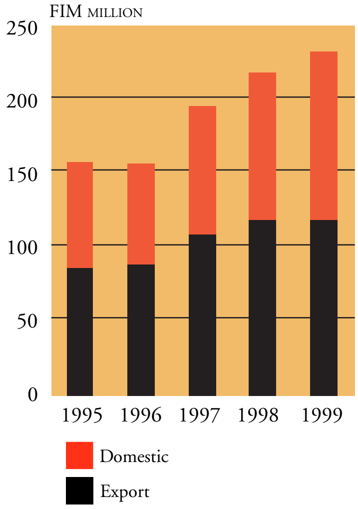
Return on capital employed, %



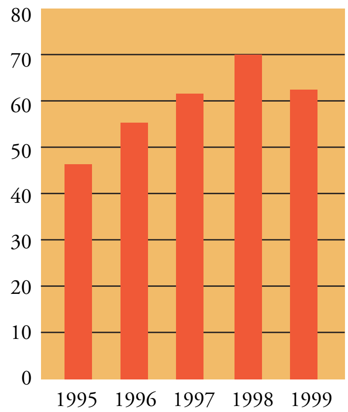
Investments and depreciations, FIM million



Development of net sales, FIM million



Solvency ratio, %



	1999	1998	1999	1998
	FIM million		*Million in euro*	
Net sales	230.6	216.9	38.8	36.5
Profit before extraordinary items	30.7	33.6	5.2	5.7
Return on capital employed, %	22.6	28.1	22.6	28.1
Solvency ratio, %	61.8	69.5	61.8	69.5
Earnings per share, FIM/euro	12.11	13.22	2.04	2.22
Equity per share, FIM/euro	68.69	62.75	11.55	10.55
Payment of dividend on				
A-share FIM/euro	6.00	5.20	1.01	0.87
K-share FIM/euro	5.80	5.00	0.98	0.84

Calculation of key ratios, page 25.

Tulikivi Group comprises of operating companies Tulikivi Oyj, Mittakivi Oy, Kiantastone Oy (Suomussalmen Vuolukivi Oy before), Tulikivi U.S.Inc. and Tulipuu Oy and of dormant companies Tulikivi Vertriebs GmbH and The New Alberene Stone Company Inc.

We welcome the 21st century - the century of shifting values

Something to celebrate

When people were asked in the 1950's to predict what the world would be like in the 21st century, the views and beliefs of the future were strikingly similar with the visions in the Star Wars movies by George Lucas. Most of the people believed that the energy problems of the mankind could be solved by building gigantic nuclear power plants.

It was in 1979 when I rekindled the long-dormant soapstone industry and the production of heat storing soapstone stoves in Finland. I was told by many that the path I chose was nothing but a fading evening star.

But what happened? Last year we witnessed the 20th anniversary of Tulikivi. We celebrated the anniversary thoroughly with joy and hospitable spirit as is customary to Northern Karelia. Hundreds of friends of Tulikivi from all corners of the world joined us. The festive mood was further boosted by the news that Tulikivi had become one of the biggest stone processing companies in the western world and the biggest manufacturer of heat storing fireplaces. All the indicators seem to tell that the peak of growth is not even visible yet. Our company is now filled with hard, unrelenting development effort with the focus set deep into the 21st century.

Stone reserves increased

One of the major factors affecting the conditions for our operations is the sufficiency of the group's stone reserves in the long run. The current stone reserves are expected to last for about 50 years. In autumn 2000, Tulikivi is launching an extensive research project concentrating on the known stone reserves in Kainuu and Northern Karelia and mapping new potential reserves. This project is expected to last for five years. The institute for geological research (Geologinen tutkimuskeskus) is our partner in this venture. The total investment costs of the research project rise to FIM 26 million. Tulikivi will finance directly FIM 13 million. Other financiers for the project include Kainuun Liitto (Kainuu District Association), Pohjois-Karjalan Liitto (Northern Karelia District Association), Tekes and Suomussalmi municipality. These bodies have received research funding from the European fund for area development.

The societal aim of the project is to develop the conditions of the stone industry operating in Eastern Finland for the following decades. The research project will also secure the conditions for long-term growth for Tulikivi. Also, new jobs will be created in the area which suffers from the worst unemployment in Finland.

The research results already show that the stone reserves of the area are exceptionally rich. Future prospects are good, which gave a reason to make our business name Suomussalmen Vuolukivi Oy more appropriate for international use. The new name is Kiantastone Oy. The etymology of the name stems from the lake Kiantajärvi surrounding the excavation. The new business name also makes homage to our national author Ilmari Kianto.

The Suomussalmi factory project was completed in 1999. The project was a success as we were able to keep the planned schedule and budget. The factory will initially concentrate on manufacturing the heat storing stone material for the stoves. After the run-in period the Suomussalmi factory will also produce architectural stone. This product segment suits the factory naturally because the colour range as well as the range of surface patterns of the stone produced by the excavation is rich. I am glad to be able to tell our investors that thanks to Suomussalmi the stone reserves of Tulikivi Group have increased significantly. However, our raw material assets are not reflected in the balance sheet.

Division into four separate business units

In 1999 a decision was reached to divide the Tulikivi Group into four business units which are independently responsible for their profits, marketing efforts and customer service. In connection with introducing the profit centre model, the fireplace business segment was divided into Tulikivi and Mittakivi units. Tulikivi concentrates on developing and mass producing first-rate standard fireplaces. Mittakivi has as its business field to design and manufacture custom fireplaces. The Mittakivi profit centre is also responsible for delivering architectural stone.

The new Kiantastone profit centre was also founded. This profit centre will operate in connection with the new Suomussalmi factory. Kiantastone is responsible for delivering stove stone material. This profit centre will later expand its area of expertise to include the manufacture of architectural stone. Also, a separate profit centre was founded to deal with acquiring new stone reserves and to handle excavation operations. This profit centre is responsible for ensuring that the stone reserves are sufficient, for quarrying stone and for delivering the stone material to the production units. This profit centre is also responsible for the product development of the surplus stone material generated by the production units.

The responsibilities of the board and the set of values of the company have been laid down

In 1999 a description of corporate governance was prepared for Tulikivi. This description includes the tasks and responsibilities of the board of the company, the basic values of the company and the general operating principles. The core task of the board was defined as supporting and monitoring profitable operation of all the business units.

The description of corporate governance clarifies the administration of the family business and gives the shareholders a clearer picture of the company policy. The aim was to describe those aspects of the administration and the management system that ensure the best possible return for the shareholders.

The megatrends of the 21st century

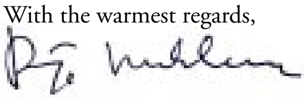
The European value surveys predict a shift in the values. A European of the 21st century values individuality, experiences and togetherness, and wants more quality time for him/herself and for his/her family. Products that have embraced the idea of sustainable development and environmental friendliness will experience very strong growth in demand.

The EC has declared its energy policy strategy that extends to the year 2010. The strategy requires tripling the use of bio mass energy. In English this means basically fire wood. Recently the natural forces have been engaged in even too aggressive sales promotion work for us. The infernal subzero temperatures experienced last winter in Lapland and at the Rocky Mountains, USA, and most recently the thunderstorms in France have shown the value of our heat storing fireplaces.

One of the megatrends in architecture is the fact that the status of natural materials has been reinstated. Our effort is strong in the development project launched by the Finnish Association for Stone Industry (Suomen Kiviteollisuusliitto) where the aim is to double the production and the export of natural stone products in Finland over the period of five years. This is why the board of the company has decided to extend the business field of the company to include processing of hard stone material. The company has already acquired a granite processing plant. In the future, we will be able to offer builders a more extensive range of natural stone.

We are facing a millennium of grand potential. Our stone foundation is stronger than ever. It is nice to have such a solid foundation to build new upon.

In Juuka before the dancing flames of an open fire , February 2000.
With the warmest regards,



Mr Reijo Vauhkonen
Chairman of the Board

Report by the managing director

During 1999, the Tulikivi Group prepared to increase its market share by putting a lot of effort into customer service and by investing in a new quarry and production plant to increase the production capacity.

Following its business concept, the Group focused on the present fireplace and stone processing operations, heading for profitable growth and strengthening the market leadership. Market areas consisted of the homeland and the Group's present export countries in Europe and North America.

Estimated on an annual basis, the demand was as high as expected in the Group's main market areas, except in Germany. When the position of world economy stabilized, the investment rate which had been sluggish at the beginning of the year on the German building markets speeded up in autumn and raised the total demand of the Tulikivi export markets to the same level with that of the previous year. The domestic markets resumed showing a positive growth and increased by about three percent.

At the moment, some propensity to invest can be spotted in reparations and new construction projects in Finland and in export countries, which results in an estimation that the fireplace market will increase by about two percent in the year 2000. A growth of equal magnitude in comparison with the year before provides Tulikivi with a good stepping stone for developing its growth strategy and increasing its market share.

More competitiveness with an organizational change

To further develop operations, the Group transferred to an organization model consisting of four business units at the beginning of October, 1999. The objective of the organizational reform was to emphasize the market-driven concept, to improve competitiveness and to enhance cost-effectiveness.

We have set meters for measuring the targets of the new business units and for follow-up of their development. The management of the Group and the staff of the units have committed themselves as teams for fulfilling the targets. According to them, the Tulikivi business unit will account for about 60 percent of the Group's net sales in the year 2000, while the share of the Mittakivi business unit will be about 35 percent and that of the Kiantastone business unit about 5 percent. The turnover of the business unit for quarrying will be included in the figures of the Group. Besides the turnover and performance meters, we shall follow the increase in productivity, R&D and the operations of the organization.

Investments in production continue

The most important investment object in 1999 was to build a production plant concentrating on stove stone operations in Suomussalmi and to open a new quarry located in connection with it. The new quarry will increase the amount and versatility of stone reserves, because, due to versatile color tones, the stone material of the quarry is most suitable for building stones as well, besides using them as fireplace and stove stones. With a rising standard of living, natural stone will more and more often be used in building projects, thus representing a market potential of about one billion Finnmarks in Finland.

The total value of the Suomussalmi plant investment was approximately FIM 40 million, of which the share of Tulikivi after investment aids was about FIM 17 million.

The total capacity of the plant is built up to equal to net sales of about FIM 40 million. The production investment was started up in December, 1999, while the main production began in January, 2000. The plant is expected to run at full capacity towards the end of the year.

Efforts put on product development

The Tulikivi fireplaces are designed to be the most advanced heating stoves in their field and they meet the strictest emission standards in the world. The increasingly strict emission standards for fireplaces will hamper the sales of stoves with impure combustion results, thus enhancing the sales opportunities of the Tulikivi stoves. Although the market position of Tulikivi is very strong, the company still continued putting efforts on further developing a clean combustion process.

Developing the heating systems for small houses was at the same time resumed as well. In the future, heat-retaining capacity of Tulikivi fireplaces can be combined with another heating system of a small house to ensure energy savings.

Efforts were also put on developing the model of design 2000 in the fireplace business. The new design combining soapstone with glass is believed to enhance selling opportunities. To promote sales, we opened all in all over 30 new or rebuilt Tulikivi fireplace studios demonstrating fireplaces both in the homeland and in the export countries. Now, the number of fireplace studios is over 200 and we have all in all nearly one thousand showrooms. The fireplace studios provide customers with a concrete view on the housing advantages offered by fireplaces, i.e. pleasant housing conditions, energy savings and environmentally friendly nature.

Favorable development in net sales

The Group's net sales of FIM 230.6 million grew 6.3 percent in comparison with the year before. The favorable development in the net sales was especially affected by a positive development in domestic sales of the fireplace business, together with increased sales figures of stoves in individual export countries.

The Group's domestic net sales of FIM 113.1 million grew 14.4 percent, mostly resulting from the growth of the market share dedicated to fire place sales but also from a positive development in the sales of building stone. According to a preliminary study made by RTS, the domestic market share of Tulikivi fireplaces enhanced from 22 percent to 25 percent in the homeland. The fireplace business accounts for 84.3 percent of the Group's whole net sales.

However, the net sales of exports, worth FIM 117.5 million, equaled to 51 percent of the Group's net sales. The fireplace sale of exports increased by 3 percent, but the total exports remained at the same level as the year before, due to low fireplace stone sales. Prudence in Germany for making investments at the beginning of the year had a general effect on exports, resulting in a lower development than expected. The net sales of the stone processing business, worth FIM 36.2 million, dropped by almost three percent. However, there occurred a rapid increase in demand during the latter part of the year resulting in the start-up of maximum capacity in the fireplace stone production.

A record-breaking performance achieved during the last third of the year raised the result of the Group close to the level of the previous year. Profit before taxes and extraordinary items amounted to FIM 30.7 million, which may be regarded as good, even though the profit target was not fully achieved. Besides the decrease in the sales of fireplace stones, the result was negatively impacted by efforts put on marketing and the start-up costs caused by the new plant.

Promising future prospects

Implemented and ongoing development actions and efforts have paved the way for opportunities of enhancing business operations. The excellent result of the last four-month period of the year witnessed by the accounting period showed how efficient our organization is and how ready we are in the year 2000 for recording a better result than the past accounting period. I would like to thank all the customers, shareholders, personnel members and cooperation partners for their good collaboration during the past year.

In Juuka February 23rd, 2000.

Mr Reijo Svanborg
Managing Director

Business operations

The Tulikivi Group has specialized in industrial production of soapstone-based fireplaces and building stones. The company is the greatest soapstone processor in the world and one of the world's greatest manufacturers of heat-retaining stoves.

Operatively, the Tulikivi Group is split up into four business units, group-level marketing units as well as service units. This organizational structure will emphasize market orientation and improve competitiveness.

Procurement and quarrying of stone reserves

The business unit for quarrying is in charge of the procurement, quarrying and deliveries of stone reserves for the Group's productional business units. The business unit aims at improving the yield percentage of quarrying by developing research and quarrying methods of raw material reserves. Another aim is to develop new uses for the remaining stone, thus finding new customers. Significant synergy advantages will be achieved for the whole group by centralizing the quarrying business to be performed by its own business unit.

Series-produced fireplaces

The Tulikivi business unit will concentrate on designing, manufacturing and selling of series-produced fireplaces. The products of the unit consist of heat-retaining fireplaces made of soapstone conducting and retaining heat very well. A customer-driven approach has been considered in the design of the collection by diversifying the fireplace selection and by introducing variations into basic prototypes.

The Tulikivi business unit aims at improving productivity by cutting down productional turn-around times. Produced amounts meeting the ever-increasing demand can be manufactured by the present organization.

Tailored and small-scale fireplaces

The Mittakivi business unit will focus on designing, manufacturing and selling of the Group's tailored and small-scale fireplaces as well as building stone projects. Tailored fireplaces are designed to fulfill the requirements of the customers and their implementation solutions are based on tested fireplace constructions.

The Mittakivi business unit aims at a growing business by enhancing the sales of tailored fireplaces.

Coating stones for stoves

The Kiantastone business unit will concentrate on designing, manufacturing and selling of coating stones for stoves. Our customers and cooperation partners for designing and placing stone sections for stoves consist of the most remarkable stove manufacturers in Europe. Various color tones in the stone material obtained from the new quarry opened in Suomussalmi provide the business unit with a competitive edge. The target of the Kiantastone business unit is profitable growth with the newly completed production capacity increase. The reason why soapstone is so popular stone material in coating stoves is based on its heat-retaining capacity and its suddle appearance.

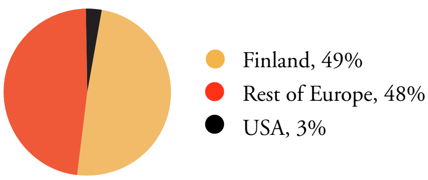
Building stone business

Building stone production will be centralized to be performed by its own business unit by combining the business of SKT-Granit Oy, bought in March 3, 2000, with the current soapstone production meant for building stone projects. Building stone products are made of soapstone and granite at the various production plants of the Group.

Operation based on rich stone reserves

Controlling the soapstone reserves is the basis of Tulikivi Group. The current reserves have been estimated sufficient to last decades ahead. To ensure a growth of processing operations, plenty of efforts are continuously put on acquiring new soapstone deposits and opening new quarries. Tulikivi has started up a long-term inventory and research project of soapstone aiming at examining the current soapstone reserves and surveying potential new deposits in Finland.

BREAKDOWN OF NET SLAES BY MARKET AREA, %



Increasing demand for fireplaces and processed stone

The market of the fireplace business covers a total volume of good FIM 15 billion. Of this market value, about 90 percent is composed of the sales of fireplaces with a metal body. The rest of the aggregate market belongs to the segment of heat-retaining fireplaces, which is the main line of business of the Tulikivi Group.

Europe and North America are the main marketing areas of Tulikivi. The use of natural stone in building and interior decoration shows an annual increase of over 5 percent in these areas. The stone processing business will be expanded in the future to cover the areas where fireplaces are currently sold. Growth targets of Tulikivi are supported by the stone processing operations bought from SKT-Granit Oy. The acquisition enables the expansion of market for the sales of building stone, while also providing good opportunities for the growth of the operation.

The total market value of the stone processing business is estimated to amount to several tens of billions in Finnmarks. The sale of stove coating stones included in the stone processing operations is also expected to grow, as the fireplace markets have shown a general trend of focusing on the sales of heat-retaining fireplaces. To enhance the heat-retaining property, the light-structured metal stoves are therefore more and more often coated with soapstone.

Extensive sales and marketing networks

In the homeland, the Tulikivi standard and tailored fireplaces are sold under the Tulikivi and Mittakivi brands through various hardware store chains. Sales work is supported by the Group's district and fireplace masters organization as well as the numerous fireplace studios owned by the company both in Finland and in the export countries. Sales abroad are carried out by importers and their resellers. In exports, only available brand is Tulikivi. Product sales and marketing are centralized to be performed by the Group's marketing units split up as required by domestic and exports markets.

The Kiantastone business unit specializing in coating stones for stoves will participate in designing stone sections for fireplaces together with its cooperation partners. Focal points in designing are design trends, color tones of stone and surface treatment as well as the technical structures and ease-of-production of the stone. Stoves coated with soapstone by the cooperation partners will be sold under their own brands and through their distribution channels to the customers.

Customers appreciate comfortable living

Of the clientele of Tulikivi, about half consists of buyers of new small houses and the other half of rebuilders. This split structure diminishes the company's dependence on cyclical fluctuations in building sector, as more reparation projects will be started when there is less new construction projects. The number of fireplaces designed for small houses to be built amounts, on average, to 1.2 pcs per flat in Finland already.

The increasing demand for fireplaces is based on the fact that people have started emphasizing the significance of pleasant housing conditions. Besides this, the investment decision is significantly affected by energy and environmental views on burning firewood. When burning and generating energy, the wood belonging to renewable natural resources does not increase the carbon dioxide content of air. Together with other heaters generating energy with renewable natural resources, the wood-heated fireplaces will achieve a more significant position than ever as a system for heating small houses.

Customer-oriented product development and production

In product development, we have focused on optimizing the collection to make fireplaces sold under the Tulikivi and Mittakivi brands as customer-driven and friendly method of production as possible. Special attention has been paid on combustion process management to ensure clean combustion results. The Group's fireplaces are environmentally friendly and meet the strictest emission standards in the world.

The fireplaces are designed by our own designers and well-known external domestic and foreign designers. The chiefly classical design of our collection is suitable for the clientele of our whole market area.

In stone processing industry, three soapstone plants of the Group represent a state-of-the-art technology in the world. The plants are equipped with modern, highly automated production lines. The production staff works efficiently in two, partly in three shifts making products on the basis of customers' orders with a short delivery time. By means of developed production methods we can cost-effectively produce customer-driven, series-produced fireplaces as well as tailored fireplaces meeting

customers' requirements. The production methods focus on better production efficiency by using the stone material more accurately and by shortening the cycle times in production.

The Group follows the ISO 9001 quality standard. Tulikivi Group has already during the whole of 1990s observed a course of action respecting environmental values. A decision has been made to certify it as an environmental system ISO 14001 and to combine it with the ISO 9001 quality system.

Developing know-how supports our goals

The target of training is to maintain and enhance the expertise of the personnel and interest groups in order to fulfill the objectives of the Tulikivi Group. Plenty of efforts have been put on the personnel training in the Tulikivi Group in the framework offered by an ESF-financed training program (European Social Fund). The training program has focused on compiling a technology strategy and on obliging the organization members to commit themselves to the set targets. The training will end in spring 2000.

When training the production staff, we have focused on arranging a vocational degree for qualified stone workers, ending with a test of expertise. As a basic vocational degree of the stone processing industry, it will improve the preparedness of the production staff to take responsibility for the different work stages of the production. The training started in 1999, and now more than 60 persons have passed the degree for qualified stone workers. The training for completion of this degree will continue in 2000.

At the moment, Kiantastone Oy's production staff is attending a course on reprocessing the soapstone. The course is arranged by the company and the Ministry of Labor and will end in April, 2000.

All the staff participated in team training in 1999 to improve their preparedness for teamwork. The teams aim at meeting the targets set for their own sub-areas and at further developing their own areas to ensure that the growth, economic result and quality targets of the Group will be achieved. In the year 2000, the teams will be making an effort to develop a performance measuring system to facilitate the follow-up of achieving set targets.

Report of the board for the fiscal year 1999

The operating circumstances of the Tulikivi Group fluctuated in 1999. The domestic demand situation was good which is reflected in the 5 percent increase of sales in the interior decoration and hardware group products. One-family house constructions started in 1999 were 7 percent higher than in 1998. The demand for Tulikivi and Mittakivi products increased by 14.4 percent.

In the main export area, Central Europe, the demand figures fell rapidly in the beginning of the year having a negative impact on the profit development. Demand picked up towards the autumn and during the last trimester the group made the best result hitherto.

During the fiscal year 1999, Tulikivi Oyj celebrated its 20th anniversary.

Net sales

The net sales was FIM 230.6 million in total (1998: FIM 216.9 million) which translates into a growth of 6.3 percent. The fireplace business segment increased to FIM 194.4 (179.7) million and its proportion of the total net sales reached 84.3 (82.9) percent. Stone processing yielded FIM 36.2 (37.2) million. Weakened demand in the stove industry of Central Europe had a negative impact on the demand of the stone processing products early in the year.

Export and international operations amounted to FIM 117.5 (118.1) million of the total net sales i.e. 51.0 percent. The most important export countries were again Germany and Switzerland. Respectively, domestic operations generated FIM 113.1 (98.9) million of the net sales.

Result

The Group's profit before extraordinary items was FIM 30.7 (33.6) million. The profit of the group fell due to the weak demand in the beginning of the year. However, the latter part of the year fulfilled the expectations.

The fixed costs caused by getting the factory of Kiantastone Oy ready for production were recorded as expense. They together with the depreciation made on the company's fixed assets had a profitimpact of FIM 2.1 million.

The group focused its efforts on personnel and marketing to meet the requirements of the increasing capacity. The marketing costs excluding the personnel costs were FIM 20.4 (16.7) million.

The profit according to the income statement was FIM 21.0 (23.4) million. The earnings per share were FIM 12.11 (13.22). The return on the capital employed was 22.6 (28.1) percent. Respectively, the return on equity was 18.4 (22.5) percent.

Investments

The investments on fixed assets amounted to FIM 27.4 (28.8) million.

In December 1999, a large production investment was completed in Suomussalmi, enabling the utilization of the local soapstone deposits. The investment was implemented in co-operation with Suomussalmi municipality, responsible for the building investments. Kiantastone Oy invested in all FIM 17,1 million in production equipment, IT system and in opening the quarry areas out of which the share of the past fiscal period was FIM 14.7 million after deducting investment grants given by the Ministry of Trade and Industry. The business name of Suomussalmen Vuolukivi Oy was changed to Kiantastone Oy at the turn of the year.

New excavation investments were made in Juuka when existing stone quarrying areas were extended and new ones opened. Also, a road transfer investment was realised together with the public road building service (Tielaitos). The new IT system was taken into use in the beginning of the fiscal year. Other investments mainly consisted of replacing equipment.

Financing

The financial status of the group remained solid and good. The net cash flow from operating activities was FIM 35.2 (39.3) million and the own capital investment ratio was FIM 1.3 (1.5). The investments were partially financed using loaned capital. The solvency ratio was 61.8 (69.5) per cent, and the current ratio was 2.0 (1.6).

Personnel

The Group employed on average 377 (374) persons during the fiscal year. At the end of the fiscal year, the total number of employees was 379 (383). Kiantastone Oy employs six people of the total 379.

A new profit centre organisation model was introduced in the Tulikivi Group on the 5th of October. This change makes it possible to use the resources of the group and the new IT system better. This will, in turn, increase cost efficiency in the future.

Board of Directors, Managing Director and Auditors

The annual general meeting was held on the 9th of April 1999, and the number of board members was set as six. The following board was elected: Bishop Ambrosius, Mr Aimo Paukkonen, Mr Teppo Taberman, Mr Mikko Vauhkonen, Mr Reijo Vauhkonen, and Mr Matti Virtaala. The board elected among its members Mr Reijo Vauhkonen as the chairman and Bishop Ambrosius as the vice chairman.

The board members of the parent company are also Board members of the active subsidiaries.

Reijo Svanborg acts as Managing Director.

The auditor is the authorized public accountancy firm SVH Pricewaterhouse Coopers Oy.

Dividend

The board will propose to the general annual meeting, which is to be held on the 7th of April 2000[*)], that dividend per A share be set as FIM 6.00 (FIM 5.20/share in 1998) and dividend per K share be set as FIM 5.80/share (FIM 5.00/share in 1998). The dividend policy applied by Tulikivi Oyj is based on the annual profit and the financial structure of the company. The target dividend is 30 to 50 percent of profit. The dividend proposed for the anniversary year 1999 is 45 percent of the period's profit after elimination of the effect of extraordinary expenses.

Significant events during the current fiscal year

The board of the company has decided to extend the business field of the Tulikivi Group to include processing of hard stone materials. Synergy benefits will be reached by combining the marketing of various soapstone variants of Tulikivi with the broader architectural stone sector.

On the 9th of February 2000, the company has signed a letter of intent for purchasing the granite processing business from SKT-Granit Oy which is an affiliate to Outokumpu Oyj. According to this letter of intent, the business operations will be transferred to Tulikivi Oyj on the 1st of March in 2000. The net sales of the business to be acquired was FIM 22.5 million in 1999. The total number of employees is 40.

The Tulikivi Group has also reached a decision to launch a project for surveying and studying current soapstone reserves and for charting new deposits in Finland. This project lasts till 2006. The project is implemented in co-operation with the Finnish Geologic Research Institute (Geologian tutkimuskeskus). The purpose of the project is to ensure the success of the company's growth strategy. Total costs of the investment amount to FIM 26 million. The Tulikivi Group will finance some FIM 13 million of the total sum. The remaining financing need is covered with public financing.

Future prospects

The Tulikivi Group is involved in the development project launched by the Finnish Natural Stone Association (Suomen Kiviteollisuusliitto) where the aim is to double the production and the export of natural stone products in Finland over the period of five years.

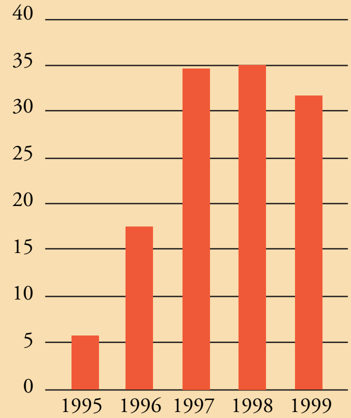
The Tulikivi Suomussalmi plant and the deposit will create a substantial amount of new opportunities for the production and product range in building stone market. This starting production unit is estimated to reach a positive result in 2000 and to increase the total net sales of the group by FIM 10 to 20 million.

The future prospects for existing operations are stable. However, seasonal fluctuation typical of Tulikivi operations will be shown in the quarterly results.

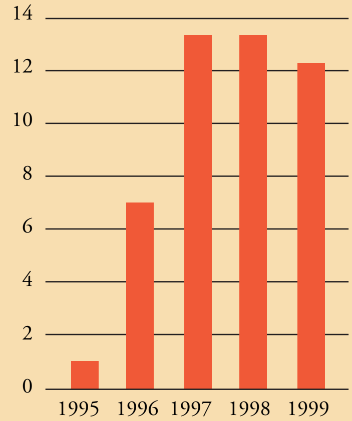
The demand is expected to show positive development in all market areas.

*) Contrary to prior information the general shareholders' meeting will be held on the 26th of April. The new date was decided in a board meeting held on the 14th of March 2000.

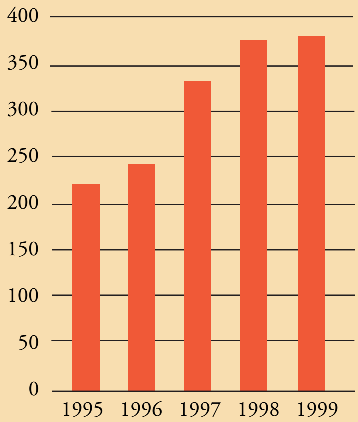
Operating profit, FIM million



Earnings per share, FIM



Personnel



Income Statement 1.1. - 31.12.

		Group		*Parent Company*	
FIM 1,000	*Note*	*1999*	*1998*	*1999*	*1998*
Net sales	1.1.	230,569	216,912	200,199	185,175
Increase (+)/decrease(-) in inventories in finished goods and in work in progress		286	2,338	-494	762
Production for own use		4,489	2,913	3,431	2,733
Other operating income	1.2.	2,391	1,726	5,620	3,301
Materials and external charges	1.3.	65,653	56,973	83,884	71,539
Personnel expenses	1.4.	72,325	66,559	49,632	45,671
Depreciations and value adjustments	1.5.	16,757	16,724	12,077	12,165
Other operating expenses		51,664	49,504	40,714	40,019
Operating profit		31,336	34,129	22,449	22,577
Financial income and expenses	1.6.	-604	-494	3,324	2,933
Profit before extraordinary items		30,732	33,635	25,773	25,510
Extraordinary items	1.7.	-504		-5,296	-1,116
Profit before untaxed reserves and income taxes		30,228	33,635	20,477	24,394
Untaxed reserves	1.8.			-297	1,346
Income taxes	1.9.	-9,263	-10,197	-5,289	-7,100
Profit for the year		20,965	23,438	14,891	18,640

Balance sheet 31.12.

FIM 1,000	Note	Group 1999	Group 1998	Parent Company 1999	Parent Company 1998
ASSETS					
Fixed assets and other non-current investments					
Intangible assets	2.1.	16,147	12,652	14,131	11,044
Tangible assets	2.2.	97,069	90,090	50,516	53,284
Shares in group companies	2.3.			9,738	7,839
Receivables from group companies	2.4.				300
Other investments	2.5.	346	346	346	346
Fixed assets and other non-current investments, total		113,562	103,088	74,731	72,813
Current assets					
Inventories	2.6.	17,553	17,958	10,293	11,690
Non-current receivables	2.7.		526	16,809	5,211
Current receivables	2.8.	33,974	23,897	24,705	20,488
Cash in hand and at banks		31,979	14,495	25,185	11,820
Total current assets		83,506	56,876	76,992	49,209
Total assets		197,068	159,964	151,723	122,022
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders´ equity					
Capital stock	2.9.	35,453	35,453	35,453	35,453
Share premium fund	2.9.	29,475	29,475	29,475	29,475
Revaluation reserve	2.9.	225	225	225	225
Retained earnings	2.10.	35,613	22,627	21,955	12,426
Profit for the year	2.10.	20,965	23,438	14,891	18,640
Total shareholders´ equity		121,731	111,218	101,999	96,219
Accumulated untaxed reserves	2.11.			677	380
Creditors					
Deferred tax liability	2.12.	5,833	3,253		
Non-current liabilities	2.13.	26,745	10,231	20,871	2,182
Current liabilities	2.14.	42,759	35,262	28,176	23,241
Total creditors		75,337	48,746	49,047	25,423
Total liabilities and shareholders' equity		197,068	159,964	151,723	122,022

CASH FLOW STATEMENT 1.1.–31.12.

	Group		Parent Company	
FIM 1,000	*1999*	*1998*	*1999*	*1998*
Cash flows from operating activities				
Profit before extraordinary items	30,731	33,635	25,772	25,510
Adjustments for:				
Depreciations	16,757	16,724	12,076	12,165
Financial income and expenses	617	636	-3,324	-2,933
Other adjustments	116	-40	9	-17
Cash flow before working capital changes	48,221	50,955	34,533	34,725
Change in net working capital				
Increase(-) / decrease(+) in current noninterest bearing receivables	-10,105	4,664	-4,264	2,371
Increase(-) / decrease(+) in inventories	404	-4,457	1,398	-1,161
Increase(+) / decrease(-) in current noninterest bearing liabilities	5,753	3,630	3,545	2,522
Cash generated from operations before financial items and income taxes	44,273	54,792	35,212	38,457
Interest paid	-1,223	-1,602	-881	-1,163
Dividends received	84	173	3,284	2,997
Interest received	601	689	647	975
Income taxes paid	-8,580	-14,734	-5,377	-12,230
Cash flow before extraordinary items	35,155	39,318	32,885	29,036
Extraordinary items paid			-5,000	-500
Net cash flow from operating activities (A)	35,155	39,318	27,885	28,536
Net cash flow from investing activities				
Purchase of tangible and intangible assets, gross	-33,697	-28,781	-12,720	-14,161
Investment grants received	6,292	1,200	31	205
Proceeds from sale of tangible and intangible assets	306	822	286	17
Loans given		-517	-11,530	-1,885
Other investments		-7	-1,600	-172
Repayments of loan receivables	66			
Net cash used in investing activities (B)	-27,033	-27,283	-25,533	-15,996
Cash flows from financing activities				
Proceeds from long-term borrowing	23,360	3,000	21,525	
Repayment of long-term borrowing	-4,887	-14,327	-1,401	-12,223
Dividends paid	-9,111	-8,743	-9,111	-8,743
Net cash used / received in financing activities (C)	9,362	-20,070	11,013	-20,966
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	17,484	-8,035	13,365	-8,426
Cash and cash equivalents at beginning of financial year	14,495	22,530	11,820	20,246
Cash and cash equivalents at end of financial period	31,979	14,495	25,185	11,820

Notes to Financial Statements

Accounting principles

The financial statements have been prepared in accordance with the Finnish accounting law revised to comply with the 4th and 7th EU directive.

Valuation of fixed assets

Fixed assets have been disclosed in the balance sheet at acquisition cost net of received investment grants and depreciations according to plan. The value of fixed assets includes revaluation made on buildings. Depreciations according to plan have been calculated on straight-line method based on the economic life time of the assets as follows:

Depreciation period	
Intangible rights and other long-term expenditure	5 to 10 years
Buildings	25 to 30 years
Constructions	5 years
Process machinery	3 to 10 years
IT equipment	5 years

The acquisition cost of equipment is depreciated applying the maximum depreciation rates allowed by the corporate tax law, starting from the time of acquisition.

Valuation of inventories

Inventories are valued at cost by using the FIFO method. The cost value of inventories includes in all group companies direct costs and their proportion of indirect manufacturing and acquisition costs.

Revenue recognition

Net sales represents sales after deducting discounts, indirect taxes and exchange rate differences on trade receivables. Revenue has been recognizised at the time of the delivery of the goods.

Research and development costs

Research and development costs have been recorded as costs when incurred.

Retirement costs

Retirement costs are entered for the period when earned. In Finland, pension security has been arranged by means of TAEL, TEL and LEL insurance policies. Pension schemes for personnel outside Finland follow the local practices.

Untaxed reserves

According to the Finnish corporate tax law untaxed reserves, such as accelerated depreciation, are tax deductible only if recorded in financial statements. In the group financial statements untaxed reserves, net of deferred tax liability, are included in unappropriated shareholders' equity.

Income taxes

Income taxes include the income taxes pertaining to the profits of the financial year of the group companies as well as the change in deferred tax liabilities. The deferred tax liability has been determined by using the tax rate enacted at the balance sheet date.

Dividends

The financial statements do not include the dividend proposed by the board of directors to the annual shareholders' meeting. Dividends are recorded on the basis of the decision made by the annual shareholderds' meeting.

Foreign currency receivables and payables

Foreign currency receivables and payables have been stated by using the rate quoted by the bank of Finland at the balance sheet date.

Consolidation

The parent company of the Tulikivi group is Tulikivi Oyj domiciled in Juuka. The consolidated financial statements include all the group companies.

Internal shareholding has been eliminated by using the purchase method.

Business transactions between group companies, intercompany receivables and liabilities and internal profit distribution have been eliminated.

The income statements of the foreign group companies have been translated into Finnish marks using the average exchange rates of the financial period. Balance sheets have been translated using the exchange rates ruling at the year end. Translation differences arising from the translation of the financial statements of the foreign subsidiaries have been treated as an adjustment to retained earnings.

	Group		Parent Company	
FIM 1,000	*1999*	*1998*	*1999*	*1998*
Notes to the Income Statement				
1.1. Net sales per marketing area				
Finland	113,091	98,857	85,139	69,701
Rest of Europe	110,643	111,788	110,643	111,788
USA	6,835	6,267	4,417	3,686
Total net sales	230,569	216,912	200,199	185,175
1.2. Other operating income				
Rental income	224	449	566	577
Charges for intergroup services			3,534	1,622
Government grant	875	186	771	186
Other	1,292	1,091	749	916
Total other operating income	2,391	1,726	5,620	3,301
1.3. Materials and external charges				
Materials and supplies (goods)				
Purchases during the fiscal year	32,921	29,762	61,247	50,291
Increase (-) or decrease (+) in inventories	690	-2,119	903	-399
External charges	32,042	29,330	21,734	21,647
Total materials and external charges	65,653	56,973	83,884	71,539
1.4. Personnel expenses and number of employees				
1.4.1. Personnel expenses				
Salaries and wages	56,807	52,653	38,761	36,011
Pension costs	9,260	7,838	6,558	5,385
Other social security costs	6,258	6,068	4,313	4,275
Total personnel expenses	72,325	66,559	49,632	45,671

1.4.2. Salaries and fees paid to the directors

The members of the board of directors were paid fees amounting to 406,688 (404,546 in 1998) FIM in the Group and to 302,494 (316,371 in 1998) FIM in the Parent Company. The managing directors were paid salaries and fees 1,209,650 (1,232,408 in 1998) FIM in the Group.

	Group 1999	Group 1998	Parent Company 1999	Parent Company 1998
1.4.3. Average number of employees during the fiscal year				
Clerical employees	85	79	67	60
Workers	292	295	182	191
Total number of employees	377	374	249	251
1.5. Depreciations according to plan				
Intangible rights	200	242	198	240
Other long-term expenditure	4,668	3,794	3,982	3,601
Buildings and constructions	2,394	2,904	1,582	1,733
Machinery and equipment	9,395	9,677	6,287	6,564
Other tangible assets	100	95	28	27
Goodwill		12		
Depreciations according to plan in total	16,757	16,724	12,077	12,165
1.6. Financial income and expenses				
Dividend income				
From group companies			3,200	2,824
From others	86	173	86	173
Interest income from non-current investments				
From group companies			364	
Interest income				
From group companies			74	305
From others	468	497	420	478
Interest expenses	952	1,073	602	649
Other financial income and expenses	206	91	218	198
Financial income and expenses in total	-604	-494	3,324	2,933

		Group		Parent Company	
FIM 1,000		*1999*	*1998*	*1999*	*1998*
1.7.	**Extraordinary items**				
	Extraordinary expenses				
	Group contribution			5,000	500
	Write down of receivables from subsidiaries			296	616
	Write down of loan receivables	504			
	Extraordinary items in total	504		5,296	1,116
1.8.	**Untaxed reserves**				
	Change in accelerated depreciation			-297	1,346
1.9.	**Income taxes**				
	Income taxes on extraordinary items			-1 483	-312
	Income taxes on ordinary operations	8,315	9,892	6,772	7,412
	Change in deferred tax liabilities	948	305		
	Total income taxes	9,263	10,197	5,289	7,100
	Notes to the Balance Sheet				
	Fixed assets and other non-current investments				
2.1.	**Intangible assets**				
2.1.1.	**Intangible rights**				
	Acquisition cost January 1	1,979		1,928	
	Additions	397		393	
	Acquisition cost December 31	2,376		2,321	
	Accrued depreciation according to plan January 1	1,193		1,172	
	Depreciation for the financial year	200		198	
	Accrued depreciation December 31	1,393		1,370	
	Balance sheet value of intangible rights December 31	983		951	
2.1.2.	**Other long term expenditure**				
	Acquisition cost January 1	28,436		25,620	
	Additions	7,965		6,873	
	Acquisition cost December 31	36,401		32,493	
	Accrued depreciation according to plan January 1	16,569		15,331	
	Depreciation for the financial year	4,668		3,982	
	Accrued depreciation December 31	21,237		19,313	
	Balance sheet value of other long term expenditure December 31	15,164		13,180	

The balance sheet value of other long term expenditure includes FIM 11,2 million for costs incurred by the opening of new soapstone quarries. It also includes costs relating to construction of roads and asphalting of yards.

		Group 1999	Group 1998	Parent Company 1999	Parent Company 1998
	Total Intangible assets	16,147		14,131	
2.2.	**Tangible assets**				
2.2.1.	**Land**				
	Acquisition cost January 1	5,826		4,534	
	Additions	27		27	
	Balance sheet value of land December 31	5,853		4,561	

FIM 1,000	Group 1999	Parent Company 1999
2.2.2. Buildings and constructions		
Acquisition cost January 1	66,018	42,258
Additions	403	221
Disposals	10	10
Acquisition cost December 31	66,411	42,469
Accrued depreciation according to plan January 1	20,570	12,977
Depreciation for the financial year	2,394	1,582
Accrued depreciation December 31	22,964	14,559
Balance sheet value of buildings and constructions December 31	43,447	27,910

Above balance sheet values include revalution amounting to FIM 5,5 million made in 1985 and 1987.

2.2.3. Machinery and equipment		
Acquisition cost January 1	117,585	87,236
Additions	19,670	5,338
Disposals	283	283
Acquisition cost December 31	136,972	92,291
Accrued depreciation according to plan January 1	80,546	68,170
Depreciation for the financial year	9,395	6,287
Accrued depreciation December 31	89,941	74,457
Balance sheet value of machinery and equipment December 31	47,031	17,834
2.2.4. Other tangible assets		
Acquisition cost January 1	999	319
Additions	24	24
Acquisition cost December 31	1,023	343
Accrued depreciation according to plan January 1	253	104
Depreciation for the financial year	100	28
Accrued depreciation December 31	353	132
Balance sheet value of other tangible assets December 31	670	211
2.2.5. Advance payments	68	
Total tangible assets	97,069	50,516
Amount of machinery and equipment included in balance sheet value	43,837	15,552

2.3. Shares in group companies

	Ownership, %	
	Group	*Parent company*
Mittakivi Oy, Juuka, Finland	100	100
Tulikivi U.S. Inc., USA	100	100
Kiantastone Oy, Suomussalmi, Finland	100	100
Tulipuu Oy, Juuka, Finland	100	100
The New Alberene Stone Company Inc., USA	100	90
Tulikivi Vertriebs GmbH, Germany	100	100

2.4. Receivables from the group companies

Capital loans granted to Kiantastone Oy January 1	300
Conversion to capital stock	-300
	0

		Group		Parent Company	
FIM 1,000		*1999*	*1998*	*1999*	*1998*
2.5.	**Other investments**				
	HEX, Helsinki Exchanges	150	150	150	150
	Others	196	196	196	196
	Bookvalue in total	346	346	346	346
2.6.	**Inventories**				
	Raw materials and consumables	4,307	5,933	2,559	2,881
	Finished products / goods	9,480	7,700	4,864	5,358
	Other inventories	3,766	4,325	2,870	3,451
	Total inventories	17,553	17,958	10,293	11,690
2.7.	**Non-current receivables**				
	Receivables from group companies				
	Trade receivables			3,425	3,020
	Loan receivables			13,021	1,980
	Prepayments and accrued income			363	195
				16,809	5,195
	Receivables from others				
	Loan receivables		526		16
	Total non-current receivables		526	16,809	5,211
2.8	**Current receivables**				
	Receivables from group companies				
	Trade receivables			3,068	2,297
	Receivables from others				
	Trade receivables	24,917	20,070	18,776	14,946
	Loan receivables	4		4	
	Other receivables	3,439	1,978	1,279	1,656
	Prepayments and accrued income				
	Investment grant	3,246			
	Other prepayments and accrued income	2,368	1,849	1,578	1,589
	Total receivables from others	33,974	23,897	21,637	18,191
	Total current receivables	33,974	23,897	24,705	20,488
2.9.	**Shareholders' equity**				
	Capital stock January 1 and December 31	35,453	35,453	35,453	35,453
	Share premium fund January 1 and December 31	29,475	29,475	29,475	29,475
	Revaluation reserve January 1 and December 31	225	225	225	225
	Retained earnings January 1 and December 31	46,065	31,545	31,066	21,169
	Dividends paid	-9,111	-8,743	-9,111	-8,743
	Change in translation difference	176	-175		
	Deferred tax on revaluation	-1,632			
	Other	115			
	Retained earnings December 31	35,613	22,627	21,955	12,426
	Net profit for the year	20,965	23,438	14,891	18,640
	Total shareholders' equity	121,731	111,218	101,999	96,219

		Group		Parent Company	
FIM 1,000		*1999*	*1998*	*1999*	*1998*
2.10.	**Statement of distributable earnings**				
	Profit for the previous years	35,613	22,627	21,955	12,426
	Net profit for the year	20,965	23,438	14,891	18,640
	Translation difference	-1,083	-907		
	The proportion of untaxed reserves included in shareholders' equity	-7,855	-4,887		
	Distributable earnings in total	47,640	40,271	36,846	31,066
2.11.	**Untaxed reserves**				
	Untaxed reserves in the parent company comprise of accelerated depreciation.				
2.12.	**Deferred tax liability**				
	On untaxed reserves	4,201	3,253		
	On revaluations (charged to shareholders' equity)	1,632			
	Total deferred tax liability	5,833	3,253		
2.13.	**Non-current liabilities**				
	Loans from credit institutions	24,537	9,803	19,687	2,133
	Trade payables	2,159		1,135	
	Other non-current liabilities	49	428	49	49
	Total non-current liabilities	26,745	10,231	20,871	2,182
2.13.1.	**Loans becoming due after 5 years**				
	Loans from credit institutions	3,000	1,000		
2.14.	**Current liabilities**				
	Liabilities to group companies				
	Trade payables			2,228	1,503
	Liabilities to others				
	Loans from credit institutions	5,266	3,123	2,446	1,183
	Advances received	38		38	
	Trade payables	7,414	7,751	3,580	4,331
	Other current liabilities	4,726	3,165	2,327	1,487
	Accrued liabilities				
	Salaries, wages and other social security costs	12,989	11,402	9,305	8,011
	Discounts and marketing expenses	5,053	3,758	3,862	2,960
	External charges	3,217	2,409	1,928	1,434
	Other accrued liabilities	4,056	3,654	2,462	2,332
	Total current liabilities	42,759	35,262	28,176	23,241

FIM 1,000	*Group 1999*	*Group 1998*	*Parent Company 1999*	*Parent Company 1998*

2.15. Option loan

The annual General Meeting of Shareholders decided in 1997 to issue an option loan directed at certain persons belonging to the management of group companies. Each FIM 1,000 bond includes 1,000 warrants, each of which can be used to subscribe for one Tulikivi A-share at a subscription price of FIM 71.50 per share. Loan subscriptions amounted to FIM 49,000. No interest will be paid on the loan.

If all the loan options are converted into shares, capital stock will increase by FIM 980,000. As a result of the subscriptions, subscribers' holding can rise from about 2% to about 5% of share capital and from about 5% to about 6% of votes. The subscription period is March 1-15, 2000 and March 1-15, 2001. Shares will be entitled to a dividend for the year in which they are subscribed.

2.16. Given quarantees, contingent liabilities and other commitments

2.16.1. Debts with related mortgages

FIM 1,000	Group 1999	Group 1998	Parent Company 1999	Parent Company 1998
Loans from credit institutions for which mortgages have been given	9,803	12,927	2,133	3,316
Given mortgages				
Real estate mortgages	9,040	11,874	4,240	5,374
Company mortgages	12,950	9,217	7,250	2,817
Instalment liabilities for which the object of the contract given as pledge	3,033	1,364	1,370	

2.16.2. Other quarantees given on behalf of the company

FIM 1,000	Group 1999	Group 1998	Parent Company 1999	Parent Company 1998
Real estate mortgages	143	200	143	200
Pledges	49	19	49	19
Given quarantees in total	25,215	22,674	13,052	8,410

2.16.3. Leasing commitments

FIM 1,000	Group 1999	Group 1998	Parent Company 1999	Parent Company 1998
Due during the next financial year	204	228	204	166
Due later	133	103	133	
Leasing commitments in total	337	331	337	166

The leasing contracts have been made for a period of three to six years and do not include redemption clauses.

2.16.4. Off-balance sheet financial instruments

The group does not have any off-balance sheet financial instruments

Key figures of profit development 1995 - 1999

FIM 1,000	*1995*	*1996*	*1997*	*1998*	*1999*
Net sales	156,771	156,004	194,479	216,912	230,569
Change (%)	-3.8	-0.5	24.7	11.5	6.3
Operating profit	6,108	17,157	33,392	34,129	31,336
(%) of net sales	3.9	11.0	17.2	15.7	13.6
Financial items	-4,478	-2,429	-1,079	-494	-604
Profit before extraordinary items	1,630	14,728	32,313	33,635	30,732
(%) of net sales	1.0	9.4	16.6	15.5	13.3
Profit before taxes	1,630	12,335	33,486	33,635	30,228
(%) of net sales	1.0	7.9	17.2	15.5	13.1
Income taxes	433	3,360	8,943	10,197	9,263
Minority interest	330	-3	7		
Profit for the year	1,527	8,972	24,550	23,438	20,965
Consolidated balance sheet					
Assets					
Fixed assets	84,304	87,076	93,213	103,088	113,562
Inventories	12,560	14,217	13,501	17,958	17,553
Other current assets	35,786	35,158	50,993	38,918	65,953
Liabilities and shareholders' equity					
Shareholders' equity	62,346	76,539	96,697	111,218	121,731
Other items	210	7			
Interest bearing liabilities	46,256	33,306	24,769	14,364	32,836
Non-interest bearing liabilities	23,837	26,599	36,241	34,382	42,501
Total assets	132,650	136,451	157,707	159,964	197,068

EUR 1,000	*1995*	*1996*	*1997*	*1998*	*1999*
Net sales	26,367	26,238	32,709	36,482	38,779
Change (%)	-3.8	-0.5	24.7	11.5	6.3
Operating profit	1,027	2,886	5,616	5,740	5,270
(%) of net sales	3.9	11.0	17.2	15.7	13.6
Financial items	-753	-409	-181	-83	-102
Profit before extraordinary items	274	2,477	5,435	5,657	5,169
(%) of net sales	1.0	9.4	16.6	15.5	13.3
Profit before taxes	274	2,075	5,632	5,657	5,084
(%) of net sales	1.0	7.9	17.2	15.5	13.1
Income taxes	73	565	1,504	1,715	1,558
Minority interest	56	-1	1		
Profit for the year	257	1,509	4,129	3,942	3,526
Consolidated balance sheet					
Assets					
Fixed assets	14,179	14,645	15,677	17,338	19,100
Inventories	2,112	2,391	2,271	3,020	2,952
Financial assets	6,019	5,913	8,576	6,546	11,092
Liabilities and shareholders' equity					
Shareholders' equity	10,486	12,873	16,263	18,705	20,474
Other items	35	1			
Interest bearing liabilities	7,780	5,602	4,166	2,416	5,522
Non-interest bearing liabilities	4,009	4,473	6,095	5,783	7,148
Total assets	22,310	22,949	26,524	26,904	33,144

The convertion from Finnish marks into euros is based on the approximate values given in the table.

Calculations of key ratios

Ratios

Return on equity (ROE) =	profit before extraordinary items - income taxes / shareholders' equity (average during the financial year)	x 100
Return on capital employed (ROI) =	profit before extraordinary items + interest expenses and other financial costs / balance sheet total - non-interest bearing liabilities (average during the financial year)	x 100
Equity ratio, % =	shareholders' equity / balance sheet total - advances received	x 100
Net indebtness ratio, % =	interest-bearing net debt / shareholders' equity	x 100
Current ratio =	financial assets + inventories / current liabilities	
Own capital investment ratio =	net cash flow from operating activities / net investments	

Key indicators per share

Earnings/share =	profit before extraordinary items - income taxes for the financial year / average issue-adjusted number of shares for the financial year	
Equity/share =	shareholders' equity / issue-adjusted number of shares at December 31	
Dividend/share, % =	dividend paid for the year / the issue-adjusted number of shares at the end of the year	
Dividend/earnings, % =	dividend/share / earnings/share	x 100
Effective dividend yield =	issue-adjusted dividend/share / issue-adjusted share price December 31	x 100
P/E =	issue-adjusted share price December 31 / earnings/share	

Financial ratios, FIM

FIM	*1995*	*1996*	*1997*	*1998*	*1999*
Return on equity, %	1.9	12.9	27.0	22.5	18.4
Return on capital employed, %	5.7	16.1	29.2	28.1	22.6
Net indebtness ratio, %	58.4	19.9	2.3	-0.1	0.7
Solvency ratio, %	47.2	56.1	61.3	69.5	61.8
Current ratio	1.3	1.4	1.6	1.6	2.0
Gross investments, FIM thousands	20,956	12,530	26,677	28,788	33,697
Investments/net sales, %	13.4	8.0	13.7	13.3	14.6
Own capital investment ratio	0.8	2.2	1.9	1.5	1.3
Research and Development expenditures, FIM thousands	5,637	4,281	4,016	5,913	6,141
Research and Development/net sales, %	3.6	2.7	2.1	2.7	2.7
Personnel, on average	220	243	329	374	377
Key indicators per share					
Earnings per share, FIM	0.97	6.94	13.19	13.22	12.11
Equity per/share, FIM					
without soapstone resources	39.65	43.19	54.56	62.75	68.69
Nominal dividend/share, FIM					
A-share	1.00	3.00	5.00	5.20	6.00*)
K-share	0.80	2.80	4.80	5.00	5.80*)
Dividend/ earnings, %	96.7	43.3	37.5	38.9	45.0
Effective dividend yield, %					
A-serie	3.2	6.2	5.3	4.5	6.5
P/E ratio	32.0	7.0	7.2	8.7	7.6
Issue-adjusted share prices of the A-share, FIM					
- average	48.15	41.12	81.74	114.00	89.81
- lowest	28.60	31.00	48.00	82.10	71.65
- highest	77.00	53.00	110.00	145.00	121.89
- issue-adjusted share price December 31	31.10	48.55	95.00	114.90	92.16
Market capitalization, FIM thousands					
(supposing that the market price of the					
K-share is the same as that of the A-share)	48,898	86,044	168,366	203,634	163,331
Number of A-shares traded (1,000 pcs)	148.7	505.2	1,149.1	543.4	425.2
- % of the total amount	13.6	46.1	88.7	42.0	32.8
The average issue-adjusted number					
of all the shares	1,572,277	1 638 578	1,772,277	1,772,277	1,772,277
The issue-adjusted number of all					
the shares at the end of the year	1,572,277	1,772,277	1,772,277	1,772,277	1,772,277

Due to its insignificance the dilution impact of the shares available for subscription on the basis of the issued bonds with warrants has not been reflected in the key indicators.

*) According to the proposal of the board of directors.

Financial ratios, euro

EUR	*1995*	*1996*	*1997*	*1998*	*1999*
Return on equity, %	1.9	12.9	27.0	22.5	18.4
Return on capital employed, %	5.7	16.1	29.2	28.1	22.6
Net indebtness ratio, %	58.4	19.9	2.3	-0.1	0.7
Solvency ratio, %	47.2	56.1	61.3	69.5	61.8
Current ratio	1.3	1.4	1.6	1.6	2.0
Gross investments, (1,000 euro)	3,525	2,107	4,487	4,842	5,667
Investments/net sales, %	13.4	8.0	13.7	13.3	14.6
Own capital investment ratio	0.8	2.2	1.9	1.5	1.3
Research and Development expenditures, (1,000 euro)	948	720	675	994	1,033
Research and Development/net sales, %	3.6	2.7	2.1	2.7	2.7
Personnel, on average	220	243	329	374	377
Key indicators per share					
Earnings per share, euro	0.16	1.17	2.22	2.22	2.04
Equity per/share, euro					
without soapstone resources	6.67	7.26	9.18	10.55	11.55
Nominal dividend/share, euro					
A-share	0.17	0.50	0.84	0.87	1.01*)
K-share	0.13	0.47	0.81	0.84	0.98*)
Dividend/ earnings, %	96.7	43.3	37.5	38.9	45.0
Effective dividend yield, %					
A-serie	3.2	6.2	5.3	4.5	6.5
P/E ratio	32.0	7.0	7.2	8.7	7.6
Issue-adjusted share prices of the A-share, euro					
- average	8.10	6.92	13.75	19.17	15.10
- lowest	4.81	5.21	8.07	13.81	12.05
- highest	12.95	8.91	18.50	24.39	20.50
- issue-adjusted share price December 31	5.23	8.17	15.98	19.32	15.50
Market capitalization, (1,000 euro) (supposing that the market price of the K-share is the same as that of the A-share)	8,224	14,472	28,317	34,249	27,470
Number of A-shares traded (1,000 pcs)	148.7	505.2	1,149.1	543.4	425.2
- % of the total amount	13.6	46.1	88.7	42.0	32.8
The average issue-adjusted number of all the shares	1,572,277	1,638,578	1,772,277	1,772,277	1,772,277
The issue-adjusted number of all the shares at the end of the year	1,572,277	1,772,277	1,772,277	1,772,277	1,772,277

Due to its insignificance the dilution impact of the shares available for subscription on the basis of the issued bonds with warrants has not been reflected in the key indicators.

*) According to the proposal of the board of directors.

Capital stock and shares

Capital stock

The company's capital stock paid and entered in the Trade Register amounted to FIM 35,453,040 on December 31, 1999. The minimum and maximum capital stock are FIM 15,000,000 and FIM 60,000,000, respectively. The capital stock comprises of the following types of shares:

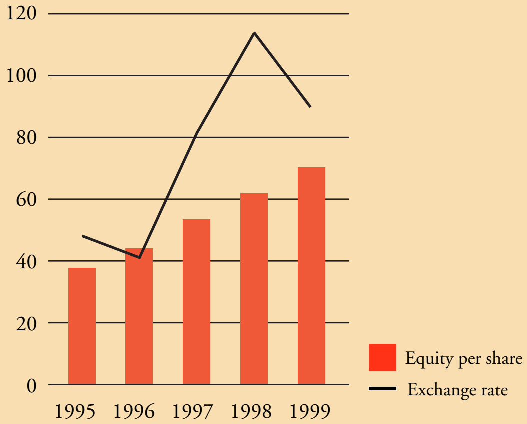
Number of types	*Number of shares*	*Nominal value, FIM*	*Proportion % of shares*	*Proportion % of votes*	*FIM of Capital stock*
K-shares (10 votes)	477,000	20	26.91	78.64	9,540,000
A-shares (1 vote)	1,295,277	20	73.09	21.36	25,905,540
Total	1,772,277		100.00	100.00	35,453,040[*)]

[*)] The company has purchased one share with the nominal value of FIM 7,500 at the time of purchase.
According to the articles of association, the dividend paid on A–shares must be at least one percentage point higher than the dividend paid on K–shares. The Board of Directors has no outstanding authorizations to issue new shares or a debenture loan or option loan or to purchase own shares.

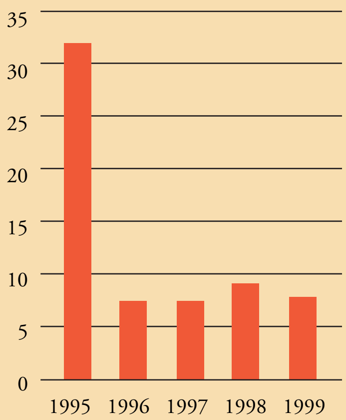
The exchange and rating development of the A-share

Tulikivi Oyj's A-share is quoted at Helsinki Exchanges with trade identifying mark, TULAV.
The number of exchanged A-shares of the Tulikivi Corporation on the Helsinki Exchanges was 425,213 pcs, equal to FIM 38.2 million (6.4 million in euro). The top rating of the share was FIM 121.89 (20.50 euro) and the lowest rating was FIM 71.65 (12.05 euro). The closing rate of the period's last stock day was FIM 92.16 (15.50 euro).
At the end of the fiscal period, Tulikivi Corporation had 1,809 shareholders. Foreign shareholders owned 8.9 (14.4) percent of the A-shares. Tulikivi Corporation does not possess its own shares.

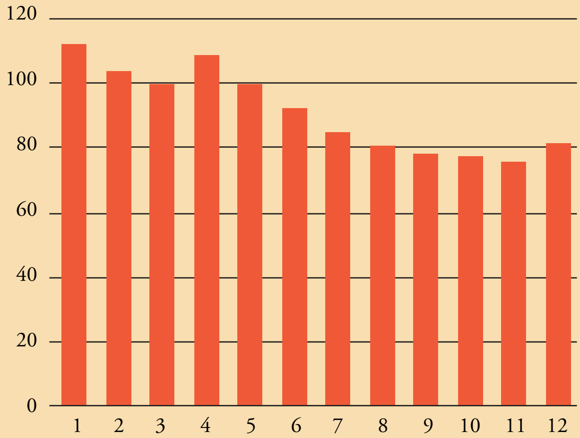
Equity per share fim, Stock and exchange rate



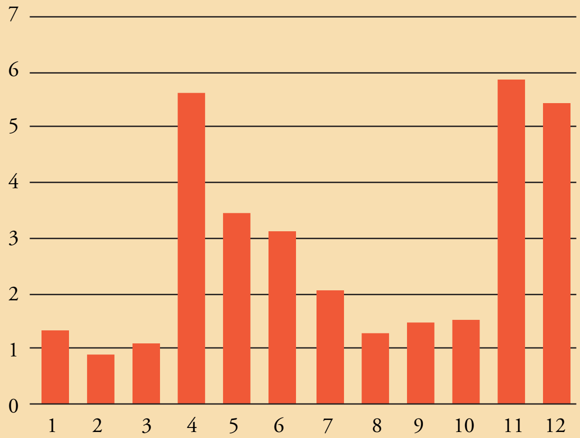
P/E Ratio



Monthly development of the average price of A-share, fim



Monthly development of the exchange of A-share



Shareholders and management ownership

10 major shareholders according to number of shares	*K-shares*	*A-shares*	*Proportion, %*
1. Vauhkonen Reijo	282,625	226,723	28.74
2. Vauhkonen Heikki	44,875	4,518	2.79
3. Vauhkonen Mikko	19,875	20,260	2.26
4. Mutanen Susanna	39,875		2.25
5. Investment fund Gyllenberg Small Firm		32,100	1.81
6. Virtaala Matti	10,000	20,000	1.69
7. Laakkonen Reino		27,000	1.52
8. Nuutinen Kyösti	19,875	5,300	1.42
9. Vauhkonen Eliisa	19,875	3,976	1.35
10. Mutual Insurance Company Pension-Fennia		23,718	1.34

10 major shareholders according to number of votes	*K-shares*	*A-shares*	*Proportion, %*
1. Vauhkonen Reijo	282,625	226,723	50.34
2. Vauhkonen Heikki	44,875	4,518	7.47
3. Mutanen Susanna	39,875		6.57
4. Vauhkonen Mikko	19,875	20,260	3.61
5. Nuutinen Kyösti	19,875	5,300	3.36
6. Vauhkonen Eliisa	19,875	3,976	3.34
7. Sampo Life Insurance Company Ltd	13,000		2.14
8. Virtaala Matti	10,000	20,000	1.98
9. Svanborg Reijo	10,000		1.65
10. Suomen Kulttuurirahasto	5,000	17,000	1.10

The members of the Board and the managing director control 322,500 K-shares and 267,083 A-shares representing 57.6% of votes. On the basis of the issued bonds with warrants the management can subscribe for 21,000 A-shares corresponding to 1.2% of total shares and 0.4% of votes.

Breakdown of share ownership

Number of shares	*Shareholders, pcs*	*Proportion, %*	*Shares, pcs*	*Proportion, %*
1 -100	967	53.46	52,813	2.98
101 - 1,000	696	38.47	264,852	14.94
1,001 - 5,000	111	6.14	250,851	14.15
5,001 - 1,0000	16	0.88	118,955	6.71
1,0001 -	19	1.05	1,080,142	60.95
Total	1,809	100.00	1,767,613*)	99.73*)

*) As per the company's list of shareholders December 31, 1999. 4,501 shares had not been transferred to the book entry register.

On 31 December, 1999 the company's shareholders were broken down by sector as follows

Sector	*Holding, %*	*Votes, %*
Enterprises	6.33	2.30
Financial and insurance institutions	17.10	7.37
Public organizations	2.86	0.84
Non-profit organizations	2.23	1.39
Households	71.21	87.88
Foreign	0.01	0.00
In joint accounts	0.25	0.22
On waiting list	0.01	
Total	100.00	100.00

Shares registered in the name of a nominee are included in the category Finance and insurance institutions.

The board proposal for distibution of the dividend

The earnings of the parent company eligible for distribution as dividend is FIM 36.8 million, and that of the Group, FIM 47.6 million.

The board of directors shall propose at the shareholders' meeting that the dividend per A-share be FIM 6.00 and FIM 5.80 per K-share, totalling FIM 10.5 million.

Nunnanlahti, February 10, 2000

Reijo Vauhkonen
Piispa Ambrosius
Aimo Paukkonen

Teppo Taberman
Mikko Vauhkonen
Matti Virtaala

Reijo Svanborg
Managing Director

Audit report

To the shareholders of Tulikivi Oyj

We have audited the accounting records, the financial statements and the corporate governance of Tulikivi Oyj for the financial period 1.1. - 31.12.1999. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and the corporate governance.

We have conducted our audit in accordance with the Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements, which show a profit for the period of FIM 20.964.809,80 for the group, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the result of operations as well as the financial position of the group and the parent company. The financial statements including the consolidated 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 financial period audited by us. The proposal by the Board of Directors regarding the handling of the distributable earnings is in compliance with the Companies' Act.

In Juuka March 6th, 2000

SVH Pricewaterhouse Coopers Oy
An authorized public accountancy firm

Hannele Selesvuo
Authorized public accountant

The administration of Tulikivi Oyj

The Tulikivi Oyj follows the recommendations of the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers preferred by the Helsinki Stock Exchange concerning administration of publicly registered corporations. Moreover, the company's Board of Directors has confirmed a written corporate governance code for the company with definitions of the tasks and responsibility areas of the Board, Board's full-time Chairman and the Managing Director.

Structure of the Tulikivi Group

The parent company of the Tulikivi Group is Tulikivi Oyj, with active subsidiaries such as Mittakivi Oy, Kiantastone Oy, Tulipuu Oy and Tulikivi U.S., Inc. The subsidiaries include also the New Alberene Stone Company, Inc. and Tulikivi Vertriebs GmbH. The head office of Tulikivi Oyj is situated in Juuka. The company's A-share has been quoted at the Helsinki Stock Exchange.

Operatively, the Tulikivi Group is split up into four profit centers, group-level marketing units and service units. The profit centers are presented on pages 8 to 9 of this annual report.

The highest responsibility for the administration and operation of the Group is in the hands of such organs of the Tulikivi Oyj as the general meeting, the Board of Directors and the Managing Director. The Board members of the Group's parent company act also as the Board members of the operative subsidiaries.

Subsidiaries and representative office

Mittakivi Oy, Juuka

Tulikivi Oyj has 100% holding in this company. Mittakivi Oy manufactures tailor-made stoves. They also have their own product range which is manufactured using stone material quarried by Tulikivi Oyj. Also, Mittakivi Oy produces stone processing products using various stone types. About half of the total production volume was exported through the parent company. Net sales of the company was FIM 88,6 million in 1999 (1998: 72,8) and profit before extraordinary items was FIM 11,2 million (12,0).

Tulikivi U.S. Inc., New York (place of registration Virginia), USA Tulikivi Oyj has a 100% holding in this company. The company is responsible for marketing Tulikivi products in North America. The objective of Tulikivi U.S., Inc. is to further develop the network of retail outlets. Net sales of the company was USD 1,2 million (1,0).

Kiantastone Oy

Tulikivi Oyj has a 100% holding in this company. The company was founded in 1988 with the purpose of utilising the soapstone reserves in Suomussalmi. The business name of Suomussalmen Vuolukivi Oy was changed to Kiantastone Oy at the turn of the year. The company implemented a substantial production investment in co-operation with Suomussalmi municipality during the fiscal year 1999. The stone processing production lines were test-run in December and actual order based production was started in January 2000. The main products of the company are covering stone material for stoves and architectural stone. The fixed costs incurred by completing the new factory have been booked as affecting the profitability of the company in 1999. Therefore the result before extraordinary items was unprofitable at minus FIM 2,4 million.

Tulipuu Oy, Juuka

Tulikivi Oyj has a 100% holding in this company. The purpose of this company is to create a system for producing fire wood and develope a distribution network for it thus supporting the growth of stove heating. The company co-operates with individual fire wood entrepreneurs. Tulipuu Oy products are sold in bulk directly from the producers to the end customers. Smaller quantities are sold through co-operating hardware stores and service stations. In terms of overall group performance, the sales volume of the company is not significant.

Tulikivi Oyj Niederlassung, Frankfurt a.M., Germany

This representative office is responsible for marketing efforts of export to Germany.

The New Alberene Stone Company Inc., Virginia, USA

Tulikivi Oyj has a 100% holding in this dormant company.

Tulikivi Vertriebs GmbH, Frankfurt a.M., Germany

Tulikivi Oyj has a 10 % holding in this dormant company.

Reijo Vauhkonen (60), Building Engineer, Industrial Alderman, founder of the company. Board member of Kiviteollisuusliitto (an association for the stone industry) and Rakennusteollisuus ry (an association for the building industry). Executive Manager for the company from 1980 to 1988, full-time chairman of the board since 1990.

Bishop Ambrosius (54), Bishop for the Orthodox congregation of Oulu city. Board member since 1992. Vice chairman of the board since 1995.

Aimo Paukkonen (58), Engineer, Executive Manager. Board member since 1999.

Teppo Tabermann (55), Master of Economics, Bachelor of Economics. Vice executive manager of Kansallis-Osake-Pankki (a former Finnish commercial bank) from 1990 to 1994, several board memberships since 1982. Board member since 1996.

Mikko Vauhkonen (31), training officer at Finnish border guard service. Board member since 1998.

Matti Virtaala (48), Engineer, Executive Manager of Abloy Oy, Group Vice President of ASSA ABLOY AB. Board member since 1994.

Salli Hara-Haikkala Master of Law, has been working in the capacity of board secretary since 1996.

The Board of Directors

Tasks and responsibility

The tasks and responsibilities of the Tulikivi Oyj's Board are determined by the Companies Act and other applicable legislation. The Board's task is to deal with the proper arrangement of the company's administration and operation.

The objective of the Board is to direct the operation of the company so that it will in the long run yield as much value added as possible for the capital employed, while also paying attention to the needs of various interest groups.

To meet the requirements set for the Board's operation by the Companies Act and to fulfill the aforementioned objective, the Board will confirm the visions and values of the company and accept the strategy. Moreover, the Board decides, among other things, on unusual and far-reaching matters and on agreements, paying attention to the extent and quality of company's operation. The Board accepts the budget, the investments and the grounds of the business plans.

The principles of the Tulikivi Oyj for paying dividends are determined by the Board.

Selection of the Board members, present composition and meetings

The annual general of the Tulikivi Oyj meeting will select 5 to 7 persons to the Board. Their term of office will last up to the next AGM. The Board will elect from among themselves the Chairman and the Deputy Chairman.

In 1999, the Board consisted of six members. Industrial Alderman Reijo Vauhkonen acted as Chairman and Bishop Ambrosius as Deputy Chairman, during the period under review. The Managing Director of the Tulikivi Corporation is not a member of the Board.

In 1999, the Board of Tulikivi Corporation met 15 times, of which 10 were meetings on the phone.

The general meeting will confirm the emoluments paid to the Board members. In 1999, each member of the Board obtained a compensation of FIM 40,000 for operating at the Board. Moreover, the Chairman of the Board will obtain a salary from the Tulikivi Corporation on the basis of his employment.

Managing director and management team

The tasks and responsibilities of the managing director are determined on the basis of the Companies Act and other applicable legislation. To fulfill the requirements set for the position, the managing director is in charge of the management and supervision of operations in accordance with instructions given by the Board of Directors. Moreover, the managing director is responsible for the implementation of the budget, the economic result of the company and for keeping the Board of Directors fully aware of the economic situation and operational environment of the company. The managing director will report once a month to the Board on the operation of the profit centers, the result and potential deviations in comparison to the budget. In addition, the managing director will immediately inform the Board of essential changes in the operational environment, otherwise affecting the company.

The Board of the Tulikivi Oyj will select and appoint the managing director. Reijo Svanborg has acted as Managing Director from 1st of July 1997. The managing director is assisted by the management team whose chairman he is. Besides Reijo Svanborg, there are eight members in the management team of the Group: managers Salli Hara-Haikkala, Pentti Kähkölä, Arja Lehikoinen, Kyösti Nuutinen, Juha Sivonen, Jouko Toivanen, Eliisa Vauhkonen and Timo Vuorinen. All members of the management team are employed by the Tulikivi Oyj or its subsidiaries.

Supervisory system

According to the Companies Act, the highest responsibility for arranging the supervision of the accounting records and financial management lies in the hands of the company's Board of Directors. The highest responsibility for arranging the accounting records and financial management is taken by the managing director.

The accounting firm selected by the general meeting will be in charge of the statutory audit of the companies belonging to the Tulikivi Group. The accounting firm in 1999 was SVH Pricewaterhouse Coopers Oy. The responsible auditor was Authorized Public Accountant Hannele Selesvuo.

The auditors of the company will issue an auditor's report required by law to the company's shareholders in connection with annual financial statements. Moreover, they report to the Board.

The company's Board of Directors has appointed an auditing committee for internal auditing and confirmed its directive. Authorized Public Accountant Veijo Riistama and Chairman of the Board Reijo Vauhkonen have been selected as the committee members.

Contact Information

Tulikivi Oyj, FIN-83900 Juuka,
Finland
Tel: +358 (0)13 681 111
Fax +358 (0)13 681 1130

Show Rooms

Kivikylä, Nunnanlahti
FIN-83900 Juuka, Finland
Tel: +358 (0)13 681 111
Fax +358 (0)13 681 1125

Tulikivi-studio, Helsinki
Bulevardi 22
FIN-00120 Helsinki, Finland
Tel: +358 (0)9 6129 700
Fax +358 (0)9 6129 7070

Tulikivi-studio, Turku
Uudenmaankatu 18
FIN-20500 Turku, Finland
Tel: +358 (0)2 233 1641
Fax +358 (0)9 233 1642

Tulikivi-studio, Tampere
Koivistontie 10
FIN-33820 Tampere, Finland
Tel: +358 (0)3 346 3600
Fax +358 (0)3 346 3700

Tulikivi-studio, Lappeenranta
Suonionkatu 23
FIN-53600 Lappeenranta,
Finland
Tel: +358 (0)5 415 3095
Fax +358 (0)5 451 5219

Tulikivi-studio, Oulu
Torikatu 70
FIN-90120 Oulu, Finland
Tel: +358 (0)8 312 1401
Fax +358 (0)8 377 844

Affiliates and representatives

Mittakivi Oy
FIN-83900 Juuka, Finland
Tel: +358 (0)13 681 141
Fax +358 (0)13 681 1420

Tulikivi U.S., Inc.
250 West 34th St.
Suite 3600
New York, NY 10119
Tel: +1 212 896 3897
Fax +1 212 760 1088

Kiantastone Oy
Saarikyläntie 26
FIN-89920 Ruhtinansalmi, Finland
Tel: +358 (0)8 680 7700
Fax +358 (0)8 680 7718

Tulipuu Oy
FIN-83900 Juuka, Finland
Tel: +358 (0)13 681 1236
Fax +358 (0)13 681 1120

Tulikivi Oyj Niederlassung
Deutschland
Wernher-von-Braun-Str. 5
D-63263 Neu-Isenburg, Germany
Tel: +49 6102 74 140
Fax +49 6102 741 414

Other contacts

Belgium
Dutry & Co.
Vichtestraat 147
B-8540 Deerlijk
Tel. +32 56 776 090
Fax +32 56 774 294

The Netherlands
Altech Nedar B.V.
Dissel 15
NL-1671 NG Medemblik
Tel. +31 22754 21 06
Fax +31 22754 13 96

Italy
Eurotrias S.r.l. – GmbH
Via G. Di Vittorio 9
I-39100 Bolzano/Bozen
Tel. +39 471 201 616
Fax +39 471 201 689

Austria
Neuhauser-Speckstein-Öfen
Bahnhofstrasse 54
A-4810 Gmunden
Tel. +43 7612 744 58
Fax +43 7612 744 584

Luxemburg
Pathen & Sohn GmbH
63a, route de Treves
L-6793 Grevenmacher
Tel. +352 758 111
Fax +352 758 409

France
Tulikivi Corporation
FIN-83900 Juuka
Tel. +358 (0)13 6811 255
Fax +358 (0)13 6811 120

Sweden
Bulevardi 22
00120 Helsinki
Tel. +358 (0)9 612 970 23
Fax +358 (0)9 612 970 70

Switzerland
Armaka Ag
Duggingerstrasse 10
CH-4153 Reinach BL
Tel. +41 61 711 4141
Fax +41 61 711 4515

New Zealand
Finstone Ltd.
17 Janet Place
Lynmore, Rotorua
New Zealand
Tel. +64 7 345 9200
Fax +64 7 345 9202

Estonia
KR-Kaubanduse AS
Kohila 3c
EE-Tallinn 11314
Tel. +372 650 3844
Fax +372 650 3845

Information to the shareholders

Interim reports

Tulikivi Oyj will in 2000 publish three interim reports for the periods ending on March 31, June 30 and Sebtember 30, 2000 on May 4, August 7 and on November 2, 2000, respectively.

Beginning from the publication date, the interim reports, the annual report and the stock exchange bulletins can be found at our Web site at www.tulikivi.com.

Share register

Tulikivi Oyj's shares have been transferred to a book-entry securities system. The shareholders' ledger is kept at the Finnish Central Securities Depository Ltd.

Annual general meeting of shareholders

Annual General Meeting of Shareholders of Tulikivi Oyj will be held in the Kivikylä auditorium at Nunnanlahti, Juuka on April 26, 2000, commencing at 9.00 a.m. The financial statement documents will be available for public inspection at the company's head office at Nunnanlahti as of April 13, 2000. Copies will be sent to shareholders upon request.

Any shareholder, who wishes to attend the Annual General Meeting of Shareholders, is requested to notify the company accordingly no later than 4 p.m. on April 20, 2000. Registration should be done by telephoning Ms Kaisa Toivanen or Ms Maija-Liisa Koivunen or by posting a written registration request to the company address 83 900 Juuka. Any powers of attorney should be submitted at the time of advance registration.

Payment of dividends

The Board of Directors proposes to the Annual General Meeting of Shareholders that dividend be paid for the fiscal year 1999 as follows:

on A-shares	FIM 6.00
on K-shares	FIM 5.80

Due to the transfer to a book-entry security system, dividend shall be paid to those shareholders who are, on the date of tallyig, included in the shareholders' ledger kept at the Finnish Central Securities Depository Ltd. The Board has decided that tallyig shall take place on May 2, 2000. The Board proposes to the Annual General Meeting of Shareholders that dividend be paid after the tallying period caused by the book-entry security system, i.e. on May 9, 2000.