

ANNUAL REPORT

2004



2004

Suomen Helasto in Brief	1
Managing Director's Review	2
Suomen Helasto's Business Climate	4
Business areas	
Locking and Security Companies	6
Fittings Companies	8
Fastening companies	10
Financial statements 1.11.2003-31.10.2004	
Report of the board	12
Profit and loss account	14
Consolidated balance sheet	15
Sources and application of funds	16
Accounting principles	17
Notes to the profit and loss account	18
Notes to the balance sheet	20
Other notes	23
Group key indicators	24
Formulas for Key Indicators	25
Information on shares	26
Proposal by the Board of Directors for the Distribution of Profits and Auditors' report	29
Corporate Governance	30
Information for shareholders	32
Contact information	33

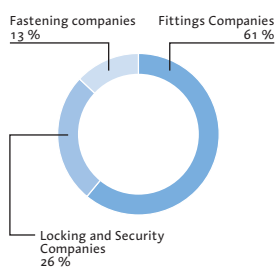
COMPREHENSIVE AND PROFESSIONAL SERVICE

Suomen Helasto serves its customers in three business areas: locking and security, fittings, and fastenings. The companies in the Suomen Helasto Group provide services widely in Finland.

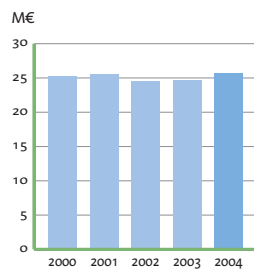
Suomen Helasto has an established position in all its business areas. In the locking and security and fittings sectors, the Group has a significant position in Finland and in the fastenings sector it is a medium-sized, flexible operator. The Group's business is based on good customer service, highly professional employees, a comprehensive product range, and efficient logistics. Suomen Helasto's broad customer base includes industrial companies, construction and property corporations as well as other companies, organisations and private individuals around Finland.

GROUP KEY INDICATORS	2004	2003	Change, %
<u>1 000 €</u>			
Turnover	25,745	24,697	4.2
Operating profit	1,351	1,033	30.8
% of turnover	5.2	4.2	1.0 %
Profit before taxes	1,246	898	38.8
Net profit for year	816	563	44.9
Earnings per share, €	0.06	0.04	44.9
Equity per share, €	0.45	0.45	- 1.4
Equity ratio, %	46.7	45.6	1.1 %
Average number of personnel	152	153	- 0.7

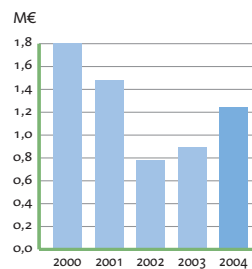
Turnover by business area, group



Turnover, group



Profit before taxes, group



DEPENDABLE BUSINESS FOR 20 YEARS

Suomen Helasto Oyj was established on 31 December 1984. The founding partners were Panostaja Oyj (70%), Matti Koskenkorva (10%), Erkki Koskenkorva (10%) and Mauno Koskenkorva (10%). The Suomen Helasto Group went into business in April 1985, when it acquired Seinäjoen Rakennustarvike ja Lukko Oy. In August the same year, the company expanded its business with the acquisition of Suomen Helakeskus Oy.

Panostaja gave up its majority shareholding in Suomen Helasto by putting the company's shares on what was then the Helsinki Exchanges' OTC-list, today the I-list, where the shares began to be quoted in 1992. Panostaja gave up its last shares in Suomen Helasto in 1995. Today Suomen Helasto has more than 500 shareholders.

The Suomen Helasto Group is currently comprised of 12 business area companies in all. The Group's expansion has taken the form of acquisitions as well as organic growth. Over the years, Suomen Helasto has grown into a major player in its field in Finland.

Erkki Koskenkorva, who had been involved in the company's business since its start as a founding partner, member of the Board of Directors and the Managing Director of Suomen Helakeskus Oy, died of a prolonged illness in May 2004. Erkki Koskenkorva's contribution of work in the development of Helasto was of the greatest importance from the founding of the business onward. In September 2004, Hannu Kankkunen was elected to Suomen Helasto's Board of Directors as a new member. He has long experience in the security and construction fitting business. The fresh view of Hannu Kankkunen will play an important part in Suomen Helasto's operations.

Suomen Helasto's strategy is profitable growth, which has been carried out both organically and through acquisitions. However, profitability has been a condition of growth, and this has been realised even in the most difficult economic conditions throughout the history of the company.

Suomen Helasto operates as a wholesaler of fittings, locks and fastenings. The company also provides services related to the products, enabling the corporate customers to concentrate on their core business.

GROWTH IN CONSTRUCTION KEPT THE MARKET SITUATION FAVOURABLE

The market situation took a favourable track in all of Helasto's business areas in 2004. Growth in construction, which continued steadily, boosted demand for the products and services of all the business areas. The prospects for the trend continuing to be favourable are also good, as the business climate is expected to stay vibrant due to a high level of private consumption, low interest rates, and growth in construction. Homes are being remodelled and decorated at a brisk rate, which will continue to reinforce the fittings business, which accounts for roughly 60 per cent of our turnover.

There is also still growth potential for our locking companies. Old locks are being replaced all the time, which fuels demand for locking products and services. Demand for high-quality and easy-to-use security systems and for geographically comprehensive one-stop services also creates opportunities for growth.

NET PROFIT IMPROVED AS A RESULT OF LONG-TERM DEVELOPMENT WORK

In 2004, we focused on streamlining our operations with the goal of improving profitability. The trend in profitability achieved demonstrates the success of our actions, but new measures will still be needed in the future. The Group's turnover grew by 4.2 per cent to 25.7 million euros and the profit before taxes rose by almost 40 per cent to 1.2 million euros.



■ “Our goal is to develop our business areas and grow profitably.”

AIMING FOR GROWTH AND DEVELOPMENT TO BECOME A MORE DIVERSIFIED PARTNER FOR OUR CUSTOMERS

In all our business areas, more has been happening in the past few years than previously. The effects of globalisation, combined with the increasing attention paid to purchasing and logistics, have meant both opportunities and challenges to Suomen Helasto. The competitive scenario is likely to continue to be both challenging and rich in opportunities for a company like Helasto in the years ahead.

We are also ready to grow by means of corporate acquisitions to develop our existing business areas or especially to expand market areas. By growing steadily, we will continue to be a good investment for our shareholders.

The cornerstones of the operations of the Group's companies for the past twenty years have been cus-

tomers based on trust, high-quality and comprehensive products, and above all the skilled and committed personnel. I would like to thank our personnel for the successful year, and our customers and other partners for their lasting trust and close cooperation. Our multilevel expertise will be available to our customers in years to come as in the past.

Seinäjoki, January 2005

Mauno Koskenkorva
Managing Director

COMPREHENSIVE SERVICES – VITAL TO SUCCESS

Suomen Helasto operates in three growing markets, the locking and security sector, the fittings sector and the fastenings sector. What these markets all have in common is the effect of outsourcing and growth in construction. Companies are seeking to outsource their procurement by placing it all in the hands of a single supplier. Demand in the marketplace has been positively impacted by growth in construction, as the companies in all three markets supply the building industry with products and services.

THE LOCKING AND SECURITY SECTOR

Players in the security sector can be divided into three groups according to the products and services they provide. These three are private security firms and other companies providing security services, specialist firms supplying electronic security systems and structural products, and locksmith companies providing related maintenance and installation services.

■ Growth in construction is expected to continue steadily.

The customers of the locking and security sector are building owners, housing management and maintenance firms, building companies, corporations, the public sector, and private individuals. Servicing and maintenance customers are a dynamically growing group of customers which will boost growth in the market in the future.

The size of companies operating in the market varies from small, private locksmith firms to large international security service corporations. In the locking sector, Suomen Helasto is one of Finland's leading operators.

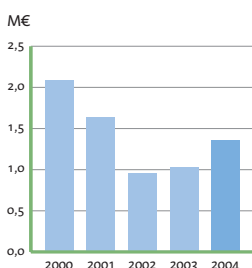
The locking sector is fragmented as there are still many small private firms operating in the sector. In 2004 there were 149 accredited Abloy locksmith companies operating in Finland, which includes almost all of Finland's locking and security companies. The number of locksmith companies has declined to some extent, as there has been consolidation in the market recently as large companies have bought up small firms. Consolidation is expected to continue, as corporate customers are looking for partners in whose hands they can concentrate all their procurement and services.

Growth in construction has stimulated the market significantly in the past few years. Construction is estimated to have grown by roughly 3 per cent in 2004 and expansion is expected to continue in 2005. The locking and security business is expected to grow in the future approximately 2–3 per cent faster than the gross domestic product. Automatic doors are expected to be a fast-growing product group in the next few years, partly because of the requirements of new laws on disabled access. Door settings will be renovated to permit unhindered access for disabled people as required by the laws.

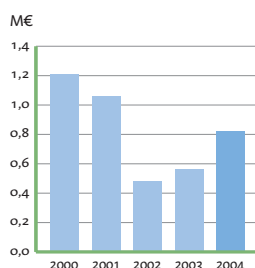
THE FITTINGS SECTOR

The market for fittings products is comprised of the market for construction and furniture fittings. Half of the market for construction fittings consists of project sales to construction companies, a quarter comprises industrial sales to door and window manufacturers, and a quarter comprises sales to consumers. Furniture fittings are sold to kitchen furnishing manufacturers of various sizes, from large factories to small joinery workshops, which use fittings products in their manufacturing. Fittings wholesale dealers of different sizes operate in the market. Suomen Helasto has a significant position as a supplier of construction and furniture fittings, particularly to small and medium-sized joinery industry manufacturers.

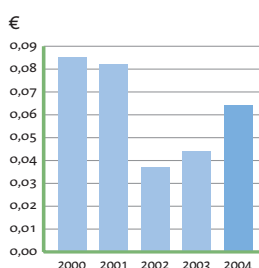
Operating profit, group



Net profit for year, group



Earnings per share, group



Growth in construction and private consumption has also expanded the market for the fittings business. Home improvements in particular have boosted demand in recent years for furniture fittings, especially quality products. Personal tax deductions for household expenses are expected to continue to stimulate home improvements in the near future and to expand renovation. Growth in building construction is expected to keep the fittings market on an upward trend.

Success in the market demands thoroughgoing development in the operations of companies in this sector. As customers consolidate their procurement, demand has grown for wider and more complete arrays of products. Increasing attention has to be paid to procuring and attending to products and customer relationships. Furthermore, demand for high-quality and trendy products has stimulated manufacturers' product development, and this can be seen in fittings companies in the form of updates of the range.

■ The customers will need more all-embracing service packages.

THE FASTENINGS SECTOR

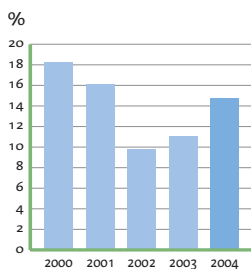
The customer base of the companies operating in the fastenings sector includes practically all fields of industry. The major customers are the engineering and electronics industries. There are also customers among industrial maintenance companies, HEPAC, construction

and electrical firms, and the public sector. In Finland, the market is mainly dominated by large companies in the fastenings sector. Suomen Helasto is a medium-sized player which seeks to leverage the flexibility that its size allows.

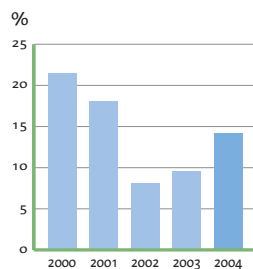
Outsourcing and customers streamlining their operations have impacted the market in the form of customers' desire to keep stocks small, which requires companies operating in the fastenings sector to be able to deliver products rapidly. Demand for service packages has continued to grow, and customers want not only fastenings but also special accessories and other products required for manufacturing ready-shelved. The trend has led to consolidation in the fastenings sector, but there is also room in the market for smaller players.

2004 was a challenging year in the fastenings market. There were regional differences in growth in the engineering industry, and growth in the electronics industry lagged slightly. Growth in the engineering industry is expected to continue to have a positive effect on the fastenings sector market. In addition to intensified competition, a rise in the price of steel, and longer delivery lead times have hindered operations in the market. Diversifying products and services will continue to mean challenges to fastenings suppliers in the future. Services will have to be sufficiently comprehensive that they will correspond to the customers' needs.

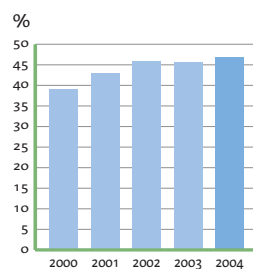
Return on investment, group



Return on equity, Group



Equity ratio, Group



A PROFESSIONAL IN HIGH-QUALITY SECURITY SOLUTIONS

Suomen Helasto includes locking and security companies, operating in seven of Finland's biggest cities, which provide expert comprehensive service. The locking and security companies serve building management and building maintenance companies, property and housing companies, building firms and other enterprises, associations and private individuals in purchases related to built-in security and electronic surveillance systems. The locking and security companies supply high-quality mechanical and electronic locks, fittings, anti-burglary devices, door automatics, building surveillance and alarm systems, and related design, maintenance and installation services.

Property ownership has become consolidated in recent years, which has made ownership more professional. This has stimulated outsourcing of non-core services and has therefore fuelled demand for locking and security services. Property owners want to outsource the entire service chain, from purchasing of products to installation and maintenance, to a single supplier.

QUALITY SERVICES INCREASE BUILDING'S LOCKING SECURITY

In addition to property owners, comprehensive services are also in demand with Suomen Helasto's locking and security companies' other customers who need to have products installed quickly and regularly serviced. High-quality services are increasingly understood to be an important part of buildings' locking security. Customers buying servicing and maintenance services have increased their proportion of Suomen Helasto's locking and security companies' customer base.

In addition to large companies, private customers are also served individually on matters of household security. Private individuals have become more interested in home security devices as security technology has spread into private use and prices have fallen.

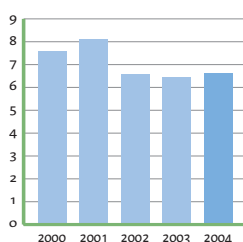
SERVICES AND PRODUCTS DEPENDABLY FROM A SINGLE SUPPLIER

Providing a comprehensive service requires a high-quality and wide range, reliable delivery, and professional services. The network formed by the locking and security companies enables customers to receive products and services rapidly in urgent cases. The companies' network also permits a geographically comprehensive service. Collaboration between the companies yields synergy advantages and savings on costs, which the customer sees in fast deliveries and competitive prices.

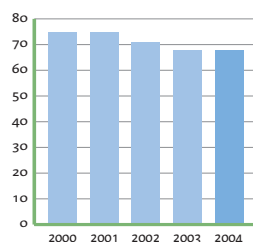
Continual contact with the customers and feedback are the cornerstone of the locking and security companies' services. Through listening to the customer, the companies can configure their ranges, offering new products and services. As demand for services grows, it is important to get information from the customers on what kind of individual needs they have and what kind of service packages they require.

Close cooperation with the sector's leading product manufacturer Assa Abloy keeps the companies up-to-date on new technologies and products as well as related services and the market for the locking and security sector. The locking and security companies' professional and expert personnel advise the customers on choosing suitable products and services. The experienced personnel augment their expertise with regular training in products and technology. Furthermore, the companies' personnel attend the training required for quality certification.

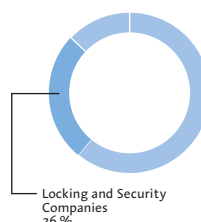
Turnover



Personnel



Share of the Group's turnover





- The customers are able to outsource a building's security, from the installation of the products to maintenance services.



THE LOCKING AND SECURITY COMPANIES IN 2004

Suomen Helasto's locking and security companies' turnover grew by 3 per cent to 6.6 million euros (6.5 million euros in the previous financial year) in 2004. The companies' turnover amounted to 26 per cent (27 per cent) of the entire Group's turnover. The locking and security companies have a total of 68 employees (67).

The locking and security companies managed to enhance the efficiency of their installation operations during the past financial year by arranging an even spread

of work over different months. Further deployments will be made in providing a comprehensive service, as the proportion of servicing and maintenance customers is expected to continue to grow in line with growth in renovation. The rise in construction and interest in increasingly high-quality and easier-to-use security solutions is expected to create a good basis for profitable growth by the locking and security companies.

DEMAND GROWING FOR QUALITY PRODUCTS

Suomen Helasto has two fittings companies, and these hold a key position in the sector's wholesale business in Finland. The fittings companies serve the joinery and furnishing industry. In the joinery industry, the fittings companies' customers are door and window manufacturers as well as building companies. The customer base in the furniture and fitting industry is composed of manufacturers of kitchen fittings and furniture.

The fittings companies' ranges include but are not limited to door and window closers, furnishing doors, hinges, handles, knobs, pull handles, and various types of mechanisms. The fittings companies supply the joinery industry with all necessary fittings and accessories. The fittings companies' customers vary in size from small joinery firms to large joinery industry manufacturers. The companies are able to serve all their customers individually and to respond to their needs.

The fittings companies' wide product ranges are comprised of quality products, as the customer companies and particularly the final users (private consumers) are increasingly quality-conscious. The final users want products which are not only high in quality but which are also technically excellent and individual solutions.

CHANGES IN INTERIOR DESIGN TRENDS ARE EXPANDING THE RANGE

Rising demand for quality products and trends in interior design require the fittings companies to keep a constant watch on the quality of their range and to extend it in accordance with the customers' needs. Suomen Helasto's fittings companies respond to the demand for fashionable products by obtaining large quantities of new products and supplying them with a short delivery lead time.

Flexibility and rapid delivery are also an important part of the fittings companies' service. The fittings companies are able to provide these services due to efficient purchasing, sales monitoring and logistics. The speed of industrial customers' manufacturing requires fast and reliable deliveries.

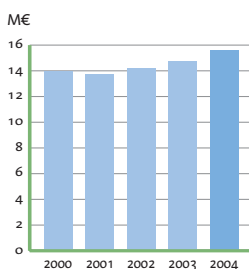
COLLABORATION WITH SUPPLIERS TO SERVE THE CUSTOMERS

The fittings companies upgrade their ranges regularly on the basis of feedback from customers. After launching a new product on the market, the fittings companies ask their customers to comment on both their own practical experience and the feedback they have been given by final users. Feedback and regular contact enable the fittings companies to make sure that they are launching products that customers expect and need.

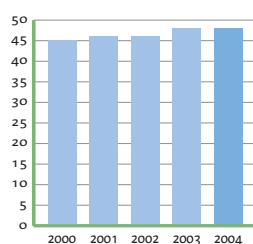
Excellent collaboration with suppliers ensures flexible deliveries and makes sure that the range is up-to-date and high in quality. The fittings companies have suppliers of different sizes; cost-effective purchases are made with the large ones by concentrating purchases, and agreements are made with the small suppliers – even on a made-to-measure basis – in accordance with the customer's wishes. The fittings companies get information from suppliers on new products and trends, so the fittings companies can put innovative products on sale in good time. The training on products that suppliers provide is also a part of the partnership. The fittings companies and suppliers have a common interest in customer satisfaction and in improving deliveries and sales.

Trust and good service are just as important to the fittings companies as keeping the product range up-to-date. The fittings companies' customers are served by skilled personnel with solid experience of the products as well as strong familiarity with the customers.

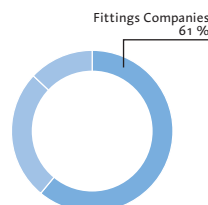
Turnover



Personnel



Share of the Group's turnover





■ The range of fashionable products has expanded and delivery lead times have shortened.

The personnel receive constant training on products and customers, enabling them to serve their customers well by providing advice about products and by helping with choices. The fittings companies' professionals are well informed of both the basic products and new items in the range.

THE FITTINGS COMPANIES IN 2004

The turnover of Suomen Helasto's fittings companies' grew by 6 per cent to 15.6 million euros (14.7 million euros in 2003). The companies' turnover amounted to 61 per cent of the Group's turnover (60 per cent). The companies had 48 employees (48).

The fittings companies enjoyed a good year in 2004, with demand for products and services growing in line

with an increase in renovation and private consumption. The fittings companies were able to maintain their market position in spite of intensified competition.

The fittings companies deployed effort in marketing during the past financial year, for example, by attending trade fairs, at which the companies' products attracted attention. On the basis of their solid experience and partnerships built up over a period of years, the fittings companies are convinced they can continue to reinforce their position as a wholesaler of fittings products and to grow profitably.

EXPERT AND PROBLEM-FREE COMPREHENSIVE SERVICE

Suomen Helasto's fastening companies operating in Helsinki, Tampere and Pori constitute an efficient chain serving its distributors nationwide as well as its customers in the provinces of Uusimaa, Satakunta and Pirkanmaa. The fastening companies' customers include companies in the engineering and electronics industry, construction firms, electrical and HEVAC companies, and cities and local authorities.

Suomen Helasto's fastening companies' high-quality range is comprised of bolts, screws and other fastening products as well as associated power and manual tools, speciality accessories, chemicals and overalls. The range has been actively expanded from fastenings to complementary accessories so that the fastening companies' customers can obtain all the products that they need for their work conveniently from a single supplier. The fastening companies also supply a shelving service, enabling the customer to be sure of always having enough products ready and waiting on the shelf. Making the customer's purchasing more convenient is a part of the customer-orientation for which Suomen Helasto's fastening companies are noted.

CUSTOMER-ORIENTATION IS THE CORNERSTONE OF THE FASTENING COMPANIES' BUSINESS

Customer-orientation makes itself felt in the fastening companies as flexible service tailored to the customer's needs and as continual expansion of the product range. The customers can consolidate their purchasing in the hands of the fastening companies, which attend to deliveries of products, inventories and restocking as well as reporting. Interest in a cost-effective and problem-free comprehensive service has grown constantly, particularly in the engineering industry, where large quantities of fastenings are needed on a continuing basis.

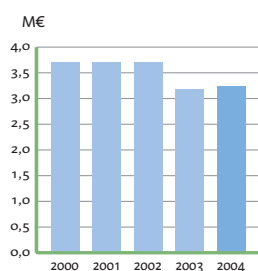
As demand for a comprehensive service has grown, the fastening companies have expanded their range of special products; the customers receive special products together with their orders of fastenings. In this way, the customers can concentrate a growing proportion of their procurements in the hands of Suomen Helasto's fastening companies. Furthermore, the fastening companies develop stock management and logistics to guarantee reliable and rapid delivery.

Suomen Helasto's fastening companies have excellent, longstanding relationships with their customers. Regular contact with corporate customers keeps the fastening companies up-to-date on the customers' needs. The fastening companies constantly improve their services and product ranges on the basis of customer feedback. Customer feedback is of particularly great importance in updating the ranges of special products. The fastening companies aim to be a dependable, flexible and service-minded partner for their customers.

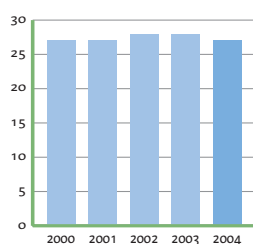
THE IMPORTANCE OF NETWORKING WITH SUPPLIERS IS GROWING ALL THE TIME

Good service and fast deliveries are based on intense and smoothly working relationships with suppliers. Thanks to networking, the fastening companies' warehouses always contain enough products, meaning the customers receive the products they need on time. The fastening companies also, when necessary, rapidly get products from their suppliers which are not otherwise available on the Finnish market. The suppliers also provide the fastening companies with information about product development and with product training. In this way, the companies are able to pass on information to their customers about new products and to advise on the use of the products.

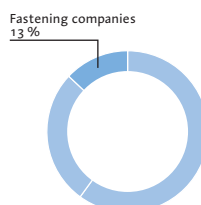
Turnover



Personnel



Share of the Group's turnover





- Special products augment the ranges of fastenings.



The fastening companies' professional and experienced personnel serve customers by tailoring packages of services to suit their needs. With the development of services and the product ranges, the personnel receive regular training so that they are able to advise customers on purchases when necessary. Advising customers has become an increasingly important part of the work due to the expanded product range.

THE FASTENING COMPANIES IN 2004

Suomen Helasto's fastening companies' turnover was 3.2 million euros (3.2 million euros in 2003), which amounted to 13 per cent of the Group's turnover (13 per cent). The

fastening companies have 27 employees (28). Although increases in raw material prices and transport costs affected business in the early part of the year, growth in the engineering industry and demand for comprehensive services held the fastening companies' sales steady. The fastening companies' goal is to reinforce their sales operations to be able to respond to the growth in demand as well as possible.

TREND IN EARNINGS

The turnover of the Suomen Helasto Group was 25.7 million euros (24.7 million euros). Turnover was up by 4.2% compared with the previous year. The Group's net profit took a favourable track. Operating profit amounted to 1.35 million euros (1.03 million euros) or 5.2% of turnover (4.2%). The Group's profit before taxes grew by 38.8% and was 1.25 million euros (0.90 million euros). The net profit for the year was 0.82 million euros (0.56 million euros). Earnings per share rose to 6.4 cents (4.4 cents). Return on investment was 14.7% (11.0%). The equity ratio was 46.7% (45.6%).

Turnover from construction fittings and furniture fittings grew by a total of 6%. The most positive trend was in furniture fittings, sales of which grew by over 10%. Suomen Helasto's position as a supplier of furniture fittings to the furniture industry strengthened considerably. Sales of construction fittings also developed favourably. The turnover from locking and security products grew by 3%. As growth in construction has slowed, competition for lock contracts on construction projects has intensified unmistakably, which has fuelled price competition and exerted a drag on sales growth. Operations were focused on servicing and maintenance work for buildings' locking systems. Demand for fastening products has continued on a par with the previous year's level and sales of them grew by 2%.

Construction and furniture fittings accounted for 61% of Group turnover, locking and security products for 26% and fastening products for 13%.

The Group's positive trend in earnings has been influenced primarily by growth in sales of construction and furniture fittings, by improvements in efficiency in locking and security companies' installation business, and by good cost control.

THE STATE OF THE MARKET

The state of the construction market held steady in 2004. This has been influenced by low interest rates, continuing internal migration, an increase in wage-earners' real incomes, and consumers' faith in their own economy. The Confederation of Finnish Construction Industries RT estimated in its October review of the business cycle that building construction had grown by 3% and renovation by 2% in 2004. Research institutes forecast that construction will continue to grow at a rate of approximately 3% in 2005.

FINANCING AND INVESTMENTS

The Group's financial position was good throughout the financial year. Cash flow from operations was 1.2 million euros (1.0 million euros), cash flow from investments was -0.2 million euros (-0.2 million euros) and cash flow from financing was -1.2 million euros (-0.7 million euros). Cash flow from financing includes a total of 0.9 million euros in dividends paid.

At year-end, interest-bearing debts totalled 3.8 million euros. Instalments on interest-bearing liabilities were paid with 0.3 million euros (0.1 million euros) in net amounts. Net financing expenses were 0.1 million euros (0.1 million euros), which was 0.4% of turnover (0.5%). The equity ratio was 46.7% (45.6%). Equity per share was 0.45 euros (0.45 euros).

Gross investments for the financial year were 0.2 million euros (0.2 million euros). During the financial year, the only investments made were in replacing machinery and equipment.

PERSONNEL

At year-end, the Group had 148 employees and during the financial year it had an average of 152 employees (153). Of these, the locking and security companies had 68 employees (68), the fittings companies had 48 employees (48), the fastenings companies had 27 employees (28) and the parent company had 9 employees (9).

COMPANY MEETINGS

At the annual general meeting of Suomen Helasto Oyj on 10 February 2004, Matti Koskenkorva, Erkki Koskenkorva and Mauno Koskenkorva were re-elected to the Board of Directors. It was decided to pay 0.07 euros per share in dividend. The auditors elected were Jukka Ala-Mello, Authorised Public Accountant, and PricewaterhouseCoopers Oy with Markku Tynjälä, Authorised Public Accountant, as the auditor in charge.

The annual general meeting authorised the Board of Directors to decide on increasing the share capital for the purpose of financing company acquisitions, through one or more rights issues, entitling subscription to a maximum of 150,000 euros. The authorisation included the right to disapply existing shareholders' pre-emptive subscription rights. The annual general meeting also authorised the Board of Directors to decide on acquiring and surrendering a maximum of 600,000 shares in the company. The authorisations held by the Board are valid for one year from the date of the AGM. The Board has not exercised the authorisations.

An extraordinary general meeting of Suomen Helasto Oyj held on 10 September 2004 augmented the company's Board of Directors by electing Hannu Kankkunen as a new member. Hannu Kankkunen succeeded the long-serving Board member Erkki Koskenkorva, who died on 18 May 2004.

At its formative meeting held after the extraordinary general meeting, the Board elected Matti Koskenkorva as its chairman.

SHARE PRICE AND TRADING

During the financial year, the total number of shares traded on the Helsinki Exchanges' I-list was 904,623 (1,313,362), for a total trading value of 0.67 million euros (0.74 million euros). Shares traded represented 7.1%

(10.3%) of the total. The highest quotation in the financial year was 0.83 and the lowest was 0.60 euros. The average traded share price during the financial year was 0.74 euros (0.56 euros). Shares closed at 0.72 euros at the end of the financial year. The market capitalisation at year-end was 9.2 million euros (9.5 million euros).

Suomen Helasto Oyj's share capital was 768,080.46 euros and the number of shares was 12,801,341. The par value of a share is 0.06 euros.

PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The Board of Directors proposes to the annual general meeting that 0.07 euros per be paid in dividend. The total dividend paid would thus total 896,093.87 euros. The Group's distributable funds before the payment of dividend are 4,316,798.48 euros and those of the parent company are 5,313,092.46 euros.

OUTLOOK FOR THE FUTURE

Construction is forecast to continue to be vibrant in 2005 in spite of the slowdown in growth in construction. Renovation is expected to grow faster than construction. In its December economic report, the Research Institute of the Finnish Economy forecast that private consumption will grow by 2.5% in 2005. It is therefore believed that the state of the market in the Suomen Helasto Group's sector of business will continue to be favourable in 2005.

On the basis of the growth prospects in the sector, the Group's turnover is forecast to grow steadily and profits are expected to continue to improve relative to the previous year. The accumulation of profit is expected to be concentrated in the second half of the financial year due to the seasonal nature of this business.

PROFIT AND LOSS ACCOUNT

1 000 €

	Note	GROUP		PARENT COMPANY	
		31.10.2004	31.10.2003	31.10.2004	31.10.2003
TURNOVER		25,745	24,697	867	771
Other operating income	1.1.	45	24		
Materials and services	1.2.	16,673	15,956		
Personnel expenses	1.3.	4,861	4,714	456	455
Depreciation and write-downs	2.1.	534	565	39	45
Other operating expenses		2,371	2,453	342	350
OPERATING PROFIT/LOSS		1,351	1,033	30	-79
Financial income and expenses	1.4.	-105	-135	135	72
PROFIT BEFORE EXTRAORDINARY ITEMS		1,246	898	165	-7
Extraordinary items	1.5.			790	945
PROFIT BEFORE APPROPRIATIONS AND TAX		1,246	898	955	938
Appropriations	1.6.			1	10
Income taxes	1.7.	-430	-335	-280	-275
NET PROFIT FOR THE FINANCIAL YEAR		816	563	676	672

CONSOLIDATED BALANCE SHEET

<u>1 000 €</u>		GROUP		PARENT COMPANY	
ASSETS	Note	31.10.2004	31.10.2003	31.10.2004	31.10.2003
NON-CURRENT ASSETS					
	2.1.				
Intangible assets		41	60	21	35
Consolidation goodwill		566	772		
Tangible assets		1,439	1,556	32	53
Investments		60	60	5,078	5,078
		2,107	2,448	5,130	5,165
CURRENT ASSETS					
Inventories	2.2.	6,647	6,554		
Long-term receivables	2.3.			800	820
Short-term receivables	2.4.	3,365	3,406	4,685	4,741
Cash in hand and at bank		164	340	6	144
		10,176	10,299	5,490	5,706
ASSETS, TOTAL		12,283	12,747	10,620	10,871
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY					
	2.5.				
Share capital		768	768	768	768
Share premium fund		370	370	370	370
Reserve fund		52	52	52	52
Retained earnings		3,733	4,065	4,637	4,861
Net profit for the financial year		816	563	676	672
		5,739	5,819	6,503	6,723
ACCUMULATED APPROPRIATIONS					
	2.6.				1
LIABILITIES					
Deferred tax liability		81	108		
Long-term liabilities	2.7.	2,934	3,176	2,856	2,881
Short-term liabilities	2.8.	3,528	3,645	1,261	1,266
		6,544	6,929	4,117	4,146
LIABILITIES AND SHAREHOLDERS' EQUITY, TOTAL		12,283	12,747	10,620	10,871

SOURCES AND APPLICATION OF FUNDS

<u>1 000 €</u>	GROUP		PARENT COMPANY	
	31.10.2004	31.10.2003	31.10.2004	31.10.2003
CASH FLOW FROM BUSINESS OPERATIONS				
Operating profit	1,351	1,033	30	-79
Adjustments:				
Depreciation according to plan	534	565	39	45
Capital gains on fixed assets	-35	-9		
Cash flow before change in working capital	1,851	1,588	69	-34
Change in working capital				
Short-term non-interest bearing receivables, increase (-), decrease (+)	41	-144	57	-92
Inventories, increase (-), decrease (+)	-93	5		
Short-term non-interest bearing liabilities, increase (+), decrease (-)	-94	-8	-54	73
	-146	-147	3	-20
Cash flow from business operations before financial items and tax	1,704	1,442	72	-53
Interest paid and other financial expenses	-156	-182	-134	-155
Dividends received	3	1		
Interest received	38	61	255	236
Other financial items	9	-15	14	-9
Direct taxes paid	-442	-282	-350	-202
	-548	-417	-215	-131
Cash flow from business operations	1,157	1 025	-143	-184
CASH FLOW FROM INVESTMENTS				
Investments in tangible and intangible assets	-242	-207	-5	-23
Income from sales of tangible and intangible assets	75	12	2	3
Refund of loans receivable			20	25
Cash flow from investments	-168	-194	16	5
CASH FLOW FROM FINANCING				
Long-term loans drawn	808	690	700	690
Repayment of long-term loans	-1 131	-650	-660	-566
Short-term loans drawn	54		54	
Repayment of short-term loans		-118		-118
Dividends paid	-896	-640	-896	-640
Group subventions received and paid			790	945
Cash flow from financing	-1,165	-718	-12	311
Change in liquid assets	-176	113	-139	131
Liquid assets at beginning of financial year	340	227	144	13
Liquid assets at end of financial year	164	340	6	144

1. SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements cover all the Group companies.

2. ELIMINATIONS AND TREATMENT OF CONSOLIDATION GOODWILL

The consolidated financial statements have been prepared using the acquisition cost method. The acquisition cost of shares in subsidiaries is eliminated against shareholders' equity on the balance sheet at the date of purchase; the item includes voluntary reserves and the accumulated depreciation difference, less imputed tax liability. Acquisition cost in excess of the subsidiary's shareholders' equity is allocated to fixed asset items as appropriate. The part of the purchase price exceeding the acquired company's shareholders' equity which is not allocated in the manner referred to above is shown as consolidation goodwill on the balance sheet.

All transactions and distribution of profits within the Group have been eliminated. The internal margins included in the Group's inventories and fixed assets have been deducted from balance sheet items and from non-restricted shareholders' equity. Intra-Group receivables and liabilities have been eliminated. The accumulated depreciation difference is divided on the balance sheet between deferred tax liability and shareholders' equity.

3. VALUATION PRINCIPLES

Accounts receivable and payable denominated in foreign currency are valued at the exchange rates on the date when the accounts were closed. Fixed assets have been entered on the balance sheet at the original acquisition cost less planned depreciation. Inventories are valued at their original acquisition cost, or at the lower replacement price, or at the likely selling price.

4. DEPRECIATION PRINCIPLES

Depreciation according to plan on current fixed assets is calculated on a straight-line basis over the estimated useful life of assets, which is 25–35 years for buildings, 3–8 years for machinery and equipment, 5 years for other capitalised expenses and 10–20 years for consolidation goodwill. Consolidation goodwill allocated to fixed assets is depreciated in the consolidated financial statements in accordance with the depreciation period of the fixed asset item in question.

5. PENSION EXPENSES

Statutory pension security is covered with a pension insurance company. The pension expenses are booked on an accruals basis during the employee's time in service.

6. INTRODUCTION OF IAS/IFRS STANDARDS

In autumn 2003, Suomen Helasto began to chart the effects of the IAS/IFRS standards on the company's accounting conventions. Main change in accounting principles for financial statements will be the termination of amortisation of consolidated goodwill, which is replaced with annual impairment test.

Suomen Helasto will make decisions on the accounting principles in IFRS and the figures for the opening IFRS balance sheet will be calculated in spring 2005. The changeover will be effected on the timescale required by the regulations, in such a way that Suomen Helasto will adopt the IAS/IFRS accounting conventions in the financial year beginning 1 November 2005.

NOTES TO THE PROFIT AND LOSS ACCOUNT

1 000 €	GROUP		PARENT COMPANY	
	2004	2003	2004	2003
1.1. OTHER OPERATING INCOME				
Capital gains on fixed assets	35	9		
Other	11	15		
Total	45	24		
1.2. MATERIALS AND SERVICES				
Materials and supplies				
Purchases during the financial year	16,726	15,883		
Changes in inventory	-93	27		
External services	40	46		
Total	16,673	15,956		
1.3. NOTES CONCERNING PERSONNEL AND MEMBERS OF ADMINISTRATIVE BODIES				
Personnel expenses				
Wages and salaries	3,906	3,813	326	328
Emoluments	39	42	39	42
Pension expenses	698	648	65	57
Other personnel expenses	218	211	26	27
Total	4,861	4,714	456	455
Management salaries and bonuses				
Managing Director and Board members	377	442	128	131
During the financial year, the average number of employees in the Group and the parent company was				
	152	153	9	9
1.4. FINANCIAL INCOME AND EXPENSES				
Income from long-term investments				
Dividend income				
From others	4	1		
Dividend income, total	4	1		
Income from long-term investments, total	4	1		

NOTES TO THE PROFIT AND LOSS ACCOUNT

1 000 €	GROUP		PARENT COMPANY	
	2004	2003	2004	2003
Other interest and financial income				
From Group companies			251	228
From others	65	61	31	8
Total	65	61	282	236
Interest and financial income, total	69	62	282	236
Interest expenses and other financial expenses				
To others	174	197	147	164
Interest- and other financial expenses, total	174	197	147	164
Financial income and expenses, total	-105	-135	135	72

1.5. EXTRAORDINARY ITEMS

Extraordinary income		1,100	1,160
Extraordinary expenses		-310	-215
Total		790	945

Extraordinary items comprise Group subventions paid and received

1.6. APPROPRIATIONS

Difference between planned depreciation and depreciation for tax purposes		1	10
Total		1	10

1.7. INCOME TAXES

Income taxes on actual business	457	356	280	275
Change in deferred tax liability	-26	-21		
Total	430	335	280	275

The Group subventions paid and received included in the extraordinary items affect the taxes of the parent company.

NOTES TO THE BALANCE SHEET

1 000 €

2.1. NON-CURRENT ASSETS

GROUP FIXED ASSETS	Intangible assets		Total	Tangible assets			Total
	Intangible rights	Consolidation goodwill		Land areas	Buildings	Machinery and equipment	
Acquisition cost, 1 Nov.	427	3,135	3,562	107	1,483	3,099	4,690
Increases	1		1			246	246
Decreases						-140	-140
Acquisition cost, 31 Oct.	428	3,135	3,563	107	1,483	3,205	4,796
Accrued depreciation, 1 Nov.	367	2,363	2,730		645	2,489	3,134
Accrued depreciation from decreases and transfers						-86	-86
Depreciation for the financial year	20	206	225		50	258	309
Accrued depreciation, 31 Oct.	387	2,569	2,955		696	2,661	3,357
Book value 31 Oct.	41	566	608	107	788	544	1,439

PARENT COMPANY FIXED ASSETS	Intangible assets		Total	Tangible assets	
	Intangible rights	other long-term expenditure		Machinery and equipment	Total
Acquisition cost, 1 Nov.	29	219	248	408	408
Increases		1	1	4	4
Decreases				-3	-3
Acquisition cost, 31 Oct.	29	221	250	409	409
Accrued depreciation, 1 Nov.	27	187	214	355	355
Accrued depreciation from decreases and transfers				-1	-1
Depreciation for the financial year		15	15	23	23
Accrued depreciation, 31 Oct.	27	202	229	377	377
Book value, 31 Oct.	2	18	21	32	32

GROUP INVESTMENTS	Other shares
Book value, 1 Nov.	60
Book value, 31 Oct.	60

PARENT COMPANY INVESTMENTS	Shares in Group companies	Other	Total
Book value, 1 Nov.	5,049	29	5,078
Book value, 31 Oct.	5,049	29	5,078

NOTES TO THE BALANCE SHEET

1 000 €

GROUP COMPANIES	Group's holding, %	Parent company's holding, %	Shares/holdings owned by the parent company			Net profit for the financial year
			number	par value	book value	
Helakiinteistöt Oy	100	100	15	3	17	7
Helsingin Laaturuuvi Oy	100	100	150	3	596	12
Lukkoexpert Security Oy	100	100	1,500	3	3	19
Lukko-Kari Oy	100	100	100	3	803	20
Lukkemies Oy	100	100	250	42	9	8
Porin Pultti Oy	100	100	50	8	404	8
Pulapotti Oy	100	100	1,500	3	1	
Ruuvipojat Oy	100	100	80	8	1,149	20
Satakunnan Lukkoasennus Oy	100	100	1,500	3	3	6
Seinäjoen Rakennustarvike ja Lukko Oy	100	100	30	10	1,146	89
Suomen Helakeskus Oy	100	100	100	25	769	123
Suomen Lukkosystem Oy	100	100	100	17	68	27
Suomen Turvasystems Oy	100	100	15	3	3	7
Suomen Turvaurakointi Oy	100	100	1,500	3	1	
Vantaan Lukko Oy	100	100	583	98	77	31
Total				228	5,049	375

2.2. INVENTORIES

	2004	2003	2004	2003
Finished products and goods	6,622	6,529		
Advances paid	24	24		
Total	6,647	6,554		

2.3. LONG-TERM RECEIVABLES

Receivables from Group companies

Long-term receivables	800	820
Total	800	820

2.4. SHORT-TERM RECEIVABLES

Receivables from other companies

Accounts receivable	2,968	2,995		
Loans receivable	6	6		
Other receivables	17	38		2
Accrued income and prepaid expenses	374	366	14	13
Total	3,365	3,406	14	15

Receivables from Group companies

Loans receivable			3,566	3,563
Accrued income and prepaid expenses			1,104	1,163
Total			4,670	4,727

Receivables, total	3,365	3,406	4,685	4,741
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NOTES TO THE BALANCE SHEET

<u>1 000 €</u>	GROUP		PARENT COMPANY	
2.5. SHAREHOLDERS' EQUITY	2004	2003	2004	2003
Share capital, 1 Nov.	768	768	768	768
Share capital, 31 Oct.	768	768	768	768
Contingency fund, 1 Nov.	52	52	52	52
Contingency fund, 31 Oct.	52	52	52	52
Share premium fund, 1 Nov.	370	370	370	370
Share premium fund, 31 Oct.	370	370	370	370
Retained earnings, 1 Nov.	4,629	4,706	5,533	5,501
Dividend payment	-896	-640	-896	-640
Retained earnings, 31 Oct.	3,733	4,065	4,637	4,861
Net profit for financial year	816	563	676	672
Shareholders equity , total	5,739	5,819	6,503	6,723
Portion of accrued depreciation difference and voluntary reserves entered in shareholders' equity	232	264		
Distributable assets of shareholders' equity	4,317	4,365	5,313	5,533
2.6. ACCUMULATED APPROPRIATIONS				1
Accumulated appropriations in the parent company consist of the accrued depreciation difference.				
2.7. LONG-TERM LIABILITIES				
Loans from financial institutions	2,924	2,860	2,856	2,860
Pension loans	10	315		21
Long-term liabilities , total	2,934	3,176	2,856	2,881
Payables due in over five years				
Loans from financial institutions		112		112
Pension loans		51		
Total		163		112
2.8. SHORT-TERM LIABILITIES				
Payables to other companies				
Loans from financial institutions	831	630	759	630
Pension loans	5	94		9
Accounts payable	1,361	1,460	11	11
Accrued liabilities and deferred income	832	922	93	164
Other short-term payables	499	539	36	41
Total	3,528	3,645	899	855
Payables to Group companies				
Accounts payable				2
Accrued liabilities and deferred income			310	215
Other short-term payables			53	193
Total			363	410
Short-term liabilities, total	3,528	3,645	1,261	1,266

OTHER NOTES

	GROUP		PARENT COMPANY	
	2004	2003	2004	2003
Liabilities with real estate mortgages as collateral				
Pension loans	1)	389		
Mortgages given		513		
Loans from financial institutions	2)	631	980	
Mortgages given		1,060	1,060	
Real estate mortgages as collateral, total		1,060	1,573	
Liabilities with company mortgages as collateral				
Pension loans	1)	389		29
Mortgages given		336		336
Loans from financial institutions	2)	3,560	3,491	1,389
Mortgages given		3,591	3,086	1,346
Real estate mortgages as collateral, total		3,591	3,423	1,346
Other collateral				
Real estate mortgages given		42	42	
Pledged savings		48	50	5
Total		90	92	5
The aforementioned collateral is given as collateral for customs, rental and contract agreements.				
Collateral given on behalf of Group companies				
Company mortgages given				336
1) Total of pension loans				
2) Total of loans from financial institutions		15	409	
		3,756	3,491	
		3,771	3,900	
Other contingent liabilities				
Guarantees given on behalf of a subsidiary			15	20
LEASING LIABILITIES				
Unpaid amounts in leasing contracts				
Payable during next financial year		5	12	2
Payable later			5	2
Total		5	18	5
DERIVATIVE CONTRACTS				
The Group has no liabilities due to derivative contracts.				

GROUP KEY INDICATORS

SCOPE AND PROFITABILITY OF OPERATIONS	2004	2003	2002	2001	2000
Turnover	25.7	24.7	24.5	25.5	25.3
Operating profit	1.4	1.0	1.0	1.6	2.1
% of turnover	5.2	4.2	3.9	6.4	8.2
Profit before taxes	1.2	0.9	0.8	1.5	1.8
% of turnover	4.8	3.6	3.2	5.8	7.2
Gross investments	0.2	0.2	0.2	0.3	0.3
Average number of personnel	152	153	154	157	159
Return on equity (ROE) %	14.1	9.6	8.1	18.0	21.5
Return on investment (ROI) %	14.7	11.0	9.8	16.1	18.2

FINANCING AND FINANCIAL POSITION

Balance sheet total	12.3	12.7	12.9	14.1	14.4
Liabilities	6.5	6.9	7.0	8.0	8.8
Share capital	0.8	0.8	0.8	0.9	0.8
Other shareholders' equity	5.0	5.1	5.1	5.2	4.8
Equity ratio, %	46.7	45.6	45.9	43.0	39.1
Gearing	0.6	0.6	0.6	0.8	0.9
Interest margin	18.0	11.8	9.2	15.1	10.0
Current ratio	2.9	2.8	2.3	2.5	2.6
Payment of dividend	0.90*)	0.90	0.64	0.64	0.64

SHARE INDICATORS

Earnings per share, €	0.064	0.044	0.037	0.082	0.085
Equity per share, €	0.45	0.45	0.46	0.47	0.40
Dividend per share, €	0.07*)	0.07	0.05	0.05	0.04
Payout ratio, %	109.8*)	159.1	133.4	60.7	52.8
Effective dividend yield, %	9.7*)	9.5	8.6	8.3	7.9
P/E ratio	11.3	16.8	15.5	7.3	6.7
Market capitalisation, €m	9.2	9.5	7.4	7.7	8.1
Share trading					
trading value €m	0.7	0.7	0.2	0.3	3.0
trading volume, 1,000 shares	905	1 313	335	485	5 385
percentage of issued stock	7.1	10.3	2.6	3.4	37.8
Share price trend, €					
high	0.83	0.74	0.75	0.73	0.83
low	0.60	0.49	0.55	0.55	0.47
mean price	0.74	0.56	0.66	0.63	0.56
at year-end	0.72	0.74	0.58	0.60	0.57
Number of shares, issue-adjusted					
mean 1,000 shares	12,801	12,801	12,801	12,801	14,264
at year-end, 1,000 shares	12,801	12,801	12,801	12,801	14,264

*) Proposal from the Board of Directors to the annual general meeting

FORMULAS FOR KEY INDICATORS

Return on equity, %	$\frac{\text{profit before extraordinary items} - \text{income taxes}}{\text{shareholders' equity (average)}} \times 100$
Return on investment, %	$\frac{\text{profit before extraordinary items} + \text{interest and other financing expenses}}{\text{balance sheet total} - \text{non-interest-bearing liabilities (average)}} \times 100$
Equity ratio, %	$\frac{\text{shareholders' equity} \times 100}{\text{balance sheet total} - \text{advances received}}$
Gearing	$\frac{\text{interest-bearing liabilities} - \text{cash in hand and at bank}}{\text{shareholders' equity}} \times 100$
Earnings per share, €	$\frac{\text{profit before extraordinary items} - \text{income taxes}}{\text{adjusted number of shares (average)}}$
Equity per share, €	$\frac{\text{shareholders' equity}}{\text{adjusted number of shares at year-end}}$
Dividend per share, €	$\frac{\text{dividend for year}}{\text{adjusted number of shares at year-end}}$
Dividend/earnings, %	$\frac{\text{dividend per share} \times 100}{\text{earnings per share}}$
Effective dividend yield, %	$\frac{\text{dividend per share} \times 100}{\text{share price 31 Oct.}}$
P/E ratio	$\frac{\text{share price 31 Oct.}}{\text{earnings per share}}$

Share Capital and Shares

In accordance with the articles of association, the minimum share capital of Suomen Helasto Oyj is 600,000 euros and the maximum share capital is 2,400,000 euros, within which limits the share capital may be increased or decreased without amending the articles of association. The company's paid-in share capital as entered in the Trade Register at year-end was 768,080.46 euros, at which time Suomen Helasto Oyj had issued a total of 12,801,341 shares. The par value of a share is 0.06 euros. The company holds none of its own shares and it has not issued options or convertible bonds.

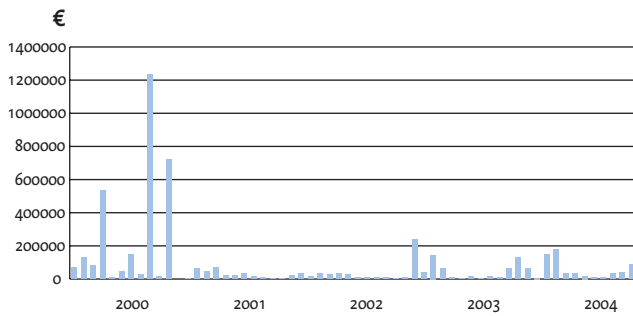
Market

As of 24 June 1992, shares in Suomen Helasto Oyj were listed on the OTC List. Since 19 October 1998, the listing has been on the Helsinki Exchanges' I List.

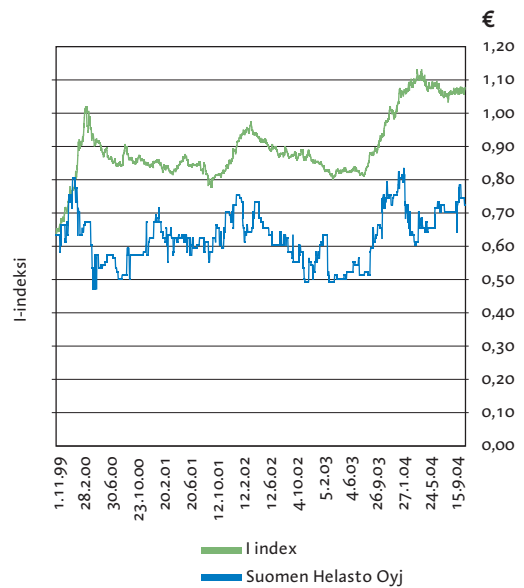
Shares in the Book-entry Securities System

Suomen Helasto Oyj shares were entered in the book-entry securities system in October 1995.

Share Trading 1.11.1999 - 31.10.2004



Share price and I index 1.11.1999 - 31.10.2004



INFORMATION ON SHARES

Biggest Shareholders, 31 October 2004

	Number of shares	Percentage of shares and voting rights
1. Maija Koskenkorva	2,332,619	18.22
2. Tampereen Seudun Osuuspankki	1,462,401	11.42
3. Matti Koskenkorva	1,446,413	11.30
4. Mauno Koskenkorva	930,975	7.27
5. Estate of Erkki Koskenkorva	852,531	6.66
6. Aino Koskenkorva	353,282	2.76
7. Vilho Korkeamäki	300,000	2.34
8. Pekka Koskenkorva	290,366	2.27
9. Johanna Koskenkorva	290,366	2.27
10. Anneli Koskenkorva	246,379	1.92
Other shareholders	4,296,009	33.57
Total	12 801,341	100.00

Distribution of Holdings, 31 October 2004

Shares/ shareholder	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of shares
1 – 100	85	15.83	3,941	0.03
101 – 1,000	162	30.17	84,908	0.66
1,001 – 10,000	207	38.55	919,307	7.18
10,001 – 100,000	64	11.92	1,700,779	13.29
100,001 –	19	3.54	10,081,732	78.76
	537	100.00	12,790,667	99.92
Shares not entered in the book-entry securities system			10,674	0.08
Total			12,801,341	100.00

Shareholder Categories, 31 October 2004

	Percentage of shareholders	Percentage of shares
Companies	6.73	1.99
Financial institutions and insurance companies	0.37	11.63
Non-profit organisations	0.93	0.18
Private investors	91.78	86.06
Foreigners	0.19	0.06
Shares not entered in the book-entry securities system		0.08
Total	100.00	100.00

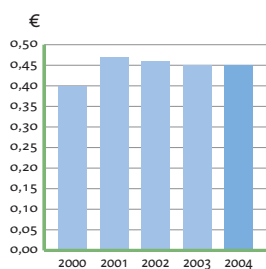
Nominee-registered holdings 2 (19,000 shares)

Changes in Share Capital	Subscription date	Change in number of shares	Share capital, euros
Establishment	31.12.1984	300,000	50,456
Rights issue	27.8.1990	1,400,000	285,919
Rights issue	3.9.1990	300,000	336,376
Rights issue	30.3 -30.4.1992	1,000,000	504,564
Bonus issue (2:1)	29.11.1993	1,500,000	756,846
Directed issue (acquisition)	29.11.1993	75,000	769,460
Directed issue (acquisition)	13.02.1997	58,000	779,215
Directed issue (acquisition)	30.04.1997	71,500	791,240
Directed issue (acquisition)	20.11.1998	50,000	799,649
Bonus issue	12.2.2001	0	855,810
Share split (1:3)	12.2.2001	9,509,000	855,810
Decrease in share capital, 11 April 2002		-1,462,159	-87,730
Total		12,801,341	768,080

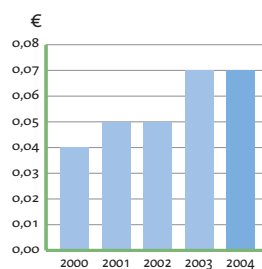
Announcements in Accordance with the Securities Market Act, Chapter 2, Section 9:

There were no announcements in accordance with the Securities Market Act, Chapter 2, section 9 during the financial year.

Equity per share



Dividend per share



PROPOSAL BY THE BOARD OF DIRECTORS FOR THE DISTRIBUTION OF PROFITS AUDITORS' REPORT

PROPOSAL BY THE PARENT COMPANY'S BOARD OF DIRECTORS FOR THE DISTRIBUTION OF PROFITS

The Group's distributable assets are 4,316,798.48 euros

The parent company's distributable assets are:

Distributable profits	4,637,134.78 euros
Net profit for the year	675,957.68 euros
	<hr/>
	5,313,092.46 euros

The Board of Directors propose that

- A dividend of 0,07 euros be paid in dividend on 12,801,341 shares, totalling 896,093.87 euros

Seinäjoki, 11 January 2005

Matti Koskenkorva
Chairman

Hannu Kankkunen

Mauno Koskenkorva
Managing Director

AUDITORS' REPORT

To the shareholders of Suomen Helasto Oyj

We have audited Suomen Helasto Oyj's accounts, financial statements and corporate governance for the financial year from 1 November 2003–31 October 2004. The financial statements prepared by the Board of Directors and the Managing Director include the Board of Directors' report and the profit and loss accounts, balance sheets and notes concerning the financial statements of the Group and the parent company. Based on the audit, we express the following opinion on the financial statements and corporate governance.

We have performed our audit in accordance with Finnish Standards on Auditing. We have examined the accounts, the accounting principles and the contents of the financial statements to a sufficient degree to verify that the financial statements are free from material errors or omissions. The audit of corporate governance verified that the members of the Board of Directors and the Managing Director have complied with the provisions of the Finnish Companies' Act.

In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations relevant to the preparation of financial statements. They give a true and fair view of the Group and of the parent company's results and financial position. The financial statements and consolidated financial statements may be adopted and the members of the Board of Directors and the Managing Director may be discharged from liability for the financial year audited by us. The proposal from the Board of Directors concerning the disposal of the year's profits is in compliance with the Companies' Act.

Seinäjoki, 11 January 2005

PricewaterhouseCoopers Oy
APA firm

Markku Tynjälä
APA

Jukka Ala-Mello
APA

APPLICABLE REGULATIONS

Suomen Helasto Oyj complies with the rules and regulations of its articles of association and the Finnish Companies Act as well as the recommendations issued in December 2003 by Hex Plc, the Central Chamber of Commerce, and the Confederation of Finnish Industry and Employers on corporate governance with the exceptions given below. Suomen Helasto Oyj has also applied the insider regulations approved by the Helsinki Exchanges on 28 October 1999 since 1 March 2000. The operational principles described here augment the regulations of currently valid legislation and the articles of association.

THE ANNUAL GENERAL MEETING

The annual general meeting is the highest decision-making body of Suomen Helasto Oyj. It inter alia annually adopts the company's financial statements, and it decides on the distribution of profit and on granting release from liability for the members of the Board of Directors and the Managing Director, and furthermore elects the members of the Board of Directors and auditors and decides on the emoluments they are to be paid. The annual general meeting is convened by the company's Board of Directors. The annual general meeting must, according to the articles of association, be held annually by the end of April.

The notice of meeting must be delivered to the shareholders no earlier than two months and no later than 17 days before the meeting by publishing the notice of meeting in at least one newspaper, decided by a general meeting of the company, which has nationwide circulation. The company's Managing Director, the chairman of the Board of Directors and a candidate for membership of the Board of Directors who is proposed for this post for the first time must attend the company meeting unless there are strong reasons for their absence.

THE BOARD OF DIRECTORS

The company's Board of Directors is comprised, according to the articles of association, of at least three and at most seven ordinary members. There is no particular order for the installation of a member of the Board in the articles of association. The duties and responsibilities of the Board of Directors are determined on the basis of the articles of association, the Companies Act and other applicable legislation. The term in office of a member of the Board of Directors ends at the closing of the first annual general meeting following the one at which he or she was elected.

The Board of Directors is responsible inter alia for Suomen Helasto Group's strategic goals, the proper arrangement of its business and governance, and for corporate acquisitions.

The Board of Directors has prepared written rules of procedure for its work. The Board of Directors assesses its operations and working methods annually. The Board of Directors has no separate committees.

In disapplication of the Corporate Governance recommendation, it has been decided that, in view of the size of the company, a three-member Board of Directors is able to perform the duties of the Board of Directors efficiently.

The Board of Directors has appraised the independence of the members and concluded that Hannu Kankkunen is independent both of the company and of the major shareholders in the company. In disapplication of the

Corporate Governance recommendation, Matti Koskenkorva and Mauno Koskenkorva are not independent of major shareholders on the grounds of their own and shareholdings and those of close associates. As the company's Managing Director, Mauno Koskenkorva is also not independent of the company.

During the financial year 2003-2004 the Board of Directors convened on 12 occasions. The average rate of attendance of a member of the Board of Directors at meetings was 100%.

The emolument for the chairman of the Board of Directors was 1,500 euros per month and that of a member of the Board of Directors was 1,000 euros per month.

MANAGING DIRECTOR

The company's Board of Directors appoints a Managing Director, who is also the Group CEO. The mission of the Managing Director is to manage the Group's business and to attend to the administration in accordance with instructions provided by the Board of Directors.

Mauno Koskenkorva has served as the Managing Director of Suomen Helasto Oyj since 1984.

The salary and other perquisites of the Managing Director are decided by the Board of Directors. The Managing Director has a written contract on which notice of termination may be given by the Managing Director six months and by Suomen Helasto Oyj 18 months in advance of the termination date.

The annual earnings and other perquisites of the Managing Director in the financial year 2003-2004 totalled 100,249 euros. In addition, the Managing Director received separate emoluments for duties as a member of the Board of Directors amounting to 12,000 euros. The Managing Director's pensionable age is from 63 to 68, in accordance with the law.

THE ORGANISATION OF BUSINESS OPERATIONS

The Suomen Helasto Group's business operations are performed by the subsidiaries. Operative business is the responsibility of the subsidiaries' Managing Directors and the unit managers.

As parent company, Suomen Helasto Oyj is responsible for the Group's highest management, financial management, financing, personnel management, communications and data systems.

INTERNAL SUPERVISION AND RISK MANAGEMENT

Suomen Helasto Oyj's Board of Directors is responsible for the Group companies' administration and the proper arrangement of their operations. The Managing Director, together with the Finance Director, attends to the reliability of the accounting and to the arrangement of the supervisory mechanisms.

The company's financial trend is monitored monthly with the aid of reports on financial results, balance sheets and sales covering the entire Group.

The purpose of risk management is to ensure the framework for the achievement of the business targets and for the continuity of business.

Business risks associated with property, damage and liability have been allowed for with appropriate insurance cover.



The Board of Directors:

Hannu Kankkunen, Matti Koskenkorva (Chairman), Mauno Koskenkorva (Managing Director).

AUDIT

According to the articles of association, the company has from two to four auditors. The auditors elected by the annual general meeting for the past few years have been Authorised Public Accountant Jukka Ala-Mello, and PricewaterhouseCoopers Oy with Authorised Public Accountant Markku Tynjälä as its auditor in charge.

The auditors present annually an auditors' report to Suomen Helasto Oyj's annual general meeting. The auditors also provide the Board of Directors annually with the main points of the audit plan and the written auditors' report on the whole Group together with the April interim report and the financial statements. The audit plan takes into account the fact that the company has no separate organisation for internal auditing.

In the financial year 2003-2004, the fees paid to the Group's auditors totalled 26,399 euros.

INSIDER ADMINISTRATION

The company's insiders under the terms of the Securities Markets Act, by virtue of their posts, are the members of the Board of Directors, the Managing Director and the auditors. Designated insiders on the basis of their positions are the subsidiaries' Managing Directors and unit managers as well as the parent company's Finance Director and other staff who constantly receive insider information on the Group in the course of their duties. The Finance Director serves as the company's insider officer. Insiders may not trade company shares for 14 days before the publication of the company's interim report and financial statements bulletin. Suomen Helasto Oyj sees to it, through training and communications, that the permanent insiders are aware of their status and its effects. Suomen Helasto Oyj keeps its permanent register of insiders in Finnish Central Securities Depository Ltd's SIRE system.

THE BOARD OF DIRECTORS AND MANAGEMENT

THE BOARD OF DIRECTORS

Chairman:

Matti Koskenkorva, born 1947

Civil Engineer

Chairman since 1989

Managing Director of Panostaja Oyj 1992-2002

Chairman of the Board of Directors of Panostaja Oyj since 2002

Member of the Board of Directors of Rakentajain Konevuokraamo Oyj since 2000

Shareholding: 1,446,413 company shares.

Members:

Mauno Koskenkorva, born 1943

Electrical Engineer

Managing Director of Suomen Helasto Oyj since 1984

Member of the Board since 1984

Shareholding: 930,975 company shares

Hannu Kankkunen, born 1952

BPS, MBA

Member of the Board since 2004

Managing Director of Securitas Systems Oy since 1992

Shareholding: 64,700 company shares

The members of the Board of Directors together hold 19.1% of the company's shares and voting rights (as at 18 November 2004).

FINANCIAL MANAGEMENT

Finance Director:

Kimmo Uusimäki, born 1968

M.Sc. (Econ. & BA), Authorised Public Accountant

Finance Director since 2000

Shareholding: 40,000 company shares

ANNUAL GENERAL MEETING

The annual general meeting of Suomen Helasto Oyj will be held at the company's premises at Keskuskatu 18, Seinäjoki at 11 a.m. on 15 February 2005.

All shareholders who have been entered on the list of shareholders kept by the Finnish Central Securities Depository Ltd by 4 February 2005 will be entitled to attend the annual general meeting.

Shareholders whose shares have not been transferred to the book-entry securities system are also entitled to attend the AGM, provided that they were entered in the company's shareholders' register before 27 October 1995. Such shareholders should present their share certificates or other proof that their title to the shares has not been transferred to a book-entry securities account at the annual general meeting.

Shareholders wishing to attend the annual general meeting must notify the company's head office in Seinäjoki no later than 8 February 2005 by telephone (+358 6 4206216, Kimmo Uusimäki, Financial Director), by mail to Suomen Helasto Oyj, Keskuskatu 18, FI-60100 Seinäjoki, Finland), by fax (+358 6 4206222), or by email to: kimmo.uusimaki@suomenhelasto.fi.

PAYMENT OF DIVIDEND

The Board of Directors of Suomen Helasto Oyj will propose at the annual general meeting that a dividend per share of EUR 0.07 be paid, totalling EUR 896,093.87. The date of record for the payment of dividend will be 18 February 2005 and the payment date will be 25 February 2005. Dividends will be paid to shareholders whose names appear on the list of company shareholders kept by the Finnish Central Securities Depository Ltd on the date of record.

FINANCIAL REVIEWS

During the 2004-2005 financial year, the Group will publish three interim reports: on 22 March 2005 (3 months), on 16 June 2005 (6 months) and on 21 September 2005 (9 months).

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