

## Annual Report 2007

### GENERAL

The Jane and Aatos Erkko Foundation was established in 2002 to support high-level international medical, technological and economical research. The Foundation also supports the arts and culture as well as sports and physical well-being in order to promote the interests of Finland.

2007 was the fifth financial year of the Jane and Aatos Erkko Foundation, and the activity continued to grow. The donations granted during the year totalled approximately the same sum as the previous year. Most of the donations were directed at large projects.

During the year, the Foundation focused on handling donations: preparing future donations, monitoring donations previously granted, surveying new donation recipients and conducting background studies.

Clearly more people contacted the Foundation in 2007 than during the previous years. In 2006, the Foundation received 36 applications, compared to 62 in 2007. Furthermore, several people contacted the Foundation by phone and e-mail. The number of applications and contacts has increased partly because the Foundation has become better known due to issued and published donations. The Foundation's reputation has also increased due to connections with the surrounding universities, institutions of higher education and foundations. The Foundation's website has proven to be an important means of mediating information about the activity of the Foundation, and the website is the primary source of information for applications of donations.

### ADMINISTRATION

#### Board of Directors

The Board of Directors consisted of the following persons in 2007: Chairman Aatos Erkko, vice chairman Jane Erkko, members Jaakko Rauramo, Marja Leskinen, Sakari Alhopuro and Nils Ittonen. The Board assembled three times during the operating year.

#### Financial Committee

The Board of the Foundation named a Financial Committee in the annual general meeting on 28 May 2007. The Chairman of the Committee was Nils Ittonen and the members were Heli Rahka and Karl Tujulin. The latter was also the Secretary of the Committee. The Financial Committee assembled four times during the operating year.

#### Counsel

Heli Rahka has acted as Secretary General for the foundation.

## INVESTMENT AND FINANCING ACTIVITIES

During the operating year, investing of assets continued in accordance with the investment plan. The main focus of share investments lied in European and North American shares, and the focus of interest investments in the money market in euro.

During the operating year, the Foundation gained EUR 2,745,635.57 in interest profits from its investments (EUR 1,185,177.73 in 2006). Most of the profits, EUR 1,727,698.98 came from profit shares in funds (EUR 1,252,419.70 in 2006) and investment sales profits, EUR 1,082,123.88 (sales losses EUR 124,497.68). The deficit of the financial year totalled EUR 825,712.70 (surplus EUR 17,594,234.96).

At the turn of the year, the market capitalisation of the Foundation's assets was EUR 43.3 million (EUR 42.6 million in 2006). The share of share investments from the assets was 73% (69%) and the share of interest investments 27% (31%). When calculated as market values, the profit from the investments in 2007 totalled at 2.3% or EUR 1.0 million (12.4% or EUR 4.6 million in 2006).

Asset management and investments were performed in accordance with the investment policy approved by the Board. Issues connected with investment activity were reviewed by the Foundation's Financial Committee.

## DONATIONS

During the operating year, the Foundation granted a total of EUR 3,541,339.42 as donations (EUR 3,563,718.86 in 2006). Operational expenses amounted to EUR 30,008.85 (27,223.91).

The following donations were granted:

Research project 'Promoting National Disease Research by Means of Canine Genetics' by Academy Researcher Hannes Lohi and his research group, EUR 190,000.

Architecture Studio Valvomo, exhibition project in New York, EUR 6,000.

Erkko Scholarships for the Erkko Senior Secondary School of Orimattila, EUR 4,500.

Researcher Sara Heinämaa's visit to Japan and the USA, EUR 5,120.

University of Helsinki, establishing a Research Professor's chair in the Collegium for Advanced Studies Unit, EUR 2,920,000.

K.J. Ståhlberg Foundation, research project "President of the Republic of Finland in the Finnish Decision-Making System", EUR 76,835.

Kymenlaakso University of Applied Sciences, project Sökö II, an operations model in case of a major oil accident in the Gulf of Finland, EUR 32,000.

Reconstruction of the port icebreaker S/S Turso, EUR 80,000.

The Friends of Sibelius Academy (FSA), an association established by the Sibelius Academy, EUR 40,000.

The Disabled War Veterans' Association of Finland, the Eljas Erkkö Fund, EUR 10,000.

Finnish Youth for Understanding, research project 'The Entire World as a Home – The Youth for Understanding association as a promoter of globalism in Finland 1958–2008', EUR 80,000.

Tero Saarinen Company, donation for artistic activity abroad, EUR 50,000.

The American Scandinavian Foundation, USD 40,000.

World Childhood Foundation, for supporting activity, USD 25,000.

#### AUDITING

In its Annual General Meeting on 28 May 2007, the Board of the Foundation named MBA Johanna Perälä, APA and MBA Samuli Perälä, APA as the Foundation's auditors, and MBA Sari Airola, APA and MBA Henrik Sormunen, APA, as deputy auditors.

#### ACTIVITIES DURING THE NEXT YEAR

The Foundation will continue with its chosen policy, looking for opportunities to support high-class global scientific research, focusing on fairly large projects, in accordance with the Foundation's object. With a donation of EUR 20 million received from the founders at the beginning of 2008, the Foundation will continue to focus on reinforcing its financial basis so that the activity of the Foundation can be further developed and donations can be granted in line with the rules.

This annual report is an annual report as required by the Foundations Act.