

 **HELKAMA**



**HELKAMA BICA
FISCAL YEAR
1996 / 1997**

HELKAMA BICA GROUP

Helkama Bica Group was reorganised in May 1997, when the bicycle business was demerged to form a separate company, Helkama Velox Oy. Helkama Velox is a fully owned subsidiary of Helkama Bica Oy. Helkama Bica now concentrates exclusively on the cable business. Helkama Sport transferred to the ownership of Helkama Velox.

Although Helkama Bica Group failed to achieve the growth it was aiming for in recent years, the financial year was good, and operations were very profitable. Our solidity remained good, and has improved slightly since last year. Likewise our liquidity remained good throughout the year.

Helkama Bica

Helkama Bica reported a slight rise in sales revenues compared to the previous year. Although sales of telecommunication cables fell, this was more than offset by the significant rise in sales of ship-board cables. The company reported a profit. Delivery punctuality rose to 96 per cent.

In future, Helkama Bica will continue to deepen its business relations at home. On the export side, we aim for growth particularly in ship-board cables and optical fibre cables for data networks.

Helkama Velox

The total market for bicycles shrank in Finland. Companies in the industry had geared their operations in line with growth expectations, which resulted in oversupply.

Owing to the prevailing market situation Helkama Velox failed to achieve budgeted sales. Nevertheless, earnings remained good, despite being forced down by fiercer pricing and exchange rate fluctuations.

We were prepared for less enthusiasm in mountain bikes, and our range of products was well in line with market demand. Flexible working hours at the factory improved our customer service.

Helkama-Sport

Helkama-Sport failed to achieve its bicycle sales target. Stocks were down even if the bicycle trade did not perform as expected. Accessories almost achieved the budgeted sales revenues. Our exports to Estonia quintupled, compared to the previous years. Our pioneer efforts over the past few years are now beginning to bear fruit. As a whole, Helkama-Sport reported a profit.



From left
Managing Directors
Kalevi Korsu,
Helkama Velox,
Markku
Hämäläinen,
Helkama Bica and
Heikki Valtonen,
Helkama-Sport.

OUR BUSINESS VALUES

1
*The customer is
our employer
– business is a
servant of its
surrounding
society.*

2
*A well-run
company is
welcomed by
its customers –
a poorly run
company is of no
use to anybody.*

3
*We believe in
simple systems
and plain hard
work
– we keep things
as simple as
possible.*

4
*Our internal
motto is: perform
your own job
impeccably and
show understanding
and support for your
fellow workers.*

5
*Enthusiasm is
the driving force of
real success.*

HELKAMA BICA GROUP

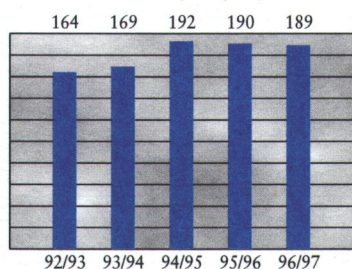
INCOME STATEMENT (MFIM) 1.9.1996–31.8.1997

Sales Revenues	188.8
Operating Expenses	162.7
Operating Profit before	
Depreciation	26.1
Depreciation	5.7
Operating Profit	20.4
Financial Items (+)	0.8
Extraordinary Income	1.6
Change in Reserves and Acc. Depreciation (+)	1.8
Taxes	6.6
Net Income	18.0

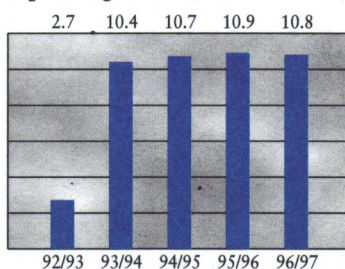
BALANCE SHEET (MFIM) 31.8.1997

Fixed Assets	74.4	Shareholders' Equity	9.0
Inventories & Receivables	82.4	Increased Capital	118.0
Cash and Bank Deposits	29.8	Reserves and Difference in Acc. Depreciation	28.8
		Long Term Liabilities	4.9
		Accounts Payable	12.8
		Other Current Liabilities	13.1
Total Assets	186.6	Equity & Total Liabilities	186.6

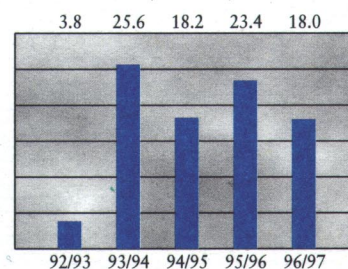
Sales Revenues (MFIM)



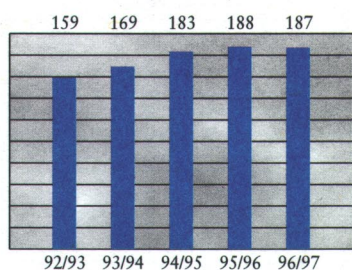
Operating Profit (%)*



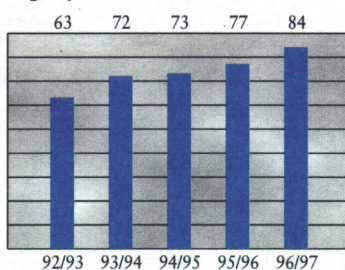
Net Income (MFIM)



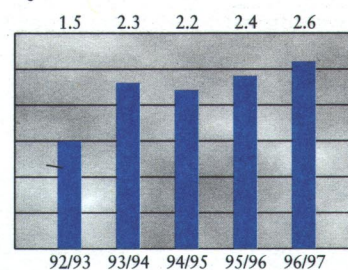
Total Assets (MFIM)



Equity Ratio (%)¹⁾



Quick Ratio²⁾



* Amended in the 1993 accounts to correspond to later accounts.

$$1) \text{ Equity Ratio} = \frac{\text{Equity} + \text{Reserves} + \text{Allocations} + \text{Acc. Depreciation}}{\text{Total Assets}} \times 100$$

$$2) \text{ Quick Ratio} = \frac{\text{Cash} + \text{Acc. Receivables}}{\text{Current Liabilities}}$$

AUDITORS' REPORT*

The above figures are from the annual accounts. The annual accounts have been drawn up in accordance with accepted accountancy practice.

Hanko, November 5th, 1997

Veikko Soinio
Authorised Public Accountant

Terho Saarinen
Authorised Public Accountant

*an abridgement of the official closing of the accounts

THROUGH THE YEAR

HELKAMA BICA

SEPTEMBER

Production of halogen free shipboard power cables commenced.

OCTOBER

Control cable production was moved to Hanko.

JANUARY

Production of corrugated optical fibre cables commenced.

MAY

Helkama Cable became Helkama Bica Oy.
A weekend shift was introduced at the Turku factory.

JUNE

Optical fibre cable seminar in Hanko, 132 delegates
Reprint of the Flash Cord optical fibre cable book was published.

Environmental assessment launched.

HELKAMA VELOX

SEPTEMBER

Second phase of the powder coating investment entered commercial service.

MAY

Bicycle production was demerged and became Helkama Velox Oy.

JUNE

Helkama bikes ordered by the city of Helsinki for official use were handed over to the city.

Order for post bikes from the German Post.

Post bikes supplied to Finland Post Ltd.



Helkama Bica

FIN-10960 HANKO Kalevantie 15, FIN-20520 TURKU

Tel. +358 19 28 061

Tel. +358 2 410 8700

Telefax +358 19 248 2016

Telefax + 358 2 237 2428

Helkama Velox

FIN-10960 HANKO

Tel. +358 19 28 061

Telefax +358 19 248 3101

Helkama-Sport

Tokkolantie 1

FIN-16300 ORIMATTILA

Tel. +358 3 777 4900

Telefax +358 3 777 4966