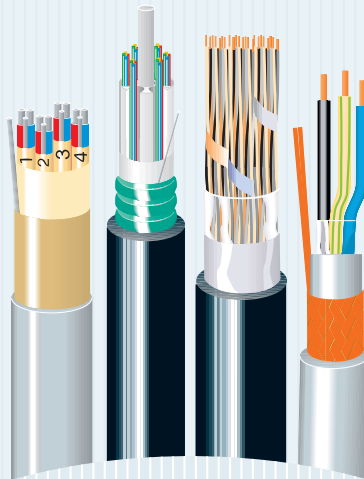


HELKAMA

HELKAMA BICA
FISCAL YEAR
1998/1999



LET GO – TAKE CHARGE

In the spring of 1999, all shares in Helkama Bica were – and had for several years been – owned by me. Up to 1997, I also held the highest operational position in the company. Such a concentration of power is good neither for an enterprise nor for the person concerned.

Passing the baton to the next generation is a tough task in a family business. There is an abundance of taxation and financing problems to overcome, not to mention the mental and psychological aspects.

The old generation has to want to let go and the young to take charge. This includes the willingness to assume responsibilities and duties and learn the skills required. Plenty of things have to be planned and agreed upon.

In the summer of 1999, I sold the majority of my shares to my three daughters. The owners are now Satu, Outi and Saara Helkama, each with 20%, and myself Jukka Helkama, with 40%. Ownership implies responsibility for the company. Our task is to understand this and to act with wisdom.

*Jukka Helkama
Chairman*

HELKAMA BICA GROUP

The sales revenues of the Helkama Bica Group remained virtually at the level of the previous year. Sales of the parent company Helkama Bica and subsidiary Helkama Velox fell short of the budgeted expectations.

The economic situation of the corporation has remained good. Its operations are profitable, its cash position has continued favorably and equity ratio is high, in fact somewhat increased.

The section in the consolidated income statement titled "Share of profit of associated companies" includes the share respective to the yield of our affiliated enterprises, Helkama-Auto Oy and Microsec Finland Oy.

Future prospects for the Helkama Bica Group are favorable. We anticipate profitable growth in both our cable and bicycle businesses.

HELKAMA BICA

Helkama Bica's sales revenues grew by 12% compared to the previous year, to a total of FIM 108.5 million. The sales of shipboard cables continued growing, and communication cable sales also turned moderately upwards. The company reported a profit. The delivery rate remained at a high level, 97%.

Communication cables are manufactured in Hanko and shipboard cables in Turku. During the spring of 2000, the manufacture of shipboard cables will be transferred to a new plant in Kaarina, providing favorable conditions for the on-going development of operations. We perceive positive potential for profitable growth in respect to both our communication and shipboard cables.



President Markku Hämäläinen,
Helkama Bica and Helkama Velox.

HELKAMA VELOX

The European bicycle market has contracted during the last five years by almost 20%. At the same time, imports from the Far East have increased. As a whole, the bicycle industry is performing poorly. In Finland, the total bicycle market remained during this period at the level of the previous year. The sales revenues of Helkama Velox declined by 6% to a total of FIM 76.4 million. Operating profit, however, remained excellent.

We were prepared for an increase in demand in bicycles for practical use, incorporating coaster brakes, mudguards, carriers and lights already assembled at the factory. We were also ready for the increase in demand in hybrid bikes. Our product range therefore responded well to market expectations. Our customer service functioned on a favorable level throughout the entire period. We note potential for successful growth both domestically and in regard to export.

HELKAMA BICA

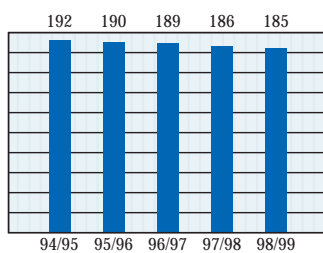
Consolidated Income Statement (MFIM) 1.9.1998 – 31.8.1999

Sales Revenues	184.9
Raw Materials and Consumables	99.0
Staff Costs	39.0
Depreciation	5.9
Other Operating Expenses	23.0
Operating Profit	18.0
Financial Items (+)	0.6
Share of Profit of Associated Companies	5.2
Taxes	5.2
Net Income	18.6

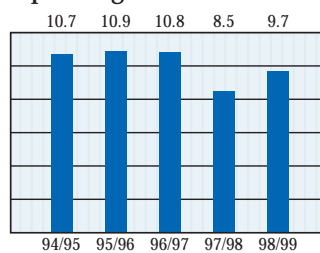
Consolidated Balance Sheet (MFIM) 31.8.1999

Fixed Assets	84.2	Shareholders' Equity	9.0
Inventories & Receivables	76.7	Increased Capital	171.0
Cash and Bank Deposits	55.2	Long Term Liabilities	4.2
		Current Liabilities	25.2
		Deferred Tax Liability	6.7
Total Assets	216.1	Equity & Total Liabilities	216.1

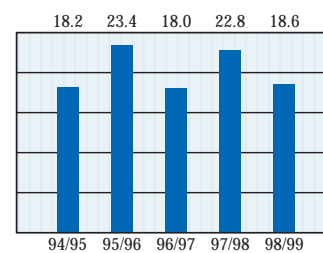
Sales Revenues (MFIM)



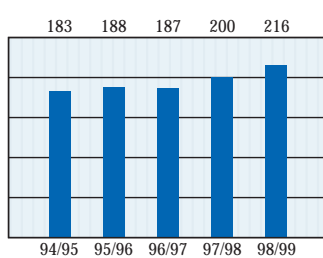
Operating Profit (%)



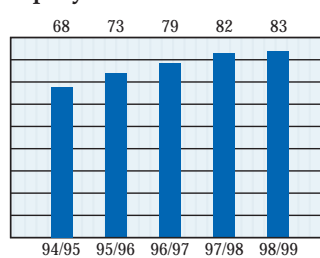
Net Income (MFIM)



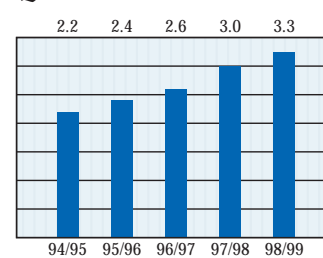
Total Assets (MFIM)



Equity Ratio (%)¹⁾



Quick ratio²⁾



$$1) \text{ Equity Ratio} = \frac{\text{Equity}}{\text{Total Assets}} \times 100$$

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

AUDITORS' REPORT *

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

Hanko, 2 November 1999

Veikko Soinio
Authorized Public Accountant

Terho Saarinen
Authorized Public Accountant

* an abridgement of the official closing of the accounts

FISCAL PERIOD MILESTONES

Helkama Bica

- In September, the main deliveries for the Eagle series cruiser at the Turku Shipyard got underway.
- Optical fibre cable approval for Russia's telecommunications network.
- Deliveries of cross-linked shipboard cables launched.
- Rental agreement for Kaarina plant is signed – move to take place in spring 2000.
- First communication cable deliveries to Hungary and Romania.
- Fifth Optical Fibre Cable Seminar in Hanko with 200 participants.
- *Flash Cord* – a textbook on optical fibre cables – is released in English, Russian and Hungarian.

Helkama Velox

- Meeting of Dealers in September in Mariehamn, approx. 200 participants.
- Developed the new *Jopo*, launch scheduled for spring 2000.
 - Developed y-frame *Yoker* brand MTB bikes, launch scheduled for spring 2000.
 - Developed the new four-wheel *Freelife* bicycle.

OUR CORPORATE VALUES

The Customer is our employer
– business is a servant of its
surrounding society.

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

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

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

Enthusiasm is the driving
force of real success.

HELKAMA

Helkama Bica FIN-10960 HANKO Tel. +358-19-28 061 Fax +358-19-248 2016	Helkama Bica Kalevantie 15, FIN-20520 TURKU Tel. +358-2-410 8700 Fax +358-2-237 2428
---	--

first name.last name@helkamabica.fi
www.helkamabica.fi

Helkama Velox
FIN-10960 HANKO
Tel. +358-19-28 061
Fax +358-19-248 3101

first name.last name@helkamavelox.fi