Rocla

Annual Report 1999

VISION

Your best partner

We aim for genuine partnership with our customers, suppliers and other interest groups.

BUSINESS CONCEPT: EFFICIENT LOGISTICS

We develop solutions that ensure that our customer's internal logistics functions in an easy, trouble-free and efficient manner.

STRATEGY AND GOALS

Operations

We are fastest in the field in renewing products.
We are known for customizing solutions to meet the customer's needs.
We generate shareholders' value by profitable growth.
We are experts in internal logistics and associated information technology.

Financial objectives

Operating profit is at least 10%.
Solidity is at least 40%.
We distribute 30% of the net profit as dividends to our shareholders.

SHARED VALUES

Fast in action

We strive for fast and efficient performance.

Reliable partner

We are open-minded, co-operative, and trust our partners.

Responsibility

We do more than our share; we set our sights on long-term objectives.

Focus on results

We concentrate on the right things, we are economical, we attend to profitability.

Contents

Information for Shareholders

Annual General Meeting

Rocla Oyj's Annual General Meeting will be held on March 15, 2000 starting at 5 p.m. in the Järvenpää House, at the address Hallintokatu 4, Järvenpää.

Shareholders, who have registered their holdings in the share register kept by the Finnish Central Securities Depositary Ltd by the record-date March 10, 2000 are entitled to participate in the meeting.

Shareholders, who wish to participate should notify the company of their intention to do so by March 13, 2000 before 4 p.m. (Finnish time) either in writing, by telephone or by telefax. The address is Rocla Oyj, Annual General Meeting, P.O. Box 88, 04401 Järvenpää, Finland, the telephone number is +358-9-271 47 324/Ms Raili Saarela and fax number is +358-9-271 47 475.

Proxies entitled to exercise shareholders' rights at the meeting should be forwarded to the company by the notification date.

Dividends

The Board proposes to the Annual General Meeting that a dividend of FIM 2.00 per share be paid for the fiscal year 1999. If the Annual General Meeting approves of the Board's proposal the record-date for dividend payments is March 20, 2000 and the pay-date is March 27, 2000. The whole proposal is presented on the page 33.

Annual report 1999 and interim reports 2000

This Annual report is available also in Finnish.

Rocla Oyj publishes two Interim reports in 2000. The report for January-April is published on May 25, 2000 and the report for January-August is published on September 25, 2000. Interim reports will be published as stock exchange releases and they will be printed in Finnish and English. They are available through the company's Internet pages at the address http://www.rocla.com.

Reports can be obtained from the address Rocla Oyj, Communications, P.O. Box 88, 04401 Järvenpää, Finland, telephone +358-9-271 471, telefax +358-9-2714 7475 and e-mail rocla@rocla.com.

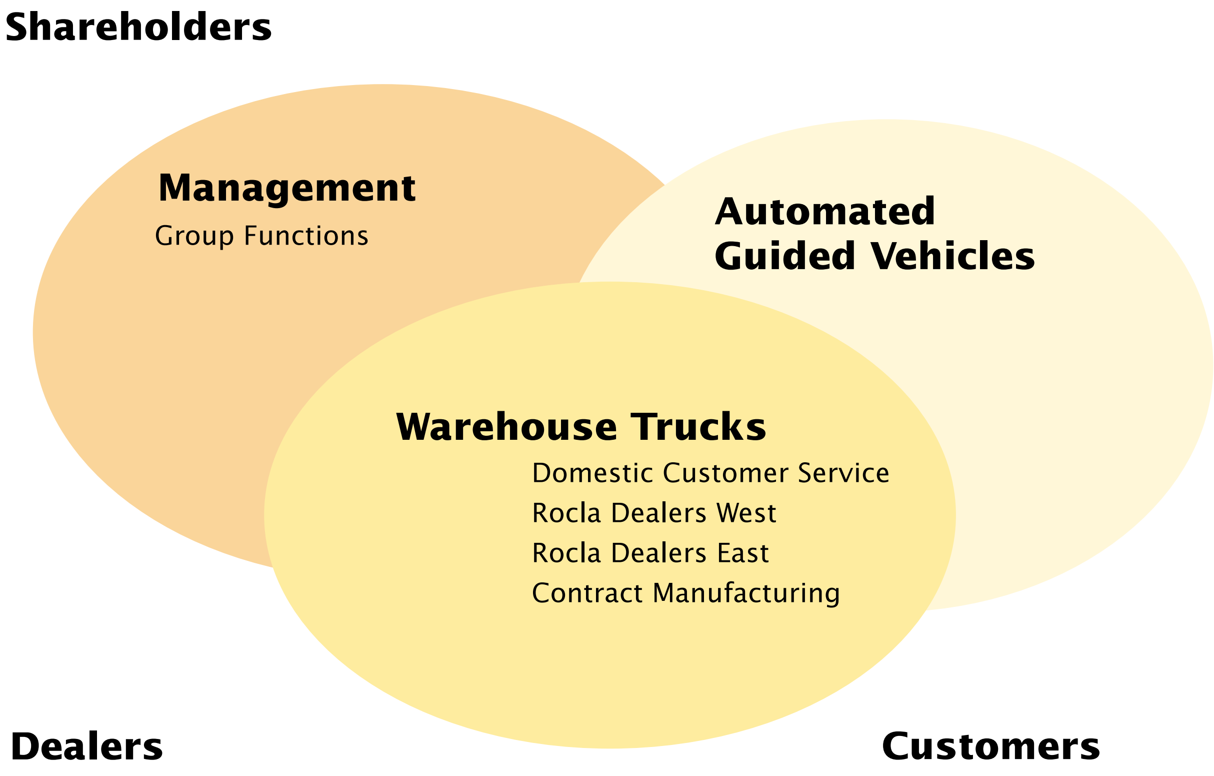
Rocla as an Investment Object

Rocla's business activities are divided into two divisions, Warehouse Trucks and Automated Guided Vehicles. As a warehouse truck manufacturer, Rocla is the fifth biggest in Europe. The competitive strengths of the warehouse trucks are based on cost-efficient product customization, innovative features, top-notch customer service and productivity.

As a manufacturer of Automated Guided Vehicles - AGVs - Rocla is the second biggest in Europe. The automated guided vehicles represent extensive exploitation of both warehouse truck and information technology know-how. The AGVs are guided by induction system or laser navigation. The competitive strength of the AGVs is based on specialization, systematical product development, flexibility on customer application and fast adaptation.

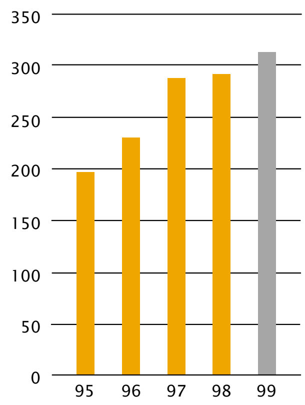
The company's objective is to generate shareholders' value by means of profitable growth and long-term development of the operations. The company invests purposefully in new product development and expanding the distribution network. The goal is to achieve a market share of 10% in Warehouse Trucks in Europe by organic growth and by strategic alliances. Rocla's commitment on the interests of the shareholders is also reflected in the Board's dividend policy, which is based on earnings trend, equity ratio and capital expenditure requirements. The company's objective is to distribute 30% of the net profit as dividends to the shareholders.

Business Structure

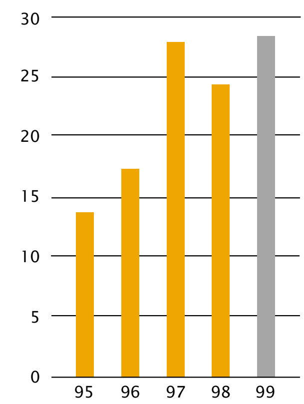


Year 1999 in brief

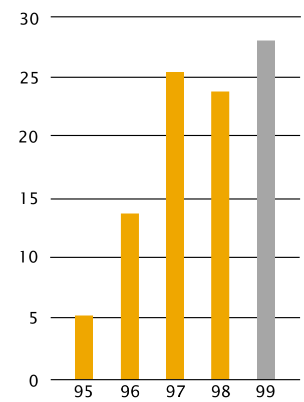
Net sales, MFIM



Operating profit, MFIM



Profit after financial items, MFIM



Record growth in the last part of the year

The last four months showed record growth in both volume and profit. Exports to Western Europe grew by 20% and compensated for the low demand of the Finnish and Eastern European markets. Total sales for the year amounted to FIM 311 million, while sales comparable to the year before amounted to FIM 302 million (FIM 290 million in 1998).

Operating profit increased to 9%

The company's profit improved as a result of successful new product development and increasing exports to Western Europe. Operating profit was FIM 28.2 million (FIM 24.2 million) and 9.1% of the sales. Profit before taxes reached a record level in the company's history and amounted to FIM 27.8 million.

A Group structure

Rocla's rental business was incorporated into a subsidiary by the name Rocla Rent Oy starting on September 1, 1999.

New product development a key factor in improving profitability

Bringing new products to market in a fast and efficient manner is an essential success factor for the warehouse truck business. Rocla has shown ability to compete well in this time-to-market race. The company invested 2.4% of the sales in R&D in 1999 (2.3% in the previous year) and brought a renewed family of small trucks by the name Bull into the market. As a result of this renewal, the sales and profitability of the product family increased markedly.

Distribution network getting established

One of the most important objectives of the past year was expanding the distribution network in Europe. The number of dealers increased by one forth in Western Europe during 1999, and at the beginning of the millennium, there are now 50 dealers altogether selling and servicing Rocla trucks throughout Europe.

Outlook positive

Demand for warehouse trucks is expected to continue growing in Western Europe and market situation is not estimated to worsen in Eastern Europe. In Finland, demand is expected to increase slightly. Consolidated net sales are estimated to grow, and profit is expected to remain at the level of 1999.

Key Data 1999-1995

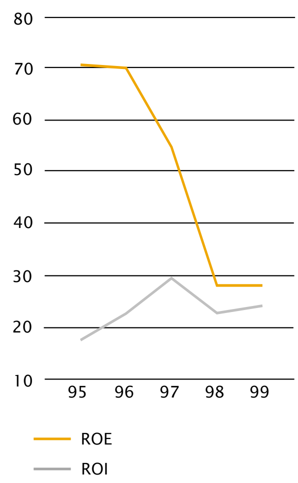
Financial indicators

	1999	1998	1997	1996	1995
	Group				
Net sales, MFIM	311.1	289.9	285.7	228.4	195.3
Operating profit, MFIM	28.2	24.2	27.7	17.2	13.6
- % of net sales	9.1	8.3	9.7	7.5	7.0
Profit/loss after financial items, MFIM	27.8	23.6	26.6	13.3	5.7
- % of net sales	8.9	8.1	9.3	5.8	2.9
Profit/loss after extraordinary items, MFIM	27.8	23.6	25.2	13.6	5.2
- % of net sales	8.9	8.1	8.8	5.9	2.7
Net profit, MFIM	19.7	18.3	22.2	12.9	5.2
- % of net sales	6.3	6.3	7.8	5.6	2.7
Return on equity %, (ROE) *)	28.1	28.1	54.7	69.9	70.5
Return on investment %, (ROI) *)	24.2	22.8	29.5	22.7	17.6
Net Gearing, % *)	46.9	38.8	25.4	238.5	512.0
Equity/assets ratio, % *)	44.8	44.5	39.7	21.5	10.8
Gross investments, MFIM	6.6	9.0	5.7	5.1	1.4
- % of net sales	2.1	3.1	2.0	2.2	0.7
R & D expenses, MFIM	7.4	6.6	5.2	3.9	3.9
- % of net sales	2.4	2.3	1.8	1.7	2.0
Order book, MFIM	41.5	43.8	55.9	55.9	50.4
Personnel end of period	286	273	278	247	235
Personnel average	283	280	258	234	229

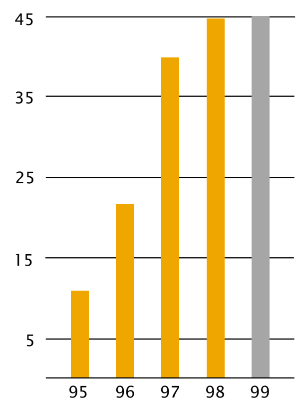
*) Own shares acquired by the company have been removed from both equity and the number of shares.

Per share data are presented on page 31.

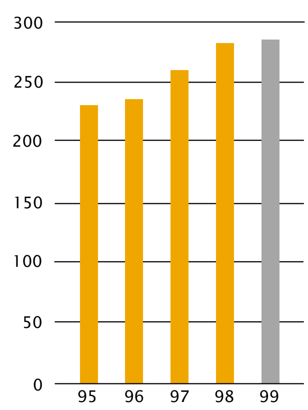
ROE/ROI %



Equity Ratio%



Personnel, average



Managing Director's Review

Due to expanding exports, Rocla's sales augmented by 7% and amounted to FIM 311 million. Profit before taxes increased by 18% and was FIM 27.8 million, a record in the company's history. Return on investment was 24%, return on equity was 28% and solidity reached 45%. Earnings/share rose by 11% and amounted to FIM 5.25.

20% growth in the main focus area

The warehouse truck market in Europe continued to develop favourably following both structural changes in industry, distribution and the commercial sector and the growth of consumption demand. Although the first months of the year were quiet, the growth in demand during the entire year amounted to around 6%. Rocla's main outlays have been targeted at the development of the distribution network in Western Europe, and they are bringing results. Sales to Western Europe grew by 20%, and 83% of our warehouse truck production was delivered to this area.

In automated guided vehicle systems, we have achieved the position of the second largest supplier in Europe. A strong transformation of structure has been going on in this field of products and the name Rocla has also meant – in addition to high-quality AGV systems – continuity and reliability. Having the whole know-how of the process – from the manufacture of the vehicle to commencing the system – under the same roof is a strong competitive edge.

Warehouse truck production grew by 16%

Our company's most important internal development areas were the rapid renewing of warehouse trucks and efficiency in manufacturing. Our product range represents top-notch design, ergonomic features and cutting-edge technology. We bring new products to market regularly, and new product models developed during the past three years now account for 86% of our sales.

Production was reorganized with the aim of raising capacity by about a third immediately. The conversion works had been seen to completion for the most part by the end of August, and production output in September-December was about 30% higher than in the previous year. Full-year production output increased by about 16%, amounting to 3,419 warehouse trucks. The completed conversion works allow for the further raising of capacity by a quarter with only slight investments.

In the design of new products, we have successfully increased the degree of modularity and this, together with more efficient purchasing and extensive outsourcing activities, has made it possible to achieve growth without a corresponding increase in inventories. The manufacturing costs of many products have declined.

During the autumn, we split warehouse truck manufacture into two units: standard trucks and tailor-made trucks. Our goal is to increase our price competitiveness in standard trucks and to improve our service for special trucks.

Maintenance, spare parts and rental activities up 17%

After-sales marketing is an increasingly important part of Rocla's net sales, accounting for 17% of the company's net sales. In Finland, we make outlays on expanding maintenance activities, and in September we set up a subsidiary called Rocla Rent Oy to attend to rental activities. Rocla Rent Oy offers truck users short- and long-term truck rentals, either with or without maintenance, and it sells used trucks. The subsidiary's operations got under way successfully and its profitability has been satisfactory right from the start. On export markets, we serve our dealers through our spare parts functions and an Internet-based ordering system.

The Automated Guided Vehicle Division's order book is good

We have opted to specialize in transfers of heavy loads, and we have attained a leading position in this field on the global market. Due to the nature of the solutions, our most important customers include the paper, printing and steel industries. In these fields of industry, investments have been at a low level during the past two years, bringing growth to a virtual standstill. We have made outlays on product development and have managed to establish our position in the US and French markets.

At the turn of the financial year, our order book was on a good level. We believe that sales will increase and that profitability will improve in the year ahead.

A positive outlook

During the past year, we have modernized our organization in numerous ways, and it is now ready to face new challenges. We have wanted to ensure that our operations will be profitable, and this has partly been done at the expense of growth. In the last third of 1999, net sales rose to FIM 119 million, putting the company back on the growth track. Western exports grew buoyantly, both for dealers and contract manufacturing, and during the autumn we set new production records. Our new products have been successful.

Strong European consumption demand increases goods flows and promotes diversity in product ranges. The continuing integration within trade and industry demands increasingly efficient logistic solutions. Internet commerce is proliferating, but the physical distribution of goods sets new demands on distribution and storage. The demand for warehouse trucks is now even more clearly following the growth of consumers' purchasing power instead of the investment cycles of industry. In this sense, Rocla's situation differs from the situation of many other Finnish mechanical engineering companies.

The new millennium is thus beginning on a good note for us, and for this I would like to extend my warmest thanks to our customers, personnel and partners in co-operation. My special thanks go to the group of new dealers who came on board to make Rocla a major European warehouse truck manufacturer.

Järvenpää, February 2000

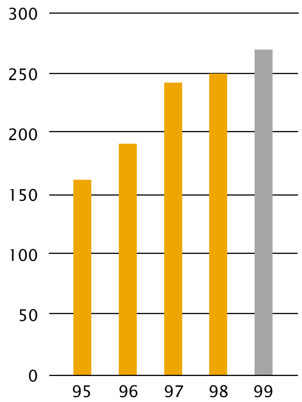
Kari Jokisalo

Managing Director

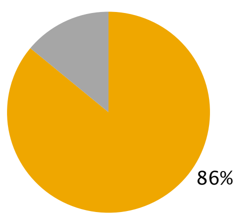
Warehouse Trucks

Warehouse Trucks are a part of the logistics chain of trade, industry and distribution. In the long run, their demand increases according to the rate of growth in consumption. The best performing companies in the field bring new reliable products to market most rapidly and most efficiently.

Net sales 1995-1999, MFIM



Share of net sales 1999



Warehouse Trucks

	1999	1998	Change %
Net sales, MFIM	259.1	247.8	+5
Operating profit, MFIM	26.0	21.1	+23
Personnel average	240	237	+1

Director Martin Clancy,

Davcon Distributors Ltd., Ireland

Operations that focus on maintaining customer relations

The significance of logistics management grows as business becomes more diverse and faster. There is a constant need to develop more efficient physical material flows in the entire goods delivery chain. In the area of short-distance transfers of industrial and commercial products, Rocla contributes to this development process by coming up with competitive and innovative product and service solutions in a warehouse truck environment.

The main markets for Rocla's Warehouse Trucks Division are in Europe, where success entails either specialising in narrow market segments or having a comprehensive product range for a variety of applications. Rocla has opted for the latter alternative to realise its growth targets and to serve its selected distribution route in accordance with the wishes of its clientele. This choice requires the division, firstly, to constantly revamp its business concepts and, secondly, to actively make major outlays on product development. Another central success factor is the management of the distribution route, which must be handled in a way that maintains contact with the end clients and achieves sufficiently broad market coverage. For the end product to be competitive in price as well, the product concept must be clear-cut and modular. It is crucial to manage product data efficiently in order for all users to have real-time access to the data that is both required and generated by the product process. Towards the end of the year, Rocla started up the gradual implementation of a PDM system, with the final aim of giving goods suppliers, subcontractors, designers, assembly, sales and customers access to shared data. The aim is ambitious and gives competitive edge when achieved.

Rocla has decided to concentrate on the manufacture of masts, hydraulic cylinders and chassis as well as their assembly in its own production. In other respects, the use of outsourcing has been cultivated to allow for rapid renewal and the use of up-to-date manufacturing methods.

In 1999, operations were organised into four strategic business areas: Domestic Customer Service, Rocla Dealers West, Rocla Dealers East and Contract Manufacturing. These areas are supported by Marketing, Product Development and Production, which are shared functions.

Cost-efficiency in growing markets

The world's warehouse truck market has grown by 5% annually during the last 20 years, in line with trends. During the last years, growth rate has exceeded even that. The estimated value of the aggregate market is Eur 2 billion. The European market for warehouse trucks makes about half of that and it amounted to 100,000 units in 1998. Rocla manufactured 3,419 trucks in 1999, representing a market share of 3% in Europe. Because notable growth has been seen in warehouse trucks in Europe, all the significant competitors in the field are making strong outlays on this market area, and thus competition is tight. This trend is also affected by the field's centralisation and alliances. Large manufacturers for the most part base their distribution on routes that they themselves own. Rocla's strategy is to operate on export markets through regionally strong, independent and entrepreneur-led dealers. Rocla's competitive product range gives these dealers good potential for growth. Market penetration is increased by the company's contract manufacturing co-operation with significant players in the field.

Kari Blomberg

Warehouse Trucks

Because sales prices are, for the most part, not increasing due to the competitive situation, expenses must be successfully lowered to ensure profitability. Rocla has paid particular attention to this by means of co-operation in product development, purchasing and manufacturing operations, and during the year now ended the results have been good.

Significant growth in exports

In 1999, the business trend was uneven for the Warehouse Trucks Division. The reduction in domestic sales compared with the previous year was surprisingly large, which was mainly due to the effects of the decline in Russian trade and the decrease in demand in certain customer business areas. The market position remained unchanged during the year. However, western exports came in at Eur 23.3 million, representing growth of as much as 20% compared with the previous year. The growth in exports was realised in line with strategy by purposefully expanding the dealer network, especially in Britain and France, as well as because of the growth in sales by experienced dealers. Market demand in Eastern Europe remained low during the year.

In order to expand domestic customer service, a new company by the name of Rocla Rent was established at the beginning of September to meet the variety of customer needs. Rental functions are new in Finland, but are growing strongly. In many Western European countries, the share of rentals is greater than 50% of new trucks sales. Rental functions are expected to develop quickly, thus giving the customer more flexibility and alternatives for changing truck needs.

The Warehouse Trucks Division's net sales were Eur 45.1 million (1998: Eur 41.7 million). Operating profit was Eur 4.4 million. Change amounted to 23% compared with the previous year thanks to successful product development and increased volume.

Implementing production changes to ensure readiness for growth

The production layout changes and the crane investments that were implemented at the Järvenpää factory during the year now ended enabled it to achieve the means to increase its annual production to 5,000 trucks without raising shift levels. At the same time the manufacture, design and logistics of customer-specific products were reorganised to form their own unit within production, further improving the wherewithal to produce standard products efficiently.

Customer-guided product development brings results

The aggressive renewal of products has played a central role in development. While 70% of the products sold at the beginning of 1999 were based on product models younger than three years, 86% percent of the product models that were on sale at the end of 1999 were less than three years old. The foundation for this change was established by launching a vigorous product development drive in 1996. The factor that had the strongest effect on the change was the introduction of the BULL range, the new tiller arm power pallet trucks. This change led to a significant improvement in the economic competitiveness of the products that are the most important in terms of business volume.

At the beginning of 1999, a new multi-way truck for the handling of long loads was unveiled, replacing traditional four-way trucks. Its software-controlled, three-wheel steering system represents the most advanced technology on the market. Another new feature of the truck is its incorporation of carbon-brush-free AC engine technology.

R&D co-operation with key customers has been deepened through the long-term testing of the usability of new solutions in actual field conditions. Constant contact with European dealers has been maintained by means of joint customer visits and theme meetings. Two-way development co-operation agreements have been made with the most important component suppliers to ensure that future solutions will be reliable and well-performing. Long-term partnership relationships with designers and other such parties have enabled the company to create a consistent and original product image.

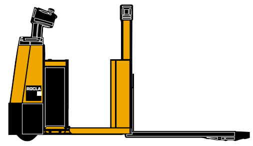
The implementation of PDM software strengthens R&D operations, allowing for the configuration of a generic parts list ranging from product families to products geared towards the requirements of individual customers. This project was started in co-operation with TAI Research Center in 1998. The platform was chosen to be MST 9000 program by Modultek Oy. The program will be taken into use in the year 2000.

R&D organization supports the development process of the recently launched BULL, BEAN and BOOMERANG product platforms, while the design group specialising in customer-specific solutions has been separated to work within production.

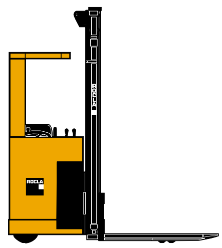
In the year 2000, the reach truck family based on the Boomerang platform will be renewed. The Bull series will be completed with all of its varieties and the Bean series will replace the current small trucks that have steering wheels. A laser-guided semiautomatic truck, positioned between manual trucks and AGVs, will go into operation for the first time next year. The goal is to install automatic functions on a manual truck platform. Means of guaranteeing reliability while fast-paced renewal is taking place are being organised, and testing that simulates long-term use in an accelerated fashion is being developed, along with the required equipment.

Outlook for 2000

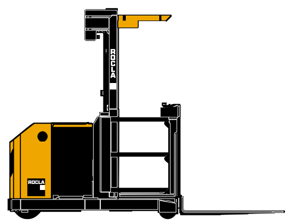
The strong economic development of European markets is reflected in the customers' business activities as an increase of materials handling, and thus as needs to invest in goods transfer and transportation equipment. This development, together with an expanded dealer network augmented by new and competetive products, gives confidence in the growth of sales during the year just started. However, no significant growth is expected from Finland or Eastern European markets. Growth and the desire to improve customer service may be supported by alliances or acquisitions of companies. Profit for the year 2000 is also influenced by substantial marketing efforts, but profit level is expected to attain at least the level reached in 1999.



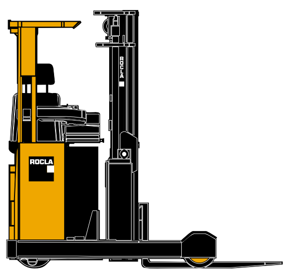
Pallet transfer trucks



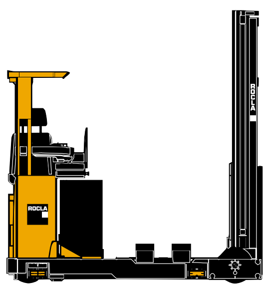
Stackers



Order pickers



Reach trucks



Narrow aisle trucks

Strategic Business Areas

Domestic Customer Service

In 1999 the Finnish aggregate market for trucks declined by almost 10. The decline in goods transport to Russia and the weakened demand in the domestic food and metal industries were reflected in the demand for trucks.

The number of competitors offering warehouse trucks on the Finnish market has increased. Rocla's position as market leader has remained strong in spite of higher competition. Increased supply has tightened price competition. In spite of the decline of the aggregate market, Rocla's sales grew in the new Bull pallet transfer product family. The largest single delivery in this product group was made to Finland Post Ltd's new package sorting centre in Vantaa.

Jussi Muikku

Domestic Customer Service

Rocla has engaged in truck rental activities for many years. Short-term rentals have shown themselves to be a particularly important means of satisfying customers' temporary truck needs. However, rental needs are expanding all the time. Rocla Oyj decided to set up a subsidiary to handle truck rental and exchange operations. Rocla Rent Oy, which is fully owned by the main company, began its operations on 1 September 1999, sharing premises with Rocla Oyj in Järvenpää.

The most important objective is to offer long-term rentals. In continental Europe and Scandinavia, long-term renting of trucks for has become much more common. The outlook is similar in Finland. In rentals, customers get use of the trucks they sign for in the agreement and the required maintenance. Thus the capital and the personnel hours the customer has earmarked for trucks can be allocated into actual business operations. Budgeting is also easy and reliable. Rocla Rent can plan and anticipate mechanics' activities accurately, bringing financial benefits to all parties.

Matti Lauronen

Managing Director

Rocla Rent Oy

The Yale team was set up to handle counterbalanced truck business. In February, after-sale services were expanded by launching, as a new service, statutory inspections of man-up trucks. Rocla acts as an accredited association, which means that it can provide high-quality inspection services for all truck brands. Customers' increased outlays on occupational safety were also reflected in user training aimed at truck drivers, which registered a growth of 80% compared with the previous year.

The growth of business operations in Finland in the future will be based on all-round customer-oriented service. The outlook for the beginning of the millennium promises a slight growth in domestic demand. The improving export forecasts of the paper and metal industry increase companies' need to invest in the development of logistics. The most difficult aspect to foresee is the trend in Russian trade, which will also have an indirect effect on the need for material transfer equipment in Finland.

Rocla Dealers West

The market area for Rocla Dealers West is Western Europe, where the business area is responsible for the sale of Rocla trucks and spare parts. The strategic cornerstone of operations is working in co-operation with dealers. The design of key functions is based on such co-operation. In order to raise the level of service, an effort is made to serve customers in their own language. Both the personnel's technical and commercial expertise are being upgraded constantly by means of a purposeful training programme. When in contact with dealers, the basic concept is to ensure good service in line with the principle, "Rocla, your best partner".

Systematic work to increase the size of the dealer network and sales has brought results. The number of dealers has increased by one fourth during the year. In selecting new dealers, the main focus has been on achieving coverage of the market potential of European business volume areas, especially the UK and France. In the UK, dealer agreements already provide 90% coverage of the market.

Sales of Rocla brand trucks have increased by more than 25% during the financial period compared with the previous year. This growth has come about because new dealers have set up in business and existing dealers have increased their sales. The tightening of competition has clearly put pressure on sale prices. The globalisation of the field has brought new challenges, which Rocla has been able to meet with its competitive products and dealer organisation. This gives the company a promising start for the year 2000, because invoicing records have been broken in western exports during the autumn and the order book is higher in January than ever before.

Jari Nenonen

Rocla Dealers West

During the year now ended, new products have been launched for export. The Bull pallet truck family was launched during the beginning of the year and the new products were well received among customers, for sales grew by 36% compared with the figures for the previous year. The multi-way truck, which presents cutting-edge technology and whose prototype was presented to dealers in June, has also been received well.

Contract Manufacturing

Rocla's contract manufacturing concentrates on expanding the product spectrum of large companies that manufacture materials handling equipment that is already on the market and on exploiting already established marketing channels. In contract manufacturing, the customers themselves are responsible for the pricing and marketing of their products and they sell them to the market through their own distribution routes.

Jukka Suotsalo

Contract Manufacturing

In 1999, the number of trucks ordered through contract manufacturing grew by about 17% compared with the previous year. The most important contract manufacturing customer was, as before, Mitsubishi Caterpillar Forklift Europe B.V. (MCFE). Rocla manufactures a wide range of warehouse trucks for MCFE; these are sold on the European market under the Mitsubishi and Caterpillar trademarks.

In 1999, contract manufacturing successfully gained a foothold in the United States for the first time. At this stage, Rocla delivers a somewhat limited product range to a local truck manufacturer; these are destined for the US, Canadian and Mexican markets under their own trademark. Operations have got under way according to plans.

Olli Huttunen

Rocla Dealers East

Rocla Dealers East

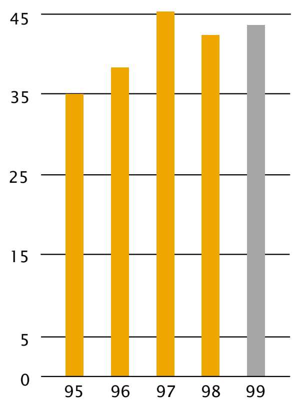
Rocla Dealers East is responsible for the sale of Rocla brand trucks and their spare parts to Russia, the Baltic countries, Asia and South America. In addition, it exports Yale counterbalanced trucks to Russia and the Baltic countries. The sales network comprises independent dealers in Russia, Estonia, Latvia and Lithuania. In addition, there are representatives in Asia and South America. The Russian dealer network will be strengthened further during the year 2000.

The economic crisis in Russia in August 1998 and the economic downswing that followed have had a strong negative impact on sales throughout the year. In the case of Rocla warehouse trucks, the relative decline compared with the previous year was not as large as in the case of trading products. The number of requests for offers rose towards the end of the year in the Baltic countries, especially in Estonia, where the truck market has declined to about half of its level in 1998 due to the effect of the Russian crisis. Rocla's dealers have, however, successfully compensated for the market drop by increasing their share of the after-sales market.

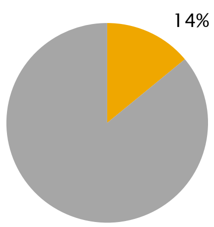
Automated Guided Vehicles

AGV systems combine information technology and warehouse truck technology to form a part of the logistics process of the customer in a cost-efficient way. Rocla's strength is in tailoring a solution according to the needs of the customer, especially for heavy loads.

Net sales 1995-1999, MFIM



Share of net sales 1999



Automated Guided Vehicles

	1999	1998	Change %
Net sales, MFIM	43.3	42.1	+3
Operating profit, MFIM	2.2	3.0	-27
Personnel average	43	43	+0

Project Manager Christer Kaaling,

SCA Hygiene Products AB,

Lilla Edet, Sweden

General market trends

The major customer group for Rocla Oyj's Automated Guided Vehicle Division is basic industry, particularly the paper and metal industry. During the first half of 1999, this industry's investment rate remained very modest. This was due to factors such as the low prices of paper products and base metals on the world market and the still ongoing effects of the economic crisis in Asia. For these reasons, there were few projects involving Rocla's most characteristic areas of expertise during the first half of the year.

The positions of our main competitors in the AGV business remained unchanged. It is typical of the field for a few small competitors to emerge each year – often established by former employees of an existing company. These small competitors could not affect Rocla's competitive stance.

No changes took place in the price levels of Rocla's representative products – equipment meant for demanding shift-work use in basic industry. On the other hand, locally active small companies have brought "low cost" products to the market in various European countries.

In basic industry, demand for AGV systems has picked up clearly since summer 1999, mainly keeping pace with the price trends in base metals and paper products.

Rocla's market position

In spite of the subdued market demand for Rocla's product groups, the company's market share in heavy-duty systems for the paper and metal industry has remained stable. Rocla has consolidated its position as a producer of heavy-duty AGVs during 1999 and has won the lion's share of new European projects. Thanks to vigorous product development and active marketing, the company has strengthened its position in the food industry as well. In 1999 Rocla carried out two projects in this market segment.

During the year, the company also achieved a regional breakthrough on the French market, where a total of three systems were ordered.

Key figures for operations in 1999

Net sales for the first half of 1999 were modest. Operations began to pick up in the summer, bringing growth in the autumn; full-year net sales rose to Eur 7.3 million, being at the same level as last year.

Operating profit came in at Eur 0.4 million, falling short of last year's level; this was an unsatisfactory result. In 1999, operating profit was burdened by factors such as product development outlays on heavy-duty four-wheel drive AGVs and the expansion of strategy to encompass food industry systems.

Pekka Joensuu

Automated Guided Vehicles

The order book began to grow significantly during the summer months of 1999. From January to October the order book saw an increase of as much as 30%. New orders from basic industry were recorded in the order book, which indicates that the investment rate of this branch of industry is rising once again. The largest new orders were related to the utilisation of heavy-duty AGV technology.

The number of employees on the Automated Guided Vehicle Division's payroll was kept at the same level during 1999 (43 employees). However, production capacity was raised by about 10%.

Significant orders

At the beginning of 1999, Rocla received orders for a total of three systems from France, which will be delivered to customers in the speciality papers, tissue paper and food industries.

This year's single largest order (Eur 1.2 million), destined for the handling of heavy steel reels at Rautaruukki Oyj's factories in Hämeenlinna, was booked in June. Domestic demand also picked up thanks to sales to Metsä-Serla Oyj Tako factory and Schauman Wood Oy.

In autumn, the order book strengthened due to new orders from Sweden, which is traditionally a strong market area for Rocla. The customers were Borealis AB and PBA Nonwowen AB.

At the very end of the year, significant new orders were received from paper mills in continental Europe for the transfer of heavy tambours weighing 15,000-35,000 kg and from a multinational research institution for the transfer of heavy metal objects. The value of the deals in question accounts for about 20 % of the division's yearly turnover.

Stora Enso in Imatra is one of the Finnish long-time service contract customers.

The OEM principle, i.e. acting as an outsourcer for system integrators, has been important to Rocla's AGV business. In 1999, such operations involved the delivery of a printing plant system to MAN Roland Druckmaschinen AG and of two systems for the German company Autefa Maschinenfabrik GmbH.

Co-operation agreements and sales network

Rocla's co-operation with the American company Mentor AGVS on the North American market became more intensive in 1999, leading to three AGV deliveries and the employment of Finnish engineers as programmers.

Marketing was strengthened in Germany, resulting in two new system deliveries in 1999. A new marketing channel was opened in Hong Kong with an eye on the Chinese market.

The company's own project sales and management capacity was strengthened by two project managers in the summer of 1999.

New product development

In 1999, the company engaged in vigorous further development of four-wheel drive trucks, and, among other things, manufactured a prototype of an especially low and narrow truck that can nevertheless carry a large load. This product represents a new concept that is unique on the market.

Active contact was maintained with parties such as VTT Automation, with which the company conferred on the subject of the further development of AGV guidance systems and applications for the electronics industry.

Within OEM business operations, the company developed basic AGVs for the reel-handling needs of the textile industry. Du Pont in the USA can be cited as one of the end clients. The Automated Guided Vehicle Division's outlays on product development rose to about three per cent of net sales in 1999.

Production situation

The production situation was unsatisfactory at the beginning of the year due to longer throughput times caused by product development projects (incl. food industry applications, OEM products). By autumn 1999, these solutions had been implemented and production throughput rose to its normal level. Thus, by the end of November, the company had caught up with the delays that occurred at the beginning of the year.

Outlook for 2000

The order book is at a high level at the beginning of 2000. Offers are being made briskly and basic industry is planning many types of investments. After many years without major repairs, factories once again require modernisation works and repair investments. However, whether or not investments are greenlighted depends on the price levels of paper products and base metals on the world market and the recovery of the Asian economies. In any case, now, at the dawn of the new millennium, the market situation for AGVs is more positive than a year ago. Profitability is expected to improve as well.

Report by the Board of Directors 1999

Product development gave results

Consolidated net sales of the Rocla Group grew to FIM 311.1 million and operating profit improved by 17% as a result of successful product development and marketing on Western European markets. Comparable net sales grew by 4% over the previous year and came to FIM 302.4 million (1998: FIM 289.9 million). Operating profit was FIM 28.2 million (FIM 24.2 million). The share of operating profit to net sales was 9.1% (8.3%). Profit before taxes was FIM 27.8 million which is the best to date in the company´s history. The net result for the fiscal year was FIM 19.7 million (FIM 18.3 million). Return on investment was 24.2% (22.8%) and earnings per share FIM 5.25 (FIM 4.71). The Board proposes to the Annual General Meeting that a dividend of FIM 2.00 per share (FIM 1.70) be paid.

Favourable market development in Western Europe

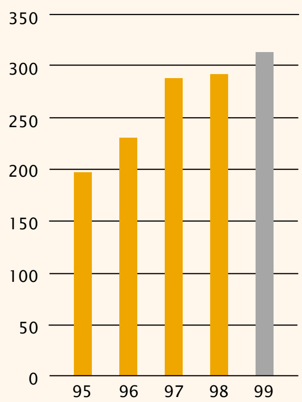
The market development in 1999 was twofold. In Western Europe, the company´s major market, the long-standing growth trend in the demand for warehouse trucks continued while domestic demand in Finland and Eastern Europe stayed low.

After a dismal beginning of the year demand for warehouse trucks grew at an annual rate of some 6% on Rocla´s main market Western Europe. This growth, which is bigger than the general investment demand, was based both on growing consumer demand and on structural changes in trade and distribution. As a result of these the size of delivery lots became smaller but the delivery rhytm faster. This trend affects the demand for smaller trucks at the expense of bigger ones.

Domestic demand in Finland reacted surprisingly strongly to the Russian crisis and the resulting economic downturn in the Baltic states. The Finnish truck market fell by some 20% in the beginning of the year and on an annual basis sales still remained almost 10% lower than the year before. Rocla´s market share was unchanged in Finland which, despite booming exports, remains an important market for the company.

In Automated Guided Vehicles (AGVs) demand fluctuated strongly between different market sectors. Demand in the field were Rocla´s special know-how is greatest, i.e. heavy systems which follow the investment activity of the paper and steel industries, came off to a slow start but now seems to continue along a good path. The order backlog for AGVs grew by 30% during the second half of 1999.

Net sales, MFIM



A Group structure

Rocla´s business forms a Group structure for the first time in the accounts for 1999 as a result of the incorporation of the rental and used truck businesses September 1, 1999 into a wholly owned subsidiary by the name of Rocla Rent Oy. Rental is expected to bring new growth potential in a mature market situation such as the one prevailing in Finland where new truck sales are not expected to grow significantly.

Net sales grew strongly in the main business sectors

Consolidated net sales were FIM 311.1 million. This amount includes an exceptional item due to the sale of rental equipment to a finance company. The money value of this deal, which did not affect profits, was FIM 8.7 million. Comparable net sales were FIM 302.4 million, which is 4% more than the net sales of 1998 at FIM 289.9 million. Exports accounted for 65% (60%) of net sales.

Comparable net sales of warehouse trucks were FIM 259.1 million (FIM 247.8 million), the increase is 5%. Domestic sales contracted by 8% and exports to Eastern Europe by 17%. Exports to Western Europe, which is the main market, grew by 20% thanks to successful product development and expansion of the dealer network.

Net sales in the AGV Business Area were FIM 43.3 million (FIM 42.1 million), which is 3% above the figure of the year before. Domestic net sales contracted from 1998 but that was balanced by new orders from North America and Asia.

The respective shares of the business areas out of total sales remained practically unchanged. The warehouse trucks accounted for 86% of net sales against 85% in 1998. Correspondingly the shares of AGVs were 14% and 15%. Exports accounted for 64% of the sales of warehouse trucks (58% in 1998). In AGVs this figure was 76% (69%).

Sales by market area were as follows:

Net sales, FIM million	**Warehouse trucks 1999**	Warehouse trucks 1998	**AGVs 1999**	AGVs 1998
Finland *)	104.1	104.2	10.2	13.1
Other Western Europe	139.7	116.9	27.4	27.0
Eastern Europe	21.0	25.3	0.0	0.0
North and South America	2.5	0.8	2.7	1.3
Asia and others	0.5	0.6	3.0	0.7
Total	267.8	247.8	43.3	42.1

*) The 1999 figure for warehouse trucks includes an exceptional sales item of FIM 8.7 million to a finance company.

Result

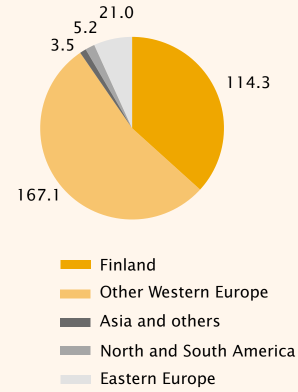
Consolidated operating profit was FIM 28.2 million (FIM 24.2 million). The growth in operating profit over the year before was thus 17%. The share of operating profit of net sales was 9.1% (8.3%). Profit after taxes, which rose by 18% to FIM 27.8 million, was the best in the company's history.

The operating profit of warehouse trucks was FIM 26.0 million (FIM 21.1 million), i.e. 10.1% (8.5%) of comparable net sales. The favourable profit trend was mainly due to the fact that successful product development lead to a reduction of manufacturing costs and an improvement in the competitive position of the products.

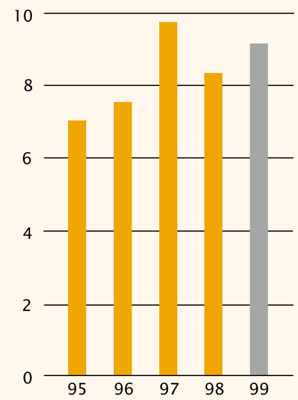
The operating profit of AGVs was FIM 2.2 million (FIM 3.0 million) i.e. 5.0% (7.2%). In the situation where heavy industry operated in a down-cycle, product development was focused on new applications areas such as food industry to an exceptional extent.

The net profit for the period was FIM 19.5 million (FIM 18.3 million). Return on investment was 24.2% (22.8%) and almost on par with the long range objective of the company, which is 25%. Earnings per share were FIM 5.25 (FIM 4.71).

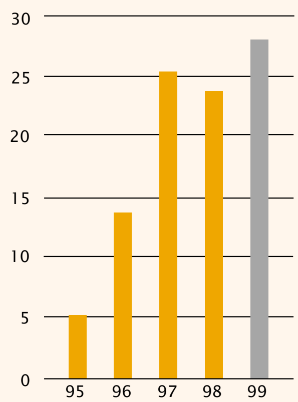
Net sales by market area



Operating profit, %



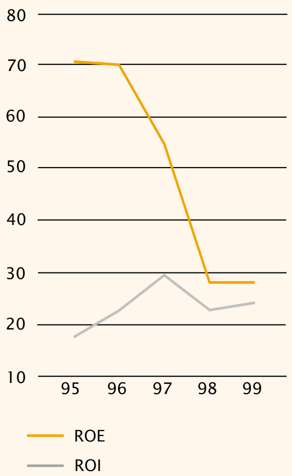
Profit after financial items, MFIM



	Net sales, FIM million			Operating profit, FIM million		
	1999	1998	Change	1999	1998	Change
Warehouse trucks *)	259.1	247.8	+5%	26.0	21.1	+23%
AGVs	43.3	42.1	+3%	2.2	3.0	-27%
Total	302.4	289.9	+4%	28.2	24.2	+17%

*) An exceptional amount of FIM 8.7 has been deducted from the sales.

ROE/ROI %



Financing

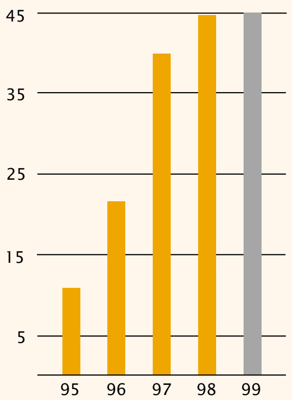
Liquid funds and placements at year end were FIM 17.2 million (FIM 27.7 million). Liquid funds were affected by the acquisition of the company's own shares by an amount of FIM 9.1 million and by an interest-free loan of FIM 7.6 million extended to the real estate company in conjunction with the renewal of the lease agreement. Net financial expenses contracted to FIM 0.4 million (FIM 0.5 million) and constituted 0.1% (0.2%) of net sales.

The equity/assets ratio was 44.8% compared with 44.5% at the end of the previous year. The company's objective is to maintain its solidity at a minimum of 40% over the long range.

Product development

Product development, along with the expansion of distribution channels, is the main area of focus for the company. A total of FIM 7.4 million (FIM 6.6 million) was invested in development work. This constitutes 2.4% (2.3%) of net sales. Significant expenditures were made in order to renew the high-volume smaller truck range and this lead to a remarkable improvement of profitability and competitiveness in this sector. In AGVs the focus of development work was on new application areas in order to balance the low demand from paper and steel industries. The biggest single item was the development of an exceptionally low truck type for a specific customer in the food industry. In this business area development expenditures were unusually heavy in 1999, the rewards from which are expected to accrue in future years.

Equity ratio%



Investments

The gross investments in fixed assets in the period were FIM 6.6 million (FIM 9.0 million). The biggest single item was the procurement of rental truck equipment for Rocla Rent Oy at an amount of FIM 3.2 million. The development of information systems focused on programs and equipment for the Product Data Management (PDM). The restructuring of production and addition of capacity required investments in new lift cranes.

Order book

Rocla manufactures trucks based on customer orders. Efficient manufacturing of warehouse trucks and short lead times reflect in an order backlog which is low compared to annual sales. At the end of 1999 the order book for warehouse trucks was FIM 14.2 million (FIM 21.3 million), i.e. 33% less than a year ago. The reduction is mainly due to record production and deliveries in the last month of 1999. In the final third of last year production capacity was boosted by some 30% which enabled the company to take on a big volume and perform fast deliveries.

In AGVs the order book is longer due to the nature of operations. At the end of 1999 it was FIM 27.4 million (FIM 22.5 million), an increase of 22% over the previous year. The order book of AGVs reflects growth particularly on the domestic market.

Acquisition of the company's own shares

The company has bought back its own shares both in 1998 and 1999 by authorization of the Annual General Meeting. At the beginning of the year the company possessed 102,600 of its own shares at a nominal value of FIM 0.5 million and corresponding to a market and asset value of FIM 3.7 million. In the period January 1-March 31, 1999 the company acquired 77,674 of its own shares for an amount of FIM 2.7 million, the average share price was FIM 35.34. The Annual General Meeting decided to redeem 180,274 of the acquired shares by lowering the number of shares and share capital accordingly. The amount of FIM 0.9 million was transferred from the share capital to the premium fund. The redemption was registered on April 16, 1999. The total asset value of the redeemed shares was FIM 6.4 million.

Based on a new authorization given by the Annual General Meeting the Board decided, on April 16, 1999, to acquire its own shares in public trading at the HEX Helsinki Exchanges. The authorization was for a total of maximum 5% of the company's shares i.e. 184,800 shares. The company acquired shares in the period June 8-November 29, 1999 at an average price of FIM 36.29 per share and at the end of the year it possessed 174,500 shares with a nominal value of FIM 0.9 million, which equals 4.7% of the share capital and total vote of all shares. The market value of the shares at the end of the year was FIM 7.9 million, i.e. FIM 1.5 million above the acquisition and balance sheet value FIM 6.3 million. The share purchases were made by authorization of the Annual General Meeting and for the purpose of developing the financial structure and create a readiness for corporate or other property acquisitions related to the business of the company.

Warrants and convertible bonds

The 1998 Annual General Meeting adopted the Board's proposal to issue warrants for company shares. The FIM 1.2 million warrant bond loan extended to the company's personnel and Board Members was subscribed in full. Half of the company's employees subscribed to the loan. The warrants attached to the loan entitle to the subscription of 400,000 company shares in a step-by-step procedure in the period April 24, 2000-April 24, 2004. Company Board Members subscribed FIM 0.18 million of the loan, this corresponds to 60,000 warrants.

The company has no convertible bonds on the market.

Environmental issues

An environmental study has been carried out in the company and an environment policy as well as environmental objectives have been drafted based on this study. Environment-friendly values are to be brought into all operations, environmental protection levels will be raised and at the same time cost savings are searched. No major environmental risks are attached to the company's operations.

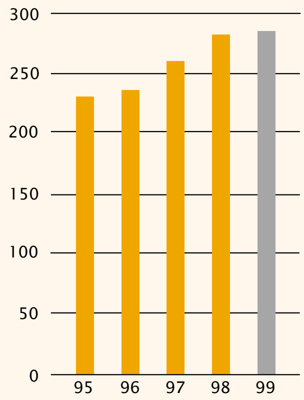
Litigations

Rocla Oyj has no pending litigations nor is its business affected by any other legal risks, which could affect its performance.

Authorizations

The Rocla Oyj Board holds no current authorization to raise the share capital of the company or to issue warrant bonds or convertible bonds.

Personnel, average



Annual General Meeting

At the Annual General Meeting the Board Members of the company were re-elected. The Board Members are Claes Charpentier, Kari Jokisalo, the company's Managing Director, Niilo Pellonmaa, Klas Stigzelius and Petteri Walldén. Tilintarkastajien Oy - Ernst&Young were elected auditors with Kristian Hallbäck, A.P.A. as responsible auditor.

The Annual General Meeting adopted the Board's proposal for the allocation of profits for 1998 and declared a dividend of FIM 1.70 per share for a total payment of FIM 6.3 million.

Corporate Governance

The nomination and division of work between the Board Members and the Managing Director conform with the Companies Act. The Board Members have no particular sectors of special responsibility nor does the company have any Supervisory Board or Audit Committee. The company's Board of Directors, which has had the same composition throughout the fiscal year, is presented in detail in the company's printed annual report.

Board Member share ownerships

The Board Members of the company held a total of 216,748 Rocla Oyj shares at the end of 1999. This corresponds to 5.9% of the company's capital and votes.

Personnel

In 1999 the average number of employees was 283 (280) of whom 282 were employed by the parent company. The increase over the year before is 3 employees. At the end of 1999 total personnel was 286 (273), of whom 282 were employed by the parent company.

Dividend policy

The Board's dividend proposal is based on the development of company profits and solidity as well as its investment needs. The overall company policy is to distribute 30% of the net profit as dividends.

The year 2000 and adoption of the euro

The turn of the millennium marked no difficulties for any of the company's information systems. All the relevant systems have been renewed in the past few years and the information technology embedded in the products performed without any calendar-related problems.

The Group has adopted the euro as its accounting and reporting currency as of January 1, 2000. The transfer to the new currency proceeded according to plans.

Prospects for the year 2000

The outlook at the beginning of the year is favourable. Demand in Western Europe is expected to continue to grow at least at last year's rate. Domestic demand remains somewhat below the one of recent years and is not expected to change much during the year. Although no major improvements are foreseen in the situations in Russia and the Baltic region, demand is, however, not expected to drop any further in these areas.

The demand expectations are thus favourable. Concentrations are expected to continue in the materials handling sector and competition is expected to remain tough. Price levels are not likely to improve. Rocla continues to invest in product development and in the broadening and strengthening of its distribution network. Special attention will be paid to after sales services in both business areas.

Consolidated net sales are expected to grow in the year ahead and the result is expected to hold out at the 1999 level.

Income Statement

01.01. - 31.12.	CONSOLIDATED 1999 (FIM thousand)	%	ROCLA OYJ 1999 (FIM thousand)	%	ROCLA OYJ 1998 (FIM thousand)	%
Net Sales	**311,123**	100.0%	311,995	100.0%	289,944	100.0%
Change in inventories of semi-finished and finished products	**944**		944		-578	
Production for own use	**3,921**		2,043		1,034	
Other operating income	**174**		217		365	
Materials and services						
Materials, supplies and goods						
Purchases during the period	**-165,679**		-166,033		-164,211	
Change in inventories	**-8,684**		-8,639		8,393	
External services	**-2,695**		-2,591		-2,663	
Total materials and services	**-177,058**	-56.9%	-177,263	-56.8%	-158,480	-54.7%
Personnel expenses	**-67,066**	-21.6%	-66,752	-21.4%	-63,449	-21.9%
Depreciation	**-5,542**	-1.8%	-5,473	-1.8%	-4,945	-1.7%
Other operating costs	**-38,296**	-12.3%	-37,655	-12.1%	-39,720	-13.7%
Operating profit	**28,200**	9.1%	28,056	9.0%	24,170	8.3%
Financial income and expenses						
Other financial income	**1,519**		1,521		3,594	
Interest expenses	**-1,796**		-1,796		-2,873	
Other financial expenses	**-122**		-122		-1,264	
Total financial income and expenses	**-399**	-0.1%	-397	-0.1%	-544	-0.2%
Profit before appropriations and taxes	**27,800**	8.9%	27,659	8.9%	23,627	8.1%
Current taxes	**-8,079**	-2.6%	-8,075	-2.6%	-5,364	-1.9%
Change in deferred tax liability	**-38**	-0.0%	0		0	
Net profit for the year	**19,684**	6.3%	19,583	6.3%	18,263	6.3%

Rocla formed a group structure in 1999.

Balance Sheet

	CONSOLIDATED 1999 (FIM thousand)	ROCLA OYJ 1999 (FIM thousand)	ROCLA OYJ 1998 (FIM thousand)
ASSETS 31.12.			
Fixed assets and other long term investments			
Intangible assets			
Intangible rights	**2,043**	2,022	2,276
Other long-term expenses	**869**	869	667
	2,911	2,890	2,943
Tangible assets			
Machinery and equipment	**13,277**	10,158	20,014
Long-term financial assets			
Shares in associated companies	**0**	1,988	15
Other shares and holdings	**77**	77	77
Other investments	**7,583**	7,583	0
	7,660	9,648	92
Total fixed assets	**23,848**	22,696	23,050
Current assets			
Inventories			
Materials and supplies	**28,171**	28,166	31,842
Semi-finished products	**6,597**	6,597	6,437
Finished products/Goods	**16,952**	15,236	17,372
	51,720	49,999	55,651
Current receivables			
Accounts receivable	**57,635**	59,825	40,330
Loans receivable	**99**	843	230
Other receivables	**2,047**	1,318	143
Accrued income and prepaid expenses	**10,292**	10,220	6,479
	70,073	72,206	47,182
Securities held in financial assets			
Own shares	**6,333**	6,333	3,694
Other securities	**8,000**	8,000	11,338
	14,333	14,333	15,031
Cash and cash equivalents	**9,154**	8,763	16,365
TOTAL ASSETS	**169,128**	167,997	157,278

Rocla formed a group structure in 1999.

SHAREHOLDERS' EQUITY AND LIABILITIES 31.12.

	CONSOLIDATED 1999 (FIM thousand)	ROCLA OYJ 1999 (FIM thousand)	ROCLA OYJ 1998 (FIM thousand)
Shareholders' equity			
Share capital	**18,481**	18,481	19,382
Emission profit fund	**15,746**	15,746	14,845
Own shares' fund	**6,333**	6,333	3,694
Retained earnings	**18,405**	18,413	15,512
Net profit for the year	**19,684**	19,583	18,263
Total shareholders' equity	**78,649**	78,556	71,695
Provisions	**1,303**	1,303	1,303
Liabilities			
Long-term liabilities			
Interest-bearing liabilities			
Bond loan with warrants	**1,023**	1,122	1,200
Loans from financial institutions	**41,961**	41,961	49,013
Pension loans	**0**	0	1,058
Total	**42,984**	43,083	51,270
Non-interest-bearing liabilities			
Deferred tax liability	**38**	0	0
	43,022	43,083	51,270
Short-term liabilities			
Loans from financial institutions	**7,052**	7,052	1,338
Pension loans	**1,058**	1,058	1,500
Advances received	**1,234**	1,216	692
Accounts payable	**20,631**	19,739	13,751
Other current liabilities	**1,886**	1,855	1,696
Accrued expenses and prepaid income	**14,293**	14,135	14,032
	46,155	45,055	33,009
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**169,128**	167,997	157,278

Rocla formed a group structure in 1999.

Funds Statement

01.01. - 31.12.	**CONSOLIDATED 1999 (FIM thousand)**	ROCLA OYJ 1999 (FIM thousand)	ROCLA OYJ 1998 (FIM thousand)
Operating activities			
Operating profit	**28,200**	28,056	24,170
Depreciation	**5,542**	5,473	4,945
Change in working capital	**-13,781**	-15,148	-13,604
Interest expenses	**-1,796**	-1,796	-2,873
Other financial items	**1,397**	1,399	2,329
Taxes	**-8,079**	-8,075	-5,364
Cash flow from operations	**11,482**	9,908	9,603
Investments			
Equity investments	**-9,071**	-11,051	-4,412
Capital expenditures	**-6,572**	-3,409	-8,974
Divestments	**10,394**	10,394	855
Increase in long-term financial assets	**-7,583**	-7,583	0
Decrease in long-term financial assets	**0**	0	12
Cash flow from investments	**-12,832**	-11,649	-12,519
Cash flow before financing	**-1,350**	-1,740	-2,915
Financing			
Increase in long-term loans	**0**	0	51,200
Decrease in long-term loans	**-2,916**	-2,916	-57,058
Dividends paid	**-6,284**	-6,284	-7,753
Cash flow from financing	**-9,199**	-9,199	-13,611
Increase (+)/decrease (-) in liquid assets	**-10,549**	-10,939	-16,526
Change in liquid assets in the balance sheet	**-10,549**	-10,939	-16,526

Rocla formed a group structure in 1999.

Notes to the Financial Statements

1. Principles applied in the financial statements

The fixed assets have been entered in the balance sheet at the variable acquisition cost less depreciation according to plan. Depreciation according to plan is calculated based on the economic life-span of the assets and is proportionate to the original acquisition cost. Depreciation exceeding the plan has been applied in the subsidiary because of taxation reasons.

Following life-span estimates are used in calculations of depreciation:

Intangible rights (information systems)	3-5 years
Other long-term expenses (refurbishments of rented premises)	10 years
Major production machinery (cranes etc.)	10 years
Other machinery and equipment	4-7 years

Purchases of minor computer devices (life-span less than 3 years, acquisition cost les than FIM 10 thousand) have been charged to costs starting in 1998.

Inventories are presented on the FIFO-principle at the lowest of variable acquisition cost, probable sales price or re-acquisition cost at the date of the balance sheet.

Marketable securities are stated at the lower of acquisition cost or market value.

Receivables and liabilities in foreign currencies are translated into accounting currency at the closing rate on the balance sheet date.

Development costs have been expensed in the year in which they have incurred.

Leasing payments have been considered as rents.

Pension arrangements for personnel have been handled through pension insurance policies.

Long-term projects have been credited to income according to the degree of completion. The degree of completion is calculated based on the expenses incurred and the total cost estimate. Estimated losses from the projects in the order stock have been charged to costs. The difference between income according to the degree of completion and invoiced income is presented in accrued income in the balance sheet.

The provisions include computed, unrealized warranty responsibilities on products sold.

2. Consolidated financial statements

The consolidated financial statements cover parent company Rocla Oyj and fully owned subsidiary Rocla Rent Oy, the operations of which were started as a trasfer of assets according to the Business Income Tax Act on Sept 1, 1999. The figures for 1998 are from the Parent company, because there was no group structure in 1998. The domicile of Rocla Rent Oy is Järvenpää.

In consolidation the purchase method has been applied. Inter-company income and expenses, receivables and liabilities have been eliminated in the consolidation as well as inter-company margins. In the consolidated balance sheet, appropriations (depreciation difference) have been allocated to equity and deferred tax liability. In the consolidated income statement depreciation difference has been divided into the net profit for the year and change in the deferred tax. In calculating the deferred tax net liability both depreciation difference and the influence of the consolidation eliminations have been taken into account.

3. Sales

3.1. Geographic distribution

Below a presentation according to the geographic distribution and by division.

Sales, FIM million	Consolidated Warehouse trucks 1999	Rocla Oyj Warehouse trucks 1999	Rocla Oyj Warehouse trucks 1998
Finland	104.1	105.0	104.2
Other Western Europe	139.7	139.7	116.9
Eastern Europe	21.0	21.0	25.3
North and South America	2.5	2.5	0.8
Asia and others	0.5	0.5	0.6
Total	267.8	268.7	247.8

Sales, FIM million	AGVs 1999	AGVs 1999	AGVs 1998
Finland	10.2	10.2	13.1
Other Western Europe	27.4	27.4	27.0
Eastern Europe	0.0	0.0	0.0
North and South America	2.7	2.7	1.3
Asia and others	3.0	3.0	0.7
Total	43.3	43.3	42.1

3.2. Sales according to the degree of completion

The share credited to income from long-term projects, based on the degree of completion, was 12% (15% in 1998) of the total net sales of the company. The share corresponds to the total project income in Automated Guided Vehicles division. Of the projects not yet completed FIM 36.7 million (38.2) have been credited to income for the fiscal year and FIM 58.1 million (59.1) for earlier periods whereas FIM 9.8 million (10.8) had yet to be credited at the turn of the year.

4. Other income from operations

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Rental income	0	36	86
Grants	0	0	153
Divestments of fixed assets	166	166	-9
Other income	8	15	135
Other income from operations	174	217	365

Grants have deducted in 1999 from other operating costs.

5. Personnel and personnel costs

Number of employees in average

	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Warehouse Trucks	240	239	237
AGVs	43	43	43
Total	283	282	280

Personnel costs

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Salaries and remunerations paid to the Managing Director and members of the Board	927	847	1,000
Other payroll	50,524	50,349	47,232
Pension costs	8,060	8,018	8,154
Other payroll overhead	7,555	7,537	7,063
Personnel costs total	67,066	66,752	63,449

6. Depreciation

Depreciation according to plan

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Other long-term expenses	913	911	963
Machinery and equipment	4,568	4,501	3,982
Write-downs			
Machinery and equipment	61	61	0
Total depreciation and write-downs	5,542	5,473	4,945

7. Fixed assets

Intangible rights

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Acquisition cost Jan 1	4,532	4,532	3,972
Additions	+577	+554	+560
Acquisition cost Dec 31	5,109	5,086	4,532
Accumulated depreciation according to plan	-3,066	-3.064	-2.256
Undepreciated balance	2,043	2,022	2,276

Other long-term expenses

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Acquisition cost Jan 1	5,480	5,480	5,395
Additions	+304	+ 304	+85
Acquisition cost Dec 31	5,784	5,784	5,480
Accumulated depreciation according to plan	-4,916	- 4,916	-4,813
Undepreciated balance	869	869	667

Machinery and equipment

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Acquisition cost Jan 1	56,057	56,057	44,499
Additions	+5,736	+2,551	+8,329
Transfers from inventories to fixed assets	+2,549	+2,549	+4.084
Reductions	-10,394	-10,394	-855
Acquisition cost Dec 31	53,948	50,763	56,057
Accumulated depreciation according to plan	-40,672	-40,605	-36,043
Undepreciated balance	13,276	10,158	20,014

Long-term financial assets

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Value on Jan 1	77	92	77
Additions:			
Shares in Group companies (Rocla Rent Oy)	0	+1,973	+15
Other investments	+7,583	+7,583	0
Value Dec 31	7,660	9,648	92

8. Securities

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Fund shares:			
Book-keeping value	8,000	8,000	11,338
Market value Dec 31	8,044	8,044	11,385
Market value - book-keeping value	44	44	47
Own shares:			
Book-keeping value	6,333	6,333	3,694
Market value Dec 31	7,864	7,864	3,694
Market value - book-keeping value	1,531	1,531	0

9. Essential items in prepaid expenses and accrued income

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Non-invoiced receivables (Sales acc. to degree of completion)	9,718	9,718	5,364
Other prepaid expenses	574	502	1,119
Prepaid expenses and accrued income total	10,292	10,220	6,479

10. Increase and decrease in shareholders' equity

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Share capital Jan 1	19,382	19,382	19,382
Invalidating of shares	-901	-901	0
Share capital Dec 31	18,481	18,481	19,382
Emission profit fund Jan 1	14,845	14,845	14,845
Transfer due to invalidation of shares	+901	+901	0
Emission profit fund Dec 31	15,746	15,746	14,845
Own shares' fund Jan 1	3,693	3,693	0
Acquisition of own shares	+9,078	+9,078	+4,397
Invalidation of shares	-6,438	-6,438	0
Reduction in value of own shares	0	0	- 703
Own shares' fund Dec 31	6,333	6,333	3,693
Retained earnings Jan 1	33,767	33,775	27,662
Dividends	-6,284	-6,284	-7,753
Acquisition of own shares	-9,078	-9,078	-4,397
Retained earnings Dec 31	18,405	18,413	15,512
Net profit for the year	19,684	19,583	18,263
Shareholders' equity total	78,649	78,556	71,696

11. Distributable funds Dec 31

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Retained earnings	18,405	18,413	15,512
Net profit for the year	19,684	19,583	18,263
Depreciation difference	-874		
Distributable funds total	37,215	37,996	33,775

12. Provisions

The provisions include computed, unrealized warranty responsibilities on products sold FIM 1,303 thousand (FIM 1,303 thousand).

13. Liabilities

Loans that fall due after five years or later:

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Loans from financial institutions	13,929	13,929	20,893

14. Bond loan with warrants

The Annual General Meeting of 1998 approved the proposal of the Board of Directors on issuing a bond loan with warrants. The FIM 1.2 million of bond loan targeted at the Company's entire personnel and the Board of Directors was subscribed in its entirety. Half of the personnel subscribed the loan. The warrants attached to the bond loan will entitle their holders to subscribe 400,000 of the company's shares in stepwise fashion during the period from April 24, 2000 to April 24, 2004.

15. Essential items in accrued expenses and prepaid income

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
Accrued employee related expenses	11,832	11,664	11,601
Other accrued expenses	2,461	2,471	2,431
Accrued expenses and prepaid income total	14,293	14,135	14,032

16. Assets pledged and contingent liabilities

(FIM thousand)	1999 Consolidated	1999 Rocla Oyj	1998 Rocla Oyj
For own debt:			
Business mortgages	50,000	50,000	50,000
Deposits pledged	250	250	1,129
Other own liabilities:			
Leasing liabilities in 2000 *)	3,497	1,676	
Leasing liabilities from 2001 on *)	8,131	1,453	
Leasing liabilities total *)	11,628	3,129	3,264
Repurchase obligations	8,787	8,787	547
Pension liabilities	64	64	64

*) Liabilities concerning rental of the premises are presented separately below.

17. Rental conract of the premises

The company operates in rented premises. The rental conract of the premises has been renewed in 1999 to last for 15 years or to year 2014, after which it continues one year at the time unless otherwise agreed. The company has an option to buy the premises after 5 years. Commitment concerning rents in 2000 is FIM 2,379 thousand and from 2001 on until the end of the initial rental contract period FIM 31,726 thousand.

18. Derivative contracts

There were no derivative contracts at the end of 1999.

Share Capital and Shares

Share capital and identifiers

According to the Articles of Association Rocla Oyj's minimum share capital is FIM 10,950,000 and its maximum share capital is FIM 40,000,000, within which limits the share capital can be increased or lowered without any amendment to the Articles of Association. The paid-in and registered share capital on Dec 31, 1999 was FIM 18,480,890.

The company has one share series. The nominal value of the share is FIM 5.00 and the total number of shares at the end of 1999 was 3,696,178.

Rocla Oyj's Board has no authorization to increase the share capital or to issue warrant bonds or convertible bonds.

Rocla's shares are listed in the metal industry category at the Helsinki Exchanges. The identifier for the shares is ROC1V, the trading lot is 100 shares and their international stock numbering ISIN-code is FI0009006589.

Pre-emptive purchase obligation

A shareholder whose proportion of all the company's shares reaches or exceeds one third or one half, shall submit a tender offer to purchase the remainder of the shares issued by the company and the warrants attached to them according to the Companies Act.

Bond loan with warrants

The company issued a bond loan of FIM 1.2 million with warrants targeted at the entire personnel and the Board of Directors. The loan was subscribed in its entirety. The warrants attached to the bond loan will entitle their holders to subscribe 400,000 of the company's shares in stepwise fashion during the period from April 24, 2000 to April 24, 2004. To each bond certificate by nominal value of FIM 750, 250 warrant certificates are attached. Half of the personnel subscribed to the loan. The members of the Board of Directors subscribed to 60,000 warrants. The share subscribtion price is FIM 68.12 less the amount of dividend distributed after May 1, 1998 and before the share subscription.

Ownership

The company's ownership at the end of 1999 was as follows.

The major shareholders December 31,1999:

Shareholder	Shares 1,000	% of the shares and vote	% of the shares and vote*)
1. Lawhill Ab	374.3	10.1	10.6
2. Norvestia Oyj	254.9	6.9	7.2
3. Rocla Oyj	174.5	4.7	
4. Henki-Sampo Life Insurance	171.2	4.6	4.9
5. LEL Pension Fund	146.5	4.0	4.2
6. Ilmarinen Mutual Pension Insurance	117.2	3.2	3.3
7. Klas Stigzelius	98.2	2.7	2.8
8. Fondita Nordic Small Cap Investment Fund	92.8	2.5	2.6
9. Aktia Capital Investment Fund	85.0	2.3	2.4
10. Etra-Invest Oy	80.7	2.2	2.3
10 biggest, total	1,595.3	43.2	40.4
Nominee-registered	1,002.2	27.1	28.5
Total	3,696.2		

*) excluding shares held by the company

Ownership by size of holdings.

Share number	Shareholders	%	Shares	%
1-100	103	18.4	7,699	0.2
101-1,000	371	65.6	147,577	4.0
1,001-10,000	55	9.7	197,839	5.6
10,001-100,000	26	4.6	1,102,223	31.1
100,001-1,000,000	6	1.0	1,238,600	33.5
Total	561	99.1	2,693,938	72.9
Nominee-registered			1,002,240	27.1
Total	566		3,696,178	100.0

*) Includes shares held by the company

Ownership by owner category, the shares held by the company are included:

Category	% of shares
Private companies	28.8
Financing and insurance companies	18.0
Public organizations	8.4
Non-profit organizations	0.5
Private households	17.1
Non-domestic and nominee-registered	27.2
Total	100.0

On December 1, 1999 the company received information that Lawhill Ab, part of the Eriksson Capital Group, had acquired over 10% of the company's ownership in a transaction on November 30, 1999. At the end of the year Lawhill Ab holds 374,300 Rocla Oyj shares which corresponds to 10.1% of the company's shares and votes.

On October 6, 1999 Rocla Oyj received information that Norvestia Oyj´s ownership of the company's shares and votes had exceeded 5% in a transaction, which took place on October 5, 1999. At the end of the year Norvestia Oyj holds 254,900 Rocla Oyj shares entitling to 6.9% of the company's shares and votes.

According to information received in 1998 Henderson Investors Ltd., a nominee-registered shareholder, directly or indirectly holds 826,200 company shares which equals 22.4% of the shares and votes. The company has no knowledge about any other major ownerships as defined in the Securities Market Act, chapter 2, paragraph 9.

Development of share price and market value

On the last trading day of 1999 the average quotation for the Rocla Oyj share was FIM 45.07. The year's highest was FIM 45.18 and lowest FIM 33.59. The taxation value of the share is FIM 31.01. The market capitalization of the company stood at FIM 158.7 million at the end of the year. In 1999 a total of 2,766 thousand Rocla Oyj shares, i.e. 74% of the capital, were traded at the HEX Helsinki Exchanges. Excluding the turnover from the company's trade in its own shares the turnover was 2,514 thousand and the percentage 69%.

Acquisition of the company's own shares

For the second year in a row, the company has an authorization of the Annual General Meeting to acquire its own shares through Helsinki Exchanges. The authorization concerns a maximum of 5 per cent of the company's total shares. At the end of the year 1999, the company owned 174,500 own shares, which corresponds 4.7% of all shares. The acquisition of the shares was carried out on the basis of the authorization for the purpose of developing the company's capital structure and to prepare for possible acquisitions or the purchase of other property connected with business operations.

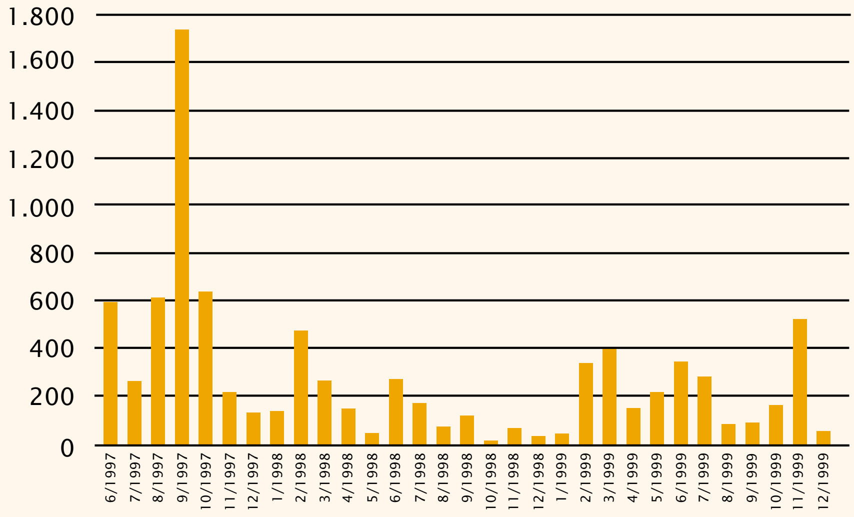
Per share data	**1999 Group**	**1998**	**1997**	**1996**	**1995**
Earnings/share (EPS), FIM	5.25	4.71	6.42	4.91	2.23
Equity/share, FIM *)	20.53	18.02	15.96	7.09	4.56
Dividend/share, FIM **)	2.00	1.70	2.00	0.50	-
Dividend/profit, % **)	38.1	36.1	31.2	10.2	-
Yield, % **)	4.4	4.7	4.0	-	-
Price/Earnings (P/E)	8.6	7.6	7.8	-	-
Lowest share quotation, FIM	33.59	35.50	40.00	-	-
Highest share quotation, FIM	45.18	68.50	62.00	-	-
Average share quotation, FIM	36.63	55.43	48.51	-	-
Quotation at year end, FIM	45.07	35.93	50.17	-	-
Market capitalization, MFIM *)	158.7	135.6	197.7	-	-
Share turnover, 1,000 shares *)	2,514	1,793	4,245	-	-
Share turnover, % *)	69	46	110	-	-
Average share number, 1,000 shares	3,749	3,876	3,682	2,564	2,331
Share number, end of period, 1,000 shares *)	3,522	3,774	3,876	3,451	2,542

Rocla Oyj listed on the HEX Helsinki Exchanges in 1997.

*) The shares held by the company itself have been eliminated both from equity and the number of shares in all other key ratios except Earnings per share, EPS. The earnings have been divided with the average number of shares in 1999 including those held by the company, i.e. 3,748,532 shares.

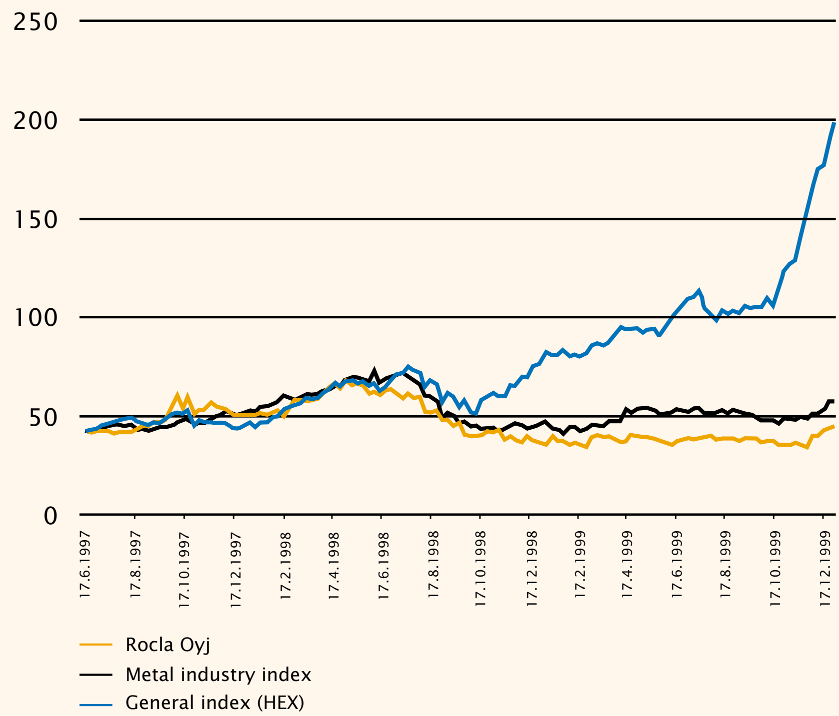
**) The Board of Directors´ proposal

Monthly turnover of shares 1997-1999, thousand shares



Rocla Oyj listed on the Helsinki Exchanges on June 17, 1997. The large trading volume in September 1997 was due to the former main owners selling their remaining shares of the company.

The share quotation June 17, 1997 - Dec 31, 1999, FIM



In the graph, the bases for the general index and the metal industry index are set at Rocla's average quotation on June 17, 1997.

The Board's Proposal for the Allocation of Profits

The Board of Directors proposes to the Annual General Meeting that a dividend of FIM 2.00 (around 0.34 euros) per share be declared for a total dividend payment of FIM 7,0 million, calculated on the basis of the shares outstanding and held by external owners. The company's holdings of its own shares do not entitle to dividends. The Board also proposes that the remainder of the profit for the fiscal year be transferred to retained earnings.

Järvenpää, February 11, 2000

Niilo Pellonmaa, Chairman

Claes Charpentier

Klas Stigzelius

Petteri Walldén

Kari Jokisalo, Managing Director

Auditors' Report

To the shareholders of Rocla Oyj

We have audited the accounting, the financial statements and the corporate governance of Rocla Oyj for the financial year 1999. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

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

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company´s result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the result is in compliance with the Companies Act.

Järvenpää, February 14, 2000

TILINTARKASTAJIEN OY - ERNST & YOUNG
Authorised Public Accountants

Kristian Hallbäck, Authorised Public Accountant

Income Statement and Funds Statement (EUR)

INCOME STATEMENT 01.01. - 31.12.	CONSOLIDATED 1999 (1,000 EUR)		ROCLA OYJ 1998 (1,000 EUR)	
Net Sales	**52,327.1**	100.0 %	48,765.1	100.0 %
Change in inventories of semi-finished and finished products	**158.7**		-97.2	
Production for own use	**659.5**		173.9	
Other operating income	**29.2**		61.4	
Materials and services				
Materials, supplies and goods				
Purchases during the period	**-27,865.3**		-27,618.2	
Change in inventories	**-1,460.5**		1,411.6	
External services	**-453.3**		-447.8	
Total materials and services	**-29,779.0**	-56.9 %	-26,654.4	-54.7 %
Personnel expenses	**-11,279.7**	-21.6 %	-10,671.4	-21.9 %
Depreciation	**-932.1**	-1.8 %	-831.7	-1.7 %
Other operating costs	**-6,440.9**	-12.3 %	-6,680.4	-13.7 %
Operating profit	**4,742.9**	9.1 %	4,065.2	8.3 %
Financial income and expenses				
Other financial income	**255.6**		604.4	
Interest expenses	**-302.1**		-483.2	
Other financial expenses	**-20.6**		-212.6	
Total financial income and expenses	**-67.2**	-0.1 %	-91.4	-0.2 %
Profit before appropriations and taxes	**4,675.7**	8.9 %	3,973.8	8.1 %
Current taxes	**-1,358.8**	-2.6 %	-902.2	-1.9 %
Change in deferred tax liability	**-6.4**	-0.0 %	0.0	0.0 %
Net profit for the year	**3,310.6**	6.3 %	3,071.5	6.3 %

FUNDS STATEMENT 01.01. - 31.12.	CONSOLIDATED 1999 (1,000 EUR)	ROCLA OYJ 1998 (1,000 EUR)
Operating activities		
Operating profit	**4,742.9**	4,065.2
Depreciation	**932.1**	831.7
Change in working capital	**-2,317.8**	-2,288.0
Interest expenses	**-302.1**	-483.2
Other financial items	**235.0**	391.8
Taxes	**-1,358.8**	-902.2
Cash flow from operations	**1,931.2**	1,615.2
Investments		
Equity investments	**-1,525.6**	-742.0
Capital expenditures	**-1,105.3**	-1,509.4
Divestments	**1,748.2**	143.8
Increase in long-term financial assets	**-1,275.4**	0.0
Decrease in long-term financial assets	**0.0**	2.1
Cash flow from investments	**-2,158.2**	-2,105.5
Cash flow before financing	**-227.0**	-490.3
Financing		
Increase in long-term loans	**0.0**	8,611.2
Decrease in long-term loans	**-490.4**	-9,596.5
Dividends paid	**-1,056.8**	-1,303.9
Cash flow from financing	**-1,547.2**	-2,289.2
Increase (+)/decrease (-) in liquid assets	**-1,774.2**	-2,779.5
Change in liquid assets in the balance sheet	**-1,774.2**	-2,779.5

Balance Sheet (EUR)

BALANCE SHEET 31.12.	CONSOLIDATED 1999 (1,000 EUR)	ROCLA OYJ 1998 (1,000 EUR)
ASSETS		
Fixed assets and other long term investments		
Intangible assets		
Intangible rights	**343.6**	382.8
Other long-term expenses	**146.1**	112.3
	489.6	495.0
Tangible assets		
Machinery and equipment	**2,233.0**	3,366.2
Long-term financial assets		
Shares in associated companies	**0.0**	2.5
Other shares and holdings	**12.9**	12.9
Other investments	**1,275.4**	0.0
	1,288.4	15.5
Total fixed assets	**4,011.0**	3,876.7
Current assets		
Inventories		
Materials and supplies	**4,738.1**	5,355.4
Semi-finished products	**1,109.6**	1,082.7
Finished products/Goods	**2,851.1**	2,921.7
	8,698.7	9,359.8
Current receivables		
Accounts receivable	**9,693.5**	6,783.1
Loans receivable	**16.6**	38.6
Other receivables	**344.2**	24.0
Accrued income and prepaid expenses	**1,731.1**	1,089.7
	11,785.4	7,935.5
Securities held in financial assets		
Own shares	**1,065.1**	621.2
Other securities	**1,345.5**	1,906.9
	2,410.6	2,528.1
Cash and cash equivalents	**1,539.5**	2,752.3
TOTAL ASSETS	**28,445.3**	26,452.3
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	**3,108.3**	3,259.9
Emission profit fund	**2,648.3**	2,496.7
Own shares' fund	**1,065.1**	621.2
Retained earnings	**3,095.5**	2,608.9
Net profit for the year	**3,310.6**	3,071.5
Total shareholders' equity	**13,227.8**	12,058.3
Provisions	**219.1**	219.1
Liabilities		
Long-term liabilities		
Interest-bearing liabilities		
Bond loan with warrants	**172.1**	201.8
Loans from financial institutions	**7,057.3**	8,243.3
Pension loans	**0.0**	177.9
Total	**7,229.3**	8,623.1
Non-interest-bearing liabilities		
Deferred tax liability	**6.4**	0.0
	7,235.7	8,623.1
Short-term liabilities		
Loans from financial institutions	**1,186.0**	225.0
Pension loans	**177.9**	252.3
Advances received	**207.6**	116.4
Accounts payable	**3,470.0**	2,312.8
Other current liabilities	**317.2**	285.3
Accrued expenses and prepaid income	**2,403.9**	2,360.0
	7,762.6	5,551.8
TOTAL SHAREHOLDERS` EQUITY AND LIABILITIES	**28,445.3**	26,452.3

Definition of Key Ratios

Return on equity %, (ROE) $$= \frac{\text{(profit before extraordinary items, appropriations and taxes - taxes) x 100}}{\text{average equity during the fiscal year}}$$

Return on investment %, (ROI) $$= \frac{\text{(profit before extraordinary items, appropriations and taxes + financial expenses) x 100}}{\text{balance sheet total - average interest-free debt during the fiscal year}}$$

Net Gearing, % $$= \frac{\text{Interest-bearing debt - cash and marketable securities}}{\text{equity}}$$

Equity/assets ratio, % $$= \frac{\text{equity x 100}}{\text{balance sheet total - advances received}}$$

Earnings/share (EPS) $$= \frac{\text{profit before extraordinary items, appropriations and taxes - taxes}}{\text{adjusted average number of shares during the fiscal year}}$$

Equity/share $$= \frac{\text{equity}}{\text{adjusted number of shares at the end the fiscal year}}$$

Dividend/share $$= \frac{\text{dividend for the year}}{\text{adjusted number of shares at the end the fiscal year}}$$

Dividend/profit, % $$= \frac{\text{dividend/share x 100}}{\text{earnings/share}}$$

Dividend yield, % $$= \frac{\text{dividend/share x 100}}{\text{adjusted quotation at the end of the year}}$$

Price/earnings-ratio (P/E) $$= \frac{\text{adjusted quotation at the end of the year}}{\text{earnings/share (EPS)}}$$

Administration of Financial Risks

Currency risks

The company is subject to currency risks to a limited extent because most of the trading partners function in the area of EMU. Most of the company's trading is based on currencies that have fixed rates in proportion to the euro. The company's objective is to hedge against currency risks by adopting the euro as extensively as possible and by choosing matching currencies for the exports and imports outside EMU countries. The company has no currency denominated loans. The euro became company's accounting currency starting on Jan 1, 2000.

Interest risks

The company's loans are based to large extent on 3-month or 6-month Euribor interest rate. Pension loans are based on fixed interest rates. The company may utilize interest rate swaps or forward rate agreements in order to manage interest rate risks.

Liquidity risks

The company's objective is to ensure sufficient liquidity by large enough amounts in cash and marketable securities. There is one binding credit commitment of FIM 15 million that is valid for a definite time period. However, arranging credit financing is not expected to be difficult should such be required.

Credit loss risks

The company's sales receivables are generated by a fairly large number of customers. Credit losses have been small. Hedging against credit losses is done by setting credit limits, by active follow-up and by covering significant risks with credit insurances. Credit risks associated with financial investments are minimized by limiting these activities to major financial institutions.

The Board of Directors

Back from left:
Kari Jokisalo,
Petteri Walldén,
Claes Charpentier

Front from left:
Klas Stigzelius,
Niilo Pellonmaa

Niilo Pellonmaa
born 1941
M.Sc. (Commercial)
Member since 1997, Chairman since 1998

Positions in financial department of Enso-Gutzeit Oy 1966-1977, further as the chief and financial manager of the said department, 1977-1990 Director and Member of the Board of Union Bank of Finland Ltd, 1990-1995 Managing Director of Veitsiluoto Oy, 1996-1997 Managing Director of Finvest Oy, 1996-1998 Managing Director of Jaakko Pöyry Group Oyj. Currently Chairman of the Board of PMJ-Automec Oyj and Member of the Board of Asko Oyj, Finvest Oyj, Jaakko Pöyry Group Oyj, Kemira Oyj and Menire Oyj.

Ownership at the end of 1999: 43,000 shares and 7,500 warrants each entitling to subscription for one share of Rocla Oyj.

Claes Charpentier
born 1937
B.Sc. (Econ.)
Member since 1994

Several positions as a director in Merita Bank Oyj (previously Union bank of Finland Ltd) 1960-1997, last as the director of the business sector for Helsinki region 1988-1997 as well as Member of the Board of e.g. Merita Kiinteistökehitys Oy 1994-1997. Currently Member of the Board of e.g. Kasola Oyj and Chairman of the Board of Palace Hotel Oy and Vuotekno Oy.

Ownership at the end of 1999: 500 shares and 7,500 warrants each entitling to subscription for one share of Rocla Oyj.

Klas Stigzelius
born 1936
Industrial Counsellor
Member since 1961

Managing Director of Rocla until 1994. Managed and developed Rocla as an entrepreneur for nearly 40 years. Currently Managing Director of Nostovälineet Oy and Member of the Board of Enterprise Fennia Mutual Insurance Company.

Ownership at the end of 1999: 98,248 shares and 7,500 warrants each entitling to subscription for one share of Rocla Oyj.

Petteri Walldén
born 1948
M.Sc. (Engineering)
Member since 1997

Several positions 1973-1986 in Nokia Cables Ltd, Managing Director of Sako Ltd 1987-1990 and Managing Director of Nokia Cables Ltd 1990-1996.
Currently Managing Director of Ensto Oy since 1996. Member of the Board of e.g. S. E. Mäkinen Oy and the Finnish Electrical Wholesalers Federation and Member of the Supervisory Board of Finpro.

Ownership at the end of 1999: 0 shares and 7,500 warrants each entitling to subscription for one share of Rocla Oyj.

Kari Jokisalo
born 1942
M.Sc. (Chemistry)
Member since 1997, Managing Director since 1994

Export and marketing positions in Upo Oy Plastics Division 1970-1973 and in Oy Lohja Ab Uniplast 1973-1975, Marketing Manager, General Manager and Marketing Director of Upo Oy, Asko-Upo Oy and Uponor Oy 1976-1984. General Manager of Wholesale Division and Managing Director of Oy Huber Ab 1984-1994.

Currently Managing Director Of Rocla Oyj since 1994 and Member of the Board of CapMan Capital Management Oy since 1998.

Ownership at the end of 1999: 75,000 shares and 30,000 warrants each entitling to subscription for one share of Rocla Oyj.

Auditors

Tilintarkastajien Oy - Ernst & Young
Authorized Public Accounting Firm
Responsible auditor Kristian Hallbäck, A.P.A

Management

Kari Jokisalo (born 1942), Managing Director

Arto Liimatainen (born 1959), personnel representative

Lasse Mäkeläinen (born 1943), personnel representative

Kari Blomberg (born 1954), Director, Warehouse Trucks

Pekka Joensuu (born 1955), Director, Automated Guided Vehicles

Hilkka Webb (born 1954), Finance Director

Distribution Network

Warehouse Trucks

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