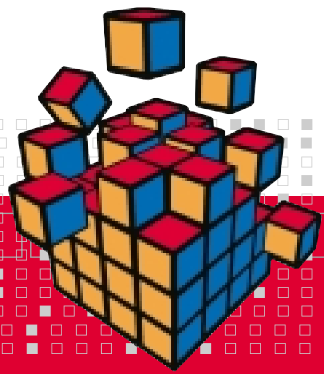
Partners for Better Business

BELTTON

Beltton-Group Plc



annual report 2000

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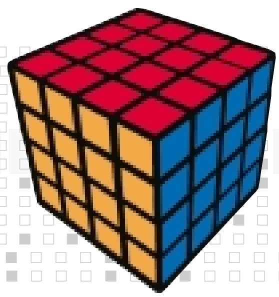


Beltton sells and markets speciality office products through its nation-wide sales organisations to offices of all sizes in Finland, Sweden and Norway.

contents

* "Beltton" or "company" refers to the parent company Beltton Group PLC and its subsidiaries.

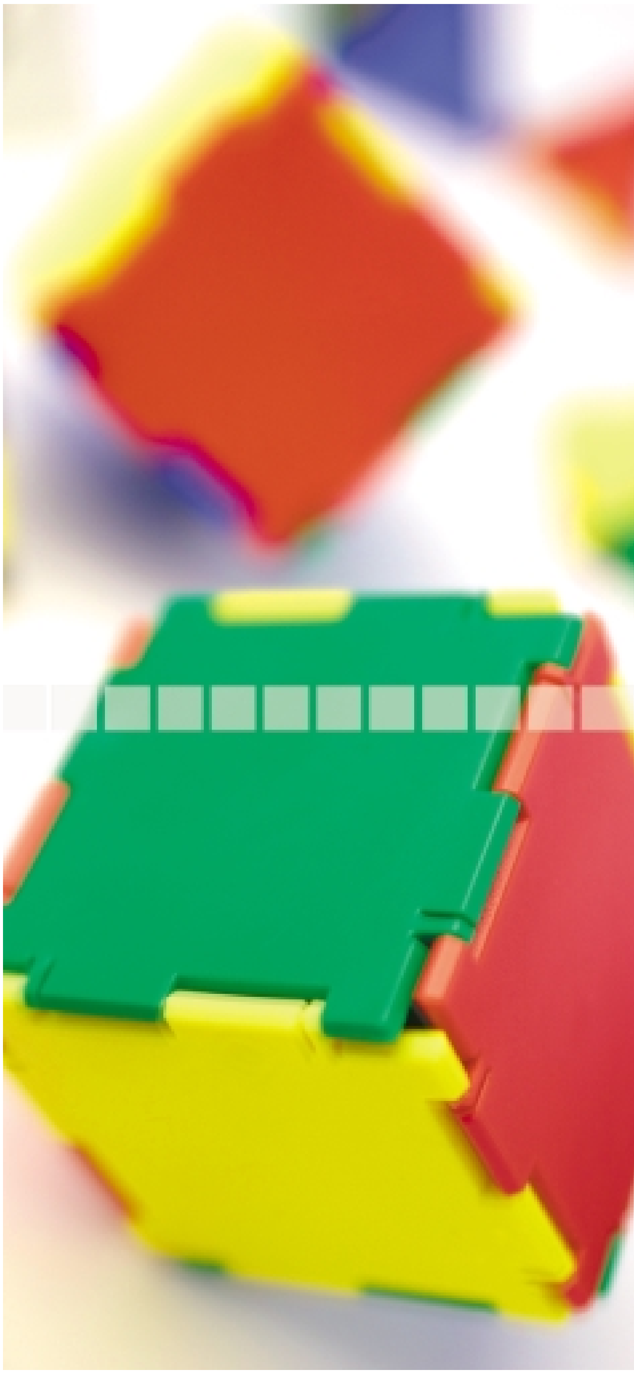
beltton in a nutshell

The history of Beltton Group PLC goes back to 1984, when the Group's first subsidiary, Vinstock Oy, was founded. The company's first products included a range of filing cabinets, cash voucher boxes and plastic office supplies. In 1989, the company began to sell computer peripherals, and the company business operations were organised into two departments: office supplies and computer peripherals. In the next few years, business activities expanded to comprise five companies, which in 1999 amalgamated to form the Beltton Group while Beltton Group PLC became the Group's parent company. Today, the Beltton Group comprises seven companies in Finland, one in Sweden and one in Norway.

Beltton Group PLC was listed on the Pre list of the Helsinki Exchanges on 9 October 2000, and the quotation of the company share on the NM list commenced on 11 October 2000.

Beltton sells and markets computer peripherals, office supplies, corporate promotional products and ergonomic office products. The company's extensive clientele, efficient nation-wide sales organisation and in-depth knowledge of various office products make Beltton a leader in its line of business. At the end of 2000, Beltton employed 256 persons, 79 per cent of whom were engaged in sales activities.

In November 2000, Beltton opened an electronic marketplace, eBeltton, at www.toimistomaailma.com with the objective of extending its product portfolio from speciality office products to basic supplies. The eBeltton concept allows the company to offer its clients the benefits of personal customer calls of sales representatives as well as the advantages of on-line shopping, all in one.



managing director’s review

The year 2000 was an important milestone in the history of Beltton Group PLC. We reached a major goal in October when the company was listed on the Helsinki Exchange. With the funds received from the combined share issue and sale of shares, we are now able to boost our business growth while ensuring continued profitability.

I would like to take this opportunity to thank our shareholders for the confidence they showed in Beltton in conjunction with the Initial Public Offering.

Beltton is one of the leading companies in its line of business, and operates in a highly fragmented market. There are a number of local small and medium-sized enterprises in our line of business. However, the industry is showing a clear trend towards the formation of larger business units with global operations. Beltton wants to actively promote this consolidation trend in the Nordic countries.

Over the past decade, Beltton’s turnover has seen an annual increase of 10 to 50 per cent. Our current objective is to boost sales by some 25-40 per cent a year and to double our turnover every two or three years. Our strategic objective is to grow organically by applying our business model to the existing and new product lines in Finland, and to the existing product lines abroad. Business acquisitions in Finland and abroad constitute another key element of our growth strategy.

more resources for business acquisitions as a listed company

Beltton is the only listed company in its line of business. With the stock exchange listing, we are now considerably better equipped to pursue our growth strategy and to carry out business acquisitions. The listing has made it possible for us to make heavier investments to promote business growth. We have also introduced an incentive system, which is designed to enhance our personnel’s commitment. The new electronic trading site at www.toimistomaailma.com will also generate more growth for our business.

In 2000, our turnover picked up by 21.9%, while the operating profit expressed in percentages was 12.9%. The Group’s equity ratio at the end-year was 80.3%. Turnover improved in all of our eight subsidiaries, and the Norwegian subsidiary excluded, all Group companies recorded a profit.

The market situation for all four Beltton product lines remained good throughout the year. Turnover improved particularly strongly in the corporate promotional product group. Turnover from our different product groups accrues fairly evenly throughout the year with the exception of corporate promotional products, where most of the sales and profits are recorded in the final quarter

outlook for the future

Business prospects for 2001 are promising. Favourable economic development affects Beltton's line of business, too: The growing number of office jobs and the increasing use of computers in workplaces reflects on the sales of Beltton's computer peripherals and office products. The Nordic markets for computer peripherals, for example, are estimated to grow by some 20 per cent every year.

An increasingly hectic work pace and fierce competition for skilled personnel have prompted company management teams to invest in the well being of their personnel. Ergonomic furniture and other accessories improve the working position, prevent muscle tension and cost far less than an employee's sick day. As the ergonomic approach becomes more widespread, demand for Beltton's ergonomic products will rise.

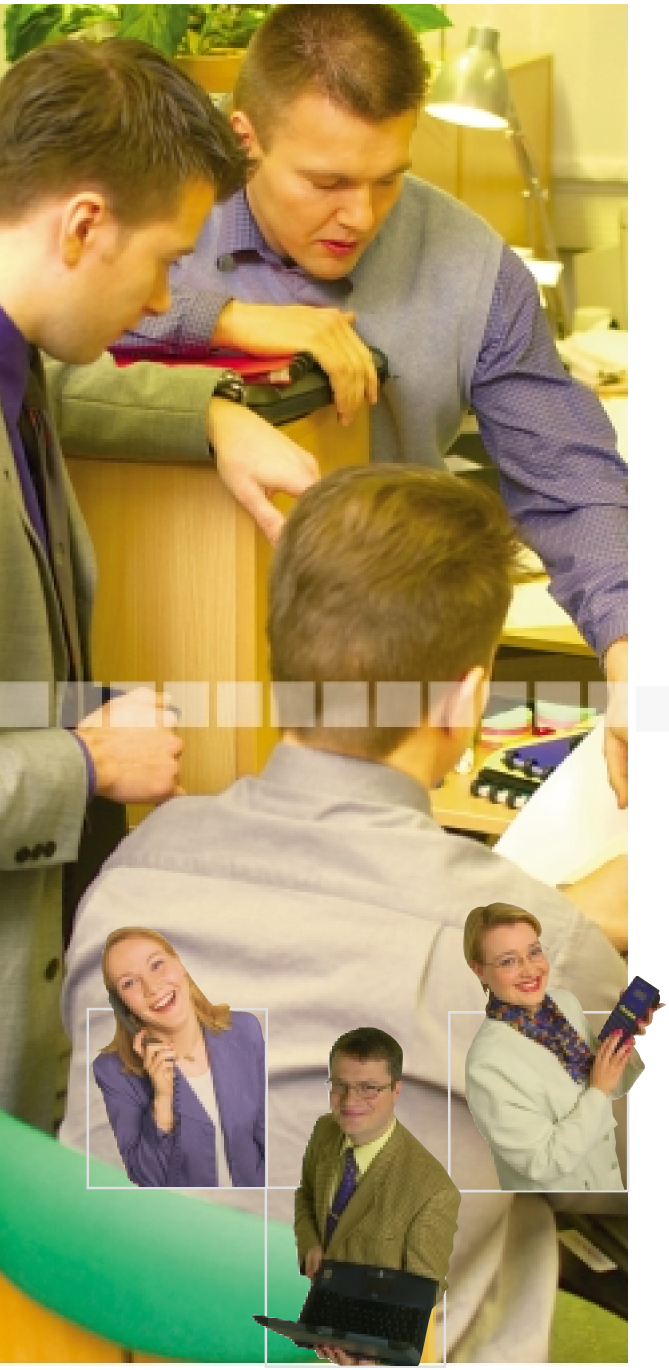
In 2001, we seek to achieve organic growth of more than 20 percent, which will be further bolstered by business acquisitions. Consequently, I firmly believe that we have an excellent chance of meeting the growth objectives set for 2001. I also believe that we will improve our financial performance in 2001.

We rely on our business model: active customer service, personal customer calls and the ability to react to market changes based on customer feedback. We will be able to grow faster than companies in our field on average by tapping into our extensive customer contact network, to apply our business model to new product groups in Finland and other Nordic countries.

Beltton seeks business growth, sustained profitability and global growth. Our uncompromised desire to excel is reflected in our committed and active personnel. I would like to thank our entire personnel for their excellent performance during the year. I would also like to give my heartfelt thanks to our partners and clients for successful co-operation.

Espoo, 15 February 2001

Heikki Vienola



beltton's business model

Beltton's business model and its duplication are based on three factors: Customers, products and sales personnel.

Beltton makes full use of the information collected from its customers, and uses it to identify the developments taking place in the markets. The ability to be open and sensitive to market trends and to customers' needs is the foundation of Beltton's procurement competence.

Beltton's business model can be quickly and effectively applied to create a distribution channel for new products, which makes Beltton a sought-after partner for goods suppliers. Close co-operation with manufacturers allows the development of new and innovative products. Furthermore, because we purchase large volumes in several markets, we can benefit from direct procurement from suppliers at a lower cost, and we can also order goods under our own product brand.

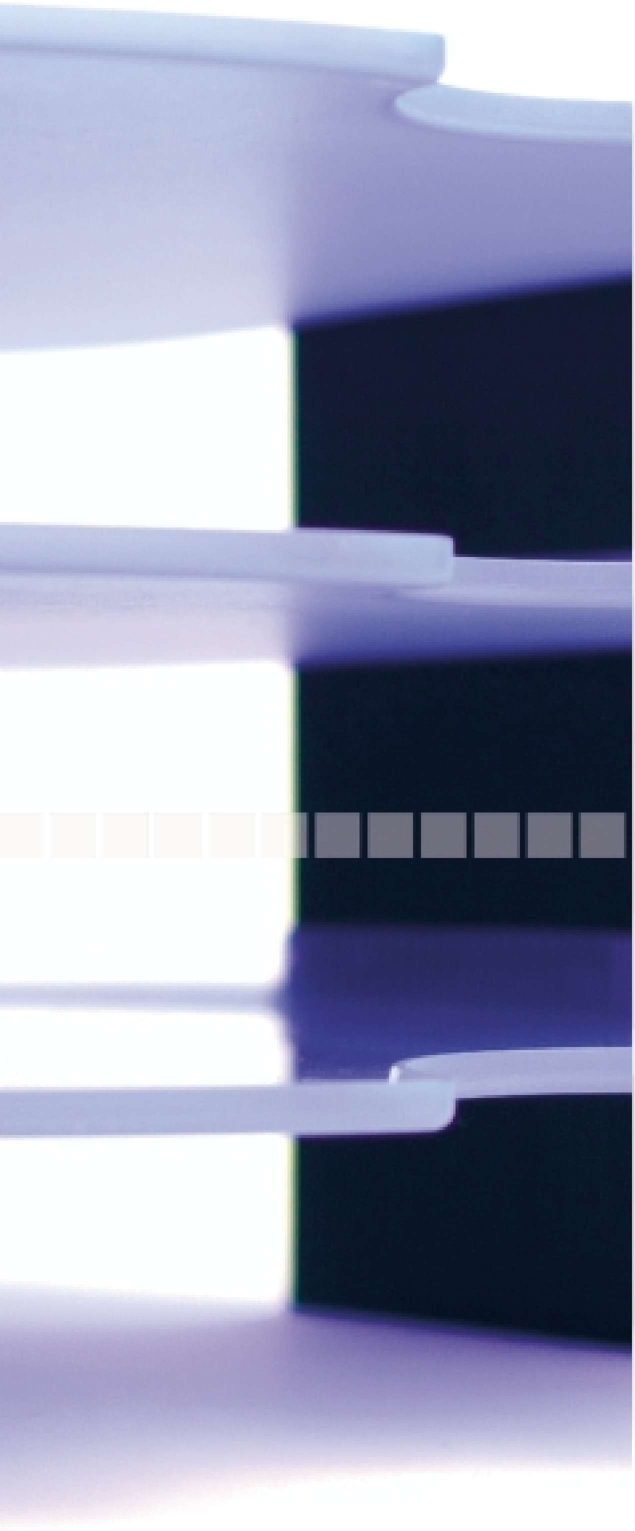
The application of our business model to new product groups allows Beltton to offer its talented sales representatives excellent career opportunities. This way, the company's know-how and expertise can be efficiently exploited as the company grows.

customers

Beltton boasts a large customer base: some 30,000 customers in Finland, more than 25,000 in Sweden and more than 1,000 in Norway. Our customers represent a variety of different business sectors. Beltton provides speciality office products to companies of all sizes. Although a customer-oriented approach is the cornerstone of our business, none of the customers individually account for more than one per cent of the turnover.

Beltton offers its services through a nation-wide sales organisation and is therefore able to provide personal services to customers regardless of their location.

A large clientele and daily customer calls by our sales representatives allow us to successfully identify the needs of our markets. We utilise the information received from our customers to provide tried and tested solutions to businesses engaged in the same line of business, and to be the first supplier to offer customers innovative novelty products.



speciality office products

All products sold by Beltton are carefully selected. The products should be innovative speciality products that clearly bring added value to our customers. To achieve good sales results, it is important that the products are easy to use and that they are not considered to be investments.

Beltton sells and markets speciality office products, including computer peripherals, office supplies, corporate promotional products and ergonomic office products. The Group has eleven departments in Finland, each of which focusing on nation-wide sales and marketing activities in their own speciality product segment. There are five departments in Sweden and two in Norway.

Extremely fast progress in the IT business also boosts the demand for computer peripherals. Beltton provides a range of products that help to keep various computer devices in working order for a long time. Beltton's computer accessories product selection includes printing materials and maintenance products such as screen cleaning wipes, sprays and foams.

The office supplies product group features high-quality presentation and meeting folders as well as training, meeting and conference equipment, which provide customers with added value by making their daily office routines much easier and more efficient.

Corporate promotional products can be divided into three groups: business gifts, presentation products and corporate textiles. These products help our customer companies to enhance their corporate image.

Companies today pay special attention to providing a comfortable working environment for their personnel, which translates into an increasing demand for ergonomic office products. Meeting the challenges of the modern working environment and ensuring well-being at work are the objectives that Beltton and its suppliers focus on when developing new products. Beltton's selection of ergonomic office products includes various wrist and arm supports, anti-glare filters, mouse pads and footrests.

sales organisation

Beltton's business is based on an efficient sales organisation. A strong sales-driven approach is embraced by our entire personnel, 79 per cent of whom are responsible for their own local clientele and 21 per cent are employed in sales support activities such as logistics and administration.

The sales organisation consists of three levels: Sales Consultants, Regional Sales Managers and Sales Managers. Regional Sales Managers are responsible for their own clientele, and for the sales performance of 1 to 5 Sales Consultants they have trained. Sales Managers are responsible for sales across the entire product group, but they also manage customer relations in their respective regions.

When recruiting sales personnel, the candidates' educational background or work experience is not critical, since Beltton's in-house training system is designed to help new salespeople quickly become experts of their product group.

In addition to on-going product and sales training, Beltton has devised a two-year DSL (Direct Sales Leader) training programme for sales management. This programme is implemented in co-operation with the National Board of Education and the Vocational Adult Education Institute. The first group will complete the programme in spring 2001.

At Beltton, intrapreneurship means that each sales representative is personally in charge of his or her sales area and customer relations. After a period of induction training, new sales representatives are ready to assume responsibility for their customers. Intrapreneurship is promoted through a bonus system.

personnel and administration

At the end of 2000, Beltton employed 256 persons. At the year-end, the average age of sales personnel was 29 years. Beltton's sales personnel work in different locations across Finland. A sales force consisting of youthful and enthusiastic individuals who are familiar with local procedures is ideal for customer service.

In 2000, Beltton recruited 23 new employees. The number of sales personnel increased primarily through organic growth as the operating policy was applied to new product groups. Although Beltton wants to avoid a heavy administrative hierarchy, a few more experts were recruited over the year to help us meet the challenges as a listed company.

The Managing Director of Beltton Group PLC, Vinstock Oy and Beltton Oy is Mr **Heikki Vienola** (M. Sc. Econ.). The Managing Director of Suomen Rader Oy and Naxor Finland Oy is Mr **Ari Pikkarainen**. Mr **Jussi Heino** is the Managing Director of Lacornet Oy. Mr **Veijo Ågerfalk** is the Managing Director of Beltton Svenska AB, and the administrative affairs of Rader Norge AS are handled in Sweden for the time being.

In conjunction with the IPO, participation in Beltton's first option scheme was offered to almost the entire Group personnel. The option scheme is a three-year arrangement and its intention is to enhance the personnel's commitment to a shared goal: raising Beltton's market value. The option scheme helps promote the commitment of skilled and motivated personnel to a growing company; this is key requirement for companies that wish to succeed in today's business world.

presentation of the board of directors

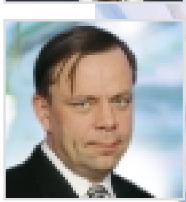
Beltton's Board of Directors has worked in its present composition since the beginning of 2000. Over the year, the Board of Directors met 21 times.

Mr **Ari Lahti** is the Chairman of the Board. His area of responsibility covers financing and business acquisitions. Mr Lahti is the Managing Director of Icecapital Securities Ltd.

Mr **Heikki Vienola** (M. Sc. Econ.) is in charge of global growth efforts. Mr Vienola is the Managing Director of Beltton Group PLC, Vinstock Oy and Beltton Oy.

Mr **Ari Pikkarainen**'s area of responsibility is market expertise. Mr Pikkarainen is the Managing Director of Suomen Rader Oy and Naxor Finland Oy.

Mr **Jyrki Paul** (M. Sc. Econ.) is in charge of strategies and e-commerce. He is a shareholder and the Chairman of the Board of A & L Management Oy.



Mr **Sakari Ropponen** (M. Sc. Econ.) is responsible for training and e-commerce. He is the Managing Director of Shiftctrl Oy and an entrepreneur in the Linedrive Oy consulting firm.

board of directors’ report

Positive development of Beltton Group’s turnover and profit continued. Turnover grew by 21.9% on the previous year to EUR _22.2 million. Growth was exclusively organic. During the financial year, turnover improved in all of the Group’s eight subsidiaries, six of which operate in Finland, one in Sweden and one in Norway. The favourable development could be attributed to the application of Beltton’s effective business model to new product groups and new markets.

Operating profit amounted to EUR 2.85 million (EUR 3.35 million), representing 12.9 per cent of the turnover. Financial performance in the first 9 months of the year was strained by costs associated with the IPO.

Profit before extraordinary items grew by 6.4 per cent to EUR 3.74 million (EUR 3.52 million). Dividend yields were exceptionally high and partly non-recurring. Earnings per share increased to EUR 0.43 from the EUR 0.40 registered a year earlier. With the funds received from the IPO, equity per share grew from EUR 0.79 in the previous year to EUR 2.12.

Net profit for the financial year was up by 5.6 per cent on the previous year and totalled EUR 2.60 million. The Norwegian subsidiary excluded, all Group companies recorded a profit.

the markets for office products

Throughout the year, a good market situation continued in all of Beltton’s four product groups: Computer peripherals, office supplies, corporate promotional products and ergonomic products.

A high demand for computer peripherals persisted throughout the financial year. Growth of turnover was fuelled by the launch of new products onto the market as well as the generally favourable development in the IT business, which contributed to the growth of the market for computer peripherals.

Sales of office supplies picked up and were particularly strong in the final quarter. New products and product campaigns contributed significantly to the growth.

Turnover improved particularly strongly in the corporate promotional product group. Demand and sales improved towards the final quarter owing to a peak in business gift and presentation product deliveries.

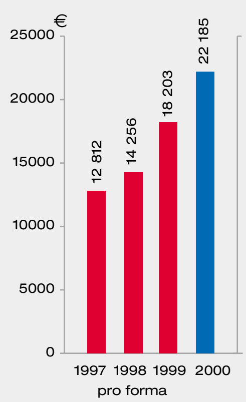
With the growing number of people working on computers and the need to improve working conditions, demand for ergonomic office products rose. Turnover increased and the company pursued its co-operation and product development with its suppliers.

eBeltton, the electronic trading site opened in November at www.toimistomaailma.com provided our current clients with a new channel for purchasing our products. At the same time, our product range expanded to include basic office products as well as speciality products.

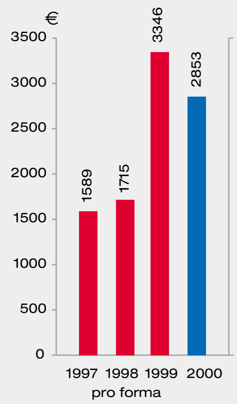
financing and investments

At the year-end, the balance sheet total was EUR 16.2 million and equity ratio was 80.3% (55.8%). The Group’s liquid assets

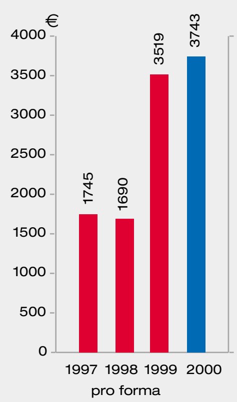
turnover
(EUR 1000)



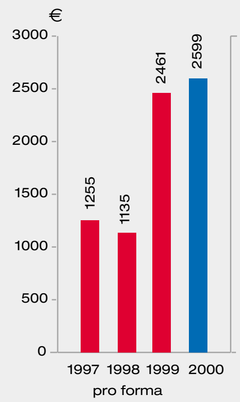
operating profit



profit before extraordinary items



net profit



totalled EUR 5.80 million, which includes the funds received from the IPO in October. Capital investments booked in the consolidated balance sheet totalled EUR 0.82 million, representing 3.7 per cent of the turnover. Investments primarily covered machinery and equipment.

personnel

At the end of 2000, Beltton employed 256 persons, showing an increase of 23 people from the previous year. The average number of employees during the year was 245. A total of 67 employees worked in Sweden and Norway.

initial public offering

At the shareholders meeting on 29 September 2000, a decision was made to increase the share capital through a directed issue to private and institutional investors as well as to the company personnel. A total of 1,100,000 shares were placed for subscription. The subscription and purchase price was EUR 6 in the public and institutional issue and EUR 5.4 for the subscription made by the company personnel. The combined share issue and sales of shares was held between 25 and 27 September 2000. The share issue represented 18.03 per cent of the share capital and votes. The shares placed for subscription were subscribed for in full. The Board of Directors approved the subscriptions on 5 October 2000 in accordance with the pre-determined allocation. The increase in share capital was entered into the Trade Register on 5 October 2000.

Beltton Group PLC was listed on the Pre list of the Helsinki Exchange on 9 October 2000, and the quotation of the company share on the NM list commenced on 11 October 2000. In conjunction with the IPO, the company personnel were offered the opportunity to subscribe for option rights in order to promote their commitment and motivation.

board of directors' proposal for the distribution of profits

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.22 per share be paid for the year 2000, which represents 52 per cent of the year's earnings per share.

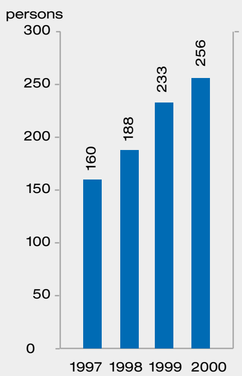
outlook for 2001

Outlook for 2001 is positive and the financial year 2001 has began favourably. Continued growth of sales is expected in all Beltton's product groups: Computer peripherals, office supplies, corporate promotional products and ergonomic office products. Favourable economic growth in the Nordic countries will boost the demand for Beltton's products, too. The Group management believes that new products will help increase turnover in all three countries.

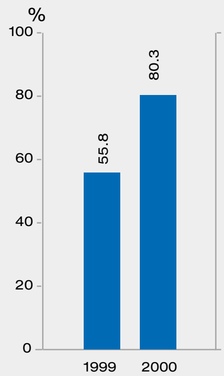
The Group's objective is to grow organically by more than 20 percent. It is considered likely that business acquisitions will materialize during 2001 which will further boost our growth. The management also believes that the Group will improve its financial performance in 2001 over the previous year.

earnings per share EUR

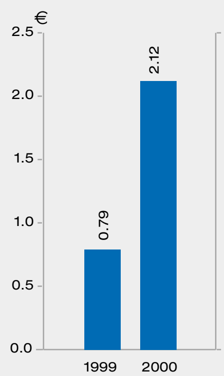
personel at year-end



equity ratio, %



shareholders« equity per share, EUR



consolidated income statement

	Reference	1.1. - 31.12.2000 1 000 €		pro forma 1.1. - 31.12.1999 1 000 €		confirmed 1.1. - 31.12.1999 1 000 €	
TURNOVER	1		**22 185**		**18 203**		**10 582**
Other operating income	2		155		177		135
Cost of goods sold							
Materials, supplies and goods							
Purchases during the period		7 254		4 886		2 569	
Increase (-) or decrease (+) in inventories		-1 083		-488		-488	
External services		152	-6 323	0	-4 398	0	-2 082
Personnel expenses	3						
Salaries, wages and compensations		5 703		4 690		2 369	
Pension costs		1 219		725		480	
Other pay-related personnel expenses		761	-7 683	928	-6 343	358	-3 207
Depreciation and loss of value							
Depreciation according to plan	5		-560		-475		-315
Other operating expenses	4		-4 921		-3 818		-2 361
OPERATING PROFIT			**2 853**		**3 346**		**2 753**
Financial income and expenses							
Share of associated companies' profits		0		0		435	
Dividend income		6 741		0		0	
Other interest and financial income		411		204		130	
Decreases in value of financial securities in current assets		-227		-5		-5	
Interest and other financial expenses		-6 036	889	-26	173	-26	534
PROFIT BEFORE EXTRAORDINARY ITEMS			**3 742**		**3 519**		**3 287**
Extraordinary items	6						
Extraordinary income		0		0		458	
Extraordinary expenses		0	0	-2	-2	-2	456
PROFIT BEFORE TAX			**3 742**		**3 517**		**3 743**
Income taxes	8						
Taxes for the financial period		-1 189		-1 003		-805	
Deferred taxes		76	-1 113	0	-1 003	-19	-823
Minority interests			-30		-53		-48
NET PROFIT FOR THE FINANCIAL YEAR			**2 599**		**2 461**		**2 872**

consolidated balance sheet

	Reference		31.12.2000 1 000 €		31.12.1999 1 000 €
ASSETS					
FIXED ASSETS					
Intangible assets					
Other long-term expenditure	9		81		0
Tangible assets					
Machinery and equipment	9	1 656		1 693	
Other tangible assets	9	0	1 656	4	1 697
Investments					
Other shares and securities	10		717		191
TOTAL FIXED ASSETS			**2 454**		**1 888**
CURRENT ASSETS					
Inventories					
Materials and supplies			2 981		1 898
Current receivables					
Trade receivables		2 721		1 949	
Loan receivables		211		0	
Other receivables		9		78	
Prepaid expenses and accrued income		1) 2 054	4 995	617	2 644
Securities included in current assets			3 870		1 290
Cash at bank and in hand			1 925		1 023
TOTAL CURRENT ASSETS			**13 771**		**6 855**
TOTAL ASSETS			**16 225**		**8 743**
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	11				
Share capital			2 440		1 682
Share premium fund			6 159		561
Retained earnings			1 730		-311
Net profit for the financial year			**2 599**		**2 872**
TOTAL SHAREHOLDERS' EQUITY			**12 928**		**4 804**
Minority interests			105		75
LIABILITIES					
Deferred tax liability	12		35		111
Non-current liabilities					
Other non-current liabilities	13		0		492
Current liabilities					
Trade payables		552		366	
Other liabilities		983		1 359	
Accrued liabilities and deferred income		2) 1 622	3 157	1 536	3 261
TOTAL LIABILITIES			**3 192**		**3 864**
TOTAL EQUITY AND LIABILITIES			**16 225**		**8 743**

1) Prepaid expenses and accrued income include imputed corporation tax in the amount of EUR 1,101,000.

2) Accrued liabilities and deferred income include personnel expense accruals in the amount of EUR 846,000.

consolidated cash flow statement

	2000 1 000 €	1999 1 000 €
Cash flow from operations:		
Payments received from sales	21 413	10 038
Payments received from other operating income	50	63
Amounts paid for operating expenses	-18 691	-8 604
Cash flow from business operations before financial items and taxes	2 772	1 496
Interests and other operations-related financial costs paid	-411	-13
Interests received from operations	13	10
Direct taxes paid	-1 228	-360
Cash flow from operations	**1518**	**1 134**
Cash flow from investment activities:		
Investments in tangible and intangible assets	-818	-390
Sale of tangible and intangible assets	104	166
Acquisition of shares in subsidiaries	0	-89
Sale of shares in subsidiaries	0	13
Other investments	0	-596
Sale of other investments	0	122
Cash flow from investment activities	**-713**	**-774**
Cash flow from financing activities:		
Share issue	6 264	0
Paid dividends	-774	-51
Received dividends	5 339	0
Short-term investments	-3 866	0
Loss from the sale of short-term investments	-5 826	0
Change in loans granted increase (-)	-211	0
Loan repayments	-829	0
Cash flow from financing activities	**97**	**-51**
Change in liquid assets	**902**	**309**
Liquid assets on January 1 (1999 parent company)	**1 023**	**35**
Effect of Group formation on liquid assets June 30, 1999		**678**
Liquid assets on December 31	**1 925**	**1 023**

parent company income statement

	Reference	1.1. - 31.12.2000 €		1.1. - 31.12.1999 €	
TURNOVER	1		**16 985,30**		**2 474 459,42**
Other operating income	2		349 650,71		7 569,27
Cost of goods sold					
Materials, supplies and goods					
Purchases during the period		319,05		360 273,05	
Increase (-) or decrease (+) in inventories		166 971,47	-167 290,53	-80 246,56	280 026,49
Personnel expenses	3				
Salaries, wages and compensations		59 092,73		177 029,55	
Pension costs		6 591,66		27 170,19	
Other pay-related personnel expenses		9 030,83	-74 715,22	15 778,81	-219 978,55
Depreciation and loss of value					
Depreciation according to plan	5		0,00		-44 280,31
Other operating expenses	4		-906 032,78		-758 181,10
OPERATING PROFIT			**-781 402,52**		**1 179 562,24**
Financial income and expenses					
Dividend income		16 984,96		4 369 964,63	
Other interest and financial income		238 220,00		17 798,83	
Interest and other financial expenses		-262 034,31	-6 829,35	-43 168,48	4 344 594,98
PROFIT BEFORE EXTRAORDINARY ITEMS			**-788 231,87**		**5 524 157,22**
Extraordinary income					
Group contribution	6		874 577,22		0,00
PROFIT BEFORE APPROPRIATIONS AND TAXES			**86 345,35**		**5 524 157,22**
Appropriations					
Change in depreciation difference	7		26 117,61		11 993,77
PROFIT BEFORE TAX			**112 462,96**		**5 536 150,99**
Income taxes	8		-85 207,03		-1 548 084,59
NET PROFIT FOR THE FINANCIAL PERIOD			**27 255,93**		**3 988 066,39**

parent company balance sheet

	Reference		31.12.2000 1 000 €		31.12.1999 1 000 €
ASSETS					
FIXED ASSETS					
Intangible assets					
Other long-term expenditure	9		80 793,21		0,00
Tangible assets					
Machinery and equipment	9		0,00		189 979,09
Investments					
Shares in Group companies	9 10		4 124 362,69		4 124 362,69
TOTAL FIXED ASSETS			**4 205 155,90**		**4 314 341,78**
CURRENT ASSETS					
Inventories					
Materials and supplies			35,32		167 006,79
Non-current receivables					
Non-current receivables from Group companies			750 336,82		254 713,69
Current receivables					
Trade receivables		3 278,82		305 784,37	
Receivables from Group companies		2 904 984,25		3 005 792,86	
Other receivables		0,00		840,94	
Prepaid expenses and accrued income		13 972,90	2 922 235,97	69 487,35	3 381 905,52
Securities included in current assets			3 827 117,73		0,00
Cash at bank and in hand			725 775,37		220 127,35
TOTAL CURRENT ASSETS			**8 225 501,21**		**4 023 753,35**
TOTAL ASSETS			**12 430 657,12**		**8 338 095,14**
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	11				
Share capital			2 440 000,00		1 681 879,26
Share premium fund			6 386 771,67		560 612,41
Retained earnings			3 399 702,06		168 481,34
Net profit for the financial year			27 255,93		3 988 066,39
TOTAL SHAREHOLDERS' EQUITY			**12 253 729,66**		**6 399 039,40**
ACCUMULATED APPROPRIATIONS					
Depreciation difference			0,00		26 117,61
LIABILITIES					
Non-current liabilities					
Amounts owed to Group companies		0,00		336 375,85	
Other non-current liabilities	13	0,00	0,00	492 454,25	828 830,10
Current liabilities					
Trade payables		43 065,87		38 514,76	
Amounts owed to Group companies		0,00		121 232,76	
Other liabilities		4 639,97		605 160,40	
Accrued liabilities and deferred income		129 221,61	176 927,46	319 200,10	1 084 108,02
TOTAL LIABILITIES			**176 927,46**		**1 912 938,13**
TOTAL EQUITY AND LIABILITIES			**12 430 657,12**		**8 338 095,14**

parent company cash flow statement

	2000 1 000 €	1999 1 000 €
Cash flow from operations:		
Payments received from sales	303	2 219
Payments received from other operating income	350	8
Amounts paid for operating expenses	-1 166	-1 474
Cash flow from business operations before financial items and taxes	-513	753
Interests and other operations-related financial costs paid	-262	-25
Interests received from operations	238	12
Dividends received from operations	17	1 387
Direct taxes paid	-244	-1 388
Cash flow from operations	**-764**	**738**
Cash flow from investment activities:		
Investments in tangible and intangible assets	-81	-154
Sale of tangible and intangible assets	190	57
Other investments	-3 827	0
Loans granted	-10	-255
Cash flow from investment activities	**-3 728**	**-351**
Cash flow from financing activities:		
Share issue	6 584	0
Repayments of long-term loans	-829	-168
Paid dividends and other distribution of profits	-757	-34
Cash flow from financing activities	**4 998**	**-202**
Change in liquid assets	**506**	**185**
Liquid assets on January 1	**220**	**35**
Liquid assets on December 31	**726**	**220**

key figures

		1.1. - 31.12. 2000 1 000 €	1) 1.1. - 31.12. 1999 1 000 €	
Turnover		22 185	18 203	
Growth of turnover %		21,9 %	27,7 %	
Operating profit		2 853	3 346	
% of turnover		12,9 %	18,4 %	
Profit before extraordinary items, provisions and taxes		3 742	3 519	
% of turnover		16,9 %	19,3 %	
Net profit for the financial year		2 599	2 461	
% of turnover		11,7 %	13,5 %	
Equity ratio %		80,3 %	55,8 %	(confirmed)
Return on equity (ROE)		29,5 %	31,6 %	
Return on investment (ROI)		40,1 %	44,4 %	
Gross investments in fixed assets		818	1 519	
% of turnover		3,7 %	8,3 %	
Average number of personnel during the period		245	218	
Number of personnel at end of period		256	233	
Earnings per share, EUR	2)	0,43	0,40	
Equity per share, EUR		2,12	0,79	(confirmed)
Dividend per share, EUR	3)	0,22	0,12	
Payout ratio, %		51,6 %	30,7 %	
Effective dividend yield, %		4,0 %	n/a	
P/E ratio of the shares		12,91	n/a	

1) Calculation of key figures for 1999 is based on pro forma figures unless a reference is made to the official consolidated financial statements.
2) Calculation of per-share ratios is based on the number of share registered on 5 October 2000 (6,100,000 shares) Earnings per share, calculated on the basis of the average number of shares (5,319,000 shares) is equivalent to EUR 0.49.
3) As proposed to the Annual General Meeting by the Board of Directors.

calculation of key figures

Equity ratio, %	$\frac{\text{Shareholders' equity + minority interest} \times 100}{\text{Balance sheet total – advances received}}$
Return on equity, % (ROE):	$\frac{\text{Profit before extraordinary items - taxes} \times 100}{\text{Shareholders' equity + minority interest (average)}}$
Return on investment, % (ROI):	$\frac{\text{Profit before extraordinary items + interest and other financial expenses} \times 100}{\text{Balance sheet total – interest-free liabilities(average)}}$
Earnings per share, EUR:	$\frac{\text{Profit before extraordinary items +/- minority interest in the net profit - taxes} \times 100}{\text{Share issue adjusted number of shares on balance sheet date}}$
Equity per share, EUR:	$\frac{\text{Shareholders' equity}}{\text{Share issue adjusted number of shares on balance sheet date}}$
Dividend per share:	$\frac{\text{Dividend paid for the financial period}}{\text{Share issue adjusted number of shares on balance sheet date}}$
Payout ratio, %	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
Effective dividend yield, %	$\frac{\text{Dividend per share} \times 100}{\text{Share issue adjusted share price on 31 December}}$
P/E ratio of the shares	$\frac{\text{Share issue adjusted share price on 31 December}}{\text{Earnings per share}}$

accounting policies

consolidated subsidiaries

The consolidated statements include the Group's parent company Beltton Group Plc with its subsidiaries Beltton Oy, Vinstock Oy, Suomen Rader Oy, Naxor Finland Oy, Lacornet Oy, Grande Leasing Oy, Beltton Svenska AB, and Rader Norge AS. Regarding the year 2000, all subsidiaries have been consolidated in the income statement for the whole calendar year.

The Group was formed on June 24 1999, when the parent company acquired shares of the Group's companies as capital contributions in connection with its increase in share capital. Before the increase in share capital, the subsidiaries were associated companies of the parent company. In the reference data for 1999, the parent company is included in the consolidated income statement for the calendar year, and the subsidiaries are included for the period from July 1 to December 31 1999.

To make the income statement more comparable, the notes also include a consolidated pro forma income statement compiled in such a way that it includes the income statements of the subsidiaries for the whole calendar year.

To clarify the corporate structure, the corporate promotional and office products business of the parent company were transferred to the subsidiary Naxor Finland Oy through a sale of business operations at the beginning of the financial year 2000.

principles of consolidation

Intra-Group shareholdings have been eliminated using the aquisition method. The consolidation reserve of 458,000 euros created on the formation of the Group in 1999, as well as the consolidation goodwill of 38,000 euros accumulated by the acquisition of shares in Beltton Svenska AB during the financial year, have been recorded in full in the income statement for the financial year 1999.

Intra-Group transactions, internal receivables and liabilities, internal margins on inventories, and internal distribution of profits have been eliminated.

Minority interest is separated from consolidated shareholders' equity and profit and entered as a separate item.

recording of IPO costs in consolidated financial statements

The fees for the Initial Public Offering (minus tax) have been recorded as a decrease in the share premium fund. However, other indirect costs associated with the Initial Public Offering have been recorded as expenses.

foreign currency items

Foreign currency items are booked at the exchange rate of the transaction date. Foreign currency items in the balance sheet are valued at the official exchange rates quoted on the balance sheet date. Exchange gains and losses associated with net sales and purchases have been recorded in the income statement as adjustments to the corresponding items.

The balance sheets and income statements of foreign subsidiaries have been translated into Finnish marks at the rate quoted by the Bank of Finland on the balance sheet date.

In the consolidated financial statements, translation differences arising from the shareholders' equity of subsidiaries have been recorded as translation differences adjusting the Group retained earnings.

income recognition

The billing value of the products, associated indirect taxes and reductions subtracted is recognised as revenue. Items are entered as income at the time of transfer of the product, i.e. on the basis of accrual.

intangible and tangible assets and depreciation policy

In the balance sheet, the book value of tangible and intangible assets is their original acquisition cost subtracted by accumulated depreciation according to plan. Depreciation is charged according to plan, as straight-line depreciation based on the original acquisition cost and the useful economic life of the assets.

Profits from the sale of tangible assets are entered as other operating income, and sales losses are entered as other operating costs.

valuation of inventories

Inventories are valued according to the FIFO principle, at the lower of acquisition price or their presumable sales price.

valuation of marketable securities

Marketable securities are valued at the lower of acquisition cost or market price.

matching of pension costs

The Group's pension arrangements are based on statutory pension insurance schemes. The costs of pension insurance have been spread out to correspond with the accrual-based salaries and wages in the income statement.

taxes

In the income statement, taxes based on the profits of the Group’s companies as well as deferred taxes have been entered as income taxes.

The deferred tax liability has been calculated from the Group companies' accumulated depreciation above plan of the tangible assets. However, the deferred tax liability is decreased by the tax adjustment based on the decrease in value of securities in current assets, as the losses are not proposed to be submitted as tax deductions for the year 2000. The tax rate used is the confirmed tax rate on the balance sheet date.

	Group 2000 1 000 €	Group 1999 1 000 €	Parent company 2000 1 000 €	Parent company 1999 1 000 €
1. TURNOVER				
By business area				
Computer peripherals	9 095	3 960	0	0
Office supplies	4 951	2 996	0	1 361
Corporate promotional products	5 162	2 294	0	1 113
Ergonomic office products	2 977	1 332	0	0
Administrative services			17	0
Total	22 185	10 582	17	2 474
By market area				
Finland	17 515	8 592	17	2 474
Sweden	4 437	1 961	0	0
Norway	233	29	0	0
Total	22 185	10 582	17	2 474
2. OTHER OPERATING INCOME				
Proceeds from the sale of fixed assets	107	93	157	8
Re-charging of the Group's shared costs			193	0
Others	48	42	0	0
Total	155	135	350	8
3. PERSONNEL EXPENSES				
Management remuneration				
Managing Directors	130	54		
Members of the Board	0	7		
Total	130	61		
Average number of personnel during the financial year	245	218	3	17
4. OTHER OPERATING EXPENSES				
Rental fees	239	211	9	12
Marketing	360	227	26	18
Travel expenses	2 948	1 632	4	261
Others	2) 1 375	292	3) 868	467
Total	4 921	2 361	906	758

2) Other expenses include administrative expenses associated with the IPO.
3) In the parent company, other expenses include the administrative expenses associated with the IPO as well as IPO fees.

5. DEPRECIATION

Depreciation periods according to plan			5 years	
Other long-term expenditure			3 - 5 years	
Machinery and equipment				
Depreciation according to plan				
Other long-term expenditure	0	0	0	0
Machinery and equipment	560	277	0	44
Group goodwill	0	38		
Total	560	315	0	44

6. EXTRAORDINARY INCOME AND EXPENSES

The extraordinary income of the parent company consists entirely of a group contribution of EUR 875,000 received from Naxor Finland Oy for the financial year 2000.

7. APPROPRIATIONS

Difference between depreciation according to plan and depreciation for tax purposes			26	12

	Group 2000 1 000 €	Group 1999 1 000 €	Parent company 2000 1 000 €	Parent company 1999 1000 €
8. TAXES				
Income tax from ordinary operations	1) 1 189	805	85	1 548
Change in deferred tax liability	2) -76	19		
Total	1 113	823	85	1 548

1) Income taxes include a tax adjustment caused by the elimination of IPO fees.
2) Deferred taxes include a tax adjustment caused by the decrease in the value of securities in current assets.

	Group 2000 1 000 €	Group 1999 1 000 €	Parent company 2000 1 000 €	Parent company 1999 1000 €
9. INTANGIBLE AND TANGIBLE ASSETS				
Intangible rights				
Acquisition cost January 1	0	0	0	0
Additions from Jan 1 to Dec 31	81	0	81	0
Subtractions from Jan 1 to Dec 31	0	0	0	0
Acquisition cost Dec 31	81	0	81	0
Accumulated planned depreciation Jan 1	0	0	0	0
Planned depreciation from Jan 1 to Dec 31	0	0	0	0
Book value Dec 31	**81**	**0**	**81**	**0**
Machinery and equipment				
Acquisition cost Jan 1	1 974	1 769	237	135
Additions from Jan 1 to Dec 31	737	680	0	155
Subtractions from Jan 1 to Dec 31	-218	-475	-237	-52
Acquisition cost Dec 31	2 493	1 974	0	237
Accumulated planned depreciation Jan 1	277	0	0	3
Planned depreciation from Jan 1 to Dec 31	560	277	0	44
Book value Dec 31	**1 656**	**1 697**	**0**	**190**
Total book value of intangible and tangible assets **on Dec 31**	**1 737**	**1 697**	**81**	**190**
Shares				
Shares in associated companies				
Acquisition cost Jan 1			0	1 790
Additions from Jan 1 to Dec 31			0	0
Subtractions from Jan 1 to Dec 31			0	-6
Transfer to Group shares on June 24, 1999			0	-1 783
Book value Dec 31			**0**	**0**
Shares in Group companies				
Transfer from associated companies' shares on June 24, 1999				1 783
Acquisition cost Jan 1			4 124	1 783
Additions from Jan 1 to Dec 31			0	2 347
Subtractions from Jan 1 to Dec 31			0	-6
Book value Dec 31			**4 124**	**4 124**

10. SHARES OWNED BY THE PARENT COMPANY

SHARES IN SUBSIDIARIES Owned by the parent company	Group´s owner-ship	Parent company´s ownership
Name of company	%	%
Beltton Oy	100	100
Beltton Svenska AB	75	25
Grande Leasing Oy	100	0
Lacornet Oy	75	75
Rader Norge A/S	100	80
Suomen Rader Oy	100	67
Vinstock Oy	100	63
Naxor Finland Oy	100	100

	Group 2000 1 000 €	Group 1999 1 000 €	Parent company 2000 1 000 €	Parent company 1999 1 000 €
Other shares and securities				
Acquisition cost Jan 1	191	191	0	0
Additions from Jan 1 to Dec 31	0	0	0	0
Subtractions	0	0	0	0
Transfer from securities in current assets	525	0	0	0
Book value Dec 31	**717**	**191**	**0**	**0**
11. SHAREHOLDERS' EQUITY				
Share capital on January 1	1 682	8	1 682	8
Increase in share capital	440	1 673	440	1 673
Transfer from share premium fund	318	0	318	0
Share capital on December 31	**2 440**	**1 682**	**2 440**	**1 682**
Share premium fund January 1	561	0	561	0
Gain from share issued June 24, 1999	0	561	0	561
Transfer to share capital	-318	0	-318	0
Initial Public Offering October 5, 2000	1) 5 917	0	6 144	0
Share premium fund December 31	**6 159**	**561**	**6 387**	**561**
1) In the consolidated statements, IPO fees (minus taxes) have been deducted from the share premium fund.				
Retained earnings January 1	2 561	0	4 157	202
Dividends paid	-774	0	-757	-34
Currency translation difference	-9	0		
Other changes	-49	0		
Retained earnings December 31	1 730	-311	3 400	169
Net profit for the financial year	2 599	2 872	27	3 988
Total shareholders' equity December 31	**12 928**	**5 562**	**12 253**	**6 399**
Calculation of distributable funds December 31				
Retained earnings	1 730	-311	3 400	169
Net profit for the financial year	2 599	2 872	27	3 988
Part of accumulated depreciation difference entered in shareholders' equity	-246	-285		
Intra-Group entries	-66	0		
Distributable funds December 31	**4 017**	**2 276**	**3 427**	**4 157**
12. DEFERRED TAX LIABILITY				
Deferred tax receivables from timing differences	66	0		
Deferred tax liability from depreciation difference	-101	-111		
Total	-35	-111		
13. NON-CURRENT LIABILITIES				
Non-current liabilities	0	492	0	492

14. PLEDGES GIVEN AND OTHER CONTINGENT LIABILITIES

The pledge of shares as collateral for the long-term loan shown in the financial statements for 1999 has been released by the repayment of the loan.

The market value effect of the Group's total open share derivatives is less than EUR 40,000 and the value of underlying securities is less than EUR 100,000 as at December 31, 2000

A deposit of EUR 26,000 has been given as collateral for the Group's rental commitments.
The Norwegian subsidiary has pledged a deposit of NOK 80,000 as collateral for the local customs administration.

shares and shareholders

per-share information	
Closing price on December 31 2000 €	5,50
Highest price of the financial year €	6,40
Lowest price of the financial year €	4,70
Average price in the financial year €	5,95
Number of shares traded (in the period from Oct 9 to Dec 31, 2000)	45 000
Share trading %	0.74%
market capitalisation December 31 2000 €	33 550 000
Number of shares December 31, 2000	6 100 000
Number of shareholders December 31, 2000	136

no. of shares	shareholders		proportion of all shares	
	no. of shares	%	no. of shares	%
1-500	92	67,6 %	23 300	0,4 %
501-1000	20	14,7 %	17 100	0,3 %
1001-10000	12	8,8 %	50 900	0,8 %
10001-100000	4	2,9 %	91 700	1,5 %
100001-	8	5,9 %	5 917 000	97,0 %
total	136	100,0 %	6 100 000	100,0 %

owner groups	share-holders		proportion of all shares
	no. of shares	%	%
private owners	111	81,6 %	77,60 %
financial and insurance institutions	8	5,9 %	21,77 %
corporations	10	7,4 %	0,42 %
public organisations	1	0,7 %	0,16 %
ulkomaiset owners	6	4,4 %	0,05 %
total	136	100,0 %	100,00 %

major shareholders on December 2000	no. of shares	proportion of all shares %
Vienola, Heikki	3 100 155	50,82 %
Pikkarainen, Ari	1 549 845	25,41 %
Keskinäinen Eläkevakuutusyhtiö Tapiola	350 000	5,74 %
Keskinäinen Vakuutusyhtiö Tapiola	310 000	5,08 %
Evli Finland Small Tech	199 000	3,26 %
Varma-Sampo	150 000	2,46 %
Meritanordbanken Nordic Small Cap	148 000	2,43 %
Keskinäinen Henkivakuutusyhtiö Tapiola	110 000	1,80 %
Pankkiiriliike Evli Oyj	31 000	0,51 %
Yritysten Henkivakuutus Oy Tapiola	29 700	0,49 %
	6100 000	100 %

At the end of 2000, the company had 6,100,000 shares. The shares are listed on the NM list of the Helsinki Exchanges with the stock symbol BEL1V. The paid-in share capital of Beltton Group plc is EUR 2,440,000. The minimum share capital of the company is EUR 2,000,000 and the maximum share capital is EUR 8,000,000.

In an extraordinary shareholders meeting held on September 29, 2000, the Board of Directors was authorised to make a decision to take out one or more convertible bonds, to issue options and/or to increase the share capital through one or more rights issues so that when converting the convertible bonds, or subscribing for shares with the options and/or in the rights issue, the share capital may be increased by issuing no more than 1,000,000 company shares for subscription; as a result, the share capital may increase by no more than EUR 400,000.

The authorisation will be effective for one year from the date of the meeting where authorisation was given.

The Board of Directors is not authorised to buy the company's own shares.

The company has an option scheme directed at the personnel and members of the Board of Directors. The options entitle holders to subscribe to no more than 250,000 new shares. As a result of these subscriptions, the company's share capital may rise by no more than EUR 100,000.

The share subscription price is
- for options A, the subscription price paid by the general public for the shares in the IPO,
- for options B, the weighted average of the share trading price on the NM list of the Helsinki Exchange in October 2000, in other words 5.97, and
- for options C, the weighted average of the share trading price in the Helsinki Exchange in October 2001.

However, the subscription price must be at least the nominal value of the share, as required by the Companies' Act.

Subscription periods:
Options A, from 1 October 2001 to 31 October 2004
Options B, from 1 October 2002 to 31 October 2004
Options C, from 1 October 2003 to 31 October 2004

The company shares are included in the book-entry securities system. On the balance sheet date, all the company shares were in the book-entry securities system. On 31 December 2000, the number of shareholders was 136.

On 31 December 2000, the total number of shares owned by members of the Board of Directors and the Managing Director, as well as societies under their control and persons under their guardianship, was 4,659,600, which represented 76.4 per cent of the total number of shares and votes.

board of directors' proposal for the distribution of profits

The consolidated balance sheet as at 31 December 2000 showed distributable funds in the amount of EUR 4.0 million. The parent company's balance sheet as at 31 December 2000 showed distributable funds of EUR 3.4 million. According to the parent company's balance sheet, the following amounts are at the disposal of the Annual General Meeting:

retained earnings	EUR	3,399,702.06
net profit for the financial year	EUR	27,255.93
total	EUR	3,426,957.99

The Board of Directors proposes to the Annual General Meeting that a dividend on EUR 0.22 per share, or a total of EUR 1.34 million, be paid for the year 2000, and that the remaining EUR 2.08 million be retained in non-restricted shareholders' equity.

Further, the Board of Directors proposes that the dividend be paid on 17.04.2001.

Espoo, 15 February 2001

Ari Lahti **Jyrki Paulin** **Ari Pikkarainen**

Sakari Ropponen **Heikki Vienola**
Managing Director

auditors' report

to the shareholders of Beltton Group PLC

We have audited the accounts, the accounting records and corporate governance of Beltton Group PLC for the period from 1 January to 31 December 2000. The financial statements prepared by the Board of Directors and the Managing Director include a report on operations as well as the income statement, balance sheet and notes to the accounts for both the Group and the parent company. Based on our audit, we give our opinion of the financial statement and corporate governance.

We have conducted our audit in accordance with sound accounting standards. Those standards require that we plan and 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The purpose of the our audit of corporate governance was to ensure that the members of the Board of Directors and the Managing Director have legally complied with the provision of the Companies' Act.

In our opinion, the financial statements were 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 the Group and parent company's result of operations and financial position. The financial statements and the consolidated financial statements can be adopted, and the members of the parent company's Board of Directors and the Managing Director can be discharged from liability for the period we have audited. The Board of Directors' proposal for the distribution of profit funds is in compliance with the Companies' Act.

Espoo, 14 March 2001

SVH Pricewaterhouse Coopers Oy
Authorised Public Accountants

Juha Lindholm
Approved Accountant

Yrjö Haukatsalo
Authorised Public Accountant

shareholder information

annual general meeting

The Annual General Meeting of Beltton Group PLC will be held at the Radisson SAS Royal Hotel, Runeberginkatu 2, Helsinki, on Tuesday 3 April 2001 starting at 3 p.m.

Shareholders who wish to attend the Annual General Meeting should register with the company by Thursday 29 March 2001 in writing to Beltton Group PLC, Nuijamäki 2, 02630 Espoo, or by phone on +358 9 525 9000, by fax on +358 9 523 393 or by e-mail to info@beltton.fi

Shareholders entered in the shareholder register maintained by the Finnish Central Securities Depository no later than on 23 March 2001 are entitled to attend the meeting.

payment of dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.22 per share be paid for the financial year 2000. The dividend decided by the Annual General Meeting is paid to shareholders registered in the shareholder register maintained by the Finnish Central Securities Depository on the dividend record date, 6 April 2001. The Board of Directors proposes to the Annual General Meeting that the dividend be paid on 17.04.2001.

taxable value

The confirmed taxable value of the share in 2000 is EUR 3.99 (FIM 23.72).

guidelines for insiders

Beltton Group PLC has adopted guidelines for insiders that are based on the instructions issued by the Finnish Financial Supervision regarding the application of the Securities Market Act in public companies. Beltton Group PLC's register of insiders is kept in the SIRE system of the Finnish Central Securities Depository.

financial information

Beltton Group PLC will publish the following financial information in 2001:
Interim report for January-March on 15 May 2001
Interim report for January-June on 15 August 2001
Interim report for January-September on 15 November 2001

Beltton Group PLC does not issue interim reports in printed format. Instead, the information will be available immediately after disclosure on our website at www.beltton.fi.

To order bulletins and other material, please contact:
www.beltton.fi
Beltton Group PLC, Nuijamäki 2, 02630 Espoo
Tel. +358 9 525 9000
Fax +358 9 523 393
E-mail: info@beltton.fi

Beltton Group PLC, Nuijamäki 2, 02630 Espoo, tel. +358 9 525 9000, fax +358 9 523 393, www.beltton.fi
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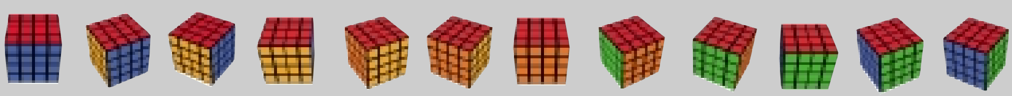

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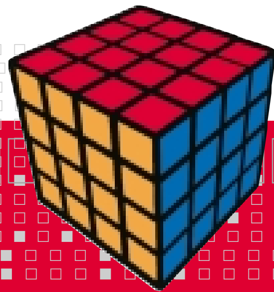

beltton group PLC
nuijamäki 2
02630 espoo
tel. +358 9 525 9000
fax +358 9 523 393
www.beltton.fi

vinstock oy
nuijamäki 2
02630 espoo
tel. +358 9 525 9090

beltton oy
nuijamäki 2
02630 espoo
tel. +358 9 525 9000

suomen rader oy
riihimiehentie 7
01720 vantaa
tel. +358 9 777 1383

naxor finland oy
riihimiehentie 7
01720 vantaa
tel. +358 9 777 1989

lacornet oy
riihimiehentie 7
01720 vantaa
tel. +358 9 849 4210

beltton svenska ab
åkerbärsvägen 26
S – 611 10 nyköping
tel. +46 155 29 26 00

rader norge a/s
postboks 268
NO – 2051 jessheim
tel. +47 22 25 54 00