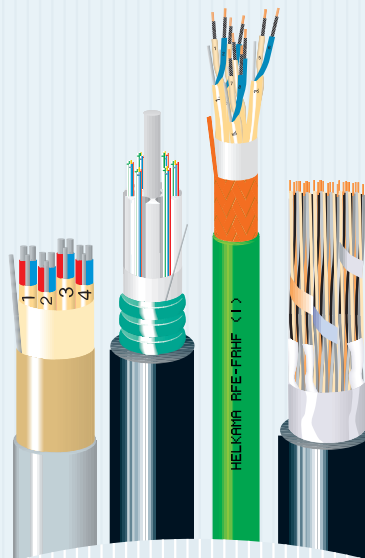


HELKAMA

HELKAMA BICA
FISCAL YEAR
1999/2000



President of
Helkama Velox
Jarkko Pohjonen



Business Manager
of Shipboard Cables
Timo Vesala and
President of Helkama Bica
Markku Hämäläinen



HELKAMA BICA GROUP

For the first time, Helkama Bica Group achieved sales revenues of over FIM 200 million. Both the parent company Helkama Bica and the subsidiary Helkama Velox, reported profit. Equity ratio is high and cash position remained favourable during the entire year.

The profitability of Helkama Bica's cable business was unsatisfactory. The company's profit yield is made up of the paid dividends of Helkama Velox and Helkama-Auto, subsidiary-remitted group subsidies and the profit made from sales of Radiolinja Oy's and Elisa Communications Corporation's shares. The profit obtained from Helkama Velox's bicycles business was moderate, though this was less appreciable than during the previous fiscal period.

In August, Helkama Velox achieved a partnership in the German Call a Bike company. Our new partner is a rental business which beneficially utilises modern information technologies.

In regard to the future, we see potential for profitable growth in both the cable and bicycle businesses.

HELKAMA BICA

Helkama Bica's sales revenues increased 13.4 % and was FIM 123.0 million. Profitability in regard to cable business activities was unsatisfactory. Both staff and raw material costs increased. During the period under review, the price of polyethene increased a lot. The exchange rate for both the U.S. dollar and the Japanese yen also developed unfavourably. For instance, the copper used in cables is quoted in dollars, and our pur-

chases of optical fibres also in yen. We were unable to raise the sales prices of cables to correspond the increase of costs.

Communication cable sales increased considerably. Demand for optical fibre cables clearly exceeded our capability to deliver. There was a shortage of single-mode fibres all over the world. Even so, Helkama succeeded in increasing its deliveries of single-mode optical fibre cables over 60 %. With respect to multi-mode fibres, we suffered from difficulties of delivery of our main supplier. We were unable to fulfill the delivery requests of our clients, a matter we highly regret.

We succeeded in achieving new openings in the export of communication cables, initiating continuous deliveries to the Baltic countries and Hungary.

We sold shipboard cables to a total of 30 countries. We stopped the manufacture of PVC cables and resolved to concentrate on halogen-free cables, i.e. safer products. The move of our shipboard cable factory from Turku to Kaarina in spring 2000 proceeded according to plan. The new factory provides favourable conditions for increase in capacity and flexibility in deliveries. During the fiscal period to come, the main target is to improve profitability.

HELKAMA VELOX

At the start of the first biking season of the new millennium, there were many signs of a good selling season in the air: spring came early and consumers seemed to have a lot of interest in cycling. However, our expectations were not completely fulfilled; total demand

for bicycles remained on the level of the previous year.

Pre-season sales of Helkama proceeded well and additional ordering launched in a promising way. The summer months were, however, quiet. All in all, we were able to achieve only part of the growth we had striven for. Export operations developed favourably.

The profitability of bicycle business was less satisfactory than in the previous year. The dollar and yen strengthened vigorously during the fiscal period. We were required to pay substantially more for components than what had been planned. Due to the situation in the market, we did not transfer the increased costs to prices.

The sales revenues for Helkama Velox during the period under review were FIM 78.9 million, a growth of 3.2 %. During this period, we brought new items to market – for instance, Yoker youth bikes – and our good old standard bicycle, the Jopo. We are satisfied with the success of both the Yoker and the Jopo.

During the fiscal period, we segmented our businesses in a new way. Our largest business segment is the manufacture and sales of Helkama bicycles. We increased our stake in relative terms most substantially in special products and export business activities. Our former accessory and spare parts division was formulated into after sales business. This includes now also customer training and guarantee services.

During the spring, our customer service was on a good level despite some problems in component deliveries.

HELKAMA BICA

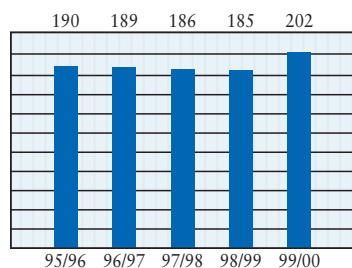
Consolidated Income Statement (MFIM) 1.9.1999 – 31.8.2000

Sales Revenues.....	201.9
Other operating income.....	0.5
Operating Expenses.....	197.7
Operating profit.....	4.7
Financial Items (+).....	0.5
Share of Profit of Associated Companies	4.4
Other Extraordinary Income.....	7.0
Taxes.....	3.8
Net Income.....	12.8

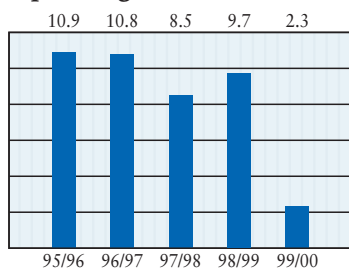
Consolidated Balance Sheet (MFIM) 31.8.2000

Fixed Assets.....	106.5	Shareholders' Equity.....	9.0
Inventories & Receivables	77.8	Increased Capital.....	176.7
Cash and Bank Deposits.....	38.2	Long Term Liabilities.....	3.9
		Current Liabilities.....	26.4
		Deferred Tax Liability.....	6.5
Total Assets.....	222.5	Equity & Total Liabilities	222.5

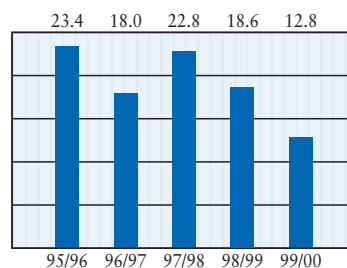
Sales Revenues (MFIM)



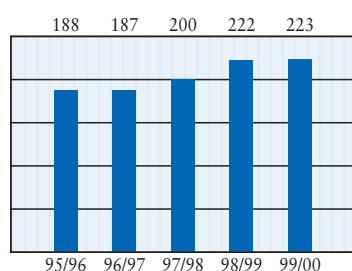
Operating Profit (%)



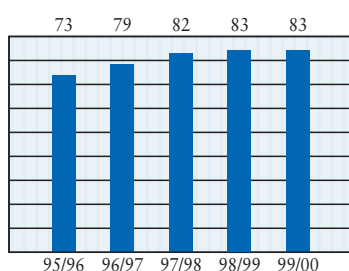
Net Income (MFIM)



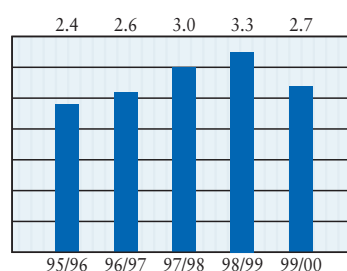
Total Assets (MFIM)



Equity Ratio (%)¹⁾



Quick ratio²⁾



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

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

AUDITORS' REPORT*

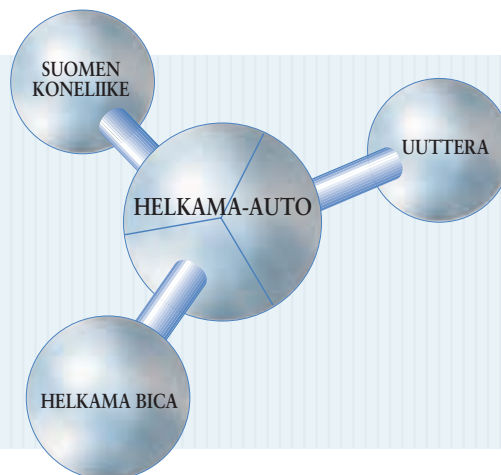
The above figures are from the annual accounts, drawn up in accordance with accepted accountancy practice.

Hanko, 7 November, 2000

Veikko Soinio **Terho Saarinen**
Authorized Public Authorized Public
Accountant Accountant

* an abridgement of the official closing of the accounts

HELKAMA
COMPANIES
AS A
COMPANY
MOLECULE



FISCAL PERIOD MILESTONES

Helkama Bica

- The website was opened on the Internet.
- Optical fibre cables were approved for Hungary's telecommunications network.
- Small training sessions were arranged for various client groups, including expert representatives from Alcatel and Sumitomo.
- The decision was made to stop the manufacture of PVC shipboard cable products.
- Inner-sheath 0.6/1 kV shipboard cables – LKMM-HF and LKMSM-HF – became part of the product range.
- The Turku manufacturing facility moved to Kaarina in April 2000.

Helkama Velox

- Meeting with merchants in Jyväskylä, Tampere and Kuopio.
- Special Products Business Operations Unit established.
- New President Officer began duties.
- Participation in the following trade fairs:
Svesport, Jönköping; IFMA, Köln; Nor-Sykkkel, Oslo; REHA, Düsseldorf; Service & Omsorg, Sollentuna; Turku Bike Fair; Sportexpo, Helsinki; Naidex, the largest fair for the disabled in B.I., Birmingham; REHAB, Fredericia
- The website was opened on the Internet.
- First product of our Internet shopping service was introduced: the Helkama Quick Stick kickboard.
- Velox main sponsor at the Saaremaa Velotour Cycling Competition in June.
- Environmental program was launched.

OUR CORPORATE VALUES

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

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

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

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

Enthusiasm is the driving force of real success.

HELKAMA

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