ANNUAL REPORT 2002

Incap: a 10-year Overview 1
Incap in brief 2
Incap values and strategic goals 3
2002 in brief 5
Review by the President and CEO 6
Trend in the operating environment 8
Incap's position in the value chain 9
Customer benefits from Incap's life cycle service 10
Staffing and development of competence 12
Quality and environment 13

Development of operations 14

Financial accounts
- Pro forma financial statements 20
- Report of the Board of Directors 23
- Consolidated profit and loss account 25
- Consolidated balance sheet 26
- Consolidated sources of funds 27
- Parent company's profit and loss account 28
- Parent company's balance sheet 29
- Parent company's sources of funds 30
- Accounting policy applied in the consolidated annual accounts for 2002 31
- Notes 32
- Consolidated financial Information 42
- Rules for calculating financial information 43
- Proposal by the Board of Directors 44
- Auditors' report 44

Shares and shareholders 45
Corporate governance 48
Board of Directors 49
Management team 50
Press releases in 2002 51
Financial information 52
Contact information

Incap: a 10-year Overview

Becoming a Multi-skilled Manufacturing Partner of the Electronics Industry

Incap was formed in 1992 through the merger of three development companies, Keraspo Oy, Lakespo Oy and Teknoinvest Oy.

The companies had investments in firms operating in a number of sectors, and after Incap was founded they were reorganised such that at the beginning of 1997 only two companies remained: the electronics contract manufacturer Incap Electronics Ltd and the furniture contract manufacturer Incap Furniture Group.

The subsidiaries Elektrostep Oy (presently the Vuokatti factory) and Tilux Oy (presently the Helsinki factory) were merged into Incap Electronics Ltd in 1996.

Incap listed on the I List of Helsinki Exchanges in spring 1997.

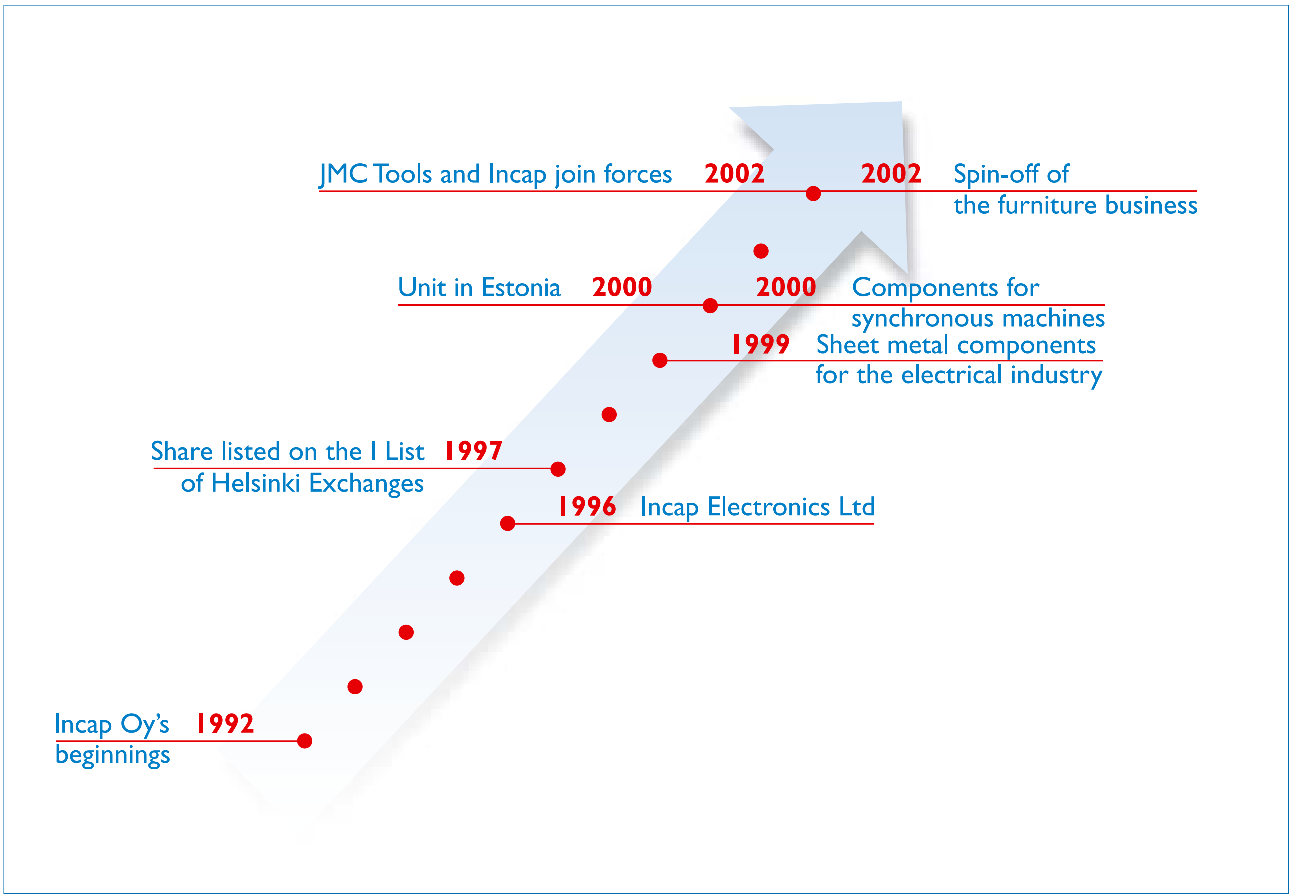
In 1999 and 2000 Incap Electronics Ltd acquired a part of ABB's sheet metal component manufacturing business as well as its component manufacturing operations for synchronous machines (presently the Vaasa factory). A subsidiary was started up in Kuressaare, Estonia, in 2000.

Incap Electronics Ltd was merged into its parent company Incap Corporation at the end of 2001.

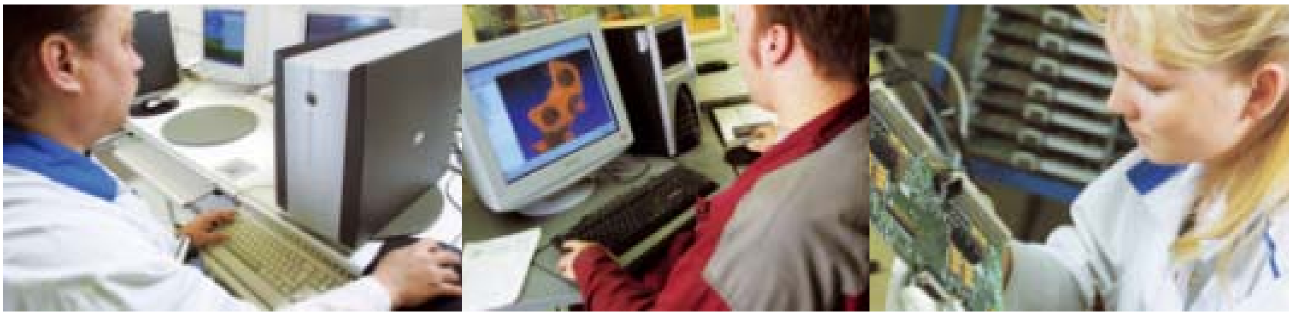
In 2000 Incap took a strategic decision to spin off the furniture business from the Group. The objective was realised in March 2002 when the business sector was sold to operating management and a group of investors.

To strengthen the Electronics business sector, Incap and JMC Tools Oy merged in April 2002, with JMC Tools Oy becoming an Incap subsidiary. JMC Tools Oy manufactures machined and high-precision plated RF components for wireless telecommunications networks.

Today, Incap offers not only versatile electronics and mechanical manufacturing services but also special expertise in high frequency technology, which at the present time is best suited to the needs of the telecommunications sector, but which can also be applied in other areas of wireless communications. Incap's strategic priority is to make the company's extensive know-how benefit its wide spectrum of customers.



Incap in Brief



Incap offers leading equipment suppliers in the electronics and electrical industry flexible and high-quality comprehensive services that combine versatile know-how in electronics and mechanical engineering.

The services encompass

- design services
- prototype fabrication
- machining
- chemical milling
- high-precision plating
- PCB assembly
- sheet metal fabrication
- manufacture of flexible circuit boards
- final assembly
- product integration
- testing
- servicing and maintenance
- logistics services

The company's main customer sectors are telecommunications, electrical power technology, the automation and process industry as well as equipment manufacture for measurement technology, safety electronics and health care. Customers include ABB, ADC, Instrumentarium, Kone, Metorex, Metso, Nokia Networks, REMEC, Suunto and Vaisala.

Incap's production facilities are located in Helsinki, Kempele, Ruukki, Vaasa, Vuokatti and Kuressaare in Estonia. The factories in Vuokatti and Estonia are specialised in the manufacture of electronics components and subassemblies. The units in Helsinki and Vaasa produce mechanical components as well as subassemblies and box-build products containing electronic and sheet metal components. Machining of RF components is done at the unit in Kempele. The Ruukki unit is specialised in the high-precision plating of RF components and sheet metal etching. The Ultraprint Oy unit in Kempele manufactures chemically milled sheet metal components and flexible circuit boards.

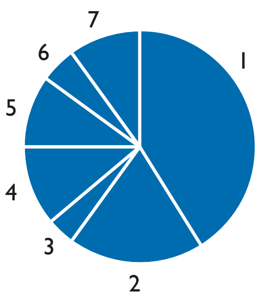
The factories in Helsinki, Kuressaare, Vaasa and Vuokatti have a certified ISO 9001:2000 quality system and an ISO 14001:1996 environmental system.

Incap Corporation has two subsidiaries, Incap Electronics Estonia Oü and JMC Tools Oy. The JMC Tools Group also has a subsidiary, Ultraprint Oy.

The Group has a payroll of 589 employees.

Incap Corporation's shares are quoted on the I List of Helsinki Exchanges. The company's Finnish ISIN trading code is INC1V. ■

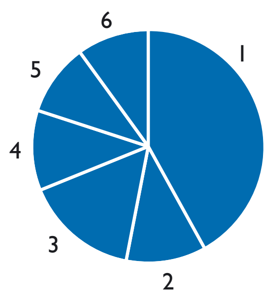
Pro forma net turnover by customer sector 2002



1	Telecommunication	41%
2	Electrical engineering	19%
3	Automation/process	4%
4	Measuring technology	11%
5	Medical electronics	10%
6	Security	5%
7	Others	10%

EUR 63.2 million

Personnel by location on 31 December 2002



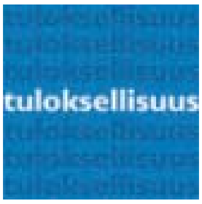
1	Vuokatti	42%
2	Helsinki	11%
3	Vaasa	16%
4	Kuressaare	11%
5	Kempele	10%
6	Ruukki	10%

589 persons in total

Incap Values

Focus on customers

Our business is only profitable if our customers are satisfied with our services. We seek to build a partnership with our customers that is based on trust and mutual benefit.



Profitability

By operating efficiently and competitively we ensure the sustainability, growth and internationalisation of our business.

Continuous improvement

The active development of our business ensures that we stay competitive and successful in the future. We want to keep renewing ourselves and reshaping our business to fit the customer's needs.

Respect for the individual

We support each other in learning new things and we share our abilities with other members of the workgroup for the benefit of all. We strive for an open exchange of ideas and constructive feedback.

Strategic Goals

- Incap provides manufacturing services over the entire product life cycle, catering to a select community of customers in a range of business areas. The company's integrated services cover design, product development, materials procurement, prototype construction, volume production, delivery of box-build products and after sales services.

- Incap is strengthening its position as manufacturer of components and equipment for wireless networks. The company is developing its special expertise in high-frequency technology not only for machining and plating applications but also for other areas, including electronics and testing.

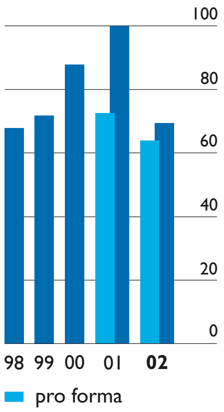
- Because it has production facilities in Finland and Estonia, Incap is able to offer its customers both high-level technical capabilities and competitively priced manufacturing capacity. The company is further improving and expanding the operations of these units and establishing a local presence outside Europe in partnership with strategic customers and other partners in co-operation.

- Our goal is to operate cost-effectively regardless of the economic conditions and to rise to the front rank of our peer group as measured with profitability benchmarks.

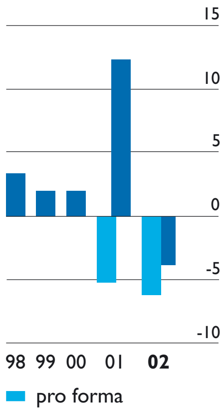
- Incap is a competitive and respected employer. Our staff's competence is developed in a systematic and goal-oriented manner.

1998–2002

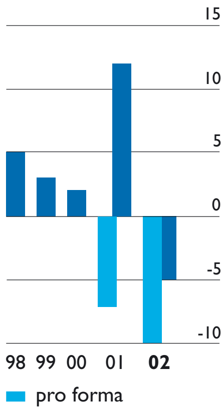
Net turnover, EUR million



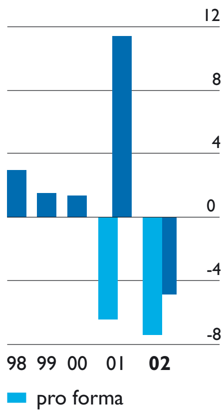
Operating profit, EUR million



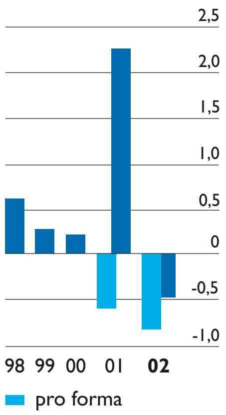
Operating profit of net turnover, %



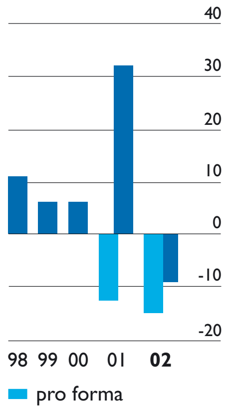
Profit before extraordinary items, EUR million



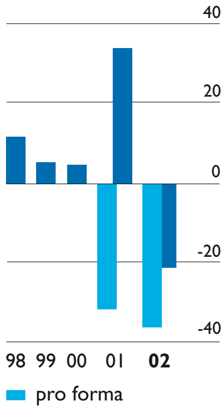
Earnings/share, EUR



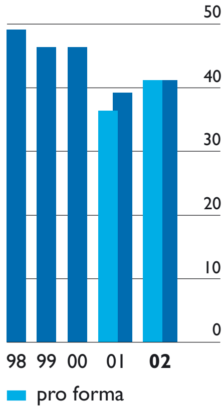
Return on investments, (ROI) %



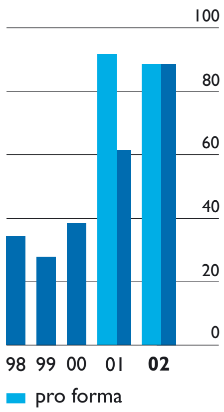
Return on equity, (ROE) %



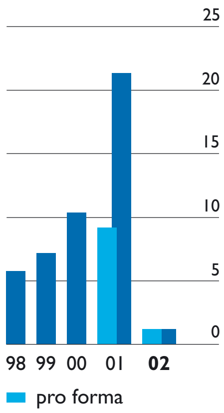
Equity ratio, %



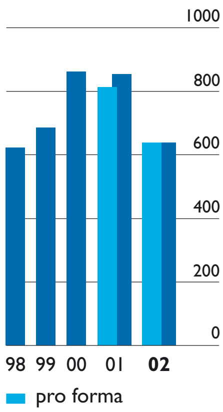
Gearing, %



Investments, EUR million



Average number of personnel



The graphs show both the 2002 and 2001 Incap-JMC pro forma figures and the official Incap Group figures. The figures for 1998–2000 describe the then Incap Group and comprise the electronics and furniture contract manufacturing businesses.

The official result in 2001 included insurance claim income of EUR 10.2 million, whereby the figures are not fully comparable.

2002 in Brief

Incap focuses on electronics and expands its service palette

Incap got out of the furniture business in line with its strategy by selling it to the business sector's operating management and a group of investors in March 2002. In addition, Incap strengthened its services for the electronics industry by combining with JMC Tools Oy, a manufacturer of components for telecommunications base stations, in April 2002.

Following these strategic M&A arrangements, Incap operates in a single sector, the electronics industry, and its service palette has expanded to cover a major segment of the value chain for electronics products.

Challenging market situation reflected to the results

The Group's pro forma net turnover was EUR 63.2 million, down about 12% on 2001. The pro forma operating loss was EUR 6.3 million, or somewhat greater than in the previous year (operating loss of EUR 5.2 million).

The official consolidated net turnover for 2002 was EUR 69.0 million, a decrease of 31% on the figure a year earlier. The operating loss was EUR 3.8 million. The operating profit of EUR 12.2 million in 2001 included insurance claim income of EUR 10.2 million, whereby the figures are not fully comparable.

The sharp weakening in demand from telecommunications network suppliers was reflected particularly in the operations of JMC Tools Oy, and it meant a significant lowering in the capacity utilisation rate. Demand in the electric power industry also fell markedly in tandem with the decline in capital expenditures. Demand in the other customer sectors was stable.

The Incap Group's fourth-quarter pro forma net turnover was up 20% on the previous quarter and the operating loss was remarkably lower than on the previous quarters. The result in the fourth-quarter was improved by an increased demand in certain telecommunications products, the growth in the production volumes of the RF business and cost savings arising from efficiency-boosting.

Target-oriented development of operations

Integration of the operations of Incap and JMC Tools moved ahead largely in line with expectations. Owing to the prolonged recession in the telecommunications industry, however, the company was not able to make use of the synergy benefits in the way that had been planned. In accordance with the new operational concept that was formulated when Incap and JMC Tools merged, Incap offers its customers integrated deliveries that make optimal use of all the company's areas of expertise. The negotiations were started in 2002 on expanding the scope of deliveries from components to total packages, assembly, tuning and testing, and they resulted in first orders at the beginning of 2003.

Incap adjusted its operations to the lower level of demand by trimming fixed costs and downsizing the staff through layoffs and redundancies. Efficiency-boosting measures to improve profitability and to ensure competitive edge were continued.

The priority areas for sales work were defined to be improved service for the present customer base and active marketing of the new, extensive range of integrated services. In order to improve customer service and step up the acquisition of new customers, additional resources were allocated to sales work. Towards the end of the year several new customer relationships were formed, and they will show up in net turnover and profitability during 2003.

Near-term outlook

Demand in most of Incap's customer industries is estimated to remain stable or to grow compared with last year. These industries account for more than half of Incap's net turnover. The company's position as a supplier to the telecommunications sector will strengthen thanks to Incap's integrated delivery capability and its special expertise within high-frequency technology.

On the basis of the potential offered by its comprehensive range of services and the new delivery agreements made in the latter part of 2002, Incap believes that its net turnover in 2003 will grow from the previous year's level. The company has stepped up its operational efficiency significantly, and profitability in 2003 is expected to be markedly better than it was in 2002 pro forma. ■

Key Ratios

EUR million	2002 pro forma	2001 pro forma	Change, %	2002 official	2001 official	Change, %
Net turnover	63.2	71.6	–12	–69.0	99.7	–31
Operating profit	–6.3	–5.2	20	–3.8	12.2	–131
% of net turnover	–10	–7		–5	12	
Profit before extraordinary items	–7.3	–6.4	16	–4.7	11.4	–142
Earnings/share	–0.76	–0.59	29	–0.49	2.24	–122
Return on Equity (ROE), %	–35.6	–31.5		–20.7	33.9	
Return on Investment (ROI), %	–15.7	–12.3		–9.1	32.1	
Equity ratio, %	40.8	36.0		40.8	39.2	
Personnel in average	630	815	–23	630	847	–26

The Group's officially reported figures include the January and February 2002 figures of the furniture business as well as the figures of the JMC Tools Group as from 1 May 2002. The pro forma figures for 2001 and 2002 describe the operations of the merged Incap-JMC entity, assuming that the acquisition of the JMC Tools Oyj shares and the spin-off of the furniture business had taken place already on 1 January 2001 or respectively on 1 January 2002. The rules for calculating the key ratios are given on page 43.

Review by the President and CEO

2002 was an eventful year that brought many changes affecting Incap's operations. We got out of the furniture business in line with our previously defined strategy, and know-how that is targeted at the electronics industry was expanded by joining forces with JMC Tools Oy.

This major reorientation sharpened the company's strategy and expanded our range of services significantly. Incap now offers not only conventional electronics manufacturing services but also special expertise which at present serves the telecommunications sector. This resource can be adapted to the needs of our entire customer base as wireless communications spread to other fields. Our strategic priority is to expand our service for customers through integrated deliveries that make the company's full spectrum of know-how available to our entire customer base.

Operating environment

The industry continued to consolidate both in Finland and internationally. Engineering design services grew in importance and a number of contract manufacturers went out and acquired their own design capacity or else networked with engineering design offices. High-volume manufacturing continued to move to the Far East, especially to China, though production that is located in these areas best serves local markets. This is why European manufacturing units that are able to offer high technical expertise and a reasonable price level have retained their competitiveness.

The outsourcing of manufacturing is expected to pick up steam in 2003. Contract manufacturing and tie-in engineering design services still have a great deal of market potential because so far only about 15% of mainline manufacturing functions have been outsourced, and design and after-service outsourcing represents an even lower share.

Challenging market

The prolonged difficult economic situation posed its own challenges for operations throughout the year. Because of the drop in demand, customers sought to trim their own costs and this had a direct impact on Incap's operations. Wireless communication products embodying high-frequency technology faced particularly tough cost pressure because operators' difficulties fed through, in the delivery chain, to builders of mobile phone networks and their suppliers. In the manufacture of RF equipment, the plating and machining process ties up large amounts of capital, making efficient and economical operations dependent on achieving a given volume of basic production, which Incap did not reach until the last quarter of the year.

Our objective was to carry out the integration of Incap and JMC Tools and to harmonise our ways of working as quickly as possible. The difficult market situation nevertheless slowed down this process, and synergy benefits did not show up in customers' total deliveries to the extent that was forecast in the spring.

The market situation made staff downsizing inevitable, but I believe we succeeded reasonably well in carrying this out. Development of skills and know-how was focused on the strategically important core competence areas such as RF technology and an integrated delivery ability.

Positive trend

On the basis of customer estimates and signals that have been picked up in the marketplace, it appears that the third quarter of 2002 marked a bottoming out of demand, from which we are now heading upwards. Incap's budgeting and annual plan are based on the assumption that the net turnover in 2003 will grow from the previous year's level and that the profitability is markedly better than it was in 2002 pro forma. Incap still has a competitive edge in that the company is not dependent on the trend in any single industry.

The objective for 2003 is stable development without any negative surprises. As Incap's and JMC Tools' integration moves ahead, we have honed and stepped up the efficiency of our operations. Furthermore, the one-off costs of merging the two

"Incap now offers not only conventional electronics manufacturing services but also special expertise which at present serves the telecommunications sector. This resource can be adapted to the needs of our entire customer base as wireless communications spread to other fields."

companies no longer cut into earnings. Competitiveness and operational efficiency are being improved further so that all our units operate profitably even in weak market situation. We are continuing to amplify co-operation with our present customers and making an active effort to land new customers. Our aim is to put Incap's entire manufacturing capacity to work, and to utilise the unit in Estonia to the full extent.

As I see it, Incap is well placed to achieve good performance. We have succeeded in carrying out our primary objective and have retained the trust of our present customers. We have also gone out and lined up new customers, expanded our service palette and boosted the share of integrated deliveries. We now have a mastery of a wide segment of the value chain for electronics products, and we are able to offer our customers services that cover the entire life cycle of products.

I wish to thank our customers, employees, partners and all our interest groups for your good co-operation during the past year. I am confident that our joint efforts will lead to results this year.

Kempele, February 2003

Seppo Ropponen
President and CEO

Trend in the Operating Environment

Electronics manufacturing services
Production volumes in the electronics industry fell further in 2002, dropping tens of per cent below the level of the peak years. There was continued overcapacity in the supply of manufacturing services. This led to tougher price competition and weakened the profitability of contract manufacturers. Capacity was adjusted to the smaller demand by closing factories and reducing staff.

Customers consolidated their purchases with a few select suppliers and sought to purchase increasingly larger packages at one time. Not only mainline manufacturing but also value-added services such as design were outsourced. This trend favoured contract manufacturers whose service palette covers an extensive part of the customer's value chain. In order to be able to make extensive total deliveries, providers of manufacturing services strove to move up the value chain, doing this through acquisitions, business combinations or networking with partners in co-operation.

Keener price competition reinforced the trend towards moving high-volume manufacturing to countries with low labour costs: the Baltic countries, eastern Europe and the Far East.

Telecommunications network business
The worldwide market for wireless telecommunications networks declined by about 20% in 2002. The trend was driven by operators' weak financial situation and by the delay in the build-out of the 3G operating environment. Sales reported by the biggest players in the telecommunications network market plummeted 15-40%, depending on the company, thus also causing difficulties for equipment and component suppliers. Large-scale restructuring actions had to be carried out across the entire business chain worldwide: factories were closed, staff made redundant and write-downs entered against earnings. The steep reduction in volumes has led to tough price competition and weakened profitability in spite of the adjustment actions that have been taken.

European operators, labouring under the burden of 3G license payments, were in dire need of new, good-margin services. The arrival on the market of third-generation terminal devices and services has nevertheless been delayed, and this has also deferred the building out of network infrastructure. Another factor that has reduced the need to build networks is that GPRS/EDGE technologies have often sufficed to meet the needs of the market. In the Chinese market, the growth rate of new mobile phone connections slowed down somewhat, but it was still enough to keep network investments rolling. Capital expenditures on GSM/EDGE networks in the United States led to a pick-up in demand in the latter months of the year. The financial situation of operators is nonetheless difficult in the United States too.

Prominent trends in the electronics industry
The markets of the electronics industry will grow because electronics are being integrated into an increasing number of products, and the utilisation of wireless communications is rising in a wide number of applications.

Product life cycles are shortening, thereby creating new challenges for product management, manufacturability and quality control. The importance of a wide spectrum of services will grow further, and contract manufacturers must have the ability to assume responsibility also for product design and product maintenance. Contract manufacturers are ever more interested in the front and end-of-line services of the business value chain because these generate higher margins than does conventional manufacturing.

Companies are pursuing increasingly in-depth co-operation with fewer partners than heretofore. Logistics chains are thinning out, electronic links between companies are increasing, joint operational models and standards are gaining in importance and the transparency of information is growing. Vertical integration is gaining ground and more alliances of electronics companies are appearing on the scene. Networking is moving ahead and stepping up the need to create common standards.

Manufacturing and design are continuing to move from western Europe to countries with lower labour costs. The free mobility of trade and capital are nevertheless evening out the competitive differences between different areas, because this implies a long-term harmonisation of regulations on labour and environmental requirements.

Outlook for electronics manufacturing services
Demand for electronics manufacturing services (EMS) is estimated to swing upward in 2003. According to a revised estimate made by Technology Forecasters Inc. in December 2002, global EMS demand declined by about 9% in 2002 from the previous year's level. Growth in 2003 is believed to be in the range of 7%, and it is expected to reach 18% in 2004.

According to various estimates, so far only about 15% of the electronics industry's production has been outsourced. At the front and end of the value chain – within design and after sales services, for example – the degree of outsourcing is only a few per cent, and it is the outsourcing of these services where particularly strong growth is expected. According to Technology Forecasters, the outsourcing of design services is estimated to increase by about 15% in 2003.

Consolidation in the industry is expected to move ahead as companies seek to leverage their strengths to gain a more integrated mastery of the value chain.
■

Incap's Position in the Value Chain

Incap's services span a major part of the value chain for electronics products, which means that the company is well placed to strengthen its role as a supplier of large, integrated deliveries. Incap is able to offer services covering the product's entire life cycle and to assume total responsibility for the customer's product, from design all the way to maintenance.

Incap is continuing to develop areas of expertise in which it is able to deliver greater value for customers' products and to position itself further up in the value chain. Incap has good potential for exploiting the future growth opportunities afforded by wireless communications because the company can offer its customers wide-ranging special expertise in these technologies.

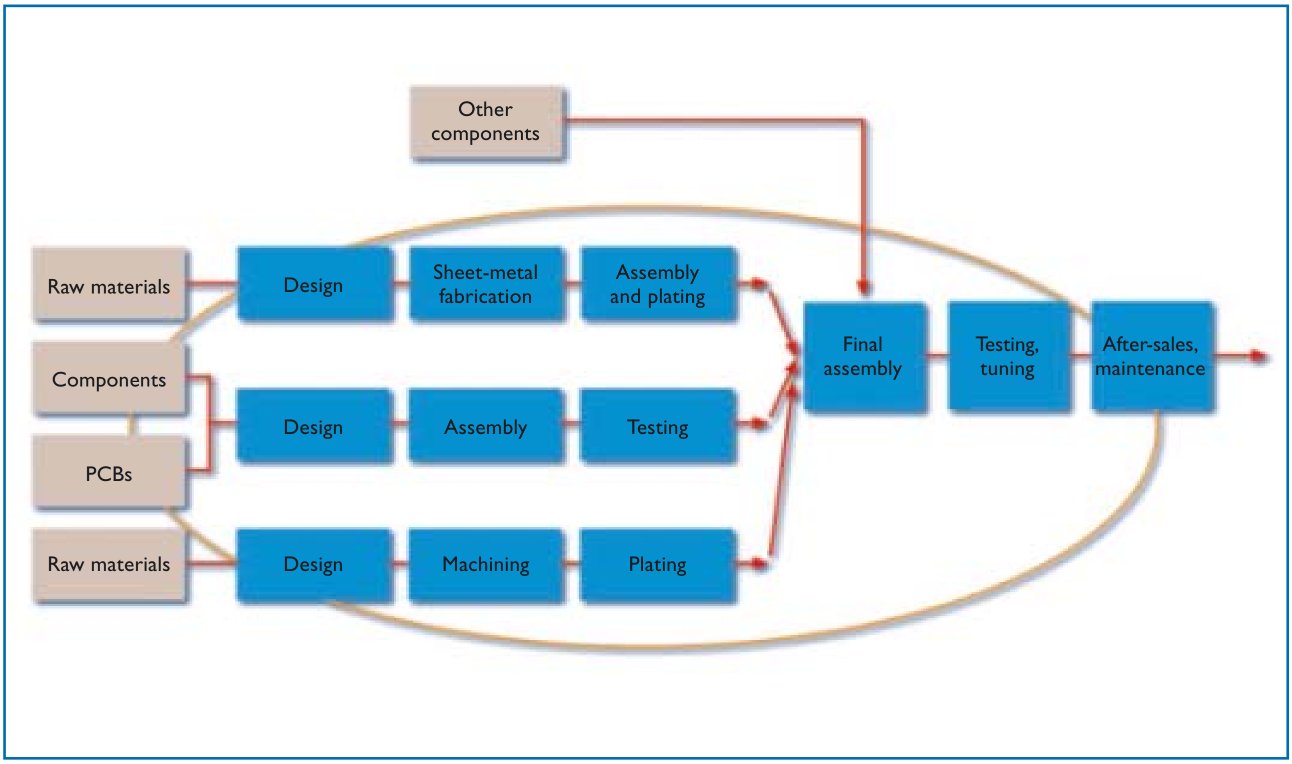
Growth in the telecommunications sector will get moving again as operators recover from their present difficulties and services based on wireless communications gain acceptance. The shift in focus within wireless communications from speech to the transmission of data and live images calls for telecommunications networks that have a considerably greater data transfer rate and capacity than they do today - along with better quality. All this points to an increase in the demand for the technology used in base stations.

Wireless communications will become increasingly important not only in the telecommunications sector but also in Incap's other customer industries. Population ageing is adding to the numbers of people who use health services, and a great deal of new solutions based on wireless communications are being developed for the treatment of sicknesses and care of the aged. New wireless remote use and control solutions are being developed for the needs of the automation and process industry as well as for measurement and electrotechnical equipment. A further growth area is equipment for safety and surveillance/monitoring.

Incap's competitiveness is based on the following factors:

- Incap offers extensive total solutions containing electronic and mechanical components.
- Incap has good and long-term customer relationships with leading equipment suppliers in a number of different sectors.
- Incap's production facilities and operational model are particularly well adapted to the manufacture of small and medium-sized series, giving it the ability to change swiftly and effortlessly from manufacturing one product or product version to another.
- Incap has special expertise and experience of demanding machining and precision plating for the high frequency technology-based equipment required in wireless communications.
- Incap's production facilities are located close to customers.
- Incap's suitable company size and flat organisational structure make possible straightforward dealings and fast decision making.
- Thanks to its different production plants, Incap is able to offer manufacturing capacity that is best suited to the customer's needs, either at its units in Finland or in Estonia. ■

Incap's palette of services in the manufacturing chain for electronics products



Customer Benefits from Incap's Life Cycle Service

CUSTOMER'S BENEFIT

1 Definition phase

The customer receives updated information on production methods and possibilities at a very early stage. This ensures, right in the product's design phase, that when the project goes into production, the most appropriate manufacturing technology and suitable testing methods will be in use. By means of production engineering tests, the customer receives assurance that the selected technology functions well in mass production.

The feasibility study includes an estimate of the product's manufacturing costs, which are mapped out jointly by Incap and the customer.

2 Design and the making of prototypes

By sticking to recommended components we are able to ensure a reasonable price, good availability and short delivery times. The customer can furthermore be sure that the components and materials will work as they should in production.

By observing design rules and regulations the product can be optimised for manufacture, thereby saving time and costs whilst also improving yields and quality.

When prototypes are made right where the volume manufacturing is done, they yield the maximum benefit because the manufacturer can influence product solutions from the prototype phase onwards. Apart from determining the product's maturity, prototypes are used to test production readiness.

When prototypes are made up, the customer also receives a recommendation on the optimal size of production series.

The product is certain to be appropriate for production and cost-effective to manufacture when Incap also carries out the product design. This eliminates the barrier that typically arises between design work and production.

3 Ramp-up

The suitability for mass production of the components, materials, apparatus and tools needed in production is guaranteed. Unpleasant surprises do not get a chance to happen when the mass production phase is reached because the pilot-phase products are manufactured in exactly the same way as in mass production.

INCAP'S INPUT

1 Definition phase

Incap carries out continuous product development within the production process and makes technology appraisals, even without an indication coming from the customer. When customer requests and queries do come in, Incap undertakes more detailed tests of production engineering solutions, and this serves as input data for the concept design of products and is also part of the product's feasibility study.

Incap and the customer jointly determine the testing strategy, bearing in mind factors such as product sales, complexity and the desired level of reliability. This ensures – right in the product's design stage – that efficient and low-cost means will be used to test it.

On the basis of the customer's product documentation or model, Incap endeavours to offer comments on its manufacturability right when the offer is submitted.

2 Design and the making of prototypes

Incap supports the customer's product development by publishing and maintaining a list of recommended components and manufacturers as well as of the inventory items that are in use. Incap's component engineer assists in matters connected with the selection of components. The customer can also make use of the design rules and regulations by means of which the designer can take production requirements into account.

Incap can make prototypes and carry out their testing on a fast-track basis if needed. A written report on manufacturability, including suggestions for improvements, is provided. Component procurements for prototypes are a natural part of the making of prototypes. As required, Incap's experts comment on the product's testability and propose changes right in the prototype phase.

Incap is able to assume responsibility for and to implement the product's entire design, which also covers electronics, software and mechanical design. If necessary, we carry out EMC and endurance tests on the equipment.

3 Ramp-up

By the product's ramp-up stage at the latest, the design and implementation of a production tester is started, procurements of components for mass production are ensured and pilot runs are made to check that the manufacturing process and product have fully matured. The making of tools and dies that may be needed in production takes place no later than at this stage.

When the product goes into mass production, the customer's input diminishes considerably. The customer can concentrate on product development, sales, marketing, brand management and taking in orders, whilst leaving the manufacture of products in its entirety to the care of a reliable partner.

Because Incap's equipment is used to manufacture products for a number of customers, the capacity utilisation rate of investments rises, thus lowering the costs per customer.

The customer receives versatile reports to be used in monitoring production.

The customer receives wide-ranging benefits from the logistics services throughout the product's entire life cycle.

The customer can concentrate on its own core expertise and tap into Incap's extensive experience in handling logistics.

The customer need not have a financial cushion to provide for the momentary requirements resulting from each stage of the product's life cycle.

The customer receives economic benefit from the latest operational models.

The customer receives real-time information on matters such as the progress of the order, profitability and the processing of complaints.

The customer can focus its product development resources on the design of new products.

The customer need not invest separately in stocks of components and in a servicing operation that may be underused.

The customer need not attend to the phasing out of the product's materials flows all by itself.

Any unsaleable materials that arise in phasing out the product do not cut into the earnings that the product has generated during its life cycle.

CUSTOMER'S BENEFIT

4 **Mass production**

5 **Logistics services**

6 **Servicing and maintenance**

7 **Phase out**

INCAP'S INPUT

Incap procures the components as well as manufactures, tests and delivers the products as agreed and flexibly. The customer is served by a familiar team that has been appointed for that account.

If necessary, the customer receives testing reports as well as other follow-up information on products that have been manufactured and delivered.

EOL notifications (End-Of-Life) that have come in are also sent on to the customer immediately and follow-up measures are decided jointly with the customer.

Incap handles materials procurements at different stages of the product's life cycle in the manner that is fastest and most cost-effective for the stage concerned.

Incap delivers the products to the customer or, if needed, directly to the end-user, i.e. the customer's customer.

Incap handles any import/export paperwork and keeps materials in stock according to the need.

Incap procures and delivers materials and products in the manner agreed together with the customer. Buffer stocks and Kanban are used to shorten delivery times.

Incap makes use of all the methods required for electronic commerce (forecasts, order information, invoices, documentation, follow-up) and develops the transparency of the order-delivery chain.

When a component's availability is running out or weakening, the entire product's lifetime can be lengthened by means of maintenance planning. Incap is able to plan and test the modifications which the product requires and to carry out the electronics, software or mechanical design which they call for.

It is a natural choice to do the fault servicing of equipment manufactured by Incap at our factory, where the measurement equipment and other materials required for servicing are available for use immediately.

Thanks to its manufacturing processes, Incap has wide experience of testing and troubleshooting.

Incap sees to it that an adequate supply of components is available.

Together with the customer, Incap carries out well-controlled phasing out of the product in order to minimise the amount of unsaleable materials left over when a new product generation replaces the old one.

Incap agrees on so-called End-Of-Life orders together with the customer and relays this information to all the component manufacturers.

Staffing and Development of Competence

A capable and motivated staff is vital to Incap's success. The company's goal in human resources management is to harmonise the goals of the organisation and the individual, assuring the company of a committed staff and efficient operations.

Year 2002 has brought big changes both in structure and organisation. Integrating the operations of Incap and JMC Tools and putting in place common working methods lasted from spring until the end of the year and necessitated adaptation by business units, teams and individual employees. The goals for our personnel were reviewed as part of reshaping the Group's business strategy.

Staffing level and structure

The Incap Group had 794 employees at the beginning of the year and 589 at the end of the year. The divestment of the furniture business sector resulted in 242 redundancies, while the merger with JMC Tools resulted in an increase of 151 people.

The market situation remained difficult throughout the year and all the Group's business units had to downsize by reducing staff. At the end of the year 84 people had been laid off.

Competence development

The Incap Group uses a uniform model of discussing performance and job development. This enables corporate goals to be reinterpreted as team and individual goals. The model also attempts to create a culture of increased dialogue and feedback on development. All supervisors participated in training for leading these development discussions at the beginning of 2002. The model of a balanced scorecard (BSC) is used to help communicate Group objectives as well as to define personal goals and the salary basis.

The main focus of development is core competencies. In connection with updating the business strategy the core competencies for the company as a whole have been redefined and baseline measurements of these competencies are made during 2003. On the basis of the measurements, plans for business unit and function-oriented development are made. In order to manage risks related to human resources and the development of core competencies and supervisory skills, key competence criteria were defined and leadership and suitability values were introduced. These form a basis for systematic human resources planning and development.

Apprenticeship training has become a well-established form of HR development. In 2002 a training in managerial skills was completed, leading to a vocational certificate in management, as well as a programme for 30 employees leading to a vocational certificate in electrical engineering. Some of those who have completed the certificate are going on to obtain professional engineering qualifications. Incap has also launched an apprenticeship programme for team leaders together with the Edukai Institute in Kajaani, and all team leaders and managers at units in Finland will participate in this training.

During 2002, representatives of JMC Tools took part in a project organised by the Institute for Management and Technological Training (POHTO) in Oulu. The project was funded by the Northern Ostrobothnia Employment and Economic Development Centre. The goal of the project was to develop a network of electronics industry firms. The project is connected with the CIM2005 (Northern Agile Mechanic Network) and Northern Centre of Electronic Manufacturing (NCEM), projects which are financed by the European Social Fund.

The Vaasa unit is participating in the CamNet training project, which is also financed by the European Social Fund and is organised by the Vaasa Vocational Adult Education Centre. The goal of the three-year project is to give employees of businesses in the Vaasa area information technology training that is applicable to their jobs. 30 people from the Vaasa unit participated in the training in 2002. In addition, the units organised training related to their manufacturing operations, finances and quality systems.

The staff involvement study was moved to 2003 because of changes in the company organisation.

Salary and incentives

The Incap compensation system is linked to the annual goals that are derived from the business strategy. The aim is to align the objectives of the company and the individual. A balanced scorecard (BSC) breaks down goals for the business unit, team and individual through development discussions and bonus targets. All the company's salaried employees and some of the wage workers belong to the incentive-based pay system. The goal is to go over to a profit-related bonus system covering all the employees. During 2003 planning and implementation of the system will advance a good way towards completion.

Quality and Environment

The Incap factories in Helsinki, Kuressaare, Vaasa and Vuokatti have received quality certificates from Lloyd's Register Quality Assurance (LRQA). The quality systems were certified as compliant with the ISO 9001:2000 standard and the environmental systems were certified as compliant with the ISO 14001 standard. The JMC Tools Oy factories plan to apply for the same certification during 2003.

Major environmental effects

The important environmental effects of production are analysed on a facility by facility basis in terms of defined benchmarks and goals. The implementation of goals is monitored in monthly management inspections.

The Incap factories in Helsinki, Kuressaare, Vaasa and Vuokatti do not cause environmental risks in their operations, nor do the JMC Tools Oy machining operations in Kempele and Ruukki. The JMC Tools plating facilities in Ruukki and Kempele (Ultraprint Oy) use chemicals whose handling requires special attention.

Environmental measures

In 2002 there were no significant new environmental protection activities, but the changes implemented in the previous year were maintained and developed.

In Vuokatti the use of paste solder was expanded, lowering the amount of waste. In Helsinki a project was implemented which will help reduce the proportional amount of scrap metal generated. In Vaasa a large eccentric press used in manufacturing blanks was provided with cowling, bringing the noise level down by about 15 decibels.

The capacity of the waste water facility at the Ruukki plating facility and the Ultraprint Oy etching facility in Kempele will be maintained in 2003 with a small investment in the facility. Operations at other factories are not connected with environmental risks and their environmental systems will be maintained and developed.

Goals and benchmarks

The quality and environment measures regarded as most significant are tracked by means of benchmarks and targets whose achievement is reviewed regularly. The results are communicated to employees through team meetings, information briefings and the intranet.

The majority of the environmental goals for 2002 were achieved. The goals for 2003 are more ambitious than in 2002 and the benchmarks are largely similar.

Quality inspection of chemically-milled sheet metal products is performed using optical 2D measuring equipment.

Planning for future environmental programmes

The European Commission has initiated a policy aiming to change production and consumption so that products cause as little damage to the environment as possible over their life cycle. Companies must take account of this product-centred environmental policy when planning and designing new products.

The proposed directive on the impact on the environment of Electrical and Electronic Equipment (EEE) pursues the same goal. The related Waste Electrical and Electronic Equipment (WEEE) directive will probably affect operations that produce these products and Incap is closely following implementation of the directive.

In accordance with the directive on Hazardous Substances in Electrical and Electronics equipment (RoHS), Incap will no longer use heavy metals (Pb, Hg, Cd and Cr (6)) in electrical and electronics equipment, and it will cease using two bromide firefighting materials as of January 2006. Incap is keeping abreast of the changing content of RoHS and other regulations and preparing itself to work in the way they require. In 2003 Incap will be part of a project to initiate lead-free soldering and track the accompanying changes in the process and product characteristics.

The European Union Packaging and Packaging Waste (P&PW) directive is being revised and made more stringent, but its effect on operations is not yet clear. Incap is following the matter through its membership of the Environmental Register of Packaging (PYR Ltd), which functions as an umbrella organisation for the packaging sector under Section 18 of the Finnish Waste Act. ■

Environmental costs booked to expense in 2002

Waste handling	94,500 euros
Environmental management	33,200 euros
Environmental auditing	3,400 euros

Development of Operations

Incap's range of services expanded significantly during the year and it now spans a large segment of the manufacturing chain of electronics products. With JMC Tools Oy becoming part of the Group, our electronics and mechanical manufacturing services have been rounded out with specialised machining and high-precision plating expertise that is needed especially in products for the telecommunications sector. The linking together of different parts in the value chain will strengthen Incap's role as a supplier of integrated solutions and offer new business opportunities.

With JMC Tools being a part of the Group, Incap now offers also versatile services in machining of aluminium components.

Incap and JMC Tools join together

With the aim of strengthening its electronics business sector, on 1 March 2002 Incap signed an agreement on purchasing the entire shares outstanding in JMC Tools Oy, a manufacturer of high-frequency components for the telecommunications industry. The objective of the deal was to create a business concept enabling services for present customers to be expanded, and offering comprehensive expertise to the telecommunications sector, particularly for wireless telecommunications network systems.

Combining of the companies was finalised when Incap Corporation's Annual General Meeting approved a share issue directed at the shareholders of JMC Tools Oy. Following subscription of the issue on 19 April 2002, JMC Tools Oy became a subsidiary of the Incap Group.

Integrating the business operations

New customers were lined up, especially for the manufacture of products in which final assembly was required in addition to electronics and mechanical component manufacture.

of Incap and JMC Tools was started in April and it has for the most part proceeded in line with expectations. Owing to the prolonged recession in the telecommunications sector, it has nevertheless not been possible to turn synergy advantages into turnover growth to the extent that was planned as recently as last spring.

Incap's strategy was updated in accordance with the new operational concept during the summer and early autumn. The strategy emphasises the multi-sectoral nature of the customer base, the comprehensiveness of the company's palette of services, making the most of the opportunities afforded by wireless communications and profitable operations across business cycles.

Towards deeper customer relationships

The market situation for electronics and mechanical manufacturing services remained difficult. The low level of demand within the telecommunications network business had the biggest impact on the operations and profitability of JMC Tools. The trend in other customer sectors was more stable.

The sales priority was defined to be a further improvement in service for our present customer base by offering a wide range of products and services and actively marketing our new integrated services. The Incap and JMC Tools sales organisations were combined in line with the new business concept and ways of working were harmonised. A new sales director was appointed from within the company in October. In addition, sales activities were strengthened by mobilising the company's internal resources.

Co-operation with present customers was expanded. Incap assumed responsibility for increased service packages within the manufacture of customers' products and, notably, design service was included in deliveries to most customers. New products and product generations went into production for nearly all customes.

The acquisition of new customers was stepped up and a number of new co-operation agreements were signed. However, after the design stage and manufacture of prototypes, these high-volume deliveries will not get started until 2003. Most of the new customer agreements included not only manufacture but also final assembly as well as design services for mechanical fabrication and electronics.

For customers who manufacture RF products, the merger of Incap and JMC Tools meant the possibility of obtaining bigger total packages from a single supplier. In addition to frame fabrication, Incap is able to offer electronics and sheet metal fabrication for products. The total delivery can also include assembly, tuning and testing. Negotiations on these types of integrated packages were held with a number of companies during the year but because of the uncertain market situation in the network business, they did not yet lead to agreements in 2002.

Of the benchmarks of customer satisfaction, delivery reliability and complaint frequency improved at all units during the year. The order-delivery processes were honed in co-operation with customers with the objective of achieving improvements such as shortened home call times and an optimisation of inventory turnover rates.

The customer satisfaction survey that was carried out in the spring provided valuable information for the future development of operations. Among the characteristics that customers valued most were professional skill, service-mindedness, and quality of operations. Customers wanted Incap to play a more active role in solving their problems and they also felt it was important to develop design services further.

Expanding design services

Incap's provision of design services was expanded to cover product design, the design of manufacturability, design for testing and component-engineer services as well as the design of maintenance. The objective is to deliver greater added value to the customer by taking on responsibility for the customer's product design.

Operational efficiency was enhanced by separating out design services as an independent unit. Design resources were strengthened both through recruitment and by entering into co-operation agreements with engineering design offices.

Demand for design services remained brisk, and their proportion of net turnover doubled. During 2002 design services were performed for nearly all the customers of the Electronics and Mechanical business sectors. Within the RF business, the role of design was mainly to support the customer's own design effort. Major design agreements included product development of "smart clothing" for the Clothing+ company and the mechanical design and commercialisation of a Safe Computer™ for Giwano Computers Oy.

In order to speed up the time-to-market of new products, Incap stepped up the speed and delivery ability of prototype manufacture. We can now offer prototypes too on a total delivery basis including electronics, mechanical fabrication, final assembly and testing. Agreements on total deliveries of this kind were signed, notably, for metal detectors, Safe Computers™, meteorological observation equipment and lift (elevator) analysers. A prototype manufacturing cell was set up at the factory in Helsinki.

Operations adjusted to market requirements

Because of the prevailing uncertainty in the markets, it was difficult for customers to forecast their future needs, and there were large, abrupt fluctuations in demand. Thanks to its flexible operational model, Incap by and large managed to respond well to these changes in needs.

To meet the lower level of demand, all the factories took the necessary steps, including trimming fixed costs and reducing the headcount through layoffs and redundancies. Incap succeeded in ensuring its competitiveness, and despite the fall in production volumes, productivity per employee improved at all the units.

The company endeavoured to carry out the downsizing in a way that would enable it to respond quickly when demand swings upward again. In order to ensure that our customers are served properly, personnel resources were allocated to tasks that are essential for the customer.

Estonian company's net turnover doubles

Thanks to the company in Estonia, Incap was able to offer its customers reasonably priced manufacturing in PCB and component assembly requiring a good deal of manual work. In products of this kind, Estonia is a competitive manufacturing location, even compared with eastern Europe and the Far East.

Operations at the company in Estonia were developed further, especially by improving efficiency. Staffing was cut by about 10% at the same time as the unit's net turnover doubled.

Lloyd's Register granted the Estonian factory a quality certificate according to the ISO 9001:2000 standard and an ISO 14001:1996 environmental certificate. The company also received a supplier approval from a major customer, thanks to which deliveries to the customer expanded from manufacturing to include the making of prototypes and servicing.

An increased share of large-scale deliveries

Incap reinforced its position as a supplier of integrated services and succeeded in increasing the extent of its deliveries to present customers in line with its strategy. New customers were lined up, especially for the manufacture of products in which final assembly and design services were required in addition to electronics and mechanical component manufacture. The volumes of prototype manufacture at the Vuokatti and Helsinki factories doubled.

Capabilities were put in place with the aim of obtaining the maximum benefit from all of Incap's and JMC Tools' areas of expertise. Negotiations on expanding deliveries to cover component sets, assembly, tuning and testing were held with a number of customers, and concrete results were materialised in early 2003.

Revamping the organisation

After Incap and JMC Tools merged in April, the company's operations were divided into three units: the Electronics business sector, the Mechanical business sector and the RF business sector. In October 2002 the business sector structure was revamped and the Electronics and Mechanical business sectors were merged. The aim of this move was to promote the offering of integrated deliveries and to improve Incap's service for customers who rely on several factories within the Group. The revamp also included the transfer of the functions of Ultraprint Oy, which manufactures chemically-milled sheet metal components and flexible circuit boards, as well as the chemical milling functions of the Ruukki unit to the Electronics and Mechanical business sector. Machining and plating operations as well as their development were centralised within the RF business unit.

Additional resources were obtained for high frequency technology, which has been defined as a central development area. Sales activities were strengthened through both internal transfers and new recruitment. Materials management responsibilities were realigned, the organisation of the Helsinki factory was streamlined and three new customer teams were set up at the Vuokatti factory.

Development of operations moves ahead

Combining the operations of Incap and JMC Tools called for fine-tuning operational models in line with the new business. Management accounting was developed and especial attention was directed at improving the accuracy of inventory evaluation.

Methods development was carried out at the Vuokatti factory through actions such as making use of an automatic optical inspection device.

By making use of product-specific, tailored racks it is possible to plate many product units in the automatic plating line at the same time.

The manufacturability processes for new products were developed in co-operation with a major customer and VTT Technical Research Centre of Finland as part of the Fast Ramp-up project. The objective was to perfect an operational model enabling new products to be moved from the design and prototype phase into mass production quickly and cost-effectively, whilst ensuring high quality.

Within materials management the important InElog development project was seen to completion. The project aims to raise the efficiency of strategic network co-operation and improve information flow between Incap and its customers, suppliers and partners by developing various electronic operational models, especially those which are EDI- and XML-based. The extranet service was also revamped and its user base was expanded.

The aim of the Hanska project was to create procedures for the continuous development of the Enterprise Resource Planning (ERP) system.

To step up operations at the Vaasa factory, a project for overhauling the order–delivery process was launched with the objective of achieving a significant improvement in productivity and the quality of operations. The project will be carried out on the basis of experiences obtained in a similar project in Helsinki and it is scheduled for completion in the first half of 2003.

The factory in Estonia was granted an ISO 9001:2000 quality certificate as well as the ISO 14001:1996 environmental certificate. Certification of the quality system of the JMC Tools Oy units will be carried out during 2003.

A year-long operations development project was completed at the Helsinki factory. This brought an improvement in productivity, though the results of the project will not show up in operations to the full extent until 2003.

Methods development was carried out at the Vuokatti factory through actions such as reducing manual inspection and making use of an automatic optical inspection device.

The quality improvement project that was started within RF operations in 2001 brought results and production yields were raised to the target level. Factors that made it challenging to carry out the programme were the sharp fluctuations in the production load as well as the placing in production of new raw materials and products.

The manufacture of cast-base filter and amplifier frames was started, though development of the process proceeded more slowly than expected due to the low production volumes. Alternatives for the high-precision coating of RF components were increased, for example, by adding gold plating. To improve the performance of the process, new auxiliary equipment was developed for the production line.

Development of the RF business was pursued along several lines: a project together with TEKES, the National Technology Agency, aiming at improving the performance of the manufacturing process for high-frequency components was launched, Incap participated in the CIM2005 and MCEM programmes and research co-operation was carried out with the University of Oulu.

Operations of the machining shop at the Helsinki factory were outsourced and negotiations were started on outsourcing the painting shop operations in Vaasa. The Ultraprint factory was focusing on the manufacture of sheet metal fabricated with chemical milling technology as well as flexible circuit boards.

It was decided to move the Group's Information Technology Department back under our own control during 2003 after having outsourced it. This was done because the purchase of services from the partner in co-operation turned out to be more expensive than expected, and the fact that our locations are sited in several localities made it difficult to arrange the services.

Management of the Group's operational risks was made more systematic by preparing a comprehensive risk survey and an action plan for risk management covering 2003. The documentation of risks and monitoring the action programme are part of the normal corporate governance work of the Management Team and the Board of Directors.

Major challenges for materials management

Prices of electronic components fell in 2002 and the favourable trend is expected to continue in 2003. World market prices of metals, however, rose substantially, though the appreciation of the euro against the United States dollar offset the price rise to some extent. Incap is safeguarding the availability of reasonably priced materials by seeking out new procurement sources.

Further actions were taken to step up the efficiency of the materials and purchasing functions. It was attempted to reduce inventory levels by means of a Kanban system, in which a particular development focus was the optimisation of

With the objective to achieve improvement in productivity and the quality of operations, all different phases of the order-delivery process are overhauled.

batch sizes by means of ABC analysis. The aim was to boost the rate of materials turnover, though the target level is still a good way off. The poor visibility concerning demand posed a major challenge for materials management in the entire industry. The continual shortening of the life cycles of products and different product versions also dictated the need for greater efficiency in materials functions.

During 2002 particular attention was paid to eliminating the long-term risk of unsalable materials. In co-operation with customers and suppliers, a joint operational model was sought that would provide an efficient way of preventing unsalable materials from arising. Non-recurring expense entries of EUR 1.0 million were charged against third-quarter earnings for unsalable materials and components that are used primarily in products for the telecommunications sector.

Capital expenditures

Major capital expenditures were not made during the year because manufacturing capacity was underused and the stock of equipment had been modernised significantly in the previous year. Preparations were made for the testing of RF products by preparing investment plans that are to be carried out in the early part of 2003.

Earnings trend improved towards the end of the year

Incap's pro forma net turnover in 2002 was EUR 63.2 million, down about 12% on the previous year. The pro forma operating loss amounted to EUR 6.3 million.

The decrease in net turnover was due above all to the sharp weakening in the market situation in the telecommunications sector. The cutback in demand for network systems had a direct impact on the operations of the factories in Vuokatti, Kempele and Ruukki. Low volumes weakened profitability at all the units, hitting plating operations hardest of all, a function that ties up a great deal of capital and has substantial fixed costs even when production volumes are low. Tougher competition than ever also cut into profitability and lowered operating margins at all the units.

The result of RF operations in particular weakened in the second and third quarter owing to the very low production volumes. In the fourth quarter the business unit's earnings nevertheless improved markedly thanks to volume growth, a favourable product palette and improved yields from production processes.

Incap looks to the future with confidence

Electronics equipment manufacturers are seeking to focus further on their own core businesses or to move closer to their own customers in the value chain. This means that they are purchasing a growing proportion of the production and design services they require from external manufacturers. Companies that offer electronics manufacturing services in turn are seeking to position themselves in the value chain so that they are able to assume an increased responsibility for their customers' products.

Incap has moved ahead in line with its strategy during 2002 and its range of services now covers a large segment of the value chain for electronics products. The efficiency of processes and operations has been stepped up, making it possible to achieve a significant improvement in profitability as soon as production volumes can be brought above today's low level. By rationalising operations the company has also succeeded in boosting its competitiveness, making Incap well placed to amplify its present customer relationships and land new customers. ■

Incap–JMC Pro Forma

Consolidated Financial Information

		2002	2001
Net turnover	MEUR	63.2	71.6
Operating profit	MEUR	–6.3	–5.2
Share of net turnover	%	–10	–7
Profit before extraordinary items	MEUR	–7.3	–6.4
Share of net turnover	%	–12	–9
Profit before taxes	MEUR	–7.3	–2.8
Share of net turnover	%	–12	–4
Return on equity (ROE)	%	–35.6	–31.5
Return on investment (ROI)	%	–15.7	–12.3
Balance sheet total	MEUR	45.6	62.6
Equity ratio	%	40.8	36.0
Gearing	%	88.1	91.4
Net debt	MEUR	16.3	38.8
Quick ratio		0.6	0.6
Current ratio		1.6	1.5
Investments	MEUR	1.1	9.2
Share of net turnover	%	2	13
Investment in R&D	MEUR	1.9	2.4
Share of net turnover	%	3	3
Average number of employees		630	815
Dividends	MEUR [1]	0.0	0.1
Per share data			
Earnings per share	EUR	–0.76	–0.59
Equity per share	EUR	1.52	1.85
Dividend per share	EUR [1]	0.0	0.01
Dividend out of profit	% [1]	0.0	–1.5
Cash flow per share	EUR	–0.29	
Trend in share price			
Minimum price during year	EUR	1.63	
Maximum price during year	EUR	5.63	
Mean price during year	EUR	3.37	
Closing price at end of year	EUR	1.63	
Total market value of shares on 31 Dec.	MEUR	19.9	
Turnover in shares	no.	867,553	
Turnover in shares	%	9.0	
Number of shares, adjusted for new issue			
Mean number during year		9,615,282	
Number at end of year		12,180,880	

[1] According to the proposal of the Board dividend should not be paid

Consolidated Profit and Loss Account

EUR 1,000	2002	2001
Net turnover	**63,241**	**71,561**
Variation in stocks of finished goods and in work in progress	–2,048	2,226
Other operating income	245	416
Raw materials and services	38,811	42,428
Personnel expenses	15,536	20,684
Depreciaton and reduction in value	3,728	3,438
Other operating charges	9,613	12,870
Operating profit/loss	**–6,250**	**–5,217**
Financial income and expenses	–1,095	–1,134
Profit/loss before extraordinary items	**–7,345**	**–6,351**
Extraordinary items	0	3,596
Profit/loss before taxes	**–7,345**	**–2,755**
Income taxes	34	–863
Profit/loss for the financial year	**–7,311**	**–3,618**

Rules for calculating financial information are included on page 43.

Consolidated Balance Sheet

EUR 1,000	2002	2001
ASSETS		
Non-current assets		
Intangible assets	1,609	2,227
Tangible assets	17,670	20,481
Investments		
Holdings in other shares	11	1,275
Non-current assets, total	**19,290**	**23,983**
Current assets		
Stocks	15,604	23,584
Short-term debtors	9,973	14,526
Short-term investments		
Other short-term investments	2	2
Cash in hand and at banks	686	546
Current assets, total	**26,265**	**38,658**
Assets, total	**45,555**	**62,641**

EUR 1,000	2002	2001
LIABILITIES		
Capital and reserves		
Subscribed capital	20,487	20,487
Share premium account	4,224	4,224
Retained earnings	1,174	577
Profit for the financial year	–7,310	–3,618
Capital loans	82	850
Capital and reserves, total	**18,657**	**22,520**
Obligatory reserves	0	800
Creditors		
Deferred tax liabilities	507	542
Long-term creditors	9,455	13,470
Short-term creditors	16,936	25,309
Creditors, total	**26,898**	**39,321**
Liabilities, total	**45,555**	**62,641**

Consolidated Sources Of Funds

EUR 1,000	2002	2001
Cash flow from operations		
Operating profit	–6,250	–5,217
Adjustments for operating profit	3,243	3,220
Change in working capital	1,802	–7,702
Interests and other financial expenses	–1,337	–1,240
Interest income from operations	20	309
Taxes	–850	–886
Cash flow from operations	–3,372	–11,516
Cash flow from investments		
Investments in subsidiaries	–474	–32
Investments in tangible and intangible assets	–810	–5,784
Income from sales of tangible and intangible assets	717	20
Income from sales of subsidiaries	1,950	0
Cash flow from investments	1,383	–5,796
Cash flow from financial items		
Paid in subscribed capital	3,027	3,179
Long–term loan receivables, increase (–), decrease (+)	3,600	–293
Increase in short–term creditors	0	4,175
Decrease in short–term creditors	–3,391	–1,701
Increase in long–term creditors	673	10,994
Decrease in long–term creditors	–1,580	–1,672
Dividends paid	–105	–351
Cash flow from financial items	2,224	14,331
Change in funds, increase (+), decrease (–)	235	–2,981
Funds at the beginning of the financial year	453	3,529
Funds at the end of the financial year	688	548

Accounting Policy Applied in the Pro Forma Reports

The Incap-JMC combined pro forma profit and loss account for 1 January - 31 December 2002 (and the comparison profit and loss account for 2001) has been prepared on the assumption that the sale of the shares in Incap Furniture Ltd and the purchase of the shares in JMC Tools Oy had taken place at the beginning of the pro forma period on 1 January 2002 (1 January 2001). Accordingly, Incap Furniture Ltd's financial data for January-February 2002 (2001 comparison data) have been deleted from the official Incap profit and loss account 1 January - 31 December 2002 (1 Jan. - 31 Dec. 2001) and the JMC Tools Oy profit and loss account for the period 1 January - 30 April 2002 (1 Jan. - 31 Dec. 2001) has been consolidated within this profit and loss account. The shares in Incap Furniture Ltd were sold on 1 March 2002 and the shares in JMC Tools Oy were purchased on 19 April 2002.

The pro forma balance sheets have been prepared on the assumption that the sale of the shares in Incap Furniture Ltd and the acquisition of the shares in JMC Tools Oy took place on 31 December 2002 (31 December 2001). Incap Furniture Ltd shares totalling EUR 1.26 million have not been eliminated from the pro forma balance sheet at 31 December 2001 but are included in investments held in non-current assets. Consolidated shareholders' equity has nevertheless been adjusted by taking the effects of the sale of shares into account.

The consolidation of both the official and pro forma consolidated balance sheets has been carried out in compliance with Decision 1591/1999 of the Finnish Accounting Standards Board concerning the accounting treatment of exchanges of shares, whereby Group goodwill is not formed in an exchange of shares. The consolidation principles according to IAS may differ from the above-mentioned procedure. ■

Auditors' Statement on Pro Forma Financial Information

As the auditors of Incap Corporation we have reviewed in a general manner the pro forma financial information which is presented in the pro forma annual accounts for 2002, said information being intended to illustrate how the merger of Incap Corporation and JMC Tools Oy, which took place on 19 April 2002 as an exchange of shares, would have affected the annual account information if the merger had taken place at the time stated in the pro forma information. The information on the Incap Group presented in the pro forma annual accounts has been calculated in accordance with the accounting policy stated in the pro forma annual accounts.

Based on our review, nothing has come to our attention that causes us to believe that the pro forma information do not give a true and fair view of the Group's result and financial position, as the result of the exchange of shares.

Oulu, 28 February 2003

ERNST & YOUNG OY
Authorised Public Accountants

Rauno Sipilä
Authorised Public Accountant

Report of the Board of Directors, 2002

Incap Corporation expanded and strengthened the business concept of its Electronics business sector. The company got out of the furniture contract manufacturing business and Incap Furniture Ltd's entire shares outstanding were sold on 1 March 2002. JMC Tools Oy, a manufacturer of telecommunications base station components, was acquired through an exchange of shares of 19 April 2002.

Group financial performance

Consolidated net turnover was EUR 69.0 million (99.7 million in 2001). The Group posted an operating loss of EUR 3.8 million (operating profit of 12.2 million in 2001). The Group's loss before extraordinary items for the financial year was EUR 4.7 million (profit of 11.4 million in 2001), and it reported a net loss for the financial year of EUR 10.8 million (net profit of 7.9 million in 2001). Earnings per share were EUR 0.49 negative (2.24).

The Group's official profit and loss account for 1 January-31 December 2002 includes the Electronics business sector and the earnings figures of the Incap Furniture Group for the period 1 January-28 February 2002 and the comparison figures for the full year in 2001. In the comparison year the result of the furniture business included insurance claim income of EUR 10.2 million, which affects the comparability.

Pro forma financial performance of Incap-JMC

Incap-JMC's pro forma net turnover in 2002 was EUR 63.2 million (71.6 million in 2001). The entity posted an operating loss of EUR 6.3 million (a loss of 5.2 million) and the loss before extraordinary items for the financial year was EUR 7.3 million (a loss of 6.4 million). Pro forma earnings per share were EUR 0.76 negative (0.59 negative).

The Incap Group's fourth-quarter pro forma net turnover was up 20% on the previous quarter and was EUR 16.1 million. The pro forma operating loss was EUR 0.7 million, which included non-recurring cost entries to a total of EUR 0.3 million. The operating loss in the third quarter was 3.1 million. The result in the latter part of the year was improved by an increased demand in certain telecommunications products, the growth in the production volumes of the RF business and cost savings arising from efficiency-boosting.

Merger of Incap Corporation and JMC Tools Oy

To strengthen its business concept in electronics Incap acquired the shares of JMC Tools Oy, a manufacturer of telecommunication base station components through an exchange of shares. The objective of the merger was to form a technology company that will have a leading position as a developer, manufacturer and supplier of machined and high-precision coated RF mechanical components as well as solutions incorporating electronics and sheet metal mechanical fabrication for strategic customer industries in Europe. Integration of the operations of JMC Tools Oy progressed for the most part in line with expectations. Owing to the prolonged recession in the telecommunications sector, however, the synergy benefits could no be materialised during the financial year in the way that had been planned. The Group adjusted its operations to the lower level of demand by trimming fixed costs and downsizing the staff through layoffs and redundancies.

Non-recurring cost entries totalling EUR 2.2 million were charged to earnings in 2002. Of the expenses booked, EUR 1.3 million concerned write-offs of inventory while the other charges concerned the personnel arrangements and the expenses of downscaling operations.

Capital expenditures

The Group's aggregate capital expenditures amounted to EUR 1.1 million (21.3 million) or 1.6% of net turnover (21%). Major capital expenditures were not made during the year because manufacturing capacity was underused and the stock of equipment had been modernised in the previous year. The bulk of the capital expenditures in the comparison year went for rebuilding the furniture sector's factory that was destroyed in a fire.

Research and development

EUR 2.1 million was spent on research and development, or 3% of net turnover (3.0 million in 2001, 3% of net turnover). Research and development expenditure has been booked to expenses for the financial year.

Financing

The Group's liquidity remained satisfactory: the quick ratio was 0.6 (0.7) and the current ratio 1.6 (1.5). Cash flow from operations was EUR 1.9 million negative (6.6 million negative), cash flow after investments was EUR 3.9 million negative (2.3 million negative) and cash flow after financial income and expenses was EUR 5.2 million (6.7 million). The change in cash flows was a decrease of EUR 0.6 million (decrease of 2.2 million). Net financial expenses came to EUR 1.0 million (0.8 million). Net debt totalled EUR 16.3 million (EUR 16.7 million) and the net gearing was 88.1% (61.4%). The equity ratio was 40.8% (39.2%).

Administration of Group companies

On 21 March 2002 the Annual General Meeting elected Seppo Arponen, Kalevi Laurila, Markku Puskala, Jorma Terentjeff and Juhani Vesterinen to seats on Incap Corporation's Board of Directors. The Board of Directors elected Jorma Terentjeff chairman.

An extraordinary general meeting of the shareholders of JMC Tools Oy held on 3 May 2002 elected Seppo Ropponen, Seppo Airio, Jari Niskanen and Rauni Nokela to seats on JMC Tools Oy's Board of Directors. An extraordinary general meeting held on 5 November 2002 elected for JMC Tools Oy a new Board of Directors whose members were Jorma Terentjeff, Kalevi Laurila and Juhani Vesterinen.

President, management and personnel

Incap Corporation's president and CEO up to 21 March 2002 was Kari Saarinen, who was succeeded from 22 March to 1 April 2002 by Eija Jansson-Tervonen as acting president. The company's president since 2 April 2002 has been Seppo Ropponen.

The members of the company's Management Team were Seppo Ropponen, chairman, the other members being

Sakari Heikkinen, Eija Jansson-Tervonen, Jyrki Luojumäki, Jari Niskanen, Rauni Nokela, Hannele Pöllä, Petri Saari, Timo Sonninen and Martti Vaurio.

The Group had an average payroll during 2002 of 630 employees. At the end of the year the Group had 589 employees.

Auditors

The Annual General Meeting held on 21 March 2002 elected as the company's auditor the firm of independent public accountants Ernst & Young Oy, with Rauno Sipilä, Authorised Public Accountant, acting as chief auditor.

Changes in the Group structure

With the sale of the shares in Incap Furniture Oy on 1 March 2002, the group relationship between Incap Corporation and the Incap Furniture subgroup was dissolved. The termination of the group relationship on 28 February 2002 owing to the change in the group structure resulted in the booking of an EUR 6.3 million loss to extraordinary expenses in the consolidated profit and loss account.

The JMC Tools subgroup (JMC Tools Oy and Ultraprint Oy) has been included in the consolidated financial statements as from 1 May 2002.

On 3 May 2002 the Boards of Directors of Incap Corporation and JMC Tools Oy signed a merger plan on merging the subsidiary into the parent company on or about 31 December 2002. The formal merger of the subsidiary was deferred to 2003 because the company wanted to ascertain the tax effects of the changes in the Group structure.

Shares and trading information

Incap Corporation had 3,510,110 shares at the start of the year. On 21 March 2002 the Annual General Meeting directed at the shareholders of JMC Tools Oy a rights issue of 8,670,770 shares, which was subscribed for in its entirety on 19 April 2002. Thereafter there are a total of 12,180,880 shares.

The share price varied in the range from EUR 5.63 to EUR 1.63 and the last trading price of the year was EUR 1.63. Incap has 12,180,880 shares in total, with the total share turnover being 9% in 2002. At the close of the financial year the company had 551 shareholders. Incap Corporation had a market capitalisation on 30 December 2002 of EUR 19.9 million.

Events in connection with shares and shareholders

The merger of Incap and JMC Tools took place through an exchange of shares. The Annual General Meeting floated an issue of shares directed at the shareholders of JMC Tools Oy. Payment for the offer shares was made with JMC Tools Oy shares such that one JMC Tools Oy Series A or B share entitled its holder to subscribe for 7.856 new Incap Corporation shares. The rights issue was entered in the Trade Register on 24 April 2002. Incap Corporation's share capital rose by EUR 14,583,188.27 and the number of shares increased by 8,670,770 shares to a total of 12,180,880 shares.

The share transfer restriction which was binding upon subscribers to the directed share issue and was written into the Merger Agreement between Incap Corporation and JMC Tools Oy lapsed upon publication of the Interim Report for January-September 2002. The restriction covered 70% of the shares subscribed for in the directed share issue.

The Annual General Meeting held on 21 March authorised the Board of Directors to increase the share capital by a maximum of EUR 1,180,679.24. The authorisation was exercised on 21 January 2003, after the close of the financial year, when an issue of a total of 702,000 warrants was directed at Varma-Sampo Mutual Pension Insurance Company, said warrants giving the right to subscribe for an equal number of shares. The subscription price of the shares is determined according to the mathematical average of the closing prices of Incap's share during the period from 3 February to 30 May 2003. The subscription price must nevertheless be at least 2.50 euros per share. The subscription period for the shares commences on 1 June 2003 and ends on 31 December 2005.

Dividend

Incap's long-term target is to distribute annually as dividends at least 30 per cent of its profits before extraordinary items and after taxation. The Board of Directors is proposing to the Annual General Meeting that no dividend for 2002 be distributed.

Events after the close of the financial year

On the basis of an authorisation granted by a general meeting of the shareholders on 21 January 2003, the Board of Directors issued 702,000 warrants directed at Varma-Sampo Mutual Pension Insurance Company. Granting of the warrants was part of a two million euro financing arrangement that is intended to strengthen the Group's financial structure.

In accordance with the new operational concept that was formulated when Incap and JMC Tools merged, Incap offers its customers integrated deliveries that make optimal use of all the company's areas of expertise. The negotiations that were started in 2002 on expanding the scope of deliveries from components to total packages, assembly, tuning and testing led to the first orders at the beginning of 2003.

Outlook for 2003

Demand in most of Incap's customer industries is estimated to remain stable or to grow compared with last year. These industries account for more than half of Incap's net turnover. The company's position as a supplier to the telecommunications sector will strengthen thanks to Incap's integrated delivery capability and its special expertise within high-frequency technology.

On the basis of the potential offered by its comprehensive range of services and the new delivery agreements made in the latter part of 2002, Incap believes that its net turnover in 2003 will grow from the previous year's level. The company has stepped up its operational efficiency significantly, and profitability in 2003 is expected to be markedly better than it was in 2002 pro forma.

Consolidated Profit and Loss Account

EUR 1,000	Note	2002	2001
Net turnover	1	**68,991**	**99,692**
Variation in stocks of finished goods and in work in progress		–1,877	2,153
Work performed for own purpose and capitalised		0	2
Other operating income	2	169	10,237
Raw materials and services	3	43,204	61,306
Personnel expenses	4	15,231	22,472
Depreciaton and reduction in value	5	3,221	2,726
Other operating charges		9,384	13,371
Operating profit/loss		**–3,757**	**12,209**
Financial income and expenses	6	–980	–795
Profit/loss before extraordinary items		**–4,737**	**11,414**
Extraordinary items	7	–6,081	–3
Profit/loss before taxes		**–10,818**	**11,411**
Income taxes	8	11	–3,533
Profit/loss for the financial year		**–10,807**	**7,877**

Consolidated Balance Sheet

EUR 1,000	Note	2002	2001
ASSETS			
Non-current assets			
Intangible assets	9	1,609	2,175
Tangible assets	9	17,670	24,737
Investments	10		
Holdings in other shares		11	9
Other receivables		0	1
Non-current assets, total		**19,290**	**26,922**
Current assets			
Stocks	11	15,604	22,335
Short-term debtors	12	9,973	18,362
Short-term investments	13		
Other short-term investments		2	2
Cash in hand and at banks		686	1,322
Current assets, total		**26,265**	**42,021**
Assets, total		**45,555**	**68,943**
LIABILITIES			
Capital and reserves	14		
Subscribed capital		20,487	5,904
Share premium account		4,224	4,224
Retained earnings		4,671	9,027
Profit for the financial year		–10,807	7,877
Capital loans	15	82	0
Capital and reserves, total		**18,657**	**27,032**
Obligatory reserves	17	**0**	**800**
Creditors			
Deferred tax liabilities		507	3,557
Long-term creditors	18	9,455	10,281
Short-term creditors	19	16,936	27,273
Creditors, total		**26,898**	**41,111**
Liabilities, total		**45,555**	**68,943**

Consolidated Sources of Funds

EUR 1,000	2002	2001
Cash flow from operations		
Operating profit	–3,757	12,209
Adjustments for operating profit	2,376	–7,459
Change in working capital	480	–7,009
Interests and other financial expenses	–1,017	–1,068
Interest income from operations	24	274
Taxes	–22	–3,533
Cash flow from operations	**–1,916**	**–6,586**
Cash flow from investments		
Investments in tangible and intangible assets	–4,974	–16,913
Income from sales of tangible and intangible assets	717	14,600
Sold subsidiaries	815	0
Aquired subsidiaries	–494	0
Investments in holdings in other shares	–1	0
Cash flow from investments	**–3,937**	**–2,313**
Cash flow from financial items		
Creditors after change in group structure	6,257	0
Increase in creditors	673	7,040
Decrease in creditors	–1,607	0
Dividends paid	–105	–351
Cash flow from financial items	**5,218**	**6,689**
Change in funds, increase (+), decrease (–)	**–635**	**–2,210**
Funds at the beginning of the financial year	**1,323**	**3,533**
Funds at the end of the financial year	**688**	**1,323**

Parent Company's Profit and Loss Account

EUR 1,000	Note	2002	2001
Net turnover	1	**58,885**	**1,034**
Variation in stocks of finished goods and in work in progress		–1,658	0
Other operating income	2	162	20
Raw materials and services	3	38,255	0
Personnel expenses	4	12,369	610
Depreciation and reduction in value	5	1,691	112
Other operating charges		6,605	1,513
Operating profit/loss		**–1,531**	**–1,181**
Financial income and expenses	6	–415	540
Profit/loss before extraordinary items		**–1,946**	**–641**
Extraordinary items	7	686	2,838
Profit/loss before taxes		**–1,260**	**2,197**
Appropriations		114	0
Income taxes	8	1	–885
Profit/loss for the financial year		**–1,145**	**1,312**

Parent Company's Balance Sheet

EUR 1,000	Note	2002	2001
ASSETS			
Non-current assets			
Intangible assets	9	1,146	1,530
Tangible assets	9	7,831	9,108
Investments	10		
Holdings in the group companies		15,082	1,267
Other investments		8	8
Non-current assets, total		**24,067**	**11,913**
Current assets			
Stocks	11	12,989	18,694
Long-term debtors	12	2,982	0
Short-term debtors	12	12,105	14,734
Investments	13		
Other short-term investments		2	2
Cash in hand and at banks		185	403
Current assets, total		**28,263**	**33,833**
Assets, total		**52,330**	**45,746**
LIABILITIES			
Capital and reserves	14		
Subscribed capital		20,487	5,904
Share premium account		4,224	4,224
Retained earnings		7,928	6,721
Profit for the financial year		–1,145	1,312
Capital and reserves, total		**31,494**	**18,161**
Appropriations	16	**1,747**	**1,860**
Obligatory reserves	17	**0**	**800**
Creditors			
Long-term creditors	18	6,043	6,265
Short-term creditors	19	13,046	18,660
Creditors, total		**20,836**	**27,585**
Liabilities, total		**52,330**	**45,746**

Parent Company's Sources of Funds

EUR 1,000	2002	2001
Cash flow from operations		
Operating profit	–1,531	–1,181
Adjustments for operating profit	576	–688
Change in working capital	2,214	320
Interests and other financial expenses	–568	–14
Interest income from operations	53	553
Taxes	–850	–885
Cash flow from operations	**–106**	**–1,895**
Cash flow from investments		
Investments in subsidiaries	–496	0
Investments in tangible and intangible assets	–442	0
Income from sales of tangible and intangible assets	648	548
Income from sales of subsidiaries	1,950	0
Cash from merged subsidiaries	0	403
Cash flow from investments	**1,660**	**951**
Cash flow from financial items		
Long-term loan receivables, increase (–), decrease (+)	896	–8,345
Decrease in short-term creditors	–1,660	0
Increase in long-term creditors	0	3,540
Decrease in long-term creditors	–907	0
Dividends paid	–105	–351
Group contribution received	0	3,600
Cash flow from financial items	**–1,776**	**–1,556**
Change in funds, increase (+), decrease (–)	**–222**	**–2,500**
Funds at the beginning of the financial year	**409**	**2,909**
Funds at the end of the financial year	**187**	**409**

Accounting Policy Applied in the Consolidated Annual Accounts for 2002

Extent of the consolidated annual accounts

The consolidated annual accounts include the parent company Incap Corporation, which is domiciled in Helsinki, and the company's wholly-owned subsidiaries Incap Electronics Estonia Oü, Kuressaare, Estonia, the subgroup information for the period 1 January - 28 February 2002 for the Incap Furniture subgroup and the Group information as from 1 May 2002 for JMC Tools Oy, Oulunsalo, and its subsidiary Ultraprint Oy, Kempele. The subsidiary Euro-Ketju Oy is a dormant company and as such has not been included in the consolidation.

A copy of the consolidated annual accounts can be obtained from the parent company's head office at the address Kempeleentie 46, 90440 Kempele.

Principles of consolidation

The consolidated annual accounts have been prepared according to the acquisition cost method. The difference in the purchase price and shareholders' equity of previously made acquisitions of shares in subsidiaries has resulted in the formation of goodwill on consolidation. In connection with the merger of JMC Tools Oy, the compilation of the consolidated balance sheets has been carried out in compliance with Decision 1591/1999 of the Finnish Accounting Standards Board concerning the accounting treatment of exchanges of shares. In accordance with said decision, Group goodwill is not formed in an exchange of shares.

Intra-Group transactions and margins

Intra-Group transactions, unrealised margins on internal deliveries and internal receivables and debts have been eliminated. There are no minority interests.

Principles of valuation and periodization

Valuation of non-current assets

Tangible assets included in non-current assets have been entered in the balance sheet at the direct acquisition cost less depreciation according to plan. Investment grants received have been booked by crediting the corresponding asset item. Depreciation according to plan has been calculated on the economic lifetime of the fixed asset items on a straight-line basis. The Group has observed depreciation periods which are uniform within each business sector.

Intangible assets	
goodwill	10 yrs.
goodwill on consolidation	5 yrs.
other intangible rights	1–10 yrs.

Tangible assets	
buildings and structures	20–24 yrs.
production machinery	4–20 yrs.
other machinery	4–15 yrs.
vehicles	3–5 yrs.
other equipment	3–15 yrs.

Valuation of stocks

The stocks of Incap Corporation and Incap Electronics Estonia Oü have been valued at their direct acquisition cost or the repurchase value or selling cost, whichever is lower, and costs are stated according to the FIFO principle. Costs for the JMC Tools Group have been determined according to the weighted average.

Financial assets and management of financial risks

Trade debtors and creditors do not involve major interest rate or foreign exchange risks.

Items denominated in foreign currency

Items denominated in foreign currency have been translated at the middle rate quoted by the European Central Bank on the balance sheet date. Foreign exchange differences on sales and purchase amounts have been credited or debited to the appropriate items. Mentionable translation differences have not arisen in consolidating the foreign subsidiary.

Leasing

Leasing payments for fixed assets acquired through financial lease contracts are included as rental expense in Other operating charges.

Research and development expenditure

In 2002 research and development expenditure has been treated as an annual expense within Other operating expenses. In previous years, research and development expenditure has been partially capitalized for the subsidiaries, the carrying amount being EUR 2,690.95.

Periodization of pension expenses

The pension security of employees, including supplementary benefits, has been insured with pension insurance companies. Pension expenses are calculated over time and entered in the profit and loss account.

Income taxes

All the Group companies in Finland have tax loss carryovers that have been approved in taxation and can be applied during the years 2003-2011. In accordance with the principle of financial prudence, these carryovers have not been entered as imputed tax assets in the annual accounts. The Group companies have deferred tax liabilities totalling EUR 506,539.66. ■

Notes

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
NOTES TO THE PROFIT AND LOSS ACCOUNT				
1. Net turnover				
Net turnover by business sectors				
Contract manufacturing of furniture	8,000	39,034	0	0
Contract manufacturing of electronics	60,991	60,658	58,885	0
Other	0	0	0	1,034
	68,991	**99,692**	**58,885**	**1,034**
Net turnover by market areas				
Finland	59,354	61,011	56,130	1,034
Europe	7,610	22,241	1,008	0
Other	2,027	16,440	1,747	0
	68,991	**99,692**	**58,885**	**1,034**
2. Other operating income				
Profit from the sale of fixed assets	106	10,217	55	1
Other income	63	20	107	19
	169	**10,237**	**162**	**20**
3. Raw materials and services				
Raw materials and consumables				
Purchases during the financial year	36,431	67,381	27,080	0
Variation in stocks	4,886	–9,183	4,047	0
	41,317	**58,198**	**31,127**	**0**
External services	1,887	3,108	7,128	0
	43,204	**61,306**	**38,255**	**0**
4. Personnel expenses and number of personnel				
4.1 Number of personnel				
The group and the parent company employed an average number of				
Employees	109	150	67	6
Workers	521	697	360	0
At the end of the financial year				
Employees	108	141	76	5
Workers	481	653	339	0
4.2 Personnel expenses				
Wages and salaries	11,926	17,777	9,639	447
Pension expenses	2,134	2,793	1,810	135
Other social security expenses	1,171	1,902	920	28
	15,231	**22,472**	**12,369**	**610**
4.3 Salaries and bonus of the management				
Presidents and the Board	446	290	425	190

Management pension rights

The president & CEO of Incap Corporation is entitled to retire at the age of 60 years.

No loans or guarantees have been issued to persons or organisations who are part of the inner circle.

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
5. Depreciation and reduction in value				
Depreciation according to plan from tangible and intangible assets	3,221	2,726	1,691	112
Depreciation of the balance sheet items is shown under fixed assets. The depreciation schedule is included in the accounting principles.	.			
6. Financial income and expenses				
Dividends				
From other companies	13	0	0	0
Other interest and financial income				
From the group	0	0	39	425
From other companies	24	274	13	129
	24	**274**	**52**	**554**
Interests paid and other financial expenses				
To other companies	–1,017	–1,069	–467	–14
Financial income and expenses, total	**–980**	**–795**	**–415**	**540**
7. Extraordinary items				
Loss from the sale of a subsidiary	–6,081	0	0	0
Profit from the sale of a subsidiary	0	0	686	0
Group contributions received	0	0	0	3,600
Merger loss	0	–3	0	–770
	–6,081	**–3**	**686**	**2,830**
8. Income taxes				
Income tax from extraordinary items	0	0	–199	1,044
Income tax from operations	22	961	198	–159
Change in deferred tax liabilities	–33	2,572	0	0
	–11	**3,533**	**–1**	**885**

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001

NOTES TO THE BALANCE SHEET

9. Fixed assets

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Formation expenses				
Acquisition cost 1 Jan	0	0	0	0
JMC Tools Oy	12	0	0	0
Decrease	0	0	0	0
Acquisition cost 31 Dec	**12**	**0**	**0**	**0**
Accumulated depreciation 1 Jan	–12	0	0	0
Depreciation in the year	0	0	0	0
Accumulated depreciation 31 Dec	**–12**	**0**	**0**	**0**
Book value 31 Dec	**0**	**0**		
Research expenses				
Acquisition cost 1 Jan	0	0	0	0
JMC Tools Oy	165	0	0	0
Decrease	0	0	0	0
Acquisition cost 31 Dec	**165**	**0**	**0**	**0**
Accumulated depreciation 1 Jan	0	0	0	0
JMC Tools Oy	–129	0	0	0
Depreciation in the year	–33	0	0	0
Accumulated depreciation 31 Dec	**–162**	**0**	**0**	**0**
Book value 31 Dec	**3**	**0**	**0**	**0**
Intangible rights				
Acquisition cost 1 Jan	1,482	1,150	886	178
Increase	176	332	1	708
Decrease	–606	0	–10	0
Acquisition cost 31 Dec	**–1,052**	**1,482**	**877**	**886**
Accumulated depreciation 1 Jan	–741	–558	–378	–34
JMC Tools Oy	–41	0	0	0
Incap Furniture Oy	363	0	0	0
Incap Talousohjaus Ltd	0	–1	0	–1
Merger of Incap Electronics Ltd	0	0	0	–313
Depreciation in the year	–129	–183	–96	–30
Accumulated depreciation 31 Dec	**–548**	**–742**	**–474**	**–378**
Book value 31 Dec	**504**	**740**	**403**	**508**
Goodwill				
Acquisition cost 1 Jan	997	997	997	0
Increase	868	0	0	997
Decrease	0	0	0	0
Acquisition cost 31 Dec	**1,865**	**997**	**997**	**997**

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Accumulated depreciation 1 Jan	–427	–232	–427	0
JMC Tools Oy	–427	0	0	0
Merger of Incap Electronics Ltd	0	0	0	–427
Depreciation in the year	–347	–195	–196	0
Accumulated depreciation 31 Dec	**–1,201**	**–427**	**–623**	**–427**
Book value 31 Dec	**664**	**570**	**374**	**570**
Other long-term expenditure				
Acquisition cost 1 Jan	2,119	1,857	1,368	12
Increase	233	262	32	1,356
Decrease	–754	0	–3	0
Acquisition cost 31 Dec	**1,598**	**2,119**	**1,397**	**1,368**
Accumulated depreciation 1 Jan	–1,254	–1,114	–915	–12
JMC Tools Oy	–111	0	0	0
Incap Furniture Ltd	339	0	0	0
Incap Talousohjaus Oy	0	–2	0	–2
Merger of Incap Electronics Ltd	0	0	0	–900
Depreciation in the year	–133	–137	–114	–1
Accumulated depreciation 31 Dec	**–1,159**	**–1,253**	**–1,029**	**–915**
Book value 31 Dec	**439**	**866**	**368**	**453**
Land				
Acquisition cost 1 Jan	176	176	60	0
Increase	0	0	0	60
Decrease	–42	0	0	0
Acquisition cost 31 Dec	**134**	**176**	**60**	**60**
Accumulated reduction 1 Jan	–74	–74	0	0
Reduction in the year	0	0	0	0
Accumulated reduction 31 Dec	**–74**	**–74**	**0**	**0**
Book value 31 Dec	**60**	**102**	**60**	**60**
Buildings				
Acquisition cost 1 Jan	7,134	6,305	5,462	653
Increase	326	2,784	9	4,809
Decrease	–2,457	–1,955	–786	0
Acquisition cost 31 Dec	**5,003**	**7,134**	**4,685**	**5,462**
Accumulated depreciation 1 Jan	1 872	–1,574	–764	–128
JMC Tools Oy	–52	0	0	0
Incap Furniture Ltd	1,108	0	0	0
Merger of Incap Electronics Ltd	0	0	0	–607
Depreciation in the year	–106	–298	–93	–29
Accumulated depreciation 31 Dec	**–922**	**–1,872**	**–857**	**–764**
Book value 31 Dec	**4,081**	**5,262**	**3,828**	**4,698**

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Machinery and equipment				
Acquisition cost 1 Jan	17,448	18,632	11,155	381
Increase	15,114	1,279	709	10,800
Decrease	–6,282	–2,463	–132	–26
Acquisition cost 31 Dec	**26,280**	**17,448**	**11,732**	**11,155**
Accumulated depreciation 1 Jan	–11,287	–9,414	–6,936	–228
JMC Tools Oy	–3,059	0	0	0
Incap Furniture Ltd	4,243	0	0	0
Merger of Incap Electronics Ltd	0	0	0	–6,645
Depreciation in the year	–2,744	–1,873	–949	–63
Acquisition cost 31 Dec	**–12,847**	**–11,287**	**–7,885**	**–6,936**
Book value 31 dec	**13,433**	**6,161**	**3,847**	**4,219**
Acquisition cost of the production machinery and equipment 31 Dec	12,710	5,071	3,394	3,517
Other tangible assets				
Acquisition cost 1 Jan	344	278	344	0
Increase	1	66	0	344
Decrease	0	0	0	0
Acquisition cost 31 Dec	**345**	**344**	**344**	**344**
Accumulated depreciation 1 Jan	–213	–173	–213	0
Merger of Incap Electronics Ltd	0	0	0	–213
Depreciation in the year	–35	–40	–35	0
Accumulated depreciation 31 Dec	**–248**	**–213**	**–248**	**–213**
Book value 31 dec	**97**	**131**	**96**	**131**
Fixed assets in progress				
Acquisition cost 1 Jan	13,081	89	0	0
Increase	0	13,035	0	0
Decrease	–13,081	–43	0	0
Book value 31 dec	**0**	**13,081**	**0**	**0**

10. Investments

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Investments in the group companies				
Book value 1 Jan	0	0	1,266	2,105
Increase	0	0	15,079	2
Decrease	0	0	–1,263	–841
Book value 31 Dec	**0**	**0**	**15,082**	**1,266**

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Other shares or similar rights of ownership				
Book value 1 Jan	9	9	8	5
Increase	3	0	0	3
Decrease	–1	0	0	0
Acquisition cost 31 Dec	**11**	**9**	**8**	**8**
Accumulated reduction 1 Jan	0	0	0	0
Reduction of the year	0	0	0	0
Accumulated reduction 31 Dec	**0**	**0**	**0**	**0**
Book value 31 Dec	**11**	**9**	**8**	**8**
Other debtors				
Book value 1 Jan	1	1	0	0
Increase	0	0	0	0
Decrease	–1	0	0	0
Book value 31 Dec	**0**	**1**	**0**	**0**

	Group company ownership share, %	Parent company ownership share, %	No. of shares	Book value EUR 1,000
Subsidiaries				
Incap Electronics Estonia Oü, Estonia	0	100	400	3
JMC Tools Oy, Oulunsalo	0	100	1,103,711	15,079
Ultraprint Oy, Kempele	100	0	2,398	854

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
11. Stocks				
Raw materials and consumables	11,991	16,524	9,598	13,644
Work in progress	995	1,681	893	1,236
Finished goods	2,617	4,129	2,499	3,814
Prepayment	1	1	0	0
	15,604	**22,335**	**12,990**	**18,694**

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
12. Debtors				
Long-term				
Amount owed by group companies				
Loan receivables	0	0	2,983	0
Short-term				
Trade debtors	8,337	11,942	7,040	7,939
Amounts owed by group companies				
Trade debtors	0	0	148	1,651
Interest receivables	0	0	17	51
Loan receivables	0	0	3,680	4,242
Accrued income	0	0	30	–2
Other receivables	3	1,028	0	0
Prepayments and accrued income	1 633	5,392	1,190	853
	9,973	**18,362**	**12,105**	**14,734**

Accrued income includes leasing rents paid by the parent company, amounting to EUR 463,924. It also includes advances from the tax receivables amounting to EUR 331,024.

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
13. Short-term investments				
Other short-term investments	2	2	2	2

Other short-term investments are shares in short-term interest funds.

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
14. Capital and reserves				
Subscribed capital 1 Jan	5,904	5,904	5,904	5,904
Increase	14,583	0	14,583	0
Decrease	0	0	0	0
Subscribed capital 31 Dec	**20,487**	**5,904**	**20,487**	**5,904**
Share premium account 1 Jan	4,224	4,224	4,224	4,224
Increase	0	0	0	0
Decrease	0	0	0	0
Share premium account 31 Dec	**4,224**	**4,224**	**4,224**	**4,224**
Retained earnings 1 Jan	16,904	9,378	8,033	7,073
Increase	0	0	0	0
Decrease				
Changes in group structure	–12,129	0	0	0
Dividends paid	–105	–351	–105	–351
Profit for the financial year	–10,806	7,877	–1,145	1,311
Total 31 Dec	**–6,136**	**16,904**	**6,783**	**8,033**
Capital loans	82	0	0	0
Capital and reserves 31 Dec	**18,657**	**27,032**	**31,494**	**18,161**

EUR 1,000	Group 2002	2001	Parent company 2002	2001
Nonrestricted capital				
Retained earnings	4,671	9,027	7,928	6,722
Profit for the financial year	–10,807	7,877	–1,145	1,311
Share of the accumulated appropriations written in the capital	–1,240	–8,707	0	0
Non-paid interests on capital loans	–42	0	0	0
Formation and research expenses	–3	0	0	0
Total 31 Dec	**–7,421**	**8,197**	**6,783**	**8,033**

15. Subordinated loan

A subsidiary has a capital loan of 82,412.08 euros.

Provisions:

The capital, interest and other remuneration may, upon the dissolution of the company or in the bankruptcy of the company, be paid subordinated to all the other debts. The capital may otherwise be refunded only if the restricted equity and other non-distributable items appearing in the balance sheet to be adopted for the group for the financial period last ended are fully covered thereafter.

Interest may be paid only if the amount payable may be used for the distribution of profit in accordance with the balance sheet to be adopted for the Group. Interest is 3.0 per cent above market interest and it will accrue annually. Accrued interest totalling EUR 42,046.73 has not been included in the financial expenses of the profit and loss account.

16. Depreciation reserve

	Group 2002	2001	Parent company 2002	2001
Accumulated depreciation difference 1 Jan	0	0	1,860	1,868
Changes in the Parent Company´s Profit and Loss Account	0	0	–113	–8
Accumulated depreciation difference 31 Dec	**0**	**0**	**1,747**	**1,860**

17. Obligatory reserves

	Group 2002	2001	Parent company 2002	2001
Reserve for the expenditures caused by the company arrangements	0	800	0	800

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
18. Non-current creditors				
Convertible bonds	0	336	0	0
Loans from credit institutions	5,925	5,971	2,617	2,465
Pension loans	331	471	331	365
Other creditors	3,199	3,503	3,095	3,434
	9 455	**10 281**	**6 043**	**6 264**
All non-current creditors are interest-bearing.				
Creditors maturing after five years				
Loans from credit institutions	601	2,713	526	867
Pension loans	237	313	237	255
Other non-current creditors	1,266	1,705	1,265	1,705
	2,104	**4,731**	**2,028**	**2,827**
19. Current creditors				
Loans from credit institutions	6,914	7,211	4,011	4,306
Pension loans	34	65	34	35
Advances received	7	59	0	52
Trade creditors	5,084	13,885	4,166	8,525
Amounts owed to group companies				
Trade creditors	0	0	633	515
Accruals and deferred income	0	0	0	606
Other creditors	1,733	821	1,507	799
Accruals and deferred income	3,164	5,232	2,696	3,822
	16,936	**27,273**	**13,047**	**18,660**
Total of interest-bearing creditors	7,519	7,627	4,694	4,511

OTHER NOTES TO THE ACCOUNTS

Guarantees and contingent liabilities

	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Debts for which mortgages have been given				
Loans from credit institutions	5,307	11,811	3,708	5,283
Corresponding mortgages	336	6,756	336	609
Corresponding mortgages secured by stocks and machinery	9,979	11,935	6,960	4,221
Trade debtors, pledged	0	1,681	0	0
Pension loans	24	34	24	34
Corresponding mortgages	168	168	168	168

EUR 1,000	Group 2002	Group 2001	Parent company 2002	Parent company 2001
Contingent liabilities for the group companies				
Guarantees	0	0	0	466
Sale and leaseback agreement not included in the balance sheet	3,364	3,364	3,364	3,364
As the leaseholder, Incap Corporation has an obligation to subscribe for the shares of Valuraudankuja 7 Oy from Varma-Sampo. The obligation must be exercised by the end of the term of lease on 31 Dec. 2011. The repurchasing price shall be the current market value.				
Invoices sold to financing institution with liability to buy back, total	2,679	2,849	1,966	2 849
Leasing and instalment liabilities not included in the balance sheet				
Liabilities maturing next year	2,133	2,753	1,954	2,254
Liabilities maturing later	3,723	7,317	3,468	3,931
Finance lease contracts include the option to buy the acquired fixed assets at the current market price at the end of the term of lease.				
Lease liabilities for the group premises	2,499	3,760	816	1,295
Leasing and instalment liabilities included in the balance sheets				
Incap Corporation, premises				
balance sheet value of fixed assets	3,828	3,709	3,828	3,709
corresponding liabilities	3,435	3,604	3,435	3,604
Incap Furniture Ltd, premises				
balance sheet value of fixed assets	0	155	0	0
corresponding liabilities	0	121	0	0
Ultraprint Oy, premises				
balance sheet value of fixed assets	252	0	0	0
corresponding liabilities	132	0	0	0

VAT to be paid back under provisions of 33 §

Concerning investments in buildings and rebuilding in 1998–2002.	809	990	809	809

Consolidated Financial Information

			2002	2001	2000	1999	1998
Net turnover	MEUR		69.0	99.7	86.8	70.8	67.0
Growth	%		–31	15	23	6	27
Export	MEUR		9.6	38.7	36.3	34.1	32.6
Share of net turnover	%		14	39	42	48	49
Operating profit	MEUR		–3.8	12.2	1.8	1.8	3.3
Share of net turnover	%		–5	12	2	3	5
Profit before extraordinary items	MEUR		–4.7	11.4	1.3	1.4	2.9
Share of net turnover	%		–7	11	1	2	4
Profit before taxes	MEUR		–10.8	11.4	1.3	1.4	2.9
Share of net turnover	%		–16	11	1	2	4
Return on equity (ROE)	%		–20.7	33.9	4.0	5.0	11.2
Return on investment (ROI)	%		–9.1	32.1	6.3	6.2	11.4
Balance sheet total	MEUR		45.6	68.9	42.4	42.1	39.7
Equity ratio	%		40.8	39.2	46.0	46.0	48.5
Gearing	%		88.1	61.4	37.6	26.8	33.6
Net debt	MEUR		16.3	16.7	7.9	5.9	6.2
Liability payback period	years		–2	1	3	4	3
Quick ratio			0.6	0.7	1.0	1.2	1.3
Current ratio			1.6	1.5	1.7	1.9	2.1
Investments	MEUR		1.1	21.3	10.2	7.1	5.7
Share of net turnover	%		2	21	12	10	9
Investment in R&D	MEUR		2.1	3.0	2.6	2.1	2.0
Share of net turnover	%		3	3	3	3	3
Average number of employees			630	847	855	683	621
Dividends	MEUR	[1)]	0.0	0.1	0.4	0.6	0.9
Per share data							
Earning per share	EUR		–0.49	2.24	0.22	0.27	0.59
Equity per share	EUR		1.52	7.70	5.56	5.51	5.48
Dividend per share	EUR	[1)]	0.0	0.03	0.10	0.17	0.25
Dividend out of profit	%	[1)]	0.0	1.3	45.3	63.0	42.5
Cash flow per share	EUR		–0.62	3.75	0.98	0.91	1.25
Effective dividend yield	%	[1)]	0.0	0.6	2.2	1.7	2.5
P/E ratio			–3.3	2.2	20.5	36.5	17.0
Trend in share price							
Minimum price during year	EUR		1.63	3.70	4.50	5.50	7.90
Maximum price during year	EUR		5.63	6.00	17.00	12.40	15.81
Mean price during year	EUR		3.37	4.97	9.75	8.00	12.47
Closing price at end of year	EUR		1.63	4.99	4.50	10.00	10.24
Total market value of shares on 31Dec	MEUR		19.9	17.5	15.8	35.1	35.5
Turnover in shares	no.		867,553	186,036	314,162	1,261,104	2,459,915
Turnover in shares	%		9.0	5.3	9.0	35.9	70.2
Number of shares, adjusted for new issue							
Mean number during year			9,615,282	3,510,110	3,510,110	3,510,110	3,502,171
Number at end of year			12,180,880	3,510,110	3,510,110	3,510,110	3,510,110

[1)] According to the proposal of the Board dividend should not be paid

Rules for Calculating Financial Information

Return on equity, %	$\dfrac{100 \times (\text{profit before extraordinary items} - \text{tax})}{\text{equity (mean for financial year)} + \text{minority holding}}$
Return on investment, %	$\dfrac{100 \times (\text{profit before extraordinary items} + \text{interest and other financial expenses})}{\text{balance sheet total} - \text{non-interest loans (mean for financial year)}}$
Equity ratio, %	$\dfrac{100 \times (\text{equity} + \text{minority holding})}{\text{balance sheet total} - \text{advance payments received}}$
Gearing, %	$\dfrac{100 \times (\text{interest bearing liabilities} - \text{short term investments and cash in hand and at banks})}{\text{equity} + \text{minority holdings}}$
Net debt	liabilities – financial assets
Liability payback period, years	$\dfrac{\text{liabilities with interest}}{\text{calculated cash flow}^{1)}}$
Quick ratio	$\dfrac{\text{financial assets}}{\text{short-term liabilities}}$
Current ratio	$\dfrac{\text{financial assets} + \text{stocks}}{\text{short-term liabilities}}$
Investments	fixed asset acquisitions without VAT and without investment subsidies subtracted and with purchases by finance lease contracts
Average personnel	average end-of-month number of employees

Per share data

Earnings per share	$\dfrac{\text{profit before extraordinary items} +/- \text{minority holdings} - \text{tax (income tax} + \text{change in deferred tax liability)}}{\text{mean number of shares during financial year adjusted for new issue}}$
Equity per share	$\dfrac{\text{equity}}{\text{mean number of shares adjusted for new issue at the end of financial year}}$
Dividend per share	$\dfrac{\text{dividend during financial year}}{\text{number of dividend-earning shares adjusted for new issue at the end of financial year}}$
Dividend out of profit, %	$\dfrac{100 \times \text{dividend per share}}{\text{earnings per share}}$
Cash flow per share	$\dfrac{\text{calculated cash flow}^{1)}}{\text{number of shares adjusted for new issue at the end of financial year}}$
Effective dividend yield, %	$\dfrac{100 \times \text{dividend per share}}{\text{last price on the day of closing the accounts}}$
Price per earnings ratio	$\dfrac{\text{last price on the day of closing the accounts}}{\text{earnings per share}}$
Total market value of shares	last price on the day of closing the accounts x number of shares in circulation

[1)] Calculated cash flow is profit after extraordinary items – taxes in profit and loss account + depreciation.

Proposal by the Board of Directors

Board of Directors' proposal to the Annual General Meeting

The Board of Directors is proposing to the Annual General Meeting to be held on 25 April 2003 that the net loss for the financial year, EUR 1,145,292.79, be transferred to retained earnings and that no dividend be distributed. The Board proposes that the loss be covered from retained earnings.

Helsinki, 25 February 2003

Jorma Terentjeff	Seppo Arponen	Kalevi Laurila
Markku Puskala	Juhani Vesterinen	Seppo Ropponen *President and CEO*

Auditors' Report

To the shareholders of Incap Oyj

We have audited the accounting, the annual accounts and the corporate governance of Incap Corporation for the financial year 1 January 2002 - 31 December 2002. The annual accounts, which include the report of the Board of Directors, the consolidated and parent company profit and loss accounts, balance sheets and notes to the annual accounts, have been prepared by the Board of Directors and the President and CEO. Based on our audit we express an opinion on these annual accounts 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 annual accounts are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the annual accounts, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall presentation of the annual accounts. The purpose of our audit of corporate governance is to examine the legal compliance of the members of the Board of Directors and the President and CEO with the rules of the Companies Act.

In our opinion the annual accounts have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of annual accounts. The annual accounts 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 annual accounts together with the consolidated annual accounts can be adopted and the members of the Board of Directors and the President and CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of retained earnings is in compliance with the Companies Act.

Oulu, 28 February 2003

ERNST & YOUNG OY
Authorised Public Accountants

Rauno Sipilä
Authorised Public Accountant

Shares and Shareholders

Incap Corporation's shares are listed on the I List of Helsinki Exchanges. The company code is INC, the round lot is 100 shares and the book-entry type code is INC1V. The shares, which number 12,180,880, have no par value. The accounting countervalue of the share is EUR 1.68, rounded off to two decimals. According to the company's Articles of Association, the company shall have a minimum of 10,000,000 and a maximum of 40,000,000 shares; the company's minimum share capital is 16,800,000 euros and the maximum share capital 67,200,000.

The number of shares at the beginning of 2002 was 3,510,110. On 21 March 2002 the Annual General Meeting issued shares in an offering directed at the shareholders of JMC Tools Oy. Payment of the shares issued was made with JMC Tools Oy shares such that one JMC Tools Oy Series A or B share entitled its holder to subscribe for 7.856 new Incap Corporation shares. The rights issue was entered in the Trade Register on 24 April 2002. At the same time, Incap Corporation's share capital was increased by EUR 14,583,188.27 and the number of shares increased by 8,670,770 shares to a total of 12,180,880 shares.

The price of Incap Corporation's share varied in the range of EUR 5.63 to EUR 1.63 during the financial year. The last quotation in trading at the end of the year was EUR 1.63. At the close of the financial year the company had 551 shareholders, with 0.16 per cent of the shares being nominee-registered. The total share turnover calculated according to the average number of shares, 9,615,282, was 9% during the financial year. The company's market capitalisation at 30 December 2002 was EUR 19,854,834.

Authorisations of the Board of Directors

On 21 March 2002 the Annual General Meeting authorised the Board of Directors to increase the share capital, in the manner set out in Chapter 4, Section 1, of the Companies Act, through one or more rights issues, by granting stock options and/or issuing convertible bonds. The authorisation is valid for one year and includes the right to disapply shareholders' pre-emptive right to subscribe for new shares. The authorisation that was granted by the previous Annual General Meeting in 2001 and was valid up to 18 April 2002 was cancelled. The authorisation granted by the Annual General Meeting was entered in the Trade Register on 24 April 2002. On the basis of the authorisation the share capital can be increased by a maximum of EUR 1,180,679.24.

The Board of Directors exercised its authorisation on 21 January 2003 after the close of the financial year by offering for subscription by Varma-Sampo Mutual Pension Insurance Company 702,000 warrants that entitle their holders to subscribe for the same number of Incap Corporation shares at a subscription price of at least EUR 2.50.

Stock option scheme

In April 1998 the Incap Group carried out, for the purpose of offering incentives to its personnel and building their commitment, a share issue targeted at permanent employees, which also included the possibility of subscribing for warrants enabling their holders, during 2000-2004, to subscribe for Incap Corporation shares at the price set out in the terms and conditions of the warrants. The share subscriptions covered the subscription of a total of 280,400 warrants. The Board of Directors approved the subscriptions for warrants on 31 March 2000. There are a total of 51,200 valid 1998 warrants, the subscription period for which began on 1 July 2000 and will end on 30 November 2004. As a consequence of the subscriptions, the share capital can rise by a maximum of EUR 86,000 (not an exact figure).

On 11 April 2000 the Annual General Meeting issued new stock options to the Group's key employees, to the members of the Board of Directors of Incap Corporation and the Group companies as well as to Incap Corporation's wholly-owned subsidiary. The 1998 stock option scheme could furthermore be exchanged for year 2000 warrants in a conversion ratio determined by the Board of Directors. The total number of stock options is a total of 542,000 warrants which can be exercised to subscribe for a maximum total of 542,000 Incap Corporation shares. The year 2000 stock options are divided into A, B, C and D warrants, numbering 122,700 of each. The subscription period with the A warrants began on 1 December 2000, with the B warrants on 1 December 2001 and with the C warrants on 1 December 2002. The subscription period for the D warrants will commence on 1 December 2003. The subscription right for all the warrants will end on 31 December 2005.

On 18 April 2001 the Annual General Meeting lowered the share subscription prices under the year 2000 stock option scheme such that the subscription price of shares to be subscribed for with the A warrants is 8 euros and the price for subscriptions with the B warrants is 10 euros. The price of subscribing for shares with the C and D warrants is 12 euros. The subscription price for the share will be lowered, on the record date for each dividend payout, by the amount of the per-share cash dividends to be distributed after 11 April 2000 and prior to the share subscription. As a consequence of the subscriptions, Incap Corporation's share capital can rise by a maximum of EUR 925,000 (not an exact figure).

On 21 January 2003, after the close of the financial year, the Board of Directors offered for subscription by Varma-Sampo Mutual Pension Insurance Company 702,000 warrants. Each warrant entitles its holder to subscribe for one Incap Corporation share from 1 June 2003 to 31 December 2005. The price of the shares to be subscribed for with the warrants is the mathematical average of the closing prices of the Incap Corporation share during the period from 3 February 2003 to 30 May 2003, but nevertheless always a minimum of EUR 2.50. Varma-Sampo subscribed for all the warrants on 21 January 2003.

Shareholdings of the Board of Directors and the president

The members of the company's Board of Directors and the president as well as the companies under their control, in accordance with chapter 1, paragraph 5 of the Securities Market Act, owned a total of 4,124,532 shares. Under the terms of year 2000 stock option scheme, the president and the members of the Board of Directors have a total of 47,500 warrants, entitling them to subscribe for an equal number of shares in the manner set out in the terms and conditions of the warrants. If all the warrants are converted into shares, the president and the Board of Directors as well as the companies under their control will hold 33% of the total shares outstanding. ■

Shares and Shareholders

Development of share capital 1991–2002

Date		Change, 1,000 euros	Registered on	Share capital, 1,000 euros
31 Jan. 1991	Merger	5,760	26 Feb. 1992	7,862
28 Apr. 1992	Increase	424	25 Nov. 1992	8,286
30 Sep. 1992	Decrease	4,972	02 Dec. 1992	3,314
15 Jan. 1993	Increase	32	11 Aug. 1993	3,347
16 Mar. 1994	Increase	563	21 Dec. 1994	3,910
10 Mar. 1997	Increase	978	21 Mar. 1997	4,889
05 May 1997	Increase	975	05 May 1997	5,864
04 May 1998	Increase	40	04 May 1998	5,904
21 Mar. 2002	Increase	14,583	24 Apr. 2002	20,487

Breakdown of shareholdings by sector at 30 December 2002

	Owners, no	%	Shares and votes, no	%
Private enterprises	82	14.9	5,723,349	47.0
Financial institutions and insurance companies *)	17	2.4	3,439,135	28.2
Public sector entities	3	0.6	467,272	3.8
Non-profit organisations	13	2.4	70,600	0.6
Households	436	79.7	2,480,524	20.4
Foreigners	–	–	–	–
Total	551	100.0	12,180,880	100.0

*) includes nominee-registered shares

Shares in the nominee-registers (4)	19,000	0.16

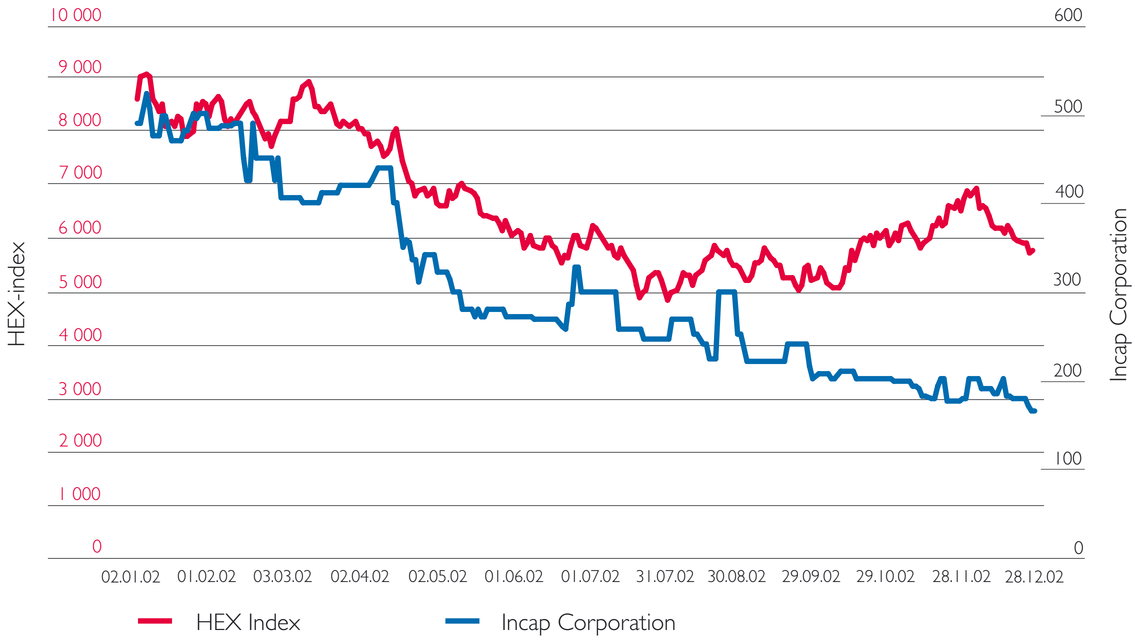
Breakdown of shareholdings by number of shares at 30 December 2002

Shares, no	Shareholders, no	%	Shares and votes, no.	%
1 – 100	92	16.7	6,636	0.1
101 – 1 000	297	53.9	142,431	1.1
1 001 – 10 000	111	20.2	352,056	2.9
10 001 – 100 000	33	6.0	1,433,465	11.8
100 001 – 1 000 000	15	2.7	5,154,292	42.3
1 000 001 –	3	0.5	5,092,000	41.8
Total	551	100.0	12,180,880	100.0

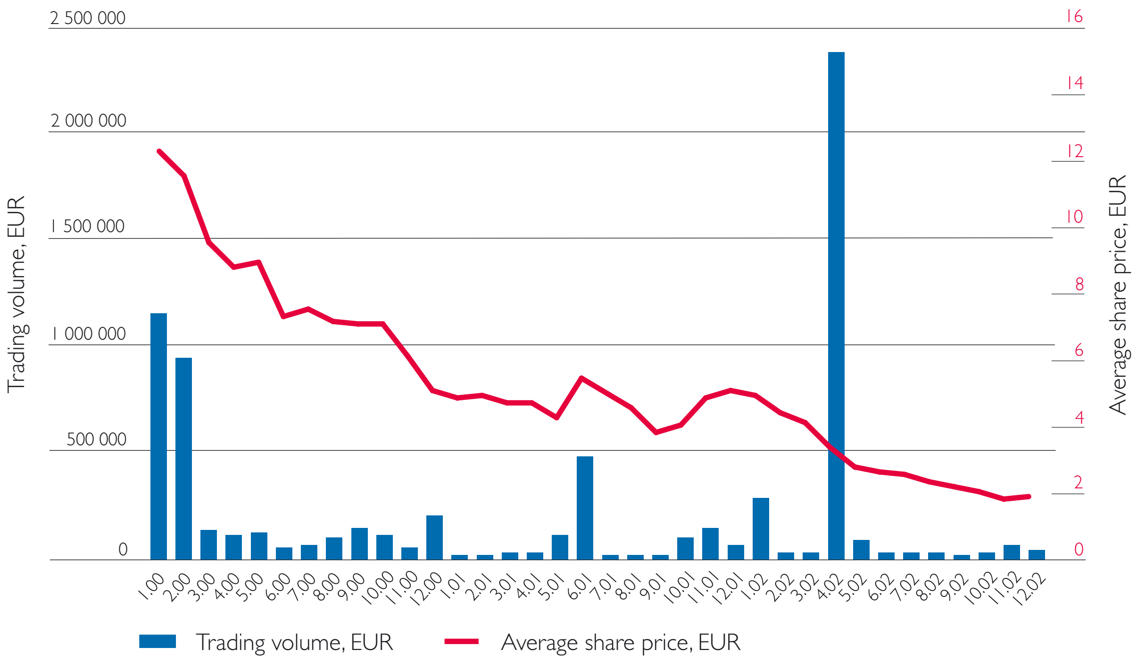
Ten largest shareholders at 30 December 2002

	Shares, no	Percentage of total shares and votes, %
JMC Finance Oy	1,893,296	15.5
Finnvera plc	1,732,500	14.2
Terentjeff Jorma	1,466,204	12.0
Teknoventure Oy	883,485	7.3
Pohjola Group plc	658,100	5.4
Jorkale Oy	604,912	4.9
Eqvitec Technology Fund II Ky	416,368	3.4
Aura Capital Fund V Ky	361,376	3.0
ABB Pension Fund	348,272	2.9
Fortel Invest Oy	315,239	2.6

Trend of share prices, 2 January 2002 – 30 December 2002



Trading volume and share price, 3 January 2000 – 31 December 2002



Corporate Governance

The Incap Group observes the guidelines issued by the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers concerning the administration of public companies in accordance with the recommendations made by Helsinki Exchanges.

General meeting of shareholders

Incap Corporation's highest decision-making body is the general meeting of shareholders, which convenes once a year in an Annual General Meeting. The tasks falling within the competence of the Annual General Meeting are defined in the Companies Act and the Articles of Association.

Board of Directors

The administration of Incap Corporation and the due arrangement of its operations are attended to by the Board of Directors, which according to the Articles of Association has from three to seven members. The Annual General Meeting decides on the number of members of the Board of Directors and elects the directors. The term of office of members of the Board of Directors commences from the date of the Annual General Meeting at which they were elected and ends at the close of the next Annual General Meeting. Directors can be re-elected.

The Annual General Meeting held on 21 March 2002 elected Seppo Arponen, Kalevi Laurila, Markku Puskala, Jorma Terentjeff and Juhani Vesterinen to seats on the Board of Directors. The Board of Directors elected Jorma Terentjeff chairman.

Incap Corporation's Board of Directors also approves the Group-wide objectives that are drawn from the strategy and annual plans of the operating Group companies and decides on strategic investments, purchases of business operations, acquisitions and divestments.

The Board of Directors meets as required, generally about 12-14 times a year. In 2002 the Board of Directors met 16 times.

Executive Committee of the Board of Directors

The Board of Directors has appointed from amongst its number an Executive Committee which prepares matters to be dealt with in meetings of the Board of Directors and oversees the implementation of development projects approved by the Board. The members of the Executive Committee are Jorma Terentjeff, chairman of the Board of Directors, as well as the Board members Juhani Vesterinen and Kalevi Laurila.

President and CEO

The company's line operations are managed by the president and CEO, who is elected by the Board of Directors and carries out his duties in accordance with the instructions and regulations issued by the Board. The Board of Directors decides on the president's salary and other compensation. The principal terms and conditions of the president's employment relationship are defined in a written employment contract.

The employment contract of Incap Corporation's president and CEO Kari Saarinen ended on 21 March 2002, after which Eija Jansson-Tervonen served as acting president. Seppo Ropponen took over as president and CEO on 2 April 2002, and on 10 April he was also appointed president of JMC Tools Oy.

Management Teams

Incap Corporation's president and CEO heads the Management Team, whose members are the company's divisional vice presidents as well as the managers in charge of individual functions. The Management Team meets once a month.

The members of the Management Team in 2002 were president and CEO Seppo Ropponen, its chairman, and Sakari Heikkinen, Eija Jansson-Tervonen, Jyrki Luojumäki, Jari Niskanen, Rauni Nokela, Hannele Pöllä, Petri Saari, Timo Sonninen and Martti Vaurio.

The salaries and other compensation of the Group's management and the Management Team are decided by the Board of Directors.

Insiders

The Incap Group's instructions to insiders are in accordance with Helsinki Exchanges' guidelines that entered into force on 1 March 2000. The instructions were revised on 26 June 2002, and the latest update was made on 21 January 2003. The company currently has 39 permanent insiders.

Persons belonging to the group of permanent insiders must not trade in the company's shares or securities comparable with shares during the 14 days prior to the publication of an interim report or financial statement bulletin. The appropriate time for such trading is in 28 days from publication of an interim report and financial statement bulletin, nevertheless with the proviso that a person who is a permanent insider does not have in his or her possession at that time any other insider information. The members of the Board of Directors and the Management Team as well as the secretary to the Board of Directors must always ascertain the appropriateness of their own trading by checking with the Chief Financial Officer prior to the making of buy or sell orders.

Persons who are temporary insiders must not engage in trading in the company's shares during the time when they are insiders participating in a given project.

The Group's permanent insiders are recorded in a register kept by Finnish Central Securities Depository Limited, which is overseen by the Financial Supervision Authority. A register of project-specific insiders is kept by Corporate Administration.

Board of Directors

From left to right: Markku Puskala, Kalevi Laurila, Seppo Arponen, Jorma Terentjeff, Juhani Vesterinen

Chairman
Jorma Terentjeff
Industrial Counsellor, M.Sc. (Eng.), born 1949

Jorma Terentjeff has been a member of the Board of Directors of Incap Corporation since 2001. He is CEO of Avanti Group Oy and previously served as CEO of JOT Automation Ltd. from 1995 to 2001. Prior to these posts he was CEO of TeknoVenture Management Oy, Aspocomp Group Oyj and Oy Edacom Ab and has served in a number of positions with Hansacom Oy, Salcomp Oy and Salora Oy. He is also a member of several other corporate boards. He is one of the ten largest shareholders in Incap.

Seppo Arponen
M.Sc. (Econ.), born 1943

Seppo Arponen was appointed to the Board of Directors of Incap in 2002. He has served as COO of Finnvera plc since 1999. He previously held a number of positions in Finnvera's predecessor organisations Kehitysaluerahasto Oy and Kera Oyj, beginning in 1976. He serves as Chairman of the Board of the Oulun Kärpät hockey team and President of the Council of Representatives of Jobs and Society ry.

Kalevi Laurila
B.Sc. (Eng.), Executive MBA, born 1947

Kalevi Laurila was named to the Board of Directors of Incap in 2002. He has been CEO of JMC Tools Oy until spring 2002. From 1987 to 1998 he was CEO of Turveruukki Oy and before that director in Rautaruukki Oyj. He is also a member of several other corporate boards and is one of the ten largest shareholders in Incap.

Markku Puskala
M.Sc. (Eng.), M.Sc. (Econ.), born 1948

Markku Puskala has been a member of the Board of Directors of Incap since 2002. Since 1998 he has been a Senior Partner of Eqvitec Partners. He has previously worked for SFK-Finance Oy, Valmet Paper Machinery, Sensodec/Valmet Oyj, Sensodec Inc., Neles Ges. MbH and Finnatom Oy. He is a member of the Board of Directors of Eimo Corporation, Normet Corporation and Teletekno Corporation.

Juhani Vesterinen
M.Sc. (Econ.), M.Sc. (Nat.Sc.), born 1953

Juhani Vesterinen has been a member of the Board of Directors of Incap since 1998 and has served as chairman of the board from 1999 to 2002. During 1983-2001 he worked in several executive positions with the Sampo Group, most recently as CEO of Sampo Life Insurance Company Limited and as deputy CEO of Sampo Insurance Company Limited. Juhani Vesterinen is a member of several other boards of directors and is one of the ten largest shareholders in Incap.

Management Team
December 2002

Front row (from left to right): Hannele Pöllä, Eija Jansson-Tervonen, Rauni Nokela, Seppo Ropponen
Back row (from left to right): Petri Saari, Martti Vaurio, Sakari Heikkinen, Timo Sonninen, Jari Niskanen, Jyrki Luojumäki

Seppo Ropponen
President and CEO
Born 1949, M.Sc. (Eng.)
With Incap since 2002
Incap shares: 78,560
Stock options: 30,000

Sakari Heikkinen
Quality & Environment
Born 1950, M.Sc. (Eng.)
With Incap since 1989
Incap shares: 1,000
Stock options: 12,000

Eija Jansson-Tervonen
HR Development & Risk Management
Born 1958, M.Sc. (Soc. Sci.)
With Incap since 1995
Incap shares: 400
Stock options: 12,000

Jyrki Luojumäki
Materials Management & Logistics
Born 1957, B.Sc. (Eng.)
With Incap since 2000
Incap shares: –
Stock options: 12,000

Jari Niskanen
RF Operations
Born 1965, M.Sc. (Eng.)
With Incap since 2001
Incap shares: 52,992
Stock options: –

Rauni Nokela
Finance and Administration, IT
Born 1947, M.Sc. (Econ.)
With Incap since 1992
Incap shares: 1,200
Stock options: 20,000

Hannele Pöllä
Communications and Investor Relations
Born 1955, Translation diploma, commercial institute graduate
With Incap since 2000
Incap shares: –
Stock options: 12,000

Petri Saari
Sales and Marketing
Born 1969
B.Sc. (Eng.)
With Incap since 2002
Incap shares: –
Stock options: –

Timo Sonninen
Electronics and Mechanical Operations
Born 1966, B.Sc. (Eng.)
With Incap since 1992
Incap shares: 7,056
Stock options: 12,000

Martti Vaurio
Vaasa Unit Manager
Born 1949, B.Sc. (Eng.)
With Incap since 1999
Incap shares: –
Stock options: 12,000

Press Releases in 2002

January

The merger of Incap Electronics Ltd into Incap Corporation was entered in the Trade Register on 31 December 2001. Following the merger Incap Corporation has two subsidiaries, Incap Electronics Estonia Oü and Incap Furniture Ltd (2 January 2002).

Sampo plc Group's shareholding falls below 5% (3 January 2002).

If P&C Insurance Company Ltd's holding rises to over 5% (4 January 2002).

Incap Corporation signs a Letter of Intent on selling the entire shares outstanding in its furniture manufacturing subsidiary to the operating management of Incap Furniture Ltd, Finnish Industry Investment Ltd, JMC Finance Oy, Teknoventure Oy and the fund Jokilaaksojen Rahasto I Ky (4 January 2002).

The Boards of Directors of Incap Corporation and JMC Tools Oy sign a Letter of Intent on merging the companies. The objective of the arrangement is to form a strong technology company that offers, alongside its comprehensive manufacturing services, special expertise in technology related to wireless communications. The planned merger will strengthen Incap's range of services in line with the company's strategy (4 January 2002).

February

Publication of the financial statements for 2001. The officially reported consolidated net turnover grew by about 15% on 2000 and was EUR 99.7 million. The comparable operating profit was EUR 2 million, an increase of 11% on 2000. Net turnover generated by the main business sector, electronics contract manufacturing, was up 24% to EUR 60.7 million. The proposed dividend payout is EUR 0.03 per share (14 February 2002).

March

An agreement on merging the operations of Incap Corporation and JMC Tools Oy is signed in accordance with the Letter of Intent agreed in January. The merger is to be carried out as an exchange of shares in which the shareholders of JMC Tools Oy receive Incap Corporation shares as consideration in a rights issue directed at them (1 March 2002).

President and CEO Kari Saarinen announces his resignation after the Annual General Meeting (1 March 2002).

A Bill of Sale for the shares outstanding in Incap Furniture Ltd to the company's operating management and a group of investors is signed in accordance with the Letter of Intent (1 March 2002).

If the merger of Incap Corporation and JMC Tools Oy is completed, the holdings of both JMC Finance Oy and Jorma Terentjeff will exceed 10%. The holdings of Teknoventure Oy and the funds of Eqvitec Partners will exceed 5% (1 March 2002).

The Annual General Meeting held on 21 March resolves to increase the company's share capital through a rights issue directed at the shareholders of JMC Tools Oy. The Articles of Association are amended in accordance with the company's new strategy centring on the electronics industry. The Board of Directors is granted authorisations to increase the share capital through a rights issue, the granting of stock options and/or an issue of convertible bonds (21 March 2002).

Seppo Ropponen, M.Sc. (Eng.), is appointed Incap Corporation's President and CEO (21 March 2002).

Finnvera plc's proportional holding in Incap Corporation falls below 15% of the shares, and the aggregate holding of Kalevi Laurila and JMC Finance Oy, a company controlled by him, exceeds 15% (21 March 2002).

April

Seppo Ropponen is also elected President of JMC Tools Oy (10 April 2002).

All the shareholders of JMC Tools Oy exchange their shares in JMC Tools Oy for new Incap Corporation shares in accordance with the terms and conditions of the issue and the Board of Directors approves the subscriptions (19 April 2002).

An increase in the share capital is entered in the Trade Register on 24 April and the quotation of the new shares on the stock exchange begins the next day. 70 per cent of the new shares are subject to a restriction, in accordance with the terms and conditions of the share issue, not to transfer the shares before publication of the company's Interim Report for January-September (24 April 2002).

Following completion of the exchange of shares and after the increase in the share capital is entered in the Trade Register, changes take place in the ownership of Incap Corporation, after which Finnvera plc owns 14.22%, Conventum 5.4%, If P&C Insurance Company Ltd 2.01%, JMC Finance Oy 15.54%, Kalevi Laurila 0.64%, Jorma Terentjeff 12.04%, Teknoventure Oy 7.25% and the funds of Eqvitec Partners Oy 6.04% of the company's shares (24 April 2002).

The shareholding of Pohjola Group plc increases to 5.4% and the shareholding of Conventum Limited, which is under its control, decreases by the same amount, falling to 0% (25 April 2002).

May

The Interim Report for January-March is published. The officially reported consolidated net turnover was EUR 23.1 million and operating profit EUR 0.9 million. Net turnover generated by the Electronics business sector grew by 9% on the same period a year earlier, to EUR 15.1 million and its operating profit was EUR 0.28 million. Pro forma net turnover of the merged Incap-JMC entity was EUR 16.9 million, and it reported an operating loss of EUR 1.1 million (3 May 2002).

June, July

No bulletins.

August

The Interim Report for January-June is published. The officially reported consolidated net turnover declined by 14% from the same period a year earlier, to EUR 39.6 million. The Group's officially reported operating profit was EUR 0.1 million. Pro forma net turnover of the Incap-JMC entity was EUR 33.8 million, and it posted an operating loss of EUR 2.4 million (13 August 2002).

September

No bulletins.

October

Incap revises its earnings forecast and

estimates that the company's third-quarter pro forma net turnover will be lower than forecast and that the full-year pro forma net turnover will be about 10% below the previous year's (17 October 2002).

November
The Interim Report for January-September is published. The officially reported consolidated net turnover was 25% below the figure in the same period a year earlier, or EUR 52.8 million. The operating result was a loss of EUR 3.0 million. Pro forma net turnover of the Incap-JMC entity was EUR 47.1 million, and it reported an operating loss of EUR 5.5 million. Non-recurring cost entries totalling EUR 1.9 million were charged to third-quarter earnings (6 November 2002).

December
It is decided to defer the merger of Incap Corporation and its subsidiary JMC Tools Oy to 2003 because the company wants to ascertain the possible tax consequences of a change in the Group structure (20 December 2002). ■

Incap's annual report, interim reports as well as stock exchange bulletins and press releases are published in Finnish and English. They are also available on the company's website at the address www.incap.fi. The main information directed at investors is grouped under the website service entitled Sijoittajat/Investors.

The publication dates for financial information in 2003 are the following:

Financial statement bulletin for 2002
on Tuesday 25 February 2003

Annual report for 2002
in Week 12, which begins on 17 March 2003

Interim reports in 2003
- January–March, on Wednesday 14 May 2003
- January–June, on Wednesday 20 August 2003
- January–September, on Wednesday 19 November 2003

Publications can be ordered from Corporate Communications at the address

Incap Corporation / Corporate Communications,
Valuraudankuja 7,
00700 Helsinki,

by telephone on
+358 10 612 5613 /
Maria Fernelius,

by email at the address
maria.fernelius@incap.fi

or on the company's website at the address www.incap.fi.

The company's stakeholder magazine comes out twice a year and it is mailed to the addresses in the Shareholder Register kept by Finnish Central Securities Depository Ltd. Subscriptions to the magazine can be made by registering on the company's website, using the order form.

Shareholders must notify the company of changes of address by reporting the information to the book-entry register in which they have a book-entry account.

Investor relations
The objective of Incap's investor communications is to provide precise and up-to-date information on the Incap Group's business operations and financial development. The company seeks to ensure that all the market participants receive information that is the same and sufficient so that they can assess the company as a prospective investment.

Incap's investor relations are coordinated by Hannele Pöllä,
VP Communications & IR,
tel. +358 10 612 5616,
hannele.polla@incap.fi.

Annual General Meeting
The Annual General Meeting of Incap Corporation will be held on Friday 25 April 2003 beginning at 3.00 p.m. at the World Trade Center, 3rd floor in Meeting Rooms 7 and 8 at the address Aleksanterinkatu 17, Helsinki. Registration for participating in the Annual General Meeting must be made no later than by 4.00 p.m. on 16 April 2003 at the company's Head Office at the address

Kempeleentie 46,
90440 Kempele
or by telephoning
+358 10 5628 227/
Maija Aronen
or by email
maija.aronen@incap.fi.

It is requested that proxies be delivered when registering for the meeting.

A shareholder who wishes to participate in the Annual General Meeting must be entered in the shareholder register kept by Finnish Central Securities Depository Ltd no later than 15 April 2003. ■

Contact Information

Incap Corporation

Domicile:	Helsinki
Trade reg. nr:	356.154
E-mail:	info@incap.fi
Website:	www.incap.fi

Corporate Office
Kempeleentie 46,
FIN-90440 Kempele, Finland
Tel. +358 10 612 11
Fax +358 10 5628 250

Helsinki Unit
Valuraudankuja 7,
FIN-00700 Helsinki, Finland
Tel. +358 10 612 11
Fax +358 10 612 5650

Kempele Unit
Kempeleentie 46,
FIN-90440 Kempele, Finland
Tel. +358 10 612 11
Fax +358 10 5628 250

Ruukki Unit
Ahlströmintie 1,
FIN-92400 Ruukki, Finland
Tel. +358 10 612 11
Fax +358 10 5628 240

Vaasa Unit
Strömbergin Puistotie 6 B,
FIN-65320 Vaasa, Finland
Tel. +358 10 612 11
Fax +358 10 612 4077

Vuokatti Unit
P.O.Box 52,
FIN-88601 Sotkamo, Finland
Tel. +358 10 612 11
Fax +358 10 612 6288

Estonian Unit
Incap Electronics Estonia Oü
Pikk 59B, EE-93802 Kuressaare, Estonia
Tel. +358 10 612 18
Fax +358 10 612 8890

Ultraprint Oy
Vääräojantie 6,
FIN-90440 Kempele, Finland
Tel. +358 8 520 8701
Fax +358 8 520 8721

Incap Corporation
Kempeleentie 46
FIN-90440 Kempele, Finland
Tel. +358 10 61211
Fax +358 10 5628 250

www.incap.fi