Annual Report 2003

Rocla

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Rocla excels in trucks – from design and product development to operation. We provide the best vehicles for every application, and expert services throughout their lifespan. In 2003, Rocla launched *Abbot,* a truck management solution, providing customers with the opportunity to analyse and upgrade their logistics based on reports created within the Internet user interface.

Contents

Rocla in 2003

Rocla develops, manufactures and markets electric industrial trucks and automated guided vehicles (AGV) systems and related services.

Rocla offers customers in the Baltic Rim, the company's home market, an extensive range of trucks, truck rental services including maintenance, and truck inspection, training and information services. The Rocla product range is supplemented by Caterpillar counterbalance trucks. In other market areas, the company markets its branded products through an extensive dealer and partner network. The company's strong focus on product development, based on user experiences and market needs, has generated frequent product upgrades, as evidenced e.g. by the fact that 90 per cent of its warehouse truck models are under four years old. Rocla co-operates with its customers and Mitsubishi Caterpillar Forklift Group, its strategic partner, in product development.

Rocla Oyj's subsidiary, Rocla Robotruck Oy, is one of the world's leading suppliers of AGV systems and the global market leader in its strongest fields. Its strategic alliance with Swisslog AG, a Swiss logistics company, enhances its applications expertise, market presence and customer service capabilities.

The year in brief

- Market demand for industrial trucks remained modest throughout the financial year. Customers postponed their investment decisions on AGVs too, due to the uncertain world economy.
- In response to challenging market conditions, Rocla adjusted its operations through cost-cutting programmes, rationalisation and, to some extent, staff reductions, but without compromising its longer-term product development and manufacturing resources.
- Net sales for 2003 totalled €80.9 m (2002: €89.5 m) and operating loss came to €-1.5 m (a profit of €0.7 million). The fall in operating results was mainly due to the difficulties experienced by the Danish subsidiary Rocla A/S, a significant decrease in AGV's net sales and idle capacity due to weak market demand.
- The introduction of new products, the launch of industrial truck deliveries designed for the American market, the launch of new system services, stronger after-sales marketing and cost-efficiency improvements will, however, brighten longer-term prospects.

Key Figures

	2003	2002	Change %
Net sales, M€	80.9	89.5	-10
Operating profit/loss, M€	-1.5	0.7	-315
Order book, M€	14.8	10.5	+41
Net profit/loss, M€	-2.0	-1.1	-78
Personnel, average	449	472	-5

Strategy, Goals and Values

Strategy and Goals

The cornerstones of Rocla Group's business lie in its focus on logistics based on industrial trucks and automated guided vehicles, strategic partnerships and an extensive distribution network, business models highlighting the role of customer service, and a heavy emphasis on product development.

Within the industrial truck business, Rocla aims to become the leading provider of logistics solutions through its network in the Baltic Rim, and to strengthen its global partnership as a warehouse truck developer for Mitsubishi Caterpillar Forklift Group. The primary goal of the automated guided vehicle business area is to strengthen its market leadership further.

The major tools for meeting these goals include customer focus, a strong emphasis on product upgrades and modernisation, continuous employee development, the exploitation of information technology in services, and efficiency enhancements within the partner network.

Financial Goals

The Rocla Group's key long-term financial goals apply to overall profitability, capital adequacy and dividend distribution capability expressed numerically as follows:

- All profit centres' operating profit accounts for a minimum of 10 per cent of net sales.
- The Group shows an equity/assets ratio of 40 per cent.
- The Group's dividend distribution accounts for a minimum of 30 per cent of consolidated net profit.

Core Values

Deeply rooted among Group employees and supporting strategy implementation, Rocla's core values describe the Group's fundamental strengths covering all of its operations. Rocla's core values are as follows:

Development

We are the fastest in the sector to upgrade and modernise our products and services.

Reliable partner

We believe in transparency, trust and co-operation.

Responsibility

We do what is expected of us and more, and we take a long-term view.

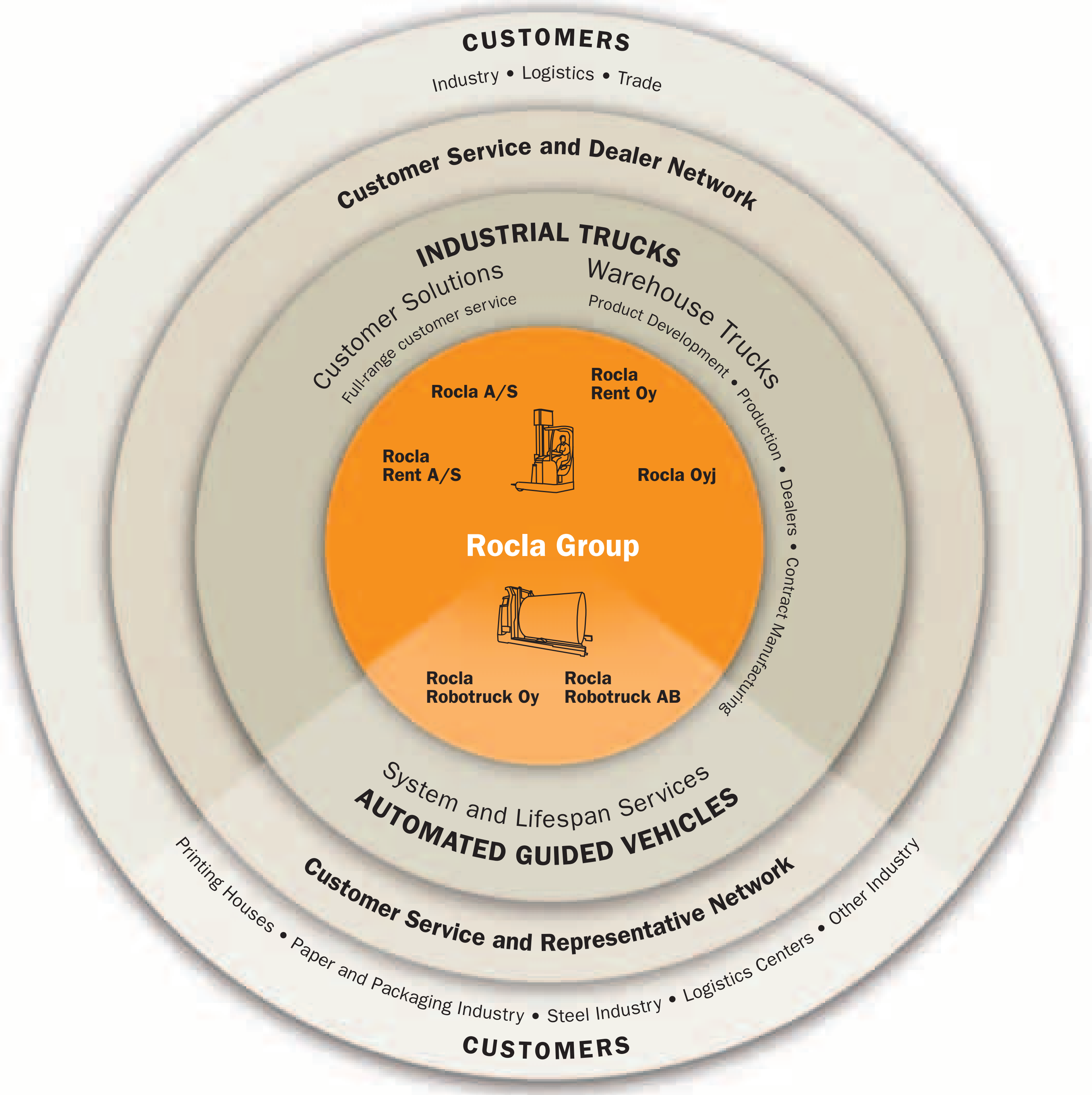
Profitability

We concentrate on doing the right things, our operations are financially sound, and we strive for profitability.

Fast in action

We strive for speed and efficiency in all our operations.

Business Structure



Key Figures 2003–1999

Financial indicators

	2003	2002	2001	2000	1999
Net sales, M€	80.9	89.5	87.5	69.1	52.3
Operating profit, M€	-1.5	0.7	5.0	5.1	4.7
% of net sales	-1.8	0.8	5.7	7.4	9.1
Profit after financial items, M€	-2.2	-0.1	3.9	4.3	4.7
% of net sales	-2.7	-0.1	4.4	6.2	8.9
Profit after extraordinary items, M€	-2.2	-0.1	3.9	4.3	4.7
% of net sales	-2.7	-0.1	4.4	6.2	8.9
Net profit, M€	-2.0	-1.1	2.9	3.1	3.3
% of net sales	-2.4	-1.2	3.3	4.4	6.3
Return on equity (ROE), %	-15.3	-7.6	16.5	21.1	28.1
Return on investment (ROI), %	-4.0	2.1	14.5	20.0	24.2
Net gearing, %	133.7	119.4	127.4	81.8	46.9
Equity/assets ratio, %	32.5	34.1	33.9	37.2	44.8
Gross capital expenditure, M€	1.4	1.1	4.5	7.4	1.1
% of net sales	1.8	1.3	5.1	10.7	2.1
R&D expenses (gross), M€	3.3	2.9	2.2	1.9	1.2
% of net sales	4.0	3.3	2.6	2.7	2.4
Order book, M€	14.8	10.5	13.3	14.3	7.0
Personnel, period-end	409	459	463	401	286
Personnel, average	449	472	442	373	283

The company's own shares (treasury shares) are not included in total shareholders' equity and the total number of shares.

Per-share data and ratios

	2003	2002	2001	2000	1999
Earnings/share (EPS), €	-0.53	-0.30	0.81	0.85	0.91
Equity/share, €	3.45	4.12	4.54	4.05	3.45
Dividend/share, € **)	0.10	0.15	0.35	0.35	0.34
Dividend payout ratio, % **)	-18.9	-52.6	45.2	43.3	38.1
Dividend yield, % **)	1.5	2.3	5.1	5.9	4.4
Price/earnings (P/E)	-12.8	-23.3	8.9	7.3	8.6
Lowest share price, €	5.50	6.40	5.11	5.20	5.65
Highest share price, €	7.25	7.85	7.30	8.90	7.60
Average share price, €	6.58	6.98	6.35	6.87	6.16
Share price at period-end, €	6.80	6.65	6.90	5.92	7.58
Market capitalisation, M€	25.2	24.6	24.2	20.8	26.7
Volume of trading, 1,000 shares	206	552	440	805	2,514
Share turnover, %	6	15	12	23	69
Average no. of shares, 1,000 shares *)	3,891	3,882	3,696	3,696	3,749
No. of shares at period-end, 1,000 shares	3,706	3,706	3,512	3,512	3,522

The company's own shares (treasury shares) are not included in shareholders' equity and the number of shares.

*) Including treasury shares

**) Board's proposal

Towards Better Performance

There is no denying that the past financial year 2003 was characterised by a weak performance, both within the truck industry and in Rocla. In particular, the automated guided vehicles (AGV) business was afflicted by the unpredictable economic climate reflected in postponed investment decisions, and there was hardly any growth in the market for industrial trucks either. Consolidated net sales fell from the previous year's level and Rocla Group reported a loss for 2003.

This unfavourable development was due mainly to two reasons. First, the year-on-year decrease in AGV sales by around a quarter, resulting from subdued demand, led to an unfavourable cost structure, which could be redressed only during the last few months of the year. Meanwhile, running down the Swedish unit's project business and transferring it to Finland incurred one-off expenses. Second, Rocla's Danish subsidiary continued its weak profit performance, and the measures to adjust its operations to the prevailing market conditions are continuing. In its core business, Rocla was, however, successful in increasing its industrial truck sales by approximately 10 per cent. This is markedly higher than the estimated market growth and is due to the improved partnership network, in particular.

Although the 2003 profit performance does not deserve any big round of applause, we can be proud of the many improvements achieved during the year, their effects being reflected in the company's performance this year and in the years to come. The cost structure of all units and operations was streamlined across the board, as evidenced by the approximately €2.0 million annual level cost cuts, stemming from the restructuring of the AGV business.

Product development and expertise to the fore

Product development plays an increasingly vital role in Rocla's business. One of its product development successes is exemplified by the Orion truck product family, designed for the American market, whose deliveries started with great enthusiasm in late 2003. This truck family is expected to generate significant delivery volumes during the current year. The past year also saw a strong focus on product user-friendliness and design. In line with its strategy, Rocla is currently refining its policies, with a view to introducing increasingly customer-focused service- and knowledge-based business, alongside with conventional earning models – witness Abbot, our new Internet-based tool for collecting and analysing data on the use of trucks, which has generated great interest among customers. The aim is to enhance the Rocla brand by providing customers with added value through innovative product and service development.

A stronger platform

Rocla enters the year 2004 on a much stronger basis than the one of a year ago. Close partnerships are carrying more and more weight, as evidenced by our co-operation with Mitsubishi Caterpillar Forklift Group, which, not only as an important partner but also as a large shareholder, provides stability for our business development. The fourth quarter in 2003 turned out to be profitable and the best of the year. Furthermore, since both Roclas's business areas showed good order bookings at the end of the year, these brighter prospects provide foundations for higher expectations.

It gives me great pleasure to express my gratitude to our customers and shareholders for their trust in Rocla. Our employees deserve special thanks for their admirable reserves of strength and dedication to development work, maintaining a note of optimism within the company throughout the challenging year.

Järvenpää, February 2004

Kari Blomberg

Managing Director

Markets dictate the product's physical appearance and usability. In this respect, we must be able to look forward and to envisage what's coming up and what the needs of future users will be like.

Petteri Masalin
Rocla Oyj
Manager, Industrial Design

Designing a truck? Is that possible?

”Sure it is. Actually it is a must. Design does not only refer to giving exterior features or nice colours to the product, although the first impression may well create an image of the product's quality, performance and usability. Personally, I prioritise both usability and ergonomics, i.e. factors that serve product users and meet their needs.”

Design and brand?

”A well-managed product image differentiates a company in the market while strengthening its brand. In an ideal situation, its brand becomes identifiable on the basis of the product's sheer design. This requires a match between product design and brand strategy, in addition to hard work on a long-term basis, supported by marketing communications which is in line with product design and the brand.”

The scope of design – from an appealing shape to intelligence?

”Our new information system for truck management, Abbot, provides us with valuable information on driving conduct, tasks performed using the truck to the last detail, and impacts against the truck, to mention but a few. This is the information we utilise in product design and, by and large, in product development.”

Does the original idea for product design stem from the designer or markets?

”Markets dictate the product's physical appearance and usability, such as cabin ergonomics and the disposition of the control system. In this respect, we must be able to look forward and to envisage what's coming up and what the needs of future users will be like.”

The greatest source of inspiration – competitors or users?

”It goes without saying that users and their changing needs are the source of inspiration in design. In this respect, we place a strong emphasis on market research in order to make sure that we are on the right track. But, of course, we are also watching what our competitors do. Our challenge is to make Rocla into a trailblazer which others follow.”

Risk of failure?

”Admittedly, there are risks involved, and it's difficult to identify them. If the product's appearance is not appealing or the product is awkward to use, no one will choose it. If users can find shortcomings in the product or it does not meet their needs, we will soon hear about it.”

The hallmarks of a successful design?

”The clear hallmarks are as follows: products that are highly sought after and which people want to use. A successfully designed product and its high usability contribute to a smoother truck operation and higher user satisfaction, which, in turn, leads to higher efficiency. In most cases, an investment-goods buyer is not the same as the user. Only the product's good performance in everyday use will guarantee brand loyalty in the future, too.”

Is there any way of making splendidly designed products cost-efficiently?

”Since cost-efficiency is the sum of many parts, co-operation between experts within the company's different departments becomes the key determinant. When designers join the product development process as early as possible, they can contribute to cost-efficiency, for example by providing straightforward or modular solutions.”

"Rocla and Mitsubishi Caterpillar Forklift Group are strategic partners in product development, sourcing and marketing. Mitsubishi Caterpillar Forklift Europe B.V. (MCFE), Rocla's long-standing contract manufacturing customer, reported a significant volume growth

through its own dealer network in 2003. Mitsubishi Caterpillar Forklift is also a dedicated partner through its minority shareholding in Rocla.

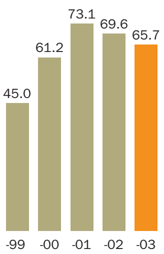
Klaus Nyström, Rocla's International Account Manager (left), and Rene van Driel, General Manager, Warehouse Equipment, Mitsubishi Caterpillar Forklift Europe B.V. and the Rocla Boomerang assembly site at the Järvenpää plant.

Klaus Nyström
Rocla Oyj Warehouse Trucks
International Account Manager

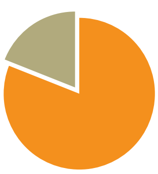
Industrial Trucks

Electric trucks designed mainly for indoor use and counterbalance trucks for outdoor use carry out tasks involved in short-haul storage and retrieval of goods. Under its Rocla trademark and as a contract manufacturer, Rocla develops and manufactures electric industrial trucks, and, as a distributor, supplements its product range with counterbalance trucks.

Net sales 1999–2003, M€



Share of consolidated net sales, %



Industrial trucks 81%

As Rocla Group's main business, the Industrial Truck business area consists of the parent company Rocla Oyj, the Danish subsidiary Rocla A/S, and Rocla Rent Oy and Rocla Rent A/S, both of which are engaged in the truck rental business. In the spring of 2004, Rocla reorganised its truck business into two units: Customer Solutions and Warehouse Trucks. Customer Solutions caters for the needs of end-customers and partners in the Baltic Rim, i.e. Finland, Scandinavia, the Baltic countries, Russia and Poland, capable of offering a wide variety of services and products, due to the market area's vicinity. The Warehouse Truck unit is responsible for other market areas, the contract manufacturing business and truck production. Product Development serves both units.

Business environment

Industrial trucks are designed for use within the logistics chain of trade, industry and distribution, their demand tending to follow the trend in consumer demand and the derived changes in goods flow and industrial investment. With the growing importance of logistics, industrial trucks are becoming an increasingly integrated part of customers' business operations. Consequently, usability of trucks and the related services – truck rental, servicing, spare-part services and technical support throughout their life span – will play an ever-important role. Market consolidation will lead customers to centralise their decision-making and purchasing operations. In this respect, a truck supplier must adopt an efficient multinational operating model, in order to be able to meet the requirements of its international customers. Customer co-operation based on product development is becoming an increasingly important aspect in competition.

Business profitability remained at an unsatisfactory level, due mainly to the difficulties experienced by the Danish subsidiary and the one-off expenses resulting from its restructuring. One example of positive developments is the increase in truck sales by around 10 per cent over the previous year, thanks particularly to expanding contract manufacturing and successful product development.

Keyfigures	2003	2002	Change %
Net sales, M€	65.7	69.6	-6
Operating profit, M€	0.6	0.6	+5
Personnel, average	352	368	-4
Year-end order backlog, M€	9.0	4.9	+84

Product Development

Customer focus and co-operation

A strong emphasis on product development, which is reflected in the fact that around 90 per cent of Rocla's truck models are under four years old, is characterised by customer focus and co-operation with users. In this way, it is possible to make the most of users' needs for their operating environment in an early product development phase. At the same time, product development also serves as a kind of pre-marketing, enabling immediate communication and speeding up market entry. In order to succeed in product development, Rocla must focus on differentiating itself technically and, as an early adopter, applying the latest, albeit tested, technology.

A European player

Europe has been, and still is, a favourable ground for developing warehouse trucks. It is the world's largest market for standardised pallets used as the basic unit for goods handling, in contrast to other major market areas with a plethora of diverse pallets, discouraging dynamic development of the warehouse truck market.

Launched during 2003 onto the European market, Rocla's TWac pedestrian power pallet truck family, based on AC technology, met with a favourable reception. The Orion

"Customer respect and a strong entrepreneurial spirit have traditionally formed the linchpin of Rocla's product development, coupled with an insight into modularity and short project lead times."

Kyösti Sarkkinen, Vice President, Product Development

truck product family, developed in co-operation with Mitsubishi Caterpillar Forklift Group, was ready for delivery to the US market at the end of the year. This is how the best-of-breed European warehouse-truck expertise enters America on a technology transfer basis.

A trend towards service-based products

Basically, product development aims to improve not only a product's performance but also, invariably, user-friendliness and ergonomics, not to mention product appeal. However, there is an intensifying trend towards the development of service-based products. Rocla's Abbot information system is a case in point of technology development supporting the new revenue model. Its data-collection system, which records data on the use and performance of the truck while on the move, provides not only customers but also truck servicing units with information in terms of reports and recommendations transmitted wirelessly through an Internet interface. The system enables customers to monitor continuously whether their logistics operations run as planned, while providing tools for managing goods flows. Servicing units, for their part, receive valuable information for the cost-efficient maintenance of vehicles.

Customer Solutions

Subdued market growth

With the overall mood in Customer Solutions' markets for trucks in the Baltic Rim remaining, on average, unchanged over the previous year, demand showed only a minor growth, while competition continued to stiffen. Price pressures persisted while major truck manufacturers' overcapacity was reflected in the growth in product supply at the fringes of Europe. Meanwhile, the boost in demand as a result of Rocla's launch of new pallet trucks and the constant growth in the truck rental business included

Kyösti Sarkkinen
Vice President, Product Development, is responsible for Rocla's product development that is based on technical differentiation and fast utlization of state-of-the-art technology.

one of the exceptions in this overall trend.

Truck rental is winning an increasing popularity in several markets. It is estimated that truck rental in Finland accounts for a third of new truck deliveries, which is, however, at a relatively low level compared to many European countries.

Efficient materials flows

Changes in the competitive arena in the truck marketplace have gathered momentum, as distributors have tended to become multi-brand dealers in an effort to increase their share of the market, while the degree of standardisation for trucks and their spare parts has grown. All this has pressurised companies in the industry to develop new revenue models. In this respect, Customer Solutions has been in the vanguard of development. Thanks to its excellence in swift and customer-driven product development, Rocla has been successful in responding to market changes by launching products and services that better than ever meet the requirements that customers set for truck use. Abbot, Roclas's new solution for analysing goods-handling efficiency based on a processor with an Internet user interface installed into the truck, is an example of this.

The Rocla Bean PM 10 order picker provides unequalled scope for order-picking operations from mid-level to the highest picking heights within the warehouse. Its ergonomic design makes for smoother order-picking operations.

Jukka Viinikainen
General Manager, Customer Solutions, is in charge of Rocla's full-service truck business in Finland and neighbouring regions.

"Rocla provides its customers with customised truck solutions that enhance their logistics cost-efficiency. Our operating model is based on service packages which will increasingly be built around the rental business, forming a comprehensive package that responds to changes in customer needs."

Jukka Viinikainen, General Manager

Customer Solutions is now developing ancillary services that make use of the Abbot information system. Customers are provided with truck life-cycle cost analysis models, which may serve as a basis of their investment decisions on logistics and goods handling, with the ultimate aim of reducing total logistics costs, based on the right truck and service choices, and appropriate truck usage.

Emphasising customer service

The current market situation is not expected to change fundamentally during 2004. However, new operating models and technologies will strengthen Rocla's competitiveness and buttress the company's profile as a full-scale expert in the industry. The company's broad product range offered through its own network and partners who follow similar operating models will provide foundations for a stronger market position in the neighbouring region. Renowned for its innovative product development and fast and flexible production, coupled with a go-ahead service concept adopted in 2003, Rocla will emerge as an increasingly attractive logistics partner.

Rocla aims to be a full-service truck supplier in the Baltic Rim.

Warehouse Trucks

Dealer network – a cost-efficient distribution channel

During 2003, Warehouse Trucks placed a special emphasis on its dealer network development, volume expansion in the changing European market and the deliveries of new truck models designed for the American market. The launch of a new extended warranty service gave a boost to the marketing of service-based products, while spare-part sales showed good growth figures.

Rocla succeeded in reinforcing its dealer network in Spain and Portugal. Rocla's long-standing contract manufacturing customer operating in Europe, Mitsubishi Caterpillar Forklift Europe B.V. (MCFE) reported a significant volume growth through its own dealer network in 2003.

Efficient organisation

The business focus of Rocla's Warehouse Trucks serves as the basis of the unit's organisation. First, Rocla provides its dealers with ever-more broad-based support, in order to contribute to their commitment and customer service capabilities. Rocla's professionals provide effective support to the European distribution network in an

Rocla Bull TW13ac, the most compact electrical pedestrian pallet truck on the market, is a highly agile vehicle for transferring pallets onto loading and unloading premises, and in warehouses. It is also a helpful tool for commercial vehicle drivers and retail outlet staff in transferring goods. Due to its AC technology-based engine, the truck is easily maneuvrable and requires almost no maintenance.

effort to guarantee and harmonise services for customers that operate beyond national borders. Second, a special ramp up unit in between product development and production ensures smooth co-operation between the two functions. Third, maintenance services ensure superior product quality on an ongoing basis. Finally, Rocla's efficient spare-part logistics and competent technical support foster the after-sales service for warehouse trucks throughout their life span.

American deliveries get started

The new Orion truck product family, the outcome of the product development co-operation underway for over two years between Mitsubishi Caterpillar Forklift America Inc. (MCFA) and Rocla, is the fruit of Rocla's technology expertise combined with MCFA's market knowledge. The development of these new products was a successful project for both parties, with the first products being delivered in September 2003. They are transported by sea in containers to Houston, USA, where they are finally assembled. As early as 2004, their delivery volume is expected to grow significantly.

Capacity up

New product launches have played their role in the productivity improvements achieved at the Järvenpää plant. For years this manufacturing facility has made dedicated efforts to strengthen systematically its core production competencies, i.e. assembly and mast manufacture, while outsourcing component manufacture and support functions. A specific production development project underway, MasterPlan8500, which also involves sizeable new investments, aims to provide the company's competitive production with solid foundations for growth potential. The ultimate goal is doubling manufacturing capacity within a few years. It is estimated that the Orion trucks, fuelled by other growth drivers, will increase the plant's output by a fifth as early as 2004.

Jussi Muikku
General Manager, Warehouse Trucks, is responsible for Rocla's international truck dealer network, contract manufacturing and truck assembly.

"Rocla Warehouse Trucks has continued to develop its distributor network, with the emphasis on Western Europe. September 2003 saw the first deliveries of warehouse trucks developed in co-operation with Mitsubishi Caterpillar Forklift America Inc. for the American market."

Jussi Muikku, General Manager

Rocla Robotruck's automated guided vehicles are in operation for Avesta Polarit's steel production at the Tornio Works. Juha Lappeteläinen, Production Engineer, and Gösta Silfver, Rocla Robotruck Oy's Engineering and Product Development Manager (left), are pictured in the vehicle's real operating environment on the factory floor.

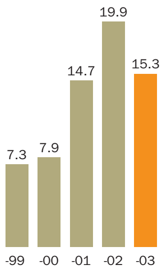
The development of Rocla's automated guided vehicles systems is, to a great extent, linked to customer projects, with established customer relationships evolving into long-term strategic partnerships. Rocla Automated Guided Vehicles has emerged as the market leader in selected application industries – the paper, printing house and steel industries – and as a long-term partner recognised by its customers.

Gösta Silfver
Rocla Robotruck Oy
Senior Manager, Engineering and Product Development

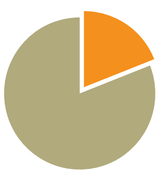
Automated Guided Vehicles

As an integral part of the customers' in-house logistics process, automated guided vehicle (AGV) systems are a combination of information technology, industrial automation, wireless communications, mechatronics and materials handling technology.

Net sales 1999–2003, M€



Share of consolidated net sales, %



Automated Guided Vehicles 19%

In addition to Industrial Trucks, Automated Guided Vehicles is the other of Rocla Group's two business areas. It was incorporated into a subsidiary, Rocla Robotruck Oy, on a business transfer basis in early 2001. Rocla Oyj holds 70 per cent of Rocla Robotruck Oy, while Swisslog AB, the Swedish subsidiary of a Swiss logistics Group, Swisslog, holds the remaining 30 per cent. Rocla Robotruck AB, based in Sweden, is Rocla Robotruck Oy's wholly owned subsidiary.

Although the calendar year 2003 was Rocla Robotruck Oy's third financial year, Rocla has been engaged in the AGV systems business since 1983, celebrating its 20th anniversary during the report period. Since its AGV business began, the Group's units have supplied more than 1,000 AGV systems including more than 15,000 AGV units.

Solid expertise

The most typical applications for AGVs include in-house product and raw-materials flows in industrial plants and distribution centres as part of their logistics and manufacturing processes. Compared with, for example, fixed conveyor systems, the flexibility of AGVs becomes particularly valuable in a changing operating environment. Customer relationships growing into long-term partnerships make it possible to develop, upgrade and expand the range of systems, based on user experience and emerging needs. Rocla's key competitive advantages lie in its in-depth knowledge of customer needs, its overall competence in AGV systems and its ability to ensure the systems' serviceability throughout their life span, as well as its range of superior quality products and services offered on a global scale.

Key figures	2003	2002	Change %
Net sales, M€	15.3	19.9	-23
Operating profit/loss, M€	-2.1	0.1	-3540
Personnel, average	97	104	-7
Year-end order backlog, M€	5.7	5.6	+2

The weaker profitability was due to declining volumes, falling prices and the heavier cost structure incurred by running two units. In the main, the corrective measures undertaken start to contribute to profits in 2004. Furthermore, the one-off expenses resulting from the Swedish AGV business rationalisation affected 2003 profits.

Overall market shrinkage

With overall industrial investment activity in the main markets for AGV systems remaining low, companies in the face of an uncertain business climate primarily tended to invest in their own core processes. It is estimated that the volume of AGV systems purchases decreased by around 15 per cent, while showing an even sharper fall in terms of value. However, Rocla Robotruck's market position remained steady in this challenging market situation, and even strengthened in some market segments. Although Europe still remained the largest market for Rocla's AGV systems, the US market, for example, raised its share of net sales to over 10 per cent, while the Far East also showed an upward trend in this respect.

Rocla holds a steady position

Last year, Rocla improved considerably its recognition in its main markets, supported by the company's rise to world market leader in its selected application sectors – the paper, printing house and steel industries. As a result of streamlined operations and a healthier cost structure, Rocla Robotruck now holds a markedly stronger competitive position than a year ago thanks to a focusing of operations and significant cost cuts in its expense structure. Winning a major market position as a supplier to the European steel industry, it received new orders, for example, from Thyssenkrupp and Arcelor, both based in Germany, and Avesta Polarit, based in Finland.

"Rocla Robotruck increased the volume of bids considerably over the previous year, and improved its cost-efficiency thanks to more integrated and focused operations. Rocla also achieved a major position in the European market for automated guided vehicles for the steel industry."

Petri Alava, Managing Director

Competitive product families

As a supplier specialising in AGV systems, Rocla Robotruck has created strong competitive advantages, the most important ones being its profound knowledge of customers' logistics needs, fast project lead times and short investment payback periods. This operational efficiency is buttressed by the company's dedicated focus on four product families: the Targa product family designed for the paper and printing house industries requiring materials handling capacity of 1.5–8 tonnes; the Thor product family, which is capable of handling loads of up to 40 tonnes designed for steel industry applications; and the Forktura forklift truck product family and Cartura trucks carrying load on their back, both designed for loads of less than 1.5 tonnes.

The Finnish and Swedish organisations underwent a process of refocusing their operations. The transfer of Rocla Robotruck AB's project business to Rocla Robotruck Oy was completed by the end of the financial year, with the result that the Swedish organisation now focuses on sales and marketing services, and software systems product development, whereas the Finnish organisation is responsible for projects and after-sales services. These rationalisation measures aim at improving profitability and sharpen the focus of the project business and after-sales services.

The affordable price of new AGV systems, coupled with their short – often less than a year – payback periods, have contributed to the lower demand for modernising and upgrading the existing systems. In this respect, markets have taken a new shape, as after-sales services place an increasing focus on overhaul, maintenance, support and spare-part services. Currently, after-sales services account for around a tenth of total net sales, and the aim is to expand it in a well-balanced fashion.

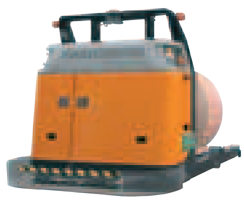
Petri Alava
Rocla Robotruck Oy's Managing Director is in charge of the Rocla Group's Automated Guided Vehicles business.

Technological innovations

With AGV systems making rapid technological progress, a new technology generation is already in the offing. These new systems are characterised by their ability to operate in an open IT environment, their improved diagnostics capabilities, and their standardised electronics and programming language. The introduction of new-technology generation solutions will provide Rocla with great opportunities to standardise and modulate product platforms, serving as a key to future profitability gains. A major part of new technology development is based on Rocla's co-operation with its customers during projects.

Brighter prospects

The markedly improved cost-efficiency resulting from rationalisation efforts, coupled with a more optimistic market outlook, is behind the brighter prospects expected for 2004. The rationalisation measures taken in the financial year will reduce costs by €2.0 million in 2004. Moreover, the volume of bids tripled during the second half, compared with the first half, while order bookings for the same period were around 60 per cent higher than a year ago.



More than 100 units of Targa, the AGV developed for the roll handling needs of the paper, printing and packaging industries, have been sold within the last year and a half.


CAT

Truck rental is winning increasing popularity in several markets. It is estimated that truck rental in Finland accounts today for a third of new truck deliveries. Rocla provides its customers with the best vehicles for every situation, and the required after-sales service. The customer can focus whole-heartedly on its core business, knowing that its truck partner will keep vehicles usable and up to date at all times.

Matti Lauronen
Rocla Rent Oy
Managing Director

Rocla Rent's truck fleet is part of the logistics operations in Starkki Oy's distribution centre in Espoo. Ville Väyrynen (left), a truck driver, gives customer feedback to Richard Buchmann, Rocla's Product Manager (centre), and Matti Lauronen, Rocla Rent Oy's Managing Director (right).

Human Resources

Rocla's Human Resources strategy is based on Rocla's vision and values, as well as the strategies of the Group and its business areas.

Rocla's human resources (HR) strategy involves the definition of key competencies, which describes the leading principles governing management and leadership policies, competence development, employee motivation and the continuous promotion of employee well-being. Each manager within his/her remit is responsible for daily HR strategy implementation.

Management and leadership

Rocla aims to pursue management and leadership policies that meet the ISO 9001 quality management standards, underlying, for example, employee involvement in development work, process-based operations management and continuous performance improvements. The vital role of management and leadership within the company is manifested in the related spending on training schemes, the major ones launched for 2003–2004 dealing with management assessment and the development of management practices and leadership skills.

Employee empowerment is an integral part of management. The Group has adopted the Balanced Scorecard methodology, helping to prepare a Group-wide goal hierarchy which is steered and monitored extensively, for example, in management group work and performance reviews.

Rocla is faced with a new management challenge, as a large and, probably, growing number of its Group employees are not from Finland, or live abroad. For this reason, the integration of the Group's units, which will involve especially the harmonisation of foreign subsidiaries' HR processes to be in line with the parent company's, is a major goal set for 2004–2005. One of the tangible near-term projects is extending the Group's Intranet into subsidiaries.

Competencies

Skills and competence development is based on the need defined by business strategies and on the continuous analysis of any competence gaps. The adopted strategies highlight skills in international networking, project and process management, product development, information technologies, life-cycle management, distribution channel management and customer service. In order to strengthen these competencies, it is necessary to prepare and implement development programmes.

As an advocate of the principle of continuous learning, Rocla supports employee training, career planning and job rotation, in line with its strategy. Factors high on the agenda in recruiting personnel include language skills, IT and teamworking skills, as well as international experience. Employee commitment to Rocla's core values is essential.

Incentives

With a multifaceted employee incentive scheme in place, Rocla's 1998 stock-option plan is valid until 2007; there is also a bonus scheme covering all Group employees, based on the company's profit performance. The bonus scheme generated payments to employees from 1995 until 2001. The Group's 2003 performance does not, however, justify employee bonuses. A significant number of the Group's employees hold Rocla Oyj shares, thus pooling the interest of the staff and all of the shareholders.

In pursuit of a fair and motivating pay policy, Rocla makes regular comparisons with the pay level used by nationally comparable companies, in order to ensure competitive employee remuneration. In addition to collective agreements, employee remuneration is determined by professional experience, skills and past performance.

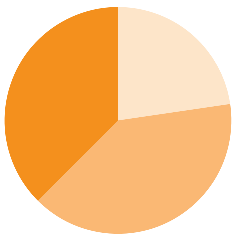
Well-being

Employee well-being plays a vital role within the Group, as evidenced by regular employee satisfaction surveys and the working capacity index measured by the occupational health care service. Based on subsequent findings, the Group carries out the required improvements.

The key determinants affecting employee well-being include the organisation and management of work. The company monitors and develops these further through performance reviews and job satisfaction surveys. When it comes to working conditions, the working environment and tools and equipment in use, Rocla aims to rank among the best in its industry and operating region.

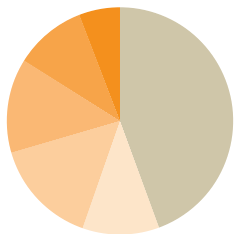
Personnel 2003

Breakdown by level of education



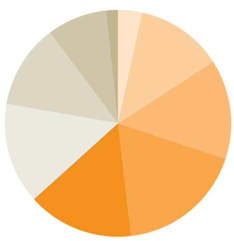
Education	%
Vocational basic education	23%
Vocational education institution	40%
Higher education institution or university	37%

Breakdown by years of employment



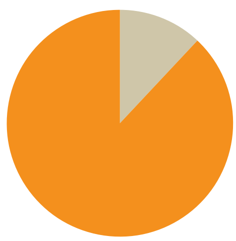
Time of employment	%
under 5 years	45%
6–10 years	11%
11–15 years	15%
16–20 years	13%
21–29 years	10%
over 30 years	6%

Breakdown by age group



Age	%
18–25 years	3%
26–30 years	12%
31–35 years	14%
36–40 years	19%
41–45 years	15%
46–50 years	14%
51–55 years	12%
56–60 years	9%
over 61 years	2%

Employee turnover



Employee turnover	%
turnover	12%
full-year employees	88%

Quality and the Environment

Rocla Oyj pursues a quality management policy, built on the company's core values. Continuous improvement and innovation are underlined in quality management.

Rocla's quality management policy aims to ensure consistent staff performance throughout the company, and determine the line of quality development policy. The cornerstones of quality development include smooth co-operation with customers and partners, process efficiency, unbiased performance appraisals and feedback on them used for continuous improvement practices, as well as nurturing a good working environment.

Quality an integral part of management

Quality strategy implementation has been closely integrated as part of the company's daily operations and management. Managers and supervisors are responsible for the quality and development of operations within their remit, while the Group's Quality Manager, who reports to the Managing Director, is in charge of steering, co-ordinating and monitoring the related development work.

Rocla Group applies, for example, the following quality management practices:

- Continuous product quality development, applying to all deliveries in the final quality inspection using e.g. the Six Sigma tool.
- Involvement in the Voitto-project launched by VTT Technical Research Centre of Finland, one of the aims of which is to consider customer needs at an ever-earlier stage in the product development process.
- Quality management teams for the continuous improvement of quality testing and instructions.
- Collecting and using customer feedback, and conducting customer satisfaction surveys on a regular basis.
- Assessing and developing in-company operations, as defined in the quality management standard following the principle of continuous improvement.
- Utilising and developing further the company's employee suggestion and quality feedback scheme.

The findings of regular customer satisfaction surveys reveal the success rate of the company's quality management policy. End-customers give high marks for Rocla's professional management of the order/supply chain and services.

1 The quality management system of Rocla Oyj's truck business is based on the ISO 9001:2000 quality management standard.

2 The quality management system applied by Rocla Rent Oy's truck rental business is based on the ISO 9001:2000 quality management standard.

3 Rocla Safety is an accredited truck inspection body, fulfilling the SFS-EN-45004 and ISO/IEC 17020 standards.

4 The quality management system adopted by Rocla Robotruck Oy, the automated guided vehicle business, meets the criteria set by the ISO 9001:2000 standard.

5 In 2003, Rocla Oyj received a quality certificate required for truck deliveries, based on a technical inspection carried out by a Polish certification body.

Responsibility for the Environment

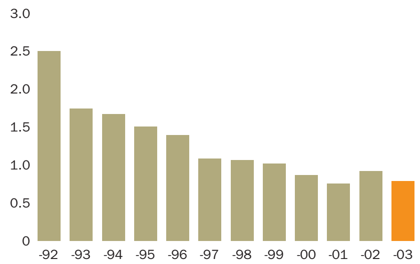
Rocla's environmental policy aims not only to upgrade its environmental standards but also to achieve attainable cost-savings. Rocla Oyj has acceded to an energy conservation agreement, formulated by the Ministry of Trade and Industry and the Confederation of Finnish Industry and Employers, whereby organisations agree to save on energy, water and electricity on an ongoing basis. Meeting environmental goals induces more efficient use of natural resources, lower amount of waste, lower product costs throughout the product's life cycle and environmentally sound waste disposal, as well as developing products with a minimum burden on the environment, in both their use and manufacture.

Disposal by waste type

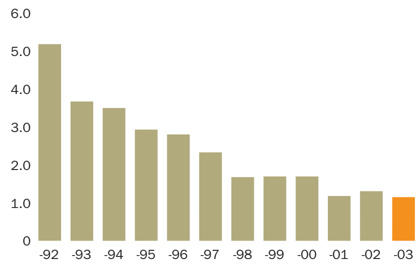
Rocla's operations generate mainly solid waste and effluent water, as well as paint solvents emitted into the air. The amount of these solvents is within international standards and is being reduced according to plan. Truck parts and components are mostly recyclable material. The company sorts waste by waste type and delivers the sorted waste to specialist waste disposal firms for further treatment and recycling. As the batteries of electric trucks are the most environmentally demanding components, Rocla provides, in this respect, an efficient and high-performance recycling system for its Finnish customers.

The use of electric power and water per truck manufactured has continued to decline during the past ten years, as indicated by the attached charts.

Use of electric power by truck manufactured (MWh) 1992–2003



Use of water by truck manufactured (m^3) 1992–2003



The Board's Review

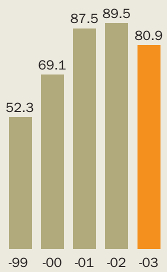
2003 in brief

Overall demand for warehouse trucks practically remained unchanged in the financial year. Rocla succeeded in increasing its sales volume measured by units, more than the average market growth. Considering the prevailing market conditions, this satisfactory sales performance was due mainly to successful product launches, dedicated sales efforts and sustained growth in the truck rental business.

With overall industrial investment activity in the market for AGV systems remaining low, the estimated decline in demand was around 15 per cent, while Rocla's order bookings fell by approximately 7 per cent, year on year.

During the financial year, the Group implemented streamlining and development measures in all of its units.

Net sales, M€



Net sales and operating profit

Rocla's consolidated net sales were €80.9 million in 2003, down 10 per cent on a year earlier (€89.5 million), of which exports and international operations accounted for 74 per cent (74 per cent). Industrial Trucks and Automated Guided Vehicles (AGV) represented 81 per cent (78 per cent) and 19 per cent (22 per cent) of consolidated net sales, respectively.

Consolidated operating loss came to €1.5 million (a profit of €0.7 million), the weaker results being due to losses made by the Danish subsidiary Rocla A/S, and the running down of the Swedish AGV business and the resulting one-off expenses.

Reshaped organisation

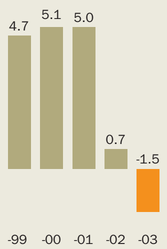
With the introduction of a revamped corporate structure in line with the Group's strategy, the Industrial Trucks business area has operated as two business units since the beginning of the second quarter – Rocla Customer Solutions and Warehouse Trucks.

Furthermore, Rocla Robotruck AB's project business and production in Sweden was transferred to Rocla Robotruck Oy, the parent company, the Swedish organisation is now focusing on sales and marketing services, and software systems product development.

Breakdown of net sales and operating result by business area:

	Net sales, M€			Operating result, M€		
	2003	2002	Change	2003	2002	Change
Industrial Trucks	65.7	69.6	-6%	0.6	0.6	+5%
AGVs	15.3	19.9	-23%	-2.1	0.1	-3540%
Total	80.9	89.5	-10%	-1.5	0.7	-315%

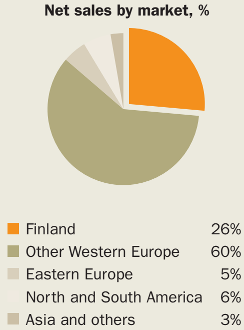
Operating profit, M€



Consolidated net sales by market area:

Net sales, M€	2003	2002
Finland	21.4	23.4
Other Western Europe	48.5	52.3
Eastern Europe	4.1	4.5
North and South America	4.8	2.3
Asia and others	2.2	7.2
Total	80.9	89.5

Net sales by market, %



Business areas

Industrial Trucks

The overall mood in the market for industrial trucks in the Baltic Rim remained somewhat unchanged over the previous year, total demand showing only a minor growth while competition continued to stiffen. Price pressures persisted while major truck manufacturers' overcapacity was reflected in the growth in product supply at the fringes of Europe.

Rocla reinforced its dealer network in Spain and Portugal. Mitsubishi Caterpillar Forklift Europe B.V. reported a significant volume growth in warehouse trucks in 2003 through its own dealer network. September 2003 saw the first US deliveries of the new Orion reach truck product family, the outcome of Rocla's product development co-operation with Mitsubishi Caterpillar Forklift America Inc.

With net sales of €65.7 million (€69.6 million), Industrial Trucks showed an operating profit of €0.6 million (€0.6 million), to which the Finnish truck business contributed by €2.5 million, whereas the Danish subsidiary's operating loss of €1.9 million determined the weak profit performance for the business area as a whole.

Automated Guided Vehicles

With overall industrial investment activity in the main markets for AGV systems remaining low, companies in the face of an uncertain business climate primarily tended to invest in their own core processes. However, Rocla Robotruck's market position remained steady in this challenging market situation, and even strengthened in some customer segments. Although Europe still remained the largest market for Rocla's AGV systems, the US market, for example, raised its share of net sales to over 10 per cent. The company won a major market position as a supplier to the European steel industry, as evidenced by new orders received, for example, from Thyssenkrupp and Arcelor Group, both based in Germany, and Avesta Polarit, based in Finland.

Automated Guided Vehicles reported net sales of €15.3 million (€19.9 million) and showed an operating loss of €2.1 million (a profit of €0.1 million). The business area entered €0.7 million as one-off expenses for the financial year, due to Rocla Robotruck AB's rationalisation efforts in Sweden, and it will record a reduction in costs by around €2 million in 2004, resulting from production curtailment in the Swedish unit.

Profit and profitability

With the aim of adjusting its operations to the prevailing market conditions, Rocla Group rationalised its businesses and revamped its organisation, involving streamlining the cost structure of all units across the board. However, improvements in profit performance will take full effect only as of the beginning of the financial year 2004. The 2003 results were eroded by one-off expenses, stemming from organisational restructuring, and the rationalisation measures taken in Rocla A/S in Denmark.

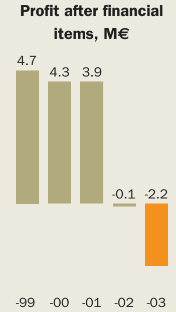
The Group's loss before extraordinary items, appropriations and taxes amounted to €2.2 million (a loss of €0.1 million) and net loss for the period totalled €2.0 million (a loss of €1.1 million).

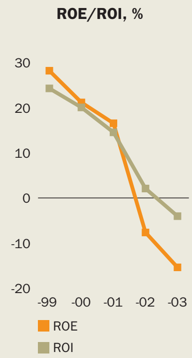
Return on investment (ROI) stood at -4.0 per cent (+2.1 per cent) and return on equity (ROE) was -15.3 per cent (-7.6 per cent).

Earnings per share (EPS) came to €-0.53 (€-0.29).

Capital expenditure, financing and balance sheet

Despite the weak profit performance reported for 2003, the Group showed a positive cash flow, due to higher working capital turnover, in particular. Cash flow from business operations reached €3.1 million (€2.7 million) before investments and €2.0 million (€1.8 million) before financing. The Group's gross capital expenditure for 2003 totalled €1.4 million (€1.1 million). In addition, the Group



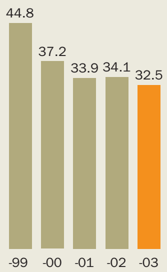


enhanced its rental truck fleet, based on financial leasing entered as an off-balance sheet item.

On 31 December 2003, Rocla Group's interest-bearing net liabilities totalled €17.1 million (€18.5 million), net gearing stood at 134 per cent (119 per cent) and the equity ratio reached 32.5 per cent (34.1 per cent).

The year-end consolidated balance sheet total amounted to €41.4 million (€47.5 million), this year-on-year decrease being due mainly to lower business volumes.

Equity/assets ratio, %

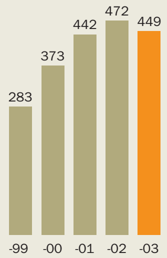


Development

Launched during the report year onto the European market, Rocla's TWac pedestrian power pallet truck family, based on AC technology, met with a favourable reception. The Orion truck product family, developed in co-operation with Mitsubishi Caterpillar Forklift Group, was ready for delivery to the US market at the end of the year.

While the role of truck-fleet servicing and maintenance has grown for customers processing large goods flows in particular, information technology has truly come into play in an effort to boost logistics operations. In this respect, Rocla's Abbot information system is a case in point of technology development supporting a new revenue model. Its data-collection system, which records data on the use and performance of the truck while on the move, provides not only customers but also truck servicing units with information in terms of reports and recommendations transmitted wirelessly to their Internet interface. The system enables customers to monitor continuously whether their logistics operations run as planned, while providing tools for managing goods flows and upgrading processes. Servicing units, for their part, receive valuable information for the cost-efficient maintenance of vehicles.

Personnel average



The Group's product development expenses of €3.3 million (€2.9 million) reported for 2003 account for 4.0 per cent of consolidated net sales (3.3 per cent).

Human Resources

During the financial year, the Group took measures to adjust its business organisation to the prevailing market conditions, which also affected staffing levels. Initiated during the first quarter in Danish and Swedish units, rationalisation measures extended to the Group's Finnish units in May, the resulting Information and Consultation procedure leading to a gradual reduction of around 40 staff in Finland by the end of the first quarter of 2004.

The Group had an average staff of 449 (472) in 2003. The period-end number of employees totalled 409 (459), 74 (115) of whom worked outside Finland.

More detailed information on Rocla Group's human resources is available on page 24 of this Annual Report.

Annual General Meeting

Rocla Oyj's Annual General Meeting (AGM) of 13 March 2003 adopted the financial statements for 2002 and discharged those accountable from liability. It declared a per-share dividend of €0.15. The dividend record date was 18 March and dividend payments began on 25 March.

The AGM re-elected Kari Jokisalo, Gregory E. King, Niilo Pellonmaa and Petteri Walldén to the Board of Directors and elected Kenneth J. Barina as a new Board member.

It also elected KMPG Wideri Oy Ab, Authorised Public Accountants, as the company's auditor, with Lasse Holopainen, Authorised Public Accountant, acting as the principal auditor.

Quality issues

More detailed information on Rocla Oyj's quality management policy is available on page 26 of this Annual Report.

Environmental issues

More detailed information on Rocla Oyj's environmental policy is available on page 27 of this Annual Report.

Litigation

Rocla Group is claiming receivables from two of its customers by way of court proceedings, the said receivables totalling €0.1 million entered in credit losses. The Group's business is not exposed to any judicial risks known by the Board that would have any material effect on profit performance.

Corporate Governance

More detailed information on Rocla's Corporate Governance policy is available on page 46 of this Annual Report.

Shares and Ownership

A detailed review of the share capital, shares, share ownership and share market information is available on pages 40—42 of this Annual Report.

Order book

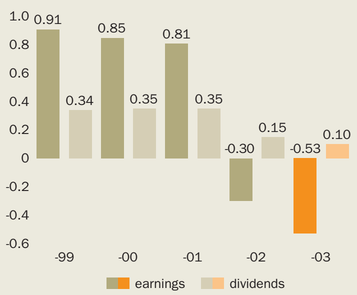
The Group's order book stood at €14.8 million (€10.5 million) at the end of December, up 41 per cent year on year. On the same day, Industrial Trucks reported order bookings of €9.0 million (€4.9 million), while AGV's order bookings came to €5.7 million (€5.6 million).

Outlook

Prospects for the financial year 2004 look brighter than those for 2003 a year ago. Longer order books, new product launches and deliveries of trucks designed for the American market will raise capacity utilisation rate and provide greater growth opportunities. The cost-cutting programmes implemented and streamlined operations will improve company performance, while truck information systems for enhanced logistics efficiency will, for their part, increase Rocla's appeal as a partner capable of providing its customers with added value.

The fourth quarter of 2003 – the best out of the year – and order bookings remaining satisfactory beyond the turn of the year provide a solid foundations for a promising outlook. All in all, 2004 is expected to show a markedly better performance, in terms of both net sales and profit.

Earnings and dividends per share, €



Income Statement

Jan. 1–Dec. 31	**CONSOLIDATED 2003 1,000 €**		CONSOLIDATED 2002 1,000 €		**PARENT COMPANY 2003 1,000 €**		PARENT COMPANY 2002 1,000 €	
Net sales	**80,946.1**	100.0%	89,487.9	100.0%	**52,023.2**	100.0%	52,974.4	100.0%
Change in inventories of semi-finished and finished products	**-262.0**		130.1		**594.1**		130.1	
Other operating income	**193.5**		158.6		**329.9**		333.5	
Materials and services								
Materials, supplies and goods								
Purchases during the period	**-42,607.8**		-48,888.6		**-30,006.2**		-31,786.3	
Change in inventories	**-1,069.0**		1,002.2		**-1,190.9**		1,531.8	
External services	**-2,039.8**		-2,209.7		**-174.6**		-59.9	
Total materials and services	**-45,716.6**	-56.5%	-50,096.1	-56.0%	**-31,371.7**	-60.3%	-30,314.4	-57.2%
Personnel expenses	**-20,476.6**	-25.3%	-19,989.5	-22.3%	**-11,312.5**	-21.7%	-10,762.0	-20.3%
Depreciation	**-1,691.8**	-2.1%	-4,249.6	-4.7%	**-559.9**	-1.1%	-529.9	-1.0%
Other operating costs	**14,473.9**	-17.9%	-14,751.1	-16.5%	**-7,590.9**	-14.6%	-8,866.9	-16.7%
Operating profit	**-1,481.2**	-1.8%	690.4	0.8%	**2,112.2**	4.1%	2,964.8	5.6%
Financial income and expenses								
Other interest and financial income	**136.0**		74.2		**318.8**		370.4	
Reduction in value of investments held as current assets	**0.0**		0.0		**-2,600.0**		0.0	
Interest expenses	**-831.5**		-815.7		**-570.2**		-407.5	
Other financial expenses	**26.4**		-48.8		**-7.7**		-8.6	
Total financial income and expenses	**-669.1**	-0.8%	-790.3	-0.9%	**-2,859.1**	-5.5%	-45.7	-0.1%
Profit before extraordinary items	**-2,150.3**	-2.7%	-100.0	-0.1%	**-747.0**	-1.4%	2,919.1	5.5%
Extraordinary items	**0.0**	0.0%	0.0	0.0%	**715.0**	1.4%	0.0	0.0%
Profit before appropriations and taxes	**-2,150.3**	-2.7%	-100.0	-0.1%	**-32.0**	-0.1%	2,919.1	5.5%
Income taxes								
Income taxes for the period	**-21.9**		-1,094.0		**-17.3**		-867.0	
Change in deferred tax liability	**4.3**		-12.7		**0.0**		0.0	
Total income taxes	**-17.7**	0.0%	-1,106.7	-1.2%	**-17.3**	0.0%	-867.0	-1.6%
Minority interest	**201.9**	0.2%	99.9	0.1%	**0.0**	0.0%	0.0	0.0%
Net profit for the period	**-1,966.0**	-2.4%	-1,106.7	-1.2%	**-49.3**	-0.1%	2,052.1	3.9%

Funds Statement

Jan. 1–Dec. 31	**CONSOLIDATED 2003 1,000 €**	CONSOLIDATED 2002 1,000 €	**PARENT COMPANY 2003 1,000 €**	PARENT COMPANY 2002 1,000 €
Cash flows from operating activities				
Operating profit	**-1,481.2**	690.4	**2,112.2**	2,964.8
Depreciation	**1,691.8**	4,249.6	**559.9**	529.9
Change in net working capital	**3,592.5**	-381.0	**2,379.3**	-1,171.7
Interest expenses	**-831.5**	-815.7	**-570.2**	-407.5
Other financial items	**162.4**	25.4	**311.0**	361.8
Taxes	**-21.9**	-1,094.0	**-17.3**	-867.0
Cash flows from operating activities (A)	**3,112.0**	2,674.7	**4,774.9**	1,410.3
Cash flows from investing activities				
Investments of intangible and tangible assets	**-1,432.0**	-1,152.1	**-784.6**	-574.4
Sales of intangible and tangible assets	**291.5**	269.2	**0.0**	0.0
Change in loan receivables	**0.0**	0.0	**-6,198.0**	0.0
Cash flows from investing activities (B)	**-1,140.6**	-882.9	**-6,982.6**	-574.4
Cash flow before financing activities	**1,971.4**	1,791.8	**-2,207.7**	835.9
Cash flow from financing activities				
Increase/decrease in short term loans	**-134.8**	-2,605.4	**3,323.9**	-352.9
Increase in long-term loans	**0.0**	3,157.6	**0.0**	0.0
Decrease in long-term loans	**-1,209.5**	-2,771.6	**-727.7**	-1,260.0
Increase in shareholders' equity	**0.0**	1,661.2	**0.0**	1,634.1
Dividends paid	**-556.0**	-1,229.2	**-556.0**	-1,229.2
Cash flow from financing activities (C)	**-1,900.4**	-1,787.3	**2,040.1**	-1,207.9
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	**71.0**	4.5	**-167.6**	-372.0
Change in liquid assets in the balance sheet	**71.0**	4.5	**-167.6**	-372.0
Cash and cash equivalents at beginning of period	**1,323.7**	1,319.3	**193.5**	565.5
Cash and cash equivalents at end of period	**1,394.7**	1,323.7	**25.9**	193.5

Balance Sheet

Dec. 31 ASSETS	CONSOLIDATED 2003 1,000 €	CONSOLIDATED 2002 1,000 €	PARENT COMPANY 2003 1,000 €	PARENT COMPANY 2002 1,000 €
Fixed assets				
Intangible assets				
Intangible rights	**709.8**	789.6	**485.8**	522.4
Goodwill	**972.6**	1,092.6	**0.0**	0.0
Other capitalised long-term expenditure	**972.9**	776.5	**745.1**	451.0
	2,655.3	2,658.6	**1,230.9**	973.4
Tangible assets				
Buildings and constructions	**1,292.4**	1,344.9	**0.0**	0.0
Machinery and equipment	**2,041.0**	2,536.4	**799.6**	832.4
	3,333.4	3,881.3	**799.6**	832.4
Investments				
Holdings in Group companies	**0.0**	0.0	**1,417.3**	4,017.3
Receivables from Group companies	**0.0**	0.0	**8,598.0**	2,400.0
Other shares and holdings	**12.9**	12.9	**12.9**	12.9
Other receivables	**1,275.4**	1,275.4	**1,275.4**	1,275.4
	1,288.4	1,288.4	**11,303.6**	7,705.6
Total fixed assets	**7,277.1**	7,828.3	**13,334.2**	9,511.4
Current assets				
Inventories				
Materials and supplies	**8,348.8**	9,417.7	**6,798.1**	7,989.0
Semi-finished products	**1,541.2**	1,252.8	**1,541.2**	1,139.3
Finished products/goods	**5,821.7**	6,371.6	**2,724.3**	2,532.1
	15,711.7	17,042.1	**11,063.6**	11,660.4
Current receivables				
Deferred tax receivable	**452.0**	447.8	**0.0**	0.0
Accounts receivable	**13,099.0**	16,671.8	**8,740.3**	7,662.9
Loan receivables	**16.5**	21.7	**1,895.2**	3,645.1
Other receivables	**531.1**	528.7	**154.0**	4.5
Prepayments and accrued income	**1,778.9**	2,550.5	**1,663.6**	1,089.1
	15,877.5	20,220.6	**12,453.0**	12,401.7
Securities held in financial assets				
Own shares	**1,098.6**	1,098.6	**1,098.6**	1,098.6
Other securities	**13.8**	13.8	**13.8**	13.8
	1,112.4	1,112.4	**1,112.4**	1,112.4
Cash and cash equivalents	**1,394.7**	1,323.7	**25.9**	193.5
TOTAL ASSETS	**41,373.5**	47,527.0	**37,989.1**	34,879.5

Dec. 31 EQUITY AND LIABILITIES	CONSOLIDATED 2003 1,000 €	CONSOLIDATED 2002 1,000 €	PARENT COMPANY 2003 1,000 €	PARENT COMPANY 2002 1,000 €
Shareholders' equity				
Share capital	**3,890.7**	3,890.7	**3,890.7**	3,890.7
Premium fund	**3,778.0**	3,778.0	**3,701.9**	3,701.9
Fund for own shares	**1,098.6**	1,098.6	**1,098.6**	1,098.6
Retained earnings	**7,072.5**	8,721.7	**10,679.7**	9,183.6
Net profit for the period	**-1,966.0**	-1,106.7	**-49.3**	2,052.1
Total shareholders' equity	**13,873.8**	16,382.3	**19,321.7**	19,927.0
Minority interest	**0.0**	201.1	**0.0**	0.0
Provisions	**536.8**	350.7	**219.1**	219.1
Liabilities				
Long-term liabilities				
Loans from financial institutions	**7,220.5**	11,337.1	**3,008.0**	3,735.7
Other liabilities	**0.0**	294.7	**0.0**	0.0
	7,220.5	11,631.8	**3,008.0**	3,735.7
Current liabilities				
Loans from financial institutions	**10,967.6**	7,900.7	**9,743.1**	6,419.2
Advances received	**945.0**	1,053.3	**57.2**	195.8
Accounts payable	**3,684.8**	5,855.1	**2,674.8**	2,278.2
Other liabilities	**842.3**	881.0	**261.2**	253.7
Accruals and deferred income	**3,302.7**	3,271.0	**2,704.1**	1,850.7
	19,742.4	18,961.2	**15,440.3**	10,997.7
TOTAL EQUITY AND LIABILITIES	**41,373.5**	47,527.0	**37,989.1**	34,879.5

Notes to the Financial Statements

The financial statements are prepared in accordance with the accounting principles based on the Finnish Accounting legislation.

The financial statements are presented in thousands of euros (unless otherwise indicated).

1. Scope of consolidated financial statements

The consolidated financial statements include the accounts of all Group companies: Rocla Oyj, Rocla Rent Oy, Rocla A/S and its wholly owned subsidiary Rocla Rent A/S, and Rocla Robotruck Oy and its wholly owned subsidiary Rocla Robotruck AB.

2. Accounting principles applied in the consolidated and other financial statements

The consolidated financial statements are prepared using the acquisition cost method. Inter-company income, expenditure, receivables, liabilities and margins are eliminated as part of the consolidation process.

Minority interests are presented separately from the Group's shareholders' equity and profit, and are shown as a separate item.

The income statements of non-euro zone foreign subsidiaries are translated into euros using the financial year's average exchange rates, and their balance sheets are translated using the average rates quoted on the balance sheet date. The translation differences are entered in shareholders' equity.

The balance sheet includes deferred tax receivables equivalent to the estimated likely receivables on the basis that Group companies will be able to utilise the deferred tax receivables arising from confirmed losses and losses yet to be confirmed in their entirety in future financial years.

In accordance with the FIFO principle, inventories are stated at the lower of variable acquisition cost or probable realisable value or replacement cost on the balance sheet date.

Long-term projects are recognised on the percentage of completion method. Completion is measured by reference to cost incurred to date as a percentage of estimated total project costs. Margins are recognised as income applying the prudence concept.

Securities held in financial assets are stated at the lower of cost or market value.

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

Research and development costs are expensed as incurred, except for certain development costs, incurred by subsidiaries involved in major product development projects, which are capitalised and amortised over three (3) years.

Leases are treated as rental costs.

The personnel's pension scheme is funded through payments to pension insurance companies. Pension costs, which are entered as expenses for the period they incur, are presented as provided by the legislation of the countries concerned.

Provisions include estimated, unrealised product warranty liability on products sold.

3. Adoption of IFRS

Since 2003, Rocla has carried out a project for switching to International Financial Reporting Standards (IFRS), with the aim of analysing the differences between the current and the IFRS-based principles governing the preparation of financial statements, and determining new accounting principles governing consolidated financial statements, as defined in IFRS. Furthermore, the project aims to analyse the effects of changes in accounting practices on the 2004 opening balance and performance figures and ratios, and to update the Group's accounting and financial reporting guidelines, as well as upgrading information systems. The project is divided into sub-projects, the most important of which deal with accounting practices applied to the rental business (IAS 17), employee benefits (IAS 19), long-term projects (IAS 11) and impairment tests on assets (IAS 36).

In close co-operation with experts from the authorised public accounting firm, Rocla will provide its staff with training and enhance other accounting capabilities within the organisation. The company will prepare its first IFRS-based financial statements for the financial year starting on 1 January 2005, including the same year's interim reports with comparable data.

4. Valuation of fixed assets

Fixed assets are stated at variable acquisition cost less planned depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Intangible rights (IT software)	3–5 years
Goodwill	10 years
Consolidated goodwill	10 years
Other long-term expenditure (refurbishment of rented premises)	10 years
Other long-term expenditure (product development)	3 years
Buildings and structures	25 years
Major production machinery (cranes, etc.)	10 years
Other machinery and equipment	3–7 years

The balance sheet items for goodwill shown in the balance sheet of Rocla A/S and Rocla Robotruck AB resulting from acquisition, and the consolidated goodwill arising from the purchase of the minority interest in Rocla A/S were to be amortised over 10 years, since these acquisitions were regarded as long-term strategic investments with their useful lives spanning a minimum of 10 years. However, in 2002, due to the performance of Rocla A/S, the decision was made to revise the amortisation plan in such a way that the goodwill in the Rocla A/S balance sheet and the consolidated goodwill in Rocla Oyj's consolidated balance sheet were expensed in full.

5. Net sales

5.1. Net sales by business area and geographical region

Breakdown by business area, M€

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Industrial Trucks	65.7	69.6	52.0	53.0
Automated Guided Vehicles	15.3	19.9	0.0	0.0
Total	80.9	89.5	52.0	53.0

Breakdown by geographic area, M€

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Finland	21.4	23.4	15.4	17.6
Other Western Europe	48.5	52.3	28.7	28.0
Eastern Europe	4.1	4.5	4.1	4.5
North and South America	4.8	2.3	2.6	1.3
Asia and others	2.2	7.2	1.2	1.6
Total	80.9	89.5	52.0	53.0

5.2. Income recognition based on percentage of completion

Based on the percentage of completion method, total project net sales generated by the Automated Guided Vehicles Business Area were recognised as income, accounting for 83 per cent of the business area's combined net sales. A total of €9.5 million coming from uncompleted projects were recognised as income for the financial year and €5.1 million for previous periods. At the turn of the year, the amount of unrecognised income came to €3.8 million.

6. Other income from operations

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Rental income	0.0	0.0	125.4	123.4
Divestment of fixed assets	96.4	75.2	1.6	0.7
Other income	97.1	83.3	202.9	209.4
Other income from operations, total	193.5	158.6	329.9	333.5

Grants received are entered as adjustments to other operating costs.

7. Personnel and personnel costs

Personnel, average	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Industrial Trucks	352	368	283	287
Automated Guided Vehicles	97	104	0	0
Total	449	472	283	287

Personnel, year-end	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Industrial Trucks	336	361	275	286
Automated Guided Vehicles	73	98	0	0
Total	409	459	275	286

Personnel costs	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Managing directors	466.1	460.2	123.3	124.8
Board members	75.5	69.4	71.3	69.4
Other wages and salaries	16,140.0	15,788,6	9,004.4	8,529.0
Pension costs	2,502.7	2,310.3	1,557.3	1,539.2
Other social costs	1,292.3	1,361.1	556.2	499.6
Personnel costs, total	20,476.7	19,989.5	11,312.5	10,762.0

Remuneration paid to Rocla Oyj's Managing Director in 2003, including fringe benefits, totalled €123.3 thousand. The Managing Director owns 8,100 shares and 15,000 stock options under the 1998 stock-option programme. Remuneration paid to other Group management in 2003, including fringe benefits, amounted to €365.1 thousand. Other Group management holds a total of 15,056 shares and 65,000 stock options. No performance-based remuneration was paid to Group management in 2003. The Board of Directors holds 97,500 Rocla shares and 45,000 stock options under the 1998 stock-option programme.

8. Depreciation and value adjustments

Planned depreciation and amortisation

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Intangible rights	328.9	381.0	191.8	160.3
Goodwill	131.5	412.5	0.0	0.0
Consolidated goodwill	0.0	30.4	0.0	0.0
Other long-term expenditure	99.6	60.6	82.4	47.4
Product development costs	91.7	12.3	0.0	0.0
Buildings and structures	50.8	50.4	0.0	0.0
Machinery and equipment	989.3	1,042.2	285.7	322.2
Total depreciation and amortisation	1,691.8	1,989.4	559.9	529.9

Impairment	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Goodwill	0.0	2,039.6	0.0	0.0
Consolidated goodwill	0.0	220.6	0.0	0.0
Total impairment	0.0	2,260.2	0.0	0.0

9. Extraordinary items

The parent company's extraordinary items include a Group contribution from a subsidiary in 2003.

10. Fixed assets

Intangible assets

Intangible rights	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Acquisition cost 1 Jan.	2,114.0	1,670.1	1,501.1	1,203.9
Additions	231.6	443.9	155.2	297.2
Other changes	17.4	0.0	0.0	0.0
Acquisition cost 31 Dec.	2,363.0	2,114.0	1,656.3	1,501.1
Amortisation for the financial year	-328.9	-381.0	-191.8	-160.3
Accumulated amortisation	-1,653.2	-1,324.4	-1,170.5	-978.7
Non-amortised balance 31 Dec.	709.8	789.6	485.8	522.4

Goodwill	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Acquisition cost 1 Jan.	4,099.4	4,099.4	0.0	0.0
Acquisition cost 31 Dec.	4,099.4	4,099.4	0.0	0.0
Amortisation for the financial year	-131.5	-412.5	0.0	0.0
Accumulated amortisation	-1,129.1	-997.6	0.0	0.0
Impairment	0.0	-2,039.6	0.0	0.0
Accumulated impairment	2,039.6	-2,039.6	0.0	0.0
Non-amortised balance 31 Dec.	972.6	1,092.5	0.0	0.0

Other long-term expenditure	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Acquisition cost 1 Jan.	1,459.8	1,292.8	1,388.4	1,249.9
Additions	389.3	167.1	376.5	138.6
Acquisition cost 31 Dec.	1,849.1	1,459.8	1,764.9	1,388.4
Amortisation for the financial year	-99.6	-60.6	-82.4	-47.4
Accumulated amortisation	-1,050.9	-951.2	-1,019.8	-937.4
Non-amortised balance 31 Dec.	798.3	508.6	745.1	451.0

Product development costs	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Acquisition cost 1 Jan.	280.2	0.0	0.0	0.0
Additions	0.0	280.2	0.0	0.0
Other changes	-1.6	0.0	0.0	0.0
Acquisition cost 31 Dec.	278.6	280.2	0.0	0.0
Amortisation for the financial year	-91.7	-12.3	0.0	0.0
Accumulated amortisation	-104.0	-12.3	0.0	0.0
Non-amortised balance 31 Dec.	174.7	267.9	0.0	0.0

Tangible assets

Buildings and structures	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Acquisition cost 1 Jan.	1,463.9	1,461.6	0.0	0.0
Other changes	-1.7	2.3	0.0	0.0
Acquisition cost 31 Dec.	1,462.2	1,463.9	0.0	0.0
Depreciation for the financial year	-50.8	-50.4	0.0	0.0
Accumulated depreciation	-169.8	-119.0	0.0	0.0
Undepreciated balance 31 Dec.	1,292.4	1,344.9	0.0	0.0

Machinery and equipment	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Acquisition cost 1 Jan.	12,864.4	12,844.1	8,863.8	8,725.2
Additions	854.2	278.8	253.0	138.6
Disposals	-196.5	-258.4	0.0	0.0
Other changes	-163.8	0.0	0.0	0.0
Acquisition cost 31 Dec.	13,358.3	12,864.4	9,116.8	8,863.8
Depreciation for the financial year	-989.3	-1,042.2	-285.7	-322.2
Accumulated depreciation	-11,317.4	-10,328.1	-8,317.1	-8,031.4
Undepreciated balance 31 Dec.	2,041.0	2,536.4	799.6	832.4

Investments	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Holdings in Group companies:				
Book value 1 Jan.	0.0	0.0	4,017.3	4,017.3
Reductions	0.0	0.0	-2,600.0	0.0
Book value 31 Dec.	0.0	0.0	1,417.3	4,017.3
Loan receivables from Group companies:				
Book value 1 Jan.	0.0	0.0	2,400.0	2,400.0
Additions	0.0	0.0	6,198.0	0.0
Book value 31 Dec.	0.0	0.0	8,598.0	2,400.0
Other shares and holdings:				
Book value 1 Jan.	12.9	12.9	12.9	12.9
Book value 31 Dec.	12.9	12.9	12.9	12.9
Other investments: (loan to property company)				
Book value 1 Jan.	1,275.4	1,275.4	1,275.4	1,275.4
Book value 31 Dec.	1,275.4	1,275.4	1,275.4	1,275.4
Investments, total	1,288.4	1,288.4	11,303.6	7,705.6

Group companies	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Holding, %				
Rocla Oyj	100.0	100.0	100.0	100.0
Rocla Rent Oy	100.0	100.0	100.0	100.0
Rocla Robotruck Oy	70.0	70.0	70.0	70.0
Rocla Robotruck AB	70.0	70.0	70.0	70.0
Rocla A/S	100.0	100.0	100.0	100.0
Rocla Rent A/S	100.0	100.0	100.0	100.0

11. Financial securities

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Fund units:				
Book value	13.8	13.8	13.8	13.8
Market value 31 Dec.	15.7	15.4	15.7	15.4
Market value less book value	1.9	1.6	1.9	1.6
Own shares:				
Book value	1,098.6	1,098.6	1,098.6	1,098.6
Market value 31 Dec.	1,254.6	1,226.9	1,254.6	1,226.9
Market value less book value	156.0	128.3	156.0	128.3

12. Significant items included in accrued income and prepaid expenses

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Receivables from sales based on percentage of completion	980.4	1,374.7	0.0	0.0
Group contribution	0.0	0.0	715.0	0.0
Other accrued income and prepaid expenses	798.5	1,175.9	948.6	1,089.1
Accrued income and prepaid expenses, total	1,778.9	2,550.6	1,663.6	1,089.1

13. Changes in shareholders' equity

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Share capital 1 Jan.	3,890.7	3,696.2	3,890.7	3,696.2
Increase of share capital	0.0	194.5	0.0	194.5
Share capital 31 Dec.	3,890.7	3,890.7	3,890.7	3,890.7
Issue premium fund 1 Jan.	3,777.9	2,338.4	3,701.9	2,262.3
Increase of share capital	0.0	1,439.6	0.0	1,439.6
Issue premium fund 31 Dec.	3,777.9	3,777.9	3,701.9	3,701.9
Fund of treasury shares 1 Jan.	1,098.6	1,098.6	1,098.6	1,098.6
Fund of treasury shares 31 Dec.	1,098.6	1,098.6	1,098.6	1,098.6
Retained earnings 1 Jan.	7,615.0	9,923.8	11,235.7	10,412.8
Dividends	-556.0	-1,229.2	-556.0	-1,229.2
Translation difference	13.5	27.1	0.0	0.0
Retained earnings 31 Dec.	7,072.5	8,721.7	10,679.7	9,183.6
Net profit for the year	-1,966.0	-1,106.7	-49.3	2,052.1
Shareholders' equity, total	13,873.8	16,382.3	19,321.7	19,927.0

14. Distributable earnings

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Retained earnings	7,072.5	8,721.7	10,679.7	9,183.6
Net profit for the year	-1,966.0	-1,106.7	-49.3	2,052.1
Distributable earnings, total	5,106.5	7,615.0	10,630.4	11,235.7

15. Provisions

Provisions include estimated, unrealised product warranty liability on products sold, amounting to €538.8 thousand (€350.7 thousand).

16. Liabilities

Loans with maturity of five years or more:

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Loans from financial institutions	924.2	434.4	0.0	0.0

17. Significant items included in accrued expenses and deferred income

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
Accrued personnel-related expenses	2,660.2	2,597.5	1,608.9	1,485.3
Other accrued expenses	642.4	673.5	1,095.2	365.4
Accrued expenses and deferred income, total	3,302.7	3,271.0	2,704.1	1,850.7

18. Commitments and other contingent liabilities

	2003 Group	2002 Group	2003 Parent company	2002 Parent company
For own debt:				
Business mortgages	9,409.4	8,409.4	8,409.4	8,409.4
Property mortgages	534.3	555.7	0.0	0.0
Guarantees on behalf of Group companies:	0.0	0.0	8,360.4	10,060.4
Other own liabilities:				
Leasing liabilities, due within one year *)	3,427.2	3,027.5	661.4	589.3
Leasing liabilities, due thereafter *)	5,629.8	5,766.3	648.5	665.6
Leasing liabilities, total *)	9,057.0	8,787.8	1,309.9	1,254.9

*) Rental commitments for premises are presented below in note 19.

Repurchase commitments include the remaining capital of leasing liabilities presented above, and residual value liabilities. The Group's residual value liabilities in 2003 and 2002 totalled €3,635 thousand and €3,530.7 thousand, respectively, while the parent company's residual value liabilities for the same years came to €2,846.7 thousand and €2,478.1 thousand.

19. Rental commitments for business premises

The Group companies mostly operate on rented business premises. The floor area of Rocla Oyj's Järvenpää premises totals 17,160 m², of which industrial premises and office premises account for 15,440m² and 1,720 m², respectively. The site area totals 78,843 m². The rental agreement on the premises was renewed in 1999 for another 15 years, to 2014, after which it will extend for one year at a time unless otherwise agreed. The company holds an option to buy the premises as of 2004, for the purchase price of €4,856 thousand on 1 May 2004 and €2,779 thousand on 1 May 2014. Rental commitments for premises amount to €359.3 thousand in 2004 and €3,403.3 thousand from 2005 until the end of the rental period. In addition, the Swedish subsidiary's rental commitments total €210.2 thousand in 2004 and €473.0 thousand from 2005 onwards.

20. Derivative contracts

The parent company has a valid forward foreign exchange contract whose nominal value came to €289.9 thousand and market value €22.6 thousand at the end of 2003. The parent company also has valid interest rate swaps at a nominal value of €15,000 thousand and a market value of €-450.7 thousand at the end of 2003. Nominal values describe the use of derivatives, while market values correspond to the income or expense which the company would record, if it closed out the contracts on the balance sheet date.

Shares and Shareholders

Share capital and share trading identifiers

Under Rocla Oyj's Articles of Association, the company's minimum share capital is €3,600,000 and maximum share capital €14,400,000, within which limits the share capital can be increased and reduced without altering the Articles of Association. Since the company's shares are issued in a single share series, all shares entitle their holders to equal dividends and votes. Each share has a nominal value of one euro.

Rocla's shares have been quoted on the Helsinki Exchanges' Main List since 1997, with the following identifiers:

ISIN code FI0009006589

Trading code ROC1V

Trading lot 100 shares

On 31 December 2003, Rocla Oyj's fully paid-up share capital entered in the trade register amounted to €3,890,713. With no changes in the number of shares and share capital during 2003, the number of the company's shares totals 3,890,713.

Board authorisations

Rocla Oyj's Annual General Meeting (AGM) of 13 March 2003 authorised the Board of Directors to decide to buy back a total of 194,535 own shares and sell a total of 379,035 own shares. In addition, the AGM authorised the Board of Directors to decide to increase share capital by issuing a maximum of 388,000 new shares in one or several tranches. The Board did not exercise its authorisations during the financial year.

Share purchase obligation

A shareholder whose holding in the company's shares equals or exceeds one third or half of the total number of the company's shares must offer to purchase the remaining shares issued by the company, and the securities giving entitlement to them under the Companies Act. Rocla Oyj's largest shareholder, Mitsubishi Caterpillar Forklift America Inc., has announced that it has no intention of increasing its holding to one third or beyond.

Warrant bonds and warrants

Rocla issued a warrant bond to all of its personnel and Board members in 1998 and repaid it in 2001. These warrants entitle their holders to subscribe for a total of 400,000 company shares between 24 April 2002 and 24 April 2007. The trading identifiers of the A and B warrants traded on the Helsinki Exchanges' Main List since 29 May 2002 are as follows:

ISIN code FI0009607154

Trading code ROC1VEW198

Trading lot 100 warrants

One warrant entitles its holder to subscribe for one Rocla Oyj share (FI0009006589) at €8.40 less the amount of dividends distributed after 1 May 2002 but prior to the subscription. Consequently, the subscription price in February 2004 was €8.25. Based on the warrants, no new shares were subscribed by the end of 2003.

Ownership

In its stock exchange releases of 10 February and 29 August 2003, Rocla Oyj announced changes in its ownership structure. In February, Rocla Oyj announced that the combined shareholding in Rocla Oyj of Etra-Invest Oy (15.27 per cent) and Tiiviste-Group Oy (0.12 per cent), both controlled by Erkki Etola, had increased to 15.39 per cent. In August, Rocla Oyj announced that the shareholding of Mitsubishi Caterpillar Forklift America Inc. in the company had decreased to 15.42 per cent, while that of Mitsubishi Caterpillar Forklift Europe B.V. had increased to 15.42 per cent, Mitsubishi Forklift Caterpillar Group's total shareholding remaining unchanged.

The company is not aware of any other major changes in shareholdings, as described in Chapter 2, Section 9 of the Securities Market Act. The following tables show the company's shareholding information valid at the end of 2003.

Treasury shares

Rocla Oyj holds a total of 184,500 own shares (treasury shares), the number of which remained unchanged during

Major shareholders, 31 Dec. 2003

Shareholder	No. of shares	% of shares	% of votes
1. Etra-Invest Oy Ab	610,700	15.7	15.7
2. Mitsubishi Caterpillar Forklift Europe B.V.	600,000	15.4	15.4
3. Mitsubishi Caterpillar Forklift America Inc.	600,000	15.4	15.4
4. Placeringsfonden Aktia Capital	190,000	4.9	4.9
5. Rocla Oyj	184,500	4.7	4.7
6. Sampo Life Insurance Company Ltd	171,200	4.4	4.4
7. Onninen-Sijoitus Oy	59,600	1.5	1.5
8. Nordea Life Insurance Finland Ltd	50,000	1.3	1.3
9. Niilo Pellonmaa	49,000	1.3	1.3
10. Kari Jokisalo	48,500	1.2	1.2
11. Fennia Mutual Insurance Company	47,000	1.2	1.2
Total	2,610,500	67.1	67.1
Nominee-registered holdings	657,900	16.9	16.9
Total	3,890,713	100.0	100.0

Holding by no. of shares held, on 31 Dec. 2003

No. of shares	Shareholders	%	Shares	%
1–100	152	25.3	11,633	0.3
101–1,000	346	57.6	145,005	3.7
1,001–10,000	77	12.8	204,129	5.3
10,001–100,000	19	3.1	522,846	13.4
100,001–1,000,000 *)	7	1.2	3,007,100	77.3
Total	601	100.0	3,890,713	100.0

*) Including treasury shares held by Rocla

Holding by shareholder group, 31 Dec. 2003

Shareholder group	% of shares
Non-banking corporate sector	26.1
Financial institutions and insurance companies	12.1
Public-sector organisations	1.1
Non-profit organisations	0.6
Households	12.1
Outside Finland and nominee-registered holdings	48.0
Total	100.0

Treasury shares held by Rocla are included in the table.

the financial year. Their balance sheet value amounts to €1.1 million, or €5.95 per share, while their period-end market value closed at €1.3 million.

Board shareholding

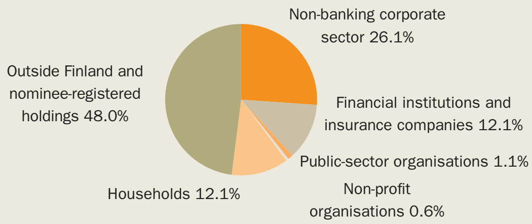
At the end of the financial year, the company's Board members held a total of 97,500 Rocla Oyj shares, accounting for 2.5 per cent of share capital.

Share performance and market capitalisation

During 2003, a total of around 206,000 Rocla Oyj shares were traded on the Helsinki Exchanges, representing 6 per cent of the average number of shares (excluding shares held by Rocla Oyj), while the value of traded shares came to around €1,353,000. The share transaction between Mitsubishi Caterpillar Forklift America Inc. and Mitsubishi Caterpillar Forklift Europe B.V. on 29 August 2003 was conducted outside the stock exchange.

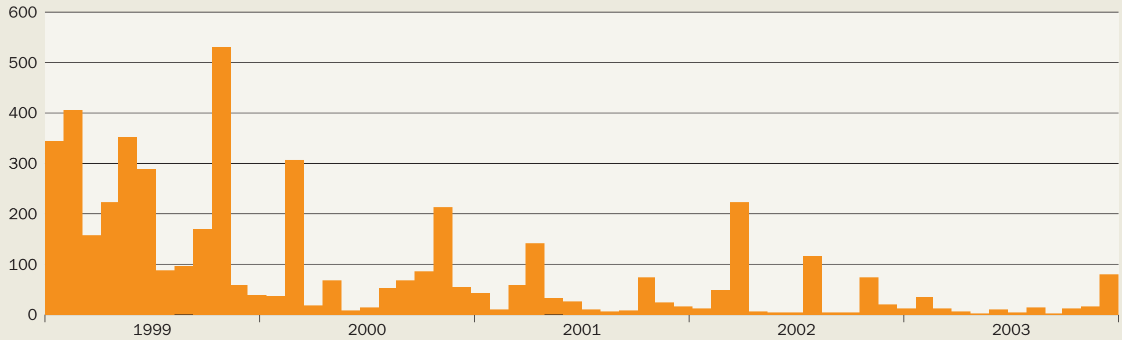
The highest and lowest quotations came to €7.25 and €5.50, respectively. The average share price was €6.58, and the share closed at €6.80. The shares' taxable value for 2003 totalled €4.76. At the end of the financial year, the company's market capitalisation amounted to €25.2 million.

Holding by shareholder group, 31 Dec. 2003



Share price (€), 1 Jan.1999–31 Dec. 2003

Share trading by month 1999–2003 (1,000 shares)



Definition of Key Ratios

Return on equity (ROE), % = $\frac{\text{(profit before extraordinary items, appropriations and taxes – taxes) x 100}}{\text{shareholders' equity + minority interest, average for the period}}$

Return on investment (ROI), % = $\frac{\text{(profit before extraordinary items, appropriations and taxes + financial expenses) x 100}}{\text{balance sheet total – non-interest bearing liabilities, average for the period}}$

Net Gearing, % = $\frac{\text{(interest-bearing liabilities – cash and cash equivalents – marketable securities) x 100}}{\text{shareholders' equity + minority interest}}$

Equity/assets ratio, % = $\frac{\text{(shareholders' equity + minority interest) x 100}}{\text{balance sheet total – advances received}}$

Earnings/share (EPS) = $\frac{\text{profit before extraordinary items, appropriations and taxes – taxes + minority interest}}{\text{adjusted average number of shares for the period}}$

Equity/share = $\frac{\text{shareholders' equity}}{\text{adjusted number of shares at period-end}}$

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

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

Dividend yield, % = $\frac{\text{dividend/share x 100}}{\text{adjusted share price at period-end}}$

Price/earnings ratio (P/E) = $\frac{\text{adjusted share price at period-end}}{\text{earnings/share (EPS)}}$

The Board’s Proposal for Profit Allocation

The Board of Directors proposes to the Annual General Meeting of 25 March 2004 that a per-share dividend of €0.10 (€0.15) be paid on shares held outside the company (non-treasury shares) on the balance sheet date, totalling approximately €0.4 million. Treasury shares will not entitle to dividends.

Kolding, 3 February 2004

Niilo Pellonmaa Chairman	Kari Jokisalo	Gregory E. King
Petteri Walldén	Kenneth J. Barina	Kari Blomberg Managing Director

Auditor's Report

To the shareholders of Rocla Oyj

We have audited the accounting, the financial statements and the corporate governance of Rocla Oyj for the period 1 january – 31 december 2003. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance of the parent company.

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

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

Järvenpää, 5 February 2004

KPMG WIDERI OY AB

Lasse Holopainen

Authorised Public Accountant

Stock Exchange Releases and Announcements

2003

20 January (release)
Rocla announces that it will report weaker consolidated results for 2002 than indicated by earlier estimates, due to the markedly lower-than-expected results shown by Rocla A/S, the company's Danish subsidiary.

30 January (release)
Rocla publishes its financial statements bulletin for 2002. Consolidated net sales grew by 2 per cent, to €89.5 million. Consolidated operating profit, €0.7 million, was burdened by the operating losses and the resulting goodwill amortisation recorded by Rocla A/S, with their combined net effect coming to €4.4 million. The Board of Directors proposes that a dividend of €0.15 per share be distributed for the financial year 2002.

10 February (announcement)
Rocla announces that the combined shareholding in Rocla Oyj of Etra-Invest and Tiiviste-Group Oy, both controlled by Erkki Etola, has exceeded 15 per cent, at 15.39 per cent, based on a share purchase on 5 February 2003, with Etra-Invest Oy and Tiiviste-Group Oy accounting for 15.27 per cent and 0.12 per cent of the share capital and voting rights, respectively.

14 February (release)
Rocla Oyj's Board of Directors announces that the Annual General Meeting will be held on 13 March 2003, and proposes that the AGM authorise the Board of Directors to buy back and sell own shares, and increase the share capital. The record date for the AGM is 3 March and the registration deadline 10 March 2003.

13 March (release)
The AMG adopts the financial statements for 2002 and discharges those accountable from liability. As proposed by the Board of Directors, the company will pay out a dividend of €0.15 per share. The record date for dividend payment is 18 March 2003, and payment will begin on 25 March 2003. The AGM authorises the Board of Directors to decide to buy back and sell own shares, and increase the share capital. The Board Review in this Annual Report discusses the matter in more detail.

15 April (release)
Rocla Robotruck Oy initiates Information and Consultation procedures with its employees in its Swedish unit, with the aim of providing foundations for future strategic investments through profitability gains. The rationalisation measures aim at closer integration of its Finnish and Swedish units, streamlining major processes and pruning overlapping operations, with planned personnel reductions of around 30 at the Swedish unit.

23 April (release)
Rocla publishes its Q1/2003 interim report. Net sales totalled €19.2 million (€21.1 million) and operating loss was €0.9 million (a profit of €0.6 million). Warehouse truck order volumes improved towards the end of the report period. Customers tended to put off their decisions to invest in automated guided vehicles, due to the generally uncertain mood in the market.

26 May (release)
Rocla initiates Information and Consultation procedures with its personnel in Finland, due to lower manpower requirements. The Finnish units had previously launched several retrenchment and profitability improvement programmes aimed at lowering cost levels. The estimated redundancies total around 40 staff, in addition to fixed-term layoffs to be implemented after the annual leave period, if necessary.

17 July (release)
Rocla publishes its Q1–Q2/2003 interim report. Net sales totalled €38.7 million (€45.1 million) and operating loss was €1.6 million (a profit of €1.5 million). Market demand for trucks remained at an unsatisfactory level, while Automated Guided Vehicles saw a thicker order book.

29 August (announcement)
Rocla announces that the holding of Mitsubishi Caterpillar Forklift America Inc. in Rocla has fallen below 20 per cent, while that of Mitsubishi Caterpillar Forklift Europe B.V. has increased to over 15 per cent, based on a share transaction on 29 August 2003, with both the former and latter company's holding in Rocla Oyj shares and voting rights accounting for 15.42 per cent, as a result of the transaction. Mitsubishi Caterpillar Forklift Group's total shareholding, however, remained unchanged.

21 October (release)
Rocla publishes its Q1–Q3/2003 interim report. Net sales totalled €56.7 million (€65.7 million) and operating loss was €1.7 million (a profit of €2.6 million). Market demand for trucks persisted at a low level. The Information and Consultation procedures at the Group's Finnish units were completed, resulting in a gradual reduction of 40 employees by early 2004. The Information and Consultation related discussions, resumed following the summer holiday season, concluded that no fixed-term layoffs would be required.

2004

4 February (release)
In the financial statements bulletin for 2003 Rocla reports net sales of €80.9 million, down by 10 percent on the previous year, while making an operating loss of €1.5 million. All in all, promising prospects at the beginning of the year, coupled with a significantly longer order book, bolster the company's expectations of a markedly better profit performance for 2004. The Board proposes that a per-share dividend of €0.10 (€0.15) be distributed for 2003.

Corporate Governance

Applying its corporate governance system as defined in the Companies Act and the Articles of Association, Rocla will develop its corporate governance practice in accordance with the Recommendation for Corporate Governance of Listed Companies issued by Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers on 2 December 2003 and effective as of 1 July 2004.

Articles of Association

Founded in 1942, Rocla last updated its Articles of Association on 3 February 2003. It is domiciled in the city of Järvenpää, and its business ID is 0124294–1 and Trade Register Number 93.643. Pages 40–42 of this Annual Report provide information on the company's share capital and shares. Elected by the Shareholders' Meeting, the Board of Directors is in charge of managing and supervising the company's business.

Board of Directors

As provided in the Articles of Association, the Annual General Meeting, convened yearly by the end of June, elects Rocla Oyj's Board of Directors, consisting of a minimum of three and a maximum of six members elected for a term of one year. The Board of Directors elects from among its members a Chairman who presides until the end of the next Annual General Meeting. The Board Chairmanship is not a full-time position. Under the Articles of Association, the company's Managing Director may not act as Board Chairman. The Board was made up of five members in 2003, its composition fulfilling the minimum criteria set for executive independence by the new Corporate Governance Recommendation. Page 48 of this Annual Report provides more detailed information on the Board of Directors. With no specific working committees in place, Rocla Oyj's Board of Directors convened 13 times during 2003.

Subsidiaries' Board of Directors

The majority of the members and the Chairman of the Board of Directors of Rocla Oyj's operating subsidiaries at home and abroad belong to the Group's business management.

Managing Director

The company's Managing Director elected by the Board has a valid executive contract, the related benefits involved being presented in section 7 of the Notes to the Financial Statements. The company may terminate the contract at 12 months' notice, while the Managing Director applies a three-month period of notice. Termination of contract does not involve any separate compensation. Rocla Oyj's Managing Director is not a Board member. Page 49, Management Group, provides more detailed information on the Managing Director's personal and shareholding data.

Management Group

The business organisation chart on page 6 shows the Group's business structure and organisation. Page 49 reveals the Group's management responsibilities and the Management Group members' personal and shareholding information.

Board emoluments and management compensation

The amount of Board emoluments and other compensation paid during the financial year totalled €0.1 million. The shareholders' meeting determines Board emoluments, consisting of both fixed and meeting-specific remuneration. The Board of Directors determines the Managing Director's salary and other benefits.

Some Board members are involved in Rocla Oyj's 1998 stock option scheme, as are the company's acting management and staff. Page 40 provides more detailed information on the effective stock option scheme. Pages 48–49 reveal the number of warrants held by the Board and Management Group members.

In 2003, shares or equity derivatives did not form any part of the compensation paid to the company's Board of Directors or Management.

Administration of currency risks

Exposed to currency risks only to a limited extent due to euro-dominated foreign transactions, the Group aims to hedge against currency risks by using the euro as much as possible in non-euro area transactions too, and by opting for other invoicing and purchasing currencies in such a way that foreign currency income and expenses match each other as closely as possible. A considerable proportion of the cash flow of the Group's Danish subsidiary, Rocla A/S, is denominated in Danish kroner (DKK), while the currency used by Rocla Robotruck AB in Sweden is largely Swedish krona (SEK). The euro is also used as an invoicing currency for US truck deliveries, based on the partnership with Mitsubishi Caterpillar Forklift Inc. Whenever necessary, Rocla uses forward contracts to hedge against currency risks.

Administration of interest risks

The Group's loans are mostly tied to the 3-month or 6-month Euribor rate, while the Danish subsidiary's loans are based on the Cibor rate. However, since 2003, the company has, to a great extent, used interest rate swaps to exchange the reference rate for four and five-year fixed rates.

Administration of commercial risks

Rocla Group analyses counter-party and credit risks associated with its customers on a regular basis, its customer base consisting mainly of corporate customers of good financial standing, and long-term, distinguished partners. Since sales receivables are generated fairly evenly by a broad customer base, the company estimates that there are no major individual credit risks involved. In an effort to hedge against credit losses, the Group sets credit limits, is engaged in active monitoring and covers risks through credit insurance.

Internal auditing

Together with auditors, the business units' operational staff and financial management within Rocla Group are responsible for internal auditing. Creating a specific internal auditing organisation is underway, its focus, principles and practices being due for confirmation during 2004.

Insider administration

On 7 April 2000, Rocla Group decided to adopt the Insider Guidelines issued by the Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers, effective since 1 March 2000. Based on the specific Insider Guidelines, of which the Group informed its insiders on 11 April 2000, section 6.1. defines Restrictions on Trading as 21 days, i.e. insiders are not allowed to trade in the company's shares within a period of 21 days before the release of interim reports or financial statements bulletins.

Auditing

In accordance with Rocla Oyj's Articles of Association, the company has a minimum of one and a maximum of two auditors. The Annual General Meeting of 13 March 2003 elected KMPG Wideri Oy Ab, Authorised Public Accountants, as the company's auditor, with Lasse Holopainen, Authorised Public Accountant, acting as the principal auditor. The auditor's term expires at the end of the first Annual General Meeting following his/her election. The fact that Rocla Oyj has not yet established a specific internal auditing organisation has been taken into consideration when determining the extent and content of audits.

Audit fees for the financial year totalled €0.1 million, divided between two firms of Authorised Public Accountants, as a result of the decision taken by the shareholders' meeting to effect a change of auditors.

www.rocla.com

Rocla's website is a useful source of information on the company's business developments and administration. It also contains all of the company's stock exchange and other press releases.

Board of Directors and Auditors

Niilo Pellonmaa
b. 1941
M.Sc. (Econ.& Bus. Adm.)
Board member since 1997, Chairman since 1998. Positions in financial department of Enso-Gutzeit Oy 1966–1977, including head of department and financial director; director and board member of the Union Bank of Finland Ltd. 1977–1990; managing director of Veitsiluoto Oy 1990–1995; managing director of Finvest Oy 1996–1997; managing director of Jaakko Pöyry Group Oyj 1996–1998. Currently chairman of the board of PMJ-Automec Oyj.
Ownership at the end of 2003:
49,000 Rocla Oyj shares and
7,500 option rights.

Kari Jokisalo
b. 1942
M.Sc. (Chem.)
Member since 1997, managing director 1994–2000. Export and marketing positions in Upo Oy Plastics Division 1970–1973 and in Oy Lohja Ab Uniplast 1973–1975; marketing manager, general manager and group marketing director in Upo Oy, Asko-Upo Oy and Uponor Oy 1976–1984; wholesale division general manager and managing director in Oy Huber Ab 1984–1994; current board memberships include Amomatic Oy, Kaiko Oy, Machinery Oy, Nokka-Tume Oy and Rocla Robotruck Oy. Member of Association on Finland's Board Professionals.
Ownership at the end of 2003:
48,500 Rocla Oyj shares and
30,000 option rights.

Petteri Walldén
b. 1948
M.Sc. (Eng.)
Member since 1997. Several positions in Nokia Cables Ltd. 1973–1986; managing director of Sako Oy 1987–1990; managing director of Nokia Cables Ltd. 1990–1996; managing director of Ensto Oy 1996-2001. Currently managing director of Onninen Oy since 2001. Board member in S.E. Mäkinen Oy and Finnish Tube Merchants Association.
Ownership at the end of 2003:
0 Rocla Oyj shares and
7,500 option rights.

Gregory E. King
b. 1955
MBA, University of Tennesee
Member since 2002. Several positions in finance and treasury in Caterpillar since 1979, for example 1984–1989 as Senior Foreign Exchange Trader and 1992–2000 as Manager of Dealer and Corporate Finance. Assistant Treasurer in Mitsubishi Caterpillar Forklift America Inc. (MCFA) since 2000. President of one of MCFA dealer companies and board member of several MCFA dealer companies.
Ownership at the end of 2003:
0 Rocla Oyj shares and 0 option rights.

Kenneth J. Barina
b. 1963
B.I.E., Cleveland State University
Board member since 2003. Several positions in marketing in Caterpillar Industrial Inc. and Mitsubishi Caterpillar Forklift America Inc. (MCFA) since 1986: Technical Consultant, Product Marketing Consultant and Machine Distribution manager as well as general Manager of Rapidparts Inc., MCFA's subsidiary. Director of Corporate planning at MCFA since 2002.
Ownership at the end of 2003:
0 Rocla Oyj shares and 0 option rights.

Auditors

KPMG WIDERI OY AB

Authorized Accounting Firm

Chief auditor: Lasse Holopainen

Authorized Public Accountant

Management Group

Kari Blomberg
(b. 1954)
Managing Director, Rocla Oyj;
M.Sc. (Eng.)
with Rocla since 1999
Ownership at the end of 2003:
8,100 Rocla Oyj shares and
15,000 option rights

Jukka Suotsalo
(b. 1962)
Vice President, Corporate Planning;
engineer
with Rocla since 1988
Ownership at the end of 2003:
1,578 Rocla Oyj shares and
15,000 option rights

Kyösti Sarkkinen
(b. 1950)
Vice President, Product Development;
engineer
with Rocla since 1980
Ownership at the end of 2003:
10,778 Rocla Oyj shares and
15,000 option rights

Jussi Muikku
(b. 1964)
General Manager, Warehouse Trucks;
engineer
with Rocla since 1989
Ownership at the end of 2003:
2,700 Rocla Oyj shares and
15,000 option rights

Petri Alava
(b. 1965)
Managing Director, Rocla Robotruck Oy;
M.Sc. (Eng.)
with Rocla since 2000
Ownership at the end of 2003:
0 Rocla Oyj shares and 0 option rights

Hilkka Webb
(b. 1954)
Vice President, Finance;
M.Sc. (Eng.)
with Rocla since 1981
Ownership at the end of 2003:
0 Rocla Oyj shares and
20,000 option rights

Jukka Viinikainen
(b. 1962)
General Manager; Customer Solutions;
engineer
with Rocla since 2002
Ownership at the end of 2003:
0 Rocla Oyj shares and 0 option rights

Rocla as an Investment

Business line description

Rocla's line of business is divided into two business areas: Industrial Trucks and Automated Guided Vehicles. Its products form a vital part of the storage and retrieval systems within the logistics chain in trade and industry, harnessed to both indoor and outdoor use.

Under its Rocla trademark, the company develops, manufactures and markets electric industrial trucks designed mainly for indoor use. In its home market in the Baltic Rim, Rocla aims at operating as a full-service truck company. Rocla supplements its product range with counterbalance trucks, suitable also for outdoor use and sold under the Caterpillar trademark. In its other main market areas, the company operates through its strategic partners and extensive dealer network. Rocla's automated guided vehicles are marketed through a global partnership and representative network.

Rocla is a major European industrial truck manufacturer whose core strengths lie in its frequent product upgrades and modernisation, and a versatile range of related after-sales services and information systems for user support. The company is also the global market leader in providing automated guided vehicle systems in selected customer segments.

Rocla's competitive advantages

By and large, demand for trucks tends to follow the general world trend in goods flow and consumer demand. In industry, which is Rocla's strongest market segment, demand for trucks is largely determined by the level of investment activity. In this respect, Rocla's advantage lies in its ability to provide its customer companies with superior quality trucks and the services pertaining to their selection and use throughout their economic life. A profound knowledge of customer companies' requirements and the exploitation of information technology in analysing the trucks' operating performance and efficiency make it possible to offer customers the right truck fleet for various purposes. Truck delivery is about delivering a service package, of which after-sales marketing throughout the truck's lifespan and the related technical support form an integral part.

Product development

Rocla is renowned for its frequent product upgrades and the application of the latest technology to its products and systems. For example, 90 per cent of its industrial truck models are under four years old. In-depth knowledge of truck use and the efficient utilisation of user experiences form the basis of the company's product development, performed in close co-operation with its strategic partners and customers. Examples of the latest product development outcomes include the launch of the new innovations within the Bean and Bull product families and the Orion truck product family, developed for the American market. In 2003, Rocla launched Abbot, an Internet-based system for collecting and registering data on the state and use of trucks, which caters for both the customer's logistics optimisation needs and Rocla's product development work. In the AGV business area, product development co-operation with Tetra Pak has spawned a brand new product generation for reel handling, while resulting in a new structural solution that contributes to cost-efficiency.

The Noste project for the development of new product concepts within the Finnish lifting and conveying equipment industry pools the expertise of the participating companies for the benefit of all involved. Together with its project partners, KONE and KCI Konecranes, Rocla seeks to create new, global competitiveness, particularly through training and development.

Investing in Rocla

An investment in Rocla is an investment in a truck supplier deeply involved in developing materials handling logistics. The company's growth drivers stem not only from product launches in existing markets but also the introduction of new products in new markets, developed in co-operation with its strategic partners. Rocla has announced the target of doubling its volume of operations over the next few years through organic growth and strategic alliances.

After-sales services and truck-related services covering the product's entire lifespan are playing an ever-increasing role, as customers seek to enhance logistics efficiency and highlight user-friendly and ergonomic truck design. In response to this challenge, Rocla has strengthened its system and design expertise.

Dividend policy

Rocla Oyj's Board of Directors has confirmed a dividend distribution policy based on the company's profit performance, investment needs and the need to improve its equity/assets ratio. The aim is to distribute a minimum of 30 per cent of consolidated net profit as dividends to shareholders (dividend payout ratio). Since Rocla's stock exchange listing in 1997, through to 2002, the payout ratio varied from 31.2 per cent to -52.6 per cent, and the company has continued to adhere to its dividend distribution policy during the last few, exceptionally difficult, years. Based on the Board's proposal for profit allocation, the payout ratio for 2003 is -18.9 per cent (-52.6 per cent).

Information for Shareholders

Annual General Meeting

Rocla Oyj will hold its Annual General Meeting at Aikuiskoulutuskeskus Adulta, Wärtsilänkatu 61, Järvenpää, on 25 March 2004, starting at 5.00 pm.

Briefing

Before the AGM, Rocla Oyj will hold a company presentation and organise a factory visit to its Järvenpää plant for its shareholders, adjacent to the meeting venue, the briefing starting at Adulta at 3.00 pm and the visit starting at 3.30 pm.

Right to attend the AGM

Shareholders registered as Rocla shareholders in the shareholder register maintained by Finnish Central Securities Depository Ltd. by no later than 15 March 2004 are entitled to attend the Annual General Meeting. Nominee-registered shareholders wishing to attend the AGM must contact their account operators, in order to be entered temporarily into the company's shareholder register by 15 March 2004.

Registration

A shareholder wishing to attend the AGM must notify the company by 4.00 pm, 22 March 2004, either in writing addressed to Rocla Oyj, Annual General Meeting, P.O. Box 88, 04401 Järvenpää, or by telephone (+358 9 2714 7324, Raili Saarela) or fax (+358 9 2714 7475). It is also possible to sign in for the AGM and the preceding briefing by e-mail: raili.saarela@rocla.com.

Proxies

Any proxies entitling authorised persons to exercise shareholders' voting rights at the meeting should be submitted to the company by the above deadline.

Payment of dividends

The Board of Directors will propose to the Annual General Meeting that a dividend of €0.10 per share be paid out for the financial year 2003. The Board of Directors' proposal for profit allocation is given in full on page 43. The table below shows the dates related to dividend payment.

Important dates

15 March	Record date for the Annual General Meeting
22 March	Registration date for the Annual General Meeting
25 March	Annual General Meeting
26 March	Dividend ex-date
30 March	Record date for dividend
6 April	Dividend payment effected

Financial reports

Rocla Group published its Annual Report in Finnish and English in week 10/2004, and it can be ordered from rocla@rocla.com. The Financial Statements Bulletin for 2003 was released on 4 February 2004.

Rocla Oyj will publish its 2004 interim reports on the following dates:

28 April	Q1/2004 (3 months)
16 July	Q1–Q2/2004 (6 months)
27 October	Q1–Q3/2004 (9 months)

Published as stock exchange releases, all interim reports will be available in Finnish and English on the websites of the Helsinki Exchanges www.hex.fi/yhtiotiedotteet (ROC) and Rocla (www.rocla.com).

For detailed information on Rocla Oyj's shares and ownership, see pages 40–42.

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