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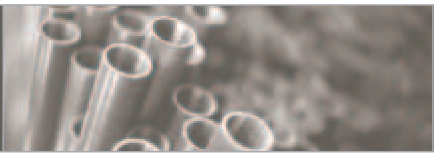
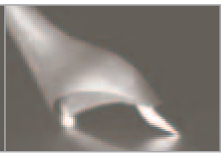
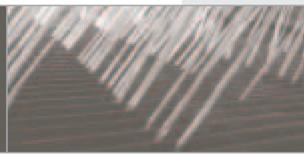
Annual Report 2003







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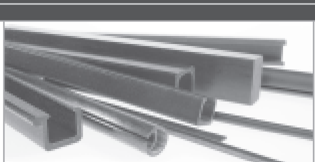

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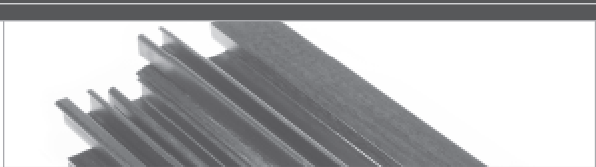

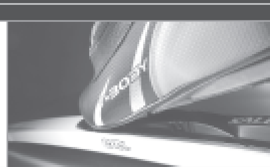

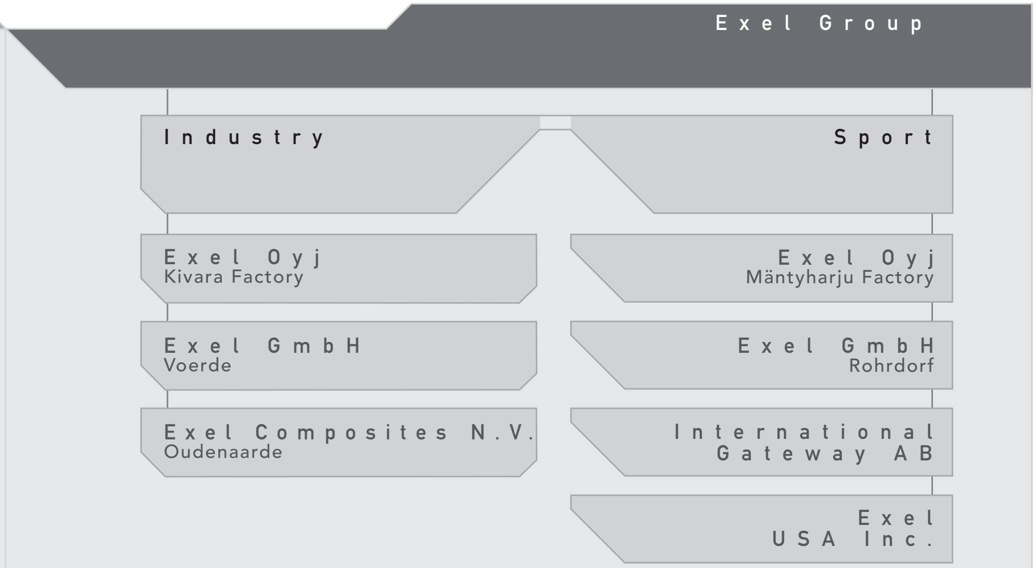

Exel Oyj

Exel Oyj is Europe's leading composite technology company. Exel designs, manufactures and markets composite, i.e. fibreglass and carbon-reinforced, industrial profiles and sporting and leisure equipment. The company's business operations are conducted through an Industry division and a Sport division. Exel's Finnish production facilities are located in Mäntyharju and Kiihtelysvaara. Exel also has two international subsidiaries, Exel GmbH in Germany and International Gateway AB in Sweden. Exel's German subsidiary has production facilities in Rohrdorf in southern Germany and in Voerde near the Dutch border. In January 2004 Exel acquired the business operations of Bekaert Progressive Composites in Belgium. This transaction transferred BPC's Oudenaarde manufacturing plant in Belgium to Exel. International operations account for approximately 80% of Exel's net sales.

Exel's Industry division produces composite profiles, doctor blades for paper machines, composite tool handles, and lattice masts. Among its profile products are antenna profiles for GSM and UMTS base stations, and carbon fibre profiles used to reinforce concrete structures, such as bridges. Hundreds of different profile types are produced on a regular basis for various applications. Doctor blades are used to clean paper machine rolls. Lattice masts mainly serve as airport approach lighting supports. All of the division's products are sold directly to industrial customers.

Exel's Sport division produces poles for Nordic Walking and winter sports, floorball, hockey and watersports equipment, and laminate products. Watersports products and laminates are sold directly to industrial customers. Other products are sold to consumers through sporting goods retailers. Exel is the worldwide market leader in many of the above product lines.

2003

Net sales grew strongly to EUR 57.3 million, or by 12%.

Operating profit totalled EUR 5.3 million (EUR 3.8 million), growing by 41%.

Earnings per share were EUR 0.64, up 52%.

Exel's Industry division expanded significantly through a business acquisition in January 2004. This acquisition will contribute some EUR 13 million to 2004 net sales.

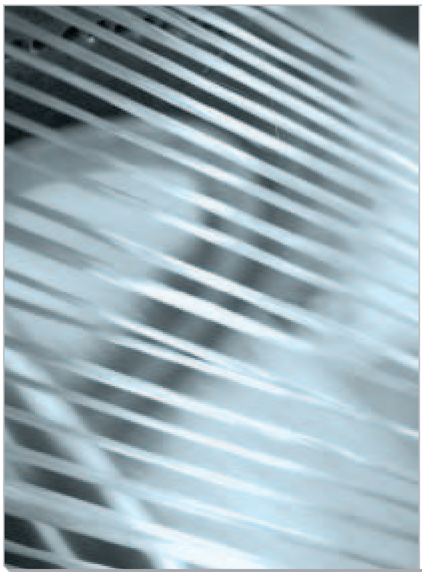

Photo: Exel/John Kelly

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Goals
Exel's goal is to be the market leader in carefully selected market segments where it can capitalise on its composite technology expertise. In its Industry division Exel's goal is to be the global pultrusion leader both in terms of volume and technology. In the Sport division Exel's strategic goal is to be the leading brand in select niche markets.

Profitable expansion is sought through strong organic growth and business acquisitions as appropriate. The average growth target for net sales and operating profit is a minimum of 15% per annum. Exel has a policy of distributing 40% of its net income in dividends, capital spending needs and expansion plans permitting.

Highly skilled personnel and state-of-the-art technology play a key role in Exel's operations. Exel's strategic goals rest on its unique proprietary production technology, a range of products drawing on this technology, and a preeminent position in its target markets that is based on a strong quality and brand image.

Continued growth is supported by ongoing efforts to find new applications and to develop new and existing products in cooperation with Exel's customers and other business partners.

Exel's various business units benefit from strong synergies stemming from proprietary production technologies, common raw materials, and economic benefits derived from shared manufacturing units, management and administration.

Values
Customer satisfaction is one of Exel's core values. We continue to invest in the development of our products and operations in order to be able to provide a competitive advantage to our customers through our products and services. We also endeavour to make sure that consumers associate Exel with premium grade products.

We seek to add significant value to the investment of our shareholders by operating profitably.

Exel conducts all of its operations in keeping with the best management practices and approaches. It strives to ensure the jobs of its personnel by operating profitably.

Exel is committed to the principles of the European chemical industry's Responsible Care programme throughout its operations.

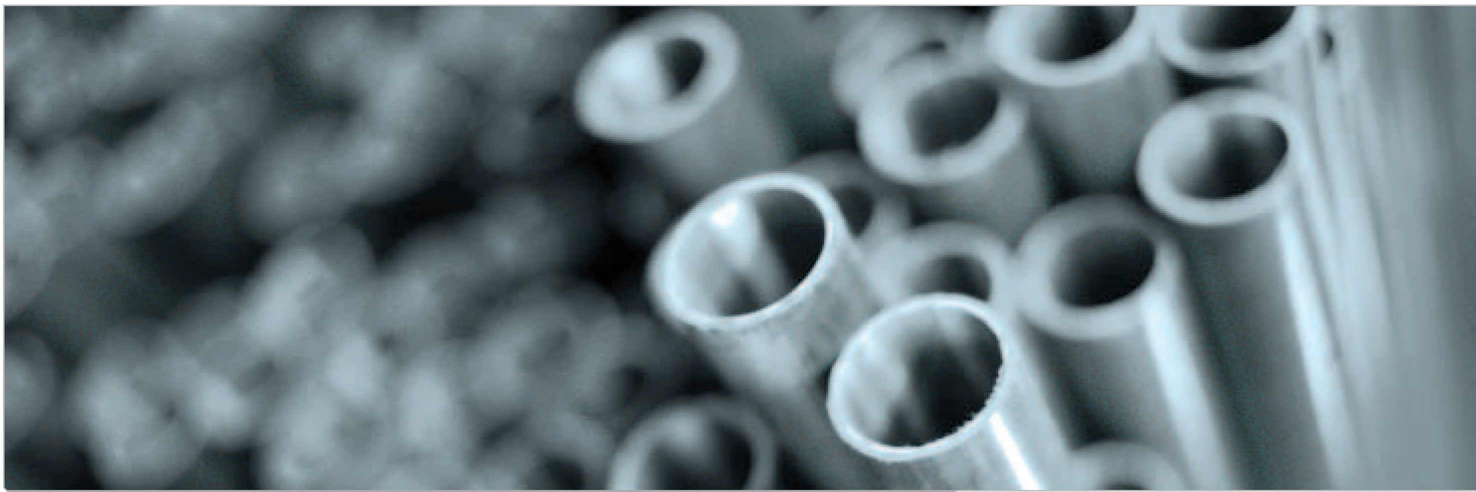
General
This past year provided many challenges but it was also very interesting. The early part of the year was marked by tenuous growth and tentative market sentiment brought on by the state of the global economy. During the summer our long-term marketing and sales efforts begun to bear fruit in our niche markets, and the general level of market activity also picked up. This enabled us to grow our sales by approximately 12%, which is close to our 15% long-term growth target. If we look at the last six months of the year alone, we even exceeded this target. Over that particular period our sales grew at an annualised rate of roughly 20%. This growth came from our current products without any business acquisitions. We have every reason to be very pleased with the rate of growth we have achieved.

The sales growth did not occur at the expense of profitability. Our operating profit also grew materially, in fact by more than 40% in percentage terms. We were particularly pleased to note that both of our business divisions, Industry and Sport, clearly improved their profitability. Aside from sales gains, our cost-containment and productivity improvement measures also contributed to this excellent performance. Both of our Finnish production facilities continued to work on the efficiency of their processes. The profitability of our Voerde manufacturing unit also picked up materially due to various in-house measures.

Industry division
The Industry division advanced strongly on a number of fronts. The antenna profile market recovered significantly toward the end of the year, which signalled the start of new network investment programmes. We maintained our market position as the leading supplier in this marketplace. Our immediate future in antenna profiles also looks promising now that various operators have finally begun to expand their network capacity. Our doctor blade business with Metso was also stronger than expected in the latter part of the year despite continuing difficulties in the paper products markets. Metso has been able to open up a number of new export markets for products that incorporate our doctor blade materials. Our lattice mast markets also continued to perform well throughout the year, and we posted a new sales record for the second year running. This was partly explained by the frangibility regulations of the International Civil Aviation Organization that require airports to replace their lighting support structures with breakable ones by 2005.

Numerous product development projects continued in the Industry division during the year. Tens of applications were engineered and partially commercialised based on various materials and technologies within our realm of expertise. It seems clear that composite materials are gaining recognition among European industrial companies. Many new industries are researching composite materials and using them in their products. This means good news for all of us here at Exel, but also new challenges.

Sport division
Our NFS™ concept, and particularly Nordic Walking, performed well in Central Europe starting in the spring of last year. This resulted in approximately 9% sales growth in the Sport division, even though laminates and mast product groups failed to reach the sales levels of 2002. The strong growth in Central Europe



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even led to exceptional capacity problems toward the end of the year, which we are currently in the process of addressing. The launch of Nordic Walking will expand to new countries under the same proven concept. German-speaking Europe has already found the sport, and its popularity continues to grow. We expect more of the same in a number of new markets and language areas over the next few years.

Laminate production suffered from lower than expected ski and snowboard volumes to some extent. We also improved the efficiency of Exel GmbH Plastics' printing operations by outsourcing them to a suitable partner. The current good snow conditions in Central Europe are bringing retail inventories down nicely, and early indications for the upcoming season are more upbeat than for the past season.

We also retained our market share in the markets for floorball equipment and surfing masts in spite of tougher competition even though both markets continued to contract slightly.

Other Operations
Our good operating performance and tight reins on capital spending, which totalled roughly EUR 2.5 million, continued to produce strong cash flows and strengthened our balance sheet. In fact, our solvency ratio exceeded 50% at the turn of the year. We have, in other words, managed to lay a solid foundation on which to build our future.

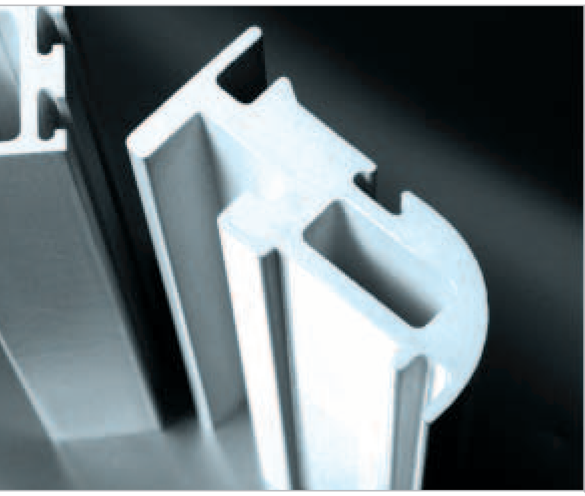
One notable step was bringing our lengthy purchase negotiations on Bekaert Progressive Composites, which is one of the most significant pultrusion companies in Central Europe, to a successful completion. This acquisition will reinforce our market position and contribute to new applications and additional capacity. We can already state that we are the clear European frontrunner in pultrusion and number two worldwide. Our strategy to become the global leader is thus materialising step by step.

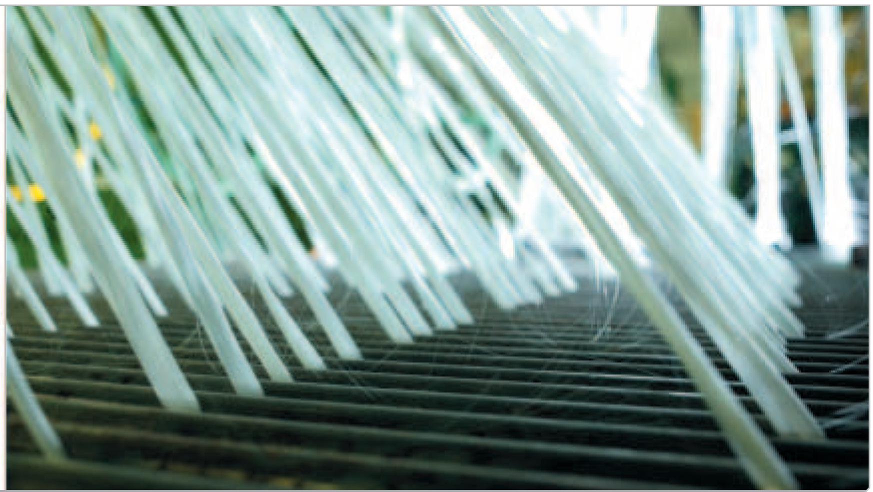
The past year was also historical in the sense that the Industry division matched the Sport division in sales for the first time ever. This vision was, in fact, recorded in our strategy already toward the end of the past millennium.

Our strong performance has also been noticed in the securities markets. Our equity value has doubled in twelve months reaching a high of EUR 12.95 per share. We thank our longer-term and newer shareholders for the confidence they have shown in us.

In other words, we did not lack for fun and excitement last year. Many parts of the company have also been learning to work together more effectively. This is a good start. We could still stand to improve our control over and management of our various processes and our daily communications. We will continue to focus on these during the current year as well. I want to extend my thanks to each and every Exel employee for a successful year and our strong performance. We are all naturally also very grateful to our customers for allowing us to serve them, and to our numerous other business partners for their dynamic collaborative contributions.

Ari Jokelainen
President





Industry division
The Industry division produces profiles, doctor blades for paper machines, tool handles, and lattice masts. Exel specialises in the development, manufacture and marketing of durable, rigid and lightweight composite profiles. Net sales grew by a strong 15% despite market instability. The operating profit of the Industry division improved to EUR 3.5 million (EUR 2.7 million). Exel continued to reinforce its market position as Europe's leading pultrusion profile manufacturer.

Profiles
The profiles product group consists of composite fibreglass and carbon fibre tubes and profiles. All products are tailored to the needs of customers. Tubes are manufactured using Exel's proprietary continuous Pull-Winding and pultrusion technologies. Pull-Winding allows wall thickness and product weight to be minimised while simultaneously maximising rigidity and durability. Exel also specialises in carbon fibre pultrusion. Exel is one of the world's leading manufacturers of carbon fibre profiles and tubes. Profiles produced by Exel often play a strategic role in the end user's product concept.

The composite profile market continued to grow in 2003. New and expanding areas included infrastructure, windpower, automotive and building construction applications.

Profile sales grew significantly during the year under review. The stronger than expected recovery of the antenna profile market in the second half of 2003 was one of the key driving forces behind this growth. The improved finances of telecommunications operators facilitated the start of new investment programmes. A year ago the more intense construction of UMTS, or third-generation, mobile phone networks was forecast to begin toward the end of 2003 at the earliest. The latest forecasts indicate that 3G network installation activity will increase during 2004.

One of the most significant new composite application areas during the past year were windpower applications. The unique properties of composite profiles, light weight and rigidity, facilitate the production of longer wind turbine wings, and thus contribute to the development of more economical windpower.

Exel launched some 30 new product applications during the year. Particularly windpower and infrastructure applications are expected to grow over the longer term.

Conventional and telescopic handles
Exel is one of Europe's leading marketers and manufacturers of composite tool and cleaning equipment handles and telescopic handle systems. This product line consists of single-section fibreglass handles and a broad selection of telescopic fibreglass and carbon-reinforced models with a reach of up to 20 meters. The key application areas are the professional cleaning equipment and gardening tool markets.

Cleaning equipment, including tools for cleaning windows high off the ground, represented the most important application area in the product segment in 2003 in terms of net sales. Significant new areas include various types of telescoping measuring tools as the minimal heat expansion of carbon fibre, for example, is an important property in precision measurement applications. New application areas also encompass such items as extension handles for industrial tools and alarm equipment testing tool extensions for tall spaces. The variety of available pultrusion product structures and shapes facilitates the tailoring of product features to the customer's specific needs in these applications. Several customer projects involving new telescope applications were started

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during the year that are expected to have a positive impact on sales already during the current year.

Doctor blades and other paper machine applications
Doctor blades maintained their position as the most important paper machine application. Despite the long-lasting recession in the paper manufacturing industry the sales of doctor blades continued to grow in 2003. The needs of various markets are being considered in increasing detail in product development. Exel's partnership with Metso has been a fruitful one and a number of specific products were developed during the past year for a variety of markets and applications.

Doctor blades also gained a strongly growing complementary product category, namely doctor blade holders. This product line will continue to receive a lot of attention, and a broad and extensive range of products will be built around doctoring in cooperation with Metso Paper's doctoring experts.

To confirm the continuation of their partnership Exel and Metso also renewed their cooperation agreement in the fourth quarter of 2003. This agreement will run until 2008 and further reinforces all areas of the business partnership between the companies.

Lattice masts
This product line consists of frangible lattice masts, which are primarily marketed as supporting structures for airport approach lighting systems. Exel's masts meet the frangibility requirements of the International Civil Aviation Organization (ICAO) that will take effect in 2005. Based on these requirements masts must break upon possible impact without harming the aircraft.

A new record was set in 2003 for lattice masts. The most important of many notable projects was Changi Airport in Singapore where approach lighting masts were delivered for three approach lanes during the summer. The end of the year was not marked by as strong a seasonal dip as in the past but deliveries have instead continued through the autumn and winter, and the climb toward the seasonal peak of the summer appears to be starting earlier than in years past. Order books were also at record levels at the turn of the year. ICAO's deadline for the installation of safely breaking approach lighting masts is 1 January 2005. Related sales are therefore expected to set a new record during the current year.

Bekaert pultrusion business acquisition
A letter of intent was signed in December 2003 that would transfer the pultrusion business of Bekaert Progressive Composites S.A. to Exel upon the satisfaction of certain terms and conditions. These terms and conditions were met in January 2004, and the final purchase agreement has been signed. The acquired business will contribute an estimated EUR 13 million per year to Exel's consolidated sales. The main production facilities are located in Belgium, where slightly over 40 employees will be retained on a full-time basis. The acquired operations also include some production equipment and Bekaert's related subcontracting services in Spain. This acquisition is a notable step on Exel's path to becoming the world's leading developer and marketer of pultrusion-based products. The acquisition complements Exel's profiles business with large profiles sold mainly to transportation equipment manufacturers and the building construction trade. It also reinforces Exel's sales organisation in western Europe.

Photo: Exel/StefanSchuetz.com

Photo: Exel/Robert Bösch

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Sport division
Exel's Sport division produces poles for Nordic Walking and winter sports, and watersports, floorball and laminate products. Of these watersports and laminate products are sold directly to industrial customers. The rest are consumer products.

Poles
Exel is the world's leading manufacturer and marketer of cross-country ski poles and Nordic Walking poles. The Central European Nordic Walking market is growing strongly and Nordic Blading is also picking up. Nordic Walking is currently actively marketed in Central Europe and also in North America. The Nordic Walking marketing launched by Exel has also pulled in other sporting goods and clothing manufacturers, which will further contribute to the development of the market. The growing Nordic Walking market is already giving a boost to the cross-country ski pole market as skiing gains in popularity among the Nordic Walking target audience. Exel's racing team includes such names as biathlon world champions Ole-Einar Björndalen and Martina Glagow, and Björn Dählie who also participates in Exel's product development.

In addition to the above pole types Exel also manufactures and markets alpine and trekking poles. Exel's alpine poles are used prominently by Finland's Kalle Palander, Austria's Stephan Eberharter, and the successful Finnish national freestyle team.

The Nordic Fitness Sports™ (NFS) concept
Nordic Walking and Blading poles are part of Exel's year-round Nordic Fitness Sports™ fitness concept that consists of activities that greatly resemble one another in terms of the movements involved. During the summer these consist of Nordic Walking, Nordic Blading and Nordic Hill Walking, while their winter counterparts are Nordic Fitness™ Skiing and Nordic Snowshoeing. Exel's Nordic Fitness Sports™ concept is mainly based on safe fitness sports that can be enjoyed by anyone, and holds very promising and extensive marketing potential. In addition to poles Exel also offers under the same concept new-generation T-Body™ skis for fitness skiing, and imports Tubbs snowshoes for the Finnish market. Exel works with a number of significant international sporting goods, footwear and clothing manufacturers.

Finnish sporting goods business
In addition to its own products Exel also sells and markets the world's leading snowshoe brand Tubbs and the Odlo and Björn Dählie clothing lines in Finland. Exel's domestic product lines also include composite baseball bats and balls.

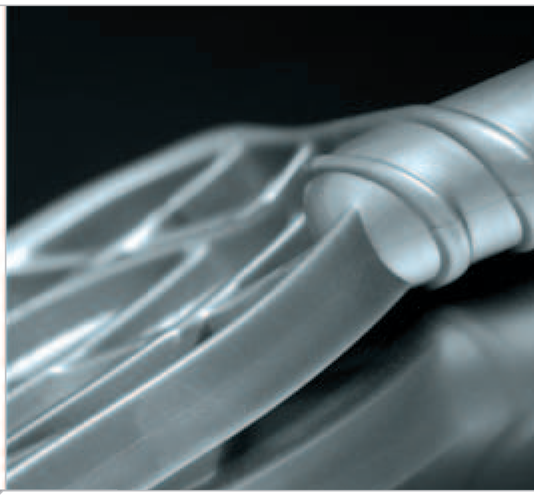
Watersports
Exel's primary watersports products are windsurfing masts sold to sail and board manufacturers. All masts are sold under customers' proprietary brands. Exel is the world's leading producer of windsurfing masts. The overall market contracted somewhat as kite surfing gained in popularity, but Exel still retained its significant market share.

Laminates
The laminates product line manufactures and markets fibreglass and carbon-reinforced laminates for the ski, snowboard and hockey stick industries. Laminates are used to minimise the weight of products while maximising their durability and rigidity. Laminate varieties number in the hundreds to suit the requirements of different types of customers and products. The product line also includes polyethylene-based materials for the bases of skis and snowboards, which are produced by Exel's German subsidiary Exel GmbH. Exel GmbH's Plastics business was reorganised during the year by outsourcing the printing of snowboard bases.

Exel is one of the three primary laminate suppliers in Europe. During the year under review laminate sales failed to reach targeted levels due to customers' lower than expected production volumes. Mainly the volume of sales to ski and snowboard manufacturers and the sales of specialty products have fallen short of expectations.

Floorball
Exel is one of the world's leading floorball equipment manufacturers. The floorball product line covers all equipment required for the game. Sticks constitute the main product. In addition to sticks the product line also includes goalkeeper's equipment, balls, goals, rinks and other accessories. The largest floorball markets are currently found in Scandinavia


Photo: Exel/Mikko Harma



and Switzerland, but the sport and related markets will continue to be developed strongly in other parts of Central Europe as well.

Exel GmbH
The operations of Exel's German subsidiary, Exel GmbH, are subdivided into three business segments: Sport, Plastics and Profiles. The Sport segment handles the sales of Exel's pole, floorball and hockey products in Austria and Germany. Plastics produces gliding bases and base materials for the ski and snowboard industries at Rohrdorf in southern Germany. The Profiles segment uses pultrusion technology to produce composite profiles, such as antenna profiles, at Voerde near the Dutch border.

Sport
The Sport segment continued the successful launch of Nordic Walking and the Nordic Fitness Sports™ concept in Germany and Austria. Thanks to significant marketing efforts all of the largest sporting goods stores, retail chains and sporting clubs have started to carry Nordic Walking poles, and sales developed very favourably during the year. Nordic Walking was the new sport of the year and received a lot of publicity. This trend is expected to continue in 2004.

In order to reinforce the marketing of the Nordic Fitness Sports™ concept cooperation agreements were signed with Polar and Salomon. These marketing partnerships are aimed at setting up separate Nordic Fitness sections in sporting goods stores.

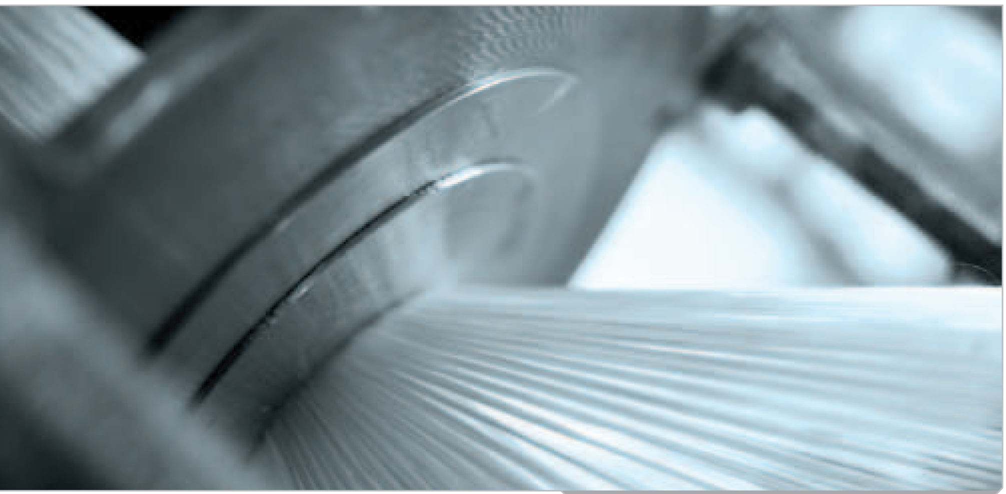
Plastics
Some new products were developed in the Plastics segment during the year. The printing operations of the Plastics business were outsourced. The focus of the business is being redirected from the supply of components to the supply of raw materials to the ski and snowboard industries.

Profiles
The Profiles business started in 2001 when the pultrusion operations of Menzolit-Fibron GmbH were integrated into Exel GmbH. Efficiency improvement measures were continued during 2003 by developing more economical product designs, for example, and by concentrating on high-volume applications. The productivity of Voerde did, in fact, improve notably during the year.

International Gateway AB
Exel's Swedish subsidiary, International Gateway AB, designs and markets floorball sticks under the Christian and Canadien brands. Together with other Exel entities it is one of the leading suppliers of floorball equipment. Gateway's product assortment also includes a broad range of technical textiles and other accessories needed in the game.

The efficiency of deliveries to the company's main market area, Sweden, was improved during the year. As part of these efficiency measures the warehousing and dispatching functions of Gateway were shut down and moved to the Mäntyharju logistics centre in the spring of 2003.

Exel and Canadien developed a new ball for floorball under the Precision brand during the year under review. It is based on the latest aerodynamics and manufacturing technology. The surface of the ball is pitted by more than a thousand 'craters', which cuts down the effects of airflow on the movements of the ball and reduces air resistance. The ball has been very well received among players.



Profitability

Exel's consolidated sales grew 12% during the period under review totalling EUR 57.3 million (EUR 51.2 million). Operating profit grew even more strongly than sales to EUR 5.3 million (EUR 3.8 million). This improved profitability was brought about by strong advances in the German-speaking Nordic Walking markets, more efficient production and materials sourcing operations, and a year-end pickup in the specialty profile markets. Profit after financial items totalled EUR 4.9 million (EUR 3.1 million). The total number of employees fell to 355 (359) by the end of 2003 despite higher production volumes and increased marketing efforts at Exel GmbH.

Total assets grew to EUR 34.1 million (EUR 31.8 million). Consolidated capital expenditures amounted to EUR 2.5 million (EUR 2.0 million). Depreciation and amortisation totalled EUR 3.2 million (EUR 3.3 million). Exel's solvency ratio passed 50%, increasing to 51.7% (47.2%).

Earnings per share were EUR 0.64 (EUR 0.42). Return on investment was 20.8% (14.3%). This improvement was due to clearly better operating margins, sales growth, and working capital management.

Financing

On a consolidated basis interest-bearing net debt fell to EUR 5.2 million (EUR 8.3 million). Payments were based on previously agreed tight repayment schedules. New loan facilities were negotiated toward the end of the year, primarily for the Bekaert acquisition. A total of EUR 11 million of loans and credit lines were arranged for short- and long-term funding purposes. These facilities are not yet reflected on the 31 December 2003 balance sheet, because funds are will be drawn down under them when the payments relating to the Bekaert purchase become due, and as the company's funding situation evolves.

Cash flow from operations remained nearly unchanged year over year at EUR 3.9 million (EUR 4.0 million) after capital expenditures. Net financing expenses of EUR 0.4 million were clearly lower than the year before (EUR 0.7 million). This reduction was due to the heavy repayment of debt during the year, which was facilitated by Exel's strong cash flow.

Industry division

Exel's long-term area of strategic emphasis, the Industry division, continued to grow despite a slower period in the early part of the year. The sales of the Industry division grew by 15% to EUR 28.9 million (EUR 25.1 million). This growth was based on a recovery in the antenna profile market, lattice masts, and new profile applications.

Operating profit improved to EUR 3.5 million (EUR 2.7 million) due to sales growth and better management of the supply process. The profitability of Exel's Voerde manufacturing facility also reached targeted levels during the latter part of the year. Development efforts on new profile applications continued strong, and tens of new applications were developed during the year.

Sport division

Sales in the Sport division grew clearly year over year to EUR 28.4 million (EUR 26.1 million), which corresponds to a 9% increase. This growth was based on the strong breakthrough of Nordic Walking in the German-speaking countries of Central Europe. This offset sales declines in the laminate and water sports segments. All main product segments maintained their market positions.

The profitability of the Sport division improved in comparison to 2002. Operating profit totalled EUR 1.8 million (EUR 1.1 million). Profitability was boosted by the success of Nordic Walking and related additional volumes, and by continued efficiency improvements in production and materials sourcing operations. Significant marketing investments were made to protect the market position of Nordic Walking in Central Europe, and to introduce the sport to new countries.

The warehousing and dispatch functions of Gateway AB were centralised over the summer and transferred to the Mäntyharju plant in Finand. The printing operations of the Plastics business of Exel GmbH were also outsourced.

Corporate Structure

Exel's corporate structure did not change during the year under review. The consolidated group consists of a Finnish parent company, Exel Oyj, and two foreign operating subsidiaries, Exel GmbH in Germany and International Gateway AB in Sweden. Both subsidiaries are 100% owned by Exel Oyj. Exel GmbH manufactures thermoplastic components for Central

Photo: Erik Spiess

European ski and snowboard manufacturers in Rohrdorf and antenna profiles and other profiles in Voerde. International Gateway develops and markets a number of floorball product brands that are controlled by it. The parent company also has two additional subsidiaries called Pro Stick Oy and Exel USA, Inc. Both subsidiaries were inactive during the year under review.

Shareholders
Exel shares are quoted on the Main List of the Helsinki Exchanges under Other Industries. Exel's largest single shareholder is the Swedish investment firm Nordstjernan AB, which owned 32.7% of its equity at the end of 2003. Other notable shareholders included Metso Capital Oy (12.2%), Ilmarinen Mutual Pension Insurance Company (8.5%), and Varma Mutual Pension Insurance Company (4.3%). Exel's President and Board of Directors collectively hold 1.8% of its share capital. Exel had a total of 1,151 shareholders at the turn of the year.

Exel's share capital totals EUR 1,870,085 and consists of 5,343,100 shares, each of which is nominally valued at EUR 0.35. There is only one class of shares and all shares are freely assignable under Finnish law. Exel's shares were quoted at EUR 11.90 (EUR 6.38) at the end of 2003, and the total market value of its equity was EUR 63.5 million (EUR 33.8 million).

Capital Expenditures and Product Development
Capital expenditures continued to be tightly controlled during the year under review and were clearly below annual depreciation and amortisation at EUR 2.5 million (EUR 2.0 million). Capital was mainly spent on tools and forms in both business segments. Horizontal lines were also refurbished and the ERP system was updated at the company's Voerde plant.

Product development costs totalled EUR 1.7 million (EUR 1.1 million), or 3.0% (2.2%) of sales. In the Industry division key projects related to the development of new customer applications and the testing and development of the features of its primary raw materials, namely polyester and epoxy resins and glass and carbon fibres.

Insider Guidelines
Exel adopted its current insider guidelines on 1 March 2000. These guidelines mirror the Helsinki Exchanges' recommended insider guidelines. They are supplemented by more detailed instructions on such matters as trading in the company's securities by permanent insiders, for example. Permanent and designated insiders must discuss any trades in advance with the President of the company.

Corporate Governance
The Board of Directors refined the company's corporate governance policies and guidelines and made several amendments to them. The amended guidelines were adopted in the spring of 2003. The Board of Directors has taken notice of the Helsinki Exchanges' December 2003 corporate governance recommendations for listed companies, and is working to implement them at Exel intending to be in full compliance no later than 1 July 2004.

Board of Directors and Executive Management
Ove Mattsson, D.Sc. (Eng.), served as the Chairman of the Board of Directors during the year under review. Kari Haavisto, Lc.Sc. (Econ.), Peter Hofvenstam, M.Sc. (Econ.), Vesa Kainu, B.Sc. (Eng.), and Mika Sulin, Managing Partner, served as members of the Board. Ari Jokelainen, M.Sc. (Econ.), served as the company's President and CEO, while Vesa Korpimies, M.Sc. (Econ.), served as its Executive Vice President.

The Board of Directors convened eight times during 2003. The average attendance rate at these meetings was 94.3%.

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The Board of Directors considers Ove Mattsson, Kari Haavisto and Mika Sulin to be independent directors, whereas Vesa Kainu and Peter Hofvenstam are not. Kainu and Hofvenstam are both employed by significant shareholders of the company.

The Board of Directors has been assisted by a compensation committee made up of Ove Mattsson, Vesa Kainu and Peter Hofvenstam. This committee met three times during 2003 to prepare the company's future incentive programmes.

Incentive Programmes
All Exel Oyj employees are covered by a performance-based incentive programme. Management employees receive a monthly salary and an annual bonus tied to the attainment of annually established goals that emphasise growth and profitability. Non-management employees are also eligible for incentive compensation, but their annual bonus is based on productivity. Key employees are additionally covered by an option or similar share-based programme designed to gain their long-term commitment.

In 2003, the President's salary and other benefits totalled EUR 210,570.

IFRS Transition
Exel begun its IFRS preparations during 2003. Outside experts and auditors have been used for assistance in this project. The IFRS project is proceeding on schedule and Exel plans to publish its first set of IFRS-compliant financial statements for the first quarter of 2005.

Preliminary studies indicate that the most significant differences between IFRS and Exel's current accounting practices relate to inventories, financing leases, goodwill, and business acquisitions completed after 1 January 2004.

Exel's inventories are currently valued at variable cost but IFRS requires the use of full-cost inventory valuation, whereby the value of inventory also includes an allocated portion of overhead costs. Exel has certain real estate and equipment rental agreements that will be deemed financing leases under IFRS, and finance lease assets and corresponding interest-bearing liabilities will be entered on the balance sheet with respect to these. Based on the new IFRS business acquisition rules all of the assets and liabilities of an acquired business will be marked to market and goodwill (including any acquired goodwill) will no longer be amortised but tested for impairment on an annual basis.

The upcoming IFRS transition will also have other effects on Exel's accounting principles. Exel will detail these and any transition-related changes in reported amounts no later than in its 2004 annual report.

Auditors
PricewaterhouseCoopers Oy, authorised public accountants, served as the company's auditors with Christian Savtschenko-Alexandroff and Johan Kronberg as their audit principals. In 2003, the auditors' fees were EUR 56,926.

Outlook for 2004
No significant further recovery in the market as a whole is expected in the near future. However, the Nordic Walking and certain profile markets are forecast to be very active during the beginning of the year. The integration of Bekaert's pultrusion operations into the Exel Group requires significant resources. Projects to enhance productivity will be continued. Cost pressures are growing due to increasing demand for carbon fibre. The Group's net sales are expected to grow both organically and through the acquisition. Operating profit is expected to improve further in the first half of 2004 compared to the corresponding period previous year.

Significant events after the year-end

Bekaert Pultrusion Business Acquisition
A letter of intent was signed in December that would transfer the pultrusion business of Bekaert Progressive Composites S.A. to Exel upon the satisfaction of certain terms and conditions. These terms and conditions were met in January 2004, and the final purchase agreement was signed. The acquired business will contribute an estimated EUR 13 million per year to Exel's consolidated sales. The main production facilities are located in Belgium, where slightly over 40 employees will be retained on a full-time basis. The acquired operations also include some production equipment and Bekaert's related subcontracting services in Spain. This acquisition is a notable step on Exel's goal to becoming the world's leading developer and marketer of pultrusion-based products.

Income Statement, EUR thousands

	Group		Parent company	
	2003	2002	2003	2002
NET SALES	57,281	51,203	46,475	42,916
Increase(+)/Decrease(-) in inventories of finished goods and work in progress	834	422	607	386
Production for own use	323	251	323	251
Other operating income	342	770	1,266	489
Materials and services	-21,716	-20,175	-18,956	-17,064
Personnel operating expenses	-14,329	-13,198	-10,837	-10,163
Depreciation	-3,184	-3,318	-2,572	-2,626
Other operating expenses	-14,205	-12,153	-11,255	-10,632
OPERATING PROFIT	5,345	3,802	5,051	3,556
Financial income and expenses	-436	-655	-204	-382
PROFIT BEFORE EXTRAORDINARY ITEMS	4,910	3,147	4,847	3,174
Extraordinary items				
PROFIT BEFORE INCOME TAXES	4,910	3,147	4,847	3,174
Appropriations			319	216
Direct taxes	-1,537	-921	-1,513	-1,003
PROFIT FOR THE YEAR	**3,373**	**2,225**	**3,652**	**2,388**

Balance Sheet, EUR thousands

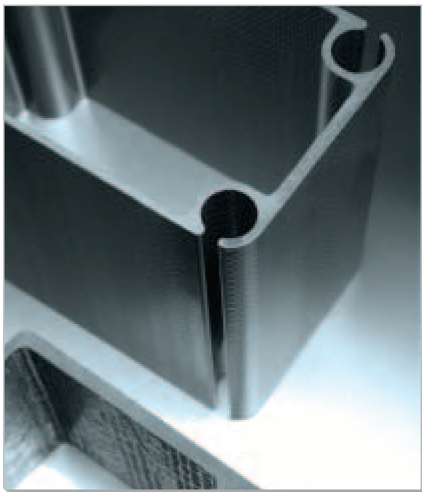
	Group		Parent company	
	2003	2002	2003	2002
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	184	58	166	30
Goodwill	2,651	3,119	1,346	1,646
Other capitalized expenditure	291	344	291	344
	3,126	3,521	1,803	2,020
Consolidated goodwill	330	402		
Tangible assets				
Land and water	123	123	123	123
Bulildings	2,513	2,751	2,513	2,751
Machinery and equipment	6,205	6,945	4,684	5,354
Construction in progress	1,629	817	1,629	817
	10,470	10,636	8,949	9,045
Investments				
Holdings in Group companies	3	3	1,191	1,191
Other shares and holdings	93	124	93	124
	95	127	1,284	1,315
TOTAL NON-CURRENT ASSETS	14,021	14,685	12,035	12,380
CURRENT ASSETS				
Inventories				
Raw materials and consumables	4,557	4,607	3,936	3,693
Work in progress	1,384	1,118	1,355	1,092
Finished products	2,806	2,237	2,137	1,793
	8,747	7,962	7,428	6,578
Current receivables				
Trade receivables	7,369	5,346	5,614	4,314
Receivables from Group companies			5,904	4,652
Other receivables	852	563	161	81
Prepaid expenses and accrued income	320	563	299	523
	8,541	6,472	11,978	9,570
Deferred tax assets	85	163		
Cash in hand and at bank	2,753	2,525	1,496	2,235
TOTAL CURRENT ASSETS	20,126	17,122	20,902	18,383
	34,147	**31,807**	**32,937**	**30,764**

Balance Sheet, EUR thousands

	Group		Parent company	
	2003	2002	2003	2002
LIABILITIES AND SHAREHOLDERS' EQUITY				
EQUITY				
Share capital	1,870	1,853	1,870	1,853
Premium fund	135	16	135	16
Retained earnings	3,028	2,882	3,028	2,882
Profit for previous financial years	9,130	7,963	9,420	8,092
Profit for the financial year	3,373	2,225	3,652	2,388
TOTAL EQUITY	17,536	14,939	18,105	15,231
APPROPRIATIONS				
Depreciation difference			47	366
PROVISIONS				
LIABILITIES				
Deferred tax liabilities	14	106		
Non-current liabilities				
Loans from financial institutions	3,991	6,111	3,991	6,111
Other non-current liabilities	86	112	86	112
	4,077	6,223	4,077	6,223
Current liabilities				
Loans from financial institutions	3,830	4,570	3,662	4,155
Trade payables	3,805	2,868	3,511	2,451
Liabilities to Group companies			263	76
Other liabilities	1,491	812	470	361
Accrued liabilities and deferred income	3,395	2,288	2,803	1,902
	12,521	10,538	10,708	8,944
TOTAL LIABILITIES	16,611	16,868	14,785	15,168
	34,147	**31,807**	**32,937**	**30,764**

Funds Statement, EUR thousands

	Group		Parent company	
	2003	2002	2003	2002
Cash flow from business operations				
Operating profit	5,345	3,802	5,051	3,556
Operating profit amendments	3,184	3,316	2,572	3,224
Change in net working capital	-717	316	-1,347	-267
Interest paid and other financial expenses	-543	-658	-523	-624
Interest received	19	23	30	264
Income taxes paid	-879	-805	-879	-805
Cash flow from business operations	**6,409**	**5,994**	**4,904**	**5,348**
Investment cash flow				
Investments in tangible and intangible assets	-2,599	-2,077	-2,305	-1,682
Income from surrender of tangible and intangible assets	79	57	79	57
Investment cash flow	**-2,520**	**-2,020**	**-2,226**	**-1,625**
Cash flow before financing	**3,889**	**3,974**	**2,678**	**3,723**
Cash flow				
Rights issue	282	147	282	147
Withdrawals of non-current loans	53	71	53	71
Repayments of non-current loans	-2,192	-2,240	-2,192	-2,205
Withdrawals of/repayment of current loans	-747	473	-500	679
Dividend paid	-1,060	-1,840	-1,060	-1,840
Other	4	6		
Cash flow	**-3,660**	**-3,383**	**-3,417**	**-3,148**
Change in liquid funds	**229**	**591**	**-739**	**575**
Liquid funds on January 1	2,524	1,934	2,235	1,660
Liquid funds on December 31	**2,753**	**2,524**	**1,496**	**2,235**



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Consolidated subsidiaries
Apart from the parent company, the consolidated financial statements include the subsidiaries Exel GmbH, International Gateway AB and Exel USA Inc. No figures are included for Pro Stick Oy, since it had no business operations in 2003. The consolidated financial statements can be viewed at the corporate headquarters at Uutelantie 24 B, Mäntyharju, Finland.

Consolidation
As far as the subsidiaries are concerned, the consolidation was carried out using the acquisition method. The difference between the acquisition cost of the subsidiary and the equity corresponding to the purchased holding was entered as consolidation goodwill to be depreciated over ten years. Business between Group companies was eliminated. The income statements of the subsidiaries abroad were converted into euros at the monthly average of the conversion rates quoted by the European Central Bank. The balance sheets were correspondingly converted into euros at the central rate at the end of the financial period. Conversion differences were recorded in the consolidated accounts under equity. The intra-group receivables, liabilities and margins on current assets have been eliminated.

Items denominated in foreign currency
Internal receivables and liabilities denominated in foreign currencies were converted into euros at the central rate on the date of closing.

Fixed assets
The book value of fixed assets in the balance sheet is the acquisition cost less subsidies received and planned depreciation.

Depreciation principle
Planned depreciation is calculated on the basis of economic life as a straight-line depreciation on the original cost.

Pension expenses
The Group's pension arrangements follow the law on pension coverage.

Deferred tax liabilities and assets
Depreciation accumulated by the parent company in excess of what had been planned was divided into deferred tax liabilities and shareholders' equity in the consolidated balance sheet. The tax rate on the date of closing was applied. The proportion of the accumulated depreciation difference included in equity was EUR 33,000 on December 31, 2003. The Companies Act does not regard this as distributable equity. The EUR 14,000 in deferred tax liabilities were shown as a separate item in the balance sheet. Deferred tax assets related to losses made by subsidiaries amounted to EUR 25,000.

Direct taxes
Taxes allocated to the financial period under review and to previous financial periods were treated on an accrual basis and recorded in the income statement.

	Group		Parent company	
	2003	**2002**	**2003**	**2002**
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
1. NET SALES				
By division				
Sport division	28,407	26,091	22,976	22,014
Industry division	28,874	25,112	23,499	20,902
Total	57,281	51,203	46,475	42,916
By market area				
Finland	12,446	12,522	12,348	12,297
Other Nordic countries	5,820	6,513	5,771	6,220
Rest of Europe	36,010	28,674	25,579	20,909
North America	2,332	2,326	2,104	2,321
Other countries	674	1,169	673	1,169
Total	57,281	51,203	46,475	42,916
2. PERSONNEL EXPENSES				
Management salaries and remunerations				
President and managing directors	447	449		
Members of the Board	90	75	90	75
Total	536	523	90	75
Average personnel employed by the Group and the parent company				
Salaried employees	103	102	76	77
Non-salaried employees	252	272	210	231
Total	355	374	286	308

	Group		Parent company	
	2003	2002	2003	2002
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000

3. DEPRECIATION

Fixed assets have been entred in the balance sheet at cost after deduction of planned depreciation.
Planned depreciation is calculated on the basis of economic life, as a straight-line depreciation on the original cost.

Planned depreciation periods

Buildings	5-20 years
Machinery and equipment	3-8 years
Other capitalized expenditure	3-8 years
Goodwill	10 years
Intangible rights	3-5 years
Consolidation goodwill	10 years

Goodwill from the parent company's acquisitions and the purchase of Fiberspar Inc. Performance Products, and consolidation goodwill from the acquisition of Gateway International AB are depreciated over 10 years, which is the estimated income expectation period. Goodwill from the acquisition of Menzolit-Fibron's pultrusion business by Exel GmbH is depreciated over 10 years, which is the estimated income expectation period.

Planned depreciation

Intangible rights	25	35	11	20
Goodwill	468	468	300	300
Other capitalized expenditure	199	202	199	202
Consolidation goodwill	72	72		
Buildings	267	268	267	262
Machinery and equipment	2,154	2,274	1,795	1,842
Total	3,184	3,318	2,572	2,626
Change in depreciation difference				
Buildings			83	67
Machinery and equipment			242	149
Patents			-6	
Total			319	216
4. OTHER OPERATING EXPENSES				
Rents	660	606	490	450
Marketing expenses	2,116	1,746	1,517	1,326
Other expenses	11,429	9,801	9,248	8,856
Total	14,205	12,153	11,255	10,632

	Group		Parent company	
	2003 EUR 1,000	**2002** EUR 1,000	**2003** EUR 1,000	**2002** EUR 1,000
5. FINANCIAL INCOME AND EXPENSES				
Other interest and financial income				
From Group companies			219	244
From others	48	97	12	93
Total	48	97	231	337
Interest and other financial expenses				
To others	484	753	435	719
Total financial income and expenses	-436	-655	-204	-382
6. APPROPRIATIONS				
Difference between planned depreciation and depreciation made in taxation			319	216
7. DIRECT TAXES				
Income tax on actual operations	1,551	1,005	1,513	1,003
Change in deferred tax liabilities	-15	-84		
Total	1,537	921	1,513	1,003

	Group		Parent company	
	2003 EUR 1,000	2002 EUR 1,000	2003 EUR 1,000	2002 EUR 1,000
8. INTANGIBLE AND TANGIBLE RIGHTS				
Intangible rights				
Acquisition cost Jan. 1	439	380	384	354
Increase 1.1.-31.12.	152	59	147	30
Acquisition cost Dec. 31	591	439	531	384
Accumulated planned depreciation Jan. 1	-383	-348	-355	-335
Planned depreciation 1.1.-31.12.	-25	-35	-11	-20
Book value Dec. 31	184	58	166	30
Goodwill				
Acquisition cost Jan. 1	4,825	4,825	3,141	3,141
Increase 1.1.-31.12.				
Acquisition cost Dec. 31	4,825	4,825	3,141	3,141
Accumulated planned depreciation Jan. 1	-1,705	-1,236	-1,495	-1,194
Planned depreciation 1.1.-31.12.	-468	-468	-300	-300
Book value Dec. 31	2,651	3,119	1,346	1,646
Capitalized expenditure				
Acquisition cost Jan. 1	1,094	886	1,074	866
Increase 1.1.-31.12.	146	208	146	208
Acquisition cost Dec. 31	1,240	1,094	1,220	1,074
Accumulated planned depreciation Jan. 1	-750	-548	-730	-528
Planned depreciation 1.1.-31.12.	-199	-202	-199	-202
Book value Dec. 31	291	344	291	344
Consolidation goodwill				
Acquisition cost Jan. 1	719	719		
Acquisition cost Dec. 31	719	719		
Accumulated planned depreciation Jan. 1	-318	-246		
Planned depreciation 1.1.-31.12.	-72	-72		
Book value Dec. 31	330	402		

	Group		Parent company	
	2003 EUR 1,000	**2002** EUR 1,000	**2003** EUR 1,000	**2002** EUR 1,000
Land and water				
Acquisition cost Jan. 1	123	123	123	123
Increase 1.1.-31.12.				
Acquisition cost Dec. 31	123	123	123	123
Book value Dec. 31	123	123	123	123
Buildings				
Acquisition cost Jan. 1	4,090	4,025	4,057	3,992
Increase 1.1.-31.12.	28	65	28	65
Acquisition cost Dec. 31	4,118	4,090	4,085	4,057
Accumulated planned depreciation Jan. 1	1,340	-1,072	-1,305	-1,043
Planned depreciation 1.1.-31.12.	-267	-268	-267	-262
Conversion difference				
Book value Dec. 31	2,513	2,751	2,513	2,751
Machinery and equipment				
Acquisition cost Jan. 1	17,063	15,252	14,179	12,726
Increase 1.1.-31.12.	1,615	2,047	1,154	1,649
Decrease 1.1.-31.12.	-242	-236	-68	-196
Acquisition cost Dec. 31	18,436	17,063	15,265	14,179
Accumulated planned depreciation Jan. 1	-10,113	-7,982	-8,825	-7,124
Accumulated depreciation on decreases	40	141	40	141
Planned depreciation 1.1.-31.12.	-2,154	-2,272	-1,795	-1,842
Conversion difference	-4	-6		
Book value 31.12.	6,205	6,945	4,684	5,354
Undepreciated acquisition cost of production machinery and equipment	5,971	6,718	4,450	5,127
Accumulated planned depreciation Dec. 31				
Intangible rights	408	383	366	355
Goodwill	2,172	1,704	1,794	1,494
Capitalized expenditure	949	750	929	730
Consolidation goodwill	390	318		
Buildings	1,607	1,340	1,572	1,305
Machinery and equipment	12,408	10,254	10,761	8,966
Total	17,933	14,749	15,423	12,851
Accumulated difference between total and planned depreciation Jan. 1			366	582
Decrease in depreciation difference 1.1.-31.12.			-319	-216
Accumulated difference between total and planned depreciation Dec. 31			47	366

	Group		Parent company	
	2003 EUR 1,000	**2002** EUR 1,000	**2003** EUR 1,000	**2002** EUR 1,000
Shares				
Group companies				
Acquisition cost Jan. 1			1,191	1,191
Acquisition cost Dec. 31			1,191	1,191
Other shares and holdings				
Acquisition cost Jan. 1	124	124	124	124
Decrease Dec. 31	-31		-31	
Acquisition cost Dec. 31	93	124	93	124

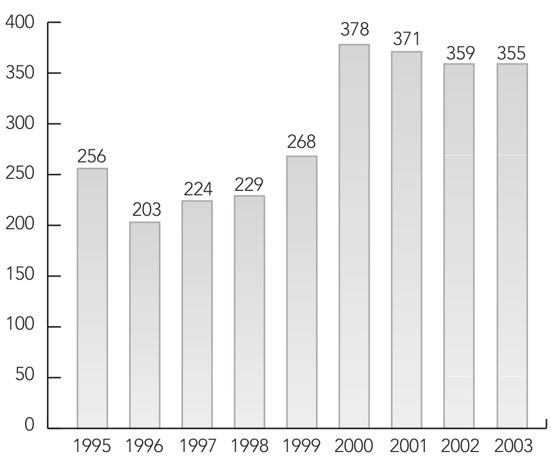
9. COMPANIES OWNED BY PARENT COMPANY

SHARES IN SUBSIDIARIES

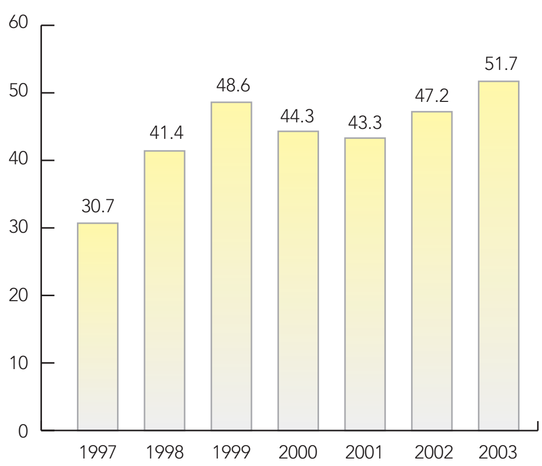
Owned by the parent company

Name of company	Proportion owned %	Share of equity EUR 1,000	Profit/loss according to latest accounts EUR 1, 000
Pro Stick Oy, Mäntyharju, Finland	100	6	0
Exel USA Inc., Atlanta, USA	100	1	-1
Exel GmbH, Rohrdorf, Germany	100	309	153
International Gateway AB, Piteå, Sweden	100	58	1

Personnel at Year End



Solvency Ratio, %



	Group		Parent company	
	2003	**2002**	**2003**	**2002**
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
10. RECEIVABLES				
Current receivables				
Receivables from Group companies				
Trade receivables			1,171	880
Loan receivables			4,080	3,408
Prepaid expenses and accrued income			653	364
Total			5,904	4,652
Receivables from others				
Trade receivables	7,369	5,346	5,614	4,314
Other receivables	852	563	161	81
Prepaid expenses and accrued income	320	563	299	523
Total	8,541	6,472	6,074	4,918
Deferred tax assets	85	163		
Total current receivables	8,626	6,635	11,978	9,570
11. EQUITY				
Share capital Jan. 1	1,853	1,840	1,853	1,840
Increase in share capital	17	13	17	13
Share capital Dec. 31	1,870	1,853	1,870	1,853
Share issue Jan. 1	16		16	
Increase	282	16	282	16
Transfer to share capital and premium fund	-163		-163	
Share issue Dec. 31	135	16	135	16
Premium fund Jan. 1	2,882	2,763	2,882	2,763
Increase in share capital	146	119	146	119
Premium fund Dec. 31	3,028	2,882	3,028	2,882
Retained earnings	10,188	9,797	10,480	9,932
Dividend distributed	-1,060	-1,840	-1,060	-1,840
Conversion difference	2	6		
Retained earnings	9,130	7,963	9,420	8,092
Profit for the financial year	3,373	2,225	3,652	2,388
Total equity	17,536	14,939	18,105	15,231

The 4,400 shares subscribed under warrants related to the warrant bond targeted at Exel's key personnel in 1998 were entered in the Trade Register on March 7, 2003. A total of EUR 15,664 was paid for the shares, and EUR 14,124 of this was entered in the premium fund. As a result of the subscriptions, Exel's share capital rose by a total of EUR 1,540.

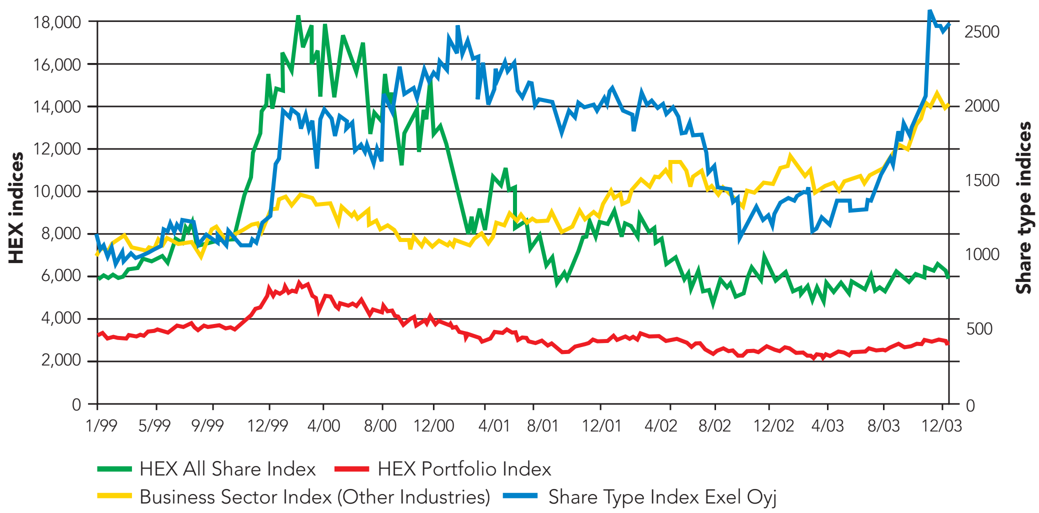
The 43,800 shares subscribed under warrants related to the warrant bond targeted at Exel's key personnel in 1998 were entered in the Trade Register on December 18, 2003. A total of EUR 147,168 was paid for the shares, and EUR 131,838 of this was entered in the premium fund. As a result of the subsciptions, Exel's share capital rose by a total of EUR 15,330. Exel's registered share capital was EUR 1,870,085 or 5,343,100 shares, on December 18, 2003.

The 40,100 shares subscribed under warrants related to the warrant bond targeted at Exel's key personnel in 1998 had not been entered in the Trade Register on December 31, 2003. A total of EUR 134,736 was paid for the shares, and it was entered in the share issue.

The equivalent book value of the shares is EUR 0.35. There is only one type of share.

	Group		Parent company	
	2003 EUR 1,000	**2002** EUR 1,000	**2003** EUR 1,000	**2002** EUR 1,000
Calculation of funds distributable as profit Dec. 31				
Retained earnings	9,130	7,963	9,420	8,092
Profit for the financial year	3,373	2,225	3,652	2,388
Transfer of accumulated depreciation difference to equity	-33	-260		
Total	12,470	9,928	13,072	10,479
12. APPROPRIATIONS				
Depreciation difference			47	366
13. DEFERRED TAX LIABILITIES				
On appropriations	14	106		
14. NON-CURRENT LIABILITIES				
Liabilities to others				
Loans from financial institutions	3,991	6,111	3,991	6,111
Other non-current liabilities	86	112	86	112
Total non-current liabilities	4,077	6,223	4,077	6,223
Liabilities falling due in a period longer than five years	438	875	438	875

HEX indices and share type indices
4.1.1999 - 29.12.2003

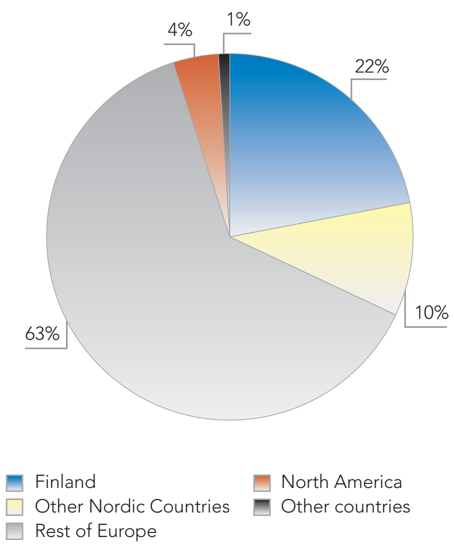


	Group		Parent company	
	2003 EUR 1,000	2002 EUR 1,000	2003 EUR 1,000	2002 EUR 1,000
15. CURRENT LIABILITIES				
Liabilities to Group companies				
Trade payables			263	76
Liabilities to others				
Loans from financial institutions	3,830	4,570	3,662	4,155
Advance payments	202	122	202	122
Trade payables	3,805	2,868	3,511	2,451
Other liabilities	1,289	690	267	239
Accrued liabilities and deferred income	3,395	2,288	2,803	1,901
Total	12,521	10,538	10,445	8,868
Total current liabilities	12,521	10,538	10,708	8,944
Breakdown of accrued liabilities and deferred income				
Salaries, wages and holiday pay, including social security expenses	1,794	1,591	1,749	1,559
Deferred tax liabilities	621		584	
Other accrued liabilities and deferred income	980	697	470	343
Total	3,395	2,288	2,803	1,902
16. CONTINGENT LIABILITIES				
Liabilities for which a corporate mortgage and real estate mortgages have been provided as collateral				
Financial institution loans	7,611	10,231	7,611	10,231
Mortgages given on land and buildings	2,954	2,954	2,654	2,954
Corporate mortgages given	12,500	12,500	12,500	12,500
Collateral for Group companies				
Credit limit guarantee			168	389
The pension liabilities are covered via the insurance company as prescribed by legislation.				
17. LEASING AND RENTAL LIABILITIES				
Leasing liabilities				
Falling due in 2004	171	144	171	134
Falling due later	225	233	225	233
Rental liabilities				
Falling due in 2004	195	195	195	195
Falling due later	1,542	1,654	1,542	1,654
Other liabilities	257	468	257	468
18. ORDER BOOK				
Order book on Dec. 31	11,449	7,564	8,997	6,251

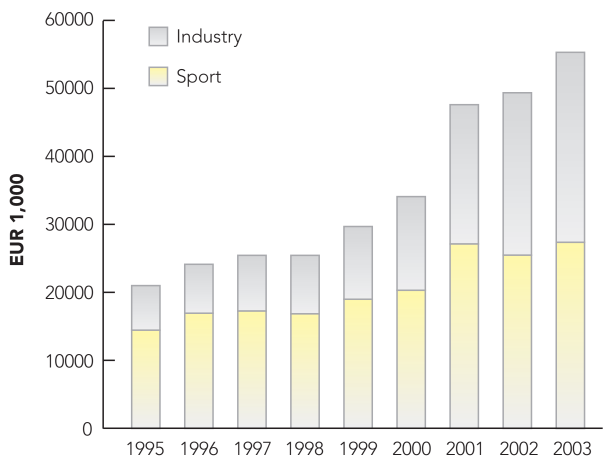
19. DISTRIBUTION OF NET SALES, OPERATING PROFIT AND PERSONNEL BY DIVISION

Group	Sport	Industry	Total
Net sales			
2003	28,407	28,874	57,281
2002	26,091	25,112	51,203
Operating profit			
2003	1,806	3,540	5,346
2002	1,081	2,721	3,802
Personnel on Dec. 31			
2003	193	162	355
2002	206	153	359
Parent Company	**Sport**	**Industry**	**Total**
Net sales			
2003	22,976	23,499	46,475
2002	22,014	20,902	42,916
Operating profit			
2003	921	4,130	5,051
2002	908	2,648	3,556
Personnel on Dec. 31			
2003	158	131	289
2002	166	122	288

Net Sales by Market Area



Net Sales by Division



20. SHARE OWNERSHIP

Distribution of share ownership on December 31, 2003 %

Private companies	23.7
Financial and insurance institutions	8.7
Public sector entities	14.1
Non-profit organizations	1.0
Households	19.7
Foreign	32.8
Of which, nominee registration	0.4

Distribution of share ownership on December 31, 2003

Shares	Number of shareholders	Percentage of shareholders %	Total number of shares	Percentage of total number of shares %
1-1,000	984	85.49	347,212	6.50
1,001-10,000	125	10.86	359,855	6.73
10,001-50,000	30	2.61	727,680	13.62
over 50,000	12	1.04	3,908,353	73.15

21. SHAREHOLDERS

Information on shareholders on December 31, 2003

Shareholder	Number of shares	Percentage of shares and votes
Nordstjernan AB	1,748,253	32.7
Metso Capital Oy	650,000	12.2
Ilmarinen Mutual Pension Insurance Company	453,600	8.5
Varma Mutual Pension Insurance Company	231,800	4.3
Aktia Secura Investment Fund	189,200	3.5
Suutarinen Matti	136,600	2.6
Suomi Mutual Life Assurance Company Ltd.	100,000	1.9
Oy Posessor Ab	90,400	1.7
Phoebus Equity Fund	86,000	1.6
Jokelainen Ari	81,700	1.5
Nominee registration	19,300	0.4
Other	1,556,247	29.1
	5,343,100	100.0

During the financial period Exel Oyj received no notifications under chapter 2, section 9, of Finland's Securities Market Act.

22. MANAGEMENT INTERESTS

The aggregate holding of the members of the Board of Directors and the President was 98,100 shares on December 31, 2003. This accounts for 1.8% of corporate shares and 1.8% of the votes carried by all shares. Apart from this, the warrants held by them account for 24.2% of the total number of warrants issued by Exel Oyj. If all warrants entitling holders to subscription are used, the members of the Board of Directors and the President will hold 3.6% of the total number of shares.

23. SHARE ISSUE AND OPTION PROGRAMMES

On April 10, 2003, the Annual General Meeting authorized the Board to decide to raise the share capital through a new issue by April 10, 2004, up to a maximum of EUR 352,500. The authorization includes the right to derogate from the shareholders' pre-emptive right. The Board has not decided to exercise this authorization to raise the share capital.

An extraordinary shareholders' meeting of Exel Oyj held on August 17, 1998 decided to issue a EUR 47,765.37 (equivalent FIM 284,000) warrant bond targeted at key personnel. The bond was non-interest-bearing and was repaid in a single sum on October 16, 2001. A total of 284 bonds at EUR 168.19 (equivalent FIM 1,000) were issued, each with 1,000 warrants, 500 of them marked with the letter A and 500 with the letter B.

On March 28, 2001, the Annual General Meeting decided to issue option rights to the key personnel of the Exel Group and to Exel Oyj's wholly owned subsidiary. The number of option rights is 370,000 of which half is marked with the letter A and half with the letter B.

The 1998 and 2001 option programmes and their principal terms

	1998 A and B	A2001	B2001
Number of warrants	284,000	185,000	185,000
Number of shares to be subscribed	284,000	185,000	185,000
Maximum increase in share capital EUR	99,400	64,750	64,750
Number of shares subscribed on Dec. 31, 2003	143,200		
Options not distributed or returned	3,000	13,500	36,000
Number of shares not subscribed on the basis of options	137,800	171,500	149,000
Maximum increase in share capital EUR	48,230	60,025	52,150
Subscription price EUR	4.76*	10.77**	10.27***
Subscription period	1.10.2000-31.10.2004	1.6.2002-30.4.2006	1.10.2003-30.4.2006

The total number of shares that can be subscribed under warrants represents 8% of the company's share capital and voting rights. The A warrants related to Exel Oyj's 1998 warrant bond have been quoted on Helsinki Exchanges Main List from November 5, 2001 and B warrants from October 1, 2002. The A warrants related to Exel Oyj's warrant programme have been quoted on Helsinki Exchanges Main List from October 7, 2002 and B warrants from October 27, 2003.

* The subscription price of the shares will be reduced by the amount of dividend per share distributed after October 1, 1998 and before subscription.
** The subscription price of the shares will be reduced by the amount of dividend per share distributed after April 30, 2001 and before subscription, on the record date of each dividend distribution.
*** The subscription price of the shares will be reduced by the amount of dividend distributed after October 31, 2001 and before subscription, on the record date of each dividend distribution.

24. SHARE PRICE AND TRADING

Share price (EUR)	1999	2000	2001	2002	2003
Average price	5.19	9.33	10.87	8.00	8.40
Lowest price	4.40	5.51	7.65	5.25	5.50
Highest price	6.20	11.00	12.26	10.05	12.95
Share price at end of financial year	5.75	10.80	9.90	6.38	11.90
Market capitalization, EUR million	30.1	56.6	52.1	33.8	63.6
Share trading					
Number of shares traded	914,092	6,872,437	1,396,691	686,996	1,435,573
% of total	17.4	131.2	26.6	13.1	27.1
Number of shares adjusted for share issues					
Average number	5,240,000	5,240,000	5,252,099	5,261,549	5,300,711
Number at end of financial year	5,240,000	5,240,000	5,257,900	5,294,900	5,343,100

Exel Oyj's shares were quoted on Helsinki Exchanges I List from October 19, 1998 to May 1, 2000.
As from May 2, 2000, Exel Oyj's shares have been quoted on Helsinki Exchanges Main List.

25. INDICATORS

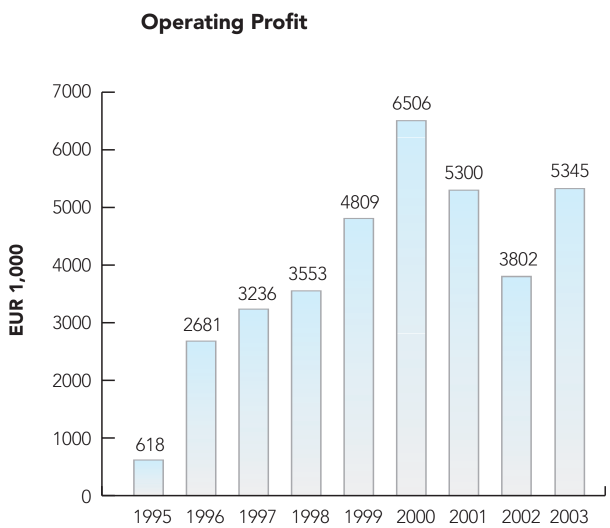
Indicatiors illustrating financial trends

Figures given in EUR 1,000 unless otherwise specified	1999	2000	2001	2002	2003
Net sales	34,072	47,609	49,362	51,203	57,281
Operating profit	4,809	6,506	5,300	3,802	5,345
% of net sales	14.1	13.7	10.7	7.4	9.3
Profit before extraordinary items	4,554	6,024	4,780	3,147	4,910
% of net sales	13.4	12.7	9.7	6.1	8.6
Profit before provisions and income taxes	4,554	6,024	4,780	3,147	4,910
% of net sales	13.4	12.7	9.7	6.1	8.6
Total assets	21,173	29,285	33,306	31,807	34,147
Return on equity, %	36.6	36.5	24.6	15.2	20.8
Return on investment, %	31.8	34.6	21.9	14.3	20.8
Solvency ratio, %	48.6	44.3	43.3	47.2	51.7
Gearing, %	41.5	66.3	73.3	55.3	29.4
Gross investment in fixed assets	2,288	5,561	5,474	2,014	2,519
% of net sales	6.7	11.7	11.1	3.9	4.4
R&D expenses	1,179	1,367	1,216	1,113	1,707
% of net sales	3.5	2.9	2.5	2.2	3.0
Average personnel	247	350	356	374	355
Personnel at year end	268	378	371	359	355

Share data

	1999	2000	2001	2002	2003
Earnings per share (EPS), EUR	0.63	0.81	0.64	0.42	0.64
Adjusted earnings per share (EPS), EUR *					0.62
Equity per share, EUR	1.94	2.45	2.72	2.82	3.26
Dividend per share, EUR**	0.30	0.38	0.35	0.20	0.80
Payout ratio, %	47.4	47.2	54.4	47.3	125.7
Effective yield of shares, %	5.2	3.52	3.51	3.13	6.72
Price/earnings (P/E), %	9.1	13.41	15.48	15.09	18.70

* Adjusted for the dilution of option rights.
** Board of Directors' proposal for 2003.



COMPUTATION FORMULAE

Return on equity %

$$\frac{\text{profit before extraordinary items, provisions and income taxes less income taxes}}{\text{equity + minority interest + voluntary provisions and depreciation difference less deferred tax liabilities (average)}} \times 100$$

Return on investment %

$$\frac{\text{profit before extraordinary items, provisions and income taxes + interest and other financial expenses}}{\text{total assets less non-interest-bearing liabilities (average)}} \times 100$$

Solvency ratio %

$$\frac{\text{equity + minority interest + voluntary provisions and depreciation difference less deferred tax liabilities}}{\text{total assets less advances received}} \times 100$$

Gearing %

$$\frac{\text{net interest-bearing liabilities (= interest-bearing liabilities less liquid assets)}}{\text{equity}} \times 100$$

Earnings per share (EPS) EUR

$$\frac{\text{profit before extraordinary items, provisions and income taxes less income taxes +/- minority interest}}{\text{average adjusted number of shares in the financial period}}$$

Equity per share EUR

$$\frac{\text{equity + voluntary provisions + depreciation difference less deferred tax liabilities and minority interest}}{\text{adjusted number of shares on closing date}}$$

Dividend per share EUR

$$\frac{\text{dividend for the financial period}}{\text{adjusted number of shares on closing date}}$$

Payout ratio %

$$\frac{\text{dividend per share}}{\text{earnings per share (EPS)}} \times 100$$

Effective yield of shares %

$$\frac{\text{dividend per share x 100}}{\text{adjusted average share price at year end}} \times 100$$

Price/earnings (P/E) %

$$\frac{\text{adjusted average share price at year end}}{\text{earnings per share}} \times 100$$

On December 31, 2003, the Group's distributable funds totalled EUR 12,469,786.59. Exel Oyj's distributable funds totalled EUR 13,071,949.16, of which profit for the financial period accounted for EUR 3,652,441.68.

The Board proposes that the profit funds be distributed as follows:

– a dividend of 125.7% of earnings per share, i.e. EUR 0.80 per share	EUR 4,306,560.00
– carried over as equity	EUR 8,765,389.16
	EUR 13,071,949.16

Helsinki, February 23, 2004

Ove Mattsson
Chairman

Peter Hofvenstam

Vesa Kainu

Kari Haavisto

Mika Sulin

Ari Jokelainen
President

The financial statements have been drawn up in accordance with good accounting practice. An auditors' report on the audit of the accounts has been submitted today.

Helsinki, February 23, 2004

PricewaterhouseCoopers Oy
Authorized Public Accountants

Christian Savtschenko-Alexandroff
Authorized Public Accountant

Johan Kronberg
Authorized Public Accountant

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To the shareholders of Exel Oyj

We have audited the accounts, the financial statements and the administration of Exel Oyj for the financial period January 1 - December 31, 2003. The financial statements drawn up by the Board of Directors and the President comprise a report on operations and income statements, balance sheets and notes to the accounts for the Group and the parent company respectively. On the basis of our audit we hereby make the following report on the financial statements and administration.

The audit has been carried out in accordance with good auditing practice. Consequently, the accounts, the principles of drawing up the financial statements and the content and presentation of the financial statements have been examined to a sufficient extent to ensure that the financial statements do not contain any essential mistakes or defects. In auditing the administration, we have examined the legality of the operations of the members of the parent company Board and the President on the basis of the provisions of the Companies Act.

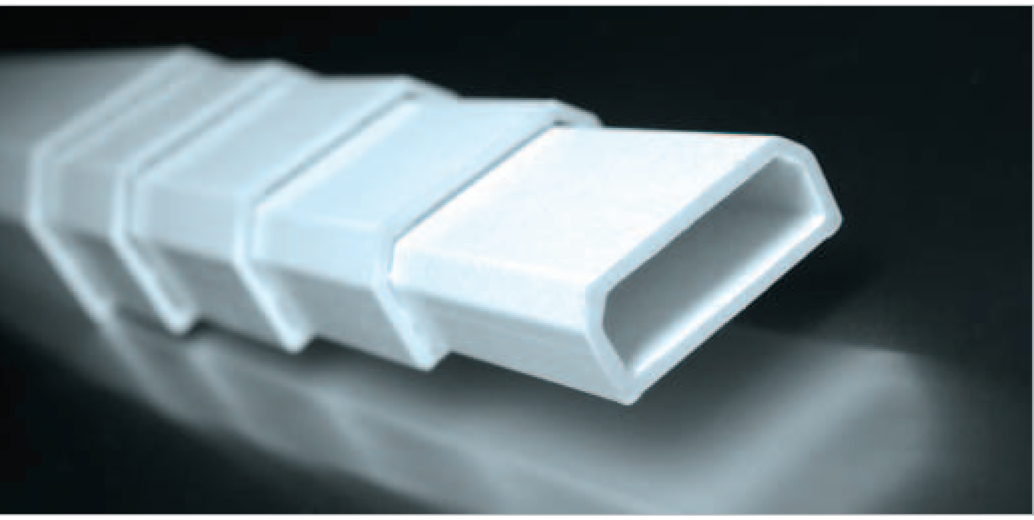
We put forward as our report that the financial statements have been drawn up in accordance with the Accounting Act and other provisions concerning financial statements. The financial statements provide a true and fair view of the result of Group and parent company operations and of their financial standing. The financial statements, including the consolidated financial statements, can be adopted, and release from liability granted to the members of the parent company Board of Directors and the President for the financial period now audited. The Board's proposal for disposing of the profit for the financial year is in accordance with the Companies Act.

Helsinki, February 23, 2004

PricewaterhouseCoopers Oy
Authorized Public Accountants

Christian Savtschenko-Alexandroff
Authorized Public Accountant

Johan Kronberg
Authorized Public Accountant



Exel's corporate governance principles
Exel's corporate governance complies with the Companies Act, the legislation covering the securities markets and other official regulations related to the governance of public joint stock companies. The principles set out here complement what is laid down by law. Furthermore, Exel follows the recommendations issued by the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers on the governance of listed companies.

Annual General Meeting
The highest decision-making power in the company is exercised by shareholders at the Annual General Meeting. The function of the Annual General Meeting is to deal with the matters laid down for its attention in the Articles of Association. These include approving the financial statements, deciding on the distribution of dividends, amending the Articles of Association and electing the members of the Board and the auditors. The AGM is convened by the Board of Directors and held annually either in Mäntyharju or Helsinki, on a date before the end of June, as determined by the Board. The AGM invitation is published no earlier than two months and no later than 17 days before the AGM, in the newspapers designated by the Board.

In order to attend the AGM, shareholders must notify the company of their intention to attend the meeting at the latest on the date given in the notice of the AMG. The date in the invitation must not be earlier than ten days before the meeting.

Board of Directors
Composition and term
The Board comprises at least three and at most eight full members. The Board is elected by the Annual General Meeting for a year at a time. The AGM nominates a Chairman from among the Board members.

Board meetings are attended by the President and the CFO, who acts as the meeting secretary.

Duties
The function of the Board is to duly arrange the company's management and activities. It is responsible for the duties laid down for it in the Companies Act and the company's Articles of Association. The Board's principal duties include confirmation of the corporate strategy and function-specific budget and decisions on funding agreements, major investments and purchase or sale of assets. The Board approves the interim reports, the financial statements and the report on operations, appoints the President and the Vice President and decides on the President's salary. The Board monitors the company's financial situation with the help of information provided by the Management Group.

Meetings, remuneration and other benefits
The Board meets approximately 10 times a year. The AGM decides on the remuneration payable to the members of the Board. In 2003 this was:

Chairman: EUR 26,000 per annum
Member: EUR 13,000 per annum
Remuneration per meeting: EUR 260 per capita

Remuneration paid to the Board members in 2003 for their duties in the Group totalled EUR 89,555. Board members are also entitled to per diem and travel allowances in accordance with Exel's general travelling compensation regulations.

President and Management Group
The President is appointed by the Board to run the company on a day-to-day basis in compliance with instructions and orders given by the Board. The areas of responsibility of the President & CEO include sales and market share, profitability and efficiency, and investments within the limits defined by the Board.

The President has a managing director contract which defines the responsibilities, powers, re-

Photo: Robert Bösch

muneration and termination procedure applying to the position. The President has no separate pension agreement.

The President is aided by the Management Group and is also a member of it. The Management Group also includes the Senior Vice President of the Industry division, the Senior Vice President of the Sport division, the CFO, the Senior Vice President of Manufacturing and the Senior Vice President of R&D. The President chooses the members of the Management Group and directs its activities. The Group meets 6-10 times a year. Its duties include drawing up business and strategic plans and implementing them.

Option rights programme
The company has an incentive option rights system, which comprises two programmes. The first consists of a warrant bond repaid in a single sum in October 2001. A total of 284 bonds at EUR 168.19 were issued, each with 1,000 warrants, 500 of them marked with the letter A and 500 with the letter B.

The second option rights programme comprises 370,000 option rights, of which half are marked with the letter A and half with the letter B. The option rights have been issued to the key personnel of the Group and to Exel Oyj's fully-owned subsidiary.

Insider regulations
As of March 1, 2000, Exel adopted insider regulations complying with the general insider trading guidelines issued by Helsinki Exchanges. The Board has further confirmed insider guidelines for Exel that give instructions for permanent and project-specific insiders, and defined the administrative organization and procedures regarding insiders.

Exel's statutory insiders include the members of the Management Group, the corporate communications officer and the executive assistant. Exel's insider register is maintained by the Finnish Central Securities Depository. Ownership data on insiders is available from HEXGate and Exel's website at www.exel.net.

Trading by permanent insiders in securities issued by the company is forbidden 14 days before interim reports and financial statement bulletins are issued.

Permanent insiders and insiders by definition must consult the President on any securities deals before trading to clarify any possible biases.

Auditors and audit system
The company has two auditors elected by the Annual General Meeting for an indefinite period. At least one of these auditors must be an Authorized Public Accountant.

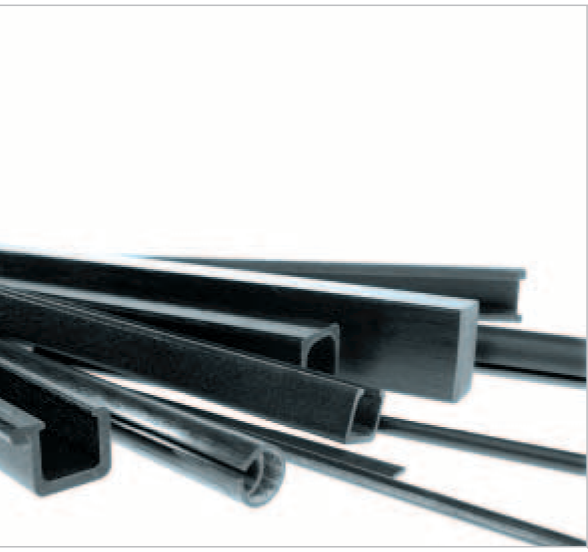
Ultimate responsibility for accounting and financial management lies with the Board. The auditors give a statutory report to the shareholders in connection with the closing of the company accounts each year. The purpose of the auditing process is to ensure that the financial statements give a true and fair view of the Group's financial performance and status during the financial period.

The Board meets the auditors at least once a year.

Apart from this, the auditors carry out supervisory audits as they deem necessary and as agreed on with the company.

Environment and quality
Exel complies with the ISO 14001 environmental standard and is committed to the principles of the European chemical industry's Responsible Care programme in all its operations.

Exel complies with the ISO 9001 quality system. Its units in Finland have been certified by Det Norske Veritas.



Front row from left: Kari Haavisto, Peter Hofvenstam, Ove Mattsson. Back row from left: Vesa Kainu, Mika Sulin.

Board of Directors

Chairman
Ove Mattsson, born 1940
docent, D.Sc. (Eng.),

Management consultant
In Exel's Board since 2003
No Exel holdings.

Work experience:
COO Akzo Nobel Coatings
Managing Director, Nobel Industries AB
Managing Director, Casco Nobel AB

Chairman of the Board, Biotage AB
Chairman of the Board, MacGREGOR AB
Chairman of the Board, Otre AB
Chairman of the Board, Xcounter AB
Member of the Board, Byggelit AB
Member of the Board, Kemira Oyj
Member of the Board, Mydata Automation AB

Kari Haavisto, born 1941
Lc.Sc. (Econ.)

In Exel's Board since 2000
Holdings: 16,400 Exel shares.

Work experience:
CFO, Metsäliitto Corporation
Executive Vice President, Metsä-Serla Oy
CFO, Oy Nokia Ab

Vice Chairman of the Board, Suomen Posti Oyj
Vice Chairman of the Board, Suominen Yhtymä Oyj
Member of the Board, Aspo Oyj
Member of the Board, EVLI Pankki Oyj

Peter Hofvenstam, born 1965
M.Sc. (Econ.)

Vice President, Nordstjernan AB
In Exel's Board since 2001
No Exel holdings.

Work experience:
Financial Analyst, Proventus AB
CFO and member of Managing Group, AB Aritmos
Partner, E. Öhman J:or Fondkommission AB

Chairman of the Board, Nordstjernan Ventures AB
Member of the Board, Altima AB

Vesa Kainu, born 1947
B.Sc. (Eng.)

In Exel's Board since 2000
President & CEO Metso Ventures
Member of Metso Executive Board
No Exel holdings.

Work experience:
Executive Vice President, Metso Minerals Oy
President, Metso Paper, Inc. Services
Executive Vice President, Metso Paper, Inc.

Chairman of the Board, Metso Panelboard
Member of the Board, Metso Automation Oy
Member of the Board, Metso Drives, Inc.
Member of the Board, Metso Powdermet Oy
Member of the Board, Valmet Automotive Oy

Mika Sulin, born 1958
Managing Partner, JHC Arena Holding Oy

In Exel's Board since 1997
No Exel holdings.

Work experience:
Managing Director, Hartwall-Areena
Managing Director, Nike Nordic Countries
Managing Director, Nike Central and Eastern Europe

Member of the Board, Jokerit HC Oy
Member of the Board, Infront Nordic Oy
Member of the Board, D+J Arena GmbH

Front row from left: Aki Karihtala, Ari Jokelainen, Vesa Korpimies. Back row from left: Markku Herranen, Jukka Juselius.

Exel Oyj Management Group

Ari Jokelainen, born 1955
M.Sc. (Econ.)

President & CEO
In the employment of the company since 1990

Areas of responsibility:
- Managing and developing the Group's business operations to achieve profitable growth
- Developing the corporate strategy
- Implementing the Board of Directors' decisions
- Developing and maintaining a well-functioning organization
- Customer and investor relationships
- Other responsibilities of the President & CEO

Holdings: 81,700 Exel shares.

Work experience:
CFO, Air Systems group and the Pansio Works of Valmet Paper Machinery Inc.
CFO, Wihuri Oy Wipak

Vesa Korpimies, born 1962
M.Sc. (Econ.)

Vice President, Director of the Industry division
In the employment of the company since 1987

Areas of responsibility:
- Managing and developing the Industry division's business operations
- Developing the strategy for Industry
- Responsibility for the profitability of business operations
- Searching for new market areas

Holdings: 34,000 Exel shares.

Markku Herranen, born 1949
Diploma in Business Administration

CFO
In the employment of the company since 1988

Areas of responsibility:
- Organizing and developing administration
- Maintaining and developing information systems
- Responsibility for operating policies
- Responsibility for financing and insurance

Holdings: 46,000 Exel shares.

Work experience:
Accounting Manager, Sotka Oy

Jukka Juselius, born 1953
M.Sc.

Senior Vice President, Product Development
In the employment of the company since 1998

Areas of responsibility:
- Raw material and technology development
- Responsibility for immaterial rights
- Responsibility for the maintenance and development of quality and environmental systems

No Exel holdings.

Work experience:
Development Manager, Neste Chemicals Composite Materials
Development Manager, Ahlström Oy Eurapack
Development Manager, Wihuri Oy Wipak

Aki Karihtala, born 1961
Diploma in Business Administration

Senior Vice President, Sport division
In the employment of the company since 1986

Areas of responsibility:
- Managing and developing the business operations of the Sport division
- Developing the strategy of the Sport division
- Responsibility for the profitability of business operations
- Searching for new market areas

Holdings: 12,180 Exel shares.

Managing Directors of subsidiaries

Joacim Bergström
International Gateway AB

Harald Bierbaumer
Exel GmbH


Photo: John Kelly

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At Exel quality, the environment and safety are treated as an integrated whole whose development is based on the principle of continuous improvement. The goal is to improve the ability of Exel's processes to turn out quality products while preventing detrimental health effects and accidents and minimising operations-related environmental impact.

Quality
Certified quality management system ISO 9001
Exel operates a certified quality management system that satisfies the requirements of the ISO 9001 standard and has been audited by Det Norske Veritas. In accordance with the requirements of the new ISO 9001 (2000) standard we have been guiding our operations toward a process-based approach. We have also prepared specifications and descriptions for our core processes, which are used to measure the qualitative and environmental effectiveness of our operations.

Based on an audit carried out by DNV in June, Exel's certification was extended for the next three years.

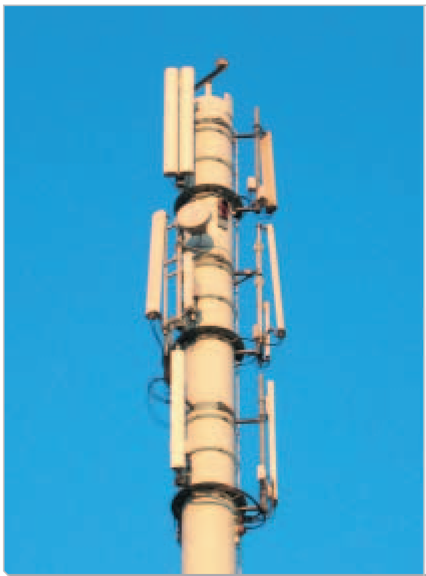
The environment
Exel takes an operational approach to environmental matters that emphasises minimising the environmental impact of business operations. Under this approach we identify the environmental impact of our processes, continually develop our processes and operations, follow the terms and conditions of our environmental permits, and develop new technical solutions for our processes.

We have established quality, environmental and safety targets for our operations. With respect to environmental matters this means that we are aware of the applicable statutory requirements and the environmental impact of our operations. We monitor and develop our operations on a continuous basis in order to reach these quality, environmental and safety targets.

Exel has established the following quality and environmental principles.

In keeping with these objectives Exel
- commits to the principle of continuous improvement in all of its operations and to preventing environmental damage
- commits to developing its products and processes in a manner that reduces their environmental load and makes more efficient use of materials
- will use tested raw materials and processes that are safe for the environment and employees
- will train its employees to recognise the quality and environmental impact of their work
- will maintain open communications and confidential relations with the inhabitants of the neighbourhood, the authorities and other stakeholders
- commits to the objectives of the European Responsible Care programme.

In accordance with these principles various production process investments have been made to improve process yields. Cooperative projects have been pursued with industry participants and universities to advance the reuse of waste materials. A test field was constructed at the Mäntyharju landfill for the reuse of reinforced plastic waste. The chipped waste is now serving as a filtering layer in the landfill.



Annual General Meeting
The Annual General Meeting of Exel Oyj will be held on Wednesday, April 14, 2004 at 10.00 a.m. in the Marski room of the World Trade Center, Aleksanterinkatu 17, Helsinki, Finland.

To attend the Annual General Meeting, shareholders must inform the Company of this intention by 4.00 p.m. on April 2, 2004 at the latest, either in writing to Exel Oyj, P.O. Box 29, 52701 Mäntyharju, Finland, by telephone +358 15 3461 235/Pirkko Suutari, by fax +358 15 3461 215, or by e-mail pirkko.suutari@exel.fi. In the case of written registration of attendance, the letter must arrive before the end of the registration period. Any letters of authority should be delivered to the above address with the registration.

Dividend
The Board has decided to propose to the Annual General Meeting that a dividend of EUR 0.80 be paid for 2003. Shareholders registered in the list of shareholders maintained by the Finnish Central Securities Depository on the record date of April 19, 2004 are entitled to the dividend. The dividend will be paid on April 26, 2004.

Change of address
Please send information on any change of address or change in personal data to your book-entry register.

Financial reports 2004
In addition to this Annual Report for 2003, Exel will issue three interim reports during the year: on April 29, July 22, and November 2, 2004. The annual report, interim reports and stock exchange releases will be available in Finnish and English on the Internet at www.exel.net. The interim reports will not be available in print, but paper copies can be ordered from Exel's Corporate Communications. Stock exchange releases and annual/interim reports can be obtained by joining our mailing list on the Exel website.

Financial reports can also be ordered from Exel's Corporate Communications:

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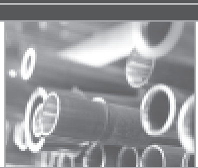
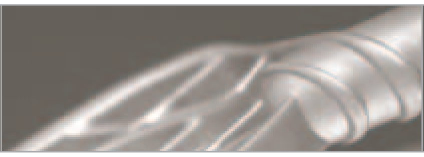
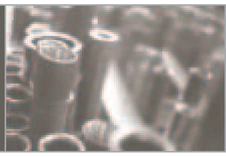


Precis/Kirjapaino Öhrling 2004 • Exel pictures: Tapio Aulu, Mikko Harma • Cross-country skiing pictures: Robert Bösch, John Kelly • Nordic Walking pictures: StefanSchuetz.com, Robert Bösch, John Kelly • Floorball pictures: Mikko Harma • Alpine skiing pictures: Erich Spiess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