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Summary

- Industry division's net sales remained unchanged at EUR 6.6 (6.6) million. The antenna profile market is still very quiet.
 - Net sales in the Sport division fell by 12% to EUR 6.2 (7.1) million. The surf mast market is quiet in the US.
 - Total sales amounted to EUR 12.8 (13.7) million. Operating profit decreased by 31% to EUR 0.9 (1.3) million due to lower sales volumes.

Operating environment

Market conditions continued to be tight in the first quarter of 2002. The economy is in the middle of a recession in Continental Europe and many customers are behaving cautiously. This is reflected in the level of deliveries ordered from Exel. Signs of a revival in demand are emerging, however. There are plenty of enquiries about new profiles and a great many offers are being made in the Industry division, which is expected to result in rising delivery volumes towards the end of the year. In Sport, the overall market growth is limited, and the past winter was unfavourable for winter sports in terms of weather conditions.

Slow demand caused increasing pressure on prices. The raw material market was stable and availability was good. The tighter market situation is also expected to produce considerable pressure to lower raw material prices.

Industry

Net sales reached the previous year's level in spite of the quiet period on the antenna profile market. The Industry division's net sales for January-March were EUR 6.6 (6.6) million. Sales were boosted through the integration of Menzolit-Fibron's pultrusion operations, which were acquired in the autumn of 2001, and through some new product applications.

Antenna profile sales were substantially lower than at the beginning of 2001, when the sales figures were still running at a record high. Most of the antenna profiles delivered today continue to be designed for GSM network solutions, while the construction of 3G networks is still in its initial stages. According to the latest forecasts, a major boost to growth in 3G network deliveries will not be seen before the end of 2002 and is more likely to occur in 2003.

Doctor blade delivery volumes continued to grow on the 2001 figures, with new export markets acting as a major source of growth.

Exel is currently working in close cooperation with infrastructure companies to develop carbon fibre based product solutions, e.g. reinforcements for concrete bridges, and to open up new markets. Product tests have shown good results, and the first commercial applications are expected to be available within about twelve months.

A great many offer requests concerning lattice masts for airport safety approach systems were received early this year, and deliveries are also up on the previous year's figures. Sales in this product group will exceed the previous year's figures substantially.

Sport

Net sales in the Sport division fell by 12% in the first quarter, to EUR 6.2 (7.1) million. The most significant decrease took place in water sports, where the world market has been in decline.

The poles product group did well with its Nordic Walking and Nordic Blading lines. The advance sales period for pole products has been encouraging so far, and the opening up of some important export markets should bring growth in the Nordic Walking and Nordic Blading product lines.

Water sports fell short of the previous year's figures, as the market was silent. The production problems that hampered profitability in 2001 have been brought under control. The challenge now is to develop special new models for key customers in order to maintain interest in water sports. The biggest market decline occurred in the US, where the events that took place on September 11 had a strong negative effect on the sports market.

In laminates, Exel GmbH has developed some new product/material applications for the ski industry, which are expected to boost sales significantly in the current period, in spite of the fact that forecasts promise no increase in the numbers of skis and snowboards produced worldwide in the coming production period. Deliveries by Exel GmbH's Plastics unit increased by almost 35% in early 2002.

The introduction of Exel's new floorball collection was postponed from March/April to late summer. As a result, sales fell slightly short of the previous year's figure during the first quarter of 2002. Supported by our new blade range, pre-season sales have been good, however, and the product group is expected to be as successful in 2002 as it was in 2001.

Sales and profits

Net sales fell by 6% on the previous year and amounted to EUR 12.8 (13.7) million. The distribution of net sales by division was as follows:

Net sales (EUR million)			
	Jan-Mch 2002	Jan-Mch 2001	Change
Industry	6.6	6.6	0.0%
Sport	6.2	7.1	-11.7%
Total	12.8	13.7	-6.1%

Operating profit came to EUR 0.9 (1.3) million, 31.5% below the 2001 figure. The most significant profitability-reducing factors were the slow antenna profile market and tighter price competition on both Industry's and Sport's primary markets in Continental Europe. The distribution of operating profit by division was as follows:

Operating profit (EUR million)			
	Jan-Mch 2002	Jan-Mch 2001	Change
Industry	0.8	1.1	-23.6%
Sport	0.1	0.2	-67.9%
Total	0.9	1.3	-31.5%

Net financial expenses came to EUR 112,000 (85,000). The increase was due to the funding required by the purchase of Menzolit-Fibron's pultrusion operations in autumn 2001.

Profit before provisions and taxes totalled EUR 0.8 million (EUR 1.2 million), a decrease of 35.8% on the previous year.

Balance sheet, financing and liabilities

The balance sheet amounted to EUR 35.0 (30.6) million, up 14.3%. The increase was due to the integration of Menzolit-Fibron's pultrusion operations into the Group in autumn 2001.

Interest-bearing net liabilities came to EUR 11.1 (8.3) million.

Investment

Investments totalled EUR 715,000 (758,000) and were mainly in tooling and moulds. No investments were made in new production lines in the period under review.

Personnel

Exel's personnel numbered 373 (352) on March 31, 2002, an increase of 6%. Personnel reductions were made at Exel USA Inc, whose factory operations in West Wareham were discontinued, and this was offset by an increase in personnel at the Exel GmbH Voerde factory.

Shares and ownership

Exel Oyj's share capital totals EUR 1,840,265, comprising 5,257,900 shares each with a nominal value of EUR 0.35. The members of the Board of Directors and the President held a total of 73,100 shares, or 1.4% of all shares.

The number of shares traded on Helsinki Exchanges in the review period amounted to 2.8% of all Exel shares. The highest share price quoted during the period was EUR 10.05, the lowest EUR 8.50 and the closing price for the period EUR 9.60. The market capitalization was EUR 50.5 million on March 31, 2002.

Decisions by the AGM

The Annual General Meeting held on April 3, 2002, re-elected Kari Haavisto, Peter Hofvenstam, Vesa Kainu, Juhani Sammasmaa and Mika Sulin as members of the Board. Kari Haavisto was re-elected Chairman.

The Board of Directors is authorized up to April 3, 2003, to raise the company's share capital through one or more new issues by a maximum total of EUR 325,500. The authorization allows the Board to decide on who is entitled to subscribe new shares, what the subscription price should be and the principles of determining it, and other terms of the new issue. An exception to the shareholders' right of pre-emption can be made if there is a pressing financial reason from the company's viewpoint. Such reasons may include financing, effecting or enabling a corporate acquisition or some other form of cooperation; consolidation or expansion of the company's financial or capital structure; or the implementation of any other arrangement related to corporate operations. Such a decision must not be made to benefit parties close to the company. The Board is authorized to determine whether a new issue can be subscribed against a contribution in kind or under other specified conditions.

Prospects for the rest of 2002

The markets continue to be silent, and no recovery is expected in deliveries in the Industry division until in the second half of the year at the earliest. Price competition has increased in the face of slack demand. Raw material prices are stable. Investment will have to be made in new product applications to generate more sales. Pre-season sales by the Sport division are looking good, and offer requests have increased in the Industry division. On this basis, we expect net sales and operating profit to increase compared to last year.

Mäntyharju, April 2002

Exel Oyj Board of Directors
Ari Jokelainen President

Consolidated Income Statement, EUR 1,000

	2002 1-3	2001 1-3	Change %	2001 1-12
NET SALES	12,826	13,655	-6	49,362
Increase(+)/decrease(-) of finished goods and work in progress	199	-32	-724	531
Production for own use	71	90	-20	344
Other operating income	223	137	62	560
Materials and services	-5,005	-5,208	-4	-19,538
Personnel expenses	-3,219	-3,272	-2	-12,121
Depreciation	-780	-665	17	-2,888
Other operating expenses	-3,401	-3,371	1	-10,950
OPERATING PROFIT	914	1,334	-32	5,300
Financial income and expenses (net)	-112	-85	31	-520
PROFIT BEFORE EXTRAORDINARY ITEMS, INCOME TAXES AND VOLUNTARY RESERVES	802	1,249	-36	4,780
Extraordinary items				
PROFIT BEFORE VOLUNTARY RESERVES AND INCOME TAXES	802	1,249	-36	4,780
Income taxes	-265	-392	-32	-1,416
PROFIT FOR THE PERIOD	537	857	-37	3,364

The taxes taken into account are based on the profit for the period.

Consolidated Balance Sheet, EUR 1000

	31.3.02	31.3.01	Change %	31.12.01
ASSETS				
Non-current assets				
Intangible assets	3,813	2,557	49	3,959
Consolidation goodwill	455	527	-14	473
Tangible assets	11,531	10,284	12	11,423
Investment	127	127	0	127
Current assets				
Inventories	8,131	7,435	9	7,903
Receivables	8,900	8,291	7	7,487
Cash in hand and at bank	1,994	1,362	46	1,934
Total	34,951	30,583	14	33,306
LIABILITIES AND SHAREHOLDERS' EQUITY				
Equity				
Share capital	1,840	1,838	0	1,840
Other equity	13,098	10,026	31	12,560
Liabilities				
Deferred tax liability	169	203	-17	169
Non-current	7,638	6,917	10	8,337
Current	12,206	11,600	5	10,400
Total	34,951	30,583	14	33,306
Indicators (EUR 1,000)			Change %	31.12.01
Gross investment	715	758	-6	5,474
% of net sales	6%	6%		11%
R&D expenses	357	307	16	1,216
% of net sales	3%	2%		2%
Average personnel	382	361	6	356
Personnel at end of period	373	352	6	371
Order book	7,178	7,246	-1	8,918
Solvency ratio, %	43%	39%		43%
Return on investment, %	14%	26%		22%
Net gearing, %	74%	70%		73%
Earnings per share EUR	0.10	0.16	-38	0.64
Equity per share EUR	2.84	2.26	26	2.74
Consolidated contingent liabilities on March 31, 2002				
Corporate mortgages	12,500	12,500		12,500
Mortgages on land and buildings	2,954	2,954		2,954
Other contingent liabilities	2,806	2,408		2,795

Columns 1-3/02 and 1-3/01 are unaudited.