

Elektrobit Annual Report 2002



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Elektrobit

Elektrobit Group's business idea is to improve the competitiveness of the customer's product and production by assuming total or partial responsibility for product development, product design and the implementation of production and testing solutions.

Elektrobit Group's main customer group is the telecommunications industry. The company's objective is to be the leading supplier of productization solutions within this industry and a leading technology partner behind the best brands.

| 200 employees, including 800 R&D engineers | Productization- service concept |
Customers are leading global industry companies | Worldwide operating network in
16 countries | Pro forma net sales 2002 MEUR 136 | Listed on the Helsinki Exchanges

Social Responsibility

One of the main values of the Elektrobitt Group is acting as a good corporate citizen wherever we practice business. One-sided pursuit of one's own interests is not part of modern life. What is needed is open interaction across interest groups and cooperation for a common good.

One of the main values of the Elektrobitt Group is acting as a good corporate citizen wherever we operate. In addition to well-organized business, I believe that a company's success is strongly linked to how the surrounding society - for example, the public sector or politicians - succeeds in its tasks.

The Elektrobitt Group's main task in society is to produce financial well-being in its own line of business and in this way exercise a positive influence on the society's development. In addition to this basic task, our company must act as a conversation and cooperation partner with other players in society. Cooperation shall be based on mutual respect and appreciation and its goal is the common good. One-sided pursuit of one's own interests is an outdated approach and does not suit this day and age. What is needed is open interaction across interest groups and cooperation for a common good.

Ensuring good profitability, a strong balance sheet and continuous development of our core competencies are some of the central principles guiding our operations. They enable the Elektrobitt Group to succeed both in the long and short term.



Concrete results born from hard and persistent work are the best way to ensure that we act as a good corporate citizen towards our customers, personnel, owners and other cooperation partners.

Year 2002 brought big changes to the JOT Automation Group and the Elektrobitt Group. The combination was a significant landmark for both companies. It enables the creation of completely new service concepts and products to fulfill the needs of our customers. On the

other hand, 2002 was also very difficult for our personnel due to the reorganization measures.

I wish to thank our customers and partners for good cooperation. We will do our best to be worthy of your trust also in the future. I also want to extend special thanks to our personnel for their excellent work and contribution.

Succeeding in our tasks demands hard work from all of us and a good and open work environment. To create and maintain such an atmosphere we must appreciate and support one another. All business is based on serving other people. Let us thus take a humble but determined approach to challenges.

A handwritten signature in blue ink, appearing to read 'Juha Huikko'.

Juha Huikko / Chairman of the Board

Guiding Principles

Mission

Elektrobit makes a positive impact on society through comprehensive productization solutions (efficient R&D and flexible testing and production automation), which enables its business customers to produce high quality, affordable products and services based on principles of sustainable development.

Vision

Our objective is to be a leading supplier of productization solutions and a leading technology partner behind the best brands of the selected industry areas.

Values

- We take on our civil responsibilities as a good corporate citizen.
- We build customer relations based on trust and long-term partnerships.
- Our actions are dictated by honesty and fairness and based on mutual respect.

- We aim to be very profitable so that we can grow and develop whilst maintaining our strong balance sheet status.
- We want to be among the leading companies of the industry in expertise and technology.
- We work with persistence.

Objectives

- We seek to grow at least in line with the average growth in the telecommunications industry.
- We strengthen core competencies in the comprehensive management of product development, testing and production.
- We develop proprietary technologies that can be placed in use rapidly in the design and production of the customer's product.
- We aim to strengthen the company by forming strategic alliances.

CEO's Review

Year 2002 was a time of change and reform for the Elektrobit Group. We renewed our strategy and service concept in the course of the year. The result and spirit of the last quarter of 2002 provides a good basis for taking on new challenges.

The operating environment in our field remained challenging throughout 2002. Investments in the electronics industry were modest and growth in the field came to a halt. The changing environment required companies to quickly re-evaluate their strategy and operations. As a result, we renewed our strategy and service concept last year and are now able to offer our customers comprehensive service as a technology partner in research, product development, production and system maintenance. Year 2002 was a time of change and reform for our Company.

By combining the JOT Automation Group and the Elektrobit Group the aim was to better serve our customers as a technology partner, in product development and in production. We set three main goals for 2002 in conjunction with the combination:

- Restoring the profitability of the JOT Automation business segment
- Starting up new joint business
- Ensuring undisturbed operations for the Elektrobit business segment as planned

Although we fell short of some of our financial goals, we did reach our operative goals. Considerable reorganizations were made in the JOT Automation business segment. As a result, the JOT Automation-based operations are again well prepared to achieve good results. The optimization of operations continued with an organization change that aims for synergy by



combining the resources of sales and marketing and dividing the Group's operations into three business units:

- Contract R&D
- Test
- Automation Solutions

The business units must continue developing their skills and business processes to ensure that their products and services survive tough international competition in their own segment. The products and services of our three business units enable us to provide our customers with a unique service as a technology partner in product development and production.

The global economic environment is uncertain and it is still difficult to predict when economic growth will pick up. In line with our values, the changes made in the Groups aim at long-term development. Despite the difficult operating environment, our goal for the current year is to achieve growth in both net sales and profitability. The result and spirit of the last quarter of 2002 provided a good basis for taking on new challenges.

I wish to thank our customers for their continued and deepening trust in our Company as well as our shareholders for their encouragement to continue our operations in line with our values. Particularly warm thanks go to all Elektrobit employees. The operative changes and improvement of profitability would not have been possible without your determination.



Juha Sipilä / CEO

2002 in Brief

- **THE JOT AUTOMATION GROUP AND THE ELEKTROBIT GROUP WERE COMBINED** on May 31, 2002. The combination was carried out as an exchange of shares, in which the shareholders of the former Elektrobit Group Ltd. received some 70 per cent of the shares and votes of JOT Automation Group Plc. The parent company was renamed Elektrobit Group Plc.

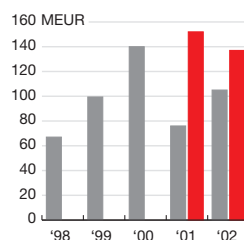
- **TO ENHANCE BUSINESS**, the Group's operations were divided into business units at the beginning of 2003. The three business units are Contract R&D, Testing and Automation Solutions.

- **ALL FINANCIAL GOALS COULD NOT BE REACHED** and cost saving measures aiming at improved profitability were continued. The number of personnel decreased by a total of 234 over the previous year. The pro forma net sales for 2002 was 136.5 million euros and the pro forma operating profit was 0.7 million euros.

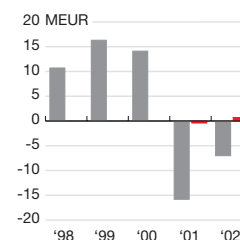
- **TO STRENGTHEN THE BALANCE SHEET STRUCTURE**, a total of 10 million euros of new capital was raised. The balance sheet total amounted to 141.6 million euros while the equity ratio at the end of the period was 53.4 per cent.

- **AN EMPLOYEE OFFERING** was carried out as part of the incentive scheme for the Elektrobit Group's personnel. A total of 4 million shares was subscribed for at a price of 0.25 euro. The number of subscriptions made exceeded approximately 2.5 times the offered amount of shares.

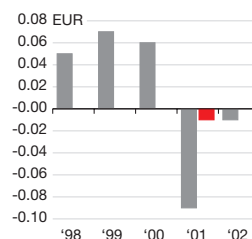
NET SALES



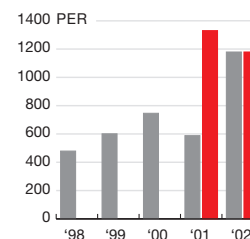
OPERATING PROFIT



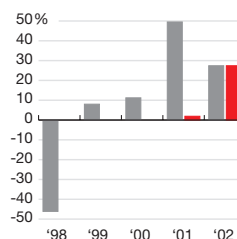
EARNINGS PER SHARE



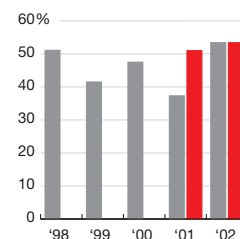
PERSONNEL



NET GEARING



EQUITY RATIO

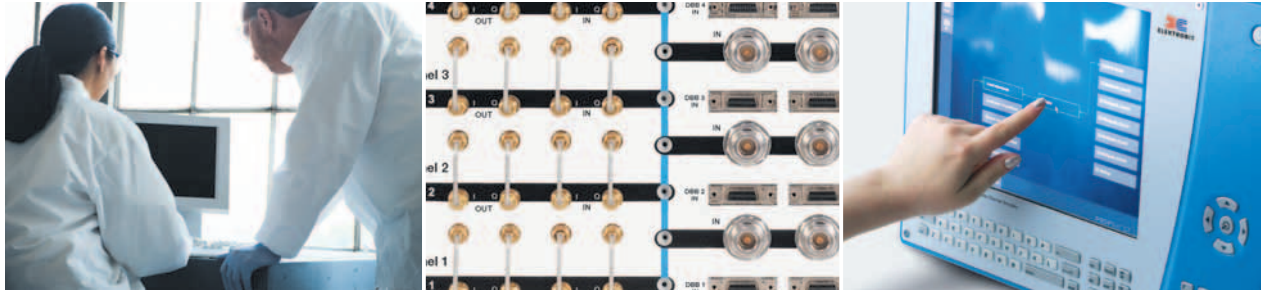


■ OFFICIAL ■ PRO FORMA

KEY FIGURES

	Pro forma 2002	Pro forma 2001	Change %
Net sales, MEUR	136.5	151.8	-10.1%
Operating profit, MEUR	0.7	-0.4	262.1%
Operating profit, % of net sales	0.5	-0.3	
Profit before taxes, MEUR	-0.9	-0.3	-175.7%
Net profit, MEUR	-1.1	-6.0	80.9%
Shareholders equity, MEUR	71.4	60.8	17.3%
Balance sheet total, MEUR	141.6	130.3	8.7%
Personnel at the period end	1 179	1 330	-11.4%
Return on investment % (ROI)	5.4	5.3	
Interest-bearing net liabilities, MEUR	20.3	1.3	
Net gearing %	27.4	1.9	
Equity ratio %	53.4	51.0	
Earnings / share, EUR	0.00	-0.01	

Operations



The current Elektrobit Group was established in May 31, 2002 following the combination of two specialist organizations, the wireless telecommunications specialist Elektrobit Group and the automation expert JOT Automation Group. The combination was partly driven by the even globally unique production service concept created by the new Elektrobit Group. The concept aims to improve the competitiveness of the customer's product and production by assuming total or partial responsibility for product development, product design and the implementation of production and testing solutions.

The Elektrobit Group is a versatile engineering company, which, in addition to its design services, develops, sells and markets its own technologies and products to customers. The Company's customer groups include telecommunications manufacturers and operators, electronics contract manufacturers, component and subassembly manufacturers, automotive electronics manufacturers, industrial automation manufacturers and the defense and space industry. The telecommunications industry makes up the company's main customer group, accounting for about 80 per cent of net sales. Elektrobit employs some 1 200 experts in 16 countries.

Three Business Units

Elektrobit's operations were divided into three business units at the beginning of 2003. The units are responsible for their own know-how, technologies and competitive edge.

Contract R&D

- Total or partial responsibility for the customers design and product development projects
- Often based on long-term strategic customership
- Own research aiming at continuous development of top know-how
- Various business models from hourly billing to the sharing of risk and reward
- Customers: telecommunications industry, companies with wireless high tech (e.g. the defense industry)

The Contract R&D business unit works as a product development partner for companies that use wireless technologies and need high tech solutions and outsourcing services.

Contract R&D aims to offer product development services to companies that work with wireless products and have their own distribution and marketing organization required for product launches. The unit's business consists of product development services and clearly segmented wireless products that support product development. This emphasizes Elektrobit's pioneering role in the radio interface of wireless telecommunications as well as in the integration of technologies.

Test

- Test, measurement and analysis tools for product development and research needs (PROPSound, PROPSim and NEMO product families)
- Test integration: comprehensive systems for production testing, including software, equipment, mechanics and integration services



- Production testing: equipment for functional production testing
- Customers: mobile phone manufacturers, operators, electronics contract manufacturers, automotive and consumer electronics

The Test business unit delivers testing solutions for the telecommunications industry. The unit aims to improve the cost-efficiency of its customers' testing processes over the life cycle of their products, as well as help their customers in the telecommunications sector to develop more competitive products and services.

The unit's business idea is to sell products, systems and services that fulfill the testing and measurement needs of contract R&D, production and end-users. The business unit works in close contact with the Contract R&D business unit.

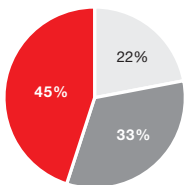
Automation Solutions

- Material handling equipment: board handling, pallet systems, packaging modules
- Material processing equipment: circuit board depaneling, product marking, component placement
- Assembly equipment: final assembly, CMS automation, line management software
- Customers: telecommunications, automotive and consumer electronics industries

The Automation Solutions business unit designs, manufactures and markets production automation systems for the individual needs of mass production in the electronics industry. The division aims to help its customers that produce high-volume products to enhance the competitiveness of their production.

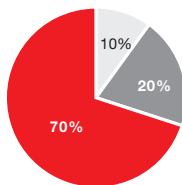
The unit's products consist of JOT Automation production equipment for the electronics industry, such as material handling, processing and assembly equipment, including services related to system design, implementation and maintenance.

NET SALES BY BUSINESS UNIT, PRO FORMA



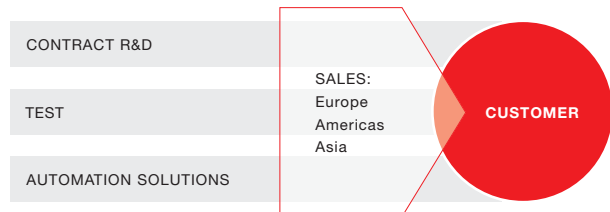
■ CONTRACT R&D
■ TEST
■ AUTOMATION SOLUTIONS

NET SALES BY MARKET AREA, PRO FORMA



■ EUROPE
■ AMERICAS
■ ASIA

ELEKTROBIT GROUP BUSINESS UNITS



Operations



Operating Environment

The need to reach people and organizations regardless of time and place has been a global booster of growth for wireless telecommunication solutions. Due to rapidly developing technologies and standards telecommunication equipment providers are required to make significant investments in research and development. The operating environment of telecommunications equipment providers is characterized by the increasingly complex technologies and business models, ever-keener competition, limited available resources and the need to bring new products quickly to market.

Owing to the aforementioned factors telecommunications equipment providers are looking for cost-effective solutions that improve their competitiveness in the rapidly changing operating environment. The outsourcing trend has expanded to include also research, design and product development. Together with the increasing supply of customers' end product variations, those factors have enabled the development of contract R&D and wireless products despite the difficult economical situation.

The Group's customer business areas continue to have excessive production capacity that, together with the unsure economic situation, keeps the volume of investments in automation low. In the current market situation the Group's customer companies are focusing on enhancing their existing production capacity.

Core Competencies

Elektrobit's future success and pioneering role is based on its core competencies. The competence centres of different business units are responsible for developing their core competencies. The core competencies fall into many different fields of know-how as described below.

RADIO TECHNOLOGY, ELECTRONICS AND SOFTWARE DESIGN

Radio channel expertise covers radio technology and analog technology as well as signal processing algorithms. Electronics design includes ASIC design with fast digital logic circuits and layout simulation as well as electromechanical design fulfilling EMC and ESD requirements. Software design refers to know-how in demanding telecommunications and electronics products and systems.

LIFE CYCLE TESTING OF ELECTRONICS PRODUCTS

Testing of electronics products covers testing during research, product development, production and maintenance. Product testability is mainly designed and implemented at the product development phase.

Success in testing systems requires a profound understanding of mechanics, measuring devices, software and interfaces. Precision mechanical and electrical design and manufacture of adapters is also a part of these skills.

Personnel



Unique Year in 2002

Year 2002 was unique for the personnel, as the JOT Automation Group and the Elektrobit Group combined their business. The bigger size enables it to offer more interesting, challenging and versatile tasks to both its current and prospective employees. The business combination involved the joining of two different corporate cultures, which complement and strengthen each other extremely well.

For some Group personnel the previous year was difficult as the number of employees decreased by a total of 234.

Our Methods of Operation

Elektrobit is an international expert organization that operates in 16 different countries and cultures and whose operations are guided by the common values of Elektrobit. We value our operations, which aim to maintain discussion about our values, and challenge and encourage all Elektrobit employees to follow these values in everyday work.

Our personnel has an average age of 33. As we gain experi-

ence, comprehensive management of life becomes increasingly significant in our work community. It will ensure our development capability also in the future. The Elektrobit Group considers mental growth to mean both professional development and development as a person.

Core Competencies

Our customers compose our main external interest group. The outstanding customer service and competitiveness of our Company is based on the individual skills and attitudes of our 1 200 employees and, above all, on the open and honest cooperation within our Company as well as with our customers and other cooperation partners. Skills areas are developed from the point of view of business operations without forgetting the employees' own interests. Our core competencies are:

- Radio technology, electronics and software design
- Life cycle testing of electronics products
- Automation of quick and precise handling of components
- Productization and project management know-how



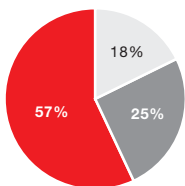
Joint Development of Competence

The educational profile of the Elektrobit personnel improved in the course of last year. The Group also favors training and schooling arranged alongside work. Some of our main education programs include the now ended Specialist Qualification in Management (JET) and the on-going degree in Special Qualification in Technology (TEAT). To satisfy our business needs, we offered our personnel redesign education with the aim of strengthening our skills and knowledge in software design. In line with our principles, we learn by doing.

Excellent Employer

Development of the Elektrobit culture is considered to be a process that will continue strong in all activities as well as both major and minor practical decisions and measures in 2003. All Elektrobit employees can further this common process. In accordance with the Group's annual schedule, we will carry out a personnel survey, whose results will be available for strategic planning in the company. Our goal is to ensure that employees who take pride in their skills and development as well as the quality of their own work will continue to find the Elektrobit Group a motivating environment and an excellent employer.

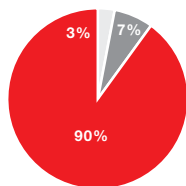
PERSONNEL BY BUSINESS UNIT



■ CONTRACT R&D
 ■ TEST
 ■ AUTOMATION SOLUTIONS

TOTAL 1 179

PERSONNEL BY MARKET AREA



■ EUROPE
 ■ AMERICAS
 ■ ASIA

ELEKTROBIT WORLD WIDE



Key Ratios

	Pro forma Group 2002	Official Group 2002	Pro forma Group 2001	Official Group 2001	Official Group 2000	Official Group 1999	Official Group 1998
INCOME STATEMENT, (MEUR)							
Net sales	136.5	105.0	151.8	76.1	140.1	99.4	67.1
Net sales, % increased from previous year	-10.1	38.0	-	-46	41	48	118
Operating profit	0.7	-7.0	-0.4	-15.8	14.1	16.3	10.7
Operating profit, % of net sales	0.5	-6.7	-0.3	-20.7	10.0	16.4	15.9
Profit before extra ordinary items	-0.9	-8.1	-0.3	-15.8	13.1	17.0	10.4
Profit before extraordinary items, % of net sales	-0.6	-7.8	-0.2	-20.8	9.4	17.1	15.6
Net profit	-1.1	-4.5	-6.0	-16.3	9.5	11.8	7.4
BALANCE SHEET, (MEUR)							
Non current assets	52.8	52.8	37.9	19.9	13.5	10.6	3.7
Inventories	14.9	14.9	16.9	11.8	13.1	10.9	12.4
Receivables	50.2	50.2	40.1	21.1	32.7	28.0	15.7
Cash and bank deposits	23.7	23.7	35.4	20.8	23.4	21.6	13.2
Share capital	12.6	12.6	12.0	3.6	3.5	3.4	2.9
Other shareholders' equity	58.7	58.7	48.8	22.7	35.4	25.7	17.1
Minority interest	2.8	2.8	4.0	0.3	0.1		
Long term liabilities	28.8	28.8	19.8	17.4	18.7	11.1	1.7
Short term liabilities	38.5	38.5	45.6	29.7	25.0	30.7	23.3
Balance sheet total	141.6	141.6	130.3	73.6	82.6	71.1	45.0
PROFITABILITY AND OTHER KEY FIGURES							
Return on equity % (ROE)	-1.7	-8.6	-8.3	-49.6	28.2	47.7	57.8
Return on investment % (ROI)	5.4	-3.7	5.3	-16.6	29.5	47.6	66.8
Interest-bearing net liabilities, (MEUR)	20.3	20.3	1.3	13.1	4.3	2.4	-9.2
Net gearing, %	27.4	27.4	1.9	49.5	11.2	8.0	-46.1
Equity ratio, %	53.4	53.4	51	37.3	47.5	41.5	51.1
(nominal, net of deferred taxes)							
Gross investments, (MEUR)	29.4	44.8	27.0	13.4	6.9	9.3	2.4
Gross investments, % of net sales	21.6	42.6	17.8	17.6	4.9	9.3	3.6
R&D costs, (MEUR)	14.4	9.3	-	5.3	7.9	6.4	2.6
R&D costs, % of net sales	10.5	8.8	-	7.0	5.6	6.4	3.9
Average personnel during the period	1 278	1 295	1 397	695	714	565	368
Personnel at the period end	1 179	1 179	1 330	588	746	601	479
STOCK-RELATED FINANCIAL RATIOS							
Earnings per share, EUR	0.00	-0.01	-0.01	-0.09	0.06	0.07	0.05
Stock option diluted earnings per share, EUR	0.00	-0.01	-0.01	-0.09	0.06		
Equity per share, EUR	0.11	0.11	0.10	0.15	0.22	0.17	0.12
(nominal, net of deferred taxes)							
Dividend per share *)		0.00		0.00	0.01	0.013	0.017
• Dividend per earnings, %		0.00		0.00	17.6	18.7	37.3
• P/E ratio		-28.78		-5.20	45.5	133.4	39.4
Effective dividend yield, %		0.00		0.00	0.39	0.14	0.95
Market values of shares							
• Highest		0.68		2.75	13.11	9.50	1.81
• Lowest		0.25		0.31	2.20	1.68	0.07
• Average		0.41		1.04	6.90	3.92	0.99
• At the end of period		0.29		0.48	2.58	9.25	1.77
Market value of the stock, MEUR		182.9		85.6	448.3	1 578.2	302.7
Trading value of shares							
• Million eur		41.1		250.6	1 609.7	754.3	62.9
• 1000 pcs		100 987.3		241 525.0	233 141.0	192 373.0	63 389.0
• Related to average number of shares %		22.8		136.6	135.8	112.7	37.2
Adjusted number of the shares at the end of the period (1000 PCS)	630 526	630 526	601 526	178 252	173 751	170 617	170 617
Adjusted number of the shares average for the period (1000 PCS)	616 383	442 435	600 095	176 821	171 665	170 617	163 576
Adjusted number of the shares average for the period diluted with stock options (1000 PCS)	613 980	440 032	601 069	177 795	176 351	174 461	163 642

*) According to Board's proposal, year 2002

Calculation of Key Ratios

RETURN ON EQUITY % (ROE)	=	$\frac{\text{Profit before extraordinary items - taxes} \times 100}{\text{Equity + minority interest + appropriations less deferred taxes (average)}}$
RETURN ON INVESTMENT % (ROI)	=	$\frac{\text{Profit before extraordinary items + financial expenses} \times 100}{\text{Balance sheet total - interest-free liabilities (average)}}$ <p>*) Financial expenses include the implemented exchange losses and calculated net losses of currency derivatives</p>
NET GEARING, %	=	$\frac{\text{Interest-bearing liabilities - cash and deposits and short-term investments} \times 100}{\text{Equity + minority interest + appropriations less deferred taxes}}$
EQUITY RATIO, %	=	$\frac{\text{Equity + minority interest + appropriations less deferred taxes} \times 100}{\text{Balance sheet total - advances received}}$
EARNINGS PER SHARE	=	$\frac{\text{Profit before extraordinary items taxes +/- minority interest}}{\text{Share issue adjusted number of the shares average for the period}}$
EQUITY PER SHARE	=	$\frac{\text{Equity + minority interest + appropriations less deferred taxes}}{\text{Share issue adjusted number of the shares at the end of the period}}$
DIVIDEND PER SHARE	=	$\frac{\text{Dividend for the period (Board's proposal) per share}}{\text{Adjustment coefficient of post-fiscal share issues}}$
DIVIDEND PER EARNINGS, %	=	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
P / E RATIO	=	$\frac{\text{Share issue adjusted share price at the end of the period}}{\text{Earnings per share}}$
EFFECTIVE DIVIDEND YIELD, %	=	$\frac{\text{Dividend per share}}{\text{Share issue adjusted share price at the end of the period}}$

Group Management



From left to right: **Board of Directors:** Mika Kettula and Tapio Tammi, Juha Hulkko. **Group Executive Board:** Juha Sipilä,

Board of Directors

- JUHA HULKKO

Chairman of the Board 2002–

b. 1954, M. Sc (Eng.), eMBA, Founder of Elektrobit Oy. President of Elektrobit Oy 1985–1995. Board member of Technopolis Oyj, Nethawk Oyj and Oulun Puhelin Oyj.

Juha Hulkko holds 143 531 294 Elektrobit Group Plc. shares.

- TAPIO TAMMI

Board member 2000–

b. 1945, M. Sc (Eng.), President of Gamga Oy 1999–. President of Polar Electro Oy 1985–1999 and Development Director 1983–1985. Chairman of the Board in ProWellness Oy and Green Rock Oy. Board member of ProWellness Onlife Oy.

Tapio Tammi holds 47 200 Elektrobit Group Plc. shares.

- MIKA KETTULA

Board member 1996–

b. 1959, Engineer. President of JOT Automation Inc. 1995–2000 and President of JOT Product AB 1992–1995. Chairman of the Board in Visual Components Oy and Final Cut AB. Board member of Head Future Technologies Oy.

Mika Kettula holds 5 762 340 Elektrobit Group Plc. shares.

Group Executive Board

- JUHA SIPILÄ

CEO, President

b. 1961, M. Sc (Eng.), President of Fortel Invest Oy 1998–2002. President of ADC Solitra Oy 1992–1997 and Vice President 1989–1992. Board member of i.a. Genelec Oy, Tekniseri Oy and Ultracom Oy.

Juha Sipilä holds 44 317 981 Elektrobit Group Plc. shares.

- ERKKI VEIKKOLAINEN

Vice President, Director of Contract R&D and Test Business Units

b. 1952, M. Sc (Eng.), President of Elektrobit Technologies 2001– and Manager, Business Development 1998–2001. Various positions at Nokia Mobile Phones 1985–1998, latest Business Unit Manager.

Erkki Veikkolainen holds 54 096 898 Elektrobit Group Plc. shares.



Erkki Veikkolainen and Päivi Vasankari, Jukka Harju and Seppo Laine, Eero Halonen and Juha Reinikka.

- **PÄIVI VASANKARI**

General Counsel

b. 1970, LL.M., trained on the bench. Lawyer of Roschier Holmberg Oy 1998–2002.

Päivi Vasankari holds 35 000 Elektrobit Group Plc. shares.

- **JUKKA HARJU**

Director, Business Development

b. 1956, M. Sc (Eng.), M. Sc (Econ.), In Elektrobit Group since 2000. President of Tellabs Oy and Corporate Officer of Tellabs Inc. 1994–1999. Vice President of Nokia Telecommunications Oy 1990–1994.

Jukka Harju holds 40 308 371 Elektrobit Group Plc. shares.

- **SEPPO LAINE**

CFO

b. 1953, Auditor approved by the Central Chamber of Commerce. Director at the Oulu office of the auditing company Ernst & Young Oy 1995–2000. President of Oulun Laskenta Oy 1979–1995. Financial manager of Turun Muna Oy Jaakko 1977–1979 and Tammerneon Oy 1975–1977.

Seppo Laine holds 12 176 321 Elektrobit Group Plc. shares.

- **EERO HALONEN**

Director, Strategic Resources

b. 1955, M. Sc (Eng.), eMBA, President of Elektrobit Oy 1995–2001 and Director of the Electronics Department 1990–1995. Board member of Internet Bay AB.

Eero Halonen holds 50 096 077 Elektrobit Group Plc. shares.

- **JUHA REINIKKA**

Director, Automation Solutions Business Unit

b. 1957, M. Sc (Eng.). Director, Sales of JOT Automation Oy 2001–2002. Technical Director of RTS Pretech Oy 1997–2001 and Technical Director of Pretech Oy 1990–1997.

Juha Reinikka holds 810 846 Elektrobit Group Plc. shares.

Corporate Governance

The Elektrobit Group applies its Articles of Association, the Finnish Companies' Act, Securities Market Act and other applicable regulation concerning public companies. The principles set forth herein are supplementary to such regulation. The statutory governing bodies of the Elektrobit Group Plc. are Shareholders' meeting, Board of Directors and President. In addition to the President the Group Executive Board is responsible for the operative management of the Group.

Shareholders' Meeting

Shareholders Meeting is the ultimate authority in which the shareholders use their voting power. The most important tasks of the Shareholders' Meeting are among others the election of the Board of Directors and the adoption of the Annual Accounts. Other tasks of the Shareholders' Meeting appear from the Articles of Association of the Company and from the Finnish Companies' Act.

The Board of Directors

The Board of Directors consisting of three to five (3-5) members shall be responsible for the company's governance and proper organization of the operations. In addition the Board of Directors may have one to three (1-3) deputy members. The Annual General Meeting of Shareholders shall elect the members of the Board of Directors for the term, which expires at the end of the following Annual General Meeting of Shareholders. The number of terms for the members of the Board of Directors is not limited. The Board of Directors selects a Chairman among its members.

The task of the Board of Directors is to implement the decisions of the Shareholders' Meeting. The Board of Directors supervises the operations and management and makes decisions on the Group's guiding principles for operation, strategy and budget. Further the Board decides on mergers and acquisitions and other strategic alliances as well as significant investments and significant matters regarding organization and finance. The Board of Directors supervises the Group companies' duly organized accounting and financial management. The Board of Directors appoints the President and possible Vice Presidents as well as approves the company's organization structure. The remuneration committee elected among the members of the Board or a single nominated member of the Board prepares among other things general principles concerning the remuneration of management and the incentive programs applicable in the Group and to be approved by the Board of Directors.

There is no separate remuneration for Board members employed by the Company and for external members of the Board of Directors the remuneration has been 1 700 euros per month starting from December 1, 2000. Travelling expenses will be remunerated in accordance with the travelling policy of the company.

The President, CEO

In the Company there is a President elected by the Board of Directors. The President acts also as a Chief Executive Officer of the Company. Also the Deputy for the President, operating under a title Vice President is elected by the Board. The Board of Directors defines and approves the essential terms of the service of the President in a form of a written agreement. The President is in charge of the operative management in accordance with the Finnish Companies' Act and the Articles of Association as well as the instructions and orders given by the Board of Directors. The President is responsible for preparation of the Board meetings and implementation of any decisions made therein. The President is responsible for ensuring that the Company's accounting methods comply with the applicable law and that the financial matters are being handled in a reliable manner. Further the President prepares strategy, long-term planning, investments, mergers and acquisitions, financing and makes decisions thereof to the extent such decisions are not tasks of the Board. Further the President is responsible for financial planning, the Group's communications and investor relations.

Group Executive Board

The Group Executive Board supports the President and CEO in his tasks. The President and CEO act as the Chairman to the Group Executive Board. In addition to the CEO, members of the Group Executive Board include Directors responsible for each Business Unit; Director responsible for Business Development; Director responsible for Strategic Resources; Chief Financial Officer and General Counsel. The Group Executive Board supports the President and CEO in operative management, implementation and follow-up in the President's competence area. The Group Executive Board convenes once a month or at need.

The Insider Guidelines

Elektrobit Group Plc. has during the year 2000 adopted the Guidelines for Insiders issued by Helsinki Exchanges and confirmed Restrictions on Trading applicable to whole personnel. The statutory insiders include the members of the Board of Directors, the President and his deputies as well as the auditor. Insiders by definition are persons in certain positions defined by the Board of Directors.

Financial Information

Elektrobit Group Plc. prepares and publishes its financial statement and interim reports in accordance with the Finnish Securities Market Act and the Finnish accounting practice. The company has one auditor approved by the Central Chamber of Commerce and if such auditor is not an auditing entity defined by the law, one deputy auditor shall be elected.

Investor Relations

The Elektrobit Group faced a challenging year in 2002 – also in terms of communication. The financial period was characterized by solemn press releases on reorganization activities. The primary target for investor relations is to build long-term trust based on our performance of our business operations.

Principles

The Elektrobit Group Plc. aims to provide exact and uniform information simultaneously to all market parties by complying with the laws and regulations concerning the communication of listed companies. Our investor relations rest on the following pillars:

- persistence, honesty and fairness
- commitment of top management
- uniform communication independent of content
- development of long-term interaction based on our business objectives
- service readiness in all circumstances



Objectives

The primarily objective of the Elektrobit Group Plc. investor relations function is to increase the owners' trust in the company based on our performance of our business operations and thus contribute to the Group's success.

Other objectives include:

- to develop corporate communications
- to increase general recognition

Interaction

Our business is based on trust and long-term business operations. Following this principle we also aim to serve our shareholders as well as possible to improve mutual interaction. We are grateful for all feedback concerning our investor relations or other corporate communications.

Tel. +358 20 568 20

Fax +358 20 568 2704

investor.relations@elektrobit.com

www.elektrobit.com

A handwritten signature in blue ink, appearing to read 'Edvard Krogius'.

Edvard Krogius / Director, Investor Relations

Edvard Krogius holds 675 500 Elektrobit Group Plc. shares

SHAREHOLDERS' MEETING

Elektrobit Group Plc's Annual General Shareholders' Meeting will be held on Tuesday, March 25, 2003 at the Oulunsalo-talo in Oulunsalo, Finland at 1 p.m.

A shareholder has the right to attend the Annual General Shareholders' Meeting if he/she has been entered as a shareholder in the company's shareholder register maintained by the Finnish Central Securities Depository Ltd. on March 14, 2003. Holders of nominee-registered shares intending to participate in the Annual General Shareholders' Meeting shall notify their custo-

dian well in advance of their intention and comply with the instructions provided by the custodian. The registration must be in place on March 14, 2003.

A shareholder wishing to participate in the Annual General Shareholders' Meeting must notify the Company of the intention to participate no later than on March 19, 2003, 12.00 a.m, either by mail (address: Elektrobit Group Plc, Karoliina Bungarten, Automaatitie 1, 90460 Oulunsalo, Finland) or by phone (+358 20 568 2700), by telefax (+358 20 568 2704) or by e-mail (karoliina.bungarten@

jotautomation.com). The notification of participation must arrive before the close of the registration period. Shareholders are requested to notify the Company of any proxies before the close of the registration period.

The Board of Directors proposes to the Annual General Shareholders' Meeting that no dividend be distributed for the financial period ended on December 31, 2002.

FINANCIAL INFORMATION

Elektrobit Group Plc. reports its financial development quarterly. In 2003 Elektrobit Group Plc. will

publish three Interim Reports as follows:

January–March
April 30, 2003
January–June
August 6, 2003
January–September
October 29, 2003

Elektrobit Group Plc. will observe Silent Period prior to announcing its results. Silent Periods in 2003 are as follows:

April 10–April 30, 2003
July 17–August 6, 2003
October 9–October 29, 2003

Shareholdings and Shares

Shares and the Share Capital

The shares of Elektrobitt Group Plc. are quoted on the Helsinki Exchanges. The Group has one series of shares. All the shares entitle to dividends of equal value. Each share has one vote. The share does not have a nominal value. The Company's shares have been entered into the Finnish Central Securities Depository Ltd's book-entry securities system.

In accordance with the Elektrobitt Group Plc's articles of association the minimum share capital is 2 000 000 euros and the maximum share capital is 20 000 000 euros. Between these limits the share capital can be increased or decreased without changing the articles of association. In the end of the financial period the fully paid share capital of the Company entered into the Finnish Trade

Register was 12 610 511.76 euros and the total number of the shares was 630 525 588. The accounting par value of the Company's share is 0.02 euro.

Share Prices and Trading Volumes

The closing price of the Elektrobitt Group Plc's share was 0.48 euro in 2001 and the closing price in 2002 was 0.29 euro. During the year 2002 the Helsinki Exchanges' HEX index decreased in 34.4 per cent.

The Elektrobitt Group Plc. share reached a high of 0.68 euro and a low of 0.25 euro during the fiscal year. The closing price was 0.29 euro. During the year, a total of 101.0 million shares with a value of 41.1 million euros changed hands. This is 22.8 per cent of the share capital. The shares were sold in lots of one hundred.

Elektrobitt Group Plc's market capitalization at the end of 2002 was 181.7 million euros.

Dividend Policy

Elektrobitt Group Plc. follows a dividend policy that takes into account the Group's net income, financial situation, need for capital and financing of growth.

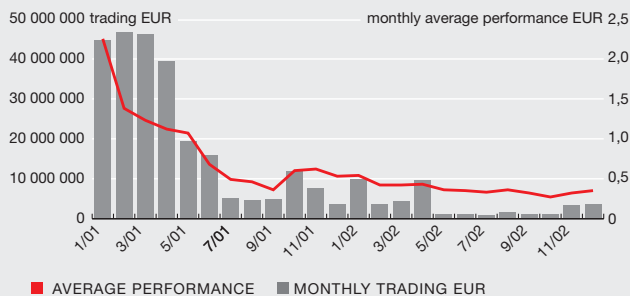
Trading Codes

Elektrobitt Group Plc. is listed on the Helsinki Stock Exchange since 1998.

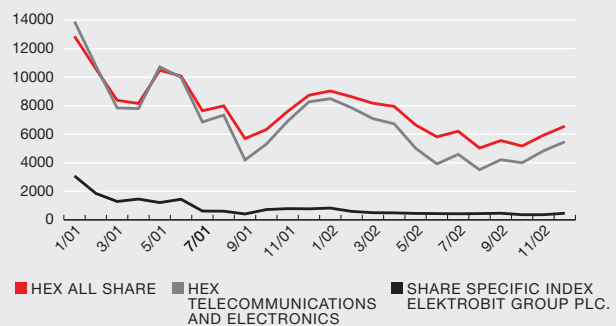
Trading codes and trading lot:

Hex:	EBG1V
Reuters:	EBG1V.HE
Bloomberg:	EBG1V.FH
Trading lot:	100 shares

MONTHLY PERFORMANCE AND TRADING
JANUARY 2, 2001-DECEMBER 30, 2002



HEX INDICES AND SHARE SPECIFIC INDEX
JANUARY 2, 2001-DECEMBER 30, 2002



Shareholders

At the end of 2002, Elektrobitt Group Plc. had 44 281 shareholders. The ten largest shareholders owned 69.9 per cent of the shares (excluding nominee-registered shareholders). Private ownership was 79.9 per cent. The percentage of foreign and nominee-registered

shareholders was 1.3 per cent at the end of the reporting period.

Shareholding by the Company's Management

Shareholding of the Board of Directors, CEO, the deputy for the CEO and the companies

controlled by them was 39.5 per cent corresponding 247 775 713 shares. At the end of the financial period, the management did not hold any option rights.

LARGEST SHAREHOLDERS DECEMBER 30, 2002

	Percentage of shares and votes
Hulkko Juha, Chairman of the Board	22.9
Hilden Kai	8.6
Veikkolainen Erkki	8.6
Halonen Eero	8.0
Sipilä Juha, CEO ja Fortel Invest Oy*	7.1
Harju Jukka	6.4
Head Invest Oy	3.6
Laine Seppo	1.9
Terentjeff Jorma	1.3
Kettula Mika, Member of the Board	0.9
Other	30.5
	100.0

*A Corporate controlled by Juha Sipilä

BREAKDOWN OF SHAREHOLDERS BY SHAREHOLDER TYPE DECEMBER 30, 2002

Shareholders by shareholder type	Number of shareholders	Percentage of shareholders	Percentage of shares and votes
Companies and housing corporations	2 001	4.5	13.6
Financial institutions and insurance companies	85	0.2	3.4
Public corporations	31	0.1	2.0
Non-profit organizations	140	0.3	0.7
Private investors	41 870	94.6	79.1
Foreign owned	143	0.3	0.4
Nominee-registered shares	11	0.0	0.9
	44 281	100.0	100.0

BRAKEDOWN OF SHARES BY SHAREHOLDING, DECEMBER 30, 2002

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of shares and votes
1-50	1 434	3.24	49 239	0.01
51-100	5 035	11.37	484 915	0.08
101-500	14 578	32.92	4 631 680	0.74
501-1000	7 487	16.91	6 455 797	1.03
1001-5000	11 301	25.52	29 245 946	4.67
5001-50000	4 096	9.25	54 481 933	8.69
50001-500000	300	0.68	42 044 690	6.71
500001-	50	0.11	489 131 388	78.07
	44 281	100.00	626 525 588	100.00

Source: The Finnish Central Securities Deposit Ltd, December 30, 2002. The total amount of shares 626 525 588 does not included 4 000 000 shares relating to the employee offering, decided by the Board of Directors on November 4, 2002. The aforementioned shares are subject to transfer restrictions in accordance with the terms and conditions of the employee offering and will be included to the same class and listed together with the shares already issued after such transfer restrictions have been expired (50 per cent on August 6, 2003 and 50 per cent on October 29, 2003).

Financial Statements Report by the Board of Directors

During the financial period 2002 JOT Automation and Elektrobit business segments were combined. The goal of the business combination was to create a service concept called "From product development to product", which enables customers to purchase product development and production solutions from the same place. The objective was to maintain the profitability of the Elektrobit business segment while adjusting the costs of JOT Automation's business segment to correspond to the market situation.

The quarterly distribution of the pro forma net sales and pro forma operating profit is as follows (million euros): *table 1*

<i>table 1</i>	Q4	Q3	Q2	Q1	Total
Net sales	38.9	31.7	35.2	30.8	136.5
Operating profit	3.5	0.5	0.8	-4.1	0.7
Profit before taxes	3.5	-0.0	0.1	-4.4	-0.9
Net profit	3.6	-0.3	0.1	-4.5	-1.1

The Group's operations were organized into three business units as of beginning of 2003. The quarterly distribution of the 2002 pro forma net sales by business unit was as follows (million euros): *table 2*

<i>table 2</i>	Q4	Q3	Q2	Q1	Total
Contract R&D	16.9	14.1	16.2	14.1	61.3
Test	14.5	9.2	9.9	11.1	44.6
Automation Solutions	7.5	8.4	9.1	5.6	30.6
Total	38.9	31.7	35.2	30.8	136.5

Figures in the official financial statement differ from the above presented pro forma figures mainly as follows:

- The JOT Automation Group and the Elektrobit Group were combined on May 31, 2002. The pro forma figures reflect the development of the new Group's operations from the beginning of the reporting period, while the official figures indicate the development of the JOT Automation business segment from the start of the reporting period and that of the Elektrobit business segment since the beginning of June.
- The 1.8 million euros fees arising from the business combination are treated as a deduction from the shareholders' equity in the 2002 pro forma operating profit. In the official income statement the fees are presented as other costs as an item decreasing earnings.
- When calculating financial year 2002 net result, deferred tax receivables of 4.5 million euros corresponding only to the taxes paid by

the Elektrobit business segment during the financial year, has been accounted for. In the official income statement, the entire tax claim of 6.5 million euros is presented as an item improving earnings.

More detailed pro forma accounting principles are presented further below.

The quarterly figures in the official income statement are as follows (million euros): *table 3*

<i>table 3</i>	Q4	Q3	Q2	Q1	Total
Net sales	38.9	31.7	22.3	12.2	105.0
Operating profit	3.5	0.5	-3.2	-7.9	-7.0
Profit before taxes	3.5	-0.0	-3.6	-8.0	-8.1
Net profit	8.8	-1.4	-3.9	-8.0	-4.5

The deferred tax receivable of 6.5 million euros was accounted for in the fourth quarter because the tax authorities' decision concerning the use of losses was not on hand before January 2003.

OPERATING ENVIRONMENT

The need to reach people and organizations regardless of time and place has been a global booster of growth for wireless telecommunication solutions. Due to rapidly developing technologies and standards telecommunication equipment providers are required to make significant investments in research and development. The operating environment of telecommunications equipment providers is characterized by the increasingly complex technologies and business models, ever-keener competition, limited available resources and the need to bring new products quickly to market.

Owing to the aforementioned factors telecommunications equipment providers are looking for cost-effective solutions that improve their competitiveness in the rapidly changing operating environment. The outsourcing trend has expanded to include also research, design and product development.

Together with the increasing supply of customers' end product variations, those factors have enabled the development of contract R&D and wireless products despite the difficult economical situation. The general instability in the telecommunications industry continues but it has not substantially affected the demand of the products and services of the Elektrobit business segment.

The Group's customer business areas continue to have excessive production capacity that, together with the unsure economic situation, keeps the volume of investments in automation low. In the current market situation the Group's customer companies are focusing on enhancing their existing production capacity. This has reflected to the demand for products in the JOT Automation business segment.

ELEKTROBIT BUSINESS SEGMENT IN 2002

The Elektrobit business segment developed during the fourth quarter as follows (million euros): *table 4*

<i>table 4</i>	Q4	Q3	Q2	Q1	Total
Net sales	21.8	17.5	19.3	18.6	77.2
Operating profit	4.1	2.5	3.3	3.7	13.7

Despite a challenging market situation, the net sales of Elektrobit business segment grew by 1.5 million euros (2.0%) over the previous year.

Operating profit in 2002 was 17.7% of net sales, while the 2001 operating profit (15.3 million euros) was 20% of net sales (75.7 million euros).

The profitability of the second and third quarters is decreased by a credit loss of 0.4 million euro and a related invoice loss of some 0.7 million euro.

Contract R&D (contract research, contract product development and wireless products) accounted for 79.4% of the 2002 net sales, while the share of the test business (testing, measurement and analysis equipment plus integration of testing) was 20.6%. The distribution of net sales has not changed essentially from the previous year.

The Americas' share of net sales was 21.4%, while Asia accounted for 7.1% and Europe for 71.5% of the net sales.

In January 2002, Elektrobot Technologies Ltd. invested 10 million euros to purchase the premises in its use in the Oulu Technology Village.

During the third quarter a new subsidiary was established in Singapore to handle the Asian marketing of the measurement and analysis equipment for mobile phone networks manufactured by Nemo Technologies Oy.

Research and development expenses amounted to 12.2 million euros (15.8% of net sales) in the Elektrobot business segment in 2002. All research and development expenses are recognized in income.

The Elektrobot business segment employed 781 people at the end of the review period (2001: 742).

JOT AUTOMATION BUSINESS SEGMENT IN 2002

The JOT Automation business segment developed per quarter as follows (million euros 2002 pro forma, previous year in parentheses): *table 5*

<i>table 5</i>	Q4	Q3	Q2	Q1	Total
Net sales	17.1 (16.1)	14.1 (20.1)	15.9 (15.4)	12.2 (24.5)	59.3 (76.1)
Operating profit	- 0.6 (-3.6)	- 2.1 (-1.8)	- 2.5 (-6.1)	- 7.9 (-4.3)	-13.1 (-15.8)

The main objective was to adjust the costs in the JOT Automation business segment to meet existing demand. Business focused on enhancing the use of production automation systems, modifying product-specific assembly and testing equipment, and on CMS systems.

Production was reorganized in the first quarter of the year, among other places, in Finland and the USA. As a result of the personnel negotiations carried out as part of the cost saving measures, the number of employees was decreased by 66. The cost saving measures led to a non-recurring expense of 2.9 million euros (costs saving measures: 0.9 million euro, expense entries for current assets: 0.8 million euro, non-recurring write-offs on fixed assets: 1.2 million euros).

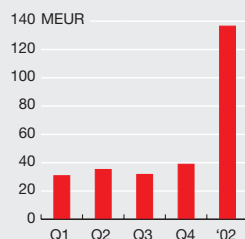
Production at the Oulunsalo plant was outsourced to Elektronet Oy, part of the Metalliset Group, in the second quarter. As agreed, most of production, purchasing and warehouse operations at the Oulunsalo plant, part of the design activities and the current and fixed assets related to these operations were transferred to Elektronet Oy. In connection with the arrangement, 56 employees of transferred to Elektronet Oy as old employees.

Reorganization and adjustments continued in the third quarter. Personnel was cut by 72 people and the German sales activities were reorganized. Cost optimization led to a non-recurring expense of 0.9 million euro in the third quarter. JOT Automation's third quarter activities also included the acquisition of a 70% share in LET GmbH, a company specialized in the sales and integration of automation systems for the electronics industry. LET GmbH's net sales in 2002 were some 1.6 million euros (1.0 million euros in 2001) and it employed 16 people.

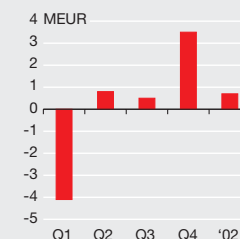
In the fourth quarter, the JOT Automation business segment was rearranged into the Test and Automation Solutions business units in accordance with the new operational structure. Issues related to office spaces were tackled with the Elektrobot business segment and solved by moving into joint offices in Munich, Dallas, Kuopio, Kauniainen and partly in Oulunsalo. The move to joint offices in Salo took place in the first part of 2003. Terminations of rental agreements and write-downs of inventories and receivables caused non-recurring expenses of some 1.4 million euros in the fourth quarter. On the other hand, a non-recurring income item of approximately one million euros for long-term hedged currency was entered in the fourth quarter net sales.

The last quarter also saw the acquisition of

PRO FORMA NET SALES QUARTERLY



PRO FORMA OPERATING PROFIT QUARTERLY



Report by the Board of Directors

the Oulunsalo premises at a price of 11 million euros by a real estate company fully owned by the Elektrotit Group Plc.

The empty facilities in the building have and will continue to be rented out in 2003, the goal being to rent out all the space not needed by the Group.

The foreseeable business adjustment measures were finished by the end of 2002 and the new operational structure was adopted at the beginning of 2003 (the Group's business segments are now Contract R&D, Test and Automation Solutions).

The net sales of the JOT Automation business segment are divided by product group into test 38.5% (30.0%), final assembly 24.8% (27.3%), material handling equipment 23.5% (29.3%) and others (after sales and spare part sales) 13.2% (13.3%).

The geographical distribution of JOT Automation's net sales is: Nordic countries 37.4% (36.3%), rest of Europe 30.4% (30.4%), Americas 18.4% (17.3%) and Asia 13.8% (16.0%).

The research and development expenses of the JOT Automation business segment amounted to 2.2 million euros (3.7% of net sales) in 2002. Capitalized development expenses include those contributed to next generation products (0.4 million euro in 2002). Other research and development expenses have been recorded as an annual expense.

The JOT Automation business segment employed 398 people at the end of the review period (2001: 588).

BALANCE SHEET AND INVESTMENTS

The figures presented in the balance sheet of December 31, 2002, have been compared with the pro forma balance sheet of December 31, 2001.

	2002	2001
Non current assets	52 795	37 931
Inventories	14 903	16 930
Deferred tax receivables	6 500	0
Receivables	43 716	40 091
Short term investments	2	8 878
Cash and bank deposits	23 675	26 477
Total assets	141 593	130 307
Share capital	12 611	12 031
Other equity	58 747	48 804
Total equity	71 357	60 834
Minority interest	2 840	4 014
Deferred tax liabilities	46	59
Long term liabilities	28 840	19 807
Short term liabilities	38 510	45 592
Shareholders' equity and liabilities total	141 593	130 307

In order to improve the Company's capital and financing structure, the Extraordinary Shareholders' Meeting held on May 31, 2002, decided on a directed share issue, which brought the company a total of 10 million euros in new capital. Of this amount, 0.5 million euro were recorded to share capital and 9.5 million euros were recorded to the share premium fund.

Investments in premises increased non-current assets by 21 million euros, while replacement investments were smaller than depreciations (10.6 million euros) during the financial year.

Inventories saw a decrease in value due to the outsourcing of JOT Automation business segment's production in Oulunsalo and the depreciation of inventories.

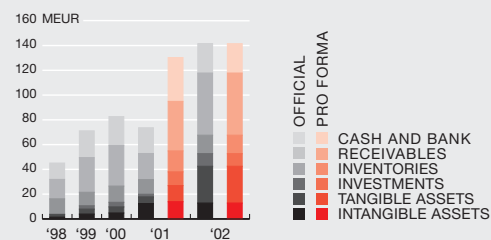
Current receivables increased due to a 2.4 million euros value-added tax paid for the Oulunsalo premises. An application for the return of the tax is pending.

The net increase in long-term liabilities is 9.0 million euros. The increase is smaller than the investments in premises because the assets obtained in the share issue were used to pay off some of JOT Automation business segment debts.

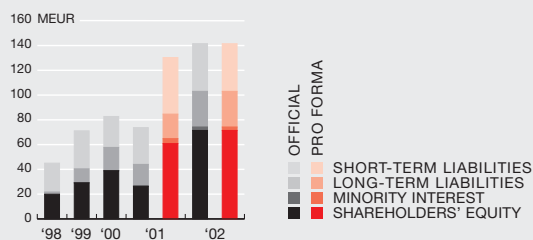
The Group's equity ratio was 53.4%, while the pro forma balance sheet of December 31, 2001, indicated an equity ratio of 51.0%. Gearing amounted to 27.4% (1.9%).

The Group follows a currency strategy, the objective of which is to ensure the margins of business operations in market circumstances by minimizing the influence of exchange rate fluctuations. In accordance with the principles of the currency strategy, the incoming 12-month net cash flow of the currency in question is hedged. The net cash flow is determined on the basis of foreign currency denominated trade receivables, trade payables, order book and the budgeted net currency cash flow. The objective is to convert the

ASSETS



EQUITY AND LIABILITIES



hedging of the currency exposures on a quarterly basis. A non-recurring income item of 1 million euros from a long-term currency hedge was entered as a net sales increase. The hedged foreign currency exposure at the end of the review period was equivalent to 20.5 million euros.

THE SHARE ISSUES DURING THE REPORTING PERIOD

The Extraordinary Shareholders' Meeting of the Company decided on May 31, 2002 that the share capital of the Company be increased by a minimum of 5 643 640 euros and a maximum of 8 465 500 euros by the issuing of a minimum of 282 182 000 and a maximum of 423 275 000 shares. In deviation from the pre-emptive subscription rights of the shareholders the shares were offered for subscription to shareholders of Elektrobitt Group Ltd. in a way that one (1) share in Elektrobitt with the book value equivalent to 0.10 euro entitled to subscribe for 42.26485 new shares the book value equivalent of which is 0.02 euro per share. The shares were offered to the subscribers in relation to the combination agreement signed by the Company, Elektrobitt Group Ltd. and certain shareholders of Elektrobitt Group Ltd. on April 10, 2002, in accordance to which the operations of the JOT Automation Group and the Elektrobitt Group were combined.

In addition the Extraordinary Shareholders' Meeting held on May 31, 2002 was decided that the share capital of the Company be in-

creased by a minimum of 450 000 euros and a maximum of 500 000 euros by the issuing of a minimum of 22 500 000 and a maximum of 25 000 000 shares in deviation from the pre-emptive subscription rights of the shareholders. The subscription price was 0.40 euro. The shares were offered for subscription to investors who had issued subscription undertakings in relation with the combination agreement. The purpose of the share capital increase was to develop the Company's capital and financing structure in way that the Company receives new capital amounting to approximately 10 000 000 euros.

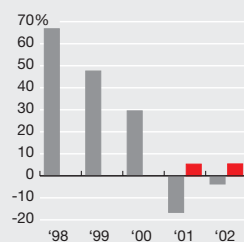
The new shares shall give rights equal to those of the previously issued shares and entitlement to a full dividend as from the financial period, which commenced on January 1, 2002. All the shares offered in the aforementioned share issues were subscribed for in accordance with the terms and conditions of the share issues and the Board of Directors approved the subscriptions on May 31, 2002. The increase of share capital resulting from the two directed share issues amounting to 8 965 477.60 euros was registered in the trade register as of June 4, 2002 and the trading with the total of 448 273 880 newly issued shares commenced on the main list of the Helsinki Exchanges on June 5, 2002.

On November 4, 2002 the Board of Directors of Elektrobitt Group Plc. decided, based on the authorization granted by the Annual General Meeting of the Shareholders held on April 12, 2002, that the share capital of the

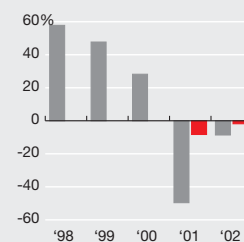
Company shall be increased by a minimum of 0.02 euro and a maximum of 80 000 euros by the issuing of a minimum of one (1) and a maximum of 4 000 000 new shares with an account equivalent value of 0.02 euro each. The new shares were offered for subscription, with deviation from the pre-emptive subscription right of the shareholders, to the personnel of Elektrobitt Group Plc. and its subsidiaries as a part of the incentive scheme of the Elektrobitt Group. The subscription price for the new shares was 0.25 euro per share. In the determination of the subscription price for the new shares, the possibility of a 10 per cent discount to the average trading price of the Company's share during the calendar month preceding the Board's decision on the share offering set forth in Section 66 of the Finnish Income Tax Act was observed. The subscription period in the employee offering commenced on November 25, 2002 and expired on November 29, 2002.

The rights attached to the new shares correspond to the rights attached to the shares already issued. The new shares will entitle to full dividend possibly payable for the financial period that commenced on January 1, 2002. The increase of the share capital amounting to 80 000 euros was registered with the Trade Register on December 20, 2002. The new shares are subject to transfer restrictions in accordance of the terms and conditions of employee offering and they will be listed together with the shares already issued after such transfer restrictions have been expired.

RETURN ON INVESTMENT



RETURN ON EQUITY



■ OFFICIAL ■ PRO FORMA

Report by the Board of Directors

After the abovementioned share issues the share capital of the Company is 12 610 511.76 euros and the total number of shares 630 525 588.

BOARD OF DIRECTORS' AUTHORIZATIONS BY THE END OF THE REPORTING PERIOD

The Annual General Meeting of the Shareholders held on April 12, 2002 decided to authorize the Board of Directors to decide on a new issue, to grant option rights or to take convertible loans, in one or more installments. In the new issue or granting of option rights or taking of convertible loans a right can be given to subscribe for a maximum total of 35 650 341 shares, the accounting par value equivalent of which is 0.02 euro per share, and from which a maximum of 4 000 000 shares may be used to create incentives for the personnel. As described above the Board of Directors decided on the employee offering on November 4, 2002 on the basis of the authorization. The remaining part of authorization entitles to decide on a share capital increase amounting to a maximum of 633 006.82 euros. The remaining amount of authorization corresponds to approximately 5 per cent of the currently registered share capital and the total voting rights.

The authorization is valid until April 12, 2003.

The Board of Directors does not have authorisation to repurchase the Company's shares or to transfer such repurchased shares.

NOTIFICATIONS IN ACCORDANCE WITH CHAPTER 2, PARAGRAPH 9 OF THE SECURITIES MARKET ACT

During the reporting period the ownership of Mr. Jorma Terentjeff of the total votes and share capital of the Company decreased below 5%, the ownership of Mr. Juha Hulkko exceeded 20%, the ownership of Mr. Erkki Veikkolainen exceeded 5%, the ownership of Mr. Kai Hildén exceeded 5%, the ownership of Mr. Eero Halonen exceeded 5%, the ownership of Mr. Juha Sipilä together with Fortel Invest Oy exceeded 5% and the ownership of Mr. Jukka Harju exceeded 5%.

SHARE OPTION RIGHTS

Option scheme 1998

The Extraordinary Shareholders' Meeting held on August 7, 1998, resolved to issue to the key persons of the Company a total of 314 250 option rights, which entitle to subscribe for a total of 6 285 000 shares of Elektrotbit Group Plc. The terms and conditions of the option program were revised in the Annual General Shareholders' Meeting held on April 7, 1999.

On the basis of the warrant A, shares could be subscribed for in the period between September 1, 2000 and October 31, 2002 and on the basis of the warrant B, shares can be subscribed for in the period between September 1, 2002 and October 31, 2003. In accordance with the terms and conditions of the option program, the persons, who resign from the employment of the Company prior to September 1, 2002, have to return the

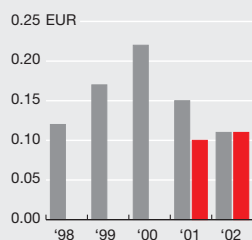
warrants to the Company without remuneration. The subscription price of the shares is 0.76 euro reduced by the amount of dividends to be distributed prior to the subscription of shares. A total of 3 133 520 Elektrotbit Group Plc's shares with the A warrants has been subscribed for. The increase of the share capital, in total 62 670.40 euros, due to these share subscriptions, was entered into the Trade Register on September 7, 2000.

Option scheme 2000

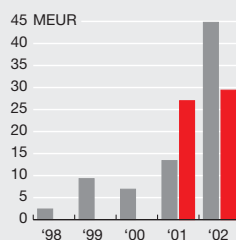
Based on the authorization granted by the Extraordinary Shareholders' Meeting, held on October 1, 1999, the Board of Directors resolved in its meetings held on April 26, 2000 and September 4, 2000, to issue option rights to a maximum of 800 persons employed by the Company or its group companies. A maximum amount of 3 000 000 option rights were issued, which entitle to subscribe for a maximum of 3 000 000 shares in Elektrotbit Group Plc. The subscription period for the warrants expired on January 31, 2001. As a result of the subscriptions the share capital of the Company may be increased by a maximum of 52 965,34 euros.

For the warrant C, the subscription period for shares commenced on February 28, 2001 and for the warrant D on February 28, 2002 and for the warrant E, the subscription period for shares will commence on February 28, 2003. For all warrants, the share subscription period for shares will end on March 31, 2005. The subscription price of the share is 5.60 euros per share reduced by the amount of divi-

SHAREHOLDERS' EQUITY / SHARE



GROSS INVESTMENTS



■ OFFICIAL ■ PRO FORMA

dends to be paid prior to the subscription of the shares. In accordance with the terms and conditions of the option rights, persons who resign from the employment of the Company prior to February 28, 2003, have to return, without remuneration, any warrants, for which the subscription period has not begun at the time of the termination of their employment.

COMPANY'S BOARD OF DIRECTORS AND AUDITOR

At the Annual General Shareholders' Meeting held on April 12, 2002, Ernst & Young Oy was elected to be the auditor for the Company, Rauno Sipilä, Authorised Public Accountant, as the primarily responsible auditor.

Members of the Company's Board of Directors during January 1 – April 4, 2002 included Mika Kettula, Jorma Terentjeff, Tapio Tammi, Jari Eklund ja Lauri Ratia and during April 12 – May 31, 2002 Mika Kettula, Tapio Tammi, Jari Eklund ja Lauri Ratia. The Extraordinary Shareholders' Meeting held on May 31, 2002 decided to approve the combination of the JOT Automation Group and the Elektrobitt Group and Juha Hulkko, Mika Kettula and Tapio Tammi were elected as members of the Board of Directors. At its assembly meeting held on the same day, the Board of Directors elected Juha Hulkko as chairman of the Board.

COMPANY'S NAME

In accordance with the combination agreement the Extraordinary Shareholders' Meeting held on May 31, 2002 decided to change the Company's name from JOT Automation

Group Plc. to Elektrobitt Group Plc. The name change was registered into the Trade Register as of June 4, 2002.

SHARES AND SHARE CAPITAL, SHAREHOLDERS AND SHAREHOLDINGS BY THE COMPANY'S MANAGEMENT

Information regarding shares, share capital, shareholders and the shareholdings by the management is presented separately in the Annual Report under Shareholdings and Shares.

EVENTS AFTER THE REPORTING PERIOD

Pertti Tarvainen, director responsible for the JOT Automation business segment, resigned at the end of the reporting period. Juha Reinikka was appointed director for the Automation Solutions business unit, while Erkki Veikkolainen was appointed as director for the Contract R&D and Test business units. Other appointments included those of Jorma Venäläinen, director for Asian operations, and Vesa Raudaskoski, director for operations in the Americas.

As of January 1, 2003, the Group Executive Board consists of Juha Sipilä, President, CEO, as the Chairman; Erkki Veikkolainen, Vice President, Director, Contract R&D and Test business units; Juha Reinikka, Director, Automation Solutions business unit; Jukka Harju, Director, Business Development; Eero Halonen, Director, Strategic resources; Päivi Vasankari, General Counsel and Seppo Laine, Chief Financial Officer.

OUTLOOK FOR THE FINANCIAL YEAR 2003 AND ITS FIRST QUARTER

The operating environment is expected to remain challenging throughout the year. The market visibility is short and therefore assessing the development of operations is still very difficult. Extensive reorganizations, which aimed at improving profitability by adjusting operations and creating new product and service concepts, were carried out in 2002. The Company's main target for 2003 is to considerably improve profitability compared to the pro forma level of 2002. In addition to improved profitability, we also believe in an increase of net sales compared to the pro forma levels of 2002. Our growth target is based on new customer relations in contract product development and in new business opportunities and products in testing. The company estimates that the business environment for automation systems will not change much from last year and thus the focus of business development is on improving profitability.

Owing to the nature of the company's business, fluctuations are still to be expected between quarters. The Group expects net sales to be higher in the first quarter of 2003 compared to the first-quarter pro forma net sales in 2002. Operating profit is expected to improve considerably over the pro forma operating profit of the first quarter in 2002. In the first quarter the Company's objective is to reach a level of net sales and operating profit corresponding to the level of the last quarter 2002.

Income Statement

		Pro forma Group 2002	Official Group 2002	Pro forma Group 2001	Official Group 2001	Official Parent company 2002	Official Parent company 2001
		1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR
NET SALES	1,2	136 495	105 028	151 834	76 137	5 160	7 033
Change in work in progress and finished goods		-14	-440	-2 059	-3 096	0	0
Other operating income	3	3 345	2 490	4 816	1 330	35	76
Raw materials and services	4	-38 877	-35 880	-53 510	-39 363	0	0
Personnel expenses	5	-57 139	-41 496	-59 833	-25 891	-1 749	-2 742
Depreciation and reduction in value	6	-10 650	-9 033	-9 315	-5 912	-778	-822
Other operating expenses		-32 494	-27 682	-32 345	-18 959	-10 763	-11 328
OPERATING PROFIT		666	-7 013	-411	-15 755	-8 095	-7 783
Financial income and expenses	7	-1 522	-1 134	101	-85	-1 010	710
PROFIT BEFORE EXTRAORDINARY ITEMS		-855	-8 147	-310	-15 840	-9 105	-7 073
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		-855	-8 147	-310	-15 840	-9 105	-7 073
Income tax	9	0	3 810	-5 066	-495	0	-95
Minority interest		-287	-121	-605	-2	0	0
NET PROFIT FOR THE FINANCIAL YEAR		-1 142	-4 458	-5 982	-16 337	-9 105	-7 168

THE PRINCIPLES OF PRO FORMA ACCOUNTING

The pro forma information covers the financial years 2001 and 2002. The pro forma information from 1.1.2001–31.12.2001 and 1.1.2002–31.3.2002 in the prospectus for the exchange of shares dated 23.5.2002, has been adjusted to correspond to realized costs for the approximated foundation expenses and the transfer tax from the exchange of shares.

The combination of the JOT Automation Group and the Elektrobot Group took place on 31.5.2002. Both the pro forma and official consolidated financial statements have been prepared in accordance with the Finnish Accounting Standards Board's act 1591/1999, which allows the valuation of the shares of Elektrobot Technologies Ltd. (former Elektrobot Group Ltd.) in the balance sheet of Elektrobot Group Plc. so that no consolidation goodwill emerges.

The official Elektrobot Group from the period of 1.1.2002–31.12.2002 incorporates the JOT Automation business segment from the period of 1.1.2002–31.12.2002 and the Elektrobot business segment from the period of 1.6.2002–31.12.2002. The official Elektrobot Group from the period of 1.1.2001–31.12.2001 has previously been reported as the JOT Automation Group.

The pro forma calculations have been prepared in accordance with Finnish accounting

principles. The information from both the Elektrobot Group and the JOT Automation Group has been consolidated in the pro forma group for 2001, complying with the respective accounting principles adopted their group financial statements.

The pro forma Elektrobot Group from the period of 1.1.2002–31.12.2002 incorporates both, the JOT Automation business segment and Elektrobot business segment from the period of 1.1.2002–31.12.2002. The acquisition cost of the shares of Elektrobot Technologies Ltd. has been eliminated according to equity of the Elektrobot Group at the real acquisition date 31.5.2002.

The pro forma information from the financial year 2001 is based on the Elektrobot Group's so called comparative information from 1.1.2001–31.12.2001 and the JOT Automation Group's official financial statement from 1.1.2001–31.12.2001. The comparative income statements of the Elektrobot Group from the financial year 2001 have been prepared so that the figures of the income statement from the financial period of 1.9.2000–31.12.2001 have been deducted with the figures from the financial period of 1.9.2000–31.12.2000 using the figures of interim financial statement of 31.12.2000.

Internal transactions in the pro forma group have been eliminated and the presentation of the closing accounts for the results of the af-

filiated companies has been standardized. For other parts the pro forma group's income statement has been consolidated straight from the income statements of the Elektrobot Group and the JOT Automation Group. The fees arising from the combination (1.8 million euros) and transfer tax (2.4 million euros) have been submitted as deductions of the equity in the pro forma balance sheets. Only the income taxes, 4.5 million euros, paid by the Elektrobot business segment in 2002, are recorded as imputed tax claim in the pro forma calculation. The rest of the imputed tax claim, 2 million euros, has been recorded directly as addition to the shareholders' equity. For other parts, the pro forma balance sheet is compiled directly from the balance sheets of the Elektrobot Group and the JOT Automation Group.

The pro forma calculations have been prepared according to the instruction "Pro forma financial information" of the Institute of Authorized Public Accountants. For the pro forma income statement the pro forma information is calculated assuming the combination had taken place at the beginning of the financial period, and for the pro forma balance sheet, at the end of the financial period. In the pro forma income statement of 2001 the combination has then assumed to have taken place at 1.1.2001 and at 1.1.2002 in the pro forma income statement of 1.1.2002–31.12.2002.

Balance Sheet

		Pro forma Group	Official Group	Pro forma Group	Official Group	Official Parent company	Official Parent company
		31.12.2002 1000 EUR	31.12.2002 1000 EUR	31.12.2001 1000 EUR	31.12.2001 1000 EUR	31.12.2002 1000 EUR	31.12.2001 1000 EUR
ASSETS							
Non-current assets							
	10	12 846	12 846	13 880	12 357	461	651
Intangible assets							
	11	29 733	29 733	12 975	5 374	143	428
Tangible assets							
	12,13	10 217	10 217	11 075	2 149	55 084	16 767
Investments							
Non-current assets total		52 796	52 796	37 931	19 880	55 688	17 846
Current assets							
	14	14 903	14 903	16 930	11 827	0	0
Inventories							
Receivables							
• Deferred tax receivables	19	6 500	6 500	0	0	0	0
• Long-term receivables	15					705	705
• Short-term receivables	16	43 716	43 716	40 091	21 093	23 440	39 235
• Receivables total		50 216	50 216	40 091	21 093	24 145	39 940
Short-term investments		2	2	8 878	6 855	0	6 853
Cash and bank deposits		23 675	23 675	26 477	13 980	4 799	3 539
Current assets total		88 797	88 797	92 376	53 756	28 944	50 332
Total assets		141 593	141 593	130 307	73 636	84 632	68 178
SHAREHOLDERS' EQUITY AND LIABILITIES							
Shareholders' equity							
	17						
Share capital		12 611	12 611	12 031	3 565	12 611	3 565
Share issue premium		54 855	54 855	43 410	15 547	54 855	15 547
Retained earnings		8 587	8 350	21 730	23 485	17 327	24 496
Net profit for the year		-4 695	-4 458	-16 337	-16 337	-9 105	-7 168
Shareholders' equity total		71 357	71 357	60 834	26 260	75 688	36 439
Minority interest		2 840	2 840	4 014	250	0	0
Liabilities							
	19	46	46	59	35	0	0
Deferred tax liabilities							
	20	28 840	28 840	19 807	17 441	3 070	13 530
Long-term liabilities							
	21	38 510	38 510	45 592	29 651	5 875	18 209
Short-term liabilities							
Liabilities total		67 396	67 396	65 459	47 126	8 945	31 739
Shareholders' equity and liabilities total		141 593	141 593	130 307	73 636	84 632	68 178

Cash Flow Statement

	Pro forma Group	Official Group	Pro forma Group	Official Group	Official Parent company	Official Parent company
	2002	2002	2001	2001	2002	2001
	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR
CASH FLOW FROM OPERATING ACTIVITIES						
Profit before extraordinary items	-855	-8 147	-310	-15 840	-9 105	-7 073
Adjustments:						
Depreciation according to plan	10 650	9 033	9 315	5 912	778	822
Other non-cash items			0	-388		570
Share of results of associated companies	88	105	130	158		0
Reduction in value in non-current assets			0	571		0
Financial income and expenses	1 522	1 134	-101	85	-687	-710
Operating incomes and expenses booked in unrestricted equity	237					
Cash flow before change in net working capital	11 641	2 125	9 034	-9 502	-9 014	-6 391
Change in net working capital:						
Change in interest-free short-term receivables	-10 125	-29 123	6 607	11 770	15 795	2 551
Change in inventories	2 027	-3 076	1 585	1 249	0	0
Change in interest-free short-term payables	-3 696	10 210	-2 687	-2 775	535	1 781
Cash flow before financing activities	-153	-19 865	14 540	742	7 316	-2 060
Interest paid	-5 354	-4 885	-5 415	-5 112	-3 089	-4 330
Dividends received	-7		0	0	33	76
Interest received	3 839	3 751	5 695	5 206	3 743	5 143
Income taxes paid		3 810	-5 066	-495	0	-95
Cash flow before extraordinary items	-1 675	-17 189	9 754	342	8 003	-1 266
Net cash from operating activities	-1 675	-17 189	9 754	342	8 003	-1 266
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible and intangible assets	-29 258	-36 430	-26 976	-13 379	-337	-368
Proceeds from sale of tangible and intangible assets	2 915	2 512	547	547	34	27
Purchase of investments	-158	-8 357			-42 455	-7 542
Proceeds from sale of investments	710	193			1 744	377
Proceeds from repayments of loans						775
Net cash used in investing activities	-25 790	-42 082	-26 429	-12 832	-41 015	-6 730
CASH FLOW FROM FINANCIAL ACTIVITIES						
Proceeds from issuance of share capital	11 756	48 354	7 720	5 450	50 749	5 450
Proceeds from short-term borrowings		764	7 493	7 436	1 530	18 400
Repayment of short-term borrowings	-1 632	-2 114			-14 400	-9 000
Proceeds from long-term borrowings	9 020	21 652	-2 224	-1 227	8 140	600
Repayment of long-term borrowings		-10 242			-18 600	-5 070
Dividends paid	-3 243		-1 738	-1 738		-1 738
Net cash used in financial activities	15 902	58 414	11 251	9 920	27 419	8 642
NET CHANGE IN CASH AND CASH EQUIVALENTS	-11 564	-857	-5 424	-2 570	-5 593	646
Cash and cash equivalents at beginning of period	35 355	20 836	41 772	23 412	10 392	9 746
Cash and cash equivalents at end of period	23 678	23 678	35 355	20 836	4 799	10 392
Change in cash and cash equivalents in balance sheet	-11 677	2 842	-6 418	-2 576	-5 593	646
Difference in change in cash and cash equivalents	-113	3 699	-994	-6	0	0
Change in minority interest	-1 461	2 468				
Translation difference in non-current assets	188	29				
Translation difference in shareholders' equity and group structure	1 160	1 202				
	0	0				

Accounting Principles for the Financial Statements

The financial statement has been prepared in accordance with the Finnish Accounting Act.

THE STRUCTURE OF THE GROUP FINANCIAL STATEMENT

Elektrobit Group Plc. is the parent company of companies belonging to the Elektrobit Group. The Group's financial statement includes all the Group companies. Subsidiaries acquired during the financial period are included in the Group's result as of the acquisition date.

CONSOLIDATION PRINCIPLES

The Group's financial statements are compiled by consolidating the financial statements of the companies belonging to the Group, in which intercompany transactions, receivables and payables, the unrealized margins of the inventories and working capital, as well as mutual shareholding have been eliminated.

Mutual shareholding has been eliminated by using the acquisition method. The difference between the acquisition price and the equity of subsidiaries at the acquisition date is presented as consolidated goodwill, except for the real estate company Tutkijantie 8 Ltd, in which the goodwill is allocated to buildings and structures and will therefore be depreciated according to the planned depreciation of the property.

The combination of the JOT Automation Group and the Elektrobit Group took place in 31.5.2002. Both the official and the pro forma consolidated financial statements have been prepared in accordance with the Finnish Accounting Standards Board's act 1591/1999, concerning the exchange of shares. The act allows the valuation of shares of Elektrobit Technologies Ltd. (former Elektrobit Group Ltd.), in the balance of Elektrobit Group Plc. (former JOT Automation Group Plc.), without consolidation goodwill resulting from the combination.

Minority interest has been separated from the Group's equity and net result and it is presented separately in the Group's income statement and balance sheet.

The financial statements of foreign subsidiaries are adjusted to correspond to the accounting principles of the parent company. The balance sheets have been converted into euros by using the average exchange rate of the European Central Bank on the period ending date. The income statements are converted into euros by using the average exchange rate as of the last day of each month. The translation difference in consolidation has been recorded under retained earnings, as well as the translation difference generated by the elimination of the equities.

The affiliated companies are incorporated in the Group's financial statement by using the equity method. Thus, the share of the affiliated company's result corresponding to the Group's ownership will be included in the Group's income statement adjusted by the depreciation

of the acquisition goodwill during the financial period. The acquisition cost of the shares, corrected by the share of income during the ownership and the depreciations of the acquisition goodwill, is presented as the value of the shares in the balance sheet. The Group's interest of the affiliated companies' results is presented in other operating expenses.

Revenue entering principles

Invoicing in the JOT Automation business segment, in conjunction with the product delivery, the share of the total sales value, which corresponds to the share of costs incurred by the delivery date, is entered as net sales. After the completion of the installation work, taking place after the delivery date, the residual amount will be entered as net sales. In Elektrobit business segment, percentage of completion method has been adopted in the long-term design projects, which amount to over one million euros. This is in accordance with the Finnish Accounting Standards Board's general guideline dated September 4, 2000. The degree of completeness has been calculated from costs occurred and the approximated total costs.

Research and development costs

In JOT Automation business segment the research and development costs are mainly included in other operating expenses and personnel expenses in the income statement, except for those related to the new generation products, which have been capitalized.

Pension expenditures

The Group's pension security has been organized in different ways depending on each country's pension legislation and practices. In Finland the Group has organized the personnel's pension security through independent pension insurance companies. In the Group financial statement the pension expenditures are included in the personnel costs.

Subsidies

Public subsidies received for the research and development costs are presented in other operating income and in JOT Automation business segment these are presented as deductions to other operating expenses.

Non-current assets

The non-current assets are capitalized in the balance sheet with their original acquisition costs, deducted with their accumulated depreciations. The planned depreciation is calculated as straightline depreciation in accordance with an economic service life. Depreciation has been calculated from the beginning of the month after the acquisition month to the end of the month prior to the disposal month. Small working capital acquisitions with an acquisition cost

of less than 1 000 euros have been expensed.

The planned depreciations have been calculated according to schedules as follows:

Capitalized development expenditure	5 years
Intangible rights	3 to 10 years
Goodwill	5 to 10 years
Consolidated goodwill	5 years
Other capitalized long-term expenditures	3 to 4 years
Buildings and structures	4 to 7% of the remaining balance
Machinery and equipment	3 to 10 years

Inventories

Inventories have been valued at the acquisition cost or the probable transfer price lower than that. The value of the inventories has been defined by using an average price. Variable costs caused by the procurement and manufacture have been included in the acquisition cost of the work in progress and the finished products.

Foreign currency denominated transactions

The foreign currency denominated receivables and payables have been converted into euros at the average exchange rate quoted by the European Central Bank on the period ending date. The Group makes currency derivative contracts to hedge against the currency risks. The instruments applied are foreign exchange forwards and currency options, and their implemented exchange differences and calculated net losses are recorded under financial income and expenses in the income statement except for the exchange of about one million euros, that was realized during the last quarter of the financial period and which has been recorded under net sales according to the accounting principles of the Elektrobit business.

Leasing agreements

Lease agreements and fixed-period rental agreements are mainly reported as contingent liabilities outside the balance sheet. In the foreign units, the rental agreements, which are of insignificant magnitude, are recorded under non-current asset and long-term liabilities.

Taxes

The Group's taxes are calculated according to each subsidiary's local practices. Taxes include accrual based taxes from the financial period, as well as adjustments to the taxes from previous financial periods. Additionally taxes include an imputed tax claim of 6.5 million euros from the financial period. That imputed tax claim is recorded in the balance sheet at the amount of its probable tax benefit with special prudence.

Notes to the Financial Statements

	Pro forma Group	Official Group	Pro forma Group	Official Group	Official Parent Company	Official Parent Company
	2002	2002	2001	2001	2002	2001
	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR
1. NET SALES BY SEGMENTS						
Elektrobit business segment	77 235	45 768	76 137			
JOT Automation business segment	59 260	59 260	75 698	76 137	5 160	7 033
Total	136 495	105 028	151 834	76 137	5 160	7 033
2. NET SALES BY MARKET AREAS						
Europe	95 470	72 962		50 796	4 992	6 696
Americas	27 392	20 667		13 145	168	337
Asia	13 633	11 399		12 195	0	0
Total	136 495	105 028		76 137	5 160	7 033
3. OTHER OPERATING INCOME						
Share of result of associated companies		0		0		
Work performed by the undertaking for its own purpose		157		259		
Currency gains		0		0		
Other operating income		2 333		1 071	35	76
Total		2 490		1 330	35	76
4. RAW MATERIALS AND SERVICES						
Materials, supplies and goods						
Purchase during the financial period		-25 460		-32 752		
Change in inventories		-2 295		-1 431		
Materials total		-27 755		-34 184	0	0
External services		-8 125		-5 179		
Total		-35 880		-39 363	0	0

	Official Group 2002 1.1.–31.12. 12 months 1000 EUR	Official Group 2001 1.1.–31.12. 12 months 1000 EUR	Official Parent company 2002 1.1.–31.12. 12 months 1000 EUR	Official Parent company 2001 1.1.–31.12. 12 months 1000 EUR
5. NUMBER OF PERSONNEL AND PERSONNEL EXPENSES				
Average number of personnel during the fiscal period				
Elektrobit business segment	781			
JOT Automation business segment	398	695	21	36
Total	1 295	695	21	36
Number of personnel at year end	1 179	588	12	30
Personnel expenses				
Management salaries	2 306	1 314	150	167
Board of directors	586	76	82	73
Other salaries and wages	31 953	20 252	1 220	1 897
	34 845	21 565	1 451	2 137
Pension expenses	4 908	2 996	223	413
Other social expenses	1 742	1 330	75	192
Total	41 496	25 891	1 749	2 742
No bonus paid to the Board of Directors or the President				
Pension commitments for the management:				
The pension coverage of some group directors has been supplemented with voluntary pension plans that allow for retirement at the age of 58-60.				
6. DEPRECIATION AND REDUCTION IN VALUE				
Capitalized development expenditure	1 006	1 023		
Intangible rights	700	265	0	0
Goodwill	516	251	0	0
Other capitalized long-term expenditures	1 257	861	495	513
Buildings and constructsures	194	84		
Machinery and equipment	3 149	2 188	283	309
Other tangible assets	11			
	6 833	4 673	778	822
Group goodwill	2 200	1 240		
Total	9 033	5 912	778	822
Other operating expenses				
Other operating expenses include debts of group companies forgiven by the parent company			6 360	5 328

Notes to the Financial Statements

	Official Group 2002 1.1.–31.12. 12 months 1000 EUR	Official Group 2001 1.1.–31.12. 12 months 1000 EUR	Official Parent company 2002 1.1.–31.12. 12 months 1000 EUR	Official Parent company 2001 1.1.–31.12. 12 months 1000 EUR
7. FINANCIAL INCOME AND EXPENSES				
Income from investments				
From affiliated companies			47	106
Total	0	0	47	106
Other interest and financial income				
From Group companies			832	665
From others	3 751	5 206	2 897	4 447
Total	3 751	5 206	3 729	5 112
Reduction in value of investments held as non-current assets				
Group companies			-1 698	
Others	0	-179	0	-179
Total	0	-179	-1 698	-179
Other interest and financial expenses				
To Group companies			-1 646	594
To others	-4 885	-5 112	-1 443	-4 924
Total	-4 885	-5 112	-3 089	-4 330
Net financial income and expenses	-1 134	-85	-1 010	710
Net financial income and expenses includes exchange gains and losses	616	-34	658	148
9. INCOME TAX				
For operations	0	-4	0	0
For previous fiscal periods	0	-204	0	-95
Change in nominal taxes	3 810	-286		
Total	3 810	-495	0	-95

	Official Group 2002 1.1.–31.12. 12 months 1000 EUR	Official Group 2001 1.1.–31.12. 12 months 1000 EUR	Official Parent company 2002 1.1.–31.12. 12 months 1000 EUR	Official Parent company 2001 1.1.–31.12. 12 months 1000 EUR
10. INTANGIBLE ASSETS				
Capitalized development expenditure				
Acquisition cost Jan. 1	3 545	2 223		
Translation differences	0			
Investments during the period	449	1 323		
Acquisition cost Dec. 31	3 995	3 545		
Accumulated depreciations Jan. 1	-1 807	-784		
Translation differences	0			
Depreciation for the period	-1 006	-1 023		
Book value Dec. 31	1 181	1 738		
Intangible rights				
Acquisition cost Jan. 1	968	783		101
Translation differences	-21	7		
Investments during the period	1 465	178		
Transfer to assets	-3			
Acquisition cost Dec. 31	2 410	968		101
Accumulated depreciations Jan. 1	-450	-183		-101
Translation differences	12	-2		
Depreciation for the period	-700	-265		
Book value Dec. 31	1 272	519		
Goodwill				
Acquisition cost Jan. 1	1 424	1 349		
Translation differences	-87	47		
Investments during the period		28		
Disposals during the period	-16			
Acquisition cost Dec. 31	1 322	1 424		
Accumulated depreciations Jan. 1	-682	-413		
Translation differences	155	-19		
Depreciation for the period	-516	-251		
Book value Dec. 31	279	742		
Group goodwill				
Acquisition cost Jan. 1	10 047	2 330		
Translation differences	-5			
Investments during the period	3 028	7 726		
Disposals during the period		-9		
Acquisition cost Dec. 31	13 071	10 047		
Accumulated depreciations Jan. 1	-3 217	-1 977		
Translation differences	5			
Depreciation for the period	-2 200	-1 240		
Book value Dec. 31	7 660	6 831		
Other capitalized long-term expenditures				
Acquisition cost Jan. 1	4 609	2 698	1 875	1 675
Translation differences	-47	3		
Investments during the period	1 208	1 926	291	200
Disposals during the period	-3	-17		
Transfer to assets	14		14	
Acquisition cost Dec. 31	5 781	4 609	2 180	1 875
Accumulated depreciations Jan. 1	-2 082	-1 220	-1 224	-711
Translation differences	13	-1		
Depreciation for the period	-1 257	-861	-495	-513
Book value Dec. 31	2 454	2 527	461	651

Notes to the Financial Statements

	Official Group 2002	Official Group 2001	Official Parent company 2002	Official Parent company 2001
	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR	1.1.–31.12. 12 months 1000 EUR
Intangible assets total				
Acquisition cost Jan. 1	20 595	9 384	1 875	1 776
Translation differences	-160	57		
Investments during the period	6 151	11 180	291	200
Disposals during the period	-18	-26		
Transfer to assets	11		14	
Acquisition cost Dec. 31	26 578	20 595	2 180	1 976
Accumulated depreciations Jan. 1	-8 238	-4 576	-1 224	-812
Translation differences	185	-22		
Depreciation for the period	-5 679	-3 640	-495	-513
Book value Dec. 31	12 846	12 357	461	651
11. TANGIBLE ASSETS				
Land				
Acquisition cost Jan. 1				
Investments during the period	434			
Acquisition cost Dec. 31	434			
No revaluations done				
Buildings and constructsures				
Acquisition cost Jan. 1	1 356			
Investments during the period	20 603	1 356		
Acquisition cost Dec. 31	21 959	1 356		
Accumulated depreciations Jan. 1	-84			
Depreciation for the period	-194	-84		
Book value Dec. 31	21 681	1 271		
No revaluations or capitalizations of interest expenses done				
Machinery and equipment				
Acquisition cost Jan. 1	9 697	8 511	1 225	1 084
Translation differences	-240	-88		
Investments during the period	8 980	1 705	46	168
Disposals during the period	-3 147	-431	-34	-27
Transfer to assets	3			
Acquisition cost Dec. 31	15 293	9 697	1 237	1 225
Accumulated depreciations Jan. 1	-5 609	-3 617	-811	-502
Translation differences	113	34		
Depreciations on disposals	653	162		
Depreciation for the period	-3 085	-2 188	-283	-309
Book value Dec. 31	7 366	4 088	143	414
Advance payments				
Acquisition cost Jan. 1	14	14	14	14
Transfer to assets	-14		-14	
Acquisition cost Dec. 31		14		14
Other tangible assets				
Acquisition cost Jan. 1	1			
Investments during the period	262			
Acquisition cost Dec. 31	263			
Depreciation for the period	-11			
Book value Dec. 31	252			

	Official Group 2002 1.1.–31.12. 12 months 1000 EUR	Official Group 2001 1.1.–31.12. 12 months 1000 EUR	Official Parent company 2002 1.1.–31.12. 12 months 1000 EUR	Official Parent company 2001 1.1.–31.12. 12 months 1000 EUR
Tangible assets total				
Acquisition cost Jan. 1	11 067	8 525	1 239	1 098
Translation differences	-240	-88		
Investments during the period	30 279	3 060	46	168
Disposals during the period	-3 147	-431	-34	-27
Transfer to assets	-11			
Acquisition cost Dec. 31	37 949	11 067	1 251	1 239
Accumulated depreciations Jan. 1	-5 693	-3 617	-811	-502
Translation differences	113	34		
Depreciations on disposals	653	162		
Depreciation for the period	-3 289	-2 272	-283	-309
Book value Dec. 31	29 733	5 373	157	428
12. INVESTMENTS				
Investments in subsidiaries				
Acquisition cost Jan. 1			14 227	6 928
Investments during the period			39 963	7 346
Reduction in value			-1 698	
Disposals during the period				-48
Acquisition cost Dec. 31			52 492	14 227
Investments in affiliated companies				
Acquisition cost Jan. 1	1 190	1 616	1 592	1 816
Investments during the period	95	34		
Disposals during the period	-192	-460		-225
Acquisition cost Dec. 31	1 093	1 190	1 592	1 592
Depreciable goodwill of affiliated companies	316	480		
Investments in other shares				
Acquisition cost Jan. 1	691	786	680	775
Investments during the period	8 277	84	68	84
Disposals during the period	-193	-179	-46	-179
Acquisition cost Dec. 31	8 775	691	702	680
Other long-term receivables				
Acquisition cost Jan. 1	41	1 127	41	614
Translation differences		1		
Investments during the period	51	87		87
Disposals during the period		-1 174		-660
Acquisition cost Dec. 31	92	41	41	41
Other investments				
Acquisition cost Jan. 1	228	218	228	218
Investments during the period	29	25	29	25
Disposals during the period		-15		-15
Acquisition cost Dec. 31	257	228	257	228
Investments total				
Acquisition cost Jan. 1	2 149	3 747	16 767	10 352
Translation differences		1		
Investments during the period	8 452	230	40 060	7 542
Reduction in value			-1 698	
Disposals during the period	-385	-1 829	-46	-1 126
Acquisition cost Dec. 31	10 217	2 149	55 084	16 767

Notes to the Financial Statements

	Owned by Parent %	Owned by Group %	Book value 1000 EUR
13. SHARES AND HOLDINGS			
Subsidiaries			
JOT Automation Oy	100,00	100,00	2 738
JOT Automation, Inc.	100,00	100,00	0
OÜ JOT Eesti	51,00	100,00	200
JOT Automation GmbH	100,00	100,00	100
JOT Automation Sweden Ab	100,00	100,00	8
JOT Automation UK Ltd.	100,00	100,00	0
JOT Automation Asia Pacific Ltd.	99,00	100,00	0
JOT Automation Service Oy	100,00	100,00	100
JOT Automation Italia S.r.l	80,00	80,00	1 683
JOT Automation Hungary Kft.	100,00	100,00	20
JOT Automation CMS Holding Oy	100,00	100,00	100
JOT Automation Romania S.R.L.	100,00	100,00	0
JOT Automation de México, S.A. de C.V.	0,00	99,00	6
JOT Automation Korea Ltd.	100,00	100,00	433
JOT Automation (Beijing) Ltd.	100,00	100,00	808
DNT Consulting Oy	51,00	100,00	6 152
JOT Automation CMS Oy	0,00	100,00	205
Diatel Systems Oy	0,00	100,00	513
JOT Automation LET GmbH	0,00	70,00	420
Elektrobit Technologies Oy	100,00	100,00	39 749
Kiinteistö Oy Tutkijantie 7	100,00	100,00	8
Elektrobit AG	0,00	67,82	213
Elektrobit GmbH	0,00	100,00	85
Elektrobit Inc	0,00	80,00	135
Elektrobit Nippon KK	0,00	100,00	74
Elektrobit Oy	0,00	100,00	9 100
Elektrobit Group Pte. Ltd	0,00	100,00	
Elektrobit S.A.S	0,00	81,45	180
Elektrobit UK Ltd.	0,00	65,00	69
Extrabit Oy	0,00	100,00	3 820
Kiinteistö Oy Tutkijantie 8	0,00	100,00	6 731
Nemo Technologies Oy	0,00	50,90	88
Nemo Technologies Inc	0,00	50,90	42
Nemo Technologies Ltda	0,00	50,39	10
Softbit Oy	0,00	100,00	554
Teraflops Oy	0,00	60,00	78
Ylinen Electronics Oy	0,00	70,00	427
Affiliated companies			
Formeca Oy	49,00	49,00	1 592
PJ Microwave Oy	20,01	20,01	73
Other holdings by Parent			
As Oy Hulhavanrivi A3, A4 ja B10			92
Repurchasing/ Kiinteistö Oy Lunkintie 16			456
Kiinteistö Oy Uukuli	100,00	100,00	131
Oulun Golf Oy			7
Oulun Puhelin Oy			1
Visual Components Oy	19,00	19,00	15
Other holdings by subsidiaries			
Others			8 073

	Official Group 31.12.2002 1000 EUR	Official Group 31.12.2001 1000 EUR	Official Parent company 31.12.2002 1000 EUR	Official Parent company 31.12.2001 1000 EUR
14. INVENTORIES				
Raw materials and supplies	5 658	4 849		
Work in progress	5 566	3 731		
Finished products	3 052	3 247		
Other inventories	627			
Total	14 903	11 827	0	0
15. LONG-TERM RECEIVABLES				
Loan receivables				
From Group companies			705	705
Total	0	0	705	705
Long-term receivables total	0	0	705	705
16. SHORT-TERM RECEIVABLES				
Accounts receivables				
From Group companies			1 487	5 907
From affiliated companies	0	0	1	0
From others	27 997	15 930	14	5
Total	27 997	15 930	1 502	5 913
Loan receivables				
From Group companies			12 028	13 789
From others	87	9	1	1
Total	87	9	12 029	13 790
Other receivables				
From Group companies			8 482	17 711
From others	3 817	1 955	1 319	1 083
Total	3 817	1 955	9 801	18 794
Prepaid expenses and accrued income				
From Group companies			93	615
From others	11 816	3 199	16	123
Total	11 816	3 199	108	738
Short-term receivables total	43 716	21 093	23 440	39 235
17. SHAREHOLDERS' EQUITY				
Share capital at the beginning of the period	1.1. 3 565	1.1. 3 475	1.1. 3 565	1.1. 3 475
Share issue	9 045	90	9 045	90
Share capital at the end of the period	31.12. 12 611	31.12. 3 565	31.12. 12 611	31.12. 3 565
Share premium fund at the beginning of the period	1.1. 15 547	1.1. 10 187	1.1. 15 547	1.1. 10 187
Issue premiums	39 308	5 360	39 308	5 360
Share premium fund at the end of the period	31.12. 54 855	31.12. 15 547	31.12. 54 855	31.12. 15 547
Retained earnings at the beginning of period	1.1. 7 148	1.1. 25 205	1.1. 17 327	1.1. 26 233
Dividend payment	0	-1 738	0	-1 738
Change in translation differences	1 202	17		
Net profit for the period	-4 458	-16 337	-9 105	-7 168
Retained earnings at the end of period	31.12. 3 891	31.12. 7 148	31.12. 8 222	31.12. 17 327
Capitalized development costs	-25			
Includes transfers from accumulated appropriations and translations differences	-139	-86		
Distributable earnings at the end of the period	31.12. 3 727	31.12. 7 062	31.12. 8 222	31.12. 17 327
Shareholders' equity total	31.12. 71 357	31.12. 26 260	31.12. 75 688	31.12. 36 439

Notes to the Financial Statements

	Official Group 31.12.2002 1000 EUR	Official Group 31.12.2001 1000 EUR	Official Parent company 31.12.2002 1000 EUR	Official Parent company 31.12.2001 1000 EUR
19. DEFERRED TAXES				
Deferred tax liabilities				
Accumulated depreciations differences	44	0		
Untaxed reserves	2	35		
Total	46	35	0	0
Deferred tax receivables				
Operating loss carryforwards	6 500			
Total	6 500	0	0	0
20. LONG-TERM LIABILITIES				
Loans				
From financial institutions	27 637	14 568	3 070	13 080
Pension loans	254	1 777		450
Total	27 891	16 345	3 070	13 530
Advances received				
From others		2		
Total		2		
Other long-term liabilities				
To others	949	1 094		
Total	949	1 094		
Loans with at least five year maturities	4 878	492		
Accrued expenses and deferred income				
To Group companies				
To affiliated companies				
To others	70			
Total	70			
Long-term liabilities total	28 910	17 441	3 070	13 530
21. SHORT-TERM LIABILITIES				
Loans				
From financial institutions	15 176	16 196	1 530	14 350
Pension loans		330		50
Total	15 176	16 526	1 530	14 400
Advances received				
From others	2 547	2 609		
Total	2 547	2 609		
Accounts payable				
To Group companies			263	251
To others	7 861	4 393	222	309
Total	7 861	4 393	485	560
Other short-term liabilities				
To Group companies			3 586	2 333
To others	4 490	2 288	59	147
Total	4 490	2 288	3 644	2 480
Accrued expenses and deferred income				
To Group companies			92	
To others	8 523	3 835	123	769
Total	8 523	3 835	216	769
Short-term liabilities total	38 597	29 651	5 875	18 209

	Official Group 31.12.2002 1000 EUR	Official Group 31.12.2001 1000 EUR	Official Parent company 31.12.2002 1000 EUR	Official Parent company 31.12.2001 1000 EUR
22. SECURITIES AND CONTINGENT LIABILITIES				
Against own liabilities				
floating charges	29 932	27 058	0	25 092
mortgages	6 666	1 682		
pledges	6 731	2 496		
On behalf of management				
securities				2 496
On behalf of Group companies				
guarantees			8 450	11 596
On behalf of others				
guarantees	5	11	5	11
Other direct and contingent liabilities				
Leasing liabilities				
• falling due in the next year	1 622	521	54	343
• falling due after one year	2 052	248	1	124
Rental liabilities				
• falling due in the next year	137	1 223	0	1 044
• falling due after one year	430	13 018	0	12 349
Repurchasing liabilities				
• falling due in the next year	68	68	68	68
• falling due after one year	615	684	615	684
Total	48 259	47 009	9 194	53 807
Mortgages are pledged for liabilities totalled				
Loans from financial institutions	35 989	29 596	4 600	27 430
Pension loans	0	1 900	0	500
Other liabilities	3 978	1 260		
Total	39 967	32 756	4 600	27 930
Repurchase commitments	1 680	1 126		
23. NOMINAL VALUE OF CURRENCY DERIVATES				
Foreign exchange forwards				
Market value	455	-317	347	-317
Nominal value	20 500	22 000	8 800	22 000

Proposal for the Distribution of Profits

According to the Group's balance sheet, December 31, 2002, the Group's retained earnings were 3 891 425 euros, of which the distributable earnings are 3 727 368 euros.

According to the parent company's balance

sheet, December 31, 2002, the parent company's retained earnings were 8 222 141 euros, of which the distributable earnings are 8 222 141 euros.

The Board of Directors proposes to the An-

nual General Shareholders' Meeting that no dividend shall be distributed for the financial period ended on December 31, 2002, and the loss for the financial period shall be recorded as deduction of the equity.

In Oulunsalo, February 25, 2003

Juha Hulikko Chairman of the Board

Juha Sipilä CEO

Mika Kettula Member of the Board

Tapio Tammi Member of the Board

Auditor's Statement

ON THE PRO FORMA FINANCIAL INFORMATION

As auditors of Elektrobitt Group Plc., we have reviewed the pro forma information presented in the financial statements of the year 2002. This information is meant to clarify how the combination of the JOT Automation Group and the Elektrobitt Group, that took place in

31.5.2002 as the exchange of shares, would have affected the information of the financial statements, if the combination had occurred at the date presented in the pro forma information. The pro forma information of the Elektrobitt Group, presented in the financial statements has been calculated according to the principles of pro forma accounting presented

in the financial statements.

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

In Oulu, February 27, 2003

ERNST & YOUNG OY, Authorised Public Accountants

Rauno Sipilä Authorised Public Accountant

Auditor's Report

TO THE SHAREHOLDERS OF ELEKTROBIT GROUP PLC.

We have audited the accounting, the financial statements as well as the administration of Elektrobitt Group Plc. for the period of 1.1.2002-31.12.2002. The financial statements, which include the report of the Board of Directors, income statements of both consolidated and parent company, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and the company's administration.

We have conducted our audit in accordance with the Finnish Generally Accepted

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

In our opinion, the financial statements

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

In Oulu, February 27, 2003

ERNST & YOUNG OY, Authorised Public Accountants

Rauno Sipilä Authorised Public Accountant

Elektrobit World Wide



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- Kajaani
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- Kuopio
- Oulu

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- Scotland, UK
- Wishaw, UK
- Arezzo, Italy
- Győr, Hungary
- Timisoara, Romania

Americas

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- San Diego, USA
- Dallas, USA
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