

PRESS RELEASE

JOT Automation Group Oyj • Kirkkokatu 27 A • 90100 OULU • tel: +358 20 568 20 • fax: +358 20 568 2704
VAT F110041295 Trade register 610.301

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JOT AUTOMATION GROUP PLC INTERIM REPORT JANUARY – MARCH 1999

Net sales of JOT increased by 157 %

The net sales of JOT Automation Group increased by 157 % during the reporting period compared to the first quarter of the previous year, totalling 27.6 (10.7) million euro. Operating profit increased by 361 %, totalling 6.4 (1.4) million euro and accounting for 23.2 (12.9) % of net sales. The Group's profit before extraordinary items, reserves and taxes was 6.3 (1.4) million euro. The Group's profit/share during the reporting period was 0.51 (0.15) euro and equity/share 2.87 (0.82 euro). Return on investment was 88.5 % and equity ratio 57.8 %. The nominal value of the company's share was split and the trading of new nominal value share (0.20 euro) starts April 29, 1999. The net sales for the financial year 1999 are estimated to exceed 100 million euro, which would mean an annual growth more than 50 %. Relative profitability is also expected to grow slightly compared to 1998.

Report of the first quarter

The Group switched over to euro on January 1, 1999, after which all book-keeping and internal accounting and reporting have been done in euros.

In January, a joint venture company MGZJOT Automation Srl., of which the Group owns 60 %, was established in Italy. In March, the acquisition of OZO Automation, Inc. was accomplished in the USA. These acquisitions will bring new specialised expertise to the Group and strengthen its position on the US market and in the most industrialised part of Central Europe.

In late February, a new packaging robot cell for automating the packing of final products was introduced.

At the beginning of 1999, a decision was made to have a new facility built in Oulunsalo. The new facility will accommodate the Group's parent company and the Oulunsalo production unit. In accordance with the Group policy, the companies will lease the facility.

Net sales and profit development

The large volume of net sales, profit and return on equity during the reporting period is a result of the high number of turnkey system deliveries scheduled for this period. Return on equity was calculated on the basis of the profit and balance sheet total for the last 12 months. Reference figures are not shown for return on equity, because no interim financial statements for the whole Group were consolidated ending March 31, 1997.



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The net sales of the Group during the first three months of the financial year were 27.6 (10.7) million euro, which signified a 157 % growth compared to the reference period. The share of exports and foreign operations was 83 (59) % out of net sales totalling 22.8 (6,4) million euro. The net sales in exports and foreign operations increased by 257 %.

The Group's profit before reserves and taxes increased by 362 %, totalling 6.3 (1.4) million euro, which accounts for 22.0 (12.6 %) of net sales.

Net profit for the reporting period was 4.4 (1.2) million euro, or 15.9 (11.6) % of the net sales. Return on investment was 88.5 % and return on equity 67.7 %. The costs in the income statement included all research and development costs, a total of 0.8 (0.4) million euro, which accounted for 3.0 (3.5) % of net sales.

The Group's order book on March 31, 1999 totalled 19.1 (15.5) million euro.

Financial position

Below, the figures on the balance sheet of March 31, 1999 will be compared to the balance sheet of December 31, 1998.

The balance sheet total at the end of the reporting period was at the same level as at the end of 1998, totalling 45.0 million euro. Liquid cash increased up to 15.9 (13.2) million euro and sales receivables up to 12.4 (11.5) million euro. Other receivables decreased to 3.2 (4.2) million euro. The decline in inventory to 8.5 (12.4) million euro was due to the decline of work in progress down to 5.9 (10.7) million euro. Of the liabilities, 16.6 (21.1) million euro was interest-free and 3.9 (4.0) million euro interest-bearing. Of the interest-free liabilities, 2.5 (6.0) million euro consisted of advance payments received.

The cash flow in the Group's business operations was positive at 4.2 (0.2) million euro.

Equity ratio was 57.8 (51.1) % and net gearing was 48.9 (-46.1) %.

Research and development

The Group continued to invest in research and development. At the end of the reporting period, about 20 % of the Group's personnel were working in research and development and planning tasks. The costs of research and development were 0.8 (0,4) million euro, accounting for 3.0 (3.5) % of net sales. All research and development costs are expensed annually.



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Investments

Gross investments in fixed assets totalled 1.7 (0.7) million euro, of which 1.2 million euro was used to acquire foreign subsidiaries. The rest was used to buy software licences, hardware and equipment.

Personnel and organisation

The average number of employees during the reporting period was 495 (267), and at the end of the reporting period the Group's employees numbered 502 (289), including 245 persons working in the non-domestic business units.

Year 2000

Between 1997 and 1998 the Group built up operating models and launched programs to ensure undisturbed operations after the year 2000. All the activities and work associated with the project will be complete by June of 1999. The Group management is of the opinion that Y2000 will not generate significant or extensive modification requirements either to JOT's internal systems, or those delivered to customers. The Y2000 transition can therefore not be considered to be significant for the Group.

Market price developments

The company shares were first quoted on the main list of the Helsinki Exchanges on September 19, 1998. Market price development and trading activity have both been very positive. The highest trading price during the reporting period was 46.99 euro and the lowest was 33.60 euro. The stock price was quoted at 43.89 euro at the end of the period. The total trading value during the reporting period was 106.8 million euro and the volume of trading was 2.6 million shares, which accounts for 30.2 % of the share capital. The market value of the the company's outstanding shares on March 31, 1999 was 374.4 million euro.

Group ownership by Shareholder type and % of shares

Private companies 10.57 %
Public companies 0.05 %
Financial institutions and insurance companies 21.85 %
Public sector institutions 11.01 %
Non-profit organisations 2.46 %
Private households 30.70 %
Foreing investors and nominee registered 23.36 %



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The largest ten shareholders, excluding nominee registered stock, on March 31, 1999

Veikko Lesonen, chairman of the board 11.8 %
Jorma Terentjeff, CEO, Board member 7.5 %
Conventum Oyj 4.7 %
Tapiola General Mutual Insurance Company 4.0 %
Tapiola Mutual Pension Insurance Company 3.5 %
Kettula Mika, Board member 2.8 %
ABB Eläkesätiö 2.2 %
Royal Skandia Life Assurance Ltd. 2.1 %
Keskinäinen Eläkevakuutusyhtiö Ilmarinen 1.8 %
Ebatec Oy 1.8 %

The shares owned by the Board members and CEO of JOT Automation Group Plc. and communities effectively controlled by them account for 22.8 % of the company's share capital.

Events following the reporting period

The Group's after sales functions (GTS) were assigned to a new company, JOT Automation Service Oy, starting on 1 April 1999.

The annual general meeting of the Group's parents company held on 7 April 1999 decided, in accordance with the Board's proposal, to issue a dividend of 2 FIM/share for the financial year 1998. The meeting also approved of the Board's proposal that the 2 FIM nominal value of the share should be split and changed into 0.16819 euro and adjusted to 0.20 euro by means of a bonus issue, and that the necessary corporate arrangements should be made. The changes in articles of association was registered in Finnish Trade Register on April 28, 1999. The meeting also decided to increase the number of persons entitled to stock options from 40 to 80 while keeping the other conditions unchanged. Veikko Lesonen, Jorma Terentjeff, Mika Kettula and Juha Sipilä were appointed Board members.

In April, a cooperative agreement was signed with Peter Jordan GmbH, a German electronics trading company, concerning the sale, marketing and after sales services of the Group's products in the German-speaking areas of Europe.

In April, a corresponding cooperative agreement was signed with Korea Mechatek Co., Ltd., and a letter of intent was signed concerning the startup of a joint venture in the Republic of Korea.

In April, JOT Automation Inc. was awarded the SFS-EN 9002 quality certificate.



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Prospects for the financial year 1999

The demand for telecommunication and information technology products, and hence the net sales of the company, are expected to continue to grow significantly.

Net sales and profit are expected to remain slightly lower in the second quarterly period compared to the first, due to the timing of turnkey system deliveries. The net sales in the financial year 1999 are expected to exceed 100 million euro, which would mean an annual growth of more than 50 %. Relative profitability is also expected to increase slightly compared to 1998.

The interim report for January – June will be published on Thursday, 29 July 1999.

JOT Automation Group Plc key figures for January – March, 1999:

INCOME STATEMENT (MILLION EURO)	1-3/99 3 months	1-3/98 3 months	Change %	1998 12 months
NET SALES	27,6	10,7	156,6	67,1
Increase or decrease in finished good inventory	-4,3	2,1		8,4
Other operating income	0,1	0,2		0,4
Expenses	-17,5	-11,4	53,0	-64,2
Depreciation	-0,3	-0,2	44,4	-1,0
OPERATING PROFIT	6,4	1,4	361,3	10,7
Net financial expenses	-0,1	-0,0	326,2	-0,3
PROFIT BEFORE EXTRAORDINARY ITEMS, RESERVES AND TAXES	6,3	1,4	362,0	10,4
Extraordinary income and expenses	0,0	0,0	0,0	0,0
Profit before reserves and taxes	6,3	1,4	362,0	10,4
Direct taxes	-1,9	-0,1		-3,1
Minority interest	-0,0	-0,0		-0,0
Net profit for the year	4,4	1,2	252,0	7,4
BALANCE SHEET (MILLION EURO)	31.03. 99	31.03. 98	Change %	31.12. 98
ASSETS				
Fixed and other long-lived assets	4,9	2,9	73,5	3,7
Inventories	8,5	5,2	64,8	12,4
Receivables	15,6	9,0	74,0	15,7
Cash and bank deposits	15,9	1,8	777,8	13,2



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TOTAL ASSETS	45,0	18,8	139,1	45,0
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LIABILITIES AND SHAREHOLDERS'

EQUITY

Share capital	2,9	0,7	324,9	2,9
Other equity	21,6	5,9	266,8	17,1
Minority interest	0,0	0,0	140,1	0,0
Long term liabilities	1,6	1,3	23,4	1,7
Short term liabilities	18,9	11,0	72,3	23,3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	45,0	18,8	139,1	45,0

CASH FLOW (MILLION EURO)

	1-3/99 3 months	1-3/98 3 months	1998 12 months
Income from operations	4,7	1,5	8,5
Change in working capital	-0,5	-1,3	-4,4
Operational cash flow	4,2	0,2	4,1
Investments in fixed assets	-1,7	-0,7	-2,4
Gain on the sale of fixed assets	0,1	1,6	1,6
Cash flow before financing	2,6	1,0	3,2
Financing	-0,1	-1,8	7,3
Nominal change in liquid funds	2,5	-0,7	10,5

KEY FIGURES AND RATIOS

FINANCIAL PERFORMANCE RELATED RATIOS (EURO)

	1-3/99 3 months	1-3/98 3 months	Change %	1998 12 months
Net Sales, million	27,6	10,7	156,6	67,1
Operating profit, million	6,4	1,4	361,3	10,7
Operating profit, % of net sales	23,2	12,9	80,0	15,9
Profit before reserves and taxes, million	6,3	1,4	362,0	10,4
Profit before reserves and taxes % of net sales	22,7	12,6	79,7	15,6
Net profit, million	4,4	1,2	252,0	7,4
Return of equity % (ROE)	67,7 *			57,8
Return of investment % (ROI)	88,5 *			66,8
Interest-bearing net liabilities, million	-12,0	0,2	-6188,7	-9,2
Net gearing, %	-48,9	3,0	-1731,1	-46,1
Equity ratio, %	57,8	42,4	36,2	51,1



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(nominal, net of deferred taxes)				
Gross investments, million	1,7	0,7	129,9	2,4
Gross investments, % of net sales	6,0	6,7	-10,3	3,6
R&D costs, million	0,8	0,4	106,5	2,6
R&D costs % of net sales	3,0	3,5	-14,3	3,9
Order book, million	19,1	15,5	23,1	27,8
Average personnel during the period	495	267	85,4	368
Personnel at the period end	502	289	73,7	479

*) calculated on a basis of last 12 months

	31.03. 99	31.03. 98	Change %	31.12. 98
ADJUSTED NUMBER OF SHARES				
at the end of period	8530860	8030860	6,2	8530860
average for the period	8530860	8030860	6,2	8178805

Earnings / share	0,51	0,15	237,5	0,90
Equity / share	2,87	0,82	250,9	2,34
(nominal, net of deferred taxes)				

MARKET VALUES OF SHARES (EURO)

highest	46,99			36,16
lowest	33,60			13,96
average	41,49			19,84
at the end of period	43,89			35,49

market value of the stock, million	374,4			302,7
number of shares traded	2574837			3169467
related to average number of shares %	30,2			37,2

CONTINGENT LIABILITIES (MILLION EURO)

	31.03. 99	31.03. 98		31.12. 98
against own liabilities				
Company mortgages	3,7	1,2		3,7
Other direct and contingent liabilities				
Leasing liabilities	0,2	0,2		0,2
Repurchasing liabilities	1,0	1,1		1,0



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NOMINAL VALUE OF CURRENCY DERIVATIVES (MILLION EURO)	31.03. 99	31.03. 98	31.12. 98
Foreign exchange forward contracts	0,0	0,0	4,2
Purchased currency options	8,1	0,0	6,5
Sold currency options	16,0	0,0	13,7

The Group does not have any uncovered pension liabilities.

Key figures for the Interim Report are unaudited.

Oulunsalo, Finland April, 29. 1999

JOT Automation Group Plc
The Board of Directors

Jorma Terentjeff
President, CEO

FURTHER INFORMATION

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