



JOT automation

# Stock Exchange Release

---

Free for publication May 24, 2002 at 9.00 a.m.

---

## OFFERING MEMORANDUM FOR JOT AUTOMATION GROUP PLC'S DIRECTED SHARE ISSUE NOW AVAILABLE

This Stock Exchange Release is not an offering memorandum and it must not be distributed or passed on directly or indirectly in the United States, the United Kingdom, Canada, Australia or Japan. The Offering Memorandum is available only in Finnish language.

JOT Automation Group Plc. ("JOT" and together with its subsidiaries the "JOT Group") has today published an offering memorandum (the "Offering Memorandum") in connection with the combination agreement signed on April 10, 2002 (the "Combination Agreement") which sets out the terms of the business combination (the "Combination") of JOT and Elektrobit Group Ltd. ("Elektrobit" and together with its subsidiaries the "Elektrobit Group") and is also related to an offering of a maximum of 25,000,000 new JOT shares to certain investors (the "Directed Share Issue II"). Under the Combination Agreement, the Combination will be implemented in the form of an exchange of shares such that JOT offers to acquire Elektrobit's entire shares outstanding from Elektrobit's present shareholders and as consideration shall issue new shares in JOT to Elektrobit's shareholders ("Exchange of Shares"). In the Exchange of Shares, 42.26485 new shares issued by JOT and having an accounting par value of EUR 0.02 (the "New Shares") will be issued for one (1) Elektrobit share with an accounting par value of EUR 0.10. The Offering Memorandum has been prepared for Elektrobit's shareholders, in order to assess considerations affecting the favourableness of the Exchange of Shares as well as in connection with the admittance to the Main List of Helsinki Exchanges of JOT's New Shares and the new JOT shares to be issued in the Directed Share Issue II.

The Offering Memorandum in Finnish language shall be available as from May 24, 2002 and can be ordered from JOT's Head Office at the address Automaatintie 1, 90460 Oulunsalo and it shall also be available as from May 24, 2002 at the address HEX Gate, Fabianinkatu 14, Helsinki. In addition, the Offering Memorandum in Finnish language is available on the company Internet site in the address [www.jotautomation.com](http://www.jotautomation.com). The Offering Memorandum shall be sent to each Elektrobit shareholder who was entered into the Elektrobit's Shareholder Register on May 20, 2002.

## MAIN PROVISIONS OF THE COMBINATION AGREEMENT; THE COMBINED COMPANY

### Main provisions of the Combination Agreement

The Combination is based on the Combination Agreement that was signed on April 10, 2002 by the Boards of Directors of JOT and Elektrobit as well as by certain Elektrobit shareholders. Under to the Combination Agreement, the Combination will be implemented as an Exchange of Shares such that JOT will offer to acquire Elektrobit's entire shares outstanding from Elektrobit's present shareholders and as consideration shall issue New Shares to Elektrobit's shareholders ("Directed Share Issue I" and together with Directed Share Issue II, the "Directed Share Issue"). Elektrobit's shareholders, who together own more than 90 per cent of Elektrobit's shares and the votes conferred by said shares, have signed the Combination Agreement.

Under the Combination Agreement the exchange ratio in the Exchange of Shares shall be determined such that Elektrobit's shareholders will own about 70 per cent of JOT's shares and the votes conferred by said shares after the Exchange of Shares, taking into account the dilution effect of the

---

**JOT AUTOMATION GROUP PLC.** VAT FI 10041295 | Finnish Trade Reg. No. 610.301 | OULUNSALO

---

P.O. BOX 45 [Automaatintie 1] FIN-90461 OULUNSALO | FINLAND  
TEL +358 20 568 20 | FAX +358 20 568 2600 | [www.jotautomation.com](http://www.jotautomation.com)



# Stock Exchange Release

A and B stock options under JOT's 1998 stock option programme. The exchange ratio is based on the negotiated outcome, which the parties reached concerning the value of the companies' shares outstanding. The companies have retained experts in determining the value of the companies. The statement concerning the exchange ratio (fairness opinion) is provided as an annex to the Offering Memorandum.

Implementation of the Exchange of Shares is conditional upon, among other things, the passage by JOT's Extraordinary Shareholders' Meeting to be held on May 31, 2002 of a resolution on carrying out Directed Share Issue I as required by the Combination Agreement. JOT's shareholders Mika Kettula and Jorma Terentjeff, who were represented on JOT's Board of Directors at April 10, 2002, have stated that they support the Combination.

In the Combination Agreement the parties have given certain representations and warranties concerning the business operations of JOT and Elektrobit. The parties are responsible for the correctness of these representations and warranties up until the entry into effect of the Combination. Said representations and warranties concern, among other considerations, the following matters: the division of ownership of Elektrobit's shares and the Group structure, the capitalization of the companies, the conformity of the financial statements to the norms concerning the preparation of financial statements, the ownership of intellectual property rights, management's employment relationships and the normal carrying on of business operations.

Under the Combination Agreement, the Combination Agreement can be terminated and the Combination can be abandoned, notably, by JOT or Elektrobit, if either company is in substantial breach of the Combination Agreement or if any of the representations and warranties given by the other company in the Combination Agreement should prove to be substantially erroneous and the parties have not agreed on the taking into account of the effects of the error in some other way. Deemed to constitute a substantial error is a factor, which indicates that the other company has given, deliberately or through gross negligence, incorrect information connected with the company's financial position or having an impact on the company's business prospects. A divergence amounting to less than EUR 1,000,000 in value is not considered to constitute a substantial factor affecting the financial position.

In accordance with the Combination Agreement, JOT has convened an Extraordinary Shareholders' Meeting to decide, among other things, on Directed Share Issue I and Directed Share Issue II. JOT's Extraordinary Shareholders' Meeting will be held on May 31, 2002 at 12.00 a.m. at the address Oulunsalo-talo, Oulunsalo. At its meeting held on May 7, 2002, the Board of Directors of JOT decided unanimously to recommend to JOT's shareholders that they approve the Directed Share Issue I as required by the Combination Agreement and, furthermore, the Board of Directors of Elektrobit decided unanimously, at its meeting held on May 7, 2002, to recommend to Elektrobit's shareholders that they exchange their shares in Elektrobit for JOT's New Shares.

The combined company

Under the Combination Agreement, when the Combination is completed JOT shall change its business name to Elektrobit Group Plc.

The business idea of the combined JOT and Elektrobit ("JOT-Elektrobit") 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 design of production and testing solutions as well as



# Stock Exchange Release

their implementation. The company's objective is to obtain a leading position as a supplier of total solutions for the telecommunications industry and a major position as a supplier of similar solutions for the automotive and consumer electronics industries.

JOT-Elektrobit's customer groups will be, notably, telecommunications equipment manufacturers and operators, electronics contract manufacturers, component and subassembly manufacturers, automotive electronics manufacturers, manufacturers of industrial automation equipment and the defence industry.

Among the major factors behind the Combination are changes in the operating environment of electronics manufacturers. These changes include increasingly complex technologies and business models, ever-keener competition, limited available resources and the need to bring new products to market rapidly (time-to-market). Owing to the above-mentioned factors, electronics manufacturers are looking for cost-effective solutions that improve their competitiveness in a rapidly changing operating environment. One key solution, which manufacturers have adopted in aiming for improved competitiveness is to concentrate increasingly on their own core functions, in which they are able to achieve the maximum advantage and distinct profiling compared with competitors. Furthermore, they have outsourced the other functions to specialized external service providers. In recent years the trend to outsourcing has expanded more and more strongly from the outsourcing of product manufacture also to research, design and product development, and it is based increasingly on long-term strategic partnerships. The company is responding to the new challenges of global electronics production and product development by operating as a one-stop-shop supplier that is able to assume total responsibility for the design of a product, product development, the design of production solutions, carrying out the start-up phase of production and total testing systems.

JOT-Elektrobit has sites in 16 countries. The company's pro forma net sales in 2001 totalled about EUR 152 million and it had a staff of 1,330 employees on December 31, 2001.

## IMPORTANT DATES

10 April 2002	Signing of the Combination Agreement;
24 May 2002	Offering Memorandum available;
27 May 2002	Last date of registration for JOT's Shareholders Meeting;
31 May 2002	JOT's Extraordinary Shareholders' Meeting;
31 May 2002	Elektrobit's Extraordinary Shareholders' Meeting;
31 May 2002	Subscription period for Directed Share Issue I and Directed Share Issue II commences (estimate);
19 June 2002	Subscription period for Directed Share Issue I and Directed Share Issue II ends (at the latest);
20 June 2002	JOT's Board of Directors approves the subscriptions made in the Directed Share Issue (at the latest);
24 June 2002	The increase in JOT's share capital is entered in the Finnish Trade Register (at the latest); the New Shares which are to be given as consideration as well as the new shares issued in Directed Share Issue II are entered in the shareholders' book-entry accounts (at the latest);
25 June 2002	Quotation of JOT's New Shares as well as the new shares issued in the Directed Share Issue II commences on the Main List of Helsinki Exchanges (at the latest).



# Stock Exchange Release

---

## DIRECTED SHARE ISSUE I: TERMS AND CONDITIONS OF THE SHARE ISSUE

The Board of Directors of JOT Automation Group Plc. (hereinafter "JOT") proposes to the Extraordinary Shareholders' Meeting to be held on May 31, 2002 that JOT's share capital be increased by a minimum of EUR 5,643,640 and a maximum of EUR 8,465,500 in deviation with the pre-emptive subscription rights of the shareholders on the following terms and conditions:

### 1. Subscription for shares

The share capital will be increased by a minimum of EUR 5,643,640 and a maximum of EUR 8,465,500 by issuing a minimum of 282,182,000 and a maximum of 423,275,000 new shares (hereinafter the "New Shares"), which shall be offered for subscription to shareholders of Elektrobit Group Ltd. (hereinafter "Elektrobit") in a way that one (1) share in Elektrobit with the accounting par value equivalent to EUR 0.10 entitle to subscribe for 42.26485 New Shares, the accounting par value of which is EUR 0.02 per share.

The imputed exchange ratio of the shares is 1:42.26485. To the extent that the number of New Shares determined on the basis of the imputed exchange ratio is not an integer, the number of New Shares to be issued to a subscriber as consideration will be rounded down to the nearest full integer.

The subscribers do not include parties belonging to the inner circle of the company as defined in Chapter 1, Section 4 of the Companies' Act.

If shareholders who own a total exceeding 9/10 of the Elektrobit shares and the votes conferred by said shares decide to exchange their shares in Elektrobit for the New Shares issued by JOT and JOT thus obtains ownership of more than 9/10 of all of Elektrobit's shares and the votes conferred by them, JOT intends to initiate a redemption procedure for the remaining Elektrobit shares in accordance with the Chapter 14, Sections 19-21 of Companies' Act.

### 2. Subscription price

The subscription is made by contribution in kind so that against 42.26485 New Shares is given one (1) share in Elektrobit. The value of the shares to be recorded in the balance sheet shall be the aggregate book value of the New Shares given in return.

### 3. Subscription period and place

The subscription period shall commence on May 31, 2002 after the Shareholders' Meeting, however not before undertakings not to exercise redemption rights has been obtained from those Elektrobit shareholders who have the redemption right according to the Elektrobit's Articles of Associations or before the removal of such redemption clause has been registered in the Finnish Trade Register, and the subscription period shall end on June 19, 2002. The Board of Directors of JOT may decide to extend the subscription period or terminate it when all the shares offered for subscription have been subscribed for. The share subscriptions can take place at JOT's Head Office at the address Automaatitie1, 90460 Oulunsalo.



# Stock Exchange Release

---

## 4. Approval of subscriptions and terms of payment

JOT's Board of Directors will decide on the approval of subscriptions by June 20, 2002 at the latest. If more than ninety (90) per cent of the New Shares offered for subscription are subscribed for, the Board of Directors must approve all the competently made subscriptions. If more than two thirds (2/3) of the New Shares offered for subscription are subscribed for but less than ninety (90) per cent, the Board of Directors can, at its discretion, decide to approve all the competently made subscriptions. Subscriptions can be approved and the increase in share capital can be registered in one or several instalments. The Board of Directors is nevertheless not obligated to approve any other than such share subscriptions on the basis of which said Elektrobit shareholder transfers, as a payment-in-kind, all the Elektrobit shares he owns. The subscription price shall be paid in connection with the share subscription by transferring as the payment-in-kind the amount of Elektrobit's shares required by Section 1 "Subscription for shares". JOT's Board of Directors can extend the time of payment for the shares.

## 5. Right to a dividend and other rights

JOT's New Shares shall give rights equal to those of the previously issued shares and entitlement to a full dividend as from JOT's financial period, which commenced on January 1, 2002. The other shareholder rights conferred by the shares shall be vested in subscribers as from the date of entry of the share capital increase into the Finnish Trade Register.

## 6. Book-entry system

The New Shares will be issued in the Book-Entry Securities System. The New Shares will be recorded to the appropriate book-entry accounts on or about June 24, 2002.

## 7. Reasons for deviation from the pre-emptive subscription rights

The shares will be offered to subscribers in connection with the Combination Agreement concluded between JOT, Elektrobit and certain Elektrobit shareholders on 10 April, 2002 on the basis of which the companies' business operations will be combined. Thus there is a weighty financial reason to deviate from shareholders' pre-emptive subscription right from the JOT's point of view as provided in the Chapter 4, Section 2, Paragraph 2 of Companies Act.

## 8. Grounds for determining the subscription price of the shares

Determination of the subscription price of the shares is based on the negotiated outcome, which the parties reached concerning the value of the companies' shares outstanding. The companies have retained experts in determining the value of the companies. The expert statement obtained concerning the exchange ratio of the shares (fairness opinion) will be available for shareholders' review as from May 24, 2002 at JOT's Head Office at the address Automaatintie 1, 90460 Oulunsalo.

## 9. Documents for review

The documents pursuant to Chapter 4 of the Companies Act shall be available for review as from May 24, 2002 at JOT's Head Office at the address Automaatintie 1, 90460 Oulunsalo.



# Stock Exchange Release

---

## 10. Miscellaneous

Simultaneously in connection with the share subscription, subscribers shall undertake to observe transfer restrictions as follows:

In respect of the shares subscribed for by Juha Hulkko, Erkki Veikkolainen, Jukka Harju, Eero Halonen, Kai Hilden, Fortel Invest Oy, Veli-Matti Ihme, Seppo Laine, Arto Pietilä, Seppo Salonen, Torsti Poutanen, Pekka Mikkonen and Hannu Hakalahti, the transfer restriction pertains to all the shares up to the time when JOT's interim report for the third quarter of 2003 has been published but nevertheless such that they shall be able to sell an amount of shares corresponding, for each shareholder, to a maximum of twenty five (25) per cent of the amount of shares he has subscribed for, after JOT's interim report for the third quarter of 2002 has been published.

In respect of other subscribers, the transfer restriction shall lapse for half of the amount of shares subscribed for (50%) when JOT's interim report for the third quarter of 2002 has been published, and for the remainder of the shares after JOT's interim report for the first quarter of 2003 has been published.

JOT's Board of Directors can give its consent to the transfer of shares. The Board of Directors must grant permission for a transfer if there is a weighty reason, due to the subscriber, for the transfer. The transfer restriction lapses in the event of the shareholder's decease.

JOT's Board of Directors can likewise grant an exemption from the transfer restriction concerning New Shares for reasons connected with the equity markets, in order to ensure the correct price formation of the share or due to the legislative considerations. The shareholders who are represented on JOT's Board of Directors nevertheless cannot be covered by any exemption, which is to be granted from a transfer restriction.

The transfer restriction refers to a shareholder's commitment not to sell, transfer or pledge shares covered by the restriction but nevertheless such that the transfer restriction does not prevent the shareholder from pledging shares as collateral for a debt, for which the Elektrobit shares to be transferred under these terms and conditions have been lodged as security as a payment-in-kind.

JOT's Board of Directors shall have the right to approve clarifications or changes to the terms of the share issue which are of a technical nature or may be required by the authorities and to decide on other matters connected with the increase in the share capital and practical measures resulting from them.

## 11. Governing law

The share issue shall be governed by the Finnish law and any disputes arising shall be settled by a Finnish court with competent jurisdiction.

## DIRECTED SHARE ISSUE II: TERMS AND CONDITIONS OF THE SHARE ISSUE

The Board of Directors of JOT Automation Group Plc. (hereinafter "JOT") proposes to the Extraordinary Shareholders' Meeting to be held on May 31, 2002 that JOT's share capital be increased by a



# Stock Exchange Release

minimum of EUR 450,000 and a maximum of EUR 500,000 in deviation with the pre-emptive subscription rights of the shareholders on the following terms and conditions:

## 1. Subscription for shares

The share capital will be increased by a minimum of EUR 450,000 and a maximum of EUR 500,000 by issuing a minimum of 22,500,000 and a maximum of 25,000,000 shares with an accounting par value of EUR 0.02. The shares shall be offered for subscription as follows:

SUBSCRIBER	NO. OF SHARES
Head Invest Oy	12,000,000 shares
Mika Kettula	2,500,000 shares
Juha Hulkko	2,500,000 shares
Juha Sipilä	1,375,000 shares
Fortel Invest Oy	2,500,000 shares
Jorma Terentjeff	2,500,000 shares
Pertti Tarvainen	250,000 shares
Juha Reinikka	250,000 shares
Eero Halonen	250,000 shares
Jukka Harju	250,000 shares
Erkki Veikkolainen	250,000 shares
Seppo Laine	125,000 shares
Kai Hilden	250,000 shares
Total	25,000,000 shares

The subscribers include parties belonging to the inner circle of the company as defined in Chapter 1, Section 4 of the Companies' Act. These persons' aggregate shareholding in the company as calculated on the basis of the company's Shareholder Register at April 30, 2002 is 11.7 per cent of JOT's shares and votes prior to the share issue, which is now proposed. If they subscribe for all the shares offered to them, their proportional holding can comprise a maximum of 6.4 per cent of JOT's shares and votes providing that share issue I/2002 and II/2002 are subscribed for in full.

In the event of undersubscription, the Board of Directors shall have the right to decide on offering the shares unsubscribed for to those entitled to make subscriptions in the share issue. The shares left unsubscribed for can, in accordance with the Board of Directors' decision, be divided amongst those entitled to make subscriptions or they can be offered for subscription to a specified subscriber.

## 2. Subscription price

The subscription price of the shares is EUR 0.40 per share.

## 3. Subscription period and place

The subscription period for the shares shall commence on May 31, 2002 after the Shareholders' Meeting and end on June 19, 2002. The Board of Directors can extend the subscription period or



# Stock Exchange Release

---

suspend it when all the offered shares have been subscribed for. Subscriptions can be made at JOT's Head Office at the address Automaatitie 1, 90460 Oulunsalo.

## 4. Approval of subscriptions and terms of payment

JOT's Board of Directors will decide on the approval of subscriptions by June 20, 2002, at the latest. The Board of Directors nevertheless does not have the right or obligation to approve subscriptions before the share subscriptions made in the directed share issue connected with the combination of JOT and Elektrobit Group Ltd. have been made and approved in accordance with the terms and conditions of such share issue. Payment for the shares shall be made when making the subscription, at the latest. JOT's Board of Directors can extend the time of payment for the shares.

## 5. Right to a dividend and other rights

The new shares shall entitle to a full dividend as from JOT's financial period that commenced on January 1, 2002. The other shareholder rights conferred by the shares shall be vested in subscribers as from the date of entry of the share capital increase into the Finnish Trade Register.

## 6. Book-entry system

The shares will be issued in the Book-Entry Securities System. The shares will be recorded in the appropriate book-entry accounts on or about June 24, 2002.

## 7. Reasons for deviation from pre-emptive subscription rights

The purpose of the directed share issue is to develop JOT's capital and financing structure by raising ten million euros (EUR 10,000,000) of new capital for JOT. JOT has received, from those entitled to make subscriptions in the share issue, commitments according to which these persons have undertaken to subscribe for JOT's shares in the share issue at a subscription price of EUR 0.40 per share. The Board of Directors considers it in the company's interest to exercise its right based on the subscription commitments given and to propose that the share issue be carried out as a directed share issue because the Board of Directors estimates that a share issue directed at the public or carried out in some other manner could not be implemented on more favourable terms for the company. In the event that conditions change owing to the price trend of JOT's share, the Board of Directors reserves for itself the right to cancel its proposal to the general meeting of shareholders. Taking into account the above considerations, there is a weighty financial reason to deviate from shareholders' pre-emptive subscription right from the company's point of view as provided in the Chapter 4, Section 2, Paragraph 2 of the Companies' Act.

## 8. Grounds for determining the subscription price of the shares

The subscription price of the shares in the directed share issue is EUR 0.40 per share. In pricing the shares the fundamental premise was that the share issue will be carried out at a price that exceeds or corresponds to the prevailing price level of JOT's share. In the event that conditions change owing to the price trend of JOT's share, the Board of Directors reserves for itself the right to cancel its proposal to the Shareholders' Meeting.

## 9. Documents for review

The documents pursuant to Chapter 4 of the Companies' Act shall be available for review as from May 24, 2002 at JOT's Head Office at the address Automaatitie 1, 90460 Oulunsalo.

## 10. Miscellaneous

JOT's Board of Directors shall have the right to approve clarifications or changes to the terms of the share issue which are of a technical nature or may be required by the authorities and to decide on other matters connected with the increase in the share capital and practical measures resulting from them.

## 11. Governing law

The share issue shall be governed by the Finnish law and any disputes arising shall be settled by a Finnish court with a competent jurisdiction.

## DESCRIPTION OF THE COMBINED COMPANY

### JOT-Elektrobit's business idea

JOT-Elektrobit'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 design of production and testing solutions and their implementation. By designing these different work phases of a new product as a single entity, it is possible to speed up the product's time-to-market, improve product quality and lower manufacturing costs.

### Objectives

The company's objective is to attain a leading position as a supplier of total solutions for the telecommunications industry as well as a major position as a supplier of similar solutions for the automotive and consumer electronics industries. In order to achieve its objectives the company will observe the following policy lines:

- ❖ Seek to grow at least in line with the average growth in the telecommunications industry, but nevertheless profitably and without jeopardizing the company's strong balance sheet;
- ❖ Strengthen core expertise in the total management of product development and testing, particularly within radio channel technology and air-interface technology;
- ❖ Strengthen core expertise in total production management, particularly in implementing solutions that improve product testability and manufacturability;
- ❖ Develop proprietary technologies that can be placed in use rapidly in the design and production of the customer's product;
- ❖ Strengthen further the company's global network;



# Stock Exchange Release

---

- ❖ Strengthen the company by forming strategic alliances.

## Background of the Combination

The operating environment of electronics manufacturers is characterized by increasingly complex technologies and business models, ever-keener competition, limited available resources and the need to bring new products to market rapidly (time-to-market). Owing to the above-mentioned factors, electronics manufacturers are looking for cost-effective solutions that improve their competitiveness in a rapidly changing operating environment. One key solution which manufacturers have adopted in aiming for improved competitiveness is to concentrate increasingly on their own core functions, in which they are able to achieve the maximum advantage and distinct profiling compared with competitors. Furthermore, they have outsourced the other functions to specialized external service providers. In recent years the trend to outsourcing has expanded more and more strongly from the outsourcing of product manufacture also to research, design and product development, and it is based increasingly on long-term strategic partnerships.

## Advantages arising through the Combination

The company believes that at least the following advantages will result from the Combination:

- ❖ The Combination will strengthen both companies' present operations and lay a foundation for developing new business;
- ❖ The Combination will make possible cross-selling to the present and new customers of both JOT and Elektrobit;
- ❖ The combined company will respond to the new challenges of global electronics production and product development by operating as a one-stop-shop supplier that is able to assume total responsibility for product development, the design of a product as well as the design of product solutions and their implementation;
- ❖ The combined company's size will improve the Group's reliability as a supplier of large total solutions;
- ❖ The Combination will create a good basis for new strategic alliances;
- ❖ The Combination will also result in cost synergy, though the significance of this benefit is clearly smaller than that of the above-mentioned market-driven synergies.

It is expected that the advantages arising from the Combination will be reflected in the combined company's operations over a fairly long term and for the most part will only be realized from 2003 on. The managements of both JOT and Elektrobit believe that synergies can be achieved through the Combination. In combining two international companies operating in a rapidly changing industry, there may nevertheless arise situations that hamper the integration of operations. There can therefore be no assurance that the company will achieve the synergy advantages, which JOT and Elektrobit expect from the Combination.

Elektrobit's areas of core expertise are product development and design know-how within radio channel and air-interface technology as well as total management of product development. JOT's



# Stock Exchange Release

---

areas of core expertise are production technology and the design and implementation of production solutions. In addition, JOT-Elektrobit is seeking to start up a new testing system business as soon as possible in accordance with its strategic objectives. The company's management believes that by melding together the above-mentioned areas of core expertise, JOT-Elektrobit will be able to offer customers a unique product and service concept that quickens the start-up of serial production, ensures quality and optimizes manufacturing costs.

## Company structure

JOT-Elektrobit's parent company will be JOT Automation Group Plc, whose name, as set out in the Combination Agreement, will be changed to Elektrobit Group Plc, and its two major operating subsidiaries will be JOT Automation Ltd. and Elektrobit Ltd, as they are presently named.

## Customer groups

JOT-Elektrobit will have the following customer groups:

- ❖ Telecommunications operators such as Sonera, Telia, British Telecom and Deutsche Telekom;
- ❖ Telecommunications manufacturers such as Nokia Mobile Phones, Nokia Networks, Lucent and Samsung;
- ❖ Electronics contract manufacturers such as Solectron, Flextronics, Sanmina SCI and E-coteq;
- ❖ Component and subassembly manufacturers such as Eimo, Intesys and Foxcon;
- ❖ Automotive electronics manufacturers such as Siemens, VTI Hamlin, Hella and Valeo;
- ❖ Industrial automation manufacturers such as ABB Transmit, Kone Elevators, Sandvik Tamrock and Metso;
- ❖ The defence industry, such as the Finnish Defence Forces, the Finnish Air Force and the Patria Group.

## Product and service solutions

The combined JOT-Elektrobit will be a major globally operating supplier of product development and engineering services as well as products and production solutions. Given below are concise descriptions of the company's product and service solutions.

### Product development and engineering services

The company's product development and engineering services are based on long-term strategic partnerships between the company and its customers. The company is able to assume total or partial responsibility, for example, for design and product development projects for a new product of a telecommunications manufacturer. The company offers its customers a comprehensive palette of services extending from feasibility studies and contract product development to OEM products as well as various business models from hourly billing to the sharing of risk and return.



# Stock Exchange Release

---

## Products

The company is a tool and measurement equipment manufacturer for the product development and engineering needs of telecommunications and electronics companies. The company's main products are:

- ❖ Radio channel simulators: radio channel testing, measurement, modelling and simulation equipment by means of which an authentic radio channel environment can be created for laboratory testing purposes;
- ❖ Base station repeaters for the Tetra system: base station repeaters improve the performance of a protected telecommunications network intended for use by the authorities (Tetra network), for example, in buildings, car-parks, tunnels and other underground facilities;
- ❖ Measurement equipment and tools for network design: measurement equipment that is sold to mobile telephone network operators for network testing, measurement, troubleshooting, the analysis of measurement data and reporting as well as assessment of the network's Quality of Service;
- ❖ Other products: Elektrobit's other products include wireless cellular systems for the control of mining machinery. The system is based on the concept of the rapid transmission of video images by radio.

## Production automation systems

The company's production automation systems are designed for various production efficiency-boosting needs in the electronics industry. The systems are formed by combining devices from three product groups.

- ❖ Material handling and processing equipment: material handling equipment is used to build an uninterrupted flow of materials between the production line's process equipment. The processing of materials at the front end of the production line comprises circuit board assembly, depaneling and product marking;
- ❖ Testing systems: testing systems ensure the reliability of the production process as well as the quality and functionality of the products manufactured;
- ❖ Assembly systems: assembly solutions located at the end of a production line make possible the cost-effective and flexible manufacture of large volumes. Final assembly systems are also utilized in the manufacture of components and subassemblies which are incorporated into the product.



JOT automation

# Stock Exchange Release

## SUMMARY OF JOT'S AND ELEKTROBIT'S COMBINED PRO FORMA STATEMENTS AND THE PRO FORMA ACCOUNTING POLICY

Summary of JOT's and Elektrobit's combined Pro Forma statements

INCOME STATEMENT (EUR THOUSANDS)	Elektrobit	JOT	Pro forma Group <sup>1</sup>	Elektrobit	JOT	Pro forma Group <sup>1</sup>
	Jan.- Dec./2001 12 mon.	Jan.- Dec./2001 12 mon.	Jan.- Dec./2001 12 mon.	Jan.- Mar./2002 3 mon.	Jan.- Mar./2002 3 mon.	Jan.- Mar./2002 3 mon.
NET SALES	75 698	76 137	151 834	18 625	12 177	30 802
Increase or decrease in finished goods inventory	1 037	-3 096	-2 059	78	912	990
Other operating income	3 487	1 330	4 816	962	36	998
Expenses	-61 502	-84 213	-145 688	-15 013	-18 253	-33 256
Depreciation	-3 402	-5 912	-9 315	-926	-2 735	-3 661
OPERATING PROFIT	15 317	-15 755	-411	3 726	-7 863	-4 127
Net financial income and expenses	213	-85	101	-76	-173	-259
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES	15 530	-15 840	-310	3 649	-8 036	-4 387
Extraordinary items	0	0	0	0	0	0
PROFIT BEFORE TAXES	15 530	-15 840	-310	3 649	-8 036	-4 387
Direct taxes	-4 572	-495	-5 066	-1 104	-8	-1 111
Minority interest	-603	-2	-605	-197	57	-141
NET PROFIT	10 355	-16 337	-5 982	2 348	-7 987	-5 639
<b>BALANCE SHEET (EUR THOUSANDS)</b>	<b>31 Dec. 2001</b>	<b>31 Dec. 2001</b>	<b>31 Dec. 2001</b>	<b>31 Mar. 2002</b>	<b>31 Mar. 2002</b>	<b>31 Mar. 2002</b>
ASSETS						
Non-current assets	18 051	19 880	37 931	28 664	18 460	47 124
Current assets	5 103	11 827	16 930	5 155	12 544	17 698
Receivables	18 998	21 093	40 091	18 237	17 509	35 747
Securities held as financial fixed assets	2 022	6 855	8 878	2 022	6 914	8 937
Cash and bank deposits	12 496	13 980	26 477	16 433	9 180	25 612
TOTAL ASSETS	56 671	73 636	130 307	70 511	64 607	135 118

### SHAREHOLDERS' EQUITY AND LIABILITIES

<sup>1</sup> Non-restricted equity has been adjusted by deducting the estimated advising costs arising from the Combination (advisers' fees, costs of printing the Offering Memorandum and other expenses) to a total amount of EUR 1.8 million as well as the estimated transfer tax resulting from the Exchange of Shares, amounting to EUR 2.7 million.



JOT automation

# Stock Exchange Release

Share capital	990	3 565	12 031	990	3 565	12 031
Other equity	37 734	22 695	48 444	37 061	14 640	39 716
Shareholders' equity, total	38 724	26 260	60 475	38 051	18 205	51 747
Minority interest	3 764	250	4 014	3 822	194	4 016
Imputed deferred tax liability	24	35	59	23	45	68
Long-term liabilities	2 367	17 441	19 807	14 042	17 255	31 298
Short-term liabilities	11 792	29 651	45 952	14 574	28 907	47 990
<b>TOTAL</b>						
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>56 671</b>	<b>73 636</b>	<b>130 307</b>	<b>70 511</b>	<b>64 607</b>	<b>135 118</b>

<b>CASH FLOW STATEMENT (EUR THOUSANDS)</b>	Elektrobit		JOT		Pro forma Group	
	Jan.-	Jan.-	Jan.-	Jan.-	Jan.-	Jan.-
	Dec./2001	Dec./2001	Dec./2001	Mar./2002	Mar./2002	Mar./2002
	12 mon.	12 mon.	12 mon.	3 mon.	3 mon.	3 mon.
Income from operations	14 333	-9 903	4 431	3 462	-5 219	-1 757
Change in working capital	-4 558	10 239	5 681	3 654	2 918	6 572
Operational cash flow	9 775	336	10 112	7 116	-2 300	4 815
Investments in fixed assets	-13 597	-13 379	-26 976	-11 529	-1 463	-12 992
Gains on sale of fixed assets	0	547	547	0	96	96
Cash flow before financing	-3 822	-12 496	-16 317	-4 413	-3 667	-8 081
Financing	1 412	9 920	11 332	8 268	-969	7 299
Nominal change in liquid assets	-2 410	-2 575	-4 985	3 855	-4 636	-782

<b>KEY RATIOS OF FINANCIAL PERFORMANCE</b>	Elektrobit		JOT		Pro forma Group	
	Jan.-	Jan.-	Jan.-	Jan.-	Jan.-	Jan.-
	Dec./2001	Dec./2001	Dec./2001	Mar./2002	Mar./2002	Mar./2002
	12 mon.	12 mon.	12 mon.	3 mon.	3 mon.	3 mon.
Net sales (EUR 1000s)	75 698	76 137	151 834	18 625	12 177	30 802
Operating profit (EUR 1000s)	15 317	-15 755	-411	3 726	-7 863	-4 127
Operating profit, % of net sales	20.2	-20.7	-0.3	20.0	-64.6	-13.4
Profit before extraordinary items (EUR 1000s)	15 530	-15 840	-310	3 649	-8 036	-4 387
Profit before extraordinary items, % of net sales	20.5	-20.8	-0.2	19.6	-66.0	-14.2

**JOT AUTOMATION GROUP PLC.** VAT FI 10041295 | Finnish Trade Reg. No. 610.301 | OULUNSALO

P.O. BOX 45 [Automaatitie 1] FIN-90461 OULUNSALO | FINLAND  
 TEL +358 20 568 20 | FAX +358 20 568 2600 | www.jotautomation.com



# Stock Exchange Release

Profit before taxes (EUR 1000s)	15 530	-15 840	-310	3 649	-8 036	-4 387
Profit before taxes, % of net sales	20.5	-20.8	-0.2	19.6	-66.0	-14.2
Net profit (EUR 1000s)	10 355	-16 337	-5 982	2 348	-7 987	-5 639
Return on equity, % (ROE)*	30.0	-49.9	-8.3	24.1	-143.3	-36.6
Return on investment, % (ROI)*	39.9	-16.6	5.4	30.3	-53.2	-14.1
Net interest-bearing liabilities (EUR 1000s)	-11 871	13 131	1 260	-4 295	16 903	12 608
Net gearing, %	-27.9	49.5	2.0	-10.3	91.9	22.6
Equity ratio, %	75.8	37.3	50.7	59.5	30.0	42.3
Gross investments in non-current assets (EUR 1000s)	13 597	13 379	26 976	11 529	1 463	12 992
Gross investments, % of net sales	18.0	17.6	17.8	61.9	12.0	42.2
Average no. of personnel during period	702	695	1 397	752	556	1 308
Number of personnel at end of period	742	588	1 330	761	498	1 259

\*) Jan.-Mar./2002 has been calculated by annualizing the income for the report period.

## ADJUSTED NUMBER OF SHARES (THOUSANDS)

**Pro forma  
31 Dec. 2001**

**Pro forma  
31 Mar. 2002**

At end of period	601 527	601 527
Average during period	600 096	601 527

## PER-SHARE KEY RATIOS (EUR)

Earnings per share	-0.01	-0.01
Equity per share	0.10	0.09

### Pro forma accounting policy

The pro forma statements have been prepared so that the shareholders of Elektrobit Group Ltd. and JOT Automation Group Plc. may better form a view of the economic entity to be formed through the Combination. The pro forma information is presented solely for the purpose of illustration.

The pro forma information presented covers the calendar year 2001 and the period 1 January, 2002 – 31 March, 2002. JOT has received an exemption from the Financial Supervision Authority permitting the presentation of pro forma financial information.



JOT automation

# Stock Exchange Release

The pro forma statements are prepared in accordance with Finnish generally accepted financial principles. The consolidated pro forma statements contain the combined data of the Elektrobitt Group and JOT Group in accordance with the accounting principles observed in said consolidated financial statements.

The pro forma information concerning the 2001 financial year is based on so-called comparative information that has been prepared on the Elektrobitt Group for the financial period 1 January, 2001 – 31 December, 2001 as well as on the JOT Group's official financial statements for the financial year 1 January, 2001 – 31 December, 2001. The Elektrobitt Group's comparative income statement data for the 2001 financial year have been prepared by subtracting from the income statement figures for the financial period 1 September, 2000 – 31 December, 2001 the income statement figures for the period 1 September, 2000 – 31 December, 2000 on the basis of the interim financial statements at 31 December, 2000.

The internal transactions of the planned pro forma group have been eliminated and the format of the financial statement items has been made uniform in respect of the line on which the share of profits of associated companies is stated. In other respects the figures in the pro forma consolidated income statement have been combined directly from the income statements of the Elektrobitt Group and the JOT Group. The advising costs arising from the Combination (to an estimated amount of EUR 1.8 million) as well as the transfer tax (estimated to be EUR 2.7 million) have been taken into account as a deduction from the shareholders' equity amounts in the pro forma balance sheets. In other respects the pro forma consolidated balance sheet has been combined directly from the balance sheets of the Elektrobitt Group and the JOT Group with the exception of the increase in share capital connected with the planned Combination.

The most significant of the pro forma adjustments is the increase in the share capital of JOT Automation Group Plc, which is to be carried out as part of the planned Combination. The consolidation has been carried out on the assumption that all the Elektrobitt Group Ltd. shares will be exchanged for JOT Automation Group Plc. shares in accordance with the exchange ratio mentioned in the terms and conditions of the Directed Share Issue I. In this case, Elektrobitt Group Ltd. will become a wholly-owned subsidiary of JOT Automation Group Plc. The pro forma balance sheet does not encompass the increase in share capital connected with the planned Directed Share Issue II (see Section 3.2 of the Offering Memorandum) or the increase in share capital connected with the planned acquisition of the shares in Extrabit Ltd. (see section 3.3 of the Offering Memorandum).

The advising costs arising from the Combination have been taken into account as a reduction in non-restricted equity in the pro forma balance sheets. The imputed tax claims resulting from the losses have not been presented in the pro forma income statements and balance sheets in accordance with conservative accounting practice.

The pro forma statements have been prepared in accordance with the instructions "Pro forma financial information" issued by the Finnish Institute of Authorized Public Accountants. The pro forma information has been prepared on the assumption that the Combination had taken place, in respect of the pro forma income statement, at the beginning of the period and in respect of the pro forma balance sheet, at the end of the period. In the pro forma income statement for 2001, the Combination is thus assumed to have taken place on 1 January, 2001 and in the pro forma income statement for the period 1 January, 2002 – 31 March, 2002, on 1 January, 2002.

---

**JOT AUTOMATION GROUP PLC.** VAT FI 10041295 | Finnish Trade Reg. No. 610.301 | OULUNSAALO

P.O. BOX 45 [Automaatitietie 1] FIN-90461 OULUNSAALO | FINLAND  
TEL +358 20 568 20 | FAX +358 20 568 2600 | [www.jotautomation.com](http://www.jotautomation.com)



# Stock Exchange Release

The pro forma consolidated financial statements have been prepared in accordance with the Finnish Accounting Standards Board's decision 1591/1999 concerning the accounting treatment of exchanges of shares. According to the decision, it is permissible for Elektrobit Group Ltd's shares to be valued in JOT Automation Group Plc's balance sheet in such a way that goodwill does not arise as a result of the Combination. IAS consolidation principles may lead to an outcome that differs from what is observed above.

The key ratios presented have been calculated on the basis of the pro forma income statement and balance sheet data.

The auditor's statement on the pro forma financial information is given as an annex to the Offering Memorandum.

## EFFECT OF THE COMBINATION ON THE OWNERSHIP STRUCTURE

Based on the ownership structure according to JOT's Shareholder Register dated May 20, 2002 and on the ownership structure according to Elektrobit's Shareholder Register dated May 20, 2002, the number of JOT's shareholders after the Combination will be 45,174 providing that all of Elektrobit's shareholders exchange their Elektrobit shares for New Shares in JOT.

The following table is based on JOT's ownership structure according to the Shareholder Register dated May 20, 2002 and on Elektrobit's ownership structure according to the Shareholder Register dated May 20, 2002 and it reflects JOT's shareholders after the Combination, assuming that all of Elektrobit's shareholders exchange their Elektrobit share for New Shares in JOT, and that the investors entitled to make a subscription subscribe for all the shares offered to them in the Directed Share Issue II:

Shareholder	No. of shares	% of shares and votes
1. Hulkko Juha	150,683,322	24.1
2. Veikkolainen Erkki	55,370,933	8.8
3. Hildén Kai	55,370,933	8.8
4. Halonen Eero	51,270,333	8.2
5. Juha Sipilä and Fortel Invest Oy <sup>1)</sup>	45,512,832	7.3
6. Harju Jukka	41,256,165	6.6
7. Head Invest Oy	19,997,400	3.2
8. Terentjeff Jorma	11,502,983	1.8
9. Laine Seppo	8,345,321	1.3
10. Kettula Mika	5,762,340	0.9

1) A corporation controlled by Juha Sipilä.

## FORWARD-LOOKING STATEMENT

This stock exchange release contains certain forward-looking statements by JOT and Elektrobit that involve risks and factors of uncertainty. The estimates are based on the assumptions of the companies' managements as well as on the information available to them at the present time. Forward-looking statements involve risks, uncertainty and assumptions because they are related to



JOT automation

# Stock Exchange Release

future events, the materialization of which therefore depends on future circumstances. Future earnings and the value of shareholders' holdings in the combined JOT-Elektrobit after the Combination may differ substantially from what is stated in the estimates concerning the future trend. Many factors affecting the result and ownership are of a kind which JOT and Elektrobit are not able to influence. Shareholders should not rely excessively on the estimates concerning the future trend. In addition, it is not the purpose of JOT and Elektrobit, nor do they consider it their obligation, to update estimates connected with the future trend otherwise than in respect of such information as may be of substantial importance to investors and, furthermore, unless provided for otherwise in the applicable legislation.

Oulunsalo, May 24, 2002

JOT Automation Group Plc.  
Board of Directors

## **FURTHER INFORMATION:**

Mika Kettula  
Chairman of the Board of Directors  
JOT Automation Group Plc.  
Tel. +44 77 81 160 160

Pertti Tarvainen  
President  
JOT Automation Group Plc.  
Tel.. +358 400 188 999

Juha Sipilä  
Member of Elektrobit's Board of Directors  
Fortel Invest Oy  
President designate  
Tel. +358 400 284 774

Seppo Laine  
Financial Director  
Elektrobit Ltd.  
Tel. +358 40 344 2250

Edvard Krogus  
Investor Relations, Institutions  
JOT Automation Group Plc.  
Tel. +358 40 551 3388

## **DISTRIBUTION:**

Helsinki Exchanges  
Main media offices

---

**JOT AUTOMATION GROUP PLC.** VAT FI 10041295 | Finnish Trade Reg. No. 610.301 | OULUNSALO

P.O. BOX 45 [Automaatitietie 1] FIN-90461 OULUNSALO | FINLAND  
TEL +358 20 568 20 | FAX +358 20 568 2600 | [www.jotautomation.com](http://www.jotautomation.com)



JOT automation

# Stock Exchange Release

---

## JOT GROUP IN BRIEF

The JOT Group's products are production equipment and systems for the electronics industry as well as services connected with system design, start-up and maintenance. The Group assists its customers who manufacture volume products to step up their production and maintain their competitiveness. This means, among other things, design and implementation of production solutions suitable for clients, starting up serial production and optimizing production costs.

The JOT Group's operations are divided into a system business as well as an equipment business that focuses on the sale of standard equipment. JOT's most important customer groups are manufacturers of telecommunications brand products, contract manufacturers (EMS) as well as manufacturers of plastic components and subassemblies (CMS). In addition to the telecommunications industry, the Group's standard products are also suitable for other segments of the electronics industry, such as for the manufacture of automotive, consumer and industrial electronics.

The Group was founded in 1995 and it presently has a payroll of about 500 employees in a total of 13 countries. The company's shares have been listed on Helsinki Exchanges since 1998.

## ELEKTROBIT GROUP IN BRIEF

Since 1985, when Elektrobit was established, the company has concentrated on developing wireless telecommunications solutions. Elektrobit's operations are divided into a service business and a product business, both of which are based on Elektrobit's core expertise within radio channel and air-interface technologies and on the total management of product development. The Elektrobit Group employs about 760 people, many of whom hold a university degree. Elektrobit's Head Office is located in Oulu and it has subsidiaries in Finland, the United States, Japan, Great Britain, Germany, France and Switzerland.

---

**JOT AUTOMATION GROUP PLC.** VAT FI 10041295 | Finnish Trade Reg. No. 610.301 | OULUNSALO

P.O. BOX 45 [Automaatitietie 1] FIN-90461 OULUNSALO | FINLAND  
TEL +358 20 568 20 | FAX +358 20 568 2600 | [www.jotautomation.com](http://www.jotautomation.com)