

Elektrobit

Business Operations 2003



Elektrobit

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1

Versatile Engineering House

1 100 employees, including 800 R&D engineers | Productization service concept | Customers are leading global industry companies | Worldwide operating network in 15 countries | Net sales 2003 MEUR 148.6 | Listed on the Helsinki Exchanges



Elektrobit

The Elektrobit Group is a versatile engineering company, which, in addition to its design services, develops, manufactures, sells and markets its own technologies and products. 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 defence and space industries. The telecommunications industry makes up the company's main customer group, accounting for about 80 per cent of net sales.

The Group's productization-service concept improves 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's operations comprise three business units, Contract R&D, Testing and Automation Solutions respectively.

2003 in Brief

- **NET SALES AND OPERATING PROFIT INCREASED** from the level of 2002. Net sales amounted to 148.6 million euro (136.5 million euro, increase 8.9%) and the operating profit stood at 16.1 million euro (0.7 million euro, increase 15.4 million euro).

- **ACTIONS TO IMPROVE PROFITABILITY CONTINUED.** Non-recurring expenses burdening the profit, mostly due to write-downs on inventories and fixed assets, totalled 3.7 million euro. The number of staff decreased by a total of 76. Production and sales functions were reorganized.

- **BENEFITS OF SYNERGY STARTED TO SHOW.** The combination between the Elektrobit and JOT Automation groups in 2002 started to show results in 2003. The development of the productization service concept continued, and the net sales of the Testing business unit increased significantly.

- **STRONGER BALANCE SHEET.** The balance sheet total amounted to 142.3 million euro while the equity ratio at the end of 2003 was 58.6 per cent. Long-term debt was partly repaid and the net gearing ratio was 2.3 per cent. Cash flow from operations stood at 21.6 million euro.

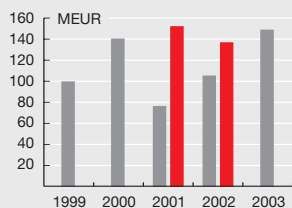
- **SHARE PRICE INCREASED.** Elektrobit Group Plc.'s share price quoted on Helsinki Exchanges increased by 75.9 per cent

during the period under review, the trading volume was bigger and the company's market value at the end of 2003 was 321.6 million euro.

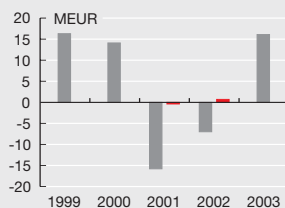
- **BOARD OF DIRECTORS PROPOSES DISTRIBUTION OF PROFIT.** The Board of Directors of Elektrobit Group Plc. proposes that a dividend of 0.01 euro / share shall be paid.

Key Figures	Official 2003	Pro forma 2002	Change %
Net sales, MEUR	148.6	136.5	8.9%
Operating profit, MEUR	16.1	0.7	
Operating profit, % of net sales	10.8%	0.5%	
Profit before taxes, MEUR	13.8	-0.9	
Net profit, MEUR	8.1	-1.1	
Shareholders equity, MEUR	80.4	71.4	12.6%
Balance sheet total, MEUR	142.3	141.6	0.5%
Net cash from operating activities, MEUR	21.6	-1.7	
Personnel at the period end	1 088	1 179	-7.7%
Return of investment % (ROI)	16.4	5.4	
Interest-bearing net liabilities, MEUR	1.9	20.3	
Net gearing %	2.3	27.4	
Equity ratio %	58.6	53.4	
Earnings / share, EUR	0.01	0.00	

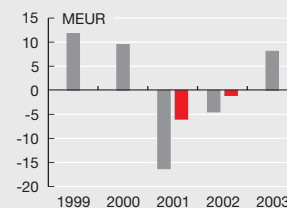
Net sales



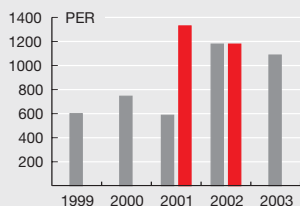
Operating profit



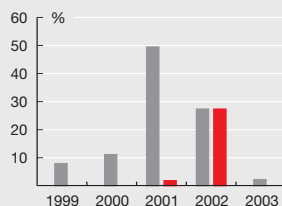
Net profit



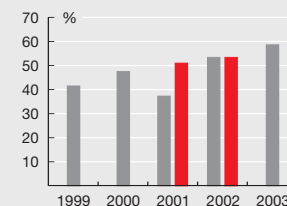
Personnel



Net gearing



Equity ratio



Official
Pro forma

Operating Environment

- **BUSINESS ENVIRONMENT REMAINED CHALLENGING.** The market visibility remains short and therefore assessing the development of operations was difficult for the entire year.
- **RAPID CHANGES IN TECHNOLOGIES AND THE CUSTOMERS' OPERATING ENVIRONMENT.** Due to rapidly developing technologies and standards, telecommunications equipment providers are required to make significant investments in research and development. The operating environment of our customers is characterized by increasingly complex technologies and business models, ever-keener competition, limited available resources, and the need to bring new products to the markets rapidly.
- **CUSTOMERS SEEKING COST-EFFECTIVE SOLUTIONS.** The suppliers of telecommunications products seek cost-effective solutions that improve their competitiveness in a rapidly changing operating environment. The outsourcing trend has expanded to include also research, design and product development.
- **NUMBER OF MOBILE DEVICES INCREASED.** The volume of mobile phone sales, particularly the number of new phone models and the share of smart phones in the total volume, increased. On the other hand, the amount of product development work related to base stations decreased.

Contract R&D

- **OPERATING ENVIRONMENT REMAINED SIMILAR TO 2002.** The net sales in 2003, 58.8 million euro (61.3 million euro) were slightly lower than expected. Except for the Americas, business developed according to our expectations. The market situation in the United States remained challenging.
- **CLOSER CO-OPERATION WITH THE DEFENCE FORCES.** During the period under review, Elektrobit and the Finnish Defence Forces signed a three-year research and development contract for a software radio demonstrator for research and testing purposes. The value of the contract is 12 million euro and the project will be completed by the beginning of 2006.
- **DEVELOPMENT OF THE PRODUCTIZATION SERVICE CONCEPT CONTINUED.** Elektrobit continued the development of the productization service concept in the field of smart phones. In April Elektrobit and Symbian signed a Platinum Partner Agreement regarding participation in the design of Symbian OS(TM) smart phones. In June Elektrobit signed a Series 60 Competence Center agreement with Nokia. Competence based on Symbian, and Series 60 was strengthened during the period under review.

Testing

- **POSITIVE DEVELOPMENT CONTINUED.** The net sales in 2003, 67.9 million euro (44.6 million euro) increased more than expected. The third and fourth quarters saw seasonal deliveries of production testing equipment.
- **NUMBER OF NEW PHONE MODELS AFFECTED THE GROWTH.** Deliveries of production-specific testing solutions, as well as the demand for testing and optimization equipment, surpassed the expectations. The delivery volume of testing and simulation equipment for product development was lower than in 2002, but the situation improved slightly towards the end of the year.

Automation Solutions

- **OVER-CAPACITY CONTINUED IN THE CUSTOMER SEGMENTS.** The net sales in 2003, 21.9 million euro (30.6 million euro), fell short of the expectations. The customer business areas continued to have excessive production capacity that, together with the uncertain economic situation, kept the volume of investments in automation low. In the current market situation the customers are focusing on enhancing their existing production capacity. Over-supply also meant that price competition in the industry was intense.
- **IMPROVEMENTS IN EFFICIENCY.** The roles of the units and internal processes were clarified. The responsibility for manufacturing material handling equipment was transferred from Oulunsalo to Kuopio in the third quarter. The operations in the United States have been reorganized to better correspond to the requirements of automation solution sales.

CEO's Review

In 2003 Elektrobit Group focused on introducing a more specified strategy and operating concept, as well as improving profitability. We made our operations more efficient and met the main targets for the year in terms of business growth and improved profitability. The level of earnings, stronger balance sheet and expanded customer base and competence provide good foundations for pursuing new challenges.

Our operating profit increased from 0.7 million euro to 16.1 million euro, while net sales were up from 136.5 million euro to 148.6 million euro. Our service and product concepts were well received by the customers in 2003, and our clientele increased in all the business areas.

We also attained most of our operative goals. During the period under review the Contract R&D business unit signed several co-operation agreements regarding the development of smart phones, among other things. The development of the testing business was very positive, and the business synergy aimed for by the combination of the Elektrobit and JOT groups became true, particularly in the field of production testing. The testing business increased significantly in Asia and the Americas. Among other things, the Automation Solutions business unit continued to improve operational efficiency by clarifying the roles of the units and internal processes.

The operating environment in our industry was challenging for the whole of 2003. Automation investments in the electronics industry did not increase, and the growth of the industry remained low. The market visibility is short and assessing the development of operations was difficult the entire year.

The increased volume of mobile phone sales, particularly the increasing number of new phone models, expanded our business. The increasing share of smart phones in the total volume adds to the importance of product development, particularly in the field of software engineering. The increasing number of mobile phone models also increased the demand for production testing equipment. On the other hand, the volume of operations related to mobile phone networks declined during the year. This could be seen as a decrease in demand for base station-related product development. Our client industries still had excessive production capacity, which kept the level of automation investments low.

The Strategic Guidelines Defined in 2002 Were Specified in More Detail During the Spring

According to the strategy, we aim to outperform the average growth of the telecommunications industry. We can achieve this goal by expanding our clientele and making our customer relationships deeper in telecommunications as well as in other industries. The foundation for our success lies in high competence and continuous development of core competencies. We offer a unique ODE business model and productization service concept to support the management of our customers' outsourcing. As a part of the growth target we will strengthen the company by means of strategic alliances. This is made possible by our strengthened balance sheet, the achieved level of earnings and the positive cash flow.

We unified the management system of Elektrobitt Group during 2003. We developed our business processes to match the versatility of our customer segments and to support our international operations. The Elektrobitt Group-level management system is certified in accordance with the ISO9001:2000 standard in several of our companies.

The company's long-term targets include the distribution of dividends to shareholders. The annual dividends are determined on the basis of the company's balance sheet, financing position and earnings. Thanks to the improved profit and strengthened balance sheet, the Board of Directors proposes to the Annual General Meeting that a dividend of 0.01 euro per share shall be paid for 2003.

The global economic environment is uncertain and it is still difficult to predict the rate of economic growth. In line with our values the changes and efficiency measures taken in the Group aim at long-term development. The business units must continue developing their skills and business processes in order to ensure that their products and services survive tough international competition. In comparison with previous years, more resources have been allocated to the development of products, services and competence, as well as more efficient sales and marketing. Despite the significant development efforts, our goal for the current year is to achieve growth in both net sales and profitability. The level of earnings achieved in 2003, our stronger balance sheet and our expanded customer base and competence provide good foundations for pursuing 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 employees of Elektrobitt Group. The results we have achieved could not have been possible without everyone's personal contribution to the implementation of changes and the everyday service to our customers.



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

Juha Sipilä
CEO

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

The corporate values define the rules of the workplace and create the foundations for all decision making.

Elektrobit Group's Values in Practice:

We take on our civil responsibilities

as a good corporate citizen

Society comprises the economy (businesses), the public sector and the political system. The crucial task of a business is to provide financial wellbeing for its interest groups. When a business cares for its customers and employees, it acts as a good corporate citizen in society. This also gives it the best possible starting points for accomplishing its task. At best, businesses and the public sector pursue common good by open co-operation based on partnership and mutual respect.

Elektrobit bears its responsibilities as a part of society wherever it operates. Because the success of a business is essentially based on the success of the surrounding society, Elektrobit is involved in the development of society in an appropriate role and task.

We build customer relations based on

trust and long-term partnerships

The customer is the most important external interest group. The starting point for operational development in Elektrobit

Elektrobit bears its responsibilities as a part of society wherever it operates. Elektrobit is involved in the development of society in an appropriate role and task.



Group is the development of customer satisfaction. Competence, flexibility, speed, confidence, and the desire to help constitute the means for excellent service to our customers.

Our actions are dictated with honesty and justice, and with mutual respect

Top results are expected from our personnel. At the same time, we care for and support the development of comprehensive life management for everyone.

We aim to be very profitable so that we can grow and develop whilst maintaining our strong balance sheet status

Elektrobit wants to grow faster than the industry. However, profitability is more important than growth. Elektrobit Group believes in entrepreneurship and personal responsibility for results. Core competencies are strengthened to serve as the foundations for upcoming profitable growth. This also means that organizations must not be made too heavy.

We want to be among the leading companies of the industry in expertise and technology

Elektrobit wants to have a reputation for top know-how and hard-working, motivated personnel. This can be achieved by

creating the prerequisites for self-development, offering modern tools for our experts, and strengthening the core competencies in a planned way.

We work with persistence

In decision-making the benefit of the company is more important than that of an individual shareholder or interest group. However, in the long term the company's benefit is equal to the benefit of all interest groups.

Strategic Objectives

- Grow faster than the telecommunications industry in average
- Expand the customer base in telecommunications and other industries
- Continuously improve the Elektrobit productization solutions
- Offer the ODE business model to the mobile phone market
- Invest in new solutions and competences matching the future market needs
- Strengthen the company through strategic alliances and M&A's

Elektrobit Group believes in entrepreneurship and personal responsibility for results. Core competencies are strengthened to serve as the foundations for upcoming profitable growth.





2

Technology Partner Behind the Best Brands

Contract R&D, Testing, Automation Solutions | Operations based on long-term confidential customer relationships | 4 areas of core competence | Productization services for improving the customer's competitiveness | Life-cycle testing becomes more important



Three Business Units

Elektrobit is best known as a versatile expert partner for the telecommunications industry in demanding product development projects. The operations are based on long-term confidential customer relationships and first-class technology competence from product development to production. 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. Elektrobit employs some 1,100 experts in 15 countries. Elektrobit comprises three business units.

Contract R&D

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 organizations. The business unit is able to take total or partial responsibility for the customers' design and product development projects.

According to customer needs, many various business models from hourly billing to the sharing of profit are available. The unit's business consists of product development services and clearly segmented wireless products that support product development.

COMMITMENTS TO THE FUTURE: In addition to customer-driven product development, Elektrobit engages in research on its own. The focus is on future technologies. Specific emphasis has been put on 4G technology and the associated ultra-wideband methods, together with the Centre for Wireless Communications at the University of Oulu. Other important commitments to the future have included the Symbian and Series 60 software platforms and the extension of the ODE productization service concept to smart phones.

Net sales by business unit



■ Contract R&D.....39%
 ■ Testing.....46%
 ■ Automation Solutions.....15%

Net sales by market area



■ Europe.....70%
 ■ Americas.....16%
 ■ Asia.....14%

The development of the net sales by business unit

MEUR	1-3/2003	4-6/2003	7-9/2003	10-12/2003	1-12/2003
Contract R&D	13.9	15.8	12.1	17.0	58.8
Testing	15.5	13.3	17.8	21.3	67.9
Automation Solutions	6.0	4.8	6.1	5.0	21.9
Total	35.4	33.9	36.0	43.3	148.6

Testing

The Testing 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.

COMMITMENTS TO THE FUTURE: Elektrobit develops its own testing-related services and products, starting from the quality requirements for the customer products, as well as current and upcoming technology platforms. Research on life-cycle testing

of electronics products (research, development, production and maintenance) in the NCEM alliance (Northern Center of Electronics Manufacturing) supports the development of the testing concepts.

Automation Solutions

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.

All the way from R&D to testing and production

Product Research & Development Process

Test Development and Implementation Process

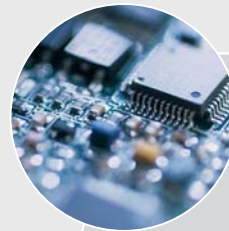
Behind the Brands

Elektrobit's objective is to be the leading supplier of productization solutions and the leading technology partner behind the best brands.



Combining Technologies

Where there's a need for wireless products, there's Elektrobit. Contract R&D Business Unit has the ability to combine technologies in wireless products with 20 years of experience.



Customer Advantages

Contract R&D helps its customers to focus their core know-how and competencies. It also makes resource management more flexible.



COMMITMENTS TO THE FUTURE: In order to be able to respond to the challenges of customer production in an operating environment that is becoming even more cost-effective, rapidly moving and flexible, Elektrobit continuously develops its own products and services. The most recent development projects take the specific features of both current and upcoming technology platforms into account; the most important factors include the efficiency and modularity of production, which refers to flexibility with regard to the increasing variety of production series and products.

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

Production Design and Implementation Process & Production

Volume Capability

The unit has capability to supply the customers with the state-of-the-art test equipment in volumes required for global product operation.

Sure is Sure

Secured test capacity by global service and spare part services is one of the unit's inputs to the customer's process.

Market Segment

The main customers of the Testing Business Unit are electronics manufacturers in telecommunications industry and wireless telecommunication operators.

Automation Solutions

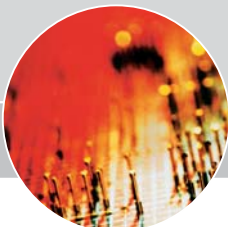
The unit provides automation solutions based on JOT Automation branded material handling, processing and assembly automation equipment.

Turnkey Solutions

With design and implementation services, the equipment is combined into complete and customer-specific turnkey solutions.

Extensive Knowledge

The unit has worked with global manufacturers and acquired extensive knowledge and experience of production technologies and processes in production automation.



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.

AUTOMATION OF QUICK AND PRECISE HANDLING OF COMPONENTS: Automation calls for skills in and knowledge of the production process, a variety of component handling solutions, precision mechanics, robotics and control solutions. Quality management is an essential part of quick and precise component handling.

PRODUCTIZATION AND PROJECT MANAGEMENT KNOW-HOW: Productization and Project Management know-how means combining various skills and technologies and introducing them into production. To offer comprehensive solutions a company must understand customer's businesses and needs.

The control of big entities requires good project management skills and the ability to combine the customer's and Elektrobit's processes.

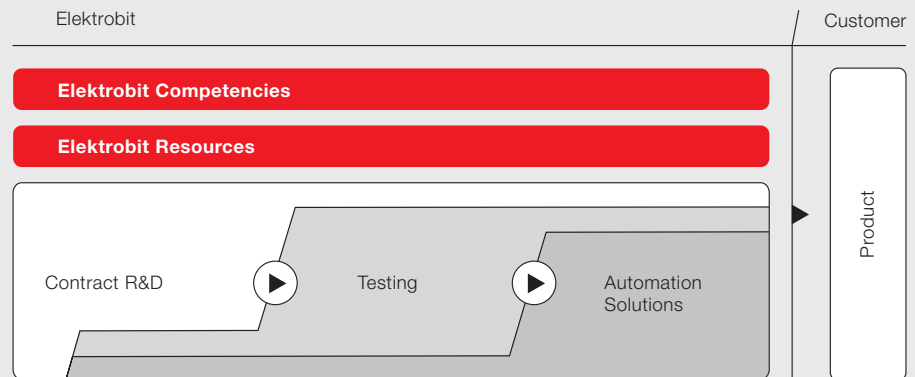
Productization Service Concept

The Elektrobit Group's productization-service concept improves the competitiveness of customers' products and productivity by assuming total or partial responsibility for product development, product design and implementation of product and testing solutions. The responsibility for manufacture is taken by the customer or a third-party contract manufacturer, not by Elektrobit itself.

By combining its know-how in contract R&D, testing and production automation, Elektrobit can offer its customers a unique one-stop-shop product and service entity, which speeds up the launch of serial production, ensures quality and optimizes production costs. Elektrobit's productization services help customers to improve their competitiveness.

Productization Service Concept

By combining its know-how in contract R&D, testing and production automation, Elektrobit can offer its customers a unique product and service entity, which speeds up the launch of serial production, ensures quality and optimizes production costs.



Life-Cycle Testing

Technologies and electronics products become more complex. The life-cycle testing requirements for the product must be taken into account at the beginning of the design phase.

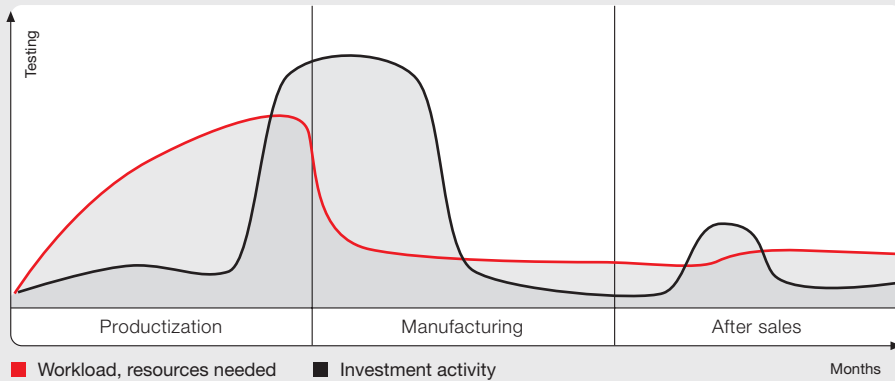
Life-cycle testing of electronics products covers testing during research, product development, production and maintenance. Product testability is mainly designed and implemented in the product development phase.

The importance of testing is emphasized as electronics products and technologies become more complex. Elektrobit develops solutions for the phases of life-cycle testing and the improvement of efficiency, added value, quality and reliability in productization processes.

Customers

The customers of the Elektrobit Group are leading players within their own industry. The main customer group is the telecommunications industry including equipment manufacturers, operators, contract manufacturers and component and sub-assembly manufacturers. Customer groups of the Elektrobit Group include:

- Telecommunications operators
- Telecommunications manufacturers
- Electronics contract manufacturers
- Component and subassembly manufacturers
- Automotive electronics manufacturers
- Industrial automation manufacturers
- The defence and space industries



Life-Cycle Testing

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.



3

Unified Procedures

Unifying the corporate culture was the main theme for 2003 | Elektrobit Way information package for personnel | Focusing on the development of software competence | Management training programme started | Employees are encouraged to invest in their own wellbeing



Elektrobit Spirit

Unifying the corporate culture was the main theme in the development of internal operations in 2003. The combination between the Elektrobit and JOT Automation Groups in 2002 started a process of unifying two mutually supplementing and strengthening corporate cultures. The review of Elektrobit Group's values and core guidelines with the employees has been a significant part of practical HR work and the management system.

The essential guidelines and values associated with internal procedures were published in the Elektrobit Way booklet distributed to the personnel at the beginning of 2003. Elektrobit Way is an information package describing the Group's targets, underlying values, guiding principles and core competencies that serve as a foundation for business.

In 2003 the combined Group carried out its first personnel survey, Elektrobit Spirit, in the companies in different countries around the world. The objective of the survey is to strengthen the desired Elektrobit culture and find out how the employees have adopted the company's procedures and values, as well as how meaningful they regard their work in Elektrobit

Group. The survey will be repeated annually.

The feedback from the personnel survey was reviewed with the managers and HR units at discussions held in each company. The results have been used in organizational development.

Personnel Development

The definition of core competencies is a continuous process starting from the strategy. Elektrobit Group's core competencies have been defined as

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

The business units are responsible for developing the core competencies. Centres of competence operating in the business units are responsible for the development of competence in their area.

In the field of management, the development of Program Management competence has been a significant challenge. The

Personnel by business unit



■ Contract R&D.....	59%
■ Testing.....	28%
■ Automation Solutions.....	13%

Total 1088

Personnel by market area



■ Europe.....	91%
■ Americas.....	6%
■ Asia.....	3%

task of a Programme Manager calls for business and customer competence, as well as knowledge of the application sectors. In addition to actual management of product development work, the task emphasizes the understanding of the product concept and market research, and introduction of the product to production, as well as the requirements of after-sales and maintenance. The Program Management competence supports both the ODE business and the development of Elektrobit Group's own products.

The development of programming competence has also been a specific focal point in recent years. Competence has been strengthened by hiring new people and training programming experts internally from other areas of competence. Specific development of competence in 2003 focused on the Symbian operating system and its application.

Operations in accordance with the Elektrobit culture are particularly promoted by the management, both by their example and systematic work in developing the company's operations and competence, and by caring for the wellbeing of our employees. Concrete decisions also reflect the way the change process is managed.

The Management Training Program for Elektrobit Group's corporate management was started in 2003. The customized training programme, which takes 18 months, involves the members of the Group Executive Board and the managers and responsible persons in central areas. The crucial objective of the training is to focus on the development of Elektrobit Group's management system and to provide the means for developing everyone's own area of responsibility and its personnel.

Personnel Structure

The average age of Elektrobit Group's personnel is 34 years. A significant part of the employees, more than 70 per cent, are product development engineers.

A few people were recruited to the Contract R&D and Testing business units in 2003. The number of personnel in Oü JOT Eesti decreased by 42 people in 2003, in JOT Automation Ltd by ten people, and in Elektrobit Inc's Seattle unit by 24 people.

The total number of personnel at the end of 2003 was slightly lower than at the corresponding time in 2002.

The review of Elektrobit Group's values and core guidelines with the employees has been a significant part of practical HR work and the management system.



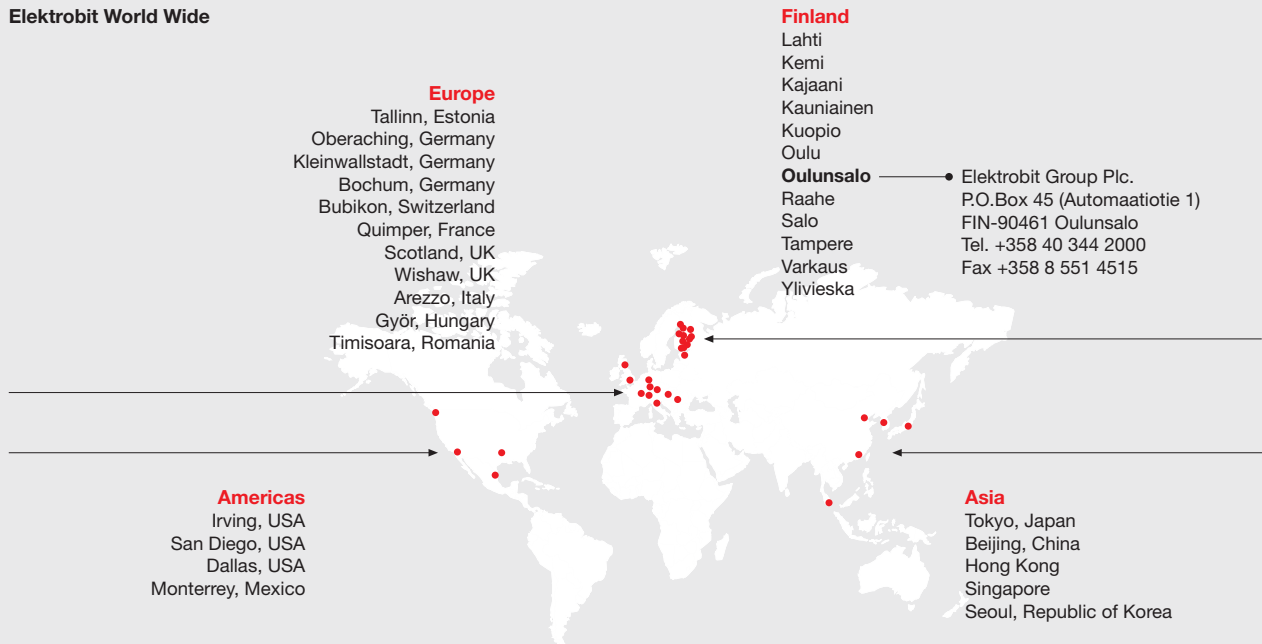
Caring for Wellbeing at Work

The objective of wellbeing at work is that everyone has the opportunity to be involved in the success and pleasure of work. In Elektrobit Group this means that the work community offers challenges and opportunities, a social feeling, accomplishments and chances for development. Employees are encouraged to invest in their own wellbeing. The company cares for physical health by offering a multitude of options for sports and recreation. Various events for the employees are also arranged regularly. The families of our personnel are also invited to a number of these.

Membership of Technology Industries of Finland

The Finnish companies in Elektrobit Group joined the Technology Industries of Finland in 2003.

Elektrobit World Wide



Group Management

Board of Directors



Juha Hulkko | Chairman of the Board since 2002
B. 1954, M.Sc (Eng.), eMBA. Founder of Elektrobitt Oy in 1985. President of Elektrobitt Oy 1985-1995. Board member of Technopolis Oyj, Finnet Oyj and Kaleva Kustannus Oy. Juha Hulkko holds 142 542 884 Elektrobitt Group Plc. shares.

Mika Kettula | Board member since 1996
B. 1959, Engineer. President of JOT Automation Inc. 1995-2000. President of JOT Product AB 1992-1995. Chairman of the Board in Visual Components Oy. Board member of Proventia Group Oy. Mika Kettula holds 5 762 340 Elektrobitt Group Plc. shares.



Matti Lainema | Board member since 2003
B. 1939, Doctor of Economics. Chairman of the Board in Tamglass Fintton Oy since 2003, Rakennustoimisto Pohjola since 2001 and AW-Energy Oy since 2003. Member of the following Boards: Kohdematkat Kaleva since 2002, Reka Oy since 1995 and John Nurminen Oy since 1989, DNA Finland Oy since 2003 and Boardman Oy since 2003. Matti Lainema holds 50 000 Elektrobitt Group Plc. shares.

Tapio Tammi | Board member since 2000
B. 1945, M.Sc (Eng.). President of Gamga Oy since 1999. President of Polar Electro Oy 1985-1999 and Development Director 1983-1985. Chairman of the Board in ProWellness Onlife Oy and Green Rock Oy. Board member of ProWellness Oy and Sinisalo Oy. Tapio Tammi holds 47 200 Elektrobitt 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 44 364 481 Elektrobitt Group Plc. shares.

Jukka Harju | Executive Vice President, Business Development
B. 1956, M.Sc (Eng.), M.Sc (Econ.). In Elektrobitt Group since 2000. Managing Director of Tellabs Oy 1994-1999. Vice President of Nokia Telecommunications Oy 1990-1994. Jukka Harju holds 38 198 372 Elektrobitt 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 tehtaat 1977-1979 and Tammerneon Oy 1975-1977. Seppo Laine holds 12 076 321 Elektrobitt Group Plc. shares.

Ritva-Liisa Niskanen | Executive Vice President, Strategic Resources

B. 1962, LL.M., trained on the bench. Director, Human Resources, of the JOT Automation Group Plc. since 2000. Oulun Osuuspankki, member of OP Bank Group as Development Director in 2000, Branch Director 1996-1999, HR Manager 1995-1996 and Bank Lawyer 1988-1995. Special Adviser to the Prime Minister's Office 1991-1992. Ritva-Liisa Niskanen holds 15 700 Elektrobitt Group Plc. shares.



Juha Reinikka | Executive Vice President, 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. Technical Director of Pretech Oy 1990-1997. Juha Reinikka holds 810 846 Elektrobitt Group Plc. shares.

Päivi Vasankari | Executive Vice President, Legal

B. 1970, LL.M., trained on the bench. Lawyer of Roschier Holmberg Oy 1998-2002. Päivi Vasankari holds 35 000 Elektrobitt Group Plc. shares.



Erkki Veikkolainen | Executive Vice President, Contract R&D and Test Business Units (on sabbatical since January 1, 2004)

B. 1952, M.Sc (Eng.). President of Elektrobitt Technologies since 2001 and Vice President, Business Development 1998-2001. Various positions at Nokia Mobile Phones 1985-1998, latest Vice President and General Manager. Erkki Veikkolainen holds 54 116 898 Elektrobitt Group Plc. shares.

Eero Halonen, M. Sc (Eng.), eMBA, Executive Vice President, Strategic Resources, member of Group Executive Board, on sabbatical since June 1, 2003

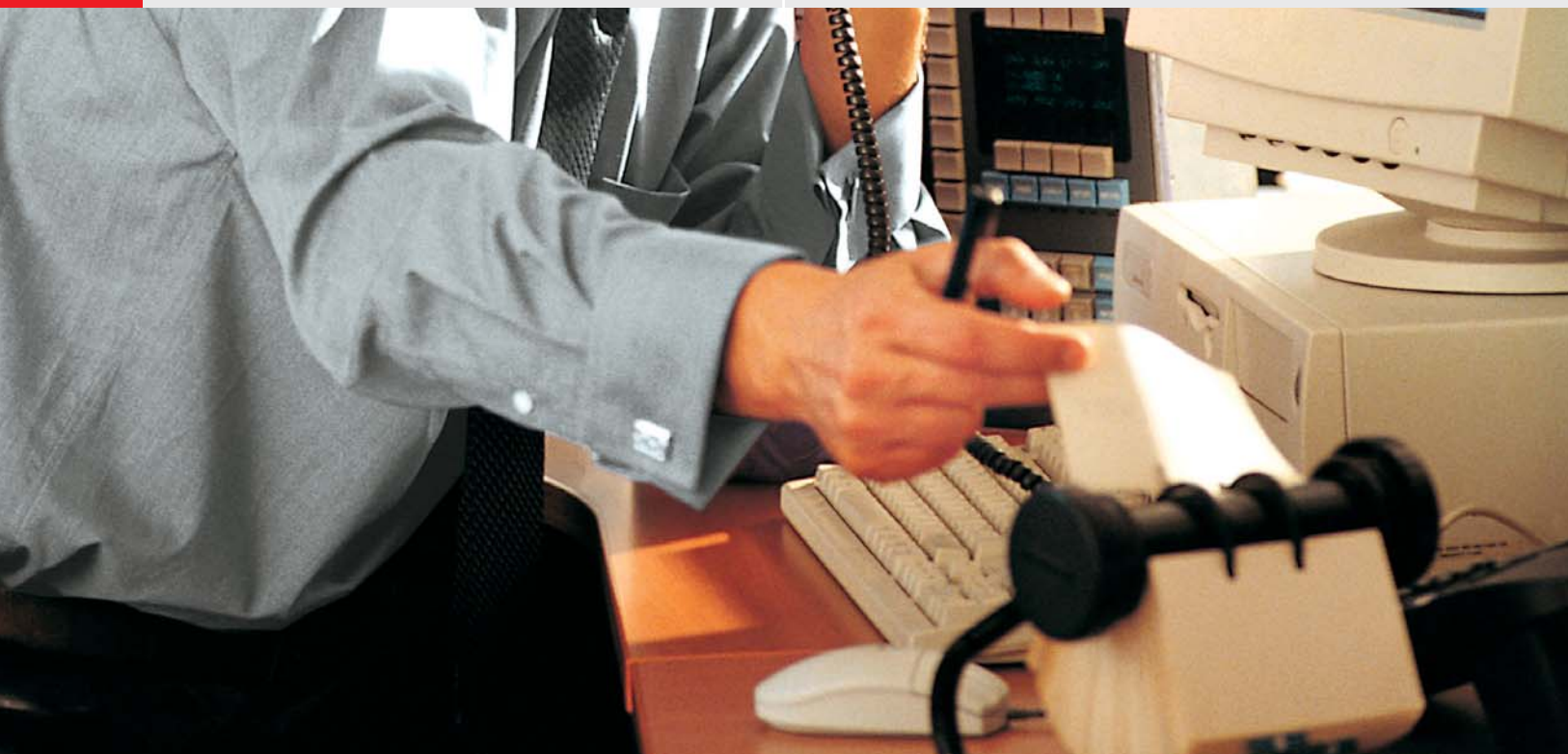
Arto Pietilä, M. Sc (Eng.), Executive Vice President, Contract R&D Business Unit, member of Group Executive Board since January 1, 2004



4

Choice of the Long Term Investor

The share price development and trading volumes were favourable | Shareholders altogether approximately 43 000 | Shareholding by private investors amounted to some 80 per cent | The annual general meeting will be held March 12, 2004 at 2 p.m. at the Oulunsalo-talo in Oulunsalo, Finland.



Shares and Shareholders

Shares and the Share Capital

The shares of Elektrobit Group Plc. are quoted on the Helsinki Exchanges. The Company 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 Elektrobit 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. At 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. The Company does not hold its own shares.

Share Prices and Trading Volumes

The closing price of the Elektrobit Group Plc's share was 0.51 euro in 2003, the share reached a high of 0.66 euro and a low of

0.27 euro. During the year, a total of 112.7 million shares with a value of 50.1 million euros changed hands. This is 17.9 per cent of the share capital. Elektrobit Group Plc's market capitalization at the end of 2003 was 321.6 million euro.

Trading Codes

Elektrobit Group Plc. is listed on the Helsinki Stock Exchange since 1998. Trading codes and trading lot:

Hex: EBGIV

Trading lot: 100 shares

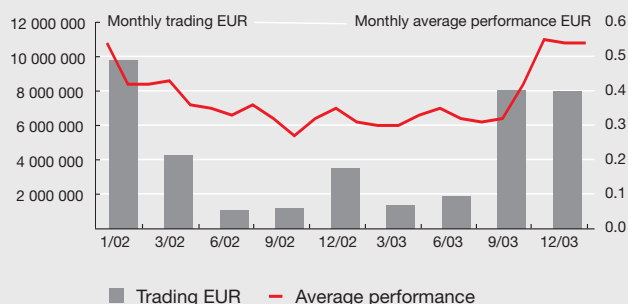
Shareholders

At the end of 2003, Elektrobit Group Plc. had 43 390 shareholders. The ten largest shareholders owned 67.8 per cent of the shares. Private ownership was 79.5 per cent. The percentage of foreign and nominee-registered shareholders was 2.4 per cent at the end of the reporting period.

Shareholding of the Board of Directors and CEO

Shareholding of the Board of Directors, CEO and the companies controlled by them was 30.6 per cent corresponding 192 766 905 shares.

Trading and average performance 2002–2003



Largest shareholders, December 31, 2003

	Percentage of shares and votes
Hulkko Juha, Chairman of the Board	22.6
Hilden Kai	8.6
Veikkolainen Erkki	8.6
Halonen Eero	7.7
Sipilä Juha, CEO*	7.0
Harju Jukka	6.1
Head Invest Oy	3.2
Laine Seppo	1.9
Irish Life International 212-430450	1.3
Kettula Mika, member of the board	0.9
Other (incl. nominee-registered shares)	32.1
Total	100.0

* Includes the shares owned by the companies controlled by Juha Sipilä.

Information for Investors

Financial Reports 2004

Elektrobit Group Plc. reports its financial development quarterly. In 2004 Elektrobit will publish financial reports as follows:

February 11	Financial Statement Bulletin 2003
May 5	Interim Report, January-March
August 4	Interim Report, January-June
November 3	Interim Report, January-September

The financial reports will be published simultaneously in Finnish and in English at 8.00 a.m. on the Elektrobit Group Plc's web site www.elektrobit.com/investors

Silent Period

Elektrobit Group Plc. will observe Silent Period prior to announcing its results. The Silent Periods in 2004 are as follows:

January 21 - February 11, 2004
April 14 - May 5, 2004
July 14 - August 4, 2004
October 13 - November 3, 2004

Annual General Meeting

The Annual General Shareholders' Meeting will take place on Friday, March 12, 2004 at 2.00 p.m. in Oulunsalo-talo, Oulunsalo, Finland.

www.elektrobit.com/investors

Press releases, reports, earnings estimates, share price ticker, contact details of analysts and other current investor material can be found on the Company's internet pages. E-mail based subscription service for press releases and publications can be found on the internet pages as well.

Subscription for Press Releases and Publications

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