



## STOCK EXCHANGE RELEASE

Free for publication on November 7, 2007 at 8.00 am. (EET)

---

### **EB, ELEKTROBIT CORPORATION, INTERIM REPORT JANUARY – SEPTEMBER 2007**

(unaudited)

#### SUMMARY

During the third quarter of 2007, EB continued to follow the strategic path as defined in the spring 2006. EB has focused its business operations and concentrates on clear growth businesses in the Automotive and Wireless Business Segments.

EB's net sales grew steadily and amounted to EUR 35.3 million for third quarter (an increase of 5.3% compared to second quarter of 2007 of EUR 33.5 million; an increase of 27.7% compared to the corresponding period of 2006 of EUR 27.6 million).

The operating loss totalled to EUR -4.0 million (EUR -6.6 million in second quarter of 2007 and EUR -2.5 million corresponding period of 2006).

During the reporting period EB balanced its customer portfolio by entering new markets and acquiring new customers. During the reporting period none of the customer shares exceeded 11 per cent of the net sales and in addition, the summarized share of the ten biggest customers was 54 per cent. EB announced an agreement concerning the development of handset technologies and reference designs for TerreStar's (TerreStar Networks Inc.) upcoming satellite-terrestrial all-IP mobile network.

During the third quarter of 2007 EB continued significant investments in research and product development in order to develop new business for the company in line with the strategy.

EB continued the actions to render the company cost structure to correspond with the new focused business setup after the divestments of the Network Test and Production Solutions businesses. EB has commenced actions to increase the productivity and improve the fixed costs efficiency of such operational activities as facilities, sourcing, logistics, information management and administration.

According to the IFRS5 standard, EB reports its financial results divided between Discontinued and Continuing Operations. In this Interim Report, financial figures concerning the income statement of 2007 and 2006 are reported based on continuing operations, without the Network Test (sold in November 2006) and Production Solutions business figures. Discontinued business figures are reported separately in the Interim Report, after Continuing Operations' net profit, so that the 2007 figures include Production Solutions figures and the 2006 figures include the Network Test and Production Solutions figures. In addition to the sales price of the Network Test business, an



additional amount, capped at EUR 12 million, is payable in cash for EB upon the achievement of certain financial performance targets for the Network Test Business between January 1, and December 31, 2007. According to the information given by the buyer of the Network Test business, there is no additional amount payable for the time period between January 1 and September 30, 2007. The final determination on the possible additional amount will take place based on an annual review.

Comparisons between the Continuing Operations figures for the third quarter of 2007 and the corresponding period in 2006:

- The net sales amounted to EUR 35.3 million (EUR 27.6 million; an increase of EUR 7.6 million or 27.7%). The net sales of the Automotive Business Segment were EUR 14.5 million (EUR 10.1 million; an increase of EUR 4.5 million or 44.3%). The net sales of the Wireless Business Segment were EUR 20.4 million (EUR 17.5 million; an increase of EUR 2.9 million or 16.5%).
- Operating loss totalled to EUR -4.0 million (EUR -2.5 million) and was distributed as follows: the Automotive Business Segment EUR 0.5 million (EUR 0.5 million), the Wireless Business Segment EUR -5.2 million (EUR -3.0 million) and the other businesses EUR 0.7 million (EUR 0.0 million).
- Net cash flow from operations amounted to EUR -6.7 million (EUR 1.7 million).

Comparisons between the Continuing Operations figures from January to September 2007 and the figures for the corresponding period in 2006:

- Net sales amounted to EUR 99.7 million (EUR 87.1 million, an increase of EUR 12.6 million or 14.5%). The net sales of the Automotive Business Segment were EUR 36.4 million (EUR 27.5 million, an increase of EUR 8.8 million or 32.0%) and the net sales of Wireless Business Segment were EUR 62.6 million (EUR 59.4 million, an increase of EUR 3.2 million or 5.4%).
- Operating loss was EUR -17.8 million (EUR -0.8 million, a decrease of EUR 17.1 million) and it was distributed as follows: the Automotive Business Segment EUR -0.3 million (EUR 1.2 million), the Wireless Business Segment EUR -18.7 million (EUR -2.1 million, a decrease of EUR 16.5 million) and other businesses a profit of EUR 1.1 million (EUR 0.1 million).
- Cash flow from operations amounted to EUR -18.4 million (EUR -0.2 million).
- Equity ratio was 72.1% (64.3%).



## QUARTERLY FIGURES, CONTINUING OPERATIONS

According to the guidance given in conjunction with Q2 results on August 2, 2007, the company expected the sequential revenue growth from the first half of 2007 to the second half of 2007 to be stronger than it was from the second half of 2006 (MEUR 61.0) to the first half of 2007 (MEUR 64.5) and the operating loss in the second half of 2007 was expected to reduce significantly compared to the operating loss of the first half of 2007 (MEUR -13.8).

The quarterly distribution of the Group's Continuing Operations overall net sales and profit, MEUR:

	7-9/07	4-6/07	1-3/07	10-12/06	7-9/06
Net sales	35.3	33.5	31.0	33.3	27.6
Operating profit (loss)	-4.0	-6.6	-7.2	-5.3	-2.5
Result before taxes	-4.0	-6.3	-6.4	-4.9	-2.4
Result for the period	-4.0	-6.4	-6.3	-4.6	-2.2

The distribution of the Continuing Operations net sales by Business Segment, MEUR:

	7-9/07	4-6/07	1-3/07	10-12/06	7-9/06
Automotive	14.5	11.2	10.6	11.3	10.1
Wireless	20.4	22.2	20.1	22.0	17.5
Corporation Total	35.3	33.5	31.0	33.3	27.6

The distribution of the Continuing Operations net sales by market area, MEUR (%):

	7-9/07	4-6/07	1-3/07	10-12/06	7-9/06
Asia	4.4 (12.5%)	0.6 (1.7%)	2.5 (8.0%)	1.9 (5.7%)	2.1 (7.4%)
Americas	7.4 (20.9%)	7.3 (21.7%)	4.1 (13.4%)	4.2 (12.5%)	3.2 (11.4%)
Europe	23.5 (66.5%)	25.7 (76.6%)	24.3 (78.6%)	27.3 (81.8%)	22.4 (81.1%)



Net sales (external) and operating profit development by Business Segments and Other businesses of the Continuing Operations were as follows, MEUR:

	7-9/07	4-6/07	1-3/07	10-12/06	7-9/06
Automotive					
Net sales	14.5	11.2	10.6	11.3	10.1
Operating profit (loss)	0.5	-0.2	-0.6	0.9	0.5
Wireless					
Net sales	20.4	22.2	20.1	22.0	17.5
Operating profit (loss)	-5.2	-7.1	-6.4	-6.2	-3.0
Other businesses					
Net sales	0.3	0.1	0.3	0.1	0.0
Operating profit (loss)	0.7	0.7	-0.2	0.0	-0.0
Total					
Net sales	35.3	33.5	31.0	33.3	27.6
Operating profit (loss)	-4.0	-6.6	-7.2	-5.3	-2.5

#### QUARTERLY FIGURES, DISCONTINUED OPERATIONS

Discontinued Operations (Production Solutions in 2006 and 2007 and Network Test in 2006) figures were as follows, MEUR:

	7-9/07	4-6/07	1-3/07	10-12/06	7-9/06
<b>Operative business</b>	No operations				
Net sales		6.7	8.6	15.9	21.1
Operating profit (loss)		-1.6	-1.6	0.9	3.7
Result before taxes		-1.7	-1.7	0.7	3.6
Income tax		-0.1	-0.1	-0.3	-0.6
Result for the period		-1.8	-1.8	0.4	2.9
<b>Disposal gain</b>					
Profit of the Discontinued Operations		16.7		73.7	
Income tax		-0.4		-0.5	
Profit after taxes of the Discontinued Operations		16.4		73.2	
<b>Result for the period</b>		14.5	-1.8	73.7	2.9

The sales price of the Production Solutions business was EUR 29 million. Details concerning the transaction have been disclosed in a stock exchange release on June 1, 2007.



## STATUS OF STRATEGY IMPLEMENTATION

The major strategy related changes in EB's business portfolio have been made during the second half of 2006 and 2007. EB is seeking for growth by becoming a focused global leader in selected automotive and wireless businesses with a balanced customer portfolio and scalable business models. In addition to focusing the business portfolio, major progress has been made in building a balanced customer portfolio. In addition to the acquisitions of DECOMSYS and 7iD, EB continues to search acquisition opportunities to strengthen the business growth.

As announced on June 1, EB has reduced the number of business segments into two. They are "Automotive" and "Wireless". During the second quarter of 2007, the former System Test Business Unit was refocused on advanced wireless emulation and engineering tools. It was renamed as Wireless Communications Tools Business Unit and transferred under the Wireless Business Segment. The Wireless Sensor Solutions Business Unit was established also under the Wireless Business Segment. Therefore, the Test and Automation Business Segment has ceased to exist.

EB's reporting as from April 1, 2007 is based on the Automotive and Wireless Business Segments and business units divided under them as follows:

<b>Automotive Business Segment</b>	<b>Wireless Business Segment</b>
Automotive Software Business Unit	Mobile Terminal Solutions Business Unit
	Radio Network Solutions Business Unit
	Wireless Communications Tools Business Unit
	Wireless Sensor Solutions Business Unit

## AUTOMOTIVE BUSINESS SEGMENT FROM JANUARY TO SEPTEMBER 2007

The Automotive Business Segment consists of in-car software products and R&D services for the automotive industry with leading car manufacturers, car electronics (Tier 1) and automotive chipset suppliers as customers.

During the reporting period the Automotive Business Segment continued to grow confirming the potential of this market. The net sales during the period under review amounted to EUR 36.4 million (EUR 27.5 million), which represents a growth of 32 per cent, and the operating loss was EUR -0.3 million (EUR 1.2 million) due to the continued significant investments in the R&D of EB's automotive software platform products.



#### Automotive Software Business Unit from January to September 2007

The sales of the Automotive Software Business Unit products and associated solutions have grown steadily and EB's strategy is to continue to increase the share of automotive software products in the company's net sales.

The Automotive Software Business Unit's products include:

- EB street director, which is a navigation software for in-car navigation, Personal Navigation Devices (PND), Personal Digital Assistants (PDA) and smartphones,
- EB GUIDE product family of HMI (Human Machine Interface) design tools,
- EB tresos<sup>®</sup> AUTOSAR (Automotive Open System Architecture) software components used for the development of electronic control units (ECU) for passenger cars, and
- high performance network communications protocol standards for automotive electronics including FlexRay<sup>™</sup>, CAN (Controller Area Network) and LIN (Local Interconnect Network) solutions.

The R&D services business of the Automotive Software Business Unit covers in-car infotainment and body control applications.

In February, EB presented its tresos<sup>®</sup> ECU AUTOSAR (Automotive Open System Architecture) Suite 2007 for the AUTOSAR specification 2.0. It has been delivered to several major evaluation projects within the car industry. EB is for example the leading AUTOSAR technical partner for JasPar (Japan Automotive Software Platform Architecture) in Japan.

In April, the next generation of Blue&Me<sup>™</sup> navigation software, developed in collaboration between EB, Fiat and Microsoft, was announced. The system now integrates a hands-free navigation solution with predictive graphic interface and voice control.

The newest version of the EB street director<sup>™</sup> portable navigation solution, which responds to spoken commands, was published in May.

With the acquisition of DECOMSYS Beteiligungs GmbH in June, EB became the leading solution provider for FlexRay<sup>™</sup>, the new high performance network communications protocol standard for automotive electronics. The first car in the market with FlexRay<sup>™</sup> car networking technology is BMW's new X5 Sports Activity Vehicle (SAV). It has been implemented by using EB's FlexRay<sup>™</sup> knowledge and solution.

In August, the availability of the new version of EB tresos<sup>®</sup> introducing a complete ready-for-production AUTOSAR kernel capable of operating on a number of different chipset environments for the automotive industry was announced.



## WIRELESS BUSINESS SEGMENT FROM JANUARY TO SEPTEMBER 2007

The Wireless Business Segment comprises the four following business units:

- the Mobile Terminal Solutions Business Unit, which is responsible for mobile terminal R&D services and design business,
- the Radio Network Solutions Business Unit, which is responsible for radio network infrastructure-related R&D services and standard-based products sold to telecommunications infrastructure suppliers,
- the Wireless Communications Tools Business Unit, which is responsible for advanced wireless emulation and engineering tools, and
- the Wireless Sensor Solutions Business Unit, which is responsible for RFID reader systems and related industrial wireless network solutions.

The net sales of the Wireless Business Segment from January to September 2007 amounted to EUR 62.6 million (EUR 59.4 million) and the operating loss was EUR -18.7 million (EUR -2.1 million). Compared to the corresponding period in 2006, the decline in profitability was due to significantly higher investments in product development of mobile WiMAX products, weaker than expected demand, price competition and lower than planned resource utilisation rate of Mobile Terminal Solutions R&D services during the first half of 2007, weaker than expected demand and intensive price competition in Radio Network Solutions R&D services, and R&D investments in RFID reader products portfolio.

### Mobile Terminals Solutions Business Unit from January to September 2007

The Mobile Terminal Solutions Business Unit delivers R&D services and platforms for 3G and smartphone devices, professional mobile radios, mobile internet multimedia devices (MIMD), security and defence, industrial and other applications.

The business environment for the mobile terminals business continued to be under intense competition during the early part of the reporting period. However, the demand started to strengthen during the third quarter. The Mobile Terminal Solutions Business Unit continued its close co-operation with technology vendors and OEM customers. The Mobile Terminal Solutions Business Unit continued efforts to improve its profitability through widening the customer portfolio, redirecting the project portfolio, improving internal efficiency and growing new application areas such as professional mobile radios. During the third quarter the resource utilisation rate reached a good level.

In June, EB demonstrated the EB Mobile Internet Multimedia reference Device (MIMD) for the first time at the Computex Taipei International Information Technology Show. EB plans to offer the EB



MIMD Reference Product and related product design services under license to OEM's, ODM's and other customers.

In September, EB and TerreStar entered into an agreement concerning the development of handset technologies and reference designs for TerreStar's upcoming satellite-terrestrial all-IP mobile network. The agreement between the parties comprises the development of two dual-mode reference smartphones where EB acts as the main integrator and delivers turn-key product creation services to TerreStar. The partnership with TerreStar is important for EB as it brings the opportunity to apply and enhance the company's strong wireless communications and 3G smartphone capabilities to a new demanding application area where terrestrial HSPA and GMR-3G satellite technologies are combined to one seamless implementation. This is in line with EB's strategy of entering new markets and broadening the company's customer base.

#### Radio Network Solutions Business Unit from January to September 2007

The Radio Network Solutions Business Unit provides radio network infrastructure-related R&D services and develops standard-based products sold to telecommunications infrastructure suppliers. An important investment area for EB under this business unit is the development of mobile WiMAX (IEEE 802.16e) base station modules.

The R&D services business comprises design services (software, digital and analogue HW, mechanics, ASIC, FPGA, RF and PCB design) for wireless base stations.

The business environment for R&D services has been somewhat volatile and under intense price competition during the reporting period. The revenue from R&D services has grown slightly in comparison with the corresponding period in 2006 despite the fact that a significant part of the R&D resources has been allocated to the development of EB's own mobile WiMAX base station module products, which are expected to start generating revenue from the end of 2007 or early 2008.

During the reporting period, EB continued to invest significantly in product development associated with mobile WiMAX base stations.

#### Wireless Communications Tools Business Unit from January to September 2007

In June, EB decided to include the Wireless Communications Tools Business Unit in the Wireless Business Segment. The decision is based on the confirmation of the business unit's undisputed global product leadership and critical role in generating leading-edge radio propagation know-how for the integrated use of the whole company.

The products of the Wireless Communications Tools Business Unit include mainly radio channel emulators and measurement instruments (the Propsim™ and Propsound™ products) sold to





chipset manufacturers, mobile terminal and infrastructure equipment suppliers, wireless network operators and military communications companies.

The total sales of the Wireless Communications Tools Business Unit grew strongly from the corresponding period of 2006. During the reporting period the three sales regions (EMEA, APAC and the Americas) were generating sales in a well-balanced manner. The sales organization in China was reinforced by adding own resources to complement the channel sales. The sales footprint in the US was strengthened with new distributors. The sales progressed well in the new application domains of radio channel emulation technology, aerospace and automotive applications as an example.

R&D investments expanding the application domain and the product portfolio of the Propsim™ radio channel emulator product family continued. In February, a scalable single-box handset testing solution was released and delivered. In March, a turnkey solution for 2 x 2 MIMO fading testing for multiple systems, like WCDMA, HSPA, mobile WiMAX, 3G LTE (Long Term Evolution) and 4G, was introduced, and the sales of the solution started. In June, the first deliveries of the new tester products for the R&D of open-interface-based base stations (OBSAI™) were made. In September, new releases of the OBSAI tester (EB Base Station Interface Tester) supporting the WiMAX and LTE base stations were published and delivered. The EB Wireless Environment Solution enabling operators, telecommunications infrastructure suppliers and device manufacturers to bring the real-world field data of the radio environment to the laboratory, was introduced to the market at the end of the third quarter.

#### Wireless Sensor Solutions Business Unit from January to September 2007

The Wireless Sensor Solutions Business Unit provides UHF RFID reader systems and related industrial wireless network solutions. A line of RFID reader products introduced in November 2006 together with EB's industrial WLAN products represents the initial product portfolio of the Wireless Sensor Solutions Business Unit. The EB RFID solutions are targeted especially at serving the supply chain and manufacturing of logistics service providers, automotive, telecommunications, electronics, and other high technology industries.

The acquisition of 7iD, in June, strengthened EB's offering in the Wireless Sensor Solutions Business Unit. The work to combine 7iD offering with the EB RFID portfolio is progressing as planned. As a result, customers can utilize the EB Identification Network that offers scalable performance for various demanding RFID applications. EB's Identification Network Architecture is based on Facility Sounding™ technology and distributed intelligence in both RFID readers and RFID controllers. It provides customers with the abilities to reduce the traffic in the backbone network and to tune the RFID networks against internal or external interference.

EB continued to invest significantly in product development of RFID reader network related products during the reporting period.



The business environment of the Wireless Sensor Solutions Business Unit has been developing as expected with the RFID reader system market still having its major focus on trials and pilot projects.

#### RESEARCH AND DEVELOPMENT FROM JANUARY TO SEPTEMBER 2007

The R&D investments continued in the following development areas:

- the development of software platform based products in the Automotive Software Business Unit,
- the development of mobile WiMAX radio base station module products in the Radio Network Solutions Business Unit,
- expanding the application domain and the product portfolio in the Wireless Communications Tools Business Unit,
- the development of product portfolio in the Wireless Sensor Solutions Business Unit, and
- the technical core competence areas as defined in the strategy.

The total R&D investments during the period under review were EUR 25.1 million (EUR 13.4 million) and EUR 3.6 million of them have been capitalized.

#### BUSINESS ENVIRONMENT

It is expected that the share of electronics and software in cars will continue to grow. For reference, the market for automotive software solutions grew more than 15 per cent in 2006 (Mercer study 2005, The Impact of AUTOSAR on the Auto Software and Tools Market). The automotive embedded software market is expected to grow 15 per cent CAGR during 2005-2009 in North America and Europe (Frost & Sullivan).

The volume share of smartphones is growing at a rate of more than 40 per cent year-on-year due to the rapid increase in demand for new features and services (Canalys). The R&D services market is facing a price pressure that tightens the margins. This has created a need for increased off shoring in the industry. However, attractive niches continue to exist (OVUM).

In the wireless network equipment market, operators are expected to continue to invest in network capacity and in new cellular network technologies (WCDMA, HSPA). The mobile WiMAX operator services market is expected to start in 2008, the leading operators and OEMs having their mobile WiMAX implementations planned to start from late 2007 or from the beginning of 2008. The value chain and hence the horizontal technology and product market for Mobile WiMAX is still in a forming phase.



The wireless communications tools market is predicted to expand moderately, as the development of new cellular technologies, enhancements to existing technologies (HSDPA, HSUPA, 3GPP LTE, MIMO) and new non-cellular technologies (mobile WiMAX, WiBro) are generating demand for test system replacements and for new test systems. The global RFID reader component market is estimated to grow with a CAGR of over 20 per cent for the period 2006 to 2009 (VDC).

#### EVENTS AFTER THE REPORTING PERIOD

EB has decided, as a part of the actions to rationalize the company cost structure, to investigate the possibility of selling its properties in Oulunsalo and Oulu. The potential sale objects would be a property located on Automaatintie in Oulunsalo as well as the properties located on Tutkijantie in Oulu. EB has the intention to lease back its current premises should the potential sale materialize.

EB's building in Oulunsalo has a total floor space of approximately 13,000 square meters, and those in Oulu have a total floor space of approximately 10,000 square meters. The total book value of these properties is about EUR 18.2 million.

The financial effects of a possible sale and the lease-back can only be assessed once an arrangement is carried out. The potential sale of the properties could be finalized by the end of the year 2007 or during the first quarter of 2008 at the latest.

#### OUTLOOK FOR THE SECOND HALF OF 2007

EB expects the sequential revenue growth from the first half of 2007 to the second half of 2007 to be stronger than it was from the second half of 2006 (MEUR 61.0) to the first half of 2007 (MEUR 64.5).

The company will continue to invest in:

- Software platform based products in the Automotive Software Business Unit.
- Development of mobile WiMAX radio base station module products in the Radio Network Solutions Business Unit.
- Expanding the application domain and the product portfolio in the Wireless Communications Tools Business Unit.
- Widening the product portfolio of the Wireless Sensor Solutions Business Unit.
- The technical core competence areas defined in the strategy.
- Developing the Marketing and Sales capabilities.
- Building up efficient and unified structures and platforms to enable global business operations according to the strategy.



EB will continue actions to increase the productivity and improve the fixed costs efficiency of such operational activities as facilities, sourcing, logistics, information management and administration.

EB expects the operating loss in the second half of 2007 to reduce significantly compared to the operating loss of the first half of 2007 (MEUR -13.8), with the third and the fourth quarter of 2007 being approximately at the same level.

## RISKS AND UNCERTAINTIES

EB follows a risk management policy with the objective of covering risks related to business operations, properties, agreements, competences, currencies, financing and strategy. The company has identified risks and uncertainties related to such issues as strategy, business operations, personnel, product development, product liability, property and financing.

Among others, the following risks are related to the company's business operations:

In R&D services businesses the risks are mainly related to uncertainties of customers' product program decisions, their make or buy decisions, ramping up of project resources, timing of the most important technology components, competitive situation in the market, and to typical industry warranty and liability risks involved in selling R&D services. In the near term, additional risks emanate from ongoing restructuring of the telecommunications infrastructure industry.

In the technology product businesses the risks are related to potential market delays, short visibility to customer orders, timely closing of customer contracts, delays in R&D projects, activations based on customer contracts, obsolescence of inventories and technology risks in product development causing higher than planned R&D costs. Revenues expected to come from new products for existing and new customers include normal timing risks.

More information on the risks and uncertainties affecting EB can be found on the company website at [www.elektrobit.com/aboutelektrobit](http://www.elektrobit.com/aboutelektrobit).



## BALANCE SHEET AND FINANCING

The figures presented in the balance sheet of September 30, 2007, have been compared with the balance sheet of December 31, 2006 (EUR 1,000).

	09/2007	12/2006
Non-current assets	90.090	66.315
Inventories	8.738	13.878
Accounts and other receivables	53.770	57.518
Financing securities, cash and bank deposits	82.691	125.091
Current assets total	145.199	196.487
Total assets	235.289	262.803
Share capital	12.941	12.941
Other equity	155.462	173.513
Minority interest		2.107
Total shareholders' equity	168.403	188.562
Non-current liabilities	29.698	23.728
Current liabilities	37.188	50.513
Total shareholders' equity and liabilities	235.289	262.803

Net cash flow from operations during the period under review:

<i>+ net profit +/- adjustment of accrual basis items</i>	<i>EUR –11.9 million</i>
<i>- increase in net working capital</i>	<i>EUR –6.7 million</i>
<i>+ interest, taxes and dividends</i>	<i>EUR 0.2 million</i>
<i>= cash generated from operations</i>	<i>EUR –18.4 million</i>
<i>- net cash used in investment activities</i>	<i>EUR –6.1 million</i>
<i>- net cash used in financing</i>	<i>EUR –17.9 million</i>
<i>= net change in cash and cash equivalents</i>	<i>EUR –42.4 million</i>

The amount of accounts and other receivables, booked in current receivables, was EUR 53.8 million (EUR 57.5 million on December 31, 2006), while accounts and other payables, booked in interest-free current liabilities, were at EUR 28.3 million (EUR 35.3 million on December 31, 2006).

The amount of non-depreciated consolidation goodwill at the end of the period under review was EUR 21.7 million (EUR 8.2 million on December 31, 2006) and depreciation on business acquisitions during the reporting period amounted to a total of EUR 2.1 million (compared to EUR 1.4 million during the corresponding period in 2006).



The amount of net investments in the period under review was EUR 32.4 million, consisting of replacement investments and items created by business acquisitions and the sale of the Production Solutions business. The total amount of depreciation during the period under review was EUR 8.4 million, including EUR 2.1 million of depreciation owing to business acquisitions.

EB's other long-term investments include an investment portfolio with a book value of approximately EUR 10.9 million, which mainly consists of long-term bonds. The portfolio is valued at market value on September 30, 2007.

The amount of interest-bearing debt at the end of the reporting period was EUR 32.7 million. The distribution of net financing expenses on the income statement was as follows:

interest, dividend and other financial income	EUR 1.9 million
interest expenses	EUR -1.2 million
foreign exchange gains and losses	EUR 0.5 million

EB's equity ratio at the end of the period was 72.1 per cent (compared with 72.2 per cent at the end of 2006).

The figures from the period under review do not include any of the statutory reserves stipulated in Chapter 5, section 14 of the Accounting Act.

EB follows a currency strategy, the objective of which is to ensure the margins of business operations in changing market circumstances by minimising the influence of exchange rates. In accordance with the principles of the currency strategy, the upcoming 12-month net cash flow of the currency in question is hedged. The net cash flow is determined on the basis of sales receivables, payables, the order book and the budgeted net currency cash flow. The hedged foreign currency exposure at the end of the review period was equivalent to EUR 22.6 million.

## PERSONNEL

EB employed an average of 1 673 people between January and September 2007. At the end of September, EB had 1 766 employees (1621, Continuing Operations, at the end of 2006). A significant part of EB's personnel are product development engineers.

## PUBLIC REPRIMAND BY THE FINANCIAL SUPERVISION AUTHORITY

The Financial Supervision Authority issued on 21 September, 2007 a public reprimand to Elektrobit Corporation according to which the company failed to disclose without undue delay its decision to



withdraw from the original design with partnered manufacturing business model in 3G smartphones.

EB has a different view on the matter of the reprimand and believes to have acted diligently in the matter. The company has made a severe internal investigation of the matter and given the answers requested to the Financial Supervision. The company abides by the decision.

According to the Financial Supervision Authority, the decision to withdraw from the said business model was information that had a material effect on the value of the company's security. The Financial Supervision Authority considers that the obligation to disclose the information was triggered on 30 November 2006 at the latest, when the CEO of the company informed the company's Board of Directors of the withdrawal decision. The company did not disclose the information until in its financial bulletin on 7 February 2007.

According to the Financial Supervision Authority, the earlier coherent disclosure in the company's stock exchange and press releases of the manufacturing of smartphones by using the original design with partnered manufacturing business model and of the contracts related to the project seem to indicate that also the company has considered the issue as material. The materiality is also supported by market reactions. The decision to withdraw from the business model should have been disclosed by means of a separate stock exchange release on 30 November 2006 at the latest. Elektrobit has thus violated the regulations and its conduct has, in the Financial Supervision's view, been at the least negligent. However, when judged as a whole, the matter does not give rise to more severe measures than a public reprimand.

## OPTION RIGHTS

I. The Annual General Meeting of March 17, 2005 decided to authorise the Board of Directors to issue option rights. By virtue of the authorisation the Board of Directors granted 4,500,000 option rights to the company's management and EB's fully owned subsidiary serving as a reserve company in the stock option scheme. Subscriptions made by virtue of the 2005 option rights may increase the share capital of Elektrobit Corporation by a maximum of EUR 450,000 and the number of shares by a maximum of 4,500,000.

II. The Annual General Meeting held on March 15, 2006 decided that option rights with a commitment to shareholding be granted to Elektrobit Corporation's new directors. The number of option rights granted totals 1,750,000, of which 750,000 were granted to the Chairman of the Board and 1,000,000 were granted to the CEO. Subscriptions made by virtue of the said option rights might increase the share capital of Elektrobit Corporation by a maximum of EUR 175,000 and the number of shares by a maximum of 1,750,000 new shares.



## THE AUTHORISATIONS OF THE BOARD OF DIRECTORS AT THE END OF THE REPORTING PERIOD

The Annual Shareholders' Meeting held on March 14, 2007 resolved to authorize the Board of Directors to repurchase shares of the company as follows: The amount of the repurchased own shares shall not be more than 12,500,000 shares, which represents approximately 9.66 per cent of all the shares of the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorization. Own shares can be repurchased at a price determined in public trading on the date of repurchase or otherwise on the market. The Board of Directors shall resolve on how the repurchase of shares is carried out. The repurchase can be carried out by using, among others, derivatives. Shares may be repurchased also otherwise than in proportion to the shares owned by the shareholders of the company (directed repurchase of shares). The authorization is effective until 30 June 2008.

The Annual Shareholders' Meeting held on March 14, 2007 authorized the Board of Directors to resolve on the issuance of shares and stock options and other special rights entitling to shares subject to chapter 10, section 1 of the Companies Act as follows: The aggregate number of shares issued on the basis of the authorization may not exceed 25,000,000 shares, which represents approximately 19.3 per cent of all the shares of the company. The Board of Directors is authorized to resolve on all the terms and conditions concerning the issue of shares and stock options and other special rights entitling to shares. The authorization concerns both the issuance of new shares and transfer of the company's own shares. Issuance of shares and other special rights entitling to shares can be carried out as a directed issue.

## FLAGGING NOTIFICATIONS

There were no changes in ownership during the period under review that would have caused flagging notifications which are obligations for disclosure in accordance with Chapter 2, section 9 of the Securities Market Act.

## BOARD OF DIRECTORS AND AUDITOR

The Annual Shareholders' Meeting held on March 14, 2007 fixed the number of the Board members to six (6). Mr. J.T. Bergqvist, Mr. Jukka Harju, Mr. Juha Hulkko, Mr. Matti Lainema, Mr. Juha Sipilä and Mr. Tapio Tammi were elected as Board members. The term of office of the Board members will end at the next Annual Shareholders' Meeting. At its assembly meeting held on March 14, 2007 the Board of Directors elected J.T. Bergqvist as the Chairman of the Board.

The Annual Shareholders' Meeting elected Ernst & Young Oy, an auditing entity authorized by the Central Chamber of Commerce, as the auditor of the company.





#### DIVIDEND FROM 2006

The Annual Shareholders' Meeting of March 14, 2007 approved the Board of Directors' proposal to pay dividend of EUR 0.11 per share, a total of EUR 14,235,395.90, for the financial period from January 1 to December 31, 2006. The payment date of the dividend was March 26, 2007.

#### AMENDMENT OF THE ARTICLES OF ASSOCIATION AND THE COMPANY NAME CHANGE

The Annual Shareholders' Meeting held of March 14, 2007 approved the Board of Directors' proposal to amend the Articles of Association mainly due to the new Companies Act, which entered into force on September 1, 2006. Simultaneously the company name was changed into Elektrobit Oyj, in English Elektrobit Corporation. By virtue of the registration of the changes, the amendments of the Articles of Association and the company's new name became effective on March 23, 2007.

Oulunsalo, November 7, 2007

EB, Elektrobit Corporation  
The Board of Directors

#### Further Information:

Pertti Korhonen  
CEO  
Tel. +358 40 344 5148

Seppo Laine  
CFO  
Tel. +358 40 344 2250

Susanna Marklund  
Director, Investor and Press Relations  
Tel. +358 40 344 5321

Distribution:  
OMX Nordic Exchange Helsinki  
Principal financial media



## INVITATION TO PRESS CONFERENCES ON EB'S Q3 RESULT

EB (Elektrobit Corporation) will hold press conferences for media, analysts and institutional investors concerning the Interim Report Q3 2007 on November 7, 2007 as follows:

In Oulu at 9.15 – 10.00 am. (EET)  
Restaurant Kastari, the University of Oulu  
Pentti Kaiteran katu 1

In Helsinki at 1.30 – 2.30 pm. (EET)  
Restaurant Savoy  
Eteläesplanadi 14  
Cabinets II-III, 7th floor

The Helsinki conference will be audio webcast and published live on the Internet on <http://wcast.goodmood.tv:80/wip/directlink.do?newbrowser=1&pid=1863438>. There will be a possibility to present questions in place as well as by calling to the following conference call numbers:

Participants - Finland: +358 (0)9 2313 9201  
Participants - UK: +44 (0)20 7162 0025  
Participants - US: +1 877 491 0064

An on-demand version of the audio webcast will be available after the conference on EB's website [www.elektrobit.com/investors](http://www.elektrobit.com/investors). The presentation material will be available after the publication of the Interim Report on the same address.

## CONSENSUS ESTIMATE

EB consensus estimates made by the analysts who observe the company is updated a week before the release of the financial report. The latest estimate is available on the company website [www.elektrobit.com/investors](http://www.elektrobit.com/investors).

November 7, 2007  
Elektrobit Corporation  
Corporate Communications



# **EB, ELEKTROBIT CORPORATION, INTERIM REPORT JANUARY – SEPTEMBER 2007**

(unaudited)

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting.

<b>CONSOLIDATED INCOME STATEMENT (MEUR)</b>	<b>1-9/2007</b>	<b>1-9/2006</b>	<b>1-12/2006</b>
	<b>9 months</b>	<b>9 months</b>	<b>12 months</b>
<b>Continuing operations</b>			
NET SALES	99.7	87.1	120.5
Other operating income	3.6	0.5	1.8
Change in work in progress and finished goods	2.6	0.5	0.6
Work performed by the undertaking for its own purpose and capitalized	0.4	0.2	0.3
Raw materials	-7.0	-5.0	-7.1
Personnel expenses	-69.9	-54.7	-78.4
Depreciation	-8.4	-6.1	-8.2
Other operating expenses	-39.0	-23.3	-35.5
OPERATING PROFIT (LOSS)	-17.8	-0.8	-6.0
Financial income and expenses	1.1	-0.3	-0.0
RESULT BEFORE TAXES	-16.7	-1.1	-6.1
Income taxes	0.0	-0.4	-0.1
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-16.7	-1.5	-6.1
Result after taxes for the period from discontinued operations	12.7	6.7	80.3
RESULT FOR THE PERIOD	-4.0	5.2	74.2
Attributable to			
Equity holders of the parent	-4.0	5.0	73.9
Minority interest	-0.0	0.2	0.3
Earnings per share EUR continuing operations			
Basic earnings per share	-0.13	-0.01	-0.05
Diluted earnings per share	-0.13	-0.01	-0.05
Earnings per share EUR discontinued operations			
Basic earnings per share	0.10	0.05	0.62
Diluted earnings per share	0.10	0.05	0.62
Earnings per share EUR continuing and discontinued operations			
Basic earnings per share	-0.03	0.04	0.57



Diluted earnings per share	-0.03	0.04	0.57
Average number of shares, 1000 pcs	129 413	129 413	129 413

<b>CONSOLIDATED BALANCE SHEET (MEUR)</b>	<b>Sept. 30, 2007</b>	<b>Sept. 30, 2006</b>	<b>Dec. 31, 2006</b>
--	---------------------------	---------------------------	--------------------------

#### ASSETS

##### Non-current assets

Property, plant and equipment	35.3	32.2	32.5
Goodwill	21.7	9.2	8.2
Intangible assets	17.5	11.3	10.6
Financial assets at fair value through profit or loss	10.9	10.5	10.7
Other financial assets	0.3	0.1	0.1
Receivables	0.2	1.7	1.6
Deferred tax assets	4.2	2.7	2.7
Non-current assets total	90.1	67.8	66.3

##### Current assets

Inventories	8.7	14.8	13.9
Trade and other receivables	53.8	57.7	57.5
Cash and short term deposits	82.7	45.6	125.1
Current assets total	145.2	118.1	196.5
<b>TOTAL ASSETS</b>	<b>235.3</b>	<b>185.9</b>	<b>262.8</b>

#### EQUITY AND LIABILITIES

##### Equity attributable to equity holders of the parent

Share capital	12.9	12.9	12.9
Share premium	64.6	64.6	64.6
Translation difference	-0.3	-0.1	-0.2
Retained earnings	91.1	38.8	109.2
Minority interest	0.0	1.9	2.1
<b>Total equity</b>	<b>168.4</b>	<b>118.1</b>	<b>188.6</b>

##### Non-current liabilities

Deferred tax liabilities	5.2	6.9	6.2
Interest-bearing liabilities	23.8	17.2	17.2
Other liabilities	0.7	0.1	0.3
<b>Non-current liabilities total</b>	<b>29.7</b>	<b>24.1</b>	<b>23.7</b>

##### Current liabilities

Trade and other payables	27.2	30.3	32.8
Pension obligations	1.1	0.8	0.8
Current tax liabilities	0.0	0.0	1.7
Interest-bearing loans and borrowings	8.9	12.6	15.2



Current liabilities total	37.2	43.6	50.5
Total liabilities	66.9	67.7	74.2
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>235.3</b>	<b>185.9</b>	<b>262.8</b>

<b>CONSOLIDATED CASH FLOW STATEMENT (MEUR)</b>	<b>1-9/2007</b>	<b>1-9/2006</b>	<b>1-12/2006</b>
	<b>9 months</b>	<b>9 months</b>	<b>12 months</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Result for the period	-4.0	5.0	73.9
Adjustment of accrual basis items	-7.9	11.0	-63.7
Change in net working capital	-6.7	-11.0	-7.4
Interest paid on operating activities	-1.3	-1.5	-1.9
Interest received from operating activities	2.6	1.2	1.8
Other financial income and expenses, net received	0.0	0.0	0.0
Income taxes paid	-1.1	-5.0	-4.1
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-18.4</b>	<b>-0.2</b>	<b>-1.4</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of business unit, net of cash acquired	-5.3		-0.3
Acquisition of minority interest	-10.2		
Disposal of business unit, net of cash acquired	14.9		81.1
Purchase of property, plant and equipment	-2.5	-1.6	-2.8
Purchase of intangible assets	-4.1	-0.8	-1.8
Purchase of other investments	-2.9	-4.1	-6.1
Sale of property, plant and equipment	0.5	0.2	2.9
Sale of intangible assets	0.7	0.1	0.0
Proceeds from sale of investments	2.8	4.1	5.6
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-6.1</b>	<b>-2.0</b>	<b>78.5</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing	4.2	1.4	4.2
Repayment of borrowing	-4.2	-2.7	-4.4
Payment of finance liabilities	-3.7	-2.4	-3.4
Dividends paid	-14.2	-9.1	-9.1
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-17.9</b>	<b>-12.8</b>	<b>-12.6</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-42.4</b>	<b>-15.0</b>	<b>64.5</b>
Cash and cash equivalents at beginning of period	125.1	60.6	60.6
Cash and cash equivalents at end of period	82.7	45.6	125.1



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MEUR)

A = Share capital  
B = Share premium  
C = Retained earnings  
D = Net profit for the period  
E = Minority interest  
F = Total equity

	A	B	C	D	E	F
Equity on January 1, 2006	12.9	64.6	42.7		1.8	122.0
Result for the period				5.0		5.0
Dividend distribution			-9.1			-9.1
Share-related compensation			0.6			0.6
Translation difference			-0.4		0.2	-0.2
Others			-0.2			-0.2
Equity on Sept. 30, 2006	12.9	64.6	33.7	5.0	1.9	118.1
Equity on January 1, 2007	12.9	64.6	108.9		2.1	188.6
Result for the period				-4.0		-4.0
Dividend distribution			-14.2			-14.2
Share-related compensation			0.9			0.9
Translation difference			0.0		-2.1	-2.1
Others			-0.6			-0.6
Equity on Sept. 30, 2007	12.9	64.6	94.9	-4.0	0.0	168.4

## NOTES TO THE INTERIM REPORT

### Accounting Principles for the Interim Report:

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

### Explanatory comments about the seasonality or cyclicity of interim operations:

The company operates in business areas which are subject to seasonal fluctuations.

### The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence:

During the first quarter, the purchase of minority shares of Elektrobit Automotive GmbH created a



goodwill of EUR 8.1 million. During the second quarter, the purchasing of DECOMSYS Beteiligungs GmbH and 7iD Technologies GmbH created a goodwill of EUR 5.5 million and a share of EUR 7.1 million of other intangible rights subject to depreciation. During the second quarter, the Production Solutions business was sold. The result of the Production Solutions business and the return from the sale of the Production Solutions business are presented in the income statement under Discontinued Operations.

#### **Dividends paid:**

According to the decision of the company's Annual Shareholders' Meeting held on March 14, 2007, dividend of EUR 0.11 per share, a total of EUR 14,235,395.90 was paid on March 26, 2007

<b>SEGMENT INFORMATION (MEUR)</b>	<b>1-9/2007</b>	<b>1-9/2006</b>	<b>1-12/2006</b>
<b>Continuing operations</b>	<b>9 months</b>	<b>9 months</b>	<b>12 months</b>
Automotive			
Net sales to external customers	36.4	27.5	38.9
Net sales to other segments	0.0	0.0	0.0
Net sales total	36.4	27.6	38.9
Operating profit (loss)	-0.3	1.2	2.1
Wireless			
Net sales to external customers	62.6	59.4	81.4
Net sales to other segments	0.7	1.7	2.2
Net sales total	63.3	61.2	83.6
Operating profit (loss)	-18.7	-2.1	-8.3
Other businesses			
Net sales to external customers	0.7	0.1	0.2
Net sales to other segments	0.0	4.5	9.4
Net sales total	0.7	4.7	9.6
Operating profit (loss)	1.1	0.1	0.1
Eliminations			
Net sales to external customers	0.0	0.0	0.0
Net sales to other segments	-0.7	-6.3	-11.7



Net sales total	-0.7	-6.3	-11.7
Operating profit (loss)	0.0	0.0	0.0
Group total			
Net sales to external customers	99.7	87.1	120.5
Operating profit (loss)	-17.8	-0.8	-6.0
<b>Net sales of geographical segments (MEUR)</b>	<b>1-9/2007</b>	<b>1-9/2006</b>	<b>1-12/2006</b>
	<b>9 months</b>	<b>9 months</b>	<b>12 months</b>
Net sales			
Europe	73.5	69.3	96.5
Americas	18.8	11.0	15.2
Asia	7.5	6.8	8.7
Net sales total	99.7	87.1	120.5

**Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period:**

There were no material events subsequent to the end of the interim period.

**The effect of changes in the composition of the group structure during the interim period:**

During the first quarter, Elektrobit Corporation acquired the minority shares of Elektrobit Automotive GmbH. During the second quarter, in June, Elektrobit Corporation purchased 100 per cent of the shares in DECOMSYS Beteiligungs GmbH. Additionally, Elektrobit Corporation purchased 7iD Technologies GmbH in June. Elektrobit Corporation sold its Production Solutions business as of June 1, 2007. The transaction comprised the subsidiaries belonging to the Production Solutions business.

<b>Related party transactions:</b>	<b>1-9/2007</b>	<b>1-9/2006</b>
Employee benefits for key management and stock option expenses total	1.9	1.4
Loans and guarantees to related party		
There have not been other transactions between the related parties		





<b>INCOME STATEMENT BY QUARTER (MEUR)</b>	<b>7-9/ 2007 3 months</b>	<b>4-6/ 2007 3 months</b>	<b>1-3/ 2007 3 months</b>	<b>10-12/ 2006 3 months</b>	<b>7-9/ 2006 3 months</b>
NET SALES	35.3	33.5	31.0	33.3	27.6
Other operating income	0.9	2.2	0.6	1.3	0.2
Change in work in progress and finished goods	0.1	0.6	1.9	0.1	0.3
Work performed by the undertaking for its own purpose and capitalized	0.2	0.2	0.0	0.1	0.1
Raw materials	-2.5	-2.4	-2.0	-2.1	-1.6
Personnel expenses	-22.6	-23.9	-23.4	-23.6	-18.3
Depreciation	-3.5	-2.5	-2.3	-2.1	-2.0
Other operating expenses	-11.8	-14.3	-12.9	-12.2	-8.8
OPERATING PROFIT (LOSS)	-4.0	-6.6	-7.2	-5.3	-2.5
Financial income and expenses	0.0	0.3	0.8	0.3	0.1
RESULT BEFORE TAXES	-4.0	-6.3	-6.4	-4.9	-2.4
Income taxes	0.0	-0.1	0.1	0.3	0.2
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-4.0	-6.4	-6.3	-4.6	-2.2
Result after taxes for the period from discontinued operations	-0.0	14.5	-1.8	73.7	2.9
RESULT FOR THE PERIOD	-4.0	8.1	-8.1	69.0	0.8
Attributable to					
Equity holders of the parent	-4.0	8.1	-8.1	68.9	0.7
Minority interest	0.0	0.0	-0.0	0.2	0.1

<b>BALANCE SHEET BY QUARTER (MEUR)</b>	<b>Sept. 30, 2007</b>	<b>June 30, 2007</b>	<b>March 31, 2007</b>	<b>Dec. 31, 2006</b>	<b>Sept. 30, 2006</b>
ASSETS					
Non-current assets					
Property, plant and equipment	35.3	35.0	34.6	32.5	32.2
Goodwill	21.7	21.1	16.2	8.2	9.2
Intangible assets	17.5	16.8	10.6	10.6	11.3
Financial assets at fair value through profit or loss	10.9	10.9	10.8	10.7	10.5
Other financial assets	0.3	0.4	0.1	0.1	0.1
Receivables	0.2	0.1	0.2	1.6	1.7
Deferred tax assets	4.2	3.5	3.5	2.7	2.7



Non-current assets total	90.1	87.7	76.0	66.3	67.8
Current assets					
Inventories	8.7	8.8	16.3	13.9	14.8
Trade and other receivables	53.8	53.8	52.7	57.5	57.7
Cash and short term deposits	82.7	98.7	96.6	125.1	45.6
Current assets total	145.2	161.3	165.6	196.5	118.1
<b>TOTAL ASSETS</b>	<b>235.3</b>	<b>249.1</b>	<b>241.6</b>	<b>262.8</b>	<b>185.9</b>

#### EQUITY AND LIABILITIES

Equity attributable to equity holders  
of the parent

Share capital	12.9	12.9	12.9	12.9	12.9
Share premium	64.6	64.6	64.6	64.6	64.6
Translation difference	-0.3	-0.1	-0.2	-0.2	-0.1
Retained earnings	91.1	94.9	87.0	109.2	38.8
Minority interest	0.0	0.0	0.0	2.1	1.9
<b>Total equity</b>	<b>168.4</b>	<b>172.3</b>	<b>164.3</b>	<b>188.6</b>	<b>118.1</b>

#### Non-current liabilities

Deferred tax liabilities	5.2	5.6	6.3	6.2	6.9
Interest-bearing liabilities	23.8	28.0	22.3	17.2	17.2
Other liabilities	0.7	0.7	0.3	0.3	0.1
<b>Non-current liabilities total</b>	<b>29.7</b>	<b>34.3</b>	<b>28.9</b>	<b>23.7</b>	<b>24.1</b>

#### Current liabilities

Trade and other payables	27.2	30.8	34.1	34.5	30.3
Pension obligations	1.1	0.9	0.8	0.8	0.8
Interest-bearing loans and borrowings (non-current)	8.9	10.7	13.6	15.2	12.6
<b>Current liabilities total</b>	<b>37.2</b>	<b>42.4</b>	<b>48.5</b>	<b>50.5</b>	<b>43.6</b>
<b>Total liabilities</b>	<b>66.9</b>	<b>76.8</b>	<b>77.3</b>	<b>74.2</b>	<b>67.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>235.3</b>	<b>249.1</b>	<b>241.6</b>	<b>262.8</b>	<b>185.9</b>

#### FINANCIAL PERFORMANCE RELATED RATIOS

	<b>1-9/2007</b>	<b>1-9/2006</b>	<b>1-12/2006</b>
	<b>9 months</b>	<b>9 months</b>	<b>12 months</b>

#### INCOME STATEMENT (MEUR)

Net sales	99.7	87.1	120.5
Operating profit (loss)	-17.8	-0.8	-6.0
Operating profit (loss), % of net sales	-17.9	-0.9	-5.0
Result before taxes	-16.7	-1.1	-6.1
Result before taxes, % of net sales	-16.8	-1.3	-5.0
Result for the period	-16.7	-1.5	-6.1



#### PROFITABILITY AND OTHER KEY FIGURES

Interest-bearing net liabilities, (MEUR)	-50.0	-15.8	-92.7
Net gearing, %	-29.7	-13.4	-49.2
Equity ratio, %	72.1	64.3	72.2
Gross investments, (MEUR)	38.1	9.7	16.4
Average personnel during the period	1673	1360	1424
Personnel at the period end	1766	1473	1621

#### AMOUNT OF SHARE ISSUE ADJUSTMENT (1,000 pcs)

**Sept. 30,**      **Sept. 30,**      **Dec. 31,**  
**2007**              **2006**              **2006**

At the end of period	129 413	129 413	129 413
Average for the period	129 413	129 413	129 413
Average for the period diluted with stock options	129 413	129 413	129 413

#### STOCK-RELATED FINANCIAL RATIOS (EUR)

**1-9/2007**      **1-9/2006**      **1-12/2006**  
**9 months**      **9 months**      **12 months**

Basic earnings per share	-0.13	-0.01	-0.05
Diluted earnings per share	-0.13	-0.01	-0.05
Equity *) per share	1.30	0.90	1.44

\*) Equity attributable to equity holders of the parent

#### MARKET VALUES OF SHARES (EUR)

**1-9/2007**      **1-9/2006**      **1-12/2006**

Highest	2.48	2.56	2.56
Lowest	1.51	1.89	1.82
Average	1.95	2.23	2.18
At the end of period	1.85	2.07	2.06
Market value of the stock, (MEUR)	239.4	267.9	266.6
Trading value of shares, (MEUR)	47.7	53.3	72.4
Number of shares traded, (1,000 pcs)	24 444	23 918	33 206
Related to average number of shares %	18.9	18.5	25.7

#### SECURITIES AND CONTINGENT LIABILITIES (MEUR) \*)

**Sept. 30,**      **Sept. 30,**      **Dec. 31,**  
**2007**              **2006**              **2006**



#### AGAINST OWN LIABILITIES

Floating charges	3.1	3.0	3.0
Mortgages	18.0	18.0	18.0
Pledges	7.9	7.2	7.1

Mortgages are pledged for liabilities totalled	17.8	13.7	13.4
--	------	------	------

#### OTHER DIRECT AND CONTINGENT LIABILITIES

##### Rental liabilities

Falling due in the next year	2.9	2.7	3.1
Falling due after one year	4.1	3.3	3.7

\*) The comparison data does not include contingent liabilities relating to discontinued operations

<b>NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)</b>	<b>Sept. 30, 2007</b>	<b>Sept. 30, 2006</b>	<b>Dec. 31, 2006</b>
---	---------------------------	---------------------------	--------------------------

##### Foreign exchange forward contracts

Market value	0.1	-0.0	-0.0
Nominal value	22.6	8.9	9.5

##### Purchased currency options

Market value		0.1	0.0
Nominal value		6.5	2.5

##### Sold currency options

Market value		-0.1	-0.0
Nominal value		13.0	5.0