Tecnomen Corporation STOCK EXCHANGE RELEASE
24 October 2007 at 8.30 am

TECNOMEN'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2007 (unaudited)

Net sales in the third quarter of the year increased 12.9 per cent to EUR 19.1 (16.9) million, and the operating result for the quarter was good, EUR 5.2 (0.9) million. The operating cash flow was EUR 2.9 (1.8) million. Net sales for the January – September review period totalled EUR 51.0 (51.7) million and the operating result increased 66.8 per cent to EUR 7.1 (4.3) million. The operating cash flow was EUR -5.3 (-3.2) million. The order book at the close of the period stood at EUR 17.1 (18.5) million.

KEY FIGURES	7-9/07	7-9/06	1-9/07	1-9/06	2006
Net sales, MEUR	19.1	16.9	51.0	51.7	71.8
Net sales, change %	12.9	-13.2	-1.5	1.2	4.1
Operating result, MEUR	5.2	0.9	7.1	4.3	4.9
% of net sales	27.2	5.3	14.0	8.3	6.8
Profit before taxes, MEUR	4.8	1.7	7.3	4.8	5.2
% of net sales	25.2	10.2	14.3	9.2	7.3
Result for the period	4.4	1.4	6.5	3.7	3.2
Earnings per share, basic, EUR	0.08	0.02	0.11	0.06	0.06
Earnings per share, diluted, EUR	0.07	0.02	0.11	0.06	0.05
Order book, MEUR			17.1	18.5	15.0
Cash flow, MEUR	2.9	-4.1	-11.1	-9.7	-12.8
Operating cash flow, MEUR	2.9	1.8	-5.3	-3.2	-6.6
Cash funds, MEUR			9.2	23.5	20.4
Equity ratio, %			84.7	85.3	84.3
Gearing, %			-12.1	-31.4	-27.4
Personnel at end of period	352	395	352	395	374

President and CEO Jarmo Niemi:

"Tecnomen's third quarter result was good. Net sales in the first nine months were almost as high as in the previous year, and the result was significantly better than in the previous year.

The performance of the Messaging business unit continued to be positive. During the review period the unit's net sales grew 46 %, with much stronger growth than this in the expanding Middle East and African markets. The unit recorded an operating profit of almost 30 % of net sales.

Net sales of the Charging business unit declined 30 % in January-September from the corresponding period in the previous year. Factors behind this decline were the poor first quarter and the weakening of the dollar that continued throughout the nine month period. The unit's operating profit in the third quarter was similar to that in the second quarter and more than 15 % of net sales. As a result, the unit's operating result for the full review period was clearly positive."

This interim report has been prepared in accordance with IFRS recognition and measurement principles. Unless otherwise stated, all figures presented below are for the review period 1-9/2007 and the figures for comparison are for the corresponding period 1-9/2006.

The formulas and principles used for calculating the key figures presented in the interim report are the same as those published in the 2006 Annual Report.

SALES AND NET SALES

Tecnomen’s net sales in January - September decreased by 1.5 per cent to EUR 51.0 (51.7) million.

EUR 38.0 million of the sales in the review period has been recognised in accordance with IAS 11 (Construction contracts) and EUR 12.9 million in accordance with IAS 18 (Revenues).

Net sales by geographical area were: Americas 50.1 per cent (62.7 %), EMEA 42.5 per cent (27.0 %) and APAC 7.4 per cent (10.3 %).

Net sales by product line were: Messaging 55.9 per cent (37.7 %) and Charging 44.1 per cent (62.3 %).

Sales through global partners totalled EUR 17.1 (10.6) million or 33.5 per cent (20.4 %) of net sales.

Maintenance and service sales totalled EUR 10.0 million (7.6) or 19.7 per cent (14.7 %) of net sales.

The order book stood at EUR 17.1 (18.5) million at the end of the review period. Americas accounted for 51.9 per cent of the order book, EMEA for 38.9 per cent and APAC for 9.2 per cent.

OPERATING RESULT

The operating profit for January – September was EUR 7.1 (4.3) million. Factors contributing to this improvement were lower material, service and employee benefit costs than in the previous year.

During the nine month review period the product development costs capitalised and amortised were similar to those in the previous year. However the impact on the third quarter result was EUR 1.0 million more positive than in the corresponding period in the previous year. This was because more of the product development activities in the third quarter this year were on projects that had been capitalised.

The result for the period before taxes was EUR 7.3 (4.8) million.

Earnings per share were EUR 0.11 (0.06). Equity per share at the end of the period was EUR 1.28 (1.27).

FINANCING AND INVESTMENTS

Tecnomen’s liquid assets totalled EUR 9.2 (23.5) million. The cash flow for the nine month review period was EUR -11.1 million. The third quarter cash flow was EUR +2.9 million. The first quarter cash flow included a repayment of capital to shareholders of EUR 5.9 million.

The balance sheet total on 30 September 2007 stood at EUR 89.2 (88.2) million. Interest-bearing liabilities amounted to EUR 0.0 (0.0) million. The debt to equity ratio (gearing) was –12.1 per cent (-31.4 %). The balance sheet structure remained strong and the equity ratio on 30 September 2007 was 84.7 per cent (85.3 %).

Tecnomen’s gross capital expenditure during the review period, excluding the capitalisation of development costs, was EUR 0.8 (2.0) million or 1.6 per cent (3.8 %) of net sales.

Financial income and expenses (net) during the review period totalled EUR 0.2 (0.5) million. The net effect of assessing foreign currency balance sheet items was EUR -0.0 (0.0) million, the loss from assessing the fair value of funds was EUR –0.2 (0.2) million, and other financial income totalled EUR 0.4 (0.3) million.

CHANGE IN WORKING CAPITAL, MEUR (increase - / decrease +)	1-9/07	1-9/06
Change in accounts receivable	6.6	4.7
Change in other short-term receivables	-15.4	-7.1
Change in inventories	-0.4	-1.7
Change in accounts payable	-1.4	-0.3
Change in other current liabilities	2.4	1.9
CHANGE IN WORKING CAPITAL, TOTAL	-8.2	-2.5

MARKETS

Messaging

The positive developments in the Messaging business area continued especially in the Middle East and Africa during the third quarter. In addition the unit supplied system expansions and signed new maintenance agreements in Latin America. Net sales from maintenance agreements also increased in Asia and remained at a strong level in Europe.

Charging

The growth in subscriber numbers continued in South and Central America and in Africa. During the third quarter Tecnomen won major orders for system expansions in Latin America. Work on the delivery projects for these and the orders received in the second quarter progressed according to plan.

RESEARCH AND DEVELOPMENT

Research and development costs during the review period were EUR 11.6 (9.4) million, corresponding to 22.7 per cent (18.1 %) of net sales. EUR 5.5 (4.5) million of development costs were capitalised during the review period and will be amortised over 3-5 years from the start of commercial use. R&D costs of EUR 1.6 (0.6) million were amortised during the review period.

PERSONNEL

At the end of September 2007 Tecnomen employed 352 (395) persons, of whom 89 (128) worked in Finland and 263 (267) elsewhere. The company employed on average 354 (389) people during the review period. Personnel by geographical area were as follows:

	1-9/2007	1-9/2006	2006
Personnel, at end of period	352	395	374
Americas	64	66	65
EMEA	261	306	286
APAC	27	23	23
Personnel, average	354	389	387
Personnel expenses before R&D capitalisation (MEUR)	18.2	20.2	27.5

TECNOMEN SHARES AND SHARE CAPITAL

At the end of September 2007 the shareholders' equity of Tecnomen Corporation stood at EUR 75.6 (74.7) million and the share capital was EUR 4,720,446.24. The company had a total of 59,072,078 shares. The company held 134,800 of these shares, which represents 0.23 per cent of the company's share capital and votes. Equity per share was EUR 1.28 (1.27).

A total of 29,373,854 Tecnomen shares (EUR 41,649,807) were traded on the Helsinki Exchanges during the period 2 January – 30 September 2007, representing 49.57 per cent of the total number of shares.

The highest share price quoted in the period was EUR 1.83 and the lowest EUR 1.22. The average quoted price was EUR 1.42 and the closing price on 30 September 2007 was EUR 1.31. The market capitalisation of the share stock at the end of the period was EUR 77,384,422.

The Annual General Meeting of Tecnomen Corporation held on 14 March 2007 resolved to distribute EUR 0.10 per share from the unrestricted equity fund to the shareholders in proportion to their holdings. Payment was made to shareholders registered on 19 March 2007 in the company’s shareholder register maintained by the Finnish Central Securities Depository Ltd. The capital repayment date was 26 March 2007. The payment was made on 58,833,178 shares, giving an aggregate total payment of EUR 5,883,317.80. The capital repayment was not made on the shares in the company’s own possession (134,800 shares).

CURRENT AUTHORISATIONS

On 30 September 2007 Tecnomen’s Board of Directors held the following valid authorisations given by the Annual General Meeting on 14 March 2007:

Authorisation to decide on acquiring a maximum of 5,800,000 of the Company’s own shares. Own shares may be acquired with unrestricted shareholders’ equity at the market price of the shares at the time of the acquisition. The shares can be acquired for the purpose of developing the capital structure of the Company, carrying out corporate acquisitions or other business arrangements to develop the business of the Company, financing capital expenditure, to be used as part of the Company’s incentive schemes, or to be otherwise retained in the possession of the Company, disposed of or nullified in the extent and manner decided by the Board of Directors.

Authorisation to decide on issuing a maximum of 17,800,000 new shares and/or conveying the Company’s own shares either against payment or for free. The new shares may be issued and the Company’s own shares may be conveyed to the Company’s shareholders in proportion to their current shareholdings in the Company or waiving the shareholder’s pre-emption right through a directed share issue, if the Company has weighty financial grounds for doing so. Such grounds could be to develop the capital structure of the Company, to carry out corporate acquisitions or other business arrangements to develop the business of the Company, to finance capital expenditure, or to use the shares as part of the Company’s incentive schemes in the extent and manner decided by the Board of Directors.

Authorisation to decide on a free share issue to the Company itself. The number of shares to be issued to the Company, with the shares acquired by the Company under the authorisation to acquire own shares, shall be a maximum of one tenth (1/10) of all the Company’s shares.

Authorisation to decide to grant special rights by conveying, against payment, new shares of the Company or the Company’s own shares held by the Company.

STOCK OPTION PROGRAMMES

The company currently has a 2002 stock option programme and a 2006 stock option programme.

The subscription periods for the 2002 stock options are: for the 2002C stock option 1 April 2005 – 30 April 2007 and for the 2002D stock option 1 April 2006 – 30 April 2008. The last exercise date for the 2002B stock option was 30 April 2007. The share subscription price for stock option 2002C is EUR 0.24 and for stock option 2002D EUR 1.11. The amount of the capital repayment per share (EUR 0.10) has been deducted from the subscription prices.

During the review period a total of 66,500 new shares were subscribed with the 2002C stock options.

The 2006 stock option programme is divided into three series: the 2006A, 2006B and 2006C stock options. A maximum of 2,001,000 stock options may be issued, which entitle holders to subscribe for altogether 2,001,000 Tecnomen shares. The subscription period for the 2006A stock option is 1 April 2007 – 30 April 2010, for the 2006B stock option 1 April 2008 – 30 April 2011 and for the 2006C stock option 1 April 2009 – 30 April 2012. The share subscription price for 2006A stock options is EUR 2.61, for 2006B stock options EUR 1.46, and for 2006C stock options the trade-weighted average price of the Company share on the Helsinki Exchanges during 1 January – 31 March 2008. Tecnomen's Board of Directors has issued 436,000 2006A stock options to key personnel of Tecnomen Group. The remaining 2006 stock options have been issued to Tecnomen Japan Oy, a wholly owned Tecnomen subsidiary, for issuing at a later date to current or future key Group personnel.

SEGMENT INFORMATION

The Group's organisation as from 1 October 2006 comprises the Messaging and Charging business units and support functions. Based on this organisation, as from the beginning of this year the primary segments in Tecnomen Group's financial reporting, in accordance with IFRS, are the Messaging and Charging product lines. This is because these are two clearly distinct businesses and they are also being monitored in the company's internal financial reporting as separate business units as from the beginning of this year.

RISK MANAGEMENT AND UNCERTAIN FACTORS

The greatest risks in Tecnomen's operations are related to major customer and partner relationships, to agreements made with these, and to the correct timing of product development decisions.

Tecnomen's largest customers are much bigger businesses than the company itself and the five largest customers account for more than half of net sales. The relationship between the company and its major customers is one of interdependence, which poses a potential risk but also offers significant new business opportunities.

Certain commitments are associated with the project and maintenance agreements made by the company, and unforeseen costs may arise in the future from these agreements. The company aims to limit these liabilities with limitation of liability clauses in customer contracts. In addition the company has a current global liability insurance to cover any liabilities that may materialise in connection with customer projects.

Project deliveries result in large accounts receivable. The payment record of customers and the situation concerning receivables are actively monitored and credit rating checks are made on new customers before confirming an offer.

Changes in exchange rates create risks especially in sales activities. A significant part of the company's net sales is in US dollars. The company hedges its currency denominated net position for a maximum period of 12 months, using currency forward contracts and currency options. Liquid funds are invested, avoiding credit and liquidity risks, in money-market deposits and short-term interest funds with a good credit rating.

Carrying out projects creates risks. They are contained for example in projects that require new product development, where creating new product features may prove more difficult than anticipated. Another problem with project sales arises from variations in net sales and profit during the different quarters of the year. Forecasting these variations is often difficult.

Tecnomen operates in a rapidly changing sector. When making R&D decisions there is the risk that the choice made may not bring the expected returns.

Tecnomen's risks and uncertainties in the near future relate to major projects that are under negotiation and to their timing.

EVENTS AFTER THE END OF THE PERIOD

No significant events have occurred after the end of period.

PROSPECTS FOR 2007

Net sales in 2007 are expected to be at the same level as in 2006 and the operating result to be better than in 2006. Variations between the different quarters of the year are considerable.

FINANCIAL INFORMATION

Tecnomen is holding a conference to announce its third-quarter results at 10.00 am on 24 October 2007 in the Tapiola conference room at the Scandic Hotel Simonkenttä in Helsinki. The material presented at the press conference will be available at www.tecnomen.com.

TECNOMEN CORPORATION

Board of Directors

FURTHER INFORMATION
Mr Jarmo Niemi, President and CEO, tel. +358 (0)9 8047 8799
Mr Tuomas Wegelius, CFO, tel. +358 (0)9 8047 8650

DISTRIBUTION
Helsinki Exchanges
Main media

CONSOLIDATED INCOME STATEMENT, MEUR	7-9/07	7-9/06	1-9/07	1-9/06	2006
NET SALES	19.1	16.9	51.0	51.7	71.8
Other operating income	0.1	0.0	0.2	0.3	0.3
Materials and services	-3.6	-3.9	-10.5	-13.4	-18.8
Employee benefit expenses	-5.1	-6.4	-16.6	-18.6	-25.6
Depreciation	-1.1	-0.9	-3.2	-2.1	-3.0
Other operating expenses	-4.2	-4.8	-13.8	-13.6	-19.8
OPERATING RESULT	5.2	0.9	7.1	4.3	4.9
Financial income	-0.2	0.9	1.1	1.5	2.1
Financial expenses	-0.2	-0.1	-0.9	-1.0	-1.7
RESULT BEFORE TAXES	4.8	1.7	7.3	4.8	5.2
Income taxes	-0.4	-0.3	-0.8	-1.1	-2.0
RESULT FOR THE PERIOD	4.4	1.4	6.5	3.7	3.2
Earnings per share, basic, EUR	0.08	0.02	0.11	0.06	0.06
Earnings per share, diluted, EUR	0.07	0.02	0.11	0.06	0.05

CONSOLIDATED BALANCE SHEET, MEUR	30.9.2007	31.12.2006	30.09.2006
Assets			
Goodwill	0.7	0.7	0.7

Other intangible assets	14.6	10.6	9.4
Tangible assets	8.0	8.8	9.0
Long-term trade and other receivables	0.7	0.5	0.5
Current assets			
Inventories	2.3	1.9	4.0
Trade receivables	19.4	26.2	16.6
Other receivables	34.4	19.7	24.6
Cash and cash equivalents	9.2	20.5	23.4
TOTAL ASSETS	89.2	88.8	88.2
Shareholders' equity	75.6	74.6	74.7
Non-current liabilities			
Long-term non-interest bearing liabilities	0.1		0.1
Deferred tax liabilities	3.2	2.6	2.3
Current liabilities			
Short-term non-interest bearing liabilities	10.4	11.5	11.1
EQUITY AND LIABILITIES	89.2	88.8	88.2

CHANGE IN SHAREHOLDERS' EQUITY, MEUR

MEUR	Share capital	Share premium fund	Other reserves	Own shares	Translation difference	Invested non-restricted equity reserve	Retained earnings	Total
Shareholders' equity 1 Jan. 2007	4.7	0.8	60.6	-0.1	0.2	0.0	8.4	74.6
Translation difference					0.0			0.0
Net gain recognised directly in shareholders' equity					0.0			0.0
Result for the period							6.5	6.5
Total profits and losses recognised during period					0.0		6.5	6.5
Capital repayment			-5.9					-5.9
Options exercised						0.0		0.0
Share-based payments							0.1	0.1
Other adjustments							0.1	0.1
Shareholders' equity 30 Sep. 2007	4.7	0.8	54.7	-0.1	0.2	0.1	15.1	75.6

In March 2007 a capital repayment of altogether EUR 5,883,317.80 was made, or EUR 0.10 per share on 58,833,178 shares.

MEUR	Share capital	Share premium fund	Other reserves	Own shares	Translation difference	Retained earnings	Total
Shareholders' equity 1 Jan. 2006	4.6	66.2	0.3	-0.1	0.2	6.0	77.3
Translation difference					-0.2		-0.2
Net gain recognised directly in shareholders' equity					-0.2		-0.2
Result for the period						3.7	3.7
Total profits and losses recognised during period					-0.2	3.7	3.5
Dividend paid						-1.2	-1.2
Options exercised	0.1	0.8					0.9
Share-based payments						0.1	0.1
Capital repayment		-5.9					-5.9
Transfer of share premium fund to fund in unrestricted equity		-60.3	60.3				
Shareholders' equity 30 Sep. 2006	4.7	0.8	60.6	-0.1	0.0	8.7	74.7

CONSOLIDATED CASH FLOW STATEMENT, MEUR	1-9/2007	1-9/2006
Cash flow from operating activities		
Result for the period	6.5	3.7
Adjustments	2.0	1.5
Interest income	-0.6	-0.7
Interest expense	0.4	0.9
Income taxes	0.8	1.1
Other adjustments	0.0	-1.0
Changes in working capital	-8.2	-2.5
Interest paid	-0.1	-0.0
Interest received	0.5	0.2
Income taxes paid	-0.1	-0.1
Net cash flow from operating activities	1.1	3.2
Cash flow from investments		
Investments in intangible assets	-5.5	-4.5
Investments in tangible assets	-0.9	-1.9
Net cash flow from investments	-6.4	-6.4
Cash flow from financing activities		
Shares subscribed with share options	0.0	0.9
Repayment of current loans		-0.0
Repayment of non-current loans		-0.4
Dividend paid		-1.0
Capital repayment	-5.9	-5.9
Net cash flow from financing	-5.9	-6.5
Increase (+) and decrease (-) in liquid funds	-11.1	-9.7
Liquid funds on 1 Jan.	20.4	33.2

Impact of changes in exchange rates	0.0	-0.0
Change in fair value of investments	-0.2	0.0
Liquid funds on 30 September	9.2	23.5
Change	-11.1	-9.7

SEGMENT INFORMATION

BUSINESS SEGMENTS (primary segment information)	1-9/2007	1-9/2006
NET SALES, MEUR		
Messaging	28.5	19.5
Charging	22.5	32.2
TOTAL	51.0	51.7

GEOGRAPHICAL SEGMENTS (secondary segment information)	1-9/2007	1-9/2006
NET SALES, MEUR		
Americas	25.5	32.4
EMEA	21.7	13.9
APAC	3.8	5.3
TOTAL	51.0	51.7

OPERATING LEASES, MEUR

Operating leases	1-9/2007	2006
Less than one year	0.6	0.5
Between one and five years	0.7	0.9

CONSOLIDATED CONTINGENT LIABILITIES, MEUR	1-9/2007	2006
		0.6
Pledges given		
For other own commitments		
Mortgages	0.6	0.6
Pledges		
On own behalf	0.1	0.1
Other liabilities		
Restriction related to real estate in Ireland	0.4	1.0

CONSOLIDATED KEY FINANCIAL FIGURES, MEUR	1-9/2007	1-9/2006	2006
Return on investment, %	14.5	10.1	9.1
Return on equity, %	11.6	6.5	4.3
Equity ratio, %	84.7	85.3	84.3
Debt/equity ratio (gearing), %	-12.1	-31.4	-27.4
Investments	0.8	2.0	2.4
% of net sales	1.6	3.8	3.4
Research and development	11.6	9.4	13.2
% of net sales	22.7	18.1	18.4
Order book	17.1	18.5	15.0
Personnel, average	354	389	387
Personnel, at end of period	352	395	374

CONSOLIDATED KEY FIGURES PER SHARE, MEUR	1-9/2007	1-9/2006	2006
Earnings per share, basic, EUR	0.11	0.06	0.06
Earnings per share, diluted, EUR	0.11	0.06	0.05
Equity per share, EUR	1.28	1.27	1.27

Number of shares at end of period, x 1,000	59,072	58,971	59,006
Number of shares on average, x 1,000	58,915	58,752	58,673
Share price, EUR			
Average	1.42	2.13	2.01
Lowest	1.22	1.38	1.38
Highest	1.83	3.06	3.06
Share price at end of period	1.31	1.52	1.68
Market capitalisation of issued stock at end of period, MEUR	77.4	89.6	99.1
Share turnover, million shares	29.4	49.0	59.8
Share turnover, % of total	49.7	83.1	101.4
Share turnover, MEUR	41.6	105.4	122.1

KEY FIGURES PER QUARTER, MEUR	3Q/07	2Q/07	1Q/07	4Q/06	3Q/06	2Q/06
Net sales, MEUR	19.1	20.8	11.0	20.1	16.9	19.6
Net sales, change %	12.9	6.2	-27.3	12.5	-13.2	2.9
Operating result, MEUR	5.2	3.9	-2.0	0.6	0.9	3.0
% of net sales	27.2	18.6	-17.7	3.0	5.3	15.2
Result before taxes, MEUR	4.8	4.2	-1.7	0.5	1.7	2.8
Personnel at end of period	352	347	352	374	395	393
Earnings per share, basic, EUR	0.08	0.06	-0.03	-0.01	0.02	0.01
Earnings per share, diluted, EUR	0.07	0.06	-0.03	-0.01	0.02	0.01
Equity per share, EUR	1.28	1.21	1.15	1.27	1.27	1.35
Net interest-bearing liabilities, MEUR	-9.2	-6.3	-7.3	-20.4	-23.5	-27.5
Order book, MEUR	17.1	20.5	15.9	15.0	18.5	16.0

The financial figures in the income statement, the balance sheet and key indicators are presented in EUR million. The figures shown here have been calculated using exact values.