

**STOCK EXCHANGE RELEASE**

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**EB, ELEKTROBIT CORPORATION, INTERIM REPORT JANUARY-MARCH 2012****NET SALES IN AND OPERATING PROFIT GREW CLEARLY FROM PREVIOUS YEAR**

## SUMMARY 1Q 2012

- Net sales of the period grew to EUR 48.6 million (EUR 36.5 million, 1Q 2011), representing an increase of 33.2 % year-on-year. Net sales of Automotive Business Segment grew to EUR 28.7 million (EUR 23.6 million, 1Q 2011), representing a 21.5 % growth year-on-year. The Wireless Business Segment's net sales grew by 57.6 %, to EUR 20.0 million (EUR 12.7 million, 1Q 2011).
- Operating profit was EUR 0.9 million (EUR -3.9 million, 1Q 2011). Operating profit of the Automotive Business Segment was EUR 0.9 million (EUR 0.6 million, 1Q 2011). The Wireless Business Segment's operating result was EUR 0.0 million (operating loss of EUR -4.6 million, 1Q 2011).
- EBITDA was EUR 2.5 million (EUR -1.6 million, 1Q 2011). Automotive Business Segment's EBITDA was EUR 1.9 million and Wireless Business Segment's EBITDA was EUR 0.7 million.
- Cash flow from operating activities was EUR -0.9 million (EUR 1.4 million, 1Q 2011). Net cash flow was EUR -2.7 million (EUR -2.4 million, 1Q 2011).
- Cash and other liquid assets totaled EUR 7.3 million (EUR 18.1 million, 1Q 2011).
- Equity ratio remained strong at 61.2% (63.6%, 1Q 2011).
- Earnings per share were EUR 0.00 (EUR -0.03, 1Q 2011).

## EB'S CEO JUKKA HARJU:

"The year started with strong growth of 33.2 % in net sales as both Business Segments grew clearly. The high growth of net sales in Wireless Business Segment came from the mobile infrastructure R&D and defence and public safety markets which started to grow already during last year. The growth in Automotive Business Segment continued at the same level as in previous year. EB's operating result improved clearly from last year.

Improving the profitability is our most important goal in 2012. The outlook for growth of net sales in both Business Segments is good and this together with the improved cost structure of Wireless Business Segment gives a good possibility for positive development of the business in 2012."

## OUTLOOK FOR 2012

Compared to the previous year, the demand for EB's products and services is estimated to grow year-on-year during 2012 in both Automotive and Wireless Business Segments. Carmakers continue to invest in software for new car models and the market for automotive software products



and services is estimated to continue growing. In Wireless Business Segment the demand growth will be driven by especially the increasing use of the LTE technology that increases the performance of mobile networks and the authorities' needs for new communication solutions that use commercial technologies of smart phones and mobile networks.

EB expects for the year 2012 that net sales and operating result will grow clearly from the previous year (net sales of EUR 162.2 million, and operating loss of EUR -4.0 million in 2011). For the first half of 2012 EB expects that the net sales will grow clearly (EUR 76.1 million in 1H 2011) and operating result will be positive (EUR -4.4 million in 1H 2011).

The profit outlook for the year 2012 is based on the assumption that there will be no further bookings of impairments of EB's accounts receivable from TerreStar Networks Inc. and TerreStar Corporation. It is possible that, based on later information related to reorganizations of TerreStar Networks and TerreStar Corporation, this view may need to be reconsidered. Due to the uncertainties related to the outcome of reorganization processes of TerreStar Networks and TerreStar Corporation, the credit risk may still grow during 2012. More specific market outlook is presented under the "Business Segments' development during January-March 2012 and market outlook" section, and uncertainties regarding reorganization of TerreStar Networks and TerreStar Corporation, the amount of the receivables and collecting the receivables as well as other uncertainties regarding the outlook under "Risks and Uncertainties" section.

Information on TerreStar Networks' and TerreStar Corporation's reorganizations are presented in the October 20 and 25, November 20 and December 30, 2010, February 17, 2011, and November 18, 2011 stock exchange releases as well as in EB's interim reports and financial statement at [www.elektrobit.com](http://www.elektrobit.com).

#### INVITATION TO A PRESS CONFERENCE

EB will hold a press conference on the Interim Report 1Q 2012 for media, analysts and institutional investors in Finland, Oulu, Tutkijantie 8, meeting room 1 on Thursday, April 26, 2012, at 11.00 a.m. (CEST+1). The conference will also be held as a conference call and the presentation will be shown simultaneously in the Internet through WebEx. The conference will be held in English. For more information please go to [www.elektrobit.com/investors](http://www.elektrobit.com/investors).

#### **EB, Elektrobit Corporation**

EB creates advanced technology and turns it into enriching end-user experiences. EB is specialized in demanding embedded software and hardware solutions for wireless and automotive industries. The net sales for the year 2011 totaled MEUR 162.2. Elektrobit Corporation is listed on NASDAQ OMX Helsinki. [www.elektrobit.com](http://www.elektrobit.com)

**EB, ELEKTROBIT CORPORATION, INTERIM REPORT JANUARY-MARCH 2012**

## FINANCIAL PERFORMANCE DURING JANUARY-MARCH 2012

(Corresponding figures are for January-March 2011 unless otherwise indicated)

EB's net sales during January-March 2012 grew strongly by 33.2 per cent year-on-year to EUR 48.6 million (EUR 36.5 million). Operating profit was EUR 0.9 million (operating loss of EUR -3.9 million).

Net sales of the Automotive Business Segment grew in January-March 2012 to EUR 28.7 million (EUR 23.6 million), representing 21.5 per cent growth year-on-year. The operating profit was EUR 0.9 million (EUR 0.6 million).

The Wireless Business Segment's net sales in January-March 2012 grew strongly, 57.6 per cent year-on-year, to EUR 20.0 million (EUR 12.7 million). The net sales grew mainly in the defence and public safety markets, and in the mobile infrastructure R&D markets. The operating result of the Wireless Business Segment in January-March 2012 was EUR 0.0 million (operating loss of EUR -4.6 million).

CONSOLIDATED INCOME STATEMENT (MEUR)	1-3 2012	1-3 2011
	3 months	3 months
NET SALES	48.6	36.5
OPERATING PROFIT (LOSS)	0.9	-3.9
Financial income and expenses	-0.4	-0.4
RESULT BEFORE TAX	0.5	-4.3
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	0.3	-4.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	0.3	-4.4
Result for the period attributable to:		
Equity holders of the parent	0.2	-4.4
Non-controlling interests	0.2	0.1
Total comprehensive income for the period attributable to:		
Equity holder of the parent	0.2	-4.5
Non-controlling interests	0.2	0.1
Earnings per share from continuing operations, EUR	0.00	-0.03

- Cash flow from operating activities was EUR -0.9 million (EUR 1.4 million).
- Equity ratio was 61.2% (63.6%).
- Net gearing was 5.2% (-9.8%).



## QUARTERLY FIGURES

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

	1Q 12	4Q 11	3Q 11	2Q 11	1Q 11
Net sales	48.6	49.0	37.0	39.7	36.5
Operating profit (loss)	0.9	3.5	-3.1	-0.5	-3.9
Operating profit (loss) without non-recurring costs	0.9	3.5	-3.1	-0.5	-3.9
Result before taxes	0.5	3.8	-3.1	-0.8	-4.3
Result for the period	0.3	3.2	-3.1	-0.8	-4.3

Non-recurring items are exceptional gains and costs that are not related to normal business operations and occur only seldom. These items include capital gains or losses, significant changes in asset values such as write-downs or reversals of write-downs, significant restructuring costs, or other items that the management considers to be non-recurring. When evaluating a non-recurring item, the euro translation value of the item is considered, and in case of a change in an asset value, it is measured against the total value of the asset.

The distribution of net sales by Business Segments, MEUR:

	1Q 12	4Q 11	3Q 11	2Q 11	1Q 11
Automotive	28.7	28.0	23.9	22.7	23.6
Wireless	20.0	21.0	13.0	17.1	12.7
Corporation total	48.6	49.0	37.0	39.7	36.5

The distribution of net sales by market areas, MEUR and %:

	1Q 12	4Q 11	3Q 11	2Q 11	1Q 11
Asia	3.5 7.3%	5.5 11.2%	3.3 8.8%	4.0 10.2%	2.7 7.4%
Americas	7.6 15.6%	7.6 15.5%	4.9 13.4%	5.5 14.0%	5.1 13.9%
Europe	37.4 77.1%	36.0 73.3%	28.8 77.8%	30.1 75.9%	28.7 78.7%

Net sales and operating profit development by Business Segments and other businesses, MEUR:

	1Q 12	4Q 11	3Q 11	2Q 11	1Q 11
Automotive					
Net sales to external customers	28.7	28.0	23.9	22.7	23.6
Net sales to other segments	0.0	0.0	0.0	0.0	0.0
Operating profit (loss)	0.9	2.1	-1.4	-0.5	0.6



Wireless					
Net sales to external customers	19.9	21.1	12.9	16.9	12.7
Net sales to other segments	0.2	0.1	0.1	0.2	0.0
Operating profit (loss)	-0.0	1.4	-1.7	0.1	-4.6
Other businesses					
Net sales to external customers	0.0	0.0	0.2	0.0	0.1
Operating profit (loss)	-0.0	0.0	-0.1	-0.1	0.1
Total					
Net sales	48.6	49.0	37.0	39.7	36.5
Operating profit (loss)	0.9	3.5	-3.1	-0.5	-3.9

## BUSINESS SEGMENTS' DEVELOPMENT DURING JANUARY-MARCH 2012 AND MARKET OUTLOOK

(Corresponding figures are for January-March 2011 unless otherwise indicated)

EB's reporting is based on two segments which are the Automotive and Wireless Business Segments.

### AUTOMOTIVE

In Automotive Business Segment EB offers software products and R&D services for carmakers, car electronics suppliers and for other suppliers to the automotive industry. The offering includes in-car infotainment solutions, such as navigation and human machine interfaces (HMI), as well as software for electronic control units (ECU) and driver assistance. By combining its software products and R&D services, EB is creating unique, customized solutions for the automotive industry.

During the first quarter of 2012 the net sales of the Automotive Business Segment amounted to EUR 28.7 million (EUR 23.6 million), representing a solid growth of 21.5 % year-on-year. The operating profit was EUR 0.9 million (EUR 0.6 million).

EB continued to grow during the first quarter in the infotainment, driver assistance and ECU (Electronic Control Unit) software markets. EB established a subsidiary in China, EB Automotive Software (Shanghai) Ltd. The new office provides the possibility for EB to support a larger customer base in China and neighboring markets in Central Asia.

### Automotive Market Outlook

The demand for EB's products and services is estimated to develop positively year-on-year during 2012 in Automotive Business Segment. Carmakers continue to invest in automotive software for



new car models and the market for automotive software products and services is estimated to continue growing.

The move to greater electronic content in cars has been underway for several years and has been responsible for such major innovations as security systems, anti-lock brakes, engine control units, driver assistance, and infotainment. These features have become so enormously popular that they are now widely available, in both low-end and high-end vehicles, demonstrating that consumers are willing to pay for technology that enhances their driving experience. As a result from this and the reduced costs as production volumes ramp up, carmakers have been steadily integrating more electronic components into vehicles. A Roland Berger study estimates the share of electronics in cars will grow from 23 per cent in 2010 to 33 per cent until 2020.

The increasingly sophisticated and networked features and growing performance foster the complexity of automotive electronics. At the same time consumers expect the same richness of features and user experience they know from the internet and mobile devices also within the car. These development trends are driving the industry towards gradual separation of software and hardware in electronics solutions in order to manage the architectural software layer appropriately and to aim for efficiency in innovation and implementation. The use of standard software solutions is expected to increase in the automotive industry. This enables faster innovation, improves quality and development efficiency and reduces complexity related to deployment of software.

The fundamental industry migration and consequent growth of the automotive software market will continue. Cost pressures of the automotive industry are expected to accelerate the need for productized and efficient software solutions EB is offering. The estimated annual automotive software market growth rate until 2018 is expected to exceed the growth rate of passenger car production volume that is estimated to be 5.6% CAGR (LMC Automotive's Q4 2011 Forecast).

EB's net sales cumulating from the automotive industry is currently primarily driven by the development of software and software platforms for new cars. Hence the dependency of EB's net sales on car production volumes is currently limited; however, the direct dependency on production volumes is expected to increase as a result of the EB's transition towards software product business models over the forthcoming years.

## WIRELESS

The Wireless Business Segment offers development services and customized solutions for wireless communications markets, radio channel emulator products for industries and authorities utilizing wireless technologies, and products and product platforms for defence and public safety markets.

Net sales of the Wireless Business Segment during the first quarter of 2012 was EUR 20.0 million (EUR 12.7 million), representing a strong growth of 57.6 % year-on-year. Operating result was EUR



0.0 million (operating loss of EUR -4.6 million). Net sales grew especially in the defence and public safety markets as well as in the mobile infrastructure R&D services markets.

EB continued its R&D investments in radio channel emulation products and products and product platforms targeted for the defence and public safety markets. EB announced a partnership with Renesas Mobile to provide its EB Specialized Device Platform with LTE capabilities. EB also announced that Raptor ID chose EB Specialized Device Platform for its new biometric mobile devices for the US governmental markets.

EB decided to close down its Wireless Business Segment Espoo Site in Finland in order to rationalize its operations and improve the cost structure. The concluded personnel negotiations concerned 25 employees in Espoo office. As an alternative for termination of employment relationship, all employees have been offered a position at Company's other sites. Closing of the site may lead to dismissals of 25 employees at the maximum.

#### Wireless Market Outlook

Compared to the previous year, the demand for EB's products and services is estimated to grow year-on-year during 2012 in the Wireless Business Segment.

In the mobile infrastructure market the use of LTE standard, which improves the performance of radio channel and mobile networks, is expected to continue to gain strength. EB's business driven by LTE is expected to increase. Mastering of multi-radio technologies and end-to-end system architectures covering both terminals and networks has gained importance in the complex wireless technology industry. Fast implementation of LTE technology and wide radio spectrum bandwidth needed have increased the demand for EB's service business, and the demand is expected to stay at the current level.

The market for communications, interference and intelligence solutions targeted for defence and public authorities is estimated to remain stable. EB's competence and long experience in software radio based solutions is expected to bring new business opportunities. The trend of adopting new commercial technologies, such as LTE and smart phone related software applications, is expected to continue on special verticals such as public safety. The networks used by public authorities often utilize dedicated spectrum blocks outside the commercial frequency bands, which generates the need for special user terminal variants for these networks.

The smart phone related R&D services market for device manufacturers decreased strongly during 2011 due to the strategy change of Nokia, and the demand is not expected to grow during 2012. In the mobile satellite communication industry the demand for terminals for new data and mobile communications services is expected to slowly increase during the next few years.



The performance of radio channel is going to increase quickly when introducing new LTE technologies. This will create demand for advanced test tools during the next few years. The test tool market is shifting from the performance testing of LTE base stations to LTE terminals, where increasingly the over-the-air (OTA) technology will be widely used. EB provides world leading radio channel emulation tools for the development of MIMO based LTE, LTE-Advanced and other advanced radio technologies.

## RESEARCH AND DEVELOPMENT

EB continued its investments in R&D in the automotive software products and tools in Automotive Business Segment, and in radio channel emulation products and products and product platforms for the defence and public safety markets in Wireless Business Segment.

The total R&D investments during the first quarter of 2012 were EUR 6.2 million (EUR 6.3 million, 1Q 2011), equaling 12.8% of the net sales (17.3%, 1Q 2011). The share of R&D investments in Automotive Business Segment was EUR 4.7 million (EUR 4.4 million, 1Q 2011) and in Wireless Business Segment EUR 1.5 million (EUR 1.9 million, 1Q 2011).

EUR 2.0 million of R&D investments of the reporting period were capitalized (EUR 1.6 million, 1Q 2011). Depreciation of R&D investments were EUR 0.2 million during the reporting period (EUR 0.4 million, 1Q 2011). The amount of capitalized R&D investments at the end of March 2012 was EUR 13.2 million. A significant part of these capitalizations is related to customer agreements of Automotive Business Segment, where future license fees, based on the actual car delivery volumes, are expected to accumulate in the coming years.

## OUTLOOK FOR 2012

Compared to the previous year, the demand for EB's products and services is estimated to grow year-on-year during 2012 in both Automotive and Wireless Business Segments. Carmakers continue to invest in software for new car models and the market for automotive software products and services is estimated to continue growing. In Wireless Business Segment the demand growth will be driven by especially the increasing use of the LTE technology that increases the performance of mobile networks and the authorities' needs for new communication solutions that use commercial technologies of smart phones and mobile networks.

EB expects for the year 2012 that net sales and operating result will grow clearly from the previous year (net sales of EUR 162.2 million, and operating loss of EUR -4.0 million in 2011). For the first half of 2012 EB expects that the net sales will grow clearly (EUR 76.1 million in 1H 2011) and operating result will be positive (EUR -4.4 million in 1H 2011).





The profit outlook for the year 2012 is based on the assumption that there will be no further bookings of impairments of EB's accounts receivable from TerreStar Networks Inc. and TerreStar Corporation. It is possible that, based on later information related to reorganizations of TerreStar Networks and TerreStar Corporation, this view may need to be reconsidered. Due to the uncertainties related to the outcome of reorganization processes of TerreStar Networks and TerreStar Corporation, the credit risk may still grow during 2012. More specific market outlook is presented under the "Business Segments' development during January-March 2012 and market outlook" section, and uncertainties regarding reorganization of TerreStar Networks and TerreStar Corporation, the amount of the receivables and collecting the receivables as well as other uncertainties regarding the outlook under "Risks and Uncertainties" section.

Information on TerreStar Networks' and TerreStar Corporation's reorganizations are presented in the October 20 and 25, November 20 and December 30, 2010, February 17, 2011, and November 18, 2011 stock exchange releases as well as in EB's interim reports and financial statement at [www.elektrobit.com](http://www.elektrobit.com).

## RISKS AND UNCERTAINTIES

EB has identified a number of business, market and finance related risk factors and uncertainties that can affect the level of sales and profits.

### Market risks

On the ongoing financial period the global economic uncertainty may affect the demand for EB's services, solutions and products and provide pressure on e.g. pricing. On a short term it may affect, in particular, the utilization and chargeability levels and average hourly prices of R&D services.

As EB's customer base consists mainly of companies operating in the fields of automotive and telecommunications and defense and public safety authorities, the company is exposed to market changes in these industries. EB believes that expanding the customer base will reduce dependence on individual companies and that the company will thereby be mainly affected by the general business climate in automotive and telecommunication industries. The more specific market outlook is presented under the "Business Segments' development during the first quarter 2012 and market outlook" section.

### Business related risks

EB's operative business risks are mainly related to following items: uncertainties and short visibility on customers' product program decisions, their make or buy decisions and on the other hand, their decisions to continue, downsize or terminate current product programs, execution and management of large customer projects, ramping up and down project resources, availability of



personnel in labour markets (in particular in Germany and Finland), timing and on the other hand successful utilization of the most important technologies and components, competitive situation and potential delays in the markets, timely closing of customer and supplier contracts with reasonable commercial terms, delays in R&D projects, realization of expected return on capitalized R&D investments, obsolescence of inventories and technology risks in product development causing higher than planned R&D costs. Revenues expected to come from either existing or new products and customers include normal timing risks. EB has certain significant customer projects and deviation in their expected continuation could result also significant deviations in the Company's outlook. In addition there are typical industry warranty and liability risks involved in selling EB's services, solutions and products.

Product delivery business model includes such risks as high dependency on actual product volumes and development of the cost of materials. The above-mentioned risks may manifest themselves as lower amounts product delivery or higher cost of production, and ultimately, as lower profit.

Some of EB's businesses operate in the industries that are heavily patented and therefore include risks related to management of intellectual property rights, on the one hand related to accessibility on commercially acceptable terms of certain technologies in the EB's products and services, and on the other hand related to an ability to protect technologies, which EB develops or licenses from others, from claims that third parties' intellectual property rights are infringed. Also parties outside of the industries operate actively in order to protect and commercialize their patents and therefore in their part increase the risks related to the management of intellectual property rights. At worst, claims that third parties' intellectual property rights are infringed, could lead to substantial liabilities for damages. Also EB has been formally requested by one of its customer for indemnification that is unspecified both in terms of the grounds and the amount. While the analysis of the situation is pending, based on preliminary information available it does not seem likely that the claim would result to a significant liability on a short term. It is possible that based on later information, the above views may need to be reconsidered.

#### Financing risks

Global economic uncertainty may lead to payment delays and increase the risk for credit losses and on the other hand weaken the availability and terms of financing. To fund its operations, EB relies mainly on income from its operative business and may from time to time seek additional financing from selected financial institutions. EB has a binding overdraft credit facility agreement of EUR 10 million, valid until June 30, 2012. Based on EB's current understanding extension of the credit facility agreement is likely. However, in case EB would not be able to extend the credit facility agreement, it would need to secure its liquidity temporarily by other means.

Some parts of EB's business are more sensitive to customer dependency than others. Respectively, this may translate as accumulation of risk with respect to outstanding receivables and



ultimately with respect to credit losses. On April 25, 2012, EB has significant receivables from TerreStar amounting to approximately USD 25.8 million (EUR 19.6 million as per exchange rate of April 25, 2012), which it has claimed in the Chapter 11 cases of both TerreStar Networks and TerreStar Corporation. In addition to the booked receivables, EB has also claimed additional costs in the amount of approximately USD 2.1 million (EUR 1.6 million as per exchange rate of April 25, 2012) and resulting mainly from the ramp down of the business operations between the parties. Thus, EB has asserted claims against each of the TerreStar entities in amounts totaling USD 27.9 million (EUR 21.2 million as per exchange rate of April 25, 2012). Due to uncertainties related to the accounts receivable, EB booked an impairment of the accounts receivable in the amount of EUR 8.3 million during the second half of 2010.

On October 19, 2010, TerreStar Networks and certain other affiliates of TerreStar Corporation and on February 16, 2011, the parent company TerreStar Corporation filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code to strengthen their financial position. Generally in a Chapter 11 case, any distribution of cash or other assets by a debtor to satisfy pre-bankruptcy claims of its creditors must be made under a Chapter 11 plan of reorganization or liquidation. Such plans must be approved by the United States Bankruptcy Court and (with limited exceptions) an affirmative vote of all classes of creditors whose claims will not be paid fully and immediately after the plan is approved by the court and becomes effective by its terms. Recoveries by holders of claims against TerreStar Networks and TerreStar Corporation are to be funded by separate pools or streams of assets.

Within the first four months of its Chapter 11 case, TerreStar Networks filed, then withdrew, a proposed plan of reorganization. Subsequently, on July 7, 2011, the United States Bankruptcy Court approved the sale of substantially all TerreStar Networks' assets to Gamma Acquisition L.L.C., an acquisition subsidiary formed by Dish Network Corporation for about USD 1.375 billion. Based upon filings made by TerreStar Networks with the Bankruptcy Court, USD 1.345 billion of the purchase price has been funded to date, with the remainder of the purchase price payable at closing, and payments have been made to secured creditors from the sale proceeds in the amount of about USD 1.128 billion. However, the sale will not result in an immediate distribution to general unsecured creditors. Any such distribution must be provided for under a Chapter 11 plan of liquidation that has been filed, voted on and submitted to the court for approval. On December 6, 2011, TerreStar Networks again filed, and thereafter amended, a Chapter 11 plan. In its hearing on February 14, 2012 the Bankruptcy Court approved the TerreStar Networks' second amended plan, which will provide each holder of an unsecured claim (such as EB) with a pro rata share of cash available for distribution. Based upon information contained in the debtors' disclosure statement accompanying the plan, the reorganized debtors' first post-confirmation status report, or otherwise available to EB, EB estimates that its pro rata distribution may be in the range of 8-10% of the face amount of its claim. However, this estimate is subject to various assumptions, and therefore the amount and timing of EB's distribution cannot be predicted with certainty at this time. On March 29, 2012 EB received the USD 650,890 distribution on the priority portion of its claim from TerreStar Networks.



On July 22, 2011, TerreStar Corporation filed a plan of reorganization, which was thereafter amended on December 27, 2011 and further amended on January 12, 2012. The second amended plan proposes that unsecured claims (such as EB's), if allowed by the Bankruptcy Court, will be exchanged for new notes to be issued by a reorganized TerreStar Corporation in the face amount of the claim. The notes are to be issued as unsecured notes in a total aggregate principal amount not to exceed USD 35 million, with a seven-year maturity, bearing interest at the rate of 6% per annum. Payment of the note obligations is to be funded by future revenues and profits of reorganized TerreStar Corporation. It is premature to speculate regarding distributions to creditors under this plan because the plan TerreStar Corporation filed may or may not obtain the necessary approvals, and the terms of the plan may change through negotiation with creditors. EB filed a preliminary objection to an earlier version of the plan, asserting that it failed to satisfy applicable provisions of the Bankruptcy Code and therefore could not be confirmed. EB has voted against the second amended plan of TerreStar Corporation and intends to file a further objection to the proposed plan and vigorously contest confirmation of the plan at a hearing to be held by the Bankruptcy Court in May, 2012 (on a date to be announced).

As part of the process of reconciling accounts in preparation for making distributions under a plan, Chapter 11 debtors often challenge the amount or validity of some creditor claims. On November 16, 2011, after EB filed its preliminary objection to the proposed Chapter 11 plan of TerreStar Corporation, two objections to EB's claim were filed, one by TerreStar Corporation and its affiliated debtors (not including TerreStar Networks) and a joint objection by a group of holders of TerreStar Corporation preferred stock that support the proposed plan. The preferred stockholders alleged, among other things, that EB's guaranty claim in the amount of approximately USD 24.8 million (at least) should be disallowed pursuant to various legal theories. TerreStar Corporation joined in the preferred stockholders' argument that TerreStar Corporation has no liability to EB under its guaranty. On December 12, 2011, EB filed a sworn opposition to both objections, stating that the objections are flawed as a matter of law and wholly without evidentiary support, and maintaining its right to payment in the full amount claimed. It is anticipated that the Bankruptcy Court will schedule a trial on the merits of EB's claim and the objections on a date to be announced, within 4-6 weeks following the hearing on confirmation of the proposed Chapter 11 plan of TerreStar Corporation. EB intends to vigorously defend such objections to its claims, but speculation regarding the likely outcome of these contested matters is premature at this time. To date neither TerreStar Networks nor the liquidating trustee of The TerreStar Networks, Inc. Liquidating Trust (the trust having been formed in connection with confirmation of the Chapter 11 plan of TerreStar Networks) has asserted an objection to the amount or validity of EB's claims in its bankruptcy proceeding, and EB is not aware that any such objection is contemplated.

Further, as part of the Chapter 11 process, debtors often seek to recover payments previously made to creditors pursuant to various provisions of the Bankruptcy Code. The risk that the TerreStar debtors may attempt to recover payments from EB, or that such recovery actions, if attempted, may be successful, likewise cannot be ruled out at this time.



Based on EB's current understanding, there is no reason to believe that there would be further impairment losses on EB's account receivable from TerreStar Networks and TerreStar Corporation. EB aims to collect the amounts owed to it in full through the Chapter 11 cases of TerreStar Networks and TerreStar Corporation, and/or for example through selling of the earlier mentioned accounts receivable. It is possible that based on later information related to the TerreStar Networks' and TerreStar Corporation's Chapter 11 cases, the above views may need to be reconsidered. Despite the TerreStar companies' efforts to reorganize, it is possible that the credit risk may still grow during 2012. Should the accounts receivable not be collected at all, either from TerreStar Networks or TerreStar Corporation, an impairment loss and costs related to the collection process would additionally lower EB's operating result on a non-recurring basis by approximately EUR 10 million, at maximum (USD-nominated items as per exchange rate of April 25, 2012). However, this would not have any significant negative effect on the EB's cash flow.

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

#### STATEMENT OF FINANCIAL POSITION AND FINANCING

The figures presented in the statement of financial position of March 31, 2012, are compared with the statement of the financial position of December 31, 2011 (MEUR). The figures for the period under review contain provision of EUR 1.4 million.

	<b>3/2012</b>	<b>12/2011</b>
Non-current assets	46.0	44.1
Current assets	71.4	71.0
Total assets	117.4	115.1
Share capital	12.9	12.9
Other equity	52.9	52.6
Non-controlling interests	1.7	1.5
Total shareholders' equity	67.5	67.0
Non-current liabilities	6.7	6.9
Current liabilities	43.2	41.3
Total shareholders' equity and liabilities	117.4	115.1

Net cash flow from operations during the period under review:

+ net profit +/- adjustment of accrual basis items	EUR +2.6 million
+/- change in net working capital	EUR -2.9 million
- interest, taxes and dividends	EUR -0.5 million
= cash generated from operations	EUR -0.9 million



- net cash used in investment activities	EUR -2.5 million
- net cash used in financing	EUR +0.7 million
= net change in cash and cash equivalents	EUR -2.7 million

The amount of accounts and other receivables, booked in current receivables, was EUR 62.1 million (EUR 59.3 million on December 31, 2011). Accounts and other payables, booked in interest-free current liabilities, were EUR 36.1 million (EUR 36.3 million on December 31, 2011). The amount of non-depreciated consolidation goodwill at the end of the period under review was EUR 19.3 million (EUR 19.3 million on December 31, 2011).

The amount of gross investments in the period under review was EUR 3.6 million including R&D capitalizations of EUR 2.0 million. Net investments for the reporting period totaled EUR 3.6 million. The total amount of depreciation during the period under review was EUR 1.7 million, including EUR 0.3 million of depreciation owing to business acquisitions.

The amount of interest-bearing debt at the end of the reporting period was EUR 10.8 million. The distribution of net financing expenses on the income statement was as follows:

interest dividend and other financial income	EUR 0.0 million
interest expenses and other financial expenses	EUR -0.1 million
foreign exchange gains and losses	EUR -0.2 million

EB's equity ratio at the end of the period was 61.2% (62.8% at the end of 2011).

Cash and other liquid assets at the end of the reporting period were EUR 7.3 million. EB has a binding overdraft credit facility agreement of EUR 10 million, valid until mid 2012. EUR 1.1 million of this facility was used at the end of the reporting period.

EB follows a hedging strategy, the objective of which is to ensure the margins of business operations in changing market circumstances by minimizing the influence of exchange rates. In accordance with the hedging strategy, the agreed customer commitments 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 8.0 million.

## PERSONNEL

EB employed an average of 1628 people between January and March 2012. At the end of March, EB had 1638 employees (1607 at the end of 2011). A significant part of EB's personnel are product development engineers.



#### 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.

#### EVENTS AFTER THE REVIEW PERIOD

The company has no significant events subsequent to the reporting period.

#### RESOLUTIONS MADE BY THE ANNUAL GENERAL MEETING

The Annual General Meeting held on March 26, 2012 decided on the following topics:

#### BOARD OF DIRECTORS AND AUDITOR

The Annual General Meeting decided that the Board of Directors shall comprise five (5) members. Mr. Jorma Halonen, Mr. Juha Hulkko, Mr. Seppo Laine, Mr. Staffan Simberg and Mr. Erkki Veikkolainen were elected members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting.

At its assembly meeting held on March 26, 2012, the Board of Directors elected Mr. Seppo Laine Chairman of the Board. Further, the Board resolved to keep the Audit and Financial Committee with Mr. Staffan Simberg (Chairman of the committee) and Mr. Seppo Laine as committee members.

Ernst & Young Ltd, authorized public accountants, was re-elected auditor of the Company for a term of office ending at the end of the next Annual General Meeting. Ernst & Young Ltd notified that Mr. Jari Karppinen, authorized public accountant, will act as responsible auditor.

#### AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE COMPANY'S OWN SHARES

The General Meeting authorized the Board of Directors to decide on the repurchase of the Company's own shares as follows.

The amount of own shares to be repurchased shall not exceed 12,500,000 shares, which corresponds to approximately 9.66 per cent of all of the shares in 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 formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors decides how own shares will be repurchased. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization cancels the authorization given by the General Meeting on March 31, 2011 to decide on the repurchase of the company's own shares. The authorization is effective until June 30, 2013.

#### AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES

The General meeting authorized the Board of Directors to decide on the issuance of shares and other special rights entitling to shares referred to in chapter 10 section 1 of the Companies Act as follows.

The amount of shares to be issued shall not exceed 25,000,000 shares, which corresponds to approximately 19.32 per cent of all of the shares in the company. The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization cancels the authorization given by the General Meeting on March 31, 2011 to decide on the issuance of shares as well as the issuance of other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act. The authorization is effective until June 30, 2013.

#### USE OF THE PROFITS SHOWN ON THE BALANCE SHEET AND PAYMENT OF DIVIDEND

The General meeting decided in accordance with the proposal of the Board of Directors that no dividend shall be distributed.

Oulu, April 26, 2012

EB, Elektrobit Corporation  
The Board of Directors

Further Information:

Jukka Harju  
CEO

Tel. +358 40 344 5466





Distribution:  
NASDAQ OMX Helsinki  
Major media

**EB, ELEKTROBIT CORPORATION,**  
**CONDENSED FINANCIAL STATEMENTS AND NOTES JANUARY- MARCH 2012**  
(unaudited)

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

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)</b>	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
	<b>3 months</b>	<b>3 months</b>	<b>12 months</b>
NET SALES	48.6	36.5	162.2
Other operating income	0.6	0.7	2.8
Change in work in progress and finished goods	-0.2	0.2	0.0
Work performed by the undertaking for its own purpose and capitalized	0.0	0.1	0.4
Raw materials	-3.2	-2.8	-11.7
Personnel expenses	-27.1	-24.3	-95.2
Depreciation	-1.7	-2.4	-8.7
Other operating expenses	-16.1	-11.9	-53.8
OPERATING PROFIT (LOSS)	0.9	-3.9	-4.0
Financial income and expenses	-0.4	-0.4	-0.4
RESULT BEFORE TAXES	0.5	-4.3	-4.5
Income taxes	-0.1	0.0	-0.6
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	0.3	-4.3	-5.1
Other comprehensive income:			
Exchange differences on translating foreign operations	0.0	-0.0	-0.2
Other comprehensive income for the period total	0.0	-0.0	-0.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	0.3	-4.4	-5.2
Result for the period attributable to			
Equity holders of the parent	0.2	-4.4	-5.3
Non-controlling interests	0.2	0.1	0.2

Total comprehensive income attributable to



Equity holders of the parent	0.2	-4.5	-5.5
Non-controlling interests	0.2	0.1	0.2
Earnings per share EUR continuing operations			
Basic earnings per share	0.00	-0.03	-0.04
Diluted earnings per share	0.00	-0.03	-0.04
Average number of shares, 1000 pcs	129 413	129 413	129 413
Average number of shares, diluted, 1000 pcs	130 228	130 209	130 051

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)</b>	<b>March. 31, 2012</b>	<b>March. 31, 2011</b>	<b>Dec. 31, 2011</b>
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ASSETS

Non-current assets

Property, plant and equipment	9.3	9.8	9.0
Goodwill	19.3	18.5	19.3
Intangible assets	17.2	12.2	15.7
Other financial assets	0.1	0.1	0.1
Receivables		0.3	
Deferred tax assets	0.1	0.1	0.1

Non-current assets total

46.0      40.9      44.1

Current assets

Inventories	2.0	1.6	1.8
Trade and other receivables	62.1	52.2	59.3
Financial assets at fair value through profit or loss	0.1	6.2	
Cash and short term deposits	7.3	12.4	10.0

Current assets total

71.4      72.4      71.0

TOTAL ASSETS

117.4      113.4      115.1

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent

Share capital	12.9	12.9	12.9
Invested non-restricted equity fund	38.7	38.7	38.7
Translation difference	0.5	0.6	0.4
Retained earnings	13.7	13.9	13.4
Non-controlling interests	1.7	1.3	1.5

Total equity

67.5      67.5      67.0

Non-current liabilities

Deferred tax liabilities	0.9	1.3	1.0
Pension obligations	1.3	1.2	1.3
Provisions	0.7	0.9	0.5



Interest-bearing liabilities	3.7	7.2	4.0
Non-current liabilities total	6.7	10.6	6.9
Current liabilities			
Trade and other payables	35.5	29.0	34.9
Financial liabilities at fair value through profit or loss			0.3
Provisions	0.7	2.0	1.0
Interest-bearing loans and borrowings	7.1	4.3	5.0
Current liabilities total	43.2	35.3	41.3
Total liabilities	49.9	45.9	48.1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>117.4</b>	<b>113.4</b>	<b>115.1</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (MEUR)</b>	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
	<b>3 months</b>	<b>3 months</b>	<b>12 months</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Result for the period	0.3	-4.3	-5.1
Adjustment of accrual basis items	2.2	2.3	7.1
Change in net working capital	-2.9	2.7	0.6
Interest paid on operating activities	-0.4	-0.9	-0.4
Interest received from operating activities	0.0	0.0	0.3
Other financial income and expenses, net received			0.0
Income taxes paid	-0.1	1.7	2.6
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-0.9</b>	<b>1.4</b>	<b>5.3</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of business unit, net of cash acquired			-0.8
Purchase of property, plant and equipment	-0.5	-0.6	-1.9
Purchase of intangible assets	-2.1	-1.7	-8.5
Purchase of other investments		-0.0	-0.0
Sale of property, plant and equipment	0.0	0.1	0.1
Sale of intangible assets			0.1
Proceeds from sale of investments		0.0	0.0
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-2.5</b>	<b>-2.3</b>	<b>-11.1</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing	2.4	0.2	0.2
Repayment of borrowing	-1.0	-1.0	-2.2
Payment of finance liabilities	-0.7	-0.8	-2.8
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>0.7</b>	<b>-1.6</b>	<b>-4.7</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-2.7</b>	<b>-2.4</b>	<b>-10.6</b>
Cash and cash equivalents at beginning of period	10.0	20.5	20.5



Cash and cash equivalents at end of period	7.3	18.1	10.0
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#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MEUR)

A = Share capital

B = Invested non-restricted equity fund

C = Retained earnings

D = Non-controlling interests

E = Total equity

	A	B	C	D	E
Equity on January 1, 2011	12.9	38.7	18.9	1.3	71.8
Share-related compensation			0.1		0.1
Total comprehensive income for the period			-4.5	0.1	-4.4
Other items			-0.0		-0.0
Equity on March 31, 2011	12.9	38.7	14.5	1.3	67.5
Equity on January 1, 2012	12.9	38.7	13.9	1.5	67.0
Share-related compensation			0.2		0.2
Total comprehensive income for the period			0.2	0.2	0.3
Other items			-0.0		-0.0
Equity on March 31, 2012	12.9	38.7	14.2	1.7	67.5

#### NOTES TO THE INTERIM FINANCIAL REPORTING

##### Accounting principles for the interim financial reporting:

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

##### Explanatory comments about the seasonality or cyclicity of reporting period operations:

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

##### Payment of dividend:

The General Meeting held on March 26, 2012 decided in accordance with the proposal of the Board of Directors that no dividend shall be distributed.

#### SEGMENT INFORMATION (MEUR)



OPERATING SEGMENTS	1-3/2012 3 months	1-3/2011 3 months	1-12/2011 12 months
Automotive			
Net sales to external customers	28.7	23.6	98.3
Net sales to other segments	0.0	0.0	0.0
Net sales total	28.7	23.6	98.3
Operating profit (loss)	0.9	0.6	0.8
Wireless			
Net sales to external customers	19.9	12.7	63.6
Net sales to other segments	0.2	0.0	0.4
Net sales total	20.0	12.7	63.9
Operating profit (loss)	-0.0	-4.6	-4.7
OTHER ITEMS			
Other items			
Net sales to external customers	0.0	0.1	0.4
Operating profit (loss)	-0.0	0.1	-0.1
Eliminations			
Net sales to other segments	-0.2	-0.0	-0.4
Operating profit (loss)	0.0	0.0	0.0
Group total			
Net sales to external customers	48.6	36.5	162.2
Operating profit (loss)	0.9	-3.9	-4.0
<b>Net sales of geographical areas (MEUR)</b>	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
	<b>3 months</b>	<b>3 months</b>	<b>12 months</b>
Net sales			
Europe	37.4	28.7	123.5
Americas	7.6	5.1	23.2



Asia	3.5	2.7	15.5
Net sales total	48.6	36.5	162.2

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

There are no such material events subsequent to the end of the interim report period that have not been reflected in this report.

<b>Related party transactions:</b>	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
	<b>3 months</b>	<b>3 months</b>	<b>12 months</b>
Employee benefits for key management and stock option expenses total	0.3	0.4	1.6

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME BY QUARTER (MEUR)</b>	<b>1-3/2012</b>	<b>10-12/2011</b>	<b>7-9/2011</b>	<b>4-6/2011</b>	<b>1-3/2011</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
NET SALES	48.6	49.0	37.0	39.7	36.5
Other operating income	0.6	0.8	0.5	0.9	0.7
Change in work in progress and finished goods	-0.2	-0.3	0.1	0.1	0.2
Work performed by the undertaking for its own purpose and capitalized	0.0	0.4	0.0	0.0	0.1
Raw materials	-3.2	-3.1	-2.9	-3.0	-2.8
Personnel expenses	-27.1	-25.2	-22.5	-23.3	-24.3
Depreciation	-1.7	-1.8	-1.9	-2.7	-2.4
Other operating expenses	-16.1	-16.3	-13.4	-12.2	-11.9
OPERATING PROFIT (LOSS)	0.9	3.5	-3.1	-0.5	-3.9
Financial income and expenses	-0.4	0.3	0.0	-0.3	-0.4
RESULT BEFORE TAXES	0.5	3.8	-3.1	-0.8	-4.3
Income taxes	-0.1	-0.6	0.0	-0.0	0.0
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	0.3	3.2	-3.1	-0.8	-4.3
Other comprehensive income for the period total	0.0	0.0	-0.1	-0.0	-0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	0.3	3.2	-3.2	-0.9	-4.4

Result for the period attributable to:



Equity holders of the parent	0.2	3.1	-3.1	-0.8	-4.4
Non-controlling interests	0.2	0.1	0.0	0.0	0.1
Total comprehensive income for the period attributable to:					
Equity holders of the parent	0.2	3.1	-3.2	-0.9	-4.5
Non-controlling interests	0.2	0.1	0.0	0.0	0.1

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)**

**ASSETS**

	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011
Non-current assets					
Property, plant and equipment	9.3	9.0	8.4	9.2	9.8
Goodwill	19.3	19.3	19.2	18.5	18.5
Intangible assets	17.2	15.7	14.3	13.4	12.2
Other financial assets	0.1	0.1	0.1	0.1	0.1
Receivables					0.3
Deferred tax assets	0.1	0.1	0.1	0.1	0.1
Non-current assets total	46.0	44.1	42.1	41.3	40.9
Current assets					
Inventories	2.0	1.8	2.1	2.2	1.6
Trade and other receivables	62.1	59.3	54.7	47.0	52.2
Financial assets at fair value through profit or loss	0.1			0.0	6.2
Cash and short term deposits	7.3	10.0	7.2	17.8	12.4
Current assets total	71.4	71.0	64.0	67.0	72.4
<b>TOTAL ASSETS</b>	<b>117.4</b>	<b>115.1</b>	<b>106.1</b>	<b>108.3</b>	<b>113.4</b>

**EQUITY AND LIABILITIES**

Equity attributable to equity holders of the parent					
Share capital	12.9	12.9	12.9	12.9	12.9
Invested non-restricted equity fund	38.7	38.7	38.7	38.7	38.7
Translation difference	0.5	0.4	0.4	0.5	0.6
Retained earnings	13.7	13.4	10.2	12.3	13.9
Non-controlling interests	1.7	1.5	1.4	1.4	1.3
Total equity	67.5	67.0	63.6	65.9	67.5
Non-current liabilities					
Deferred tax liabilities	0.9	1.0	1.1	1.2	1.3
Pension obligations	1.3	1.3	1.3	1.2	1.2



Provisions	0.7	0.5	0.6	0.8	0.9
Interest-bearing liabilities	3.7	4.0	4.3	5.9	7.2
Non-current liabilities total	6.7	6.9	7.3	9.1	10.6
Current liabilities					
Trade and other payables	35.5	34.9	29.1	27.6	29.0
Financial liabilities at fair value through profit or loss		0.3	0.5		
Provisions	0.7	1.0	0.7	0.7	2.0
Interest-bearing loans and borrowings (non-current)	7.1	5.0	4.9	5.0	4.3
Current liabilities total	43.2	41.3	35.2	33.3	35.3
Total liabilities	49.9	48.1	42.5	42.4	45.9
TOTAL EQUITY AND LIABILITIES	117.4	115.1	106.1	108.3	113.4

<b>CONSOLIDATED STATEMENT OF CASH FLOWS BY QUARTER</b>	<b>1-3/2012</b>	<b>10-12/2011</b>	<b>7-9/2011</b>	<b>4-6/2011</b>	<b>1-3/2011</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>

Net cash from operating activities	-0.9	7.1	-6.6	3.4	1.4
Net cash from investing activities	-2.5	-3.7	-2.3	-2.8	-2.3
Net cash from financing activities	0.7	-0.6	-1.7	-0.8	-1.6
Net change in cash and cash equivalents	-2.7	2.7	-10.6	-0.3	-2.4

<b>FINANCIAL PERFORMANCE RELATED RATIOS</b>	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
	<b>3 months</b>	<b>3 months</b>	<b>12 months</b>

## STATEMENT OF COMPREHENSIVE INCOME (MEUR)

Net sales	48.6	36.5	162.2
Operating profit (loss)	0.9	-3.9	-4.0
Operating profit (loss), % of net sales	1,8	-10,8	-2,5
Result before taxes	0.5	-4.3	-4.5
Result before taxes, % of net sales	1,0	-11,9	-2,8
Result for the period	0.3	-4.3	-5.1

## PROFITABILITY AND OTHER KEY FIGURES

Interest-bearing net liabilities, (MEUR)	3.5	-6.6	-0.9
Net gearing, -%	5.2	-9.8	-1.4
Equity ratio, %	61.2	63.6	62.8
Gross investments, (MEUR)	3.6	2.4	12.4
Average personnel during the period	1628	1545	1553
Personnel at the period end	1638	1549	1607





<b>AMOUNT OF SHARE ISSUE ADJUSTMENT (1,000 pcs)</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>	<b>Dec. 31, 2011</b>
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	130 228	130 209	130 051

  

<b>STOCK-RELATED FINANCIAL RATIOS (EUR)</b>	<b>1-3/2012 3 months</b>	<b>1-3/2011 3 months</b>	<b>1-12/2011 12 months</b>
Basic earnings per share	0.00	-0.03	-0.04
Diluted earnings per share	0.00	-0.03	-0.04
Equity *) per share	0.51	0.51	0.51

\*) Equity attributable to equity holders of the parent

<b>MARKET VALUES OF SHARES (EUR)</b>	<b>1-3/2012 3 months</b>	<b>1-3/2011 3 months</b>	<b>1-12/2011 12 months</b>
Highest	0.79	0.76	0.76
Lowest	0.38	0.61	0.36
Average	0.62	0.71	0.55
At the end of period	0.68	0.62	0.38
Market value of the stock, (MEUR)	88.0	80.2	49.2
Trading value of shares, (MEUR)	3.0	1.6	5.0
Number of shares traded, (1,000 pcs)	4 898	2 246	9 169
Related to average number of shares %	3.8	1.7	7.1

<b>SECURITIES AND CONTINGENT LIABILITIES (MEUR)</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>	<b>Dec. 31, 2011</b>
<b>AGAINST OWN LIABILITIES</b>			
Floating charges	11.4	3.1	11.4
Guarantees	23.4	15.5	22.7
<b>Rental liabilities</b>			
Falling due in the next year	7.1	4.5	6.9
Falling due after one year	17.3	15.9	17.9
Other contractual liabilities			



Falling due in the next year	2.1	3.5	2.5
Falling due after one year		2.0	
Mortgages are pledged for liabilities totalled	5.8	5.5	4.3
<b>NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>	<b>Dec. 31, 2011</b>
Foreign exchange forward contracts			
Market value	-0.0	0.4	-0.3
Nominal value	4.0	7.0	5.5
Purchased currency options			
Market value	0.1	0.2	0.1
Nominal value	4.0	7.0	4.3
Sold currency options			
Market value	-0.0	-0.0	-0.1
Nominal value	8.0	7.0	8.6