



STOCK EXCHANGE RELEASE

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EB, ELEKTROBIT CORPORATION, FINANCIAL STATEMENT BULLETIN 2011

NET SALES IN 2011 WAS AT THE SAME LEVEL AS IN 2010 AND OPERATING RESULT IMPROVED CLEARLY, BEING HOWEVER NEGATIVE. DURING THE FOURTH QUARTER NET SALES GREW FROM PREVIOUS YEAR AND OPERATING RESULT WAS CLEARLY POSITIVE.

SUMMARY 4Q 2011

- Net sales of the period grew to EUR 49.0 million (EUR 41.8 million, 4Q 2010), representing an increase of 17.2 % year-on-year. Net sales of Automotive Business Segment grew to EUR 28.0 million (EUR 23.1 million, 4Q 2010), representing a 21.7 % growth year-on-year. The Wireless Business Segment's net sales grew by 13.1 %, to EUR 21.0 million (EUR 18.6 million, 4Q 2010).
- Operating profit was EUR 3.5 million (EUR -7.7 million, including non-recurring costs of EUR 4.5 million, 4Q 2010). Operating profit of the Automotive Business Segment was EUR 2.1 million (EUR 1.1 million, 4Q 2010). The Wireless Business Segment's operating profit was EUR 1.4 million (EUR -8.8 million, including non-recurring costs of EUR 4.0 million, 4Q 2010).
- EBITDA was EUR 5.3 million (EUR -5.6 million, 4Q 2010).
- Cash flow from operating activities was EUR 7.1 million (EUR -4.9 million, 4Q 2010). Net cash flow was EUR 2.7 million (EUR -9.3 million, 4Q 2010).
- Earnings per share were EUR 0.02 (EUR -0.04, 4Q 2010).

SUMMARY OF THE YEAR 2011

- Net sales of the period amounted to EUR 162.2 million and was at the same level as in previous year (EUR 161.8 million, in 2010). Net sales of the Automotive Business Segment grew to EUR 98.3 million (EUR 80.1 million, in 2010), representing a 22.7 % growth year-on-year. The Wireless Business Segment's net sales fell by 21.1 % to EUR 63.9 million (EUR 81.0 million, in 2010).
- Operating loss was EUR -4.0 million (EUR -17.3 million, including non-recurring costs and impairments of EUR 12.7 million, in 2010). Operating profit of Automotive Business Segment was EUR 0.8 million (EUR 1.9 million, in 2010) and the operating loss of Wireless Business Segment was EUR -4.7 million (EUR -19.3 million, including non-recurring costs and impairments of EUR 12.3 million, in 2010).
- Earlier on October 19, 2010, EB's customer TerreStar Networks Inc. filed for voluntary petition for reorganization, and its parent company TerreStar Corporation filed for voluntary petition for



reorganization on February 16, 2011. Under the review period there were no changes in valuation in EB's receivables from these companies.

- EBITDA was EUR 4.7 million (EUR -8.8 million, in 2010). Automotive Business Segment's EBITDA was EUR 6.0 million and Wireless Business Segment's EBITDA was EUR -1.6 million.
- Cash flow from operating activities was EUR 5.3 million (EUR 1.5 million, in 2010). The net cash flow was EUR -10.6 million (EUR -38.5 million, in 2010, including the distribution of EUR 25.9 million from the share premium fund).
- Cash and other liquid assets totaled EUR 10.0 million (EUR 20.5 million, in 2010).
- Equity ratio remained strong at 62.8% (62.4%, in 2010).
- Earnings per share were EUR -0.04 (EUR -0.12, in 2010).
- The Board of Directors proposes to General Meeting that no dividend shall be distributed.

EB'S CEO JUKKA HARJU:

"During the fourth quarter EB's business developed well. Operating profit was clearly positive and net sales grew by 17.2 per cent compared to the corresponding period in the previous year. Net sales of both Business Segments grew and operating result was clearly positive. The turning to growth and the operating profit of Wireless Business Segment in the fourth quarter were important results from the actions executed during the year to strengthen the sales and improve the cost structure.

During the whole year 2011 EB's net sales was at the same level as in the previous year, Automotive Business Segment growing and Wireless Business Segment decreasing. Carmakers increased their investments in software development for new car models and the demand for EB's software products and services continued to grow. In Wireless Business Segment EB succeeded to grow its business especially in the defence and mobile infrastructure markets and thus replace the strongly reduced net sales of satellite terminal business at the end of 2011. Also the net sales of radio channel emulators grew from the previous year.

The objective for 2011 was positive operating result and profitability development. Profitability improved significantly from the previous year and the operating result from the fourth quarter was good. However the operating result of the whole financial year remained negative due to the weaker than expected operating result from the previous quarters.

EB continued efforts to collect its receivables from TerreStar Networks Inc. and its parent company TerreStar Corporation Inc. in their reorganization process in the United States. During 2011 there were no changes in valuation of EB's receivables from these companies. In 2012 EB will continue the efforts to collect our receivables.



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

The demand for EB's products and services is estimated to develop positively 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 operating result of the first quarter of 2012 is expected to remain below the level of the operating result of the fourth quarter 2011 (EUR 3.5 million in 4Q 2011).

Despite of the uncertainty regarding world economy development, EB believes that the visibility has slightly improved through the somewhat improved visibility in demand and improved cost structure in Wireless Business Segment, as well as through the grown business volume in the mobile infrastructure and authorities markets. Hence it is possible to give an estimate of the probable business development for a slightly longer time period than before. Therefore, in addition to earlier half-year outlook, in future, EB also estimates the probable development during the whole financial period.

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 October-December 2011 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.

INVITATION TO A PRESS CONFERENCE

EB will hold a press conference on the Financial Statement 2011 for media, analysts and institutional investors in Finland, Oulu, Tutkijantie 8, meeting room 1 on Thursday, February 16, 2012, at 11.00 am. (CET+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 on joining the conference please go to 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

EB, ELEKTROBIT CORPORATION, FINANCIAL STATEMENT BULLETIN 2011

FINANCIAL PERFORMANCE DURING JANUARY-DECEMBER 2011

(Corresponding figures are for January-December 2010 unless otherwise indicated)

EB's net sales during January-December 2011 increased by 0.3 per cent to EUR 162.2 million (EUR 161.8 million). Operating loss was EUR -4.0 million (EUR -17.3 million, including non-recurring costs and impairments of EUR 12.7 million).

Net sales of the Automotive Business Segment grew strongly in January-December 2011 to EUR 98.3 million (EUR 80.1 million), representing 22.7% growth year-on-year. The operating profit was EUR 0.8 million (EUR 1.9 million). During the first and fourth quarter the operating result of the Automotive Business Segment developed as planned, but was lower than expected during the second and third quarters due to the higher than estimated project costs.

The Wireless Business Segment's net sales in January-December 2011 fell by 21.1% year-on-year to EUR 63.9 million (EUR 81.0 million). The significant decrease in net sales was mainly due to the remarkable decline in the volume of the satellite terminal business.



The operating loss of the Wireless Business Segment was EUR -4.7 million, including EUR 0.9 million costs related to collecting the receivables from TerreStar (EUR -19.3 million, including non-recurring costs and impairments of EUR 12.7 million). The operating loss in the reporting period mainly resulted from the first quarter of 2011, as the order book development in the new satellite communication solution business, to replace the discontinued satellite terminal business for TerreStar at the end of 2010, was slower than expected. In addition, the operating result was affected by the increased competition in the area of smart phone related R&D services. During the third quarter the operating result weakened due to the seasonality of EB's business and delays in the customer projects. Increased net sales and cost saving actions in 2011 contributed significantly to Wireless Business Segments good operating result in the last quarter of 2011.

The total R&D investments during the reporting period grew to EUR 24.0 million (EUR 21.6 million), representing 14.8 % of the net sales (13.3 %). EUR 6.6 million of R&D investments were capitalized (EUR 5.6 million). The amount of capitalized R&D investments at the end of the fiscal year was EUR 11.5 million. A Significant part of these capitalizations is related to customer agreements of Automotive Business Segment, where future license fees are expected to accumulate based on the actual car delivery volumes.

CONSOLIDATED INCOME STATEMENT (MEUR)	1-12 2011	1-12 2010
	12 months	12 months
NET SALES	162.2	161.8
OPERATING PROFIT (LOSS)	-4.0	-17.3
Financial income and expenses	-0.4	-1.3
RESULT BEFORE TAX	-4.5	-18.6
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-5.1	-15.7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-5.2	-14.9
Result for the period attributable to:		
Equity holders of the parent	-5.3	-16.1
Non-controlling interests	0.2	0.5
Total comprehensive income for the period attributable to:		
Equity holder of the parent	-5.5	-15.4
Non-controlling interests	0.2	0.5
Earnings per share from continuing operations, EUR	-0.04	-0.12

- Cash flow from operating activities was EUR 5.3 million (EUR 1.5 million).
- Equity ratio was 62.8% (62.4%).
- Net gearing was -1.4% (-10.3%).



QUARTERLY FIGURES

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

	4Q 11	3Q 11	2Q 11	1Q11	4Q10
Net sales	49.0	37.0	39.7	36.5	41.8
Operating profit (loss)	3.5	-3.1	-0.5	-3.9	-7.7
Operating profit (loss) without non-recurring costs	3.5	-3.1	-0.5	-3.9	-3.2
Result before taxes	3.8	-3.1	-0.8	-4.3	-8.0
Result for the period	3.2	-3.1	-0.8	-4.3	-5.4

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:

	4Q 11	3Q 11	2Q 11	1Q11	4Q10
Automotive	28.0	23.9	22.7	23.6	23.1
Wireless	21.0	13.0	17.1	12.7	18.6
Corporation total	49.0	37.0	39.7	36.5	41.8

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

	4Q 11	3Q 11	2Q 11	1Q11	4Q10
Asia	5.5 11.2%	3.3 8.8%	4.0 10.2%	2.7 7.4%	4.4 10.6%
Americas	7.6 15.5%	4.9 13.4%	5.5 14.0%	5.1 13.9%	10.8 25.8%
Europe	36.0 73.3%	28.8 77.8%	30.1 75.9%	28.7 78.7%	26.6 63.6%

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

	4Q 11	3Q 11	2Q 11	1Q11	4Q10
Automotive					
Net sales to external customers	28.0	23.9	22.7	23.6	23.1
Net sales to other segments	0.0	0.0	0.0	0.0	0.0
Operating profit (loss)	2.1	-1.4	-0.5	0.6	1.1



Wireless					
Net sales to external customers	21.1	12.9	16.9	12.7	18.6
Net sales to other segments	0.1	0.1	0.2	0.0	0.0
Operating profit (loss)	1.4	-1.7	0.1	-4.6	-8.8
Other businesses					
Net sales to external customers	0.0	0.2	0.0	0.1	0.2
Operating profit (loss)	0.0	-0.1	-0.1	0.1	0.1
Total					
Net sales	49.0	37.0	39.7	36.5	41.8
Operating profit (loss)	3.5	-3.1	-0.5	-3.9	-7.7

BUSINESS SEGMENTS' DEVELOPMENT DURING OCTOBER-DECEMBER 2011 AND MARKET OUTLOOK

(Corresponding figures are for October-December 2010 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 global carmakers, car electronics suppliers and 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 fourth quarter of 2011 the net sales of the Automotive Business Segment amounted to EUR 28.0 million (EUR 23.1 million), representing a strong 21.7% growth year-on-year. The operating profit was EUR 2.1 million (EUR 1.1 million).

Solid overall market demand continued for EB's services and for own automotive grade software products and solutions adapted and integrated to the customer specific requirements. EB continued to grow during the fourth quarter in the infotainment, driver assistance and ECU (Electronic Control Unit) software markets. EB continued its R&D investments in the automotive software products and tools.

Mr. Alexander Kocher (M.Sc., Electrical Engineering) started as the President of the Automotive Business Segment and Managing Director of Elektrobit Automotive GmbH, as of November 1, 2011.

Automotive Market Outlook



The demand for EB's products and services is estimated to develop positively 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 percent in 2010 to 33 percent 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. Hence it is necessary 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 of 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 for the authority markets.



Net sales of the Wireless Business Segment during the fourth quarter of 2011 was EUR 21.0 million (EUR 18.6 million), representing an increase of 13.1 % year-on-year. Operating profit was EUR 1.4 million (EUR -8.8 million, including non-recurring costs and impairments of EUR 4.0 million). Net sales grew especially in the radio channel emulator business and mobile infrastructure R&D services due to the strong demand related to LTE (Long Term Evolution) technology. The demand grew also in the defence and authority markets. The increased net sales and the cost saving actions done in 2011 made a significant impact on the good operating result of the Wireless Business Segment in the last quarter of 2011.

EB continued its investments in radio channel emulation products and next generation special terminals product platforms. In December, the EB-designed Special Terminal Platform won the "Technology of the Year" Award by Wireless Innovation Forum.

Wireless Market Outlook

The demand for EB's products and services is estimated to develop positively during 2012 in 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 are creating opportunities for EB.

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 expanding from the performance testing of LTE base stations to LTE terminals,



where the over-the-air (OTA) technology will be widely used. EB provides world leading 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 radio channel emulation products and in next generation special terminals product platforms.

The total R&D investments during the fourth quarter of 2011 were EUR 6.0 million (EUR 6.1 million, 4Q 2010), equaling 12.2% of the net sales (14.6%, 4Q 2010). EUR 1.7 million of R&D investments were capitalized (EUR 2.3 million, 4Q 2010).

OUTLOOK FOR 2012

The demand for EB's products and services is estimated to develop positively 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 operating result of the first quarter of 2012 is expected to remain below the level of the operating result of the fourth quarter 2011 (EUR 3.5 million in 4Q 2011).

Despite of the uncertainty regarding world economy development, EB believes that the visibility has slightly improved through the somewhat improved visibility in demand and improved cost structure in Wireless Business Segment, as well as through the grown business volume in the mobile infrastructure and authorities markets. Hence it is possible to give an estimate of the probable business development for a slightly longer time period than before. Therefore, in addition to earlier half-year outlook, in future, EB also estimates the probable development during the whole financial period.

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 October-December 2011 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.

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. Those of the greatest significance on a short term are those affecting the utilization and chargeability levels and average hourly prices of R&D services. 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. It may also increase the risk for credit losses and weaken the availability and terms of financing.

On February 15, 2012, EB's receivables from TerreStar amounted to approximately USD 25.8 million (EUR 19.6 million as per exchange rate of February 14, 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 February 14, 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 February 14, 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. The Bankruptcy Court has scheduled a hearing for February 14, 2012 to consider this second amended plan, which according to the debtors has received the approval of all creditor classes entitled to vote on the plan. If approved by the court, TerreStar Networks' second amended plan is to 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, 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 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 \$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 intends to file a further objection to the second amended plan of TerreStar Corporation, to vote against the proposed plan, and to vigorously contest confirmation of the plan at a hearing to be held by the Bankruptcy Court on March 7, 2012.

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 \$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. The Bankruptcy Court has scheduled a trial on the merits of EB's claim and the objections for May 10, 2012. 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 TerreStar Networks has asserted no 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 February 14, 2012). However, this would not have any significant negative effect on the EB's cash flow.

As EB's customer base consists mainly of companies operating in the fields of automotive and telecommunications and defense and security 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. However, 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. The more specific market outlook is presented under the “Business Segments’ development during the fourth quarter 2011 and market outlook” section.

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.

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.

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.

More information on the risks and uncertainties affecting EB can be found on the Company’s website at www.elektrobit.com.

STATEMENT OF FINANCIAL POSITION AND FINANCING



The figures presented in the statement of financial position of December 31, 2011, are compared with the statement of the financial position of December 31, 2010 (MEUR). The figures for the period under review contain provision of EUR 1.5 million.

	12/2011	12/2010
Non-current assets	44.1	41.2
Current assets	71.0	83.0
Total assets	115.1	124.2
Share capital	12.9	12.9
Other equity	52.6	57.6
Non-controlling interests	1.5	1.3
Total shareholders' equity	67.0	71.8
Non-current liabilities	6.9	11.6
Current liabilities	41.3	40.7
Total shareholders' equity and liabilities	115.1	124.2

Net cash flow from operations during the period under review:

+ net profit +/- adjustment of accrual basis items	EUR +2.1 million
+ decrease in net working capital	EUR +0.6 million
- interest, taxes and dividends	EUR +2.6 million
= cash generated from operations	EUR +5.3 million
- net cash used in investment activities	EUR -11.1 million
- net cash used in financing	EUR -4.7 million
= net change in cash and cash equivalents	EUR -10.6 million

Operating cash flow includes tax refunds of EUR 3.8 million in US subsidiary. The amount of accounts and other receivables, booked in current receivables, was EUR 59.3 million (EUR 60.6 million on December 31, 2010). Accounts and other payables, booked in interest-free current liabilities, were EUR 36.3 million (EUR 35.6 million on December 31, 2010). The amount of non-depreciated consolidation goodwill at the end of the period under review was EUR 19.3 million (EUR 18.5 million on December 31, 2010).

The amount of gross investments in the period under review was EUR 12.4 million including R&D capitalizations of EUR 6.6 million. Net investments for the reporting period totaled EUR 11.9 million. The total amount of depreciation during the period under review was EUR 8.7 million, including EUR 1.6 million of depreciation owing to business acquisitions.



The amount of interest-bearing debt at the end of the reporting period was EUR 9.0 million. The distribution of net financing expenses on the income statement was as follows:

interest dividend and other financial income	EUR 0.3 million
interest expenses and other financial expenses	EUR -0.6 million
foreign exchange gains and losses	EUR -0.1 million

EB's equity ratio at the end of the period was 62.8% (62.4% at the end of 2010).

Cash and other liquid assets at the end of the reporting period were EUR 10.0 million. EB has a binding overdraft credit facility agreement of EUR 10 million, valid until mid 2012. At the end of the reporting period, this facility was not used.

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 9.8 million.

PERSONNEL

EB employed an average of 1553 people between January and December 2011. At the end of December, EB had 1607 employees (1539 at the end of 2010). A significant part of EB's personnel are product development engineers.

CHANGE IN COMPANY'S MANAGEMENT

On November 1, 2011 Mr. Alexander Kocher (M. Sc., Electrical Engineering) started as President of the Automotive Business Segment and Managing Director of Elektrobot Automotive GmbH. Mr. Kocher transferred to EB from Wind River GmbH, where he worked as Vice President and General Manager of Automotive Business Unit.

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.

PROPOSAL BY THE BOARD OF DIRECTORS ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND

According to the parent company's balance sheet at December 31, 2011, the distributable assets of the parent company are EUR 104,481,807.25 of which the loss of the financial year is EUR 812,533.81.

The Board of Directors proposes to the General Meeting to be held on March 26, 2012, that no dividend shall be paid.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

Elektrobit Corporation's Annual General Meeting will be held on Monday, March 26, 2012, at 1 pm at the University of Oulu, Saalastinsali, Pentti Kaiteran katu 1, 90570 Oulu, Finland. Elektrobit Corporation's Annual Report, including the Annual Accounts, the report by the Board of Directors and the Auditor's report as well as Corporate Governance Statement, is available on the company's website no later than March 5, 2012.

Oulu, February 16, 2012

EB, Elektrobit Corporation
The Board of Directors

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Major media


EB, ELEKTROBIT CORPORATION, FINANCIAL STATEMENT BULLETIN 2011

The consolidated financial statement has been prepared in accordance with International Financial reporting Standards (IFRS). The Financial Statement of 2010 has been audited and the auditing report has been dated on February 15, 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)	1-12/2011	1-12/2010
	12 months	12 months
NET SALES	162.2	161.8
Other operating income	2.8	2.4
Change in work in progress and finished goods	0.0	-0.2
Work performed by the undertaking for its own purpose and capitalized	0.4	0.2
Raw materials	-11.7	-15.4
Personnel expenses	-95.2	-97.7
Depreciation	-8.7	-8.5
Other operating expenses	-53.8	-59.8
OPERATING PROFIT (LOSS)	-4.0	-17.3
Financial income and expenses	-0.4	-1.3
RESULT BEFORE TAXES	-4.5	-18.6
Income taxes	-0.6	2.9
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-5.1	-15.7
Other comprehensive income:		
Exchange differences on translating foreign operations	-0.2	0.8
Other comprehensive income for the period total	-0.2	0.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-5.2	-14.9
Result for the period attributable to		
Equity holders of the parent	-5.3	-16.1
Non-controlling interests	0.2	0.5
Total comprehensive income attributable to		
Equity holders of the parent	-5.5	-15.4
Non-controlling interests	0.2	0.5
Earnings per share EUR continuing operations		
Basic earnings per share	-0.04	-0.12
Diluted earnings per share	-0.04	-0.12



Average number of shares, 1000 pcs	129 413	129 413
Average number of shares, diluted, 1000 pcs	130 051	130 277

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)	Dec. 31, 2011	Dec. 31, 2010
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ASSETS

Non-current assets		
Property, plant and equipment	9.0	10.5
Goodwill	19.3	18.5
Intangible assets	15.7	11.6
Other financial assets	0.1	0.2
Receivables		0.3
Deferred tax assets	0.1	0.1
Non-current assets total	44.1	41.2
Current assets		
Inventories	1.8	1.9
Trade and other receivables	59.3	60.6
Financial assets at fair value through profit or loss		7.7
Cash and short term deposits	10.0	12.9
Current assets total	71.0	83.0
TOTAL ASSETS	115.1	124.2

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent		
Share capital	12.9	12.9
Invested non-restricted equity fund	38.7	38.7
Translation difference	0.4	0.6
Retained earnings	13.4	18.3
Non-controlling interests	1.5	1.3
Total equity	67.0	71.8
Non-current liabilities		
Deferred tax liabilities	1.0	1.4
Pension obligations	1.3	1.2
Provisions	0.5	1.0
Interest-bearing liabilities	4.0	8.0
Non-current liabilities total	6.9	11.6
Current liabilities		
Trade and other payables	34.9	33.3
Financial liabilities at fair value through profit or loss	0.3	
Provisions	1.0	2.4



Interest-bearing loans and borrowings	5.0	5.1
Current liabilities total	41.3	40.7
Total liabilities	48.1	52.4
TOTAL EQUITY AND LIABILITIES	115.1	124.2

**CONSOLIDATED STATEMENT OF CASH FLOWS
(MEUR)**

	1-12/2011	1-12/2010
	12 months	12 months
CASH FLOW FROM OPERATING ACTIVITIES		
Result for the period	-5.1	-15.7
Adjustment of accrual basis items	7.1	17.5
Change in net working capital	0.6	3.5
Interest paid on operating activities	-0.4	-2.3
Interest received from operating activities	0.3	0.6
Other financial income and expenses, net received	0.0	0.0
Income taxes paid	2.6	-2.2
NET CASH FROM OPERATING ACTIVITIES	5.3	1.5
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of business unit, net of cash acquired	-0.8	-0.3
Purchase of property, plant and equipment	-1.9	-1.7
Purchase of intangible assets	-8.5	-6.2
Purchase of other investments	-0.0	-0.0
Sale of property, plant and equipment	0.1	0.1
Sale of intangible assets	0.1	0.0
Proceeds from sale of investments	0.0	0.1
NET CASH FROM INVESTING ACTIVITIES	-11.1	-7.9
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowing	0.2	
Repayment of borrowing	-2.2	-2.8
Payment of finance liabilities	-2.8	-3.4
Distribution of funds from the share premium fund		-25.9
NET CASH FROM FINANCING ACTIVITIES	-4.7	-32.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	-10.6	-38.5
Cash and cash equivalents at beginning of period	20.5	59.1
Cash and cash equivalents at end of period	10.0	20.5

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY (MEUR)**



A = Share capital
B = Share premium
C = Invested non-restricted equity fund
D = Retained earnings
E = Non-controlling interests
F = Total equity

	A	B	C	D	E	F
Equity on January 1, 2010	12.9	64.6		34.9	0.4	112.8
Distribution of funds from the share premium fund		-25.9				-25.9
Transfer from the share premium fund		-38.7	38.7			0.0
Share-related compensation				0.6		0.6
Total comprehensive income for the period				-15.4	0.5	-14.9
Other items				-1.2	0.4	-0.8
Equity on December 31, 2010	12.9	0.0	38.7	18.9	1.3	71.8
Equity on January 1, 2011	12.9		38.7	18.9	1.3	71.8
Share-related compensation				0.4		0.4
Total comprehensive income for the period				-5.5	0.2	-5.2
Other items				0.1		0.1
Equity on December 31, 2011	12.9		38.7	13.9	1.5	67.0

NOTES TO THE FINANCIAL STATEMENT BULLETIN

Accounting principles for the Financial Statement Bulletin:

The same accounting policies and methods of computation are followed in the financial statement bulletin 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.

Prior period error

The current receivables have been corrected retrospectively. The correction applies to the tax asset of a foreign subsidiary. In the interim report, the corrections have been made to the reporting periods 3Q 2010 – 2Q 2011. The corrections decrease the current receivables by EUR 0.7 million and retaining earnings by EUR 0.7 million. The correction has no relevant effect on the exchange differences on translating foreign operations, net gearing, equity ratio or equity per share.

**Payment of dividend:**

The General Meeting held on March 31, 2011 decided in accordance with the proposal of the Board of Directors that no dividend shall be distributed.

SEGMENT INFORMATION (MEUR)

OPERATING SEGMENTS	1-12/2011 12 months	1-12/2010 12 months
Automotive		
Net sales to external customers	98.3	80.1
Net sales to other segments	0.0	0.0
Net sales total	98.3	80.1
Operating profit (loss)	0.8	1.9
Wireless		
Net sales to external customers	63.6	80.9
Net sales to other segments	0.4	0.0
Net sales total	63.9	81.0
Operating profit (loss)	-4.7	-19.3
OTHER ITEMS		
Other items		
Net sales to external customers	0.4	0.8
Operating profit (loss)	-0.1	0.1
Eliminations		
Net sales to other segments	-0.4	-0.0
Operating profit (loss)	0.0	0.0
Group total		
Net sales to external customers	162.2	161.8
Operating profit (loss)	-4.0	-17.3



Net sales of geographical areas (MEUR)	1-12/2011	1-12/2010
	12 months	12 months
Net sales		
Europe	123.5	96.8
Americas	23.2	53.4
Asia	15.5	11.6
Net sales total	162.2	161.8

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.

Related party transactions:	1-12/2011	1-12/2010
	12 months	12 months
Employee benefits for key management and stock option expenses total	1.6	2.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME BY QUARTER (MEUR)	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011	10-12/ 2010
	3 months	3 months	3 months	3 months	3 months
NET SALES	49.0	37.0	39.7	36.5	41.8
Other operating income	0.8	0.5	0.9	0.7	0.6
Change in work in progress and finished goods	-0.3	0.1	0.1	0.2	-0.5
Work performed by the undertaking for its own purpose and capitalized	0.4	0.0	0.0	0.1	0.0
Raw materials	-3.1	-2.9	-3.0	-2.8	-6.1
Personnel expenses	-25.2	-22.5	-23.3	-24.3	-26.1
Depreciation	-1.8	-1.9	-2.7	-2.4	-2.1
Other operating expenses	-16.3	-13.4	-12.2	-11.9	-15.3
OPERATING PROFIT (LOSS)	3.5	-3.1	-0.5	-3.9	-7.7
Financial income and expenses	0.3	0.0	-0.3	-0.4	-0.3
RESULT BEFORE TAXES	3.8	-3.1	-0.8	-4.3	-8.0
Income taxes	-0.6	0.0	-0.0	0.0	2.6
RESULT FOR THE PERIOD FROM	3.2	-3.1	-0.8	-4.3	-5.4



CONTINUING OPERATIONS

Other comprehensive income for the period total	0.0	-0.1	-0.0	-0.0	0.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.2	-3.2	-0.9	-4.4	-5.1

Result for the period attributable to:

Equity holders of the parent	3.1	-3.1	-0.8	-4.4	-5.5
Non-controlling interests	0.1	0.0	0.0	0.1	0.1

Total comprehensive income for the period attributable to:

Equity holders of the parent	3.1	-3.2	-0.9	-4.5	-5.2
Non-controlling interests	0.1	0.0	0.0	0.1	0.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)

	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	Dec. 31, 2010
ASSETS					
Non-current assets					
Property, plant and equipment	9.0	8.4	9.2	9.8	10.5
Goodwill	19.3	19.2	18.5	18.5	18.5
Intangible assets	15.7	14.3	13.4	12.2	11.6
Other financial assets	0.1	0.1	0.1	0.1	0.2
Receivables				0.3	0.3
Deferred tax assets	0.1	0.1	0.1	0.1	0.1
Non-current assets total	44.1	42.1	41.3	40.9	41.2
Current assets					
Inventories	1.8	2.1	2.2	1.6	1.9
Trade and other receivables	59.3	54.7	47.0	52.2	60.6
Financial assets at fair value through profit or loss			0.0	6.2	7.7
Cash and short term deposits	10.0	7.2	17.8	12.4	12.9
Current assets total	71.0	64.0	67.0	72.4	83.0
TOTAL ASSETS	115.1	106.1	108.3	113.4	124.2

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	0.4	0.4	0.5	0.6	0.6



Retained earnings	13.4	10.2	12.3	13.9	18.3
Non-controlling interests	1.5	1.4	1.4	1.3	1.3
Total equity	67.0	63.6	65.9	67.5	71.8
Non-current liabilities					
Deferred tax liabilities	1.0	1.1	1.2	1.3	1.4
Pension obligations	1.3	1.3	1.2	1.2	1.2
Provisions	0.5	0.6	0.8	0.9	1.0
Interest-bearing liabilities	4.0	4.3	5.9	7.2	8.0
Non-current liabilities total	6.9	7.3	9.1	10.6	11.6
Current liabilities					
Trade and other payables	34.9	29.1	27.6	29.0	33.3
Financial liabilities at fair value through profit or loss	0.3	0.5			
Provisions	1.0	0.7	0.7	2.0	2.4
Interest-bearing loans and borrowings (non-current)	5.0	4.9	5.0	4.3	5.1
Current liabilities total	41.3	35.2	33.3	35.3	40.7
Total liabilities	48.1	42.5	42.4	45.9	52.4
TOTAL EQUITY AND LIABILITIES	115.1	106.1	108.3	113.4	124.2

CONSOLIDATED STATEMENT OF CASH FLOWS BY QUARTER	10-12/	7-9/	4-6/	1-3/	10-12/
	2011	2011	2011	2011	2010
	3 months	3 months	3 months	3 months	3 months
Net cash from operating activities	7.1	-6.6	3.4	1.4	-4.9
Net cash from investing activities	-3.7	-2.3	-2.8	-2.3	-2.9
Net cash from financing activities	-0.6	-1.7	-0.8	-1.6	-1.5
Net change in cash and cash equivalents	2.7	-10.6	-0.3	-2.4	-9.3

FINANCIAL PERFORMANCE RELATED RATIOS

	1-12/2011	1-12/2010
	12 months	12 months
STATEMENT OF COMPREHENSIVE INCOME (MEUR)		
Net sales	162.2	161.8
Operating profit (loss)	-4.0	-17.3
Operating profit (loss), % of net sales	-2.5	-10.7
Result before taxes	-4.5	-18.6
Result before taxes, % of net sales	-2.8	-11.5
Result for the period	-5.1	-15.7

PROFITABILITY AND OTHER KEY FIGURES



Interest-bearing net liabilities, (MEUR)	-0.9	-7.4
Net gearing, -%	-1.4	-10.3
Equity ratio, %	62.8	62.4
Gross investments, (MEUR)	12.4	10.7
Average personnel during the period	1553	1561
Personnel at the period end	1607	1539

AMOUNT OF SHARE ISSUE ADJUSTMENT (1,000 pcs)	Dec. 31, 2011	Dec. 31, 2010
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At the end of period	129 413	129 413
Average for the period	129 413	129 413
Average for the period diluted with stock options	130 051	130 277

STOCK-RELATED FINANCIAL RATIOS (EUR)	1-12/2011 12 months	1-12/2010 12 months
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Basic earnings per share	-0.04	-0.12
Diluted earnings per share	-0.04	-0.12
Equity *) per share	0.51	0.54

*) Equity attributable to equity holders of the parent

MARKET VALUES OF SHARES (EUR)	1-12/2011 12 months	1-12/2010 12 months
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Highest	0.76	1.25
Lowest	0.36	0.66
Average	0.55	0.92
At the end of period	0.38	0.67

Market value of the stock, (MEUR)	49.2	86.7
Trading value of shares, (MEUR)	5.0	16.8
Number of shares traded, (1,000 pcs)	9 169	18 190
Related to average number of shares %	7.1	14.1

SECURITIES AND CONTINGENT LIABILITIES (MEUR)	Dec. 31, 2011	Dec. 31, 2010
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AGAINST OWN LIABILITIES



Floating charges	11.4	3.1
Pledges	7.8	2.3
Guarantees	2.9	2.0
Other liabilities	12.0	10.1
Rental liabilities		
Falling due in the next year	6.9	6.0
Falling due after one year	17.9	15.0
Other contractual liabilities		
Falling due in the next year	2.5	3.9
Falling due after one year		2.1
Mortgages are pledged for liabilities totalled	4.3	6.3
NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)	Dec. 31, 2011	Dec. 31, 2010
Foreign exchange forward contracts		
Market value	-0.3	-0.0
Nominal value	5.5	11.0
Purchased currency options		
Market value	0.1	0.1
Nominal value	4.3	5.0
Sold currency options		
Market value	-0.1	-0.1
Nominal value	8.6	10.0