



STOCK EXCHANGE RELEASE

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EB, ELEKTROBIT CORPORATION, INTERIM REPORT, JANUARY TO SEPTEMBER 2008 EB LOWERS THE OPERATING PROFIT GUIDANCE AND IS PREPARING FOR FURTHER COST SAVING MEASURES

SUMMARY 3Q 2008

- Net sales amounted to EUR 34.5 million (EUR 35.3 million, 3Q 2007), representing a 2.4 per cent decrease year-on-year.
- Operating loss from business operations amounted to EUR -11.3 million and the non-recurring restructuring costs and bad debt reserves totaled to EUR -1.6 million, resulting in a total operating loss of EUR -12.9 million (EUR -4.0 million, 3Q 2007).
- Operating cash flow amounted to EUR -7.7 million (EUR -6.7 million, 3Q 2007). The net cash flow amounted to EUR -7.6 million (EUR -16.1 million, 3Q 2007).
- Equity ratio remained at a high level of 69.5% (72.1%, 3Q 2007).

EB expects the net sales of the second half to be lower than in the first half of 2008 and the operating loss from business operations for the second half of 2008 (without the non-recurring costs) to be approximately at the level of the operating loss from business operations from the first half of 2008 (EUR -15.1 million without the non-recurring costs). Earlier, EB expected the net sales to be lower than in the first half of 2008 and the operating loss from business operations without non-recurring costs to be better compared to the first half of 2008 (EUR -15.1 million).

The company has announced actions to improve its profitability and to adjust its cost structure. The target is to achieve annual cost savings of approximately EUR 30 million in comparison to the cost level of the first half of 2008. Due to the current rapidly changing and turbulent business environment, the earlier announced actions will not be sufficient, and the company needs to take further measures in order to ensure the profitability. Further actions will be informed later once the respected plan is completed.

EB is changing the business model in the Mobile WiMAX by shifting from investing upfront in the development of radio base station module products to the development of demanding, customer-financed WiMAX solutions. The business model change will reduce significantly EB's own R&D investment going forward, while maintaining the opportunity to develop and implement demanding Mobile WiMAX solutions for customers.

EB also continued to adjust downwards its other R&D investments, streamline the support functions, increase further the resource utilization and reduce subcontracting. Due to financial and production related reasons, EB started personnel negotiations in support functions with the goal of reducing approximately 40 people.



EB'S CEO PERTTI KORHONEN:

"Our main focus is to significantly improve our profitability. Due to the current rapidly changing and turbulent business environment, the earlier announced cost saving actions will not be sufficient, and we need to take further measures in order to ensure our profitability."

FINANCIAL PERFORMANCE DURING JANUARY - SEPTEMBER 2008

(Comparisons are given to January-September 2007, unless otherwise indicated)

EB's net sales during January – September 2008 increased 23.1 per cent to EUR 122.8 million, compared with EUR 99.7 million in January - September 2007. Operating loss, including the non-recurring costs and bad debt reserves of EUR -7.9 million, for January - September 2008 amounted to EUR -34.2 million (EUR -17.8 million).

The non-recurring costs of EUR 7.9 million include:

- restructuring costs of EUR 2.9 million, as announced in March, due to the rearrangements in the Wireless Business Segment and a capital loss and a write-off from the sale of the shares of the Swiss subsidiary, Elektrobit AG,
- a write-off of EUR 2.8 million, as announced in June, due to review of EB's goodwill valuations of the RFID reader system business belonging to the Wireless Business Segment,
- a write-off of EUR 0.6 million of an activated R&D investment,
- restructuring cost of EUR 0.6 million due to the rearrangements in support functions, and
- a bad debt reserve totaling to EUR 1.0 million.

The Automotive Business Segment's net sales during January - September 2008 amounted to EUR 44.6 million (EUR 36.4 million) representing a growth of 22.5 per cent compared to January - September 2007. The operating loss, including the aforementioned bad debt reserve of EUR 1.0 million, was EUR -9.8 million (EUR -0.3 million). This has been caused by weak profitability of some large customer projects, continued long-term investments into leading automotive infotainment (navigation and HMI) and ECU (basic software and tooling) software products, and expansion of the geographical footprint in France, USA and China. Through these ongoing investments, EB is building the fundamentals to play globally as a leading automotive software vendor.

The Wireless Business Segment's net sales during January - September 2008 amounted to EUR 77.9 million (EUR 62.6 million), representing a growth of 24.3 per cent compared to January - September 2007. The net sales included extraordinary low-margin through-licensing revenues of



approximately EUR 3 million. The operating loss, including the aforementioned non-recurring costs of EUR 6.3 million, was EUR -23,6 million (EUR -18.7 million) reflecting:

- significant and larger than originally anticipated investments in the R&D of Mobile WiMAX base station module products,
- the delay of the accumulation of net sales of WiMAX base station module products,
- rapid deceleration of the market and therefore the sales of wireless communications emulation and design tools,
- weaker demand and stronger than expected price competition in radio network solutions' R&D services in the first half 2008,
- heavy investment and lack of demand in RFID reader systems in the first half 2008,
- slower than expected demand in mobile terminals R&D services in the third quarter of 2008.

The total R&D investments during the reporting period were EUR 30.5 million (EUR 25.1 million), equaling 24.8 per cent of the net sales (25.2% in 2007). EUR 1.0 million of them were capitalized. According to earlier announced actions, EB is in progress to adjust its R&D investments to a sustainable level.

CONSOLIDATED INCOME STATEMENT (MEUR)	1-9 2008	1-9 2007
	9 months	9 months
NET SALES	122.8	99.7
OPERATING PROFIT (LOSS)	-34.2	-17.8
Financial income and expenses	-1.4	1.1
PROFIT BEFORE TAX	-35.6	-16.7
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	-35.8	-16.7
Profit after tax for the year from discontinued operations	0.1	12.7
PROFIT FOR THE YEAR	-35.6	-4.0
Attributable to		
Equity holders of the parent	-35.6	-4.0
Minority interest	0.0	0.0
Earnings per share EUR continuing operations	-0.28	-0.13
Earnings per share EUR discontinued operations	0.00	0.10
Earnings per share EUR continuing and discontinued operations	-0.28	-0.03

- Cash flow from Business Operations amounted to EUR -24.1 million (EUR -18.4 million).
- Equity ratio was 69.5% (72.1%).
- Net gearing was -32.2% (-29.7%).



QUARTERLY FIGURES

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

	3Q 08	2Q 08	1Q 08	4Q 07	3Q 07
Net sales	34.5	41.0	47.3	44.6	35.3
Operating profit (loss)	-12.9	-13.3	-8.0	-2.4	-4.0
Result before taxes	-14.4	-13.6	-7.7	-3.3	-4.0
Result for the period	-14.6	-13.5	-7.7	-3.3	-4.0

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

	3Q 08	2Q 08	1Q 08	4Q 07	3Q 07
Automotive	15.9	13.2	15.5	16.2	14.5
Wireless	18.5	27.7	31.7	28.2	20.4
Corporation total	34.5	41.0	47.3	44.6	35.3

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

	3Q 08	2Q 08	1Q 08	4Q 07	3Q 07
Asia	0.9 2.6%	2.1 5.2%	2.0 4.3%	2.0 4.5%	4.4 12.5%
Americas	7.1 20.7%	12.7 31.0%	18.5 39.2%	14.5 32.5%	7.4 20.9%
Europe	26.4 76.7%	26.2 63.8%	26.8 56.5%	28.1 63.0%	23.5 66.5%

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

	3Q 08	2Q 08	1Q 08	4Q 07	3Q 07
Automotive					
Net sales	15.9	13.2	15.5	16.2	14.5
Operating profit (loss)	-4.1	-4.1	-1.6	1.0	0.5



Wireless					
Net sales	18.5	27.7	31.7	28.2	20.4
Operating profit (loss)	-8.1	-9.1	-6.5	-4.1	-5.2
Other businesses					
Net sales	0.1	0.1	0.1	0.1	0.3
Operating profit (loss)	-0.7	-0.2	0.1	0.7	0.7
Total					
Net sales	34.5	41.0	47.3	44.6	35.3
Operating profit (loss)	-12.9	-13.3	-8.0	-2.4	-4.0

BUSINESS SEGMENTS' MAIN EVENTS DURING 3Q 2008

EB's reporting as from January 1, 2008 is based on the Automotive and Wireless Business Segments.

AUTOMOTIVE

The Automotive Business Segment consists of in-car software products, navigation software for after market devices (PND, personal navigation devices) and R&D services for the automotive industry with leading car manufacturers, car electronics suppliers (Tier 1) and automotive chipset suppliers as customers. By combining its software products and engineering services EB is creating for its automotive customers unique, customized solutions.

During the third quarter, the net sales of the Automotive Business Segment amounted to EUR 15.9 million (EUR 14.5 million, 3Q 2007), which represents a year-on-year growth of 9.0 per cent. The operating loss, including the bad debt reserve of EUR 1.0 million, was EUR -4.1 million (EUR 0.5 million, 3Q 2007). The loss was due to significant investment in product development and geographical expansion, weak profitability of some large customer projects and postponement of certain customer orders to the fourth quarter. The business continued to grow during the period but growth was slower than anticipated.

During the third quarter, EB extended its capability to conduct automotive business in the global market. EB acquired in July a French company Net Consulting & Services S.A.R.L, which now constitutes the base for EB's automotive business in France. In August, EB launched its automotive activities in China in Shanghai and Beijing. In the US EB has been working since the beginning of 2008 for Ford in developing the next versions of Ford's successful car connectivity and entertainment platform called Sync.

WIRELESS

The Wireless Business Segment comprises the following businesses:



- Wireless Solutions that covers both mobile devices and radio network infrastructure
- Wireless Communications Tools
- Wireless Sensor Solutions.

During the third quarter of 2008, the net sales of the Wireless Business Segment amounted to EUR 18.5 million (EUR 20.4 million, 3Q 2007), representing a decrease of 9.3 per cent. The operating loss was EUR -8.1 million (EUR -5.2 million, 3Q 2007). These were due to an anticipated decrease in the revenues of the TerreStar project, slower than expected sales of wireless communications emulation tools, slower than expected demand in mobile terminals R&D services and significant investments in the R&D of Mobile WiMAX base station module products.

EB has announced 1st of October that it has changed the business model in the mobile WiMAX by shifting from investing upfront in the development of radio base station module products to the development of demanding, customer-financed Mobile WiMAX solutions. EB sold its Mobile WiMAX baseband software asset to Nokia Siemens Networks. The parties have agreed to continue the WiMAX baseband software related product development together, with Nokia Siemens Networks purchasing WiMAX product development from EB as a service. According to the agreement, EB will in the future have the license to use the WiMAX baseband software and its subsequent versions when developing demanding customer solutions. The business model change will reduce significantly EB's own R&D investment going forward, while maintaining the opportunity to develop and implement demanding Mobile WiMAX solutions for customers.

From the beginning of the third quarter EB initiated a change into the operational mode in the Wireless Business Segment by combining mobile terminal solutions and radio network solutions businesses into a single Wireless Solutions (WS) business. With this change EB is able to execute a number of profitability improvement actions and to serve its current customers in a more flexible manner as well as to penetrate into new market domains and customers in a need of a strong wireless solution partner. EB intends to continue creating new and reusable intellectual property (IP) through partnering with customers and with well focused own investments. Services are important part of the solution offering, and EB continues providing its customers with development services, integration services and reference designs. Further, EB will focus on leveraging its unique end-to-end capabilities in terminals and infrastructure.

The sales of wireless communications emulation and design tools were low especially in the USA and Asia, in comparison with the corresponding period in 2007. The low sales resulted from the repeated delays of test tool investments in the LTE standard research and development programs and of large scale Mobile WiMAX network deployments. To strengthen its market leadership, EB launched the new radio emulation platform for WiMAX, LTE and 4G testing and introduced the first product based on the new platform.

The product development of UHF RFID reader systems progressed, and turn key solutions were delivered to automotive manufacturing applications. The size of the individual deployment programs remained small, as the market consists mostly of pilot and trial cases.



MARKET OUTLOOK

The share of electronics and software in cars has grown and it is expected that the trend of increased use of software continues to prevail in the market. The majority of the innovation and differentiation in the automotive industry is brought about by software and electronics and the use of standard software solutions is expected to increase. The automotive software market is expected to enjoy a 15 per cent Compound Annual Growth Rate (CAGR) during 2007–2012 in Europe (Frost & Sullivan). Software integration, HMI and the capability of vehicle-devices connectivity products to support an ever growing list of devices and device functions is a critical cost challenge (Strategy Analytics) and addressing these challenges requires new innovative solutions. The turbulent global economy is currently affecting significantly the demand of cars and impacting the financial performance of car manufactures. Additionally, the increased fuel prices and strong focus on CO₂ emissions shift demand for more energy-efficient cars. The consequent uncertainties in the industry may have an impact on the timing and extent of the automotive software projects.

The commercial market start of Mobile WiMAX has delayed, however, the main operator services market in America has started in the first cities in the USA.

The volume share of smartphones is expected to continue to grow during the next years due to the rapid increase in demand for new features and services (Canalys). The R&D services market is facing a price pressure that tightens the margins. This has created a need for increased off-shoring in the industry. However, attractive niches continue to exist (OVUM). Mastering of multi-radio technologies and end-to-end system architectures covering both terminal and network technologies, have gained mounting importance in the complex wireless technology industry.

The wireless communications tools market has been weak as the development of cellular technologies (HSDPA, HSUPA, 3GPP LTE, MIMO) and non-cellular technologies (Mobile WiMAX, WiBRO) have not yet generated demand for advanced development tools to the expected extent. In the long run a growing demand is expected to be driven by the LTE development activities.

The UHF RFID reader system market growth has been delayed. The market has however started to move gradually from pilot and trial projects to commercial deployments. The global RFID reader market was earlier estimated to grow with a CAGR of over 20 per cent for the period of 2006 to 2011 (VDC), also likely to be dampened down somewhat by the current economical slow-down.

RESEARCH AND DEVELOPMENT DURING 3Q 2008



EB continued to invest in R&D in the following areas:

- Automotive software products and tools
- Mobile WiMAX radio base station module products
- Radio channel emulation product portfolio

The total R&D investments during the third quarter were EUR 8.9 million (EUR 9.4 million, 3Q 2007), equaling 25.7 per cent of the net sales (26.6 % in 2007).

EVENTS AFTER THE REPORTING PERIOD

- EB and Nokia Siemens Networks announced on the 1st of October upon the co-operation on the further development of WiMAX technology. According to the agreement, EB sells its WiMAX baseband software asset to Nokia Siemens Networks. The parties have agreed to continue the WiMAX baseband software related product development together, with Nokia Siemens Networks purchasing WiMAX product development work from EB as a service. EB will in the future have the license to use WiMAX baseband software and its subsequent versions when developing demanding customer solutions based on WiMAX technology.

- EB lowered the net sales and operating profit guidance in the beginning of October and announced additional actions to improve the profitability and adjust the cost structure. Due to the financial and production related reasons, EB started personnel negotiations with personnel working in support functions with the goal of reducing approximately 40 people.

ACTIONS TO IMPROVE PROFITABILITY

EB launched on 1st of October actions to improve its profitability and to adjust the cost structure. The target is to achieve annual cost savings totaling approximately EUR 30 million in comparison with the cost level of the first half of 2008.

The cost structure program consists of three major elements: Increasing the chargeability and utilization, adjusting the R&D investments to a sustainable level and streamlining support function costs.

OUTLOOK FOR THE SECOND HALF OF 2008

Improvement of profitability is the main focus of EB during the second half of 2008.

The above mentioned actions to improve the company's profitability and to adjust the cost structure are estimated to start to have effect during the last quarter of 2008. The current rapidly changing and turbulent business environment is having an impact on the company's outlook. The earlier



announced actions will not be sufficient, and the company needs to take further measures in order to ensure the profitability. Further actions will be informed later once the respected plan is completed.

The more general market outlook by the businesses is presented under the Market Outlook section.

EB expects the net sales for the second half of 2008 to be lower than in the first half of 2008 (EUR 88.3 million) and the operating loss from business operations for the second half of 2008 (without the non-recurring items) to be approximately at the level of the operating loss from the first half of 2008 (EUR -15.1 million without the non-recurring items). Earlier EB expected the net sales to be lower than in the first half of 2008 and the operating loss from business operations without non-recurring costs to be better compared to the first half of 2008 (EUR -15.1 million).

RISKS AND UNCERTAINTIES

The global economic slowdown may affect the demand for the EB's services, solutions and products and provide pressure on e.g. volumes and pricing. It may also increase the risk for credit losses. Further the following risks are related to the company's business operations in the ongoing financial period:

In R&D services businesses the risks are mainly related to uncertainties of customers' product program decisions, their make or buy decisions and, on the other hand, their decisions to continue, downsize or terminate current product programs, ramping up of project resources, timing of the most important technology components and, competitive situation in the market, which all may affect the R&D service demand and price levels. Further, there are typical industry warranty and liability risks involved in selling R&D services. Additional risks emanate from ongoing restructuring of the telecommunications infrastructure industry.

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

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

BALANCE SHEET AND FINANCING



The figures presented in the balance sheet of September 30, 2008, have been compared with the balance sheet of December 31, 2007 (EUR 1,000).

	9/2008	12/2007
Non-current assets	55,263	77,196
Current assets	133,238	158,918
Total assets	188,501	236,114
Share capital	12,941	12,941
Other equity	115,667	152,710
Minority interest	0	0
Total shareholders' equity	128,608	165,651
Non-current liabilities	20,840	28,937
Current liabilities	39,053	41,526
Total shareholders' equity and liabilities	188,501	236,114

Net cash flow from operations during the period under review:

<i>+ net profit +/- adjustment of accrual basis items</i>	<i>EUR -19.7 million</i>
<i>- increase in net working capital</i>	<i>EUR -3.6 million</i>
<i>+ interest, taxes and dividends</i>	<i>EUR -0.9 million</i>
<i>= cash generated from operations</i>	<i>EUR -24.1 million</i>
<i>- net cash used in investment activities</i>	<i>EUR +26.1 million</i>
<i>- net cash used in financing</i>	<i>EUR -6.7 million</i>
<i>= net change in cash and cash equivalents</i>	<i>EUR -4.7 million</i>

The amount of accounts and other receivables, booked in current receivables, was EUR 60.2 million (EUR 78.8 million on December 31, 2007). Accounts and other payables, booked in interest-free current liabilities, were at EUR 29.1 million (EUR 33.2 million on December 31, 2007).

The amount of non-depreciated consolidation goodwill at the end of the period under review was EUR 18.2 million (EUR 19.6 million on December 31, 2007).

The amount of gross investments in the period under review was EUR 8.5 million, consisting of replacement investments and acquisition of Net Consulting & Services S.A.R.L. Net investments for the reporting period totaled to EUR -9.3 million including the aforementioned items, the termination of a long-term investment portfolio and items created by the sales of Elektrobit AG and Kiinteistö Oy Automaattitie 1. The total amount of depreciation during the period under review was EUR 12.6 million, including EUR 4.8 million of depreciation owing to business acquisitions.



The amount of interest-bearing debt at the end of the reporting period was EUR 25.8 million. The distribution of net financing expenses on the income statement was as follows:

interest, dividend and other financial income	EUR 3.0 million
interest expenses and other financial expenses	EUR -2.5 million
foreign exchange gains and losses	EUR -1.9 million

EB's equity ratio at the end of the period was 69.5 per cent (70.9 per cent at the end of 2007).

The figures from the period under review includes the statutory reserves EUR 1.9 million.

EB follows a currency 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 principles of the currency strategy, the upcoming 12-month net cash flow of the currency in question is hedged. The net cash flow is determined on the basis of sales receivables, payables, the order book and the budgeted net currency cash flow. The hedged foreign currency exposure at the end of the review period was equivalent to EUR 34.9 million.

PERSONNEL

EB employed an average of 1772 people between January and September 2008. At the end of September, EB had 1780 employees (1725 at the end of 2007). 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.

Oulu, October 21, 2008

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INVITATION TO PRESS CONFERENCE ON EB'S 3Q RESULT

EB, Elektrobit Corporation, will hold a press conference for media, analysts and institutional investors concerning the Interim Report 3Q 2008 on

October 21, 2008 at 10.30 – 11.30 hours (CEST+1)
in Espoo, Keilasatama 5,

The conference will be audio webcast and published live on the Internet through WebEx. The conference will be held in English.

To join the online meeting

1. Go to

<https://elektrobit.webex.com/elektrobit/j.php?ED=111509617&UID=1034101832&PW=338b084d8c665b276a25263f757a72>

2. Enter your name and email address

3. Enter the meeting password: Kok!ous103

4. Click "Join Now"



In technical problems go to [/www.elektrobit.com/webcast/instructions](http://www.elektrobit.com/webcast/instructions) or call number +358 40 344 5476.

There will be a possibility to present questions in place as well as by calling to the following conference call number: + 358 20699101, PIN: 670560#.

A recording of the audio webcast will be available after the conference on EB's website www.elektrobit.com/investors. The presentation material will be available after the publication of the Interim Report on the same address.

CONSENSUS ESTIMATE

The EB consensus estimate made by the analysts who observe the company is updated approximately a week before the release of the financial report. The latest estimate is available on the company website www.elektrobit.com/investors.

October 21, 2008
 EB, Elektrobit Corporation
 Corporate Communications

ELEKTROBIT CORPORATION, INTERIM REPORT JANUARY – SEPTEMBER 2008

(unaudited)

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

CONSOLIDATED INCOME STATEMENT (MEUR)	1-9/2008	1-9/2007	1-12/2007
	9 months	9 months	12 months
NET SALES	122.8	99.7	144.3
Other operating income	4.7	3.6	14.4
Change in work in progress and finished goods	-1.5	2.6	1.5



Work performed by the undertaking for its own purpose and capitalized	0.1	0.4	0.5
Raw materials	-11.4	-7.0	-10.1
Personnel expenses	-76.3	-69.9	-96.5
Depreciation	-12.6	-8.4	-15.9
Other operating expenses	-60.0	-39.0	-58.5
OPERATING PROFIT (LOSS)	-34.2	-17.8	-20.3
Financial income and expenses	-1.4	1.1	0.3
RESULT BEFORE TAXES	-35.6	-16.7	-20.0
Income taxes	-0.1	0.0	0.0
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-35.8	-16.7	-20.0
Result after taxes for the period from discontinued operations	0.1	12.7	13.1
RESULT FOR THE PERIOD	-35.6	-4.0	-6.9
Attributable to			
Equity holders of the parent	-35.6	-4.0	-6.9
Minority interest	0.0	-0.0	0.0
Earnings per share EUR continuing operations			
Basic earnings per share	-0.28	-0.13	-0.15
Diluted earnings per share	-0.28	-0.13	-0.15
Earnings per share EUR discontinued operations			
Basic earnings per share	0.0	0.10	0.10
Diluted earnings per share	0.0	0.10	0.10
Earnings per share EUR continuing and discontinued Operations			
Basic earnings per share	-0.28	-0.03	-0.05
Diluted earnings per share	-0.28	-0.03	-0.05
Average number of shares, 1000 pcs	129 413	129 413	129 413
CONSOLIDATED BALANCE SHEET (MEUR)	Sept. 30,	Sept. 30,	Dec. 31,
	2008	2007	2007
ASSETS			
Non-current assets			
Property, plant and equipment	17.4	35.3	25.1
Goodwill	18.2	21.7	19.6
Intangible assets	15.8	17.5	18.0



Financial assets at fair value through profit or loss	0.0	10.9	10.8
Other financial assets	0.3	0.3	0.3
Receivables	0.9	0.2	0.7
Deferred tax assets	2.6	4.2	2.8
Non-current assets total	55.3	90.1	77.2
Current assets			
Inventories	5.8	8.7	7.6
Trade and other receivables	60.2	53.7	78.8
Financial assets at fair value through profit or loss	0.0	70.8	50.9
Cash and short term deposits	67.2	12.0	21.6
Current assets total	133.2	145.2	158.9
TOTAL ASSETS	188.5	235.3	236.1
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	12.9	12.9	12.9
Share premium	64.6	64.6	64.6
Translation difference	0.1	-0.3	-0.4
Retained earnings	51.0	91.1	88.5
Minority interest	0.0	0.0	0.0
Total equity	128,6	168.4	165.7
Non-current liabilities			
Deferred tax liabilities	3.2	5.2	4.4
Provisions	1.2		
Interest-bearing liabilities	15.9	23.8	23.9
Other liabilities	0.6	0.7	0.6
Non-current liabilities total	20.8	29.7	28.9
Current liabilities			
Trade and other payables	26.2	27.2	31.1
Financial liabilities at fair value through profit or loss	1.1		
Pension obligations	1.1	1.1	0.9
Current tax liabilities	0.0	0.0	1.2
Provisions	0.7		
Interest-bearing loans and borrowings	9.9	8.9	8.3
Current liabilities total	39.1	37.2	41.5
Total liabilities	59.9	66.9	70.5
TOTAL EQUITY AND LIABILITIES	188.5	235.3	236.1

CONSOLIDATED CASH FLOW STATEMENT (MEUR) 1-9/2008 1-9/2007 1-12/2007



	9 months	9 months	12 months
CASH FLOW FROM OPERATING ACTIVITIES			
Result for the period	-35.6	-4.0	-6.9
Adjustment of accrual basis items	15.9	-7.9	-6.4
Change in net working capital	-3.6	-6.7	-11.6
Interest paid on operating activities	-1.9	-1.3	-1.8
Interest received from operating activities	3.0	2.6	1.5
Other financial income and expenses, net received	0.0	0.0	0.0
Income taxes paid	-2.0	-1.1	-1.9
NET CASH FROM OPERATING ACTIVITIES	-24.1	-18.4	-27.1
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of business unit, net of cash acquired	-0.9	-5.3	-4.7
Acquisition of minority interest	0.0	-10.2	-10.2
Disposal of business unit, net of cash acquired	20.4	14.9	16.9
Purchase of property, plant and equipment	-1.2	-2.5	-3.9
Purchase of intangible assets	-2.3	-4.1	-6.3
Purchase of other investments	-0.5	-2.9	-3.9
Sale of property, plant and equipment	0.2	0.5	0.5
Sale of intangible assets	0.0	0.7	1.1
Proceeds from sale of investments	10.5	2.8	3.7
NET CASH FROM INVESTING ACTIVITIES	26.1	-6.1	-6.8
CASH FLOW FROM FINANCING ACTIVITIES			
Loans granted			-0.5
Proceeds from borrowing	2.1	4.2	8.2
Repayment of borrowing	-1.6	-4.2	-7.6
Payment of finance liabilities	-4.6	-3.7	-5.1
Dividends paid	-2.6	-14.2	-14.2
NET CASH FROM FINANCING ACTIVITIES	-6.7	-17.9	-19.3
NET CHANGE IN CASH AND CASH EQUIVALENTS	-4.7	-42.4	-53.2
Cash and cash equivalents at beginning of period	71.9	125.1	125.1
Cash and cash equivalents at end of period	67.2	82.7	71.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MEUR)

A = Share capital

B = Share premium



C = Retained earnings
 D = Result for the period
 E = Minority interest
 F = Total equity

	A	B	C	D	E	F
Equity on January 1, 2007	12.9	64.6	108.9		2.1	188.6
Result for the period				-4.0		-4.0
Dividend distribution			-14.2			-14.2
Share-related compensation			0.9			0.9
Translation difference			0.0		-2.1	-2.1
Others			-0.6			-0.6
Equity on September 30, 2007	12.9	64.6	94.9	-4.0	0.0	168.4
Equity on January 1, 2008	12.9	64.6	88.1			165.7
Result for the period				-35.6		-35.6
Dividend distribution			-2.6			-2.6
Share-related compensation			0.7			0.7
Translation difference			0.5			0.5
Others			0.0			0.0
Equity on September 30, 2008	12.9	64.6	86.7	-35.6	0.0	128.6

NOTES TO THE INTERIM REPORT

Accounting principles for the Interim Report:

The same accounting policies and methods of computation are followed in the interim report 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.

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



The investment portfolio in the non-current assets worth of EUR 10.6 million was dissolved and the amount was transferred into assets during the reporting period.

The cash flow from investments during the reporting period includes the sale price payment of EUR 13.1 million from the property sales transaction done in December 2007.

As a consequence of the property sales of Kiinteistö Oy Automaatitie 1 non-current assets decreased EUR 6.0 million and interest-bearing borrowings decreased EUR 6.0 million.

The result of the reporting period comprises non-recurring restructuring costs of EUR 3.5 million, goodwill write-offs of EUR 2.8 million, a write-off of EUR 0.6 million of an activated R&D investment and bad debt reserve of EUR 1.0 million.

Dividends paid:

According to the decision of the company's Annual Shareholders' Meeting held on March 14, 2008, dividend of EUR 0.02 per share, a total of EUR 2,588,253.80 was paid on March 28, 2008

SEGMENT INFORMATION (MEUR)	1-9/2008	1-9/2007	1-12/2007
	9 months	9 months	12 months
Automotive			
Net sales to external customers	44.6	36.4	52.6
Net sales to other segments	0.1	0.0	0.0
Net sales total	44.7	36.4	52.7
Operating profit (loss)	-9.8	-0.3	0.7
Wireless			
Net sales to external customers	77.9	62.6	90.9
Net sales to other segments	0.1	0.7	0.8
Net sales total	78.0	63.3	91.7
Operating profit (loss)	-23.6	-18.7	-22.8
Other businesses			
Net sales to external customers	0.3	0.7	0.8
Net sales to other segments	0.0	0.0	0.0
Net sales total	0.3	0.7	0.8



Operating profit (loss)	-0.8	1.1	1.8
Eliminations			
Net sales to external customers	0.0	0.0	0.0
Net sales to other segments	-0.2	-0.7	-0.8
Net sales total	-0.2	-0.7	-0.8
Operating profit (loss)	0.0	0.0	0.0
Group total			
Net sales to external customers	122.8	99.7	144.3
Operating profit (loss)	-34.2	-17.8	-20.3
Net sales of geographical segments (MEUR)	1-9/2008	1-9/2007	1-12/2007
	9 months	9 months	12 months
Net sales			
Europe	79.4	73.5	101.6
Americas	38.4	18.8	33.3
Asia	5.1	7.5	9.5
Net sales total	122.8	99.7	144.3

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

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

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

During the reporting period, EB sold 100 per cent of the share capital of Elektrobit AG and 100 per cent of share capital of Kiinteistö Oy Automaattitie 1.

During the reporting period, EB has acquired 100 per cent of the share of Net Consulting & Services S.A.R.L in France. The acquisition does not have a significant impact on EB's balance sheet or result.

Related party transactions:	1-9/2008	1-9/2007	1-12/2007
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Employee benefits for key management and stock option expenses total 2.1 1.9 2.5

Loans and guarantees to related party

There have not been other transactions between the related parties

INCOME STATEMENT BY QUARTER (MEUR)	7-9/ 2008 3 months	4-6/ 2008 3 months	1-3/ 2008 3 months	10-12/ 2007 3 months	7-9/ 2007 3 months
NET SALES	34.5	41.0	47.3	44.6	35.3
Other operating income	2.6	0.7	1.4	10.7	0.9
Change in work in progress and finished goods	-0.8	-0.1	-0.6	-1.1	0.1
Work performed by the undertaking for its own purpose and capitalized	-0.0	0.0	0.1	0.1	0.2
Raw materials	-2.3	-3.6	-5.6	-3.1	-2.5
Personnel expenses	-24.3	-24.8	-27.2	-26.6	-22.6
Depreciation	-2.9	-6.5	-3.2	-7.6	-3.5
Other operating expenses	-19.7	-20.1	-20.2	-19.5	-11.8
OPERATING PROFIT (LOSS)	-12.9	-13.3	-8.0	-2.4	-4.0
Financial income and expenses	-1.6	-0.2	0.4	-0.9	0.0
RESULT BEFORE TAXES	-14.4	-13.6	-7.7	-3.3	-4.0
Income taxes	-0.1	0.0	-0.0	0.0	0.0
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-14.6	-13.5	-7.7	-3.3	-4.0
Result after taxes for the period from discontinued operations	0.0	0.1	0.0	0.4	-0.0
RESULT FOR THE PERIOD	-14.6	-13.4	-7.7	-2.9	-4.0
Attributable to					
Equity holders of the parent	-14.6	-13.4	-7.7	-2.9	-4.0
Minority interest	0.0	0.0	0.0	0.0	0.0

BALANCE SHEET BY QUARTER (MEUR)	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007	Sept. 30, 2007
ASSETS					
Non-current assets					
Property, plant and equipment	17.4	24.3	24.5	25.1	35.3
Goodwill	18.2	17.6	19.6	19.6	21.7



Intangible assets	15.8	16.3	18.2	18.0	17.5
Financial assets at fair value through profit or loss	0.0	0.0	0.0	10.8	10.9
Other financial assets	0.3	0.3	0.4	0.3	0.3
Receivables	0.9	0.9	0.7	0.7	0.2
Deferred tax assets	2.6	3.4	3.0	2.8	4.2
Non-current assets total	55.3	62.8	66.4	77.2	90.1
Current assets					
Inventories	5.8	7.2	7.4	7.6	8.7
Trade and other receivables	60.2	61.9	64.9	78.8	53.7
Financial assets at fair value through profit or loss	0.0	0.5	1.6	50.9	70.8
Cash and short term deposits	67.2	74.8	85.7	21.6	12.0
Current assets total	133.2	144.4	159.6	158.9	145.2
TOTAL ASSETS	188.5	207.2	226.0	236.1	235.3
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	12.9	12.9	12.9	12.9	12.9
Share premium	64.6	64.6	64.6	64.6	64.6
Translation difference	0.1	-0.8	-0.8	-0.4	-0.3
Retained earnings	51.0	65.6	78.6	88.5	91.1
Minority interest	0.0	0.0	0.0	0.0	0.0
Total equity	128.6	142.3	155.3	165.7	168.4
Non-current liabilities					
Deferred tax liabilities	3.2	3.5	4.2	4.4	5.2
Provisions	1.2				
Interest-bearing liabilities	15.9	22.8	23.9	23.9	23.8
Other liabilities	0.6	0.6	0.6	0.6	0.7
Non-current liabilities total	20.8	26.8	28.7	28.9	29.7
Current liabilities					
Trade and other payables	26.2	28.0	33.4	32.3	27.2
Financial liabilities at fair value through profit or loss	1.1				
Pension obligations	1.1	1.1	1.1	0.9	1.1
Provisions	0.7				
Interest-bearing loans and borrowings (non-current)	9.9	8.9	7.5	8.3	8.9
Current liabilities total	39.1	38.0	42.0	41.5	37.2
Total liabilities	59.9	64.8	70.7	70.5	66.9
TOTAL EQUITY AND LIABILITIES	188.5	207.2	226.0	236.1	235.3



CONSOLIDATED CASH FLOW STATEMENT BY QUARTER	7-9/ 2008	4-6/ 2008	1-3/ 2008	10-12/ 2007	7-9/ 2007
	3 months	3 months	3 months	3 months	3 months
Net cash from operating activities	-7.7	-9.0	-7.4	-8.6	-6.7
Net cash from investing activities	0.5	-0.0	25.7	-0.7	-5.6
Net cash from financing activities	-0.4	-1.8	-4.5	-1.4	-3.8
Net change in cash and cash equivalents	-7.6	-10.9	13.8	-10.8	-16.1

FINANCIAL PERFORMANCE RELATED RATIOS	1-9/2008	1-9/2007	1-12/2007
	9 months	9 months	12 months

INCOME STATEMENT (MEUR)

Net sales	122.8	99.7	144.3
Operating profit (loss)	-34.2	-17.8	-20.3
Operating profit (loss), % of net sales	-27.9	-17.9	-14.1
Result before taxes	-35.6	-16.7	-20.0
Result before taxes, % of net sales	-29.0	-16.8	-13.9
Result for the period	-35.8	-16.7	-20.0

PROFITABILITY AND OTHER KEY FIGURES

Interest-bearing net liabilities, (MEUR)	-41.4	-50.0	-39.7
Net gearing, -%	-32.2	-29.7	-24.0
Equity ratio, %	69.5	72.1	70.9
Gross investments, (MEUR)	8.5	38.1	44.1
Average personnel during the period	1772	1673	1695
Personnel at the period end	1780	1766	1725

AMOUNT OF SHARE ISSUE ADJUSTMENT (1,000 pcs)	Sept. 30, 2008	Sept. 30, 2007	Dec. 31, 2007
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At the end of period	129 413	129 413	129 413
Average for the period	129 413	129 413	129 413
Average for the period diluted with stock options	129 413	129 413	129 413

STOCK-RELATED FINANCIAL RATIOS (EUR)	1-9/2008	1-9/2007	1-12/2007
	9 months	9 months	12 months

Basic earnings per share	-0.28	-0.13	-0.15
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Diluted earnings per share	-0.28	-0.13	-0.15
Equity *) per share	0.99	1.30	1.28

*) Equity attributable to equity holders of the parent

MARKET VALUES OF SHARES (EUR)	1-9/2008	1-9/2007	1-12/2007
Highest	1.79	2.48	2.48
Lowest	0.63	1.51	1.51
Average	1.34	1.95	1.93
At the end of period	0.70	1.85	1.64
Market value of the stock, (MEUR)	90.6	239.4	212.2
Trading value of shares, (MEUR)	7.0	47.7	53.4
Number of shares traded, (1,000 pcs)	5 230	24 444	27 656
Related to average number of shares %	4.0	18.9	21.4

SECURITIES AND CONTINGENT LIABILITIES (MEUR)	Sept. 30, 2008	Sept. 30, 2007	Dec. 31, 2007
AGAINST OWN LIABILITIES			
Floating charges	3.1	3.1	3.1
Mortgages	0.0	18.0	7.0
Pledges	2.0	7.9	9.8
Guarantees	4.1		2.1
Mortgages are pledged for liabilities totaled	12.1	17.8	17.3
OTHER DIRECT AND CONTINGENT LIABILITIES			
Rental liabilities			
Falling due in the next year	4.4	2.9	4.0
Falling due after one year	4.9	4.1	4.9



NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)	Sept. 30, 2008	Sept. 30, 2007	Dec. 31, 2007
Foreign exchange forward contracts			
Market value	-1.1	0.1	0.7
Nominal value	34.9	22.6	26.4