



## STOCK EXCHANGE RELEASE

Free for publication on February 13, 2009 at 8.00 am (CET+1)

---

### EB, ELEKTROBIT CORPORATION, FINANCIAL STATEMENT BULLETIN 2008

#### SUMMARY 4Q 2008

- Net sales amounted to EUR 49.5 million (EUR 44.6 million, 4Q 2007), representing an 11.1 per cent increase year-on-year.
- Operating loss from business operations amounted to EUR -2.8 million and the non-recurring restructuring costs and write-offs totaled to EUR -5.7 million, resulting in a total operating loss of EUR -8.5 million (EUR -2.4 million, 4Q 2007).
- Operating loss from business operations shows clear improvement sequentially from EUR -11.3 million (3Q 2008) to EUR -2.8 million (4Q 2008).
- Operating cash flow amounted to EUR -0.5 million (EUR -8.6 million, 4Q 2007). The net cash flow amounted to EUR 1.4 million (EUR -10.8 million, 4Q 2007).
- Equity ratio remained at a high level of 64.9% (70.9%, 4Q 2007).
- Earnings per share were EUR -0.11 (EUR -0.03, 4Q 2007).

EB's profit improvement and cost structure adjustment program launched in fourth quarter 2008 is targeting in total for EUR 40 million annual cost savings in comparison to the cost level of the first half of 2008.

As a part of the profit improvement program EB announced October 1<sup>st</sup> a change of 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 customer-financed WiMAX solutions. The change of business model reduces significantly EB's own R&D investment going forward, while maintaining the opportunity to develop and implement demanding Mobile WiMAX solutions for customers.

#### EB'S CEO PERTTI KORHONEN:

"EB was able to improve profitability by reducing the operational losses from business operations EUR -11.3 million in third quarter of 2008 to EUR -2.8 million in the fourth quarter of 2008. Going forward we continue to focus on profitability improvement as our first priority while continuing to invest in the future opportunities in a sustainable manner."

#### FINANCIAL PERFORMANCE DURING JANUARY – DECEMBER 2008

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



EB's net sales during January – December 2008 increased 19.4 per cent to EUR 172.3 million, compared with EUR 144.3 million in January – December 2007. Operating loss from Business Operations amounted to EUR -29.1 million and the non-recurring restructuring costs, write-offs and bad debt reserves totaled to EUR -13.6 million, resulting in a total operating loss of EUR -42.7 million (EUR -20.3 million).

The non-recurring costs of EUR 13.6 million consist of:

- 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,
- a bad debt reserve of EUR 1.0 million,
- restructuring costs of EUR 5.0 million as announced in November, due to the rearrangement in the Automotive Business Segment EUR 0.8 million, in the Wireless Business Segment EUR 3.6 million and in support functions EUR 0.6 million,
- a write-off of EUR 0.7 million of software licences.

The Automotive Business Segment continued on its solid growth path with net sales during January – December 2008 of EUR 63.3 million (EUR 52.6 million) representing a growth of 20.3 per cent compared to January – December 2007. The net sales growth was thanks to increasingly competitive EB product offering both in Infotainment software solutions (HMI and navigation) as well as in ECU software solutions (basic software and tooling), which led to solidifying position among current customers as well as winning new customers. Also the investments into global operations started to contribute to the business growth outside of Germany.

The operating loss from Automotive Business Operations amounted to EUR -10.3 million and the aforementioned bad debt reserve of EUR 1.0 million and restructuring costs of EUR 0.8 million, resulting to total operating loss of EUR -12.1 million (EUR 0.7 million). This has been caused by weaker than planned profitability of some large customer projects, continued long-term investments into leading automotive Infotainment and ECU software products, and expansion of the geographical footprint and business development in France, USA, Japan and China. Through these ongoing investments, EB is executing its strategy in Automotive Segment and building the fundamentals to play globally as a leading automotive software partner for automotive OEMs and their vendors.

The Wireless Business Segment's net sales during January – December 2008 amounted to EUR 108.6 million (EUR 90.9 million), representing a growth of 19.5 per cent compared to January - December 2007. The growth was achieved both by developing the business with existing long-term customers and by changing the WiMAX business model from asset development to customer



financed model, which started to create revenue during the fourth quarter. The net sales included extraordinary low-margin through-licensing revenues of approximately EUR 3 million. The operating loss from Business Operations amounted to EUR -17.5 million and the aforementioned write-offs and restructuring costs totaling to EUR -11.0 million, resulting to a total operating loss of EUR -28.5 million (EUR -22.8 million) reflecting:

- significant and larger than originally anticipated investments in the R&D of Mobile WiMAX base station module products until end of 3Q,
- the delay of the accumulation of net sales of WiMAX base station module products until end of 3Q,
- rapid deceleration of the market and therefore the sales of wireless communications emulation and design tools during the 2Q and 3Q,
- weaker demand and stronger than expected price competition in radio network solutions' R&D services in the first half of 2008,
- heavy investment and lack of demand in RFID reader systems,
- 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 37.9 million (EUR 38.3 million), equaling 22.0 per cent of the net sales (26.6 % in 2007). During the second half of 2008 EB has adjusted its R&D investments to a more sustainable level.

<b>CONSOLIDATED INCOME STATEMENT (MEUR)</b>	<b>1-12 2008</b>	<b>1-12 2007</b>
	<b>12 months</b>	<b>12 months</b>
NET SALES	172.3	144.3
OPERATING PROFIT (LOSS)	-42.7	-20.3
Financial income and expenses	-4.7	0.3
PROFIT BEFORE TAX	-47.4	-20.0
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	-49.8	-20.0
Profit after tax for the year from discontinued operations	0.3	13.1
PROFIT FOR THE YEAR	-49.5	-6.9
Attributable to		
Equity holders of the parent	-49.5	-6.9
Minority interest	0.0	0.0
Earnings per share EUR continuing operations	-0.38	-0.15
Earnings per share EUR discontinued operations	0.00	0.10
Earnings per share EUR continuing and discontinued operations	-0.38	-0.05

- Cash flow from Business Operations amounted to EUR -24.7 million (EUR -27.1 million).
- Equity ratio was 64.9% (70.9%).
- Net gearing was -40.2% (-24.0%).



## QUARTERLY FIGURES

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

	4Q 08	3Q 08	2Q 08	1Q 08	4Q 07
Net sales	49.5	34.5	41.0	47.3	44.6
Operating profit (loss)	-8.5	-12.9	-13.3	-8.0	-2.4
Operating profit (loss) without non-recurring costs	-2.8	-11.3	-9.9	-5.1	-3.9
Result before taxes	-11.8	-14.4	-13.6	-7.7	-3.3
Result for the period	-14.0	-14.6	-13.5	-7.7	-3.3

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

	4Q 08	3Q 08	2Q 08	1Q 08	4Q 07
Automotive	18.7	15.9	13.2	15.5	16.2
Wireless	30.7	18.5	27.7	31.7	28.2
Corporation total	49.5	34.5	41.0	47.3	44.6

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

	4Q 08	3Q 08	2Q 08	1Q 08	4Q 07
Asia	3.1 6.2%	0.9 2.6%	2.1 5.2%	2.0 4.3%	2.0 4.5%
Americas	10.9 22.0%	7.1 20.7%	12.7 31.0%	18.5 39.2%	14.5 32.5%
Europe	35.5 71.8%	26.4 76.7%	26.2 63.8%	26.8 56.5%	28.1 63.0%

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

	4Q 08	3Q 08	2Q 08	1Q 08	4Q 07
Automotive					
Net sales	18.7	15.9	13.2	15.5	16.2
Operating profit (loss)	-2.3	-4.1	-4.1	-1.6	1.0
Wireless					
Net sales	30.7	18.5	27.7	31.7	28.2
Operating profit (loss)	-4.9	-8.1	-9.1	-6.5	-4.1
Other businesses					
Net sales	0.1	0.1	0.1	0.1	0.1
Operating profit (loss)	-1.3	-0.7	-0.2	0.1	0.7
Total					
Net sales	49.5	34.5	41.0	47.3	44.6
Operating profit (loss)	-8.5	-12.9	-13.3	-8.0	-2.4



## BUSINESS SEGMENTS' MAIN EVENTS DURING 4Q 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 and tooling, navigation software for after market devices (PND, personal navigation devices) and R&D services for the automotive industry with leading car manufacturers (OEMs), car electronics suppliers (Tier1s) and automotive chipset suppliers (Tier2s) as customers. By combining its software products, tooling and engineering services EB is creating for its automotive customers unique, customized solutions.

During the fourth quarter, the net sales of the Automotive Business Segment amounted to EUR 18.7 million (EUR 16.2 million, 4Q 2007), which represents a year-on-year growth of 15.2 per cent. The operating loss, including non-recurring costs of EUR 0.8 million, was EUR –2.3 million (EUR 1.0 million, 4Q 2007). The loss was due to continued significant investment in product development and geographical expansion, and weaker than planned profitability of some large customer projects. The business continued to grow during the period according to the plan and the progress related to customer acquisition was good.

EB continued to proceed on its long-term path to conduct automotive business with leading automotive software products and tools in the global market. In November EB announced having supplied two ground breaking applications for Ford SYNC, a fully integrated car connectivity and entertainment platform. In December EB announced new versions of EB street director navigation software and EB tresos Standard Software tooling.

### WIRELESS

The Wireless Business Segment comprises the following businesses:

- Wireless Solutions provides customized solutions and R&D services for wireless industry and other industries utilizing wireless technologies.
- Wireless Communications Tools provides test tools for measuring, modeling and emulating radio channel environments.
- Wireless Sensor Solutions provides complete RFID reader network solutions.

During the fourth quarter of 2008, the net sales of the Wireless Business Segment amounted to EUR 30.7 million (EUR 28.2 million, 4Q 2007), representing a year-on-year growth of 8.7 per cent.



The operating loss from business operations amounted to EUR –0.8 million and the non-recurring restructuring costs and write-offs totaled to EUR –4.0 million, resulting in a total operating loss of EUR –4.9 million (EUR -4.1 million, 4Q 2007).

As a part of the profit improvement program EB announced October 1<sup>st</sup> a change of 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 customer-financed WiMAX solutions. The change of business model reduces significantly EB's own R&D investment going forward, while maintaining the opportunity to develop and implement demanding Mobile WiMAX solutions for customers.

Due to the change of the business model, Mobile WiMAX contributed to the growth of the revenues during the fourth quarter. Driven by the global slowdown, the price pressures increased during the quarter in R&D services.

The sales of wireless communications' emulation and design tools started to recover. The new emulator platform with the first product Propsim F8 introduced in September started to generate interest on the market and the first F8 was delivered in December 2008. Geographically the radio channel emulator business was in balance between different regions of the world.

The UHF RFID reader systems sales saw a downturn from the already low levels of sales earlier this year due to weaker demand for automotive supply chain solutions. The size of the individual deployment programs remained small, as the market consists mostly of pilots and trial cases.

## MARKET OUTLOOK

The share of electronics and software in cars has grown significantly during the past years and it is expected that the trend of increased use of software in automotive continues to prevail in the market. The majority of the innovation and differentiation in the automotive industry is brought about by software and electronics. In order to enable faster innovation and to improve quality, development efficiency and complexity related to software, 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). This may in the near-term be affected by the current downturn of the automotive industry. However, the underlying growth of the automotive software market is expected to continue past the crisis.

The global mobile infrastructure market is decreasing to some extent and the consolidation of the industry is expected to continue. The commercial market start of Mobile WiMAX has delayed when compared to the original schedule, but the operator service market has started in the first cities in the USA.

The global mobile phone market is leveling off and is expected to decrease in volume in short-term. The value share is expected to move towards higher-end due to the increased demand for new



features and services. Open architectures and software platforms are emerging faster than earlier anticipated, creating opportunities for companies with strong integration capabilities.

The mobile satellite services industry is undergoing a large paradigm shift to the next generation solutions with new operators being formed and traditional operators upgrading their solutions and offerings. Mastering of multi-radio technologies and end-to-end system architectures covering both terminal and network technologies, has gained importance in the complex wireless technology industry.

The R&D services market is facing price pressures continuing to drive increased off-shoring in the industry. However, attractive niches continue to exist (OVUM). Because of the economical slowdown, it is estimated that companies will be reviewing their R&D costs and project portfolio resulting to reduction of the overall R&D expenditures and activities during the next couple of years. OEMs need to reduce their fixed costs and increase flexibility. This can create new opportunities for partnering.

The wireless communications tools market has been weak as the expected market drivers (MIMO technologies, 3GPP LTE and Mobile WiMAX) have so far generated only moderate demand for advanced development tools. The demand may have been impacted also by the economical downturn but it is expected that in the medium and long term the wireless communications tools market will see an era of growth driven by 3GPP LTE.

#### RESEARCH AND DEVELOPMENT DURING 4Q 2008

The total R&D investments during the fourth quarter were EUR 7.4 million (EUR 13.2 million, 4Q 2007), equaling 14.9 per cent of the net sales (29.7 % in 2007). The reduction is mostly due to the change of business model in Mobile WiMAX. The R&D investments to the automotive software increased.

#### EVENTS AFTER THE REPORTING PERIOD

EB exited from RFID technology business in the beginning of February 2009 by selling 7iD Technologies GmbH to the acting management of the said company in Austria. RFID business has been part of Wireless Sensor Solution business in EB. Due to this transaction Wireless Sensor Solution business ceases to exist. The write-offs caused by the transaction are included in the earlier announced (20 November, 2008) maximum EUR 5 million non-recurring restructuring costs and write-offs for the second half of 2008. The transaction will not have significant impact on EB's balance sheet or result.

#### ACTIONS TO IMPROVE PROFITABILITY



EB's profit improvement and cost structure adjustment program launched in fourth quarter 2008 and targeting in total for EUR 40 million annual cost savings in comparison to the cost level of the first half of 2008, is proceeding as planned. The cost savings measures totaling to EUR 30 million have been completed during 4Q 2008 and are gaining their full impact from the beginning of 2009. The additional measures targeting to EUR 10 million savings have been mostly identified and are currently being implemented.

EB announced on October 1<sup>st</sup> a change of 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 customer-financed WiMAX solutions. The change of business model reduces 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, increase further the resource utilization and reduce high cost subcontracting.

EB has concluded the actions to reduce personnel by 115 of the targeted reductions of 170 employees globally by the end of the first half of 2009. Earlier in October EB reduced its personnel in support functions by 42 employees. EB has also agreed upon a maximum of 6 week's temporarily dismiss of employees in Wireless Communications Tools.

#### OUTLOOK FOR THE FIRST HALF OF 2009

Current economic downturn and turbulence in all markets is making forecasting challenging and the visibility is short. Based on the current limited visibility, EB expects that the turnover of the first half of 2009 will be on the same level or lower as in the second half of 2008 (EUR 84.0 million). The announced annual EUR 40 million cost savings actions will continue to gain effect during the first half of 2009 and consequently the profitability of the first half of 2009 is expected to improve significantly compared to the operative result of the second half of 2008 (EUR -14.1 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 solutions and product businesses the risks are mainly related to potential market delays, 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](http://www.elektrobit.com).

#### BALANCE SHEET AND FINANCING

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

	<b>12/2008</b>	<b>12/2007</b>
Non-current assets	46,724	77,196
Current assets	133,797	158,918
Total assets	180,520	236,114
Share capital	12,941	12,941
Other equity	102,181	152,710
Total shareholders' equity	115,123	165,651
Non-current liabilities	19,690	28,937
Current liabilities	45,708	41,526
Total shareholders' equity and liabilities	180,520	236,114

Net cash flow from operations during the period under review:

<i>+ net profit +/- adjustment of accrual basis items</i>	<i>EUR -22.4 million</i>
<i>+ decrease in net working capital</i>	<i>EUR 2.4 million</i>
<i>+ interest, taxes and dividends</i>	<i>EUR -4.7 million</i>
<i>= cash generated from operations</i>	<i>EUR -24.7 million</i>
<i>- net cash used in investment activities</i>	<i>EUR +31.8 million</i>
<i>- net cash used in financing</i>	<i>EUR -10.5 million</i>
<i>= net change in cash and cash equivalents</i>	<i>EUR -3.3 million</i>



The amount of accounts and other receivables, booked in current receivables, was EUR 61.9 million (EUR 78.8 million on December 31, 2007). Accounts and other payables, booked in interest-free current liabilities, were at EUR 38.7 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 18.3 million (EUR 19.6 million on December 31, 2007).

The amount of gross investments in the period under review was EUR 9.8 million, consisting of replacement investments and acquisition of Net Consulting & Services S.A.R.L. Net investments for the reporting period totaled to EUR -11.5 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 Automaatitietie 1. The total amount of depreciation during the period under review was EUR 16.4 million, including EUR 5.5 million of depreciation owing to business acquisitions.

The amount of interest-bearing debt at the end of the reporting period was EUR 22.4 million. The distribution of net financing expenses on the income statement was as follows:

interest, dividend and other financial income	EUR 4.2 million
interest expenses and other financial expenses	EUR -3.5 million
foreign exchange gains and losses	EUR -5.4 million

EB's equity ratio at the end of the period was 64.9 per cent (70.9 per cent at the end of 2007).

The figures from the period under review includes the statutory reserves EUR 3.6 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 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 11.9 million.

#### PERSONNEL

EB employed an average of 1768 people between January and December 2008. At the end of December, EB had 1735 employees (1725 at the end of 2007). A significant part of EB's personnel are product development engineers.

#### CHANGES IN COMPANY MANAGEMENT



EB's Chairman of the Board, Dr. Tech. J.T. Bergqvist resigned from the chairmanship and membership of the Board and M.Sc Juha Hulkko was elected as the new Chairman of the Board in November 2008. The Board of Directors decided to establish three committees to prepare matters falling within the competence of the Board. The committees are audit and financial committee and committees for Automotive and Wireless segments.

#### FLAGGING NOTIFICATIONS

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

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

According to the parent company's balance sheet December 31, 2009, the distributable funds are EUR 22 335 962,13. The loss for the financial period is EUR -4 874 599,42.

The Board of Directors proposes to the Annual General Meeting to be held on March 19, 2009 that no dividend shall be paid.

Oulu, February 13, 2009

EB, Elektrobit Corporation  
The Board of Directors

Further Information:  
Pertti Korhonen  
CEO  
Tel. +358 40 344 5466

Outi Tornainen  
Director, Communications and Marketing  
Tel. +358 40 512 1375

Distribution:  
NASDAQ OMX Helsinki  
Principal media

**INVITATION TO PRESS CONFERENCE ON EB'S FINANCIAL STATEMENT BULLETIN 2008**

EB, Elektrobit Corporation, will hold a press conference for media, analysts and institutional investors concerning the Financial Statement 2008 on

February 13, 2009 at 11.00 - 12.00 hours (CET+1)

in Espoo Keilasatama 5

MR Purje, 2nd floor

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

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 <http://www.elektrobit.com/webcast/instructions>

There will be a possibility to present questions in place as well as by calling to the following conference call number: + 358 20699101, PIN: 757344#

A recording of the audio webcast will be available after the conference on EB's website [www.elektrobit.com/investors](http://www.elektrobit.com/investors). The presentation material will be available after the publication of the Financial Statement 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](http://www.elektrobit.com/investors).

February 13, 2008

EB, Elektrobit Corporation

Corporate Communications

**ELEKTROBIT CORPORATION, FINANCIAL STATEMENT BULLETIN 2008**



The consolidated financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statement of 2008 has been audited and the auditing report has been dated on February 12, 2009.

<b>CONSOLIDATED INCOME STATEMENT (MEUR)</b>	<b>1-12/2008</b>	<b>1-12/2007</b>
	<b>12 months</b>	<b>12 months</b>
NET SALES	172.3	144.3
Other operating income	6.2	14.4
Change in work in progress and finished goods	-2.8	1.5
Work performed by the undertaking for its own purpose and capitalized	0.1	0.5
Raw materials	-18.0	-10.1
Personnel expenses	-104.0	-96.5
Depreciation	-16.4	-15.9
Other operating expenses	-80.1	-58.5
OPERATING PROFIT (LOSS)	-42.7	-20.3
Financial income and expenses	-4.7	0.3
RESULT BEFORE TAXES	-47.4	-20.0
Income taxes	-2.4	0.0
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-49.8	-20.0
Result after taxes for the period from discontinued operations	0.3	13.1
RESULT FOR THE PERIOD	-49.5	-6.9
Attributable to		
Equity holders of the parent	-49.5	-6.9
Earnings per share EUR continuing operations		
Basic earnings per share	-0.38	-0.15
Diluted earnings per share	-0.38	-0.15
Earnings per share EUR discontinued operations		
Basic earnings per share	0.0	0.10
Diluted earnings per share	0.0	0.10
Earnings per share EUR continuing and discontinued Operations		
Basic earnings per share	-0.38	-0.05
Diluted earnings per share	-0.38	-0.05



Average number of shares, 1000 pcs	129 413	129 413
<b>CONSOLIDATED BALANCE SHEET (MEUR)</b>	<b>Dec. 31,</b>	<b>Dec. 31,</b>
	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	16.2	25.1
Goodwill	18.3	19.6
Intangible assets	11.0	18.0
Financial assets at fair value through profit or loss		10.8
Other financial assets	0.4	0.3
Receivables	0.8	0.7
Deferred tax assets	0.1	2.8
Non-current assets total	46.7	77.2
Current assets		
Inventories	3.3	7.6
Trade and other receivables	61.9	78,8
Financial assets at fair value through profit or loss		50.9
Cash and short term deposits	68.6	21.6
Current assets total	133.8	158.9
<b>TOTAL ASSETS</b>	<b>180.5</b>	<b>236.1</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent		
Share capital	12.9	12.9
Share premium	64.6	64.6
Translation difference	0.2	-0.4
Retained earnings	37.4	88.5
Minority interest	0.0	0.0
Total equity	115.1	165.7
Non-current liabilities		
Deferred tax liabilities	2.6	4.4
Provisions	1.0	
Interest-bearing liabilities	15.4	23.9
Other liabilities	0.7	0.6
Non-current liabilities total	19.7	28.9
Current liabilities		
Trade and other payables	35.1	31.1
Financial liabilities at fair value through profit or loss	0.1	
Pension obligations	1.0	0.9
Current tax liabilities	0.0	1.2
Provisions	2.5	



Interest-bearing loans and borrowings	7.0	8.3
Current liabilities total	45.7	41.5
Total liabilities	65.4	70.5
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180.5</b>	<b>236.1</b>

**CONSOLIDATED CASH FLOW STATEMENT (MEUR)**

	<b>1-12/2008</b>	<b>1-12/2007</b>
	<b>12 months</b>	<b>12 months</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Result for the period	-49.5	-6.9
Adjustment of accrual basis items	27.0	-6.4
Change in net working capital	2.4	-11.6
Interest paid on operating activities	-7.3	-1.8
Interest received from operating activities	4.4	1.5
Other financial income and expenses, net received	0.0	0.0
Income taxes paid	-1.7	-1.9
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-24.7</b>	<b>-27.1</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of business unit, net of cash acquired	-0.9	-4.7
Acquisition of minority interest		-10.2
Disposal of business unit, net of cash acquired	26.8	16.9
Purchase of property, plant and equipment	-1.8	-3.9
Purchase of intangible assets	-2.6	-6.3
Purchase of other investments	-0.5	-3.9
Sale of property, plant and equipment	0.2	0.5
Sale of intangible assets		1.1
Proceeds from sale of investments	10.6	3.7
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>31.8</b>	<b>-6.8</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans granted		-0.5
Proceeds from borrowing	0.1	8.2
Repayment of borrowing	-1.9	-7.6
Payment of finance liabilities	-6.0	-5.1
Dividends paid	-2.6	-14.2
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-10.5</b>	<b>-19.3</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-3.3</b>	<b>-53.2</b>
Cash and cash equivalents at beginning of period	71.9	125.1
Cash and cash equivalents at end of period	68.6	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				-6.9		6.9
Dividend distribution			-14.2			-14.2
Share-related compensation			1.2			1.2
Translation difference			-0.2		-2.1	-2.3
Others			-0.7			-0.7
Equity on December 31, 2007	12.9	64.6	95.0	-6.9	0.0	165.7
Equity on January 1, 2008	12.9	64.6	88.1			165.7
Result for the period				-49.5		-49.5
Dividend distribution			-2.6			-2.6
Share-related compensation			1.0			1.0
Translation difference			0.6			0.6
Others			-0.0			-0.0
Equity on December 31, 2008	12.9	64.6	87.1	-49.5		115.1

**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.

**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 9.2 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

<b>SEGMENT INFORMATION (MEUR)</b>	<b>1-12/2008</b>	<b>1-12/2007</b>
	<b>12 months</b>	<b>12 months</b>
Automotive		
Net sales to external customers	63.3	52.6
Net sales to other segments	0.1	0.0
Net sales total	63.4	52.7
Operating profit (loss)	-12.1	0.7
Wireless		
Net sales to external customers	108.6	90.9
Net sales to other segments	0.1	0.8
Net sales total	108.6	91.7
Operating profit (loss)	-28.5	-22.8
Other businesses		
Net sales to external customers	0.4	0.8
Net sales to other segments	0.0	0.0
Net sales total	0.4	0.8



Operating profit (loss)	-2.1	1.8
Eliminations		
Net sales to external customers	0.0	0.0
Net sales to other segments	-0.2	-0.8
Net sales total	-0.2	-0.8
Operating profit (loss)	0.0	0.0
Group total		
Net sales to external customers	172.3	144.3
Operating profit (loss)	-42.7	-20.3
<b>Net sales of geographical segments (MEUR)</b>	<b>1-12/2008</b>	<b>1-12/2007</b>
	<b>12 months</b>	<b>12 months</b>
Net sales		
Europe	114.9	101.6
Americas	49.2	33.3
Asia	8.1	9.5
Net sales total	172.3	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:**

2dn of February, 2009 EB existed from RFID technology business by selling 7iD Technologies GmbH to the acting management of the said company in Austria. RFID business has been part of Wireless Sensor Solution business in EB and it has 20 employees. Due to this transaction Wireless Sensor Solution business ceases to exist.

**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 Elektrobot AG and 100 per cent of share capital of Kiinteistö Oy Automaatitie 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:** **1-12/2008** **1-12/2007**



Employee benefits for key management and stock option expenses total	2.7	2.5
Loans and guarantees to related party		
There have not been other transactions between the related parties		

<b>INCOME STATEMENT BY QUARTER (MEUR)</b>	<b>10-12/ 2008 3 months</b>	<b>7-9/ 2008 3 months</b>	<b>4-6/ 2008 3 months</b>	<b>1-3/ 2008 3 months</b>	<b>10-12/ 2007 3 months</b>
NET SALES	49.5	34.5	41.0	47.3	44.6
Other operating income	1.5	2.6	0.7	1.4	10.7
Change in work in progress and finished goods	-1.2	-0.8	-0.1	-0.6	-1.1
Work performed by the undertaking for its own purpose and capitalized	0.0	-0.0	0.0	0.1	0.1
Raw materials	-6.6	-2.3	-3.6	-5.6	-3.1
Personnel expenses	-27.8	-24.3	-24.8	-27.2	-26.6
Depreciation	-3.8	-2.9	-6.5	-3.2	-7.6
Other operating expenses	-20.1	-19.7	-20.1	-20.2	-19.5
OPERATING PROFIT (LOSS)	-8.5	-12.9	-13.3	-8.0	-2.4
Financial income and expenses	-3.3	-1.6	-0.2	0.4	-0.9
RESULT BEFORE TAXES	-11.8	-14.4	-13.6	-7.7	-3.3
Income taxes	-2.3	-0.1	0.0	-0.0	0.0
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-14.0	-14.6	-13.5	-7.7	-3.3
Result after taxes for the period from discontinued operations	0.1	0.0	0.1	0.0	0.4
RESULT FOR THE PERIOD	-13.9	-14.6	-13.4	-7.7	-2.9
Attributable to					
Equity holders of the parent	-13.9	-14.6	-13.4	-7.7	-2.9

<b>BALANCE SHEET BY QUARTER (MEUR)</b>	<b>Dec. 31, 2008</b>	<b>Sept. 30, 2008</b>	<b>June 30, 2008</b>	<b>March 31, 2008</b>	<b>Dec. 31, 2007</b>
ASSETS					
Non-current assets					
Property, plant and equipment	16.2	17.4	24.3	24.5	25.1
Goodwill	18.3	18.2	17.6	19.6	19.6



Intangible assets	11.0	15.8	16.3	18.2	18.0
Financial assets at fair value through profit or loss					10.8
Other financial assets	0.4	0.3	0.3	0.4	0.3
Receivables	0.8	0.9	0.9	0.7	0.7
Deferred tax assets	0.1	2.6	3.4	3.0	2.8
Non-current assets total	46.7	55.3	62.8	66.4	77.2
Current assets					
Inventories	3.3	5.8	7.2	7.4	7.6
Trade and other receivables	61.9	60.2	61.9	64.9	78.8
Financial assets at fair value through profit or loss			0.5	1.6	50.9
Cash and short term deposits	68.6	67.2	74.8	85.7	21.6
Current assets total	133.8	133.2	144.4	159.6	158.9
TOTAL ASSETS	180.5	188.5	207.2	226.0	236.1
<b>EQUITY AND LIABILITIES</b>					
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	0.2	0.1	-0.8	-0.8	-0.4
Retained earnings	37.4	51.0	65.6	78.6	88.5
Minority interest					
Total equity	115.1	128.6	142.3	155.3	165.7
Non-current liabilities					
Deferred tax liabilities	2.6	3.2	3.5	4.2	4.4
Provisions	1.0	1.2			
Interest-bearing liabilities	15.4	15.9	22.8	23.9	23.9
Other liabilities	0.7	0.6	0.6	0.6	0.6
Non-current liabilities total	19.7	20.8	26.8	28.7	28.9
Current liabilities					
Trade and other payables	35.1	26.2	28.0	33.4	32.3
Financial liabilities at fair value through profit or loss	0.1	1.1			
Pension obligations	1.0	1.1	1.1	1.1	0.9
Provisions	2.5	0.7			
Interest-bearing loans and borrowings (non-current)	7.0	9.9	8.9	7.5	8.3
Current liabilities total	45.7	39.1	38.0	42.0	41.5
Total liabilities	65.4	59.9	64.8	70.7	70.5
TOTAL EQUITY AND LIABILITIES	180.5	188.5	207.2	226.0	236.1



<b>CONSOLIDATED CASH FLOW STATEMENT BY QUARTER</b>	<b>10-12/ 2008</b>	<b>7-9/ 2008</b>	<b>4-6/ 2008</b>	<b>1-3/ 2008</b>	<b>10-12/ 2007</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
Net cash from operating activities	-0.5	-7.7	-9.0	-7.4	-8.6
Net cash from investing activities	5.7	0.5	-0.0	25.7	-0.7
Net cash from financing activities	-3.8	-0.4	-1.8	-4.5	-1.4
Net change in cash and cash equivalents	1.4	-7.6	-10.9	13.8	-10.8

#### **FINANCIAL PERFORMANCE RELATED RATIOS**

**1-12/2008**    **1-12/2007**  
**12 months**   **12 months**

#### **INCOME STATEMENT (MEUR)**

Net sales	172.3	144.3
Operating profit (loss)	-42.7	-20.3
Operating profit (loss), % of net sales	-24.8	-14.1
Result before taxes	-47.4	-20.0
Result before taxes, % of net sales	-27.5	-13.9
Result for the period	-49.8	-20.0

#### **PROFITABILITY AND OTHER KEY FIGURES**

Interest-bearing net liabilities, (MEUR)	-46.2	-39.7
Net gearing, -%	-40.2	-24.0
Equity ratio, %	64.9	70.9
Gross investments, (MEUR)	9.8	44.1
Average personnel during the period	1768	1695
Personnel at the period end	1735	1725

#### **AMOUNT OF SHARE ISSUE ADJUSTMENT**

**(1,000 pcs)**

**Dec. 31,**    **Dec. 31,**  
**2008**      **2007**

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	129 413	129 413

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

**1-12/2008**    **1-12/2007**  
**12 months**   **12 months**

Basic earnings per share	-0.38	-0.15
--------------------------	-------	-------



Diluted earnings per share	-0.38	-0.15
Equity *) per share	0.89	1.28

\*) Equity attributable to equity holders of the parent

<b>MARKET VALUES OF SHARES (EUR)</b>	<b>1-12/2008</b>	<b>1-12/2007</b>
Highest	1.79	2.48
Lowest	0.29	1.51
Average	0.82	1.93
At the end of period	0.33	1.64
Market value of the stock, (MEUR)	42.7	212.2
Trading value of shares, (MEUR)	9.6	53.4
Number of shares traded, (1,000 pcs)	11 770	27 656
Related to average number of shares %	9.1	21.4
<b>SECURITIES AND CONTINGENT LIABILITIES (MEUR)</b>	<b>Dec. 31, 2008</b>	<b>Dec. 31, 2007</b>
<b>AGAINST OWN LIABILITIES</b>		
Floating charges	3.1	3.1
Mortgages	0.0	7.0
Pledges	1.1	9.8
Guarantees	4.1	2.1
Mortgages are pledged for liabilities totaled	9.9	17.3
<b>OTHER DIRECT AND CONTINGENT LIABILITIES</b>		
Rental liabilities		
Falling due in the next year	4.2	4.0
Falling due after one year	5.1	4.9
<b>NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)</b>	<b>Dec. 31, 2008</b>	<b>Dec. 31, 2007</b>
Foreign exchange forward contracts		
Market value	-0.1	0.7
Nominal value	11.9	26.4