



Elektrobit Group Plc.
Financial Statements January – December, 2005
February 15, 2006

Forward-looking Statements

Some statements made in this material relating to future circumstances or status, including, without limitation, future performance of the company, expectations regarding market growth, trend projections as well as any statements preceded by the words “expect”, “believe”, “foresee” or similar expressions are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty and actual results may, therefore, differ materially from the results that are expressed or implied by these forward-looking statements. Elektrobit Group Plc. disclaims all obligations to update such forward-looking statements except as required by mandatory law.

Fourth Quarter 10 – 12 / 2005

Company continued efforts towards long-term development in 2005

- Resources in sales, marketing, competence development as well as research and development were increased.
- The Group was pursuing moderate growth in net sales in 2005 and maintaining of its good level of profitability and strong balance sheet
- Net sales and profitability of October-December 2005 were below the targets set.

Net sales and operating profit according to earlier estimated

- Net sales 54,9 MEUR (60,2 MEUR, decrease of 8,7 %)
- Operating profit 4,4 MEUR (10,1 MEUR, decrease of 56,3 %)

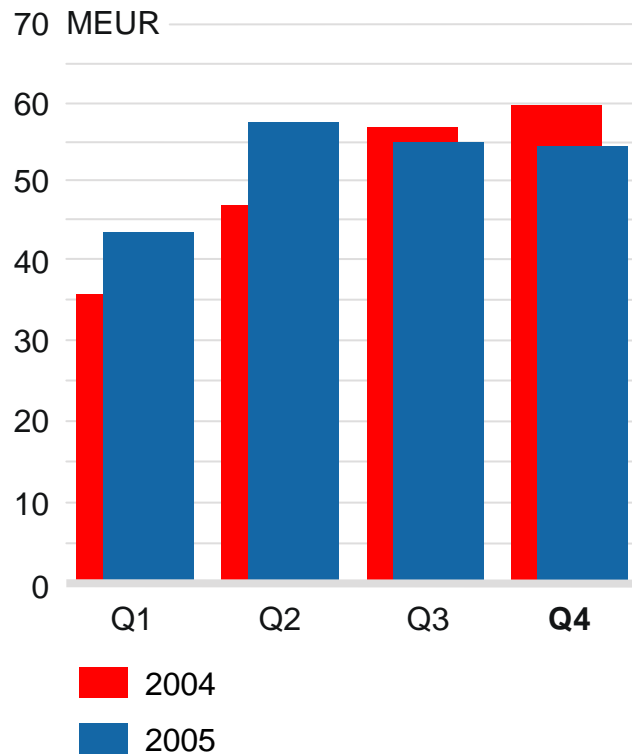
Fourth Quarter 10 – 12 / 2005

Automotive business continued its strong development

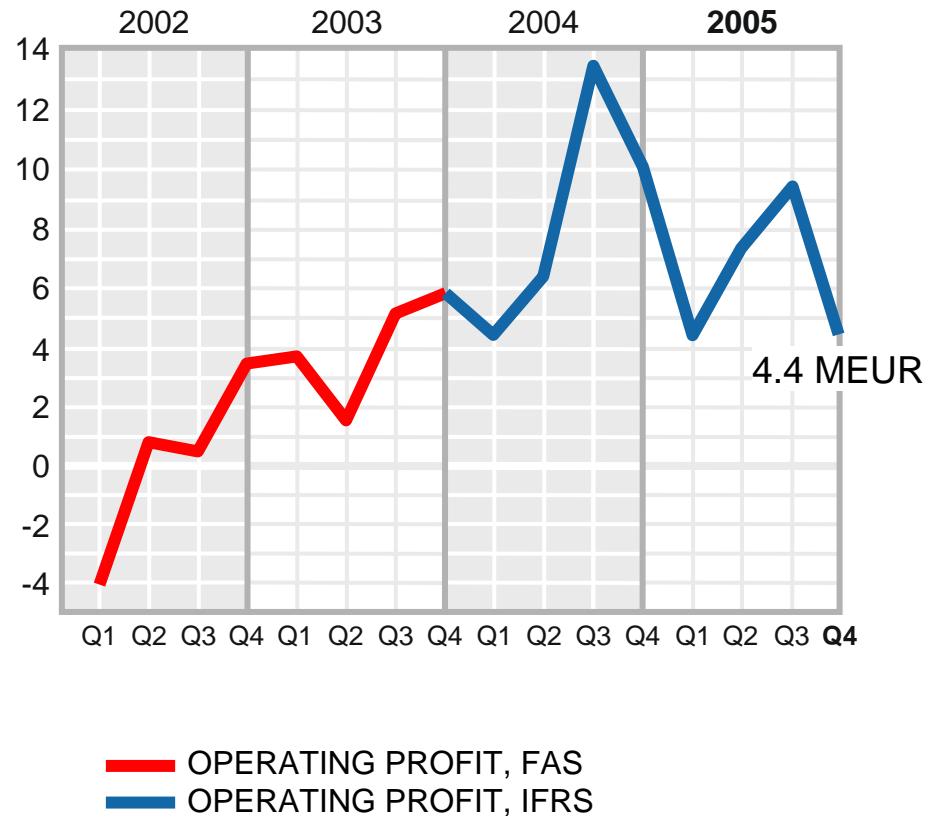
- Net sales of Contract R&D and Automation Solutions business decreased from previous years' 4th quarter.
- Net sales of Testing business unit decreased from previous years' 4th quarter.
- However, the development of Network Testing was stronger than expected.

Development of Net Sales and Profitability

NET SALES Q1/04 – Q4/05



OPERATING PROFIT Q1/02 – Q4/05



Summary of the year 2005

The Group's net sales increased 4,9% from the previous year's level

- Net sales amounted to 212,5 MEUR (202,6 MEUR) falling short of our targets.
- Net sales of Testing business unit increased 13,4 %.
- Net sales of Automotive business unit increased 61,2 %.
- Net sales of Contract R&D business unit decreased 12,4 %.
- Net sales of Automation Solutions business unit decreased 13,0 %.

The Group's operating profit

- Operating profit amounted to 25,5 MEUR (34,4 MEUR) falling somewhat short of our targets.
- Testing and Automotive business units outperformed the targets.
- Contract R&D and Automation solutions businesses fell short of the targets.

Operations by Business Segments in 2005

Services Business

- Contract R&D business mainly includes product development services for the telecommunications industry.
- Automotive business mainly includes software development services for the automotive industry.
- Net sales of the service business segment amounted to 90,2 MEUR (88,8 MEUR), and operating profit stood at 0,9 MEUR (9,2 MEUR).

Products Business

- Testing business mainly includes testing equipment required for the product development, production and network operation of telecommunications devices.
- Automation Solutions business includes equipment for the automation of production lines for telecommunications and other electronic devices.
- Net sales of the product business segment amounted to 122,1 MEUR (113,5 MEUR) and the operating profit stood at 24,7 MEUR (26,7 MEUR).

Operations by Business Units in 2005

Contract R&D

- Net sales 63,1 MEUR (72,0 MEUR) was below the targets set.
- Substantial investments were made in development of the Mobile terminal platforms.
- Product development relating to Network business increased from the previous year's level outperforming the targets.
- Product-related sales was below 10%.

Automotive

- Net sales amounted to 27,1 MEUR (16,8 MEUR, 3 – 12 / 2004) and developed according to our plan.
- Investments were made in sales, personal resources were increased and business is on a good growth path.
- Internationalization commenced in Japan and America.
- Several new products were brought to market.
- The share of products and solutions related to them increased substantially and was 30% of the net sales.

Operations by Business Units in 2005

Testing

- Net sales of the Testing business stood at 100,2 MEUR (88,3 MEUR) which exceeded our plans.
- R&D investments increased substantially from the year 2004.
- Network testing clearly outperformed the targets.
- System testing increased, but did not achieve the targets.
- Sales in product testing remained at 2004 level.

Automation Solutions

- Net sales of 21,9 MEUR (25,1 MEUR) fell short of the targets.
- Business environment remained challenging.
- Basic automation products are under substantial price pressure.

Operating Environment in 2006

Operating environment remains challenging

- The predictable period remains short.

Telecommunication and Automotive

- Sales volume of the mobile devices market are estimated to grow approx. 10 %.
- It has been estimated that approx. 100 million Smart phones will be sold.
- Growth of network business is estimated not to exceed 10 % in 2006.
- Price competition in Automation Solution markets and manual assembly in China limits the growth of market.
- The market of network and system testing equipment will increase over 15 %.
- Automotive software solutions market is estimated to grow approx. 15 % annually.
- Automotive navigation application market will increase substantially.

Outlook for The Financial Year 2006 and Its First Quarter

- Operating environment in 2006 is estimated to remain similar to in 2005.
- Due to the challenging operating environment and the planned increase in research and development investments the relative profitability in 2006 is estimated to be below the level achieved in 2005.
- In 2006 Elektrobit Group is aiming for moderate growth in net sales compared to 2005.
- Net sales distribution in 2006 is estimated to be similar to that of 2005.
- Due to the investments the accumulation of operating profit in 2006 will be focused on the latter half of the year even more clearly than in 2005.
- Net sales of Q1/2006 is estimated to grow somewhat from Q1/2005 level.
- Operating profit of Q1/2006 is estimated to be slightly negative.

Figures

January – December, 2005

Net Sales and Operating Profit Quarterly

MEUR	Oct. - Dec. Q4/2005	Jul. - Sep. Q3/2005	Apr. - Jun. Q2/2005	Jan. - Mar. Q1/2005	Oct. - Dec. Q4/2004	Jan. - Dec. 2005	Jan. - Dec. 2004
Net sales	54.9	54.9	58.1	44.6	60.2	212.5	202.6
Operating profit	4.4	9.4	7.2	4.5	10.1	25.5	34.4
Profit before taxes	5.1	9.6	7.4	4.6	10.2	26.6	33.9
Net profit	4.0	6.6	5.2	3.2	7.2	19.0	26.4

Net Sales by Business Units

Quarterly

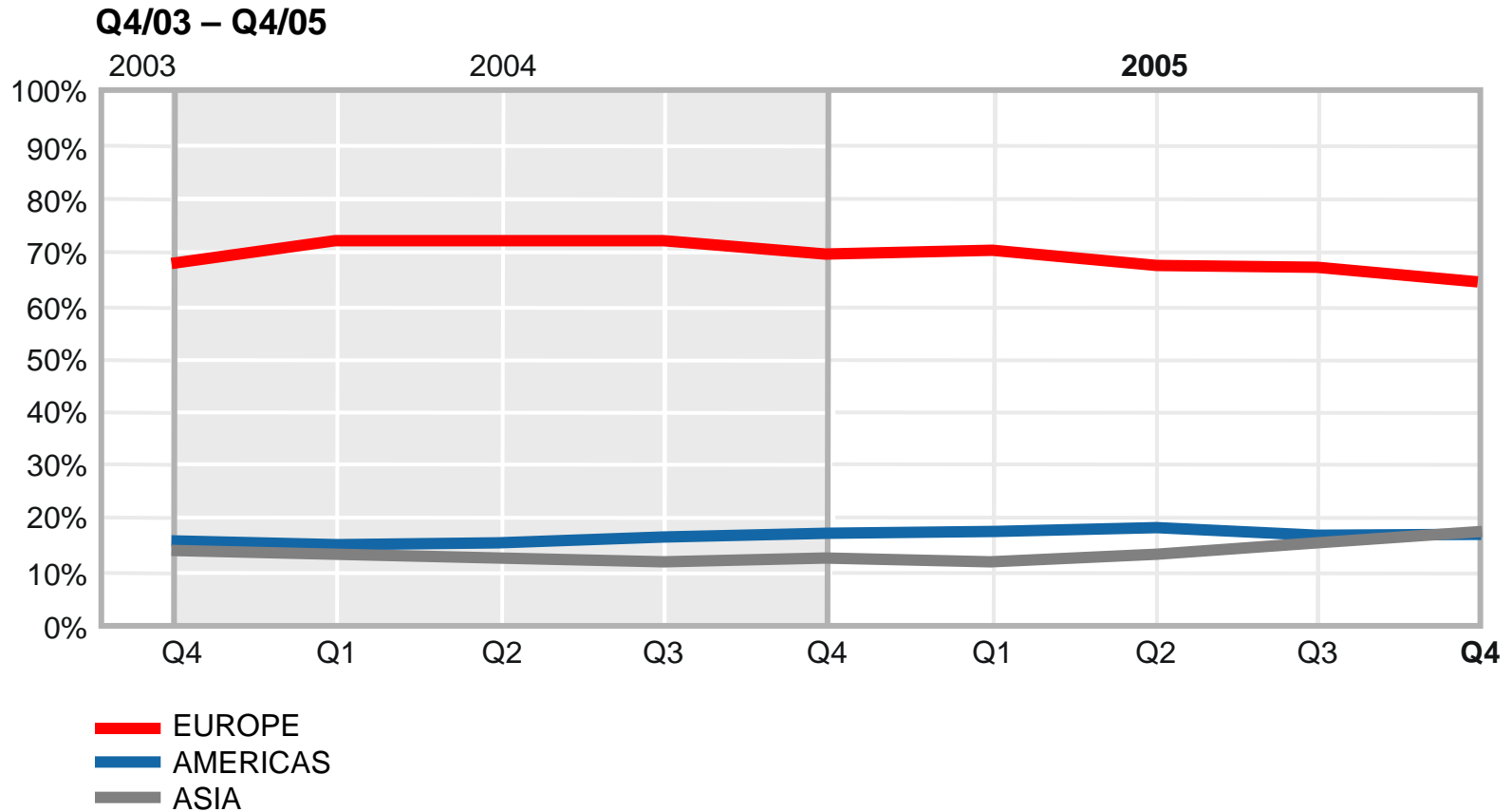
MEUR	Oct. - Dec. Q4/2005	Jul. - Sep. Q3/2005	Apr. - Jun. Q2/2005	Jan. - Mar. Q1/2005	Oct. - Dec. Q4/2004	Jan. - Dec. 2005	Jan. - Dec. 2004
Contract R&D	16.6	13.4	15.9	17.2	21.4	63.1	72.0
Automotive	10.8	6.2	5.8	4.4	6.9	27.1	16.8
SERVICE BUSINESS TOTAL	27.4	19.6	21.7	21.6	28.3	90.2	88.8
Testing	22.6	29.9	31.0	16.7	25.9	100.2	88.3
Automation Solutions	4.8	5.4	5.4	6.3	5.9	21.9	25.1
PRODUCT BUSINESS TOTAL	27.5	35.2	36.3	23.0	31.8	122.1	113.5
GROUP	54.9	54.9	58.1	44.6	60.2	212.5	202.6

Net Sales by Market Area

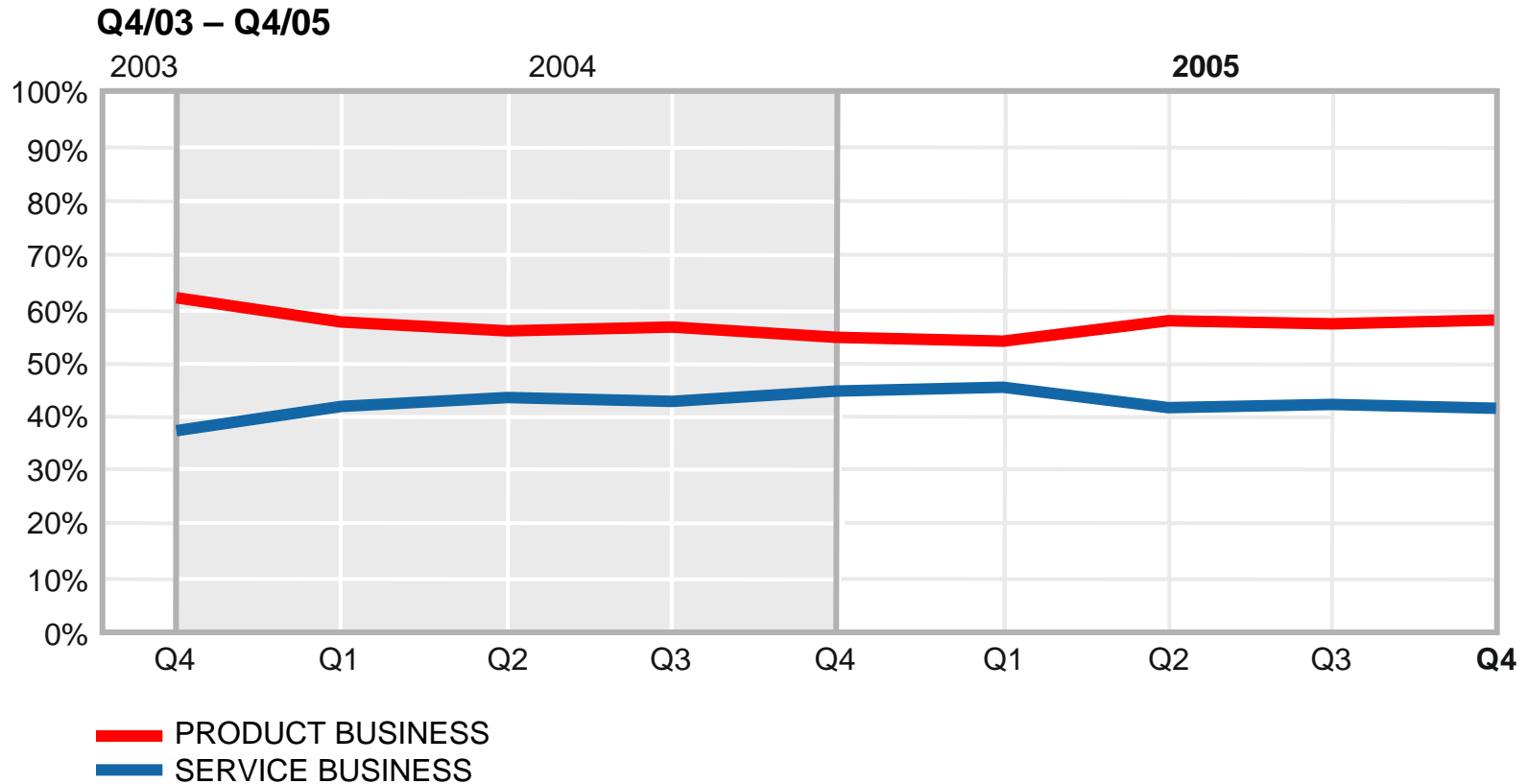
Quarterly

MEUR	Oct. - Dec. Q4/2005	Jul. - Sep. Q3/2005	Apr. - Jun. Q2/2005	Jan. - Mar. Q1/2005	Oct. - Dec. Q4/2004	Jan. - Dec. 2005	Jan. - Dec. 2004
Asia	13.5 (25%)	12.4 (23%)	7.2 (12%)	4.9 (11%)	9.1 (15%)	37.9 (18%)	26.4 (13%)
Americas	4.5 (8%)	12.6 (23%)	12.9 (22%)	5.4 (12%)	7.4 (12%)	35.5 (17%)	36.8 (18%)
Europe	36.9 (67%)	29.9 (54%)	38.0 (65%)	34.3 (77%)	43.6 (73%)	139.1 (65%)	139.4 (69%)
Total	54.9 (100%)	54.9 (100%)	58.1 (100%)	44.6 (100%)	60.2 (100%)	212.5 (100%)	202.6 (100%)

Net Sales by Market Area, % rolling 12 months



Net Sales by Segment, % rolling 12 months



Net sales and Operating Profit by Business Segments, January – December, 2005

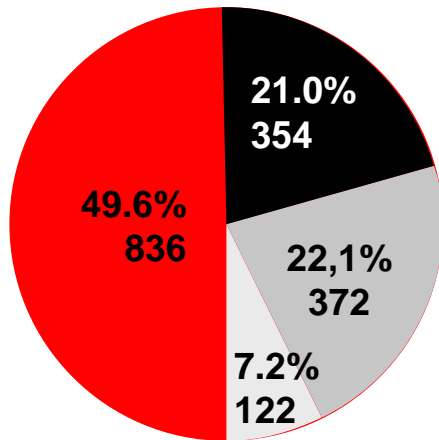
(January – December 2004)

MEUR	Service business	Product business	Common functions	Total
Net sales external	90.2 (88.8)	122.1 (113.5)	0.2 (0.3)	212.5 (202.6)
Operating profit	0.9 (9.2)	24.7 (26.7)	-0.1 (-1.5)	25.5 (34.4)

Personnel

December 31, 2005

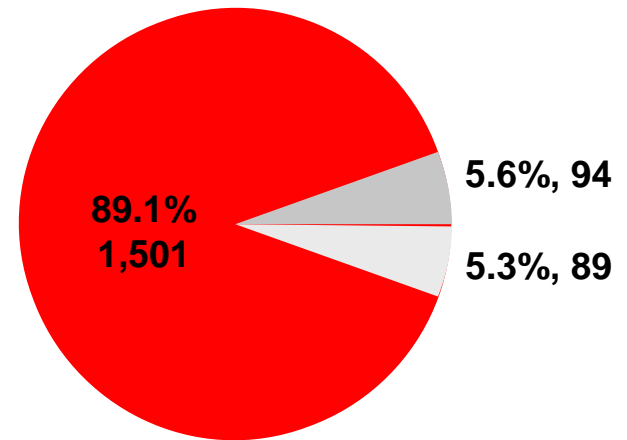
BY BUSINESS UNITS



- CONTRACT R&D
- AUTOMOTIVE
- TESTING
- AUTOMATION SOLUTIONS

Total 1,684

BY MARKET AREAS



- EUROPE
- AMERICAS
- ASIA

Income Statement Quarterly

MEUR	Oct. -Dec. Q4/2005	Jul. - Sep. Q3/2005	Apr. - Jun. Q2/2005	Jan. - Mar. Q1/2005	Oct. - Dec. Q4/2004	Jan. - Dec. 2005	Jan. - Dec. 2004
Net sales	54.9	54.9	58.1	44.6	60.2	212.5	202.6
Change in work in progress and finished goods	-5.6	2.1	0.6	2.7	-2.7	-0.2	0.7
Other operating income	1.4	0.3	0.3	0.5	1.0	2.6	3.1
Production for own use	0.1	0.0	0.2	0.0	0.0	0.2	0.3
Expenses	-43.8	-45.3	-49.0	-41.0	-42.5	-179.1	-157.8
Depreciation and reduction in value	-2.6	-2.6	-2.9	-2.4	-5.9	-10.5	-14.5
Operating profit	4.4	9.4	7.2	4.5	10.1	25.5	34.4
Financial income and expenses	0.7	0.2	0.2	0.1	0.1	1.1	-0.4
Share of results of associated companies	0.0	0.0	-0.0	-0.0	-0.0	0.0	-0.1
Profit before taxes	5.1	9.6	7.4	4.6	10.2	26.6	33.9
Income tax	-1.4	-2.9	-2.2	-1.4	-3.1	-7.8	-7.5
Minority interest	0.2	-0.1	0.0	0.0	0.0	0.1	0.0
Net profit	4.0	6.6	5.2	3.2	7.2	19.0	26.4

Balance Sheet Quarterly

MEUR	Dec. 31, 2005	Sep. 30, 2005	Jun. 30, 2005	Mar. 31, 2005	Dec. 31, 2004
Assets					
Non-current assets	68.7	74.1	74.9	75.1	74.7
Current assets	125.0	128.4	121.8	110.9	119.6
Total assets	193.6	202.4	196.8	186.0	194.3
Shareholders' equity and liabilities					
Share capital	12.9	12.9	12.9	12.9	12.9
Minority interest	1.8	2.0	2.3	2.3	2.3
Total equity	122.0	118.4	111.7	106.4	110.9
Long term liabilities	26.5	31.8	32.6	33.2	34.7
Short term liabilities	45.2	52.3	52.5	46.5	48.7
Shareholders' equity and liabilities total	193.6	202.4	196.8	186.0	194.3

Depreciations and Goodwill

MEUR	Oct . - Dec. 2005	Jul. - Sep. 2005	Apr .- Jun. 2005	Jan. - Mar. 2005
Depreciations				
- on business acquisitions, MEUR	0.5	0.5	0.5	0.5
- on capital assets, MEUR	2.1	2.1	2.4	1.9
Replacement investments, MEUR	2.3	2.2	1.9	2.6
Goodwill 9.2 MEUR				
- % of the equity	7,5	7.7	8.2	8,6
- % of the net profit of the last 12 months	48.3	41.4	33.8	34.9

Cash Flow

MEUR	Jan. - Dec. 2005	Jan .- Dec. 2004
+ net profit +/- adjustment of accrual basis items	35.7	49.0
+/- change in net working capital	-1.5	8.4
- interests, taxes, and dividends	-7.9	-9.8
CASH FLOW FROM OPERATING ACTIVITIES	26.3	47.6
- cash flow from investing activities	-5.3	-23.8
- cash flow from financial activities	-15.6	-5.9
CHANGE IN CASH AND CASH EQUIVALENTS	5.5	17.9

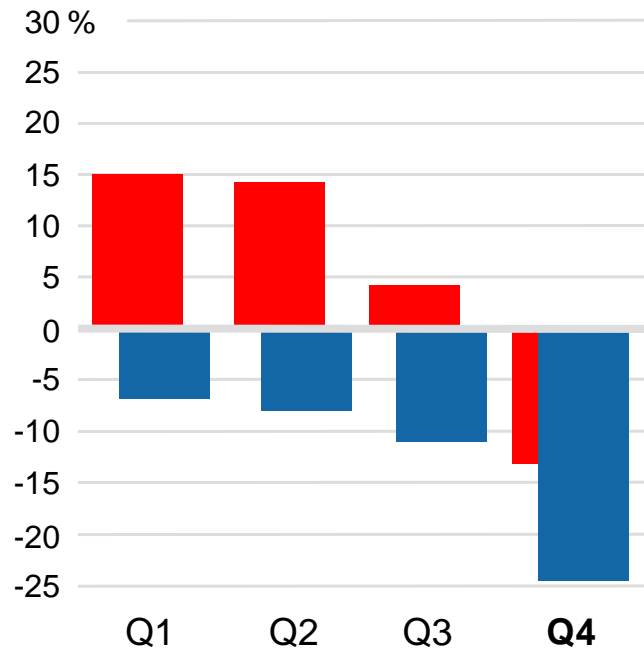
Key Figures

	Jan. - Dec. 2005	Jan. - Dec. 2004	Change %
Net sales, MEUR	212.5	202.6	4.9
Operating profit, MEUR	25.5	34.4	-25.9
Operating profit, % of net sales	12.0	17.0	-
Profit before taxes, MEUR	26.6	33.9	-21.4
Net profit, MEUR	19.0	26.4	-28.3
Equity, MEUR	122.0	110.9	10.0
Balance sheet total, MEUR	193.6	194.3	-0.3
Personnel at the period end	1,684	1,536	9.6
Return on investment -% (ROI)	20.0	28.8	-
Interest bearing net liabilities, MEUR	-29.8	-14.7	-
Net gearing, %	-24.5	-13.2	-
Equity ratio, %	64.2	58.1	-
Earnings per share, EUR	0.15	0.21	-28.9

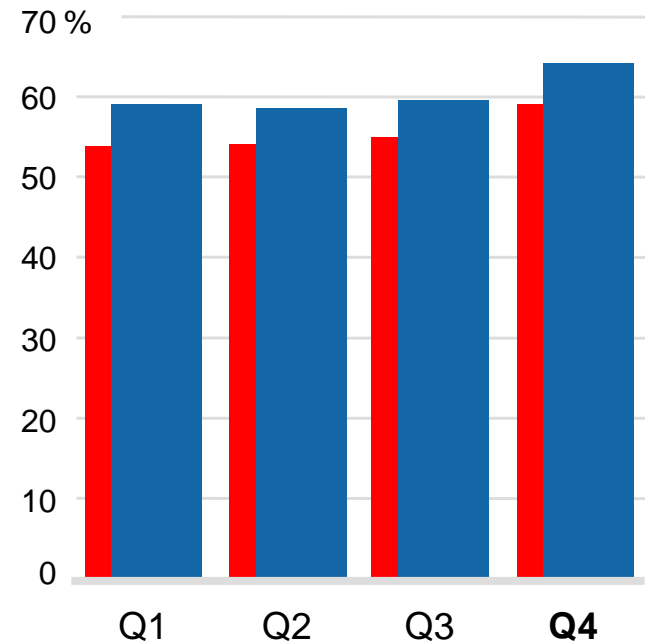
Net Gearing and Equity Ratio

Q1/04 – Q4/05

NET GEARING



EQUITY RATIO

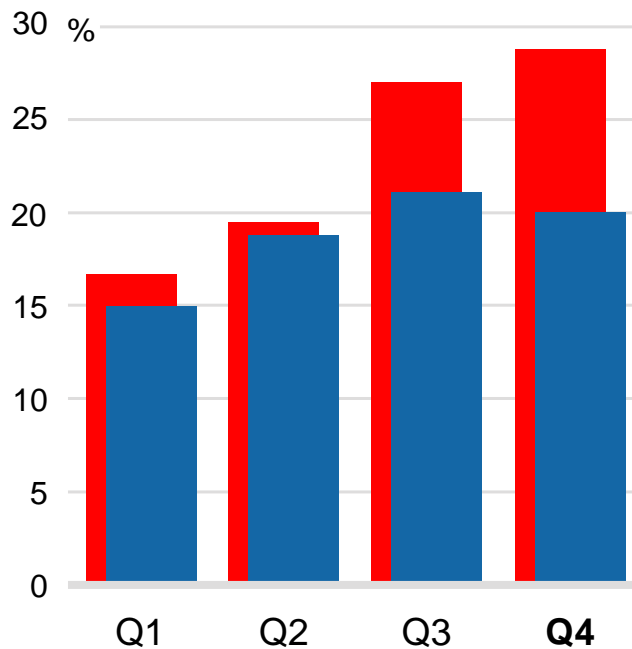


■ 2004 ■ 2005

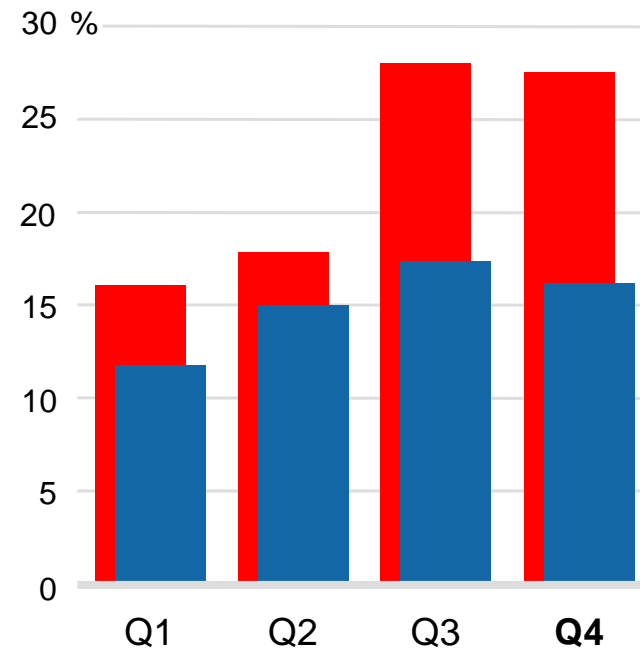
Return on Investment and Equity

Q1/04 – Q4/05

**RETURN ON INVESTMENT
(ROI)**



**RETURN ON EQUITY
(ROE)**



■ 2004 ■ 2005

Appendix

Shareholders

30.12.2005

Shareholder	Number of shares	% of Shares and Votes
1. Hulkko Juha, CEO	27,904,097	21.6
2. Hildén Kai	10,831,316	8.4
3. Veikkolainen Erkki	9,388,719	7.3
4. Halonen Eero, Member of the Board of the Directors	8,780,259	6.8
5. Sipilä Juha, Chairman of the Board of the Directors - and Fortel Companies*	7,930,444	6.1
6. Harju Jukka	7,642,730	5.9
7. Laine Seppo	2,220,051	1.7
8. Mutual Pension Insurance Company Ilmarinen	2,003,140	1.5
9. Sampo Suomi Osake, investment fund	2,000,740	1.5
10. Mandatum Suomi Kasvuosakkeet, investment fund	1,146,480	0.9
11. Kaleva/Mandatum Mutual Insurance Company	1,000,000	0.8
12. Irish Life International	847,050	0.7
13. eQ Pikkujättiläiset, investment fund	800,000	0.6
14. Odin Förvaltnings As	620,320	0.5
15. Göttlicher Rainer	561,464	0.4
16. Veikko Laine Oy	550,000	0.4
17. Haas Johann	519,424	0.4
18. The Finnish National Fund for Research and Development (Sitra)	506,910	0.4
19. Mutual Insurance Company Pension-Fennia	496,000	0.4
20. Finanssi-Sampo Oy	450,000	0.3
Other (incl. administrative registered shareholders)	43,213,546	33.4
Total	129,412,690	100.0

Breakdown of Shareholders by Shareholding

30.12.2005

Breakdown of Shareholders	Number of Shareholders	% of Shareholders	% of Shares and Votes
Private companies and housing associations	1,502	4.0	11.7
Financial institutions and insurance companies	60	0.2	5.5
Public companies and corporations	18	0.0	2.2
Non-profit organizations	117	0.3	0.9
Private investors	35,302	95.0	75.8
Foreign owned	154	0.4	2.9
Administrative registered	11	0.0	1.0
Total	37,164	100.0	100.0

Share Development June 3, 2002 – February 7, 2006



Turnover January – December, 2005

- Number of shares, 1000 pcs 46,374
- MEUR 117.2

Share price (EUR)

- Highest 3.15
- Lowest 1.82

Market capitalization December 30.12.2005

- MEUR 242.0

Share capital and shares

- Share capital, MEUR 12.9
- Number of shares 129,412,690

Information for Investors

Financial Reports 2006

Elektrobit Group Plc. reports its financial development quarterly.
In 2006 Elektrobit Group Plc. will publish three Interim Reports as follows:

May 3	Interim Report, January – March
August 2	Interim Report, January – June
November 1	Interim Report, January – September

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