



EB, Elektrobit Corporation Interim Report January-September 2009

CEO Jukka Harju and CFO Panu Miettinen
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Forward-looking Statements

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Agenda



- EB's Financial Performance in 3Q and January – September 2009
- Business Segments' Highlights in 3Q 2009
- Outlook for the 2H 2009
- Q&A

EB's Financial Performance in 3Q and during 1-9 2009

CFO Panu Miettinen



EB'S 3Q Operating Cash Flow Clearly Positive and Financial Performance According to the Expectations

Net Sales at expected level despite of challenging market situation

- Net sales amounted to EUR 33.5 million (EUR 34.5 million, 3Q 2008) representing a -2.7 % decrease year-on-year

Profitability at the expected level

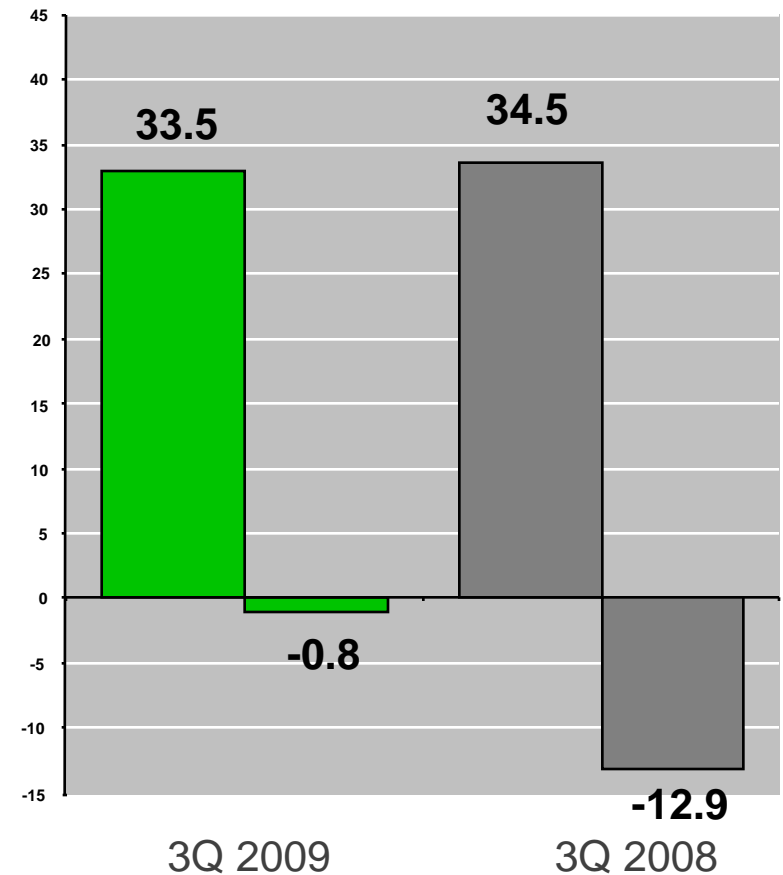
- Operating loss improved to EUR -0.8 million (EUR -12.9 million, 3Q 2008)

Operating cash flow turned clearly positive

- Operating cash flow amounted to EUR 4.6 million (EUR -7.7 million, 3Q 2008)

Balance sheet remained strong

- Cash and other liquid assets totaled to EUR 62.2 million (EUR 67.2 million 3Q 2008)
- Equity ratio remained at a high level of 71.1 % (69.5% 3Q 2008)



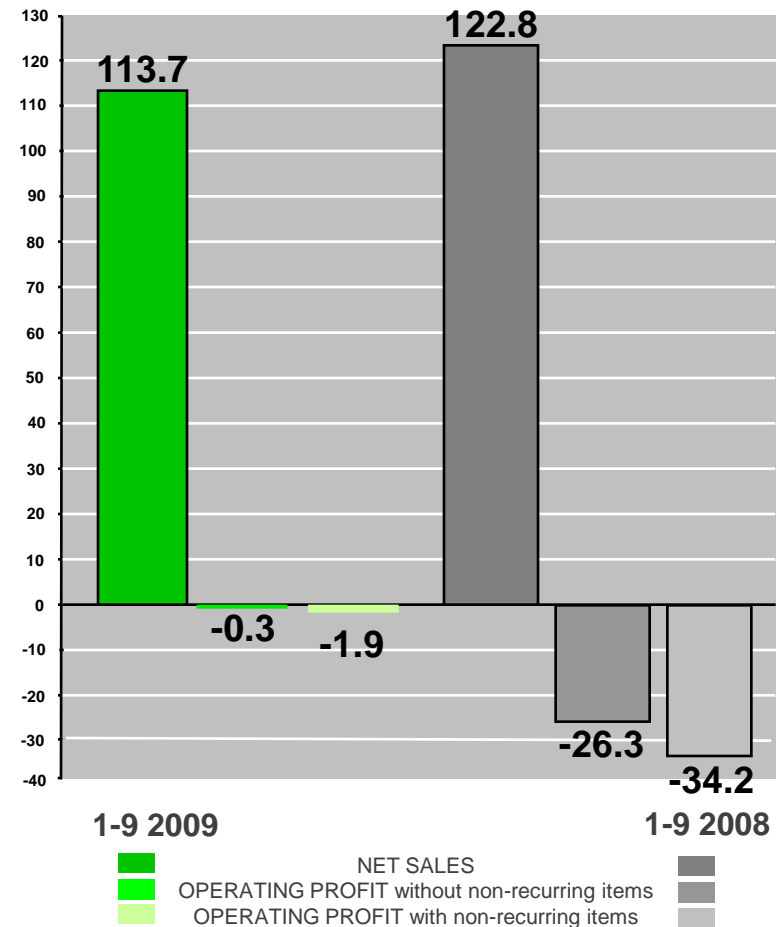
Major Profitability Improvement Y-o-Y Despite of Declining Net Sales During Jan – Sept

Challenging market situation prevailed, especially during 1H 2009

- Net sales amounted to EUR 113.7 million (EUR 122.8 million, 1-9 2008) representing a -7.4 % decrease y-o-y.

Major Improvement in Profitability Y-o-Y

- Operating loss from business operations improved to EUR -0.3 million (EUR -26.3 million, 1-9 2008)
- Non-recurring cost amounted to EUR -1.6 million, resulting in a total operating loss of EUR -1.9 million (EUR -34.2, 1-9 2008)
- Major contributor for profitability improvement was during 2Q 2009 concluded 40 MEUR program



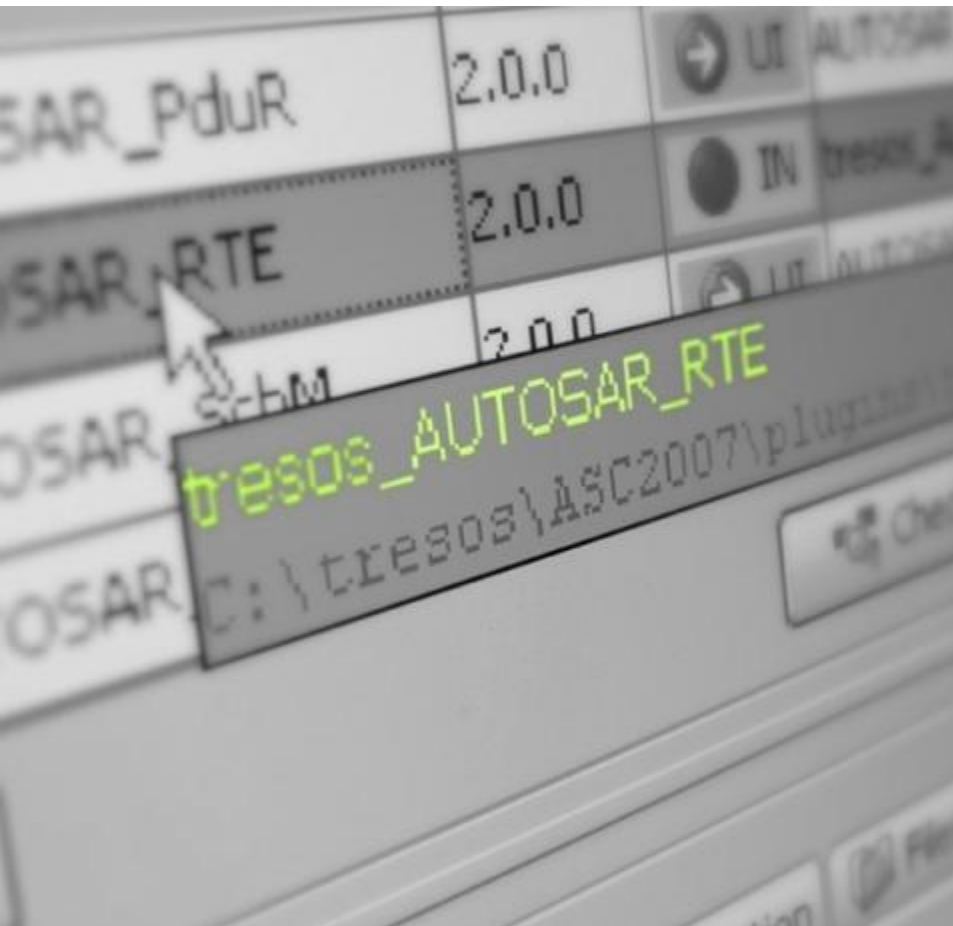
Operating Cash Flow Turned Positive, Balance Sheet Remained Strong

MEUR	3Q 2009	3Q 2008	Jan. - Dec. 2008
- net profit +/- adjustment of accrual basis items	+0.2	-10.6	-22.4
- change in net working capital	+5.5	+2.7	+2.4
- interests, taxes, and dividends	-1.1	+0.3	-4.7
NET CASH FROM OPERATING ACTIVITIES	+4.6	-7.7	-24.7
- net cash from investing activities	-0.7	+0.5	+31.8
- net cash from financing activities	-2.1	-0.4	-10.5
NET CHANGE IN CASH AND CASH EQUIVALENTS	+1.8	-7.6	-3.3

- Cash and other liquid assets totaled to EUR 62.2 million (67.2 in 3Q 2008)
- Equity ratio remained at a high level of 71.1% (69.5% in 3Q 2008)



EB Continued Focused Investments to Own R&D According to the Strategy



- During 3Q 2009 EB continued to invest in R&D in the following areas:
 - Automotive software products and
 - Tools and radio channel emulation products
- The total R&D investments during 3Q 2009 were EUR 3.5 million (EUR 8.9 million, 3Q 2008), equalling 10.5 % of the net sales (25.7%, 3Q 2008)
- The total R&D investments during Jan – Sept 2009 were EUR 10.5 million (EUR 30.5 million), equaling 9.2 per cent of the net sales (24.8 per cent in 2008).

Business Segments' Highlights in 3Q 2009

CEO Jukka Harju



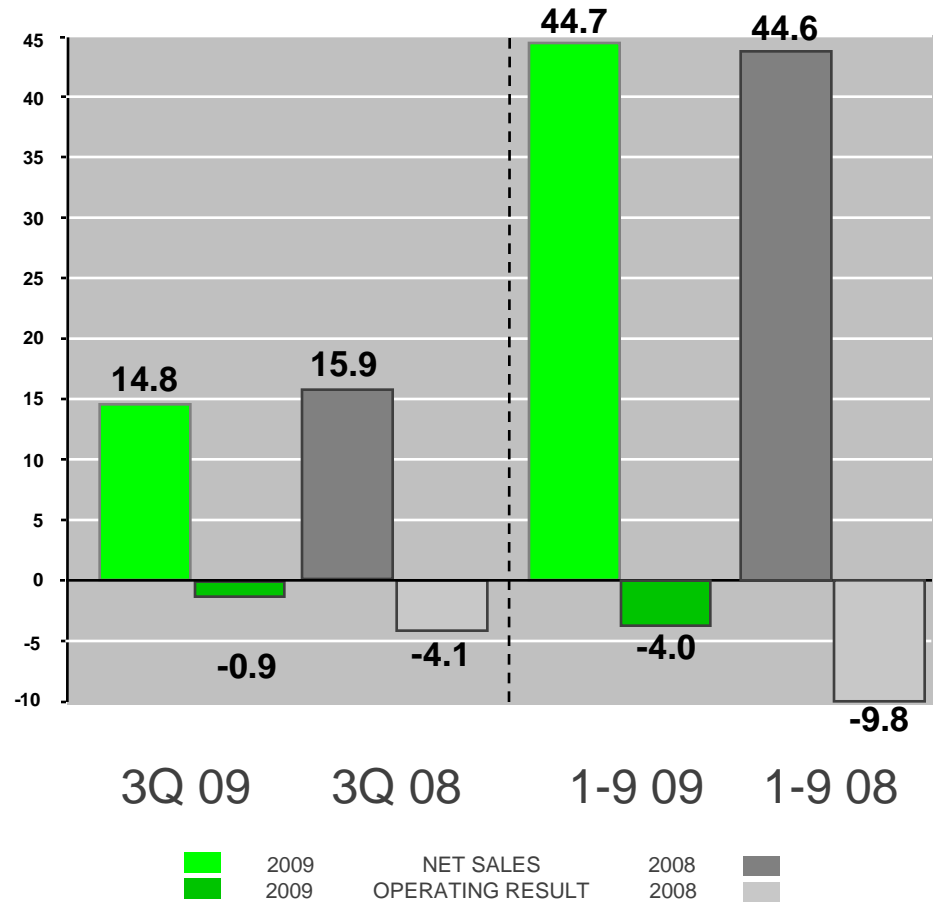
Automotive Segment Improved Operating Result in 3Q 2009 Despite of Demanding Market Conditions

Slight decline in Net Sales of 3Q despite of highly demanding market conditions

- 3Q 2009 EUR 14.8 million (EUR 15.9 million, 3Q 2008), decrease of -6.6 %
- During 1-9 2009 EUR 44.7 million (EUR 44.6 million, 1-9 2008), increase of 0.3%

Operating result improved according to expectations due to the taken profitability improvement measures

- 3Q 2009 operating loss of EUR -0.9 million (-4.1 in 3Q 2008)
- During 1-9 2009 operating loss of EUR -4.0 million (-9.8 during 1-9 2008)



Automotive Business Segment's Highlights during 3Q 2009



- Continued the execution of announced strategy by investing into automotive software products and global solutions services to its customers.
- The joint venture between EB and AEV (Audi Electronics Venture GmbH) started its operations in July concentrating on developing a software framework and control system for in-vehicle infotainment system.
- EB and NEC Electronics announced their collaboration for AUTOSAR.



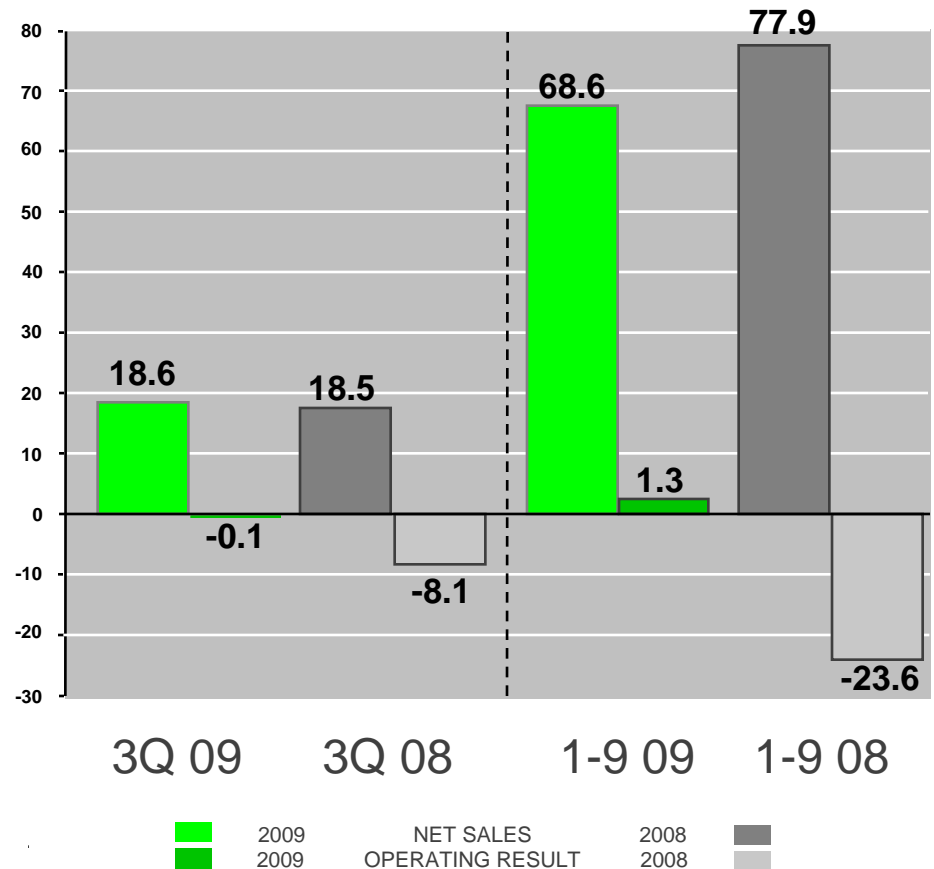
Wireless Segment's 3Q 2009 Operating Result Effected by Seasonality

Flat Net Sales during 3Q Y-on-Y, however, Jan – Sept significantly lower

- 3Q 2009 EUR 18.6 million (EUR 18.5 million, 3Q 2008), increase of 0.2 %
- During 1-9 2009 EUR 68.6 million (EUR 77.9 million, 1-9 2008), decrease of – 11.9%

3Q 2009 operating result effected by seasonality in R&D Services Business as guided, yet significant improvement in profitability Y-o-Y

- 3Q 2009 operating loss of EUR -0.1 million (-8.1 in 3Q 2008)
- During 1-9 2009 operating profit of EUR 1.3 million (-23.6 during 1-9 2008)



Wireless Business Segment's Highlights during 3Q 2009

Wireless Solutions



- Overall demand for R&D service work in the mobile communications markets continued at the expected level.
- The demand for satellite-terrestrial device solutions continued to be strong.
- EB-designed satellite-terrestrial smartphone, used by TerreStar Networks, successfully completed a first ever handset-to-handset VoIP call over satellite network.
- EB announced it has joined the Symbian Foundation.
- EB's Mobile Internet Device (MID) was recognized as a finalist at the annual 4G World Awards for Best Mobile Internet Device.
- EB closed its site in Turku.

Wireless Business Segment's Highlights during 3Q 2009

Wireless Communications Tools



- Wireless Communications Tools market continued to be drive mainly by the development of LTE systems and devices.

Outlook for 2H 2009

CEO Jukka Harju



Automotive Market Outlook

Both automotive and wireless communication market growth is unlikely before the global economic environment starts to improve.



Automotive Market

- The estimated automotive SW general market growth rate of some 15% (Frost & Sullivan) is negatively affected by the current downturn
- According to Strategy Analytics the global market for automotive electronic systems is forecasted to fall by 15% in 2009
- ***While customers remain very cost conscious there are early signs that the demand starts to slowly recover***

Wireless Market Outlook

Both automotive and wireless communication market growth is unlikely before the global economic environment starts to improve.



Wireless Market Outlook

- Mobile phone market volume is expected to decrease in short-term and shifting towards higher end phones
- The mobile satellite communication service industry is introducing new data and mobile services
- The mobile communication R&D services market continues to be challenging as the continuing price pressure drives increase off-shoring
- The overall wireless communications tools market has been weak due to the current economic downturn

Impact to EB:

- *New open SW architectures & platforms are creating opportunities for EB due to strong integration capabilities*
- *Demand for EB's satellite-terrestrial device solutions is expected to continue and this can create new service and product related business opportunities for companies such as EB*
- *OEMs reduce their fixed costs, and increasing flexibility can create new opportunities for partnering*
- *3GPP LTE technology are expected to remain as a driver for the demand in the medium and long term*



Outlook for the Second Half of 2009



- Improving the profitability further continues to be the main focus of EB during the second half of 2009
- EB expects the net sales during the second half of 2009 to be lower than during the first half of 2009 (EUR 80.2 million).
- The operating result in the second half of 2009 is expected to be at the level of or lower than the operating profit from business operations without non-recurring items in the first half of 2009 (EUR 0.5 million).
- As earlier announced in the interim report January - June 2009, the third quarter of 2009 is estimated to be weaker than the latter part of the half due to the holiday period and the nature of R&D services business.

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