

**STOCK EXCHANGE RELEASE**

Free for publication on April 26, 2013, at 8.00 a.m. (CEST+1)

**ELEKTROBIT CORPORATION (EB) INTERIM REPORT JANUARY – MARCH 2013****COMPARABLE NET SALES GREW AND OPERATING RESULT REMAINED AT THE SAME LEVEL AS IN THE PREVIOUS YEAR**

- *From the beginning of 2013 EB has applied the new IFRS10 and IFRS11 standards. As a result the proportion of net sales and operating result of e.solutions GmbH, a jointly owned company of EB and AUDI, to be consolidated into Elektrobit group's consolidated financial statements will decrease compared to previous consolidation method. The change will have no impact on consolidated net profit. For comparability, all figures presented for comparison are restated assuming that the proportionate consolidation method according to the above mentioned standards would have been applied already in 2012.*
- *EB's figures are divided between Continuing and Discontinuing Operations as provided by the IFRS5 standard. In this interim report, Test Tools product business, sold on January 31, 2013, is classified as Discontinuing Operations.*

**SUMMARY JANUARY – MARCH 2013**

- Net sales of the January – March 2013 from continuing operations grew to EUR 46.2 million (restated net sales of EUR 42.7 million, 1Q 2012), representing an increase of 8.3 % year-on-year.
- Operating profit from continuing operations was EUR 0.7 million including non-recurring costs of approximately EUR 0.8 million resulting from the cost saving measures in the Wireless Business Segment (restated operating profit of EUR 0.5 million including non-recurring costs of EUR 0.3 million related to collecting the receivables from TerreStar companies, 1Q 2012).
- Net cash flow was EUR 29.3 million including non-recurring net cash flow of about EUR 28 million resulting from the sale of the Test Tools product business (EUR -3.8 million, 1Q 2012).
- Earnings per share from continuing operations were EUR 0.005 and earnings per share from continuing and discontinuing operations were EUR 0.186.

Group, continuing operations (MEUR)	1Q 13	1Q 12 restated	2012 restated
NET SALES	46.2	42.7	173.9
OPERATING PROFIT / LOSS	0.7	0.5	1.1
Operating profit /loss without non-recurring items	1.5	0.8	5.1
EBITDA	2.9	2.1	8.1
CASH AND OTHER LIQUID ASSETS	43.6	5.4	14.3
EQUITY RATIO (%)	63.1	61.2	55.0
EARNINGS PER SHARE (EUR)	0.005	0.001	0.008



Automotive Business Segment (MEUR)	1Q 13	1Q 12 restated	2012 restated
NET SALES	30.5	26.4	110.6
OPERATING PROFIT / LOSS	1.1	0.7	3.3
EBITDA	2.5	1.6	7.3

Wireless Business Segment, continuing operations (MEUR)	1Q 13	1Q 12	2012
NET SALES	15.8	16.4	63.5
OPERATING PROFIT / LOSS	-0.4	-0.1	-2.2
Operating profit /loss without non-recurring items	0.4	0.2	1.8
EBITDA	0.4	0.5	0.7

- On January 28, 2013 EB and Anite plc signed an agreement, under the terms of which, EB agreed to sell its Test Tools product business to Anite. The Transaction comprised the sale of the shares of EB's subsidiary Elektrobit System Test Ltd., a company based in Oulu, Finland, and certain related other assets in the USA and China. The transferring net assets of the Test Tools product business in January 31, 2013 was expected to be approximately EUR 5 million. Closing of the Transaction was subject to completion of customary closing events.
- On January 31, 2013 EB announced that the sale of the Test Tools product business to Anite plc was completed. The cash consideration paid by Anite to EB as a result of the transaction was EUR 31.0 million on a cash and debt free basis, subject to a post completion adjustment based upon the level of net working capital and cash and debt in the Test Tools product business on January 31, 2013. Transaction resulted in a non-recurring net profit of about EUR 23 million and non-recurring net cash flow of about EUR 28 million in the first quarter of 2013. The transaction price adjustment is not expected to substantially change the above mentioned impacts on the net profit and net cash flow.
- On February 19, 2013 EB started measures to improve its cost structure in the Wireless Business Segment. The measures were completed on April 4, 2013 and EB estimates to reach the targeted approximately EUR 2 million annual cost savings in the Wireless Business Segment. The measures resulted non-recurring costs of approximately EUR 0.8 million in the first quarter of 2013.
- On February 19, 2013 EB announced that from the beginning of 2013, it will change the consolidation method of e.solutions GmbH, the jointly owned company of EB and AUDI, which decreases the proportion of net sales and operating result of e.solutions GmbH to be consolidated into Elektrobit group's consolidated financial statements, but will have no impact on the consolidated net profit. In this financial report the change has been applied also to the previous year figures presented for comparison, and the comparison figures are presented in "restated" form.



EB'S CEO JUKKA HARJU:

"During the first quarter of 2013 EB's business developed according to our plans. The net sales grew by 8.3 per cent year-on-year due to the continued strong growth of the Automotive Business Segment. Net sales of the Wireless Business Segment decreased slightly year-on-year. EB's operating result was slightly positive, and it was decreased by the non-recurring costs of approximately EUR 0.8 million resulting from the cost saving measures of the Wireless Business Segment.

At the end of January 2013 EB sold its Test Tools product business to Anite for EUR 31.0 million. This transaction brought a significant non-recurring effect on EB's profits and increase of cash and therefore strengthened EB's financial position. After this divestiture, our Wireless Business Segment is even more focused on the markets which offer larger long term growth potential for EB.

The demand for EB's products and services is expected to remain good during 2013 and we have good premises to reach same operating profit level as last year without non-recurring items."

#### OUTLOOK FOR 2013

From the beginning of 2013 EB has started to apply the new IFRS10 and IFRS11 standards concerning consolidation, and consolidates e.solutions GmbH, the jointly owned company with Audi, applying the proportionate consolidation method. EB holds a 51% stake in e.solutions GmbH, Audi holding the remaining 49%. Previously e.solutions GmbH has been included in Elektrobit group's consolidated financial statements as subsidiary and it has been consolidated in full. As a result of the change in the method of consolidation, the proportion of net sales and operating result of e.solutions GmbH to be consolidated into Elektrobit group's consolidated financial statements will decrease. The change in the method of consolidation as presented above has been taken into account in the 2013 outlook for net sales and operating result presented below and the 2012 net sales and operating result, presented for comparison, are restated figures, assuming that consolidation of e.solutions GmbH to Elektrobit group would have been done applying proportionate consolidation method already in 2012. More information about this has been presented in the stock exchange release announced on February 19, 2013 and in this interim report in the section "Change in the consolidation of the jointly owned company of EB and AUDI as of January 1, 2013".

Carmakers continue to invest in software for new car models and the market for automotive software products and services is estimated to continue growing. However the growth rate of the global automotive industry is estimated to be less than in the previous year due to the financial uncertainties in Europe. Despite these uncertainties, many carmakers have further continued good financial performance and slowing down of the markets affects different car makers in different ways. In the Wireless Business Segment the growth in demand will be driven especially by the increasing use of the LTE technology that increases the performance of mobile networks, and the



authorities' needs for new communication solutions that use commercial technologies of smart phones and mobile networks, as well as the growing need of companies to provide wireless connectivity of their devices, targeted to consumers and for professional use, to broader solutions. General cost saving measures of the public sector reflects the demand in the public safety markets in Europe.

EB expects for the year 2013 that net sales will grow and operating result will be at the same level as it was in 2012 without non-recurring items (restated net sales of EUR 173.9 million, and restated operating profit without non-recurring items of EUR 5.1 million, in 2012). Operating result is expected to be clearly better in the second half than in the first half of 2013 due to higher product license sales during the latter half of the year and other seasonality factors in the Automotive Business Segment, and due to the cost saving measures in the first half in the Wireless Business Segment.

More specific market outlook is presented under the "Business Segments' development during January - March 2013 and Market Outlook" section.

The non-recurring net profit of about EUR 23 million, resulted from the sale of the Test Tools product business, has no impact on the operating result of 2013 and therefore has no impact on the operating result guidance. All profits and costs related to the mentioned business are presented in the group's income statement, below operating profit under "result for the period from discontinuing operations".

The profit outlook for the year 2013 does not include possible non-recurring income or costs related to the reorganization cases of TerreStar Networks Inc. More information about the reorganization cases of TerreStar Networks and the amount of the receivables and collecting the receivables as well as other uncertainties regarding the outlook is presented under "Risks and Uncertainties" section.

#### INVITATION TO A PRESS CONFERENCE

EB will hold a press conference on the Interim Report January-March 2013 for media, analysts and institutional investors in Finland, Oulu, Tutkijantie 8, on Friday, April 26, 2013, at 11.00 a.m. (CEST+1). The conference will also be held as a conference call and the presentation will be shown simultaneously in the Internet through WebEx. The conference will be held in English. For more information please go to [www.elektrobit.com/investors](http://www.elektrobit.com/investors).

#### **EB, Elektrobit Corporation**

EB creates advanced technology and turns it into enriching end-user experiences. EB is specialized in demanding embedded software and hardware solutions for wireless and automotive industries. The net sales from continuing operations in 2012 totaled EUR 185.4 million. Restated net sales from continuing operations in 2012 totaled EUR 173.9 million. Elektrobit Corporation is listed on NASDAQ OMX Helsinki. [www.elektrobit.com](http://www.elektrobit.com)



## ELEKTROBIT CORPORATION (EB) INTERIM REPORT JANUARY-MARCH 2013

- *From the beginning of 2013 EB has applied the new IFRS10 and IFRS11 standards. As a result the proportion of net sales and operating result of e.solutions GmbH, a jointly owned company of EB and AUDI, to be consolidated into Elektrobit group's consolidated financial statements will decrease compared to previous consolidation method. The change will have no impact on consolidated net profit. For comparability, all figures presented for comparison are restated assuming that the proportionate consolidation method according to the above mentioned standards would have been applied already in 2012.*
- *EB's figures are divided between Continuing and Discontinuing Operations as provided by the IFRS5 standard. In this interim report, Test Tools product business, sold on January 31, 2013, is classified as Discontinuing Operations.*

### FINANCIAL PERFORMANCE DURING JANUARY-MARCH 2013, CONTINUING OPERATIONS (Corresponding figures are for January-March 2012 unless otherwise indicated)

EB's net sales from continuing operations during January-March 2013 grew by 8.3 per cent year-on-year to EUR 46.2 million (restated net sales of EUR 42.7 million). Operating profit from continuing operations was EUR 0.7 million including the non-recurring cost of approximately EUR 0.8 million resulting from the cost saving measures in the Wireless Business Segment (restated operating profit of EUR 0.5 million, including EUR 0.3 million non-recurring costs related to collecting the receivables from TerreStar Companies). Operating profit from continuing operations without these non-recurring costs was EUR 1.5 million (restated operating profit of EUR 0.8 million).

Net sales of the Automotive Business Segment grew in January-March 2013 to EUR 30.5 million (restated net sales of EUR 26.4 million), representing 15.6 per cent growth year-on-year. The operating profit was EUR 1.1 million (restated operating profit of EUR 0.7 million).

The Wireless Business Segment's net sales from continuing operations in January-March 2013 decreased 4.0 per cent year-on-year, to EUR 15.8 million (EUR 16.4 million). The operating loss from continuing operations of the Wireless Business Segment in January-March 2013 was EUR -0.4 million including the non-recurring cost of approximately EUR 0.8 million resulting from the cost saving measures (operating loss of EUR -0.1 million including EUR 0.3 million non-recurring costs related to collecting the receivables from TerreStar Companies). Wireless Business Segment's operating profit from continuing operations without the above mentioned non-recurring costs was EUR 0.4 million (operating profit of EUR 0.2 million).



CONSOLIDATED INCOME STATEMENT (MEUR)	1-3 2013	1-3 2012 restated
	3 months	3 months
<b>CONTINUING OPERATIONS</b>		
Net sales	46.2	42.7
Operating profit / loss	0.7	0.5
Financial income and expenses	-0.1	-0.4
Result before tax	0.6	0.2
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	0.6	0.1
RESULT FOR THE PERIOD FROM DISCONTINUING OPERATIONS	23.6	0.1
RESULT FOR THE PERIOD	24.2	0.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	24.2	0.2
Result for the period attributable to:		
Equity holders of the parent	24.2	0.2
Non-controlling interests		
Total comprehensive income for the period attributable to:		
Equity holder of the parent	24.2	0.2
Non-controlling interests		
Earnings per share from continuing operations, EUR	0.005	0.001

- Cash flow from operating activities was EUR 1.3 million (EUR -2.0 million)
- Net cash flow was EUR 29.3 million including non-recurring net cash flow of about EUR 28 million resulting from the sale of the Test Tools product business (EUR -3.8 million).
- Equity ratio was 63.1% (61.2%).
- Net gearing was -27.5% (8.1%).

#### QUARTERLY FIGURES, CONTINUING OPERATIONS

Elektrobit Group's net sales and operating result, Continuing Operations, MEUR:

	1Q 13	4Q 12 restated	3Q 12 restated	2Q 12 restated	1Q 12 restated
Net sales	46.2	48.2	41.5	41.5	42.7
Operating profit (loss)	0.7	-0.5	2.0	-0.9	0.5
Operating profit (loss) without non-recurring costs	1.5	3.6	0.7	0.0	0.8
Result before taxes	0.6	-0.9	1.8	-0.5	0.2
Result for the period	0.6	-0.1	1.7	-0.6	0.1



Wireless Business Segment, net sales and operating result without non-recurring items, Continuing Operations, MEUR

	1Q 13	4Q 12	3Q 12	2Q 12	1Q 12
Net sales	15.8	16.4	14.1	16.6	16.4
Operating profit (loss)	-0.4	-3.2	2.0	-0.9	-0.1
Operating profit (loss) without non-recurring items	0.4	0.9	0.8	0.0	0.2

Non-recurring items are exceptional gains and costs that are not related to normal business operations and occur only seldom. These items include capital gains or losses, significant changes in asset values such as write-downs or reversals of write-downs, significant restructuring costs, or other items that the management considers to be non-recurring. When evaluating a non-recurring item, the euro translation value of the item is considered, and in case of a change in an asset value, it is measured against the total value of the asset.

Non-recurring items, mentioned in the tables above are as follows:

- costs related to collecting the receivables from TerreStar Companies and income resulting from the settlement payment in the reorganization cases of TerreStar Corporation,
- non-recurring items of approximately EUR 4 million in total, booked in the fourth quarter of 2012, as result of the financial challenges faced by a US based customer of EB's subsidiary, Elektrobit Inc., and
- non-recurring cost of approximately EUR 0.8 million resulting from the cost saving measures in the Wireless Business Segment in the first quarter 2013.

These non-recurring items have been reported as part of Wireless Business Segment's operating result.

The distribution of net sales by Business Segments, Continuing Operations, MEUR:

	1Q 13	4Q 12 restated	3Q 12 restated	2Q 12 restated	1Q 12 restated
Automotive	30.5	31.9	27.4	24.9	26.4
Wireless	15.8	16.4	14.1	16.6	16.4
Corporation total	46.2	48.2	41.5	41.5	42.7

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

	1Q 13	4Q 12 restated	3Q 12 restated	2Q 12 restated	1Q 12 restated
Asia	1.9 4.2 %	2.4 4.9 %	3.1 7.6 %	1.1 2.8 %	1.9 4.4 %
Americas	6.2 13.3 %	6.4 13.2 %	7.6 18.3 %	7.5 18.1 %	7.1 16.7 %



Europe	38.1 82.5 %	39.5 81.9 %	30.7 74.1 %	32.8 79.2 %	33.7 78.9 %
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Net sales and operating profit development by Business Segments and other businesses, Continuing Operations, MEUR:

	1Q 13	4Q 12 restated	3Q 12 restated	2Q 12 restated	1Q 12 restated
<b>Automotive</b>					
Net sales to external customers	30.5	31.8	27.4	24.9	26.4
Net sales to other segments	0.0	0.0	0.0	0.0	0.0
Operating profit (loss)	1.1	2.6	-0.0	-0.0	0.7
<b>Wireless</b>					
Net sales to external customers	15.8	16.4	14.1	16.6	16.3
Net sales to other segments	0.0	0.0	0.0	0.0	0.2
Operating profit (loss)	-0.4	-3.2	2.0	-0.9	-0.1
<b>Other businesses</b>					
Net sales to external customers	0.0	0.0	0.0	0.0	0.0
Operating profit (loss)	0.0	0.1	-0.0	-0.0	-0.0
<b>Total</b>					
Net sales	46.2	48.2	41.5	41.5	42.7
Operating profit (loss)	0.7	-0.5	2.0	-0.9	0.5

#### SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On January 10, 2013 EB announced to lower its profit guidance for 2012 due to the weaker than expected fourth quarter. The reason for the weakening of the fourth quarter was the non-recurring items of approximately EUR 4 million in total, booked as result of the financial challenges faced by a US based customer of EB's subsidiary, Elektrobit Inc. According to the lowered guidance, EB expected the operating result of the fourth quarter of 2012 to be approximately between EUR -0.4 million and EUR 1.1 million (EUR 3.5 million, 4Q 2011), the operating result of the second half of 2012 to be approximately between EUR 1.7 million and EUR 3.2 million (EUR 0.4 million, 2H 2011), and the operating result of the whole year 2012 to be approximately between EUR 2.2 million and EUR 3.7 million (operating loss of EUR -4.0 million in 2011). The expected operating results presented above included non-recurring items that caused the lowering of the fourth quarter profit guidance, as well as non-recurring income and costs related to the reorganization processes of TerreStar companies, booked earlier in 2012. The outlook for the net sales the Company expected to develop as earlier estimated and thus EB expected that the net sales of the fourth quarter of 2012 will be approximately EUR 57 million (EUR 49.0 million, 4Q 2011), the net sales of the second half of 2012 was expected to be approximately EUR 104 million (EUR 86.1 million, 2H 2011) and the net sales of the whole year 2012 was expected to be approximately EUR 200 million (EUR 162.2 million in 2011).



On January 28, 2013 EB announced to have signed an agreement with Anite plc, under the terms of which EB agreed to sell its Test Tools product business to Anite (“the Transaction”). The Transaction comprised the sale of the shares of EB’s subsidiary Elektrobit System Test Ltd., a company based in Oulu, Finland, and certain related other assets in the USA and China. EB’s Test Tools product business provided radio channel emulation tools and testing solutions for the development of the wireless technologies and was part of EB’s Wireless Business Segment employing a total of 54 persons in Finland, USA and China. Closing of the Transaction was agreed to take place on January 31, 2013, subject to completion of customary closing events, such as payment of the cash consideration. According to the agreement, the cash consideration payable to EB by Anite as a result of the Transaction was EUR 31.0 million on a cash and debt free basis, subject to a post completion adjustment based upon the level of net working capital and cash and debt in the Test Tools product business on January 31, 2013. The net assets of the Test Tools product business in January 31, 2013 was expected to be approximately EUR 5 million.

In addition, on January 28, 2013 EB gave advance information on its fourth quarter and full year 2012 net sales and operating results. EB announced also to report its 2012 financial results, as provided by the IFRS5 standard, divided between Continuing and Discontinuing Operations, and that the Test Tools product business is classified as Discontinuing Operations in the 2012 financial statements.

On January 31, 2013 EB announced that the sale of the Test Tools product business to Anite plc was completed. The cash consideration paid by Anite to EB as a result of the Transaction was EUR 31.0 million on a cash and debt free basis, subject to a post completion adjustment based upon the level of net working capital and cash and debt in the Test Tools product business on January 31, 2013. The closing of the Transaction resulted in a non-recurring net profit of about EUR 23 and non-recurring net cash flow of about EUR 28 million in the first quarter of 2013.

On February 19 2013, simultaneously with the announcement of the Financial Statement Bulletin 2012, EB announced it will apply the new IFRS10 and IFRS11 standards from the beginning of 2013 and therefore will consolidate e.solutions GmbH, the jointly owned company with Audi Electronics Venture GmbH (AEV), applying the proportionate consolidation method. As a result of the change in the method of consolidation, the proportion of net sales and operating result of e.solutions GmbH to be consolidated into Elektrobit group’s financial statements will decrease from the previous 100% to 51%. According to the rules of the proportionate consolidation method, the consolidated statement will also include 49% of the net sales from other Elektrobit group companies to e.solutions GmbH.

On February 19, 2013, EB announced also that it will start measures to improve its cost structure in the Wireless Business Segment. The measures were completed on April 4, 2013 and the Company estimates to reach the targeted approximately EUR 2 million annual cost savings in its Wireless Business Segment, fully effective from the second half of 2013 on. The measures resulted non-



recurring costs of approximately EUR 0.8 million that affect negatively the Company's operating result of the first quarter of 2013. The underlying reasons for the measures to improve the cost structure were the changed business requirements. As part of these measures, EB reduced its personnel in the Wireless Business Segment globally by altogether 32 persons, 8 of them in Finland. In addition, EB also concentrated some of its Wireless Business Segment operations to Finland and moved the centre of its US operations from west coast to east coast, where many of the public sector customers are located.

#### BUSINESS SEGMENTS' DEVELOPMENT DURING JANUARY-MARCH 2013 AND MARKET OUTLOOK

(Corresponding figures are for January-March 2012 unless otherwise indicated)

EB's reporting is based on two segments which are the Automotive and Wireless Business Segments.

#### AUTOMOTIVE

In Automotive Business Segment EB offers software products and R&D services for carmakers, car electronics suppliers and other suppliers to the automotive industry. The offering includes in-car infotainment solutions, such as navigation and human machine interfaces (HMI), as well as software for electronic control units (ECU) and driver assistance (DA). By combining its software products and R&D services, EB is creating unique, customized solutions for the automotive industry. EB's software products are: EB street director navigation software, EB GUIDE HMI development and speech dialogue platform, EB tresos product line of software components used in ECUs and tools for their configuration, and EB Assist ADTF, an extensive software development kit for driver assistance solutions. These software products generate license fees, often combined with supply of R&D services for customized solutions.

EB and Audi's subsidiary, Audi Electronics Venture GmbH (AEV), have the joint venture e.solutions GmbH that is currently developing infotainment software and provides systems engineering and systems integration services for Volkswagen Group car models. EB also delivers products and R&D services to the joint venture. EB owns 51% of e.solutions GmbH and AEV 49%. During 2009 - 2012 e.solutions has been included as subsidiary in Elektrobit Corporation's consolidated financial statements. From the beginning of 2013 on, e.solutions GmbH will be consolidated in Elektrobit Corporation's financial statements according to IFRS standards' proportionate consolidation method in accordance with EB's 51 % holding of e.solutions GmbH.

EB's automotive business continued to grow in the infotainment, DA (driver assistance) and ECU (Electronic Control Unit) software markets. During the first quarter of 2013 the net sales of the Automotive Business Segment amounted to EUR 30.5 million (restated net sales of EUR 26.4



million), representing a growth of 15.6 % year-on-year. The operating profit was EUR 1.1 million (restated operating profit of EUR 0.7 million).

During the first quarter EB announced the integration of EB street director navigation software into the QNX CAR™ application platform 2.0, a set of pre-integrated and optimized technologies used to develop advanced infotainment systems for connected car. EB also announced that the runtime solution of its development platform for human machine interfaces (HMIs), EB GUIDE Graphic Target Framework (GTF), has been ported to the Renesas' R-Car H1. The collaboration will enable car manufacturers to use the high-end Renesas chip in combination with the EB GUIDE GTF to utilize the advanced graphical capabilities of the SoC (systems-on-chip).

EB told that it is among the first suppliers to deliver an ASIL-D certified AUTOSAR operating system and the only one certified for two safety standards. ASIL D and SIL 3 rank among the highest security levels for functional safety according to the ISO26262 / IEC 61508 specifications for electric and electronic components. Functional Safety is getting more and more important for today's automotive ECUs and these received certificates strengthen EB's position in these markets.

#### Automotive Market Outlook

The demand for EB's products and services is estimated to develop positively year-on-year during 2013 in Automotive Business Segment. Recently the uncertainty in the market outlook for the global car industry has continued especially in Europe where the number of cars sold is expected to decrease in 2013 from 2012, while in USA and China and other developing countries the market is expected to grow. Despite these uncertainties, many carmakers have further continued good financial performance and slowing down of the markets affects different car makers in different ways. The slowing down of the markets affects decreasingly also to the carmakers' R&D investments. However, carmakers will continue to invest in automotive software for new car models and the market for automotive software products and services is estimated to continue growing during 2013, but at a slower pace than in the years before.

In the labor market, particularly in Germany, competition of talented engineers still is tight and is slightly slowing down the growth of personnel and thereby impacting the growth of the services business. e.solutions GmbH, the jointly owned company with AUDI, succeeded to grow its personnel significantly during the end of 2012 after announcing the decision to expand its business, and the outlook for the joint venture's growth in 2013 is good.

A Roland Berger study estimates the share of electronics in cars will grow from 23 per cent in 2010 to 33 per cent until 2020. The move to greater electronic content in cars has been underway for several years and has been responsible for such major innovations as security systems, anti-lock brakes, engine control units, driver assistance, and infotainment. These features have become so enormously popular that they are now widely available, in both low-end and high-end vehicles, demonstrating that consumers are willing to pay for technology that enhances their driving



experience. Further market growth is expected e.g. in the areas of Driver Assistance and Connected Car solutions. Connectivity with the cloud can provide several enhancements to car functions such as navigation. EB is already working with INRIX and other traffic providers to have real-time traffic which can provide navigation with daily relevance to the drivers. Audi Connect is one example of advanced connected services into the car.

The increasingly sophisticated and networked features and growing performance foster the complexity of automotive electronics. At the same time consumers expect the same richness of features and user experience they know from the internet and mobile devices also within the car. Carmakers have been steadily integrating more electronic components into vehicles. These development trends are driving the industry towards gradual separation of software and hardware in electronics solutions in order to manage the architectural software layer appropriately and to aim for efficiency in innovation and implementation. The use of standard software solutions is expected to increase in the automotive industry. This enables faster innovation, improves quality and development efficiency and reduces complexity related to deployment of software.

The fundamental industry migration and consequent growth of the automotive software market will continue. Cost pressures of the automotive industry are expected to accelerate the need for productized and efficient software solutions EB is offering. The estimated annual automotive software market growth rate until 2019 is expected to exceed the growth rate of passenger car production volume that is estimated to be 5.5% CAGR (LMC Automotive's Q4 2012 Forecast).

EB's net sales cumulating from the automotive industry is currently primarily driven by the development of software and software platforms for new cars and by sales of software licenses needed in product development. Hence the dependency of EB's net sales on car production volumes is currently limited. The direct dependency on production volumes will increase over the forthcoming years as a result of the EB's transition towards software product business models.

## WIRELESS

In the Wireless Business Segment EB offers products and product platforms for defence and public safety markets as well as for industrial use. Further EB offers product development services and customized solutions for wireless communications markets and for companies needing wireless connectivity for their products. EB's products in the Wireless Business Segment are the EB Tactical Wireless IP Network for tactical communications, EB Tough VoIP for tactical IP-based communication, EB Wideband COMINT Sensor for signals intelligence. The product platforms are EB Counter RCIED Platform for electronic warfare, the Android-based EB Specialized Device Platform and EB LTE Connectivity Module for specialized markets. For the latest wireless technologies and applications EB offers a broad range of R&D services such as consulting, integration, software and hardware development.



EB signed an agreement with Anite plc on January 28, 2013, under the terms of which EB agreed to sell its Test Tools product business to Anite. The deal was completed on January 31, 2013. EB reports its financial results, as provided by the IFRS5 standard, divided between Continuing and Discontinuing Operations. Test Tools product business is classified as Discontinuing Operations. The following figures include only the net sales and operating result of Continuing Operations.

Net sales of continuing operations of the Wireless Business Segment during the first quarter of 2013 decreased by 4.0 % year-on-year to EUR 15.8 million (EUR 16.4 million). Operating loss from continuing operations was EUR -0.4 million including non-recurring costs of approximately EUR 0.8 million resulting from the cost saving measures (EUR -0.1 million including non-recurring costs of EUR 0.3 million from collecting the receivables from TerreStar Companies). Operating profit from continuing operations without non-recurring costs was EUR 0.4 million (EUR 0.2 million).

EB continued its R&D investments in continuing operations in products and product platforms targeted for the defence and public safety markets. During the first quarter, EB launched its Tough VoIP phone for industrial use. The product is suitable for demanding environments like manufacturing, construction, power plants, mining sites, and transportation. EB also broadened its Android-based product platform (EB Specialized Device Platform) with three new platform variants: smartphone, tablet and LTE connectivity module.

On February 19, 2013 EB announced to start measures to improve its cost structure in Wireless Business Segment. The measures were completed on April 4, 2013 and the Company estimates to reach the targeted approximately EUR 2 million annual cost savings in its Wireless Business Segment, fully effective from the second half of 2013 on. The measures resulted non-recurring costs of approximately EUR 0.8 million that affect negatively the Company's operating result of the first quarter of 2013. The underlying reasons for the measures to improve the cost structure were the changed business requirements. As part of these measures, EB reduced its personnel in the Wireless Business Segment globally by altogether 32 persons, 8 of them in Finland. In addition, EB also concentrated some of its Wireless Business Segment operations to Finland and moved the centre of its US operations from west coast to east coast, where many of the public safety sector customers are located.

#### Wireless Market Outlook

In the Wireless Business Segment, EB's customers operate in various industries, each of them having own industry specific factors driving the demand. A common factor creating demand among the whole customer base is the introduction of new technologies. The implementation of LTE (Long Term Evolution) technology continues to be the most important technological change driving the demand, and in 2013 EB's business driven by LTE is expected to stay at the same level as in 2012. Mastering of multi-radio technologies and end-to-end system architectures covering both terminals and networks has gained importance in the complex wireless technology industry.



EB currently aims at bringing its products to the global defense market with the target to gradually increase the product sales in the next few years. The development of defense budgets varies geographically with budget cuts in the western markets and increases in Asia and South America. In Tactical Communications, the growing importance of situational awareness shared by military forces creates needs for new broadband networks, such as EB's IP (Internet Protocol) based tactical communications solutions. The defense market is characterized by long sales cycles driven by purchasing programs of national governments, and the purchases of the selected products take place over several years.

For the markets of national security and other authorities, EB offers specialized customized solutions based on its product platforms. The trend of adopting new commercial technologies, such as LTE and smart phone related operating systems and applications, is expected to continue in special verticals such as public safety. The specific LTE frequency band allocations for authorities create demand for customized LTE devices. These markets have special requirements and the volumes are lower than in the mass-markets. The US public safety market is progressing, although slowly, towards a nationwide LTE network.

In the mobile infrastructure market the use of LTE technology is expected to continue strong. For the mobile infrastructure market this creates the need for services for LTE base station design. There is a wide range of frequencies allocated for LTE globally thus creating a need to develop multiple products to cover the market, and creating a need for R&D services for design of product variants. Need for R&D services for connected devices for various end user needs emerged during 2012 and this trend is expected to continue in 2013.

## RESEARCH AND DEVELOPMENT

EB continued its investments in R&D in the automotive software products and tools in Automotive Business Segment, and in products and product platforms for the defence and public safety markets in Wireless Business Segment's continuing operations.

The total R&D investments for continuing operations during January-March 2013 were EUR 5.3 million (restated EUR 5.4 million, 1Q 2012), equaling 11.4% of the net sales (restated 12.7 %, 1Q 2012). The share of R&D investments in Automotive Business Segment was EUR 4.1 million (restated EUR 4.7 million, 1Q 2012) and in Wireless Business Segment in continuing operations EUR 1.2 million (EUR 0.8 million, 1Q 2012).

EUR 0.0 million of R&D investments of the reporting period were capitalized (EUR 2.0 million, 1Q 2012). The amount of capitalized R&D investments at the end of December 2012 was EUR 13.1 million (EUR 13.2 million, 1Q 2012). A significant part of these capitalizations is related to customer agreements of Automotive Business Segment, where future license fees, based on the actual car



delivery volumes, are expected to accumulate in the coming years. Depreciations of R&D investments were EUR 0.4 million during the reporting period (EUR 0.2 million, 1Q 2012).

## OUTLOOK FOR 2013

From the beginning of 2013 EB has started to apply the new IFRS10 and IFRS11 standards concerning consolidation, and consolidates e.solutions GmbH, the jointly owned company with Audi, applying the proportionate consolidation method. EB holds a 51% stake in e.solutions GmbH, Audi holding the remaining 49%. Previously e.solutions GmbH has been included in Elektrobit group's consolidated financial statements as subsidiary and it has been consolidated in full. As a result of the change in the method of consolidation, the proportion of net sales and operating result of e.solutions GmbH to be consolidated into Elektrobit group's consolidated financial statements will decrease. The change in the method of consolidation as presented above has been taken into account in the 2013 outlook for net sales and operating result presented below and the 2012 net sales and operating result, presented for comparison, are restated figures, assuming that consolidation of e.solutions GmbH to Elektrobit group would have been done applying proportionate consolidation method already in 2012. More information about this has been presented in the stock exchange release announced on February 19, 2013 and in this interim report in the section "Change in the consolidation of the jointly owned company of EB and AUDI as of January 1, 2013".

Carmakers continue to invest in software for new car models and the market for automotive software products and services is estimated to continue growing. However the growth rate of the global automotive industry is estimated to be less than in the previous year due to the financial uncertainties in Europe. Despite these uncertainties, many carmakers have further continued good financial performance and slowing down of the markets affects different car makers in different ways. In the Wireless Business Segment the growth in demand will be driven especially by the increasing use of the LTE technology that increases the performance of mobile networks, and the authorities' needs for new communication solutions that use commercial technologies of smart phones and mobile networks, as well as the growing need of companies to provide wireless connectivity of their devices, targeted to consumers and for professional use, to broader solutions. General cost saving measures of the public sector reflects the demand in the public safety markets in Europe.

EB expects for the year 2013 that net sales will grow and operating result will be at the same level as it was in 2012 without non-recurring items (restated net sales of EUR 173.9 million, and restated operating profit without non-recurring items of EUR 5.1 million, in 2012). Operating result is expected to be clearly better in the second half than in the first half of 2013 due to higher product license sales during the latter half of the year and other seasonality factors in the Automotive Business Segment, and due to the cost saving measures in the first half in the Wireless Business Segment.



More specific market outlook is presented under the "Business Segments' development during January - March 2013 and Market Outlook" section.

The non-recurring net profit of about EUR 23 million, resulted from the sale of the Test Tools product business, has no impact on the operating result of 2013 and therefore has no impact on the operating result guidance. All profits and costs related to the mentioned business are presented in the group's income statement, below operating profit under "result for the period from discontinuing operations".

The profit outlook for the year 2013 does not include possible non-recurring income or costs related to the reorganization cases of TerreStar Networks Inc. More information about the reorganization cases of TerreStar Networks and the amount of the receivables and collecting the receivables as well as other uncertainties regarding the outlook is presented under "Risks and Uncertainties" section.

## RISKS AND UNCERTAINTIES

EB has identified a number of business, market and finance related risk factors and uncertainties that can affect the level of sales and profits.

### Market risks

In the ongoing financial period, global economic uncertainty may affect the demand for EB's services, solutions and products and provide pressure on e.g. pricing. In the short term such uncertainty may affect, in particular, the utilization and chargeability levels and average hourly prices of R&D services.

As EB's customer base consists mainly of companies operating in the fields of automotive and telecommunications and defense and public safety authorities, the company is exposed to market changes in these industries. EB believes that expanding the customer base will reduce dependence on individual companies and that the company will thereby be mainly affected by the general business climate in automotive and telecommunication industries. The more specific market outlook is presented under the "Business Segments' Development during January-March 2013 and Market Outlook" section.

### Business related risks

EB's operative business risks are mainly related to following items: uncertainties and short visibility on customers' product program decisions, their make or buy decisions and on the other hand, their decisions to continue, downsize or terminate current product programs, execution and



management of large customer projects, ramping up and down project resources, availability of personnel in labor markets (in particular in Germany), timing and on the other hand successful utilization of the most important technologies and components, competitive situation and potential delays in the markets, timely closing of customer and supplier contracts with reasonable commercial terms, delays in R&D projects, realization of expected return on capitalized R&D investments, obsolescence of inventories and technology risks in product development causing higher than planned R&D costs. Revenues expected to come from either existing or new products and customers include normal timing risks. EB has certain significant customer projects and deviation in their expected continuation could result also significant deviations in the Company's outlook. In addition there are typical industry warranty and liability risks involved in selling EB's services, solutions and products.

EB's product delivery business model faces such risks as high dependency on actual product volumes and development of the cost of materials. The above-mentioned risks may manifest themselves as lower amounts of product delivered or higher costs of production, and ultimately, as lower profit. More than earlier EB's customers in the automotive industry seek paying the software and product platform development either entirely or mainly through license fees after the start of the production, which may cause significant additional financing needs for the R&D phase and again increase the dependency on production volumes of cars.

Some of EB's businesses operate in industries that are heavily reliant on patent protection and therefore face risks related to management of intellectual property rights, on the one hand related to accessibility on commercially acceptable terms of certain technologies in the EB's products and services, and on the other hand related to an ability to protect technologies that EB develops or licenses from others from claims that third parties' intellectual property rights are infringed. Additionally, parties outside of the industries operate actively in order to protect and commercialize their patents and therefore in their part increase the risks related to the management of intellectual property rights. At worst, claims that third parties' intellectual property rights are infringed, could lead to substantial liabilities for damages. Also EB has received a formal request from one of its customers for indemnification that is unspecified both in terms of the basis of liability and the amount claimed. While the analysis of the situation is pending, based on information available it does not seem likely that the claim would result in significant liability in the short term. It is possible that, based on later information, the above views may need to be reconsidered.

#### Financing risks

Global economic uncertainty may lead to payment delays, increase the risk for credit losses and weaken the availability and terms of financing. To fund its operations, EB relies mainly on income from its operative business and may from time to time seek additional financing from selected financial institutions. Currently EB has a committed overdraft credit facility agreement of EUR 10 million and committed revolving credit facility agreement of EUR 10 million, valid until June 30, 2014. These agreements include financial covenants related to group's equity ratio and earnings



before interest and taxes (EBITDA), to be reviewed semiannually. There is no assurance that additional financing will not be needed in case of clearly weaker than expected development of EB's businesses or in case customer commitments of Automotive Business Segment would represent more than planned funding for R&D phase.

Some parts of EB's business are more sensitive to customer dependency than others. Respectively, this may translate as accumulation of risk with respect to outstanding receivables and ultimately with respect to credit losses. EB has asserted claims for its receivables in the amount of approximately USD 25.8 million (EUR 19.7 million as per exchange rate of April 25, 2013) in the Chapter 11 cases of its customers TerreStar Networks Inc. and its parent company TerreStar Corporation filed in 2010 and 2011. In addition to the booked receivables, EB has also asserted claims for additional costs in the amount of approximately USD 2.1 million (EUR 1.6 million as per exchange rate of April 25, 2013) and resulting mainly from the ramp down of the business operations between the parties. Thus, EB has asserted claims against each of the TerreStar entities in amounts totaling USD 27.9 million (EUR 21.4 million as per exchange rate of April 25, 2013). Due to uncertainties related to the accounts receivable, EB booked an impairment of the accounts receivable in the amount of EUR 8.3 million during the second half of 2010.

A plan of liquidation for Terre Star Networks became effective on March 29, 2012. On that date, EB received a USD 650,890 distribution from TerreStar Networks on that portion of its claim entitled to payment priority under U.S. bankruptcy law. Based upon information contained in the debtors' disclosure statement accompanying the plan, the reorganized debtors' post-confirmation status reports, or otherwise available to EB, EB estimates that its pro rata total distribution under the plan may be in the range of 8-10% of the face amount of its claim. However, this estimate is subject to various assumptions, and therefore the amount and timing of EB's distribution on the remaining portion of its claim cannot be predicted with certainty at this time.

As part of the Chapter 11 process, debtors often seek to recover payments previously made to creditors pursuant to various provisions of the Bankruptcy Code. EB received certain payments that total approximately USD 2.5 million during the 90 days prior to TerreStar Networks' bankruptcy filing, and the liquidating trustee (the "Liquidating Trustee") of The TerreStar Networks Inc. Liquidating Trust (the trust having been formed in connection with confirmation of the Chapter 11 plan of TerreStar Networks) contemplates commencing actions against certain defendants, including EB, to recover such allegedly preferential transfers. EB believes that it has strong defenses to any such litigation and therefore will, if the Liquidating Trustee commences litigation to recover such payments from EB, vigorously contest such litigation. EB has entered into a tolling agreement with the Liquidating Trustee which, as amended, has extended the two-year avoidance action statute of limitations from October 19, 2012 through and including August 21, 2013, with a view to determining whether the parties may be able to reach a consensual resolution of these matters without incurring the cost and expense of litigation.



Further, as part of the process of reconciling accounts in preparation for making distributions under a plan, Chapter 11 debtors often challenge the amount or validity of some creditor claims. To date neither TerreStar Networks nor the Liquidating Trustee has asserted an objection to the amount or validity of EB's claims in its bankruptcy proceeding but, as part of the claims reconciliation process, EB expects to provide the Liquidating Trustee with additional information and documents in support of certain elements of its claim that were filed in estimated or unliquidated amounts. If the Liquidating Trustee were to commence an action against EB to recover allegedly preferential transfers, EB anticipates that the trustee would seek to delay any distribution to EB on its claim pending resolution of the preference litigation and repayment by EB of any adverse judgment. The likelihood and outcome of any such dispute cannot be predicted with certainty at this time.

Pursuant to an order of the bankruptcy court dated August 24, 2012, Elektrobit Inc., a subsidiary of EB, and TerreStar Corporation and certain of its preferred shareholders, entered into a full and final settlement of various disputes that had arisen between them in the TerreStar Corporation reorganization cases. Pursuant to this settlement, on August 28, 2012 TerreStar Corporation made a cash payment to Elektrobit Inc. of USD 13.5 million in full and final satisfaction of EB's claim against that entity. The settlement did not include the TerreStar Networks Chapter 11 cases and did not include any distribution from those cases that may be available to EB. On October 24, 2012, the bankruptcy court entered an order approving a plan of reorganization for TerreStar Corporation and various affiliates (not including TerreStar Networks) which contains a provision specifically preserving the rights of EB and all other parties in interest with respect to EB's claim against TerreStar Networks.

Based on EB's current understanding, there is no reason to believe that EB would not be able to collect from the bankruptcy estate of TerreStar Networks the full amount of the pro rata distribution on its general unsecured claim in due course. It is possible that based on later information related to the TerreStar Networks Chapter 11 cases, the above views may need to be reconsidered. Should the amount of the pro rata distribution on EB's general unsecured claim not be collected from the bankruptcy estate of TerreStar Networks, and should the Liquidating Trustee commence litigation resulting an order for EB to repay certain allegedly preferential transfers, costs related to the process would additionally lower EB's operating result on a non-recurring basis by approximately EUR 2 million at maximum.

Based on the information received, the U.S. Internal Revenue Service ("IRS") has disallowed a deduction taken on EB's subsidiary's, Elektrobit Inc.'s 2010 U.S. federal income tax return due to an impairment booked with respect to the receivables from the TerreStar companies. EB has appealed the IRS decision to the IRS Office of Appeals from which the decision is expected to be given during the second half of 2013. It is possible to appeal the decision of the IRS Office of Appeals to the United States Tax Court, in which case the appeal will typically take approximately two years.



If the appeal would proceed to the United States Tax Court and if the resolution of the litigation would result in a complete rejection of the booked tax deduction in 2010, EB would be obliged to pay back the tax refund in full with accrued interest. At worst, as a result of the pay back of the tax refund and the respective interest expenses and litigation expenses, there would be a negative effect on EB's cash flow of approximately of USD 2.7 million (EUR 2.1 million as per exchange rate of April 25, 2013). Depending on the progression of the appellate process, such effects would be booked probably in 2016. Based on EB's current understanding, there is no reason to believe that the IRS' current position concerning year 2010 would remain as such in the appellate process. It is possible that based on later information received the situation may need to be reconsidered. It is also possible that during the appellate process, the parties may enter into a settlement of this matter.

More information on the risks and uncertainties affecting EB can be found on the Company's website at [www.elektrobit.com](http://www.elektrobit.com). In addition, more information on TerreStar Networks Inc.'s and its parent company TerreStar Corporation's reorganization cases are presented in the October 20 and 25, November 20 and December 30, 2010, February 17, 2011, November 18, 2011, June 21, 2012, August 3, 2012, August 24, 2012 and August 28, 2012 stock exchange releases as well as in EB's interim reports and financial statements at [www.elektrobit.com](http://www.elektrobit.com).

#### STATEMENT OF FINANCIAL POSITION AND FINANCING

The figures presented in the statement of financial position of March 31, 2013, are compared with the statement of the financial position of December 31, 2012 (MEUR).

	<b>3/2013</b>	<b>12/2012 restated</b>
Non-current assets	46.5	46.8
Current assets	104.0	77.6
Assets classified as held for sale		7.7
Total assets	150.5	132.2
Share capital	12.9	12.9
Other equity	77.3	53.7
Non-controlling interests		
Total shareholders' equity	90.2	66.6
Non-current liabilities	12.1	7.9
Current liabilities	48.1	53.2
Liabilities classified as held for sale		4.5
Total shareholders' equity and liabilities	150.5	132.2



Net cash flow from operations during the period under review:

+ net profit +/- adjustment of accrual basis items	EUR +2.3 million
+/- change in net working capital	EUR -1.1 million
- interest, taxes and dividends	EUR +0.0 million
= cash generated from operations	EUR +1.3 million
- net cash used in investment activities	EUR +27.8 million
- net cash used in financing	EUR +0.2 million
= net change in cash and cash equivalents	EUR +29.3 million

The amount of accounts receivable and other receivables, booked in current receivables, was EUR 59.9 million (EUR 63.0 million on December 31, 2012 including assets classified as held for sale of EUR 4.5 million). Accounts payable and other payables, booked in interest-free current liabilities, were EUR 38.6 million (EUR 44.7 million on December 31, 2012 including liabilities classified as held for sale of EUR 4.3 million). The amount of non-depreciated consolidation goodwill at the end of the period under review was EUR 19.3 million (EUR 19.3 million on December 31, 2012).

The amount of gross investments in the period under review was EUR 1.7 million. Net investments for the reporting period totaled EUR 1.5 million. The total amount of depreciation of continuing operations during the period under review was EUR 2.2 million, including EUR 0.3 million of depreciation owing to business acquisitions in Automotive Business Segment.

The amount of interest-bearing debt, including finance lease liabilities, at the end of the reporting period was EUR 18.8 million (EUR 18.3 million on December 31, 2012). The distribution of net financing expenses on the income statement of continuing operations was as follows:

interest dividend and other financial income	EUR 0.1 million
interest expenses and other financial expenses	EUR -0.2 million
foreign exchange gains and losses	EUR 0.0 million

EB's equity ratio at the end of the period was 63.1% (55.0 % on December 31, 2012). The increase in equity ratio is mainly due to the sale of the Test Tools product business. The transaction resulted in a net profit of about EUR 23 million.

Cash and other liquid assets at the end of the reporting period were EUR 43.6 million (EUR 14.3 million on December 31, 2012). The increase in cash reserves is mainly due to the sale of the Test Tools product business. EB has from Nordea Bank plc a committed credit facility agreement and a revolving credit facility agreement of altogether EUR 20 million, valid until June 30, 2014. EUR 12.0 million of these facilities was used at the end of the reporting period.

EB follows a hedging strategy, the objective of which is to ensure the margins of business operations in changing market circumstances by minimizing the influence of exchange rates. In



accordance with the hedging strategy, the agreed customer commitments net cash flow of the currency in question is hedged. The net cash flow is determined on the basis of sales receivables, payables, the order book and the budgeted net currency cash flow. The hedged foreign currency exposure at the end of the review period was equivalent to EUR 7.0 million.

#### PERSONNEL

The parent company of the group and its subsidiaries employed an average of 1577 people between January and March 2013. In addition, e.solutions GmbH, the jointly owned company of EB and AUDI employed 271 people. At the end of March, the parent company of the group and its subsidiaries had 1556 employees and e.solutions GmbH 281 employees (1583 in group's parent company and subsidiaries and e.solutions GmbH 233 at the end of 2012). A significant part of EB's personnel are R&D 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.

#### EVENTS AFTER THE REVIEW PERIOD

On April 4, 2013 EB announced to have completed the measures to improve its cost structure that were started on February 19, 2013. With these measures EB estimates to reach the targeted approximately EUR 2 million annual cost savings in its Wireless Business Segment, fully effective from the second half of 2013 on. The measures resulted non-recurring costs of approximately EUR 0.8 million that affect negatively the Company's operating result of the first quarter of 2013. The underlying reasons for the measures to improve the cost structure were the changed business requirements. As part of these measures, EB reduced its personnel in the Wireless Business Segment globally by altogether 32 persons, 8 of them in Finland. In addition, EB also concentrated some of its Wireless Business Segment operations to Finland and moved the centre of its US operations from west coast to east coast, where many of the public sector customers are located.

#### CHANGING THE CONSOLIDATION OF THE JOINTLY OWNED COMPANY OF EB AND AUDI AS OF JANUARY 1, 2013

EB will start to apply the new IFRS10 and IFRS11 standards from the beginning of 2013 and will consolidate e.solutions GmbH, a jointly owned company with Audi Electronics Venture GmbH



(AEV), applying the proportionate consolidation method. As a result of the change in the method of consolidation, the proportion of net sales and operating result of e.solutions GmbH consolidated into Elektrobot group's financial statements will decrease from the previous 100% to 51%. According to the rules of proportionate consolidation method, the consolidated statement will also include 49% of the net sales of other Elektrobot group companies to e.solutions GmbH.

In 2012, the Elektrobot group net sales from continuing operations was EUR 185.4 million and the operating profit from continuing operations was EUR 2.5 million. If the proportionate consolidation method would have been applied for e.solutions GmbH already in 2012, the consolidated net sales of Elektrobot group would have been EUR 11.6 million and the operating profit EUR 1.4 million less than was the case when the full consolidation method was applied, as presented above. In 2012, the external net sales of e.solutions GmbH was EUR 34.6 million and the operating profit EUR 2.9 million. In the financial reports of 2013, EB presents the year-on-year information of income statement and balance sheet on restated comparable basis, assuming that e.solutions GmbH would have been consolidated to EB group according to the rules of proportionate consolidation already in 2012.

Elektrobot Corporation's subsidiary company Elektrobot Automotive GmbH holds a 51% stake in e.solutions GmbH, with AEV holding the remaining 49%. Previously, since its establishment in 2009, e.solutions GmbH has been brought into the consolidated statements as subsidiary and its net sales and operating result have been consolidated in the Elektrobot group's financial statements in full.

The new IFRS10 and IFRS 11 standards for consolidated financial statements and joint arrangements will take effect on 1<sup>st</sup> of January 2014, but they may be applied as of 1<sup>st</sup> of January 2013. The accounting standard IFRS 10 sets out the rules for presenting and preparing consolidated financial statements when an entity controls one or more other entities. IFRS11 establishes principles for financial reporting by parties to a joint arrangement. According to the standard, joint arrangements are defined either as "joint ventures" or "joint operations". e.solutions GmbH is deemed to fulfil the criteria of a "joint operation", whereby it is required that a proportionate consolidation method be applied at the latest when the new standard takes effect.

#### DECISIONS OF THE ANNUAL GENERAL MEETING

The Annual General Meeting held on April 11, 2013 decided on the following topics:

#### USE OF THE PROFITS SHOWN ON THE BALANCE SHEET AND PAYMENT OF DIVIDEND

The Annual General Meeting decided in accordance with the proposal of the Board of Directors to pay EUR 0.01 per share as dividend based on the balance sheet adopted for the financial period January 1, 2012 – December 31, 2012. The dividend will be paid to the shareholders who are



registered in the shareholders' register maintained by Euroclear Finland Ltd on the dividend record date April 16, 2013. The dividend will be paid on April 23, 2013.

#### ELECTION AND REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Annual General Meeting decided that the Board of Directors shall comprise five (5) members. Jorma Halonen, Juha Hulkko, Seppo Laine, Staffan Simberg and Erkki Veikkolainen were elected members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting. At its assembly meeting held on April 11, 2013, the Board of Directors has elected Mr. Seppo Laine Chairman of the Board. Further, the Board has resolved to keep the Audit and Financial Committee with Mr. Staffan Simberg (Chairman of the committee), Mr. Seppo Laine and Mr. Erkki Veikkolainen as committee members.

The following monthly remuneration shall be paid to the members of the Board of Directors: to the chairman of the Board of Directors EUR 3,500 and to the other members of the Board of Directors EUR 2,000 each. In addition, the members of the Board of Directors are entitled to compensation for attending Board Committee meetings as follows: the chairman of the Committee EUR 600 for each meeting and other Committee members EUR 400 for each meeting. The members of the Board of Directors, who also act as Board members of other companies belonging to the Elektrobit Group, are also entitled to compensation for attending Board meetings of such other group companies as follows: EUR 1,000 for each meeting. Travel expenses of the members of the Board of Directors shall be reimbursed in accordance with the Company's travel policy.

#### ELECTION AND REMUNERATION OF THE AUDITOR AND DEPUTY AUDITOR

Ernst & Young Ltd, authorized public accountants, was re-elected auditor of the Company for a term of office ending at the end of the next Annual General Meeting. Ernst & Young Ltd has notified that Mr. Jari Karppinen, authorized public accountant, will act as responsible auditor. It was decided that the remuneration to the auditor shall be paid against the auditor's reasonable invoice.

#### AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE COMPANY'S OWN SHARES

The General Meeting authorized the Board of Directors to decide on the repurchase of the Company's own shares as follows.

The amount of own shares to be repurchased shall not exceed 12,500,000 shares, which corresponds to approximately 9.66 per cent of all of the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorization. Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors decides how own shares will be repurchased. Own shares can be repurchased using, inter alia, derivatives. Own



shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization cancels the authorization given by the General Meeting on March 26, 2012 to decide on the repurchase of the company's own shares. The authorization is effective until June 30, 2014.

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES**

The General meeting authorized the Board of Directors to decide on the issuance of shares and other special rights entitling to shares referred to in chapter 10 section 1 of the Companies Act as follows.

The amount of shares to be issued shall not exceed 25,000,000 shares, which corresponds to approximately 19.32 per cent of all of the shares in the company. The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization cancels the authorization given by the General Meeting on March 26, 2012 to decide on the issuance of shares as well as the issuance of other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act. The authorization is effective until June 30, 2014.

Oulu, April 26, 2013

Elektrobit Corporation  
The Board of Directors

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**ELEKTROBIT CORPORATION (EB)**  
**CONDENSED FINANCIAL STATEMENTS AND NOTES JANUARY- MARCH 2013**  
(unaudited)

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

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)</b>	<b>1-3/2013</b>	<b>1-3/2012</b>	<b>1-12/2012</b>
	<b>3 months</b>	<b>3 months restated</b>	<b>12 months restated</b>
<b>Continuing operations</b>			
NET SALES	46.2	42.7	173.9
Other operating income	0.9	0.4	2.4
Change in work in progress and finished goods	0.1	-0.2	-0.2
Work performed by the undertaking for its own purpose and capitalized		0.0	0.5
Raw materials	-2.3	-1.6	-7.3
Personnel expenses	-28.9	-25.6	-101.1
Depreciation	-2.2	-1.6	-7.1
Other operating expenses	-13.2	-13.7	-60.2
OPERATING PROFIT (LOSS)	0.7	0.5	1.1
Financial income and expenses	-0.1	-0.4	-0.5
PROFIT BEFORE TAX	0.6	0.2	0.6
Income tax	-0.0	-0.1	0.5
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	0.6	0.1	1.1
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	23.6	0.1	1.2
PROFIT FOR THE PERIOD	24.2	0.2	2.3
Other comprehensive income: Items that may be reclassified subsequently to the statement of income			
Exchange differences on translating foreign operations	-0.0	0.0	0.2
Other comprehensive income for the period total	-0.0	0.0	0.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	24.2	0.2	2.5
Profit for the year attributable to			
Equity holders of the parent	24.2	0.2	2.3
Non-controlling interests			

Total comprehensive income for the period attributable to



Equity holders of the parent	24.2	0.2	2.5
Non-controlling interests			
Earnings per share from continuing operations, EUR			
Basic earnings per share	0.005	0.001	0.008
Diluted earnings per share	0.005	0.001	0.008
Earnings per share from discontinued operations, EUR			
Basic earnings per share	0.182	0.001	0.009
Diluted earnings per share	0.181	0.001	0.009
Earnings per share from continuing and discontinued operations, EUR			
Basic earnings per share	0.187	0.001	0.018
Diluted earnings per share	0.186	0.001	0.017
Average number of shares, 1000 pcs	129 413	129 413	129 413
Average number of shares, diluted, 1000 pcs	130 325	130 228	130 238

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)</b>	<b>March. 31, 2013</b>	<b>March. 31, 2012 restated</b>	<b>Dec. 31, 2012 restated</b>
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**ASSETS**

Non-current assets			
Property, plant and equipment	8.6	9.0	8.7
Goodwill	19.3	19.3	19.3
Intangible assets	17.4	17.1	17.8
Other financial assets	0.1	0.1	0.1
Deferred tax assets	1.0	0.1	0.9
Non-current assets total	46.5	45.6	46.8
Current assets			
Inventories	0.5	2.0	0.4
Trade and other receivables	59.9	60.6	63.0
Financial assets at fair value through profit or loss	34.7	0.1	9.7
Cash and short term deposits	8.8	5.4	4.6
Current assets total	104.0	68.2	77.6
Assets classified as held for sale			7.7
<b>TOTAL ASSETS</b>	<b>150.5</b>	<b>113.7</b>	<b>132.2</b>

**EQUITY AND LIABILITIES**

Equity attributable to equity holders of the parent



Share capital	12.9	12.9	12.9
Invested non-restricted equity fund	38.7	38.7	38.7
Translation difference	0.6	0.5	0.6
Retained earnings	38.0	13.7	14.3
Non-controlling interests			
Total equity	90.2	65.8	66.6
Non-current liabilities			
Deferred tax liabilities	0.5	0.9	0.7
Pension obligations	2.0	1.3	1.4
Provisions	0.4	0.7	0.5
Interest-bearing liabilities	9.2	3.7	5.4
Non-current liabilities total	12.1	6.7	7.9
Current liabilities			
Trade and other payables	35.4	33.5	38.3
Financial liabilities at fair value through profit or loss	0.2		0.0
Provisions	2.9	0.7	2.2
Interest-bearing loans and borrowings	9.6	7.1	12.7
Current liabilities total	48.1	41.2	53.2
Liabilities classified as held for sale			4.5
Total liabilities	60.2	47.9	65.6
TOTAL EQUITY AND LIABILITIES	150.5	113.7	132.2

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>1-3/2013</b>	<b>1-3/2012</b>	<b>1-12/2012</b>
<b>(MEUR)</b>	<b>3 months</b>	<b>3 months restated</b>	<b>12 months restated</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the year from continuing operations	0.6	0.1	1.1
Profit for the year from discontinued operations	23.6	0.1	1.2
Adjustment of accrual basis items	-21.9	2.1	8.7
Change in net working capital	-1.1	-3.9	-3.0
Interest paid on operating activities	-0.2	-0.4	-0.9
Interest received from operating activities	0.3	0.0	0.1
Other financial income and expenses, net received			0.0
Income taxes paid	-0.1	-0.1	-0.3
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1.3</b>	<b>-2.0</b>	<b>6.8</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of business unit, net of cash acquired	29.2		
Purchase of property, plant and equipment	-0.8	-0.4	-2.8
Purchase of intangible assets	-0.7	-2.0	-5.4



Purchase of other investments			
Sale of property, plant and equipment	0.1	0.0	0.4
Sale of intangible assets		0.0	
Proceeds from sale of investments			0.0
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>27.8</b>	<b>-2.5</b>	<b>-7.8</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing	12.3	2.4	16.6
Repayment of borrowing	-11.3	-1.0	-7.5
Payment of finance liabilities	-0.8	-0.7	-2.9
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>0.2</b>	<b>0.7</b>	<b>6.1</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>29.3</b>	<b>-3.8</b>	<b>5.1</b>
Cash and cash equivalents at beginning of period	14.3	9.2	9.2
Cash and cash equivalents at end of period	43.6	5.4	14.3

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

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

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
<b>restated</b>							
Shareholders equity on January 1, 2012	12.9	38.7	0.4	13.4	65.5	0.0	65.5
Comprehensive income for the period							
Profit for the period				0.2	0.2		0.2
Exchange differences on translating foreign operations			0.0		0.0		0.0
Total comprehensive income for the period			0.0	0.2	0.2	0.0	0.2
Transactions between the shareholders							
Share-related compensation				0.2	0.2		0.2
Other changes				-0.0	-0.0		-0.0
Shareholders equity on March 31, 2012	12.9	38.7	0.5	13.7	65.8	0.0	65.8

**restated**

Shareholders equity on December 31, 2012	12.9	38.7	0.6	14.3	66.6	0.0	66.6
Change in accounting policy (IAS 19)				-0.6	-0.6		-0.6
Shareholders equity on January 1, 2013							
restated	12.9	38.7	0.6	13.8	66.0	0.0	66.0
Comprehensive income for the period							
Profit for the period				24.2	24.2		24.2
Exchange differences on translating							
foreign operations			-0.0		-0.0		-0.0
Total comprehensive income for the period			-0.0	24.2	24.2	0.0	24.2
Transactions between the shareholders							
Share-related compensation				0.0	0.0		0.0
Other changes				-0.0	-0.0		-0.0
Shareholders equity on March 31, 2013	12.9	38.7	0.6	38.0	90.2	0.0	90.2

**NOTES TO THE INTERIM FINANCIAL REPORTING****Accounting principles for the interim financial reporting:****IFRS amendments**

## IFRS 10 and IFRS 11

From the beginning of 2013 EB has applied the new IFRS10 and IFRS11 standards. As a result the proportion of net sales and operating result of e.solutions GmbH, a jointly owned company of EB and AUDI, to be consolidated into Elektrobit group's consolidated financial statements will decrease compared to previous consolidation method. The change will have no impact on consolidated net profit. For comparability, all figures presented for comparison are restated assuming that the proportionate consolidation method according to the above mentioned standards would have been applied already in 2012.

## IAS 19 Employee benefits

From the beginning of 2013 EB has applied the revised IAS 19 Employee benefits -standard. The impact on the equity in the opening balance 2013 was EUR -0.6 million. Pension obligations increased by EUR 0.6 million.

The revised standards have impact on the condensed 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.

**Discontinued operations**



EB's figures are divided between Continuing and Discontinued Operations as provided by the IFRS5 standard. In this interim report, Test Tools product business, sold on January 31, 2013, is classified as Discontinued Operations.

**Payment of dividend:**

The Annual General Meeting held on April 11, 2013 decided in accordance with the proposal of the Board of Directors to pay EUR 0.01 per share as dividend based on the balance sheet adopted for the financial period January 1, 2012 - December 31, 2012.

**SEGMENT INFORMATION (MEUR)**

OPERATING SEGMENTS	1-3/2013 3 months	1-3/2012 3 months restated	1-12/2012 12 months restated
Automotive			
Net sales to external customers	30.5	26.4	110.5
Net sales to other segments	0.0	0.0	0.1
Net sales total	30.5	26.4	110.6
Operating profit (loss)	1.1	0.7	3.3
Wireless			
Net sales to external customers	15.8	16.3	63.3
Net sales to other segments	0.0	0.2	0.3
Net sales total	15.8	16.4	63.5
Operating profit (loss)	-0.4	-0.1	-2.2
OTHER ITEMS			
Other items			
Net sales to external customers	0.0	0.0	0.1
Operating profit (loss)	-0.0	-0.0	0.0
Eliminations			
Net sales to other segments	-0.1	-0.2	-0.3
Operating profit (loss)	0.0	0.0	0.0



Group total			
Net sales to external customers	46.2	42.7	173.9
Operating profit (loss)	0.7	0.5	1.1

Net sales of geographical areas (MEUR)	1-3/2013	1-3/2012	1-12/2012
	3 months	3 months	12 months
		restated	restated
Net sales			
Europe	38.1	33.7	136.7
Americas	6.2	7.1	28.6
Asia	1.9	1.9	8.5
Net sales total	46.2	42.7	173.9

Related party transactions:	1-3/2013	1-3/2012	1-12/2012
	3 months	3 months	12 months
Employee benefits for key management and stock option expenses total	0.3	0.3	1.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME BY QUARTER (MEUR)	1-3/2013	10-12/2012	7-9/2012	4-6/2012	1-3/2012
	3 months	3 months	3 months	3 months	3 months
		restated	restated	restated	restated
<b>Continuing operations</b>					
NET SALES	46.2	48.2	41.5	41.5	42.7
Other operating income	0.9	0.7	0.7	0.6	0.4
Change in work in progress and finished goods	0.1	-0.1	0.1	0.1	-0.2
Work performed by the undertaking for its own purpose and capitalized		0.4	0.1	0.0	0.0
Raw materials	-2.3	-2.1	-1.4	-2.3	-1.6
Personnel expenses	-28.9	-27.1	-24.1	-24.3	-25.6
Depreciation	-2.2	-2.0	-1.7	-1.7	-1.6
Other operating expenses	-13.2	-18.5	-13.2	-14.8	-13.7
OPERATING PROFIT (LOSS)	0.7	-0.5	2.0	-0.9	0.5
Financial income and expenses	-0.1	-0.4	-0.2	0.4	-0.4
PROFIT BEFORE TAX	0.6	-0.9	1.8	-0.5	0.2
Income tax	-0.0	0.8	-0.1	-0.1	-0.1



PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	0.6	-0.1	1.7	-0.6	0.1
<b>Discontinued operations</b>					
Profit for the period from discontinued operations	23.6	0.9	-0.1	0.3	0.1
PROFIT FOR THE PERIOD	24.2	0.8	1.6	-0.3	0.2
Other comprehensive income	-0.0	0.2	-0.0	-0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	24.2	1.0	1.6	-0.3	0.2
Profit for the period attributable to:					
Equity holders of the parent	24.2	0.8	1.6	-0.3	0.2
Non-controlling interests					
Total comprehensive income for the period attributable to:					
Equity holders of the parent	24.2	1.0	1.6	-0.3	0.2
Non-controlling interests					

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)</b>	<b>March 31, 2013</b>	<b>Dec. 31, 2012</b>	<b>Sept. 30, 2012</b>	<b>June 30, 2012</b>	<b>March 31, 2012</b>
		<b>restated</b>	<b>restated</b>	<b>restated</b>	<b>restated</b>
<b>ASSETS</b>					
Non-current assets					
Property, plant and equipment	8.6	8.7	9.4	9.3	9.0
Goodwill	19.3	19.3	19.3	19.3	19.3
Intangible assets	17.4	17.8	17.7	17.8	17.1
Other financial assets	0.1	0.1	0.1	0.1	0.1
Deferred tax assets	1.0	0.9	0.0	0.1	0.1
Non-current assets total	46.5	46.8	46.6	46.6	45.6
Current assets					
Inventories	0.5	0.4	2.7	2.5	2.0
Trade and other receivables	59.9	63.0	68.6	65.6	60.6
Financial assets at fair value through profit or loss	34.7	9.7	0.1		0.1
Cash and short term deposits	8.8	4.6	15.7	5.8	5.4
Current assets total	104.0	77.6	87.0	73.9	68.2
Assets classified as held for sale		7.7			
<b>TOTAL ASSETS</b>	<b>150.5</b>	<b>132.2</b>	<b>133.6</b>	<b>120.5</b>	<b>113.7</b>

**EQUITY AND LIABILITIES**  
Equity attributable to equity holders



of the parent					
Share capital	12.9	12.9	12.9	12.9	12.9
Invested non-restricted equity fund	38.7	38.7	38.7	38.7	38.7
Translation difference	0.6	0.6	0.4	0.4	0.5
Retained earnings	38.0	14.3	15.1	13.4	13.7
Non-controlling interests					
Total equity	90.2	66.6	67.2	65.5	65.8
Non-current liabilities					
Deferred tax liabilities	0.5	0.7	0.8	0.9	0.9
Pension obligations	2.0	1.4	1.3	1.3	1.3
Provisions	0.4	0.5	0.4	0.5	0.7
Interest-bearing liabilities	9.2	5.4	10.8	4.9	3.7
Non-current liabilities total	12.1	7.9	13.3	7.5	6.7
Current liabilities					
Trade and other payables	35.4	38.3	38.4	36.5	33.5
Financial liabilities at fair value					
through profit or loss	0.2	0.0		0.1	
Provisions	2.9	2.2	1.7	1.4	0.7
Interest-bearing loans and borrowings (non-current)	9.6	12.7	13.0	9.4	7.1
Current liabilities total	48.1	53.2	53.1	47.4	41.2
Liabilities classified as held for sale		4.5			
Total liabilities	60.2	65.6	66.4	55.0	47.9
TOTAL EQUITY AND LIABILITIES	150.5	132.2	133.6	120.5	113.7

<b>CONSOLIDATED STATEMENT OF CASH FLOWS BY QUARTER</b>	<b>1-3/2013</b>	<b>10-12/2012</b>	<b>7-9/2012</b>	<b>4-6/2012</b>	<b>1-3/2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>	<b>3 months</b>
		<b>restated</b>	<b>restated</b>	<b>restated</b>	<b>restated</b>
Net cash from operating activities	1.3	7.0	2.2	-0.3	-2.0
Net cash from investing activities	27.8	-2.2	-1.2	-2.0	-2.5
Net cash from financing activities	0.2	-6.1	8.9	2.6	0.7
Net change in cash and cash equivalents	29.3	-1.4	9.9	0.3	-3.8

<b>FINANCIAL PERFORMANCE RELATED RATIOS</b>	<b>1-3/2013</b>	<b>1-3/2012</b>	<b>1-12/2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>12 months</b>
		<b>restated</b>	<b>restated</b>

STATEMENT OF COMPREHENSIVE INCOME (MEUR)

Net sales	46.2	42.7	173.9
Operating profit (loss)	0.7	0.5	1.1
Operating profit (loss), % of net sales	1.5	1.2	0.6



Profit before taxes	0.6	0.2	0.6
Profit before taxes, % of net sales	1.4	0.4	0.3
Profit for the period	0.6	0.1	1.1

#### PROFITABILITY AND OTHER KEY FIGURES

Interest-bearing net liabilities, (MEUR)	-24.8	5.4	4.0
Net gearing, -%	-27.5	8.1	6.1
Equity ratio, %	63.1	61.2	55.0
Gross investments, (MEUR)	1.7	3.6	12.2
Average personnel during the period, parent and subsidiaries	1577	1468	1528
Personnel at the period end, parent and subsidiaries	1556	1478	1583
Average personnel during the period, jointly owned company	271	106	132
Personnel at the period end, jointly owned company	281	106	233

<b>AMOUNT OF SHARE ISSUE ADJUSTMENT (1,000 pcs)</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>Dec. 31, 2012</b>
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	130 325	130 228	130 238

<b>STOCK-RELATED FINANCIAL RATIOS (EUR)</b>	<b>1-3/2013 3 months</b>	<b>1-3/2012 3 months restated</b>	<b>1-12/2012 12 months restated</b>
Earnings per share from continuing operations, EUR			
Basic earnings per share	0.005	0.001	0.008
Diluted earnings per share	0.005	0.001	0.008
Earnings per share from discontinued operations, EUR			
Basic earnings per share	0.182	0.001	0.009
Diluted earnings per share	0.181	0.001	0.009
Earnings per share from continuing and discontinued operations, EUR			
Basic earnings per share	0.187	0.001	0.018
Diluted earnings per share	0.186	0.001	0.017
Equity *) per share	0.70	0.51	0.51



\*) Equity attributable to equity holders of the parent

<b>MARKET VALUES OF SHARES (EUR)</b>	<b>1-3/2013</b>	<b>1-3/2012</b>	<b>1-12/2012</b>
	<b>3 months</b>	<b>3 months</b>	<b>12 months</b>
Highest	0.94	0.79	0.79
Lowest	0.64	0.38	0.38
Average	0.81	0.62	0.64
At the end of period	0.80	0.68	0.65
Market value of the stock, (MEUR)	103.5	88.0	84.1
Trading value of shares, (MEUR)	4.8	3.0	6.9
Number of shares traded, (1,000 pcs)	5 910	4 898	10 750
Related to average number of shares %	4.6	3.8	8.3
<b>SECURITIES AND CONTINGENT LIABILITIES (MEUR)</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>Dec. 31, 2012</b>
<b>AGAINST OWN LIABILITIES</b>			
Floating charges	18.0	11.4	18.1
Guarantees	21.3	23.4	17.7
Rental liabilities			
Falling due in the next year	6.6	7.1	7.0
Falling due after one year	15.6	17.3	16.2
Other contractual liabilities			
Falling due in the next year	1.0	2.1	1.3
Falling due after one year	0.0		0.0
Mortgages are pledged for liabilities totaled	15.2	5.8	14.5
<b>NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>	<b>Dec. 31, 2012</b>
Foreign exchange forward contracts			
Market value	-0.2	-0.0	0.0
Nominal value	5.0	4.0	5.0
Purchased currency options			
Market value	0.0	0.1	0.0
Nominal value	2.0	4.0	2.0



## Sold currency options

Market value	-0.0	-0.0	-0.0
Nominal value	4.0	8.0	2.0