



Elektrobit

ELEKTROBIT CORPORATION (EB) INTERIM REPORT JANUARY- MARCH 2015

Net sales

64.3 MEUR

Net sales growth

24.4%

Operating profit

3.4 MEUR

Operating profit, % of net sales

5.3%

NET SALES OF FIRST QUARTER 2015 GREW AND OPERATING PROFIT IMPROVED FROM THE PREVIOUS YEAR

SUMMARY JANUARY – MARCH 2015

- Net sales grew to EUR 64.3 million (EUR 51.7 million, 1Q 2014), representing an increase of 24.4 % year-on-year.
- Operating profit was EUR 3.4 million (EUR 1.9 million, 1Q 2014), including non-recurring costs of EUR 0.3 million resulting from the planned partial demerger.
- Net cash flow was EUR 7.3 million (EUR -0.5 million, 1Q 2014).
- Earnings per share were EUR 0.014 (EUR 0.013, 1Q 2014).
- The number of EB's shares increased by altogether 95 366 new shares subscribed by virtue of the stock option rights 2008B and 2008C. At the end of the period, the number of shares in Elektrobit Corporation totaled 131 588 510.
- In January EB strengthened its competences in safety technologies in its Wireless Business Segment by acquiring SafeMove business from Birdstep Technology ASA.
- In January Parrot SA, a component supplier of e.solutions GmbH, the jointly owned company of EB and AUDI, filed a request for arbitration against e.solutions at the International Court of Arbitration of the International Chamber of Commerce seeking remuneration and/or damages currently in an amount of approximately EUR 9.4 million in connection with an automotive supply contract. Based on the current analysis, the arbitral proceedings will not cause any financial obligation to e.solutions or to EB that would affect EB's profit outlook and financial position.
- The Board of Directors of Elektrobit Corporation has on February 18, 2015 approved a plan for partial demerger of the company and intends to list Bittium Corporation as a separate entity at Nasdaq Helsinki. The Board of Directors of EB has also updated the strategic guidelines and financial targets of EB's Business Segments for the years 2015 -2017. The partial demerger needs to be approved by an extraordinary general meeting, convened to be held on June 11, 2015. The planned effective date for the demerger is June 30, 2015.
- The Annual General Meeting held on April 15, 2015 decided in accordance with the proposal of the Board of Directors to pay EUR 0.04 per share as dividend based on the balance sheet adopted for the financial period January 1, 2014 - December 31, 2014.

Group (MEUR)	1Q 15	1Q 14	2014
NET SALES	64.3	51.7	224.1
Change of net sales, %	24.4 %	11.8 %	12.5 %
OPERATING PROFIT / LOSS	3.4	1.9	16.8
Operating profit / loss, % of net sales	5.3 %	3.7 %	7.5 %
Operating profit /loss without non-recurring items	3.7	1.9	16.3
EBITDA	5.6	4.1	25.5
CASH AND OTHER LIQUID ASSETS	50.6	42.5	43.3
EQUITY RATIO (%)	65.0	64.8 %	62.3 %
EARNINGS PER SHARE (EUR)	0.014	0.013	0.093

Automotive Business Segment (MEUR)	1Q 15	1Q 14	2014
NET SALES	49.1	37.5	171.4
Change of net sales, %	31.1 %	22.9 %	24.0 %
OPERATING PROFIT / LOSS	3.0	2.9	16.0
Operating profit / loss, % of net sales	6.2 %	7.7 %	9.3 %
Operating profit / loss without non-recurring items	3.3	2.9	16.0
EBITDA	4.6	4.5	22.4

Wireless Business Segment (MEUR)	1Q 15	1Q 14	2014
NET SALES	15.3	14.2	53.0
Change of net sales, %	7.6 %	-10.1 %	-13.4 %
OPERATING PROFIT / LOSS	0.3	-1.1	1.0
Operating profit / loss, % of net sales	2.2 %	-7.8 %	1.9 %
Operating profit /loss without non-recurring items	0.4	-1.1	0.5
EBITDA	0.9	-0.5	3.4

EB'S CEO JUKKA HARJU

"EB's net sales and operating profit continued to grow during the first quarter. The net sales grew strongly, 24.4 % year-on-year, and the operating profit grew and was 5.3 % of the net sales.

In the Automotive Business Segment, the demand for EB's software products and R&D services remained good and net sales grew strongly by 31.1 % from the previous year. Net sales grew widely within the whole business segment, including the jointly owned company e.solutions GmbH. Operating profit was at the same level as in the previous year and was 6.2 % of the net sales. The slight decrease in the operating profit percentage was caused by the higher than estimated costs in certain customer projects and the increased R&D costs. R&D investments were increased in new product features and technologies needed in the future connected car and autonomous driving applications.

The net sales of the Wireless Business Segment increased by 7.6 % from the previous year thanks to the increased product sales. The product-based net sales was generated mainly from the deliveries of tactical communication systems to the Finnish Defence Forces and from the delivery of special terminal products for the authority use to a customer abroad. The operating result improved from the previous year and was positive due to the improved sales margin. R&D investments were increased for products for the use by authorities, and the biggest R&D investments were made in the specialized device platform and the new EB Tough Mobile LTE smart phone that will be brought to the markets in the latter half of 2015. The SafeMove business that EB acquired in January 2015 provides high-quality information security solutions for mobile devices and portable computers, and strengthens Wireless Business Segment's competitiveness as a provider of secure communication solutions for defence, public safety and other authority markets.

In the beginning of May we announced a significant agreement with the Ministry of Mexican Communication and Transportation regarding the development of three types of android-based mobile devices for satellite and terrestrial communications networks for the SCT's Mexsat program. These mobile devices will be based on EB's Specialized Device Platform, a customized Android-based platform designed especially for public safety and cyber security markets. The value of this development agreement is approximately EUR 19.5 million and the revenues will be recognized gradually in 2015 and 2016 depending on the progress of the development work.

In accordance with the strategic guidelines, published on February 19, 2015, the markets of both Automotive and Wireless Business Segments offer EB good growth potential in the coming years. In both Business Segments, our goal is to grow the net sales and continue good profitability development during 2015 – 2017. In 2015 our goal is to grow EB's net sales and operating profit from the previous year.

On February 18, 2015 EB's Board of Directors accepted the partial demerger plan of Elektrobit Corporation and the listing of Wireless Business Segment as Bittium Corporation on the Nasdaq Helsinki stock exchange. In case the extraordinary general meeting, convened to be held on June 11, 2015, approves the plan, the demerger will come effective on June 30, 2015. Automotive business would remain in the current company, which will continue to be listed as before. “

OUTLOOK FOR 2015

For the year 2015 EB expects that the net sales and the operating result will grow from the previous year (net sales of EUR 224.1 million and operating profit of EUR 16.8 million, in 2014). Net sales growth rate in 2015 is expected to be higher than in the previous year (net sales growth of 12.5 %, 2014).

The demand for R&D services and software products of the Automotive Business Segment is expected to continue as good. Net sales growth is expected to be almost at the same level as in the previous year (net sales growth of 24.0 per cent in 2014) and operating profit is expected to be at least at the same level as in the previous year (operating profit of EUR 16.0 million, in 2014).

In the Wireless Business Segment, the demand for R&D services and products is expected to develop positively especially in the authority markets and in various applications where wireless connectivity is needed. The net sales and the operating profit are expected to grow from the previous year (net sales of EUR 53.0 million and operating profit of EUR 1.0 million in 2014).

The operating profit outlooks above do not include non-recurring costs resulting from the planned partial demerger, which amount of non-recurring costs is estimated to be approximately between EUR 2.5 million and 3.0 EUR million in 2015 in case the planned partial demerger will be implemented.

A more specific market outlook is presented under the sections “Market outlook for the Automotive Business Segment” and “Market outlook for the Wireless Business Segment”.

More information about other uncertainties regarding the outlook is presented in the sections “Risks and uncertainties” and “Events after the review period”.

INVITATION TO A PRESS CONFERENCE

EB will hold a press conference on the Interim Report January-March 2015 for media, analysts and institutional investors in Restaurant Savoy, Eteläesplanadi 14, Helsinki, Finland, on Thursday, May 7, 2015, 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.

ELEKTROBIT CORPORATION (EB)

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. In 2014, the net sales totaled EUR 224.1 million and operating profit was EUR 16.8 million. Elektrobit Corporation is listed on NASDAQ OMX Helsinki. www.elektrobit.com.

ELEKTROBIT CORPORATION (EB) INTERIM REPORT JANUARY-MARCH 2015

FINANCIAL PERFORMANCE DURING JANUARY-MARCH 2015

EB's net sales during January-March 2015 grew by 24.4 per cent year-on-year to EUR 64.3 million (EUR 51.7 million, in January-March 2014). Operating profit was EUR 3.4 million including non-recurring costs of EUR 0.3 million resulting from the planned partial demerger (EUR 1.9 million, in January-March 2014).

Net sales of the Automotive Business Segment grew to EUR 49.1 million (EUR 37.5 million, in January-March 2014), representing 31.1 per cent growth year-on-year. Net sales grew widely across the segment including e.solutions GmbH, the jointly owned company of EB and AUDI. Operating profit was EUR 3.0 million, including non-recurring costs of EUR 0.2 million resulting from the planned partial demerger (EUR 2.9 million, in January-March 2014). Operating profit was 6.2% of net sales (7.7%, January-March 2014). The slight decrease in operating profit percentage was caused by the higher than estimated project costs in certain customer projects and increased R&D costs.

The Wireless Business Segment's net sales increased by 7.6% per cent year-on-year, to EUR 15.3 million (EUR 14.2 million, in January-March 2014). The share of the product-based net sales was EUR 4.5 million (EUR 3.6 million in January-March 2014), which resulted mainly from the product deliveries of the tactical communication system to the Finnish Defence Forces and from the delivery of special terminal products for the authority use to customers abroad. The operating profit of the Wireless Business Segment was EUR 0.3 million, including non-recurring costs of EUR 0.1 million resulting from the planned partial demerger (operating loss of EUR -1.1 million, in January-March 2014). The operating result improved from the previous year and was positive due to the better sales margin.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)	1-3 2015	1-3 2014
	3 months	3 months
CONTINUING OPERATIONS		
Net sales	64.3	51.7
Operating profit / loss	3.4	1.9
Financial income and expenses	-0.5	0.0
Result before tax	3.0	1.9
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	1.8	1.7
RESULT FOR THE PERIOD FROM DISCONTINUING OPERATIONS		
RESULT FOR THE PERIOD	1.8	1.7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.1	1.6
Result for the period attributable to:		
Equity holders of the parent	1.8	1.7
Non-controlling interests		
Total comprehensive income for the period attributable to:		

Equity holder of the parent	3.1	1.6
Non-controlling interests		
Earnings per share from continuing operations, EUR	0.014	0.013

- Cash flow from operating activities was EUR 10.9 million (EUR -5.7 million, in January-March 2014).
- Net cash flow was EUR 7.3 million (EUR -0.5 million, in January-March 2014).
- Equity ratio was 65.0 % (64.8 %, March 31, 2014).
- Net gearing was -43.2 % (-37.2 %, March 31, 2014).

QUARTERLY FIGURES

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

	1Q 15	4Q 14	3Q 14	2Q 14	1Q 14
Net sales	64.3	67.8	52.5	52.2	51.7
Operating profit (loss)	3.4	7.2	4.6	3.1	1.9
Operating profit (loss) without non-recurring costs	3.7	7.8	3.5	3.1	1.9
Result before taxes	3.0	6.5	4.2	2.8	1.9
Result for the period	1.8	6.4	2.6	1.8	1.7

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.

In 2014 and 2015 EB's result reported non-recurring items as follows:

- non-recurring income of approximately EUR 1.1 million in Wireless Business Segment resulting from the reorganization cases of TerreStar companies during the third quarter of 2014;
- a total of EUR 0.6 million of non-recurring costs resulting from Wireless Business Segment's personnel layoffs and from the acquisition costs of SafeMove during the last quarter of 2014;
- a total of EUR 0.3 million of non-recurring costs resulting from the planned partial demerger during the first quarter of 2015.

Net sales and operating profit development by Business Segments and other businesses, MEUR:

	1Q 15	4Q 14	3Q 14	2Q 14	1Q 14
Automotive					
Net sales to external customers	49.1	51.6	42.5	39.8	37.5
Net sales to other segments	0.0	0.0	0.0	0.0	0.0
Operating profit (loss)	3.0	5.4	3.5	4.2	2.9
Wireless					

Net sales to external customers	15.1	16.1	10.0	12.4	14.2
Net sales to other segments	0.1	0.2	0.1	0.0	0.0
Operating profit (loss)	0.3	2.0	1.1	-0.9	-1.1
Other businesses					
Net sales to external customers					
Operating profit (loss)	0.1	-0.2	-0.0	-0.2	0.1
Total					
Net sales	64.3	67.8	52.5	52.2	51.7
Operating profit (loss)	3.4	7.2	4.6	3.1	1.9

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

	1Q 15	4Q 14	3Q 14	2Q 14	1Q 14
Asia	3.0 4.7%	2.1 3.1 %	2.6 5.0 %	1.8 3.5 %	2.5 4.9 %
Americas	10.2 15.8%	10.1 14.9 %	7.6 14.5 %	6.6 12.7 %	7.2 13.8 %
Europe	51.1 79.5%	55.6 82.0 %	42.3 80.6 %	43.8 83.8 %	42.0 81.3 %

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On January 2, 2015 Elektrobit Technologies Ltd, a subsidiary of Elektrobit Corporation acquired 100 per cent of the shares of Birdstep Technology Oy, which was a fully owned Finnish subsidiary of Birdstep Technology ASA, based in Norway. The acquisition strengthened the competitiveness of EB's Wireless Business Segment as a provider of secure communication solutions for defence, safety and other authorities markets. Birdstep Technology Oy provides its customers high quality information security solutions for mobile devices and portable computers. Birdstep Technology Oy's (SafeMove Oy from 2nd of January 2015 onwards) net sales was EUR 2.5 million in 2013 and in January-September 2014 EUR 2.1 million. The company employs 19 persons located in Espoo, Finland. The debt free cash purchase price is EUR 2.0 million. The acquisition has no significant impact on EB's balance sheet, net sales and financial position. The company will be reported as part of EB's Wireless Business Segment from January 1, 2015 onwards.

In January EB received information that Parrot SA (Parrot) filed a request for arbitration against e.solutions GmbH at the International Court of Arbitration of the International Chamber of Commerce seeking remuneration and/or damages currently in an amount of approximately EUR 9.4 million in connection with an automotive supply contract. Based on e.solutions' initial legal analysis the claim is without merit both in terms of the grounds and the amount of the claim. Based on the current analysis, the arbitral proceedings will not cause any financial obligation to e.solutions or to EB that would affect EB's profit outlook and financial position. It is possible that, based on later information, this view may need to be reconsidered. At the worst, Parrot's claim could have significant negative impact on e.solutions' and EB's profit, cash flow and financial position.

A total of 95 366 new shares in Elektrobit Corporation were subscribed between December 15, 2014 and January 26, 2015 by virtue of the option rights 2008B and 2008C. The share subscription price, EUR 61,719.94, was recorded in the Company's invested non-restricted equity fund. The corresponding increase in the number of the Company's shares was entered into the Finnish Trade Register on February 6, 2015. Trading with the newly registered shares started on February 9, 2015 in NASDAQ OMX Helsinki Ltd. After the registration of the new shares, the number of shares in Elektrobit Corporation's totals 131,588,510.

The Board of Directors of Elektrobit Corporation approved on February 18, 2015 a plan for partial demerger of the company and intends to list Bittium Corporation as a separate entity at Nasdaq Helsinki. The Board of Directors of EB also updated the strategic guidelines and financial targets of EB's Business Segments for the years 2015 -2017. Based on the demerger plan, the assets and

liabilities related to EB's Wireless Business Segment will be transferred to Bittium Corporation, an entity to be newly established in the partial demerger that will be listed at Nasdaq Helsinki. EB's Automotive Business Segment remains as a part of the current EB, which will continue its listing at Nasdaq Helsinki. The partial demerger will need to be approved by an extraordinary general meeting, to be held on June 11, 2015. The planned effective date for the demerger is June 30, 2015.

BUSINESS SEGMENTS' DEVELOPMENT DURING JANUARY-MARCH 2015 AND MARKET OUTLOOK

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

AUTOMOTIVE

In the Automotive Business Segment, EB offers a range of software products and R&D services for in-car embedded software, as well as professional tools that support the whole process of the in-car software development. Our customers are carmakers, car electronics suppliers and other suppliers to the automotive industry. The offering includes secure & safe technologies and solutions for Connected Car Infrastructure, Driver Assistance and Infotainment solutions containing navigation and human machine interfaces (HMI) technologies. 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, an extensive product line with tooling and a 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 AG's subsidiary, Audi Electronics Venture GmbH (AEV), have a jointly owned company 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% and AEV 49% of e.solutions GmbH. e.solutions GmbH is consolidated in EB group's financial statements by applying proportionate consolidation method.

Development of the Automotive Business Segment in January – March 2015

The demand for EB's software products and R&D services continued to be good. Net sales of the Automotive Business Segment grew to EUR 49.1 million (EUR 37.5 million, in January-March 2014), representing 31.1 per cent growth year-on-year. Net sales grew widely across the segment including the jointly owned company e.solutions GmbH. Operating profit was EUR 3.0 million, including non-recurring costs of EUR 0.2 million resulting from the planned partial demerger (EUR 2.9 million, in January-March 2014). Operating profit was 6.2% of net sales (7.7%, January-March 2014). The slight decrease in operating profit percentage was caused by the higher than estimated project costs in certain customer projects and increased R&D costs.

The R&D investments were EUR 3.7 million (EUR 2.5 million, January-March 2014). The increase in the R&D investments came mainly from new product features and technologies needed in the future connected car and autonomous driving applications.

In January EB opened an automotive software Innovation Lab in Silicon Valley to extend and establish the company's software and systems innovations for in-car connectivity and autonomous driving. The EB Automotive Innovation Lab will focus on research and development associated with furthering the company's software solutions toward connected and autonomous driving.

At CES 2015 in Las Vegas EB demonstrated its automotive software in a concept car and showcased with the automotive OS leader and BlackBerry subsidiary, QNX Software Systems, a vision for safe and comfortable driving in two state-of-the-art demonstration vehicles that were integrated with the latest in EB's ADAS technologies and gave CES attendees a unique opportunity to "test-drive" the automated safety and security features available in next-generation cars.

Automotive Business Segment market outlook

The global car market is expected to grow in 2015 between 2% according to the forecast made by VDA (Verband der Automobilindustrie) and 4% according to the study "The global automotive market" by Euler Hermes. The carmakers continue to

invest in automotive software for new car models and the market for software products and services is estimated to continue growing during 2015. The demand for EB's products and services is estimated to develop positively year-on-year during 2015 in the Automotive Business Segment.

The market for electronics and software for cars is estimated to continue growing in the long term. The study "Future Industry Structure of Automotive (FAST) Electronics 2025" from Berylls assumes a growth of automotive electronics from EUR 215 billion in 2012 to EUR 456 billion in 2025 (CAGR 6%).

Growth in the automotive software market in 2015 and beyond, and growth for EB, is expected to be driven mainly by:

- The majority of in-vehicle innovations come from electronics and software. Using software as a differentiator, carmakers are able to develop feature-rich vehicles, and differentiate in the areas of comfort, safety and security, information and entertainment, power train and communication. The trend of separating hardware from software continues in 2015 and beyond, allowing carmakers to speed up innovation and to improve the quality and cost-efficiency of their vehicles. As a software provider, this direction gives EB an opportunity to work directly with the major car makers, providing them with software development services, products and tools according to their individual requirements. EB also offers software integration services to integrate software applications and modules from various suppliers.
- Car makers continue to work on global modular car platforms to achieve scalability as well as good ability to handle the complexity of a growing number of car models and variants. This means volumes for software platforms will increase and software development programs will become global and include localization for all regions.
- The increasing complexity of car electronics and software is resulting in increasing efforts to provide safety-compliant systems.
- e.solutions GmbH, EB's jointly owned company with AUDI, is developing high-end infotainment software solutions for the Volkswagen group companies. During 2015, development of software will continue and deliveries from e.solutions are planned for several new car models of Volkswagen group.
- Consumers expect to have in the car the same richness of features and user experience they have learned to know from the Internet and mobile devices, and therefore infotainment systems become increasingly common in all car price categories. This is expected to create continuing demand for development of infotainment software and software development tools, such as EB GUIDE.
- Mobile connectivity will become one of the fastest-growing Internet-connected device platforms among other connected consumer electronics devices, such as media tablets and smartphones. Gartner estimates that by 2016, the majority of car buyers in the automotive markets, such as in the U.S. and the Western Europe, will view the availability of in-vehicle, web-enabled dynamic content as a key buying criterion when considering a standard brand car.
- Connected Car solutions and cloud connections enable the introduction of new applications and enhancements to car functions, for example real-time traffic information or map updates for navigation. The increasing demand to better integrate mobile devices with the car has been reflected in the announcements by consumer electronics companies, such as Apple's "CarPlay" or Google's Open Automotive Alliance. These drivers are creating demand for software integration services.
- New Active Safety Systems and Driver Assistance applications are being brought to the market, as automated driving is one of the key trends and an area with significant investments. Car makers are preparing highly automated driving systems for their new car models to be available in the market in the coming years.

WIRELESS

In the Wireless Business Segment EB offers innovative products and solutions based on EB's own platforms for defense, public safety and other authorities markets, IoT markets (Internet of Things) as well as for industrial use. For the wireless communication markets and other companies who need wireless connectivity to their products, EB offers R&D services based on the latest wireless technologies and applications. EB also offers high quality information security solutions for mobile devices and portable computers.

Wireless Business Segment's products are: EB Tough Mobile LTE smartphone for demanding Mobile Security and Public Safety needs, EB Tactical Wireless IP Network, EB Tough VoIP products and EB Tactical LTE Access Point for tactical communications. EB's product platforms are EB Special Device Platform for Android-based devices and EB IoT Device Platform for development of

different kind of products that need wireless connectivity and various sensors. EB SafeMove solutions enable secure, seamless connectivity for mobile workforce.

Development of the Wireless Business Segment in January – March 2015

The Wireless Business Segment's net sales increased by 7.6 per cent year-on-year, to EUR 15.3 million (EUR 14.2 million, in January-March 2014). The share of the product-based net sales was EUR 4.5 million (EUR 3.6 million in January-March 2014), which resulted mainly from the tactical communication system deliveries to the Finnish Defence Forces and from the delivery of special terminal products for the authority use to customers abroad. The operating profit of the Wireless Business Segment was EUR 0.3 million, including non-recurring costs of EUR 0.1 million resulting from the planned partial demerger (operating loss of EUR -1.1 million, in January-March 2014). The operating result improved from the previous year due to the better sales margin.

R&D investments in the first quarter were EUR 2.0 million (EUR 1.6 million, 1Q 2014). R&D investments were increased for products for the use by authorities.

On January 2, 2015 EB strengthened the competitiveness of EB's Wireless Business Segment as a provider of secure communication solutions for defense, safety and other authorities markets by acquiring the SafeMove business from Birdstep Technology ASA, based in Norway. The acquired Birdstep Technology Oy provides its customers high quality information security solutions for mobile devices and portable computers. EB's product portfolio expanded from the existing information secure device solutions with the protection of data communications. SafeMove software can be utilized in several EB's products and product platforms, such as in EB Tough Mobile secure smart phone and in EB IoT Device Platform as well as in defence products. The debt free cash purchase price was EUR 2.0 million. The acquisition has no significant impact on EB's balance sheet, net sales and financial position. The company will be reported as part of EB's Wireless Business Segment from January 1, 2015 onwards.

In February EB announced to have integrated an information security solution to its EB IoT Device Platform that enables secure connectivity from the IoT device to the customer's cloud services. The EB IoT Device Platform, launched in November, is a compact and powerful platform, which enables development of different kind of products that have wireless connectivity and various sensors for the Wearable, Healthcare, Machine-to-Machine communication and Industrial Internet markets. The integrated security software protects the IoT devices from network attacks and secures connections between the devices and services. This comprehensive solution enables building a secure, wireless sensor network in industry, healthcare as well as in smart buildings.

EB aims at bringing its products to the global defense and other authority markets and continued its sales and marketing efforts and R&D investments into these markets. During the first quarter EB participated in several exhibitions showcasing its tactical communication products and solutions, secure EB Tough Mobile LTE smartphone, EB IoT Device Platform and EB SafeMove software. These trade fairs were IDEX 2015 in Abu Dhabi, United Arab Emirates, Mobile World Congress 2015 in Barcelona, Spain, UK Health Week 2015 in London, CeBIT 2015 in Hannover, Germany, and Mobile Government Summit 2015 conference in London, England.

Wireless Business Segment Market Outlook

In the Wireless Business Segment, EB's customers operate in various industries, each of them having their own industry specific factors driving the demand. A common factor creating demand among the whole customer base is the growing need for even higher speed and higher quality communications and data transfer.

The following factors are expected to create demand for EB's products and services in 2015 and beyond:

- In the mobile infrastructure equipment market the use of LTE technology is expected to continue strong. This creates the need for services in LTE base station development. There is a wide range of frequencies allocated for LTE globally thus creating the need to develop multiple products to cover the market and creating demand for R&D services for development of product variants.
- The trend of using new commercial technologies, such as LTE, smart phones and their applications, is expected to continue in special verticals such as public safety creating demand for customized LTE devices, such as EB's specialized terminals and communication modules. EB Tough Mobile LTE smart phone, launched in 2014, creates the basis for new customer orders in the markets for public authorities and mobile safety phones.

- Due to the long history in developing smart phones and mobile communication devices, EB is in a good position to offer solutions, where e.g. mastering of multi-radio technologies and end-to-end system architectures covering both terminals and networks is needed.
- The demand for devices for secure communications is expected to grow in the near future. EB SafeMove product family is expected to increase the performance and suitability of EB's products in the information security markets.
- IoT (Internet of Things) has become a significant development area in many industries. This creates needs for R&D services for connected devices such as various wearable devices for sports and leisure time for consumer use and for industrial use, which provide connections with internet or other devices. In the tactical defense communication market the need for larger amounts of information data grows, generating demand for broadband networks, such as EB's IP (Internet Protocol) based tactical communications solutions.

The general cost savings of the mobile telecommunications network equipment companies is reflected as increasing price competition in the R&D services. Despite of that the demand for EB's R&D services is expected to remain steady during 2015.

EB continues the product development and deliveries of products and services to the Finnish Defence Forces in 2015, and expects to get initial sales from the global defence markets.

The defense, national security and other authority markets are slowly developing markets by their nature. They are characterized by long sales cycles driven by purchasing programs of national governments, and the purchases of the selected products take place over several years.

RESEARCH AND DEVELOPMENT

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

The total R&D investments during January-March 2015 were EUR 5.8 million (EUR 4.1 million, in January-March 2014), equaling 9.0% of the net sales (7.9%, in January-March 2014). The share of R&D investments in the Automotive Business Segment was EUR 3.7 million (EUR 2.5 million, in January-March 2014) and in the Wireless Business Segment EUR 2.0 million (EUR 1.6 million, in January-March 2014).

EUR 1.0 million of R&D investments was capitalized (EUR 0.2 million, in January-March 2014), and these capitalizations were made in the Wireless Business Segment. The amount of capitalized R&D investments at the end of March 2015 was EUR 13.0 million (EUR 11.8 million, March 31, 2014). A significant part of these capitalized R&D investments is related to customer agreements in the 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 0.5 million during the reporting period (EUR 0.4 million, in January-March 2014).

The total negative effect, caused from research and development investments, their capitalizations and their depreciation, on EB's income statement in January-March 2015 was EUR -5.2 million (EUR -4.3 million, in January-March 2014).

OUTLOOK FOR 2015

For the year 2015 EB expects that the net sales and operating result will grow from the previous year (net sales of EUR 224.1 million and operating profit of EUR 16.8 million, in 2014). Net sales growth rate in 2015 is expected to be higher than in the previous year (net sales growth of 12.5 %, 2014).

The demand for R&D services and software products of the Automotive Business Segment is expected to continue as good. Net sales growth is expected to be almost at the same level as in the previous year (net sales growth of 24.0 per cent in 2014) and operating profit is expected to be at least at the same level than in the previous year (operating profit of EUR 16.0 million, in 2014).

In the Wireless Business Segment, the demand for R&D services and products is expected to develop positively especially in the authority markets and in various applications where wireless connectivity is needed. The net sales and operating profit are expected to grow from the previous year (net sales of EUR 53.0 million and operating profit of EUR 1.0 million in 2014).

The operating profit outlooks above do not include non-recurring costs resulting from the planned partial demerger, which amount of non-recurring costs is estimated to be approximately between EUR 2.5 million and 3.0 EUR million in 2015 in case the planned partial demerger will be implemented.

A more specific market outlook is presented under the sections “Market outlook for the Automotive Business Segment” and “Market outlook for the Wireless Business Segment”.

More information about other uncertainties regarding the outlook is presented in the sections “Risks and uncertainties” and “Events after the review period”.

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.

The Board of Directors of Elektrobot Corporation has on February 18, 2015 approved a demerger plan which has been registered with the Trade Register of the Finnish Patent and Registration Office on February 19, 2015. Implementation of the demerger is subject to an approval by the Extraordinary General Meeting of Elektrobot Corporation and the implementation will be registered with the Finnish Trade Register after the completion of the creditor protection procedure in accordance with Finnish Companies Act. There are various risks related to the demerger that will be presented in the demerger prospectus estimated to be published in the beginning of June 2015.

EB announced in its stock exchange release in May 2, 2015 that Elektrobot Wireless Communications Ltd, a subsidiary of Elektrobot Corporation, and the Ministry of Mexican Communication and Transportation (Secretaría de Comunicaciones y Transportes, SCT) have signed an agreement regarding the development of three types of android-based L-band mobile devices: satellite-terrestrial smartphone, a satellite-terrestrial rugged enhanced phone and a satellite rugged basic phone, for the SCT's Mexsat program. The development agreement contains termination conditions customarily applied in the industry, providing for example, SCT a possibility to terminate the agreement with a short notice by paying a ramp down fee. The development work comprises also typical risks related to fixed price projects, such as execution and management of the project in the agreed schedule and with the planned resources.

A more detailed description of the short-term risks and uncertainties is available in the report by the Board of Directors 2014. More information about EB's risks and uncertainties at www.elektrobot.com.

STATEMENT OF FINANCIAL POSITION AND FINANCING

The figures presented in the statement of financial position of March 31, 2015, are compared with the statement of the financial position of December 31, 2014 (MEUR).

	31.3.2015	31.12.2014
Non-current assets	51.3	48.8
Current assets	121.1	118.0
Total assets	172.4	166.8
Share capital	12.9	12.9

Other equity	84.0	80.5
Total shareholders' equity	97.0	93.4
Non-current liabilities	8.1	7.6
Current liabilities	67.4	65.8
Total shareholders' equity and liabilities	172.4	166.8

The cash flows during the period under review:

+ net profit +/- adjustment of accrual basis items	EUR +5.6 million
+/- change in net working capital	EUR +6.7 million
- interest, taxes and dividends	EUR -1.4 million
= cash generated from operations	EUR +10.9 million
- net cash used in investment activities	EUR -4.1 million
- net cash used in financing	EUR +0.4 million
= net change in cash and cash equivalents	EUR +7.3 million

The decrease in net working capital during the review period resulted mainly from the decrease in non-interest bearing receivables.

The amount of accounts receivable and other receivables, booked in current receivables, was EUR 69.0 million (EUR 72.5 million on December 31, 2014). Accounts payable and other payables, booked in interest-free current liabilities, were EUR 62.8 million (EUR 61.3 million on December 31, 2014). The amount of non-depreciated consolidation goodwill at the end of the period under review was EUR 20.6 million (EUR 19.3 million on December 31, 2014).

The amount of gross investments in the period under review was EUR 2.7 million. Net investments for the reporting period totaled EUR 2.7 million. The total amount of depreciation during the period under review was EUR 2.2 million. The amount of interest-bearing debt, including finance lease liabilities, at the end of the reporting period was EUR 8.7 million (EUR 8.3 million on December 31, 2014). The distribution of net financing expenses on the income statement was as follows:

Interest, dividend and other financial income	EUR 0.2 million
Interest expenses and other financial expenses	EUR -0.1 million
foreign exchange gains and losses	EUR -0.5 million

EB's equity ratio at the end of the period was 65.0% (62.3 % on December 31, 2014).

Cash and other liquid assets at the end of the reporting period were EUR 50.6 million (EUR 43.3 million on December 31, 2014). In July EB signed a EUR 10 million credit facility agreement with Nordea Bank Finland Plc. and a EUR 10 million credit facility agreement with Pohjola Bank Plc. These agreements, intended for general financing purposes, are valid until June 30, 2017. At the end of the review period, EUR 3.3 million of these facilities was in use.

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 8.0 million.

PERSONNEL

The parent company of the group and its subsidiaries employed an average of 1859 people between January and March 2015. In addition, e.solutions GmbH, the jointly owned company of EB and AUDI, employed 451 people. At the end of March, the parent company of the group and its subsidiaries had 1868 employees and e.solutions GmbH 459 employees (1804 in group's parent company and subsidiaries and e.solutions GmbH 380 at the end of 2014). 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

A total of 671,514 new shares in Elektrobit Corporation (EB) were subscribed for between February 10, 2015 and March 31, 2015, pursuant to series 2008B-C stock options. The share subscription price, EUR 440,074.86 has been recorded in the Company's invested non-restricted equity fund. The corresponding increase in the number of the Company's shares was entered into the Finnish Trade Register on April 14, 2015. Shareholder rights by virtue of the new shares commence as of the abovementioned registration entry date. Trading with the newly registered shares has started on April 15, 2015 as an additional lot of Elektrobit Corporation's shares in NASDAQ OMX Helsinki Ltd. After the registration of the new shares, the number of shares in Elektrobit Corporation totals to 132,260,024.

On April 29, 2015 a notice has been given to the shareholders of Elektrobit Corporation to an Extraordinary General Meeting to be held on Thursday, 11 June 2015 at 1 pm. at the University of Oulu, Saalastinsali, at the address Pentti Kaiteran katu 1, 90570 Oulu, Finland.

Elektrobit Wireless Communications Ltd (EB), a subsidiary of Elektrobit Corporation, and the Ministry of Mexican Communication and Transportation (Secretaría de Comunicaciones y Transportes, SCT) have signed an agreement regarding the development of three types of Android-based L-band mobile devices for the SCT's Mexsat program. These mobile devices will be based on EB's Specialized Device Platform, a customized Android-based platform designed especially for public safety and cyber security markets. The value of this development agreement is approximately USD 21.9 million (approximately EUR 19.5 million as per exchange rate of May 1, 2015) with revenues recognized gradually in 2015 and 2016 depending on the progress of the development work. More than half of the contract value is expected to be recognized as revenue during 2016. The revenues expected to be generated under this agreement during 2015 have already been anticipated in EB's outlook for 2015 and will thus not cause changes to the 2015 outlook published on February 19, 2015 in EB's Financial Statement Bulletin 2014.

DECISIONS OF THE ANNUAL GENERAL MEETING

The Annual General Meeting held on April 15, 2015 approved the annual accounts for the financial year 2014, discharged the Company's management from liability 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 0.04 per share as dividend based on the balance sheet adopted for the financial period January 1, 2014 - December 31, 2014. 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 Friday, April 17, 2015. The dividend will be paid on Friday, April 24, 2015.

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. Mr. Jorma Halonen, Mr. Juha Hulkko, Mr. Seppo Laine, Mr. Staffan Simberg and Mr. 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 15, 2015, 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 a 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 1,200 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. Juhani Rönkkö, authorized public accountant, will act as the 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 Annual 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 9.50 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 April 10, 2014 to decide on the repurchase of the company's own shares.

The authorization is effective until June 30, 2016.

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

The Annual 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 19.00 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 April 10, 2014 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, 2016.

EXTRAORDINARY GENERAL MEETING

Notice is given to the shareholders of Elektrobit Corporation to an Extraordinary General Meeting to be held on Thursday, 11 June 2015 at 1 pm. at the University of Oulu, Saalastinsali, at the address Pentti Kaiteran katu 1, 90570 Oulu, Finland. The notice and instructions to participate the meeting can be found at www.elektrobit.com. The rest of the proposals by the Board of Directors for the Extraordinary General Meeting will be published at the latest on May 21, 2015.

Oulu May 7, 2015

Elektrobit Corporation
The Board of Members

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NASDAQ OMX Helsinki
Major media

ELEKTROBIT CORPORATION (EB)

CONDENSED FINANCIAL STATEMENTS AND NOTES JANUARY – MARCH 2015

(unaudited)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)			
Continuing operations	1-3/2015	1-3/2014	1-12/2014
	3 months	3 months	12 months
NET SALES	64.3	51.7	224.1
Other operating income	0.9	0.6	4.7
Change in work in progress and finished goods	0.0	0.0	0.0
Work performed by the undertaking for its own purpose and capitalized	0.1		0.1
Raw materials	-5.9	-5.1	-16.3
Personnel expenses	-35.7	-31.4	-125.6
Depreciation	-2.2	-2.2	-8.7
Other operating expenses	-18.2	-11.8	-61.5
OPERATING PROFIT (LOSS)	3.4	1.9	16.8
Financial income and expenses	-0.5	0.0	-1.3
PROFIT BEFORE TAX	3.0	1.9	15.5
Income tax	-1.1	-0.2	-3.3
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	1.8	1.7	12.3
Discontinued operations			
Profit for the year from discontinued operations			0.2
PROFIT FOR THE PERIOD	1.8	1.7	12.5
Other comprehensive income:			
Items that will not be reclassified to statement of income			
Re-measurement gains (losses) on defined benefit plans			-0.8
Income tax effect			0.2
Items that may be reclassified subsequently to the statement of income			
Exchange differences on translating foreign operations	1.2	-0.1	0.9
Other comprehensive income for the period total	1.2	-0.1	0.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.1	1.6	12.9

Profit for the year attributable to			
Equity holders of the parent	1.8	1.7	12.5
Non-controlling interests			
Total comprehensive income for the period attributable to			
Equity holders of the parent	3.1	1.6	12.9
Non-controlling interests			
Earnings per share from continuing operations, EUR			
Basic earnings per share	0.014	0.013	0.094
Diluted earnings per share	0.014	0.013	0.093
Earnings per share from discontinued operations, EUR			
Basic earnings per share			0.002
Diluted earnings per share			0.002
Earnings per share from continuing and discontinued operations, EUR			
Basic earnings per share	0.014	0.013	0.096
Diluted earnings per share	0.014	0.013	0.095
Average number of shares, 1000 pcs	131 549	130 378	130 975
Average number of shares, diluted, 1000 pcs	132 252	131 290	131 663

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)	March 31, 2015	March 31, 2014	Dec. 31, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	10.8	9.3	10.7
Goodwill	20.6	19.4	19.3
Intangible assets	18.2	14.8	17.0
Other financial assets	0.1	0.1	0.1
Deferred tax assets	1.5	1.5	1.7
Non-current assets total	51.3	45.1	48.8
Current assets			
Inventories	1.6	0.9	2.2
Trade and other receivables	69.0	55.3	72.5

Financial assets at fair value through profit or loss	21.1	20.8	21.0
Cash and short term deposits	29.4	21.8	22.3
Current assets total	121.1	98.8	118.0
TOTAL ASSETS	172.4	144.0	166.8
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	12.9	12.9	12.9
Invested non-restricted equity fund	25.6	24.8	25.1
Translation difference	2.8	0.5	1.5
Retained earnings	55.7	45.4	53.8
Non-controlling interests			
Total equity	97.0	83.7	93.4
Non-current liabilities			
Deferred tax liabilities	0.8	0.5	0.5
Pension obligations	3.0	2.1	3.0
Provisions	0.2	0.5	0.2
Interest-bearing liabilities	4.1	3.0	3.8
Non-current liabilities total	8.1	6.1	7.6
Current liabilities			
Trade and other payables	59.9	43.5	58.5
Financial liabilities at fair value through profit or loss	0.2		0.2
Provisions	2.7	2.3	2.6
Interest-bearing loans and borrowings	4.6	8.3	4.5
Current liabilities total	67.4	54.1	65.8
Total liabilities	75.4	60.3	73.4
TOTAL EQUITY AND LIABILITIES	172.4	144.0	166.8

CONSOLIDATED STATEMENT OF CASH FLOWS (MEUR)	1-3/2015	1-3/2014	1-12/2014
	3 months	3 months	12 months
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year from continuing operations	1.8	1.7	12.3
Profit for the year from discontinued operations			0.2
Adjustment of accrual basis items	3.8	2.8	14.9
Change in net working capital	6.7	-9.4	-12.1
Interest paid on operating activities	-0.6	-0.0	-1.3

Interest received from operating activities	0.2	0.1	0.4
Other financial income and expenses, net received			0.0
Income taxes paid	-1.0	-0.9	-3.8
NET CASH FROM OPERATING ACTIVITIES	10.9	-5.7	10.5
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of business unit, net of cash acquired	-1.8		
Purchase of property, plant and equipment	-0.9	-0.5	-3.6
Purchase of intangible assets	-1.4	-0.5	-5.7
Sale of property, plant and equipment		0.0	0.1
Sale of intangible assets	0.0		
Proceeds from sale of investments		0.0	0.0
NET CASH FROM INVESTING ACTIVITIES	-4.1	-1.0	-9.2
CASH FLOW FROM FINANCING ACTIVITIES			
Share-option plans exercised	0.5	0.3	0.6
Proceeds from borrowing	3.4	6.7	19.4
Repayment of borrowing	-3.0	-0.3	-16.6
Payment of finance liabilities	-0.5	-0.5	-1.8
Dividend paid and repayment of capital			-2.6
NET CASH FROM FINANCING ACTIVITIES	0.4	6.2	-1.0
NET CHANGE IN CASH AND CASH EQUIVALENTS	7.3	-0.5	0.3
Cash and cash equivalents at beginning of period	43.3	43.0	43.0
Cash and cash equivalents at end of period	50.6	42.5	43.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MEUR)

A = Share capital

B = Invested non-restricted equity fund

C = Translation difference

D = Retained earnings

F = Non-controlling interests

G = Total equity

Restated	A	B	C	D	E	F
Shareholders equity on Jan. 1, 2014	12.9	24.5	0.6	43.7		81.7
Comprehensive income for the period						
Profit for the period				1.7		1.7
Exchange differences on translating foreign operations			-0.1			-0.1
Total comprehensive income for the period			-0.1	1.7		1.6
Transactions between the shareholders						
Share option plans exercised		0.3				0.3
Share-related compensation			0.0			0.0
Total transactions between the shareholders		0.3		0.0		0.3
Other changes				0.1		0.1
Shareholders equity on March 31, 2014	12.9	24.8	0.5	45.4		83.7

	A	B	C	D	E	F
Shareholders equity on Jan. 1, 2015	12.9	25.1	1.5	53.8		93.4
Comprehensive income for the period						
Profit for the period				1.8		1.8
Exchange differences on translating foreign operations			1.2			1.2
Total comprehensive income for the period			1.2	1.8		3.1
Transactions between the shareholders						
Share option plans exercised		0.5				0.5
Total transactions between the shareholders		0.5				0.5
Other changes				-0.0		-0.0
Shareholders equity on March 31, 2015	12.9	25.6	2.8	55.7		97.0

NOTES TO THE INTERIM FINANCIAL REPORTING

ACCOUNTING PRINCIPLES FOR THE INTERIM FINANCIAL REPORTING:

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Elektrobit Corporation has applied the same accounting principles in the preparation of this Interim Report as in its Financial Statements for 2014, except for the adoption of new standards and interpretations effective during 2015. The changes did not have material impact on the Interim Report.

SEGMENT-INFORMATION (MEUR)

OPERATING SEGMENTS	1-3/2015 3 months	1-3/2014 3 months	1-12/2014 12 months
Automotive			
Net sales to external customers	49.1	37.5	171.4
Net sales to other segments		0.0	0.0
Net sales total	49.1	37.5	171.4
Operating profit (loss)	3.0	2.9	16.0
Wireless			
Net sales to external customers	15.1	14.2	52.7
Net sales to other segments	0.1	0.0	0.3
Net sales total	15.3	14.2	53.0
Operating profit (loss)	0.3	-1.1	1.0
OTHER ITEMS			
Other items			
Net sales to external customers			
Operating profit (loss)	0.1	0.1	-0.2
Eliminations			
Net sales to other segments	-0.1	-0.0	-0.3
Operating profit (loss)	0.0	0.0	0.0
Group total			
Net sales to external customers	64.3	51.7	224.1
Operating profit (loss)	3.4	1.9	16.8
Net sales of geographical areas (MEUR)	1-3/2015 3 months	1-3/2014 3 months	1-12/2014 12 months

Net sales			
Europe	51.1	42.0	183.6
Americas	10.2	7.2	31.5
Asia	3.0	2.5	9.0
Net sales total	64.3	51.7	224.1

Related party transactions	1-3/2015 3 months	1-3/2014 3 months	1-12/2014 12 months
Employee benefits for key management and stock options expenses total	0.7	0.4	1.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME BY QUARTER (MEUR)	1-3/2015 3 months	10-12/2014 3 months	7-9/2014 3 months	4-6/2014 3 months	1-3/2014 3 months
Continuing operations					
NET SALES	64.3	67.8	52.5	52.2	51.7
Other operating income	0.9	1.8	1.1	1.1	0.6
Change in work in progress and finished goods	0.0	-0.0	0.0	0.0	0.0
Work performed by the undertaking for its own purpose and capitalized	0.1	0.0	0.0	0.1	
Raw materials	-5.9	-5.8	-1.9	-3.6	-5.1
Personnel expenses	-35.7	-34.0	-29.8	-30.5	-31.4
Depreciation	-2.2	-2.4	-2.1	-2.1	-2.2
Other operating expenses	-18.2	-20.2	-15.2	-14.2	-11.8
OPERATING PROFIT (LOSS)	3.4	7.2	4.6	3.1	1.9
Financial income and expenses	-0.5	-0.7	-0.4	-0.3	0.0
PROFIT BEFORE TAX	3.0	6.5	4.2	2.8	1.9
Income tax	-1.1	-0.4	-1.6	-1.0	-0.2
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	1.8	6.1	2.6	1.8	1.7
Discontinued operations					
Profit for the period from discontinued operations		0.2			
PROFIT FOR THE PERIOD	1.8	6.4	2.6	1.8	1.7
Other comprehensive income	1.2	-0.1	0.2	0.3	-0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3.1	6.3	2.8	2.1	1.6

Profit for the period attributable to:					
Equity holders of the parent	1.8	6.4	2.6	1.8	1.7
Non-controlling interests					
Total comprehensive income for the period attributable to:					
Equity holders of the parent	3.1	6.3	2.8	2.1	1.6
Non-controlling interests					

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014
ASSETS					
Non-current assets					
Property, plant and equipment	10.8	10.7	9.2	9.1	9.3
Goodwill	20.6	19.3	19.4	19.4	19.4
Intangible assets	18.2	17.0	16.8	14.7	14.8
Other financial assets	0.1	0.1	0.1	0.1	0.1
Deferred tax assets	1.5	1.7	1.6	1.5	1.5
Non-current assets total	51.3	48.8	47.1	44.9	45.1
Current assets					
Inventories	1.6	2.2	1.5	1.0	0.9
Trade and other receivables	69.0	72.5	60.9	71.6	55.3
Financial assets at fair value through profit or loss	21.1	21.0	20.9	20.9	20.8
Cash and short term deposits	29.4	22.3	19.8	10.0	21.8
Current assets total	121.1	118.0	103.1	103.5	98.8
TOTAL ASSETS	172.4	166.8	150.2	148.4	144.0
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	25.6	25.1	24.9	24.9	24.8
Translation difference	2.8	1.5	1.0	0.8	0.5
Retained earnings	55.7	53.8	47.0	44.7	45.4
Non-controlling interests					
Total equity	97.0	93.4	85.9	83.3	83.7
Non-current liabilities					

Deferred tax liabilities	0.8	0.5	0.5	0.5	0.5
Pension obligations	3.0	3.0	2.2	2.1	2.1
Provisions	0.2	0.2	0.2	0.3	0.5
Interest-bearing liabilities	4.1	3.8	3.0	2.9	3.0
Non-current liabilities total	8.1	7.6	5.9	5.8	6.1
Current liabilities					
Trade and other payables	59.9	58.5	51.2	45.4	43.5
Financial liabilities at fair value through profit or loss	0.2	0.2	0.4	0.0	
Provisions	2.7	2.6	2.5	3.0	2.3
Interest-bearing loans and borrowings	4.6	4.5	4.3	10.9	8.3
Current liabilities total	67.4	65.8	58.3	59.3	54.1
Total liabilities	75.4	73.4	64.3	65.1	60.3
TOTAL EQUITY AND LIABILITIES	172.4	166.8	150.2	148.4	144.0

CONSOLIDATED STATEMENT OF CASH FLOWS BY QUARTER	1-3/2015 3 months	10-12/2014 3 months	7-9/2014 3 months	4-6/2014 3 months	1-3/2014 3 months
Net cash from operating activities	10.9	5.4	20.5	-9.7	-5.7
Net cash from investing activities	-4.1	-2.6	-3.9	-1.7	-1.0
Net cash from financing activities	0.4	-0.2	-6.7	-0.3	6.2
Net change in cash and cash equivalents	7.3	2.5	9.8	-11.6	-0.5

FINANCIAL PERFORMANCE RELATED RATIOS	1-3/2015 3 months	1-3/2014 3 months	1-12/2014 12 months
STATEMENT OF COMPREHENSIVE INCOME (MEUR)			
Net sales	64.3	51.7	224.1
Operating profit (loss)	3.4	1.9	16.8
Operating profit (loss), % of net sales	5.3	3.7	7.5
Profit before taxes	3.0	1.9	15.5
Profit before taxes, % of net sales	4.6	3.8	6.9
Profit for the period	1.8	1.7	12.3
PROFITABILITY AND OTHER KEY FIGURES			
Interest-bearing net liabilities, (MEUR)	-41.9	-31.2	-35.0
Net gearing, -%	-43.2	-37.2	-37.4
Equity ratio, %	65.0	64.8	62.3

Gross investments, (MEUR)	2.7	1.1	11.4
Average personnel during the period, parent and subsidiaries	1859	1663	1699
Personnel at the period end, parent and subsidiaries	1868	1661	1804
Average personnel during the period, jointly owned company	451	337	380
Personnel at the period end, jointly owned company	459	342	431

AMOUNT OF SHARE ISSUE ADJUSTMENT (1,000 pcs)	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014
At the end of period	131 589	130 610	131 493
Average for the period	131 549	130 378	130 975
Average for the period diluted with stock options	132 252	131 290	131 663

STOCK-RELATED FINANCIAL RATIOS (EUR)	1-3/2015 3 months	1-3/2014 3 months	1-12/2014 12 months
Earnings per share from continuing operations, EUR			
Basic earnings per share	0.014	0.013	0.094
Diluted earnings per share	0.014	0.013	0.093
Earnings per share from discontinued operations, EUR			
Basic earnings per share			0.002
Diluted earnings per share			0.002
Earnings per share from continuing and discontinued operations, EUR			
Basic earnings per share	0.014	0.013	0.096
Diluted earnings per share	0.014	0.013	0.095
Equity *) per share	0.74	0.64	0.71
*) Equity attributable to equity holders of the parent			

MARKET VALUES OF SHARES (EUR)	1-3/2015 3 months	1-3/2014 3 months	1-12/2014 12 months
Highest	5.03	3.23	3.83
Lowest	3.27	2.46	2.30

Average	4.18	2.77	2.85
At the end of period	3.90	2.59	3.36
Market value of the stock, (MEUR)	513.2	338.3	441.8
Trading value of shares, (MEUR)	93.8	68.3	188.0
Number of shares traded, (1,000 pcs)	22 441	24 685	66 019
Related to average number of shares %	17.1	18.9	50.4

SECURITIES AND CONTINGENT LIABILITIES (MEUR)	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014
AGAINST OWN LIABILITIES			
Floating charges	1.0	18.0	1.0
Guarantees	6.7	14.1	6.4
Rental liabilities			
Falling due in the next year	7.1	7.4	7.2
Falling due after one year	12.6	16.5	13.0
Other contractual liabilities			
Falling due in the next year	2.6	0.8	2.1
Falling due after one year	0.5	0.5	0.7
Mortgages are pledged for liabilities totaled	2.6	2.1	2.6

NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014
Foreign exchange forward contracts			
Market value	-0.0	0.0	-0.1
Nominal value	2.0	6.0	3.0
Purchased currency options			
Market value	0.1	0.1	0.0
Nominal value	6.0	5.5	5.0
Sold currency options			
Market value	-0.2	-0.0	-0.1
Nominal value	12.0	10.0	10.0