



## STOCK EXCHANGE RELEASE

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### EB, ELEKTROBIT CORPORATION, INTERIM REPORT, JANUARY TO JUNE 2009

1H 2009 OPERATING RESULT WITHOUT NON-RECURRING ITEMS WAS POSITIVE DESPITE OF SLIGHTLY NEGATIVE 2Q 2009

#### SUMMARY 2Q 2009

- Net sales amounted to EUR 37.4 million (EUR 41.0 million, 2Q 2008), representing -8.8 per cent decrease year-on-year.
- Operating loss from business operations amounted to EUR -0.4 million and the non-recurring restructuring costs totaled to EUR -0.7 million, resulting in a total operating loss of EUR -1.1 million (EUR -13.3 million, 2Q 2008)
- Operating cash flow amounted to EUR -1.0 million (EUR -9.0 million, 2Q 2008). The net cash flow amounted to EUR -2.5 million (EUR -10.9 million, 2Q 2008)
- Cash and other liquid assets totaled to EUR 60.3 million (74.8 million, 2Q 2008)
- Equity ratio remained at a high level of 69.2% (69.9%, 2Q 2008)
- Earnings per share were EUR -0.02 (EUR -0.16, 2Q 2008)

The market environment prevailed challenging reflecting to EB's net sales, which decreased by -12.7 per cent compared to the first quarter 2009. Operating loss from business operations without non-recurring costs in 2Q 2009 amounted to EUR -0.4 million (EUR 0.9 million in 1Q 2009).

In June EB appointed M.Sc (Eng.), M.Sc (Econ.) Jukka Harju as CEO of the Company. Along with the assignment, Harju resigned from the membership of the EB Board of Directors and from the chairmanship of the Board's committee for Automotive Segment. Jorma Halonen, member of EB Board of Directors, was elected as the new Chairman of the Automotive committee. EB's former CEO Pertti Korhonen resigned as of June 3, 2009.

EB's Board of Directors approved EB's strategic guidelines during the second quarter of 2009. EB continues to focus on two Business Segments – Automotive and Wireless, with the long-term target of being a global leading provider of solutions, products and services in its selected businesses. Along with its long-term objective, EB's most important short-term objective is to further improve the profitability.

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



EB'S CEO JUKKA HARJU:

"Our operating profit during January - June 2009 improved significantly from July - December 2008 but is still not at a satisfactory level. Our most important objective continues to be to improve profitability further and to achieve positive operating profit development. "

#### FINANCIAL PERFORMANCE DURING JANUARY - JUNE 2009

(Comparisons are given to January - June 2008, unless otherwise indicated)

EB's net sales during January - June 2009 decreased -9.2 per cent to EUR 80.2 million (EUR 88.3 million). Operating profit from business operations amounted to EUR 0.5 million and the non-recurring costs totaled to EUR -1.6 million, resulting to the operating loss of EUR -1.1 million (EUR -21.4 million).

The Automotive Business Segment's net sales during January - June 2009 amounted to EUR 29.9 million (EUR 28.7 million) representing a growth of 4.1 per cent. The operating loss reduced to EUR -3.1 million (EUR -5.7 million). The net sales and operating profit were lower than expected mainly due to the automotive market situation where EB's customers decreased their R&D investments.

The Wireless Business Segment's net sales during January - June 2009 amounted to EUR 50.0 million (EUR 59.4 million including extraordinary low-margin through-licensing revenues of approximately EUR 3 million), representing a decline of -15.7 per cent compared to January - June 2008. The operating profit, including non-recurring costs of EUR 1.2 million, was EUR 1.4 million (EUR -15.6 million). The significant improvement of operating result with lower turnover year-on-year was mainly due to the execution of the earlier announced profitability improvement program.

The total R&D investments during the reporting period were EUR 6.9 million (EUR 21.6 million), equaling 8.7 per cent of the net sales (24.5 per cent in 2008). The significant reduction of the R&D investments was mostly due to the change of the business model (and consequent exit from developing own products) in Mobile WiMAX in October 2008 and exit from RFID technology business in February 2009.

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)</b>	<b>1H 2009</b>	<b>1H 2008</b>
	<b>6 months</b>	<b>6 months</b>
NET SALES	80.2	88.3
OPERATING PROFIT (LOSS)	-1.1	-21.4
Financial income and expenses	-0.5	0.2
RESULT BEFORE TAX	-1.6	-21.2
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-2.6	-21.2



Result after tax for the year from discontinued operations	0.0	0.1
RESULT FOR THE PERIOD	-2.6	-21.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-2.8	-21.4
Result for the period attributable to:		
Equity holders of the parent	-2.6	-21.0
Total comprehensive income for the period attributable to:		
Equity holders of the parent	-2.8	-21.4
Earnings per share EUR continuing operations	-0.02	-0.16
Earnings per share EUR discontinued operations	0.00	0.00
Earnings per share EUR continuing and discontinued operations	-0.02	-0.16

- Cash flow from Business Operations amounted to EUR -3.7 million (EUR -16.5 million)
- Equity ratio was 69.2% (69.9%)
- Net gearing was -35.9% (-30.3%)

#### QUARTERLY FIGURES

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

	2Q 09	1Q 09	4Q 08	3Q 08	2Q 08
Net sales	37.4	42.8	49.5	34.5	41.0
Operating profit (loss)	-1.1	0.0	-8.5	-12.9	-13.3
Operating profit (loss) without non-recurring costs	-0.4	0.9	-2.8	-11.3	-9.9
Result before taxes	-0.7	-0.9	-11.8	-14.4	-13.6
Result for the period	-1.6	-1.1	-14.0	-14.6	-13.5

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

	2Q 09	1Q 09	4Q 08	3Q 08	2Q 08
Automotive	13.5	16.4	18.7	15.9	13.2
Wireless	23.7	26.3	30.7	18.5	27.7
Corporation total	37.4	42.8	49.5	34.5	41.0

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

	2Q 09	1Q 09	4Q 08	3Q 08	2Q 08
Asia	2.5 6.8%	4.4 10.3%	3.1 6.2%	0.9 2.6%	2.1 5.2%
Americas	12.5 33.5%	11.9 27.7%	10.9 22.0%	7.1 20.7%	12.7 31.0%



Europe	22.3 59.7%	26.6 62.1%	35.5 71.8%	26.4 76.7%	26.2 63.8%
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Net sales (external) and operating profit development by Business Segments and Other businesses, MEUR:

	2Q 09	1Q 09	4Q 08	3Q 08	2Q 08
Automotive					
Net sales	13.5	16.4	18.7	15.9	13.2
Operating profit (loss)	-2.5	-0.7	-2.3	-4.1	-4.1
Wireless					
Net sales	23.7	26.3	30.7	18.5	27.7
Operating profit (loss)	0.9	0.5	-4.9	-8.1	-9.1
Other businesses					
Net sales	0.2	0.1	0.1	0.1	0.1
Operating profit (loss)	0.4	0.2	-1.3	-0.7	-0.2
Total					
Net sales	37.4	42.8	49.5	34.5	41.0
Operating profit (loss)	-1.1	0.0	-8.5	-12.9	-13.3

#### BUSINESS SEGMENTS' MAIN EVENTS DURING 2Q 2009

EB's reporting as from January 1, 2008 has been based on the Automotive and Wireless Business Segments.

#### AUTOMOTIVE

The Automotive Business Segment consists of in-car software products, navigation software for after market devices (PND, personal navigation devices) and R&D services for the automotive industry with leading car manufacturers, car electronics suppliers (Tier 1) and automotive chipset suppliers as customers. By combining its software products and engineering services EB is creating unique, customized solutions for its automotive customers.

During the second quarter of 2009, the net sales of the Automotive Business Segment amounted to EUR 13.5 million (EUR 13.2 million, 2Q 2008), representing a year-on-year growth of 1.9 per cent. Operating loss of EUR -2.5 million (EUR -4.1 million, 2Q 2008) was not satisfactory even under the challenging market conditions, where EB's customers decreased their R&D investments.

Automotive Business Segment continued the execution of its announced strategy including investments into EB's automotive software products and progressed globally having now customers in Europe, USA, Japan and China.



In April EB announced that the ClarionMiND (Mobile Internet Navigation Device) is based on EB street director navigation solution. This combines the navigation solution with the latest browser technology resulting in a next-generation mobile computer with an easy to use navigation system and an always-on connection.

In May EB announced that EB street director is supporting Microsoft Live Search for Devices on Microsoft Auto. Microsoft Live Search for Devices enables Internet-based searches and EB street director navigation technology converts search results into routable destinations that are plotted directly onto a navigation map.

In June EB announced its joint venture with AEV (Audi Electronics Venture GmbH). The joint venture will concentrate on the development of a software framework and control system for in-vehicle infotainment systems.

## WIRELESS

The Wireless Business Segment comprises the following businesses:

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

During the second quarter of 2009, the net sales of the Wireless Business Segment amounted to EUR 23.7 million (EUR 27.7 million, 2Q 2008), representing a decrease of -14.3 per cent. The operating profit was EUR 0.9 million including non-recurring costs of EUR 0.5 million (EUR -9.1 million in 2Q 2008, including non-recurring costs of EUR 3.4 million). The significant improvement of operating result with lower turnover year-on-year was mainly due to the execution of the earlier announced profitability improvement program.

EB continued to further develop its offering towards customized solutions by integrating own and 3<sup>rd</sup> party technologies and providing own R&D services. Even though the challenging economic situation prevailed in the mobile communication R&D services market, Wireless Solutions business managed to keep the volumes of R&D services at satisfactory level. The demand for satellite-terrestrial network device solutions continued to be strong during the quarter.

The sales of wireless communications emulation and design tools continued to be driven mainly by development of LTE systems.



In April EB announced that it has decided to close its site in Turku in October 2009 and focus the Wireless Segment's R&D activities in Finland to the other existing sites in Oulu, Kajaani, Tampere and Espoo. The personnel negotiations were concluded on April 7, 2009.

In April EB delivered the industry's first multi-antenna Over-the-Air (OTA) performance testing solution. This tester allows testing of full mobile device functionality and performance in realistic radio channel environments without any compromises to the performance verification.

In June EB announced a new Mobile Internet Device (MID) reference design that offers EB's customers the ability to introduce a customized MID product to market faster and with lower development costs. The reference device can be tailored to customers' brand and target market requirements. This strengthens EB's position as an innovative solution provider to its customers in the wireless and other industries utilizing wireless technologies.

## MARKET OUTLOOK

As a consequence of the general economic environment, both automotive and wireless communication market growth is unlikely before the global economic environment starts to improve.

The share of electronics and software in cars has grown significantly during the past years and it is expected that the trend of increased use of software in automotive continues to prevail in the market. The majority of the innovation and differentiation in the automotive industry is brought about by software and electronics. In order to enable faster innovation, to improve quality and development efficiency and to reduce complexity related to software, the use of standard software solutions is expected to increase. The estimated automotive software general market growth rate of some 15 per cent (Frost & Sullivan) is negatively affected by the current downturn of the automotive industry. According to Strategy Analytics the global market for automotive electronic systems fell by 3 per cent in 2008 and is forecasted to fall by a further 15 per cent in 2009, due to the global recession. However, the underlying growth of the automotive software market is expected to continue past the crisis and the cost pressures of the automotive industry are expected to accelerate the need of productized, efficient software solutions EB is offering. EB's net sales cumulating from the automotive industry is currently driven by the development of new cars and platforms and is not directly dependent on production volumes of the car industry. Nevertheless, cost savings among customers imply cuts in their short-term R&D spend and therefore their R&D spend is estimated not to increase in short-term from 1H 2009 which impacts negatively the relevant market of EB.

The global mobile infrastructure market is decreasing and the consolidation of the industry is expected to continue. LTE standard is gaining strength while the momentum of Mobile WiMAX standard has been decreasing. Going forward, EB's business driven by LTE is increasing while EB's future sales revenues are not materially dependent on Mobile WiMAX technology. The global



mobile phone market is leveling off and it is expected to decrease in volume in short-term. The value share is expected to move towards higher-end due to the increased demand for new features and services. New open software architectures and platforms are creating opportunities for companies such as EB with strong integration capabilities.

The mobile satellite communication service industry is introducing new data and mobile communication services with new operators being formed and traditional ones upgrading their solutions and offerings. Mastering of multi-radio technologies and end-to-end system architectures covering both terminal and network technologies, has gained importance in the complex wireless technology industry. The demand for EB's satellite-terrestrial device solutions is expected to continue.

The mobile communication R&D services market continues to be challenging and the continuing price pressure drives increasing off-shoring in the industry. However, attractive niches continue to exist (OVUM). Because of the economical slowdown, companies will review their R&D costs and project portfolios resulting in reduction of the overall R&D expenditures and activities during the next couple of years, resulting in less demand for external R&D services. However, OEMs need to reduce their fixed costs and increase flexibility. This can create new opportunities for partnering for companies such as EB.

The overall wireless communications tools market was weak following the current economic downturn. However there is a need for advanced development tools for 3GPP LTE development projects and that is expected to remain as a driver for the demand in the medium and long term. EB provides world leading channel emulation tools for the development of MIMO based 3GPP LTE and other advanced radio technologies.

#### RESEARCH AND DEVELOPMENT DURING 2Q 2009

EB continued to invest in R&D in the automotive software products and tools and radio channel emulation products.

The total R&D investments during the second quarter of 2009 were EUR 3.5 million (EUR 10.0 million, 2Q 2008), equaling 9.4 per cent of the net sales (24.4 % in 2008). The reduction was mostly due to the change of the business model (and consequent exit from developing own products) in Mobile WiMAX in October 2008 and exit from RFID technology business in February 2009.

#### ACTIONS TO IMPROVE PROFITABILITY

EB launched its profit improvement and cost structure adjustment program in fourth quarter of 2008 targeting a total of EUR 40 million annual cost savings in comparison to the cost level of the first



half of 2008. The cost saving measures totaling to EUR 30 million gained their full impact from the beginning of 2009. The additional measures targeting to EUR 10 million savings were implemented in full during 2Q 2009.

The cost saving measures included i.e. changing the business model in Mobile WiMAX, adjusting R&D investments downwards, increasing further the resource utilization, reducing high cost subcontracting, reorganizing and adjusting support functions, structural and organizational restructuring activities, reducing the personnel globally and temporarily dismissals of employees.

#### OUTLOOK FOR THE SECOND HALF OF 2009

The more general market outlook by the businesses is presented under the Market Outlook section.

Improving the profitability further continues to be the main focus of EB during the second half of 2009.

EB expects the net sales during the second half of 2009 to be lower than during the first half of 2009 (EUR 80.2 million). The operating result in the second half of 2009 is expected to be at the level of or lower than the operating profit from business operations without non-recurring items in the first half of 2009 (EUR 0.5 million).

Due to the holiday period and the nature of R&D services business the third quarter of 2009 will be weaker than the latter part of the half.

#### RISKS AND UNCERTAINTIES

EB has identified a number of business, market and finance related factors that can affect the level of sales and profits. Those of the greatest significance on a short term are those affecting the utilization and chargeability levels and average hourly prices of R&D services. On the ongoing financial period the global economic slowdown may affect the demand for the EB's services, solutions and products and provide pressure on e.g. volumes and pricing. It may also increase the risk for credit losses. As the EB's customer base consists mainly of companies operating in the fields of automotive and telecommunications, 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. However, some parts of EB's business are more sensitive to customer dependency than others. The more general market outlook by the businesses is presented under the Market Outlook section.



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, ramping up and down project resources, 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, activations based on customer contracts, obsolescence of inventories and technology risks in product development causing higher than planned R&D costs. In addition there are typical industry warranty and liability risks involved in selling EB's services, solutions and products. Revenues expected to come from new products for existing and new customers include normal timing risks.

More information on the risks and uncertainties affecting EB can be found on the Company website at [www.elektrobit.com](http://www.elektrobit.com)

#### STATEMENT OF FINANCIAL POSITION AND FINANCING

The figures presented in the statement of financial position of June 30, 2009, are compared with the statement of financial position of December 31, 2008 (EUR 1,000).

	<b>6/2009</b>	<b>12/2008</b>
Non-current assets	42,748	46,724
Current assets	123,196	133,797
Total assets	165,944	180,520
Share capital	12,941	12,941
Other equity	99,725	102,181
Total shareholders' equity	112,667	115,123
Non-current liabilities	17,604	19,690
Current liabilities	35,673	45,708
Total shareholders' equity and liabilities	165,944	180,520

Net cash flow from operations during the period under review:

+ net profit +/- adjustment of accrual basis items	EUR +3.6 million
+ increase in net working capital	EUR -7.1 million
+ interest, taxes and dividends	EUR -0.1 million
= cash generated from operations	EUR -3.7 million
- net cash used in investment activities	EUR -2.1 million
- net cash used in financing	EUR -2.5 million
= net change in cash and cash equivalents	EUR -8.3 million



The amount of accounts and other receivables, booked in current receivables, was EUR 60.4 million (EUR 61.9 million on December 31, 2008). Accounts and other payables, booked in interest-free current liabilities, were EUR 29.4 million (EUR 38.7 million on December 31, 2008).

The amount of non-depreciated consolidation goodwill at the end of the period under review was EUR 18.5 million (EUR 18.3 million on December 31, 2008).

The amount of gross investments in the period under review was EUR 1.7 million, consisting of replacement investments. Net investments for the reporting period totaled EUR 1.3 million. The total amount of depreciation during the period under review was EUR 5.1 million, including EUR 1.1 million of depreciation owing to business acquisitions.

The amount of interest-bearing debt at the end of the reporting period was EUR 19.8 million. The distribution of net financing expenses on the income statement was as follows:

interest, dividend and other financial income	EUR 0.5 million
interest expenses and other financial expenses	EUR -0.5 million
foreign exchange gains and losses	EUR -0.5 million

EB's equity ratio at the end of the period was 69.2 per cent (64.9 per cent at the end of 2008).

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

EB follows a currency strategy, the objective of which is to ensure the margins of business operations in changing market circumstances by minimizing the influence of exchange rates. In accordance with the principles of the currency strategy, the agreed customer commitments net cash flow of the currency in question 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 10.5 million.

## PERSONNEL

EB employed an average of 1636 people between January and June 2009. At the end of June, EB had 1606 employees (1735 at the end of 2008). A significant part of EB's personnel are product development engineers.

## CHANGES IN COMPANY'S MANAGEMENT

EB appointed M.Sc (Eng.), M.Sc (Econ.) Jukka Harju as CEO of the Company as of June 4, 2009. Along with the appointment Harju resigned from the membership of the EB's Board of Directors and



from the Chairmanship of the Board's committee for Automotive Segment. Jorma Halonen, member of EB's Board of Directors, was elected as the new Chairman of the Automotive committee. In addition to Halonen, Seppo Laine, Staffan Simberg and Erkki Veikkolainen continued to serve as EB Board members and Juha Hulkko continued as the Chairman of the Board.

CEO Pertti Korhonen resigned from EB as of June 3, 2009.

EB's Board of Directors and Corporate Executive Board can be found from the Company's Internet pages at: [www.elektrobit.com/corporate\\_governance](http://www.elektrobit.com/corporate_governance).

#### 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.

Oulu, August 7, 2009

EB, Elektrobit Corporation  
The Board of Directors

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## INVITATION TO PRESS CONFERENCE ON EB'S 2Q 2009 RESULT

EB, Elektrobit Corporation will hold a press conference for media, analysts and institutional investors concerning the Interim Report 2Q 2009 on

Friday, August 7, 2009 at 11.00 - 12.00 hours (CEST+1)

The conference call will be live audio webcast and it is accessed in the Internet through WebEx. There will be possibility to present questions calling to the following conference call number: + 358 20699101, PIN: 757344#.

The conference will be in English.

To join the online meeting

1. Go to

<https://elektrobit.webex.com/elektrobit/j.php?ED=111509617&UID=1034101832&PW=338b084d8c665b276a25263f757a72>

2. Enter your name and email address

3. Enter the meeting password: Kok!ous103

4. Click "Join Now"

In technical problems go to [www.elektrobit.com/webcast/instructions](http://www.elektrobit.com/webcast/instructions) or call number +358 40 344 5148.

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

## CONSENSUS ESTIMATE

The EB consensus estimate made by the analysts who observe the company is updated approximately a week before the release of the financial report. The latest estimate is available on the Company website [www.elektrobit.com/investors](http://www.elektrobit.com/investors).

July 31, 2009

EB, Elektrobit Corporation

Corporate Communications


**EB, ELEKTROBIT CORPORATION, INTERIM REPORT JANUARY - JUNE 2009**

(unaudited)

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

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)</b>	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
NET SALES	80.2	88.3	172.3
Other operating income	1.9	2.1	6.2
Change in work in progress and finished goods	-1.2	-0.7	-2.8
Work performed by the undertaking for its own purpose and capitalized	0.4	0.1	0.1
Raw materials	-3.7	-9.2	-18.0
Personnel expenses	-47.3	-52.0	-104.0
Depreciation	-5.1	-9.7	-16.4
Other operating expenses	-26.2	-40.3	-80.1
OPERATING PROFIT (LOSS)	-1.1	-21.4	-42.7
Financial income and expenses	-0.5	0.2	-4.7
RESULT BEFORE TAXES	-1.6	-21.2	-47.4
Income taxes	-1.0	0.0	-2.4
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-2.6	-21.2	-49.8
Result after taxes for the period from discontinued operations		0.1	0.3
RESULT FOR THE PERIOD	-2.6	-21.0	-49.5
Other comprehensive income:			
Exchange differences on translating foreign operations	-0.2	-0.4	0.6
Other comprehensive income for the period total	-0.2	-0.4	0.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-2.8	-21.4	-48.9
Result for the period attributable to			
Equity holders of the parent	-2.6	-21.0	-49.5
Total comprehensive income attributable to			
Equity holders of the parent	-2.8	-21.4	-48.9
Earnings per share EUR continuing operations			
Basic earnings per share	-0.02	-0.16	-0.38
Diluted earnings per share	-0.02	-0.16	-0.38



Earnings per share EUR discontinued operations			
Basic earnings per share		0.0	0.00
Diluted earnings per share		0.0	0.00
Earnings per share EUR continuing and discontinued Operations			
Basic earnings per share	-0.02	-0.16	-0.38
Diluted earnings per share	-0.02	-0.16	-0.38
Average number of shares, 1000 pcs	129 413	129 413	129 413
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)</b>	<b>June 30, 2009</b>	<b>June 30, 2008</b>	<b>Dec. 31, 2008</b>
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	13.9	24.3	16.2
Goodwill	18.5	17.6	18.3
Intangible assets	9.2	16.3	11.0
Other financial assets	0.4	0.3	0.4
Receivables	0.8	0.9	0.8
Deferred tax assets		3.4	0.1
Non-current assets total	42.7	62.8	46.7
Current assets			
Inventories	2.2	7.2	3.3
Trade and other receivables	60.4	61.9	61.9
Financial assets at fair value through profit or loss	0.2	0.5	
Cash and short term deposits	60.3	74.8	68.6
Current assets total	123.2	144.4	133.8
<b>TOTAL ASSETS</b>	<b>165.9</b>	<b>207.2</b>	<b>180.5</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent			
Share capital	12.9	12.9	12.9
Share premium	64.6	64.6	64.6
Translation difference	-0.0	-0.8	0.2
Retained earnings	35.2	65.6	37.4
Total equity	112.7	142.3	115.1
Non-current liabilities			
Deferred tax liabilities	2.3	3.5	2.6
Provisions	1.7		1.0



Interest-bearing liabilities	13.6	22.8	15.4
Other liabilities	0.1	0.6	0.7
Non-current liabilities total	17.6	26.8	19.7
Current liabilities			
Trade and other payables	26.3	28.0	35.1
Financial liabilities at fair value through profit or loss			0.1
Pension obligations	1.2	1.1	1.0
Provisions	1.9		2.5
Interest-bearing loans and borrowings	6.3	8.9	7.0
Current liabilities total	35.7	38.0	45.7
Total liabilities	53.3	64.8	65.4
TOTAL EQUITY AND LIABILITIES	165.9	207.2	180.5

**CONSOLIDATED STATEMENT OF CASH FLOWS  
(MEUR)**

	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Result for the period	-2.6	-21.0	-49.5
Adjustment of accrual basis items	6.2	12.0	27.0
Change in net working capital	-7.1	-6.3	2.4
Interest paid on operating activities	-0.9	-1.4	-7.3
Interest received from operating activities	1.2	2.5	4.4
Other financial income and expenses, net received	0.0		0.0
Income taxes paid	-0.4	-2.2	-1.7
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-3.7</b>	<b>-16.5</b>	<b>-24.7</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of business unit, net of cash acquired			-0.9
Disposal of business unit, net of cash acquired	-0.9	18.3	26.8
Purchase of property, plant and equipment	-1.0	-0.5	-1.8
Purchase of intangible assets	-0.4	-2.1	-2.6
Purchase of other investments		-0.5	-0.5
Sale of property, plant and equipment	0.1		0.2
Sale of intangible assets	0.1		
Proceeds from sale of investments		10.4	10.6
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-2.1</b>	<b>25.7</b>	<b>31.8</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing	1.0	0.5	0.1
Repayment of borrowing	-1.4	-1.1	-1.9
Payment of finance liabilities	-2.1	-3.0	-6.0
Dividends paid		-2.6	-2.6



<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-2.5</b>	<b>-6.3</b>	<b>-10.5</b>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-8.3	2.9	-3.3
Cash and cash equivalents at beginning of period	68.6	71.9	71.9
Cash and cash equivalents at end of period	60.3	74.8	68.6

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

A = Share capital  
B = Share premium  
C = Retained earnings  
D = Total equity

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Equity on January 1, 2008	12.9	64.6	88.1	165.7
Dividend distribution			-2.6	-2.6
Share-related compensation			0.5	0.5
Total comprehensive income for the period			-21.4	-21.4
Other items			0.2	0.2
Equity on June 30, 2008	12.9	64.6	64.8	142.3
Equity on January 1, 2009	12.9	64.6	37.6	115.1
Share-related compensation			0.1	0.1
Total comprehensive income for the period			-2.8	-2.8
Other items			0.3	0.3
Equity on June 30, 2009	12.9	64.6	35.1	112.7

#### **NOTES TO THE INTERIM REPORT**

##### **Accounting principles for the Interim Report:**

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods of computation are followed in the interim report as compared with annual financial statements.

The Group has adopted following standards:



IAS 1 (Revised) Presentation of Financial Statements. The revision mainly addresses the presentation in the income statement and the statement of changes in equity.

IFRS 8 Operating Segments. The new standard replaces IAS 14 Segment Reporting. Under IFRS 8, the reporting is based on the management's internal reporting system and measurement principles. The new standard doesn't have any impact on the comparative information. From January 1, 2009 the reporting segments have been the same, Automotive and Wireless, as they are according to the IAS 14 standard. Items not allocated to segments are included under Other items.

**Explanatory comments about the seasonality or cyclicity of reporting period operations:**

The Company operates in business areas which are subject to seasonal fluctuations.

**The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows which are unusual because of their nature, size or incidence:**

The result of the reporting period comprises non-recurring restructuring costs of EUR 1.6 million.

**Dividends paid:**

The General Meeting held on March 19, 2009 decided in accordance with the proposal of the Board of Directors that no dividend shall be distributed.

**SEGMENT INFORMATION (MEUR)**

OPERATING SEGMENTS	1-6/2009 6 months	1-6/2008 6 months	1-12/2008 12 months
Automotive			
Net sales to external customers	29.9	28.7	63.3
Net sales to other segments		0.1	0.1
Net sales total	29.9	28.8	63.4
Operating profit (loss)	-3.1	-5.7	-12.1
Wireless			
Net sales to external customers	50.0	59.4	108.6
Net sales to other segments	0.2	0.1	0.1
Net sales total	50.2	59.4	108.6
Operating profit (loss)	1.4	-15.6	-28.5



## OTHER ITEMS

## Other items

Net sales to external customers	0.3	0.2	0.4
Operating profit (loss)	0.6	-0.1	-2.1

## Eliminations

Net sales to other segments	-0.2	-0.2	-0.2
Operating profit (loss)	0.0	0.0	0.0

## Group total

Net sales to external customers	80.2	88.3	172.3
Operating profit (loss)	-1.1	-21.4	-42.7

**Net sales of geographical areas (MEUR)**

	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
Net sales			
Europe	48.9	52.9	114.9
Americas	24.4	31.2	49.2
Asia	6.9	4.2	8.1
Net sales total	80.2	88.3	172.3

**Material events subsequent to the end of the interim period not reflected in the financial statements for the interim period:**

There are no such material events subsequent to the end of the interim report period that have not been reflected in this report.

**The effect of changes in the composition of the group structure during the interim period:**

On February 2, 2009 EB exited from RFID technology business by selling 7iD Technologies GmbH to the acting management of the said company in Austria.

**Related party transactions:**

	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
Employee benefits for key management and stock option expenses total	1.2	1.3	2.7

**CONSOLIDATED STATEMENT OF**      **4-6/**      **1-3/**      **10-12/**      **7-9/**      **4-6/**



<b>COMPREHENSIVE INCOME BY QUARTER (MEUR)</b>	<b>2009 3 months</b>	<b>2009 3 months</b>	<b>2008 3 months</b>	<b>2008 3 months</b>	<b>2008 3 months</b>
NET SALES	37.4	42.8	49.5	34.5	41.0
Other operating income	1.3	0.6	1.5	2.6	0.7
Change in work in progress and finished goods	-0.9	-0.3	-1.2	-0.8	-0.1
Work performed by the undertaking for its own purpose and capitalized	0.3	0.1	0.0	-0.0	0.0
Raw materials	-1.5	-2.2	-6.6	-2.3	-3.6
Personnel expenses	-22.7	-24.6	-27.8	-24.3	-24.8
Depreciation	-2.4	-2.7	-3.8	-2.9	-6.5
Other operating expenses	-12.6	-13.7	-20.1	-19.7	-20.1
OPERATING PROFIT (LOSS)	-1.1	0.0	-8.5	-12.9	-13.3
Financial income and expenses	0.5	-0.9	-3.3	-1.6	-0.2
RESULT BEFORE TAXES	-0.7	-0.9	-11.8	-14.4	-13.6
Income taxes	-0.9	-0.2	-2.3	-0.1	0.0
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-1.6	-1.1	-14.0	-14.6	-13.5
Result after taxes for the period from discontinued operations			0.1	0.0	0.1
RESULT FOR THE PERIOD	-1.6	-1.1	-13.9	-14.6	-13.4
Other comprehensive income for the period total	-0.5	0.3	0.1	0.8	0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-2.1	-0.8	-13.8	-13.7	-13.3
Result for the period attributable to:					
Equity holders of the parent	-1.6	-1.1	-13.9	-14.6	-13.4
Total comprehensive income for the period attributable to:					
Equity holders of the parent	-2.1	-0.8	-13.8	-13.7	-13.3
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)</b>	<b>June 30, 2009</b>	<b>March 31, 2009</b>	<b>Dec. 31, 2008</b>	<b>Sept. 30, 2008</b>	<b>June 30, 2008</b>
ASSETS					
Non-current assets					
Property, plant and equipment	13.9	14.9	16.2	17.4	24.3
Goodwill	18.5	18.3	18.3	18.2	17.6
Intangible assets	9.2	10.0	11.0	15.8	16.3



Other financial assets	0.4	0.4	0.4	0.3	0.3
Receivables	0.8	0.8	0.8	0.9	0.9
Deferred tax assets			0.1	2.6	3.4
Non-current assets total	42.7	44.4	46.7	55.3	62.8
Current assets					
Inventories	2.2	2.6	3.3	5.8	7.2
Trade and other receivables	60.4	62.9	61.9	60.2	61.9
Financial assets at fair value through profit or loss	0.2	0.2			0.5
Cash and short term deposits	60.3	62.8	68.6	67.2	74.8
Current assets total	123.2	128.5	133.8	133.2	144.4
TOTAL ASSETS	165.9	172.9	180.5	188.5	207.2

#### EQUITY AND LIABILITIES

##### Equity attributable to equity holders of the parent

Share capital	12.9	12.9	12.9	12.9	12.9
Share premium	64.6	64.6	64.6	64.6	64.6
Translation difference	-0.0	0.5	0.2	0.1	-0.8
Retained earnings	35.2	36.8	37.4	51.0	65.6
Total equity	112.7	114.8	115.1	128.6	142.3

##### Non-current liabilities

Deferred tax liabilities	2.3	2.5	2.6	3.2	3.5
Provisions	1.7	0.8	1.0	1.2	
Interest-bearing liabilities	13.6	14.2	15.4	15.9	22.8
Other liabilities	0.1	0.2	0.7	0.6	0.6
Non-current liabilities total	17.6	17.7	19.7	20.8	26.8

##### Current liabilities

Trade and other payables	26.3	30.8	35.1	26.2	28.0
Financial liabilities at fair value through profit or loss			0.1	1.1	
Pension obligations	1.2	1.2	1.0	1.1	1.1
Provisions	1.9	2.3	2.5	0.7	
Interest-bearing loans and borrowings (non-current)	6.3	6.2	7.0	9.9	8.9
Current liabilities total	35.7	40.4	45.7	39.1	38.0
Total liabilities	53.3	58.1	65.4	59.9	64.8
TOTAL EQUITY AND LIABILITIES	165.9	172.9	180.5	188.5	207.2

<b>CONSOLIDATED STATEMENT</b>	<b>4-6/</b>	<b>1-3/</b>	<b>10-12/</b>	<b>7-9/</b>	<b>4-6/</b>
<b>OF CASH FLOWS BY QUARTER</b>	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
	<b>3 months</b>				



Net cash from operating activities	-1.0	-2.7	-0.5	-7.7	-9.0
Net cash from investing activities	-0.7	-1.4	5.7	0.5	-0.0
Net cash from financing activities	-0.7	-1.7	-3.8	-0.4	-1.8
Net change in cash and cash equivalents	-2.5	-5.8	1.4	-7.6	-10.9

<b>FINANCIAL PERFORMANCE RELATED RATIOS</b>	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>

STATEMENT OF COMPREHENSIVE INCOME (MEUR)

Net sales	80.2	88.3	172.3
Operating profit (loss)	-1.1	-21.4	-42.7
Operating profit (loss), % of net sales	-1.4	-24.2	-24.8
Result before taxes	-1.6	-21.2	-47.4
Result before taxes, % of net sales	-2.0	-24.0	-27.5
Result for the period	-2.6	-21.2	-49.8

PROFITABILITY AND OTHER KEY FIGURES

Interest-bearing net liabilities, (MEUR)	-40.5	-43.2	-46.2
Net gearing, -%	-35.9	-30.3	-40.2
Equity ratio, %	69.2	69.9	64.9
Gross investments, (MEUR)	1.7	6.2	9.8
Average personnel during the period	1636	1775	1768
Personnel at the period end	1606	1774	1735

<b>AMOUNT OF SHARE ISSUE ADJUSTMENT</b>	<b>June 30,</b>	<b>June 30,</b>	<b>Dec. 31,</b>
<b>(1,000 pcs)</b>	<b>2009</b>	<b>2008</b>	<b>2008</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	129 413	129 413	129 413

<b>STOCK-RELATED FINANCIAL RATIOS (EUR)</b>	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>

Basic earnings per share	-0.02	-0.16	-0.38
Diluted earnings per share	-0.02	-0.16	-0.38
Equity *) per share	0.87	1.10	0.89

\*) Equity attributable to equity holders of the parent



<b>MARKET VALUES OF SHARES (EUR)</b>	<b>1-6/2009</b>	<b>1-6/2008</b>	<b>1-12/2008</b>
Highest	0.65	1.79	1.79
Lowest	0.33	0.86	0.29
Average	0.48	1.49	0.82
At the end of period	0.59	0.94	0.33
Market value of the stock, (MEUR)	76.4	121.6	42.7
Trading value of shares, (MEUR)	5.2	6.0	9.6
Number of shares traded, (1,000 pcs)	10 711	4 044	11 770
Related to average number of shares %	8.3	3.1	9.1
<b>SECURITIES AND CONTINGENT LIABILITIES (MEUR)</b>	<b>June 30, 2009</b>	<b>June 30, 2008</b>	<b>Dec. 31, 2008</b>
<b>AGAINST OWN LIABILITIES</b>			
Floating charges	3.1	3.1	3.1
Mortgages		7.0	
Pledges	0.2	9.8	1.1
Guarantees	2.8	2.1	4.1
Mortgages are pledged for liabilities totaled	9.3	16.6	9.9
<b>OTHER DIRECT AND CONTINGENT LIABILITIES</b>			
Rental liabilities			
Falling due in the next year	3.8	4.1	4.2
Falling due after one year	4.1	5.9	5.1
<b>NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)</b>	<b>June 30, 2009</b>	<b>June 30, 2008</b>	<b>Dec. 31, 2008</b>
Foreign exchange forward contracts			
Market value	0.1	0.5	-0.1
Nominal value	2.0	41.4	11.9
Purchased currency options			
Market value	0.3		
Nominal value	8.5		



## Sold currency options

Market value	-0.2
Nominal value	17.0