



## **STOCK EXCHANGE RELEASE**

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### **ELEKTROBIT CORPORATION'S (EB) INTERIM REPORT JANUARY – JUNE 2007**

(unaudited)

#### **SUMMARY**

Elektrobit Corporation's (EB) strategy was redefined in the spring 2006 as being one that focuses the business operations of EB and concentrates on clear growth businesses in the Automotive and Wireless Business Segments. In accordance with this strategy, EB has sold its Production Solutions business as of June 1, 2007. Also according to the strategy, EB has been developing the System Test business separately and as the outcome of this has decided to focus its operations on advanced wireless emulation and engineering tools. To better describe the refined focus of the System Test Business Unit, it was renamed as the Wireless Communications Tools Business Unit and transferred under the Wireless Business Segment in June. As the consequence of these two actions, the Test and Automation Business Segment has ceased to exist in EB business portfolio. The names of the Business Segments in focus were simplified to "Automotive" and "Wireless". Also, EB decided to formulate its RFID and related industrial wireless network solutions businesses into a business unit called Wireless Sensor Solutions within the Wireless Business Segment. EB has now reached the business portfolio and structure it was striving for, and this constitutes a solid base for developing the company forward.

During the second quarter of 2007 EB continued its investments in product research and development.

Also during the second quarter, in June, Elektrobit Corporation purchased 100 per cent of the shares in DECOMSYS Beteiligungs GmbH ("DECOMSYS"). Additionally, EB purchased 100 per cent of the shares in 7iD Technologies GmbH in June ("7iD"). The Transactions do not have a significant impact on EB's balance sheet or result.

According to the IFRS5 standard, EB reports its financial results divided between Discontinuing and Continuing Operations. In this Interim Report, financial figures concerning the income statement of 2007 and 2006 are reported based on continuing operations, without the Network Test (sold in November 2006) and Production Solutions business figures. Discontinuing business figures are reported separately in the Interim Report, after Continuing Operations' net profit, so that the 2007 figures include Production Solutions figures and the 2006 figures include the Network Test and Production Solutions figures. In addition to the sales price of the Network Test business, an additional amount, capped at EUR 12 million, is payable in cash for EB upon the achievement of certain financial performance targets for the Network Test Business between January 1, and December 31, 2007. According to the information given by the buyer of the Network Test business,



there is no additional amount payable for the time period between January 1 and June 30, 2007. The final determination on the possible additional amount will take place based on an annual review.

The company's net sales for the second quarter stood at EUR 33.5 million (EUR 31.6 million in the second quarter of 2006). The operating profit/loss amounted to EUR -6.6 million (EUR 2.8 million).

Comparisons between the Continuing Operations figures for the second quarter of 2007 and the corresponding period in 2006:

- The net sales amounted to EUR 33.5 million (EUR 31.6 million; an increase of EUR 1.9 million or 5.9 %). The net sales of the Automotive Business Segment were EUR 11.2 million (EUR 8.8 million; an increase of EUR 2.4 million or 27.6 %). The net sales of the Wireless Business Segment were EUR 22.2 million (EUR 22.8 million; a decrease of EUR 0.6 million or 2.8 %).

- Operating profit/ loss totalled EUR -6.6 million (EUR 2.8 million) and was distributed as follows: the Automotive Business Segment EUR -0.2 million (EUR 0.2 million), the Wireless Business Segment EUR -7.1 million (EUR 2.0 million) and the other businesses EUR 0.7 million (EUR 0.6 million).

- Net cash flow from operations amounted to EUR -6.2 million (EUR -2.9 million).

Comparisons between the Continuing Operations figures from January to June 2007 and the figures for the corresponding period a year earlier:

- Net sales amounted to EUR 64.5 million (EUR 59.5 million, an increase of EUR 5.0 million or 8.3%). The net sales of the Automotive Business Segment were EUR 21.8 million (EUR 17.5 million, an increase of EUR 4.4 million or 25.0%) and the net sales of Wireless Business Segment were EUR 42.2 million (EUR 41.9 million, an increase of EUR 0.3 million or 0.8%).

- Operating profit/loss amounted to EUR -13.8 million (EUR 1.8 million, a decrease of EUR 15.6 million) and was distributed as follows: the Automotive Business Segment EUR -0.8 million (EUR 0.8 million), the Wireless Business Segment EUR -13.5 million (EUR 0.8 million, a decrease of EUR 14.3 million) and other businesses EUR 0.4 million (EUR 0.2 million).

- Cash flow from operations amounted to EUR -11.7 million (EUR -1.9 million).

- Equity ratio was 69.6 % (63.0%).



## QUARTERLY FIGURES, CONTINUING OPERATIONS

The quarterly distribution of the Group's Continuing Operations overall net sales and profit:

MEUR	4-6/07	1-3/07	10-12/06	7-9/06	4-6/06
Net sales	33.5	31.0	33.3	27.6	31.6
Operating profit (loss)	-6.6	-7.2	-5.3	-2.5	2.8
Result before taxes	-6.3	-6.4	-4.9	-2.4	2.3
Result for the period	-6.4	-6.3	-4.6	-2.2	1.3

The distribution of the Continuing Operations net sales by Business Segment:

MEUR	4-6/07	1-3/07	10-12/06	7-9/06	4-6/06
Automotive	11.2	10.6	11.3	10.1	8.8
Wireless	22.2	20.1	22.0	17.5	22.8
Group Total	33.5	31.0	33.3	27.6	31.6

The distribution of the Continuing Operations net sales by market area:

MEUR (%)	4-6/07	1-3/07	10-12/06	7-9/06	4-6/06
Asia	0.6	2.5	1.9	2.1	3.2
Americas	7.3	4.1	4.2	3.2	4.0
Europe	25.7	24.3	27.3	22.4	24.4

Net sales (external) and operating profit development by Business Segment and Other businesses of the Continuing Operations were as follows:

MEUR	4-6/07	1-3/07	10-12/06	7-9/06	4-6/06
Automotive					
Net sales	11.2	10.6	11.3	10.1	8.8
Operating profit (loss)	-0.2	-0.6	0.9	0.5	0.2
Wireless					
Net sales	22.2	20.1	22.0	17.5	22.8
Operating profit (loss)	-7.1	-6.4	-6.2	-3.0	2.0
Other businesses					
Net sales	0.1	0.3	0.1	0.0	0.0
Operating profit (loss)	0.7	-0.2	0.0	-0.0	0.6
Total					
Net sales	33.5	31.0	33.3	27.6	31.6
Operating profit (loss)	-6.6	-7.2	-5.3	-2.5	2.8



## QUARTERLY FIGURES, DISCONTINUING OPERATIONS

Discontinuing Operations (Production Solutions in 2006 and 2007 and Network Test in 2006)  
figures were as follows:

MEUR	4-6/07	1-3/07	10-12/06	7-9/06	4-6/06
<b>Operative business</b>					
Net sales	6.7	8.6	15.9	21.1	23.0
Operating profit (loss)	-1.6	-1.6	0.9	3.7	3.7
Result before taxes	-1.7	-1.7	0.7	3.6	3.6
Income taxes	-0.1	-0.1	-0.3	-0.6	-0.6
Result for the period	-1.8	-1.8	0.4	2.9	3.0
<b>Disposal gain</b>					
Profit of the Discontinuing Operations	16.7		73.7		
Income taxes	-0.4		-0.5		
Profit after taxes of the Discontinuing Operations	16.4		73.2		
<b>Result for the period</b>	14.5	-1.8	73.7	2.9	3.0

The selling price of the Production Solutions business was EUR 29 million. Further details concerning the transaction were provided in a stock exchange release on June 1, 2007.

## STRATEGY UPDATE – BUSINESS SEGMENTS REDUCED TO TWO, FUTURE STRUCTURE ESTABLISHED

EB's strategy was redefined in the spring 2006 as being one that focuses the business operations of EB and concentrates on clear growth businesses in the Automotive and Wireless Business Segments. EB has now reached the business portfolio and structure it was striving for, and this constitutes a solid base for developing the company forward. EB is seeking for growth by becoming a focused global leader in selected automotive and wireless businesses with a balanced customer portfolio and scalable business models. During the reporting period, none of the customer shares exceeded 15 per cent of the net sales and further more, the summarized share of the ten biggest customers is 58 per cent. EB is also searching for merger and acquisition opportunities to strengthen the business growth.

As announced on June 1, after the sale of the Production Solutions Business Unit, EB reduced the number of business segments to two, "Automotive" and "Wireless". The former System Test



Business Unit was refocused on advanced wireless emulation and engineering tools and it was renamed as Wireless Communications Tools Business Segment and transferred under the Wireless Business Segment. The Wireless Sensor Solutions Business Unit was established also under the Wireless Business Segment. Therefore, the Test and Automation Business Segment ceased to exist. EB's reporting is based on the Automotive and Wireless Business Segments and business units divided under them from April 1, 2007 as follows:

<b>Automotive Business Segment</b>	<b>Wireless Business Segment</b>
Automotive Software Business Unit	Mobile Terminal Solutions Business Unit
	Radio Network Solutions Business Unit
	Wireless Communications Tools Business Unit
	Wireless Sensor Solutions Business Unit

#### ELEKTROBIT IS NOW PRONOUNCED EB - NEW BRAND STRATEGY AND VISUAL IDENTITY

EB introduced in May 2007 its new brand strategy and visual identity which is a continuum of the company's new strategy launched a year ago. In the new identity and marketing communications, the company's name Elektrobitt Corporation is abbreviated into EB and it forms also the main element of the company's new logo. The new EB brand emphasises the company's purpose to enrich people's lives through innovative technology, products and solutions which has been crystallised into the slogan "Discover the Experience".

#### AUTOMOTIVE BUSINESS SEGMENT FROM JANUARY TO JUNE 2007

The Automotive Business Segment consists of in-car software products and R&D services for the automotive industry with leading car manufacturers, car electronics (Tier 1) and automotive chipset suppliers as customers.

During the first half, the Automotive Business Segment continued to grow confirming the potential of this market. Net sales during the period under review amounted to EUR 21.8 million (EUR 17.5 million), which represents a growth of 25.0 per cent and the operating loss was EUR -0.8 million (EUR 0.8 million) due to continued strong investments in the R&D of automotive software platform products.

#### Automotive Software Business Unit from January to June 2007

The Automotive Software Business Unit consists of software products and R&D services for the needs of the automotive industry.



The products include the tresos<sup>®</sup> product family of HMI (Human Machine Interface) design tools and software components used for the development of electronic control units (ECU) for passenger cars, as well as StreetDirector, which is a hybrid navigation software for in-car navigation, Personal Navigation Devices (PND), Personal Digital Assistants (PDA) and smartphones. The R&D services business covers in-car infotainment and body control applications.

In February EB presented its tresos<sup>®</sup> ECU AUTOSAR (Automotive Open System Architecture) Suite 2007 for the AUTOSAR specification 2.0. The new software suite has been delivered to major OEM's and Tier1's for several evaluation projects to be used for the development of AUTOSAR-conforming applications. EB is also the leading AUTOSAR technical partner for JasPar (Japan Automotive Software Platform Architecture) in Japan.

In April, EB announced that after the successful launch of Blue&Me<sup>™</sup> at the Autosalon Geneva last year, Fiat is now introducing to the market the next generation of the infotainment system with Blue&Me<sup>™</sup> Nav. Fiat has developed the system together with Microsoft and EB. The Blue&Me<sup>™</sup> system now integrates a hands-free navigation solution with predictive graphic interface and voice control on the basis of Windows Mobile for Automotive, also including a Bluetooth hands-free car kit for mobile phones with voice control, MP3 and WMA supported music features, and SMS-reader.

In April, it was also announced that in addition to CAN (Controller Area Network) and LIN (Local Interconnect Network), FlexRay<sup>™</sup>, the new high performance network communications protocol standard for automotive electronics, is available as an integrated component of the EB tresos<sup>®</sup> Automotive Standard Core. The tresos<sup>®</sup> ECU supports all important bus systems in the car, in addition to CAN and LIN.

The newest version of the EB street director<sup>™</sup> portable navigation solution, which responds to spoken commands, was published in May. The user is able to input the required destination as a simple voice command. With this system, EB introduced the first PND Navigation with voice destination entry. The solution was presented together with the hardware manufacturer Medion at this year's CeBIT.

The purchase of DECOMSYS in June supports EB's technology and product offering for automotive customers. DECOMSYS is a solutions provider for FlexRay<sup>™</sup>, the new high performance network communications protocol standard for automotive electronics, and AUTOSAR (Automotive Open System Architecture) next generation standard software. Headquartered in Vienna, Austria, DECOMSYS employs 48 people, mainly software professionals. The Transaction comprises the subsidiaries of DECOMSYS in Austria, Germany and the USA. The core products of DECOMSYS are FlexRay<sup>™</sup> design tools, FlexRay<sup>™</sup> software stacks, and FlexRay<sup>™</sup> network analysis tools. EB has already earlier used the DECOMSYS' FlexRay<sup>™</sup> software stack in its AUTOSAR products.



## WIRELESS BUSINESS SEGMENT FROM JANUARY TO JUNE 2007

The Wireless Business Segment comprises four business units; the Mobile Terminal Solutions Business Unit, which is responsible for mobile terminal R&D services and design business, the Radio Network Solutions Business Unit, which is responsible for radio network infrastructure-related R&D services and standard-based products sold to telecommunications infrastructure suppliers, the Wireless Communications Tools Business Unit which is responsible for advanced wireless emulation and engineering tools, and the Wireless Sensor Solutions, which is responsible for RFID reader systems and related industrial wireless network solutions.

The net sales of the Wireless Business Segment from January to June 2007 amounted to EUR 42.2 million (EUR 41.9 million) and the operating loss was EUR -13.5 million (EUR 0.8 million). Compared to the corresponding period in 2006, the decline in profitability was due to significantly higher investments in product development of mobile WiMAX products, weaker than expected demand and intense price competition of mobile terminal solutions R&D services and R&D investments in RFID reader products portfolio.

### Mobile Terminals Solutions Business Unit from January to June 2007

The Mobile Terminal Solutions Business Unit delivers R&D services and platforms for mobile devices, professional mobile radios, mobile internet multimedia devices (MIMD), security and defence, industrial and other applications.

The business environment for the mobile terminals business continued to be under intense competition during the reporting period. The Mobile Terminal Solutions Business Unit continued its close co-operation with technology vendors and OEM customers focusing on 3G reference designs and smart phone development services. The Mobile Terminal Solutions Business Unit made efforts to improve its profitability through widening the customer portfolio, redirecting the project portfolio, improving internal efficiency and growing new applications areas such as professional mobile radios. By the end of the review period the resource utilization rate was recovered to the normal level.

In April, EB joined the Mobile Internet Device Innovation Alliance (MIDIA) founded by Intel in order to develop technology for mobile internet devices. EB demonstrated the EB MIMD reference device at the Computex Taipei International Information Technology Show in June. EB will not offer its own brand of MIMD device nor act as an ODM supplier, but plans to offer the EB MIMD Reference Product and related product design services under license to OEM's, ODM's and other customers to commercialize MIMD products under their own brands or customer brands.



#### Radio Network Solutions Business Unit from January to June 2007

The Radio Network Solutions Business Unit provides radio network infrastructure-related R&D services and develops standard-based products sold to telecommunications infrastructure suppliers. An important investment area for EB under this business unit is the development of mobile WiMAX (IEEE 802.16e) base station modules.

The R&D services business comprises design services (software, digital and analogue HW, mechanics, ASIC, FPGA, RF and PCB design) for wireless base stations.

The business environment for R&D services has been somewhat volatile and under intense price competition during the reporting period. The revenue from R&D services has grown slightly in comparison with the corresponding period in 2006 despite the fact that a significant part of the R&D resources has been allocated to the development of EB's own mobile WiMAX base station module products, which are expected to start generating revenue from the end of 2007 or early 2008. The Radio Network Solutions Business Unit has been able to grow the customer base for mobile WiMAX module products during the reporting period.

Product development investments associated with mobile WiMAX base stations modules increased over the period under review and were on a slightly higher level than planned.

#### Wireless Communications Tools Business Unit from January to June 2007

Since June 2006, EB has been reviewing and developing the strategy of the System Test Business Unit. The company decided to focus the Business Unit's operations on advanced wireless emulation and engineering tools and started to invest in the development of new products in order to expand the application domain and the product portfolio of the Propsim™ radio channel emulator product family. To better describe the refined focus of the System Test Business Unit, it was renamed as the Wireless Communications Tools Business Unit in June. Simultaneously, EB decided to include the Wireless Communications Tools Business Unit in the Wireless Business Segment based on the confirmation of the business unit's undisputed global product leadership and critical role in generating leading-edge radio propagation know-how for the integrated use of the whole company.

The products of the Wireless Communications Tools Business Unit include mainly radio channel emulators and measurement instruments (the Propsim™ and Propsound products) sold to chipset manufacturers, mobile terminal and infrastructure equipment suppliers, wireless network operators and military communications companies.

The high demand of MIMO-capable radio channel emulation solutions for both cellular and non-cellular applications continued. Deliveries for the pre-deployment tests of new radio networks continued on a strong level in the wireless operator segment.





The total sales of the Wireless Communications Tools Business Unit grew strongly from the corresponding period of 2006. During the first half, the three sales regions (EMEA, APAC and the Americas) were generating sales in a well-balanced manner. The sales organization in China was reinforced by adding own resources to complement the channel sales. The sales footprint in the US was strengthened with new distributors.

R&D investments expanding the application domain and the product portfolio of the Prosim™ radio channel emulator product family continued. In February, a scalable single-box handset testing solution based on the Prosim™ FE product was released, and the first delivery took place. In March, a Prosim™ C2 -based turnkey solution for 2 x 2 MIMO fading testing for multiple systems, like WCDMA, HSPA, mobile WiMAX, 3G LTE (Long Term Evolution) and 4G, was introduced, and the sales of the solution started. In June, the first deliveries of the new tester products for the R&D of open-interface-based base stations (OBSAI™) were performed.

#### Wireless Sensor Solutions Business Unit from January to June 2007

The Wireless Sensor Solutions Business Unit provides RFID reader systems and related industrial wireless network solutions. A line of RFID reader products introduced in November 2006 together with EB's industrial WLAN products represents the initial product portfolio of the Wireless Sensor Solutions Business Unit. The EB RFID solutions are targeted especially at solving challenges in the supply chain and manufacturing of logistics service providers, automotive, telecommunications, electronics, and other high technology industries.

The acquisition of 7iD, in June, strengthens EB's offering in the Wireless Sensor Solutions Business Unit. 7iD is a company specialising in RFID technology. It provides services and products for system integrators and RFID companies and delivers technology and turn-key solutions for supply chain and asset management in pharmaceutical, paper, aviation and automotive industries. 7iD is headquartered in Graz (Austria) and employs 21 people in total. The core products of 7iD are reader and acquisition service software products, RFID controllers and related application-specific edgware software products, which support and expand EB's Identification Network Architecture. 7iD is an active member of EPCglobal Inc., the international organization developing standards for Electronic Product Code (EPC) to support the use of Radio Frequency Identification (RFID).

As the RFID applications become more challenging with large number of readers in a dense deployment environment, it is no longer practical to manage the readers on an individual basis. EB is now able to deliver scalable RFID networks with full EPCglobal compliance. Consequently, EB provides its customers with Identification Network Architecture with distributed intelligence in both RFID readers and RFID Controllers and the Facility Sounding™ technology. These customers gain the abilities to reduce the traffic in the backbone network and to tune the RFID networks against internal or external interference.



The business environment of the Wireless Sensor Solutions Business Unit has been developing as expected with RFID market still having its major focus on trials and pilot projects.

#### RESEARCH AND DEVELOPMENT FROM JANUARY TO JUNE 2007

The R&D investments were continued especially in the following areas:

- The development of software platform based products in the Automotive Software Business Unit.
- The development of mobile WiMAX radio base station module products in the Radio Network Solutions Business Unit.
- Expanding the application domain and the product portfolio in the Wireless Communications Tools Business Unit.
- Development of products portfolio in the Wireless Sensor Solutions Business Unit.
- The technical core competence areas as defined in the strategy.

The total R&D investments during the period under review were EUR 15.7 million (EUR 6.5 million) and EUR 2.0 million of them have been capitalized.

#### BUSINESS ENVIRONMENT

It is expected that the share of electronics and software in cars will continue to grow. For reference, the market for automotive software solutions grew more than 15 per cent in 2006 (Mercer study 2005, The Impact of AUTOSAR on the Auto Software and Tools Market).

The delivery volume of mobile devices in 2007 is expected to increase by some 12 per cent (Strategy Analytics). In the wireless network equipment market, operators are expected to continue to invest in network capacity and in new cellular network technologies (WCDMA, HSPA). The mobile WiMAX infrastructure equipment market is expected to start in the end of 2007 or early 2008, the leading operators and OEMs having their mobile WiMAX implementations planned for late 2007 and for 2008. The wireless communications tools market is predicted to expand moderately in 2007, as the development of new cellular technologies, enhancements to existing technologies (HSDPA, HSUPA, 3GPP LTE, MIMO) and new non-cellular technologies (mobile WiMAX, WiBRO) are generating demand for test system replacements and for new test systems. The Global RFID market segmented by RFID reader components is estimated to grow with a CAGR of over 20 per cent for the period 2006 to 2009 (VDC).



## OUTLOOK FOR THE SECOND HALF OF 2007

(Continuing Operations without Production Solutions business)

EB expects the sequential revenue growth from the first half of 2007 to the second half of 2007 to be stronger than it was from the second half of 2006 (MEUR 61.0) to the first half of 2007 (MEUR 64.5).

The company will continue to invest in:

- Software platform based products in the Automotive Software Business Unit.
- Development of mobile WiMAX radio base station module products in the Radio Network Solutions Business Unit.
- Expanding the application domain and the product portfolio in the Wireless Communications Tools Business Unit.
- Widening the product portfolio of the Wireless Sensor Solutions Business Unit.
- The technical core competence areas defined in the strategy.
- Developing the Sales and Marketing organization.
- Building up efficient and unified structures and platforms to enable global business operations according to the strategy.

During the second half, EB will commence actions to render the company cost structure to correspond with the reduced sales turnover level, after the earlier implemented sale of businesses and reduction of business segments into two.

EB expects the operating loss in the second half of 2007 to reduce significantly compared to the operating loss of the first half of 2007 (MEUR -13.8).

## RISKS AND UNCERTAINTIES

EB follows a risk management policy with the objective of covering risks related to business operations, property, agreements, competence, currencies, financing and strategy. The company has identified risks and uncertainties related to such issues as strategy, business operations, personnel, product development, product liability, property and financing. Among others, the following risks are related to the company's business operations.

In R&D services businesses the risks are mainly related to uncertainties of customers' product program decisions, their make or buy decisions, ramping up of project resources, timing of the most important technology components, competitive situation in the market, and to typical industry warranty and liability risks involved in selling R&D services. In the near term, additional risks emanate from ongoing restructuring of the telecommunications infrastructure industry.



In the technology product businesses the risks are related to potential market delays, short visibility to customer orders, timely closing of customer contracts, 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 cost. 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/aboutelektrobit](http://www.elektrobit.com/aboutelektrobit).

#### BALANCE SHEET AND FINANCING

The figures presented in the balance sheet of June 30, 2007, have been compared with the balance sheet of December 31, 2006 (EUR 1,000).

	06/2007	12/2006
Non-current assets	87.722	66.315
Inventories	8.825	13.878
Accounts and other receivables	53.766	57.518
Financing securities, cash and bank deposits	98.750	125.091
Current assets total	161.341	196.487
Total assets	249.063	262.803
Share capital	12.941	12.941
Other equity	159.370	173.513
Minority interest		2.107
Total shareholders' equity	172.310	188.562
Non-current liabilities	34.346	23.728
Current liabilities	42.406	50.513
Total shareholders' equity and liabilities	249.063	262.803

Net cash flow from operations during the period under review:

+ net profit +/- adjustment of accrual basis items	EUR -11.3 million
- increase in net working capital	EUR -2.2 million
- interest, taxes and dividends	EUR 1.8 million
= cash generated from operations	EUR -11.7 million
- net cash used in investment activities	EUR -0.5 million
- net cash used in financing	EUR -14.1 million
= net change in cash and cash equivalents	EUR -26.3 million



The amount of accounts and other receivables, booked in current receivables, was EUR 53.8 million (EUR 57.5 million on December 31, 2006), while accounts and other payables, booked in interest-free current liabilities, were at EUR 31.7 million (EUR 35.3 million on December 31, 2006).

The amount of non-depreciated consolidation goodwill at the end of the period under review was EUR 21.1 million (EUR 8.2 million on December 31, 2006) and depreciation on business acquisitions during the reporting period amounted to a total of EUR 0.7 million (EUR 0.9 million during the comparable period in 2006).

The amount of net investments in the period under review was EUR 27.2 million, consisting of replacement investments and items created by business acquisitions and the sale of the Production Solutions business. The total amount of depreciation during the period under review was EUR 4.8 million, including EUR 0.7 million of depreciation owing to business acquisitions.

EB's other long-term investments include an investment portfolio with a book value of approximately EUR 10.9 million, which mainly consists of long-term bonds. The portfolio is valued at market value on June 30, 2007.

The amount of interest-bearing debt at the end of the reporting period was EUR 38.8 million. The distribution of net financing expenses on the income statement was as follows:

interest, dividend and other financial income	EUR 1.9 million
interest expenses	EUR -0.8 million
foreign exchange gains and losses	EUR 0.0 million

EB's equity ratio at the end of the period was 69.6 per cent (compared with 72.2 per cent at the end of 2006).

The figures from the period under review do not include any of the statutory reserves stipulated in Chapter 5, section 14 of the Accounting Act.

EB follows a currency strategy, the objective of which is to ensure the margins of business operations in changing market circumstances by minimising the influence of exchange rates. In accordance with the principles of the currency strategy, the upcoming 12-month 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 14.0 million.



## PERSONNEL

EB employed an average of 1633 people between January and June 2007. At the end of June, EB had 1729 employees (1621, Continuing Operations, at the end of 2006). Product development engineers constitute the most significant part of EB's personnel.

## OPTION RIGHTS

I. The Annual General Meeting of March 17, 2005 decided to authorise the Board of Directors to issue option rights. By virtue of the authorisation the Board of Directors granted 4,500,000 option rights to the company's management and EB's fully owned subsidiary serving as a reserve company in the stock option scheme. Subscriptions made by virtue of the 2005 option rights may increase the share capital of Elektrobitt Corporation by a maximum of EUR 450,000 and the number of shares by a maximum of 4,500,000.

II. The Annual General Meeting held on March 15, 2006 decided that option rights with a commitment to shareholding be granted to Elektrobitt Corporation's new directors. The number of option rights granted totals 1,750,000, of which 750,000 were granted to the Chairman of the Board and 1,000,000 were granted to the CEO. Subscriptions made by virtue of the said option rights might increase the share capital of Elektrobitt Corporation by a maximum of EUR 175,000 and the number of shares by a maximum of 1,750,000 new shares.

## THE AUTHORISATIONS OF THE BOARD OF DIRECTORS AT THE END OF THE REPORTING PERIOD

The Annual Shareholders' Meeting held on March 14, 2007 resolved to authorize the Board of Directors to repurchase shares of the company as follows: The amount of the repurchased own shares shall not be more than 12,500,000 shares, which represents approximately 9.66 per cent of all the shares of 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 determined in public trading on the date of repurchase or otherwise on the market. The Board of Directors shall resolve on how the repurchase of shares is carried out. The repurchase can be carried out by using, among others, derivatives. Shares may be repurchased also otherwise than in proportion to the shares owned by the shareholders of the company (directed repurchase of shares). The authorization is effective until 30 June 2008.

The Annual Shareholders' Meeting held on March 14, 2007 authorized the Board of Directors to resolve on the issuance of shares and stock options and other special rights entitling to shares subject to chapter 10, section 1 of the Companies Act as follows: The aggregate number of shares issued on the basis of the authorization may not exceed 25,000,000 shares, which represents



approximately 19.3 per cent of all the shares of the company. The Board of Directors is authorized to resolve on all the terms and conditions concerning the issue of shares and stock options and other special rights entitling to shares. The authorization concerns both the issuance of new shares and transfer of the company's own shares. Issuance of shares and other special rights entitling to shares can be carried out as a directed issue.

#### NOTIFICATIONS IN ACCORDANCE WITH CHAPTER 2, SECTION 9 OF THE SECURITIES MARKET ACT

There were no changes in ownership during the period under review that would have caused an obligation of disclosure in accordance with Chapter 2, section 9 of the Securities Market Act.

#### BOARD OF DIRECTORS AND AUDITOR

The Annual Shareholders' Meeting held on March 14, 2007 fixed the number of the Board members to six (6). Mr. J.T. Bergqvist, Mr. Jukka Harju, Mr. Juha Hulkko, Mr. Matti Lainema, Mr. Juha Sipilä and Mr. Tapio Tammi were elected as Board members. The term of office of the Board members will end at the next Annual Shareholders' Meeting. At its assembly meeting held on March 14, 2007 the Board of Directors elected J.T. Bergqvist as the Chairman of the Board.

The Annual Shareholders' Meeting elected Ernst & Young Oy, an auditing entity authorized by the Central Chamber of Commerce, as the auditor of the company.

#### DIVIDEND FROM 2006

The Annual Shareholders' Meeting of March 14, 2007 approved the Board of Directors' proposal to pay dividend of EUR 0.11 per share, a total of EUR 14,235,395.90, for the financial period from January 1 to December 31, 2006. The payment date of the dividend was March 26, 2007.

#### AMENDMENT OF THE ARTICLES OF ASSOCIATION AND THE COMPANY NAME CHANGE

The Annual Shareholders' Meeting held of March 14, 2007 approved the Board of Directors' proposal to amend the Articles of Association mainly due to the new Companies Act, which entered into force on September 1, 2006. Simultaneously the company name was changed into Elektrobitt Oyj, in English Elektrobitt Corporation. By virtue of the registration of the changes, the amendments of the Articles of Association and the company's new name became effective on March 23, 2007.



Oulunsalo, August 2, 2007

Elektrobit Corporation  
The Board of Directors

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Principal media

#### INVITATION TO PRESS CONFERENCE

Elektrobit (EB) will hold a press conference for media, analysts and institutional investors concerning the Interim Report Q2 2007 on August 2, 2007 as follows:

In Helsinki at 1.00 – 2.00 pm. (EEST)  
Restaurant Savoy  
Eteläesplanadi 14  
Cabinet Banquet, 7th floor

The conference will be audio webcast and published live on the Internet on <http://194.100.179.98:80/wip/directlink.do?newbrowser=1&pid=1633089>. There will be a possibility to present questions in place as well as by calling to the following conference call numbers:

Participants - Finland: +358 (0)9 2313 9202  
Participants - UK: +44 (0)20 7162 0125  
Participants - US: +1 334 323 6203





An on-demand version 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

EB consensus estimates made by the analysts who observe the company is updated approximately two weeks before the release of the next financial report. The recent estimate is available on the company website [www.elektrobit.com/investors](http://www.elektrobit.com/investors)

#### FINANCIAL REPORTING IN 2007

In 2007, the results of the third quarter will be published on November 7.

Oulunsalo, July 26, 2007  
Elektrobit Corporation  
Corporate Communications



## ELEKTROBIT CORPORATION'S INTERIM REPORT JANUARY – JUNE 2007

(unaudited)

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

CONSOLIDATED INCOME STATEMENT (MEUR)	1-6/2007	1-6/2006	1-12/2006
	6 months	6 months	12 months
<b>Continuing operations</b>			
NET SALES	64.5	59.5	120.5
Other operating income	2.8	0.3	1.8
Change in work in progress and finished goods	2.5	0.1	0.6
Work performed by the undertaking for its own purpose and capitalized	0.0	0.1	0.3
Raw materials	-4.2	-3.4	-7.1
Personnel expenses	-47.3	-36.4	-78.4
Depreciation	-4.8	-4.0	-8.2
Other operating expenses	-27.2	-14.5	-35.5
OPERATING PROFIT (LOSS)	-13.8	1.8	-6.0
Financial income and expenses	1.1	-0.5	-0.0
RESULT BEFORE TAXES	-12.7	1.3	-6.1
Income taxes	-0.0	-0.6	-0.1
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-12.7	0.7	-6.1
Result after taxes for the period from discontinued operations	12.8	3.7	80.3
RESULT FOR THE PERIOD	0.0	4.4	74.2
Attributable to			
Equity holders of the parent	0.0	4.3	73.9
Minority interest	-0.0	0.1	0.3
Earnings per share EUR continuing operations			
Basic earnings per share	-0.10	0.00	-0.05
Diluted earnings per share	-0.10	0.00	-0.05
Earnings per share EUR discontinued operations			
Basic earnings per share	0.10	0.03	0.62
Diluted earnings per share	0.10	0.03	0.62
Earnings per share EUR continuing and discontinued operations			
Basic earnings per share	0.00	0.03	0.57



Diluted earnings per share	0.00	0.03	0.57
Average number of shares, 1000 pcs	129 413	129 413	129 413
<b>CONSOLIDATED BALANCE SHEET (MEUR)</b>	<b>June 30,</b>	<b>June 30,</b>	<b>Dec. 31,</b>
	<b>2007</b>	<b>2006</b>	<b>2006</b>
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	35.0	32.2	32.5
Goodwill	21.1	9.2	8.2
Intangible assets	16.8	12.0	10.6
Financial assets at fair value through profit or loss	10.9	10.1	10.7
Other financial assets	0.4	0.1	0.1
Receivables	0.1	1.7	1.6
Deferred tax assets	3.5	3.2	2.7
Non-current assets total	87.7	68.5	66.3
Current assets			
Inventories	8.8	14.5	13.9
Trade and other receivables	53.8	58.6	57.5
Cash and short term deposits	98.7	46.8	125.1
Current assets total	161.3	119.8	196.5
<b>TOTAL ASSETS</b>	<b>249.1</b>	<b>188.3</b>	<b>262.8</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	-0.1	-0.2	-0.2
Retained earnings	94.9	38.0	109.2
Minority interest	0.0	1.9	2.1
Total equity	172.3	117.2	188.6
Non-current liabilities			
Deferred tax liabilities	5.6	7.8	6.2
Interest-bearing liabilities	28.0	17.3	17.2
Other liabilities	0.7	0.1	0.3
Non-current liabilities total	34.3	25.2	23.7
Current liabilities			
Trade and other payables	30.8	32.0	32.8
Pension obligations	0.9	0.7	0.8
Current tax liabilities	0.0	0.0	1.7
Interest-bearing loans and borrowings (non-current)	10.7	13.2	15.2



Current liabilities total	42.4	46.0	50.5
Total liabilities	76.8	71.1	74.2
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>249.1</b>	<b>188.3</b>	<b>262.8</b>

**CONSOLIDATED CASH FLOW STATEMENT (MEUR)**

	<b>1-6/2007</b>	<b>1-6/2006</b>	<b>1-12/2006</b>
	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Result for the period	0.0	4.3	73.9
Adjustment of accrual basis items	-11.4	7.3	-63.7
Change in net working capital	-2.2	-9.1	-7.4
Interest paid on operating activities	-1.2	-1.1	-1.9
Interest received from operating activities	2.5	0.6	1.8
Other financial income and expenses, net received	0.0	0.0	0.0
Income taxes paid	0.5	-3.9	-4.1
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>-11.7</b>	<b>-1.9</b>	<b>-1.4</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of business unit, net of cash acquired	-2.3		-0.3
Acquisition of minority interest	-10.2		
Disposal of business unit, net of cash acquired	15.0		81.1
Purchase of property, plant and equipment	-2.0	-1.0	-2.8
Purchase of intangible assets	-1.8	-0.5	-1.8
Purchase of other investments	-2.7	-2.6	-6.1
Sale of property, plant and equipment	0.3	0.1	2.9
Sale of intangible assets	0.7		0.0
Proceeds from sale of investments	2.5	2.8	5.6
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-0.5</b>	<b>-1.2</b>	<b>78.5</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing	4.0	1.4	4.2
Repayment of borrowing	-1.5	-1.5	-4.4
Payment of finance liabilities	-2.4	-1.6	-3.4
Dividends paid	-14.2	-9.1	-9.1
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-14.1</b>	<b>-10.8</b>	<b>-12.6</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-26.3</b>	<b>-13.8</b>	<b>64.5</b>
Cash and cash equivalents at beginning of period	125.1	60.6	60.6
Cash and cash equivalents at end of period	98.7	46.8	125.1



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

A = Share capital  
 B = Share premium  
 C = Retained earnings  
 D = Net profit for the period  
 E = Minority interest  
 F = Total equity

	A	B	C	D	E	F
Equity on January 1, 2006	12.9	64.6	42.7		1.8	122.0
Result for the period				4.3		4.3
Dividend distribution			-9.1			-9.1
Share-related compensation			0.3			0.3
Translation difference			-0.5		0.1	-0.4
Others			0.0			0.0
Equity on June 30, 2006	12.9	64.6	33.5	4.3	1.9	117.2
Equity on January 1, 2007	12.9	64.6	108.9		2.1	188.6
Result for the period				0.0		0.0
Dividend distribution			-14.2			-14.2
Share-related compensation			0.5			0.5
Translation difference			0.1		-2.1	-2.1
Others			-0.6			-0.6
Equity on June 30, 2007	12.9	64.6	94.8	0.0	0.0	172.3

**NOTES TO THE INTERIM REPORT**

**Accounting Principles for the Interim Report:**

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

**Explanatory comments about the seasonality or cyclicity of interim 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 that are unusual because of their nature, size or incidence:**

During the first quarter, the purchase of minority shares of Elektrobit Automotive GmbH created a goodwill of EUR 8.1 million. During the second quarter, the purchasing of DECOMSYS Beteiligungs GmbH and 7iD Technologies GmbH created a goodwill of EUR 4.8 million and a share of EUR 7.0 million of other intangible rights subject to depreciation. During the second quarter, the Production Solutions business was sold. The result of the Production Solutions business and the return from the sale of the Production Solutions business are presented in the income statement under Discontinued Operations.

**Dividends paid:**

According to the decision of the company's Annual Shareholders' Meeting held on March 14, 2007, dividend of EUR 0.11 per share, a total of EUR 14,235,395.90 was paid on March 26, 2007

<b>SEGMENT INFORMATION (MEUR)</b>	<b>1-6/2007</b>	<b>1-6/2006</b>	<b>1-12/2006</b>
<b>Continuing operations</b>	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
Automotive			
Net sales to external customers	21.8	17.5	38.9
Net sales to other segments	0.0	0.0	0.0
Net sales total	21.8	17.5	38.9
Operating profit (loss)	-0.8	0.8	2.1
Wireless			
Net sales to external customers	42.2	41.9	81.4
Net sales to other segments	0.6	1.6	2.2
Net sales total	42.8	43.5	83.6
Operating profit (loss)	-13.5	0.8	-8.3
Other businesses			
Net sales to external customers	0.4	0.1	0.2
Net sales to other segments	0.0	3.0	9.4
Net sales total	0.4	3.1	9.6
Operating profit (loss)	0.4	0.2	0.1



Eliminations			
Net sales to external customers	0.0	0.0	0.0
Net sales to other segments	-0.6	-4.6	-11.7
Net sales total	-0.6	-4.6	-11.7
Operating profit (loss)	0.0	0.0	0.0
Group total			
Net sales to external customers	64.5	59.5	120.5
Operating profit (loss)	-13.8	1.8	-6.0
<b>Net sales of geographical segments (MEUR)</b>	<b>1-6/2007</b>	<b>1-6/2006</b>	<b>1-12/2006</b>
	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
Net sales			
Europe	50.0	46.9	96.5
Americas	11.4	7.9	15.2
Asia	3.1	4.7	8.7
Net sales total	64.5	59.5	120.5

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

There were no material events subsequent to the end of the interim period.

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

During the first quarter, Elektrobit Corporation acquired the minority shares of Elektrobit Automotive GmbH. During the second quarter, in June, Elektrobit Corporation purchased 100 per cent of the shares in DECOMSYS Beteiligungs GmbH. Additionally, Elektrobit Corporation purchased 7iD Technologies GmbH in June. Elektrobit Corporation sold its Production Solutions business as of June 1, 2007. The Transaction comprised the subsidiaries belonging to the Production Solutions business.

**Related party transactions:**

	<b>1-6/2007</b>	<b>1-6/2006</b>
Employee benefits for key management and stock option expenses total	1.3	0.9
Loans and guarantees to related party		
There have not been other transactions between the related parties		



<b>INCOME STATEMENT BY QUARTER (MEUR)</b>	<b>4-6/ 2007 3 months</b>	<b>1-3/ 2007 3 months</b>	<b>10-12/ 2006 3 months</b>	<b>7-9/ 2006 3 months</b>	<b>4-6/ 2006 3 months</b>
NET SALES	33.5	31.0	33.3	27.6	31.6
Other operating income	2.2	0.6	1.3	0.2	0.2
Change in work in progress and finished goods	0.6	1.9	0.1	0.3	-0.2
Work performed by the undertaking for its own purpose and capitalized	0.0	0.0	0.1	0.1	-0.0
Raw materials	-2.2	-2.0	-2.1	-1.6	-1.5
Personnel expenses	-23.9	-23.4	-23.6	-18.3	-18.8
Depreciation	-2.5	-2.3	-2.1	-2.0	-2.0
Other operating expenses	-14.3	-12.9	-12.2	-8.8	-6.4
OPERATING PROFIT (LOSS)	-6.6	-7.2	-5.3	-2.5	2.8
Financial income and expenses	0.3	0.8	0.3	0.1	-0.6
RESULT BEFORE TAXES	-6.3	-6.4	-4.9	-2.4	2.3
Income taxes	-0.1	0.1	0.3	0.2	-1.0
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS	-6.4	-6.3	-4.6	-2.2	1.3
Result after taxes for the period from discontinued operations	14.5	-1.8	73.7	2.9	3.0
RESULT FOR THE PERIOD	8.1	-8.1	69.0	0.8	4.3
Attributable to					
Equity holders of the parent	8.1	-8.1	68.9	0.7	4.3
Minority interest	0.0	-0.0	0.2	0.1	0.0

<b>BALANCE SHEET BY QUARTER (MEUR)</b>	<b>June 30, 2007</b>	<b>March 31, 2007</b>	<b>Dec. 31. 2006</b>	<b>Sept. 30. 2006</b>	<b>June 30. 2006</b>
<b>ASSETS</b>					
Non-current assets					
Property, plant and equipment	35.0	34.6	32.5	32.2	32.2
Goodwill	21.1	16.2	8.2	9.2	9.2
Intangible assets	16.8	10.6	10.6	11.3	12.0
Financial assets at fair value through profit or loss	10.9	10.8	10.7	10.5	10.1
Other financial assets	0.4	0.1	0.1	0.1	0.1





Receivables	0.1	0.2	1.6	1.7	1.7
Deferred tax assets	3.5	3.5	2.7	2.7	3.2
Non-current assets total	87.7	76.0	66.3	67.8	68.5
Current assets					
Inventories	8.8	16.3	13.9	14.8	14.5
Trade and other receivables	53.8	52.7	57.5	57.7	58.6
Cash and short term deposits	98.7	96.6	125.1	45.6	46.8
Current assets total	161.3	165.6	196.5	118.1	119.8
TOTAL ASSETS	249.1	241.6	262.8	185.9	188.3

#### 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	-0.1	-0.2	-0.2	-0.1	-0.2
Retained earnings	94.9	87.0	109.2	38.8	38.0
Minority interest	0.0	0.0	2.1	1.9	1.9
Total equity	172.3	164.3	188.6	118.1	117.2

##### Non-current liabilities

Deferred tax liabilities	5.6	6.3	6.2	6.9	7.8
Interest-bearing liabilities	28.0	22.3	17.2	17.2	17.3
Other liabilities	0.7	0.3	0.3	0.1	0.1
Non-current liabilities total	34.3	28.9	23.7	24.1	25.2

##### Current liabilities

Trade and other payables	30.8	34.1	34.5	30.3	32.0
Pension obligations	0.9	0.8	0.8	0.8	0.7
Interest-bearing loans and borrowings (non-current)	10.7	13.6	15.2	12.6	13.2
Current liabilities total	42.4	48.5	50.5	43.6	46.0
Total liabilities	76.8	77.3	74.2	67.7	71.1
TOTAL EQUITY AND LIABILITIES	249.1	241.6	262.8	185.9	188.3

#### FINANCIAL PERFORMANCE RELATED RATIOS

1-6/2007      1-6/2006      1-12/2006

6 months      6 months      12 months

#### INCOME STATEMENT (MEUR)

Net sales	64.5	59.5	120.5
Operating profit (loss)	-13.8	1.8	-6.0



Operating profit (loss), % of net sales	-21.4	3.0	-5.0
Result before taxes	-12.7	1.3	-6.1
Result before taxes, % of net sales	-19.7	2.1	-5.0
Result for the period	-12.7	0.7	-6.1

#### PROFITABILITY AND OTHER KEY FIGURES

Interest-bearing net liabilities, (MEUR)	-60.0	-16.2	-92.7
Net gearing, %	-34.8	-13.8	-49.2
Equity ratio, %	69.6	63.0	72.2
Gross investments, (MEUR)	32.4	6.1	16.4
Average personnel during the period	1633	1314	1424
Personnel at the period end	1729	1392	1621

#### AMOUNT OF SHARE ISSUE ADJUSTMENT (1,000 pcs)

	June 30, 2007	June 30, 2006	Dec. 31, 2006
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

#### STOCK-RELATED FINANCIAL RATIOS (EUR)

	1-6/2007 6 months	1-6/2006 3 months	1-12/2006 12 months
Basic earnings per share	-0.10	0.00	-0.05
Diluted earnings per share	-0.10	0.00	-0.05
Equity *) per share	1.33	0.89	1.44

\*) Equity attributable to equity holders of the parent

#### MARKET VALUES OF SHARES (EUR)

	1-6/2007	1-6/2006	1-12/2006
Highest	2.48	2.56	2.56
Lowest	1.51	1.89	1.82
Average	1.98	2.23	2.18
At the end of period	1.88	2.22	2.06
Market value of the stock, (MEUR)	243.3	287.3	266.6
Trading value of shares, (MEUR)	42.1	48.6	72.4
Number of shares traded, (1,000 PCS)	21 277	21 767	33 206
Related to average number of shares %	16.4	16.8	25.7



<b>SECURITIES AND CONTINGENT LIABILITIES (MEUR)</b>	<b>June 30, 2007</b>	<b>June 30, 2006</b>	<b>Dec. 31, 2006</b>
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AGAINST OWN LIABILITIES

Floating charges	3.0	3.0	3.0
Mortgages	18.0	18.0	18.0
Pledges	7.9	7.2	7.1
 Mortgages are pledged for liabilities totalled	 12.6	 14.1	 13.4

OTHER DIRECT AND CONTINGENT LIABILITIES

Rental liabilities

Falling due in the next year	3.0	3.0	3.1
Falling due after one year	4.5	2.9	3.7

Repurchase commitments

<b>NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)</b>	<b>June 30, 2007</b>	<b>June 30, 2006</b>	<b>Dec. 31, 2006</b>
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Foreign exchange forward contracts

Market value	0.1	0.2	-0.0
Nominal value	14.0	14.4	9.5

Purchased currency options

Market value			0.0
Nominal value			2.5

Sold currency options

Market value			-0.0
Nominal value			5.0