

SAF Tehnika A/S
Consolidated Interim Report
for 9 month of financial year 2006/7

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KEY DATA

SAF Tehnika AS is a designer, producer and distributor of digital microwave data transmission equipment. SAF Tehnika products provide wireless backhaul solutions for digital voice and data transmission to mobile and fixed network operators, data service providers, governments and private companies. The Company offers two product lines: CFM family - low to medium capacity radio equipment (PDH) and CFQ family – high capacity radio equipment (SDH). Since its establishment in 1999, SAF Tehnika has succeeded in becoming an international player and has been able to compete with such multinational corporations as Ericsson, Nokia, Siemens and NEC. To strengthen the product portfolio, SAF Tehnika acquired a Swedish company, Viking Microwave AB in 2004. Today, this division contributes to SDH product line as SAF Tehnika Sweden, a fully owned subsidiary, from its base in Gothenburg. These additional product development resources enable the Company to deliver high-value solutions to customers at compelling price points.

AS SAF Tehnika is a public joint stock company incorporated under the laws of the Republic of Latvia. The shares of AS SAF Tehnika are quoted on Riga Stock Exchange.

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Aleksis Orlovs
Member of the Management Board

May 8, 2007

Share and Shareholdings

SAF Tehnika shareholders (over 5%) as of 01.12.2006

Name	Ownership interest (%)
Hansapank AS Clients Account	25.68%
Didzis Liepkalns	17.05%
Andrejs Grišāns	10.03%
Normunds Bergs	9.74%
Skandinaviska Enskilda Banken AB Clients Account	9.27%
Juris Zieme	8.71%
Vents Lācars	6.08%
Nordea Bank Finland PLC Clients Account	5.94%

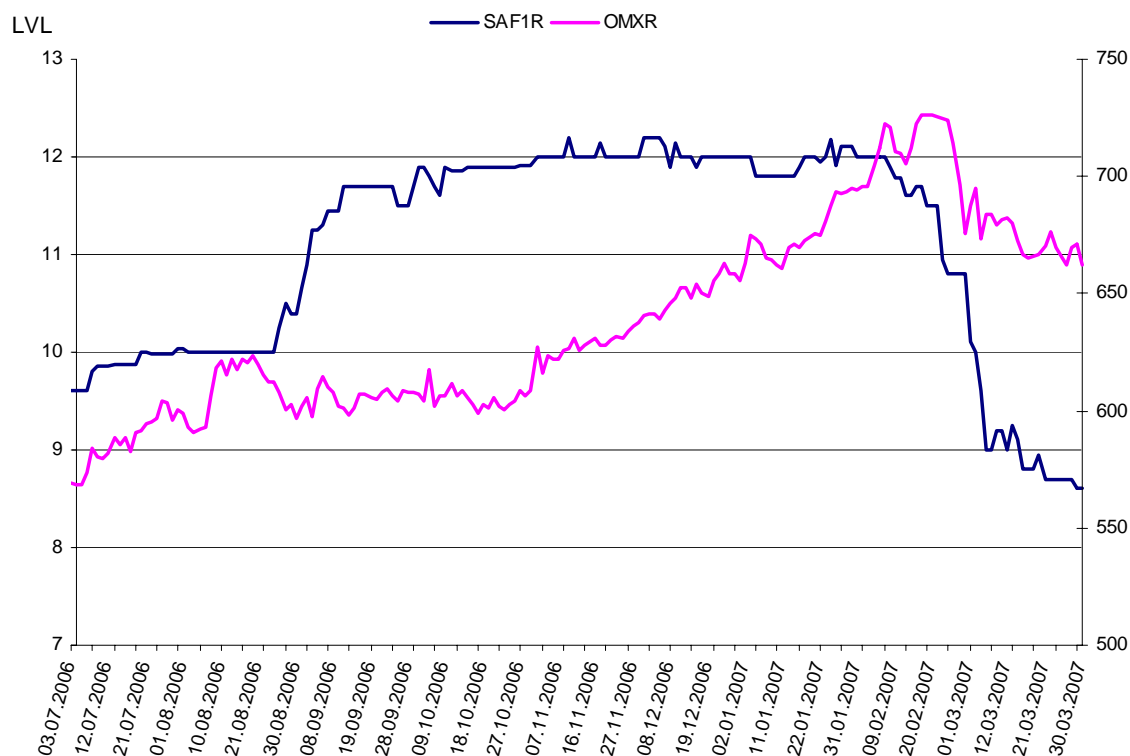
SAF Tehnika share price and OMX Riga index development for the reporting period

SAF Tehnika (SAF1R)

Period: 2006-07-01 - 2007-03-31

Currency: LVL

Marketplace: RSE



Information on management and supervisory board members

SAF Tehnika Management Board:

Name	Position	Ownership interest (%)
Normunds Bergs	Chairman	owns 9.74% of shares
Didzis Liepkalns	Vice Chairman	owns 17.05% of shares
Aleksis Orlovs	Member	
Jānis Ennitis	Member	

SAF Tehnika Supervisory Board:

Name	Position	Ownership interest (%)
Vents Lācars	Chairman	owns 6.08% of shares
Juris Zieme	Vice-Chairman	owns 8.71% of shares
Andrejs Grišāns	Member	owns 10.03% of shares
Ivars Šenbergs	Member	
Jānis Bergs	Member	

Statement of Board's Responsibilities

The Board of SAF Tehnika A/S (hereinafter – the Company) is responsible for preparing the consolidated interim financial statements of the Company and its subsidiary (hereinafter – the Group). Interim financial statements of the Group has not been audited or otherwise checked by auditors.

The consolidated interim financial statements are prepared in accordance with the source documents and present fairly the financial position of the Group as at 31 March 2007 and the results of its operations and cash flows for the 9 month period ended 31 March 2007.

The consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards as adopted by EU on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. The consolidated interim financial statements have been prepared based on the same accounting principles applied in the Consolidated Financial Statements for the year ended on June 30, 2006. Prudent and reasonable judgments and estimates have been made by the management in the preparation of the consolidated interim financial statements.

The Board of SAF Tehnika A/S is responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets and the prevention and detection of fraud and other irregularities in the Group. The Board is also responsible for the compliance with the laws of the countries in which the Group's companies are operating (Latvia and Sweden).

The consolidated interim financial statements have been prepared in Latvian Lats and Euro.

Currency Exchange rate for LVL/EUR is 0.702804

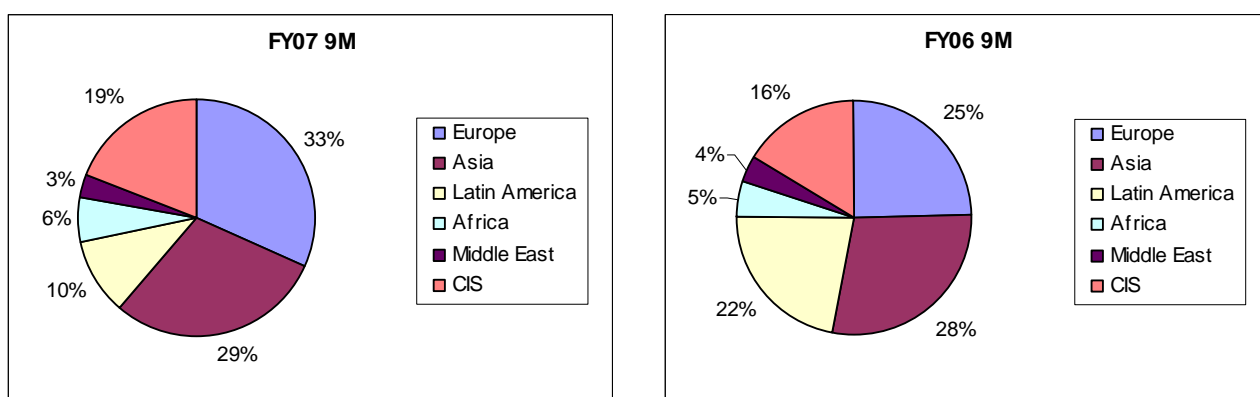
Aleksis Orlovs

Member of the Management Board

Management Report

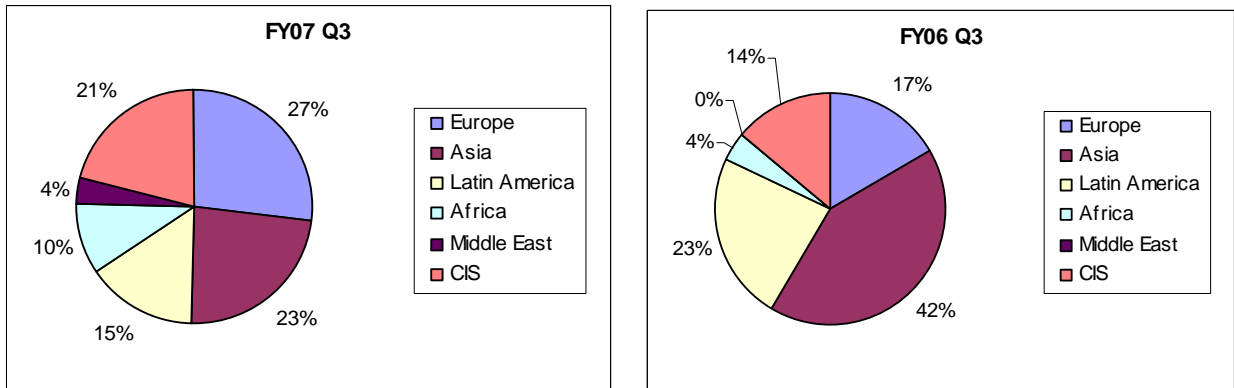
The Group's consolidated non-audited net sales for the first 9 months of financial year 2006/7 were 11 121 979 LVL (15 825 150 EUR), representing a year-on-year increase of 17%. Asia, the CIS, Europe and Africa demonstrated a positive trend while Latin America and Middle East sales volumes have not reached levels of the previous period. Good results were achieved in Pakistan (deliveries to the local fixed line telecom) as well as in China and Ukraine. The main slow down in demand during this period came from India, Colombia and Brazil.

Chart 1. 9 month revenue breakdown comparative charts:



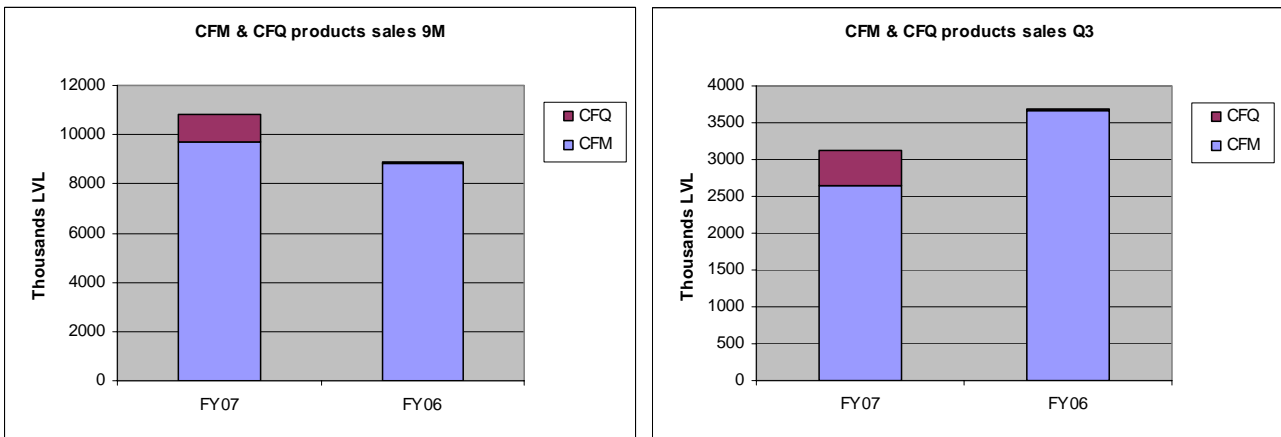
The Group's consolidated non-audited net sales for the third quarter of financial year 2006/7 were 3 238 670 LVL (4 608 212 EUR), representing 83% of the same quarter of the previous financial year. Continued sales growth was achieved in Europe, Africa and the CIS. Meaningful deliveries commenced to Italy. Comparable sales to the previous year's quarter have not been achieved in Latin America. Additional sales in Argentina and Ecuador are not fully compensating lower levels in Columbia and Brazil. In Asia, positive growth is coming from China but it is not sufficient to compensate the previously-announced delays in India. These had the greatest negative revenue impact.

Chart 2. Quarter 3 revenue breakdown comparative charts:



The SDH (CFQ, or, high capacity product) radio sales for the third quarter reached 15% of the Group total sales (second quarter figure was 7%). SDH products are now being sold in all regions, however, the roll out phase has still not been completed. Europe consumes the largest proportion of SDH products due to a more developed data network and operator structure. The PDH (CFM, or, low-medium capacity) product line reflects general sales trends.

Chart 3. 9 month and Quarter 3 product sales breakdown.



The consolidated net profit of the Group for the 9 month of financial year 2006/7 was 809 962 LVL (1 152 472 EUR), representing 85 % of the same period of the previous financial year.

The consolidated net profit of the Group for the third quarter of financial year 2006/7 was 18 643 LVL (26 527 EUR). Lower net profit is due to the growth of expenses related to production development and human resources combined with the unexpected slowdown in sales revenue.

Market overview

The Point-to-Point wireless radio market in which SAF Tehnika operates has shown good growth during 2006. Price competition continues to be experienced in all markets and has marginally increased since the consolidation activity at the beginning of 2007. At the same time, 3G development continues in all regions driving up customer requirements for higher data capacities to deliver sophisticated data services. As a result there is a trend towards higher capacity products, which the Group is addressing with its new product range. The new 'hybrid' ('super PDH') product currently under development (announced 12.03.2007) is another step towards capturing more of these industry changes.

Another noticeable trend has been the tendency for an increasing number of tenders to be of a turn key variety, particularly in mobile infrastructure. While the Group itself does not offer such a solution, it can (and does) participate in turn key tenders via a consortium approach.

Guidance:

Management has approved the previously reported general cost cutting plan in order to continue its ongoing focus on profitability. This includes a short term salary decrease for management and employees, as well as a production capacity adjustment. It is important to note that the unexpected developments for the third fiscal quarter in India are seen as a delayed rather than cancelled business opportunity.

Considerable capacity-expanding resources were being implemented (approaching double the earlier level) to be able to execute the additional planned work from the India-related tender (including personnel and other working capital related items). The swift actions taken when the delay became known reflects senior management's meaningful (51%) stakeholder status in the Group. Management notes that net gearing of the Group was 13% at the end of the third quarter and other business activities are continuing to proceed as planned.

The additional manufacturing capacity created can be utilised in other large scale projects for either of the Company's main product lines and is currently being used to bid for additional business opportunities.

Management remains confident that despite the above developments, the current financial year (2006/7) will still see year on year revenue growth in excess of 10%.

On March 31, 2007 the Group employed 195 (148 people in FY 2005/06) people.

Consolidated balance sheet

ASSETS	Note	31.03.2007	31.03.2006	31.03.2007	31.03.2006
CURRENT ASSETS		LVL	LVL	EUR	EUR
Cash and bank		380 464	1 386 026	541 352	1 972 137
Customer receivables	1				
Accounts receivable		2 379 865	2 931 334	3 386 243	4 170 913
Allowance for uncollectible receivables		-122 002	-228 128	-173 593	-324 597
Total		2 257 863	2 703 206	3 212 650	3 846 316
Other receivables					
Other current receivables		20 914	4 015	29 758	5 713
Short-term loans given		590	2 110	839	3 002
Total		21 504	6 125	30 597	8 715
Prepaid expenses					
Prepaid taxes		447 346	552 621	636 516	786 309
Other prepaid expenses		149 502	98 945	212 722	140 786
Total		596 848	651 566	849 238	927 095
Inventories	2				
Raw materials		2 172 659	1 511 717	3 091 415	2 150 980
Work-in-progress		3 474 055	1 585 891	4 943 135	2 256 520
Finished goods		605 316	440 067	861 287	626 159
Prepayments to suppliers		1 722	15 245	2 450	21 691
Total		6 253 752	3 552 920	8 898 287	5 055 350
TOTAL CURRENT ASSETS		9 510 431	8 299 843	13 532 124	11 809 613
NON-CURRENT ASSETS					
Long-term financial assets					
Deffered income tax		162 541		231 275	
Other long-term receivable		60 626	15 579	86 263	22 167
Total		223 167	15 579	317 538	22 167
NON-CURRENT physical assets	3				
Plant and equipment		1 938 982	1 512 128	2 758 923	2 151 564
Other equipment and fixtures		1 062 997	647 252	1 512 508	920 957
Accumulated depreciation		-1 512 295	-1 365 321	-2 151 802	-1 942 677
Prepayments for noncurrent physical assets		92 393	15 176	131 464	21 594
Total		1 582 077	809 235	2 251 093	1 151 438
Intangible assets					
Purchased licenses, trademarks etc.		102 820	141 786	146 300	201 743
Goodwill		472 439	525 149	672 220	747 220
Prepayments for intangible assets		49 541	19 897	70 490	28 310
Total		624 800	686 832	889 010	977 273
TOTAL NON-CURRENT ASSETS		2 430 044	1 511 646	3 457 641	2 150 878
TOTAL ASSETS		11 940 475	9 811 489	16 989 765	13 960 491

Consolidated balance sheet

	Note	31.03.2007	31.03.2006	31.03.2007	31.03.2006
LIABILITIES AND OWNERS' EQUITY		LVL	LVL	EUR	EUR
CURRENT LIABILITIES					
Debt obligations					
Short-term loans from financial institutons	4	1 535 844	13 969	2 185 309	19 876
Derivative financial instruments			20 647		29 378
Total		1 535 844	34 616	2 185 309	49 254
Customer prepayments for goods and services		11 637	28 478	16 558	40 521
Accounts payable	5	545 423	932 854	776 067	1 327 332
Tax liabilities		126 096	104 610	179 418	148 847
Salary-related accrued expenses		352 486	291 118	501 542	414 224
Provisions					
Deferred income tax			15 082		21 460
Other provisions		305 641	265 819	434 888	378 225
Total		305 641	280 901	434 888	399 685
Prepaid revenue		39 170		55 735	
TOTAL CURRENT LIABILITIES		2 916 297	1 672 577	4 149 517	2 379 863
OWNERS' EQUITY					
Share capital	6	2 970 180	2 970 180	4 226 185	4 226 185
Paid in capital over par		2 004 204	2 004 204	2 851 725	2 851 725
Restricted personnel incentive shares	6		60 000		85 372
Retained earnings		3 231 104	2 163 009	4 597 447	3 077 685
Net profit for the financial year		809 962	956 346	1 152 472	1 360 758
Currency translation reserve		8 728	-14 827	12 419	-21 097
TOTAL OWNERS' EQUITY		9 024 178	8 138 912	12 840 248	11 580 628
TOTAL LIABILITIES AND OWNERS' EQUITY		11 940 475	9 811 489	16 989 765	13 960 491

Consolidated Income Statement for 9 month of the financial year 2006/7

	Note	31.03.2007	31.03.2006	31.03.2007	31.03.2006
		LVL	LVL	EUR	EUR
Net sales	7	11 011 924	9 508 467	15 668 556	13 529 330
Other operating income		110 055	4 832	156 594	6 875
Total income		11 121 979	9 513 299	15 825 150	13 536 205
Direct cost of goods sold or services rendered		-6 050 231	-5 195 909	-8 608 703	-7 393 112
Marketing, advertising and public relations expenses		-508 498	-497 418	-723 527	-707 762
Bad receivables		97 715	57 729	139 036	82 141
Operating expenses	8	-926 757	-717 149	-1 318 656	-1 020 411
Salaries, bonuses and social expenses	9	-2 150 401	-1 369 717	-3 059 745	-1 948 932
Depreciation expense		-440 270	-526 182	-626 448	-748 690
Amortization of product Prototypes		-24 751		-35 218	
Other expenses		-83 179	-2 988	-118 353	-4 252
Operating expenses		-10 086 372	-8 251 634	-14 351 614	-11 741 018
EBIT		1 035 607	1 261 665	1 473 536	1 795 187
Financial income (except ForEx rate difference)		5 890	10 250	8 381	14 584
Financial costs (except ForEx rate difference)		-64 788	-2 470	-92 185	-3 514
Foreign exchange +gain/(loss)		-75 438	-148 954	-107 339	-211 942
Financial items		-134 336	-141 174	-191 143	-200 872
EBT		901 271	1 120 491	1 282 393	1 594 315
Provision for taxes		-91 309	-164 145	-129 921	-233 557
Net profit		809 962	956 346	1 152 472	1 360 758

*Earnings per share

EPS 31.03.2007. = 0.27 LVL (0.38 EUR)

EPS 31.03.2006. = 0.32 LVL (0.45 EUR)

Consolidated Income Statement for Q3 of the financial year 2006/7

	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	EUR	EUR
Net sales	3 144 996	3 880 562	4 474 926	5 521 542
Other operating income	93 674	3 569	133 286	5 079
Total income	3 238 670	3 884 131	4 608 212	5 526 621
Direct cost of goods sold or services rendered	-1 811 322	-2 255 148	-2 577 279	-3 208 787
Marketing, advertising and public relations expenses	-129 151	-249 961	-183 765	-355 662
Bad receivables	14 252	49 131	20 279	69 907
Operating expenses	-331 860	-270 439	-472 194	-384 800
Salaries, bonuses and social expenses	-743 269	-553 478	-1 057 577	-787 528
Depreciation expense	-158 468	-186 389	-225 480	-265 208
Amortization of product Prototypes	-8 387		-11 934	
Other expenses	-70 968	-272	-100 978	-387
Operating expenses	-3 239 173	-3 466 556	-4 608 928	-4 932 465
EBIT	-503	417 575	-716	594 156
Financial income (except ForEx rate difference)	939	7 567	1 336	10 767
Financial costs (except ForEx rate difference)	-26 171	-134	-37 238	-191
Foreign exchange +gain/(loss)	437	-62 157	623	-88 441
Financial items	-24 795	-54 724	-35 279	-77 865
EBT	-25 298	362 851	-35 995	516 291
Provision for taxes	43 941	-54 049	62 522	-76 905
Net profit	18 643	308 802	26 527	439 386

*Earnings per share

EPS 31.03.2005. = 0.01 LVL (0.01 EUR)

EPS 31.03.2006. = 0.10 LVL (0.15 EUR)

Consolidated cash flow statement for 9 months of the financial year 2006/07

	31.03.2007	31.03.2006	30.06.2006.	30.06.2005.
	LVL	LVL	EUR	EUR
CASH GENERATED FROM OPERATIONS (of which)	-587 542	1 907 462	-835 997	2 714 074
Cash received from customers	11 848 163	8 371 601	16 858 417	11 911 715
Cash paid to suppliers and employees	-12 435 705	-6 196 859	-17 694 414	-8 817 336
Paid income tax		-267 280		-380 305
NET CASH USED IN INVESTING ACTIVITIES (of which)	-1 171 093	-324 246	-1 666 315	-461 360
Cash paid for purchasing non-current physical assets	-1 223 418	-316 875	-1 740 767	-450 873
Cash received from the sale of non-current physical assets	87 814	1 261	124 948	1 794
Loans given	-604 014	-811 306	-859 434	-1 154 384
Cash received from repayment of loans given	559 556	795 727	796 176	1 132 218
Interest received	8 969	6 947	12 762	9 885
NET CASH USED IN FINANCING ACTIVITIES (of which)	910 273	-299 296	1 295 202	-425 860
Short-term loans received	1 528 552		2 174 934	
Paid interest	-63 413	-2 278	-90 229	-3 241
Cash received from state	39 170		55 734	
Dividends paid	-594 036	-297 018	-845 237	-422 619
Effects of exchange rate changes	-15 807	-3 084	-22 491	-4 389
TOTAL CASH FLOW:	-864 169	1 280 836	-1 229 601	1 822 465
Cash and cash equivalents as at the beginning of period	1 244 633	105 190	1 770 953	149 672
Cash and cash equivalents as at the end of period	380 464	1 386 026	541 352	1 972 137
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	-864 169	1 280 836	-1 229 601	1 822 465

Statement of changes in consolidated equity for the 9 months period ended March 31 2007

	Share capital	Share premium	Personnel incentive shares	Other rezerves	Currency translation rezerves	Retained earnings	Total
	Ls	Ls	Ls	Ls	Ls	Ls	Ls
As at 30 June 2005	2 970 180	2 004 204	-	1 023 402	-1 090	1 496 625	7 493 321
Dividend relating to 2004/2005	-	-	-	-	-	-297 018	-297 018
Allocation of profit	-	-	60 000	-1 023 402	-	963 402	-
Currency translation difference	-	-	-	-	-4 454	-	-4 454
Profit for the year	-	-	-	-	-	1 602 131	1 602 131
As at 30 June 2006	2 970 180	2 004 204	60 000	-	-5 544	3 765 140	8 793 980
Cancelation of personnel incentive shares	-	-	-60 000	-	-	60 000	-
Dividend relating to 2005/2006	-	-	-	-	-	-594 036	-594 036
Currency translation difference	-	-	-	-	14 272	-	14 272
Profit for the year	-	-	-	-	-	809 962	809 962
As at 31 March 2007	2 970 180	2 004 204	-	-	8 728	4 041 066	9 024 178

Statement of changes in consolidated equity for the 9 months period ended March 31 2007

	Share capital	Share premium	Personnel incentive shares	Other rezerves	Currency translation rezerves	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As at 30 June 2005	4 226 185	2 851 725	-	1 456 170	-1 551	2 129 506	10 662 035
Dividend relating to 2004/2005	-	-	-	-	-	-422 619	-422 619
Allocation of profit	-	-	85 372	-1 456 170	-	1 370 798	-
Currency translation difference	-	-	-	-	-6 337	-	-6 337
Profit for the year	-	-	-	-	-	2 279 627	2 279 627
As at 30 June 2006	4 226 185	2 851 725	85 372	-	-7 888	5 357 312	12 512 706
Cancelation of personnel incentive shares	-	-	-85 372	-	-	85 372	-
Dividend relating to 2005/2006	-	-	-	-	-	-845 237	-845 237
Currency translation difference	-	-	-	-	20 307	-	20 307
Profit for the year	-	-	-	-	-	1 152 472	1 152 472
As at 31 March 2007	4 226 185	2 851 725	-	-	12 419	5 749 919	12 840 248

Notes for consolidated interim report

Note 1 Customer receivables

	31.03.2007 Ls	31.03.2006 Ls	31.03.2007 EUR	31.03.2006 EUR
Accounts receivables	2 379 865	2 931 334	3 386 243	4 170 913
Provisions for bad and doubtful accounts receivable	(122 002)	(228 128)	(173 593)	(324 597)
	2 257 863	2 703 206	3 212 650	3 846 316

Accounts receivable, in comparison with the 9 month period of the previous financial year 2005/6, decreased due to the discounting of Letters of Credit in order to optimise working capital. Provisions for bad and doubtful accounts receivable, in comparison with the 9 month period of the previous financial year 2005/6, decreased as certain customers paid their overdue debts.

Note 2 Inventories

	31.03.2007 Ls	31.03.2006 Ls	31.03.2007 EUR	31.03.2006 EUR
Raw materials	2 172 659	1 511 717	3 091 415	2 150 980
Work-in- progress	3 474 055	1 585 891	4 943 135	2 256 520
Finished goods	605 316	440 067	861 287	626 159
Prepayments to suppliers	1 722	15 245	2 450	21 691
	6 253 752	3 552 920	8 898 287	5 055 350

Inventories, in comparison with the 9 month period of the previous financial year 2005/6, increased as the Group created additional reserves for a wider product assortment and greater manufacturing capacity.

Note 3 Non-current physical assets

	31.03.2007 Ls	31.03.2006 Ls	31.03.2007 EUR	31.03.2006 EUR
Plant and equipment	1 938 982	1 512 128	2 758 923	2 151 564
Other equipment and fixtures	1 062 997	647 252	1 512 508	920 957
Accumulated depreciation	(1 512 295)	(1 365 321)	(2 151 802)	(1 942 677)
Prepayments for non-current physical assets	92 393	15 176	131 464	21 594
	1 582 077	809 235	2 251 093	1 151 438

Non current physical assets, in comparison with the 9 month period of the previous financial year 2005/6, increased as the Group made substantial investments in a new production facility.

Note 4 Short-term loans from financial institutions

	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	Ls	Ls	EUR	EUR
Short-term loans from financial institutions	1 535 844	13 969	2 185 309	19 876

On February 21, 2007, the Group has signed amendment to the credit line agreement with Nordea bank Finland Plc Latvian branch for total amount of 5M EUR credit line with interest rate 12 month LIBOR + 0.85% .

Note 5 Accounts payable

	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	Ls	Ls	EUR	EUR
Accounts payable	545 423	932 854	776 067	1 327 332

Accounts payable, in comparison with the 9 month period of the previous financial year 2005/6, decreased due to the decrease in turnover.

Note 6 Share capital

	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	Ls	Ls	EUR	EUR
Share capital	2 970 180	2 970 180	4 226 185	4 226 185
Restricted personnel incentive shares		60 000		85 372
	2 970 180	3 030 180	4 226 185	4 311 557

The total number of Company's share capital is LVL 2 970 180 consisting of authorized, issued and fully paid ordinary shares with voting rights. On October 26, 2006 JSC „SAF Tehnika” Annual Shareholder Meeting decided to decrease the share capital of the Company by cancelling 60 000 restricted personnel incentive shares, what was done during the reporting period. The nominal value of one share is Ls 1.

Note 7 Segment information

a) The Group's operations may be divided into two major structural units by product type –CFM (PDH) and CFQ (SDH) product lines. These structural units are used as a basis for providing information about the primary segments of the Group, i.e. business segments. Production, as well as research and development are organized and managed for each product line (CFM and CFQ) separately.

The CFM product line, or plesiochronous digital hierarchy radio equipment, is offered as a digital microwave radio communications system operating over 7, 8, 13, 15, 18, 23, 26, and 38 GHz frequency bands, as well as ensuring wireless point-to-point channels for digitalised voice and data transmission. CFM is available with 4, 8, 16, or 34 Mbps full-duplex data transmission rate. The demand for this product in Asia basically accounts for this market share.

The CFQ product line, or synchronous digital hierarchy radio equipment, is a digital point-to-point radio system providing high capacity (up to 155 Mbps) data transmission over from 7 to 38 GHz

frequency bands. The product is basically exported to developed European countries where the demand for high capacity data transmission possibilities is dominating.

This note provides information about division of the Group's turnover and balance items by structural units by product type for 9 month of the financial year 2006/7 and financial year 2005/6

	CFQ		CFM		Other		Total	
	2006/7 Ls	2005/6 Ls	2006/7 Ls	2005/6 Ls	2006/7 Ls	2005/6 Ls	2006/7 Ls	2005/6 Ls
Segment assets	1 718 926	812 298	8 500 611	6 404 590	630 572	850 814	10 850 109	8 067 702
Undivided assets							1 090 366	1 743 787
Total assets							11 940 475	9 811 489
Segment liabilities	184 305	104 621	608 631	932 442	83 826	181 040	876 762	1 218 103
Undivided liabilities							2 039 535	454 474
Total liabilities							2 916 297	1 672 577
Net sales	1 113 287	85 802	8 688 733	7 853 075	1 209 904	1 569 590	11 011 924	9 508 467
Segment results	-265 447	-505 002	2 854 773	3 042 404	243 883	450 762	2 833 209	2 988 164
Undivided expenses							-1 907 657	-1 731 331
Profit from operations							925 552	1 256 833
Other income							110 055	4 832
Financial expenses, net							-134 336	-141 174
Profit before taxes							901 271	1 120 491
Corporate income tax							-91 309	-164 145
Net profit							809 962	956 346
Other information								
Additions of property plant and equipment and intangible assets	182 862	32 264	666 492	148 382	2 299	691	851 653	181 337
Undivided additions							298 948	95 838
Total additions of property plant and equipment and intangible assets							1 150 601	277 175
Depreciation and amortization	122 237	85 202	191 440	279 310	2 565	2 397	316 242	366 909
Undivided depreciation							148 779	159 273
Total depreciation and amortization							465 021	526 182

	CFQ		CFM		Other		Total	
	2006/7 EUR	2005/6 EUR	2006/7 EUR	2005/6 EUR	2006/7 EUR	2005/6 EUR	2006/7 EUR	2005/6 EUR
Segment assets	2 445 811	1 155 796	12 095 280	9 112 911	897 223	1 210 599	15 438 314	11 479 306
Undivided assets							1 551 451	2 481 185
Total assets							16 989 765	13 960 491
Segment liabilities	262 242	148 862	866 004	1 326 745	119 274	257 597	1 247 520	1 733 204
Undivided liabilities							2 901 997	646 659
Total liabilities							4 149 517	2 379 863
Net sales	1 584 065	122 085	12 362 953	11 173 920	1 721 538	2 233 325	15 668 556	13 529 330
Segment results	-377 697	-718 553	4 061 976	4 328 951	347 014	641 376	4 031 293	4 251 774
Undivided expenses							-2 714 351	-2 463 462
Profit from operations							1 316 942	1 788 312
Other income							156 594	6 875
Financial expenses, net							-191 143	-200 872
Profit before taxes							1 282 393	1 594 315
Corporate income tax							-129 921	-233 557
Net profit							1 152 472	1 360 758
Other information								
Additions of property plant and equipment and intangible assets	260 189	45 908	948 333	211 129	3 271	982	1 211 793	258 019
Undivided additions							425 365	136 365
Total additions of property plant and equipment and intangible assets							1 637 158	394 384
Depreciation and amortization	173 928	121 232	272 395	397 422	3 650	3 411	449 973	522 065
Undivided depreciation							211 693	226 625
Total depreciation and amortization							661 666	748 690

b) This note provides information about division of the Group's turnover and assets by geographical regions (customer location) for 9 month of the financial year 2006/7 and financial year 2005/6

	Net sales		Assets		Net sales		Assets	
	2006/7	2005/6	31.03.2007	31.03.2006	2006/7	2005/6	31.03.2007	31.03.2006
	Ls	Ls	Ls	Ls	EUR	EUR	EUR	EUR
Asia	3 248 429	2 666 205	608 980	1 430 928	4 622 098	3 793 668	866 500	2 036 027
America	1 135 097	2 127 127	477 867	448 288	1 615 098	3 026 629	679 943	637 856
Africa	691 814	456 846	98 600	40 244	984 363	650 033	140 295	57 262
Europe	3 498 482	2 350 598	571 123	442 908	4 977 891	3 344 600	812 635	630 201
CIS	2 121 920	1 557 984	432 464	180 001	3 019 220	2 216 812	615 341	256 118
Middle East	316 182	349 707	68 829	160 837	449 886	497 588	97 936	228 852
	11 011 924	9 508 467	2 257 863	2 703 206	15 668 556	13 529 330	3 212 650	3 846 316
Unallocated assets	-	-	9 682 612	7 108 283	-	-	13 777 115	10 114 175
	11 011 924	9 508 467	11 940 475	9 811 489	15 668 556	13 529 330	16 989 765	13 960 491

Note 8 Operating expenses

	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	Ls	Ls	EUR	EUR
Operating expenses	926 757	717 149	1 318 656	1 020 411

Operating expenses, in comparison with the 9 month period of the previous financial year 2005/6, increased due to the increase in utility/maintenance, travelling, personnel and training expenses.

Note 9 Salaries, bonuses and social expenses

	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	Ls	Ls	EUR	EUR
Salaries, bonuses and social expenses	2 150 401	1 369 717	3 059 745	1 948 932

Salaries, bonuses and social expenses, in comparison with the 9 month period of the previous financial year 2005/6, increased due to the substantial hiring of additional staff.