

Elcoteq SE

Annual General Meeting

March 25, 2008

Luxembourg





CEO's Review

Jouni Hartikainen

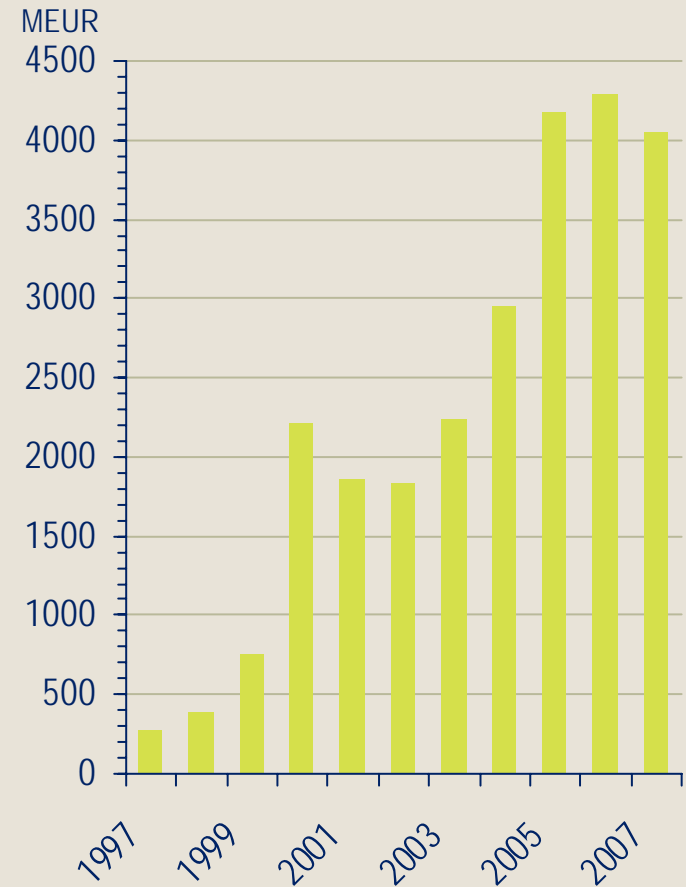




Elcoteq Facts and Figures

- Biggest European EMS provider
- 24,000 employees
- Business areas
 - Personal Communications
 - Home Communications
 - Communications Networks
- Operates in 15 countries on four continents
- Electronics manufacturing services since 1984 (MBO 1991)
- Listed on the Helsinki Stock Exchange since 1997
- Net sales of 4 billion euros in 2007
- CAGR of net sales 31% in 1997 - 2007

Net Sales 1997 - 2007



Year 2007 in Brief

- Net sales MEUR 4,042.9 (4,284.3)
- Operating income MEUR -96.3 (43.9) and excluding restructuring expenses -46.1
 - Unpredicted change in the business practises of the biggest customer
 - Operational challenges in Mexico
 - Unprofitable operations of the German plant
- Balancing the customer portfolio continued
 - Sales to other customers increased by nearly 30%
 - Biggest customers: Ericsson, Nokia Mobile Phones, Nokia Siemens Networks, Philips, RIM, Sony Ericsson and Thomson

Net Sales and Result 2007

(IFRS)	2007	2006
Net sales, MEUR	4,042.9	4,284.3
Operating income excluding restructuring expenses, MEUR	-46.1	43.9
Operating income, MEUR	-96.3	43.9
Income before taxes, MEUR	-122.8	19.2
Net income, MEUR	-108.4	12.1
EPS, EUR	-3.37	0.38
Gearing	0.7	0.4
ROCE (trailing 12 months), %	-19.6	9.1
Cash flow after investments, MEUR	-11.1	-20.8



Key Figures 2007

(IFRS)	2007	2006
Capital employed, MEUR	455.6	513.6
Interest-bearing net debt, MEUR	144.5	128.0
Gross capital expenditures, MEUR	67.2	116.9
Personnel at the end of the period	24,222	23,298

2007 Achievements

1. Action Plan achievements

- New Customer Centric Organization
- Eliminate excess capacity without limiting future growth opportunities
 - Divestments of Lohja, Juarez, Offenburg, St.Petersburg
- Enhancing the operational efficiency program
 - Operations effectiveness programs for more effective use of labor and machinery
 - Materials management related activities initiated

2. New customer wins & expanded service offerings

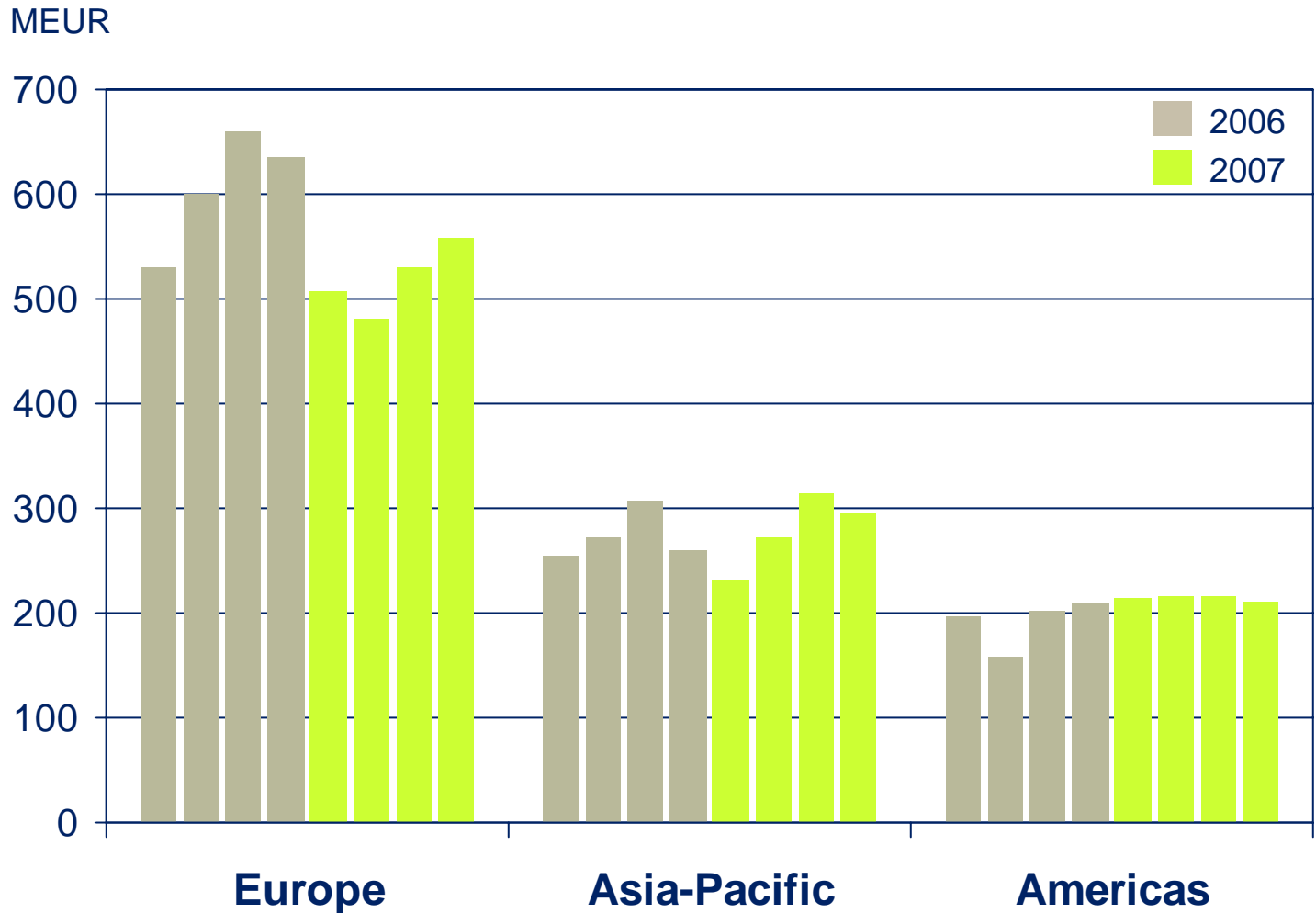
- Telsima, Redline and new Home Communications customers
- Back in Boxbuild operations with RIM and Nokia
- Growth of repair services

3. Strategic achievements

- Move of Domicile
- IEMS service offering strategy started

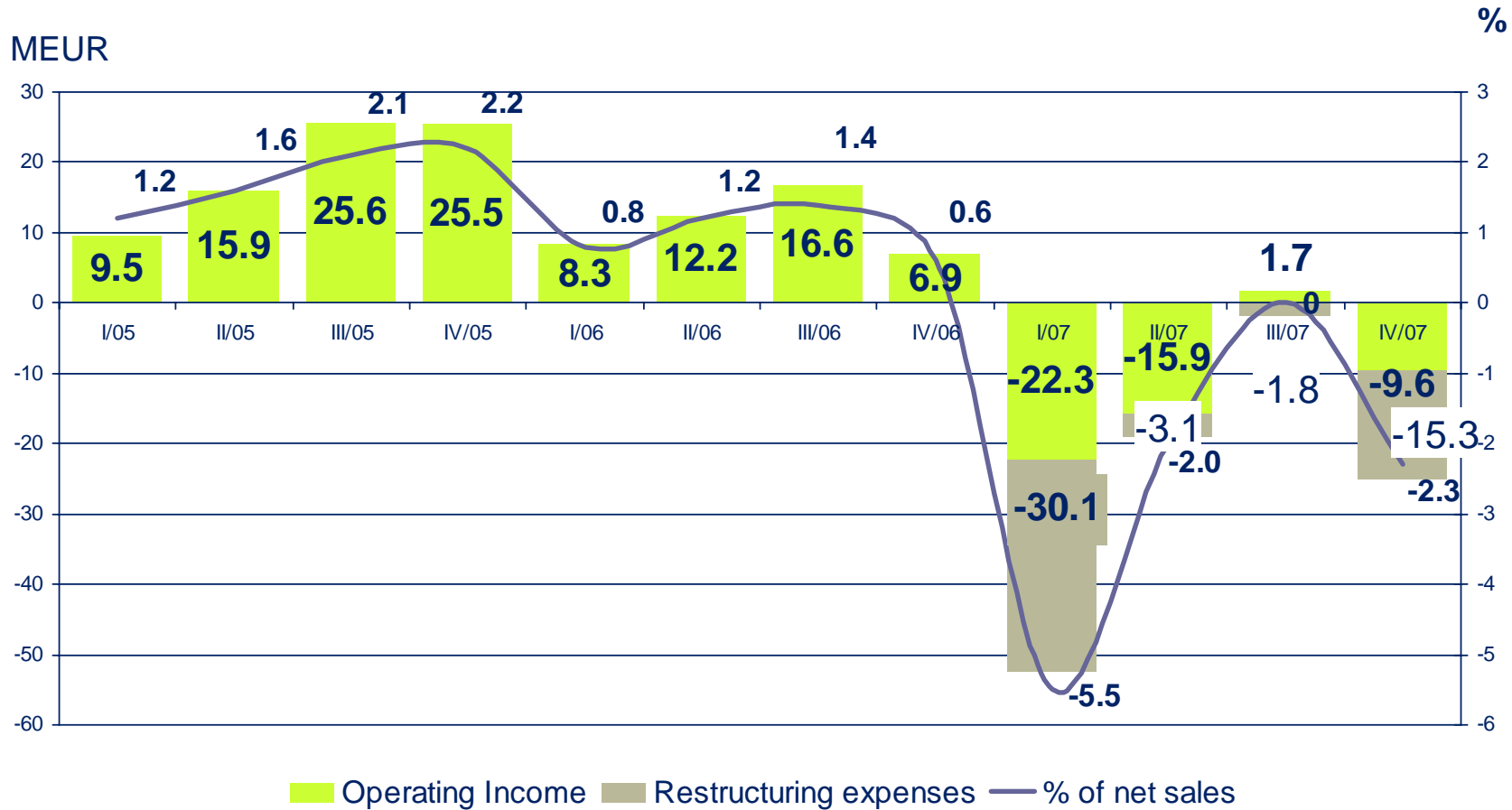


Quarterly Net Sales by Geographical Area in 2006 - 2007



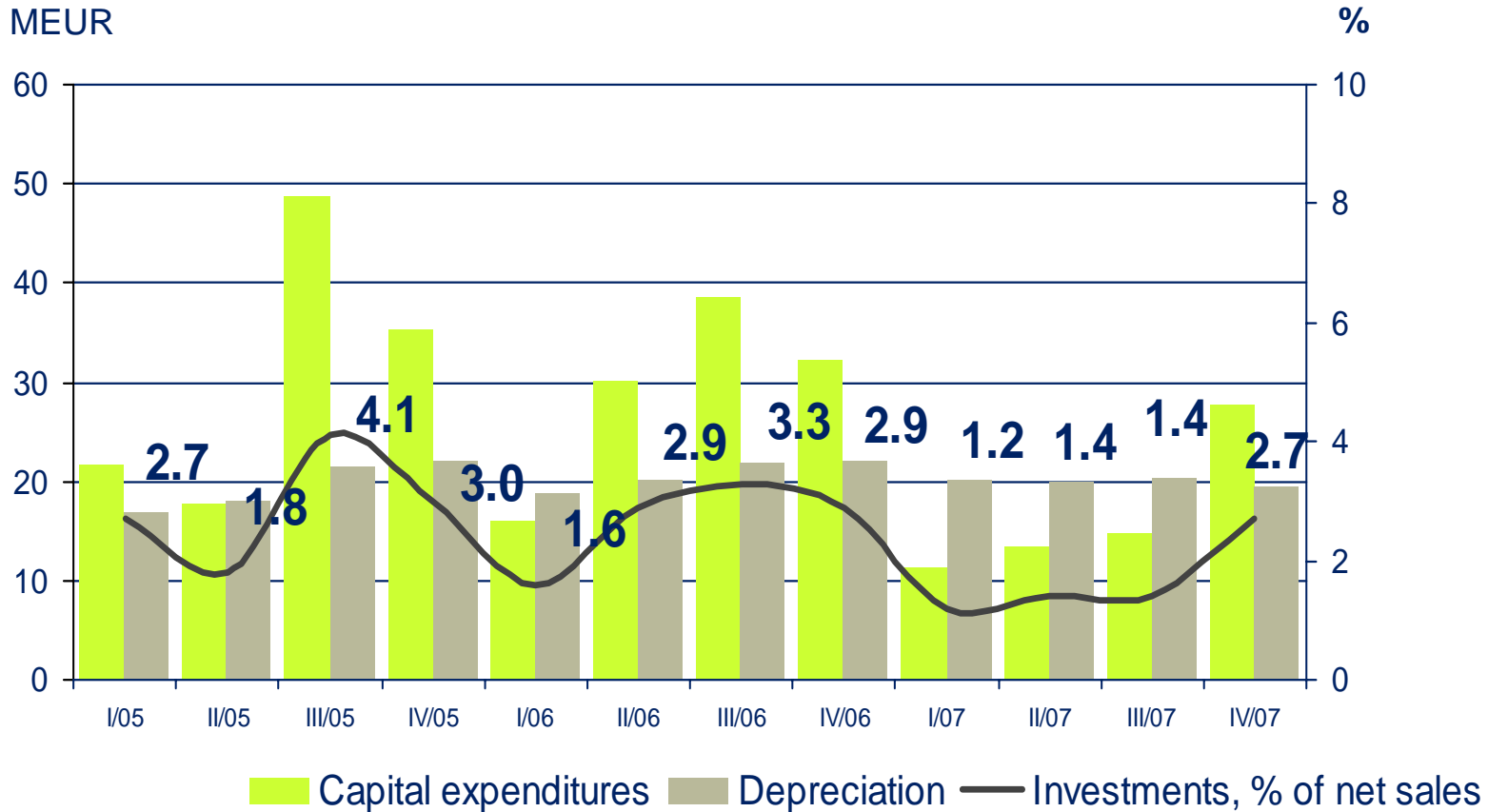


Operating Income



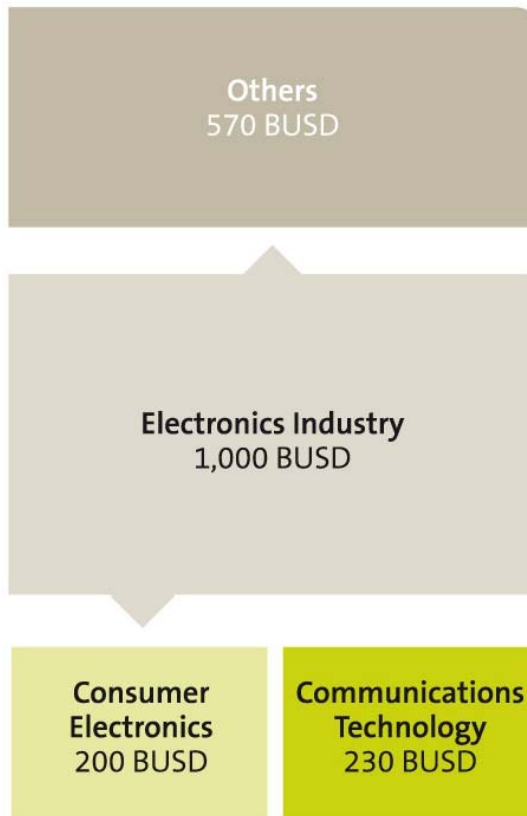


Capital Expenditures and Depreciation





Communications Technology Industry 2007



Market Shares of EMS Providers in Communications Technology in 2007

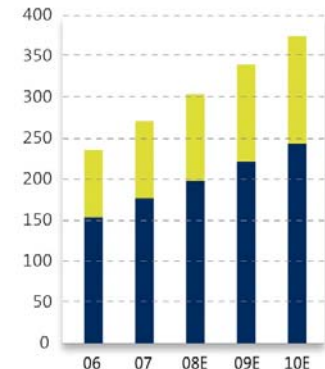
Foxconn	22%
Flextronics	19%
Elcoteq	7%
Jabil	5%
Celestica	4%
Sanmina-SCI	3%
Others	40%



Source: Information from the companies' publications and analyst estimates compiled by Elcoteq.

EMS and ODM Market Growth 2006–2010

Source: Consensus estimate (ETP, IDC and TFI)



Note: Graph represents assembly value (COGS)
Source: ETP

Note: Graph represents assembly value (COGS)



Elcoteq's Vision and Strategy

Vision

Leading **Integrated** EMS Provider to Communications Technology Customers

Main Goals

Drive shareholder value on par with competition and beyond

Create superior value to communications technology customers

Strategic Themes

Expand service offering

Focused growth

Operational excellence

Align talent, structure and people processes with the needs of the business



Values and Corporate Responsibility





Elcoteq Goals 2008

- ▶ **Eliminate operational problems**
- ▶ **Generate positive cash flow**
- ▶ **Operating profit level of 2% EBIT**
- ▶ **New Customers Wins**



Cost-competitive locations with globally integrated services



- Growing end-markets
- Volume production
- Other locations

Close to end-markets

Availability of skilled workforce

Consistent service network

Cost efficiencies

Experience with best-in-class customers creates unique competence

Personal Communications



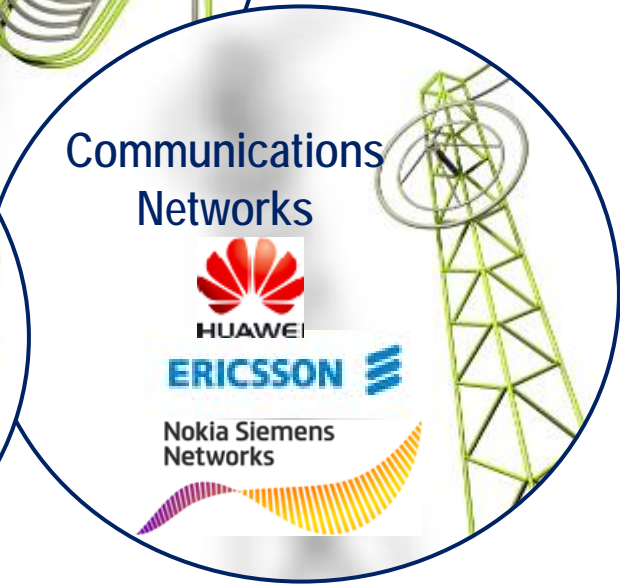
Sony Ericsson
RIM
NOKIA

Home Communications



PHILIPS
THOMSON

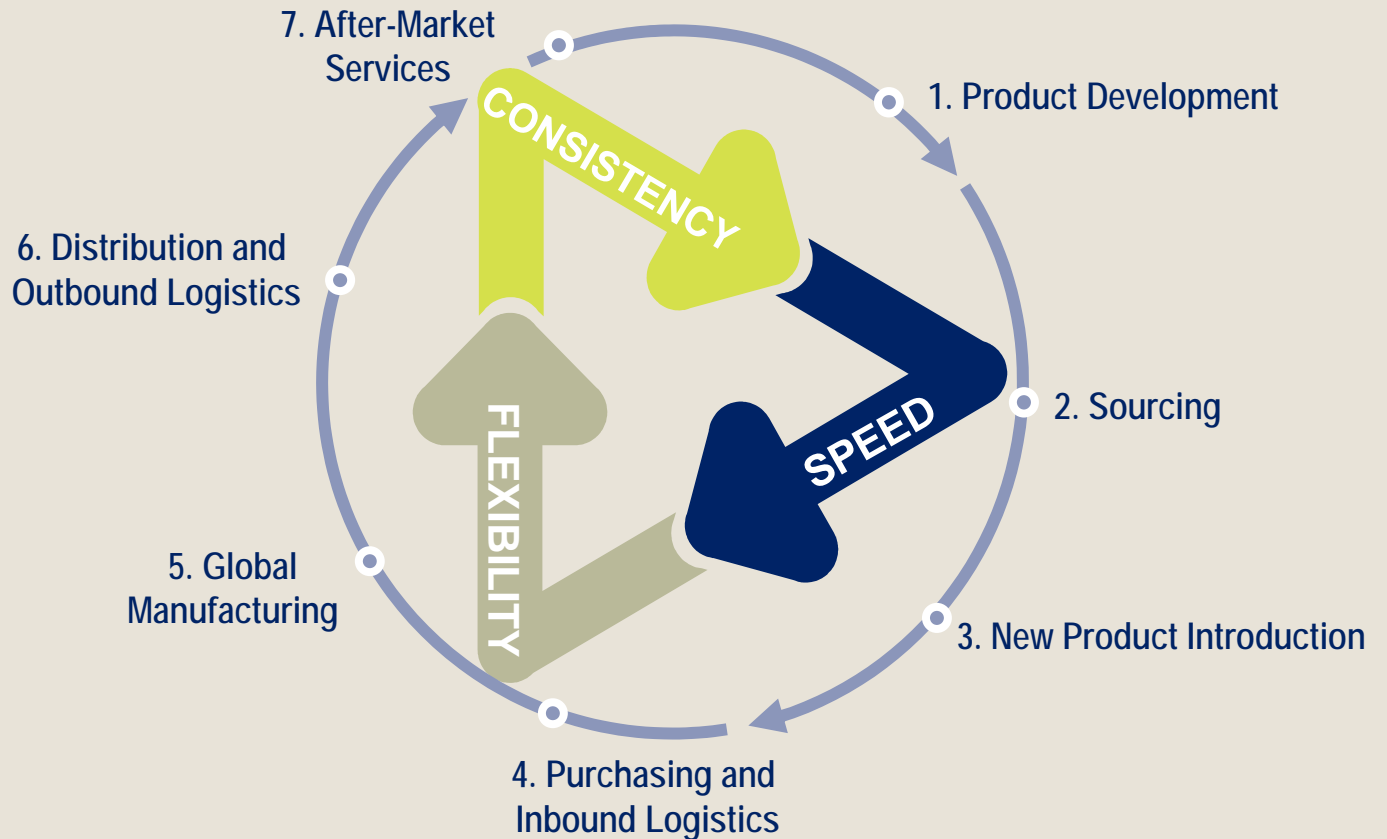
Communications Networks



HUAWEI
ERICSSON
Nokia Siemens Networks



Elcoteq's Service Offering



Combination of consistent manufacturing processes and globally integrated services create the unique offering.



Elcoteq's IEMS Strategy in brief

- Elcoteq aims to broaden its EMS into Integrated Electronics Manufacturing Services (IEMS)
 - By increasing mechanics expertise and services, and
 - By strengthening product development services that combine both electronics and mechanics
- First focus are Mobile Phone manufacturers who need partners able to offer and independently manage a wider range of services to provide:
 - Cost savings
 - Complexity management
 - Flexibility and speed
- Means:
 - Development of existing operating models
 - Possible M&A arrangements, and
 - Various forms of collaboration with other companies operating in the same field

Aim to carry out necessary measures relating to IEMS by the end of 2008

Year 2008 – Back to Profit

- The Group
 - Seeking to improve operating income substantially – operating income level of about two percent possible to achieve
- Personal Communications
 - Ensure profitability by stepping up the efficiency of operating procedures
 - Net sales not expected to increase, although profitable growth is foreseen with numerous customers
- Home Communications
 - Focusing to improve profitability and enlarge the customer base
 - Net sales to outpace the growth of the business area's EMS market
- Communications Networks
 - Aim to improve the profitability
 - Net sales expected to grow and market position to strengthen



World's leading integrated EMS provider to communications technology customers