



Elcoteq SE

Interim Report
January - September 2009

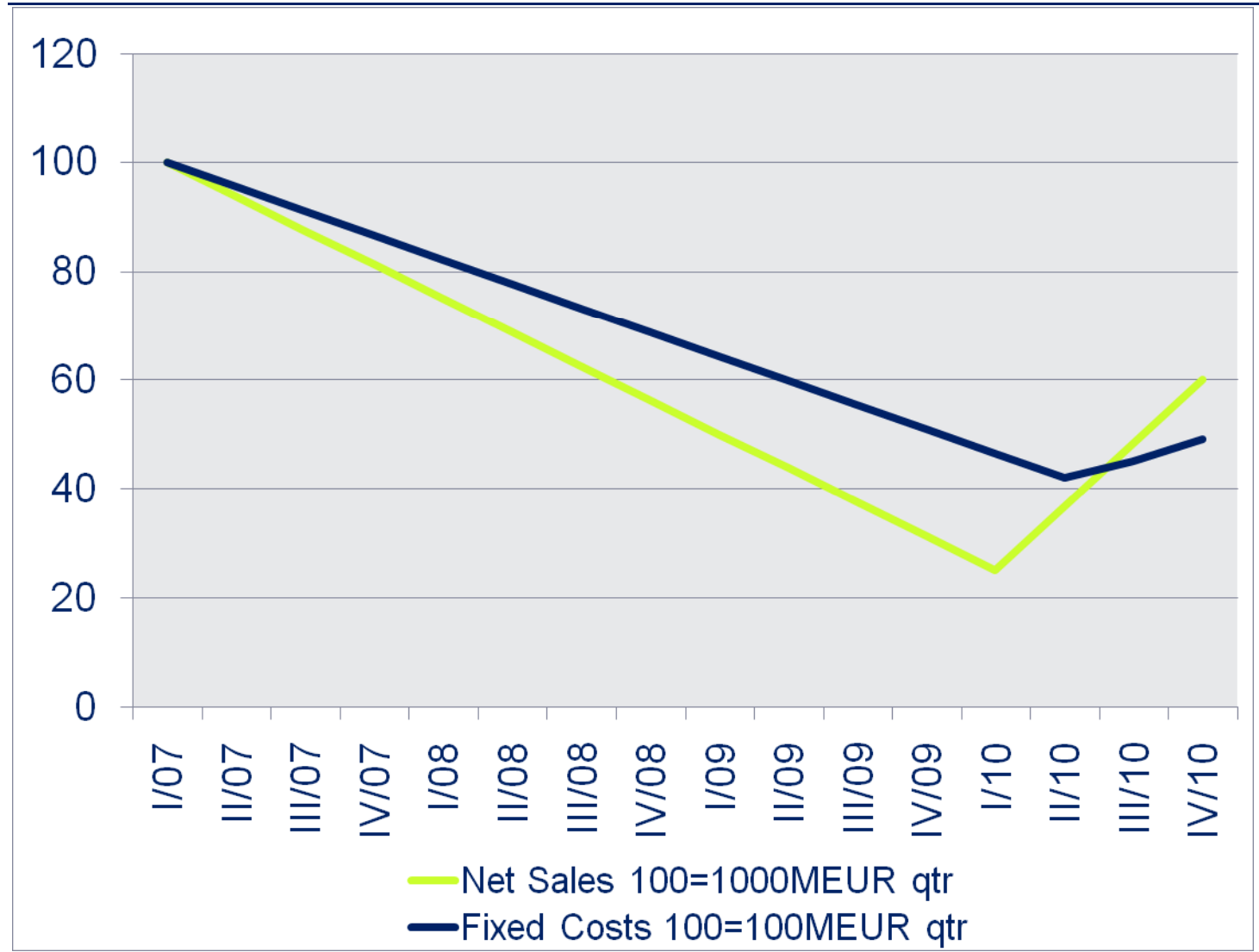
October 28, 2009

The Third Quarter in Brief

- Operating income continued to improve
- Cash flow positive
- Net sales continued to decrease
- LOI with Videocon
- Balance sheet restructuring continued



Leveraging the Reduced Costs



www.elcoteq.com

Net Sales and Result, July-September

(IFRS)	Q3/2009	Q3/2008
Net sales, MEUR	331.7	740.5
Operating income excluding restructuring expenses, MEUR	-1.6	0.3
Operating income, MEUR	-3.3	0.3
Income before taxes, MEUR	-7.5	-6.8
Net income, MEUR	-6.3	-11.5
EPS, EUR	-0.19	-0.35
Gearing	2.6	1.7
Solvency, %	9.7	15.9
ROCE (trailing 12 months), %	-14.4	-5.6
Cash flow after investments, MEUR	42.7	-66.7

Net Sales and Result, January-September

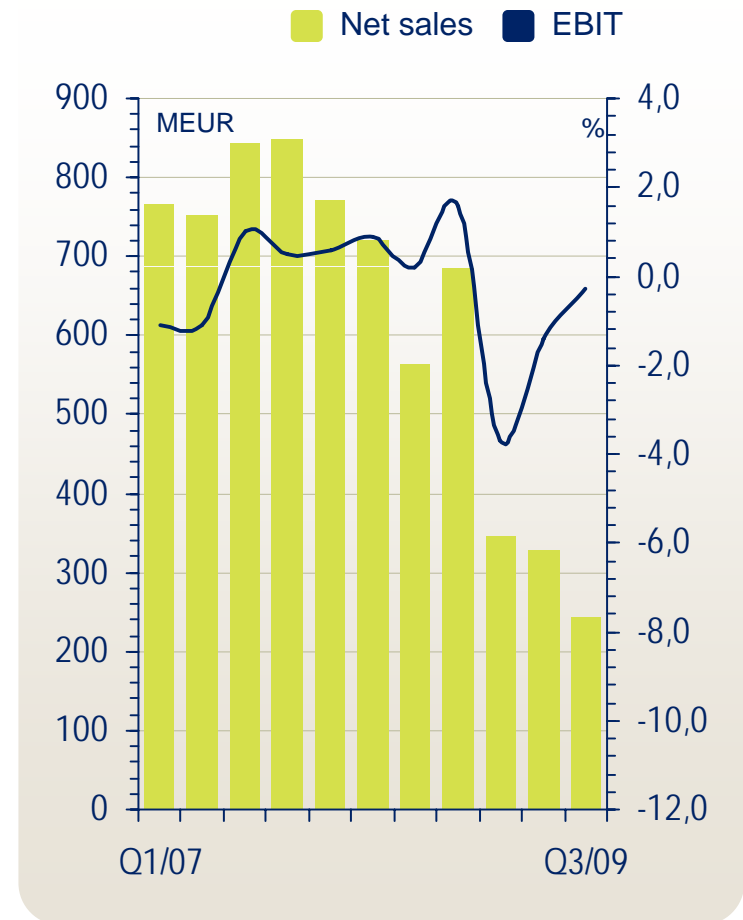
(IFRS)	1-9/2009	1-9/2008
Net sales, MEUR	1,237.7	2,554.1
Operating income excluding restructuring expenses, MEUR	-37.4	-8.6
Operating income, MEUR	-53.1	-8.6
Income before taxes, MEUR	-80.8	-27.7
Net income, MEUR	-73.7	-36.8
EPS, EUR	-2.26	-1.13
Gearing	2.6	1.7
Solvency, %	9.7	15.9
ROCE (trailing 12 months), %	-14.4	-5.6
Cash flow after investments, MEUR	64.2	-146.3

Key Figures, July-September

(IFRS)	Q3/2009	Q3/2008
Capital employed, MEUR	442.0	513.1
Interest-bearing net debt, MEUR	173.2	287.4
Gross capital expenditures, MEUR	1.1	17.2
Personnel at the end of the period	10,770	21,404

Consumer Electronics

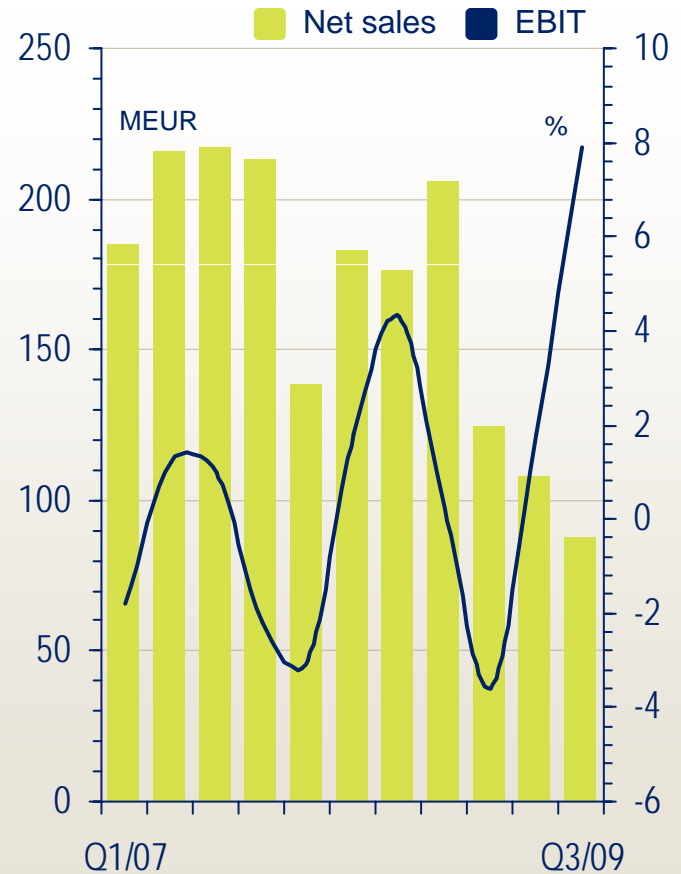
- 73% of net sales
- Products such as mobile and wireless phones, their parts and accessories, set-top boxes, flat panel TVs and other consumer products



Excluding restructuring costs

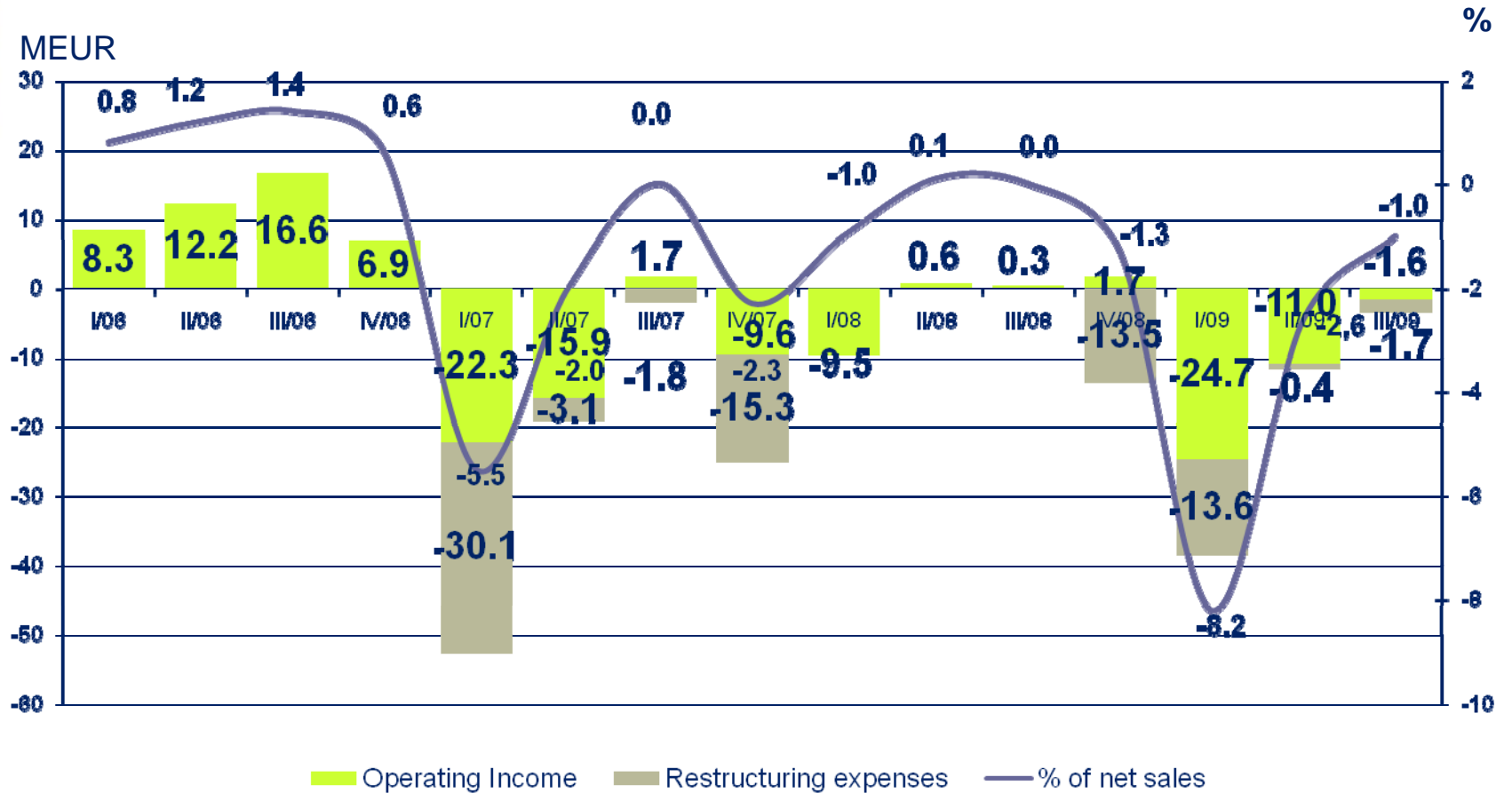
System Solutions

- 27% of net sales
- wireless and wireline infrastructure systems and modules, enterprise network products and various other industrial segment products



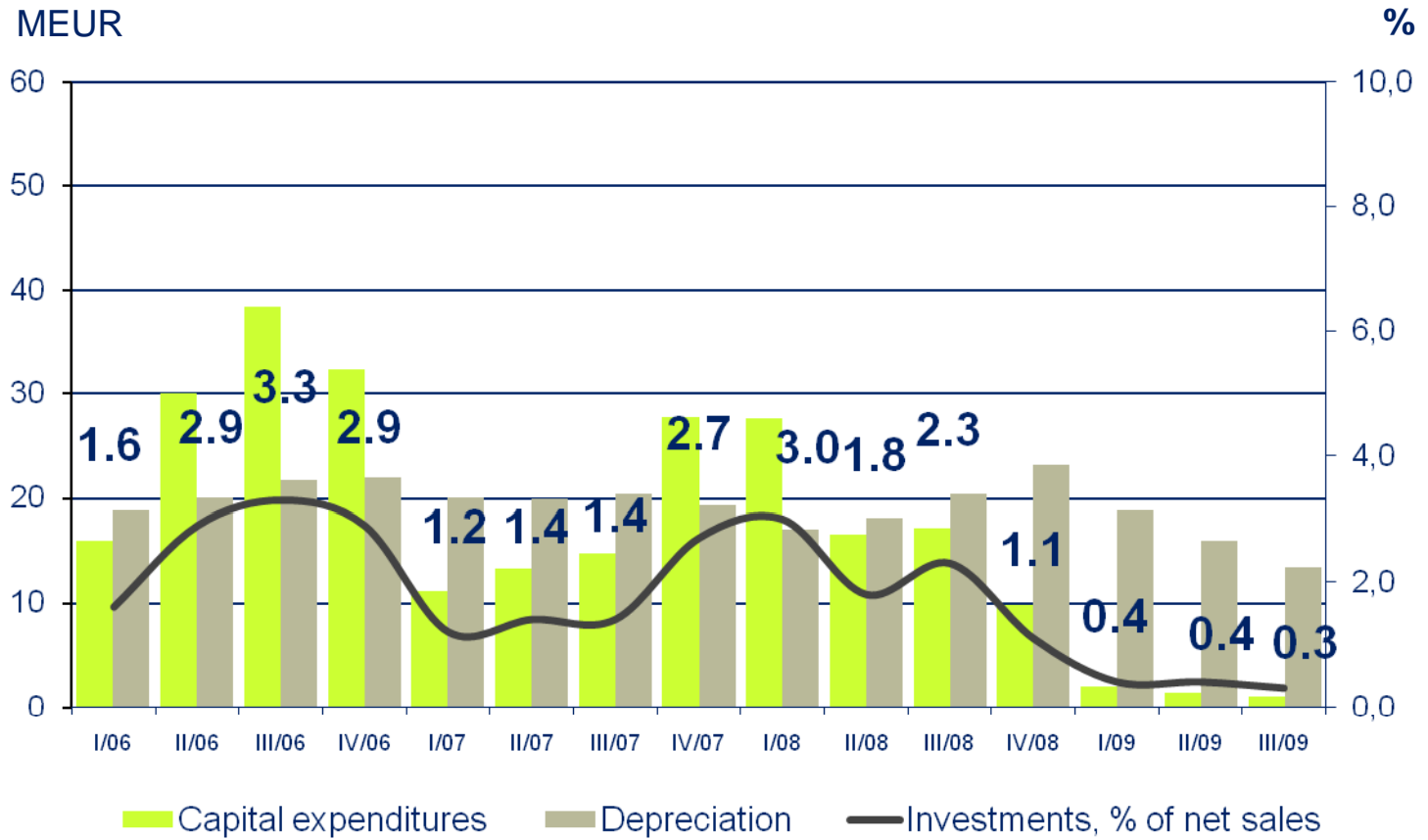
Excluding restructuring costs

Operating Income

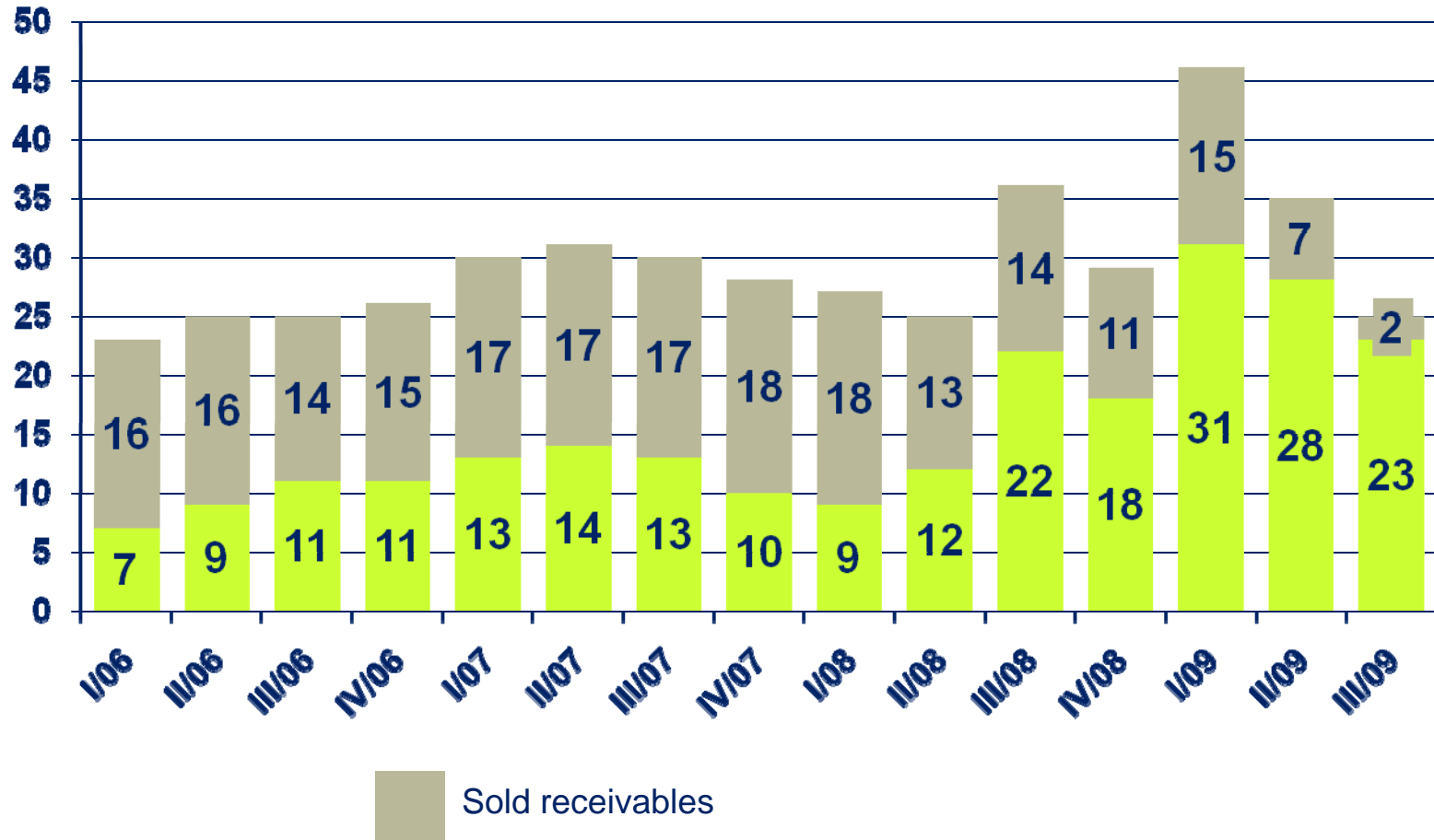




Capital Expenditures and Depreciation



Average Working Capital Days



Equity Project Advances

- Elcoteq has signed a conditional LOI with an Indian company Videocon Industries Limited
- Transaction details to be announced when Definite Transaction Agreement is signed
 - due diligence has been started and expected to proceed speedily
 - debt restructuring a prerequisite for signing
- Closing of the Agreement expected by the end of the year
 - regulatory and corporate approvals required on both sides
- Negotiations with Kaifa are terminated

Videocon in Brief

Videocon Group

Conglomerate with asset base of around US\$5 Billion, group revenues of over US\$4 Billion and cash flow of over US\$ 500 million

Videocon Industries Ltd.

Flagship entity, VIL, is listed on the National & Bombay Stock Exchange of India with a market cap. of around US\$1.14 bn (October 2009)

Scope Of Operations

Conglomerate operated businesses ranging from consumer electronics, Telecom, Consumer Services to Oil & Gas, Power, Retail

Intellectual Property

Over 25,000 employees including over 7,000 outside India

Brand Recognition

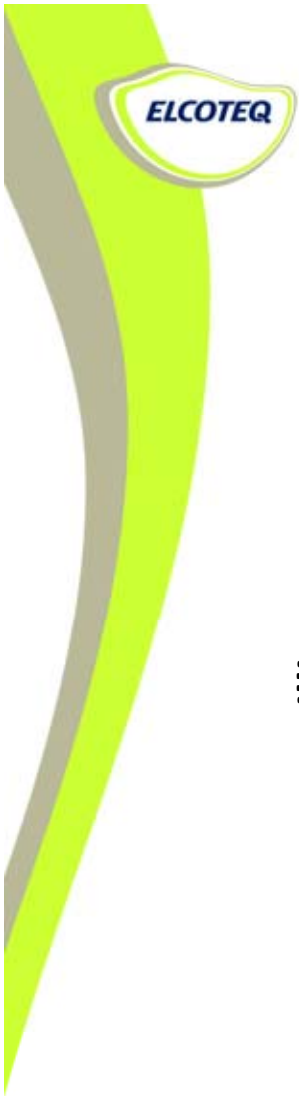
Rated among India's top 15 Business Houses and among 100 Emerging Giants of the World

Global Operations

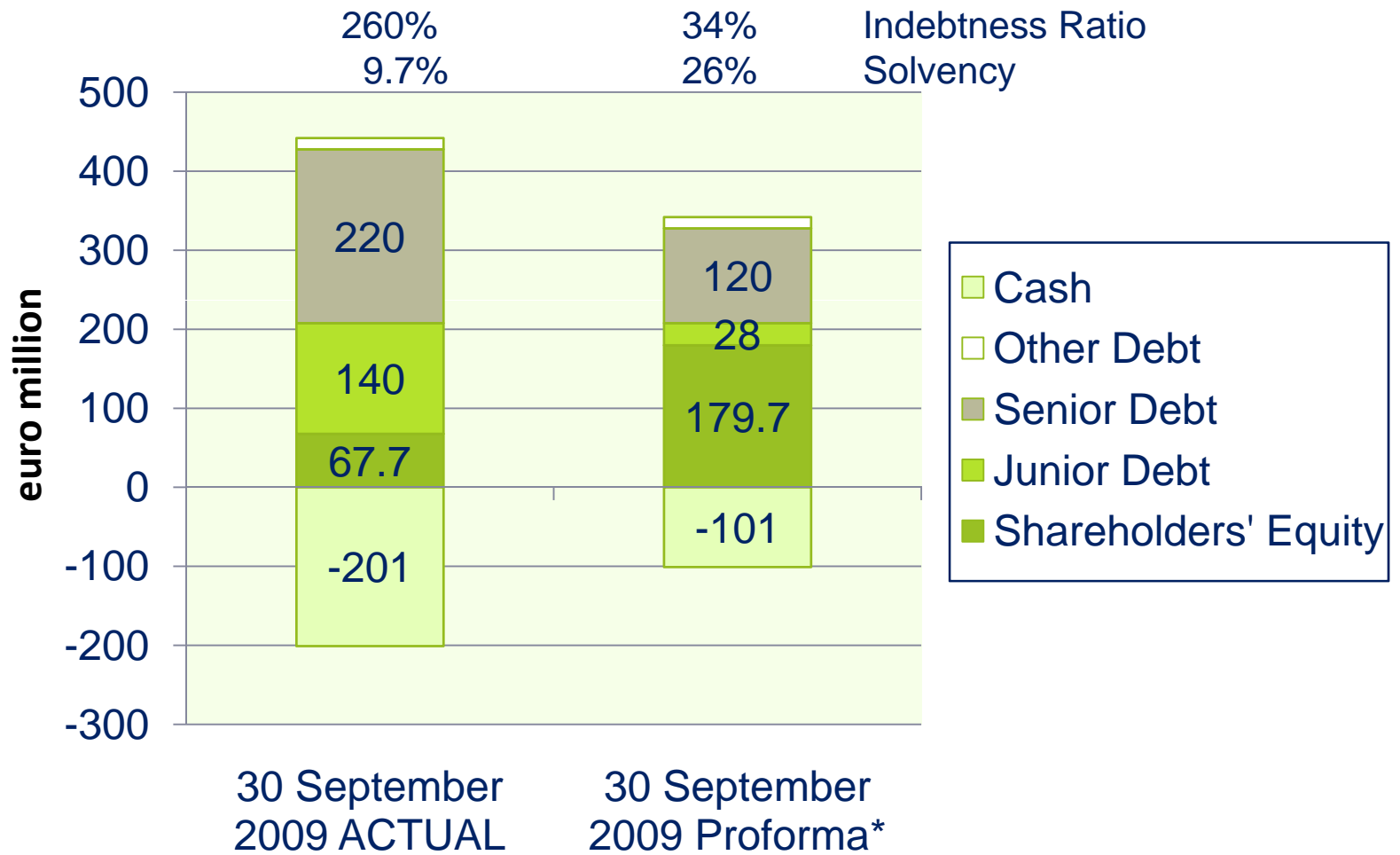
The group has 18 manufacturing sites in India and plants in China, Poland, Italy and Mexico

Balance Sheet Restructuring Continues

- Debenture holder meeting on September 3, 2009 accepted the proposed changes in the debenture agreements
- Pohjola Corporate Finance as the company's advisor to approach debenture holders with a concrete proposal
 - irrevocable commitments to sell the holder's debentures
 - price 25% of the nominal value + accrued interest
 - potential investor might buy the debentures and possibly subsequently convert them to Elcoteq shares
 - Elcoteq has a right to withdraw its proposal



Elcoteq's Financing Structure



*) September balance sheet assuming only junior debt conversion into equity

Key Priorities

- To conclude the equity investment, balance sheet restructuring and long-term financing agreement
- To turn the net sales trend by having a sufficient sales pipeline available

Prospects

- Net sales are expected to decline during the last quarter of 2009 compared to the third quarter
- Fourth-quarter operating income is expected to be negative
- Fourth-quarter cash flow is expected to be positive

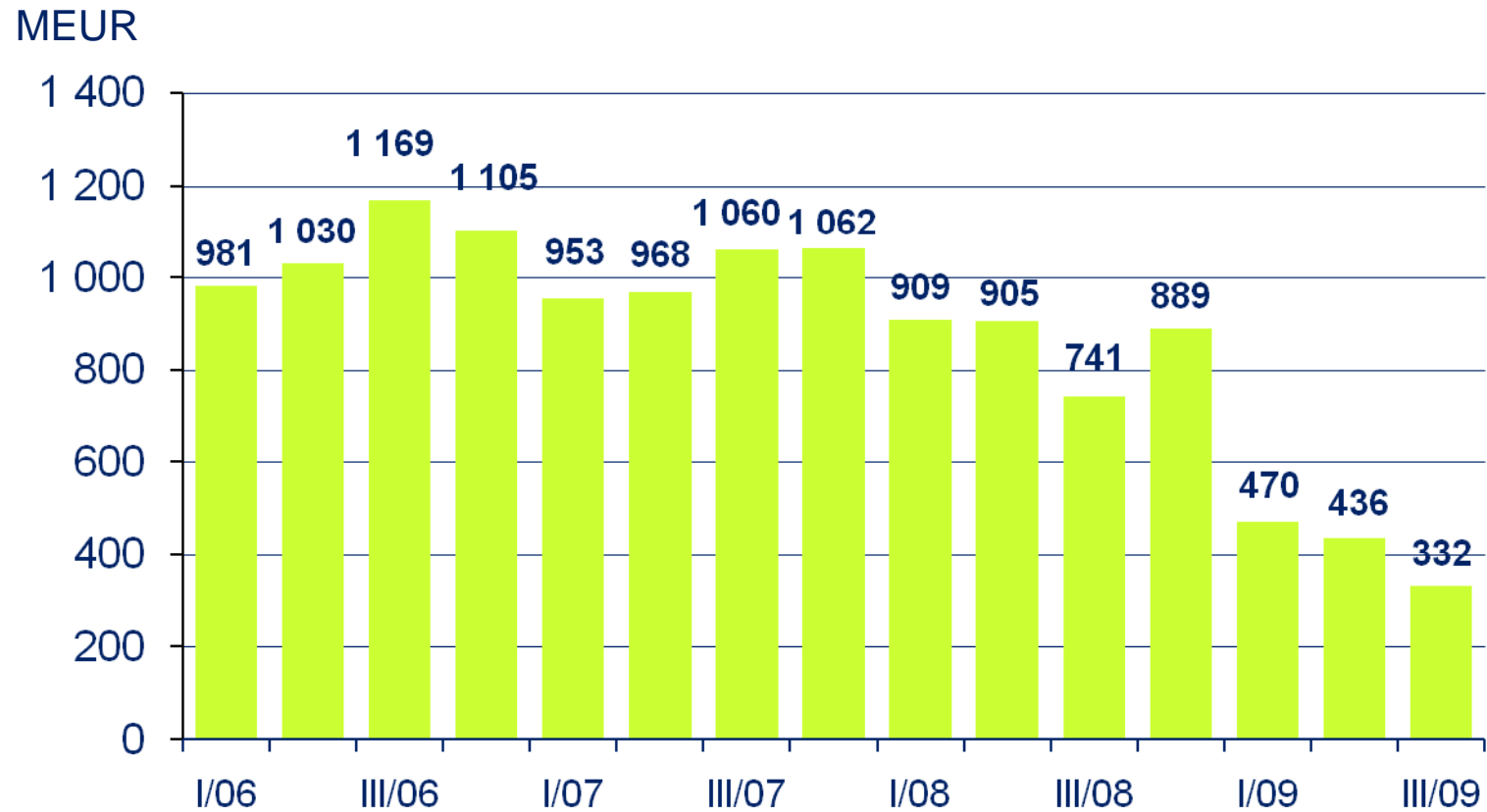


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technology customers***

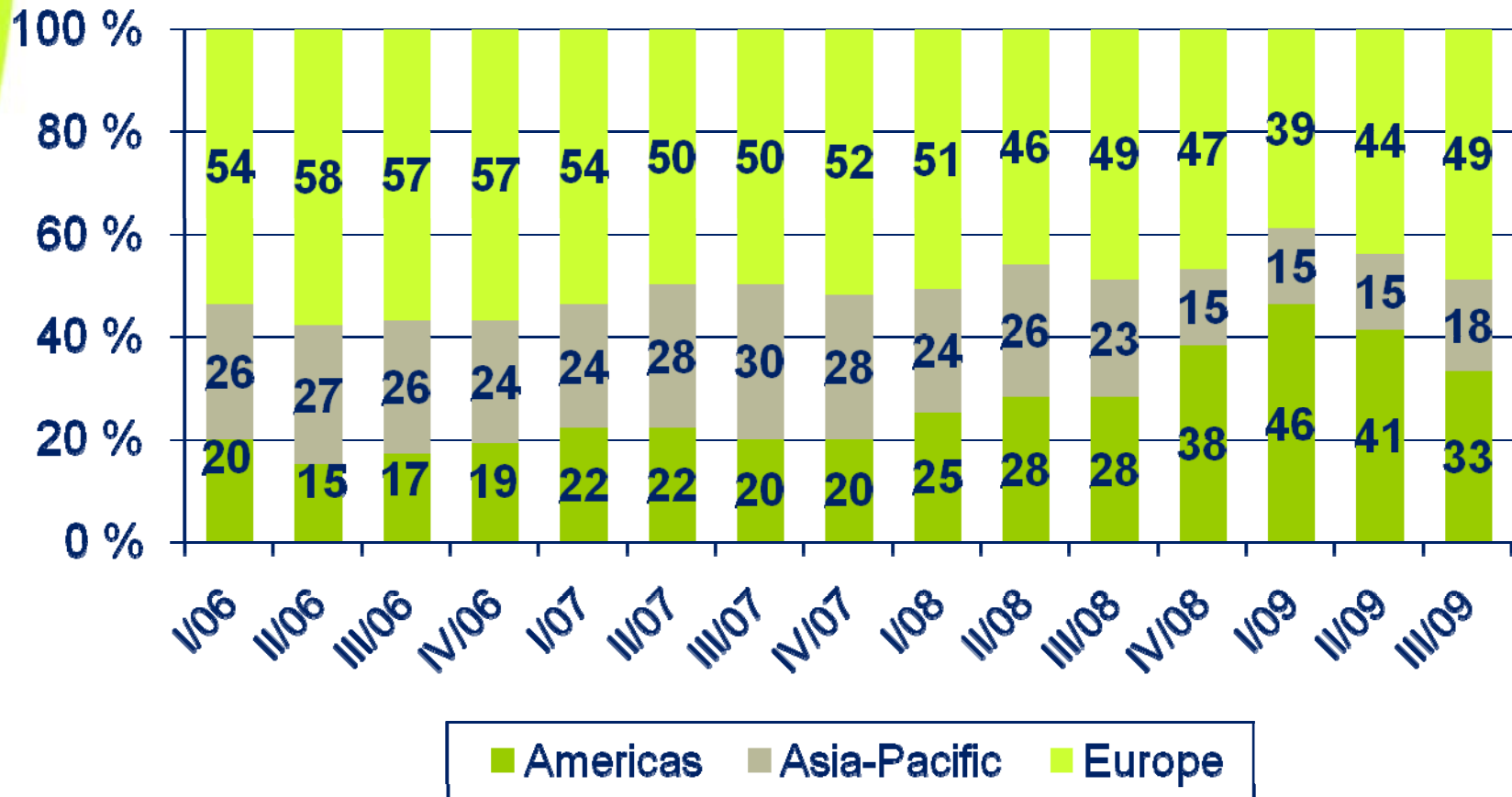


Additional Slides

Net Sales by Quarter

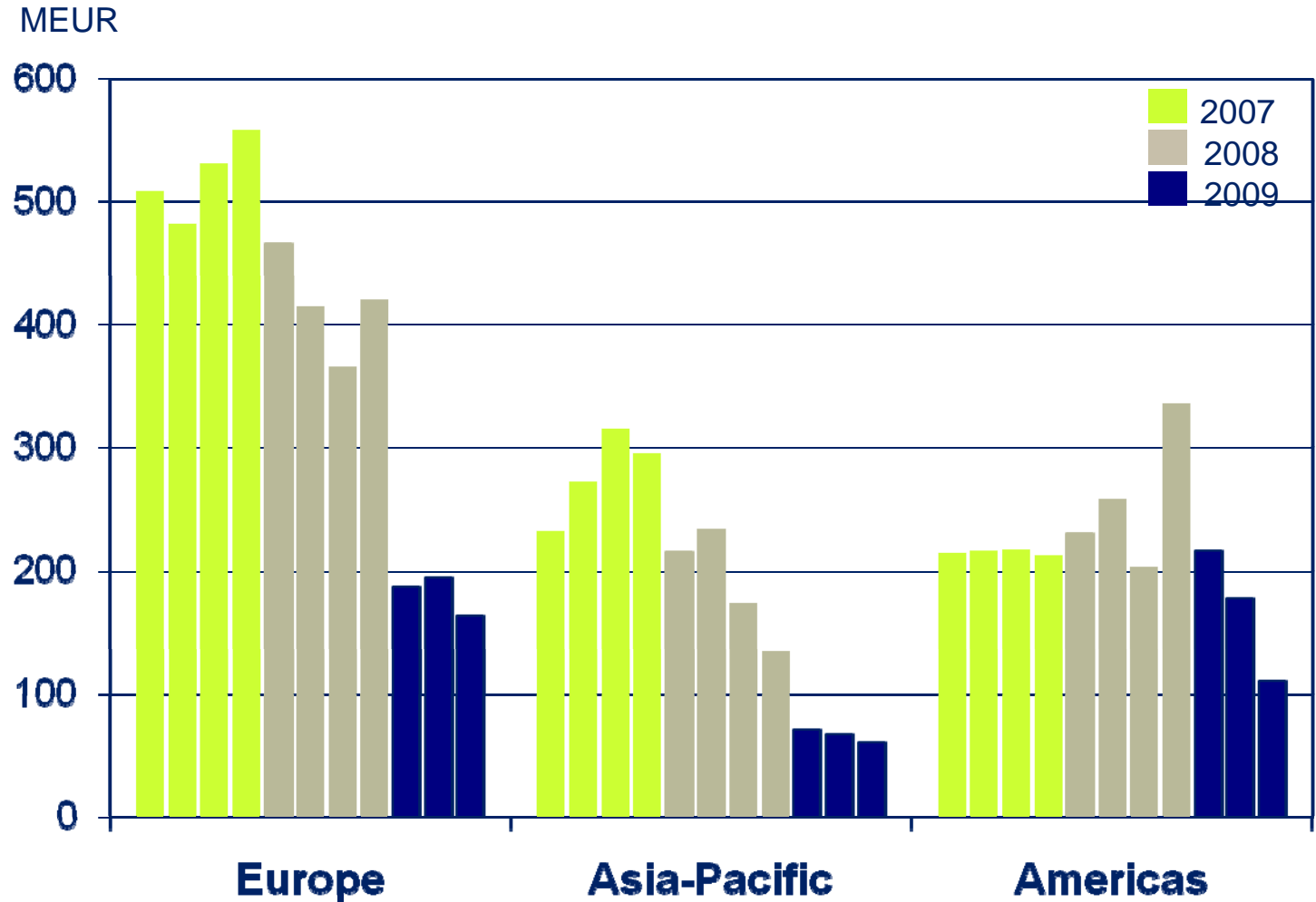


Net Sales by Geographical Area, %

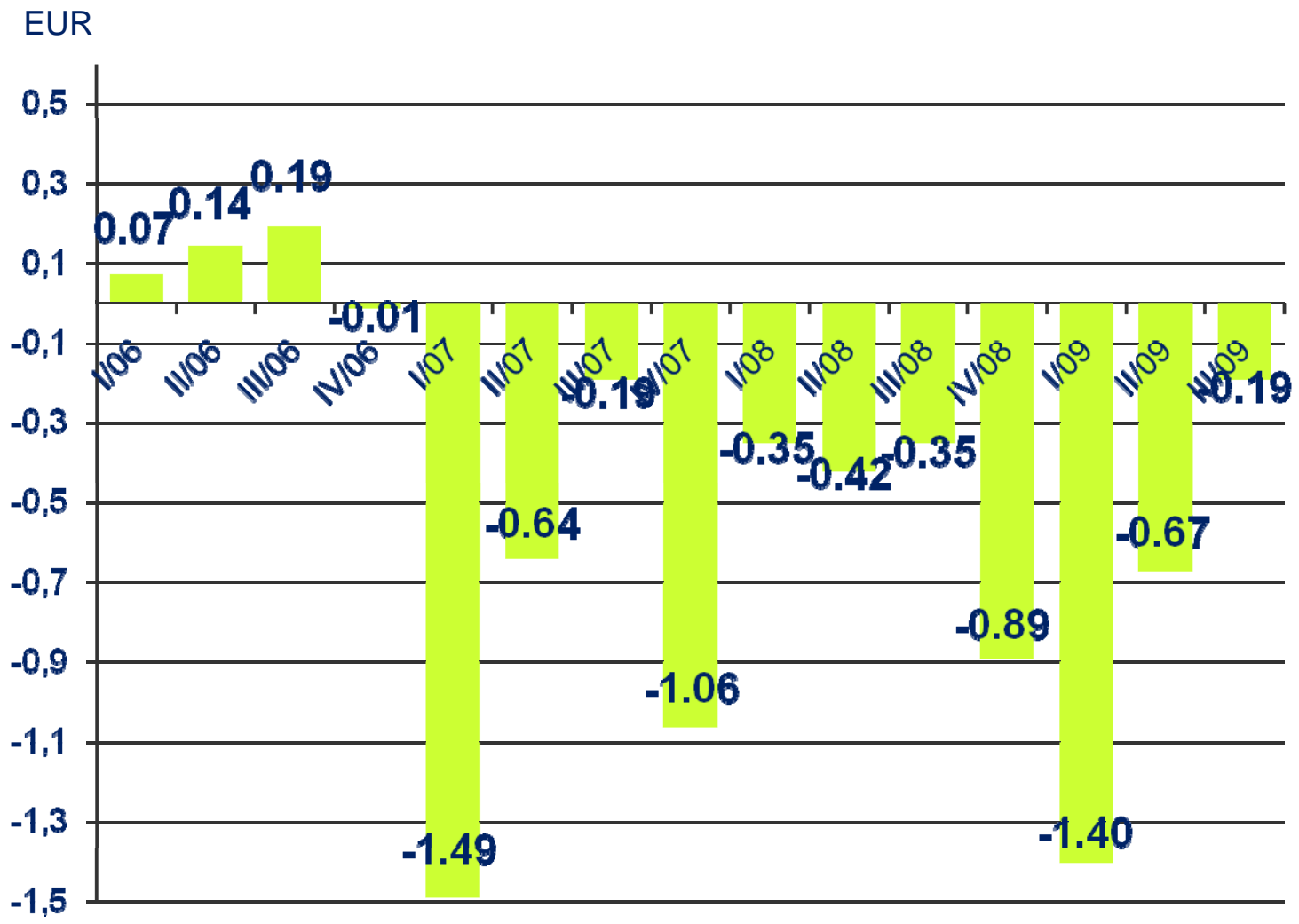




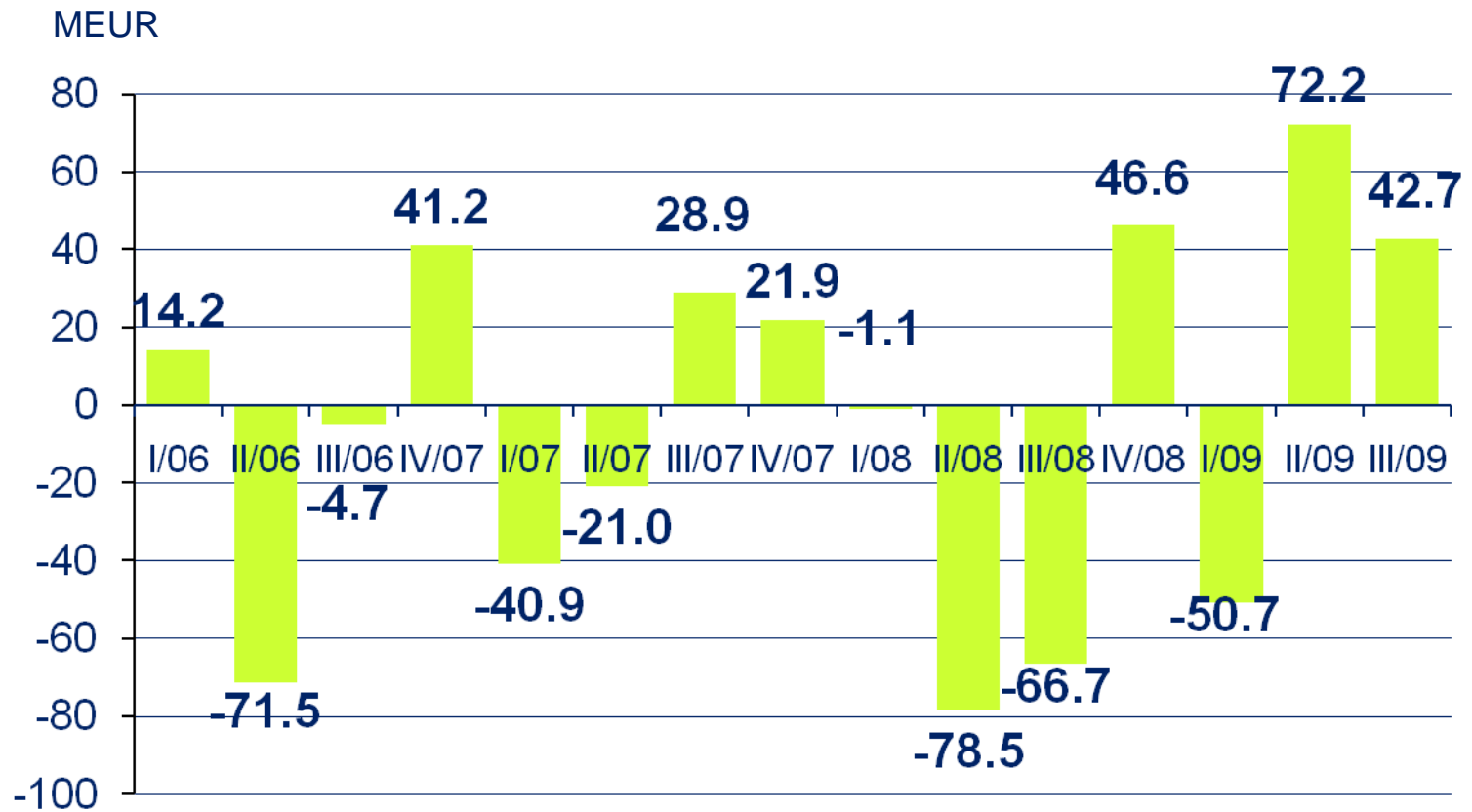
Quarterly Net Sales by Geographical Area in 2007 - 2009



Earnings per Share

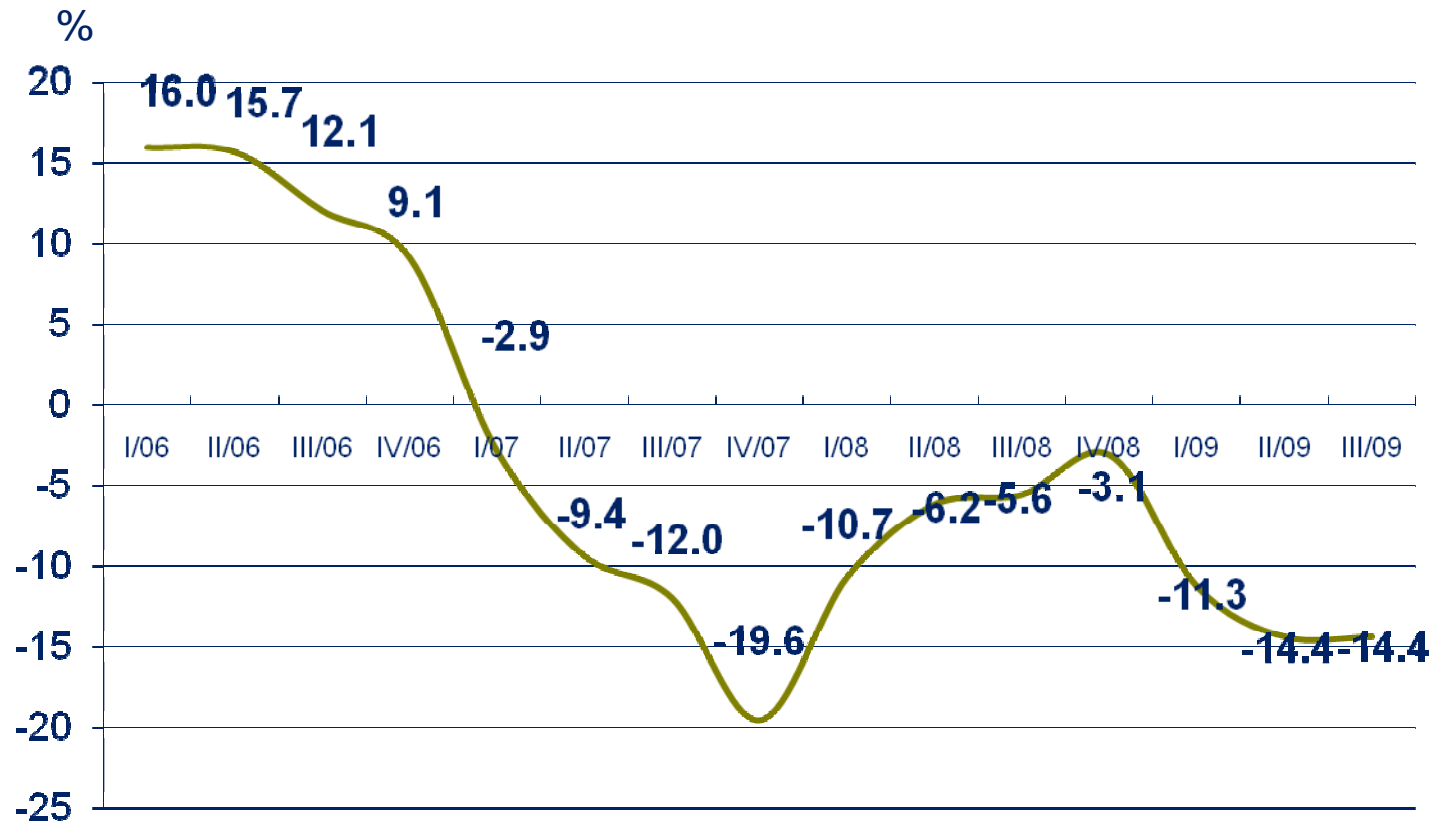


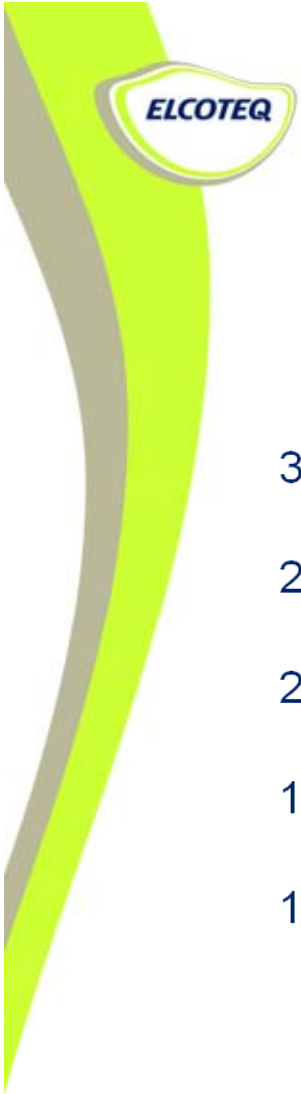
Cash Flow



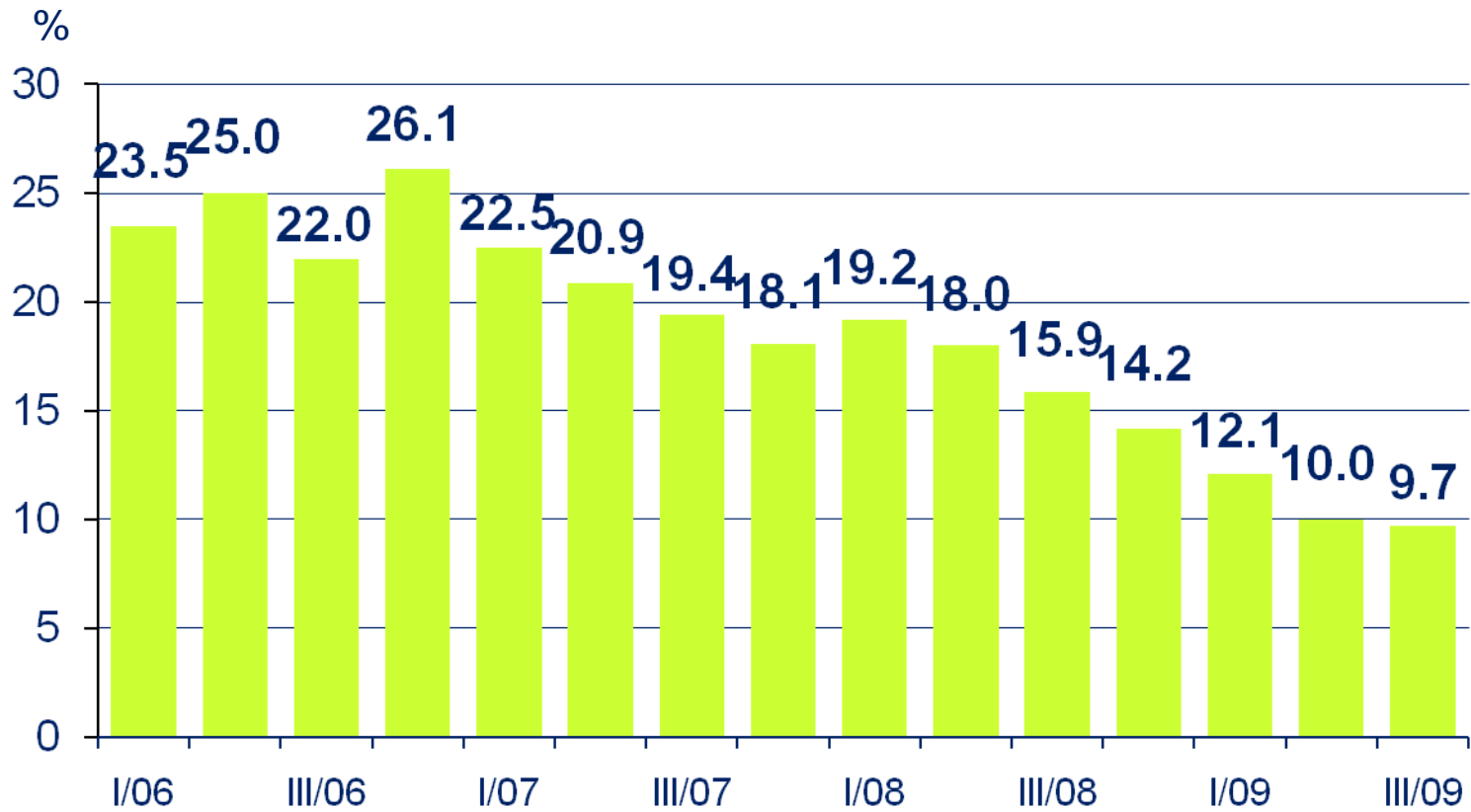


Return on Capital Employed, ROCE (Trailing 12 Months)



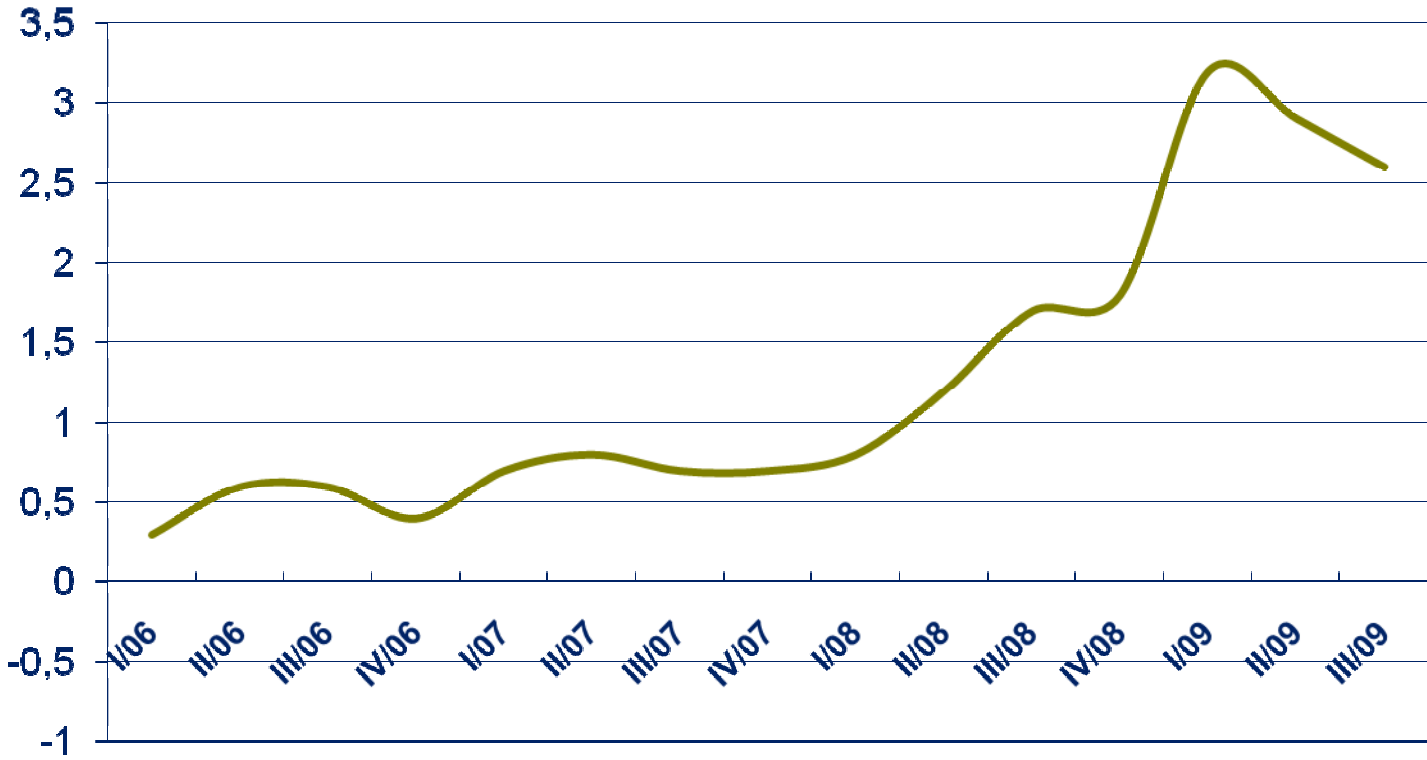


Solvency Ratio



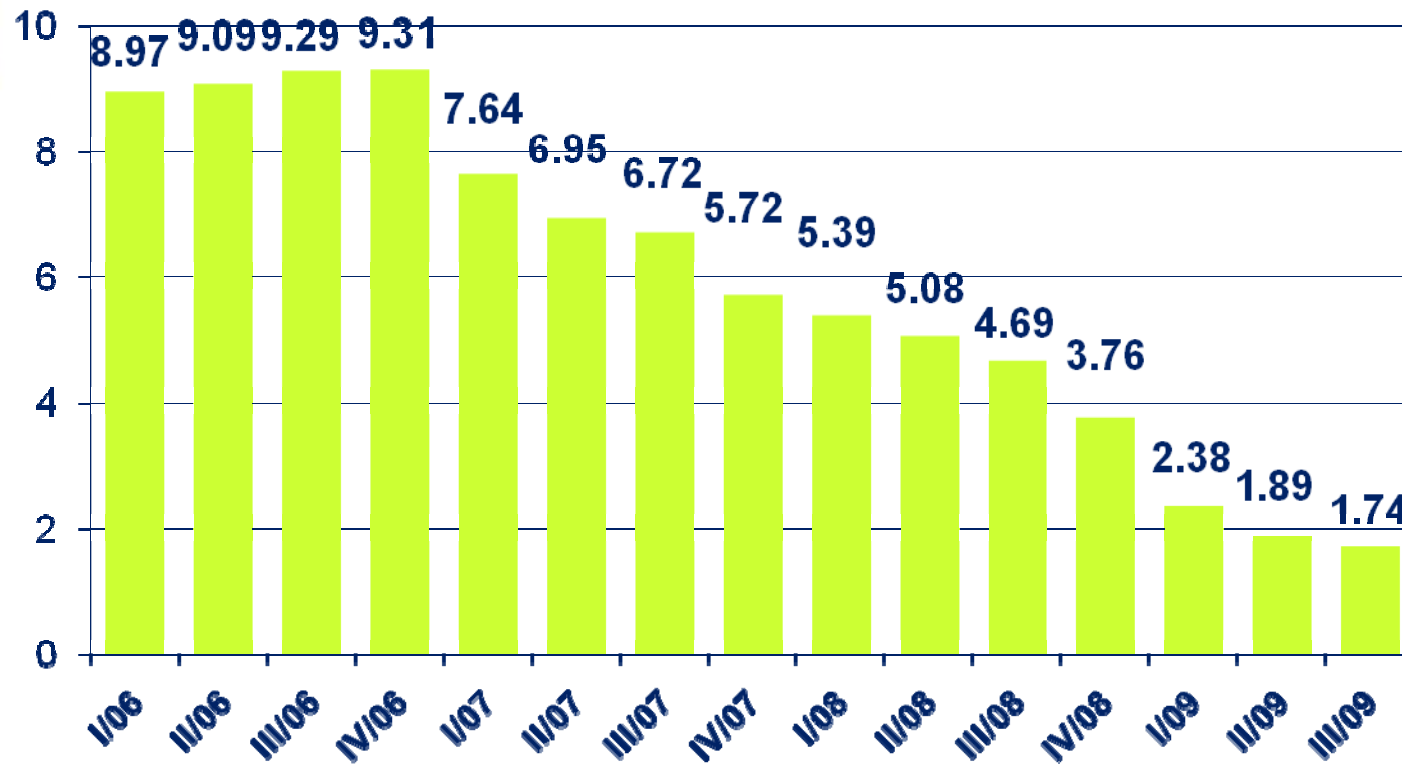


Gearing



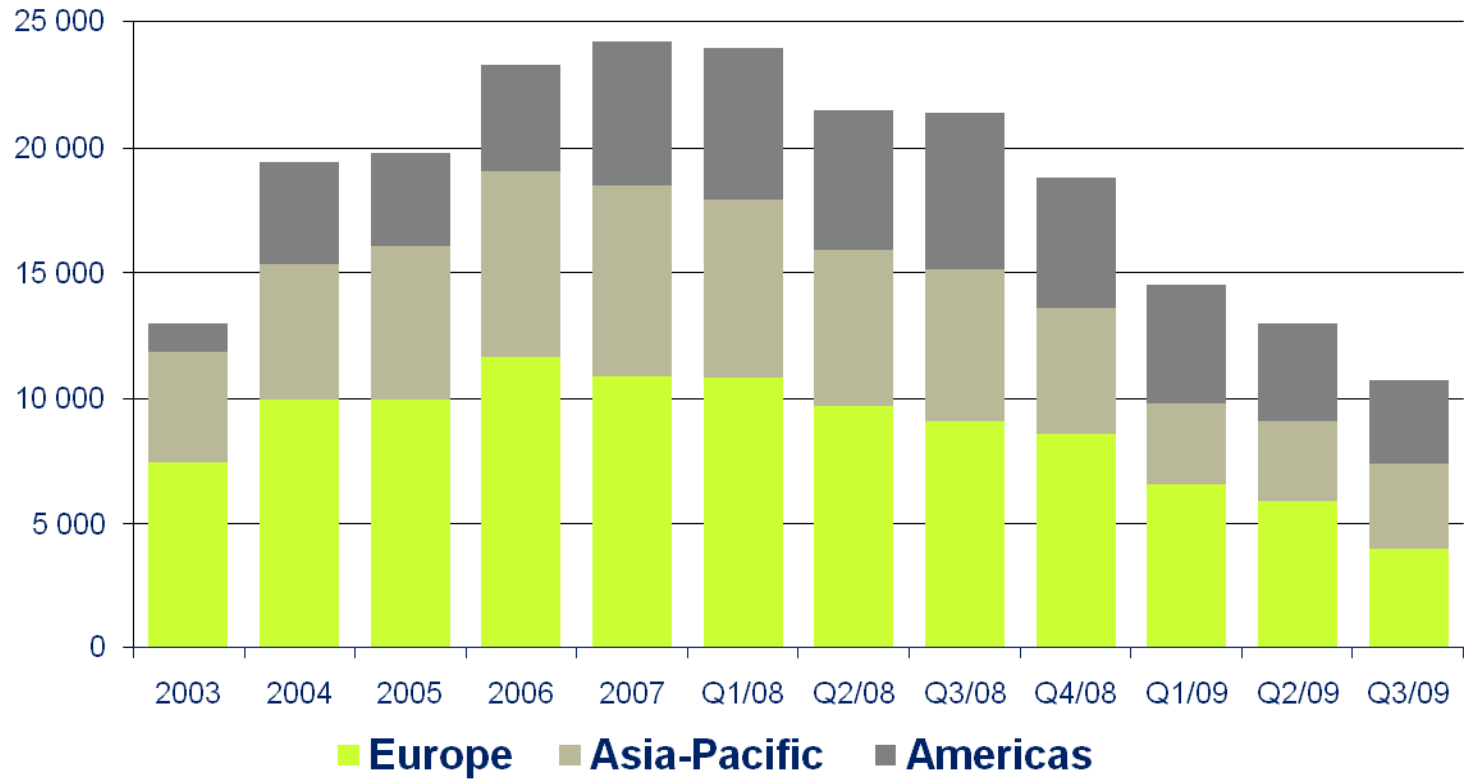
Equity per Share

EUR





Personnel by Geographical Area





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technology customers***