

ELCOTEQ NETWORK CORPORATION'S INTERIM REPORT JANUARY–SEPTEMBER 2004
(unaudited)

This interim report has been prepared in accordance with IFRS, which Elcoteq adopted from the beginning of 2004. Figures in brackets refer to the same period last year unless otherwise stated.

July – September

- Third-quarter net sales rose 67% on the same period last year to MEUR 828.7 (MEUR 496.1)
- Operating income was MEUR 20.0 (MEUR 6.6) and income before taxes was MEUR 17.2 (MEUR 4.8). Operating income was increased by a one-time VAT item of MEUR 2.3 in the Shenzhen company, and therefore operating income from actual business operations was MEUR 17.7.
- Earnings per share (EPS) were EUR 0.33 (EUR 0.30)
- Return on capital employed (ROCE) in the previous 12 months was 21.3% (11.3% according to FAS at the close of Q3/2003)
- Cash flow after investing activities was MEUR -17.6 (MEUR 16.6)
- Gearing was 0.3 (0.1)

January – September

- Net sales in the first nine months of the year rose 38% on the same period last year to MEUR 2,089.1 (MEUR 1,513.8)
- Operating income was MEUR 50.6 (MEUR 13.6) and income before taxes was MEUR 44.1 (MEUR 8.5)
- Earnings per share (EPS) were EUR 0.88 (EUR 0.28)
- Cash flow after investing activities was MEUR -36.4 (MEUR -27.5)
- Interest-bearing net debt amounted to MEUR 68.3 (MEUR 15.5)

General

Elcoteq's third-quarter net sales and operating income grew strongly compared both to the same period last year and to the second quarter of 2004. Changes have taken place in recent years in the communications technology end-market and also in the electronics manufacturing services sector. Elcoteq has responded to these changes by further broadening its service offering and by increasing manufacturing capacity in all its geographical areas.

July – September

Third-quarter net sales rose 67% on the same period last year totaling MEUR 828.7 (MEUR 496.1). The increase compared to the second quarter in 2004 was almost 30%, the bulk of which came from Europe and Asia-Pacific.

Operating income between July and September more than tripled on the same period last year to MEUR 20.0 (MEUR 6.6). The reported operating income includes a one-time item of MEUR +2.3, and therefore operating income from actual business operations was MEUR 17.7. The claim concerning the value added tax charged by the Chinese authorities to Elcoteq's 70%-owned Shenzhen GKI company was settled during the third quarter. This added MEUR 2.3 to Elcoteq's operating income and raised minority interest by MEUR 2.2. The impact on the the Group's net income, therefore, was approximately MEUR +0.1.

Operating income was boosted by clearly higher than forecast production volumes in the Terminal Products business area, especially in Europe. Profitability, on the other hand, was weakened by the Communication Network Equipment's weak result, the main reason for which were temporary problems with production for a certain customer. The problems relate to production transfers within Elcoteq and their timetables and to clearly lower than planned production volumes. The situation is expected to be largely rectified during the final quarter of the current year.

Income before taxes totaled MEUR 17.2 (MEUR 4.8) and net income was MEUR 10.0 (MEUR 8.5). Earnings per share were EUR 0.33 (EUR 0.30).

The Group's gross capital expenditures on fixed assets between July and September amounted to MEUR 46.7 (MEUR 21.8), or 5.6% of net sales. In addition to this, operating leases were signed for a total value of approximately MEUR 10. Depreciation was MEUR 15.9 (MEUR 14.4). Most of the investments were made in the manufacturing plants in Estonia and Hungary.

Cash flow after investing activities in the third quarter was MEUR -17.6 (MEUR 16.6). Cash flow remained negative owing to the strong growth in business volume despite a slight improvement in turnover of working capital compared to the end of the previous period. Sales of accounts receivable were at the same level as in the second quarter.

Elcoteq's largest customers are companies within the Nokia and Ericsson groups. During the third quarter these accounted for 72.5% (79.0%) of Elcoteq's net sales. This figure does not include the company's business activities with Sony Ericsson.

January – September

Net sales between January and September increased 38% to MEUR 2,089.1 (MEUR 1,513.8). Operating income was MEUR 50.6 (MEUR 13.6) and income before taxes MEUR 44.1 (MEUR 8.5). Earnings per share were EUR 0.88 (EUR 0.28).

Gross capital expenditures on fixed assets between January and September amounted to MEUR 83.1 (MEUR 45.7), or 4.0% of net sales. Depreciation was MEUR 44.4 (MEUR 42.7).

Cash flow after investing activities was MEUR -36.4 (MEUR -27.5).

The Group had unused credit limits totaling MEUR 169.1 (MEUR 168.7 at the close of the previous quarter). Cash flow from the sale of accounts receivable amounted to MEUR 165.4 at the end of September (MEUR 166.4 at the end of the previous quarter). The solvency ratio was 27.3% (38.4%) and gearing was 0.3 (0.1).

Personnel

At the end of September Elcoteq employed altogether 16,514 people, of whom 13,299 (11,428) were on Elcoteq's payroll and 3,215 were contract employees. Of the former group, 823 (1,084) worked in Finland and 12,476 (10,344) elsewhere. The geographical breakdown of Elcoteq's own employees was as follows: Europe 7,407 (6,972), Asia-Pacific 4,287 (3,503) and Americas 1,605 (953). The average number of own employees between January and September was 12,917 (10,636).

During the third quarter the number of employees grew most in Estonia, Hungary and Mexico. In these three countries personnel was roughly 3,400 higher than at the same time last year.

Business areas

The company has two business areas: Terminal Products and Communications Network Equipment. In the third quarter, Terminal Products accounted for 80% (79%) and Communications Network Equipment for 20% (15%) of the Group's net sales.

Terminal Products

Net sales of the Terminal Products business area between July and September totaled MEUR 660.0 (MEUR 391.6) and this segment's operating income was MEUR 23.9 (MEUR 8.8). Net sales showed an increase of approximately 69% on the same period last year and about 35% compared to the second quarter this year. Compared to the third quarter of 2003, growth was particularly strong in Europe and Americas, although sales in the Asia-Pacific area have started to rise as well.

Communications Network Equipment

Net sales of the Communications Network Equipment business area between July and September more than doubled on the same period last year to MEUR 168.6 (MEUR 73.3). Roughly MEUR 34 of this figure was attributable to the business operations acquired in 2003. This segment's operating income was MEUR 1.7 (MEUR 0.3). Elcoteq made an agreement with Orthogon Systems in September under which Elcoteq will manufacture wireless broadband radio links for Orthogon at the Offenburg plant in Germany.

Expansion of customer base

Elcoteq expects the customer base of its Terminal Products business area to be clearly broader in 2005 than earlier. In addition to the new accounts (Research in Motion (RIM) and Vitelcom) announced this autumn, Elcoteq has also signed an ODM agreement with Siemens on the delivery of a mobile phone model, production of which will start during the final quarter of the current year. Elcoteq also has other new terminal products customers and projects in some of which the end-customer has also outsourced product design. Elcoteq anticipates that altogether these new accounts will generate at least MEUR 350 in new sales during 2005.

Geographical areas

Elcoteq has divided its operations geographically into four areas. Europe comprises two areas, one for Terminal Products and the other for Communications Network Equipment. The other two areas are Asia-Pacific and Americas. Third-quarter net sales was divided geographically as follows: Terminal Products / Europe 44% (46%), Communications Network Equipment / Europe 18% (19%), Asia-Pacific 25% (31%) and Americas 13% (4%).

Europe

Aggregate third-quarter net sales in Europe were MEUR 513.8 (MEUR 321.2), comprising MEUR 368.6 (MEUR 229.1) for Terminal Products and MEUR 145.2 (MEUR 60.9) for Communications Network Equipment.

Elcoteq announced in the spring that it will transfer production from the Espoo plant acquired from Tellabs to its Tallinn communications network equipment plant in Estonia. The transfer was completed during the third quarter. Most of the plant's production operations were transferred but in the end it was decided to move manufacturing of certain low-volume products to Elcoteq's Lohja plant in Finland.

Asia-Pacific

Aggregate third-quarter net sales in Asia-Pacific rose roughly 35% compared to one year earlier and totaled MEUR 207.0 (MEUR 153.7).

Americas

Aggregate third-quarter net sales in the Americas increased fivefold on the same period last year and totaled MEUR 107.9 (MEUR 21.2).

Elcoteq has begun offering electronics manufacturing services from Manaus, Brazil. This plant is particularly geared to serving terminal products companies and its first customer is Vitelcom, for which Elcoteq will make CDMA mobile phones.

Shares and shareholders

Elcoteq had 13,188 shareholders on September 30, 2004. The company's share capital is divided into Series A and Series K shares. At the end of September there were altogether 30,459,777 shares: 19,882,777 A shares and 10,577,000 K shares. The number of Series A shares registered in nominee accounts or by foreigners totaled 7,240,525, which represented 23.8% of the company's total share capital and 5.8% of the total votes.

Incentive plans 2004

Elcoteq's Board of Directors decided in August on the long-term motivation and commitment of the management and key personnel of the Group by means of a stock option plan, a share ownership plan and a reward plan.

Stock options will be issued to the key personnel of the Group and to Elcoteq Lohja Oy, a wholly owned subsidiary of the company. The total maximum number of stock options issued is 1,350,000, and they entitle their holders to subscribe for 1,350,000 A-shares in Elcoteq Network Corporation. The stock options now issued can be exchanged for shares constituting a maximum of 4.2% of all of the company's shares and 1.1% of the voting rights of all shares after the potential share capital increase.

The new share-based incentive plan is targeted at the Group's key persons and it has a duration of three years. The Board will determine annually the result and turnover targets for each year.

The company also has a new reward plan for Group key persons, the potential reward from which is based on the growth of the market value of the company's shares. The reward plan is directed at key personnel not covered by the stock option plan and the share-based incentive plan.

Conversion of Elcoteq into a European company

On October 8, 2004 Elcoteq Network Corporation's Board of Directors decided to propose to a general meeting the conversion of Elcoteq into a European company (Societas Europaea, SE). This is part of Elcoteq's internationalization strategy with the aim of creating an effective structural basis for continuously improving the company's competitiveness. In the longer term Elcoteq will seek efficiencies and savings in administrative costs through this new form of company. The final decision on conversion into a European company will be taken by the general meeting. The most likely date for conversion, in view on the duration of personnel negotiations, is spring 2005.

Conversion into a European company will not affect the company's domicile, location of its head office, tax status or the employment contracts of its personnel. The only change to the position of its personnel will apply to employee involvement, which in the future will be arranged at the European level. Nor will conversion affect the position of shareholders.

Prospects to the year end

Elcoteq's main markets, terminal products and communications network equipment, began to grow at the end of 2003, a trend that has continued during the current year. Similarly, demand for product design and electronics manufacturing services has remained good, which gives a solid foundation for the company's business development.

Net sales and operating income from the actual business operations in the final quarter are forecast to be at the third quarter's level.

Lohja, October 26, 2004

Board of Directors

Further information:

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Reeta Kaukiainen, Director, Communications and IR, tel. +358 10 413 1742, GSM +358 50 522 0924

Press conference

Elcoteq will hold a press conference for media representatives and analysts in the Mansku Cabinet of the Scandic Hotel Simonkenttä (1st floor), Simonkatu 9, Helsinki, starting at 1.00 pm (EET) on Wednesday, October 27, 2004.

Web conference and call for investors and analysts

A web conference and call in English will be held on Wednesday, October 27, 2004 starting at 3.30 pm EET (1.30 pm UK time). To participate by phone, please link in to <http://events.genesysrichmedia.com/elcoteq/2004/10/27> and call +44 20 7162 0187, code Elcoteq.

The information presented during the press conference (pdf file) will be available from 11.00 am (EET) on October 27, 2004 on the company's website, www.elcoteq.com.

Elcoteq will release its financial statements for 2004 at 9.00 am (EET) on Thursday February 10, 2005.

The following average conversion rate is used in this interim report:

1 EUR = 1.2409 USD

Enclosures:

- 1 Income statement
- 2 Balance sheet
- 3 Cash flow statement
- 4 Calculation of changes in shareholders' equity
- 5 Key figures
- 6 Business areas
- 7 Assets pledged and contingent liabilities
- 8 Quarterly figures

APPENDIX 1

INCOME STATEMENT, MEUR	1-9/2004	1-9/2003	Change, %	1-12/2003
NET SALES	2,089.1	1,513.8	38.0	2,235.7
Change in work in progress and finished goods	34.9	-6.5		6.5
Other operating income	14.9	1.7		2.4
Operating expenses	-2,043.8	-1,452.8	40.7	-2,156.4
Depreciation and writedowns	-44.4	-42.7	4.2	-57.6
OPERATING INCOME	50.6	13.6	273.2	30.5
% of net sales	2.4	0.9		1.4
Financial income and expenses	-5.6	-4.8	16.3	-7.5
Share of profits and losses of associates	-1.0	-0.3		-0.5
INCOME BEFORE TAXES AND MINORITY INTERESTS	44.1	8.5	421.7	22.5
Income taxes	-15.3	-0.3		-1.5
Minority interests	-2.1	0.1		-0.4
NET INCOME	26.7	8.2	224.6	20.7

Reported taxes represent income tax for the period.

APPENDIX 2

BALANCE SHEET, MEUR	Sept. 30, 2004	Sept. 30, 2003	Change, %	Dec. 31, 2003
ASSETS				
Non-current Assets				
Intangible assets	39.5	38.4	2.9	36.9
Tangible assets	183.6	141.6	29.7	154.0
Investments	14.5	1.1	1 169.1	14.9
Non-current assets, total	237.6	181.1	31.2	205.8
Current assets				
Inventories	357.3	200.1	78.5	267.0
Long-term receivables	15.4	10.7	44.6	11.2
Current receivables	320.7	221.0	45.1	256.7
Cash and equivalents	37.4	24.6	51.9	63.7
Current assets, total	730.8	456.4	60.1	598.6
ASSETS, TOTAL	968.4	637.5	51.9	804.4
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	12.2	11.8	3.1	12.1
Other shareholders' equity	244.1	224.8	8.6	243.4
Shareholders' equity, total	256.3	236.6	8.3	255.5
Minority interests	7.9	8.3	-5.7	5.8
Long-term liabilities				
Long-term loans	34.1	21.8	56.6	36.5
Other long-term debt	14.8	12.5	18.4	12.9
	49.0	34.3	42.7	49.4
Provisions	2.3	1.0	120.5	2.1
Current liabilities				
Loans	57.6	10.9	430.0	19.3
Other current liabilities	595.4	346.4	71.9	472.4
	653.0	357.2	82.8	491.7
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	968.4	637.5	51.9	804.4

APPENDIX 3

CONSOLIDATED CASH FLOW STATEMENT, MEUR

	1-9/2004	1-9/2003	Change, %	1-12/2003
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Cash flow before change in working capital	80.5	40.5	98.8	69.7
Change in working capital *)	-46.9	10.3		36.5
Financial items and taxes	-6.8	-2.3	195.7	-6.1
Cash flow from operating activities	26.8	48.5	-44.7	100.1
<u>Cash flow from investing activities **)</u>	<u>-63.2</u>	<u>-76.1</u>	<u>-17.0</u>	<u>-118.2</u>
<u>Cash flow before financing activities</u>	<u>-36.4</u>	<u>-27.5</u>	<u>32.4</u>	<u>-18.1</u>
Proceeds from the share issue	1.2	0.5		8.1
Change in current debt	41.6	-9.4		-0.9
Issuance of long-term debt	0.0	14.1	-100.0	20.0
Repayment of long-term debt	-5.6	-13.3	-57.9	-4.8
Dividends paid	-27.3	-12.6	116.7	-12.6
Cash flow from financing activities	9.9	-20.7		9.8
Change in cash and equivalents	-26.4	-48.3	-45.3	-8.3
Cash and equivalents on January 1	63.7	76.1	-16.3	76.1
Effect of exchange rate changes on cash held	0.0	-3.2		-4.1
Cash and equivalents at the end of period	37.3	24.6	51.6	63.7

*) The change in working capital includes the change in sold accounts receivable. The impact of this change is to weaken cash flow by MEUR 19.6 during the reporting period 1-9/2004 and to improve cash flow by MEUR 0.6 during 1-9/2003.

***) Cash flow from investing activities for 1-9/2004 includes cash flow of MEUR +21 from the sale of the Industrial Electronics business and cash flow of MEUR -18 from the Tellabs acquisition at the end of 2003.

APPENDIX 4

CALCULATION OF CHANGES IN SHAREHOLDERS' EQUITY, MEUR

	Share capital	Additional paid-in capital	Other reserves	Translation differences	Retained earnings	Total
Balance at January 1, 2004	12.1	209.0	9.7	-2.9	27.6	255.5
Issue of share capital	0.1	2.4	-1.4			1.1
Translation differences				0.2		0.2
Dividends					-27.3	-27.3
Net income for the period					26.7	26.7
Balance at September 30, 2004	12.2	211.4	8.3	-2.7	27.0	256.2
Balance at January 1, 2003	11.8	202.6	8.4	0.8	18.7	242.3

Issue of share capital	0.0	0.4			0.4
Translation differences				-2.5	-2.5
Dividends					-11.8
Net income for the period					8.2
Balance at September 30, 2003	11.8	203.0	8.4	-1.7	15.1

APPENDIX 5

KEY FIGURES	1-9/2004	1-9/2003	Change, %	1-12/2003
Personnel on average during the period	12,917	10,636	21.4	11,044
Gross capital expenditures, MEUR	83.1	45.7	81.8	68.1
Return on equity (ROE), %	11.0	3.2		8.2
Return on investment (ROI/ROCE), %	15.0	4.8		10.2
From 12 preceding months:				
Return on equity (ROE), %	16.4	-		8.2
Return on investment (ROI/ROCE), %	21.3	-		10.2
Earnings per share (EPS), EUR	0.88	0.28	214.3	0.70
Diluted earnings per share (EPS), EUR	0.81	0.25	224.0	0.62
Current ratio	1.1	1.3		1.2
Solvency ratio, %	27.3	38.4		32.6
Gearing	0.3	0.1		0.0
Equity per share, EUR	8.41	8.02	4.9	8.46
Interest-bearing liabilities, MEUR	105.7	40.1	163.6	63.3
Interest-bearing net debt, MEUR	68.3	15.5	340.6	-0.4
Non-interest-bearing liabilities, MEUR	596.3	351.4	69.7	477.7

APPENDIX 6

BUSINESS AREAS	1-9/2004	1-9/2003	1-12/2003
Net sales			
Terminal Products	1,611.2	1,190.5	1,779.8
Communications Network Equipment	446.0	229.2	329.8
Industrial Electronics	31.9	94.0	126.0
Total	2,089.1	1,513.8	2,235.7
Segment operating income			
Terminal Products	49.8	23.2	40.1
Communications Network Equipment	13.9	3.7	8.8
Industrial Electronics	13.0	8.0	11.5

Unallocated expenses	-26.0	-21.2	-29.9
Total	50.6	13.6	30.5

Elcoteq's share of associated company results for the first nine months of 2004 was MEUR -1.0. This comprised MEUR -0.3 from Communications Network Equipment and MEUR -0.7 from unallocated expenses. Associated company results in the first nine months of 2003 totaled MEUR -0.3, which comprised MEUR -0.3 in unallocated expenses. Associated company results for the whole of 2003 amounted to MEUR -0.5. This comprised MEUR -0.1 from Communications Network Equipment and MEUR -0.4 from unallocated expenses.

	Q3/ 2004	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
Net sales							
Terminal Products	660.0	489.8	461.4	589.3	391.6	389.0	410.0
Communications Network Equipment	168.6	152.2	125.1	100.6	73.3	78.7	77.2
Industrial Electronics	0.0	0.0	31.9	32.0	31.2	32.7	30.1
Total	828.7	641.9	618.5	721.9	496.1	500.4	517.3
Segment operating income							
Terminal Products	23.9	10.4	15.5	16.9	8.8	5.1	9.2
Communications Network Equipment	1.7	7.4	4.7	5.1	0.3	1.9	1.5
Industrial Electronics	0.0	10.0	3.0	3.5	4.8	1.8	1.4
Unallocated expenses	-5.6	-8.5	-11.9	-8.6	-7.3	-7.0	-6.9
Total	20.0	19.3	11.3	17.0	6.6	1.8	5.2

Associated company results in the third quarter of 2004 totaled MEUR -0.3. This comprised MEUR -0.1 from Communications Network Equipment and MEUR -0.2 from unallocated expenses. Associated company results in the third quarter of 2003 totaled MEUR -0.1 and comprised MEUR -0.1 unallocated expenses.

The settlement of the value added tax claim for fiscal 2001 and 2002 in the Shenzhen GKI company reduced the Group's unallocated expenses in the third quarter of 2004 by MEUR 2.3.

APPENDIX 7

ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR

	Sept. 30, 2004	Sept. 30, 2003	Change, %	Dec. 31, 2003
ON BEHALF OF OTHERS				
Guarantees	0.1	0.2	-64.4	0.2
LEASING COMMITMENTS				
Operating lease, machinery and equipment (excl. VAT)	31.3	11.8	165.3	13.2

Rental commitments. real estates (excl. VAT)	14.4	21.4	-32.7	20.6
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	Sept. 30, 2004	Sept. 30, 2003	Change, %	Dec. 31, 2003
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DERIVATIVE CONTRACTS

Foreign currency derivative instruments

Forward contracts, transaction risk

Nominal value	187.1	88.5	111.4	117.2
Book value	-2.9	0.8		-4.8
Market value	-2.9	0.8		-4.8

Forward contracts, translation risk

Nominal value	22.2	37.4	-40.6	36.4
Book value	0.1	0.1	0.0	0.4
Market value	0.1	0.1	0.0	0.4

Forward contracts, financial risk

Nominal value	56.9	22.2	156.3	36.2
Book value	0.3	0.3	0.0	0.4
Market value	0.3	0.3	0.0	0.4

Foreign currency option contracts

Nominal value, bought	3.7	-		1.6
Nominal value, sold	3.7	-		2.4
Book value, bought	0.0	-		0.0
Book value, sold	0.0	-		0.0
Market value, bought	0.0	-		0.0
Market value, sold	0.0	-		0.0

The fair value of forwards is calculated using the average exchange rate of the European Central Bank on the balance sheet date.

The fair value of options is the amount at which the options could be exchanged if closed on the balance sheet date.

APPENDIX 8

QUARTERLY FIGURES

INCOME STATEMENT, MEUR

	Q3/ 2004	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
NET SALES	828.7	641.9	618.5	721.9	496.1	500.4	517.3
Change in work in progress and finished goods	16.7	-3.2	21.3	13.0	5.0	3.8	-15.3
Other operating income	1.0	12.6	1.2	0.6	0.5	0.7	0.6
Operating expenses	-810.6	-617.6	-615.5	-703.6	-480.7	-488.6	-483.5
Depreciation and writedowns	-15.9	-14.4	-14.2	-14.9	-14.4	-14.5	-13.8

OPERATING INCOME	20.0	19.3	11.3	17.0	6.6	1.8	5.2
% of net sales	2.4	3.0	1.8	2.4	1.3	0.4	1.0
Financial income and expenses	-2.5	-2.2	-0.9	-2.7	-1.7	-1.8	-1.3
Share of profits and losses of associates	-0.3	-0.3	-0.4	-0.2	-0.1	-0.2	0.0

INCOME BEFORE

TAXES AND MINORITY INTERESTS	17.2	16.8	10.1	14.1	4.8	-0.2	3.9
Income taxes	-5.1	-5.7	-4.4	-1.1	3.7	-1.9	-2.1
Minority interests	-2.2	0.1	-0.1	-0.5	0.1	0.0	0.1

NET INCOME	10.0	11.2	5.6	12.4	8.5	-2.2	1.9
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BALANCE SHEET, MEUR	Q3/ 2004	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
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ASSETS

Non-current assets							
Intangible assets	39.5	38.1	37.5	36.9	38.4	42.0	43.0
Tangible assets	183.6	153.7	156.6	154.0	141.6	135.4	144.9
Investments	14.5	14.7	14.8	14.9	1.1	1.2	0.8
Non-current Assets, total	237.6	206.6	208.9	205.8	181.1	178.6	188.8

Current assets

Inventories	357.3	268.6	279.4	267.0	200.1	158.9	176.5
Long-term receivables	15.4	15.1	9.1	11.2	10.7	5.9	6.6
Current receivables	320.7	324.9	305.5	256.7	221.0	222.8	222.9
Cash and equivalents	37.4	40.7	18.4	63.7	24.6	44.4	41.3
Current assets, total	730.8	649.2	612.4	598.6	456.4	432.0	447.2

ASSETS, TOTAL	968.4	855.8	821.3	804.4	637.5	610.6	636.0
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SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity							
Share capital	12.2	12.2	12.2	12.1	11.8	11.8	11.8
Other shareholders' equity	244.1	234.3	222.8	243.4	224.8	216.9	220.0
Shareholders' equity, total	256.3	246.5	235.0	255.5	236.6	228.7	231.8

Minority interests	7.9	5.9	5.9	5.8	8.3	10.2	11.7
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Long-term liabilities

Long-term loans	34.1	35.3	35.5	36.5	21.8	22.1	22.4
Other long-term debt	14.8	13.3	14.4	12.9	12.5	10.6	10.3
	49.0	48.6	50.0	49.4	34.3	32.7	32.7

Provisions	2.3	2.6	1.7	2.1	1.0	0.7	0.9
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Current liabilities

Loans	57.6	43.0	90.9	19.3	10.9	46.2	44.4
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Other current liabilities	595.4	509.3	437.8	472.4	346.4	292.0	314.4
	653.0	552.3	528.7	491.7	357.2	338.2	358.9

SHAREHOLDERS' EQUITY

AND LIABILITIES, TOTAL	968.4	855.8	821.3	804.4	637.5	610.6	636.0
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Personnel on average during the period	12,865	12,638	13,222	12,864	11,132	10,566	10,210
Gross capital expenditures, MEUR	46.7	16.5	19.9	22.4	21.8	10.3	13.6
ROI/ROCE from 12 preceding months, %	21.3	17.2	11.3	10.2	-	-	-
Earnings per share (EPS), EUR	0.33	0.37	0.18	0.42	0.30	-0.08	0.06
Solvency ratio, %	27.3	29.6	29.5	32.6	38.4	39.2	38.3

NET SALES BY BUSINESS AREA, MEUR

	Q3/ 2004	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
Terminal Products	660.0	489.8	461.4	589.3	391.6	389.0	410.0
Communications Network Equipment	168.6	152.2	125.1	100.6	73.3	78.7	77.2
Industrial Electronics	-	-	31.9	32.0	31.2	32.7	30.1

NET SALES BY GEOGRAPHICAL AREA, MEUR

	Q3/ 2004	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
Terminal Products Europe	368.6	261.4	254.5	350.4	229.1	218.4	203.7
CNE* Europe	145.2	131.8	112.1	89.4	60.9	70.9	72.2
Asia-Pacific	207.0	137.2	159.7	183.6	153.7	161.7	199.2
Americas	107.9	111.5	60.2	66.6	21.2	16.6	12.1
IE** Europe			31.9	32.0	31.2	32.7	30.1

CNE* = Communications Network Equipment

IE** = Industrial Electronics