

ELCOTEQ SE'S INTERIM REPORT JANUARY–MARCH 2007 (UNAUDITED)

Elcoteq SE's net sales between January and March totaled 952.5 million euros (981.1 in January-March 2006). Operating income was -52.4 million euros (8.3) and excluding restructuring costs -22.3 million euros.

- Net sales 952.5 million euros (981.1)
- Operating income -52.4 million euros (8.3)
- Operating income includes 30.1 million euros in one-time restructuring costs. An additional 5 million euros in restructuring costs in 2007 will be recognized later.
- Operating income excluding restructuring costs -22.3 million euros (8.3)
- Income before taxes -59.0 million euros (2.9)
- Earnings per share (EPS) -1.49 euros (0.07)
- Cash flow after investing activities -40.9 million euros (14.2)
- Rolling 12-month return on capital employed -2.9% (16.0%)
- Gearing 0.7 (0.3)

This interim report has been prepared using IFRS recognition and measuring principles. The tables have been prepared in compliance with the IAS 34 requirements approved by the EU.

Net Sales and Result

Elcoteq recorded net sales of 952.5 million euros (981.1) between January and March. Operating income, -52.4 million euros (8.3), included restructuring costs totaling 30.1 million euros related to the company's action plan to restore its profitability and competitiveness. The weak operating income is due to low production volumes, price pressure experienced by the Communications Networks business area, and production problems in Mexico.

The Group's net financial expenses were 6.4 million euros (5.1). Income before taxes was -59.0 million euros (2.9) and net income totaled -46.9 million euros (2.1). Earnings per share (EPS) were -1.49 euros (0.07).

The Group's gross capital expenditures on fixed assets between January and March were 11.2 million euros (16.0) or 1.2% of net sales. Depreciation amounted to 20.1 million euros (18.9).

Financing and Cash Flow

Cash flow after investing activities was -40.9 million euros (14.2). Cash flow was burdened, in addition to the weak result, by a deterioration in turnover of net working capital compared to the end of 2006, caused by the timing and customer breakdown of deliveries and by changes to certain agreements. Furthermore, the cash flow received by the Group from sold accounts receivable decreased by 17.4 million euros from the end of 2006 (187.7 million euros) to a total of 170.3 million euros at the end of March. The solvency ratio was 22.5% (23.5%) and gearing was 0.7 (0.3).

At the end of March Elcoteq has unused but immediately available credit limits totaling 294.9 million euros (293.8 million euros at the end of 2006), which included a syndicated loan with a committed credit limit of 230 million euros. Commercial papers issued by the Group had a total nominal value of 30.0 million euros on March 31, 2007.

Business Areas

Elcoteq has two business areas: Terminal Products and Communications Networks. In the first quarter Terminal Products contributed 81% (82%) and Communications Networks 19% (18%) to the Group's net sales.

Elcoteq's sales to companies within the Ericsson and Nokia groups during the first quarter decreased by roughly 20% compared to the same period last year and the aggregate contribution of these companies to Elcoteq's consolidated net sales amounted to 58.5% (72.0%). These figures do not include business activities with Sony Ericsson. Net sales from customers not belonging to the Nokia and Ericsson groups, in contrast, increased by more than 40% from the comparison period and Research in Motion (RIM) rose to become Elcoteq's second largest customer.

Net sales of the Terminal Products business area were slightly lower in the first quarter than one year earlier, standing at 767.2 million euros (808.0). The segment's operating income was -36.9 million euros (15.9), or -4.8% of its net sales. Operating income excluding restructuring costs was -8.6 million euros. Operating income was weakened by lower production volumes, lower prices and production problems in Mexico.

Net sales of the Communications Networks business area increased by roughly 7% on last year's first quarter to 185.3 million euros (173.1). The segment's operating income was -4.7 million euros (4.6), or -2.5% of its net sales and, excluding the restructuring costs, -3.3 million euros. Underlying the weaker operating income were heavy pressure on prices, especially in Europe, and lower than forecast production volumes from new customers acquired during the second half of 2006.

In March Elcoteq signed a multi-year manufacturing services contract with Redline Communications. Elcoteq is Redline's primary EMS provider of manufacturing services for WiMAX Forum Certified base station and end-user devices as well as its RedCONNEX backhaul products.

Geographical Areas

Elcoteq has three geographical areas: Europe, Asia-Pacific and Americas. Elcoteq's first-quarter net sales were derived from these areas as follows: Europe 507.6 million euros (530.5), Asia-Pacific 231.2 million euros (253.8) and Americas 213.6 million euros (196.8).

Personnel

At the end of March the Elcoteq Group employed 23,452 people (21,842): 666 (881) in Finland and 22,786 (20,961) elsewhere. The geographical distribution of the workforce was as follows: Europe 10,822 (10,568), Asia-Pacific 7,459 (7,403) and Americas 5,171 (3,871). The average number of Elcoteq employees on the company's direct payroll between January and March was 19,065 (15,748).

Progress in Action Plan

The action plan initiated in order to restore Elcoteq's cost-efficiency, profitability and competitiveness has proceeded according to plan. The aim of the plan, which particularly concerns the company's operations in Europe and Americas, is to achieve annual savings in the region of 20 million euros.

The actions taken in Europe include, among other things, personnel negotiations concerning the Lohja manufacturing plant and the NPI organization in Finland, which have resulted in 242 redundancies on production and economic grounds and the closure of the Lohja plant by the end of August.

The personnel negotiations in Finland also applied to the Group's corporate office and product development organization and have resulted in 84 redundancies on production and economic grounds. At the same time the company decided to close the Elcoteq Design Center in Turku and move this unit's operations to Salo.

In Americas, Elcoteq has decided to close the Juarez plant in Mexico by the end of the year. The plant's production will be moved mainly to China and partly also to the Monterrey plant in Mexico. The Juarez plant had 2,335 employees at the end of March. Additionally, the company's Americas office in Dallas, USA, will be moved to the premises occupied by the Dallas NPI Center.

The action plan will induce one-time restructuring costs totaling roughly 35 million euros, 30.1 million euros of which has been entered in the first-quarter result. The Lohja plant accounts for almost 5 million euros of the restructuring costs, the Juarez plant for approximately 9 million euros, the product development organization for about 6 million euros, and the writedowns of the design-related Cellon holding and receivables for around 14 million euros.

The costs arising at the Lohja and Juarez plants relate mainly to redundancies, rent commitments, writedowns of fixed assets and production transfers. Of these items, certain costs related to the termination of employment contracts and to production transfers were not entered in the first-quarter result but will be recognized under restructuring costs as they occur during the current year. These costs amount to approximately 5 million euros.

The restructuring costs arising from Elcoteq's own product development organization are mainly attributable to a 3.4 million euro writedown of goodwill, as well as writedowns of the balance sheet carrying values of certain projects, and the termination of employee and rental contracts. The value of the Cellon holding has been based primarily on the value in use of the EMS services made available to Elcoteq through Cellon. Owing to the changes in Elcoteq's own product development organization and to Cellon's financial and structural situation, utilizing this partnership in the originally intended manner no longer seems possible and the entire holding has been written down. Cellon International is a wireless terminal products design company in which Elcoteq has held a minority stake since the co-operation agreement was signed in 2003.

Approximately 12 million euros of the 35 million euro restructuring costs affect the company's cash flow. The cash flow items will mostly be recognized during 2007, although it is possible that items related to lease commitments could also be paid during 2008 and 2009.

In addition to the action plan, Elcoteq is also undertaking other streamlining measures including a global program to raise production efficiency at all the company's manufacturing plants and the adoption of a new contract and invoicing model in Europe.

Short-Term Risks and Uncertainty Factors

The most important short-term challenges with respect to Elcoteq's business operations concern the company's ability to improve its cost structure and thus its profitability sufficiently fast as market conditions become increasingly tight, coupled with its ability to offer relevant service packages corresponding to customer demand and needs.

Shares and Shareholders

At the end of March 2007 the company had 31,539,877 shares divided into 20,962,877 Series A shares and 10,577,000 Series K shares. All the K shares are held by the company's three principal owners.

Elcoteq had 11,078 shareholders on March 31, 2007. There were a total of 8,480,438 nominee-registered and foreign-registered shares, or 26.9% of the share capital and 6.7% of the votes outstanding.

Altogether 550 new Elcoteq A shares were subscribed between December 14, 2006 and January 26, 2007 under Elcoteq SE's 2001 stock option scheme. The share subscription price was 6.53 euros as stipulated in the option scheme's conditions. Elcoteq's share capital rose by altogether 220 euros as a result of these subscriptions to 12,615,950.80 euros. The share subscription period ends on April 30, 2007.

Decisions of the Annual General Meeting

Elcoteq SE's Annual General Meeting took place in Helsinki, Finland, on March 22, 2007. The Meeting approved the Board's proposal to distribute a dividend of 0.20 euros per share on the financial year 2006. The Meeting decided that the company's domicile will be transferred from the city of Lohja in Finland to the Grand Duchy of Luxembourg. The transfer is currently expected to take place on January 1, 2008.

The Meeting also authorized the Board of Directors to issue Series A shares and/or to issue specific rights entitling to shares pursuant to Chapter 10 §1 of the Finnish Companies Act, in the total amount of 15,527,573 Series A shares, as well as to purchase the company's own Series A shares. The authorization to issue shares includes the right to disapply the pre-emptive subscription right of the shareholders. The authorization to issue shares is in effect for five years and the authorization to purchase the company's own Series A shares 18 months from the Meeting's decision. Both authorizations, however, become void on transfer of the company's domicile, which is currently expected to take place on January 1, 2008.

The Meeting elected seven members to the Board of Directors. The composition of the Board remained unchanged. The following persons were re-elected: President Martti Ahtisaari; Mr Heikki Horstia, Vice President, Treasurer, Wärtsilä Corporation; Dr Eero Kasanen, Rector of the Helsinki School of Economics; Mr Antti Piippo, principal owner and founder-shareholder of Elcoteq SE; Mr Henry Sjöman, founder-shareholder of Elcoteq SE; Mr Juha Toivola, MSc, and Mr Jorma Vanhanen, founder-shareholder of Elcoteq SE. The terms of office of the Board members extend until the end of the following Annual General Meeting. Ahtisaari, Horstia, Kasanen and Toivola are independent Board members, and they represent more than half of the Board's members.

At its constitutive meeting after the AGM, the Board of Directors elected Antti Piippo as its chairman and Juha Toivola as its deputy chairman. Antti Piippo was elected chairman of the Nomination Committee and the Working Committee and Henry Sjöman, Jorma Vanhanen and Juha Toivola as the other members of these committees. Juha Toivola was elected chairman of the Compensation Committee and Audit Committee and Martti Ahtisaari, Heikki Horstia and Eero Kasanen as the other members of these committees.

The Meeting decided that the firm of authorized public accountants KPMG Oy Ab under the supervision of principal auditor Mr Mauri Palvi (APA) will continue as the company's auditors. From the transfer of domicile, which is currently expected to take place on January 1, 2008, the auditors will be KPMG Audit S.à.r.l. until the end of the following Annual General Meeting.

Prospects

Elcoteq forecasts that its full-year net sales will increase only slightly on last year's and that its operating income excluding restructuring costs will be on a break-even level.

Net sales in the second quarter of 2007 are expected to be slightly higher than in the first quarter. Operating income excluding restructuring costs is forecast to improve on the first quarter but still to be negative.

Elcoteq's forecasts are based on the company's view of market growth and on the project-specific forecasts of its customers, based on which Elcoteq makes its own forecasts of the realization of agreed and planned new projects.

Elcoteq's Board of Directors has approved a plan that will significantly increase and broaden Elcoteq's current service offering (EMS) into integrated electronics manufacturing services (IEMS). The change includes development of existing operating models, as well as M&A arrangements and various forms of collaboration with other companies operating in the same field.

Espoo, Finland
April 25, 2007

Board of Directors

Further information:

Jouni Hartikainen, President and CEO, +358 10 413 11

Teo Ottola, CFO, tel. +358 10 413 1240

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

Press Conference and Webcast

Elcoteq will hold a combined press conference, conference call and webcast in English at 2.30 pm (EET) on Thursday April 26, in the Akseli Gallen-Kallela Room of Hotel Kämp (address: Pohjoisesplanadi 29, Helsinki, Finland).

To participate by phone, please call 5 - 10 minutes before the start of the conference on +44 20 7162 0025 (Europe) or +1 334 323 6201 (the USA), code Elcoteq.

The press conference can also be followed as a live webcast or later as a recording via Elcoteq's website www.elcoteq.com.

The presentation material used at the press conference (pdf file) will be available on the company's website www.elcoteq.com from approximately 11.00 am (EET) on April 26.

Elcoteq will publish its second-quarter interim report at 9.00 am (EET) on Wednesday, July 25, 2007.

Enclosures:

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

APPENDIX 1

INCOME STATEMENT, MEUR	1-3/2007	1-3/2006	Change, %	1-12/2006
NET SALES	952.5	981.1	-2.9	4,284.3
Change in work in progress and finished goods	1.3	12.6	90.0	17.3
Other operating income	1.0	1.7	-40.9	7.0
Operating expenses	-957.0	-968.2	-1.2	-4,182.0
Restructuring costs	-30.1	-	-	-
Depreciation and writedowns	-20.1	-18.9	6.5	-82.7
OPERATING INCOME	-52.4	8.3		43.9
% of net sales	-5.5	0.8		1.0
Financial income and expenses	-6.4	-5.1	25.9	-23.7
Share of profits and losses of associates	-0.3	-0.3	-13.6	-1.0
INCOME BEFORE TAXES	-59.0	2.9		19.2
Income taxes	12.4	-0.8		-4.7
NET INCOME FOR THE PERIOD	-46.6	2.1		14.6
ATTRIBUTABLE TO:				
Equity holders of the parent company *)	-46.9	2.1		12.1
Minority interests	0.3	-0.0		2.5
	-46.6	2.1		14.6

Income tax is the amount corresponding to the result for the period based on the estimated tax rate for the full year.

*) The Group's reported net income for the period.

APPENDIX 2

BALANCE SHEET, MEUR	March 31, 2007	Dec. 31, 2006	Change, %
----------------------------	-----------------------	----------------------	------------------

ASSETS

Non-current assets			
Intangible assets	38.8	45.4	-14.4
Tangible assets	227.3	245.0	-7.2
Investments	2.6	13.7	-80.7
Long-term receivables	28.6	15.3	86.7
Non-current assets, total	297.4	319.4	-6.9
Current assets			
Inventories	346.4	359.0	-3.5
Current receivables	390.1	402.9	-3.2
Cash and equivalents	75.4	82.3	-8.3
Assets classified as held for sale *)	6.7	-	
Current assets, total	818.6	844.2	-3.0
ASSETS, TOTAL	1,116.0	1,163.6	-4.1

*) Assets classified as held for sale are measured at fair value. Asset writedowns are recognized under restructuring costs.

SHAREHOLDERS' EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent company			
Share capital	12.6	12.6	0.0
Other shareholders' equity	228.5	281.0	-18.7
Equity attributable to equity holders of the parent company, total	241.1	293.7	-17.9
Minority interests	10.1	9.6	5.0
Total equity	251.2	303.3	-17.2
Long-term liabilities			
Long-term loans	179.6	179.7	0.0
Other long-term debt	4.5	5.2	-12.3
Long-term liabilities, total	184.1	184.8	-0.4
Current liabilities			
Current loans	64.8	30.6	112.2
Other current liabilities	607.3	643.1	-5.6
Provisions	8.5	1.8	365.7
Current liabilities, total	680.6	675.5	0.8
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	1,116.0	1,163.6	-4.1

APPENDIX 3

CONSOLIDATED CASH FLOW STATEMENT, MEUR

	1-3/2007	1-3/2006	Change, %	1-12/2006
Cash flow before change in working capital	-4.3	25.2		114.2

Change in working capital *)	-18.4	12.6		-16.1
Financial items and taxes	-8.6	-7.3	17.7	-33.2
Cash flow from operating activities	-31.2	30.6		65.0
Purchases of non-current assets	-10.4	-17.4	-40.2	-108.9
Disposals of non-current assets	0.7	1.1	-36.4	23.2
Cash flow before financing activities	-40.9	14.2		-20.8
Proceeds from share issue	0.0	0.5		2.9
Change in current debt	34.4	-1.7		-7.5
Issuance of long-term debt	-	29.8		29.8
Repayment of long-term debt	-0.2	-		-0.5
Dividends paid	-	-		-20.6
Cash flow from financing activities	34.3	28.6	19.8	4.2
Change in cash and equivalents	-6.6	42.8		-16.5
Cash and equivalents on January 1	82.3	101.4	-18.8	101.4
Effect of exchange rate changes on cash held	-0.3	-0.7	-64.1	-2.5
Cash and equivalents at the end of the period	75.4	143.5	-47.4	82.3

*)The change in working capital includes the change in sold accounts receivable.
The impact of this change is to weaken cash flow by 17.4 million euros during the reporting period 1-3/2007 and to improve cash flow by 41.7 million euros during 1-3/2006.

**) The change in current debt during the reporting period 1-3/2007 includes the change in issuance of commercial papers with a nominal value of 30 million euros.

APPENDIX 4

CALCULATION OF CHANGES IN SHAREHOLDERS' EQUITY, MEUR

	Attributable to equity holders of the parent					Total	Minority interests	Total equity
	Share capital	Additional paid-in capital	Other reserves	Translation differences	Retained earnings			
Balance at Jan. 1, 2007	12.6	218.7	8.4	-1.9	55.8	293.7	9.6	303.3
Issue of share capital	0.0	0.0				0.0		0.0
Equity hedge of subsidiaries				0.3		0.3		0.3
Translation differences				0.3		0.3	0.2	0.5
Share-based payments					0.1	0.1		0.1
Dividends					-6.3	-6.3		-6.3
Net income					-46.9	-46.9	0.3	-46.6
Balance at March 31, 2007	12.6	218.7	8.4	-1.3	2.7	241.1	10.1	251.2

Balance at Jan. 1, 2006	12.4	216.0	8.4	-2.9	63.1	297.0	6.9	303.9
Issue of share capital	0.0	0.5				0.5		0.5
Equity hedge of subsidiaries				0.4		0.4		0.4
Translation differences				-0.4		-0.4	-0.1	-0.5
Share-based payments					0.5	0.5		0.5
Dividends					-20.6	-20.6		-20.6
Net income					2.1	2.1	0.0	2.1
Balance at March 31, 2006	12.5	216.4	8.4	-2.9	45.1	279.5	6.7	286.3

APPENDIX 5

FORMULAS FOR THE CALCULATION OF FINANCIAL RATIOS

$$\text{Return on equity (ROE) = } \frac{\text{Net income} \times 100}{\text{Total equity, average of opening and closing balances}}$$

$$\text{Return on investments (ROI/ROCE) = } \frac{(\text{Income before taxes} + \text{interest and other financial expenses}) \times 100}{\text{Total assets - non-interest bearing liabilities, average of opening and closing balances}}$$

$$\text{Earnings per share (EPS) = } \frac{\text{Net income attributable to equity holders of the parent}}{\text{Adjusted average number of shares outstanding during the period}}$$

$$\text{Diluted Earnings per share, (EPS) = } \frac{\text{Net income attributable to equity holders of the parent}}{\text{Adjusted average number of shares outstanding during the period} + \text{effect of dilution on the number of shares}}$$

$$\text{Current ratio = } \frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\text{Solvency = } \frac{\text{Total equity} \times 100}{\text{Total assets - advance payments received}}$$

$$\text{Gearing = } \frac{\text{Interest-bearing liabilities - cash and equivalents}}{\text{Total equity}}$$

$$\text{Shareholders' equity per share = } \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Adjusted number of shares outstanding at the end of the period}}$$

APPENDIX 6

KEY FIGURES	1-3/2007	1-3/2006	Change, %	1-12/2006
Personnel on average during the period	19,065	15,748	21.1	16,651
Gross capital expenditures, MEUR	11.2	16.0	-30.0	116.9

Return on equity (ROE), %	-16.8	0.7		4.8
Return on investment (ROI/ROCE), %	-10.3	1.8		9.1
From 12 preceding months:				
Return on equity (ROE), %	-12.7	14.3		4.8
Return on investment (ROI/ROCE), %	-2.9	16.0		9.1
Earnings per share (EPS), EUR	-1.49	0.07		0.38
Diluted earnings per share (EPS), EUR	-1.47	0.07		0.37
Current ratio	1.2	1.2		1.2
Solvency, %	22.5	23.5		26.1
Gearing	0.7	0.3		0.4
Shareholders' equity per share, EUR	7.64	8.97	-14.8	9.31
Interest-bearing liabilities, MEUR	244.6	219.1	11.6	210.3
Interest-bearing net debt, MEUR	169.2	75.6	123.8	128.0
Non-interest-bearing liabilities, MEUR	620.1	714.6	-13.2	650.0

APPENDIX 7

WRITEDOWNS MADE TO THE NON-CURRENT ASSETS, MEUR

1-3/2007

Writedowns made to the non-current assets	
Intangible assets	4.2
Tangible assets	3.0
Investments	10.9
Writedowns made to the non-current assets, total	18.1

The writedowns made to non-current assets have been entered as restructuring costs in the income statement.

APPENDIX 8

BUSINESS AREAS, MEUR	1-3/2007	1-3/2006	1-12/2006
Net sales			
Terminal Products	767.2	808.0	3,512.1
Communications Networks	185.3	173.1	772.3
Total	952.5	981.1	4,284.3
Segment's operating income			
Terminal Products	-36.9	15.9	68.4
Communications Networks	-4.7	4.6	22.4
Group's non-allocated expenses/income	-10.8	-12.3	-46.8
Total	-52.4	8.3	43.9

Of the 30.1 million euro restructuring costs recognized in the first quarter of 2007, 28.3 million euros have been entered against Terminal Products' operating income, 1.4 million euros against Communications Networks' operating income and 0.4 million euros under Group's non-allocated expenses.

Elcoteq's share of associated company results in the first quarter of 2007 totaled -0.3 million euros (-0.3). Associated company results for the full year 2006 totaled -1.0 million euros. The share of associated company results is allocated to the Group's non-allocated expenses/income.

APPENDIX 9

ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR

	March 31, 2007	March 31, 2006	Change, %	Dec. 31, 2006
ON BEHALF OF OTHERS				
Guarantees	0.0	0.0		0.0
LEASING COMMITMENTS				
Operating leases. production machinery and equipment (excl. VAT)	42.1	42.2	-0.2	48.2
Rental commitments, real-estate (excl. VAT)	27.9	29.4	-5.1	27.6
DERIVATIVE CONTRACTS				
Currency forward contracts, transaction risk				
Nominal value	280.3	283.6	-1.2	275.4
Fair value	-0.9	-3.1	-71.0	-5.1
Currency forward contracts, translation risk				
Nominal value	39.9	26.9	48.3	35.5
Fair value	0.3	0.2	50.0	0.3
Currency forward contracts, financial risk				
Nominal value	150.8	132.2	14.1	131.1
Fair value	-0.0	-0.3	-100.0	-0.0
Interest rate and foreign exchange swap contracts				
Nominal value	4.0	2.5	60.0	4.0
Fair value	0.1	-0.1		0.1

The derivative contracts have been valued using the market prices and the exchange reference rates of the European Central Bank on the balance sheet date. The figures also include closed positions.

APPENDIX 10

QUARTERLY FIGURES

INCOME STATEMENT, MEUR	Q1/2007	Q4/2006	Q3/2006	Q2/2006	Q1/2006
NET SALES	952.5	1,104.6	1,169.1	1,029.6	981.1
Change in work in progress and finished goods	1.3	-8.1	19.4	-6.5	12.6
Other operating income	1.0	3.2	1.0	1.1	1.7
Operating expenses	-957.0	-1,070.9	-1,151.0	-991.9	-968.2
Restructuring costs	-30.1	-	-	-	-
Depreciation and writedowns	-20.1	-22.0	-21.8	-20.1	-18.9

OPERATING INCOME	-52.4	6.9	16.6	12.2	8.3
% of net sales	-5.5	0.6	1.4	1.2	0.8
Financial income and expenses	-6.4	-7.4	-6.2	-5.0	-5.1
Share of profits and losses of associates	-0.3	-0.3	-0.2	-0.2	-0.3
INCOME BEFORE TAXES	-59.0	-0.8	10.1	7.0	2.9
Income taxes	12.4	1.6	-3.4	-2.0	-0.8
NET INCOME FOR THE PERIOD	-46.6	0.8	6.7	5.0	2.1
ATTRIBUTABLE TO:					
Equity holders of the parent company	-46.9	-0.3	5.9	4.4	2.1
Minority interests	0.3	1.1	0.8	0.6	-0.0
	-46.6	0.8	6.7	5.0	2.1

BALANCE SHEET, MEUR	Q1/2007	Q4/2006	Q3/2006	Q2/2006	Q1/2006
ASSETS					
Non-current assets					
Intangible assets	38.8	45.4	47.8	49.4	48.2
Tangible assets	227.3	245.0	263.6	242.1	238.2
Investments	2.6	13.7	14.0	14.0	14.0
Long-term receivables	28.6	15.3	14.2	11.2	10.6
Non-current assets, total	297.4	319.4	339.6	316.7	311.0
Current assets					
Inventories	346.4	359.0	407.4	366.1	339.6
Current receivables	390.1	402.9	518.1	447.9	425.7
Cash and equivalents	75.4	82.3	102.4	41.0	143.5
Assets classified as held for sale	6.7	-	-	-	-
Current assets, total	818.6	844.2	1,028.0	854.9	908.9
ASSETS, TOTAL	1,116.0	1,163.6	1,367.6	1,171.7	1,219.9

SHAREHOLDERS' EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent company					
Share capital	12.6	12.6	12.6	12.6	12.5
Other shareholders' equity	228.5	281.0	279.9	272.9	267.1
Equity attributable to equity holders of the parent company, total	241.1	293.7	292.5	285.4	279.5
Minority interests	10.1	9.6	7.9	7.0	6.7
Total equity	251.2	303.3	300.4	292.5	286.3
Long-term liabilities					
Long-term loans	179.6	179.7	179.9	179.9	180.0
Other long-term debt	4.5	5.2	4.3	4.1	3.7
Long-term liabilities, total	184.1	184.8	184.3	184.0	183.7

Current liabilities					
Current loans	64.8	30.6	92.0	26.2	38.7
Other current liabilities	607.3	643.1	788.3	666.3	708.9
Provisions	8.5	1.8	2.5	2.7	2.5
Current liabilities, total	680.6	675.5	882.9	695.2	750.0
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	1,116.0	1,163.6	1,367.6	1,171.7	1,219.9
Personnel on average during the period	19,065	17,431	16,930	16,581	15,748
Gross capital expenditures, MEUR	11.2	32.3	38.5	30.1	16.0
ROI/ROCE from 12 preceding months, %	-2.9	9.1	12.1	15.7	16.0
Earnings per share (EPS), EUR	-1.49	-0.01	0.19	0.14	0.07
Solvency, %	22.5	26.1	22.0	25.0	23.5
CONSOLIDATED CASH FLOW STATEMENT, MEUR	Q1/2007	Q4/2006	Q3/2006	Q2/2006	Q1/2006
Cash flow before change in working capital	-4.3	23.8	36.8	28.4	25.2
Change in working capital	-18.4	30.7	13.7	-73.1	12.6
Financial items and taxes	-8.6	-11.6	-7.7	-6.6	-7.3
Cash flow from operating activities	-31.2	43.1	42.6	-51.3	30.6
Purchases of non-current assets	-10.4	-18.2	-48.8	-24.5	-17.4
Disposals of non-current assets	0.7	16.4	1.5	4.2	1.1
Cash flow before financing activities	-40.9	41.2	-4.7	-71.5	14.2
Proceeds from share issue	0.0	0.5	0.5	1.4	0.5
Change in current debt	34.4	-60.9	65.4	-10.3	-1.7
Issuance of long-term debt	-	-	-	-	29.8
Repayment of long-term debt	-0.2	-0.2	-0.1	-0.2	-
Dividends paid	-	-	-	-20.6	-
Cash flow from financing activities	34.3	-60.6	65.9	-29.7	28.6
Change in cash and equivalents	-6.6	-19.3	61.1	-101.1	42.8
Cash and equivalents at the beginning of the period	82.3	102.4	41.0	143.5	101.4
Effect of exchange rate changes on cash held	-0.3	-0.8	0.4	-1.4	-0.7
Cash and equivalents at the end of period	75.4	82.3	102.4	41.0	143.5
BUSINESS AREAS, MEUR	Q1/2007	Q4/2006	Q3/2006	Q2/2006	Q1/2006
Net sales					

Terminal Products	767.2	898.6	967.9	837.6	808.0
Communications Networks	185.3	206.0	201.2	192.0	173.1
Total	952.5	1,104.6	1,169.1	1,029.6	981.1
Segment's operating income					
Terminal Products	-36.9	13.2	18.6	20.7	15.9
Communications Networks	-4.7	5.7	8.8	3.2	4.6
Group's non-allocated expenses/income	-10.8	-12.1	-10.8	-11.6	-12.3
Total	-52.4	6.9	16.6	12.2	8.3

Of the 30.1 million euro restructuring costs recognized in the first quarter of 2007, 28.3 million euros have been entered against Terminal Products' operating income, 1.4 million euros against Communications Networks' operating income and 0.4 million euros under Group's non-allocated expenses.

GEOGRAPHICAL AREAS, MEUR	Q1/2007	Q4/2006	Q3/2006	Q2/2006	Q1/2006
Net sales					
Europe	507.6	635.8	659.4	599.7	530.5
Asia-Pacific	231.2	260.3	307.2	272.8	253.8
Americas	213.6	208.5	202.4	157.1	196.8
Total	952.5	1,104.6	1,169.1	1,029.6	981.1