

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

- First-quarter net sales up almost 20% to MEUR 618.5 (Q1/2003: MEUR 517.3)
- Operating income improved substantially to MEUR 11.3 (5.2)
- Income before taxes MEUR 10.1 (3.9)
- Earnings per share (EPS) EUR 0.18 (0.06)
- Cash flow after investing activities MEUR -90.1 (-57.7)
- Return on capital employed in previous 12 months 11.3% (12.7% according to FAS in Q1/2003)
- Gearing 0.5 (0.1)

(Figures in brackets are those for the same period in the previous year unless otherwise stated.)

Elcoteq adopted International Financial Reporting Standards (IFRS) from the beginning of 2004. In addition to this interim report, Elcoteq has also explained its adoption of IFRS in a separate release dated April 28, 2004, which provides the FAS (Finnish Accounting Standards) figures for 2003 reconciled to IFRS.

The impact of IFRS on the figures in this interim report, compared to FAS, is to raise operating income by MEUR 1.1 and net income by MEUR 0.5. This is principally because under IFRS goodwill and goodwill on consolidation is no longer amortized on a straight-line basis but only as required based on impairment tests. No such amortization was considered necessary during the first quarter of the year. The MEUR -5.4 impact on shareholders' equity at January 1, 2004 was due to the IFRS principle of entering liabilities and assets related to defined pension benefit plans in the balance sheet based on actuarial calculations.

#### Distinct improvement in net sales and result

Elcoteq's January-March net sales grew by almost 20% on the same period previous year to total MEUR 618.5 (517.3). Underlying this increase were high manufacturing volumes in Terminal Products / Europe, positive sales growth in the Americas compared to Q1/2003, and the acquisitions carried through in 2003. Aggregate first-quarter net sales of the Marconi and Tellabs businesses acquired for the Communications Network Equipment business in 2003 amounted to approximately MEUR 35.

The Group's operating income in the first quarter was substantially higher than in the same period in 2003, standing at MEUR 11.3 (5.2). This was principally attributable to growth in business volumes. Pretax income totaled MEUR 10.1 (3.9) and net income was MEUR 5.6 (1.9). Earnings per share were EUR 0.18 (0.06).

The Group's gross capital expenditures on fixed assets between January and March amounted to MEUR 19.9 (13.6), or 3.2% of net sales. Depreciation totaled MEUR 14.2 (13.8).

Cash flow after investing activities was MEUR -90.1 (-57.7). The cash flow impact of payments from the sale of accounts receivable without recourse was MEUR 141.4 at the end of March, which was MEUR 43.6 lower than at the end of 2003. Furthermore, Elcoteq paid approximately MEUR 8.3 during the period for the acquisition of business operations in 2003. Hence cash flow from operating activities was MEUR -38.2 (MEUR -8.1). Cash flow from operating activities was weakened by slower turnover of both inventories and accounts receivable. The solvency ratio was 29.5% (38.3%) and gearing stood at 0.5 (0.1). The increase in gearing was due to negative cash flow and the dividend payment (MEUR 26.4). Unused

credit lines totaled MEUR 167.1. The amount of commercial papers issued by the company increased to MEUR 70 (MEUR 5 on December 31, 2003).

## Business areas

A key goal of Elcoteq's strategic focus on communications technology companies is broadening the company's customer base. This has gradually taken place and a greater balance has been achieved as a result of active sales to new customers.

Elcoteq's largest customers are companies within the Ericsson and Nokia groups. During the first quarter of the year these accounted for 69.6% (78%) of Elcoteq's total net sales. This figure does not include the business activities with Sony Ericsson, which have developed positively.

The Terminal Products business area contributed 75% (79%), and Communications Network Equipment 20% (15%), to the Group's first-quarter net sales. Industrial Electronics, which was sold after the close of the period, accounted for 5% (6%) of net sales. Elcoteq reorganized its business areas on January 1, 2004 so that the figures reported under Industrial Electronics apply only to the business sold on April 1, 2004. The industrial electronics activities remaining with Elcoteq after that date were merged with the Communications Network Equipment business area. The corresponding 2003 figures have been adjusted accordingly. The structure of the geographical areas has been adjusted likewise so that Industrial Electronics is reported separately.

First-quarter net sales of the Terminal Products business area were MEUR 461.4 (410.0) and the segment's operating income was MEUR 15.5 (9.2). The increase in net sales on the same period in 2003 was approximately 13% but compared to the final quarter of 2003 net sales were down by around 22%. The largest geographical area for Terminal Products continues to be Europe, where net sales in the first quarter rose approximately 25%. Net sales growth was particularly pronounced in the Americas, where first-quarter sales increased five-fold on the comparable period. Full-year sales by Terminal Products are forecast to continue growing during 2004.

Net sales of the Communications Network Equipment business area increased by more than 60% compared to the same period previous year and reached a record MEUR 125.1 (77.2). The segment's operating income was MEUR 4.7 (1.5). Net sales by this business area in 2004 are expected to show considerable growth following the acquisitions made during the latter half of 2003. In addition to new customer accounts, the business area's sales are also being driven by expanded volumes with existing customers. Elcoteq has made especially favorable progress with Ericsson, which is increasing Elcoteq's manufacturing volumes in both Europe and Asia.

In March Elcoteq signed a co-operation agreement with Schmid Telecom in Switzerland under which Elcoteq will start manufacturing high-speed connection devices in the Watson 5 product family for Schmid Telecom. Production of these products will start at Elcoteq's plant in St. Petersburg, Russia, during the second quarter of 2004.

Elcoteq has started production at its manufacturing plant in Shenzhen, China, for Huawei, a significant Chinese supplier of communications networks. Elcoteq counts the largest European and Asian communications technology companies among its Communications Network Equipment customers in Asia-Pacific.

In February Elcoteq reached agreement on the divestment of its industrial electronics business. This deal was closed, as planned, at the beginning of April. The buyer is a new Swiss company, Enics AG, set up by Ahström Capital Oy and the operative management of the divested industrial electronics business.

The sales price will be confirmed during the second quarter of the year. Under the agreement Elcoteq's industrial electronics manufacturing plants in Baden, Switzerland, and in Vaasa and Lohja (Länsi-Louhenkatu), Finland, and their employees, were transferred to the new company on April 1, 2004.

Net sales of the divested Industrial Electronics business during the first quarter was MEUR 31.9 (30.1) and its operating income amounted to MEUR 3.0 (1.4).

### Geographical areas (GA)

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 GAs are Asia-Pacific and Americas.

Net sales of Elcoteq's geographical areas during the first quarter developed as expected. Net sales of Terminal Products / Europe were MEUR 254.5 (203.7) and for Communications Network Equipment / Europe MEUR 112.2 (72.2). Net sales of GA Asia-Pacific amounted to MEUR 159.7 (199.2). First-quarter net sales in GA Americas grew extremely strongly compared to the first quarter in 2003 and totaled MEUR 60.2 (12.1). Net sales of Industrial Electronics were MEUR 31.9 (30.1).

### Personnel and organization

Elcoteq's total workforce was 13,243 (10,246) at the end of March, which included 1,274 (1,051) employees in Finland and 11,969 (9,195) elsewhere. The geographical breakdown was as follows: Europe 7,758 (6,276), Asia-Pacific 4,208 (3,356) and Americas 1,277 (614). The average number of employees between January and March was 13,222 (10,210).

The divestment of the Industrial Electronics business on April 1, 2004 reduced the number of employees in Elcoteq by about 650, of whom 390 worked in Finland. Following the sale the Group's entire workforce amounted to approximately 12,600 (approximately 880 in Finland).

At the beginning of the year Elcoteq began negotiations with personnel representatives of the Espoo plant in Finland on the transfer of operations from existing premises and the impact of such a move on personnel. As a result of these negotiations, completed on February 27, 2004, it was decided to move production from the Espoo plant to Elcoteq's plant in Tallinn, Estonia, by the end of the third quarter in 2004. Consequently roughly 170 employees at the Espoo plant will be made redundant. Elcoteq acquired the Espoo plant from Tellabs at the end of 2003.

Elcoteq remodeled its Group organization in February to drive implementation of the company's revised strategy, to speed up decision-making, and to enhance intra-Group efficiency and co-operation. Elcoteq now has a two-tier management structure. The Elcoteq Management Team, which meets monthly, is primarily responsible for strategic issues and for monitoring and securing the company's financial performance. The wider Management Conference, which meets 6-8 times a year, focuses on ensuring implementation of the company's strategy.

### Decisions of the Annual General Meeting

Elcoteq Network Corporation's Annual General Meeting was held in Helsinki on March 17, 2004. The meeting approved the Board's proposal to pay a dividend of EUR 0.90 per share on the financial year 2003.

The meeting re-elected the seven members of the Board of Directors. The composition of the Board is as follows: President Martti Ahtisaari; Mr Heikki Horstia, Vice President, Treasurer, Wärtsilä Corporation; Dr Eero Kasanen, Rector of the Helsinki School of Economics and Business Administration; Mr Antti Piippo, principal shareholder of Elcoteq Network Corporation; Mr Henry Sjöman, Senior Advisor, Elcoteq Network Corporation; Mr Juha Toivola, MSc, and Mr Jorma Vanhanen, Senior Advisor, Elcoteq Network Corporation. 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 the total number on the Board.

Convening after the Annual General Meeting, the Board of Directors elected Antti Piippo as its chairman and Juha Toivola the deputy chairman. The Board elected Juha Toivola chairman of the Audit Committee and Martti Ahtisaari, Heikki Horstia and Eero Kasanen as this Committee's other members. Juha Toivola was elected chairman of the Compensation Committee and Martti Ahtisaari, Heikki Horstia and Eero Kasanen as this Committee's other members. Antti Piippo was elected chairman of the Working Committee and Henry Sjöman, Jorma Vanhanen and Juha Toivola as this committee's other members. Antti Piippo was elected chairman of the Nomination Committee and Henry Sjöman, Jorma Vanhanen and Juha Toivola as this committee's other members.

According to the AGM's decision, the firm of authorized public accountants KPMG Wideri Oy Ab under the supervision of principal auditor Mr Mauri Palvi (APA) continues as the company's auditors.

The meeting authorized the Board to float one or several convertible bond loans and/or to issue stock options and/or to raise the share capital in one or several installments through a rights issue. The company's share capital may be increased by at most EUR 2,435,042 under this authorization. The increase in share capital arising from a personnel incentive scheme may be at most EUR 608,760. This authorization, which has not been exercised, remains in force until March 17, 2005.

The 2003 AGM requested the Board of Directors and the President and CEO to establish on what stock exchanges the Elcoteq shares should be quoted, where the company's top management should be located, and where the company should be domiciled. At the AGM in March 2004 President and CEO Jouni Hartikainen reviewed the results of this analysis and the matters that the analysis gave rise to, such as the possibility of changing the form of the company to a European Company (Societas Europaea, SE). The company's management will continue preparations with a view to changing Elcoteq into a European Company.

## Prospects

Elcoteq's main markets, terminal products and communications network equipment, began to grow at the end of 2003. This gives a good foundation for the company's business development.

Elcoteq's primary targets during 2004 are to further increase sales and the number of new customers, and to enhance internal efficiency. Implementation of Elcoteq's strategy - concentration on communications technology products and customers - will be continued. The company continues to broaden its service portfolio, which includes further development of its ODM (original design manufacturing) activities. Elcoteq currently defines itself as an EMS provider to communications technology companies with ODM expertise complementing its core manufacturing competencies. This combined service offering gives Elcoteq a clear competitive advantage over almost all EMS companies and also ODMs.

Net sales and earnings per share are forecast to grow during 2004 as a result of the acquisitions made in 2003 and organic growth. Second-quarter net sales are expected to be at the first-quarter's level.

Operating income (before inclusion of the capital gain on the Industrial Electronics divestment) is forecast to be slightly lower than in the first quarter.

Luxembourg, April 27, 2004

Board of Directors

Further information:

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

Osmo Kammonen, Senior Vice President, Communications and Investor Relations, tel. +358 10 413 1406, GSM +358 50 593 0770

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, April 28, 2004.

Web conference and call for analysts and fund managers

A web conference and call in English will be held on Wednesday, April 28, 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/2004/04/28> and call +44 20 7162 0185, code Elcoteq.

The information presented during the press conference (pdf file) will be available from 11.00 am (EET) on April 28, 2004 on the company's website, [www.elcoteq.com](http://www.elcoteq.com).

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

1 EUR = 1.12224 USD

Enclosures:

- 1 Income statement
- 2 Balance sheet
- 3 Cash flow statement
- 4 Key figures
- 5 Business areas
- 6 Assets pledged and contingent liabilities
- 7 Quarterly figures

## APPENDIX 1

<b>INCOME STATEMENT, MEUR</b>	<b>1-3/2004</b>	<b>1-3/2003</b>	<b>Change, %</b>	<b>1-12/2003</b>
<b>NET SALES</b>	<b>618.5</b>	<b>517.3</b>	<b>19.6</b>	<b>2,235.7</b>
Change in work in progress and finished goods	21.3	-15.3		6.5
Other operating income	1.2	0.6	124.3	2.4
Operating expenses	-615.6	-483.5	27.3	-2,156.4
Depreciation and writedowns	-14.2	-13.8	2.4	-57.6
<b>OPERATING INCOME</b>	<b>11.3</b>	<b>5.2</b>	<b>117.4</b>	<b>30.5</b>
% of net sales	1.8	1.0		1.4
Financial income and expenses	-0.9	-1.3	-34.1	-7.5
Share of income of associates	-0.4	0.0		-0.5
<b>INCOME BEFORE TAXES AND MINORITY INTERESTS</b>	<b>10.1</b>	<b>3.9</b>	<b>159.7</b>	<b>22.5</b>
Income taxes	-4.4	-2.1	114.0	-1.5
Minority interests	-0.1	0.1	-212.7	-0.4
<b>NET INCOME</b>	<b>5.6</b>	<b>1.9</b>	<b>198.7</b>	<b>20.7</b>

Reported taxes represent income tax for the period.

## APPENDIX 2

<b>BALANCE SHEET, MEUR</b>	<b>March 31, 2004</b>	<b>March 31, 2003</b>	<b>Change, %</b>	<b>Dec. 31, 2003</b>
<b>ASSETS</b>				
Non-current assets				
Intangible assets	37.5	43.0	-12.8	36.9
Tangible assets	156.6	144.9	8.0	154.0
Investments	14.8	0.8		14.9
Non-current assets, total	208.9	188.8	10.6	205.8
Current assets				
Inventories	279.4	176.5	58.3	267.0
Long-term receivables	9.1	6.6	37.4	11.2
Current receivables	305.5	222.9	37.1	256.7
Cash and equivalents	18.4	41.3	-55.3	63.7
Current assets, total	612.4	447.2	36.9	598.6

<b>ASSETS, TOTAL</b>	<b>821.3</b>	<b>636.0</b>	<b>29.1</b>	<b>804.4</b>
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### SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity				
Share capital	12.2	11.8	3.2	12.1
Other shareholders' equity	222.8	220.0	1.3	243.4
Shareholders' equity, total	235.0	231.8	1.4	255.5
Minority interests	5.9	11.7	-49.0	5.8
Long-term liabilities				
Long-term loans	35.5	22.4	91.9	36.5
Other long-term debt	14.4	10.3	-32.4	12.9
	50.0	32.7	52.6	49.4
Provisions	1.7	0.9	79.0	2.1
Current liabilities				
Loans	90.9	44.4	104.5	19.3
Other current liabilities	437.8	314.4	39.2	472.4
	528.7	358.9	47.3	491.7

<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL</b>	<b>821.3</b>	<b>636.0</b>	<b>131.4</b>	<b>804.4</b>
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### APPENDIX 3

#### CONSOLIDATED CASH FLOW STATEMENT, MEUR

	<b>1-3/2004</b>	<b>1-3/2003</b>	<b>Change, %</b>	<b>1-12/2003</b>
Cash flow before change in working capital	22.4	13.1	71.0	69.7
Change in working capital *)	-87.1	-19.6	344.4	36.5
Financial items and taxes	-1.2	-1.1	9.1	-6.1
Cash flow from operating activities	-65.9	-7.7	755.8	100.1
Cash flow from investing activities	-24.2	-50.0	-51.6	-118.2
Cash flow before financing activities	-90.1	-57.7	56.2	-18.1
Proceeds from the share issue	1.0	-		8.1
Change in current debt	71.3	24.1		-0.9
Issuance of long-term debt	0.0	2.0		20.0
Repayment of long-term debt	-1.2	-1.6		-4.8
Dividends paid	-26.4	0.0		-12.6
Cash flow from financing activities	44.7	24.5		9.8
Change in cash and equivalents	-45.5	-33.1	37.5	-8.3

Cash and equivalents on January 1	63.7	76.1	-16.3	76.1
Effect of exchange rate changes on cash held	0.2	-1.6	-112.5	-4.1
Cash and equivalents at the end of period	18.4	41.3	-55.4	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 43.6 during the reporting period 1-3/2004 and by MEUR 13.3 during 1-3/2003.

#### APPENDIX 4

<b>KEY FIGURES</b>	<b>1-3/2004</b>	<b>1-3/2003</b>	<b>Change, %</b>	<b>1-12/2003</b>
Personnel on average during the period	13,222	10,210	29.5	11,044
Gross capital expenditures, MEUR	19.9	13.6	46.3	68.1
Return on equity (ROE), %	2.3	0.7		8.2
Return on investment (ROI/ROCE), %	3.5	1.8		10.2
From 12 preceding months:				
Return on equity (ROE), %	10.2	-		8.2
Return on investment (ROI/ROCE), %	11.3	-		10.2
Earnings per share (EPS), EUR	0.18	0.06	200.0	0.70
Diluted earnings per share (EPS), EUR	0.17	0.06	183.3	0.62
Current ratio	1.2	1.2		1.2
Solvency ratio, %	29.5	38.3		32.6
Gearing	0.5	0.1		0.0
Equity per share, EUR	7.72	7.86	-1.8	8.46
Interest-bearing liabilities, MEUR	134.2	74.1	81.1	63.3
Interest-bearing net debt, MEUR	115.7	32.8	252.7	-0.4
Non-interest-bearing liabilities, MEUR	444.5	317.3	40.1	477.7

#### APPENDIX 5

<b>BUSINESS AREAS, MEUR</b>	<b>1-3/2004</b>	<b>1-3/2003</b>	<b>1-12/2003</b>
Net sales			
Terminal Products	461.4	410.0	1,779.8
Communications Network Equipment	125.1	77.2	329.8
Industrial Electronics	31.9	30.1	126.0
Total	618.5	517.3	2,235.7
Segment operating income			
Terminal Products	15.5	9.2	40.1
Communications Network Equipment	4.7	1.5	8.8

Industrial Electronics	3.0	1.4	11.5
Unallocated expenses	-11.9	-6.9	-29.9
Operating income	11.3	5.2	30.5

Elcoteq's share of associated company results in the first quarter of 2004 totaled MEUR -0.4 MEUR. This comprised MEUR -0.1 from Communications Network Equipment and MEUR -0.3 from unallocated expenses. Associated company results in the first quarter of 2003 totaled MEUR 0.0 and for the full year 2003 MEUR -0.5. In 2003 Communications Network Equipment accounted for MEUR -0.1, and unallocated expenses for MEUR -0.4, of associated company results.

Elcoteq changed its business area structure on January 1, 2004 with the result that the figures reported under Industrial Electronics refer only to the operations divested on April 1, 2004. Of its previous industrial electronics business, Elcoteq retained those activities that suited its strategy, principally industrial electronics products incorporating communications technology. Net sales of the retained activities in 2003 totaled MEUR 69.5 and profitability was weaker than the divested industrial electronics operations. Elcoteq's industrial electronics activities are now managed and reported within Communications Network Equipment. The corresponding figures in 2003 have been adjusted accordingly. Elcoteq's geographical areas have similarly been changed so that the divested Industrial Electronics is reported separately.

The divested Industrial Electronics segment had assets totaling MEUR 43.7 and liabilities totaling MEUR 22.5 on March 31, 2004. Assets mainly comprised inventories and accounts receivable. Cash flow after investing activities for the first quarter of 2004 amounted to MEUR 5.2 and investments totaled MEUR 0.5. Financial items cannot be allocated to the business segments owing to the financial structure of the Group.

## APPENDIX 6

### ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR

	March 31, 2004	March 31, 2003	Change, %	Dec. 31, 2003
FOR OWN LIABILITIES				
Mortgages on real estate				
Loans from credit institutions	-	-		-
Mortgages	-	7.6		-
Mortgages on moveable assets				
Mortgages for other loans	-	4.5		-
ON BEHALF OF OTHERS				
Guarantees	0.2	0.5	-67.3	0.2
LEASING COMMITMENTS				
Operating lease, machinery and equipment (excl. VAT)	11.0	7.4	48.8	13.2
Rental commitments,				

real estates (excl. VAT)	19.5	23.2	-15.9	20.6
	<b>March 31, 2004</b>	<b>March 31, 2003</b>	<b>Change, %</b>	<b>Dec. 31, 2003</b>
<b>DERIVATIVE CONTRACTS</b>				
Foreign currency derivative instruments				
Forward contracts, transaction risk				
Nominal value	148.0	104.2	42.0	117.2
Book value	2.6	-1.5		-4.8
Market value	2.7	-1.5		-4.8
Forward contracts, translation risk				
Nominal value	24.6	58.5	-58.0	36.4
Book value	0.0	0.6		0.4
Market value	0.0	0.6		0.4
Forward contracts, financial risk				
Nominal value	44.3	21.7	104.2	36.2
Book value	0.0	0.3		0.4
Market value	0.0	0.3		0.4
Option contracts, transaction risk				
Nominal value, bought	-	11.0		1.6
Nominal value, sold	-	12.9		2.4
Book value, bought	-	0.0		0.0
Book value, sold	-	-0.1		0.0
Market value, bought	-	0.0		0.0
Market value, sold	-	-0.1		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 7

### QUARTERLY FIGURES

<b>INCOME STATEMENT, MEUR</b>	<b>Q1/2004</b>	<b>Q4/2003</b>	<b>Q3/2003</b>	<b>Q2/2003</b>	<b>Q1/2003</b>
<b>NET SALES</b>	<b>618.5</b>	<b>721.9</b>	<b>496.1</b>	<b>500.4</b>	<b>517.3</b>
Change in work in progress and finished goods	21.3	13.0	5.0	3.8	-15.3
Other operating income	1.2	0.6	0.5	0.7	0.6
Operating expenses	-615.6	-703.5	-480.7	-488.6	-483.5
Depreciation and writedowns	-14.2	-14.9	-14.4	-14.5	-13.8
<b>OPERATING INCOME</b>	<b>11.3</b>	<b>17.0</b>	<b>6.6</b>	<b>1.8</b>	<b>5.2</b>
% of net sales	1.8	2.4	1.3	0.4	1.0

Financial income and expenses	-0.9	-2.7	-1.7	-1.8	-1.3
Share of income of associates	-0.4	-0.2	-0.1	-0.2	0.0
<b>INCOME BEFORE TAXES AND MINORITY INTERESTS</b>	<b>10.1</b>	<b>14.1</b>	<b>4.8</b>	<b>-0.2</b>	<b>3.9</b>
Income taxes	-4.4	-1.1	3.7	-1.9	-2.1
Minority interests	-0.1	-0.5	0.1	0.0	0.1
<b>NET INCOME</b>	<b>5.6</b>	<b>12.4</b>	<b>8.5</b>	<b>-2.2</b>	<b>1.9</b>

<b>BALANCE SHEET, MEUR</b>	<b>Q1/2004</b>	<b>Q4/2003</b>	<b>Q3/2003</b>	<b>Q2/2003</b>	<b>Q1/2003</b>
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#### ASSETS

Non-current assets					
Intangible assets	37.5	36.9	38.4	42.0	43.0
Tangible assets	156.6	154.0	141.6	135.4	144.9
Investments	14.8	14.9	1.1	1.2	0.8
Non-current assets, total	208.9	205.8	181.1	178.6	188.8
Current assets					
Inventories	279.4	267.0	200.1	158.9	176.5
Long-term receivables	9.1	11.2	10.7	5.9	6.6
Current receivables	305.5	256.7	221.0	222.8	222.9
Cash and equivalents	18.4	63.7	24.6	44.4	41.3
Current assets, total	612.4	598.6	456.4	432.0	447.2
<b>ASSETS, TOTAL</b>	<b>821.3</b>	<b>804.4</b>	<b>637.5</b>	<b>610.6</b>	<b>636.0</b>

#### SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity					
Share capital	12.2	12.1	11.8	11.8	11.8
Other shareholders' equity	222.8	243.4	224.8	216.9	220.0
Shareholders' equity, total	235.0	255.5	236.6	228.7	231.8
Minority interests	5.9	5.8	8.3	10.2	11.7
Long-term liabilities					
Long-term loans	35.5	36.5	21.8	22.1	22.4
Other long-term debt	14.4	12.9	12.5	10.6	10.3
	50.0	49.4	34.3	32.7	32.7
Provisions	1.7	2.1	1.0	0.7	0.9
Current liabilities					
Loans	90.9	19.3	10.9	46.2	44.4
Other current liabilities	437.8	472.4	346.4	292.0	314.4
	528.7	491.7	357.2	338.2	358.9

**SHAREHOLDERS' EQUITY  
AND LIABILITIES, TOTAL**

	<b>821.3</b>	<b>804.4</b>	<b>637.5</b>	<b>610.6</b>	<b>636.0</b>
Personnel on average during the period	13,222	12,864	11,132	10,566	10,210
Gross capital expenditures, MEUR	19.9	22.4	21.8	10.3	13.6
ROI/ROCE from 12 preceding months, %	11.3	10.2	-	-	-
Earnings per share (EPS), EUR	0.18	0.42	0.30	-0.08	0.06
Solvency ratio, %	29.5	32.6	38.4	39.2	38.3

**NET SALES BY BUSINESS AREA**

<b>MEUR</b>	<b>Q1/2004</b>	<b>Q4/2003</b>	<b>Q3/2003</b>	<b>Q2/2003</b>	<b>Q1/2003</b>
Terminal Products	461.4	589.3	391.6	389.0	410.0
Communications Network Equipment	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**

<b>MEUR</b>	<b>Q1/2004</b>	<b>Q4/2003</b>	<b>Q3/2003</b>	<b>Q2/2003</b>	<b>Q1/2003</b>
Terminal Products Europe	254.5	350.4	229.1	218.4	203.7
Asia-Pacific	159.7	183.6	153.7	161.7	199.2
Americas	60.2	66.6	21.2	16.6	12.1
CNE* Europe	112.1	89.4	60.9	70.9	72.2
IE** Europe	31.9	32.0	31.2	32.7	30.1

CNE\* = Communications Network Equipment

IE\*\* = Industrial Electronics