

ELCOTEQ NETWORK CORPORATION'S INTERIM REPORT JANUARY-SEPTEMBER 2003  
(unaudited)

July – September

- Third-quarter net sales up 9 % on same period last year and totaled MEUR 496.1 (MEUR 456.1)
- Operating profit MEUR 6.6 (MEUR 12.7), pretax profit MEUR 5.1 (MEUR 10.7)
- Earnings per share (EPS) EUR 0.31 (EUR 0.22)
- Return on investment (rolling 12-month ROI/ROCE) 11.3 % (4.4 %)
- Cash flow after investing activities MEUR 16.6 (MEUR 1.6)
- Gearing 0.0 (-0.1)

January – September

- Nine-month net sales showed year-on-year increase of 18 % and totaled MEUR 1,513.8 (MEUR 1,283.6)
- Operating profit MEUR 13.6 (MEUR 7.4), pretax profit MEUR 8.6 (MEUR 1.3)
- Earnings per share (EPS) EUR 0.28 (EUR -0.12)
- Cash flow after investing activities MEUR -27.5 (MEUR 71.3)
- Interest-bearing net debt MEUR 8.3 (MEUR -30.9)

(Figures in brackets are those for the same period in 2002 unless otherwise stated.)

Overview

At the beginning of 2003 Elcoteq expected its full-year net sales to increase by around 60 % on the previous year's figure based on the acquisition in China at the end of 2002 and on growth in business volume, primarily with existing customers of the Terminal Products business area. Business operations did not develop as expected during the first months of the year, however, and Elcoteq revised its growth forecast downwards at the beginning of June, owing mainly to the effects of the SARS epidemic and to changes in the euro-dollar exchange rate; a further factor was the general economic uncertainty created by the war in Iraq.

The indirect effects of the SARS epidemic continued to be felt in the company's operations in China also during the third quarter. Furthermore, material costs have decreased more than expected, particularly in China, which has had a significant impact on invoicing and therefore on the company's net sales. Part of this decrease was attributable to the fact that during the third quarter the company was manufacturing fewer products requiring the most expensive components than it had anticipated.

Although Elcoteq's net sales have not grown as much as expected, manufacturing volumes have risen since the start of the year and at the same time capacity utilization has improved. Manufacturing volumes and capacity utilization will rise further during the fourth quarter. However, Elcoteq's full-year net sales for 2003 will not reach the company's previous estimate and for this reason the company has reduced its full-year net sales forecast to approximately EUR 2.2 billion. The profit forecast for the full year, however, remains unchanged, i.e. the result is expected to improve on 2002.

Further progress in strategy implementation

Elcoteq's concerted efforts in putting into effect its revised strategy – concentration on communications technology products and customers – are showing visible results during the second half of the year. During the third quarter Elcoteq gained new customer accounts including Strix Systems in the USA,

NEC in Japan, and the German company LANCOM. Similarly in China, the company has won several new Chinese and other Asian mobile phone customers as well as one Chinese and one European customer of communications network equipment business during the latter half of the year. These new accounts, however, will not have a substantial impact on Elcoteq's net sales in 2003.

In October, after the close of the reporting period, Elcoteq signed an agreement with Marconi under which it acquired Marconi's electronics manufacturing operations in Offenburg, Germany, and at the same time became Marconi's preferred partner in fixed wireless communication networks and related technologies. The Offenburg unit, whose production includes microwave links for communications networks, will be transferred to Elcoteq at the beginning of November.

A second important contract signed after the reporting period was made with Siemens. Elcoteq will start producing GSM base station products for Siemens at the Pécs plant in Hungary in November.

#### July – September: net sales and result

Third-quarter net sales rose 9 % on the same period last year and totaled MEUR 496.1 (MEUR 456.1), approximately the same level as in the second quarter of 2003. The Group's July-September operating profit amounted to MEUR 6.6 (MEUR 12.7) and the pretax profit was MEUR 5.1 (MEUR 10.7). Earnings per share (EPS) were EUR 0.31 (EUR 0.22).

The Group restarted investments aimed at raising manufacturing capacity. New assembly lines were installed, principally at the plants in Mexico and Hungary. Third-quarter cash flow after investing activities was MEUR 16.6 (MEUR 1.6) positive.

Elcoteq's largest customers are companies belonging to the Nokia and Ericsson groups and accounted for 79 % (86 %) of Elcoteq's third-quarter net sales.

#### January – September: net sales and result

Net sales for the first nine months of 2003 increased 18 % on the same period last year and totaled MEUR 1,513.8 (MEUR 1,283.6). The operating profit was MEUR 13.6 (MEUR 7.4) and the pretax profit was MEUR 8.6 (MEUR 1.3). Earnings per share (EPS) were EUR 0.28 (EUR -0.12). Based on preliminary information from the Finnish taxation authorities Elcoteq has treated writedowns in the parent company from previous years as tax-deductible expenses. The company has also entered deferred tax assets arising from subsidiaries' losses in previous years to the extent that it considers these losses can be used for taxation purposes. The aggregate impact of these items was to reduce the company's tax liabilities during the reporting period by approximately MEUR 7.1.

Gross capital expenditure on fixed assets between January and September totaled MEUR 45.7 (MEUR 26.3), or 3.0 % of net sales. Depreciation was slightly lower than capital expenditure, amounting to MEUR 42.7 (MEUR 36.4).

Cash flow after investing activities was MEUR -27.5 (MEUR 71.3). Cash flow from ongoing business operations - excluding the MEUR 35.6 payment for the GKI companies at the beginning of the year - was slightly positive after the first nine months. Unused credit limits totaled MEUR 168.0 at the end of September (MEUR 167.0 at the end of June). Payments received by the Group after selling trade receivables totaled MEUR 122.0 (MEUR 101.3 at the end of June). The solvency ratio remained strong, standing at 39.4 % (37.8 %). Gearing was 0.0 (-0.1) with interest-bearing net debt amounting to MEUR 8.3.

## Personnel

The Group had 11,428 (7,935) employees at the end of September of whom 1,084 (1,019) worked in Finland and 10,344 (6,916) elsewhere. The geographical distribution of the company's personnel was as follows: Europe 6,972 (5,764), Asia-Pacific 3,503 (1,682) and Americas 953 (477). The average number of employees between January and September was 10,636 (7,866).

## Share capital

A/B/C warrants under Elcoteq Network Corporation's 1997 bond with warrants were exercised on July 25, 2003 to subscribe for 50,000 new Series A shares, raising Elcoteq's share capital by EUR 20,000 to EUR 11,816,660.80. Following this increase the number of A shares totaled 18,964,652. Trading in the new shares began on August 13, 2003.

## Business areas

The company's main business areas are Terminal Products and Communications Network Equipment. Terminal Products represented 79 % (74 %) of third-quarter net sales and Communications Network Equipment 12 % (13 %). Industrial Electronics accounted for 9 % (13 %) of the Group's net sales.

Net sales of the Terminal Products business area totaled MEUR 1,190.5 (MEUR 925.6) between January and September. Net sales between July and September were MEUR 391.6 (MEUR 339.3), an increase of approximately 15 % on the same period last year. Full-year net sales for Terminal Products are expected to show clear growth compared to 2002 sales.

Net sales of the Communications Network Equipment business area between January and September amounted to MEUR 176.1 (MEUR 176.3). Net sales between July and September came to MEUR 60.2 (MEUR 59.5). Despite the challenging conditions in the communications network market Elcoteq believes that the full-year net sales of its Communications Network Equipment business area will be the same as, or slightly higher than, last year's level.

## Geographical areas (GA)

Elcoteq divides its operations geographically into four areas. GA Europe comprises two organizations: one is responsible for Elcoteq's European Terminal Products business while the other combines the European operations of Elcoteq's Communications Network Equipment and Industrial Electronics businesses. The other areas are Asia-Pacific and Americas. Net sales for the third quarter of the year were split among these areas as follows: Terminal Products in Europe 46 % (49 %), Communications Network Equipment and Industrial Electronics in Europe 19 % (22 %), Asia-Pacific 31 % (25 %) and Americas 4 % (3 %).

## Europe

Aggregate third-quarter net sales of GA Europe totaled MEUR 321.2 (MEUR 325.4). This comprised MEUR 229.1 (MEUR 225.0) from Terminal Products and MEUR 92.1 (MEUR 100.4) from Communications Network Equipment and Industrial Electronics.

## Asia-Pacific

Third-quarter net sales of GA Asia-Pacific were MEUR 153.7 (MEUR 115.3), which included MEUR 59 from the GKI companies. The competitive environment in the Asia-Pacific EMS market, and especially in China, has intensified further, which has resulted in aggressive competition on prices.

## Americas

Third-quarter net sales of GA Americas amounted to MEUR 21.2 (MEUR 15.5). Customer projects gained during the second and third quarters substantially improved capacity utilization at the Monterrey, Mexico, facility compared to the first months of the year. Capacity utilization is expected to rise further during the final quarter.

## Prospects

Elcoteq's strategy to focus on communications technology products and to increase its portfolio of NPI and design services has generated a continuingly growing interest in the company among both its customers and business partners.

The profit forecast for the full year remains unchanged, i.e. the result is expected to improve on 2002, even though the company estimates its net sales will be approximately EUR 2.2 billion for the reasons mentioned earlier such as the weaker US dollar exchange rate, lower material costs, a slower than expected increase in sales to new customers, and weak demand in Asia.

Elcoteq publishes its financial statements bulletin for 2003 at 9.00 am (EET) on February 6, 2004.

Espoo, October 23, 2003

Board of Directors

Further information:

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## Press conference

Elcoteq will hold a press conference for media representatives and analysts in the Freda Cabinet of the Scandic Hotel Simonkenttä (1st floor), Simonkatu 9, Helsinki starting at 1.00 pm EET on Friday, October 24, 2003.

## Conference call for analysts and fund managers

A conference call in English will be held on Friday, October 24, 2003 starting at 3.30 pm EET (1.30 pm UK time). To participate by phone, please call +44 20 7162 0180, code Elcoteq. A taped recording of the teleconference will be available for three banking days after the call on +44 20 8288 4459, code 834 302.

The material presented during the press conference (pdf file) will be available from 11.00 am on October 24, 2003 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 = 1.1652 USD

Enclosures:

- 1 Income statement
- 2 Balance sheet
- 3 Cash flow statement
- 4 Key figures
- 5 Assets pledged, contingent liabilities and other commitments
- 6 Quarterly figures

## APPENDIX 1

<b>INCOME STATEMENT, MEUR</b>	<b>1-9/2003</b>	<b>1-9/2002</b>	<b>Change, %</b>	<b>1-12/2002</b>
<b>NET SALES</b>	<b>1,513.8</b>	<b>1,283.6</b>	<b>17.9</b>	<b>1,840.2</b>
Change in stock of work in progress and finished goods	-6.5	5.5	-217.5	11.2
Other income from operations	1.7	2.4	-27.9	3.9
Operating expenses	-1,452.8	-1,247.8	16.4	-1,780.6
Depreciation and writedowns	-42.7	-36.4	17.3	-49.2
<b>OPERATING PROFIT/LOSS</b>	<b>13.6</b>	<b>7.4</b>	<b>84.1</b>	<b>25.5</b>
% of net sales	0.9	0.6	56.1	1.4
Financial income and expenses	-5.0	-6.1	-18.2	-7.0
<b>PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND TAXES</b>	<b>8.6</b>	<b>1.3</b>	<b>555.2</b>	<b>18.6</b>
Income taxes	-0.4	-3.1	-88.1	-0.1
Minority interests	0.1	-1.8		-2.5
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>8.3</b>	<b>-3.6</b>		<b>16.1</b>

Reported taxes represent income tax for the period.

## APPENDIX 2

<b>BALANCE SHEET, MEUR</b>	<b>Sept. 30, 2003</b>	<b>Sept. 30, 2002</b>	<b>Change, %</b>	<b>Dec. 31, 2002</b>
<b>ASSETS</b>				
Fixed assets				
Intangible assets	46.0	33.0	39.4	45.8
Tangible assets	134.0	127.4	5.2	147.6
Investments	1.1	0.8	40.2	0.8
<b>Fixed assets, total</b>	<b>181.1</b>	<b>161.2</b>	<b>12.4</b>	<b>194.2</b>
Current assets				
Inventories	200.1	180.4	10.9	197.5
Long-term receivables	8.8	1.7	421.4	6.9
Short-term receivables	221.0	176.9	24.9	235.2
Cash and cash equivalents	24.6	101.7	-75.8	76.1
<b>Current assets, total</b>	<b>454.5</b>	<b>460.7</b>	<b>-1.3</b>	<b>515.7</b>
<b>ASSETS, TOTAL</b>	<b>635.6</b>	<b>621.9</b>	<b>2.2</b>	<b>709.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity				
Share capital	11.8	11.8	0.2	11.8
Other shareholders' equity	230.1	217.7	5.7	235.8
<b>Shareholders' equity, total</b>	<b>241.9</b>	<b>229.5</b>	<b>5.4</b>	<b>247.6</b>
Minority interests	8.3	5.5	50.3	12.2
Provisions	1.0	3.3	-68.3	1.4
Liabilities				
Long-term liabilities				
Long-term loans	21.8	36.5	-40.3	22.6
Other long-term debt	5.3	1.2	342.2	2.9
	27.1	37.7	-28.1	25.5
Short-term liabilities				
Short-term loans	10.9	34.8	-68.8	20.5
Other short-term debt	346.4	311.1	11.3	402.6
	357.2	345.9	3.3	423.1
<b>Liabilities, total</b>	<b>384.3</b>	<b>383.6</b>	<b>0.2</b>	<b>448.6</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL</b>	<b>635.6</b>	<b>621.9</b>	<b>2.2</b>	<b>709.8</b>

### APPENDIX 3

#### CONSOLIDATED CASH FLOW STATEMENT, MEUR

	1-9/2003	1-9/2002	Change, %	1-12/2002
Cash flow before change in working capital	40.5	47.5	-14.7	71.0
Change in working capital *)	10.3	52.6	-80.3	45.1
Financial items and taxes	-2.3	-8.1	-71.0	-10.9
Cash flow from operating activities	48.5	92.0	-47.3	105.2
Cash flow from investing activities **)	-76.1	-20.7	267.4	-27.8
<b>Cash flow before financing activities</b>	<b>-27.5</b>	<b>71.3</b>		<b>77.3</b>
Proceeds from the issue of shares	0.5	-		
Change in short-term debt	-9.4	1.6		-15.0
Change in long-term debt	0.8	-5.2		-16.8
Dividends paid	-12.6	0.0		-2.1
<b>Cash flow from financing activities</b>	<b>-20.7</b>	<b>-3.6</b>		<b>-33.9</b>
<b>Change in cash and cash equivalents</b>	<b>-48.3</b>	<b>67.8</b>		<b>43.4</b>
<b>Cash and cash equivalents on January 1</b>	<b>76.1</b>	<b>36.4</b>	<b>108.8</b>	<b>36.4</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>-3.2</b>	<b>-2.6</b>	<b>22.5</b>	<b>-3.8</b>
<b>Cash and cash equivalents at the end of period</b>	<b>24.6</b>	<b>101.7</b>	<b>-75.8</b>	<b>76.1</b>

\*) The change in working capital includes the change in sold accounts receivable. The impact of this change is to improve cash flow by MEUR 0.6 during the reporting period 1-9/2003 and to improve cash flow by MEUR 14.9 during 1-9/2002.

\*\*\*) Cash flow from investing activities 1-9/2003 includes the payment of MEUR 35.6 on the acquisition of the GKI companies on December 31, 2002.

## APPENDIX 4

<b>KEY FIGURES</b>	<b>1-9/2003</b>	<b>1-9/2002</b>	<b>Change, %</b>	<b>12/2002</b>
Personnel on average during the period	10,636	7,866	35.2	8,127
Gross capital expenditure, MEUR	45.7	26.3	73.9	78.0
Return on equity (ROE), %	3.2	-0.7		7.4
Return on investment (ROI/ROCE), %	4.9	3.1		9.2
From 12 preceding months:				
Return on equity (ROE), %	11.8	-0.6		7.4
Return on investment (ROI/ROCE), %	11.3	4.4		9.2
Earnings per share (EPS), EUR	0.28	-0.12		0.54
Diluted earnings per share (EPS), EUR	0.25	-		0.48
Current ratio	1.3	1.3		1.2
Solvency ratio, %	39.4	37.8		36.6
Gearing	0.0	-0.1		-0.1
Equity per share, EUR	8.19	7.78	5.3	8.40
Interest-bearing liabilities, MEUR	32.9	70.8	-53.5	42.6
Interest-bearing net debt, MEUR	8.3	-30.9		-33.4
Non-interest-bearing liabilities, MEUR	351.4	312.8	12.3	406.3

## APPENDIX 5

### ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR

	<b>Sept. 30, 2003</b>	<b>Sept. 30, 2002</b>	<b>Change, %</b>	<b>Dec. 31, 2002</b>
<b>FOR OWN LIABILITIES</b>				
<b>Mortgages on real estate</b>				
Loans from credit institutions	-	0.6		-
Mortgages	-	9.0		9.0
<b>Mortgages on moveable assets</b>				
Mortgages for other loans	-	4.5		4.5
<b>Other pledges given as collateral</b>				
Mortgages on moveable assets	-	0.3		0.3

## ON BEHALF OF OTHERS

Guarantees	0.2	0.4	-50.0	0.5
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## LEASING COMMITMENTS

Operating lease, machinery and equipment (excl. VAT)	11.8	10.7	10.3	8.8
Rental commitments. real estates (excl. VAT)	21.4	18.3	16.9	17.4

	<b>Sept. 30, 2003</b>	<b>Sept. 30, 2002</b>	<b>Change, %</b>	<b>Dec. 31, 2002</b>
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## DERIVATIVE CONTRACTS

### Foreign currency derivative instruments

#### Foreign currency forward contracts

Nominal value	148.1	144.5	2.5	168.1
Book value	1.2	-		-1.5
Market value	1.2	-		-1.5

#### Foreign currency option contracts

Nominal value, bought	-	8.5		11.3
Nominal value, sold	-	11.6		2.9
Book value, bought	-	-		0.0
Book value, sold	-	-0.1		0.0
Market value, bought	-	-0.1		0.0
Market value, sold	-	-		0.0

#### Interest rate and foreign exchange swap contracts

Nominal value	-	0.8		-
Book value	-	0.2		-
Market value	-	0.2		-

## APPENDIX 6

### QUARTERLY FIGURES

#### INCOME STATEMENT, MEUR

	<b>Q3/ 2003</b>	<b>Q2/ 2003</b>	<b>Q1/ 2003</b>	<b>Q4/ 2002</b>	<b>Q3/ 2002</b>	<b>Q2/ 2002</b>	<b>Q1/ 2002</b>
<b>NET SALES</b>	<b>496.1</b>	<b>500.4</b>	<b>517.3</b>	<b>556.4</b>	<b>456.1</b>	<b>425.2</b>	<b>402.3</b>
Change in stock of work in progress and finished goods	5.0	3.8	-15.3	5.7	8.7	-6.7	3.5
Other income from operations	0.5	0.7	0.6	1.5	0.8	0.5	1.1
Operating expenses	-480.7	-488.7	-483.4	-532.9	-441.1	-405.9	-400.7
Depreciation and writedowns	-14.4	-14.5	-13.8	-12.6	-11.9	-11.9	-12.6
<b>OPERATING PROFIT/LOSS</b>	<b>6.6</b>	<b>1.7</b>	<b>5.3</b>	<b>18.1</b>	<b>12.7</b>	<b>1.2</b>	<b>-6.5</b>
% of net sales	1.3	0.3	1.0	3.3	2.8	0.3	-1.6

Financial income and expenses	-1.5	-2.0	-1.5	-0.8	-2.0	-2.5	-1.6
<b>PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND TAXES</b>	<b>5.1</b>	<b>-0.3</b>	<b>3.8</b>	<b>17.3</b>	<b>10.7</b>	<b>-1.3</b>	<b>-8.1</b>
Income taxes	3.6	-1.9	-2.0	3.0	-2.9	-0.7	0.5
Minority interests	0.1	0.0	0.1	-0.7	-1.4	-0.4	0.0
<b>NET PROFIT/LOSS</b>	<b>8.8</b>	<b>-2.3</b>	<b>1.8</b>	<b>19.6</b>	<b>6.4</b>	<b>-2.4</b>	<b>-7.6</b>

<b>BALANCE SHEET, MEUR</b>	<b>Q2/ 2003</b>	<b>Q1/ 2003</b>	<b>Q4/ 2002</b>	<b>Q3/ 2002</b>	<b>Q2/ 2002</b>	<b>Q1/ 2002</b>	<b>Q1/ 2002</b>
<b>ASSETS</b>							
Fixed assets							
Intangible assets	46.0	46.9	48.1	45.8	20.9	10.8	11.8
Tangible assets	134.0	130.5	139.6	147.6	139.5	144.6	157.8
Investments	1.1	1.2	0.8	0.8	0.8	0.9	0.7
<b>Fixed assets, total</b>	<b>181.1</b>	<b>178.6</b>	<b>188.6</b>	<b>194.2</b>	<b>161.2</b>	<b>156.3</b>	<b>170.3</b>
Current assets							
Inventories	200.1	158.9	176.5	197.5	180.4	152.2	169.2
Long-term receivables	8.8	4.0	4.8	6.9	1.7	5.1	4.3
Short-term receivables	221.0	222.6	222.8	235.2	176.9	161.2	173.5
Cash and cash equivalents	24.6	44.4	41.3	76.1	101.7	100.8	75.7
<b>Current assets, total</b>	<b>454.5</b>	<b>429.9</b>	<b>445.4</b>	<b>515.7</b>	<b>460.7</b>	<b>419.3</b>	<b>422.8</b>
<b>ASSETS, TOTAL</b>	<b>635.6</b>	<b>608.5</b>	<b>634.0</b>	<b>709.8</b>	<b>621.9</b>	<b>575.6</b>	<b>593.1</b>

#### SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity							
Share capital	11.8	11.8	11.8	11.8	11.8	11.8	11.8
Other shareholders' equity	230.1	222.0	225.3	235.8	217.7	210.7	216.5
<b>Shareholders' equity, total</b>	<b>241.9</b>	<b>233.8</b>	<b>237.1</b>	<b>247.6</b>	<b>229.5</b>	<b>222.5</b>	<b>228.3</b>
Minority interests	8.3	10.2	11.7	12.2	5.5	6.0	6.3
Provisions	1.0	0.7	0.9	1.4	3.3	2.0	2.6
Liabilities							
Long-term liabilities							
Long-term loans	21.8	22.1	22.4	22.7	36.5	37.5	35.4
Other long-term debt	5.3	3.5	3.0	2.9	1.2	1.3	1.3
	27.1	25.6	25.4	25.5	37.7	38.8	36.7
Short-term liabilities							
Short-term loans	10.9	46.2	44.4	20.5	34.8	31.4	37.6
Other short-term debt	346.4	292.0	314.4	402.6	311.1	274.8	281.7
	357.2	338.2	358.9	423.1	345.9	306.3	319.2

<b>Liabilities, total</b>	<b>384.3</b>	<b>363.8</b>	<b>384.3</b>	<b>448.6</b>	<b>383.6</b>	<b>345.1</b>	<b>355.9</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL</b>	<b>635.6</b>	<b>608.5</b>	<b>634.0</b>	<b>709.8</b>	<b>621.9</b>	<b>575.6</b>	<b>593.1</b>

Personnel on average during the period	11,132	10,566	10,210	8,734	7,781	7,731	8,020
Gross capital expenditure, MEUR	21.8	10.3	13.6	51.7	16.7	5.7	3.9
ROI/ROCE from 12 preceding months, %	11.3	13.0	12.7	9.2	4.4	-3.4	-5.6
Earnings per share (EPS), EUR	0.31	-0.08	0.06	0.66	0.22	-0.08	-0.26
Solvency ratio, %	39.4	40.1	39.3	36.6	37.8	39.7	39.6

#### **NET SALES BY GEOGRAPHICAL AREA**

	<b>Q3/ 2003</b>	<b>Q2/ 2003</b>	<b>Q1/ 2003</b>	<b>Q4/ 2002</b>	<b>Q3/ 2002</b>	<b>Q2/ 2002</b>	<b>Q1/ 2002</b>
TP * Europe	229.1	218.4	203.7	289.6	225.0	188.5	156.6
CNE/IE ** Europe	92.1	103.6	102.3	117.3	100.4	110.9	98.4
Asia-Pacific	153.7	161.7	199.2	129.5	115.3	104.5	121.3
Americas	21.2	16.6	12.1	20.1	15.5	21.3	26.0

\* Terminal Products

\*\* Communications Network Equipment/Industrial Electronics

#### **NET SALES BY BUSINESS AREA**

Terminal Products	391.6	388.9	410.0	423.3	339.3	300.7	285.6
Communications Network Equipment	60.2	60.8	55.1	67.6	59.5	61.9	54.9