

The Elcoteq logo is a stylized, rounded shape with a yellow border and a white interior, containing the word "ELCOTEQ" in blue capital letters. It is positioned at the top of a vertical decorative element on the left side of the slide.

ELCOTEQ

Elcoteq SE

Interim Report January - March

April 23, 2008



Q1 Highlights

- Clear improvement to the profitability even with lower sales (Q1/08 vs Q1/07):
 - Net sales 908.7 million euros (952.5)
 - Operating income -9.5 million euros (-52.4 and excluding restructuring expenses -22.3)
- Action plans proceeding in accordance with expectations
 - Production problems in Mexico to be solved towards the end of Q2
 - Announcement to divest St. Petersburg, closing expected during Q2
- Working capital management on good level

Business Areas

- Personal Communications (PC) and Home Communications (HC) now reported separately
- PC is the biggest segment and had positive operating income, 0,8% of its net sales
- HC sales was lower than last year, profitability improved although operating income negative
- Communications Networks (CN) net sales was lower than expected, leading to a negative operating income
 - Effect on the operating income due to sales decline, could mostly be offset by the operational cost savings



The Action Plans

- The Action Plans are proceeding in accordance with expectations
- Annual savings of about 90-100 MEUR expected
 - Q1/08 operating expenses 15 MEUR lower than Q1/07
 - Further savings still to come from:
 - divestment of St.Petersburg
 - solving of production problems in Mexico
 - more efficient use of manufacturing resources at all locations
- Also measures to boost overall operational performance more efficient materials management

Net Sales and Result, January - March

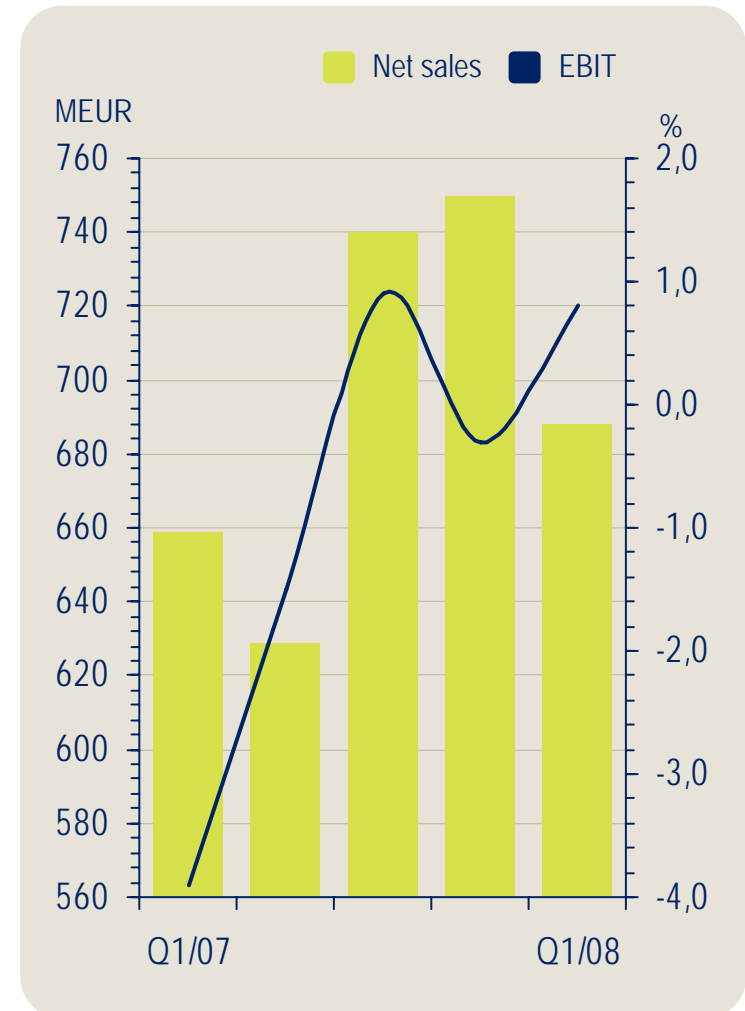
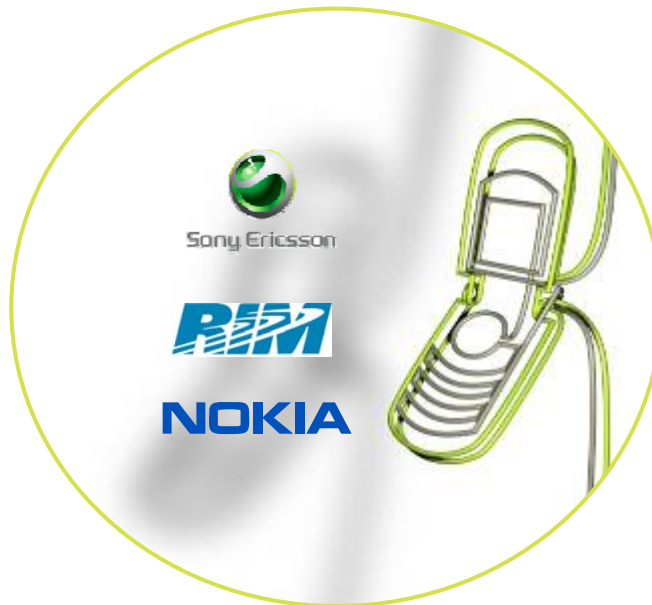
(IFRS)	Q1/2008	Q1/2007	2007
Net sales, MEUR	908.7	952.5	4,042.9
Operating income excluding restructuring expenses, MEUR	-9.5	-22.3	-46.1
Operating income, MEUR	-9.5	-52.4	-96.3
Income before taxes, MEUR	-15.4	-59.0	-122.8
Net income, MEUR	-11.6	-46.9	-108.4
EPS, EUR	-0.35	-1.49	-3.37
Gearing	0.8	0.7	0.7
ROCE (trailing 12 months), %	-10.7	-2.9	-19.6
Cash flow after investments, MEUR	-1.1	-40.9	-11.1

Key Figures, January - March

(IFRS)	Q1/2008	Q1/2007	2007
Capital employed, MEUR	422.6	495.9	435.2
Interest-bearing net debt, MEUR	143.6	169.2	144.5
Gross capital expenditures, MEUR	27.7	11.2	67.2
Personnel at the end of the period	23,996	23,452	24,222

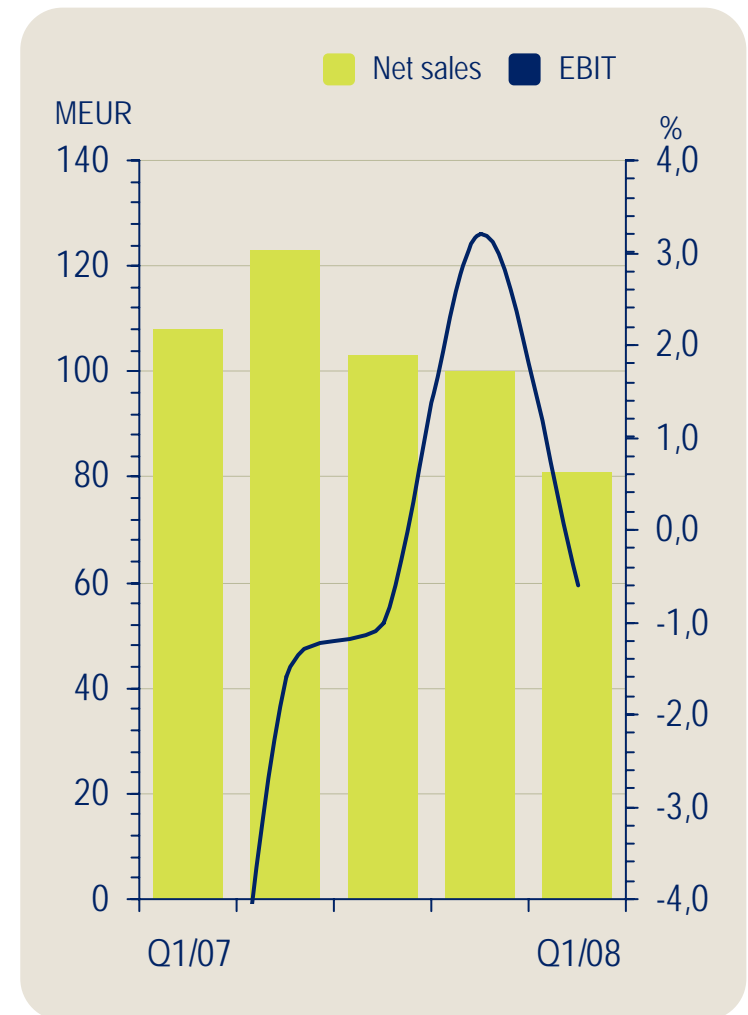
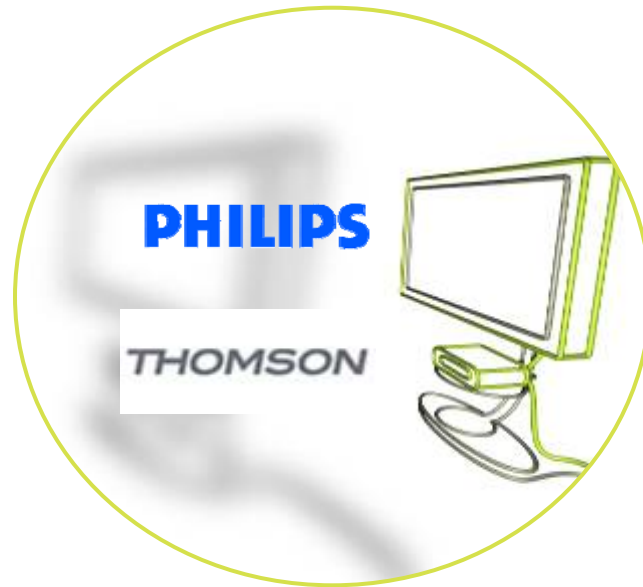
Personal Communications

- 76% of net sales
- Mobile phones, their parts and accessories, wireless modules and wireless phones



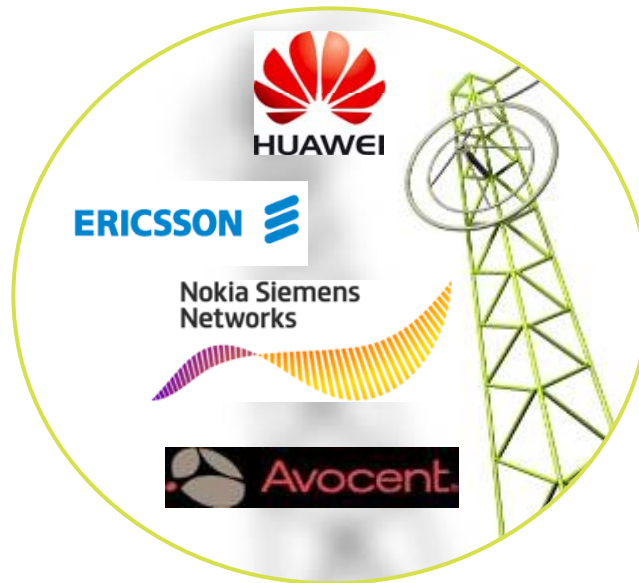
Home Communications

- 9% of net sales
- Selected infotainment and home communication products

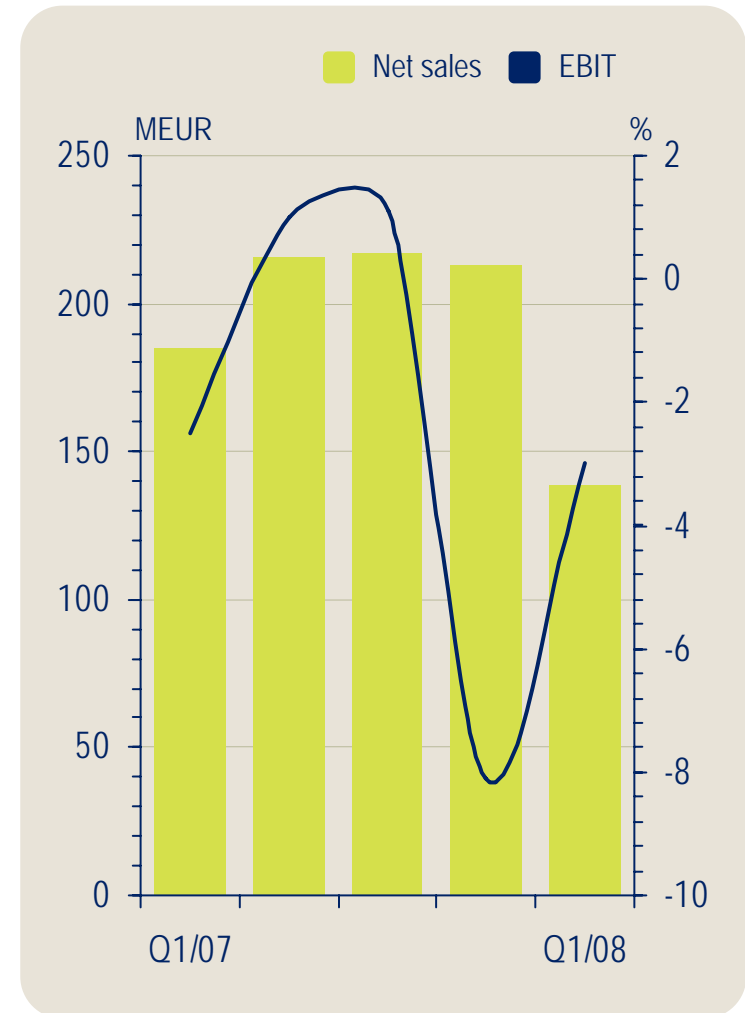


Communications Networks

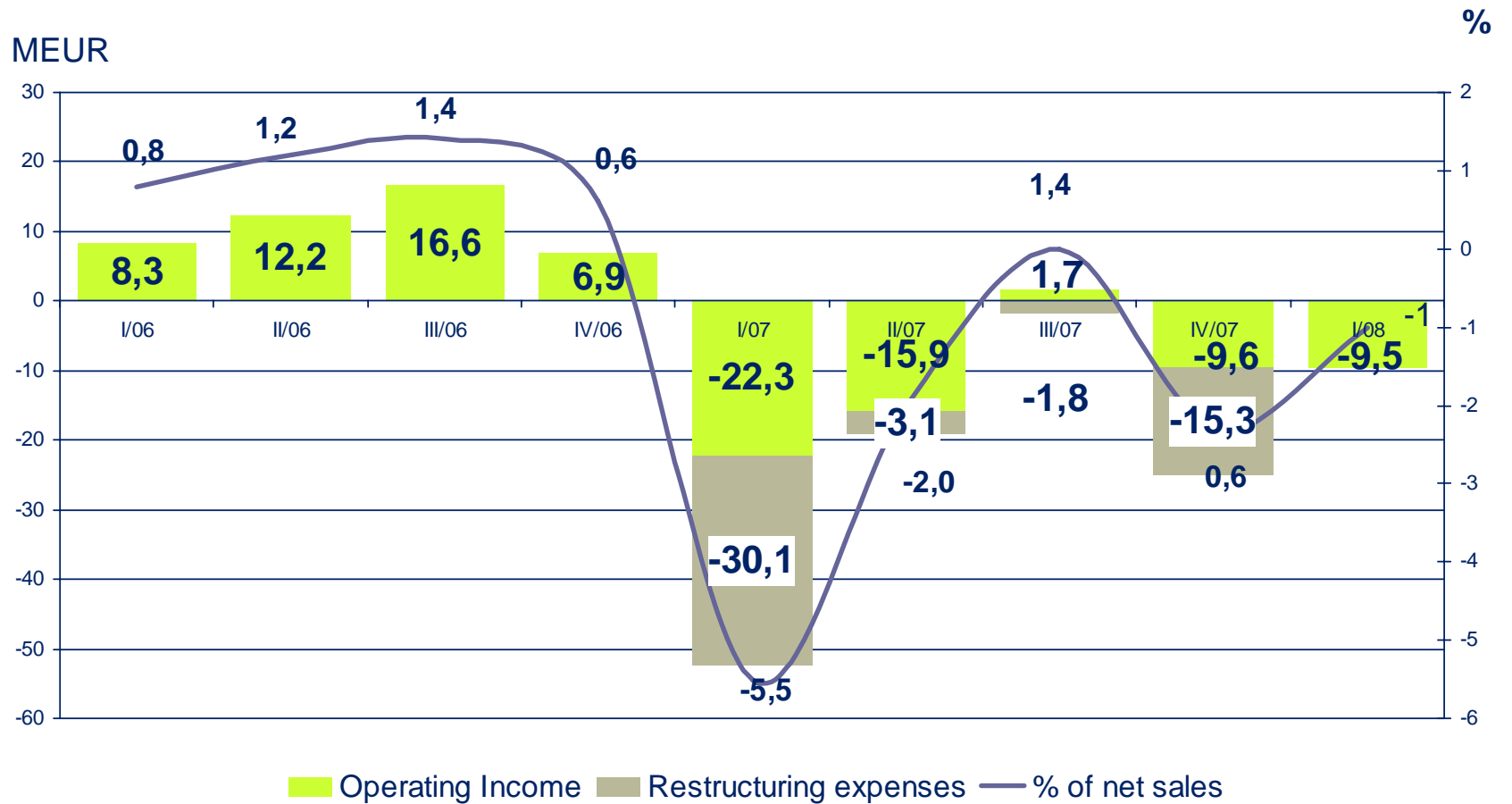
- 15% of net sales
- Wireless, wireline and enterprise system products and plug-in units, such as base station products, transmission systems and broadband network products

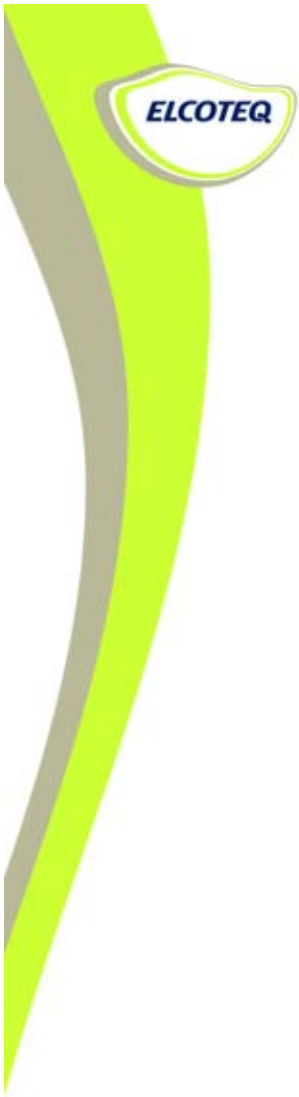


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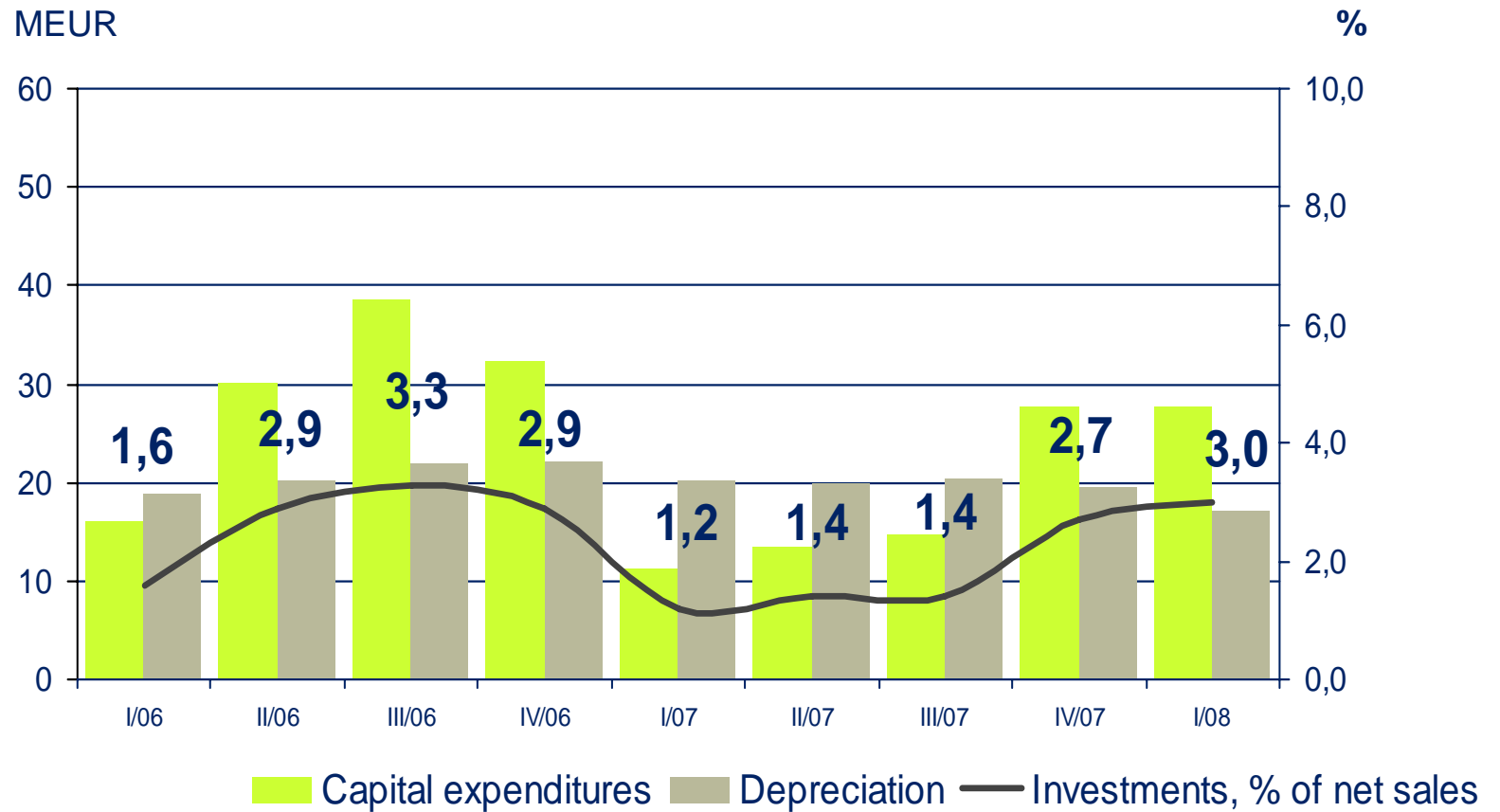


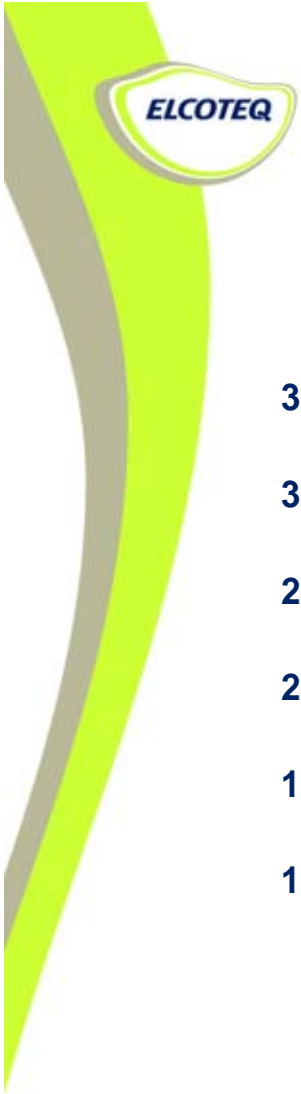
Operating Income



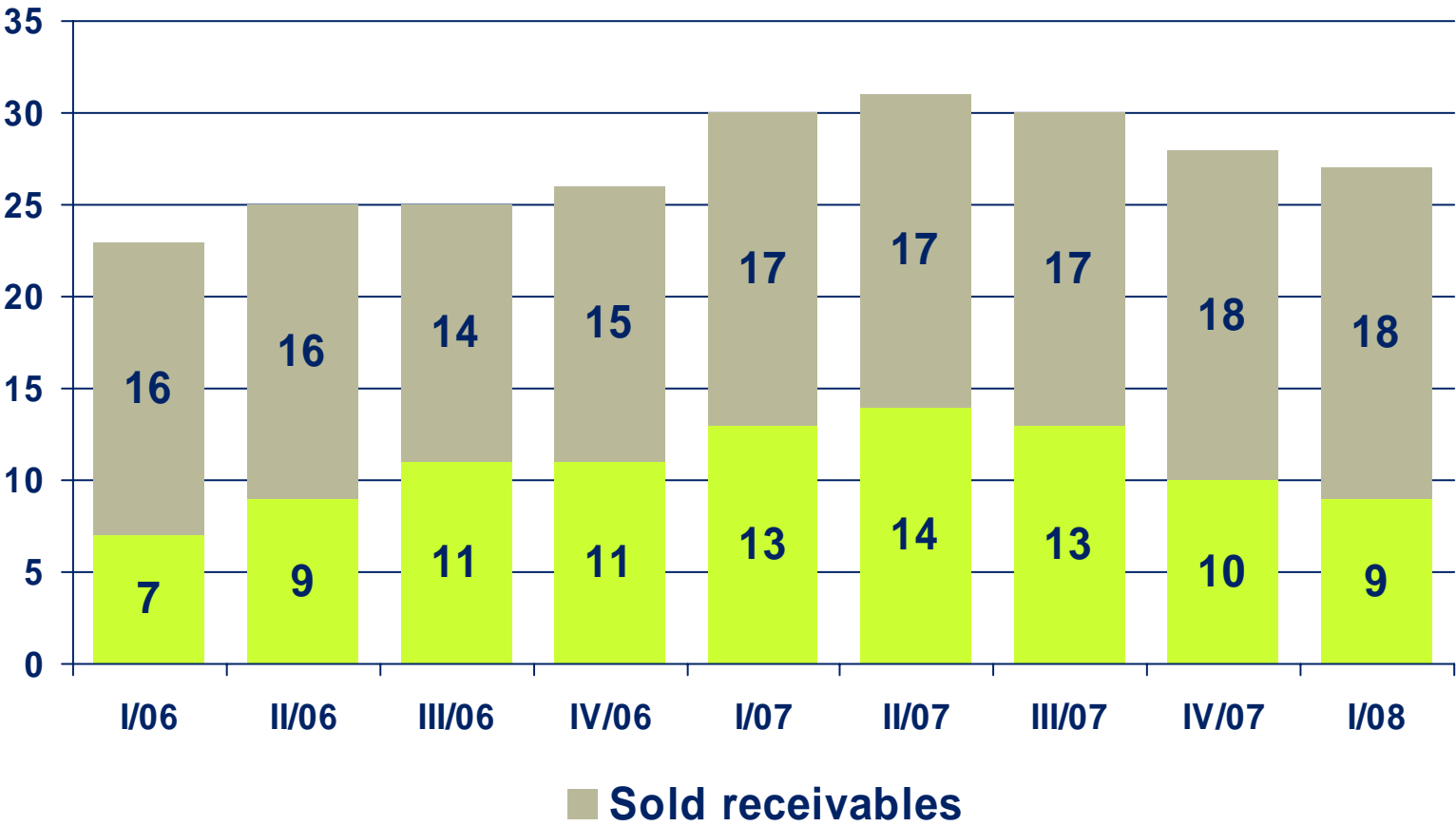


Capital Expenditures and Depreciation





Average Working Capital Days



Prospects

- **Full year 2008**
 - Improving profitability the key priority
 - Net sales are expected to be at the level of 2007
 - Operating income (excl. the restructuring items) is expected to improve substantially compared to 2007
 - Two percent operating income level is expected to be reached gradually towards the end of the year

- **Second Quarter 2008**
 - Net sales are expected to be higher than in the first quarter
 - Operating income is expected to improve clearly from the first quarter and to be positive



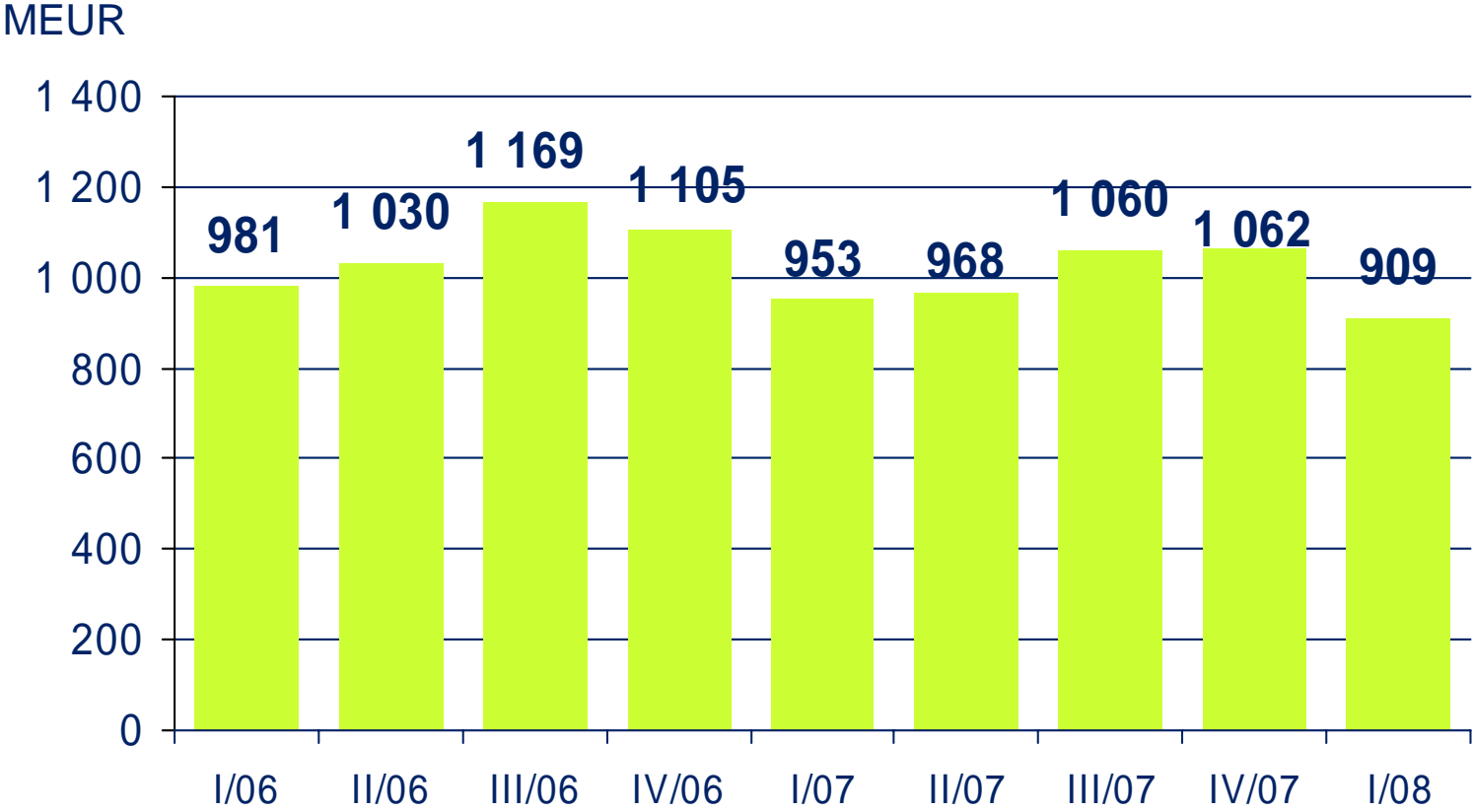
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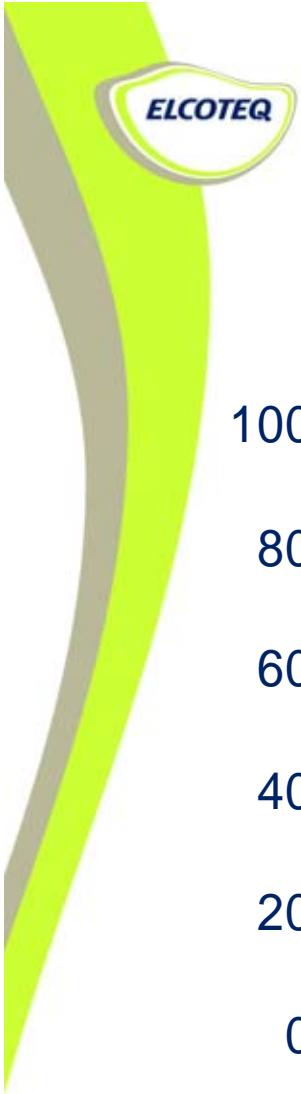


Additional Slides

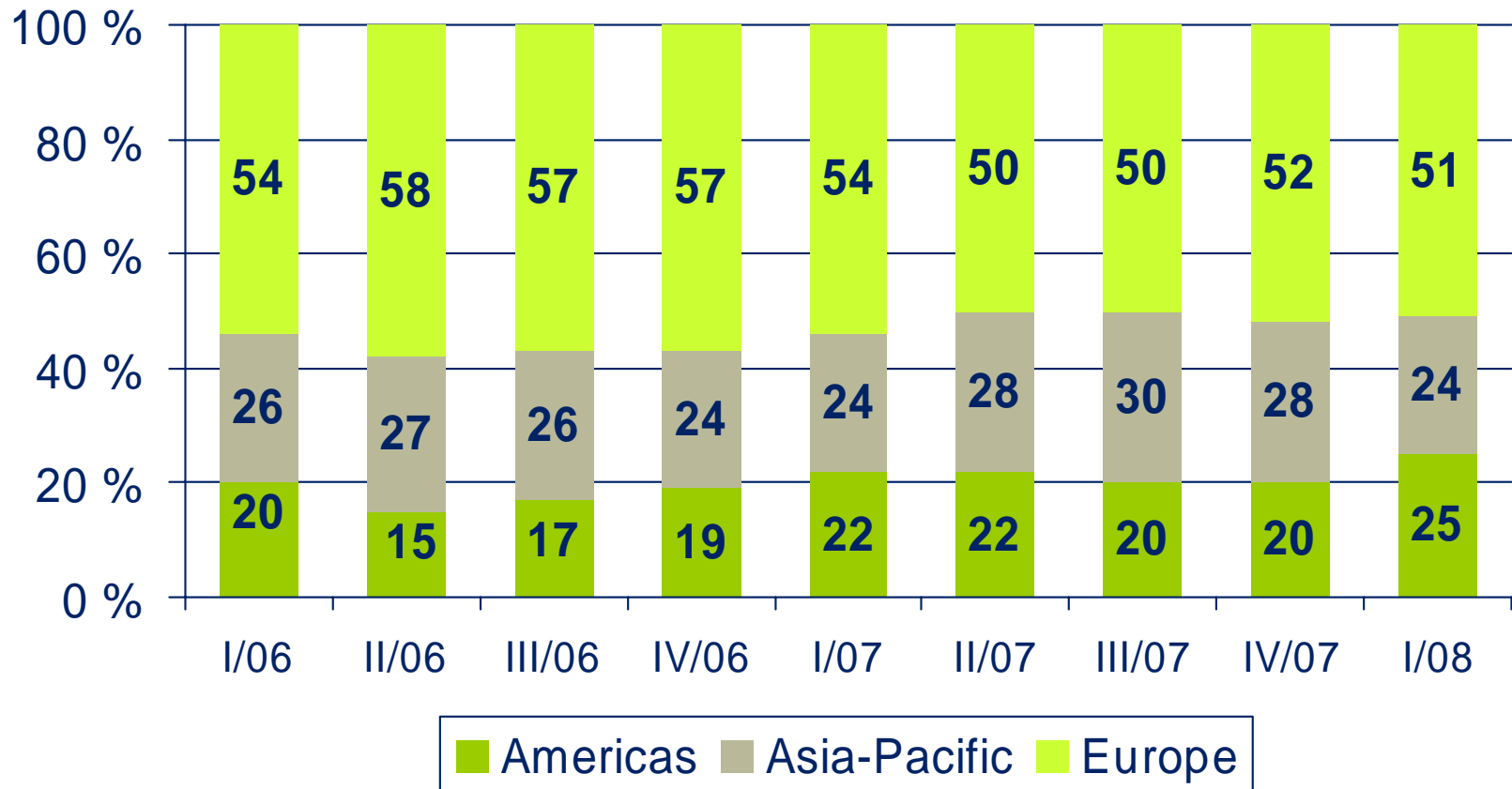


Net Sales by Quarter



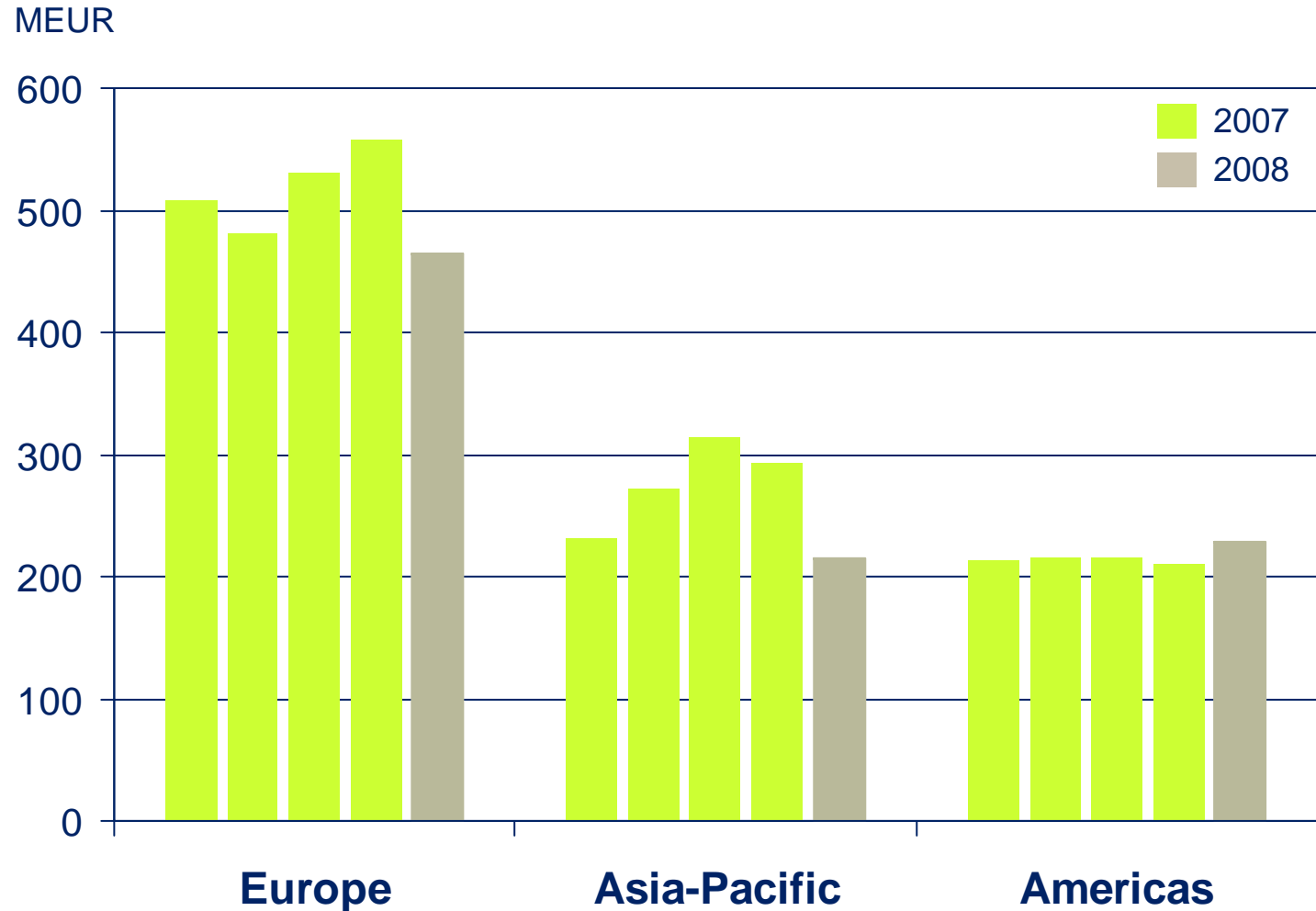


Net Sales by Geographical Area, %





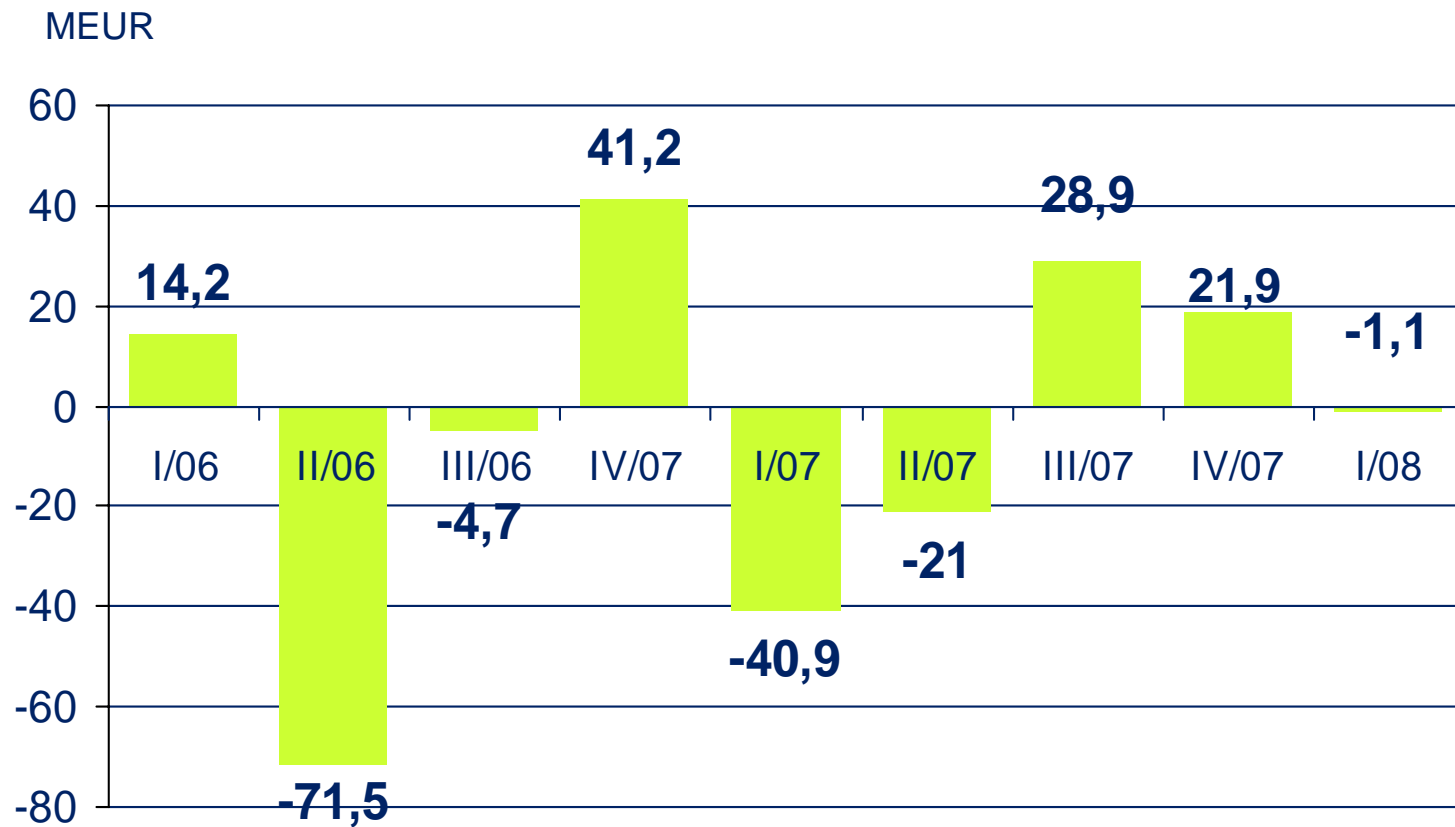
Quarterly Net Sales by Geographical Area in 2007 - 2008



Earnings per Share

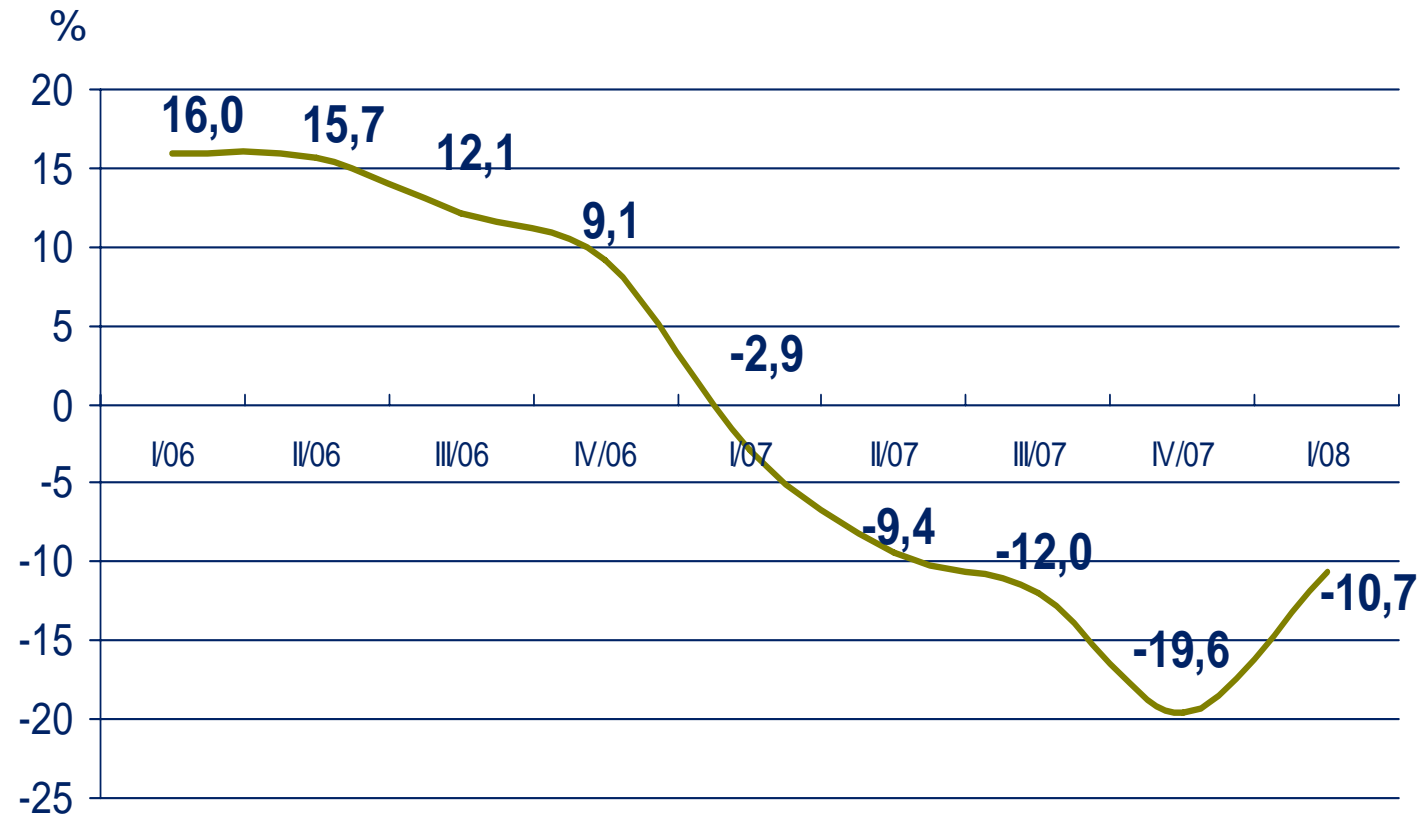


Cash Flow

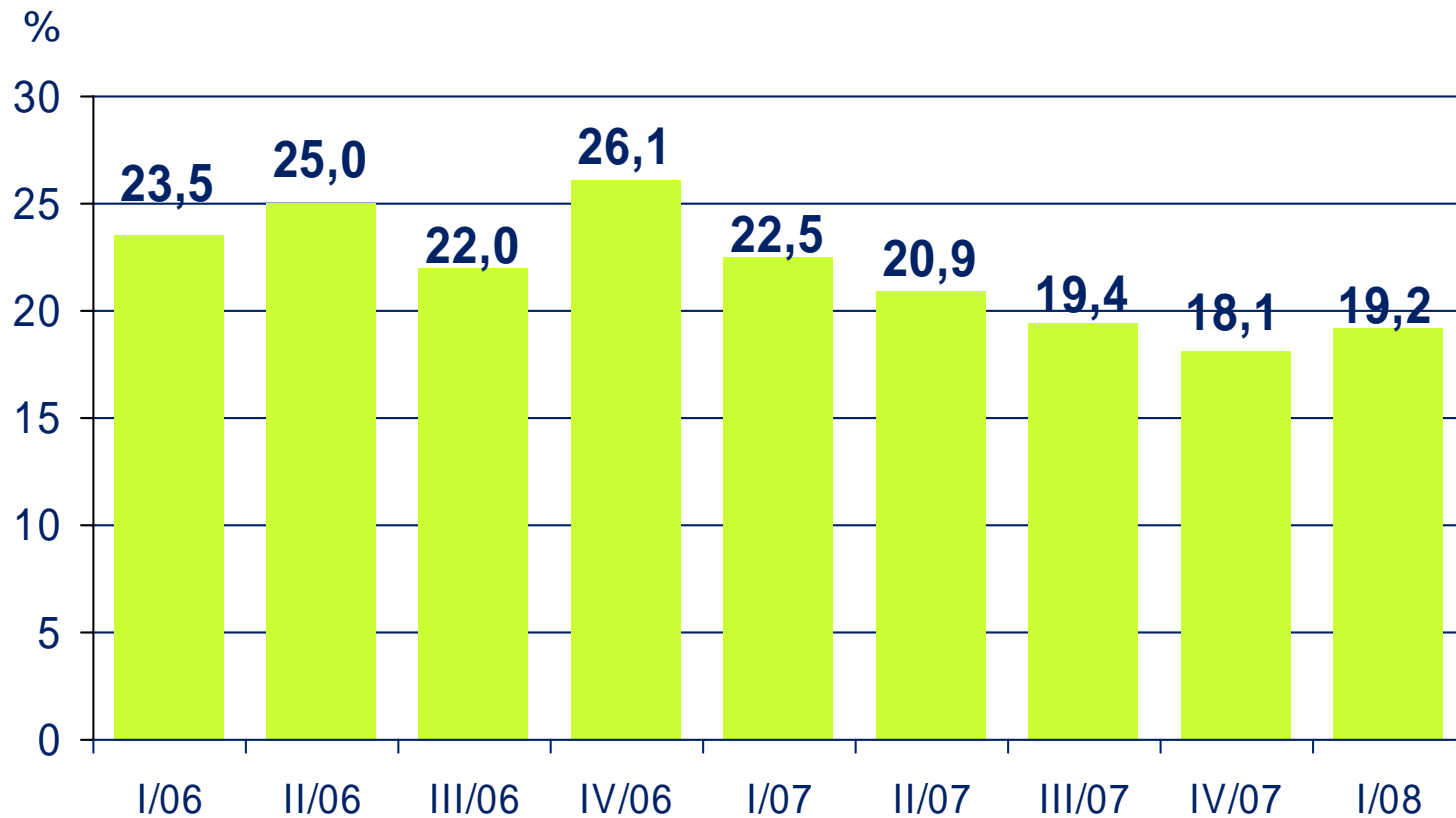


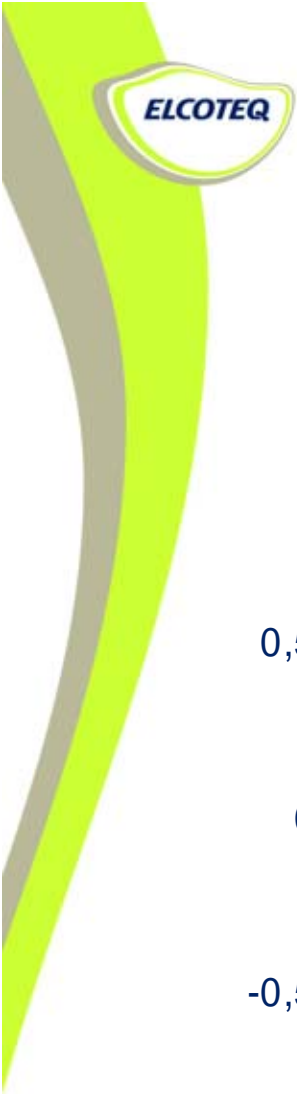


Return on Capital Employed, ROCE (Trailing 12 Months)

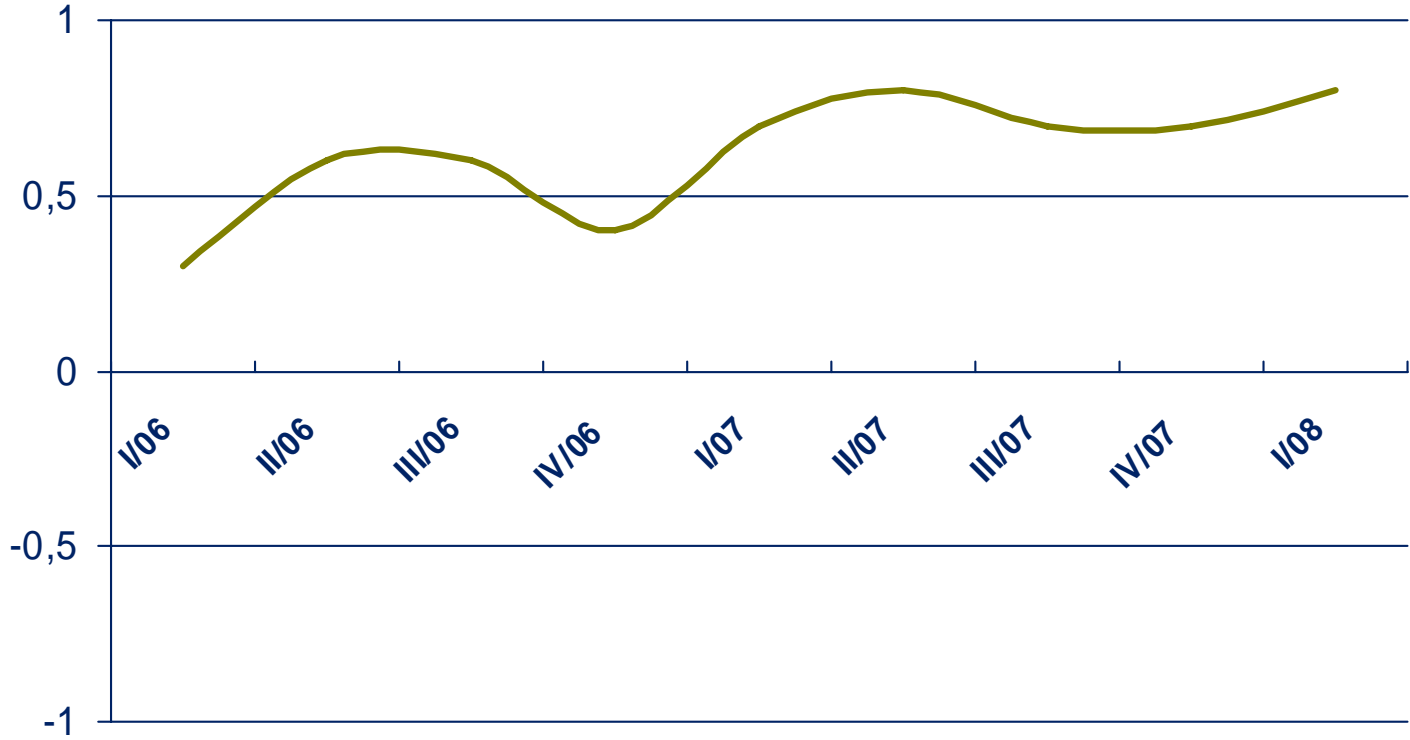


Solvency Ratio



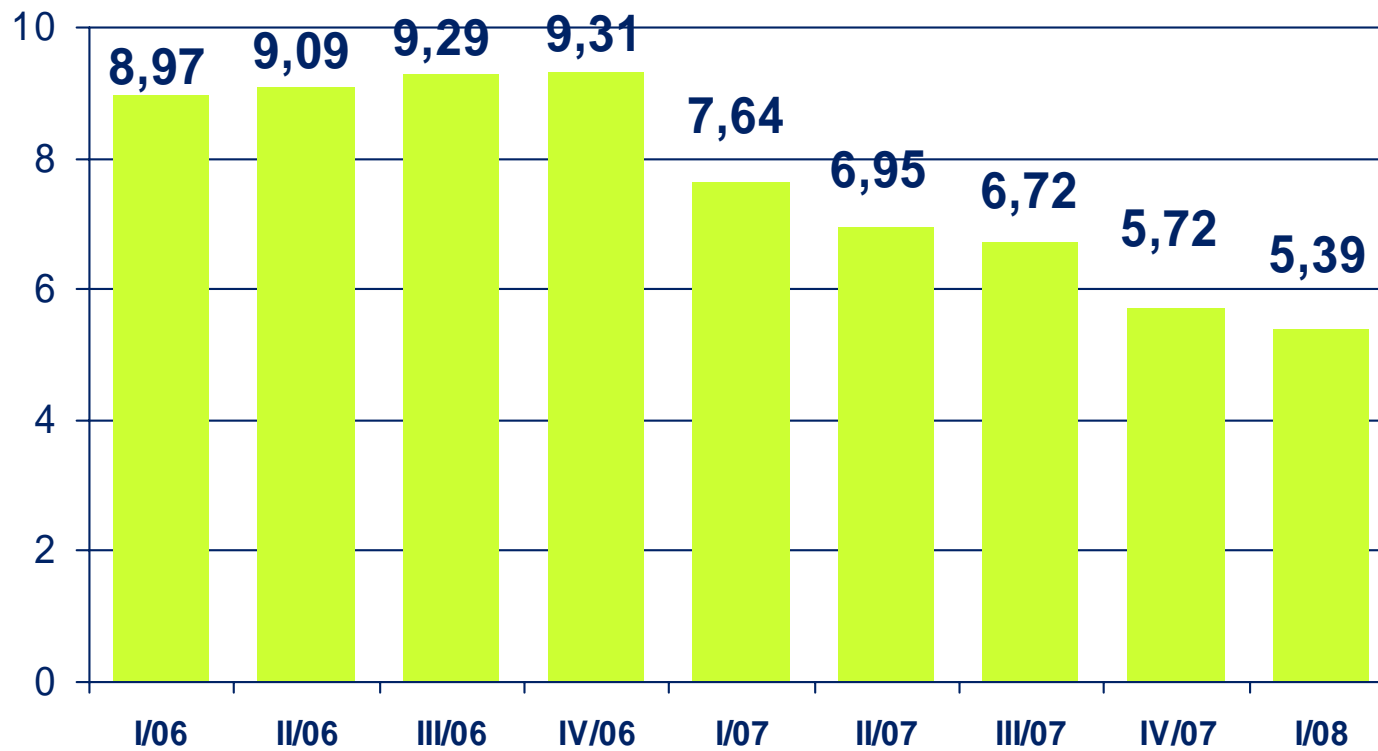


Gearing



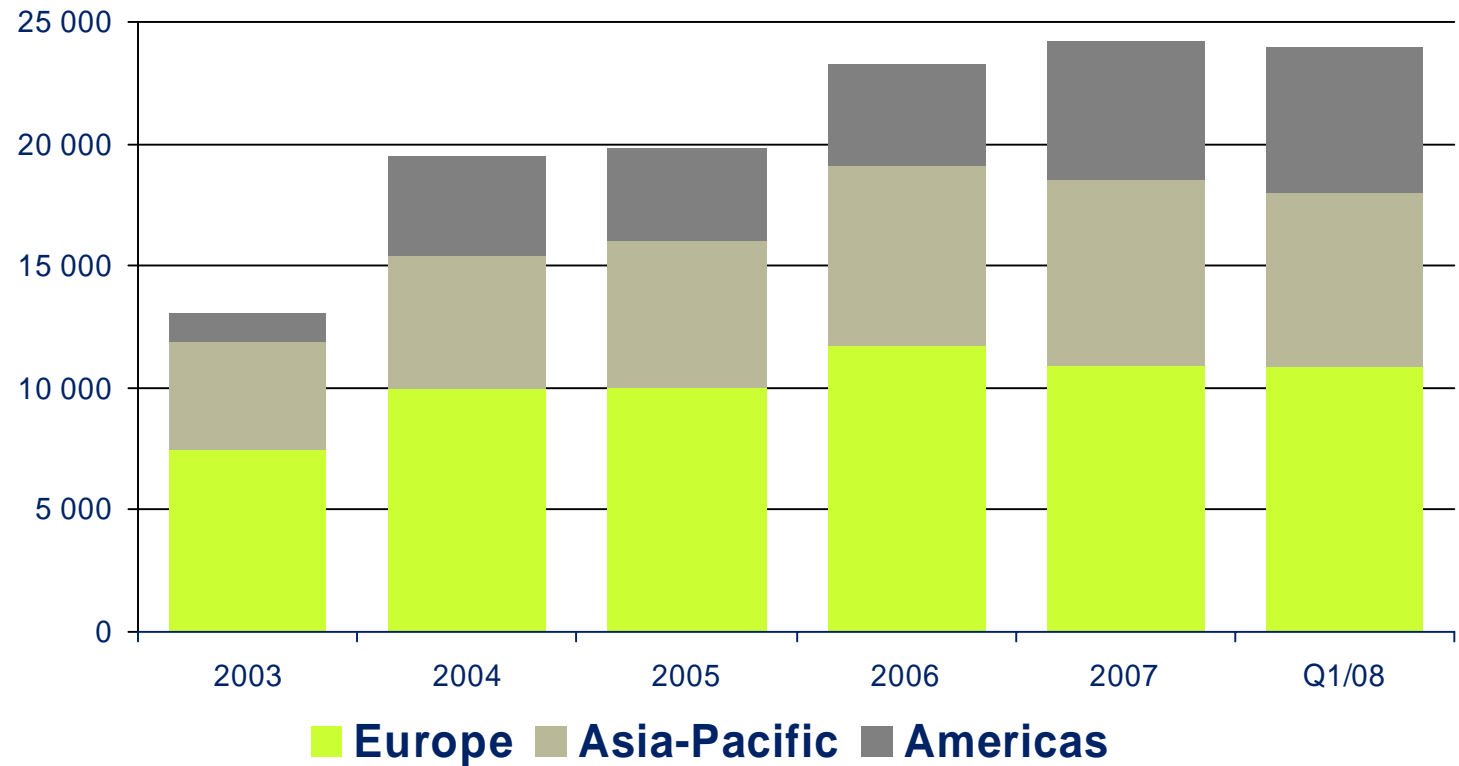
Equity per Share

EUR





Personnel by Geographical Area





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