

ELCOTEQ SE'S INTERIM REPORT JANUARY–JUNE 2008 (UNAUDITED)

Elcoteq's second quarter net sales totaled 904.8 million euros (968.3 million euros in April–June 2007). The second quarter operating income turned positive as expected, and totaled 0.6 million euros (-19.0). In spite of the net sales being lower than in the first quarter of 2008, the operating income clearly improved (-9.5 million euros in January–March 2008). Cash flow after investing activities in the second quarter was -78.5 million euros (-21.0). It was affected by the temporarily high finished goods and component inventory levels caused especially by a Personal Communications customer's overly optimistic forecast for the second quarter.

April–June

- Net sales in the second quarter amounted to 904.8 million euros (968.3 million euros in April–June 2007).
- Operating income was 0.6 million euros (-19.0 and excluding restructuring costs -15.9).
- Income before taxes was -5.5 million euros (-25.1).
- Earnings per share (EPS) were -0.42 euros (-0.64).
- Rolling 12-month return on capital employed (ROCE) was -6.2% (-9.4%).
- Cash flow after investing activities was -78.5 million euros (-21.0).
- Gearing was 1.2 (0.8).

January–June

- Net sales in January–June were 1,813.6 million euros (1,920.8 million euros in January–June 2007).
- Operating income was -8.9 million euros (-71.3 and excluding restructuring costs -38.2).
- Income before taxes was -21.0 million euros (-84.1).
- Earnings per share (EPS) were -0.78 euros (-2.12).
- Cash flow after investing activities was -79.6 million euros (-61.9).
- Interest-bearing net debt was 220.2 million euros (192.1).

This interim report has been prepared using IFRS recognition and measuring principles. Tables have been prepared in compliance with the IAS 34 requirements approved by the European Union. The comparative figures given in the body text of this report are figures for the corresponding period in the previous year, unless stated otherwise.

April–June

The Group's net sales in the second quarter were slightly below the level of the first quarter, totaling 904.8 million euros (968.3 in the second quarter of 2007 and 908.7 million euros in the first quarter of 2008). The decline is partly explained by the EUR/USD exchange rate; using the currency rates that prevailed in the second quarter of 2007, the figure for net sales would have been approximately 100 million euros higher. Net sales of both the Home Communications and the Communications Networks Business Areas rose clearly compared to the first quarter while Personal Communications Business Area's sales declined.

Operating income turned positive and was 0.6 million euros (-19.0 million euros April–June 2007). Operating income improved according to company's expectations compared to the first quarter of 2008, when the operating income totaled -9.5 million euros. The main reasons for this positive trend were the good progress in the action plan initiated in February 2007 to improve profitability as well as improved net sales by the Home Communications and Communications Networks Business Areas. All Business Areas reported positive operating income in the second quarter. The clearest improvement was in

Communications Networks' profitability, which was due to better capacity utilization and cost savings. Improved profitability in Home Communications Business Area is mostly resulting from sales increase.

The Group's net financial expenses amounted to 6.1 million euros. Income before taxes was -5.5 million euros (-25.1) and net income was -13.7 million euros (-20.6). Earnings per share were -0.42 euros (-0.64).

Gross capital expenditures on fixed assets in the second quarter totaled 16.6 million euros (13.4) or 1.8% of net sales. Capital expenditure was allocated to testing capacity expansion and replacement of assembly equipment. Depreciation was 18.2 million euros (19.9).

Cash flow after investing activities in the second quarter was -78.5 million euros (-21.0). Cash flow was affected by the unusually high finished goods and component inventory levels as well as an increase in accounts receivables. Company held excess inventories caused especially by a Personal Communications customer's overly optimistic forecast for the second quarter. These inventories, which the company had to a great extent pay in the second quarter will be run down during the third quarter of 2008. The cash flow received by the Group from sold accounts receivable amounted to 113.8 million euros at the end of June (136.5 million euros at the end of March 2008).

At the end of June Elcoteq had unused but immediately available credit limits totaling 237.5 million euros (276.4 million euros at the end of March 2008). These credit limits included a 230 million euros syndicated, committed credit facility of which 170 million euros was unused. The solvency ratio was 18.0% (20.9%) and gearing was 1.2 (0.8).

January–June

Net sales in January–June decreased slightly compared to the same period last year, standing at 1,813.6 million euros (1,920.8). Operating income improved clearly and was -8.9 million euros (-71.3 and excluding restructuring costs -38.2). Income before taxes was -21.0 million euros (-84.1). Earnings per share were -0.78 euros (-2.12).

Gross capital expenditures on fixed assets in January–June amounted to 44.3 million euros (24.6), 1.4% of net sales. Depreciation totaled 35.3 million euros (40.0).

Personnel

At the end of June 2008 Elcoteq employed 21,522 people (23,847): 249 (489) in Finland and 21,273 (23,358) in other locations. The geographical distribution of the workforce was as follows: Europe 9,708 (10,889), Asia-Pacific 6,212 (8,125) and the Americas 5,602 (4,833). The average number of Elcoteq employees on the company's direct payroll in January-June was 17,685 (19,334).

Business Areas

Since the beginning of 2008, Elcoteq has three Business Areas as its primary segments: Personal Communications, Home Communications and Communications Networks. Until the end of 2007 Personal Communications and Home Communications formed one combined Business Area, Terminal Products.

In the second quarter of 2008, Personal Communications contributed 70% (65%), Home Communications 10% (13%) and Communications Networks 20% (22%) of the Group's net sales. Elcoteq's largest customers (in alphabetical order) were Ericsson, Nokia Devices, Nokia Siemens Networks, Philips, Research in Motion (RIM), Sony Ericsson and Thomson. Over the past year and a half the company has significantly grown

with several of its other major customers whereas the share of Nokia has declined and Nokia is not the biggest customer anymore.

Net sales of the Personal Communications Business Area in the second quarter were higher than in the second quarter last year, standing at 631.0 million euros (628.8). The segment's operating income improved clearly to 5.6 million euros (-9.4), 0.9% of its net sales. Profitability improvement resulted mainly from the operational cost savings which were still not fully effective in the second quarter as the improvements made especially in Mexico start to become visible from the third quarter of 2008 onwards.

Net sales of the Home Communications Business Area were lower in the second quarter than one year earlier, standing at 90.5 million euros (123.2). However, the segment's operating income improved clearly totaling 0.9 million euros (-2.0), 1.0% of its net sales. The improvement of profitability resulted from production consolidation and systematic actions to improve the product portfolio. Home Communications operating income improved also from the first quarter of 2008 (-0.5 million euros in January-March 2008), mainly due to the better demand situation.

Net sales of the Communications Networks Business Area decreased somewhat compared to last year's second quarter to 183.3 million euros (216.4) due to the divestment of the loss making German manufacturing operations in the beginning of 2008. However, the segment's operating income improved to 3.3 million euros (2.2) or 1.8% of its net sales. Operating income improved also clearly from this year's first quarter (-4.2 million euros in January-March 2008), mainly due to higher net sales.

Geographical Areas

Elcoteq has three geographical areas: Europe, Asia-Pacific and Americas. Elcoteq's second quarter net sales were derived from these areas as follows: Europe 46% (50%), Asia-Pacific 26% (28%) and Americas 28% (22%).

Europe's net sales showed a decrease of 14% compared to the same period last year and totaled 414.3 million euros (481.0). Asia-Pacific's net sales decreased by 14%, amounting to 233.4 million euros (272.1) and net sales of Americas increased by 19% on the same period last year to 257.1 million euros (215.2).

Compared to the first quarter of 2008, the net sales in Europe declined by 11%, while in Asia-Pacific the net sales grew by 9% and in the Americas the net sales grew by 12%.

Progress with the Action Plan and the IEMS Strategy

The earlier announced action plans to improve Elcoteq's profitability and competitiveness continued in the second quarter of 2008. Except for the delay in the St. Petersburg divestment, the action plan is on track. On February 25, 2008, Elcoteq signed an agreement with Flextronics International GmbH to divest the Elcoteq subsidiary ZAO Elcoteq and its plant in St. Petersburg, Russia. Among the conditions precedent for the closing of this transaction were that the purchaser would obtain the approval of the transaction by the Russian competition authorities, and that the purchaser would be able to close the negotiations related to certain specific issues with the Russian customs authorities. As these conditions were not met by the deadline stated in the agreement, Flextronics decided to use its right to terminate the transaction. Elcoteq is continuing with its plan to divest the St. Petersburg plant and is discussing with new parties to this effect.

As part of the action plan and because of delays in some customer projects, Elcoteq decided in the second quarter to initiate procedures with its Tallinn-based personnel regarding either compulsory holiday with partial pay or personnel reductions. Some 300 persons were affected rather than the originally estimated 330. Actions already taken to improve operational efficiency also meant that reductions in personnel numbers

were possible. Using the option of compulsory holiday with partial pay maintains the capability of upgrading volumes at short notice while at the same time reducing costs. The service offering and capabilities of Elcoteq's operations in Tallinn were not affected by these measures.

Expanding the service offering to an Integrated EMS (IEMS) company is proceeding and expected to be implemented by the end of 2008 as earlier announced. Through its IEMS strategy, Elcoteq is placing special emphasis on the broadening of its service offering to increasing its mechanics expertise and services, and to the strengthening of product development services that combine both electronics and mechanics. Elcoteq has previously announced that, in addition to developing its own operations, this strategy could call for specific M&A arrangements or various forms of collaboration with other companies in the same sector.

Changes in Elcoteq's Management

Mr. Jouni Hartikainen, President and CEO of the Elcoteq SE, took over management of the Group's Personal Communications Business Area on July 1, 2008. Mr. Anssi Korhonen, former President of the Personal Communications Business Area and member of the Elcoteq Management Team, has taken up a new position outside the company. Mr. Hartikainen continues as Elcoteq's President and CEO. The IEMS strategy is of particular importance to the Group's Personal Communications Business Area as it represents more than 70% of Elcoteq's net sales. Mr. Hartikainen will be focusing on the implementation of this strategy.

Since October 2007, Mr. Hartikainen's responsibilities at Elcoteq have also included the Human Resources function. Leadership of the Group's Global HR function was passed to Mr. Sándor Hajnal, who was appointed as Vice President, Human Resources as of July 1, 2008.

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 - at a rate quick enough to cope with market conditions that are becoming increasingly tight, coupled with its ability to offer service packages that correspond to customer demands and needs. The ability to react rapidly to changing market situation is especially important in times of increased economic uncertainty.

Shares and Shareholders

On June 30, 2008 the company had 127,795,919 shares divided into 22,025,919 series A shares and 105,770,000 series K Founders' shares. All the K Founders' shares are held by the company's three principal owners.

Elcoteq had 9,302 shareholders on June 30, 2008. There were altogether 8,022,145 nominee-registered and foreign-registered shares, representing 24.6% of the share capital and 6.3% of the votes outstanding.

Prospects

Elcoteq's key priorities during 2008 are to significantly improve the company's profitability and to prepare the ground for future growth by expanding the service offering in accordance with customers' needs. The company has gone through several changes in the past year. The growth with major customers, accomplished cost savings and closures or divestments of three factories are proving to be effective as the second quarter results show.

Elcoteq's current forecast is that the operating income will improve substantially in 2008 compared to 2007. The company's full-year net sales are expected to be at lower level than in 2007, based on the weaker than

expected development in the Personal Communications Business Area and a temporary decrease in the sales during the third quarter. Irrespective of the continuing forecasted change in the customer structure the Group's operating income is expected to be at the level of 1% towards the end of the year.

The third quarter net sales are expected to be lower than in the second quarter of 2008 while operating income is expected to be at about the same level.

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

Savonlinna, Finland
July 22, 2008
Board of Directors

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Press Conference and Webcast

Elcoteq will hold a combined press conference, conference call and webcast in English at 2.30 pm (EET) on Wednesday July 23, in the Balsa-Freda room at Scandic Hotel Simonkenttä (address: Simonkatu 9, Helsinki, Finland).

To participate by phone, please call in 5 - 10 minutes before the start of the conference on +44 20 7162 0125 (Europe) or +1 334 323 6203 (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.

Presentation material used at the press conference (pdf file) will be available on the company's website www.elcoteq.com from approximately 13.00 am (EET) on July 23, 2008.

Elcoteq publishes its third quarter interim report at 9.00 am (EET) on Thursday, October 23, 2008.

Enclosures:

- 1 Income statement
- 2 Balance sheet
- 3 Cash flow statement
- 4 Calculation of changes in shareholders' equity
- 5 Formulas for the calculation of key figures
- 6 Key figures
- 7 Business areas
- 8 Assets and liabilities classified as held for sale
- 9 Assets pledged and contingent liabilities

10 Quarterly figures

APPENDIX 1

INCOME STATEMENT, MEUR	Q2/ 2008	Q2/ 2007	Change, %	1-6/ 2008	1-6/ 2007	Change, %	1-12/ 2007
NET SALES	904.8	968.3	-6.6	1,813.6	1,920.8	-5.6	4,042.9
Change in work in progress and finished goods	-10.1	-0.9	1,079.3	-7.3	0.4		18.5
Other operating income	3.1	1.0	197.5	4.6	2.0	130.0	8.2
Operating expenses	-878.9	-964.5	-8.9	-1,784.5	-1,921.5	-7.1	-4,035.9
Restructuring expenses	-	-3.1		-	-33.1		-50.2
Depreciation and writedowns	-18.2	-19.9	-8.3	-35.3	-40.0	-11.6	-79.8
OPERATING INCOME	0.6	-19.0		-8.9	-71.3	-87.5	-96.3
% of net sales	0.1	-2.0		-0.5	-3.7		-2.4
Financial income and expenses	-6.1	-6.1	0.3	-12.1	-12.5	-3.0	-26.1
Share of profits and losses of associates	-	-0.1		-	-0.3		-0.4
INCOME BEFORE TAXES	-5.5	-25.1	-78.0	-21.0	-84.1	-75.1	-122.8
Income taxes	-7.3	5.3		-3.1	17.7		16.3
NET INCOME FOR THE PERIOD	-12.8	-19.8	-35.3	-24.1	-66.4	-63.7	-106.5
ATTRIBUTABLE TO:							
Equity holders of the parent company *	-13.7	-20.6	-33.1	-25.3	-67.5	-62.5	-108.4
Minority interests	0.9	0.7	26.3	1.2	1.0	15.9	1.9
	-12.8	-19.8	-35.3	-24.1	-66.4	-63.7	-106.5

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	June 30, 2008	Dec. 31, 2007	Change, %
ASSETS			
Non-current assets			
Intangible assets	28.5	32.7	-12.7
Tangible assets	184.0	200.1	-8.0
Investments	2.1	2.2	-4.8

Long-term receivables	48.5	33.8	43.5
Non-current assets, total	263.2	268.8	-2.1
Current assets			
Inventories	322.5	355.8	-9.4
Current receivables	320.0	335.6	-4.7
Cash and equivalents	50.5	92.7	-45.6
Current assets, total	692.9	784.0	-11.6
Assets classified as held for sale	30.5	39.5	-22.7
ASSETS, TOTAL	986.6	1,092.3	-9.7

SHAREHOLDERS' EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent company			
Share capital*	13.0	13.0	0.0
Other shareholders' equity	152.4	173.5	-12.2
Equity attributable to equity holders of the parent company, total	165.4	186.6	-11.3
Minority interests	12.5	11.3	10.2
Total equity	177.9	197.9	-10.1
Long-term liabilities			
Long-term loans	159.3	159.3	0.0
Other long-term debt	5.2	4.9	6.3
Long-term liabilities, total	164.5	164.2	0.2
Current liabilities			
Current loans	111.2	77.5	43.5
Other current liabilities	526.8	625.6	-15.8
Provisions	4.8	6.5	-26.1
Current liabilities, total	642.8	709.6	-9.4
Liabilities classified as held for sale	1.4	20.5	-93.0
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	986.6	1,092.3	-9.7

* Share capital includes both A-shares listed in Helsinki Stock Exchange and K-founders' shares.

APPENDIX 3

CONSOLIDATED CASH FLOW STATEMENT, MEUR	1-6/2008	1-6/2007	Change, %	1-12/2007
Cash flow before change in working capital	17.5	-6.6		11.7
Change in working capital *	-41.7	-24.3	71.5	43.2
Financial items and taxes	-13.1	-9.8	34.1	-19.7
Cash flow from operating activities	-37.3	-40.7	-8.3	35.3

Purchases of non-current assets	-44.6	-22.9	94.9	67.1
Disposals of non-current assets	2.3	1.7	37.8	20.8
Cash flow before financing activities	-79.6	-61.9	28.6	-11.1
Proceeds from share issue	-	6.7		6.7
Redemption of parent company shares	-	-		-0.1
Change in current debt**	38.7	25.6	51.3	30.4
Repayment of long-term debt	-0.2	-0.4	-47.5	-0.6
Dividends paid	-	-7,4		-8.9
Cash flow from financing activities	38.5	24.6	56.6	27.6
Change in cash and equivalents	-41.1	-37.4	10.0	16.5
Cash and equivalents on January 1	92.7	82.3	12.6	82.3
Cash and equivalents classified as held for sale	0.0	-		-3.2
Effect of exchange rate changes on cash held	-1.1	-0.5	115.2	-2.9
Cash and equivalents at the end of the period	50.5	44.4	13.7	92.7

* The change in working capital includes the change in sold accounts receivable. The impact of this change is to weaken the cash flow by 112.7 million euros during the reporting period 1-6/2008 and to improve by 3.3 million euros during the reporting period 1-6/2007.

** The change in current debt during the reporting period 1-6/2008 includes the change in issuance of commercial papers with a nominal value of 24 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, 2008	13.0	225.0	7.3	0.0	-58.8	186.6	11.3	197.9
Equity hedge of subsidiaries				2.4		2.4		2.4
Cash flow hedge *			-0.9			-0.9		-0.9
Translation differences				2.7		2.7	0.0	2.6
Net income					-25.3	-25.3	1.2	-24.1
Balance at June 30, 2008	13.0	225.0	6.5	5.0	-84.1	165.4	12.5	177.9
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	0.4	6.3			6.7		6.7
Equity hedge of subsidiaries			0.4		0.4		0.4
Cash flow hedge *			-1.3		-1.3		-1.3
Translation differences			0.6		0.6	0.2	0.8
Share-based payments				0.3	0.3		0.3
Dividends				-6.3	-6.3	-1.1	-7.4
Net income				-67.5	-67.5	1.0	-66.4
<hr/>							
Balance at June 30, 2007	13.0	225.0	7.1	-0.9	-17.7	226.6	9.8
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* The Group has applied hedge accounting to derivative instruments related to purchases from June 30, 2007.

APPENDIX 5

FORMULAS FOR THE CALCULATION OF KEY FIGURES

Return on equity (ROE) =	$\frac{\text{Net income} \times 100}{\text{Total equity, average of opening and closing balances}}$
Return on investments (ROI/ROCE) =	$\frac{(\text{Income before taxes} + \text{interest and other financial expenses}) \times 100}{\text{Total assets} - \text{non-interest bearing liabilities, average of opening and closing balances}}$
Earnings per share (EPS), A-shares =	$\frac{\text{Net income attributable to equity holders of the parent, A-shares}}{\text{Adjusted average number of A-shares outstanding during the period}}$
Earnings per share, diluted, A-shares (EPS) =	$\frac{\text{Net income attributable to equity holders of the parent, A-shares}}{\text{Adjusted average number of A-shares outstanding during the period} + \text{effect of dilution on the number of A-shares}}$
Earnings per share (EPS), K-founders' shares =	$\frac{\text{Net income attributable to equity holders of the parent, K-founders' shares}}{\text{Adjusted average number of K-founders' shares outstanding during the period}}$
Current ratio =	$\frac{\text{Current assets} + \text{assets classified as held for sale}}{\text{Current liabilities} + \text{liabilities classified as held for sale}}$
Solvency =	$\frac{\text{Total equity} \times 100}{\text{Total assets} - \text{advance payments received}}$
Gearing =	$\frac{\text{Interest-bearing liabilities} - \text{cash and equivalents}}{\text{Total equity}}$

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

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

APPENDIX 6

KEY FIGURES	1-6/2008	1-6/2007	Change, %	1-12/2007
Personnel on average during the period	17,685	19,334	-8.5	19,131
Gross capital expenditures, MEUR	44.3	24.6	80.2	67.2
Return on equity (ROE), %	-12.8	-24.6		-42.5
Return on investment (ROI/ROCE), %	-1.2	-14.2		-19.6
From 12 preceding months:				
Return on equity (ROE), %	-31.0	-22.3		-42.5
Return on investment (ROI/ROCE), %	-6.2	-9.4		-19.6
Earnings per share (EPS), A-shares, EUR	-0.78	-2.12		-3.37
Diluted earnings per share (EPS), A-shares, EUR	-0.78	-2.11		-3.37
Earnings per share (EPS), K-founders shares, EUR	-0.08	-0.21		-0.34
Current ratio	1.1	1.2		1.1
Solvency, %	18.0	20.9		18.1
Gearing	1.2	0.8		0.7
Shareholders' equity per share, A-shares, EUR	5.08	6.95		5.72
Shareholders' equity per share, K-founders' shares, EUR	0.51	0.70		0.57
Interest-bearing liabilities, MEUR	270.7	236.5	14.5	237.2
Interest-bearing net debt, MEUR	220.2	192.1	14.6	144.5
Non-interest-bearing liabilities, MEUR	538.1	659.1	-18.4	657.1

APPENDIX 7

BUSINESS AREAS, MEUR	1-6/2008	1-6/2007	1-12/2007
Net Sales			
Personal Communications	1,319.4	1,287.5	2,777.8
Home Communications	171.9	231.6	434.2

Communications Networks	322.3	401.7	831.0
Total	1,813.6	1,920.8	4,042.9
Segment's operating income			
Personal Communications	10.9	-35.2	-30.2
Home Communications	0.4	-13.0	-10.9
Communications Networks	-0.9	-2.5	-17.3
Group's non-allocated expenses/income	-19.3	-20.6	-38.0
Total	-8.9	-71.3	-96.3

Elcoteq's share of associated companies' results in the first half of 2008 totaled 0.0 million euros (-0.3). Associated companies' results for the full year 2007 totaled -0.4 million euros of which -0.1 million euros was allocated to Communications Networks Business Area and -0.3 million euros to Group's non-allocated expenses/income.

APPENDIX 8

ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Assets and liabilities classified as held for sale relate to real estates on sale and to sale of ZAO Elcoteq in St. Petersburg Russia.

Assets classified as held for sale:

MEUR	June 30, 2008
Non-current assets	29.9
Current assets	0.6
Total	30.5

Liabilities classified as held for sale:

MEUR	June 30, 2008
Long-term liabilities	-
Current liabilities	1.4
Total	1.4

APPENDIX 9

ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR	June 30, 2008	June 30, 2007	Change, %	Dec. 31, 2007
ON BEHALF OF OTHERS				
Guarantees	1.0	0.0		0.0
LEASING COMMITMENTS				
Operating leases, production machinery and equipment (excl. VAT)	17.2	36.1	-52.4	26.2
Rental commitments, real-estate (excl. VAT)	13.7	29.7	-53.8	19.3

DERIVATIVE CONTRACTS

Currency forward contracts, transaction risk hedge accounting not applied					
Nominal value	168.8	228.1	-26.0	223.3	
Fair value	-4.2	-4.2	-0.5	-7.1	
Currency forward contracts, transaction risk hedge accounting applied					
Nominal value	-124.0	233.1	-153.2	182.8	
Fair value	-1.9	-1.3	47.6	-1.0	
Currency forward contracts, translation risk					
Nominal value	43.8	34.7	26.3	40.5	
Fair value	0.8	0.4	99.9	1.1	
Currency forward contracts, financial risk					
Nominal value	159.5	155.1	2.8	126.5	
Fair value	-0.3	0.2	-242.9	0.3	
Interest rate and foreign exchange swap contracts					
Nominal value	4.0	4.0	0.0	4.0	
Fair value	0.7	-0.1	-753.5	0.0	

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	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
NET SALES	904.8	908.7	1,062.4	1,059.7	968.3	952.5
Change in work in progress and finished goods	-10.1	2.9	-5.7	23.8	-0.9	1.3
Other operating income	3.1	1.6	4.0	2.1	1.0	1.0
Operating expenses	-878.9	-905.6	-1,050.9	-1,063.5	-964.5	-957.0
Restructuring expenses	-	-	-15.3	-1.8	-3.1	-30.1
Depreciation and writedowns	-18.2	-17.1	-19.4	-20.4	-19.9	-20.1
OPERATING INCOME	0.6	-9.5	-24.9	-0.1	-19.0	-52.4
% of net sales	0.1	-1.0	-2.3	0.0	-2.0	-5.5
Financial income and expenses	-6.1	-6.0	-6.3	-7.3	-6.1	-6.4
Share of profits and losses of associates	-	-	-0.1	0.0	-0.1	-0.3
INCOME BEFORE TAXES	-5.5	-15.4	-31.2	-7.5	-25.1	-59.0
Income taxes	-7.3	4.2	-2.9	1.6	5.3	12.4
NET INCOME FOR THE PERIOD	-12.8	-11.3	-34.2	-5.9	-19.8	-46.6

ATTRIBUTABLE TO:

Equity holders of the parent company	-13.7	-11.6	-34.5	-6.3	-20.6	-46.9
Minority interests	0.9	0.3	0.4	0.4	0.7	0.3
	-12.8	-11.3	-34.2	-5.9	-19.8	-46.6

BALANCE SHEET, MEUR	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
ASSETS						
Non-current assets						
Intangible assets	28.5	29.5	32.7	35.0	36.9	38.8
Tangible assets	184.0	182.0	200.1	210.5	220.4	227.3
Investments	2.1	2.1	2.2	2.4	2.5	2.6
Long-term receivables	48.5	47.3	33.8	37.6	34.8	28.6
Non-current assets, total	263.2	260.9	268.8	285.5	294.7	297.4
Current assets						
Inventories	322.5	321.7	355.8	395.7	365.0	346.4
Current receivables	320.0	271.7	335.6	435.3	420.3	390.1
Cash and equivalents	50.5	91.9	92.7	65.8	44.4	75.4
Current assets, total	692.9	685.3	784.0	896.8	829.8	811.9
Assets classified as held for sale	30.5	30.2	39.5	7.9	7.6	6.7
ASSETS, TOTAL	986.6	976.4	1,092.3	1,190.2	1,132.0	1,116.0

SHAREHOLDERS' EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent company						
Share capital	13.0	13.0	13.0	13.0	13.0	12.6
Other shareholders' equity	152.4	162.8	173.5	206.1	213.5	228.5
Equity attributable to equity holders of the parent company, total	165.4	175.9	186.6	219.2	226.6	241.1
Minority interests	12.5	11.3	11.3	11.0	9.8	10.1
Total equity	177.9	187.2	197.9	230.2	236.4	251.2
Long-term liabilities						
Long-term loans	159.3	159.4	159.3	179.6	179.4	179.6
Other long-term debt	5.2	5.0	4.9	5.0	5.1	4.5
Long-term liabilities, total	164.5	164.4	164.2	184.6	184.5	184.1
Current liabilities						
Current loans	111.2	75.7	77.5	49.8	56.6	64.8
Other current liabilities	526.8	544.7	625.6	718.0	647.0	607.3

Provisions	4.8	3.7	6.5	7.5	7.5	8.5
Current liabilities, total	642.8	624.1	709.6	775.4	711.1	680.6
Liabilities classified as held for sale	1.4	0.7	20.5	-	-	-

**SHAREHOLDERS' EQUITY
AND LIABILITIES, TOTAL**

	986.6	976.4	1,092.3	1,190.2	1,132.0	1,116.0
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Personnel on average during the period	17,543	17,894	19,131	19,433	19,714	19,065
Gross capital expenditures, MEUR	16.6	27.7	27.8	14.8	13.4	11.2
ROI/ROCE from 12 preceding months, %	-6.2	-10.7	-19.6	-12.0	-9.4	-2.9
Earnings per share (EPS), A-shares, EUR	-0.42	-0.35	-1.06	-0.19	-0.64	-1.49
Solvency, %	18.0	19.2	18.1	19.4	20.9	22.5

**CONSOLIDATED CASH FLOW STATEMENT,
MEUR**

	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Cash flow before change in working capital	16.2	1.3	5.2	13.1	-2.3	-4.3
Change in working capital	-66.3	24.7	33.6	33.9	-5.9	-18.4
Financial items and taxes	-5.6	-7.5	-6.1	-3.8	-1.2	-8.6
Cash flow from operating activities	-55.8	18.4	32.7	43.2	-9.5	-31.2
Purchases of non-current assets	-24.6	-20.0	-26.2	-18.0	-12.5	-10.4
Disposals of non-current assets	1.8	0.5	15.4	3.7	1.0	0.7
Cash flow before financing activities	-78.5	-1.1	21.9	28.9	-21.0	-40.9
Proceeds from share issue	-	-	-	-	6.7	-
Redemption of parent company shares	-	-	-0.1	-	-	-
Change in current debt	36.3	2.4	9.3	-4.5	-8.8	34.4
Repayment of long-term debt	-0.2	-	-0.2	-	-0.2	-0.2
Dividends paid	-	-	-	-1.5	-7.4	-
Cash flow from financing activities	36.1	2.4	9.1	-6.0	-9.7	34.3
Change in cash and equivalents	-42.4	1.3	30.9	23.0	-30.8	-6.6
Cash and equivalents at the beginning of the period	91.9	92.7	65.8	44.4	75.4	82.3
Cash and equivalents classified as held for sale	0.2	-0.2	-3.2	-	-	-
Effect of exchange rate changes on cash held	0.9	-1.9	-0.8	-1.6	-0.2	-0.3
Cash and equivalents at the end of period	50.5	91.9	92.7	65.8	44.4	75.4
BUSINESS AREAS, MEUR	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007

Net sales						
Personal Communications	631.0	688.4	750.1	740.1	628.8	658.8
Home Communications	90.5	81.4	99.8	102.8	123.2	108.4
Communications Networks	183.3	139.0	212.5	216.8	216.4	185.3
Total	904.8	908.7	1,062.4	1,059.7	968.3	952.5
Segment's operating income						
Personal Communications	5.6	5.4	-1.9	7.0	-9.4	-25.8
Home Communications	0.9	-0.5	3.2	-1.0	-2.0	-11.0
Communications Networks	3.3	-4.2	-17.2	2.4	2.2	-4.7
Group's non-allocated expenses/income	-9.2	-10.1	-9.0	-8.5	-9.8	-10.8
Total	0.6	-9.5	-24.9	-0.1	-19.0	-52.4
Restructuring expenses recognized in segment's operating income						
Personal Communications	-	-	-1.3	-0.9	-2.9	-21.4
Home Communications	-	-	-1.3	-1.2	0.0	-6.9
Communications Networks	-	-	-12.6	0.3	-0.3	-1.4
Group's non-allocated expenses/income	-	-	0.0	0.0	0.1	-0.4
Total	-	-	-15.3	-1.8	-3.1	-30.1

GEOGRAPHICAL AREAS, MEUR	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Net Sales						
Europe	414.3	465.4	557.5	530.2	481.0	507.6
Asia-Pacific	233.4	214.4	293.9	313.7	272.1	231.2
Americas	257.1	228.9	211.1	215.7	215.2	213.6
Total	904.8	908.7	1,062.4	1,059.7	968.3	952.5