Elcoteq SE
Interim Report
April 29, 2009, at 9.00 am (EET)

ELCOTEQ SE'S INTERIM REPORT JANUARY – MARCH 2009 (UNAUDITED)

Elcoteq SE's net sales between January and March decreased as expected and totaled 470.0 million euros (908.7 in January - March 2008). Operating income was -38.3 million euros (-9.5) and -24.7 excluding restructuring expenses. The first-quarter result was strongly influenced by the economic crisis and the rapid changes in our customers' markets. Elcoteq has vigorously adjusted its cost structure with the Restructuring Plan announced in January, but it will only start to come to full effect from the second quarter onwards.

- Net sales 470.0 million euros (908.7)
- Operating income -38.3 million euros (-9.5)
- Income before taxes -49.9 million euros (-15.4)
- Earnings per share (EPS) -1.40 euros (-0.35)
- Cash flow after investing activities -50.7 million euros (-1.1)
- Rolling 12-month return on capital employed (ROCE) -11.3% (-10.7%)
- Gearing 3.2 (0.8)
- Equity project negotiations proceeding as planned
- Term sheet signed to renew the syndicated, committed credit facility

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 EU. The comparative figures given in the body text of this report are figures for the corresponding period in the previous year, unless stated otherwise.

Net Sales and Result

Elcoteq recorded net sales of 470.0 million euros (908.7) between January and March. Operating income totaled -38.3 million euros (-9.5) and was -24.7 million euros excluding restructuring costs. All segments posted negative results since they were all affected by the economic crisis and the rapid changes in our customers' markets. Sales are typically lower in the first quarter, and it was this time coupled with customers' particularly full sales channels and the fact that customers have been consuming their own buffer stocks. Profitability has been affected by the decline in sales and restructuring costs arising from adjustments in the cost base. Such reductions in the cost base will have more visible impact from the second quarter onwards.

The Group's net financial expenses were 11.5 million euros (6.0). Income before taxes was -49.9 million euros (-15.4) and net income totaled -45.6 million euros (-11.6). Earnings per share (EPS) were -1.40 euros (-0.35). Financial expenses were affected by the high debt level and currency fluctuations.

The Group's gross capital expenditures on fixed assets between January and March were 2.0 million euros (27.7), or 0.4% of net sales. Depreciation amounted to 18.9 million euros (17.1). Investments have been reduced to a minimum to increase existing asset capacity utilization ratios.

Financing and Cash Flow

Cash flow after investing activities was -50.7 million euros (-1.1). Cash flow received by the Group from sold accounts receivable was 52.3 million euros at the end of March (136.5). The negative cash flow was a result of high volatility in customer demand in the first quarter. Demand fluctuations caused challenges in maintaining the working capital, especially inventories, at an optimal level. Cash flow is expected to improve in the second quarter because the measures taken to reduce the component purchase orders implemented in the first-quarter will gradually release cash tied up in working capital.

At the end of March 2009, Elcoteq had cash and unused but immediately available credit lines totaling 118.9 million euros (368.3 million euros in the first quarter of 2008 and 165.9 million euros at the end of 2008). These credit limits included a 230 million euro syndicated, committed credit facility, of which 20 million euros were unused. The company has signed a term sheet with the bank syndicate to renew the syndicated, committed credit facility and the finalization of the loan master agreement is currently under progress.

At the end of March, the Group's interest-bearing net debt amounted to 286.4 million euros (143.6). The solvency ratio was 12.1% (19.2% at the end of March 2008) and gearing was 3.2 (0.8). Rolling 12-month return on capital employed (ROCE) was -11.3% (-10.7%).

Business Areas

As of the beginning of 2008, Elcoteq's segment reporting covers three Business Areas: Personal Communications, Home Communications and Communications Networks. In the first quarter of 2009, Personal Communications contributed 48% (76%), Home Communications 25% (9%) and Communications Networks 27% (15%) of the Group's net sales.

Elcoteq's largest customers (in alphabetical order) are EADS, Ericsson, Funai, Huawei, Nokia Devices, Nokia Siemens Networks, Philips, Research in Motion (RIM), Sony Ericsson and Thomson.

Net sales of the Personal Communications Business Area were 227.7 million euros (688.4). The segment's operating income was -10.2 million euros (5.4) and -9.4 million euros excluding restructuring expenses. Personal Communications net sales have decreased mainly due to the manufacturing re-allocation and in-sourcing decisions made by Nokia Devices.

Net sales of the Home Communications Business Area increased compared to the first quarter a year earlier, standing at 116.9 million euros (81.4). The segment's operating income was -9.9 million euros (-0.5) and -3.5 million euros excluding restructuring expenses. The increase in net sales came mainly from the acquisition of the flat TV manufacturing plant in Juarez, Mexico. The result was strongly affected by the one-time restructuring costs of 6.4 million euros.

Net sales of the Communications Networks business area decreased slightly compared to last year's first quarter, standing at 125.3 million euros (139.0). The segment's operating income was -10.3 million euros (-4.2) and -4.5 million euros excluding restructuring expenses.

Elcoteq's first-quarter net sales were derived from the geographical areas as follows: Europe 40% (51%), Asia-Pacific 15% (24%) and Americas 46% (25%).

Personnel

At the end of March 2009, the Group employed 14,569 (23,996) people. The geographical distribution of the workforce was as follows: Europe 6,597 (10,838), Asia-Pacific 3,231 (7,127) and Americas 4,741 (6,031). The average number of employees on Elcoteq's direct payroll between January and March was 14,446 (17,894).

Progress in the Restructuring Plan

The Restructuring Plan announced on January 15 is proceeding as planned in terms of plant closures and cost cutting. As a result of the rapid decrease in net sales, personnel reductions were carried out on a somewhat wider scale than initially planned. This has also affected the one-time restructuring costs, which were higher than anticipated. The total restructuring costs are expected to be around 30 million euros, of which 13.5 million euros were booked in December 2008 and the rest by the third quarter of 2009. Earlier, the Company estimated that the total restructuring costs would be 24 million euros, of which 13.5 million euros were booked in 2008. The cost structure has been adjusted to the current manufacturing volumes, but also allows for rapid growth. The Company can leverage the new, reduced cost base when the manufacturing volumes pick up again.

Equity Project

In January, the Company commenced a project to strengthen its balance sheet. The Equity Project is designed to provide the financial means for future growth with both existing and new customers. The Company has advanced to a phase where discussions are now carried out with a limited number of equity investors who have indicated an interest to enter into final negotiations and confirmatory due diligence. The selection of the equity partner and final negotiations are scheduled to be completed during the first half of 2009.

Shares and Shareholders

At the end of March 2009, 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 series K Founders' shares are held by the company's three principal owners.

Elcoteq had 9,416 shareholders on March 31, 2009. There were a total of 6,666,122 foreign and nominee registered shares, representing 5.22% of the votes.

Decisions of the Annual General Meeting

Elcoteq SE's Annual General Meeting took place on March 23, 2009 in Luxembourg. The Meeting confirmed the consolidated and parent company's income statements and balance sheets for the financial year 2008 and discharged the members of the Board of Directors and the statutory auditor from liability for the financial year. The Meeting approved the Board's proposal that no dividend be distributed for the financial year January 1 – December 31, 2008.

The Meeting re-elected all the current members to the Board of Directors: President Martti Ahtisaari; Mr. Heikki Horstia, Vice President, Treasurer, Wärtsilä Corporation; Mr. Eero Kasanen, Rector of the Helsinki School of Economics; Mr. François Pauly, General Manager of Sal. Oppenheim Jr. & Cie S.C.A; Mr. Antti Piippo, principal owner and founder-shareholder of Elcoteq SE; Mr. Henry Sjöman, founder-shareholder of Elcoteq SE; Mr. Juha Toivola, Master of Arts; and Mr. Jorma Vanhanen, founder-shareholder of Elcoteq SE. The term of office of each Board member extends until the end of the following Annual General Meeting. Mr. Ahtisaari, Mr. Horstia, Mr. Kasanen, Mr. Pauly and Mr. Toivola are independent Board members, and represent more than half of the Board's composition.

Convening after the Annual General Meeting in Luxembourg, the Board of Directors elected Mr. Antti Piippo as its Chairman and Mr. Juha Toivola as the Deputy Chairman. Mr. Piippo was elected Chairman of the Nomination Committee and the Working Committee and Mr. Henry Sjöman, Mr. Juha Toivola and Mr. Jorma Vanhanen as members of these committees. Mr. Toivola was elected Chairman of the Compensation Committee and the Audit Committee and President Martti Ahtisaari, Mr. Heikki Horstia, Mr. Eero Kasanen and Mr. Pauly as members of these committees.

The Meeting approved the proposal of the Audit Committee of the Board of Directors to appoint the firm of authorized public accountants KPMG Audit S.à.r.l under the supervision of Mr. Philippe Meyer as the Company's auditors for the financial year ending on December 31, 2009.

New Incentive Plan – Profitability Turnaround

On February 10, the Board of Directors approved a new profitability turnaround plan for the company's key personnel in the form of a share subscription plan.

The potential reward from the plan is based on reaching the targets set by the Board of Directors for the Group's consolidated income before taxes for the first and second half of year 2009. Based on the achieved targets the company would issue a maximum of 1,500,000 new series A shares of which 50% would be issued during June 2010 and the remaining 50% during January 2011. The new series A shares, if any, will be issued according to and under the authorization granted to the Board of Directors in the company's Articles of Association.

Short-Term Risks and Uncertainty Factors

The Company's key short-term challenges are to conclude the planned equity increase, improve operational profitability and free up cash. In addition, the Company must continue to maintain in the changing market circumstances the right service offering, optimized cost level and ability to react rapidly to demand changes.

Prospects

Under the current market conditions it is extremely difficult to make exact forecasts. The second-quarter net sales are expected to be on par with the first-quarter of 2009. Operating income is expected to improve as the restructuring actions start having an impact on the cost structure. Cash flow is expected to be positive due to the actions taken in the second quarter to reduce working capital, including the inventories.

Successful completion of the equity increase project is expected to speed up the closing of several new programs, which are under negotiations both with existing and new customers. Such equity increase is also expected to clearly stabilize the financing structure of the Company.

The Company's priority areas for 2009 are the strengthening of the equity base, further balancing of the customer base, clear improvement in bottom-line profitability through the ongoing restructuring actions and strong cash generation through improved profitability, limited capital expenditure and further working capital reduction.

Elcoteq plans its material purchases and capacity based on the forecasts received from customers and market analysis. Such forecasts may fluctuate during the forecast period, causing uncertainty in the Company's own forecasts.

Luxembourg
April 28, 2009

Board of Directors

Further information:
Jouni Hartikainen, President and CEO, +358 10 413 11
Mikko Puolakka, CFO, tel. +358 10 413 1287
Minna Aila, Director, Investor Relations and Corporate Responsibility, tel. +358 10 413 1908

Press Conference and Webcast

Elcoteq will arrange a combined press conference, conference call and audio webcast for media and analysts on Wednesday, April 29, at 2.30 pm (EET). The event will be held in English and it will be hosted at the Scandic Hotel Simonkenttä, Bulsa-Freda room (Simonkatu 9, Helsinki, Finland).

To participate by phone, please dial in 5 - 10 minutes before the beginning of the event:
+44 (0)20 7162 0025 (Europe) or +1 334 323 6201 (USA). The password is Elcoteq. The press conference can also be followed later as a recording via Elcoteq's website at www.elcoteq.com.

Elcoteq will publish its second-quarter interim report at 9.00 am (EET) on Wednesday, July 22, 2009.

Enclosures:
1 Income statement
2 Balance sheet
3 Cash flow statement
4 Statement of changes in shareholders' equity
5 Formulas for the calculation of key figures
6 Key figures
7 Business areas
8 Restructuring expenses
9 Assets and liabilities classified as held for sale
10 Assets pledged and contingent liabilities
11 Quarterly figures

The Group adopted the following standards on January 1, 2009:
- IFRS 8 Operating Segments. The adoption of the standard does not have an impact on the Interim Report.
- Revised IFRS 23 Borrowing Costs. The adaptation of the standard causes a change in the accounting principles used in the consolidated financial statements. The adoption of the standard does not have a material impact on the Group currently.
- Revised IAS1 Presentation of Financial Statements. The change of the standard has impact on the presentation of Income Statement and Statement of Changes in Shareholders' Equity.

The following changes in the accounting principles do not have an impact on the consolidated financial statements:
- IFRS 2 Share-based Payments
- IFRS 1 First-Time adoption and IAS 27 Consolidated and Separate Financial Statements
- IFRIC 15 Agreements for the Construction of Real Estate

APPENDIX 1

INCOME STATEMENT, MEUR	**Q1/2009**	**Q1/2008**	**Change, %**	**1-12/ 2008**
NET SALES	**470.0**	**908.7**	**-48.3**	**3, 443.2**
Change in work in progress and finished goods	-21.9	2.9		-35.5
Other operating income	2.3	1.6	42.0	11.2

Operating expenses	-456.1	-905.6	-49.6	-3,346.8
Restructuring expenses	-13.6	0.0		-13.5
Depreciation and impairment	-18.9	-17.1	10.8	-78.9
OPERATING LOSS	**-38.3**	**-9.5**		**-20.4**
% of net sales	-8.2	-1.0		-0.6
Financial income and expenses	-11.5	-6.0	93.2	-32.4
Share of profits and losses of associates	0.0	0.0		-0.1
LOSS BEFORE TAXES	**-49.9**	**-15.4**	**223.3**	**-52.9**
Income taxes	3.7	4.2		-11.1
NET LOSS	**-46.1**	**-11.3**	**309.7**	**-64.0**
Other comprehensive income				
Cash flow hedges	-1.1	-2.4		-2.5
Net gain/loss on hedges of net investments in foreign operations	1.5	2.2		-6.4
Foreign currency translation differences for foreign operations	0.1	0.7		11.2
Income tax relating to components of other comprehensive income	0.3	0.0		0.4
Other comprehensive income for the period, net of tax	0.8	0.5		2.7
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**-45.3**	**-10.8**		**-61.3**
LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
Equity holders of the parent company *	-45.6	-11.6		-65.9
Minority interests	-0.5	0.3		1.9
	-46.1	**-11.3**		**-64.0**
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Equity holders of the parent company *	-45.3	-10.8		-64.8
Minority interests	0.0	0.0		3.5
	-45.3	**-10.8**		**-61.3**
Earnings per share (EPS), A shares EUR	-1.40	-0.35		-2.02
Earnings per share (EPS), K founders' shares EUR	-0.14	-0.04		-0.20

Income tax is the amount corresponding to the actual effective rate based on year-to-date actual tax calculation.

* The Group´s reported net income for the period.

APPENDIX 2

BALANCE SHEET, MEUR		**March 31, 2009**	**Dec. 31, 2008**	**Change, %**
ASSETS				
Non-current assets				
	Intangible assets	27.4	27.6	-1.0
	Tangible assets	149.7	167.8	-10.8
	Investments	2.3	2.2	3.2
	Long-term receivables	53.0	46.4	14.4
Non-current assets, total		232.4	244.0	-4.8
Current assets				
	Inventories	174.2	256.2	-32.0
	Current receivables	221.9	336.3	-34.0
	Cash and equivalents	98.0	95.1	3.1
Current assets, total		494.1	687.5	-28.1
Assets classified as held for sale		20.7	23.9	-13.6
ASSETS, TOTAL		**747.1**	**955.4**	**-21.8**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
	Share capital*	13.0	13.0	0.0
	Other shareholders' equity	64.5	109.4	-41.1
Equity attributable to equity holders of the parent company, total		77.5	122.5	-36.7
Minority interests		12.8	12.7	0.2
Total equity		90.3	135.2	-33.2
Long-term liabilities				
	Long-term loans	158.9	159.3	-0.3
	Other long-term debt	6.7	5.6	19.5
Long-term liabilities, total		165.6	165.0	0.4
Current liabilities				
	Current loans	225.4	173.9	29.6
	Other current liabilities	257.4	473.9	-45.7
	Provisions	8.4	7.5	12.1
Current liabilities, total		491.2	655.3	-25.0
Liabilities classified as held for sale		-	-	-

SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	747.1	955.4	-21.8

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

APPENDIX 3

CONSOLIDATED CASH FLOW STATEMENT, MEUR	1-3/2009	1-3/2008	Change, %	1-12/2008
Cash flow before change in working capital	-7.1	1.3	0.0	71.9
Change in working capital *	-38.8	24.7		-60.2
Financial items and taxes	-5.8	-7.5	-22.7	-33.7
Cash flow from operating activities	-51.7	18.4		-22.0
Purchases of non-current assets	-2.1	-20.0	-89.5	-85.8
Disposals of non-current assets	3.1	0.5	520.0	8,2
Cash flow before financing activities	-50.7	-1.1	4,510.9	-99.7
Change in current debt	51.4	2.4	2,041.7	119.7
Repayment of long-term debt	-	-		-20.4
Dividends paid	-	-		-2.0
Cash flow from financing activities	51.4	2.4	2,041.7	97.3
Change in cash and equivalents	0.7	1.3	-46.2	-2.5
Cash and equivalents on January 1	95.1	92.7	2.6	92.7
Cash and equivalents classified as held for sale	-	-0.2		-
Effect of exchange rate changes on cash held	2.2	-1.9		4.9
Cash and equivalents at the end of the period	98.0	91.9	6.6	95.1

* The change in working capital includes the change in sold accounts receivable. The impact of this change is to weaken the cash flow by 48.8 million euros during the reporting period 1-3/2009 and by 90.0 million euros during the reporting period 1-3/2008

APPENDIX 4

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, MEUR

	Attributable to equity holders of the parent									
	Share capital	Additional paid-in capital	Other reserves	Hedging reserve	Translation differences	Reserve for own shares	Retained earnings	Total	Minority interests	Total equity
BALANCE AT JAN. 1, 2009	**13,0**	**225,0**	**8,4**	**-3,1**	**3,2**	**-0,1**	**-124,0**	**122,5**	**12,7**	**135,21**
Other comprehensive income				-0,8	1,0		-45,6	-45,4	0,0	-45,3
Share-based payments							0,4	0,4		0,4
BALANCE AT MARCH 31, 2009	**13,0**	**225,0**	**8,4**	**-3,9**	**4,3**	**-0,1**	**-169,1**	**77,5**	**12,8**	**90,3**
BALANCE AT JAN. 1, 2008	**13,0**	**225,0**	**8,4**	**-1,0**	**0,0**	**-0,1**	**-58,7**	**186,6**	**11,3**	**197,9**
Other comprehensive income				-2,4	3,2		-11,6	-10,7	0,0	-10,7
BALANCE AT MARCH 31, 2008	**13,0**	**225,0**	**8,4**	**-3,4**	**3,2**	**-0,1**	**-70,3**	**175,9**	**11,3**	**187,2**

APPENDIX 5

FORMULAS FOR THE CALCULATION OF KEY FIGURES

Return on equity (ROE) =
Net income x 100

Total equity, average of opening and closing balances

Return on investments (ROI/ROCE) =
(Income before taxes + interest and other financial expenses + income from discontinued operations before taxes and financial expenses) x 100

Total assets - non-interest bearing liabilities, average of opening and closing balances

Return on investment (ROI/ROCE) for trailing 12 months =
(Income before taxes + interest and other financial expenses + income from discontinued operations before taxes and financial expenses) x 100

Total assets – non interest-bearing liabilities, average of opening and closing balances

Current ratio =
Current assets + assets classified as held for sale

Current liabilities + liabilities classified as held for sale

Solvency =
Total equity x 100

Total assets – advance payments received

Gearing =
Interest-bearing liabilities – cash and equivalents

Total equity

Equity per share =
Equity attributable to equity holders of the parent company

Adjusted average number of A shares outstanding end of the period + (adjusted average number of K founders´ shares

outstanding end of the period/10)

Earnings per share, A shares (EPS) =
Net income attributable to equity holders of the parent, A shares
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Adjusted average number of A shares outstanding during the period

Earnings per shares, K founders´ shares (EPS) =
Net income attributable to equity holders of the parent,
K founders´ shares

Adjusted average number of K founders' shares outstanding
during the period

APPENDIX 6

KEY FIGURES	**1-3/ 2009**	**1-3/ 2008**	**Change, %**	**1-12/ 2008**
Personnel on average during the period	14,446	17,894	-19.3	17,401
Gross capital expenditures, MEUR	2.0	27.7	-92.8	71.4
Return on equity (ROE), %	-40.9	-5.9		-38.4
Return on investment (ROI/ROCE), %	-9.4	-1.8		-3.1
From 12 preceding months:				
Return on equity (ROE), %	-71.3	-32.5		-38.4
Return on investment (ROI/ROCE), %	-11.3	-10.7		-3.1
Earnings per share (EPS), A-shares, EUR	-1.40	-0.35	299.7	-2.02
Earnings per share (EPS), K-founders' shares, EUR	-0.14	-0.04	249.7	-0.20
Current ratio	1.0	1.1		1.1
Solvency, %	12.1	19.2		14.2
Gearing	3.2	0.8		1.8
Shareholders' equity per share, A-shares, EUR	2.38	5.39		3.76
Shareholders' equity per share, K-founders' shares, EUR	0.24	0.54		0.38
Interest-bearing liabilities, MEUR	384.5	235.4	63.3	333.6
Interest-bearing net debt, MEUR	286.4	143.6	99.4	238.5
Non-interest-bearing liabilities, MEUR	272.4	553.8	-50.8	486.7

APPENDIX 7

From 2009, Elcoteq has applied IFRS 8 Operating Segments in its segment reporting. The transfer to IFRS 8 has not changed the previously reported information. The presented segment reporting is based on the figures provided to the company's management.

Elcoteq has three business areas: Personal Communications, Home Communications and Communications Networks. Each of the business areas attend to their own customer accounts and develop their service offering in their own area.

The main product group for Personal Communications business area is mobile phones, their parts, modules and accessories. The company's Home Communications products include set-top boxes, flat panel televisions, and other home communications devices. Communications Networks products include wireless infrastructure equipment, wireline infrastructure components as well as enterprise network products.

BUSINESS AREAS, MEUR	1-3/ 2009	1-3/ 2008	1-12/ 2008
Net Sales			
Personal Communications	227.7	688.4	2,222.2
Home Communications	116.9	81.4	517.3
Communications Networks	125.3	139.0	703.7
Total	470.0	908.7	3,443.2
Segment´s operating income			
Personal Communications	-10.2	5.4	19.6
Home Communications	-9.9	-0.5	-4.6
Communications Networks	-10.3	-4.2	1.6
Group´s non-allocated expenses/income			
General & Administrative expenses	-7.2	-10.1	-37.1
Other expenses	-0.7	-	0.2
Total	-38.3	-9.5	-20.4

Segments' operating income for the first quarter 2009 includes following restructuring expenses: Personal Communications 0.8, Home Communications 6.4 and Communications Networks 5.8. Group's non-allocated expenses/income include restructuring costs of 0.6.

APPENDIX 8

RESTRUCTURING EXPENSES

During the first quarter of 2009, Elcoteq launched a restructuring plan that applies to whole Group still some part of the costs relating to the plan were recognized already in 2008. The plan targets to prepare the company for the exceptionally uncertain market situation and general economic development. This plan is the next step in the company's drive to increase profitability, cost-efficiency and operational excellence. The plan contains several elements. The first measure is to close the plants in Arad (Romania), Richardson (USA) and St. Petersburg (Russia) as well as to consolidate the plant in Shenzhen (China) to the plant in Beijing. The second measure consists of the processes of reducing personnel at several plants globally. In addition the company will reduce other operative costs.

The Group´s restructuring expenses during the first quarter of 2009, 13.645 thousand euros, comprise the following items:

EUR 1, 000	2009
Personnel expenses	6,706
Impairments	3,494
Production materials and services	971
Other operating expenses	2,473
Restructuring expenses, total	13,645

Impairments of non-current assets:

EUR 1, 000	2 009
Intangible rights	-
Goodwill	-
Buildings	1,231
Machinery and equipment	2,263
ADP software	-
Other financial assets	-
Impairments, total	3,494

Impairments of buildings as well as machinery and equipment are primarily due to plant closures.

APPENDIX 9

ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale relate to real estates on sale. The company did not have liabilities classified as held for sale at the end of the reporting period.

Assets classified as held for sale:

MEUR	**March 31, 2009**
Non-current assets	20,7
Current assets	-
Total	20,7

APPENDIX 10

ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR	**March 31, 2009**	**March 31, 2008**	**Change, %**	**Dec. 31, 2008**
PLEDGED SALES RECEIVABLE	-	-		26.9
PLEDGED LOAN RECEIVABLES	0.8	-		0.8
ON BEHALF OF OTHERS				
Guarantees	1.0	1.0		1.0
LEASING COMMITMENTS				
Operating leases, production machinery (excl. VAT)	6.8	21.2	-68.0	9.0
Rental commitments. real-estate (excl. VAT)	13.2	15.1	-12.4	15.4
DERIVATIVE CONTRACTS				
Currency forward contracts, transaction risk, hedge accounting not applied				
Nominal value	98.7	183.8	-46.3	118.3
Fair value	-1.5	-4.5	0.0	-0.2
Currency forward contracts, transaction risk, hedge accounting applied				
Nominal value	57.0	193.0	-70.5	69.4
Fair value	-4.6	-3.4	35.8	-3.5
Currency option contracts, transaction risk, hedge accounting applied, bought options				
Nominal value	-	-		17.0
Fair value	-	-		0.3
Currency option contracts, transaction risk, hedge accounting not applied, bought options				
Nominal value	11.8	-		-
Fair value	0.1	-		-
Currency forward contracts, translation risk				
Nominal value	21.5	48.4	-55.5	20.2
Fair value	-0.5	1.6		-0.8
Currency forward contracts, financial risk				
Nominal value	177.0	150.6	0.0	172.3
Fair value	1.6	-0.1		-3.1
Interest rate and foreign exchange swap contracts				
Nominal value	1.5	4.0	-62.5	1.5
Fair value	0.2	0.3		0.2

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 11

QUARTERLY FIGURES

INCOME STATEMENT, MEUR	**Q1/ 2009**	**Q4/ 2008**	**Q3/ 2008**	**Q2/ 2008**	**Q1/ 2008**
NET SALES	**470.0**	**889.1**	**740.5**	**904.8**	**908.7**
Change in work in progress and finished goods	-21.9	-23.9	-4.4	-10.1	2.9
Other operating income	2.3	2.2	4.4	3.1	1.6
Operating expenses	-456.1	-842.6	-719.7	-878.9	-905.6
Restructuring expenses	-13.6	-13.5	-	-	-
Depreciation and impairments	-18.9	-23.2	-20.5	-18.2	-17.1
OPERATING INCOME	**-38.3**	**-11.8**	**0.3**	**0.6**	**-9.5**
% of net sales	-8.2	-1.3	0.0	0.1	-1.0
Financial income and expenses	-11.5	-13.3	-7.0	-6.1	-6.0
Share of profits and losses of associates	0.0	-	-0.1	-	-
INCOME BEFORE TAXES	**-49.9**	**-25.2**	**-6.8**	**-5.5**	**-15.4**
Income taxes	3.7	-4.0	-4.0	-7.3	4.2
NET INCOME FOR THE PERIOD	**-46.1**	**-29.2**	**-10.7**	**-12.8**	**-11.3**

BALANCE SHEET, MEUR		**Q1/ 2009**	**Q4/ 2008**	**Q3/ 2008**	**Q2/ 2008**	**Q1/ 2008**
ASSETS						
Non-current assets						
	Intangible assets	27.4	27.6	28.4	28.5	29.5
	Tangible assets	149.7	167.8	190.0	184.0	182.0
	Investments	2.3	2.2	2.2	2.1	2.1
	Long-term receivables	53.0	46.4	49.2	48.5	47.3
Non-current assets, total		232.4	244.0	269.8	263.2	260.9

Current assets						
	Inventories	174.2	256.2	358.2	322.5	321.7
	Current receivables	221.9	336.3	326.4	320.0	271.7
	Cash and equivalents	98.0	95.1	59.5	50.5	91.9
Current assets, total		494.1	687.5	744.0	692.9	685.3
Assets classified as held for sale		20.7	23.9	28.7	30.5	30.2
ASSETS, TOTAL		**747.1**	**955.4**	**1,042.6**	**986.6**	**976.4**
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
	Other shareholders' equity	64.5	109.4	139.7	152.4	162.8
Equity attributable to equity holders of the parent company, total		77.5	122.5	152.8	165.4	175.9
Minority interests		12.8	12.7	13.4	12.5	11.3
Total equity		90.3	135.2	166.2	177.9	187.2
Long-term liabilities						
	Long-term loans	158.9	159.3	159.4	159.3	159.4
	Other long-term debt	6.7	5.6	5.5	5.2	5.0
Long-term liabilities, total		165.6	165.0	164.9	164.5	164.4
Current liabilities						
	Current loans	225.4	173.9	187.2	111.2	75.7
	Other current liabilities	257.4	473.9	519.9	526.8	544.7
	Provisions	8.4	7.5	4.4	4.8	3.7
Current liabilities, total		491.2	655.3	711.5	642.8	624.1
Liabilities classified as held for sale		-	-	-	1.4	0.7
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		**747.1**	**955.4**	**1,042.6**	**986.6**	**976.4**

Personnel on average during the period	14,446	17,050	17,304	17,543	17,894
Gross capital expenditures, MEUR	2.0	9.9	17.2	16.6	27.7
ROI/ROCE from 12 preceding months, %	-11.3	-3.1	-5.6	-6.2	-10.7
Earnings per share (EPS), A-shares, EUR	-1.40	-0.89	-0.35	-0.42	-0.35
Solvency, %	12.1	14.2	15.9	18.0	19.2

CONSOLIDATED CASH FLOW STATEMENT, MEUR	Q1/ 2009	Q4/ 2008	Q3/ 2008	Q2/ 2008	Q1/ 2008
Cash flow before change in working capital	-7.1	21.5	32.8	16.2	1.3
Change in working capital	-38.8	46.6	-65.2	-66.3	24.7
Financial items and taxes	-5.8	-13.0	-7.6	-5.6	-7.5
Cash flow from operating activities	-51.7	55.2	-39.9	-55.8	18.4
Purchases of non-current assets	-2.1	-4.4	-12.8	-24.6	-20.0
Acquisitions	-	-8.4	-15.5	-	-
Disposals of non-current assets	3.1	4.1	1.5	1.8	0.5
Cash flow before financing activities	-50.7	46.6	-66.7	-78.5	-1.1
Change in current debt	51.4	8.9	72.2	36.3	2.4
Repayment of long-term debt	0.0	-20.2	-	-0.2	-
Dividends paid	0.0	-1.0	-1.0	-	-
Cash flow from financing activities	51.4	-12.3	71.1	36.1	2.4
Change in cash and equivalents	0.7	34.2	4.4	-42.4	1.3
Cash and equivalents at the beginning of the period	95.1	59.5	50.5	91.9	92.7
Cash and cash equivalents classified as held for sale	-	-	-	0.2	-0.2
Effect of exchange rate changes on cash held	2.2	1.4	4.6	0.9	-1.9
Cash and equivalents at the end of period	98.0	95.1	59.5	50.5	91.9

BUSINESS AREAS, MEUR		Q1/ 2009	Q4/ 2008	Q3/ 2008	Q2/ 2008	Q1/ 2008
Net sales						
	Personal Communications	227.7	465.2	437.6	631.0	688.4
	Home Communications	116.9	218.8	126.6	90.5	81.4
	Communications Networks	125.3	205.2	176.3	183.3	139.0
Total		470.0	889.1	740.5	904.8	908.7
Segment´s operating income						
	Personal Communications	-10.2	6.7	1.9	5.6	5.4
	Home Communications	-9.9	-4.1	-0.9	0.9	-0.5
	Communications Networks	-10.3	-5.1	7.6	3.3	-4.2
	Group´s non-allocated expenses/income					
	General & Administrative expenses	-7.2	-9.5	-8.3	-9.2	-10.1

	Other expenses	-0.7	0.2	-0.1	-	-
Total		-38.3	-11.8	0.3	0.6	-9.5

Restructuring expenses recognized in segment´s operating income						
	Personal Communications	-0.8	-6.0	-	-	-
	Home Communications	-6.4	-2.1	-	-	-
	Communications Networks	-5.8	-5.4	-	-	-
	Group´s non-allocated expenses/income	-0.6	-	-	-	-
Total		-13.6	-13.5	-	-	-