Elcoteq SE
Interim Report
August 31, 2011 at 9.00 am (EET)

Elcoteq SE's Interim Report January - June 2011 (Unaudited)

Operating result affected by one off write downs

April - June
- Net sales 175.7 million euros (332.3 in April - June 2010)
- Operating result –37.8 million euros (-6.9). Operating result excluding one off items -11.7 million euros (-3.0)
- Result before taxes –45.3 million euros (-1.7)
- Earnings per share (EPS) –1.93 euros (-0.18)
- Cash flow after investing activities -12.3 million euros (5.3)
- Rolling 12-month return on capital employed (ROCE) -25.4% (16.8%)

January - June
- Net sales 367.2 million euros (552.9 in January - June 2010)
- Operating result -48.9 million euros (-19.8). Operating loss excluding one off items -21.3 million euros (-13.6)
- Income before taxes -66.2 million euros (61.3)
- Earnings per share (EPS) -2.55 euros (1.05)
- Cash flow after investing activities -24.5 million euros (-18.0)
- Interest-bearing net debt 36.4 million euros (76.3)
- Gearing 2.0 (0.7)
- Solvency 6.3% (18.7%)

As the Company has not at the moment adequate financing available to run its' operations in the future, the Company has discontinued to adopt the going concern basis in preparing its' consolidated financial statements.

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

Elcoteq's Chairman of the Board, Mr. Jorma Vanhanen:

"The second quarter of 2011 was a challenging period for Elcoteq. Operating result was negative as sales continued to decline from the first quarter. Sales decline was resulting from existing customers being extremely careful for outsourcing production to Elcoteq as the customers were concerned about the financial situation of the company. Due to the situation it was also extremely difficult to make new customer deals during the quarter."

April - June

Elcoteq recorded net sales of 175.7 million euros between April and June (332.3 million euros in April-June 2010). Operating result totaled -37.8 million euros (-6.9), excluding one off items it was -11.7 million euros (-3.0). Net sales have decreased significantly from last year. The sales decline was caused by TV sales peak in 2010 during Q2, due to Football World Championship and Sharp KIN phone production was at peak in Q2 in 2010. Also the main AMS customer in Mexico has significantly reduced volumes.

Operating result includes impairments of 27.7 million euros which are relating to discontinuation of adopting going concern basis in preparing of the company's consolidated financial statements.

The Group's net financial expense was -7.5 million euros (net financial income 5.2 million euros in April-June 2010). Loss before taxes was -45.3 million euros (-1.7) and net loss totaled -63.1 million euros (-6.5). Earnings per share (EPS) were -1.93 euros (-0.18).

The Group's gross capital expenditures on fixed assets between April and June were 1.7 million euros (2.6), or 1.0% of net sales (0.8%). Depreciation amounted to 33.1 million euros (7.5). During the review period no main single investments were made.

Cash flow after investing activities was -12.3 million euros (5.3). The Group had 45.1 million euros sold accounts receivable without recourse at the end of June 2011 (3.3 million euros at the end of June 2010).

At the end of June 2011, Elcoteq had cash totaling 40.5 million euros (72.5). The Group's interest-bearing net debt amounted to 36.4 million euros (76.3). The net debt increased 46% from the first quarter. The solvency ratio was 6.3% (18.7%) and gearing was 2.0 (0.7). Rolling 12-month return on capital employed (ROCE) was -25.4% (16.8%).

January - June

Net sales in January - June decreased compared to the same period last year, standing at 367.2 million euros (552.9 million euros in January - June 2010). Operating result was –48.9 million euros (-19.8) and excluding one off items –21.3 million euros (-13.6). Operating result includes impairments of 27.7 million euros which are relating to discontinuation of adopting going concern basis in preparing of the company's consolidated financial statements.

Income before taxes was -66.2 million euros (61.3). Earnings per share (EPS) were -2.55 euros (1.05). Cash flow after investing activities was -24.5 million euros (-18.0).

Gross capital expenditures on fixed assets in January - June amounted to 4.0 million euros (5.6), 1.1% of net sales (1.0%). Depreciation totaled -38.7 million euros (-17.6).

Balance Sheet, Financing

At the end of June 2011, Elcoteq had cash totaling 40.5 million euros (90.9 million euros at the end of 2010 and 72.5 million euros at the end of June 2010). The company has reduced the 73.5 million euros syndicated committed credit facility to 48.5 million euros agreed in March 2011. The Credit facility was fully utilized and matured on June 30, 2011. Due to tight liquidity situation the Company was not able to repay the remaining 48.5 million euros outstanding under the facility on its maturity (30 June 2011).

At the end of March, the Group's interest-bearing net debt amounted to 36.4 million euros (76.3). The solvency ratio was 6.3% (18.7%) and gearing was 2.0 (0.7). Rolling 12-month return on capital employed (ROCE) was -25.4% (16.8 %).

Going Concern

The company's Hungarian subsidiary signed a binding term sheet with Magyar Export-Import Bank Zrt. for a 5 year export financing revolving credit facility of 100 million euros. The parties were not able to complete the export financing within the expected time frame. The export financing would have formed an essential part of the overall refinancing of Elcoteq Group aiming, among others, at the repayment of the revolving credit facility. The company believed that the conditions of the term sheet had been met but no final financing agreement has been completed due to Magyar Export-Import Bank's deviating interpretation of the conditions of the term sheet. The termsheet is however valid until the end of November 2011.

The Company was not able to repay the remaining 48.5 million euros outstanding under the syndicated credit facility on its maturity (30 June 2011). The company has not been able to finalise negotiations for new credit facilities, new equity or equivalent investments with various credit institutions and investors.

As the Company has not at the moment adequate financing available to run its' operations in the future, the Company has discontinued to adopt the going concern basis in preparing its' consolidated financial statements. Due this reason the Company has made additional write downs of goodwill, other intangible assets and deferred tax assets totaling to 47.4 million euros. The other balance sheet items have not been evaluated by external assessor due time limitations and they have been presented as per book values.

There have been significant changes in the circumstances in which the Company has been operating since the end of the reporting period. It is possible that customers and other stakeholders may set various claims against the Company but the monetary impact of these potential claims cannot be estimated.

Strategic Business Segments

Elcoteq has two Strategic Business Segments: Electronics Manufacturing Services (EMS) and After Market Services (AMS). In the second quarter of 2011, the EMS Business Segment contributed 91% (91%) and AMS Business Segment 9% (9%) of the Group's net sales.

Net sales of the EMS Business Segment were EUR 160.2 million (303.6). The sales decline was caused by TV sales peak in 2010 during Q2, due to Football World Championship and Sharp KIN phone production was at peak in Q2 in 2010. Excluding these two the net sales at Q2 in 2010 and Q2 in 2011 remained roughly at the same level. The segment's operating loss was -29.9 million euros (-3.1) and -5.8 million euros excluding restructuring costs (0.8).

Net sales of the AMS Business Segment were 15.5 million euros (28.8). The decline in sales was mainly due reduction of volumes by the Company's main AMS customer in Mexico. The segment's operating loss was –3.8 million euros (3.3) and –1.8 million euros excluding restructuring costs (3.3).

Personnel

At the end of June 2011, the Group employed 6,847 (9,999) people. The geographical distribution of the workforce was as follows: Europe 3,164 (3,807), Asia-Pacific 1,703 (2,820) and Americas 1,980 (3,372). The average number of employees on Elcoteq's direct payroll between January and June was 6,422 (8,369).

Shares and Shareholders

At the end of June 2011, the company had 32,939,185 shares and 9,701 shareholders. There were a total of 3,842,955 foreign and nominee registered A-shares.

Changes in Elcoteq's Board of Directors and management

On July 12, Mr. François Pauly announced his resignation from the Board of Directors with immediate effect. Mr. Pauly resigned at his own request to avoid any conflicts of interest and to allocate his time effectively to his new appointment.

On August 5, President and CEO Jouni Hartikainen resigned from his position. According to Mr. Hartikainen, his ability to manage the company and to objectively safeguard the benefits of all the company's stakeholders became impossible due to the recent actions by the revolving credit facility lenders. The Board of Directors has asked Mr Hartikainen to provide his continuous support to the company during his notice period.

Events After the Review Period

On July 13, Elcoteq announced it is planning to restructure its operations to adjust the company's cost structure to the current business volumes and to improve profitability. Statutory personnel negotiations started in Elcoteq SE Finnish Branch, Elcoteq Finland Oy and Elcoteq Design Center Oy.

On July 18, Elcoteq SE announced it has decided to apply for controlled management under the laws of Luxembourg to secure continuation of the Company's current operations and to allow the previously announced outside investor to finalize its due diligence. This is a consequence of Elcoteq's revolving credit facility lenders' decision to accelerate Elcoteq's outstanding revolving credit facility despite requests for a standstill.

On July 22, Elcoteq SE filed the application for controlled management under the laws of Luxembourg. The revolving credit facility lenders continued their enforcement actions against the Company and its affiliates.

On July 28, Elcoteq SE and Elcoteq SE, Finnish Branch ("Elcoteq") filed an investigation request to the Finnish National Bureau of Investigation. In its investigation request Elcoteq requests to establish whether the revolving credit facility lenders or their representatives have committed gross usury or other criminal acts against Elcoteq in connection with the syndicated revolving credit facility agreement signed on November 23, 2009.

On July 29, Elcoteq SE was informed that the Court of Luxembourg has accepted the application for controlled management. Based on this decision some of Elcoteq SE's affiliates will apply for similar procedures in respective jurisdictions.

On August 5, Elcoteq informed that Platinum Equity has terminated its evaluation of a potential investment in Elcoteq. According to Platinum Equity, it was no longer possible for them to structure the intended transaction within the context of the actions taken by the revolving credit facility lenders against Elcoteq. The revolving credit facility lenders have continued their enforcement actions against the Company and have, among other actions, blocked certain bank accounts of the Company and seized the payments of Elcoteq's customers in Europe and US. Due to these actions, the future business outlook is very uncertain and the company is only partially able to control its business processes, even if a substantial portion of the remaining loan has become covered and paid with the actions by the lenders.

On August 31, Elcoteq SE’s three Finnish subsidiaries, Elcoteq Finland Oy, ElcoteqLohjaOy and Elcoteq Design Center Oy file for bankruptcy due to lack of funding of those companies.

There have been significant changes in the circumstances in which the Company has been operating since the end of the reporting period. It is possible that customers and other stakeholders may set various claims against the Company but the monetary impact of these potential claims cannot be estimated.

Short-Term Risks and Uncertainty Factors

The Company operates in a working capital intensive business environment where the access to and availability of sufficient financing represents a risk factor. The Company has not been able to find a solution to arrange adequate financing and its' ability to implement business plan and run operations in normal way is not possible in the current situation due to financial situation of the Company.

Prospects

Elcoteq has no visibility for the outlook for the rest of the year due actions taken by its' lenders and consecutive reactions by suppliers and customers.

Financial Information 2011

The interim report of January–September will be published on October 26, 2011.

August 30, 2011

Board of Directors

Further information:

Jorma Vanhanen, Chairman of the Board, tel. +358 10 413 11
Olli-Pekka Vanhanen, Senior Vice President, Business Control and Accounting, tel. +358 10 413 11

Enclosures:
1 Consolidated statement of comprehensive income
2 Consolidated Balance Sheet
3 Consolidated Cash Flow statement
4 Consolidated statement of changes in equity
5 Formulas for the calculation of key figures
6 Key figures
7 Segment reporting
8 Impairments and reversal of impairments
9 Assets pledged and contingent liabilities
10 Quarterly figures

The Group adopted the following standards on January 1, 2011
- Amendment to IAS 32 Financial instruments: Presentation – Classification of Rights Issues
- Revised IAS 24 Related Party Disclosures

The adoption of the revised standards and interpretations does not have any material effect on the interim report.

Expenses relating to restructuring plans have not been reported separately on one line but they are included in the various cost categories according to their nature. Comparative figures have been adjusted accordingly.

APPENDIX 1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MEUR	Q2/2011	Q2/2010	Change, %	1-6/2011	1-6/2010	Change, %	1-12/2010
NET SALES	**175,7**	**332,3**	**-47,1**	**367,2**	**552,9**	**-33,6**	**1 069,9**
Change in work in progress							
and finished goods	-4,3	4,8		-3,3	9,6		-0,2
Other operating income	3,5	1,1	225,5	4,5	2,0	121,2	19,6
Operating expenses	-179,6	-337,7	-46,8	-378,6	-566,7	-33,2	-1 074,0
Depreciation, amortization and impairments	-33,1	-7,5	343,4	-38,7	-17,6	119,8	-33,5
OPERATING LOSS	**-37,8**	**-6,9**	447,5	**-48,9**	**-19,8**	146,6	**-18,1**
% of net sales	-21,5	-2,1		-13,3	-3,6		-1,7
Financial income and expenses	-7,5	5,2		-17,3	81,1		61,8
Share of profits and losses of associates	0,0	0,0		0,0	0,0		0,0
PROFIT/LOSS BEFORE TAXES	**-45,3**	**-1,7**		**-66,2**	**61,3**		**43,7**
Income taxes	-17,8	-4,8		-16,6	-27,8		-27,9
NET PROFIT/LOSS	**-63,1**	**-6,5**		**-82,8**	**33,5**		**15,8**
Other comprehensive income							
Cash flow hedges	-0,2	-0,3		0,2	0,0		0,3
Net gain/loss on hedges of net investments in foreign operations	-	-		-	-0,6		-0,6
Foreign currency translation differences for foreign operations	0,8	-1,7		2,1	-1,7		0,6
Other comprehensive income for the period, net of tax	0,6	-2,0		2,3	-2,3		0,2
TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD	**-62,5**	**-8,5**		**-80,5**	**31,2**		**16,1**
PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO:							
Owners of the parent company *	-63,7	-6,8		-84,1	33,1		14,8
Non-controlling interests - Hybrid capital investors	1,0	1,0		2,6	1,5		3,3
Non-controlling interests - others	-0,5	-0,7		-1,3	-1,1		-2,2
	-63,1	**-6,5**		**-82,8**	**33,5**		**15,8**
TOTAL COMPREHENSIVE PROFIT/LOSS ATTRIBUTABLE TO:							
Owners of the parent company	-63,0	-9,5		-81,4	29,5		14,1
Non-controlling interests - Hybrid capital investors	1,0	1,0		2,6	1,5		3,3
Non-controlling interests - others	-0,5	0,0		-1,7	0,2		-1,4
	-62,5	**-8,5**		**-80,5**	**31,2**		**16,1**
Earnings per share calculated on profit/loss attributable to owners of the parent company							
Basic earnings per share (EUR)	-1,93	-0,18		-2,55	1,05		0,45
Diluted earnings per share (EUR)	-	-		-	1,02		0,42

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	June 30, 2011	Dec. 31, 2010	Change, %
ASSETS			
Non-current assets			
Intangible assets	1,9	26,6	-93,0
Property, plant and equipment	51,6	60,8	-15,2
Investments	0,5	0,7	-18,6
Non-current receivables	0,1	15,6	-99,4
Non-current assets, total	54,1	103,5	-47,8
Current assets			
Inventories	74,1	91,8	-19,3
Current receivables	125,7	189,0	-33,5
Cash and equivalents	40,5	90,9	-55,5
Current assets, total	240,3	371,8	-35,4
ASSETS, TOTAL	**294,4**	**475,3**	**-38,1**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	13,2	13,2	0,0
Other shareholders' equity	-48,9	32,6	-250,1
Equity attributable to equity holders of the parent company, total	-35,7	45,7	-178,0
Non-controlling interests - Hybrid capital investors	49,3	46,7	5,6
Non-controlling interests - others	4,8	6,4	-25,7
Total equity	**18,4**	**98,9**	**-81,4**
Non-current liabilities			
Long-term loans	-	20,0	
Other long-term debt	-	1,8	
Non-current liabilities, total	-	21,8	
Current liabilities			
Current loans	76,9	83,3	-8,0
Other current liabilities	198,0	269,6	-27,4
Provisions	1,1	1,8	-39,1
Current liabilities, total	276,0	354,7	-22,9
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	**294,4**	**475,3**	**-38,1**

APPENDIX 3

CONSOLIDATED CASH FLOW STATEMENT, MEUR	1-6/2011	1-6/2010	Change-%	1-12/2010
Cash flow before change in working capital	-20,3	38,2		31,7
Change in working capital	7,4	-53,8		23,9
Financial items and taxes	-6,0	-13,2	-54,9	-26,6
Cash flow from operating activities	-18,9	-28,9		29,0
Purchases of non-current assets	-5,9	-5,9	0,1	-13,6
Disposals of non-current assets	0,3	16,8	-98,3	24,0
Cash flow before financing activities	-24,5	-18,0		39,3
Hybrid capital loans	-	27,9		28,7
Change in current debt	-23,7	-15,1		-51,0
Repayment of long-term debt	-	-19,0		-20,0
Cash flow from financing activities	-23,7	-6,1		-42,4
Change in cash and equivalents	-48,2	-24,1		-3,0
Cash and equivalents on January 1	90,9	87,9	3,4	87,9
Effect of exchange rate changes on cash held	-2,2	8,6		6,1
Cash and equivalents at the end of the period	40,5	72,5	-44,3	91,0

APPENDIX 4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Additional paid-in capital	Other reserves	Hedging reserve	Translation reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests- Hybrid capital investors	Non-controlling interests -others	Total equity
	Attributable to equity holders of the parent										
BALANCE AT JAN. 1, 2011	**13,2**	**231,8**	**8,4**	**0,2**	**5,9**	**-**	**-213,7**	**45,7**	**46,7**	**6,4**	**98,9**
Total comprehensive income				0,2	2,5		-84,1	-81,4	2,6	-1,7	-80,5
Total comprehensive income	**-**	**-**	**-**	**0,2**	**2,5**	**-**	**-84,1**	**-81,4**	**2,6**	**-1,7**	**-80,5**
Transactions with owners											
Hybrid capital loans granted								-			-
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
BALANCE AT JUNE 30, 2011	**13,2**	**231,8**	**8,4**	**0,4**	**8,3**	**-**	**-297,8**	**-35,7**	**49,3**	**4,8**	**18,4**

MEUR	Share capital	Additional paid-in capital	Other reserves	Hedging reserve	Translation reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests- Hybrid capital investors	Non-controlling interests -others	Total equity
	Attributable to equity holders of the parent										
BALANCE AT JAN. 1, 2010	**13,2**	**225,0**	**8,4**	**-0,1**	**6,8**	**-0,1**	**-228,4**	**24,8**	**-**	**7,8**	**32,6**
Total comprehensive income				0,0	-3,6	0,1	33,0	29,6	1,5	0,2	31,2
Total comprehensive income	**-**	**-**	**-**	**0,0**	**-3,6**	**0,1**	**33,0**	**29,6**	**1,5**	**0,2**	**31,2**
Transactions with owners											
Hybrid capital loans									50,2		50,2
Option rights							0,3	0,3			0,3
Transactions with owners	-	-	-	-	-	-	**0,3**	**0,3**	**50,2**		**50,5**
BALANCE AT JUNE 30, 2010	**13,2**	**225,0**	**8,4**	**-0,1**	**3,2**	**0,0**	**-195,1**	**54,6**	**51,6**	**8,1**	**114,3**

APPENDIX 5

DEFINITION OF KEY INDICATORS

Return on equity (ROE) =	Profit/loss for the period x 100 / Total equity, average of opening and closing balances
Return on investments (ROI/ROCE) =	(Profit/loss before taxes + interest and other financial expenses + profit/loss 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 =	(Profit/loss before taxes + interest and other financial expenses + profit/loss 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 (incl. hybrid securities) x 100 / Total assets - advance payments received
Gearing =	Interest-bearing liabilities - cash and equivalents in the balance sheet / Total equity (incl. hybrid securities)
Equity per share =	Equity attributable to owners of the parent company / Adjusted average number of A shares outstanding at the end of the period + (Adjusted average number of K founders´ shares outstanding at the end of the period/10)
Earnings per share, A shares (EPS) =	Profit/loss for the period attributable to equity holders of the parent – accumulated interest of hybrid securities for the reporting period / Adjusted average number of shares outstanding during the period
Earnings per share, diluted, A shares (EPS) =	Profit/loss for the period attributable to equity holders of the parent – accumulated interest of hybrid securities for the / Adjusted average number of shares outstanding during the period + effect of dilution on the number of shares

APPENDIX 6

KEY INDICATORS	1-6/2011	1-6/2010	Change-%	1-12/2010
Personnel on average during the period	6 422	8 369	-23,3	7 783
Gross capital expenditures, MEUR	4,0	5,6	-28,6	10,5
Return on equity (ROE), %	-141,3	45,6		24,1
Return on investment (ROI/ROCE), %	-30,8	27,1		30,4
From 12 preceding months:				
Return on equity (ROE), %	-151,5	-8,0		24,1
Return on investment (ROI/ROCE), %	-25,4	16,8		30,4
Earnings per share (EPS), A shares, EUR	-2,55	1,05		0,45
Diluted earnings per share (EPS), A shares, EUR	-	1,02		0,42
Current ratio	0,9	1,0		1,0
Solvency, %	6,3	18,7		20,8
Gearing	2,0	0,7		0,1
Shareholders' equity per share, A shares, EUR	-1,08	3,22		1,39
Interest-bearing liabilities, MEUR	76,9	148,7	-48,3	103,5
Interest-bearing net debt, MEUR	36,4	76,3	-52,3	12,6
Non-interest-bearing liabilities, MEUR	199,1	347,6	-42,7	272,9

APPENDIX 7

SEGMENT REPORTING

Elcoteq applies IFRS 8 Operating Segments in its segment reporting.
The presented segment information is based on the information provided to the Group's management.

Elcoteq has two Business Segments: EMS (Electronics Manufacturing Services) Business Segment and AMS (After Market Services) Business Segment.

Performance for both Business units are assessed based on segments' profit or loss and how the customer relationships and service offerings are taken care of.
Various Group level functions including New Sales and Group Operations support Business Segments.

EMS concentrates on serving its customers in Engineering, Manufacturing, and Fulfillment services globally.

AMS concentrates on providing its customers with reverse logistics, configuration, repair, refurbishment and other after market services.

BUSINESS SEGMENTS, MEUR	**1-6/2011**	**1-6/2010**	**1-12/2010**
Net sales			
AMS	33,0	55,7	107,0
EMS	334,2	497,2	962,9
Net sales, total	367,2	552,9	1 069,9
Segment's operating income/loss			
AMS	-5,8	5,8	12,5
EMS	-34,1	-9,7	-5,5
Group's non-allocated expenses/income			
General & Administrative expenses	-9,2	-13,2	-22,1
Other expenses	0,2	-2,7	-3,0
Operating income/loss, total	-48,9	-19,8	-18,1
Group's financial income and expenses	-17,3	81,1	61,8
Share of profits and losses of associates	0,0	0,0	0,0
Income before taxes	-66,2	61,3	43,7

APPENDIX 8

IMPAIRMENTS AND REVERSAL OF IMPAIRMENTS

The Group reviews the carrying amounts of the assets at the end of each reporting period. If any indications that the carrying amounts of the assets are higher than their recoverable amounts, impairment losses are recognized in the consolidated statement of comprehensive income.
Interim report at the end of June, 2011 has not been prepared on the going concern basis and consequently the Group has adjusted the carrying amounts of the below assets. The Group has recognized impairment losses total to 27.7 million euros and the reversal of impairments -1.7 million euros in the consolidated statement of comprehensive income, in line Depreciation, amortization and impairments. The assets has reported in the EMS Business Segment 24.0 million euros and in the AMS Business Segment 2.0 million euros.

Impairments and the reversal of impairments

MEUR	2011
Machinery and equipment	-1,7
Intangible rights	1,3
Computer software	3,8
Goodwill	22,6
Impairments and the reversal of impairments, total	26,0

APPENDIX 9

ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR

	June 30, 2011	June 30, 2010	Dec. 31, 2010
BUSINESS MORTGAGES			
EUR 100.000.000,00, from which the open liability	48,5	100,0	73,5
REAL ESTATE MORTGAGES	26,6	-	27,5
PLEDGED CASH AND CASH EQUIVALENTS	17,8	49,0	62,5
ON BEHALF OF OTHERS			
Guarantees	1,0	1,0	1,0
LEASE COMMITMENTS			
Operating leases, production machinery (excl. VAT)	0,4	0,7	0,5
Operating leases, real estate (excl. VAT)	10,8	14,2	11,4
Operating leases, others (excl. VAT)	0,7	0,5	0,4
DERIVATIVE CONTRACTS			
Currency forward contracts, transaction risk, hedge accounting not applied			
- Nominal value, open deals	1,4	14,9	1,3
- Nominal value, closed deals	-	-	-
- Fair value	0,1	0,0	0,0
Currency forward contracts, transaction risk, hedge accounting applied			
- Nominal value, open deals	7,2	1,6	11,1
- Nominal value, closed deals	-	-	-
- Fair value	0,3	-0,1	0,2

APPENDIX 10

QUARTERLY FIGURES

INCOME STATEMENT, MEUR	**Q2/2011**	**Q1/2011**	**Q4/2010**	**Q3/2010**	**Q2/2010**	**Q1/2010**
NET SALES	**175,7**	**191,4**	**266,3**	**250,7**	**332,3**	**220,5**
Change in work in progress and finished goods	-4,3	1,0	-9,7	0,0	4,8	4,8
Other operating income	3,5	1,0	16,6	1,0	1,1	0,9
Operating expenses	-179,6	-198,9	-261,1	-246,1	-337,7	-229,0
Depreciation, amortization and impairments	-33,1	-5,5	-7,8	-8,1	-7,5	-10,2
OPERATING PROFIT/LOSS	**-37,8**	**-11,1**	**4,2**	**-2,5**	**-6,9**	**-12,9**
% of net sales	-21,5	-5,8	1,6	-1,0	-2,1	-5,9
Financial income and expenses	-7,5	-9,9	-4,9	-14,3	5,2	75,9
Share of profit/loss of associated companies	0,0	0,0	0,0	0,0	0,0	0,0
PROFIT/LOSS BEFORE TAXES	**-45,3**	**-20,9**	**-0,8**	**-16,8**	**-1,7**	**63,0**
Income taxes	-17,8	1,3	1,4	-1,4	-4,8	-23,0
PROFIT/LOSS FOR THE PERIOD	**-63,1**	**-19,7**	**0,6**	**-18,2**	**-6,5**	**40,0**
ATTRIBUTABLE TO:						
Equity holders of the parent company	-63,7	-20,4	0,2	-18,5	-6,8	39,9
Non-controlling interest - Hybrid capital investors	1,0	1,6	1,0	0,9	1,0	0,5
Non-controlling interest - others	-0,5	-0,8	-0,6	-0,6	-0,7	-0,4
	-63,1	**-19,7**	**0,6**	**-18,2**	**-6,5**	**40,0**

BALANCE SHEET, MEUR	**Q2/2011**	**Q1/2011**	**Q4/2010**	**Q3/2010**	**Q2/2010**	**Q1/2010**
ASSETS						
Non-current assets						
Intangible assets	1,9	29,4	26,6	25,9	26,1	26,0
Property, plant and equipment	51,6	55,9	60,8	67,1	76,2	79,1
Investments	0,5	0,6	0,7	0,7	0,7	0,7
Non-current receivables	0,1	17,6	15,5	17,4	19,9	22,3
Non-current assets, total	54,1	103,5	103,6	111,1	122,9	128,1
Current assets						
Inventories	74,1	88,4	91,8	138,1	125,3	102,9
Current receivables	125,7	132,7	189,0	195,9	290,0	202,2
Cash and cash equivalents	40,5	51,0	90,9	84,9	72,5	69,8
Current assets, total	240,3	272,1	371,8	418,9	487,8	374,9
Assets classified as held for sale	-	-	-	-	-	17,2
ASSETS, TOTAL	**294,4**	**375,6**	**475,3**	**530,0**	**610,6**	**520,3**

SHAREHOLDERS' EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent company						
Share capital	13,2	13,2	13,2	13,2	13,2	13,2
Other shareholders' equity	-48,9	14,1	32,6	35,1	42,9	51,1
Equity attributable to equity holders of the parent company, total	-35,7	27,3	45,7	48,2	56,0	64,3
Non-controlling interest - Hybrid capital investors	49,3	48,3	46,7	43,4	50,2	28,7
Non-controlling interest - others	4,8	5,3	6,4	6,8	8,1	8,0
Total equity	18,4	80,9	98,9	98,5	114,3	100,9
Non-current liabilities						
Long-term loans	-	20,0	20,0	28,0	28,1	44,4
Other long-term debt	-	2,6	1,8	3,0	3,3	3,5
Non-current liabilities, total	-	22,6	21,8	31,1	31,4	47,8
Current liabilities						
Current loans	76,9	47,6	83,3	79,7	120,4	128,9
Other current liabilities	198,0	223,0	269,6	317,6	340,3	238,0
Provisions	1,1	1,4	1,8	3,1	4,2	4,6
Current liabilities, total	276,0	272,1	354,7	400,4	464,9	371,5
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	**294,4**	**375,6**	**475,3**	**530,0**	**610,6**	**520,3**
Personnel on average during the period	6 203	6 624	7 000	7 508	8 541	10 024
Gross capital expenditures, MEUR	1,7	2,3	2,3	2,6	2,6	3,0
ROI/ROCE from 12 preceding months, %	-25,4	-1,3	30,4	15,5	16,8	11,4
Earnings per share (EPS), A-shares, EUR	-1,93	-0,62	0,01	-0,57	-0,18	1,21
Solvency, %	6,3	21,6	20,8	18,6	18,7	19,4

CONSOLIDATED CASH FLOW STATEMENT, MEUR	**Q2/2011**	**Q1/2011**	**Q4/2010**	**Q3/2010**	**Q2/2010**	**Q1/2010**
Cash flow before change in working capital	-8,4	-11,9	8,3	-14,8	25,9	12,3
Change in working capital	-1,0	8,5	10,0	67,7	-28,5	-25,3
Financial items and taxes	-0,9	-5,0	-8,6	-4,8	-5,5	-7,7
Cash flow from operating activities	-10,5	-8,5	9,7	48,2	-8,1	-20,8
Purchases of non-current assets	-1,7	-4,2	-7,2	-0,5	-3,3	-2,6
Disposals of non-current assets	-0,1	0,4	6,9	0,3	16,7	0,1
Cash flow before financing activities	-12,3	-12,2	9,4	47,9	5,3	-23,3
Hybrid capital loans	-	-	0,2	0,6	0,1	27,8
Change in current debt	3,9	-27,6	-4,7	-31,2	-8,6	-6,5
Repayment of long-term debt	-2,3	2,3	-1,0	0,0	1,6	-20,6
Cash flow from financing activities	1,6	-25,3	-5,5	-30,7	-6,8	0,7
Change in cash and equivalents	-10,8	-37,5	3,8	17,2	-1,5	-22,6

Cash and equivalents at the beginning of the period	51,0	90,9	85,0	72,5	69,8	87,9
Effect of exchange rate changes on cash held	0,2	-2,4	2,2	-4,7	4,1	4,5
Cash and equivalents at the end of period	40,5	51,0	90,9	85,0	72,5	69,8

BUSINESS SEGMENTS, MEUR	**Q2/2011**	**Q1/2011**	**Q4/2010**	**Q3/2010**	**Q2/2010**	**Q1/2010**
Net sales						
AMS Business Segment	15,5	17,5	25,5	25,8	28,8	27,0
EMS Business Segment	160,2	173,9	240,8	224,9	303,6	193,6
Net sales, total	175,7	191,4	266,3	250,7	332,3	220,5
Operating income						
AMS Business Segment	-3,8	-2,0	2,9	3,8	3,3	2,4
EMS Business Segment	-29,9	-4,1	5,5	-1,4	-3,1	-6,6
Group's non-allocated expenses/income						
General & Administrative expenses	-4,1	-5,1	-4,0	-4,9	-5,0	-8,3
Other expenses	0,0	0,2	-0,3	0,0	-2,2	-0,5
Operating income, total	-37,8	-11,1	4,2	-2,5	-6,9	-12,9
Financial income and expenses	-7,5	-9,9	-4,9	-14,3	5,2	75,9
Share of profits and losses of associates	0,0	0,0	0,0	0,0	0,0	0,0
Income before taxes	-45,3	-20,9	-0,8	-16,8	-1,7	63,0