

ELCOTEQ NETWORK CORPORATION'S INTERIM REPORT JANUARY – JUNE 2004 (unaudited)

This interim report has been prepared in accordance with IFRS, which Elcoteq adopted from the beginning of 2004. Figures in brackets refer to the same period last year unless otherwise stated.

April - June

- Second-quarter net sales rose 28% on the same period last year and totaled MEUR 641.9 (500.4)
- Operating income was MEUR 19.3 (1.8) and income before taxes was MEUR 16.8 (-0.2)
- Earnings per share (EPS) were EUR 0.37 (-0.08)
- The sale of the Industrial Electronics business contributed MEUR +10.0 to operating income and EUR 0.19 to earnings per share
- Return on capital employed (ROCE) in previous 12 months was 17.2% (13.0% according to FAS in Q2/2003)
- Cash flow after investing activities was MEUR 71.3 (13.6)
- Gearing was 0.2 (0.1)

January - June

- Net sales for the first six months increased by approximately 24% on the same period last year and totaled MEUR 1,260.4 (1,017.6)
- Operating income was MEUR 30.6 (7.0) and income before taxes was MEUR 26.9 (3.7)
- Earnings per share (EPS) were EUR 0.55 (-0.01)
- Cash flow after investing activities was MEUR -18.8 (-44.1)
- Interest-bearing net debt amounted to MEUR 41.2 (31.3)

General

The communications technology markets turned the corner at the end of 2003, and further growth has been seen this year. Demand for terminal products was good throughout the first six months of the year, while on the communications network equipment side operators have started to invest in new 3G networks and to expand and renew their existing GSM networks. Outsourcing of product design and manufacture continued to grow.

Elcoteq has been anticipating this trend by strengthening its service portfolio and broadening its network of manufacturing plants in all its geographical areas. Capacity has been increased by building new production space and making more efficient use of existing premises. In June the company announced its intention to start offering electronics manufacturing services in India and to build a new plant in Russia.

April - June

Net sales in the second quarter rose 28% compared to the same period last year, totaling MEUR 641.9 (500.4). Net sales increased approximately 4% from the first quarter of 2004, growing during the second quarter in both the company's current business areas – Terminal Products and Communications Network Equipment – and, among its geographical areas, especially in the Americas. The Group's operating income for April-June was MEUR 19.3 (1.8), which included a capital gain of MEUR 10 from the divestment of the Industrial Electronics business. This gain includes recognition of the defined benefit pension liabilities of the divested units, in the order of MEUR 4.5. When transferring to IFRS these liabilities were entered directly in the balance sheet applying the First Time Adoption provisions of IFRS.

Income before taxes was MEUR 16.8 (-0.2) and net income was MEUR 11.2 (-2.2). Earnings per share totaled EUR 0.37 (-0.08). The impact of the Industrial Electronics sale on net income was MEUR 5.7 and on earnings per share EUR 0.19.

The Group's gross capital expenditures on fixed assets between April and June amounted to MEUR 16.5 (10.3), or 2.6% of net sales. Furthermore, capacity was increased with operating leases totaling roughly MEUR 16. Depreciation was MEUR 14.4 (14.5).

Cash flow after investing activities in the second quarter was MEUR 71.3 (13.6), which included MEUR 21 from the sale of the Industrial Electronics business. Sales of accounts receivable were increased by some MEUR 25 during the second quarter compared to the level at the end of the first quarter, whereas roughly MEUR 8 was paid for the Tellabs acquisition. Hence cash flow from operating activities in the second quarter amounted to approximately MEUR 33.

Elcoteq's largest customers are companies within the Nokia and Ericsson groups. During the second quarter these accounted for 73% (77%) of Elcoteq's net sales. This figure does not include the company's business activities with Sony Ericsson.

January - June

Net sales in the first six months of 2004 rose 24% to MEUR 1,260.4 (1,017.6). Operating income was MEUR 30.6 (7.0) and income before taxes MEUR 26.9 (3.7). Earnings per share were EUR 0.55 (0.01).

The Group's gross capital expenditures on fixed assets between January and June totaled MEUR 36.4 (23.9), or 2.9% of net sales. Depreciation was MEUR 28.6 (28.3).

Cash flow after investing activities amounted to MEUR -18.8 (-44.1). Unused credit lines totaled MEUR 168.7 (MEUR 167.1 at the end of the previous quarter). Cash flow from the sale of accounts receivable totaled MEUR 166.4 at the end of June (MEUR 141.4 at the end of the previous quarter). The solvency ratio was 29.6% (39.2%) and gearing was 0.2 (0.1).

Personnel

At the end of June Elcoteq employed altogether 14,647 people, of whom 12,486 (10,718) were on Elcoteq's payroll and 2,161 were rented employees. Of the former group, 908 (1,135) worked in Finland and 11,578 (9,583) elsewhere. The geographical breakdown of Elcoteq's own employees was as follows: Europe 7,243 (6,498), Asia-Pacific 3,964 (3,456) and Americas 1,279 (764). The average number of own employees between January and June was 12,885 (10,388).

During the second quarter the number of employees grew most at the manufacturing plants in Estonia, Hungary and Mexico. Part of the personnel increase at the Tallinn plant was caused by preparations for bringing the plant extension into operation. In Mexico, operations continued to develop favorably during the second quarter as well, and the number of employees at the plants in Hungary has risen since the start of the year. Many of Elcoteq's plants have taken measures to anticipate the seasonal end-of-year demand, which also partly explains the increase in personnel figures.

Business areas

The company has two business areas: Terminal Products and Communications Network Equipment. In the second quarter, Terminal Products accounted for 76% (78%) and Communications Network Equipment for 24% (16%) of the Group's net sales.

Net sales of the Terminal Products business area between April and June totaled MEUR 489.8 (389.0) and this segment's operating income was MEUR 10.4 (5.1). Net sales showed an increase of 26% on the same period last year and approximately 6% compared to the first quarter this year. The decrease in profitability during the second quarter was mainly attributable to a change in product mix towards more expensive products, to uneven timing of production volumes during the quarter, and to pressure on prices especially in Europe. Business activities with Sony Ericsson continued to develop well and production volumes rose in both Asia and the Americas. Full-year sales by Terminal Products are forecast to continue growing during 2004.

Net sales of the Communications Network Equipment business area between April and June almost doubled on last year's comparable period to MEUR 152.2 (78.7). Approximately MEUR 33 of this figure was attributable to the business operations acquired in 2003. This segment's profitability improved and the operating income was MEUR 7.4 (1.9). The business area's net sales are expected to show significant growth in 2004.

Elcoteq agreed in February on the sale of its Industrial Electronics business to the Swiss company Enics AG. The deal was closed as planned at the beginning of April. The sales price was finalized during the second quarter at MEUR 31, on which Elcoteq recorded a capital gain of MEUR 10 during the second quarter. Net sales of the Industrial Electronics business in the second quarter of 2003 totaled MEUR 32.7, or roughly 6% of the Group's net sales. As agreed, Elcoteq's industrial electronics manufacturing plants in Baden, Switzerland, and in Vaasa and Lohja, Finland, were transferred to the new company along with their personnel, approximately 650 employees, on April 1, 2004.

Geographical areas (GA)

Elcoteq has divided its operations geographically into four areas. Europe comprises two areas, one for Terminal Products and the other for Communications Network Equipment. The other two GAs are Asia-Pacific and Americas. Second-quarter net sales was divided geographically as follows: Terminal Products / Europe 41% (44%), Communications Network Equipment / Europe 21% (14%), Asia-Pacific 21% (32%) and Americas 17% (3%).

Europe

Aggregate second-quarter net sales in Europe amounted to MEUR 393.2 (289.3), comprising MEUR 261.4 (218.4) for Terminal Products and MEUR 131.8 (70.9) for Communications Network Equipment.

The 9,000 square meter expansion of the Tallinn communications network equipment plant will be completed in August, after which Elcoteq will have 42,000 square meters of production space in Tallinn.

Elcoteq acquired the Tellabs manufacturing plant in Espoo at the end of 2003. In February 2004 the company announced its decision to transfer this plant's production to its Tallinn communications network equipment plant. The transfer was started in the spring and will be completed by the end of the third quarter.

Measures taken to make more efficient use of the manufacturing premises in Hungary will almost double the production space there by the end of the year compared to the present level.

In June Elcoteq Network Corporation's Board of Directors approved the building of a new 14,700 square meter manufacturing plant in St. Petersburg, Russia. Construction will start during the final quarter of 2004 and the plant is scheduled to be completed in the fall of 2005. The investment in land and construction will total approximately MEUR 15. When operating at full capacity, the plant is expected to have a workforce of roughly 1,500. Elcoteq has already operated a plant in St. Petersburg since 1997 with personnel currently totaling about 170 employees.

Asia-Pacific

Second-quarter net sales of Asia-Pacific totaled MEUR 137.2 (161.7).

In June Elcoteq announced it will start electronics manufacturing services (EMS) operations in Bangalore, India. The company will initially operate in rented manufacturing space, which is expected to be in use by the end of the current year at the earliest. When fully operational, the plant will employ roughly 1,000 people. The start of business operations in India reinforces the importance of the Asia-Pacific area to Elcoteq and demonstrates the company's commitment to development of the telecom manufacturing industry in the region.

Americas

Second-quarter net sales of Americas totaled MEUR 111.5 (16.6).

Elcoteq has also increased its manufacturing capacity at its Monterrey plant in Mexico. Three new production lines have been added to the plant, raising its production capacity by over 40%. The Monterrey plant has total production space of 18,300 square meters and 1,216 employees.

Shares and shareholders

Elcoteq had 12,965 shareholders on June 30, 2004. The company's share capital is divided into Series A and Series K shares. At the end of June there were altogether 30,438,227 shares: 19,861,227 A shares and 10,577,000 K shares. The number of Series A shares registered in nominee accounts or by foreigners totaled 7,639,316, which represented 25.1% of the company's total share capital and 6.1% of the total votes.

As part of Elcoteq Network Corporation's growth and internationalization strategy the company's Board of Directors has decided to start evaluating options for strengthening the company's shareholders' equity. At the same time the company will assess the possibilities for combining the unlisted Series K shares with the listed Series A shares. K shares carry ten votes per share compared to one vote for each A share. All the K shares are held by the company's three principal shareholders.

Corporate Governance

The new recommendation of the Helsinki Exchanges, the Confederation of Industry and Employers, and the Central Chamber of Commerce on the corporate governance of public listed companies came into effect on July 1, 2004. The recommendation harmonizes the operating methods of listed companies and the information they disclose to investors and shareholders. Elcoteq's Board of Directors has updated the company's corporate governance principles in line with the new recommendation and these are posted on the company's website at www.elcoteq.com/investors.

Prospects

Elcoteq's main markets, terminal products and communications network equipment, began to grow at the end of 2003, a trend that has continued during the current year. This gives a good foundation for the company's business development.

Elcoteq's primary targets during 2004 continue to be further increasing sales and the number of new customers, and enhancing internal efficiency. Implementation of Elcoteq's strategy - concentration on communications technology products and customers - is being continued. The company continues to broaden its service portfolio, which includes further development of its ODM (original design

manufacturing) activities. Elcoteq's broad service offering gives the company a competitive advantage over other EMS companies and ODMs.

Elcoteq has decided to set up a new office in Switzerland. When opened in September, this will be used as a second office by the President and CEO alongside the head office in Espoo, Finland. The office's other staff will include the company's next Senior Vice President, Human Resources, and a person to be appointed with responsibility for communications in Central Europe.

Net sales and earnings per share are forecast to grow during 2004 as a result of the acquisitions made in 2003 and organic growth. Elcoteq will be initiating a number of new projects during the second half of the year as a result of which third-quarter net sales and operating income are expected to grow on the second quarter (before the capital gain on the Industrial Electronics sale).

Zug, August 3, 2004

Board of Directors

Further information:

Jouni Hartikainen, President and CEO, tel. +358 10 413 11

Osmo Kammonen, Senior Vice President, Communications and Investor Relations, tel. +358 10 413 1406, GSM +358 50 593 0770

Press conference

Elcoteq will hold a press conference for media representatives and analysts in the Mansku Cabinet of the Scandic Hotel Simonkenttä (1st floor), Simonkatu 9, Helsinki, starting at 11.00 am (EET) on Wednesday, August 4, 2004.

Web conference and call for analysts and fund managers

A web conference and call in English will be held on Wednesday, August 4, 2004 starting at 3.30 pm EET (1.30 pm UK time). To participate by phone, please link in to <http://events.genesysrichmedia.com/elcoteq/2004/08/04> and call +44 20 7162 0186, code Elcoteq.

The information presented during the press conference (pdf file) will be available from 11.00 am (EET) on August 4, 2004 on the company's website, www.elcoteq.com.

Elcoteq releases its third-quarter interim report on October 27, 2004.

The following average conversion rate is used in this interim report:

1 EUR = 1.2155 USD

Enclosures:

1 Income statement

2 Balance sheet

3 Cash flow statement

4 Key figures

5 Business areas

6 Assets pledged and contingent liabilities

7 Quarterly figures

APPENDIX 1

INCOME STATEMENT, MEUR	1-6/2004	1-6/2003	Change, %	1-12/2003
NET SALES	1,260.4	1,017.6	23.9	2,235.7
Change in work in progress and finished goods	18.1	-11.5		6.5
Other operating income	13.9	1.3		2.4
Operating expenses	-1,233.2	-972.1	26.9	-2,156.4
Depreciation and writedowns	-28.6	-28.3	0.9	-57.6
OPERATING INCOME	30.6	7.0	338.7	30.5
% of net sales	2.4	0.7		1.4
Financial income and expenses	-3.1	-3.1	0.4	-7.5
Share of profits and losses of associates	-0.7	-0.2	184.8	-0.5
INCOME BEFORE TAXES AND MINORITY INTERESTS	26.9	3.7	632.7	22.5
Income taxes	-10.1	-4.0	155.5	-1.5
Minority interests	0.1	0.0	383.8	-0.4
NET INCOME	16.8	-0.3		20.7

Reported taxes represent income tax for the period.

APPENDIX 2

BALANCE SHEET, MEUR	June 30, 2004	June 30, 2003	Change, %	Dec. 31, 2003
ASSETS				
Non-current assets				
Intangible assets	38.1	42.0	-9.1	36.9
Tangible assets	153.7	135.4	13.5	154.0
Investments	14.7	1.2		14.9
Non-current assets, total	206.6	178.6	15.6	205.8
Current assets				
Inventories	268.6	158.9	69.0	267.0
Long-term receivables	15.1	5.9	157.5	11.2
Current receivables	324.9	222.8	45.8	256.7
Cash and equivalents	40.7	44.4	-8.3	63.7
Current assets, total	649.2	432.0	50.3	598.6
ASSETS, TOTAL	855.8	610.6	40.2	804.4

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity				
Share capital	12.2	11.8	3.2	12.1
Other shareholders' equity	234.3	216.9	8.0	243.4
Shareholders' equity, total	246.5	228.7	7.8	255.5
Minority interests	5.9	10.2	-42.6	5.8
Long-term liabilities				
Long-term loans	35.3	22.1	59.4	36.5
Other long-term debt	13.3	10.6	25.5	12.9
	48.6	32.7	48.4	49.4
Provisions	2.6	0.7	257.2	2.1
Current liabilities				
Loans	43.0	46.2	-7.0	19.3
Other current liabilities	509.3	292.0	74.4	472.4
	552.3	338.2	63.3	491.7
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	855.8	610.6	40.2	804.4

APPENDIX 3

CONSOLIDATED CASH FLOW STATEMENT, MEUR

	1-6/2004	1-6/2003	Change, %	1-12/2003
Cash flow before change in working capital	47.0	16.6	183.1	69.7
Change in working capital *)	-34.9	-0.7		36.5
Financial items and taxes	-3.9	-3.0	30.9	-6.1
Cash flow from operating activities	8.1	12.9	-36.8	100.1
Cash flow from investing activities **)	-27.0	-57.0	-52.7	-118.2
Cash flow before financing activities	-18.8	-44.1	-57.3	-18.1
Proceeds from the share issue	1.0	-		8.1
Change in current debt	23.4	25.9	-9.8	-0.9
Issuance of long-term debt	0.0	3.0	-100.0	20.0
Repayment of long-term debt	-1.5	-2.0	-25.2	-4.8
Dividends paid	-27.3	-11.8	131.4	-12.6
Cash flow from financing activities	-4.4	15.1		9.8
Change in cash and equivalents	-23.2	-29.1	-20.3	-8.3
Cash and equivalents on January 1	63.7	76.1	-16.3	76.1
Effect of exchange rate changes on cash held	0.2	-2.6		-4.1
Cash and equivalents at the end of period	40.7	44.4	-8.3	63.7

*) The change in working capital includes the change in sold accounts receivable. The impact of this change is to weaken cash flow by MEUR 18.6 during the reporting period 1-6/2004 and to weaken cash flow by MEUR 20.1 during 1-6/2003.

**) Cash flow after investing activities for 1-6/2004 includes cash flow of MEUR +21 from the sale of the Industrial Electronics business and cash flow of MEUR -18 from the Tellabs acquisition at the end of 2003.

APPENDIX 4

KEY FIGURES	1-6/2004	1-6/2003	Change, %	1-12/2003
Personnel on average during the period	12,885	10,388	24.0	11,044
Gross capital expenditures, MEUR	36.4	23.9	52.3	68.1
Return on equity (ROE), %	6.5	-0.1		8.2
Return on investment (ROI/ROCE), %	9.6	2.6		10.2
From 12 preceding months:				
Return on equity (ROE), %	15.5	-		8.2
Return on investment (ROI/ROCE), %	17.2	-		10.2
Earnings per share (EPS), EUR	0.55	-0.01		0.70
Diluted earnings per share (EPS), EUR	0.51			0.62
Current ratio	1.2	1.3		1.2
Solvency ratio, %	29.6	39.2		32.6
Gearing	0.2	0.1		0.0
Equity per share, EUR	8.10	7.76	4.4	8.46
Interest-bearing liabilities, MEUR	81.8	75.7	8.1	63.3
Interest-bearing net debt, MEUR	41.2	31.3	31.6	-0.4
Non-interest-bearing liabilities, MEUR	519.1	295.3	75.8	477.7

APPENDIX 5

BUSINESS AREAS	1-6/2004	1-6/2003	1-12/2003
Net sales			
Terminal Products	951.2	798.9	1,779.8
Communications Network Equipment	277.3	155.9	329.8
Industrial Electronics	31.9	62.8	126.0
Total	1,260.4	1,017.6	2,235.7
Segment operating income			
Terminal Products	25.9	14.3	40.1
Communications Network Equipment	12.2	3.4	8.8
Industrial Electronics	13.0	3.2	11.5
Unallocated expenses	-20.4	-13.9	-29.9
Total	30.6	7.0	30.5

Elcoteq's share of associated company results in the six months of 2004 totaled MEUR -0.7. This comprised MEUR -0.2 from Communications Network Equipment and MEUR -0.5 from unallocated expenses. Associated company results in the first half of 2003 totaled MEUR -0.2, which comprised MEUR -0.2 from unallocated expenses. Associated company results for the full year 2003 totaled MEUR -0.5, consisting of MEUR -0.1 from Communications Network Equipment and MEUR -0.4 from unallocated expenses.

BUSINESS AREAS	Q2/2004	Q2/2003
Net sales		
Terminal Products	489.8	389.0
Communications Network Equipment	152.2	78.7
Industrial Electronics	0.0	32.7
Total	641.9	500.4
Segment operating income		
Terminal Products	10.4	5.1
Communications Network Equipment	7.4	1.9
Industrial Electronics	10.0	1.8
Unallocated expenses	-8.5	-7.0
Total	19.3	1.8

Associated company results in the second quarter of 2004 totaled MEUR -0.3, comprising MEUR -0.1 from Communications Network Equipment and MEUR -0.2 from unallocated expenses. Associated company results in the second quarter of 2003 amounted to MEUR -0.2, comprising MEUR -0.2 from unallocated expenses.

APPENDIX 6

ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR

	June 30, 2004	June 30, 2003	Change, %	Dec. 31, 2003
ON BEHALF OF OTHERS				
Guarantees	0.1	0.2	-64.4	0.2
LEASING COMMITMENTS				
Operating lease, machinery and equipment (excl. VAT)	24.4	5.0	385.4	13.2
Rental commitments, real estates (excl. VAT)	27.2	22.5	21.0	20.6
	June 30, 2004	June 30, 2003	Change, %	Dec. 31, 2003
DERIVATIVE CONTRACTS				
Foreign currency derivative instruments				
Forward contracts, transaction risk				
Nominal value	206.9	104.7	97.6	117.2
Book value	-0.7	-2.7	-75.8	-4.8

Market value	-0.7	-2.5	-73.5	-4.8
Forward contracts, translation risk				
Nominal value	21.9	17.8	22.7	36.4
Book value	0.0	0.1	-26.8	0.4
Market value	0.0	0.1	-26.8	0.4
Forward contracts, financial risk				
Nominal value	51.6	57.5	-10.3	36.2
Book value	0.1	0.0	253.7	0.4
Market value	0.1	0.0	253.7	0.4
Foreign currency option contracts				
Nominal value, bought	3.7	-		1.6
Nominal value, sold	3.7	-		2.4
Book value, bought	0.0	-		0.0
Book value, sold	0.0	-		0.0
Market value, bought	0.1	-		0.0
Market value, sold	-0.1	-		0.0

The fair value of forwards is calculated using the average exchange rate of the European Central Bank on the balance sheet date. The fair value of options is the amount at which the options could be exchanged if closed on the balance sheet date.

APPENDIX 7

QUARTERLY FIGURES

INCOME STATEMENT, MEUR	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
NET SALES	641.9	618.5	721.9	496.1	500.4	517.3
Change in work in progress and finished goods	-3.2	21.3	13.0	5.0	3.8	-15.3
Other operating income	12.6	1.2	0.6	0.5	0.7	0.6
Operating expenses	-617.6	-615.6	-703.5	-480.7	-488.6	-483.5
Depreciation and writedowns	-14.4	-14.2	-14.9	-14.4	-14.5	-13.8
OPERATING INCOME	19.3	11.3	17.0	6.6	1.8	5.2
% of net sales	3.0	1.8	2.4	1.3	0.4	1.0
Financial income and expenses	-2.2	-0.9	-2.7	-1.7	-1.8	-1.3
Share of profits and losses of associates	-0.3	-0.4	-0.2	-0.1	-0.2	0.0
INCOME BEFORE TAXES AND MINORITY INTERESTS	16.8	10.1	14.1	4.8	-0.2	3.9
Income taxes	-5.7	-4.4	-1.1	3.7	-1.9	-2.1
Minority interests	0.1	-0.1	-0.5	0.1	0.0	0.1
NET INCOME	11.2	5.6	12.4	8.5	-2.2	1.9

BALANCE SHEET, MEUR	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
ASSETS						
Non-current assets						
Intangible assets	38.1	37.5	36.9	38.4	42.0	43.0
Tangible assets	153.7	156.6	154.0	141.6	135.4	144.9
Investments	14.7	14.8	14.9	1.1	1.2	0.8
Non-current assets, total	206.6	208.9	205.8	181.1	178.6	188.8
Current assets						
Inventories	268.6	279.4	267.0	200.1	158.9	176.5
Long-term receivables	15.1	9.1	11.2	10.7	5.9	6.6
Current receivables	324.9	305.5	256.7	221.0	222.8	222.9
Cash and equivalents	40.7	18.4	63.7	24.6	44.4	41.3
Current assets, total	649.2	612.4	598.6	456.4	432.0	447.2
ASSETS, TOTAL	855.8	821.3	804.4	637.5	610.6	636.0
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity						
Share capital	12.2	12.2	12.1	11.8	11.8	11.8
Other shareholders' equity	234.3	222.8	243.4	224.8	216.9	220.0
Shareholders' equity, total	246.5	235.0	255.5	236.6	228.7	231.8
Minority interests	5.9	5.9	5.8	8.3	10.2	11.7
Long-term liabilities						
Long-term loans	35.3	35.5	36.5	21.8	22.1	22.4
Other long-term debt	13.3	14.4	12.9	12.5	10.6	10.3
	48.6	50.0	49.4	34.3	32.7	32.7
Provisions	2.6	1.7	2.1	1.0	0.7	0.9
Current liabilities						
Loans	43.0	90.9	19.3	10.9	46.2	44.4
Other current liabilities	509.3	437.8	472.4	346.4	292.0	314.4
	552.3	528.7	491.7	357.2	338.2	358.9
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	855.8	821.3	804.4	637.5	610.6	636.0
Personnel on average during the period	12,638	13,222	12,864	11,132	10,566	10,210
Gross capital expenditures, MEUR	16.5	19.9	22.4	21.8	10.3	13.6
ROI/ROCE from 12 preceding months, %	17.2	11.3	10.2	-	-	-
Earnings per share (EPS), EUR	0.37	0.18	0.42	0.30	-0.08	0.06
Solvency ratio, %	29.6	29.5	32.6	38.4	39.2	38.3

NET SALES BY BUSINESS AREA

MEUR	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
Terminal Products	489.8	461.4	589.3	391.6	389.0	410.0
Communications Network Equipment	152.2	125.1	100.6	73.3	78.7	77.2
Industrial Electronics	-	31.9	32.0	31.2	32.7	30.1

NET SALES BY GEOGRAPHICAL AREA

MEUR	Q2/ 2004	Q1/ 2004	Q4/ 2003	Q3/ 2003	Q2/ 2003	Q1/ 2003
Terminal Products Europe	261.4	254.5	350.4	229.1	218.4	203.7
Asia-Pacific	137.2	159.7	183.6	153.7	161.7	199.2
Americas	111.5	60.2	66.6	21.2	16.6	12.1
CNE* Europe	131.8	112.1	89.4	60.9	70.9	72.2
IE** Europe	-	31.9	32.0	31.2	32.7	30.1

CNE* = Communications Network Equipment

IE** = Industrial Electronics