



# **Elcoteq Network Corporation**

Interim Report  
January – June 2002

August 1, 2002

## Q2 net sales and result

	Q2/2002	Q2/2001	2001
Net sales, MEUR	<b>425.2</b>	433.3	1,862.5
Operating profit, MEUR	<b>1.2</b>	-10.8	-18.4
Profit before taxes, MEUR	<b>-1.3</b>	-13.8	-30.7
EPS, EUR	<b>-0.08</b>	-0.44	-1.08
Equity/share, EUR	<b>7.55</b>	8.61	7.99
ROCE (trailing 12 months), %	<b>-3.4</b>	8.4	-3.5
Cash flow after investments, MEUR	<b>26.1</b>	100.9	123

## Key figures in Q2

	<b>Q2/2002</b>	Q2/2001	2001
Capital employed, MEUR	<b>299</b>	428	323
Interest-bearing net debt, MEUR	<b>-32.4</b>	140.9	39.4
Gross capital expenditure, MEUR	<b>5.7</b>	8.4	45.1
Gearing	<b>-0.1</b>	0.5	0.2
Personnel at the end of period	<b>7,765</b>	9,877	8,350

## Net sales and result in January – June

- Net sales MEUR 827.5 (MEUR 903.2)
- Operating profit/loss MEUR –5.3 (MEUR –7.3)
- Profit/loss before taxes MEUR –9.4 (MEUR –14.5)
- Earnings per share –0.34 EUR (-0.51)
- Cash flow after investments MEUR 69.7 (MEUR 43.8)



## Recent events

- Strategy work completed as planned
- New redefined matrix organization taken into use
  - Geographical areas: Europe, Americas and Asia
  - Business areas: Terminal Products, Communications Network Equipment and Industrial Electronics
- Widening service offering
  - Joint venture Imbera Electronics with Aspocomp
  - In July Elcoteq agreed to buy 75% of Benefon's R&D-capacity
- New customers: Soutec and Wireless House



# Elcoteq today

- Operations clearly stabilized
  - conditions for long-term business development are good
- Volume of offers on good level
- The number of personnel has stabilized at around 7,800
- Cash-flow strongly positive
- The Group has no interest-bearing net debt

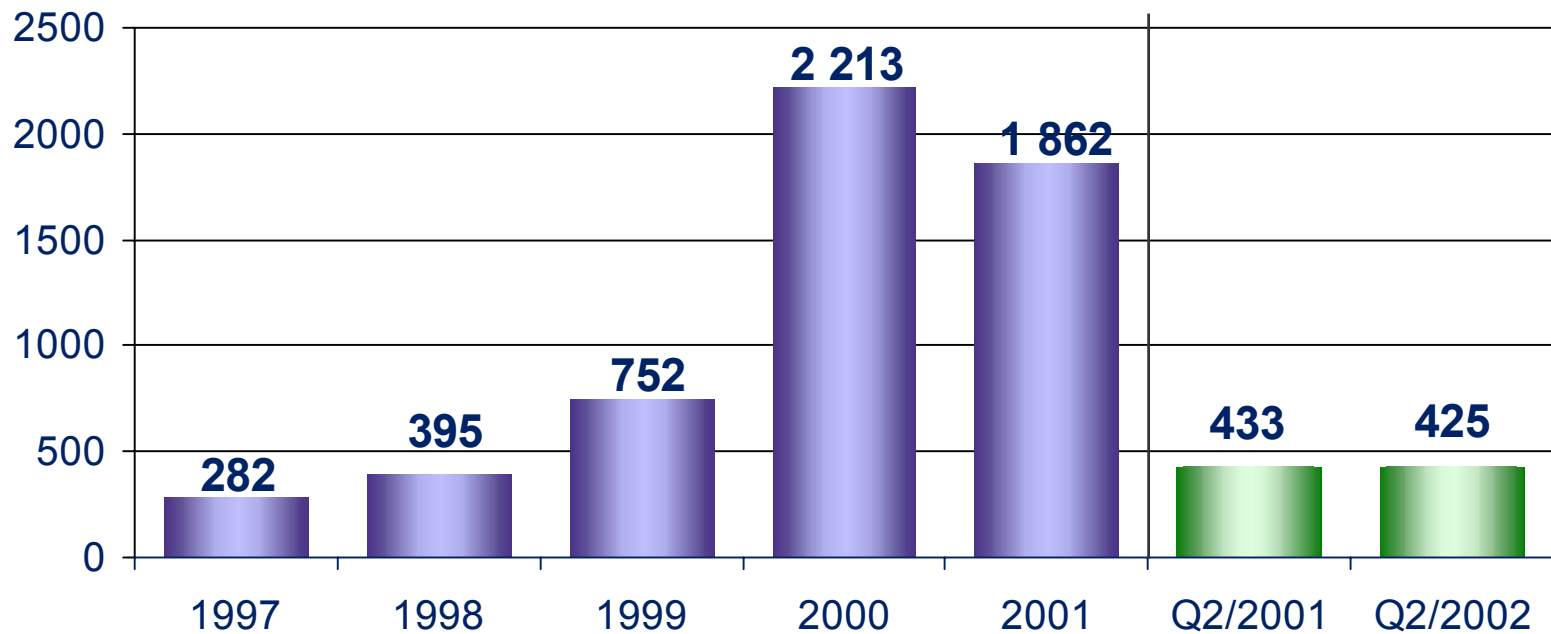


# Prospects in 2002

- Long-term growth prospects for the EMS-markets remain good
- Q3 net sales and result are forecast to remain similar to the second quarter.
- Q4 net sales and result are expected to improve from the previous quarters
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- Full-year net sales likely to remain below net sales in 2001.
- The year's result is expected to be a clear improvement on 2001.

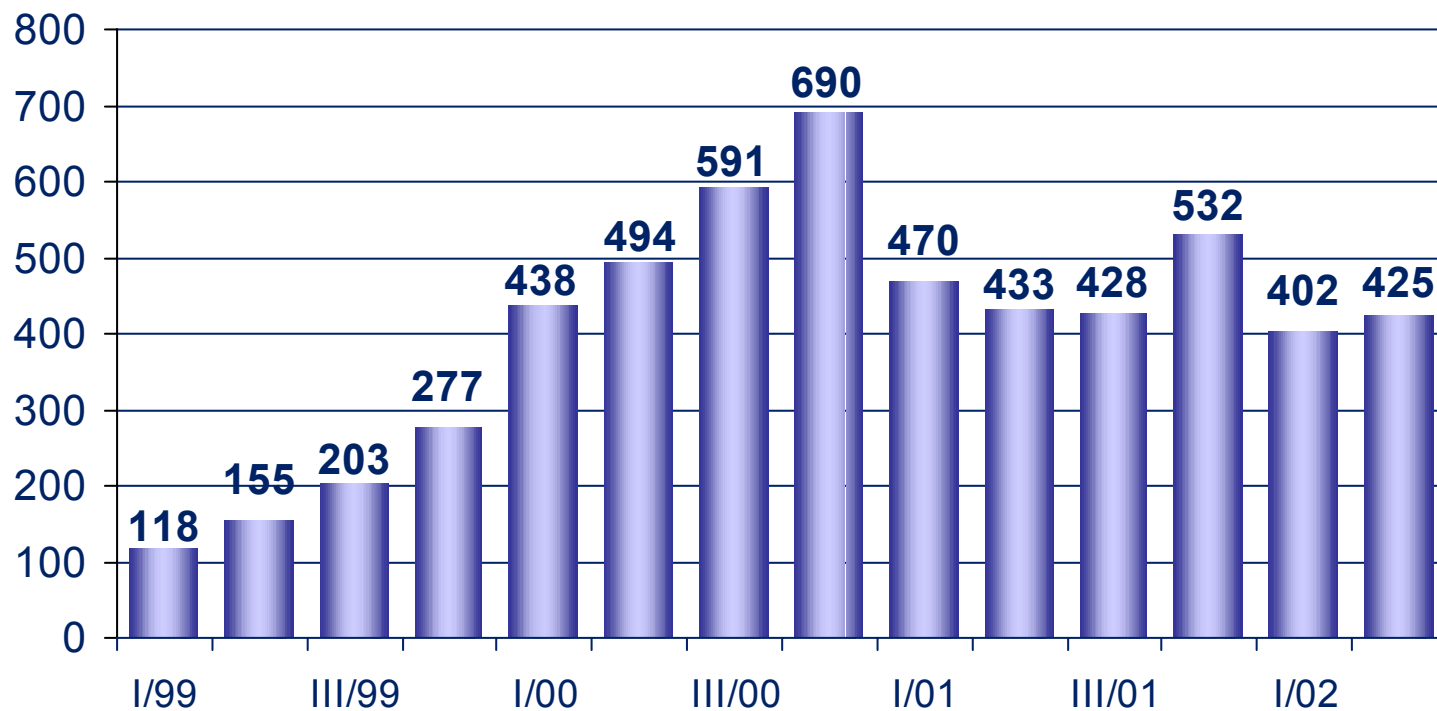
# Net sales

MEUR



# Net sales by quarter

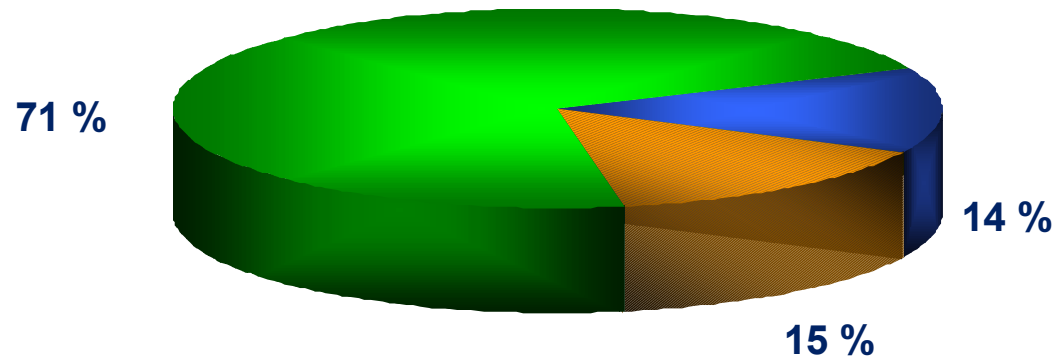
MEUR



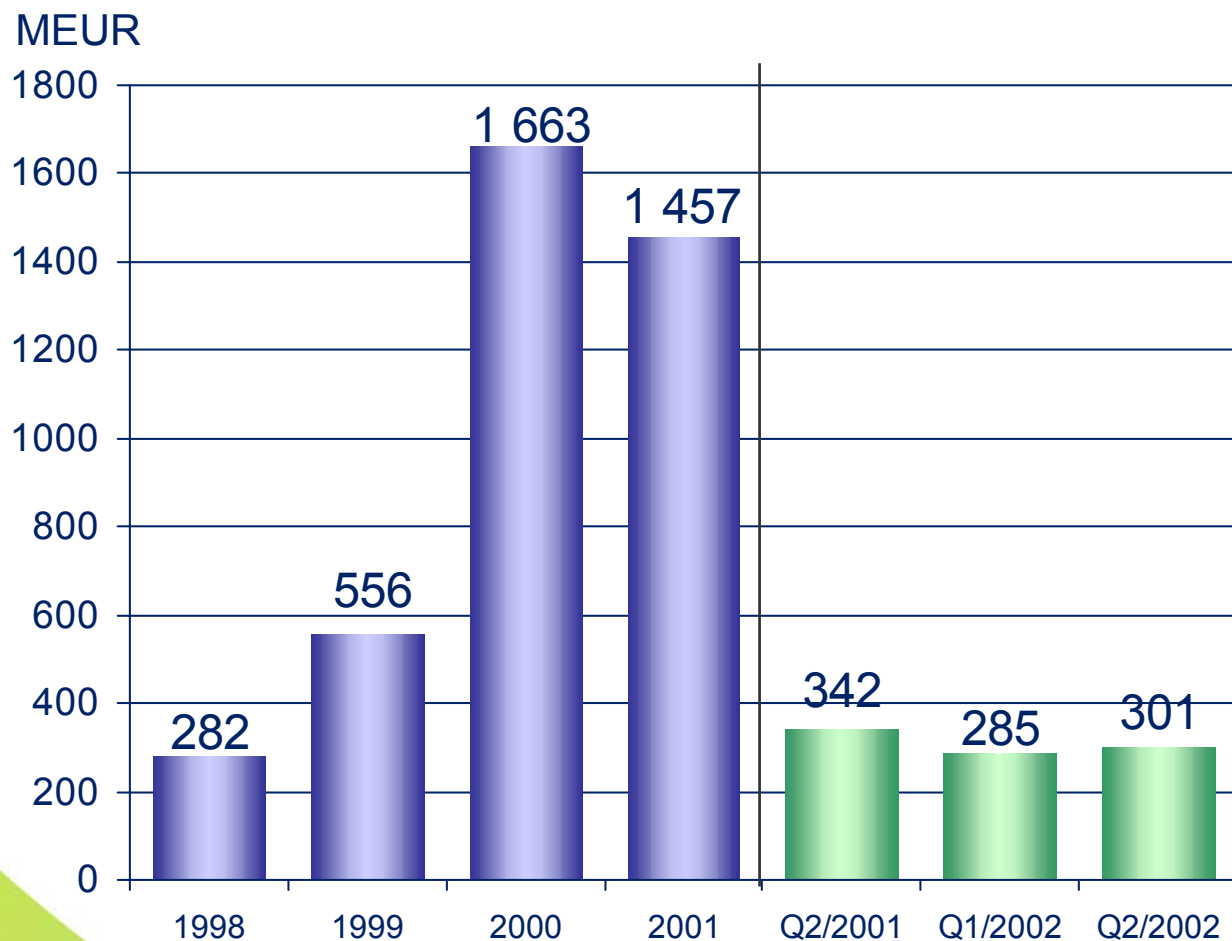


# Net sales by business area 1-6/2002

- Terminal Products
- Communications Network Equipment
- Industrial Electronics

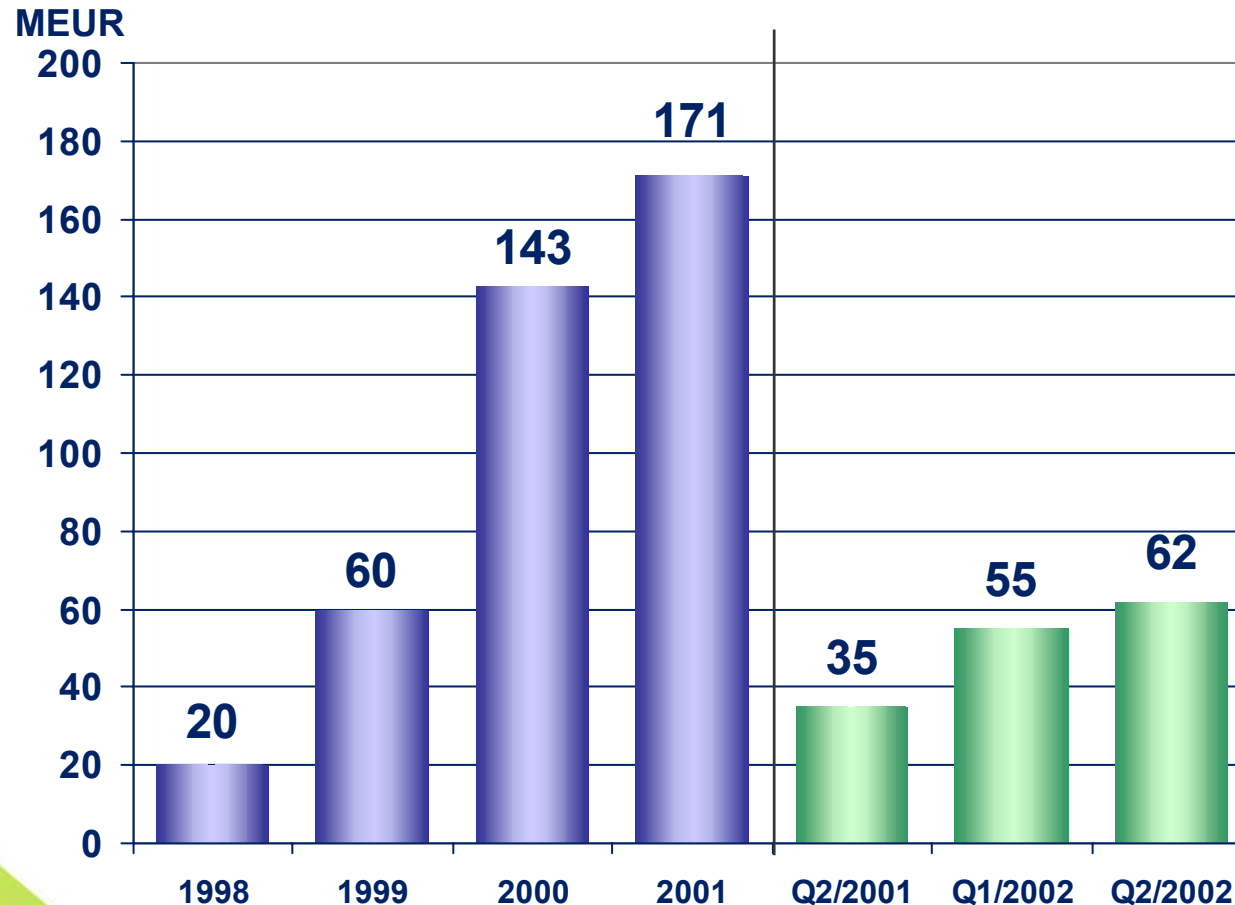


# Net sales Terminal Products



**Sales development:**  
Q2/01 → Q2/02: -12 %  
Q1/02 → Q2/02: +6 %

# Net sales Communications Network Equipment

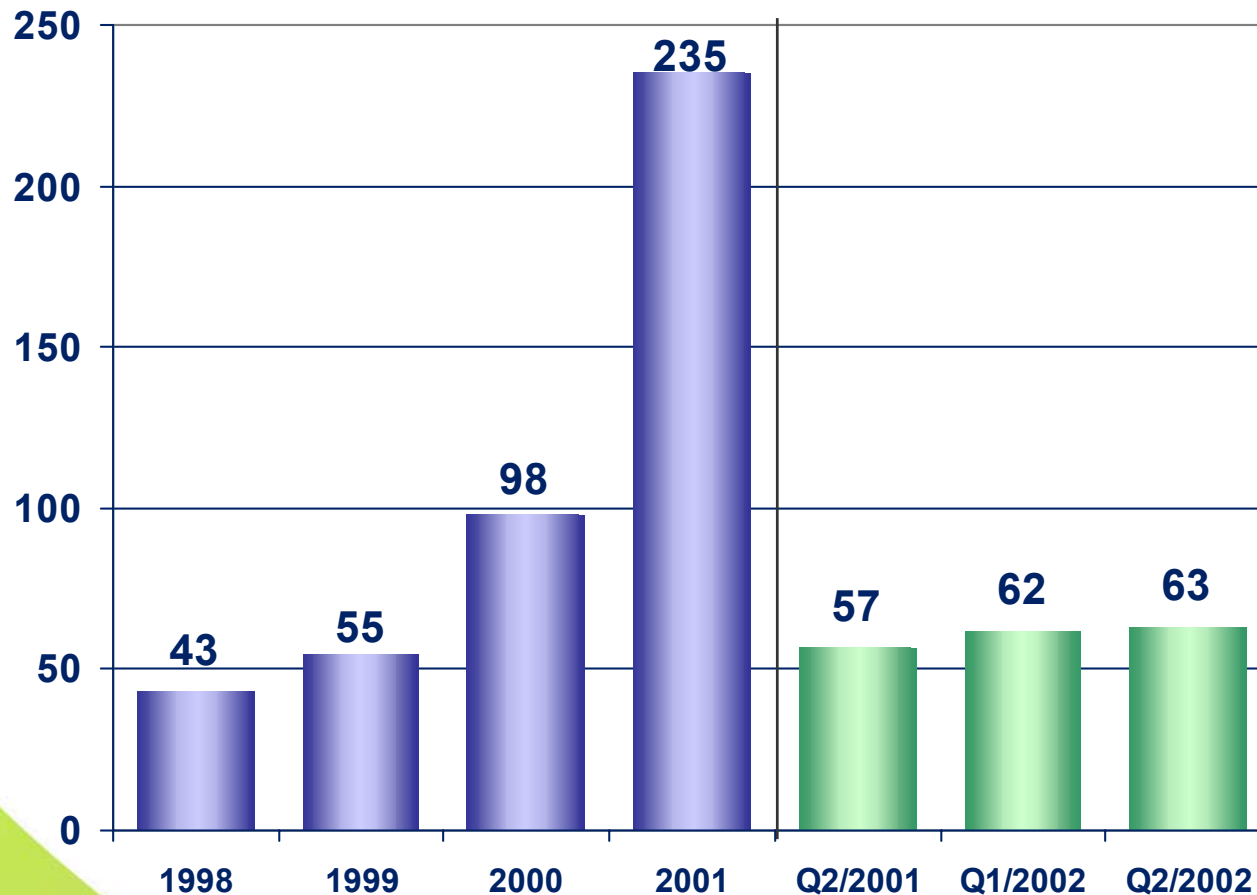


**Sales development:**  
Q2/01 → Q2/02: +78 %  
Q1/02 → Q2/02: +13 %



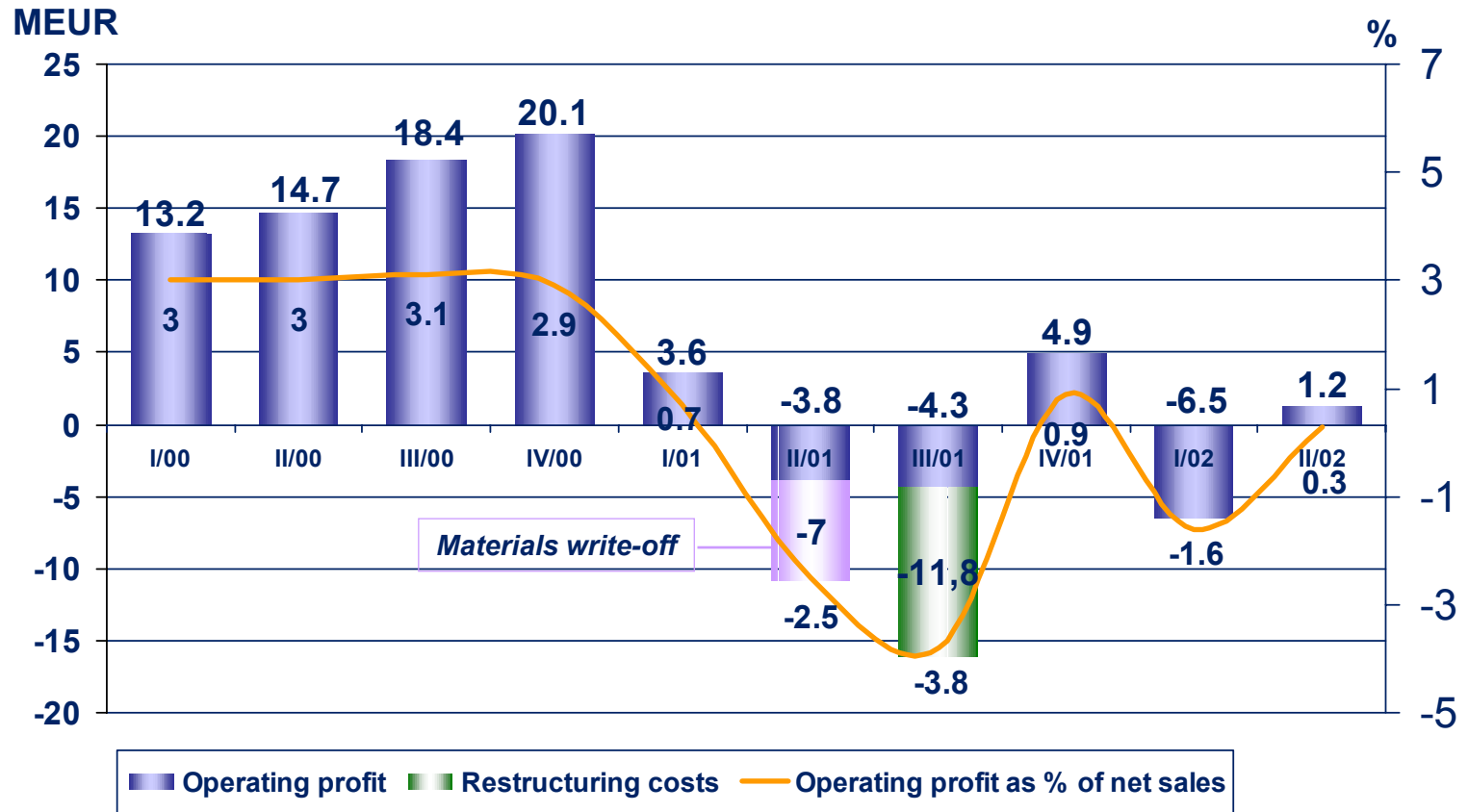
# Net sales Industrial Electronics

MEUR

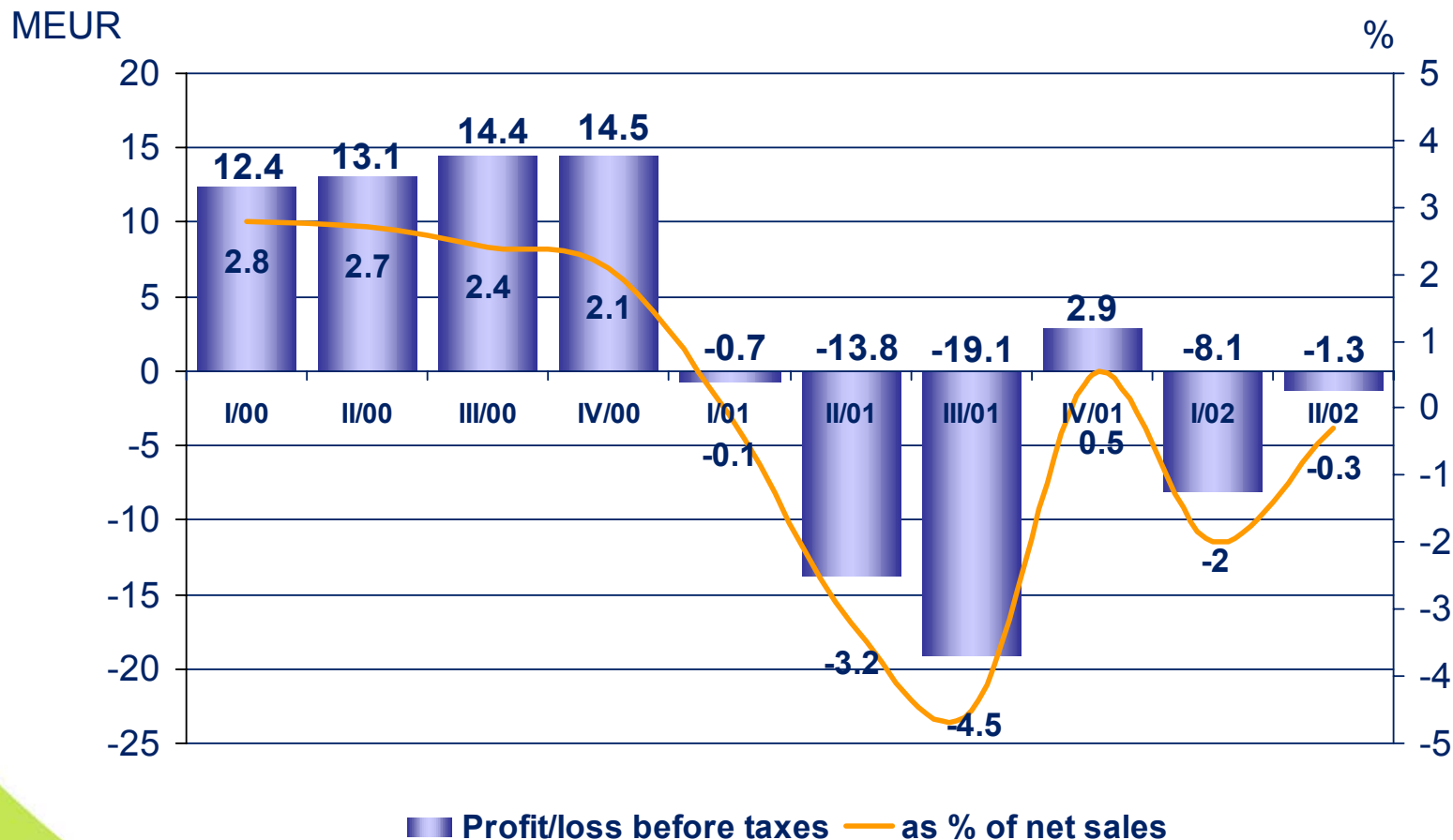


**Sales development:**  
Q2/01 → Q2/02: +10 %  
Q1/02 → Q2/02: +2 %

# Operating profit by quarter

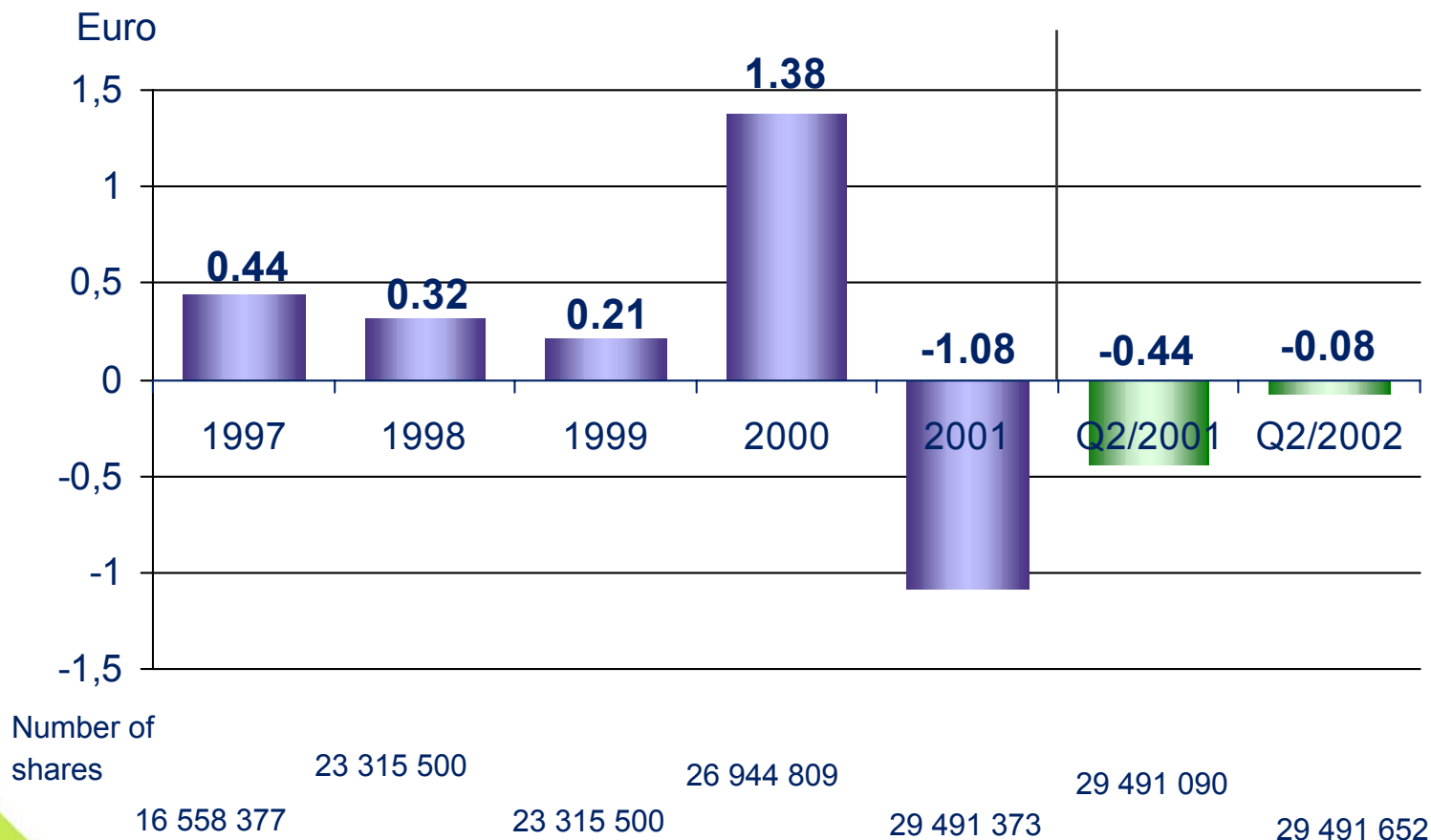


# Profit/loss before taxes by quarter

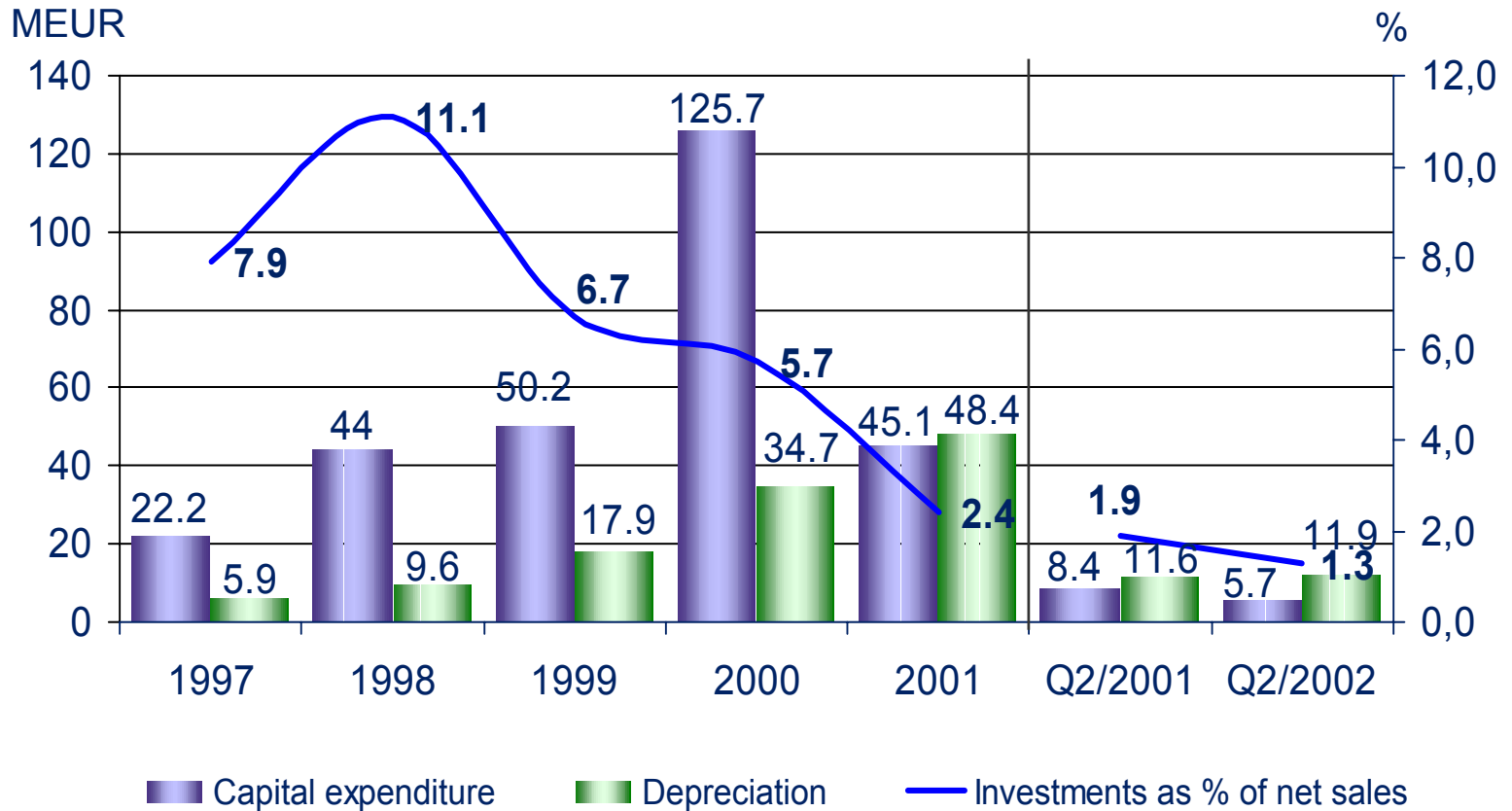




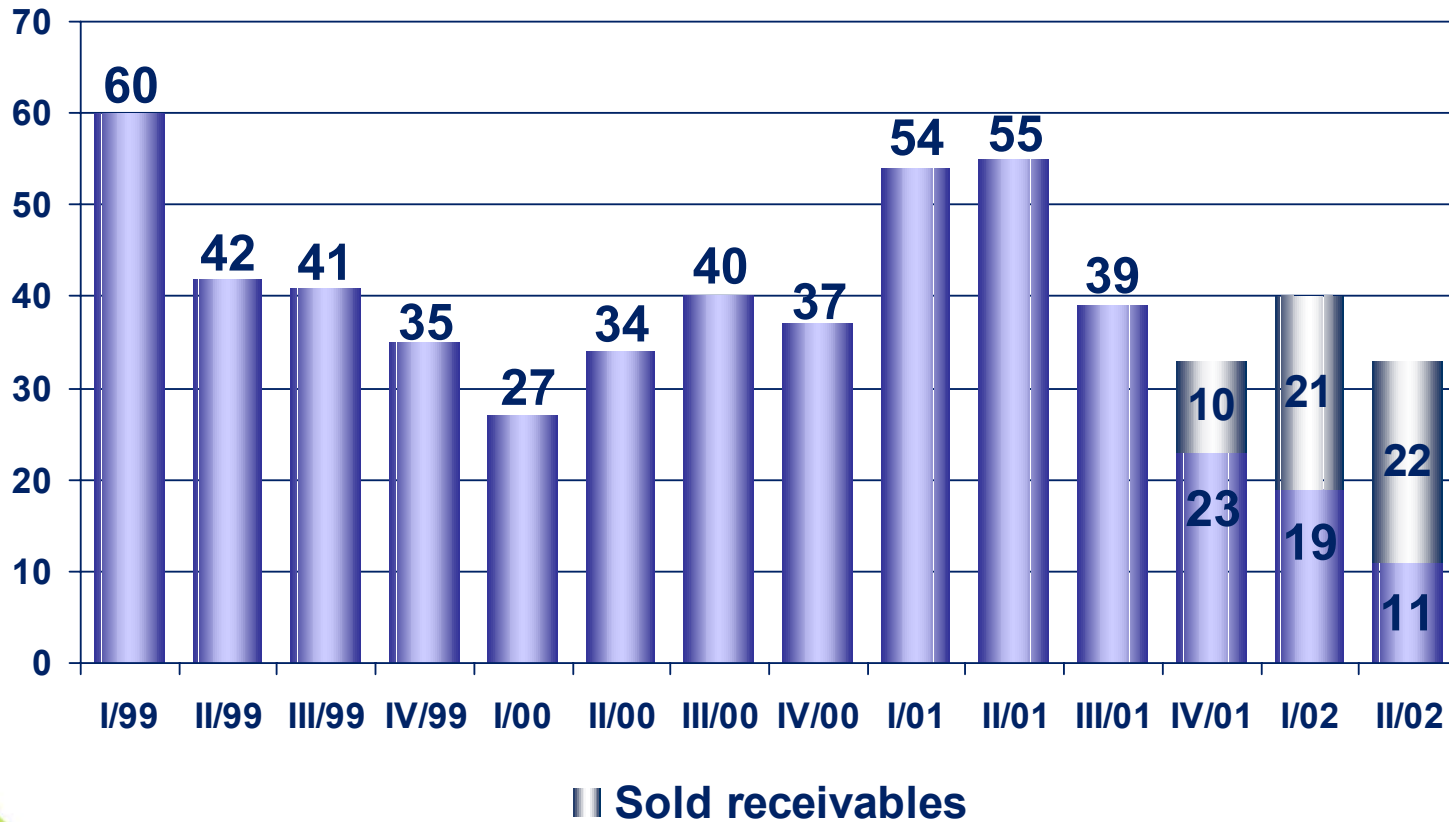
# Earnings per share



# Capital expenditure and depreciation

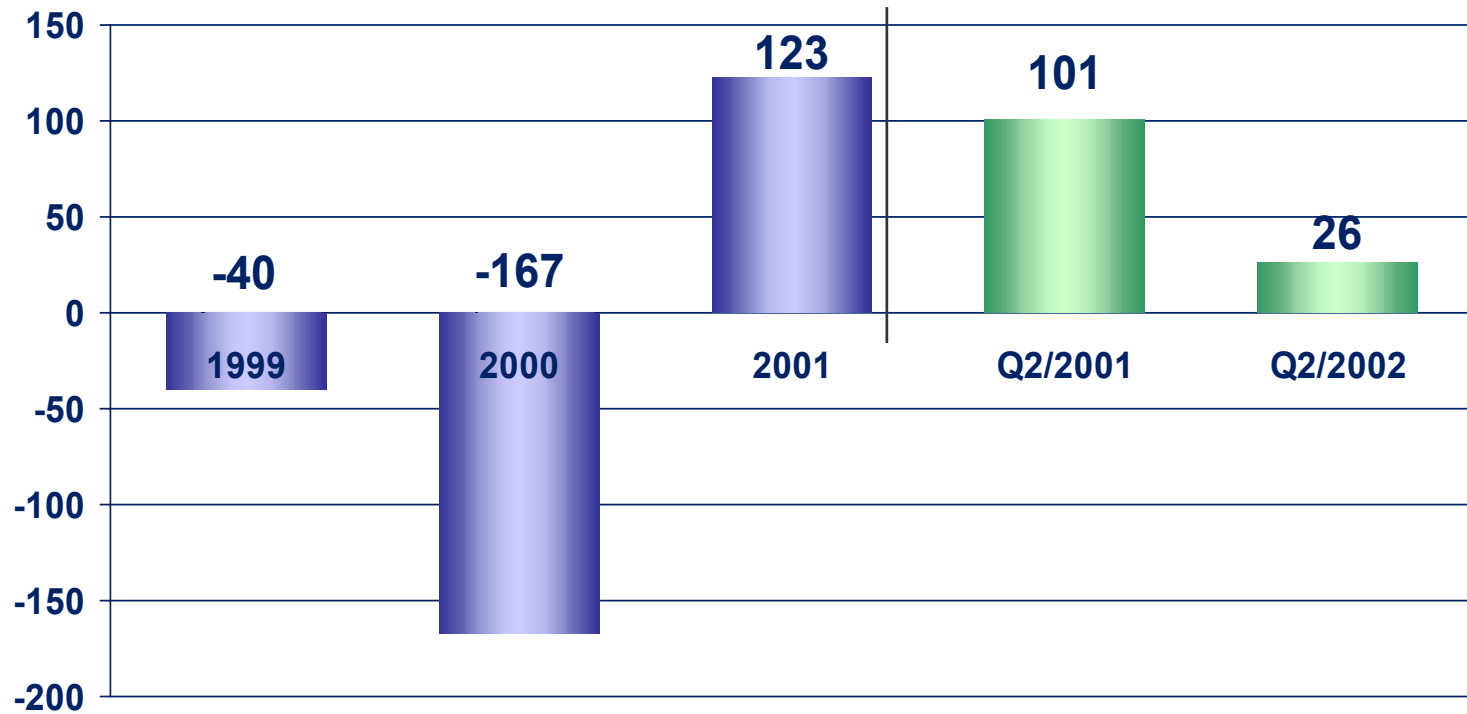


# Average working capital days

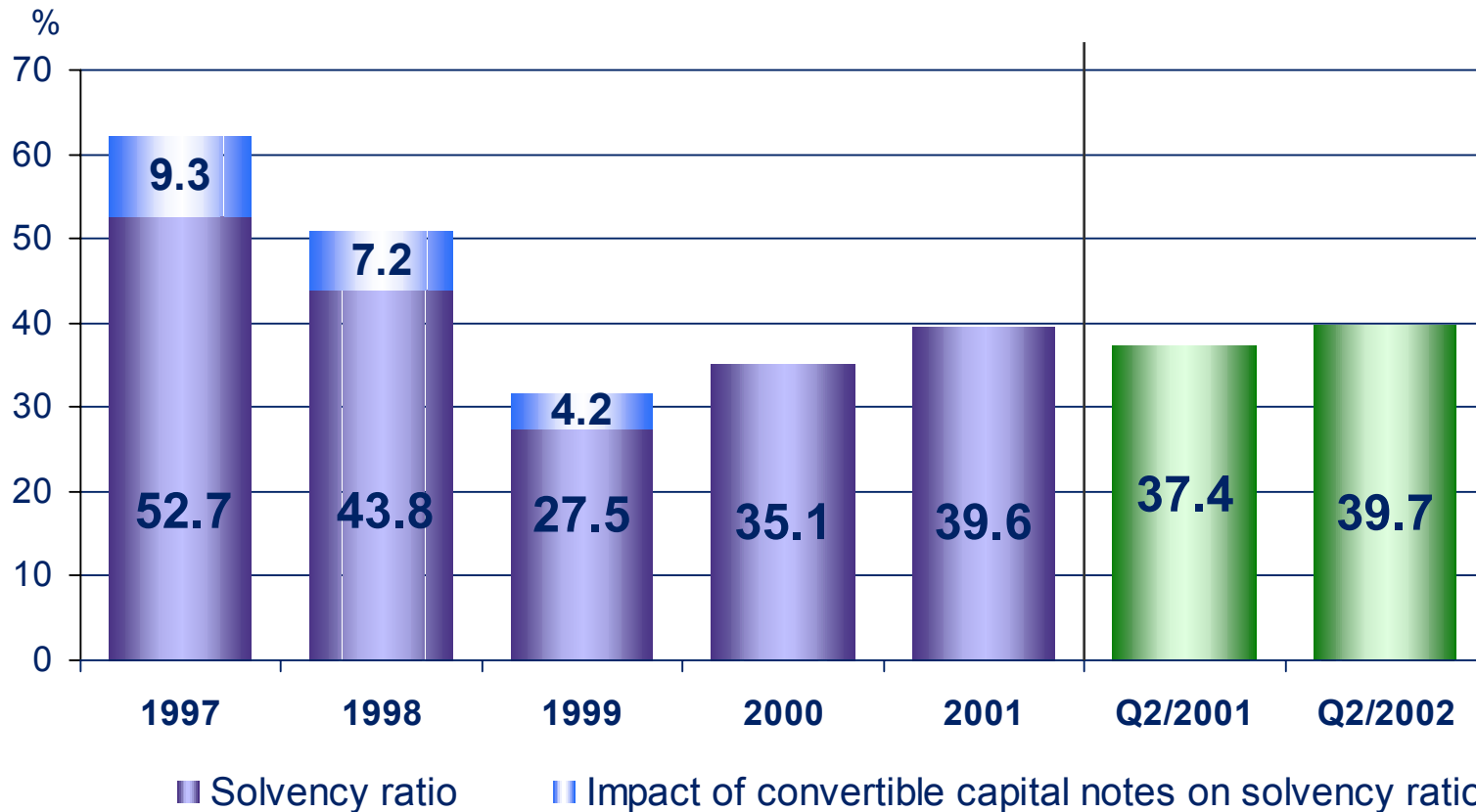


# Cash flow

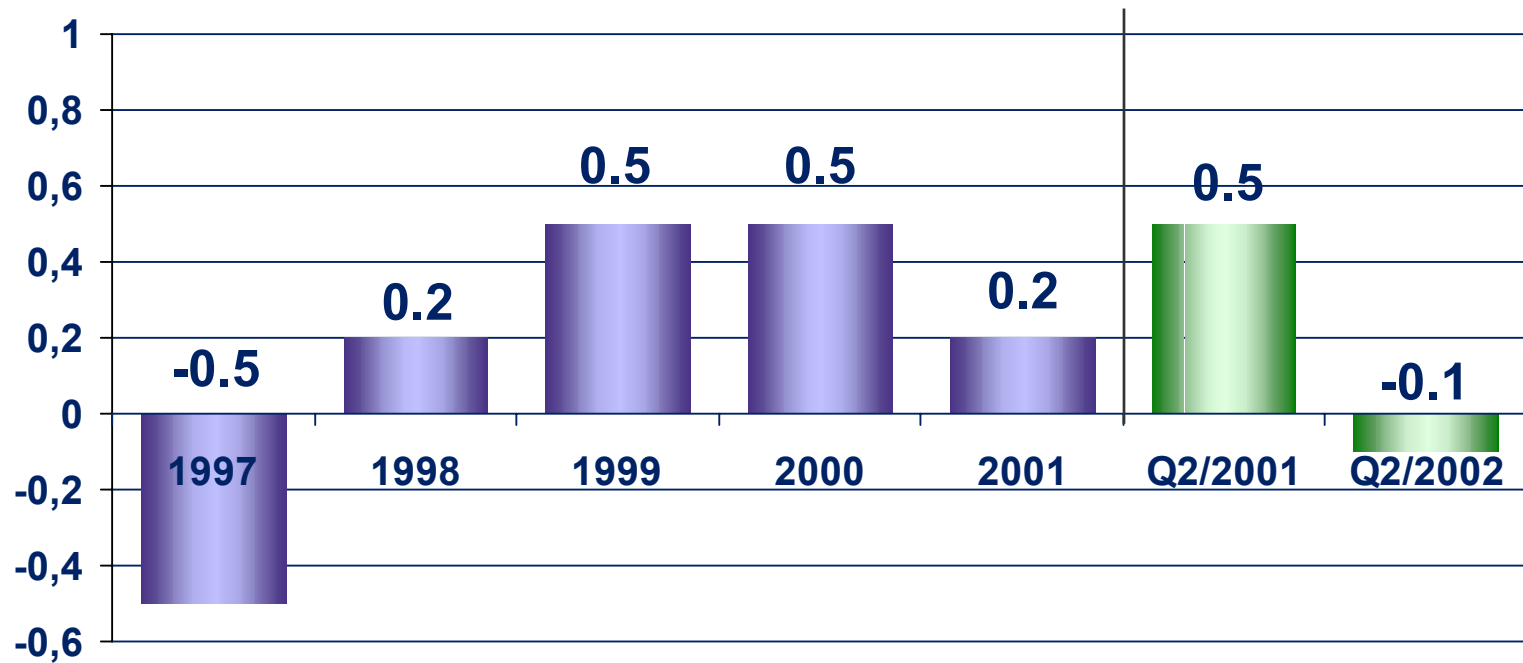
MEUR



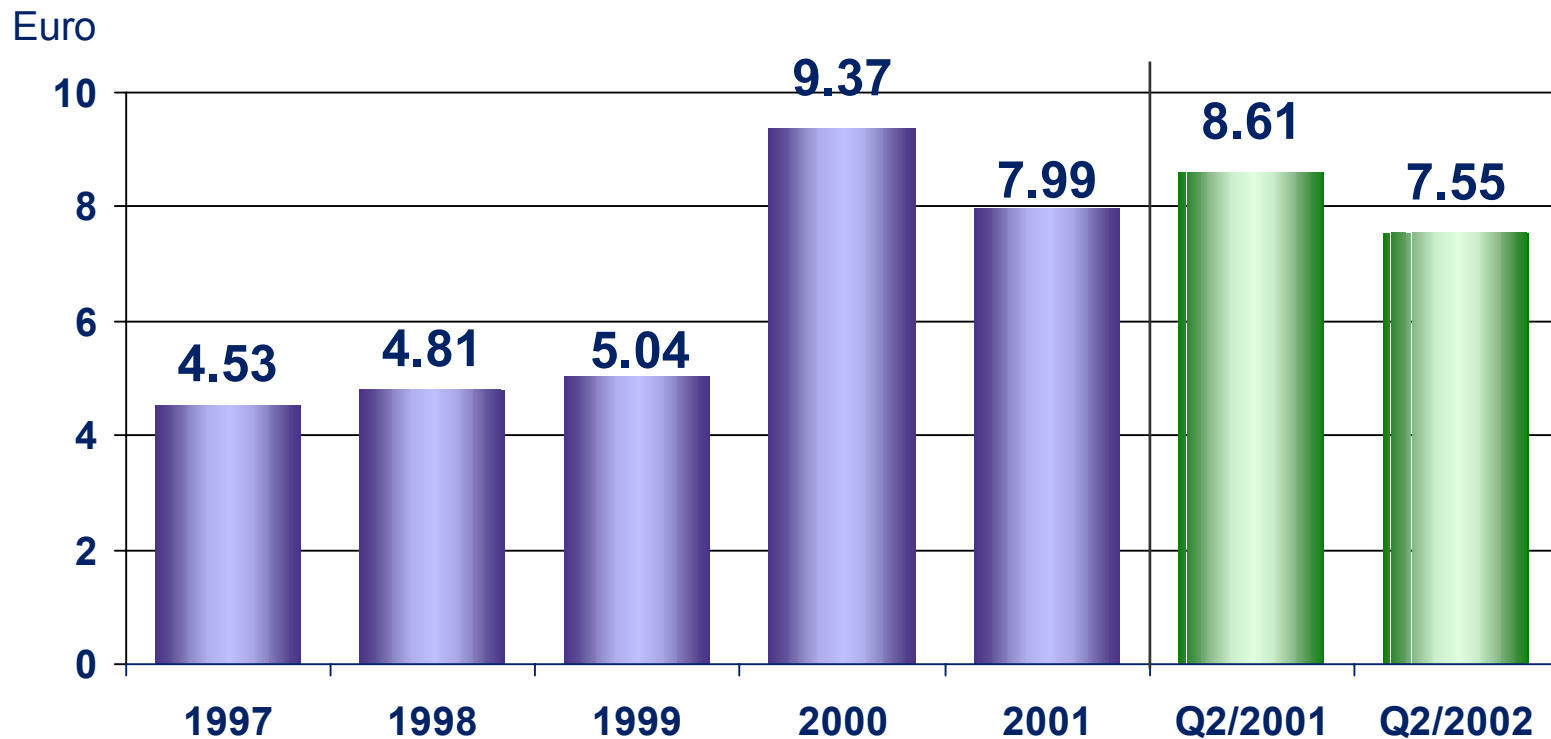
# Solvency ratio



# Gearing

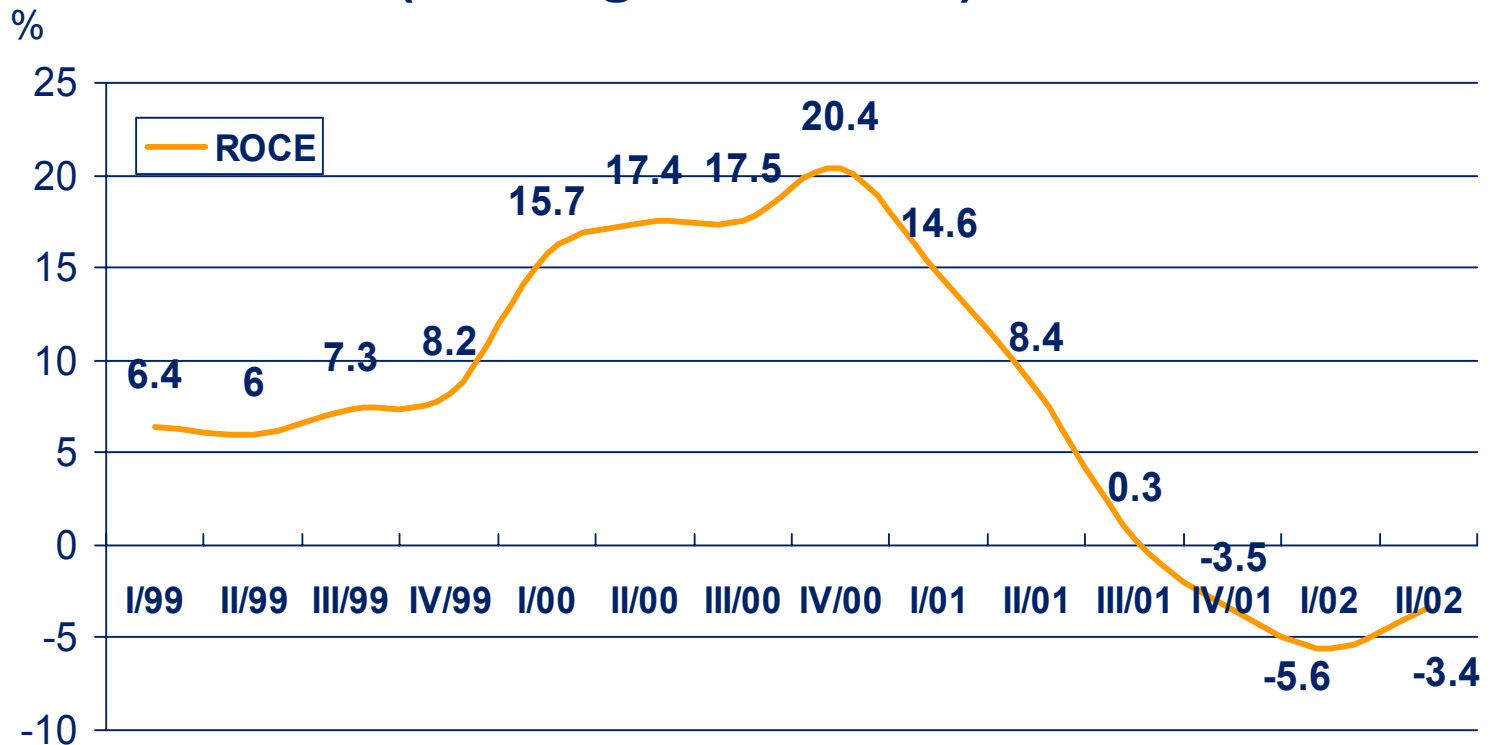


# Equity per share



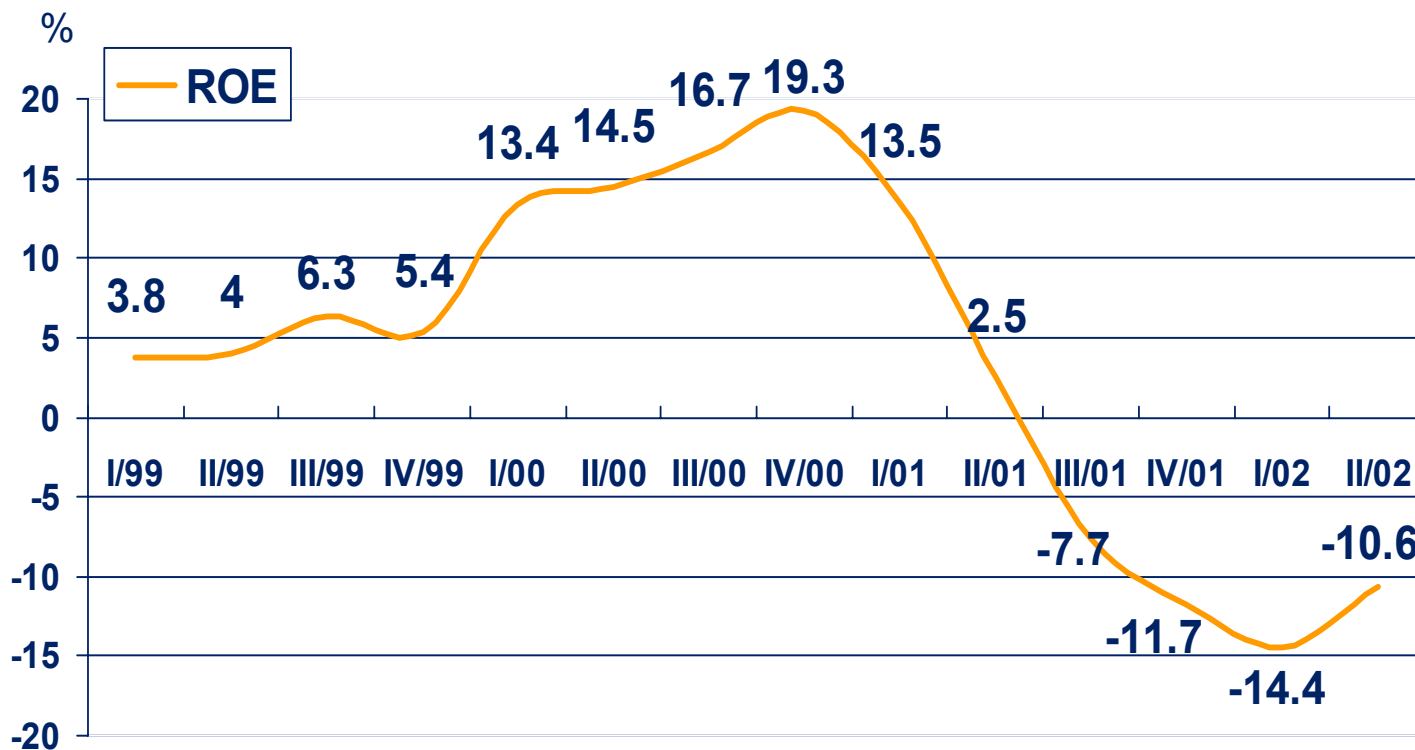


# Return on capital employed (ROCE) (Trailing 12 months)





# Return on equity (Trailing 12 months)



# Personnel at the end of period

