



Elcoteq SE

Interim Report
January-September

October 27, 2005



Third Quarter in Brief

- Third-quarter net sales increased by 44% year-on-year to a record-high MEUR 1,194.7
 - Quarterly net sales for the first time over one billion euros
 - Growth from Europe and Asia-Pacific
 - Strong demand for terminal products
- Operating income MEUR 25.6 (MEUR 19.7)
 - Operating margin of CNE increased to 5%
 - Profitability improvement also in Terminal Products
- Positive cash flow, MEUR 13.5 (MEUR -17.6)
- Elcoteq converted into a European Company as the first large industrial corporation in Europe
- The new St. Petersburg plant completed in September



Net Sales and Result July-September

(IFRS)	Q3/2005	Q3/2004	2004	
Net sales, MEUR	1,194.7	828.7	2,921.8	+44%
Operating income, MEUR	25.6	19.7	57.3	+30%
Income before taxes, MEUR	21.0	16.9	44.9	
Net income, MEUR	13.7	9.7	38.6	
EPS, EUR	0.44	0.32	1.01*	
Gearing	0.3	0.3	0.4	
ROCE (trailing 12 months), %	17.5	21.1	19.5	
Cash flow after investments, MEUR	13.5	-17.6	-80.4	



Key Figures July-September

(IFRS)	Q3/2005	Q3/2004	2004
Capital employed, MEUR	492	370	414
Interest-bearing net debt, MEUR	98.2	68.3	98.2
Gross capital expenditures, MEUR	48.8	46.7	128.3
Personnel at the end of period	19,641	16,514	19,480

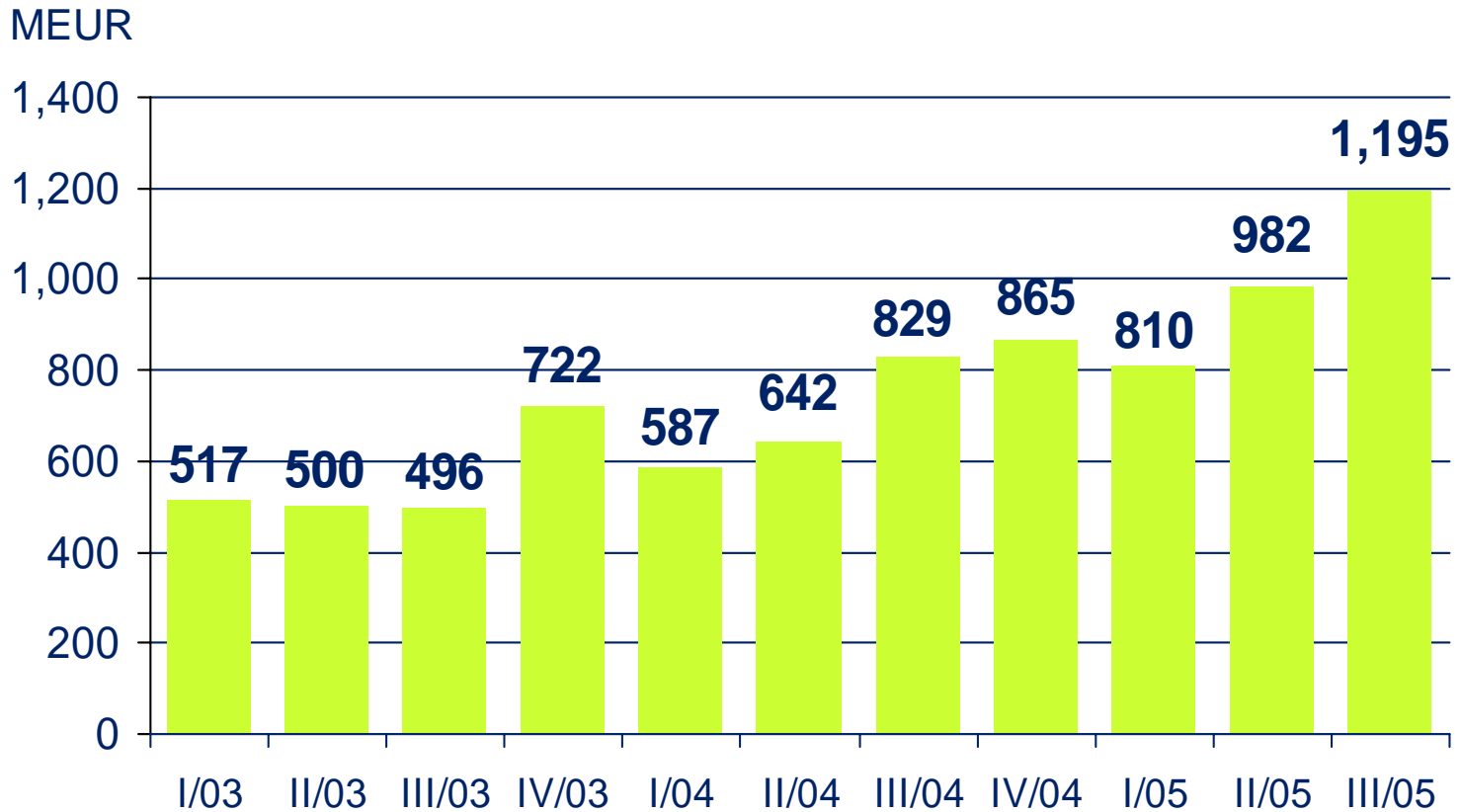


Net Sales and Result January-September

(IFRS)	Q1-Q3/ 2005	Q1-Q3/ 2004	2004	
Net sales, MEUR	2,987.0	2,057.2	2,921.8	+45%
Operating income, MEUR	51.0	36.8	57.3	+39%
Income before taxes, MEUR	39.7	30.3	44.9	
Net income, MEUR	26.4	25.9	38.6	
EPS, EUR	0.86	0.59*	1.01*	
Gearing	0.3	0.3	0.4	
ROCE (trailing 12 months), %	17.5	21.1	19.5	
Cash flow after investments, MEUR	18.9	-36.4	-80.4	

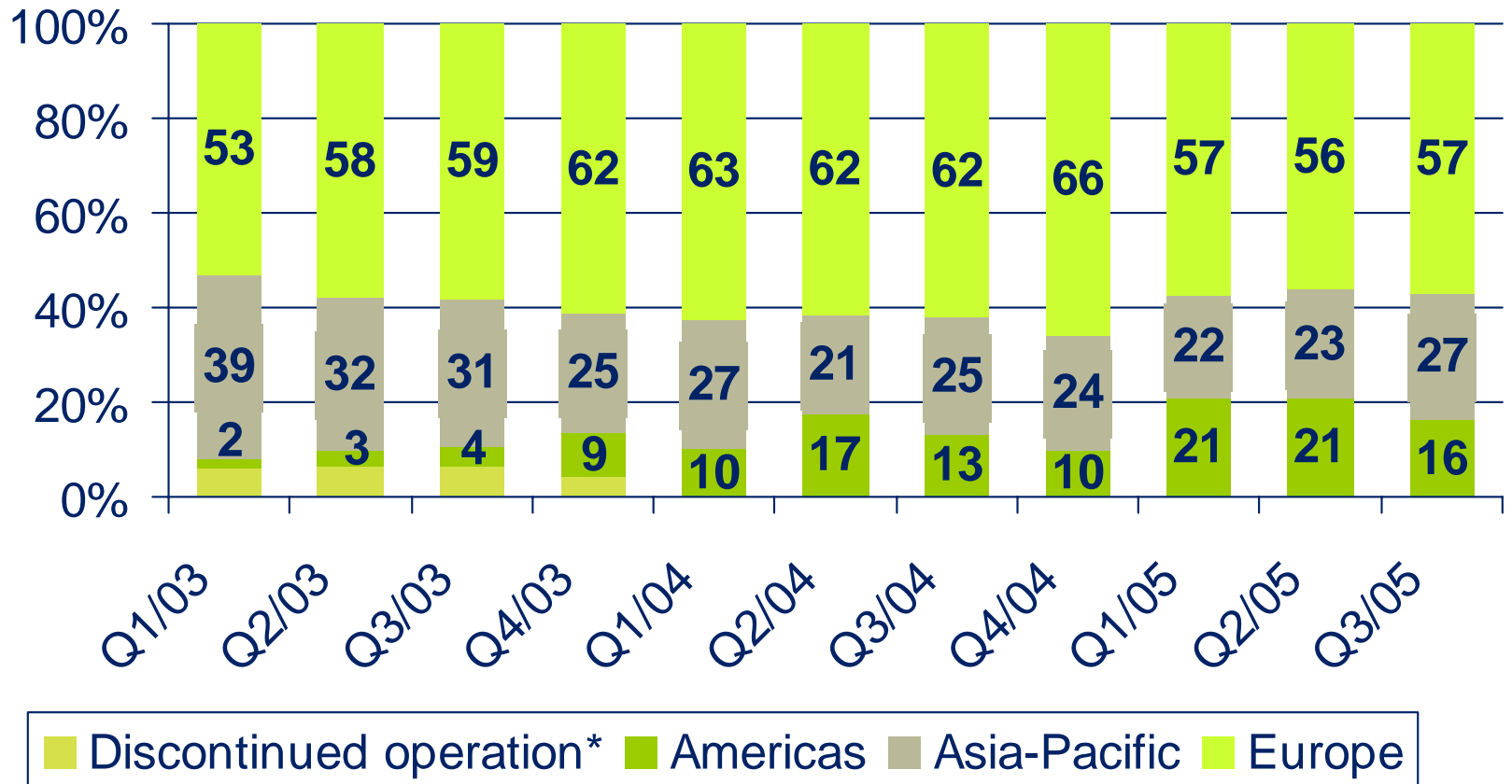


Net Sales by Quarter





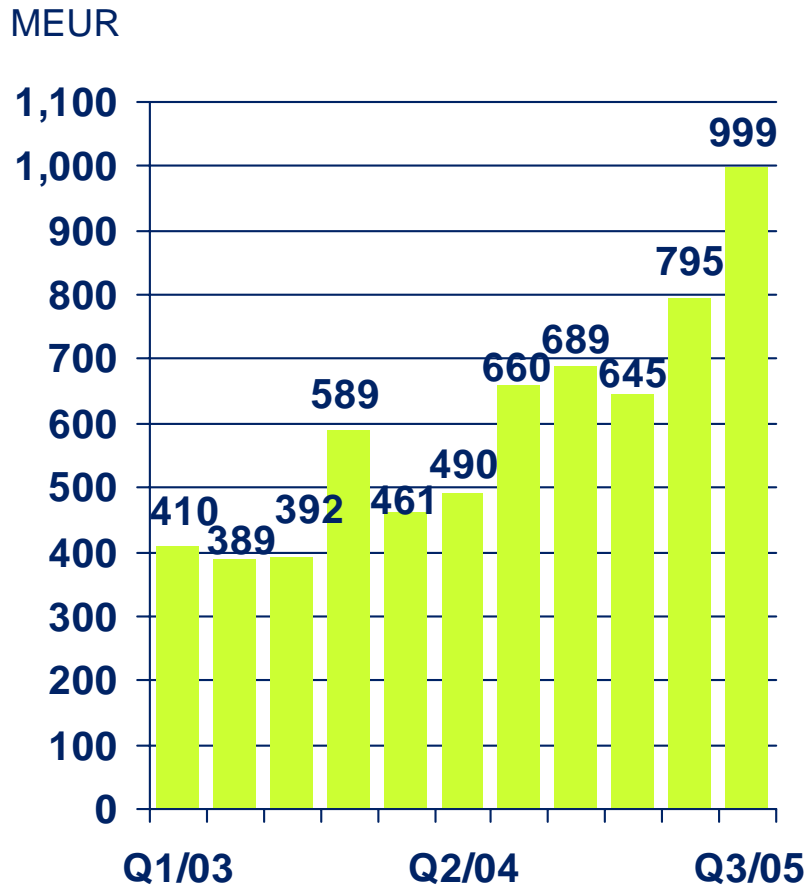
Net Sales by Geographical Area, %



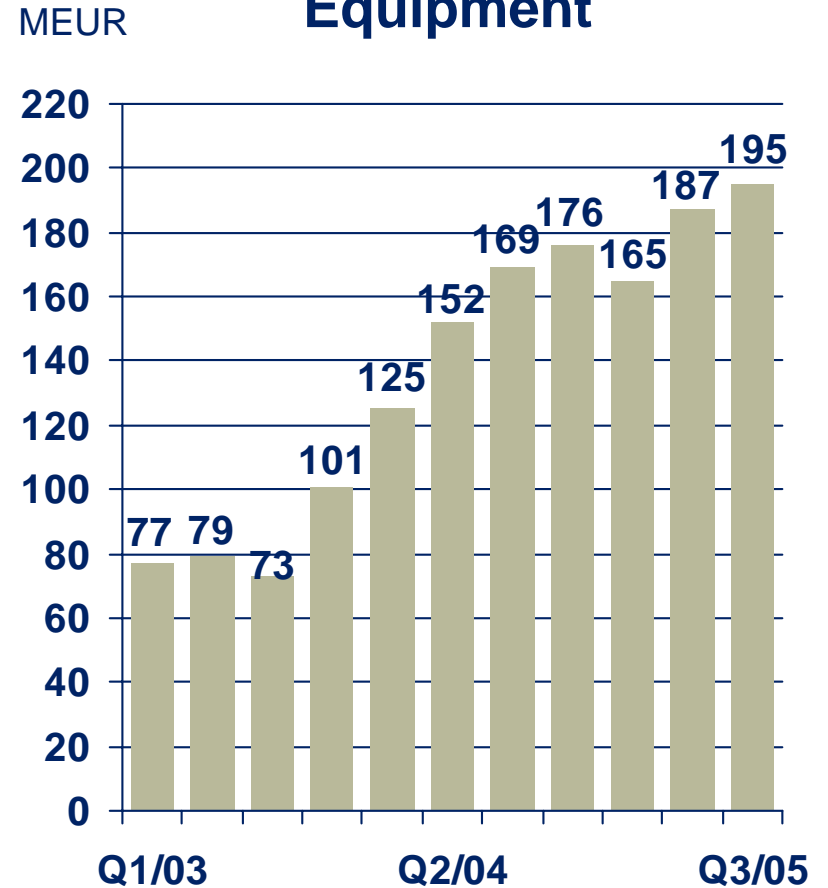


Net Sales by Business Area

Terminal Products

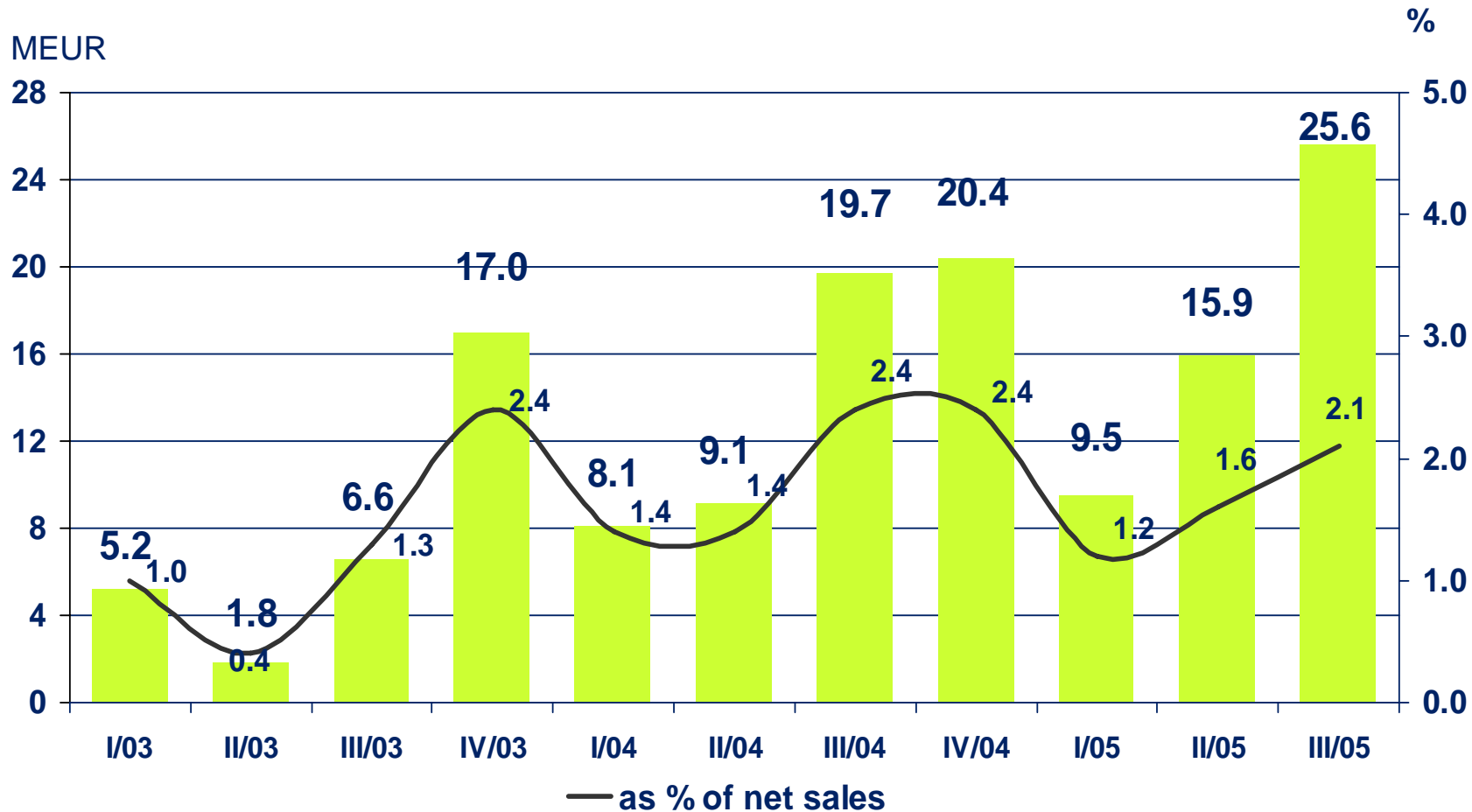


Communications Network Equipment



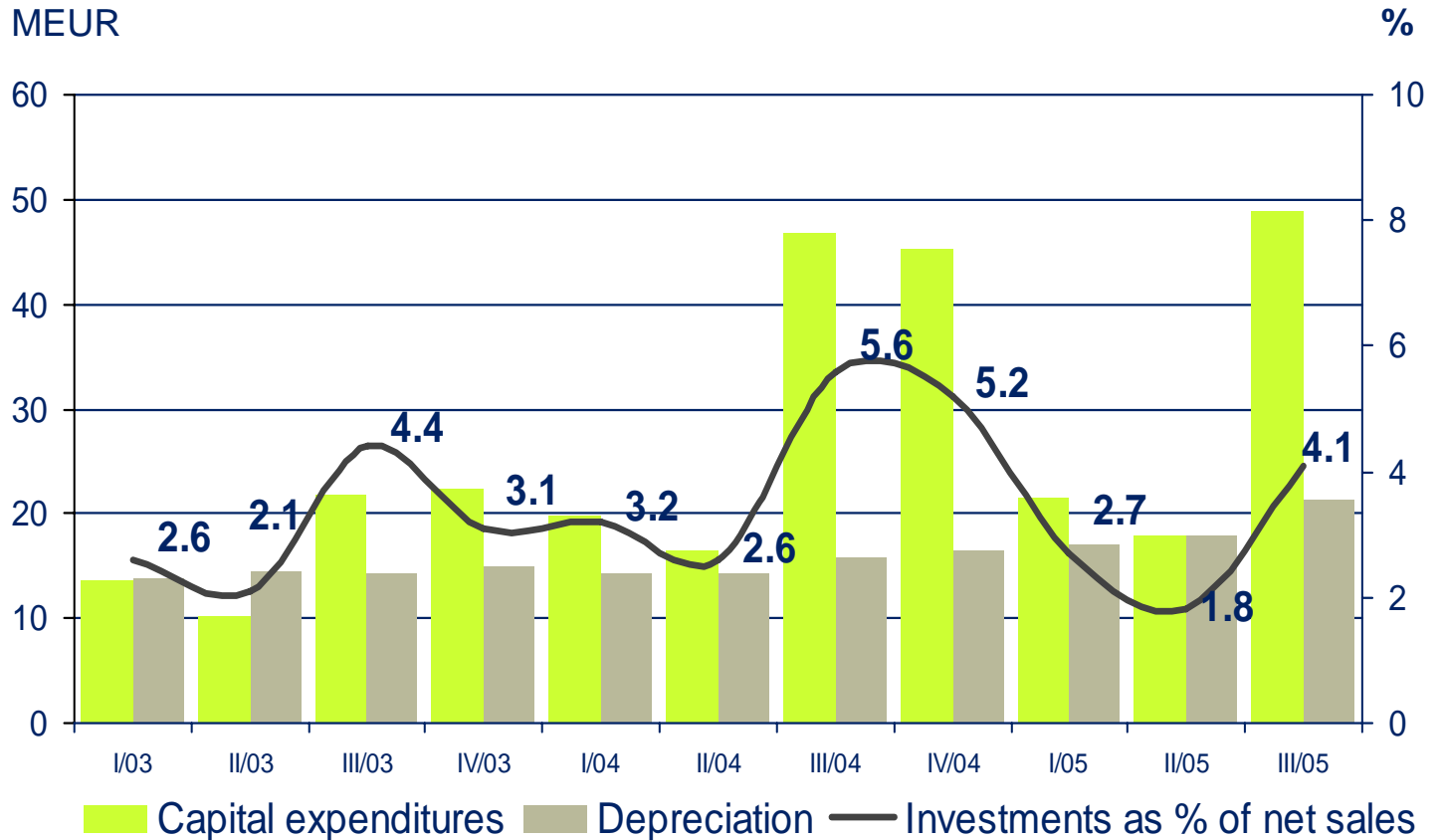


Operating Income from Continuing Operations



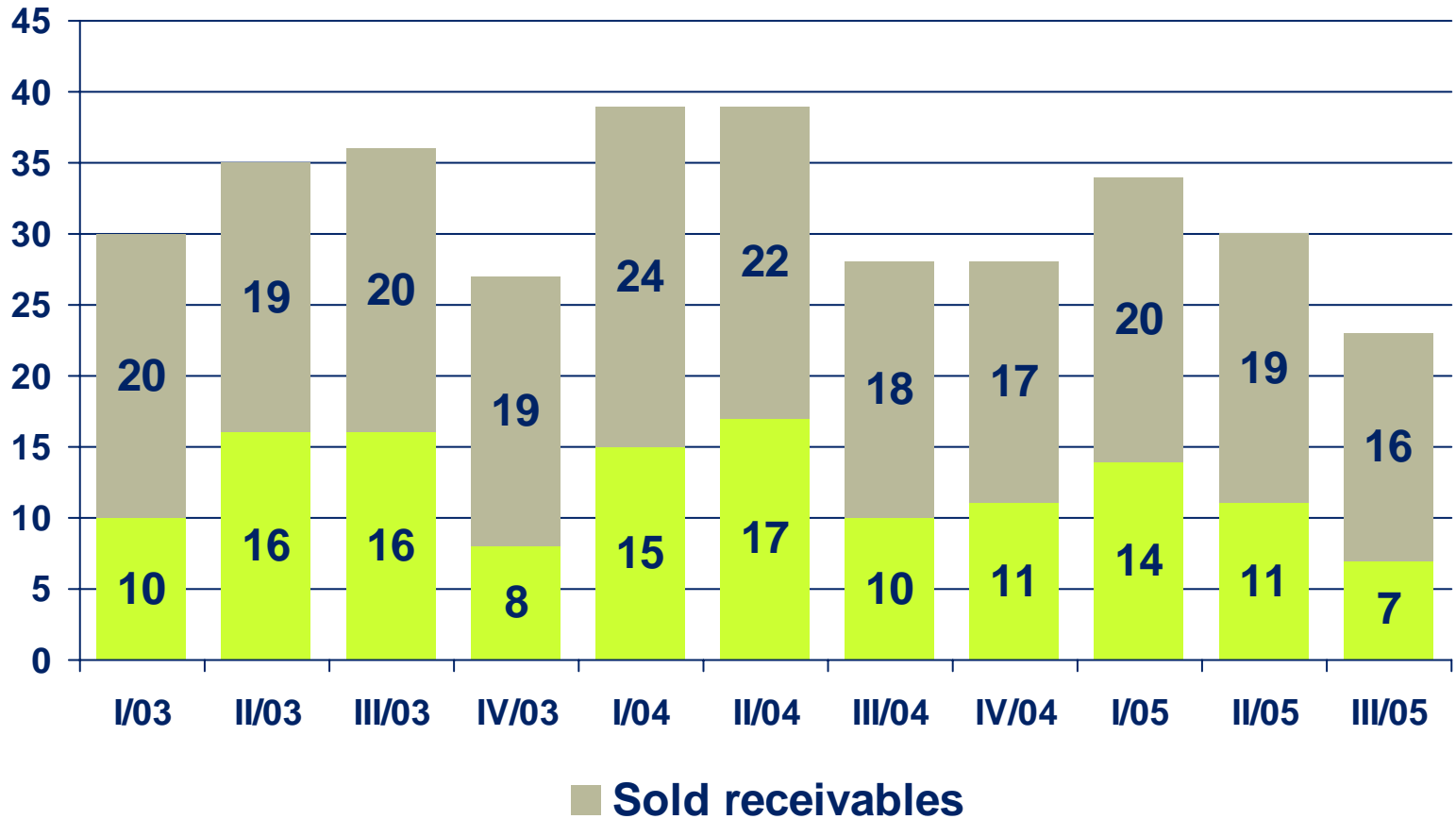


Capital Expenditures and Depreciation





Average Working Capital Days



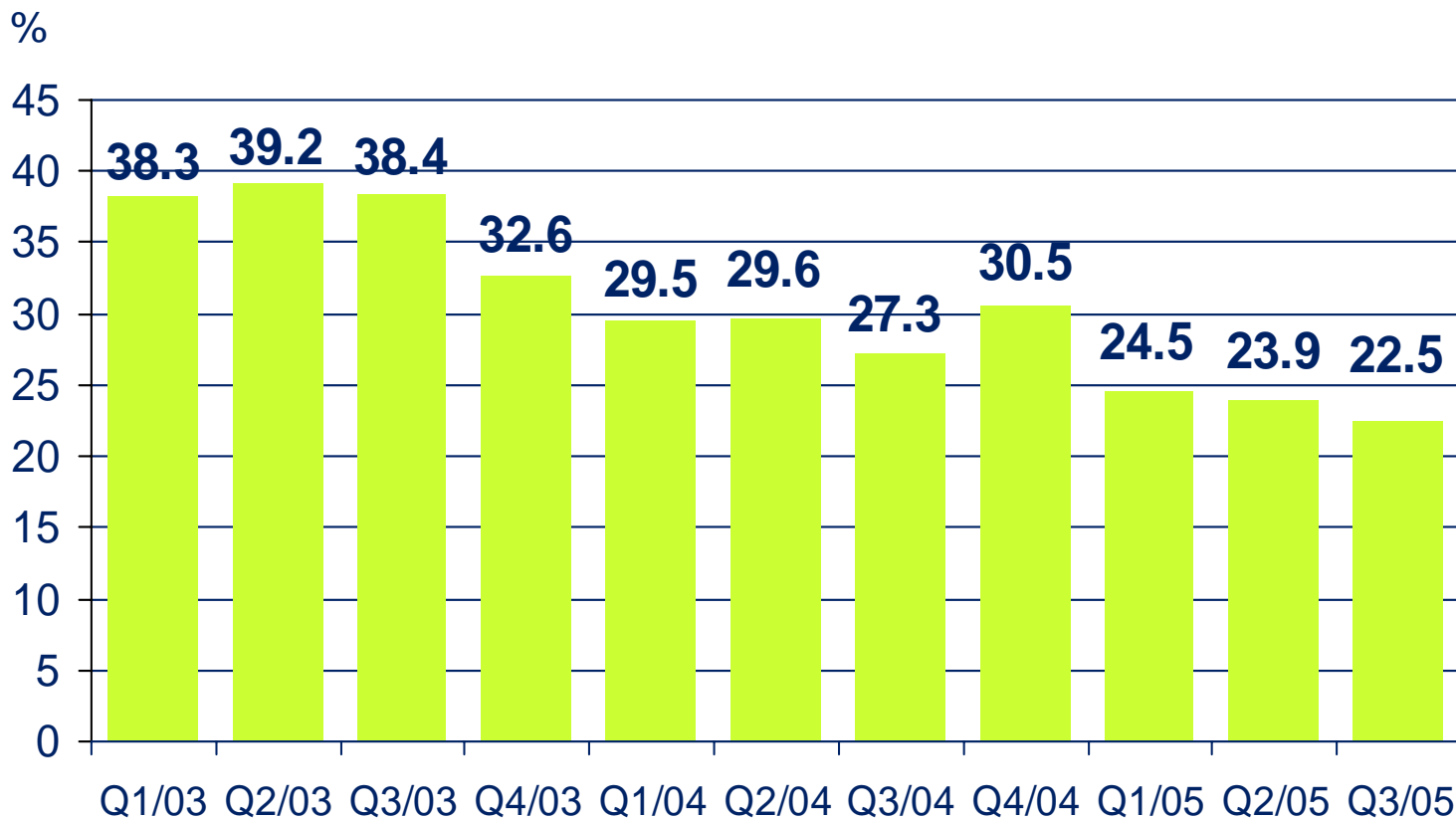


Cash Flow



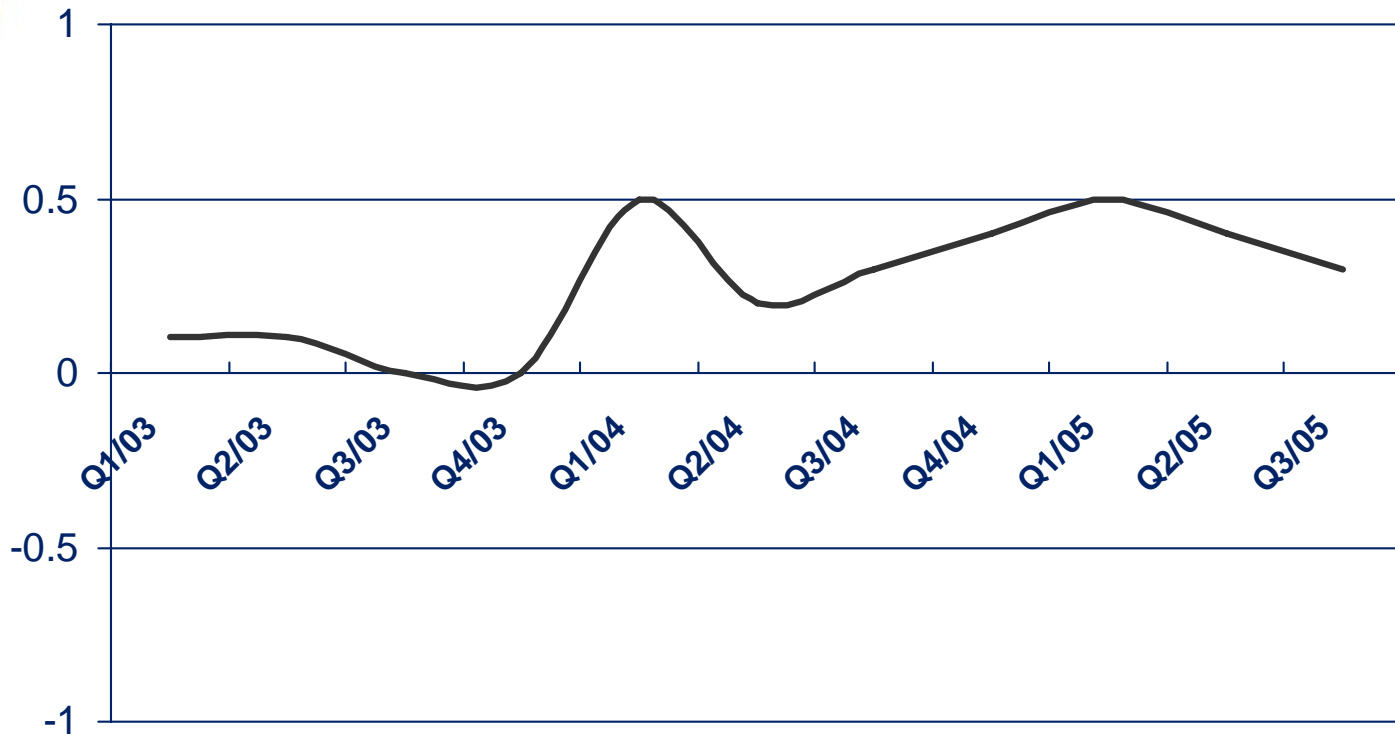


Solvency Ratio



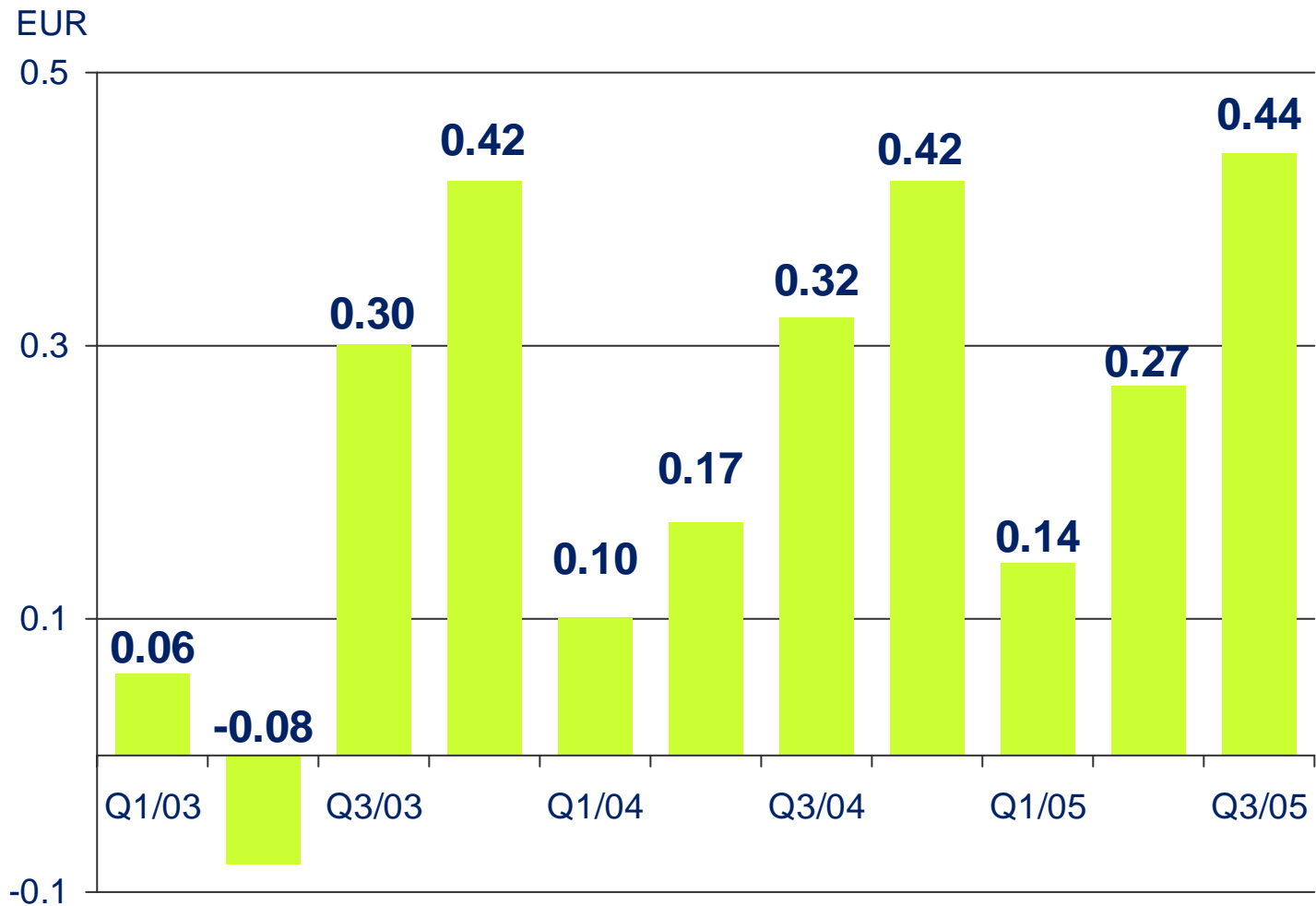


Gearing



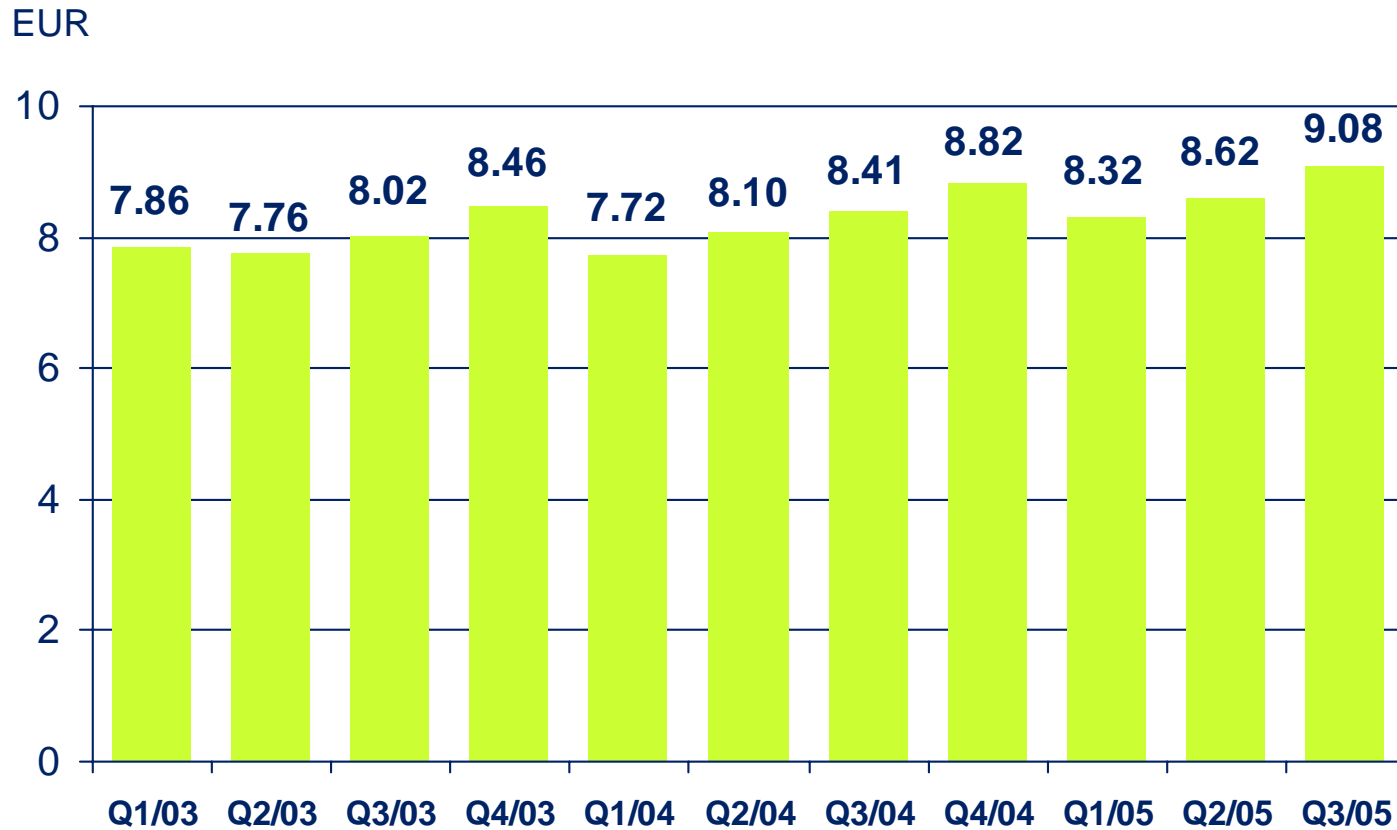


Earnings per Share (Continuing Operations)



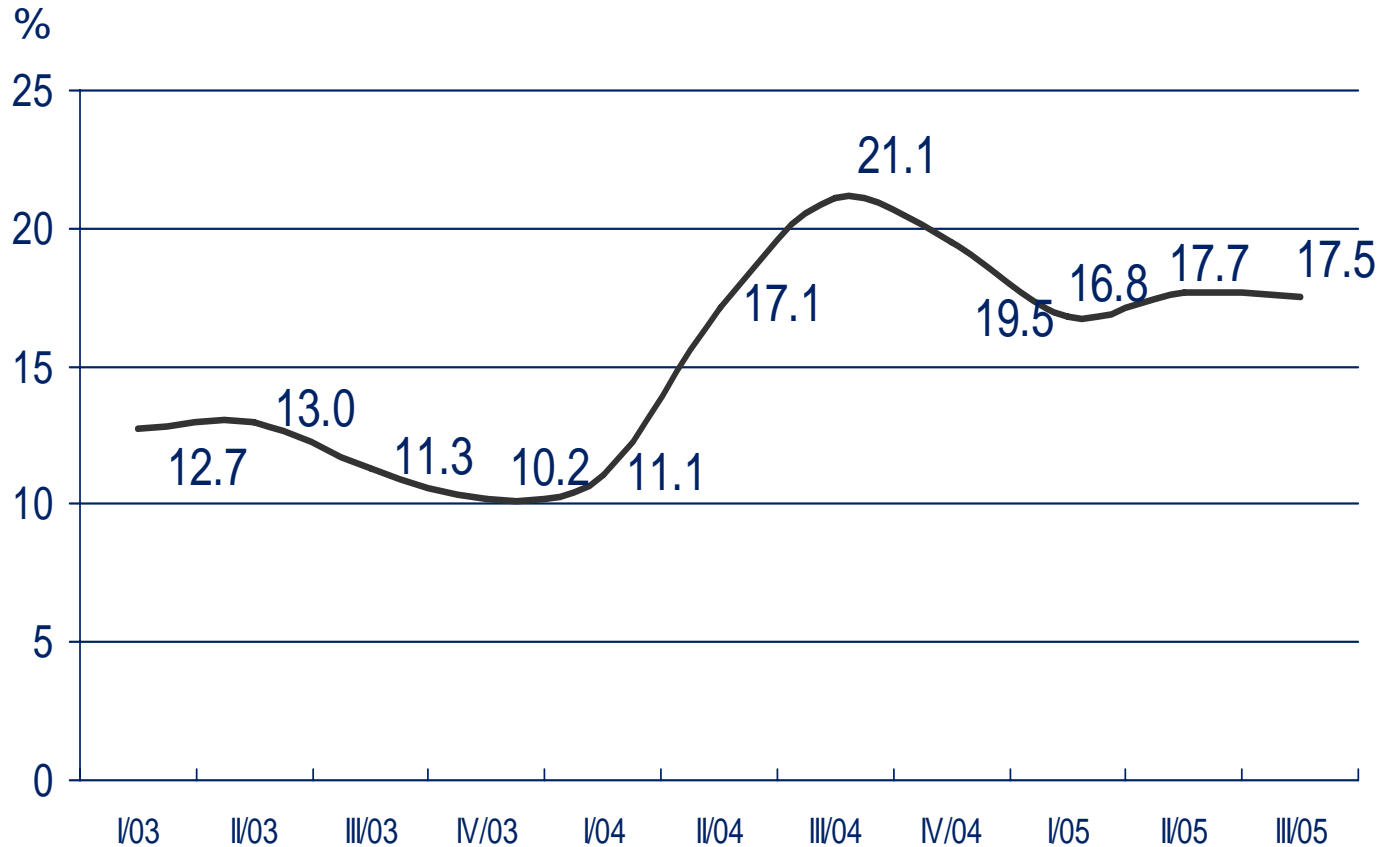


Equity per Share



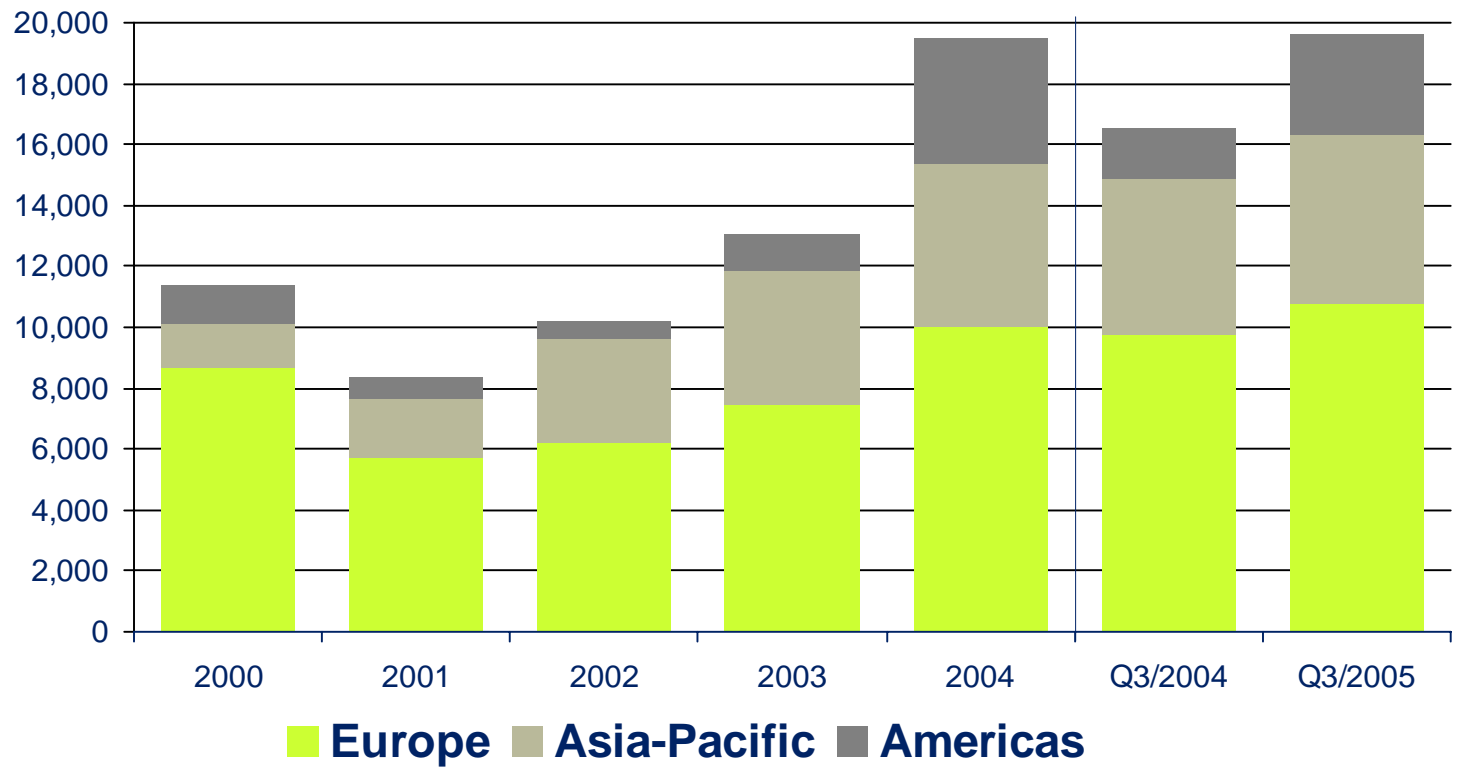


Return on Capital Employed (ROCE) (Trailing 12 Months)





Personnel by Geographical Area





Prospects

- Elcoteq estimates that its fourth-quarter net sales and operating income will be at the same level as in the third quarter



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