

ELCOTEQ NETWORK CORPORATION'S INTERIM REPORT JANUARY–JUNE 2005 (unaudited)

Elcoteq's second-quarter net sales rose 53% compared to the same period last year totaling MEUR 982.1 (April-June 2004: MEUR 641.9). Operating income was MEUR 15.9 (MEUR 9.1) and cash flow was clearly positive.

April-June

- Second-quarter net sales increased 53% on the same period last year to MEUR 982.1 (MEUR 641.9)
- Operating income was MEUR 15.9 (MEUR 9.1) and income before taxes was MEUR 12.1 (MEUR 6.5)
- Earnings per share (EPS) were EUR 0.27 (EUR 0.17)
- Rolling 12-month return on investment (ROCE) was 17.7% (17.1%)
- Cash flow after investing activities was MEUR +46.4 (MEUR +71.3)
- Gearing was 0.4 (0.2)

January-June

- Net sales between January and June rose 46% on the first six months of last year to MEUR 1,792.4 (January - June 2004: MEUR 1,228.5)
- Operating income was MEUR 25.4 (MEUR 17.2) and income before taxes was MEUR 18.6 (MEUR 13.4)
- Earnings per share (EPS) were EUR 0.41 (EUR 0.27)
- Cash flow after investing activities was MEUR +4.8 (MEUR -18.8)
- Interest-bearing net debt amounted to MEUR 111.7 (MEUR 41.2)

This interim report has been prepared according to the International Financial Reporting Standards (IFRS). The comparison figures for the income statement and earnings per share in the descriptive section are the figures for continuing operations in the same period of 2004. The other comparison figures include the impact of the discontinued operation.

IFRS 2 (Share-Based Payments) and IFRS 5 (Non-Current Assets Available for Sale and Discontinued Operations) were adopted at the beginning of 2005, which has caused changes to the 2004 comparison figures. The changes necessitated by these standards have been applied retrospectively to the 2004 comparison figures in the manner required by the standards. The impacts of the changes on the 2004 income statement are described in the first interim report for 2005.

April-June

Net sales in the second quarter rose 53% compared to the same period last year and totaled MEUR 982.1 (MEUR 641.9). The increase compared to the first quarter of 2005 was approximately 21% owing in particular to good demand for terminal products. Growth was strong in all geographical areas, being weighted towards the latter part of the quarter.

The Group's operating income between April and June was MEUR 15.9 (MEUR 9.1), representing 1.6% of net sales. Operating income improved on the first quarter, notably in Communications Network Equipment, and the segment's operating margin exceeded 4% due to good production volumes and the favorable product mix. The Terminal Products business area's operating margin weakened slightly, however, due

mainly to an emphasis in the product mix on higher-cost products as well as losses associated with certain ODM projects and the costs arising from expansion programs.

Income before taxes was MEUR 12.1 (MEUR 6.5) and net income was MEUR 8.3 (MEUR 5.2). Earnings per share were EUR 0.27 (EUR 0.17).

Gross capital expenditures on fixed assets in the April-June period totaled MEUR 17.8 (MEUR 16.5) or 1.8% of net sales. Capacity was also increased using operating leases amounting to MEUR 7.4. The bulk of investments took place in Europe, notably the new manufacturing plant in St. Petersburg, Russia. Depreciation amounted to MEUR 18.0 (MEUR 14.4).

Cash flow after investing activities in the second quarter was MEUR +46.4 (MEUR +71.3). The main reason for the clearly positive cash flow was an improvement in inventory turnover resulting from good demand.

January-June

January-June net sales rose 46% on the same period last year to MEUR 1,792.4 (MEUR 1,228.5). Operating income was MEUR 25.4 (MEUR 17.2) and income before taxes was MEUR 18.6 (MEUR 13.4). Earnings per share were EUR 0.41 (EUR 0.27).

The Group's gross capital expenditures on fixed assets between January and June amounted to MEUR 39.4 (MEUR 36.4) or 2.2% of net sales. Depreciation totaled MEUR 35.0 (MEUR 28.1).

Cash flow after investing activities came to MEUR +4.8 (MEUR -18.8). The solvency ratio was 23.9% (29.6%) and gearing was 0.4 (0.2). Cash flow received by the Group from sold accounts receivable amounted to MEUR 216.1 at the end of June. Unused credit limits totaled MEUR 291.8. Commercial papers issued by the Group amounted to MEUR 16.0 (MEUR 103.0 at the end of March 2005). In May Elcoteq Network Corporation issued notes totaling MEUR 20 and subordinated notes totaling MEUR 10 in two private placements. The terms of the subordinated notes are identical to the MEUR 50 subordinated notes issued in December 2004. The subordinated notes mature on December 22, 2011 but the company has the right to redeem the notes prematurely at six-month intervals from December 22, 2009.

Personnel

At the end of June Elcoteq Group employed altogether 17,910 (14,647) people, 998 (925) of whom worked in Finland and 16,912 (13,722) elsewhere. The geographical distribution of the personnel was as follows: Europe 9,726 (8,477), Asia-Pacific 5,125 (4,873) and Americas 3,059 (1,297). On average Elcoteq employed 18,620 (14,023) people between January and June, and the average number of people on Elcoteq's direct payroll was 14,775 (12,885).

Business areas

Elcoteq has two business areas: Terminal Products and Communications Network Equipment. In the second quarter of 2005 Terminal Products contributed 81% (76%) and Communications Network Equipment 19% (24%) of Elcoteq's net sales.

The companies within the Ericsson and Nokia groups accounted for altogether 68% (73%) of Elcoteq's second-quarter net sales. The figures do not include business activities with Sony Ericsson.

April-June net sales of the Terminal Products business area totaled MEUR 795.0 (MEUR 489.8), increasing 62% on the same period last year and 23% from the first quarter of 2005. The segment's operating income was MEUR 19.4 (MEUR 10.3).

April-June net sales of the Communications Network Equipment business area amounted to MEUR 187.1 (MEUR 152.2), up 23% on the same period last year and 13% higher than in the first quarter of 2005. The segment's operating income was MEUR 8.0 (MEUR 7.4).

Geographical areas

Elcoteq has three geographical areas: Europe, Asia-Pacific and Americas. Net sales in the second quarter were distributed as follows: Europe 56% (61%), Asia-Pacific 23% (21%) and Americas 21% (17%).

Net sales in the second quarter showed clear growth in all geographical areas compared to the same period last year. Net sales in Europe rose 40% to MEUR 550.9 (MEUR 393.2). Net sales in Asia-Pacific increased 65% on the comparison period to MEUR 226.6 (MEUR 137.2). Net sales in the Americas grew 83% totaling MEUR 204.5 (MEUR 111.5), part of which was attributable to the Thomson acquisition at the end of 2004.

In June Elcoteq set up a new office in Budapest, Hungary. The new facility will be the office for the management of Elcoteq's geographical area (GA) Europe and will be the location for the President of GA Europe, the Director of GA Europe operations as well as some sales and account directors. The establishment of this new office close to the Central European market is part of Elcoteq's internalization strategy, one aim of which is to bring Elcoteq's operations as close as possible to the end-markets and to Elcoteq's own respective facilities.

Shares and shareholders

In February Elcoteq Network Corporation's share capital increased by EUR 25,994 following registration in the Trade Register of 64,985 new Series A shares subscribed under the 2001 stock option scheme. The share subscription price was EUR 7.84 per share as stipulated in the conditions of the option scheme.

In May the company's share capital rose by EUR 23,200 following registration in the Trade Register of 58,000 new Series A shares subscribed under the 2001 option scheme. The share subscription price was EUR 7.19 as stipulated by the conditions of the scheme. Owing to these share subscriptions the company's share capital on June 30, 2005 totaled EUR 12,305,544.80.

Elcoteq had 13,185 registered shareholders on June 30, 2005. The company has two share series, A and K. The share capital at the end of June comprised altogether 30,763,862 shares divided into 20,186,862 A shares and 10,577,000 K shares. Nominee- and foreign-registered A shares amounted to 6,659,959 or 21.6% of the company's total number of shares and 5.3% of the votes.

Prospects

Elcoteq estimates that for the full year 2005 its net sales will increase and its operating income from continuing operations will improve clearly compared to last year, and therefore the company's previous forecast for the full year remains unchanged.

Net sales and operating income in the third quarter are expected to increase compared to the second quarter.

Espoo, Finland, August 2, 2005

Board of Directors

Further information:

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

Teo Ottola, CFO, +358 10 413 1240

Reeta Kaukiainen, Director, Communications and IR, +358 10 413 1742, GSM +358 50 522 0924

Press conference

Elcoteq will hold a conference for media representatives and analysts in the Balsa-Freda Cabinet of the Scandic Hotel Simonkenttä (1st floor), Simonkatu 9, Helsinki, starting at 12.30 pm (EET) on Wednesday, August 3, 2005.

Web conference and call for analysts and investors

A web conference and call in English will be held on Wednesday, August 3, 2005 starting at 3.30 pm EET (1.30 pm UK time). To participate by phone, please link in via www.elcoteq.com to <http://events.webeventservices.com/elcoteq/2005/08/03> and by calling +44 20 7162 0186, code Elcoteq.

A recording of the web conference can be heard until Monday, August 8, 2005 on +44 20 7031 4064, code 641 211.

The information presented during the press conference (pdf file) will be available from approximately 11.00 am (EET) on August 3 on the company's website, www.elcoteq.com.

Elcoteq will publish its third-quarter interim report at 9.00 am (EET) on October 27, 2005.

The following EUR/USD conversion rate is used in this interim report:

1 EUR = 1.2092 USD

Enclosures:

- 1 Income statement
- 2 Balance sheet
- 3 Cash flow statement
- 4 Calculation of changes in shareholders' equity
- 5 Key figures
- 6 Business areas
- 7 Assets pledged and contingent liabilities
- 8 Quarterly figures

APPENDIX 1

INCOME STATEMENT, MEUR	1-6/2005	1-6/2004	Change, %	1-12/2004
NET SALES	1,792.4	1,228.5	45.9	2,921.8
Change in work in progress and finished goods	-104.0	17.4		10.6
Other operating income	3.5	2.8	24.5	5.9
Operating expenses	-1,631.5	-1,203.5	35.6	-2,820.6
Depreciation and writedowns	-35.0	-28.1	24.9	-60.4
OPERATING INCOME	25.4	17.2	47.8	57.3
% of net sales	1.4	1.4		2.0
Financial income and expenses	-6.0	-3.1	93.3	-11.3
Share of profits and losses of associates	-0.8	-0.7	12.5	-1.0
INCOME BEFORE TAXES	18.6	13.4	39.2	44.9
Income taxes	-6.5	-5.1	26.8	-12.3
INCOME FROM CONTINUING OPERATIONS	12.1	8.2	46.9	32.7
Income from discontinued operations	-	7.9		7.9
INCOME FOR THE PERIOD	12.1	16.2	-25.0	40.6
ATTRIBUTABLE TO:				
Equity holders of the parent *)	12.7	16.2	-21.6	38.6
Minority interests	-0.6	-0.1		1.9
	12.1	16.2		40.6

Income tax is the amount corresponding to the result for the period based on the estimated tax rate for the full year.

*) The Group's reported net income for the period.

APPENDIX 2

BALANCE SHEET, MEUR	June 30, 2005	June 30, 2004	Change, %	Dec. 31, 2004
ASSETS				
Non-current assets				
Intangible assets	46.6	38.1	22.1	43.9
Tangible assets	215.1	153.7	40.0	205.8
Investments	14.1	14.7	-4.4	14.4
Long-term receivables	16.2	15.1	7.2	14.0
Non-current assets, total	292.0	221.7	31.7	278.1

Current assets				
Inventories	323.2	268.6	20.3	305.3
Current receivables	462.8	324.9	42.5	285.0
Cash and equivalents	60.5	40.7	48.7	39.2
Current assets, total	846.5	634.0	33.5	629.5
ASSETS, TOTAL	1,138.5	855.8	33.0	907.6

SHAREHOLDERS' EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent				
Share capital	12.3	12.2	1.1	12.3
Other shareholders' equity	252.8	234.3	7.9	258.0
Equity attributable to equity holders of the parent, total	265.1	246.5	7.5	270.3
Minority interests	6.9	5.9	18.0	6.6
Total equity	272.0	252.4	7.8	276.8
Long-term liabilities				
Long-term loans	101.1	35.3	186.6	72.2
Other long-term debt	4.2	13.3	-68.4	4.4
Long-term liabilities, total	105.3	48.6	116.7	76.6
Current liabilities				
Current loans	69.8	43.0	62.3	64.1
Other current liabilities	686.6	509.3	34.8	488.6
Provisions	4.8	2.6	88.2	1.5
Current liabilities, total	761.2	554.9	37.2	554.2
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	1,138.5	855.8	33.0	907.6

APPENDIX 3

CONSOLIDATED CASH FLOW STATEMENT, MEUR

	1-6/2005	1-6/2004	Change, %	1-12/2004
Cash flow before change in working capital	78.1	47.0	66.2	102.5
Change in working capital *)	-27.8	-34.9	-20.3	-22.3
Financial items and taxes	-9.0	-3.9	130.8	-20.3
Cash flow from operating activities	41.4	8.1	411.1	59.9
Cash flow from investing activities	-36.6	-27.0	35.6	-140.3
Cash flow before financing activities **)	4.8	-18.8		-80.4

Proceeds from the issuance of shares	1.6	1.0	60.0	2.0
Change of current debt	3.7	23.4	-84.2	39.6
Issuance of long-term debt	30.2	0.0		49.7
Repayment of long-term debt	-2.8	-1.5	86.7	-7.7
<u>Dividends paid and other distributions of earnings</u>	<u>-20.0</u>	<u>-27.3</u>	<u>-26.7</u>	<u>-27.3</u>
Cash flow from financing activities	12.8	-4.4		56.3
Change in cash and cash equivalents	17.5	-23.2		-24.0
Cash and equivalents on January 1	39.2	63.7	-38.5	63.7
Effect of exchange rate changes on cash held	3.8	0.2		-0.4
Cash and equivalents at the end of period	60.5	40.7	48.6	39.2

*) The change in working capital includes the change in sold accounts receivable. The impact of this change is to improve cash flow by MEUR 52.1 during the reporting period 1-6/2005 and to weaken cash flow by MEUR 18.6 during 1-6/2004.

***) The cash flow before financing activities from discontinued operations (Industrial Electronics) is to improve cash flow by MEUR 26.5 during reporting periods 1-6/2004 and 1-12/2004.

APPENDIX 4

STATEMENT OF CHANGES IN EQUITY, MEUR

	Attributable to equity holders of the parent						Total	Minority interests	Total equity
	Share capital	Additional paid-in capital	Other reserves	Share issue differences	Translation	Retained earnings			
Balance at January 1, 2005	12.3	212.2	8.4	0.0	-2.7	40.1	270.3	6.6	276.8
Issue of share capital	0.0	0.9					0.9		0.9
Translation differences					0.3		0.3	0.6	0.9
Share based payments						0.9	0.9		0.9
Ownership change of Group companies							0.0	0.4	0.4
Dividends						-20.0	-20.0		-20.0
Net income						12.7	12.7	-0.6	12.1
Balance at June 30, 2005	12.3	213.1	8.4	0.0	-2.4	33.8	265.1	6.9	272.0
Balance at January 1, 2004	12.1	209.0	8.3	1.4	-2.9	27.6	255.5	5.8	261.3
Issue of share capital	0.1	2.3		-1.4			1.0		1.0
Translation differences					0.5		0.5	0.1	0.6
Share based payments						0.6	0.6		0.6
Dividends						-27.3	-27.3		-27.3
Net income						16.2	16.2	-0.1	16.2
Balance at June 30, 2004	12.2	211.3	8.3	0.0	-2.4	17.1	246.5	5.9	252.4

APPENDIX 5

KEY FIGURES	1-6/2005	1-6/2004	Change, %	1-12/2004
Personnel on average during the period	14,775	12,885	14.7	13,065
Gross capital expenditures, MEUR	39.4	36.4	8.2	128.3
Return on equity (ROE), %*)	4.4	6.3		15.1
Return on investment (ROI/ROCE), %*)	6.6	9.5		19.5
From 12 preceding months:				
Return on equity (ROE), %*)	13.9	15.3		15.1
Return on investment (ROI/ROCE), %*)	17.7	17.1		19.5
Earnings per share (EPS), EUR	0.41	0.53	-22.6	1.27
Continuing operations	0.41	0.27	51.9	1.01
Discontinued operations	-	0.26		0.26
Diluted earnings per share (EPS)	0.40	0.51	-21.6	1.21
Continuing operations	0.40	0.26	53.8	0.96
Discontinued operations	-	0.25		0.25
Current ratio	1.1	1.2		1.1
Solvency ratio, %	23.9	29.6		30.5
Gearing	0.4	0.2		0.4
Equity**) per share, EUR	8.62	8.10	6.4	8.82
Interest-bearing liabilities, MEUR	172.2	81.8	110.5	137.4
Interest-bearing net debt, MEUR	111.7	41.2	171.1	98.2
Non-interest-bearing liabilities, MEUR	694.3	521.6	33.1	493.4

*) Includes discontinued operation.

**) Attributable to equity holders of the parent.

APPENDIX 6

BUSINESS AREAS	1-6/2005	1-6/2004	1-12/2004
Net sales, MEUR			
Terminal Products	1,440.2	951.2	2,300.0
Communications Network Equipment	352.1	277.3	621.8
Continuing operations, total	1,792.4	1,228.5	2,921.8
Industrial Electronics (discontinued operation)	-	31.9	31.9
Total	1,792.4	1,260.4	2,953.7

Segment's operating income, MEUR			
Terminal Products	36.2	25.7	77.7
Communications Network Equipment	10.6	12.1	16.2
Group's non-allocated expenses/income	-21.4	-20.7	-36.8
Continuing operations, total	25.4	17.2	57.3
Industrial Electronics (discontinued operation)	-	13.0	13.0
Total	25.4	30.2	70.2

Elcoteq's share of associated company results in the first half of 2005 totaled MEUR -0.8. This comprised MEUR -0.3 from Communications Network Equipment and MEUR -0.5 from non-allocated expenses/income. Associated company results in the first half of 2004 totaled MEUR -0.7, which comprised MEUR -0.2 from Communications Network Equipment and MEUR -0.5 from non-allocated expenses/income. Associated company results for the full year 2004 totaled MEUR -1.0 which comprised of MEUR -0.3 from Communications Network Equipment and MEUR -0.7 from non-allocated expenses/income.

APPENDIX 7

ASSETS PLEDGED AND CONTINGENT LIABILITIES, MEUR

	June 30, 2005	June 30, 2004	Change, %	Dec. 31, 2004
ON BEHALF OF OTHERS				
Guarantees	0.0	0.1	-100.0	0.0
LEASING COMMITMENTS				
Operating lease, machinery and equipment (excl. VAT)	37.6	24.4	54.1	37.4
Rental commitments, real estates (excl. VAT)	23.4	27.2	-14.0	24.2
	June 30, 2005	June 30, 2004	Change, %	Dec. 31, 2004
DERIVATIVE CONTRACTS				
Foreign currency derivative instruments				
Forward contracts, transaction risk				
Nominal value	194.4	206.9	-6.0	227.6
Book value	1.2	-0.7		-4.3
Market value	1.2	-0.7		-4.3
Forward contracts, translation risk				
Nominal value	21.6	21.9	-1.4	21.0
Book value	0.2	0.0		0.3
Market value	0.2	0.0		0.3

Forward contracts, financial risk					
Nominal value	60.0	51.6	16.3	72.1	
Book value	0.0	0.1		0.1	
Market value	0.0	0.1		0.1	
Foreign currency option contracts					
Nominal value, bought	-	3.7		9.0	
Nominal value, sold	-	3.7		12.0	
Book value, bought	-	0.0		0.0	
Book value, sold	-	0.0		-0.1	
Market value, bought	-	0.1		0.0	
Market value, sold	-	-0.1		-0.1	

The forwards have been valued using the market prices and the exchange reference rates of the European Central Bank on the balance sheet date. The fair value of options is the amount at which options could be exchanged if closed on the balance sheet date. The figures also include the closed positions.

APPENDIX 8

QUARTERLY FIGURES

INCOME STATEMENT, MEUR	Q2/2005	Q1/2005	Q4/2004	Q3/2004	Q2/2004	Q1/2004
NET SALES	982.1	810.3	864.6	828.7	641.9	586.6
Change in work in progress and finished goods	-98.8	-5.2	-23.6	16.7	-3.2	20.6
Other operating income	1.8	1.7	2.0	1.0	1.9	1.0
Operating expenses	-851.1	-780.3	-806.2	-810.9	-617.1	-586.3
Depreciation and writedowns	-18.0	-17.0	-16.4	-15.9	-14.4	-13.7
OPERATING INCOME	15.9	9.5	20.4	19.7	9.1	8.1
% of net sales	1.6	1.2	2.4	2.4	1.4	1.4
Financial income and expenses	-3.2	-2.8	-5.8	-2.5	-2.2	-0.9
Share of profits and losses of associates	-0.6	-0.2	-0.1	-0.3	-0.3	-0.4
INCOME BEFORE TAXES	12.1	6.5	14.6	16.9	6.5	6.8
Income taxes	-3.8	-2.7	-2.0	-5.1	-1.5	-3.7
INCOME FROM CONTINUING OPERATIONS	8.3	3.8	12.6	11.8	5.1	3.2
Income from discontinued operations	-	-	-	-	5.7	2.2
INCOME FOR THE PERIOD	8.3	3.8	12.6	11.8	10.8	5.4

ATTRIBUTABLE TO:

Equity holders of the parent	8.3	4.4	12.8	9.7	10.9	5.3
minority interests	-0.0	-0.6	-0.2	2.2	-0.1	0.1
	8.3	3.8	12.6	11.8	10.8	5.4

BALANCE SHEET, MEUR	Q2/2005	Q1/2005	Q4/2004	Q3/2004	Q2/2004	Q1/2004
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ASSETS

Non-current assets

Intangible assets	46.6	43.9	43.9	39.5	38.1	37.5
Tangible assets	215.1	206.7	205.8	183.6	153.7	152.3
Investments	14.1	14.4	14.4	14.5	14.7	14.8
Long-term receivables	16.2	16.5	14.0	15.4	15.1	9.1
Non-current assets, total	292.0	281.4	278.1	253.0	221.7	213.7

Current assets

Inventories	323.2	331.5	305.3	357.3	268.6	255.7
Current receivables	462.8	388.6	285.0	320.7	324.9	289.8
Cash and equivalents	60.5	70.2	39.2	37.4	40.7	18.4
Assets classified as held for sale	-	-	-	-	-	43.7
Current assets, total	846.5	790.3	629.5	715.4	634.1	607.5

ASSETS, TOTAL	1,138.5	1,071.7	907.6	968.4	855.8	821.3
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SHAREHOLDERS' EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent

Share capital	12.3	12.3	12.3	12.2	12.2	12.2
Other shareholders' equity	252.8	243.3	258.0	244.1	234.3	222.8
Equity attributable to equity holders of the parent, total	265.1	255.6	270.3	256.3	246.5	235.0
Minority interests	6.9	6.7	6.6	7.9	5.9	5.9
Total equity	272.0	262.3	276.8	264.2	252.4	241.0

Long-term liabilities

Long-term loans	101.1	72.3	72.2	34.1	35.3	31.0
Other long-term debt	4.2	4.9	4.4	14.8	13.3	14.4
Long-term liabilities, total	105.3	77.1	76.6	49.0	48.6	45.4

Current liabilities

Current loans	69.8	135.9	64.1	57.6	43.0	90.9
Other current liabilities	686.6	594.3	488.6	595.4	509.3	419.8
Provisions	4.8	2.1	1.5	2.3	2.6	1.7
Liabilities classified as held for sale	-	-	-	-	-	22.5
Current liabilities, total	761.2	732.2	554.2	655.3	554.9	534.9

**SHAREHOLDERS' EQUITY
AND LIABILITIES, TOTAL**

	1,138.5	1,071.7	907.6	968.4	855.8	821.3
Personnel on average during the period	15,030	14,560	13,481	12,865	12,638	13,222
Gross capital expenditures, MEUR	17.8	21.6	45.2	46.7	16.5	19.9
ROI/ROCE from 12 preceding months, %	17.7	16.8	19.5	21.1	17.1	11.1
Earnings per share (EPS), EUR	0.27	0.14	0.42	0.32	0.36*	0.18*
Solvency ratio, %	23.9	24.5	30.5	27.3	29.6	29.5

* Includes the discontinued operation.

CONSOLIDATED CASH

FLOW STATEMENT, MEUR

	Q2/2005	Q1/2005	Q4/2004	Q3/2004	Q2/2004	Q1/2004
Cash flow before change in working capital	48.4	29.7	22.0	33.5	24.6	22.4
Change in working capital	25.9	-53.7	24.5	-12.0	52.2	-87.1
Financial items and taxes	-5.7	-3.3	-13.4	-2.9	-2.7	-1.2
Cash flow from operating activities	68.7	-27.3	33.1	18.6	74.1	-65.9
Cash flow from investing activities	-22.3	-14.3	-77.1	-36.2	-2.8	-24.2
Cash flow before financing activities	46.4	-41.6	-44.0	-17.6	71.3	-90.1
Proceeds from the issuance of shares	0.8	0.8	0.8	0.2	0.0	1.0
Change of current debt	-67.3	71.0	-2.0	18.2	-47.9	71.3
Issuance of long-term debt	30.2	0.0	49.7	0.0	0.0	0.0
Repayment of long-term debt	-2.1	-0.7	-2.1	-4.1	-0.3	-1.2
Dividends paid and other distributions of earnings	-20.0	0.0	0.0	0.0	-0.9	-26.4
Cash flow from financing activities	-58.2	71.0	46.4	14.3	-49.1	44.7
Change in cash and cash equivalents	-11.9	29.4	2.4	-3.2	22.3	-45.5
Cash and equivalents on January 1	70.2	39.2	37.3	40.7	18.4	63.7
Effect of exchange rate changes on cash held	2.3	1.5	-0.4	-0.2	0.0	0.2
Cash and equivalents at the end of period	60.5	70.2	39.2	37.3	40.7	18.4

BUSINESS AREAS

	Q2/2005	Q1/2005	Q4/2004	Q3/2004	Q2/2004	Q1/2004
Net sales, MEUR						
Terminal Products	795.0	645.2	688.8	660.0	489.8	461.4
Communications Network Equipment	187.1	165.1	175.9	168.6	152.2	125.1
Continuing operations, total	982.1	810.3	864.6	828.7	641.9	586.6
Industrial Electronics (discontinued operation)	-	-	-	-	-	31.9
Total	982.1	810.3	864.6	828.7	641.9	618.5

Segment's operating income, MEUR						
Terminal Products	19.4	16.9	28.3	23.8	10.3	15.4
Communications Network Equipment	8.0	2.6	2.5	1.7	7.4	4.7
Group's non-allocated expenses/income	-11.5	-10.0	-10.3	-5.8	-8.6	-12.0
Continuing operations, total	15.9	9.5	20.4	19.7	9.1	8.1
Industrial Electronics (discontinued operation)	-	-	-	-	10.0	3.0
Total	15.9	9.5	20.4	19.7	19.0	11.1

GEOGRAPHICAL AREAS	Q2/2005	Q1/2005	Q4/2004	Q3/2004	Q2/2004	Q1/2004
Net sales, MEUR						
Europe	550.9	466.0	569.4	513.8	393.2	366.6
Asia-Pacific	226.6	177.1	210.2	207.0	137.2	159.7
Americas	204.5	167.2	85.0	107.9	111.5	60.2
Industrial Electronics (discontinued operation)	-	-	-	-	-	31.9
Total	982.1	810.3	864.6	828.7	641.9	618.5