



Elcoteq SE
July-August 2007

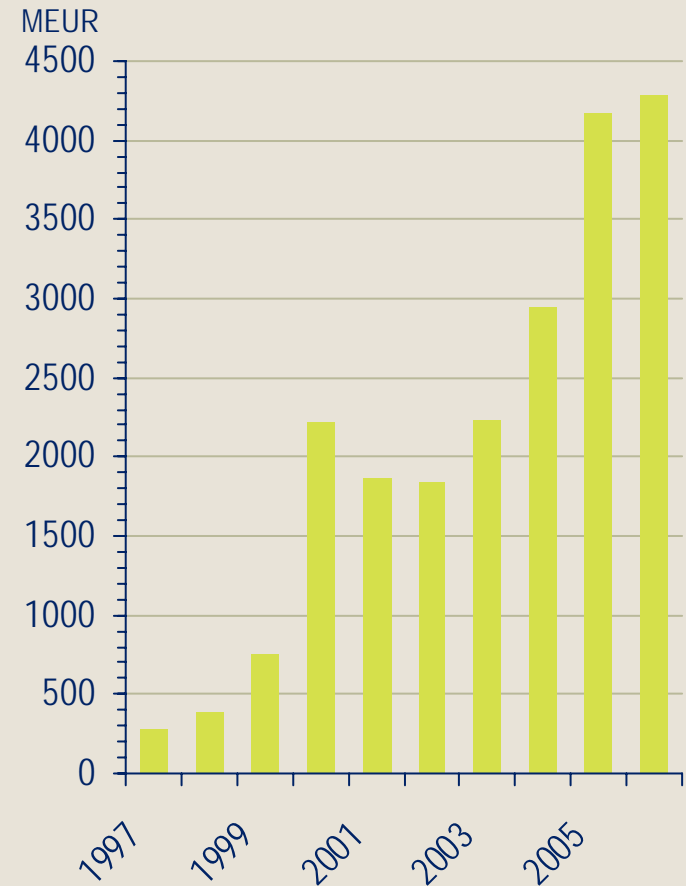




Elcoteq Facts and Figures

- Biggest European EMS provider
- 23,000 employees
- Business areas
 - Terminal Products
 - Personal Communications
 - Home Communications
 - Communications Networks
- Operates in 16 countries on four continents
- Electronics manufacturing services since 1984 (MBO 1991)
- Listed on the Helsinki Stock Exchange since 1997
- Net sales of 4.3 billion euros in 2006
- CAGR of net sales 47% in 1991 - 2006

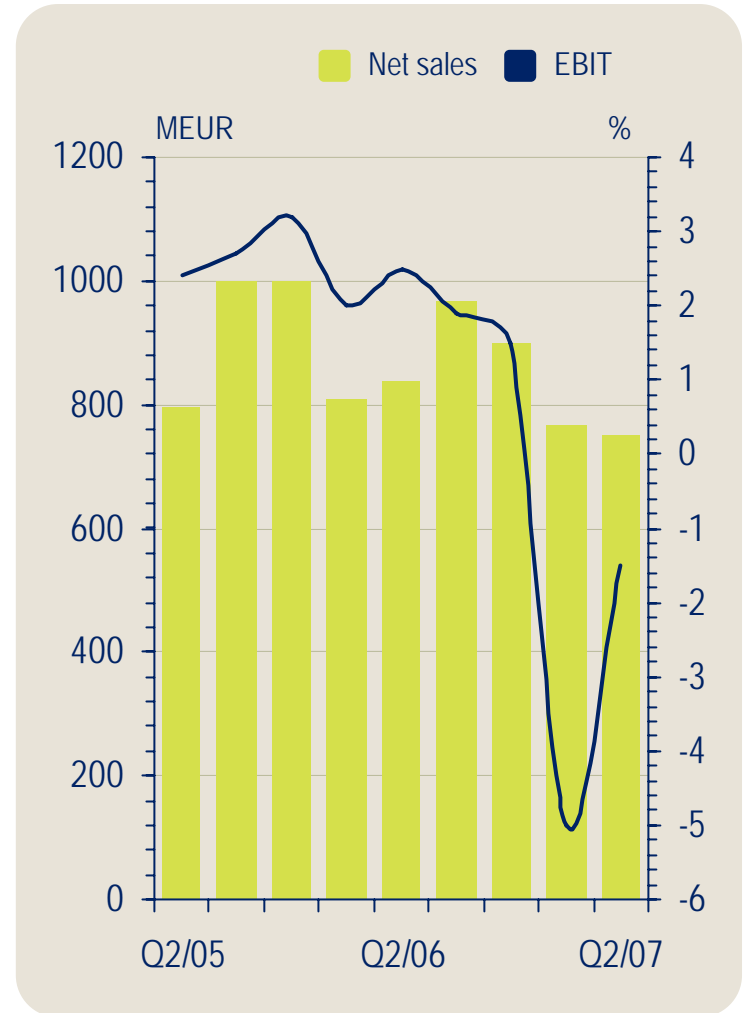
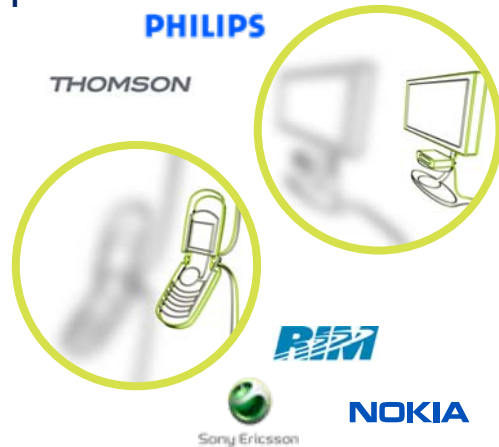
Net Sales 1997 - 2006





Terminal Products

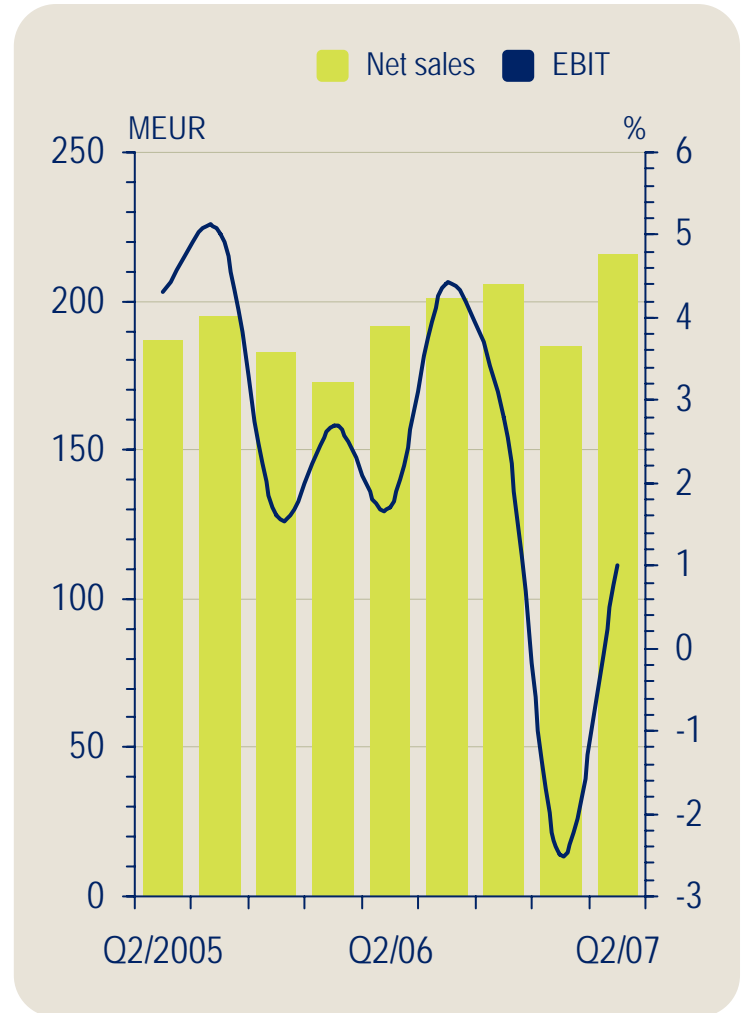
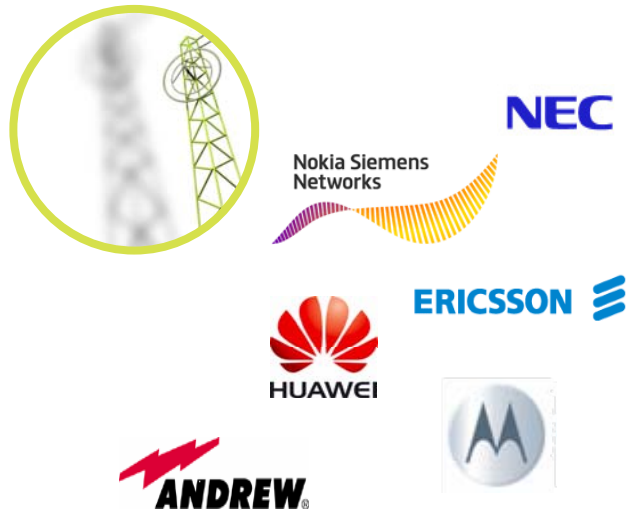
- 75-80% of net sales
- **Personal Communications:** mobile phones, their parts and accessories, wireless modules and wireless phones
- **Home Communications:** selected infotainment and home communication products





Communications Networks

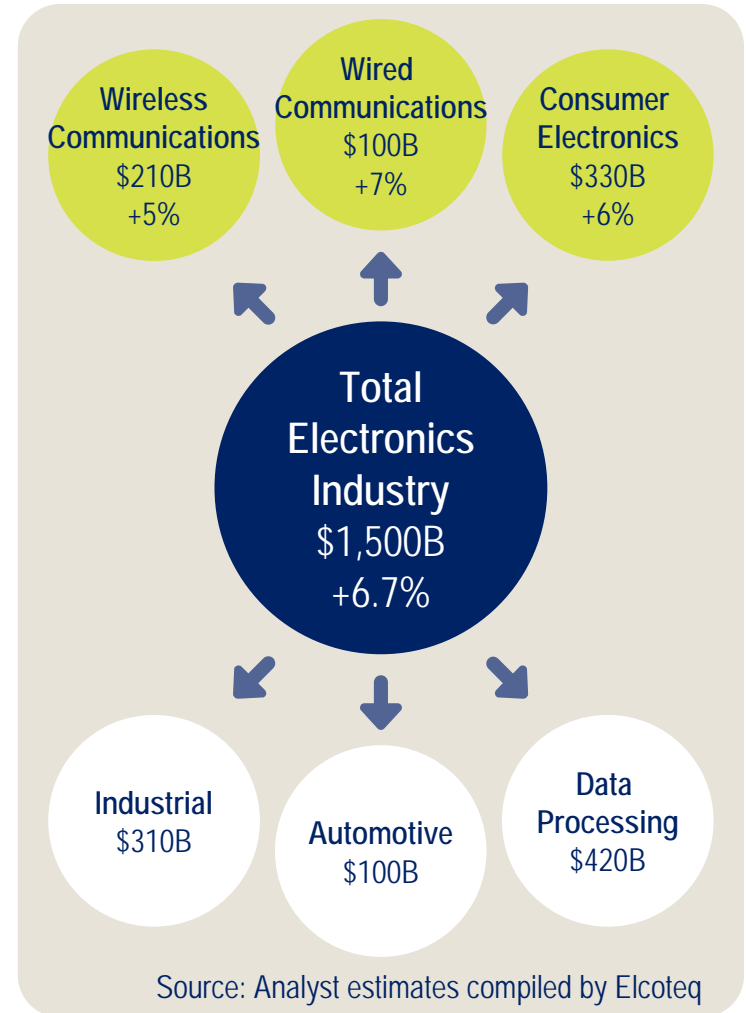
- 20-25% of net sales
- Wireless, wireline and enterprise system products and plug-in units, such as base station products, transmission systems and broadband network products





The Growing Electronics Industry

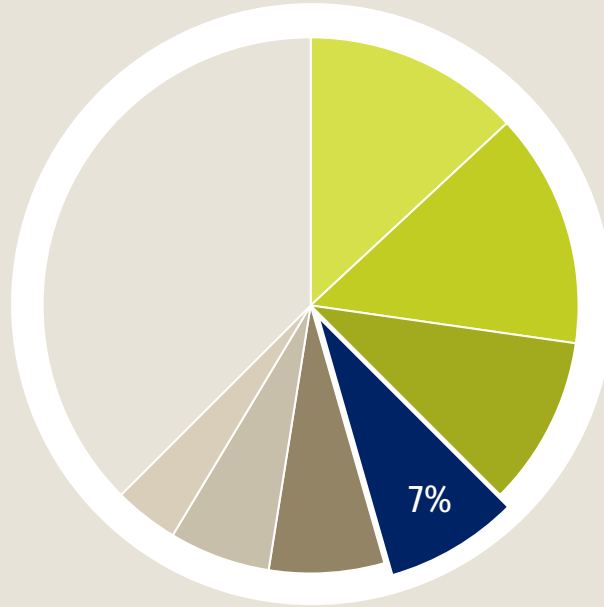
- Electronics manufacturing is a \$1,500 billion business with a 20% outsourcing rate
- EMS is a young growing industry in continuous change
 - Changing business models
 - Emerging end-markets
 - New technologies
 - Shorter product lifecycles





Elcoteq's Market Position

EMS providers' market shares in Communications Technology in 2006



- Flextronics
- Hon Hai
- Solectron
- Elcoteq
- Celestica
- Sanmina-SCI
- Jabil
- Others

Source: Information from the companies' publications and analyst estimates compiled by Elcoteq

- #1 European EMS provider
- #3 in mobile phones globally
- #4 in communications technology globally



Elcoteq's Vision and Strategy

Vision

Leading integrated EMS Provider to Communications Technology Customers

Main Goals

Drive shareholder value on par with competition and beyond

Create superior value to communications technology customers

Strategic Themes

Expand service offering

Focused growth

Operational excellence

Align talent, structure and people processes with the needs of the business



Five Reasons Why Our Focus Drives Customers' Success

1. Communications technology competence
2. Committed to sharing the industry future with long-term partnerships
3. Unique operational model brings consistency, flexibility and speed
4. Evolving with the market and providing services where customers are
5. Trusted by the industry leaders with proven success

Elcoteq focuses on communications technology



Collaboration with Elcoteq Simplifies Customers' Business Environment

- Elcoteq understands its customers' complex business environment
- When Elcoteq takes care of product supply, customers can focus on their core business
- Elcoteq's expertise in supply chain management ensures quality





Consistency, Flexibility and Speed Through Unique Operational Model

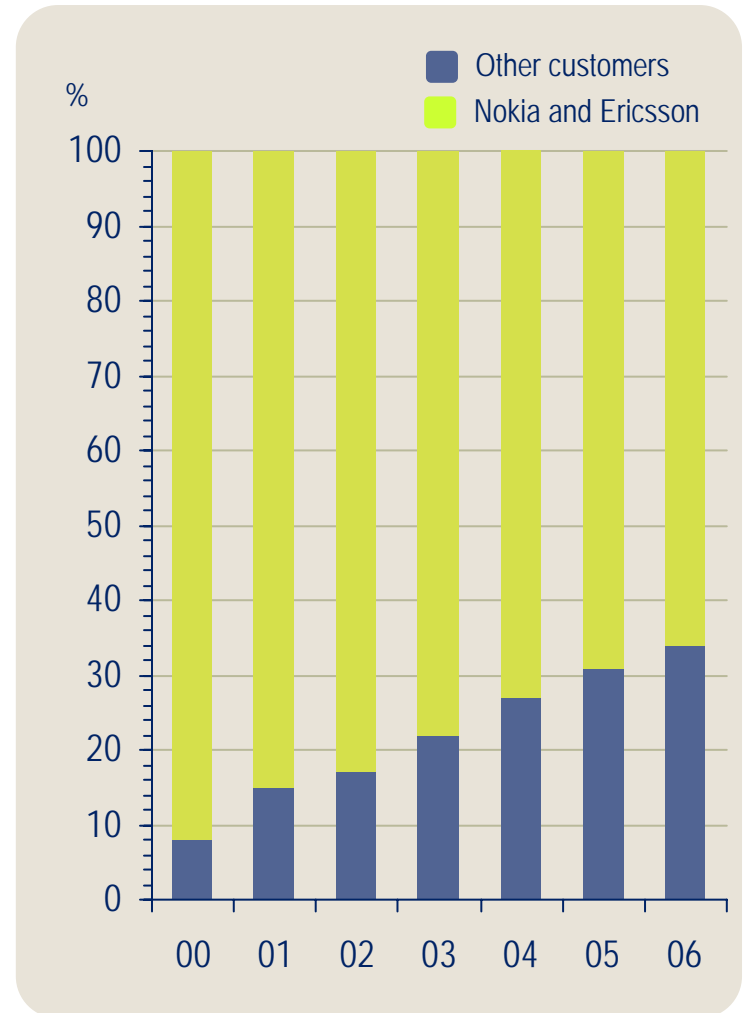


Combination of consistent manufacturing processes and globally integrated services create the unique offering.



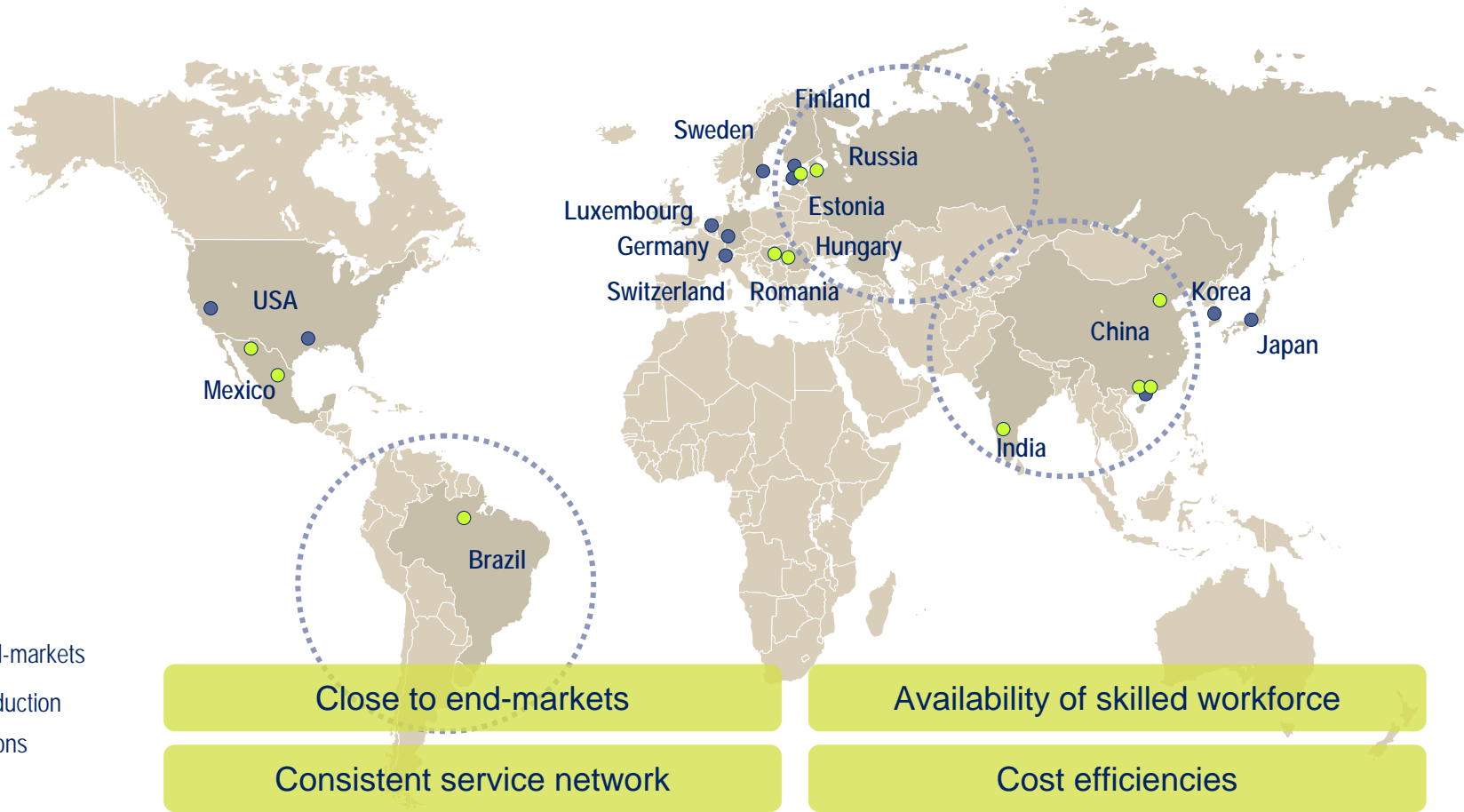
Focused Growth and Balancing the Customer Portfolio

- Organic growth and selected acquisitions
 - New customers
 - Strengthening own competence
- Attracting new customers especially among globally operating companies
- Profitable growth and spreading risks
- New product areas in communications technology





Cost-Competitive Locations with Globally Integrated Services



- ⊙ Growing end-markets
- Volume production
- Other locations



Key Financial Indicators and Targets

| | |
|--------------------------|-------------------|
| Earnings per share (EPS) | Continuous growth |
| ROCE, trailing 12 months | > 20% |
| Cash flow | Positive |
| Gearing | <1 |

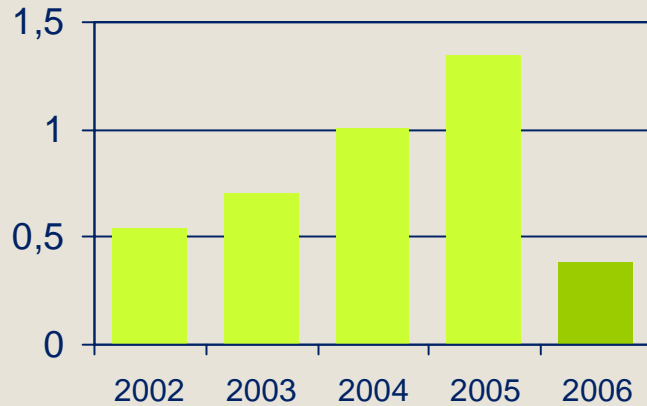
Dividend Policy

is to distribute a dividend corresponding to approximately half of Elcoteq's net profit for the year taking into account the Group's profitability, financial structure and growth prospects.

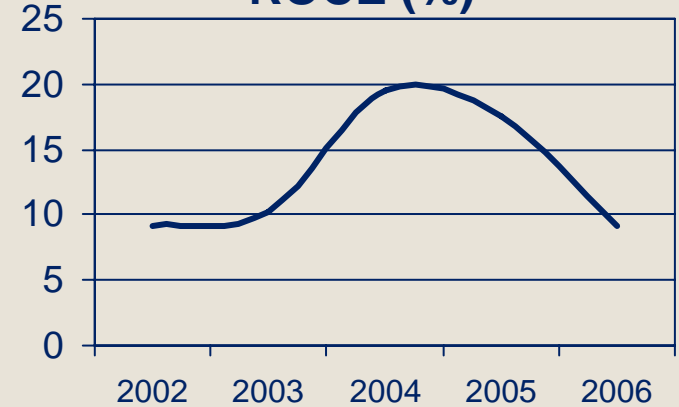


Key Financial Indicators: Achievements

Earnings per Share (EUR)



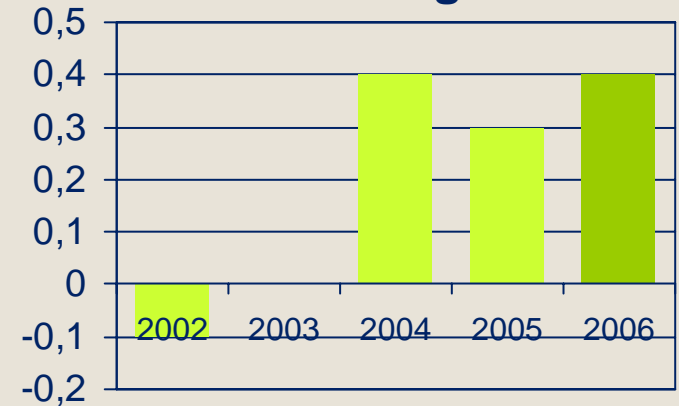
ROCE (%)



Cash Flow (MEUR)



Gearing





Going Forward

- Elcoteq is an active player on the market place
- Committed to serve the chosen customer segment
 - Outsourcing in communications technology continues
 - Good growth prospects in the end-markets
 - OEMs need more help from partners as competition intensifies
- Safeguarding the competitiveness and efficiency of Elcoteq's service network
 - Consistency brings flexibility and speed
 - Specifying the action plan further and implementing it efficiently
- Board of Directors has approved a plan that will significantly increase and broaden Elcoteq's current service offering (EMS) into integrated electronics manufacturing services (IEMS)
 - Development of existing operating models
 - M&A arrangements, and
 - Various forms of collaboration with other companies operating in the same field

World's leading integrated EMS provider to communications technology customers