



EMS/ODM Market Review for EDIFICE 89th Plenary in Tallinn May 2004

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EMS market review – Agenda

1. Elcoteq in brief
2. The past, present and future of EMS/ODM industry
3. The idea of EMS/ODM business: Why outsource?
4. Today's hot topic: the ODMs are re-shaping the industry
5. Summary and conclusions



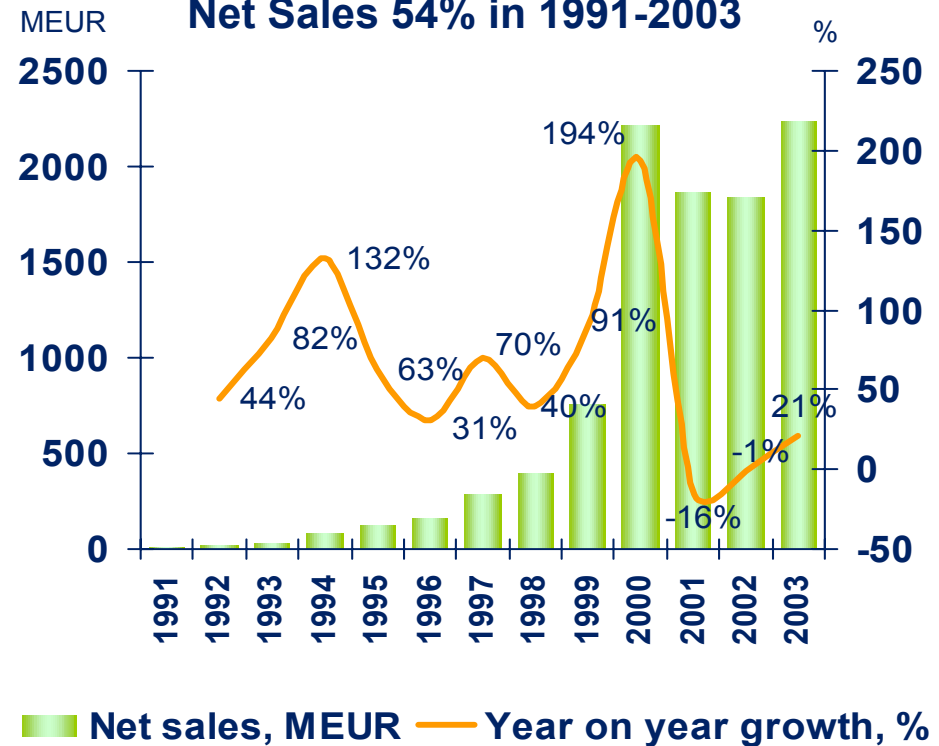
Elcoteq in Brief: The largest European EMS company

- Founded in 1984 by Lohja Corporation
- MBO in 1991
- Listed on the Helsinki Exchanges since 1997
- Operations in 11 countries on three continents
- 12,600 employees

Elcoteq in the EMS market

- #1 European EMS provider
- #2 in mobile phones globally

Compound Annual Growth Rate of Net Sales 54% in 1991-2003



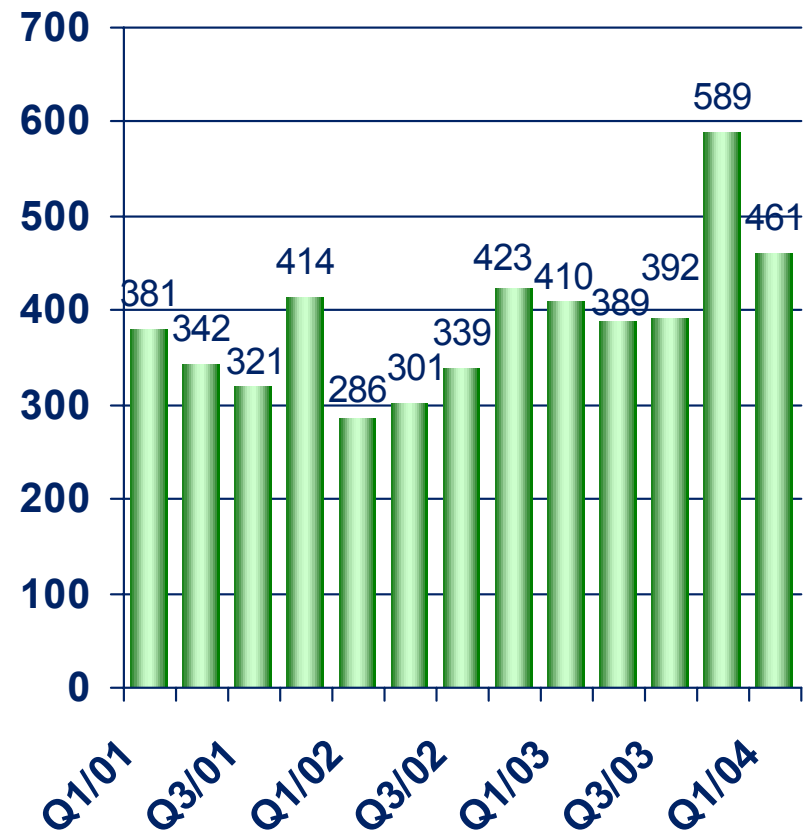


Terminal Products is Elcoteq's largest business area...

- 75% of Elcoteq's net sales in Q1/2004
 - 13% growth year-on-year
- Mobile phones (parts, modules and accessories), wireless modules, home communication products
- Customers e.g. Aastra, Motorola, Nokia, Philips, Sony Ericsson, Sumitomo, Swissvoice



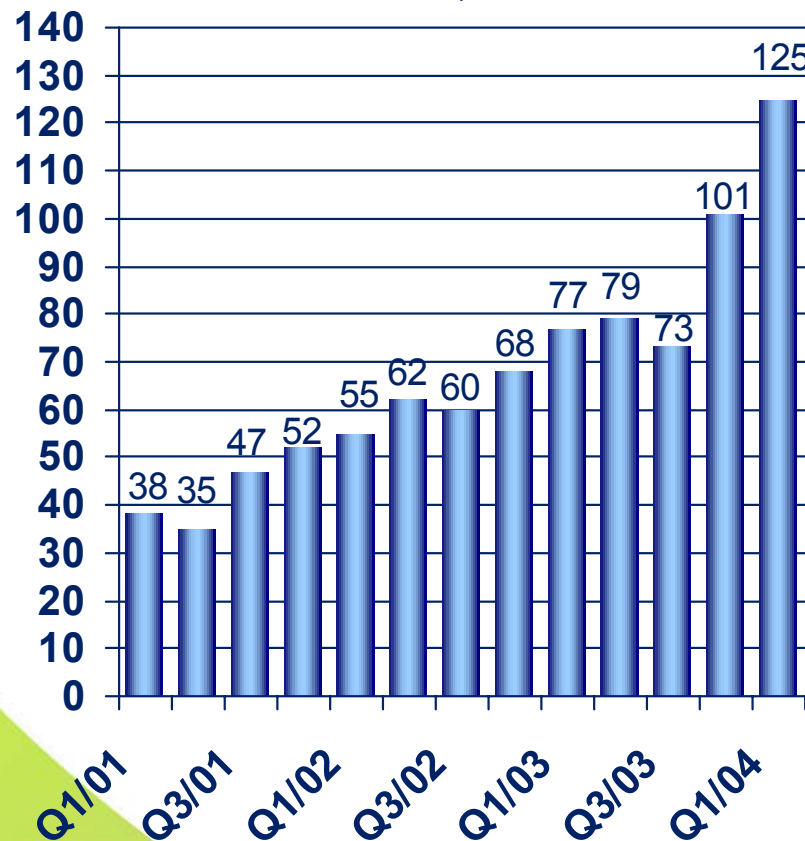
Net sales, MEUR





...but our Communications Network Equipment segment is growing even faster

Net sales, MEUR



- 20% of Elcoteq's net sales in Q1/2004
 - 62% growth year-on-year
- Cellular networks, modules, antennas, broadband switches and routers, optical devices, etc.
- Balanced customer portfolio: Andrew Corporation, Ericsson, Huawei, Kathrein, Marconi, Nokia, Powerwave, Siemens, Tellabs





Elcoteq has global coverage

Volume manufacturing

- Tallinn, Estonia
- Pécs, Hungary
- St. Petersburg, Russia
- Beijing, China
- Dongguan, China
- Shenzhen, China
- Monterrey, Mexico

Design and NPI Centers

- Espoo, Lohja, Salo, and Turku, Finland
- St. Petersburg, Russia
- Tallinn, Estonia
- Pécs, Hungary
- Offenburg, Germany
- Überlingen, Germany
- Beijing, China
- Dallas, USA
- Monterrey, Mexico

Other locations

- Espoo, Finland
- Munich, Germany
- Stockholm, Sweden
- Hong Kong, China
- Seoul, Korea
- Tokyo, Japan
- Dallas, USA





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Sections 2–5 are excluded from this public version of the presentation. To get these slides, please contact ilkka.leppavuori@elcoteq.com



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