

CONTINUED GROWTH – CLEARLY IMPROVED PROFITABILITY AND CASH FLOW

- The January-March net sales increased by 15% to EUR 62.3 million.
- Number of chargers sold grew by 15% to 55.6 million pieces.
- Salcomp's market share in mobile phone chargers, about 22%, increased slightly.
- Operating profit grew by 26% to EUR 5.1 million.
- Earnings per share, excluding the calculative tax item, were EUR 0.11.
- The cash flow from business operations reached EUR 10.4 million.
- Outlook for the rest of the year remains unchanged: The 2007 net sales are expected to grow somewhat faster than the average growth of the mobile phone charger market. It is estimated that both the operating profit and the earnings per share will clearly increase from the previous year.

Markku Hangasjärvi, President and CEO:

"During the first quarter of 2007, our business operations saw a favourable trend. Both the net sales and the number of chargers sold increased by 15% compared with the corresponding period last year. With the exchange rates of the previous year, the increase in net sales would have been 23%. Profitability and cash flow also saw a favourable trend due to growth and continued cost management.

According to the estimates by the market research companies, about 252 million mobile phones were sold in the first quarter of 2007, which is some 12% more than on the same period last year. This means that our market share in the mobile phone chargers grew slightly compared with the first quarter in 2006 and was approximately 22%.

Construction work for the charger production plant to be completed in India is progressing as planned with production to start in June. The plant will increase and balance our global production and give us a clear competitive edge in the rapidly-expanding mobile phone charger markets of India and its neighbouring areas.

The mobile phone market is expected to grow during 2007 by approximately 10%, i.e. in terms of number of units, reaching approximately 1.1 billion mobile phones and, therefore, mobile phone chargers. This means an added demand of approximately 100 million mobile phone chargers compared with

last year. Market growth forms a good basis from which to continue increasing our net sales and, therefore, a favourable profitability trend in 2007."

Net Sales and Result

Salcomp's net sales increased by 15% in January-March to EUR 62.3 million (EUR 53.9 million in 1-3/2006). The number of chargers sold was 55.6 million (48.2 million). The market share in mobile phone chargers grew slightly compared with the first quarter of 2006 and was approximately 22%.

The Group's operating profit in the first quarter amounted to EUR 5.1 million (EUR 4.1 million). The operating profit percentage was 8.2% (7.5%). In addition to increased net sales, an increase in productivity and continued cost management also contributed to improved profitability.

The Group's net financial expenses were EUR 0.8 million (EUR 1.1 million). Financial expenses for the period were reduced by the lesser amount of debt. Taxes for the period totalled EUR 0.9 million (EUR 1.0 million). They include a calculative item of EUR 0.7 million, resulting from the parent company's tax-deductible goodwill amortization.

Salcomp's net result totalled EUR 3.4 million (EUR 1.9 million) Earnings per share, excluding the calculative tax item, amounted to EUR 0.11 (EUR 0.08). Earnings per share were EUR 0.09 (EUR 0.06).

R&D and Capital Expenditure

In January-March, the Group's R&D expenditure was EUR 0.9 million (EUR 1.2 million), or 1.5% of net sales (2.2 %). R&D focused on developing new products for key customers and on improving the product cost structure.

Capital expenditure in January-March amounted to EUR 3.6 million (EUR 1.3 million). Capital expenditure mainly involved the construction of the plant in India, which has progressed as planned, now having reached the machinery set-up stage. Production will begin in June.

Financing

During the first quarter, the cash flow from business operations was EUR 10.4 million (EUR 7.4 million in the negative) due to positive result development and reduced working capital. The factors contributing to the reduction in sales receivables, and, therefore, working capital, included a sales program for sales receivables, since assets released from the program, EUR 5.6 million, were used to repay interest-bearing loans.

The Group's equity ratio at the end of March was 31.3% (30.5 %) and gearing was 68.3% (99.7%). Interest-bearing net debt totalled EUR 36.9 million (EUR 47.7 million) at the end of the period.

AGM Decisions

The Annual General Meeting of Salcomp Plc was held in Helsinki on March 29, 2007. The 2006 Financial Statements were approved at the AGM and the members of the Board and the President and CEO were discharged from liability.

In accordance with the Board's proposal, the AGM decided to pay dividend of EUR 0.06 per share. The dividend was paid out on April 12, 2007.

The AGM decided to leave the composition of the Board of Directors unchanged. Thus, the Members of the Board of Directors until the conclusion of the 2008 Annual General Meeting are Kari Vuorialho as its Chairman, Jorma Terentjef as Vice-Chairman, as well as Panu Halonen, Timo Leinilä, Petri Myllyneva and Andreas Tallberg. The AGM decided that

the remuneration for the Board of Directors would also remain unchanged.

The Authorized Public Accountants KPMG Oy Ab will continue as the Company auditor.

Based on the Board of Directors' proposal, a decision was made to amend the Articles of Association to better comply with the new Companies Act, valid from September 1, 2006.

The AGM authorized the Board of Directors to decide on offering a maximum of 8,000,000 new shares for subscription. The authorization is valid until 30 June 2008. The authorization has not yet been acted upon.

The AGM decided, in accordance with the Board's proposal, to reduce the share premium account on the Parent Company's balance sheet on 31 December 2006 by transferring the total amount of the share premium account, EUR 23,690,992.21, into the Company's invested free equity fund. The registration of the decision requires the implementation of publication proceedings according to Chapter 14 of the Companies Act.

The Board proposal of granting stock options to the company's key personnel was approved. The stock options will give the right to subscribe for up to 2,047,500 shares of the company. The Company's Board of Directors is yet to decide on the granting of the stock options.

Personnel

The Group employed 7,786 (6,997) people at the end of March: approximately 6,600 people in China and approximately 1,100 people in Brazil. The increase in the number of personnel was mostly due to increased production volumes.

Shares and Shareholders

Salcomp's share price fluctuated between EUR 2.63 and EUR 3.40. The closing price at the end of March was EUR 3.16. Share trading amounted to EUR 13.7 million and consisted of 4.5 million shares. According to the book-entry system, Salcomp had 977 shareholders at the end of the period. Foreign ownership was 62.9% of the shares.

Outlook for the rest of 2007

According to the estimates published by Salcomp's main customers and to the various market research companies, the mobile phone market is expected to increase during 2007 by approximately 10%, compared with 2006. Measured by the number of units, this means approximately 1.1 billion mobile phones, and, therefore chargers, to be sold during the current year.

The estimated increase in the mobile phone charger market, and the strong market

position of Salcomp, form a good basis to achieve further increases in net sales. In line with the previous outlook, the 2007 net sales are expected to grow somewhat faster than the average growth of the mobile phone charger market. In line with the previous outlook, it is estimated that both the operating profit and the earnings per share will clearly increase from the previous year.

Helsinki, May 3, 2007

Salcomp Plc
Board of Directors

This interim report has been prepared in accordance with the IFRS and IAS34, following the principles for recognition and measurement set out in IAS34, as well as the accounting principles described in the Annual Report. The report has not been audited.

CONSOLIDATED INCOME STATEMENT

(EUR 1 000)

	1-3/2007	1-3/2006	Change %	1-12/2006
Net sales	62 273	53 942	15.4%	259 049
Cost of sales	-54 000	-47 426	13.9%	-228 794
Gross margin	8 273	6 516	27.0%	30 255
Other operating income	239	208	14.9%	363
Sales and marketing expenses	-544	-485	12.2%	-1 981
Administrative expenses	-1 903	-953	99.7%	-7 503
Research and development expenses	-943	-1 207	21.9%	-5 421
Other operating expenses	0	-25	-100.0%	-240
Operating profit	5 122	4 054	26.3%	15 473
Financial income	251	232	8.2%	276
Financial expenses	-1 045	-1 300	-19.6%	-4 547
Profit before tax	4 328	2 986	44.9%	11 202
Income tax expense	-887	-1 037	-14.5%	-3 573
Profit for the period	3 441	1 949	76.6%	7 629
Earnings per share, undiluted, EUR	0.09	0.06	55.1%	0.20

CONSOLIDATED BALANCE SHEET

(EUR 1 000)

	31.3.2007	31.3.2006	Change %	31.12.2006
Non-current assets				
Property, plant and equipment	22 386	16 836	33.0%	19 141
Goodwill	66 412	66 412	0.0%	66 412
Other intangible assets	340	288	18.0%	1 227
Deferred tax assets	2 997	3 150	-4.9%	3 024
	92 136	86 687	6.3%	89 804
Current assets				
Inventories	22 106	24 441	-9.6%	21 918
Trade and other receivables	44 587	38 980	14.4%	54 922
Cash and cash equivalents	14 708	6 651	121.1%	7 845
	81 401	70 072	16.2%	84 685
Total assets	173 537	156 759	10.7%	174 489
Equity and liabilities				
Share capital	9 833	9 833	0.0%	9 833
Premium fund	22 035	22 035	0.0%	22 035
Retained earnings	22 169	15 972	38.8%	21 113
	54 037	47 840	13.0%	52 981
Non-current liabilities				
Deferred tax liabilities	9 593	6 753	42.1%	8 915
Interest-bearing liabilities	43 188	47 397	-8.9%	43 797
Provisions	40	40	0.0%	40
	52 821	54 190	-2.5%	52 752
Current liabilities				
Trade and other payables	58 274	47 777	22.0%	60 351
Interest-bearing current liabilities	8 405	6 952	20.9%	8 405
	66 679	54 729	21.8%	68 756
Total equity and liabilities	173 537	156 759	10.7%	174 489

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1 000)

Attributable to equity holders of the parent

	Share capital	Share issue	Premium fund	Translation differences	Retained earnings	Total equity
Equity at January 1, 2006	8 285	105	5 934	618	13 258	28 200
Translation differences	0	0	0	147	0	147
Profit for the period	0	0	0	0	1 949	1 949
Total recognized income and expense for the period	0	0	0	0	0	0
Share issue	1 548	-105	16 101	0	0	17 544
Equity at March 31, 2006	9 833	0	22 035	765	15 207	47 840
Equity at January 1, 2007	9 833	0	22 035	226	20 887	52 981
Translation differences	0	0	0	-46	0	-46
Profit for the period	0	0	0	0	3 441	3 441
Total recognized income and expense for the period	0	0	0	0	0	0
Dividends payable	0	0	0	0	-2 339	-2 339
Equity at March 31, 2007	9 833	0	22 035	180	21 989	54 037

CONSOLIDATED CASH FLOW STATEMENT (EUR 1 000)

	1-3/2007	1-3/2006	Change %	1-12/2006
Cash flow before change in working capital	6 389	5 263	21.4%	20 618
Change in working capital	4 953	-9 877	-150.1%	-10 765
Financial items and taxes	-965	-2 757	-65.0%	-6 000
Net cash flow from operating activities	10 377	-7 371	-240.8%	3 853
Cash flows from investing activities	-3 044	-2 628	15.8%	-8 574
Cash flow before financing	7 333	-9 999	-173.3%	-4 721
Withdrawal of borrowings	5 000	65 000	-92.3%	68 993
Repayment of borrowings	-5 648	-71 266	-92.1%	-77 615
Paid share issue	0	16 962		16 962
Net cash flow from financing activities	-648	10 696	-106.1%	8 340
Change in cash and cash equivalents	6 863	697	884.6%	3 619
Cash and cash equivalents at the beginning of the period	7 845	5 726	37.0%	5 726
Translation correction to cash and cash equivalents	178	228	-21.9%	-1 500
Cash and cash equivalents at the end of the period	14 708	6 651	121.1%	7 845

KEY FIGURES

	1-3/2007	1-3/2006	Change %	1-12/2006
Sold chargers, Mpcs	55.6	48.2	15.4%	230.5
Average sales price, EUR	1.12	1.12	0.0%	1.12
Net sales, MEUR	62.3	53.9	15.4%	259.0
EBITDA, MEUR	6.4	5.4	17.3%	20.7
EBITDA%, %	10.3%	10.1%	1.6%	8.0%
Operating profit, MEUR	5.1	4.1	26.3%	15.5
Operating profit percentage, %	8.2%	7.5%		6.0%
Earning per share, EUR	0.09	0.06	55.1%	0.20
Earnings per share excluding calculative tax item, EUR	0.11	0.08	36.6%	0.28
Equity per share, EUR	1.39	1.40	-0.7%	1.36
Return on equity, %	25.7%	20.5%	25.4%	18.8%
Return on capital employed, %	20.4%	18.0%	13.3%	16.2%
Return on net assets, %	60.3%	44.8%	34.6%	54.1%
Equity ratio, %	31.3%	30.5%	2.6%	30.5%
Gearing, %	68.3%	99.7%	-31.5%	83.7%
Capital expenditure, MEUR	3.6	1.3	184.0%	9.4
Capital expenditure, % of net sales	5.8%	2.3%	146.0%	3.6%
Personnel on average	7 605	6 681	13.8%	7 567
Personnel at end of period	7 786	6 997	11.3%	7 910
Number of shares on average	38 975 190	34 241 857		37 808 067
Number of shares at the end of period	38 975 190	38 975 190		38 975 190
Highest share price, EUR	3.40	3.24		3.69
Lowest share price, EUR	2.63	2.98		2.13
Average share price, EUR	3.04	3.18		2.88
Traded shares, Mpcs	4.5	16.1		29.2
Traded shares, MEUR	13.7	51.3		88.7

LIABILITIES

(EUR 1 000)

	1-3/2007	1-3/2006	Change %	1-12/2006
For own debt				
Company and real estate mortgages	170 000	170 000	0.0%	170 000
Others	364	385	-5.5%	254
Leasing and rental liabilities	7 891	7 246	8.9%	5 291
	178 255	177 631	0.4%	175 545

QUARTERLY INFORMATION

	1-3/07	10-12/06	7-9/06	4-6/06	1-3/06	4/06-4/07
Sold chargers, kpcs	55 632	69 587	60 464	52 255	48 160	237 938
Net sales, kEUR	62 273	78 642	67 445	59 020	53 942	267 380
Operating profit, kEUR	5 122	6 694	4 405	220	4 054	16 541
Operating profit percentage, %	8.2%	8.5%	6.7%	0.4%	7.5%	6.2%
Average sales price, EUR	1.12	1.13	1.12	1.13	1.12	1.12

CALCULATION OF FINANCIAL RATIOS

Average personnel: Average of the amount of personnel at end of each month

Return on equity (%) = Profit for the period x 100 : Equity (on average)

Return on capital employed (%) = (Profit before taxes + interest charges and other financial costs) x 100 : (Balance sheet total less interest-free debt (on average))

Return on net assets (%) = Operating profit x 100 : (Fixed assets less goodwill and deferred tax assets + inventory + short-term receivables less short-term interest-free debt (on average))

Equity ratio (%) = Equity x 100 : (Balance sheet total less received advance payments)

Gearing (%) = (Interest-bearing debt less cash and cash equivalents) x 100 : Equity

Earnings per share = Profit of the period attributable to the equity holders of the parent : Weighted average number of shares outstanding during the period

Equity per share = Equity : number of shares outstanding