

STRONG GROWTH CONTINUED – RESULT WAS TURNED UPWARDS

-Net sales in July-September were EUR 67.4 million and operating profit EUR 4.5 million, which is clearly better than in the second quarter.

-Net sales grew by 68% to EUR 180.4 million in January-September and operating profit remained at the previous year's level at EUR 8.8 million.

-The company continued to outperform the market growth, and its market share rose to 25%.

-Earnings per share were EUR 0.08.

-Outlook for the rest of the year remain unchanged: Full-year net sales are expected to total EUR 240–250 million and the relative profitability, expressed as operating profit percentage, is estimated to be approximately 6%.

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.

Mats Eriksson, President and CEO:

“The mobile phone markets grew, and Salcomp continued to outperform market growth, which increased our net sales significantly in the third quarter. Our profit development also took an upward turn. The actions launched in the second quarter, such as cost structure development and operational enhancement, produced the desired results. Salcomp's entire organization has pulled together and made a great commitment to improve our profitability.

The charger market will continue to grow, and Salcomp will continue to strengthen its market position. We are preparing for the increase in demand by constructing a plant in India. The construction work is currently under way. We have every opportunity to continue in the growth track, which makes it a pleasure to pass the baton to my successor.”

Third Quarter

Net sales increased by 51% in the third quarter to EUR 67.4 million (EUR 44.7 million in 7-9/2005). The increase in net sales was due to the number of chargers sold, growing

to 60.5 million (42.6 million) and the average sales price rising to approximately EUR 1.12 (EUR 1.05). Together with the market growth, Salcomp was able to increase its market share to about 25% (21%).

Operating profit grew to EUR 4.5 million (EUR 4.2 million). The improvement in profitability compared to the second quarter could be attributed to several things, including more efficient production and purchasing operations, sales price increases, improved product cost structure, and more stable raw material prices. The operating profit percentage improved towards the end of the quarter and rose for the whole quarter to 6.7% from 0.4% in the second quarter.

The third quarter result amounted to EUR 2.5 million (EUR 2.3 million) and earnings per share were EUR 0.07 (EUR 0.08). Excluding the calculative tax item, earnings per share amounted to EUR 0.09 (EUR 0.09).

Net Sales and Result

Salcomp's net sales increased by 68% in January-September to EUR 180.4 million (EUR 107.4 million in 1-9/2005). The number of chargers sold was 160.9 million (106.4 million) and the average sales price was EUR 1.12 (EUR 1.01).

The Group's operating profit in January-September totaled EUR 8.8 million (EUR 8.9 million), while the operating profit percentage was 4.9% (8.3%).

The Group's net financial expenses totaled EUR 3.2 million (EUR 2.5 million). Financial expenses rose due to higher market interest rates. Taxes for the period totaled EUR 2.6 million (EUR 1.9 million). They include a calculative item of EUR 2.2 million resulting from the parent company's tax-deductible goodwill amortization.

Salcomp's net result totaled EUR 3.0 million (EUR 4.4 million) and earnings per share EUR 0.08 (EUR 0.14). Excluding the calculative tax item, earnings per share amounted to EUR 0.14 (EUR 0.20).

R&D and Capital Expenditure

The Group's R&D expenditure in January-September totaled EUR 4.1 million (EUR 2.8 million), or 2.3% (2.6%) of the net sales. R&D focused on developing new products for key customers and on improving the product cost structure.

Capital expenditure in January-September amounted to EUR 4.6 million (EUR 3.8 million) and mainly focused on increasing production capacity in China and revamping the information system in Brazil.

In response to the stronger-than-estimated growth in the global mobile phone market, Salcomp is extending the production plant investment in India, decided in April, by building the second phase of the mobile phone charger plant earlier than intended. The extension of the plant will raise the capital expenditure to about EUR 9 million. The schedule remains unchanged: the plant is expected to come on line in the first half of 2007.

Financing

Despite the increase in net working capital caused by the strong growth, cash flow from operations was EUR 2.1 million positive in the third quarter (EUR 5.2 million), due to improved profitability. Cash flow from operations in the review period was EUR 4.0 million negative (EUR 8.3 million), due to the increase in net working capital.

The Group's equity ratio at the end of September was 28.7% (19.6%) and gearing was 98.3% (203.6%). Interest-bearing debt totaled EUR 53.1 million (EUR 58.5 million) at the end of the period.

Personnel

The Group employed 7,630 (5,728) people at the end of September: 6,563 people in China

and 1,002 people in Brazil. The growth in the number of personnel came mainly from the growth in production volumes and the acquisition of the production plant in Brazil in November 2005.

On September 14, 2006, Markku Hangasjärvi was appointed President and CEO of Salcomp Plc effective as of November 6, 2006. Hangasjärvi succeeds Mats Eriksson, who resigns from the service of Salcomp Plc at his own request. Mats Eriksson will continue to work for Salcomp until November 30, 2006.

Shares and Shareholders

Salcomp's share price fluctuated between EUR 2.13 and EUR 3.69. The closing price at the end of September was EUR 2.15. Share trading amounted to EUR 81.9 million and 26.5 million shares. According to the book-entry system, Salcomp had 816 shareholders at the end of the period. Foreign ownership at the end of September was 63.8%.

On September 1, 2006, DWS Investment GmbH, a subsidiary of Deutsche Bank AG, announced that it had increased its ownership of the share capital and voting rights of Salcomp Plc to more than 5%. DWS Investment GmbH's ownership totaled 2,039,000 shares, which represents 5.23% of the share capital and voting rights.

Outlook for the rest of 2006

Salcomp's full-year net sales are expected to total EUR 240–250 million and the relative profitability, expressed as operating profit percentage, is estimated to be approximately 6%.

Helsinki, October 31, 2006

Salcomp Plc
Board of Directors

CONSOLIDATED INCOME STATEMENT

(EUR 1 000)

| | 1-9/2006 | 1-9/2005 | Change % | 1-12/2005 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Net sales | 180 407 | 107 411 | 68.0% | 156 028 |
| Cost of sales | -161 196 | -91 119 | 76.9% | -133 172 |
| Gross margin | 19 211 | 16 292 | 17.9% | 22 856 |
| Other operating income | 279 | 247 | 13.0% | 344 |
| Sales and marketing expenses | -1 410 | -1 235 | 14.2% | -1 680 |
| Administrative expenses | -5 110 | -3 679 | 38.9% | -4 989 |
| Research and development expenses | -4 136 | -2 754 | 50.2% | -4 052 |
| Other operating expenses | -55 | 6 | -1 016.7% | -22 |
| Operating profit | 8 779 | 8 877 | -1.1% | 12 457 |
| Financial income | 244 | 88 | 177.3% | 143 |
| Financial expenses | -3 432 | -2 623 | 30.8% | -4 375 |
| Profit before tax | 5 591 | 6 342 | -11.8% | 8 225 |
| Income tax expense | -2 607 | -1 896 | 37.5% | -2 460 |
| Profit for the period | 2 984 | 4 446 | -32.9% | 5 766 |

CONSOLIDATED INCOME STATEMENT

(EUR 1 000)

| | 7-9/2006 | 7-9/2005 | Change % |
|-----------------------------------|--------------|--------------|--------------|
| Net sales | 67 445 | 44 731 | 50.8% |
| Cost of sales | -59 373 | -37 750 | 57.3% |
| Gross margin | 8 072 | 6 981 | 15.6% |
| Other operating income | 44 | 12 | 266.7% |
| Sales and marketing expenses | -478 | -428 | 11.7% |
| Administrative expenses | -1 797 | -1 422 | 26.4% |
| Research and development expenses | -1 319 | -983 | 34.2% |
| Other operating expenses | -17 | 0 | |
| Operating profit | 4 505 | 4 160 | 8.3% |
| Financial income | 5 | -13 | -138.5% |
| Financial expenses | -943 | -834 | 13.1% |
| Profit before tax | 3 567 | 3 313 | 7.7% |
| Income tax expense | -1 041 | -991 | 5.0% |
| Profit for the period | 2 526 | 2 322 | 8.8% |

CONSOLIDATED BALANCE SHEET (EUR 1 000)

| | 30.9.2006 | 30.9.2005 | Change % | 31.12.2005 |
|--------------------------------------|----------------|----------------|--------------|----------------|
| Non-current assets | | | | |
| Property, plant and equipment | 16 845 | 15 681 | 7.4% | 17 075 |
| Goodwill | 66 412 | 66 412 | 0.0% | 66 412 |
| Other intangible assets | 266 | 254 | 4.6% | 296 |
| Deferred tax assets | 3 078 | 1 603 | 92.0% | 2 829 |
| | 86 601 | 83 951 | 3.2% | 86 612 |
| Current assets | | | | |
| Inventories | 26 953 | 16 151 | 66.9% | 24 987 |
| Trade and other receivables | 50 891 | 26 629 | 91.1% | 30 722 |
| Cash and cash equivalents | 5 352 | 5 618 | -4.7% | 5 726 |
| | 83 196 | 48 398 | 71.9% | 61 435 |
| Total assets | 169 797 | 132 349 | 28.3% | 148 046 |
| Equity and liabilities | | | | |
| Share capital | 9 833 | 8 285 | 18.7% | 8 285 |
| Share issue | 0 | 0 | | 105 |
| Premium fund | 22 035 | 5 934 | 271.3% | 5 934 |
| Retained earnings | 16 655 | 11 762 | 41.6% | 13 877 |
| | 48 523 | 25 981 | 86.8% | 28 200 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 8 197 | 5 236 | 56.6% | 6 012 |
| Interest-bearing liabilities | 43 647 | 51 847 | -15.8% | 0 |
| Provisions | 40 | 79 | -49.4% | 40 |
| | 51 884 | 57 162 | -9.2% | 6 052 |
| Current liabilities | | | | |
| Trade and other payables | 59 981 | 42 526 | 41.0% | 53 179 |
| Interest-bearing current liabilities | 9 409 | 6 680 | 40.9% | 60 615 |
| | 69 390 | 49 206 | 41.0% | 113 794 |
| Total equity and liabilities | 169 797 | 132 349 | 28.3% | 148 046 |

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, 2005 | 8 236 | 150 | 41 110 | -480 | -27 785 | 21 231 |
| Translation differences | 0 | 0 | 0 | 304 | 0 | 304 |
| Profit for the period | 0 | 0 | 0 | 0 | 4 446 | 4 446 |
| Losses covered from Premium Fund | 0 | 0 | -35 277 | 0 | 35 277 | 0 |
| Total recognized income and expense for the period | 0 | 0 | -35 277 | 304 | 39 723 | 4 750 |
| Share issue | 49 | -150 | 101 | 0 | 0 | 0 |
| Equity at Sept 30, 2005 | 8 285 | 0 | 5 934 | -176 | 11 938 | 25 981 |
| Equity at January 1, 2006 | 8 285 | 105 | 5 934 | 618 | 13 258 | 28 200 |
| Translation differences | 0 | 0 | 0 | -204 | 0 | -204 |
| Profit for the period | 0 | 0 | 0 | 0 | 2 983 | 2 983 |
| Total recognized income and expense for the period | 0 | 0 | 0 | -204 | 2 983 | 2 779 |
| Share issue | 1 548 | -105 | 16 101 | 0 | 0 | 17 544 |
| Equity at Sept 30, 2006 | 9 833 | 0 | 22 035 | 414 | 16 241 | 48 523 |

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1 000)

| | 1-9/2006 | 1-9/2005 | Change % | 1-12/2005 |
|---|----------|----------|----------|-----------|
| Cash flow before change in working capital | 12 610 | 12 152 | 3.8% | 16 985 |
| Change in working capital | -11 901 | -595 | 1900.2% | -1 305 |
| Financial items and taxes | -4 704 | -3 234 | 45.5% | -4 911 |
| Net cash flow from operating activities | -3 995 | 8 323 | -148.0% | 10 769 |
| Cash flows from investing activities | -5 706 | -2 147 | 165.8% | -6 441 |
| Cash flow before financing | -9 701 | 6 176 | -257.1% | 4 328 |
| Repayment of borrowings | -7 559 | -7 521 | 0.5% | -5 433 |
| Paid share issue | 16 962 | 0 | | 105 |
| Net cash flow from financing activities | 9 403 | -7 521 | -225.0% | -5 328 |
| Change in cash and cash equivalents | -298 | -1 345 | -77.8% | -1 000 |
| Cash and cash equivalents at the beginning of the period | 5 726 | 6 135 | -6.7% | 6 135 |
| Translation correction to cash and cash equivalents | -76 | 828 | -109.2% | 591 |
| Cash and cash equivalents at the end of the period | 5 352 | 5 618 | -4.7% | 5 726 |

KEY FIGURES

| | 1-9/2006 | 1-9/2005 | Change % | 1-12/2005 |
|---------------------------------------|------------|------------|----------|------------|
| Sold chargers, Mpcs | 160.9 | 106.4 | 51.2% | 152.2 |
| Average sales price, EUR | 1.12 | 1.01 | 10.9% | 1.03 |
| Net sales, MEUR | 180.4 | 107.4 | 68.0% | 156.0 |
| EBITDA, MEUR | 12.8 | 12.2 | 5.6% | 17.2 |
| EBITDA%, % | 7.1% | 11.3% | | 11.0% |
| Operating profit, MEUR | 8.8 | 8.9 | -1.1% | 12.5 |
| Operating profit percentage, % | 4.9% | 8.3% | | 8.0% |
| Earning per share, EUR | 0.08 | 0.14 | -42.9% | 0.18 |
| Equity per share, EUR | 1.30 | 0.79 | 64.6% | 0.86 |
| Return on equity, % | 10.4% | 25.1% | -58.6% | 23.3% |
| Return on capital employed, % | 12.6% | 13.9% | -9.4% | 14.3% |
| Return on net assets, % | 42.3% | 72.8% | -41.9% | 68.0% |
| Equity ratio, % | 28.7% | 19.6% | 46.4% | 19.1% |
| Gearing, % | 98.3% | 203.6% | -51.7% | 194.6% |
| Capital expenditure, MEUR | 4.6 | 3.8 | 19.8% | 9.0 |
| Capital expenditure, % of net sales | 2.5% | 3.6% | -28.7% | 5.8% |
| Personnel on average | 7 392 | 4 665 | 58.5% | 5 050 |
| Personnel at end of period | 7 630 | 5 728 | 33.2% | 6 304 |
| Number of shares on average | 37 414 750 | 32 826 876 | | 32 839 450 |
| Number of shares at the end of period | 38 975 190 | 32 839 450 | | 32 975 190 |
| Highest share price, EUR | 3.69 | | | |
| Lowest share price, EUR | 2.13 | | | |
| Average share price, EUR | 2.97 | | | |
| Traded shares, Mpcs | 26.5 | | | |
| Traded shares, MEUR | 81.9 | | | |

LIABILITIES

(EUR 1 000)

| | 1-9/2006 | 1-9/2005 | Change % | 1-12/2005 |
|-----------------------------------|----------|----------|----------|-----------|
| For own debt | | | | |
| Company and real estate mortgages | 170 000 | 154 000 | 10.4% | 168 000 |
| Others | 364 | 136 | 167.6% | 386 |
| Leasing and rental liabilities | 7 052 | 4 780 | 47.5% | 7 546 |
| | 177 416 | 158 916 | 11.6% | 175 932 |

DERIVATIVE INSTRUMENTS

(EUR 1 000)

| | 1-9/2006 | 1-9/2005 | 1-12/2005 |
|--|----------|----------|-----------|
| Value of underlying currency options | 4 130 | 3 033 | 5 282 |
| Market value of currency options | -62 | -138 | -157 |
| Value of underlying interest rate options | 15 000 | 0 | 0 |
| Market value of interest rate options | 10 | 0 | 0 |
| Value of underlying interest rate swap contracts | 15 000 | 0 | 0 |
| Market value of interest rate swap contracts | -67 | 0 | 0 |

QUARTERLY INFORMATION

| | 7-9/06 | 4-6/06 | 1-3/06 | 9-12/05 | 7-9/05 | 10/05-9/06 |
|--------------------------------|--------|--------|--------|---------|--------|------------|
| Sold chargers, kpcs | 60 464 | 52 255 | 48 160 | 45 815 | 42 560 | 206 694 |
| Net sales, kEUR | 67 445 | 59 020 | 53 942 | 48 617 | 44 731 | 229 024 |
| Operating profit, kEUR | 4 505 | 220 | 4 054 | 3 580 | 4 160 | 12 359 |
| Operating profit percentage, % | 6.7% | 0.4% | 7.5% | 7.4% | 9.3% | 5.4% |
| Average sales price, EUR | 1.12 | 1.13 | 1.12 | 1.06 | 1.05 | 1.11 |