



EFORE

ENERGY FOR ELECTRONICS

Financial Statements 2010

Vesa Vähämöttönen
President and CEO
December 10, 2010

Efore renewed its strategy

Efore renews its strategy. Besides the current power products for telecommunication and industrial sectors Efore has chosen electric vehicle power electronics as its target market.

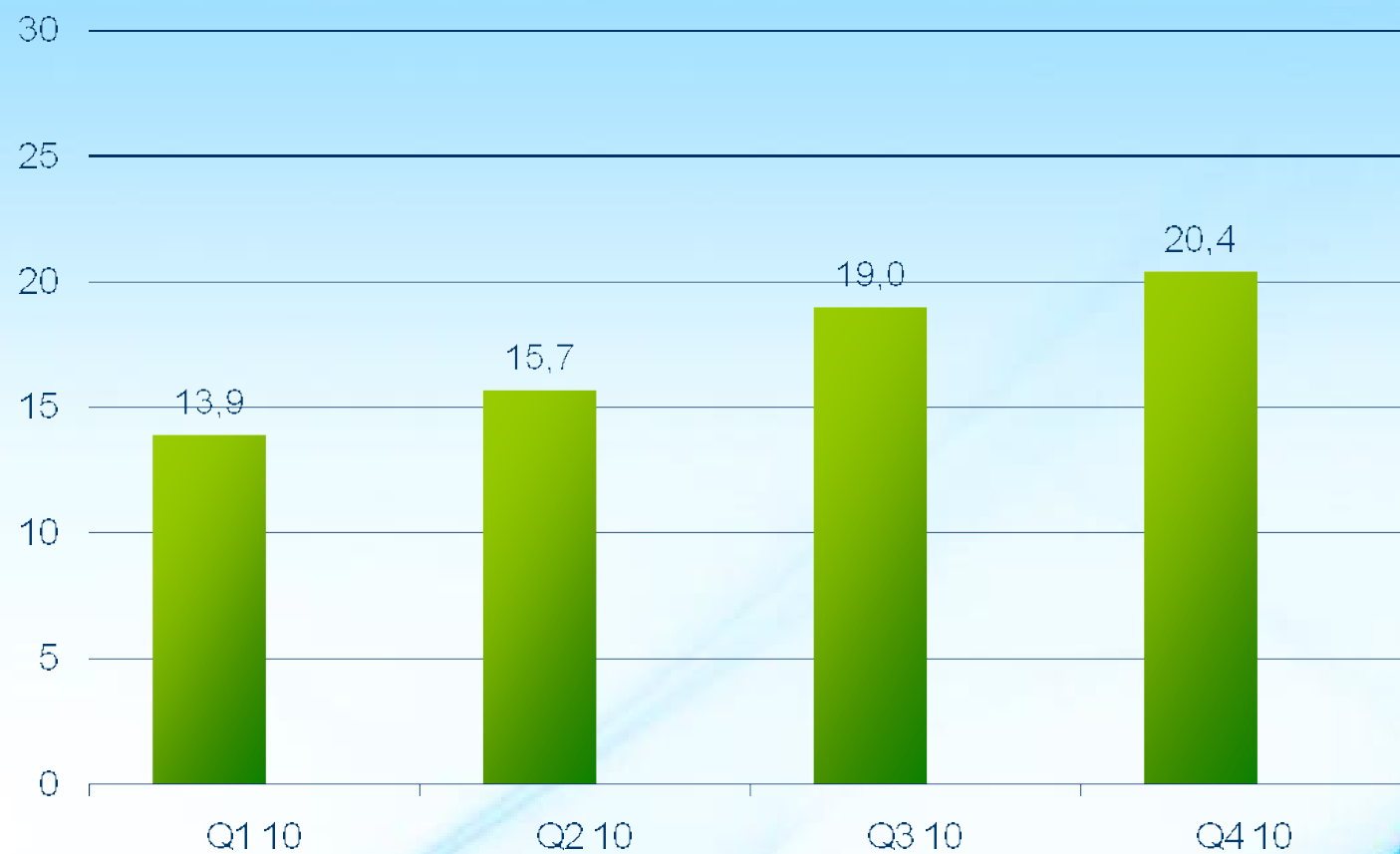


Q4/2010

Both net sales and result of operating activities improved

- Successful last quarter
- Net sales for the fourth quarter totaled EUR 20.4 million (EUR 14.7 million).
 - The increase compared with the previous quarter was EUR 2.2 million
- The result of operating activities for the forwas EUR 1.0 million (EUR –1.0 million)
 - Despite of the continued componet shortage Efore succeeded in component sourcing and deliveries better during latter part of the year which was shown in better turnover and profitability during the last quarter

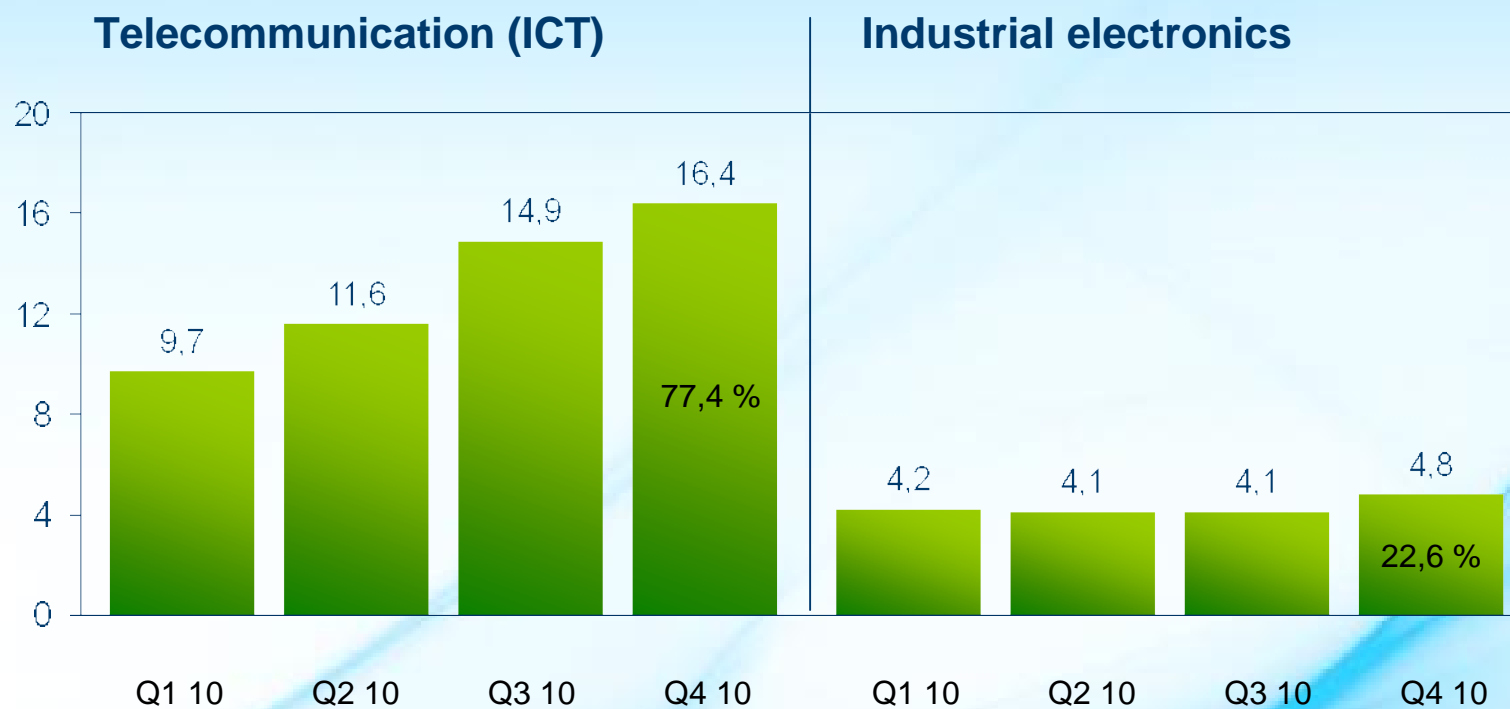
Net Sales per quarters(MEUR)



Result of operating activities (MEUR)



Net Sales by Customer Groups



Efore Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

Aug./10- Aug./09-
Oct./10 Oct./ 09
3 months 3 months

| | | |
|---|-------|------|
| Net sales | 20,4 | 14,7 |
| Change in inventories of finished goods and work in progress | 0,3 | -0,6 |
| Other operating income | 0,0 | 0,0 |
| Materials and services | -13,8 | -9,2 |
| Employee benefits expenses | -3,4 | -3,0 |
| Depreciation | -0,8 | -0,8 |
| Impairments | 0,0 | 0,0 |
| Other operating expenses | -1,7 | -2,1 |
| OPERATING PROFIT (-LOSS) | 1,1 | -1,0 |
| % net sales | 5,6 | -6,8 |
| Financing income | 0,0 | 0,2 |
| Financing expenses | -0,1 | -0,1 |
| Share of profit of associated companies | 0,0 | 0,0 |
| PROFIT (-LOSS) BEFORE TAX | 1,0 | -1,0 |
| % net sales | 4,9 | -6,8 |
| Tax on income from operations | 0,0 | -0,2 |
| PROFIT (-LOSS) FOR THE PERIOD | 0,9 | -1,3 |

Fiscal year 2010

Highlights during the fiscal year

- Closer cooperation with the key customers
- New product development center in China
- New President and CEO
- Establishment of Efore Management Oy owned by the management team
- Growing demand towards the end of the year
- Impact of component shortage on the whole fiscal year
- Strategy review project

Efore Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

| | Nov./09- Oct./10 12 months | Nov./08- Oct./09 12 months |
|---|----------------------------------|----------------------------------|
| Net sales | 69,7 | 65,1 |
| Change in inventories of finished goods and work in progress | 0,9 | -1,2 |
| Other operating income | 0,2 | 0,2 |
| Materials and services | -48,1 | -42,1 |
| Employee benefits expenses | -12,6 | -12,5 |
| Depreciation | -3,1 | -3,3 |
| Impairments | 0,0 | -0,1 |
| Other operating expenses | -6,9 | -7,5 |
| OPERATING PROFIT (-LOSS) | 0,0 | -1,4 |
| % net sales | 0,0 | -2,2 |
| Financing income | 0,5 | 0,8 |
| Financing expenses | -0,5 | -1,7 |
| Share of profit of associated companies | 0,0 | 0,2 |
| PROFIT (-LOSS) BEFORE TAX | 0,1 | -2,1 |
| % net sales | 0,1 | -3,2 |
| Tax on income from operations | 0,1 | -0,5 |
| PROFIT (-LOSS) FOR THE PERIOD | 0,1 | -2,6 |

Efore Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| EUR million | Oct. 31, 2010 | Oct. 31, 2009 | change % |
|---|------------------|------------------|--------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Intangible assets | 1,5 | 2,1 | |
| Tangible assets | 4,6 | 5,3 | |
| Investments in associates | 0,6 | 0,6 | |
| Other long-term investments | 0,0 | 0,0 | |
| NON-CURRENT ASSETS | 6,7 | 8,0 | -15,5 |
| CURRENT ASSETS | | | |
| Inventories | 10,5 | 7,8 | |
| Trade receivables and other receivables | 17,5 | 11,5 | |
| Tax receivable, income tax | 0,1 | 0,1 | |
| Cash and cash equivalents | 5,9 | 5,4 | |
| CURRENT ASSETS | 33,9 | 24,7 | 37,1 |
| ASSETS | 40,6 | 32,7 | 24,3 |

Efore Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| EUR million | Oct. 31, | Oct. 31, | change |
|---|-------------|-------------|---------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 15,0 | 34,5 | |
| Treasury shares | -2,1 | -0,6 | |
| Other reserves | 21,9 | 1,0 | |
| Translation differences | 0,1 | -0,2 | |
| Retained earnings | -15,0 | -15,2 | |
| Equity Holders of the parent company | 19,9 | 19,5 | 3,7 |
| Non-controlling interests | 0,3 | 0,0 | |
| Equity attributable to equity holders of th | 20,2 | 19,5 | |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities | 0,0 | 0,0 | |
| Interest-bearing liabilities | 2,6 | 0,2 | |
| NON-CURRENT LIABILITIES | 2,6 | 0,2 | 1379,1 |
| CURRENT LIABILITIES | | | |
| Interest-bearing liabilities | 0,6 | 0,3 | |
| Trade payables and other liabilities | 16,7 | 12,3 | |
| Tax liabilities | 0,2 | 0,0 | |
| Provisions | 0,3 | 0,5 | |
| CURRENT LIABILITIES | 17,9 | 13,0 | |
| LIABILITIES | 20,5 | 13,2 | |
| TOTAL EQUITY AND LIABILITIES | 40,7 | 32,7 | 24,5 |

Efore Group

| CONSOLIDATED CASH FLOW STATEMENT, EUR million | 11/09-10/10 | 11/08-10/09 |
|--|-------------|-------------|
| Cash flows from operating activities | | |
| Cash generated from operations | -1,4 | 6,2 |
| Interest paid | 0,0 | -0,1 |
| Other financial items | 0,1 | -3,0 |
| Income taxes paid | 0,3 | -0,7 |
| Net cash from operating activities (A) | -1,0 | 5,1 |
| Cash flows from investing activities | | |
| Purchase of tangible and intangible assets | -1,6 | -1,5 |
| Proceeds from sale of tangible and intangible assets | 0,1 | 0,1 |
| Dividend received | 0,0 | 0,2 |
| Net cash used in investing activities (B) | -1,5 | -1,3 |
| Cash flows from financing activities | | |
| Capital invest by the minority | 0,3 | 0,0 |
| Purchase of treasury shares | -0,1 | -0,6 |
| Proceedings from short-term loans | 0,5 | 0,0 |
| Repayment of short-term borrowings | 0,0 | -0,7 |
| Repayment of long-term borrowings | -0,3 | -0,2 |
| Proceedings from long-term loans | 2,5 | 0,0 |
| Dividends paid | 0,0 | -1,8 |
| Net cash used in financing activities (C) | 3,0 | -3,4 |
| Net increase/decrease in cash and cash equivalents (A+B+C) | 0,4 | 0,5 |

Efore Group

GROUP KEY FIGURES, EUR million

| | Aug./10- Oct./10 3 months | Aug./09- Oct./ 09 3 months | Nov./09- Oct./10 12 months | Nov./08- Oct./09 12 months |
|--|---------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Earnings per share, basic,eur | 0,02 | -0,03 | 0,00 | -0,07 |
| Earnings per share, diluted, eur | 0,02 | -0,03 | 0,00 | -0,07 |
| Equity per share, eur | 0,5 | 0,49 | 0,50 | 0,49 |
| Solvency ratio, % | 49,7 | 59,6 | 49,7 | 59,6 |
| Return on equity-%(ROE) | 18,4 | -22,8 | 0,6 | -11,8 |
| Return on investment-%(ROI) | 20,3 | -17,7 | 1,1 | -8,4 |
| Gearing, % | -13,3 | -25,3 | -13,3 | -25,3 |
| Net interest-bearing liabilities | -2,7 | -4,9 | -2,7 | -4,9 |
| Investments (intangible and tangible assets) as percentage of net sales | 0,0 | 0,4 | 1,6 | 1,8 |
| Average personnel | 563 | 552 | 534 | 565 |

Shareholder base

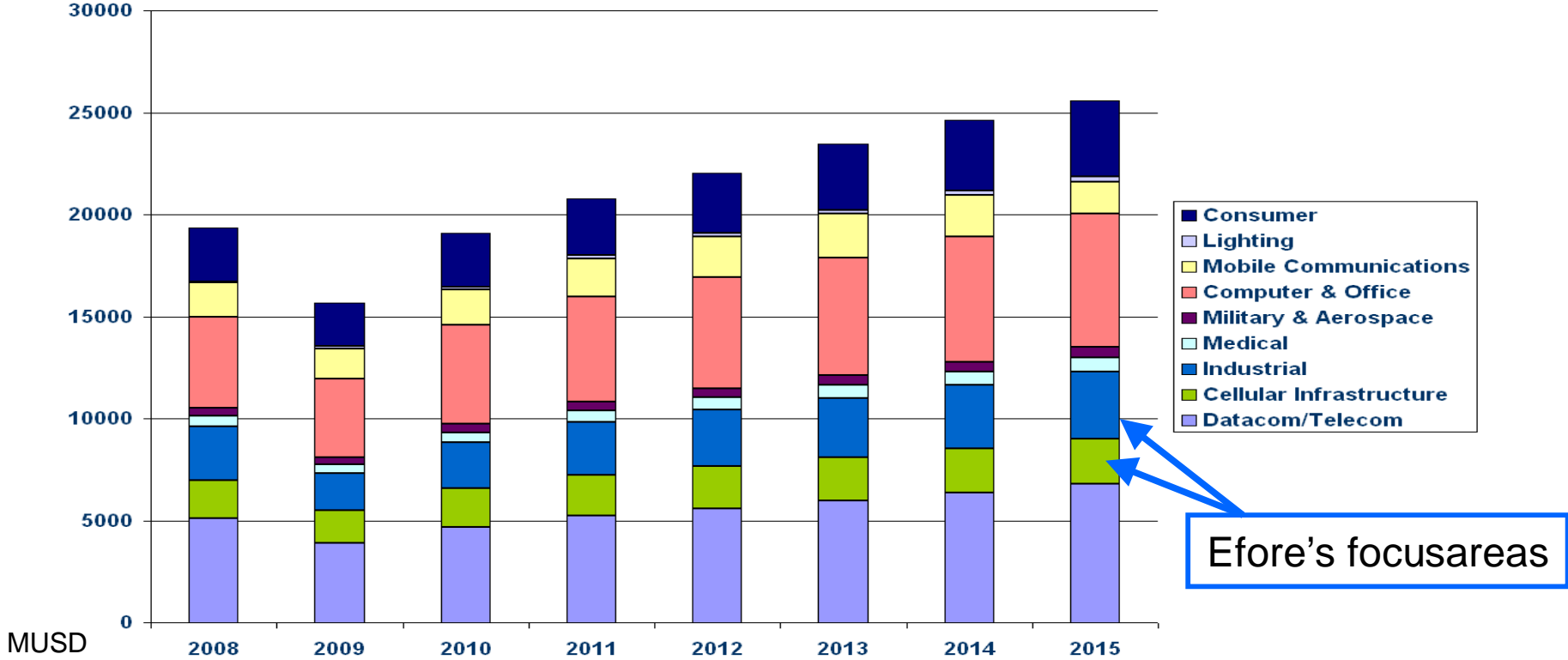
Major Shareholders 31.10.2010

| Name | Amount % |
|--|----------|
| 1 EVLI PANKKI OYJ | 11,44 |
| 2 NORDEA PANKKI SUOMI OYJ (HALL.REK) | 9,32 |
| 3 EFORE MANAGEMENT OY | 4,90 |
| 4 VARMA KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ | 4,01 |
| 5 TAMMIVUORI LEENA MAIJA | 3,83 |
| 6 TAMMIVUORI MATTI REINO | 3,67 |
| 7 TAMMIVUORI ESKO KUOLINPESÄ | 3,24 |
| 8 MAIJOS OY | 2,59 |
| 9 FIM FENNO SIOITUSRAHASTO | 2,21 |
| 10 EFORE OYJ | 2,17 |
| 11 SVENSKA HANDELSBANKEN AB (PUBL), FILIALVERKSAMHETEN I FINLA | 2,08 |
| 12 RAUSANNE OY | 2,00 |
| 13 SYRJÄLÄ & CO OY | 1,95 |
| 14 VEIKKO LAINE OY | 1,91 |
| 15 FABRITIUS HANNES | 1,02 |
| 16 SIOITUSRAHASTO AKTIA CAPITAL | 1,01 |
| 17 ADAFOR OY | 0,99 |
| 18 KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN | 0,94 |
| 19 FIM FORTE SIOITUSRAHASTO | 0,93 |
| 20 YLEINEN TYÖTTÖMYYSKASSA YTK | 0,69 |

Total 3204 shareholders

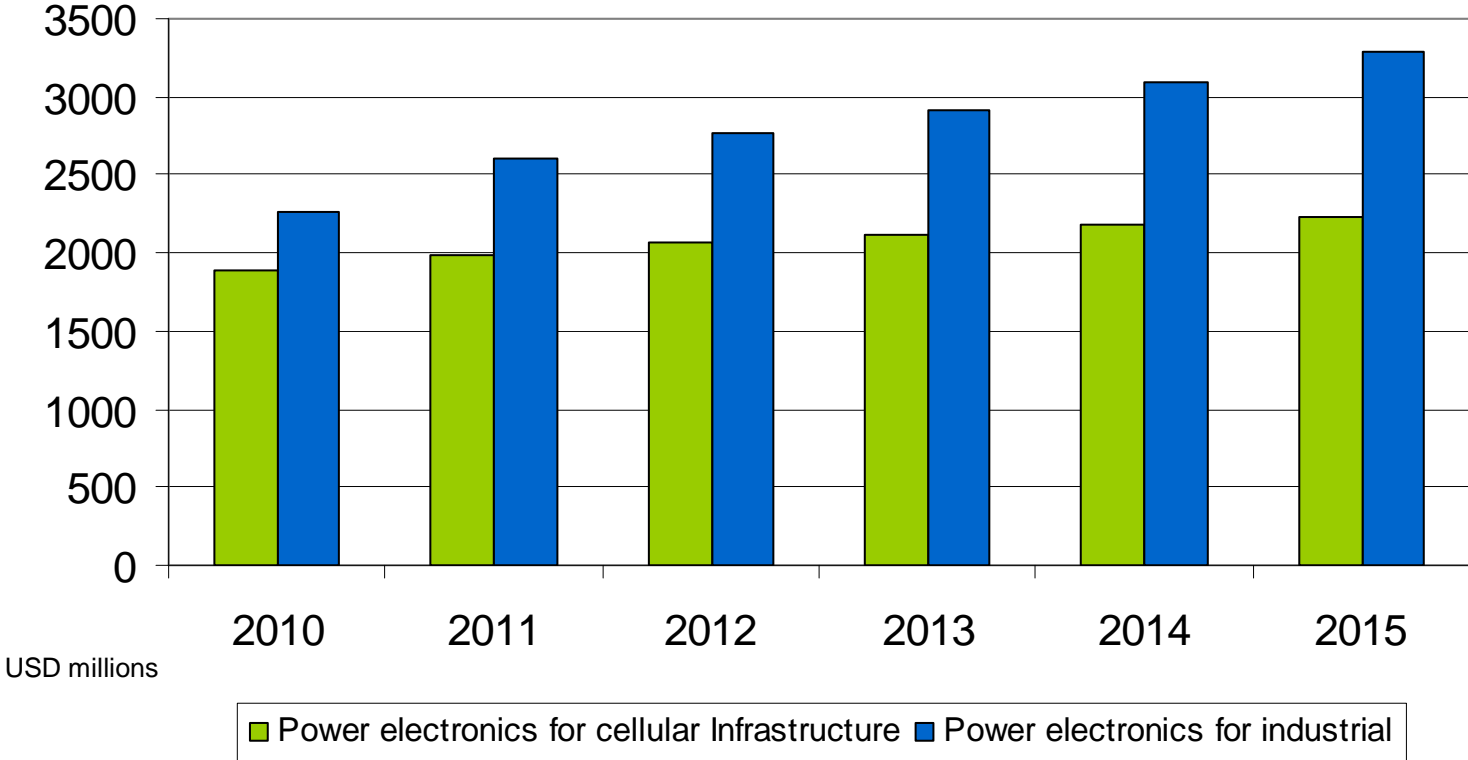
Target markets & Outlook

Power supply market by applications



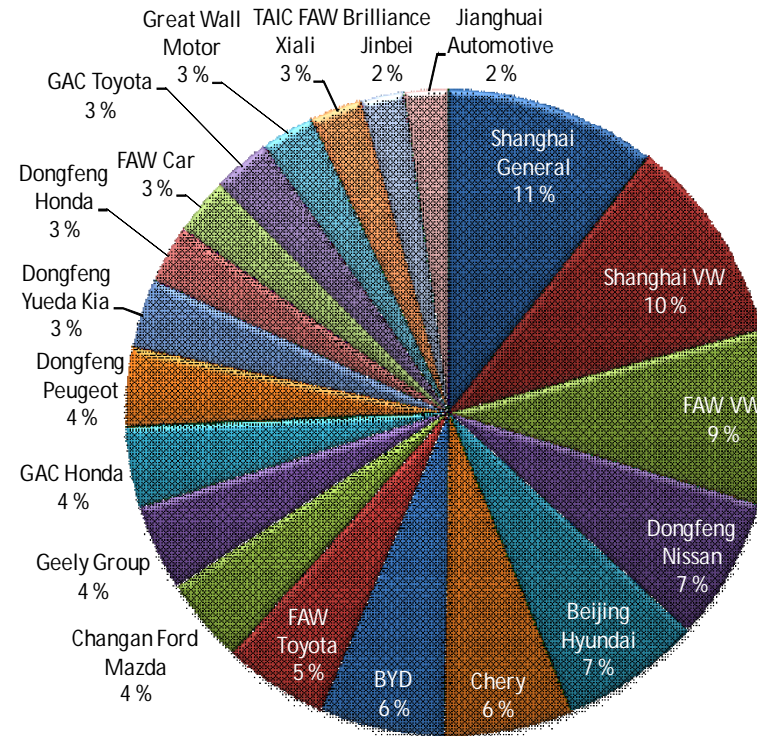
Efore's focus areas

Efore's target market is growing



China's EV market is expected to grow rapidly due to government's actions

- China has decided to invest \$14.8 billion by 2020 in EVs
- Objective is to have 5 million BEVs/PHEVs on the roads by 2020
- Chinese automotives market is very fragmented



Outlook 1/2

- After the end of the fiscal year 2010 Efore has reviewed its strategy and further specified its target markets. Because the global power supply market is very big and split into a number of distinct market sectors, it is important for Efore to select the key market areas where it is possible to grow and to be the customers' primary partner.
- After analyzing company's strengths and resources and the market sectors' demands, in addition to the current power supplies for telecommunication and industrial sectors Efore has chosen DC-DC converters and chargers for electric vehicles as its target market areas. Efore's expertise and existing product platforms can be utilized with these products. Power range needed in the slow charging from the grid matches with Efore's core competence. In addition to this Efore has strong experience from demanding environment and reliable solutions. Product development with the customers is ongoing.

Outlook 2/2

- According to market studies, the demand for power products is increasing especially on telecom and industry markets. The electric vehicle market is in a strong development phase with new products launched frequently. Efore's new market focus enables presence on this solidly developing market area.
- The company estimates that both net sales and result of operating activities of the current fiscal year will show an improvement compared to the previous fiscal year.

Board of Directors' proposal for dividend

Board of Directors' proposal for dividend

- The Board of Directors will propose to the Annual General Meeting on February 10,2011 that no dividend will be distributed.

Thank you for your interest