



EFORE

ENERGY FOR ELECTRONICS

Interim Report (6 months)

November 1, 2009 – April 30, 2010

Reijo Mäihäniemi
President and CEO
May 27, 2010

Contents

- Summary of business development
- Financial development during the 2nd quarter
- Interim Report Nov 1st, 2009 – April 30, 2010 (6 months)
- Shares and shareholders
- Outlook

Summary of business development

New President and CEO appointed to Efore as from June 1, 2010

- Mr Vesa Vähämöttönen (Tech.Lic), has been appointed President and CEO of Efore Plc
- Reijo Mäihäniemi, Efore's present President and CEO will leave his position on May 31, 2010. He will continue to serve the company as Senior Adviser to Board of Directors and the CEO in corporate development issues during a period of transition whereupon he will retire

Vesa Vähämöttönen - CV

- Licenciate in Technology 1993 (Helsinki University of Technology), born 1966
- Before Efore acted as Senior Vice President, Sales and Marketing and was responsible for global sales, marketing and customer relationships in 2006 - 2010. Prior to this acted as Managing Director of Flextronics ODM Finland and in 1999 - 2004 acted e.g. as General Manager, Europe in Filtronic Comtek
- Over 10 years of experience in operative business management in the industrial sectors of electronics

New business opportunities in electric vehicles business

- Efore sees new business opportunities in utilizing its expertise in ecological, energy efficient solutions e.g. in server applications, electric vehicles, telecom infrastructure and industrial process applications
- Efore has several pilot projects ongoing regarding electric vehicles chargers and power supply solutions

The net sales and the result of operating activities were adversely affected by a poor availability of the components

- Net sales totaled EUR 15.7 million (EUR 20.5 million)
 - The increase compared with the previous quarter was EUR 1,8 million (12,7 %)
 - The company costs were adversely affected by the poor availability of the components which decreased the sales
- The result of operating activities was EUR -0.9 million (EUR 0.8 million)
 - According to the company's estimation the result was adversely affected by the component shortage which weakened the result by EUR 0.8 million during the second quarter

General market situation seems to have recovered and the product demand is growing

- The company could not respond to the demand as per customers' expectations due to the exceptionally poor availability of the components and the extended delivery times
- The company costs were adversely affected by the poor availability of the components which decreased the sales and the result

A new product development center has been opened in Shenzhen

- A new product development center has been opened in Shenzhen, in Southern part of China in May 2010
- At the moment Shenzhen product development center employs approximately 15 product development professionals





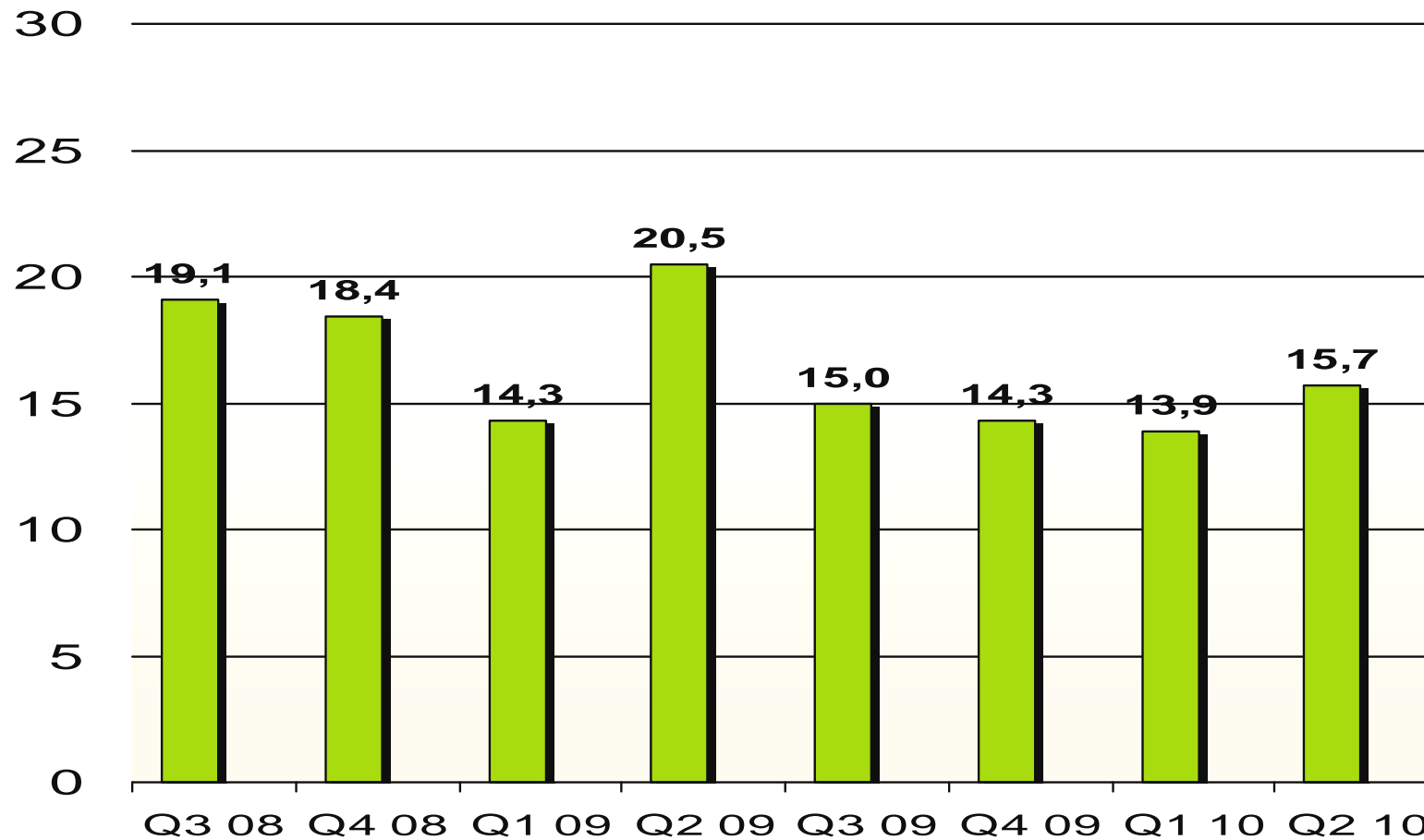
Focus on new generation power supply solutions

- Investment on product development during the period under review was EUR 4.0 million (EUR 3.4 million) representing 13.5 % (9.8 %) of net sales.
- In custom-designed power supply solutions the focus was on developing new technologies and products for new applications

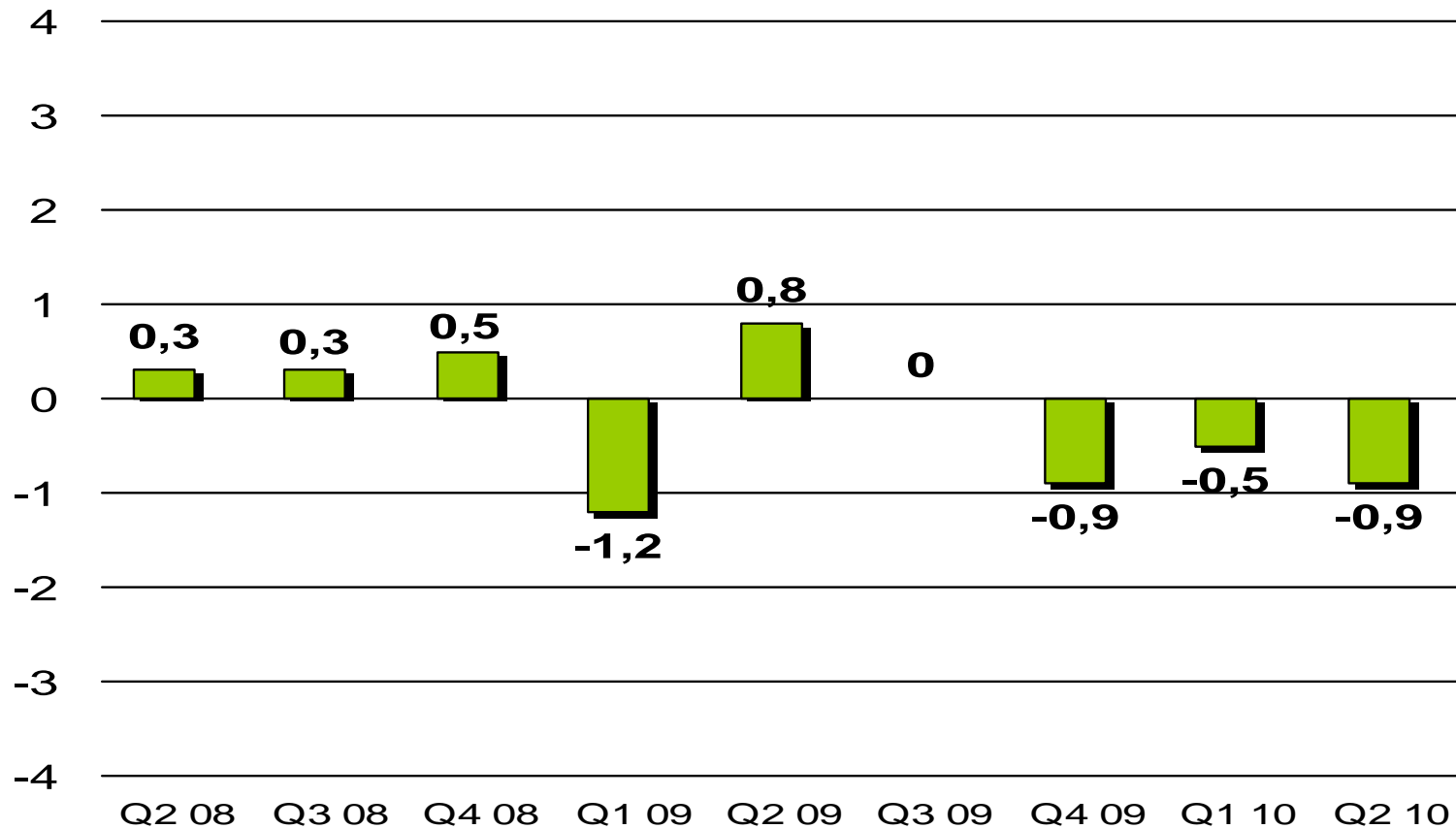


Financial development in the 2nd quarter

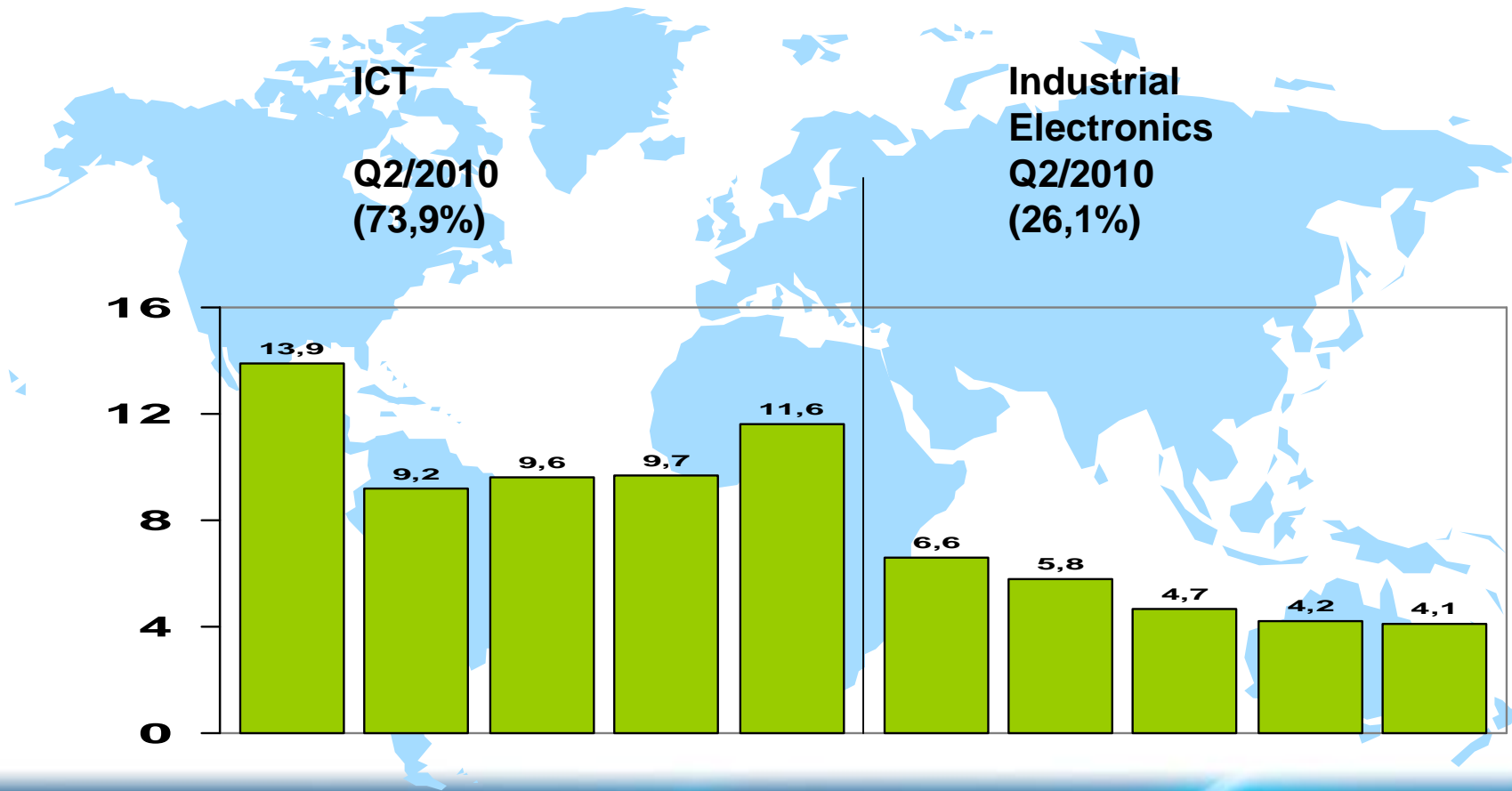
Net Sales by quarter, MEUR



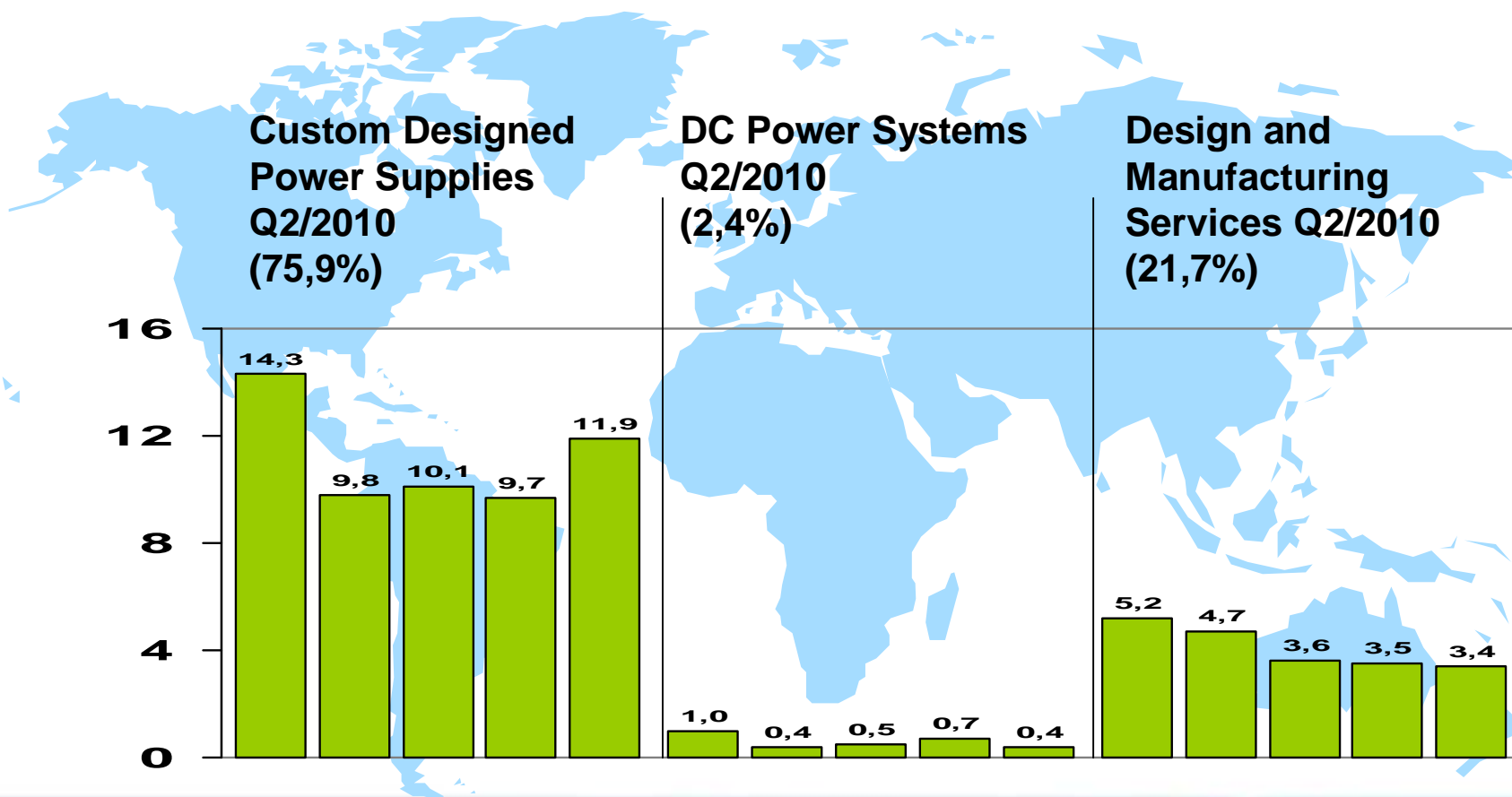
Operating Profit (-loss) by quarter, MEUR



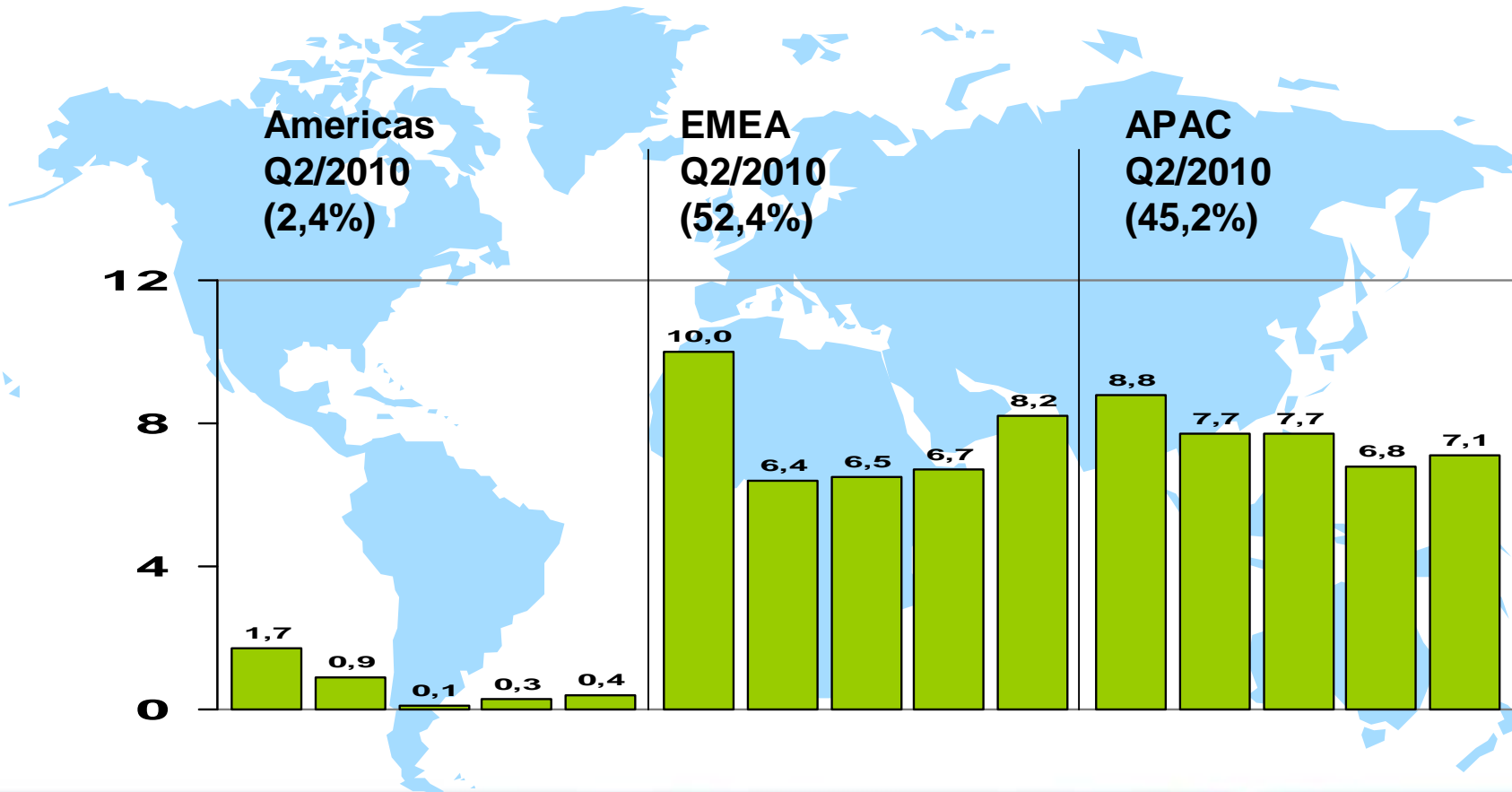
Net Sales by Customer Groups Q2/2009 – Q2 2010 (MEUR)



Net Sales by Products Q2/2009- Q2/2010 (MEUR)



Net Sales by Region Q2/2009 – Q2/2010 (MEUR)



Interim report Nov 1st, 2009 – April 30, 2010

Efore Group

CONSOLIDATED CASH FLOW STATEMENT, EUR million	11/09-04/10	11/08-04/09
Cash flows from operating activities		
Cash generated from operations	2,9	2,9
Interest paid	0,0	0,0
Financing items and taxes	0,2	-0,4
Net cash from operating activities (A)	3,0	2,4
Cash flows from investing activities		
Purchase of tangible and intangible assets	-0,8	-0,9
Proceeds from sale of tangible and intangible assets	0,0	0,0
Dividend received	0,0	0,2
Net cash used in investing activities (B)	-0,8	-0,7
Purchase of treasury shares	0,0	-0,6
Repayment of long-term borrowings	-0,1	-0,1
Dividend paid	0,0	-1,8
Net cash used in financing activities (C)	-0,1	-2,5
Net increase/decrease in cash and cash equivalents (A+B+C)	2,1	-0,8

Efore Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

	Feb./10- Apr./10 3 months	Feb./09- Apr./09 3 months
Net sales	15,7	20,5
Change in inventories of finished goods and work in progress	0,0	-0,6
Other operating income	0,2	0,3
Materials and services	-10,8	-13,0
Employee benefits expenses	-3,3	-3,6
Depreciation	-0,8	-0,8
Impairments	0,0	-0,1
Other operating expenses	-1,9	-1,7
OPERATING PROFIT (-LOSS)	-0,9	0,8
% net sales	-5,7	4,0
Financing income	0,2	0,2
Financing expenses	0,0	-0,6
Share of profit of associated companies	0,0	0,1
PROFIT (-LOSS) BEFORE TAX	-0,8	0,5
% net sales	-5,0	2,5
Tax on income from operations	0,1	-0,2
PROFIT (-LOSS) FOR THE PERIOD	-0,7	0,3

Efore Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Apr. 30, 2010	Apr. 30, 2009
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	1,8	1,7
Tangible assets	5,2	6,7
Investments in associates	0,6	0,6
Other long-term investments	0,0	0,0
NON-CURRENT ASSETS	7,6	9,0
CURRENT ASSETS		
Inventories	9,6	10,1
Trade receivables and other receivables	12,6	15,5
Tax receivable, income tax	0,1	0,0
Cash and cash equivalents	7,7	4,3
CURRENT ASSETS	30,0	29,9
ASSETS	37,6	38,9

Efore Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Apr. 30, 2010	Apr. 30, 2009
EQUITY AND LIABILITIES		
EQUITY		
Share capital	34,5	34,5
Treasury shares	-0,6	-0,6
Other reserves	1,0	1,0
Translation differences	0,4	0,5
Retained earnings	-16,1	-13,4
EQUITY	19,1	21,8
Equity attributable to equity holders of th	19,1	21,8
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	0,1	0,2
NON-CURRENT LIABILITIES	0,1	0,2
CURRENT LIABILITIES		
Interest-bearing liabilities	0,2	0,9
Trade payables and other liabilities	17,6	15,0
Tax liabilities	0,0	0,2
Provisions	0,5	0,8
CURRENT LIABILITIES	18,4	16,9
LIABILITIES	18,5	17,0
TOTAL EQUITY AND LIABILITIES	37,6	38,9

Efore Group

GROUP CONTINGENT LIABILITIES EUR million	Apr. 30, 2010	Apr. 30, 2009
Security and contingent liabilities		
For others		
Other contingent liabilities	0,1	0,1
Operating lease commitments		
Group as lessee		
Non-cancellable minimum operating lease payments:		
Less than 1 year	1,4	1,6
1-5 years	2,2	3,0
Fair values of derivate financial instruments		
Currency derivatives, not hedge		
Option contract		
Nominal amount	3,0	11,2
Positive fair value	0,0	0,0
Negative fair value	0,0	0,0

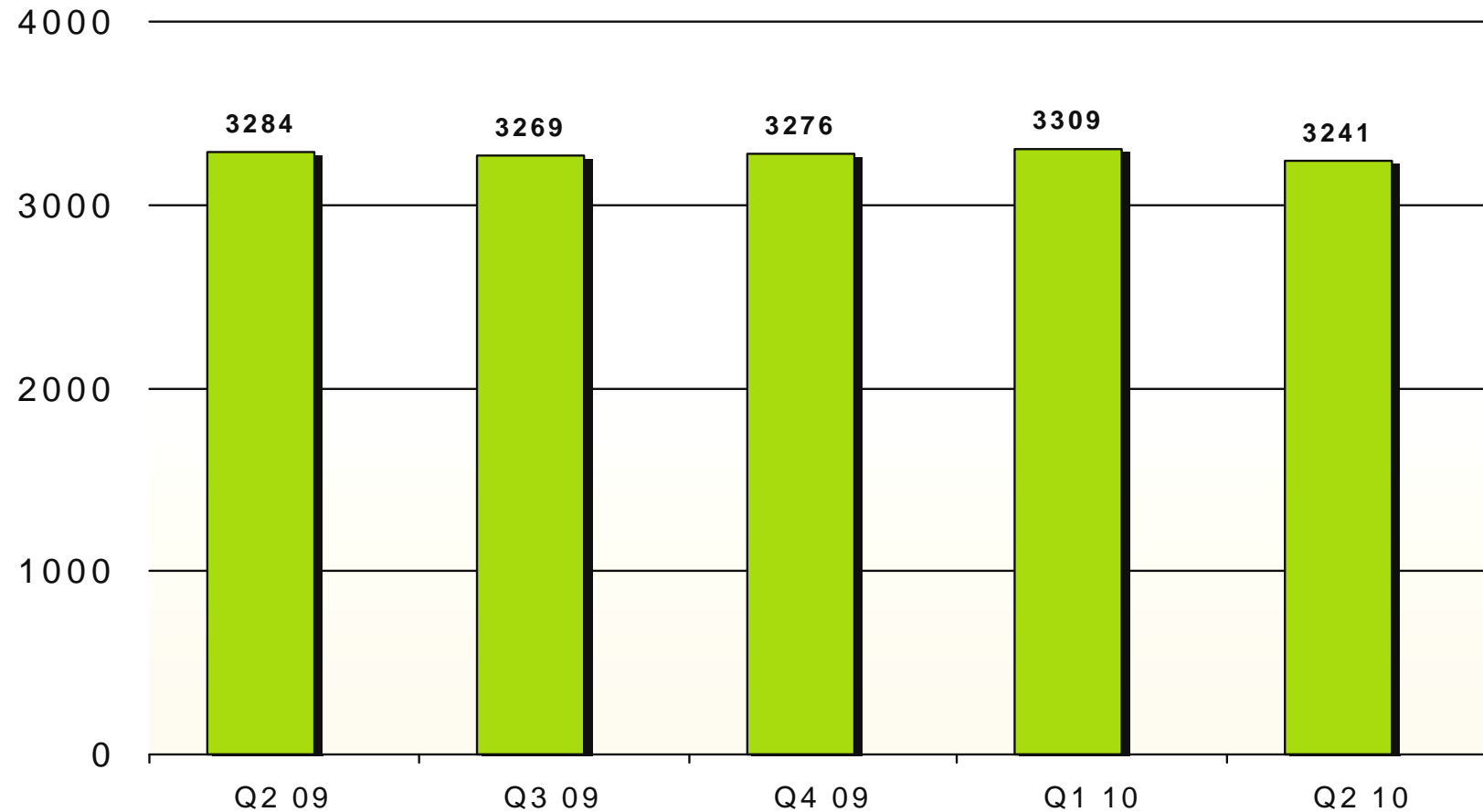
Efore Group

GROUP KEY FIGURES, EUR million

	Feb./10- Apr./10 3 months	Feb./09- Apr./09 3 months
Earnings per share, basic,eur	-0,02	0,01
Earnings per share, diluted, eur	-0,02	0,01
Equity per share, eur	0,48	0,55
Solvency ratio,%	50,9	56,2
Return on equity-%(ROE)	-15,1	5,7
Return on investment-%(ROI)	-15,7	9,5
Gearing, %	-38,4	-14,7
Net interest-bearing liabilities	-7,3	-3,2
Investments (intangible and tangible assets) as percentage of net sales	0,5 3,1	0,5 2,7
Average personnel	499	554

Shares and shareholders

Number of shareholders



Major shareholders per April 30, 2010

Number	Name	Amount	Share of book-entries
1	EVLI PANKKI OYJ	4 864 853	12,00
2	NORDEA PANKKI SUOMI OYJ (NOM. REG)	3 804 969	9,39
3	KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ VARMA	1 706 050	4,21
4	TAMMIVUORI LEENA MAIJA	1 629 800	4,02
5	TAMMIVUORI MATTI	1 560 000	3,85
6	TAMMIVUORI ESKO PÄIVIÖ KUOLINPESÄ	1 379 592	3,40
7	MAIJOS OY	1 100 097	2,71
8	SVENSKA HANDELSBANKEN AB (PUBL), FILIALVERKSAI	992 600	2,45
9	FIM FENNO SIIJOITUSRAHASTO	981 804	2,42
10	EFORE OYJ	922 149	2,28
11	RAUSANNE OY	848 971	2,09
12	SYRJÄLÄ & CO OY	830 293	2,05
13	VEIKKO LAINE OY	814 400	2,01
14	FIM PANKKI OY	568 635	1,40
15	Q & A CONSULTING OY AB	500 000	1,23
16	FABRITIUS HANNES	435 196	1,07
17	SIIJOITUSRAHASTO AKTIA CAPITAL	430 812	1,06
18	KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	400 000	0,99
19	FIM FORTE SIIJOITUSRAHASTO	395 000	0,97
20	YLEINEN TYÖTTÖMYYSKASSA YTK	238 500	0,59

Outlook

Outlook 1/3

- According to the estimations received from the companies in the business, the overall telecommunications market is recovering and especially investments in new broadband technologies have been started. Service business is estimated to grow faster than product business.
- Group's projects to develop operations together with long term programs in order to improve productivity and reduce cost structure, lower inventories and make the production and product development processes more efficient will continue. The purpose of these projects is to maintain continuous improvement in the competitiveness of the company on the global market.

Outlook 2/3

- The company continues to focus on new technologies as well as the development of demanding and innovative power supply solutions. Developing energy saving solutions that will take up less space and use renewable energy sources will be a focal point for product development.
- Efore sees new business opportunities in utilizing its expertise in ecological, energy efficient solutions e.g. in server applications, electric vehicles, telecom infrastructure and industrial process applications.

Outlook 3/3

- Resulting from the market recovery and due to the costs adjustment actions made, the company estimates that both net sales and result of operating activities of the current fiscal year will gradually show an improvement compared to the previous fiscal year.
- The most significant business risks are connected with the success of key customers at the market and the company's capability to serve its key customers. During the latter part of the current fiscal year the company's net sales and result development can be adversely affected by the poor availability and price changes of the components.

Thank you for your interest