



**EFORE**

ENERGY FOR ELECTRONICS

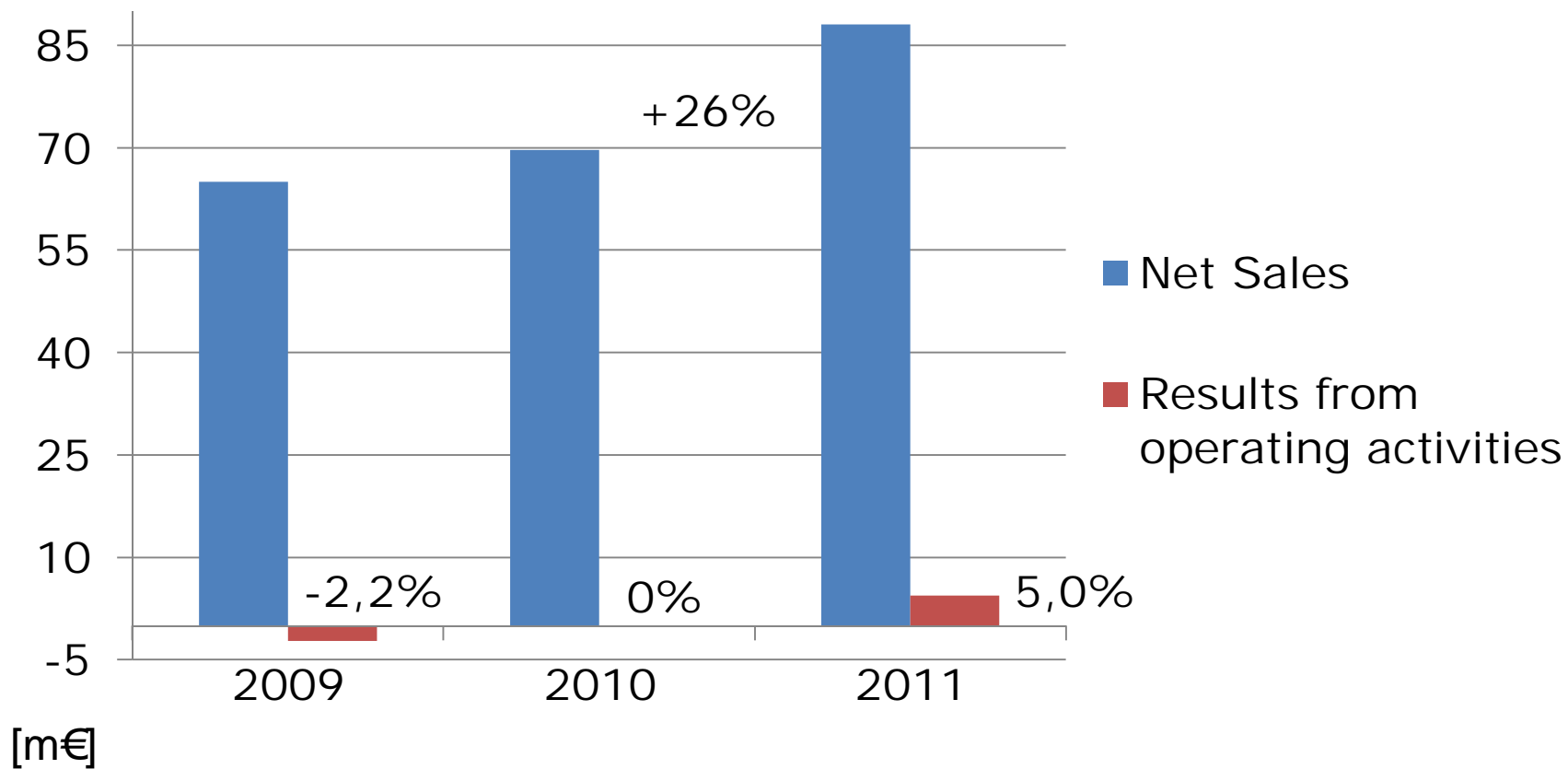
# Presentation of Financial Statements

FY 2011

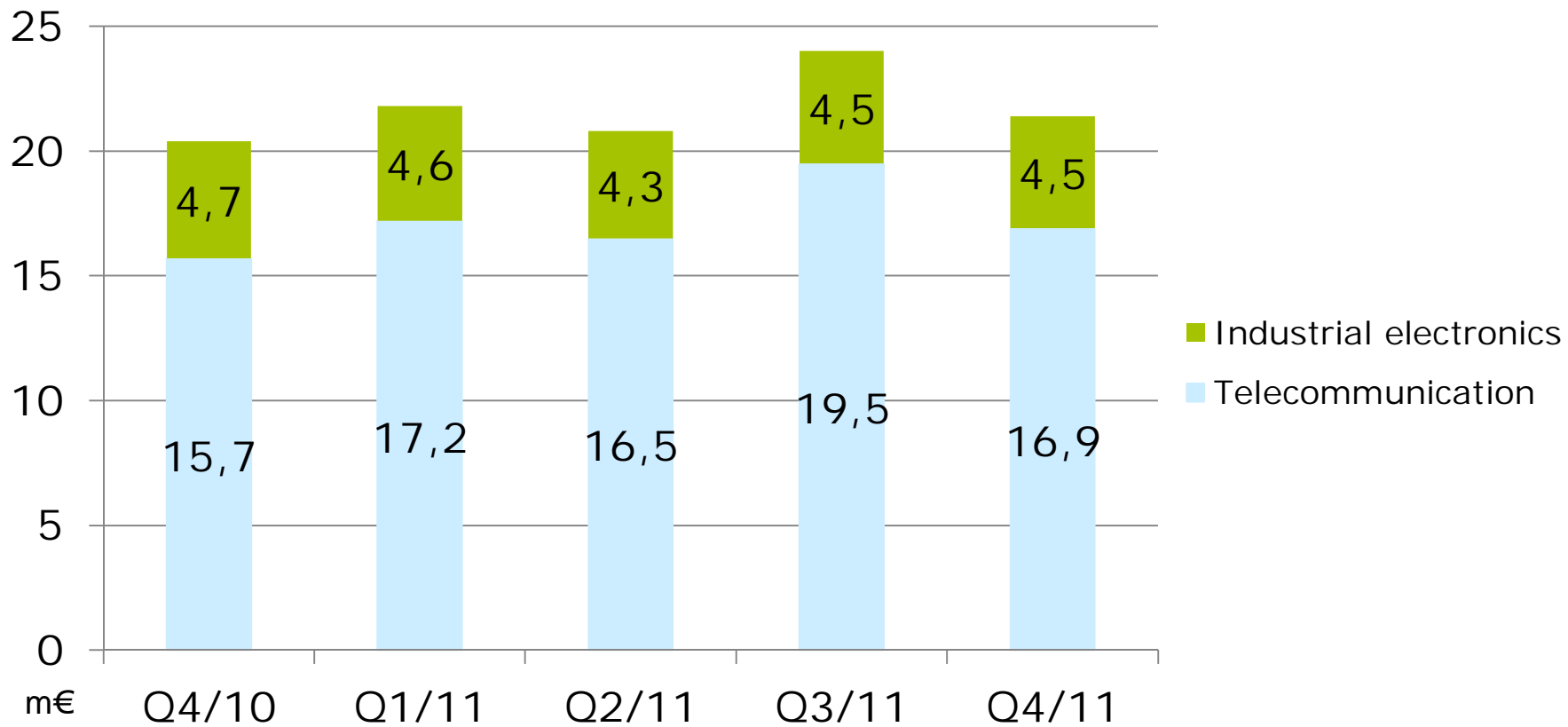
Vesa Vähämöttönen  
President and CEO  
December 14, 2011

# Financial Statements 2011

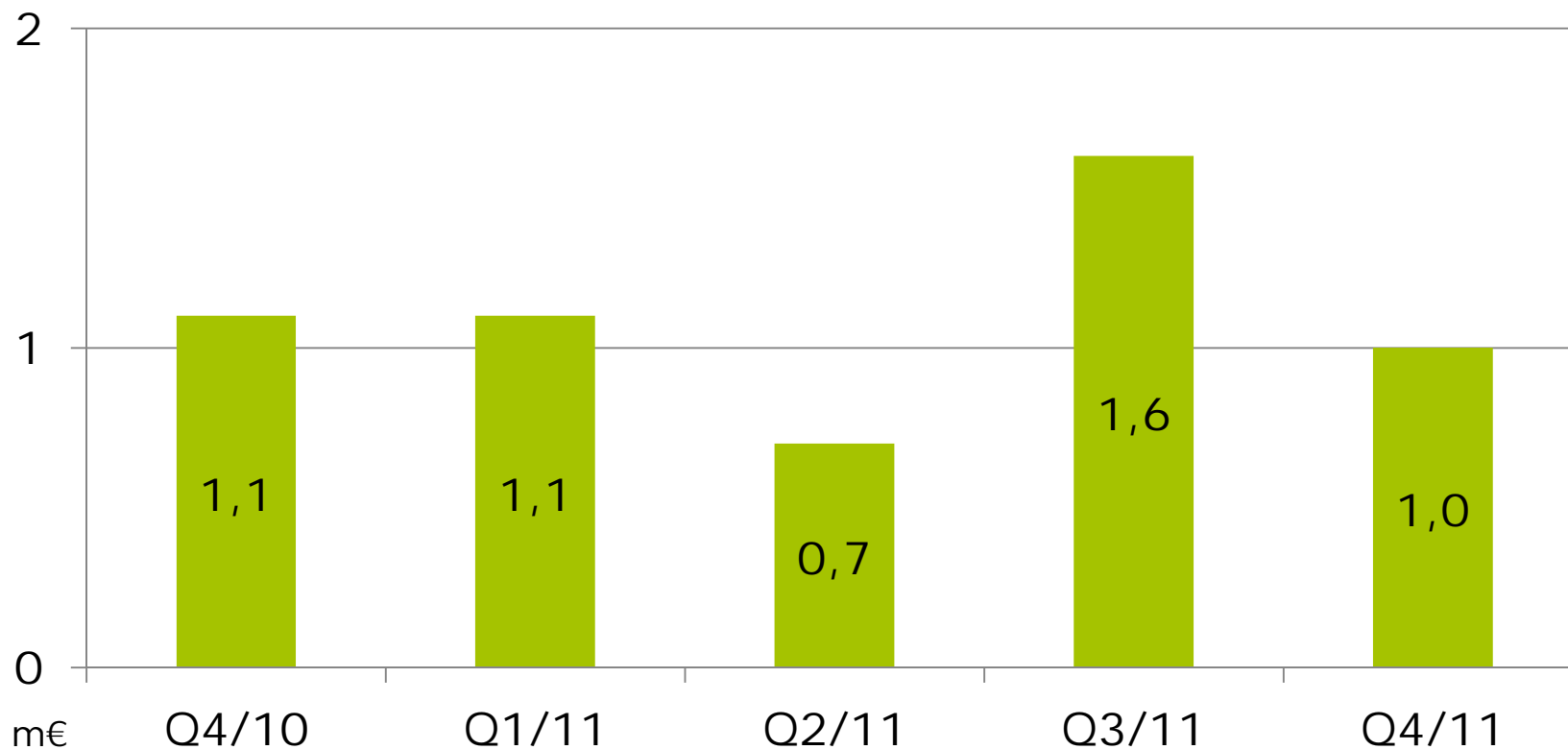
# Clear improvement in net sales and results from operating activities



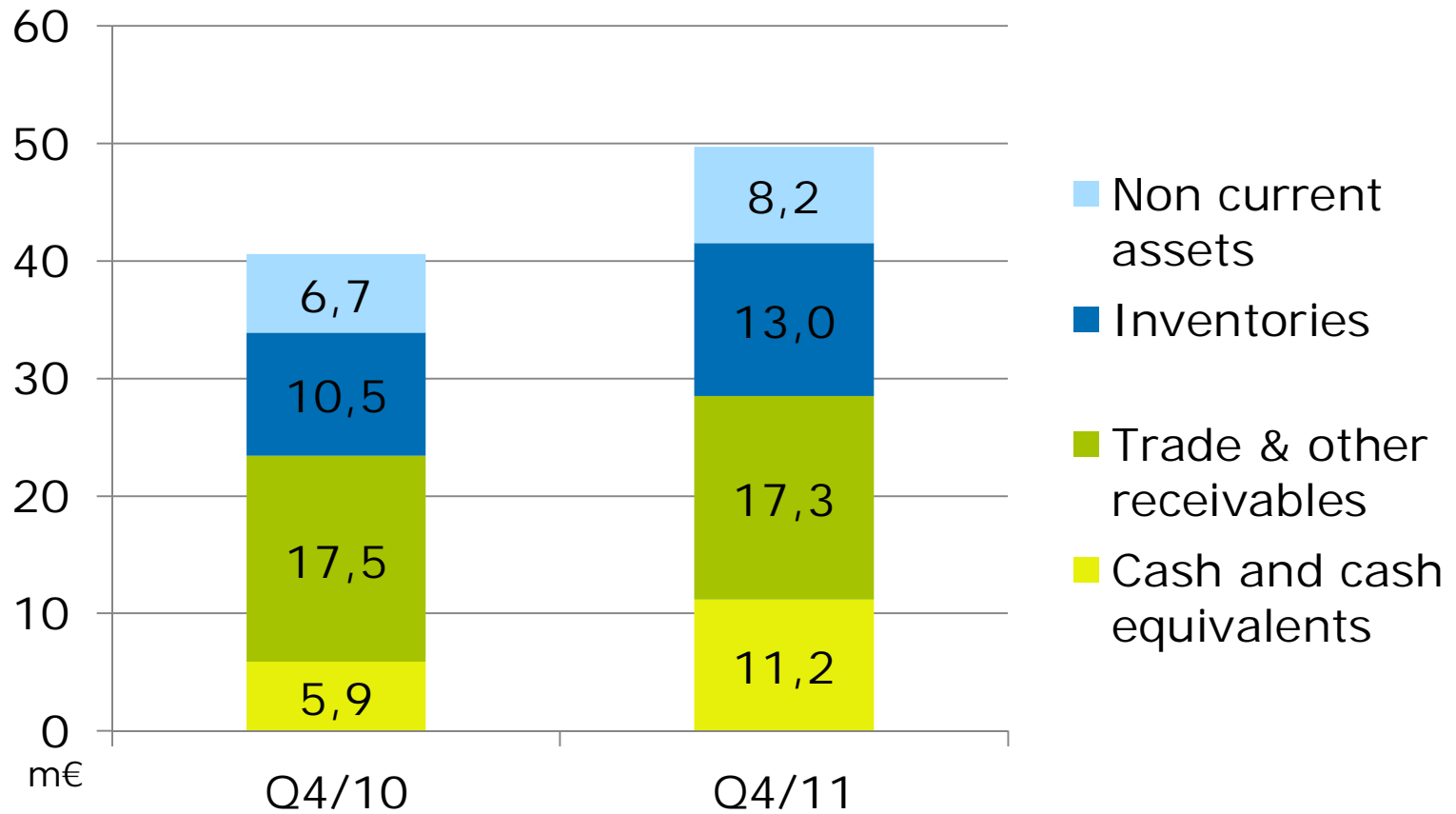
# Net Sales development



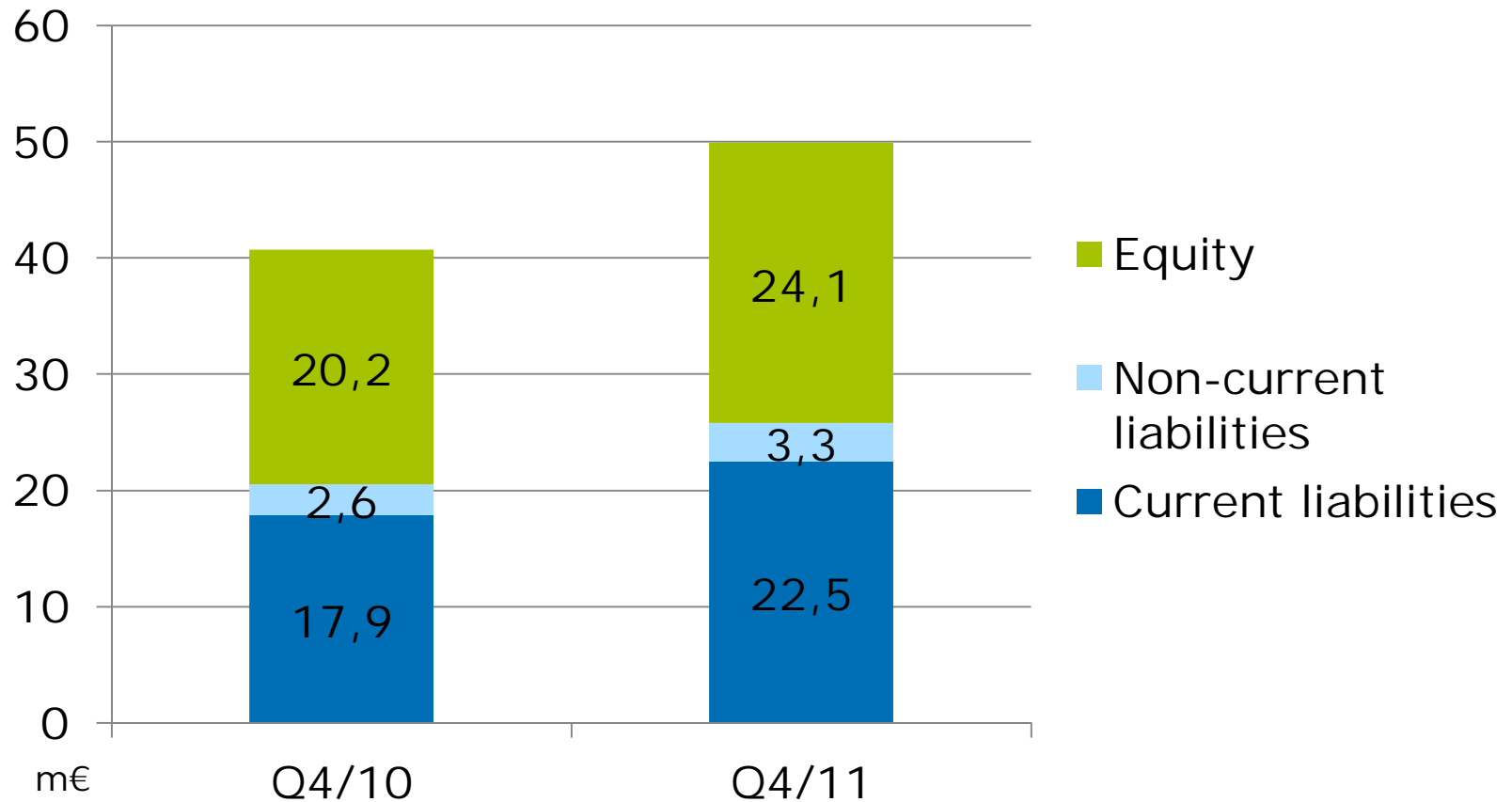
# Results from operating activities



# Balance sheet: assets



# Balance sheet: equity and liabilities



# Capacity increase project completed

# Suzhou factory capacity increased 30%

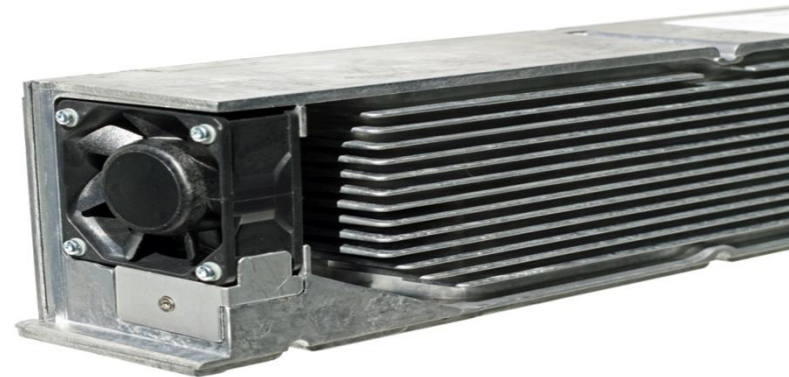
- Efore executed an investment program worth EUR 1.7 million to increase Suzhou factory production capacity
- The investment program was concluded in October 2011



# Telecom

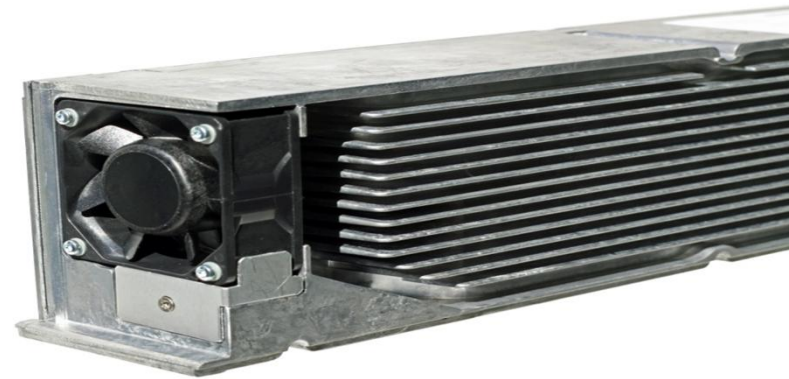
# Telecom sector demand strong

- Demand of Efore's telecom sector products was strong during the whole fiscal year even though it slowed down just at the end of the fiscal year
- Increased mobile data traffic generated by the growing popularity of smartphones creates a need to improve network capacity, this trend remains unchanged



# Efore entering to new product categories in telecom sector

- Efore has been developing technologies in order to broaden the offering to the customers
- The work is showing results and RFQs from new product areas have been received



# Industrial Electronics

# New business potential in industrial sector



- More focus and resources for key customers in industrial area
- Market fragmented but several suitable areas for Efore products (smart grid, automation etc.)
- EMP protected power supply cabinets were delivered as planned
- Generic version of the EMP protected power supply cabinet under development

# Power Products for Electric Vehicles

# Efore chosen as power electronics vendor for two electric vehicle models



- Efore has been chosen as power electronics vendor for two electric vehicle models of a Chinese car manufacturer
- The production of these models is estimated to start at earliest in 2013

# EV Business Development Going Strong

- Efore actively develops new products and features together with customers
- EV market development might be slow but design is moving fast
- China government targets for EV development clear and support strong
- Efore is actively discussing with other players in the industry for possible cooperation

# Events after the close of the fiscal year

# New Executive Management Team Member Covering Industrial Sector

- Jukka Pietarinen, M.Sc(Eng), has been appointed as Executive Vice President, Industrial Business Area and as the member of the Efore Executive Management Team from December 13, 2011.
- Before joining Efore Jukka worked 26 years at NSN (and Nokia Networks) in different business management positions



# Plan to transfer production from Estonia to China

- In order to improve Efore's profitability and competitiveness of industrial sector Efore plans to transfer its production from Estonia to China and discontinue production at Estonia factory during the fiscal year 2012
- Reduction of Group's personnel would be approximately 120 persons
- Efore estimates that one-time costs will be approximately EUR 1.8 million for FY2012
- With this plan Efore aims to improve its annual profitability by EUR 1.6 million.

# Outlook

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- Efore estimated on November 22, 2011 that its customers have in short-term higher inventory levels than needed and due to this Efore's net sales will not reach the level of the previous year in the first months of the fiscal year 2012, and result from operating activities might be negative during these months
- Efore estimates the inventory levels to balance during the first half of the fiscal year 2012 and its position in its main market area, power products for telecommunication, to remain good
- The fundamentals for long-term positive development of wireless network equipment industry are expected to remain unchanged

# Estimate of the financial outlook for the fiscal year 2012

- Slow first months of the fiscal year 2012 will effect to the whole year. Efore estimates to reach at least EUR 80 million net sales for full fiscal year 2012
- Fiscal year 2012 result from operating activities without one-time costs is expected to be positive but staying below the fiscal year 2011 level

# Board of Directors Proposal

# Board of Directors' proposal for the Annual General Meeting

- The Board of Directors will propose to the Annual General Meeting on February 9, 2012 that no dividend will be distributed from fiscal year November 1, 2010 – October 31, 2011
- The Board of Directors will propose to the Annual General Meeting on February 9, 2012 that the company will distribute assets from the invested non-restricted equity fund to the shareholders 0,05 euros per share

Thank you for your interest