



**EFORE**

ENERGY FOR ELECTRONICS

# Interim Report (3 months)

November 1, 2008 – January 31, 2009

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President and CEO  
February 26, 2009

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# Summary of financial performance

# First quarter of FY 2009 challenging

- The demand for Efore's products and services in Europe and in the USA was adversely affected by the international financial crisis.
- A decrease in demand during the first quarter has been stronger than the company estimated before the start of the fiscal year.
- The company has started to streamline its fixed costs in order to meet the market demand in these areas.

# Demand in Asia growing continuously

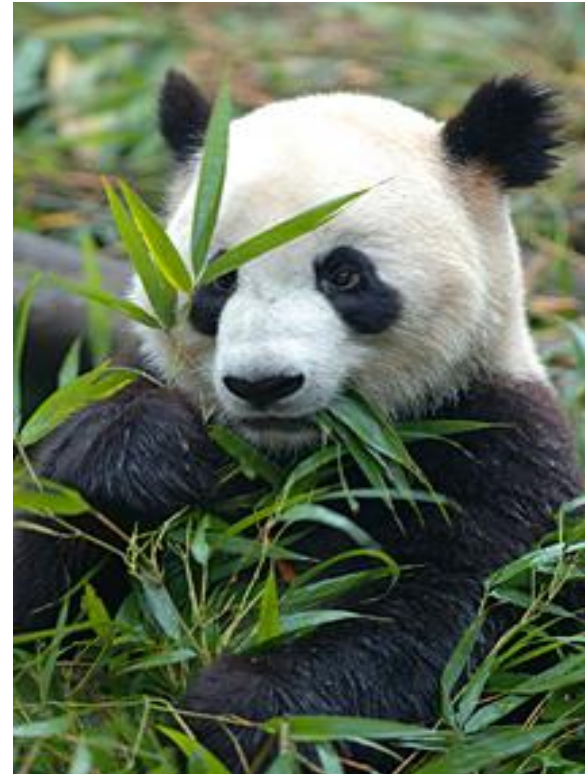
- Licenses of China's 3G networks were issued in January 2009 and Efore's equipment deliveries for 3G integrators have started in the beginning of February.
- Installations of China's 3G networks are expected to increase towards the end of the year 2009.
- Also the issue of licenses for India's 3G and Wimax networks has started and deliveries are expected to start during the current fiscal year.

# Adjusting measures in Finland and in the USA started

- The company issued an invitation to the representatives of personnel in Finland to participate in statutory joint negotiations as per the Act on Co-operations within Undertakings on February 3, 2009. The purpose of these negotiations is to streamline the company's operations and costs to meet the market situation.
- The adjusting measures will involve approximately 30 employees in Finland.
- Decisions concerning adjusting measures in the USA have been made and company's operations will be focused on product sales, marketing and maintenance services.

# Energy saving solutions for our customers

- By developing more environmental friendly and energy efficient power supply solutions Efore is contributing to prevent climate change and energy consumption growth.
- The dynamic control of a power supply according to actual need of the load means significant opportunity to save energy.
- With more efficient power supply total energy consumption will be reduced.



# Focus on new generation power supply solutions

- Investment on product development during the period under review year was EUR 1.6 million (EUR 2.0 million) representing 10.9 % (9.4 %) of net sales.
- The new OPUS system product family, which was developed during the previous fiscal year, was launched onto the market in November 2008.
- In custom-designed power supply solutions the focus was on developing new technologies and products for new applications e.g. for the national 3G networks in China and the coming fourth-generation LTE networks.



# OPUS

- Versatile OPUS series products are designed especially to deliver battery secured power to industry, automation and ICT applications.
- The OPUS solution enables the use of renewable energy sources.
- The OPUS system handles all the most commonly deployed DC voltages over an extensive power range, and the completely redesigned system control unit can also be operated remotely.



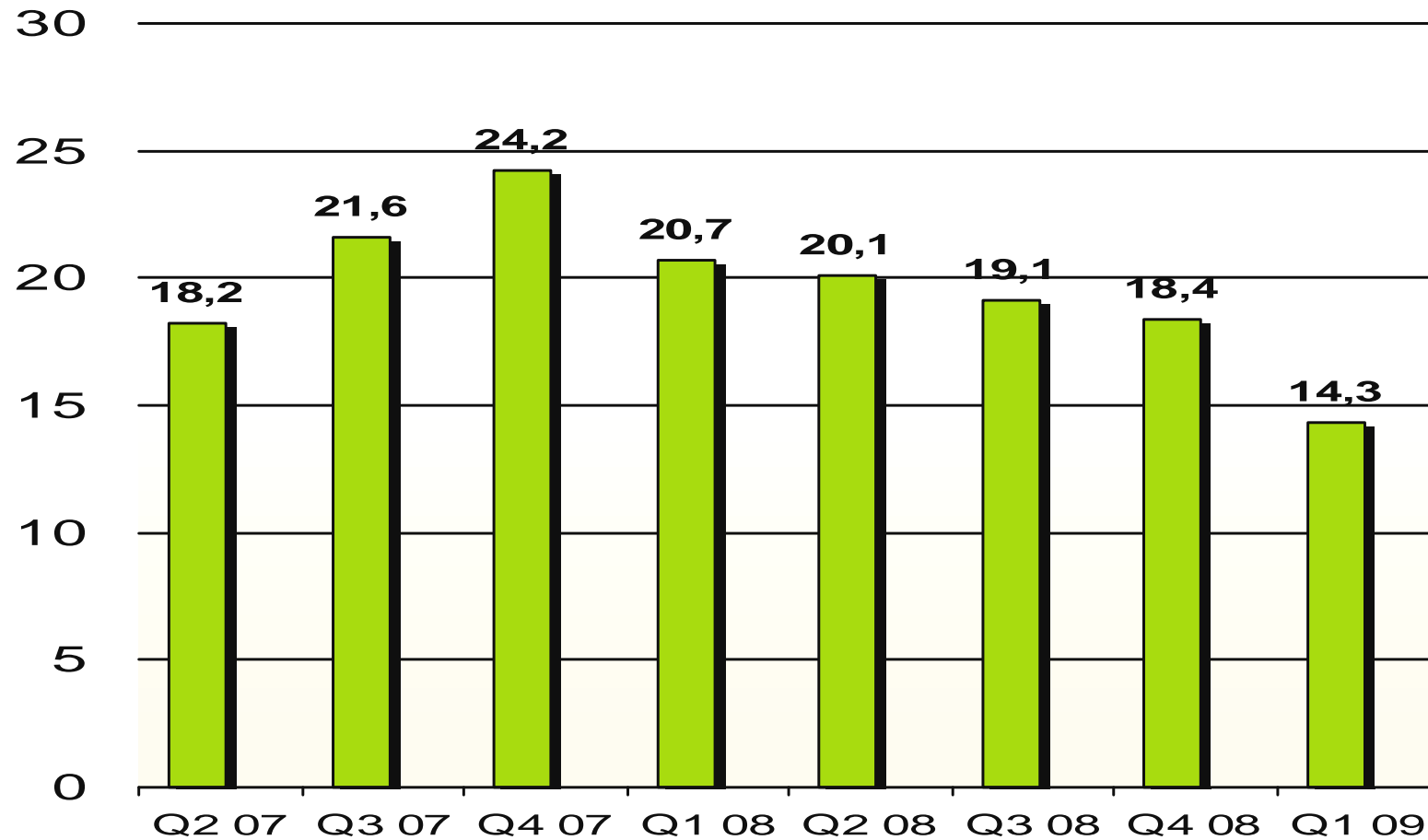
# A new-technology research and development laboratory at Helsinki University of Technology (TKK)

- At TKK Efore will be doing research on renewable and alternative energy sources and carrying out various R&D projects aimed at improving energy efficiency.

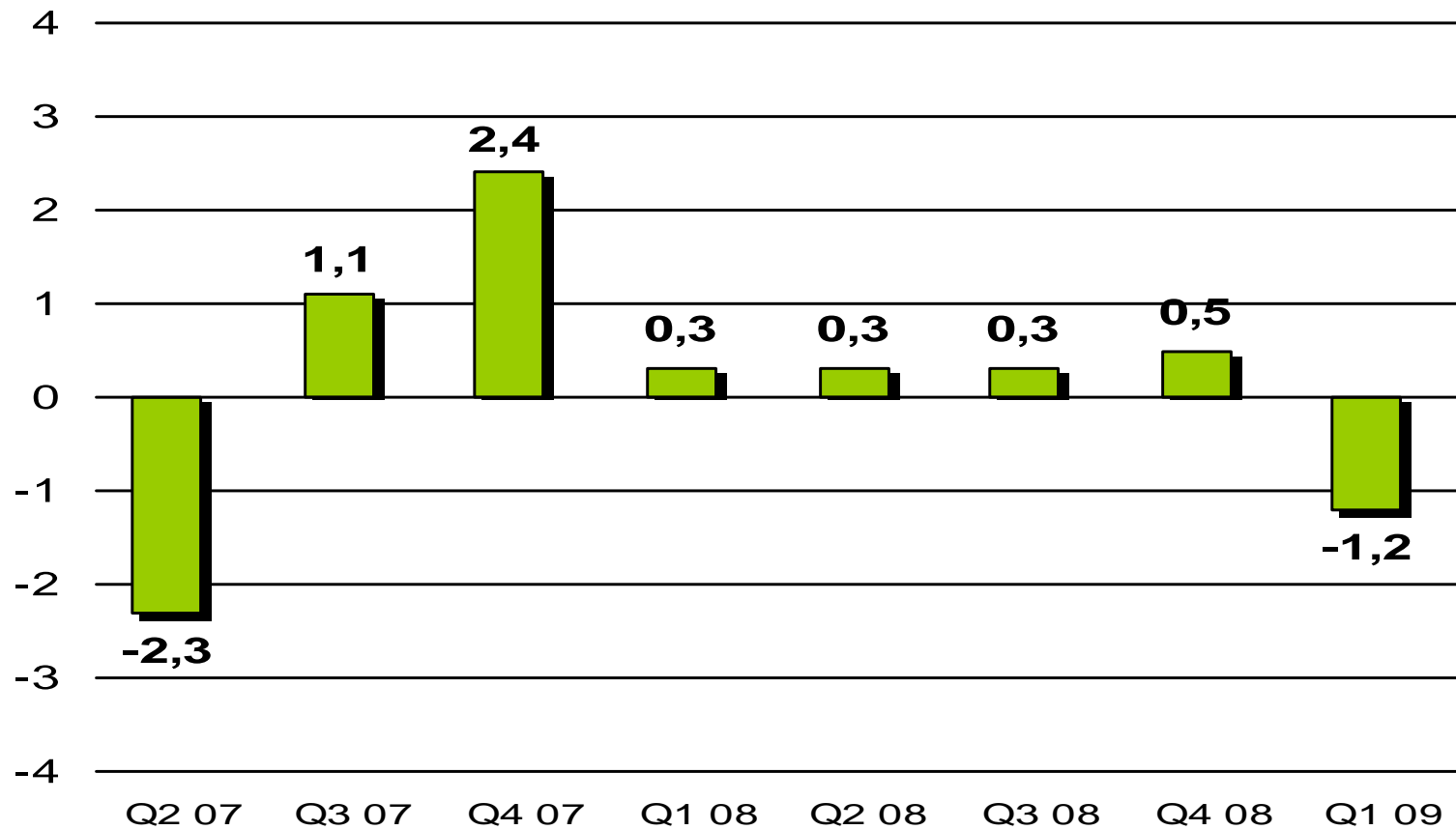


# Financial performance in the 1st quarter

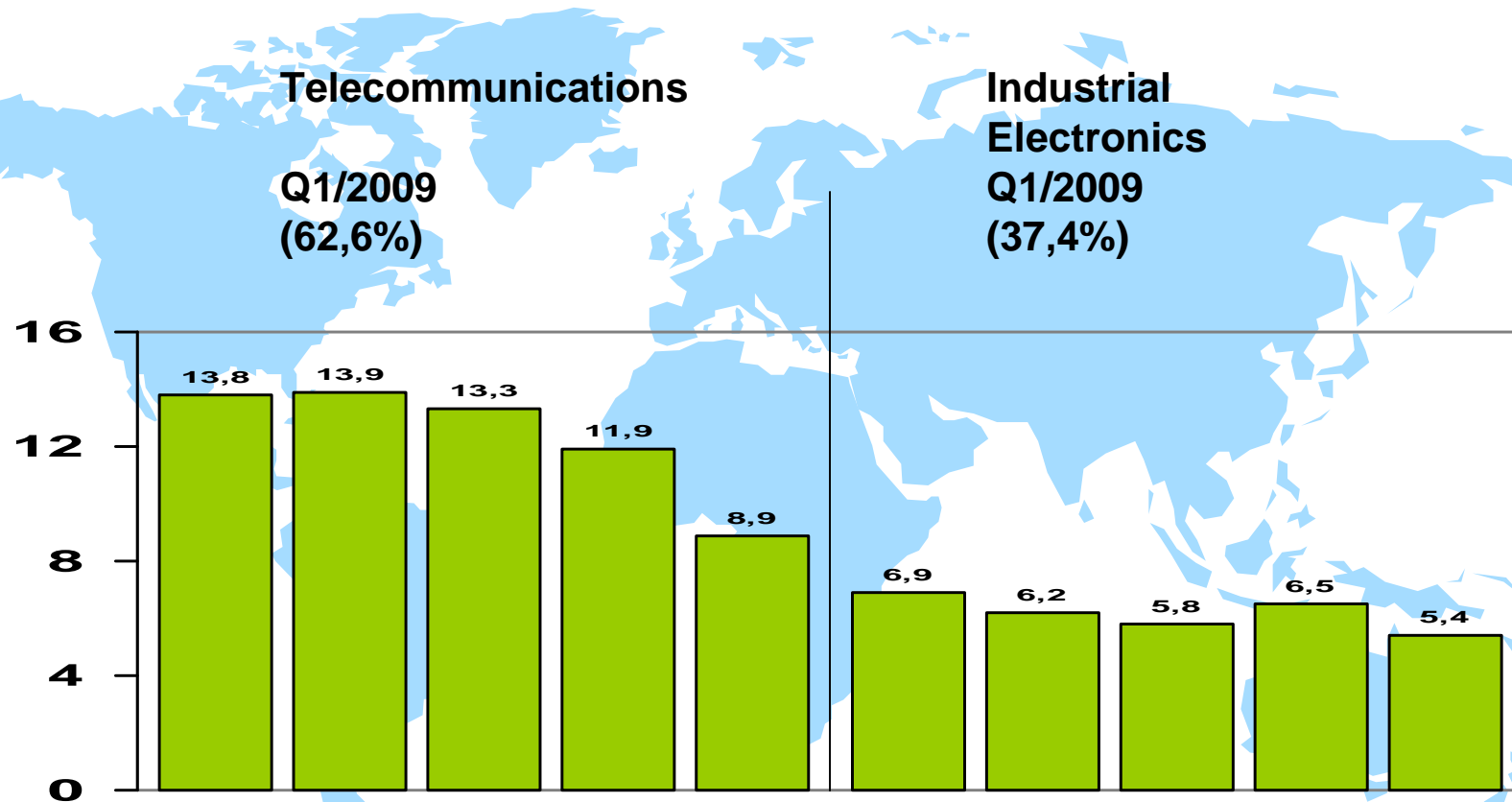
# Net Sales by Quarter, MEUR



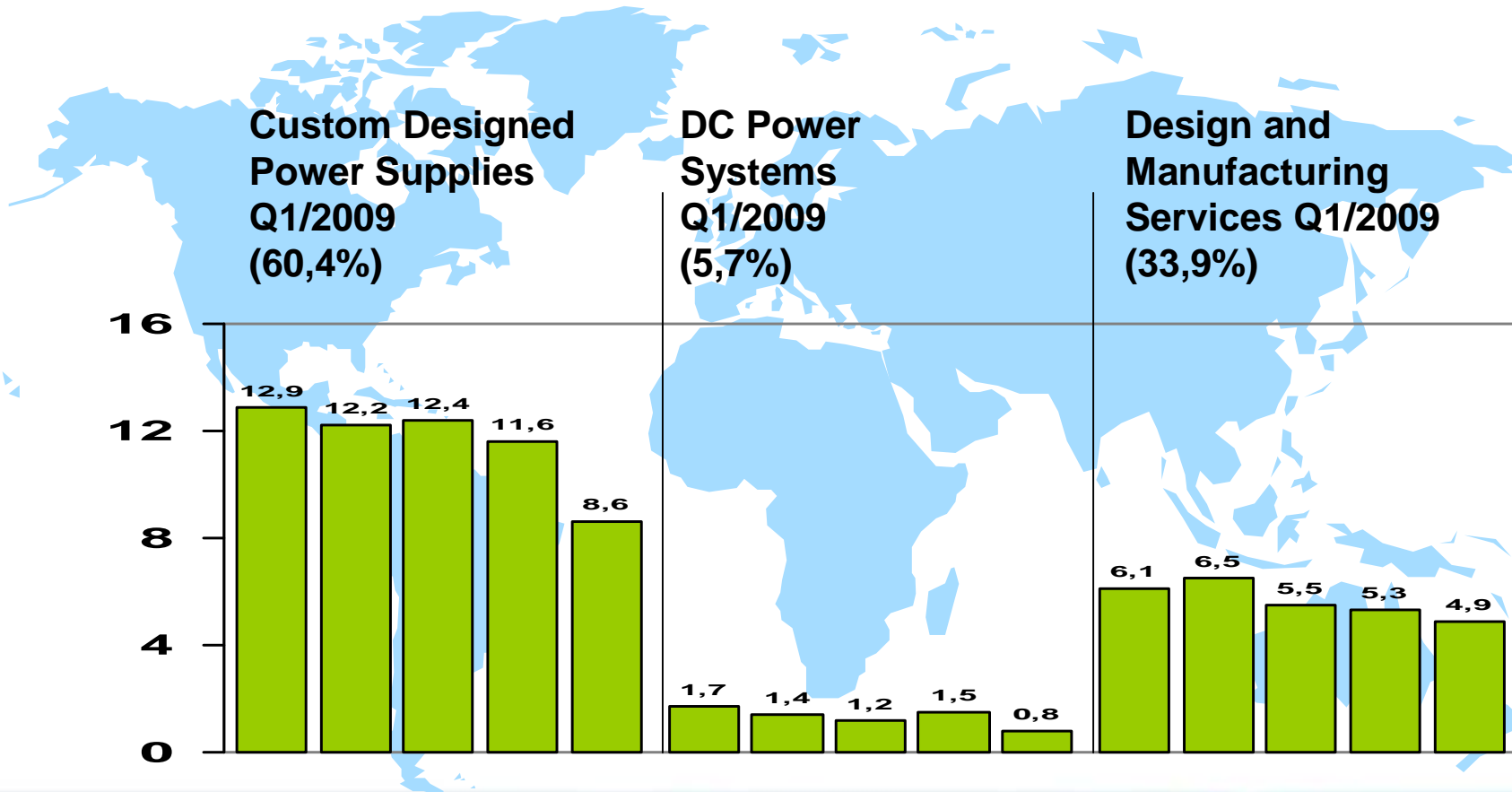
# Operating Profit (-loss) by Quarter, MEUR



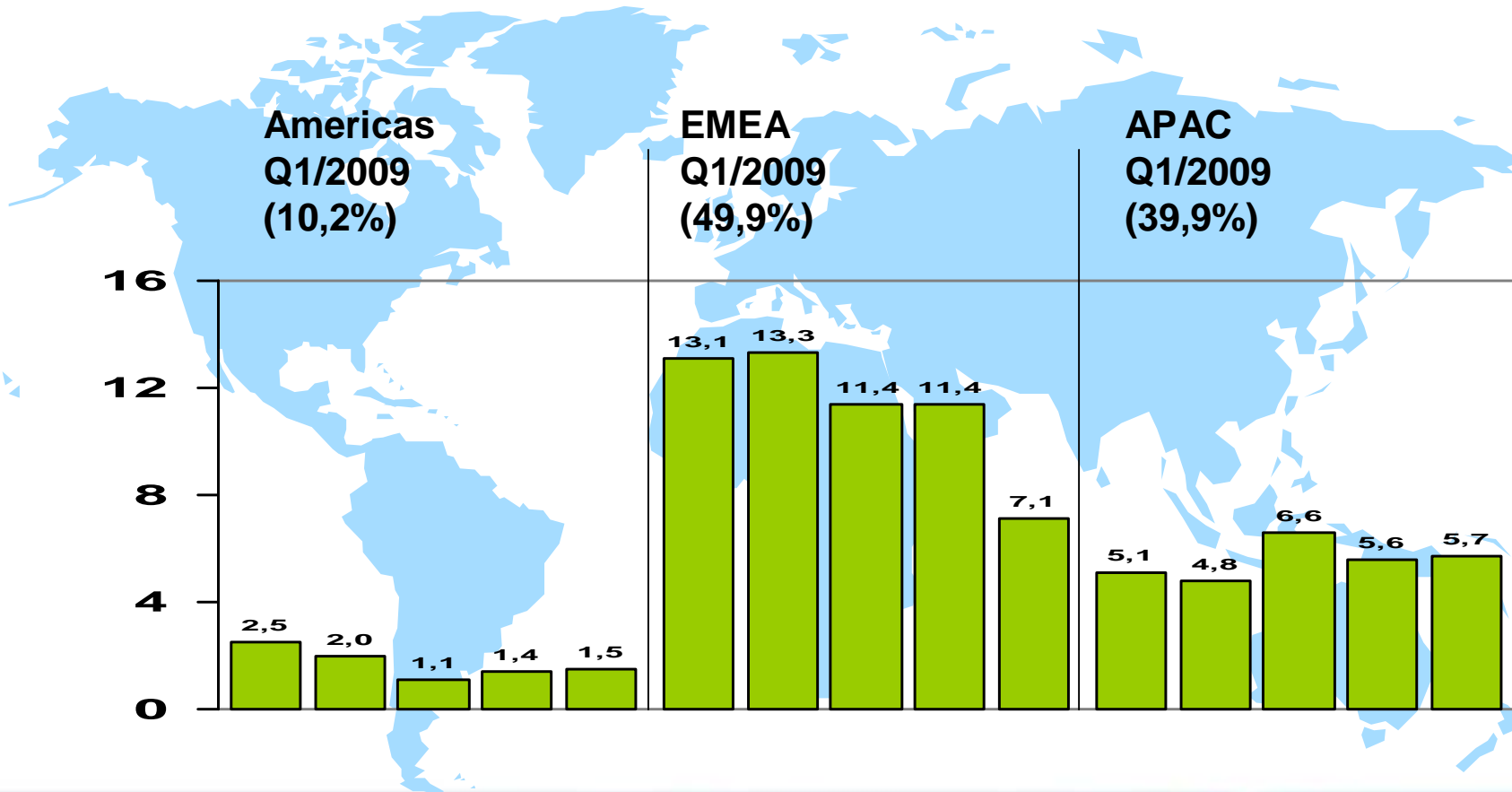
# Net Sales by Customer Groups Q1/2008 – Q1/2009 (MEUR)



# Net Sales by Products Q1/2008- Q1/2009 (MEUR)



# Net Sales by Region Q1/2008 – Q1/2009 (MEUR)



# Interim Report Nov 1st, 2008 – Jan 31st, 2009

# Efore Group (3 moths)

## CONSOLIDATED INCOME STATEMENT

EUR million

	Nov./08- Jan./09 3 months	Nov./07- Jan./08 3 months
Net sales	14,3	20,7
Change in inventories of finished goods and work in progress	0,4	0,0
Other operating income	0,2	0,3
Materials and services	-10,3	-13,9
Employee benefits expenses	-3,2	-3,8
Depreciation	-0,9	-1,0
Impairments	0,0	0,0
Other operating expenses	-1,8	-2,1
<b>OPERATING PROFIT (-LOSS)</b>	<b>-1,2</b>	<b>0,3</b>
% net sales	-8,7	1,3
Financing income	0,4	0,3
Financing expenses	-0,5	-0,4
Share of profit of associated companies	0,0	0,1
<b>PROFIT (-LOSS) BEFORE TAX</b>	<b>-1,3</b>	<b>0,2</b>
% net sales	-9,1	1,1
Tax on income from operations	0,0	-0,1
<b>PROFIT (-LOSS) FOR THE PERIOD</b>	<b>-1,3</b>	<b>0,2</b>

# Efore Group (3 months)

## CONSOLIDATED BALANCE SHEET

EUR million	Jan. 31, 2009	Jan. 31, 2008	change %
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	1,6	2,2	
Tangible assets	7,2	8,0	
Investments in associates	0,5	0,5	
Other long-term investments	0,0	0,0	
Deferred tax assets	0,0	0,0	
<b>NON-CURRENT ASSETS</b>	<b>9,3</b>	<b>10,6</b>	<b>-12,4</b>
<b>CURRENT ASSETS</b>			
Inventories	11,4	12,7	
Trade receivables and other receivable	14,2	16,9	
Tax receivable, income tax	0,0	0,1	
Cash and cash equivalents	3,1	4,6	
<b>CURRENT ASSETS</b>	<b>28,7</b>	<b>34,3</b>	<b>-16,3</b>
<b>ASSETS</b>	<b>38,0</b>	<b>44,9</b>	<b>-15,4</b>

# Efore Group (3 months)

<b>CONSOLIDATED BALANCE SHEET</b> EUR million	<b>Jan. 31,</b> <b>2009</b>	<b>Jan. 31,</b> <b>2008</b>	<b>change</b> <b>%</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	34,5	34,5	
Treasury shares	-0,3	0,0	
Other reserves	1,0	1,5	
Translation differences	0,5	-0,1	
Retained earnings	-13,8	-10,6	
<b>SHAREHOLDERS' EQUITY</b>	<b>21,9</b>	<b>25,3</b>	<b>-13,5</b>
Equity attributable to equity holders of 1	21,9	25,3	
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability	0,0	0,0	
Interest-bearing liabilities	0,2	0,2	
<b>NON-CURRENT LIABILITIES</b>	<b>0,2</b>	<b>0,2</b>	<b>-14,2</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	0,9	0,8	
Trade payables and other liabilities	14,0	17,5	
Provisions	1,0	1,1	
<b>CURRENT LIABILITIES</b>	<b>15,9</b>	<b>19,4</b>	
<b>LIABILITIES</b>	<b>16,1</b>	<b>19,6</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,0</b>	<b>44,9</b>	<b>-15,4</b>

# Efore Group (3 months)

<b>CONSOLIDATED CASH FLOW STATEMENT, EUR million</b>	<b>11/08-1/09</b>	<b>11/07-1/08</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	-1,0	-3,0
Financing items and taxes	-0,3	0,0
<b>Net cash from operating activities (A)</b>	<b>-1,3</b>	<b>-3,0</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible and intangible assets	-0,3	-0,2
Proceeds from sale of tangible and intangible assets	0,0	0,1
Dividend received	0,1	0,0
<b>Net cash used in investing activities (B)</b>	<b>-0,2</b>	<b>-0,1</b>
<b>Purchase of treasury shares</b>	<b>-0,3</b>	<b>0,0</b>
<b>Dividend paid</b>	<b>-0,2</b>	<b>0,0</b>
<b>Net cash used in financing activities (C)</b>	<b>-0,5</b>	<b>0,0</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>-2,0</b>	<b>-3,2</b>

# Efore Group (3 months)

<b>GROUP CONTINGENT LIABILITIES EUR million</b>	<b>Jan. 31, 2009</b>	<b>Jan. 31, 2008</b>
<b>Security and contingent liabilities</b>		
<b>On own behalf</b>		
<b>Pledges</b>	<b>0,0</b>	<b>0,0</b>
<b>For others</b>		
<b>Other contingent liabilities</b>	<b>0,1</b>	<b>0,1</b>
<b>Operating lease commitments</b>		
<b>Group as lessee</b>		
<b>Non-cancellable minimum operating lease payments:</b>		
<b>Less than 1 year</b>	<b>1,8</b>	<b>1,9</b>
<b>1-5 years</b>	<b>3,3</b>	<b>3,6</b>
<b>Fair values of derivate financial instruments</b>		
<b>Currency derivatives, not hedge</b>		
<b>Forward currency contracts</b>		
<b>Nominal amount</b>	<b>0,0</b>	<b>0,7</b>
<b>Positive fair value</b>	<b>0,0</b>	<b>0,0</b>
<b>Negative fair value</b>	<b>0,0</b>	<b>0,0</b>
<b>Option contract</b>		
<b>Nominal amount</b>	<b>11,3</b>	<b>14,2</b>
<b>Positive fair value</b>	<b>0,0</b>	<b>0,1</b>
<b>Negative fair value</b>	<b>0,1</b>	<b>0,0</b>

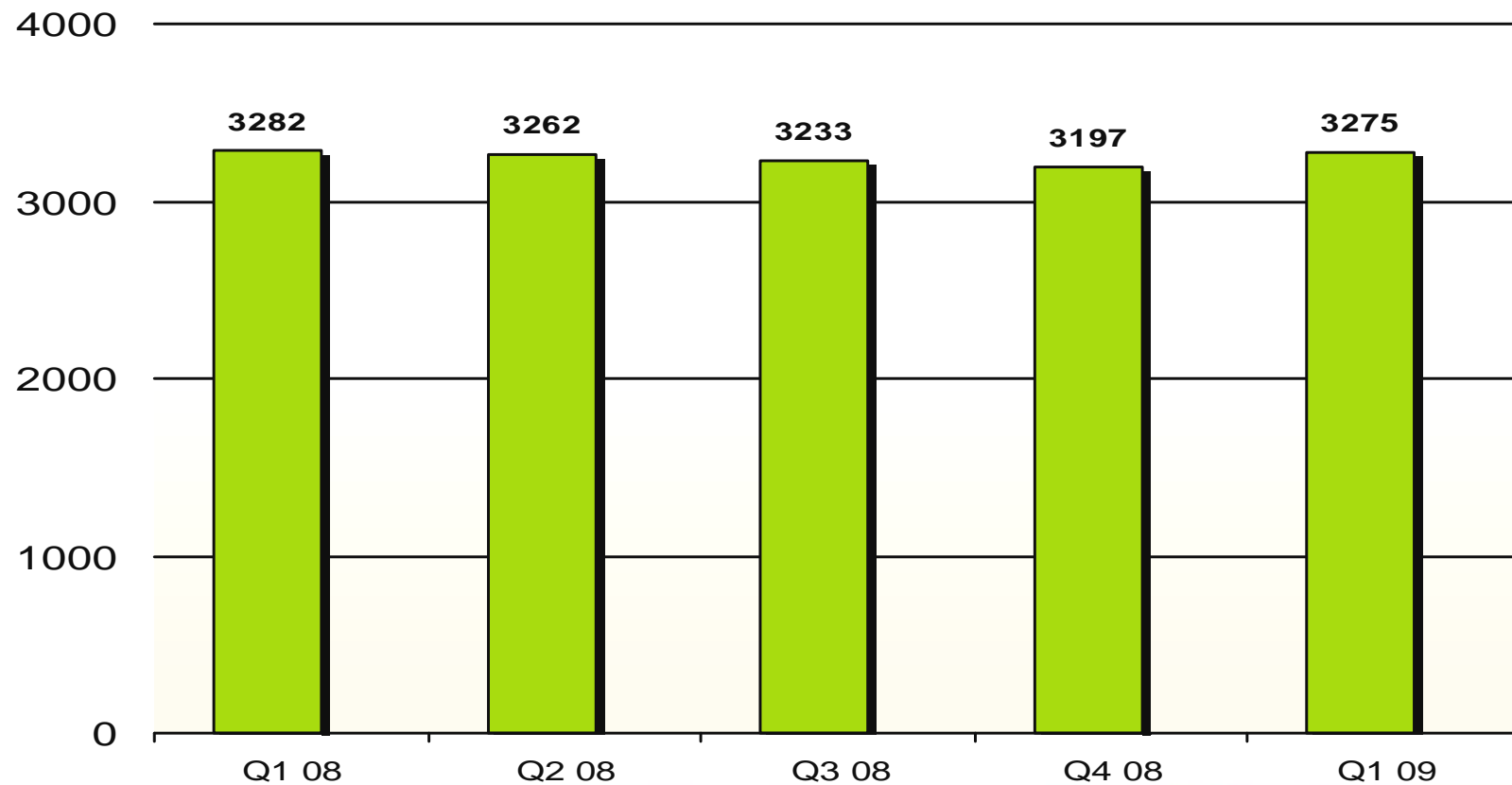
# Efore Group (3 months)

## GROUP KEY FIGURES, EUR million

	Nov./08- Jan./09 3 months	Nov./07- Jan./08 3 months
Earnings per share,eur	-0,03	0,00
Earnings per share, diluted, eur	-0,03	0,00
Shareholders' equity per share, eur	0,54	0,62
Solvency ratio,%	57,6	56,3
Return on equity-%(ROE)	-21,8	2,6
Return on investment-%(ROI)	-20,6	5,1
Gearing, %	-9,3	-14,0
Net interest-bearing liabilities	-2,0	-3,5
Investments (intangible and tangible assets)	0,3	0,3
as percentage of net sales	2,4	1,2
Average personnel	584	680

# Shares and shareholders

# Number of shareholders



# Major shareholders per January 31, 2009

Shareholder	No of shares	% of shares and votes
Evli Bank Plc	4 434 252	10,94
Nordea Bank Finland Plc (publ. reg. )	4 149 731	10,24
Tammivuori Leena	1 669 800	4,12
Tammivuori Matti	1 560 000	3,85
Varma Mutual Pension Insurance Company	1 438 700	3,55
Syrjälä & Co Oy	1 382 000	3,41
Tammivuori Esko	1 379 592	3,40
Maijos Oy	1 260 000	3,11
FIM Fenno Mutual Fund	981 804	2,42
Q & A consulting Oy Ab	943 820	2,33
Svenska Handelsbanken Ab (publ), Filialv. i Finland	891 600	2,19
Rausanne Oy	848 971	2,09
Veikko Laine Oy	814 400	2,01
FIM Pankki Oy	528 600	1,30
Fabritius Hannes	473 316	1,17
Aktia Capital Mutual Fund	430 812	1,06
Ilmarinen Mutual Pension Insurance Company	400 000	0,99
FIM Forte Mutual Fund	395 000	0,97
Efore Oyj	340 000	0,84
Fabritius Pirkko	253 672	0,63

# Outlook

# Outlook 1/2

- According to the estimations received from the companies in the business the overall telecommunications market will be weakening. There are however growing geographical markets in the field such as Asia, the Middle East and Africa. The international financial crisis and the recession in the world economy are expected to weaken the demand during the whole fiscal year although China's and India's remarkable investments on local wireless networks will increase demand in these countries.
- 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.

## Outlook 2/2

- Operational development projects of the group 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.
- With these planned actions and adjusting fixed costs in order to meet the market situation the company estimates to lighten fixed costs of the group by approximately EUR 2.0 million on annual level.
- With ongoing development projects result for the fiscal year 2009 is expected to show an improvement compared to the previous fiscal year.

Thank you for your interest