



EFORE

ENERGY FOR ELECTRONICS

Financial Statements (12 months)

November 1, 2008 – October 31, 2009

Reijo Mäihäniemi
President and CEO
December 11, 2009

Contents

- Summary of business development
- Financial development during the 4th quarter
- Financial statements Nov 1st, 2008 – Oct 31st, 2009
- Shares and shareholders
- Outlook
- Board of Directors' proposal for dividend
- Board of Directors' decisions concerning the Annual General Meeting

Summary of business development

The economic slowdown impacted on business during the whole fiscal year

- Net sales remained at low level due to the economic slowdown and weakening demand especially in the EMEA area
- The result was hampered by a weakened demand and expenditure related to the streamlining operations of the group companies

Demand in Asia continues to be at a moderate level

- Investments by teleoperators on 3G networks in China were continued according to the plans published early 2009
- The company has won new customers in China and has expanded its product portfolio within the existing customers but due to the rapid changes of the customers in the telecommunication sector the positive impact of the company's actions on the business will be realized mainly not until in the next fiscal year.

ZTE, Datang Mobile and China Potevio chose Efore as their approved vendor

- Chinese integrators ZTE Corporation, Datang Mobile and China Potevio chose Efore as their approved vendor to develop and deliver power supply units for their 3G network products in China
- Chinese integrators have developed and delivered all mobile technologies for their customers

ZTE中兴



**Potevio
中国普天**

Focus on new generation power supply solutions

- Investment on product development during the fiscal year was EUR 6.1 million (EUR 7.2 million) representing 10.7 % (9.1 %) of net sales
- 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
- In system solutions new OPUS product family for battery back-up power supply was launched



OPUS

- Efore OPUS DC Power Supply product family has been expanded to new applications enabling the use of renewable energy sources
- New features and modules for the system will be further developed and a sales network based on integrator partners will be enhanced
- Efore is carrying out various R&D projects aimed at improving energy efficiency together with Helsinki University of Technology



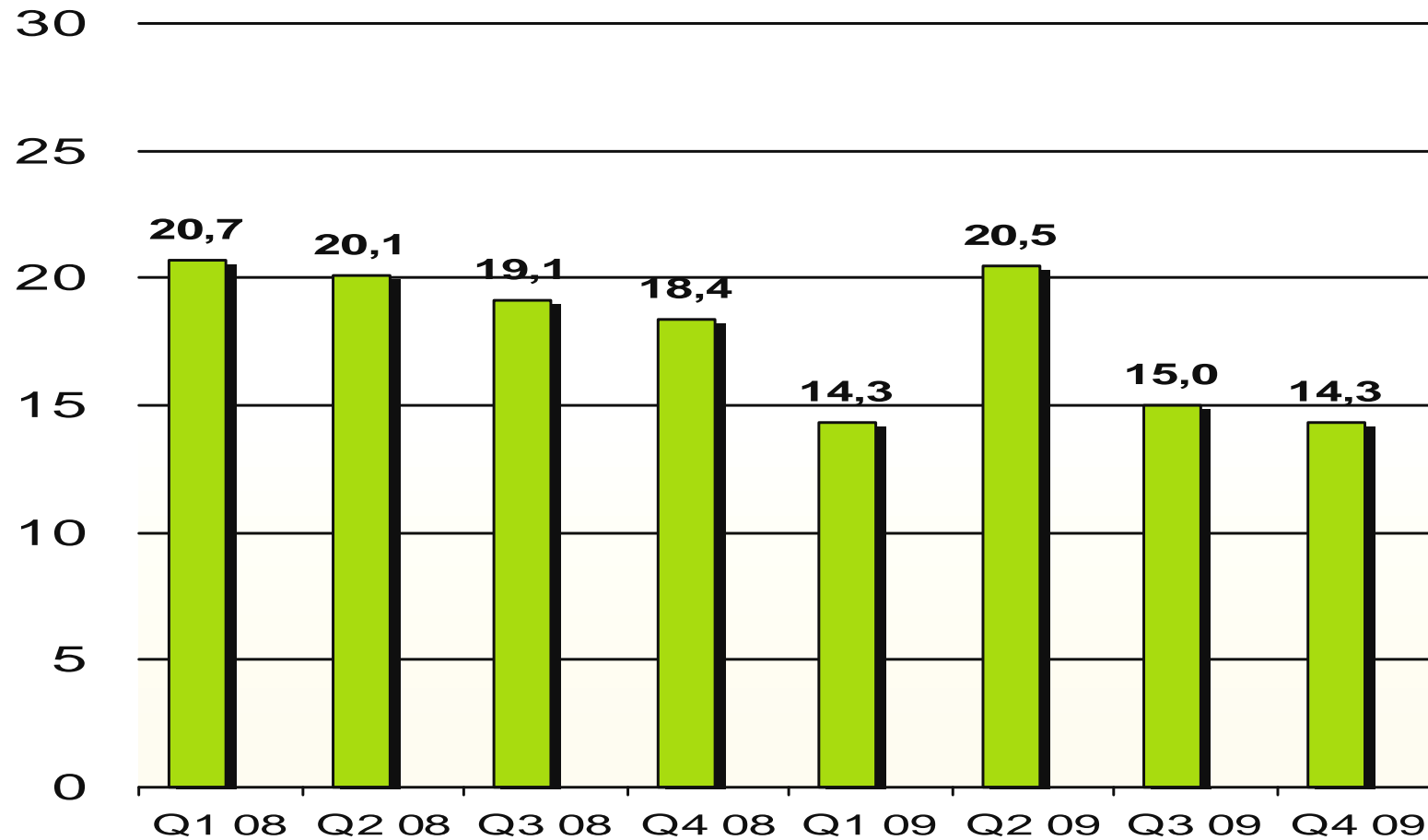
Financial development in the 4th quarter

Efore Group (3 months)

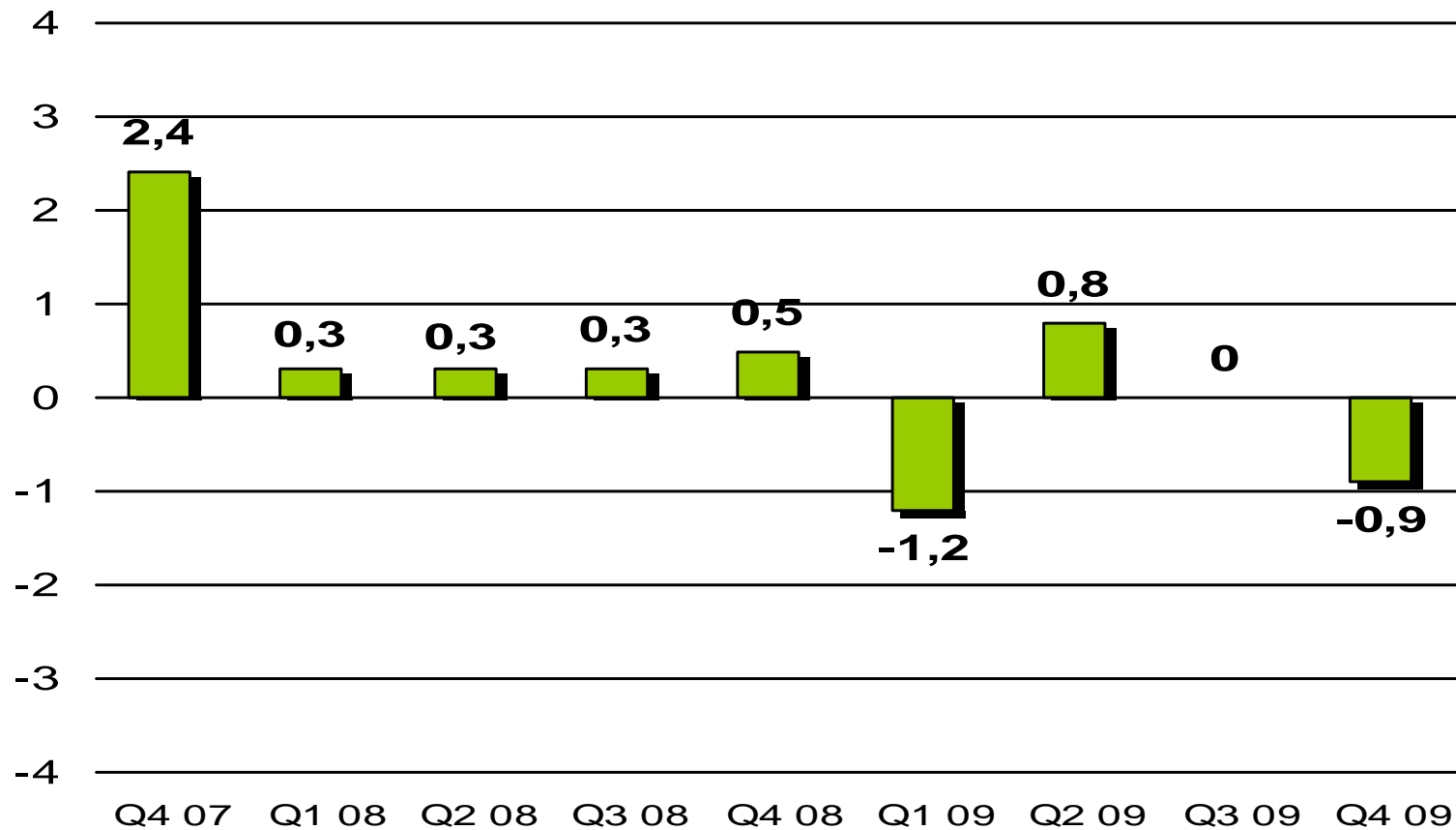
CONSOLIDATED INCOME STATEMENT

EUR million	Aug./09- Oct./09 3 months	Aug./08- Oct./08 3 months
Net sales	14,3	18,4
Change in inventories of finished goods and work in progress	-0,6	0,1
Other operating income	0,5	0,5
Materials and services	-9,2	-11,7
Employee benefits expenses	-3,0	-3,6
Depreciation	-0,8	-1,1
Impairments	0,0	0,0
Other operating expenses	-2,0	-2,0
OPERATING PROFIT (-LOSS)	-0,9	0,5
% net sales	-6,4	3,0
Financing income	0,2	1,2
Financing expenses	-0,2	-1,0
Share of profit of associated companies	0,0	0,1
PROFIT (-LOSS) BEFORE TAX	-1,0	0,8
% net sales	-7,1	4,5
Tax on income from operations	-0,2	-0,1
PROFIT (-LOSS) FOR THE PERIOD	-1,3	0,8

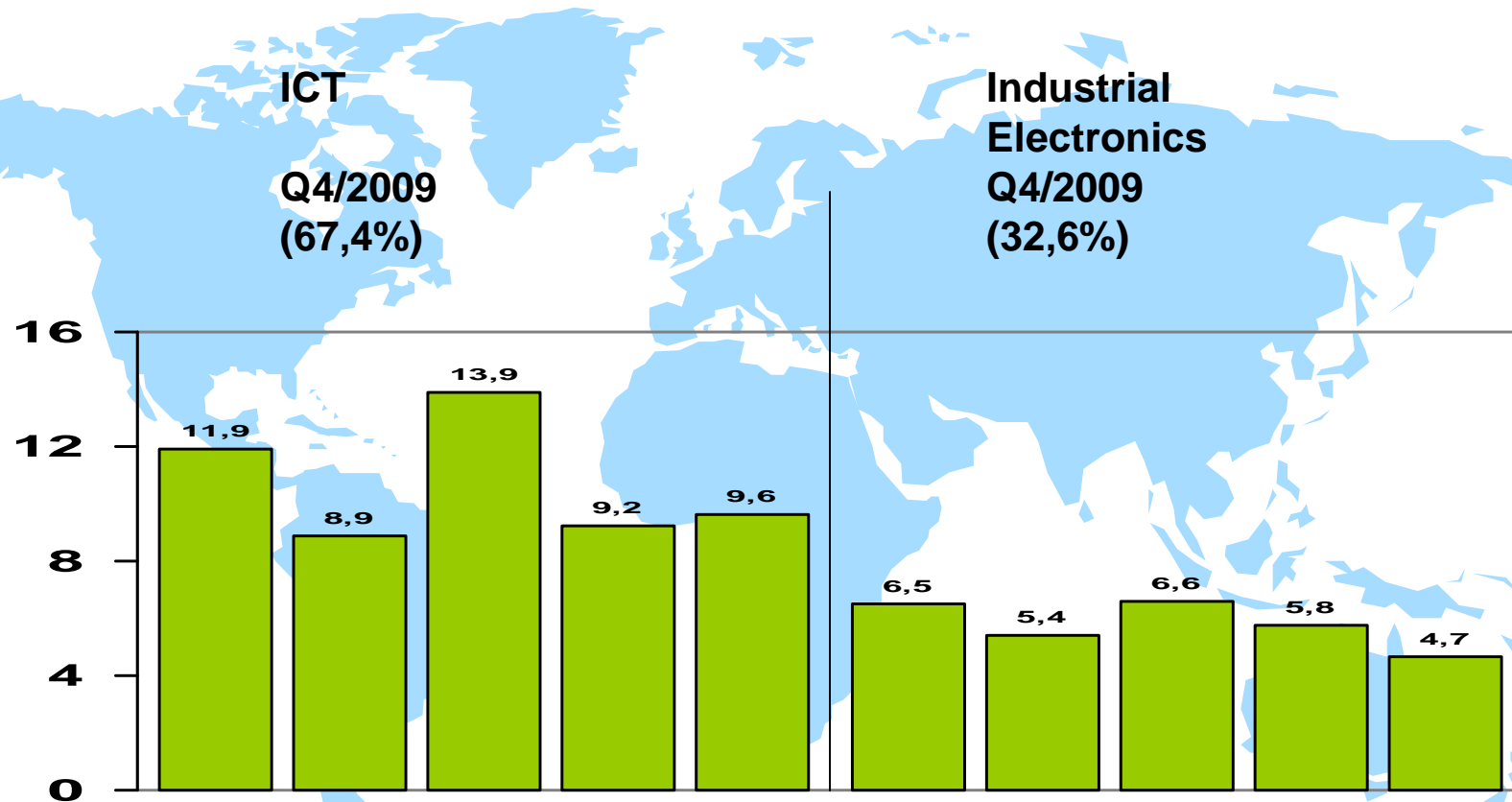
Net Sales by Quarter, EUR million



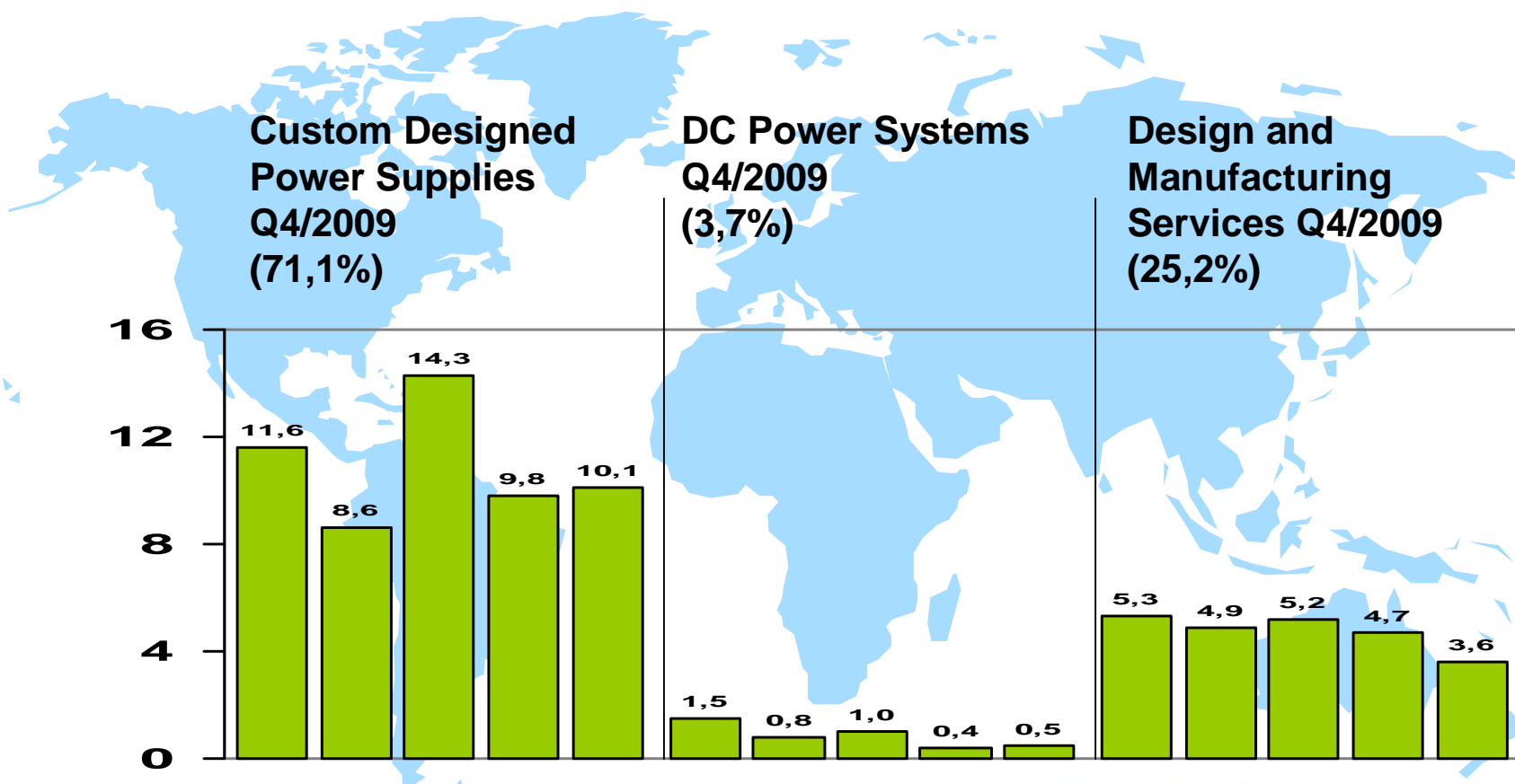
Operating Profit (-loss) by Quarter, EUR million



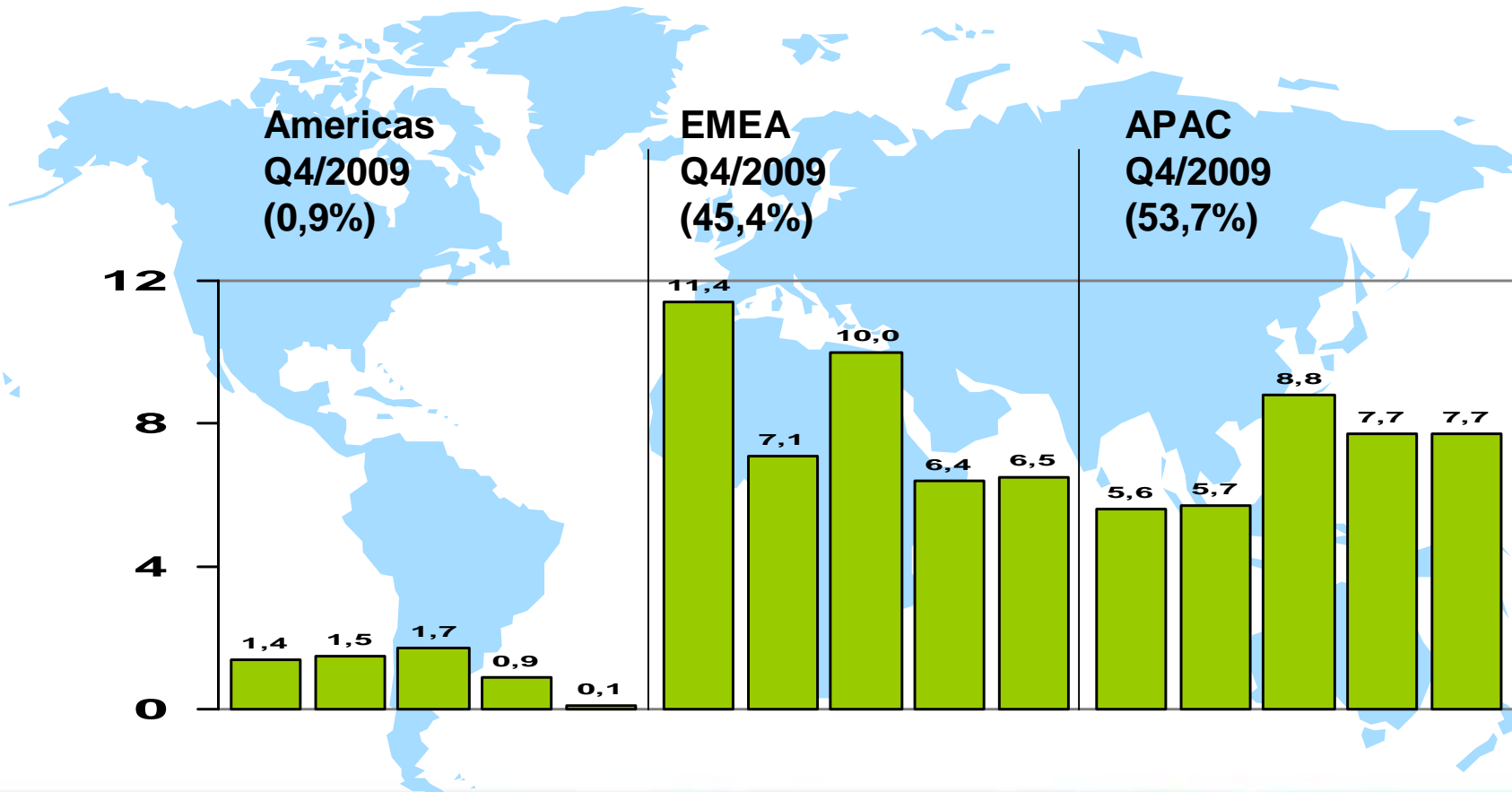
Net Sales by Customer Groups Q4/2008 – Q4/2009 (EUR million)



Net Sales by Products Q4/2008- Q4/2009 (EUR million)



Net Sales by Region Q4/2008 – Q4/2009 (EUR million)



Financial statements Nov 1st, 2008 – Oct 31st, 2009 (12 months)

Financial statements Nov 1st, 2008 – Oct 31st, 2009

- Net sales of the fiscal year was EUR 64.1 million (EUR 78.3 million)
 - The decrease in the global real economy had a dampening effect on company demand during the whole fiscal year
- The operating loss of the fiscal year was EUR -1.3 million (EUR 1.4 million)
 - The result was hampered by a weakening demand and expenditure related to streamlining operations of group companies

Efore Group

CONSOLIDATED INCOME STATEMENT

EUR million	Nov./08- Oct./09 12 months	Nov./07- Oct./08 12 months
Net sales	64,1	78,3
Change in inventories of finished goods and work in progress	-1,2	-0,6
Other operating income	1,2	0,8
Materials and services	-42,1	-51,0
Employee benefits expenses	-12,5	-14,2
Depreciation	-3,3	-4,1
Impairments	-0,1	0,0
Other operating expenses	-7,4	-7,6
OPERATING PROFIT (-LOSS)	-1,3	1,4
% net sales	-2,1	1,8
Financing income	0,8	2,1
Financing expenses	-1,8	-2,1
Share of profit of associated companies	0,2	0,2
PROFIT (-LOSS) BEFORE TAX	-2,1	1,7
% net sales	-3,3	2,2
Tax on income from operations	-0,5	-0,5
PROFIT (-LOSS) FOR THE PERIOD	-2,6	1,2

Efore Group

CONSOLIDATED BALANCE SHEET

EUR million	Oct. 31, 2009	Oct. 31, 2008	change %
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	2,1	1,6	
Tangible assets	5,3	7,7	
Investments in associates	0,6	0,6	
Other long-term investments	0,0	0,0	
NON-CURRENT ASSETS	8,0	10,0	-20,4
CURRENT ASSETS			
Inventories	7,8	10,9	
Trade receivables and other receivables	11,5	15,7	
Tax receivable, income tax	0,1	0,0	
Cash and cash equivalents	5,4	5,1	
CURRENT ASSETS	24,7	31,7	-22,1
ASSETS	32,7	41,7	-21,7

Efore Group

CONSOLIDATED BALANCE SHEET

EUR million	Oct. 31,	Oct. 31,	change
EQUITY AND LIABILITIES			
EQUITY			
Share capital	34,5	34,5	
Treasury shares	-0,6	0,0	
Other reserves	1,0	1,0	
Translation differences	-0,2	0,5	
Retained earnings	-15,2	-10,9	
EQUITY	19,5	25,0	-22,1
Equity attributable to equity holders of the parent	19,5	25,0	
NON-CURRENT LIABILITIES			
Deferred tax liability	0,0	0,0	
Interest-bearing liabilities	0,2	0,2	
NON-CURRENT LIABILITIES	0,2	0,2	-24,6
CURRENT LIABILITIES			
Interest-bearing liabilities	0,3	0,9	
Trade payables and other liabilities	12,3	14,4	
Tax liabilities	0,0	0,1	
Provisions	0,5	1,1	
CURRENT LIABILITIES	13,0	16,5	
LIABILITIES	13,2	16,7	
TOTAL EQUITY AND LIABILITIES	32,7	41,7	-21,7

Efore Group

CONSOLIDATED CASH FLOW STATEMENT, EUR million	11/08-10/09	11/07-10/08
Cash flows from operating activities		
Cash generated from operations	6,2	3,4
Interest paid	-0,1	-0,1
Financing items and taxes	-1,0	-0,6
Net cash from operating activities (A)	5,1	2,7
Cash flows from investing activities		
Purchase of tangible and intangible assets	-1,5	-1,7
Proceeds from sale of tangible and intangible assets	0,0	0,1
Dividend received	0,2	0,0
Net cash used in investing activities (B)	-1,3	-1,6
Purchase of treasury shares	-0,6	0,0
Repayment of long-term borrowings	-0,2	-0,1
Dividend paid	-1,8	-3,8
Net cash used in financing activities (C)	-3,4	-4,0
Net increase/decrease in cash and cash equivalents (A+B+C)	0,5	-2,9

Efore Group

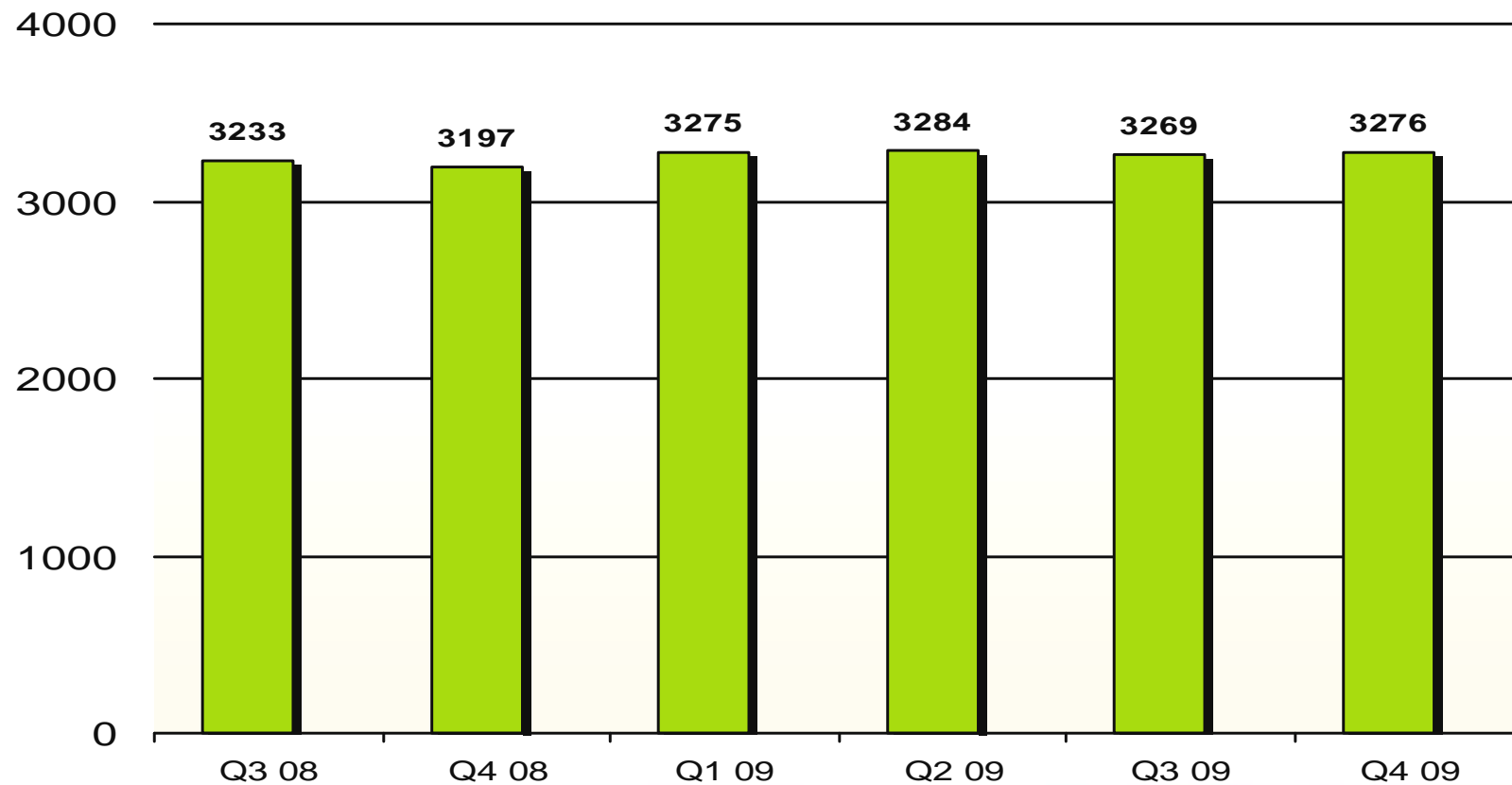
GROUP CONTINGENT LIABILITIES EUR million	Oct. 31, 2009	Oct. 31, 2008
Security and contingent liabilities		
For others		
Other contingent liabilities	0,1	0,1
Operating lease commitments		
Group as lessee		
Non-cancellable minimum operating lease payments:		
Less than 1 year	1,4	1,9
1-5 years	2,5	3,5
Fair values of derivate financial instruments		
Currency derivatives, not hedge		
Option contract		
Nominal amount	8,8	12,5
Negative fair value	0,0	0,3
THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES: EUR million	Oct. 31, 2009	Oct. 31, 2008
Associated companies		
Sales	0,0	0,0
Purchases	0,1	0,0
Liabilities	0,0	0,0

Efore Group

GROUP KEY FIGURES, EUR million	Aug./09- Oct./09 3 months	Aug./08- Oct./08 3 months	Nov./08- Oct./09 12 months	Nov./07- Oct./08 12 months
Earnings per share, basic,eur	-0,03	0,02	-0,07	0,03
Earnings per share, diluted, eur	-0,03	0,02	-0,07	0,03
Equity per share, eur	0,49	0,62	0,49	0,62
Solvency ratio, %	59,6	59,9	59,6	59,9
Return on equity-%(ROE)	-24,8	12,1	-11,8	4,7
Return on investment-%(ROI)	-17,7	13,0	-8,4	7,0
Gearing, %	-25,3	-16,0	-25,3	-16,0
Net interest-bearing liabilities	-4,9	-4,0	-4,9	-4,0
Investments (intangible and tangible assets)	0,4	1,1	1,8	1,9
as percentage of net sales	3,0	5,8	2,7	2,5
Average personnel	552	621	565	637

Shares and shareholders

Number of shareholders



Major shareholders per October 31, 2009

Nro	Nimi	Määrä	Määrä%
1	EVLI PANKKI OYJ	4 560 703	11,25
2	NORDEA PANKKI SUOMI OYJ (NOM.REG)	3 945 045	9,73
3	VARMA KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ	1 706 050	4,21
4	TAMMIVUORI LEENA MAIJA	1 669 800	4,12
5	TAMMIVUORI MATTI	1 560 000	3,85
6	TAMMIVUORI ESKO/KP	1 379 592	3,4
7	MAIJOS OY	1 100 097	2,71
8	SVENSKA HANDELSBANKEN AB (PUBL), FILIALVERKSAMHETEN I FINLAND	992 600	2,45
9	FIM FENNO SIOITUSRAHASTO	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	Q & A CONSULTING OY AB	800 000	1,97
15	FIM PANKKI OY	562 057	1,39
16	FABRITIUS HANNES	473 316	1,17
17	SIOITUSRAHASTO AKTIA CAPITAL	430 812	1,06
18	KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	400 000	0,99
19	FIM FORTE SIOITUSRAHASTO	395 000	0,97
20	DANSKE BANK A/S, HELSINKI BRANCH	298 600	0,74

Outlook

Outlook 1/2

- According to the estimations received from the companies in the business, the decrease of the overall telecommunications market is ending and especially investments in new broadband technologies have been started. Service business is estimated to grow faster than product business.
- In Europe and in the USA group fixed costs have been adjusted in a previously reported manner approximately EUR 2 million per annum. Remarkable part of savings have been realized starting from the last quarter of the fiscal year and they will be realized fully as from the current fiscal year.
- 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 2/2

- 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 energy efficient solutions e.g. in server hotels, electric vehicles and telecom infrastructure.
- Resulting from the market recovery and due to the costs adjustment actions made, the company estimates that both net sales and operating result of the current fiscal year will gradually 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 proposes for the Annual General Meeting on February 9, 2010 on that no dividend will be distributed for the fiscal year 2009.

Board of Directors' decisions concerning the Annual General Meeting

Board of Directors' decision concerning the Annual General Meeting

- The Board of Directors will propose to the Annual General Meeting on February 9, 2010 that the Annual General Meeting shall authorise the Board of Directors to resolve on the distribution of assets a maximum of EUR 0.05 per share.

Thank you for your interest