



**EFORE**

ENERGY FOR ELECTRONICS

Interim Report (3 months)  
November 1, 2009 – January 31, 2010

Reijo Mäihäniemi  
President and CEO  
March 4, 2010

# Contents

- Summary of business development
- Financial development during the 1st quarter
- Interim Report Nov 1st, 2009 – Jan 31st, 2010 (3 months)
- Shares and shareholders
- Outlook

# Summary of business development

Product demand has started to grow but the sales was hampered by a poor availability of the components

- During the first quarter the product demand has started to grow
- The company could not respond to the growing demand as per customers' expectations due to the poor availability of the components and the globally extended delivery times

# Demand in Asia continues to be at a moderate level

- Investments by teleoperators on 3G networks in China continued
- The company has won new customers in China and has expanded its product portfolio within the existing customers

# Another product development center will be opened in Shenzhen

- The company has made a decision to open another product development center in Shenzhen, in southern part of China during spring 2010
- The company's present product development center in China is located in Suzhou in connection with the company's manufacturing plant



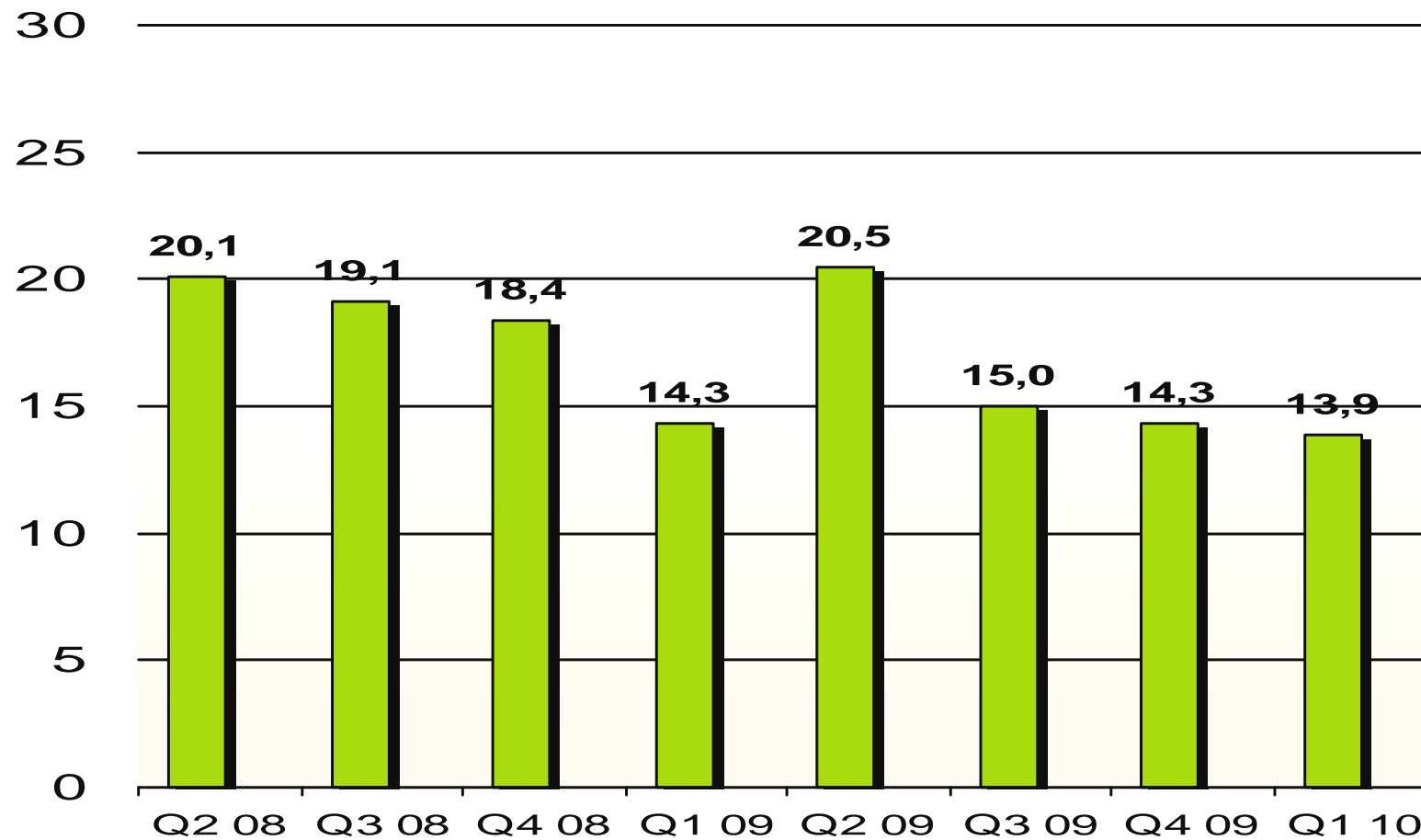
# Focus on new generation power supply solutions

- Investment on product development during the period under review was EUR 1.7 million (EUR 1.6 million) representing 12.2 % (10.9 %) 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

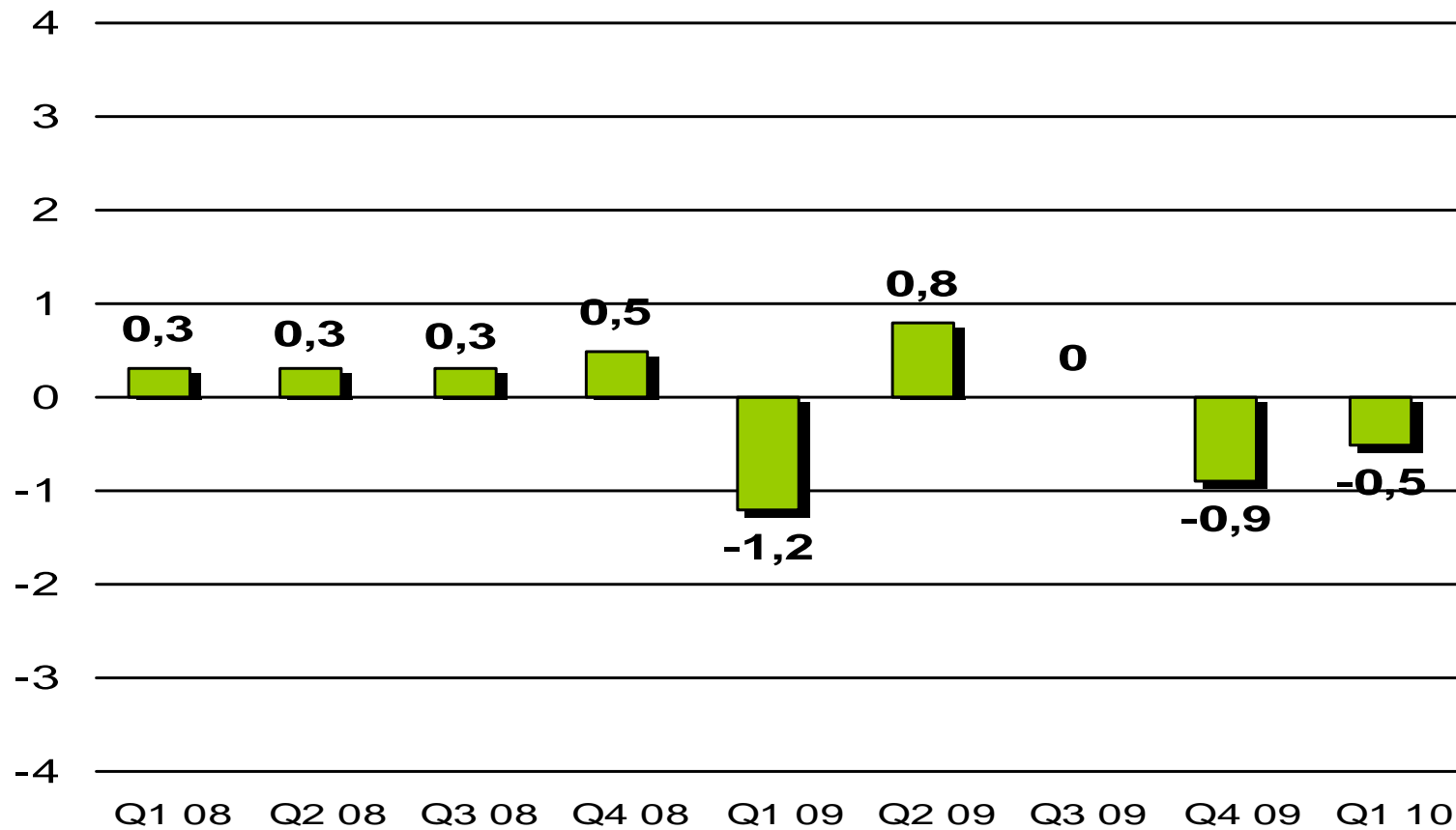


# Financial development in the 1st quarter

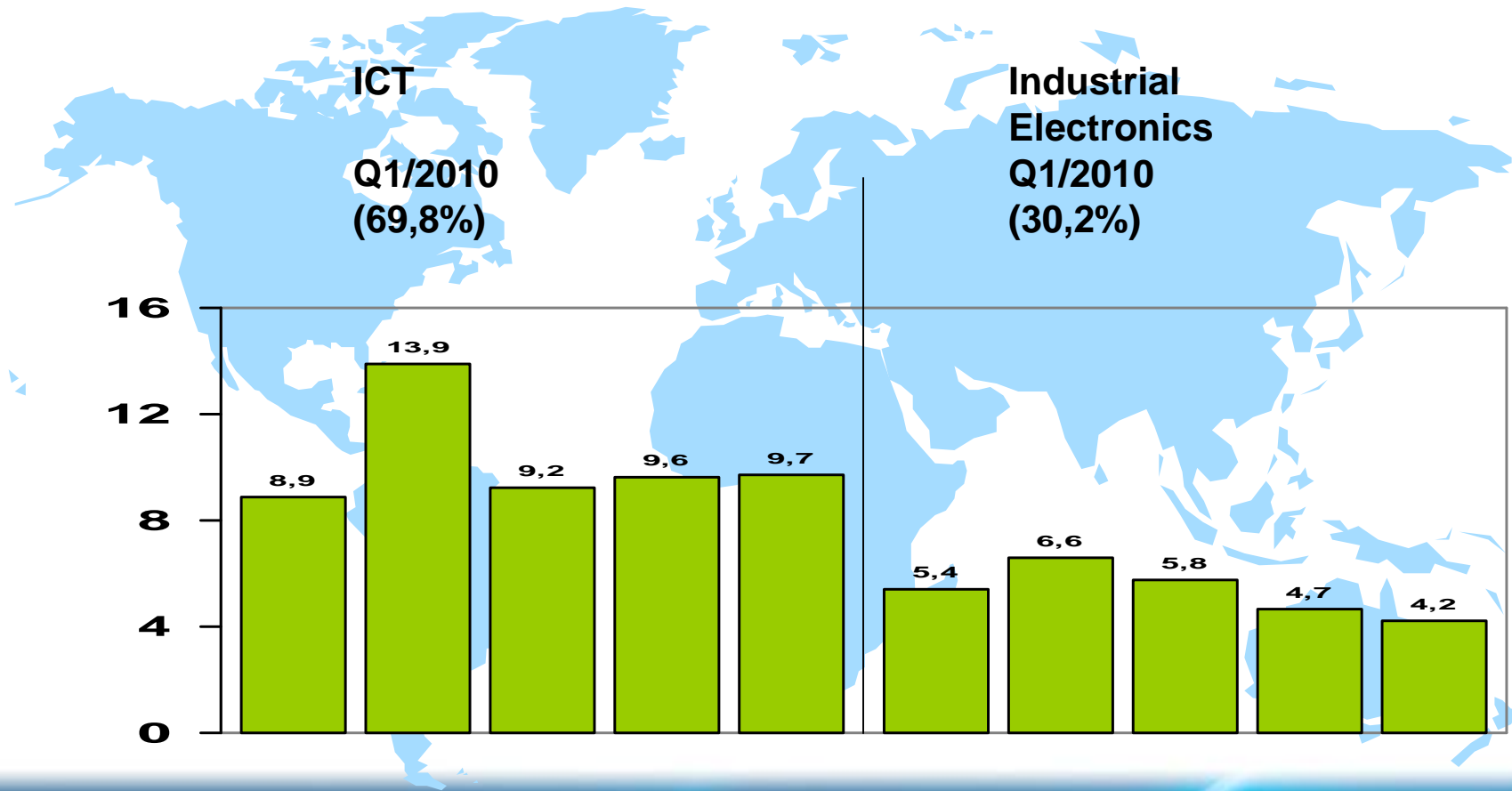
# Net Sales by quarter, MEUR



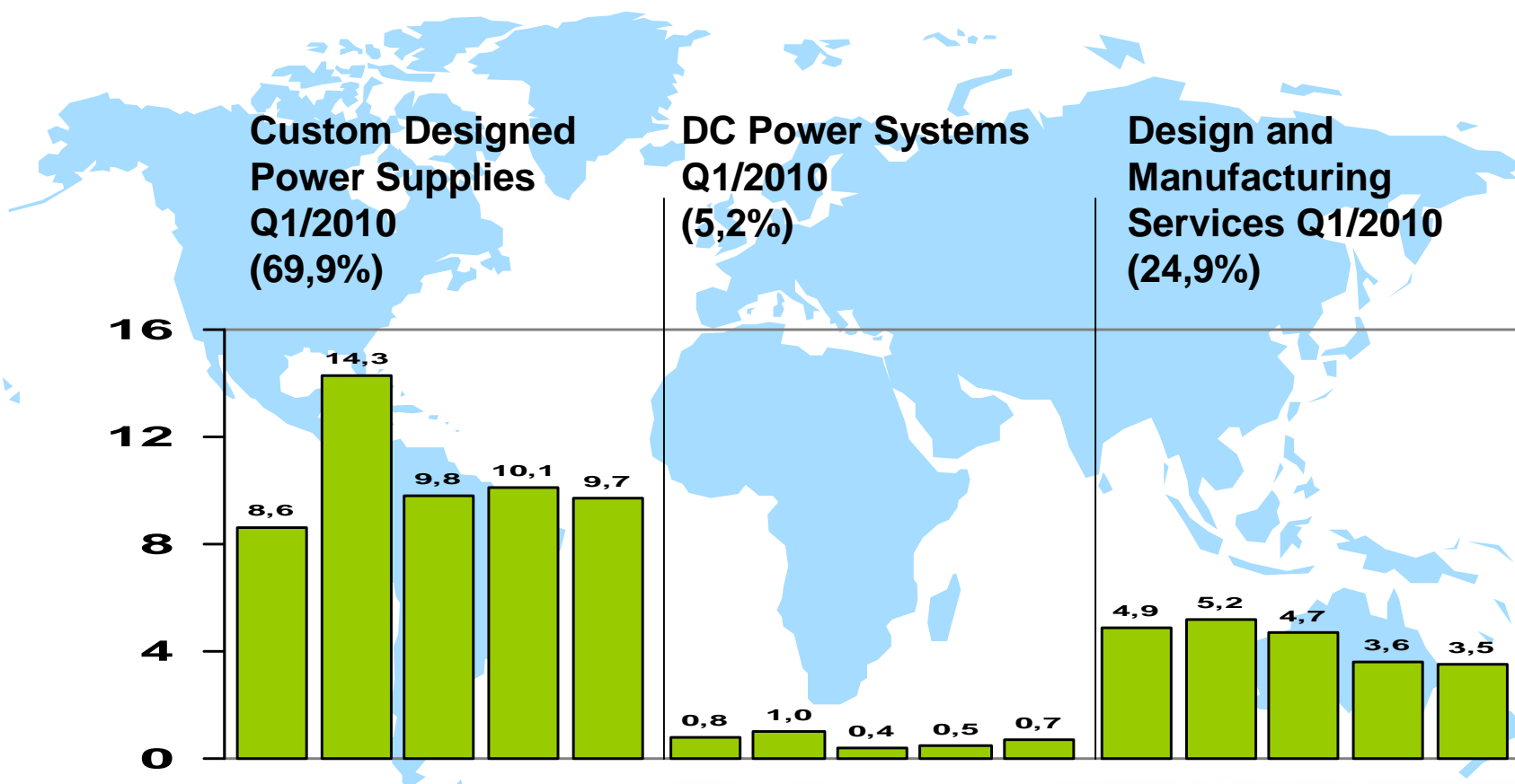
# Operating Profit (-loss) by Quarter, MEUR



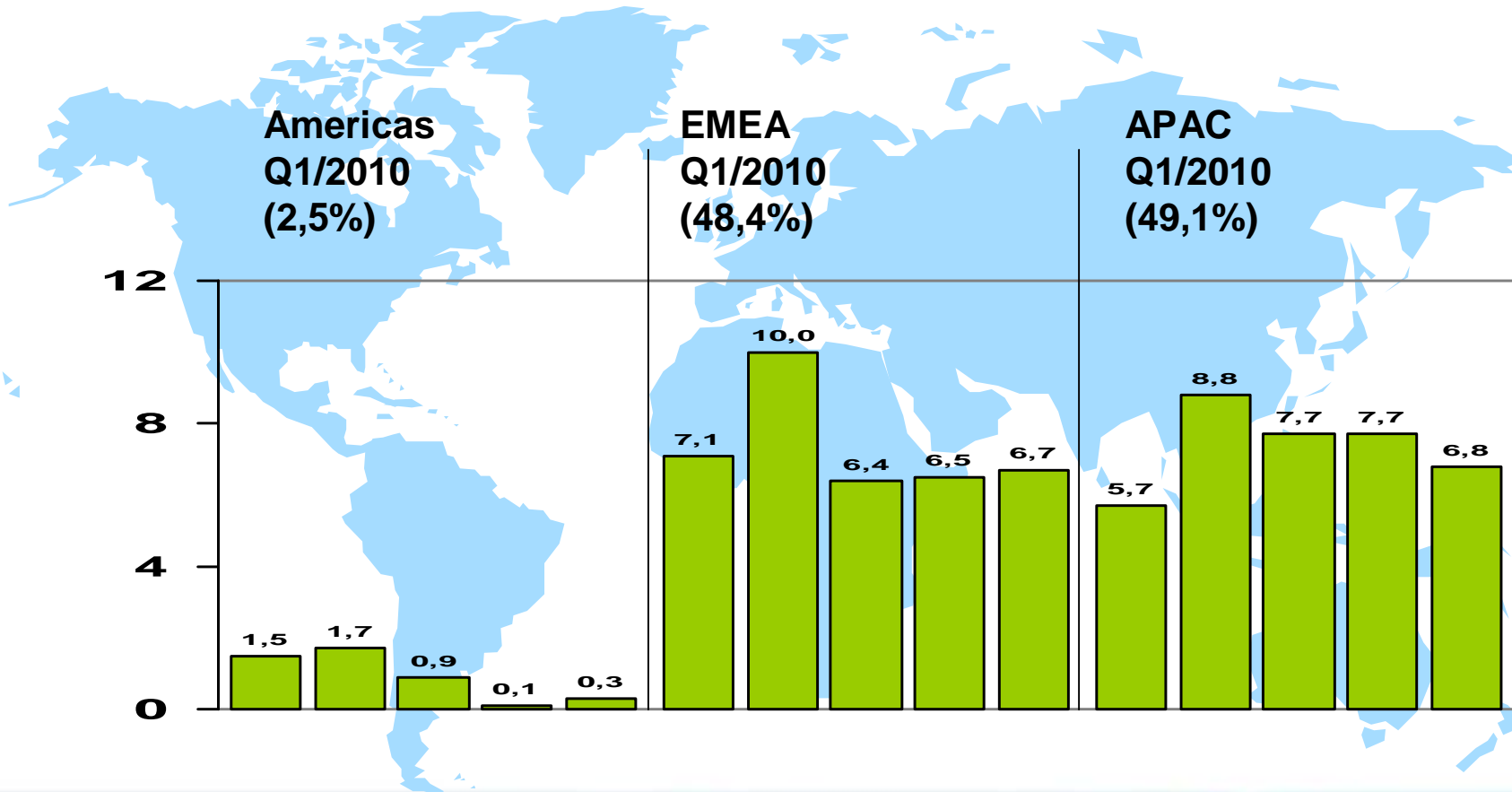
# Net Sales by Customer Groups Q1/2009 – Q1/2010 (MEUR)



# Net Sales by Products Q1/2009- Q1/2010 (MEUR)



# Net Sales by Region Q1/2009 – Q1/2010 (MEUR)



Interim report Nov 1st, 2009 – Jan 31st, 2010  
(3 months)

# Interim report Nov 1st, 2009 – Jan 31st, 2010 (3 months)

- Net sales for the first quarter totaled EUR 13.9 million (EUR 14.3 million)
  - The net sales of the fiscal year was hampered by the globally extended delivery times of electronic components. Due to this the company could not respond the growing demand as per customers' expectations
- The operating loss was EUR -0.5 million (EUR -1.2 million)
  - The material costs were adversely affected by the poor availability of the components which decreased the result
  - Compared to the first quarter of the previous fiscal year the profit performance was positively affected by the earlier decided savings in fixed costs amounted to EUR 0.5 million which realized during the period under the review

# Efore Group (3 months)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Nov./09- Jan./10 3 months	Nov./08- Jan./09 3 months
Net sales	13,9	14,3
Change in inventories of finished goods and work in progress	0,4	0,4
Other operating income	0,4	0,2
Materials and services	-9,9	-10,3
Employee benefits expenses	-2,9	-3,2
Depreciation	-0,8	-0,9
Impairments	0,0	0,0
Other operating expenses	-1,6	-1,8
<b>OPERATING PROFIT (-LOSS)</b>	<b>-0,5</b>	<b>-1,2</b>
% net sales	-3,7	-8,7
Financing income	0,3	0,4
Financing expenses	-0,1	-0,5
Share of profit of associated companies	0,0	0,0
<b>PROFIT (-LOSS) BEFORE TAX</b>	<b>-0,3</b>	<b>-1,3</b>
% net sales	-2,1	-9,1
Tax on income from operations	0,1	0,0
<b>PROFIT (-LOSS) FOR THE PERIOD</b>	<b>-0,2</b>	<b>-1,3</b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
Translation differences	0,3	0,0
<b>Total comprehensive income</b>	<b>0,1</b>	<b>-1,3</b>

# Efore Group

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Jan. 31, 2010	Jan. 31, 2009	change %
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	1,9	1,6	
Tangible assets	5,3	7,2	
Investments in associates	0,6	0,5	
Other long-term investments	0,0	0,0	
<b>NON-CURRENT ASSETS</b>	<b>7,8</b>	<b>9,3</b>	<b>-16,5</b>
<b>CURRENT ASSETS</b>			
Inventories	8,0	11,4	
Trade receivables and other receivables	11,8	14,2	
Tax receivable, income tax	0,0	0,0	
Cash and cash equivalents	6,7	3,1	
<b>CURRENT ASSETS</b>	<b>26,5</b>	<b>28,7</b>	<b>-7,6</b>
<b>ASSETS</b>	<b>34,3</b>	<b>38,0</b>	<b>-9,7</b>

# Efore Group

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Jan. 31, 2010	Jan. 31, 2009	change %
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	34,5	34,5	
Treasury shares	-0,6	-0,3	
Other reserves	1,0	1,0	
Translation differences	0,1	0,5	
Retained earnings	-15,4	-13,8	
<b>EQUITY</b>	<b>19,6</b>	<b>21,9</b>	<b>-10,6</b>
Equity attributable to equity holders of the parent	19,6	21,9	
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	0,1	0,2	
<b>NON-CURRENT LIABILITIES</b>	<b>0,1</b>	<b>0,2</b>	<b>-43,0</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	0,3	0,9	
Trade payables and other liabilities	13,8	14,0	
Tax liabilities	0,1	0,0	
Provisions	0,5	1,0	
<b>CURRENT LIABILITIES</b>	<b>14,6</b>	<b>15,9</b>	
<b>LIABILITIES</b>	<b>14,7</b>	<b>16,1</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,3</b>	<b>38,0</b>	<b>-9,7</b>

# Efore Group

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

# Efore Group

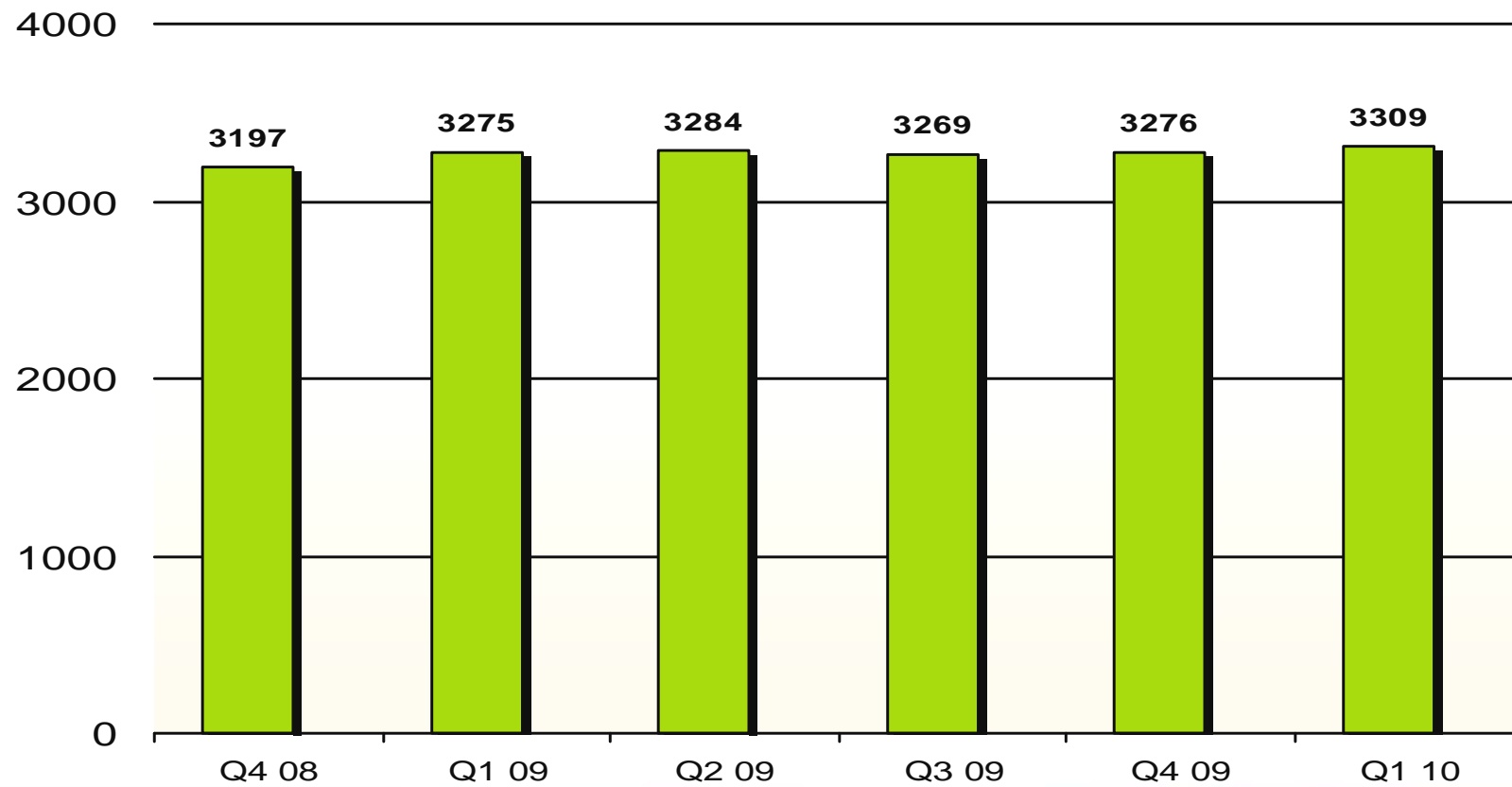
<b>GROUP CONTINGENT LIABILITIES</b> <b>EUR million</b>	<b>Jan. 31,</b> <b>2010</b>	<b>Jan. 31,</b> <b>2009</b>
<b>Security and contingent liabilities</b>		
<b>For others</b>		
<b>Other contingent liabilities</b>	<b>0,1</b>	<b>0,1</b>
<b>Operating lease commitments</b>		
<b>Group as lessee</b>		
<b>Non-cancellable minimum operating lease payments:</b>		
<b>Less than 1 year</b>	<b>1,4</b>	<b>1,8</b>
<b>1-5 years</b>	<b>2,5</b>	<b>3,3</b>
<b>Fair values of derivate financial instruments</b>		
<b>Currency derivatives, not hedge</b>		
<b>Option contract</b>		
<b>Nominal amount</b>	<b>9,5</b>	<b>11,3</b>
<b>Positive fair value</b>	<b>0,0</b>	<b>0,0</b>
<b>Negative fair value</b>	<b>0,0</b>	<b>0,1</b>

# Efore Group

<b>GROUP KEY FIGURES, EUR million</b>	<b>Nov./09- Jan./10 3 months</b>	<b>Nov./08- Jan./09 3 months</b>
Earnings per share, basic,eur	-0,01	-0,03
Earnings per share, diluted, eur	-0,01	-0,03
Equity per share, eur	0,49	0,54
Solvency ratio, %	57,2	57,6
Return on equity-%(ROE)	-4,8	-21,8
Return on investment-%(ROI)	-5,7	-20,6
Gearing, %	-32,6	-9,3
Net interest-bearing liabilities	-6,4	-2,0
Investments (intangible and tangible assets)	0,3	0,3
as percentage of net sales	2,5	2,4
Average personnel	502	584

# Shares and shareholders

# Number of shareholders



## Major shareholders per January 31, 2010

Number	Name	Amount	Share of book-entries
1	EVLI PANKKI OYJ	4 808 053	11,86
2	NORDEA PANKKI SUOMI OYJ (NOMINEE REG.)	3 875 169	9,56
3	KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ VARMA	1 706 050	4,21
4	TAMMIVUORI LEENA	1 629 800	4,02
5	TAMMIVUORI MATTI	1 560 000	3,85
6	TAMMIVUORI ESKO/KUOLINPESÄ	1 379 592	3,4
7	MAJOS OY	1 100 097	2,71
8	SVENSKA HANDELSBANKEN AB (PUBL), FILIALVERKSAMHETEN I FINLAND	992 600	2,45
9	FIM FENNO SJOITUSRAHASTO	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	549 407	1,36
15	Q & A CONSULTING OY AB	500 000	1,23
16	FABRITIUS HANNES	473 316	1,17
17	SJOITUSRAHASTO AKTIA CAPITAL	430 812	1,06
18	KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	400 000	0,99
19	FIM FORTE SJOITUSRAHASTO	395 000	0,97
20	YLEINEN TYÖTTÖMYYSKASSA YTK	238 500	0,59

# 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
- 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 green, energy efficient solutions e.g. in server farms, 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

Thank you for your interest