



Global Power Partner



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President and CEO  
August 28, 2008

**Interim Report (Nov. 1, 2007 - July 31, 2008)**

[www.efore.com](http://www.efore.com)

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# Summary of financial performance

## Summary of financial performance

- Net sales for November - July was EUR 59,9 million
- Operating profit for November - July was EUR 0,9 million
  - Despite of the decrease in net sales during the 3<sup>rd</sup> quarter the operating profit remained at the same level with the 2<sup>nd</sup> quarter
- Because of the ongoing Group's restructuring, the company's cost structure has further improved

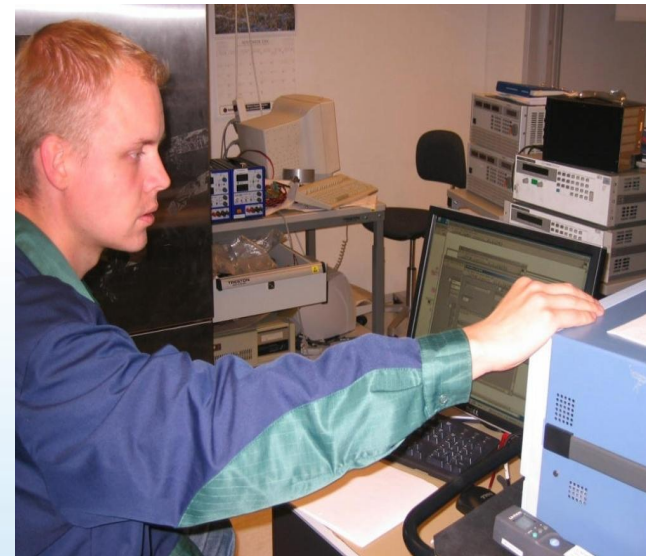


## **Projects to develop operations in order to improve profitability continue**

- Increasing part of support functions has been outsourced (IT & legal services)
- Sales organization reform project has been started
- Internal IT development projects have progressed well

## Significant investment on product development was made

- Investment on product development during the period under the review was 8,7 % of net sales
- More flexibility in the cost structure of product development has been achieved by increasing subcontracting



## Focus on energy saving projects



Source: UC Berkeley

- Energy-efficient power supply in datacenters and in other sites is more cost effective and reliable when using DC power
- Savings in power consumption will exceed 20 percent compared to AC power supply
- Extra savings will be achieved in cooling when heat dissipation will be decreased
- Using alternative energy sources in solutions is a viable alternative
- Fuel cells are becoming a part of total solution

## **Solutions, which will utilize renewable energy sources ready for commercial phase**

- Sales operations have been sharpened by establishing a new sales group "Site Power Solution".
- Site Power Solution -sales group offers solutions where energy-efficiency and better reliability compared to traditional solutions as well as utility of renewable energy sources have been considered

## Conserving energy with smart power supplies

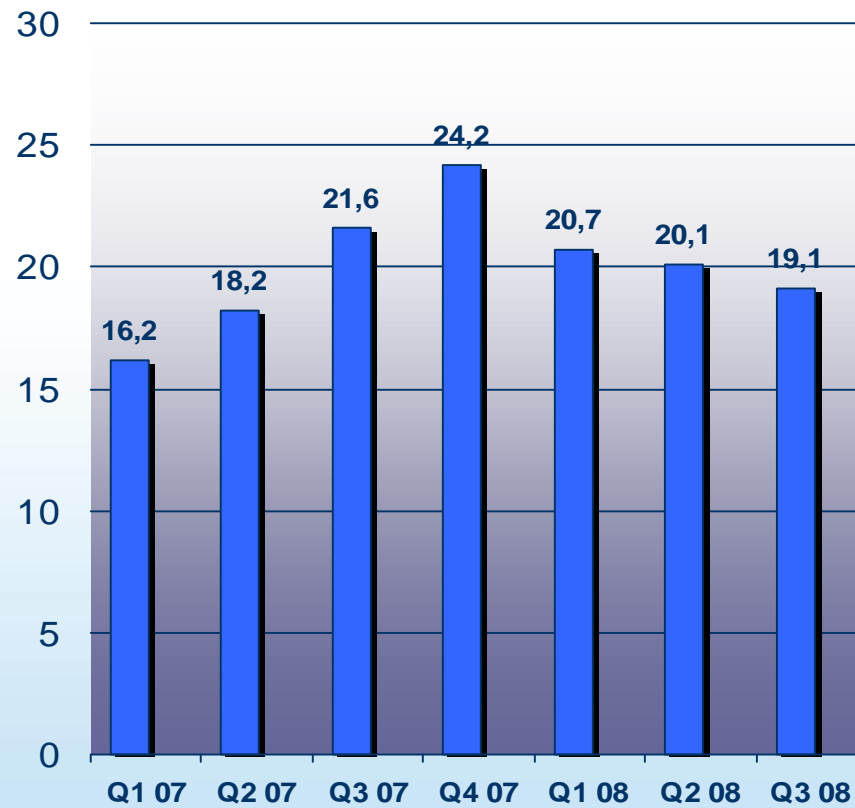
- Total energy consumption management with a view to the actual demand for electricity
- Better integration of and communication between power solutions and the electronics they power (data bus, power supply architecture)
- Power solutions for specified applications and application-based for energy-efficiency purposes
- Using alternative energy sources in solutions
- Appropriate storage of energy to even out consumption peaks



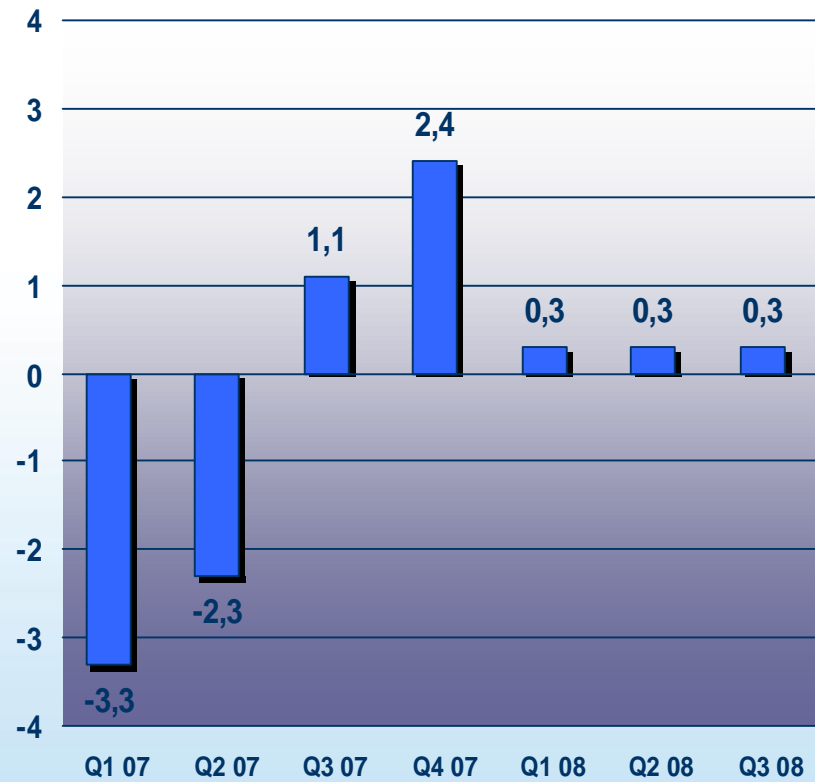
# Financial performance in the 3rd quarter



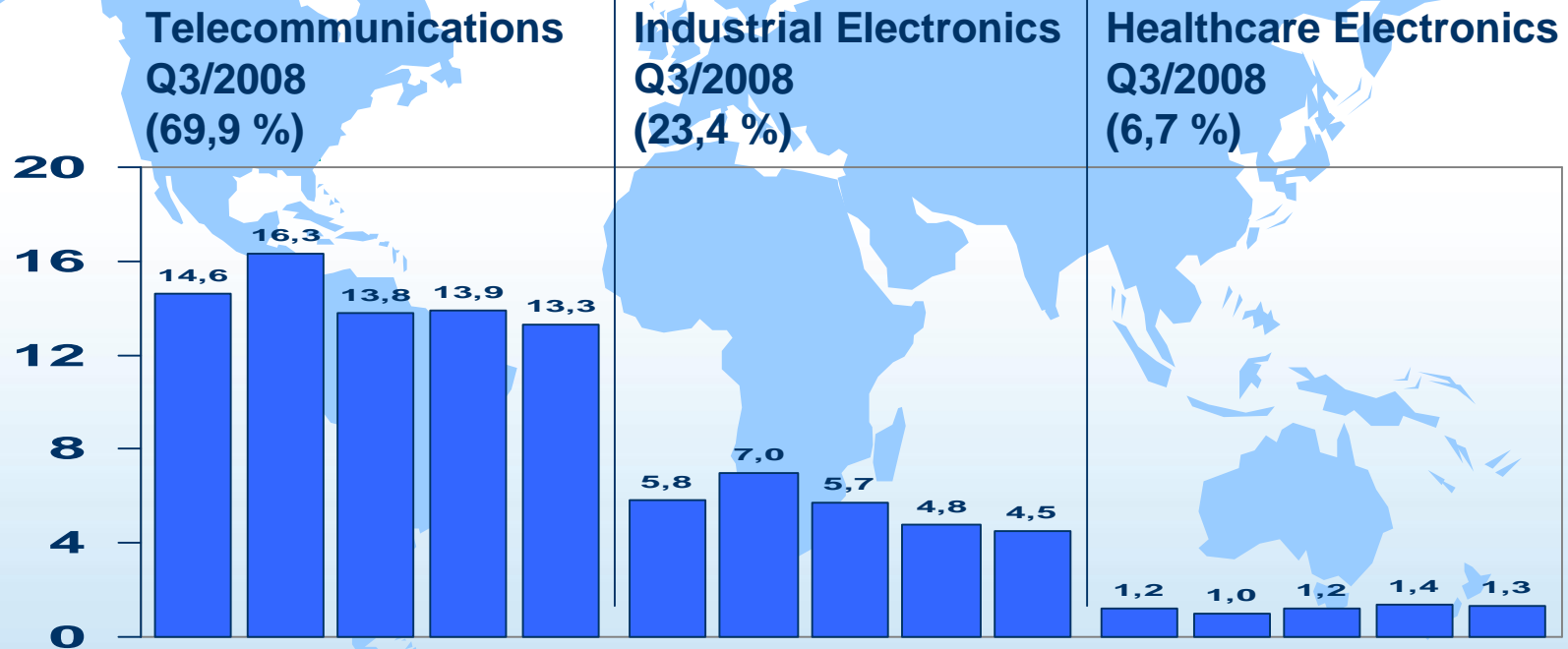
## Net Sales by Quarter, MEUR



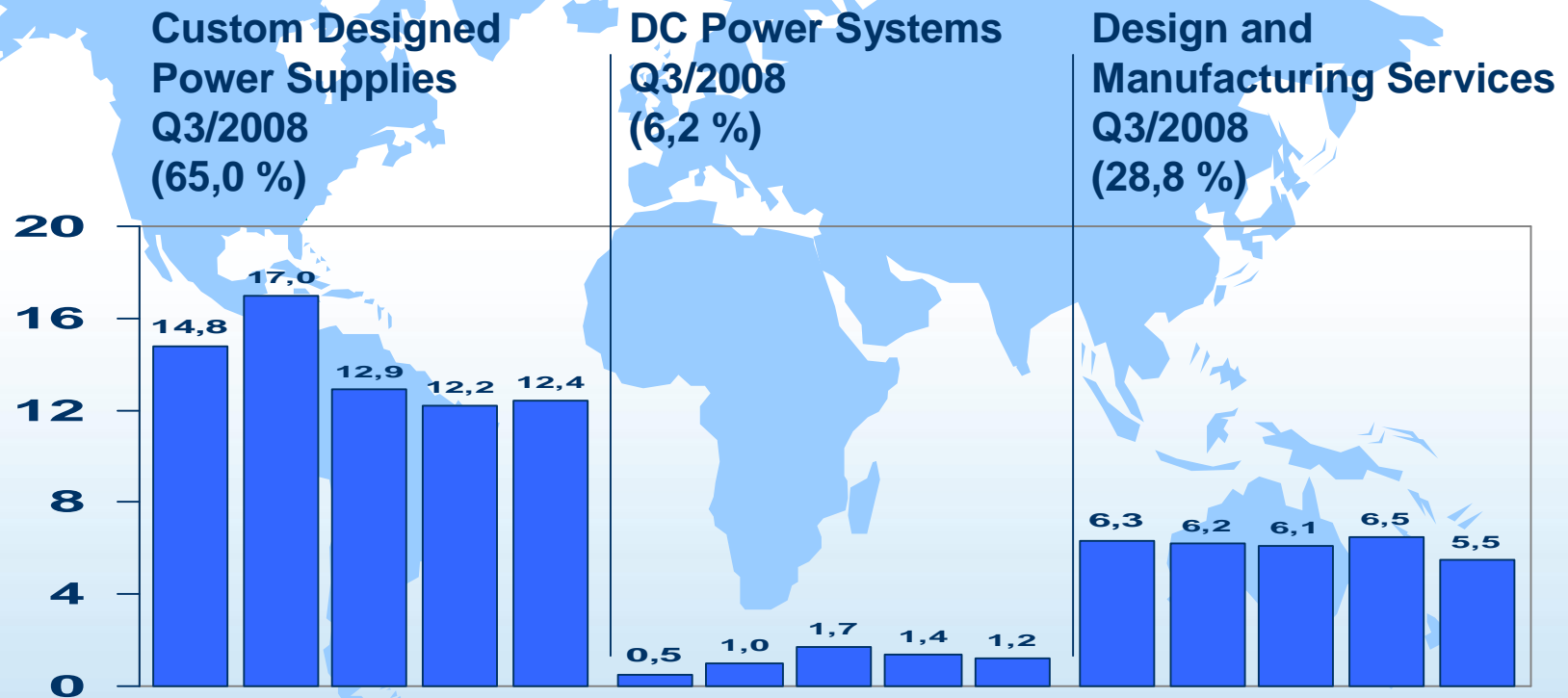
## Operating profit (-loss) by Quarter, MEUR



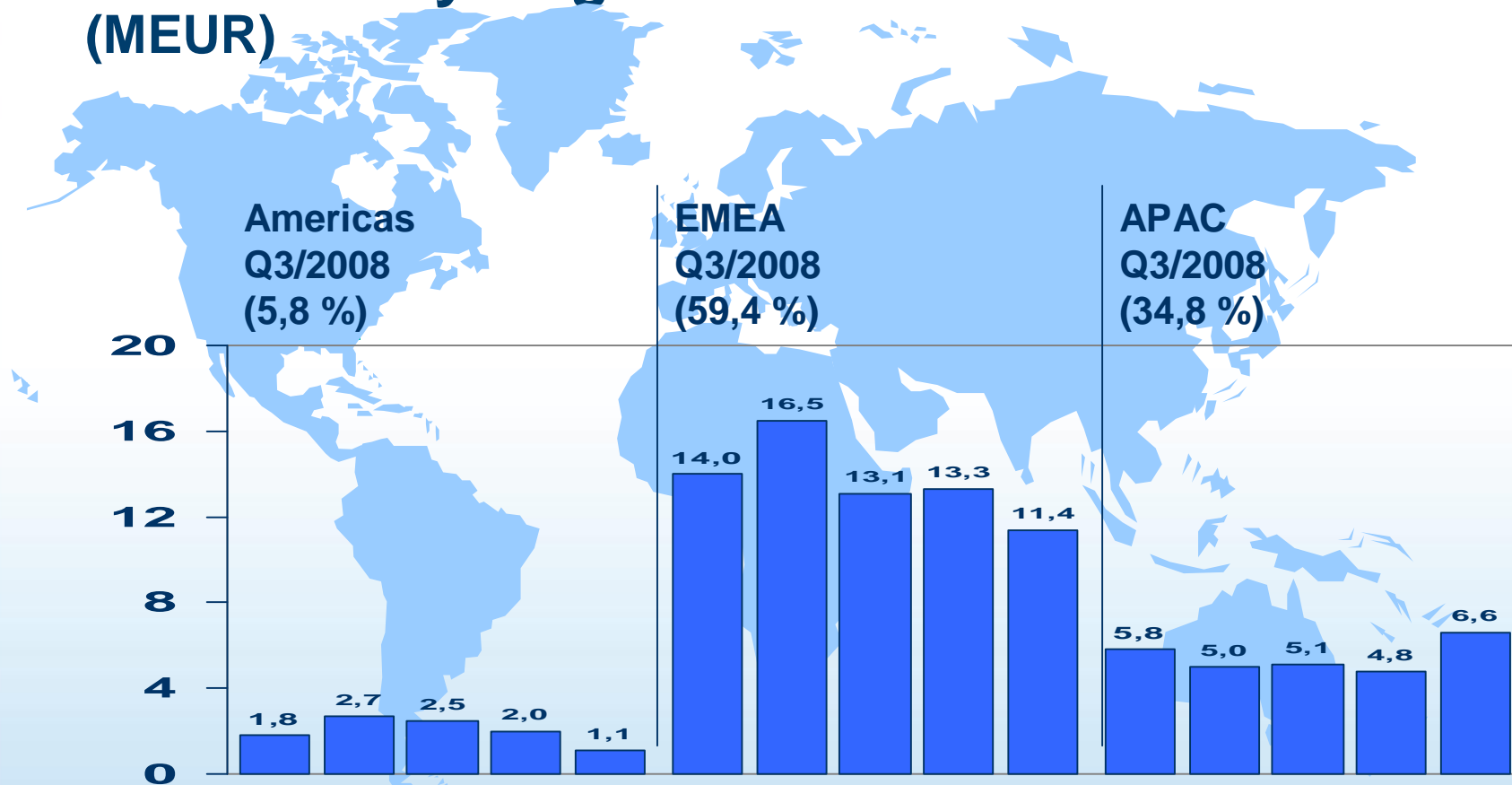
## Net Sales by Customer Groups Q3/2007- Q3/2008 (MEUR)



# Net Sales by Products Q3/2007- Q3/2008 (MEUR)



# Net Sales by Region Q3/2007 - Q3/2008 (MEUR)



# Interim Report Q3/2008 (Nov - July)

# Efore Group

CONSOLIDATED CASH FLOW STATEMENT EUR million	11/07-7/08	11/06-7/07
Cash flows from operating activities	-0,1	-3,1
Cash generated from operations	0,1	0,0
Financing items and taxes	0,0	-3,1
Net cash from operating activities (A)		
Cash flows from investing activities	-0,9	-3,2
Purchase of tangible and intangible assets	0,1	0,2
Proceeds from sale of tangible and intangible assets	-0,8	-3,0
Net cash used in investing activities (B)		
Cash flows from financing activities	0,0	0,0
Repayment of long-term borrowings	0,0	-0,1
Net cash used in financing activities (C)	-2,1	-0,1
Net increase/decrease in cash and cash equivalents (A+B+C)	-2,9	-6,2

# Efore Group

## CONSOLIDATED INCOME STATEMENT

EUR million	Nov./07 - July/08 9 months	Nov./06 - July/07 9 months
Net sales	59,9	56,0
Change in inventories of finished goods and work in progress	-0,7	-0,1
Other operating income	0,2	0,2
Materials and services	-39,3	-38,5
Employee benefits expenses	-10,6	-12,3
Depreciation	-3,0	-2,6
Impairments	0,0	-1,7
Other operating expenses	-5,6	-5,5
OPERATING PROFIT (-LOSS)	0,9	-4,5
% net sales	1,5	-8,1
Financing income	0,9	0,8
Financing expenses	-1,1	-1,1
Share of profit of associated companies	0,2	0,1
PROFIT (-LOSS) BEFORE TAX	0,9	-4,7
% net sales	1,5	-8,3
Tax on income from operations	-0,4	-0,4
PROFIT (-LOSS) FOR THE PERIOD	0,5	-5,1



# Efore Group

## CONSOLIDATED BALANCE SHEET

EUR million	July 31, 2008	July 31, 2007
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	1,8	3,0
Tangible assets	7,2	9,0
Investments in associates	0,5	0,4
Other long-term investments	0,0	0,0
Deferred tax assets	0,0	0,1
<b>NON-CURRENT ASSETS</b>	<b>9,6</b>	<b>12,4</b>
<b>CURRENT ASSETS</b>		
Inventories	10,3	12,5
Trade receivables and other receivables	17,2	12,5
Tax receivable, income tax	0,0	0,0
Financial assets at fair value through profit or loss	0,0	1,5
Cash and cash equivalents	4,8	3,7
<b>CURRENT ASSETS</b>	<b>32,3</b>	<b>30,2</b>
<b>ASSETS</b>	<b>41,9</b>	<b>42,6</b>
<b>CONSOLIDATED BALANCE SHEET</b>		



# Efore Group

## CONSOLIDATED BALANCE SHEET

EUR million	July 31, 2008	July 31, 2007
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	34,5	34,5
Share premium account	0,0	0,0
Other reserves	0,8	1,3
Translation differences	-0,1	0,0
Retained earnings	-9,2	-10,5
<b>SHAREHOLDERS' EQUITY</b>	<b>25,9</b>	<b>25,3</b>
Equity attributable to equity holders of the parent	25,9	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>CURRENT LIABILITIES</b>		
Interest-bearing liabilities	0,8	0,8
Trade payables and other liabilities	13,9	15,7
Income tax liability	0,1	0,0
Provisions	1,0	0,5
<b>CURRENT LIABILITIES</b>	<b>15,8</b>	<b>17,1</b>
<b>LIABILITIES</b>	<b>15,9</b>	<b>17,3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41,9</b>	<b>42,6</b>



# Efore Group

<b>GROUP CONTINGENT LIABILITIES</b> EUR million	<b>July 31,</b> <b>2008</b>	<b>July 31,</b> <b>2007</b>
<b>Security and contingent liabilities</b>		
<b>On own behalf</b>		
Pledges	0,0	0,0
<b>For others</b>		
Other contingent liabilities	0,1	0,2
<b>Operating lease commitments</b>		
<b>Group as lessee</b>		
<b>Non-cancellable minimum operating lease payments:</b>		
Less than 1 year	1,9	1,9
1-5 years	3,0	3,2
<b>Fair values of derivate financial instruments</b>		
<b>Currency derivatives, not hedge</b>		
<b>Forward currency contracts</b>		
Nominal amount	0,0	1,2
Positive fair value	0,0	0,0
Negative fair value	0,0	0,0
<b>Option contract</b>		
Nominal amount	13,3	7,2
Positive fair value	0,0	0,0
Negative fair value	0,0	0,0



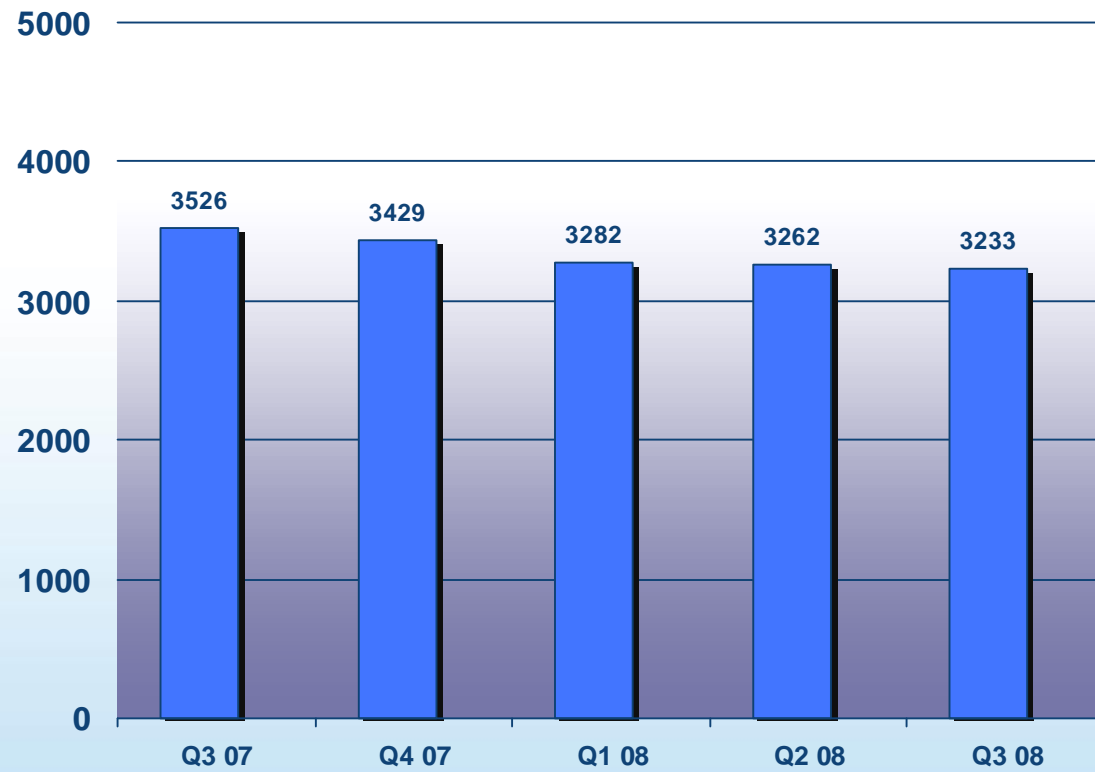
# Efore Group

GROUP KEY FIGURES, EUR million	Nov./07- July/08 9 months	Nov./06- July/07 9 months
Earnings per share,eur	0,01	-0,13
Earnings per share, diluted, eur	0,01	-0,13
Shareholders' equity per share, eur	0,64	0,62
Solvency ratio,%	61,9	59,4
Return on equity-%(ROE)	2,3	-24,5
Return on investment-%(ROI)	5,1	-20,1
Gearing, %	-15,0	-16,7
Net interest-bearing liabilities, EUR	-3,9	-4,2
Investments (intangible and tangible assets), Me	0,9	3,2
as percentage of net sales	1,5	5,7
Average personnel	688	784



# Shares and shareholders

## Number of shareholders



## Major Shareholders per July 31, 2008

Shareholder	No of shares	% of shares and votes
Evli Bank Plc	4 465 492	11,02
Nordea Bank Finland (nominee reg.)	3 953 320	9,75
Syrjälä & Co Oy	1 750 000	4,32
Tammivuori Leena	1 569 800	3,87
Tammivuori Matti	1 560 000	3,85
Maijos	1 496 000	3,69
Varma Mutual Pension Insurance Company	1 438 700	3,55
Tammivuori Esko	1 379 592	3,40
Q & A Consulting Oy Ab	1 038 400	2,56
FIM Fenno Mutual Fund	981 804	2,42
Rausanne Oy	848 971	2,09
Veikko Laine	814 400	2,01
Skandinaviska Enskilda Banken (nominee reg.)	745 298	1,84
Nordea Bank Finland Plc	655 318	1,62
Svenska Handelsbanken Ab (publ), filialverksamheten i F.	570.600	1,41
Syrjälä Timo	500 000	1,23
Fabritius Hannes	473 316	1,17
Aktia Capital Mutual Fund	430 812	1,06
FIM Forte Mutual Fund	420 000	1,04
Ilmarinen Mutual Pension Insurance Company	400 000	0,99

# Outlook

## Outlook (1/2)

- According to the information received from companies in the business growth in the overall telecommunications market will be slow and mobile networks market is predicted to represent no growth. There are however growing geographical markets in the field such as Asia, the Middle East and Africa.
- 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)

- 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 bring continuous improvement to the competitiveness of the company on the global market.
- With ongoing development projects result for the fiscal year 2008 is expected to show an improvement compared to the previous fiscal year.

**Thank you for your interest!**

