



EFORE PLC Financial Statement February 13, 2014 9 a.m.

EFORE GROUP FINANCIAL STATEMENT RELEASE NOVEMBER 1, 2012 - DECEMBER 31, 2013  
(14 months)

Figures in brackets, unless otherwise stated, refer to the period November 1, 2011 - October 31, 2012 (12 months)

Fiscal year in brief; November 1, 2012 - December 31, 2013

- Net sales totaled EUR 82.5 million (EUR 78.1 million)
- Results from operating activities amounted to EUR -5.8 million (EUR -2.6 million)
- Results from operating activities without one-time items were EUR -4.3 million (EUR -1.3 million)
- Result before taxes was EUR -6.1 million (EUR -3.0 million)
- Result for the period was EUR -6.2 million (EUR -2.3 million)
- Earnings per share were EUR -0.15 (EUR -0.06)

Last two months of the fiscal year 2013 in brief; November 1, 2013 - December 31, 2013

- Net sales totaled EUR 15.9 million
- Results from operating activities amounted to EUR 0.6 million
- Result before taxes was EUR 0.5 million
- Result for the period was EUR 0.0 million
- Earnings per share were EUR 0.00

Vesa Vähämöttönen, Efore's President and CEO:

"Balancing telecommunication and industrial business portfolio has been the strategic target for the company. Efore took a significant step in the implementation of the strategy by acquiring the entire share capital of the Italian power products manufacturer Roal Electronics.

Weak market situation in the telecommunication sector and unfavorable product mix led to negative result and the company streamlined its operations during the fiscal year.

The company concentrates on improving profitability in the near future and is planning to continue profitability and efficiency improvement program targeting to annual cost base reduction of at least EUR 1.5 million by the end of this year. The company is reorganizing its operations and organization to match better with the demand as well as the new structure after the acquisition completed last summer. This saving target is on top of previously announced synergy benefits and achievements of last year's profitability improvement program."

#### CHANGING THE FISCAL YEAR

On February 7, 2013, Efore Plc's annual general meeting approved an amendment to the statutes, based on which the company's normal fiscal year was changed to 1 January-31 December. Consequently, the duration of the current fiscal year will be fourteen (14) months (November 1, 2012 - December 31, 2013).

The Annual Report 2013 will be published in March, during the week 12/2014.



#### NET SALES AND FINANCIAL DEVELOPMENT OF THE FISCAL YEAR

Net sales for the fiscal year totaled EUR 82.5 million (EUR 78.1 million). Net sales by customer group were as follows: Telecommunication 58.9 % (76.6 %) and industrial 41.1 % (23.4 %). Geographically Efore's deliveries were to the following areas: EMEA EUR 40.4 million (EUR 42.0 million), APAC EUR 23.7 million (EUR 23.8 million), Finland EUR 10.9 million (EUR 11.1 million) and the Americas EUR 7.5 million (EUR 1.3 million) which totaled EUR 82.5 million (EUR 78.1 million). Final geographical distribution of Efore's products deviates from the before mentioned as Efore's customers distribute further the products from the logistics centres to other markets.

Roal Group has been consolidated to Efore Group from July 1, 2013.

The results from operating activities amounted to EUR -5.8 million (EUR -2.6 million).

The results from operating activities without one-time items amounted to EUR -4.3 million (EUR -1.3 million).

Results from operating activities include one-time items related to the profitability and efficiency improvement program as well as costs of the acquisition EUR 1.5 million. Results from operating activities of the corresponding period include one-time net cost of EUR 1.1 million related to the closing of Estonia factory and product transfer as well as cost of EUR 0.2 million related to the closing of Shenzhen product development plant

#### NET SALES AND FINANCIAL DEVELOPMENT OF THE LAST TWO MONTHS

Net sales for the last two months totaled EUR 15.9 million. Net sales by customer group were as follows: Telecommunication 50.7 % and industrial 49.3 %. Geographically Efore's deliveries were to the following areas: EMEA EUR 5.7 million, APAC EUR 6.0 million, Finland EUR 1.6 million and the Americas EUR 2.6 million which totaled EUR 15.9 million. Final geographical distribution of Efore's products deviates from the before mentioned as Efore's customers distribute further the products from the logistics centres to other markets.

The results from operating activities amounted to EUR 0.6 million.

The results from operating activities improved approx. EUR 0.6 million because of periodization of capitalized product development costs and EUR 0.4 million because of quality cost compensation.

#### BUSINESS DEVELOPMENT

Investment in product and technology development during the fiscal year was EUR 9.0 million (EUR 7.3 million) representing 10.9 % (9.4 %) of net sales.

The fiscal year 2013 was especially characterized by a weaker than forecasted demand of telecommunication sector and an unfavorable product mix for the company.

Roal acquisition and consolidation at the beginning of July increased net sales of industrial sector during the latter part of the year. Demand of the Group's industrial sector was lower than forecasted during the last months



and the company started a profitability and efficiency improvement program also in this sector at the end of the fiscal year. With its 2013 efficiency improvement program the company has met the target of EUR 1.8 million annual cost base reduction set for the fiscal year 2013. However, the efficiency improvement program continues.

#### BUSINESS ACQUISITIONS

Efore Group acquired the entire share capital of Roal Electronics S.p.A. in July 2013. Roal is established in 1985 and it employs approximately 350 people. Roal Group's headquarters and R&D are based in Italy and the production unit in Tunisia. Sales and marketing operations are located in Europe, United States and China. The Roal Group's net sales amounted to EUR 39.5 million in 2012.

Roal acquisition matches well to Efore's strategic goals as Roal designs and manufactures similar products with Efore but for different customers and segments. Roal has a strong expertise and close customer relationships in LED drivers which is the fastest growing power products market. Other segments are power products for instrumentation devices, medical equipment and household appliances.

Similarity of products and operation models enables to reach synergy benefits. Production capacities, production locations and supply chains can be optimized. In addition, the transaction generates synergy benefits in procurement, logistics, IT and in other support functions. Annual estimated synergy benefits from material purchases are EUR 1.5 million which are estimated to materialize fully after 12 months after the closing of the deal, latest in July 2014. No significant integration costs are expected.

The purchase price amounted to EUR 9.7 million. 60 per cent of the purchase price was paid in cash and 40 per cent in Efore shares. Shares were valued at EUR 0.74 per share. Purchase price paid in Efore shares was equivalent to 5 243 243 Efore shares. Efore board decided to use the AGM authorization to assign the shares to the sellers.

The deal was financed with long and short term loans and cash reserves.

Other details concerning the acquisition are shown in table section.

#### INVESTMENTS

Group investments without Roal acquisition in fixed assets during the fiscal year amounted to EUR 3.6 million (EUR 1.7 million) of which capitalization of product development costs were EUR 1.9 million.

At the end of the fiscal year capitalized product development costs (incl. Roal) amounted to EUR 4.3 million (EUR 0.6 million).

#### FINANCIAL POSITION

Interest-bearing liabilities exceeded the consolidated interest-bearing cash reserves by EUR 3.3 million (EUR -2.3 million) at the end of the fiscal year. The consolidated net financial expenses were EUR 0.3 million (EUR 0.4 million). The cash flow from business operations was EUR 1.4 million (EUR 2.6 million). The cash flow after investments was EUR -5.5 million (EUR 1.0



million).

The Group's solvency ratio was 39.7 % (47.7 %) and the gearing was 14.3 % (-11.3 %).

The Group's financial position was strengthened by EUR 5.5 million equity raise in October 2013.

Liquid assets excluding undrawn credit facilities totaled EUR 9.8 million (EUR 4.5 million) at the end of the fiscal year. The balance sheet total was EUR 58.5 million (EUR 43.3 million).

#### GROUP STRUCTURE

Efore Group consists of the parent company Efore Plc and its directly or indirectly wholly owned subsidiaries Efore (USA) Inc. in the United States, Efore(Suzhou) Electronics Co. Ltd in China, Efore (Suzhou) Automotive Technology Co., Ltd in China, Efore AS in Estonia, Efore AB in Sweden, Efore (Hongkong) Co. Ltd in China and FI-Systems Oy in Finland as well as Roal Electronics S.p.A. in Italy, Roal Tunisia Sarl in Tunis and Roal Electronics USA, Inc. in the U.S.A. Efore Management Oy, a company owned by the members of the Efore Group Executive Management Team has been consolidated in the group

#### PERSONNEL

The number of the Group's own personnel including temporary personnel averaged 836 (888) during the fiscal year and at the end of the fiscal year it was 934 (804). Roal acquisition increased the number of the Group's personnel by 311 persons.

#### BOARD OF DIRECTORS

At the Extraordinary General Meeting on December 3, 2013 Ms Päivi Marttila, Mr Francesco Casoli, Mr Olli Heikkilä, Ms Marjo Miettinen, Mr Jarmo Simola and Mr Jarkko Takanen were elected as board members. The Board selected Ms Päivi Marttila as the Chairman.

The following persons were also members of the Board of Directors during the fiscal year 2013: Matti Vikkula (Chairman, until Dec. 3, 2013), Richard Järvinen (until February 7, 2013), Tei-Hu (Tommy) Liu (until Dec. 3, 2013), Marko Luoma (until Dec. 3, 2013) and Ari Siponmaa (until Feb. 7, 2013).

#### AUDITORS

The Annual General Meeting held on February 7, 2013 appointed KPMG Oy Ab as Efore's auditors, with Authorized Public Accountant Lasse Holopainen as principal auditor.

#### SHARES, SHARE CAPITAL AND SHAREHOLDERS

Efore's Board of Directors used an autohorization granted by Extraordinary General Meeting on August 26, 2013 and executed a share issue directed for subscription by the public in Finland in order to strengthen company's financial position.



In the share issue, a maximum of 8,000,000 new shares in the Company were offered for subscription, at the subscription price of 0.69 euros per share. New shares corresponding to subscriptions have been entered into the Trade Register on 18 October 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 21 October 2013.

Moreover, trading of the 5,243,243 new shares entered into the Trade Register on 12 July, 2013 began at the same time. These shares were assigned as a part of the acquisition published on 10 July, 2013 when Efore acquired the entire share capital of Roal Electronics S.p.A. The shares are subject to a lock-up period of 12 months after the closing of the deal.

At the end of the fiscal year the number of the Group's own shares was 1.143.753. In addition to this Efore Management Oy, a company belonging to Efore group owned 2.358.242 pcs of Efore shares.

The highest share price during the fiscal year was EUR 0.80 and the lowest price was EUR 0.62. The average price during the fiscal year was EUR 0.71 and the closing price was EUR 0.63. The market capitalization calculated at the final trading price during the fiscal year was EUR 32.9 million.

The total number of Efore shares traded on the Nasdaq OMX Helsinki during the fiscal year was 8.2 million pcs and their turnover value was EUR 5.8 million. This accounted for 14.7 % of the total number of shares 55,772,891 pcs. The number of shareholders totaled 3097 (3235) at the end of the fiscal year.

#### FLAGGING NOTIFICATIONS

Following the directed share issue, the following changes in holdings exceeding the notification limit have taken effect during the fiscal year 2013.

Evli Pankki Oyj's share of the total number of shares and voting rights in Efore Plc went below 10 per cent on October 10, 2013.

Sievi Capital Oyj's share of the total number of shares and voting rights in Efore Plc went over 15 per cent on October 10, 2013.

Following the directed share issue to the sellers of Roal Electronics S.p.A. (5.243.243 new shares), the following changes in holdings exceeding the notification limit have taken effect.

Rausanne Group's share of the total number of shares and voting rights, including the companies under its authority (Rausanne Oy, Auratum Oy and Adafor Oy), in Efore Plc went below 10 % on July 12, 2013.

Sievi Capital Oyj's share of the total number of shares and voting rights in Efore Plc went below 15% on July 12, 2013.

Efore Management Oy's share of the total number of shares and voting rights in Efore Plc went below 5 per cent on July 12, 2013.

In addition, the holdings of Timo Syrjälä, including the companies under his authority, of the share capital and voting rights in Efore Plc went below 5 per cent on July 12, 2013 and Sievi Capital Oyj's share of the total number



of shares and voting rights in Efore Plc exceeded 10 per cent on April 12, 2013.

#### BOARD AUTHORIZATIONS

##### AUTHORIZING THE BOARD OF DIRECTORS TO RESOLVE ON DISTRIBUTION OF ASSETS

Efore's Annual General Meeting on February 7, 2013 decided in accordance with the proposal of the Board of Directors to authorize the Board of Directors, to resolve at its discretion on a possible distribution of assets to the shareholders, either as a payment of dividend from profits or as a distribution of assets from the reserve for invested unrestricted equity, if supported by the financial position of the company. The maximum aggregate amount of the distribution of assets is EUR 0.05 per share.

The authorization includes the right of the Board of Directors to resolve on all other terms and conditions relating to the distribution of assets. The authorization is valid until the beginning of the next Annual General Meeting. The Board of Directors did not use this authorization.

##### AUTHORIZING THE BOARD OF DIRECTORS TO RESOLVE ON THE ACQUISITION OF THE COMPANY'S OWN SHARES

Efore's Annual General Meeting on February 7, 2013 decided in accordance with the proposal of the Board of Directors to authorize the Board of Directors, to resolve on the acquisition of the company's own shares, in one or several instalments, on the following terms and conditions:

Based on the authorization an aggregate maximum of 4,000,000 own shares constituting approximately 9.4% of all the shares in the company may be acquired. Shares in the company may be acquired only by using the company's unrestricted equity. The shares may be acquired in public trading arranged by the NASDAQ OMX Helsinki Oy at the prevailing market price on the date of acquisition, or at the price otherwise formed on the market. The Board of Directors shall resolve the manner in which own shares are acquired. The acquisition may be made using, inter alia, derivatives. Shares may be acquired otherwise than in proportion to the holdings of the shareholders (directed acquisition).

The authorization was valid until August 26, 2014. The Board of Directors did not use this authorization.

The Extraordinary General Meeting decided on August 26, 2014, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide upon the acquisition of the company's own shares or their acceptance as pledge in one or more instalments on the following terms and conditions:

The amount of own shares to be acquired shall be a maximum of 4,777,000 shares, constituting approximately 9.9% of all company shares. Shares in the company may be acquired only by using the company's unrestricted equity. The shares may be acquired in public trading arranged by NASDAQ OMX Helsinki Oy at the prevailing market price on the date of acquisition, or at a price otherwise dictated by the market. The Board of Directors decides on the manner in which the said own shares are acquired or accepted as pledge. The acquisition may be made using, inter alia, derivatives. Shares may be



acquired otherwise than in proportion to the holdings of the shareholders (directed acquisition).

The authorization shall remain valid until 30 June 2014. The authorization shall supersede the authorization granted by the Annual General Meeting on 7 February 2013 to decide on the acquisition of the company's own shares. The Board of Directors did not use this authorization.

AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUE OF SHARES AS WELL AS THE ISSUE OF OPTIONS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES

Efore's Annual General Meeting on February 7, 2013 decided, to authorize the Board of Directors in accordance with its proposal, to, in one or more transactions, decide on the issuance of shares and the issuance of options and other special rights entitling to shares referred to in chapter 10 section 1 of the Companies Act as follows:

The number of shares to be issued based on the authorization may in total amount to a maximum of 8,500,000 shares.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of options and other special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares and of options and other special rights entitling to shares referred to in chapter 10 section 1 of the Companies Act may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorization is valid until June 30, 2014.

Based on the decision of the Annual General Meeting on February 7, 2013, Efore Plc the Board of Directors decided to use the valid authorization and decided to transfer 74,791 shares to the members of the Board of Directors as part of the payment of the annual remuneration. The number of share has in accordance with the resolution of the Annual General Meeting been determined based on the average price of the closing prices of the Efore Pls Chare April 8-18, 2013. The assignment of the shares took place on June 20, 2013. After the transfer, the company holds a total of 1,143,753 own shares.

The Board of Directors decided to use this authorization to assign shares to the sellers where the company acquired the whole share capital of Roal Electronics S.p.A. The purchase price of equity amounted to EUR 9.7 million. 60 per cent of the purchase price was paid in cash and 40 per cent in Efore shares. Purchase price paid in Efore shares was equivalent to 5 243 243 Efore shares. Shares were valued at EUR 0.74 per share. Subscribing sellers agreed not to sell its Efore shares within 12 months from the closing date of the transaction.

The Extraordinary General Meeting on August 26, 2013 authorised the Board of Directors to decide, in one or more instalments, on the issuance of shares and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act. The Extraordinary General Meeting decided that the number of shares to be issued may amount to a maximum of 10,000,000 shares.

The authorization concerns both the issuance of new shares as well as the



transfer of treasury shares. The issuance of shares and options as well as other special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorisation supersedes the authorisation granted by the Annual General Meeting on 7 February 2013 to decide upon the issuance of shares and special rights entitling to shares to the extent that the previous authorization was not used by the date of the general meeting invitation. The authorization shall remain valid until 30 June 2014.

Efore Plc's ("Company" or "Efore") Board of Directors decided to use the valid authorization on 26 September 2013 and to execute a share issue directed for subscription by the public in Finland ("Share Issue"). The purpose of the Share Issue is to strengthen the Company's financial position.

In the Share Issue, a maximum of 8,000,000 new shares in the Company ("New Shares") were offered for subscription, at the subscription price of 0.69 euros per share. The New Shares subscribed in the Share Issue entered into the Trade Register on 18 October 2013. Trading in the New Shares and in the existing shares begun on 21 October 2013.

#### ACCOUNTING POLICIES

The release has been drawn up in accordance with IAS 34 Standard on Interim Financial Reporting and the Group's accounting principles presented in the 2012 annual report. In addition, Efore Plc has adopted new and or amended IFRS-standards that have been presented in the previous Financial Statements. These changes have no any major effect on the report. The information in this release is unaudited.

All the figures in the report have been rounded up/down, for which reason the total of the individual figures when added together may be different from the total shown.

#### SHORT-TERM RISKS AND FACTORS OF UNCERTAINTY

The market typical fluctuation in demand can cause rapid changes in Efore's business. Business risks are related to the success of key customers in their markets and to Efore's delivery capability for the key customers.

Progress of Efore's product development projects depends on the customers' own project schedules and the establishment of the whole market.

Expanding the company's product range to standard products in industrial sector means growth of product liability risk. It has been recognized that global economic development may have an effect on Efore's business environment

A more comprehensive report on risk management is presented on the company's web-sites.

#### LONG TERM TARGETS

Efore Group's long term financial target is to reach 10 % EBIT level and an average annual net sales growth of 5-10 %. Target is to grow especially in





industrial sector. Market driven product platforms and better R&D investment utilization are key factors to support company's target to improve profitability.

On short term Efore is focusing to improve its profitability. Target is to reach at least 6 % EBIT level at the end of 2015.

#### OUTLOOK

Long-term demand of wireless network equipment is expected to grow depending however on global economic development. Industrial sector offers several growth areas for Efore. Roal acquisition is a key part of Efore's strategy to grow industrial business sector and balance its businesses.

Achieving the synergy benefits from Roal acquisition and getting new products into volume deliveries as forecasted are essential for the growth and profitability improvement of the company.

In the near future, Efore is concentrating to materialize synergy benefits after the acquisition and to complete the profitability and efficiency improvement program.

#### FINANCIAL ESTIMATE FOR THE FISCAL YEAR 2014

The Company estimates its net sales of fiscal year 2014 to be EUR 85 - 95 million and results from operating activities without one-time items to be EUR 1.5 - 3.5 million.

#### EVENTS AFTER THE FISCAL YEAR

As a result of the integration after the acquisition the executive management team has changed in January 2014. The members and their global responsibilities are as follows: Vesa Vähämöttönen (President and CEO), Mikael Malm (COO, Global Operations), Alexander Luiga (EVP, Telecommunication sector), Alessandro Leopardi (EVP, Industrial sector) and Olli Nermes (CFO, Finance and Administration).

On February 13, 2014 Efore announced that the company continues the profitability and efficiency improvement program it started in March 2013. The new program is targeting to annual cost base reduction of at least EUR 1.5 million by the end of this year.

The company is reorganizing its operations in order to improve the competitiveness and to match with the new structure as a result of the acquisition last year.

Reorganizing is expected to result in reduction of maximum 30 employments in Finland, Sweden and China together. In Finland, in addition to permanent layoffs, negotiations will be conducted on possible temporary layoffs affecting all personnel groups.

In addition to the above mentioned program the company has also reduced 34 employments in Tunisia and started in Italy a restructuring program that will involve 51 employments targeting to annual cost base reduction of EUR 1.6 million by the end of this year.



BOARD OF DIRECTORS' PROPOSAL FOR THE ANNUAL GENERAL MEETING

The Board of Directors will propose to the Annual General Meeting on April 10, 2014 that no dividend will be paid.

TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Nov./13- Dec./13 2 months	Nov./12- Dec./ 13 14 months	Nov./11- Oct./ 12 12 months
Net sales	15,9	82,5	78,1
Change in inventories of finished goods and work in progress	-1,0	-0,9	2,3
Work performed for own purposes and capitalised	0,8	1,1	0,0
Other operating income	0,7	1,4	0,6
Materials and services	-10,0	-56,9	-55,9
Employee benefits expenses	-3,3	-18,8	-15,9
Depreciation	-0,7	-3,2	-3,0
Impairment	0,1	0,0	0,0
Other operating expenses	-2,0	-10,9	-8,8
RESULTS FROM OPERATING ACTIVITIES	0,6	-5,8	-2,6
% net sales	3,9	-7,0	-3,3
Financing income	0,3	1,7	1,7
Financing expenses	-0,4	-2,0	-2,1
RESULT BEFORE TAX	0,5	-6,1	-3,0
% net sales	2,9	-7,3	-3,9
Tax on income from operations	-0,4	-0,1	0,7
RESULT FOR THE PERIOD	0,0	-6,2	-2,3
OTHER COMPREHENSIVE INCOME:			
Items that may be reclassified subsequently to profit or loss			
Translation differences	-0,1	-0,6	1,4
Total comprehensive income	0,0	-6,7	-0,9
NET PROFIT/LOSS ATTRIBUTABLE			
To equity holders of the parent	0,0	-6,1	-2,3
To non-controlling interest	0,0	-0,1	-0,1
TOTAL COMPREHENSIVE INCOME			
ATTRIBUTABLE TO:			
Equity holders of the parent	0,0	-6,7	-0,9
Non-controlling interest	0,0	-0,1	-0,1
EARNINGS PER SHARE CALCULATED ON PROFIT			
ATTRIBUTABLE TO EQUITY HOLDERS OF THE			
PARENT:			
Earnings per share, basic,eur	0,00	-0,15	-0,06



Earnings per share, diluted, eur	0,00	-0,15	-0,06
INFORMATION ABOUT GEOGRAPHICAL AREAS, EUR million	Nov./13- Dec./13 2 months	Nov./12- Dec./ 13 14 months	Nov./11- Oct./ 12 12 months
Americas	2,6	7,5	1,3
EMEA	5,7	40,4	42,0
FINLAND	1,6	10,9	11,1
APAC	6,0	23,7	23,8
Total	15,9	82,5	78,1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Dec. 31, 2013	Oct. 31, 2012	change %
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	6,9	0,9	
Goodwill	1,1	0,0	
Tangible assets	7,8	6,1	
Trade receivables and other receivables, non-current	0,0	0,6	
Other long-term investments	0,0	0,0	
Deferred tax asset	2,3	0,9	
NON-CURRENT ASSETS	18,1	8,6	110,9
CURRENT ASSETS			
Inventories	14,6	14,2	
Trade receivables and other receivables	15,2	16,0	
Tax receivable, income tax	0,8	0,0	
Cash and cash equivalents	9,8	4,5	
CURRENT ASSETS	40,4	34,7	16,4
ASSETS	58,5	43,3	35,0
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15,0	15,0	
Treasury shares	-2,4	-2,5	
Other reserves	29,0	19,8	
Translation differences	1,4	2,0	
Retained earnings	-19,9	-13,9	
Equity attributable to equity holders of the parent	23,0	20,4	
Equity attributable to non-controlling interests	0,2	0,2	
EQUITY	23,2	20,7	12,3
NON-CURRENT LIABILITIES			
Deferred tax liabilities	0,9	0,0	
Interest-bearing liabilities	3,9	1,5	
Interest-free liabilities	0,0	0,0	



Pension liabilities	1,6	0,0	
NON-CURRENT LIABILITIES	6,4	1,5	320,6
CURRENT LIABILITIES			
Interest-bearing liabilities	9,2	0,6	
Trade payables and other liabilities	19,1	20,4	
Tax liabilities	0,5	0,0	
Provisions	0,0	0,1	
CURRENT LIABILITIES	28,8	21,1	
LIABILITIES	35,3	22,6	
TOTAL EQUITY AND LIABILITIES	58,5	43,3	35,0

GROUP KEY FIGURES, EUR million	Nov./13- Dec./13 2 months	Nov./12- Dec./ 13 14 months	Nov./11- Oct./ 12 12 months
Earnings per share, basic,eur	0,00	-0,15	-0,06
Earnings per share, diluted, eur	0,00	-0,15	-0,06
Equity per share, eur	0,44	0,44	0,52
Solvency ratio,%	39,7	39,7	47,7
Return on equity-%(ROE)	1,2	-28,1	-10,5
Return on investment-%(ROI)	11,8	-17,5	-9,9
Gearing, %	14,3	14,3	-11,3
Net interest-bearing liabilities	3,3	3,3	-2,3
Investments (intangible and tangible assets)	1,2	3,6	1,8
as percentage of net sales	7,4	4,3	2,4
Average personnel	950	836	888

CONSOLIDATED STATEMENT OF CASH FLOWS EUR million	Nov./12- Dec./13	Nov./11- Oct./12	change %
Cash flows from operating activities			
Cash receipts from customers	95,3	83,9	
Cash paid to suppliers and employees	-93,5	-81,3	
Cash generated from operations	1,8	2,7	
Interest paid	-0,3	-0,3	
Interest received	0,0	0,0	
Other financial items	0,0	0,5	
Income taxes paid	-0,2	-0,2	
Net cash from operating activities (A)	1,4	2,6	-46,1
Cash flows from investing activities			
Purchase of tangible and intangible assets	-2,9	-1,7	
Proceeds from sale of tangible and intangible assets	0,2	0,2	
Acquisition of subsidiaries, net of cash acquired	-4,1	0,0	
Purchase of investments	0,0	0,0	
Loans granted	0,0	0,0	
Addition/deduct. of cash equivalents	0,0	0,0	
Income taxes paid	0,0	0,0	



Net cash used in investing activities (B)	-6,9	-1,6	338,3
Cash flows from financing activities			
Proceeds from issue of share capital	5,3	0,0	
Capital invest by the minority	0,0	0,0	
Repurchase of own shares	0,0	-0,5	
Proceedings from short-term borrowings	9,8	1,8	
Repayment of short-term borrowings	-4,9	-5,5	
Proceeds from long-term borrowings	3,0	0,0	
Repayment of long-term borrowings	-2,0	-1,7	
Financial leasing repayment	-0,2	-0,2	
Repayment of capital to shareholders	0,0	-2,1	
Net cash used in financing activities (C)	11,0	-8,1	
Net increase/decrease in cash and cash equivalents (A+B+C)	5,5	-7,1	
Cash and cash equivalents at beginning of period on Nov.1	4,5	11,2	
Net increase/decrease in cash and cash equivalents	5,5	-7,1	
Effects of exchange rate fluctuations on cash held	-0,2	0,4	
Cash and cash equivalents at end of period on Dec. 31/Oct. 31	9,8	4,5	
GROUP CONTINGENT LIABILITIES EUR million	Dec. 31, 2013	Oct. 31, 2012	
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	1,0	0,7	
1-5 years	0,4	0,5	
Fair values of derivate financial instruments			
Currency derivatives, not hedge			
Option contract			
Nominal amount	2,0	0,8	
Negative fair value	0,0	0,0	

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A Share capital

B Treasury shares  
 C Unrestricted equity reserve  
 D Other reserves  
 E Translation differences  
 F Retained earnings  
 G Equity holders of the parent  
 H Non-controlling interests  
 I Total

EUR million	A	B	C	D	E	F	G	H	I
Equity Nov.1, 2011	15,0	-2,1	20,9	1,0	0,6	-11,6	23,8	0,3	24,1
Comprehensive income	0,0	0,0	0,0	0,0	1,4	-2,3	-0,9	-0,1	-1,0
Repayment of capital to shareholders	0,0	0,0	-2,1	0,0	0,0	0,0	-2,1	0,0	-2,1
Capital invest by the minority	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Repurchase of own shares	0,0	-0,5	0,0	0,0	0,0	0,0	-0,5	0,0	-0,5
Disposal of treasury shares	0,0	0,1	0,0	0,0	0,0	0,0	0,1	0,0	0,1
Equity Oct. 31, 2012	15,0	-2,5	18,8	1,0	2,0	-13,9	20,4	0,2	20,7

EUR million	A	B	C	D	E	F	G	H	I
Equity Nov.1, 2012	15,0	-2,5	18,8	1,0	2,0	-13,9	20,4	0,2	20,7
Comprehensive income	0,0	0,0	0,0	0,0	-0,6	-6,1	-6,7	-0,1	-6,7
Share-based incentive programme	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Disposal of own shares	0,0	0,1	0,0	0,0	0,0	0,0	0,1	0,0	0,1
Directed share issue	0,0	0,0	9,4	0,0	0,0	0,0	9,4	0,0	9,4
Transaction costs for equity	0,0	0,0	-0,2	0,0	0,0	0,0	-0,2	0,0	-0,2



Equity 15,0 -2,4 28,0 1,0 1,4 -19,9 23,0 0,2 23,2  
 Dec. 31, 2013

#### BUSINESS ACQUISITIONS

The purchase price amounted to EUR 9.7 million. 60 per cent of the purchase price was paid in cash and 40 per cent in Efore shares. Shares were valued at EUR 0.74 per share. Purchase price paid in Efore shares was equivalent to 5 243 243 Efore shares. Efore board decided to use the AGM authorization to assign the shares to the sellers.

Roal acquisition is a key part of Efore's strategy to grow industrial business sector and balance its businesses.

Intangible assets arising from business combinations have been recognized separately from goodwill at fair value at the time of acquisition. The Group has allocated EUR 2.0 million to intangible assets mainly related to customer base and product rights. Estimated fair value of the real estate in Italy is EUR 0.9 million lower than the book value was in the acquired company. The goodwill of EUR 1.1 million arose from the acquisition based on the anticipatory synergy benefits.

The Group has recognized EUR 1.0 million advisory fees related to the transaction. Fees are included in other operating costs.

Final acquisition calculation is equal with the preliminary calculation.

If Roal Group had been consolidated to Group financial statements as from November 1, 2012, net sales of the Group would have been EUR 105.7 million. Roal consolidation as from November 1, 2012 would have had EUR 0.7 million negative effect on Efore Group's result.

Consideration transferred	EUR million
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Cash	5,8
Fair value of shares issued	3,9
Total acquisition costs	9,7

	Fair values used in consolidation, EUR million
Acquired assets and liabilities	
Intangible assets	4,5
Tangible assets	3,1
Deferred tax assets	1,6
Inventories	7,3



Trade receivables and other receivables	7,7
Cash and cash equivalents	1,7
ASSETS TOTAL	25,9

Deferred tax liability	1,1
Pension obligations	1,6
Interest-bearing liabilities	4,7
Trade payables and other liabilities	9,9
LIABILITIES TOTAL	17,3

Total identifiable net assets 8,6

Goodwill 1,1

Total 9,7

31.12.2013

CALCULATION OF KEY FIGURES AND RATIOS

Return on investment (ROI), %	=	Profit before taxes+interest and other financing expenses / (Equity + interest-bearing liabilities, average )	x 100
Return on Equity (ROE), %	=	Profit/loss for the period / Equity (average )	x 100
Current ratio	=	Current assets / Current liabilities	
Solvency ratio, %	=	Equity / (Total assets - advance payments received - own shares*)	x 100
Net interest-bearing liabilities	=	Interest-bearing liabilities - financial assets at fair value through profit or loss - cash and cash equivalents	
Gearing, %	=	Net interest-bearing liabilities / Equity	x 100
Earnings per share	=	Profit or loss attributable to ordinary equity holders of the parent entity/ The weighted average number of ordinary shares outstanding	
Dividend per share	=	Dividend for the financial year / (Number of shares - own shares*)	
Dividend payout ratio, %	=	Dividend per share / Earnings per share	x 100





Effective dividend yield, %	=	Dividend per share /Adjusted share price x 100 at balance sheet date
Equity per share	=	Equity - own shares* /Number of shares at balance sheet date
P/E-ratio	=	Adjusted share price at balance sheet date / Earnings per share
Market capitalization =	=	Adjusted share price at balance sheet date x outstanding number of shares at balance sheet date
Average personnel	=	The average number of employees at the end of each calendar month during the accounting period

All share-specific figures are based on the issue-adjusted number of shares.

When calculating per share performance measures equity is the equity attributable to the shareholders of the parent company, when calculating other performance measures equity includes equity attributable to the shareholders of the parent company and non-controlling interests.

\* There were own shares held by company December 31, 2013.

EFORE PLC  
Board of Directors

For further information please contact Mr.Vesa Vähämöttönen, President and CEO, on February 13, 2014 at 9 - 11 a.m., tel. +358 9 4784 6312.

DISTRIBUTION

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Efore Group

Efore Group is an international company which develops and produces demanding power products. Efore's head office is based in Finland and its production units are located in China and Tunis. Sales and marketing operations are located in Europe, United States and China. In the fiscal year ending in December 2013, consolidated net sales totaled EUR 82.5 million and the Group's personnel averaged 836. The company's share is quoted on the Nasdaq OMX Helsinki Ltd. [www.efore.com](http://www.efore.com)