

PERLOS CORPORATION STOCK EXCHANGE RELEASE FEBRUARY 29, 2008

Financial Statement Bulletin 2007: PERLOS READY FOR PROFITABLE GROWTH

Key Figures in October-December 2007:

- The Group's net sales totaled EUR 103.4 million (EUR 143.9 million in 10-12/2006).
- The operating result was EUR 4.7 million (EUR -4.3 million).
- Earnings per share were -0.03 EUR (EUR -0.07).
- Net cash flow from operations was EUR 3.8 million (EUR 43.1 million).
- Gross investments amounted to 3.2 % (9.5 %) of net sales.

Year 2007:

- The Group's net sales totaled EUR 453.7 million (EUR 673.6 million in 2006).
- The operating result was EUR -33.7 million (EUR -32.9 million), including non-recurring items EUR -39.6 million (EUR -43.6 million).
- Earnings per share were EUR -1.06 (EUR -0.82).
- Net cash flow from operations was EUR 13.0 million (EUR 65.5 million).
- Gross investments amounted to 8.6 % (9.0 %) of net sales.

MATTI VIRTANEN, PRESIDENT AND CEO OF PERLOS:

- Year 2007 brought along major changes for Perlos. Firstly, a restructuring program to reduce annual expenses by more than EUR 100 million was successfully implemented. As a result, the operating result turned positive during the second half of the year and the business model is now healthy.

- Secondly, a strategic decision was made to join forces with the Taiwanese electronics supplier Lite-On Technology through a Public Tender Offer, under which Lite-On has now acquired the majority of Perlos shares and stock options.

- Now, at the beginning of 2008, Perlos is ready to take the next steps in building a major player in the mobile handset industry. This year, we shall focus in developing our service portfolio, especially in visual mechanics, decoration and metal capabilities as well as in R&D competence.

- Restructuring the business model improved our competitiveness and the Lite-On transaction strengthened significantly the strategic position of the company. These changes have been well appreciated by our customers and we are now ready for profitable growth. We aim to be among the top three players in the handset supply chain in a few years time.

NET SALES AND RESULT

October-December 2007

Perlos' net sales in October-December 2007 amounted to EUR 103.4 million (EUR 143.9 million in 10-12/2006). Of the Group's net sales, 47% came from Asia (37%), 33% from Europe (49%) and 20% from North and South America (14%).

The operating result for the review period was EUR 4,7 million (EUR -4,3 million) and earnings per share amounted to EUR -0.03 (EUR -0.07).

Net cash flow from operations totaled EUR 3.8 million (EUR 43.1 million) and cash flow after investments was EUR 2.2 million (EUR 79.3 million).

Year 2007

Perlos' net sales in 2007 amounted to EUR 453.7 million (EUR 673.6 million in 2006) of which 44% came from Asia (35%), 36% from Europe (44%) and 20% from North and South America (21%). During 2007, the company's net sales were especially affected by the discontinuation of BenQ Mobile's production operations in Europe and decline in demand for Perlos' services in Finland and North and South America.

The operating result exclusive of non-recurring items was EUR 5.9 million (EUR 10.7 million), and including non-recurring items EUR –33.7 million (EUR –32.9 million). The result is weakened by non-recurring expenses of EUR 0.7 (EUR 0) million in connection with the Lite-On combination agreement and EUR 38.9 (EUR 43.6) million related to the discontinuation of production operations in Finland and the reorganisation of global operations. Of the non-recurring items, approximately EUR 10.7 million are affecting cash flows.

The result for the continuing operations was EUR –56.2 million (EUR –43.6 million) and earnings per share amounted to EUR –1.06 (EUR –0.82).

Net cash flow from operations totaled EUR 13.1 million (EUR 65.5 million) and cash flow after investments was EUR –17.4 million (EUR 55.7 million).

INVESTMENTS

The Group's gross investments in 2007 amounted to EUR 38.9 million (EUR 60.4 million in 2006), representing 8.6% (9.0%) of net sales. Among the largest investment items in early 2007 were the new factories in Guangzhou, China, and Chennai, India, which have started production operations.

The Group's investment in research and development activities represented about 1% (1%) of net sales in 2007.

FINANCING

The Group's cash and cash equivalents at the end of the report period amounted to EUR 55.2 million (EUR 28.1 million in 2006). The Group's net gearing ratio was 1.44 (0.72) and its equity ratio was 26.2% (37.3%). Interest-bearing liabilities amounted to EUR 196.6 million (EUR 140.9 million), of which short-term liabilities accounted for EUR 137.7 million (EUR 89.8 million) and long-term liabilities for EUR 58.9 million (EUR 51.1 million). The net interest-bearing liabilities were EUR 141.5 million (EUR 112.8 million).

PERSONNEL

In 2007, the Perlos Group had 9,693 employees on average including temporary workers (13,320 employees in 2006).

At the end of the year, the number of personnel inclusive of temporary workers was 8,647 (12,944). Of the total payroll, 1,860 employees (3,871 employees) worked in Europe, 5,685 employees (7,973 employees) in Asia and 1,102 employees (1,100 employees) in North and South America.

In line with the profitability improvement program launched in January, Perlos' production operations in Finland were discontinued during the third quarter. The number of personnel in Finland was approximately 260 (1,600) persons by the end of the year.

MAJOR BUSINESS RISKS

Perlos' services and products are targeted mostly for customers in the mobile phone industry and the majority of Perlos' net sales are generated from the supply of mobile phone mechanics and electronics. The focus on a single industry and the dependence on a few customers carry certain risks. Changes in the demand for mobile phones or in the market position of Perlos or its key customers may have unfavourable effects on Perlos' business operations.

ANNUAL GENERAL MEETING

The Annual General Meeting of Perlos Corporation was held on 28 March 2007. The meeting adopted the company's income statement and balance sheet as well as the consolidated income statement and the consolidated balance sheet, and discharged the members of the Board of Directors and the President and CEO from liability for the 1 January 2006 - 31 December 2006 financial year.

As proposed by the Board of Directors, the Annual General Meeting resolved that no dividend be distributed for the 1 January 2006 - 31 December 2006 financial year.

The following persons were elected as members of the Board of Directors of Perlos Corporation: Timo Leinilä, Jukka Rinnevaara, Andreas Tallberg, Kari Vuorialho and Petteri Walldén, of whom Andreas Tallberg was elected Chairman of the Board of Directors. Timo Leinilä was elected Vice Chairman of the Board of Directors at the organisation meeting of the Board of Directors held after the Annual General Meeting.

EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of Perlos Corporation was held on 15 November 2007. The Extraordinary General Meeting decided to confirm the number of the board members to be five (5) and elected the board members as well as the chairman and two (2) deputy chairmen of the Board of Directors.

The Extraordinary General Meeting decided that Mr. Andreas Tallberg continues as a member of the Board of Directors and elected four new members to the Board of Directors: Mr. Raymond Soong, Mr. Warren Chen, Mr. David Lin and Mr. Cor Saris.

In addition, Mr. Raymond Soong was elected as chairman of the board of directors and Mr. Warren Chen and Mr. Andreas Tallberg were elected as deputy chairmen of the Board of Directors.

Mr. Timo Leinilä, Mr. Jukka Rinnevaara, Mr. Kari Vuorialho and Mr. Tapio Walldén who were Board members until the Extraordinary General Meeting, have resigned.

EXECUTIVE BOARD

The composition of the Executive Board changed during the year. The current Executive Board members are Matti Virtanen, CEO; Juha Torniainen, CFO; Petri Perälä, CTO; Tsong-Da Chou, Senior Vice President, Global Operations; Esa Vuorinen, Senior Vice President, Human Resources and Vesa Vähämöttönen, Senior Vice President, Global Sales and Marketing.

CHANGE OF PERLOS' OWNERSHIP TO LITE-ON (FINLAND) OY

Perlos Corporation's share capital at 31 December 2007 amounted to EUR 31,762,288.80 and the number of shares in issue to 52,937,148.

Lite-On (Finland) Oy acquired 95.84 per cent of the shares and votes in Perlos Corporation through a public cash tender offer for all issued and outstanding shares and options of Perlos.

Lite-On (Finland) Oy 's intention is to acquire all issued and outstanding shares and options in Perlos, and therefore Lite-On (Finland) Oy initiated redemption proceedings to redeem the other shareholders of Perlos in accordance with Chapter 18 of the Finnish Companies Act. This also included initiation of arbitral proceedings pursuant to Chapter 18, Sections 3 - 9 of the Finnish Companies Act.

DELISTING OF PERLOS SHARES

Perlos filed on 15 November 2007 applications to OMX Nordic Exchange Helsinki Oy's listing committee and CEO for the purpose of ending the quotation of its shares and options and delisting its shares and options from OMX Nordic Exchange Helsinki Oy.

The listing committee and CEO of OMX Nordic Exchange Helsinki Oy approved on December 14, 2007 the delisting applications concerning shares and options as conditional and subject to the fact that as a result of the redemption proceeding in accordance with the Finnish Companies Act, Lite-On (Finland) Oy will own 100 per cent of the shares in Perlos.

EVENTS AFTER THE BALANCE SHEET DATE

Perlos has on 4 February 2008 signed an agreement for purchasing the remaining 25 % of CIM Precision Molds (HK) Limited. The transaction is conditional on receiving the relevant regulatory approvals. The other 75 % were purchased already in 2005. CIM Precision Molds is a holding company for Perlos' Shenzhen plant.

Perlos President and CEO Matti Virtanen told on February 26th that he will resign from Perlos' service due to family reasons. Perlos' Board has nominated Board member Cor Saris as the new President and CEO as of May 27th, 2008.

OUTLOOK FOR 2008

The growth in the number of units in the mobile phone markets is anticipated to continue strongly during the current year. The manufacturing of mobile phones is predicted to increase especially in China and India. Several mobile phone manufacturers aim to focus their acquisitions policy on producers able to provide a wide range of product and service packages.

Perlos' factory network has been built following trends in the industry sector and the majority of the company's factories are located in the growing markets of Asia. The mutual product and service range offered by Perlos and Lite-On corresponds well with the needs of the mobile phone manufacturers to obtain ever-increasingly larger packages from their suppliers. The company believes that it has the right foundations in place to become one of the most important suppliers for the global mobile phone industry.

DIVIDEND

The loss of Perlos Corporation for the financial year 2007 was EUR 16 950 thousand and the distributable equity at December 31, 2007 was EUR 61 431 thousand. Perlos' Board of Directors will propose to the Annual General Meeting that no dividend be paid for 2007.

COLLAGE OF ANNUAL INFORMATION

According to Finnish Securities Market Act, Chapter 2, Section 10 c, Perlos has today published the annual collage of stock exchange releases and announcements published in 2007. The document is available on the company web site at www.perlos.com.

The information in the financial statement bulletin is not audited.

CONSOLIDATED INCOME STATEMENT

EUR million	10- 12/2007	10- 12/2006	Change,%	1-12/2007	1-12/2006
Continuing operations:					
Net sales	103,4	143,9	-28 %	453,7	673,6
Cost of goods sold	-88,9	-131,0	-32 %	-437,2	-614,8
Gross profit/loss	14,5	12,9		16,5	58,8
Other operating income	1,2	1,1		3,5	3,5
Selling and marketing expenses	-2,5	-3,0		-11,0	-13,1
General and administrative expenses	-8,5	-15,0		-41,9	-61,0
Other operating expenses	0,0	-0,3		-0,8	-21,1
Operating profit/ loss	4,7	-4,3		-33,7	-32,9
Financial income and expenses	-4,0	-3,1		-12,4	-10,6
Share of profit/loss of associates	-0,2	0,0		-1,1	-0,1
Profit/loss before income tax	0,6	-7,4		-47,1	-43,6
Income tax expenses	-2,0	3,5		-9,1	0,0
Profit/loss from continuing operations	-1,4	-3,9		-56,2	-43,6
Discontinued operations;					
Profit/loss from discontinued operations	0,0	18,9		0,0	18,3
Profit/ loss for the period	-1,4	15,0		-56,2	-25,3
Attributable to					
Equity holders of the Company				-56,0	-25,5
Minority interest				-0,2	0,2
Earnings per share for profit/loss attributable to the equity holders of the Company					
Continuing operations:					
Earnings per share, basic, €				-1,06	-0,82
Earnings per share, diluted, €				-1,06	-0,82

Geographical diversity of net sales from continuing operations, %

	10- 12/2007	10- 12/2006	1-12/2007	1-12/2006
Europe	33 %	49 %	36 %	44 %
Americas	20 %	14 %	20 %	21 %
Asia	47 %	37 %	44 %	35 %

CONSOLIDATED BALANCE SHEET

EUR million

ASSETS	12/2007	12/2006
Non-current assets		
Goodwill	11,2	11,6
Intangible assets	8,5	13,0
Property, plant and equipment	192,6	219,3
Non-current trade and other receivables	1,0	1,3
Investments in associates	0,5	1,6
Available for sale financial assets	0,1	0,1
Deferred income tax assets	7,0	7,0
	<u>220,9</u>	<u>253,9</u>
Current assets		
Inventories	27,3	65,6
Trade and other receivables	65,6	75,5
Derivative financial instruments	0,2	0,4
Cash and cash equivalents	55,2	28,1
	<u>148,3</u>	<u>169,7</u>
Assets held for sale	8,4	-
Total assets	<u>377,6</u>	<u>423,6</u>
SHAREHOLDER'S EQUITY AND LIABILITIES	12/2007	12/2006
Shareholder's equity		
Share capital	31,8	31,8
Fair value, hedging and other reserves	6,4	4,3
Translation differences	-6,4	1,1
Reserve, managed by the General Meeting	48,8	48,8
Retained earnings	18,0	69,6
Equity attributable to equity holder's of the Company	<u>98,6</u>	<u>155,6</u>
Minority interest	0,0	0,2
Total shareholder's equity	<u>98,6</u>	<u>155,7</u>
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	0,0	0,2
Interest-bearing liabilities	58,9	51,1
Provisions	2,1	2,8
	<u>61,1</u>	<u>54,1</u>
Current liabilities		
Interest-bearing liabilities	137,7	89,8
Current income tax liabilities	1,5	0,2
Provisions	1,4	2,9
Derivative financial instruments	1,6	0,3
Trade and other payables	75,8	120,6
	<u>218,0</u>	<u>213,7</u>
Total liabilities	279,1	267,9
Total shareholder's equity and liabilities	<u>377,6</u>	<u>423,6</u>

CONSOLIDATED CASH FLOW STATEMENT

EUR million	10- 12/2007	10- 12/2006	1- 12/2007	1- 12/2006
Cash flow from operating activities				
Operating profit/loss	4,7	20,0	-33,7	-7,8
Adjustments	5,2	-19,7	58,4	53,2
Change in working capital	-0,7	48,5	7,6	40,7
Financial income and expenses	-2,3	-2,9	-10,8	-10,8
Income taxes paid	-3,0	-2,8	-8,5	-9,9
Net cash flow from operations	3,8	43,1	13,0	65,5
Cash flows from investing activities				
Investments in associated companies	0,0	-7,8	0,0	-7,8
Purchase of tangible and intangible assets	-3,3	-12,3	-38,9	-60,4
Proceeds from tangible and intangible assets	1,7	0,3	8,5	2,4
Proceeds from divested operations, net of cash	0,0	56,0	0,0	56,0
Net cash used in investing activities	-1,7	36,2	-30,5	-9,8
Cash flow before financing activities	2,2	79,3	-17,4	55,7
Cash flow from financing activities				
Change in loans	31,9	-73,9	44,5	-48,7
Change in interest-bearing receivables	0,0	0,0	0,0	0,0
Dividends paid	0,0	0,0	0,0	-5,3
Net cash flow from financing activities	32,0	-73,9	44,5	-54,0
Translation difference	-0,4	-1,2	-1,2	-3,4
Change in cash and cash equivalents	34,6	6,7	28,3	5,1
Cash and cash equivalents 1.1.	21,0	22,6	28,1	26,4
Cash and cash equivalents at end of period	55,2	28,1	55,2	28,1

Due to translation differences during the year and discontinuing operations the amounts in the cash flow statement are not directly reconcilable with the balance sheet figures.

Consolidated statement of changes in shareholders' equity

EUR million

- 1) Share capital
- 2) Share issue premium
- 3) Hedging reserve
- 4) Other reserves
- 5) Translation differences
- 6) Retained earnings
- 7) Total
- 8) Minority interest
- 9) Total

Shareholders' equity 1-12/2006	1)	2)	3)	4)	5)	6)	7)	8)	9)
Shareholders' equity									
31.12.2005	31,8	48,8	-0,2	2,9	4,5	100,0	187,8	0,4	188,2
Cash flow hedging									
- Increase									
- Decrease (hedging reserve)			0,2				0,2		0,2
- Deferred taxes's share of period movements									
Translation difference					-3,4		-3,4		-3,4
Other changes		-48,8		50,2		-0,1	1,3		1,3
Net profit/loss recognised directly to shareholders' equity	0,0	-48,8	0,2	50,2	-3,4	-0,1	-1,9	0,0	-1,9
Profit/loss for the period						-25,1	-25,1	-0,2	-25,3
Total profits and losses	0,0	-48,8	0,2	50,2	-3,4	-25,2	-27,0	-0,2	-27,2
Dividends paid						-5,3	-5,3		-5,3
SHAREHOLDERS' EQUITY									
31.12.2006	31,8	0,0	0,0	53,1	1,1	69,5	155,5	0,2	155,7

Shareholders' equity 1-12/2007	1)	2)	3)	4)	5)	6)	7)	8)	9)
Shareholders' equity									
31.12.2006	31,8	0,0	0,0	53,1	1,1	69,6	155,5	0,2	155,7
Cash flow hedging									
- Increase									
- Decrease (hedging reserve)									
- Deferred taxes's share of period									
Net gains/losses of net investments					-0,6		-0,6		-0,6
Translation difference					-6,9	4,8	-2,1		-2,1
Other changes				2,1		-0,3	1,8		1,8
Net profit/loss recognised directly to shareholders' equity	0,0	0,0	0,0	2,1	-7,5	4,5	-0,9	0,0	-0,9
Profit/loss for the period						-56,0	-56,0	-0,2	-56,2
Total profits and losses	0,0	0,0	0,0	2,1	-7,5	-51,6	-56,9	-0,2	-57,1
Dividends paid									
SHAREHOLDERS' EQUITY									
31.12.2007	31,8	0,0	0,0	55,2	-6,4	18,0	98,6	0,0	98,6

NOTES TO THE FINANCIAL STATEMENT REVIEW

Basis of preparation and accounting policies

The financial statement review has been prepared in accordance with the IAS 34 standard (Interim Financial Reporting) and the same principles as in the recent annual financial statements. In 2007 Perlos has adopted the following new standards which have become effective on January 1, 2007: IFRS 7 Financial instruments: Disclosures and Amendment to IAS 1: Presentation of financial statements: Capital disclosures. The adoption of those new standards has mainly impact on the notes to the consolidated financial statements 2007.

Changes in property, plant and equipment

EUR million

	1-12/2007	1-12/2006
Book value at beginning of the period	219,3	246,5
Additions and transfers	66,5	61,2
Deductions and transfers	-26,4	-12,3
Discontinued operations	-	-23,5
Depreciation	-38,0	-37,3
Impairment	-17,6	-8,4
Translation difference and other changes	-11,3	-6,8
Book value at end of the period	192,6	219,3

Provisions

	1.1.2007	Additional provisions	Used during the period	31.12.2007
Pension benefit	0,8	0,0	0,0	0,8
Restructuring	4,9	15,8	-18,0	2,7
	5,7	15,8	-18,0	3,5

Exchange rates

	31.12.2007	31.12.2006
USD	1,4721	1,3170
CNY	10,7524	10,2793
SEK	9,4415	9,0404
BRL	2,60859	2,8202
MXN	16,0739	14,283
INR	57,8635	58,2295
HKD	11,4800	10,2409

COMMITMENTS

EUR million	1-12/2007	1-12/2006
The future aggregate minimum lease payments under non-cancelable operating leases	23,1	18,3
Guarantees on behalf of third parties as collateral on other commitments	0,4	1,4
Guarantees on behalf of associated companies	0,0	5,6
Major off-balance sheet investment commitments	2,6	13,0
Nominal values of derivate financial instruments		
Foreign exchange forwards		
- related to transaction risk	0,0	4,1
- related to financing	84,4	46,3
Interest rate swaps	0,0	25,0
Commodity derivatives	0,0	0,4
Total nominal values	84,4	75,8

The nominal amounts are presented as gross values.

Fair values of derivatives financial instruments

Instruments having a positive fair value		
- Foreign exchange forwards		
-- related to transaction risk	0,0	0,0
-- related to financing	0,1	0,2
- Commodity derivatives	0,0	0,0
Instruments having a negative fair value		
- Foreign exchange forwards		
-- related to transaction risk	0,0	-0,1
-- related to financing	-1,6	-0,2
- Interest rate swaps	0,0	0,0
- Commodity derivatives	0,0	0,0
Total fair values	-1,5	-0,1

The fair values are based on quoted market prices.

Fair value represents the amount that would be realized, if the derivative contracts were closed on the balance sheet date. All derivative financial instruments are fair valued through the income statement at each balance sheet date.

KEY FIGURES

	10- 12/2007	10- 12/2006	1- 12/2007	1- 12/2006
Continuing operations gross investments in fixed assets, EUR million	3,3	13,6	38,9	60,4
EBITDA *) from continuing operations, EUR million	14,3	6,3	10,1	11,6
EBITDA *) from continuing operations, %	13,8	4,4	2,2	1,7
EBIT from continuing operations, EUR million	4,7	-4,3	-33,7	-32,9
EBIT from continuing operations, %	4,5	-3,0	-7,4	-4,9
Net sales from continuing operations, EUR million	103,3	143,9	453,7	673,6
Net sales from discontinued operations, EUR million	-	3,1	-	42,7
Equity ratio, %	26,2	37,3	26,2	37,3
Gearing	1,44	0,72	1,44	0,72
Interest-bearing net liabilities, EUR million	141,5	112,8	141,5	112,8
ROE, % p.a.	-5,4	40,5	-44,2	-14,7
ROI, % p.a.	15,6	32,7	-6,1	5,3
Earnings per share, EUR	-0,03	0,28	-1,06	-0,48
Earnings per share, diluted, EUR	-0,03	0,28	-1,06	-0,48
Earnings per share from continuing operations, EUR	-0,03	-0,07	-1,06	-0,82
Earnings per share from discontinued operations, EUR	-	0,36	-	0,35
Shareholders' equity per share, EUR	1,86	2,94	1,86	2,94
Shareholders' equity per share, diluted, EUR	1,86	2,94	1,86	2,94
Average number of shares during the period (1 000)			52 937	52 937
Average number of shares (diluted) during the period (1 000)			52 937	53 020
Personnel of continuing operations				
- average for the period	5335	7 473	5 951	7 746
- end of period	5350	7 229	5 350	7 229
- average including workforce	9142	13 616	9 693	13 320
- end of period including workforce	8647	12 944	8 647	12 944

*) Earnings before interest, taxes, depreciation and amortisation

Vantaa, February 29, 2008

PERLOS CORPORATION
Board of Directors

Additional Information:

President and CEO Matti Virtanen is available on February 29th, 2008 at 11.00-12.00 Finnish time, tel. +358 9 2500 7200

PERLOS IN BRIEF

Perlos Corporation is a global design and manufacturing partner for the telecommunications and electronics industry. The service offering covers the whole product life cycle from product design to manufacturing, logistics and new product versions. The production facilities are located in Asia, Europe and North and South America and the company is headquartered in Finland. In 2006, Perlos Corporation's net sales amounted to EUR 673,6 million. The company employed approximately 9,200 people worldwide in the end of September, 2007. Perlos share (POS1V) is traded on the OMX Nordic Exchange Helsinki. Perlos is a part of Lite-On Group since November 2007.

DISTRIBUTION

Helsinki Stock Exchange
Central media
www.perlos.com