

The image features a dark red background with a dynamic, glowing orange and white light streak that curves across the upper right portion. The word "Salescomp" is written in a bold, white, sans-serif font, centered horizontally. Below it, the tagline "POWERING THE MOBILE WORLD" is written in a smaller, white, all-caps sans-serif font.

**Salescomp**

POWERING THE MOBILE WORLD

# Interim Report January - September 2009

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5 November 2009

## Agenda

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- Financial development in July-September 2009
- Setting up offices in Taiwan and Japan
- Shares and shareholders
- Outlook for 2009



# Financial development in July-September 2009

## Q3: Net sales continued sequential growth, but remained below last year's level

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- In July-September, some 288 million mobile phones were sold globally to end-users.
  - Mobile phone market was decreased by some 7% compared with Q3'08, but increased by some 5% compared with Q2'09.
- Number of chargers delivered by Salcomp decreased by 8% to 68.0 million pieces.
  - Number of chargers delivered by Salcomp improved by 16% compared with Q2'09.
- Salcomp's reported market share in mobile phone chargers was some 23% (22% in Q2'09 and 23% in Q3'08).
- Net sales decreased by 9% to EUR 68.1 million.
  - Net sales improved by 11% compared with Q2'09.

## Q3: Clear sequential improvement in operating profit and profit for the period

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- Operating profit was EUR 4.4 million – up by 82%.
  - QoQ operating profit, excluding the exchange rate gains/losses, was up by 57% to EUR 4.4 million (EUR 2.8 million in Q2'09).
  - YoY operating profit, excluding the exchange rate gains/losses, was down by 15% to EUR 4.4 million in Q3'09 (EUR 5.2 million in Q3'08).
  - Exchange rate gains/losses had no impact on the operating profit in Q3'09, but material impact, loss of EUR 2.8 million, in the comparison period Q3'08.
- Profit for the period was EUR 2.3 million.
  - Net finance expenses include EUR 0.3 million in realized and unrealized exchange rate losses.
  - Income taxes were EUR 1.2 million of which the deferred tax in Q3'09 was EUR 0.7 million.
- Earnings per share, excluding the deferred tax, were EUR 0.08.

## Q3: Cash flow from operating activities improved YoY

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- Cash flow from operating activities was EUR 4.6 million positive (EUR 0.5 million negative in Q3'08).
  - EUR 4.6 million positive, excluding the change in selling of receivables (EUR 2.3 million positive in Q3'08)
- Net interest-bearing debt at the end of September was EUR 6.2 million.
  - Gearing 8.9%
- Cash and cash equivalents at the end of the period were EUR 21.5 million.

## Q3: Net sales decreased, profitability improved

	Q3'09	Q3'08	Change %
Number of chargers delivered, million pcs	68.0	73.6	-8%
Net sales, EUR million	68.1	74.8	-9%
Operating profit, EUR million	4.4	2.4	+82%
% of net sales	6.4%	3.2%	
Profit before tax, EUR million	3.4	1.1	+214%
EPS, EUR*	0.08	0.02	+300%
Cash flow from operating activities, EUR million**	4.6	2.3	+100%
Personnel at the end of period	7,757	10,355	-25%

\* Excluding the deferred tax

\*\* Excluding the change in selling of receivables

## Q3: Return on net assets strengthened and gearing improved

	Q3'09	Q3'08
Return on capital employed, %	17.1	9.3
Return on net assets, %	97.6	26.2
Equity ratio, %	40.5	35.1
Gearing, %	8.9	40.5

**Return on capital employed (%)** = (Profit before tax + interest charges and other finance expenses) x 100 : (Balance sheet total less interest-free debt (on average))

**Return on net assets (%)** = Operating profit x 100 : (Fixed assets less goodwill and deferred tax assets + inventory + short-term receivables less short-term interest-free debt on average)

**Equity ratio (%)** = Equity x 100 : Balance sheet total less received advance payments

**Gearing (%)** = Interest-bearing debt less cash and cash equivalents) x 100 : Equity

## Q3: Statement of comprehensive income

(EUR 1 000)	7-9/2009	7-9/2008	Change %
Net sales	68 078	74 755	-8.9%
Cost of sales	-59 776	-67 977	-12.1%
<b>Gross margin</b>	<b>8 302</b>	<b>6 778</b>	<b>22.5%</b>
Other operating income	11	2	450.0%
Sales and marketing expenses	-551	-606	-9.1%
Administrative expenses	-2 141	-2 264	-5.4%
Research and development expenses	-1 236	-1 497	-17.4%
Other operating expenses	0	0	
<b>Operating profit</b>	<b>4 385</b>	<b>2 413</b>	<b>81.7%</b>
Financial income	-309	37	-935.1%
Financial expenses	-652	-1 360	-52.1%
<b>Profit before tax</b>	<b>3 424</b>	<b>1 090</b>	<b>214.1%</b>
Income tax expense	-1 173	-1 081	8.5%
<b>Profit for the period</b>	<b>2 251</b>	<b>9</b>	<b>24911.1%</b>
<b>Other comprehensive income for the period</b>			
Exchange differences on translating foreign operations	117	576	-79.7%
<b>Other comprehensive income for the period, net of tax</b>	<b>117</b>	<b>576</b>	<b>-79.7%</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2 368</b>	<b>585</b>	<b>304.8%</b>
Basic earnings per share, EUR	<b>0.06</b>	<b>0.00</b>	
Diluted earnings per share, EUR	<b>0.06</b>	<b>0.00</b>	

## Q3: Statement of financial position - Assets

(EUR 1 000)	30.9.2009	30.9.2008	Change %	31.12.2008
<b>Non-current assets</b>				
Property, plant and equipment	19 550	23 195	-15.7%	22 559
Goodwill	66 412	66 412	0.0%	66 412
Other intangible assets	378	554	-31.7%	397
Deferred tax assets	3 057	3 122	-2.1%	3 057
	<b>89 397</b>	<b>93 283</b>	<b>-4.2%</b>	<b>92 425</b>
<b>Current assets</b>				
Inventories	18 955	33 467	-43.4%	29 531
Trade and other receivables	41 373	54 997	-24.8%	30 637
Cash and cash equivalents	21 539	9 634	123.6%	26 590
	<b>81 867</b>	<b>98 098</b>	<b>-16.5%</b>	<b>86 758</b>
<b>Total assets</b>	<b>171 264</b>	<b>191 381</b>	<b>-10.5%</b>	<b>179 183</b>

# Q3: Statement of financial position

## – Equity and liabilities

(EUR 1 000)	30.9.2009	30.9.2008	Change %	31.12.2008
<b>Equity</b>				
Share capital	9 833	9 833	0.0%	9 833
Invested unrestricted equity	22 035	22 035	0.0%	22 035
Retained earnings	37 527	35 233	6.5%	31 911
	<u>69 395</u>	<u>67 101</u>	<u>3.4%</u>	<u>63 779</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	17 049	14 537	17.3%	14 861
Capital loan	10 000	0		3 000
Interest-bearing liabilities*	14 467	21 383	-32.3%	15 329
	<u>41 516</u>	<u>35 920</u>	<u>15.6%</u>	<u>33 190</u>
<b>Current liabilities</b>				
Trade and other payables	57 120	72 937	-21.7%	70 309
Interest-bearing current liabilities	3 233	15 423	-79.0%	11 905
	<u>60 353</u>	<u>88 360</u>	<u>-31.7%</u>	<u>82 214</u>
<b>Total equity and liabilities</b>	<u>171 264</u>	<u>191 381</u>	<u>-10.5%</u>	<u>179 183</u>

\*includes EUR 8 million of revolving credit

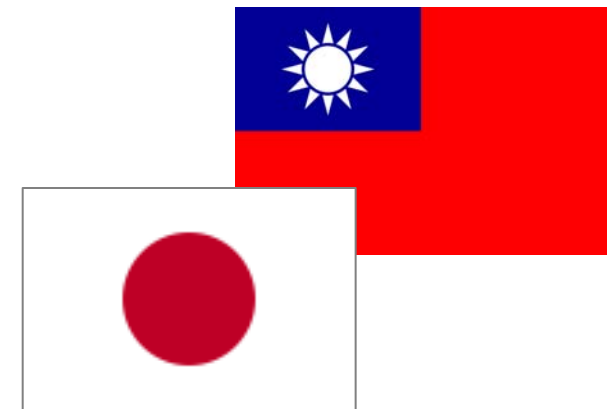
## Q3: Statement of cash flows

EUR 1000	7-9/2009	7-9/2008	Change %	1-12/2008
Cash flow before change in working capital	5 396	3 863	39.7%	17 664
Change in working capital:	-126	-3 690	-96.6%	16 785
Financial items and taxes	-680	-659	3.2%	-3 028
<b>Net cash flow from operating activities</b>	<b>4 590</b>	<b>-486</b>	<b>-1044.4%</b>	<b>31 421</b>
Purchases	-312	-880	-64.5%	-5 311
Sales	8	67	-88.1%	98
<b>Cash flows from investing activities</b>	<b>-304</b>	<b>-813</b>	<b>-62.6%</b>	<b>-5 213</b>
<b>Cash flow before financing</b>	<b>4 286</b>	<b>-1 299</b>	<b>-429.9%</b>	<b>26 208</b>
Withdrawal of borrowings	0	542	-100.0%	3 000
Repayment of borrowings	-2 000	-521	283.9%	-10 964
Dividends	0	0		-5 846
<b>Net cash flow from financing activities</b>	<b>-2 000</b>	<b>21</b>	<b>-9623.8%</b>	<b>-13 810</b>
Change in cash and cash equivalents	2 286	-1 278	-278.9%	12 398
<b>Cash and cash equivalents at the beginning of the period</b>	<b>19 539</b>	<b>11 284</b>	<b>73.2%</b>	<b>14 611</b>
Translation difference	-286	-372	-23.1%	-419
<b>Cash and cash equivalents at the end of the period</b>	<b>21 539</b>	<b>9 634</b>	<b>123.6%</b>	<b>26 590</b>

# Setting up offices in Taiwan and Japan

## Setting up offices in Taiwan and Japan

- Salcomp opened offices in Taiwan and Japan in October.
- Taiwan and Japan are interesting countries for Salcomp from the strategic perspective
  - Several interesting mobile phone manufacturers, other information technology and electronics industry companies
    - Possibilities to achieve growth from mobile phone chargers and broaden the operations to other selected power adapters and chargers
- Taiwan office
  - Located in Taipei
  - Employs some 10 people at the initial stage
  - Responsible for sales, technical support and customer service for customers located in Taiwan
- Japan office
  - Located in Tokyo
  - Employs one person at the initial stage
  - Responsible for sales and customer service for customers located in Japan



# Shares and shareholders

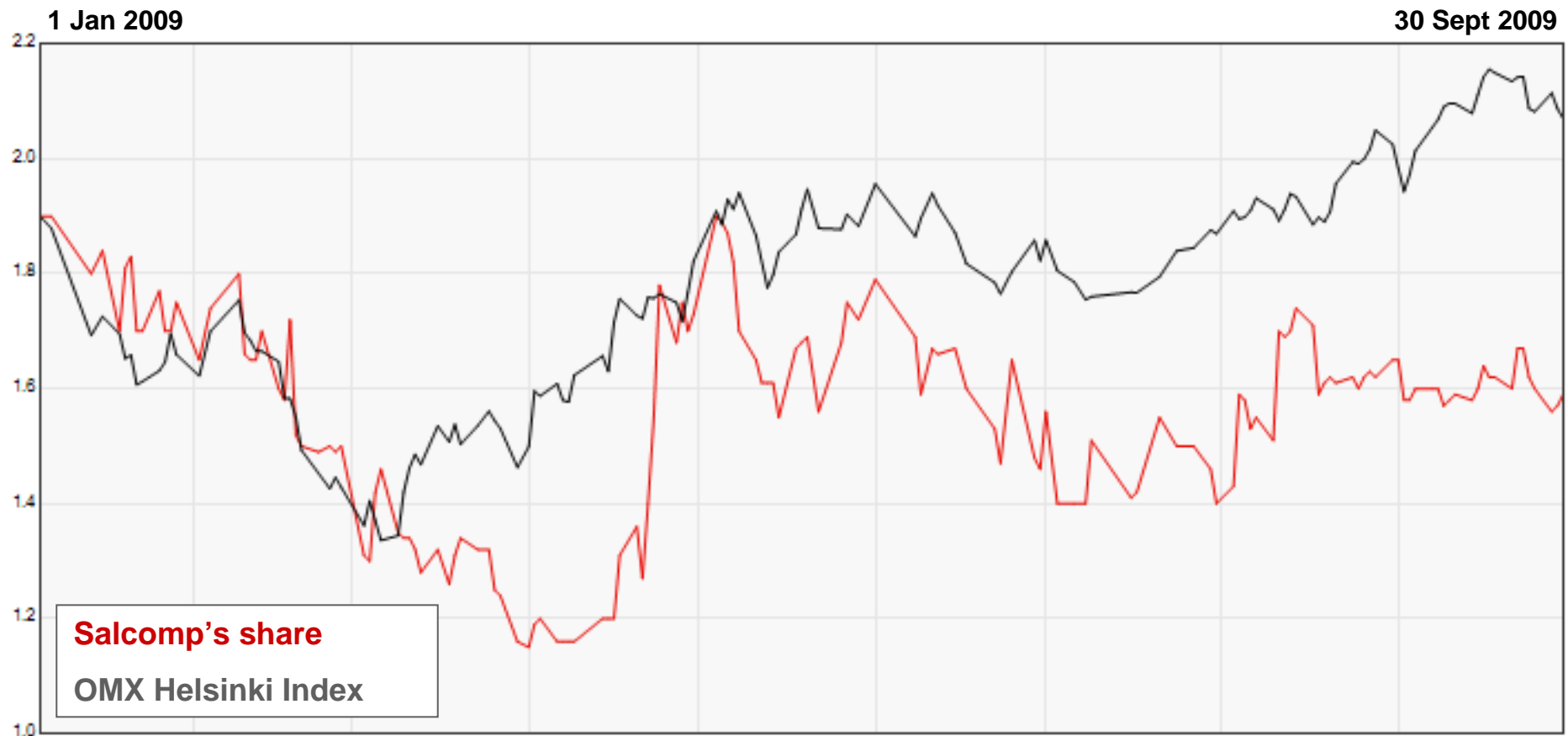
## Q3: Number of shareholders at the same level as in Q2'09

- At the end of September, Salcomp had 1,148 shareholders and the foreign ownership was 77.0%.

Major shareholders on 30 September 2009	%
1. Nordstjernan AB	75.76
2. Mandatum Life Insurance Company Limited	9.55
3. Kaleva Mutual Insurance Company	3.13
4. Onninen-sijoitus Oy	1.54
5. Vuorialho Kari Tapio	1.15
6. Sijoitusrahasto Aktia Capital	0.93
7. Aktia Secura Fund	0.70
8. Toivanen-Koivisto Maarit	0.19
9. Terentjeff Jorma	0.19
10. Sijoitusrahasto Garp	0.17
<i>Nominee registered (within 200 largest owners)</i>	1.22
<i>Others</i>	5.47
<i>Total</i>	100.00

## Share price between EUR 1.15-1.94

- Share price fluctuated between EUR 1.15-1.94 in January-September.
- Share trade was EUR 1.3 million and 0.8 million shares.
- Market value at the end of September was EUR 62.0 million.



# Outlook for 2009

## Salcomp's outlook for 2009 unchanged

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- According to the estimates
  - The mobile phone market is expected to decrease by approximately 7% during 2009, compared with 2008.
    - measured by the number of units, some 1.1 billion mobile phones, and therefore, mobile phone chargers, to be sold in 2009
- Salcomp's net sales in 2009 are expected to decrease compared with the 2008 level.
- Due to the lower net sales, the operating profit will be below the 2008 level but will remain positive.

Thank you!

