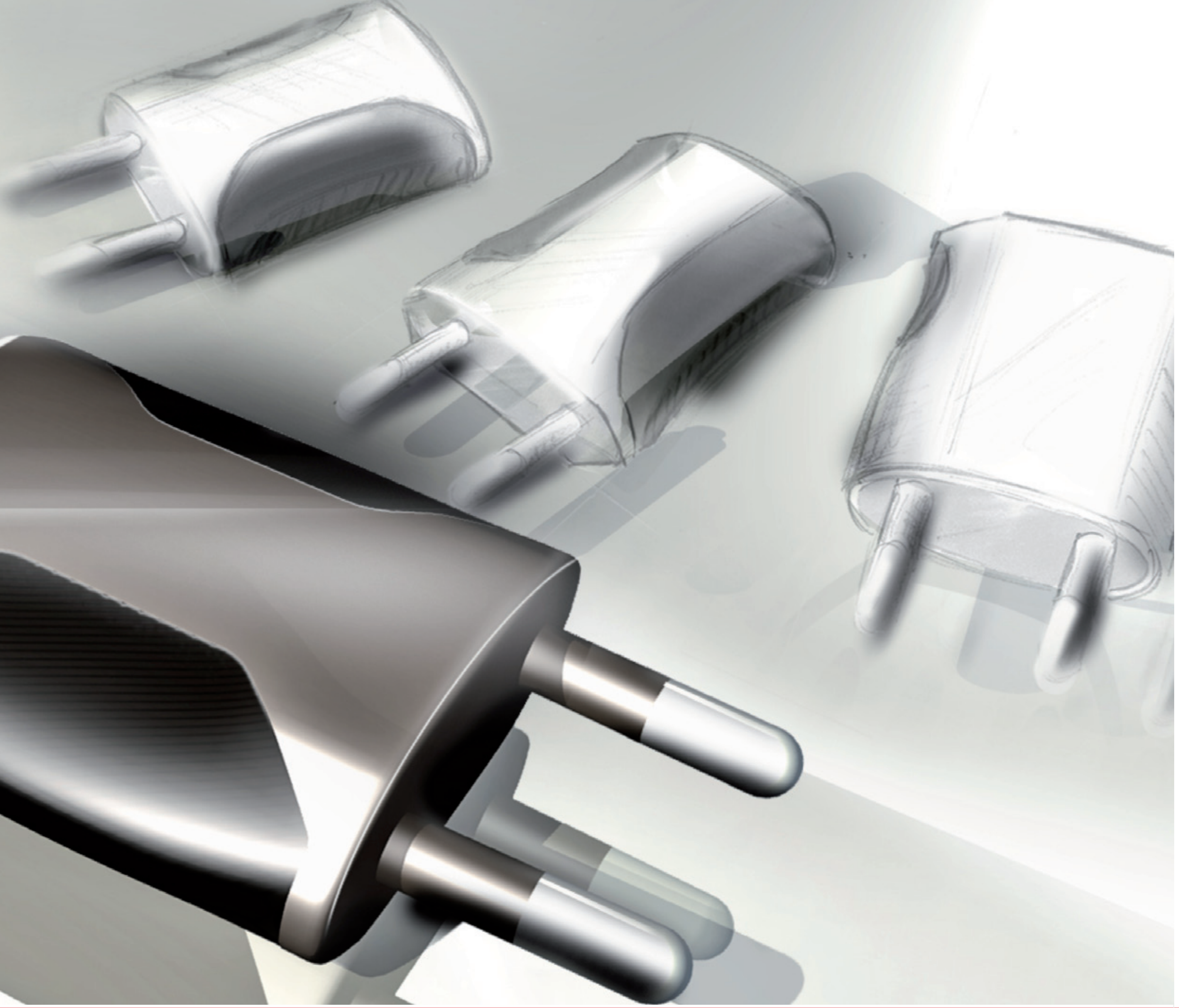
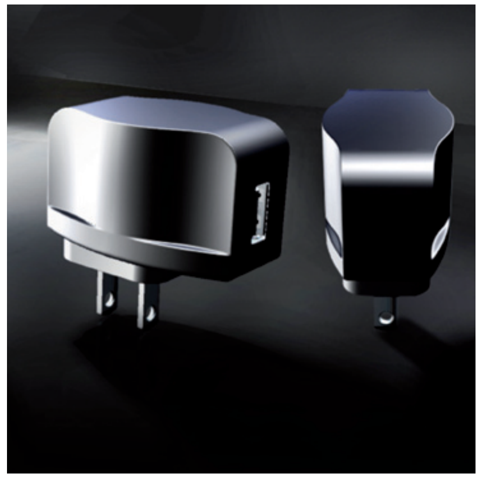
Salcomp

POWERING THE MOBILE WORLD

ANNUAL REPORT 2010





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Salcomp

SALCOMP

- Salcomp develops and manufactures chargers for mobile phones and other electronic devices.
- Salcomp is the market leader in mobile phone chargers with a market share of some 23%.
- In addition to mobile phone chargers, Salcomp has broadened the product portfolio to medium power range charging solutions which are suitable for cameras, navigators, tablets, notebooks, routers, point-of-sales devices and other electronic devices, among others.
- The main customers include major mobile phone manufacturers, as well as other selected manufacturers and retail chains in the electronics business.
- The majority of Salcomp's products are based on OEM solutions, i.e. charger concepts developed in cooperation with the customer.
- In addition, Salcomp has its own ODM product platforms which enable fast and cost-efficient access to the market.
- Chargers sold under Salcomp's own CHARGZ brand are also based on these ODM product platforms.

SALCOMP'S GLOBAL OPERATIONS

- Salcomp's headquarters are in Salo, Finland, and the production plants are located in China, India and Brazil.
- Salcomp has local offices in the USA, Japan, Taiwan and Brazil.
- At the end of 2010, Salcomp employed 10,350 people: 59% in China, 24% in India, 16% in Brazil, as well as 1% in Finland and in other countries.

2010 IN BRIEF

Net sales grew significantly, rise in costs burdened operating profit

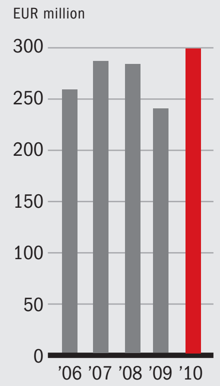
- The mobile phone market, essential for Salcomp's business, returned to a growth track in 2010, after the decline due to the global financial crisis. According to Salcomp's estimate, some 1.26 billion mobile phones with registered trade mark were sold in 2010, up by some 10% compared with 2009.
- The number of chargers delivered by Salcomp increased by some 22% and net sales by some 25% compared with 2009.
- The operating profit was burdened by a rise in material and labor costs. In addition, costs rose due to material shortages causing disturbances in manufacturing and increased expenses related to logistics. Operating profit, EUR 9.7 million, was approximately at the same level as in 2009. Operating profit accounted for 3.2% of sales.
- The market position remained strong and the market share in mobile phone chargers was some 23% compared with 21% in the previous year.

Salcomp broadened the product portfolio and introduced its own brand

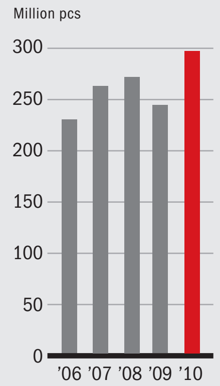
- Salcomp broadened, according to the strategy, the product portfolio both in the low and medium power range charger solutions and introduced its own charger brand for retail sales.
  - Products produced according to the new **Matrix product platform** are suitable, among others, for notebooks, point-of-sales devices, routers and other electronic devices demanding higher power range charging.
  - **Twist chargers** are the first chargers in the market in which the stand-by consumption is literally zero, thanks to an innovative solution developed by Salcomp. Twist chargers are suitable for mobile phones, navigators, cameras, Bluetooth headsets, media players and other low power range electronic devices.
  - Salcomp took the first steps in developing the accessory charger business by introducing its own charger brand. Accessory chargers under the **CHARGZ brand** will be sold through the selected retail channels and operators. The launch will first take place in North America followed by Europe and Asia.

All Salcomp's releases are available on the company's website at www.salcomp.com

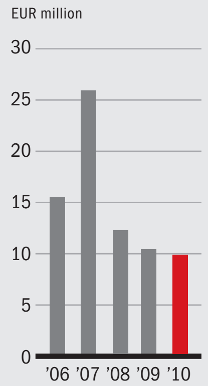
NET SALES



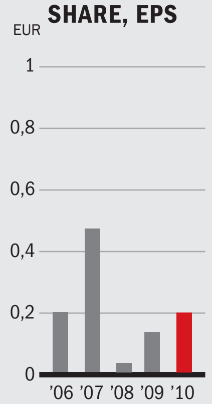
DELIVERED CHARGERS



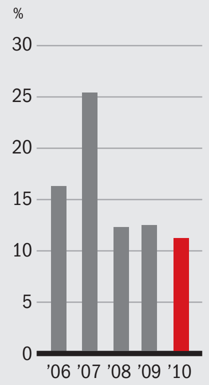
OPERATING PROFIT



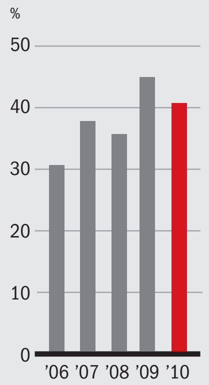
EARNINGS PER SHARE, EPS



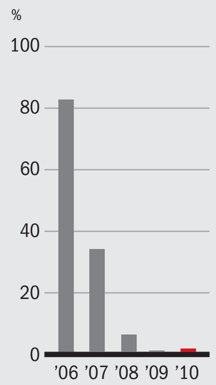
RETURN ON CAPITAL EMPLOYED



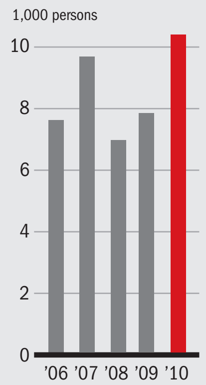
EQUITY RATIO



GEARING



PERSONNEL 31 DECEMBER



CEO's review

YEAR OF STRONG GROWTH

The mobile phone market, essential for Salcomp's business, recovered from the hiccup in demand, due to the global financial crisis, quicker than many other industries. Things started to pick up in the latter half of 2009 and continued strongly in 2010, accelerated especially by intense growth in the developing markets and in the smart phone markets. At the year level, the mobile phone market increased by some 10% in 2010. The markets of other consumer electronics grew as well.

Clearly better than market growth

Strong recovery in the market changed the competition field, and the higher-than-expected growth in demand added requirements towards the supplier chain. This enabled strong companies, such as Salcomp, to establish and improve their position.

The number of chargers we delivered increased by 22%, which is clearly better than the market growth. We succeeded in strengthening our market-leader position, and our market share improved by two percentage points to 23%. In addition, our net sales increased by 25%.

Despite an increase in the net sales, our operating profit weakened by 5% compared with 2009. Profitability was burdened by a continued rise in material and component prices and labor costs throughout the year. In addition, we accelerated our efforts in broadening the product range and customer base which increased fixed costs.

In 2010, we introduced, according to our strategy, new product platforms for both low and medium power range charging solutions. In addition, we launched our own CHARGZ brand on the accessory charger market.

Smart phones and tablets as growth areas

The mobile phone market is estimated to continue on the growth track with an annual growth of some 7% in 2011. The growth in other consumer electronics markets is also estimated to proceed. The smart phone and tablet charger markets are very important areas for us as both of these markets will be growing faster than the average.

Chargers for smart phones and tablets, requiring special know-how and high quality, fit very well for Salcomp since we have over 35 years of experience in developing and manufacturing chargers. Furthermore, Salcomp is very well positioned both in the smart phone and tablet markets, having many of the manufacturers as current customers.

In 2011, we will also seek growth from the medium power range charging solutions. The most interesting applications are notebooks, point-of-sales devices, routers, cameras and navigators.

In addition to growth, an important target in 2011 is to improve our profitability. Developing the cost-efficiency together with our component and material suppliers, increasing our own component manufacturing, improving productivity through automation, optimizing the cost structure of products and tight fixed cost management are vital elements in this work.

Thanks

I would like to thank all Salcomp employees for their committed work for the best of our customers during the year, sometimes also in difficult situations. I would also like to thank our customers, component and material suppliers, shareholders and other stakeholders for their cooperation during the year.

Markku Hangasjärvi
President and CEO

Vision and strategy

Salcomp's vision is to become the global No. 1 in chargers of all electronic devices. Long-term experience in charger development and manufacturing, a strong customer base and flexible global operations lay a good foundation when aiming towards this vision.

MISSION

To provide the most innovative and environmentally friendly charger solutions

VISION

To become the global No. 1 in all charger solutions

- To strengthen the global leadership in mobile phone charger solutions
- To establish a strong position in other selected low-to-medium power range and charger solutions
- To achieve add-on growth from accessory charger markets

KEY ELEMENTS OF THE STRATEGY FOR 2011–2013

Growth

Achieving growth by

- Growing further in mobile phone chargers for the Top 15 mobile phone manufacturers
- Increasing business in selected 5–150 W power charger segments, making it a second cornerstone business for the company
- Growth in Accessories, making it a third cornerstone business for the company

Operational efficiency

Improving our operational efficiency by

- Lowering raw material costs and improving availability through optimizing the level of vertical integration in the supply chain and own component manufacturing
- Increasing productivity and production flexibility through automation
- Maintaining tight management of fixed costs
- Further capitalizing on our global presence

STRATEGIC COMPETITIVE EDGES

Customer base

- The three largest and several other significant mobile phone manufacturers as customers, as well as other leading electronic manufacturers

Long-term experience in the charger business

- Pioneer in R&D and production, due to its very long-term experience in the design and mass production of power supplies

Cost-efficiency and flexibility of the global operations

- Scaling benefits in production and logistics, production plants near customer operations in China, Brazil and India

Environmentally-friendly features in products and processes

- Very low stand-by consumption, high energy-efficiency
- Small sizes saving material and transportation costs

VALUES

Salcomp's values are

- customer satisfaction
- achievement
- respect and responsibility
- continuous learning

They guide our daily operations and relationships with our customers and other co-operation partners.

Corporate governance

Corporate governance

Salcomp Plc complies in its decision-making and administration with legislation, other regulations concerning public companies and Salcomp's Articles of Association. In addition, Salcomp complies with the Guidelines for Insiders by the NASDAQ OMX Helsinki Ltd and the Finnish Corporate Governance Code 2010 for Listed Companies issued by the Securities Market Association, available on the website of the Securities Market Association (www.cgfinland.fi).

The Corporate Governance Statement, required by recommendation 54 in the Corporate Governance Code, is published as a separate document from the Report of the Board of Directors. It is also available on the company's website. The Board of Directors has reviewed the Corporate Governance Statement during its meeting in February 2011.

Salcomp does not comply with recommendation 9 in the Corporate Governance Code, according to which both genders should be represented in the Board of Directors. Salcomp's Annual General Meeting on 24 March 2010 elected five members to the Board of Directors and all Board members are male. The election was based on qualifications including the Board members' independence, competence and versatile experience, as well as the possibility to devote a sufficient amount of time to the work. Salcomp's long-term target is to comply with the Corporate Governance Code recommendation and have both genders represented in the Board of Directors.

GROUP STRUCTURE

The parent company of the Group is Salcomp Plc. The Group's subsidiaries are Salcomp Manufacturing Oy, Salcomp (Shenzhen) Co. Ltd, Salcomp Ltda, Salcomp Industrial Eletrônica da Amazônia Ltda, Salcomp USA L.L.C, Salcomp Manufacturing India Pvt Ltd, and Salcomp Taiwan Co., Ltd.

GENERAL MEETINGS

Salcomp's shareholders exercise the highest decision-making power in Salcomp at General Meetings convened by the company's Board of Directors. These meetings consist of Annual General Meetings and, if necessary, Extraordinary General Meetings.

The Annual General Meeting must be held by the end of May each year. It handles the matters that fall under its authority according to the Articles of Association as well as other proposals made to the

General Meeting. When considered necessary, an Extraordinary General Meeting is convened to handle a specific proposal made for a General Meeting.

Usually, a General Meeting handles the matters placed on the agenda by the Board of Directors. According to the Finnish Companies Act, a shareholder may, however, present a written request to the company's Board of Directors to place a matter on the agenda of the next General Meeting. If a shareholder, or shareholders, holding a minimum of 10% of all shares, or the company's auditor, request in writing for the handling of a specified matter at a General Meeting, the Board of Directors shall, without delay, convene the General Meeting to handle the requested matter.

Major matters subject to the decision-making power of a General Meeting include:
- amendments to the Articles of Association
- increases and decreases in the share capital
- decisions regarding the number, election and remuneration of all Board members of the company
- the adoption of the financial statements
- the distribution of profit

In 2010, the Annual General Meeting of Salcomp was held on 24 March 2010 in Helsinki.

Advance information

The shareholders of the company are summoned to the shareholders' meeting by publishing the convening notice on the company's website or by sending the notice of the shareholders' meeting as a letter or other verifiable way to the shareholders' address, which is registered in the share register. The notice shall be published not earlier than two months before the last registration date mentioned in the convening notice and not later than three weeks prior to the date of the meeting. The notice shall, however, always be announced at least nine days prior to the record date for the shareholders' meeting. In addition, the Board of Directors may also publish a summary notice of the shareholders' meeting in one or more national daily newspapers. The notice to convene shall state the matters to be handled at the General Meeting. The notice to convene the 24 March 2011 General Meeting of Shareholders has been published as a stock exchange release and on Salcomp's website.

The prospective candidates for the Board of Directors that have been notified to the Board are disclosed in the notice to convene or in another way before the General Meeting, provided they have given their written consent for their election and are supported by at least 10% of the total votes of all the shares of the company. The candidates proposed after the delivery of the notice to convene are disclosed separately. In addition, the proposal for the election of an external auditor, proposed by a majority shareholder or prepared by the Board, is disclosed in the notice to convene.

Attendance

A shareholder who has been registered as a shareholder in the register of the shareholders of the company held by Euroclear Finland Ltd ten days prior to the meeting has the right to participate in a General Meeting. A shareholder wishing to attend the General Meeting must register in advance before the date stated in the notice to convene.

Shareholders may exercise their right at the General Meeting either in person or through an authorized representative. Each shareholder or representative may also have one assistant at the meeting.

Minutes are kept at the General Meeting, and the minutes are made available to shareholders within two weeks from the General Meeting. The decisions made by the General Meeting are also published by a stock exchange release after the meeting. The minutes of the General Meeting, including the voting results and the appendices of the minutes that are part of the decisions made by the General Meeting, are published on the company's website.

Attendance by the members of the Board and the President and CEO

The President and CEO, Chairman of the Board and the members of the Board attend the General Meetings unless there are well-founded reasons for their absence.

A person proposed for the first time as a member of the Board participates in the General meeting that decides on his/her election unless there are well-founded reasons for the absence.

Decision-making

The company has one series of shares. Each share entitles its holder to one vote at the General Meeting. Generally speaking, resolutions by the General Meeting require the support of a simple majority of the votes cast at the meeting in question. In the case of a tie, the Chairman will have the casting vote. In an election, the person receiving the highest number of votes shall be deemed elected. The General Meeting may, however, prior to an election, decide that to be elected, a person shall receive more than half of the votes cast. In an election, a tie will be decided by drawing lots. According to the Finnish Companies Act, however, there are several matters, such as an amendment to the Articles of Association or increase of share capital by deviating from the shareholders' pre-emptive right to subscribe new shares, in which any decision requires the support of 2/3 of the votes cast and of the shares represented at the meeting. The Articles of Association of Salcomp does not include voting limitations or redemption clauses.

BOARD OF DIRECTORS

Composition and term

According to the Articles of Association, Salcomp's Board of Directors consists of at least three and at most eight members. According to the Articles of Association, the term of each Board member expires at the close of the next Annual General Meeting following the election.

The General Meeting elects all members of the Board of Directors. The Articles of Association sets no upper age limit on Board members nor restricts in any other way the decision-making power of the General Meeting in electing Board members. However, the General Meeting shall, in accordance with the Finnish Corporate Governance Code, take into account the fact that the person has the qualifications required to handle the duties of a member of the Board and the possibility to devote sufficient time for the work. The needs of the company operations, the development stage of the company and the gender mix of the Board are taken into account in the Board composition.

Board of Directors in 2010

The Annual General Meeting 2010 elected to the Board of Directors: Mats Heiman as the Chairman, Kari Vuorialho as the Vice Chairman, as well as Carl Engström, Petri Kähkönen and Jukka Rinnevaara as members. The term will expire at the close of the next Annual General Meeting 2011. In 2010, the Board also comprised Andreas Tallberg.

The members of the Board are presented on page 16 of the Annual Report and on Salcomp's website.

Duties

The Board of Directors shall devote time and resources to increase the value of the shareholders' holdings in the long run and to look after the interests of the company and all of its shareholders. More specifically, Salcomp's Board of Directors is responsible for the company's administration and for the proper arrangement of the operations of the company. In addition, the Board is responsible for the proper arrangement of the accounting and of the supervision of the financial management.

The duties of the company's Board of Directors are set forth in the Companies Act and other applicable legislation. The Board has also approved internal rules of procedure. According to the rules of procedure and the Finnish Companies Act, the essential duties of Salcomp's Board of Directors are to:
- decide on the company's strategy and values
- confirm and follow the business plan and budget
- handle and approve Interim Reports, the Financial Statements and the Report of the Board of Directors
- decide on individual investments, acquisitions or divestments and contingent liabilities that are strategically or financially significant
- approve the financing policy
- confirm risk management and reporting procedures
- decide on the company's structure and organization
- appoint the President and CEO and decide on his/her remuneration
- decide on management bonus and incentive schemes, and
- assume responsibility for all other such duties as have been stipulated for Boards of Directors in the Companies Act and elsewhere.

Decision-making

The Chairman of the Board of Directors is responsible for convening the Board meetings and for the meeting procedure. A meeting of the Board of Directors constitutes a quorum when more than half of the members of the Board of Directors are present. Presence of the Chairman or the deputy Chairman of the Board of Directors is also a condition for the quorum.

The Board of Directors is always obliged to act in the company's interests and in such a way that its acts or measures are not likely to produce unjustified benefit to any shareholder or other third party. A Board member may not participate in the decision-making when handling a contract between that Board member and the company. When votes are cast, the majority opinion will be the Board's decision and, in the case of a tie, the Chairman will have the casting vote. In an election, a tie will be decided by drawing lots.

Meeting practice and self-assessment

The Board of Directors has not appointed any special areas of focus in terms of business monitoring for its members. At meetings, matters are presented by Salcomp's President and CEO, or at his request, by another person in Salcomp's management.

According to the rules of procedure of the Board of Directors, the President and CEO ensures that the company provides the Board with sufficient information to assess the operations and financial situation of the Group, supervises the implementation of Board decisions and reports to the Board on any deficiencies or problems in implementation.

The Board of Directors assesses its operations and working procedures regularly and by carrying out a self-assessment once a year.

In 2010, the Board of Directors held 9 meetings, 2 of which were telephone conferences. The Board members' attendance at the meetings amounted to 95.6%.

Committees

Salcomp's Board of Directors has not established any committees, as the Board of Directors takes care of the duties related to committee work. The Board of Directors also takes care of the duties of the Audit Committee.

Evaluation of independence

The Board of Directors evaluates the independence of its members of the company and of the company's significant shareholders. The evaluation is made an-

nually at the organizing meeting of the Board of Directors after the General Meeting.

At its organizing meeting following the AGM in 2010, the Board of Directors stated that all Board members are independent of the company, and Petri Kähkönen, Jukka Rinnevaara and Kari Vuorialho are also independent of the company's significant shareholders.

MANAGING DIRECTOR

Salcomp has a Managing Director who is called the President and CEO. He is responsible for the day-to-day management of the company in accordance with the instructions and rules given by the Board of Directors and ensuring that the accounting of the company complies with the law and that the financial management of the company has been arranged in a reliable manner.

The President and CEO primarily presents the matters handled in Board meetings and is responsible for preparing draft resolutions. The President and CEO shall not be elected as the Chairman of the Board of Directors. The President and CEO may, when he/she finds it suitable, choose to appoint another member of the Group's Management Team to present a matter at a Board meeting or to prepare a draft proposal.

The Board of Directors elects the President and CEO and decides on the remuneration and on other terms of the President and CEO's contract. The terms of duty of the President and CEO have been agreed on in writing. The President and CEO is elected until further notice.

The notice period, when giving notice on the President and CEO's services, is six months. Upon termination of the President and CEO's service agreement on behalf of the company and in the absence of a breach of duties by the President and CEO, the President and CEO is also entitled to twelve months' salary.

In 2010, Mr Markku Hangasjärvi has acted as the President and CEO of Salcomp.

MANAGEMENT TEAM

Salcomp has a Management Team consisting of the President and CEO and heads of the most important company functions. Composition and areas of responsibility of the Management Team are presented on page 17 of the Annual Report and on the company's website. The Management Team is not a separate company organ, but an advisory body, which assists the President and CEO in the management of the company.

COMPENSATION

Remuneration of the members of the Board of Directors

The Annual General Meeting decides on the remuneration and compensation for costs to be paid to the members of the Board of Directors.

In accordance with the resolution made at the 2010 Annual General Meeting, the members of the Board for the term of office expiring at the Annual General Meeting 2011 are remunerated as follows:
- EUR 40,000 to the Chairman of the Board
- EUR 32,000 to the Vice Chairman of the Board
- EUR 25,000 to the ordinary members of the Board.

In 2010, the Board fees totaled EUR 147,000. There are no pension benefits or Salcomp's option rights granted in favor of the members of the Board of Directors.

Remuneration of the President and CEO and the Management Team

The Board of Directors decides on the salaries, fees and other benefits of the President and CEO. The Chairman of the Board decides on the salaries, fees and other benefits of the other members of the Management Team.

The salaries, fees and benefits paid by the company to Markku Hangasjärvi, President and CEO, for the financial year ended on 31 December 2010 totaled EUR 276,898, of which the fixed salary including benefits totaled EUR 231,720, and the bonus according to Salcomp's incentive scheme totaled EUR 45,178. The President and CEO is entitled to a car benefit and certain customary benefits, such as healthcare, supplementary healthcare insurance and group pension insurance.

In 2010, the salaries, fees and benefits to the other members of the Management Team totaled EUR 956,345 of which the fixed salary including benefits totaled EUR 832,926 and the bonus according to Salcomp's incentive scheme totaled EUR 123,419.

Markku Hangasjärvi, President and CEO, has 15,000 Salcomp shares and 60,000 of Salcomp's option rights 2007A, 2007B and 2007C each. Share and option right holdings of the President and CEO and other Management Team members are available on page 17 of the Annual Report and on the company's website.

The retirement age of the President and CEO has not been determined in the employment contract, and the company is, therefore, not committed to a lowered retirement age. The retirement age of the other members of the Management Team does not deviate either from that laid down in the Acts on Employment Pension.

In addition to the President and CEO, the other members of the Management Team are entitled to participate in the supplementary group pension insurance determined annually by the Board. The payment-based supplementary group pension insurance is on average 5–10% of the person's gross salary. The terms and conditions of the group pension insurance for Salcomp's President and CEO and other members of the Management Team include the right to receive a premium-free policy corresponding to the savings accrued until the termination of employment (paid-up policy).

Incentive schemes

Bonus program

The company has a salary-based bonus program for its Management and other employees. The Board decides on the application of the bonus program.

The maximum remuneration payable on the basis of the bonus program, depending on the person's position, may vary between 8 and 25% for the personnel and between 35 and 60% for the President and CEO and the Management Team members of the person's regular annual salary.

The payment of the remuneration in accordance with the bonus program is tied to the meeting of the Group's business targets and targets related to employees' responsibilities. The Group-level bonus indicators in 2010 were the Group operating profit and working capital. In addition, various indicators linked to processes, personal targets and projects were used as indicators, as well as local production targets.

Share-based incentive schemes

Option program

Salcomp has a stock option program for the key personnel of the company and its subsidiaries, as part of the incentive and commitment program. Stock options 2007 entitle their holders to subscribe for a maximum of 2,047,500 new shares in Salcomp Plc.

The complete terms of the option program are available on the company's website. Information on option rights is also provided on pages 42–43 of the Annual Report.

Share-based incentive program 2010–2012

In May 2010, the Board of Directors of Salcomp approved two new share-based incentive programs for the Group key personnel. The aim of the new programs is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, as well as to commit the key personnel to the company and to offer them competitive rewards based on the financial performance of the company and the company shares.

The new programs are:
- a **Matching Share Program** targeted at the members of the Extended Global Management Team
- a **Performance Share Program** targeted at 53 key employees, also including the members of the Extended Global Management Team.

Further information on share-based incentive programs is available on page 43 of the Annual Report and on the company website.

Share issues related to share-based incentive programs

Based on the resolutions on the new incentive programs, the Board resolved, pursuant to the authorization by the Annual General Meeting in 2010, to offer new shares for subscription for the Group's key personnel. A total of 48,650 new shares in Salcomp were subscribed for in the directed issue, corresponding to approximately 0.12 per cent of the company's share capital. In addition, the company itself has subscribed for 337,000 new shares in accordance with the terms and conditions of the share issue to the company itself. The said shares may be used to fulfill the commitments related to the key employees' incentive programs.

Further information on share issues is available on page 53 of the Annual Report and on the company website.

INSIDERS AND INSIDER ADMINISTRATION

The Insider Rules of Salcomp observe the Insider Guidelines of the NASDAQ OMX. Salcomp's Insider Rules are updated and monitored on a regular basis. The Insider Rules were updated in December 2009. They are available on the company's website.

Pursuant to Salcomp's Insider Rules, the shareholding data of the so-called Public Insiders is in the public domain and accessible either via Euroclear Finland Ltd or via Salcomp's website. Under the Insider Rules, the following persons belong to the Group of Public Insiders: the members of the Board of Directors, the President and CEO, the members of the Management Team and the Responsible Auditor.

The Public Insiders, together with the other key persons designated as permanent insiders of Salcomp, form the Group of so-called Permanent Insiders of Salcomp. Trading by Permanent Insiders in Salcomp's securities or derivatives is always prohibited during the two-week period preceding the Financial Statements Release or of an Interim Report, and on the date of publication itself (the "Closed Window"). In addition, specific trading restrictions apply to project-specific insiders.

AUDITING

The main function of the statutory auditing is to verify that the Financial Statements provide true and sufficient information on the Group's performance and financial position for the financial year. Salcomp's financial year is the calendar year.

The auditor is obliged to audit the correctness of the company's accounting and closing of accounts for the financial year and to give the General Meeting an auditor's report. In addition, the Finnish law requires that the auditor also monitors the legality of the company's administration. The auditor gives reports to the Board of Directors at least once a year.

Auditor

According to the Articles of Association, Salcomp has one auditor elected by the Annual General Meeting. The term of an auditor terminates at the close of the Annual General Meeting following the election. The auditor shall be a firm of auditors authorized by the Central Chamber of Commerce.

The 2010, Annual General Meeting of Salcomp elected the Authorized Public Accountants KPMG Oy Ab as the auditor of the company. Mr Pauli Salminen, APA, has been appointed as the responsible auditor.

The auditors are paid on the basis of an approved invoice. The information concerning the compensation for auditing services in 2010 is available on page 49 of the Annual Report.

INTERNAL AUDIT

The Group does not have a separate internal audit function. The need for an internal audit function is annually assessed by the Board of Directors. In countries where arranging internal audit is based on the law, Salcomp utilizes an external service provider.

THE MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT REGARDING THE FINANCIAL REPORTING PROCESS

The frame of the Group's internal control is based on the international Coso model (Committee of Sponsoring Organizations of the Treadway Commission) which determines the target of the internal control: to give a reasonable assurance on the expediency and efficiency of the operations and reliability of the financial reporting, as well as compliance with laws, regulations and operational instructions. Internal control is carried out by the entire personnel within their tasks and responsibilities.

The Management sets targets for the organization to strive for. From the Group's point of view, the most significant targets are related to the annual strategy and budget processes. It should be noted that internal control does not assess the validity of the set targets, but only to what extent the organization achieves the set targets.

Risk assessment

The goal of the risk management is to support the achievement of the Group's strategic and business targets. The risks which jeopardize the achievement of the targets must be identified and assessed in order to control them. Identifying and assessing the risks are the basic elements in internal control.

Risk management is carried out by monitoring and managing business threats and risks, as well as by simultaneously identifying and exploiting opportunities in business.

The Board of Directors assesses

- the Group's financial, operative and strategic risks regularly and approves principles and guidelines related to the risks for the Group Management to execute and coordinate
  - strategic risks annually as part of the strategy process
  - operative risks in accordance with the monthly forecasts and budgets
  - financial risks continuously through Management reporting as part of the monthly follow-up of the business.

The President and CEO and the Group's Management Team regularly monitor changes in the business environment and coordinate the Group's strategic, operative and financial risk management. Everyday risk management is basically allocated for the Management of each business segment and profit centers which are responsible for the management of operative and financial risks in the reporting unit.

The main business risks and uncertainty factors are described on the company website and financial risks in the Financial Statements on pages 45–47 of the Annual Report.

Control environment

In addition to the laws and regulations, Salcomp's control environment is defined by the Group's values: customer satisfaction, respect and responsibility, continuous learning and achievement. The values and the Code of Conduct, approved by the Board of Directors, guide the daily operations and relationships with customers and other cooperation partners. In addition, working instructions set up by the Management have an influence on the control environment. The instructions are distributed to the entire organization through the responsibilities and tasks determined for each employee. An important part of the control environment is the uniform ERP system used within the Group, which forms the basis for implementing operational business and the related internal control.

The Management and other key personnel receive continuous training: through this, the identification of changes in the business environment and quick reaction to them is secured.

Control activities

The Management monitors the business through monthly financial reporting. In addition, control activities are focused on risk areas which are either already realized or potential and which require special control.

The financial reporting covers all issues related to actual figures, forecasts, budgets and strategies. Salcomp's financial reporting is divided into business segments and geographical profit centers. Internally, business segments at Salcomp are called Business Units. General Managers and controllers in each business segment and profit center are responsible for the accuracy of the reporting, and accordingly, the Group Finance is responsible for the accuracy of the Group eliminations and figures.

The Group Management examines the Group and unit-specific reporting with the Management in each business segment and profit center once a month. The deviations are analyzed, and separate investigations are carried out, if needed. Monthly reporting for the Board of Directors is made based on this, and essential deviations and reasons for them are described in it.

Follow-up

The Group Management examines the functionality of internal control with constant follow-up measures. It is considered especially important that changes and observed deviations are communicated across the organization in such a way that they can be immediately taken into account in the Group business.

In addition, the follow-up includes an annual inspection of the Group guidelines and the approval of the new Group-level working instructions if needed. The annual inspection of the guidelines is also included in the rules of procedure of the Board of Directors.

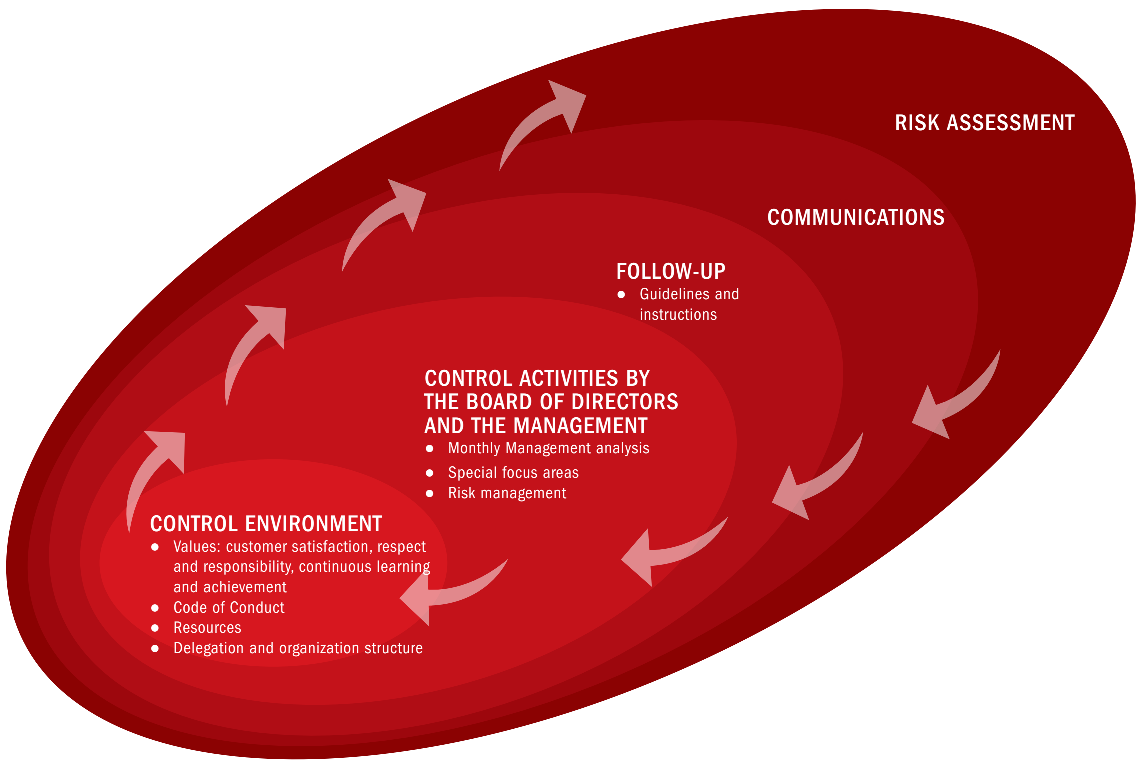
As part of the auditing, the auditor reviews the Group's internal control and reports annually to the Board of Directors on the possible need for changes.

Communications

Consistent, sufficient, up-to-date and reliable information is the basic element for the Management's decision-making. The timetables of the Group's financial reporting are annually set up based on the publishing dates of the Interim Reports. The reliability of the financial reporting is analyzed by the business segments, profit centers, Group Finance, Group Management, as well as by the Board of Directors.

In addition, information is assured by separate ad hoc investigations if needed. The content and the consistency of the reporting are regularly examined, and when necessary, changes are made. Both the President and CEO and CFO are involved in the meetings of the Board of Directors which intensifies the communications of the Board decisions and new guidelines in the organization.

THE ELEMENTS OF INTERNAL CONTROL REGARDING THE FINANCIAL REPORTING PROCESS



Board of Directors

Salcomp's Board of Directors comprises Petri Kähkönen (from left), Carl Engström, Mats Heiman, Kari Vuorialho and Jukka Rinnevaara.

Mats Heiman
Chairman of the Board since 2007
Born 1950, M.Sc. (Eng.), MBA
Senior Investment Manager at Nordstjernan AB
Work experience: President and CEO of Sirius Machinery 2004–2006, management consultant at Booz Allen & Hamilton 1994–2004, management positions at Alfa Laval 1980–1993
Relevant positions of trust: Chairman of the Board of Directors in KMT Group and Stella Plastic Holding AB, member of the Board of Directors in Vingruppen i Norden and VinUnic
40,000 Salcomp Plc shares
Fees in 2010: EUR 40,000

Kari Vuorialho
Vice Chairman of the Board since 2007, Chairman 2005–2007
Born 1952, B.Sc. (Eng.)
Work experience: CEO of Salcomp Oy 1996–2005, management positions at Salcomp 1977–1996
Relevant positions of trust: Member of the Board of Directors of Aspocomp Group Plc and Meka-Pro Oy
447,286 Salcomp Plc shares
Fees in 2010: EUR 32,000

Carl Engström
Board member since 2009
Born 1977, M.Sc. (Econ.), M.Sc. (Eng.)
Investment Manager at Nordstjernan Investment
Work experience: Management consultant at Bain & Company Nordic 2003–2008
No Salcomp Plc shares
Fees in 2010: EUR 25,000

Petri Kähkönen
Board member since 2010
Born 1965, Master of Laws, trained on the bench
CEO of Golla Ltd.
Work experience: Founder of Golla Ltd, CEO since 1995
No Salcomp Plc shares
Fees in 2010: EUR 19,315

Jukka Rinnevaara
Board member since 2009
Born 1961, M.Sc. (Econ.)
President and CEO at Teleste Corporation
Work experience: ABB Building Systems, Group Senior Vice President 2001–2002 ABB Installaatiot Oy, President 1999–2001
Relevant positions of trust: Member of the Board of Directors in Ventilation Holding Finland Oy
No Salcomp Plc shares
Fees in 2010: EUR 25,000

In 2010, the Board of Directors also comprised Andreas Tallberg.

Based on the evaluation of independence, all Board members are independent of the company and, Petri Kähkönen, Jukka Rinnevaara and Kari Vuorialho are also independent of the company's significant shareholders.

Shareholding of the members of the Board of Directors on 31 December 2010.

Management Team

Salcomp's Management Team comprises Tiina Vartiainen (from left), Antero Palo, Jari Saarinen, Vincent Hsiao, Markku Hangasjärvi, Juha Raussi, Hannu Hyrsylä and Pekka Kyyriäinen.

Markku Hangasjärvi
President and CEO since 2006, born 1966, M.Sc. (Electrical Engineering)
Relevant work experience: President and CEO of Efore Plc 2001–2006, Vice President, Thermal Power Business Unit of Fortum Engineering Ltd 2000–2001, Vice President, Marketing of Fortum Engineering Ltd 1996–2000, Regional Director, Russia and other CIS Countries of IVO International Ltd 1993–1996
15,000 Salcomp Plc shares
60,000 options 2007A, 60,000 options 2007B and 60,000 options 2007C

Vincent Hsiao
Corporate Vice President, Power Solutions since 2011, born 1963, B. Sc. (Engineering), MBA
Relevant work experience: Associate Vice President, Consumer Electronics Line of Business at Lite-On 2008–2010, Deputy General Manager, Consumer Electronic Manufacturing Business Unit at Wistron 2006–2008, Director, Operations at Foxlink 2003–2006
No Salcomp Plc shares or option rights

Hannu Hyrsylä
Corporate Vice President, Global Sourcing since 2006, born 1968, M.Sc. (Mechanical Engineering)
Relevant work experience: Various management and senior management positions at Nokia Corporation 1996–2006
7,000 Salcomp Plc shares
15,000 options 2007A, 15,000 options 2007B and 30,000 options 2007C

Pekka Kyyriäinen
Corporate Vice President, Global Operations since 2009, born 1966, M.Sc. (Production Technology)
Relevant work experience: Production development and management positions at Salcomp since 1995, amongst others as General Manager at Salcomp China plant 2006–2010
29,560 Salcomp Plc shares
20,000 options 2007A, 20,000 options 2007B and 30,000 options 2007C

Antero Palo
Corporate Vice President, Sales & Marketing since 2005, born 1961, Henley MBA
Relevant work experience: General Manager of Salcomp's Brazilian sales company 2001–2005, sales and marketing management positions at Finnair Oyj 1989–2001
7,000 Salcomp Plc shares
35,000 options 2007A, 30,000 options 2007B and 30,000 options 2007C

Juha Raussi
Corporate Vice President, Research and Development since 2006, born 1963, Engineer
Relevant work experience: Senior Manager of technology development at Nokia Corporation 2004–2006, R&D Manager in Nokia Mobile Phones 1997–2004, various R&D positions at Nokia 1987–1997
No Salcomp Plc shares
35,000 options 2007A, 30,000 options 2007B and 30,000 options 2007C

Jari Saarinen
Group CFO since 2009, born 1959, M.Sc. (Econ.)
Relevant work experience: CFO in Solifer Group 2006–2009, CFO and CEO in Biotie Therapies Corporation 2000–2006, financial management positions in MacGregor Group 1992–2000 and in Kone Corporation 1983–1992
Relevant positions of trust: Member of the Board at Biovian Ltd
7,000 Salcomp Plc shares
30,000 options 2007C

Tiina Vartiainen
Corporate Vice President, Human Resources since 2011, born 1964, Master of Education
Relevant work experience: Head of Business Human Resources, Manufacturing Operations, Nokia Siemens Networks 2008–2010, various human resources management and development positions at Nokia Siemens Networks and Nokia Corporation 1998–2008
No Salcomp Plc shares or option rights

During 2010, the Management Team also comprised Niilo Oksa. Share and option right holdings of the Management Team on 31 December 2010.

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Report of the Board of Directors

BUSINESS ENVIRONMENT

In 2010, the mobile phone market recovered from the global financial crisis faster than many other businesses. According to estimates, some 1.26 billion mobile phones with registered trademarks were globally sold in 2010, up by some 10% compared with 2009. In addition, many of the other consumer electronics markets related to Salcomp's business grew in 2010.

According to Salcomp and market research institutes, markets of various low and medium power range charger solutions (<150 W), including mobile phone chargers, grew in 2010 by some 8% resulting to some EUR 3.7 billion.

In 2010, challenges were caused by raw material prices which rose strongly, as well as by a higher-than-expected increase in labor costs. Further challenges were caused by occasional material shortages in the entire delivery chain due to the strong market growth, as well as a labor shortage in the beginning of the year, especially in China.

The standardization of charger technologies, a topical issue for several years already, proceeded. At the end of 2010, a charger standard for smart phones was published in Europe which is expected to be applied in the EU area during 2011. However, the new charger standard is in the short run estimated to have only minor impacts on leaving the charger out of the smart phone box, as an adequate number of chargers manufactured according to the new standard should at first be launched in the market. In addition to mobile phones, the development of charger standardization for notebooks, netbooks and tablets also proceeded in 2010.

NET SALES

In 2010, Salcomp's net sales grew by 25% to EUR 299.0 million (EUR 239.5 million in 2009). The number of chargers delivered increased by 22% to 296.6 million (243.3 million) pieces. In 2010, the market share in mobile phone chargers was some 23% (some 21%).

RESULT

The operating profit weakened by 5% to EUR 9.7 million (EUR 10.2 million). This was due to higher mate-

rial and component prices and an increase in labor costs partly due to lower productivity compared with the previous year. Productivity was lowered by ramping up new products, adding new capacity and facing material shortages causing disturbances in manufacturing. In addition, accelerated efforts in broadening the product range and customer base increased fixed costs. The operating profit was improved by some EUR 0.8 million (EUR 0.2 million) in realized and unrealized exchange rate gains. The operating margin in 2010 was 3.2% (4.3%).

The Group's net finance expenses were EUR 0.7 million (EUR 1.1 million). The finance expenses for the period include EUR 0.7 million of gains (EUR 1.0 million of gains) due to the unrealized exchange rate differences in intra-group loans.

Taxes for the financial year totaled EUR 1.1 million (EUR 3.9 million). Taxes for the financial year include deferred tax assets of EUR 0.9 million related to tax losses carried forward. The Group has earlier recognized EUR 2.8 million of the deferred tax assets. Taxes in the comparison period include a deferred tax of EUR 2.5 million resulting from the parent company's tax-deductible goodwill amortization. The goodwill was fully amortized in October 2009.

The profit for the period amounted to EUR 8.0 million (EUR 5.3 million). Earnings per share were EUR 0.20 (EUR 0.13) and diluted earnings per share EUR 0.20 (EUR 0.13).

R&D

The Group's R&D expenditure was EUR 6.9 million (EUR 5.3 million) in 2010, or 2.3% (2.2%) of net sales. R&D focused on developing new products for current and new customers, and constant improvement in the cost structure of existing products.

According to its strategy, Salcomp also focused on developing new product platforms and the accessory charger business. Salcomp introduced two of its own product platforms in 2010. Chargers produced according to the Twist platform are the first chargers in the market in which the stand-by consumption is literally zero. Matrix power adapter platform broadens Salcomp's product range in medium power range charging solutions. Products based on the Matrix platform are suitable, among others, for point-of-sales devices, netbooks, modems and routers, as well as for industrial applications and consumer electronics. In addition, Salcomp introduced its own charger brand, CHARGZ, for retail sales. Accessory chargers under the brand will be sold through the selected retail channels and operators. The launch will first take place in North America followed by Europe and Asia.

CAPITAL EXPENDITURE

Capital expenditure in the financial year amounted to EUR 9.0 million (EUR 1.6 million). The capital expenditure mainly involved increasing the production capacity in the low and medium power range chargers, as well as increasing the automation level.

FINANCING

Cash flow from operating activities in 2010 amounted to EUR 9.7 million positive (EUR 3.2 million positive). The cash flow from operating activities increased compared with the previous financial year mainly due to the change in working capital. The cash flow from operating activities, excluding the change in selling of receivables, was EUR 6.5 million positive (EUR 4.2 million positive). Cash and cash equivalents at the end of year were EUR 18.6 million (EUR 18.9 million).

The Group's equity ratio at the end of year was 40.6% (44.9%) and gearing was 1.1% (0.3%). Net interest-bearing debt totaled EUR 0.9 million (EUR 0.2 million) at the end of the year.

In June, Salcomp signed an agreement concerning the renewal of the company's financing arrangements. This amended the loan arrangements that were signed in June 2009. The amendments to the loan arrangements improve the Group liquidity and reduce the interest expenses. The syndicated loan of EUR 25 million agreed with Nordea Bank Finland Plc and Merchant Banking, Skandinaviska Enskilda Banken AB (publ) is divided in a EUR 15 million long-term loan and a EUR 10 million long-term revolving credit limit. The loan period is 3 years. The terms and conditions of the Facilities contain market customary covenants and undertakings and security cover for the Group. On 31 May 2010, Salcomp repaid the capital loan of EUR 3 million agreed in December 2008 and the capital loan of EUR 7 million agreed in June 2009, as well as the interests related to them totaling EUR 1.3 million. The capital loans, in accordance with chapter 12 of the Finnish Companies Act, were granted by Nordstjernan AB, the majority shareholder of Salcomp. Renewing the Group's financial package involved a one-off cost of approximately EUR 0.2 million.

In addition to the above, the Group has acquired working capital financing in India in 2010. The total limit of the financing is EUR 6 million. The financing consists of three elements: selling of receivables, financing accounts payable and working capital loan. The financing is annually renewed. The terms and conditions of the loan contract contain undertakings and security cover for the Group.

The Group had an unused revolving credit limit of EUR 10 million at the end of the year.

ENVIRONMENT AND QUALITY

The management of Salcomp's environmental and quality issues is based on the Group's environmental and quality policies, development programs and guidelines, as well as its risk management strategy. The focus in the management of environmental and quality issues is to minimize and prevent the effects on the environment and people.

The Group's production plants are ISO 14001 and ISO 9001 certified. In addition, Salcomp has the environmental permits required for its operations.

The total amount of harmful chemicals used in production is small, and no harmful emissions are caused by the processes.

Salcomp operates with global customers who, in addition to authorities, regularly conduct quality and environmental audits. In 2010, 92 audits were conducted in Salcomp's systems and processes. The results and feedback based on these audits are used for constant development of the processes.

In environment and quality issues in 2010, Salcomp concentrated on improving the energy-efficiency and lowering the stand-by power of chargers. In addition, attention was focused on improving the energy-efficiency of the production plants. Electricity consumption was decreased by improving lighting and heating systems and water consumption was decreased by enhancing cooling systems.

PERSONNEL AND MANAGEMENT

The number of Group personnel at the end of year totaled 10,350 (7,900): 6,144 were employed in China, 2,518 in India, 1,620 in Brazil and 68 in Finland and other countries. The number of personnel increased mainly due to the rise in production volumes.

Salcomp's President and CEO during the financial year was Markku Hangasjärvi. Other Management Team members were Hannu Hyrsylä (Sourcing), Pekka Kyyriäinen (Operations), Antero Palo (Sales & Marketing), Juha Raussi (R&D) and Jari Saarinen (CFO). Vincent Hsiao (Power Solutions) and Tiina Vartiainen (Human Resources) started as new members of the Management Team on 1 January 2011. Niilo Oksa, Corporate Vice President, Human Resources, retired as of 30 September 2010.

SHARES AND SHAREHOLDERS

Salcomp's registered share capital amounts to EUR 9,832,735.12, divided into 39,023,840 fully paid outstanding shares and 337,000 shares in the possession of the company. The shares in the possession of the company were acquired through share issues carried out in 2010 related to the share-based incentive programs. The company has one series of shares, and all the shares entitle the shareholder to equal rights in the company.

Salcomp's share price fluctuated between EUR 1.73 and EUR 2.19 in 2010. The average share price during the year was EUR 1.99 and the closing price at the end of the year EUR 1.97. Share trading amounted to EUR 4.2 million and 2.1 million shares. According to the book-entry system, Salcomp had 1,089 shareholders at the end of the year. Foreign ownership at the end of year was 77.8% and the market value for outstanding shares EUR 76.9 million.

In May, the Board of Directors of Salcomp approved two new share-based incentive programs for the Group key personnel: a Matching Share Program targeted at the members of the Extended Global Management Team, as well as a Performance Share Program targeted at 53 key employees including also the members of the Extended Global Management Team. Both incentive programs include one earning period, calendar years 2010–2012.

Based on the resolutions on the new incentive programs, the Board resolved, pursuant to the authorization by the Annual General Meeting on 24 March 2010, to offer new shares for subscription for the

SALCOMP GROUP KEY FIGURES

	2010	2009	2008
Net sales, EUR million	299.0	239.5	283.3
Operating profit, EUR million	9.7	10.2	12.1
% of net sales	3.2	4.3	4.3
Return on equity, %	10.4	7.7	1.6
Equity ratio, %	40.6	44.9	35.6
R&D expenses, EUR million	6.9	5.3	5.8
% of net sales	2.3	2.2	2.0
Personnel on average	9,825	7,312	9,872
Total wages and salaries, EUR million	50.8	36.2	45.4

Group's key personnel. A total of 48,650 new shares in Salcomp were subscribed for in the directed issue, corresponding to approximately 0.12% of the company's share capital. The new shares were entered in the Trade Register on 24 June 2010. The subscription price of the shares, i.e. EUR 1.98 per share totaling EUR 96,327, has been placed in the company's invested free equity. In addition, the company itself has subscribed for 337,000 new shares in accordance with the terms and conditions of the share issue to the company itself. The said shares may be used to fulfill the commitments related to the key employees' incentive programs. The admittance of the new shares to trading at the NASDAQ OMX Helsinki Ltd took place on 24 June 2010.

Salcomp has a stock option program for the key personnel, approved by the Annual General Meeting in 2007. A total of 1.6 million stock options 2007A, 2007B and 2007C were distributed to the Group key personnel at the end of 2010. The rest of the stock options, 447,500 stock options, were granted to Salcomp Manufacturing Oy.

ANNUAL GENERAL MEETING 2010

Salcomp Plc's Annual General Meeting was held on 24 March 2010 in Helsinki. The AGM approved the 2009 financial statements and discharged the members of the Board and the President and CEO from liability for the financial year.

In accordance with the Board's proposal, the AGM decided that repayment of capital of a total of EUR 2,728,263.30 (being EUR 0.07 per share) will be distributed to the shareholders from the company's invested unrestricted equity. The repayment of capital was paid on 7 April 2010.

In accordance with the Board's proposal, the AGM decided that no dividend for 2009 will be paid.

The AGM decided that the number of members of the Board of Directors remains at five. The AGM re-elected Mats Heiman, Kari Vuorialho, Carl Engström and Jukka Rinnevaara as members of the Board of Directors and elected Petri Kähkönen as a new Board member until the conclusion of the 2011 Annual General Meeting. The AGM appointed Mats Heiman as the Chairman and Kari Vuorialho as Vice Chairman. The AGM decided to leave the remuneration for the Board of Directors unchanged: the remuneration for a full term will be EUR 40,000 for the Chairman, EUR 32,000 for the Vice Chairman and EUR 25,000 for the members.

At its organizing meeting following the AGM, Salcomp's Board of Directors concluded that due to the company's size and composition of the Board of Directors, it is not necessary to establish any separate Board committees. The Board of Directors further stated that all Board members are independent of the company, and Petri Kähkönen, Jukka Rinnevaara and Kari Vuorialho are also independent of the company's significant shareholders.

KPMG Oy Ab, Authorized Public Accounting Firm, continues as the company auditor and Pauli Salminen, APA, as the responsible auditor.

In accordance with the Board's proposal, the AGM decided to amend the method and minimum period for publishing the convening notice to the AGM in Article 8 of the company's Articles of Association, due to the amendment to the Finnish Companies Act.

The AGM authorized the Board of Directors to decide on issuance of no more than 11.8 million new shares or own shares held by the company. Furthermore, the AGM decided to authorize the Board of Directors to repurchase no more than 3.8 million of the company's own shares using the funds in the company's invested unrestricted equity.

INTERNAL GROUP STRUCTURING

Salcomp sold R&D, sourcing, production and logistics know-how as well as related business processes to its fully owned subsidiary Salcomp Manufacturing Oy. The sale and transfer of the business was carried out on 31 December 2010.

Due to the sale and transfer of the business, a sales profit of EUR 35 million was realized in the parent company. The sales profit increases the parent company distributable funds by the same amount.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

Salcomp's business involves uncertainty factors that may affect the company's financial development in the near future. These include the general development of the mobile phone markets, substantial changes in the purchase prices and availability of materials and charger components, significant changes in labor costs especially in China, as well as changes in the competition in the mobile phone charger markets. Furthermore, changes in the market shares of customers and deterioration in the financial position of a major customer may have a negative effect on Salcomp's business.

Major changes in exchange rates can be considered one of the other short-term uncertainty factors, especially the exchange rate of the US dollar in relation to the euro and to currencies in those countries in which Salcomp has production. In addition, the impact of the global economy on the stability of the financial market, as well as accessibility of financing, has an influence on Salcomp's business.

In the medium term, Salcomp's business may be affected by standardization projects concerning mobile phone chargers in the different market areas. Due to standardization, it is possible that in the future, in some market areas, some of mobile phone kits will not include a separate mobile phone charger.

Risks are managed to the extent that the company has influence over them. Further details on risks and risk management are available in the company website.

EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting date which would have a significant influence on the figures presented in the Financial Statements.

CORPORATE GOVERNANCE STATEMENT

Salcomp Plc's Corporate Governance Statement will be published as a separate document from the Report of the Board of Directors simultaneously with the Annual Report during week 9. The Corporate Governance Statement will also be available on the company website.

THE BOARD'S PROPOSAL FOR PROFIT DISTRIBUTION

The Board of Directors has adopted dividend principles whereby the Board intends to annually propose to the General Meeting of Shareholders that no more than one-third of the Group's average long-term result be distributed as dividends, provided that the growth requirements stated in the company strategy are not jeopardized. The amount of future dividend, if any, will be subject to the company's future result, its financial position, cash flow, working capital needs, capital expenditure, terms and conditions of financial agreements and covenants, among other factors.

The Board will propose to the Annual General Meeting of Shareholders that a dividend of a total of EUR 2,731,668.80 and EUR 0.07 per outstanding share for 2010 be distributed. Dividends determined at the General Meeting shall be distributed to all shareholders, who on the record date of 29 March 2011 have been entered in the shareholders' register held by Euroclear Finland Ltd. According to the proposal, the dividend will not be distributed to shares in the possession of the company.

OUTLOOK FOR 2011

According to the estimates published by some of Salcomp's key customers and by various market research companies, the mobile phone market is expected to grow by some 7% during 2011, compared with 2010. Measured by the number of units, this would mean approximately 1.35 billion mobile phones and, therefore, mobile phone chargers, to be sold in 2011. The growth in other consumer electronics markets is also estimated to continue in 2011.

In accordance with the growth in the number of units, low and medium power range charging solutions (<150 W), including mobile phone chargers, are estimated to grow by some 6% in 2011, resulting to a total market of some EUR 3.9 billion.

Salcomp's net sales in 2011 are expected to be EUR 280–320 million. The operating margin in 2011 is expected to be 2–4% of the net sales. Due to the strategy revision of a major customer, Salcomp's outlook for 2011 is more uncertain than usual.

Helsinki 18 February 2011

Mats Heiman	Kari Vuorialho
Carl Engström	Petri Kähkönen
Jukka Rinnevaara	Markku Hangasjärvi President and CEO

Consolidated statement of comprehensive income

1000 €	Note	2010	2009
Net sales	1	**299 008**	**239 455**
Cost of sales	4, 5	-270 524	-213 167
Gross margin		**28 484**	**26 288**
Other operating income	2	110	90
Sales and marketing expenses	4, 5	-3 047	-2 063
Administrative expenses	4, 5	-8 875	-8 685
Research and Development expenses	4, 5	-6 884	-5 283
Other operating expenses	3	-76	-131
Operating profit		**9 712**	**10 216**
Finance income	6	971	1 228
Finance expenses	7	-1 660	-2 325
Result before income tax		**9 023**	**9 119**
Income tax expense	8	-1 057	-3 861
Result for the period		**7 966**	**5 258**
Other comprehensive income for the period			
Currency translation differences for foreign operations		2 449	3 069
Total other comprehensive income for the period		**2 449**	**3 069**
Total comprehensive income for the period		**10 415**	**8 327**
Attributable to	9		
Equity holders of the parent		7 966	5 258
Earnings per share for result of the year attributable to the equity holders of the parent:			
Basic earnings per share	9	0.20	0.13
Diluted earnings per share	9	0.20	0.13

Consolidated statement of financial position

1000 €	Note	31 Dec 2010	31 Dec 2009
ASSETS			
Non-current assets			
Property, plant and equipment	1, 10	25 281	19 886
Goodwill	11, 12	66 412	66 412
Other intangible assets	1, 11	830	405
Deferred tax assets	13	4 023	3 180
		96 546	89 883
Current assets			
Inventories	14	37 246	20 329
Trade and other receivables	15	46 233	32 623
Cash and cash equivalents	16	18 553	18 872
		102 032	71 824
Total assets		**198 578**	**161 707**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	17	9 833	9 833
Invested unrestricted equity	17	5 820	22 035
Retained earnings		64 881	40 741
Total equity		**80 534**	**72 609**
Non-current liabilities			
Capital loans	20	0	10 000
Deferred tax liabilities	13	17 317	17 313
Interest-bearing liabilities	20	11 187	5 882
		28 504	33 195
Current liabilities			
Trade and other payables	21	79 593	51 416
Current income tax liabilities		1 728	1 255
Interest-bearing current liabilities	20	8 219	3 232
		89 540	55 903
Total liabilities		**118 044**	**89 098**
Total equity and liabilities		**198 578**	**161 707**

Consolidated cash flow statement

1000 €	2010	2009
Cash flow from operating activities		
Result for the period	7 966	5 258
Adjustments:		
Non-cash transactions	5 420	5 383
Other income and expenses	-19	-64
Interest and other finance expenses	1 660	2 325
Interest income	-971	-1 228
Income taxes	1 057	3 861
Change in net working capital:		
Change in trade and other receivables	-13 529	-2 013
Change in inventories	-16 917	9 201
Change in trade payables and other liabilities	27 568	-17 709
Interest received	218	302
Interest paid	-2 037	-1 136
Income taxes paid	-743	-1 018
Net cash flow from operating activities	**9 673**	**3 162**
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	-8 950	-1 592
Proceeds from disposal of property, plant and equipment	19	64
Net cash flow from investing activities	**-8 931**	**-1 528**
Cash flow from financing activities		
Withdrawal of loans	20 794	27 000
Repayment of borrowings	-20 583	-38 092
Dividends paid	-2 730*	0
Share issue	96	0
Net cash flow from financing activities	**-2 423**	**-11 092**
Change in cash and cash equivalents		
Net increase (+) / decrease (-) in cash and cash equivalents	**-1 681**	**-9 458**
Cash and cash equivalents on 1 January	18 872	26 590
Translation differences in cash and cash equivalents	1 362	1 740
Cash and cash equivalents on 31 December	**18 553**	**18 872**

*Repayment of capital

Consolidated statement of changes in equity

1000 €					
Attributable to equity holders of the parent					
	Share capital	Invested unrestricted equity	Translation differences	Retained earnings	Total equity
Equity on 1 January 2009	**9 833**	**22 035**	**-784**	**32 695**	**63 779**
Total comprehensive income for the period			3 069	5 258	8 327
Incentive plan				503	503
Equity on 31 December 2009	**9 833**	**22 035**	**2 285**	**38 456**	**72 609**
Equity on 1 January 2010	**9 833**	**22 035**	**2 285**	**38 456**	**72 609**
Total comprehensive income for the period			2 449	7 966	10 415
Share issue		96		0	96
Dividends		-2 730*		0	-2 730
Accumulated losses covered		-13 581		13 581	0
Incentive plans				144	144
Equity on 31 December 2010	**9 833**	**5 820**	**4 734**	**60 147**	**80 534**

*Repayment of capital

Notes to the consolidated financial statements

SALCOMP PLC'S PARENT COMPANY

Salcomp Plc is a subsidiary of Nordstjernan AB (registered office in Stockholm). A copy of the Consolidated Financial Statements of Nordstjernan Group is available from the Internet address www.nordstjernan.se or the Group's parent company headquarters at Stureplan 3, SE-103 75 Stockholm, Sweden.

THE SUBGROUP'S PARENT COMPANY

The parent company of Salcomp Group is Salcomp Plc (registered office in Salo). A copy of the Consolidated Financial Statements is available from the Internet address www.salcomp.com or from the Group's headquarters at Joensuunkatu 13, 24100 Salo, Finland.

Salcomp Plc's Board of Directors has, in its meeting on 18 February, 2011, approved these financial statements for publishing.

Accounting policies

BASIC INFORMATION OF THE COMPANY AND DESCRIPTION OF THE BUSINESS

Salcomp Plc is a Finnish limited liability company domiciled in Salo, Finland. The registered address is Joensuunkatu 13, 24100 Salo. Salcomp Plc is the parent company of the Salcomp Group. Salcomp is a manufacturer of chargers for mobile phones. The company has a global sales and distribution network, and its production plants are located in China, India and Brazil. The headquarters are located in Salo.

BASIS OF PREPARATION

The Salcomp Group's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB). The IFRSs include the IAS and IFRS standards as well as the SIC and IFRIC Interpretations. In the Finnish Accounting Act and ordinances based on the provisions of the Act, IFRSs refer to the standards and to their interpretations adopted in accordance with the procedures laid down in regulation (EC) No 1606/2002 of the EU. The notes to the Consolidated Financial Statements also comply with the requirements of the Finnish Accounting Standards (FAS) and Companies Act.

The Consolidated Financial Statements are prepared on the historical cost basis unless otherwise disclosed in the accounting policies. The Consolidated Financial Statements are presented in euro, rounded to the nearest thousand.

NEW AND REVISED STANDARDS AND INTERPRETATIONS

Starting as of 1 January 2010, the Group has applied the following new and revised standards and interpretations. The amendments and interpretations have no material impact on the statement of comprehensive income, statement of financial position or the notes.

- Revised IFRS 3 Business Combinations (effective for financial periods beginning on or after 1 July 2009). According to the revised standard, business combinations are still accounted for using the acquisition method, although the standard has been significantly revised compared to the prior IFRS 3. For example, the consideration transferred in a business acquisition is measured at fair value at the acquisition date, and some contingent considerations classified as liabilities are subsequently measured at fair value and recognized in other comprehensive income. After each acquisition, the Group chooses whether to measure the share of non-controlling interests at fair value or based on a proportional value of the net assets of the acquired company. All costs related to the acquisition are expensed as incurred. Consequently, the amendments affect the amount of goodwill recognized on an acquisition, as well as the gains on disposal of businesses. The amendments also have an impact on items recognized in profit or loss on both the acquisition period and on reporting periods during which contingent consideration is transferred or further acquisitions are executed.
- Amended IAS 27 Consolidated and Separate Financial Statements (effective for financial periods beginning on or after 1 July 2009). According to the amended standard, if the parent company retains control, impacts of changes in the ownership interest in a subsidiary are recognized directly within Group's equity. If control of a subsidiary is lost, any investment retained is measured at its fair value through profit or loss. Similar accounting policy is applied also to associated companies (IAS 28) and joint ventures (IAS 31).
- Amendment to IAS 39 Financial instruments: Recognition and measurement – Designation of items as hedged items.
- IFRIC 17 Distributions of Non-cash Assets to Owners.
- IFRIC 18 Transfers of assets from customers.
- Amendment to IFRS 2 Share-based Payment – Intra-group cash-settled share-based payment transaction.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities in the notes at the reporting date and the reported amounts of revenues and expenses for the reporting period. Although judgements and estimates are based on the latest available information, actual results may differ from these estimates. The judgements and estimates mainly relate to deferred tax assets, goodwill and impairment testing. Information on the judgements and items that are most affected by the management's judgement is provided in the accounting policies in the chapter "Accounting policies requiring management's judgement and key sources of estimation uncertainty".

At the time of publishing the Consolidated Financial Statements, the Group management is not aware of any key sources of estimation uncertainty at the reporting date or key assumptions concerning the future that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements incorporate the parent company, Salcomp Plc, and all subsidiaries in which it holds directly or indirectly over 50% of the voting rights, or in which the parent company otherwise has control. Control is the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities. The subsidiaries acquired or established during the financial period are consolidated from the date that control was obtained by the Group until control ceases. As Salcomp had no acquisitions in 2010, all business combinations are accounted for in accordance with the regulations effective before 1 January 2010. Salcomp holds 100% ownership of all its subsidiaries.

The subsidiaries are consolidated by using the purchase method. All intra-group transactions, receivables, liabilities and unrealized gains, as well as intragroup distribution of profits, are eliminated in the Consolidated Financial Statements.

TRANSLATION OF THE FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

The Consolidated Financial Statements are presented in euro which is the functional currency of the parent company. The functional currency is the currency that best reflects the economic environment of a company. The statements of comprehensive income and statements of cash flows of foreign subsidiaries, whose functional currency is not euro, are translated into euro each month at the average exchange rates, while the statements of financial position of such subsidiaries are translated at the exchange rates prevailing at the reporting date. Translation differences resulting from the translation of profit or loss for the period and other items of comprehensive income at different rates in the statement of comprehensive income and statement of financial position are recognized as a separate component in equity and in other comprehensive income. The translation differences arising from the application of the purchase method and from the translation of equity items accumulated subsequent to acquisition of foreign subsidiaries are recognized in other comprehensive income. When a subsidiary is in part or in full disposed of, the cumulated translation difference is transferred to profit or loss as part of the profit or loss on disposal.

OPERATING SEGMENTS

Salcomp Plc has one operating segment, as defined in IFRS 8 Operating segments, mobile phone chargers.

REVENUE RECOGNITION

Revenue from the sale of goods is recognized when the significant risks and rewards have been transferred to the buyer, and no material uncertainties remain regarding the payments, associated costs, or the possible return of the goods or services by the buyer. Usually, this refers to the moment when goods have been handed over to the customer in accordance with the agreed terms of delivery.

Indirect taxes and cash discounts are accounted for as adjustments to net sales.

EMPLOYEE BENEFITS

The pension plans of the Group companies are based on the local conditions and practices in the countries in which they operate. The Group has no material defined benefit plans as defined in IAS 19 Employee Benefits. Payments related to defined contribution pension plans are recognized in profit or loss in the period during which services are rendered by employees.

SHARE-BASED PAYMENTS

Option program

The Group has an incentive arrangement whereby payments are made as equity instruments (options). Benefits are measured at fair value at the time they are granted and recognized as expenses in equal instalments during the vesting period.

Expense determined at the time of granting the options is based on the Group's assessment of the number of options for which a right is assumed to arise by the end of the vesting period. The Group subsequently updates the assumption of the number of options at each reporting date. Changes in estimates are recognized in profit or loss. The fair value of the option arrangement is determined on the basis of the Cox-Ross-Rubinstein binomial model.

When exercising options, payments received on the basis of share subscriptions, adjusted by possible transaction costs, are recognized in the company's reserve for invested unrestricted equity.

Share-based incentive programs

The Group has an incentive arrangement whereby payments are made in shares and in cash. Benefits are measured at fair value at the time they are granted and recognized as expenses during the vesting period.

Expense determined at the grant date is based on an assessment of the fair value and the number of shares for which a right is assumed to arise by the end of the vesting period. The Group subsequently updates the assumption of the number of shares at each reporting date. The measurement of fair value of the arrangement is divided into two parts: portion paid in shares and portion paid in cash. The portion paid in shares is recognized within equity and the portion paid in cash as a liability.

TRANSLATION OF ITEMS DENOMINATED IN FOREIGN CURRENCY

In their own day-to-day accounting, the Group companies translate transactions in foreign currencies into their own functional currency at the exchange rates prevailing on the dates of the transactions. At the end of the accounting period, the foreign currency monetary receivables and liabilities are translated at the exchange rates prevailing at the reporting date. Foreign currency gains and losses related to sales and purchases are treated as adjustments to purchases. Otherwise non-monetary items are translated using the exchange rates at the dates of the transactions. Foreign currency gains and losses from loans denominated in foreign currencies are included in the finance income and finance costs. The Group hedges mainly operative sales and purchases in foreign currencies with derivatives. The effects related to these hedging transactions are recognized as adjustments to the purchases. The Group does not apply hedge accounting as defined in IAS 39 Financial Instruments: Recognition and Measurement.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Subsequent costs are capitalized and depreciated over their estimated useful lives if the economic benefits will flow to the company and the cost of the item can be measured reliably. If an asset is comprised of components with different useful lives, these components are accounted for as separate assets. Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets. Land and water areas are not depreciated. Costs related to ordinary repairs and maintenance are recognized as expenses in the period during which they occur. Gains and losses on disposal are included in the operating profit.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of that asset, if eligible for capitalization according to IAS 23, if the future economic benefit will flow to the company and the amount of costs can be reliably estimated. Salcomp does not hold any qualifying investments at the reporting date.

The expected useful lives of property, plant and equipment are as follows:

- Buildings and constructions 25–30 years
- Machinery and equipment 3–10 years
- Other tangible assets 5–10 years

The residual values and useful lives are reviewed at each reporting date. If these differ significantly from previous estimates, the depreciation or depreciation periods will be adjusted accordingly.

GOODWILL

Goodwill from business combinations is presented as goodwill. Goodwill is the excess of the fair value of the consideration transferred over the Group's share of the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition. Goodwill is allocated to the group of cash-generating units. In the case of business combinations taking place prior year 2004, goodwill equals the carrying amount in accordance with the previous accounting standards. This carrying amount was used in the transition as deemed cost in accordance with IFRS. Instead of being amortized goodwill is tested annually for impairment.

OTHER INTANGIBLE ASSETS

Other intangible assets are recognized in the statement of financial position at their historical cost, if the cost can be determined reliably and it is likely that the economic benefit related to the asset will flow to the Group. The intangible assets of the Group have finite useful lives during which amortization is recognized in profit or loss on a straight-line basis.

The expected useful lives of other intangible assets are as follows:

- Computer programs 5–10 years

BORROWING COSTS

Borrowing costs are recognized as expenses during the financial period in which they occur. Cost capitalization is discussed in connection with the accounting policy for property, plant and equipment, where applicable.

RESEARCH AND DEVELOPMENT COSTS

Salcomp Plc has research and development activities. In accordance with the principles of IAS 38 Intangible Assets, the costs related to research activities are recognized as expense. The development costs that meet the specific criteria of IAS 38 are capitalized. The product development costs of Salcomp Plc mainly relate to customer projects. The product development costs are included in the value of inventories as an allocation of fixed costs if they are caused by customer projects occurring after a sales order.

IMPAIRMENT

At each reporting date, the carrying amounts of the Group's assets are reviewed to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's, cash-generating unit's or groups of cash-generating unit's recoverable amount is estimated based on value in use or fair value less costs to sell. The Salcomp Group has used value in use, which is calculated by discounting the expected future net cash flows to their present value. Goodwill is tested on Mobile phone charger -operating segment level, which consists of a group of cash-generating units.

Goodwill, intangible assets with indefinite useful lives and assets that are not ready for use are tested annually for impairment. The Group has no assets with indefinite useful lives. An impairment loss is recognized if the recoverable amount of an asset or a group of cash-generating units is less than its carrying amount. The impairment loss is recognized in profit or loss. An impairment loss of a group of cash-generating units is allocated first to reduce the carrying amount of goodwill allocated to that group of cash-generating units and then the other assets of the unit on a pro rata basis.

If there has been favourable changes in the estimates for the recoverable amount since the previous recognition of impairment loss, the impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized in prior periods. Impairment losses on goodwill are not reversed.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or a disposal group), as well as assets and liabilities relating to a discontinued operation, are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets (or a disposal group) held for sale are measured at the lower of their carrying amounts and fair values less cost to sell. The depreciation and amortization on these assets is ceased at the date of reclassification.

A discontinued operation is either a sold or held for sale operation, which represents a major line of business, geographical area of operations or a subsidiary acquired exclusively for resale purpose. A discontinued operation is part of a single coordinated disposal plan.

The profit or loss from a discontinued operation is presented as a separate item in the statement of comprehensive income. Non-current assets or disposal groups, other items related to assets held for sale and recognized in other comprehensive income, and liabilities included in disposal groups are presented separately from other items in the statement of financial position. At the reporting date, the Group held no such items.

INVENTORIES

Inventories are measured at cost or at lower probable net realizable value. The cost of the inventory is determined using the weighted average cost formula, which is close to the FIFO formula.

The cost of finished goods and work in progress includes materials, wages and salaries, social security

expenses, subcontracting expenses, other variable expenses, and an allocation of the variable and fixed production overheads. Inventories are presented net of deductions for obsolete items.

FINANCIAL INSTRUMENTS

The Group's financial assets are classified in accordance with IAS 39 Financial Instruments: Recognition and Measurement as follows: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets. The classification is made on initial recognition, and it is based on the purpose of use of the items. At the reporting date, the Group has no financial assets classified as held-to-maturity.

Transaction costs are included in the initial measurement of financial assets that are not measured at fair value through profit and loss. All purchases and sales of financial assets are accounted for at trade date.

A financial asset is derecognized when the Group has lost its contractual rights to the cash flows, or it has transferred substantially all the significant risks and rewards of ownership of the financial asset to an external party.

Financial assets at fair value through profit or loss
This category is divided into two subgroups, assets held for trading and assets designated as at fair value through profit or loss upon initial recognition. Assets classified as held for trading have been acquired principally for the purpose of short-term profit making. Derivatives that do not qualify for the criteria of hedge accounting have been classified as held-for-trading assets. Derivatives classified as held for trading and financial assets maturing within 12 months are included in current assets. Financial assets in this category are measured at the fair value based on quoted prices in active markets. Both realized and unrealized gains and losses arising from changes in fair values are recognized in profit or loss in the period in which they occur.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets and not held for trading. This category includes the Group's financial assets that arise from the delivery of cash, goods or services to a debtor. They are measured at amortized cost and recognized in current or non-current financial assets; non-current, if they mature after 12 months.

Available-for-sale financial assets
Available-for-sale assets are those non-derivative financial assets that are designated as available for sale or are not classified into any other category. They are included in non-current assets unless the Group has an intention to hold the instrument for less than 12 months from the reporting date, in which case they are included in current assets. Available-for-sale assets consist of shares and interest-bearing investments and are measured at fair value or, if the fair value cannot be determined reliably, at cost. The fair values of these assets are measured based on quoted market prices in active markets, being the bid price at the reporting date. Changes in the fair values of available-for-sale financial assets are recognized in other comprehensive income and presented in the fair value reserve in equity, net of any tax effects. The cumulative gain or loss recognized in equity is removed and included in profit or loss when the investment is sold or it is impaired. The Group has no financial assets classified as available-for-sale at the reporting date.

Trade receivables
Trade receivables are measured initially at their invoiced amount less any impairment losses. Trade receivables do not include cash flows from the sold receivables since the credit risk related to sold trade receivables is transferred to the buyer at the date of the sale. The expenses related to the sale of trade receivables have been recognized as other financial costs. Bad debts are included in other operating expenses.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, bank deposits and other short-term, liquid investments. Cash and cash equivalents have a maturity of three months or less. Bank overdrafts are included in current liabilities.

Derivative instruments and hedge accounting
Derivatives are initially recognized at cost equal to their fair value. Subsequent to initial recognition derivatives are measured at fair value.

Although certain derivatives qualify for effective hedging criteria defined by the Group's risk management, they do not fully meet the requirements for hedge accounting as defined in IAS 39, even though they are effective financial hedging instruments. As the company does not apply hedge accounting in accordance with IAS 39, the changes in the fair values of derivatives are recognized in profit or loss in the period in which they occur, even if the hedged item affects profit or loss in the following period. The changes in the fair value of foreign currency hedges are included in operating profit and the changes in the fair value of interest rate swaps in financial items.

The fair values of derivatives are determined on the basis of market prices and generally used valuation models. The data and assumptions used in the valuation models are based on verifiable market prices. The fair values of derivatives maturing within a year are presented within current receivables or liabilities. The fair values of derivatives with maturities in excess of one year are presented within non-current receivables or liabilities.

Financial liabilities
Financial liabilities are initially recorded at fair value on the basis of consideration received. Transaction costs are included in the cost on initial recognition. Subsequently, all financial liabilities are measured at amortized cost using the effective interest rate method. Financial liabilities are included in non-current and current liabilities, and they can be either interest-bearing or non-interest-bearing.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the Group has a legal or constructive obligation as a result of a past event, the outflow of resources is probable and the amount of the obligation can be reliably estimated. When part of the provision is expected to be reimbursed by another party, the reimbursement is treated as a separate asset. The reimbursement is recognized only when it is virtually certain that it will be received. Provisions are measured at the present value of the expenditure that is required to settle the obligation.

At the reporting date, the Group had no such probable warranty obligations that would have qualified for recognition as a warranty provision.

Contingent liability is a contingent obligation caused by past events that is realized when an uncertain transaction, not controlled by the Group, occurs. Also, an obligation which is not likely to require cash settlement or on which the value cannot be reliably estimated will be treated as a contingent liability. The contingent liabilities are presented in the notes.

LEASES

Leases are accounted for as finance leases in accordance with IAS 17 Leases, when the lease transfers substantially all the risks and rewards incidental to ownership to the Group.

In an operating lease, substantially all the risks and rewards are retained by the lessor. Rental payments under operating leases of machinery are included in function-based other operating expenses and recognized as rental expenses on a straight-line basis over the lease term.

INCOME TAXES

Income taxes of the Group entities are calculated in accordance with the local tax legislation of each country. Income taxes comprise current taxes based on taxable profit according to the effective tax rates in each country and the tax adjustments for the prior periods. Income taxes also include any changes in deferred tax liabilities and assets. Taxes are recognized in profit or loss; excluding tax effects on items recognized directly in equity or in other comprehensive income.

Deferred tax liabilities or assets are recognized on temporary differences between the tax base of the Group entities' assets and liabilities and their carrying amounts for financial reporting purposes, and for differences arising on consolidation. Most significant temporary differences arise from tax losses carried forward. Deferred tax assets and liabilities have been calculated using each country's statutory tax rate for the following fiscal period enacted by the reporting date. A deferred tax asset is recorded on the basis of losses only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax liabilities are reported in full.

Deferred taxes are not recognized on investments in foreign subsidiaries and associated companies as the Group is able to define the date when the temporary difference is realized, and it is probable that the temporary difference is not realized in the foreseeable future.

OPERATING PROFIT

The Group has defined operating profit (EBIT) as follows: operating profit is the net amount obtained when other operating income is added to the net sales, less purchase expenses adjusted by changes in finished and non-finished inventories, less costs resulting from employee benefits, depreciation, amortization and impairment losses, as well as other operating expenses. All other items, apart from the above-mentioned items, are entered below operating profit. Foreign exchange rate gains and losses are included in operating profit if they result from business-related items; otherwise, they are recognized in financial items. Changes in the fair value of derivatives are included in operating profit for foreign currency hedges and in the financial items for interest rate hedges.

DIVIDENDS

Dividends proposed by the Board are recognized on the period during which the Annual General Meeting decides on the distribution on dividends.

ACCOUNTING POLICIES REQUIRING MANAGEMENT'S JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Management judgements made in choosing and applying the accounting policies of the Group and judgements that have the most significant effect on the figures in Financial Statements relate to impairment testing and deferred tax assets.

Goodwill and intangible assets that are not ready for use are tested annually for impairment, and indications of impairment are assessed as described in the

accounting policies as a part of the management's monthly business follow-up. Recoverable amounts of the cash-generating units are based on value in use calculations. Preparation of these calculations requires the use of estimates.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Recognition of deferred tax assets is based on calculations of the expected future profits. Preparation of such calculations requires the management to use estimates. By the publication of the Consolidated Financial Statements, the Group is not aware of any future key assumptions or of any significant uncertainties regarding the estimates made at the reporting date that might have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NEW OR REVISED STANDARDS AND INTERPRETATIONS

The Group will apply the following new or revised standards and interpretations as of 1 January 2011.

IASB has published the following new or revised standards and interpretations that the Group has not yet applied:

- Amendment to IAS 32 Financial Instruments: Presentation – Classification of rights issues (effective for financial periods beginning on or after 1 February 2010). The amendment relates to accounting (classification) for share, option or rights issues denominated in a foreign currency. The amendments are not significant from the point of view of the coming consolidated financial statements.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for financial periods beginning on or after 1 July 2010). The interpretation clarifies accounting treatment in cases where a company renegotiates a financial liability, and as a result issues equity instruments to the creditor to extinguish all or part of the financial liability. The interpretation will not impact the consolidated financial statements.
- Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement (effective for financial periods beginning on or after 1 January 2011). The amendments correct an unintended consequence of IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. After the amendments, entities are permitted to recognize as an asset some voluntary prepayments for minimum funding requirements. The interpretation has no impact on the coming consolidated financial statements.
- Revised IAS 24 Related Party Disclosures (effective for financial periods beginning on or after 1 January 2011). The definition of a related party is clarified and certain disclosure requirements for government related entities are changed.

1. OPERATING SEGMENTS

Salcomp Group operates in the markets of power supplies for mobile electrical and electronic equipment. The power supplies include batteries, rechargeable batteries and chargers for them as well as kinetic power supplies, photocells and fuel cells. The Group's main market area is mobile telecommunication devices. In practice, the rechargeable batteries in this market area are the only power supply which is integrated to the device. The only operating segment of the Group consists of chargers that are used to charging these rechargeable batteries.

In accordance with the previously defined Group's strategy, the Group Management is expanding the Group's product range also in other chargers in addition to mobile phone chargers. If the quantitative thresholds of the standard are met, the Group will report separate segment information during 2011 on the basis of the following segments:

- Mobile phone chargers
- Other chargers (chargers, that are meant to be used in other products than mobile phones)

1000 €	2010	2009
Geographical distribution of net sales*		
Brazil	81 447	68 352
China	112 804	84 919
Finland	3 179	1 837
India	50 263	44 198
South Korea	25 280	22 645
Other	26 035	17 504
Total	**299 008**	**239 455**
Most significant customers (% net sales)**		
Customer 1	50%	44%
Customer 2	25%	14%
Customer 3	12%	18%
Customer 4	10%	18%
Group's non-current assets by countries***		
Brazil	2 387	2 158
China	12 321	7 296
Finland	1 194	1 513
India	10 209	9 324
Total	**26 111**	**20 291**

* Net sales is calculated on basis of the location of the customer
** Customers include aggregated figures of customer Groups
***Assets include tangible and intangible assets (less goodwill)

2. OTHER OPERATING INCOME

	2010	2009
Gains on disposal of property, plant and equipment and intangible assets	94	82
Reversal of impairment losses on trade receivables	8	8
Other income	8	0
Total	**110**	**90**

3. OTHER OPERATING EXPENSES

	2010	2009
Losses on disposal of property, plant and equipment and intangible assets and scrapping	76	18
Impairment losses on trade receivables	0	113
Total	**76**	**131**

1000 €	2010	2009

4. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Depreciation and amortization by asset type

Property, plant and equipment		
Buildings	190	167
Machinery and equipment	4 304	3 983
Other tangible assets	641	605
Total	**5 135**	**4 755**
Intangible assets		
Intangible rights	141	125
Total	**141**	**125**
Total depreciation and amortization	**5 276**	**4 880**

Depreciation and amortization by function

Production	4 757	4 445
Sales	9	7
Administration	143	114
Research and Development	367	314
Total	**5 276**	**4 880**

Impairment losses

In the financial years 2010 and 2009, no impairment losses on property, plant or equipment or intangible assets were recognized in profit or loss.

5. EMPLOYEE BENEFITS

Wages and salaries	38 967	27 321
Pension expenses - Defined contribution plans	1 038	862
Share-based expenses	144	503
Other social expenses	10 645	7 476
Total	**50 794**	**36 162**

Information on incentive programs are presented in notes 18, 19 and 28.

The average number of personnel in the Group during the financial year

Production	9 497	7 033
Sales	33	23
Administration	105	102
Research and Development	190	154
Total	**9 825**	**7 312**

6. FINANCE INCOME

Interest income from bank accounts and deposits	218	302
Foreign exchange gains	753	926
Total	**971**	**1 228**

Items above the operating profit include foreign exchange gains EUR 1.7 million in 2010 (EUR 1.5 million in 2009).

1000 €	2010	2009

7. FINANCE EXPENSES

Interest expenses from financial liabilities carried at amortized cost	-1 203	-1 923
Other finance expenses	-457	-402
Total	**-1 660**	**-2 325**

Items above the operating profit include foreign exchange losses EUR 0.9 million in 2010 (EUR 1.3 million in 2009).

8. INCOME TAXES

Income taxes in the Profit or loss

Current tax expense	-1 840	-1 483
Tax adjustments for prior years	-56	-49
Deferred tax expense	839	-2 329
Total	**-1 057**	**-3 861**

Reconciliation of the income tax expense in the Income Statement and the income tax expense calculated using the Salcomp Group's domestic corporation tax rate:

Result before tax	9 023	9 119
Income tax calculated using the parent company's tax rate (26%)	2 346	2 371
Effect of tax rates in foreign subsidiaries	-347	-1 090
Use of previously unrecognized tax losses	-982	-1 123
Effect of unrecognized tax losses utilized	1	3 647
Other items	39	56
Income tax expense	**1 057**	**3 861**

Deferred taxes are presented in note 13.

9. EARNINGS PER SHARE

The basic earnings per share are calculated as follows:

Result for the year attributable to equity holders of the parent
Weighted average number of ordinary shares outstanding during the financial year

Information on the changes in the number of the shares is provided in note 17.

Result for the year attributable to equity holders of the parent	7 965 802	5 258 155
Weighted average number of ordinary shares outstanding during the financial year	39 000 461	38 975 190
Basic earnings per share (EUR / share)	0.20	0.13

Diluted earnings per share, EUR:

Equity holders of the parent	7 965 802	5 258 155
Weighted average number of ordinary shares outstanding during the financial year	39 000 461	38 975 190
Dilution effect of incentive program	758	0
Diluted weighted average number of shares	39 001 219	38 975 190
Diluted earnings per share (EUR / share)	0.20	0.13

Information on incentive programs are presented in notes 18 and 19.

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and equipment	Other tangible assets	Advance payments	Total
Cost 1 January 2010	**4 848**	**54 937**	**6 957**	**689**	**67 431**
Additions	12	7 488	635	268	8 403
Disposals and transfers between classes	0	-124	-225	0	-349
Exchange difference	605	3 479	723	0	4 807
Cost 31 December 2010	**5 465**	**65 780**	**8 090**	**957**	**80 292**
Accumulated depreciations and impairments 1 January 2010	**-353**	**-43 543**	**-3 649**		**-47 545**
Depreciation charge for the year	-190	-4 302	-641		-5 133
Disposals and transfers between classes	0	106	169		275
Exchange difference	-48	-2 208	-352		-2 608
Accumulated depreciations and impairments 31 December 2010	**-591**	**-49 947**	**-4 473**		**-55 011**
Carrying amounts 1 January 2010	4 495	11 394	3 308	689	19 886
Carrying amounts 31 December 2010	4 874	15 833	3 617	957	25 281
Cost 1 January 2009	**4 628**	**54 960**	**6 927**	**246**	**66 761**
Additions	159	787	122	423	1 491
Disposals and transfers between classes	0	-1 907	0	0	-1 907
Exchange difference	61	1 097	-92	20	1 086
Cost 31 December 2009	**4 848**	**54 937**	**6 957**	**689**	**67 431**
Accumulated depreciations and impairments 1 January 2009	**-183**	**-40 922**	**-3 097**		**-44 202**
Depreciation charge for the year	-167	-3 983	-605		-4 755
Disposals and transfers between classes	1	1 787	0	0	1 788
Exchange difference	-4	-425	53		-376
Accumulated depreciations and impairments 31 December 2009	**-353**	**-43 543**	**-3 649**		**-47 545**
Carrying amounts 1 January 2009	4 445	14 038	3 831	246	22 559
Carrying amounts 31 December 2009	4 495	11 394	3 308	689	19 886

11. INTANGIBLE ASSETS

	Goodwill	Intangible rights	Total
Cost 1 January 2010	**66 412**	**2 427**	**68 839**
Additions		547	547
Disposals and transfers between classes		0	0
Exchange difference		84	84
Cost 31 December 2010	**66 412**	**3 058**	**69 470**
Accumulated amortization and impairments 1 January 2010		**-2 022**	**-2 022**
Amortization for the year		-141	-141
Disposals and transfers between classes		0	0
Exchange difference		-65	-65
Accumulated amortization and impairments 31 December 2010		**-2 228**	**-2 228**
Carrying amounts 1 January 2010	66 412	405	66 817
Carrying amounts 31 December 2010	66 412	830	67 242
Cost 1 January 2009	**66 412**	**2 280**	**68 692**
Additions		101	101
Disposals and transfers between classes		0	0
Exchange difference		46	46
Cost 31 December 2009	**66 412**	**2 427**	**68 839**
Accumulated amortization and impairments 1 January 2009		**-1 883**	**-1 883**
Amortization for the year		-125	-125
Disposals and transfers between classes		0	0
Exchange difference		-14	-14
Accumulated amortization and impairments 31 December 2009		**-2 022**	**-2 022**
Carrying amounts 1 January 2009	66 412	397	66 809
Carrying amounts 31 December 2009	66 412	405	66 817

12. IMPAIRMENT TESTING FOR GOODWILL

The carrying amount of the Salcomp Group's goodwill, EUR 66.4 million, has not changed since the end of the previous reporting year.

The recoverable amount of the operating Mobile Phone Charger segment was based on its value in use, which was determined by discounting future estimated cash flows. The cash flows used in the testing were based on actual operating profit and 5-year estimates approved by the Group management. Cash flows for further periods were extrapolated using a constant growth rate of 2.5 percent. Management believes that this growth rate reflects the development of Group's business in the long-term and is in accordance with the general estimates of growth in this industry. The discount rate used in the calculation was pre-tax WACC, which was 15.0 percent. The discount rate was calculated as an average, weighted by net sales of country specific operations of the segment (country specific WACCs varying between 12.0–23.0 percent). On the basis of impairment testing, impairment of goodwill needs not to be recognized. The Group has no other intangible assets with indefinite useful lives.

Sensitivity analysis

A sensitivity analysis in respect of key assumptions was carried out for the group of cash-generating units. On the basis of the analysis, the value in use of the group of cash-generating units endures:

- 9 percent annual decline in sales growth in the 5-year period, or
- 9 percent annual decline in sales growth in the terminal value, compared to the basic assumptions. This would indicate an 6 percent absolute annual decline in sales in the long-term in real terms.

For profitability, the value in use of the group of cash-generating units endures:

- 33 percent annual decline in operating profit both in the 5-year period and terminal value.
- In addition, the value in use exceeds carrying amount with up to 6 percent higher discount rates than the discount rate used in the testing.

The management believes that no reasonably possible change in key assumptions would cause the carrying amount of the group of cash-generating units to exceed its recoverable amount.

13. DEFERRED TAX ASSETS AND LIABILITIES

	31 Dec 2009	Recognized in statement of comprehensive income	31 Dec 2010
Deferred tax assets and liabilities during 2010:			
Deferred tax assets:			
Effects of consolidation and eliminations	380	-83	297
Tax losses carried forward	2 800	926	3 726
Total	**3 180**	**843**	**4 023**
Deferred tax liabilities:			
Taxable temporary differences	17 313	4	17 317
Total	**17 313**	**4**	**17 317**
Net deferred tax liability	**14 133**	**-839**	**13 294**

	31 Dec 2008	Recognized in statement of comprehensive income	31 Dec 2009
Deferred tax assets and liabilities during 2009:			
Deferred tax assets:			
Effects of consolidation and eliminations	257	123	380
Tax losses carried forward	2 800	0	2 800
Total	**3 057**	**123**	**3 180**
Deferred tax liabilities:			
Taxable temporary differences	14 861	2 452	17 313
Total	**14 861**	**2 452**	**17 313**
Net deferred tax liability	**11 804**	**2 329**	**14 133**

On 31 December 2010, the parent company has tax loss carry forwards totaling EUR 44.5 million (EUR 22.3 million in 2009) and additionally the parent company has deferred depreciations (in taxation) totaling EUR 25.7 million (EUR 33.8 million in 2009). Due to internal structuring transaction performed during the fiscal year, the parent company will utilize tax losses totaling EUR 35 million. As a consequence the uncertainty of utilization of tax losses has decreased due to which the group has increased the value of deferred tax asset (EUR 2.8 million) by EUR 0.9 million. Tax losses remaining at parent will expire at 2019.

Deferred tax liabilities comprise mainly tax-deductible goodwill amortization in the financial statements of the parent company. The goodwill has been fully amortized in parent company during 2009.

1000 €	2010	2009
14. INVENTORIES		
Raw materials and consumables	11 892	7 472
Unfinished products	162	0
Finished products	25 192	12 857
Total	**37 246**	**20 329**

The carrying amount of the inventories was reduced by recognizing a write-down amounting to EUR 2.2 million (EUR 1.9 million in 2009) to correspond with the net realizable value of the inventories.

In 2010 or in 2009, the total value of inventories does not include reversals of previously recognized write-downs.

1000 €	2010	2009
15. TRADE AND OTHER CURRENT RECEIVABLES		
Trade receivables	38 058	27 231
Accrued income and deferred expenses	7 995	5 263
Other receivables	180	129
Total	**46 233**	**32 623**

During the current financial year the Group has recognized impairment losses of trade receivables EUR 0.0 million (EUR 0.1 million in 2009). The carrying amounts represent best its maximum credit risk exposure at the reporting date, without taking into account of the fair value of any collateral, in the event of other parties failing their obligations under financial instruments.

The material items included in accrued income and deferred expenses relate to advance payments paid to the sub-contractors, EUR 1.8 million at the end of 2010 (EUR 1.2 million at the end of 2009). In addition accrued income and deferred expenses include a EUR 3.7 million deposit relating to taxation recognized in the Manaus company (EUR 3.3 million in 2009).

1000 €	2010	2009
16. CASH AND CASH EQUIVALENTS		
Cash on hand and at bank	18 553	18 273
Short-term bank deposits (< 3 months)	0	599
Total	**18 553**	**18 872**
Cash and cash equivalents in the statement of cash flows are as follows:		
Cash on hand, at bank and short term bank deposits	18 553	18 872
Total	**18 553**	**18 872**

17. CAPITAL AND RESERVES

	Number of shares (1000 pcs)	Share capital (1000 €)	Invested unrestricted equity (1000 €)	Total (1000 €)
31 December 2008	**38 975**	**9 833**	**22 035**	**31 868**
31 December 2009	**38 975**	**9 833**	**22 035**	**31 868**
Accumulated losses covered			-13 581	
Share issue	49		96	
Parent company own shares	337			
Repayment of capital			-2 730	
31 December 2010	**39 361**	**9 833**	**5 820**	**15 653**
Number of shares outstanding	**39 024**			

According to the Salcomp Plc's Articles of Association, the company has one series of shares. On 31 December 2010, the number of shares issued and fully paid was 39,023,840 shares. Additionally, the company has own shares totaling 337,000 shares.

On 31 December 2010 the shares owned by the members of the Board, CEO and the Management Team totaled 552,846 shares (516,846 shares on 31 December 2009). Additionally, share based incentives owned by related party totaled 530,000 shares at year-end (615,000 shares on 31 December 2009).

The reserve for invested unrestricted equity includes other investments of equity nature and subscription prices for shares to the extent that it is specifically decided not to be credited to the share capital. The payments received for share subscriptions based on the options granted after the entry into force (1 September 2006) of the new Limited Liability Companies Act are fully recognized in the reserve for invested unrestricted equity.

The AGM of year 2010 authorized the Board of Directors to decide on issuance of no more than 11.8 million new shares or own shares held by the company. Furthermore, the AGM decided to authorize the Board of Directors to repurchase no more than 3.8 million of the company's own shares using the funds in the company's invested unrestricted equity. The authorizations are valid until the next Annual General Meeting; however, no longer than until 30 June 2011. The authorizations has been used on share issues relating to share-based incentives.

After the reporting date, the Board has decided to propose to the General Meeting of Shareholders that dividends totaling of EUR 2,731,668.80 and EUR 0.07 per share will be distributed to the shareholders. The dividend decided by the Annual General Meeting will be distributed to those shareholders that on the record date 29 March 2011 are registered in the shareholders' register held by Euroclear Finland Ltd.

18. OPTION PROGRAM

The Group has an incentive program in use, directed to the Group key personnel. As stated in the terms of the incentive program, stock options are granted free of charge. The incentive program is conditional. Basic terms of the program are presented below.

Program symbol	**Option right 2007A**	**Option right 2007B**	**Option right 2007C**
The nature of the incentive	Stock option	Stock option	Stock option
Number of options	657 500	682 500	707 500
Grant date	2.5.2007	7.5.2008	11.8.2009
Options granted during the year (pcs)	622 500	657 500	637 500
Original exercise price (EUR / option)	3.09	3.55	1.47
Dividend adjustment	0.28	0.22	0.07
Exercise price (EUR / option)	2.81	3.33	1.40
Share price at grant date	3.53	3.79	1.51
Number of personnel in option program (year end)	34	42	52
Vesting conditions	3 years' service and at least 8% shareholder return per annum until 1 April, 2010	3 years' service and at least 8% shareholder return per annum until 1 April, 2011	3 years' service and at least 8% shareholder return per annum until 1 April, 2012

Movements in the year	**Option right 2007A**	**Option right 2007B**	**Option right 2007C**	**Option rights total**
Outstanding on 1 January	497 500	545 000	627 500	1 670 000
Granted during the year	0	0	0	0
Forfeited during the year	-32 500	-37 500	0	-70 000
Exercised during the year	0	0	0	0
Expired during the year	0	0	0	0
Outstanding on 31 December	465 000	507 500	627 500	1 600 000
Exercisable on 31 December	0	0	0	0

The fair value has been determined using the Cox-Ross-Rubinstein binomial model. Expected volatility has been defined based on the historical share price development of the parent taken into consideration the remaining contractual life of the options. The fair value of the shares in the option program has been based on the quoted share price.

The fair value calculated at grant date will become expensed during the commitment period.
Income statement effect of the options was EUR -0.1 million (EUR 0.5 million).

Assumptions used in fair value calculation:

	Option right 2007A	**Option right 2007B**	**Option right 2007C**
Expected volatility	32%	30%	42%
Expected contractual life of the option at grant date (years)	4.9	4.9	4.6
Risk-free interest rate	4.2%	4.1%	2.8%
Fulfillment of option conditions (share price + dividends)	3.89–4.54 €	4.47–5.22 €	1.85–2.16 €
Expected personnel deductions	25.0%	23.0%	10.0%
Fair value of the instrument at grant date (EUR / option)	1.44 €	1.44 €	0.61 €

19. SHARE-BASED INCENTIVE PROGRAMS

The Board of Directors of Salcomp Plc has in May 2010 approved two new share-based incentive programs for the Group key personnel. The aim of the new programs is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, as well as to commit the key personnel to the company and to offer them competitive rewards based on the financial performance of the company and the company shares.

The new programs are
- Matching Share Program targeted at the members of the Extended Global Management Team and
- Performance Share Program targeted at 53 key employees including also the members of the Extended Global Management Team. The potential reward from the program will be based on the Group's Total Shareholder Return (TSR) and on the Group's cumulative Earnings per Share (EPS). Under both TSR and EPS conditions the maximum of issued shares will be 266,000 shares.

Both Programs include one earning period, from calender year 2010 to 2012. The potential reward from the earning period 2010–2012 will be paid partly in company shares and partly in cash during 2013. The cash payment is intended to cover the personal taxes and tax-related costs arising from the reward. No reward will be paid to a participant, if he or she does not fulfill the shareholding precondition or his or her employment or service in a Group company ends before the reward payment. The rewards to be paid on the basis of the earning period 2010–2012 will correspond to the value of maximum 603,000 Salcomp Plc shares (including also the proportion to be paid in cash).

Salcomp has, during the 2010 expensed EUR 219 thousand, of which EUR 128 thousand is included in accrued liabilities to be settled as cash.

Share based incentive program	**Performance Share Program**	**Matching Share Program**
The nature of the incentive	Shares + cash	Shares + cash
Maximum number of distributed shares	532 000	55 650
Grant date	19.5.2010	19.5.2010
Fair value at grant date	1.27	1.81
Expected personnel deductions	5%	5%
Estimate of reaching the share-specific targets	50%	
Number of personnel in incentive program (year end)	53	7
Earning period	Calender yrs 2010–2012	Calender yrs 2010–2012
Vesting conditions	The potential reward from the program will be based on the Group's Total Shareholder Return (TSR) and on the Group's cumulative Earnings per Share (EPS). No reward will be paid to a participant, if his or her employment or service in a Group company ends before the reward payment. Regarding the TSR condition, the estimate of reaching the program target has been included in the fair value calculation.	Participants must hold the company's shares as a prerequisite for participation in the Matching Share Program and for receipt of the reward on the basis of the program. No reward will be paid to a participant, if he or she does not fulfill the shareholding precondition or his or her employment or service in a Group company ends before the reward payment. The members of the Extended Global Management Team must hold 50% of the shares received on the basis of the new incentive programs as long as the value of the shares held by the person in total is below the person's six months gross salary.

1000 €	2010	2009
20. INTEREST-BEARING LIABILITIES		
Non-current		
Capital loan	0	10 000
Loans from financial institutions	11 187	5 882
Total	**11 187**	**15 882**
Current		
Current portion of non-current loans from financial institutions	8 219	3 232
Total	**8 219**	**3 232**

Salcomp Plc renewed its financing arrangements during the year. The syndicated loan of EUR 25 million agreed with Nordea Bank Finland Plc and Merchant Banking, Skandinaviska Enskilda Banken AB (publ) is divided in a EUR 15 million long-term loan and a EUR 10 million long-term revolving credit limit. The loan period is 3 years. The terms and conditions of the Facilities contain market customary covenants and undertakings and security cover respective the Group. Covenant terms and conditions have remained unchanged compared to prior financing arrangement agreement. Loans at parent company balance sheet are denominated in euro and have a floating rate.

During the renewal of the financing, Salcomp repaid the capital loan of EUR 3 million taken in December 2008 as well as capital loan of EUR 7 million taken in June 2009 along with related accrued interest totaling EUR 1.3 million. Capital loans were done in accordance with chapter 12 of the Finnish Companies Act and were granted by Nordstjernan AB, the majority shareholder of Salcomp. Renewing the Group's financial package involved a one-off cost of approximately EUR 0.2 million.

In addition to above, the Group has acquired working capital financing in India in 2010. The total limit of the financing is EUR 6 million. The currency in the Indian company balance sheet is rupee and the average interest 8%. The financing consists of three elements: selling of receivables, financing accounts payable and working capital loan. The financing is annually renewed. The terms and conditions of the loan contract contain undertakings and security cover for the Group.

The Group had an unused revolving credit limit of EUR 10 million at the end of the period.

1000 €	2010	2009
Group's floating rate-loans		
Group's interest-bearing liabilities with floating rates at contractual repricing periods:		
Below 6 months	1 250	1 667
6–12 months	7 044	1 667
1–5 years	11 250	6 000
Total	**19 544**	**9 334**
The weighted average of the effective interest rates of the Group's interest-bearing liabilities at the balance sheet date are as follows:		
Bank loans	5.28%	6.18%
Capital loans	12.00%	12.00%
Credit limits	3.30%	6.18%

1000 €	2010	2009
21. TRADE AND OTHER CURRENT LIABILITIES		
Trade payables	66 934	40 171
Accrued personnel, social security and pension expenses	5 126	4 200
Accrued interest expenses and other financial items	0	787
Advances received	106	84
Other accrued expenses and deferred income	4 981	3 710
Other liabilities	2 446	2 464
Total	**79 593**	**51 416**
Main items in other accrued expenses and deferred income		
Tax and tax-related accruals	4 676	3 501
Accrued hedging instruments	49	57
Cash paid out part of share-based incentive program	128	0
Others	128	152
Total	**4 981**	**3 710**

Tax and tax-related accruals on main items of other accrued expenses include a EUR 3.7 million item included also in accrued income as deposit and is relating to Manaus company (EUR 3.3 million in 2009).

22. MANAGEMENT OF FINANCIAL RISKS

In ordinary business activities, the Group is exposed to several financial risks. The Group's objective is to minimize the unfavorable effects on the Group's profit. The most significant financial risks are foreign exchange risks, interest rate risks, credit risks and liquidity risks. The general risk management principles are approved by the Board. The Group Finance Department, together with the local companies, is responsible for the implementation in practice.

Group's financing is mainly centralized to the parent company.

Foreign exchange risk
Group companies are exposed to foreign exchange rate risks in their business as a varying part of their sales and purchases are denominated in foreign currencies. In addition, part of their sales and purchases are determined in other than the invoicing currency. The most important sales currency is USD. In addition, RMB, INR and BRL are used widely. The purchases are mostly done in RMB, USD, BRL and HKD. Due to different currencies used in sales and purchases, there are exchange risks in USD/EUR, USD/RMB, USD/BRL and USD/INR.

The foreign currency translation position is reviewed regularly both currency and company wise. The main principle is not to hedge. Instead of hedging, the foreign exchange risk is managed by taking actions both towards customers and suppliers, as well as internally within Group companies. In example, existing receivable selling programs with customers are minimizing the open currency position.

External loans are denominated in local currencies (EUR, INR). Group is mainly exposed to translation risk of foreign currency. Parent company is financing Group companies if needed. Internal loans are not hedged. Group is exposed to exchange rate risk on foreign net investments. The equity of foreign subsidiaries is not hedged.

Below is presented the net position by currency relating to trade receivables, cash and cash equivalents and trade payables.

1000 €	USD	EUR	RMB	BRL	INR	HKD
2010						
Trade receivables	13 726	0	15 561	5 829	2 673	268
Cash and equivalents	11 441	1 433	3 610	1 268	359	442
Trade payables	-16 582	-246	-36 163	-3 112	-4 548	-6 283
Open net position	**8 585**	**1 187**	**-16 992**	**3 985**	**-1 516**	**-5 573**
2009						
Trade receivables	6 596	0	13 336	5 021	2 278	0
Cash and equivalents	5 139	4 772	1 841	5 634	1 338	148
Trade payables	-9 000	-351	-15 895	-3 258	-2 883	-8 784
Open net position	**2 735**	**4 421**	**-718**	**7 397**	**733**	**-8 636**

The table below shows from the point of view of the net position calculation presented on previous page the effect of a 10% change in currency exchange rate both to the Group's result before taxes and to equity.

1000 €	Change in currency %	USD	RMB	BRL	INR	HKD
2010	**10%**	**954**	**-1 888**	**443**	**-168**	**-619**
	-10%	-780	1 545	-362	138	507
2009	**10%**	**304**	**-80**	**822**	**30**	**-960**
	-10%	-249	65	-673	-25	785

Interest rate risk
The Group's interest rate risk is mainly related to the floating rate loan portfolio. Changes in the market rates have a direct impact on the Group's interest payments. The interest rate risk related to the term loan is partly hedged with interest rate swaps.

Even though the derivatives, being the effective hedging instruments, fulfill the requirements of hedge effectiveness defined by the Group Risk Management, they do not fully meet the hedge accounting requirements set up in IAS 39. After initial recognition, the derivatives are measured at fair value. Both realized and unrealized gains and losses are recognized through profit or loss as they occur.

Group interest-bearing liabilities are presented in note 20. The below table presents the effect of a one basis point change in interest rate calculated from year-end open loan portfolio to the Group's result before taxes and to equity. The average interest rate used in this calculation is 5% (1.5% in comparison period).

1000 €	Interest level	Profit effect
2010	**4.0%**	**-144**
	6.0%	144
2009	**0.5%**	**-10**
	2.5%	10

Raw material price risk
The most important materials of components of the end products are plastic resin and copper. The Group does not normally buy these raw materials directly. The short-term price risk related to these raw materials is hedged using fixed price contracts (on average 3 to 6 months).

Credit risk
Group is exposed to a credit risk, if the counterparty of the agreement does not fulfill their obligation. Group policy determines the credit rating requirements of customers and counterparties of treasury transactions and derivative contracts. Products are sold only to companies with good credit worthiness. Trade receivables are monitored regularly.

The counterparties of the derivative contracts and treasury transactions have a good credit rating. The maximum amount on the Group's credit risk equals the carrying amount of the financial assets (see note 23). The need for hedging and possibilities are evaluated case-by-case.

The tables below presents the aging of trade receivables and their geographical distribution.

1000 €	2010	2009
Aging of trade receivables		
Not past due	35 921	25 266
Past due less than 30 days	1 884	1 409
30–60 days	220	466
61–120 days	32	89
Over 120 days	1	1
Total	**38 058**	**27 231**

During the current reporting period, the Group has not recognized impairment losses on trade receivables (EUR 0.1 million in 2009).

1000 €	2010	2009
Geographical distribution		
Asia–Pacific	29 429	19 358
Europe	1 965	2 482
North and South America	6 664	5 391
Total	**38 058**	**27 231**

The Group is exposed to significant concentration of credit risk since the clientele is comprised of a few large groups. Three customers (groups) cover 72% of the trade receivables. These groups have good credit worthiness.

Liquidity risk
The Group continuously evaluates and monitors the amount of financing required in order to have a sufficient liquidity position from which to finance its business activities and make loan repayments. Availability and flexibility of financing is secured mainly with unused credit limits. The Groups' financing agreements have customary terms and conditions that are related to the position of the financiers, financial key figures and the use of collaterals.

The table below presents the Group's payment obligations based on the undiscounted cash flows of liabilities.

1000 €	2011	2012	2013	2014
2010				
Interest-bearing liabilities (incl. interests)*	9 118	2 899	9 100	0
Other liabilities	2 446			
Trade payables	66 934			
Derivatives	49			
Total	**78 547**	**2 899**	**9 100**	**0**

1000 €	2010	2011	2012	2013
2009				
Interest-bearing liabilities (incl. interests)	4 614	3 465	14 887	0
Other liabilities	2 464			
Trade payables	40 171			
Derivatives	57			
Total	**47 306**	**3 465**	**14 887**	**0**

The amount of unused credits at year end is EUR 10 million.
*The financing arrangements in India are renewed annually. The financing agreement in the Group parent company is valid for three years.

23. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Financial assets
For financial assets, the fair value equals their initial carrying amount as the discounting has no material effect considering the short maturity of these items.

Financial liabilities
The maturities of all financial liabilities have a maximum of three years (last repayment in 2013). At the reporting date the interest rate of the interest-bearing liabilities of parent are tied to one month market rate. For these liabilities the fair values does not materially differ from their carrying amounts as the discounting has no material effect and the company-specific risk premium has not materially changed. Derivatives at fair value are, based on the fair value hierarchy, categorized to level 2. Fair values are based on confirmations received from banks.

The fair values of the financial assets and financial liabilities, which are equal to their carrying amounts, are presented in the table below:

1000 €

	Note	Financial assets, trading	Financial assets, carried at cost	Financial liabilities, carried at amortized cost	Carrying value	Fair value
2010						
Financial assets						
Current						
Trade and other receivables	15		38 236		38 236	38 236
Cash	16		18 553		18 553	18 553
Financial liabilities						
Non current						
Bank loans	20			11 250	11 250	11 250
Capital loans	20				0	0
Current						
Bank loans	20			8 294	8 294	8 294
Trade and other liabilities	21			69 380	69 380	69 380
Interest hedges	21	49			49	49
2009						
Financial assets						
Current						
Trade and other receivables	15		27 360		27 360	27 360
Cash	16		18 872		18 872	18 872
Financial liabilities						
Non current						
Bank loans	20			6 000	6 000	6 000
Capital loans	20			10 000	10 000	10 000
Current						
Bank loans	20			3 333	3 333	3 333
Trade and other liabilities	21			42 635	42 635	42 635
Interest hedges	21	57			57	57

1000 €	2010	2009
24. ADJUSTMENTS TO CASH FLOWS FROM THE OPERATING ACTIVITIES		
Non-cash transactions:		
Depreciation and amortization	5 276	4 880
Recognition of share-based incentives	144	503
Total	**5 420**	**5 383**
25. OPERATING LEASES		
Group as lessee		
Minimum lease payments on non-cancellable operating leases are payable as follows:		
Less than one year	2 336	3 202
Between one and five years	3 046	4 157
Total	**5 382**	**7 359**

The Group has leased factory facilities and office premises located in Salo Finland, in China and in Brazil. These leases are classified as operating leases. The leases run for a period of 3–5 years with an option to renew the lease after that date.

EUR 3.7 million was recognized as a lease expense in the income statement in respect of operating leases during the year ended 31 December 2010 (EUR 3.0 million in 2009).

26. COMMITMENTS AND CONTINGENCIES

	2010	2009
Collateral for own commitments		
Bank loans	19 544	9 333
Company collateral	82 000	82 000
Other collateral for own debts	5 867	0
Other collateral for own commitments	5	5

27. AUDITOR'S FEES ACCORDING TO ASSIGNMENT GROUPS

1000 €	2010		2009	
	Group	Parent share	Group	Parent share
Auditing	116	35	113	34
Tax consulting	17	12	42	25
Other services	93	83	136	133
Total fees	**226**	**130**	**291**	**192**

28. RELATED PARTIES

Parent and subsidiary relations of Salcomp Group on 31 December 2010	Country	Group holding, %	Group voting, %
Companies owned by the Group and the parent company			
Parent Salcomp Plc, Salo	Finland		
Salcomp Manufacturing Oy, Salo	Finland	100.0%	100.0%
Salcomp Ltda, São Paulo	Brazil	99.8%	99.8%
Salcomp (Shenzhen) Co. Ltd, Shenzhen	China	100.0%	100.0%
Salcomp Industrial Eletrônica da Amazônia Ltda, Manaus	Brazil	100.0%	100.0%
Salcomp Manufacturing India Private Ltd, Chennai	India	100.0%	100.0%
Salcomp Taiwan Co., Ltd., Taipei	Taiwan	100.0%	100.0%

Salcomp Plc is a subsidiary of Nordstjernan AB.

1000 €	2010	2009
Capital loan	0	10 000
Unpaid interest	553	787

Salcomp has, during the year, repaid the capital loans along with accrued interest. Loans were granted by Nordstjernan AB.

Related party transactions

Salcomp Group has related party relationships with the Board members, the CEO and with the Management Team. The Management Team consists of seven persons and the CEO.

The Group has entered into related party transactions as follows:

1000 €		2010	2009
a) Related party ownership changes			
The number of the parent company's shares the current key management personnel have acquired / sold (+/-):		36 000 pcs	-20 000 pcs
The number of the parent company's shares the former key management personnel have acquired / sold (+/-):		0 pcs	-74 290 pcs
The number of the parent company's incentives the former key management personnel have acquired / sold (+/-):		-85 000 pcs	0 pcs
Related party ownership			
Shares		552 846 pcs	516 846 pcs
Incentives		530 000 pcs	615 000 pcs
b) Related party compensations			
Salaries and other benefits		1 233	1 218
Post-employment benefits (cost according to the Finnish Employees' Pensions Act)		379	370
Share-based payments		52	185
Total		**1 664**	**1 773**
Management remuneration			
Mats Heiman	Chairman of the Board	40	37
Kari Vuorialho	Vice Chairman of the Board	32	29
Andreas Tallberg	Member of the Board (until 24.3.2010)	6	23
Carl Engström	Member of the Board	25	17
Jukka Rinnevaara	Member of the Board	25	17
Petri Kähkönen	Member of the Board (from 24.3.2010)	19	0
Markku Hangasjärvi	CEO	277	261
Total		**424**	**384**

The CEO and other members of the Management Team are entitled to participate in the supplementary pension system.

c) Loans to related parties

There were no loans or commitments granted to the related parties.

29. CAPITAL MANAGEMENT

The target of the Group's capital management is to support the business by ensuring the normal operational preconditions, as well as to increase the shareholder value with an objective of the best possible return. The optimal capital structure ensures also the lower cost of capital.

Capital structure is influenced for instance through dividend distribution and share issues. The Group can change or adjust the dividend distribution or the amount of returned equity to the shareholders. Additionally, the number of issued shares can be adjusted. Decisions can also be made on sales of assets to repay the liabilities.

Group capital structure is monitored with key figures for example on Net Debt to EBITDA, which is also one of the covenants in the loan portfolio:

1000 €	2010	2009
Interest bearing liabilities (gross)	19 544	19 114
Cash and cash equivalents	-18 553	-18 872
Net Debt	991	242
EBITDA	14 988	15 096
Net Debt to EBITDA	**0.07**	**0.02**
Gearing, %	1.06%	0.33%

30. EVENTS AFTER THE REPORTING DATE

After the reporting date, no material events that would have affected the Financial Statements presented here have been noticed.

Shares and shareholders

Salcomp's shares are quoted in the NASDAQ OMX Helsinki Ltd. At the end of 2010, Salcomp had 1,089 shareholders, and the foreign ownership accounted for 77.8% of the shares. The total Salcomp share trade was EUR 4.2 million and the closing price EUR 1.97 on 31 December 2010.

SHARE CAPITAL AND SHARES

Salcomp's registered share capital amounts to EUR 9,832,735.12, divided into 39,023,840 fully paid outstanding shares and 337,000 shares in the possession of the company. The shares in the possession of the company were acquired through share issues carried out in 2010 related to the share-based incentive programs.

The company has one series of shares, and all the shares entitle the shareholder to equal rights in the company. The share has no nominal value. The company's shares have been incorporated into the Finnish book-entry system.

Salcomp's shares are quoted in the NASDAQ OMX Helsinki Ltd in the Industrials sector's Small Cap. The ticker is SAL1V and the ISIN code FI0009013924.

TRADING WITH SALCOMP SHARES

In 2010, the Salcomp share price fluctuated between EUR 1.73 and EUR 2.19. The average share price was EUR 1.99 and the closing price at the end of the year EUR 1.97. The total Salcomp share trade was EUR 4.2 million and 2.1 million shares. The market value for the total number of outstanding shares at the end of the year was EUR 76.9 million.

OWNERSHIP

At the end of 2010, Salcomp Plc had 1,089 registered shareholders. Foreign ownership accounted for 77.8% of Salcomp's shares: 76.6% held by the Swedish company Nordstjernan AB. Another large ownership group comprised Finnish financial and insurance institutions with a 13.1% holding.

DIVIDEND PRINCIPLES

The Board of Directors has adopted dividend principles whereby the Board intends to propose annually to the General Meeting of Shareholders that no more than one-third of the Group's average long-term result be distributed as dividends, provided that the growth requirements stated in the company strategy are not jeopardized. The amount of future dividend, if any, will be subject to the company's future result, its financial position, cash flow, working capital needs, capital expenditure, terms and conditions of financial agreements and covenants, among other factors.

DIVIDEND DISTRIBUTION PROPOSAL 2010

The Board will propose to the Annual General Meeting of Shareholders that a dividend of a total of EUR 2,731,668.80 and EUR 0.07 per outstanding share for 2010 be distributed. Dividends determined at the General Meeting shall be distributed to all shareholders who, on the record date of 29 March 2011, have been entered in the shareholders' register held by Euroclear Finland Ltd. According to the proposal, the dividend will not be distributed to shares in the possession of the company.

SHAREHOLDER AGREEMENTS

Salcomp is not aware of any shareholder agreements associated with the company's shareholding and voting rights.

BOARD'S AUTHORIZATIONS

The Annual General Meeting in 2010 authorized the Board of Directors to decide on issuance of no more than 11.8 million shares. Furthermore, the AGM decided to authorize the Board of Directors to repurchase no more than 3.8 million of the company's own shares using the funds in the company's invested unrestricted equity. The authorizations are valid until the next Annual General Meeting; however, no longer than until 30 June 2011. The authorizations have been used in the share issues related to share-based incentive programs.

SHARE-BASED INCENTIVE SCHEMES

Option program

In 2007, the Annual General Meeting approved the Board's proposal of granting stock options to key personnel of the company, as well as a fully-owned subsidiary of the company, Salcomp Manufacturing Oy. The options rights 2007A, 2007B and 2007C will give the right to subscribe for up to 2,047,500 new shares of Salcomp Plc.

A total of 465,000 stock options 2007A, 507,500 stock options 2007B and 627,500 stock options 2007C were distributed to the Group key personnel at the end of 2010. The rest of the stock options, 192,500 stock options 2007A, 175,000 stock options 2007B and 80,000 stock options 2007C, were granted to Salcomp Manufacturing Oy.

The terms and conditions of the stock options 2007 are available on the company's website at www.salcomp.com – Investors – Share Information. Information on option rights is also provided on page 42 of the Annual Report.

Share-based incentive programs

In May, the Board of Directors of Salcomp approved two new share-based incentive programs for the Group key personnel. The aim of the new programs is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, as well as to commit the key personnel to the company and to offer them competitive rewards based on the financial performance of the company and the company shares.

The new programs are:

- a **Matching Share Program** targeted at the members of the Extended Global Management Team
- a **Performance Share Program** targeted at 53 key employees, including also the members of the Extended Global Management Team.

Further information on share-based incentive programs is available on pages 13 and 43 of the Annual Report.

SHARE ISSUES RELATED TO SHARE-BASED INCENTIVE PROGRAMS

Based on the resolutions on the new incentive programs, the Board resolved, pursuant to the authorization by the Annual General Meeting in 2010, to offer new shares for subscription for the Group's key personnel. In addition, the Board has resolved to issue 337,000 own shares for the company without consideration.

A total of 48,650 new shares in Salcomp were subscribed for in the directed issue, corresponding to approximately 0.12 per cent of the company's share capital. The new shares were entered in the Trade Register on 24 June 2010. The subscription price of the shares, i.e. EUR 1.98 per share totaling EUR 96,327, has been placed in the company's invested free equity. In addition, the company itself has subscribed for 337,000 new shares in accordance with the terms and conditions of the share issue to the company itself. The said shares may be used to fulfill the commitments related to the key employees' incentive programs. The admittance of the new shares to trading at the NASDAQ OMX Helsinki Ltd took place on 24 June 2010.

MANAGEMENT SHARE AND OPTION RIGHT HOLDING

On 31 December 2010, the Board members, the President and CEO and the Management Team members of Salcomp held a total of 552,846 Salcomp shares, i.e. 1.4% of the voting rights. At the end of 2010, the company Management Team held 165,000 option rights 2007A, 155,000 option rights 2007B and 210,000 option rights 2007C in Salcomp. The Board members do not hold option rights in Salcomp.

The share and option right holdings of the Board and the Management Team at the end of 2010 are available in the Annual Report on pages 16–17 and the updated information on the company's website at www.salcomp.com – Investors – Insiders.

IR PRINCIPLES

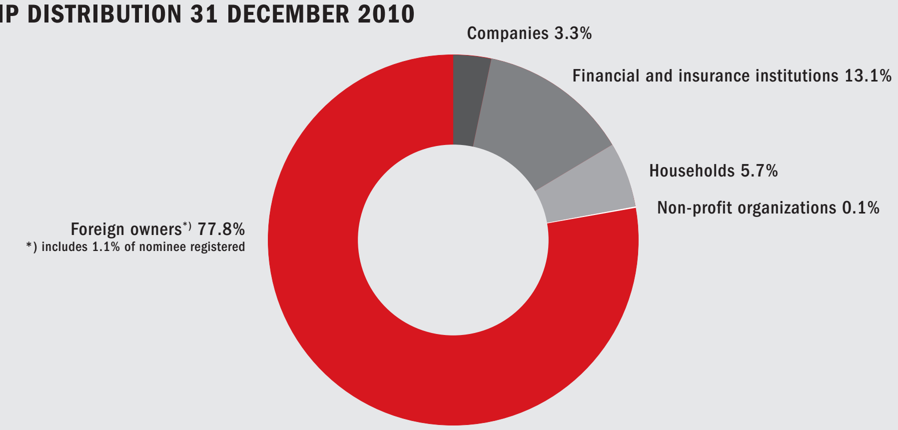
The aim of the Investor Relations at Salcomp is to provide all capital market participants with regular and equal access to correct, sufficient and up-to-date information as a basis for the Salcomp share price.

Salcomp has defined a two-week silent period preceding the publication of its full-year result and Interim Reports. During this period, Salcomp will not meet with capital market representatives.

Salcomp's disclosure policy is available at the company's website. The disclosure policy describes Salcomp's principles for communicating with the capital markets.

The shareholder register which is updated once a month is available on Salcomp's website.

OWNERSHIP DISTRIBUTION 31 DECEMBER 2010



SHAREHOLDERS

Shareholders by the number of shares 31 December 2010

Shares	Shareholders		Shares	
	Number of	%	Number of	%
1–1,000	752	69.1	324,087	0.8
1,001–5,000	245	22.5	560,756	1.4
5,001–10,000	53	4.9	395,149	1.0
10,001–50,000	25	2.3	517,518	1.3
50,001–	14	1.3	37,563,330	95.4
Total	1,089	100	39,360,840	100
Of which nominee registered	6		425,043	1.1

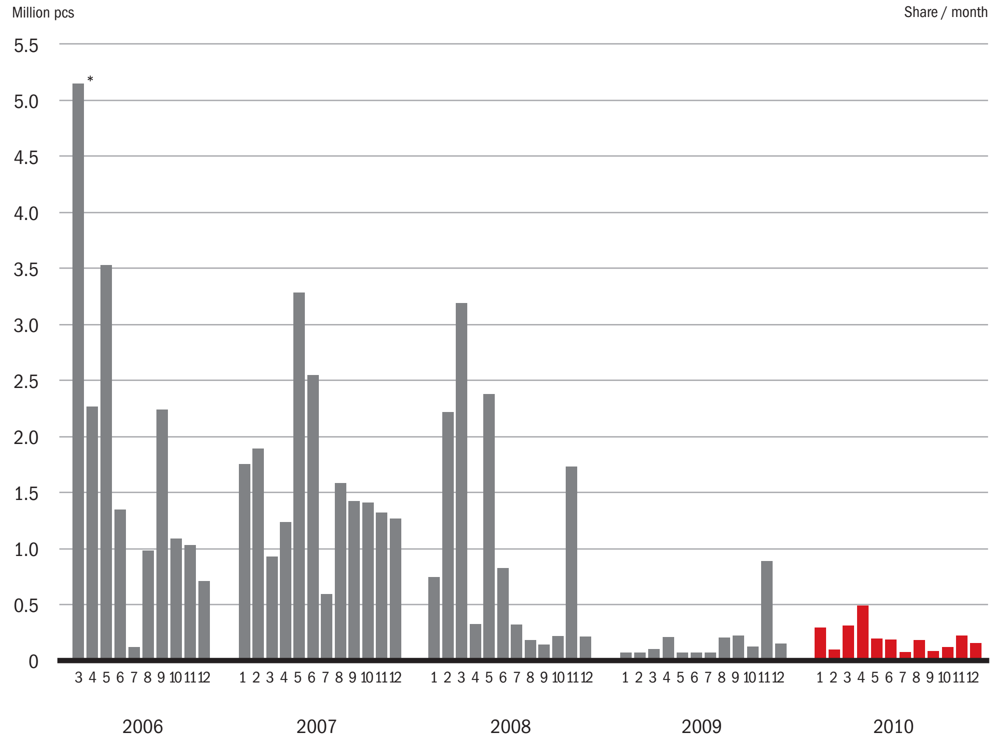
SHAREHOLDERS

The 20 major shareholders according to the 31 December 2010 shareholders' register

Owner	Shares	Holding, %
1. Nordstjernan AB	30,164,716	76.64
2. Mandatum Life Insurance Company	3,724,000	9.46
3. Kaleva Mutual Insurance Company	1,218,473	3.10
4. Onninen-sijoitus Oy	480,000	1.22
5. Vuorialho Kari	447,286	1.14
6. Salcomp Plc	337,000	0.86
7. Erikoissijoitusrahasto Visio Allocator	222,298	0.56
8. Sijoitusrahasto Garp	181,540	0.46
9. Honkala Kari Untamo	148,931	0.38
10. Agsivo Oy	83,983	0.21
11. Toivanen-Koivisto Maarit	75,000	0.19
12. I.A. von Julins STB	67,000	0.17
13. Oy Teknocalor Ab	46,800	0.12
14. Riikonen Vesa Pekka	44,015	0.11
15. Kukkonen Markku	42,784	0.11
16. Mäkikallio Timo Heikki	36,240	0.09
17. Nieminen Jorma Juhani	35,000	0.09
18. Kyyriäinen Jukka-Pekka Johannes	29,560	0.08
19. Rantala Jyrki Kalle Mikael	25,000	0.06
20. Ylinen Jouni	21,510	0.05
20 largest shareholders total	37,431,136	95.10
Nominee registered (within 200 largest shareholders)	424,043	1.08
Others	1,505,661	3.83
Total	39,360,840	100.00

SHARE PRICE DEVELOPMENT

SHARE TRADING VOLUME



* Excluding the 11 million shares sold in the initial public offering.

Key figures

MEUR (Unless otherwise stated)	2010	2009	2008	2007	2006
Sold chargers (million pcs)	296.6	243.3	271.2	262.4	230.5
Net sales	299.0	239.5	283.3	286.2	259.0
Change, %	24.8	-15.5	-1.0	10.5	66.0
EBITDA	15.0	15.1	17.3	30.6	20.7
% of net sales	5.0	6.3	6.1	10.7	8.0
Operating profit	9.7	10.2	12.1	25.8	15.5
% of net sales	3.2	4.3	4.3	9.0	6.0
Result before taxes	9.0	9.1	5.6	22.5	11.2
% of net sales	3.0	3.8	2.0	7.9	4.3
Result for the period	8.0	5.3	1.1	18.3	7.6
% of net sales	2.7	2.2	0.4	6.4	2.9
Capital expenditure	9.0	1.6	5.3	11.3	9.3
% of net sales	3.0	0.7	1.9	3.9	3.6
Research and Development costs	6.9	5.3	5.8	4.8	5.4
% of net sales	2.3	2.2	2.0	1.7	2.1
Average number of personnel during the financial year	9 825	7 312	9 872	8 622	7 567
Return on equity, %	10.4	7.7	1.6	30.0	18.8
Return on capital employed, %	11.1	12.3	12.1	25.3	16.2
Return on net assets (RONA), %	39.8	61.2	51.1	72.3	54.1
Equity ratio, %	40.6	44.9	35.6	37.7	30.5
Gearing, %	1.1	0.3	5.7	34.0	83.7
Interest-bearing net debts	0.9	0.2	3.6	23.3	44.4
Shareholders' equity	80.5	72.6	63.8	68.6	53.0
Balance sheet total	198.6	161.7	179.2	182.0	174.5
Basic earnings per share, EUR	0.20	0.13	0.03	0.47	0.20
Diluted earnings per share, EUR	0.20	0.13	0.03	0.47	0.20
Earnings per share excluding deferred tax, EUR	0.20	0.20	0.10	0.54	0.28
Equity per share, EUR	2.06	1.86	1.64	1.76	1.36
P/E ratio	9.9	15.0	63.3	8.4	12.9
Dividend per share, EUR	0.07*	0.07**	0	0.15	0.06
Dividend per profit for the period, %	35.0*	53.8**	0	32.0	30.7
Effective dividend yield, %	3.6*	3.6**	0	3.8	2.3
Lowest share price, EUR	1.73	1.15	1.45	2.63	2.13
Highest share price, EUR	2.19	1.99	4.17	5.03	3.69
Average share price, EUR	1.99	1.60	3.33	3.76	2.88
Share price at the end of period, EUR €	1.97	1.95	1.90	3.92	2.60
Market value at the end of period, EUR €	76.9	76.0	74.1	153.0	101.3
Traded shares	4.2	3.1	40.1	72.1	88.7
Traded shares, million pcs	2.1	1.9	12.2	19.0	29.0
Number of shares traded % of total	5.4	4.9	31.4	48.7	74.9
Number of shares outstanding at the end of the period	39 023 840	38 975 190	38 975 190	38 975 190	38 975 190
Average number of shares outstanding	39 000 461	38 975 190	38 975 190	38 975 190	37 808 067
Diluted weighted average number of shares outstanding	39 001 219	38 975 190	38 995 089	39 057 819	

* Board's proposal
**Includes the repayment of capital from invested unrestricted equity

CALCULATION OF KEY FIGURES

Average personnel — Average of the number of personnel at end of each month

Return on equity (%) — $\frac{\text{Result for the period}}{\text{Equity (on average)}} \times 100$

Return on capital employed (%) — $\frac{\text{Result before taxes + interest charges and other financial costs}}{\text{Total liabilities – non-interest bearing debt (on average)}} \times 100$

Return on net assets (%) — $\frac{\text{Operating profit}}{\text{Property, plant, equipment and intangible assets – goodwill and deferred tax assets + inventory + receivables – current non-interest bearing debt (on average)}} \times 100$

Equity ratio (%) — $\frac{\text{Equity}}{\text{Total liabilities – received advance payments}} \times 100$

Gearing (%) — $\frac{\text{Interest-bearing debt – cash and cash equivalents}}{\text{Equity}} \times 100$

Earnings per share — $\frac{\text{Result for the period}}{\text{Weighted average number of shares outstanding}}$

Equity per share — $\frac{\text{Equity}}{\text{Number of shares outstanding at the end of period}}$

Earnings per share, diluted — $\frac{\text{Result for the period}}{\text{Weighted average number of shares outstanding, adjusted for the share issue}}$

P/E ratio (price per earnings) — $\frac{\text{Closing price}}{\text{Earnings per share}}$

Market value — Closing price x number of outstanding shares at the end of period

Parent company income statement

1000 €	Note	2010	2009
Net sales	1	**67 921**	**57 575**
Cost of goods sold	3, 4	-57 967	-52 841
Gross margin		**9 954**	**4 734**
Sales expenses	3, 4	-1 596	-866
Administrative expenses	3, 4	-3 286	-3 588
Research and Development expenses	3, 4	-3 833	-2 811
Other operating income	2	35 084	60
Other operating expenses	2	-58	-9 474
Operating profit		**36 265**	**-11 945**
Finance income and expenses	5	12 396	-994
Result before appropriations and taxes		**48 661**	**-12 939**
Income taxes	6	0	-49
Result for the period		**48 661**	**-12 988**

Parent company statement of financial position

1000 €	Note	31 Dec 2010	31 Dec 2009
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7		
Intangible rights		550	144
Other capitalized long-term expenditure		0	90
		550	234
Tangible assets	8		
Machinery and equipment		644	1 142
		644	1 142
Investments	9		
Investments in Group companies		27 751	27 751
CURRENT ASSETS			
Inventories			
Finished goods		6 408	5 978
Receivables			
Non-current	10		
Receivables from Group companies		31 500	0
Prepaid expenses and accrued income		83	119
Current	11		
Trade receivables		11 452	5 871
Receivables from Group companies		8 109	15 962
Other receivables		85	59
Prepaid expenses and accrued income		197	270
		19 843	22 162
Cash and cash equivalent		**4 088**	**7 574**
Total assets		**90 867**	**64 960**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	12		
Share capital		9 833	9 833
Invested unrestricted equity		7 477	23 691
Profit (loss) from previous financial years		0	-593
Result for the period		48 661	-12 988
		65 971	19 943
LIABILITIES			
Non-current	13		
Loans from financial institutions		11 250	6 000
Capital loans		0	10 000
Current	14		
Loans from financial institutions		2 500	3 333
Trade payables		3 378	1 498
Payables to Group companies		6 659	22 011
Other payables		129	224
Accrued expenses and deferred income		980	1 951
		13 646	**29 017**
Total shareholders' equity and liabilities		**90 867**	**64 960**

Parent company statement of cash flows

1000 €	2010	2009
Cash flow from operating activities		
Result before extraordinary items	13 661	-12 939
Adjustments:		
Depreciation and amortization according to plan	614	10 214
Finance income and expenses	-12 372	994
Other adjustments	-25	-52
Cash flow before change in working capital	1 878	-1 783
Change in working capital:		
Increase (-) / decrease (+) in current non-interest-bearing receivables	1 625	11 981
Increase (-) / decrease (+) in inventories	-430	1 953
Increase (+) / decrease (-) in current non-interest-bearing payables	-9 263	-2 987
Cash flow from operating activities before financial items and taxes	-6 190	9 164
Interests paid and other operating finance expenses	-2 310	-1 136
Interest income from operating activities	1	1
Paid taxes	0	-49
Cash flow from operating activities	**-8 499**	**7 980**
Cash flow from investing activities		
Investments in property, plant and equipment and intangible assets	-491	-340
Gains on disposal of property, plant and equipment and intangible assets	84	259
Investments in shares of subsidiaries	0	-11
Repayments of loan receivables	0	5 800
Interests of investments	0	1 318
Dividends received of investments	13 637	1 086
Cash flow from investing activities	**13 230**	**8 112**
Cash flow from financing activities		
Paid share issue	96	0
Withdrawals of non-current loans	15 000	27 000
Repayment of non-current loans	-20 583	-38 092
Dividends paid	-2 730*	0
Cash flow from financing activities	**-8 217**	**-11 092**
Net change in cash and cash equivalents, increase (+) / decrease (-)	**-3 486**	**5 000**
Cash and cash equivalents at the beginning of the financial year	**7 574**	**2 574**
Cash and cash equivalents at the end of the financial year	**4 088**	**7 574**

* Repayment of capital

Notes to the parent company financial statements

ACCOUNTING POLICIES

The parent company Financial Statements are prepared according to Finnish Accounting Standards (FAS). The Salcomp Group Consolidated Financial Statements are prepared according to IFRS (International Financial Reporting Standards) and the Financial Statements of the Parent company comply with the accounting policies of the Group wherever possible. Below are presented the accounting policies which differ from the Group accounting policies. Otherwise the Group's accounting policies are applied.

Property, plant and equipment and intangible assets
The accounting policies of the Group are applied to the property, plant and equipment and intangible assets. Contrary to the Group's accounting policies, the parent company has recognized the amortization of the goodwill. The goodwill was fully amortized in October 2009.

Shares in subsidiaries
Shares in subsidiaries are recognized in the Balance Sheet at their historical cost or to a lower probable market value.

Receivables from Group companies
Trade receivables are measured at their invoiced amount less any impairment losses. Trade receivables do not include cash flows from the sold receivables. The credit risk related to the sold trade receivables is transferred to the buyer at the date of sale. The expenses related to the sale of trade receivables have been recognized as other financial expenses. Credit losses are recognized in the Income Statement as other financial expenses.

Research and Development expenses
All research and development expenses are expensed as incurred.

Share-based incentive programs
The accounting treatment of Salcomp Plc's share-based incentive programs is described in the Salcomp Group's accounting policies. Salcomp Plc prepares its Financial Statements in accordance with FAS and thus no expense from the programs is recognized in the Salcomp Plc's Income Statement.

NOTES TO THE PARENT COMPANY INCOME STATEMENT

1000 €	2010	2009
1. NET SALES BY MARKET AREA		
Europe	21 416	14 222
Asia–Pacific	34 989	32 400
North America	2 387	3 881
South America	9 129	7 072
Total	**67 921**	**57 575**
2. OTHER OPERATING INCOME AND EXPENSES		
Other operating income		
Gains from disposal of property, plant, equipment and intangible assets	82	52
Other income	2	8
Internal structuring transaction*	35 000	0
Total	**35 084**	**60**
Other operating expenses		
Amortization of goodwill	0	9 474
Other expenses	58	0
Total	**58**	**9 474**

*Release has been published on 24 November 2010.

1000 €	2010	2009
3. PERSONNEL EXPENSES AND THE AVERAGE NUMBER OF PERSONNEL		
Personnel expenses		
Wages and salaries	3 102	3 723
Pension expenses	489	703
Other indirect employee expenses	143	332
Total	**3 734**	**4 758**
Remuneration of the Board members	147	137

The President and CEO and other members of the Management Team are entitled to participate in the supplementary pension system.

	2010	2009
Average number of personnel during the financial year		
Production	4	6
Sales	2	2
Administration	11	13
Research and Development	27	29
Total	**44**	**50**

	2010	2009
4. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES		
Depreciation and amortization according to plan		
Intangible assets		
Intangible rights	45	41
Goodwill	0	9 474
Other capitalized long-term expenditure	34	45
Property, plant and equipment		
Machinery and equipment	535	654
Total depreciation and amortization	**614**	**10 214**
Depreciation and amortization by function		
Production	436	550
Research and Development	125	131
Sales	2	1
Administration	51	58
Total depreciation by function	**614**	**740**
Amortization of goodwill	0	9 474
Total depreciation and amortization	**614**	**10 214**

The amortization of goodwill has been recognized in other operating expenses.

	2010	2009
5. FINANCE INCOME AND EXPENSES		
Other interest and finance income		
From Group companies	275	325
From others	2	125
Dividends received	13 637	1 086
Other interest and finance income, total	**13 913**	**1 535**
Interest and other finance expenses		
To Group companies	39	15
To others	1 479	2 515
Interest and other finance expenses, total	**1 517**	**2 530**
Finance income and expenses, net	**12 396**	**-994**
Interest and financial income include exchange rate losses (net)	**0**	**56**

	2010	2009
6. INCOME TAXES		
Income taxes from operations	0	0
Income taxes, total	**0**	**0**
OTHER DIRECT INCOME TAXES		
Other direct income taxes	0	-49
Other direct income taxes, total	**0**	**-49**

NOTES TO THE PARENT COMPANY FINANCIAL POSITION

1000 €

TANGIBLE AND INTANGIBLE ASSETS AND OTHER NON-CURRENT INVESTMENTS

7. INTANGIBLE ASSETS	Intangible rights	Goodwill	Other long-term expenses	Unfinished machinery	Total
Cost on 1 Jan 2010	**1 618**	**114 347**	**856**	**38**	**116 859**
Additions	119	0	0	332	451
Disposals	-3	0	-856	0	-859
Cost on 31 Dec 2010	**1 734**	**114 347**	**0**	**370**	**116 451**
Accumulated amortization and impairment losses 1 Jan 2010	**1 513**	**114 346**	**766**	**0**	**116 625**
Accumulated depreciation on deductions	-3	0	-800	0	-803
Amortization for the year	45	0	34	0	79
Accumulated amortization and impairment losses 31 Dec 2010	**1 555**	**114 346**	**0**	**0**	**115 901**
Carrying amounts on 31 Dec 2010	179	0	0	370	550
Carrying amounts on 31 Dec 2009	105	0	90	38	234

8. PROPERTY, PLANT AND EQUIPMENT	Machinery and equipment	Total
Cost on 1 Jan 2010	**27 280**	**27 280**
Additions	40	40
Disposals	-3 753	-3 753
Cost on 31 Dec 2010	**23 567**	**23 567**
Accumulated depreciation and impairment losses 1 Jan 2010	**26 138**	**26 138**
Disposals and transfers	-3 750	-3 750
Depreciation for the year	535	535
Accumulated depreciation and impairment losses 31 Dec 2010	**22 923**	**22 923**
Carrying amounts on 31 Dec 2010	644	644
Carrying amounts on 31 Dec 2009	1 142	1 142
Carrying amounts of the production machinery and equipment		
on 31 Dec 2010	198	
on 31 Dec 2009	574	

9. INVESTMENTS	**Shares in Group companies**
Cost on 1 Jan 2010	**27 751**
Increases	0
Cost on 31 Dec 2010	**27 751**
Carrying amounts on 31 Dec 2010	27 751
Carrying amounts on 31 Dec 2009	27 751

Group companies	**Company's holding, %**
Salcomp Ltda, São Paulo, Brazil	99.8
Salcomp Manufacturing Oy, Finland	100.0
Salcomp Taiwan Co., Ltd., Taiwan	100.0

1000 €	2010	2009
10. NON-CURRENT RECEIVABLES		
Loans from Group companies	31 500	0
Prepaid expenses and accrued income from others	83	119
Non-current receivables, total	**31 583**	**119**

1000 €	2010	2009
11. CURRENT RECEIVABLES		
Current receivables		
Trade receivables	11 452	5 871
Receivables from Group companies		
Trade receivables	2 538	1 762
Loans receivable	5 234	14 088
Prepaid expenses and accrued income	337	112
Total	**8 109**	**15 962**
Other receivables	85	59
Prepaid expenses and accrued income		
Advance payments	38	73
Others	159	197
Prepaid expenses and accrued income, total	**197**	**270**
Current receivables, total	**19 843**	**22 162**
12. SHAREHOLDERS' EQUITY		
RESTRICTED EQUITY		
Share capital on 1 Jan	9 833	9 833
Share capital on 31 Dec	**9 833**	**9 833**
UNRESTRICTED EQUITY		
Invested unrestricted equity on 1 Jan	23 691	23 691
Accumulated losses covered	-13 581	0
Share issue	96	0
Repayment of capital	-2 729	0
Invested unrestricted equity on 31 Dec	**7 477**	**23 691**
Profit/loss from previous financial years on 1 Jan	-13 581	-593
Accumulated losses covered from invested equity	13 581	0
Profit/loss from previous financial years on 31 Dec	**0**	**-593**
Result for the year	**48 661**	**-12 988**
Shareholders' equity, total	**65 971**	**19 943**
Distributable funds 31 Dec		
Invested unrestricted equity	7 477	23 691
Retained earnings	0	-593
Income for the financial year	48 661	-12 988
Total	**56 138**	**10 110**

Breakdown of share capital by share series	pcs	EUR	pcs	EUR
Outstanding shares	39 023 840	9 832 735	38 975 190	9 832 735
Own shares held by the company	337 000		0	
Shares total	**39 360 840**		**38 975 190**	

1000 €	2010	2009
13. NON-CURRENT LIABILITIES		
Non-current loans		
Loans from financial institutions	11 250	5 000
Capital loans	0	10 000
Revolving credit	0	1 000
Total	**11 250**	**16 000**
Non-current liabilities, total	**11 250**	**16 000**

Terms relating to the capital loans are presented in the Consolidated Financial Statements, note 20.

1000 €	2010	2009
14. CURRENT LIABILITIES		
Current loans		
Loans from financial institutions	2 500	3 333
Trade payables	3 378	1 498
Payables to Group companies		
Trade payables	6 650	8 348
Other payables	9	13 663
Total	**6 659**	**22 011**
Other payables	129	224
Accrued expenses and deferred income	980	1 951
Current liabilities, total	**13 646**	**29 017**
Material items in accrued expenses and deferred income		
Wages and salaries including employer contributions to social security	646	820
Interests	1	788
Other	333	343
Total	**980**	**1 951**
15. COLLATERAL AND CONTINGENT LIABILITIES		
Collateral given for own debt		
Loans from financial institutions	13 750	9 333
Corporate mortgages	40 000	40 000
Mortgaged subsidiary shares	27 489	27 489
Total of collateral given	**67 489**	**67 489**
Other collateral given		
Other collateral for the Group's own commitments	5	5
Guarantees given on behalf of subsidiaries	5 867	0
Total of other collateral given	**5 872**	**5**
Contingent liabilities		
Amounts payable on leases		
Payable during the next financial year	324	507
Payable after the next financial year	253	420
Total	**577**	**927**
Rental liabilities		
Payable during the next financial year	158	72
Total	**158**	**72**
Derivative contracts		
Nominal value of interest rate swap contracts	5 000	8 333
Market value of interest rate swap contracts	-49	-58

Information relating to financing and covenants are presented in the Consolidated Financial Statements, notes 20 and 22.

Auditor's report

TO THE ANNUAL GENERAL MEETING OF SALCOMP PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Salcomp Plc for the year ended 31 December, 2010. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors
In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 18 February 2011

KPMG OY AB

Pauli Salminen
Authorized Public Accountant

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Information for investors

BASIC SHARE INFORMATION

Listed on: NASDAQ OMX, Helsinki
Ticker: SAL1V
List: the Main List
Sector: Industrials
ISIN code: FI0009013924
GICS code: 20104010

GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Salcomp Plc will be held on Thursday, 24 March 2011 at 3 p.m. (Finnish time) at Scandic Simonkenttä Hotel, Simonkatu 9, Helsinki. Each shareholder, who is on the record date for the General Meeting 14 March 2011 noted in the shareholders' register of the Company held by Euroclear Finland Ltd, has the right to participate in the General Meeting.

A shareholder, who wants to participate in the Annual General Meeting, shall register for the meeting no later than 18 March 2010 at 4 p.m. (Finnish time) by giving a prior notice of participation. Such notice can be given:

- by e-mail to agm2011@salcomp.com;
- by telephone +358 40 191 9994
- by telefax +358 201 875 450; or
- by regular mail to Salcomp Plc/AGM/Eevaleena Kiviaho, P.O. Box 95, FI-24101 Salo, Finland.

In connection with the registration, a shareholder shall notify his/her name, personal identification number, address, telephone number and the name of a possible assistant. The personal data given to Salcomp Plc is used only in connection with the Annual General Meeting and with the processing of related registrations.

Pursuant to Chapter 5, Section 25 of the Limited Liability Companies Act, a shareholder who is present at the Annual General Meeting has the right to request information with respect to the matters to be considered at the meeting.

Further information concerning the registration, proxy representative and powers of attorney, as well as registration of the holders of nominee registered shares is available at the Salcomp website www.salcomp.com.

PAYMENT OF DIVIDENDS

The Board will propose to the Annual General Meeting of Shareholders that a dividend of a total of EUR 2,731,668.80 and EUR 0.07 per outstanding share for 2010 be distributed. Dividends determined at the General Meeting shall be distributed to all shareholders, who on the record date of 29 March 2011 have been entered in the shareholders' register held by Euroclear Finland Ltd.

FINANCIAL REPORTING 2011

Financial Statements Release 2010, 18 Feb 2011
Annual Report 2010, week 9/2011
Annual General Meeting of Shareholders, 24 Mar 2011
Interim Report for January–March 2011, 20 May 2011
Interim Report for January–June 2011, 17 Aug 2011
Interim Report for January–September 2011, 3 Nov 2011

INVESTOR INFORMATION

The aim of the Investor Relations at Salcomp is to provide all capital market participants with regular and equal access to correct, sufficient and up-to-date information as a basis for the Salcomp share price.

Salcomp's website, www.salcomp.com, offers versatile investor information, such as financial reports, stock exchange and press releases, contact information of investment analysts following Salcomp, as well as the largest shareholders and the insiders of the company.

Salcomp has defined a silent period that covers two weeks preceding the publication of its full-year result and interim reports. During this period, Salcomp will not meet with capital market representatives.

The Annual Report 2010 is published in PDF and Flash formats on Salcomp's website www.salcomp.com – Investors – Publications and presentations.

INVESTOR INFORMATION CONTACTS

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Salcomp

POWERING THE MOBILE WORLD

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Business ID 1509923-4

More information about Salcomp and contact information of all Salcomp's offices and production plants is available at **www.salcomp.com**

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