

SCANFIL PLC AND SCANFIL EMS OY RESOLVED TO COMMENCE LEGAL ACTION AGAINST OJALA-YHTYMÄ OY AND ITS SHAREHOLDERS, CLAIMING 2 MILLION EURO AS COMPENSATION

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On 25 March 2011, Scanfil plc announced that the General Meeting of Ojala-Yhtymä Oy had decided not to execute the planned merger of Scanfil EMS Oy and Ojala-Yhtymä Oy. Earlier, on 1 November 2010, Scanfil plc announced that Scanfil EMS Oy, a wholly owned subsidiary of Scanfil plc, and Ojala-Yhtymä Oy were to merge. On 21 January 2011, Scanfil plc also announced it had received information that the closing of the merger was uncertain due to the Board of Ojala-Yhtymä Oy being unsatisfied with the negotiated merger agreement.

Scanfil plc and Scanfil EMS Oy ("Scanfil") have resolved to commence arbitration proceedings against Ojala-Yhtymä Oy and its shareholders and claim two million (2,000,000) euro as compensation under the merger agreement.

Scanfil considers the merger agreement signed on 1 November 2010 to be definitive and that it obligates the parties to execute the merger with the terms agreed on in the merger agreement. Ojala-Yhtymä Oy unilaterally announced that its General Meeting had decided not to execute the merger. A separate announcement will be made concerning the progress or outcome of the proceedings.

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Scanfil Group comprises the investment and parent company Scanfil plc, and a subgroup called Scanfil EMS Oy, which is engaged in contract manufacturing for international telecommunications technology and professional electronics manufacturers. The objective of the investment activities is to make the management of the company's funds more effective and productive by diversifying the risks and finding new growth potential.

Scanfil has 35 years of experience in demanding contract manufacturing. Scanfil is a systems supplier that offers its products and services to international telecommunications systems manufacturers and professional electronics customers. Typical products are equipment systems for mobile and public switched telephone networks, automation systems, frequency converters, lift control systems, equipment and systems for electricity production and transmission, analysers, slot machines and different meteorological instruments. The company has production facilities in China, Estonia, Hungary and Finland.

The associated companies of Scanfil Group:

Kitron ASA (KIT) (Scanfil plc's share of ownership 32,96%) is a listed Norwegian subcontractor, which operates in five different customer segments: the marine and oil industry, basic industry, defence equipment industry, hospital and healthcare equipment industry and data and telecommunications industry. In addition to Norway, Kitron ASA has plants and production in Sweden, Lithuania, Germany, China and, as of the beginning of 2011, also in the United States. Kitron ASA's turnover in 2009 was NOK 1,643.9 million (about EUR 210.5 million).
www.kitron.com

Greenpoint Oy (Scanfil EMS Oy's share of ownership 40%) focuses on development and supply of solutions and equipment, which improve placements, visibility and sales of customer products in the Point-Of-Sale. The Greenpoint product portfolio includes a large variety of refrigerated merchandisers, displays and integrated check-out zone concepts. The company serves both brand owners and retail chains internationally. Along with the European markets Greenpoint Oy has entered North and Latin American markets through partnerships. www.greenpoint.fi

iLOQ Ltd (Scanfil plc's share of ownership 23%) develops, manufactures and markets innovative, high security, electronic and battery-free locking solutions that combine modern mechatronics with communications and software technology. The functionality of the iLOQ S10 product concept developed by iLOQ Ltd and the added customer value it generates have been shown to be good by achieving significant growth and customer accounts in the Finnish lock market. The company has built a Finnish distributor network that covers growth centres and major cities. www.iloq.fi

IonPhase Oy (Scanfil plc's share of ownership 40%) develops and manufactures high performance dissipative polymers that help to control static electricity. IonPhase products are utilized in wide range of industries like chemical, automotive, telecommunication and consumer electronics. Based on own patented technology, IonPhase manufactures polymers called IonPhase IPE.
www.ionphase.fi

Panphonics (Scanfil plc's share of ownership 40%) is the world's leading provider of directional audio solutions. Panphonics manufactures directional audio solutions for acoustically demanding applications based on its own patented technology. Panphonics Sound Shower® directional audio speakers can be found in banks, retail stores, digital signage projects, information kiosks, theatres, and offices throughout the world. Panphonics is also component manufacturer and licensor of plane wave technology for industrial audio manufacturers and audio solution providers.
www.panphonics.com