

## SIEVI CAPITAL PLC'S INTERIM REPORT 1 JANUARY - 30 SEPTEMBER 2012

## January - September

- Result for the review period EUR 3.6 (-5.0) million.
  - Earnings per share EUR 0.06 (-0.09).
- EUR 0.06 per share was distributed as a dividend in May.
- Net worth was EUR 1.58 per share at the end of September, up 7.9% on the beginning of the year dividend-adjusted.

## July - September

- Result for the review period EUR 2.2 (-4.2) million.
- Earnings per share EUR 0.04 (-0.07).

The comparison figures for the corresponding period the previous year presented in brackets in the texts of the interim report are for continuing operations.

The comparison figures for the entire previous financial period presented in the tables to the interim report are the official comparison figures for the Sievi Capital group, including both investment activity (continuing operations) and contract manufacturing (discontinued operations). The figures presented for the first three quarters of 2011 differ from the previously reported figures because they have been made comparable with the figures of the financial statements, in which operations were divided into continuing and discontinued operations. The figures presented for the continuing operations for the different periods are comparable.

Sievi Capital plc demerged on 1 January 2012 into the investment company Sievi Capital plc and the contract manufacturing company Scanfil plc (discontinued operations). The partial demerger was entered in the Trade Register on 1 January 2012. In accordance with the demerger plan, the company's assets and liabilities associated with contract manufacturing and other industrial activities were transferred to the new company Scanfil plc as the result of the demerger.

Sievi Capital plc has not announced its profit outlook for 2012. The figures presented in the interim report are unaudited.

The result for January - September includes a non-recurring item of EUR 1.1 million recognised in the first quarter due to Sievi Capital plc's share of the damages paid by Ojala-Yhtymä ltd in a contract dispute. In addition, Sievi Capital plc sold the Sievi plant property to Scanfil plc in May. The property was sold at its balance sheet value of EUR 4.2 million. The transaction has no effects on the consolidated result of the Sievi Capital group, but the transaction resulted in a taxable income of EUR 0.9 million to the parent company when the depreciation difference was recognised as revenue.

The fair values of investments began to increase in July when the slump seen in the spring and early summer came to a halt. The values of Sievi Capital plc's financial investments increased with the general market development to their highest value of the year. The European debt crisis is not over, and the growth outlook for the world economy deteriorated further during the review period. The development of the credit crunch is influencing capital flows and uncertainty is strongly reflected in market pricing. This may cause exceptional market disruptions in the near future as well.

Sievi Capital plc's President and CEO Jorma J. Takanen:

"Sievi Capital plc's strong financial position allows the company to operate actively also in uncertain economic cycles. Sievi Capital plc is particularly interested in both industrial companies that have already established a

profitable business model and growth companies that can be developed into companies that operate in the export market in the long term. Associated companies have continued the measures pursuant to their development plans, such as streamlining their cost structures and ensuring growth financing. Towards the end of the review period, the risk level of financial investments was lowered by selling high yield corporate loans and share investments. After the end of the review period, decentralized EFT index investments were increased in the emerging markets in line with the investment plan. The financial investments have been distributed so that Sievi Capital plc has realistic chances of obtaining competitive returns on the invested assets in spite of the continued uncertain market situation. The company has not used debt leverage in its investing activity, and its solvency is high."

#### DEVELOPMENT OF INVESTING ACTIVITY

During the third quarter, expectations of measures by central banks materialized with the European Central Bank (ECB), followed shortly by the Federal Reserve of the United States (FED), announcing new measures that can be classified as money injections. They signalled to the markets that active stimulus measures will be continued until the situation in the economies of the crisis states and the financial market can be made more stable. The ECB purchases bonds of the crisis states from the secondary market and the FED's programme is direct money injection, intending to redeem USD 40 billion worth of mortgage securities from banks each month. Furthermore, the FED kept its applicable federal rate at zero and committed to maintaining it that way until mid-2015. However, the effects of the extensive debt crisis still cause uncertainty in the investment market and no quick solution for correcting the situation can be found.

The market became balanced in mid-July, and expectations of measures by central banks increased market prices gradually thereafter. Share prices increased strongly between late July and mid-September, with the new money injection programmes of central banks finally being introduced. In late September, before the interim reporting season for the third quarter began, nervousness became stronger again, especially in the share market. Uncertainty in the securities market continues, and market pressures continued to be reflected in the state loans of the crisis countries, with interest rates exceeding the reference levels considered critical.

No capital investments were made during the review period. The net worth of financial investments in the high yield and share segments was decreased at the end of the review period.

#### RESULT OF INVESTMENT ACTIVITIES

Sievi Capital group's operating profit amounted to EUR 0.8 (0.1) million in January - September, and the IFRS -result for the period totalled EUR 3.6 (-5.0) million. The result includes a non-recurring item of EUR 1.1 million recognised in the first quarter, which is Sievi Capital plc's share of the damages paid by Ojala-Yhtymä ltd. Earnings per share were EUR 0.06 (-0.09) and return on investment 7.4% (N/A). In January-September, recognised interest and dividend income and capital gains amounted to EUR 2.6 (2.6) million and financial expenses to EUR 0.0 (0.1) million. Realised sales losses amounted to EUR 0.4 (-) million, and value changes of financial assets at fair value through profit or loss amounted to EUR +3.3 (-7.8) million, resulting in a total recorded value of EUR 5.4 (-5.4) million. The group's share of the associated companies' losses and goodwill amortisation totalled EUR -1.3 (-1.3) million.

#### SIEVI CAPITAL PLC'S INVESTMENTS

Sievi Capital plc's investment activity is divided into financial investments and capital investments. The gains and losses from investment activities are

recognised under financial income and expenses in the income statement. The distribution of the investment portfolio was as follows on 30 September 2012: money market investments 53%, ETF and equity investments 10% and capital investments 37%.

Investment assets refer to liquid assets and financial investments. They do not include shareholdings in associated companies or Lännen Tehtaat plc, which are classified as long-term holdings and are included in the capital investments segment.

The invested assets totalled EUR 57.6 (81.5) million. Of the invested assets, EUR 16.5 (40.4) million were deposited in bank accounts and as time deposits with less than three months' maturity. Of the investment assets, EUR 41.1 (41.1) million was invested in financial instruments, mainly in bonds, credit linked notes, structured investment instruments and ETF and equity investments. In compliance with the IFRS, the investments have been recognised at fair value.

## DISTRIBUTION OF INVESTMENTS

Market values of investments:

	30 September 2012	
	EUR million	%
<b>Publicly listed companies</b>	<b>25.8</b>	<b>29.3%</b>
<b>Non-listed companies</b>	<b>8.3</b>	<b>9.4%</b>
<b>ETF investments</b>	<b>2.1</b>	<b>2.4%</b>
<b>Interest funds</b>	<b>15.2</b>	<b>17.2%</b>
<b>Structured products</b>	<b>12.6</b>	<b>14.3%</b>
<b>Bonds</b>	<b>7.7</b>	<b>8.8%</b>
<b>Cash and cash equivalents</b>	<b>16.5</b>	<b>18.7%</b>
<b>Total</b>	<b>88.1</b>	<b>100.0%</b>

Out of all financial investments 80% were in euros, 2.5% in Swedish kronas, 0.6% in US dollars and 16.9% in Norwegian kronas.

The holding in Lännen Tehtaat plc that does not fulfil the definition of an associated company, is measured at fair value, and the change in the value, EUR -0.5 million from the beginning of the year, is recognised in the fair value reserve under equity, adjusted with tax liabilities, net EUR -0.4 million.

## LIQUIDITY AND SOLVENCY

The Sievi Capital group's liquidity is good. The consolidated balance sheet total was EUR 92.5 (230.5) million. The equity ratio was 96.0% (67.3%) and net gearing -64.9% (-26.7%). The comparison figures for the previous year include both continuing and discontinued operations before the demerger. The cash flow from investments, EUR 10.4 (-20.5) million, is comprised of financial investments and proceeds from the sale of a property. The cash flow from financing activities of EUR -3.5 (-6.9) million is comprised of dividend payment.

## NET WORTH AND SHARE PRICE DEVELOPMENT

Sievi Capital plc published its net worth for the first time on 21 February 2012, at which time the net worth per share with the values of 31 December 2011 was EUR 1.52. The corresponding net worth at the end of March was EUR 1.62, at the end of June EUR 1.52 and at the end of September EUR 1.58. The change in net worth adjusted for the payment of a dividend of EUR 0.06 during the third quarter was +4.0% and the dividend-adjusted change from the beginning of the

year +7.9%. The net worth calculation is published in connection with the interim reports.

The number of shares used in the net worth calculation is 57,730,439 shares. Sievi Capital plc does not have comparable net worth figures for the previous years. In the calculation of net worth, publicly quoted securities, investment funds and derivatives are valued at the closing price. However, for the associated company Kitron ASA and Lännen Tehtaat plc, the price used is the volume-weighted average price for the five days preceding the valuation date. Otherwise, if no public trading price has been available, the bid quote or value ratified by the issuer have been used. Unquoted shares and holdings are measured at last purchase price or fair value, using imputed valuation methods.

The highest price for Sievi Capital plc on the first trading day after the demerger on 2 January 2012 was EUR 1.65. It was also the highest price during the entire period. The lowest price during the period was EUR 0.88, with trading closing at EUR 0.95 at the end of the period. A total of 8,512,045 shares were traded during the review period, corresponding to 14.0% of the total number of shares. Market capitalisation on 30 September 2012 was EUR 57.7 million.

#### EVENTS AFTER THE REVIEW PERIOD

Harri Takanen, member of the Board of Directors of Sievi Capital plc, resigned on 16 October 2012 from the Board of Directors of the Norwegian associated company Kitron ASA where he worked as the representative of Sievi Capital plc.

#### NOTIFICATIONS OF CHANGES IN SHAREHOLDING

Sievi Capital plc was informed on 18 April 2012 in accordance with Chapter 2, section 9 of the Securities Market Act that the Sievi Capital plc shares transferred to heirs and beneficiaries as the result of the distribution of matrimonial assets and estate of Eero Alvari Kotilainen's estate on 9 April 2012, had been transferred to Varikot ltd (new company) through transactions implemented on 17 April 2012. Following the arrangement, Varikot ltd holds 7,273,109 Sievi Capital plc shares, or 11.98% of all shares, and it is the second-largest individual shareholder in Sievi Capital plc. Based on an agreement between the shareholders, the voting right in Varikot ltd is held jointly by Riitta-Liisa Kotilainen (50%) and Sirpa Kotilainen (50%).

In a notification received by Sievi Capital plc on 18 July 2012 pursuant to Chapter 2, section 9 of the Securities Market Act, Varikot ltd announced that a change had taken place in Varikot ltd's voting rights, effective 18 July 2012. Based on an agreement between the shareholders, the voting right in Varikot ltd will be used by Sirpa Kotilainen (50 %), Riitta-Liisa Kotilainen (25%) and Alekski Kotilainen (25%). Sirpa Kotilainen, Riitta-Liisa Kotilainen and Alekski Kotilainen also personally hold shares in Sievi Capital plc. Riitta-Liisa Kotilainen is a member of the Board of Directors of Sievi Capital plc.

#### BOARD OF DIRECTORS' AUTHORISATIONS

Sievi Capital plc's Annual General Meeting held on 19 April 2012 decided to authorise the Board of Directors to decide on repurchasing the Company's own shares with distributable assets in accordance with the Board of Directors' proposal.

The Board of Directors' proposals to the Annual General Meeting are available on the company website at [www.sievicapital.com](http://www.sievicapital.com).

#### OWN SHARES

On 30 September 2012, Sievi Capital plc owned a total of 2,983,831 treasury shares, representing 4.9% of the company's share capital and total number of votes. No changes have taken place in the number of treasury shares during the review period.

#### PERSONNEL

Sievi Capital had 2 employees during the review period.

#### FUTURE PROSPECTS

The available investment assets offer Sievi Capital plc good opportunities for acquisitions conforming to the investment strategy, aiming to obtain a stake in select companies facilitating an active influence on their operations. The prevailing economic uncertainty and recession are shifting the pricing of potential capital investment targets in a more affordable direction.

With regard to investment activity, the market uncertainty continues and the investment environment remains difficult. Due to indebtedness and austerity programmes, economic growth is expected to remain low in the Euro zone for a long time. A widespread bank crisis and breakdown of the Euro zone would lead to a negative circle in the financial markets. Any solution to the crisis is highly dependent on the political decision-making system, and the development of the securities market cannot be predicted in the current politically difficult and fragile situation. Strong stock exchange fluctuations are expected to continue as the result of the debt crisis. Accumulating tensions in the Middle East may increase investors' fears of a widespread conflict, which would have immediate negative effects on the vulnerable world economy. In the uncertain investment environment, Sievi Capital plc's interest and dividend income is expected to remain at the previous year's level.

Outlook for the associated companies:

iLOQ ltd forecasts a growth around of 60% in turnover in 2012. Growth is sought both in the Nordic countries, as well as from the new product developed for the Central European market (DIN-compliant lock cylinder). Operations of the subsidiaries in charge of marketing in Germany and the Netherlands commenced at the beginning of 2012.

As the result of a significant decrease in Panphonics ltd's turnover, adjusting the cost structures of business operations has continued. Currently sales are generated via the distribution network, and no major delivery projects have been signed. The company's cost structure was lightened and marketing strategy was renewed during the review period. CEO of Panphonics ltd was replaced and the previous CEO joined the company's Board of Directors as a member.

The IonPhase IPE-product range is being complemented by several new products. IonPhaseE ltd expects to achieve a significant position with dissipative plastic polymers based on a new innovation. Harmful static electricity causes significant problems in various purposes of use and applications. The company's turnover is estimated to continue on the current path of strong growth next year as well. The company's customer base and number of sales projects have increased considerably, which will improve the company's chances of reaching the growth targets.

The associated company Kitron ASA, Norway, evaluated its outlook in its interim report published on 24 October 2012. The company's result before taxes for the first three quarters of the year was EUR 3.6 million (EUR 3.0 million) and EUR 0.9 million (EUR 1.2 million) for the third quarter. In line with the previous outlook, the company estimates that its turnover will remain on a par with the previous year and its profitability will improve compared to 2011.

Lännen Tehtaat plc's interim report will be published on 9 November 2012. The company announced on 18 October 2012 that according to preliminary profit data, Lännen Tehtaat plc's result for the third quarter excluding non-recurring items will be clearly better than the previous year, amounting to approximately EUR 3.5 to 4.0 million (EUR 2.3 million during the comparison period). The full-year profit outlook published in connection with the January - June interim report on 15 August 2012 remains unchanged.

#### BUSINESS RISKS AND UNCERTAINTIES

The most significant short-term risk associated with investment activities, such as a decrease in the value of investments, could be realised if the European debt crisis escalates further and the global economy does not recover to achieve durable growth or if it enters a long phase of below-average growth. The debt problems could be escalated further in certain countries, and the effects may become widespread. The European banking sector is still vulnerable, in spite of extensive market operations by the ECB. The economy slowing down again in the United States would result in direct problems in the unbalanced economy. In addition, the increasing tension between Israel and Iran in the Middle East has increased the probability of a military conflict. Considering the civil war in Syria and other regional restlessness, military action in the Middle East may endanger the entire world economy.

Economic activity has clearly weakened and consumers have become increasingly cautious. No actual investment or credit crunch have yet emerged on a large scale, but the situation is fragile and the market parties are cautious. The growth figures of the world economy and China's GDP may deteriorate further. Uncontrolled "currency storms", unexpected fluctuations of interest rates and the final breakdown of the entire Eurozone are still possible events for the future. Companies are currently preparing for a weakening cycle, and any significant investments are slowly and carefully considered. Stocks have already been adjusted and production may be run down quickly and a self-propagating negative circle might gain strength. Banks' ability to maintain sufficient liquidity in the credit market is uncertain in spite of the operations promised by the ECB. In a difficult economic environment, citizens' discontent may be emphasized further around the world, causing extensive unrest. The slowness of political decision-making and the resulting uncertainty has already clearly increased the risk premium in the capital market and volatility at times. The extreme fear is the realisation of systemic risk, which might result in a period of chaos similar to the fall of Lehman Brothers at the least in the capital market. The factors described above have an effect on the capital market, and if they materialise, the negative development in the securities market may continue.

In other respects, the risks facing Sievi Capital plc's business have remained essentially the same. Risks and risk management are described in greater detail on the company's website under Corporate Governance and in the notes to the consolidated financial statements.

#### ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard, applying the following accounting policies with the financial statements for 2011. The presented figures for the year 2011 differ from the previously reported figures because they have been made comparable with the figures of the financial statements in which operations were divided into continuing and discontinued operations. The figures presented for the continuing operations for the different periods are comparable.

The individual figures and totals shown in the tables have been rounded to millions of euros from more accurate figures, which is why individual figures do not always add up. The figures are unaudited.

## CONSOLIDATED INCOME STATEMENT

EUR million

	<b>7 - 9</b>	<b>1 - 9</b>	<b>7 - 9</b>	<b>1 - 9</b>	<b>1 - 12</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>
<b>Continuing operations</b>					
Other operating income	0.0	1.2	0.5	1.3	1.8
Expenses	-0.1	-0.3	-0.3	-0.8	-1.2
Depreciation	0.0	-0.1	-0.1	-0.4	-0.5
<b>Operating profit</b>	<b>-0.1</b>	<b>0.8</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
Financial income and expenses	3.6	5.4	-4.8	-5.4	-4.6
Share of the associated companies' profit	-0.4	-1.3	-0.6	-1.3	-1.7
<b>Profit before taxes</b>	<b>3.0</b>	<b>4.9</b>	<b>-5.4</b>	<b>-6.5</b>	<b>-6.1</b>
Income taxes	-0.8	-1.3	1.1	1.5	1.4
<b>Net profit for the period, Continuing operations</b>	<b>2.2</b>	<b>3.6</b>	<b>-4.2</b>	<b>-5.0</b>	<b>-4.8</b>
<b>Discontinued operations</b>					
Net profit for the period, Discontinued operations			0.7	6.3	1.7
<b>Net profit for the period</b>	<b>2.2</b>	<b>3.6</b>	<b>-3.5</b>	<b>1.3</b>	<b>-3.1</b>
Attributable to:					
Equity holders of the parent	2.2	3.6	-3.5	1.3	-3.1
Earnings / share (EPS), EUR undiluted and diluted, Continuing operations			-0.07	-0.09	-0.08
Earnings / share (EPS), EUR undiluted and diluted, Discontinued operations			0.01	0.11	0.03
Earnings / share (EPS), EUR undiluted and diluted, Net profit for the period	0.04	0.06	-0.06	0.02	-0.05

The company does not have items that might dilute the earnings per share.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

	<b>7 - 9</b>	<b>1 - 9</b>	<b>7 - 9</b>	<b>1 - 9</b>	<b>1 - 12</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>	<b>011</b>
<b>Net profit for the period</b>	<b>2.2</b>	<b>3.6</b>	<b>-3.5</b>	<b>1.3</b>	<b>-3.1</b>
Other comprehensive income					
<b>Discontinued operations</b>					
Derivative financial instrument					-0.7
Translation differences			4.2	1.3	
<b>Continuing operations</b>					
Available-for-sale investments	0.2	-0.4	-0.3	-1.3	-1.1

Translation differences	0.4	0.9	-0.2	-0.2	0.0
Other comprehensive income, net of tax	0.6	0.5	3.7	-0.2	-1.8
<b>Total Comprehensive Income</b>	<b>2.8</b>	<b>4.1</b>	<b>0.2</b>	<b>1.2</b>	<b>-4.9</b>

Attributable to:

Equity holders of the parent	2.8	4.1	0.2	1.2	-4.9
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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

<b>Assets</b>	<b>30.9.2012</b>	<b>30.9.2011</b>	<b>31.12.2011</b>
<b>Non-current assets</b>			
Property, plant and equipment	0.0	33.6	4.3
Goodwill		2.4	
Other intangible assets	0.0	3.7	0.0
Shares in associated companies	23.4	24.0	22.8
Available-for-sale investments	7.5	7.8	8.0
Financial assets at fair value through profit or loss	20.3	19.3	19.9
Receivables		0.8	0.5
Deferred tax assets	1.1	2.2	1.8
<b>Total non-current assets</b>	<b>52.3</b>	<b>93.8</b>	<b>57.3</b>
<b>Current assets</b>			
Inventories		33.3	
Loan receivables from associates			0.4
Trade and other receivables	0.4	40.6	0.8
Advance payments		0.5	0.0
Financial assets at fair value through profit or loss	20.8	21.8	22.1
Current tax assets		0.2	
Available-for-sale investments, cash and cash equivalents		19.3	
Cash and cash equivalents	16.5	21.1	9.6
<b>Total current assets</b>	<b>37.7</b>	<b>136.7</b>	<b>33.0</b>
Non-current assets held for sale	2.5		2.5
Discontinued operations			115.7
<b>Total assets</b>	<b>92.5</b>	<b>230.5</b>	<b>208.5</b>
<b>Shareholders' equity and liabilities</b>	<b>30.9.2012</b>	<b>30.9.2011</b>	<b>31.12.2011</b>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	15.2	15.2	15.2
Share premium account	16.1	16.1	16.1
Treasury shares	-8.9	-8.9	-8.9
Translation differences	1.4	6.8	0.5
Other reserves	-0.3	5.5	5.0
Retained earnings	65.3	120.4	60.3
<b>Total equity</b>	<b>88.8</b>	<b>155.0</b>	<b>88.2</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	0.1	0.5	0.4



Provisions	2.8	4.0	3.4
Interest bearing liabilities		31.1	
Other liabilities		1.0	
<b>Total non-current liabilities</b>	<b>3.0</b>	<b>36.6</b>	<b>3.8</b>
<b>Current liabilities</b>			
Trade and other liabilities	0.1	29.5	56.2
Current tax liabilities	0.7	0.4	0.1
Interest-bearing liabilities		8.9	
<b>Total current liabilities</b>	<b>0.7</b>	<b>38.8</b>	<b>56.3</b>
Discontinued operations			60.1
<b>Total liabilities</b>	<b>3.7</b>	<b>75.4</b>	<b>120.2</b>
<b>Total shareholders' equity and liabilities</b>	<b>92.5</b>	<b>230.4</b>	<b>208.5</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR million

	1.1.- 30.9.2012	1.1.- 30.9.2011	1.1.- 31.12.2011
<b>Cash flow from operating activities</b>			
Net profit	3.6	-5.0	-4.8
Adjustments for the net profit	-3.4	4.9	4.6
Change in net working capital	-0.2	1.9	-0.7
Interest paid and other financial expenses	0.0	0.0	-0.1
Interest received	0.1	0.2	0.2
Taxes paid	-0.2	-2.4	-2.4
Discontinued operations		15.2	27.3
<b>Net cash flow from operating activities</b>	<b>0.0</b>	<b>14.7</b>	<b>24.1</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets		0.0	0.0
Sale of tangible and intangible assets	4.2		
Purchase of investments	-18.2	-33.8	-35.0
Proceeds from sale of investments	23.0	9.7	10.4
Purchase of associated companies	-1.0		-0.1
Granted loans	0.0	-0.8	-0.9
Proceeds from loans	0.4	2.8	
Interest received from investments	0.1	0.5	0.8
Dividend received from investments	0.9	1.0	1.1
Dividends received from associated companies	0.3		
Discontinued operations		-5.5	-3.6
<b>Net cash flow from investing activities</b>	<b>10.4</b>	<b>-26.0</b>	<b>-27.4</b>
<b>Cash flow from financing activities</b>			
Dividends paid	-3.5	-6.9	-6.9
Discontinued operations			-4.4
<b>Net cash flow from financing activities</b>	<b>-3.5</b>	<b>-6.9</b>	<b>-11.4</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>7.0</b>	<b>-18.2</b>	<b>-14.7</b>
Cash and cash equivalents at beginning of period	44.8	57.9	57.9

Discontinued operations, transfer	-35.2		
Transferred funds along with demerger	-0.1		
Changes in exchange rates		0.6	1.6
Cash and cash equivalents at end of period	16.5	40.4	44.8

## STATEMENT OF CHANGES IN EQUITY

EUR million

### Equity attributable to equity holders of the parent company

	Share capital	Share premiu m account	Treasury shares	Translati on differenc es	Other reserves	Retained earnings	Equity total
<b>Shareholders' equity</b>							
<b>1.1.2012</b>	<b>15.2</b>	<b>16.1</b>	<b>-8.9</b>	<b>0.5</b>	<b>5.0</b>	<b>60.3</b>	<b>88,2</b>
Discontinued operations, transfer					-4.9	4.8	-0.1
<b>Total comprehensive income</b>				<b>0.9</b>	<b>-0.4</b>	<b>3.6</b>	<b>4.1</b>
Dividends paid						-3.5	-3.5
<b>Equity</b>							
<b>30.9.2012</b>	<b>15.2</b>	<b>16.1</b>	<b>-8.9</b>	<b>1.4</b>	<b>-0.3</b>	<b>65.3</b>	<b>88.8</b>

### Equity attributable to equity holders of the parent company

	Share capital	Share premiu m account	Treasury shares	Translati on differenc es	Other reserves	Retained earnings	Equity total
<b>Equity</b>							
<b>1.1.2011</b>	<b>15.2</b>	<b>16.1</b>	<b>-8.9</b>	<b>5.7</b>	<b>6.2</b>	<b>126.5</b>	<b>160.8</b>
<b>Total comprehensive income</b>				<b>1.1</b>	<b>-1.3</b>	<b>1.3</b>	<b>1.2</b>
Dividends paid						-6.9	-6.9
Transfer of funds					0.5	-0.5	0
<b>Equity</b>							
<b>30.9.2011</b>	<b>15.2</b>	<b>16.1</b>	<b>-8.9</b>	<b>6.8</b>	<b>5.5</b>	<b>120.4</b>	<b>155.0</b>

## KEY INDICATORS

	<b>1 - 9 2012</b>	<b>1 - 9 2011</b>	<b>1 - 12 2011</b>
Return on equity, %	5.5	1.1	-1.9*
Return on investment, %	7.4	N/A	-6.9
Interest-bearing liabilities, EUR m		40.0	
Gearing, %	-64.9	-26.7	-58.6
Equity ratio, %	96.0	67.3	95.1
Gross investments in fixed assets, EUR m			0.0
Personnel, average	2	2	3
Earnings per share, Continued operations, EUR		-0.09	-0.08
Earnings per share, Discontinued operations, EUR		0.11	0.03
Earnings per share, Profit for the period, EUR	0.06	0.02	-0.05
Shareholders' equity per share, EUR	1.54	2.69	1.53
Number of shares at the end of the period, 000s	60,714	60,714	60,714
excluding treasury shares	57,730	57,730	57,730
weighted average	57,730	57,730	57,730

In the comparison year 2011, there was a EUR 40 million loan related to discontinued operations.

\* Equity before liability of dividend booking relating to the demerger

## SEGMENT INFORMATION

EUR million

	<b>1 - 9 2012</b>	<b>1 - 9 2011</b>	<b>1 - 12 2011</b>
<b>Investment activities</b>			
Operating profit	0.8	0.1	0.1
Financial income	2.6	2.6	3.0
Financial expenses	0.0	-0.1	-0.1
Realised losses	-0.4	0.0	0.0
Value change of investments	3.3	-7.8	-7.4
Share in the associated companies' profit	-1.3	-1.3	-1.7
<b>Financial assets</b>	<b>92.5</b>	<b>94.7</b>	<b>92.8</b>

## CHANGES IN TANGIBLE NON-CURRENT ASSETS

EUR million

	<b>1 - 9 2012</b>	<b>1 - 9 2011</b>	<b>1 - 12 2011</b>
Book value at the beginning of the period	4.3	34.5	34.5

Transfer, Discontinued operations			-27.2
Transfer, non-current assets held for sale	-4.2		-2.5
Additions		2.4	0.0
Reductions		0.0	
Depreciation	-0.1	-3.2	-0.5
Exchange rate differences		0.0	
<b>Book value at the end of the period</b>	<b>0.0</b>	<b>33.6</b>	<b>4.3</b>

## CONTINGENT LIABILITIES

EUR million

	30.9.2012	30.9.2011	31.12.2011
Mortgages on property	2.5	3.4	3.4
Business mortgages	6.8	6.8	6.8
Guarantees given on behalf of Group company	3.4	4.2	4.2
Guarantees given on behalf of associates	0.3	0.3	0.3

A bank guarantee was obtained from a financial institution as security for the payment of pension premiums relating to the reorganization of Scanfil N.V., and Sievi Capital plc has provided the financial institution with a counter-guarantee of EUR 3.4 million to cover any liabilities that may arise if the bank guarantee is realized. Equivalent provision is booked into Scanfil NV's balance sheet.

## TRANSACTIONS WITH RELATED PARTY

EUR million

	1 - 9 2012	1 - 9 2011	1 - 12 2011
Related party transactions			
<b>Associated companies</b>			
Interest income	0.0	0.0	0.0
Loan receivables		0.3	0.4
Interest receivables		0.0	0.0
Capital loan		0.5	0.5

In connection with the share issue in the first quarter of 2012, short-term loans of IonPhasE Ltd, a total of EUR 0.4 million, were paid out. At the same time its subordinated loan, EUR 0.5 million, was converted into shares,

IonPhasE Ltd has been awarded EUR 250,000 joint and several guarantee for IonPhasE Ltd's bank guarantee and a guarantee of delivery of goods to the supplier amounting 50,000 euros.

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Sievi Capital Group is an investment company whose task is to manage the company's assets efficiently and profitably by distributing risks and looking for new growth opportunities through these measures.

Sievi Capital Group's associated companies:

Kitron ASA (KIT) (Sievi Capital plc's holding 32.96%) is a Norwegian listed contract manufacturer that 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 has plants and production in Sweden, Lithuania, Germany, China and the United States. Kitron ASA's turnover for 2011 was NOK 1,656.1 million (approximately EUR 213.6 million). [www.kitron.com](http://www.kitron.com)

iLOQ ltd (Sievi Capital plc's holding 23%) develops, manufactures and markets innovative, patented, high-security, electronic and self-operated locking solutions that combine modern mechatronics with communications and software technology. The added customer value of the iLOQ S10-product range has been shown to be good and the company has achieved a significant market position in the Nordic countries and a favourable reception in Central Europe. Marketing of the DIN-compliant lock cylinder solution developed for the Central European market has commenced in Germany and the Netherlands. [www.ilq.fi](http://www.ilq.fi)

IonPhaseE ltd (Sievi Capital plc's holding 35.75%) develops and manufactures high-quality dissipative polymers that help to control static electricity in plastic products. IonPhaseE products are utilised in a wide range of industries, such as chemical, automotive, telecommunications and consumer electronics. IonPhaseE manufactures IonPhaseE IPE polymers based on its patented proprietary technology. [www.ionphase.fi](http://www.ionphase.fi)

Panphonics ltd (Sievi Capital plc's holding 40%) is a leading manufacturer of products based on directional audio technology. Panphonics manufactures solutions based on proprietary patented directional audio technology for acoustically demanding applications. The company's SoundShower speaker solutions are used in banks, store-specific advertisement systems, information kiosks and offices. In addition Panphonics is a component manufacturer. [www.panphonics.com](http://www.panphonics.com)

Besides the associated companies, Sievi Capital plc's holding in Lännen Tehtaat plc is 8.6%. Lännen Tehtaat is a food production company whose shares are quoted on NASDAQ OMX Helsinki Ltd. The group's business segments are Frozen Food, Seafood and Grains and Oilseeds. Lännen Tehtaat operates in the northern Baltic Sea region. [www.lannen.fi](http://www.lannen.fi)

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