

**SIEVI CAPITAL PLC'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2011**

**January – September**

- Turnover totalled to EUR 172.0 million (1-9 2010: 157.2), up 9.4%
- Operating profit EUR 10.2 (11.2) million, 5.9% (7.1%) of turnover
- Profit for the review period was EUR 1.3 (9.3) million
- Earnings per share were EUR 0.02 (0.16)

**July – September**

- Turnover totalled EUR 51.2 million (Q3 2010: 62.5) down 18.1%
- Operating profit EUR 2.3 (3.5) million, 4.6% (5.6%) of turnover
- Profit was EUR -3.5 (3.3) million, -6.9% (5.3%) of turnover
- Earnings per share amounted EUR -0.06 (0.06)

Operating profit for January–September 2010 includes a sales gain of EUR 2.5 million from a property recognised in the second quarter. Operating profit excluding the non-recurring item in January–September 2010 was 5.5% of turnover.

Sievi Capital plc changed its turnover and result estimation in a stock exchange release published on 13 September 2011. The company estimated that its turnover for 2011 will be on the same level as in 2010. Because of the uncertain development of the global economic situation and the capital market, the company cannot anticipate the development of its net result in 2011. In a stock exchange release on 19 October Sievi Capital plc gave preliminary information of company's turnover and net profit in January-September.

*Harri Takanen, President of Sievi Capital plc:*

"With regard to investment activities, the third quarter continued to be challenging as the mood in the capital market became increasingly gloomy. While Sievi Capital plc's defensive investment allocation continued to provide partial protection against market decline, some investments could not avoid the exceptionally heavy market plunge. In the third quarter, the fair values of investments declined in almost all asset classes, but the decrease in value was not due to particularly weak performance on the part of any individual investments in comparison with the market development. In proportion, shares and high-yield investments suffered the most from the fall in the market.

In contract manufacturing, third-quarter development took a dual direction. Sales to professional electronics customers continued to develop favourably, but demand by telecommunications customers declined heavily. Investments in the acquisition of professional electronics customers and increasing sales have balanced the customer portfolio in such a manner that the effect of individual customers has diminished. This has been a key objective for Scanfil EMS."

**DEVELOPMENT OF OPERATIONS**

*Sievi Capital plc*

The decline of the capital market intensified in June-September. The events of the summer and early autumn have endangered the operating capacity of the European banking system. In the review period, investors pulled rapidly out of the highest-risk securities. During August and September, the mood in the capital market already showed signs of panic, and market volatility increased markedly. Because of falling stock prices, most of Sievi Capital plc's share, ETF and high-yield investments are currently showing a loss compared with the acquisition cost. The ability of interest and dividend-paying investments to generate cash flow has mainly remained unchanged.

With regard to the associated companies, the operations of Panphonics Oy and iLOQ Ltd continued to develop positively during the third quarter, and both companies have exceeded their sales objectives for the current year by the end of September. In September, the locking system company iLOQ Ltd achieved the highest sales in its history. However, IonPhasE Oy's turnover still failed to develop according to forecasts in the third quarter. Interest in the final products shown by customers and project activity have nevertheless continued at a favourable level.

Lännen Tehtaat Oyj will publish its interim report on 2 November 2011 and associated company Kitron ASA on 27 October 2011.

#### *Scanfil EMS Subgroup*

Scanfil ESM Group's sales for the period totalled EUR 172.0 million, a growth of 9.4% compared with the corresponding period the previous year. The good sales growth of the first two quarters took a downward turn in the third quarter, particularly due to a decline in the demand for telecommunications products and partly also for professional electronics products related to renewable energy. Third-quarter sales decreased by 18% compared to the corresponding period the previous year. On the whole, sales of professional electronics products nevertheless increased by some 33% in January-September, compared with the corresponding period the previous year. Professional electronics customers accounted for 60% of total sales in January-September (49% during the corresponding period in 2010) and telecommunications customers for 40% (51%).

The systematic expansion of the customer portfolio into new business sectors has been successful, and the decline in demand by telecommunications customers in the third quarter has been partially offset by the fact that demand by some professional electronics customers has continued at a good level throughout the review period.

The closing down of the Vantaa plant, which began in the previous quarter, has progressed as planned, and production activities in Vantaa will be terminated by the end of the year.

The sales of Scanfil EMS Oy's associated company Greenpoint Oy developed positively in the third quarter, with impulse sales concepts for consumer goods being delivered to several different customer target groups.

### **FINANCIAL DEVELOPMENT**

#### *Sievi Capital Group*

The Group's turnover for January - September was EUR 172.0 (157.2) million, up 9.4% year-on-year. The Group's turnover is generated from contract manufacturing operations. Distribution of turnover based on the location of customers was as follows: Finland 39% (31%), rest of Europe 24% (24%), Asia 36% (43%), USA 1% (1%) and others 1% (1%).

The Chinese subsidiaries' sales accounted for 43% (47%) of the Group's sales during the review period including deliveries to the Group's other plants.

Operating profit of the Group during the review period was EUR 10.2 (11.2) million, representing 5.9% (7.1%) of turnover. Operating profit for 2010 includes a sales gain of EUR 2.5 million from a property, and operating profit excluding the non-recurring item amounted to 5.5% of turnover. Earnings for the review period amounted to EUR 1.3 (9.3) million. Earnings per share were EUR 0.02 (0.16) and return on investment was 2.2% (10.9%). The weakening of the net result is mainly due to the decrease in the value of investments resulting from an uncertain market situation.

The group's turnover for July-September was EUR 51.2 (62.5) million. Operating profit for the third quarter amounted to EUR 2.3 (3.5) million, or 4.6% (5.6%) of turnover. Profit for the quarter was EUR -3.5 (3.3) million.

#### *Scanfil EMS Subgroup*

The turnover of contract manufacturing operations in January-September was EUR 172.0 (157.2) million up 9.4% year-on-year. Operating profit during the period under review was EUR 10.0 (8.1) million, representing 5.8% (5.1%) of turnover. The result amounted to EUR 6.3 (5.0) million, or 3.7% (3.2%) of turnover.

Return on investment was 12.5% (11.6%), equity ratio was 48.9% (39.3%) and gearing 18.7% (32.9%).

Turnover amounted to EUR 51.2 (62.5) million in July-September. Operating profit for the third quarter was EUR 2.3 (3.3) million, or 4.5% (5.3%) of turnover. Profit for the quarter was EUR 0.7 (2.2) million. In China, tax at source amounting to EUR 0.5 million was paid under Chinese tax legislation in July-September on the dividend distributed by Chinese subsidiary.

### *Investment activities*

The investment activity of the Group's parent company, Sievi Capital plc, is divided into financial investments and capital investments. No turnover is generated from the investment activities; the gains and losses from investment activities are recognised under financial income and expenses in the income statement.

In January-September recognised dividend and interest income and capital gains from financial investments amounted to EUR 2.4 (3.2) million, realized sales losses amounted to EUR 0 (0.6) million, and changes of financial assets at fair value through profit or loss amounted to EUR -7.8 (-0.2) million, resulting in a total recorded value of EUR -5.4 (2.4) million.

In July-September, recognised income from investment activities amounted to EUR 0.8 (1.4) million, realised sales losses amounted to EUR 0 (0) million, and value changes of financial assets at fair value through profit or loss amounted to EUR -5.6 (0.3) million, resulting in a total recorded value of EUR -4.8 (1.8) million.

Sievi Capital plc's investment allocation was as follows at the end of September: financial investments 63.6% and capital investments 36.4%. The financial investments were divided between ETF and equity investments, 12.4%, and money market investments, 51.2%. The money market investments were divided as follows; risk-free fixed-income investments 21.7%, low-risk investments 18.6% and moderate-risk investments 59.7%. The value of financial investments has fallen during year 2011 by about 15% compared with the acquisition cost.

No new capital investments were made during the period under review. The Group's share of the associated companies' losses and goodwill amortisation totalled EUR -1.3 (-0.5) million (including the results and goodwill amortisation of iLOQ Ltd, Panphonics Oy and IonPhase Oy until 30 September 2011 and result of Kitron ASA until 30 June 2011).

Lännen Tehtaat Oyj, which does not fulfil the definition of an associated company, is measured at fair value, and the change in the value in January-September was EUR -1.7 million; it is recognised in the fair value reserve under equity, adjusted with tax liabilities, net EUR -1.2 million.

The result of investment activities before tax, including all financial and capital investments, totaled EUR -6.6 (1.9) million in January-September.

### **FINANCING AND CAPITAL EXPENDITURE**

The Group enjoys a strong financial position.

The consolidated balance sheet totalled EUR 230.5 (216.0) million. Liabilities amounted to EUR 74.4 (58.7) million, EUR 34.4 (53.7) million of which were non-interest-bearing and EUR 40.0 (5.0) million interest-bearing. The equity ratio was 67.3% (72.8%) and gearing -26.7% (-30.8%).

Financial assets totalled EUR 81.5 (53.4) million, of which EUR 40.4 (26.7) million has been deposited in bank accounts and in time deposits with maturity of three months or less.

An additional EUR 41.1 (26.8) million of financial assets 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 measured at fair value. The net result for January-September includes EUR -7.8 (-0.8) million of change in the fair value of the investments.

Cash flows from operating activities in review period of January - September was EUR 14.7 (-2.2) million positive. The change in working capital during the period amounted to EUR 7.0 (-10.9) million. Cash flow from investment activities, EUR -26.0 (-9.9) million, consists mainly of financial investments by the parent company. Cash flow from financing activities was EUR -6.9 (-13.9) million.

Gross investments in fixed assets totalled EUR 2.8 (2.2) million, which is 1.6% (1.4%) of turnover. Depreciations were EUR 3.5 (3.8) million.

Changes in exchange rates have not had a significant effect on the result of operational activity due to the business structure.

## **BOARD OF DIRECTORS' AUTHORISATION**

The Annual General Meeting decided on 13 April 2011 according to the Board of Directors' proposal to authorize the Board of Directors to decide on the acquisition of the Company's own shares with distributable assets.

The Board of Directors has no existing share issue authorisations or authorisations to issue convertible bonds with warrants.

## **OWN SHARES**

On 30 September 2011, the company owned a total of 2,983,831 of its own shares that represented 4.9% of the company's share capital and votes.

No changes have taken place in the numbers of own shares during the period under review.

## **SHARE TRADING AND SHARE PERFORMANCE**

The highest trading price during the review period was EUR 3.15 and the lowest EUR 1.85, the closing price for the period standing at EUR 2.09. A total of 1 503 930 shares were traded during the period, corresponding to 2.5% of the total number of shares. The market value of the shares on 30 September 2011 was EUR 126.9 million.

## **PERSONNEL**

Sievi Capital Group's personnel averaged 2,085 (1,962) employees during the review period. At the end of the period, the Group employed 2,004 (2,046) people, of whom 380 (464) worked in the company's Finnish units and 1,624 (1,582) in the company's units outside Finland. In all, 81% (77%) of the Group's personnel were employed by subsidiaries outside Finland on 30 September 2011.

## **FUTURE PROSPECTS**

Sievi Capital plc will continue to implement its strengthened investment strategy through active shareholding. The Board of Directors believes that the demerger scheduled to take effect at the beginning of 2012 will promote the achievement of targets laid out in the company's strategy. Sievi Capital plc is active in the market, looking for new capital investments in its current and new lines of business in order to ensure a good return on its investments and growth potential for its investment activities.

Due to the decline in demand especially in telecommunications products and partly also in products related to renewable energy Sievi Capital changed its turnover and result estimation in a stock exchange release published on 13 September 2011. The company estimated that its turnover for 2011 will be on the same level as in 2010.

Operating profit of the contract manufacturing business (Scanfil EMS Oy) in the second half of the year is estimated to be weaker than in the first half of the year, yet positive. The operating profit of the contract manufacturing business is estimated to remain at a satisfactory level in 2011.

The net result of Sievi Capital Group also includes income from the investment business. The uncertainty of the global economy and the capital market as well as the worldwide decline in share prices will affect the fair value of Sievi Capital's investments. Because of the uncertain development of the global economic situation and the capital market, the company cannot anticipate the development of its net result in 2011.

## **OPERATIONAL RISKS AND UNCERTAINTIES**

The most significant short-term risks associated with investment activities may be realized if the global economy slides into recession or a prolonged period of slower than average growth. Sovereign debt problems are further aggravated in Europe and may have far-reaching effects. Signs of crisis can already be seen in the European banking sector. Imbalances in the US economy also make it extremely vulnerable.

Economic development has slowed down significantly in many sectors, and the global economy may slide into recession. Over the past few weeks, fears of a recession have increased both in the USA and in Europe.

Even if recession could be avoided, the growth figures of national economies will nevertheless weaken, and even Chinese growth may stall. Businesses are currently preparing for the worst and making cautious investments, if any. Inventories and production are downscaled, and a self-fulfilling negative cycle may be triggered. The banking sector in particular is facing challenging times, and the ability of banks to maintain sufficient liquidity on the credit market is questionable. It is fully possible that some kind of a slowdown in the investment and credit market will develop even very rapidly. There are still strong indications that any kind of political support measures will no longer be sufficient to restore the confidence of the markets. The most extreme fears concerns the realization of the systemic risk, which would throw the capital market into chaos at least comparable to the collapse of Lehman Brothers. In a difficult economic environment, citizens' discontent may increase further around the world and cause entirely new extensive unrest. The slowness of political decision-making and the resulting uncertainty has already increased volatility and the risk premium required by the capital market. The above factors have an immediate effect on the capital market, and if they prevail, the negative development in the securities market may continue.

The short-term risks of contract manufacturing are associated with the development of the global economy, which continues to be uncertain. Slowing economic growth or economic contraction and a slowing down of investment activity may weaken demand in the contract manufacturing market and impair the company's turnover and profit.

In other respects, the risks facing Sievi Capital'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 2010.

Individual figures and grand totals of tables have been rounded to the nearest million euros, so they will not always add up. The figures are unaudited.

## CONSOLIDATED INCOME STATEMENT

EUR million

	<b>7 - 9</b>	<b>7 - 9</b>	<b>1 - 9</b>	<b>1 - 9</b>	<b>1 - 12</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>
<b>Turnover</b>	<b>51.2</b>	<b>62.5</b>	<b>172.0</b>	<b>157.2</b>	<b>219.3</b>
Other operating income	0.0	0.1	0.1	3.2	3.3
Changes in inventories of finished goods and work in progress	-1.7	0.8	-0.9	1.8	1.3
Expenses	-46.0	-58.6	-157.5	-147.1	-204.5
Depreciation	-1.2	-1.3	-3.5	-3.8	-5.0
<b>Operating profit</b>	<b>2.3</b>	<b>3.5</b>	<b>10.2</b>	<b>11.2</b>	<b>14.4</b>
Financial income and expenses	-5.7	2.1	-6.3	2.4	3.0
Share in the associated company's profit	-0.7	-0.6	-1.6	-0.6	-2.0
<b>Profit before taxes</b>	<b>-4.0</b>	<b>5.0</b>	<b>2.3</b>	<b>13.0</b>	<b>15.4</b>
Income taxes	0.5	-1.7	-1.0	-3.7	-4.5
<b>Net profit for the period</b>	<b>-3.5</b>	<b>3.3</b>	<b>1.3</b>	<b>9.3</b>	<b>10.9</b>
Attributable to:					
Equity holders of the parent	-3.5	3.3	1.3	9.3	10.9
Earnings per share for profit attributable to shareholders of the parent:					
basic earnings per share ( EUR)	-0.06	0.06	0.02	0.16	0.19

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

	7 - 9 2011	7 - 9 2010	1 - 9 2011	1 - 9 2010	1 - 12 2010
<b>Net profit for the period</b>	<b>-3.5</b>	<b>3.3</b>	<b>1.3</b>	<b>9.3</b>	<b>10.9</b>
Other comprehensive income:					
Available-for-sale investments	-0.3	0.7	-1.3	1.1	0.7
Translation differences	4.0	-4.8	1.1	3.3	5.5
Other comprehensive income, net of tax	3.7	-4.1	-0.2	4.4	6.3
<b>Total Comprehensive Income</b>	<b>0.2</b>	<b>-0.8</b>	<b>1.2</b>	<b>13.7</b>	<b>17.2</b>
Attributable to:					
Equity holders of the parent	0.2	-0.8	1.2	13.7	17.2

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

<b>Assets</b>	<b>30.9.2011</b>	<b>30.9.2010</b>	<b>31.12.2010</b>
<b>Non-current assets</b>			
Property, plant and equipment	33.6	30.2	34.5
Goodwill	2.4	2.4	2.4
Other intangible assets	3.7	0.8	3.5
Shares in associated companies	24.0	23.9	25.7
Available-for-sale investments	7.8	12.2	9.5
Financial assets at fair value through profit or loss	19.3	19.3	16.6
Receivables	0.8		0.2
Deferred tax assets	2.2	0.2	0.3
<b>Total non-current assets</b>	<b>93.8</b>	<b>88.9</b>	<b>92.8</b>
<b>Current assets</b>			
Inventories	33.3	38.5	36.8
Trade and other receivables	40.6	54.3	53.6
Advance payments	0.5	0.3	0.3
Financial assets at fair value through profit or loss	21.8	7.5	7.7
Current tax	0.2		
Available-for-sale investments, cash equivalents	19.3	14.7	41.0
Cash and cash equivalents	21.1	12.0	16.9
<b>Total current assets</b>	<b>136.7</b>	<b>127.1</b>	<b>156.3</b>
<b>Total assets</b>	<b>230.5</b>	<b>216.0</b>	<b>249.1</b>
<b>Shareholder's equity and liabilities</b>	<b>30.9.2011</b>	<b>30.9.2010</b>	<b>31.12.2010</b>

<b>Shareholder's equity</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	6.8	3.4	5.7
Other reserves	5.5	6.6	6.2
Retained earnings	120.4	124.9	126.5
<b>Total equity</b>	<b>155.1</b>	<b>157.3</b>	<b>160.8</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	0.5	1.2	1.1
Provisions	4.0	4.8	4.4
Interest bearing liabilities	31.1		35.6
Other liabilities	1.0	1.7	1.0
<b>Total non-current liabilities</b>	<b>36.6</b>	<b>7.7</b>	<b>42.0</b>
<b>Current liabilities</b>			
Trade and other liabilities	29.5	43.4	39.2
Current tax	0.4	2.6	2.6
Interest bearing liabilities	8.9	5.0	4.4
<b>Total current liabilities</b>	<b>38.8</b>	<b>51.1</b>	<b>46.3</b>
<b>Total liabilities</b>	<b>75.4</b>	<b>58.7</b>	<b>88.3</b>
<b>Total shareholder's equity and liabilities</b>	<b>230.5</b>	<b>216.0</b>	<b>249.1</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR million

	30.9.2011	30.9.2010	31.12.2010
<b>Cash flow from operating activities</b>			
Net profit	1.3	9.3	10.9
Adjustments for the net profit	12.0	2.2	4.8
Change in net working capital	7.0	-10.9	-12.3
Paid interests and other financial expenses	-0.5	-0.4	-0.4
Interest received	0.3	0.4	0.5
Taxes paid	-5.4	-2.8	-3.7
<b>Net cash from operating activities</b>	<b>14.7</b>	<b>-2.2</b>	<b>-0.3</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets	-2.6	-1.0	-9.0
Sale of tangible and intangible assets	0.0	7.5	7.6
Purchase of investments	-33.8	-19.4	-25.8
Proceeds from sale of investments	9.7	24.8	33.4
Purchase of associated companies		-22.8	-24.1
Granted loans	-0.9	-0.1	-0.2
Interest received from investments	0.5	0.6	1.0
Dividends received from investments	1.0	0.5	1.1
<b>Net cash from investing activities</b>	<b>-26.0</b>	<b>-9.9</b>	<b>-15.9</b>
<b>Cash flow from financing activities</b>			



Proceeds from short-term loans		5.0	5.0
Repayment of short-term loans			-5.0
Proceeds from long-term loans			40.0
Repayment of long-term loans		-12.0	-12.0
Dividends paid	-6.9	-6.9	-6.9
<b>Net cash from financing activities</b>	<b>-6.9</b>	<b>-13.9</b>	<b>21.1</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-18.2</b>	<b>-26.1</b>	<b>4.8</b>
Cash and cash equivalents at beginning of period	57.9	51.2	51.2
Changes in exchange rates	0.6	1.5	1.9
Cash and cash equivalents at end of period	40.4	26.7	57.9

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million

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

	Share capital	Share premium account	Treasury shares	Translation differences	Other reserves	Retained earnings	Equity total
<b>Equity</b>							
1.1.2011	15.2	16.1	-8.9	5.7	6.2	126.5	160.8
<b>Total comprehensive income</b>				1.1	-1.3	1.3	1.2
Payment of dividends						-6.9	-6.9
Transfer to funds					0.5	-0.5	0
<b>Equity</b>							
30.9.2011	15.2	16.1	-8.9	6.8	5.5	120.4	155.0

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

	Share capital	Share premium account	Treasury shares	Translation differences	Other reserves	Retained earnings	Equity total
<b>Equity</b>							
1.1.2010	15.2	16.1	-8.9	0.1	4.7	123.3	150.5
<b>Total comprehensive income</b>				3.3	1.1	9.3	13.7
Payment of dividends						-6.9	-6.9
Transfer to funds					0.8	-0.8	0
Share based compensation			0.0				0.0



**Equity**

<b>30.9.2010</b>	<b>15.2</b>	<b>16.1</b>	<b>-8.9</b>	<b>3.4</b>	<b>6.6</b>	<b>124.9</b>	<b>157.3</b>
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**KEY INDICATORS**

	<b>1 - 9 2011</b>	<b>1 - 9 2010</b>	<b>1 - 12 2010</b>
Return on equity, %	1.1	8.0	7.0
Return on investment, %	2.2	10.9	8.7
Interest-bearing liabilities, EUR million	40.0	5.0	40.0
Gearing, %	-26.7	-30.8	-26.2
Equity ratio, %	67.3	72.8	64.6
Gross investments in fixed assets, EUR million	2.8	2.2	10.1
% of net turnover	1.6	1.4	4.6
Personnel, average	2 085	1 962	1 992
Earnings per share, EUR	0.02	0.16	0.19
Shareholders' equity per share, EUR	2.69	2.72	2.78
Number of shares at the end of period, 000's	60 714	60 714	60 714
- not counting own shares	57 730	57 730	57 730
- weighted average	57 730	57 730	57 730

The company has a EUR 40 million loan in connection with which the company has entered into interest and currency swap agreements to convert the SEK-denominated principal and cash flows of instalments and interest payments into euros. The interest and currency swap agreement fully hedges the instalments and interest payments against fluctuations in exchange and interest rates.

Owing to the nature of the sector, the company's order book covers only a short period of time and does not give an accurate picture of future development.

**SEGMENT INFORMATION**

EUR million

	<b>1 - 9 2011</b>	<b>1 - 9 2010</b>	<b>1 - 12 2010</b>
<b>Turnover</b>			
Europe	102.4	86.7	122.8
Asia	75.1	78.1	107.9
Turnover between segments	-5.5	-7.6	-11.4
<b>Total</b>	<b>172.0</b>	<b>157.2</b>	<b>219.3</b>
<b>Operating profit</b>			
Europe	4.4	3.9	3.9
Asia	5.8	7.3	10.5
<b>Total</b>	<b>10.2</b>	<b>11.2</b>	<b>14.4</b>
<b>Assets</b>			
Europe	73.3	75.9	76.8
Asia	68.2	72.5	69.6

Goodwill	2.4	2.4	2.4
Financial assets	86.6	65.3	100.3
<b>Total</b>	<b>230.5</b>	<b>216.0</b>	<b>249.1</b>

The financial assets of investment activities comprise all of Sievi Capital plc's financial assets, capital investments including Group's associated companies and all deposits by subsidiaries with a maturity exceeding three months, classified as investment assets. The result of investment activities before tax was EUR -6.6 million (EUR 1.9 million in 2010).

## CHANGES IN TANGIBLE NON-CURRENT ASSETS

EUR million

	<b>1 - 9 2011</b>	<b>1 - 9 2010</b>	<b>1 - 12 2010</b>
Book value at the beginning of the period	34.5	31.1	31.1
Additions	2.4	2.0	7.3
Deductions	-0.0	-0.0	-0.1
Depreciations	-3.2	-3.0	-4.5
Exchange rate differences	-0.0	0.1	0.7
<b>Book value at the end of the period</b>	<b>33.6</b>	<b>30.2</b>	<b>34.5</b>

## CONTINGENT LIABILITIES

EUR million

	<b>1 - 9 2011</b>	<b>1 - 9 2010</b>	<b>1 - 12 2010</b>
Given real estate mortgages	3.4	3.4	3.4
Given business mortgages	46.8	6.8	46.8
Pledged guarantees	1.1	0.1	0.1
Rental liabilities	0	0.2	0.1

In addition to the business mortgages of its subsidiary Scanfil EMS Oy, Sievi Capital plc has given an absolute guarantee for the payment of Scanfil EMS Oy's EUR 40 million loan and the resulting liabilities.

A bank guarantee was obtained from a financial institution as security for the payment of pension premiums relating to the reorganisation of Scanfil N.V., and Sievi Capital plc has provided the financial institution with a counter-guarantee of EUR 4.2 million to cover any liabilities that may arise if the bank guarantee is realised

## TRANSACTIONS WITH RELATED PARTIES

EUR million

	<b>1 - 9 2011</b>	<b>1 - 9 2010</b>	<b>1 - 12 2010</b>
Related party transactions			
<b>Associated companies</b>			
Sales income	0.3		
Interest income	0.0		0.0
Trade receivables	0.3		
Loan receivables	1.1		0.2

### Board members

Interest expenses	0.0	0.0
Loans	5.0	

Associated company IonPhase Oy has been given a EUR 250,000 short term loan on 3 August 2011.

The loan will mature on 31 October 2011 and its interest rate is the 12-month Euribor + 3 %.

An absolute guarantee in the amount of EUR 150,000 was given to the associated company IonPhase Oy as security for its bank guarantee overdraft facility. The guarantee has been increased to EUR 250,000 in August 2011.

### KEY INDICATORS QUATERLY

EUR million

	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09
Turnover	51.2	62.0	58.8	62.2	62.5	53.9	40.8	48.1
Operating profit	2.3	4.2	3.7	3.2	3.5	6.2	1.5	2.6
Operating profit, %	4.6	6.8	6.2	5.1	5.6	11.6	3.6	5.3
Net income	-3.5	2.8	2.1	1.6	3.3	3.9	2.0	2.7
EPS, EUR	-0.06	0.05	0.04	0.03	0.06	0.07	0.03	0.05

### SIEVI CAPITAL PLC

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Sievi Capital Group comprises the investment and parent company Sievi Capital 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 EMS Oy 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 Sievi Capital Group:

Kitron ASA (KIT) (Sievi Capital 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](http://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](http://www.greenpoint.fi)

iLOQ Ltd (Sievi Capital 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 has 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 centers and major cities. [www.iloq.fi](http://www.iloq.fi)

IonPhasE Oy (Sievi Capital 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](http://www.ionphase.fi)

Panphonics Oy (Sievi Capital 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](http://www.panphonics.com)

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