SIEVI CAPITAL PLC   FINANCIAL STATEMENTS RELEASE   21 FEBRUARY 2012 11.30 A.M.

SIEVI CAPITAL GROUP'S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2011

Continuing operations
January–December
- No turnover generated by continuing operations
- Operating profit EUR 0.1 (3.4) million
- Result for the review period EUR -4.8 (4.1) million
- Earnings per share EUR -0.08 (0.07)
- The Board of Directors proposes a dividend of EUR 0.06 per share to the Annual General Meeting

October-December
- Operating loss EUR -0.1 (0.3) million
- Profit was EUR 0.2 (-0.2) million
- Earnings per share EUR 0.00 (0.00)

Discontinued operations, result from operating activities
(Scanfil EMS Subgroup)

January–December
- Turnover EUR 210.8 (219.3), million, down 3.9%
- Operating profit EUR 9.1 (11.0) million, 4.3% (5.0%) of turnover

October-December
- Turnover EUR 38.8 (62.2) million
- Operating profit EUR -0.9 (2.9) million, -2.4% (4.7%) of turnover

Jorma J. Takanen, President of Sievi Capital plc:
"During 2011, the demerger of Sievi Capital plc into the investment company Sievi Capital plc and the contract manufacturing company Scanfil plc was implemented. The demerger took effect on 1 January 2012. The aim of the demerger is to clarify the corporate structures, enhance operational transparency and hence promote the value appreciation for shareholders in the long term. In accordance with the demerger plan approved by the extraordinary general meeting on 22 November 2011, Jorma J. Takanen was appointed as President of Sievi Capital plc and Harri Takanen was appointed as President of the new company Scanfil plc.

With regard to investment activity, 2011 was a challenging year. The fair values of investments decreased considerably, and the IFRS-compliant result was negative. On the other hand, Sievi Capital plc has not been forced to realise the losses; instead the company was able to make gains from investment instruments divested in the difficult market situation.

With regard to contract manufacturing, the year was marked by dual trends. The favourable development of the demand for telecommunications products early in the year came to a halt towards the end of the year, and the decrease in sales was significant. Also, the demand for products related to renewable energy decreased considerably during the latter half of the year. The demand for professional electronics products continued to be good throughout the year for the most part, substituting for part of the decrease in the sales of telecommunications products.

The Scanfil EMS group centralised its production activities in Europe, and the Vantaa plant was closed down. The Suzhou subsidiary in China moved into new premises during the first quarter. Combined with the machine and equipment investments made at the plants in Hungary and Hangzhou, these measures aim to improve the competitiveness of contract manufacturing in the global market."

DEMERGER

The extraordinary general meeting of Sievi Capital plc held on 22 November 2011 approved the demerger plan signed by the company’s Board of Directors on 11 August 2011. The demerger was implemented as a partial demerger, and in its execution the contract manufacturing business (Scanfil EMS Oy group) was demerged into a new publicly listed company. The name of the new contract manufacturing company is Scanfil plc.

In the demerger, the assets and liabilities related to investment activity remained with Sievi Capital plc. The shareholders of Sievi Capital plc received shares in Scanfil plc in proportion to their holdings as consideration for the demerger so that one (1) share in Scanfil plc was conveyed for each share in Sievi Capital plc. The execution of the demerger was entered in the Trade Register on 1 January 2012.

GROUP STRUCTURE

Group structure in 2011
The Sievi Capital plc Group includes the investment and parent company Sievi Capital plc, its wholly owned subgroup Scanfil EMS Oy and associated companies. Sievi Capital plc's associated companies are Kitron ASA (share of ownership 32.96%), IonPhasE Ltd (39,15%), iLOQ Ltd (22.96%) and Panphonics Ltd (40.0%). Scanfil's wholly owned Belgian subsidiary Scanfil N.V. has not engaged in any production activities since 2006.

The Scanfil EMS Ltd subgroup is comprised of subsidiaries and the associated company Greenpoint Oy (share of ownership 40%). Scanfil EMS Ltd's subsidiaries are Scanfil (Suzhou) Co., Ltd. and Scanfil (Hangzhou) Co., Ltd. in China, Scanfil Kft. (Budapest) and real-estate company Rozália Invest Kft. (Budapest) in Hungary and Scanfil Oü (Pärnu) in Estonia. The Scanfil EMS group has a 100% holding in all of its subsidiaries.

The group structure since 1 January 2012
Following the demerger that took effect on 1 January 2012, the Sievi Capital group comprises the associated companies Kitron ASA, IonPhasE Ltd, iLOQ Ltd and Panphonics Ltd as well as the subsidiary Scanfil N.V.

The new Scanfil plc group comprises the parent company Scanfil plc, the Scanfil EMS Ltd subgroup (with subsidiaries) and the associated company Greenpoint Ltd.

DEVELOPMENT OF OPERATIONS

Sievi Capital plc
The associated company Kitron ASA, listed on the Oslo Stock Exchange, has released its financial statements on 9 February 2012. Kitron ASA’s revenue amounted to EUR 213.6 million in the 2011, a 0.7 per cent increase compared with 2010. EBIT in 2011 was EUR 5 million (EUR 1.0 million). Adjusting for start up cost and restructuring provision EBIT was EUR 4.0 million in the fourth quarter reflecting a significant improved underlying profitability. The profit before tax and discontinued operations in 2011 was EUR 2.3 million (EUR 3.3 million loss in 2010).

The order intake in fourth quarter was EUR 54.3 million and the order backlog was EUR 103.1 million, a decrease of 4.9 per cent and 4.4 per cent respectively. The order intake is at a higher level than in Q3 2011 and the demand from customers remains stable.

All of Sievi Capital plc's unlisted associated companies are innovative start-ups with an interesting and promising global potential. The companies have technological competence, strong patent portfolios and new commercial applications.

The self-operated electronic iLOQ S10 locking solution developed by iLOQ Ltd has achieved rapid growth and significant customer accounts in the Finnish and Swedish lock markets during 2011. The growth was based on sales of the iLOQ S10 product, which increasingly replaced conventional mechanical serial locking systems among public and private customers and housing corporations. The company has a network of distributors covering growth centres and major cities in Finland and Sweden and resellers in other countries. iLOQ Ltd is seeking rapid growth through international expansion, first into the Nordic countries, followed by the Central European market. Subsidiaries were established in the Netherlands and Germany during autumn 2011. The reseller network expanded and the company’s position in the distribution chain strengthened. A DIN-compliant lock cylinder and related locking solutions have been developed for the Central European market.

PanPhonics Ltd was selected as the audio supplier for the 7-ELEVEN retail chain’s in-shop TV system in North America. Project deliveries commenced in 2011, continuing in 2012. Deliveries have proceeded as planned and on schedule. During 2011, the company invested in a new production line and moved into new premises in Tampere. The line investment supports Panphonics Ltd’s growth strategy and enables the simultaneous manufacture of several product models and a significant increase in capacity. The company specified its strategy during the year and shifted its marketing communications from product-oriented marketing to solution- and added value-oriented marketing.

Sales of IonPhasE Ltd’s product versions that received technical customer approval in 2010 started in 2011, although behind the original schedule. IonPhasE Ltd made a significant innovation in its polymer technology during 2011. The company will seek strong growth and improve its competitiveness in several product applications with this innovation. The company received several technical approvals for its products in summer and autumn 2011. In summer 2011, the company received food industry qualification approvals for plastic used in polyolefin films according to the EU directive. IonPhasE Ltd was approved for inclusion on the supplier list of a major European car manufacturer in autumn 2011. Pilot customers include several well-known multinational corporations in the packaging, chemical, electronics and automotive industries. In order to make the European sales channels more effective, two significant agency and distribution agreements were signed with significant European companies in the plastic industry, Eukem and Velox.

In the investment market, 2011 was marked by dual trends. The year began with an almost continuous upswing, until the concerns of other cascade effects brought along by the earthquake in Japan ended the favourable development. Finally, during the summer the development of the equity market in particular worsened clearly with fears of a downturn in the global economy spreading in the market and news of the European debt crisis reaching everybody. Increased uncertainty in the market resulted in clearly increased fluctuations in the market during the latter half of the year, and there was occasionally an atmosphere of panic in the market in autumn 2011, similarly to the 2008 crisis. Sufficient corrective measures were sought to solve the debt problems of the public sector in Europe, but their effectiveness and implementation fell short. In the extremely sensitive situation, 2011 became a weak year in terms of investments, and the HEX25 index, for example, decreased by approximately 30% during the year. The first months of the year were also marked with increased optimism in the private equity market, and the prices of executed transactions were increasing. The situation changed by the end of the year, and activity slowed down.

Sievi Capital plc investigated various growth capital investment targets during 2011, but no capital investments meeting the criteria were found. Sievi Capital plc is actively developing the operations of its growth capital investments in the long term and secures the growth of the involved companies.

Lännen Tehtaat plc (Sievi Capital plc share of ownership 8.6%) has released its financial statements on 16 February 2012.

Scanfil EMS Subgroup

The descriptions of the business operations, financial development and other activities of the Scanfil EMS group in this release concern 2011, when Scanfil EMS group was a subgroup of Sievi Capital plc. The operations of the Scanfil EMS group were transferred to the new company Scanfil plc as a result of the partial demerger of Sievi Capital plc on 1 January 2012. In the financial statements, Scanfil EMS Ltd group is treated as a discontinued operation.

The favourable development of sales seen during the first two quarters of 2011 was over in the latter half of the year. The demand for telecommunications products in particular slowed down already in the third quarter and decreased significantly during the fourth quarter compared to the fourth quarter of 2010.

As for professional electronics products, the development was positive throughout the year. Only the sales of certain products related to renewable energy decreased clearly compared to the previous year. However, sales of professional electronics products as a whole increased by approximately 24% compared with the previous year, thereby compensating much of the decrease in the sales of telecommunications products.

Due to the positive development of the demand for professional electronics products, the company's sales only decreased by 3.9% compared to the previous year, amounting to EUR 210.8 million. Scanfil EMS Ltd's systematic work to expand the customer base and decrease the customer-specific risk succeeded well. Professional electronics customers accounted for 62% of total sales in 2011 (48% in 2010) and telecommunications customers for 38% (52%). The share of professional electronics customers of full-year sales was higher than that of telecommunications customers for the first time.

The Suzhou subsidiary in China moved into its own modern premises with a floor area of more than 21,000 square metres during the first quarter. The premises have been built for electronics production and will facilitate growth of operations. At the same time, the plant's production capacity was significantly increased through procurement of equipment and the assembly capacity of electronics components, for example, was doubled. The plant was officially inaugurated on 6 April 2011.

The company centralised its production activities during the year. The Vantaa plant was closed down and the majority of the plant's production was transferred to the group's Chinese plants, with some production moved to the Sievi plant. The reason for closing the Vantaa plant was that a significant share of the demand for the products manufactured by the plant was centralised in lower-cost countries. The electronics production of the Sievi plant was transferred to the Suzhou plant in China and the Pärnu plant in Estonia, with the Sievi plant focusing on sheet metal mechanics and assembly of demanding products. Machine and equipment investments were made at the Hangzhou and Hungary plants during the year.

Sales of Scanfil EMS Ltd's associated company Greenpoint Ltd developed positively, especially towards the end of the year. The company delivered, among others, products required by new tobacco legislation in Finland and products pursuant to fast-moving consumer goods impulse sales concepts to various customer target groups.

SIEVI CAPITAL GROUP’S FINANCIAL DEVELOPMENT

In the financial statements of the Sievi Capital group, the Scanfil EMS group is treated as a discontinued operation.

The continuing operations of the Sievi Capital group include investment activity that generates no turnover. The gains and losses from investment activities are recognised under financial income and expenses in the income statement. Other operating income for the financial period amounted to EUR 1.8 (4.6) million. Other operating income comprises mainly rental revenue; in 2010, other operating income additionally included a sales gain from a property sale in the amount of EUR 2.5 million. Operating profit from continuing operations was EUR 0.1 (3.4) million and the result for the period was EUR -4.8 (4.1) million. The loss of the period is mainly due to a decrease in the fair values of investments. In addition, the result was burdened by expenses related to the demerger of the company, exceeding of EUR 0.3 million.

The turnover of the Sievi Capital group’s discontinued operations, contract manufacturing, for the financial period was EUR 210.8 (219.3) million. The result from the discontinued operations for the financial period was EUR 6.1 (6.8) million.

The Scanfil EMS group has been treated as a discontinued operation following the demerger of Sievi Capital plc. In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) and IFRIC 17 (Distributions of Non-cash Assets to Owners), discontinued operations should be measured at the lower of the carrying amount of market value. In the demerger, shares in Scanfil EMS Ltd were distributed to Scanfil plc, which was established in order to execute the demerger. This company was listed at the beginning of January 2012, and the volume-weighted average share price for the first five days of trading was EUR 0.96 per share. With this share price, the fair value of the Scanfil EMS group was EUR 13.7 million lower than the carrying amount of 31 December 2011. The difference between the carrying amount and market value has been expensed to the discontinued operations as an impairment loss, and translation differences of EUR 9.2 million related to the discontinued operation have been recognized as income.

Following these entries, the profit from the discontinued operations for the financial period was EUR 1.7 million.

The group’s profit for the financial period from continuing and discontinued operations totalled EUR -3.1 (10.9) million combined.
Earnings per share from continuing operations were EUR -0.08 (0.07), earnings per share from discontinued operations were EUR 0.03 (0.12) and the group’s total earnings per share were EUR -0.05 (0.19).

Investment activity, continuing operations

The investment activity of the Group's parent company, Sievi Capital plc, 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.
During the financial period, recognised dividend and interest income and capital gains amounted to EUR 3.0 (5.5) million, financial costs 0.1 (0.1) million, realised sales losses amounted to EUR 0.0 (0.9) million, and value changes of investments at fair value through profit or loss amounted to EUR -7.4 (-0.5) million, resulting in a total recorded value of EUR -4.6 (4.1) million. Interest income in 2010 includes interest income from Scanfil EMS Group amount of 1.0 million.

In September-December, recognised income from investment activity amounted to EUR 0.4 (1.3) million, realised sales losses amounted to EUR 0 (0.3) million, and value changes of financial assets at fair value through profit or loss amounted to EUR 0.4 (-0.3) million, resulting in a total recorded value of EUR 0.8 (0.7) million for the quarter.

Sievi Capital plc’s investment allocation on 31 December 2011 was as follows: financial investments 64% and capital investments 37%. The financial investments were divided into ETF and equity investments 13% and money market investments 51%. The money market investments were divided as follows: risk-free interest investments 20%, low-risk investments 20% and moderate risk investments 60%. The value of the financial investments in the investment portfolio on 31 December 2011 has decreased by almost ss% compared to acquisition prices during the year. The target allocation is financial investments 30%-50% and capital investments 50%-70%.

The average remaining term of the structured instruments in the investment portfolio is less than three years, and they account for approximately one-fifth of the financial investments.

EUR 0.1 million was used in subscribing for more shares in the associated company IonPhasE Ltd during the review period. This is part of IonPhasE Ltd’s share issue programme that continued in January 2012. No other new capital investments were made during the period under review.
The Sievi Capital group’s share of the associated companies’ losses and goodwill amortisation totalled EUR –1.7 (-1.8) million.
Of the capital investments, 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 -1.5 million (1.0 million), is recognised in the fair value reserve under equity, adjusted with tax liabilities, net EUR -1.1 (0.7) million.

The profit from investment activities, including all financial and capital investments, totalled EUR -6.2 (1.3) million for the financial period.

Scanfil EMS subgroup, discontinued operation
Contract manufacturing business turnover for January–December amounted to EUR 210.8 (219.3) million, down 3.9% compared with the previous year. The operating profit from operational activity for the period under review was EUR 9.1 (11.0) million, or 4.3% (5.0%) of turnover. The result from operational activity was EUR 6.3 (6.8) million, which is 3.0% (3.1%) of turnover.
Turnover amounted to EUR 38.8 (62.2) million in October–December. Operating profit for the fourth quarter was EUR -0.9 (2.9) million, or -2.4% (4.7%) of turnover. The result for the quarter was EUR 0.0 (1.8) million.

The development of profitability was particularly affected by the significant decrease in the demand for telecommunications products in the fourth quarter. The number of personnel was consequently adjusted by more than a hundred employees in the Chinese Hangzhou subsidiary, resulting in non-recurring expenses of approximately EUR 0.3 million. In addition, the closing down of the Vantaa plant resulted in non-recurring expenses of approximately EUR 1.1 million.

The breakdown of turnover by customer location was as follows: Finland 40% (31%), rest of Europe 23% (25%), Asia 36% (42%), USA 1% (1%) and others 1% (1%). The Chinese subsidiaries accounted for 43% of the Group’s entire sales during the period under review (47% in 2010), including deliveries to other Group plants.

FINANCING AND CAPITAL EXPENDITURE

Continuing operations

The Sievi Capital group enjoys a strong financial position.
The consolidated balance sheet total was EUR 208.5 (249.1) million. The assets of the continuing operations were EUR 92.8 million, and shareholders' equity and liabilities amounted to EUR 148.4 million. Liabilities amounted to EUR 60.1 million, all of which consisted of non-interest-bearing liabilities. The Group's equity ratio was 95,1% (64.6%) and net gearing was –10,9% (-26,2%).

The Sievi Capital group's financial assets amounted to EUR 51.7 (65.1) million. Of the financial assets, EUR 9.6 (40.8) million was deposited in bank accounts and as time deposits with less than three months' maturity. An additional EUR 42.1 (24.3) 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 recognised at fair value. The net result for January-December includes EUR -7.4 (-0.5) million of change in the fair value of the investments.

Net cash flow from operating activities was EUR 24.1 (-0.3) million, including EUR 27.3 million of cash flow from discontinued operations in 2011. Excluding the discontinued operations, the cash flow would have been EUR -3.2 million in 2011, comprising mainly taxes paid. Cash flow from investment activities amounted to EUR -27.4 (-15.9) million, consisting of investments apart from the EUR -3.6 million cash flow from the investment activities of the discontinued operations. Net cash flow from financing activities was EUR -11.4 (21.1) million. Net cash flow from financing activities includes dividend payments amounting to EUR 6.9 million in 2010 and 2011 and cash flow of EUR -4.4 million from discontinued operations in 2011. The comparison figures for 2010 are figures from the Sievi Capital group's financial statements 2010.

No gross investments were made by continuing operations during the period under review.

Discontinued operations
The assets of the discontinued operations were EUR 115.7 million, and the discontinued operations' shareholders' equity and liabilities amounted to EUR 60.1 million.

Net cash flow from the operating activities of the discontinued operations was EUR 27.3 (1.5) million. Working capital was released to the amount of EUR 17.7 million, while EUR 9.9 million was committed to working capital the previous year. The release of working capital is due to the lower level of activity towards the end of 2011 compared with the previous year. Cash flow from investment activities was EUR -3.6 (-9.3) million, consisting of acquisitions of machines and equipment, and for the previous year, the real estate acquisition of the Chinese subsidiary. Cash flow from financing activities was EUR -7.2 (-0.2) million, consisting of repayment of loans.

The gross investments of the discontinued operations in fixed assets were EUR 3.7 (10.1) million, or 1.8% (4.6%) of turnover. The investments were acquisitions of machines and equipment. The acquisition of the property in China accounted for much of the investments for the previous year. Depreciation for the financial period amounted to EUR 4.2 (4.5) million.

Exchange rate gains and losses of a total of EUR -0.9 million were recognized during the financial period, of which amount EUR -0.7 million was due to the unrealized exchange rate loss related to the euro-denominated intra-group loan of the subsidiary Rozália Invest Kft after the weakening of the local Hungarian currency. In other respects, 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 up to 3,000,000 of the Company's own shares with distributable assets. The authorization will remain in force for 18 months after it is issued.

The Annual General Meeting on 8 April 2010 authorized the Board of Directors to decide on the transfer of a maximum of 5,900,000 treasury shares held by the company in compliance with the regulations of the Companies Act in force. The authorization will remain in force for three years after it is issued.

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

OWN SHARES

On 31 December 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 treasury shares were purchased or conveyed during the financial period 2011.

SHARE TRADING AND SHARE PERFORMANCE

The highest trading price during the review period was EUR 3.15 and the lowest was EUR 1.85, the closing price for the period standing at EUR 1.96. A total of 1,972,596 shares were traded during the period, corresponding to 3.2% of the total number of shares. The market value of the shares on 31 December 2011 was EUR 119.0 million.
Following the demerger, the volume weighted average share price for the five first days of trading was EUR 1.48.

PERSONNEL

At the end of the period in continuing and discontinued operations there were 1,745 (2,070) people, of whom 296 (451) worked in the company's Finnish units and 1,449 (1,619) in the company's units outside Finland. At the end of the year 51% (51%) of the personnel were working in Chinese subsidiaries.
In all, 83% (78%) of the Group's personnel were employed by subsidiaries outside Finland on 31 December 2011. The Group employed an average of 2,027 (1,992) people during the year.

OTHER EVENTS DURING THE REVIEW PERIOD

On 25 March 2011, Sievi Capital plc announced that the General Meeting of Ojala-Yhtymä Ltd has decided not to execute the merger of Scanfil EMS Ltd and Ojala-Yhtymä Ltd.

Sievi Capital plc and Scanfil EMS Ltd decided on 27 April 2011 to initiate arbitration proceedings against Ojala-Yhtymä Ltd and its shareholders and claim two million (2,000,000) euro as contractual penalty on the basis of the merger agreement.

Sievi Capital plc and Scanfil EMS Ltd consider 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 Ltd unilaterally announced that its General Meeting had decided not to execute the merger. The arbitration proceedings are still underway, and the progress or result of the process will be announced separately.

FUTURE PROSPECTS

With regard to investment activity, the market uncertainty continues and the investment environment is difficult. The year 2012 is expected to be very turbulent due to the debt crisis, impaired employment rates and standstill of growth, and strong share price fluctuations will continue in stock exchanges. Interest and dividend income is expected to remain at a satisfactory level.

Outlook for the associated companies:

iLOQ Ltd forecasts clear growth of turnover for 2012. Growth is sought both in the currently established Nordic market as well as the start of the sales of DIN-compliant lock cylinder and locking solutions developed for the Central European market. Operations of subsidiaries in charge of marketing in Germany and the Netherlands will commence at the beginning of 2012.

As the result of Panphonics Ltd’s product development work, the company will publish three new products early in 2012. The delivery project for the 7-ELEVEN retail chain will continue during the first months of the year, and the sales forecast predicts increasing turnover for 2012.

The IonPhasE IPE product family will be complemented by at least three new products in 2012. IonPhasE Ltd expects that with the products based on a new innovation, the company will achieve a leading position in certain significant product markets related to preventing static electricity. With regard to the existing products, the company expects a significant increase in sales in 2012. The company’s customer base and number of sales projects have increased considerably during the year, which will improve the company’s chances of reaching the growth targets.

The associated company Kitron ASA, Norway, evaluated its outlook in its financial statements published on 9 February.

Contract manufacturing activity was transferred to Scanfil plc with the merger executed on 1 of January 2012. Scanfil plc has announced its future outlook in a stock exchange release published on 21 February 2012.

OPERATIONAL RISKS AND UNCERTAINTIES

The most significant short-term risks related to investment activity could be realised if Europe and the global economy end up in a recession or a prolonged period of below-average growth. Countries’ debt problems can still become escalated in Europe, and the consequences could become widespread. The European bank sector is still vulnerable, in spite of extensive market operations by the ECB. Looming economic growth in the United States can yet again come to a halt, which would result in immediate problems in the imbalanced economy.

Economic growth has slowed down considerably in many sectors, and the global economy can be driven into a recession. Fears of a recession have somewhat given way in the United States in the last few weeks, but Europe is living on the brink. Even if a recession was avoided, the growth figures of national economies will weaken in every case because growth has weakened even in China. Companies are currently preparing for the worst, and investments are made cautiously, if at all. Stocks and production are being run down and a self-propagating negative circle might emerge. The banking sector in particular is facing challenging times, and banks’ ability to maintain sufficient liquidity in the credit market is uncertain in spite of the operations promised by the ECB. It is still completely possible that some level of an investment and credit crunch will begin. In a difficult economic environment, citizens’ discontent can be emphasised further around the world, causing completely new extensive unrest. The slowness of political decision-making and the resulting uncertainty has already clearly increased the risk premium required by the capital market and volatility at times. The extreme fear is the realisation of the systemic risk, which would result in 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 as long as they prevail, 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.

Scanfil plc has announced its operational risks and uncertainties in a stock exchange release published on 21 February 2012.

ANNUAL GENERAL MEETING 2011 AND BOARD OF DIRECTORS’ PROPOSALS TO THE ANNUAL GENERAL MEETING

Sievi Capital plc’s Annual General Meeting will be held on 19 April 2012 at the company’s head office in Sievi, Finland, at 2.00 pm.

Dividend for 2011
The company aims to pay dividends amounting to approximately 1/3 of its annual result on a regular basis.

The parent company's distributable funds are EUR 71.005.304,36.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.06 be paid from the unrestricted shareholders’ equity per each outstanding share, for a total of EUR 3,463,826.34. The dividend matching day is 24 April 2012. The dividend will be paid to those shareholders who, on the matching day, are entered in the Company’s Register of Shareholders, kept by Euroclear Finland Ltd. The dividend payment day is 3 May 2012.

The proposal of the nomination committee of the Boards of Directors of Sievi Capital plc for the members of the company’s Board will be announced later in separate stock exchange release.

The financial statements have been prepared in accordance with the recognition and measurement principles of the IAS 34 Interim reports standard.
In Interim Report the same accounting principles have been applied as in the 2009 Financial Statement.
Individual figures and grand totals have been rounded to the nearest million euros, so they will not always add up.
The figures are unaudited.

Consolidated Income Statement
EUR million

	10 - 12 2011	**10 - 12 2010**	**1 - 12 2011**	**1 - 12 2010**
Continuing operations				
Other operating income	0,4	0,4	1,8	4,6
Expenses	-0,4	0,0	-1,2	-0,6
Depreciation	-0,1	-0,1	-0,5	-0,5
Operating profit	**-0,1**	**0,3**	**0,1**	**3,4**

Financial income and expenses	0,8	0,9	-4,6	4,1
Share in the associated company´s profit	-0,4	-1,3	-1,7	-1,8
Profit before taxes	**0,4**	**-0,1**	**-6,1**	**5,7**
Income taxes	-0,1	-0,1	1,4	-1,6
Net profit for the period, Continuing operations	**0,2**	**-0,2**	**-4,8**	**4,1**
Discontinued operations				
Net profit for the period, Discontinued operations	-4,6	1,8	1,7	6,8
Net profit for the period	**-4,4**	**1,6**	**-3,1**	**10,9**
Attributable to:				
Equity holders of the parent	-4,4	1,6	-3,1	10,9
Earnings / share (EPS), EUR undiluted and diluted				
Continuing operations	0,00	0,00	-0,08	0,07
Earnings / share (EPS), EUR undiluted and diluted				
Discontinued operations	-0,08	0,03	0,03	0,12
Earnings / share (EPS), EUR undiluted and diluted				
Net profit for the period	-0,08	0,03	-0,05	0,19

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

Consolidated Statement of Comprehensive Income
EUR million

	10 - 12 2011	**10 - 12 2010**	**1 - 12 2011**	**1 - 12 2010**
Net profit for the period	**-4,4**	**1,6**	**-3,1**	**10,9**
Other comprehensive income				
Discontinued operations				
Translation differences	-1,3			5,0
Derivative financial instrument	-0,7	1,8	-0,7	
Continuing operations				
Available-for-sale investments	0,1	-0,4	-1,1	0,7
Translation differences	0,2	0,5	0,0	0,5
Other comprehensive income, net of tax	-1,6	1,9	-1,8	6,3
Total Comprehensive Income	**-6,0**	**3,5**	**-4,9**	**17,2**
Attributable to:				
Equity holders of the parent	-6,0	3,5	-4,9	17,2

Consolidated Statement of Financial Position
EUR million

Assets	31.12.2011	31.12.2010
Non-current assets		
Property, plant and equipment	4,3	34,5
Goodwill		2,4
Other intangible assets	0,0	3,5
Shares in associated companies	22,8	25,7
Available-for-sale investments	8,0	9,5
Financial assets at fair value through profit or loss	19,9	16,6
Receivables	0,5	0,2
Deferred tax assets	1,8	0,3
Total non-current assets	**57,3**	**92,8**
Current assets		
Inventories		36,8
Loan receivables from associates	0,4	
Trade and other receivables	0,8	53,6
Advance payments	0,0	0,3
Financial assets at fair value through profit or loss	22,1	7,7
Available-for-sale investments, cash equivalents		41,0
Cash and cash equivalents	9,6	16,9
Total current assets	**33,0**	**156,3**
Non current assets held for sale	2,5	
Discontinued operations	115,7	
Total assets	**208,5**	**249,1**

Shareholder's equity and liabilities	31.12.2011	31.12.2010
Equity		
Share capital	15,2	15,2
Share premium account	16,1	16,1
Treasury shares	-8,9	-8,9
Translation differences	0,5	5,7
Other reserves	5,0	6,2
Retained earnings	60,3	126,5
Total equity	**88,2**	**160,8**
Non-current liabilities		
Deferred tax liabilities	0,4	1,1
Provisions	3,4	4,4
Interest bearing liabilities		35,6
Other liabilities		1,0
Total non-current liabilities	**3,8**	**42,0**
Current liabilities		

Trade and other liabilities	56,2	39,2
Current tax	0,1	2,6
Interest bearing liabilities		4,4
Total current liabilities	**56,3**	**46,3**
Discontinued operations	60,1	
Total liabilities	**120,2**	**88,3**
Total shareholder's equity and liabilities	**208,5**	**249,1**

Consolidated Cash Flow Statement
EUR million

	31.12.2011	**31.12.2010**
Cash flow from operating activities		
Net profit	-4,8	10,9
Adjustments for the net profit	4,6	4,8
Change in net working capital	-0,7	-12,3
Paid interests and other financial expenses	-0,1	-0,4
Interest received	0,2	0,5
Taxes paid	-2,4	-3,7
Discontinued operations	27,3	
Net cash from operating activities	**24,1**	**-0,3**
Cash flow from investing activities		
Investments in tangible and intangible assets	0,0	-9,0
Sale of tangible and intangible assets		7,6
Purchase of investments	-35,0	-25,8
Proceeds from sale of investments	10,4	33,4
Purchase of associated companies	-0,1	-24,1
Granted loans	-0,9	-0,2
Interest received from investments	0,8	1,0
Dividends received from investments	1,1	1,1
Discontinued operations	-3,6	
Net cash from investing activities	**-27,4**	**-15,9**
Cash flow from financing activities		
Proceeds from short-term loans		5,0
Repayment of short-term loans		-5,0
Proceeds from long-term loans		40,0
Repayment of long-term loans		-12,0
Dividends paid	-6,9	-6,9
Discontinued operations	-4,4	
Net cash from financing activities	**-11,4**	**21,1**
Net increase/decrease in cash and cash equivalents	**-14,7**	**4,8**
Cash and cash equivalents at beginning of period	57,9	51,2
Changes in exchange rates	1,6	1,9
Cash and cash equivalents at end of period	44,8	57,9

Statement of changes in equity
EUR million

Equity attributable to equity holders of the parent company

Equity	Share capital	Share premium account	Treasury shares	Translation differences	Other reserves	Retained earnings	Equity total
1.1.2011	**15,2**	**16,1**	**-8,9**	**5,7**	**6,2**	**126,5**	**160,8**
Total cemprehensive income				**0,0**	**-1,8**	**-3,1**	**-4,9**
Payment of dividends						-6,9	**-6,9**
Liability of dividend distribution						-55,6	**-55,6**
Transfer to funds					0,5	-0,5	**0**
Discontinued operations, translation difference				-5,1			**-5,1**
Equity 31.12.2011	**15,2**	**16,1**	**-8,9**	**0,5**	**5,0**	**60,3**	**88,2**

Emoyrityksen omistajille kuuluva oma pääoma

Equity	Share capital	Share premium account	Treasury shares	Translation differences	Other reserves	Retained earnings	Equity total
1.1.2010	**15,2**	**16,1**	**-8,9**	**0,1**	**4,7**	**123,3**	**150,5**
Laaja tulos				**5,5**	**0,7**	**10,9**	**17,2**
Payment of dividends						-6,9	**-6,9**
Transfer to funds					0,8	-0,8	**0**
Distribution of treasury shares			0,0				**0,0**
Equity 31.12.2010	**15,2**	**16,1**	**-8,9**	**5,7**	**6,2**	**126,5**	**160,8**

Key Indicators

	1 - 12 2011	**1 - 12 2010**
Return on equity, %	-1,9*	7,0
Return on investment, %	-6,9	8,7
Interest-bearing liabilities, EUR million		40,0
Gearing, %	-58,6	-26,2
Equity ratio, %	95,1	64,6

Gross investments in fixed assets, EUR million	0,0	10,1
% of net turnover		4,6
Personnel, average	3	1 992
Earnings per share, EUR	-0,05	0,19
Shareholders´ equity per share, EUR	1,53	2,78
Dividend per share, EUR	0,06	0,12
Dividend per earnings, %	-1,1	63,7
Effective dividend yield, %	3,06	4,04
Price-to-earnings ratio (P/E)	-36,8	15,77
Share price		
Year´s lowest share price, EUR	1,85	2,40
Year´s highest share price, EUR	3,15	3,14
Average share price for year, EUR	2,53	2,88
Share price at year´s end, EUR	1,96	2,97
Market capitalisation at end of year, EUR million	119,0	180,3
Number of shares at		
the end of period, 000´s	60 714	60 714
- not counting own shares	57 730	57 730
- weighted average	57 730	57 730

Related to Discontinued operations in 2010, the company had 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.

* Equity before liability of dividend booking relating to the demerger

Segment information
EUR million

	1 - 12 2011	**1 - 12 2010**
Continuing operations,		
Investment activities		
Operating profit	**0,1**	**3,4**
Financial income	**3,0**	**5,5** (*
Financial expenses	**-0,1**	**-0,1**
Realized losses	**-0,0**	**-0,9**
Value change of investments	**-7,4**	**-0,5**
Share in the associated company´s profit	**-1,7**	**-1,8**
Financial assets	**92,8**	**249,1**

(* includes EUR 1,0 million interest incomes from Scanfil EMS Group

Discontinued operations		
Turnover		
Europe	125,7	122,8
Asia	91,6	107,9
Turnover between segments	-6,5	-11,4
Total	**210,8**	**219,3**
Operating profit		
Europe	3,4	0,5
Asia	5,7	10,5
Total	**9,1**	**11,0**
Assets		
Europe	62,4	70,1
Asia	63,6	69,6
Goodwill	2,2	2,2
Shares in associated companies	1,1	1,4
Total	**129,4**	**143,4**

Changes in tangible non-current assets
EUR million

	1 - 12 2011	**1 - 12 2010**
Continuing operations,		
Book value at the beginning of the period	34,5	31,1
Transfer, Discontinued operations	-27,2	
Transfer, non current assets held for sale	-2,5	
Additions	0,0	7,4
Deductions		-0,1
Depreciations	-0,5	-4,5
Exchange rate differences		0,7
Book value at the end of the period	**4,3**	**34,5**

	1 - 12 2011	**1 - 12 2010**
Discontinued operations		
Book value at the beginning of the period	27,2	23,4
Additions	3,4	7,3
Deductions	0,0	-0,1
Depreciations	-3,8	-4,0
Exchange rate differences	0,3	0,7
Book value at the end of the period	**27,0**	**27,2**

Contingent liabilities
EUR million

	1 - 12 2011	**1 - 12 2010**
Continuing operations,		
Mortgages on property	3,4	3,4
Business mortgages	6,8	46,8
Guarantees given on behalf of own company		0,1
Guarantees given on behalf of associates	0,3	

In addition to the business mortgages of its subsidiary Scanfil EMS Ltd, Sievi Capital plc has given an absolute guarantee for the payment of Scanfil EMS Ltd's EUR 40 million loan and the resulting liabilities.
Nordea Bank Finland plc has exempt Sievi Capital plc from quarantee liability in February 2012.
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
Equivalent provision is booked into Scanfil NV's balance sheet.

	1 - 12 2011	**1 - 12 2010**
Discontinued operations		
Business mortgages	40,0	40,0
Guarantees given on behalf of own company	0,0	0,1
Guarantees given on behalf of associates	1,1	

Transactions with related party
EUR million

	1 - 12 2011	**1 - 12 2010**
Continuing operations,		
Related party transactions		
Associated companies		
Interest income	0,0	
Loan receivables	0,4	
Interest receivables	0,0	
Capital loan	0,5	
Board members		
Interest expenses		0,0

Associated company IonPhasE Ltd has been given a EUR 500,000 convertible capital loan.
The loan will mature on 31 December 2012 and its interest rate is 5%.
Holder of a convertible capital loan has a right to subscribe new shares using the amount of unpaid capital as setting off the price of issue.
Associated company IonPhasE Ltd has been given a EUR 250,000 short term loan, which matured on 31 October 2011 and EUR 171.000 short-term loan which matured 14 November 2011.
The interest rate of loans is the 12-month Euribor + 3 %.
Loans were not repaid on 31 December 2011.
Negotiations of arranging finance to company by issuing shares were in progress and took place in

January 2012. Loans mentioned were repaid.
An absolute guarantee in the amount of EUR 250,000 was given to the associated company IonPhase Ltd as security for its bank guarantee overdraft facility and EUR 50.000 delivery guarantee to suppliers.

	1 - 12 2011	1 - 12 2010
Discontinued operations		
Related party transactions		
Associated companies		
Sales income	0,6	
Trade receivables	0,3	
Interest income	0,0	0,0
Loan receivables	0,3	0,2
Interest receivables	0,0	

Associated company Greenpoint Ltd has been given a loan of EUR 300.000.

Key indicators quarterly

	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10
Turnover, MEUR	38,8*	51,2	62,0	58,8	62,2	62,5	53,9	40,8
Operating profit, MEUR	-0,1	2,3	4,2	3,7	3,2	3,5	6,2	1,5
Operating profit, %	N/A	4,6	6,8	6,2	5,1	5,6	11,6	3,6
Net income, MEUR	-4,4	-3,5	2,8	2,1	1,6	3,3	3,9	2,0
EPS, EUR	-0,08	-0,06	0,05	0,04	0,03	0,06	0,07	0,03

* Distontinued operations' turnover

Calculation of key indicators

Return on equity, % $= \dfrac{\text{Net profit for the period x 100}}{\text{Shareholders' equity (average)}}$

Return on investment, % $= \dfrac{\text{(Profit before taxes + interest and other financial expenses) x 100}}{\text{Balance sheet total - non-interest-bearing liabilities (average)}}$

Gearing (%) $= \dfrac{\text{(Interest-bearing liabilities - cash and other liquid financial assets) x 100}}{\text{Shareholders' equity}}$

Equity ratio (%) $= \dfrac{\text{Shareholders' equity x 100}}{\text{Balance sheet total - advance payments received}}$

Earnings per share	=	$\frac{\text{Net profit for the period}}{\text{Average adjusted number of shares during the year}}$
Shareholders' equity per share	=	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period}}$
Dividend per share	=	$\frac{\text{Dividend to be distributed for the period (Board's proposal)}}{\text{Number of shares at the end of year}}$
Dividend per earnings (%)	=	$\frac{\text{Dividend per share x 100}}{\text{Earnings per share}}$
Effective dividend yield (%)	=	$\frac{\text{Dividend per share x 100}}{\text{Share price at the end of year}}$
Price-to-earnings ratio (P/E)	=	$\frac{\text{Share price at the end of year}}{\text{Earnings per share}}$
Average share price	=	$\frac{\text{Total share turnover}}{\text{Number of shares traded}}$
Market capitalisation	=	Number of shares x last trading price of the financial period

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Sievi Capital Group is an investment company which objective is to make the management of the company's funds more effective and productive by diversifying the risks and finding new growth potential.

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 the United States. Kitron ASA's turnover in 2011 was NOK 1,656.1 million (about EUR 213.6 million). www.kitron.com

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 centres and major cities. www.iloq.fi

IonPhasE Ltd (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

Panphonics Ltd (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

In addition Sievi Capital plc’s share of ownership in Lännen Tehtaat plc is 8,6 %. Lännen Tehtaat Oyj is a food production company whose shares are quoted on NASDAQ OMX Helsinki Oy. The business operations of the group consist of the Frozen Food business, the Seafood business and the Grains and Oilseeds business. Lännen Tehtaat operates in the northern Baltic Sea region. www.lannen.fi