

SIEVI CAPITAL PLC FINANCIAL STATEMENTS RELEASE 26 February 2013 at 10:00 A.M

SIEVI CAPITAL PLC'S FINANCIAL STATEMENTS RELEASE, 1 January - 31 December 2012

January-December

- The result for the review period was EUR 4.7 million (EUR -4.8 million).
- Earnings per share were EUR 0.08 (EUR -0.08).
- EUR 0.06 per share was distributed as dividends in May.
- Net worth was EUR 1.60 per share at the end of December, up 9.2% on the beginning of the year, dividend-adjusted.

October-December

- The result for the review period was EUR 1.1 million (EUR 0.2 million).
- Earnings per share were EUR 0.02 (EUR 0.00).

The Board of Directors' proposals for the Annual General Meeting

- No dividends will be paid.
- Capital returns of EUR 0.06 per share will be paid by reducing and dividing the share premium account.

The comparison figures for the corresponding period the previous year presented in brackets in the financial statements release are for continuing operations.

The comparison figures for the entire previous financial period presented in the tables of the financial statements release are the official comparison figures for the Sievi Capital Group, including both investment activity (continuing operations) and contract manufacturing (discontinued operations). The presented 2011 figures 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 execution of the partial demerger was entered into 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 a result of the demerger.

Sievi Capital plc has not announced its profit outlook for 2013. The figures in the financial statements release are unaudited.

The result for January-December 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 transaction was completed at the balance sheet value of EUR 4.2 million. The transaction has no effect on the consolidated result of the Sievi Capital plc, but the transaction resulted in 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 by the end of 2012 along with the general market development to a level clearly higher than at the beginning of the year. The European debt crisis continues and global economic growth has decelerated 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:

"The year 2012 was Sievi Capital plc's first financial period as an investment company after the demerger. The Group's demerger into the investment company Sievi Capital plc and the contract manufacturing company Scanfil plc entered into force on 1 January 2012. The demerger will clarify the corporate structures, enhance operative transparency and promote the value appreciation for shareholders in the long term. With regard to investment activities, 2012 was a challenging year. The fair values of investments fluctuated strongly during the year. The 2012 result pursuant to IFRS was clearly positive in the end. Sievi Capital plc made changes in investment allocations during the year, and the risk level of investments was lowered. No significant losses were realised during the financial period."

"Sievi Capital plc's strong financial position allows the company to operate actively also in uncertain economic cycles. The company 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. All of Sievi Capital plc's unlisted associated companies are innovative start-ups operating in the export market with interesting and promising potential. The companies have technological competence, strong patent portfolios and commercially appealing applications. 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 leveraging in its investment activity, and its equity ratio is high."

#### DEVELOPMENT OF INVESTMENT ACTIVITIES, ASSOCIATED COMPANIES AND HOLDINGS

At the beginning of 2012, the stock market grew exceptionally strongly, which strengthened optimism among market parties. The ECB's stimulus measures temporarily eased the banking sector, preventing an investment and credit crunch. In addition, money injection by the ECB significantly calmed down the state loan market of the European credit crunch countries. At the beginning of the year, for a while it also looked like financial activity in the United States in particular had gained new momentum.

However, in spring, conflicting information was received regarding economic growth from both the United States and, in particular, China. Enormous budget deficits in the eurozone, the credibility of austerity measures, concerns over the sufficiency of stability facilities and the cascade effects of high unemployment figures and the newly emerging nervousness in the loan markets of Southern European states pushed share prices down. In summer, problems in the eurozone came to a head and the outlook for the global economy weakened. The elections in Greece and France increased the uncertainty and postponed the preparation and implementation of political decisions further. The nervousness spread from Greece to Spain and Italy as well. The pressure in the market increased, and Spain finally had to resort to a request for help in order to be able to ensure the stability of its banking system. The market pressure was reflected in the crisis states' national debt, where interest rates exceeded the reference levels that were considered to be critical.

At the end of July, expectations of measures by central banks materialised 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. In addition, the ECB, in its September meeting, redeemed its promises of new stimulus measures for the states and gave assurances that the risk premiums associated with the loans granted to the crisis states will be affected actively.

Exchange rates grew heavily from the end of July to the middle of September, after which nervousness increased on the stock market.

During the final quarter of 2012, the stock market developed in a non-uniform manner, without causing any major changes in indices compared with September. Financial figures continued their decline in the eurozone, in particular, and economic growth remained weak at a global level. The eurozone officially fell into recession. The third quarter produced poor results, and companies had pessimistic views of the future. The liquidity injections of central banks did not have any significant impact on the market during the final quarter. However, the EU reached consensus on the December loan granted for Greece, without finding any final means of resolving the country's deteriorating situation. After the re-election of President Barack Obama and the election rush, the debt situation in the United States caused restlessness on the stock market as the solution of the tax gap was postponed to the end of the year.

All in all, 2012 was a relatively good investment year despite the heavy market fluctuation. The return on the HEX index was 8.3% and that on the STOXXEurope 600 index was 14.4% in 2012.

The share issue planned in order to finance the marketing and growth of the associated company IonPhase Ltd at the end of 2011 was implemented during the first quarter of 2012, and a capital loan was later granted according to the holding ratio. In the share issue, Finnish Industry Investment became a minority shareholder in IonPhase Ltd.

The turnover of IonPhase Ltd (holding 35.75%) grew significantly from the previous year. The sale of products that have reached technical customer approval was launched in 2012. Furthermore, the company made significant breakthroughs in packaging applications for the chemical and electronics industries. Regular deliveries within the automotive industry were started when an established multi-national car manufacturer approved the plastic material developed by the company for specific interior car parts. The company's order book and technical approvals have grown strongly. The company has also improved its plant production and the technical performance and quality of its products through upgrades in production technology. This naturally improves the company's competitiveness and profitability. The expanded customer base and the references obtained have enhanced the company's credibility and image in the market. The 2012 turnover nearly doubled. However, the operating result was negative.

The self-powered electronic iLOQ S10 locking solution developed by iLOQ Ltd (holding 22.96%) has gained a market share of more than 10% in the Finnish lock cylinder market, and gained significant growth and produced significant customer accounts in the Swedish lock market in 2012. The growth was based on the sale of the iLOQ S10 product, which displaced the traditional mechanical serial locking mechanism among public and private customers and in housing associations. iLOQ Ltd aims at rapid growth by internationalising first on the Nordic market, followed by Central Europe. The sale of the lock cylinder pursuant to the DIN standard developed for the Central European market was launched by Dutch and German subsidiaries in 2012. The company has a reseller network which covers all growth centres and major cities in Finland and Sweden. The reseller network has expanded and the company's position in the distribution chain has strengthened.

Demand for Panphonics Ltd's (holding 40.0%) products did not follow the company's estimates in 2012, and the investments made in production capacity in the first half of the year were found to be too heavy. The year 2012 was clearly

negative. The company's cost and balance structure was adjusted in the third quarter according to the current demand.

Sievi Capital plc investigated various capital investment targets during 2012, but no capital investments meeting the criteria were found. The company is actively developing the operations of its capital investments in the long term and securing the growth of the involved companies.

Kitron ASA (holding 32.96%) published its financial statements release on 13 February 2013. The company's turnover in 2012 increased to EUR 226.5 million (EUR 213.6 million in 2011). Kitron ASA's earnings in 2012 stood at EUR 6.2 million (EUR 2.3 million in 2011), and were EUR 3.6 million in the final quarter (EUR 0.7 million). The full-year earnings per share were EUR 0.036 (EUR 0.013). The Board of Directors' proposal for the distribution of profits for the AGM is not available. Harri Takanen, member of the Board of Directors of Sievi Capital plc, resigned on 16 October 2012 from the Board of Directors of Kitron ASA, where he had worked as the representative of Sievi Capital plc.

Lännen Tehtaat plc (holding 8.6%) released its financial statements release on 14 February 2013. The company's turnover in 2012 increased to EUR 378.2 million (EUR 335.5 million in 2011). Its earnings in 2012 were EUR 6.7 million (EUR 5.7 million). Earnings during the final quarter stood at EUR 4.0 million (EUR 4.4 million). The full-year earnings per share were EUR 1.07 (EUR 0.92). The Board of Directors' proposal for the distribution of profit for the AGM is EUR 0.90 per share.

Scanfil N.V., a Belgian subsidiary wholly owned by Sievi Capital plc, has not engaged in any production activities since 2006.

#### RESULT OF THE SIEVI CAPITAL PLC'S INVESTMENT ACTIVITIES

The Sievi Capital plc's operating profit in January-December stood at EUR 0.7 million (EUR 0.1 million), and the review period's IFRS result was EUR 4.7 million (EUR -4.8 million). The result 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. Earnings per share were EUR 0.08 (EUR -0.08) and return on investment was 6.9% (N/A). In January-December, EUR 3.4 million (EUR 3.0 million) of interest and dividend returns on financial investments and transfer gains were recognised, together with EUR 0.0 million (EUR 0.1 million) of financial expenses. Realised sales losses stood at EUR 0.8 million (EUR 0.0 million), and value changes in investment assets recognised at fair value through profit or loss were EUR +3.7 million (EUR -7.4 million). Assets recognised through profit or loss totalled EUR 6.3 million (EUR -4.6 million). The Group's share of the associated companies' losses and goodwill amortisation stood at EUR -0.8 million (EUR -1.7 million). The profit from investment activities recognised through profit of loss, including all financial and capital investments, totalled EUR 5.5 million (EUR -6.2 million) for the financial period.

In October-December, investment returns of EUR 0.8 million (EUR 0.4 million), realised sales losses of EUR 0.4 million (EUR 0.0 million), and value changes in financial assets recognised at fair value through profit or loss of EUR 0.4 million (EUR 0.4 million) were recognised. The quarter's assets recognised through profit or loss totalled EUR 0.8 million (EUR 0.8 million).

During the review period, new shares in the associated company IonPhase Ltd were subscribed at EUR 1.5 million, and the granting of a capital loan was decided upon. No other new capital investments were made during the review period.

The Sievi Capital plc's share of the associated companies' losses and goodwill amortisation totalled EUR -0.8 million (EUR -1.7 million). Of the capital

investments, Lännen Tehtaat plc, which does not fulfil the definition of an associated company, is measured at fair value, and the change in the value of EUR -0.2 million (EUR -1.5 million) is recognised in the fair value reserve under equity, adjusted for tax liabilities, net EUR -0.2 million (EUR -1.1 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. On 31 December 2012, the distribution of the investment portfolio, calculated at acquisition prices, was: financial investments 63% and capital investments 37%. The corresponding target allocation is: financial investments 30%-50% and capital investments 50%-70%. On 31 December 2012, the internal distribution of the investment allocation was: money market investments 47%, ETF and equity investments 16%, and capital investments 37%. The money market investments were divided as follows: risk-free fixed-income investments 35%, low-risk investments 19% and moderate-risk investments 46%. The average remaining term of the structured instruments in the investment portfolio is less than four years, and they account for approximately one fifth of the financial investments.

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.

Investment assets stood at EUR 57.8 million (EUR 51.7 million in 2011). Of the investment assets, EUR 16.0 million (EUR 9.6 million) were deposited in bank accounts and as time deposits with less than three months' maturity. Of the investment assets, EUR 41.8 million (EUR 42.1 million) were 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

EUR millions

Marketvalues of investments:

	31.12.2012	%
<b>Publicly listed companies</b>	29,9	33 %
<b>Non-listed companies</b>	8,1	9 %
<b>ETF-investments</b>	5,5	6 %
<b>Osakerahastot</b>		
<b>Interest funds</b>	9,9	11 %
<b>Structured products</b>	12,1	13 %
<b>Hedgerahastot</b>		
<b>Bonds</b>	8,3	9 %
<b>Muut korkoinstrumentit</b>		
<b>Cash and equivalents</b>	16,0	18 %
<b>Total</b>	<b>89,7</b>	<b>100 %</b>

Out of all financial investments 78,6 % were in euros, 2,5 % in Swedish kronas, 1,1 % in US dollars and 17,9 % in Norwegian kronas.

## LIQUIDITY AND SOLVENCY

The Sievi Capital plc's liquidity is good. The closing consolidated balance sheet amount was EUR 93.3 million (EUR 208.5 million in 2011). The equity ratio was 96.1% (95.1%) and net gearing was -64.5% (-58.6%). The previous year's reference figures contain both continuing and discontinued operations before the demerger.

The investment cash flow of EUR 10.2 million (EUR -27.4 million in 2011) consists of financial investments and a property sales price. The financing cash flow of EUR -3.5 million (EUR -11.4 million) contains dividends of EUR 3.5 million (EUR 6.9 million). The previous year's reference figures also contain the cash flow of discontinued operations.

## 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, at the end of September EUR 1.58, and at the end of December EUR 1.60. In 2012, the change in value was +9.2% adjusted by the dividend per share of EUR 0.06. The net worth calculation is published in connection with the management's interim analyses and interim reports.

The number of outstanding 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 for 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 the 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. Following the demerger, the average share price for the five first days of trading weighted by transaction volumes was EUR 1.48. The lowest price during the period was EUR 0.88, with trading closing at EUR 0.91 at the end of the period. A total of 8,929,731 shares were traded during the review period, corresponding to 14.7% of the total number of shares. The market value of share capital was EUR 55.9 million on 31 December 2012.

## NOTIFICATIONS OF CHANGES IN SHAREHOLDING

On 18 April 2012, Sievi Capital plc received a notification pursuant to Chapter 2, Section 9 of the Securities Markets Act, indicating that, as a result of the division and distribution of Eero Alvari Kotilainen's estate on 9 April 2012, the shares of Sievi Capital plc transferred to the heirs and beneficiaries were transferred to the ownership of Varikot Ltd (to be established) through the transaction completed 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. On the basis of an agreement between the shareholders, the voting rights of Varikot Ltd are 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 Markets Act, Varikot Ltd announced that a change had taken place in Varikot Ltd's voting rights, effective 18 July 2012. On the basis of an agreement between the shareholders, the voting right in

Varikot Ltd will be exercised by Sirpa Kotilainen (50%), Riitta-Liisa Kotilainen (25%) and Aleksi Kotilainen (25%). Sirpa Kotilainen, Riitta-Liisa Kotilainen and Aleksi 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 a maximum of 3,000,000 treasury shares with distributable assets in accordance with the Board of Directors' proposal. The authorisation will remain in force for 18 months after it is issued. On 8 April 2010, the AGM authorised 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 authorisation will remain in force for three years after it is issued. The authorisations have not been exercised.

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

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

#### TREASURY SHARES

On 31 December 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 plc 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 current economic uncertainty and recession have lowered the prices of potential capital investment objects.

Industrial production in the eurozone and GNP figures, particularly in Germany, were low during the final quarter. The trade balance deficit in the United States increased in the final quarter, and the trend does not improve its debt repayment capacity. However, positive signals of a recovery in the economic situation have been received from the United States in recent weeks. Investors have shown a growing interest in China after the transfer of power where the equity market has increased rapidly. The development is supported by the consensus according to which Chinese economic growth is estimated to speed up from the current level.

Analysts lowered their estimates clearly throughout 2012, but the sentiment has taken a more positive tone. Long-term interest rates have become extremely low. The state loan market in crisis states has calmed down and in Spain, for example, the interest rate has halved from its peak level. The decline in interest rates indicates that market confidence in the corrective measures (ECB purchases) has improved, at least temporarily. The economic situation in the United States is monitored even more closely because any avalanche of negative news can originate there. The high market liquidity and the transition of investment assets from interest investments to equities may support the

development of the equity market before the next market disruption. However, the investment environment remains to be highly challenging where market corrections can be expected.

Due to indebtedness and austerity programmes, economic growth is expected to remain low in the eurozone for a long time. 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. Unrest in the Middle East has raised its ugly head even though the situation in Israel and Gaza was settled, at least temporarily. Israel's aerial attack on Syria and Egypt's chaotic interior politics are dangerous examples of the spreading of unrest and the flammable situation in the region. 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 estimates its turnover will double in 2013. It is targeting strong growth in the Nordic countries and the Central European market through its new product (a lock cylinder pursuant to the DIN standard). 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, business operations have been reorganised. Currently, sales are generated via the distribution network, and no major delivery projects have been signed. During the review period, the company's cost structure was lightened and its marketing strategy was revised. Panphonics Ltd received a new managing director, with the previous managing director becoming a member of the Board of Directors. The target set for the first half of 2013 is to turn the company's product sales and productivity into growth.

The IonPhase IPE product range is being complemented by several new products. IonPhase 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. In 2012, the company achieved significant breakthroughs in packaging solutions for the chemical and electronics industries, and has excellent potential in products offered for leading providers within these fields in 2013. The company's turnover is estimated to continue on the current path of strong growth. The company's customer base and number of sales projects have increased considerably, which improves the company's chances of reaching its growth and profitability targets.

The associated company Kitron ASA in Norway evaluated its outlook in its financial statements release published on 13 February 2013. According to the company, its turnover will develop steadily in 2013, showing some fluctuation between different business segments. The company estimates that the positive development of a number of business development programmes and its production units in China, Germany and the United States, including the recovery of Swedish operations, will have a productive impact on the company.

Lännen Tehtaat plc's financial statements were published on 14 February 2013. According to the company, the 2013 turnover is expected to improve from the reference period thanks to organic growth and the business acquisition completed in 2012. In addition, the Group's full-year operating profit without non-recurring items is expected to be better than in the reference period because of growth and development measures in business operations. The result is expected to improve the most during the first half of the year.



## BUSINESS RISKS AND UNCERTAINTIES

The most significant short-term risks 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 subsidy operations by the ECB. The economy slowing down again in the United States would result in direct problems in the unbalanced economy. Growing tensions in the Middle East and North Korea may increase investors' fears of a widespread conflict, which would have immediate negative effects on the vulnerable global economy.

Economic activity has clearly weakened and consumers have become increasingly cautious. The growth figures of the global economy and China's GDP may deteriorate further. Uncontrolled currency storms and unexpected fluctuations in interest rates are possible in the near future. The devaluation of JPY and other significant commercial currencies in relation to the euro has started. In a difficult economic environment, citizens' discontent will be emphasised 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 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.

This financial statements release has been prepared in compliance with the IAS 34 Interim Financial Reporting standard. The interim report has been prepared following the same accounting principles as in the 2011 financial statements.

## CHANGES IN REPORTING AND SIEVI CAPITAL PLC'S FINANCIAL INFORMATION IN 2013

Sievi Capital plc's Board of Directors has decided to publish interim accounts pursuant to Chapter 2, Section 5 c of the Securities Markets Act instead of three- and nine-month interim reports.

When making the decision, Sievi Capital plc's market value is less than EUR 75 million, meaning that the requirements set out in the Ministry of Finance's decree for the management to issue interim accounts instead of interim reports are met.

The 2012 annual report, including the financial statements, will be published in week 11 in March 2013. In 2013, Sievi Capital plc will publish its interim accounts and interim report as follows:

- The management's interim account on Monday, 29 April 2013
- The interim report for 1 January - 30 June 2012 on Tuesday, 6 August 2013
- The management's interim account on Thursday, 30 October 2013

## ANNUAL GENERAL MEETING 2013 AND THE BOARD OF DIRECTORS' PROPOSALS FOR THE AGM

Sievi Capital plc's Annual General Meeting will be held on Thursday, 18 April 2013, in the company's head office in Sievi at 2:30 p.m.

Nomination Committee of the Board of Sievi Capital plc proposes to AGM that the number of board members will be confirmed to five (5) members.

The Nomination Committee of the Board and largest shareholders of Sievi Capital plc, comprising over 50% of company's shares and votes, propose that according to their own will, Mr. Asa-Matti Lyytinen, Mr. Jorma J. Takanen, Mr. Jarkko Takanen, Mr. Harri Takanen and a new member Mrs. Jonna Tolonen will be elected.

First time nominee Mrs. Jonna Tolonen has been presented in more detail at the website of the company at the address [www.sievicapital.com](http://www.sievicapital.com).

Sievi Capital plc's proposal both for capital return of 2012 and for Board members will be published separately later by release of invitation to the AGM. The Board proposes that no dividend be paid for 2012. Capital return of EUR 0.06 per share is proposed to be paid by reducing and dividing the share premium account.

### ACCOUNTING PRINCIPLES

The presented 2011 figures 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.

This financial statements release has been prepared in compliance with the IAS 34 Interim Financial Reporting standard.

The interim report has been prepared following the same accounting principles as in the 2011 financial statements. The individual figures and totals shown in the tables have been rounded to millions of Euro from more accurate figures, which is why individual figures do not always add up. The figures are unaudited.

### CONSOLIDATED INCOME STATEMENT

EUR million

	10 - 12 2012	10 - 12 2011	1 - 12 2012	1 - 12 2011
<b>Continuing operations</b>				
Other operating income		0,4	1,2	1,8
Expenses	-0,2	-0,4	-0,5	-1,2
Depreciation	0,0	-0,1	-0,1	-0,5
<b>Operating profit</b>	<b>-0,2</b>	<b>-0,1</b>	<b>0,7</b>	<b>0,1</b>
Financial income and expenses	0,8	0,8	6,3	-4,6
Share in the associated company's profit	0,6	-0,4	-0,8	-1,7
<b>Profit before taxes</b>	<b>1,2</b>	<b>0,4</b>	<b>6,2</b>	<b>-6,1</b>
Income taxes	-0,2	-0,1	-1,5	1,4
<b>Net profit for the period, Continuing operations</b>	<b>1,1</b>	<b>0,2</b>	<b>4,7</b>	<b>-4,8</b>
<b>Discontinued operations</b>				
Net profit for the period, Discontinued operations		-4,6		1,7
<b>Net profit for the period</b>	<b>1,1</b>	<b>-4,4</b>	<b>4,7</b>	<b>-3,1</b>

Earnings / share (EPS), EUR undiluted and diluted				
Continuing operations	0,02	0,00	0,08	-0,08
Earnings / share (EPS), EUR undiluted and diluted				
Discontinued operations		-0,08		0,03
Earnings / share (EPS), EUR undiluted and diluted				
Net profit for the period	0,02	-0,08	0,08	-0,05

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

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

	10 - 12 2012	10 - 12 2011	1 - 12 2012	1 - 12 2011
<b>Net profit for the period</b>	<b>1,1</b>	<b>-4,4</b>	<b>4,7</b>	<b>-3,1</b>
Other comprehensive income				
<b>Discontinued operations</b>				
Translation differences		-1,3		
Derivative financial instrument		-0,7		-0,7
<b>Continuing operations</b>				
Available-for-sale investments	0,2	0,1	-0,2	-1,1
Translation differences	-0,4	0,2	0,5	0,0
Other comprehensive income, net of tax	-0,1	-1,6	0,3	-1,8
<b>Total Comprehensive Income</b>	<b>0,9</b>	<b>-6,0</b>	<b>5,0</b>	<b>-4,9</b>
Attributable to:				
Equity holders of the parent	0,9	-6,0	5,0	-4,9

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

Assets	31.12.2012	31.12.2011
<b>Non-current assets</b>		
Property, plant and equipment	0,0	4,3
Goodwill	0,0	
Other intangible assets	0,0	0,0
Shares in associated companies	23,6	22,8
Available-for-sale investments	7,8	8,0
Financial assets at fair value through profit or loss	17,1	19,9
Receivables	0,2	0,5
Deferred tax assets	0,9	1,8
<b>Total non-current assets</b>	<b>49,7</b>	<b>57,3</b>

**Current assets**

Inventories		
Loan receivables from associates		0,4
Trade and other receivables	0,4	0,8
Advance payments	0,0	0,0
Financial assets at fair value through profit or loss	0,0	22,1
Available-for-sale investments, cash equivalents	24,7	
Cash and cash equivalents	16,0	9,6
<b>Total current assets</b>	<b>41,1</b>	<b>33,0</b>
Non current assets held for sale	2,5	2,5
Discontinued operations		115,7
<b>Total assets</b>	<b>93,3</b>	<b>208,5</b>

**Shareholder's equity and liabilities****31.12.2012 31.12.2011****Equity**

Share capital	15,2	15,2
Share premium account	16,1	16,1
Translation differences	1,0	0,5
Other reserves	-0,1	5,0
Retained earnings	57,4	51,5
<b>Total equity</b>	<b>89,7</b>	<b>88,3</b>

**Non-current liabilities**

Deferred tax liabilities	0,2	0,4
Provisions	2,7	3,4
<b>Total non-current liabilities</b>	<b>2,8</b>	<b>3,8</b>

**Current liabilities**

Trade and other liabilities	0,1	56,2
Current tax	0,7	0,1
<b>Total current liabilities</b>	<b>0,8</b>	<b>56,3</b>

Discontinued operations 60,1

**Total liabilities 3,6 120,2****Total shareholder's equity and liabilities 93,3 208,5****CONSOLIDATED CASH FLOW STATEMENT****EUR million****31.12.2012 31.12.2011****Cash flow from operating activities**

Net profit	4,7	-4,8
Adjustments for the net profit	-4,7	4,6
Change in net working capital	-0,2	-0,7
Paid interests and other financial expenses	-0,0	-0,1
Interest received	0,1	0,2
Taxes paid	-0,2	-2,4
Discontinued operations		27,3

<b>Net cash from operating activities</b>	<b>-0,2</b>	<b>24,1</b>
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible assets		0,0
Sale of tangible and intangible assets	4,2	
Purchase of investments	-25,5	-35,0
Proceeds from sale of investments	30,1	10,4
Purchase of associated companies	-1,5	-0,1
Granted loans	-0,2	-0,9
Repayment of loans	0,9	
Interest received from investments	1,0	0,8
Dividends received from investments	1,2	1,1
Discontinued operations		-3,6
<b>Net cash from investing activities</b>	<b>10,2</b>	<b>-27,4</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-3,5	-6,9
Discontinued operations		-4,4
<b>Net cash from financing activities</b>	<b>-3,5</b>	<b>-11,4</b>
<b>Net increase/decrease in cash and cash equivalents</b>		
	<b>6,5</b>	<b>-14,7</b>
Cash and cash equivalents at beginning of period	9,5	57,9
Changes in exchange rates		1,6
Transferred funds along with demerger	-0,1	
Cash and cash equivalents at end of period	15,9	44,8

\* Includes cash and cash equivalents EUR 35.2 millions of Discontinued operations

#### STATEMENT OF CHANGES IN EQUITY EUR million

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

	Share capital	Share premium account	Translation differences	Other reserves	Retained earnings	Equity total
<b>Equity</b>						
1.1.2012	15,2	16,1	0,5	5,0	51,5	88,2
<b>Discontinued operations, transfer</b>				<b>-4,9</b>	<b>4,8</b>	<b>-0,1</b>
<b>Total comprehensive income</b>			<b>0,5</b>	<b>-0,2</b>	<b>4,7</b>	<b>5,0</b>
Payment of dividends					-3,5	-3,5
<b>Equity</b>						
31.12.2012	15,2	16,1	1,0	-0,1	57,5	89,7

## Equity attributable to equity holders of the parent company

	Share capital	Share premium account	Translation differences	Other reserves	Retained earnings	Equity total
<b>Equity</b>						
1.1.2011	15,2	16,1	5,7	6,2	117,6	160,8
<b>Total comprehensive income</b>			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
<b>Equity</b>						
31.12.2011	15,2	16,1	0,5	5,0	51,5	88,2

## KEY INDICATORS

	1 - 12 2012	1 - 12 2011
Return on equity, %	5,3	-1,9*
Return on investment, %	6,9	-6,9
Gearing, %	-64,5	-58,6
Equity ratio, %	96,1	95,1
Gross investments in fixed assets, EUR million	0,0	0,0
Personnel, average	2	3
Earnings per share, EUR	0,08	-0,05
Shareholders' equity per share, EUR	1,55	1,53
Dividend per share, EUR	0	0,06
Dividend per earnings, %	0	-1,1
Effective dividend yield, %	0	3,06
Price-to-earnings ratio (P/E)	11,2	-36,8
Share price		
Year's lowest share price, EUR	0,88	1,85
Year's highest share price, EUR	1,65	3,15
Average share price for year, EUR	1,16	2,53
Share price at year's end, EUR	0,91	1,96
Market capitalisation at end of year, EUR million	55,9	119
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

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

**SEGMENT INFORMATION**

EUR million

	<b>1 - 12 2012</b>	<b>1 - 12 2011</b>
<b>Continuing operations,</b>		
<b>Investment activities</b>		
<b>Operating profit</b>	0,7	0,1
<b>Financial income</b>	3,4	3,0
<b>Financial expenses</b>	0,0	-0,1
<b>Realized losses</b>	-0,8	-0,0
<b>Value change of investments</b>	3,7	-7,4
<b>Share in the associated company's profit</b>	-0,8	-1,7
<b>Financial assets</b>	<b>93,3</b>	<b>92,8</b>

**CHANGES IN TANGIBLE NON-CURRENT  
ASSETS**

EUR million

	<b>1 - 12 2012</b>	<b>1 - 12 2011</b>
<b>Continuing operations,</b>		
Book value at the beginning of the period	4,3	34,5
Transfer, Discontinued operations		-27,2
Transfer, non current assets held for sale	-4,2	-2,5
Additions		0,0
Depreciations	-0,1	-0,5
<b>Book value at the end of the period</b>	<b>0,0</b>	<b>4,3</b>
	<b>1 - 12 2012</b>	<b>1 - 12 2011</b>
<b>Discontinued operations</b>		
Book value at the beginning of the period	27,1	27,2
Additions		3,4
Deductions		0,0
Depreciations		-3,8
Exchange rate differences		0,3
<b>Book value at the end of the period</b>	<b>27,1</b>	<b>27,1</b>

**CONTINGENT LIABILITIES**

EUR million

	<b>1 - 12 2012</b>	<b>1 - 12 2011</b>
<b>Continuing operations,</b>		
Mortgages on property	2,5	3,4
Business mortgages	6,8	6,8
Guarantees given on behalf of associates	0,3	0,3

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 3.5 million to cover any liabilities that may arise if the bank guarantee is realised. Equivalent provision is booked into Scanfil NV's balance sheet.

**TRANSACTIONS WITH RELATED PARTY**  
**EUR million**

	<b>1 - 12</b>	<b>1 - 12</b>
	<b>2012</b>	<b>2011</b>
<b>Continuing operations,</b>		
Related party transactions		
<b>Associated companies</b>		
Interest income	0,0	0,0
Loan receivables	0,4	0,4
Interest receivables	0,0	0,0
Capital loan	0,2	0,5
<b>Board members</b>		
Interest expenses	0,0	0,0

Associated company IonPhase Oy has been given a EUR 500,000 convertible capital loan. The loan matured on 31 December 2012 and its interest rate was 5%. The capital loan has been converted to new shares during 2012.

A new convertible loan was granted and subscribed at the end of the year 2012, worth of 239.931 euros. The loan will mature on 31.12.2014 and the annual interest rate is 8%.

In addition, an absolute guarantee in the amount of EUR 250,000 was given to the associated company IonPhase Oy as security for its bank guarantee overdraft facility and EUR 50.000 delivery guarantee to suppliers.

SIEVI CAPITAL PLC

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Sievi Capital plc 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 plc'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 2012 was NOK 1,695.1 million (approximately EUR 231.0 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.iloq.fi](http://www.iloq.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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