

SIEVI CAPITAL PLC INTERIM MANAGEMENT STATEMENT 29 APRIL 2013 AT 9.40 A.M.

SIEVI CAPITAL PLC'S INTERIM MANAGEMENT STATEMENT 1 JANUARY TO 31 MARCH 2013

January-March

- Profit for the review period was EUR 0.0 (3.3) million
- Earnings per share were EUR 0.0 (EUR 0.06).
- Net worth at the end of March was EUR 1.62 (1.62) per share. The 12-month dividend-adjusted change in net worth was 3.7%.

The comparison figures for the corresponding period the previous year are presented in brackets.

Sievi Capital plc has not announced its profit outlook for 2013. The figures presented in the interim management statement are unaudited.

The fair values of investments increased slightly during the first quarter compared to the beginning of the year. The willingness of the markets to take risks continued to increase clearly during the review period. However, due to the prevailing uncertainty, it is impossible to predict the development of the remainder of the year. The development of the credit crunch is influencing capital flows and uncertainty is strongly reflected in market pricing. Exceptional price fluctuations are also possible in the short term.

Early in the year, the majority of the financial investments consisted of interest rate instruments, and there were not yet any substantial dividends from investments in the review period.

Installments of IonPhase Ltd's bond loan were repaid as agreed in the review period, and Sievi Capital plc also participated in iLOQ Ltd's share issue. Sievi Capital plc also increased its shareholding in Efore Plc. Financial investments were made according to the investment policy, and profitable fixed-income investments and selected dividend shares were emphasized in investments.

Harri Takanen, President of Sievi Capital plc:

"As regards events in the first quarter of 2013, we can particularly highlight the positive sales and profitability development of iLOQ Ltd. Sievi Capital plc's holding in iLOQ Ltd is 23.3%. Other unlisted capital investments have also developed positively.

In line with its strategy, Sievi Capital plc aims to increase such capital investments whereby it can actively affect the company's operations. We are particularly interested in companies with an established and profitable business model."

#### NET WORTH

On 31 March 2013, Sievi Capital plc's net worth per share was EUR 1.62. Compared to 1 January 2013, the change is 1.1%. Sievi Capital publishes its net worth calculation by quarter.

The number of outstanding shares used in the net worth calculation is 57,730,439 shares. In the calculation of net worth, publicly quoted securities, investment funds and derivatives are valued at the closing price. However, for the associated company Kitron ASA and Lännen Tehtaat plc, the price used is the volume-weighted average price for the five days preceding the valuation date. Otherwise, if no public trading price has been available, the bid quote or value ratified by the issuer have been used. Unquoted shares and holdings are measured at fair value, using imputed valuation methods.

## ASSOCIATED COMPANIES

iLOQ Ltd estimates its turnover will double in 2013. The company 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). The operations of the subsidiaries in Germany and the Netherlands support a stronger market position.

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. The target set for the first half of 2013 is to turn the company's product sales and productivity into growth.

In 2012, IonPhase Ltd 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 Norwegian associated company Kitron ASA evaluated its outlook in its quarterly statements bulletin published on 22 April 2013. According to an updated estimate, Kitron believes its turnover will not develop as previously planned in 2013. The company now believes in slightly lower revenues compared to 2012 and the negative market development, at the beginning of the year, will put pressure on the profit level and margin. According to the company, positive development of a number of business development programmes and its production units in China, Germany and the United States, including the turnaround of the Swedish operation, will however have a positive impact on the company going forward.

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.

## RESOLUTIONS OF THE ANNUAL GENERAL MEETING AND AUTHORISATIONS OF THE BOARD OF DIRECTORS

In its meeting on 18 April 2012, Sievi Capital plc's Annual General Meeting confirmed the financial statements for 2012 and discharged the Board of Directors and the CEO from liability.

According to Board of Directors' proposal, the Annual General Meeting decided to provide a return of capital of EUR 0.06 per outstanding share, for a total of EUR 3,463,826.34. The company has taken actions in order to return capital and the distribution of funds is expected to take place in August at the earliest. A dividend will not be paid.

The Meeting resolved that the Board of Directors consists of four members. Jorma J. Takanen, Asa-Matti Lyytinen and Jarkko Takanen were re-elected as members of the Board of Directors, and Jonna Tolonen was elected as a new member. In its meeting, held after the General Meeting, the Board of Directors elected Jorma J. Takanen as the Chairman of the Board of Directors.

The Meeting decided to authorise the Board of Directors to decide on the acquisition of the Company's own shares with distributable assets in accordance with the Board of Directors' proposal and to decide on a share issue.

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

#### FUTURE PROSPECTS

Reliably predicting the fair values of Sievi Capital plc's investments is associated with uncertainties and largely dependent on general market development as well as other factors beyond the company's control. For this reason, Sievi Capital plc will not issue an estimate of the future value development of its investments.

#### SIEVI CAPITAL PLC

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President and CEO

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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 (holdings on 29.4.2013):

Kitron ASA (KIT) (Sievi Capital plc's holding 33.0%) 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 23.3%) 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)

IonPhase ltd (Sievi Capital plc's holding 35.8%) develops and manufactures high-quality dissipative polymers that help to control static electricity in plastic products. IonPhase products are utilised in a wide range of industries, such as chemical, automotive, telecommunications and consumer electronics. IonPhase

manufactures IonPhase IPE polymers based on its patented proprietary technology. [www.ionphase.fi](http://www.ionphase.fi)

Panphonics ltd (Sievi Capital plc's holding 40.0%) 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 9.4% and in Efore plc 11.1%. 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). Efore plc is an international company which develops and produces demanding power products whose shares are quoted on NASDAQ OMX Helsinki Ltd. Efore plc's product development and marketing units are located in Finland, Sweden and China. Company's production unit is located in China. [www.efore.com](http://www.efore.com)

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