PKC GROUP

PKC Group Oyj **INTERIM REPORT 6 May 2010** **8.15 a.m.**

PKC GROUP'S INTERIM REPORT 1-3/2010

- Consolidated net sales grew 13.2% on the comparison period, totalling EUR 60.8 million (EUR 53.8 million).
- The total amount of depreciation was EUR 2.8 million (EUR 2.7 million).
- Consolidated operating profit was EUR 2.8 million (EUR 0.1 million), 4.6% (0.2%) of net sales. Operating profit without non-recurring items was EUR 3.4 million, 5.8% of net sales.
- Profit for the report period amounted to EUR 0.2 million (EUR -3.3 million).
- Earnings per share were EUR 0.01(EUR -0.20).
- Cash flows after investments were EUR -2.8 million (EUR 23.4 million).
- Gearing was 40.4% (48.3%).
- Net liabilities were EUR 32.1 million (EUR 34.8 million).
- PKC Group clarifies its outlook for the future.

KEY FIGURES

	1-3/10	1-3/09	Change %	1-12/09
Net sales, EUR 1,000	60,835	53,751	+13.2%	201,814
Operating profit, EUR 1,000	2,827	95	+2,875.8%	682
% of net sales	4.6	0.2		0.3
Report period profit, EUR 1,000	246	-3,252		2,349
Earnings per share (EPS), EUR	0.01	-0.20		0.13
ROI,%	17.4	15.4	+13.0%	6.4
Net liabilities, EUR 1,000	32,064	34,775	-7.8%	28,245
Gearing, %	40.4	48.3	-16.4%	35.9
Average number of personnel	4,291	5,216	-17.7%	4,478

HARRI SUUTARI, PRESIDENT AND CEO:

"The manufacture of commercial vehicles continued its growth in our key market areas in Europe and Latin America. Deliveries to the commercial vehicle industry increased approximately 14% on the previous quarter (10-12/2009). Wiring harness deliveries for recreational vehicles also grew in North America correspondingly. The supply of electronics design and manufacturing services remained on the level of the previous quarter.

Orders received by our commercial vehicle customers during the first quarter in Europe and Brazil exceeded the number of deliveries during the same time by over a fourth. This indicates growth in production quantities during the current year from the present level.

The negative development of cash flows during the first quarter is due to the restructuring of the sales of receivables financing related to the reorganisation of operations carried out during the end of last year. The sales receivables financing shall normalise by the end of the year.

We continued the strengthening of our geographical business units and streamlining of cost structures as planned. Currently already approximately 96% of wiring harness personnel are working in so called low cost countries.

PKC Group is well-positioned for increasing deliveries. We are capable of increasing our capacities significantly without considerable increase of fixed costs. Our competitive cost structure and global services enable, on their part, winning new customer relationships as well. In line with our strategy we aim, in addition to organic growth, also to grow through acquisitions."

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OPERATING ENVIRONMENT

Wiring Harness business

Registrations of heavy-duty trucks declined in Europe approximately 29% compared to the first quarter of the previous year. As a result of strong March, however, the number of registrations clearly rose by comparison with the registrations of the first quarter of the year to the previous quarter (Q4/2009).

The fact that the truck orders received by our main customers during the first quarter in Europe and Latin America exceeded the number of deliveries during the same time can be regarded as an indication of recovery in the markets.

It is generally estimated that the sales of heavy-duty trucks shall grow approximately 10% in Europe this year on the previous year. Due to the exceptionally high stock sales during the comparison year, production quantities should increase in Europe by one-fourth at minimum for the anticipated growth in sales to be realized.

Sales of agricultural tractors and construction machines are expected to continue to decline from the year 2009 sales. On the other hand, sales of forestry equipment are expected to rise after an exceptionally weak comparison year.

Deliveries and new orders of heavy-duty trucks in Latin America increased significantly on the corresponding quarter the previous year. It is estimated that truck registrations in Latin America shall grow during the current year by about one-third from last year's exceptionally weak level.

In North America, where PKC's market share is modest, the registration quantities of heavy-duty commercial vehicles have continued their growth with each consecutive month as of the beginning of the year. Due to free transport capacity, it is estimated that the overall market shall nevertheless remain on the level of the previous year.

In North America, deliveries of our clients' recreational vehicles have seen an increase during the beginning of the year.

Electronics business

The moderate improvement of the world economy was reflected in the Electronics business as a slight growth in the demand, especially at the end of the quarter. Particularly within the industrial electronics segment, a small positive development was noted in client orders and forecasts. Even so, industrial investments are still on a low level, and this is also seen in the slow rise in demand for electronic products.

Successful acquisition of new customers and new product projects together with the slight growth in markets brought significant increase in the electronics business by comparison to the equivalent period last year. Electronics business has further strengthened its design and product development services especially in China, but demand for design services in Finland has also increased as a result of the development of a successful know-how and service concept.

NET SALES AND FINANCIAL PERFORMANCE

January–March 2010

Consolidated net sales for the report period amounted to EUR 60.8 million (EUR 53.8 million) up 13.2% on the same period a year earlier. The consolidated operating profit totalled EUR 2.8 million (EUR 0.1 million), accounting for 4.6% (0.2%) of net sales. The operating profit is encumbered by non-recurring costs of approximately EUR 0.6 million, caused by rationalization. The total amount of depreciation was EUR 2.8 million (EUR 2.7 million). Financial items totalled EUR -2.5 million (EUR -2,0 million). A translation difference of EUR 1.2 million related to the translation of subsidiaries' financial statements as well as exchange rate losses totalling EUR 0.8 million have been entered into the financial items. Profit before taxes totalled EUR 0.4

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million (EUR -1.9 million). Profit for the report period totalled EUR 0.2 million (EUR -3.3 million). Diluted earnings per share were EUR 0.01 (EUR -0.20).

Net sales generated by the Wiring harness business during the report period totalled EUR 45.7 million (EUR 41.7 million), i.e. 9.7% more than for the comparison period. The segment's share of consolidated net sales was 75.2% (77.6%). The operating profit totalled EUR 2.0 million (EUR -0.6 million), or 4.4% (-1,4%) of the segment's net sales. The operating profit is encumbered by non-recurring costs of approximately EUR 0.6 million, caused by rationalisation.

Electronics business segment's net sales grew 25.4% and totalled EUR 15.1 million (EUR 12.1 million). The segment's share of the consolidated net sales was 24.8% (22.4%). The operating profit amounted to EUR 1.3 million (EUR -0.7 million), or 8.6% (5.7%) of the segment's net sales.

BALANCE SHEET AND FINANCING

Consolidated total assets at 31 March 2010 amounted to EUR 172.4 million (EUR 168.1 million). At the close of the report period, interest-bearing liabilities totalled EUR 41.6 million(EUR 56.3 million). The Group's equity ratio was 46.1% (42.9%). Net liabilities were EUR 32.1 million (EUR 34.8 million) and the gearing was 40.4% (48.3%).

Inventories amounted to EUR 39.9 million (EUR 41.5 million). Current receivables totalled EUR 55.9 million (EUR 46.8 million). Cash flows after investments during the report period were EUR -2.8 million (EUR 23.4 million). The weakened cash flows are due to the increase in receivables caused by the temporary interruption of sales of receivables financing connected to the reorganisation of the Group structure. Cash in hand and at bank amounted to EUR 9.5 million (EUR 21.5 million). In order to ensure financing flexibility, PKC has available financing and credit facilities.

CAPITAL EXPENDITURE

During the report period, the Group's gross capital expenditure totalled EUR 1.3 million (EUR 1.9 million), which is 2.2% (3.6%) of net sales. The capital expenditure went mainly to production machines and equipment.

RESEARCH & DEVELOPMENT

Research and development costs totalled EUR 1.4 million (EUR 1.5 million), which is 2.4% (2.7%) of the consolidated net sales. At the end of the report period, 113 (106) people worked in product development.

PERSONNEL

The total number of personnel in the Group during the report period was, on average, 4,291 (5,216). At the end of the report period, the total number of Group's personnel was 4,492 (4,879), of whom 4,031 (4,260) worked abroad and 461 (619) in Finland.

Personnel cuts have been implemented in the Group's various units. Non-recurring costs arising from layoffs were recorded during the first quarter to the total amount of EUR 0.6 million.

As a result of the co-determination negotiations concluded in March 2010, it was decided to lay off a total of 45 persons from PKC Wiring Systems Oy.

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QUALITY AND THE ENVIRONMENT

The Group's Wiring Harness business is, with the exception of the unit in Poland, certified in accordance with the ISO/TS 16949 quality standard for the automotive industry. All wiring harness business units are certified in accordance with the requirements of the ISO 9001 quality standard as well as of the ISO 14001 environmental standard. The Curitiba production unit located in Brazil also has certification in accordance with the OHSAS 18001 occupational health and safety management system standard. The building of the ISO/TS 16949 system in Poland is progressing according to plan. The first stage in the certification process has been completed and certification audit will take place in Poland in June.

The Group's Electronic business is certified in accordance with the requirements of the ISO 9001 and ISO 14001 standards. In addition, the Raahe factory is certified in conformity with the ISO/TS 16949 automotive industry quality standard. With regard to the units in China and Kostomuksha, preparation for certification of the ISO/TS 16949 quality system has continued according to plan, and the certification process shall be completed during the current year.

Best Quality Practices are a part of PKC's strategy, and they enable the close participation of each employee in daily quality work and the continuous improvement of quality. Selected Best Practices are tried and tested quality tools and procedures that aid the development and standardisation of production processes, methods and products, ensuring that they are as uniform as possible, regardless of production site. Best quality practices also include Six Sigma, which is used in the Wiring Harness business in the implementation of strategically important development projects. The realisation of Quality Best Practices is actively monitored in meetings of the Group's Executive Board and handled as part of the external system audits.

MANAGEMENT

The Annual General Meeting held on 31 March 2010,re-elected Outi Lampela, Endel Palla, Olli Pohjanvirta, Matti Ruotsala and Jyrki Tähtinen as Board members, and Matti Hyytiäinen as a new member. In the Board's organisation meeting, Matti Ruotsala was elected as Chairman of the Board with Jyrki Tähtinen as Vice-Chairman.

Outi Lampela was elected chairman of the Audit Committee with Matti Hyytiäinen and Olli Pohjanvirta as its members. The Board of Directors also established a Nomination Committee, which shall prepare the matters pertaining to the nomination and remuneration of directors and elected Matti Ruotsala as chairman of the Nomination Committee and Endel Palla and Jyrki Tähtinen as members.

Authorised public accounting firm KPMG Oy Ab, which has announced Virpi Halonen, APA, to be the Auditor with principal responsibility, was selected as auditor.

After Harri Ojala started as managing director of PKC Wiring Systems Oy on 15 March 2010, the Group's Executive Board has consisted of the following persons: Harri Suutari, Chairman (President and CEO); Harri Ojala (President, Wiring Harnesses); Jarmo Rajala (President, Electronics); Sanna Raatikainen (General Counsel); Marja Sarajärvi (CFO); and Jarkko Kariniemi (Director, HR and Risk Management) (with Mr Ojala having started in his position, Jyri Kontio's, Vice President, Wiring Harnesses, membership on the Executive Board ended while his employment continued).

DIVIDEND FOR 2009

The Annual general meeting held on 31 March 2010 resolved to pay a dividend of EUR 0.40 per share: i.e. a total of about EUR 7.1 million. The dividend was paid out on 14 April 2010.

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SHARE TURNOVER AND SHAREHOLDERS

PKC Group Oyj's share turnover On NASDAQ OMX Helsinki Ltd from 1 January to 31 March 2010, totalled 3,685,529 (1,946,791) shares, representing 20.7% (10.9%) of the average number of shares. The shares were traded to a total value of EUR 32.4 million (EUR 6.7 million). The low during the report period was EUR 6.55 (EUR 2.70) and the high was EUR 10.60 (EUR 4.44). The closing price on the last trading day of the report period was EUR 10.60 (EUR 2.70), and the average price of the period was EUR 8.74 (EUR 3.42). The company's market capitalisation at 31 March 2010 was EUR 188.5 million(EUR 48.0 million).

Flaggings:

- The share of votes and share capital in PKC Group Oyj held by Ilmarinen Mutual Pension Insurance Company (Business ID 0107638-1) has exceeded the limit of 5% on 18 February 2010, after which Ilmarinen Mutual Pension Insurance Company owned 969,685 shares i.e. 5.45% of shares and votes.
- The share of votes and share capital in PKC Group Oyj held by corporations in which OP-Pohjola Group Central Cooperative (0242522-1) exercises influence, its subsidiaries and funds managed by its subsidiaries (OP-Suomi Pienyhtiöt, OP-Pohjola Pienyhtiöt, OP-Focus) has exceeded the limit of 5% on 23 February 2010, after which they owned a total of 908,467 shares i.e. 5.11% of shares and votes.
- After the end of the report period the share of votes and share capital in PKC Group Oyj held by Jorma Takanen has fallen below the limit of one twentieth (1/20) on 23 April 2010, after which Jorma Takanen owned 807,598 shares i.e. 4.54% of shares and votes.

Shares owned by Board members and their closely associated persons and corporations in which they have a controlling interest, accounted for 0.7% (0.7%) of the total number of shares at the end of the report period. PKC Group Oyj had a total of 7,088 (7,640) shareholders at the end of the report period. The shares owned by foreigners and by way of nominee registrations totalled 14.5% (24.0%) of share capital at the close of the report period.

THE BOARD'S AUTHORISATIONS

The Board of Directors was granted authorisation by the Annual General Meeting on 29 March 2007 to decide on one or more share issues and the granting of special rights as defined in Chapter 10, Section 1 of the Companies Act and on all the terms and conditions thereof. A maximum total of 3,500,000 shares may be issued or subscribed for on the basis of the authorisation. This authorisation includes the right to decide on a directed share issue. The authorisation will remain in force for five years from the date of the resolution of the Annual General Meeting. The authorisation may be used at the Board's discretion for financing corporate acquisitions, for carrying out inter-company co-operation or similar arrangements, or for strengthening the company's financing and capital structure.

The Board of Directors does not have a valid authorisation to acquire the company's own shares, and the company does not hold any own shares (treasury shares).

STOCK OPTION SCHEMES

The stock option scheme initiated in 2006, comprises a total of 697,500 options divided into A, B and C warrants. At the close of the report period, the key personnel held a total of 202,500 2006A warrants, 185,360 2006B warrants and 211,840 2006C warrants, in addition to which the Board has on 31 March 2010 resolved to distribute the rest of the distributable 2006 B and C options to the key personnel.

The share subscription price for stock options is the volume-weighted average price of the PKC Group Oyj share on NASDAQ OMX Helsinki, with dividend adjustments, as defined in the stock option terms (at present, EUR 10.09 for the 2006A, 2006B and 2006C warrants). Through the exercise of the 2006 stock options, the share capital of PKC Group Oyj may be increased by a maximum total of 697,500 new shares and EUR 234,673.67. The share subscription period is for stock option 2006A 1 April 2009 – 30 April 2011, for stock option 2006B 1 April 2010 – 30 April 2012, and for stock option 2006C 1 April 2011 – 30 April 2013. The 2006 stock options are subject to a share ownership plan. Key personnel are obliged to subscribe for or purchase the company's shares with 20% of the gross income earned from stock options and to own these shares for

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two years. The company's President and CEO is obliged to own these shares for the duration of his managerial contract.

The Annual General Meeting on 27 March 2009 decided to issue stock options to key personnel in the company and its subsidiaries. The maximum total number of stock options issued will be 600,000 and they are divided into A, B and C options. At the close of the report period, the group's key personnel held a total of 147,500 2009A warrants, in addition to which the Board has on 31 March 2010 resolved to distribute the rest of the distributable 2009 A and B options to the key personnel.

The subscription price for shares through the exercise of the 2009 stock options will be the volume-weighted average price of the PKC Group Oyj share on NASDAQ OMX Helsinki for April 2009, 2010 and 2011 + 20% with dividend adjustments, (at present, EUR 3.45 for the 2009A warrants). The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe to a maximum total of 600,000 new shares in the company or existing shares held by the company. The share subscription period for 2009A warrants will be 1 April 2012 — 30 April 2014, for 2009B warrants 1 April 2013 — 30 April 2015 and for 2009C warrants 1 April 2014 — 30 April 2016. The 2009 stock options are subject to a share ownership plan. Key personnel are obliged to subscribe for or purchase the company's shares with 20% of the gross income earned from stock options and to own these shares for two years. The company's President and CEO is obliged to own these shares for the duration of his managerial contract.

SHORT-TERM RISKS AND UNCERTAINTIES

The development of investments in the near future in Europe has especially significant effect on PKC's result. The start of growth requires positive and stable increase of Pan European national income. The common currency of Europe, the euro, is at this particular moment subject to considerable pressures due to the high indebtedness of member nations' public economies. The potential weakening in the value of the euro may raise PKC's euro-denominated processing and component costs and increase financial expenses caused by translation differences. Component availability-related problems have increased in the beginning of the year and may continue during the end of the year.

The principles, objectives and organisation of the company's risk management as well as key risk areas are described in the risk management section of the Corporate Governance guidelines, which are available on the company's website at www.pkcgroup.com.

OUTLOOK FOR THE FUTURE

There is cautious optimism in the European truck market. Signs of recovery in the market are reflected in the fact that in the first quarter there was a significant increase in orders for new trucks received by our main customers in Europe and Latin America in comparison to the same period a year earlier.

We estimate that demand for electronics design and manufacturing services in the market will strengthen compared with last year.

We predict that the full-year net sales will increase and that the operating profit before non-recurring items will improve substantially on the previous year. We also estimate that net sales and operating profit before non-recurring items during the latter part of the year shall further improve from the level of the first quarter.

PKC's balance sheet, liquidity and good customer relationships will enable improvement in PKC's relative competitive position.

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The quarterly figures have not been audited. This interim report has been prepared in accordance with IAS 34 standard. The interim report has been prepared in accordance with the same principles as the annual financial statements for 2009. The year 2010 IFRS standard changes have not had any effect.

TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	**1-3/10 3 mon.**	**1-3/09 3 mon.**	**1-12/09 12 mon.**
NET SALES	60,835	53,751	201,814
Other operating income	556	582	2,253
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-318	-6,555	-9,319
Materials and services	34,886	26,643	106,346
Employee benefits expenses	14,468	13,279	53,384
Depreciation	2,767	2,700	10,982
Other operating expenses	6,125	5,061	23,355
OPERATING PROFIT/LOSS	2,827	95	682
Financial income	2,467	5,612	8,078
Financial expenses	-4,942	-7,606	-7,657
PROFIT/LOSS BEFORE TAXES	352	-1,899	1,103
Income tax	-105	-1,353	1,246
PROFIT/LOSS FOR THE REPORT PERIOD	246	-3,252	2,349
Other comprehensive income:			
Exchange differences on translating foreign operations	7,597	-607	443
Total comprehensive income for the period:	7,844	-3,859	2,792
From profit/loss attributable to shareholders of the parent company			
Basic earnings per share (EPS), EUR	0.01	-0.18	0.13
Diluted earnings per share (EPS), EUR	0.01	-0.20	0.14

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)	3/10	3/09	12/09
ASSETS			
NON-CURRENT ASSETS			
Goodwill	15,372	8,116	13,794
Other intangible assets	11,174	14,136	11,955
Tangible assets	35,508	33,857	34,378
Deferred tax assets	4,973	1,825	4,804
Other receivables	65	223	64
Non-current assets total	67,092	58,157	64,995
CURRENT ASSSETS			
Inventory	39,906	41,526	36,066
Receivables			
Trade receivables	45,440	35,647	35,170
Other receivables	10,428	11,195	8,291
Receivables total	55,868	46,843	43,460
Cash and cash equivalents	9,538	21,524	15,326
Current assets total	105,312	109,893	94,852
ASSETS TOTAL	172,404	168,050	159,847
EQUITY AND LIABILITIES			
EQUITY			
Share capital	5,983	5,983	5,983
Share premium account	4,846	4,862	4,862
Reserve fund	370	370	370
Translation difference	657	-2,305	-1,253
Share-based payments	1,126	831	1,052
Retained earnings	66,187	65,557	65,263
Profit/loss for the report period	246	-3,252	2,349
EQUITY TOTAL	79,414	72,046	78,626
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	32,817	38,413	34,630
Provisions	449	216	376
Deferred tax liabilities	2,409	3,515	3,103
Non-current liabilities total	35,675	42,143	38,110
Current liabilities			
Interest-bearing liabilities	8,785	17,886	8,940
Trade payables	21,990	17,915	16,059
Other non-interest-bearing liabilities	26,540	18,059	18,112
Current liabilities total	57,315	53,861	43,111
Liabilities total	92,990	96,004	81,221
EQUITY AND LIABILITIES TOTAL	172,404	168,050	159,847

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CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	1-3/10 3 mon.	1-3/09 3 mon.	1-12/09 12 mon.
Cash flows from operating activities			
Cash receipts from customers	50,504	65,501	210,096
Cash receipts from other operating activities	-734	1,122	2,693
Cash paid to suppliers and employees	-48,811	-41,835	-162,586
Cash flows from operations before financial income and expenses and taxes	959	24,788	50,203
Interest paid	-402	3,404	2,461
Translation difference	-1,219	1,269	-434
Interest received and other financial income	22	-4,561	-7,629
Income taxes paid	-917	433	-2,817
Net cash from operating activities (A)	-1,557	25,332	41,784
Cash flows from investing activities			
Purchase of tangible and intangible assets	-1,374	-1,566	-3,989
Proceeds from sale of tangible and intangible assets	114	129	253
Investments	0	-485	-453
Loans granted	-1	-1	-2
Amortisations of loan received	0	1	38
Net cash flow from investing activities (B)	-1,260	-1,922	-4,153
Cash flows after investments	-2,817	23,411	37,632
Cash flows from financing activities			
Drawing of credits	23	0	0
Amortisations of credits	-2,279	-14,387	-32,723
Dividends paid	0	-27	-2,709
Net cash used in financing activities (C)	-2,256	-14,414	-35,432
Net increase (+) or decrease (-) in cash and equivalents	-5,073	8,996	2,199
Cash and cash equivalents in the beginning of the period	14,611	12,528	11,743
Translation difference in cash and cash equivalents	698	-60	691
Cash and cash equivalents in the end of the period	9,538	21,524	15,326

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KEY FINANCIAL INDICATORS	1-3/10 3 mon.	1-3/09 3 mon.	1-12/09 12 mon.
Net sales, EUR 1,000	60,835	53,751	201,814
Operating profit/loss, EUR 1,000	2,827	95	682
% of net sales	4.6	0.2	0.3
Profit/loss before taxes, EUR 1,000	352	-1,899	1,103
% of net sales	0.6	-3.5	0.5
Net profit/loss for the period, EUR 1,000	246	-3,252	2,349
% of net sales	0.4	-6.0	1.2
Return on equity (ROE), %	1.2	-17.3	3.0
Return on investments (ROI), %	17.4	15.4	6.4
Net liabilities, EUR 1,000	32,064	34,775	28,245
Gearing, %	40.4	48.3	35.9
Equity ratio, %	46.1	42.9	49.2
Current ratio	1.8	2.0	2.2
Gross capital expenditure, EUR 1,000	1,342	1,937	3,894
% of net sales	2.2	3.6	1.9
R&D expenditures, EUR 1,000	1,443	1,459	5,518
% of net sales	2.4	2.7	2.7
Personnel average	4,291	5,216	4,478

PER-SHARE KEY INDICATORS	1-3/10 3 mon.	1-3/09 3 mon.	1-12/09 12 mon.
Earnings per share (EPS), EUR	0.01	-0.18	0.13
Earnings per share (EPS),diluted, EUR	0.01	-0.20	0.14
Equity per share, EUR	4.47	4.05	4.42
Share price at close of period, EUR	10.60	2.70	6.60
Lowest share price, EUR	6.55	2.70	2.70
Highest share price, EUR	10.60	4.44	6.83
Average share price, EUR	8.74	3.42	4.38
Turnover in shares, 1,000 shares	3,686	1,947	8,655
Turnover in shares per (share issue adjusted) share capital, %	20.7	10.9	48.7
Average number of shares, 1,000 shares	17,782	17,782	17,782
Average number of shares, diluted, 1,000 shares	17,778	16,358	16,690
Shares at end of period, 1,000 shares	17,782	17,782	17,782
Market capitalisation, EUR 1,000	188,484	48,010	117,358

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1. SEGMENT INFORMATION

1.1.-31.3.2010 (EUR 1,000)	**Wiring Harness**	**Electronics**	**Unallocated and eliminations**	**Group Total**
Sales to external customers	45,730	15,105		60,835
Sales to other segments	318	54	-371	0
Net sales, EUR 1,000	46,047	15,159	-371	60,835
Operating profit /loss before non-recurring expenses	2,649	1,303	-479	3,474
% of net sales	5.8	8.6		5.7
Non-recurring employee benefits expenses	646	0		646
Operating profit/loss	2,003	1,303	-479	2,827
% of net sales	4.4	8.6		4.6
Segments assets	119,498	37,468	10,465	167,431
Unallocated assets *)			4,973	4,973
Assets total	119,498	37,468	15,438	172,404

* Segments assets do not include deferred taxes

1.1.-31.3.2009 (EUR 1,000)	**Wiring Harness**	**Electronics**	**Unallocated and eliminations**	**Group Total**
Sales to external customers	41,704	12,048		53,752
Sales to other segment	17	10	-27	0
Net sales, EUR 1,000	41,721	12,058	-27	53,752
Operating profit/loss	-589	684	0	95
% of net sales	-1.4	5.7		0.2
Segments assets	130,316	39,971	-4,062	166,225
Unallocated assets *)			1,825	1,825
Assets total	130,316	39,971	-2,237	168,050

* Segments assets do not include deferred taxes

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NET SALES BY GEOGRAPHICAL SEGMENTS (EUR 1,000)	1-3/10 3 mon.	1-3/09 3 mon.	1-12/09 12 mon.
Finland	10,819	10,552	40,494
Other Europe	29,339	28,904	99,928
North America	4,916	4,860	18,870
South America	11,855	5,253	26,526
Other Countries	3,906	4,183	15,995
Total	60,835	53,751	201,814

2. RECONCILIATION OF EQUITY (EUR MILLION)

A = Share Capital
B = Share premium account
C = Fair value and other reserves
D = Retained earnings
E = Minority interest
F = Total equity

	A	B	C	D	E	F
Shareholders' equity 1.1.2009	6.0	4.9	0.4	67.1	0.3	78.6
Profit/loss for the period	0.0	0.0	0.0	-3.3	0.0	-3.3
Dividends	0.0	0.0	0.0	-2.7	0.0	-2.7
Comprehensive income for the period	0.0	0.0	0.0	-0.6	0.0	-0.6
Other changes	0.0	0.0	0.0	0.3	-0.3	0.0
Shareholders' equity 31.3.2009	6.0	4.9	0.4	60.8	0.0	72.1
Shareholders' equity 1.1.2010	6.0	4.9	0.4	67.4	0.0	78.6
Profit/loss for the period	0.0	0.0	0.0	0.2	0.0	0.2
Dividends	0.0	0.0	0.0	-7.1	0.0	-7.1
Share-based payments	0.0	0.0	0.0	0.1	0.0	0.1
Comprehensive income for the period	0.0	0.0	0.0	7.5	0.0	7.5
Shareholders' equity 31.3.2010	6.0	4.9	0.4	68.1	0.0	79.4

3. TANGIBLE ASSETS (EUR 1,000)	**3/10**	**3/09**
Acquisition cost 1.1.	73,772	75,526
+/- Translation difference 1.1.	1,800	-14
+ Increases	1,292	1,436
- Decreases	-360	-891
Acquisition cost 31.3.	76,504	76,058
Accumulated depreciation 1.1.	39,395	40,595
+/- Translation difference 1.1.	0	-23
- Accumulated depreciation of decreases	-277	-222
+ Depreciation	1,878	1,851
Poistot 31.3.	40,996	42,201
Book value 31.3.	35,508	33,856

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4. OTHER INTANGIBLE ASSETS	3/10	3/09
Acquisition cost 1.1.	37,167	32,227
+/- Translation difference 1.1.	1,635	-2,729
+ Increases	51	501
- Decreases	-62	-42
Acquisition cost 31.3.	38,791	29,957
Accumulated depreciation 1.1.	11,418	6,855
- Accumulated depreciation of decreases	-62	0
+ Depreciation	889	849
Poistot 31.3.	12,245	7,704
Book value 31.3.	26,546	22,253

5. CONTINGENT LIABILITIES AT END OF PERIOD (EUR 1,000)	3/10	3/09	12/09
Leasing liabilities	2,803	10,124	3,027
Liabilities for derivate instruments			
Nominal values			
Currency derivates			
Forward agreements	0	3,068	0
Raw material derivates			
Forward agreements	1,362	739	1,187
Total	1,362	3,807	1,187
Fair values			
Currency derivates			
Forward agreements	0	-18	0
Raw material derivates			
Forward agreements	83	0	83
Total	83	-18	83

Currency and raw material derivates are used only in hedging currency and copper risks. PKC Group does not apply hedge accounting to derivate instruments in accordance with IAS 39. Fair values of the derivates are entered directly in the income statement.

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6. QUARTERLY KEY INDICATORS, CONSOLIDATED	10-12/08 3 mon.	1-3/09 3 mon.	4-6/09 3 mon.	7-9/09 3 mon.	10-12/09 3 mon.	1-3/10 3 mon.
Net sales, EUR million	64.7	53.8	45.8	46.8	55.4	60.8
Operating profit/loss, EUR million	-3.9	0.1	-5.6	3.5	2.6	2.8
% of net sales	-6.1	0.2	-12.2	7.6	4.8	4.6
Profit/loss before taxes, EUR million	-7.4	-1.9	-4.5	5.7	1.8	0.4
% of net sales	-11.5	-3.5	-9.9	12.2	3.3	0.6
Equity ratio, %	41.9	42.9	42.5	46.7	49.2	46.1
Earnings per share (EPS), diluted (EUR)	-0.53	-0.20	-0.25	0.39	0.19	0.01
Shareholders equity per share, EUR	4.41	4.05	3.83	4.20	4.42	4.47
QUARTERLY KEY INDICATORS, WIRING HARNESSESS						
Net sales, EUR million	50.8	41.7	33.1	34.2	40.3	45.7
Operating profit/loss, EUR million	0.0	-0.6	-6.3	2.0	1.0	2.0
% of net sales	-12.2	-1.4	-19.0	5.9	2.4	4.4
QUARTERLY KEY INDICATORS, ELECTRONICS						
Net sales, EUR million	13.9	12.0	12.7	12.7	15.1	15.1
Operating profit/loss, EUR million	2.3	0.7	0.7	1.5	1.7	1.3
% of net sales	16.4	5.7	5.4	12.2	12.2	8.6

CALCULATION OF INDICATORS

Return on equity (ROE), %
= 100 x (Profit/loss) / Shareholders' equity (average)

Return on investments (ROI), %
= 100 x (Profit before taxes + financial expenses (adjusted 12 months)) / Shareholders' equity + interest-bearing liabilities (average)

Gearing, %
= 100 x (Interest-bearing liabilities – cash in hand and at bank and investments) / Shareholders' equity + minority interest

Equity ratio, %
= 100 x (Shareholders' equity + minority interest) / Balance sheet total – advance payments received

Quick ratio
= Receivables and cash in hand and at bank / Current liabilities – advance payments received

Current ratio
Receivables and cash in hand and at bank + inventories / Current liabilities

Earnings per share (EPS), EUR
Profit/loss +/- minority interest / Average share issue-adjusted number of shares

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Shareholders' equity per share, EUR
Shareholders' equity / Share issue-adjusted number of shares on the balance sheet date

Market capitalisation
Number of shares at the end of the financial period x the last trading price of the financial period

All the future estimates and forecasts presented in this stock exchange release are based on the best current knowledge of the company's management. The estimates and forecasts contain certain elements of risk and uncertainty which, if they materialise, may lead to results that differ from present estimates. The main factors of uncertainty are related, among other things, to the general economic situation, the trend in the operating environment and the sector as well as the success of the Group's strategy.

PKC GROUP OYJ
Board of Directors

Harri Suutari
President and CEO

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PRESS CONFERENCE

A press conference on the Interim Report will be arranged for analysts and investors today, 6 May 2010, at 10.00 a.m., at the address World Trade Center, Aleksanterinkatu 17, meeting room 4, 2nd floor, Helsinki.

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