

INTERIM REPORT OF NORDIC ALUMINIUM PLC Jan 1 - Sept 30, 2011

Net sales of Nordic Aluminium were EUR 54.42 million (EUR 53.12 million year 2010). The operating profit for the period was EUR 12.07 million (12.29), the net profit was EUR 8.99 million (9.17) and earnings per share were EUR 1.86 (1.90).

Nordic Aluminium PLC changes the views

The demand for Nordic Aluminium Plc's products increased during the first half of the year 2011, to slow down during the second half. The management still expects an overall increase in net sales from 2010.

The management estimates that this year's operating profit margin will be slightly less than the previous year's due to extraordinary costs of approximately EUR 0,6 million during the last half of the year.

The management states that the strategy has proven to be correct and the management has a strong belief in the strategy resulting in profitability also in challenging market situations. For the next year the management expects a moderate growth of net sales, while the EBIT% remains at this year's level or grows.

The above mentioned predictions are based on the company's management's best view of the company's condition and market outlook.

Net sales and profitability

The net sales of Nordic Aluminium accounted for EUR 54.42 million (53.12). The profitability decreased from the previous year's first three quarters so that the operating profit was EUR 12.07 million (12.29). Compared to the year 2010 net sales increased by 2.4 per cent and the operating profit decreased by 1.8 per cent. The operating profit margin was 22.2 per cent which was lower than previous year's three first quarters (23.1 per cent). Earnings per share were EUR 1.86 (1.90).

International operations and export accounted for EUR 26.41 million (25.92), which is 48.5 per cent of the net sales (49 per cent).

The order backlog is EUR 3.89 million (3.19).

Third quarter in a nutshell

Net sales of Nordic Aluminium during July-September 2011 were EUR 15.75 million (16.40). The operating profit for the period was EUR 2.61 million (3.82). Earnings per share were EUR 0.43 (0.57).

Seasonality of sales and profit

Seasonal fluctuations are not significant in general. However, the concentration of holidays to July 2011 has an effect on how sales and earnings will spread over the second and third quarter.

Investments

The gross capital expenditures for the period were EUR 2.46 million (0.95).

Businesses and contracts with the main owner

During the first quarter 2011 the company acquired shares of Nokia Plc, which were prized at fair value. The shares, worth of EUR 7.79 million, were presented in other financial assets. The company's main owner set an option to purchase for these shares. According to the option the company could sell the shares acquired to the main owner during 17.1-29.4.2011 for EUR 7.65 million. The option was used during the second quarter.

In the second Interim Report the shares were valued at fair value according to the set option, which resulted in EUR 0,14 million loss for the company.

Personnel

During the first nine months of 2011 the average number of personnel in Nordic Aluminium Group was 128 (156). At the end of the period the number of employees was 123 (162). The decrease in personnel is mainly the result of labour negotiations.

Risks

Main business risks are related to the increased uncertainty in global economy and its influence on market demand.

Shares

The shares of Nordic Aluminium Plc are traded at the Helsinki Exchanges. The trading identifier is NOA1V and the ISIN code is FI0009006415. During the first nine months of the year 2011 a number of 200,891 shares were traded with EUR 5.96 million. The share quotation ranged between EUR 19.00 and EUR 37.25. The number of shares was 4,836,882 which remained unchanged during the reporting period. The market capitalisation of the company's shares stood at EUR 117.1 million (130.6) at the end of September.

Dividend from the financial year 2010 was EUR 2.10 per share, amounting to EUR 10,157,452.20.

Ownership

There were no significant changes in the ownership during the period (1-9/2011).

Disclaimer

This release contains certain forward-looking statements that reflect the current views of the company's management. Due to the nature of these statements, they contain risks and uncertainties and are subject to changes in the general economic situation and in the company's business sector.

Accounting policies

These presented interim financial statements have been prepared in accordance with IAS34 Interim Financial Reporting. Nordic Aluminium Plc applies the same accounting policies as are applied in 2010 annual financial statements.

The financial information is prepared in accordance with international financial reporting standards IFRS. Since the beginning of 2011 the company has introduced new and revised standards as described for the 2010 financial statements. Also, the company has acquired shares during the first quarter, which are presented in financial assets. The value of the shares is determined by the fair price at the point of trade. The change in value will be presented in the income statement.

While the group has only one primary business segment, "Aluminium products", which is equal to the official consolidated income statement and profit and loss account, the interim report do not include separate information over the group's primary business segment.

The key figures in this interim financial report are calculated with the same accounting principles as in year 2010 annual financial statement. The calculation rules of key figures are presented in the financial statements bulletin of the previous year.

The figures presented in the tables below have been rounded to two decimals, which should be taken into account when reading the sum figures.

The interim report has not been subject to audit.

CONSOLIDATED INCOME STATEMENT

EUR MILLION	7-9/11 %	7-9/10 %	1-9/11 %	1-9/10 %	1-12/10 %	
Net sales	15,75	16,40	54,42	53,12	68,26	
Other operating income	0,01	0,00	0,32	0,07	0,08	
Increase(+) or decrease(-) finished goods and work in progress	0,83	-0,62	0,53	-0,47	0,33	
Raw materials and consumables	-9,18	-6,83	-27,71	-23,67	-31,62	
Personnel expenses	-1,55	-1,35	-5,20	-5,13	-6,02	
Depreciation and reduction of value	-1,00	-1,16	-3,03	-3,59	-4,54	
Other operating expenses	-2,25	-2,62	-7,27	-8,04	-10,63	
Operating profit	2,61 16,6 %	3,82 23,3 %	12,07 22,2 %	12,29 23,1 %	15,86 23,2 %	
Financial items	0,20	-0,03	0,10	0,17	0,24	
Profit before taxes	2,81 17,8 %	3,79 23,1 %	12,18 22,4 %	12,46 23,5 %	16,10 23,6 %	
Income taxes	-0,75	-1,02	-3,22	-3,29	-4,18	
	0,01	0,00	0,03	0,00	0,00	
Net profit for the period	2,07 13,1 %	2,77 16,9 %	8,99 16,5 %	9,17 17,3 %	11,92 17,5 %	
Profit attributable to:						
Owners of the parent	2,07 13,1 %	2,77 16,9 %	8,99 16,5 %	9,17 17,3 %	11,92 17,5 %	
Minority interest	0,00	0,00	0,00	0,00	0,00	
Other comprehensive income						
Conversion difference	0,06	-0,06	0,02	0,10	0,13	
Total comprehensive income						
Owners of the parent	2,13 13,5 %	2,71 16,5 %	9,01 16,5 %	9,27 17,5 %	12,05 17,6 %	
Minority interest	0,00	0,00	0,00	0,00	0,00	
Basic and diluted earnings per share, EUR	0,43	0,57	1,86	1,90	2,46	

CONSOLIDATED BALANCE SHEET

EUR Million	Sept 30,2011	Sept 30,2010	Dec 31,2010
Non-current assets			
Tangible assets	25,05	25,28	25,31
Goodwill	2,25	2,25	2,25
Intangible assets	0,72	1,07	0,99
Tradable financial assets	0,02	0,02	0,02
Other financial assets	0,01	0,00	0,00
Deferred tax liabilities	0,10	0,10	0,07
Total	28,14	28,72	28,64
Current assets			
Inventories	7,23	5,97	6,77
Accounts receivable and other current assets	13,66	14,61	9,60
Advance payments	0,00	0,04	0,04
Cash in hand and at banks	14,81	12,81	16,51
Total	35,68	33,43	32,92
Total assets	63,82	62,14	61,56
Shareholders`equity and liabilities			
Equity			
Shareholders` equity	6,19	6,19	6,19
Share premium account	3,45	3,45	3,45
Conversion difference	-0,16	-0,17	-0,14
Retained earnings	42,49	40,91	43,66
Shareholders` equity			
Owners of the parent	51,98	50,39	53,17
Minority interest	0,00	0,00	0,00
Total	51,98	50,39	53,17
Long-term liabilities			
Deferred tax liabilities	3,20	2,88	3,20
Provisions	0,20	0,07	0,20
Interest bearing liabilities	0,01	0,01	0,01
Total	3,41	2,97	3,41
Short-term liabilities			
Accounts payable	8,42	8,71	4,96
Provision	0,00	0,00	0,00
Short-term interest bearing liabilities	0,01	0,07	0,02
Total	8,43	8,78	4,98
Total liabilities	11,84	11,75	8,39
Total shareholders`s equity and liabilities	63,82	62,14	61,56

CONSOLIDATED CASH FLOW STATEMENTS

EUR million	1-9/11	1-9/10	7-9/11	7-9/10	1-12/10
Cash flow from operations					
Net profit (loss)	8.99	9.17	2.07	2.77	11.92
Corrections					
Depr, according to plan	3.03	3.59	1.00	1.16	4.54
Financial items	-0.10	-0.17	-0.20	0.03	-0.24
Taxes	3.22	3.30	0.75	1.00	4.18
Cash flow before change in net working capital	15.13	15.89	3.62	4.96	20.40
Change in net working capital:					
Short-term receivables, increase(-)/decrease(+)	-4.02	-5.78	2.07	-0.05	-1.94
Inventories increase(-)/decrease(+)	-0.45	0.45	-0.90	0.70	-0.36
Short-term interest bearing liabilities increase(+)/decrease(-)	3.18	2.98	-0.47	0.88	-0.77
Total	-1.29	-2.35	0.70	1.53	-3.07
Cash flow from operations before interests and taxes	13.84	13.54	4.32	6.49	17.20
Paid interests and payments for other financial expenses	-0.25	-0.11	-0.01	-0.10	-0.15
Received interests and payments from other financial income	0.35	0.28	0.21	0.07	0.39
Paid income taxes	-2.93	-3.28	-0.75	-1.00	-2.53
Cash flow from operations (A)	11.02	10.43	3.77	5.46	14.92
Cash flow from investing activities					
Investments in tangible and intangible assets	-2.53	-0.95	-1.23	-0.48	-1.85
Income from sales of tangible and intangible assets	0.00	0.03	0.00	0.00	0.03
Repayment of loan receivables	0.00	0.00	0.00	0.00	0.00
Cash flow from investments (B)	-2.53	-0.92	-1.23	-0.48	-1.82
Cash flow from financial items					
Rights issue	0.00	0.00	0.00	0.00	0.00
Withdrawals of short-term loans	0.00	0.07	0.00	0.02	0.00
Amortization of short-term loans	-0.01	0.00	0.00	0.00	-0.01
Withdrawals of long-term loans	0.00	0.00	0.00	0.00	0.00
Amortization of long-term loans	0.00	-0.09	0.01	-0.03	-0.06
Dividends paid	-10.16	-6.29	0.00	0.00	-6.29
Cash flow from financial items (C)	-10.17	-6.30	0.01	0.00	-6.36
Change in cash flow (A+B+C)	-1.68	3.20	2.55	4.98	6.87
Conversion difference	-0.02	0.10	0.06	-0.06	0.13
Total	-1.70	3.30	2.61	4.92	7.00
Cash in hand and at banks in the beginning of period	16.51	9.51	12.20	7.89	9.51
Cash in hand and at banks in the end of period	14.81	12.81	14.81	12.81	16.51
Change	-1.70	3.30	2.61	4.92	7.00

STATEMENT OF CHANGES OF CONSOLIDATED EQUITY

EUR million

	Shareholders Equity	Sh.pr. account	Convers. diff.	Retained. earnings	Total equity
Equity					
01.01.2010	6.19	3.45	-0.27	38.03	47.41
Comprehensive income			0.10	9.17	9.27
Earning and costs total					9.27
Dividends				-6.29	-6.29
Equity					
30.09.2010	6.19	3.45	-0.17	40.91	50.39
Equity					
01.01.2011	6.19	3.45	-0.14	43.66	53.17
Comprehensive income			-0.02	8.99	8.97
Earning and costs total					
Dividends				-10.16	-10.16
Equity					
30.09.2011	6.19	3.45	-0.16	42.49	51.98

KEY FIGURES:

	7-9/11	7-9/10	1-9/11	1-9/10	1-12/10
Basic and diluted earnings per share, EUR	0.43	0.57	1.86	1.90	2.46
Equity ratio, %	81.4	81.1	86.4		
Gearing, %	-28.5	-25.4	-30.9		
Balance sheet total, EUR million	63.82	62.14	61.56		

NOTES:

	Sept 30, 2011	Sept 30, 2010	Dec 31, 2010		
Equity/share, EUR	10.75	10.42	10.99		
Average number of personnel at the end of the period	123	162	151		
Average number of personnel	123	166	128	156	156
Investments, EUR mill.	1.16	0.48	2.46	0.95	1.85

Geographical segments:

Net sales

EUR million	7-9/11	7-9/10	1-9/11	1-9/10	1-12/10
Finland	7.83	8.55	28.01	27.20	34.95
Other countries	7.92	7.85	26.41	25.92	33.31
Total	15.75	16.40	54.42	53.12	68.26

Taxes:

EUR million	7-9/11	7-9/10	1-9/11	1-9/10	1-12/10
Current income tax	-0.75	-1.02	-3.22	-3.28	-3.83
Change in deferred income tax	0.01	0.00	0.03	-0.01	-0.35
Total	-0.74	-1.02	-3.19	-3.29	-4.18

Inventories:

EUR million	Sept 30, 2011	Sept 30, 2010	Dec 31, 2010
Raw materials and consumables	0.97	1.00	1.01
Work in progress	3.75	2.59	2.87
Finished goods	2.50	2.38	2.89
Total	7.22	5.97	6.77

Interest bearing loans and borrowings:

EUR million	Sept 30, 2011	Sept 30, 2010	Dec 31, 2010
Obligations under finance leases	0.01	0.04	0.03
Total	0.01	0.04	0.03

Contingent liabilities:

EUR million	Sept 30, 2011	Sept 30, 2010	Dec 31, 2010
Consignation liability	0.74	0.24	0.26
Rental and leasing liabilities	4.39	6.15	4.89

Related party disclosures:

EUR million	7-9/11	7-9/10	1-9/11	1-9/10	1-12/10
Sales	2.14	2.59	8.49	7.93	9.49
Purchases	0.00	0.00	0.01	0.02	0.03

EUR million	Sept 30, 2011	Sept 30, 2010	Dec 31, 2010
Receivables	0.49	1.06	0.07
Accounts payable	0.02	0.01	0.04

Order backlog:

EUR million	Sept 30, 2011	Sept 30, 2010	Dec 31, 2010
	3.89	3.19	7.22

Nordic Aluminium Plc publishes its twelve-month Interim Report for January-December 2011 on week 9/2012. The company bulletins will be published also on web-page www.nordicaluminium.fi.

Kirkkonummi October 20, 2011

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