# Interim Report Q3/2011

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INCAP GROUP INTERIM REPORT JANUARY–SEPTEMBER 2011: REVENUE INCREASED AND FINANCIAL RESULTS DEVELOPED FAVOURABLY – OPERATING RESULT FOR THIRD QUARTER SHOWED A PROFIT

- Revenue in January–September stood at EUR 52.0 million, up 21% in comparison to the corresponding period last year (1-9/2010: EUR 43.0 million)
- Operating result (EBIT) was EUR -1.0 million (EUR -3.2 million) and the operating result for third quarter showed a profit amounting to EUR 0,04 million
- Earnings per share were EUR -0.15 (EUR -0.33)
- Growth in revenue was strongest in the products for the energy efficiency sector
- The company adjusts its previous guidance and estimates the operating results for the entire year to show a loss but be however better than previous year

This interim report has been prepared in accordance with international financial reporting standards (IFRS) – IAS 34 Interim Financial Reporting standard. The accounting principles of the interim report are the same as those used in the preparation of the 2010 financial statements. Unless otherwise stated, the comparison figures refer to the corresponding period in the previous year. This interim report is unaudited.

Sami Mykkänen, President and CEO of Incap Group: ”Demand for Incap's services has improved in comparison to last year, and our revenue increased to customers in both the energy efficiency and well-being sectors.

Profitability took a positive turn during the third quarter and we expect the favourable development to continue for the rest of the year. Intensified measures to decrease material costs are underway, and we also expect the increased efficiency in production and other operations to improve the development of results. Despite of these actions, the year-end operating results will show a loss.

Although the general economic outlook seems gloomy, our customers have at least not yet indicated a decline in their own demand. We are, when necessary, ready for a rapid readjustment of our operations should the development of revenue show signs of weakening.

In the strategy review that we conducted during the summer, we found the company to be on the right path. We focus on the manufacturing of energy efficiency and well-being equipment, which enjoy a positive growth outlook. We help our customers to produce successful products by providing them with versatile, flexible and comprehensive quality services. Our operations in Europe and Asia put us in an excellent position to support our customers locally, in their principal market areas. Our service development is particularly focused on design services.”

**Revenue and earnings in July–September 2011**
The third-quarter revenue amounted to EUR 18.3 million, representing an increase of nearly 34% on the corresponding period last year. Demand for electric power technology equipment was particularly strong. After a number of customers informed us of a decline in their demand, the operations of the Helsinki plant were adjusted in accordance with the Cooperation Act.

The third-quarter operating result of EUR 0.04 million was better than those of previous quarters and the corresponding period last year, when it stood at EUR -0.5 million. The availability of materials improved towards the end of the period, but a lack of components caused disruptions to the flow of materials and therefore, deliveries had to be secured by way of overtime. Fluctuations in the exchange rates between the euro, the US dollar and the Indian rupee also weakened the result.

| Quarterly comparison (EUR thousands) | 7-9/ 2011 | 4-6/ 2011 | 1-3/ 2011 | 10-12/ 2010 | 7-9/ 2010 | 4-6/ 2010 | 1-3/ 2010 |
|---|---|---|---|---|---|---|---|
| Revenue | 18,286 | 17,694 | 16,005 | 16,149 | 13,741 | 15,836 | 13,436 |
| Operating profit/loss (EBIT) | 35 | -623 | -423 | 14 | -470 | -1,097 | -1,670 |
| Net profit/loss | -576 | - 1,182 | -951 | -427 | -1,067 | -1,490 | -1,899 |
| Earnings per share, EUR | -0.03 | -0.06 | -0.05 | -0.03 | -0.08 | -0.12 | -0.16 |

**Revenue and earnings in January–September 2011**
Demand for Incap's manufacturing services remained positive. Revenue increased by 21% in comparison to the corresponding period in 2010 and stood at EUR 52.0 million (1-9/2010: EUR 43.0 million). The growth in revenue was strongest in the manufacturing of products for the energy efficiency sector. Problems in the availability of certain electronic components continued and slowed down the rate of growth, particularly with regard to well-being technology products.

The profitability of Incap Group increased in comparison to the corresponding period last year, but the operating result for the reporting period nevertheless showed a loss. The operating result for January–September was EUR -1.0 million (EUR -3.2 million), representing -1.9% of revenue (-7.5%).

Profitability improved, and this was particularly due to increased operational efficiency and the centralisation of European electronics manufacturing in a single plant. Performance development was weakened by the focus on material-intensive products within the product mix. A global shortage of components increased the prices of materials and transportation costs to some extent. However, the availability of materials took a clear turn for the better towards the end of the reporting period.

Net financial expenses increased to EUR 1.7 million (EUR 1.2 million). Depreciation stood at EUR 1.6 million (EUR 2.2 million). The loss for the period was EUR -2.7 million (-4.5 million).

Return on investment was -4.2% (-14.7%) and return on equity was -87.5% (-94.6%). Earnings per share were EUR -0.15 (EUR -0.33).

| Quarterly comparison (EUR thousands) | 1-9/2011 | 1-9/2010 | Change, % | 1-12/2010 |
|---|---|---|---|---|
| Revenue | 51,985 | 43,013 | 21 | 59,162 |
| Operating profit/loss (EBIT) | -1,010 | -3,238 | -69 | -3,223 |
| Net profit/loss | -2,709 | -4,456 | -39 | -4,884 |
| Earnings per share, EUR | -0.15 | -0.33 | -55 | -0.33 |

**Most important events during the reporting period**

Incap renewed the lease agreement concerning its plant facilities located in Kuressaare, and the renewed agreement also covers the upcoming extension to the facilities. The property landlord will build an extension of approximately 3,400 square metres to the current building, after which the plant's facilities will have a total floor area of well over 7,000 square metres. The extension is expected to be ready for operations in June 2012.

The cooperation negotiations held at the Helsinki plant were concluded, and resulted in the temporary lay-off of personnel for fixed periods of time of varying lengths. The plant will be entirely closed for eight days, in addition to which 11 people were laid off altogether. The rest of the personnel will do shorter working weeks until the end of this year.

Incap established a sourcing office in Hong Kong, which enables the Group to consolidate and increase the efficiency of its sourcing and purchasing operations. The goal is to lower the prices of materials and components and to enhance the company’s competitiveness as a contract manufacturing partner. The Hong Kong subsidiary has been included in the consolidated financial statements as of 1 September 2011.

**Balance sheet**

The Group’s balance sheet total was EUR 41.5 million (EUR 41.9 million).

Despite the increase in revenue, the value of inventories dropped slightly in comparison to the corresponding period last year and at the turn of the year, and stood at EUR 12.4 million (EUR 13.3 million).

The Group's equity at the close of the period was EUR 2.6 million (EUR 6.1 million). Liabilities totalled EUR 38.9 million (EUR 35.8 million), of which EUR 25.2 million (EUR 21.9 million) comprised interest-bearing liabilities. The share of current liabilities rose to EUR 38.4 million (EUR 25.6 million) because the company’s convertible bond, which matures in April 2012, was moved under current liabilities on the balance sheet. The parent company's equity totalled EUR 13.7 million, representing 67% of the share capital (EUR 14.6 million, 71%).

The Group’s equity ratio was 6.3% (14.6%). Interest-bearing net liabilities totalled EUR 24.9 million (EUR 20.7 million) and the gearing ratio was 947% (338%). The high gearing ratio is the result of earnings development and the financing of the business operations in India acquired in 2007.

**Financing and cash flow**

The Group’s quick ratio was 0.4 (0.5) and the current ratio 0.8 (1.0). Cash flow from operations was EUR -3.6 million (EUR -3.9 million) and the change in cash and cash equivalents showed a decrease of EUR 0.3 million (an increase of EUR 0.7 million).

In May, Incap concluded financing agreements totalling EUR 3.8 million. Of the financing, EUR 1.5 million consists of a counter-cyclical guarantee granted by Finnvera, EUR 2 million of long-term financing, EUR 1 million of a short-term factoring credit agreement granted by a Finnish bank and some EUR 0.8 million of a short-term credit agreement granted by an Indian bank.

**Capital expenditure**

Capital expenditure amounted to approximately EUR 0.2 million (EUR 0.3 million) and involved equipment acquisitions for the plants in Vaasa and India.

**Personnel and management**

At the end of the reporting period, Incap Group employed 772 people (798). The average number of personnel was 747 (784). At the end of the reporting period, 22% of the entire personnel worked in Finland (36%), 27% in Estonia (24%) and 51% in India (40%).

**Shares and shareholders**

Incap Corporation has one series of shares, and the number of shares at the end of the period was 18,680,880 (14,180,880). During the period, the share price varied between EUR 0.40 and EUR 0.64 (EUR 0.57 and 0.75). The closing price for the period was EUR 0.47 (EUR 0.65). During the reporting period, the trading volume was 606,719 shares, or some 3% of outstanding shares (36%).

At the end of the period, the company had 1,059 shareholders (1,129). Foreign or nominee-registered owners held 0.6% (0.8%) of all shares. The company’s market capitalisation on 30 September 2011 was EUR 8.8 million (EUR 9.2 million). The company does not own any of its own shares.

**Short-term risks and uncertainties with an impact on business operations**

The risks and uncertainties involving Incap’s business operations are described in more detail in the financial statements of 2010, available on the company’s website. The risks and uncertainties have remained largely unchanged throughout the reporting period.

The most noteworthy short-term risks relate to the development of customer demand and the realisation of plans concerning profitability, inventory and financing.

Because Incap Group operates in the euro area and in Asia, the company’s operations involve a currency risk. The company aims to minimise the negative effects of the risk in line with its exchange risk policy using currency options and forward exchange agreements.

Incap has a financing agreement which is valid until 31 May 2012 and which covers the loans related to the financing of the Indian subsidiary and Incap's credit line and factoring credit line. This financing agreement includes the following covenants:

| | Equity ratio | net IBD/EBITDA | Net capital expenditure |
|---|---|---|---|
| 31 December 2010 | 7.4% | 20.6 | EUR 1 million/12 months |
| 30 June 2011 | 11.6% | 4.1 | EUR 1 million/12 months |
| 31 December 2011 and thereafter | 10.9% | 5.6 | EUR 1 million/12 months |

When calculating the covenants, the factoring credit line in use is not included. On 30 September 2011, the equity ratio stood at 6.3% and net IBD/EBITDA at 13.9%. The covenants will be tested again on 31 December 2011 and every six months thereafter. According to the current forecast, it seems likely that the covenants will not be met on 31 December 2011.

In order to assess liquidity, Incap has prepared a quarterly cash-flow forecast which extends to the end of the third quarter of 2012. The cash-flow forecast is based on the Group's operating profit estimate for 2011 and 2012, as well as on the turnover rates of actualised sales receivables, accounts payable and inventory. The company trusts that it can secure the future financing needs by the financing agreements, which have already been signed or which are under negotiation, and by the financing arrangements which are in preparation, provided that the Group does not lag significantly behind the forecasted turnover targets concerning consolidated results and inventories.

The single most significant factor in terms of the adequacy of financing is the inventory turnover. Inventory turnover remaining at the current level alone would not be enough to generate a need for additional financing. The company's working capital will be sufficient for the next 12 months, assuming that Incap's current financing agreements remain in force despite the possible failure of the covenants. Furthermore, the company's management continues its efforts to sell the Vuokatti plant property, which commenced at the end of 2010. The property and the related debts are entered in the financial statements as assets held for sale. The price estimate in the appraisal prepared by an external appraiser on 15 February 2011 clearly exceeds the property's book value.

On 3 May 2011, Incap concluded financing agreements totalling approximately EUR 3.8 million. Finnvera granted the company a counter-cyclical guarantee to the value of EUR 1.5 million, in addition to which a Finnish bank provided the company with long-term financing of EUR 2 million and a short-term factoring credit of EUR 1 million. Long-term financing is posted under short-term liabilities, because the covenants are tested every six months. In addition, the Indian subsidiary has signed a loan agreement with a local bank on a short-term credit of some EUR 0.8 million. Half of the short-term credit granted by the Indian bank was placed at the company's disposal immediately, while the other half became available after the end of the report period in October.

Incap Group has a convertible bond which matures on 25 May 2012, with a capital of EUR 6.7 million. The company's management has opened negotiations on the rearrangements concerning the convertible bond.

The deferred tax assets recognised in the consolidated balance sheet (EUR 4.1 million) are based on the Board of Directors' assessment of future earnings development at Incap Corporation and the Indian subsidiary. On 30 September 2011, confirmed tax losses for which no deferred tax asset was recognised amounted to EUR 8.0 million. Should future development not correspond with the Board's assessment, the ensuing write-down of deferred tax assets in the consolidated balance sheet would have a considerable impact on Incap Group's equity ratio and, consequently, on the Group's equity and the covenants of the aforementioned financing agreements.

**Outlook for the rest of 2011**

Incap's estimates on future business development are based on its customers' forecasts and the company's own assessments. While the anticipated downturn in general economic trends has yet to be reflected in the demand of Incap's customers, current market insights are tentative at best and forecasts concerning the future involve considerable uncertainty.

The company continues measures aiming to secure the positive development of profitability. Operations are developed and enhanced in relation to, for instance, material management and the order/delivery process.

Incap adjusts its guidance for the full-year performance. Operating result (EBIT) for 2011 is expected to show a loss but, nonetheless, to be better than in 2010, when it stood at EUR -3.2 million. The company expects the operating result for the second half of the year to be positive and better than it was for the first half (1-6/2011: EUR -1.0 million) and the corresponding period last year (7-12/2010: EUR -0.5 million). Incap expects its full-year revenue in 2011 to be clearly higher than in 2010, when it amounted to EUR 59.2 million.

In an earlier bulletin released on 20 September 2011, Incap expected the full-year operating result (EBIT) to remain slightly in the red due to fluctuations in exchange rates and the decline in some customers' demand. The company expected the operating result for the second half of the year to be positive or, in other words, clearly better than for the first half of the year (1-6/2011: EUR -1.0 million) and the corresponding period last year (7-12/2010: EUR -0.5 million). In that bulletin, the company stated that it also estimated its full-year revenue for 2011 to be clearly higher than in 2010, when it amounted to EUR 59.2 million.

Incap will publish its bulletin concerning the financial statements for 2011 on Wednesday 22 February 2012.

INCAP CORPORATION
Board of Directors

Additional information:
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DISTRIBUTION
NASDAQ OMX Helsinki Ltd
Principal media
The company's home page www.incap.fi

PRESS CONFERENCE
Incap will arrange a conference for the press and financial analysts on 2 November 2011 at 10:00 a.m. at the World Trade Center, Helsinki, in Meeting Room 4 on the 2nd floor at Aleksanterinkatu 17, FI-00100 Helsinki.

ANNEXES
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*INCAP IN BRIEF*
*Incap Corporation is an internationally operating contract manufacturer whose comprehensive services cover the entire life-cycle of electromechanical products from design and manufacture to maintenance services. Incap’s customers include leading equipment suppliers in energy efficiency and well-being technologies, for which the company produces competitiveness as a strategic partner. Incap has operations in Finland, Estonia, India and China. The Group’s revenue in 2010 amounted to EUR 59.2 million, and the company currently employs approximately 760 people. Incap's share is listed on the NASDAQ OMX Helsinki. Additional information: www.incap.fi.*

Annex 1

## CONSOLIDATED INCOME STATEMENT (IFRS)

| (EUR thousand, unaudited) | 7-9/ 2011 | 4-6/ 2011 | 1-3/ 2011 | 7-9/ 2010 | 1-9/ 2011 | 1-9/ 2010 | Change % | 1-12/ 2010 |
|---|---|---|---|---|---|---|---|---|
| REVENUE | 18,286 | 17,694 | 16,005 | 13,741 | 51,985 | 43,013 | 21 | 59,162 |
| Work performed by the enterprise and capitalised | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in inventories of finished goods and work in progress | -42 | 4 | 34 | -132 | -5 | 472 | -101 | 188 |
| Other operating income | 18 | 40 | 38 | -11 | 96 | 296 | -68 | 372 |
| Raw materials and consumables used | 13,034 | 12,812 | 11,270 | 9,463 | 37,116 | 29,887 | 24 | 40,828 |
| Personnel expenses | 2,861 | 3,075 | 2,916 | 2,345 | 8,853 | 9,857 | -10 | 12,437 |
| Depreciation and amortisation | 494 | 542 | 552 | 654 | 1,588 | 2,177 | -27 | 2,831 |
| Other operating expenses | 1,837 | 1,931 | 1,762 | 1,606 | 5,529 | 5,097 | 8 | 6,849 |
| OPERATING PROFIT/LOSS | 35 | -623 | -423 | -470 | -1,010 | -3,328 | -69 | - 3,223 |
| Financing income and expenses | -611 | -559 | -528 | -596 | -1,699 | -1,219 | 39 | - 1,724 |
| PROFIT/LOSS BEFORE TAX | -576 | -1,182 | -951 | -1,067 | -2,709 | -4,456 | -39 | - 4,947 |
| Income tax expense | 0 | 0 | 0 | 0 | 0 | 0 | | 64 |
| PROFIT/LOSS FOR THE PERIOD | -576 | -1,182 | -951 | -1,067 | -2,709 | -4,456 | -39 | -4,884 |
| Earnings per share | -0,03 | -0,06 | -0,05 | -0,08 | -0,15 | -0,33 | -55 | -0.33 |
| Options have no dilutive effect in accounting periods 2010 and 2011 | | | | | | | | |

| OTHER COMPREHENSIVE INCOME | 7-9/ 2011 | 4-6/ 2011 | 1-3/ 2011 | 7-9/ 2010 | 1-9/ 2011 | 1-9/ 2010 | Change % | 1-12/ 2010 |
|---|---|---|---|---|---|---|---|---|
| PROFIT/LOSS FOR THE PERIOD | -576 | -1,182 | -951 | -1,067 | -2,709 | -4,456 | -39 | -4,884 |
| OTHER COMPREHENSIVE INCOME: | | | | | | | | |
| Translation differences from foreign units | -40 | -57 | -185 | 37 | -282 | 8 | -3 526 | -24 |
| Other comprehensive income, net | -40 | -57 | -185 | 37 | -282 | 8 | -3 526 | -24 |
| TOTAL COMPREHENSIVE INCOME | -616 | -1,239 | -1,136 | -1,030 | -2,991 | -4,448 | -33 | -4,908 |
| Attributable to: | | | | | | | | |
| Shareholders of the parent company | -616 | -1,239 | -1,136 | -1,030 | -2,991 | -4,448 | -33 | -4,908 |
| Non-controlling interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Annex 2

## CONSOLIDATED BALANCE SHEET (IFRS)

| (EUR thousand, unaudited) | 30.9.2011 | 30.9.2010 | Change % | 31.12.2010 |
|---|---|---|---|---|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 4,457 | 8,403 | -47 | 6,026 |
| Goodwill | 981 | 1,029 | -5 | 1,040 |
| Other intangible assets | 420 | 785 | -47 | 705 |
| Other financial assets | 314 | 314 | 0 | 314 |
| Deferred tax assets | 4,112 | 4,199 | -2 | 4,209 |
| TOTAL NON-CURRENT ASSETS | 10,284 | 14,731 | -30 | 12,294 |
| CURRENT ASSETS | | | | |
| Inventories | 12,440 | 13,273 | -6 | 13,062 |
| Trade and other receivables | 16,574 | 12,645 | 31 | 14,823 |
| Cash and cash equivalents | 310 | 1 227 | -75 | 476 |
| TOTAL CURRENT ASSETS | 29,325 | 27,145 | 8 | 28,362 |
| Non-current assets held for sale | 1,936 | | | 1,936 |
| TOTAL ASSETS | 41,544 | 41,876 | -1 | 42,592 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY | | | | |
| Share capital | 20,487 | 20,487 | 0 | 20,487 |
| Share premium account | 44 | 44 | 0 | 44 |
| Reserve for invested unrestricted equity | 4,084 | 4,131 | -1 | 4,084 |
| Exchange differences | -731 | -451 | 62 | -483 |
| Retained earnings | -21,252 | -18,093 | 17 | -18,510 |
| TOTAL EQUITY | 2,633 | 6,119 | -57 | 5,622 |
| NON-CURRENT LIABILITIES | | | | |
| Deferred tax liabilities | 0 | 70 | -100 | 0 |
| Interest-bearing loans and borrowings | 490 | 10,123 | -95 | 9,403 |
| NON-CURRENT LIABILITIES | 490 | 10,193 | -95 | 9,403 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 13,680 | 13,772 | -1 | 14,961 |
| Current interest-bearing loans and borrowings | 24,399 | 11,792 | 107 | 12,007 |
| CURRENT LIABILITIES | 38,079 | 25,565 | 49 | 26,969 |
| Liabilities relating to non-current assets held for sale | 342 | 0 | | 598 |
| TOTAL EQUITY AND LIABILITIES | 41,544 | 41,876 | -1 | 42,592 |

Annex 3

## CONSOLIDATED CASH FLOW STATEMENT

(EUR thousands, unaudited)

| | 1-9/2011 | 1-9/2010 | 1-12/2010 |
|---|---|---|---|
| Cash flow from operating activities | | | |
| Net income | -1,010 | -3,238 | -3,223 |
| Adjustments to operating profit | 1,119 | 532 | 23 |
| Change in working capital | -2,442 | 93 | 644 |
| Interest and other payments made | -1,277 | -1,279 | -1,840 |
| Interest received | 27 | 12 | 27 |
| **Cash flow from operating activities** | **-3,583** | **-3,880** | **-4,369** |
| | | | |
| Cash flow from investing activities | | | |
| Capital expenditure on tangible and intangible assets | -241 | -275 | -486 |
| Proceeds from sale of tangible and intangible assets | 132 | 501 | 591 |
| Other investments | 0 | -159 | -159 |
| Loans granted | -2 | -7 | -5 |
| Sold shares of subsidiary | 0 | 0 | 0 |
| **Repayments of loan assets** | 45 | 0 | 0 |
| **Cash flow from investing activities** | **-66** | **60** | **-59** |
| | | | |
| Cash flow from financing activities | | | |
| Proceeds from share issue | 0 | 4,131 | 4,084 |
| Drawdown of loans | 4,692 | 1,811 | 5,825 |
| Repayments of borrowings | -717 | -547 | -4,338 |
| Repayments of obligations under finance leases | -661 | -871 | -1,064 |
| **Cash flow from financing activities** | **3,314** | **4,524** | **4,507** |
| | | | |
| Change in cash and cash equivalents | -335 | 704 | 79 |
| Cash and cash equivalents at beginning of period | 476 | 661 | 661 |
| Effect of changes in exchange rates | 193 | -117 | -228 |
| Changes in fair value (cash and cash equivalents) | -24 | -21 | -36 |
| **Cash and cash equivalents at end of period** | **310** | **1,227** | **476** |

Annex 4

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**(EUR thousand, unaudited)**

| | Share capital | Share premium account | Reserve for invested unrestricted equity | Exchange differences | Retained earnings | Total |
|---|---|---|---|---|---|---|
| Equity at 1.1.2010 | 20,487 | 44 | 0 | -459 | -13,629 | 6,443 |
| Issue premium | 0 | 0 | 4,160 | 0 | 0 | 4,160 |
| Transaction costs for equity | 0 | 0 | -29 | 0 | 0 | -29 |
| Change in exchange differences | 0 | 0 | 0 | 8 | 0 | 8 |
| Options and share-based compensation | 0 | 0 | 0 | 0 | -7 | -7 |
| Other changes | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income and losses recognised directly in equity | 0 | 0 | 4,131 | 8 | -7 | 4,132 |
| Net profit/loss | 0 | 0 | | 0 | -4,456 | -4,456 |
| Total income and losses | 0 | 0 | 4,131 | 8 | -4,464 | -325 |
| Equity at 30.9.2010 | 20,487 | 44 | 4,131 | -451 | -18,093 | 6,119 |
| Equity at 1.1.2011 | 20,487 | 44 | 4,084 | -483 | -18,510 | 5,622 |
| Share issue | | | | | | 0 |
| Transaction costs for equity | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in exchange differences | 0 | 0 | 0 | -248 | -34 | -282 |
| Options and share-based compensation | 0 | 0 | 0 | 0 | 2 | 2 |
| Other changes | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income and losses recognised directly in equity | 0 | 0 | 0 | -248 | -32 | -280 |
| Net profit/loss | 0 | 0 | 0 | 0 | -2,709 | -2,709 |
| Total income and losses | 0 | 0 | 0 | -248 | -2,741 | -2,989 |
| Equity at 30.9.2011 | 20,487 | 44 | 4,084 | -731 | -21,252 | 2,633 |

Annex 5

## GROUP KEY FIGURES AND CONTINGENT LIABILITIES (IFRS)

| | 30.9.2011 | 30.9.2010 | 31.12.2010 |
|---|---|---|---|
| Revenue, EUR million | 52.0 | 43.0 | 59.2 |
| Operating profit, EUR million | -1.0 | -3.2 | -3.2 |
| % of revenue | -1.9 | -7.5 | -5.4 |
| Profit before taxes, EUR million | -2.7 | -4.5 | -4.9 |
| % of revenue | -5.2 | -10.4 | -8.4 |
| Return on investment (ROI), % | -4.2 | -14.7 | -10.6 |
| Return on equity (ROE), % | -87.5 | -94.6 | -81.0 |
| Equity ratio, % | 6.3 | 14.6 | 13.2 |
| Gearing, % | 946.5 | 338.1 | 383.0 |
| Net debt, EUR million | 22.0 | 21.9 | 21.7 |
| Net interest-bearing debt, EUR million | 24.9 | 20.7 | 21.5 |
| Average number of shares during the report period, adjusted for share issues | 18,680,880 | 13,334,726 | 14,682,250 |
| Earnings per share (EPS), EUR | -0.15 | -0.33 | -0.33 |
| Equity per share, EUR | 0.14 | 0.33 | 0.30 |
| Investments, EUR million | 0.2 | 0.3 | 0.5 |
| % of revenue | 0.5 | 0.6 | 0.8 |
| Average number of employees | 747 | 784 | 780 |
| | | | |
| CONTINGENT LIABILITIES, EUR million | | | |
| FOR OWN LIABILITIES | | | |
| Mortgages | 13.4 | 12.0 | 14.5 |
| Other liabilities | 1.8 | 2.6 | 2.4 |
| | | | |
| Nominal value of currency options, EUR thousand | 0 | 708.5 | 1,881 |
| Fair values of currency options, EUR thousand | 0 | -40.5 | -5.5 |

Annex 6

## QUARTERLY KEY FIGURES (IFRS)

| | 1-9/ 2011 | 4-6/ 2011 | 1-3/ 2011 | 10-12/ 2010 | 7-9/ 2010 | 4-6/ 2010 | 1-3/ 2010 |
|---|---|---|---|---|---|---|---|
| Revenue, EUR million | 18.3 | 17.7 | 16.0 | 16.1 | 13.7 | 15.8 | 13.4 |
| Operating profit, EUR million | 0.0 | -0.6 | -0.4 | 0.0 | -0.5 | -1.1 | -1.7 |
| % of revenue | 0.2 | -3.5 | -2.6 | 0.1 | -3.4 | -6.9 | -12.4 |
| Profit before taxes, EUR million | -0.6 | -1.2 | -1.0 | -0.5 | -1.1 | -1.5 | -1.9 |
| % of revenue | -3.2 | -6.7 | -5.9 | -3.0 | -7.8 | -9.4 | -14.1 |
| Return on investment (ROI), % | 1.1 | -9.4 | -4.3 | 2.1 | -6.7 | -14.6 | -21.5 |
| Return on equity (ROE), % | -55.8 | -106.5 | -75.2 | -28.3 | -68.0 | -111.3 | -138.3 |
| Equity ratio, % | 6.3 | 7.6 | 11.0 | 13.2 | 14.6 | 10.1 | 11.1 |
| Gearing, % | 946.5 | 739.3 | 486.6 | 383.0 | 338.1 | 523.1 | 477.3 |
| Net debt, EUR million | 22.0 | 22.9 | 21.7 | 21.7 | 21.9 | 24.7 | 24.4 |
| Net interest-bearing debt, EUR million | 24.9 | 24.1 | 21.9 | 21.5 | 20.7 | 22.3 | 21.7 |
| Average number of share issue-adjusted shares during the financial period | 18,680,880 | 18,680,880 | 18,680,880 | 14,682,250 | 13,334,726 | 12,854,913 | 12,180,880 |
| Earnings per share (EPS), EUR | -0.03 | -0.06 | -0.05 | -0.03 | -0.08 | -0.12 | -0.16 |
| Equity per share, EUR | 0.14 | 0.17 | 0.24 | 0.30 | 0.30 | 0.30 | 0.37 |
| Investments, EUR million | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 |
| % of revenue | 0.7 | 0.7 | 0.3 | 1.3 | 1.1 | 0.4 | 0.4 |
| Average number of employees | 770 | 745 | 727 | 767 | 787 | 791 | 734 |

Annex 7

## CALCULATION OF KEY FIGURES

| Key figure | Calculation |
|---|---|
| Return on investment, % | 100 x (profit/loss for the period + financing costs) / equity + interest-bearing financing loans |
| Return on equity (ROE), % | 100 x profit/loss for the period / average equity during the accounting period |
| Equity ratio, % | 100 x equity / balance sheet total – advances received |
| Gearing, % | 100 x interest-bearing net financing loans / equity |
| Net liabilities | liabilities – current assets |
| Quick ratio | current assets / short-term liabilities – short-term advances received |
| Current ratio | current assets + inventories / short-term liabilities |
| Earnings per share | net profit/loss for the period / average number of share-issue adjusted shares during the period |
| Equity per share | equity / number of share-issue adjusted shares at the end of the period |
| Capital expenditure | VAT-exclusive working capital acquisitions, without deduction of investment subsidies |
| Average number of employees | average of personnel numbers calculated at the end of each month |
| Market value of share capital | closing price for the period x number of shares available for public trading |