

Stock Exchange Release
Talvivaara Mining Company Plc
16 February 2012

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Proposed Placing of up to 24,589,050 new Ordinary Shares of Talvivaara Mining Company Plc

Details of the Placing

Talvivaara Mining Company Plc ("Talvivaara" or the "Company") announces today its intention to issue up to 24,589,050 new ordinary shares (the "Placing Shares") representing approximately 10 per cent of the number of the existing shares of the Company (the "Placing") to both new and existing institutional shareholders (the "Placees").

The Placing is being conducted, subject to the satisfaction of certain conditions, through an accelerated book-building process to be carried out by Merrill Lynch International ("BofA Merrill Lynch") who is acting as Sole Bookrunner and Joint Lead Manager and Liberum Capital Limited ("Liberum") and Pohjola Corporate Finance Ltd. ("Pohjola") who are acting as Joint Lead Managers in relation to the Placing. The identity of Placees and the basis of the allocations are at the discretion of Talvivaara, BofA Merrill Lynch, Liberum and Pohjola. The number of Placing Shares and the price at which the Placing Shares are to be placed (the "Placing Price") will be agreed by Talvivaara with the Joint Lead Managers at the close of the book-building process. Details of the number of Placing Shares and the Placing Price will be announced as soon as practicable after the close of the book-building process.

The Placing Shares will be issued credited as fully paid and will rank pari passu with the existing ordinary shares, including the right to receive all dividends and other distributions declared in respect of such shares after the date of issue of the Placing Shares. The Placing will be made on a non-preemptive basis and as such will be subject to shareholder approval at an extraordinary general meeting of shareholders of the Company (the "EGM") scheduled for 12 March 2012.

The Company has also received irrevocable undertakings from its four largest shareholders, Pekka Perä, Varma Mutual Pension Insurance Company, Solidium Oy and Ilmarinen Mutual Pension Insurance Company, to vote in favour of the issue of the Placing Shares in respect of approximately 111.1 million Talvivaara Shares in aggregate, representing approximately 45.2 per cent of the existing issued share capital of Talvivaara.

The Company will apply for admission of the Placing Shares to the premium segment of the Official List of the UK Financial Services Authority and to trading on the main market of the London Stock Exchange and listing on the Helsinki Stock Exchange (collectively the "Admission"). It is expected that Admission will take place and that trading will commence on 14 March 2012.

The Placing is conditional upon, inter alia, Admission becoming effective and upon the passing of the resolution (without amendment) at the EGM scheduled for 12 March 2012. The Placing is also conditional on the placing agreement made between the Company, BofA Merrill Lynch, Liberum and Pohjola becoming unconditional and not being terminated. It is anticipated that the settlement date will be 14 March 2012.

The Appendix to this announcement (which forms part of this announcement) sets out the terms and conditions of the Placing.

Use of Proceeds

The proceeds of the Placing will be used to provide additional financial and operational flexibility for the continuing ramp-up of the mining and processing operations, as well as additional capital for potential investment in energy generation. These steps will further improve the strategically advantageous positioning of the Talvivaara operation and help to reach, and further enhance, the low cash cost position of the project.

Background and Reasons for the Placing

Talvivaara is pursuing this capital raising to provide operational and financial flexibility as part of its strategy to increase nickel production from 16,087 tonnes in 2011 to 50,000 tonnes.

Talvivaara's total resource base of more than one billion tonnes of ore corresponds to several decades of mine-life at the expanded capacity, which contributes to the Company's shift to full scale production.

Talvivaara also targets at being in a strong position to benefit from sustained worldwide demand driven particularly by China which continues to support its confidence in the long-term strength of commodity markets.

Q4 and Full Year Results 2011

Please refer to our Q4 and full year 2011 results released today for our latest disclosures regarding the Company's performance.

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IMPORTANT INFORMATION

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include, amongst others, statements regarding or which make assumptions in respect of the future continued operation of the Group's producing assets, the timing of the commencement of future production and the sustainability of that production, the ability of the Group to discover new resources, the prices achievable by the Group in respect of its production, the costs of exploration, development or production, future foreign exchange rates, interest rates and currency controls, the future political and fiscal regimes in the overseas markets in which the Group operates, the Group's future financial position, plans and objectives for future operations of the Company and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of commodities or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future explorations, acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals, and expectations set forth in the Company's forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements which are not guarantees of future performance. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by the Financial Services Authority (the "FSA"), the FFSA, the London Stock Exchange, the Helsinki Stock Exchange or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

This Announcement is for information purposes only and shall not constitute an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction (a "Prohibited Jurisdiction") in which such offer, solicitation or sale is or may be unlawful prior to registration or qualification under the securities laws of any such jurisdiction, including, without limitation and subject to certain exceptions, the United States, Canada, Australia, South Africa and Japan. This Announcement and the information contained herein are not for publication or distribution, directly or indirectly, to persons in a Prohibited Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction.

This Announcement has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by BofA Merrill Lynch, Liberum, Pohjola or by any of their respective Affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement, including the Appendix or any other written or oral information made available to or publicly available to any interested party or its advisers, and any responsibility or liability therefor is expressly disclaimed.

The Joint Lead Managers are acting for the Company and for no-one else in connection with the Placing, and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for providing advice to any other person in relation to the Placing or any other matter referred to herein. BofA Merrill Lynch and Liberum are authorised and regulated in the United Kingdom by the FSA. Pohjola is authorised and regulated in Finland by the FFSA.

The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law and/or regulation. No action has been taken by the Company or the Joint Lead Managers or any of their respective Affiliates that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Joint Lead Managers to inform themselves about, and to observe such restrictions.

The price of shares and the income from them (if any) may go down as well as up and the Placees may not get back the full amount invested on disposal of the Placing Shares. Any indication in this Announcement of the price at which Ordinary Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended to be a profit forecast or profit estimate and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHO ARE: (A) (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(1) OR ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), OR (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER, OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED; AND (B) (I) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS (AS DEFINED IN ARTICLE 2(1)(E) OF EU DIRECTIVE 2003/71/EC AS AMENDED (THE "PROSPECTUS DIRECTIVE")), AND/OR (II) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS

SET OUT IN THIS ANNOUNCEMENT RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

Persons (including individuals, funds or otherwise) by whom or on whose behalf a commitment to subscribe for Placing Shares has been given (“Placees”) will be deemed to have read and understood this Announcement, including the Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in the Appendix. In particular, each such Placee represents, warrants and acknowledges that it is: (i) a Relevant Person (as defined above) and undertakes that it will acquire, purchase, subscribe for, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and (ii) outside the United States and is subscribing for and/or purchasing the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion in an "offshore transaction" (within the meaning of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "Securities Act")) or, if it is not outside the United States, is a qualified institutional buyer (“QIB”) within the meaning of Rule 144A under the Securities Act, and has duly executed an investor representation letter in the form provided to it and has delivered the same to BofA Merrill Lynch or Liberum, as the case may be.

This Announcement, including the Appendix, is not for distribution directly or indirectly in or into the United States and does not contain or constitute an offer to purchase or to sell or a solicitation by anyone for any securities to any person in the United States. The Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. The Placing Shares may not be offered, sold, reoffered, resold, pledged, delivered or transferred, directly or indirectly, in or into the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and in compliance with state laws. There will be no public offer of the Placing Shares in the United States.

The Placing Shares referred to in this Announcement are being offered and sold only outside the United States in “offshore transactions” (within the meaning Regulation S) meeting the requirements of Regulation S and within the United States to QIBs in transactions that are exempt from, or not subject to, the registration requirements of the Securities Act.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

This Announcement, including the Appendix, is not for distribution directly or indirectly in or into Canada, Australia, South Africa or Japan or any jurisdiction into which the same would be unlawful. This Announcement does not constitute or form part of an offer or solicitation to acquire shares in the capital of the Company in Canada, Australia, South Africa or Japan or any jurisdiction in which such an offer or solicitation is unlawful. No public offering of securities of the Company will be made in connection with the Placing in the United Kingdom, Finland or elsewhere.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia, South Africa or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, reoffered, resold, pledged or otherwise delivered or transferred, directly or indirectly, in or into, Canada, Australia, South Africa or Japan or any other jurisdiction in which offers or sales would be prohibited by applicable law.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendix or this Announcement should seek appropriate advice before taking any action.

This Announcement relates to an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This Announcement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Announcement nor taken steps to verify the information set forth herein and has no responsibility for this Announcement. The Placing Shares to which this Announcement relates may be illiquid and / or subject to restrictions on their resale. Prospective subscribers of the Placing Shares offered should conduct their own due diligence on the Placing Shares. If you do not understand the contents of this Announcement you should consult an authorised financial advisor.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange and the Helsinki Stock Exchange. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

APPENDIX: TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING.

THIS ANNOUNCEMENT, INCLUDING THE APPENDIX AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISORS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A PURCHASE OF THE PLACING SHARES.

Details of the Placing

The Joint Lead Managers have entered into a placing agreement with the Company (the "Placing Agreement") under which, subject to the conditions set out in the Placing Agreement, the Joint Lead

Managers have agreed to use reasonable endeavours to procure subscribers for Placing Shares at a price determined following completion of the bookbuilding process in respect of the Placing (the "Bookbuild"), described in this Announcement and set out in the Placing Agreement, and to the extent that any such Placees procured by any of the Joint Lead Managers, fails to pay for the Placing Shares it had agreed to subscribe for, the relevant Joint Lead Manager has agreed (itself or through an Affiliate, as the case may be) to subscribe for such Placing Shares at the agreed price.

The Placing Shares have been duly authorised and will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares. The Placing Shares will be issued free of any pre-emption rights, encumbrance, lien or other security interest.

As part of the Placing, the Company has agreed that it will not issue or sell any Ordinary Shares for a period of 180 days after the Placing Shares have been issued, without the prior consent of the Joint Lead Managers. This agreement is subject to customary exceptions and does not, however, prevent the Company from granting or satisfying exercises of options granted pursuant to the terms of existing employee share schemes of the Company or issuing Ordinary Shares upon conversion of the convertible bonds of the Company as disclosed in publicly available information. Additionally, the Company's largest shareholder, Pekka Perä (c. 22.9% shareholder), has confirmed that he does not intend to sell any Ordinary Shares for a period of 180 days after Admission. This confirmation does not prevent Pekka Perä from selling options granted to him (and which do not form part of his existing shareholding) under existing employee share schemes of the Company as disclosed in publicly available information.

Application for listing and admission to trading

Application will be made to the FSA as competent authority for listing (subject to the passing of the proposed Resolution at the EGM) for admission of the Placing Shares to the premium segment of the Official List of the FSA (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for admission to trading of the Placing Shares on its main market for listed securities. Application will be made to the Helsinki Stock Exchange for admission (subject to the passing of proposed Resolution at the EGM) of the Placing Shares on the Helsinki Stock Exchange. It is expected that Admission on the London Stock Exchange and the Helsinki Stock Exchange will become effective on or around 14 March 2012 and that dealings in the Placing Shares will commence at that time.

Bookbuild

The Joint Lead Managers will today commence the Bookbuild to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No fees or commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Joint Lead Managers and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

Participation in, and principal terms of, the Placing

1. BofA Merrill Lynch is acting as sole bookrunner and the Joint Lead Managers are acting as joint lead managers and agents of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Joint Lead Managers. The Joint Lead Managers and their Affiliates are each entitled to enter bids in the Bookbuild as principal.
3. The Bookbuild will establish a single price payable to the Joint Lead Managers by all Placees whose bids are successful (the "Placing Price"). The Placing Price and the number of Placing Shares to be issued will be agreed between the Joint Lead Managers and the Company following completion of the Bookbuild. Any discount to the market price of the Ordinary Shares will be determined in accordance with the Listing Rules. The Placing Price and the number of Placing Shares will be announced on a Regulatory Information Service and as a stock exchange release pursuant to Finnish Securities Law following the completion of the Bookbuild.
4. To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at either of the Joint Lead Managers. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at either the Placing Price, which is ultimately established by the Company and the Joint Lead Managers, or at prices up to a price limit specified in its bid. Bids may be scaled down by the Joint Lead Managers on the basis referred to in paragraph 9 below. The Joint Lead Managers reserve the right not to accept bids or to accept bids in part rather than in whole. The acceptance of bids shall be at each Joint Lead Manager's absolute discretion.
5. The Bookbuild is expected to close no later than 4.30 p.m. (London time) on 16 February 2012 but may be closed earlier or later at the discretion of the Joint Lead Managers. The Joint Lead Managers may, in agreement with the Company, accept bids that are received after the Bookbuild has closed. The Company reserves the right (upon the agreement of the Joint Lead Managers) to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion.
6. Each prospective Placee's allocation will be agreed between the Joint Lead Managers and the Company and will be confirmed orally by one of the Joint Lead Managers as agent of the Company following the close of the Bookbuild. That oral confirmation will constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) in favour of the Company and the Joint Lead Managers to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association.
7. Each prospective Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by one of the Joint Lead Managers. The terms of this Appendix will be deemed incorporated in that contract note.
8. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Lead Manager as agent of the Company to pay in cleared funds, an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe and the Company has agreed to allot and issue to that Placee.
9. The Joint Lead Managers may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Company and may scale down any bids for this purpose

on such basis as they may determine. The Joint Lead Managers may also, notwithstanding paragraphs 4 and 5 above, subject to the prior consent of the Company (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time.

10. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Announcement and will be legally binding on the Placee on behalf of which it is made and except with the consent of either of the Joint Lead Managers will not be capable of variation or revocation after the time at which it is submitted.

11. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

12. All obligations under the Bookbuild and Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement".

13. By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

14. To the fullest extent permissible by law, none of the Joint Lead Managers nor any of their Affiliates nor any person acting on their behalf shall have any responsibility or liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Joint Lead Managers nor any of their Affiliates nor any person acting on their behalf shall have any responsibility or liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the Joint Lead Managers's conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Lead Managers and the Company may agree.

15. In addition, certain of the Joint Lead Managers or their Affiliates may enter into financing arrangements and swaps with investors in connection with which such Joint Lead Managers (or their Affiliates) may from time to time acquire, hold or dispose of Ordinary Shares.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The obligations of the Joint Lead Managers under the Placing Agreement are conditional on, amongst other things:

- (a) agreement being reached between the Company and the Joint Lead Managers on the Placing Price and the number of Placing Shares;
- (b) the representations and warranties contained in the Placing Agreement being true, accurate and complete on the date of the Placing Agreement and remaining so at all times down to and including Admission (by reference to the facts and circumstances then existing);
- (c) the Company complying with its obligations under the Placing Agreement to the extent the same fall to be performed or satisfied prior to Admission;

(d) Admission taking place by 8.00 a.m. (London time) on 14 March 2012 (or such later date as the Joint Lead Managers may otherwise determine);

(e) in the opinion of BofA Merrill Lynch, acting in good faith, there not having been and BofA Merrill Lynch not having become aware of a material adverse change in, or any development involving a prospective material adverse change in, the condition, financial, operational or otherwise, or in the management, prospects, results of operations or business of the Company and its subsidiaries taken as a whole; and

(f) the passing of the Resolution (without amendment) at the EGM (and not, save with the written consent of the Joint Lead Managers, at any adjournment thereof).

If (i) any of the conditions contained in the Placing Agreement in relation to the Placing Shares are not fulfilled or, where permitted, waived by BofA Merrill Lynch, by the respective time or date where specified (or such later time and/or date as the Company and BofA Merrill Lynch may agree), or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and each Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

BofA Merrill Lynch may, at its discretion and upon such terms as it thinks fit, extend the time for satisfaction of any condition or waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement save that the condition in the Placing Agreement relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of BofA Merrill Lynch, the Company or any other person shall have any responsibility or liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and /or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of BofA Merrill Lynch.

By participating in the Bookbuild, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under "Termination of the Placing Agreement" below, and will not be capable of rescission or termination by the Placee.

Termination of the Placing Agreement

BofA Merrill Lynch on behalf of the Joint Lead Managers is entitled, at any time before Admission, to terminate the Placing Agreement in relation to their obligations in respect of the Placing Shares by giving notice to the Company if, amongst other things:

(a) any of the conditions to the Joint Lead Managers' obligations under the Placing Agreement have not been satisfied by the Company or waived by BofA Merrill Lynch; or

(b) there has been a breach of any of the warranties and representations contained in the Placing Agreement or any material failure to perform any of the undertakings or agreements in the Placing Agreement; or

(c) it shall come to the notice of BofA Merrill Lynch that any statement contained in this Announcement, or any other document or announcement issued or published by or on behalf of the Company in connection with the Placing (together, the "Placing Documents"), is or has become untrue, incorrect or misleading in any material respect, or any matter has arisen, which would, if the Placing were made at that time, constitute a material omission from the Placing Documents or a material omission from or misleading inaccuracy in publicly available information made public by the Company previously, or any of them, and which BofA Merrill Lynch, acting in good faith, considers to be material in the context of the Placing or the underwriting of the Placing Shares, Admission or any of the transactions contemplated by the Placing Agreement; or

(d) there has occurred (i) any material adverse change in the financial markets in the United States, the United Kingdom, Finland, any member states of the European Union or in the international financial markets, (ii) any outbreak or escalation of hostilities, or other calamity or crisis or (iii) any change or development involving a prospective change in national political, financial or economic conditions, or currency exchange rates in such countries or internationally, in each case the effect of which is such as to make it, in the judgement of BofA Merrill Lynch acting in good faith, impracticable or inadvisable to market the Placing Shares or to enforce contracts for the sale of the Placing Shares; or

(e) if trading in the Ordinary Shares is suspended or limited or there are certain other disruptions, limitations or suspensions in respect of the operations of certain stock exchanges or a banking moratorium is declared by certain authorities, or if there is an announcement of intended withdrawal from the Euro, or of intended redomination of any obligation, private or public, by any EEA member state which is such to make it, in the judgement of BofA Merrill Lynch acting in good faith, impracticable or inadvisable to market the Placing Shares or to enforce contracts for the sale of the Placing Shares.

Upon such termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by BofA Merrill Lynch of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of BofA Merrill Lynch and that it need not make any reference to Placees and that it shall have no responsibility or liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

No prospectus

No offering document or prospectus has been or will be submitted to be approved by the FSA or the FFSA in relation to the Placing and Placees' commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement (including this Appendix) released by the Company today, and any Exchange Information (as defined below) previously published by the Company and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) and the publicly available information released by or on behalf of the Company is exclusively the responsibility of the Company and confirms that it has neither received

nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company (other than publicly available information) or the Joint Lead Managers or their Affiliates (other than the amount of the relevant Placing participation in the oral confirmation given to Placees and the contract note referred to below) or any other person and none of the Joint Lead Managers, their Affiliates, any persons acting on their behalf or the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and settlement

Settlement of transactions in the Placing Shares following Admission will take place within the Book-entry System.

Placees outside of the Republic of Finland who wish to hold their Placing Shares in uncertificated form in CREST will not be issued with Ordinary Shares but will receive their interest in the Company by means of the CREST International Settlement Links Service and, in particular, the link with Euroclear Finland and SIX SIS AG. The Placing Shares will be issued by the Company and incorporated within the Book-entry System and then transferred to CREST International Nominees Limited ("CINL"), a subsidiary of CRESTCo, which will hold them on trust and will be subject to the existing depositary arrangements between the Company and the depositary.

The Company reserves the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees who are outside of the Republic of Finland in certificated form if, in the Joint Lead Managers' opinion, delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares to be allocated to it at the Placing Price and settlement instructions.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed within the Book-entry System maintained by Euroclear Finland and in respect of CREST.

It is expected that settlement will be on 14 March 2012 in accordance with the instructions given to the Joint Lead Managers.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Joint Lead Managers.

Each Placee agrees that, if it does not comply with these obligations, any or all of the Placing Shares allocated to that Placee may be sold on such Placee's behalf and an amount equal to the aggregate amount owed by the Placee plus any interest due will be retained from the proceeds for the Company's account and benefit. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and shall be required to bear any stamp duty, stamp duty reserve tax or

other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject to as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing. If there are any circumstances in which any other stamp duty or stamp duty reserve tax (together with interest and penalties) is payable in respect of the issue of the Placing Shares, neither the Joint Lead Managers nor the Company shall be responsible for the payment thereof.

Representations and warranties

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with the Joint Lead Managers and the Company, in each case as a fundamental term of their application for Placing Shares as set out below. Each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood this Announcement, including the Appendix, in its entirety and that its subscription for the Placing Shares is subject to and based upon all the terms, conditions, warranties, acknowledgements, agreements and undertakings and other information contained herein;
2. acknowledges and agrees that no offering document, listing particulars or prospectus has been or will be prepared in connection with the Placing and represents and warrants that it has not received a prospectus or other offering document in connection with the Bookbuild, the Placing or the Placing Shares;
3. acknowledges that the Ordinary Shares are listed on the Official List of the FSA and the Helsinki Stock Exchange, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FSA, the FFSA and the Helsinki Stock Exchange and Finnish Securities Law (collectively, the "Exchange Information"), which includes a description of the nature of the Company's business and its most recent balance sheet and profit and loss account and similar statements for preceding financial years and that it has reviewed such Exchange Information and is able to obtain or access such Exchange Information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
4. acknowledges that none of the Joint Lead Managers or the Company nor any of their Affiliates nor any person acting on behalf of any of them has provided, and will not provide, it with any material or information regarding the Placing Shares, the Placing or the Company or any other person other than this Announcement; nor has it requested any of the Joint Lead Managers, the Company, any of their Affiliates or any person acting on behalf of any of them to provide it with any such material or information;

5. acknowledges that (i) it and, if different, the beneficial owner of the Placing Shares is not, and at the time the Placing Shares are acquired will not be, a resident of Australia, Canada, South Africa or Japan, and (ii) the Placing Shares have not been and will not be registered under the securities legislation of the United States, Australia, Canada, South Africa or Japan or any other Prohibited Jurisdiction and, subject to certain exceptions, may not be offered, sold, reoffered, resold, pledged or otherwise delivered or transferred, directly or indirectly, in or into such Prohibited Jurisdiction;

6. confirms that (i) it is not within Australia, Canada, South Africa, Japan or any other Prohibited Jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares; (ii) either (a) it is not within the United States and is acquiring the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the Securities Act) or (b) it is a QIB; and (iii) it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States or any other Prohibited Jurisdiction;

7. acknowledges that the Placing Shares have not been and will not be qualified by a prospectus under Canadian Securities Laws and are not being offered or sold to any person in any Canadian jurisdiction, except as may be permitted by applicable laws;

8. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that none of the Joint Lead Managers nor any person acting on their behalf has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement, any information previously published by or on behalf of the Company or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, investigations or representations, warranties or statements made by any of the Joint Lead Managers or the Company and none of the Joint Lead Managers or the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing;

9. acknowledges that it has not relied on any information relating to the Company contained in any research reports prepared by any of the Joint Lead Managers, any of their Affiliates or any person acting on the Joint Lead Managers' or any of their Affiliates' behalf and understands that (i) none of the Joint Lead Managers, any of their Affiliates nor any person acting on their behalf has or shall have any liability for public information or any representation; (ii) none of the Joint Lead Managers, any of their Affiliates nor any person acting on their behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this document or otherwise; and that (iii) none of the Joint Lead Managers, any of their Affiliates nor any person acting on their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;

10. acknowledges that none of the Joint Lead Managers nor any person acting on behalf of them nor any of their Affiliates has or shall have any responsibility or liability for any Exchange Information, any publicly available or filed information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

11. represents and warrants that neither it, nor the person specified by it for registration as a holder of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person whose business either is or includes issuing depositary receipts or the provision of clearance services and therefore that the issue to the Placee, or the person specified by the Placee for registration as holder, of the Placing Shares will not give rise to a liability under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depositary receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer Placing Shares into a clearance system;

12. acknowledges that no action has been or will be taken by the Company, the Joint Lead Managers or any person acting on behalf of the Company or the Joint Lead Managers that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required

13. represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Criminal Justice Act 1993, Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 (the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

14. represents and warrants that it is acting as principal only in respect of the Placing or, if it is acting for any other person (i) it is duly authorised to do so, (ii) it is and will remain liable to the Company and/or the Joint Lead Managers for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person), (iii) it is both an "authorised person" for the purposes of FSMA and a "qualified investor" ("Qualified Investor") as defined in the Prospectus Directive acting as agent for such person, and (iv) such person is either (1) a "qualified investor" as referred to at section 86(7) of FSMA or (2) a "client" (as defined in section 86(2) of FSMA) of its that has engaged it to act as such client's agent on terms which enable it to make decisions concerning the Placing or any other offers of transferable securities on such client's behalf without reference to such client;

15. represents and warrants that it will subscribe for any Placing Shares for which it subscribes for its own account or for one or more accounts as to each of which it exercises sole investment discretion and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;

16. if a financial intermediary, as that term is used in Article 3(2) of EU Directive 2003/71/EC as amended (the "Prospectus Directive") (including any relevant implementing measure in any member state), represents and warrants that the Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in a member state of the European Economic Area which has implemented the Prospectus Directive other than to Qualified Investors, or in circumstances in which the prior consent of the Joint Lead Managers has been given to the proposed offer or resale;

17. represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to Qualified Investors or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA");

18. acknowledges that any offer of Placing Shares may only be directed at persons in member states of the European Economic Area who are Qualified Investors and represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);

19. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

20. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

21. represents and warrants that it is a person falling within Articles 19(1), Article 19(5) and/ or Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or is a person to whom this Announcement may otherwise be lawfully communicated;

22. represents and warrants that (i) it and any person acting on its behalf has capacity and authority and is otherwise entitled to subscribe for and purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has not taken any action which will or may result in the Company, the Joint Lead Managers, any of their Affiliates or any person acting on their behalf being in breach of the legal and/or regulatory requirements of any territory in connection with the Placing and (iv) that the subscription for and purchase of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;

23. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as the Joint Lead Managers may in their absolute discretion determine and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this document) which may arise upon the sale of such Placee's Placing Shares on its behalf;

24. acknowledges that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call

upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

25. acknowledges that none of the Joint Lead Managers, nor any of their respective Affiliates, nor any person acting on behalf of either of them, is making any recommendations to it, or advising it regarding the suitability or merits of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of any of the Joint Lead Managers and that the Joint Lead Managers have no duties or responsibilities to any Placee for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

26. undertakes that (i) the person whom it specifies for registration as holder of the Placing Shares will be (a) itself or (b) its nominee, as the case may be. None of the Joint Lead Managers or the Company will be responsible for any liability to stamp duty or stamp duty reserve tax (together with interest and penalties) resulting from a failure to observe this requirement And (iii) each Placee and any person acting on behalf of such Placee agrees to participate in the Placing on the basis that the Placing Shares will be transferred to the stock account of BofA Merrill Lynch with CREST who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions with payment for the Placing Shares being made simultaneously upon receipt of the Placing Shares in the Placee's stock account on a delivery versus payment basis;

27. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Joint Lead Managers in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

28. acknowledges that the Joint Lead Managers will rely upon the truth and accuracy of the representations, warranties, agreements, undertakings and acknowledgements set forth herein and which are irrevocable and it irrevocably authorises the Joint Lead Managers to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;

29. agrees to indemnify on an after-tax basis and hold the Company, the Joint Lead Managers and their respective Affiliates and any person acting on their behalf harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;

30. acknowledges that it irrevocably appoints any director of BofA Merrill Lynch as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its

behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;

31. acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the contract note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing;

32. in making any decision to subscribe for the Placing Shares, confirms that (i) it has knowledge, sophistication and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring the Placing Shares; (ii) it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with, the Placing; (iii) it has relied on its own examination and due diligence of the Company and its Affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved; (iv) it has had sufficient time to consider and conduct its own investigation with respect to the offer and purchase of the Placing Shares, including the tax, legal, currency and other economic considerations relevant to such investment and (v) will not look to the Company, the Joint Lead Managers, any of their respective Affiliates or any person acting on their behalf for all or part of any such loss or losses it or they may suffer;

33. acknowledges and agrees that the Joint Lead Managers do not owe any fiduciary or other duties to it or any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;

34. understands and agrees that it may not rely on any investigation that the Joint Lead Managers or any person acting on their behalf may or may not have conducted with respect to the Company and its Affiliates or the Placing and the Joint Lead Managers have not made any representation to it, express or implied, with respect to the merits of the Placing, the subscription for the Placing Shares, or as to the condition, financial or otherwise, of the Company and its Affiliates, or as to any other matter relating thereto, and nothing herein shall be construed as a recommendation to it to subscribe for the Placing Shares. It acknowledges and agrees that no information has been prepared by, or is the responsibility of, the Joint Lead Managers for the purposes of this Placing;

35. acknowledges and agrees that it will not hold the Joint Lead Managers or any of their Affiliates or any person acting on its behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Company's group or information made available (whether in written or oral form) relating to the Company's group (the "Information") and that none of the Joint Lead Managers or any person acting on their behalf, makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information;

36. acknowledges that in connection with the Placing, the Joint Lead Managers and any of their Affiliates acting as an investor for their own accounts may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Joint Lead Manager and any Affiliate acting in such capacity. No Joint Lead Manager nor any Affiliate intends to disclose the extent of any

such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so;

37. acknowledges that (i) the Placing Shares are being offered and sold outside the United States pursuant to Regulation S in a transaction not involving a public offering of securities in the United States and the Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority;

38. represents and warrants that unless it is a QIB in the United States to which the Placing Shares will be offered on a private placement basis, it (a) is, and at the time the Placing Shares are acquired it will be, outside the United States and (b) is acquiring the Placing Shares in an “offshore transaction” (as defined in Regulation S);

39. represents and warrants that it is not taking up and will not take up any Placing Shares as a result of any “directed selling efforts” as that term is defined in Regulation S under the Securities Act;

40. The foregoing acknowledgements, agreements, undertakings, representations, warranties and confirmations are given for the benefit of each of the Company as well as the Joint Lead Managers (for their own benefit, and, where relevant, the benefit of their respective Affiliates and any person acting on their behalf) and are irrevocable. The agreement to settle a Placee's allocation (and/or the allocation of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to the subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes, and is based on a warranty from each Placee, that neither it, nor the person specified by it for registration as holder, of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person whose business either is or includes issuing depository receipts or the provision of clearance services). If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax, and neither the Company nor the Joint Lead Managers shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Joint Lead Managers accordingly;

Additional representations and warranties from purchasers in the United States

In addition to the foregoing, by participating in the Placing, each Placee (and any person acting on such Placee's behalf) who is in the United States:

41. represents and warrants that (a) it is a QIB within the meaning of Rule 144A under the Securities Act; (b) it has duly executed, or will duly execute, an investor letter in the form provided to it by BofA Merrill Lynch or Liberum, as the case may be, in which it will make certain undertakings, representations and warranties in addition to those contained herein; and (c) it is subscribing for the Placing Shares for its own account, or for an account managed on behalf of another QIB, and not with a view to any distribution within the meaning of the Securities Act or applicable state law except as set forth below;

42. represents and warrants that it understands and acknowledges that, the Placing Shares are being offered and sold to it in accordance with the exemption from registration under the Securities Act for transactions by an issuer not involving a public offering of securities in the United States and that the Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States.

43. represents and warrants that the Placing Shares will not be reoffered, resold, pledged or otherwise transferred by it except (a) outside the United States in an offshore transaction pursuant to Rule 903 or Rule 904 of Regulation S; (b) in the United States to a person whom the seller reasonably believes is a QIB and to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A under the Securities Act; (c) pursuant to Rule 144 under the Securities Act ("**Rule 144**"), if available; (d) to the Company; (e) pursuant to an effective registration statement under the Securities Act; or (f) pursuant to another available exemption, if any, from registration under the Securities Act, in each case in compliance with all applicable laws;

44. it understands and agrees that (a) the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

45. represents and warrants that it will notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Placing Shares of the foregoing restrictions on transfer;

46. understands and acknowledges that the Company or registrar and transfer agent for the Placing Shares are not required to accept for registration of transfer any Placing Shares except upon presentation of evidence (including an opinion of legal counsel satisfactory to the Company) to the Company and the transfer agent that the foregoing restrictions on transfer have been complied with;

47. represents and warrants that for so long as the Placing Shares are "restricted securities" (within the meaning of Rule 144(a)(3) under the Securities Act), it will segregate such Placing Shares from any other shares that it holds that are not restricted securities, shall not deposit such shares in any depository facility (including any American Depositary Receipt Facility) established or maintained by a depository bank and will only transfer such Placing Shares in accordance with the foregoing restrictions;

48. acknowledges that until 40 days after the later of the commencement of the Placing and the closing date, an offer or sale of Placing Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act;

49. represents and warrants that if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, each such account is a QIB, it has sole investment discretion with respect to each such account and it has full power and authority to make, and does make, the acknowledgements, representations, warranties and agreements herein on behalf of each such account;

50. represents and warrants that it is acquiring the Placing Shares for its own account (or the account of a QIB as to which it has sole investment discretion) for investment purposes and (subject to the disposition of its property being at all times within its control) not with a view to any distribution of the Placing Shares;

51. represents and warrants that it is not purchasing the Placing Shares as a result of any "general solicitation or general advertising" (as those terms are used in Regulation D under the Securities Act); and

52. represents and warrants that no representation has been made as to the availability of the exemption provided by Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares.

Other terms and conditions

In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other similar impost, duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

Under Listing Rule 9.5.10 (3) the Placing Price cannot be set at a discount of more than ten per cent. to the middle market price of the Ordinary Shares at the time of agreeing the Placing unless such Placing Price is approved by the Shareholders. In such a situation, the Resolution will be amended and Shareholders will be asked to consider and, if thought fit, approve the Placing Price. Each Placee and any person acting on behalf of each Placee acknowledges and agrees that the Joint Lead Managers or any of their Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with the Joint Lead Managers, any money held in an account with any of the Joint Lead Managers on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the relevant Joint Lead Managers' money in accordance with the client money rules and will be used by the relevant Joint Lead Managers in the course of their own business; and the Placee will rank only as a general creditor of the Joint Lead Managers.

All times and dates in this Announcement may be subject to amendment. The Joint Lead Managers shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of the Joint Lead Managers and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Each Placee may be asked to disclose in writing or orally to the Joint Lead Managers:

if he is an individual, his nationality; or

if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

DEFINITIONS

In this Announcement:

"**Admission**" means (i) the admission of the Placing Shares to listing on the Official List of the Financial Services Authority and to trading on the main market of the London Stock Exchange and (ii) the admission of the Placing Shares to listing on the Helsinki Stock Exchange;

"**Affiliate**" has the meaning given in Rule 501(b) of Regulation D promulgated under the Securities Act or Rule 405 under the Securities Act, as applicable;

"**Announcement**" means this announcement (including the appendix to this announcement);

"**Book-entry System**" means the book-entry system maintained by Euroclear Finland in accordance with the Finnish Act on Book-entry Systems (17.5.1991/826);

"**BofAML**" means Merrill Lynch International;

"**Company**" or "**Talvivaara**" means Talvivaara Mining Company PLC;

"**CREST**" means the relevant system, as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (in respect of which Euroclear UK & Ireland Limited is the operator);

"**CRESTCo**" means CRESTCo Limited, the operator of CREST;

"**DFSA**" means the Dubai Financial Services Authority;

"**EGM**" means the general meeting of the Company to be held on around 12 March 2012;

"**Euroclear Finland**" means Euroclear Finland Limited;

"**FFSA**" means the Finnish Financial Supervision Authority (*Finanssivalvonta*);

"**Finnish Securities Law**" means the laws, regulations, decrees, guidelines and decisions taken by relevant authorities applicable to the Placing, including but not limited to the Finnish Securities Market Act (26.5.1989/495) and the administrative decrees and guidelines issued thereunder by the Ministry of Finance and the Finnish Financial Supervision Authority, respectively, and the rules of the Helsinki Stock Exchange;

"**FSA**" means the Financial Services Authority;

"**FSMA**" means Financial Services and Markets Act 2000, as amended;

"**Group**" means the Company and its subsidiaries;

"**Helsinki Stock Exchange**" means NASDAQ OMX Helsinki Ltd;

"**Joint Lead Managers**" means BofA Merrill Lynch, Liberum and Pohjola;

“**Liberum**” means Liberum Capital Limited;

"**Listing Rules**" means the listing rules made by the FSA under section 73A of the FSMA and each a "**Listing Rule**";

"**London Stock Exchange**" means the London Stock Exchange plc;

"**Official List**" means the official list of the FSA;

"**Ordinary Share**" means an ordinary share of the Company;

"**Placee**" means any person (including individuals, funds or otherwise) by whom or on whose behalf a commitment to subscribe for Placing Shares has been given;

"**Placing**" means the placing of the Placing Shares by the Joint Lead Managers, on behalf of the Company, with both new and existing institutional investors;

"**Placing Agreement**" means the placing agreement dated 16 February 2012 among the Company and the Joint Lead Managers in respect of the Placing;

"**Placing Price**" means the price per Ordinary Share at which the Placing Shares are placed;

"**Placing Shares**" means up to 24,589,050 Ordinary Shares to be issued pursuant to the Placing;

“**Pohjola**” means Pohjola Corporate Finance Ltd;

"**Prospectus Directive**" means the Directive of the European Parliament and of the Council of the European Union 2003/71/EC;

"**Resolution**" means the resolution(s) to be approved in the EGM, in a form and substance acceptable to the Joint Lead Managers;

"**Securities Act**" means the US Securities Act of 1933, as amended;

"**Shareholder**" means a holder of Ordinary Shares;

"**United Kingdom**" or "**UK**" means the United Kingdom of Great Britain and Northern Ireland; and

"**United States**" or "**US**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia