PKC Group Plc INTERIM REPORT 4 May 2012 8.15 a.m.

PKC GROUP'S INTERIM REPORT 1-3/2012

- Net sales grew 149.7% on the comparison period (1-3/2011), totalling EUR 242.0 million (EUR 96.9 million).
- Operating profit before PPA depreciation amortization and non-recurring items was EUR 16.1 million (EUR 10.2 million). During the report period PPA depreciation and amortization totalled EUR 3.2 million (EUR 0.6 million).
- Operating profit was EUR 12.7 million (EUR 9.7 million) i.e. 5.3% (10.0%) of net sales.
- Net profit for the report period amounted to EUR 6.9 million (EUR 7.6 million).
- Diluted earnings per share were EUR 0.33 (EUR 0.38).
- Gross capital expenditure was EUR 4.8 million (EUR 2.5 million)
- Net cash from operating activities was EUR 25.9 million (EUR 2.4 million)
- Cash flows after investments were EUR 23.1 million (EUR 0.1 million).
- Gearing was 52.1% (3.8% negative).
- Equity ratio was 30.9% (52.4%)
- Net liabilities were EUR 85.1 million (EUR 4.6 million negative).

KEY FIGURES	**1-3/12**	**1-3/11**	**1-12/11**
Net sales, EUR 1,000	241,967	96,886	550,208
Operating profit, EUR 1,000	12,735	9,670	34,505
% of net sales	5.3	10.0	6.3
Net profit for the report period, EUR 1,000	6,895	7,592	23,445
Earnings per share (EPS), EUR	0.33	0.38	1.16
ROI,%	21.2	28.3	18.9
Net liabilities, EUR 1,000	85,098	-4,624	110,739
Gearing, %	52.1	-3.8	72.6
Average number of personnel	21,955	6,234	10,793

MATTI HYYTIÄINEN, PRESIDENT AND CEO:

"We can be satisfied with our performance in the first quarter. The Group's net sales and operating profit increased over the comparison period. I am particularly pleased that actions to improve cash flow and reduce net working capital yielded results. Our net working capital was reduced by EUR 12.6 million during the first quarter and cash flow after investments improved significantly and was EUR 23.1 million.

PKC's earnings per share was lower than in comparison period because the amount of taxes increased in report period.

Production volumes for commercial vehicles and light vehicles continued to grow in North America. Production volumes for heavy-duty commercial vehicles increased by about 50% over the comparison period, and volumes for medium-duty vehicles increased more than 10% and volumes for light vehicles less than 10%. We were able to meet the increased demand without significant investments in production.

In Europe, production volumes for heavy- and medium-duty commercial vehicles fell by about 8% over the comparison period. We methodically adapted our European production level to correspond to the production volumes of our customers.

In Brazil, production volumes for heavy-duty commercial vehicles fell by 15% over the comparison period but

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fell close to 40% compared to last quarter of 2011. The main reasons for the reduced production volumes were the first-quarter transition to new emissions regulations (Euro 5) and the annual holidays that occurred over the same period of time. In Brazil, PKC also manufactures wiring harnesses for passenger cars, and their production volumes decreased significantly in the period under review. PKC is currently reorganising production and other operations in Brazil. As a result of low production volumes and on-going reorganisation, the operating profit of our Brazilian unit was negative. Measures to improve the situation have been started. The aim is to conclude the reorganisation, the related production transfers and improvement measures during 2012.

PKC's Wiring Systems business developed favourably. Wiring Systems business' EBIT was EUR 15.0 million. ODM deliveries by PKC's Electronics business were at a very low level, and as a result operating profit for the first quarter was EUR 1.0 million negative.

The full-year prospects for demand for PKC's customers vary by market. In North America, full-year production volumes for heavy-duty commercial vehicles are forecast to be 15-20% higher than in 2011, and correspondingly volumes for medium-duty and light vehicles 2-4% higher.

As far as Europe is concerned, production volumes for heavy- and medium-duty commercial vehicles are forecast to be 5−10% less than those for 2011.

In Brazil, production volumes in 2012 are expected to fall between 25-30% compared to year 2011."

OPERATING ENVIRONMENT

Wiring Systems business

- Vehicles, Europe

Economic uncertainty continued in Europe and this had a negative impact to the market confidence. The truck buyers have placed fewer orders and truck manufacturers have responded to weakening demand by reducing their output rates. Among the truck market segments the heavy duty haulage has remained the key driver of sales.

First quarter 2012 production of heavy duty trucks reached 73,000 units which was 8% less than in the same period of time year earlier and 20% less than in the fourth quarter 2011.

First quarter 2012 production of medium duty trucks was 17,000 units which was 8% less than in the same period of time year earlier but remained almost in the same level as in the fourth quarter 2011.

The worries over the economic outlook in Europe will remain and the truck production for full year 2012 is expected to be lower than full year 2011. Full year 2012 heavy duty truck production is expected to be 300,000 units which is 6% less than last year. The comparable numbers for medium duty truck production are estimated to be 68,000 units and 9% less than year 2011.

- Vehicles, North America

The demand for new trucks remained robust as fleets continued to replace aging equipment. NAFTA first quarter 2012 production of class 8 reached 76,000 units which is close to 50% growth compared to same period year earlier and a small growth of 2% compared to the fourth quarter 2011. The order backlogs for heavy duty commercial trucks represented 3.5 month's supply of production at the factories, a sharp change from the 8 months one year ago.

NAFTA first quarter 2012 medium duty truck production rose to 45,000 units which represented 10% growth compared to same period year earlier and 10% growth compared to last quarter of 2011.

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Light vehicle production volumes reflected positive sentiment in the market and first quarter production increased by 6% compared to the first quarter 2011 and grew close to 9% compared to fourth quarter 2011.

The supply of drivers being moderately tight, freight demand good and freight companies' profits healthy, new capacity is likely to be added to fleets moderately and the replacement of aging trucks will continue. The full year production for heavy duty (class 8) trucks is estimated to be just below 300,000 units. This is close to 20% growth compared to the full year 2011. Medium duty truck production is estimated to be close to 175,000 units which represents modest growth of 4% compared to year 2011. Light vehicle production is estimated to grow by 2% and to reach 6.7 million vehicles in 2012.

- Vehicles, South America

The demand of the commercial vehicles was adversely affected during the quarter by the transition to Euro 5 vehicles in Brazil. The first quarter heavy duty truck production reached 26,000 units and this was close to 15% less than first quarter of 2011 and 38% less than fourth quarter 2011. The medium duty truck production was 12,000 units and it was 9% less than same period of time year earlier, and 38% less than fourth quarter 2011.

Over the long term Brazilian truck market has a good growth potential but the truck production for full year 2012 will not reach the level achieved in year 2011. The estimate for heavy duty truck production year 2012 is 105,000 units which close to 30% less than year 2011. The medium duty truck production estimation is 52,000 units and compared to full year 2011 it represents decline of more than 20%.

- Agricultural Equipment Industry

Worldwide agricultural equipment industry retail unit sales decreased 2% compared to the first quarter of 2011. Global tractor sales were slightly down (-2%) and global combine sales decreased 5% for the quarter. North American sales of tractors over 40 horsepower were up 5% while combine sales were down 40% mainly due to equipment availability. Latin America sales of tractors and combines decreased 8% and 1%, respectively, as a result of the drought conditions. EAME & CIS markets improved for the quarter with tractor sales up 9% and combine sales up 21%. APAC unit retail sales were down 4% for tractors and 33% for combines.

- Construction Equipment Industry

Global construction equipment industry sales declined 6% in the first quarter compared to the prior year, as declining demand in China drove the APAC region down 24%. Light equipment global demand was up 12% and heavy equipment demand declined 19%, with the APAC region down 31%. The North American market registered a substantial year-over-year improvement with demand up 45% (light equipment volumes up 52% and heavy equipment up 30%). EAME & CIS markets continued to improve, up 14%, as the industry continued to rebuild from the prior year's low levels. Latin America demand was up 9% for light equipment and down 1% for heavy equipment.

Electronics business

Demand for the products of PKC Group's key industrial electronics customers decreased during the first quarter of 2012. The weakening was a result of economic uncertainty in Europe and a reduction in wind power energy investments globally.

Due to on-going product strategy changes of a telecommunications customer, the demand for PKC's Electronics business' design and manufacturing services (ODM) remained significantly lower than the previous year.

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NET SALES AND FINANCIAL PERFORMANCE

January-March 2012

Net sales from January-March amounted to EUR 242.0 million (EUR 96.9 million), up 149.7% on the same period a year earlier. During the report period EUR 0.3 million in non-recurring items were reported. During the comparison period no non-recurring items were recorded. Operating profit before non-recurring items, PPA depreciation and amortization totalled EUR 16.1 million, accounting for 6.7% of net sales. Consolidated operating profit totalled EUR 12.7 million (EUR 9.7 million), accounting for 5.3% of net sales (10.0%). Operating profit was burdened by the losses of the Brazilian unit. Depreciation amounted to EUR 7.4 million (EUR 2.8 million). Depreciation caused by acquisitions amounted to EUR 3.2 million. Financial expenses were EUR 2.3 million (EUR 0.3 million). Financial expenses include exchange rate gain totalling EUR 0.2 million net. Profit before taxes was EUR 10.5 million (EUR 9.4 million). The amount of income taxes increased during the report period. Net profit for the report period totalled EUR 6.9 million (EUR 7.6 million). Diluted earnings per share were EUR 0.33 (EUR 0.38).

Net sales generated by the Wiring Systems business in the report period amounted to EUR 226.6 million (EUR 78.2 million), or 189.9% more than in the comparison period. The segment’s share of the consolidated net sales was 93.7% (80.7%). Net sales increased along with the acquisition of AEES companies. During the report period EUR 0.1 million in non-recurring items were reported. During the comparison period no non-recurring items were recorded. Wiring Systems business generated an operating profit before non-recurring items, PPA depreciation and amortization of EUR 18.4 million (EUR 10.7 million), equivalent to 8.1% of the segment’s net sales (13.7%). Wiring Systems business generated an operating profit of EUR 15.0 million (EUR 10.1 million), equivalent to 6.6% of the segment’s net sales (12.9%). The comparable profitability weakened due to the losses of the Brazilian unit resulting from low production volumes and costs related to the reorganisation of operations.

Net sales generated by the Electronics business decreased by 18.0% to EUR 15.3 million (EUR 18.7 million). The segment’s share of the consolidated net sales was 6.3% (19.3%). During the report period EUR 0.1 million in non-recurring items were reported. During the comparison period no non-recurring items were recorded. Electronics business generated an operating profit before non-recurring items, PPA depreciation and amortization of EUR 0.9 million negative, equivalent to -5.7% of the segment’s net sales. Electronics business generated an operating profit of EUR 1.0 million negative (EUR 0.4 million), equivalent to -6.5% of the segment’s net sales (2.4%). The decline of net sales and operating profit is due to decreased demand of design and manufacturing services (ODM) of production and service devices for telecommunication industry. Decrease in demand was due to change of customer’s product strategy. Electronics segment’s result was further burdened by costs related to production transfers from Finland to more competitive production facilities.

FINANCIAL POSITION AND CASH FLOW

Consolidated total assets at 31 March 2012 amounted to EUR 529.1 million (EUR 230.2 million). Increase in total assets compared to comparison period is mainly due to the business acquisitions. Interest-bearing liabilities totalled EUR 160.0 million at the close of the report period (EUR 32.4 million). The Group’s equity ratio was 30.9% (52.4%). Net liabilities totalled EUR 85.1 million (EUR 4.6 million negative) and the gearing was 52.1% (3.8% negative).

Inventories amounted to EUR 108.4 million (EUR 63.4 million). Current receivables totalled EUR 129.7 million (EUR 65.3 million). Net cash from operating activities was EUR 25.9 million and cash flows after investments during the report period were EUR 23.1 million (EUR 0.1 million). Cash and cash equivalents amounted to EUR 74.9 million (EUR 37.0 million).

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CAPITAL EXPENDITURE

During the report period, the Group's gross capital expenditure totalled EUR 4.8 million (EUR 2.5 million), representing 2.0% of net sales (2.6%). The capital expenditure consisted mainly of production machinery and equipment.

RESEARCH & DEVELOPMENT

Research and development costs totalled EUR 2.0 million (EUR 1.6 million), representing 0.8% (1.6%) of the consolidated net sales. At the end of the report period, 156 (116) people worked in product development, excluding production development and process development personnel.

PERSONNEL

During the report period, the Group had an average payroll of 21,955 employees (6,234). At the end of the report period, the Group's personnel numbered 21,919 employees (6,407), of whom 21,564 (5,986) worked abroad and 355 (421) in Finland. In addition the Group had at the end of the report period 283 rented employees.

During the report period a total of 14 persons were laid off from PKC Electronics Oy, which led to approximately EUR 0.1 million in non-recurring expenses.

QUALITY AND THE ENVIRONMENT

All of the Group's factories are certified in accordance with requirements of the ISO/TS16949 quality standard for the automotive industry excluding factory in Traverse City (USA), which is certified in accordance with requirements of ISO9001 standard. In addition all of the Group's factories, except factories in Sosnowiec (Poland), Campo Alegre (Brazil) and Sao Bento do Sul (Brazil), are certified in accordance with the ISO14001 environmental standard and all factories operate in accordance with the ISO9001 quality standard. Production units in Curitiba (Brazil), Itajuba (Brazil), Raahe (Finland) and Suzhou (China) have also certification in accordance with the OHSAS18001 occupational health and safety management system standard.

The certification in accordance with ISO14001 environmental standard in Sosnowiec factory will be achieved after report period in May. The certification in accordance with ISO14001 environmental standard in Campo Alegre (Brazil) and Sao Bento do Sul (Brazil) is planned to be completed during 2012. The certification of occupational health and safety management system in accordance with OHSAS18001 is in progress in electronics unit of Kostomuksha (Russia). The aim is to achieve certification in the second quarter of 2012.

MANAGEMENT

The Annual General Meeting held on 4 April 2012, re-elected Outi Lampela, Matti Ruotsala and Jyrki Tähtinen as Board members and elected Andres Allikmäe, Shemaya Levy, Robert Remenar and Harri Suutari as new Board members. In the Board's organisation meeting, Matti Ruotsala was elected as Chairman of the Board with Harri Suutari as Vice-Chairman.

Outi Lampela was elected as the chairman of the Audit Committee and Andres Allikmäe, Shemaya Levy and Jyrki Tähtinen as members. The Board decided to expand the duties of the Nomination Committee and form it into Nomination and Remuneration Committee. The Board elected Matti Ruotsala as chairman of the Nomination and Remuneration Committee and Robert Remenar and Harri Suutari as members.

Authorised public accounting firm KPMG Oy Ab, which has announced Virpi Halonen, APA, to be the Auditor

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with principal responsibility, was selected as auditor.

Matti Hyytiäinen has started as President & CEO as of 4 April 2012.

The Group's Executive Board shall consist of the following persons as of 4 April 2012 Matti Hyytiäinen, Chairman (President & CEO), Jyrki Keronen (Senior Vice President, Business Development), Harri Ojala (President, Wiring Systems, Europe & APAC), Sanna Raatikainen (General Counsel), Jarmo Rajala (President, Electronics), Marja Sarajärvi, (CFO until 30 June 2012) and Frank Sovis (President, Wiring Systems, North America). In addition, the following persons have been appointed to the Executive Board from later dates: Pekka Korkala (President, Wiring Systems, South America as of 1st of May 2012) and Juha Torniainen (CFO as of 1 July 2012).

DIVIDEND FOR 2011

The Annual General Meeting held on 4 April 2012 resolved to pay a dividend of EUR 0.60 per share: i.e. a total of about EUR 12.8 million. The dividend was paid out on 18 April 2012.

SHARE TURNOVER AND SHAREHOLDERS

PKC Group Plc's share turnover on NASDAQ OMX Helsinki Ltd from 1 January to 31 March 2012 was 3,574,480 shares (2,884,673 shares), representing 17.2% of the average number of shares (14.7%). Shares were traded to a total value of EUR 54.7 million (EUR 43.3 million). The lowest share value during the report period was EUR 11.50 (EUR 13.90) and the highest EUR 18.30 (EUR 15.90). The closing price on the last trading day of the report period was EUR 17.19 (EUR 15.63) and the average price during the report period was EUR 15.29 (EUR 15.02). The company's market capitalisation at 31 March 2012 was EUR 367.1 million (EUR 309.5 million).

The shares held by Board members, their closely associated persons and corporations in which they have a controlling interest accounted for 1.5% (0.7%) of the total number of shares at the end of the report period. PKC Group Plc had a total of 8,982 shareholders (8,096) at the end of the report period. The shares held by foreigners and through nominee registrations at the close of the report period totalled 26.5% of the share capital (20.3%).

SHARES AND SHARE CAPITAL

PKC Group Plc's shares and share capital has changed during the report period as follows:

- A total of 110 PKC Group Plc's shares have been subscribed for with 2006B options. The new shares and the corresponding increase in the share capital, EUR 37.4, have been entered into the Trade Register on 12 January 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 13 January 2012. After the increase the Company's registered share capital was EUR 6,103,098.92, divided into 21,155,966 shares.
- A total of 201,439 PKC Group Plc's shares have been subscribed for with 2006 options (101,040 with 2006B options and 100,399 with 2006C options). The new shares and the corresponding increase in the share capital, EUR 68,489.26, have been entered into the Trade Register on 29 March 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 30 March 2012. After the increase the Company's registered share capital was EUR 6,171,588.18, divided into 21,357,405 shares.

THE BOARD'S AUTHORISATIONS

The Board of Directors was granted authorisation by the Annual General Meeting on 30 March 2011 to decide on share issue and granting of special rights defined in Chapter 10, Section 1 of the Companies Act and all the terms and conditions thereof. A maximum total of 6,000,000 shares may be issued or subscribed

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for on the basis of authorisation. The authorisation includes the right to decide on directed share issue. The authorisation is in force for five years from the date of the General Meeting's decision. At Board of Directors' discretion the authorisation may be used e.g. in financing possible corporate acquisitions, inter-company co-operation or similar arrangement, or strengthening company's financial or capital structure etc. PKC Group Plc’s Board of Directors has, on the basis of the authorisation granted by the shareholders’ meeting on 30 March 2011, resolved on a directed share issue without payment of 1,250,000 new shares to company’s wholly owned subsidiary PKC Group USA Inc for the payment of the purchase price for the shares in the AEES-companies. After this share issue, a maximum total of 4,750,000 shares may be issued or subscribed for on the basis of authorisation.

The Board of Directors does not possess a valid authorisation to acquire company’s own shares, and the company does not have any own shares (treasury shares) in its possession.

AMENDMENT OF ARTICLES OF ASSOCIATION

The Annual General Meeting resolved on 4 April 2012, in accordance with the Board of Directors proposal, to amend the 1§ of the Articles of Association so that PKC Group Plc shall be defined to be the company’s name in English and that Helsinki be changed to be the company’s domicile; 9§ so that the invitation to the General Meeting be published on the Company’s Internet pages no more than three (3) months and no less than three (3) weeks prior to the meeting; 10§ so that he meeting shall be held at Company's domicile.

STOCK OPTION SCHEMES

2006 options

The stock option scheme initiated in 2006, comprises a total of 697,500 options divided into A, B and C warrants. At the close of report period, the outstanding options and options held by key personnel totals 28,780 2006B warrants and 108,987 2006C warrants.

The share subscription price for the 2006 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki, with dividend adjustments, as defined in the stock option terms (at present, EUR 8.94 for the 2006B and 2006C warrants). Through the exercise of the 2006 stock options, the share capital of PKC Group Plc may be increased by a maximum total of 697,500 new shares and EUR 237,150. After the registration of subscription made on 29 March 2012, the Company’s share capital can increase by a maximum of 139,417 shares i.e. EUR 47,401.78 as a result of the exercise of the remaining outstanding option rights. The share subscription period is for 2006B warrants 1 April 2010 – 30 April 2012, and for 2006C warrants 1 April 2011 – 30 April 2013. The 2006 stock options are subject to a share ownership plan. Key personnel are obliged to subscribe for or purchase the company’s shares with 20% of the gross income earned from stock options and to own these shares for two years. The company’s President and CEO is obliged to own these shares for the duration of his managerial contract.

The share subscription period for 2006A warrants has ended 30 April 2011. During the share subscription period a total 200,300 shares were subscribed and 2,200 warrants remained unused.

2009 options

The Annual General Meeting held on 27 March 2009 decided to issue stock options to key personnel in the company and its subsidiaries. The maximum total number of stock options issued is 600,000 and they are divided into A, B and C warrants. At the close of the report period, the outstanding options and options held by key personnel totals 195,500 2009A, 200,000 2009B and 200,000 2009C warrants.

The subscription price for shares through the exercise of the 2009 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki for April 2009, 2010 and 2011 + 20% with dividend adjustments, (at present, EUR 2.30 for the 2009A warrants, EUR 12.11 for the 2009B warrants

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and EUR 17.98 for the 2009C warrants). The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe for a maximum total of 600,000 new shares in the company or existing shares held by the company. The share subscription period for 2009A warrants is 1 April 2012 — 30 April 2014, for 2009B warrants 1 April 2013 — 30 April 2015 and for 2009C warrants 1 April 2014 — 30 April 2016. The 2009 stock options are subject to a share ownership plan. Key personnel are obliged to subscribe for or purchase the company's shares with 20% of the gross income earned from stock options and to own these shares for two years. The company's President and CEO is obliged to own these shares for the duration of his managerial contract.

2012 options

The Annual General Meeting held on 4 April 2012 decided to issue stock options to key personnel in the company and its subsidiaries. The maximum total number of stock options issued is 1,020,000. The stock options are marked with the symbol 2012A(i) and 2012A(ii); 2012B(i) and 2012B(ii); as well as 2012C(i) and 2012C(ii). A total of 170,000 stock options are included in each stock option class.

The subscription price for shares through the exercise of the 2012 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki Ltd during first quarter in 2012, 2013 and 2014. The share subscription price is EUR 15.31 with the 2012A options. The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe for a maximum total of 1,020,000 new shares in the company or existing shares held by the company. The share subscription period for stock options 2012A, will be 1 April 2015—30 April 2017, for stock options 2012B, 1 April 2016—30 April 2018, and for stock options 2012C, 1 April 2017—30 April 2019. The share subscription period for stock options 2012A(ii), 2012B(ii) and 2012C(ii) shall, however, not commence, unless certain operational or financial targets of the Group established for the exercise of stock options and determined by the Board of Directors have been attained. The Board of Directors shall annually decide on targets separately for each stock option class in connection with the distribution of stock options. Those stock options, for which the targets determined by the Board of Directors have not been attained, shall expire in the manner decided by the Board of Directors. The 2012 stock options are subject to a share ownership plan. Key personnel are obliged to subscribe for or purchase the company's shares with 20% of the gross income earned from stock options and to own these shares for two years. The company's President and CEO is obliged to own these shares for the duration of his managerial contract.

SHORT-TERM RISKS AND UNCERTAINTIES

The public deficit and high indebtedness of many European countries and the United States may weaken economic growth and availability of financing for investment goods and increase uncertainty in the markets.

The resin shortage following a factory shutdown of German raw material manufacturer may cause some component availability problems and thus affect also sales, if alternative raw material or components cannot be found, and it may also have indirect effect on PKC's sales if customers' production is affected due to component problems.

A potential weakening of the euro against the Polish zloty and the Russian rouble as well as the potential weakening of the USD against the Mexican peso may increase PKC's processing costs.

A significant increase in copper price may weaken PKC Group's profit in short term. The customer prices are updated on average with 5 month delay on the basis of copper price changes.

OUTLOOK FOR THE FUTURE

PKC expects that its net sales and comparable operating profit will increase in 2012 from the previous year's level. Net sales in 2011 amounted to EUR 550.2 million and operating profit without non-recurring items was EUR 42.6 million. Major part of net sales and profit is generated by the Wiring Systems business.

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FINANCIAL REPORTS IN 2012

In 2012, the Interim Reports will be published as follows:

Interim Report 1-6/2012 Thursday, August 9, 2012 at about 8.15 a.m.
Interim Report 1-9/2012 Thursday, November 1, 2012 at about 8.15 a.m.

The text section of this release focuses on the interim report. Comparisons in accordance with IFRS standards have been made to the figures of the corresponding period in 2011, unless otherwise mentioned. The figures presented in the tables are independently rounded figures.

TABLES

The quartely figures have not been audited. This interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The interim report has been prepared in accordance with the same principles as the annual financial statements for 2011. The year 2012 IFRS standard changes have not had any effect.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	**1-3/12 3 mon.**	**1-3/11 3 mon.**	**1-12/11 12 mon.**
NET SALES	241,967	96,886	550,208
Other operating income	330	657	4,042
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-733	1,664	-1,679
Production for own use	21	0	208
Materials and services	147,690	60,220	332,646
Employee benefit expenses	50,395	18,725	109,800
Depreciation	7,360	2,813	17,531
Other operating expenses	23,406	7,780	58,296
OPERATING PROFIT	12,735	9,670	34,505
Interest expenses	-1,647	-538	-4,253
Other financial income	47	247	599
Other financial expenses	-661	0	-1,437
PROFIT BEFORE TAXES	10,474	9,380	29,414
Income tax	-3,579	-1,788	-5,969
PROFIT FOR THE REPORT PERIOD	6,895	7,592	23,445
Other comprehensive income:			
Interest derivatives	-208	0	-464
Foreign currency translation differences - foreign operations	3,614	-2,739	-1,112
Total comprehensive income for the period	10,300	4,853	21,869
Attributable to equity holders of the parent company:			
Basic earnings per share (EPS), EUR	0.33	0.39	1.18
Diluted earnings per share (EPS), EUR	0.33	0.38	1.16

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)	3/12	3/11	12/11
ASSETS			
NON-CURRENT ASSETS			
Goodwill	30,701	15,256	29,813
Other intangible assets	48,774	8,588	50,099
Property, plant and equipment	103,762	36,060	113,556
Deferred tax assets	9,920	4,585	7,697
Other receivables	22,926	40	20,207
Total non-current assets	216,083	64,529	221,371
CURRENT ASSETS			
Inventories	108,417	63,372	110,526
Receivables			
Trade receivables	104,116	47,651	103,965
Other receivables	22,861	17,381	20,490
Current tax assets	2 717	246	165
Total receivables	129,694	65,278	124,621
Cash and cash equivalents	74,940	36,986	52,280
Total current assets	313,051	165,636	287,426
Total assets	529,133	230,165	508,798
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6,174	6,067	6,103
Share premium account	10,114	7,291	8,259
Invested non-restricted equity fund	34,444	21,840	35,639
Translation reserve	9,671	842	6,257
Fair value reserve	-672	0	-464
Share-based payments	2,541	1,845	2,340
Retained earnings	94,215	75,078	70,902
Profit for the report period	6,895	7,592	23,445
Total equity	163,381	120,555	152,482
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	140,925	24,310	146,789
Non-interest-bearing liabilities	27,343	0	24,321
Provisions	1,365	449	1,541
Deferred tax liabilities	29,587	5,751	32,957
Total non-current liabilities	199,220	30,509	205,608
Current liabilities			
Interest-bearing liabilities	19,113	8,053	16,230
Trade payables	101,566	36,007	90,779
Other non-interest-bearing liabilities	45,853	35,041	43,700
Total current liabilities	166,532	79,101	150,708
Total liabilities	365,752	109,610	356,316
TOTAL EQUITY AND LIABILITIES	529,133	230,165	508,798

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CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	1-3/12 3 mon.	1-3/11 3 mon.	1-12/11 12 mon.
Cash flows from operating activities			
Cash receipts from customers	263,345	96,562	564,533
Cash receipts from other operating activities	117	624	5,357
Cash paid to suppliers and employees	-246,810	-94,771	-520,867
Cash flows from operations before financial income and expenses and taxes	16,651	2,416	49,022
Interest paid and financial expenses	-1,644	-449	-3,695
Translation difference	204	553	2,489
Interest received	47	29	1,995
Income taxes paid	10,644	-132	-9,822
Net cash from operating activities (A)	25,903	2,415	39,990
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets	-3,351	-2,468	-11,845
Proceeds from sale of property and equipment and intangible assets	234	179	1,393
Acquisitions of subsidiaries	0	0	-79,565
Loans granted	0	0	-514
Proceeds from repayments of loans	314	0	16
Dividends received	0	0	301
Net cash used in investment activities (B)	-2,803	-2,289	-90,213
Cash flows after investments	23,099	127	-50,223
Cash flows from financing activities			
Drawing of long-term borrowings	71	0	153,703
Drawing of short-term borrowings	5,000	0	12,175
Share issue	1,923	2,509	4,000
Repayment of short-term/long-term borrowings	-6,700	-2,607	-93,596
Dividends paid	0	0	-10,890
Net cash used in financing activities (C)	295	-98	65,391
Net increase (+) or decrease (-) in cash and equivalents (A+B+C)	23,394	29	15,168
Cash and cash equivalents in the beginning of the period	52,280	37,104	37,104
Effect of exchange rate fluctuations	-734	-147	8
Cash and cash equivalents in the end of the period	74,940	36,986	52,280

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KEY FINANCIAL INDICATORS	1-3/12 3 mon.	1-3/11 3 mon.	1-12/11 12 mon.
Net sales, EUR 1,000	241,967	96,886	550,208
Operating profit, EUR 1,000	12,735	9,670	34,505
% of net sales	5.3	10.0	6.3
Profit before taxes, EUR 1,000	10,474	9,380	29,414
% of net sales	4.3	9.7	5.3
Net profit for the period, EUR 1,000	6,895	7,592	23,445
% of net sales	2.8	7.8	4.3
Return on equity (ROE), %	17.5	24.9	17.0
Return on investments (ROI), %	21.2	28.3	18.9
Net liabilities, EUR 1,000	85,098	-4,624	110,739
Gearing, %	52.1	-3.8	72.6
Equity ratio, %	30.9	52.4	30.0
Current ratio	1.9	2.1	1.9
Gross capital expenditure, EUR 1,000	4,759	2,535	101,532
% of net sales	2.0	2.6	18.5
R&D expenditures, EUR 1,000	2,040	1,579	6,922
% of net sales	0.8	1.6	1.3
Personnel average	21,955	6,234	10,793

PER-SHARE KEY INDICATORS	1-3/12 3 mon.	1-3/11 3 mon.	1-12/11 12 mon.
Earnings per share (EPS), EUR	0.33	0.39	1.18
Earnings per share (EPS),diluted, EUR	0.33	0.38	1.16
Equity per share, EUR	7.65	6.09	7.66
Share price at close of period, EUR	17.19	15.63	11.48
Lowest share price, EUR	11.50	13.90	8.60
Highest share price, EUR	18.30	15.90	18.36
Average share price, EUR	15.29	15.02	13.44
Turnover in shares, 1,000 shares	3,574	2,885	11,804
Turnover in shares per (share issue adjusted) share capital, %	17.2	14.7	59.6
Average number of shares, 1,000 shares	20,737	19,591	19,816
Average number of shares, diluted, 1,000 shares	21,054	19,999	20,127
Shares at end of period, 1,000 shares	21,357	19,801	19,906
Unlisted shares at the end of period, 1,000 shares	0	0	1,250
Market capitalisation, EUR 1,000	367,134	309,483	228,519

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1. SEGMENT INFORMATION

1.1.-31.3.2012 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
Sales to external customers	226,620	15,347	0	241,967
Sales to other segments	156	23	-178	0
Net sales	226,776	15,370	-178	241,967
Operating profit before non-recurring items	15,171	-867	-1,307	12,996
% of net sales	6.7	-5.7		5.4
Non-recurring employee benefit expenses	125	136	0	261
Total non-recurring other operating items	125	136	0	261
Operating profit	15,046	-1,003	-1,307	12,735
% of net sales	6.6	-6.5		5.3
Segment's assets	492,257	45,045	-18,088	519,213
Unallocated assets *)			9,920	9,920
Total assets	492,257	45,045	-8,168	529,133

*) Segment's assets do not include deferred taxes

1.1.-31.3.2011 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
Sales to external customers	78,174	18,712	0	96,886
Sales to other segments	153	16	-169	0
Net sales, EUR 1,000	78,327	18,728	-169	96,886
Operating profit before non-recurring expenses	10,103	443	-876	9,670
% of net sales	12.9	2.4		10.0
Total non-recurring expenses	0	0	0	0
Operating profit	10,103	443	-876	9,670
% of net sales	12.9	2.4		10.0
Segment's assets	165,633	48,575	11,372	225,580
Unallocated assets *)			4,585	4,585
Total assets	165,633	48,575	15,957	230,165

*) Segment's assets do not include deferred taxes

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1.1.-31.12.2011 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
Sales to external customers	477,212	72,995	0	550,208
Sales to other segments	755	132	-887	0
Net sales	477,967	73,127	-887	550,208
Operating profit before non-recurring items	42,467	2,825	-3,326	41,967
% of net sales	8.9	3.9		7.6
Donations to the universities	0	150	0	150
Advisor fees	7,100	0	0	7,100
Cancellation of the write-down of inventories	-317	0	0	-317
Non-recurring employee benefit expenses	218	310	0	528
Total non-recurring other operating items	7,001	460	0	7,461
Operating profit	35,466	2,365	-3,326	34,505
% of net sales	7.4	3.2		6.3
Segment's assets	483,593	48,910	-31,402	501,101
Unallocated assets *)			7,697	7,697
Total assets	483,593	48,910	-23,706	508,798

*) Segment's assets do not include deferred taxes

NET SALES BY GEOGRAPHICAL LOCATIONS (EUR 1,000)	1-3/12 3 mon.	1-3/11 3 mon.	1-12/11 12 mon.
Finland	12,991	15,586	62,521
Other Europe	58,047	54,825	236,006
North America	148,043	6,370	157,458
South America	18,358	15,782	73,514
Other countries	4,529	4,322	20,708
Total	241,967	96,886	550,208

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2. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR MILLION)

A = Share Capital
B = Share premium account
C = Invested non-restricted equity fund
D = Fair value reserve
E = Translation difference
F = Retained earnings
G = Total equity

	A	B	C	D	E	F	G
Equity at 1.1.2011	6.0	4.9	21.8	0.0	7.6	83.5	123.7
Dividends	0.0	0.0	0.0	0.0	0.0	-10.7	-10.7
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Subscription of shares	0.1	2.4	0.0	0.0	0.0	0.0	2.5
Comprehensive income for the period	0.0	0.0	0.0	0.0	-2.7	7.6	4.9
Other changes	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
Equity at 31.3.2011	6.1	7.3	21.8	0.0	4.9	80.5	120.6
Equity at 1.1.2012	6.1	8.3	35.6	-0.5	6.3	96.7	152.5
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Share issue, exercise of options	0.1	1.8	0.0	0.0	0.0	0.0	1.9
Comprehensive income for the period	0.0	0.0	0.3	-0.2	3.3	6.9	10.3
Other changes	0.0	0.0	-1.5	0.0	0.0	0.0	-1.5
Equity 31.3.2012	6.2	10.1	34.4	-0.7	9.6	103.8	163.4

3. PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)	**3/12**	**3/11**
Acquisition cost 1.1.	141,551	76,270
+ Additions	4,045	2,241
- Disposals	-452	-331
Acquisition cost 31.3.	145,144	78,180
Accumulated depreciation 1.1.	35,182	40,378
- Accumulated depreciation on disposals	-166	-174
+ Depreciation	6,550	1,893
+/- Exchange difference	-184	10
Depreciation 31.3.	41,382	42,107
Carrying amount 31.3.	103,762	36,073

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4. OTHER INTANGIBLE ASSETS (EUR 1,000)

	3/12	3/11
Acquisition cost 1.1.	104,828	39,208
+ Additions	714	294
+/- Other changes	888	0
Acquisition cost 31.3.	106,430	39,502
Accumulated depreciation 1.1.	25,539	14,763
- Accumulated depreciation on disposals	422	0
+ Depreciation	1,024	891
+/- Exchange difference	-30	5
Depreciation 31.3.	26,955	15,659
Carrying amount 31.3.	79,475	23,843

5. CONTINGENT LIABILITIES AT END OF PERIOD (EUR 1,000)	**3/12**	**3/11**	**12/11**
Leasing liabilities	1,741	2,715	1,898
Liabilities for derivative instruments			
Nominal values			
Interest rate swaps	41,341	0	45,974
Currency derivatives			
Forward contracts	14,806	355	5,944
Copper derivatives			
Forward contracts	2,784	2,477	2,450
Total	58,931	2,833	54,367
Fair values			
Interest rate swaps	-694	0	-480
Currency derivatives			
Forward contracts	169	-3	-64
Copper derivatives			
Forward contracts	69	-155	188
Total	-456	-158	-356

Currency and copper derivatives are used only in hedging currency and copper risks. PKC Group does not apply hedge accounting to currency and copper derivative instruments in accordance with IAS 39. Fair values of currency and copper derivatives are recognised through profit and loss. PKC Group applies hedge accounting to interest rate swaps.

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6. QUARTERLY KEY INDICATORS, CONSOLIDATED	10-12/10 3 mon.	1-3/10 3 mon.	4-6/11 3 mon.	7-9/11 3 mon.	10-12/11 3 mon.	1-3/12 3 mon.
Net sales, EUR million	91.9	96.9	109.3	102.0	242.0	242.0
Operating profit, EUR million	9.8	9.7	7.1	9.0	8.8	12.7
% of net sales	10.6	10.0	6.5	8.8	3.6	5.3
Profit before taxes, EUR million	6.6	9.4	7.7	4.6	7.7	10.5
% of net sales	7.2	9.7	7.0	4.5	3.2	4.3
Equity ratio, %	56.5	52.4	54.3	36.1	30.0	30.9
Earnings per share (EPS), diluted (EUR)	0.29	0.38	0.31	0.19	0.29	0.33
Equity per share, EUR	6.33	6.09	6.38	6.44	7.66	7.65
QUARTERLY KEY INDICATORS, WIRING SYSTEMS						
Net sales, EUR million	70.8	78.2	90.2	84.3	224.5	226.6
Operating profit, EUR million	8.7	10.1	9.6	7.1	8.7	15.0
% of net sales	12.3	12.9	10.6	8.4	3.9	6.6
QUARTERLY KEY INDICATORS, ELECTRONICS						
Net sales, EUR million	21.1	18.7	19.1	17.7	17.5	15.3
Operating profit, EUR million	2.0	0.4	0.4	1.7	-0.2	-1.0
% of net sales	9.6	2.4	2.1	9.8	-1.2	-6.5

CALCULATION OF INDICATORS

Return on equity (ROE), %
= 100 x Profit for the report period / Total equity (average)

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

Gearing, %
= 100 x (Interest-bearing liabilities – cash and cash equivalents) / Total equity

Equity ratio, %
= 100 x Total equity / (Total of the statement of financial position – advance payments received)

Current ratio
= Total current assets / Total current liabilities

Earnings per share (EPS), EUR
= Profit for the report period attributable to equity holders of the parent company / Average share issue-adjusted number of shares

Shareholders' equity per share, EUR
= Equity attributable to equity holders of the parent company / Share issue-adjusted number of shares at the date of the statement of financial position

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

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

PKC GROUP PLC
Board of Directors

Matti Hyytiäinen
President and CEO

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PRESS CONFERENCE

A press conference on the interim report will be arranged for analysts and investors today, 4 May 2012, at 10.00 a.m., at the address World Trade Center, Aleksanterinkatu 17, meeting room 2, 2nd floor, Helsinki.

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The PKC Group offers design and contract manufacturing services for wiring systems and electronics. The Group has production facilities in Brazil, China, Estonia, Finland, Germany, Ireland, Mexico, Poland, Russia, Ukraine and the USA. The Group's net sales in 2011 totalled EUR 550.2 million. PKC Group Plc is listed on NASDAQ OMX Helsinki Ltd.

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