

**PKC GROUP'S INTERIM REPORT 1-9/2012**

- Net sales grew 131.7% on the comparison period (1-9/2011), totalling EUR 714.2 million (EUR 308.2 million).
- Operating profit before PPA depreciation and amortization and non-recurring items was EUR 53.2 million (EUR 31.5 million). During the report period PPA depreciation and amortization totalled EUR 10.6 million (EUR 1.2 million).
- Operating profit was EUR 39.4 million (EUR 25.7 million) and 5.5% (8.3%) of net sales.
- Net profit for the report period amounted to EUR 23.3 million (EUR 17.6 million).
- Diluted earnings per share were EUR 1.09 (EUR 0.87).
- Gross capital expenditure was EUR 12.0 million (EUR 21.4 million).
- Net cash from operating activities was EUR 60.8 million (EUR 4.4 million).
- Cash flow after investments was EUR 52.1 million (EUR -16.7 million negative).
- Gearing was 42.0% (109.2%).
- Equity ratio was 32.5% (36.1%).
- Net liabilities were EUR 69.4 million (EUR 140.0 million).

KEY FIGURES	1-9/12	1-9/11	1-12/11
Net sales, EUR 1,000	714,218	308,207	550,208
Operating profit, EUR 1,000	39,431	25,711	34,505
% of net sales	5.5	8.3	6.3
Net profit for the report period, EUR 1,000	23,291	17,582	23,445
Earnings per share (EPS), EUR	1.09	0.87	1.16
ROI,%	20.1	19.3	18.9
Net liabilities, EUR 1,000	69,403	140,036	110,739
Gearing, %	42.0	109.2	72.6
Average number of personnel	21,239	7,110	10,793

**MATTI HYYTIÄINEN, PRESIDENT AND CEO:**

"PKC's third quarter performance developed favourably. The third quarter's net sales amounted to EUR 227.4 million, EBITDA to EUR 20.7 million and operating profit to EUR 12.5 million. I am particularly satisfied that our actions to lower net working capital are showing results. The third quarter cash flow after investments was very strong, EUR 23.8 million. Our financial position continued to strengthen and gearing at the end of the period was 42.0%.

Net sales were impacted during third quarter by our European customers' vacation period related production shut-downs and in North America due to the lowered demand for trucks. In Brazil the truck market recovered and, as a result, our net sales began to grow there at the end of the report period. Third quarter operating profit was strained by non-recurring items related to the adjustment of the production capacity to the new market situation in North America. Brazilian operations continued to make loss.

PKC's quotation activities to commercial vehicle customers continued at a high level. Customers are interested in PKC's unique competence in wiring systems product variation management and value adding benefits related thereto. PKC's wiring systems architecture product portfolio including PKC's intelligent modular power distribution centre solution and PKC's vehicle electronics products solutions have especially raised interest.

At the end of the report period we decided to transfer vehicle electronics from PKC's Electronics business

segment to Wiring Systems business segment with an objective to significantly grow the vehicle electronics business as a part of wiring systems solutions. Demanding vehicle electronics customer solutions will be produced in Germany and product development will be based in Finland. PKC's Electronics business segment's customer service and cost competitiveness will continue to be improved in order to serve our global customers even better.

The outlook for PKC's commercial vehicle customers' demand for the rest of the year is threatened by the increased uncertainty in the financial environment. This might result in temporary customer production shut-downs that may last longer than currently anticipated and also in lower daily production quantities. In Brazil the governmental incentives have boosted heavy truck sales and the production volumes are expected to grow by the end of the year.

## **OPERATING ENVIRONMENT**

### **Wiring Systems business**

#### **- Vehicles, Europe**

In Europe, economic uncertainty continued to impact freight companies' investment plans. The market continued to weaken in Southern Europe and the weakening began to spread to other European countries excluding Russia, where the market continued to grow.

The 2012 third quarter production of heavy duty trucks in Europe was 67,000 units, which is down 16% from the second quarter. Compared to the same period a year earlier (79,000 units) the production declined by some 15%. The production estimate for full year 2012 has however been increased from the estimate of 306,000 units prevailing at second quarter to 309,000 units, showing still a 10% decrease from 2011 production.

The 2012 third quarter production of medium duty trucks was over 17,000 units which was 16% less than the same period a year earlier (20,500 units) and about 10% less than the production during the second quarter of 2012 (19,000 units). Full year estimates have remained at about 75,000 units which would mean an 8% decline from 2011 production volume (82,000).

#### **- Vehicles, North America**

In North America cautiousness to make new truck investments grew. Especially, the upcoming US presidential election and uncertainty regarding federal budget have created a wait-and-see phenomena which has led the trucks sales to slow down.

NAFTA 2012 third quarter production of heavy duty (class 8) was 64,000 units, down 18% from the second quarter's 78,000 units. Compared to last year's comparison period the production was down about 6% from 68,000. Full year 2012 estimates of heavy duty truck production in North America have been adjusted downwards to less than 285,000 units. However, the estimate would equal to a growth of 11% from 2011.

Medium duty truck production dropped from the second quarter's 50,000 units by 12% to 44,000 units, however meaning a growth of 4% compared to same period a year earlier. Full year production estimates have been raised by some 3% from 180,000 units to 185,000 units, up by 11% from 2011 production volume.

Light vehicle production of 1,650,000 units in the third quarter declined by 13% from the second quarter, but the production was over 4% higher than the production of the same period a year earlier. It is estimated that full year production will grow from last year's 6,500,000 to 7,050,000. Due to relatively high average vehicle age, replacement investments are expected to support demand during the rest of the year.

- Vehicles, Brazil

In Brazil, the third quarter heavy truck production was 28,000 units, which is over 17% more than the production of the second quarter (24,000 units), but about 30% less than the production of the same period a year earlier (39,500).

The incentives that have been announced in 2012 by the Brazilian government are beginning to have an impact on the production figures towards the end of the year. Based on the above, full year estimates have been reset to 104,000 units, showing a 27% decline from year 2011 production.

The medium duty truck production estimates differed significantly from actual production figures. During the second quarter of 2012 only 7,500 units of the expected 13,000 units were produced, while third quarter production was at 11,000 units, down 39% compared to 18,000 units from the same period a year earlier. Due to the lower than expected production, the full year estimate has been reduced by 28% from 54,000 units to 40,000 units, down 42% from year 2011 production (68,000 units).

- Agricultural Equipment

North American tractor sales were up 7% and combines down 8% from comparison period year earlier. In the US agricultural equipment demand recovered as farm income grew. South American tractor sales were down 2% and combines 9% from comparison period year earlier. In Europe tractor sales were on the same level and sales of combines grew 3% in comparison to the same period a year earlier. Full year agricultural equipment unit volume worldwide is expected to be flat to down 5% in comparison to previous year.

- Construction Equipment

Global demand for construction equipment (units) continued to slow down and dropped over 10% during the third quarter compared to the same period last year. Differences between markets remained significant: Europe slowed down to a growth rate of 1%, North America grew by about 30%, South America about 8% and Asia (excl. China) grew about 15%. The Chinese market declined some 35%. Full year construction equipment unit volume worldwide is expected to be down by 5% in comparison to previous year mainly due to the weakening of European and Chinese markets.

**Electronics business**

The economic uncertainty and worldwide drop in industrial investments affected the demand for electronic appliances. Investments in renewable energy and telecommunication testing equipment picked up from the modest level of the previous quarter. In addition, the volumes of developing and constructing smart grids as well as energy efficient technologies continued to grow.

**NET SALES AND FINANCIAL PERFORMANCE**

**July-September 2012**

Net sales from July-September amounted to EUR 227.4 million (EUR 102.0 million), up 123.0% on the same period a year earlier. During the report period EUR 1.9 million (EUR 1.7 million) in non-recurring items were recognised. Operating profit before non-recurring items, PPA depreciation and amortization totalled EUR 17.9 million, accounting for 7.9% of net sales. Consolidated operating profit totalled EUR 12.5 million (EUR 9.0 million), accounting for 5.5% of net sales (8.8%). Operating profit continued to be burdened by the losses of the Brazilian unit. Depreciation amounted to EUR 8.1 million (EUR 3.3 million). Depreciation caused by acquisitions amounted to EUR 3.5 million. Financial items were EUR 2.7 million negative (EUR 4.4 million negative). Financial items include foreign exchange differences totalling EUR 1.3 million negative net. Profit before taxes was EUR 9.8 million (EUR 4.6 million). Income tax of the report period amounted to EUR 3.1 million accounting for 31.9% of profit before taxes. Net profit for the report period totalled EUR 6.7 million (EUR 3.7 million). Diluted earnings per share were EUR 0.31 (EUR 0.19).

Net sales generated by the Wiring Systems business in the report period amounted to EUR 209.2 million (EUR 84.3 million), or 148.0% more than in the comparison period. The segment's share of the consolidated net sales was 92.0% (82.6%). Net sales increased along with the acquisition of AEES companies. During the report period EUR 1.8 million (EUR 1.9 million) in non-recurring items were recognised. Operating profit before non-recurring items, PPA depreciation and amortization was EUR 17.7 million (EUR 9.0 million), equivalent to 8.5% of the segment's net sales (10.7%). Operating profit was EUR 12.5 million (EUR 7.1 million), equivalent to 6.0% of the segment's net sales (8.4%). The comparable profitability was still 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 increased by 3.3% to EUR 18.3 million (EUR 17.7 million). The segment's share of the consolidated net sales was 8.0% (17.4%). During the report period EUR 0.1 million in non-recurring items were recognised. During the comparison period no non-recurring expenses were recognised. Operating profit was EUR 1.3 million (EUR 1.7 million), equivalent to 6.9% of the segment's net sales (9.8%).

### **January-September 2012**

Net sales from January-September amounted to EUR 714.2 million (EUR 308.2 million), up 131.7% on the same period a year earlier. During the report period EUR 3.2 million (EUR 3.8 million) in non-recurring items were recognised. Operating profit before non-recurring items, PPA depreciation and amortization totalled EUR 53.2 million, accounting for 7.4% of net sales. Consolidated operating profit totalled EUR 39.4 million (EUR 25.7 million), accounting for 5.5% of net sales (8.3%). Operating profit was burdened by the losses of the Brazilian unit. Depreciation amounted to EUR 23.2 million (EUR 9.3 million). Depreciation caused by acquisitions amounted to EUR 10.6 million. Financial items were EUR 5.2 million negative (EUR 4.0 million negative). Financial items include foreign exchange differences totalling EUR 0.7 million negative net. Profit before taxes was EUR 34.2 million (EUR 21.7 million). Income tax of the report period amounted to EUR 11.0 million accounting for 32.0% of profit before taxes. Net profit for the report period totalled EUR 23.3 million (EUR 17.6 million). Diluted earnings per share were EUR 1.09 (EUR 0.87).

Net sales generated by the Wiring Systems business in the report period amounted to EUR 663.0 million (EUR 252.7 million), or 162.2% more than in the comparison period. The segment's share of the consolidated net sales was 92.8% (82.0%). Net sales increased along with the acquisition of AEES companies. During the report period EUR 2.9 million (EUR 2.0 million) in non-recurring items were recognised. Operating profit before non-recurring items, PPA depreciation and amortization was EUR 55.4 million (EUR 30.7 million), equivalent to 8.4% of the segment's net sales (12.1%). Operating profit was EUR 41.9 million (EUR 26.7 million), equivalent to 6.3% of the segment's net sales (10.6%). 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 7.1% to EUR 51.6 million (EUR 55.5 million). The segment's share of the consolidated net sales was 7.2% (18.0%). During the report period EUR 0.3 million (EUR 0.2 million) in non-recurring items were recognised. Operating profit before non-recurring items was EUR 1.2 million, equivalent to 2.3% of the segment's net sales. Operating profit was EUR 0.9 million (EUR 2.6 million), equivalent to 1.8% of the segment's net sales (4.6%). 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 especially due to change of individual 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 30 September 2012 amounted to EUR 509.2 million (EUR 355.0 million). Increase in total assets compared to comparison period is mainly due to the business acquisitions. Interest-bearing liabilities totalled EUR 144.8 million at the close of the report period (EUR 157.9 million). The Group's equity ratio was 32.5% (36.1%). Net liabilities totalled EUR 69.4 million (EUR 140.0 million) and

gearing was 42.0% (109.2%).

Inventories amounted to EUR 92.1 million (EUR 73.0 million). Current receivables totalled EUR 128.5 million (EUR 188.6 million). Net cash from operating activities was EUR 60.8 million (EUR 4.4 million) and cash flow after investments during the report period was EUR 52.1 million (EUR 16.7 million negative). The strong cash flow was due to improved EBITDA and net working capital management. Cash and cash equivalents amounted to EUR 75.4 million (EUR 17.9 million).

## **CAPITAL EXPENDITURE**

During the report period, the Group's gross capital expenditure totalled EUR 12.0 million (EUR 21.4 million), representing 1.7% of net sales (7.0%). This year the capital expenditure consisted mainly of production machinery and equipment.

## **RESEARCH & DEVELOPMENT**

Research and development costs totalled EUR 5.8 million (EUR 4.8 million), representing 0.8% (1.6%) of the consolidated net sales. At the end of the report period, 172 (133) people worked in product development, excluding production development and process development personnel.

## **PERSONNEL**

During the report period, the Group had an average payroll of 21,239 employees (7,110). At the end of the report period, the Group's personnel numbered 19,750 employees (7,937), of whom 19,406 (7,549) worked abroad and 344 (388) in Finland. In addition the Group had at the end of the report period 415 rented employees.

## **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 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 Campo Alegre (Brazil) is planned to be completed during 2013. In Estonia preparations to certify Estonian operations according to OHSAS18001 occupational health and safety management system standard have been started.

## **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 with principal responsibility, was selected as auditor.

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

The Group's Executive Board consists of the following persons Matti Hyytiäinen, Chairman (President & CEO), Jyrki Keronen (Senior Vice President, Business Development), Pekka Korkala (President, Wiring Systems, South America) Harri Ojala (President, Wiring Systems, Europe & APAC), Sanna Raatikainen (General Counsel), Jarmo Rajala (President, Electronics), Frank Sovis (President, Wiring Systems, North America) and Juha Tornainen (CFO).

## **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 30 September 2012 was 7,724,250 shares (9,320,886 shares), representing 36.4% of the average number of shares (47.1%). Shares were traded to a total value of EUR 113.5 million (EUR 130.1 million). The lowest share value during the report period was EUR 10.65 (EUR 8.60) and the highest EUR 18.30 (EUR 18.36). The closing price on the last trading day of the report period was EUR 14.05 (EUR 10.38) and the average price during the report period was EUR 14.70 (EUR 14.00). The company's market capitalisation at 30 September 2012 was EUR 302.3 million (EUR 206.6 million).

The shares held by Board members, their closely associated persons and corporations in which they have a controlling interest accounted for 0.8% (0.7%) of the total number of shares at the end of the report period. PKC Group Plc had a total of 8,818 shareholders (9,016) at the end of the report period. The shares held by foreigners and through nominee registrations at the close of the report period totalled 26.1% of the share capital (24.5%).

## **Flaggings**

The share of votes and share capital in PKC Group Plc held by funds (OP-Focus Fund (Non-UCITS), OP-Delta Fund, OP-Finland Small Firm Fund and OP-Equity Hedge Fund (Non-UCITS) managed by OP Fund Management Company Ltd (0743962-2) exceeded the limit of 5% on 29 August 2012. Following the transaction the funds managed by OP Fund Management Company Ltd owned 1,145,312 shares i.e. 5.33% of the shares and votes.

## **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.

- A total of 57,157 PKC Group Plc's shares have been subscribed for with 2006 options (28,780 with 2006B options and 28,377 with 2006C options), and the corresponding increase in the share capital is EUR 19,433.38. A total of 67,750 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 10 May 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 11 May 2012. After the increase the Company's registered share capital was EUR 6,191,021.56, divided into 21,482,312 shares.
- A total of 130 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 44.20. A total of 36,000 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 31 August 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 3 September 2012. After the increase the Company's registered share capital was EUR 6,191,065.76, divided into 21,518,442 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 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 the 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 80,480 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 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 31 August 2012, the Company's share capital can increase by a maximum of 82,130 shares i.e. EUR 27,924.20 as a result of the exercise of the remaining outstanding option rights. The share subscription period is 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. The share subscription period for 2006B warrants has ended 30 April 2012 and no 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 85,750 2009A, 197,522 2009B and 190,000 2009C warrants, in addition to which 6,000 shares had been subscribed for with 2009A warrants but the share subscription hadn't been approved at the close of the period.

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 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. After the registration of subscription made on 31 August 2012, the Company's share capital can increase by a maximum of 496,250 shares as a result of the exercise of the remaining outstanding option rights. 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. At the close of the report period, the outstanding options and options held by key personnel totals 170,000 2012A(i) warrants, in addition to which 170,000 2012A(ii) warrants have been initially allocated to key personnel.

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.

## **CORPORATE RESPONSIBILITY**

Corporate responsibility is a key element in PKC's operations. PKC operates with ethical business practice, takes responsibility for the operating environment and strives to minimize any harm caused to the environment, and respects and promotes human rights and fair workplace practices, equal opportunities, and zero-tolerance policy on bribery and corruption. PKC Group's Board of Directors has ratified the Code of Conduct covering the whole group. The Code of Conduct sets principles for ethical business practice and is based on the highest ethical standards. Compliance with legislation, regulations and international norms is a fundamental requirement, from which it is not possible to deviate in any circumstances. PKC is in the process of developing its corporate responsibility reporting in the direction of GRI's guidelines (Global Reporting Initiative).

With regard to the labour union issue in Acuna, Mexico, the official election regarding the labour union representation of the employees at PKC Group's facilities in Acuña, Mexico was arranged by the Mexican Federal Labour Board on 18 October 2012. According to the counting of the votes by the Labour Board, the Confederation of Mexican Workers (CTM), the labour union with whom a collective bargaining agreement had already been executed, won the election with 52% of the votes cast. Voter turnout was 64%. The Labour Board will make an official ruling of the results within the next few weeks.

## **SHORT-TERM RISKS AND UNCERTAINTIES**

The public deficit and high indebtedness of many European countries and also the United States has weakened economic growth and availability of financing for investment goods. This increases uncertainty in the markets and might be reflected in longer than expected customer production shut-downs and in reduced daily production volumes.

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.

The text section of this release focuses on the interim report. Comparisons 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

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. Interim financial statements are unaudited.

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)</b>	<b>7-9/12 3 mon.</b>	<b>7-9/11 3 mon.</b>	<b>1-9/12 9 mon.</b>	<b>1-9/11 9 mon.</b>	<b>1-12/11 12 mon.</b>
NET SALES	227,447	102,014	714,218	308,207	550,208
Other operating income	777	846	1,438	3,258	4,042
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-996	-568	-3,500	539	-1,679
Production for own use	41	51	101	125	208
Materials and services	136,942	59,589	434,215	187,268	332,646
Employee benefit expenses	48,352	19,573	149,635	59,947	109,800
Depreciation	8,144	3,261	23,191	9,317	17,531
Other operating expenses	21,313	10,953	65,785	29,885	58,296
OPERATING PROFIT	12,519	8,967	39,431	25,711	34,505
Interest expenses	-1,485	-986	-4 624	-2 115	-4 253
Other financial income	87	7	179	413	599
Other financial expenses	-1,337	-3,383	-732	-2,329	-1,437
PROFIT BEFORE TAXES	9,784	4,605	34,248	21,681	29,414
Income tax	-3,118	-876	-10,957	-4,098	-5,969
PROFIT FOR THE REPORT PERIOD	6,666	3,728	23,291	17,582	23,445
Other comprehensive income:					
Interest derivatives	-153	0	-554	0	-464
Foreign currency translation differences - foreign operations	-4,910	-3,091	-110	-6,420	-1,112
Total comprehensive income for the period	1,603	638	22,627	11,163	21,869
Attributable to equity holders of the parent company:					
Basic earnings per share (EPS), EUR	0.31	0.19	1.10	0.89	1.18
Diluted earnings per share (EPS), EUR	0.31	0.19	1.09	0.87	1.16

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)</b>	<b>9/12</b>	<b>9/11</b>	<b>12/11</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	30,678	13,704	29,813
Other intangible assets	45,992	9,916	50,099
Property, plant and equipment	98,370	46,595	113,556
Deferred tax assets	13,857	5,214	7,697
Other receivables	24,270	28	20,207
Total non-current assets	213,167	75,458	221,371
<b>CURRENT ASSETS</b>			
Inventories	92,057	73,034	110,526
Receivables			
Trade receivables	104,483	56,637	103,965
Other receivables	22,892	124,836	20,490
Current tax assets	1,169	7,113	165
Total receivables	128,545	188,586	124,621
Cash and cash equivalents	75,406	17,893	52,280
Total current assets	296,009	279,514	287,426
<b>TOTAL ASSETS</b>	<b>509,175</b>	<b>354,971</b>	<b>508,798</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	6,191	6,103	6,103
Share premium account	10,606	8,242	8,259
Invested non-restricted equity fund	36,405	22,010	35,639
Translation reserve	5,634	697	6,257
Fair value reserve	-1,018	0	-464
Share-based payments	2,781	2,156	2,340
Retained earnings	81,470	71,405	70,902
Profit for the report period	23,291	17,582	23,445
Total equity	165,361	128,197	152,482
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	75,661	141,445	146,789
Non-interest-bearing liabilities	27,475	0	24,321
Provisions	891	899	1,541
Deferred tax liabilities	32,745	6,598	32,957
Total non-current liabilities	136,772	148,942	205,608
<b>Current liabilities</b>			
Interest-bearing liabilities	69,148	16,484	16,230
Trade payables	90,634	31,626	90,779
Other non-interest-bearing liabilities	46,225	22,233	43,176
Current tax liabilities	1,036	7,490	524
Total current liabilities	207,043	77,833	150,708
Total liabilities	343,815	226,775	356,316
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>509,175</b>	<b>354,971</b>	<b>508,798</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)</b>	<b>1-9/12 9 mon.</b>	<b>1-9/11 9 mon.</b>	<b>1-12/11 12 mon.</b>
Cash flows from operating activities			
Cash receipts from customers	714,868	301,898	564,533
Cash receipts from other operating activities	1,135	3,493	5,357
Cash paid to suppliers and employees	-640,222	-295,886	-520,867
Cash flows from operations before financial income and expenses and taxes	75,781	9,506	49,022
Interest paid and other financial expenses	-4,501	-2,103	-3,695
Translation difference	1,417	-1,393	2,489
Interest received	174	629	1,995
Income taxes paid	-12,062	-2,270	-9,822
Net cash from operating activities (A)	60,808	4,369	39,990
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	-11,511	-7,825	-11,845
Proceeds from sale of property, plant and equipment and intangible assets	2,273	445	1,393
Acquisitions of subsidiaries	0	-13,224	-79,565
Loans granted	0	-512	-514
Proceeds from repayments of loans	514	16	16
Dividends received	0	0	301
Net cash used in investment activities (B)	-8,724	-21,100	-90,213
Cash flows after investments	52,084	-16,732	-50,223
Cash flows from financing activities			
Drawing of long-term borrowings	0	130,556	153,703
Drawing of short-term borrowings	5,100	8,150	12,175
Share issue	2,674	3,513	4,000
Repayment of short-term/long-term borrowings	-23,916	-133,501	-93,596
Dividends paid	-12,814	-10,890	-10,890
Net cash used in financing activities (C)	-28,958	-2,173	65,391
Net increase (+) or decrease (-) in cash and equivalents (A+B+C)	23,126	-18,903	15,168
Cash and cash equivalents in the beginning of the period	52,697	37,104	37,104
Effect of exchange rate fluctuations	417	-179	8
Cash and cash equivalents in the end of the period	75,406	17,893	52,280

<b>KEY FINANCIAL INDICATORS</b>	<b>1-9/12 9 mon.</b>	<b>1-9/11 9 mon.</b>	<b>1-12/11 12 mon.</b>
Net sales, EUR 1,000	714,218	308,207	550,208
Operating profit, EUR 1,000	39,431	25,711	34,505
% of net sales	5.5	8.3	6.3
Profit before taxes, EUR 1,000	34,248	21,681	29,414
% of net sales	4.8	7.0	5.3
Net profit for the period, EUR 1,000	23,291	17,582	23,445
% of net sales	3.3	5.7	4.3
Return on equity (ROE), %	19.5	18.6	17.0
Return on investments (ROI), %	20.1	19.3	18.9
Net liabilities, EUR 1,000	69,403	140,036	110,739
Gearing, %	42.0	109.2	72.6
Equity ratio, %	32.5	36.1	30.0
Current ratio	1.4	3.6	1.9
Gross capital expenditure, EUR 1,000	12,006	21,443	101,532
% of net sales	1.7	7.0	18.5
R&D expenditures, EUR 1,000	5,810	4,813	6,922
% of net sales	0.8	1.6	1.3
Personnel average	21,239	7,110	10,793

<b>PER-SHARE KEY INDICATORS</b>	<b>1-9/12 9 mon.</b>	<b>1-9/11 9 mon.</b>	<b>1-12/11 12 mon.</b>
Earnings per share (EPS), EUR	1.10	0.89	1.18
Earnings per share (EPS), diluted, EUR	1.09	0.87	1.16
Equity per share, EUR	7.68	6.44	7.66
Share price at close of period, EUR	14.05	10.38	11.48
Lowest share price, EUR	10.65	8.60	8.60
Highest share price, EUR	18.30	18.36	18.36
Average share price, EUR	14.70	14.00	13.44
Turnover in shares, 1,000 shares	7,724	9,321	11,804
Turnover in shares per (share issue adjusted) share capital, %	36.4	47.1	59.6
Average number of shares, 1,000 shares	21,221	19,786	19,816
Average number of shares, diluted, 1,000 shares	21,410	20,132	20,127
Shares at end of period, 1,000 shares	21,518	19,906	19,906
Unlisted shares at the end of period, 1,000 shares	0	1,250	1,250
Market capitalisation, EUR 1,000	302,334	206,623	228,519

**1. SEGMENT INFORMATION**

<b>1.7.-30.9.2012 (EUR 1,000)</b>	<b>Wiring Systems</b>	<b>Electronics</b>	<b>Unallocated amounts and eliminations</b>	<b>Group Total</b>
Sales to external customers	209,192	18,255	0	227,447
Sales to other segments	117	41	-159	0
Net sales	209,309	18,296	-159	227,447
EBITDA	21,578	1,877	-913	22,543
% of net sales	10.3	10.3		9.9
Depreciation and impairments	7,338	491	316	8,144
Operating profit before non-recurring items	14,241	1,386	-1,228	14,399
% of net sales	6.8	7.6		6.3
Donations to the universities	0	0	0	0
Advisor fees	0	0	0	0
Cancellation of the write-down of inventories	0	0	0	0
Non-recurring employee benefit expenses	1,762	118	0	1,880
Total non-recurring other operating items	1,762	118	0	1,880
Operating profit	12,479	1,268	-1,228	12,519
% of net sales	6.0	6.9		5.5
Segment's assets	479,678	48,750	-33,111	495,318
Unallocated assets *)	0	0	13,857	13,857
Total assets	479,678	48,750	-19,253	509,175

\*) Segment's assets do not include deferred taxes

<b>1.7.-30.9.2011 (EUR 1,000)</b>	<b>Wiring Systems</b>	<b>Electronics</b>	<b>Unallocated amounts and eliminations</b>	<b>Group Total</b>
Sales to external customers	84,345	17,669	0	102,014
Sales to other segments	134	42	-175	0
Net sales	84,478	17,710	-175	102,014
EBITDA	11,659	2,243	-32	13,870
% of net sales	13.8	12.7		13.6
Depreciation and impairments	2,655	505	88	3,248
Operating profit before non-recurring items	9,004	1,738	-120	10,623
% of net sales	10.7	9.8	0.0	10.4
Donations to the universities	0	0	0	0
Advisor fees	1,944	0	-288	1,656
Cancellation of the write-down of inventories	0	0	0	0
Total non-recurring other operating items	1,944	0	-288	1,656
Operating profit	7,060	1,738	168	8,967
% of net sales	8.4	9.8		8.8
Segment's assets	199,973	49,745	0	249,718
Unallocated assets *)	3,605	754	100,894	105,253
Total assets	203,578	50,499	100,894	354,971

\*) Segment's assets do not include deferred taxes

<b>1.1.-30.9.2012 (EUR 1,000)</b>	<b>Wiring Systems</b>	<b>Electronics</b>	<b>Unallocated amounts and eliminations</b>	<b>Group Total</b>
Sales to external customers	662,639	51,579	0	714,218
Sales to other segments	395	95	-490	
Net sales	663,034	51,674	-490	714,218
EBITDA	65,699	2,745	-2,663	65,781
% of net sales	9.9	5.3		9.2
Depreciation and impairments	20,906	1,562	724	23,191
Operating profit before non-recurring items	44,793	1,183	-3,387	42,590
% of net sales	6.8	2.3		6.0
Donations to the universities	0	0	0	0
Advisor fees	0	0	0	0
Cancellation of the write-down of inventories	0	0	0	0
Non-recurring employee benefit expenses	2,905	254	0	3,159
Total non-recurring other operating items	2,905	254	0	3,159
Operating profit	41,889	929	-3,387	39,431
% of net sales	6.3	1.8		5.5
Segment's assets	479,678	48,750	-33,111	495,318
Unallocated assets *)			13,857	13,857
Total assets	479,678	48,750	-19,253	509,175

\*) Segment's assets do not include deferred taxes



<b>1.1.-30.9.2011 (EUR 1,000)</b>	<b>Wiring Systems</b>	<b>Electronics</b>	<b>Unallocated amounts and eliminations</b>	<b>Group Total</b>
Sales to external customers	252,678	55,529	0	308,207
Sales to other segments	553	101	-654	
Net sales	253,230	55,630	-654	308,207
EBITDA	36,114	4,424	-1,667	38,870
% of net sales	14.3	8.0		12.6
Depreciation and impairments	7,354	1,700	263	9,317
Operating profit before non-recurring items	28,760	2,724	-1,930	29,554
% of net sales	11.4	4.9		9.6
Donations to the universities	0	150	0	150
Advisor fees	2,354	0	1,656	4,010
Cancellation of the write-down of inventories	-317	0	0	-317
Total non-recurring other operating items	2,037	150	1,656	3,843
Operating profit	26,723	2,574	-3,586	25,711
% of net sales	10.6	4.6		8.3
Segment's assets	199,973	49,745		249,718
Unallocated assets *)	3,605	754	100,894	105,253
Total assets	203,578	50,499	100,894	354,971

\*) Segment's assets do not include deferred taxes

<b>1.1.-31.12.2011 (EUR 1,000)</b>	<b>Wiring Systems</b>	<b>Electronics</b>	<b>Unallocated amounts and eliminations</b>	<b>Group Total</b>
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
EBITDA	57,383	5,082	-2,967	59,498
% of net sales	12.0	6.9		10.8
Depreciation and impairments	14,916	2,257	359	17,531
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 *)	0	0	7,697	7,697
Total assets	483,593	48,910	-23,706	508,798

\*) Segment's assets do not include deferred taxes

<b>NET SALES BY GEOGRAPHICAL LOCATIONS (EUR 1,000)</b>	<b>7-9/12 3 mon.</b>	<b>7-9/11 3 mon.</b>	<b>1-9/12 9 mon.</b>	<b>1-9/11 9 mon.</b>	<b>1-12/11 12 mon.</b>
Finland	16,350	14,731	45,379	46,837	62,521
Other Europe	49,432	58,639	166,499	176,254	236,006
North America	135,169	6,068	429,763	19,351	157,458
South America	20,560	17,590	56,795	50,701	73,514
Other countries	5,936	4,986	15,782	15,063	20,708
Total	227,447	102,014	714,218	308,207	550,208

## 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 = Non-controlling interest

H = Total equity

	A	B	C	D	E	F	G	H
Equity at 1.1.2011	6.0	4.9	21.8	0.0	7.6	83.5	0.0	123.7
Dividends	0.0	0.0	0.0	0.0	0.0	-10.7	0.0	-10.7
Share-based payments	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.5
Subscription of shares	0.2	3.3	0.0	0.0	0.0	0.0	0.0	3.5
Comprehensive income for the period	0.0	0.0	0.0	0.0	-6.4	17.6	0.0	11.2
Other changes	0.0	0.0	0.2	0.0	-0.3	0.0	0.0	-0.1
Equity at 30.9.2011	6.2	8.2	22.0	0.0	1.4	90.4	0.0	128.2
Equity at 1.1.2012	6.1	8.3	35.6	-0.5	6.3	96.7	0.0	152.5
Dividends	0.0	0.0	0.0	0.0	0.0	-12.8	0.0	-12.8
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.4
Share issue, exercise of options	0.1	2.3	0.2	0.0	0.0	0.0	0.0	2.6
Comprehensive income for the period	0.0	0.0	0.6	-0.5	-0.7	23.2	0.0	22.6
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity 30.9.2012	6.2	10.6	36.4	-1.0	5.6	107.5	0.0	165.3

## 3. PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)

	9/12	9/11
Acquisition cost 1.1.	148,598	76,511
+ Additions	10,350	10,904
+ Acquisitions	0	12,000
- Reclassifications	0	0
- Disposals	-1,907	-946
Acquisition cost 30.9.	157,043	98,469
Accumulated depreciation 1.1.	41,717	40,504
- Accumulated depreciation on disposals	-596	4,775
+ Depreciation	16,912	7,147
+/- Exchange difference	639	-554
Depreciation 30.9.	58,673	51,872
Carrying amount 30.9.	98,370	46,595

<b>4. OTHER INTANGIBLE ASSETS (EUR 1,000)</b>	<b>9/12</b>	<b>9/11</b>
Acquisition cost 1.1.	105,079	39,246
+ Additions	1,655	860
+ Acquisitions	0	2,818
- Disposals	0	0
+/- Exchange difference	0	0
Acquisition cost 30.9.	106,735	42,924
Accumulated depreciation 1.1.	24,425	16,483
- Accumulated depreciation on disposals	0	97
+ Depreciation	5,435	2,952
+/- Exchange difference	205	-229
Depreciation 30.9.	30,065	19,303
Carrying amount 30.9.	76,670	23,621

**5. CONTINGENT LIABILITIES AT END OF PERIOD  
(EUR 1,000)**

	<b>9/12</b>	<b>9/11</b>	<b>12/11</b>
Leasing liabilities	18,752	2,127	15,865
Liabilities for derivative instruments			
Nominal values			
Interest rate swaps	36,359	0	45,974
Currency derivatives			
Forward contracts	13,362	694	5,944
Copper derivatives			
Forward contracts	2,825	2,612	2,450
Total	52,546	3,306	54,367
Fair values			
Interest rate swaps	-1,035	0	-480
Currency derivatives			
Forward contracts	223	48	-64
Copper derivatives			
Forward contracts	43	-535	188
Total	-768	-487	-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 recognized through profit and loss. PKC Group applies hedge accounting to interest rate swaps.

<b>6. QUARTERLY KEY INDICATORS, CONSOLIDATED</b>	<b>4-6/11 3 mon.</b>	<b>7-9/11 3 mon.</b>	<b>10-12/11 3 mon.</b>	<b>1-3/12 3 mon.</b>	<b>4-6/12 3 mon.</b>	<b>7-9/12 3 mon.</b>
Net sales, EUR million	109.3	102.0	242.0	242.0	244.8	227.4
Operating profit, EUR million	7.1	9.0	8.8	12.7	14.2	12.5
% of net sales	6.5	8.8	3.6	5.3	5.8	5.5
Profit before taxes, EUR million	7.7	4.6	7.7	10.5	14.0	9.8
% of net sales	7.0	4.5	3.2	4.3	5.7	4.3
Equity ratio, %	54.3	36.1	30.0	30.9	31.2	32.5
Earnings per share (EPS), diluted (EUR)	0.31	0.19	0.29	0.33	0.46	0.31
Equity per share, EUR	6.38	6.44	7.66	7.65	7.51	7.68

**QUARTERLY KEY INDICATORS,  
WIRING SYSTEMS**

Net sales, EUR million	90.2	84.3	224.5	226.6	226.8	209.2
Operating profit, EUR million	9.6	7.1	8.7	15.0	14.4	12.5
% of net sales	10.6	8.4	3.9	6.6	6.3	6.0

**QUARTERLY KEY INDICATORS,  
ELECTRONICS**

Net sales, EUR million	19.1	17.7	17.5	15.3	18.0	18.3
Operating profit, EUR million	0.4	1.7	-0.2	-1.0	0.7	1.3
% of net sales	2.1	9.8	-1.2	-6.5	3.7	6.9

**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

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, 1 November 2012, at 10.00 a.m., at the address Event Arena Bank, Unioninkatu 20, 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.