HONKARAKENNE OYJ FINANCIAL STATEMENT RELEASE 14 February 2013 at 3:00 p.m.

HONKARAKENNE OYJ’S FINANCIAL STATEMENT RELEASE 1 JANUARY - 31 DECEMBER 2012

SUMMARY

In 2012 the net sales and the result were lower than previous year. During the last quarter of the year Honkarakenne made major decisions concerning production and organization structure aiming for better result and growth.

September - December 2012

- Honkarakenne Group's consolidated net sales for the last quarter of the year amounted to MEUR 13.9 (MEUR 13.6 in 2011), representing an increase over the same period the previous year of 2 %
- Operating loss was MEUR -3.0 (MEUR -0.2). Operating profit/loss without non-recurring items was MEUR 0.5 (MEUR -0.2)
- Loss before taxes was MEUR -2.7 (MEUR -0.4)
- Earnings per share amounted to EUR -0.66 (EUR -0.10)

Year 2012

- Honkarakenne Group’s consolidated net sales for the entire year was MEUR 46.2, representing a reduction over the same period the previous year of 16 %
- Operating loss was MEUR -4.3 (MEUR 1.9). Operating loss before non-recurring items was MEUR -0.7 (MEUR 1.6)
- Loss before taxes was MEUR -4.4 (MEUR 1.1)
- Earnings per share amounted to EUR -0.90 (EUR 0.17)

Honkarakenne started negotiations under the act on co-operation in the fourth quarter of 2012. These negotiations were concluded in January 2013 and resulted in decisions to consolidate production in Karstula and implement Finland-wide redundancies. Consequently, a total of MEUR 3.5 in non-recurring expenses were recognised in the 2012 financial year, of which MEUR 1.9 were accounted for by write-offs and restructuring provisions for the maintenance of a soon-to-be-closed business location and MEUR 1.6 by provisions for redundancies.

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year ended 31 December 2012. In addition, the Board proposes the repayment of capital totalling EUR 0.08 per share from the fund for invested unrestricted equity.

In year 2013 Honkarakenne expects its net sales to be at same level than in previous year and the result before non-recurring items and taxes to be close to zero.

KEY INDICATORS	10–12/ 2012	10–12/ 2011	1-12/ 2012	1-12/ 2011	muutos %
Net sales, MEUR	13.9	13.6	46.2	55.0	-16.1
Operating profit/loss, MEUR	-3.0	-0.2	-4.3	1.9	
Operating profit before non-recurring items, MEUR	0.5	-0.2	-0.8	1.6	
Profit/loss before taxes, MEUR	-2,8	-0.4	-4.4	1.1	
Average number of personnel			257	265	
Personnel in person-years, average			198	220	
Earnings/share (EPS), EUR	-0.66	-0.10	-0.90	0.17	
Equity ratio, %			47	53	
Return on equity, %			-28	5	
Shareholders' equity/share, EUR			2.7	3.7	
Gearing, %			11	35	

Mikko Kilpeläinen, President and CEO of Honkarakenne Oyj, in connection with the financial statement release:

“2012 was a very challenging year in terms of net sales. The order book was small at the beginning of the year. This impacted on net sales, particularly in the early months of the year. Net sales fell significantly short of 2011. Growth in the order book during the first half of the year was reflected in net sales during the second half, which saw a substantial improvement.

We implemented a major operational restructuring process in the fourth quarter. We reorganised our business areas and appointed a new Executive Group to develop the company’s operating model in order to support sales growth in the main business areas. We combined functions to boost efficiency and enable even more customer-oriented service. After the negotiations under the act on co-operation were concluded in January 2013, we decided to consolidate production at the Karstula plant and reduce the number of employees to a level commensurate with our net sales performance. This resulted in non-recurring expenses that burden earnings. In spite of these expenses, the company’s financial position has remained good.

In 2013, our Finnish operations will focus on the detached house market and growth in sales of holiday homes in association with the S Group. We will develop our operational structure to boost efficiency, particularly in Finland. A new dirctor was appointed for the Russia & CIS business area in January 2013. The new operating model is expected to generate growth in this region.”

NET SALES

Honkarakenne Group’s net sales for the year 2012 decreased by 16 per cent to MEUR 46.2 (MEUR 55.0).

The Group’s last-quarter net sales in 2012 increased by 2 per cent to MEUR 13.9 (MEUR 13.6).

Geographical distribution of net sales:

DEVELOPMENT OF SALES

Distribution of net sales, %	1-12 /2012	1-12 /2011
Finland & Baltics	41%	45%
Russia & CIS	32%	25%
Global Markets	27%	30%
Total	100%	100%

Net sales, MEUR	10-12 /2012	10-12 /2011	% muutos	1-12 /2012	1-12 /2011	% muutos
Finland & Baltics	4.1	5.1	-24	19.0	24.5	-22
Russia & CIS	6.7	4.0	68	14.7	13.9	6
Global Markets	3.1	4.5	-32	12.5	16.6	-25
Total	13.9	13.7		46.2	55.0	-16

Finland & Baltics includes the following countries: Finland, Estonia, Latvia and Lithuania. It includes also Process waste sales for recycling which was reported separately before. The impact of Process waste sales for recycling in distribution of net sales was 1 percentage point in 1-12/2012 and 3 percentage points in 1-12/2011 in Finland & Baltics. The impact in net sales 10-12/2012 and 10-12/2011 is MEUR 0.2 and 1-12/2012 it is MEUR 0.7 and 1-12/2011 it is MEUR 1.5.

Russia & CIS includes the following countries: Russia, Azerbaijan, Kazakhstan, Ukraine and other CIS countries.

Global Markets includes other countries than above-mentioned.

The Group’s order book stood at MEUR 15.9 at the end of December. In the previous year at the same time period it was MEUR 13.6.

DEVELOPMENT OF RESULT AND PROFITABILITY

Operating loss in 2012 was MEUR -4.3 (MEUR 1.9), and result before taxes was MEUR -4.4 (MEUR 1.1). The result includes a MEUR 1.6 provision for redundancies and a total of MEUR 1.9 in write-offs and restructuring provisions for the maintenance of a soon-to-be-closed business location. Earnings in 2011 were improved by non-recurring capital gains of MEUR 0.3 from the sale of a holding in Karjalan Lisenssisaha Invest Oy.

Operating loss without non-recurring items in January-December was MEUR -0.8 (MEUR 1.6). The change in the operating result without non-recurring items was due to lower net sales than in 2011, as well as investments in marketing, training the Group’s sales network, and developing operations in Japan.

FINANCING AND INVESTMENTS

In the course of the period under review, the financial position of the Group remained satisfactory due to low investments and good control of working capital. The equity ratio stood at 47% (53%) and net financial liabilities at MEUR 1.5 (MEUR 6.1). MEUR 2.0 (0.8) of the financial liabilities carry a 30% equity ratio covenant term. Group liquid assets totalled MEUR 4.8 (MEUR 2.6). The Group also has a MEUR 8.0 (MEUR 10.0) bank overdraft facility, MEUR 0.0 (MEUR 0.8) of which had been drawn on at the end of the report period. Gearing stood at 11 % (35 %).

The Group’s capital expenditure on fixed assets totalled MEUR 0.9 (MEUR 1.0), while the Group’s depreciation amounted to MEUR 4.8 (MEUR 3.3), including MEUR 1.8 (0.0) in non-recurring write-offs of fixed assets.

PRODUCTS AND MARKETING

In **Finland & Baltics**, our operations in 2012 focused on the detached house market by launching revamped design lines. In the fourth quarter, Honkarakenne started co-operation with the S Group in the sale of holiday homes with Mainio brand. Finnish operations were restructured.

In **Russia & CIS**, we improved the coverage of our sales network with the addition of new retailers. We reorganised our operating structure in the fourth quarter. After the end of the review period, we bolstered this business area by appointing a new sales manager.

In **Global Markets**, our operations in the report year focused on large individual project sites that are expected to be realised in 2013. We launched a new building collection in Japan. Its marketing highlighted Finnish and Japanese designers and architects.

During the report year, we implemented several measures covering all of our market areas. We honed the customer focus of our house collection by revamping their designs and carried out a global website redesign according to the strategy. In addition, we launched a sales training programme for the Group’s global sales network.

RESEARCH AND DEVELOPMENT

In the third quarter, Honkarakenne was granted PEFC certification, which indicates that the company employs a PEFC-approved mechanism for tracking the origin of timber.

In the January–December period, the Group's R&D expenditure totalled MEUR 0.4 (MEUR 0.5), representing 0.9 % of net sales (1.0 %). The Group did not capitalise any development expenditure during the report period.

STAFF AND MANAGEMENT

In 2012, the Group employed a total of 198 (220) people on average in terms of person-years, a year-on-year decrease of 22.

The Group had an average of 257 (265) employees during the report year. At the end of 2012, the Group had 248 (261) employees.

In January, the company concluded the negotiations under the act on co-operation. As a result 49 persons were laid off for an indefinite period. The company had an authorisation for temporary employee layoffs for other personnel of a maximum of 90 days that was in effect until the end of September 2012. As a result of the negotiations under the act on co-operation that were held in September, the company was authorised to temporarily lay off personnel for a maximum of 90 days until the end of April 2013. The negotiations under the act on co-operation started in November and concluded in January, after the end of the report year. As a result of these negotiations, the company decided to consolidate production in Karstula and to make 68 employees redundant. It was agreed that the company’s other personnel in Finland can be temporarily laid off for a maximum of 90 days until the end of September 2013.

The company’s CEO, Esa Rautalinko, resigned on 27 January 2012. On 2 February 2012, the Board of Directors appointed the company’s CFO, Mikko Jaskari, as acting CEO. On 7 May 2012, the Board appointed Mikko Kilpeläinen as the new CEO. Mikko Kilpeläinen took up his new position on 1 August 2012.

On 25 October 2012, Honkarakenne’s Board of Directors appointed a new Executive Group, which consists of the following persons: Mikko Kilpeläinen, CEO, Mikko Jaskari, CFO, Sami Leinonen, Finland & Baltics, Pekka Elo, Global Markets, Sanna Wester, Marketing, Planning and R&D, and Reijo Virtanen, Operations. In addition, Petr Morinov was appointed as the sales manager responsible for Russia & CIS on 30 January 2013.

HONKARAKENNE OYJ’S 2012 ANNUAL GENERAL MEETING, BOARD OF DIRECTORS, AND AUDITORS

The Annual General Meeting (AGM) of Honkarakenne Oyj was held at the company’s headquarters in Tuusula on 30 March 2012. The AGM confirmed the financial statements of the parent company and Group, and discharged from liability the board members and CEO for 2011. The AGM decided that no dividends be paid for the 2011 financial year. The AGM decided that a repayment of capital totalling EUR 0.08 per share be paid from the fund for invested unrestricted equity.

Anders Adlercreutz, Lasse Kurkilahti, Mauri Saarelainen, Marko Saarelainen, Mauri Niemi, Teijo Pankko, and Pirjo Ruuska were re-elected to the Board of Directors. The Board’s organisation meeting elected Lasse Kurkilahti the Chairman of the Board. Mauri Saarelainen was appointed to the post of Deputy Chairman. Board of Directors decided not to set up any committees.

KPMG Oy Ab, Corporation of Authorized Public Accountants, was reappointed as auditor of the company with Mr Reino Tikkanen, APA, as chief auditor.

HONKARAKENNE OYJ’S OWN SHARES AND AUTHORISATIONS OF THE BOARD OF DIRECTORS

Honkarakenne has not acquired its own shares during the report period. At the end of the report period, the Group held 364,385 of its Honkarakenne B shares with a total purchase price of EUR 1,381,750.23. These shares represent 7.05 % of the company's capital stock and 3.35 % of all votes. The purchase cost has been deducted from shareholders' equity in the consolidated financial statements.

On 30 March 2012, the AGM decided that the Board of Directors will be authorised to acquire a maximum of 400,000 of the company’s own B shares with assets included in the company’s unrestricted equity. In addition, the AGM authorised the Board to decide on a rights issue or bonus issue and on granting special rights to shares referred to in Section 1 of Chapter 10 of the Limited Liability Companies Act in one or more instalments. By virtue of the authorisation, the Board may issue a maximum total of 400,000 new shares and/or relinquish old B shares held by the company, including those shares that can be issued by virtue of special rights. Both authorisations will be valid until 25 March 2013. The Board did not exercise these authorisations in 2012.

TRANSFERRING THE RESERVE FUND’S ASSETS TO THE FUND FOR INVESTED UNRESTRICTED EQUITY

As decided in the AGM on 30 March 2012 the reserve fund recognised on the balance sheet on 31 December 2011 has been reduced by the sum of EUR 5,316,389.64, by transferring all of the reserve fund’s assets to the fund for invested unrestricted equity. The transfer of the reserve fund’s assets to the fund for invested unrestricted equity enhances the flexibility of the company’s capital structure and increases distributable equity.

OWNERSHIP CHANGES IN GROUP COMPANIES

On 29 March 2012 Honkarakenne redeemed the shares of Honka Management Oy previously owned by Esa Rautalinko based on the shareholders’ agreement. Even before this redeeming Honkarakenne Oyj has had control of Honka Management Oy based on the shareholders’ agreement and the company has also previously been included in the consolidated financial statements.

CORPORATE GOVERNANCE

Honkarakenne Oyj follows the Limited Liability Companies Act and the Finnish Corporate Governance Code, 1 October 2010, for listed companies issued by the Finnish Securities Market Association. The company's website, www.honka.com, provides more information on the corporate governance systems.

FUTURE OUTLOOK

The market situation is still unstable. General economic uncertainty factors, such as the personnel reductions that have been carried out in several market areas, are being reflected in customers’ unwillingness to make decisions on major construction projects.

At the end of December, the Group’s order book stood at MEUR 15.9, which is a 17 % increase from the MEUR 13.6 of the same time period in the previous year. The order book refers to orders whose delivery date falls within the next 24 months. Some orders may include a financing or building permit condition.

FORTHCOMING RISKS AND UNCERTAINTIES

The Group has one significant concentration of credit risks in sales receivables, concerning the open sales receivables of one importer. No provision for doubtful debt has been made for this. The new sales made with this importer have been paid and open sales receivables have been amortised as per the agreement. Deliveries to the importer have continued, and the risks with the open sales receivables have not increased.

The assessment of amounts in the balance sheet is based on current assessment by the management. If these assessments are changed, this may result in changes to the Group's result.

REPORTING

This report contains statements that relate to the future, and these statements are based on hypotheses that the company's management hold currently as well as on the decisions and plans that are currently in place. Although the management believes that the hypotheses relating to the future are well-founded, there is no guarantee that the said hypotheses will prove to be correct.

This financial statements release has been prepared in line with standard IAS 34, Interim Financial Reporting. This interim report has been prepared in line with the same IFRS principles of bookkeeping and assessment as Financial Statements 2011 but new and amended IFRS standards effective in 2012 have been applied. Amended standards and interpretations effective from the beginning of year 2012 have no bearing on the figures presented for the report period. The figures have not been examined by the auditor.

EVENTS AFTER THE REVIEW PERIOD

Honkarakenne started negotiations under the act on co-operation in the fourth quarter of 2012. These negotiations were concluded in January 2013 and resulted in a decision to consolidate production in Karstula. Due to the restructuring of operations, the company made 68 redundancies. In addition, the company agreed on temporary lay-offs of a maximum of 90 days affecting all of its personnel in Finland until the end of September 2013.

A total of MEUR 3.5 in non-recurring expenses were recognised in the 2012 financial year from redundancies and the restructuring of operations, of which MEUR 1.9 were accounted for by write-offs and restructuring provisions for the maintenance of a soon-to-be-closed business location and MEUR 1.6 by provisions for redundancies.

Due to the conclusion of negotiations under the act on co-operation, the company announced on 4 January 2013 that it will change its guidance for 2012. The company announced that its result before taxes for 2012 will fall significantly short of the previous year.

On 30 January 2013, the Board of Directors of Honkarakenne Oyj appointed Petr Morinov as the company’s sales manager and a member of the Executive Group. He is responsible for Russia & CIS.

PROPOSAL OF THE BOARD OF DIRECTORS ON THE USE OF PROFIT FUNDS

On 31 December 2012, the parent company’s unrestricted equity stood at MEUR 3.7, of which distributable funds totalled MEUR 2.9. No funds can be allocated as profits. The parent company posted a MEUR -3.9 loss for the financial year.

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year ended 31 December 2012. In addition, the Board proposes the repayment of capital totalling EUR 0.08 per share from the fund for invested unrestricted equity.

THE OUTLOOK FOR 2013

In year 2013 Honkarakenne expects its net sales to be at same level than in previous year and the result before non-recurring items and taxes to be close to zero.

GENERAL MEETING

The Annual General Meeting of Honkarakenne Oyj will be held at the company’s headquarters in Tuusula on Friday 5 May 2013 at 2:00 pm.

HONKARAKENNE OYJ

Board of Directors

Further information:
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This and previous releases are available for viewing on the company’s website at www.honka.com.

During week 10, Honkarakenne will publish the Directors’ Report and financial statements for 2012 as well as a separate Corporate Governance Statement on the company’s website at www.honka.com. Interim Reports for 2013 will be published on 8 May 2013, 8 August 2013 and 31 October 2013.

DISTRIBUTION

NASDAQ OMX Helsinki
Key media
Financial Supervisory Authority
www.honka.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

unaudited	10-12 /2012	10-12 /2011	1-12 /2012	1-12 /2011
MEUR				
Net sales	13.9	13.6	46.2	55.0
Other operating income	0.2	0.3	0.8	1.1
Change in inventories	-0.7	-1.8	-0.2	-2.0
Production for own use	0.0	0.0	0.0	0.0
Materials and services	-6.9	-5.7	-25.2	-28.9
Employee benefit expenses	-4.6	-2.8	-12.4	-11.1
Depreciations	-0.7	-0.8	-3.0	-3.2
Other operating expenses	-1.8	-0.1	-1.8	-0.1
Materials and services	-2.4	-2.9	-8.7	-8.9
Operating profit/loss	-3.0	-0.2	-4.3	1.9
Financial income	0.4	0.2	0.6	0.2
Financial expenses	-0.3	-0.4	-0.7	-0.9
Share of associated companies' result	0.1	0.0	-0.0	-0.1
Profit/loss before taxes	-2.8	-0.4	-4.4	1.1
Taxes	-0.3	-0.1	0.1	-0.3
Profit/loss for the period	-3.1	-0.5	-4.3	0.8
Other comprehensive income:				
Translation differences	-0.2	0.0	-0.2	0.1
Total comprehensive income for the period	-3.4	-0.5	-4.6	0.9
Result for the period attributable to:				
Equity holders of the parent	-3.4	-0.5	-4.6	0.9
Non-controlling interest	-0.0	-0.0	0.0	0.0
	-3.4	-0.5	-4.6	0.9
Calculated from the result for the period attributable to equity holders of parent				
Earnings/share (EPS), EUR				
Basic	-0.66	-0.10	-0.90	0.17
Diluted	-0.66	-0.10	-0.90	0.17

CONSOLIDATED BALANCE SHEET
unaudited

MEUR	31.12.2012	31.12.2011
Assets		
Non-current assets		
Property, plant and equipment	14.6	19.0
Goodwill	0.1	0.1
Other intangible assets	0.6	0.7
Investments in associated companies	0.3	0.3
Other investments	0.1	0.2
Receivables	0.3	0.3
Deferred tax assets	1.1	1.1
	17.0	21.7
Current assets		
Inventories	6.5	7.1
Trade and other receivables	5.9	7.7
Cash and bank receivables	4.8	2.6
	17.2	17.3
Total assets	34.2	39.0

Shareholders' equity and liabilities	31.12.2012	31.12.2011
Equity attributable to equity holders of the parent		
Capital stock	9.9	9.9
Share premium	0.5	0.5
Reserve fund	0.0	5.3
Unrestricted equity reserve	6.8	1.9
Translation differences	-1.4	-1.4
Retained earnings	0.2	0.5
	-3.2	1.2
Non-controlling interests	12.9	17.9
Total equity	0.2	0.2
	13.1	18.1
Non-current liabilities		
Deferred tax liabilities		
Provisions	0.0	0.2
Financial liabilities	0.5	0.3
Non-interest bearing debt	3.9	5.1
	0.0	0.0
Current liabilities	4.4	5.6
Trade and other payables		
Tax liabilities	12.6	11.5
Provisions	0.0	0.1
Financial liabilities	1.6	0.0
	2.4	3.7
Total liabilities	16.7	15.3
Total equity and liabilities	21.1	20.9
Shareholders' equity and liabilities	34.2	39.0

STATEMENT OF CHANGES IN EQUITY
abridged
unaudited

Equity attributable to equity holders of the parent

1000 eur	a)	b)	c)	d)	e)	f)	g)	Yht.	h)	Total equity
Total equity 1.1.2011	9898	520	5316	1896	319	-1382	771	17338	200	17538
Profit/loss for the period							825	825	2	827
Translation difference					141			141		141
Dividends							-445	-445		-445
Proceeds from sale of own shares									40	40
Total equity 31.12.2011	9898	520	5316	1896	462	-1382	1152	17861	242	18103

	a)	b)	c)	d)	e)	f)	g)	Yht.	h)	Total equity
Total equity 1.1.2012	9898	520	5316	1896	462	-1382	1152	17861	242	18103
Profit/loss for the period							-4329	-4329	1	-4328
Translation difference					-238			-238		-238
Repayment of capital				-384				-384		-384
Purchase of non-controlling interests									-35	-35
Reclassification			-5316	5316						
Total equity 31.12.2012	9898	520	0	6828	224	-1382	-3178	12909	209	13117

a) Share capital
b) Premium fund
c) Reserve fund
d) Fund for invested unrestricted equity
e) Translation difference
f) Own shares
g) Retained earnings
h) Non-controlling interests

CONSOLIDATED CASH FLOW STATEMENT
abridged

unaudited	1.1.- 31.12.2012	1.1.- 31.12.2011
MEUR		
Cash flow from operations	5.5	6.0
Cash flow from investments, net	-0.1	0.9
Total cash flow from financing	-3.1	-6.3
Increase in credit capital		-0.5
Decrease in credit capital	-0.4	
Other financial items	2.1	0.8
Dividends paid	-4.6	-6.5
Repayment of capital	-0.2	-0.2
Change in liquid assets	2.2	0.7
Liquid assets at the beginning of period	2.6	1.9
Liquid assets at the end of period	4.8	2.6

NOTES TO THE REPORT

Calculation methods

This financial statements release has been prepared in line with standard IAS 34, Interim Financial Reporting. This interim report has been prepared in line with the same IFRS principles of bookkeeping and assessment as Financial Statements 2011 but new and amended IFRS standards effective in 2012 have been applied. Amended standards and interpretations effective from the beginning of year 2012 have no bearing on the figures presented for the report period. The figures have not been examined by the auditor.

Honka Management Oy, established year 2010 and owned by the top management of the company, has been included in the consolidated financial statements due to the terms and conditions of the shareholder agreement concluded between it and Honkarakenne Oyj.

Honkarakenne has one operating segment, the manufacture, sales and marketing of log houses. Geographically, the sales of the Group divide as follows: Finland & Baltics, Russia & CIS and Global Markets. The internal reporting of the management is in line with IFRS reporting. For this reason, separate reconciliations are not presented.

The figures have not been examined by the auditor.

TANGIBLE ASSETS	Tangible assets
Unaudited	
MEUR	
	66.7
Acquisition cost 1.1.2012	0.5
Translation difference (+/-)	0.7
Increase	-3.4
Decrease	-0.6
Transfers between balance sheet items	63.9
Acquisition cost 31.12.2012	
	-47.7
Accumulated depreciation 1.1.2012	0.3
Translation difference (+/-)	2.5
Disposals and reclassifications	-2.8
Depreciation for the period	-1.8
Accumulated depreciation 31.12.2012	-49.4
Book value 1.1.2012	19.0
Book value 31.12.2012	14.6

Restructuring of operations

A total of MEUR 3.5 in non-recurring expenses were recognised in the 2012 financial year from redundancies and the restructuring of operations, of which MEUR 1.9 were accounted for by write-offs and restructuring provisions for the maintenance of a soon-to-be-closed business location and MEUR 1.6 by provisions for redundancies.

Own shares

Honkarakenne Oyj has not acquired its own shares during the report period. At the end of the report period, the Group held 364 385 of its Honkarakenne B shares with a total purchase price of EUR 1 381 750.23. These shares represent 7.05% of the company's capital stock and 3.35% of all votes. The purchase cost for own shares has been entered in the consolidated accounts to reduce the Group’s shareholders’ equity.

Contingent liabilities

unaudited	31.12.2012	31.12.2011
MEUR		
For own loans		
- Mortgages	25.7	25.7
- Other quarantees	3.4	1.8
For others		
- Guarantees	0.0	0.2
Leasing liabilities	0.2	0.4
Nominal values of forward exchange contracts	2.9	3.4
Derivative contracts	0.5	0.4

Events with related parties

The Group’s related parties consist of subsidiaries, associated companies as well as key management and the companies in which they exercise influence. Key management comprises the Board of Directors, the CEO and the company’s Executive Group. The pricing of goods and services in related party transactions is based on market prices.

During the report period, ordinary business transactions with related parties were made as follows: the sales to the related parties were EUR 358 thousand and the purchases from the related parties were EUR 281 thousand. In 2010 and 2011, Honkarakenne Oyj granted long-term loans totalling MEUR 0.9 to Honka Management Oy, which is owned by the company’s senior management.

Key indicators

unaudited		1-12 2012	1-12 2011
Earnings/share (EPS)	eur	-0,90	0,17
Return on equity	%	-27,7	4,6
Equity ratio	%	47,4	52,6
Shareholders equity/share	eur	2,7	3,7
Net debt	MEUR	1,5	6,1
Gearing	%	11,1	34,5
Gross investments	MEUR	0,9	1,0
	% of net sales	1,9	1,8
Order book	MEUR	15,9	13,6

Personnel in person-years, average	Staff	117	117
	Workers	81	103
	Total	198	220

Calculation of key indicators

Earnings/share (EPS)	Profit for the period attributable to equity holders of parent --- Average number of outstanding shares	
Return on equity %	Result before taxes – taxes --- Total equity. average	x 100
Equity ratio. %	Total equity --- Balance sheet total - advances received	x 100
Net debt	Interest-bearing debt - cash and cash equivalents	
Gearing. %	Interest-bearing debt - cash and cash equivalents -- Total equity	x 100
Shareholders equity/share	Shareholders’ equity -- Number of shares outstanding at end of period	