Etteplan 30 1983–2013

ANNUAL REPORT 2012

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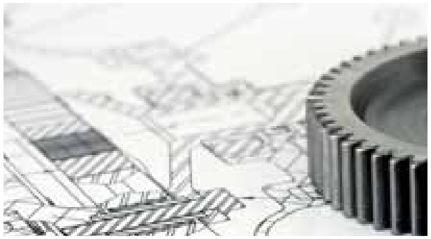
2012



Etteplan is **forerunner** in providing productized services to **improve the efficiency** of engineering work.

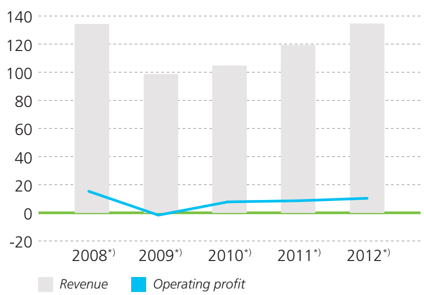
The credits for our accomplishments **go to** our skilled and dedicated **experts.**

On the pages of this **annual report** seven **Etteplan's experts** tell about their work and what they **appreciate** in it **the most.**

ETTEPLAN IN 2012

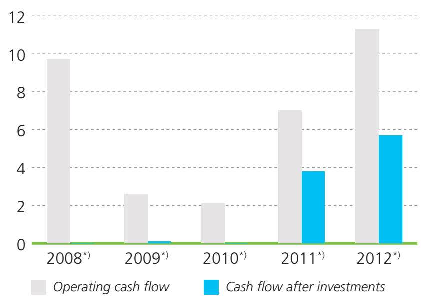
- **The Group's revenue grew by 12.6% and was EUR 134.5 million (1-12/2011: EUR 119.4 million).**
- **Operating profit increased by 26.6% and was EUR 8.7 million (EUR 6.9 million).**
- **The profit for the review period was EUR 5.6 million (EUR 4.6 million).**
- **Operating cash flow increased and was EUR 11.3 million (EUR 7.0 million).**
- **Earnings per share were EUR 0.29 (EUR 0.20).**
- **Etteplan acquired in March the entire share capital of Dutch-based Tedopres International B.V., a company focusing on technical product information solutions.**
- **The Board of Directors proposes a dividend of EUR 0.15 per share.**

REVENUE AND OPERATING PROFIT 2008-2012 (EUR MILLION)



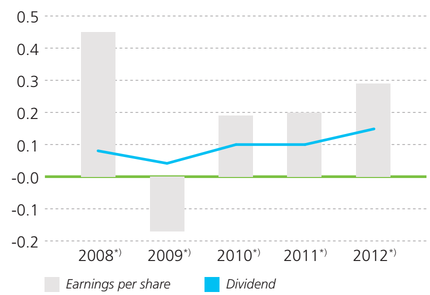
*) continuing operations

CASH FLOW 2008-2012 (EUR MILLION)



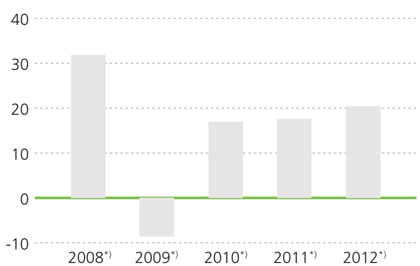
*) continuing operations

EARNINGS PER SHARE (EUR) AND DIVIDEND (EUR/SHARE) 2008-2012



*) continuing operations

RETURN ON CAPITAL EMPLOYED (ROCE) 2008-2012 (%)



*) continuing operations

KEY FIGURES (EUR 1 000)

	1-12/2012		1-12/2011	
Revenue	134,479		119,448	
Earnings before interest, tax, depreciation and amortization and share of result of associates (EBITDA)	11,154	8.3%	8,478	7.1%
Operating profit (EBIT)	8,715	6.5%	6,885	5.8%
Basic earnings per share, EUR	0.29		0.20	
Equity ratio, %	32.4		31.1	
Return on capital employed (ROCE) before taxes, %	20.4		17.6	
Personnel at end of the period	1,776		1,659	

Solution business and China are our advantages

In 2012 our determined efforts to strenghten our financial position have paid off. The cash flow from business operations was the best ever in the company's history. Thanks to our improved financial position, we now have the opportunity to take the next steps in the development of our company.

Etteplan's revenue and operating profit showed clear improvement following the good demand in the early part of the year. However, the growth of the revenue slowed down towards the end of the year owing to a deteriorating market situation. The sales of productized service solutions continued their growth in 2012 and the average size of assignments became larger.

Etteplan's technical product information offering together with our market position strengthened significantly following the acquisition of the Dutch based Tedopres International B.V. We are now among Europe's largest and most innovative providers in technical product information solutions. This acquisition has brought us added ability, for instance, to substantially improve the cost-efficiency and quality of our customers' maintenance services business. We have now even better opportunities to offer engineering design services to Central European customers.

The markets have undergone a change in the wake of the financial crisis. It would appear that in the Nordic countries there is no return to the level of demand we were experiencing in 2008 in the foreseeable future. Fluctuations in the market are more rapid than before the financial crisis, which calls for a completely different type of design capacity management than in times of stable demand and slow fluctuations. The shortage of skilled engineers in our customer organizations was replaced by a virtual standstill in recruitment within a short space of time in 2012. Demands for cost-efficiency and flexibility became heightened. This development created new business opportunities for Etteplan: we were able to support our customers' business operations by offering flexibility and by improving the competitiveness of our customers' products. Our productized service solutions and our units in China played a key role in this.

We placed substantial resources into developing our company and our solution business during 2012. The complete overhaul of our ERP system intended to better support our service business was launched in 2012 and its roll-out began at the beginning of 2013. We are committed to developing our HR management over the long term and the results of the 2012 personnel survey confirmed that the path we have chosen seems to be the right one. Our goal is to recruit and keep the best talent at Etteplan and to provide every employee with opportunities for professional development at the very top level of their expertise.

Etteplan has been a forerunner in engineering design in Finland for 30 years. Etteplan is well positioned to continue as an industry forerunner on its 30th anniversary year in 2013, as machine and equipment manufacturers are facing demands to create further savings in the weaker market situation. According to our customer promise, we offer our customers the best and most cost-efficient engineering design solutions. We have kept this promise, as demonstrated by many of our successful customer projects, and I am confident that this gives us a solid foundation on which to grow our business further.

I believe that in the current market situation, solution business has even better chances to succeed than before. Etteplan's service portfolio has been honed determinedly over several years so that we can offer our customers the best available cost-efficiency and top-level expertise. It is our goal to make these competitive advantages create new demand and assignments that our customers would not come to think of in a more favourable market situation.

The most notable opportunities for organic growth in 2013 come from technical product information. Our strong market position and the industry's most advanced methods and service solutions provide Etteplan a good competitive position and growth potential.

We succeeded in 2012 and the credit ultimately goes to our competent and committed personnel. I would like to warmly thank our entire personnel for the past year. Etteplan's success relies on long-term customer relationships. I wish to thank our customers for their trust and confidence in Etteplan in 2012. I thank the shareholders for their interest in the company.

Juha Näkki
President and CEO

Our customers have **relied** on Etteplan's **expertise** for 30 years. On our anniversary year, we continue to be **well positioned** to respond to the **needs of our customers.**

30 1983–2013

Our services cover all areas of engineering design and technical product information

Etteplan provides engineering design services and technical product information solutions to a global customer base. Customers rely on us for expertise in product development and major investment projects, engineering method development or when searching for the best solutions for the production and distribution of technical product information. An increasing number of our customers are benefiting from our competences through the Managed Service, in which the customer entrusts an entire project, process or part of a process to be managed by Etteplan.

Our customers invest in quality and cost-efficient product solutions

For the last three decades, Etteplan has served customers in forestry, mining, energy, aviation and defense industries as well as medical technology. Our customers include global machine and equipment manufacturers as well as small and medium-sized enterprises with products representing the very pinnacle of their industry. Most of our customer relationships extend back more than ten years.

Smart way to smart products
- we promise our customers tangible benefits

- We are customer driven and proactive. We understand our customer's business and are able to translate their challenges into optimal engineering solutions.
- We offer cost-efficient service solutions.
- Our proven and cost-efficient solutions and service products increase the competitiveness of our customers' products during all phases of the product life cycle.
- We design competitive products. We have extensive engineering expertise and in-depth understanding of engineering processes.

Did you know that:

- Etteplan is the only company in its field that has productized services for different stages of engineering design.
- Etteplan is among Europe's largest and most innovative providers of technical product information solutions.
- Etteplan has operated in China longer than any other Nordic engineering company and served over 120 customers there since 2004.
- Etteplan's expertise, for instance, in strength calculation, battery technologies and medical technology is world-class.
- Etteplan covers nearly 700 technical competencies.

Etteplan quick facts

- Founded in 1983
- Personnel 1,776 of whom 1,094 are in Finland, 450 in Sweden, 85 in the Netherlands and 147 in China
- Revenue 2012: EUR 134,5 million
- Places of business: 22 sites in Finland, 14 in Sweden, 1 in the Netherlands, 2 in China, representation in Russia.
- Etteplan's shares are listed in NASDAQ OMX Helsinki under the ETT1V ticker

Forerunner in engineering design

Etteplan has set the standard in engineering design for 30 years. The company has been a pioneer in the development of engineering design and methods as well as new business models. For example, we anticipated the needs of our customers by being the first Nordic operator in the industry to open an office in China. The first productized services in the field of engineering design improve the efficiency of our customers' operations and the competitiveness of their products. In 30 years, we have grown from a small engineering firm in a small town in Southern Finland into a global engineering company with top-class expertise and the most competitive service solutions in the industry.

1983 Etteplan **is founded**

1985 First **computer-assisted** program

1998

Outsourcing as a new **business model**

Hollola • Hyvinkää • Hämeenlinna • Iisalmi • Imatra • Joensuu
Jyväskylä • Kokkola • Kotka • Kouvola • Kuopio • Lappeenranta
Oulu • Pori • Raahe • Tampere • Tornio • Turku • Vaasa • Valkeakoski
Vantaa • Varkaus

2000 **Internationalization** and **IPO**

2001 **Increasing** competence by acquisitions

2004

2009

Etteplan CORE Etteplan CSC
Etteplan ITEM **Etteplan INFO**
Etteplan LEAN
Etteplan STE **Etteplan STI**

Transfer to
solution business

2012 **Latest methods** and
solutions in engineering design

1983 Etteplan is founded
Etteplan was founded by four engineering company entrepreneurs: *Ensio Juotasniemi*, *Tero Elomaa*, *Tapani Mönkkönen* and *Esko Poltto*. The initial component of the company name – Ette – originates from the initials of their first name.

1985 First computer-assisted program
Etteplan's first loan was needed to buy a computer. In 1985 it came to cost FIM 320 000 (approximately EUR 54 000).

1998 Outsourcing as a new business model
A new business model was introduced in 1998 when Valmet and Etteplan agreed on the transfer of 30 designers to Etteplan. Almost 500 designers in total have been transferred to Etteplan through outsourcings.

2000 Internationalization and IPO
Etteplan was listed on NM-list of Helsinki Exchanges in April 2000. Soon after the listing the company's international operations department was established.

2001 Increasing competence by acquisitions
Competence base has been broadened in the 21st century by acquisitions especially in Finland and Sweden. The company became a significant partner e.g. to the aerospace and defense industry and medical equipment manufacturers.

2004 China operations commence
Etteplan was the first Nordic engineering design company to establish an office in China. We have already served more than 120 customers in China.

2009 Transfer to solution business
Since 2009 Etteplan has gradually moved towards high value-added services and solution business. The change of business model enables growth and profitability.

2012 Latest methods and solutions in engineering design
Etteplan is an industry forerunner in the development of advanced engineering methods and productized services. The services utilize the latest technologies and tools.

Implementation of strategy proceeded

Etteplan's strategy is compliant with the changes in the operating environment. The company strategy, which has been implemented since 2009, has proved solid at a time when there is increasing uncertainty in the market.

Customer Focus
Focus on selling Etteplan's entire service offering to increase customer share

Service Solutions
Industry forerunner in the development of innovative service products and solutions

One Etteplan
Leverage synergies and provide our employees development opportunities

Engineering methods
Market leader in development of advanced engineering methods

By focusing on its strategic themes – **Customer Focus**, **Service Solutions**, **One Etteplan** and **Engineering Methods** – Etteplan ensures its position as the preferred partner of its customers and a pioneer in the engineering design industry. During the review period, we achieved tangible results with our strategy implementation.

Vision:

Etteplan is the number one partner for each customer

Values:

- Customer satisfaction
- Personnel well-being
- Professional ways of working

The results of Etteplan's strategy implementation in 2012

Customer Focus

- Key customer relationships continued at a greater rate than organic growth (12.9%).
- Customers continued to place an increasing amount of their engineering design with Etteplan.
- Existing global customer relationships were further strengthened.

Service Solutions

- The share of service solutions in the revenue increased.
- In service solutions, the offshoring services from the units in China were utilized, resulting in improved cost-efficiency for the customer.
- The service product for global item management, Etteplan ITEM, was launched.

One Etteplan

- A new enterprise resource planning system was developed in 2012 and its introduction began in the beginning of 2013.
- Personnel processes were enhanced and harmonized.
- In the development of project business we achieved significant financial results.

Engineering Methods

- Etteplan's special competencies in engineering methods were developed by establishing competence teams to make use of new business opportunities. These teams include the Product Safety and Design for Manufacturing and Assembly (DFMA) teams.
- Etteplan became one of the leading European companies in the methods of technical product information through the acquisition of Tedopres.

Engineering design business developed favorably in the early part of 2012, but the growth rate slowed towards the end of the year. The period after the global financial crisis has been one of rapid changes and volatile development in the European engineering design business.

LARS-PETER SVANBERG, SWEDEN

Senior consultant, Engineering Analysis

Etteplan's competence area engineering analysis deals with calculations, simulations and analysis to verify the functionality and safety of our customer's product. My job is to design computer based models of the product design based on the underlying physical laws. The primary goal of my work is to shorten the development time of a product from idea to production. I work closely with Etteplan's engineers and help them meet the customer's needs and requirements. Solving complex physics problems is my passion.

Industry's best and most cost-efficient engineering design services as target

OPERATING ENVIRONMENT AND COMPETITION

The cycles in the demand for engineering design services have become shorter while the fluctuation within cycles has increased. This makes forecasting future demand even more challenging. There is a variety of reasons behind such fluctuations: the demand from the end-customers in different geographical areas varies, Etteplan's customers transfer their production, product development and engineering activities to emerging markets to a varying degree and they may choose to either insource or outsource some of this work.

The most significant changes in the Chinese markets are to do with changes in the labor market and the formation of service purchasing culture. Signs of stricter labor legislation in China became evident in the course of 2012. As a result, machine and equipment manufacturers were more cautious in employing in-house engineering design personnel, which in turn created more opportunities for engineering design companies. The emergence of a new kind of service culture is also down to the aim of Chinese machine and equipment manufacturers to produce goods to global market, which meet Western quality standards.

An increasing amount of technical engineering was sourced from low-cost countries, such China, India and East European countries in 2012. This usually follows the transfer of production to these countries. In the review period, customers also established their own engineering design units in low-cost countries.

Global competition in machinery and equipment design picked up momentum in 2012. Global machinery and equipment manufacturers centralized their purchases and expected to receive global engineering design and technical product information services from their suppliers. The centralization trend gathered pace after a couple of more subdued years. Several major acquisitions were carried through in the Nordic engineering design business. Etteplan's acquisition strategy remains unchanged: any acquisitions undertaken will be aimed at strengthening the company's machine and equipment engineering competence and at winning new global customers.

We believe that the weakened market situation will create **new demand** for Etteplan's services, which bring **cost-savings** and guarantee **high quality in engineering design** for our customers.

SHIFT TOWARDS SOLUTION BUSINESS

Etteplan's objective is to offer the best and the most cost-efficient service solutions in our field. Our business strategy is built on this objective. According to the strategy, the company will increase the share of project business and service solutions in its revenue. In light of this goal, 2012 was a success in many respects. At the same time, key customer relationships grew faster than the organic growth of the company as a whole. The transition from temporary staffing business to solution business progressed in many of Etteplan's customer relationships during the review period. This development was however uneven, and in Sweden the change has been slower than expected. We acquired new skills and impetus for the implementation of our strategy by strengthening our management and organizational structure.

Etteplan's strength is its wide scope of expertise in the various fields of machine and equipment engineering The competencies of almost 2,000 experts have been identified and the results of this work generated keen interest among our customers in 2012.Using the skills survey and a competence management system we can better anticipate and plan future undertakings with our customers. Etteplan has the ability to operate virtually in projects in which the tasks have been distributed between several offices (multi-location projects). These projects allow for an efficient use of the entire skills base of the company while bringing significant savings in travel costs. Examples in the review period include projects for medical device manufacturers. Offshoring projects in China have for several years fulfilled the criteria of multi-location projects. Etteplan will continue to work close to its customers thanks to its dense network of offices. Etteplan's highly advanced IT infrastructure offers a great platform for efficient virtual operations. The advantages of multi-location projects are best realized in project business and service solutions. The temporary staffing business will remain an important part of Etteplan's service offering. However, this may not always be the most favorable option from the customer's perspective.

COMPLICANCE OF BUSINESS STRATEGY WITH MARKET CHANGES

Etteplan is well positioned to have a successful year of operations in 2013, as machine and equipment manufacturers are facing demands to create further savings in the weaker market situation. Customers are currently cautious of recruiting more personnel in Europe, which opens up new business opportunities for Etteplan as a flexible partner. Etteplan's business model and productized services bring significant cost-efficiency in engineering design and technical product information. We believe that the weakened market situation will generate new demand and assignments through which our customers can achieve cost savings while maintaining high quality in engineering design. Based on the negotiations initiated towards the end of 2012 and in early 2013, there is new interest in Sweden for Etteplan's service provision in China as customers are looking for ways to improve the cost-efficiency of their operations.

Etteplan continued its focus on developing more harmonized ways of working during 2012. Common IT systems support this process. The group-wide ERP system was overhauled in 2012 and the new system was introduced at the beginning of 2013. The shift towards higher value services and producing more extensive service solutions requires effective project business management. The development of project business, launched some two years ago, produced positive results in the review period and the resulting financial gains were substantial.

Etteplan has been a forerunner in engineering design for 30 years. By consistently implementing our business strategy we can guarantee our place as a forerunner in the field of engineering in the future. Our goal is also to create top-level expertise in selected competence areas. The purpose of the business strategy is to generate new structural capital to ensure profitable growth and an ability to integrate acquired companies rapidly as part of Etteplan. The business strategy and the progress of its implementation has been presented on pages 10-11 of this annual report.

SUSTAINABLE DEVELOPMENT

A significant number of Etteplan's assignments in 2012 focused on product solutions related to sustainable development. Manufacturability, usability and recyclability are central needs of machine and equipment manufacturers. The rising energy prices have had an impact on the nature of assignments, which focus, for example, on finding energy-efficient solutions for vehicle climate control. Testing climate control systems in the driver's cabins in mobile machinery, conducting energy analyses in industrial environments, and providing new material solutions and power source design are examples of our daily tasks that are all related to cleantech solutions.

Etteplan Oyj was qualified to the OMX GES Sustainability Finland index in December 2012. The index is calculated by NASDAQ OMX in collaboration with GES Investment Services. This is a benchmark index that comprises the 40 best-rated companies listed on the NASDAQ OMX Helsinki in terms of sustainability.

GROWTH, PROFITABILITY AND CASH FLOW

Etteplan's revenue and operating profit saw a clear increase in 2012 compared to the previous year as provided in our financial guidance for 2012. Revenue was 134.5 (1-12/2011: 119.4) million euros and the operating profit 8.7 (6.9) million euros.

Etteplan's goal for annual organic growth is a minimum of 10 per cent. In 2012 organic growth was 7.5 per cent. Growth was boosted by the increased demand for engineering design and technical product information services and the growth of the key accounts. In Sweden growth was curbed for the second year running by considerable turnover and the availability in personnel.

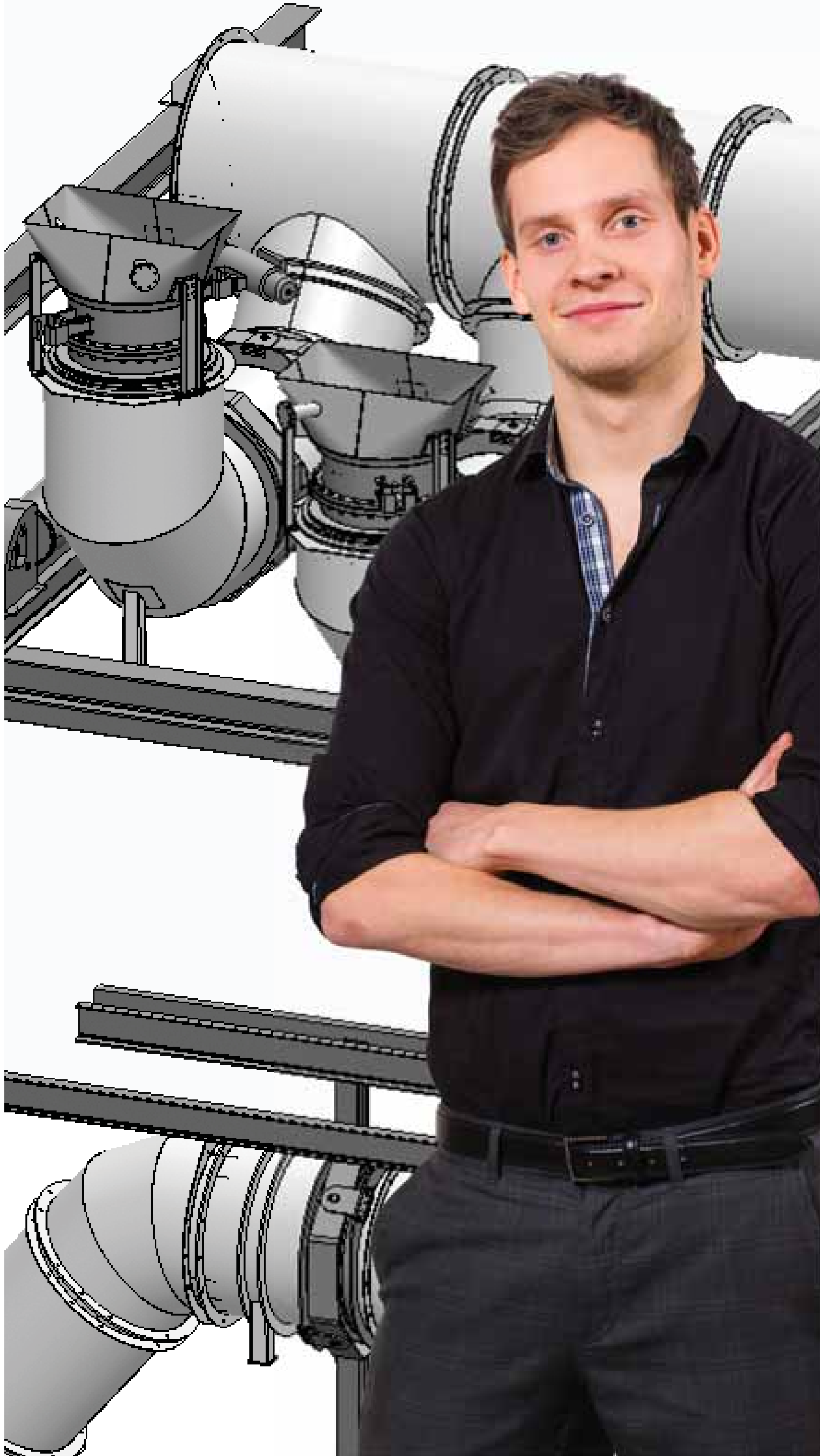
The cash flow saw a significant improvement for the second consecutive year, amounting to 11.3 (1-12/2011: 7.0) million euros. During 2012, further investments were made to achieve a more effective method of processing sales receivables.

The improved financial position helps ensure that Etteplan will continue to be an attractive investment target and a reliable Nordic employer of great importance. Thanks to its more solid financial situation, the company is well positioned to develop its operations further.

JANNE SAARIMAA, FINLAND

Design Engineer, Plant engineering

Etteplan designs industrial plants to customers in all continents. My work is to create 2D and 3D designs of power plants and plant related equipment. A 3D model helps the engineer visualize the product to be designed and how it works in real life. The final product will be manufactured or assembled based on a 2D model. Each project is unique in terms of size and type, which makes my work interesting and varied. It's very rewarding to see the results of my work in real life, a fully operating power plant.



The company succeeded in 2012 in further strengthening its long-standing customer relationships. Key accounts continued to grow faster than the organic growth of the company as a whole. Global machine and equipment manufacturers are looking for partners to centralize purchasing. Etteplan has continued to succeed in this development thanks to its extensive competence and service offering. Etteplan's key customers have a strong foothold in the emerging markets, which gave a positive boost to the company's operations.

MARIE HERSTEDT, SWEDEN

Senior Battery Expert, Battery and fuel cell technologies

I belong to Etteplan's Battery Technology Team, which has industry leading expertise in energy storage systems such as batteries. Our job is to solve customer problems related to longevity, performance and quality issues of batteries and power sources. I enjoy developing competitive batteries and solving complex battery related challenges together with our customers and my colleagues. I appreciate at my work professional growth opportunities and the possibility to meet new people.

Key accounts continued to grow in 2012

Another purpose of the acquisition was to increase the share of high added-value services in the revenue stream. Also this goal was achieved: the share or productized services and Managed Service solutions as part of revenue grew. As a result, the average size of assignments also increased. Etteplan continued its investments in technical product information methods and expanded its operations in Europe by acquiring Tedopres International B.V. in March 2012. Since the acquisition, Etteplan can now be considered one of the largest European providers of technical product information solutions. The company has Europe's most diverse and advanced service portfolio in the field of technical product information. The integration of Tedopres' service offering into the technical product information service portfolio went well and the company received many new assignments.

China offshoring had established itself as a standard part of Etteplan's service solutions already in 2011. The service provision of the China units diversified during 2012. Etteplan consolidated its position as the technology transfer partner for machine and equipment manufacturers: the company was involved in several customer projects transferring their production or subcontracting to China.

Etteplan's units in China played **a major role** in **improving** the **cost-efficiency** of our customers' engineering design.

OPERATING ENVIRONMENT

Engineering design is a late-cycle industry, and within the cycle, there is variation owing to the different nature of Etteplan's client industries. Owing to this cycle, the average demand for technical engineering design and product information services remained at a good level, although the growth of the export sector has gradually been slowing down. The value of the order backlog of the Finnish technology industry companies at the end of September 2012 was 10 per cent lower than at the same time in 2011 (The Federation of Finnish Technology Industries: Situation and Outlook 4/2012). The growth of industrial exports in Sweden has been slowing since summer 2011 (The Swedish Federation of Consulting Engineers and Architects: Sector Review December 2012). The demand for engineering design services fell during the latter half of 2012 as a result of the slower growth of the world economy. The growth in demand for engineering design and technical product information levelled out. The level of demand in engineering services and technical product information remained clearly below that of 2008, when it was at its height preceding the financial crisis.

Although the overall demand in engineering design services decreased towards the end of 2012, on average the demand was kept at a good level in 2012 by mining equipment manufacturers, energy and power transmission industry customers, lifting and hoisting equipment manufacturers and the equipment manufacturers in the aerospace and defence industry. The demand for engineering design services in the paper machine industry remained low for the

Following the acquisition of the Dutch Tedopres, **Etteplan reached a significant position** in Europe.

second year running. Investment projects were slow to take off partly because of the unfavorable raw material price development, which in turn resulted in weak demand for engineering design services in the steel industry.

The demand for expert services in climate technology and motor testing and optimization in the automobile industry remained good, although the overall demand from the vehicle and transportation industry did not entirely recover from the dip in 2011. The Nordic markets in motor testing and optimization are not highly competitive, as the number of players is small.

Financial uncertainty was reflected on the engineering service demand from medical device manufacturers and varied from one manufacturer to another.

The rise in energy prices in 2012 had a decisive impact on engineering design. An increasing number of assignments were related to energy-saving methods and improved energy-efficiency.

As in previous years, engineering companies have continued moving their operations to emerging markets, which led to an increase in the demand for engineering design services in low-cost countries, such as China, India and Eastern European countries.

REVENUE, OPERATING PROFIT AND CASH FLOW

The revenue of Etteplan grew by 12.6 per cent amounting to 134.5 (1-12/2011: 119.4) million euros. The most significant increase in the revenue was generated from key customer relationships, which grew by 12.9 per cent. Organic growth was 7.5 per cent. Engineering design industry is subject to annual periodic fluctuations. The periodic fluctuation is affected by holiday seasons and the timing of product development and investment projects, which are mainly launched at the beginning of the year as well as in the fall. Therefore revenue in the third quarter is typically at its lowest. The development of the revenue for the last quarter was affected by weaker demand for engineering design services as well as fewer working days in December.

More than one fifth of Etteplan's revenue was generated through Managed Service assignments, which comprise project or service solution deliveries. The majority of Etteplan's revenue was still generated from assignments based on framework agreements.

The operating profit grew, amounting to 8.7 (1-12/2011: 6.9) million euros. The operating profit percentage was 6.5 (5.8) per cent. The transfer to higher added value services had a positive impact on operating profit. Higher added value services generally involve continued engineering design services with a higher utilization rate of engineering design capacity than in other business operations.

The operating cash flow improved significantly in 2012, being the best ever in the company's history at 11.3 (7.0) million euros. The year 2012 also saw the continuation of measures initiated in 2011 for more effective processing of sales receivables.

ENGINEERING DESIGN

Finland

The healthy demand for engineering design services in Finland is based on the company's market leadership and long-standing customer relationships. The most important factor in the growth was the good level of demand in the early part of the year, the relatively stable business operations of key customers and Etteplan's presence in the emerging markets of China and Russia.

The sales of service products developed favorably in 2012. The assignments comprised an increasing variety of different services and fields of engineering design. In large-scale service solutions, cost-efficiency was improved partly because of sourcing from Etteplan's units in China. Although the focus of growth in engineering design services is in the emerging markets, the work carried out in the China units also increased the amount of work carried out in Finland and the size of the assignments. The significant customers in Finland in 2012 included ABB Oy, Cargotec Corporation, KONE Corporation, Outotec Oyj, Patria and Sandvik.

In 2012 Etteplan was awarded Konecranes innovation prize at the Konecranes' Supplier Day. The innovation prize was awarded for modernizing the design of rope sheave and optimizing material use.

Etteplan participated in several product development projects during 2012. A good example of new product solutions is the innovative skimmer system for oil recovery jointly developed by Etteplan and Lamor Corporation. This mobile oil recovery system is the first of its kind in the world and represents a completely new, unprecedented standard in oil skimmers in terms of mobility and functionality.

The availability of personnel did not present any major impediment to the growth in revenue.

Sweden

In Sweden, the demand for engineering design services was on average at a good level throughout the early part of 2012. Changes in the demand for engineering design services at Etteplan's customers are usually visible earlier in Sweden than in the other geographical areas: the demand for engineering design services began its decline in Sweden earlier than in Finland and the growth in the economy slowed down more rapidly than in Finland later in the year.

MICK VAN SLIEDREGT, THE NETHERLANDS

Project Manager, Technical documentation and information publications

The way how companies produce and communicate technical product information has changed radically over my 25-year-long career. My job is to help our customers take advantage of the great benefits the advanced visualization and interactive publishing technologies such as a tablet. It is exciting to be at the forefront of the development; it makes my job both dynamic as well as challenging.

The engineering design markets in Sweden are more traditional than in Finland and the majority of the sector operates on a temporary staffing basis. The first assignments based on the new service solutions were completed in Sweden during 2012.

In Sweden, a considerable number of new product development projects were received, for instance, from device manufacturers in the medical technology and aviation and defence industries as well as from companies in the energy and power transmission industries and equipment manufacturers in the mining industry. Examples include an assignment from Neodynamics, in which Etteplan was commissioned to design and develop a production-ready biopsy device that fulfils the latest regulatory standards for medical devices, including the documentation required for the CE marking. Etteplan's regulatory expertise brought several consulting projects with medical device manufacturers in 2012.

During the review period, Etteplan participated in the product development of electric and hybrid cars. The expert services included advanced simulations, testing and analyses of motor control systems. Etteplan is one of the few operators in Europe that can offer demanding climate solutions for vehicle and transport industry. The utilization rate of the test equipment in the testing laboratory in Gothenburg was at a very high level during the entire review period.

The business operations in Sweden were burdened by a high turnover of personnel that continued throughout the year. However, the turnover rate slowed down towards the end of the year.

China

The most significant element in the development of business operations in China were the changes in the market environment. The year 2012 saw signs of stricter labor legislation in China and the markets began to open up to an increasing degree, which developed new opportunities for service companies. Most of the business operations in China were offshoring activities.

Etteplan gained in China new global customers, who take advantage of the growth potential of the expanding domestic markets in China and elsewhere in Asia. Having operated in China for a long time, Etteplan has expertise on local engineering and production requirements, which creates significant value for the customer. In addition to large corporate customers, many small and middle-sized enterprises have availed themselves of the engineering design services from Etteplan's China office with the aim of improving the profitability of their products. An example of this is the Swedish company, Krusman, which specializes in emergency showers and eye and face washes and for whom Etteplan designed product components.

TECHNICAL PRODUCT INFORMATION

The demand for Etteplan's technical product information was affected mainly by the acquisition made in 2012. In March 2012, Etteplan signed the agreement for the acquisition of the entire share capital of the Dutch company, Tedopres International B.V.

In 2012, the development of the demand for technical product information was in line with the development in the demand for engineering design services. The extended service offering following the acquisition of Tedopres was enthusiastically welcomed by Etteplan's customers. Thanks to the acquisition, Etteplan became a significant European provider of an even wider range of service solutions and state-of-the-art methods. The sales process for technical product information service solutions is often long. For this reason, the impact of the acquisition on the increased revenue in 2012 came for the most part from Tedopres' own revenue.

Etteplan placed a significant focus on honing the sales of technical product information solutions. Within the year, Etteplan integrated its entire technical product information service portfolio: the customers now receive the same, harmonized service from all Etteplan's offices.

Finland

In Finland, customer relationships in the field of technical product information are long-standing ones, in which ongoing Managed Service is produced or in which the assignments are of a significant size. Vacon Plc, a company specializing in the design and manufacturing of frequency converters, outsourced a remarkable share of its technical product information creation and development to Etteplan. This service is provided to Vacon as a Managed Service from Etteplan's Finnish and Chinese offices. The methods and solutions applied are ones that were introduced to Etteplan's portfolio with the Tedopres acquisition.

In May 2012, Etteplan was awarded recognition as a Partner level supplier for 2011 in the John Deere Achieving Excellence program. The Partner level status is Deere & Company's highest supplier rating. Etteplan provides technical product information services for John Deere's Tampere facility.

Sweden

The share of technical product information of Etteplan's business operations in Sweden is smaller than in Finland and the Netherlands. The extended service offering improved Etteplan's position significantly in technical product information business in Sweden.

The Netherlands

Etteplan's Dutch subsidiary, Tedopres, specialist in technical product information solutions, offers sophisticated methods for content production and distribution of technical documentation. The company's customers are European, Asian and North-American global aerospace and defense industry companies, medical technology and mining equipment manufacturers and consumer electronics companies.

The Netherlands office secured several significant contracts in 2012. Agreements were signed for technical product information solutions with, for example, the North-American aircraft manufacturer Gulfstream Aerospace Corporation. Gulfstream will introduce Etteplan's software products to ensure high quality in their technical product information production.

China

The share of the services provided by Etteplan's China units as part of the company's overall technical product information service provision grew in 2012. Etteplan's units in China also received assignments with technical product information services being produced outside Etteplan's units, for example, in Australia.

YEAR 2013

The demand for engineering design services has taken off with a slower start in 2013 than in the previous year. The deterioration of the economic situation has not significantly reflected on the key customer relationships, although the order backlog of Nordic machine and equipment manufacturers is at a lower level at the beginning of 2013 than at the same time last year.

OUTLOOK

Market outlook

Changes in Etteplan's customers' order books quickly influence the development of Etteplan's revenue. At the end of the review period, the order books of Etteplan's major customers were, on average, at a lower level than in the corresponding period in 2011. We anticipate the demand for engineering design services in early 2013 to remain unchanged from the end of 2012 and subsequently improve towards the end of the year.

Financial guidance

We expect the revenue and operating profit for the year 2013 to grow compared to 2012. The operating profit will accumulate towards the end of the year.

VIV ZHOU (周春慧), CHINA

Supplier Quality Engineer, Quality assurance

Etteplan has operations in China since 2004. We are renowned for our superior quality assurance expertise. My responsibility as a supplier quality engineer is to make sure that our customer's requirements and quality standards are met by the customer's Chinese supplier. I perform quality inspections and audits at supplier premises all around China. It is very rewarding to learn constantly new things about our customers' products. I truly enjoy dealing with people from different cultural backgrounds.

Our customers are faced with increasing demands for more energy and cost-efficient products and an improved environmental performance. For Etteplan, this creates a wealth of new business opportunities. Responsibility towards our owners, personnel, customers and partners is one of our key principles in all our operations.

MIKKO KOIVISTO, FINLAND

Project Manager, Engineer-to-Order Services

Many of Etteplan's customers manufacture complex industrial machines and equipment, which need to be customized according to end-customer specifications (Engineer-to-Order). The projects often involve work from Etteplan's different engineering areas such as strength calculations and mechanical and electrical engineering as well as cooperation with Etteplan's engineering units in China. My work is to plan the entire engineering process with the customer and manage the project internally. I enjoy the truly international environment and our good team spirit.

We consider corporate responsibility everyday

In December 2012, Etteplan received a prestigious award for its responsible operations that adhere to the principles of sustainable development with the inclusion to the OMX GES Sustainability Finland index. The index is calculated by NASDAQ OMX in collaboration with GES Investment Services. This is a benchmark index that comprises the 40 best-rated companies listed in the NASDAQ OMX Helsinki in terms of sustainability. The ratings are based on internationally recognized principles concerning the environment, social responsibility and good governance.

Etteplan is committed to systematically developing its business operations for the future and observing the ethical principles and governance in all countries in which it operates. Responsibility is something that we incorporate into our everyday work and it involves looking after the finances, personnel and the well-being of the environment in the long run. The company's principles of operation are recorded in Etteplan's Code of Conduct available on our website at www.etteplan.com.

Etteplan's corporate responsibility is best reflected in the services offered by the company. It is our commitment to offer our customers the highest-quality and the most cost-efficient solutions. Our customers are striving to an increasing degree towards more competitive products while improving their energy efficiency and environmental performance. During 2012, Etteplan completed several customer projects in which we responded to the challenge by creating a completely new engineering design and range of materials.

FINANCIAL RESPONSIBILITY

Financial responsibility and securing the company's economic well-being form the foundation for profitable long-term business operations. This is the way to secure jobs and to ensure that the company has the best possible development opportunities well into the future. Etteplan's senior management has a financial responsibility towards its owners, personnel, customers and partners. The company has determinedly strengthened its financial standing and as a result of these actions, the balance sheet structure is healthier. The improved financial situation will help ensure that the company will continue to be a reliable employer and be able to respond to global competition by further developing its operations.

SOCIAL RESPONSIBILITY

Etteplan is a major employer in Finland and Sweden regarding both the number of employees and offices. In the end of 2012, Etteplan employed 1,776 experts, 1,094 were employed in Finland, 450 in Sweden, 85 in the Netherlands and 147 in China. The variation in age groups is even.

Etteplan has 22 offices throughout Finland with about 86 per cent of the experts working outside the Helsinki metropolitan area. The entire group has 39 offices.

Etteplan's personnel and human resources management is discussed in more detail in the Personnel section on pages 24-26.

ENVIRONMENTAL RESPONSIBILITY

The carbon footprint caused by Etteplan's operations is limited to the energy required by normal office work as well as business travel. As in previous years, we aim to adopt environmentally sound processes through all means possible.

Environmental responsibility is an important part of our everyday activities and is best reflected in the solutions we design for our customers. We completed several projects in 2012 which enabled our customers to develop their own businesses through new environmentally friendly and energy-efficient products and solutions.

A good example is the cooperation with Lamor Corporation, for whom Etteplan developed an innovative oil skimmer system for oil recovery operations. The system enables rapid response and cost-efficient recovery in oil spill areas with a mobile skimmer which is the only one of its kind in the world.

Etteplan's technical product information solutions cut down the amount of technical documentation, which has an immediate and direct environmental impact in addition to bringing down production costs.

PERSONNEL

The company's competence management system currently comprises almost 700 competence areas in machine and equipment engineering design and technical product information. Thanks to its extensive skills base, Etteplan is able to design machinery, equipment, products and product lines from start to finish as well as offer engineering design services for the entire life-cycle of machinery or equipment. Etteplan's personnel is also at the top of their field in technical product information, with the industry's most advanced methods and tools at their disposal.

STJEPAN VUKUSIC, FINLAND

Project manager, Engineering process consultancy

Etteplan has extensive expertise in various fields of engineering design. We apply this knowledge to improve our customers' product development and order-to-delivery processes. My work involves mechanical engineering as well as 3D CAD process and tool development. My varied industry domain knowledge is a great asset when I help our customers develop best practices in a process. The tasks are demanding and seldom similar, which makes every day different. It's great to learn constantly new things and to be able to have a positive impact on the customer's process.

Human resource management as a development target

PERSONNEL STRUCTURE AND EXPERTISE

In the end of 2012, Etteplan's offices in Finland employed 1,094, in Sweden 450, in China 147 and in the Netherlands 85 employees. 51 per cent of the personnel held a Bachelor-level engineering degree and 22 per cent a Master's degree. The age structure amongst the personnel was balanced. Etteplan's personnel represent a wide range of expertise and fields of engineering.

In the following pages, we introduce seven Etteplan's top experts in Finland, Sweden, the Netherlands and China. The special competencies of our experts are required to provide our global customers with environmentally friendly and cost-efficient engineering design solutions that comply with regulatory requirements.

WELL-BEING AT WORK

Etteplan has made major investments in the past three years to improve employee well-being. As a result, there were no new cases of incapacity to work in the company in 2012, for the second year running. The outcome of the personnel survey in 2012 shows that the work-life balance of our employees was on average good. Work in the expert organization has been arranged in such a way that our experts are able to find a good balance between work and leisure.

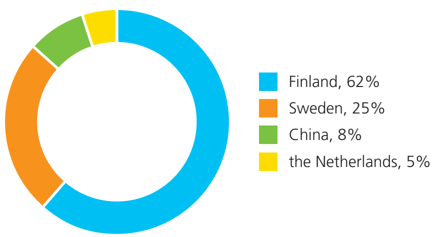
HUMAN RESOURCE MANAGEMENT

The development targets for HR management at Etteplan are based on a both the business targets and the personnel survey. A plan for detailed development targets for each unit was drawn up on the basis of the 2011 personnel survey and its implementation was centrally monitored during 2012.

Etteplan's HR management practices were further harmonized during 2012. Performance management and personal development discussions were carried out according to an annual schedule and performance management was monitored on a monthly basis. The personnel survey reveals that there have been major improvements in performance management since 2011.

On the pages of this annual report we introduce **Etteplan's experts, all top of their respective field.**

GEOGRAPHICAL DISTRIBUTION 2012



The main focus for HR management in 2012 was in improving personnel processes. In the course of the year, Etteplan's career model was completed, with its implementation due throughout the organization during 2013. In 2012, an internal job portal was launched to improve the transparency of professional development opportunities in the company. The aim of the portal is to promote job rotation whenever that is possible. To create better opportunities for training and career development, Etteplan established competence groups in 2012, with members representing the best available knowledge in their respective fields. The groups are responsible for the development of their own field of expertise and the members act as internal trainers.

AVAILABILITY OF PERSONNEL AND PERSONNEL COSTS

In Finland, the competition for skilled engineers became more intense in the review period. Etteplan's recruitment goals were satisfactorily met and the availability of personnel posed no impediment to the growth of the business. In Finland, the very low employee turnover rate speaks of a high commitment of the personnel.

In Sweden, the operations were burdened by a relatively high turnover rate. Etteplan took a variety of measures to remedy the situation, and 2013 will see a focused effort in HR management to further tackle the high turnover rate. The availability of skilled personnel posed a significant challenge for the operations in Sweden.

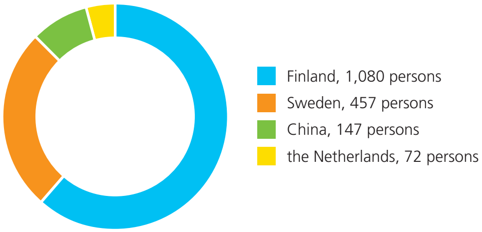
In service businesses, national-level salary agreements are of utmost importance. The salary agreements made in the Nordic countries in 2012 have not supported competitiveness in increasingly challenging market conditions. Negotiations on salary reviews, as defined in collective agreements, were carried out at Etteplan during the autumn. In Sweden, the salary agreements were more moderate than in Finland largely because in the Swedish labor market culture, the bargaining process in genuinely local.

Etteplan paid a total of 92.7 million euros in salaries and staff costs in 2012. Staff costs are the largest single expenditure.

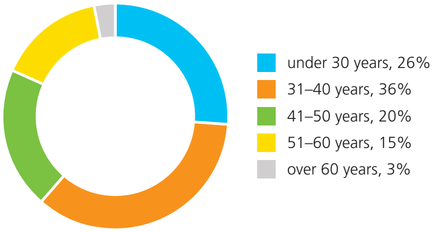
HR RISKS

Etteplan carries out an annual risk assessment on the entire operations as part of its risk management system. Risks related to human resources and preparation for such risks are surveyed annually. HR risks are discussed in more detailed under the section on risk management on page 29 of this report.

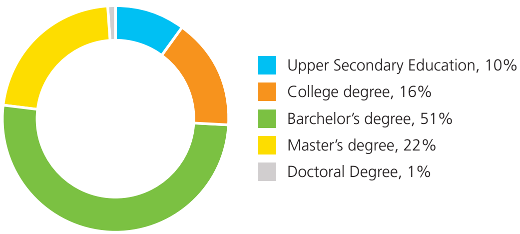
AVERAGE NUMBER OF PERSONNEL 2012



AGE DISTRIBUTION 2012



EDUCATIONAL BACKGROUND 2012



Proactive risk management is an integral part of our daily operations

Etteplan's risk management is proactive and an integral part of management and day-to-day operations. The objective of risk management is to ensure the delivery of customer assignments, profit performance, dividend payment capacity, the implementation of responsible operating practices and the continuity of operations.

Risk management is an integral part of Etteplan's business management and internal controls framework. The objective of Etteplan's internal control and risk management is to ensure that the company's operations are efficient and profitable, its information is reliable, and it complies with appropriate regulations and operating principles. Effective risk management ensures continuity of our operations.

Etteplan conducted a thorough risk assessment covering the entire business operations in 2011 and a new system for risk management was created. Our focus is on proactive measures and securing our operations, and on limiting adverse impacts and utilizing opportunities in business operations. We map and assess risks systematically and adjust our operations when needed.

In 2012 we focused to follow changes in the risks discovered in the risk assessment conducted in 2011 and to identify new business risks.

RISK MANAGEMENT PRINCIPLES

Procedures and instructions

Management and mitigation of the impact of risks is one of the Group's principles of operation. The Board of Directors and the Management Group monitor the development of risks. The Group's financial administration operations monitor and assess operational and financial risks and take measures to avert them in cooperation with the Board of Directors, the Management Group and the management responsible for engineering operations.

Organization

The President and CEO of the Company organizes risk management of the Group with the assistance of the Management Group and a specific member of the Management Group in charge of risk management. The Management Group follows the major risks of the business units, and oversees the development of risk management systems and practices of the Group.

The primary responsibility for managing risks rests with the Directors responsible for business. The Directors are responsible for risk management in their business area following the Group's risk management guidelines. The Directors report the major risks and overall risk status of the business area to the Management Group as part of the monthly business reporting.

The Board of Directors oversees risk management and approves the risk management principles of the Company. The risk management actions and most relevant Group level risks are reported regularly to the Board of Directors.

Practices

Etteplan's risk management consists of a co-ordinated set of activities to identify, evaluate, treat and control all major risk areas of the Group in a systematic and proactive manner. Risks related to Etteplan Group's business operations are divided into five categories, and the risks are monitored according to this classification. These risks include both internal and external risks.

A uniform Group-wide risk management assessment is conducted annually in connection with the strategy process.

DESCRIPTION OF RISKS

Etteplan Group's risks have been grouped in five risk categories: strategic risks, operational risks, personnel risks, IT & security risks and financial risks.

According to company management's estimate economic development on the whole and unpredictable changes in customers' business are classified as the greatest risks in the company's business operations. Since the company's business is dependent on professional personnel the availability of competent professionals creates a significant operational risk.

Typical risks of Etteplan's business operations are described in the following section. However, the company's operations may be subject also to other risks. The most significant risks and uncertainties identified during the financial year are described in the Board of Directors report in the Annual Report 2012 on pages 32-35.

Strategic risks

Etteplan's strategic risks are related to business development, business environment, markets and mergers and acquisitions.

Economic downturn can have a negative effect on investments and hence also on Etteplan's business and profitability. The Group aims to reduce its vulnerability to market risks and business cycles by a balanced portfolio of assignments by clients in different industries, market and geographical areas. The engineering business is characterised by keen global competition. The economic downturn leads to overcapacity and, as a result, to intensified competition.

Etteplan's most significant strategic risks relate to the development of business operations and acquisitions. The company aims to manage these risks by following its acquisitions policy and applying procedures and models that have been prepared on the basis of this policy. In addition to acquisitions, organic growth is an important part of the growth objectives for Etteplan's business. The key risk in achieving this goal is the potential lack of the skilful professionals required.

In 2012 the implementation of Etteplan's strategy proceeded further well and the share of services yielding a higher added value grew steadily in business operations. On average demand for technical engineering design and technical product information services was good almost in all Etteplan's key customer industries and the operations were based on strong market position.

Etteplan's strategic risks remained in 2012 on previous year's level. The risk was diminished since the Company's strategy corresponds well to market demands. However, weakened demand in the latter part of 2012 increased the risk.

Operational risks

Organization and management, sales, assignment and customer relationship related risks are among others company's operational risks.

Etteplan's greatest operational risks are related to assignments and personnel. The company's assingments involve risk of services or performances including a professional error, omissions, or other negligence that could cause

ETTEPLAN'S RISK MAP 2012

Category	Risk scale	Examples of risks	Examples of preventive actions	Responsible organ
Strategic risks		Business development, business environment, market and mergers and aqcuisitions related risks	Strategy and business plans, strong customer portfolio, well structured human capital, compliance of merger & acquisition procedures, corporate governance, code of conduct and risk management policy	CEO, Management Group, Finance, Human Resources and Communications functions
Operational risks		Organization and management, sales, assignment and customer relationship related risks	Compliance of management systems, sales process, quality policy and KAM and service delivery processes, group insurances	Business management, Quality, Human Resources and Finance functions
Personnel risks		Competence management, resources and management, attritiation, recruitment, staffing assignments, health and well-being related risks	Use of competence management system, employee surveys, internal training, good management, introduction process, compliance of code of conduct	Human Resources function, Business management, entire personnel
IT & Security risks		Information security, network and system downtimes, viruses and customer IT connections related risks	Compliance of IT policies and IT security regulations, supplier SLA's	IT Director, Business management, entire personnel
Financial risks		Currency, interest, financing and liquidity, counterparty and credit risks	Compliance of payment & credit policies and group treasury policy, internal controls	CFO, Finance function, Business management

With risk management we **ensure** that Etteplan's operations are **efficient and successful.**

significant financial or other damage. In order to contain operating risks, the company applies the following procedures: application of management systems, codes of practice, and acceptance procedures; coupled with training of personnel; and compliance with instructions on management of quotes and contracts, particularly in delimitation of contractual liability.

Etteplan aims to restrict inherent liability risks by using standard contract terms and insurances, and assignments typically do not involve significant liability risks. The assignments are carried out on a fixed-price, ceiling-fee or hourly-rated basis. Fixed-price and ceiling-fee assignments contain the risk of involving more professional work or time than estimated as a result of inaccurate time and cost estimates, performance delays, disputes about compensation for additional or changed services, human error or other unexpected circumstances. Quality management systems and project review processes are in use throughout the Group to avoid and mitigate such risks. Regular project reviews are conducted in major assignments and in assignments which are evaluated to include risks. The work in progress, changed and additional work and receivables are assessed and recorded in the accounting and risk management system.

The project manager plays a key role in assignment risk management. The project manager is responsible for managing and controlling the assignment from tender preparation to final acceptance. Training is provided to project managers in all of their essential areas of activity. Supervision mechanisms are in place both in large and risky assignments. Support functions have dedicated resources supporting project managers in their tasks.

Professional services provided to customers involve liability risks. To mitigate such risks, quality management methods are complied in assignments and professional liability has been limited in contracts.

The company has a liability insurance program that encompasses the entire Group. However, the insurance does not cover all liability risks.

In 2012 Etteplan's operational risks grew slightly. This change was mainly due to weakened market outlook. Improvements in the project business execution during 2012 have reduced financial risk.

Personnel risks

The company's business is dependent on professional personnel. Availability of competent professionals is an important factor in ensuring profitability and business operations. Group maintains personnel's job satisfaction and work related well-being by developing Group-wide HR processes as well as by investing in training of personnel.

The most significant personnel risks at Etteplan are related to personnel competence management, attrition and appropriate staffing of assignments. The realization of these risks are prevented among others with the help of regular PDP discussions, a personnel data system covering the entire Group personnel, systematic follow up on occupational health and work related well-being as well as internal procedures and guidelines.

The HR management focus areas in 2012 are presented in the Annual Report 2012 on page 25.

During 2012 the personnel risks remained on previous year's level. Financial risks decreased due to improved personnel related processes. Market decline generally reduces personnel movement and declines personnel attrition. However, this development is influenced by possible terminations.

IT & security risks

Etteplan's business operations are dependent on information and communication systems. Malfunctioning or limited access to the systems can negatively affect the operations of the Group. IT & security risks are related among other things to information security, network and system downtimes, viruses and customer IT connections.

Etteplan prevents the realization of information security related risks with the help of internal procedures and guidelines as well as internal control. Measures limiting the effects of external influences on the systems include backup copies, firewalls, system monitoring, virus scanners and managing access rights.

IT & security risks remained in 2012 almost on previous year's level.

Financial risks

Etteplan Group's most significant financial risks are related to business financing as well as currency and translation risks. The financial risks are managed in accordance with the treasury policy approved by Etteplan's Board of Directors. The aim is to hedge against significant financial risks, balance the cash flow and give the business time to adjust their operations to changing conditions.

Reviews concerning financing risks are presented in the notes to the consolidated financial statements in the Annual Report 2012 on pages 47-51.

Etteplan prevents the realization of these risks with the help of internal procedures and guidelines as well as internal control.

Financial risks remained in 2012 on previous year's moderate level.

STOCK EXCHANGE RELEASES 2012

JANUARY

January 16 Etteplan Oyj's annual summary 2011
January 17 A change in Etteplan Oyj's silent period

FEBRUARY

February 14 Financial statement release January 1-December 31, 2011
February 14 Invitation to Etteplan Oyj's Annual General Meeting of shareholders
February 14 Etteplan Oyj's remuneration statement 2011 published
February 14 Etteplan Oyj's corporate governance statement 2011 published
February 24 Etteplan Oyj updates its strategy and renews organization

MARCH

March 2 Etteplan acquires the Dutch-based Tedopres International
March 8 Etteplan's acquisition of Tedopres International completed
March 9 Etteplan's Annual Report 2011 published
March 15 Notification of a change in shareholding (Ingman Group Oy Ab)
March 30 Review by the President and CEO at the Annual General Meeting of Etteplan Oyj
March 30 Resolutions by Etteplan Oyj's Annual General Meeting of shareholders
March 30 Resolutions of the organization meeting of Etteplan Oyj's Board of Directors

APRIL

April 26 Invitation to Etteplan Oyj's interim report briefing

MAY

May 8 Interim report January 1-March 31, 2012
May 10 Robert Berg appointed as Senior Vice President for Solutions and Business Development unit of Etteplan

AUGUST

August 14 Interim report January 1-June 30, 2012

OCTOBER

October 31 Interim report January 1-September 30, 2012

NOVEMBER

November 26 Notification of a change in shareholding (Ingman Group Oy Ab)

DECEMBER

December 13 Etteplan Oyj's financial information in year 2013

Some of the information included in the releases might be out of date.

Financial Statements 2012

REVIEW BY THE BOARD OF DIRECTORS JANUARY 1-DECEMBER 31, 2012

OPERATING ENVIRONMENT

Engineering design is a late-cycle industry, and within the cycle, there is variation owing to the diverse nature of Etteplan's client industries. Due to the late-cycle nature of the industry, the average demand for engineering design services and technical product information solutions remained at a good level, although the growth of the export sector slowed down gradually. The value of the order backlog of technology industry companies at the end of September 2012 was 10 per cent lower than at the same time in 2011 (The Federation of Finnish Technology Industries: Situation and Outlook 4/2012). The growth of industrial exports in Sweden has been slowing since summer 2011 (The Swedish Federation of Consulting Engineers and Architects: Sector Review December 2012). The growth of demand for engineering design services declined during the latter half of 2012 as a result of the slower growth of the world economy. The growing trend in the demand for engineering design services and technical product information solutions leveled out during the last quarter of the year. The level of demand in engineering design services and technical product information remained clearly below that of 2008, when it was at its height preceding the financial crisis.

Although the overall growth in demand for engineering design services declined at the year-end, on average the demand was kept at a good level in 2012 by mining equipment manufacturers, energy and power transmission industry customers, lifting and hoisting equipment manufacturers and the aerospace and defense industry. The demand for engineering design services in the paper machine industry remained low for the second year running. Investment projects were slow to take off partly because of the unfavorable development of raw material prices, which resulted in weak demand for engineering design services in the steel industry.

The demand for expert services in air conditioning technology and motor testing and optimization in the automotive industry remained good, although the overall demand from the automotive industry did not entirely recover from the low level of 2011. The Nordic markets in motor testing and optimization are not highly competitive, as the number of players is small.

Financial uncertainty was reflected in the demand for engineering design services from medical technology manufacturers and varied from one manufacturer to another.

The rise in energy prices in 2012 had a notable impact on engineering design. An increasing number of assignments were related to energy-saving methods and improved energy-efficiency.

As in previous years, engineering companies have continued to move their operations to emerging markets, which led to an increase in the demand for engineering design services in low-cost countries such as China, India and Eastern European countries.

The most significant changes in the Chinese market are related to regulatory changes in the labor market and the formation of the service purchasing culture. In addition to the tightening of labor market regulations, the emergence of new service culture is also affected by the aim of Chinese machine and equipment manufacturers to produce goods that meet Western quality standards. These changes give rise to new demand for engineering design companies operating in the Chinese market.

In 2012 new investment projects were started at a slow pace. However, Russian investment projects helped maintain a relatively good level of demand for engineering design services.

BUSINESS REVIEW

The growth of Etteplan's key customers in 2012 was in line with the company's objective. Sales to key customers grew by 12.9 per cent.

The proportion of total revenue represented by Managed Services assignments with higher added value increased during the period as Etteplan implemented a new operating model focused on higher added value services. The share of business operations represented by Managed Services increased particularly in Finland, and was over one fifth of revenue. Customers purchasing Managed Services achieved significant cost savings and Etteplan's utilization rate of engineering design capacity was higher for Managed Services than for the company's operations on average. The move from temporary staffing business, typical for the engineering design industry, towards higher added value services was slower than expected in Etteplan's Swedish business operations. The first assignments based on service products in the Swedish market commenced later in the year.

In early March, Etteplan continued its investments in technical product information methods and expanded its operations in Europe by acquiring Tedopres International B.V. The acquisition makes Etteplan one of the largest and most progressive technical product information companies in Europe. The rapid integration of operations and the technical product information methods improving cost efficiency strengthened Etteplan's market position.

The latter half of 2012 saw the commencement of several technical product information assignments in Finland and China using the technical product information methods developed by Tedopres.

The turnover of personnel burdened the Swedish operations in 2012.

REVENUE

Etteplan's revenue grew by 12.6 per cent and was EUR 134.5 million (1-12/2011: EUR 119.4 million). Organic growth was 7.5 per cent. The factors contributing to the growth in revenue include strong demand for engineering design services and technical product information solutions as well as Etteplan's strong market position. The increase in revenue was also due to Etteplan's global customer base. Revenue from product design services aimed at customers' emerging markets increased well. The prevailing uncertainty in the markets late in the review period had a negative effect on Etteplan's growth in revenue, particularly in Sweden.

Etteplan's business is subject to periodic fluctuation. The periodic fluctuation is affected by holiday seasons and the timing of product development and investment projects in customer companies, mainly at the beginning of the year as well as in the fall. The revenue in the third quarter is typically lower than that of other quarters. Etteplan's revenue in the third quarter developed steadily when compared with normal periodic fluctuation. Taking periodic fluctuation into account, development in the fourth quarter was weaker than normal due to the decreasing growth in demand for engineering design services late in the year.

RESULT

Etteplan's operating profit grew by 26.6 per cent and was EUR 8.7 million (1-12/2011: EUR 6.9 million). The transfer to higher added value services had a positive impact on operating profit. Higher added value services generally involve continued engineering design services with a higher utilization rate of engineering design capacity than in other business operations. The operational costs increased by 11.2 per cent as a result of growth in operations. The operating profit percentage improved year-on-year and was 6.5 per cent (5.8 per cent). Earnings before interest, tax, depreciation and amortization and share of result of associates (EBITDA) improved and amounted to EUR 11.2 million (EUR 8.5 million). EBITDA increased more than the operating profit due to the amortization of intangible assets related to the acquisition of Tedopres International B.V.

Financial expenses were EUR 1.2 million (1-12/2011: EUR 0.9 million).

Taxes in the income statement amounted to 25.9 per cent (1-12/2011: 27.2 per cent) calculated of the result before taxes. The amount of taxes was EUR 2.0 million (EUR 1.7 million).

Profit before taxes for the review period was EUR 7.5 million (1-12/2011: EUR 6.3 million). Earnings per share were EUR 0.29 (EUR 0.20). Equity per share was EUR 1.27 (1.04). Return on capital employed (ROCE) before taxes was 20.4 per cent (17.6 per cent).

The profit for the review period was EUR 5.6 million (1-12/2011: EUR 4.6 million).

FINANCIAL POSITION AND CASH FLOW

Total assets on December 31, 2012 were EUR 76.4 million (December 31, 2011: EUR 65.6 million). Goodwill on the balance sheet was EUR 39.9 million (December 31, 2011: EUR 36.3 million). The increase in goodwill results from the acquisition of Tedopres International B.V. and from changes in currency rates. Goodwill resulting from the acquisition of Tedopres amounts to EUR 2.7 million.

The Group's cash and cash equivalents stood at EUR 5.4 million (December 31, 2011: EUR 3.0 million). The Group's financial liabilities amounted to EUR 20.9 million (December 31, 2011: EUR 20.2 million) at the end of the review period. The total of unused short-term credit facilities stands at EUR 12.3 million (December 31, 2011: EUR 11.8 million).

The equity ratio was 32.4 per cent (December 31, 2011: 31.1 per cent) and was influenced by the acquisition made in the first quarter. Operating cash flow reached a record level for the company at EUR 11.3 million (1-12/2011: EUR 7.0 million). Cash flow after investments was EUR 5.7 million (1-12/2011: EUR 3.8 million). Cash flow was enhanced by the improved processing and sales of sales receivables.

CAPITAL EXPENDITURES

The Group's gross investments during the review period were EUR 9.5 million (1-12/2011: EUR 3.2 million). The investments mainly consisted of the acquisition and license fees for design applications.

CHANGES IN MANAGEMENT

In the beginning of May, Etteplan announced the appointment of Robert Berg as the Senior Vice President, Solutions and Business Development of the Etteplan Group and a member of Etteplan Oyj's management group as of August 1, 2012. Robert Berg came to Etteplan from Laird Technologies, where he has held the position of Vice President, Accounts & Business Development.

PERSONNEL

The Group employed 1,756 (1-12/2011: 1,625) people on average during the review period and 1,776 (December 31, 2011: 1,659) at the end of the review period. At the end of the review period, 682 people (December 31, 2011: 640) were employed by the Group abroad.

INCENTIVE PLAN FOR KEY PERSONNEL

The Board of Directors of Etteplan Oyj decided on a new share-based incentive plan for the Group's key personnel in March 2011. The plan includes three earning periods, calendar years 2011, 2012 and 2013. The Board of Directors shall decide on the earnings criteria and on targets to be established for them for each earning period. The rewards to be paid on the basis of the plan from all earning periods 2011, 2012 and 2013 will correspond to the value of an approximate maximum total of 810,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

During the earning period 2011, 16 people belonged to the target group of the plan. The earnings criteria of the earning period 2011 were the Etteplan Group's operating profit (EBIT) and revenue. The Board of Directors of Etteplan Oyj has in its meeting, on February 14, 2012, made a resolution that there will be no transfer of company-held shares for the 2011 earnings period.

At a meeting held on February 14, 2013, the Board of Directors of Etteplan Oyj decided to transfer company-held shares under an authorization given to the Board of Directors by the Annual General Meeting of March 30, 2012. According to the resolution of the Board of Directors, Etteplan Oyj will transfer 9,752 company-held shares to the 17 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period.

The shares will be transferred on April 30, 2013. In addition, the company will pay the key personnel concerned a cash component corresponding to the taxes and tax-like charges incurred as a result of the reward. The earnings criteria for the 2012 earnings period was Etteplan Group's operating profit (EBIT).

ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders of Etteplan Oyj was held at the premises of the Company in Vantaa on March 30, 2012. In accordance with the proposal of the Board of Directors' Nomination and Remuneration Committee, the Annual General Meeting re-elected Tapio Hakakari, Heikki Hornborg, Robert Ingman, Pertti Nupponen, Satu Rautavalta and Teuvo Rintamäki to the Board.

The Annual General Meeting approved the Financial Statements for financial year 2011 and discharged the members of the Board of Directors and the CEO from liability.

The auditor elected was PricewaterhouseCoopers Oy, Authorized Public Accounting Firm, with Authorized Public Accountant Mr. Mika Kaarisalo as the main responsible auditor. The fee for the auditor is paid according to the invoice approved by the Company.

The Annual General Meeting authorized the Board of Directors to resolve to repurchase Company's own shares in one or more tranches using the Company's unrestricted equity. A maximum of 2,000,000 Company shares may be repurchased. The Company may deviate from the obligation to repurchase shares in proportion to the shareholders' holdings, i.e., the Board has the right to decide on a directed repurchase of Company shares.

The authorization includes the right for the Board to resolve to repurchase Company shares through a tender offer made to all shareholders on equal terms and conditions and at the price determined by the Board; or in public trading organized by the NASDAQ OMX Helsinki Ltd. at the market price valid at any given time, so that the Company's total holding of own shares does not exceed ten (10) per cent of all the shares in the Company. The minimum price for the shares to be repurchased is the lowest market price quoted for the Company shares in public trading and, correspondingly, the maximum price is the highest market price quoted for the Company shares in public trading during the validity of the authorization.

Should Company shares be repurchased in public trading, such shares will not be purchased in proportion to the current shareholders' holdings. Thus, there must be a substantial financial reason for the Company to repurchase Company shares. The shares may be repurchased in order to be used as consideration in potential acquisitions or in other structural arrangements. The shares may as well be used for carrying out Company's incentive schemes for its personnel. The repurchased shares may be kept by the Company, invalidated or transferred onwards.

The repurchase of shares will reduce the unrestricted equity.

The authorization is valid for 18 months from the date of the resolution of the Annual General Meeting starting on March 30, 2012 and ending on September 29, 2013. The authorization replaces the corresponding previous authorization. The Board has not exercised this authorization.

DIVIDEND

The Annual General Meeting on March 30, 2012 passed a resolution, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.10 per share be paid for the financial year 2011. The remaining funds shall be left to the unrestricted equity. The dividend was paid to the shareholders registered on the record date in the shareholders' register maintained by Euroclear Finland Ltd. The record date of the payment of dividend was April 4, 2012. The dividend was paid on April 13, 2012.

SHARES

Etteplan's shares are listed in NASDAQ OMX Helsinki Ltd's Small Cap market capitalization group in the Industrials sector under the ETT1V ticker.

The company's share capital on December 31, 2012 was EUR 5,000,000.00, and the total number of shares was 20,179,414. There were no changes in the share capital during the reporting period January 1-December 31, 2012. The company has one series of shares. All shares confer an equal right to a dividend and the company's funds.

The Annual General Meeting on March 24, 2010 granted the Board of Directors the authorization to decide upon an issue of no more than 4,000,000 shares with a share issue or by granting option rights or other specific rights, referred to in Chapter 10, Article 1 of the Companies Act, giving entitlement to shares in one or more lots. The authorization includes the right to decide to issue either new shares or company-held shares. The authorization is valid for five years from the time of the Annual General Meeting resolution – i.e. from March 24, 2010 through March 24, 2015. The authorization replaces the previous authorization. The Board has not exercised this authorization.

The company held 471,302 of its own shares on December 31, 2012, which corresponds 2.34 per cent of all shares and voting rights (December 31, 2011: 471,302). During the period under review, the company did not acquire nor transfer any company-held shares.

The number of Etteplan Oyj shares traded during the review period was 3,157,555, to a total value of EUR 8.0 million. The share price low was EUR 2.20, the high EUR 2.93, the average EUR 2.52, and the closing price EUR 2.68. Market capitalization on December 31, 2012 was EUR 52.8 million.

On December 31, 2012, the members of the company's Board of Directors and the President and CEO owned a total of 1,596,320 shares, or 7.91 per cent of the total share base.

Etteplan Oyj has qualified to the OMX GES Sustainability Finland index. The index is calculated by NASDAQ OMX in cooperation with GES Investment Services and is a benchmark index which comprises the 40 leading NASDAQ OMX Helsinki listed companies in terms of sustainability.

FLAGGINGS

In accordance with the Securities Markets Act, Chapter 2, Article 10, Etteplan Oyj issued two notifications of changes in shareholding during the financial year.

Ingman Group Oy Ab's share capital in Etteplan Oyj's share capital and voting rights exceeded 20% through a trade completed on March 15, 2012.

Ingman Group Oy Ab's share capital in Etteplan Oyj's share capital and voting rights exceeded 25 % level through trades completed on November 23, 2012.

OPERATING RISKS AND UNCERTAINTY FACTORS

Etteplan's financial results are exposed to a number of strategic, operational and financial risks.

In 2011, Etteplan carried out a comprehensive risk assessment and developed a risk management system.

Etteplan's risk management review is presented in the 2012 Annual Report on pages 27-29.

OPERATING RISKS AND UNCERTAINTY FACTORS IN THE REVIEW PERIOD

The uncertainty caused by the general economic development increased in the latter half of 2012. The increase in economic uncertainty was reflected in weaker demand for engineering design services and technical product information.

The company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. During the review period, increased difficulties in obtaining professional staff in Sweden was an elevated business risk that materialized and burdened the revenue and operating profit in 2012.

ESTIMATE OF OPERATING RISKS AND UNCERTAINTY FACTORS IN THE NEAR FUTURE

The uncertainty caused by the general economic development continues to be a risk for Etteplan's business operations. The possibility of unseen changes in customer operations continues to cause an increased risk for Etteplan's operations.

The company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. The company expects the risk to remain in Sweden in early 2013 at previous year's level.

Operating risks in early 2013 will remain at the elevated levels seen in late 2012.

OUTLOOK 2013

Market outlook

Changes in Etteplan's customers' order books quickly influence the development of Etteplan's revenue. At the end of the review period, the order books of Etteplan's major customers were, on average, at a lower level than in the corresponding period in 2011. We anticipate the demand for engineering design services in early 2013 to remain unchanged from the end of 2012 and subsequently improve towards the end of the year.

Financial guidance

We expect the revenue and operating profit for the year 2013 to grow compared to 2012. The operating profit will accumulate towards the end of the year.

THE BOARD'S PROPOSAL FOR DISTRIBUTION OF 2012 PROFITS

The parent company's distributable shareholders' equity according to the balance sheet on December 31, 2012, is EUR 13,171,781.75.

The Board of Directors will propose to the Annual General Meeting, which will convene on March 27, 2013, that on the dividend payout date a dividend of EUR 0.15 per share be paid on the company's externally owned shares, for a total amount of EUR 3,026,912.10 at most, and that the remaining profit be transferred to retained earnings. It is the Board's opinion that the proposed distribution of dividends will not endanger the company's solvency. In accordance with the Board's proposal, the record date for the dividend payout is April 3, 2013, and the date of dividend payout is April 10, 2013.

ANNUAL GENERAL MEETING 2013

Etteplan Oyj's 2013 Annual General Meeting will be held in Vantaa, Finland, on March 27, 2013, starting at 1 p.m. Summons to the AGM will be published as a separate release.

CORPORATE GOVERNANCE STATEMENT

Etteplan Oyj is publishing the Corporate Governance statement for 2012 separately from the Report by the Board of Directors. The statement will be available on the company's website at www.etteplan.com in Section Investors as well as in Annual Report 2012 on pages 87-91.

Etteplan Oyj

Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1.1.-31.12.2012		1.1.-31.12.2011	
REVENUE	7	**134,479**		**119,448**	
Other operating income	9	512		347	
Materials and services	10	-10,935		-8,465	
Staff costs	11	-92,696		-84,550	
Other operating expenses		-20,207		-18,302	
Depreciation and amortization	18,19	-2,439		-1,593	
OPERATING PROFIT (EBIT)		**8,715**	**6.5%**	**6,885**	**5.8%**
Financial income	13	180		304	
Financial expenses	14	-1,226		-866	
Share of the result of associates		-127		24	
Profit before taxes		7,542		6,347	
Income taxes	16	-1,957		-1,724	
PROFIT FOR THE FINANCIAL YEAR		**5,585**		**4,623**	
OTHER COMPREHENSIVE INCOME					
Foreign subsidiary net investment hedges	4.1.1	-279		-148	
Currency translation differences		1,039		-28	
Change in fair value of investments available-for-sale		10		1	
Other comprehensive income for the year, net of tax		770		-175	
Total comprehensive income for the year		**6,355**		**4,448**	
INCOME ATTRIBUTABLE TO					
Equity holders of the parent company		5,767		4,660	
Non-controlling interest		-182		-37	
		5,585		**4,623**	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Equity holders of the parent company		6,533		4,500	
Non-controlling interest		-179		-52	
		6,355		**4,448**	
EARNINGS PER SHARE CALCULATED FROM THE RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY					
Basic earnings per share, EUR	17	0.29		0.20	
Diluted earnings per share, EUR	17	0.29		0.20	

The notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	Note	31.12.2012	31.12.2011
ASSETS			
Non-current assets			
Tangible assets	18	1,755	1,685
Goodwill	20	39,930	36,331
Other intangible assets	19	6,546	1,394
Shares in associated companies	21	83	331
Investments available-for-sale	22	604	593
Other long-term receivables		0	4
Deferred tax assets	33	13	164
Non-current assets, total		**48,931**	**40,503**
Current assets			
Trade and other receivables	24	22,035	22,028
Cash and cash equivalents	25	5,402	3,023
Current assets, total		**27,438**	**25,051**
TOTAL ASSETS		**76,369**	**65,554**
EQUITY AND LIABILITIES			
Capital attributable to equity holders of the parent company			
Share capital	26	5,000	5,000
Share premium account	26	6,701	6,701
Unrestricted equity fund	26	2,584	2,584
Own shares	26	-1,936	-1,958
Cumulative translation adjustment	26	661	-96
Other reserves	26	151	140
Retained earnings	26	6,123	3,433
Profit for the financial year	26	5,767	4,660
Capital attributable to equity holders of the parent company, total		25,051	20,466
Non-controlling interest		-373	-195
Equity, total		**24,678**	**20,271**
Non-current liabilities			
Deferred tax liabilities	33	1,179	237
Financial liabilities	28	13,243	13,429
Other non-current liabilities	30	3,224	0
Non-current liabilities, total		**17,646**	**13,667**
Current liabilities			
Financial liabilities	28	7,665	6,811
Trade and other payables	31	25,380	24,337
Current income tax liabilities	32	1,000	467
Current liabilities, total		**34,045**	**31,615**
Liabilities, total		**51,691**	**45,282**
TOTAL EQUITY AND LIABILITIES		**76,369**	**65,554**

The notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1.1.-31.12.2012	1.1.-31.12.2011
OPERATING CASH FLOW		
Cash receipts from customers	139,835	120,629
Operating expenses paid	-125,858	-110,548
Operating cash flow before financial items and taxes	**13,977**	**10,081**
Interest and payment paid for financial expenses	-1,044	-1,758
Interest received	79	83
Income taxes paid	-1,674	-1,374
Operating cash flow (A)	**11,339**	**7,032**
INVESTING CASH FLOW		
Purchase of tangible and intangible assets	-1,543	-245
Acquisition of subsidiaries	-4,615	-2,981
Disposal of associates	229	0
Proceeds from sale of tangible and intangible assets	23	22
Loan receivables, decrease	299	1
Proceeds from sale of investments	13	0
Investing cash flow (B)	**-5,593**	**-3,203**
Cash flow after investments (A+B)	**5,745**	**3,829**
FINANCING CASH FLOW		
Short-term loans, increase	756	951
Short-term loans, decrease	-5,015	0
Long-term loans, increase	4,000	10,147
Long-term loans, decrease	0	-4,187
Hybrid loan, decrease	0	-10,000
Payment of finance lease liabilities	-1,043	-811
Dividend paid and other profit distribution	-1,971	-1,971
Financing cash flow (C)	**-3,273**	**-5,871**
Variation in cash (A+B+C) increase (+) / decrease (-)	**2,472**	**-2,042**
Assets in the beginning of the financial period	3,023	5,017
Exchange gains or losses on cash and cash equivalents	-93	48
Assets at the end of the financial period	5,402	3,023

The notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1,000	Share capital	Share premium account	Unrestricted equity fund	Other reserves	Own shares	Cumulative translation adjustment	Retained earnings	Total	Non-controlling interest	Equity total
Equity 1.1.2011	**5,000**	**6,701**	**2,584**	**10,139**	**-1,958**	**63**	**6,734**	**29,264**	**101**	**29,365**
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	4,660	4,660	-37	4,623
Fair value reserve available-for-sale assets	0	0	0	1	0	0	0	1	0	1
Foreign subsidiary net investment hedges	0	0	0	0	0	-148	0	-148	0	-148
Cumulative translation adjustment	0	0	0	0	0	-11	-3	-14	-14	-28
Total comprehensive income for the year	**0**	**0**	**0**	**1**	**0**	**-159**	**4,657**	**4,500**	**-52**	**4,448**
Transactions with owners										
Dividends	0	0	0	0	0	0	-1,971	-1,971	0	-1,971
Hybrid loan	0	0	0	-10,000	0	0	-713	-10,713	0	-10,713
Changes in ownership	0	0	0	0	0	0	-614	-614	-244	-858
Transactions with owners, total	**0**	**0**	**0**	**-10,000**	**0**	**0**	**-3,298**	**-13,298**	**-244**	**-13,542**
Equity 31.12.2011	**5,000**	**6,701**	**2,584**	**140**	**-1,958**	**-96**	**8,093**	**20,466**	**-195**	**20,271**

EUR 1,000	Share capital	Share premium account	Unrestricted equity fund	Other reserves	Own shares	Cumulative translation adjustment	Retained earnings	Total	Non-controlling interest	Equity total
Equity 1.1.2012	**5,000**	**6,701**	**2,584**	**140**	**-1,958**	**-96**	**8,093**	**20,466**	**-195**	**20,271**
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	5,767	5,767	-182	5,585
Fair value reserve available-for-sale assets	0	0	0	10	0	0	0	10	0	10
Foreign subsidiary net investment hedges	0	0	0	0	0	-279	0	-279	0	-279
Cumulative translation adjustment	0	0	0	0	0	1,036	0	1,036	3	1,039
Total comprehensive income for the year	**0**	**0**	**0**	**10**	**0**	**756**	**5,767**	**6,534**	**-179**	**6,355**
Transactions with owners										
Dividends	0	0	0	0	0	0	-1,971	-1,971	0	-1,971
Share based incentive plan	0	0	0	0	22	0	0	22	0	22
Transactions with owners, total	**0**	**0**	**0**	**0**	**22**	**0**	**-1,971**	**-1,948**	**0**	**-1,948**
Equity 31.12.2012	**5,000**	**6,701**	**2,584**	**150**	**-1,936**	**660**	**11,889**	**25,051**	**-374**	**24,678**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY PROFILE

The parent company of Etteplan Group is Etteplan Oyj ('the Company'), a Finnish public limited company established under Finnish law. The Company is domiciled in Hollola. Etteplan's shares are listed on the NASDAQ OMX Helsinki Ltd under the ETT1V ticker.

Etteplan is a specialist in industrial equipment engineering and technical product information solutions and services. Etteplan's engineering expertise and service products cover the entire life cycle of the client's products. Our customers are global leaders in their fields and operate in areas like the automotive, aerospace and defense industries as well as the electricity generation and power transmission sectors, and material flow management.

Etteplan has comprehensive competence in electronics and embedded systems development, automation and electrical design, mechanical design and technical product information solutions and services.

A copy of the consolidated financial statements can be obtained from the Company's website at www.etteplan.com or from the head office of the Group's parent company at the address Terveystie 18, 15860 Hollola, Finland.

The Etteplan Oyj Board of Directors approved these financial statements for publication at its meeting on February 14, 2013.

According to the Finnish Limited Liability Companies Act, the shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting held after the publication. Furthermore, the Annual General Meeting can decide on the modification of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis for preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land areas and available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after January 1, 2012 that would be expected to have a material impact on the Group.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2012 and not early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2012, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The implementation of this standard will result in additional disclosures related to assets available-for-sale.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 in the accounting period beginning on January 1, 2015 at the earliest.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50 per cent of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognized in the income statement, and its share of post acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of the result of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group. Dilution gains and losses arising in investments in associates are recognized in the income statement.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. As the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified the steering committee that makes strategic decisions. The financial information, which the chief operating decision-maker uses as a basis for decision making, does not differ substantially from the information presented in the consolidated statement of comprehensive income and statement of financial position. The Group's business was reorganized early 2011 and is conducted in one operating segment.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currencies of the Group entities are the same as their home currencies. The consolidated financial statements are presented in euros, which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'financial income' or 'financial expenses'. Sales exchange differences are included in 'revenue'. All other foreign exchange gains and losses are presented in the income statement within 'other operating expenses'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets, such as equities classified as available- for-sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(c) all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in equity.

The net investment in the Groups' Swedish subsidiaries is hedged by loans in the same currency. The exchange differences arising from these loans are recognized in other comprehensive income

2.5 Tangible assets

Tangible assets, excluding land areas, are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land areas are shown at fair value, based on valuations by external independent valuators. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Increases in the carrying amount arising on revaluation of land areas are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the income statement. Land areas are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

computers	3 years
vehicles	5 years
office furniture	5 years
renovation of premises	5 to 7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in other operating income or expenses in the income statement.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.6 Intangible assets

(a) Goodwill

Goodwill corresponds to that part of the acquisition cost which exceeds the Group's share of the fair value, on the date of purchase, for the net asset value of the acquired subsidiary. Goodwill is measured at historical cost less impairment. Goodwill is not amortized but is tested for impairment annually and whenever there is objective evidence of goodwill impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose, taking into account the current organization structure and level of reporting.

(b) Other intangible assets

Intangible assets include software licenses, intangible rights and intangible assets acquired in business combination; customer base and technology. Intangible assets are recorded in the balance sheet at historical cost. Intangible assets acquired in business combination are recognized at fair value at the acquisition date. Assets with limited useful lives are amortized on a straight-line basis over their useful lives. The depreciation periods of other intangible assets are:

software	3 to 7 years
other intangible assets	3 to 10 years

(c) Research and development

Etteplan participates in its customers' product development. Customers' product development assignments represent Etteplan's daily business and the intellectual property rights are owned by Etteplan's customers. Therefore, the Company does neither follow nor report any research or development costs. If any such costs incurred, they would be booked as costs in the respective accounting period.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The essential assumptions for impairment tests are presented in Note 23 to the financial statements ('Impairment testing'). Material acquisitions of companies and goodwill arising from them are presented in Note 5 ('Business combinations').

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables comprise 'Trade and other receivables' and 'Cash and cash equivalents' in the balance sheet.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement in other operating income or -expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of financial income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other comprehensive income. in the fair value reserve taking into account the tax effect. When the investments are sold or their value is permanently impaired, the accumulated fair value adjustments are included in the income statement.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.10 Impairment of financial assets

(a) Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact, that can be reliably estimated, on the estimated future cash flows of the financial asset or group of financial assets.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss.

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Items included under cash and cash equivalents have maturities of three months or less from the date of acquisition. Cash and cash equivalents are derecognized when the Group's contractual right to receive cash flows has expired or essentially all of the risks and rewards incident to ownership have been transferred from the Group.

2.13 Share capital

Etteplan Oyj has one series of shares. Share capital is classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the equity holders of the parent company.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities, if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.15 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

2.16 Current and deferred income tax

The taxes in the consolidated income statement include the current tax for Group companies, corrections to taxes from previous financial periods, and the change in deferred taxes. Current tax is calculated on taxable income according to the tax rate in force in each country concerned. In the case of items entered directly in shareholders' equity, the tax effect is recognized in equity.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The most significant temporary differences arise from the depreciation and amortization of assets, and from lease agreements and the provisions of foreign subsidiaries. Deferred taxes are determined by using the tax base in force on the balance sheet date or the enacted tax base at the time of tax base transition.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. It is valued at the end of each financial year whether the conditions for recognizing a deferred tax asset are met.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

In Sweden and The Netherlands the Group has defined benefit plans where there is not sufficient information available to use benefit accounting. According to IAS 19 paragraph 30 these plans are accounted as defined contribution plans.

(b) Termination benefits

Termination benefits are recorded as a liability and an expense when employment is terminated before the normal retirement of the employee or when the employee is paid compensation as a consequence of voluntary redundancy. Termination benefits are recorded when the Company is demonstrably committed to the termination of employment in accordance with a detailed formal plan or has made a compensation proposal to the employee to promote voluntary redundancy. Benefits falling due later than 12 months from the balance sheet date are discounted to their present value.

(c) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Share-based incentive plan

The Board of Directors of Etteplan Oyj decided on a new share-based incentive plan for the Group key personnel in March 2011. The plan includes three earning periods, calendar years 2011, 2012 and 2013.

In accounting, share-based incentive plans are treated as arrangements that are settled partly as shares and partly as cash. The part of a remuneration earned that the participants receive as Etteplan Oyj shares is treated as an arrangement that is settled as shares and recorded in shareholders' equity; the part of a remuneration earned that is paid in cash to pay off taxes and other levies is recorded in liabilities. Debt on the balance sheet is measured at fair value on the balance sheet date.

The Group has hedged against a potential share price risk between the date of granting and the date of payment related to share remunerations granted. The plan is hedged through buyback of treasury shares.

2.18 Provisions

Provisions for restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.19 Recognition of income

Revenue includes income from design activities and sales of materials for projects, adjusted for indirect taxes, discounts and exchange differences on currency-denominated sales. The group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(a) Income from services

As a rule, services are recognized when the service is rendered.

(b) Income from sales of materials

Sales of materials are recognized when the risks and rewards incident to ownership have been transferred to the buyer. Generally this takes place on assignment of materials.

(c) Government grants

Government grants that are intended to compensate costs are recognized as income over the same period as the related costs are recognized. These government grants are presented in other operating income.

(d) Long-term projects

Contracts whose outcome can be assessed reliably are recognized as income and expenses on the basis of the percentage of completion at the time of calculation. A contract's percentage of completion is evaluated on the basis of project progress, which, in turn, is determined from the ratio of the costs that have materialized to the estimated total cost of the contract. In the case of contracts whose outcome cannot be assessed reliably, project expenditure is expensed for the period in which it arises. Likewise, the amount of income recognized from a project does not exceed expenditure. The total loss on a contract that will probably result in a loss is expensed immediately.

2.20 Interest and dividend income

Interest income is recognized using the effective interest method. When a loan or other receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan or other receivables is recognized using the original effective interest rate.

Dividend income is recognized when the shareholder gains the right to receive payment.

2.21 Lease agreements

Lease agreements in which all risks and rewards incident to ownership remain with the lessor are treated as other lease agreements (operating leases). Contractual lease payments are entered as expenses in the income statement over the lease period.

Leases that transfer essentially all risks and rewards incident to ownership to the Group are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases are depreciated and amortized over the shorter of the useful life of the asset and the lease term.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.23 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Fair value measurement in connection with acquisitions

In business combinations, tangible assets have been compared with the market prices of equivalent assets, and decline in the value of acquired assets due to various factors has been estimated. The fair value measurement of intangible assets is based on estimates of asset-related cash flows. The management believes that the estimates and assumptions are sufficiently precise for use as the basis for fair value measurement. Any indications of impairment of tangible and intangible assets are reviewed annually.

(b) Impairment testing

The Group tests goodwill and intangible assets with unlimited useful lives for impairment annually. Indications of impairment are evaluated in the manner described in note 2.7. Recoverable amounts for cash-generating units are based on value-in-use calculations. Estimates are required in making these calculations.

Values recorded in the balance sheet in the end of the financial year were 39,930 thousand euros (2011: 36,331 thousand euros). Additional information on the sensitivity of the recoverable amounts to changes in assumptions used is disclosed in Note 23 Impairment testing.

4. MANAGEMENT OF FINANCIAL RISKS

4.1 Financial risk factors

In its business operations, Etteplan Group is exposed to several types of financial risks: interest, foreign-currency, financing and liquidity, counterparty and credit risks.

The objective of financial risk management is to protect the Group from unfavorable changes in the financial market and thus contribute as much as possible to guaranteeing the Company's profit and shareholders' equity, and to guarantee sufficient liquidity in a cost-efficient manner. In management of financial risks, various financial instruments are used within the framework of authorizations issued by the Group's Board of Directors. Etteplan Group uses only such instruments whose market value and risk profile can be monitored constantly and reliably.

Management of financial risks has been centralized with the Group's financial department, which is responsible for identification and evaluation of, and protection against, the Group's financial risks. Furthermore, the financial department is responsible, in a centralized fashion, for funding of the Group, and it provides the management with information about the financial situation of the Group and the business units.

4.1.1 Foreign-currency risk

The Group is exposed to foreign-currency risks related to different currencies, which come about as a result of foreign-currency-denominated commercial transactions and from translation of foreign-currency-denominated balance sheet items into the reporting currency. The most significant of the foreign-currency risks are related to the Swedish krona.

(a) Transaction risk

The majority of Etteplan Group's business operations are handled in the currency of the project country of the respective Group company. This means that both sales and costs are in the same currency. In the period under review, the Group did not have significant transaction risks generated from the currency flow in foreign currencies. The Group did not take steps to protect itself against transaction risks during the review period.

(b) Translation risk

The Group is exposed to a translation risk caused by fluctuations in foreign currency exchange rates, when it translates balance sheet items of subsidiaries based outside the euro area into its reporting currency. Main risk is with goodwill booked in Swedish Krona (SEK). Currency exposure arising from the net assets of the Group's Swedish operations is managed through borrowings denominated in SEK.

A proportion of the Group's SEK denominated borrowings amounting to EUR 6,165 thousand (2011: EUR 7,563 thousand) are designated as a hedge of the net investment in the Group's Swedish subsidiaries. The foreign exchange loss of EUR 279 thousand (2011: EUR 148 thousand) on translation of the borrowings to EUR currency at the end of the reporting period is recognized in other comprehensive income.

The goodwill booked in SEK at December 31, 2012 was EUR 24,299 thousand (2011: EUR 23,755 thousand).

A sensitivity analysis in the main currency pair on the transaction and translation risk, i.e. the effect of reasonable potential changes in exchange rates on the Group's profit or loss before tax and equity at balance sheet date is presented in the table below together with comparison figures. The foreign currency denominated receivables and liabilities recognized in the balance sheet on the reporting date, as well as the net investments in subsidiaries, have been taken into account in the effect of exchange rate changes on the balance sheet fair values. In the analysis, the change in exchange rate has been estimated to be +/- 10 percent from reporting date, and other factors are estimated to remain unchanged.

	Effect on EBIT		Effect on equity	
EUR 1,000	**2012**	**2011**	**2012**	**2011**
SEK +/-10%	+/-130	+/-137	2,160	1,926

4.1.2 Interest risk

Etteplan Group is exposed to interest risk in two ways: because of changes in value for balance sheet items (i.e., a price risk) and cash flow risk caused by changes in market interest rates.

The Group manages the interest risk by diversifying its loan portfolio to include loans based on different reference rates. On the balance sheet date, the total amount of interest-bearing debt excluding leasing liabilities was EUR 19,183 thousand covered with contracts in which the interest range is between 1.0 and 6.0 percent.

If interest rates increased with 1 per cent, the Group's interest expenses would increase with EUR 67 thousand per annum.

4.1.3 Financing and liquidity risk

Etteplan Group aims to guarantee solid liquidity in all market conditions through efficient cash management and by investing liquid funds in only those targets that have low risk and can be sold for cash easily.

The Group uses credit limits tied to cash-pool arrangements for short-term financing. On the balance sheet date, the Group had EUR 12,983 thousand of agreed credit limits, of which EUR 672 thousand was in use.

The Group aims to minimize its refinancing risk by applying a balanced maturity schedule for its loan portfolio, ensuring sufficient maturity of loans, and using several banks as sources of financing.

The Company has two different kind of financial covenants related to different loans. Breaching 25% and 30% equity ratio linked covenants calls for renegotiations of loan terms (mainly interest) with the banks. According to financial statements in 2012 the terms of these covenants are not breached.

Breaching interest-bearing debt/EBITDA (excluding onetime costs) covenant has an effect on margin level of debts. Breaching the limit of 2.5 would increase margin level by 0.2-0.4 per cent and breaching the limit of 3.5 calls for renegotiations of the loan terms (mainly interest) with the bank. According to financial statements in 2012 this term of covenant was not breached.

To balance the cash effect of the long payment terms typical to design business, the Group sells a part of its key customer receivables to a finance institution. There is no credit risk related to the sold receivables and these receivables are not included in the Consolidated Statement of Financial Position.

4.1.4 Counterparty and credit risk

Financial instrument contracts that the Group has concluded with banks have the associated risk of the counterparty being unable to fulfill its obligations under the contract. Credit risk related to business operations arises out of a customer's inability to perform its contractual obligations.

In order to minimize the counterparty risk, the Group has concluded its significant financing contracts with leading Nordic banks that have a good credit rating.

A considerable proportion of the Group's business operations focus on large, financially solid companies that operate internationally. The largest individual customer accounts for less than 10 percent of the Group's revenue. Credit risk is also reduced by the customer companies being divided among several different sectors of operation.

The Group aims to guarantee that services are sold to only those with an appropriate credit rating. The Group controls credit risk systematically, and overdue sales receivables are assessed on a weekly basis. The Company strives to control the effects of increased financial uncertainty by actively monitoring its receivables and by working to enhance its debt collection processes.

The Group makes a 50 per cent reservation for bad debt for receivables that are more than 60 days past due and a 100 per cent reservation for receivables that are more than 90 days past due.

The maximum customer credit risk exposure is the book value of accounts receivable.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings less cash and cash equivalents.

To ensure sufficient flexibility, the goal is to keep the net gearing ratio within 20-100%.

The following table sets out the Group's net gearing ratio:

EUR 1 000	2012	2011
Total borrowings	20,908	20,240
Less: cash and cash equivalents	-5,402	-3,023
Net debt	15,506	17,217
Total equity	24,678	20,271
Net gearing ratio	**62.8%**	**84.9%**

FINANCIAL INSTRUMENTS BY CATEGORY

EUR 1,000	Note	Loans and receivables	Available-for-sale	Other financial liabilities	Total
31.12.2012					
Assets as per balance sheet					
Available-for-sale financial assets	22		604		604
Trade and other receivables (excluding prepayments)	24	21,726			21,726
Cash and cash equivalents	25	5,402			5,402
Financial assets total		**27,128**	**604**	**0**	**27,733**
Liabilities as per balance sheet					
Borrowings (excluding finance lease liabilities)	28			19,183	19,183
Finance lease liabilities	29			1,725	1,725
Trade and other payables (including contingent liability from acquisition, excluding advances received)	31			28,358	28,358
Financial liabilities total		**0**	**0**	**49,266**	**49,266**
31.12.2011					
Assets as per balance sheet					
Available-for-sale financial assets	22		593		593
Trade and other receivables (excluding prepayments)	24	21,796			21,796
Cash and cash equivalents	25	3,023			3,023
Financial assets total		**24,819**	**593**	**0**	**25,412**
Liabilities as per balance sheet					
Borrowings (excluding finance lease liabilities)	28			18,441	18,441
Finance lease liabilities	29			1,798	1,798
Trade and other payables (excluding advances received)	31			23,935	23,935
Financial liabilities total		**0**	**0**	**44,174**	**44,174**

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

EUR 1,000	Book value	2012 Fair value	Book value	2011 Fair value
Assets as per balance sheet				
Available-for-sale financial assets	604	604	593	593
Trade and other receivables	21,726	21,726	21,796	21,796
Cash and cash equivalents	5,402	5,402	3,023	3,023
Financial assets total	**27,733**	**27,733**	**25,412**	**25,412**

	Book value	2012 Fair value	Book value	2011 Fair value
Liabilities as per balance sheet				
Borrowings (excluding finance lease liabilities)	19,183	19,183	18,441	18,441
Finance lease liabilities	1,725	1,725	1,798	1,798
Trade and other payables	28,358	28,358	23,935	23,935
Financial liabilities total	**49,266**	**49,266**	**44,174**	**44,174**

MATURITY ANALYSIS OF FINANCIAL LIABILITIES

31.12.2012	Less than 1 year	1-5 years
Borrowings (excluding finance lease liabilities)	6,730	12,453
Finance lease liabilities	935	790
Interest payments	396	483
Trade and other payables	25,134	3,224

5. BUSINESS COMBINATIONS

Etteplan Oyj acquired the entire sharebase of Tedopres International B.V. located in Best, The Netherlands, on March 8, 2012. In 1974 established Tedopres currently employs approximately 85 persons and has offices in Best, the Netherlands and in Austin, USA. The company's revenue in 2011 was approximately EUR 8 million.

Tedopres International provides innovative methods for the creation and distribution of technical product information. Company's customers are global aviation and defence industry companies, equipment manufacturers in medical technology as well as mining and consumer electronics manufacturers based in Europe, Asia and North-America.

Tedopres International has developed groundbreaking service solutions and methods for controlled English (Simplified Technical English) and illustration (Simplified Technical Illustrations). Simplified Technical English was originally developed for the aviation industry to meet its high standards for technical product information.

After the acquisition Etteplan's service solutions will cover all the sectors of technical product information from content creation to distribution. With Etteplan's China offshoring service the combination is unique in the area of technical product information.

The goodwill of EUR 2.7 million arising from the acquisition is attributable to the synergies and economies of scale expected from combining the operations of the Group and the acquired company.

None of the goodwill recognized is expected to be deductible for income tax purposes. The following table summarizes the consideration paid for Tedopres International B.V. and the provisional amounts of the assets acquired and liabilities assumed recognized at the acquisition date.

Consideration transferred:	EUR 1,000
Cash	4,660
Contingent consideration	2,375
Total consideration transferred	**7,035**
Provisional fair value of identifiable assets acquired and liabilities assumed:	
Tangible assets	269
Intangible assets	816
Customer related (intangible assets)	2,052
Technology STE and methods (intangible assets)	2,200
Trade and other receivables	2,729
Cash	38
Total assets	**8,104**
Non-current liabilities	934
Current liabilities	346
Deferred tax liability	1,063
Trade and other liabilities	1,424
Liabilities total	**3,767**
Total identifiable net assets	**4,337**
Formation of Goodwill:	
Consideration transferred	7,035
Total identifiable net assets	4,337
Goodwill	**2,699**

Acquisition-related costs, EUR 209 thousand, are included in other operating expenses in the consolidated income statement.

The revenue included in the consolidated statement of comprehensive income since March 1, 2012 contributed by Tedopres was EUR 6,095 thousand. Tedopres contributed profit of EUR 210 thousand over the same period. Had Tedopres been consolidated from January 1, 2012, the consolidated statement of comprehensive income would show revenue of EUR 135,662 thousand and profit of EUR 5,570 thousand.

In year 2011 final payment of additional purchase prices related to previous acquisitions in Sweden, in the amount of EUR 27 thousand, were made and booked as goodwill. The fair values of the asset and liability items booked on the acquisitions in year 2008 did not differ materially from the book values prior to the business combinations.

6. SEGMENT REPORTING

The Group has one reporting segment, which mainly operates in four geographical areas; Finland, Sweden, China and The Netherlands. The external revenue of each geographical area is presented according to the location of the seller. Non-current assets are presented according to the location of the asset. Etteplan China operations mainly sell their services through other group companies thus these sales are included in the sales from Finland and Sweden in the table below.

EUR 1,000	2012	2011
Revenue		
Finland	78,812	70,468
Sweden	48,486	48,020
China	1,087	960
The Netherlands	6,095	0
Total	**134,479**	**119,448**
Non-current assets *		
Finland	13,556	12,980
Sweden	25,033	24,206
China	2,145	2,225
The Netherlands	7,497	0
Shares in associated companies	83	331
Total	**48,314**	**39,742**

** Other non-current assets excluding financial instruments, deferred tax assets and assets related to compensation after termination of employment contract.*

The revenue from any one customer is neither larger nor equal to 10 percent of the Group's total revenue.

7. REVENUE

	2012	2011
Revenue from rendering of services	133,808	118,513
Revenue from sales of goods	671	935
Total	**134,479**	**119,448**

Turnover consists of design business and the sales of materials related to projects adjusted with indirect taxes, discounts and differences in exchange rates.

8 LONG-TERM PROJECTS

	2012	2011
Amount of project revenue recognized during the period	885	1,507
Cumulative expenses and income recognized by the end of the period	1,780	1,704
Advances received	91	178

9. OTHER OPERATING INCOME

EUR 1,000	2012	2011
Sales profit of tangible and intangible assets	125	3
Other operating income	387	344
Total	**512**	**347**

10. MATERIALS AND SERVICES

Materials	1,832	2,084
Services from associates	1,042	104
Services from others	8,061	6,277
Total	**10,935**	**8,465**

11. NUMBER OF PERSONNEL AND STAFF COSTS

Personnel		
Personnel at year-end	1,776	1,659
Personnel, average	1,756	1,625
Personnel by category		
Design personnel	1,712	1,604
Administrative personnel	64	55
Total		
Staff costs		
Wages and salaries	70,571	64,713
Pension costs - defined contribution plans	10,464	9,635
Other indirect employee costs	11,661	10,203
Total	**92,696**	**84,550**

Employee benefits of the Board of Directors and top management are disclosed in item Related party transactions.

In Sweden a part of the pension arrangements are defined benefit plans, which are secured through an insurance. These arrangements are defined benefit plans as described in IAS 19, of which there is not sufficient information available to be treated as defined benefit plans. Therefore these plans are treated as defined contribution plans according to IAS 19 paragraph 30. Total amount paid to the insurer in 2012 is EUR 985 thousand (2011: EUR 998 thousand). In The Netherlands a part of the pension arrangements are defined benefit plans, which are secured through an insurance. These arrangements are defined benefit plans as described in IAS 19, of which there is not sufficient information available to be treated as defined benefit plans. Therefore these plans are treated as defined contribution plans according to IAS 19 paragraph 30. Total amount paid to the insurer in 2012 is EUR 368 thousand.

12. AUDIT FEES

PriceWaterhouseCoopers:		
Auditing	56	59
Other services	148	75
Other auditors:		
Auditing	53	0
Total	**257**	**134**

13. FINANCIAL INCOME

EUR 1,000	2012	2011
Dividend income from others	0	10
Dividend income from associates	23	0
Dividend income from assets held for sale	6	7
Interest income from loans and other receivables	71	65
Unrealized gain at fair value, derivatives	0	55
Foreign exchange gain	80	167
Total	**180**	**304**

14. FINANCIAL EXPENSES

Impairment on investments carried as non-current assets	0	25
Interest on borrowings	848	605
Leasing interest expenses	93	77
Foreign exchange loss	191	86
Other financial expenses	95	73
Total	**1,226**	**866**

15. TRANSLATION DIFFERENCES RECOGNIZED IN INCOME STATEMENT

Translation differences included in revenue	12	14
Translation differences included in purchases and expenses	-10	-15
Foreign exchange gain	80	167
Foreign exchange loss	-191	-86
Total	**-109**	**80**

16. INCOME TAX EXPENSES

Tax on income from operations	-1,987	-1,424
Tax corrections for previous accounting periods	0	-15
Change in deferred tax asset	-155	-312
Change in deferred tax liability	185	27
Total	**-1,957**	**-1,724**

Reconciliation between income taxes in the statement of comprehensive income and the theoretical amount of tax that would arise using the Group's domestic tax rate (2012: 24.5%, 2011: 26%).

EUR 1,000	2012	2011
Accounting profit before tax	7,542	6,347
Income tax expense		
Mathematical tax based on parent company's tax rate	-1,848	-1,650
Differences (net)		
Effect of different tax rates in group companies	-6	-2
Effect of tax rate changes on deferred taxes	26	3
Calculated tax based on non-decuctible items on unit's tax rate	-62	-108
Calculated tax based on non-taxable items on unit's tax rate	7	132
Tax corrections for previous accounting periods	0	-15
Use of previously unrecognized tax on confirmed losses	43	16
Unrecognized tax on loss for the period	-163	-46
Other tax difference	46	-54
Income tax expense	**-1,957**	**-1,724**

Tax charge (-) / credit (+) relating to components of other comprehensive income is as follows:

		2012			2011	
	Before tax	Tax charge/credit	After tax	Before tax	Tax charge/credit	After tax
Change in fair value of investments available-for-sale	14	-4	10	-2	0	-2
Impact of changes in tax rates on deferred taxes	0	0	0	0	3	3
Foreign subsidiary net investment hedges	-279	0	-279	-148	0	-148
Currency translation differences	1,039	0	1,039	-28	0	-28
Other comprehensive income for the year, net of tax	**774**	**-4**	**770**	**-178**	**3**	**-175**

17. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent company for the financial year by the weighted average number of externally owned shares during the financial year. In the calculation the shares purchased by the Company are excluded. When calculating profit attributable to equity holders of the parent company, interest expenses from hybrid loan adjusted with tax effect have been taken into account.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the conversion of all dilutive effect ordinary shares.

	2012	2011
Profit for the financial year (EUR 1,000)	5,585	4,623
Non-controlling interest (EUR 1,000)	182	37
Hybrid loan interest adjusted with tax effect (EUR 1,000)	0	-713
Profit attributable to equity holders of the parent company (EUR 1,000)	5,767	3,947
Weighted average number of shares (1,000 pcs)	19,708	19,708
Basic earnings per share (EUR per share)	**0.29**	**0.20**
Weighted average number of shares (1,000 pcs)	19,708	19,708
Dilution due to share based remunerations	0	0
The diluted weighted avarage number of shares for the calculation of earnings per share	19,708	19,708
Diluted earnings per share (EUR per share)	**0.29**	**0.20**

18. TANGIBLE ASSETS

TANGIBLE ASSETS 2012	Land and water	Machinery and equipment	Machinery and equipment finance lease	Other tangible assets	Total
Acquisition cost at 1.1.	19	9,274	4,207	312	13,813
Translation difference	0	89	13	0	102
Acquisition of subsidiaries	0	619	102	0	721
Additions	0	289	563	26	878
Disposals	0	-56	0	0	-56
Acquisition cost 31.12.	**19**	**10,215**	**4,885**	**338**	**15,458**
Cumulative depreciation 1.1.	0	-8,814	-3,065	-249	-12,128
Translation difference	0	-88	-5	0	-93
Cumulative depreciation on acquisitions	0	-437	-46	0	-483
Cumulative depreciation on disposals	0	28	0	0	28
Depreciation for the financial period	0	-290	-712	-25	-1,027
Cumulative depreciation 31.12.	**0**	**-9,601**	**-3,828**	**-274**	**-13,703**
Book value 31.12.2012	**19**	**614**	**1,057**	**64**	**1,755**

TANGIBLE ASSETS 2011	Land and water	Machinery and equipment	Machinery and equipment finance lease	Other tangible assets	Total
Acquisition cost at 1.1.	19	9,112	3,400	296	12,828
Translation difference	0	55	1	0	56
Additions, intra-group reorganizations	0	448	0	0	448
Additions	0	120	1,146	16	1,282
Reclassifications between items	0	0	-336	0	-336
Disposals	0	-461	-4	0	-465
Acquisition cost 31.12.	**19**	**9,274**	**4,207**	**312**	**13,813**
Cumulative depreciation 1.1.	0	-8,423	-2,553	-227	-11,203
Translation difference	0	-37	0	0	-37
Cumulative depreciation on intra-group reorganizations	0	-433	0	0	-433
Cumulative depreciation on disposals	0	433	0	0	433
Cumulative depreciation on reclassifications	0	0	75	0	75
Depreciation for the financial period	0	-354	-587	-22	-963
Cumulative depreciation 31.12.	**0**	**-8,814**	**-3,065**	**-249**	**-12,128**
Book value 31.12.2011	**19**	**460**	**1,142**	**63**	**1,685**

19. INTANGIBLE ASSETS

INTANGIBLE ASSETS 2012	Intangible rights	Other intangible assets	Other intangible assets finance lease	Advance payments	Total
Acquisition cost at 1.1.	5,986	266	938	103	7,293
Translation difference	9	-1	6	0	14
Acquisition of subsidiaries	1,632	4,252	0	0	5,884
Additions	397	0	312	887	1,596
Disposals	-7	0	0	0	-7
Reclassifications between items	95	0	0	-99	-4
Acquisition cost 31.12.	**8,112**	**4,517**	**1,256**	**891**	**14,776**
Cumulative amortization 1.1.	-5,466	-114	-319	0	-5,899
Translation difference	-28	5	-4	0	-27
Cumulative amortization on acquisitions	-910	0	0	0	-910
Cumulative amortization on reclassifications	21	0	0	0	21
Amortization for the financial period	-503	-583	-329	0	-1,415
Cumulative amortization 31.12.	**-6,886**	**-692**	**-652**	**0**	**-8,230**
Book value 31.12.2012	**1,226**	**3,825**	**604**	**891**	**6,546**

INTANGIBLE ASSETS 2011	Intangible rights	Other intangible assets	Other intangible assets finance lease	Advance payments	Total
Acquisition cost at 1.1.	5,866	247	0	4	6,117
Translation difference	25	19	0	0	44
Additions	96	0	602	99	797
Disposals	-5	0	0	0	-5
Reclassifications between items	4	0	336	0	340
Acquisition cost 31.12.	**5,986**	**266**	**938**	**103**	**7,293**
Cumulative amortization 1.1.	-5,090	-60	0	0	-5,150
Translation difference	-21	-5	0	0	-26
Cumulative amortization on reclassifications	7	-4	-75	0	-72
Amortization for the financial period	-362	-45	-244	0	-651
Cumulative amortization 31.12.	**-5,466**	**-114**	**-319**	**0**	**-5,899**
Book value 31.12.2011	**520**	**152**	**619**	**103**	**1,394**

20. GOODWILL

GOODWILL 2012	Goodwill	Consolidated goodwill	Total
Acquisition cost at 1.1.	734	35,597	36,331
Translation difference	14	886	900
Additions	0	2,699	2,699
Acquisition cost 31.12.	**748**	**39,182**	**39,930**
Book value 31.12.2012	**748**	**39,182**	**39,930**

GOODWILL 2011	Goodwill	Consolidated goodwill	Total
Acquisition cost at 1.1.	732	35,296	36,028
Translation difference	2	274	276
Additions	0	27	27
Acquisition cost 31.12.	**734**	**35,597**	**36,331**
Book value 31.12.2011	**734**	**35,597**	**36,331**

21. INVESTMENTS IN ASSOCIATES

	2012	2011
Acquisition cost at 1.1.	307	18
Disposals	-120	0
Reclassifications from receivables	0	289
Acquisition cost 31.12.	**187**	**307**
Adjustments to equity at carrying amount 1.1.	24	0
Share of profit/loss in associates	-128	24
Adjustments to equity at carrying amount 31.12.	**-104**	**24**
Book value 31.12.2012	**83**	**331**

The Group's associates assets, liabilities, revenue and result in financial year 2012:

	Assets	Liabilities	Revenue	Profit (+) / loss (-)	Interest held
I3TEX AB	6,794	6,514	17,792	-558	33.3%

22. INVESTMENTS AVAILABLE-FOR-SALE

	2012	2011
Acquisition cost 1.1.	593	620
Fair value adjustments	14	-2
Disposals	-2	0
Impairment	0	-25
Acquisition cost 31.12.	**604**	**593**

Impairment in 2011 includes impairment of 19% ownership in RA Holding Oy.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data.

Fair value measurements of available-for-sale financial assets as at 31.12.2012

	Level 1	Level 2	Level 3	Total
Listed shares	96	0	0	96
Premises	0	480	0	480
Unlisted shares	0	0	29	29
Total	**96**	**480**	**29**	**604**

Reconciliation of fair value measurements of available-for-sale financial assets:

	Listed shares	Premises	Unlisted shares	Total
Opening balance at 1.1.2012	82	480	31	593
Sale of financial assets	0	0	-2	-2
Gain/loss recognized in other comprehensive income	14	0	0	14
Closing balance 31.12.2012	**96**	**480**	**29**	**604**

Unlisted shares are valued at historic cost, when their fair value cannot be measured reliably and they are not intended to be actively traded on the active markets. Amounts of these shares recognized in the balance sheet are minor and do not have essential effect on the consolidated balance sheet. Investments available-for-sale are classified as non-current assets as they are not expected to be realized during the next twelve months after the reporting date and selling them is not necessary for gaining working capital.

The profit from sale of financial assets in financial year 2012, EUR 11 thousand, is included in other operating income in the Group's Statement of Comprehensive Income.

23. IMPAIRMENT TESTING

Goodwill is allocated to cash-generating units for determination of impairment. In impairment testing the recoverable amount is defined as value-in-use. The impairment test has been done in Q4 after budgets for 2013 were done and is based on goodwill as per September 30, 2012. The calculations are based on profit after tax. Cash flows after tax are based on budget figures approved by management for a next five year period. When defining the cash flow, the attention is paid on anticipated price and margin development, costs, net working capital and investment needs. Management determined these based on past performance and its expectations of market development.

THE KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS ARE AS FOLLOWS:

Key Assumptions	2012	2011
Aggregate growth percentage year 1-5	2-6%	2-6%
Growth rate after 5 years	1.0%	1.0%
Discount rate Finland	6.5%	6.9%
Discount rate Sweden	6.2%	6.4%
Discount rate China	8.3%	8.2%
Discount rate The Netherlands	6.5%	-

The recoverable amount is compared with the goodwill of the cash-generating unit. An impairment loss is booked as cost in the income statement, if the recoverable amount is lower than book value. No impairment loss has been booked during the financial year.

The discount rate is determined based on the weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities. WACC is based on risk free interest in each country the CGUs have their operations. The discount rate is determined after tax, because cash flows analysed are after tax also.

Impairment testing has been executed for the CGU's in which Group's goodwill has been allocated. Basis for allocating goodwill is the lowest level where the goodwill is monitored for internal purposes, but no larger than any operating segment.

Cash Generating Units (CGUs) where goodwill has been allocated for 2011:

EUR 1,000,000	2011
Sweden	22.9
Finland	10.8
China	1.7
Total	**35.3**

Cash Generating Units (CGUs) where goodwill has been allocated for 2012:

EUR 1,000,000	2012
Sweden	25.1
Finland	10.8
China	1.8
The Netherlands	2.5
Total	**40.2**

SENSITIVITY ANALYSIS

According to impairment testing the recoverable amounts exceeded the carrying amounts as follows in 2011:

EUR 1,000,000	2011
Sweden	35.6
Finland	58.1
China	1.8
Total	**95.5**

According to impairment testing the recoverable amounts exceeded the carrying amounts as follows in 2012:

EUR 1,000,000	2012
Sweden	26.8
Finland	122.6
China	6.9
The Netherlands	12.7
Total	**169.0**

In connection with impairment testing sensitivity analyses have been performed using the following variables:

- 0-growth in net sales
- Decrease of profitability (EBIT) by 4 percentage points
- Increase of discount rate by 4 percentage points

A decrease in operating profit by 4 percent would lead to an impairment loss booking of EUR 7.5 million in Sweden. According to management understanding no potential changes in key variables would lead to impairment losses in other cash-generating units.

24. TRADE AND OTHER RECEIVABLES

EUR 1,000	2012	2011
Trade receivables	14,623	15,271
Allowances for doubtful trade receivables	-133	-178
Other receivables	1,115	967
Prepayments and accrued income	6,431	5,968
Total	**22,035**	**22,028**
Main items included in prepayments and accrued income		
Receivables for revenue recognized in part prior to project completion	95	316
Accruals of personnel expenses	203	0
Prepaid office rents	280	197
Prepaid leasing	29	35
Other prepayments and accrued income on sales	4,735	4,572
Other prepayments and accrued income on expenses	1,089	848
Total	**6,431**	**5,968**
Aging analysis of trade receivables		
Not due	10,905	11,455
Due 1 to 90 days	3,354	3,589
Due 91 to 120 days	209	58
Due more than 120 days	155	169
Total	**14,623**	**15,271**
Aging analysis of allowance for doubtful trade receivables		
Due 1 to 90 days	0	-165
Due 91 to 120 days	-133	-13
Total	**-133**	**-178**
Movements on the Group provision for impairment of trade receivables are:		
1.1.	-178	-40
Provision for receivables impairment, decrease (+) / increase (-)	65	-138
31.12.	**-113**	**-178**
Analysis of receivables by currency		
EUR	13,312	12,665
SEK	8,035	8,801
CNY	516	562
Other currencies	173	0
Total	**22,035**	**22,028**

25. CASH AND CASH EQUIVALENTS

Bank accounts and cash	5,402	3,023
Total	**5,402**	**3,023**

Cash and cash equivalents in the balance sheet correspond with the financial assets in the Consolidated Statement of Cash Flows.

26. EQUITY

SHAREHOLDER'S EQUITY

Shareholders' equity consists of share capital, share premium fund, unrestricted equity reserve, treasury shares, translation differences, other reserves, retained earnings and non-controlling interest. Translation differences contains translation differences arising from the conversion of financial statements of foreign units and the foreign subsidiary net investment hedges. Other reserves include the fair value reserve, which consists of fair value adjustments of available-for-sale assets amounting to EUR 151 thousand (2011: EUR 140 thousand).

SHARES AND SHARE CAPITAL

The fully paid and registered share capital of the Company at the end of the financial year was 5,000,000 EUR and number of shares was 20,179,414. No changes occurred during financial year. The Company has one series of shares. Each share entitles its holder to one vote in the shareholders' meeting and gives an equal right to dividends.

Shares are listed on NASDAQ OMX Helsinki Ltd under the ETT1V ticker. The share has no nominal value and there is no maximum number of shares. All issued shares are fully paid.

The number of company-held shares at the end of the financial year was 471,302 (2011: 471,302). During the financial year the Company has not acquired or disposed own shares.

The Board of Directors' authorization to acquire and dispose own shares and to increase the share capital through a rights issue is disclosed in the section Shares and Shareholders.

The Board of Directors has proposed to the Annual General Meeting a dividend of EUR 0.15 to be paid for the financial year 2012.

27. INCENTIVE PLAN FOR KEY PERSONNEL

The Board of Directors of Etteplan Oyj decided on a new share-based incentive plan for the Group key personnel in March 2011. The plan includes three earning periods, calendar years 2011, 2012 and 2013. The Board of Directors shall decide on the earnings criteria and on targets to be established for them for each earning period. The rewards to be paid on the basis of the plan from all earning periods 2011, 2012 and 2013 will correspond to the value of an approximate maximum total of 810,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

During the earning period 2011, 16 people belonged to the target group of the plan. The earnings criteria of the earning period 2011 were the Etteplan Group´s operating profit (EBIT) and revenue. The Board of Directors of Etteplan Oyj made in its meeting, on February 14, 2012, a resolution that there will be no disposal of company-held shares for the 2011 earning period.

At a meeting held on February 14, 2013, the Board of Directors of Etteplan Oyj decided to transfer company-held shares under an authorization given to the Board of Directors by the Annual General Meeting of March 30, 2012. According to the resolution of the Board of Directors, Etteplan Oyj will transfer 9,752 company-held shares to the 17 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period. The shares will be transferred on April 30, 2013. In addition, the company will pay the key personnel concerned a cash component corresponding to the taxes and tax-like charges incurred as a result of the reward. The earnings criteria for the 2012 earnings period was Etteplan Group's operating profit (EBIT).

Staff costs include equity-settled and cash-settled cash-based payments:	2012	2011
Settled in equity in future	22	0
Total	**22**	**0**
Settled in cash in future	27	0
Total	**27**	**0**

28. BORROWINGS

EUR 1,000	2012	2011
Non-current		
Loans from financial institutions	12,453	12,145
Pension loans	0	312
Finance lease liabilities	790	972
Total	**13,243**	**13,429**
Analysis by currency		
EUR	8,823	6,796
SEK	4,406	6,622
CNY	14	11
Total	**13,243**	**13,429**
Current		
Loans from financial institutions	6,418	4,734
Pension loans	313	1,250
Finance lease liabilities	935	826
Total	**7,665**	**6,811**
Analysis by currency		
EUR	4,322	4,291
SEK	2,000	1,243
CNY	1,343	1,277
Total	**7,665**	**6,811**

29. DUE DATES OF THE FINANCIAL LEASING LIABILITIES

EUR 1,000	2012	2011
Minimum lease payments		
Within a year	986	892
More than one year but no more than 5 years	736	1,005
Total	**1,722**	**1,897**
Future financing cost	-71	-99
Present value	**1,651**	**1,798**
Present value aging		
Within a year	935	826
More than one year but no more than 5 years	716	972
Total	**1,651**	**1,798**

The average interest rate of the finance lease agreements in year 2012 was 5.0% (2011: 5.3%)

30. OTHER NON-CURRENT LIABILITIES

EUR 1,000	2012	2011
Contingent liability from acquisition	2,600	0
Pension liabilities	608	0
Other non-current liabilities	16	0
Total	**3,224**	**0**
Analysis by currency		
EUR	3,224	0
Total	**3,224**	**0**

31. TRADE AND OTHER PAYABLES

Advances received	155	225
Advances received, long-term projects	91	178
Trade payables to associates	122	0
Trade payables to others	5,281	5,147
Accrued expenses	13,793	12,842
Tax payables	5,101	5,030
Other payables	837	915
Total	**25,380**	**24,337**
Main items included in accrued expenses		
Interest liabilities	55	85
Accrued employee expenses	12,865	12,042
Other accrued expenses	873	715
Total	**13,793**	**12,842**
Analysis by currency		
EUR	16,857	15,987
SEK	8,213	8,051
CNY	285	298
Other	24	1
Total	**25,380**	**24,337**

32. CURRENT INCOME TAX LIABILITIES

Accrued income tax	1,000	467

33. DEFERRED TAXES

DEFERRED TAXES 2012

Deferred tax assets	1.1.2012	Translation difference	In income statement	Discontinuing operations in P&L	In equity	Mergers and acquisitions	31.12.2012
Confirmed loss	136	3	-139	0	0	0	0
Other timing differences	28	0	-16	0	0	0	13
Total	**164**	**3**	**-155**	**0**	**0**	**0**	**13**

Deferred tax liabilities	1.1.2012	Translation difference	In income statement	Discontinuing operations in P&L	In equity	Mergers and acquisitions	31.12.2012
Depreciation and amortization in excess of scheduled and discretionary provisions	138	5	-20	0	0	0	123
Other timing differences	99	0	-161	0	0	1,117	1,055
Total	**237**	**5**	**-181**	**0**	**0**	**1,117**	**1,179**

DEFERRED TAXES 2011

Deferred tax assets	1.1.2011	Translation difference	In income statement	Discontinuing operations in P&L	In equity	Mergers and acquisitions	31.12.2011
Confirmed loss	434	0	-298	0	0	0	136
Other timing differences	42	0	-14	0	0	0	28
Total	**476**	**0**	**-312**	**0**	**0**	**0**	**164**

Deferred tax liabilities	1.1.2011	Translation difference	In income statement	Discontinuing operations in P&L	In equity	Mergers and acquisitions	31.12.2011
Depreciation and amortization in excess of scheduled and discretionary provisions	149	1	-12	0	0	0	138
Other timing differences	115	2	-15	0	-3	0	99
Total	**264**	**3**	**-27**	**0**	**-3**	**0**	**237**

The company tax rate in Sweden changed from 26.3 percent to 22 percent on January 1, 2013. Deferred tax assets and liabilities related to the Group's Swedish subsidiaries on 31.12.2012 are recognized at the new tax rate.

At December 31, 2012 the Group had gross losses carried forward of EUR 1,663 thousand (2011: EUR 1,236 thousand) of which a deferred tax asset has not been recognized. These losses have no expiry date.

34. PLEDGES, MORTGAGES AND GUARANTEES

EUR 1,000	2012	2011
Leasing liabilities		
For payment under one year	1,774	1,619
For payment 1-5 years	1,721	2,027
Total	**3,495**	**3,646**

35. RELATED-PARTY TRANSACTIONS

In addition to the associated companies The Group's related-party includes such persons that have control, joint control or significant influence over the Group. Also the Group's key personnel, that is, the members of the Board of Directors and Management Group including the CEO are included in the related-party. Companies in control or joint control of the before mentioned persons are considered as other related parties.

Related-party transactions are priced according to Group's normal pricing basis and sales conditions.

GROUP COMPANIES 31.12.2012

Company	Domicile	Group's holding
Parent company Etteplan Oyj	Hollola, Finland	
Etteplan Design Center Oy	Hollola, Finland	100%
Etteplan Industry AB	Västerås, Sweden	100%
Etteplan Vataple Technology Centre, Ltd	Kunshan, China	70%
Etteplan Stockholm AB	Stockholm, Sweden	100%
Etteplan IT AB	Västerås, Sweden	100%
Etteplan Consulting (Shanghai) Co., Ltd.	Shanghai, China	100%
Tedopres International B.V.	Best, The Netherlands	100%
Tedopres Documentation B.V.	Best, The Netherlands	100%
Tedopres International GmbH	Best, The Netherlands	100%
Tedopres Inc.	Austin, USA	100%
Tedopres Asia PTE, Ltd.	Singapore	100%
Panver B.V.	Best, The Netherlands	100%

Associated company		
I3TEX AB	Gothenburg, Sweden	33.3%

The Group has sold its 24 per cent share of Teknogram Signal AB in December 2012.

In Sweden, business operations will be concentrated to Etteplan Industry AB by the end of year 2013. Ownership of Etteplan Stockholm AB was transferred to Etteplan Oyj on May 31, 2012. Business operations of Etteplan Stockholm AB were transferred to Etteplan Industry AB on November 1, 2012. Change in legal structure did not impact the content of Group financial reporting in 2012. Legal structure change had an impact on parent company's balance sheet.

The following group companies have been merged in 2012:	Domicile	Merged to
Cool Engineering AB	Gothenburg, Sweden	Etteplan Industry AB
Etteplan Halmstad AB	Halmstad, Sweden	Etteplan Industry AB

The following transactions were carried out with related parties:

EUR 1,000	2012	2011
Sales of goods and services to related parties		
Associated companies	1,052	536
Other related parties	171	112
Total	**1,223**	**648**
Purchases of goods and services from related parties		
Associated companies	1,042	104
Key personnel	11	66
Other related parties	331	404
Total	**1,384**	**574**
Receivables from related parties		
Associated companies	0	472
Other related parties	34	3
Total	**34**	**475**
Loans to related parties		
Associated companies	122	62
Total	**122**	**62**

Key management compensation

Key management of Etteplan Oyj includes the Board of Directors, CEO and Management Group.

Salaries and fees paid

EUR 1,000	2012	2011
Members of the Board		
Heikki Hornborg, Chairman of the Board	53	82
Tapio Hakakari	31	44
Robert Ingman	28	42
Pertti Nupponen	25	38
Satu Rautavalta	25	40
Teuvo Rintamäki	25	40
	188 *)	286
CEO and other members of the Management Group		
Juha Näkki (January 1, 2012 onwards)	353	-
Matti Hyytiäinen (until December 31, 2011)	-	483
Other members of the Management Group	884	899
Total	**1,424**	**1,668**

*) *The Board remuneration for 2012 and 2011 are not comparable due to a change in payment practice in 2011. In 2011 the board remuneration was paid for 20 months (from April 1, 2010 to November 30, 2011) and in 2012 for 12 months (from January 1 to December 31, 2012).*

The Annual General Meeting annually resolves the remuneration for the members of the Board of Directors.

Stock options to the key management

Stock options have not been granted to the Company's management during 2012.

Information on key management holdings

1,000 pcs	Shares 31.12.2012
Näkki Juha, President and CEO	10
Hornborg Heikki, Chairman of the Board	1,088
Berg Robert, member of the Management Group	0
Gådin Per-Anders, member of the Management Group	6
Hakakari Tapio/Webstor Oy, member of the Board	423
Ingman Robert, member of the Board	30
Lamminen Veikko, member of the Management Group	1
Liedes Outi-Maria, member of the Management Group	2
Nupponen Pertti, member of the Board	2
Rautavalta Satu, member of the Board	2
Rintamäki Teuvo, member of the Board	41
Vatn Mikael, member of Management Group	2
Total	**1,607**

36. EVENTS AFTER THE BALANCE SHEET DATE

The Group's management is not aware of any events after the balance sheet date that could have a material impact on the Group's financial position or the figures or calculations reported in these financial statements.

37. KEY FIGURES FOR FINANCIAL TRENDS

EUR 1,000, financial period 1.1-31.12.	2012 IFRS	2011 IFRS	2010 IFRS
Revenue	134,479	119,448	104,786
Increase in revenue, %	12.6	14.0	6.2
Earnings before interest, tax, depreciation and amortization and share of the result of associates (EBITDA)	11,154	8,478	7,548
% of revenue	8.3	7.1	7.2
Operating profit (EBIT)	8,715	6,885	6,054
% of revenue	6.5	5.8	5.8
Profit before taxes and non-controlling interest	7,542	6,347	5,766
% of revenue	5.6	5.3	5.5
Profit for the financial year	5,585	4,623	4,347
Return on equity, %	24.8	18.6	16.4
Return on capital employed (ROCE) before taxes, %	20.4	17.6	17.0
Equity ratio, %	32.4	31.1	43.6
Gross investments	9,508	3,221	2,538
% of revenue	7.1	2.7	2.4
Net gearing, %	62.8	84.9	24.1
Personnel, average	1,756	1,625	1,594
Personnel at year end	1,776	1,659	1,569
Wages and salaries	70,571	64,713	56,049

38. KEY FIGURES FOR SHARES

Financial period 1.1.-31.12.		2012 IFRS	2011 IFRS	2010 IFRS
Earnings per share, EUR		0.29	0.20	0.19
Equity per share, EUR		1.27	1.04	1.48
Dividend per share, EUR		0.15 *)	0.10	0.10
Dividend per profit, %		52	50	53
Effective dividend return, %		5.6	4.5	3.6
P/E-ratio, EUR		9.2	11.2	14.4
Share price, EUR	lowest	2.20	1.90	2.40
	highest	2.93	3.53	3.30
	average for the year	2.52	2.79	2.86
Market capitalization, EUR 1,000		52,818	44,146	54,000
Number of shares traded, 1,000 pcs		3,158	2,617	2,466
Percentage of shares traded		16	13	13
Adjusted average number of shares during the financial year, (1,000 pcs)		19,708	19,708	19,709
Adjusted average number of shares at year end, (1,000 pcs)		19,708	19,708	19,709

*) *Proposal by the Board of Directors*

FORMULAS FOR THE KEY FIGURES

Return on equity (ROE)

$$\frac{\text{(Profit before taxes and non-controlling interest - taxes) x 100}}{\text{(Shareholders' equity + minority interest) average}}$$

Return on capital employed (ROCE), before taxes

$$\frac{\text{(Profit before taxes and non-controlling interest + interest and other financial expenses) x 100}}{\text{(Balance sheet total - non-interest bearing debts) average}}$$

Equity ratio, %

$$\frac{\text{(Shareholders' equity + non-controlling interest) x 100}}{\text{Balance sheet total - advances received}}$$

Net gearing, %

$$\frac{\text{(Interest-bearing debts - cash and cash equivalents and marketable securities) x 100}}{\text{Shareholders' equity + non-controlling interest}}$$

Earnings per share

$$\frac{\text{(Profit before taxes and non-controlling interest - taxes - non-controlling interest - hybrid loan interest adjusted with tax effect)}}{\text{Average number of shares during the financial year}}$$

Equity per share

$$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial year}}$$

Dividend per share

$$\frac{\text{Dividend for year}}{\text{Adjusted number of shares during the financial year}}$$

Dividend as percentage of earnings

$$\frac{\text{Dividend per share x 100}}{\text{Earnings per share}}$$

Effective dividend yield, %

$$\frac{\text{Dividend per share x 100}}{\text{Adjusted last traded share price}}$$

Price/earnings ratio (P/E)

$$\frac{\text{Adjusted last traded share price}}{\text{Earnings per share}}$$

Share price trend

For each financial year, the adjusted low and high actual traded prices are given as well as the average price for the financial year adjusted for share issues.

$$\text{Average price} = \frac{\text{Total turnover of shares in euros}}{\text{Number of shares traded during the financial year}}$$

Market capitalization

Number of outstanding shares at year-end x last traded share price of year

Trend in share turnover, in volume and percentage figures

The trend in turnover of shares is given as the number of shares traded during the year and as the percentage of traded shares relative to issued stock during the year.

PARENT COMPANY'S INCOME STATEMENT

EUR 1,000	Note	1.1.-31.12.2012 FAS	1.1.-31.12.2011 FAS
REVENUE	1	**6,795**	**5,534**
Other operating income	2	11	61
Staff costs	3	-1,994	-2,383
Depreciation and amortization	9,10	-213	-278
Other operating expenses		-4,659	-3,397
OPERATING PROFIT/LOSS		**-60**	**-463**
Financial income and expenses	5,6	-979	-1,291
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS		**-1,039**	**-1,754**
Extraordinary items	7	6,000	5,000
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		**4,961**	**3,246**
Income taxes	8	-1,218	-805
NET PROFIT/LOSS FOR THE FINANCIAL YEAR		**3,743**	**2,441**

PARENT COMPANY'S BALANCE SHEET

EUR 1,000	Note	31.12.2012 FAS	31.12.2011 FAS
ASSETS			
Non-current assets			
Intangible assets	9	1,081	347
Tangible assets	10	27	32
Investments			
Shares in group companies	11	50,779	40,638
Shares in associates	11	289	289
Other investments	11	20	21
Investments, total		51,087	40,948
Non-current assets, total		**52,195**	**41,327**
Current assets			
Current receivables	12	29,162	16,230
Cash and cash equivalents	13	4,142	2,344
Current assets, total		**33,303**	**18,574**
TOTAL ASSETS		**85,498**	**59,901**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	5,000	5,000
Share premium account	14	6,701	6,701
Unrestricted equity fund	14	2,584	2,584
Retained earnings	14	6,844	6,374
Net profit/loss for the financial year	14	3,743	2,441
Equity, total		**24,873**	**23,100**
Liabilities			
Non-current liabilities	15	15,039	12,447
Current liabilities	16,17	45,586	24,354
Liabilities, total		**60,625**	**36,801**
TOTAL EQUITY AND LIABILITIES		**85,498**	**59,901**

PARENT COMPANY'S CASH FLOW STATEMENT

EUR 1,000	1.1. - 31.12.2012	1.1. - 31.12.2011
OPERATING CASH FLOW		
Cash receipts from customers	7,489	4,833
Operating expenses paid	-7,638	-5,973
Operating cash flow before financial items and taxes	**-149**	**-1,140**
Interest and payment paid for financial expenses	-667	-1,540
Dividends received	5	176
Interest received	29	115
Income taxes paid	-792	-688
Operating cash flow (A)	**-1,575**	**-3,077**
INVESTING CASH FLOW		
Purchase of tangible and intangible assets	-774	-9
Acquisition of subsidiaries	-7,331	-3,675
Acquisition of associates	0	-271
Proceeds from sale of tangible and intangible assets	-2	0
Loan receivables, decrease	0	1
Change of cash equivalents	-12,447	-1,345
Proceeds from sale of investments	13	0
Investing cash flow (B)	**-20,541**	**-5,299**
FINANCING CASH FLOW		
Short-term loans, increase	0	341
Short-term loans, decrease	-4,737	0
Addition (+) / deduction (-) of short-term borrowings	21,716	11,073
Long-term loans, increase	4,000	10,137
Long-term loans, decrease	0	-4,187
Hybrid loan, decrease	0	-10,000
Dividend paid and other profit distribution	-1,971	-1,971
Group contribution	5,000	2,000
Financing cash flow (C)	**24,008**	**7,393**
Variation in cash (A+B+C) increase (+) / decrease (-)	**1,892**	**-983**
Assets at the beginning of the period	2,344	3,319
Exchange gains or losses on cash and cash equivalents	-95	8
Assets at the end of the period	4,142	2,344

PARENT COMPANY'S ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements of the parent company, Etteplan Oyj, have been prepared in accordance with Finnish accounting and company legislation (FAS).

RECOGNITION OF INCOME

The parent company's accounting principles for recognition of income correspond to those applied in the consolidated financial statements. Etteplan Oyj's revenue consists of software and management fees from Etteplan Group companies.

RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure is recorded under expenses for the year in which it is incurred.

MEASUREMENT OF NON-CURRENT ASSETS

Non-current assets have been capitalized in the balance sheet at cost less depreciation according to plan and with possible impairment loss. Depreciation according to plan is based on the estimated useful life of the asset item. Land areas are not depreciated, because they are considered to have an unlimited useful life. The useful lives of other non-current assets are:

software	5 years
computers	3 years
vehicles	5 years
office furniture	5 years
renovation of premises	5 years

Maintenance and repair costs are expensed when they are incurred. Major basic improvement investments are capitalized and depreciated in the income statement over their useful life. Capital gains and losses arising on the retirement and sale of non-current assets are included either in other operating income or under expenses.

INCOME TAXES

Taxes in the income statement include taxes based on taxable earnings for the period as well as corrections to taxes for previous periods. Current tax is calculated on taxable income using the tax rate that is in force at the time of the financial statement.

ACCUMULATED APPROPRIATIONS IN THE PARENT COMPANY

Postponed depreciations of machinery and equipment amount to a total of 10 thousand euros. The associated deferred tax assets are not recorded in the parent company's balance sheet.

PENSION AGREEMENTS

Pension security for the employees of the parent company has been arranged with external pension insurance companies. Pension expenses are recorded as expenses in the year in which they are incurred.

LEASE AGREEMENTS

Contractual lease payments are entered as expenses in the income statement over the lease period.

NOTES TO THE INCOME STATEMENT, PARENT COMPANY

EUR 1,000	2012	2011
1. Revenue		
Finland	6,795	5,534

Revenue consists of sofware and management fees from Etteplan Group companies.

2. Other operating income		
Sales profit of tangible and intangible assets	11	0
Other operating income	0	61
Total	**11**	**61**
3. Number of personnel and staff costs		
Personnel		
Personnel at year-end	26	27
Personnel, average	27	27
Personnel by category		
Administration personnel	26	27
Total	**26**	**27**
Staff costs		
Wages and salaries	1,663	2,124
Pension costs - defined contribution plans	285	228
Other indirect employee costs	47	31
Total	**1,994**	**2,383**
4. Audit fees		
Auditing	33	36
Other services	14	50
Total	**46**	**86**

EUR 1,000	2012	2011
5. Financial income		
Intra-group dividend income	0	171
Dividend income from others	5	5
Other financial income, Intra-group	10	94
Other financial income from others	19	21
Foreign exchange gain	1	19
Total	**35**	**310**
6. Financial expenses		
Impairment on investments carried as non-current assets	0	25
Interest on borrowings from group entities	54	66
Interest on borrowings from others	566	1,314
Foreign exchange loss	375	159
Other financial expenses	18	37
Total	**1,013**	**1,601**
7. Extraordinary items		
Group contributions received	6,000	5,000
8. Income taxes		
Tax on income from operations	1,218	804
Tax corrections for previous accounting periods	0	1
Total	**1,218**	**805**

EUR 1,000

9. Intangible assets, parent company

Intangible assets 2012	Intangible rights	Goodwill	Advance payments	Total
Acquisition cost at 1.1.	2,727	379	103	3,209
Additions	36	0	886	922
Reclassifications between items	99	0	-99	0
Acquisition cost 31.12.	**2,862**	**379**	**890**	**4,131**
Cumulative amortization 1.1.	-2,483	-379	0	-2,862
Amortization for the financial period	-189	0	0	-189
Cumulative amortization 31.12.	**-2,672**	**-379**	**0**	**-3,051**
Carrying value 31.12.	**190**	**0**	**890**	**1,081**

Intangible assets 2011	Intangible rights	Goodwill	Advance payments	Total
Acquisition cost at 1.1.	2,727	379	4	3,110
Additions	5	0	99	104
Disposals	-5	0	0	-5
Acquisition cost 31.12.	**2,727**	**379**	**103**	**3,209**
Cumulative amortization 1.1.	-2,246	-360	0	-2,606
Amortization for the financial period	-237	-19	0	-256
Cumulative amortization 31.12.	**-2,483**	**-379**	**0**	**-2,862**
Carrying value 31.12.	**244**	**0**	**103**	**347**

EUR 1,000

10. Tangible assets, parent company

Tangible assets 2012	Machinery and equipment	Other tangible assets	Total
Acquisition cost at 1.1.	1,046	51	1,097
Additions	20	0	20
Acquisition cost 31.12.	**1,066**	**51**	**1,117**
Cumulative depreciation 1.1.	-1,026	-39	-1,065
Depreciation for the financial period	-18	-6	-24
Cumulative depreciation 31.12.	**-1,044**	**-45**	**-1,089**
Carrying value 31.12.	**22**	**6**	**27**

Tangible assets 2011	Machinery and equipment	Other tangible assets	Total
Acquisition cost at 1.1.	1,046	51	1,097
Acquisition cost 31.12.	**1,046**	**51**	**1,097**
Cumulative depreciation 1.1.	-1,011	-33	-1,044
Depreciation for the financial period	-15	-6	-21
Cumulative depreciation 31.12.	**-1,026**	**-39**	**-1,065**
Carrying value 31.12.	**20**	**12**	**32**

11. Investments, parent company

Investments 2012	Shares in Group companies	Shares in associates	Other investments	Total
Acquisition cost 1.1.	40,638	289	21	40,948
Increases	10,140	0	0	10,140
Decreases	0	0	-1	-1
Acquisition cost 31.12.	**50,778**	**289**	**20**	**51,087**
Carrying value 31.12.	**50,778**	**289**	**20**	**51,087**

Investments 2011	Shares in Group companies	Shares in associates	Other investments	Total
Acquisition cost 1.1.	38,859	0	46	38,905
Increases	1,779	0	0	1,779
Transferred from receivables	0	289	0	289
Impairment	0	0	-25	-25
Acquisition cost 31.12.	**40,638**	**289**	**21**	**40,948**
Carrying value 31.12.	**40,638**	**289**	**21**	**40,948**

EUR 1,000	2012	2011
12. Current receivables		
Current receivables from group companies		
Trade receivables	580	982
Other receivables	1,227	1,034
Internal bank account receivables	20,918	8,471
Group contribution receivables	6,000	5,000
Total	**28,724**	**15,487**
Current receivables from others	3	480
Trade receivables	29	0
Other short-term receivables	405	263
Total	**437**	**743**
Main items included in prepayments and accrued income		
Accruals of personnel expenses	41	0
Other prepayments and accrued income on expenses	365	263
Total	**405**	**263**
13. Cash and cash equivalents		
Bank accounts and cash	4,142	2,344
Total	**4,142**	**2,344**

Cash and cash equivalents in the balance sheet correspond with the financial assets in cash flow statement.

EUR 1,000	2012	2011
14. Equity		
Share capital 1.1.	5,000	5,000
Share capital 31.12.	**5,000**	**5,000**
Share premium account 1.1.	6,701	6,701
Share premium account 31.12.	**6,701**	**6,701**
Unrestricted equity fund 1.1.	2,584	2,584
Unrestricted equity fund 31.12.	**2,584**	**2,584**
Treasury shares 1.1.	-1,958	-1,958
Treasury shares 31.12.	**-1,958**	**-1,958**
Retained earnings 1.1.	10,773	10,302
Dividends paid	-1,971	-1,971
Retained earnings 31.12.	**8,802**	**8,331**
Profit/loss for the financial year	**3,743**	**2,441**
Shareholders' equity total	**24,873**	**23,100**
Distributable funds 31.12..		
Retained earnings	8,802	8,331
Treasury shares	-1,958	-1,958
Unrestricted equity fund	2,584	2,584
Profit/loss for financial year	3,743	2,441
Distributable funds 31.12.	**13,171**	**11,399**

Shares 1,000 pcs	2012	2011
Number of shares 1.1.	20,179	20,179
Number of shares 31.12.	**20,179**	**20,179**

EUR 1,000	2012	2011
15. Non-current liabilities		
Loans from financial institutions	12,439	12,134
Pension loans	0	313
Accrued liability on acquisition	2,600	0
Total	**15,039**	**12,447**
16. Current liabilities		
Current liabilities to others		
Loans from financial institutions	3,445	2,957
Pension loans	313	1,250
Total	**3,757**	**4,207**
Current liabilities to group companies		
Internal bank account liabilities	39,542	17,826
Total	**39,542**	**17,826**
17. Trade and other current liabilities		
Trade and other current liabilities to others		
Trade payables	731	576
Other liabilities	43	74
Accrued expenses	1,272	1,148
Total	**2,045**	**1,798**
Trade and other current liabilities to group companies		
Trade payables	123	438
Other	118	85
Total	**241**	**523**
Main items included in accrued expenses		
Interest liabilities	47	75
Tax liabilities	765	364
Accrued employee expenses	460	709
Total	**1,272**	**1,148**
18. Pledges, mortgages and guarantees		
Guarantees for group companies	2,308	1,777
Leasing liabilities		
For payment in next financial year	1,102	1,030
For payment later	1,026	1,394
Total	**4,436**	**4,201**

Etteplan Oyj has given a parent company guarantee totalling EUR 3,203 thousand for loans, of which EUR 2,133 thousand is in use, for Etteplan Vataple Technology Centre, Ltd.
Etteplan Oyj has given a parent company guarantee totalling EUR 543 thousand for loans, of which EUR 174 thousand is in use, for Etteplan Consulting (Shanghai) Co., Ltd.

SHARES AND SHAREHOLDERS

SHARE CAPITAL AND SHARES

On December 31, 2012, Etteplan Oyj's share capital, entered in the trade register and paid in full, was EUR 5,000,000 and the number of shares was 20,179,414. There were no changes in the share capital during the reporting period January 1-December 31, 2012. The company has one series of shares. Each share confers the right to one vote at the General Meeting and the same right to a dividend.

DIVIDEND

The Annual General Meeting on March 30, 2012 passed a resolution in accordance with the proposal of the Board of Directors to pay a dividend for the 2011 financial year of EUR 0.10 per share, or a total of EUR 1,970,811.20. The remaining profit was retained in non-restricted equity. The record date of the payment of dividend was April 4, 2012. The dividend was paid on April 13, 2012.

CURRENT AUTHORIZATIONS

Authorization to raise the share capital

The Annual General Meeting on March 24, 2010 granted the Board of Directors the authorization to decide upon an issue of no more than 4,000,000 shares with a share issue or by granting option rights or other specific rights, referred to in Chapter 10, Article 1 of the Companies Act, giving entitlement to shares in one or more lots. The authorization includes the right to decide to issue either new shares or company held shares. The authorization is valid for five years from the time of the Annual General Meeting resolution – i.e., from March 24, 2010, through March 24, 2015. The authorization replaces the previous authorization. The Board has not exercised this authorization.

Authorization to acquire and dispose own shares

The Annual General Meeting on March 30, 2012 authorized the Board of Directors to resolve to repurchase Company's own shares in one or more tranches using the Companys unrestricted equity. A maximum of 2,000,000 Company shares may be repurchased. The Company may deviate from the obligation to repurchase shares in proportion to the shareholders' holdings, i.e., the Board has the right to decide on a directed repurchase of Company shares. The authorization is valid for 18 months from the date of the decision of the Annual General Meeting starting on March 30, 2012 and ending on September 29, 2013. The authorization replaces the corresponding previous authorization. The Board has not exercised this authorization.

Etteplan Oyj held 471,302 of its own shares on December 31, 2012 which corresponds 2.34 per cent of all shares and voting rights. During January-December 2012 the company did not acquire nor dispose any company-held shares.

OPTION RIGHTS

The company does not currently have a share option program.

SHARE-BASED INCENTIVE PLAN

The Etteplan Oyj Board of Directors decided on a new share-based incentive plan for the key personnel of the Group in March 2011. The plan includes three earning periods, calendar years 2011, 2012 and 2013. The Board of Directors shall decide on the earnings criteria and the targets to be achieved for each earning period. The rewards to be paid on the basis of the plan from all earning periods 2011, 2012 and 2013 will correspond to the value of an approximate maximum total of 810,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

During the earning period 2011, 16 persons belonged to the key personnel group of the plan. The earnings criteria of the earning period 2011 were the Etteplan Group´s operating profit (EBIT) and revenue. The Board of Directors of Etteplan Oyj has in its meeting, on February 14, 2012, made a resolution that there will be no disposal of company-held shares for the 2011 earnings period.

At a meeting held on February 14, 2013, the Board of Directors of Etteplan Oyj decided to transfer company-held shares under an authorization given to the Board of Directors by the Annual General Meeting of March 30, 2012. According to the resoxlution of the Board of Directors, Etteplan Oyj will transfer 9,752 company-held shares to the 17 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period. The shares will be transferred on April 30, 2013. In addition, the company will pay the key personnel concerned a cash component corresponding to the taxes and tax-like charges incurred as a result of the reward. The earnings criteria for the 2012 earnings period was Etteplan Group's operating profit (EBIT).

SHARE QUOTE

Etteplan's shares are listed in NASDAQ OMX Helsinki's Small cap market capitalization group in the Industrials sector under the ETT1V ticker.

OMX GES SUSTAINABILITY FINLAND INDEX

Etteplan Oyj has qualified to the OMX GES Sustainability Finland index. The index is calculated by NASDAQ OMX in cooperation with GES Investment Services and is a benchmark index which comprises the 40 leading NASDAQ OMX Helsinki listed companies in terms of sustainability.

SHARE PRICE TREND AND TURNOVER

The number of Etteplan Oyj shares traded during the financial year was 3,157,555, to a total value of EUR 8.0 million. The share price low was EUR 2.20, the high EUR 2.93, the average EUR 2.52, and the closing price EUR 2.68. Market capitalization on December 31, 2012 was EUR 52.8 million, and there were 1,862 shareholders.

SHAREHOLDERS

At the end of 2012, the company had 1,862 registered shareholders. In total, 350,186 shares, or 1.74% of all shares, were nominee-registered. On December 31, 2012, the members of the company's Board of Directors and the President and CEO owned a total of 1,596,320 shares, or 7.91% of the total share capital.

In accordance with the Securities Markets Act, Chapter 2, Article 10, Etteplan Oyj issued two notifications of changes in shareholding during the financial year.

Ingman Group Oy Ab's share capital in Etteplan Oyj's share capital and voting rights exceeded 20% through a trade completed on March 15, 2012.

Ingman Group Oy Ab's share capital in Etteplan Oyj's share capital and voting rights exceeded 25% level through trades completed on November 23, 2012.

MAJOR SHAREHOLDERS, DECEMBER 31, 2012

Name	Number of shares	Proportion of shares and votes, %
Ingman Group Oy Ab	5,050,000	25.03
Mönkkönen Tapani	4,152,100	20.58
Oy Fincorp Ab	2,153,700	10.67
Hornborg Heikki	1,088,320	5.39
Danske Fund Finnish Small Cap	926,635	4.59
Varma Mutual Pension Insurance Company	821,328	4.07
Etteplan Oyj	471,302	2.34
Tuori Klaus	351,000	1.74
Tuori Aino	256,896	1.27
Hakakari Tapio/Webstor Oy	423,146	2.10
Kempe Anna	220,000	1.09
Mandatum Life Unit-Linked	197,556	0.98
Nordea Finland Small Cap Fund	185,634	0.92
Tuori Kaius	173,370	0.86
Evli Bank Plc	154,395	0.77
Kempe Lasse	100,000	0.50
Kempe Pia	98,700	0.49
Nelimarkka Heikki Antero	72,600	0.36
Torén Håkan	68,800	0.34
Koskentausta Tuula	66,348	0.33
Other shareholders	3,147,584	15.60
Total	**20,179,414**	**100.00**
Nominee-registrated shares	350,186	1.74

BREAKDOWN OF SHAREHOLDINGS BY OWNER GROUP, DECEMBER 31, 2012

Name of the sector	Number of shareholders	Number of shares	Number of nominee-registrated shares	Proportion of shares and votes, %
National economy total (domestic sector)				
Companies	116	8,252,338	13,421	40.96
Financial and insurance institutions	12	1,479,240	255,401	8.60
Public sector entities	3	836,828	0	4.15
Households	1,707	9,133,119	0	45.26
Non-profit institutions	8	41,576	0	0.21
Foreigners				
European Union	13	15,991	81,634	0.48
Other countries and international organizations	3	70,136	0	0.35
Total	**1,862**	**19,829,228**	**350,186**	**100.00**

BREAKDOWN OF SHAREHOLDINGS BY SIZE CLASS, DECEMBER 31, 2012

Number of shares	Number of shareholders	Proportion of shareholders, %	Number of shares	Proportion of shares and votes, %
1-100	169	9.08	9,246	0.05
101-500	801	43.02	271,218	1.34
501-1 000	372	19.98	304,915	1.51
1 001-5 000	392	21.05	908,720	4.50
5 001-10 000	62	3.33	458,986	2.28
10 001-50 000	42	2.26	892,058	4.42
50 001-100 000	7	0.38	528,988	2.62
100 001-500 000	11	0.59	2,613,200	12.95
500 001-	6	0.32	14,192,083	70.33
Total	**1,862**	**100.00**	**20,179,414**	**100.00**

BOARD OF DIRECTORS' DIVIDEND PROPOSAL

At December 31, 2012, the parent company's distributable shareholders' equity amounted to EUR 13.2 million, of which the net profit for the financial year was EUR 3.7 million.

The Board of Directors proposes that from the distributable funds at the disposal of the Annual General Meeting, a dividend of EUR 0.15 per share be paid on the Company's externally owned shares, to a total amount of EUR 3.0 million. Dividend will not be paid out to shares that are company-held on the record date of dividend payout, April 3, 2013.

No substantial changes have occurred in the financial position of the Company since the end of the financial year. The Company's liquidity is good and the Board of Directors judges that the proposed distribution of dividend will not endanger the Company's solvency.

It is proposed that the dividend be paid on April 10, 2013.

Vantaa, February 14, 2013

Heikki Hornborg Chairman of the Board	Tapio Hakakari Member of the Board	Robert Ingman Member of the Board
Pertti Nupponen Member of the Board	Satu Rautavalta Member of the Board	Teuvo Rintamäki Member of the Board

AUDITOR'S REPORT (Translation from the Finnish Original)

TO THE ANNUAL GENERAL MEETING OF ETTEPLAN OYJ

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Etteplan Oyj for the year ended 31 December, 2012. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Turku, February 28th 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mika Kaarisalo
Authorised Public Accountant

CORPORATE GOVERNANCE STATEMENT

This corporate governance statement has been prepared in accordance with recommendation 54 of the Finnish Corporate Governance Code. The corporate governance statement has been prepared as a part of annual report and it is also available separately on the company's webpage www.etteplan.com. Etteplan's Board of Directors' has reviewed this corporate governance statement. Etteplan Oyj's external auditor, PricewaterhouseCoopers Oy, has checked that this statement has been issued and that the description of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with Etteplan Oyj's financial statements.

General governance principles

Etteplan Oyj is a Finnish public limited company that in its decision-making and governance complies with the Finnish Companies Act, other legislation concerning publicly listed companies, and the Articles of Association of Etteplan Oyj.

The Company is a publicly listed company that abides by the regulations of NASDAQ OMX Helsinki Ltd. Etteplan complies with the Finnish Corporate Governance Code 2010 published by the Securities Market Association, with the exception of recommendations 24 (Establishment of the audit committee), 25 (Members of the audit committee), 26 (Independence of the members of the audit committee) and 27 (Duties of the audit committee), because the Company does not have an Audit Committee. The Finnish Corporate Governance code is available on the Securities Market Association's website at www.cgfinland.fi.

Supervision and management of the Company is divided among the General Meeting of Shareholders, the Board of Directors, and the CEO.

GENERAL MEETING

The shareholders exercise their decision-making power at the General Meeting. The Company must hold one Annual General Meeting for shareholders annually, by the end of June. If necessary, an Extraordinary Meeting of Shareholders is held. A shareholder may exercise his/her right to speak, ask questions and vote at the General Meeting. The matters to be considered at the Annual General Meeting (AGM) are specified in section 8 of Etteplan's Articles of Association and in Chapter 5, Section 3 of the Companies Act.

Decisions by the General Meeting are published without delay after the meeting by a stock exchange release and on the Company's webpage at www.etteplan.com.

Information on General Meetings to Shareholders

The Board shall convene the Annual General Meeting or an Extraordinary General Meeting with a summons to be published on the Company's webpage at www.etteplan.com. The summons must list the agenda for the meeting. The Board may also decide to publish the invitation to the General Meeting in a one Finnish national newspaper, determined by the Board. The summons to a meeting and the Board's proposals for the meeting are also published as a stock exchange release.

The notice of the General Meeting includes a proposal for the agenda of the meeting. The notice of the General Meeting, documents to be submitted to the General Meeting and draft resolutions to the General Meeting will be available on the Company webpage at least three weeks before the General Meeting.

The Company will disclose on its webpage the date by which a shareholder shall notify the Board of Directors of the Company of an issue that he or she demands to be included in the agenda of the Annual General Meeting.

The minutes of the General Meeting shall be posted on the Company webpage within two weeks of the General Meeting. The documents related to the General Meeting shall be available on the Company webpage at least for three months after the General Meeting.

Organization of the General Meeting

According to Company's Articles of Association the General Meeting shall be held in the Company's domicile or in Lahti, Vantaa or in Helsinki as decided by the Board of Directors of the Company.

To be able to participate in General Meeting, a shareholder must be registered on the record date in the Etteplan Oyj's shareholder register, maintained by Euroclear Finland Ltd. A nominee-registered shareholder who intends to take part in General Meeting is advised to request the necessary instructions regarding entry in the company's shareholder register and the issuing of proxy documents from their account holder. A notification by a holder of nominee-registered shares for temporary inclusion in the Company's shareholders' register is perceived as prior notice of participation in the General Meeting.

Shareholders must register for a General Meeting in advance, within the time prescribed in the summons. A shareholder may participate in a General Meeting personally or through a duly authorized proxy. The proxy must present a power-of-attorney form for such authorization. Upon registration for a General Meeting, the shareholder must report to the Company any powers of attorney issued. The shareholder and proxy may have an assistant present at the meeting.

Attendance of the Board of Directors, Managing Director and Auditor at the General Meeting

The Chairman of the Board of Directors and a sufficient number of members of the Board and its Committees as well as the CEO shall attend the General Meeting. In addition, the Auditor shall be present at the Annual General Meeting.

Attendance of a prospective Director at a General Meeting

A person proposed for the first time as Director shall participate in the General Meeting that decides on his or her election unless there are well-founded reasons for absence.

Shareholder agreements

A shareholder agreement is an agreement among the shareholders of a company on the company's governance and management. A shareholder agreement can be made when a company is established or during the time of its operation. A shareholder agreement is binding between the shareholders. A shareholder agreement does not bind the company itself unless the company is included in the agreement. In general the Board of Directors approves a shareholder agreement on behalf of the company.

Etteplan has not made a shareholder agreement nor is the Company aware of possible shareholder agreements.

BOARD

The Board of Directors is responsible for the Company's management and for the due organization of the Company's operations in accordance with the relevant legislation and the Company's Articles of Association. The Board of Directors controls and monitors the Company's operational management; appoints and dismisses the CEO; and approves the major decisions affecting the Company's strategy, capital expenditures, organization, remuneration and bonus systems covering the management, and finances.

Charter of the Board

As part of the Company's corporate governance, the Etteplan Oyj Board of Directors has approved written rules of procedure to control Board work. The Board's rules of procedure complement the stipulations of the Finnish Companies Act and the Articles of Association of the Company. Charter of the Board is presented on the Company's webpage at www.etteplan.com.

Meetings of the Board

The Board meets as often as appropriate fulfilment of its obligations requires.

The Etteplan Board of Directors met 11 times in 2012. In addition to the members of the Board, the Company's CEO attended Board meetings as the Secretary to the Board. Since all Board members attended all meetings the attendance percentage at the meetings was 100 per cent.

Performance evaluation of the Board

On an annual basis, the Board of Directors assesses its activities and work practices. The Board specifies the criteria to be used in the assessment, which is carried out as internal self-evaluation. The results of these activities are handled by the Board.

Composition of the Directors

The Annual General Meeting elects the members of the Board of Directors. The Nomination and Remuneration Committee of the Board of Directors of Etteplan Oyj prepares a list of proposed members of the Board of Directors for consideration by the Annual General Meeting. The Board-proposed candidates are reported upon in the summons to the meeting and on the Company's webpage.

According to the Articles of Association, the Board of Directors shall have a minimum of three and a maximum of seven members. The Board of Directors shall be elected for a term of one year at the Annual General Meeting.

In accordance with the proposal of the Board of Directors´ Nomination and Remuneration Committee the Annual General Meeting held on 30 March 2012 re-elected Tapio Hakakari, Heikki Hornborg, Robert Ingman, Pertti Nupponen, Satu Rautavalta and Teuvo Rintamäki as members of the Board of Directors.

The Board of Directors of Etteplan Oyj has in its meeting on March 30, 2012 elected Heikki Hornborg as Chairman of the Board and Robert Ingman as Vice Chairman of the Board.

Independence of Directors

The majority of the Directors shall be independent of the Company. In addition, at least two of the Directors representing this majority shall be independent of significant shareholders of the Company.

The Board shall evaluate the independence of the Directors and report which of them are independent of the Company and which are independent of significant shareholders.

Tapio Hakakari, Heikki Hornborg, Robert Ingman, Pertti Nupponen, Satu Rautavalta and Teuvo Rintamäki are independent of the Company.

Tapio Hakakari, Heikki Hornborg, Pertti Nupponen, Satu Rautavalta and Teuvo Rintamäki are independent of significant shareholders.

Information reported on Directors

Biographical details and information on the holdings of the Board of Directors are presented on the Company's webpage at www.etteplan.com and in Annual Report 2012 on page 92.

BOARD COMMITTEES

Nomination and Remuneration Committee

The Board of Directors of Etteplan Oyj has appointed a Nomination and Remuneration Committee among the Directors. The Board has confirmed the central duties and operating principles of the committee in a written chapter. Charter of the Committee is presented on the Company's webpage at www.etteplan.com. The Nomination and Remuneration Committee reports regularly on its work to the Board.

The task of the Nomination and Remuneration Committee is to assist the Board of Directors in matters related to the appointment and compensation of the Company's CEO, the deputy CEO and other executives. In addition, the committee prepares for the Annual General Meeting a proposal on the number of Board members, Board composition and Board member compensation. The committee also recommends, prepares and proposes to the Board the CEO's and the deputy CEO's nomination, salary and compensation, and further evaluates and provides the Board and the CEO with recommendations concerning management and employees rewards and compensation systems.

The committee consists of three members of the Board of Directors. It convenes on a regular basis at least once a year. The Committee Chairman provides the Board with the proposals made by the committee.

Since the Annual General Meeting of 2012, Tapio Hakakari has been Chairman of the Nomination and Remuneration Committee and Heikki Hornborg and Robert Ingman as members of the Committee. All members of the Committee are independent of the Company.

The Nomination and Remuneration Committee met 3 times during 2012. All members of the Nomination and Remuneration Committee attended all the meetings.

CEO

The Board of Directors appoints the CEO and terminates this employment, as well as monitors the CEO's activities. The parent Company's CEO furthermore acts as the Group's Chief Executive Officer. The CEO is responsible for managing the Group's day-to-day operations in accordance with the rules and instructions issued by the Board of Directors. The CEO may take measures that are unusual and far-reaching with regard to the scope and nature of the Company's operations, but only with authorization from the Board of Directors. The CEO is responsible for ensuring that the Company's accounting complies with the applicable legislation and that its asset management is arranged in a reliable manner.

A written CEO agreement, which has been approved by the Board, has been drawn up for the CEO.

M. Sc. (Eng) Juha Näkki has been the Company's President and CEO from the beginning of 2012. He has not been a member of the Board of Directors, but he has attended Board meetings as the Secretary to the Board. Juha Näkki's biographical details and information on the holdings are presented on the Company's webpage at www.etteplan.com and in Annual Report 2012 on page 93.

OTHER EXECUTIVES

The CEO appoints members to the Management Group who are appropriate from the standpoint of line operations. The Management Group assists the CEO and also develops and monitors all matters entrusted to the Company's management, including those connected with the Group and business unit strategies, acquisitions and major capital expenditures, divestments, the Company's image, monthly reporting, interim reports, investor relations, and the main principles of the human resource policy. The Board of Directors approves the appointment of the Management Group members. The members of the Management Group report to the President and CEO.

In addition to President and CEO Juha Näkki Etteplan Oyj's Management Group consists of Robert Berg, Senior Vice President, Solutions and Business Development, Per-Anders Gådin, Senior Vice President, Finance & IT, Veikko Lamminen, Senior Vice President, Operations Finland, Outi-Maria Liedes, Senior Vice President, Communications & Operational Development and Mikael Vatn, Senior Vice President, Operations Sweden.

Biographical details and information on the holdings of the members of the Management Group are presented on the Company's webpage at www.etteplan.com and in Annual Report 2012 on page 93.

REMUNERATION

Principles applied to remuneration schemes

The goal of remuneration schemes is to promote competitiveness and long-term financial success of the Company and to contribute to the favourable development of shareholder value. Remuneration schemes are based on predetermined and measurable performance and result criteria.

The task of Board's Nomination and Remuneration Committee is to assist the Board of Directors in matters related to the remuneration of the Company's CEO, the deputy CEO and other executives and to prepare matters related to the reward schemes for employees.

Decision-making process

The General Meeting shall decide on the remuneration payable for Board and Committee work as well as the basis for its determination. The Nomination and Remuneration Committee has been assigned the duty of preparing the remuneration of the Board. The Board of Directors shall decide on the remuneration of the CEO as well as other compensation payable to him or her. The compensation principles for the Management Group are determined by the CEO in cooperation with the Board of Directors.

Remuneration of the Board of Directors

According to the resolution passed by the Annual General Meeting of 2012, the remuneration for each member of the Board of Directors is 600 euros per meeting and for the Chairman of the Board of Directors 1,200 euros per meeting. In addition, each member of the Board receives 1,700 euros per month and the Chairman of the Board of Directors 3,400 euros per month. Daily allowances and travel expenses are paid to the Board members according to the Company's travel policy.

According to the resolution passed by the Annual General Meeting of 2012, the remuneration for each member of the Nomination and Remuneration Committee is 600 euros per meeting and for the Chairman of the Nomination and Remuneration Committee 1,200 euros per meeting. In addition daily allowances and travel expenses are paid for the meetings to the committee members according to the Company's travel policy.

Remuneration for Board and Committee work is not paid in the form of Company shares and the Board members are not in the target group of Company's share-based incentive plan.

Remuneration of the CEO and other executives

The CEO's compensation consists of a basic salary and a yearly bonus decided annually by the Board on the basis of the Group's financial result and other key targets. The maximum amount of yearly bonus is decided annually. In addition the CEO has car and phone benefits. The CEO belongs to the target group of a share-based incentive plan for the key employees of Etteplan Group. Statutory retirement age applies to the CEO. In the event of dismissal, the CEO is at the most entitled to receive compensation equivalent to 18 months' salary which includes the salary for a six-month term of notice.

No changes have occurred in the CEO's compensation principles in connection with the CEO change on January 1, 2012.

The system of compensation for the members of the Management Group includes a base salary and a performance based bonus. The principles for performance based bonus are decided annually. In 2012 the bonus was based on Company's operating profit, operative cash flow and strategic goals. The maximum of the yearly bonus is 50-100 percent of the recipient's annual salary depending on the member's duties. Members of the Management Group are included in the share-based incentive plan for the Company's key personnel. No separate agreement has been made regarding early retirement for members of the Management Group. In the event of dismissal, a Management Group member is at the most entitled to receive compensation equivalent to 10 months' salary which includes the salary for a four-month term of notice.

Information on the service contract of the CEO

In 2012, President and CEO Juha Näkki's basic salary was EUR 213,901 In 2012, his car, phone and medical expenses insurance benefits totaled to EUR 12,902. In addition, EUR 125,698 performance based bonus accrued from year 2011 was paid to President and CEO in 2012.

According to the resolution made by the Board of Directors of Etteplan Oyj no company-held shares were disposed in 2012 for the 2011 earnings period of the share-based incentive plan.

In 2012 no additional accrual basis pension insurance policy was paid for the President and CEO Juha Näkki.

Share-based incentive plan

The Board of Directors of Etteplan Oyj decided on a new share-based incentive plan for the Group key personnel in March 2011. The share-based incentive plan offers the target group the opportunity to receive Etteplan Oyj shares as remuneration for achieving the set targets.

The plan includes three earning periods: calendar years 2011, 2012 and 2013. The amount of remunerations paid is tied to the objectives that are set annually. The Board is authorized to make decisions related to the share-based incentive plan by earnings period.

At the beginning of each earnings period, the Board of Directors reviews the target group and specifies the maximum number of shares per person that can be earned. Remunerations paid out from the incentive plan are paid in three instalments, partly as company shares and partly in cash. The part paid in cash covers the taxes and tax-like fees paid for the remuneration. An earnings period is followed by a mandatory two-year ownership period. The rewards to be paid on the basis of the plan from all earning periods 2011, 2012 and 2013 will correspond to the value of an approximate maximum total of 810,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

If a key person's employment ends during the restriction period, the shares must be returned to the Company without compensation.

In 2011 16 people belonged to the target group of the plan. The earnings criteria of the earning period 2011 were the Etteplan Group´s operating profit (EBIT) and revenue. The Company did not dispose company-held shares for the 2011 earnings period to the employees who were part of share-based incentive plan.

In 2012 17 people belonged to the target group of the plan. The earnings criteria of the earning period 2012 were Etteplan Group´s operating profit (EBIT). The Board of Directors of Etteplan Oyj has in its meeting held on February 14, 2013 made a resolution upon disposal of company-held shares pursuant to the authorization granted to it by the Annual General Meeting of Shareholders' held on March 30, 2012. According to the resolution made by the Board of Directors, Etteplan Oyj will dispose 9,752 company-held shares as remuneration for the 2012 earnings period to the target group of the share-based incentive plan on April 30, 2013. In addition the part that covers the taxes and tax-like fees paid for the remuneration are paid in cash.

Remuneration Statement

A remuneration statement is available on Company's webpage at www.etteplan.com. The statement is updated regularly.

INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT

The objective of Etteplan Oyj's internal control and risk management is to ensure that the Company's operations are efficient and profitable, its information is reliable, and it complies with appropriate regulations and operating principles. The objectives also include identification, assessment, and monitoring of risks related to business operations. Internal audit helps to improve the efficient fulfilment of the Board's supervision obligation.

Operating principles of internal control

The Board ensures that the Company has defined the operating principles of internal control and monitors the function of such control.

Organization of risk management

Management and mitigation of the impact of risks is one of the Group's main principles of operation. The Board of Directors and the Management Group monitor the development of risks and concentrations of risk. The Group's financial administration operations monitor and assess operational and financial risks and take measures to avert them in cooperation with the Board of Directors, the Management Group, and the management personnel responsible for design work.

Etteplan Group implemented a large risk assessment in 2011. Risks and risk management are presented on Company's webpage at www.etteplan.com and in Annual report 2012 on pages 27-29.

Reviews concerning financing risks are presented in the notes to the consolidated financial statements in the Annual Report 2012 on pages 47-49.

Internal audit

Etteplan Group does not have separate internal audit function. The Board can engage external advisors to perform evaluations relating to control environment or other activities.

Description of the main features of the internal control and risk management systems pertaining to the financial reporting process

Etteplan prepares consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards, as adopted by EU, the Securities Markets Acts as well as the appropriate Financial Supervision Authority Standards and NASDAQ OMX Helsinki Ltd's rules. The Report of the Board of Directors of Etteplan and parent company financial statements are prepared in accordance with Finnish Accounting Act and the opinions and guidelines of the Finnish Accounting Board.

Etteplan Group has a group level accounting policies and instructions that are applicable for all group companies and according to which group financial reporting is prepared. Together with reporting calendar and schedules, accounting policies and instructions form the framework for timely and correct group reporting. Etteplan's business operations are in all material respects located in Finland, Sweden, China and the Netherlands and all countries have local accounting and financial reporting organisations, systems and reporting to the Group. Internal control and risk management systems and practices as described below are designed to ensure that the financial reports as disclosed by the Company give essentially correct information about the Company finances.

Etteplan has a common group consolidation system. Accounting data is transferred from the local accounting systems either automatically or manually and correctness is controlled by the group accounting team. Common chart of accounts forms the basis of group reporting. Group accounting, consolidation and published financial reports are prepared by the centralised team.

Internal control over financial reporting

Proper arrangement and monitoring of internal control is the responsibility of the local management in accordance with the group framework. Etteplan Board of Directors has approved operating principles of internal control, which have been prepared in accordance with the Code recommendation 48. Operating principles include the main features of risk management process, summary of risks, control objectives and common control points for financial reporting as well as roles and responsibilities in executing and monitoring internal control in Etteplan.

Internal controls over financial reporting process at the country and group level was a focus area in 2009. Since then the processes have been reviewed and updated annually. Etteplan finance organisation has analysed process risks and defined control objectives for external financial reporting process. Existing control points in the process have been documented. These control points include for example reconciliations, authorisations, analysis, and segregation of key accounting duties. The work has been led by the Group CFO.

According to its annual clock, Management Group has monthly meetings where also financial performance and financial reporting are analysed. Prior to these meetings, financial reports have been analysed in the business group level to detect any irregularities or errors. Group level financial reports are prepared to the Etteplan Board on a monthly basis. The Board also reviews and approves interim financial reports, annual results report and financial statements.

Etteplan does not have separate internal audit function. The Board can engage external advisors to perform evaluations relating to control environment or other activities.

INSIDER ADMINISTRATION

The Etteplan Oyj Board of Directors has approved insider regulations for the Company. The regulations are based on the Finnish Securities Markets Act, and they comply with the standards of Financial Supervision and the Guidelines issued by the NASDAQ OMX Helsinki Ltd, which took effect on October 9, 2009. In accordance with the Finnish Securities Markets Act, Etteplan Oyj's insiders are defined to consist of insiders with the duty to declare their interests, permanent company-specific insiders, and project-specific insiders.

Because of the nature of their position, also among Etteplan's statutory insiders are the members of the Board of Directors, the CEO, and the Chief Auditor from the chosen auditing firm (a company of independent public accountants). Moreover, the members of the Management Group are entered in the public insider register.

The Company maintains a permanent company-specific insider register, which includes front-line managers for business operations, financial administration personnel, and those working for the Company on the basis of an employment or other contract who receive insider information.

A project-specific insider register is created by decision of the Board of Directors, the CEO, or the Management Group.

The Company's insider guidelines direct insiders to restrict their trading in the Company's shares to times when the markets have as precise information as possible on the factors influencing the value of shares in the Company. Consequently, persons included in Etteplan's insider registers are always prohibited from trading with company securities during 28 days before the publication of interim reports and financial statement release, including the day of publication (the closed window). During other times i.e. as of the day following the publication of interim reports and financial statement release there is an open window during which permanent insiders are allowed to trade. Even then it is provided that they do not possess insider information.

Maintenance of the public insider register of Etteplan Oyj is the responsibility of the Chief Financial Officer, who is responsible for compliance with insider regulations and fulfilment of duties to report. Etteplan Oyj's insider registers are maintained by the Company's head office, which updates the information that, as required by law, is entered in the public insider register for Euroclear Finland Ltd pertaining to insiders with the duty to declare.

Information on insider holdings

Information about the holdings of Etteplan Oyj insiders with the duty to declare is retained at the company's webpage at www.etteplan.com. The insider registers of issuers are on public display at Euroclear Finland Ltd (previously Finnish Central Securities Depository), Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland.

AUDIT

The primary duty of statutory auditing is to verify that the financial statements give correct and sufficient information about the Group's profit and financial situation for the financial year. Etteplan Oyj's financial year is the calendar year. The auditor is responsible for auditing the Company's accounts and the correctness of its financial statements during the financial year, and for issuing an auditor's report to the Annual General Meeting.

A summary of the Group's audit report is compiled for the Board of Directors. Also, the auditors of all Group companies report separately to the management of each company within the Group. The auditor attends at least one meeting of the Board of Directors in the relevant financial year.

The Annual General Meeting elects one regular auditor to audit corporate governance and accounts. The auditor must be a firm of independent public accountants so authorized by the Central Chamber of Commerce. In 2012, the Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of authorized public accountants, with Mika Kaarisalo, APA, acting as Chief Auditor. The auditor's term ends at the conclusion of the first Annual General Meeting after the election.

Audit fees and services not related to auditing

According to the resolution made by the Annual General Meeting 2012 the fees for the auditor are paid according to invoice approved by the Company.

The audit fees paid in 2012 totalled 108,412 euros (in 2011: 58,975 euros). In addition, 148,238 euros was paid to the firm for services not related to auditing (in 2011: 74,996 euros).

COMMUNICATIONS

It is Etteplan Oyj's principle to be open, truthful and quick in all communications. The primary objective of the Company's investor information is to provide the market with information about the Group's operations and financial standing. The goal is to give all stakeholder groups correct and uniform information in a regular and balanced manner.

Silent period

Etteplan Oyj follows a so-called silent period before publication of interim reports and financial statement releases. The duration of the silent period is 28 days.

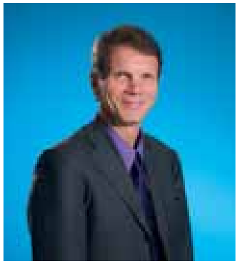
Distribution of investor information

Etteplan publishes all of its investor information on the Company's webpage at www.etteplan.com. Financial releases will be made available immediately after publication. They will be published in Finnish and English.

BOARD OF DIRECTORS

Heikki Hornborg

Tapio Hakakari



Robert Ingman

Pertti Nupponen

Satu Rautavalta

Teuvo Rintamäki

HEIKKI HORNBORG b. 1949, M.Sc. (Eng.)
Chairman of the Board of Directors since 2008, Board member 1985-1991 and since 1997, member of Nomination and Remuneration Committee. Independent of the company and significant shareholders.

- Chief Executive Officer of Etteplan Oyj 1985-1989 and 1997-2007, Technical Director and Plant Manager of Lohja Caravans Oy 1991-1997, Technical Director of Wärtsilä Sanitec Oy 1989-1991 and Production Manager of Kone Oy 1982-1985
- Chairman of the Board of Directors: Finnish Association of Consulting Firms SKOL 2008-2011
- Member of the Board of Directors: Confederation of Finnish Industries EK 2010-2012, The Federation of Finnish Technology Industries 2011-, Vahterus Oy 2009-
- Number of Etteplan shares, December 31, 2012: 1,088,320, no holdings of interest parties

TAPIO HAKAKARI b. 1953, LL.M.
Board member since 2004, Chairman of Nomination and Remuneration Committee. Independent of the company and significant shareholders.

- Interim President and CEO of Cargotec Corporation 10/2012-2/2013, Director, Secretary to the Board of Directors of KONE Corporation, 1998-2006, Director Administration of KCI Konecranes Plc, 1994-1998, worked for KONE Corporation 1983-1994
- Chairman of the Board of Directors: Enfo Oyj 2007-, Esperi Care Oy 2006-2010
- Vice Chairman of the Board of Directors: Cargotec Corporation 2009- (member of the Board since 2005)
- Member of the Board of Directors: Martela Oyj 2003-, Hollming Oy 2008-, Havator Holding Oy 2007-2010, Opteam Yhtiöt Oy 2011-
- Number of Etteplan shares, December 31, 2012: 200,000, holding of interest parties: 223,146

ROBERT INGMAN b. 1961, M.Sc. (Eng.), M.Sc. (Economics)
Board member since 2009, member of Nomination and Remuneration Committee. Independent of the company.

- Managing Director of Arla Ingman Oy Ab 2007-2011, Managing Director of Ingman Foods Oy Ab 1997-2006 and CFO of Oy Hj. Ingman Ab, Kotisaari-Ingman Oy Ab 1986-1997
- Chairman of the Board of Directors: Ingman Group Oy Ab 2008-, Ingman Finance Oy Ab 2009-, Ingman Ice Cream Oy Ab 2009-2011, Halti Oy 2012-
- Member of the Board of Directors: Digia Oyj 2010-, Evli Pankki Oyj 2010-, M-Brain Oy 2011-
- Number of Etteplan shares, December 31, 2012: 30,000, holdings of interest parties 2,000

PERTTI NUPPONEN b. 1961, D.Sc. (Econ. & Bus. Adm.), M.Sc. (Tech.)
Board member since 2005. Independent of the company and significant shareholders.

- Group Vice President, Scandinavian and Eastern Branch of Consolis SAS 2010-2012, Group Vice President, Scandinavian Branch of Consolis SAS 2006-2010, Chief Financial Officer of Consolis Oy Ab 2002-2005, Senior Vice President, Corporate Development of Sanitec Oyj Abp 2000-2002 and Vice President, Controlling of Sanitec Oyj Abp 1998-1999
- Number of Etteplan shares, December 31, 2012: 2,000, holdings of interest parties: 37,794 (nominee registered)

SATU RAUTAVALTA b. 1970, M.Sc. (Economics)
Board member since 2010. Independent of the company and significant shareholders.

- Director, Operations, Oy Orasel Ltd since 2010
- Marketing manager, Oy Orasel Ltd 2007-2010, Independent consultant 2004-2007, Sales Secretary, Marketing Coordinator of KCI Konecranes Oyj, Houston Texas and Hyvinkää Finland 1997-2003
- Member of the Board of Directors: Movelift Oy 2003-, Oy Orasel Ltd 2011-
- Number of Etteplan shares, December 31, 2012: 2,000, holdings of interest parties 504

TEUVO RINTAMÄKI b. 1955, M.Sc. (Economics)
Board member since 2010. Independent of the company and significant shareholders.

- Advisor, Independent Investor since 2008
- CFO of Konecranes Plc 1999–2007, Executive Director of Konecranes region Western Europe 1997-1999, Financial Director of Konecranes Group 1994-1996, Financial Director of KONE Crane Division 1988-1994, Executive Vice President of R&M Materials Handling Inc. (Springfield Ohio, USA) 1986-1988 and Controller and Financial Manager in various operating units of KONE Oy 1980-1986
- Member of the Board of Directors: TM Voima Oy 2012-, TM Voima Service Oy 2012-
- Number of Etteplan shares, December 31, 2012: 41,128, holdings of interest parties: 1, 700

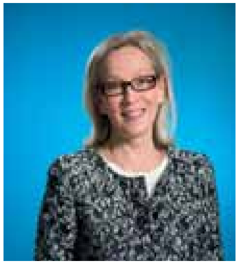
MANAGEMENT GROUP


Juha Näkki


Robert Berg


Per-Anders Gådin


Veikko Lamminen


Outi-Maria Liedes


Mikael Vatn

JUHA NÄKKI b. 1973, M.Sc. (Eng.)
Chairman of the Management Group since 2012, member of the Management Group since 2008, member of the Extended Management Group since 2006

- President and CEO of Etteplan Oyj since 2012
- Vice President of Etteplan Oyj 2005-2011, Marine Business Manager of KONE Corporation 2004-2005, Sales Manager of Evac Oy 2002-2004, Project Coordinator and System Responsible Engineer HVAC Engineering of Kvaerner Masa-Yards 1999-2002
- Number of Etteplan shares, December 31, 2012: 9,726, no holdings of interest parties

ROBERT BERG b. 1969, M.Sc. (EE)
Member of the Management Group since 2012

- Senior Vice President, Solutions and Business Development of Etteplan Oyj since 2012
- Vice President Accounts and Business Development of Laird Technologies 2008-2012, General Manager Mobile Antenna Systems SBU of Laird Technologies 2007, Business Director of Laird Technologies 2005-2006, Sales Director of Centurion Wireless Technologies 2003-2004, Sales Director of Allgon Mobile Communications 2001-2002, Managing Director of Allgon Telecom K.K. 1999-2000, Manager RF Design of Allgon Mobile Communications 1996-1998, RF Engineer of Allgon Mobile Communications 1995-1996, Development Engineer of IBM 1994
- Number of Etteplan shares, December 31, 2012: 0, no holdings of interest parties

PER-ANDERS GÅDIN b. 1965, M.Sc (EP), BBA
Member of the Management Group since 2009

- CFO, Senior Vice President of Etteplan Oyj since 2012
- CFO, Vice President of Etteplan Oyj 2009-2012, CFO of Etteplan Industry AB 2002-2008, Manager of Etteplan Industry AB 1999-2002 and Project Manager of ABB 1993-1998
- Number of Etteplan shares, December 31, 2012: 6,490, no holdings of interest parties

VEIKKO LAMMINEN b. 1960, B.Sc. (Eng.)
Member of the Management Group since 2012,
member of the Extended Management Group since 2010

- Senior Vice President of Etteplan Oyj since 2012
- Business Unit Director of Etteplan Oyj 2009-2012, Regional Manager of Etteplan Oyj 2005-2008, Manager, Project Operations & IT of Cimcorp Oy 2003-2005, Manager, Engineering of Cimcorp Oy 1993-2003
- Number of Etteplan shares, December 31, 2012: 890, no holdings of interest parties

OUTI-MARIA LIEDES b. 1956, M.Sc. (Eng.), MBA
Member of the Management Group since 2008

- Senior Vice President, Communications and Operational Development of Etteplan Oyj since 2012
- Vice President, Human Resources and Communications of Etteplan Oyj 2008-2012, Independent consultant 2007, Managing Director, Stockholm School of Economics Executive Education Finland 2003–2006, Senior Vice President, Corporate Communications and IR, KONE Corporation 2002–2003 and Senior Vice President, Corporate Communications and IR, Partek Oyj 2001–2002, Finnish Institute of Management LIFIRM Acting Managing Director 2000, Ministry of Education Special Government Advisor 1999
- Number of Etteplan shares, December 31, 2012: 2,226, no holdings of interest parties

MIKAEL VATN b. 1967, B.Sc. (Eng.)
Member of the Management Group since 2012

- Senior Vice President of Etteplan Oyj since 2012
- General Manager of Etteplan Oyj's Swedish operations 2011-2012, CEO of Securitas Direct Sverige AB 2009-2010, CEO and Business Unit Manager of EnergoRetea 1998-2008, Project Manager of Alcatel Telecom AB 1997-1998, Officer in the Swedish Armed Forces 1988-1997
- Member of the Board of Directors: Tyréns AB since 2009
- Number of Etteplan shares, December 31, 2012: 2,000, no holdings of interest parties

INVESTOR INFORMATION

ETTEPLAN AS AN INVESTMENT

Etteplan is a specialist in industrial equipment engineering and technical product information solutions and services. Etteplan's engineering expertise and service products cover the entire life cycle of the client's products. Our customers are global leaders in their fields and operate in areas like the automotive, aerospace and defense industries as well as the electricity generation and power transmission sectors, and material flow management.

Etteplan has comprehensive competence in electronics and embedded systems development, automation and electrical design, mechanical design and technical product information solutions and services.

Etteplan's shares are listed in NASDAQ OMX Helsinki's Small cap market capitalization group in the Industrials sector under the ETT1V ticker. The total number of shares was 20,179,414 on December 31, 2012.

ETTEPLAN'S INVESTOR RELATIONS POLICY

The ultimate objective of Etteplan's Investor Relations is to produce accurate, sufficient and up-to-date information about the development of Etteplan's strategy, business operations, markets and financial position to ensure that the capital markets have relevant information about the company and its shares in order to determine the fair value of Etteplan's shares. To reach this objective Etteplan annually publishes three interim reports, a financial statement release, an annual report and stock exchange releases. The web pages serve as an archive for all current and historical data that potentially affect the value of Etteplan shares.

PUBLICATION OF FINANCIAL INFORMATION

Etteplan Oyj publishes financial reports and releases in Finnish and English. Financial reports and releases will be made available at www.etteplan.com immediately after their publication.

PROSPECTS

Information on Etteplan's prospects and result forecast is published in the financial statements release for the financial year (and repeated also in the annual report) and in the interim reports. The prospects are approved by the Board of Directors. Etteplan does not publish quarterly result forecasts.

MARKET ESTIMATES

The company will review, upon request by an analyst, his or her earnings model or report only for factual accuracy or information that is in the public domain. Etteplan does not comment or take any responsibility for estimates or forecasts published by capital market representatives.

SILENT PERIOD

Etteplan observes a silent period of 28 days prior to the announcement of financial results. During this period Etteplan's officers and employees refrain from making any contacts or comments to investors, analysts and the media about the company's business prospects, financial results, or projections.

If any incident that arises during a closed period is subject to timely disclosure, Etteplan will, however, without undue delay disclose the information according to the disclosure regulations and may comment that particular matter.

INVESTOR RELATIONS CONTACT

President and CEO Juha Näkki, Senior Vice President, Communications and Operational Development Outi-Maria Liedes and Chief Financial Officer Per-Anders Gådin are responsible for Etteplan's investor relations.

Meeting requests with the top management can be addressed to Executive Assistant Katariina Martikainen, tel. +358 10 307 2006 or katariina.martikainen(at)etteplan.com.

ANALYSTS FOLLOWING ETTEPLAN

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Antti Kansanen
P.O. Box 1081 (Aleksanterinkatu 19 A)
FI-00101 Helsinki, Finland
Tel. +358 9 4766 9149

Nordea Bank Plc
Pasi Väisänen
Aleksis Kiven katu 9, Helsinki
FI-00020 Nordea, Finland
Tel. +358 9 1655 9943

Pohjola Bank Plc
Niclas Catani
P.O. Box 308 (Teollisuuskatu 1b)
FI-00101 Helsinki, Finland
Tel. +358 10 252 8780

INFORMATION FOR SHAREHOLDERS

GENERAL MEETING OF SHAREHOLDERS

The Etteplan Oyj Annual General Meeting will be held on Wednesday, March 27, 2013, starting at 1 p.m. at the Company premises in Vantaa at Ensimmäinen savu, 01510 Vantaa.

Invitation to the General Meeting of Shareholders shall be published according to Etteplan Oyj's Articles of Association on the company webpage at www.etteplan.com.

RIGHT TO ATTEND

Every shareholder who on March 15, 2013, has been registered as a shareholder in the list of shareholders kept by Euroclear Finland Ltd has the right to participate in the Annual General Meeting.

NOTIFICATION OF ATTENDEES

To be able to participate in the Annual General Meeting, the shareholder must register for this no later than 4 p.m. on March 20, 2013, via either registration(at)etteplan.com or +358 10 307 2006.

The shareholder may also register by sending a registration letter to Etteplan Oyj, Yhtiökokous, Terveystie 18, 15860 Hollola, Finland. The letter must arrive before the registration deadline.

To vote by proxy at the meeting, the shareholder must deliver a proxy form to the company before the registration deadline.

PAYMENT OF DIVIDEND

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.15 per share be paid for the 2012 fiscal year. If the Annual General Meeting approves the Board's proposal on the payment of dividends, a dividend will be paid to each shareholder who on the balance date of April 3, 2013, is registered in the list of shareholders maintained by Euroclear Finland Ltd. The dividend payment date proposed by the Board of Directors is April 10, 2013.

SHAREHOLDER REGISTER INFORMATION

Shareholders should notify the particular register holding their Book Entry Account about changes in address or account numbers for payment of dividends and other matters related to their holdings in the share.

FINANCIAL INFORMATION 2013

Etteplan Oyj publishes financial reports and releases in Finnish and English. Financial reports and releases will be made available at www.etteplan.com immediately after their publication.

Annual report is available in electronic format in Finnish and English. The annual report is published on company's webpage at www.etteplan.com. A printed annual report can be ordered from Group Communications, tel. +358 10 307 2006 or by e-mail from CorpComm(at)etteplan.com.

INTERIM REPORTS 2013

Etteplan Oyj will publish three interim reports in 2013:

Interim report for 1–3/2013 on May 3, 2013
Interim report for 1–6/2013 on August 15, 2013
Interim report for 1–9/2013 on October 30, 2013

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