Etteplan

FINANCIAL STATEMENT RELEASE JANUARY–DECEMBER 2013

FAIR RESULT IN A DIFFICULT DEMAND SITUATION

best service solutions
anywhere at any time

Etteplan

ETTEPLAN OYJ FINANCIAL STATEMENT RELEASE
FEBRUARY 12, 2014, AT 2:00 PM

ETTEPLAN IN 2013: FAIR RESULT IN A DIFFICULT DEMAND SITUATION

Review period October-December 2013

- The Group's revenue decreased by 7.2% and was EUR 32.4 million (10-12/2012: EUR 34.9 million).
- EBITDA declined by 29.3% and was EUR 1.8 million (EUR 2.6 million).
- Operating profit (EBIT) decreased by 39.4% and was EUR 1.1 million (EUR 1.9 million).
- The profit for the review period was EUR 0.9 million (EUR 1.2 million).
- Operating cash flow decreased and was EUR 4.2 million (EUR 8.5 million).
- Earnings per share were EUR 0.04 (0.06).
- The Group had 1,728 employees at the end of the period (1,776).

Review period January-December 2013

- The Group's revenue decreased by 4.3% and was EUR 128.6 million (1-12/2012: EUR 134.5 million).
- EBITDA declined by 18.7% and was EUR 9.1 million (EUR 11.2 million).
- Operating profit (EBIT) decreased by 27.0% and was EUR 6.4 million (EUR 8.7 million).
- The profit for the review period was EUR 4.4 million (EUR 5.6 million).
- Operating cash flow decreased and was EUR 1.8 million (EUR 11.3 million).
- Earnings per share were EUR 0.22 (0.29).
- Following the completion of a mandatory public takeover bid, Ingman Group Oy Ab's holding of Etteplan's share capital and voting rights increased to 66.85 per cent in October 2013.
- The Board of Directors proposes a dividend of EUR 0.11 per share.

Outlook 2014

Market outlook

The most important factor in the development of Etteplan's business operations is the development of business operations in the machinery and metal industry. At the beginning of 2014, the new orders and order books of the machinery and metal industry were at a lower level than in the corresponding period in 2013. In the last quarter of 2013, new orders turned to slight growth. The development of the demand situation for engineering design services in the first quarter of 2014 is uncertain despite the slightly improved market situation.

Financial guidance

We expect the revenue and operating profit for the year 2014 to grow compared to 2013.

Key figures

(EUR 1,000)	10-12/2013		10-12/2012		1-12/2013		1-12/2012	
Revenue	32,438		34,943		128,647		134,479	
EBITDA	1,803	(5.6%)	2,552	(7.3%)	9,064	(7.0%)	11,154	(8.3%)
Operating profit (EBIT)	1,140	(3.5%)	1,882	(5.4%)	6,366	(4.9%)	8,715	(6.5%)
Basic earnings per share, EUR	0.04		0.06		0.22		0.29	
Equity ratio, %	35.9		32.4		35.9		32.4	
Operating cash flow	4,195		8,545		1,789		11,339	
ROCE, %	11.1		17.0		14.6		20.4	
Personnel at end of the period	1,728		1,776		1,728		1,776	

Juha Näkki, President and CEO of Etteplan Oyj comments the financial statement release:

“We achieved a fair result in a difficult market situation in 2013. In the first half of the year, the demand situation was at the weakened level seen at the end of 2012, and after the summer the demand situation in Europe deteriorated even further. As a result, our revenue and operating profit declined. The exception to the weak market situation was China, where our growth rate was excellent throughout the year.

The uncertainty that burdened the markets in Europe and the resulting slowness in decision-making continued all year long. The order books of our customers were declining and industrial investments and product development investments were at a low level. We had to implement adjustment measures in several operating locations. In Finland, the number of temporarily laid off personnel grew steadily during the year and amounted to nearly 15 per cent of our Finnish personnel at year end. In Sweden, the weakened demand situation resulted in tightened competition. In the Netherlands, the market situation was difficult throughout the year, but we saw small signs of recovery in demand at the end of the year.

In China, the positive development of the engineering design services market continued and we were able to grow our Chinese sales significantly. Our experience of operating in the Chinese market and our investments in local sales produced good results. In the fourth quarter, we received significant orders from large Chinese customers and carried out our first major projects in which we utilized European top-level expertise in the Chinese market. As a result, the number of working hours sold in the Chinese market grew by nearly 140 per cent in the fourth quarter compared to the corresponding period in 2012. For the full year, the growth in working hours sold in the Chinese market was nearly 80 per cent. This development is a clear indication of a change in the Chinese engineering design services market, and we will continue to invest in China to ensure the growth of our business operations.

In the area of technical product information solutions, in the fourth quarter we launched the interactive Etteplan SIS (Service Information System) service product intended to improve the efficiency of our customers’ maintenance operations. The product is part of our customers’ industrial internet solutions. Our technical documentation service solutions were implemented in many of our accounts, and we fulfilled our service promise of providing the best solutions in the industry. This development creates confidence in our growth potential in the area of technical product information solutions as the market situation improves.

The year 2014 began with a continued weak demand situation, but I believe demand has already bottomed out. Market uncertainty continues to affect customers’ decision-making. Nevertheless, our customers’ new orders are turning to an increase, and discussions on new projects and service solutions are active, particularly with equipment manufacturers serving the raw material production industry. I am confident that the company’s business will develop positively in 2014.”

Accounting principles

The financial statement release has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard and the preparation and accounting policies presented in the 2012 annual financial statements.

This financial statement release includes forward-looking estimates and assumptions. Accordingly, outcomes may deviate from these estimates, which are based on the management's best knowledge at the time of financial statement release.

REVIEW OCTOBER-DECEMBER 2013

Business review October-December 2013

Operating environment

New orders received by companies in the machinery and metal industry in the fourth quarter (10-12/2013) were down 16 per cent from the previous year (10-12/2012), but up 4 per cent from the previous quarter (7-9/2013). The value of the order backlog in Finland at the end of December 2013 was 12 per cent lower than at the same time in 2012, and 11 per cent lower than at the end of September 2013 (The Federation of Finnish Technology Industries: Situation and Outlook 1/2014). The development was similar in Sweden: the utilization rate of industrial capacity improved and new orders grew slightly in the fourth quarter compared to the third quarter, but were at a lower level than in 2012 (Sweden Statistics, 2013). The demand for engineering design services in Sweden was at a slightly better level than in Finland in the fourth quarter of 2013.

In the Netherlands, the demand for technical documentation services remained at a low level in the fourth quarter of 2013, but did not fall further compared to the third quarter.

Despite the slowed-down growth of the Chinese economy, the engineering design services market in China developed favorably. The indications of the good development of the engineering design services market included on-going negotiations by industrial companies on outsourcing engineering design services.

In the Nordic markets, the number of new investment projects was at a low level in the review period. In Russia, a few new investment projects were started during the review period.

The demand for engineering design services among mining equipment manufacturers, which had weakened clearly in the third quarter, recovered somewhat at the end of the year. There was no significant change in the demand for engineering design services among lifting and hoisting equipment manufacturers, with demand remaining at a good level on average. The demand for engineering design services in the energy and power transmission industry was at a satisfactory level. The demand for engineering design services from forest industry equipment manufacturers was at a low level. In Finland, the demand for engineering design services in the aerospace and defense equipment manufacturing industry decreased from the third quarter and was at a low level. In Sweden, demand from aerospace and defense equipment manufacturers was at a satisfactory level and improved at the end of the year. The demand for engineering design services in the transportation and vehicle industry was at a good level, weakening right at the end of the year. Strong demand for testing and analysis services requiring special expertise continued in the fourth quarter.

Business review

Sales to key customers declined by 12.4 per cent in the review period compared to the corresponding period last year (10-12/2012). The most significant factor in the decline was the decrease in several key accounts in the weak economic situation. Resources freed up from key accounts were reallocated to other accounts, which resulted in the decline in revenue for the company as a whole being smaller than the decline in key accounts.

The proportion of revenue represented by Managed Services remained over one quarter in the review period.

The number of working hours sold in the Chinese market grew by nearly 140 per cent in the review period compared to the corresponding period in 2012. The growth was the result of significant project deliveries in the fourth quarter. Approximately half of all working hours performed by the company's Chinese units were sold to the local market.

In the fourth quarter, Etteplan received new orders in China from customers including a subsidiary of Unitex Group, and an extension order from Wärtsilä Yuchai Engine Co. Ltd (WYEC).

Etteplan and Unitex Germany signed a framework agreement, according to which Etteplan's Chinese unit will be responsible for the engineering design of Unitex's lifting equipment. The engineering work and engineering analysis can be transferred from Germany to China based on Etteplan's continuous service model.

Etteplan and the Chinese engine manufacturer Wärtsilä Yuchai Engine Co. Ltd (WYEC) expanded their co-operation during the review period to include the design of the auxiliary system process piping of the engine testing facility for the company's new plant in Zhuhai City, Guangdong Province. As a whole, the project from WYEC is Etteplan's largest in China so far. It is also Etteplan's first significant project where Finnish engineering knowhow is transferred to China for a Chinese customer.

During the review period, Etteplan was selected for the first time as the service provider for a major Chinese equipment manufacturer. The first engineering design assignments under the new contract began at the end of 2013.

Also during the review period, Etteplan received a significant order from SRV concerning the detail engineering of the Okhta Mall to be constructed in St. Petersburg. According to the agreement, Etteplan will be responsible for the mall's building technology, such as HVAC, electrical, telecommunications and security systems.

In the area of technical product information, Etteplan announced in the review period a new product with the launch of the interactive Etteplan SIS (Service Information System) content creation and publishing service and the HyperSIS software. The service is targeted at any service organization aiming at high quality and efficiency when operating, maintaining and servicing products. The product solution, which operates as part of the customers' industrial internet, integrates all technical content including, technical documentation, illustrations and spare part information during the life cycle of a product.

The utilization rate of engineering design services was at a satisfactory level during the review period. The utilization rate was weakened by the demand for engineering design services being lower than in the comparison period as well as ongoing personnel negotiations. Reductions in personnel in Finland were implemented as temporary lay-offs. The number of temporary lay-offs grew during the review period, amounting to approximately 150 at the end of the period.

Financial development October-December 2013

Etteplan's revenue in October–December 2013 declined by 7.2 per cent and stood at EUR 32.4 million (10-12/2012: EUR 34.9 million). Organic growth was -7.2 per cent. Revenue fell due to weaker demand for engineering design services.

The operating profit was EUR 1.1 million (10-12/2012: EUR 1.9 million). The decline in operating profit was caused by the decline in revenue. In addition, the result was affected by the utilization rate of engineering design capacity being at a lower level than in the corresponding period in 2012 and the large number of temporarily laid off employees.

The operating cash flow was EUR 4.2 million (10-12/2012: EUR 8.5 million). The decline in cash flow was due to revenue being lower than in the corresponding period in 2013 as well as an unfavorable mix of payment terms in assignments in the fourth quarter.

Business review January-December 2013

Operating environment

At the beginning of 2013, the demand for engineering design services was at a lower level than the average demand in 2012. The anticipated improvement in demand in the second half of the year 2013 did not materialize, with demand instead weakening further during the autumn compared to the first half of the year. The demand for engineering design services is primarily affected by the development of the order books, new orders and revenue of the export industry. In Finland and Sweden, these declined by approximately 6-10 per cent according to different estimates. The decline was quite evenly divided between nearly all of Etteplan's customer industries, with the demand for engineering design services in Sweden being at a slightly better level than in Finland.

In the Netherlands, the demand for technical documentation services was weaker throughout 2013 than in the previous year.

Demand for offshoring services in China grew during the review period as Western customers sought new operating methods to improve cost-efficiency. The local Chinese market opened up gradually as new legislation promoted the purchasing of engineering design services. The demand for services produced in China strengthened at a steady pace throughout the review period. Demand improved both locally in the Chinese market and in offshoring services.

The decline in the demand for engineering design services from mining equipment manufacturers continued throughout the review period, with a slight recovery at the end of the year. The demand for engineering design services from lifting and hoisting equipment manufacturers weakened slightly compared to the previous year, but remained at a good level on average. The demand for engineering design services in the energy and power transmission industries was at a good level in the first half of the year, but weakened towards the end of the year. The demand for engineering design services from forest industry equipment manufacturers was at a low level throughout the review period. The demand for engineering design services from aerospace and defense equipment manufacturers grew in Sweden and was at a low level in Finland, particularly in the latter part of the year. The demand for engineering design services in the transportation and vehicle industry improved and was at a satisfactory level. The demand for testing and analysis services requiring special expertise was at a good level throughout the review period.

New investment projects were started at a slow pace in 2013. Quotation activity for Russian investment projects was brisk throughout the year and new projects were launched at a steady pace. According to our estimate, the number of new projects did not exceed the level seen in 2012.

Internal competition in the engineering design industry was increased by engineering design companies from low-cost countries operating in the Nordic region as well as the prevailing tight market situation.

Business review

In 2013, the focus areas of Etteplan's business operations were growth in key accounts, growth in the share of revenue accounted for by high added-value services, sales of technical documentation service solutions and growth in business operations in China.

The demand for engineering design services among Etteplan's key accounts weakened in the difficult market situation. Sales to key accounts did not grow in line with targets, instead declining by 6.5 per cent from the previous year. Nevertheless, the company's market position in key accounts remained strong during the review period.

The proportion of revenue represented by high added-value Managed Services grew and exceeded a quarter of revenue. In 2013 we published a new target, whereby Managed Services must account for 50 per cent of revenue by the end of 2016.

The development in the demand for technical documentation corresponded with the development in the demand for engineering design services and remained at a low level on average. However, in 2013 revenue of technical product information remained on previous year's level. We acquired several new significant accounts in the area of technical documentation and, according to our estimate, our market share grew. On the whole, however, sales did not develop in line with our expectations. Etteplan's largest technical product information unit is located in the Netherlands.

The development of business operations in China was positive, with business in China growing significantly faster than business in other countries. The objective of our units in China was to increase local accounts in addition to offshoring operations. This objective was achieved in 2013: The number of working hours sold in the Chinese market grew by nearly 80 per cent and accounted for approximately half of the total working hours of the Chinese units.

The difficult market environment that burdened Finnish operations was reflected as a contraction in revenue and operating profit. The company's market position in Finland remained strong. Etteplan's market position in Finland was strengthened in 2013 particularly in electrical and electronics engineering design.

In Sweden, attrition and a tight competitive situation burdened the development of revenue and operating profit throughout the review period.

Etteplan's Russian business operations were at a good level throughout 2013. Etteplan's Russian design permits helped the company secure several assignments related to investment projects in the review period, in spite of the overall investment activity in Europe being at a low level.

Revenue

Etteplan's revenue decreased by 4.3 per cent and was EUR 128.6 million (1-12/2012: EUR 134.5 million). Organic growth was -5.2 per cent. The factors contributing to the decrease in revenue were reduced order books and a lower volume of new orders for customers and the resulting weaker demand for engineering design services and technical product information solutions. The development of Etteplan's revenue is significantly affected by the revenue development of technology companies listed on the NASDAQ OMX Helsinki Ltd. The combined revenue of these companies fell by approximately six per cent in 2013.

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.

Result

Operating profit decreased by 27.0 per cent and was EUR 6.4 million (1-12/2012: EUR 8.7 million). The operating profit was affected by negative development in demand, lower revenue and a decrease in the engineering design capacity utilization rate.

The operating profit includes non-recurring expenses related to adjustments made to business operations and the mandatory public takeover bid by Ingman Group Oy Ab, which amounted to approximately EUR 0.6 million in total. Adjustment measures were implemented steadily throughout 2013. In the third quarter, the additional acquisition price debt related to the Tedopres acquisition was reassessed and adjusted to match the current management estimate. This item had a non-recurring positive impact on the result of EUR 0.8 million.

The operational costs decreased by 2.5 per cent as a result of the contraction in operations. The operating profit percentage decreased year-on-year and was 4.9 per cent (6.5 per cent). EBITDA declined and was EUR 9.1 million (EUR 11.2 million). EBITDA decreased less than the operating profit due to the amortization of intangible assets related to the acquisition of Tedopres International B.V.

Financial expenses were EUR 0.9 million (1-12/2012: EUR 1.2 million).

Taxes in the income statement amounted to 22.6 per cent (1-12/2012: 25.9 per cent) calculated of the result before taxes. The amount of taxes was EUR 1.3 million (EUR 2.0 million).

Profit before taxes for the review period was EUR 5.7 million (1-12/2012: EUR 7.5 million). Earnings per share were EUR 0.22 (EUR 0.29). Equity per share was EUR 1.31 (1.27). Return on capital employed (ROCE) before taxes was 14.6 per cent (20.4 per cent).

The profit for the review period was EUR 4.4 million (1-12/2012: EUR 5.6 million).

Financial position and cash flow

Total assets on December 31, 2013 were EUR 74.5 million (December 31, 2012: EUR 76.4 million). Goodwill on the balance sheet was EUR 39.1 million (December 31, 2012: EUR 39.9 million). The decrease in goodwill results from changes in currency rates.

The Group's cash and cash equivalents stood at EUR 1.0 million (December 31, 2012: EUR 5.4 million). The Group's financial liabilities at the end of the review period amounted to EUR 19.7 million (December 31, 2012: EUR 20.9 million). The total of unused short-term credit facilities stood at EUR 10.6 million (December 31, 2012: EUR 12.3 million).

The equity ratio increased and was 35.9 per cent (December 31, 2012: 32.4 per cent). Operating cash flow was EUR 1.8 million (1-12/2012: EUR 11.3 million). Cash flow was impacted by the number of assignments with long payment periods being higher than in the comparison period. Cash flow after investments was EUR 0.2 million (1-12/2012: EUR 5.7 million). Cash flow accrues unevenly over the four quarters of the year due to seasonal variation in business operations.

Capital expenditures

The Group's gross investments during the review period were EUR 2.3 million (1-12/2012: EUR 9.5 million). Investments comprised, among other things, technical product information product development costs and license fees for design software.

Personnel

The Group employed 1,736 (1-12/2012: 1,756) people on average during the review period and 1,728 (December 31, 2012: 1,776) at the end of the review period. At the end of the review period, 631 people (December 31, 2012: 682) 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 included three earning periods, calendar years 2011, 2012 and 2013. The Board of Directors decided 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 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 has transferred 9,511 company-held shares to the 16 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period. The shares were transferred on April 30, 2013. In addition, the company paid 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).

During the 2013 earning period, 17 employees belonged to the target group of the plan. The earnings criteria for the 2013 earning period was Etteplan Group's operating profit (EBIT). The Board of Directors of Etteplan Oyj has in its meeting, on February 12, 2014, made a resolution that there will be no transfer of company-held shares for the 2013 earnings period.

Annual General Meeting

The Annual General Meeting of Shareholders of Etteplan Oyj was held at the premises of the Company in Vantaa on March 27, 2013. 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 2012 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 the Company's 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 the time of purchase, 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 share in public trading and, correspondingly, the maximum price is the highest market price quoted for the share in public trading during the validity of the authorization.

Should 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 non-restricted equity.

The authorization is valid for eighteen (18) months from the date of the resolution of the Annual General Meeting starting on March 27, 2013 and ending on September 26, 2014. The authorization will replace the corresponding previous authorization.

Extraordinary General Meeting

The Extraordinary General Meeting of Shareholders of Etteplan Oyj was held at the premises of the Company in Vantaa on November 18, 2013.

In accordance with the proposal of the Board of Directors the Extraordinary General Meeting decided to change the Articles of association of the Company so that the new place of domicile of the Company is Vantaa and the head office of the Company is situated in Vantaa. Additionally, Section 7 of the Articles of association was changed so that instead of choosing one auditor to the company, one or two auditors can be chosen. If two auditors are selected, at least one auditor has to be an Authorized Public Accounting Firm.

Following the proposal of the Board of Directors' Nomination and Remuneration Committee the Extraordinary General Meeting re-elected the present members Tapio Hakakari, Heikki Hornborg, Robert Ingman, Pertti Nupponen, and Teuvo Rintamäki and elected Leena Saarinen as a new member to the Board.

A second auditor in addition to the present Company's Auditor was elected. The Extraordinary General meeting decided to elect Certified Auditor Olli Wesamaa as the second Company's Auditor together with PricewaterhouseCoopers Oy, Authorized Public Accounting Firm, with Authorized Public Accountant Mr. Mika Kaarisalo as the main responsible auditor.

Dividend

The Annual General Meeting on March 27, 2013 passed a resolution, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.15 per share be paid for the financial year 2012 and 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 3, 2013. The dividend was paid on April 10, 2013.

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, 2013 was EUR 5,000,000.00, and the total number of shares was 20,179,414. 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 (5) 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 461,791 of its own shares on December 31, 2013, which corresponds 2.29 per cent of all shares and voting rights (December 31, 2012: 471,302). The company transferred 9,511 company-held shares to the 16 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period on April 30, 2013. In January-December 2013, the company did not acquire any company-held shares.

The number of Etteplan Oyj shares traded during the review period was 20,250,746, to a total value of EUR 59.8 million. The share price low was EUR 2.69, the high EUR 3.54, the average EUR 3.13, and the closing price EUR 3.13. Market capitalization on December 31, 2013 was EUR 61.7 million.

On December 31, 2013, the members of the company's Board of Directors and the President and CEO owned a total of 41,876 (December 31, 2012: 1,596,320) shares, or 0.21 per cent of the total share base.

Mandatory public takeover bid for Etteplan's shares

Following trades completed on August 16, 2013, Ingman Group Oy Ab's ("Ingman Group") holding of Etteplan's share capital and voting rights increased to 30.52 per cent. As a consequence, Ingman Group was obligated to launch a mandatory takeover bid for the remaining shares in Etteplan pursuant to the Finnish Securities Markets Act, Chapter 11, Section 19.

On August 19, 2013, Ingman Group published its obligation to launch a mandatory bid for Etteplan Oyj's shares and announced that the cash consideration to be offered in the mandatory takeover bid would be EUR 3.20 for each share in Etteplan, which corresponds to the highest price paid by Ingman Group for Etteplan's shares during the six-month period preceding the obligation to launch a takeover bid. Ingman Group published an offer document concerning the mandatory bid on September 16, 2013. The public takeover bid commenced on September 18, 2013, at 9:30 a.m. and ended on October 9, 2013, at 4:00 p.m. (Finnish time). The mandatory takeover bid was not dependent on reaching a certain ownership level.

On August 22, 2013, the Board of Directors of Etteplan Oyj announced it would also investigate other available options in addition to the mandatory takeover bid in order to reach the best possible outcome for its shareholders. In the same release, the Board of Directors also announced it had appointed Aventum Partners Ltd as its financial advisor. On October 1, 2013, the Board of Directors of Etteplan Oyj published its opinion on the mandatory public takeover bid by Ingman Group. As part of the opinion of the Board of Directors, Chairman of the Board Heikki Hornborg stated that he deems that a strong and committed key owner is important for the future of Etteplan and that he intends to accept Ingman Group's takeover bid in relation to all shares held by him.

On October 14, 2013, Ingman Group announced the final result of the mandatory bid. Following the completion of the mandatory public takeover bid, Ingman Group's holding of shares and votes increased to 66.85 per cent.

Flaggings

Etteplan Oyj received eight flagging notices in January-December 2013.

Ingman Group Oy Ab's share in Etteplan Oyj's share capital and voting rights has through trades completed on August 16, 2013 exceeded 30 per cent level.

On October 1, 2013, Heikki Hornborg accepted Ingman Group Oy Ab's takeover bid for all the shares in Etteplan Oyj in relation to all shares held by him and announced that, subject to the takeover bid being completed, his holding of the shares and votes will fall to 0 per cent.

On October 7, 2013, Tapani Mönkkönen accepted Ingman Group Oy Ab's takeover bid for the shares in Etteplan Oyj in relation to all shares held by him and announced that, subject to the takeover bid being completed, his holding of the shares and votes will fall to 0 per cent.

Ingman Group Oy Ab announced that it received information on October 8, 2013, indicating that, as a consequence of the amount of acceptances given in response to the mandatory public takeover bid, Ingman Group Oy Ab could obtain a 60.99 per cent share of Etteplan's share capital and voting rights if the takeover bid is completed.

Ingman Group Oy Ab announced that it received information on October 10, 2013, indicating that, as a consequence of the amount of acceptances given in response to the mandatory public takeover bid, Ingman Group Oy Ab could obtain a 66.83 per cent share of Etteplan's share capital and voting rights if the takeover bid is completed.

On October 14, 2013, Ingman Group Oy Ab announced that, following the completion of the mandatory public takeover bid, Ingman Group Oy Ab's share of Etteplan's share capital and voting rights exceeded two-thirds (2/3) of Etteplan's share capital and voting rights. Following the completion of the mandatory public takeover bid, Ingman Group's holding of shares and votes increased to 66.85 per cent.

As a consequence of the completion of the mandatory public takeover bid on October 14, 2013, Tapani Mönkkönen's share of Etteplan's share capital and voting rights fell to 0 per cent.

As a consequence of the completion of the mandatory public takeover bid on October 14, 2013, Heikki Hornborg's share of Etteplan's share capital and voting rights fell to 0 per cent.

Major events after the review period

In January 2014, Etteplan acquired the entire share capital of the Swedish company ProAvia Konsult AB. Established in 2003, the company provides services in the field of systems engineering, targeted especially to the defense industry. The acquisition strengthens Etteplan's market position and expertise in the area of demanding systems engineering and creates better growth opportunities for Etteplan. Demand for engineering design services in the aerospace and defense industry is at a good level after the Swedish aerospace and defense industry received major orders in late 2013.

Operating risks and uncertainty factors

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

Etteplan's risk management review will be included in the 2013 Annual Report published in week 10/2014.

Operating risks and uncertainty factors in the review period

The uncertainty caused by the general economic development increased in 2013. The increase in economic uncertainty was reflected in weaker demand for engineering design services and technical product information solutions.

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 period under review, increased difficulties in recruiting professional staff in Sweden was an elevated business risk that materialized and burdened the revenue and operating profit for the review period.

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 changes in customers' business operations are a significant risk to 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 in Sweden to be at a significant level.

Risks related to business operations are at a significant level during the beginning of 2014.

Outlook 2014

Market outlook

The most important factor in the development of Etteplan's business operations is the development of business operations in the machinery and metal industry. At the beginning of 2014, the new orders and order books of the machinery and metal industry were at a lower level than in the corresponding period in 2013. In the last quarter of 2013, new orders turned to slight growth. The development of the demand situation for engineering design services in the first quarter of 2014 is uncertain despite the slightly improved market situation.

Financial guidance

We expect the revenue and operating profit for the year 2014 to grow compared to 2013.

The Board's proposal for distribution of 2013 profits

The parent company's distributable shareholders' equity according to the balance sheet on December 31, 2013, is EUR 12,487,283.29.

The Board of Directors will propose to the Annual General Meeting, which will convene on March 26, 2014, that on the dividend payout date a dividend of EUR 0.11 per share be paid on the company's externally owned shares, for a total amount of EUR 2,219,735.54 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 March 31, 2014, and the date of dividend payout is April 7, 2014.

Financial information in 2014

Etteplan Oyj’s interim reports will be published as follows:

First quarter results, 3 months	Wednesday May 7, 2014
Second quarter results, 6 months	Wednesday August 13, 2014
Third quarter results, 9 months	Wednesday October 29, 2014

Annual General Meeting 2014

Etteplan Oyj's 2014 Annual General Meeting will be held in Vantaa, Finland, on March 26, 2014, starting at 1 p.m. Summons to the AGM will be published as a separate release.

Vantaa, February 12, 2014

Etteplan Oyj

Board of Directors

Additional information:
Juha Näkki, President and CEO, tel. +358 400 606 372

APPENDIX:
Financial Statement Summary and Notes

- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows
- Consolidated Statement of Changes in Equity
- Notes to the Financial Statement Summary

The information presented herein has not been audited.
Releases and other corporate information are available on Etteplan’s Web site at www.etteplan.com.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1 000)	10-12/2013	10-12/2012	1-12/2013	1-12/2012
Revenue	**32 438**	**34 943**	**128 647**	**134 479**
Other operating income	71	269	1 134	512
Materials and services	-3 042	-3 050	-11 605	-10 935
Staff costs	-23 202	-24 474	-90 250	-92 696
Other operating expenses	-4 461	-5 136	-18 862	-20 207
Depreciation and amortization	-664	-670	-2 697	-2 439
Operating profit (EBIT)	**1 140**	**1 882**	**6 366**	**8 715**
Financial income	115	44	306	180
Financial expenses	-238	-238	-947	-1 226
Share of the result of associate	0	-92	-54	-127
Profit before taxes	1 017	1 597	5 672	7 542
Income taxes	-165	-407	-1 282	-1 957
Profit for the financial year	**852**	**1 190**	**4 390**	**5 585**
Other comprehensive income, that may be subsequently reclassified to profit or loss				
Foreign subsidiary net investment hedge	84	110	125	-279
Currency translation differences	-501	-424	-882	1 039
Change in fair value of investments available-for-sale	19	0	38	14
Tax from items, that may be subsequently reclassified to profit or loss	-34	0	80	-3
Other comprehensive income, net of tax	-431	-314	-639	770
Total comprehensive income for the year	**421**	**876**	**3 751**	**6 355**
Income attributable to				
Equity holders of the parent company	795	1 221	4 291	5 767
Non-controlling interest	57	-31	98	-182
	852	1 190	4 390	5 585
Total comprehensive income attributable to				
Equity holders of the parent company	361	902	3 649	6 533
Non-controlling interest	60	-26	102	-179
	421	876	3 751	6 355
Earnings per share calculated from the result attributable to equity holders of the parent company				
Basic earnings per share, EUR	0,04	0,06	0,22	0,29
Diluted earnings per share, EUR	0,04	0,06	0,22	0,29

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	31.12.2013	31.12.2012
ASSETS		
Non-current assets		
Tangible assets	2 043	1 755
Goodwill	39 131	39 930
Other intangible assets	5 895	6 546
Shares in associated company	0	83
Investments available-for-sale	641	604
Deferred tax assets	100	13
Non-current assets, total	**47 809**	**48 931**
Current assets		
Trade and other receivables	25 709	22 035
Cash and cash equivalents	975	5 402
Current assets, total	**26 684**	**27 438**
TOTAL ASSETS	**74 493**	**76 369**
EQUITY AND LIABILITIES		
Capital attributable to equity holders of the parent company		
Share capital	5 000	5 000
Share premium account	6 701	6 701
Unrestricted equity fund	2 614	2 584
Own shares	-1 912	-1 936
Cumulative translation adjustment	-20	661
Other reserves	189	151
Retained earnings	8 889	6 123
Profit for the financial year	4 291	5 767
Capital attributable to equity holders of the parent company, total	25 753	25 051
Non-controlling interest	-272	-373
Equity, total	**25 481**	**24 678**
Non-current liabilities		
Deferred tax liabilities	1 010	1 179
Financial liabilities	10 831	13 243
Other non-current liabilities	2 438	3 224
Non-current liabilities, total	**14 279**	**17 646**
Current liabilities		
Financial liabilities	8 837	7 665
Trade and other payables	25 478	25 380
Current income tax liabilities	418	1 000
Current liabilities, total	**34 734**	**34 045**
Liabilities, total	**49 012**	**51 691**
TOTAL EQUITY AND LIABILITIES	**74 493**	**76 369**

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CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR 1 000)	10-12/2013	10-12/2012	1-12/2013	1-12/2012
Operating cash flow				
Cash receipts from customers	33 054	38 219	127 633	139 835
Operating expenses paid	-28 357	-29 082	-122 910	-125 858
Operating cash flow before financial items and taxes	4 697	9 137	4 724	13 977
Interest and payment paid for financial expenses	-208	-244	-778	-1 044
Interest received	14	21	35	79
Income taxes paid	-308	-370	-2 192	-1 674
Operating cash flow (A)	**4 195**	**8 545**	**1 789**	**11 339**
Investing cash flow				
Purchase of tangible and intangible assets	-755	-649	-1 749	-1 543
Acquisition of subsidiaries	0	0	0	-4 615
Disposal of associates	0	229	100	229
Proceeds from sale of tangible and intangible assets	2	3	9	23
Loan receivables, decrease	-4	25	9	299
Loan receivables, increase	-2	0	-2	0
Proceeds from sale of investments	0	0	0	13
Investing cash flow (B)	**-760**	**-392**	**-1 634**	**-5 593**
Cash flow after investments (A+B)	**3 435**	**8 153**	**154**	**5 745**
Financing cash flow				
Short-term loans, increase	-2 257	-2 339	2 516	756
Short-term loans, decrease	-1 343	-3 300	-3 370	-5 015
Long-term loans, increase	3 000	0	3 000	4 000
Long-term loans, decrease	-2 792	2 112	-2 792	0
Payment of finance lease liabilities	-254	-279	-1 045	-1 043
Dividend paid and other profit distribution	0	0	-2 956	-1 971
Financing cash flow (C)	**-3 645**	**-3 805**	**-4 647**	**-3 273**
Variation in cash (A+B+C) increase (+) / decrease (-)	**-210**	**4 348**	**-4 493**	**2 472**
Assets at the beginning of the period	1 122	1 019	5 402	3 023
Exchange gains or losses on cash and cash equivalents	63	35	65	-93
Assets at the end of the period	975	5 402	975	5 402

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Legends for table columns
A) Share Capital
B) Share Premium Account
C) Unrestricted Equity Fund
D) Other Reserves
E) Own Shares
F) Cumulative Translation Adjustment
G) Retained Earnings
H) Total
I) Non-controlling Interest
J) Equity total

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
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 hedge	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**

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2013	**5 000**	**6 701**	**2 584**	**150**	**-1 936**	**660**	**11 889**	**25 051**	**-374**	**24 678**
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	4 291	4 291	98	4 390
Fair value reserve available-for-sale assets	0	0	0	38	0	0	0	38	0	38
Foreign subsidiary net investment hedge	0	0	0	0	0	205	0	205	0	205
Cumulative translation adjustment	0	0	0	0	0	-886	0	-886	4	-882
Total comprehensive income for the year	**0**	**0**	**0**	**38**	**0**	**-681**	**4 291**	**3 649**	**102**	**3 751**
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 956	-2 956	0	-2 956
Reclassifications	0	0	0	0	0	0	2	2	0	2
Share based incentive plan	0	0	29	0	24	0	-46	7	0	7
Transactions with owners, total	**0**	**0**	**29**	**0**	**24**	**0**	**-3 001**	**-2 947**	**0**	**-2 947**
Equity 31.12.2013	**5 000**	**6 701**	**2 614**	**189**	**-1 912**	**-21**	**13 180**	**25 753**	**-272**	**25 481**

NOTES TO THE FINANCIAL STATEMENT SUMMARY

General

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 Vantaa.

Etteplan provides engineering services and technical product information solutions to the world's leading companies in the manufacturing industry. Company's services are geared to improve the competitiveness of customers' products and engineering processes throughout the product life cycle. The results of Etteplan's innovative engineering can be seen in numerous industrial solutions and everyday products.

In 2013, Etteplan had turnover of EUR 128.6 million. The company has more than 1,700 professionals in Finland, Sweden, the Netherlands and China. Etteplan's shares are listed on NASDAQ OMX Helsinki Ltd under the ETT1V ticker.

The Etteplan Oyj Board of Directors has approved this financial statement release for publication at its meeting of February 12, 2014.

Basis for preparation

The financial statement release has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard and the preparation and accounting policies presented in the 2012 annual financial statements.

Monetary figures in the financial statement release are presented in thousands of euros. All figures in the tables have been rounded up or down, due to which the sums of figures may deviate from the sum totals presented.

In financial statement release the accounting principles used were the same as for the 2012 annual financial statements. The annual financial statements are available at http://www.etteplan.com/investors/annual-and-interim-reports/2013.aspx and the accounting policy is detailed on pages 40-47 of the annual report 2012. Formulas for the key figures are detailed at the end of this financial statement release.

Use of estimates

This financial statement release includes forward-looking estimates and assumptions. Accordingly, outcomes may deviate from these estimates, which are based on the management's best knowledge at the time of financial statement.

Income taxes

The taxes listed in the consolidated income statement have been calculated with the tax rate appropriate for the projected full-year result. The estimated average effective tax rate for the year has been set separately for each relevant country. Taxes in the income statement amounted to 22.6 per cent (1-12/2012: 25.9 per cent) calculated of the result before taxes.

Risks

Etteplan's financial results are exposed to a number of strategic, operational and financial risks. A description of risks can be found in Etteplan's annual report 2012 on pages 27-29. A detailed financial risk analysis can be found in Etteplan's annual report 2012 on pages 47-51.

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KEY FIGURES

(EUR 1 000)	1-12/2013	1-12/2012	Change to prev. year
Revenue	128 647	134 479	-4,3 %
EBITDA	9 064	11 154	-18,7 %
EBITDA, %	7,0	8,3	
Operating profit (EBIT)	6 366	8 715	-27,0 %
EBIT, %	4,9	6,5	
Profit before taxes	5 672	7 542	-24,8 %
Profit before taxes, %	4,4	5,6	
Return on equity, %	17,5	24,8	
ROCE, %	14,6	20,4	
Equity ratio, %	35,9	32,4	
Gross interest-bearing debt	19 668	20 909	-5,9 %
Net gearing, %	73,4	62,8	
Balance sheet, total	74 493	76 369	-2,5 %
Gross investments	2 344	9 508	-75,3 %
Operating cash flow	1 789	11 339	-84,2 %
Basic earnings per share, EUR	0,22	0,29	-24,1 %
Diluted earnings per share, EUR	0,22	0,29	-24,1 %
Equity per share, EUR	1,31	1,27	3,1 %
Personnel, average	1 736	1 756	-1,1 %
Personnel at end of the period	1 728	1 776	-2,7 %

REVENUE AND OPERATING PROFIT (EBIT) QUARTERLY

(EUR 1 000)	1-3/2013	4-6/2013	7-9/2013	10-12/2013
Revenue	34 459	34 240	27 510	32 438
Operating profit (EBIT)	1 758	1 954	1 515	1 140
% of revenue	5,1	5,7	5,5	3,5

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TANGIBLE AND INTANGIBLE ASSETS

TANGIBLE ASSETS 2013 EUR 1,000	Land and water	Machinery and equipment	Machinery and equipment, finance lease	Other tangible assets	Total
Acquisition cost at 1.1.	19	10 215	4 885	338	15 458
Translation difference	0	-88	-15	0	-103
Additions	0	259	447	580	1 285
Disposals	0	-59	0	0	-59
Acquisition cost 31.12.	19	10 327	5 317	918	16 581
Cumulative depreciation 1.1.	0	-9 601	-3 828	-274	-13 703
Translation difference	0	88	8	0	97
Cumulative depreciation on disposals	0	53	0	0	53
Depreciation for the financial period	0	-221	-741	-23	-985
Cumulative depreciation 31.12.	0	-9 681	-4 561	-297	-14 538
Book value 31.12.2013	**19**	**646**	**756**	**621**	**2 043**

TANGIBLE ASSETS 2012 EUR 1,000	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**

INTANGIBLE ASSETS 2013 EUR 1,000	Intangible rights	Internally created intangible assets	Other intangible assets	Other intangible assets, finance lease	Advance payments	Total
Acquisition cost at 1.1.	7 132	980	4 517	1 256	891	14 776
Translation difference	-15	0	-5	-6	0	-26
Additions	462	419	0	179	0	1 060
Disposals	-2	0	0	0	0	-2
Reclassifications between items	891	0	0	0	-891	0
Acquisition cost 31.12.	8 469	1 399	4 512	1 429	0	15 808
Cumulative amortization 1.1.	-6 535	-351	-692	-652	0	-8 230
Translation difference	11	0	3	5	0	19
Cumulative amortization on disposals	1	0	0	0	0	1
Amortization for the financial period	-481	-221	-689	-313	0	-1 704
Cumulative amortization 31.12.	-7 004	-572	-1 378	-960	0	-9 914
Book value 31.12.2013	**1 465**	**827**	**3 135**	**469**	**0**	**5 895**

INTANGIBLE ASSETS 2012 EUR 1,000	Intangible rights	Internally created intangible assets	Other intangible assets	Other intangible assets, finance lease	Advance payments	Total
Acquisition cost at 1.1.	5 986	0	266	938	103	7 293
Translation difference	9	0	-1	6	0	14
Acquisition of subsidiaries	871	761	4 252	0	0	5 884
Additions	178	219	0	312	887	1 596
Disposals	-7	0	0	0	0	-7
Reclassifications between items	95	0	0	0	-99	-4
Acquisition cost 31.12.	7 132	980	4 517	1 256	891	14 776
Cumulative amortization 1.1.	-5 466	0	-114	-319	0	-5 899
Translation difference	-28	0	5	-4	0	-27
Cumulative amortization on acquisitions	-718	-192	0	0	0	-910
Cumulative amortization on reclassifications	21	0	0	0	0	21
Amortization for the financial period	-344	-159	-583	-329	0	-1 415
Cumulative amortization 31.12.	-6 535	-351	-692	-652	0	-8 230
Book value 31.12.2012	**597**	**629**	**3 825**	**604**	**891**	**6 546**

GOODWILL 2013 EUR 1,000	Goodwill	Consolidated goodwill	Total
Acquisition cost at 1.1.	748	39 182	39 930
Translation difference	-12	-787	-799
Acquisition cost 31.12.	737	38 395	39 131
Book value 31.12.2013	**737**	**38 395**	**39 131**

GOODWILL 2012 EUR 1,000	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**

FAIR VALUE OF FINANCIAL INSTRUMENTS

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 31.12.2013

EUR 1,000	Level 1	Level 2	Level 3	Total
Listed shares	133	0	0	133
Premises shares	0	480	0	480
Unlisted shares	0	0	29	29
Total	**133**	**480**	**29**	**641**

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

EUR 1,000	Listed shares	Premises shares	Unlisted shares	Total
Opening balance at 1.1.2013	96	480	29	605
Gain/loss recognized in other comprehensive income	37	0	0	37
Closing balance 31.12.2013	**133**	**480**	**29**	**641**

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.

FINANCIAL LIABILITIES

(EUR 1 000)	31.12.2013	31.12.2012
Non-current	10 831	13 243
Current	8 837	7 665
Total	**19 668**	**20 909**

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PLEDGES MORTGAGES AND GUARANTEES

(EUR 1 000)	31.12.2013	31.12.2012
Other Contingencies	48	0
Leasing liabilities		
For payment under one year	1 325	1 737
For payment 1-5 years	1 080	1 698
Total	**2 453**	**3 435**

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.

THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES:

(EUR 1 000)	31.12.2013	31.12.2012
Sales of services to related parties		
Associated companies	0	1 052
Other related parties	135	171
Total	**135**	**1 223**
Purchase of services from related parties		
Key personnel	0	11
Associated companies	95	1 042
Other related parties	120	331
Total	**215**	**1 384**
Receivables from related parties		
Other related parties	38	34
Total	**38**	**34**
Payables to related parties		
Associated companies	0	122
Total	**0**	**122**

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MAJOR SHAREHOLDERS DECEMBER 31, 2013

Name	Number of shares	Holding of shares, %
Ingman Group Oy Ab	13 489 975	66,85
Oy Fincorp Ab	2 066 930	10,24
Varma Mutual Pension Insurance Company	821 328	4,07
Etteplan Oyj	461 791	2,29
Tuori Klaus	351 000	1,74
Tuori Aino	256 896	1,27
Kempe Anna	220 000	1,09
Evli Bank Plc	164 633	0,82
Nordea Finland Small Cap Fund	122 348	0,61
Kempe Lasse	100 000	0,50
Kempe Pia	97 700	0,48
Kylänpää Osmo	53 200	0,26
4Capes Oy	44 900	0,22
Kurra Jorma	36 300	0,18
Ingman Robert	30 000	0,15
Burmeister Dorrit	26 928	0,13
Hemholmen Oy Ab	26 000	0,13
Otavan Kirjasäätiö	24 772	0,12
Lehtivuori Pauli	20 000	0,10
Bäck Per-Erik	16 000	0,08
Other shareholders	1 748 713	8,67
Total	20 179 414	100,00
Nominee-registrated shares	209 096	1,04

FORMULAS FOR KEY FIGURES

EBITDA

Operating profit (EBIT) + Depreciation and amortization

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

$$\frac{\text{(Profit before taxes and non-controlling interest - taxes - non-controlling interest)}}{\text{Adjusted average number of shares during the financial year}}$$

Equity per share

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