



INTERIM REPORT  
JANUARY-JUNE 2014

**PKC GROUP** 

**PKC GROUP Q2/2014:  
SECOND QUARTER REVENUE AND EBITDA SIMILAR TO FIRST QUARTER****APRIL - JUNE 2014 HIGHLIGHTS**

- Revenue decreased 12.3% on the comparison period (4-6/2013), totalling EUR 206.2 million (EUR 235.1 million).
- EBITDA before non-recurring items was EUR 12.4 million (EUR 20.6 million) and 6.0% (8.8%) of revenue.
- EBITA\*\* was EUR 7.6 million (EUR 16.1 million) and 3.7% (6.8%) of revenue. During the report period PPA depreciation and amortisation totalled EUR 2.0 million (EUR 2.8 million).
- Operating profit before non-recurring items was EUR 5.6 million (EUR 13.3 million) and 2.7% (5.6%) of revenue.
- Diluted earnings per share were EUR 0.11 (EUR 0.28).
- Cash flow after investments was EUR 7.4 million (EUR 1.1 million).

**JANUARY - JUNE 2014 HIGHLIGHTS**

- Revenue decreased 10.9% on the comparison period (1-6/2013), totalling EUR 410.0 million (EUR 460.3 million).
- EBITDA before non-recurring items was EUR 24.5 million (EUR 39.4 million) and 6.0% (8.6%) of revenue.
- EBITA\*\* was EUR 15.3 million (EUR 30.3 million) and 3.7% (6.6%) of revenue. During the report period PPA depreciation and amortisation totalled EUR 4.1 million (EUR 5.7 million).
- Operating profit before non-recurring items was EUR 11.2 million (EUR 24.6 million) and 2.7% (5.3%) of revenue.
- Diluted earnings per share were EUR 0.15 (EUR 0.42).
- Cash flow after investments was EUR -11.0 million (EUR 1.3 million).

**PKC GROUP'S OUTLOOK FOR 2014**

- PKC Group estimates that 2014 revenue and comparable EBITDA will be lower than in 2013. In 2013, PKC's revenue was EUR 884.0 million and comparable EBITDA before non-recurring items was EUR 70.3 million.
- Revenue estimate is based on current business structure. Revenue will be affected by light vehicle build-outs in North America and by changes in exchange rates. As a result of the above, comparable EBITDA is expected to be lower than in 2013. Comparable EBITDA in 2014 will also be affected by reorganisation and program transfers in Europe and expenditures related to the implementation of PKC's growth strategy.

<b>KEY FIGURES</b>	<b>4-6/14</b>	<b>4-6/13</b>	<b>Change %</b>	<b>1-6/14</b>	<b>1-6/13</b>	<b>Change %</b>	<b>1-12/13</b>
EUR 1,000 (unless otherwise noted)							
Revenue	206,222	235,099	-12.3	410,036	460,261	-10.9	883,986
EBITDA*	12,437	20,597	-39.6	24,531	39,365	-37.7	70,341
% of revenue	6.0	8.8		6.0	8.6		8.0
EBITA**	7,628	16,068	-52.5	15,276	30,302	-49.6	52,461
% of revenue	3.7	6.8		3.7	6.6		5.9
Operating profit*	5,607	13,261	-57.7	11,220	24,576	-54.3	40,873
% of revenue	2.7	5.6		2.7	5.3		4.6
Non-recurring items	-1,465	-1,265	15.8	-4,200	-6,654	-36.9	-10,409
Operating profit	4,142	11,996	-65.5	7,021	17,923	-60.8	30,463
% of revenue	2.0	5.1		1.7	3.9		3.4
Profit before taxes	3,871	9,368	-58.7	5,225	14,078	-62.9	21,562
Net profit for the report period	2,593	6,042	-57.1	3,501	9,151	-61.7	13,947
Earnings per share (EPS), EUR	0.11	0.28	-61.3	0.15	0.42	-65.5	0.62
Cash flow after investments	7,390	1,109	566.3	-10,965	1,313		24,941
ROI, %				10.2	18.0		14.7
Gearing, %				14.0	45.2		-1.1
Average number of personnel	19,246	19,553	-1.6	19,026	19,544	-2.7	19,206

\* before non-recurring items

\*\* operating profit before PPA depreciation and amortisation and non-recurring items

#### **MATTI HYYTIÄINEN, PRESIDENT & CEO:**

"The revenue during the second quarter remained below the comparison period, amounting to EUR 206.2 million. In Europe, truck production volumes were at the same level as in the first quarter but still below the comparison period. In North America, truck production kept growing compared to both the previous quarter and the comparison period. In Brazil, the production volumes in the second quarter topped the production in the first quarter but were significantly below the comparison period. The crisis in the Ukraine has had a negative impact on our customers' business activities in Russia, due to which the planned production ramp-ups at PKC's Russian factory for new customer programmes were not realised.

PKC's operating profit before non-recurring items amounted to EUR 5.6 million. The operating profit was burdened by the low production utilisation rate and the losses in Brazil in particular. PKC has made progress with the price agreements that are the prerequisite for the future profitable business, even though price agreements covering all of the business operations have not yet been completed in full. PKC's other geographical areas are proceeding according to plan.

The cash flow in the second quarter was at a good level, amounting to EUR 13.0 million before capital expenditure. The company has a strong balance sheet with low gearing. This enables us to implement our strategy in full e.g. through corporate acquisitions.

The market downturn continues in Europe and Brazil, and truck production (heavy-duty and medium-duty) for the full year is predicted to stay well below last year's figures. The full-year production volumes in North America, on the other hand, are predicted to top last year's figures. In the second half of the year, which includes the holiday seasons and Christmas shut-downs, production volumes are predicted to stay at the level of the first half in Europe and grow approximately 10% in North America. In Brazil political and economic

uncertainty has increased. PKC's customers in Brazil have indicated production volumes in second half to remain at the most on current level.

Establishing PKC in the Chinese truck market is at the core of the PKC 2018 strategy. We have further enhanced the organisation of PKC China and currently have a 70-strong competence unit in Suzhou. We are working on several projects in China.

I wish to thank all PKC personnel once more for all their good work.”

## OPERATING ENVIRONMENT

### Wiring Systems Business

PKC's key customers operate in the commercial vehicle industry which products are investment goods and as such their demand is highly correlated to the general economic situation. Economic activity continued to improve slightly in North America and be stable in Europe during the quarter. Events in Ukraine, however, have increased the uncertainty during the period. In Brazil, the economic growth has slowed down and the inflation has continued to increase. China's economic indicators have stabilized recently after a period of some weakening.

PKC Group's functional currency euro reversed its strengthening against the US dollar during the second quarter, but it was stronger than a year earlier in average. The weakening of the Brazilian real has also reversed during the second quarter. The Mexican peso was relatively stable against the US dollar during the report period, even though in average it was somewhat weaker than in the comparison period. Due to events in Ukraine the Russian ruble depreciated significantly during early part of the year and it has remained weaker than in the comparison period. Majority of PKC Group's Russian manufacturing output is being exported. The price of key raw material, copper, increased during the second quarter, but is still on a lower level than a year earlier. In average the customer sales prices are updated with a 3-5 month delay on the basis of copper price changes.

#### - Vehicles, Europe

<b>Vehicle production, units</b>	<b>4-6/14</b>	<b>4-6/13</b>	<b>Change %</b>	<b>1-3/14</b>	<b>Change %</b>
<b>Europe</b>					
Heavy duty trucks	78,235	79,247	-1.3	78,095	+0.2
Medium duty trucks	16,497	17,845	-7.6	15,527	+6.2

Source: LMC Automotive Q2/2014

Transition to Euro 6 emission standard at the beginning of 2014 has kept the demand of trucks below the level of previous year.

#### - Vehicles, North America

<b>Vehicle production, units</b>	<b>4-6/14</b>	<b>4-6/13</b>	<b>Change %</b>	<b>1-3/14</b>	<b>Change %</b>
<b>North America</b>					
Heavy duty trucks	71,996	67,156	+7.2	67,035	+7.4
Medium duty trucks	56,135	54,395	+3.2	51,138	+9.8
Light vehicles (Pick-up & SUV)	2,177,394	2,091,764	+4.1	2,146,442	+1.4

Source: LMC Automotive Q2/2014

In North America the demand of trucks has been positively affected by replacement investments in aging fleet, economic growth and transport companies' need to expand freight capacity.



- Vehicles, Brazil

Vehicle production, units	4-6/14	4-6/13	Change %	1-3/14	Change %
<b>Brazil</b>					
Heavy duty trucks	30,224	37,038	-18.4	24,578	+23.0
Medium duty trucks	10,769	13,519	-20.3	9,229	+16.7

Source: LMC Automotive Q2/2014

In Brazil the current economic situation has had a negative impact on the demand for trucks.

### Electronics Business

The demand for renewable-energy and energy saving products including smart grid solutions on the market fell short of the level of the previous year, while the market demand for telecommunications-related products increased slightly.

## REVENUE AND FINANCIAL PERFORMANCE

### April-June 2014

Revenue in April-June amounted to EUR 206.2 million (EUR 235.1 million), down 12.3% on the same period a year earlier. The effect of exchange rate changes on consolidated revenue was about -4%. The revenue continued to be affected by some light vehicle build-outs in North America and by a customer's decision to insource a bus wiring harness program in Europe. In addition South American truck market production volumes decreased from previous year which had an influence on revenue. In Europe the revenue has also been impacted by changes in the product portfolio whereby some programs have ended while new programs are ramping up, the net effect of which has decreased the revenue somewhat.

During the report period EUR -1.5 million (EUR -1.3 million) in non-recurring items were recognised. Non-recurring items consist mainly of restructuring charges in North America related to light vehicle build-outs and in Europe related to manufacturing footprint adjustments (EUR -0.9) and expenses related to Group's strategic reorganization (EUR -0.6 million). Non-cash non-recurring items were EUR 0.1 million (EUR 0.0 million). Operating profit before non-recurring items and PPA depreciation and amortisation related to acquisitions totalled EUR 7.6 million (EUR 16.1 million), accounting for 3.7% of revenue (6.8%). Operating profit totalled EUR 4.1 million (EUR 12.0 million), accounting for 2.0% of revenue (5.1%). Operating profit was negatively impacted by lower utilization rates in general and by deeper losses of the Brazilian unit. In addition, profitability was negatively impacted by reorganisation and program transfers in Europe and expenditures related to the implementation of PKC's growth strategy. Total depreciation and amortisation amounted to EUR 6.7 million (EUR 7.3 million), including EUR 0.1 million in non-recurring items (EUR 0.0 million). PPA depreciation and amortisation amounted to EUR 2.0 million (EUR 2.8 million).

Financial items were EUR -0.3 million (EUR -2.6 million). Financial items include foreign exchange differences totalling EUR 0.9 million (EUR -1.3 million). Profit before taxes was EUR 3.9 million (EUR 9.4 million). Income tax of the report period amounted to EUR 1.3 million (EUR 3.3 million). The Group's tax rate for the report period was 33.0% (35.5%). Net profit for the report period totalled EUR 2.6 million (EUR 6.0 million). Diluted earnings per share were EUR 0.11 (EUR 0.28).

### Wiring Systems Business

Revenue generated by the Wiring Systems business in the report period amounted to EUR 191.5 million (EUR 217.2 million), or 11.8% less than in the comparison period. The effect of exchange rate changes on consolidated revenue was about -5%. The revenue continued to be affected by some light vehicle build-outs in North America and by a customer's decision to insource a bus wiring harness program in Europe. In South America the truck market production volumes decreased from previous year which had an influence on

revenue. In Europe the revenue has also been impacted by changes in the product portfolio whereby some programs have ended while new programs are ramping up, the net effect of which has decreased the revenue somewhat. The segment's share of the consolidated revenue was 92.9% (92.4%).

During the report period EUR -0.9 million (EUR -0.4 million) in non-recurring items were recognised and they consist mainly of restructuring charges in North America related to light vehicle build-outs and in Europe related to manufacturing footprint adjustments. Non-cash non-recurring items were EUR 0.1 million (EUR 0.0 million). Operating profit before non-recurring items was EUR 6.5 million (EUR 13.3 million), equivalent to 3.4% of the segment's revenue (6.1%). Operating profit was EUR 5.7 million (EUR 12.9 million), equivalent to 3.0% of the segment's revenue (6.0%). Operating profit was negatively impacted by lower utilization rates in general and by deeper losses of the Brazilian unit. In addition, profitability was negatively impacted by reorganisation and program transfers in Europe and expenditures related to the implementation of PKC's growth strategy.

#### Electronics Business

Revenue generated by the Electronics business decreased by 17.9% to EUR 14.7 million (EUR 17.9 million). The segment's share of the consolidated revenue was 7.1% (7.6%). During the report period no non-recurring items were recognised (EUR 0.1 million). Operating profit before non-recurring items was EUR 0.4 million (EUR 1.7 million), equivalent to 3.0% of the segment's revenue (9.5%). Operating profit was EUR 0.4 million (EUR 1.8 million), equivalent to 3.0% of the segment's revenue (10.1%). Due to lower sales and different sales mix the profitability was lower than in the comparison period.

#### January-June 2014

Revenue in January-June amounted to EUR 410.0 million (EUR 460.3 million), down 10.9% from the same period a year earlier. The effect of exchange rate changes on consolidated revenue was about -4%. The revenue continued to be affected by some light vehicle build-outs in North America and by a customer's decision to insource a bus wiring harness program in Europe. In addition South American truck market production volumes decreased from previous year which had an influence on revenue. In Europe the revenue has also been impacted by changes in the product portfolio whereby some programs have ended while new programs are ramping up, the net effect of which has decreased the revenue somewhat.

During the report period EUR -4.2 million (EUR -6.7 million) in non-recurring items were recognised. Non-recurring items consist mainly of restructuring charges in North America related to light vehicle build-outs and in Europe related to manufacturing footprint adjustments (EUR -3.0 million) and expenses related to Group's strategic reorganization (EUR -1.2 million). Non-cash non-recurring items were EUR 0.1 million (EUR -2.3 million). Operating profit before non-recurring items and PPA depreciation and amortisation related to acquisitions totalled EUR 15.3 million (EUR 30.3 million), accounting for 3.7% of revenue (6.6%). Operating profit totalled EUR 7.0 million (EUR 17.9 million), accounting for 1.7% of revenue (3.9%). Operating profit was negatively impacted by lower utilization rates in general and by deeper losses of the Brazilian unit. In addition, profitability was negatively impacted by reorganisation and program transfers in Europe and expenditures related to the implementation of PKC's growth strategy. Total depreciation and amortisation amounted to EUR 13.2 million (EUR 17.0 million), including EUR 0.1 million in non-recurring items (EUR -2.3 million). PPA depreciation and amortisation amounted to EUR 4.1 million (EUR 5.7 million).

Financial items were EUR -1.8 million (EUR -3.8 million). Financial items include foreign exchange differences totalling EUR 0.5 million (EUR -1.2 million). Profit before taxes was EUR 5.2 million (EUR 14.1 million). Income tax of the report period amounted to EUR 1.7 million (EUR 4.9 million). The Group's tax rate for the report period was 33.0% (35.0%). Net profit for the report period totalled EUR 3.5 million (EUR 9.2 million). Diluted earnings per share were EUR 0.15 (EUR 0.42).

#### Wiring Systems Business

Revenue generated by the Wiring Systems business in the report period amounted to EUR 379.9 million (EUR 425.6 million), or 10.7% less than in the comparison period. The effect of exchange rate changes on consolidated revenue was about -5%. The revenue continued to be affected by some light vehicle build-outs

in North America and by a customer's decision to insource a bus wiring harness program in Europe. In South America the truck market production volumes decreased from previous year which had an influence on revenue. In Europe the revenue has also been impacted by changes in the product portfolio whereby some programs have ended while new programs are ramping up, the net effect of which has decreased the revenue somewhat. The segment's share of the consolidated revenue was 92.6% (92.5%).

During the report period EUR -3.0 million (EUR -5.6 million) in non-recurring items were recognised and they consist mainly of restructuring charges in North America related to light vehicle build-outs and in Europe related to manufacturing footprint adjustments. Non-cash non-recurring items were EUR 0.1 million (EUR -2.3 million). Operating profit before non-recurring items was EUR 12.4 million (EUR 25.0 million), equivalent to 3.3% of the segment's revenue (5.9%). Operating profit was EUR 9.4 million (EUR 19.4 million), equivalent to 2.5% of the segment's revenue (4.6%). Operating profit was negatively impacted by lower utilization rates in general and by deeper losses of the Brazilian unit. In addition, profitability was negatively impacted by reorganisation and program transfers in Europe and expenditures related to the implementation of PKC's growth strategy.

#### Electronics Business

Revenue generated by the Electronics business decreased by 13.1% to EUR 30.1 million (EUR 34.7 million). The segment's share of the consolidated revenue was 7.4% (7.5%). During the report period no non-recurring items were recognised (EUR 0.2 million). Operating profit before non-recurring items was EUR 1.3 million (EUR 2.7 million), equivalent to 4.4% of the segment's revenue (7.9%). Operating profit was EUR 1.3 million (EUR 2.9 million), equivalent to 4.4% of the segment's revenue (8.4%). Due to lower sales and different sales mix the profitability was lower than in the comparison period even though the cost structure has improved due to measures implemented during 2013.

#### FINANCIAL POSITION AND CASH FLOW

Consolidated total assets on 30 June 2014 amounted to EUR 445.5 million (EUR 449.0 million). At the close of the report period, interest-bearing liabilities totalled EUR 101.2 million (EUR 129.6 million), which consisted of non-current interest-bearing debt. In addition, the Group has a committed, unutilized credit facility of EUR 30.0 million. The effective average interest rate of the interest-bearing debt including unutilized credit facility was at the close of the report period 4.0 % (3.0 %). The effective average interest rate changed mainly due to refinancing executed in fall 2013 and due to changes in interest rates and the interest rate fixing terms. The Group's equity ratio was 41.9% (34.5%). Net liabilities totalled EUR 26.2 million (EUR 69.8 million) and gearing was 14.0% (45.2%).

PKC Group uses derivatives to hedge risks arising from changes in key foreign exchange rates, interest rates and copper price. At the end of the reporting period nominal value of copper derivatives (forward contracts) was EUR 4.4 million (EUR 6.1 million). The Group utilizes euro-denominated interest rate swaps to maintain the targeted level for interest rate fixing term. Based on these interest rate swaps the Group receives fixed rate interest until September 2018 and pays floating interest based on Euribor six months rate. The nominal value of these interest rate swaps was EUR 75.0 million (EUR 31.0 million) at the close of the report period. At the end of reporting period the nominal amount of currency forwards was EUR 30.2 million (EUR 26.6 million).

Inventories amounted to EUR 82.2 million (EUR 87.8 million). Current receivables totalled EUR 125.5 million (EUR 130.3 million). Net cash from operating activities was EUR 0.1 million (EUR 8.3 million) and cash flow after investments during the report period was EUR -11.0 million (EUR 1.3 million). The seasonal growth of net working capital in previous quarter was partly reversed which had a positive effect on net cash from operating activities. Net working capital at the end of June 2014 totalled EUR 78.2 million (EUR 83.2 million) representing a decrease of EUR 3.4 million during the quarter, while in the comparison period the decrease was EUR 5.0 million. Cash and cash equivalents amounted to EUR 75.0 million (EUR 59.8 million).

#### CAPITAL EXPENDITURE

During the report period, the Group's gross capital expenditure totalled EUR 11.5 million (EUR 6.8 million),

representing 2.8% of revenue (1.5%). Gross capital expenditure is geographically divided as follows: Europe 44.2% (30.1%), North America 33.7% (34.8%), APAC 11.7% (2.9%) and South America 10.4% (32.2%). The capital expenditure consisted mainly of production machinery and equipment during the report period. Investments into Serbia, Lithuania and Suzhou, China new wiring harness production facilities increased the capital expenditure from the comparison period.

PKC estimates that in the medium term, the Group's replacement investment level is close to its annual depreciation and amortisation level excluding PPA related depreciation and amortization, and impairment losses. The Group's depreciation, amortization and impairment losses amounted to EUR 13.2 million (EUR 17.0 million) in the report period. Excluding PPA related depreciation and amortisation, and impairment losses it amounted to EUR 9.3 million (EUR 9.1 million).

## **RESEARCH & DEVELOPMENT**

Research and development costs totalled EUR 4.1 million (EUR 4.3 million), representing 1.0% (0.9%) of the consolidated revenue. At the end of the report period, 154 (161) people worked in product development, excluding production development and process development personnel.

In its product strategy, product development in PKC's Wiring Systems business takes into consideration the long- and short-term product development needs of PKC's customers and the latest development trends in the automotive industry.

PKC's main products are individually tailored electrical distribution systems, in addition to which PKC's product development is a pioneer in the application of new solutions for the needs of its customers. A growing part of PKC's global product range is vehicle electronics, through which PKC can offer its customers more thoroughly optimised electrical distribution systems.

Through active technological development, improvement is constantly being sought in product quality and performance: alternative materials are researched and utilised, and new innovative solutions are developed for the vehicle electrical distribution systems architecture. Improvements are being implemented cost-effectively with the aim of minimising the overall costs of the customer's product.

The strong areas of expertise of PKC's Electronics business product development are test and power management solutions.

## **PERSONNEL**

During the report period, the Group had an average payroll of 19,026 employees (19,544). At the end of the report period, the Group's personnel totalled 19,513 employees (19,311), of whom 19,210 (18,999) worked abroad and 303 (312) in Finland. In addition the Group had at the end of the report period 441 (618) temporary employees. In the report period 96.6% of the personnel was employed by the wiring systems business segment and 3.3% by the electronics business segment. Geographically, personnel was divided as follows: North America 57.9%, Europe 26.4%, South America 13.4% and Asia 2.4%. Total amount of report period's employee benefit expenses was EUR 101.7 million (EUR 104.0 million) including EUR 2.7 million (EUR 3.8 million) classified as non-recurring expenses.

Majority of PKC's manufacturing is labour intensive and the Group's competitiveness is based on its skilled personnel. In order to maintain a skilled and engaged workforce, PKC focuses on developing its employees' competences. PKC takes a systematic approach to labour protection and frequently follows e.g. injury and occupational disease rates and absentee rates which are reported also in PKC Group's corporate responsibility report.

## **QUALITY AND THE ENVIRONMENT**

All of the Group's factories are certified in accordance with requirements of the ISO/TS16949 quality standard for the automotive industry excluding factory in Traverse City (USA) and Raahe (Finland) electronics factory, which are certified in accordance with requirements of ISO9001 standard. In addition the



new wiring harness factories in Panevezys (Lithuania), Smederevo (Serbia) and Suzhou (China) have not yet been certified according to ISO/TS16949 quality standard requirements. In addition all of the Group's factories are certified in accordance with the ISO14001 environmental standard and all factories operate in accordance with the ISO9001 quality standard except the new wiring harness factories in Panevezys (Lithuania), Smederevo (Serbia) and Suzhou (China) which have not yet been certified. Preparations to recertify Curitiba (Brazil) factory according to ISO14001 environmental standard is on-going and is planned to be completed in 2014. Preparation to certify wiring systems factories in Panevezys (Lithuania) and Smederevo (Serbia) according to ISO/TS16949 quality standard and ISO14001 environmental standard have been started. The ISO/TS16949 certification transfer to the wiring systems factory in Suzhou (China) and preparations to certify the factory according to ISO14001 are on-going.

Production units in Acuna (Mexico), Juarez (Mexico), Piedras Negras (Mexico), Torreon (Mexico), Keila (Estonia), Haapsalu (Estonia), Itajuba (Brazil), Raahe (Finland) and Suzhou (China) have also certification in accordance with the OHSAS18001 occupational health and safety management system standard.

PKC wants to take responsibility for the well-being of the environment by developing energy-saving solutions and by designing products where emissions and material usage are minimised. The environmental impact of manufacturing will be reduced by optimizing deliveries and the efficient management of materials.

## MANAGEMENT

The Annual General Meeting held on 3 April 2014, re-elected Wolfgang Diez, Shemaya Levy, Robert Remenar, Matti Ruotsala and Jyrki Tähtinen as Board members and elected Reinhard Buhl and Mingming Liu as new Board members. In the Board's organisation meeting, Matti Ruotsala was elected as Chairman of the Board with Robert Remenar as Vice-Chairman.

Shemaya Levy was elected as the chairman of the Audit Committee and Wolfgang Diez, Mingming Liu and Jyrki Tähtinen as members. The Board elected Matti Ruotsala as chairman of the Nomination and Remuneration Committee and Reinhard Buhl and Robert Remenar as members.

KPMG Oy Ab, which has announced Virpi Halonen, APA, to be the Auditor with principal responsibility, was selected as auditor.

At the end of the report period the Group's Executive Board consisted of the following persons Matti Hyytiäinen, Chairman (President & CEO), Jyrki Keronen (Senior Vice President, Business Development & APAC), Jani Kiljala (President, Wiring Systems, Europe and South America), Sanna Raatikainen (General Counsel), Jarmo Rajala (President, Electronics), Frank Sovis (President, Wiring Systems, North America) and Juha Tornainen (CFO).

## DIVIDEND FOR 2013

The Annual General Meeting held on 3 April 2014 resolved to pay a dividend of EUR 0.70 per share: i.e. a total of about EUR 16.8 million. The dividend was paid out on 15 April 2014.

## SHARE TURNOVER AND SHAREHOLDERS

<b>Trading of shares on NASDAQ OMX Helsinki Ltd</b>	<b>1-6/14</b>	<b>1-6/13</b>
Turnover in shares	6,356,538	4,128,803
Share turnover, EUR million	144.4	73.1
Turnover in shares per average number of shares, %	26.6	19.1

PKC's shares are also traded on alternative exchanges (inter alia Chi-X, BATS and Turquoise). The total trading volume on these particular alternative exchanges was 612,778 shares (178,754 shares) during the report period.

Shares and market value on NASDAQ OMX Helsinki Ltd	<b>1-6/14</b>	<b>1-6/13</b>
Number of shares at the close of the report period	23,970,004	21,654,522
Lowest share price during the report period, EUR	20.63	15.00
Highest share price during the report period, EUR	26.33	20.69
Share price at close of the report period, EUR	20.92	18.27
Average share price of the report period, EUR	22.69	17.71
Market capitalisation at the close of the report period, EUR million	501.5	395.6

The shares held by Executive Board members, Board members, their closely associated persons and corporations in which they have a controlling interest accounted for 0.1% (0.7%) of the total number of shares at the end of the report period. PKC Group Plc had a total of 8,466 shareholders (7,750) at the end of the report period. The shares held by foreigners and through nominee registrations at the close of the report period totalled 36.8% of the share capital (26.0%).

### Flaggings

On 24 January 2014 the share of votes and share capital in PKC Group Plc held by funds (OP-Focus Non-UCITS Fund, OP-Delta Fund and OP-Finland Small Firm Fund) managed by OP Fund Management Company Ltd (0743962-2) fell below the limit of 5%. Following the transaction the funds managed by OP Fund Management Company Ltd owned 1,096,908 shares i.e. 4.59% of the shares and votes.

On 26 March 2014 the share of votes and share capital in PKC Group Plc held by funds (OP-Focus Non-UCITS Fund, OP-Delta Fund, OP-Finland Small Firm Fund and OP-Nordic Plus Fund (NON-UCITS)) managed by OP Fund Management Company Ltd (0743962-2) exceeded the limit of 5%. Following the transaction the funds managed by OP Fund Management Company Ltd owned 1,213,161 shares i.e. 5.07% of the shares and votes.

On 9 April 2014 the share of votes and share capital in PKC Group Plc held by Lannebo Fonder AB and possible future ownership (stock borrowing agreements), in total exceeded the limit of 5%. Following the transaction on 9 April 2014 Lannebo Fonder AB's total number of shares and votes were as follows: 857,016 PKC Group Plc's shares and votes and 400,000 lent shares and votes, which return 10 April 2014, in total 1,257,016 PKC Group Plc shares and votes i.e. 5.25% of the share capital and votes.

On 10 April 2014 the share of votes and share capital in PKC Group Plc held by Lannebo Fonder AB exceeded the limit of 5%. Following the transaction Lannebo Fonder AB owned 1,572,016 PKC Group Plc shares and votes, i.e. 6.57% of the share capital and votes.

On 5 May 2014 the share of votes and share capital in PKC Group Plc held by AS Harju Elekter (10029524) fell below the limit of 5%. Following the transaction AS Harju Elekter owned 1,194,641 PKC Group Plc shares and votes, i.e. 4.99% of the share capital and votes.

### NUMBER OF SHARES

PKC Group Plc's number of shares has changed during the report period as follows:

<b>Registrations of new shares corresponding to subscriptions</b>	<b>2009A options</b>	<b>2009B options</b>	<b>2009C options</b>	<b>Number of shares after subscriptions</b>
21.2.2014	11,850	7,500	-	23,925,237
2.4.2014	14,400	3,450	-	23,943,087
16.5.2014	9,950	7,467	9,500	23,970,004

## THE BOARD'S AUTHORISATIONS

The Board of Directors was granted authorisation by the Annual General Meeting on 3 April 2014 to decide on one or more share issues and granting of special rights defined in Chapter 10, Section 1 of the Companies Act and all the terms and conditions thereof. A maximum total of 4,750,000 shares may be issued or subscribed for on the basis of authorisation. The authorisation includes the right to decide on directed share issue. The authorisation is in force for five years from the date of the General Meeting's decision. At Board of Directors' discretion the authorisation may be used e.g. in financing possible corporate acquisitions, inter-company co-operation or similar arrangement, or strengthening Company's financial or capital structure. The authorisation revoked the authorisation granted on 30 March 2011.

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

## STOCK OPTION SCHEMES

### 2009 options

	<b>2009A</b>	<b>2009B</b>	<b>2009C</b>
Subscription period	ended 30.4.2014	1.4.2013- 30.4.2015	1.4.2014- 30.4.2016
Current subscription price, EUR	-	10.71	16.58
Total amount of options	200,000	200,000	200,000
Held by PKC or non-allocated	-	19,478	57,500
Exercised	195,500	129,832	9,500
Expired	4,500	-	-
Outstanding	-	50,690	133,000
Invested non-restricted equity fund can increase by, EUR	-	751,499	3,158,490

The key personnel stock option scheme initiated in 2009 comprises a total of 600,000 options divided into A, B and C warrants. The stock options entitle their owners to subscribe for a maximum total of 600,000 new shares in the company or existing shares held by the company. After the beginning of the subscription period options will no longer be distributed to key personnel. The subscription price for shares through the exercise of the 2009 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki for April 2009, 2010 and 2011 +20% with dividend adjustments. During the report period 500 shares had been subscribed for with 2009C warrants but the share subscription hadn't been registered at the close of the report period.

### 2012 options

	<b>2012A(i)</b>	<b>2012A(ii)</b>	<b>2012B(i)</b>	<b>2012B(ii)</b>	<b>2012C(i)</b>	<b>2012C(ii)</b>
Subscription period	1.4.2015- 30.4.2017	1.4.2015- 30.4.2017	1.4.2016- 30.4.2018	1.4.2016- 30.4.2018	1.4.2017- 30.4.2019	1.4.2017- 30.4.2019
Current subscription price, EUR	15.31	15.31	16.65	16.65	23.28	23.28
Total amount of options	170,000	170,000	170,000	170,000	170,000	170,000
Held by PKC or non-allocated	0	0	0	0	15,500	15,500
Outstanding	170,000	170,000	170,000	170,000	154,500	154,500
Invested non-restricted equity fund can increase by, EUR	2,602,700	2,602,700	2,830,500	2,830,500	3,957,600	3,957,600

The key personnel stock option scheme initiated in 2012 comprises a total of 1,020,000 options. The stock options are marked with the symbol 2012A(i) and 2012A(ii); 2012B(i) and 2012B(ii); as well as 2012C(i) and 2012C(ii). A total of 170,000 stock options are included in each stock option class. The stock options entitle their owners to subscribe for a maximum total of 1,020,000 new shares in the company or existing shares held by the company. The subscription price for shares through the exercise of the 2012 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki Ltd during first quarter in 2012, 2013 and 2014.

The share subscription period for stock options 2012A(ii), 2012B(ii) and 2012C(ii) shall, however, not commence, unless certain operational or financial targets of the Group established for the exercise of stock options and determined by the Board of Directors have been attained. The Board of Directors shall annually decide on targets separately for each stock option class in connection with the distribution of stock options. Those stock options, for which the targets determined by the Board of Directors have not been attained, shall expire in the manner decided by the Board of Directors. 2012A(ii), 2012B(ii) and 2012C(ii) options have been initially allocated to the key personnel.

## **CORPORATE RESPONSIBILITY**

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

PKC's Corporate Responsibility report for 2013 was published on 12 March 2014.

## **STRATEGY 2018**

Strategic objectives have been announced in the capital market day held 3 April 2013.

PKC is a global partner, designing, manufacturing and integrating electrical distribution systems for the commercial vehicle industry and other selected segments. PKC is seeking growth within its current Commercial Vehicle markets and customers as well as in the growing markets of Asia. In addition, PKC is studying growth opportunities in expanding its business further within Transportation Industry. This is a segment where PKC can further utilize its unique knowhow as a global supplier of electrical distribution systems.

The long-term financial targets of PKC Group Plc is to reach EUR 1.4 billion revenue by 2018 and at least 10% EBITDA, while maintaining gearing below 75%. The targeted dividend payout is 30 - 60% of the cash flow after investments.

## **Key strategic highlights of 2014**

On 7 January 2014 PKC Group Plc announced to optimise its manufacturing footprint in North America. PKC has decided to close the factory in Nogales, Mexico in order to further adapt and align its manufacturing capacity to the North American customer base. In addition PKC has established a wiring systems company in Lithuania.

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

The demand for PKC's products is dependent especially on the volatility of the global commercial vehicle industry as well as the development of PKC's customers' businesses.

Uncertainty related to emerging markets' economic development has increased. Especially in Brazil higher inflation as well as economic and political uncertainty has continued.



Consolidation of the customer base and changes in customers' relative market shares and sourcing strategies may affect demand of PKC's products.

Weakening of the US dollar against the Mexican peso as well as the weakening of the euro against the Polish zloty and the Russian rouble may increase PKC's processing costs. Strengthening of the euro against the Brazilian real may increase PKC's material costs. A significant increase in copper price may weaken PKC Group's profit in short term. The customer prices are updated on average with a 3-5 month delay on the basis of copper price changes.

PKC Group Plc has been subject to a tax audit in 2011 related to the year 2009 reorganisation of Wiring Systems business. PKC has given its final response during the second quarter of 2013 and complemented its final response during 2014. The tax reassessment decision from Finnish tax administration is pending. Based on the tax audit report regarding the same, there is interpretation difference between PKC and the tax authorities, which can result in tax reassessment decision and obligation to pay additional taxes and related payments. In the opinion of the management of PKC the taxes have been reported and levied properly.

The objective of PKC Group's risk management is to identify risks relevant to business operations, and to determine the measures, responsibilities and schedules required for efficient risk management. The comprehensive risk management process is implemented across the whole PKC Group with the aim of establishing uniform procedures for the analysis and measurement of risks, taking into consideration the geographical differences between units. PKC's risks are classified into strategic, operational and financial risks. More information about PKC's risks is presented in the annual report and Corporate Governance Guidelines.

## **MARKET OUTLOOK**

### **Wiring Systems Business**

In 2014 the production of heavy-duty trucks in Europe is expected to decline by 10% and production of medium-duty trucks by 13% compared to the level of 2013.

Production of heavy-duty trucks in North America is expected to increase by 18%, production of medium-duty trucks by 4% and production of light vehicles by 3% compared to 2013.

Production of heavy-duty trucks in Brazil is expected to decline by 14%, and production of medium-duty trucks by 18% compared to 2013. The governmental incentive program to support the purchase of new trucks continues to be valid until further notice, although the terms have been weakened somewhat.

### **Electronics Business**

The market demand for Electronics segment's products is expected to remain at the present level.

## **PKC GROUP'S OUTLOOK FOR 2014**

PKC Group estimates that 2014 revenue and comparable EBITDA will be lower than in 2013. In 2013, PKC's revenue was EUR 884.0 million and comparable EBITDA before non-recurring items was EUR 70.3 million.

Revenue estimate is based on current business structure. Revenue will be affected by light vehicle build-outs in North America and by changes in exchange rates. As a result of the above, comparable EBITDA is expected to be lower than in 2013. Comparable EBITDA in 2014 will also be affected by reorganisation and program transfers in Europe and expenditures related to the implementation of PKC's growth strategy.

## **FINANCIAL REPORTS IN 2014**

In 2014, the Interim Reports will be published as follows:

- Interim Report 1-9/2014 Thursday, October 30, 2014 at about 8.15 a.m.

The text section of this release focuses on the interim report. Comparisons have been made to the figures of the corresponding period in 2013, unless otherwise mentioned. The figures presented in the tables are independently rounded figures.

## TABLES

This interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The interim report has been prepared in accordance with the same principles as the annual financial statements for 2013. The year 2014 IFRS standard changes have no significant effect on the interim report. IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities as well as the related amendments to IAS 27 and IAS 28: The standards have no significant impact on the Group's consolidated financial statements. Amendments to IAS 32 Financial Instruments: Presentation: The amendments provide clarifications on the application of requirements for offsetting financial assets and financial liabilities on the statement of financial position. The amended standard is to be applied retrospectively. The amendment does not have a significant impact on the Group's consolidated financial statements. This interim report is unaudited.

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)</b>	<b>4-6/14 3 mon.</b>	<b>4-6/13 3 mon.</b>	<b>1-6/14 6 mon.</b>	<b>1-6/13 6 mon.</b>	<b>1-12/13 12 mon.</b>
<b>Revenue</b>	<b>206,222</b>	<b>235,099</b>	<b>410,036</b>	<b>460,261</b>	<b>883,986</b>
Production for own use	29	53	120	103	315
Other operating income	1,349	512	1,486	787	1,982
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-405	-805	-1,396	-2,770	-3,235
Materials and services	-124,304	-140,563	-247,329	-275,439	-533,004
Employee benefit expenses	-51,075	-52,155	-101,728	-103,996	-201,170
Depreciation, amortisation and impairment	-6,728	-7,311	-13,208	-17,040	-32,860
Other operating expenses	-20,947	-22,834	-40,960	-43,984	-85,551
<b>Operating profit</b>	<b>4,142</b>	<b>11,996</b>	<b>7,021</b>	<b>17,923</b>	<b>30,463</b>
Items affecting comparability	-1,465	-1,265	-4,200	-6,654	-10,409
<b>Comparable operating profit</b>	<b>5,607</b>	<b>13,261</b>	<b>11,220</b>	<b>24,576</b>	<b>40,873</b>
Interest and other financial income and expenses	-1,153	-1,346	-2,327	-2,620	-6,670
Foreign currency exchange differences	882	-1,282	532	-1,225	-2,231
<b>Profit before taxes</b>	<b>3,871</b>	<b>9,368</b>	<b>5,225</b>	<b>14,078</b>	<b>21,562</b>
Income taxes	-1,277	-3,326	-1,724	-4,927	-7,615
<b>Profit for the report period</b>	<b>2,593</b>	<b>6,042</b>	<b>3,501</b>	<b>9,151</b>	<b>13,947</b>
<b>Other comprehensive income</b>					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	2,984	-10,979	4,496	-5,607	-16,905
Interest derivatives	0	158	0	339	970
Tax related to interest derivatives	0	-38	0	-82	-238
<b>Total comprehensive income for the period</b>	<b>5,578</b>	<b>-4,817</b>	<b>7,997</b>	<b>3,800</b>	<b>-2,226</b>
<b>Attributable to equity holders of the parent company</b>					
Basic earnings per share (EPS), EUR	0.11	0.28	0.15	0.42	0.63
Diluted earnings per share (EPS), EUR	0.11	0.28	0.15	0.42	0.62

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**      **6/14**      **6/13**      **12/13**  
**(EUR 1,000)**
**ASSETS**
**Non-current assets**

Goodwill	30,201	29,016	29,486
Intangible assets	33,270	39,536	34,694
Property, plant and equipment	76,261	87,913	76,026
Receivables	6,193	1,319	5,727
Deferred tax assets	16,902	13,410	16,443
<b>Total non-current assets</b>	<b>162,826</b>	<b>171,194</b>	<b>162,376</b>

**Current assets**

Inventories	82,202	87,754	80,237
Receivables			
Trade receivables	102,775	112,919	92,704
Other receivables	22,764	15,794	17,649
Current tax assets	11	1,564	2
Total receivables	125,549	130,276	110,356
Cash and cash equivalents	74,970	59,758	102,665
<b>Total current assets</b>	<b>282,721</b>	<b>277,788</b>	<b>293,257</b>
<b>Total assets</b>	<b>445,548</b>	<b>448,982</b>	<b>455,634</b>

**EQUITY AND LIABILITIES**
**Equity**

Share capital	6,218	6,218	6,218
Share premium account	11,282	11,343	11,282
Invested non-restricted equity fund	81,162	36,212	81,033
Fair value reserve	0	-475	0
Share-based payments	4,444	3,390	3,857
Translation difference	-7,542	-1,366	-12,323
Retained earnings	87,598	90,167	90,411
Profit for the report period	3,501	9,151	13,947
<b>Total equity</b>	<b>186,662</b>	<b>154,640</b>	<b>194,425</b>

**Liabilities**
**Non-current liabilities**

Interest-bearing financial liabilities	101,171	67,958	99,763
Provisions	1,488	895	1,064
Other liabilities	8,637	5,236	8,722
Deferred tax liabilities	18,071	23,807	23,929
<b>Total non-current liabilities</b>	<b>129,367</b>	<b>97,897</b>	<b>133,478</b>

**Current liabilities**

Interest-bearing financial liabilities	0	61,642	677
Trade payables	86,296	90,809	88,695
Other non-interest-bearing liabilities	43,222	43,676	38,209
Current tax liabilities	0	318	149
<b>Total current liabilities</b>	<b>129,519</b>	<b>196,445</b>	<b>127,730</b>
<b>Total liabilities</b>	<b>258,886</b>	<b>294,342</b>	<b>261,208</b>
<b>Total equity and liabilities</b>	<b>445,548</b>	<b>448,982</b>	<b>455,634</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)</b>	<b>4-6/14 3 mon.</b>	<b>4-6/13 3 mon.</b>	<b>1-6/14 6 mon.</b>	<b>1-6/13 6 mon.</b>	<b>1-12/13 12 mon.</b>
<b>Cash flows from operating activities</b>					
Cash receipts from customers	209,998	222,792	401,147	423,364	876,460
Cash receipts from other operating income	101	351	188	99	785
Cash paid to suppliers and employees	-189,572	-214,063	-393,784	-405,381	-819,256
<b>Cash flows from operations before financial income and expenses and taxes</b>	<b>20,527</b>	<b>9,080</b>	<b>7,550</b>	<b>18,083</b>	<b>57,989</b>
Interest paid and other financial expenses	95	-911	-1,132	-4,083	-5,851
Effects of exchange rate changes	-988	1,067	657	1,693	680
Interest received	24	20	40	41	153
Income taxes paid	-6,718	-4,433	-6,991	-7,419	-13,258
<b>Net cash from operating activities (A)</b>	<b>12,939</b>	<b>4,823</b>	<b>124</b>	<b>8,315</b>	<b>39,714</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment and intangible assets	-4,957	-3,864	-10,518	-7,209	-15,103
Proceeds from sale of property, plant and equipment and intangible assets	17	150	38	206	329
Acquisitions of subsidiary shares, net of cash acquired	-610	0	-610	0	0
Dividends received from investments	1	0	1	0	0
<b>Net cash used in investment activities (B)</b>	<b>-5,549</b>	<b>-3,714</b>	<b>-11,089</b>	<b>-7,002</b>	<b>-14,773</b>
<b>Cash flows after investments</b>	<b>7,390</b>	<b>1,109</b>	<b>-10,965</b>	<b>1,313</b>	<b>24,941</b>
<b>Cash flows from financing activities</b>					
Share issue and subscriptions of options	309	435	414	985	46,342
Proceeds from non-current borrowings	-23	0	0	0	99,531
Repayment of current/non-current borrowings	-30	-4	-678	-14,502	-138,645
Dividends paid	-16,760	-15,122	-16,760	-15,122	-15,122
<b>Net cash used in financing activities (C)</b>	<b>-16,504</b>	<b>-14,691</b>	<b>-17,025</b>	<b>-28,638</b>	<b>-7,893</b>
<b>Net increase (+) or decrease (-) in cash and equivalents (A+B+C)</b>	<b>-9,114</b>	<b>-13,582</b>	<b>-27,990</b>	<b>-27,325</b>	<b>17,047</b>
Cash and cash equivalents in the beginning of the period	83,578	74,261	102,665	87,222	87,222
Effect of exchange rate changes	506	-920	295	-138	-1,604
Cash and cash equivalents in the end of the period	74,970	59,758	74,970	59,758	102,665



**KEY FINANCIAL INDICATORS**

	<b>1-6/14</b>	<b>1-6/13</b>	<b>1-12/13</b>
	<b>6 mon.</b>	<b>6 mon.</b>	<b>12 mon.</b>
Revenue, EUR 1,000	410,036	460,261	883,986
Operating profit, EUR 1,000	7,021	17,923	30,463
% of revenue	1.7	3.9	3.4
Profit before taxes, EUR 1,000	5,225	14,078	21,562
% of revenue	1.3	3.1	2.4
Net profit for the period, EUR 1,000	3,501	9,151	13,947
% of revenue	0.9	2.0	1.6
Return on equity (ROE), %	3.7	11.5	7.8
Return on investments (ROI), %	10.2	18.0	14.7
Net working capital, EUR 1,000	78,233	83,226	63,540
Net liabilities, EUR 1,000	26,201	69,842	-2,225
Gearing, %	14.0	45.2	-1.1
Equity ratio, %	41.9	34.5	42.7
Current ratio	2.2	1.4	2.3
Gross capital expenditure, EUR 1,000	11,518	6,828	14,620
% of revenue	2.8	1.5	1.7
R&D expenditures, EUR 1,000	4,089	4,279	8,503
% of revenue	1.0	0.9	1.0
Personnel average	19,026	19,544	19,206

**PER-SHARE KEY INDICATORS**

	<b>1-6/14</b>	<b>1-6/13</b>	<b>1-12/13</b>
	<b>6 mon.</b>	<b>6 mon.</b>	<b>12 mon.</b>
Earnings per share (EPS), EUR	0.15	0.42	0.63
Earnings per share (EPS), diluted, EUR	0.15	0.42	0.62
Equity per share, EUR	7.79	7.14	8.13
Cash flow per share, EUR	-0.45	0.06	1.11
Share price at close of period, EUR	20.92	18.27	24.19
Lowest share price, EUR	20.63	15.00	15.00
Highest share price, EUR	26.33	20.69	25.31
Average share price, EUR	22.69	17.71	20.47
Turnover in shares, 1,000 shares	6,357	4,129	8,963
Turnover in shares per (share issue adjusted) share capital, %	26.6	19.1	40.2
Average number of shares, 1,000 shares	23,935	21,594	22,280
Average number of shares, diluted, 1,000 shares	24,119	21,738	22,454
Shares at end of period, 1,000 shares	23,970	21,655	23,906
Market capitalisation, EUR 1,000	501,452	395,628	576,103

## 1. SEGMENT INFORMATION

Segment assets and liabilities include only those assets and liabilities that can be directly allocated to the respective segments. Group's unallocated expenses and income, and eliminations between segments are included in unallocated items of comprehensive income. Unallocated assets include mainly items related to Group management and also taxes and loan receivables. Unallocated liabilities include current and non-current loans and tax liabilities.

1.4.-30.6.2014 (EUR 1,000)	Wiring Systems	Electronics	Total reportable segments	Unallocated amounts and eliminations	Total Group
Segment revenue	191,678	14,772	206,449	193	206,642
of which inter-segment revenue	175	52	227	193	420
<b>External revenue</b>	<b>191,502</b>	<b>14,720</b>	<b>206,222</b>	<b>0</b>	<b>206,222</b>
<b>EBITDA</b>	<b>12,995</b>	<b>790</b>	<b>13,785</b>	<b>-1,348</b>	<b>12,437</b>
<b>% of revenue</b>	<b>6.8</b>	<b>5.4</b>			<b>6.0</b>
Depreciation, amortisation and impairments *)	-4,440	-354	-4,794	-16	-4,810
<b>EBITA</b>	<b>8,555</b>	<b>436</b>	<b>8,991</b>	<b>-1,363</b>	<b>7,628</b>
<b>% of revenue</b>	<b>4.5</b>	<b>3.0</b>			<b>3.7</b>
PPA depreciation and amortisation	-2,021	0	-2,021	0	-2,021
<b>Operating profit before non-recurring items</b>	<b>6,535</b>	<b>436</b>	<b>6,971</b>	<b>-1,363</b>	<b>5,607</b>
<b>% of revenue</b>	<b>3.4</b>	<b>3.0</b>			<b>2.7</b>
Non-recurring employee benefit expenses	-667	0	-667	0	-667
Impairment of PPE and intangible assets	103	0	103	0	103
Other non-recurring income and expenses	-318	0	-318	-583	-900
<b>Total non-recurring items</b>	<b>-882</b>	<b>0</b>	<b>-882</b>	<b>-583</b>	<b>-1,465</b>
<b>Operating profit</b>	<b>5,653</b>	<b>436</b>	<b>6,088</b>	<b>-1,946</b>	<b>4,142</b>
<b>% of revenue</b>	<b>3.0</b>	<b>3.0</b>			<b>2.0</b>
Financial income and expenses	0	0	0	-271	-271
<b>Profit before taxes</b>	<b>5,653</b>	<b>436</b>	<b>6,088</b>	<b>-2,218</b>	<b>3,871</b>
Income taxes	0	0	0	-1,277	-1,277
<b>Profit for the period</b>	<b>5,653</b>	<b>436</b>	<b>6,088</b>	<b>-3,495</b>	<b>2,593</b>
Goodwill	28,992	1,209	30,201	0	30,201
Other segment assets	411,378	36,797	448,175	-32,828	415,347
<b>Total assets</b>	<b>440,370</b>	<b>38,006</b>	<b>478,375</b>	<b>-32,828</b>	<b>445,548</b>
Segment liabilities	335,871	26,422	362,294	-103,408	258,886
<b>Total liabilities</b>	<b>335,871</b>	<b>26,422</b>	<b>362,294</b>	<b>-103,408</b>	<b>258,886</b>

\*) excluding PPA depreciation and amortisation and non-recurring asset impairment

1.4.-30.6.2013 (EUR 1,000)	Wiring Systems	Electronics	Total reportable segments	Unallocated amounts and eliminations	Total Group
Segment revenue	217,346	18,724	236,069	150	236,219
of which inter-segment revenue	184	786	970	150	1,120
<b>External revenue</b>	<b>217,162</b>	<b>17,937</b>	<b>235,099</b>	<b>0</b>	<b>235,099</b>
<b>EBITDA</b>	<b>20,201</b>	<b>2,104</b>	<b>22,304</b>	<b>-1,708</b>	<b>20,597</b>
<b>% of revenue</b>	<b>9.3</b>	<b>11.7</b>			<b>8.8</b>
Depreciation, amortisation and impairments *)	-4,072	-398	-4,470	-59	-4,529
<b>EBITA</b>	<b>16,129</b>	<b>1,705</b>	<b>17,834</b>	<b>-1,766</b>	<b>16,068</b>
<b>% of revenue</b>	<b>7.4</b>	<b>9.5</b>			<b>6.8</b>
PPA depreciation and amortisation	-2,807	0	-2,807	0	-2,807
<b>Operating profit before non-recurring items</b>	<b>13,322</b>	<b>1,705</b>	<b>15,027</b>	<b>-1,766</b>	<b>13,261</b>
<b>% of revenue</b>	<b>6.1</b>	<b>9.5</b>			<b>5.6</b>
Non-recurring employee benefit expenses	-341	-733	-1,074	0	-1,074
Impairment of PPE and intangible assets	25	0	25	0	25
Other non-recurring income and expenses	-61	846	785	-1,000	-215
<b>Total non-recurring items</b>	<b>-377</b>	<b>112</b>	<b>-264</b>	<b>-1,000</b>	<b>-1,265</b>
<b>Operating profit</b>	<b>12,945</b>	<b>1,818</b>	<b>14,763</b>	<b>-2,767</b>	<b>11,996</b>
<b>% of revenue</b>	<b>6.0</b>	<b>10.1</b>			<b>5.1</b>
Financial income and expenses	0	0	0	-2,628	-2,628
<b>Profit before taxes</b>	<b>12,945</b>	<b>1,818</b>	<b>14,763</b>	<b>-5,395</b>	<b>9,368</b>
Income taxes	0	0	0	-3,326	-3,326
<b>Profit for the period</b>	<b>12,945</b>	<b>1,818</b>	<b>14,763</b>	<b>-8,721</b>	<b>6,042</b>
Goodwill	27,807	1,209	29,016	0	29,016
Other segment assets	417,915	38,498	456,412	-36,446	419,966
<b>Total assets</b>	<b>445,722</b>	<b>39,707</b>	<b>485,429</b>	<b>-36,446</b>	<b>448,982</b>
Segment liabilities	310,419	28,608	339,027	-44,685	294,342
<b>Total liabilities</b>	<b>310,419</b>	<b>28,608</b>	<b>339,027</b>	<b>-44,685</b>	<b>294,342</b>

\*) excluding PPA depreciation and amortisation and non-recurring asset impairment

1.1.-30.6.2014 (EUR 1,000)	Wiring Systems	Electronics	Total reportable segments	Unallocated amounts and eliminations	Total Group
Segment revenue	380,207	30,259	410,465	375	410,840
of which inter-segment revenue	316	113	430	375	805
<b>External revenue</b>	<b>379,890</b>	<b>30,145</b>	<b>410,036</b>	<b>0</b>	<b>410,036</b>
<b>EBITDA</b>	<b>24,979</b>	<b>2,033</b>	<b>27,013</b>	<b>-2,481</b>	<b>24,531</b>
<b>% of revenue</b>	<b>6.6</b>	<b>6.7</b>			<b>6.0</b>
Depreciation, amortisation and impairments *)	-8,516	-709	-9,224	-31	-9,255
<b>EBITA</b>	<b>16,463</b>	<b>1,325</b>	<b>17,788</b>	<b>-2,512</b>	<b>15,276</b>
<b>% of revenue</b>	<b>4.3</b>	<b>4.4</b>			<b>3.7</b>
PPA depreciation and amortisation	-4,056	0	-4,056	0	-4,056
<b>Operating profit before non-recurring items</b>	<b>12,407</b>	<b>1,325</b>	<b>13,732</b>	<b>-2,512</b>	<b>11,220</b>
<b>% of revenue</b>	<b>3.3</b>	<b>4.4</b>			<b>2.7</b>
Non-recurring employee benefit expenses	-2,687	0	-2,687	0	-2,687
Impairment of PPE and intangible assets	103	0	103	0	103
Other non-recurring income and expenses	-402	0	-402	-1,213	-1,615
<b>Total non-recurring items</b>	<b>-2,987</b>	<b>0</b>	<b>-2,987</b>	<b>-1,213</b>	<b>-4,200</b>
<b>Operating profit</b>	<b>9,421</b>	<b>1,325</b>	<b>10,746</b>	<b>-3,725</b>	<b>7,021</b>
<b>% of revenue</b>	<b>2.5</b>	<b>4.4</b>			<b>1.7</b>
Financial income and expenses	0	0	0	-1,795	-1,795
<b>Profit before taxes</b>	<b>9,421</b>	<b>1,325</b>	<b>10,746</b>	<b>-5,520</b>	<b>5,225</b>
Income taxes	0	0	0	-1,724	-1,724
<b>Profit for the period</b>	<b>9,421</b>	<b>1,325</b>	<b>10,746</b>	<b>-7,245</b>	<b>3,501</b>
Goodwill	28,992	1,209	30,201	0	30,201
Other segment assets	411,378	36,797	448,175	-32,828	415,347
<b>Total assets</b>	<b>440,370</b>	<b>38,006</b>	<b>478,375</b>	<b>-32,828</b>	<b>445,548</b>
Segment liabilities	335,871	26,422	362,294	-103,408	258,886
<b>Total liabilities</b>	<b>335,871</b>	<b>26,422</b>	<b>362,294</b>	<b>-103,408</b>	<b>258,886</b>

\*) excluding PPA depreciation and amortisation and non-recurring asset impairment



1.1.-30.6.2013 (EUR 1,000)	Wiring Systems	Electronics	Total reportable segments	Unallocated amounts and eliminations	Total Group
Segment revenue	425,887	35,741	461,629	278	461,907
of which inter-segment revenue	298	1,070	1,368	278	1,646
<b>External revenue</b>	<b>425,589</b>	<b>34,671</b>	<b>460,261</b>	<b>0</b>	<b>460,261</b>
<b>EBITDA</b>	<b>38,748</b>	<b>3,579</b>	<b>42,327</b>	<b>-2,962</b>	<b>39,365</b>
<b>% of revenue</b>	<b>9.1</b>	<b>10.3</b>			<b>8.6</b>
Depreciation, amortisation and impairments *)	-7,987	-839	-8,826	-236	-9,062
<b>EBITA</b>	<b>30,761</b>	<b>2,740</b>	<b>33,501</b>	<b>-3,199</b>	<b>30,302</b>
<b>% of revenue</b>	<b>7.2</b>	<b>7.9</b>			<b>6.6</b>
PPA depreciation and amortisation	-5,726	0	-5,726	0	-5,726
<b>Operating profit before non-recurring items</b>	<b>25,035</b>	<b>2,740</b>	<b>27,775</b>	<b>-3,199</b>	<b>24,576</b>
<b>% of revenue</b>	<b>5.9</b>	<b>7.9</b>			<b>5.3</b>
Non-recurring employee benefit expenses	-2,927	-831	-3,758	0	-3,758
Impairment of PPE and intangible assets	-2,252	0	-2,252	0	-2,252
Other non-recurring income and expenses	-421	1,020	599	-1,242	-644
<b>Total non-recurring items</b>	<b>-5,600</b>	<b>189</b>	<b>-5,412</b>	<b>-1,242</b>	<b>-6,654</b>
<b>Operating profit</b>	<b>19,435</b>	<b>2,928</b>	<b>22,363</b>	<b>-4,441</b>	<b>17,923</b>
<b>% of revenue</b>	<b>4.6</b>	<b>8.4</b>			<b>3.9</b>
Financial income and expenses	0	0	0	-3,845	-3,845
<b>Profit before taxes</b>	<b>19,435</b>	<b>2,928</b>	<b>22,363</b>	<b>-8,286</b>	<b>14,078</b>
Income taxes	0	0	0	-4,927	-4,927
<b>Profit for the period</b>	<b>19,435</b>	<b>2,928</b>	<b>22,363</b>	<b>-13,213</b>	<b>9,151</b>
Goodwill	27,807	1,209	29,016	0	29,016
Other segment assets	417,915	38,498	456,412	-36,446	419,966
<b>Total assets</b>	<b>445,722</b>	<b>39,707</b>	<b>485,429</b>	<b>-36,446</b>	<b>448,982</b>
Segment liabilities	310,419	28,608	339,027	-44,685	294,342
<b>Total liabilities</b>	<b>310,419</b>	<b>28,608</b>	<b>339,027</b>	<b>-44,685</b>	<b>294,342</b>

\*) excluding PPA depreciation and amortisation and non-recurring asset impairment

1.1.-31.12.2013 (EUR 1,000)	Wiring Systems	Electronics	Total reportable segments	Unallocated amounts and eliminations	Total Group
Segment revenue	820,768	64,950	885,718	425	886,143
of which inter-segment revenue	436	1,295	1,732	425	2,157
<b>External revenue</b>	<b>820,332</b>	<b>63,654</b>	<b>883,986</b>	<b>0</b>	<b>883,986</b>
<b>EBITDA</b>	<b>70,527</b>	<b>5,837</b>	<b>76,364</b>	<b>-6,023</b>	<b>70,341</b>
<b>% of revenue</b>	<b>8.6</b>	<b>9.2</b>			<b>8.0</b>
Depreciation, amortisation and impairments *)	-16,054	-1,556	-17,610	-270	-17,881
<b>EBITA</b>	<b>54,473</b>	<b>4,281</b>	<b>58,754</b>	<b>-6,293</b>	<b>52,461</b>
<b>% of revenue</b>	<b>6.6</b>	<b>6.7</b>			<b>5.9</b>
PPA depreciation and amortisation	-11,588	0	-11,588	0	-11,588
<b>Operating profit before non-recurring items</b>	<b>42,885</b>	<b>4,281</b>	<b>47,166</b>	<b>-6,293</b>	<b>40,873</b>
<b>% of revenue</b>	<b>5.2</b>	<b>6.7</b>			<b>4.6</b>
Non-recurring employee benefit expenses	-4,459	-853	-5,312	0	-5,312
Impairment of PPE and intangible assets	-3,391	0	-3,391	0	-3,391
Other non-recurring income and expenses	-507	700	194	-1,900	-1,707
<b>Total non-recurring items</b>	<b>-8,356</b>	<b>-153</b>	<b>-8,509</b>	<b>-1,900</b>	<b>-10,409</b>
<b>Operating profit</b>	<b>34,529</b>	<b>4,128</b>	<b>38,657</b>	<b>-8,193</b>	<b>30,463</b>
<b>% of revenue</b>	<b>4.2</b>	<b>6.5</b>			<b>3.4</b>
Financial income and expenses	0	0	0	-8,902	-8,902
<b>Profit before taxes</b>	<b>34,529</b>	<b>4,128</b>	<b>38,657</b>	<b>-17,095</b>	<b>21,562</b>
Income taxes	0	0	0	-7,615	-7,615
<b>Profit for the period</b>	<b>34,529</b>	<b>4,128</b>	<b>38,657</b>	<b>-24,710</b>	<b>13,947</b>
Goodwill	28,277	1,209	29,486	0	29,486
Other segment assets	402,246	38,215	440,461	-14,314	426,147
<b>Total assets</b>	<b>430,524</b>	<b>39,424</b>	<b>469,948</b>	<b>-14,314</b>	<b>455,634</b>
Segment liabilities	330,308	28,297	358,606	-97,397	261,208
<b>Total liabilities</b>	<b>330,308</b>	<b>28,297</b>	<b>358,606</b>	<b>-97,397</b>	<b>261,208</b>

\*) excluding PPA depreciation and amortisation and non-recurring asset impairment

REVENUE BY GEOGRAPHICAL LOCATIONS (EUR 1,000)	4-6/14 3 mon.	4-6/13 3 mon.	1-6/14 6 mon.	1-6/13 6 mon.	1-12/13 12 mon.
Finland	13,725	15,522	26,676	30,163	57,184
Other Europe	47,837	58,072	98,975	112,513	225,701
North America	120,730	130,775	235,206	259,773	491,704
South America	17,199	23,826	34,827	46,381	87,461
APAC	6,731	6,903	14,352	11,431	21,936
<b>Total</b>	<b>206,222</b>	<b>235,099</b>	<b>410,036</b>	<b>460,261</b>	<b>883,986</b>

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

A = Share Capital  
 B = Share premium account  
 C = Invested non-restricted equity fund  
 D = Fair value reserve  
 E = Translation difference  
 F = Retained earnings  
 G = Equity attributable to shareholders of the parent company

	A	B	C	D	E	F	G
<b>Equity at 1.1.2013</b>	<b>6.2</b>	<b>10.6</b>	<b>35.4</b>	<b>-0.7</b>	<b>4.6</b>	<b>108.5</b>	<b>164.5</b>
Dividends	0.0	0.0	0.0	0.0	0.0	-15.1	-15.1
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.4	0.4
Share issue, exercise of options	0.0	0.7	0.3	0.0	0.0	0.0	1.0
Comprehensive income for the period	0.0	0.0	0.5	0.2	-6.0	9.1	3.8
<b>Equity at 30.6.2013</b>	<b>6.2</b>	<b>11.3</b>	<b>36.2</b>	<b>-0.5</b>	<b>-1.4</b>	<b>102.9</b>	<b>154.6</b>
<b>Equity at 1.1.2014</b>	<b>6.2</b>	<b>11.3</b>	<b>81.0</b>	<b>0.0</b>	<b>-12.3</b>	<b>108.2</b>	<b>194.4</b>
Dividends	0.0	0.0	0.0	0.0	0.0	-16.8	-16.8
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.6	0.6
Exercise of options	0.0	0.0	0.4	0.0	0.0	0.0	0.4
Comprehensive income for the period	0.0	0.0	-0.3	0.0	4.8	3.5	8.0
<b>Equity 30.6.2014</b>	<b>6.2</b>	<b>11.3</b>	<b>81.2</b>	<b>0.0</b>	<b>-7.5</b>	<b>95.6</b>	<b>186.7</b>

<b>3. PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)</b>	<b>6/14</b>	<b>6/13</b>
<b>Acquisition cost 1.1.</b>	<b>146,679</b>	<b>150,213</b>
+/- Currency translation differences	2,337	-1,119
+ Additions	9,959	6,569
- Disposals	-2,938	-1,834
+/- Reclassifications	-391	0
+/- Other changes	38	2,428
<b>Acquisition cost 30.6.</b>	<b>155,684</b>	<b>156,258</b>
<b>Accumulated depreciation 1.1.</b>	<b>70,652</b>	<b>55,906</b>
+/- Currency translation differences	1,035	-672
- Accumulated depreciation on disposals and reclassifications	-2,542	-1,884
+/- Other changes	0	2,878
+ Depreciation and impairment	10,278	12,117
<b>Depreciation 30.6.</b>	<b>79,423</b>	<b>68,344</b>
<b>Carrying amount 30.6.</b>	<b>76,261</b>	<b>87,913</b>
<b>4. INTANGIBLE ASSETS (EUR 1,000)</b>	<b>6/14</b>	<b>6/13</b>
<b>Acquisition cost 1.1.</b>	<b>106,508</b>	<b>108,306</b>
+/- Currency translation differences	305	-613
+ Additions	1,558	587
- Disposals	-30	-37
+/- Reclassifications	392	0
+/- Other changes	-42	-125
<b>Acquisition cost 30.6.</b>	<b>108,692</b>	<b>108,118</b>
<b>Accumulated amortisation 1.1.</b>	<b>42,328</b>	<b>34,444</b>
+/- Currency translation differences	171	19
- Accumulated amortisation on disposals and reclassifications	-23	0
+ Amortisation	2,745	5,104
<b>Amortisation 30.6.</b>	<b>45,221</b>	<b>39,566</b>
<b>Carrying amount 30.6.</b>	<b>63,471</b>	<b>68,552</b>

**5. FAIR VALUES OF FINANCIAL INSTRUMENTS (EUR 1,000)**

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2014

<b>As of June 30, 2014</b>	<b>Carrying amounts of balance sheet items</b>	<b>Fair values of balance sheet items</b>
<b>Non-current financial assets</b>		
Other non-current financial assets	7	7
Total non-current financial assets	7	7
<b>Current financial assets</b>		
Interest derivatives	2,177	2,177
Currency derivatives	203	203
Copper derivatives	127	127
Total current financial assets	2,508	2,508
<b>Total financial assets</b>	<b>2,515</b>	<b>2,515</b>
<b>Non-current financial liabilities</b>		
Non-current interest-bearing liabilities	101,171	100,000
Total non-current financial liabilities	101,171	100,000
<b>Total financial liabilities</b>	<b>101,171</b>	<b>100,000</b>

The valuation of derivatives is based on market data (level 2 IFRS 7:27A). The valuation of available-for-sale shares (Other non-current financial assets, 7) is based on the acquisition cost (level 3, IFRS 7.27A) as the fair value of the shares cannot be determined reliably.



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

	<b>6/14</b>	<b>6/13</b>	<b>12/13</b>
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**Leasing liabilities**

	<b>21,719</b>	<b>20,239</b>	<b>22,680</b>
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**Nominal values**

Interest derivatives	75,000	31,026	75,000
Currency derivatives	30,214	26,599	18,190
Copper derivatives	4,440	6,113	8,056
<b>Total</b>	<b>109,654</b>	<b>63,738</b>	<b>101,245</b>

**Fair values**

Interest derivatives	2,177	-639	223
Currency derivatives	203	-751	-86
Copper derivatives	127	-697	-19
<b>Total</b>	<b>2,507</b>	<b>-2,087</b>	<b>118</b>

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

**7. QUARTERLY KEY INDICATORS,  
CONSOLIDATED**

	<b>1-3/13</b>	<b>4-6/13</b>	<b>7-9/13</b>	<b>10-12/13</b>	<b>1-3/14</b>	<b>4-6/14</b>
	<b>3 mon.</b>	<b>3 mon.</b>	<b>3 mon.</b>	<b>3 mon.</b>	<b>3 mon.</b>	<b>3 mon.</b>
Revenue, EUR million	225.2	235.1	211.6	212.1	203.8	206.2
Operating profit, EUR million	5.9	12.0	7.9	4.6	2.9	4.1
% of revenue	2.6	5.1	3.8	2.2	1.4	2.0
Profit before taxes, EUR million	4.7	9.4	5.5	1.9	1.4	3.9
% of revenue	2.1	4.0	2.6	0.9	0.7	1.9
Equity ratio, %	34.8	34.5	39.1	42.7	43.3	41.9
Earnings per share (EPS), diluted (EUR)	0.14	0.28	0.14	0.08	0.04	0.11
Equity per share, EUR	8.06	7.14	8.26	8.13	8.20	7.79
Net cash from operating activities, EUR million	3.5	4.8	8.4	23.0	-12.8	12.9
Cash flow after investments, EUR million	0.2	1.1	5.1	18.5	-18.4	7.4

**QUARTERLY KEY INDICATORS, WIRING SYSTEMS**

Revenue, EUR million	208.4	217.2	196.4	198.4	188.4	191.5
Operating profit, EUR million	6.5	12.9	8.5	6.6	3.8	5.7
% of revenue	3.1	6.0	4.3	3.3	2.0	3.0

**QUARTERLY KEY INDICATORS, ELECTRONICS**

Revenue, EUR million	16.7	17.9	15.3	13.7	15.4	14.7
Operating profit, EUR million	1.1	1.8	0.9	0.3	0.9	0.4
% of revenue	6.6	10.1	5.9	2.2	5.8	3.0

## **CALCULATION OF INDICATORS**

Return on equity (ROE), %  
 =  $100 \times \text{Profit for the report period} / \text{Total equity (average)}$

Return on investments (ROI), %  
 =  $100 \times (\text{Profit before taxes} + \text{financial expenses}) / (\text{Total equity} + \text{interest-bearing financial liabilities (average)})$

Net liabilities  
 = Interest bearing liabilities – cash and cash equivalents

Gearing, %  
 =  $100 \times (\text{Interest-bearing financial liabilities} - \text{cash and cash equivalents}) / \text{Total equity}$

Equity ratio, %  
 =  $100 \times \text{Total equity} / (\text{Total of the statement of financial position} - \text{advance payments received})$

Current ratio  
 =  $\text{Total current assets} / \text{Total current liabilities}$

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

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

Cash flow per share, EUR  
 =  $\text{Cash flows after investments} / \text{Average share issue-adjusted number of shares}$

Market capitalisation  
 =  $\text{Number of shares at the end of the report period} \times \text{the last trading price of the report period}$

EBITDA  
 = Operating profit + non-recurring items + depreciation, amortisation and impairments

EBITA  
 = Operating profit + non-recurring items + PPA depreciation and amortisation

Net working capital  
 = Inventories + current non-interest-bearing receivables – current non-interest-bearing liabilities

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

**PKC GROUP PLC**  
**Board of Directors**

**Matti Hyytiäinen**  
**President & CEO**

For additional information, contact:  
Matti Hyytiäinen, President & CEO, PKC Group Plc,  
tel. +358 (0)400 710 968 (7 August from 8.15 am to 1.30 pm)

Juha Torniainen, CFO, PKC Group Plc, tel. +358 (0)40 570 8871

**PRESS CONFERENCE**

A press conference on the interim report will be arranged for analysts and investors today, 7 August 2014, at 10.00 a.m., at the address Event Arena Bank, Unioninkatu 20, Helsinki.

**DISTRIBUTION**

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PKC Group is a global partner, designing, manufacturing and integrating electrical distribution systems, electronics and related architecture components for the commercial vehicle industry and other selected segments. The Group has production facilities in Brazil, China, Estonia, Finland, Germany, Lithuania, Mexico, Poland, Russia, Serbia and the USA. The Group's revenue in 2013 totalled EUR 884.0 million. PKC Group Plc is listed on NASDAQ OMX Helsinki Ltd.





MANAGING THE COMPLEXITY

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