

2015

Interim Report January-March

A significant result improvement

 Etteplan

ETTEPLAN OYJ INTERIM REPORT
MAY 7, 2015, AT 2:00 PM

ETTEPLAN Q1: A SIGNIFICANT RESULT IMPROVEMENT

Review period January-March 2015

- The Group's revenue increased by 4.1% and was EUR 34.7 million (1-3/2014: EUR 33.3 million).
- EBIT from business operations improved by 65.8% and was EUR 2.3 million (EUR 1.4 million).
- Operating profit (EBIT) improved by 77.3% and was EUR 2.1 million (EUR 1.2 million).
- The profit for the review period improved and was EUR 1.4 million (EUR 0.8 million).
- Operating cash flow improved and was EUR 0.1 million (EUR -1.7 million).
- Earnings per share were EUR 0.07 (EUR 0.04).
- The number of personnel increased and the Group had 1,873 employees at the end of the period (1,731).
- Etteplan starts to publish key figures of its two service areas.
- Etteplan keeps its estimate of market outlook and financial guidance unchanged.

Market outlook 2015

The most important factor in the development of Etteplan's business operations is the global development of the machinery and metal industry. Market development remains uncertain due to the political and economic situation in Europe. Etteplan's customers also operate in the North American and Asian markets, where the demand situation is better than in Europe.

Financial guidance 2015

We expect the revenue and operating profit for the year 2015 to grow compared to 2014.

Key figures

(EUR 1,000)	1-3/2015	1-3/2014	1-12/2014
Revenue	34,650	33,282	131,916
EBIT from business operations*	2,254 (6.5%)	1,360 (4.1%)	7,394 (5.6%)
Operating profit (EBIT)	2,051 (5.9%)	1,157 (3.5%)	7,856 (6.0%)
Basic earnings per share, EUR	0.07	0.04	0.30
Equity ratio, %	36.3	31.5	39.5
Operating cash flow	137	-1,695	7,754
ROCE, %	17.5	10.5	17.8
Personnel at end of the period	1,873	1,731	1,859

* EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations

President and CEO Juha Näkki:

“The year 2015 got off to a slow start after the Christmas holiday season. However, toward the end of January, the demand situation returned to the level seen at the end of the previous year and we achieved a clear improvement in our profitability and cash flow. Key accounts developed favorably and grew by 7.8 per cent. Demand remained nearly unchanged in all customer industries, but a slight improvement in demand among mining industry equipment manufacturers can be seen as a positive signal of market development.

In the area of engineering services, the proportion of our revenue represented by product development increased, while fewer engineer-to-order projects were started. Our revenue development was burdened by the low level of Russian investment projects and the prolongation of contract negotiations with a significant customer of ours. In China, the development of the engineering services market continued, and we acquired several new customers. However, the number of working hours sold in the Chinese market grew by only 2.8 per cent. This was due to both a significant project that was underway in the comparison period and involved Etteplan selling Finnish work to China, as well as a temporary decrease in the volume of work from existing customers. The number of Chinese working hours sold in the Chinese market grew by 35 per cent.

In the area of technical documentation, our business developed well during the review period. Husqvarna outsourced global content creation for technical documentation to Etteplan, and we have several other outsourcing discussions in progress. Our customers are very interested in our documentation solutions, which offers us good growth opportunities in all of our market areas.

After a slow start, we had a fairly good first quarter in 2015. Despite uncertainty in Europe, our major customers' orders received and order books increased for the most part. This trend, combined with our strong market position, provides us with the opportunity to develop our business further and continue profitable growth.”

Accounting principles

The interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard and the preparation and accounting policies presented in the 2014 annual financial statements, but not all requirements of the IAS 34 standard for interim financial reporting have been followed in the accounting.

This interim report 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 interim report.

Market review

The demand for engineering services and technical documentation improved compared to the first quarter of 2014. Compared to the previous quarter (10–12/2014), there was no significant change in the overall demand for engineering services and technical documentation. The presence of global machinery and equipment manufacturers in growing markets maintained steady demand, but significant new investments and other major projects were still not launched during the review period. Information on the development of demand in the engineering industry varies slightly depending on the source. According to statistical data for February published by Statistics Finland, new orders in the engineering industry in early 2015 declined year-on-year. On the other hand, the forecasts of European economic growth for the full year 2015 improved slightly compared to the forecasts published in late 2014, and the development of the order books and new orders received by Etteplan's major customers was mostly positive. The Swedish market developed more favorably than the Finnish market, and demand improved particularly in technical documentation outsourcing services. At the same time, the competition for experts remained intense in Sweden. In Etteplan's Russian business, the demand for engineering services during the review period was at a lower level than in the comparison period.

In the Netherlands, the demand for technical documentation improved slightly, as the country's economic growth recovered slowly. The development of the Chinese export industry was affected by exchange rate fluctuations, with growing pressure to shift manufacturing operations in the engineering industry to Europe for products whose end customers are in Europe. This change mainly concerns Western companies that operate in China. Overall, the demand for engineering services continued to grow in China.

The demand for engineering services and technical documentation by customer industry remained similar to the last quarter of 2014. The exception to this was mining industry equipment manufacturers, where demand for engineering services improved slightly from the low level that had prevailed for a long time. The demand for engineering services among lifting and hoisting equipment manufacturers remained at a good level on average. The demand for engineering services in the energy and power transmission industry and among forest industry equipment manufacturers was at a good level. In Sweden, the demand for engineering services in the aerospace and defense industry decreased slightly. In Finland, the demand for engineering services in the aerospace and defense industry remained weak. Demand for engineering services in the transportation and vehicle industry remained unchanged in the review period: good demand for testing and analysis services requiring special expertise continued.

Revenue

Etteplan's revenue increased by 4.1 per cent and was EUR 34.7 million (1-3/2014: EUR 33.3 million). Revenue increased by 5.4 per cent at comparable exchange rates. Organic growth was 4.1 per cent. The growth in revenue was attributable to Etteplan's strong market position as well as demand remaining at a moderately good level.

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

The Company began to report EBIT from business operations from the start of 2015. The new indicator reflects operational performance better. EBIT from business operations improved by 65.8 per cent and was EUR 2.3 million (1-3/2014: EUR 1.4 million). EBIT from business operations includes non-recurring items with a total of EUR 0.1 million. EBIT from business operations does not include acquisition related items such as amortization on PPA allocations and earn out revaluations.

Operating profit (EBIT) increased by 77.3 per cent and was EUR 2.1 million (1-3/2014: EUR 1.2 million). Operating profit was improved by revenue growth and a better utilization rate of the engineering capacity than in the comparison period. The operational costs increased by 1.2 per cent. Operating profit margin improved and was 5.9 (3.5). The improvement in profitability was attributable to Managed Services representing a larger share of revenue than in the comparison period.

Financial expenses were EUR 0.2 million (1-3/2014: EUR 0.2 million).

Profit before taxes for the review period was EUR 1.8 million (1-3/2014: EUR 1.0 million). Taxes in the income statement amounted to 22.6 per cent (1-3/2014: 15.6 per cent) calculated of the result before taxes. The amount of taxes was EUR 0.4 million (EUR 0.2 million).

The profit for the review period was EUR 1.4 million (1-3/2014: EUR 0.8 million).

Earnings per share were EUR 0.07 (EUR 0.04). Equity per share was EUR 1.39 (EUR 1.22). Return on capital employed (ROCE) before taxes was 17.5 per cent (10.5 per cent).

Financial position and cash flow

Total assets on March 31, 2015 were EUR 79.0 million (December 31, 2014: EUR 75.5 million). Goodwill on the balance sheet was EUR 39.2 million (December 31, 2014: EUR 38.6 million).

The Group's cash and cash equivalents stood at EUR 1.8 million (December 31, 2014: EUR 1.0 million). The Group's financial liabilities at the end of the review period amounted to EUR 19.1 million (December 31, 2014: EUR 18.8 million). The total of unused short-term credit facilities stood at EUR 5.7 million (December 31, 2014: EUR 8.3 million).

The equity ratio was 36.3 per cent (December 31, 2014: 39.5 per cent). Operating cash flow was EUR 0.1 million (1-12/2014: EUR 7.8 million). Cash flow after investments was EUR -0.4 million (1-12/2014: EUR 5.6 million). Cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.

Capital expenditures

The Group's gross investments during the review period were EUR 0.4 million (1-3/2014: EUR 2.1 million). Investments comprised, among other things, of license fees for engineering software. Investments in the comparison period included the ProAvia AB acquisition.

Personnel

The average number of personnel increased by 8.4 per cent from the comparison period. The Group employed 1,867 (1-3/2014: 1,722) people on average during the review period and 1,873 (March 31, 2014: 1,731) at the end of the review period. At the end of the review period, 697 people (March 31, 2014: 622) were employed by the Group abroad. The rate of growth was 12.1 per cent.

The number of temporarily laid off personnel continued to decrease steadily and was under 50. In Sweden, attrition and the competition for experts continued to burden business operations.

Business review

The year 2015 got off to a slow start and the level of activity was low with regard to new project launches. After the slow start, in February–March business returned to the same level as at the previous year. Key accounts grew faster than other revenue in the first quarter, with the growth being 7.8 per cent compared to the first quarter of 2014. High value-added Managed Services accounted for 44 per cent of revenue (1-3/2014: 39 per cent). The utilization rate of engineering services and technical documentation services was at a relatively good level during the review period. In the comparison period in 2014, the result was burdened by lower price level projects sold in the difficult market situation of late 2013. The Finnish business remained stable. In Sweden, business was positively affected by the efforts made in 2014 to improve the utilization rate of units with lower profitability. In the Netherlands, business developed favorably due to the improved market situation and higher demand for technical documentation outsourcing solutions. The growth in working hours sold to the Chinese market slowed down and was 2.8 per cent. The working hours sold to the Chinese market in the comparison period included working hours performed in Finland in relation to a large project delivery. The number of Chinese working hours sold in the Chinese market grew by 35 per cent. The operations of the Suzhou unit established by Etteplan in December 2014 developed positively due to new accounts.

Engineering services

Engineering services refer to the innovation, engineering, and technical calculations of machinery or equipment for the purpose of product development and manufacturing. Assignments are typically product development or delivery engineering for a new product, involving the customization of the product in accordance with end customer requirements and the legislation of the market area in question.

(EUR 1,000)	1-3/2015	1-3/2014	Change to prev. year	1-12/2014
Revenue	27 651	26 905	2,8 %	106 603
EBIT from business operations*	1 553	926	67,7 %	5 503
EBIT from business operations, %*	5,6	3,4		5,2
Managed Services index	41	33		36

* EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations

Revenue growth in engineering services was 2.8 per cent compared to the first quarter of 2014. The growth in revenue was attributable to Etteplan's strong market position as well as demand remaining steady. Steady demand in engineering services is based on Etteplan's long customer relationships, with cooperation continuing for more than ten years. However, revenue growth was slower than expected due to the postponement of signing a frame agreement with one of Etteplan's customers. During the review period, engineering services work was still focused on product development projects to a greater extent than usual. The work in product development projects is primarily performed as an expert service, which slows the growth of Managed Services. The number of Chinese offshoring hours in engineering services grew during the review period. The Russian project business decreased compared to the first quarter of 2014.

In engineering services, EBIT from business operations improved by 67.7 per cent and the operative EBIT margin was 5.6 per cent (1–3/2014: 3.4 per cent). The significant improvement in profitability was due to a bigger share of high value-added Managed Services. In addition the utilization rate of engineering services was higher than in the comparison period.

Technical documentation

Technical documentation refers to product-related documentation, such as manuals and service instructions for the users of a product, as well as related content production and distribution. Technical documentation services include the software business and SaaS services. For an industrial customer, technical documentation is typically a non-core operation that has a significant impact on the end customer's user experience and the efficiency of Etteplan's customer's maintenance service operations.

(EUR 1,000)	1-3/2015	1-3/2014	Change to prev. year	1-12/2014
Revenue	6 942	6 347	9,4 %	25 205
EBIT from business operations*	585	458	27,7 %	2 031
EBIT from business operations, %*	8,4	7,2		8,1
Managed Services index	58	51		53

* EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations

The growth in technical documentation during the review period was boosted by the continued trend of outsourcing. Etteplan concluded new outsourcing agreements during the review period, the most significant of which was the global service agreement signed with Husqvarna. In January, Etteplan and Husqvarna Group signed a long-term cooperation agreement, whereby Husqvarna Group will outsource the production and maintenance of the technical documentation of all the Group's products and brands to Etteplan. The implementation of the global agreement began in Sweden. The implementation will continue at Husqvarna Group's sites in Ulm, Germany, and Charlotte, USA. In the third phase, Husqvarna Group's sites in China and Japan will follow. Technical documentation outsourcing decisions made by customers were based on Etteplan's industry-leading operating processes and tools that improve the quality and cost-efficiency of technical documentation. New technical documentation customers in China also included the global medical technology equipment manufacturer ArjoHuntleigh. Etteplan and ArjoHuntleigh started cooperation at Etteplan's Suzhou unit.

In technical documentation, EBIT from business operations improved by 27.7 per cent during the review period and the operative EBIT margin was 8.4 per cent (1–3/2014: 7.2 per cent). The higher profitability compared to engineering services is based on the software business and the higher proportion of Managed Services. The improved profitability of technical documentation in the review period was based on Managed Services growing to account for a higher proportion of revenue, and the utilization rate of technical documentation services being higher than in the comparison period.

Governance

Annual General Meeting

The Annual General Meeting of Shareholders of Etteplan Oyj (the "Company") was held on March 27, 2015, at the premises of the Company in Vantaa. In accordance with the proposal of the Nomination and Remuneration Committee of the Board of Directors, the Annual General Meeting re-elected Robert Ingman, Patrick von Essen, Pertti Nupponen, Teuvo Rintamäki and Leena Saarinen as members of the Board of Directors and elected Matti Huttunen as a new member to the Board of Directors.

The Annual General Meeting approved the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2014.

PricewaterhouseCoopers Oy, Authorized Public Accounting Firm, with Authorized Public Accountant Kaj Wasenius as the main responsible auditor and Certified Auditor Olli Wesamaa were elected as the Company's auditors. The auditors' fees were resolved to be paid according to invoice approved by the Company.

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

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

Should the shares in the Company be repurchased in public trading, such shares will not be purchased in proportion to the shareholders' current holdings. In that case there must be a weighty financial reason for the Company to repurchase its own 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 retained by the Company, invalidated or transferred further.

The repurchase of the Company's own shares will reduce the non-restricted equity of the Company. The authorization is valid for 18 months from the date of the resolution of the Annual General Meeting starting on March 27, 2015 and ending on September 26, 2016. The authorization will replace the corresponding previous authorization.

Dividend

The Annual General Meeting on March 27, 2015 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 2014 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 March 31, 2015. The dividend was paid on April 9, 2015.

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 March 31, 2015 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 Company held 308,886 of its own shares on March 31, 2015, which corresponds 1.53 per cent of all shares and voting rights (December 31, 2014: 308 886). In January-March the Company did not acquire or transfer any company-held shares.

The number of Etteplan Oyj shares traded during the review period was 400,090, to a total value of EUR 1.5 million. The share price low was EUR 3.00, the high EUR 4.44, the average EUR 3.84 and the closing price EUR 4.19. Market capitalization on March 31, 2015 was EUR 83,3 million.

On March 31, 2015, the members of the Company's Board of Directors and the President and CEO owned a total of 41,876 (December 31, 2014: 41,876) shares, or 0.21 per cent of the total share base.

Flaggings

Etteplan Oyj received no flagging notices in January-March 2015.

Share-based incentive plans

The Board of Directors of Etteplan Oyj decided on February 12, 2014 on a new share-based incentive plan for the Company's President and CEO. The new Restricted Stock Plan includes one three year vesting period. The potential reward of the Plan is bound to the validity of the CEO's service. The reward from the vesting period will be paid partly in the Company's shares and partly in cash in February 2017. The reward to be paid on the basis of the Restricted Stock Plan 2014 will amount up to a maximum total of 25,000 Etteplan Oyj shares. In addition, the Company will pay taxes and tax-related costs arising from the reward to the CEO.

The Board of Directors of Etteplan Oyj decided on June 3, 2014 to establish a new share-based incentive plan for the Group key personnel. The Plan includes one earning period which includes calendar years 2014, 2015 and 2016. The earnings criteria are Etteplan Group's revenue increase and the development of Total Shareholder Return (TSR). Approximately 15 people belong to the target group of the Plan. The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 450,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

The shares to be paid out as potential rewards will be transferred from the shares held by the company or shares acquired from the market.

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 2014 Annual Report on pages 30-35.

Operating risks and uncertainty factors in the review period

The uncertainty caused by the general economic development continued in the review period. The demand for engineering services and technical documentation remained at the same level as in late 2014.

The Company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. During the review period, increased difficulties in recruiting professional staff in Sweden continued to present a business risk.

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. Uncertainty is maintained particularly by slow economic growth in Russia and Europe. 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 availability of personnel in Sweden continues to present a business risk.

Risks related to business operations are still at a significant level, but they are not estimated to grow.

Market outlook 2015

The most important factor in the development of Etteplan's business operations is the global development of the machinery and metal industry. Market development remains uncertain due to the political and economic situation in Europe. Etteplan's customers also operate in the North American and Asian markets, where the demand situation is better than in Europe.

Financial guidance 2015

We expect the revenue and operating profit for the year 2015 to grow compared to 2014.

Financial information in 2015

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

Second quarter results, 6 months Wednesday August 12, 2015

Third quarter results, 9 months Thursday October 29, 2015

Vantaa, May 7, 2015

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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1 000)	1-3/2015	1-3/2014	1-12/2014
Revenue	34 650	33 282	131 916
Other operating income	16	82	1 567
Materials and services	-1 997	-3 079	-9 524
Staff costs	-25 174	-23 909	-94 367
Other operating expenses	-4 760	-4 566	-19 108
Depreciation and amortization	-683	-653	-2 629
Operating profit (EBIT)	2 051	1 157	7 856
Financial income	15	54	394
Financial expenses	-243	-233	-1 082
Profit before taxes	1 822	979	7 168
Income taxes	-411	-153	-1 020
Profit for the financial year	1 411	825	6 147
Other comprehensive income, that may be subsequently reclassified to profit or loss			
Foreign subsidiary net investment hedge	25	28	154
Currency translation differences	325	-283	-1 599
Change in fair value of investments available-for-sale	15	1	1
Tax from items, that may be subsequently reclassified to profit or loss	-8	-6	-31
Other comprehensive income, net of tax	357	-259	-1 475
Total comprehensive income for the year	1 768	566	4 673
Income attributable to			
Equity holders of the parent company	1 425	772	5 930
Non-controlling interest	-14	54	218
	1 411	825	6 147
Total comprehensive income attributable to			
Equity holders of the parent company	1 792	507	4 466
Non-controlling interest	-24	60	207
	1 768	566	4 673
Earnings per share calculated from the result attributable to equity holders of the parent company			
Basic earnings per share, EUR	0,07	0,04	0,30
Diluted earnings per share, EUR	0,07	0,04	0,30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	31.3.2015	31.3.2014	31.12.2014
ASSETS			
Non-current assets			
Tangible assets	2 046	2 038	1 866
Goodwill	39 150	39 434	38 642
Other intangible assets	5 520	6 783	5 876
Investments available-for-sale	657	642	642
Deferred tax assets	141	147	110
Non-current assets, total	47 513	49 044	47 136
Current assets			
Trade and other receivables	29 306	27 232	25 442
Current tax assets	321	12	321
Cash and cash equivalents	1 815	964	2 575
Current assets, total	31 441	28 207	28 337
TOTAL ASSETS	78 954	77 251	75 474
EQUITY AND LIABILITIES			
Capital attributable to equity holders of the parent company			
Share capital	5 000	5 000	5 000
Share premium account	6 701	6 701	6 701
Unrestricted equity fund	2 364	2 614	2 364
Own shares	-849	-1 912	-912
Cumulative translation adjustment	-1 130	-286	-1 472
Other reserves	202	190	177
Retained earnings	13 980	11 011	11 030
Profit for the financial year	1 425	772	5 930
Capital attributable to equity holders of the parent company, total	27 693	24 090	28 818
Non-controlling interest	-89	-212	-65
Equity, total	27 604	23 878	28 753
Non-current liabilities			
Deferred tax liabilities	1 044	1 286	1 087
Financial liabilities	5 568	12 935	9 137
Other non-current liabilities	60	2 723	57
Non-current liabilities, total	6 672	16 944	10 280
Current liabilities			
Financial liabilities	13 578	10 066	9 681
Trade and other payables	30 753	26 110	26 666
Current income tax liabilities	347	253	94
Current liabilities, total	44 678	36 429	36 441
Liabilities, total	51 350	53 373	46 721
TOTAL EQUITY AND LIABILITIES	78 954	77 251	75 474

CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR 1 000)	1-3/2015	1-3/2014	1-12/2014
Operating cash flow			
Cash receipts from customers	33 029	30 938	131 858
Operating expenses paid	-32 462	-32 077	-121 506
Operating cash flow before financial items and taxes	567	-1 139	10 352
Interest and payment paid for financial expenses	-198	-189	-743
Interest received	3	5	24
Income taxes paid	-234	-372	-1 879
Operating cash flow (A)	137	-1 695	7 754
Investing cash flow			
Purchase of tangible and intangible assets	-108	-183	-885
Acquisition of subsidiaries	-440	-1 393	-1 396
Proceeds from sale of tangible and intangible assets	0	78	80
Proceeds from sale of investments	0	0	1
Loan receivables, decrease	0	0	1
Investing cash flow (B)	-548	-1 497	-2 200
Cash flow after investments (A+B)	-410	-3 192	5 554
Financing cash flow			
Short-term loans, increase	5 900	531	266
Short-term loans, decrease	-6 045	-23	-4 562
Long-term loans, increase	0	3 000	3 048
Long-term loans, decrease	0	-127	0
Payment of finance lease liabilities	-220	-234	-879
Dividend paid and other profit distribution	0	0	-2 169
Financing cash flow (C)	-366	3 148	-4 295
Variation in cash (A+B+C) increase (+) / decrease (-)	-776	-45	1 258
Assets at the beginning of the period	2 575	975	975
Exchange gains or losses on cash and cash equivalents	16	33	341
Assets at the end of the period	1 815	964	2 575

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 1.1.2014	5 000	6 701	2 614	189	-1 912	-21	13 180	25 753	-272	25 481
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	5 930	5 930	218	6 147
Fair value reserve available-for-sale assets	0	0	0	1	0	0	0	1	0	1
Foreign subsidiary net investment hedge	0	0	0	0	0	123	0	123	0	123
Cumulative translation adjustment	0	0	0	0	0	-1 588	0	-1 588	-11	-1 599
Total comprehensive income for the year	0	0	0	1	0	-1 465	5 930	4 466	207	4 673
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 169	-2 169	0	-2 169
Reclassifications	0	0	0	-14	0	13	19	19	0	19
Change in contingent consideration	0	0	-250	0	747	0	0	497	0	497
Share based incentive plan	0	0	0	0	252	0	0	252	0	252
Transactions with owners, total	0	0	-250	-14	999	13	-2 150	-1 401	0	-1 401
Equity 31.12.2014	5 000	6 701	2 364	177	-912	-1 472	16 960	28 818	-65	28 753
(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2015	5 000	6 701	2 364	177	-912	-1 472	16 960	28 818	-65	28 753
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	1 425	1 425	-14	1 411
Fair value reserve available-for-sale assets	0	0	0	12	0	0	0	12	0	12
Foreign subsidiary net investment hedge	0	0	0	0	0	-20	0	-20	0	-20
Cumulative translation adjustment	0	0	0	0	0	375	0	375	-9	366
Total comprehensive income for the year	0	0	0	12	0	355	1 425	1 792	-24	1 768
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 981	-2 981	0	-2 981
Reclassifications	0	0	0	14	0	-14	0	0	0	0
Share based incentive plan	0	0	0	0	64	0	0	64	0	64
Transactions with owners, total	0	0	0	14	64	-14	-2 981	-2 917	0	-2 917
Equity 31.3.2015	5 000	6 701	2 364	203	-849	-1 131	15 404	27 693	-89	27 604

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2014	5 000	6 701	2 614	189	-1 912	-21	13 180	25 753	-272	25 481
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	772	772	54	825
Fair value reserve available-for-sale assets	0	0	0	1	0	0	0	1	0	1
Foreign subsidiary net investment hedge	0	0	0	0	0	22	0	22	0	22
Cumulative translation adjustment	0	0	0	0	0	-289	0	-289	6	-283
Total comprehensive income for the year	0	0	0	1	0	-266	772	506	60	566
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 169	-2 169	0	-2 169
Transactions with owners, total	0	0	0	0	0	0	-2 169	-2 169	0	-2 169
Equity 31.3.2014	5 000	6 701	2 614	190	-1 912	-286	11 783	24 090	-212	23 878

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 and technical documentation services to the world's leading companies in the manufacturing industry. Our services are geared to improve the competitiveness of our 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 2014, Etteplan had turnover of EUR 131.9 million. The company has almost 1,900 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 interim report for publication at its meeting of May 7, 2015.

Basis for preparation

The interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard and the preparation and accounting policies presented in the 2014 annual financial statements, but not all requirements of the IAS 34 standard for interim financial reporting have been followed in the accounting.

Monetary figures in the interim report 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 the interim report the accounting principles used were the same as for the 2014 annual financial statements. The annual financial statements are available at <http://www.etteplan.com/investors/annual-and-interim-reports/2015.aspx> and the accounting policy is detailed on pages 47-53 of the annual report 2014. Formulas for the key figures are detailed at the end of this interim report.

Use of estimates

This interim report 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 interim report.

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 (1-3/2014: 15.6 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 2014 on pages 30-35. A detailed financial risk analysis can be found in Etteplan's annual report 2014 on pages 53-58.

KEY FIGURES

(EUR 1 000)	1-3/2015	1-3/2014	1-12/2014	Change to prev. year
Revenue	34 650	33 282	131 916	4,1 %
EBIT from business operations*	2 254	1 360	7 394	65,8 %
EBIT from business operations, %*	6,5	4,1	5,6	
Operating profit (EBIT)	2 051	1 157	7 856	77,3 %
EBIT, %	5,9	3,5	6,0	
Profit before taxes	1 822	979	7 168	86,2 %
Profit before taxes, %	5,3	2,9	5,4	
Return on equity, %	20,0	13,4	22,7	
ROCE, %	17,5	10,5	17,8	
Equity ratio, %	36,3	31,5	39,5	
Gross interest-bearing debt	19 146	23 001	18 818	-16,8 %
Net gearing, %	62,8	92,3	56,5	
Balance sheet, total	78 954	77 251	75 474	2,2 %
Gross investments	439	2 060	3 565	-78,7 %
Operating cash flow	137	-1 695	7 754	108,1 %
Basic earnings per share, EUR	0,07	0,04	0,30	75,0 %
Diluted earnings per share, EUR	0,07	0,04	0,30	75,0 %
Equity per share, EUR	1,39	1,22	1,45	13,9 %
Personnel, average	1 867	1 722	1 813	8,4 %
Personnel at end of the period	1 873	1 731	1 859	8,2 %

* EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations

EXCEPTIONAL ITEMS

Items that are material either because of their size or their nature, or that are non-recurring are considered as exceptional items and are presented within the line items to which they best relate. The lines in which they are included in the income statement are specified in the table below:

(EUR 1 000)	1-3/2015	1-3/2014
Staff costs and other operating expenses	-99	-42
Operating profit (EBIT)	-99	-42
Financial expenses	-6	-27
Profit for the financial year	-105	-69

FORMULAS FOR KEY FIGURES

EBIT from business operations

Operating profit (EBIT) + amortization on PPA allocations - earn out revaluation items

Return on equity (ROE)

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

Return on capital employed (ROCE), before taxes

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

Equity ratio, %

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

Net gearing, %

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

Earnings per share

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

Equity per share

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