INTERIM REPORT
JANUARY-SEPTEMBER 2015

PKC GROUP

PKC Group Plc **INTERIM REPORT** **29 October 2015 8.15 a.m.**

PKC GROUP Q3/2015:
EBITDA REMAINED STABLE

JULY - SEPTEMBER 2015 HIGHLIGHTS

- Revenue increased 7.4% on the comparison period (7-9/2014), totalling EUR 225.9 million (EUR 210.2 million). The changes in consolidation exchange rates increased the revenue by approximately +9%.
- EBITDA before non-recurring items increased 4.1% on the comparison period (7-9/2014), totalling EUR 15.9 million (EUR 15.2 million) and 7.0% (7.2%) of revenue.
- Wiring Systems business segment's EBITDA before non-recurring items increased 8.7% on the comparison period (7-9/2014), totalling EUR 16.9 million (EUR 15.5 million) and 7.9% (7.9%) of revenue.
- The acquisition of Groclin Wiring & Controls business (Kabel-Technik-Polska Sp. z o.o.) was completed and PKC's joint venture Jiangsu Huakai-PKC Wire Harness Co., Ltd started its operations.
- Operating profit before non-recurring items decreased 11.6% on the comparison period (7-9/2014), totalling EUR 7.4 million (EUR 8.4 million) and 3.3% (4.0%) of revenue. PPA related depreciation and amortization was EUR 2.8 million (EUR 2.0 million)
- Diluted earnings per share were EUR 0.08 (EUR -0.73) including the impact of EUR -1.8 million non-recurring items (EUR -12.4 million non-recurring items and EUR -8.3 additional taxes).
- Cash flow after investments was EUR -39.9 million (EUR 0.9 million) including acquisition cash outflow amounting to EUR 22.0 million.

PKC GROUP'S OUTLOOK FOR 2015

- PKC Group estimates that with prevailing exchange rates 2015 revenue will be higher than previous year level, and that comparable EBITDA will be higher than in 2014. In 2014, PKC's revenue was EUR 829.5 million and comparable EBITDA before non-recurring items was EUR 48.6 million*. Revenue and EBITDA estimates are based on current business structure.

KEY FIGURES*	7-9/15	7-9/14	Change %	1-9/15	1-9/14	Change %	1-12/14
EUR 1,000 (unless otherwise noted)							
Revenue	225,907	210,246	+7.4	676,287	620,269	+9.0	829,516
EBITDA**	15,867	15,241	+4.1	48,307	39,973	+20.9	48,572
% of revenue	7.0	7.2		7.1	6.4		5.9
Operating profit**	7,427	8,405	-11.6	24,694	19,826	+24.6	21,384
% of revenue	3.3	4.0		3.7	3.2		2.6
Non-recurring items	-1,803	-12,423		-7,746	-16,622		-28,362
Operating profit (loss)	5,624	-4,018		16,948	3,203	+429.1	-6,978
% of revenue	2.5	-1.9		2.5	0.5		-0.8
Profit (loss) before taxes	4,446	-4,593		13,628	633		-10,528
Net profit (loss) for the report period	2,070	-17,560		5,042	-14,059		-29,051
Earnings per share (EPS), EUR	0.08	-0.73		0.21	-0.59		-1.21
Cash flow after investments	-39,925	927		-70,170	-10,038		20,699
ROCE,%				11.2	9.2		7.7
Gearing, %				65.0	12.9		-5.6

* PKC Group has reclassified certain financial items and operating expenses as of the beginning of 2015. Comparison periods have been adjusted accordingly. The changes to revenue and operating profit (loss) are minor and have no impact on the net profit (loss) for the period or shareholders' equity. The changes are presented in detail in the table section of the interim report Q1/2015. ** before non-recurring items

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MATTI HYYTIÄINEN, PRESIDENT & CEO:

"In North America and Europe production of heavy-duty trucks during the third quarter grew on the comparison period but fell short of second quarter's production volumes. However, production volumes of medium-duty trucks in North America and in Europe declined in comparison with both the comparison period and second quarter. In Brazil and China, production volumes of trucks were declining and fell short of comparison period.

PKC's operating profit before non-recurring items in January-September increased on the comparison period by 24.6% and was EUR 24.7 million. The Wiring Systems business EBITDA continued to improve although some production transfers in Europe have been delayed due to the customers' approval processes. Brazil's operating loss has decreased quarter by quarter despite the fact that the sudden significant weakening of the Brazilian real in the beginning of the third quarter weakened the profitability while the sales prices are based on January-June 2015 average exchange rate. Closing of Curitiba factory in Brazil is progressing as planned and production will cease by the end of first quarter of 2016.

In the third quarter the level of the Electronics business's operating profit was impacted by unfavorable share of ODM products in the product mix due to a change in a customer's product strategy.

During the period PKC's executive board was strengthened and responsibilities were realigned to accelerate the company's growth.

The first growth projects in line with the PKC 2018 strategy were realized during the reporting period. Expansion in Asia progressed while a Chinese joint venture, Jiangsu Huakai-PKC Wire Harness Co., Ltd., began operations and the company is to reach the full speed by the end of the year. Despite current downturn in China's truck markets, wiring systems market value is growing due to increasing complexity of trucks' electrification and higher quality requirements. PKC has the knowhow to respond to this market change and we are confident that new growth projects will be realized. Also the expansion to rolling stock markets took place with the acquisition of Groclin Wiring & Controls business including the Polish Kabel-Technik-Polska Sp. z o.o. Global rolling stock electrical cabinet, powerpack and electrical distribution system market is about EUR 2 billion annually. We see significant opportunities to grow organically and through acquisitions utilizing KTP's good customer relations to the world's leading rolling stock manufacturers.

In North America, the full-year production volume forecasts for trucks remain unchanged. In Europe, full-year production volumes are expected to be somewhat higher than the previous estimate, due to a slight increase in heavy-duty truck production volumes. In Brazil and China production forecasts have been reduced further."

OPERATING ENVIRONMENT

Wiring Systems Business

PKC Group'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 development. Economic activity continued on a good level in North America during the report period even though the anticipated interest rate increase has been postponed due to slightly softer economic indicators. The growth of the European economy has continued to be low and deflationary and political risks still exist. The European Central Bank's quantitative easing, lower oil prices and increased export competitiveness have increased the optimism. In Brazil and Russia, the economic growth has slowed down and the economies are in recession. China's economic indicators have continued to weaken and uncertainty about the future growth rate has increased.

PKC Group's functional currency the euro has depreciated against the US dollar during the report period and was on average clearly weaker than during the comparison period. However, during the third quarter the euro appreciated slightly against the US dollar. During the reporting period the Brazilian real has depreciated in relation to the euro and the depreciation accelerated significantly during the third quarter. US dollar has

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continued to strengthen against Mexican peso and was on a significantly stronger level than in the comparison period. The price of key raw material, copper, has continued to decrease during the third quarter ending up on a significantly lower lever than at the end of comparison period. On average the customer sales prices are updated with a 3-5 month delay on the basis of copper price changes.

Vehicle production, units	7-9/15	7-9/14	Change %	4-6/15	Change %	1-12/14
North America						
Heavy duty trucks	84,654	79,734	+6.2	88,734	-4.6	297,499
Medium duty trucks	50,986	60,044	-15.1	59,577	-14.4	227,148
Light vehicles (Pick-up & SUV)	2,423,267	2,198,989	+10.2	2,400,329	+1.0	8,882,674
Europe						
Heavy duty trucks	84,405	73,091	+15.5	85,579	-1.4	305,974
Medium duty trucks	17,030	17,387	-2.1	18,976	-10.3	71,478
Brazil						
Heavy duty trucks	18,507	25,203	-26.6	11,314	+63.6	101,617
Medium duty trucks	6,146	10,431	-41.4	6,517	-5.7	35,892
China						
Heavy duty trucks	108,762	144,983	-25.0	142,829	-23.9	747,451
Medium duty trucks	41,798	51,237	-18.4	41,465	+0.8	247,899

Source: LMC Automotive Q3/2015

European truck demand has continued to recover but is still below the normal replacement level. In North America, record freight volumes continue to drive the demand for heavy duty trucks even though the growth has stabilized recently. In addition to the replacement investment, the expansion of transportation capacity has boosted the truck demand. In Brazil the weak economic situation continues to have a strong negative impact on the demand for trucks.

Electronics Business

Global caution among companies towards industrial investment exerted a negative impact on the demand for electronics products. The market demand for telecommunications related products decreased compared to the third quarter of previous year. The demand for renewable-energy and energy saving products including smart grid solutions on the market remained on the comparison period's level.

REVENUE AND OPERATING PROFIT

Revenue in July-September amounted to EUR 225.9 million (EUR 210.2 million), up 7.4% on the same period a year earlier. The changes in consolidation exchange rates increased the revenue by approximately +9%. Revenue in January-September amounted to EUR 676.3 million (EUR 620.3 million), up 9.0% on the same period a year earlier. The changes in consolidation exchange rates increased the revenue by approximately +11%. Since the beginning of the third quarter consolidated Group revenue also includes the acquired Groclin's Wiring & Controls business, including Polish Kabel-Technik-Polska Sp. z o.o. which increased the third quarter revenue by 6.9%. The Chinese joint venture, Jiangsu Huakai-PKC Wire Harness Co., Ltd., began operations close to the end of the quarter, and its impact to Group was not significant.

During the third quarter the non-recurring items amounted to EUR -1.8 million (EUR -12.4 million) and during January-September the non-recurring items amounted to EUR -7.7 million (EUR -16.6 million). Non-recurring items consist of restructuring expenses in South America (January-September 2015: EUR 5.0 million) related to the closure of Curitiba factory and expenses related to Group's strategic reorganisation (January-September EUR 2.8 million and July-September EUR 1.8 million). Non-cash non-recurring items were EUR 0.0 million

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(EUR -7.2 million) during the third quarter and EUR -0.8 million (EUR -7.1 million) during January-September.

The third quarter EBITDA before non-recurring items was EUR 15.9 million (EUR 15.2 million) and 7.0% (7.2%) of revenue. The January-September EBITDA before non-recurring items was EUR 48.3 million (EUR 40.0 million) equalling to 7.1% (6.4%) of revenue. The EBITDA before non-recurring items continued to improve in the Wiring Systems segment contributed by lower losses in Brazil and favourable translation impact arising from exchange rates. Electronics segment's EBITDA has improved in the reporting period, but was lower in the third quarter impacted by unfavorable share of ODM products in the product mix due to a change in a customer's product strategy. The third quarter operating profit before non-recurring items and PPA depreciation and amortisation related to acquisitions totalled EUR 10.2 million (EUR 10.4 million), accounting for 4.5% of revenue (5.0%). The January-September operating profit before non-recurring items and PPA depreciation and amortisation related to acquisitions totalled EUR 32.1 million (EUR 25.9 million), accounting for 4.8% of revenue (4.2%). The third quarter Group depreciation, amortisation and impairment losses amounted to EUR 8.4 million (EUR 11.5 million). Excluding PPA related depreciation and amortisation, and impairment losses it amounted to EUR 5.7 million (EUR 4.8 million). The January-September Group depreciation, amortisation and impairment losses amounted to EUR 24.4 million (EUR 24.7 million). Excluding PPA related depreciation and amortisation, and impairment losses it amounted to EUR 16.2 million (EUR 14.1 million).

During July-September the Group's operating profit totalled EUR 5.6 million (EUR -4.0 million), accounting for 2.5% of revenue (-1.9%). During January-September the Group's operating profit totalled EUR 16.9 million (EUR 3.2 million), accounting for 2.5% of revenue (0.5%).

Wiring Systems Business

Revenue during July-September amounted to EUR 212.0 million (EUR 195.4 million), or 8.5% more than in the comparison period. The changes in consolidation exchange rates increased the revenue by approximately +9%. Revenue during January-September amounted to EUR 627.0 million (EUR 575.3 million), or 9.0% more than in the comparison period. The changes in consolidation exchange rates increased the revenue by approximately +12%. Since the beginning of the third quarter, Wiring Systems revenue also includes the acquired Groclin's Wiring & Controls business, including Polish Kabel-Technik-Polska Sp. z o.o., which increased the third quarter revenue by 7.4%. The Chinese joint venture, Jiangsu Huakai-PKC Wire Harness Co., Ltd., began operations close to the end of the quarter, and its impact to segment was not significant. The revenue in North America included some negative impact due to light vehicle program build-outs where a major individual program ended in December 2014 which was not compensated in local currency by increased revenue to truck customers. In Europe, the revenue increased, while the revenue in Brazil decreased significantly due to poor market conditions. The segment's share of the consolidated revenue was during July-September 93.9% (92.8%) and during January-September 92.7% (92.7%).

During the third quarter the non-recurring items amounted to EUR 0.0 million (EUR -12.1 million) and during January-September the non-recurring items amounted to EUR -5.0 million (EUR -15.1 million). Non-recurring items consist of restructuring expenses in South America related to the closure of Curitiba factory which were recognized in the second quarter. Non-cash non-recurring items were EUR 0.0 million (EUR -7.2 million) during the third quarter and EUR -0.8 million (EUR -7.1 million) during January-September.

The third quarter EBITDA before non-recurring items was EUR 16.9 million (EUR 15.5 million) and 7.9% (7.9%) of the segment's revenue. During January-September EBITDA before non-recurring items was EUR 48.7 million (EUR 40.7 million) and 7.8% (7.1%) of the segment's revenue. EBITDA before non-recurring items was improved by lower losses in Brazil and favourable translation impact arising from exchange rates. In North America, the increase of labour force within overheated job market has resulted in suboptimal productivity and premium freight expenses. Favourable Mexican peso depreciation has not compensated additional labour and freight expenses. In Europe and South America, the development program continues. In South America, the closing of the Curitiba factory and consolidating of all production capacity in Brazil to Campo Alegre factory is to take place by the end of first quarter of 2016.

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During July-September operating profit before non-recurring items was EUR 8.9 million (EUR 9.1 million), equivalent to 4.2% of the segment's revenue (4.7%) and during January-September operating profit before non-recurring items was EUR 26.4 million (EUR 21.7 million), equivalent to 4.2% of the segment's revenue (3.8%). During July-September operating profit was EUR 8.9 million (EUR -3.0 million), equivalent to 4.2% of the segment's revenue (-1.6%) and during January-September operating profit was EUR 21.4 million (EUR 6.6 million), equivalent to 3.4% of the segment's revenue (1.1%).

Electronics Business

Revenue during July-September decreased 6.6% to EUR 13.9 million (EUR 14.8 million). Revenue during January-September increased by 9.8% to EUR 49.3 million (EUR 44.9 million). During January-September especially the revenue of own products increased. The segment's share of the consolidated revenue was during July-September 6.1% (7.2%) and during January-September 7.3% (7.3%). During the report and comparison periods no non-recurring items were recognised. During the third quarter EBITDA before non-recurring items was EUR 0.7 million (EUR 1.0 million) and 4.7% (6.5%) of the segment's revenue and during January-September EBITDA before non-recurring items was EUR 4.2 million (EUR 3.0 million) and 8.5% (6.6%) of the segment's revenue. During July-September operating profit was EUR 0.2 million (EUR 0.6 million), equivalent to 1.6% of the segment's revenue (4.0%) and during January-September operating profit was EUR 2.9 million (EUR 1.9 million), equivalent to 5.8% of the segment's revenue (4.2%). During January-September profitability was improved due to higher share of own products in the revenue.

FINANCIAL ITEMS AND NET PROFIT

Financial items were EUR -1.2 million (EUR -0.6 million) during July-September and EUR -3.3 million (EUR -2.6 million) during January-September. Financial items include foreign exchange differences totalling EUR 0.1 million (EUR 0.3 million) during July-September and EUR 0.1 million (EUR 0.1 million) during January-September.

Profit before taxes during July-September was EUR 4.4 million (EUR -4.6 million) and during January-September EUR 13.6 million (EUR 0.6 million). Income tax of the quarter amounted to EUR 2.4 million (EUR 13.0 million). Income tax of January-September amounted to EUR 8.6 million (EUR 14.7 million). Income tax of comparison periods includes additional taxes of EUR 8.3 million. The effective tax rate continued to be impacted by PKC Group's high exposure to North America and losses in Brazil, on the other hand, whereby no deferred tax assets are no longer being recognized. Net profit for the quarter totalled EUR 2.1 million (EUR -17.6 million) and net profit for January-September totalled EUR 5.0 million (EUR -14.1 million). Earnings per share for the quarter were EUR 0.08 (EUR -0.73) and earnings per share for January-September were EUR 0.21 (EUR -0.59).

CASH FLOW, FINANCIAL POSITION AND FINANCING

During July-September net cash from operating activities was EUR -13.6 million (EUR 6.5 million) and cash flow after investments was EUR -39.9 million (EUR 0.9 million). During January-September net cash from operating activities was EUR -38.7 million (EUR 6.6 million) and cash flow after investments was EUR -70.2 million (EUR -10.0 million). The acquisition cash out flow was EUR 22.0 million in the third quarter and in the reporting period.

The core net working capital (inventories, trade receivables and trade payables) increased from the end of previous quarter by EUR 28.0 million including impact of EUR 22.9 million of the recent transactions. Total net working capital at the end of September 2015 was EUR 96.9 million (EUR 66.9 million a year earlier) representing an increase of EUR 37.2 million during the quarter, while in the comparison quarter the decrease was EUR 11.4 million. Total net working capital includes the recording of additional EUR 8.3 million tax liability in the third quarter 2014 and unpaid liabilities related to non-recurring items in Europe, South America and North America which were recorded in 2014 and 2015 and are to be paid during 2015 and 2016.

During the quarter, the Group's gross capital expenditure totalled EUR 26.9 million (EUR 4.4 million),

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representing 11.9% of revenue (2.1%) and during January-September, the Group's gross capital expenditure totalled EUR 32.3 million (EUR 16.0 million), representing 4.8% of revenue (2.6%). Gross capital expenditure is geographically divided as follows: Europe 84.1% (36.6%), North America 14.3% (44.0%), South America 0.9% (9.1%) and APAC 0.7% (10.3%). The capital expenditure consisted of regular maintenance investments into production machinery and equipment during the report period. The capital expenditure includes the impact of acquisition EUR 22.5 million.

At the close of the report period cash and cash equivalents amounted to EUR 77.1 million (EUR 78.7 million). At the close of the report period, interest-bearing liabilities totalled EUR 177.0 million (EUR 101.5 million), which consisted of non-current interest-bearing debt of EUR 142.0 million and current interest-bearing debt of EUR 35.0 million. Increase in non-current interest bearing debt was due to funding of the acquisition in July. Current interest-bearing liabilities consist of outstanding of commercial papers. PKC Group has a Finnish commercial paper program whereby PKC Group regularly issues short-term notes. In addition, the group has a committed, un-utilized credit facility of EUR 90.0 million. PKC Group selectively utilizes also non-recourse factoring arrangements with some customers. At the close of the report period the outstanding amount of such arrangements was EUR 24.7 million (EUR 21.9 million).

The effective average interest rate of the interest-bearing debt including the expenses of the unutilized credit facility was at the close of the report period 2.2% (4.0%). The change in effective average interest rate is mainly related to increased use of commercial papers and financial institution loans. The Group's equity ratio was 29.3% (38.0%). Net interest-bearing liabilities totalled EUR 99.9 million (EUR 22.8 million) and gearing was 65.0% (12.9%).

RESEARCH & DEVELOPMENT

Research and development costs during the quarter totalled EUR 2.0 million (EUR 1.9 million), representing 0.9% (0.9%) of the consolidated revenue. Research and development costs during January-September totalled EUR 6.7 million (EUR 5.9 million), representing 1.0% (1.0%) of the consolidated revenue. At the end of report period 147 (149) people worked in product development, excluding production development and process development personnel.

PERSONNEL, QUALITY AND THE ENVIRONMENT

The Group had an average payroll of 21,584 employees (20,346) during the third quarter and 20,371 (19,465) during January-September. At the end of the report period, the Group's personnel totalled 22,049 employees (20,662), of whom 21,756 (18,599) worked abroad and 293 (299) in Finland. In addition the Group had at the end of the report period 620 (530) temporary employees. 97.5% of the personnel were employed by the wiring systems business segment and 2.4% by the electronics business segment. Geographically personnel was divided at the end of the report period as follows: North America 53.8%, Europe 34.9%, South America 6.5% and Asia 4.7%.

More information about personnel, quality and the environment can be found from the Corporate Responsibility report published 10 March 2015.

CHANGES IN MANAGEMENT

PKC announced 6 August 2015 that the Group's Executive Board consists of the following persons starting 6 August 2015 Matti Hyytiäinen, Chairman (President & CEO), Julie Bellamy (Group Senior Vice President, Human Resources), Andre Gerstner (President, Rolling Stock Business), Jyrki Keronen (President, Wiring Systems, APAC), Jani Kiljala (President, Wiring Systems, Europe and South America), Frank Sovis (President, Wiring Systems, North America), Juha Torniainen (CFO) and Vesa Vähämöttönen (Group Senior Vice President, Business Development).

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SHARE TURNOVER AND SHAREHOLDERS

Trading of shares on Nasdaq Helsinki	1-9/15	1-9/14
Turnover in shares	8,130,036	8,244,609
Share turnover, EUR million	159.2	179.7
Turnover in shares per average number of shares, %	33.9	34.4

PKC's shares are also traded on alternative exchanges (such as Chi-X, BATS and Turquoise). The total trading volume on these particular alternative exchanges was 955,490 shares (787,994 shares) during January-September.

Shares and market value on Nasdaq Helsinki	1-9/15	1-9/14
Number of shares at the close of the report period	24,041,887	23,970,004
Lowest share price during the report period, EUR	15.91	16.01
Highest share price during the report period, EUR	23.37	26.33
Share price at close of the report period, EUR	16.25	16.01
Average share price of the report period, EUR	19.62	21.67
Market capitalisation at the close of the report period, EUR million	390.7	383.8

The shares held by Executive Board members, Board members, their closely associated persons and corporations in which they have a controlling interest accounted for 0.3% (0.1%) of the total number of shares at the end of the report period. PKC Group Plc had a total of 8,848 shareholders (8,767) at the end of report period. The shares held by foreigners and through nominee registrations at the close of the report period totalled 34.5% of the share capital (35.9%). PKC Group did not receive any flagging announcements during the quarter.

NUMBER OF SHARES

PKC Group Plc's number of shares has changed during January-September as follows:

Registrations of new shares corresponding to subscriptions	2009B options	2009C options	2012A(i) options	2012A(ii) options	Number of shares after subscriptions
29.1.2015	5,000	-	-	-	23,975,504
25.3.2015	6,660	1,000	-	-	23,983,164
15.5.2015	25,723	19,000	7,500	6,500	24,041,887

The Board of Directors was authorised to decide on share issue and acquire own shares but this authorisation was not used during the quarter.

STOCK OPTION AND SHARE-BASED INCENTIVE PLANS

At the end of September 2015, PKC Group Plc's valid stock option schemes 2009C, 2012A, 2012B and 2012C entitled the holders to subscribe to a total of 760,500 shares and invested non-restricted equity fund can increase by EUR 16.1 million.

On 11 February 2015 PKC Group announced three new share-based incentive plans for the Group key personnel approved by the Board of Directors. In total, the Performance Share Plan 2015, Matching Share Plan 2015 and Restricted Share Plan 2015 correspond to the value of an approximate maximum total of 530,000 PKC Group Plc shares (including also the cash proportion).

The terms and conditions of stock options and share-based incentive plans are available on company's website at www.pkcgroup.com/investors.

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KEY STRATEGIC HIGHLIGHTS OF 2015

PKC Group announced on 4 September 2015 that PKC's joint venture Jiangsu Huakai-PKC Wire Harness Co., Ltd. has been established and started its operations. Details of the joint venture are presented in the section 8 established joint venture.

PKC Group announced on 1 July 2015 that it had closed the deal to buy the rolling stock electrical distribution system business (Wiring & Controls business) of Groclin S.A. Group. Details of the acquisition are presented in the section 7 business combinations.

PKC Group adjusts production capacity in South America by closing Curitiba, Brazil factory and consolidating all its production capacity in Brazil to Campo Alegre factory, which was announced on 24 June 2015.

PKC Group won new business contracts in the amount of about EUR 30 million from two major global vehicle manufacturers, which was announced on 25 March 2015.

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 especially in China, Brazil and Russia has increased to a high level. The growth of the European economy has not accelerated significantly and the inflation has continued on a low level.

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 in the short term. 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.

More information about PKC's risks is presented in the annual report and Corporate Governance Guidelines.

MARKET OUTLOOK

Wiring Systems Business

In 2015 the production of heavy-duty and medium-duty trucks in Europe is expected to grow by about 10% compared to previous year's level.

In 2015 the production of heavy-duty and medium-duty trucks in North America is expected to increase by about 6%, and production of light vehicles to increase by about 6% compared to 2014.

In 2015 the production of heavy-duty and medium-duty trucks in Brazil is expected to be clearly lower than previous year. The economic and political uncertainty in Brazil bear a significant risk for Brazilian truck sales to further drop in 2015.

Electronics Business

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

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PKC Group has reclassified certain financial items and operating expenses as of the beginning of 2015. The changes are minor and comparison periods have been adjusted accordingly.

FINANCIAL REPORTS AND ANNUAL GENERAL MEETING IN 2016

PKC Group Plc will publish its Financial Statement Release 2015 on Thursday, February 11, 2016 at about 8.15 a.m. Financial Statements 2015 will be published on Tuesday, March 15, 2016 at the latest on the PKC Group website.

The Annual General Meeting is planned to be held on Wednesday, April 6, 2016.

In 2016, the Interim Reports will be published as follows:

- Interim Report 1-3/2016 Wednesday, May 4, 2016 at about 8.15 a.m.
- Interim Report 1-6/2016 Wednesday, August 10, 2016 at about 8.15 a.m.
- Interim Report 1-9/2016 Thursday, October 27, 2016 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 2014, unless otherwise mentioned. The figures presented in the tables are independently rounded figures.

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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 2014. The year 2015 IFRS standard changes have no significant effect on the interim report. PKC Group has reclassified certain financial items and operating expenses as of the beginning of 2015. Comparison periods have been adjusted accordingly. The changes to revenue and operating profit (loss) are minor and have no impact on the net profit (loss) for the period or shareholders' equity. The changes are presented in detail in interim report Q1/2015. The interim report is unaudited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	**7-9/15 3 mon.**	**7-9/14 3 mon.**	**1-9/15 9 mon.**	**1-9/14 9 mon.**	**1-12/14 12 mon.**
Revenue	**225,907**	**210,246**	**676,287**	**620,269**	**829,516**
Production for own use	16	2	18	122	53
Other operating income	858	1,756	3,051	3,242	4,311
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-6,253	2,115	-203	719	1,211
Materials and services	-130,535	-128,738	-402,742	-375,854	-505,270
Employee benefit expenses	-55,288	-56,460	-172,465	-160,815	-221,893
Depreciation, amortisation and impairment	-8,440	-11,523	-24,406	-24,731	-33,476
Other operating expenses	-20,640	-21,416	-62,591	-59,748	-81,430
Operating profit (loss)	**5,624**	**-4,018**	**16,948**	**3,203**	**-6,978**
Items affecting comparability	-1,803	-12,423	-7,746	-16,622	-28,362
Comparable operating profit	**7,427**	**8,405**	**24,694**	**19,826**	**21,384**
Interest and other financial income and expenses	-1,267	-862	-3,469	-2,720	-4,085
Foreign currency exchange differences	88	287	149	149	535
Profit (loss) before taxes	**4,446**	**-4,593**	**13,628**	**633**	**-10,528**
Income taxes	-2,375	-12,967	-8,585	-14,691	-18,523
Net profit (loss) for the report period	**2,070**	**-17,560**	**5,042**	**-14,059**	**-29,051**

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	7-9/15 3 mon.	7-9/14 3 mon.	1-9/15 9 mon.	1-9/14 9 mon.	1-12/14 12 mon.
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	-6,491	7,629	2,735	12,125	8,452
Cash flow hedges	-1,104	0	-2,974	0	-1,443
Taxes related to cash flow hedges	398	0	1,084	0	529
Total comprehensive income for the period	**-5,127**	**-9,931**	**5,887**	**-1,934**	**-21,514**
Net profit (loss) attributable to					
Shareholders of the parent company	2,022	-17,560	4,994	-14,059	-29,051
Non-controlling interests	48	0	48	0	0
Total comprehensive income attributable to					
Shareholders of the parent company	-5,129	-9,931	5,886	-1,934	-21,514
Non-controlling interests	2	0	2	0	0
Attributable to equity holders of the parent company					
Basic earnings per share (EPS), EUR	0.08	-0.73	0.21	-0.59	-1.21
Diluted earnings per share (EPS), EUR	0.08	-0.73	0.21	-0.58	-1.21

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)	9/15	9/14	12/14
ASSETS			
Non-current assets			
Goodwill	37,070	30,653	30,348
Intangible assets	66,480	36,239	36,035
Property, plant and equipment	73,836	74,139	68,539
Available-for-sale financial assets	720	720	720
Other receivables	6,161	6,509	6,541
Deferred tax assets	15,995	18,059	17,300
Total non-current assets	**200,264**	**166,319**	**159,483**
Current assets			
Inventories	100,675	83,376	79,390
Receivables			
Trade receivables	116,631	112,271	89,033
Other receivables	29,148	25,280	18,052
Current tax assets	434	4	3
Total receivables	146,213	137,555	107,088
Cash and cash equivalents	77,055	78,703	110,321
Total current assets	**323,943**	**299,635**	**296,799**
Total assets	**524,207**	**465,955**	**456,282**
EQUITY AND LIABILITIES			
Equity			
Total equity attributable to the equity holders of the parent company	148,017	177,023	158,085
Non-controlling interests	5,665	0	0
Total equity	**153,682**	**177,023**	**158,085**
Liabilities			
Non-current liabilities			
Interest-bearing financial liabilities	142,014	101,525	101,446
Provisions	1,016	1,391	1,619
Other liabilities	18,867	9,569	9,260
Deferred tax liabilities	23,693	22,390	25,593
Total non-current liabilities	**185,590**	**134,876**	**137,918**
Current liabilities			
Interest-bearing financial liabilities	34,968	0	0
Trade payables	92,805	95,858	98,251
Other non-interest-bearing liabilities	56,456	58,149	62,013
Current tax liabilities	707	50	15
Total current liabilities	**184,935**	**154,057**	**160,279**
Total liabilities	**370,525**	**288,932**	**298,197**
Total equity and liabilities	**524,207**	**465,955**	**456,282**

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CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	7-9/15 3 mon.	7-9/14 3 mon.	1-9/15 9 mon.	1-9/14 9 mon.	1-12/14 12 mon.
Cash flows from operating activities					
Cash receipts from customers	212,110	201,213	656,178	602,359	836,731
Cash receipts from other operating income	504	573	734	761	3,647
Cash paid to suppliers and employees	-216,020	-187,632	-666,047	-581,416	-794,399
Cash flows from operations before financial income and expenses and taxes	**-3,406**	**14,154**	**-9,135**	**21,705**	**45,979**
Interest paid and other financial expenses	-5,111	-5,701	-8,474	-6,833	-8,227
Effects of exchange rate changes	-3,728	-3,792	-8,374	-3,135	7,909
Interest received	2,236	2,751	4,348	2,791	3,846
Income taxes paid	-3,566	-909	-17,108	-7,901	-8,468
Net cash from operating activities (A)	**-13,575**	**6,504**	**-38,742**	**6,628**	**41,038**
Cash flows from investing activities					
Acquisition of property, plant and equipment and intangible assets	-4,335	-5,581	-9,680	-16,098	-19,772
Proceeds from sale of property, plant and equipment and intangible assets	-45	4	123	42	42
Acquisitions of subsidiary shares, net of cash acquired	-22,011	0	-22,011	-610	-610
Dividends received from investments	42	0	140	1	1
Net cash used in investment activities (B)	**-26,350**	**-5,577**	**-31,428**	**-16,666**	**-20,339**
Cash flows after investments	**-39,925**	**927**	**-70,170**	**-10,038**	**20,699**
Cash flows from financing activities					
Share issue and subscriptions of options	0	0	915	414	422
Proceeds from current borrowings	113,500	0	138,000	0	0
Proceeds from non-current borrowings	40,000	0	40,000	0	0
Repayment of current/non-current borrowings	-128,786	4	-128,786	-675	-660
Dividends paid	0	0	-16,788	-16,760	-16,760
Net cash used in financing activities (C)	**24,714**	**4**	**33,341**	**-17,021**	**-16,998**
Net increase (+) or decrease (-) in cash and equivalents (A+B+C)	**-15,210**	**931**	**-36,829**	**-27,059**	**3,701**
Cash and cash equivalents in the beginning of the period	93,515	74,970	110,321	102,665	102,665
Effect of exchange rate changes	-1,250	2,803	3,564	3,098	3,956
Cash and cash equivalents in the end of the period	77,055	78,703	77,055	78,703	110,321

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KEY FINANCIAL INDICATORS	1-9/15 9 mon.	1-9/14 9 mon.	1-12/14 12 mon.
Revenue, EUR 1,000	676,287	620,269	829,516
Operating profit (loss), EUR 1,000	16,948	3,203	-6,978
% of revenue	2.5	0.5	-0.8
Profit (loss) before taxes, EUR 1,000	13,628	633	-10,528
% of revenue	2.0	0.1	-1.3
Net profit (loss) for the period, EUR 1,000	5,042	-14,059	-29,051
% of revenue	0.7	-2.3	-3.5
Return on equity (ROE), %	4.3	-10.1	-16.5
Return on investments (ROI), %	12.2	5.0	2.0
Return on capital employed (ROCE), %	11.2	9.2	7.7
Net working capital, EUR 1,000	96,920	66,875	26,199
Net liabilities, EUR 1,000	99,926	22,822	-8,875
Gearing, %	65.0	12.9	-5.6
Equity ratio, %	29.3	38.0	34.7
Current ratio	1.8	1.9	1.9
Gross capital expenditure, EUR 1,000	32,263	15,958	19,908
% of revenue	4.8	2.6	2.4
R&D expenditures, EUR 1,000	6,744	5,944	8,164
% of revenue	1.0	1.0	1.0
Personnel average	20,371	19,465	19,640

PER-SHARE KEY INDICATORS	1-9/15 9 mon.	1-9/14 9 mon.	1-12/14 12 mon.
Earnings per share (EPS), EUR	0.21	-0.59	-1.21
Earnings per share (EPS),diluted, EUR	0.21	-0.58	-1.21
Equity per share, EUR	6.16	7.39	6.59
Cash flow per share, EUR	-2.92	-0.42	0.86
Share price at close of period, EUR	16.25	16.01	17.58
Lowest share price, EUR	15.91	16.01	13.13
Highest share price, EUR	23.37	26.33	26.33
Average share price, EUR	19.62	21.67	19.69
Turnover in shares, 1,000 shares	8,130	8,245	12,101
Turnover in shares per (share issue adjusted) share capital, %	33.9	34.4	50.5
Average number of shares, 1,000 shares	24,010	23,947	23,953
Average number of shares, diluted, 1,000 shares	24,048	24,114	24,098
Shares at end of period, 1,000 shares	24,042	23,970	23,971
Market capitalisation, EUR 1,000	390,681	383,760	421,401

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1. OPERATING SEGMENTS

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.

(EUR 1,000)	7-9/15 3 mon.	7-9/14 3 mon.	1-9/15 9 mon.	1-9/14 9 mon.	1-12/14 12 mon.
Wiring Systems					
Segment revenue	212,166	195,559	627,351	575,791	772,680
of which inter-segment revenue	119	147	387	464	607
External revenue	212,046	195,411	626,963	575,327	772,073
EBITDA	16,857	15,512	48,684	40,695	51,425
% of revenue	7.9	7.9	7.8	7.1	6.7
EBITA	11,639	11,091	33,864	27,761	33,934
% of revenue	5.5	5.7	5.4	4.8	4.4
Operating profit (loss) before non-recurring items	8,880	9,088	26,431	21,699	25,778
% of revenue	4.2	4.7	4.2	3.8	3.3
Non-recurring employee benefit expenses	-400	-4,320	-4,073	-7,008	-12,216
Impairment of PPE and intangible assets	0	-4,687	-793	-4,584	-6,288
Other non-recurring income and expenses	400	-3,121	-142	-3,523	-7,967
Total non-recurring items	0	-12,128	-5,008	-15,114	-26,471
Operating profit (loss)	8,880	-3,040	21,423	6,585	-692
% of revenue	4.2	-1.6	3.4	1.1	-0.1
Electronics					
Segment revenue	13,949	14,892	49,510	45,112	57,717
of which inter-segment revenue	88	57	186	170	274
External revenue	13,861	14,835	49,324	44,942	57,443
EBITDA	657	958	4,181	2,959	3,131
% of revenue	4.7	6.5	8.5	6.6	5.5
EBITA	218	587	2,884	1,879	1,658
% of revenue	1.6	4.0	5.8	4.2	2.9
Operating profit (loss) before non-recurring items	218	587	2,884	1,879	1,658
% of revenue	1.6	4.0	5.8	4.2	2.9
Non-recurring employee benefit expenses	0	0	0	0	0
Impairment of PPE and intangible assets	0	0	0	0	0
Other non-recurring income and expenses	0	0	0	0	0
Total non-recurring items	0	0	0	0	0
Operating profit (loss)	218	587	2,884	1,879	1,658
% of revenue	1.6	4.0	5.8	4.2	2.9

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	7-9/15 3 mon.	7-9/14 3 mon.	1-9/15 9 mon.	1-9/14 9 mon.	1-12/14 12 mon.
Unallocated amounts and eliminations					
Segment revenue	86	124	191	499	576
of which inter-segment revenue	86	124	191	499	576
External revenue	0	0	0	0	0
EBITDA	-1,648	-1,229	-4,558	-3,681	-5,983
EBITA	-1,672	-1,270	-4,621	-3,753	-6,052
Operating profit (loss) before non-recurring items	-1,672	-1,270	-4,621	-3,753	-6,052
Non-recurring employee benefit expenses	0	0	0	0	0
Impairment of PPE and intangible assets	0	0	0	0	0
Other non-recurring income and expenses	-1,803	-295	-2,738	-1,508	-1,891
Total non-recurring items	-1,803	-295	-2,738	-1,508	-1,891
Operating profit (loss)	-3,475	-1,565	-7,359	-5,261	-7,943
Total Group					
Segment revenue	226,200	210,574	677,052	621,402	830,973
of which inter-segment revenue	293	328	764	1,133	1,457
External revenue	225,907	210,246	676,287	620,269	829,516
EBITDA	15,867	15,241	48,307	39,973	48,572
% of revenue	7.0	7.2	7.1	6.4	5.9
EBITA	10,186	10,408	32,127	25,888	29,540
% of revenue	4.5	5.0	4.8	4.2	3.6
Operating profit (loss) before non-recurring items	7,427	8,405	24,694	19,826	21,384
% of revenue	3.3	4.0	3.7	3.2	2.6
Non-recurring employee benefit expenses	-400	-4,320	-4,073	-7,008	-12,216
Impairment of PPE and intangible assets	0	-4,687	-793	-4,584	-6,288
Other non-recurring income and expenses	-1,402	-3,416	-2,880	-5,031	-9,858
Total non-recurring items	-1,803	-12,423	-7,746	-16,622	-28,362
Operating profit (loss)	5,624	-4,018	16,948	3,203	-6,978
% of revenue	2.5	-1.9	2.5	0.5	-0.8

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REVENUE BY GEOGRAPHICAL LOCATIONS (EUR 1,000)	7-9/15 3 mon.	7-9/14 3 mon.	1-9/15 9 mon.	1-9/14 9 mon.	1-12/14 12 mon.
Finland	10,453	13,101	32,838	39,777	50,781
Other Europe	61,339	42,055	167,415	141,048	191,186
North America	136,364	129,439	417,319	364,648	494,069
South America	8,762	19,599	32,100	54,388	67,874
APAC	8,990	6,052	26,615	20,407	25,607
Total	**225,907**	**210,246**	**676,287**	**620,269**	**829,516**

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

A = Share capital
B = Share premium account
C = Invested non-restricted equity fund
D = Other reserves
E = Translation difference
F = Retained earnings
G = Equity attributable to shareholders of the parent company
H = Non-controlling interests
I = Total equity

	A	B	C	D	E	F	G	H	I
Equity at 1.1.2014	**6.2**	**11.3**	**81.0**	**0.0**	**-12.3**	**108.2**	**194.4**	**0.0**	**194.4**
Dividends	0.0	0.0	0.0	0.0	0.0	-16.8	-16.8	0.0	-16.8
Share-based payments	0.0	0.0	0.0	0.0	0.0	1.1	1.1	0.0	1.1
Exercise of options	0.0	0.0	0.4	0.0	0.0	0.0	0.4	0.0	0.4
Comprehensive income for the period	0.0	0.0	-0.3	0.0	12.1	-14.0	-2.2	0.0	-2.2
Equity at 30.9.2014	**6.2**	**11.3**	**81.2**	**0.0**	**-0.2**	**78.6**	**177.0**	**0.0**	**177.0**
Equity at 1.1.2015	**6.2**	**11.3**	**81.3**	**-0.9**	**-3.7**	**63.9**	**158.1**	**0.0**	**158.1**
Dividends	0.0	0.0	0.0	0.0	0.0	-16.8	-16.8	0.0	-16.8
Share-based payments	0.0	0.0	0.9	0.0	0.0	1.4	2.3	0.0	2.3
Comprehensive income for the period	0.0	0.0	0.0	-1.9	2.7	5.0	5.8	0.0	5.8
Other changes	0.0	0.0	-0.2	0.0	0.1	-1.3	-1.4	0.0	-1.4
Change in ownership interest									
Establishment of subsidiary with NCI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.7	5.7
Equity 30.9.2015	**6.2**	**11.3**	**82.0**	**-2.8**	**-0.8**	**52.2**	**148.0**	**5.7**	**153.7**

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3. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)	9/15	9/14
Intangible assets and goodwill		
Carrying amount 1.1.	**66,382**	**64,180**
Currency translation differences	1,653	4,768
Additions	1,449	3,739
Acquisitions	32,793	0
Amortisation and impairment	-6,099	-6,126
Disposals and reclassifications	7,374	331
Carrying amount 30.9.	**103,551**	**66,893**
Property, plant and equipment		
Carrying amount 1.1.	**68,540**	**76,027**
Currency translation differences	-634	3,862
Additions	8,200	12,219
Acquisitions	11,584	0
Amortisation and impairment	-16,355	-12,992
Disposals and reclassifications	2,502	-4,977
Carrying amount 30.9.	**73,836**	**74,139**

4. 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 September 2015

As of September 30, 2015	Carrying amounts of balance sheet items	Fair values of balance sheet items
Other non-current financial assets	672	672
Total non-current financial assets	672	672
Interest derivatives	1,858	1,858
Total current financial assets	1,858	1,858
Total financial assets	**2,530**	**2,530**
Non-current interest-bearing liabilities	142,014	150,291
Total non-current financial liabilities	142,014	150,291
Current interest-bearing liabilities	34,968	34,968
Currency derivatives	6,926	6,926
Copper derivatives	389	389
Total current financial liabilities	42,283	42,283
Total financial liabilities	**184,297**	**192,574**

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, EUR 672 thousand) is based on the acquisition cost (level 3, IFRS 7.27A) as the fair value of the shares cannot be determined reliably.

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5. CONTINGENT LIABILITIES AT END OF PERIOD (EUR 1,000)	9/15	9/14	12/14
Leasing liabilities	**27,985**	**18,665**	**20,771**
Liabilities for derivative instruments			
Nominal values			
Interest derivatives	50,000	75,000	50,000
Currency derivatives	70,540	34,295	62,988
Copper derivatives	3,595	4,715	3,708
Total	**124,135**	**114,010**	**116,696**
Fair values			
Interest derivatives	1,858	2,694	2,040
Currency derivatives	-6,926	-825	-3,931
Copper derivatives	-389	103	-42
Total	**-5,457**	**1,972**	**-1,933**

Interest rate, currency and copper derivatives are used in hedging currency and copper risks. Based on the currently outstanding interest rate swap the Group receives fixed rate interest until September 2018 and pays floating interest based on Euribor six months rate. PKC Group does not apply hedge accounting to copper derivative instruments in accordance with IAS 39. Fair values of copper derivatives are recognised through profit and loss. PKC Group applies hedge accounting to currency derivatives and to interest rate swaps.

6. QUARTERLY KEY INDICATORS, CONSOLIDATED	7-9/14 3 mon.	10-12/14 3 mon.	1-3/15 3 mon.	4-6/15 3 mon.	7-9/15 3 mon.
Revenue, EUR million	210.2	209.2	226.5	223.9	225.9
Operating profit (loss), EUR million	-4.0	-10.2	8.6	2.7	5.6
% of revenue	-1.9	-4.9	3.8	1.2	2.5
Profit (loss) before taxes, EUR million	-4.6	-11.2	7.8	1.4	4.4
% of revenue	-2.2	-5.3	3.4	0.6	2.0
Equity ratio, %	38.0	34.7	35.8	32.6	29.3
Earnings per share (EPS), diluted (EUR)	-0.73	-0.63	0.18	-0.06	0.08
Equity per share, EUR	7.39	6.59	7.34	6.35	6.16
Net cash from operating activities, EUR million	6.5	34.4	-29.7	4.5	-13.6
Cash flow after investments, EUR million	0.9	30.7	-31.8	1.6	-39.9
QUARTERLY KEY INDICATORS, WIRING SYSTEMS					
Revenue, EUR million	195.4	196.7	205.7	209.2	212.0
Operating profit (loss), EUR million	-3.0	-7.3	8.2	4.4	8.9
% of revenue	-1.6	-3.7	4.0	2.1	4.2
QUARTERLY KEY INDICATORS, ELECTRONICS					
Revenue, EUR million	14.8	12.5	20.8	14.7	13.9
Operating profit (loss), EUR million	0.6	-0.2	2.4	0.2	0.2
% of revenue	4.0	-1.8	11.6	1.6	1.6

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7. BUSINESS COMBINATIONS

On July 1, 2015 PKC Group acquired Groclin's Wiring & Controls business, including Kabel-Technik-Polska Sp. z o. o ("KTP") in Poland. The consideration of the transaction is EUR 36.6 million.

KTP develops and manufactures electrical cabinets, power packs and electrical distribution systems for rolling stock manufacturers. The clientele also includes the on/off highway commercial vehicle, energy and materials handling industry. The customers are leading companies in their field and mainly operate globally.

The net debt free purchase price was EUR 50 million. The acquisition takes place via a new company, in which PKC Group has an 80% holding and Wiring & Controls business' management has a 20% holding. PKC Group and minority shareholders have agreed on a call option structure, within the framework of which PKC Group will acquire the minority shareholders' shares not before than two years from the closing of the deal.

The acquisition has been consolidated into PKC Group as of 1 July 2015 according to the so-called anticipated acquisition method. In the anticipated acquisition method, the estimated value of the call option is included into the acquisition value (consideration transferred). The acquired Wiring & Controls business is included into PKC Group's Wiring Systems business segment.

The following tables summarise the preliminary amounts for the consideration paid for KTP, the cash flow from the acquisition and the amounts of the assets acquired and liabilities recognised at the acquisition date.

Preliminary consideration	**MEUR**
Consideration transferred	36.6
Total consideration transferred	**36.6**

Preliminary cash flow from the acquisition	**MEUR**
Consideration paid in cash	22.4
Cash and cash equivalents of the acquired companies	-0.5
Total cash flow from the acquisition	**22.0**

Provisional values of the assets and liabilities arising from the acquisition	**MEUR**
Intangible assets	33.2
Property, plant and equipment	11.7
Inventories	8.9
Trade and other receivables	11.4
Deferred tax assets	1.6
Cash and cash equivalents	0.5
Total assets	**67.3**
Provisions	0.2
Pension obligations	0.4
Trade payables and other liabilities	31.3
Deferred tax liabilities	4.7
Total liabilities	**36.6**
Total net assets	**30.8**
Preliminary goodwill	**5.8**

The preliminary fair values of acquired identifiable intangible assets at the date of acquisition (including customer relationships, trademarks, order backlog) amounted to EUR 33.2 million. The fair value of current trade receivables and other receivables is approximately EUR 11.4 million. The fair value of trade receivables does not include any significant risk.

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The preliminary goodwill of EUR 5.8 million reflects the value of know-how and expertise in rolling stock business. PKC Group foresees that the new unit will capture new market opportunities and improve the operational efficiency of its customers. The goodwill recognised for KTP is not tax deductible.

Purchase price allocation resulted in assets totalling EUR 22.9 million and related depreciation and amortization equal to EUR 3.2 million per year in the beginning.

Acquisition-related costs amounted to EUR 2.0 million consisting of external advisory and due diligence fees. The costs have been included in the other operating expenses in the consolidated statement of income and classified as non-recurring items.

During July-September KTP contributed EUR 15 million to revenue and EUR 1 million to EBITDA. Had the acquisition occurred on 1 January 2015, management estimates that the consolidated Group revenue would have been EUR 702 million and adjusted EBITDA EUR 50 million in January-September 2015.

8. ESTABLISHED JOINT VENTURE

PKC Group announced on 4 September 2015 that PKC's joint venture Jiangsu Huakai-PKC Wire Harness Co., Ltd. has been established and started its operations. The finalisation of the joint venture was subject to usual conditions including e.g. negotiating the related agreements and authority approvals. The conditions have been fulfilled, Huakai's business has been transferred to joint venture and the joint venture has started its operations in September.

The joint venture was accomplished through a new company that was established by Huakai in Danyang, Jiangsu province in China with an equity value of RMB 150 million / EUR 22 million. PKC will contribute in total RMB 150 million / EUR 22 million via share issues to be financed from PKC's cash resources. After the capital increase the total equity value of the joint venture is RMB 300 million / EUR 44 million and PKC owns 50% and Huakai 50%.

The joint venture comprises Huakai's current business which develops and manufactures electrical distribution systems to truck, construction vehicle and bus segments in China. The key customers are Foton (and Beijing Foton Daimler Automotive), Kinglong and Iveco. Foton is the fourth biggest truck manufacturer in China with 11% market share in 2014. Annual revenue is approximately EUR 37 million with current exchange rate, and employees amount to 680.

The joint venture is consolidated into PKC Group as of 1 September 2015. The joint venture will be included into PKC Group's Wiring Systems business segment.

CALCULATION OF INDICATORS

Calculation of indicators are presented in annual report, which can be found from company's webpage www.pkcgroup.com/investors/reports-and-presentations.

During 2015 following change to the calculation of indicators:

Return on capital employed (ROCE), %
= 100 x (Operating profit +/– non-recurring items) / (Total equity + interest-bearing financial liabilities (average))

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.

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PKC GROUP PLC
Board of Directors

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PRESS CONFERENCE

A press conference on the interim report will be arranged for analysts and investors today, 29 October 2015, at 10.00 a.m., at the address Event Arena Bank, Unioninkatu 20, Helsinki.

DISTRIBUTION

Nasdaq Helsinki
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www.pkcgroup.com

PKC Group is a global partner, designing, manufacturing and integrating electrical distribution systems, electronics and related architecture components for the commercial vehicle industry, rolling stock manufacturers 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 2014 totalled EUR 829.5 million. PKC Group Plc is listed on Nasdaq Helsinki.

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MANAGING THE COMPLEXITY

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