

2015

Interim Report January-September

Revenue increased clearly

 **Etteplan**

ETTEPLAN OYJ INTERIM REPORT
OCTOBER 29, 2015, AT 2:00 PM

ETTEPLAN Q3: REVENUE INCREASED CLEARLY

Review period July-September 2015

- The Group's revenue increased by 8.0% and was EUR 31.9 million (7-9/2014: EUR 29.5 million). At comparable exchange rates revenue increased by 8.5%.
- EBIT from business operations was EUR 1.9 million (EUR 1.4 million), or 5.9% (4.8%) of revenue.
- Operating profit (EBIT) was EUR 1.7 million (EUR 1.7 million), or 5.2% (5.9%) of revenue.
- The profit for the review period was EUR 1.3 million (EUR 1.4 million).
- Operating cash flow was EUR -1.7 million (EUR -0.5 million).
- Earnings per share were EUR 0.06 (EUR 0.06).
- The number of personnel increased and the Group had 2,078 employees at the end of the period (1,864).
- Etteplan strengthened its position in plant engineering by acquiring the business of Suunnittelu ja Asennusten Valvonta - SAV Oy and its subsidiaries in August. The business of SAV Oy and its subsidiaries were transferred to Etteplan on September 1, 2015.
- Etteplan updates its financial targets by making a change to its operating profit target of 10%. The new target is EBIT from business operations of 10%.
- Etteplan keeps its estimate of market outlook and financial guidance unchanged.

Review period January-September 2015

- The Group's revenue increased by 4.4% and was EUR 100.8 million (1-9/2014: EUR 96.5 million). At comparable exchange rates revenue increased by 5.0%.
- EBIT from business operations was EUR 6.7 million (EUR 4.7 million) or 6.6% (4.9%) of revenue.
- Operating profit (EBIT) was EUR 6.0 million (EUR 5.2 million) or 6.0% (5.4%) of revenue.
- The profit for the review period was EUR 4.4 million (EUR 4.0 million).
- Operating cash flow was EUR 2.1 million (EUR 0.8 million).
- Earnings per share were EUR 0.22 (EUR 0.19).

Market outlook

The most important factor in the development of Etteplan's business operations is the global development of the machinery and metal industry. In spite of political uncertainty, the European markets are showing small signs of improvement. Increased uncertainty in the Asian markets is estimated to continue. The good market situation in North America is expected to continue.

Financial guidance

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

Key figures

(EUR 1,000)	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Revenue	31,880	29,529	100,770	96,548	131,916
EBIT from business operations*	1,894 (5.9%)	1,406 (4.8%)	6,656 (6.6%)	4,740 (4.9%)	7,394 (5.6%)
Operating profit (EBIT)	1,655 (5.2%)	1,749 (5.9%)	6,011 (6.0%)	5,179 (5.4%)	7,856 (6.0%)
Basic earnings per share, EUR	0.06	0.06	0.22	0.19	0.30
Equity ratio, %	37.0	35.7	37.0	35.7	39.5
Operating cash flow	-1,717	-544	2,115	818	7,754
ROCE, %	14.0	14.5	15.9	14.8	17.8
Personnel at end of the period	2,078	1,864	2,078	1,864	1,859

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

President and CEO Juha Näkki:

“Our revenue growth rate improved in the third quarter compared to the previous quarters. Growth was affected by the acquisitions carried out during the review period. Our operating profit was slightly lower than in the comparison period due to a positive non-recurring item recognised in the comparison period. Our EBIT from business operations, however, showed a clear improvement.

In engineering services, we strengthened our market position in plant engineering by acquiring the business of SAV Oy. The acquisition makes Etteplan a significant operator in plant engineering in Finland. The integration of SAV Oy’s business into Etteplan has started according to plan, and our customers have responded to the acquisition in a very positive manner. We now have the ability to carry out larger plant engineering projects than before, and we have already received requests for quotations for significant projects. Plant engineering offers us excellent growth opportunities going forward.

In technical documentation, the development of our business was excellent during the review period. Growth exceeded the Group’s growth target of 15 per cent again and profitability was at a good level. We acquired the business operations of the Dutch company Thesus Talking Image during the review period, which strengthened our technical illustration expertise in the Netherlands. The transaction signed after the end of the review period with arvato AG, a subsidiary of the Bertelsmann Group from Germany, further strengthens our position in the Netherlands and allows us to expand our operations in the area of technical documentation to the German market.

Towards the end of the review period, uncertainty in the Finnish market increased slightly and turbulence in the Chinese market slowed our development in China. We nevertheless made progress in the implementation of our strategy according to plan and we will continue to make investments to develop our business and accelerate growth.”

Accounting principles

The interim report has not been prepared in accordance with all of the requirements of the IAS 34 Interim Financial Reporting standard (abridged condensed financial statements). The interim report has been prepared in accordance with the same accounting principles as the financial statements for 2014, with the exception of revised standards and interpretations that entered into force in 2015 and apply to the Group. These changes have not had a material effect on the interim report.

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 in the first half of 2015 was, on average, at a better level than in the previous year. In January-March 2015, demand improved clearly compared to the previous year. In April-September, demand remained at the same level as in the first quarter. Market uncertainty increased toward the end of the third quarter in Finland, which is Etteplan's main market. There were continued differences in demand specific to markets and customer industries. The demand for outsourcing services developed favorably in January-September 2015 in all market areas.

Growth in global industrial production has leveled off gradually in 2015. In 2015, growth has primarily been maintained by the Western European countries, except Finland, as well as the United States. Growth in industry and services in the euro zone have maintained moderately good demand for engineering design and plant engineering. Chinese economic growth has slowed down and according to the Manufacturing Purchasing Managers' Index, industrial production in China is currently in a downward trend. Industrial production is also in a downward trend in other growing markets. According to current estimates, the global demand for industrial production will grow by approximately 1.9 per cent in 2015 (source: Federation of Finnish Technology Industries, September 2015).

The development of demand for engineering design, plant engineering and technical documentation follows the global demand situation for industrial production. In addition the development of the demand situation is affected by the growing trend among machinery and equipment manufacturers to outsource services, particularly in the area of technical documentation. The outsourcing trend is showing new growth after a few years of slower growth.

In Finland, uncertainty in the development of demand for engineering design and technical documentation services grew in some customer industries at the end of the third quarter of 2015. The increase in uncertainty was due to the cancellation of orders by some machinery and equipment manufacturers. On average, however, there were no major changes in demand in Finland in the third quarter compared to the previous quarters.

In Sweden, the demand situation for engineering design and technical documentation remained good. The demand for technical documentation, in particular, remained at a relatively good level. The competitive situation in Sweden continued to be intense.

In investment projects, the development of demand has been slow in 2015. Nevertheless, demand has been slightly better than in 2014, with the exception of Russian projects.

In the Netherlands, the demand for technical documentation has been at a relatively good level in 2015.

In the Chinese market, uncertainty in the demand for engineering design has grown throughout the review period of January-September. Local demand in China has been somewhat maintained by the opening up of the service market. The opening up of the market and local demand in China are expected to develop favorably in the long term. The currencies of growing markets weakened in July-August 2015. This had the effect of slowing down exports in the engineering industry.

There were no significant changes in the demand for engineering services and technical documentation by customer industry in January-September 2015. The demand for engineering services and technical documentation among mining industry equipment manufacturers improved slightly in 2015 after being at a low level throughout 2014. The demand for engineering services among lifting and hoisting equipment manufacturers remained at a good level on average during the first three quarters of 2015. The demand for engineering services in the energy and power transmission industry remained at a good level. The demand for engineering services among forest industry equipment manufacturers was at a high level in early 2015, decreased slightly in April-June 2015, and continued to decline slightly in July-September 2015. In Sweden, the demand for engineering services in the aerospace and defense industry was at a good level. In Finland, the demand for engineering services in the aerospace and defense industry was weak. In the transportation and vehicle industry, good demand for testing and analysis services requiring special expertise continued.

Revenue

Etteplan's revenue increased in January-September by 4.4 per cent and was EUR 100.8 million (1-9/2014: EUR 96.5 million). Organic growth was 3.1 per cent. Revenue increased by 5.0 per cent at comparable exchange rates.

In July-September, revenue increased by 8.0 per cent and was EUR 31.9 million (7-9/2014: EUR 29.5 million). Organic growth was 3.7 per cent. Revenue increased by 8.5 per cent at comparable exchange rates.

The growth in revenue was attributable to acquisitions, Etteplan's strong market position and outsourcing agreements.

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 in January-September by 40.4 per cent and was EUR 6.7 million (1-9/2014: EUR 4.7 million). EBIT from business operations includes non-recurring expenses totaling EUR 0.6 million. The operative EBIT margin was 6.6 per cent (1-9/2014: 4.9 per cent).

EBIT from business operations in July-September amounted to EUR 1.9 million (7-9/2014: EUR 1.4 million), including EUR 0.3 million in non-recurring expenses. The non-recurring expenses were caused by among other things acquisitions and arrangements related to the weakened workload in some of Etteplan's units.

EBIT from business operations does not include acquisition-related items such as amortization on PPA allocations and earn out revaluations.

In January-September, operating profit (EBIT) improved by 16.1 per cent and amounted to EUR 6.0 million (1-9/2014: EUR 5.2 million). Comparison period 1-9/2014 included positive non-recurring items totaling EUR 0.6 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 2.4 per cent. Operating profit margin improved and was 6.0 per cent (1-9/2014: 5.4 per cent). The improvement in profitability was attributable to high value-added Managed Services representing a larger share of revenue than in the comparison period.

In July-September, operating profit (EBIT) was EUR 1.7 million (7-9/2014: EUR 1.7 million), or 5.2 per cent (7-9/2014: 5.9 per cent) of revenue. The comparison period 7-9/2014 included positive non-recurring items totaling EUR 0.4 million.

In January-September, financial expenses amounted to EUR 0.8 million (1-9/2014: EUR 0.8 million).

Profit before taxes for January-September was EUR 5.6 million (1-9/2014: EUR 4.6 million). Taxes in the income statement amounted to 21.7 per cent (1-9/2014: 13.4 per cent) of the result before taxes. The amount of taxes was EUR 1.2 million (1-9/2014: EUR 0.6 million).

The profit for January-September was EUR 4.4 million (1-9/2014: EUR 4.0 million).

In January-September, earnings per share were EUR 0.22 (1-9/2014: EUR 0.19). Equity per share was EUR 1.62 (1-9/2014: EUR 1.38). Return on capital employed (ROCE) before taxes was 15.9 per cent (1-9/2014: 14.8 per cent).

Financial position and cash flow

Total assets on September 30, 2015 were EUR 90.6 million (September 30, 2014: EUR 77.1 million). The balance sheet total grew primarily due to acquisitions. Goodwill on the balance sheet was EUR 42.2 million (September 30, 2014: EUR 39.2 million).

The Group's cash and cash equivalents stood at the end of September at EUR 5.4 million (September 30, 2014: EUR 1.9 million). The Group's financial liabilities amounted to EUR 26.7 million (September 30, 2014: EUR 24.8 million). The total of unused short-term credit facilities stood at EUR 6.8 million (September 30, 2014: EUR 3.7 million).

The equity ratio at the end of September was 37.0 per cent (September 30, 2014: 35.7 per cent). Operating cash flow in January-September was EUR 2.1 million (1-9/2014: EUR 0.8 million). Cash flow after investments was EUR -1.1 million (1-9/2014: EUR -1.1 million). SAV Oy acquisition had a significant impact to cash flow in the review period. Cash flow accrues unevenly over the four quarters of the year due to seasonality in business.

Capital expenditures

The Group's gross investments in January-September were EUR 9.3 million (1-9/2014: EUR 3.0 million). Investments comprised, among other things, of two acquisitions and license fees for engineering software.

Personnel

The average number of personnel increased in January-September by 5.9 per cent from the comparison period. The Group employed 1,903 (1-9/2014: 1,797) people on average during the review period and 2,078 (September 30, 2014: 1,864) at the end of the review period. The growth in number of personnel was attributable to acquisitions and organic growth. At the end of the review period, 704 people (September 30, 2014: 719) were employed by the Group abroad.

Business review

Market development in January-September was slow, and uncertainty in the Chinese market increased. Nevertheless, Etteplan's business developed steadily in January-September 2015 due to the strong market position. Key accounts grew faster than other revenue in January-September, with the growth being 6.7 per cent compared to the previous year. In July-September, key accounts grew by 6.1 per cent. Revenue growth was faster in technical documentation than engineering services in January-September. The share of revenue represented by high value-added services grew in line with the company's targets and stood at 46 per cent in January-September (1-9/2014: 40 per cent). In July-September, high value-added services accounted for 47 per cent of revenue (7-9/2014: 42 per cent).

Etteplan strengthened its position in plant engineering by acquiring the business of Suunnittelu ja Asennusten Valvonta - SAV Oy and its subsidiaries in August. The business of SAV Oy and its subsidiaries were transferred to Etteplan on September 1, 2015. SAV Oy, founded in 1993, offers plant engineering and project services to industry. The companies acquired in the SAV Oy acquisition have a total of approximately 185 employees.

In Finland, increased market uncertainty started to show in some engineering assignments being discontinued. Etteplan's market position in Finland remained strong. The number of temporarily laid off personnel continued to decrease steadily and was approximately 30. In Sweden, business developed favorably in the good market situation. However, attrition and the competition for experts burdened the business in Sweden. In the Netherlands, business developed steadily.

The number of working hours sold in the Chinese market in January-September decreased by 4.4 per cent compared to the previous year. In July-September, the year-on-year decline was 9.0 per cent. Weaker demand for machinery and equipment by a significant Western customer was a factor in the decline. Chinese offshoring as part of Etteplan's service solutions was at a good level in January-September.

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)	7-9/2015	7-9/2014	Change to prev. year	1-9/2015	1-9/2014	Change to prev. year	1-12/2014
Revenue	25 160	23 678	6,3 %	79 934	78 173	2,3 %	106 603
EBIT from business operations*	1 364	949	43,7 %	4 632	3 543	30,8 %	5 503
EBIT from business operations, %*	5,4	4,0		5,8	4,5		5,2
Managed Services index	44	37		43	35		36

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

Engineering services accounted for 79.3 per cent of Etteplan's revenue in January-September (1-9/2014: 81.0 per cent). The service area's revenue grew in January-September by 2.3 per cent year-on-year and amounted to EUR 79.9 million (1-9/2014: EUR 78.2 million). In July-September, revenue increased by 6.3 per cent compared to the previous year, to EUR 25.2 million (7-9/2014: EUR 23.7 million). The acquisition of SAV Oy and its subsidiaries had a positive effect on the increase in revenue in September.

Etteplan acquired new accounts in the third quarter. New accounts in China included among others Schaeffler (China) Co., Ltd.

In engineering services, EBIT from business operations improved in January-September by 30.8 per cent year-on-year and was EUR 4.6 million (1-9/2014: EUR 3.5 million), 5.8 per cent of revenue (1-9/2014: 4.5 per cent). The improvement in profitability was attributable to high value-added Managed Services growing to account for a larger share of revenue. In July-September, EBIT from business operations improved by 43.7 per cent year-on-year and was EUR 1.4 million (7-9/2014: EUR 0.9 million), 5.4 per cent of revenue (7-9/2014: 4.0 per cent). The share of revenue accounted for by high value-added services in January-September was 43 per cent (1-9/2014: 35 per cent). The utilization rate of engineering services was at a relatively good level in January-September.

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)	7-9/2015	7-9/2014	Change to prev. year	1-9/2015	1-9/2014	Change to prev. year	1-12/2014
Revenue	6 749	5 820	16,0 %	20 860	18 319	13,9 %	25 205
EBIT from business operations*	627	424	48,0 %	1 883	1 297	45,2 %	2 031
EBIT from business operations, %*	9,3	7,3		9,0	7,1		8,1
Managed Services index	64	55		62	52		53

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

The share of Etteplan's revenue represented by technical documentation in January-September was 20.7 per cent (1-9/2014: 19.0 per cent) and the service area's revenue grew by 13.9 per cent year-on-year in January-September, amounting to EUR 20.9 million (1-9/2014: EUR 18.3 million). In July-September, revenue grew by 16.0 per cent year-on-year and was EUR 6.7 million (7-9/2014: EUR 5.8 million). The growth in revenue in technical documentation was attributable to the continued trend of outsourcing and Etteplan's market position, which strengthened due to the company's unique service offering. New agreements on the outsourcing of technical documentation were signed at a steady rate in January-September.

In technical documentation, EBIT from business operations improved in January-September by 45.2 per cent year-on-year and was EUR 1.9 million (1-9/2014: EUR 1.3 million), 9.0 per cent of revenue (1-9/2014: 7.1 per cent). The significant improvement in profitability was attributable to high value-added Managed Services growing to account for a larger share of revenue, as well as the software business. In July-September, EBIT from business operations improved by 48.0 per cent year-on-year to EUR 0.6 million (7-9/2014: EUR 0.4 million), 9.3 per cent of revenue (7-9/2014: 7.3 per cent).

The share of revenue accounted for by high value-added services in January-September was 62 per cent (1-9/2014: 52 per cent). The utilization rate of technical documentation services in the second quarter of 2015 was higher than in the comparison period in 2014.

The agreement signed in June by Etteplan and the Dutch company Thesus Talking Image entered into force during the review period, and five Thesus Ti employees and the company's business operations were transferred to Etteplan on July 1, 2015. Thesus Talking Image specializes in advanced visual instructions and high-quality technical illustrations.

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 September 30, 2015 was EUR 5,000,000.00, and the total number of shares was 20,665,559. The Company has one series of shares. All shares confer an equal right to a dividend and the Company's funds.

In relation to the acquisition of Suunnittelu ja Asennusten Valvonta - SAV Oy's design and installation supervision business and SAV Oy's subsidiaries, Etteplan carried out a directed share issue in September 2015, in which 486,145 new shares were subscribed. Dilution effect of the directed share issue was 2.41%.

The Company held 308,886 of its own shares on September 30, 2015, which corresponds 1.49 per cent of all shares and voting rights (December 31, 2014: 308 886). In January-September 2015 the Company did not acquire or transfer any company-held shares.

The number of Etteplan Oyj shares traded during the review period was 813,210, to a total value of EUR 3.2 million. The share price low was EUR 3.00, the high EUR 4.44, the average EUR 3.99 and the closing price EUR 4.02. Market capitalization on September 30, 2015 was EUR 81.8 million.

On September 30, 2015, the members of the Company's Board of Directors and the President and CEO owned a total of 41,907 (December 31, 2014: 41,876) shares, or 0.20 per cent of the total share base.

Flaggings

On September 9, 2015, Ingman Group Oy Ab notified that Ingman Group Oy Ab's share of Etteplan Oyj's share capital and voting rights fell below two-thirds (2/3) when Etteplan Oyj's 486,145 new shares subscribed in the directed share issue were entered into the trade register.

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.

Major events after the review period

Etteplan strengthened its position as a technical documentation service provider in the Central European market by signing an acquisition agreement with arvato AG, which is part of the Germany-based Bertelsmann Group. The business to be acquired includes technical documentation services in Germany and the Netherlands. The transaction is planned to be completed by the end of 2015, with the business and personnel of the companies transferred to Etteplan on January 1, 2016, pursuant to the agreement. Etteplan and arvato AG have agreed on strategic cooperation as part of the transaction. The business that the acquisition concerns employs 35 people in the Netherlands and Germany.

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 January-September. The demand for engineering services and technical documentation remained at a relatively good level on average in the review period.

The Company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. In January-September, 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. In particular, the uncertain political development in Europe and the resulting economic risks, as well as uncertainty in the Chinese market, is expected to continue. The possibility of changes in customers' business operations is 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.

Change in financial targets

Etteplan is revising its financial targets by making a change to its operating profit target of 10 per cent. The new target is EBIT from business operations of 10 per cent. EBIT from business operations does not include acquisition-related items such as amortization on PPA allocations and earn out revaluations.

Market outlook

The most important factor in the development of Etteplan's business operations is the global development of the machinery and metal industry. In spite of political uncertainty, the European markets are showing small signs of improvement. Increased uncertainty in the Asian markets is estimated to continue. The good market situation in North America is expected to continue.

Financial guidance

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

Vantaa, October 29, 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)	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Revenue	31 880	29 529	100 770	96 548	131 916
Other operating income	50	583	221	1 160	1 567
Materials and services	-1 836	-1 884	-5 928	-7 400	-9 524
Staff costs	-22 826	-21 175	-72 475	-69 265	-94 367
Other operating expenses	-4 825	-4 649	-14 365	-13 909	-19 108
Depreciation and amortization	-788	-656	-2 212	-1 955	-2 629
Operating profit (EBIT)	1 655	1 749	6 011	5 179	7 856
Financial income	216	4	360	202	394
Financial expenses	-258	-268	-772	-808	-1 082
Profit before taxes	1 613	1 485	5 599	4 572	7 168
Income taxes	-312	-135	-1 215	-613	-1 020
Profit for the financial year	1 301	1 350	4 384	3 959	6 147
Other comprehensive income, that may be subsequently reclassified to profit or loss					
Foreign subsidiary net investment hedge	45	-8	3	91	154
Currency translation differences	-598	121	-23	-864	-1 599
Change in fair value of investments available-for-sale	-1	-3	27	1	1
Tax from items, that may be subsequently reclassified to profit or loss	-9	2	-6	-18	-31
Other comprehensive income, net of tax	-563	112	1	-790	-1 475
Total comprehensive income for the year	738	1 462	4 385	3 169	4 673
Income attributable to					
Equity holders of the parent company	1 240	1 291	4 356	3 774	5 930
Non-controlling interest	61	59	28	185	218
	1 301	1 350	4 384	3 959	6 147
Total comprehensive income attributable to					
Equity holders of the parent company	675	1 414	4 362	2 991	4 466
Non-controlling interest	63	48	24	178	207
	738	1 462	4 385	3 169	4 673
Earnings per share calculated from the result attributable to equity holders of the parent company					
Basic earnings per share, EUR	0,06	0,06	0,22	0,19	0,30
Diluted earnings per share, EUR	0,06	0,06	0,22	0,19	0,30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	30.9.2015	30.9.2014	31.12.2014
ASSETS			
Non-current assets			
Tangible assets	2 248	1 827	1 866
Goodwill	42 247	39 217	38 642
Other intangible assets	9 554	6 079	5 876
Investments available-for-sale	670	642	642
Other non-current receivables	53	0	0
Deferred tax assets	161	78	110
Non-current assets, total	54 933	47 844	47 136
Current assets			
Trade and other receivables	30 276	26 893	25 442
Current tax assets	10	401	321
Cash and cash equivalents	5 373	1 944	2 575
Current assets, total	35 659	29 238	28 337
TOTAL ASSETS	90 592	77 082	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	4 406	2 364	2 364
Own shares	-841	-1 128	-912
Cumulative translation adjustment	-1 502	-804	-1 472
Other reserves	212	190	177
Retained earnings	13 980	11 030	11 030
Profit for the financial year	4 356	3 774	5 930
Capital attributable to equity holders of the parent	32 312	27 127	28 818
Non-controlling interest	-41	-94	-65
Equity, total	32 271	27 034	28 753
Non-current liabilities			
Deferred tax liabilities	1 722	1 180	1 087
Financial liabilities	12 473	9 800	9 137
Other non-current liabilities	85	273	57
Non-current liabilities, total	14 280	11 253	10 280
Current liabilities			
Financial liabilities	14 262	14 950	9 681
Trade and other payables	28 979	23 774	26 666
Current income tax liabilities	800	71	94
Current liabilities, total	44 041	38 795	36 441
Liabilities, total	58 321	50 048	46 721
TOTAL EQUITY AND LIABILITIES	90 592	77 082	75 474

CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR 1 000)	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Operating cash flow					
Cash receipts from customers	30 387	28 861	98 352	94 368	131 858
Operating expenses paid	-31 708	-28 845	-95 259	-91 550	-121 506
Operating cash flow before financial items and taxes	-1 320	17	3 093	2 817	10 352
Interest and payment paid for financial expenses	-104	-185	-429	-572	-743
Interest received	11	4	35	20	24
Income taxes paid	-304	-381	-583	-1 447	-1 879
Operating cash flow (A)	-1 717	-544	2 115	818	7 754
Investing cash flow					
Purchase of tangible and intangible assets	-400	-192	-1 281	-648	-885
Acquisition of subsidiaries	-1 467	-1	-1 907	-1 395	-1 396
Proceeds from sale of tangible and intangible assets	0	0	0	84	80
Proceeds from sale of investments	0	0	1	0	1
Loan receivables, decrease	0	1	0	5	1
Investing cash flow (B)	-1 868	-192	-3 188	-1 955	-2 200
Cash flow after investments (A+B)	-3 584	-736	-1 073	-1 137	5 554
Financing cash flow					
Short-term loans, increase	1 156	1 906	4 835	4 295	266
Short-term loans, decrease	-656	-982	-7 327	-2 610	-4 562
Long-term loans, increase	4 993	33	10 000	3 052	3 048
Payment of finance lease liabilities	-248	-217	-711	-672	-879
Dividend paid and other profit distribution	0	0	-2 981	-2 169	-2 169
Financing cash flow (C)	5 245	740	3 816	1 895	-4 295
Variation in cash (A+B+C) increase (+) / decrease (-)	1 660	4	2 744	759	1 258
Assets at the beginning of the period	3 663	1 879	2 575	975	975
Exchange gains or losses on cash and cash equivalents	50	62	55	211	341
Assets at the end of the period	5 373	1 944	5 373	1 944	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	4 356	4 356	28	4 384
Fair value reserve available-for-sale assets	0	0	0	22	0	0	0	22	0	22
Foreign subsidiary net investment hedge	0	0	0	0	0	2	0	2	0	2
Cumulative translation adjustment	0	0	0	0	0	-19	0	-19	-4	-23
Total comprehensive income for the year	0	0	0	22	0	-17	4 356	4 361	24	4 385
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 981	-2 981	0	-2 981
Directed share issue	0	0	2 042	0	0	0	0	2 042	0	2 042
Reclassifications	0	0	0	14	0	-14	0	0	0	0
Share based incentive plan	0	0	0	0	71	0	0	71	0	71
Transactions with owners, total	0	0	2 042	14	71	-14	-2 981	-868	0	-868
Equity 30.9.2015	5 000	6 701	4 406	211	-841	-1 502	18 336	32 312	-41	32 270

(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	3 774	3 774	185	3 959
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	73	0	73	0	73
Cumulative translation adjustment	0	0	0	0	0	-856	0	-856	-7	-864
Total comprehensive income for the year	0	0	0	1	0	-784	3 774	2 991	178	3 169
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 169	-2 169	0	-2 169
Reclassifications	0	0	0	0	0	0	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	37	0	0	37	0	37
Transactions with owners, total	0	0	-250	0	784	0	-2 150	-1 616	0	-1 616
Equity 30.9.2014	5 000	6 701	2 364	190	-1 128	-804	14 803	27 127	-94	27 034

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 approximately 2,100 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 October 29, 2015.

Basis for preparation

The interim report has not been prepared in accordance with all of the requirements in IAS 34 (Interim Financial Reporting) standard (condensed notes). The accounting policies presented in the 2014 annual financial statements have been followed in the preparation of the interim report with the exception of changes in standards and interpretations in effect in 2015, which concern the Group. These changes did not have material effect on the interim report.

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.

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.

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 21.7 per cent (1-9/2014: 13.4 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)	1-9/2015	1-9/2014	1-12/2014	Change to prev. year
Revenue	100 770	96 548	131 916	4,4 %
EBIT from business operations*	6 656	4 740	7 394	40,4 %
EBIT from business operations, %*	6,6	4,9	5,6	
Operating profit (EBIT)	6 011	5 179	7 856	16,1 %
EBIT, %	6,0	5,4	6,0	
Profit before taxes	5 599	4 572	7 168	22,5 %
Profit before taxes, %	5,6	4,7	5,4	
Return on equity, %	19,2	20,1	22,7	
ROCE, %	15,9	14,8	17,8	
Equity ratio, %	37,0	35,7	39,5	
Gross interest-bearing debt	26 735	24 750	18 818	8,0 %
Net gearing, %	66,2	84,4	56,5	
Balance sheet, total	90 592	77 082	75 474	17,5 %
Gross investments	9 290	3 033	3 565	206,3 %
Operating cash flow	2 115	818	7 754	158,5 %
Basic earnings per share, EUR	0,22	0,19	0,30	15,8 %
Diluted earnings per share, EUR	0,22	0,19	0,30	15,8 %
Equity per share, EUR	1,62	1,38	1,45	17,4 %
Personnel, average	1 903	1 797	1 813	5,9 %
Personnel at end of the period	2 078	1 864	1 859	11,5 %

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

REVENUE AND OPERATING PROFIT (EBIT) QUARTERLY

(EUR 1 000)	1-3/2015	1-3/2014	4-6/2015	4-6/2014	7-9/2015	7-9/2014
Revenue	34 650	33 282	34 240	33 737	31 880	29 529
Operating profit (EBIT)	2 051	1 157	2 305	2 273	1 655	1 749
EBIT, %	5,9	3,5	6,7	6,7	5,2	5,9

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)	7-9/2015	7-9/2014	1-9/2015	1-9/2014
Other operating income	0	545	0	1 045
Staff costs and other operating expenses	-273	-134	-567	-483
Operating profit (EBIT)	-273	411	-567	562
Financial expenses	0	-72	-6	-154
Profit for the financial year	-273	339	-573	408

BUSINESS COMBINATIONS

SAV Oy

Etteplan acquired Suunnittelu ja Asennusten Valvonta – SAV Oy's business and subsidiaries on August 31, 2015.

SAV Oy, founded in 1993, offers plant engineering and project services to industry. SAV Oy and its subsidiaries employ approximately 190 persons and the Group has offices in eight different locations in Finland. SAV Group's revenue in 2014 was approximately EUR 12.5 million. SAV Oy's services cover the entire range of engineering phases from pre-studies to the engineering and project management services required to implement the investment, as well as check and start-up of the plant. The company serves more than 120 customers. SAV Oy's customers operate in several different industry domains. With this acquisition Etteplan gains significant market position in the area of plant engineering in Finland and creates even better international growth possibilities for the Company.

In addition to SAV Oy's business Etteplan acquired 100% share of ownership and corresponding amount of voting rights in SAV Oy's subsidiaries. The purchase price was partly paid in cash and partly with Etteplan shares. For the payment of purchase price paid in shares, Etteplan arranged a directed share issue in which SAV Oy subscribed 486,145 new Etteplan shares.

The goodwill of EUR 3,528 thousand arising from the acquisition is attributable to the knowledge and competence acquired as well as the synergies expected from combining the operations of the Group and the acquired company. None of the goodwill recognized is expected to be deductible for income tax purposes. The following table summarizes the consideration paid for SAV Oy and the provisional amounts of assets acquired and liabilities assumed recognized at the acquisition date.

Consideration transferred:	EUR 1,000
Cash payment	4 000
Cash payment to be made one year from acquisition date	1 000
Share issue	2 042
Total consideration transferred	7 042
Fair value of identifiable assets acquired and liabilities assumed:	
Tangible assets	105
Intangible assets	159
Customer relations (intangible assets)	3 670
Trade and other receivables	546
Cash	2 533
Total assets	7 013
Current liabilities	2 763
Deferred tax liability	737
Liabilities total	3 500
Total identifiable net assets	3 514
Formation of Goodwill:	
Consideration transferred	7 042
Total identifiable net assets	3 514
Goodwill	3 528

Acquisition-related costs, EUR 92 thousand, are included in other operating expenses in the consolidated statement of comprehensive income. The revenue included in the consolidated statement of comprehensive income since September 1, 2015 contributed by SAV Oy was EUR 1,271 thousand. SAV Oy contributed profit of EUR 208 thousand over the same period.

Had SAV Oy been consolidated from January 1, 2015 the consolidated income statement would show revenue of EUR 109,718 thousand and profit of EUR 5,027 thousand.

Etteplan acquired the business operations of Thesus Talking Image on July 1, 2015. The Dutch company's five experts became Etteplan's employees from that date. The consideration transferred was EUR 150 thousand. The business transfer has no material effect on the Group.

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

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