

The Cable Segment's turnover grew and operating result improved clearly from previous year.

January–June

- The Group's turnover was EUR 50.2 million (43.6 million).
- The operating result was EUR 3.9 (-0.6) million.
- The operating result of the Cable Segment was EUR 4.3 (0.1) million.
- The Group's result for the period was EUR 2.3 (-1.3) million.

MANAGING DIRECTOR RALF SOHLSTRÖM:

For the first half of year 2016, the Cable segment's turnover increased 15% and the operating result increased by EUR 4.2 million compared to previous year. The operating result of the comparison period was burdened by non-recurring costs, total EUR 0.9 million.

The turnover and operating results increased due to delivery contracts of underground cables concluded last year as well as active actions taken to increase the utilisation rates and delivery capacities of the factories. The investments agreed upon earlier have been implemented successfully, and the efficiency improvement program started last October has resulted in improved cost-effectiveness of the cable industry and improved productivity of the factories.

The Group's financing debts have reduced significantly and, consequently, the management has been able to focus more on business development. This is already visible in profit development.

The market shows signs of recovery and grid builders are expected to continue underground cabling investments to improve the reliability of electricity distribution.

#### KEY FIGURES

	1-6/2016	1-6/2015	1-12/2015
Turnover, EUR million	50.2	43.6	84.6
Operating result, EUR million	3.9	-0.6	-2.0
Result for the period, EUR million	2.3	-1.3	-3.7
Earnings per share, EUR	0.38	-0.21	-0.62
ROI, %	13.9	-1.5	-6.0
Equity ratio, %	18.2	14.2	11.8

#### TURNOVER AND OPERATING RESULT

Neo Industrial Group's turnover consisted of the Cable segment's turnover, totalling EUR 50.2 million (43.6).

The Operating result was EUR 3.9 million (-0.6).

The Group's result for the review period was EUR 2.3 million (-1.3).

#### BALANCE SHEET AND FINANCING

Reka Cables Ltd. gave up the previously-used factoring credit limit and transferred from the accounts receivable balance sheet to sales. The change was carried out for most parts by the end of June. The change has a positive impact on net operating cash flow.

At the end of the review period, the balance sheet totalled at EUR 45.0 million (58.2). On 31 December 2015 the balance sheet totalled at EUR 49.2 million.

#### SEGMENTS

Cable segment

	<b>1-6/2016</b>	<b>1-6/2015</b>	<b>Change</b>
Turnover, EUR million	50.2	43.6	15.0 %
Operating result, EUR million	4.3	0.1	4175.5 %

The Cable Segment's turnover for the review period was EUR 50.2 million (43.6 million). The operating result was EUR 4.3 million (0.1). The operating result of January–June of the comparison year was burdened by non-recurring costs, total EUR 0.9 million.

The sales volumes in the cable market of Nordic countries, the main market area of Reka Cables Ltd, increased clearly from the previous year. The sales volumes in other markets were close to last year's levels.

At the end of the review period the raw material EUR prices of aluminium and copper were slightly higher compared to the price level at the last turn of the year.

The loans of the Cable Segment were rearranged at the beginning of the year as part of the financing agreement signed by Reka Group. According to the financing solution implemented in March, the Cable Segment loans were rearranged as long-term financing plans.

The turnover for Nestor Cables Ltd, an associated company of the Cable Segment, was EUR 13.6 million (14.6) during the review period. The operating result was positive but smaller than the year before. The value of the shares of Nestor Cables Ltd in the consolidated balance sheet is zero due to the cumulative results of the previous years, and its share of the 2016 result is not taken into account in the Group's figures.

#### INVESTMENTS

During the review period, investments totalled EUR 0.9 million (1.6), of which the Cable Segment represented EUR 0.9 million (1.5).

#### PERSONNEL

In January–June, the Group employed an average of 268 (247) people. At the end of the review period, the personnel of the Group was 269 employees (254), of which 268 (252) represented the Cable Segment.

#### ANNUAL GENERAL MEETING DECISIONS

Neo Industrial's Annual General Meeting (AGM) was held in Helsinki on 31 March 2016.

The AGM approved the Board's proposal that no dividends be paid for 2015.

The AGM approved the 2015 financial statements and discharged the Board of Directors and CEO from liability for the year 2015.

The AGM approved the annual remuneration of EUR 10,000 for the members of the Board of Directors, EUR 12,500 for the chairman of the Board and an attendance remuneration of EUR 600 per each meeting for the Board and the committees, and that the members of the Board are compensated for their travel expenses.

Circa 40 per cent of the annual remunerations will be paid by the shares of the company. Transfer to the shares is made by using the average share price of Neo Industrial Plc's B-share in May 2016 and the shares will be handed over in June 2017.

The AGM approved that the members of the Board be paid a bonus based on the development of the company's B share price, the amount of which is EUR 1,000 for the chairman of the Board and EUR 500 for the ordinary members of the Board, multiplied by annual return based on the share price development of Neo Industrial Plc's class B share (average share price in May 2017 - average share price in May 2016). Should the annual return exceed 50 per cent, the bonus shall be paid in accordance with 50 per cent. So the highest multiplier when counting remuneration is 50.

Circa 40 per cent of the bonuses will be paid by the shares of the company. Transfer to the shares is made by using the average share price of Neo Industrial Plc's B-share in May 2017 and the shares will be handed over in June 2017.

In addition, the AGM approved the proposal of the Board that the auditors' fees be paid as per invoice.

The AGM approved the proposal that the number of members of the Board shall be four (4) and nominated the following persons be elected to the Board: Markku E. Rentto, chairman; Jukka Koskinen, deputy chairman and Marjo Matikainen-Kallström and Raimo Valo as members of the Board. No deputy members were elected.

The AGM approved the proposal that Authorized Public Accountants KPMG Ltd, with Authorized Public Accountant Lasse Holopainen as the responsible auditor, be elected as the auditor of the company for a term that expires at the end of the AGM of 2017.

The AGM approved the Board's proposal that it be authorized to decide on acquisition of the company's own shares by using the assets from the company's distributable funds so that the maximum number of class B shares to be acquired is 588,076. The proposed amount corresponds to approximately 9.77 percent of all the shares in company and in total ten percent of the company's class B shares.

The shares will be acquired through public trading arranged by NASDAQ Helsinki in accordance with its rules, and the consideration to be paid for the shares to be acquired must be based on market price. The company may acquire B class shares directly from a shareholder other than its major owner, by entering into a contractual trade, provided that the number of class B shares to be acquired via contractual trade is at least 15,000 and that the consideration to be paid for the shares is equal to the prevailing market price in NASDAQ Helsinki at the time of the acquisition. When carrying out the acquisition of the company's own shares, derivatives, share lending and other contracts customary to the capital markets may be entered into within the limits set by law and regulations.

The authorization entitled the Board to decide on the acquisition in a proportion other than that of the shares held by the shareholders (directed acquisition).

The Board is entitled to decide on all other matters pertaining to the acquisition of the company's own shares.

The authorization remains in force until the next AGM.

## SHARES AND SHARE CAPITAL

Neo Industrial Plc's share capital is divided into A and B shares. On 30 June 2016, its total share capital was EUR 24,082,000 and the number of shares was 6,020,360. The total number of shares includes 16,470 shares held by Neo Industrial. The holding represents 0.3% of the company's share capital and 0.2% of the votes. The company held no A shares. Neo Industrial Plc's B shares (NEO1V) are listed on the main list of NASDAQ Helsinki.

<b>Company shares</b>	<b>30/6/2016</b>	<b>30/6/2015</b>
Company share capital (EUR)	24,082,000	24,082,000
A shares (20 votes per share)	139,600	139,600
B shares (1 vote per share)	5,880,760	5,880,760
Total	6,020,360	6,020,360
B shares held by the company	16,470	30,525

On January-June, a total of 345,267 (1,491,884) of Neo Industrial Plc's B shares were traded on NASDAQ Helsinki, representing 5.9% (25.4%) of the total number of shares. At the end of trading on 30 June 2016 the share price was EUR 1.80 (1.80), and the average share price for the review period was EUR 1.90 (2.48). The lowest quotation in January-June was EUR 1.52 (0.62), with the highest being EUR 2.40 (3.71). The company's market capitalisation was valued at EUR 10.8 million (10.8) on 30 June 2016.

## ACQUISITION OF OWN SHARES

Neo Industrial did not exercise its authorisation to acquire the company's own shares.

## GROUP STRUCTURE AND SHAREHOLDERS

Neo Industrial Plc is the parent company of the Group which includes the Neo Industrial's wholly owned subsidiaries Novalis Plc and Alnus Ltd and their subsidiaries and associated companies. Neo Industrial Plc is domiciled in Hyvinkää.

At the end of the review period, Neo Industrial had 11,364 shareholders (11,724). The largest shareholder, Reka Ltd, held 50.76% of the shares and 65.77% of the votes. Neo Industrial Plc is therefore part of the Reka Group. Reka Ltd is domiciled in Juupajoki.

At the end of June 2016, the combined holding of the ten largest shareholders was 59.69% of the shares and 71.97% of the votes. The members of the Board, the Managing Director and the CFO directly and through their controlled corporations owned and controlled a total of 2,981,452 (2,975,416) of Neo Industrial's B shares.

## RISKS AND UNCERTAINTY FACTORS

Neo Industrial's financial risks include currency, interest rate, commodity, liquidity, credit and investment market risks. Financial risks and the related protection measures are described in more detail in the notes to the latest financial statements. The company's future risk factors are related to the business development of its portfolio companies. The uncertainty of the global economy and financial market possess a risk to the financial arrangements of the Group.

The Group has made financial arrangements since 2014. In addition to ensuring liquidity and sufficient funding by conducting negotiations on financing and payment terms, measures for boosting inventory turnover and freeing up capital assets are taken into action. Due to improved financial situation the management has been able to concentrate on business development.

In the Cable Segment the most significant risks are related to market development, fluctuations of raw material prices and currencies as well as working capital management in various situations. During considerable seasonal changes, suppliers' terms of payment affect significantly the ability to ensure competitive delivery times through sufficient inventories. Also, operation models are being developed in order to balance out the effects of seasonal changes on the load rates of factories.

In the Cable Segment the key raw materials are metals (copper and aluminium) and plastics. In the metals purchases partial price hedging is used with the aid of commodity derivatives. Important with metals are the development of both the dollar-denominated price and the USD / EUR exchange rate.

## MAJOR EVENTS AFTER THE REVIEW PERIOD

There has been no major events after the review period.

## NEAR-TERM OUTLOOK

Construction has been picking up somewhat in Nordic countries and Western Europe. The management believes that grid constructors will continue ground cabling investments to ensure distribution reliability. The turnover of the Cable Segment in 2016 is believed to clearly exceed the turnover of 2015. The Group's operating result is believed to be positive also during the second half of the year and the operating result of the entire year is believed to be clearly positive.

Hyvinkää 9 August 2016

Neo Industrial Plc  
Board of Directors

Further information:  
Managing Director Ralf Sohlström, tel. +358 40 770 2720

## CONSOLIDATED INCOME STATEMENT

EUR 1,000	1/1-30/6/2016	1/1-30/6/2015	1/1-31/12/2015
<b>TURNOVER</b>	<b>50,156</b>	<b>43,605</b>	<b>84,585</b>
Change in inventories of finished products and production in progress	3,754	3,104	348
Production for own use	16	40	57
Other operating income	179	152	325
Materials and services	-37,579	-34,201	-60,991
Personnel expenses	-7,005	-7,383	-14,283
Depreciation and impairment	-1,069	-863	-1,888
Other operating expenses	-4,587	-5,011	-10,148
	-46,291	-44,162	-86,580
<b>Operating result</b>	<b>3,866</b>	<b>-557</b>	<b>-1,995</b>
Financial income	59	13	29
Financial expenses	-817	-747	-2,008
<b>Result before taxes</b>	<b>3,108</b>	<b>-1,292</b>	<b>-3,973</b>
Taxes	-799	37	282
<b>Result for the period</b>	<b>2,309</b>	<b>-1,255</b>	<b>-3,691</b>
<b>Profit or loss attributable to</b>			
Shareholders of the parent	2,309	-1,255	-3,691
Non-controlling interests	0	0	0
	2,309	-1,255	-3,691
Earnings per share attributable to the shareholders of the parent before and after dilution, EUR	0.38	-0.21	-0.62
Number of shares	6,003,890	5,928,633	5,989,835
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)</b>			
<b>Result</b>	2,309	-1,255	-3,691
<b>Other comprehensive items that may subsequently reclassified to statement of income</b>			
Translation differences related to foreign units	-3	3	5
Total	-3	3	5
<b>Total comprehensive income</b>	2,306	-1,252	-3,686
<b>Total comprehensive income attributable to</b>			
Shareholders of the parent	2,306	-1,252	-3,686
Non-controlling interests	0	0	0
	2,306	-1,252	-3,686

CONSOLIDATED BALANCE SHEET (IFRS)

EUR 1,000	30/6/2016	31/12/2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	3,252	3,252
Other intangible assets	774	871
Tangible assets	14,208	14,271
Receivables	57	59
Derivative contracts	24	0
Deferred tax assets	698	1,506
<b>Total non-current assets</b>	<b>19,012</b>	<b>19,959</b>
<b>Current assets</b>		
Inventories	16,590	12,680
Sales receivables and other receivables	6,928	15,296
Derivative contracts	78	0
Cash and cash equivalents	2,325	1,280
<b>Total current assets</b>	<b>25,922</b>	<b>29,257</b>
<b>Total Assets</b>	<b>44,934</b>	<b>49,216</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholder's equity</b>		
Share capital	24,082	24,082
Premium fund	66	66
Reserve fund	1,221	1,221
Own shares	-106	-197
Translation differences	-29	-27
Retained profit	-38,394	-40,647
Other unrestricted equity	21,328	21,328
<b>Equity attributable to shareholders of the parent</b>	<b>8,168</b>	<b>5,827</b>
Non-controlling interests	0	0
<b>Total shareholders' equity</b>	<b>8,168</b>	<b>5,827</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	70	97
Provisions	2,800	2,790
Financial liabilities	13,122	6,407
Other liabilities	495	494
Derivative contracts	45	88
<b>Current liabilities</b>		
Tax liabilities from the profit	36	17
Provisions	200	200
Financial liabilities	2,933	19,863
Derivative contracts	0	70
Accounts payable and other liabilities	17,063	13,362
<b>Total liabilities</b>	<b>36,766</b>	<b>43,389</b>
<b>Shareholders' equity and liabilities</b>	<b>44,934</b>	<b>49,216</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS)

EUR 1,000	A	B	C	D	E	F	G	H	I	J
Shareholders' equity 31/12/2014	24,082	66	1,221	-591	-47	21,328	-36,634	9,426	0	9,426
Comprehensive income										
Result for the period							-3,691	-3,691	0	-3,691
Other comprehensive income										
Payments by own shares				394			-299	95		95
Translation differences					20		-22	-2		-2
Total comprehensive income				394	20		-4,012	-3,598	0	-3,598
<b>Shareholders' equity 31/12/2015</b>	<b>24,082</b>	<b>66</b>	<b>1,221</b>	<b>-197</b>	<b>-27</b>	<b>21,328</b>	<b>-40,647</b>	<b>5,827</b>	<b>0</b>	<b>5,827</b>
	A	B	C	D	E	F	G	H	I	J
Shareholders' equity 31/12/2015	24,082	66	1,221	-197	-27	21,328	-40,647	5,827	0	5,827
Comprehensive income										
Result for the period							2,309	2,309	0	2,309
Other comprehensive items										
Payments by own shares				91			-63	28	0	28
Translation differences					-2		8	6		6
Total comprehensive income				91	-2		2,254	2,343	0	2,343
<b>Shareholders' equity 30/6/2016</b>	<b>24,082</b>	<b>66</b>	<b>1,221</b>	<b>-106</b>	<b>-29</b>	<b>21,328</b>	<b>-38,394</b>	<b>8,168</b>	<b>0</b>	<b>8,168</b>

Explanations for the letter codes:

- A Share capital
- B Premium fund
- C Reserve fund
- D Own shares
- E Translation differences
- F Other unrestricted equity
- G Retained earnings
- H Shareholder's equity to the shareholders of the parent
- I Non-controlling interests
- J Total shareholders' equity

## CONSOLIDATED CASH FLOW STATEMENT (IFRS)

EUR 1,000	1/1-30/6/2016	1/1-30/6/2015
Cash flows from operating activities		
Payments received from operating activities	62,542	36,152
Payments paid on operating activities	-49,602	-42,854
Paid interests and other financial expenses	-1,065	-757
Interests received and other financial incomes	59	3
Direct taxes paid	1	-3
<b>Net cash provided by operating activities</b>	<b>11,935</b>	<b>-7,459</b>
<b>Cash flows from investments</b>		
Investments in tangible assets	-906	-1,587
Sales of tangible assets	35	11
Loan repayments	76	161
<b>Net cash provided by investing activities</b>	<b>-795</b>	<b>-1,415</b>
<b>Cash flows from financing activities</b>		
Increase in loans	8,133	8,920
Decrease in loans	-17,428	-1,499
Payments of finance lease activities	-802	-28
<b>Net cash provided by financing activities</b>	<b>-10,097</b>	<b>7,393</b>
<b>Change in cash and cash equivalents at the end of the period</b>	<b>1,042</b>	<b>-1,481</b>
Cash and cash equivalents at beginning of the period	1,280	4,484
Exchange rate differences	2	7
<b>Change in cash and cash equivalents at the end of the period</b>	<b>2,325</b>	<b>3,010</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Accounting policies

This unaudited interim report has been prepared in accordance with IAS 34 requirements for interim reports. This interim report has been prepared in accordance with the same principles as the financial statements for 2015.

The Group has adopted following new or amended IAS/IFRS standards and interpretations effective for financial periods beginning on January 1, 2016:

- Amendment to IAS 1: *Presentation of Financial Statements*
- Amendments to IAS 16: *Property, Plant and Equipment* and IAS 38: *Intangible Assets* and IAS 41: *Agriculture*
- Amendments to IFRS 10: *Consolidated Financial Statements*, IFRS 12: *Disclosure of Interests in Other Entities* and IAS 28: *Investments in Associates and Joint Ventures*
- Amendments to IFRS 11: *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to IAS 27: *Equity Method in Separate Financial Statements*
- *Annual Improvements to IFRSs*, cycle 2012–2014. Amendments include four standards.

The revised standards and their interpretations had no relevant effect on the reported result or financial position.



## SEGMENT INFORMATION

<b>30/6/2016</b>	<b>Other operations</b>		
EUR 1,000	<b>Cable</b>	<b>and eliminations</b>	<b>Group</b>
<b>Turnover</b>	<b>50,156</b>	<b>0</b>	<b>50,156</b>
<b>Operating result before change in the value of open derivatives</b>	<b>4,151</b>	<b>-422</b>	<b>3,730</b>
Change in the value of open derivatives	124	12	136
<b>Operating result after change in the value of open derivatives</b>	<b>4,275</b>	<b>-410</b>	<b>3,866</b>
Unallocated items		-1,556	-1,556
<b>Result for the period</b>			<b>2,309</b>
<b>Assets</b>			
Segment's assets	43,298	1,636	44,934
<b>Total assets</b>	<b>43,298</b>	<b>1,636</b>	<b>44,934</b>
<b>Liabilities</b>			
Segment's liabilities	28,161	8,605	36,766
<b>Total liabilities</b>	<b>28,161</b>	<b>8,605</b>	<b>36,766</b>
<b>Assets - liabilities</b>	<b>15,137</b>	<b>-6,969</b>	<b>8,168</b>
<b>Investments</b>	<b>913</b>	<b>0</b>	<b>913</b>
<b>Depreciations</b>	<b>1,019</b>	<b>50</b>	<b>1,069</b>

<b>30/6/2015</b>	<b>Other operations</b>		
EUR 1,000	<b>Cable</b>	<b>and eliminations</b>	<b>Group</b>
<b>Turnover</b>	<b>43,605</b>	<b>0</b>	<b>43,605</b>
<b>Operating result before change in the value of open derivatives</b>	<b>141</b>	<b>-683</b>	<b>-542</b>
Change in the value of open derivatives	-12	-3	-15
<b>Operating result after change in the value of open derivatives</b>	<b>129</b>	<b>-686</b>	<b>-557</b>
Unallocated items		-698	-698
<b>Result for the period</b>			<b>-1,255</b>
<b>Assets</b>			
Segment's assets	54,472	3,704	58,176
<b>Total assets</b>	<b>54,472</b>	<b>3,704</b>	<b>58,176</b>
<b>Liabilities</b>			
Segment's liabilities	39,426	10,467	49,894
<b>Total liabilities</b>	<b>39,426</b>	<b>10,467</b>	<b>49,894</b>
<b>Assets - liabilities</b>	<b>15,046</b>	<b>-6,763</b>	<b>8,283</b>
<b>Investments</b>	<b>1,554</b>	<b>29</b>	<b>1,583</b>
<b>Depreciations</b>	<b>812</b>	<b>50</b>	<b>863</b>

<b>Cable segment's turnover by product group, EUR million</b>	<b>1-6/2016</b>	<b>1-6/2015</b>
LV energy	11.0	10.0
Power cable	39.2	33.6
<b>Total</b>	<b>50.2</b>	<b>43.6</b>
<b>Cable segment's turnover by sales area, EUR million</b>	<b>1-6/2016</b>	<b>1-6/2015</b>
EU-countries	47.3	41.9
Non-EU-countries	2.9	1.7
<b>Total</b>	<b>50.2</b>	<b>43.6</b>

Taken all market areas into the consideration the largest customer Group's share of the Group's turnover was 23.6% and the share of the second largest was 14.2%. Other single customers' share of the Group's turnover was under 10%.

#### Other income

EUR 1,000	1-6/2016	1-6/2015
Subsidies received	35	44
Rental income	79	80
Other income	65	28
<b>Total</b>	<b>179</b>	<b>152</b>

#### Other expenses

EUR 1,000	1-6/2016	1-6/2015
Rental expenses	-1,456	-1,509
Machinery and property maintenance costs	-913	-1,432
Sales and marketing expenses	-287	-312
Other expenses	-1,931	-1,757
<b>Total</b>	<b>-4,587</b>	<b>-5,011</b>

#### Change in non-current assets

EUR 1,000	1-6/2016	1-6/2015
Book value at the beginning of the period	14,271	11,210
Investments	791	1,523
Decrease	-4	-3
Depreciation	-851	-612
<b>Book value at the end of the period</b>	<b>14,208</b>	<b>12,118</b>

#### Other leases

EUR 1,000	30/6/2016	30/6/2015
Within 1 year	1,738	2,086
1-5 years	160	1,108
<b>Total</b>	<b>1,898</b>	<b>3,193</b>

#### Contingent liabilities

EUR 1,000	30/6/2016	31/12/2015
Debts secured against business mortgages, securities or guarantees		
Loans from financial institutions	0	8,633
Loans from others	8,633	0
Granted business mortgages	0	35,000
Book value of pledged securities	26,165	38,794
Granted guarantees	8,633	8,633
<b>Guarantees and payment commitments</b>	<b>2,733</b>	<b>585</b>

## Commitments

The factoring credit facility was secured by a total of EUR 0.0 million of sales receivables on 30 June 2016 (EUR 9.5 million on 31 December 2015). The factoring credit facility stood at EUR 0.0 million on 30 June 2016 (EUR 8.5 million on 31 December 2015).

## Investment commitments

Investment commitments for tangible fixed assets amounted to EUR 0.0 million on 30 June 2016 (EUR 0.0 million on 30 June 2015).

## Valid derivative contracts

EUR 1,000	Positive current values	Negative current values	Current net values 30/6/2016	Current net values 30/6/2015	Nominal values 30/6/2016	Nominal values 30/6/2015
<b>Raw material options</b>						
Metal derivatives	102	-45	56	-27	2,485	403
<b>Total derivatives</b>	102	-45	56	-27	2,485	403

## Related-party events

The Group's related parties include the subsidiaries and associated companies, other companies belonging to the Reka Group, the Group's Board of Directors and Management Group. The Management Group consists of General Manager and CFO. Also related parties include companies that have ownership connection through an owner who has significant decision power or that belong to the related-party companies via management or board members.

Neo Industrial Plc, and therefore also the Neo Industrial Group, belong to the Reka Group. Reka Ltd has a 50.76% holding of shares and a 65.77% holding of votes.

## Related-party transactions

### Transactions with the Reka Group

EUR 1,000	1-6/2016	1-6/2015
Rental expenses	-510	-876
Other purchases	-348	-264
Other income	0	12
Interest revenues	51	2
Interest expenses	-114	0
Loan receivables	0	76
Sales receivables and other receivables at end of the period	40	485
Loans	7,933	0
Other debts at the end of the period	50	155

Discounted rent and sale price receivables, EUR 0.0 million (EUR 0.2 million on 31 December 2015), are included in other receivables. The items are part of the finance investment activities of the Group.

Neo Industrial's Cable segment is tenant of Reka Ltd's premises in Keuruu. In addition, the Group uses the Reka Group level finance and supporting systems as well as related licenses and virtual servers. Riihimäki factory and part of the production facilities in Keuruu are leased from a third party outside Reka Group. Reka Cables Ltd has taken into account the potential needs for changes as the lessor has been replaced by an external entity to the Reka Group .

Transactions with Reka Pension Society

EUR 1,000	1-6/2016	1-6/2015
Paid pension expenses	-1,094	0

Transactions with associated companies

Sales to Nestor Cables Ltd totalled June 30 2016 EUR 15 thousand (30 June 2015: EUR 5 thousand) and purchases EUR 0 thousand (EUR 8 thousand). Receivables totalled EUR 0 thousand (EUR 0 thousand) at the end of the review period. Liabilities totalled EUR 0 thousand (EUR 0 thousand) at the end of the review period.

Transactions with other related parties

EUR 1,000	1-6/2016	1-6/2015
Other purchases	27	-7
Other debts at the end of the period	5	3

Other related parties consist of companies that are connected to the company through an owner that has significant controlling power or that belong to related-party companies through management or board members. The Group's CFO is not employed by the company, but his reward is processed in transactions with other related parties, is included in other acquisitions during the financial year, a total of EUR 27 thousand (31 December 2015: 22).

## CALCULATION OF KEY FIGURES

Return on investment (ROI) %	=	Profit before taxes + interests and other financial expenses / [Balance sheet total – obligatory provisions and non-interest-bearing liabilities] (average)	x 100
Equity ratio, %	=	Shareholder's equity + non-controlling interest / Balance sheet total – advances received	x 100
Earnings per share (EPS), EUR	=	Profit for the period attributable to the equity holders of the parent company / Number of share adjusted for share issues (average)	
Equity per share, EUR	=	Shareholders' equity – non-controlling interest / Number of shares adjusted for share issues at the end of the period	
Operating profit	=	Neo Industrial has defined operating profit as follows: Operating result is the net sum formed when from the net sales are deducted the purchase costs adjusted by the change in the stocks of non-finished and finished goods as well as expenses for production for personal use. Also deducted from the net sales are expenses, depreciation, amortization and any impairment losses arising from employee benefits. Also other operating income and expenses are taken into account. Other income statement items than those mentioned above are presented below operating result. Exchange rate differences and changes in fair values of derivatives are included in operating result if they arise from items related to business operations; otherwise they are recognized in financial items. Operating profit or operating loss are also terms used instead of operating result, according to the situation.	

All comments in this report that do not refer to actual facts are future estimates. Such estimates include expectations concerning market trends, growth and profitability as well as statements including the words "believe", "assume" or "will be" or a similar expression. Since these estimates are based on current plans and estimates, they involve risks and uncertainty factors that may cause the actual results to differ substantially from current statements.

Among other things, such factors include 1) operating conditions, such as continued success in production and the ensuing efficiency benefits, availability and cost of production inputs, demand for new products and changes in circumstances affecting the acquisition of capital under acceptable conditions; 2) sector-specific circumstances, such as the intensity of demand for products, the competition, current and future market prices for the Group's products and related pricing pressures, the financial situation of the Group's customers and competitors and competitors' possible new products; and 3) the general economic situation, such as economic growth in the Group's main market areas and change in exchange rates and interest rates.