

## **INTERIM REPORT OF NORDIC ALUMINIUM PLC Jan 1 - June 30, 2012**

Net sales of Nordic Aluminium were EUR 35.41 million (EUR 38.67 million year 2011). The operating profit for the period was EUR 8.29 million (9.46), the net profit was EUR 6.47 million (6.92) and earnings per share were EUR 1.34 (1.43).

### **Net sales and profitability**

The net sales of Nordic Aluminium accounted for EUR 35.41 million (38.67). The profitability decreased from the previous year's first two quarters so that the operating profit was EUR 8.29 million (9.46). Compared with year 2011 the net sales decreased by 8.4 per cent and the operating profit by 12.4 per cent. The operating profit margin was 23.4 per cent which was lower than previous year's two first quarters (24.5 per cent). Earnings per share were EUR 1.34 (1.43).

International operations and export accounted for EUR 17.40 million (18.49), which is 49.0 per cent of the net sales (48.0 per cent).

The order backlog at the end of the period was 6.72 EUR million (6.29).

### **Second quarter in a nutshell**

Net sales of Nordic Aluminium during April-June 2012 were EUR 19.17 million (20.44). The operating profit for the period was EUR 4.71 million (5.49). Earnings per share were EUR 0.77 (0.84).

### **Seasonality of sales and profit**

Seasonal fluctuations are not significant in general. However, the concentration of summer vacations to July 2012 has an effect on how sales and earnings will spread over the second and third quarter.

### **Investments**

The gross capital expenditures for the period were EUR 1.50 million (1.30).

### **Personnel**

During the first six months of 2012 the average number of personnel in Nordic Aluminium Group was 112 (128). At the end of the period the number of employees was 116 (133).

### **Risks**

Main business risks are related to the increased uncertainty in global economy and its influence on market demand. In addition, the fluctuations of aluminium, copper and plastic market prices are considered as risks.

### **Shares**

The shares of Nordic Aluminium Plc are traded at the Helsinki Exchanges. The trading identifier is NOA1V and the ISIN code is FI0009006415. During the first six months of the year 2012 a number of 496,703 shares were traded with EUR 14.06 million. The share quotation ranged between EUR 25.20 and EUR 33.50. The number of shares was 4,836,882 which remained unchanged during the reporting period. The market capitalisation of the company's shares stood at EUR 137.7 million (142.6) at the end of June.

Dividend from the financial year 2011 was EUR 2.20 per share, amounting to EUR 10,641,140.40.

### **Ownership**

During the period (1-6/2012) Nordic Aluminium Plc (Nordic Aluminium) has gained knowledge of the disclosure

notification of Lival Oy pursuant to Chapter 2, Section 9 of the Finnish Securities Markets Act. In accordance with the disclosure notification, the ownership of Lival Oy in Nordic Aluminium exceeded 66.7 per cent. (Stock exchange release NOAE0712/24.04.2012)

After the transaction of shares the total number of shares and votes in Nordic Aluminium Plc owned by Stig Lival-Lindström and Lival Oy is 3 576 305 shares, 73.94 per cent.

There were no other significant changes in the ownership during the period (1-6/2012).

### **Outlook**

The outlook remains unchanged. The uncertainty of the global economy still continues. According to the management, exceeding the previous year's net sales will be very challenging. The company's market position remains strong, which makes last year's operating profit still to be achievable.

The company will continue focusing on highly processed aluminium components and electro-technical products.

The above mentioned predictions are based on the company's management's best view of the company's condition and market outlook.

### **Disclaimer**

This release contains certain forward-looking statements that reflect the current views of the company's management. Due to the nature of these statements, they contain risks and uncertainties and are subject to changes in the general economic situation and in the company's business sector.

### **Accounting policies**

These presented interim financial statements have been prepared in accordance with IAS34 Interim Financial Reporting. Nordic Aluminium Plc applies the same accounting policies as are applied in 2011 annual financial statements.

The financial information is prepared in accordance with international financial reporting standards IFRS. Since the beginning of 2012 the company has introduced new and revised standards as described for the 2011 financial statements.

While the group has only one primary business segment, "Aluminium products", which is equal to the official consolidated income statement and profit and loss account, the interim report do not include separate information over the group's primary business segment.

The key figures in this interim financial report are calculated with the same accounting principles as in year 2011 annual financial statement. The calculation rules of key figures are presented in the financial statements bulletin of the previous year.

The figures presented in the tables below have been rounded to two decimals, which should be taken into account when reading the sum figures.

The interim report has not been subject to audit.

**CONSOLIDATED INCOME STATEMENT**

EUR MILLION	4-6/12 %	4-6/11 %	1-6/12 %	1-6/11 %	1-12/11 %	
<b>Net sales</b>	19,17	20,44	35,41	38,67	69,66	
Other operating income	0,00	0,27	0,00	0,31	0,46	
Increase(+) or decrease(-) finished goods and work in progress	1,27	0,20	0,02	-0,30	0,41	
Raw materials and consumbl	-10,90	-10,17	-17,77	-18,53	-35,72	
Personnel expenses	-1,26	-1,61	-2,51	-3,64	-6,39	
Depreciation and reduction of value	-0,89	-1	-1,77	-2,03	-3,99	
Other operating expenses	-2,69	-2,64	-5,10	-5,01	-9,80	
<b>Operating profit</b>	<b>4,71 24,6 %</b>	<b>5,49 26,9 %</b>	<b>8,29 23,4 %</b>	<b>9,46 24,5 %</b>	<b>14,63 21,0 %</b>	
Financial items	0,16	0,03	0,20	-0,10	0,22	
<b>Profit before taxes</b>	<b>4,87 25,4 %</b>	<b>5,52 27,0 %</b>	<b>8,49 24,0 %</b>	<b>9,37 24,2 %</b>	<b>14,85 21,3 %</b>	
Income taxes	-1,18	-1,45	-2,02	-2,47	-4,08	
	0,02	0,02	0,01	0,02	0,30	
<b>Net profit for the period</b>	<b>3,71 19,4 %</b>	<b>4,09 20,2 %</b>	<b>6,47 18,3 %</b>	<b>6,92 17,9 %</b>	<b>10,77 15,9 %</b>	
<b>Profit attributable to:</b>						
Owners of the parent	3,71 19,4 %	4,09 20,2 %	6,47 18,3 %	6,92 17,9 %	11,07 15,9 %	
Minority interest	0,00	0,00	0,00	0,00	0,00	
Other comprehensive income						
Conversion difference	-0,03	0,03	-0,08	-0,08	0,04	
<b>Total comprehensive income</b>						
Owners of the parent	3,68 19,2 %	4,06 19,9 %	6,39 18,0 %	6,84 17,7 %	11,11 15,9 %	
Minority interest	0,00	0,00	0,00	0,00	0	
<b>Basic and diluted earnings per share, EUR</b>	<b>0,77</b>	<b>0,84</b>	<b>1,34</b>	<b>1,43</b>	<b>2,29</b>	

**CONSOLIDATED BALANCE SHEET**

<b>EUR Million</b>	<b>June 30,2012</b>	<b>June 30,2011</b>	<b>Dec 31, 2011</b>
<b>Non-current assets</b>			
Tangible assets	25,58	24,80	25,80
Goodwill	2,25	2,25	2,25
Intangible assets	0,67	0,75	0,71
Tradable financial assets	0,02	0,02	0,02
Other financial assets	0,01	0,00	0,01
Deferred tax liabilities	0,08	0,09	0,09
<b>Total</b>	<b>28,60</b>	<b>27,91</b>	<b>28,86</b>
<b>Current assets</b>			
Inventories	7,16	6,33	7,09
Accounts receivable and other current assets	13,86	15,69	9,70
Advance payments	0,00	0,04	0,00
Cash in hand and at banks	10,80	12,20	17,05
<b>Total</b>	<b>31,80</b>	<b>34,25</b>	<b>33,84</b>
<b>Total assets</b>	<b>60,40</b>	<b>62,16</b>	<b>62,70</b>
<b>Shareholders`equity and liabilities</b>			
<b>Equity</b>			
Shareholders` equity	6,19	6,19	6,19
Share premium account	3,45	3,45	3,45
Conversion difference	-0,18	-0,22	-0,10
Retained earnings	40,41	40,42	44,58
<b>Shareholders` equity</b>			
<b>Owners of the parent</b>	49,88	49,85	54,13
Minority interest	0,00	0,00	0,00
<b>Total</b>	<b>49,88</b>	<b>49,85</b>	<b>54,13</b>
<b>Long-term liabilities</b>			
Deferred tax liabilities	2,91	3,20	2,89
Provisions	0,20	0,20	0,20
Interest bearing liabilities	0,01	0,01	0,00
<b>Total</b>	<b>3,11</b>	<b>3,41</b>	<b>3,10</b>
<b>Short-term liabilities</b>			
Accounts payable	7,41	8,89	5,48
Provision	0,00	0,00	0,00
Short-term interest bearing liabilities	0,00	0,01	0,00
<b>Total</b>	<b>7,41</b>	<b>8,91</b>	<b>5,48</b>
<b>Total liabilities</b>	<b>10,52</b>	<b>12,31</b>	<b>8,58</b>
<b>Total shareholders`s equity and liabilities</b>	<b>60,40</b>	<b>62,16</b>	<b>62,70</b>

**CONSOLIDATED CASH FLOW STATEMENTS**

<b>EUR million</b>	<b>4-6/12</b>	<b>4-6/11</b>	<b>1-6/12</b>	<b>1-6/11</b>	<b>1-12/11</b>
Cash flow from operations					
Net profit (loss)	3,71	4,09	6,47	6,92	11,07
Corrections					
Depr, according to plan	0,89	1,00	1,77	2,03	3,99
Financial items	-0,15	-0,03	-0,20	0,10	-0,22
Taxes	1,18	1,45	2,02	2,47	3,78
Cash flow before change in net working capital	5,62	6,51	10,06	11,52	18,62
Change in net working capital:					
Short-term receivables, increase(-)/decrease(+)	-1,95	-2,49	-4,41	-6,09	-0,30
Inventories increase(-)/decrease(+)	-1,35	-0,21	-0,06	0,45	-0,31
Short-term interest bearing liabilities increase(+)/decrease(-)	0,48	1,08	2,12	3,65	0,09
Total	-2,82	-1,95	-2,35	-1,99	-0,52
Cash flow from operations before interests and taxes	2,80	4,89	7,71	9,52	18,10
Paid interests and payments for other financial expenses	0,00	-0,05	-0,04	-0,24	-0,29
Received interests and payments from other financial income	0,00	0,08	0,08	0,14	0,51
Paid income taxes	-0,88	-1,71	-1,76	-2,17	-3,67
Cash flow from operations(A)	1,93	3,21	5,99	7,25	14,65
Cash flow from investing activities					
Investments in tangible and intangible assets	-0,27	-0,58	-1,50	-1,30	-4,16
Income from sales of tangible and intangible assets	0,00	0,00	0,00	0,00	0,18
Repayment of loan receivables	0,00	0,00	0,00	0,00	0,00
Cash flow from investments(B)	-0,27	-0,58	-1,50	-1,30	-3,98
Cash flow from financial items					
Rights issue	0,00	0,00	0,00	0,00	0,00
Withdrawals of short-term loans	0,00	0,00	0,00	0,00	0,00
Amortization of short-term loans	0,00	0,00	0,00	-0,01	-0,02
Withdrawals of long-term loans	0,00	0,00	0,00	-0,01	0,00
Amortization of long-term loans	0,00	0,00	0,00	0,00	0,00
Dividends paid	-10,64	-10,16	-10,64	-10,16	-10,16
Cash flow from financial items(C)	-10,64	-10,17	-10,65	-10,18	-10,18
Change in cash flow (A+B+C)	-8,99	-7,54	-6,16	-4,23	0,50
Conversion difference	-0,03	-0,03	-0,08	-0,08	0,04
Total	-9,02	-7,57	-6,25	-4,31	0,54
Cash in hand and at banks in the beginning of period	19,82	19,77	17,05	16,51	16,51
Cash in hand and at banks in the end of period	10,80	12,20	10,80	12,20	17,05

Change -9,02 -7,57 -6,25 -4,31 0,54

**STATEMENT OF CHANGES OF CONSOLIDATED EQUITY**

EUR million

	Shareholders Equity	Sh.pr. account	Convers. diff.	Retained. earnings	Total equity
Equity					
01.01.2011	6.19	3.45	-0.14	43.66	53.17
Comprehensive income			-0.08	6.92	6.84
Earning and costs tot.					6.84
Dividends				-10.16	-10.16
Equity					
30.06.2011	6.19	3.45	-0.22	40.42	49.85
Equity					
01.01.2012	6.19	3.45	-0.10	44.58	54.13
Comprehensive income			-0.08	6.47	6.39
Earning and costs tot.					6.39
Dividends				-10.64	-10.64
Equity					
30.06.2012	6.19	3.45	-0.18	40.41	49.88

**KEY FIGURES:**

	4-6/12	4-6/11	1-6/12	1-6/11	1-12/11
Basic and diluted earnings per share, EUR	0,77	0,84	1,34	1.43	2.29
	<b>June 30, 2012</b>	<b>June 30, 2011</b>	<b>Dec 31, 2011</b>		
Equity ratio, %	82.6	80.2	86.3		
Gearing, %	-21.7	-24.4	-31.5		
Balance sheet total, EUR million	60.40	62.16	62.70		

**NOTES:**

	June 30, 2012	June 30, 2011	Dec 31, 2011		
Equity/share, EUR	10.31	10.31	11.19		
Average number of personnel at the end of the period	116	133	105		
	4-6/12	4-6/11	1-6/12	1-6/11	1-12/12
Average number of personnel	112	128	112	128	128
Investments, EUR mill.	0.27	0.58	1.50	1.30	4.16

**Geographical segments:**

**Net sales**

EUR million	4-6/12	4-6/11	1-6/12	1-6/11	1-12/11
Finland	9.78	10.34	18.01	20.18	36.22
Other countries	9.39	10.10	17.40	18.49	33.44
Total	19.17	20.44	35.41	38.67	69.66

**Taxes:**

EUR million	4-6/12	4-6/11	1-6/12	1-6/11	1-12/11
Current income tax	-1.18	-1.45	-2.02	-2.47	-4.08
Change in deferred income tax	0.02	0.02	0.01	0.02	0.30

Total -1.16 -1.43 -2.01 -2.45 -3.78

**Inventories:**

EUR million	June 30, 2012	June 30, 2011	Dec 31, 2011
Raw materials and consumables	0.94	0.90	0.92
Work in progress	3.57	2.82	3.80
Finished goods	2.65	2.60	2.37
Total	7.16	6.32	7.09

**Interest bearing loans and borrowings:**

EUR million	June 30, 2012	June 30, 2011	Dec 31, 2011
Obligations under finance leases	0.00	0.02	0.01
Total	0.00	0.02	0.01

**Contingent liabilities:**

EUR million	June 30, 2012	June 30, 2011	Dec 31, 2011
Consignation liability	0.63	0.31	0.15
Rental and leasing liabilities	3.07	4.68	4.03

**Related party disclosures:**

EUR million	4-6/12	4-6/11	1-6/12	1-6/11	1-12/11
Sales	4.26	3.23	6.80	6.35	10.53
Purchases	0.00	0.01	0.00	0.01	0.02

EUR million	June 30, 2012	June 30, 2011	Dec 31, 2011
Receivables	1.93	1.17	0.09
Accounts payable	0.00	0.10	0.00

**Order backlog:**

EUR million	June 30, 2012	June 30, 2011	Dec 31, 2011
	6.72	6.29	3.67

Nordic Aluminium Plc publishes its nine-month Interim Report for January-September 2012 on October 19, 2012. The company bulletins will be published also on web-pages [www.nordicaluminium.fi](http://www.nordicaluminium.fi).

Kirkkonummi August 10, 2012

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