

PKC Group Plc

FINANCIAL STATEMENT RELEASE

14 February 2013

8.15 a.m.

**PKC GROUP'S FINANCIAL STATEMENT RELEASE 1 January – 31 December 2012**

- Net sales grew 68.7% on the previous year (1-12/2011), totalling EUR 928.2 million (EUR 550.2 million).
- Operating profit before PPA depreciation and amortization and non-recurring items was EUR 65.4 million (EUR 49.0 million). During the financial year PPA depreciation and amortization totalled EUR 13.9 million (EUR 7.0 million).
- Operating profit before non-recurring items was EUR 51.5 million (EUR 42.0 million) and 5.5% (7.6%) of net sales.
- Operating profit was EUR 43.5 million (EUR 34.5 million) and 4.7% (6.3%) of net sales.
- Net profit for the financial year amounted to EUR 24.0 million (EUR 23.4 million).
- Diluted earnings per share were EUR 1.12 (EUR 1.16).
- Gross capital expenditure was EUR 16.0 million (EUR 101.5 million).
- Net cash from operating activities was EUR 76.0 million (EUR 40.0 million).
- Cash flow after investments was EUR 63.7 million (EUR 50.2 million negative).
- Gearing was 34.4% (72.6%).
- Equity ratio was 33.9% (30.0%).
- Net liabilities were EUR 56.6 million (EUR 110.7 million).
- Dividend proposal is EUR 0.70 per share (EUR 0.60 per share).

KEY FIGURES	1-2/12	1-12/11
Net sales, EUR 1,000	928,178	550,208
Operating profit, EUR 1,000	43,451	34,505
% of net sales	4.7	6.3
Net profit for the report period, EUR 1,000	23,999	23,445
Earnings per share (EPS), EUR	1.12	1.16
ROI, %	16.7	18.9
Net liabilities, EUR 1,000	56,563	110,739
Gearing, %	34.4	72.6
Average number of personnel	20,590	10,793

**MATTI HYYTIÄINEN, PRESIDENT AND CEO:**

"PKC's net sales grew 69% from previous year and operating profit before PPA depreciation and amortization and non-recurring items grew 33%. Net sales growth was substantially impacted by the acquisition of AEES-companies in the last quarter of 2011. Full year cash flow after investments was very strong being EUR 63.7 million. We were able to significantly reduce gearing, which as a result of acquisitions had been higher than normally. Gearing at end of the year went down to 34.4%.

I am particularly satisfied that during the financial year we were able to conquer new customers and to increase sales to our current customers in new market areas. PKC has unique competence in managing wiring systems product variations. PKC's market position is strong in all its key geographical operational areas.

PKC's Wiring Systems business segment performance improved positively and operating profit excluding non-recurring items increased 26%. Operating profit was burdened by significant losses in the Brazilian wiring systems operations. The losses in Brazil were mainly due to low volumes in the Brazilian truck market, general cost inflation and due to on-going reorganization of manufacturing.

PKC's Electronics business segment's operating profit excluding non-recurring items decreased by 24%. Actions to improve profitability are on-going. The objective is a competitive cost structure in order to be able

to serve our global customers even better.

It is estimated, that the 2013 truck production volumes will increase in Brazil, remain stable in North America and continue to decrease in Europe. However, the transition to Euro 6 standard in Europe may speed up the sales of Euro 5 significantly at the end of the year. The markets of Electronics segment are estimated to remain stable. During the coming financial year PKC will focus on few essential initiatives that are related to mapping out the growth opportunities in the APAC region, further development of the competitiveness and capabilities of the global manufacturing operations and improvement of cash flow."

## **OPERATING ENVIRONMENT**

### **Wiring Systems Business**

#### **- Vehicles, Europe**

The 2012 last quarter production of heavy duty trucks was 80,000 units, which is 10% more than in the previous quarter. Compared to the same period in 2011 (96,000 units) the production declined by some 16%. The full year 2012 production was 310,000 units, which is close to 10% less than that of 2011 which was 345,000 units.

The 2012 last quarter production of medium duty trucks was over 18,000 units which was 7% less than in the same period in 2011 (20,000 units), but about 4% more than the production during the third quarter (17,000 units). Full year production volume was approximately 75,000 units. Compared to 2011 total production volume (82,000 units) there was about 8% decline.

#### **- Vehicles, North America**

NAFTA 2012 last quarter production of heavy duty trucks (class 8) was 58,000 units, down about 10% from the previous quarter's 65,000 units. Compared to year 2011 comparison period the production was down more than 20% from 75,000 units. Full year 2012 production volume of heavy duty trucks was approximately 280,000 units equaling a growth rate of more than 9% from 2011 total production volume of 255,000 units.

Fourth quarter medium duty truck production of 44,000 units increased more than 4% from third quarter volume of 42,000 units. Compared to 2011 fourth quarter there was an increase of more than 10%. Total production volume increased from 165,000 in 2011 to 185,000 units in 2012, equaling a growth rate of more than 10%.

Light vehicle production of 1,750,000 units in the fourth quarter remained at the third quarter level equaling more than 4% growth over 2011 third quarter. Full year production increased to 7,250,000 units from 6,500,000 units in 2011.

#### **- Vehicles, Brazil**

In Brazil, the last quarter heavy truck production was 26,000 units, which is at the same level than the production of the third quarter, but about 30% less than the production of the same period a year earlier (40,000). Full year 2012 production volume was 100,000 units, which is 30% less than in year 2011 (140,000 units).

The 2012 last quarter production of medium duty trucks was 10,000 units, which is 6% more than the previous quarter (9,600 units). Compared to the same period a year earlier (20,300 units) the production declined by some 50%. The full year 2012 production was 35,000 units, which is close to 49% less than that of 2011 which was 68,000 units.

#### **- Agricultural Equipment**

Full year tractor sales in North America increased about 8% and in South America about 4% compared to year 2011. As for Europe, the Middle East and Asia sales development was negative, and the actual sales

were down more than 2% from the comparison year. Full year 2012 agricultural equipment unit volume remained at the previous year's level.

#### - Construction Equipment

Global demand for construction equipment was down about 6% from the previous year's demand. The North American market grew over 20%, Asian (excl China) over 10% and South American over 5%. The Chinese market was down about 30% and European market about 3% from the previous year's level.

#### Electronics business

The economic uncertainty in Europe and industrial investment cautiousness of companies globally affected the demand for electronic appliances. Volumes of renewable-energy and energy saving products including smart grid solutions on the market continued to be good. The increased use of electronics in vehicles has increased the demand of vehicle electronics accordingly.

### NET SALES AND FINANCIAL PERFORMANCE

#### October-December 2012

Net sales in October-December amounted to EUR 214.0 million (EUR 242.0 million), down 11.6% on the same period a year earlier. During the report period EUR 4.9 million (EUR 3.6 million) in non-recurring items were recognised. Non-cash non-recurring items were EUR 1.1 million (EUR 0.0 million). Operating profit before non-recurring items, PPA depreciation and amortization totalled EUR 12.1 million, accounting for 5.7% of net sales. Consolidated operating profit totalled EUR 4.0 million (EUR 8.8 million), accounting for 1.9% of net sales (3.6%). Operating profit continued to be burdened by the losses of the Brazilian unit. In addition, customers' additional production shut-downs and reduced daily production volumes had a negative impact, especially at the end of the quarter. Depreciation amounted to EUR 9.4 million (EUR 8.2 million), including EUR 1.1 million of non-recurring items (EUR 0.0 million). Depreciation caused by acquisitions (PPA) amounted to EUR 3.2 million. Financial items were EUR 3.3 million negative (EUR 1.1 million negative). Financial items include foreign exchange differences totalling EUR 1.9 million negative. Profit before taxes was EUR 0.7 million (EUR 7.7 million). Income tax of the report period amounted to EUR 0.0 million. Net profit for the report period totalled EUR 0.7 million (EUR 5.9 million). Diluted earnings per share were EUR 0.03 (EUR 0.29).

Net sales generated by the Wiring Systems business in the report period amounted to EUR 196.1 million (EUR 224.5 million), or 12.6% less than in the comparison period. The segment's share of the consolidated net sales was 91.7% (92.8%). Net sales decreased due to customers' additional production shut-downs and reduced daily production volumes. During the report period EUR 3.5 million (EUR 5.0 million) in non-recurring items were recognised. Non-cash non-recurring items were EUR 1.1 million (EUR 0.0 million). Operating profit before non-recurring items, PPA depreciation and amortization was EUR 12.0 million (EUR 18.8 million), equivalent to 6.1% of the segment's net sales (8.4%). Operating profit was EUR 5.2 million (EUR 8.7 million), equivalent to 2.6% of the segment's net sales (3.9%). The comparable profitability was still weakened due to the losses of the Brazilian unit resulting from low production volumes and costs related to the reorganisation of manufacturing. In addition, customers' additional production shut-downs and reduced daily production volumes had a negative impact, especially at the end of the quarter.

Net sales generated by the Electronics business increased by 2.0% to EUR 17.8 million (EUR 17.5 million). The segment's share of the consolidated net sales was 8.3% (7.2%). During the report period EUR 1.1 million (EUR 0.3 million) in non-recurring items were recognised. Operating profit was EUR 0.2 million negative (EUR 0.2 million negative), equivalent to -0.8% of the segment's net sales (-1.2%).

#### January-December 2012

Net sales in January-December amounted to EUR 928.2 million (EUR 550.2 million), up 68.7% on the previous financial year. During the financial year EUR 8.0 million (EUR 7.5 million) in non-recurring items were recognised. Non-cash non-recurring items were EUR 1.1 million (EUR 0.3 million negative). Operating

profit before non-recurring items, PPA depreciation and amortization totalled EUR 65.4 million, accounting for 7.0% of net sales. Consolidated operating profit totalled EUR 43.5 million (EUR 34.5 million), accounting for 4.7% of net sales (6.3%). Operating profit was burdened by the losses of the Brazilian unit. Depreciation amounted to EUR 32.6 million (EUR 17.5 million), including EUR 1.1 million of non-recurring items (EUR 0.0 million). Depreciation caused by acquisitions (PPA) amounted to EUR 13.9 million. Financial items were EUR 8.5 million negative (EUR 5.1 million negative). Financial items include foreign exchange differences totalling EUR 2.6 million negative. Profit before taxes was EUR 34.9 million (EUR 29.4 million). Income tax of the financial year amounted to EUR 10.9 million accounting for 31.3% of profit before taxes. Net profit for the report period totalled EUR 24.0 million (EUR 23.4 million). Diluted earnings per share were EUR 1.12 (EUR 1.12).

Net sales generated by the Wiring Systems business in the financial year amounted to EUR 858.8 million (EUR 477.2 million), or 79.8% more than in the previous financial year. The segment's share of the consolidated net sales was 92.5% (86.7%). Net sales increased along with the acquisition of AEES companies, which took place in October, 2011. During the financial year EUR 6.4 million (EUR 7.0 million) in non-recurring items were recognised. Non-cash non-recurring items were EUR 1.1 million (EUR 0.3 million negative). Operating profit before non-recurring items, PPA depreciation and amortization was EUR 67.4 million (EUR 49.5 million), equivalent to 7.8% of the segment's net sales (10.4%). Operating profit was EUR 47.0 million (EUR 35.5 million), equivalent to 5.5% of the segment's net sales (7.4%). The comparable profitability weakened due to the losses of the Brazilian unit resulting from low production volumes and costs related to the reorganisation of manufacturing.

Net sales generated by the Electronics business decreased by 4.9% to EUR 69.4 million (EUR 73.0 million). The segment's share of the consolidated net sales was 7.5% (13.3%). During the financial year EUR 1.4 million (EUR 0.5 million) in non-recurring items were recognised. Operating profit before non-recurring items was EUR 2.1 million, equivalent to 3.1% of the segment's net sales. Operating profit was EUR 0.8 million (EUR 2.4 million), equivalent to 1.1% of the segment's net sales (3.2%). The decline of net sales and operating profit is due to decreased demand of design and manufacturing services (ODM) of production and service devices for telecommunication industry. Decrease in demand was especially due to change of individual customer's product strategy. Electronics segment's result was further burdened by costs related to production transfers to more competitive production facilities.

## **FINANCIAL POSITION AND CASH FLOW**

Consolidated total assets at 31 December 2012 amounted to EUR 485.1 million (EUR 508.8 million). Interest-bearing liabilities totalled EUR 143.8 million at the close of the financial year (EUR 163.0 million). The Group's equity ratio was 33.9% (30.0%). Net liabilities totalled EUR 56.6 million (EUR 110.7 million) and gearing was 34.4% (72.6%).

Inventories amounted to EUR 87.5 million (EUR 110.5 million). Current receivables totalled EUR 105.9 million (EUR 124.6 million). Net cash from operating activities was EUR 76.0 million (EUR 40.0 million) and cash flow after investments during the financial year was EUR 63.7 million (EUR 50.2 million negative). The strong cash flow was due to improved EBITDA and net working capital management. Cash and cash equivalents amounted to EUR 87.2 million (EUR 52.3 million).

## **CAPITAL EXPENDITURE**

During the financial year, the Group's gross capital expenditure totalled EUR 16.0 million (EUR 101.6 million), representing 1.7% of net sales (18.5%). The capital expenditure consisted mainly of production machinery and equipment during 2012.

## **RESEARCH & DEVELOPMENT**

Research and development costs totalled EUR 8.0 million (EUR 6.9 million), representing 0.9% (1.3%) of the consolidated net sales. At the end of the financial year, 165 (143) people worked in product development, excluding production development and process development personnel.

## **PERSONNEL**

During the financial year, the Group had an average payroll of 20,590 employees (10,793). At the end of the financial year, the Group's personnel numbered 19,305 employees (21,528), of whom 18,962 (21,161) worked abroad and 343 (367) in Finland. In addition the Group had at the end of the report period 454 temporary employees.

## **QUALITY AND THE ENVIRONMENT**

All of the Group's factories are certified in accordance with requirements of the ISO/TS16949 quality standard for the automotive industry excluding factory in Traverse City (USA), which is certified in accordance with requirements of ISO9001 standard. In addition all of the Group's factories, except factories in Campo Alegre (Brazil) and Sao Bento do Sul (Brazil), are certified in accordance with the ISO14001 environmental standard and all factories operate in accordance with the ISO9001 quality standard. Production units in Curitiba (Brazil), Itajuba (Brazil), Raahe (Finland) and Suzhou (China) have also certification in accordance with the OHSAS18001 occupational health and safety management system standard.

The certification in accordance with ISO14001 environmental standard in Campo Alegre (Brazil) is planned to be completed during 2013. In Keila and Haapsalu (Estonia) and in Acuna (Mexico) preparations to certify all Estonian and Mexican operations according to OHSAS18001 occupational health and safety management system standard have been started. The certification in accordance with OHSAS18001 standard in Acuna (Mexico) and in Keila and Haapsalu (Estonia) is planned to be completed during 2013.

## **MANAGEMENT**

The Annual General Meeting held on 4 April 2012, re-elected Outi Lampela, Matti Ruotsala and Jyrki Tähtinen as Board members and elected Andres Allikmäe, Shemaya Levy, Robert Remenar and Harri Suutari as new Board members. In the Board's organisation meeting, Matti Ruotsala was elected as Chairman of the Board with Harri Suutari as Vice-Chairman.

Outi Lampela was elected as the chairman of the Audit Committee and Andres Allikmäe, Shemaya Levy and Jyrki Tähtinen as members. The Board decided to expand the duties of the Nomination Committee and form it into Nomination and Remuneration Committee. The Board elected Matti Ruotsala as chairman of the Nomination and Remuneration Committee and Robert Remenar and Harri Suutari as members.

Authorised public accounting firm KPMG Oy Ab, which has announced Virpi Halonen, APA, to be the Auditor with principal responsibility, was selected as auditor.

Matti Hyytiäinen has started as President & CEO as of 4 April 2012.

At the end of the financial year the Group's Executive Board consisted of the following persons Matti Hyytiäinen, Chairman (President & CEO), Jyrki Keronen (Senior Vice President, Business Development), Pekka Korkala (President, Wiring Systems, South America) Harri Ojala (President, Wiring Systems, Europe & APAC), Sanna Raatikainen (General Counsel), Jarmo Rajala (President, Electronics), Frank Sovis (President, Wiring Systems, North America) and Juha Torniainen (CFO).

After the financial year PKC Group's Executive Board has been changed as of 14 January 2013 as follows: Jani Kiljala (b. 1975), M.Sc. (Tech.), has been appointed to the Executive Board as a new member as President, Wiring Systems, Europe. The responsibilities of the current Executive Board member Jyrki Keronen, Senior Vice President, Business Development have been amended to include Wiring Systems business in APAC. Executive Board membership of Harri Ojala has ended while he continued at the employ of PKC in strategic project duties reporting directly to President & CEO Matti Hyytiäinen.



## SHARE TURNOVER AND SHAREHOLDERS

PKC Group Plc's share turnover on NASDAQ OMX Helsinki Ltd from 1 January to 31 December 2012 was 10,853,570 shares (11,803,605 shares), representing 51.0% of the average number of shares (59.6%). Shares were traded to a total value of EUR 160.1 million (EUR 158.1 million). The lowest share value during the financial year was EUR 10.65 (EUR 8.60) and the highest EUR 18.30 (EUR 18.36). The closing price on the last trading day of the financial year was EUR 15.49 (EUR 11.48) and the average price during the financial year was EUR 14.76 (EUR 13.44). The company's market capitalisation at 31 December 2012 was EUR 333.4 million (EUR 228.5 million).

The shares held by Board members, their closely associated persons and corporations in which they have a controlling interest accounted for 0.6% (0.6%) of the total number of shares at the end of the financial year. PKC Group Plc had a total of 8 853 shareholders (9,041) at the end of the financial year. The shares held by foreigners and through nominee registrations at the close of the financial year totalled 22.3% of the share capital (24.4%).

### Flaggings 2012

- The share of votes and share capital in PKC Group Plc held by funds (OP-Focus Fund (Non-UCITS), OP-Delta Fund, OP-Finland Small Firm Fund and OP-Equity Hedge Fund (Non-UCITS) managed by OP Fund Management Company Ltd (0743962-2) exceeded the limit of 5% on 29 August 2012. Following the transaction the funds managed by OP Fund Management Company Ltd owned 1,145,312 shares i.e. 5.33% of the shares and votes.
- The share of votes and share capital in PKC Group Plc held by Project Del Holdings, LLC (X00840083), an entity controlled by Platinum Equity Advisors, LLC, has fallen below the limit of 5% on 12 December 2012.

## SHARES AND SHARE CAPITAL

PKC Group Plc's shares and share capital has changed during the financial year as follows:

- A total of 110 PKC Group Plc's shares have been subscribed for with 2006B options. The new shares and the corresponding increase in the share capital, EUR 37.4, have been entered into the Trade Register on 12 January 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 13 January 2012. After the increase the Company's registered share capital was EUR 6,103,098.92, divided into 21,155,966 shares.
- A total of 201,439 PKC Group Plc's shares have been subscribed for with 2006 options (101,040 with 2006B options and 100,399 with 2006C options). The new shares and the corresponding increase in the share capital, EUR 68,489.26, have been entered into the Trade Register on 29 March 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 30 March 2012. After the increase the Company's registered share capital was EUR 6,171,588.18, divided into 21,357,405 shares.
- A total of 57,157 PKC Group Plc's shares have been subscribed for with 2006 options (28,780 with 2006B options and 28,377 with 2006C options), and the corresponding increase in the share capital is EUR 19,433.38. A total of 67,750 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 10 May 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 11 May 2012. After the increase the Company's registered share capital was EUR 6,191,021.56, divided into 21,482,312 shares.
- A total of 130 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 44.20. A total of 36,000 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 31 August 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 3 September 2012. After the increase the Company's registered share capital was EUR 6,191,065.76, divided into 21,518,442 shares.
- A total of 6,000 PKC Group Plc's shares have been subscribed for with 2009A options. New shares

corresponding to subscriptions have been entered into the Trade Register on 30 November 2012. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 3 December 2012. After the increase the Company's registered number of shares totals 21,524,442 shares.

After the financial year a total of 31,705 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 10,779.70. A total of 17,950 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 31 January 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 1 February 2013. After the increase the Company's registered share capital was EUR 6,201,845.46, divided into 21,574,097 shares.

## **THE BOARD'S AUTHORISATIONS**

The Board of Directors was granted authorisation by the Annual General Meeting on 30 March 2011 to decide on share issue and granting of special rights defined in Chapter 10, Section 1 of the Companies Act and all the terms and conditions thereof. A maximum total of 6,000,000 shares may be issued or subscribed for on the basis of authorisation. The authorisation includes the right to decide on directed share issue. The authorisation is in force for five years from the date of the General Meeting's decision. At Board of Directors' discretion the authorisation may be used e.g. in financing possible corporate acquisitions, inter-company co-operation or similar arrangement, or strengthening company's financial or capital structure etc. PKC Group Plc's Board of Directors has, on the basis of the authorisation granted by the shareholders' meeting on 30 March 2011, resolved on a directed share issue without payment of 1,250,000 new shares to company's wholly owned subsidiary PKC Group USA Inc for the payment of the purchase price for the shares in the AEES-companies. After this share issue, a maximum total of 4,750,000 shares may be issued or subscribed for on the basis of authorisation.

The Board of Directors does not possess a valid authorisation to acquire company's own shares, and the company does not have any own shares (treasury shares) in its possession.

## **AMENDMENT OF ARTICLES OF ASSOCIATION**

The Annual General Meeting resolved on 4 April 2012, in accordance with the Board of Directors proposal, to amend the 1§ of the Articles of Association so that PKC Group Plc shall be defined to be the company's name in English and that Helsinki be changed to be the company's domicile; 9§ so that the invitation to the General Meeting be published on the Company's Internet pages no more than three (3) months and no less than three (3) weeks prior to the meeting; 10§ so that the meeting shall be held at Company's domicile.

## **STOCK OPTION SCHEMES**

### **2006 options**

The stock option scheme initiated in 2006, comprises a total of 697,500 options divided into A, B and C warrants. At the close of financial year, the outstanding options and options held by key personnel totals 80,480 2006C warrants.

The share subscription price for the 2006 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki, with dividend adjustments, as defined in the stock option terms (at present, EUR 8.94 for the 2006C warrants). Through the exercise of the 2006 stock options, the share capital of PKC Group Plc may be increased by a maximum total of 697,500 new shares and EUR 237,150. After the registration of subscription made on 31 January 2013, the Company's share capital can increase by a maximum of 50,425 shares i.e. EUR 17,144.50 as a result of the exercise of the remaining outstanding option rights. The share subscription period is for 2006C warrants 1 April 2011 – 30 April 2013. The 2006 stock options are subject to a share ownership plan. Key personnel are obliged to subscribe for or purchase the company's shares with 20% of the gross income earned from stock options and to own these shares for two years. The company's President and CEO is obliged to own these shares for the duration of his

managerial contract.

The share subscription period for 2006A warrants has ended 30 April 2011. During the share subscription period a total 200,300 shares were subscribed and 2,200 warrants remained unused. The share subscription period for 2006B warrants has ended 30 April 2012 and no warrants remained unused.

## **2009 options**

The Annual General Meeting held on 27 March 2009 decided to issue stock options to key personnel in the company and its subsidiaries. The maximum total number of stock options issued is 600,000 and they are divided into A, B and C warrants. At the close of the financial year, the outstanding options and options held by key personnel totals 85,250 2009A, 197,522 2009B and 190,000 2009C warrants, in addition to which 500 shares had been subscribed for with 2009A warrants but the share subscription hadn't been approved at the close of the financial year.

The subscription price for shares through the exercise of the 2009 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki for April 2009, 2010 and 2011 + 20% with dividend adjustments, (at present, EUR 2.30 for the 2009A warrants, EUR 12.11 for the 2009B warrants and EUR 17.98 for the 2009C warrants). The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe for a maximum total of 600,000 new shares in the company or existing shares held by the company. After the registration of subscription made on 31 January 2013, the Company's share capital can increase by a maximum of 472,300 shares as a result of the exercise of the remaining outstanding option rights. The share subscription period for 2009A warrants is 1 April 2012 — 30 April 2014, for 2009B warrants 1 April 2013 — 30 April 2015 and for 2009C warrants 1 April 2014 — 30 April 2016. The 2009 stock options are subject to a share ownership plan. Key personnel are obliged to subscribe for or purchase the company's shares with 20% of the gross income earned from stock options and to own these shares for two years. The company's President and CEO is obliged to own these shares for the duration of his managerial contract.

## **2012 options**

The Annual General Meeting held on 4 April 2012 decided to issue stock options to key personnel in the company and its subsidiaries. The maximum total number of stock options issued is 1,020,000. The stock options are marked with the symbol 2012A(i) and 2012A(ii); 2012B(i) and 2012B(ii); as well as 2012C(i) and 2012C(ii). A total of 170,000 stock options are included in each stock option class. At the close of the financial year, the outstanding options and options held by key personnel totals 170,000 2012A(i) warrants, in addition to which 170,000 2012A(ii) warrants have been initially allocated to key personnel.

The subscription price for shares through the exercise of the 2012 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki Ltd during first quarter in 2012, 2013 and 2014. The share subscription price is EUR 15.31 with the 2012A options. The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe for a maximum total of 1,020,000 new shares in the company or existing shares held by the company. The share subscription period for stock options 2012A, will be 1 April 2015—30 April 2017, for stock options 2012B, 1 April 2016—30 April 2018, and for stock options 2012C, 1 April 2017—30 April 2019. The share subscription period for stock options 2012A(ii), 2012B(ii) and 2012C(ii) shall, however, not commence, unless certain operational or financial targets of the Group established for the exercise of stock options and determined by the Board of Directors have been attained. The Board of Directors shall annually decide on targets separately for each stock option class in connection with the distribution of stock options. Those stock options, for which the targets determined by the Board of Directors have not been attained, shall expire in the manner decided by the Board of Directors. The 2012 stock options are subject to a share ownership plan. Key personnel are obliged to subscribe for or purchase the company's shares with 20% of the gross income earned from stock options and to own these shares for two years. The company's President and CEO is obliged to own these shares for the duration of his managerial contract.



## **CORPORATE RESPONSIBILITY**

Corporate responsibility is a key element in PKC's operations. PKC operates with ethical business practice, takes responsibility for the operating environment and strives to minimize any harm caused to the environment, and respects and promotes human rights and fair workplace practices, equal opportunities, and zero-tolerance policy on bribery and corruption. PKC Group's Board of Directors has ratified the Code of Conduct covering the whole group. The Code of Conduct sets principles for ethical business practice and is based on the highest ethical standards. Compliance with legislation, regulations and international norms is a fundamental requirement, from which it is not possible to deviate in any circumstances.

With regard to the labour union issue in Acuña, Mexico, the official election regarding the labour union representation of the employees at PKC Group's facilities in Acuña, Mexico was arranged by the Mexican Federal Labour Board on 18 October 2012. According to the counting of the votes by the Labour Board, the Confederation of Mexican Workers (CTM), the labour union with whom a collective bargaining agreement had already been executed, won the election with 52% of the votes cast. Voter turnout was 64%.

PKC's Corporate Responsibility report for 2012 will be published on 13 March 2013.

## **SHORT-TERM RISKS AND UNCERTAINTIES**

The public deficit and high indebtedness of many European countries and also the United States has weakened economic growth, end-customer demand and availability of financing for investment goods. This increases uncertainty in the markets and might be reflected in longer than expected customer production shut-downs and in reduced daily production volumes.

Weakening of the euro against the Polish zloty and the Russian rouble as well as the weakening of the USD against the Mexican peso may increase PKC's processing costs. Strengthening of the euro against the Brazilian real may increase PKC's material costs.

A significant increase in copper price may weaken PKC Group's profit in short term. The customer prices are updated on average with 5 month delay on the basis of copper price changes.

## **MARKET OUTLOOK**

European heavy and medium truck production is estimated to decrease by 8% compared to 2012. The general economic uncertainty is estimated to keep the commercial vehicle demand in Europe at a lower level especially during the first half of 2013. In the second half, the production volumes are estimated to increase due to transition to Euro 6 emission standard.

North American heavy duty truck production is estimated to decrease by 5%, medium duty truck production to increase 10% and light vehicle production to remain at 2012 level. It is estimated that the production volumes of trucks will increase gradually throughout the year.

Brazilian heavy duty truck production is estimated to increase by 14% and medium duty truck production by 48% compared to 2012. The governmental incentive program to support the purchase of new trucks is ongoing. The continuation of the program is decided during year 2013. The continuation of the program may have an impact on the production volumes.

PKC's market outlook is further impacted by some light vehicle and component programs that are near end-of-life-cycle and will be ramped-down in 2013.

Industrial investment cautiousness of companies globally is estimated to keep the demand of industrial electronic appliances not more than on a current level. Volumes of renewable-energy and energy saving products including smart grid solutions are likely to remain good.

## **PKC GROUP'S OUTLOOK**

PKC Group estimates its full year 2013 net sales to be lower than in 2012 and estimates its comparable operating profit excluding non-recurring items to reach 2012 level. In 2012 PKC's net sales were EUR 928.2 million and comparable operating profit excluding non-recurring items was EUR 51.5 million.

## **THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF PROFITS**

The parent company's distributable funds are EUR 86.2 million, of which EUR 63.8 million is distributable as dividends, including the net profit for the financial year EUR 42.0 million. The Board of Directors will propose to the Annual General Meeting to be held on 4 April 2013 that a dividend of EUR 0.70 per share be paid for a total of EUR 15.1 million and that the remainder of the distributable funds be transferred to shareholders' equity. The number of shares may change due to share subscriptions registered before the record date. The record date for the dividend pay-out is 9 April 2013 and the payment date is 16 April 2013. In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

## **ANNUAL REPORT 2012 AND CORPORATE GOVERNANCE STATEMENT**

PKC will publish its Annual Report for 2012, which contains the report by the Board of Directors and financial statements, auditor's report and a separate corporate governance statement on 13 March 2013 on its website at [www.pkcgroup.com](http://www.pkcgroup.com).

## **CAPITAL MARKETS DAY**

PKC Group will organise a capital markets day on Wednesday, April 3, 2013 in Helsinki.

## **ANNUAL GENERAL MEETING AND FINANCIAL REPORTS IN 2013**

The Annual General Meeting of PKC Group Plc will be held on Wednesday 4 April 2013.

In 2013, the Interim Reports will be published as follows:

Interim Report 1-3/2013 Wednesday, May 8, 2013 at about 8.15 a.m.  
Interim Report 1-6/2013 Thursday, August 8, 2013 at about 8.15 a.m.  
Interim Report 1-9/2013 Thursday, October 31, 2013 at about 8.15 a.m.

The text section of this release focuses on the annual accounts. Comparisons have been made to the figures of the corresponding period in 2011, unless otherwise mentioned. The figures presented in the tables are independently rounded figures.

## TABLES

This financial statement release has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The financial statement has been prepared in accordance with the same principles as the annual financial statements for 2011. The year 2012 IFRS standard changes have not had any effect. The annual figures have been audited.

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)</b>	<b>10-12/12 3 mon.</b>	<b>10-12/11 3 mon.</b>	<b>1-12/12 12 mon.</b>	<b>1-12/11 12 mon.</b>
NET SALES	213,960	242,001	928,178	550,208
Other operating income	755	784	2,193	4,042
Increase (+) / decrease (-) in stocks of finished goods and work in progress	2,661	-2,218	-839	-1,679
Production for own use	106	84	207	208
Materials and services	130,267	145,378	564,482	332,646
Employee benefit expenses	53,586	49,853	203,221	109,800
Depreciation, amortization and impairment loss on goodwill	9,393	8,215	32,584	17,531
Other operating expenses	20,215	28,411	86,000	58,296
OPERATING PROFIT	4,020	8,794	43,451	34,505
Interest and financial expenses	-1,523	-2,139	-6,213	-4,253
Interest and financial income	156	186	335	599
Foreign currency exchange differences, net	-1,955	892	-2,627	-1,437
PROFIT BEFORE TAXES	697	7,733	34,946	29,414
Income taxes	10	-1,871	-10,947	-5,969
PROFIT FOR THE REPORT PERIOD	707	5,862	23,999	23,445
Other comprehensive income:				
Interest derivatives	-416	-464	-970	-464
Foreign currency translation differences - foreign operations	-2,080	5,308	-2,190	-1,112
Tax effects relating to components of other comprehensive income	238	0	238	0
Total comprehensive income for the period	-1,551	10,706	21,076	21,869
Attributable to equity holders of the parent company:				
Basic earnings per share (EPS), EUR	0.03	0.30	1.13	1.18
Diluted earnings per share (EPS), EUR	0.03	0.29	1.12	1.16

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)</b>	<b>12/12</b>	<b>12/11</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Goodwill	30,627	29,813
Other intangible assets	43,234	50,099
Property, plant and equipment	94,307	113,556
Deferred tax assets	11,272	7,697
Receivables	25,058	20,207
Total non-current assets	204,499	221,371
<b>CURRENT ASSETS</b>		
Inventories	87,481	110,526
Receivables		
Trade receivables	84,604	103,965
Other receivables	19,356	20,490
Current tax assets	1,897	165
Total receivables	105,857	124,621
Cash and cash equivalents	87,222	52,280
Total current assets	280,560	287,426
Total assets	485,059	508,798
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	6,191	6,103
Share premium account	10,606	8,259
Invested non-restricted equity fund	35,376	35,639
Translation difference	4,582	6,257
Fair value reserve	-732	-464
Share-based payments	2,975	2,340
Retained earnings	81,533	70,902
Profit for the report period	23,999	23,445
Total equity	164,530	152,482
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Interest-bearing liabilities	74,595	146,789
Non-interest-bearing liabilities	27,196	24,321
Provisions	1,301	1,541
Deferred tax liabilities	27,617	32,957
Total non-current liabilities	130,709	205,608
<b>Current liabilities</b>		
Interest-bearing liabilities	69,190	16,230
Trade payables	75,510	90,779
Other non-interest-bearing liabilities	45,025	43,176
Current tax liabilities	96	524
Total current liabilities	189,820	150,708
Total liabilities	320,529	356,316
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>485,059</b>	<b>508,798</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)</b>	<b>1-12/12 12 mon.</b>	<b>1-12/11 12 mon.</b>
Cash flows from operating activities		
Cash receipts from customers	949,400	564,533
Cash receipts from other operating income	3,246	5,357
Cash paid to suppliers and employees	-851,334	-520,867
Cash flows from operations before financial income and expenses and taxes	101,311	49,022
Interest paid and other financial expenses	-5,635	-3,695
Translation difference	1,033	2,489
Interest received	335	1,995
Income taxes paid	-21,057	-9,822
Net cash from operating activities (A)	75,988	39,990
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	-16,317	-11,845
Proceeds from sale of property, plant and equipment and intangible assets	3,490	1,393
Acquisitions of subsidiary shares, net of cash acquired	0	-79,565
Loans granted	0	-514
Proceeds from repayments of borrowings	514	16
Dividends received from investments	0	301
Net cash used in investment activities (B)	-12,313	-90,213
Cash flows after investments	63,673	-50,223
Cash flows from financing activities		
Drawing of long-term borrowings	0	153,703
Drawing of short-term borrowings	5,090	12,175
Share issue	2,687	4,000
Repayment of short-term/long-term borrowings	-23,642	-93,596
Dividends paid	-12,814	-10,890
Net cash used in financing activities (C)	-28,678	65,391
Net increase (+) or decrease (-) in cash and equivalents (A+B+C)	34,996	15,168
Cash and cash equivalents in the beginning of the period	52,280	37,104
Effect of exchange rate fluctuations	-54	8
Cash and cash equivalents in the end of the period	87,222	52,280



**KEY FINANCIAL INDICATORS**

	<b>1-12/12 12 mon.</b>	<b>1-12/11 12 mon.</b>
Net sales, EUR 1,000	928,178	550,208
Operating profit, EUR 1,000	43,451	34,505
% of net sales	4.7	6.3
Profit before taxes, EUR 1,000	34,946	29,414
% of net sales	3.8	5.3
Net profit for the period, EUR 1,000	23,999	23,445
% of net sales	2.6	4.3
Return on equity (ROE), %	15.1	17.0
Return on investments (ROI), %	16.7	18.9
Net liabilities, EUR 1,000	56,563	110,739
Gearing, %	34.4	72.6
Equity ratio, %	33.9	30.0
Current ratio	1.5	1.9
Gross capital expenditure, EUR 1,000	16,023	101,532
% of net sales	1.7	18.5
R&D expenditures, EUR 1,000	7,992	6,922
% of net sales	0.9	1.3
Personnel average	20,590	10,793

**PER-SHARE KEY INDICATORS**

	<b>1-12/12 12 mon.</b>	<b>1-12/11 12 mon.</b>
Earnings per share (EPS), EUR	1.13	1.18
Earnings per share (EPS), diluted, EUR	1.12	1.16
Equity per share, EUR	7.64	7.66
Share price at close of period, EUR	15.49	11.48
Dividend per share, EUR *)	0.70	0.60
Dividend per earnings, % *)	62.12	50.71
Effective dividend yield, % *)	4.01	4.42
Price/earnings ratio (P/E)	13.75	9.70
Lowest share price, EUR	10.65	8.60
Highest share price, EUR	18.30	18.36
Average share price, EUR	14.76	13.44
Turnover in shares, 1,000 shares	10,854	11,804
Turnover in shares per (share issue adjusted) share capital, %	51.0	59.6
Average number of shares, 1,000 shares	21,296	19,816
Average number of shares, diluted, 1,000 shares	21,462	20,127
Shares at end of period, 1,000 shares	21,524	19,906
Unlisted shares at the end of period, 1,000 shares	0	1,250
Market capitalisation, EUR 1,000	333,414	228,519

## 1. SEGMENT INFORMATION

1.10.-31.12.2012 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
Sales to external customers	196,140	17,820	0	213,960
Sales to other segments	120	107	-228	0
Net sales	196,260	17,928	-228	213,960
Operating profit before non-recurring items	8,703	954	-768	8,888
% of net sales	4.4	5.3	337.3	4.2
Other non-recurring expenses	0	961	0	961
Advisor fees	0	66	0	66
Write-down of intangible assets	1,108	0	0	1,108
Non-recurring employee benefit expenses	2,425	77	231	2,733
Total non-recurring other operating items	3,533	1,104	231	4,868
Operating profit	5,170	-150	-999	4,020
% of net sales	2.6	-0.8		1.9
Segment's assets	456,103	42,390	-24,706	473,787
Unallocated assets *)	0	0	11,272	11,272
Total assets	456,103	42,390	-13,434	485,059

\*) Segment's assets do not include deferred taxes

<b>1.10.-31.12.2011 (EUR 1,000)</b>	<b>Wiring Systems</b>	<b>Electronics</b>	<b>Unallocated amounts and eliminations</b>	<b>Group Total</b>
Sales to external customers	224,534	17,466	0	242,001
Sales to other segments	203	30	-233	0
Net sales	224,737	17,497	-233	242,001
Operating profit before non-recurring items	13,707	102	-1,396	12,412
% of net sales	6.1	0.6		5.1
Advisor fees	4,746	0	-1,656	3,090
Non-recurring employee benefit expenses	218	310	0	528
Total non-recurring other operating items	4,964	310	-1,656	3,618
Operating profit	8,743	-208	260	8,794
% of net sales	3.9	-1.2		3.6
Segment's assets	483,593	48,910	-31,402	501,101
Unallocated assets *)	0	0	7,697	7,697
Total assets	483,593	48,910	-23,706	508,798

\*) Segment's assets do not include deferred taxes

<b>1.1.-31.12.2012 (EUR 1,000)</b>	<b>Wiring Systems</b>	<b>Electronics</b>	<b>Unallocated amounts and eliminations</b>	<b>Group Total</b>
Sales to external customers	858,778	69,400	0	928,178
Sales to other segments	516	203	-718	0
Net sales	859,294	69,602	-718	928,178
Operating profit before non-recurring items	53,496	2,137	-4,155	51,478
% of net sales	6.2	3.1		5.5
Other non-recurring expenses	0	961	0	961
Advisor fees	0	66	0	66
Write-down of intangible assets	1,108	0	0	1,108
Non-recurring employee benefit expenses	5,329	331	231	5,892
Total non-recurring other operating items	6,438	1,359	231	8,027
Operating profit	47,058	778	-4,386	43,451
% of net sales	5.5	1.1		4.7
Segment's assets	456,103	42,390	-24,706	473,787
Unallocated assets *)	0	0	11,272	11,272
Total assets	456,103	42,390	-13,434	485,059

\*) Segment's assets do not include deferred taxes

<b>1.1.-31.12.2011 (EUR 1,000)</b>	<b>Wiring Systems</b>	<b>Electronics</b>	<b>Unallocated amounts and eliminations</b>	<b>Group Total</b>
Sales to external customers	477,212	72,995	0	550,208
Sales to other segments	755	132	-887	0
Net sales	477,967	73,127	-887	550,208
Operating profit before non-recurring items	42,467	2,825	-3,326	41,967
% of net sales	8.9	3.9		7.6
Donations to the universities	0	150	0	150
Advisor fees	7,100	0	0	7,100
Cancellation of the write-down of inventories	-317	0	0	-317
Non-recurring employee benefit expenses	218	310	0	528
Total non-recurring other operating items	7,001	460	0	7,461
Operating profit	35,466	2,365	-3,326	34,505
% of net sales	7.4	3.2		6.3
Segment's assets	483,593	48,910	-31,402	501,101
Unallocated assets *)	0	0	7,697	7,697
Total assets	483,593	48,910	-23,706	508,798

\*) Segment's assets do not include deferred taxes

<b>NET SALES BY GEOGRAPHICAL LOCATIONS (EUR 1,000)</b>	<b>10-12/12 3 mon.</b>	<b>10-12/11 3 mon.</b>	<b>1-12/12 12 mon.</b>	<b>1-12/11 12 mon.</b>
Finland	15,022	15,684	60,401	62,521
Other Europe	51,859	59,752	218,358	236,006
North America	122,194	138,107	551,957	157,458
South America	19,310	22,814	76,105	73,514
Other countries	5,574	5,645	21,356	20,708
Total	213,960	242,001	928,178	550,208



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

A = Share Capital

B = Share premium account

C = Invested non-restricted equity fund

D = Fair value reserve

E = Translation difference

F = Retained earnings

G = Equity attributable to shareholders of the parent company

	A	B	C	D	E	F	G
Equity at 1.1.2011	6.0	4.9	21.8	0.0	7.6	83.5	123.7
Dividends	0.0	0.0	0.0	0.0	0.0	-10.9	-10.9
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.7	0.7
Subscription of shares	0.1	3.4	13.5	0.0	0.0	0.0	17.1
Comprehensive income for the period	0.0	0.0	0.3	-0.5	-1.4	23.4	21.9
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity at 31.12.2011	6.1	8.3	35.6	-0.5	6.3	96.7	152.5
Equity at 1.1.2012	6.1	8.3	35.6	-0.5	6.3	96.7	152.5
Dividends	0.0	0.0	0.0	0.0	0.0	-12.8	-12.8
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.6	0.6
Share issue, exercise of options	0.1	2.3	0.3	0.0	0.0	0.0	2.7
Comprehensive income for the period	0.0	0.0	-0.5	-0.3	-1.7	24.0	21.5
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity 31.12.2012	6.2	10.6	35.4	-0.7	4.6	108.5	164.5

## 3. PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)

	12/12	12/11
Acquisition cost 1.1.	145,626	74,917
+/- Translation difference 1.1.	-5,652	0
+ Additions	14,413	11,854
+ Acquisitions	0	68,003
+/- Other changes	-1,067	0
- Disposals	-3,108	-10,167
Acquisition cost 31.12.	150,212	144,608
Accumulated depreciation 1.1.	32,414	40,099
+/- Translation difference 1.1.	-276	0
- Accumulated depreciation on disposals and reclassifications	-370	-17,444
+/- Other changes	-356	0
+ Depreciation	23,266	9,511
+/- Exchange difference	1,227	-33
Depreciation 31.12.	55,905	32,135
Carrying amount 31.12.	94,307	112,473

<b>4. OTHER INTANGIBLE ASSETS (EUR 1,000)</b>	<b>12/12</b>	<b>12/11</b>
Acquisition cost 1.1.	105,391	40,102
+/- Translation difference 1.1.	795	0
+ Additions	2,141	929
+ Acquisitions	0	65,705
- Disposals	-21	0
+/- Exchange difference	0	-1,345
Acquisition cost 31.12.	108,306	105,391
Accumulated depreciation 1.1.	25,478	15,270
+/- Translation difference 1.1.	-359	0
- Accumulated depreciation on disposals and reclassifications	-20	1,853
+ Depreciation	9,345	8,355
+/- Exchange difference		
Depreciation 31.12.	34,444	25,478
Carrying amount 31.12.	73,862	79,914
<b>5. CONTINGENT LIABILITIES AT END OF PERIOD (EUR 1,000)</b>	<b>12/12</b>	<b>12/11</b>
Leasing liabilities	23,640	19,721
Liabilities for derivative instruments		
Nominal values		
Interest rate swaps	36,009	45,974
Currency derivatives		
Forward contracts	5,121	5,944
Copper derivatives		
Forward contracts	4,564	2,450
Total	45,694	54,367
Fair values		
Interest rate swaps	-980	-480
Currency derivatives		
Forward contracts	12	-64
Copper derivatives		
Forward contracts	-66	188
Total	-1,034	-356

Currency and copper derivatives are used only in hedging currency and copper risks. PKC Group does not apply hedge accounting to currency and copper derivative instruments in accordance with IAS 39. Fair values of currency and copper derivatives are recognised through profit and loss. PKC Group applies hedge accounting to interest rate swaps.

<b>6. QUARTERLY KEY INDICATORS, CONSOLIDATED</b>	<b>7-9/11 3 mon.</b>	<b>10-12/11 3 mon.</b>	<b>1-3/12 3 mon.</b>	<b>4-6/12 3 mon.</b>	<b>7-9/12 3 mon.</b>	<b>10-12/12 3 mon.</b>
Net sales, EUR million	102.0	242.0	242.0	244.8	227.4	214.0
Operating profit, EUR million	9.0	8.8	12.7	14.2	12.5	4.0
% of net sales	8.8	3.6	5.3	5.8	5.5	1.9
Profit before taxes, EUR million	4.6	7.7	10.5	14.0	9.8	0.7
% of net sales	4.5	3.2	4.3	5.7	4.3	0.3
Equity ratio, %	36.1	30.0	30.9	31.2	32.5	33.9
Earnings per share (EPS), diluted (EUR)	0.19	0.29	0.33	0.46	0.31	0.03
Equity per share, EUR	6.44	7.66	7.65	7.51	7.68	7.64

#### **QUARTERLY KEY INDICATORS, WIRING SYSTEMS**

Net sales, EUR million	84.3	224.5	226.6	226.8	209.2	196.1
Operating profit, EUR million	7.1	8.7	15.0	14.4	12.5	5.2
% of net sales	8.4	3.9	6.6	6.3	6.0	2.6

#### **QUARTERLY KEY INDICATORS, ELECTRONICS**

Net sales, EUR million	17.7	17.5	15.3	18.0	18.3	17.8
Operating profit, EUR million	1.7	-0.2	-1.0	0.7	1.3	-0.2
% of net sales	9.8	-1.2	-6.5	3.7	6.9	-0.8

#### **CALCULATION OF INDICATORS**

Return on equity (ROE), %  
=  $100 \times \text{Profit for the report period} / \text{Total equity (average)}$

Return on investments (ROI), %  
=  $100 \times (\text{Profit before taxes} + \text{financial expenses}) / (\text{Total equity} + \text{interest-bearing liabilities (average)})$

Net liabilities  
= Interest bearing liabilities – cash and cash equivalents

Gearing, %  
=  $100 \times (\text{Interest-bearing liabilities} - \text{cash and cash equivalents}) / \text{Total equity}$

Equity ratio, %  
=  $100 \times \text{Total equity} / (\text{Total of the statement of financial position} - \text{advance payments received})$

Current ratio  
=  $\text{Total current assets} / \text{Total current liabilities}$

Earnings per share (EPS), EUR  
=  $\text{Profit for the report period attributable to equity holders of the parent company} / \text{Average share issue-adjusted number of shares}$

Shareholders' equity per share, EUR  
=  $\text{Equity attributable to equity holders of the parent company} / \text{Share issue-adjusted number of shares at the date of the statement of financial position}$

Market capitalisation  
=  $\text{Number of shares at the end of the report period} \times \text{the last trading price of the report period}$

**EBITDA**

= Operating profit + non-recurring items + depreciation, amortization and impairments

All the future estimates and forecasts presented in this stock exchange release are based on the best current knowledge of the company's management and information published by market research companies and customers. The estimates and forecasts contain certain elements of risk and uncertainty which, if they materialise, may lead to results that differ from present estimates. The main factors of uncertainty are related, among other things, to the general economic situation, the trend in the operating environment and the sector as well as the success of the Group's strategy.

**PKC GROUP PLC**  
**Board of Directors**

**Matti Hyytiäinen**  
**President and CEO**

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**PRESS CONFERENCE**

A press conference on the Financial Statement will be arranged for analysts and investors today, 14 February 2013, at 10.00 a.m., at the address Event Arena Bank, Unioninkatu 20, Helsinki.

**DISTRIBUTION**

NASDAQ OMX  
Main media  
[www.pkcgroup.com](http://www.pkcgroup.com)

The PKC Group offers design and contract manufacturing services for wiring systems and electronics. The Group has production facilities in Brazil, China, Estonia, Finland, Germany, Ireland, Mexico, Poland, Russia, Ukraine and the USA. The Group's net sales in 2012 totalled EUR 928.2 million. PKC Group Plc is listed on NASDAQ OMX Helsinki Ltd.