

Vacon Plc, Stock Exchange Release, 3 February 2010 at 9.30 am

Vacon Plc Financial Bulletin 1 January - 31 December 2009

October-December summary:

- Order intake totalled MEUR 63.5, a decline of 5.5 % from the corresponding period in the previous year (MEUR 67.2).
- Revenues totalled MEUR 64.2, a decline of 14.6 % (MEUR 75.2).
- Operating profit was MEUR 4.3 and 6.7 % of revenues (MEUR 7.5 and 10.0 %).
- Cash flow from operations grew to MEUR 12.1 (MEUR 5.1).
- Earnings per share were EUR 0.19 (EUR 0.32), down 40.6 % on the previous year.

January-December summary:

- Order intake totalled MEUR 256.1, a decline of 16.4 % from the corresponding period in the previous year (MEUR 306.5).
- Revenues totalled MEUR 272.0, a decline of 7.2 % (MEUR 293.2).
- Operating profit was MEUR 22.5, down 35.0 % (MEUR 34.6). Operating profit margin was 8.3 % (11.8 %).
- Cash flow from operations grew to MEUR 37.1 (MEUR 21.9).
- Earnings per share were EUR 1.01 (EUR 1.51), down 33.1 % on the previous year.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.70 per share be paid from the profit for 2009.

Vacon revises its long-term financial targets

Vacon's goal is to achieve revenues of EUR 500 million in 2014. The long-term profitability targets are an operating profit of 14 % and a return on equity of more than 30 %. It was previously Vacon's goal to achieve these targets in 2012, but the global recession and the consequent decline in the global AC drive market has resulted in Vacon revising the schedule for the targets.

Market developments in 2009

According to market surveys, the AC drive market declined worldwide by about 16 % in 2009. The global recession weakened demand for AC drives in most market segments. AC drive investments to improve energy efficiency and in renewable energy generation remained brisk especially in Asia, but they were not able to compensate for the decline in business in other market segments and areas. Vacon does not expect the AC drive market to decline any further during 2010.

October-December 2009

The final quarter of 2009 developed as had been expected by the company. The value of the order intake in the final quarter was EUR 63.5 million, growth of 11.2 % from the third quarter. Orders declined 5.5 % compared to the final quarter in the previous year. In Asia orders increased 25.8 %. In Europe the decline in orders was 21.1 % and in North and South America 18.0 %.

Revenues in the final quarter totalled EUR 64.2 million, down 14.6 % from the previous year. Revenues rose 3.4 % from the third quarter.

The operating profit margin in the final quarter was 6.7 %, compared to 10.0 % in the corresponding period in the previous year. The operating profit margin increased from the third quarter. Factors in the weakening of profitability were the decline in revenues and an increase in depreciation on the investments in growth made in the previous years. During the year Vacon initiated measures to adjust costs to the current level of business operations. The target is cost savings of EUR 5 million a year from the level in the final period of 2008. The savings measures have progressed according to plan.

The balance sheet remained strong. The company has paid particular attention to the management of working capital. The cash flow from operations developed positively and stood at EUR 12.1 million in the final quarter, growth of EUR 6.6 million from the previous year. Intensified control of trade receivables and stocks helped achieve this improvement.

2009 result and equity structure

MEUR	10-12/ 2009	10-12/ 2008	1-12/ 2009	1-12/ 2008	Change, %
Revenues	64.2	75.2	272.0	293.2	-7.2
EBITDA	6.9	9.5	32.1	41.9	-23.4
Depreciation	-1.2	-1.0	-4.3	-3.5	22.9
EBITA	5.7	8.6	27.8	38.4	-27.6
Amortization	-1.4	-1.1	-5.3	-3.8	39.5
Operating profit	4.3	7.5	22.5	34.6	-35.0
Profit before taxes	4.3	6.4	22.0	32.6	-32.5
Profit for period	2.9	5.1	16.1	23.9	-32.6

The Group's order intake in 2009 declined 16.4 % to EUR 256.1 million (EUR 306.5 million in 2008). The Group's order book stood at EUR 32.0 million at the end of 2009 (EUR 48.0 million). The order book declined EUR 16.0 million from the beginning of the year.

Vacon's revenues declined 7.2 % in 2009 to EUR 272.0 million (EUR 293.2 million). The impact of the global recession was felt in revenues especially in the second half of 2009, when revenues fell 13.3 % compared to the first half of the year.

Market surveys show that the global AC drive market decreased by 16 % in 2009. As the company's revenues declined 7.2 % at the same time, it can be deducted that the company's market share increased during the year. Vacon's sales were assisted by winning new customers and by demand for applications for renewable power generation.

Vacon's profitability weakened in 2009, and the operating profit was EUR 22.5 (34.6) million. Factors contributing to the decline in the operating profit margin from the previous year were the fall in revenues and depreciation, which was made on ITC projects, production investments for new products and development work on new products. The new subsidiaries also raised the company's costs compared to the previous year. During the year Vacon initiated measures to adjust costs to the current level of business operations.

The Group's profit for the period was EUR 16.1 (23.9) million. Earnings per share (EPS) fell to EUR 1.01 (1.51). The operating profit margin was 8.3 % (11.8 %).

The Group's cash flow from business operations in January-December was EUR 37.1 (21.9) million. Receivables decreased altogether by EUR 17 % from the beginning of the year. The consolidated balance sheet total was EUR 145.6 (149.1) million. Vacon's equity ratio remained strong at 56.5 % (51.1 %). Interest-bearing net debt stood at EUR 1.6 (12.3) million at the end of the year and gearing was 2.0 % (16.3 %). The debt comprises long-term loans. The return on investment was 23.1 % (37.0 %), and return on equity 20.5 % (34.3 %).

Market position

Vacon Group revenues by market area were as follows:

MEUR	10-12/ 2009	%	10-12/ 2008	%	1-12/ 2009	%	1-12/ 2008	%
Europe, Middle East, Africa	42.8	66.7	54.0	71.8	190.8	70.1	210.5	71.8
North and South America	11.1	17.3	14.0	18.6	46.3	17.0	55.9	19.1
Asia and Pacific	10.4	16.2	7.2	9.6	34.9	12.8	26.8	9.1
Total	64.2	100.0	75.2	100.0	272.0	100.0	293.2	100.0

According to its own estimates, Vacon has strengthened its position in all main market areas during 2009. Based on market surveys, the company estimates that it has about five per cent of the global market.

Vacon's revenues by region were as follows in 2009: Europe, Middle East and Africa in total 70.1 % (71.8 % in 2008), North and South America 17.0 % (19.1 %), Asia and Pacific 12.8 % (9.1 %).

Breakdown of Vacon Group revenues by distribution channel

MEUR	10-12/ 2009	%	10-12/ 2008	%	1-12/ 2009	%	1-12/ 2008	%
Direct sales	35.2	54.8	42.4	56.4	155.2	57.1	146.4	49.9
Distribu- tors	5.2	8.1	6.8	9.0	24.6	9.0	34.4	11.7
OEM	13.8	21.5	9.7	12.9	51.7	19.0	60.0	20.5
Brand label	10.0	15.6	16.2	21.5	40.5	14.9	52.4	17.9
Total	64.2	100.0	75.2	100.0	272.0	100.0	293.2	100.0

Vacon's 2009 revenues by distribution channel were as follows: direct sales 57.1 % (49.9 %), distributors 9.0 % (11.7 %), OEM 19.0 % (20.5 %) and brand label customers 14.9 % (17.9 %).

Vacon Group structure

During 2009 Vacon established subsidiaries in Brazil and Canada. At the end of 2009 Vacon's own sales network comprised 23 subsidiaries and five representative offices.

Research and development

R&D expenditure during the year totalled EUR 17.6 (17.0) million, and EUR 5.4 (2.3) million of this was capitalized as development costs. R&D costs accounted for 6.5 % of the Group's revenues (5.8 %). Amortization of capitalized development costs totalled EUR 1.0 (0.6) million in 2009.

During 2009 Vacon increased the number of personnel at its R&D units in Finland, China and Italy. Vacon also has R&D in the USA.

Vacon's goal is to renew most of its product offering by the end of 2010. Work on developing the new products continued during 2009 in accordance with the company's plans. The new generation products are more competitive.

Investments

Gross investments by the Group during the year totalled EUR 18.2 (11.2) million. Expenditure focused mainly on increasing and maintaining production capacity, expanding the sales network, and on standardizing and developing information systems. During 2009 the new factory in the USA was completed and construction began of a new factory in China.

Organization and personnel

Vacon's personnel policy is based on the company's values. The competence management is guided by the company strategy.

The number of Vacon personnel has increased by 31 from the beginning of the year. At the end of December the Group employed 1,228 (1,197) people, of whom 627 (639) were in Finland and 601 (558) in other countries.

The table below shows the average number of Vacon employees during the review period:

	1-12/2009	1-12/2008
Office personnel	763	687
Factory personnel	468	444
TOTAL	1,231	1,131

During the autumn Vacon Plc conducted personnel negotiations affecting office staff at its operations in Finland, examining the means available to adjust its operations to weaker market conditions. In consequence of these negotiations Vacon decided to lay off 160 office workers for fixed periods.

Shares and shareholders

Vacon had a market capitalization at the end of December of EUR 406.1 million. The closing share price on 31 December 2009 was EUR 26.70. The lowest share price during the January-December period was EUR 15.30 and the highest EUR 28.90. A total of 4,493,871 shares (29.4 % of the share stock) were traded in the January-December period, in monetary terms EUR 97.0 million. According to the shareholder register updated on 31 December 2009, Vacon had 5,114 registered shareholders. Shares that were nominee registered and in foreign ownership amounted to 28.9 % of the share stock.

Vacon's main shareholders on 31 December 2009 were:

	Number of shares	Holding, %
Ahlström Capital Group	3,059,715	20.0
Tapiola Mutual Pension Insurance Company	584,500	3.8
Ilmarinen Mutual Pension Insurance Company	563,230	3.7
Vaasa Engineering Oy	424,433	2.8
Koskinen Jari	362,088	2.4
Holma Mauri	347,171	2.3
Ehrnrooth Martti	333,000	2.2
Tapiola Group companies	325,300	2.1
Niemelä Harri	271,939	1.8
Karppinen Veijo	209,349	1.4
Nominee registered and in foreign ownership	4,421,015	28.9
Own shares	85,011	
Others	4,308,249	28.7
Total	15,295,000	100.0
Shares outstanding	15,209,989	

On 31 December 2009 members of Vacon's Board of Directors, the President and CEO, and the Deputy to the CEO held directly a total of 578,529 shares, or 3.8 % of Vacon's share stock.

Own shares

On 31 December 2009 Vacon Plc held a total of 85,011 of its own shares, which it had acquired at an average price of EUR 21.01. This is 0.6 % of the share capital and voting rights, so it has no significant impact on the distribution of ownership or voting rights in the company.

Dividend proposal

At the end of the financial year the distributable equity of the parent company stands at EUR 50.5 million. The Board of Directors proposes to the Annual General Meeting of Shareholders to be held on 23 March 2010 that a dividend of EUR 0.70 per share be paid from the parent company's profit for the financial year 2009 of EUR 11.8 million, and the remainder of the profit for the year be transferred to retained earnings. According to this proposal, a total of EUR 10.6 million would be paid in dividend.

Business strategy

AC drives are a key product in production automation, increasing energy efficiency and in utilizing renewable energy sources. This creates a solid base for long-term growth in the AC drives business. By focusing one hundred per cent on AC drives, Vacon aims to grow profitably and much faster than the average growth rate in the sector.

Vacon's goal is to achieve revenues of EUR 500 million by 2014. The long-term targets for profitability are an operating profit (EBIT) of 14 % and a return on equity (ROE) of more than 30 %. The basis for Vacon's business operations lies with four strategic choices: product leadership, focusing 100 % on AC drives, a multi-channel sales network, and a global presence.

In 2010 Vacon will direct its biggest strategic efforts at strengthening its product leadership. The company is currently developing and bringing to market its third generation products, of which the Vacon 10 and Vacon 100 HVAC have already been launched. During 2010 Vacon plans to launch new products, with features, quality and competitiveness that will ensure excellent conditions for growth when the market recovers.

Vacon is still the largest company in the world that designs and manufactures nothing else but AC drives, and intends to stay so. This one hundred per cent focus gives Vacon a clear competitive edge, for it means that Vacon's customers always obtain service with the highest level of expertise in the sector, whether it is a question of sales, customer service, or service and maintenance.

Multi-channel sales is the core of Vacon's sales and marketing strategy. The company sells its products to original equipment manufacturers (OEM), system suppliers, brand label customers, distributors and direct to end customers. Utilizing different sales channels in each geographical region or industrial sector is a genuine competitive advantage from which Vacon has benefited during the economic downturn – sales have not been dependent on just one mainstay.

Over the past few years Vacon has strongly expanded its global presence. The company has production, research and product development units in four countries – in Finland, China, Italy and the USA – and sales companies and representative offices in altogether 23 countries. A broad presence on different continents makes it possible to locate production close to the customer, and at the same time protects against currency risks. A comprehensive sales network brings the necessary local touch to sales. During 2009, the Group's own sales companies succeeded in winning many new customers, which helped compensate for the fall in orders from other customers.

Vacon has invested heavily during the past few years in developing its information and communications technology, and has succeeded in building common tools for almost all its global organization. Vacon's other areas of strategic expertise are a common hardware and software platform for AC drives and management of the product selection, customer relations management, stream production and a global sourcing network. Each expertise area is monitored and developed continuously, to ensure the company has the correct knowhow needed to implement its strategy.

Risks and uncertainties in the near future

The most significant risks for Vacon in the near future relate to the uncertainty of general demand and intensifying competition on price. Vacon's order book has always been short term in nature, so there are no major risks connected with the timing of deliveries or their cancellation. Vacon has thousands of customers worldwide. The ten largest customers account for less than half of Vacon's revenues. Vacon does not finance customer projects. The company assesses continuously the creditworthiness of its customers and their ability to pay their debts.

Vacon is able to adjust its production capacity to market demand. The company estimates that its cash funds and available credit facilities are sufficient to ensure its liquidity.

Vacon's balance sheet includes goodwill of EUR 8.1 million, most of which is related to the company acquisition at the beginning of 2008. The company tests goodwill for impairment annually.

The availability and quality of raw materials and components and changes in their prices can affect the profitability and scale of the company's business. Purchase agreements for raw materials and components are mainly annual agreements, which contain price and exchange rate clauses for changes in the global market prices of raw and other materials. Changes in the global economic situation may harm the business opportunities for some component suppliers.

Some of the most significant financial risks affecting the result are foreign exchange risks. Exchange rate fluctuations may have an impact on business, although the international expansion of business operations reduces the relative importance of individual currencies. The biggest exchange rate risks against the euro relate to the US dollar and the Chinese renminbi. The Group applies IAS 39 –compliant hedge accounting for cash flow hedging with respect to operative currency exposure.

Prospects for 2010 and long-term targets

Vacon does not expect the AC drive market to weaken further during 2010. Vacon has roughly a 5 % market share. The global sales network, diverse customer base, renewal of the product selection, and the relatively low market share, coupled with a flexible organization support the development of Vacon's business even in a difficult market situation. Vacon reduces temporarily its investments in growth in order to secure its profitability in the prevailing market situation.

Vacon forecasts that revenues in 2010 will increase, profitability will be at the same level, and earnings per share will improve from 2009.

It is Vacon's goal to achieve revenues of EUR 500 million in 2014. Its long-term profitability targets are an operating profit of 14 % and a return on equity of more than 30 %. It was previously Vacon's goal to achieve these targets in 2012, but the global recession and the consequent decline in the Ac drive market has resulted in the timetable for the targets being revised.

Most of this growth will be organic, but Vacon does not exclude the possibility of further acquisitions. Organic growth will be financed by cash flow from operations and any further acquisitions may increase gearing a maximum of 60 %.

Financial reports in 2010

Vacon is publishing three interim reports in 2010 as follows:

January-March: 27 April 2010

January-June: 4 August 2010

January-September: 27 October 2010

The 2009 Annual Report will be published in week 10/2010 (8-12 March). The Annual General Meeting of Vacon Plc will be held in Vaasa at 3.00 pm on Tuesday 23 March 2010 at the premises of Åbo Akademi University, visiting address Academill, Rantakatu 2, Vaasa.

Formal statement

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.

Vacon in brief

Vacon's operations are driven by a passion to develop, manufacture and sell the best AC drives in the world — and nothing else. AC drives are used to control electric motors and in renewable energy generation. Vacon has R&D and production units in Finland, the USA, China and Italy, and sales offices in 27 countries. In 2009 Vacon had revenues of EUR 272 million and globally employed 1,200 people. The shares of Vacon Plc (VAC1V) are quoted on the main list of the Helsinki stock exchange.

Driven by Drives, www.vacon.com

Vaasa, 3 February 2010

VACON PLC

Board of Directors

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Conference for media and analysts

Vacon will hold a briefing for analysts and the media at 11.30 am on 3 February 2010 at the Radisson Blu Hotel Plaza, Mikonkatu 23, Helsinki.

Dial-in conference for investors and investment analysts

A dial-in conference in English for investors and investment analysts will be held at 3.00 pm on 3 February 2010. President and CEO Vesa Laisi and Eriikka Söderström, CFO and Vice President, Finance and Control, will participate in the conference. Lines can be booked ten minutes before the conference by calling the service number +44 207 162 0025. The conference ID code is "855961". Conference link:

<http://wcc.webeventservices.com/view/wl/r.htm?e=189217&s=1&k=142F763A5264F456DFDC9266AEEEE6716&cb=blank>

To hear a recording of the conference, available for four working days, call +44 207 031 4064, ID code 855961.

Distribution

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Main media

Accounting principles

The 2009 financial statement release has been prepared in accordance with IFRS recognition and measurement principles. Vacon has prepared this release applying the same IFRS accounting principles as in its 2008 consolidated financial statements, because the new standards have not had any material impact. The figures presented for the whole year in the financial statement release are audited. The quarterly figures presented are unaudited.

Consolidated income statement, MEUR

	10-12/ 2009	10-12/ 2008	1-12/ 2009	1-12/ 2008
Revenues	64.2	75.2	272.0	293.2
Other operating income	0.0	0.1	0.3	0.2
Change in inventories of finished goods and work in progress	-1.0	-3.7	-1.0	0.2
Materials and services	-32.0	-34.8	-138.1	-150.8
Employee benefit costs	-12.9	-13.7	-53.6	-52.7
Other operating costs	-11.5	-13.4	-47.5	-48.2
Depreciation	-1.2	-1.0	-4.3	-3.5
EBITA	5.7	8.6	27.8	38.4
Amortization	-1.4	-1.1	-5.3	-3.8
Operating profit	4.3	7.5	22.5	34.6
Financial income and expenses	0.0	-1.0	-0.6	-2.0
Profit before taxes	4.3	6.4	22.0	32.6
Income taxes	-1.4	-1.3	-5.9	-8.7
Profit for period	2.9	5.1	16.1	23.9
Attributable to:				
Equity holders of the parent	2.8	4.9	15.4	23.1
Minority interest	0.1	0.2	0.6	0.8
Earnings per share, Euro	0.19	0.32	1.01	1.51
Earnings per share diluted, euro	0.19	0.32	1.01	1.51

Consolidated statement of comprehensive income, MEUR

	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Net profit for period	2.9	5.1	16.1	23.9
Other comprehensive income				
Cash flow hedging	0.0	0.0	-0.1	0.0
Exchange differences on translating foreign operations	0.3	0.0	-0.1	0.4
Total comprehensive income	3.1	5.1	15.9	24.3
Attributable to:				
Shareholders of parent company	3.0	4.9	15.3	23.5
Minority interest	0.1	0.2	0.6	0.8

Consolidated balance sheet, MEUR

	31.12.2009	31.12.2008
ASSETS		
Goodwill	8.1	8.3
Development costs	9.1	4.8
Intangible assets	13.3	14.9
Tangible assets	18.5	16.3
Loans receivable and other receivables	0.2	0.2
Deferred tax assets	3.3	2.6
Other financial assets	5.3	3.3
Total non-current assets	57.8	50.3
Inventories	19.3	21.3
Trade and other receivables	51.3	61.7
Cash and cash equivalents	17.2	15.7
Total current assets	87.8	98.8
Total assets	145.6	149.1
EQUITY AND LIABILITIES		
Share capital	3.1	3.1
Share premium reserve	5.0	5.0
Own shares	-2.6	-2.6
Retained earnings	74.4	68.7
Minority interest	1.5	1.4
Total equity	81.3	75.5
Deferred tax liabilities	4.6	3.5
Employee benefits	1.5	1.4
Interest-bearing liabilities	12.4	15.8
Total non-current liabilities	18.5	20.7
Trade and other payables	36.1	37.6
Income tax liabilities	1.3	1.5
Provisions	1.9	1.6
Interest-bearing liabilities	6.4	12.2
Total current liabilities	45.7	52.9
Total equity and liabilities	145.6	149.1

2008 Calculation of changes in shareholders' equity, MEUR

	Attributable to equity holders of the parent					Minority interest	Total equity
	Share capital	Share premium reserve	Own shares	Retained earnings	Total		
Shareholders' equity 31.12.2007	3.1	5.0	-1.2	56.0	62.9	1.1	64.0
Dividend paid				-11.1	-11.1	-0.6	-11.7
Purchase of own shares			-1.5		-1.5		-1.5
Total comprehensive income for period				23.5	23.5	0.8	24.4
Share bonuses				0.3	0.3		0.3
Other changes					0.0	0.0	0.0
Shareholders' equity 31.12.2008	3.1	5.0	-2.6	68.7	74.1	1.4	75.5

2009 Calculation of changes in shareholders' equity, MEUR

Attributable to equity holders of the parent					Minority interest	Total equity
	Share capital	Share premium reserve	Own shares	Retained earnings	Total	
Shareholders' - equity 31.12.2008	3.1	5.0	-2.6	68.7	74.1	75.5
Dividend paid				-10.0	-10.0	-10.5
Total comprehensive income for period				15.3	15.3	15.9
Share bonuses				0.3	0.3	0.3
Other changes				0.1	0.1	0.1
Shareholders' equity 31.12.2009	3.1	5.0	-2.6	74.4	79.8	81.3

Consolidated cash flow statement, MEUR

	31.12.2009	31.12.2008
Profit for the period	16.1	23.9
Depreciation	9.6	7.3
Financial income and expenses	0.6	2.0
Taxes	5.9	8.7
Other adjustments	0.5	0.5
Change in working capital	11.0	-10.1
Cash flow from financial items and tax	-6.5	-10.4
Cash flow from operating activities	37.1	21.9
Purchase of subsidiary	0.0	-20.4
Investments in tangible and intangible assets	-16.1	-9.2
Proceeds from disposal of tangible and intangible assets	1.4	-0.1
Other investments	-2.3	-1.7
Proceeds from disposal of other investments	0.6	0.6
Cash flow from investing activities	-16.5	-30.8
Repayment of long-term loans	-3.3	-3.9
Proceeds from short-term borrowings	0.0	7.9
Repayment of short-term loans	-5.8	0.0
Purchase of own shares	0.0	-1.5
Dividends paid	-10.4	-11.9
Cash flow from financial activities	-19.5	-9.4
Change in liquid funds	1.2	-18.3
Liquid funds at start of period	15.7	34.4
Translation differences for liquid funds	0.3	-0.4
Liquid funds at end of period	17.2	15.7

Segment information

Vacon has one business segment, AC drives. The figures for the business segment are identical with the figures for the whole Group. Vacon's operations are organized in the following functions: Products and Markets, Production, Research & Development, Finance and Administration, Human Resources, IT and Process Development, and Business Development. To ensure that the organisation is customer-oriented, operations are controlled by sales channel: Distributors, Systems Integrators, Direct Sales, OEM Customers and Brand Label Customers.

Financial ratios

Per share data	2009	2008	2007	2006	2005
Earnings per share, EUR	1.01	1.51	1.37	1.04	0.79
Equity per share, EUR	5.25	4.88	4.13	3.42	2.78
Dividend per share EUR*)	0.70	0.65	0.75	0.65	0.41
Dividend payout ratio, %*)	69.02	42.94	54.59	62.57	52.12
Effective dividend yield %*)	2.6	3.5	2.7	2.5	2.3
Price/earnings ratio	26.3	12.1	20.4	25.1	22.2
Lowest trading price, EUR	15.30	17.00	24.60	17.70	11.85
Highest trading price, EUR	28.90	32.44	38.00	26.99	17.50
Share price at year end, EUR	26.70	18.30	28.00	26.10	17.50
Average trading price, EUR	21.51	26.65	30.01	22.60	14.68
Market capitalization, MEUR	406.11	278.00	426.50	397.10	266.00
Trading volume, no. of shares	4,493,871	4,915,722	8,241,357	4,439,458	5,693,881
Trading volume, %	29.6	32.3	54.1	29.2	37.5
Adjusted average number of shares during the financial year**)	15,204,263	15,238,236	15,226,997	15,209,303	15,203,147
Number of shares at year end **)	15,209,989	15,193,188	15,232,188	15,213,428	15,199,740
Own shares	85,011	101,812	62,812	81,572	95,260

*) The 2009 dividend is the Board of Directors' proposal to the Annual General Meeting.

**) The average number of shares during the year was 15,204,263. The total number of shares outstanding is 15,209,989.

Key figures showing the Group's financial performance

	2009	2008	2007	2006	2005
Revenues, MEUR	272.0	293.2	232.2	186.4	149.9
Change in revenues, %	-7.2	26.3	24.6	24.3	16.6
Operating profit, MEUR	22.5	34.6	29.2	23.1	18.1
Change in operating profit, %	-35.0	18.5	26.4	27.6	13.8
Operating profit, % of revenues	8.3	11.8	12.6	12.4	12.1
Profit before taxes, MEUR	22.0	32.6	28.8	22.7	17.7
Profit before taxes, % of revenues	8.1	11.1	12.4	12.2	11.8
Return on equity, %	20.5	34.3	36.5	33.7	30.5
Return on investment, %	23.1	37.0	41.2	45.1	40.8
Interest-bearing net liabilities, MEUR	1.6	12.3	-11.0	-8.8	-7.9
Gearing, %	2.0	16.3	-17.1	-16.6	-18.3
Net working capital, MEUR	31.2	42.5	27.2	21.8	14.2
Equity ratio, %	56.5	51.1	52.9	61.7	56.8
Gross capital expenditure, MEUR***)	18.2	11.2	9.1	8.5	6.6
Gross capital expenditure, % of revenues	6.7	3.8	3.9	4.6	4.4
R & D costs, MEUR	17.6	17.0	14.3	12.6	10.8
R & D costs, % of revenues	6.5	5.8	6.2	6.7	7.2
Number of personnel at end of the period	1 228	1 197	869	675	577
Order book, MEUR	32.0	48.0	34.8	29.7	18.8

***) The 2008 gross capital expenditure figure does not include the acquisition of TB Woods'.

Commitments and contingencies, MEUR

	31.12.2009	31.12.2008
Commitments and contingencies	2.4	0.4
Financing commitments	0.3	0.6

Group quarterly performance, MEUR

	10-12/ 2009	7-9/ 2009	4-6/ 2009	1-3/ 2009	1-12/ 2009	1-9/ 2009	1-6/ 2009	1-3/ 2009
Revenues	64.2	62.1	75.7	70.0	272.0	207.8	145.7	70.0
Operating profit	4.3	3.4	7.8	7.1	22.5	18.2	14.9	7.1
Profit before tax	4.3	3.7	7.5	6.6	22.0	17.7	14.0	6.6

Calculation of financial ratios

Earnings per share =	Profit for the financial year attributable to equity holders of the parent company ----- Adjusted average number of shares
Equity per share =	Shareholders' equity – minority holding ----- Adjusted average number of shares at year end
Dividend per share =	Dividend for the financial year ----- Adjusted number of shares at year end
Dividend payout ratio, % =	Dividend for the financial year x 100 ----- Profit for period attributable to equity holders of the parent company
Effective dividend yield, % =	Dividend per share x 100 ----- Adjusted closing share price at year end
Price/earnings ratio =	Adjusted closing share price at year end ----- Earnings per share
Return on equity, % =	Profit for the financial year x 100 ----- Shareholders' equity, average of the beginning and end of the year
Return on investment, % =	(Profit before taxes + interest and other financial expenses) x 100 ----- Balance sheet total – non-interest-bearing liabilities, average of the beginning and end of the year
Equity ratio, % =	Shareholders' equity x 100 ----- Balance sheet total – advances received
Gearing, % =	(Interest-bearing liabilities – cash, bank balances and financial assets) x 100 ----- Shareholders' equity
Net working capital =	Inventories + non-interest-bearing current receivables - non-interest-bearing current liabilities

R & D costs =	Research and development costs recognized in income statement (incl. costs covered with subsidies) and capitalized development expenses
Market capitalization =	Number of shares outstanding at year end x closing share price
Trading volume, % =	$\frac{\text{Number of shares traded during the year} \times 100}{\text{Adjusted average number of shares}}$