

Interim Report

January – June 2013

Demand situation continued to be challenging



ETTEPLAN OYJ INTERIM REPORT AUGUST 15, 2013 AT 2:00 PM

ETTEPLAN Q2: DEMAND SITUATION CONTINUED TO BE CHALLENGING

Review period April-June 2013

- The Group's revenue decreased by 2.2% and was EUR 34.2 million (4-6/2012: EUR 35.0 million).
- EBITDA declined by 12.1% and was EUR 2.6 million (EUR 3.0 million).
- Operating profit (EBIT) decreased by 17.0% and was EUR 2.0 million (EUR 2.4 million).
- The profit for the review period was EUR 1.6 million (EUR 1.7 million).
- Operating cash flow decreased and was EUR 1.0 million (EUR 2.4 million).
- Earnings per share were EUR 0.08 (EUR 0.09).
- Etteplan adjusts its estimate of outlook for 2013.

Review period January-June 2013

- The Group's revenue decreased by 2.7% and was EUR 68.7 million (1-6/2012: EUR 70.6 million).
- EBITDA declined by 16.2% and was EUR 5.1 million (EUR 6.1 million).
- Operating profit (EBIT) decreased by 25.2% and was EUR 3.7 million (EUR 5.0 million).
- The profit for the review period was EUR 2.7 million (EUR 3.4 million).
- Operating cash flow decreased and was EUR -0,9 million (EUR 4.0 million).
- Earnings per share were EUR 0.13 (EUR 0.18).

Outlook 2013

Market outlook

Changes in Etteplan's customers' order books quickly influence the development of Etteplan's revenue. At the end of the review period, the order books of Etteplan's major customers were, on average, at a lower level than in the corresponding period in 2012. We estimate that the demand situation for engineering design services continues to be challenging.

Financial guidance

We expect the revenue for the year 2013 to be on the same level as in year 2012 and the operating profit for the year 2013 to be lower than in year 2012.

Previous estimate of outlook

Market outlook

Changes in Etteplan's customers' order books quickly influence the development of Etteplan's revenue. At the end of the review period, the order books of Etteplan's major customers were, on average, at a lower level than in the corresponding period in 2012. We estimate that the demand situation for engineering design services continues to be challenging.

Financial guidance

We expect the revenue and operating profit for the year 2013 to be on the same level as in year 2012.

Key figures

(EUR 1,000)	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Revenue	34,240	35,002	68,699	70,628	134,479
EBITDA	2,632 (7.7%)	2,995 (8.6%)	5,090 (7.4%)	6,078 (8.6%)	11,154 (8.3%)
Operating profit (EBIT)	1,954 (5.7%)	2,353 (6.7%)	3,712 (5.4%)	4,962 (7.0%)	8,715 (6.5%)
Basic earnings per share, EUR	0.08	0.09	0.13	0.18	0.29
Equity ratio, %	31.7	28.8	31.7	28.8	32.4
Operating cash flow	1,022	2,433	-938	3,998	11,339
ROCE, %	18.3	22.7	16.8	23.8	20.4
Personnel at end of the period	1,742	1,784	1,742	1,784	1,776

Juha Näkki, President and CEO of Etteplan Oyj comments on the interim report:

“The market situation continued to be difficult in the second quarter. The order backlogs of our key customers continued to decline and decision-making on new development projects and investments was slow due to continued economic uncertainty. In this challenging demand situation, our revenue remained at the level seen in the first quarter of the year and was slightly lower compared to the second quarter of 2012. Our operating profit improved compared to the first quarter of 2013, but was substantially lower than in the second quarter of 2012. There are multiple signs indicating that the market situation will remain challenging in the fall. This makes it more difficult to predict how the demand for engineering design services will develop.

In Finland and Sweden, the demand situation remained at the weakened level seen in the first quarter of the year and varied substantially between customers. The development in the demand for investment projects in Russia was positive. The demand situation in the Netherlands continued to weaken during the review period. In China, the market for engineering design services developed positively in line with our expectations, and the number of working hours towards the Chinese market continued to increase. In the first half of the year, the number of working hours towards the Chinese market increased by approximately 50 per cent compared to the corresponding period in 2012. During the review period, we received significant assignments in China in new engineering areas and from new customers. We therefore expect our positive development in the Chinese market to continue.

In Europe, we expect that the challenging market situation will continue in the second half of the year and we continue to focus on strengthening our market position through our service products and solutions. The interest in our solutions is at a good level. Quotation activity was brisk in the first half of the year, particularly in the area of technical product information service solutions, and we gained several technical product information customers in the second quarter. In the first half of the year, we continued our investments in developing innovative new service solutions. The proportion of revenue represented by these higher added value Managed Services grew in the second quarter, exceeding one quarter. This positive development creates a strong foundation for future growth and improvements in profitability. I believe that the proportion of our operations represented by higher added value services will continue to grow in the second half of the year. This development will strengthen our competitive position in the market for engineering design services.”

Accounting principles

The interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard and the preparation and accounting policies presented in the 2012 annual financial statements.

This interim report includes forward-looking estimates and assumptions. Accordingly, outcomes may deviate from these estimates, which are based on the management's best knowledge at the time of interim report.

REVIEW APRIL-JUNE 2013

Business review April-June 2013

Operating environment

During the review period, the order backlogs of Etteplan's key customers were, on average, declining. In Finland, Sweden and the Netherlands, the demand for engineering design services in the review period was clearly lower than in the corresponding period in 2012. In China, the market for engineering design services showed positive development despite a slowing down of economic growth.

The contraction of the Finnish export industry weakened the demand for engineering design services and technical product information solutions. Demand in Sweden was at a slightly better level than in Finland. However, demand in the Swedish export industry weakened right at the end of the review period against expectations, which had an impact on the demand for engineering design services. The weakened market situation in the Netherlands affected the demand for technical product information solutions. Demand for offshoring services in China grew during the review period as Western customers sought new operating methods to improve cost-efficiency. There were changes in the purchasing behavior of machinery and equipment manufacturers in the local market in China. The subcontracting of engineering design services has gradually grown in popularity in China.

Demand for engineering design services from mining equipment manufacturers, which had been strong for a long time, leveled out and declined during the review period. The development of the demand for engineering design services from lifting and hoisting equipment manufacturers developed unevenly, remaining on average at the same level as in the first quarter. The demand for engineering design services in the energy and power transmission industries weakened somewhat. We expect this weakening to be short in duration. The demand for engineering design services from forest industry equipment manufacturers remained at a low level on average. The demand for engineering design services from aerospace and defense equipment manufacturers was at a good level in Finland and grew in Sweden. The demand for engineering design services in the transportation and vehicle industry improved compared to the previous quarter. The demand for testing and analysis services requiring special expertise remained at a good level.

New investment projects were still started at a slow pace. Quotation activity for Russian investment projects remained brisk and a few new projects were launched.

Competition in the engineering design industry continued to be intensified by engineering design companies from low-cost countries operating in the Nordic region.

Business review

Sales to key customers declined by 1.6 per cent in the review period compared to the corresponding period last year (4-6/2012).

During the review period, Etteplan received a considerable number of new assignments from forest industry equipment manufacturers, despite the fact that overall demand in the customer industry did not improve substantially. The number of assignments received from other customer industries developed in line with overall industry demand.

The proportion of revenue represented by Managed Services grew, exceeding one quarter in the review period. An example of new service contracts signed during the review period is a three-year outsourcing agreement concluded with Fortum Värme, according to which Fortum Värme's department responsible for technical documentation will be transferred to Etteplan. AB Fortum Värme is a Fortum company, owned jointly with the City of Stockholm. The agreement entered into force on July 1, 2013 and comprises the documentation for all of Fortum Värme's plants in the Stockholm region.

The number of working hours sold in the Chinese market grew by approximately 30 per cent in the review period compared to the corresponding quarter in 2012. Several new assignments began in China with local companies as customers. New customer accounts include among others Grundfos and Lei Shing Hong Machinery.

The volume of offshoring services produced in China grew. This growth was primarily derived from implementing service products and technical product information solutions in China. Etteplan's productized service solutions mostly include work performed in China.

The effect of market uncertainty was reflected in the sales of technical product information solutions, with new purchasing decisions being made more slowly than expected. Nevertheless, Etteplan acquired significant new customers, including Siemens Industrial Turbomachinery in Sweden. The productized HyperParts service solution allows the work to be performed in Etteplan's subsidiary in the Netherlands, which possesses the most suitable expertise for the assignment within the Group.

A number of new product development assignments were received during the review period, including assignments from National Electric Vehicle Sweden (NEVS) and Sulzer Pumps Sweden AB.

During the review period, Etteplan and National Electric Vehicle Sweden (NEVS) began cooperation to develop an advanced climate system and battery solution for NEVS' first electric car. Based in Trollhättan, Sweden, NEVS has taken over the operations of the former SAAB and focuses on developing electric vehicles.

Etteplan's cooperation with Sulzer Pumps was widened during the review period to cover Sulzer Pumps' operations in Sweden. According to the agreement, Etteplan will provide agitator related design services and technical product information solutions to Sulzer Pumps Sweden AB.

The utilization rate of engineering design services was at a satisfactory level during the review period. The utilization rate was weakened by the demand for engineering design services being lower than in the comparison period as well as ongoing personnel negotiations. The reductions in personnel were primarily implemented as temporary lay-offs. At the end of the review period, Etteplan had approximately 40 employees temporarily laid off.

During the review period, Etteplan sold its 33.3 per cent share in the Gothenburg-based I3TEX AB. I3TEX AB produces engineering design services primarily for the car industry. In Gothenburg Etteplan continues to serve customers manufacturing trains, mobile working machines, engines and cars by offering among others testing and analysis services that require specialized expertise. These services are geared to improve the energy efficiency of the customer's product and to reduce emissions.

Etteplan's focus on developing innovative service solutions was recognized in April by NVSM (De Nederlandse Vereniging voor Service Management), a Dutch organization promoting the maintenance service business. The innovation prize was awarded by NVSM for the first time. The award was given to Etteplan's Dutch subsidiary Etteplan | Tedopres and its HyperSIS information system developed to improve the efficiency of maintenance service operations.

Financial development April-June 2013

Etteplan's revenue in April-June 2013 declined by 2.2 per cent and stood at EUR 34.2 million (4-6/2012: EUR 35.0 million). Organic growth was -2.2 per cent. Revenue fell due to weaker demand for engineering design services. However, revenue remained on the same level as in the previous quarter (1-3/2013: EUR 34.5 million).

The operating profit was EUR 2.0 million (4-6/2012: EUR 2.4 million). The decline in operating profit was caused by the decline in revenue. In addition, the result was affected by the utilization rate of engineering design capacity being at a lower level than in the corresponding period in 2012. Operating profit developed favorably compared to the first quarter of the year (1-3/2013: EUR 1.8 million).

The operating cash flow was EUR 1.0 million (4-6/2012: EUR 2.4 million). The decline in cash flow was due to lower revenue and unfavorable mix of payment terms compared to the corresponding period in 2012.

REVIEW JANUARY-JUNE 2013

Business review January-June 2013

Operating environment

New orders from the machinery and metal industry in Finland in April-June were at a lower level than in the corresponding period in 2012, but showed a slight increase from the first quarter. The contraction of the order backlog continued in the second quarter (The Federation of Finnish Technology Industries: Situation and Outlook 3/2013). The Swedish export industry outperformed its Finnish counterpart on average during the review period. The negative development had an impact on the demand for engineering design services and technical product information solutions, weakening it in the first half of the year. The decline in demand was substantial compared to the first half of 2012.

The demand for engineering design services from mining equipment manufacturers was at a reasonable level on average in the first half of the year and declined in the second quarter. The demand for engineering design services from lifting and hoisting equipment manufacturers weakened slightly in the first half of the year, with demand in the second quarter of 2013 largely unchanged from the first quarter. The demand for engineering design services in the energy and power transmission industries was at a good level in the first half of the year, although demand was temporarily weaker in the second quarter. The demand for engineering design services from forest industry equipment manufacturers remained at a low level overall. However, Etteplan's customers in this industry saw positive business development, leading to the demand for Etteplan's services and solutions being at a good level. The demand for engineering design services from aerospace and defense equipment manufacturers was at a good level in Finland and grew in Sweden. The demand for engineering design services from the transportation and vehicle industry weakened in the first half of the year overall, but improved in the second quarter. The demand for testing and analysis services requiring special expertise was at a good level throughout the first half of the year.

New investment projects were started at a slow pace during the beginning of the year. Quotation activity for Russian investment projects was brisk and new projects were launched at a moderate pace.

The demand for services produced in China strengthened at a steady pace in the first half of the year. Demand improved both locally in the Chinese market and in offshoring services.

Internal competition in the engineering design industry was increased by engineering design companies from low-cost countries operating in the Nordic region as well as the prevailing tight market situation.

Business review

Sales to key customers declined by 3.6 per cent compared to the corresponding period last year (1-6/2012). Despite this contraction, Etteplan's market position remained strong and even strengthened further in several customer accounts.

Etteplan's business operations contracted in the first half of the year as customers' order backlogs and orders received by the company were at a lower level than in the corresponding period in 2012. Development in the sale of service solutions was positive in a market environment where customers are determined to find increasingly advanced and cost-effective solutions in the areas of engineering design and technical product information. This was reflected in the review period in the form of successful new customer acquisition and the sales volume of Managed Services. Etteplan was active in submitting quotations for technical product information service solutions throughout the first half of the year. New operating models, which are the most advanced in the industry, were piloted in several customer organizations. On the whole, however, sales of technical product information services were slower than expected in the first half of the year.

In Sweden, a high attrition rate burdened operations throughout the beginning of the year.

The number of working hours sold in the Chinese market grew by approximately 50 per cent compared to the corresponding period in 2012.

Etteplan's Russian design permits helped the company secure several assignments related to investment projects in spite of the overall investment activity being at a low level.

Revenue

Etteplan's revenue decreased by 2.7 per cent and was EUR 68.7 million (1-6/2012: EUR 70.6 million). Revenue was at the same level as in the previous quarter (1-3/2013: EUR 34.5 million). Organic growth was -4.4 per cent. The factors contributing to the decrease in revenue were reduced order books and a lower volume of new orders for companies in the machinery and metal industries and the resulting weaker demand for engineering design services and technical product information solutions.

Etteplan's business is subject to periodic fluctuation. The periodic fluctuation is affected by holiday seasons and the timing of product development and investment projects in customer companies, mainly at the beginning of the year as well as in the fall. The revenue in the third quarter is typically lower than that of other quarters. The first half of 2013 was slightly shorter in working days than the corresponding period in 2012.

Result

Operating profit decreased by 25.2 per cent and was EUR 3.7 million (1-6/2012: EUR 5.0 million). The operating profit was affected by negative development in demand, lower revenue and the engineering design capacity utilization rate.

The operational costs decreased by 1.4 per cent as a result of the contraction in operations. The operating profit percentage decreased year-on-year and was 5.4 per cent (7.0 per cent). EBITDA declined and was EUR 5.1 million (EUR 6.1 million). EBITDA decreased less than the operating profit due to the amortization of intangible assets related to the acquisition of Tedopres International B.V.

Financial expenses were EUR 0.5 million (1-6/2012: EUR 0.6 million).

Taxes in the income statement amounted to 21.8 per cent (1-6/2012: 25.2 per cent) calculated of the result before taxes. The amount of taxes was EUR 0.7 million (EUR 1.1 million).

Profit before taxes for the review period was EUR 3.4 million (1-6/2012: EUR 4.5 million). Earnings per share were EUR 0.13 (EUR 0.18). Equity per share was EUR 1.23 (EUR 1.13). Return on capital employed (ROCE) before taxes was 16.8 per cent (23.8 per cent).

The profit for the review period was EUR 2.7 million (1-6/2012: EUR 3.4 million).

Financial position and cash flow

Total assets on June 30, 2013 were EUR 77.1 million (December 31, 2012: EUR 76.4 million). Goodwill on the balance sheet was EUR 39.4 million (December 31, 2012: EUR 39.9 million). The decrease in goodwill results from changes in currency rates.

The Group's cash and cash equivalents stood at EUR 2.3 million (December 31, 2012: EUR 5.4 million). The Group's financial liabilities at the end of the review period amounted to EUR 22.3 million (December 31, 2012: EUR 20.9 million). The total of unused short-term credit facilities stood at EUR 7.9 million (December 31, 2012: EUR 12.3 million).

The equity ratio declined slightly compared to the end of 2012 and was 31.7 per cent (December 31, 2012: 32.4 per cent). The equity ratio was higher than in the corresponding period in the previous year (June 30, 2012: 28.8 per cent). Operating cash flow was EUR -0.9 million (1-6/2012: EUR 4.0 million). Cash flow was affected by periodic fluctuation. Cash flow was further impacted by the number of assignments with long payment terms being higher than in the comparison period. Cash flow after investments was EUR -1.3 million (1-6/2012: EUR -0.8 million).

Capital expenditures

The Group's gross investments during the review period were EUR 0.9 million (1-6/2012: EUR 8.0 million). The investments mainly consisted of license fees for design applications.

Personnel

The Group employed 1,739 (1-6/2012: 1,774) people on average during the review period and 1,742 (June 30, 2012: 1,784) at the end of the review period. At the end of the review period, 627 people (June 30, 2012: 686) were employed by the Group abroad.

Incentive plan for key personnel

The Board of Directors of Etteplan Oyj decided on a new share-based incentive plan for the Group's key personnel in March 2011. The plan includes three earning periods, calendar years 2011, 2012 and 2013. The Board of Directors shall decide on the earnings criteria and on targets to be established for them for each earning period. The rewards to be paid on the basis of the plan from all earning periods 2011, 2012 and 2013 will correspond to the value of an approximate maximum total of 810,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

During the earning period 2011, 16 people belonged to the target group of the plan. The earnings criteria of the earning period 2011 were the Etteplan Group's operating profit (EBIT) and revenue. The Board of Directors of Etteplan Oyj has in its meeting, on February 14, 2012, made a resolution that there will be no transfer of company-held shares for the 2011 earnings period.

At a meeting held on February 14, 2013, the Board of Directors of Etteplan Oyj decided to transfer company-held shares under an authorization given to the Board of Directors by the Annual General Meeting of March 30, 2012. According to the resolution of the Board of Directors, Etteplan Oyj has transferred 9,511 company-held shares to the 16 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period. The shares were transferred on April 30, 2013. In addition, the company paid the key personnel concerned a cash component corresponding to the taxes and tax-like charges incurred as a result of the reward. The earnings criteria for the 2012 earnings period was Etteplan Group's operating profit (EBIT).

During the 2013 earning period, approximately 17 employees belong to the target group of the plan. The earnings criteria for the 2013 earning period is Etteplan Group's operating profit (EBIT).

Annual General Meeting

The Annual General Meeting of Shareholders of Etteplan Oyj was held at the premises of the Company in Vantaa on March 27, 2013. In accordance with the proposal of the Board of Directors' Nomination and Remuneration Committee, the Annual General Meeting re-elected Tapio Hakakari, Heikki Hornborg, Robert Ingman, Pertti Nupponen, Satu Rautavalta and Teuvo Rintamäki to the Board.

The Annual General Meeting approved the Financial Statements for financial year 2012 and discharged the members of the Board of Directors and the CEO from liability.

The auditor elected was PricewaterhouseCoopers Oy, Authorized Public Accounting Firm, with Authorized Public Accountant Mr. Mika Kaarisalo as the main responsible auditor. The fee for the auditor is paid according to the invoice approved by the Company.

The Annual General Meeting authorized the Board of Directors to resolve to repurchase Company's own shares in one or more tranches using the Company's unrestricted equity. A maximum of 2,000,000 Company shares may be repurchased. The Company may deviate from the obligation to repurchase shares in proportion to the shareholders' holdings, i.e., the Board has the right to decide on a directed repurchase of Company shares.

The authorization includes the right for the Board to resolve to repurchase the Company's shares through a tender offer made to all shareholders on equal terms and conditions and at the price determined by the Board; or in public trading organized by the NASDAQ OMX Helsinki Ltd. at the market price valid at the time of purchase, so that the Company's total holding of own shares does not exceed ten (10) per cent of all the shares in the Company. The minimum price for the shares to be repurchased is the lowest market price quoted for the share in public trading and, correspondingly, the maximum price is the highest market price quoted for the share in public trading during the validity of the authorization.

Should shares be repurchased in public trading, such shares will not be purchased in proportion to the current shareholders' holdings. Thus, there must be a substantial financial reason for the Company to repurchase Company shares. The shares may be repurchased in order to be used as consideration in potential acquisitions or in other structural arrangements. The shares may as well be used for carrying out Company's incentive schemes for its personnel. The repurchased shares may be kept by the Company, invalidated or transferred onwards.

The repurchase of shares will reduce the non-restricted equity.

The authorization is valid for eighteen (18) months from the date of the resolution of the Annual General Meeting starting on March 27, 2013 and ending on September 26, 2014. The authorization will replace the corresponding previous authorization.

Dividend

The Annual General Meeting on March 27, 2013 passed a resolution, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.15 per share be paid for the financial year 2012 and the remaining funds shall be left to the unrestricted equity. The dividend was paid to the shareholders registered on the record date in the shareholders' register maintained by Euroclear Finland Ltd. The record date of the payment of dividend was April 3, 2013. The dividend was paid on April 10, 2013.

Shares

Etteplan's shares are listed in NASDAQ OMX Helsinki Ltd's Small Cap market capitalization group in the Industrials sector under the ETT1V ticker.

The company's share capital on June 30, 2013 was EUR 5,000,000.00, and the total number of shares was 20,179,414. The company has one series of shares. All shares confer an equal right to a dividend and the company's funds.

The Annual General Meeting on March 24, 2010 granted the Board of Directors the authorization to decide upon an issue of no more than 4,000,000 shares with a share issue or by granting option rights or other specific rights, referred to in Chapter 10, Article 1 of the Companies Act, giving entitlement to shares in one or more lots. The authorization includes the right to decide to issue either new shares or company-held shares. The authorization is valid for five (5) years from the time of the Annual General Meeting resolution – i.e. from March 24, 2010 through March 24, 2015. The authorization replaces the previous authorization. The Board has not exercised this authorization.

The company held 461,791 of its own shares on June 30, 2013, which corresponds 2.29 per cent of all shares and voting rights (December 31, 2012: 471,302). The company transferred 9,511 company-held shares to the 16 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period on April 30, 2013. In January-June 2013, the company did not acquire any company-held shares.

The number of Etteplan Oyj shares traded during the review period was 1,280,699, to a total value of EUR 4.0 million. The share price low was EUR 2.69, the high EUR 3.40, the average EUR 3.04, and the closing price EUR 3.13. Market capitalization on June 30, 2013 was EUR 61.7 million.

On June 30, 2013, the members of the company's Board of Directors and the President and CEO owned a total of 1,598,470 (December 31, 2012: 1,596,320) shares, or 7.92 per cent of the total share base.

Flaggings

Etteplan Oyj received no flagging notices in January-June 2013.

Operating risks and uncertainty factors

Etteplan's financial results are exposed to a number of strategic, operational and financial risks.

Etteplan's risk management review for 2012 is presented in the Annual Report 2012 on pages 27-29.

Operating risks and uncertainty factors in the review period

The uncertainty caused by the general economic development increased in the first half of 2013. The increase in economic uncertainty was reflected in weaker demand for engineering design services and technical product information solutions.

The company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. During the period under review, increased difficulties in obtaining professional staff in Sweden was an elevated business risk that materialized and burdened the revenue and operating profit for the review period.

Estimate of operating risks and uncertainty factors in the near future

The uncertainty caused by the general economic development continues to be a risk for Etteplan's business operations. The possibility of unforeseen changes in customer operations continues to cause an increased risk for Etteplan's operations.

The company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. The company expects the risk in Sweden to be at a significant level.

Operating risks continue to remain at the elevated level seen in early 2013.

Outlook 2013

Market outlook

Changes in Etteplan's customers' order books quickly influence the development of Etteplan's revenue. At the end of the review period, the order books of Etteplan's major customers were, on average, at a lower level than in the corresponding period in 2012. We estimate that the demand situation for engineering design services continues to be challenging.

Financial guidance

We expect the revenue for the year 2013 to be on the same level as in year 2012 and the operating profit for the year 2013 to be lower than in year 2012.

Financial information in 2013

Etteplan Oyj's interim report for the third quarter will be published on Wednesday, October 30, 2013.

Hollola, August 15, 2013

Etteplan Oyj

Board of Directors

Additional information:

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APPENDIX:

Financial Statement Summary and Notes

Consolidated Statement of Comprehensive Income

Consolidated Statement of Financial Position

Consolidated Statement of Cash Flows

Consolidated Statement of Changes in Equity

Notes to the Financial Statement Summary

The information presented herein has not been audited.

Releases and other corporate information are available on Etteplan's Web site at www.etteplan.com.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1 000)	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Revenue	34 240	35 002	68 699	70 628	134 479
Other operating income	152	92	216	199	512
Materials and services	-2 759	-2 916	-5 450	-5 488	-10 935
Staff costs	-23 131	-23 579	-47 376	-48 443	-92 696
Other operating expenses	-5 870	-5 602	-10 999	-10 817	-20 207
Depreciation and amortization	-678	-644	-1 378	-1 117	-2 439
Operating profit (EBIT)	1 954	2 353	3 712	4 962	8 715
Financial income	127	87	194	139	180
Financial expenses	-48	-308	-454	-623	-1 226
Share of the result of associate	14	18	-54	69	-127
Profit before taxes	2 047	2 149	3 398	4 546	7 542
Income taxes	-408	-489	-741	-1 147	-1 957
Profit for the financial year	1 639	1 660	2 656	3 399	5 585
Other comprehensive income					
Foreign subsidiary net investment hedge	280	-58	107	-117	-279
Currency translation differences	-1 402	241	-654	416	1 039
Change in fair value of investments available-for-sale	7	-3	9	5	10
Other comprehensive income, net of tax	-1 115	181	-538	305	770
Total comprehensive income for the year	524	1 841	2 119	3 704	6 355
Income attributable to					
Equity holders of the parent company	1 635	1 704	2 624	3 486	5 767
Non-controlling interest	4	-44	32	-87	-182
	1 639	1 660	2 656	3 399	5 585
Total comprehensive income attributable to					
Equity holders of the parent company	517	1 897	2 095	3 797	6 533
Non-controlling interest	7	-56	23	-93	-179
	524	1 841	2 119	3 704	6 355
Earnings per share calculated from the result attributable to equity holders of the parent company					
Basic earnings per share, EUR	0,08	0,09	0,13	0,18	0,29
Diluted earnings per share, EUR	0,08	0,09	0,13	0,18	0,29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	30.6.2013	30.6.2012	31.12.2012
ASSETS			
Non-current assets			
Tangible assets	1 587	1 936	1 755
Goodwill	39 424	39 276	39 930
Other intangible assets	6 188	6 198	6 546
Shares in associated company	0	401	83
Investments available-for-sale	616	599	604
Deferred tax assets	12	111	13
Non-current assets, total	47 828	48 522	48 931
Current assets			
Trade and other receivables	26 922	25 683	22 035
Current tax assets	85	14	0
Cash and cash equivalents	2 264	2 717	5 402
Current assets, total	29 272	28 414	27 438
TOTAL ASSETS	77 100	76 935	76 369
EQUITY AND LIABILITIES			
Capital attributable to equity holders of the parent company			
Share capital	5 000	5 000	5 000
Share premium account	6 701	6 701	6 701
Unrestricted equity fund	2 614	2 584	2 584
Own shares	-1 912	-1 883	-1 936
Cumulative translation adjustment	122	210	661
Other reserves	112	145	151
Retained earnings	8 937	6 124	6 123
Profit for the financial year	2 624	3 486	5 767
Capital attributable to equity holders of the parent company, total	24 199	22 367	25 051
Non-controlling interest	-350	-288	-373
Equity, total	23 849	22 079	24 678
Non-current liabilities			
Deferred tax liabilities	1 053	1 294	1 179
Financial liabilities	10 636	15 830	13 243
Other non-current liabilities	3 224	3 636	3 224
Non-current liabilities, total	14 913	20 760	17 646
Current liabilities			
Financial liabilities	11 614	8 351	7 665
Trade and other payables	26 332	24 938	25 380
Current income tax liabilities	390	808	1 000
Current liabilities, total	38 337	34 096	34 045
Liabilities, total	53 250	54 856	51 691
TOTAL EQUITY AND LIABILITIES	77 100	76 935	76 369

CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR 1 000)	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Operating cash flow					
Cash receipts from customers	33 860	37 097	64 828	72 857	139 835
Operating expenses paid	-31 581	-33 719	-63 815	-67 369	-125 858
Operating cash flow before financial items and taxes	2 279	3 378	1 013	5 488	13 977
Interest and payment paid for financial expenses	-165	-268	-383	-552	-1 044
Interest received	7	16	11	48	79
Income taxes paid	-1 099	-693	-1 578	-985	-1 674
Operating cash flow (A)	1 022	2 433	-938	3 998	11 339
Investing cash flow					
Purchase of tangible and intangible assets	-230	-338	-512	-459	-1 543
Acquisition of subsidiaries	0	0	0	-4 615	-4 615
Disposal of associates	100	0	100	0	229
Proceeds from sale of tangible and intangible assets	3	4	5	20	23
Loan receivables, decrease	4	-1	15	271	299
Proceeds from sale of investments	0	0	0	0	13
Investing cash flow (B)	-123	-334	-392	-4 783	-5 593
Cash flow after investments (A+B)	899	2 099	-1 330	-785	5 745
Financing cash flow					
Short-term loans, increase	1 323	1 525	2 860	1 539	756
Short-term loans, decrease	-211	-637	-1 230	-895	-5 015
Long-term loans, increase	0	0	0	4 000	4 000
Long-term loans, decrease	0	-758	0	-1 665	0
Payment of finance lease liabilities	-270	-261	-545	-499	-1 043
Dividend paid and other profit distribution	-2 956	-1 971	-2 956	-1 971	-1 971
Financing cash flow (C)	-2 114	-2 102	-1 871	509	-3 273
Variation in cash (A+B+C) increase (+) / decrease (-)	-1 215	-3	-3 201	-276	2 472
Assets at the beginning of the period	3 299	2 738	5 402	3 023	3 023
Exchange gains or losses on cash and cash equivalents	180	-16	63	-29	-93
Assets at the end of the period	2 264	2 717	2 264	2 717	5 402

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Legends for table columns

- A) Share Capital
- B) Share Premium Account
- C) Unrestricted Equity Fund
- D) Other Reserves
- E) Own Shares
- F) Cumulative Translation Adjustment
- G) Retained Earnings
- H) Total
- I) Non-controlling Interest
- J) Equity total

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2012	5 000	6 701	2 584	140	-1 958	-96	8 093	20 466	-195	20 271
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	5 767	5 767	-182	5 585
Fair value reserve available-for-sale assets	0	0	0	10	0	0	0	10	0	10
Foreign subsidiary net investment hedge	0	0	0	0	0	-279	0	-279	0	-279
Cumulative translation adjustment	0	0	0	0	0	1 036	0	1 036	3	1 039
Total comprehensive income for the year	0	0	0	10	0	756	5 767	6 534	-179	6 355
Transactions with owners										
Dividends	0	0	0	0	0	0	-1 971	-1 971	0	-1 971
Share based incentive plan	0	0	0	0	22	0	0	22	0	22
Transactions with owners, total	0	0	0	0	22	0	-1 971	-1 948	0	-1 948
Equity 31.12.2012	5 000	6 701	2 584	150	-1 936	660	11 889	25 051	-374	24 678

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2013	5 000	6 701	2 584	150	-1 936	660	11 889	25 051	-374	24 678
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	2 624	2 624	32	2 656
Fair value reserve available-for-sale assets	0	0	0	9	0	0	0	9	0	9
Foreign subsidiary net investment hedge	0	0	0	0	0	107	0	107	0	107
Cumulative translation adjustment	0	0	0	0	0	-645	0	-645	-9	-654
Total comprehensive income for the year	0	0	0	9	0	-538	2 624	2 095	23	2 119
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 956	-2 956	0	-2 956
Reclassifications	0	0	0	-48	0	0	50	2	0	2
Share based incentive plan	0	0	29	0	24	0	-46	7	0	7
Transactions with owners, total	0	0	29	-48	24	0	-2 953	-2 947	0	-2 947
Equity 30.6.2013	5 000	6 701	2 614	112	-1 912	122	11 561	24 199	-350	23 849

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2012	5 000	6 701	2 584	140	-1 958	-96	8 093	20 466	-195	20 271
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	3 486	3 486	-87	3 399
Fair value reserve available-for-sale assets	0	0	0	5	0	0	0	5	0	5
Foreign subsidiary net investment hedge	0	0	0	0	0	-117	0	-117	0	-117
Cumulative translation adjustment	0	0	0	0	0	423	0	423	-6	417
Total comprehensive income for the year	0	0	0	5	0	306	3 486	3 797	-93	3 704
Transactions with owners										
Dividends	0	0	0	0	0	0	-1 971	-1 971	0	-1 971
Share based incentive plan	0	0	0	0	75	0	0	75	0	75
Transactions with owners, total	0	0	0	0	75	0	-1 971	-1 896	0	-1 896
Equity 30.6.2012	5 000	6 701	2 584	145	-1 883	210	9 609	22 367	-288	22 079

NOTES TO THE FINANCIAL STATEMENT SUMMARY

General

The parent company of Etteplan Group is Etteplan Oyj (the Company), a Finnish public limited company established under Finnish law. The Company is domiciled in Hollola.

Etteplan provides engineering services and technical product information solutions to the world's leading companies in the manufacturing industry. Company's services are geared to improve the competitiveness of customers' products and engineering processes throughout the product life cycle. The results of Etteplan's innovative engineering can be seen in numerous industrial solutions and everyday products.

In 2012, Etteplan had turnover of EUR 134.5 million. The company has more than 1,700 professionals in Finland, Sweden, the Netherlands and China. Etteplan's shares are listed on NASDAQ OMX Helsinki Ltd under the ETT1V ticker.

The Etteplan Oyj Board of Directors has approved this interim report for publication at its meeting of August 15, 2013.

Basis for preparation

The interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard and the preparation and accounting policies presented in the 2012 annual financial statements.

Monetary figures in the interim report are presented in thousands of euros. All figures in the tables have been rounded up or down, due to which the sums of figures may deviate from the sum totals presented.

In interim report the accounting principles used were the same as for the 2012 annual financial statements. The annual financial statements are available at <http://www.etteplan.com/investors/annual-and-interim-reports/2013.aspx> and the accounting policy is detailed on pages 40-47 of the annual report 2012. Formulas for the key figures are detailed at the end of this interim report.

Use of estimates

This interim report includes forward-looking estimates and assumptions. Accordingly, outcomes may deviate from these estimates, which are based on the management's best knowledge at the time of interim report.

Income taxes

The taxes listed in the consolidated income statement have been calculated with the tax rate appropriate for the projected full-year result. The estimated average effective tax rate for the year has been set separately for each relevant country. Taxes in the income statement amounted to 21.8 per cent (1-6/2012: 25.2 per cent) calculated of the result before taxes.

Risks

Etteplan's financial results are exposed to a number of strategic, operational and financial risks. A description of risks can be found in Etteplan's annual report 2012 on pages 27-29. A detailed financial risk analysis can be found in Etteplan's annual report 2012 on pages 47-51.

KEY FIGURES

(EUR 1 000)	1-6/2013	1-6/2012	1-12/2012	Change to prev. year
Revenue	68 699	70 628	134 479	-2,7 %
EBITDA	5 090	6 078	11 154	-16,2 %
EBITDA, %	7,4	8,6	8,3	
Operating profit (EBIT)	3 712	4 962	8 715	-25,2 %
EBIT, %	5,4	7,0	6,5	
Profit before taxes	3 398	4 546	7 542	-25,3 %
Profit before taxes, %	4,9	6,4	5,6	
Return on equity, %	21,9	32,1	24,8	
ROCE, %	16,8	23,8	20,4	
Equity ratio, %	31,7	28,8	32,4	
Gross interest-bearing debt	22 250	24 180	20 909	-8,0 %
Net gearing, %	83,8	97,2	62,8	
Balance sheet, total	77 100	76 935	76 369	0,2 %
Gross investments	852	8 015	9 508	-89,4 %
Operating cash flow	-938	3 998	11 339	-123,5 %
Basic earnings per share, EUR	0,13	0,18	0,29	-27,8 %
Diluted earnings per share, EUR	0,13	0,18	0,29	-27,8 %
Equity per share, EUR	1,23	1,13	1,27	8,8 %
Personnel, average	1 739	1 774	1 756	-2,0 %
Personnel at end of the period	1 742	1 784	1 776	-2,4 %

REVENUE AND OPERATING PROFIT (EBIT) QUARTERLY

(EUR 1 000)	1-3/2013	4-6/2013
Revenue	34 459	34 240
Operating profit (EBIT)	1 758	1 954
EBIT, %	5,1	5,7

TANGIBLE AND INTANGIBLE ASSETS

(EUR 1 000)	Tangible assets	Goodwill	Other intangible assets
Acquisition cost 1.1.2013	15 458	39 930	14 776
Translation difference	-52	-506	2
Additions	351	0	501
Disposals	-4	0	-2
Reclassifications between items	5	0	0
Acquisition cost 30.6.2013	15 758	39 424	15 278
Accumulated depreciation and impairment 1.1.2013	-13 703	0	-8 230
Translation difference	51	0	0
Depreciation on reclassifications and disposals	-2	0	1
Depreciation	-516	0	-860
Accumulated depreciation and impairment 30.6.2013	-14 171	0	-9 089
Book value 30.6.2013	1 587	39 424	6 188
Acquisition cost 1.1.2012	13 813	36 331	7 293
Translation difference	55	412	19
Additions	519	0	460
Acquisitions	721	2 533	5 883
Disposals	-57	0	-7
Acquisition cost 30.6.2012	15 051	39 276	13 648
Accumulated depreciation and impairment 1.1.2012	-12 128	0	-5 899
Translation difference	-48	0	-17
Cumulative depreciation on acquisitions	-483	0	-909
Depreciation on reclassifications and disposals	32	0	7
Depreciation	-488	0	-632
Accumulated depreciation and impairment 30.6.2012	-13 115	0	-7 450
Book value 30.6.2012	1 936	39 276	6 198

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data.

Fair value measurements of available-for-sale financial assets as at 30.6.2013

EUR 1 000	Level 1	Level 2	Level 3	Total
Listed shares	108	0	0	108
Premises	0	480	0	480
Unlisted shares	0	0	29	29
Total	108	480	29	616

Reconciliation of fair value measurements of available-for-sale financial assets:

	Listed shares	Premises	Unlisted shares	Total
EUR 1 000				
Opening balance at 1.1.2013	96	480	29	605
Gain/loss recognized in other comprehensive income	12	0	0	12
Closing balance 30.6.2013	108	480	29	616

Unlisted shares are valued at historic cost, when their fair value cannot be measured reliably and they are not intended to be actively traded on the active markets. Amounts of these shares recognized in the balance sheet are minor and do not have essential effect on the consolidated balance sheet. Investments available-for-sale are classified as non-current assets as they are not expected to be realized during the next twelve months after the reporting date and selling them is not necessary for gaining working capital.

FINANCIAL LIABILITIES

(EUR 1 000)	30.6.2013	30.6.2012	31.12.2012
Non-current	10 636	15 830	13 243
Current	11 614	8 351	7 665
Total	22 250	24 180	20 909

PLEDGES, MORTGAGES AND GUARANTEES

(EUR 1 000)	30.6.2013	30.6.2012	31.12.2012
Leasing liabilities			
For payment under one year	1 582	1 690	1 737
For payment 1-5 years	1 361	1 925	1 698
Total	2 943	3 615	3 435

Related party transactions

In addition to the associated companies the Group's related-party includes such persons that have control, joint control or significant influence over the Group. Also the Group's key personnel, that is, the members of the Board of Directors and Management Group including the CEO are included in the related-party. Companies in control or joint control of the before mentioned persons are considered as other related parties. Related-party transactions are priced according to Group's normal pricing basis and sales conditions.

THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES:

(EUR 1 000)	30.6.2013	30.6.2012	31.12.2012
Sales of services to related parties			
Associated companies	0	983	1 052
Other related parties	92	64	171
Total	92	1 047	1 223
Purchase of services from related parties			
Key personnel	0	11	11
Associated companies	93	489	1 042
Other related parties	60	185	331
Total	153	685	1 384
Receivables from related parties			
Associated companies	0	106	0
Other related parties	19	20	34
Total	19	126	34
Payables to related parties			
Associated companies	0	161	122
Total	0	161	122

MAJOR SHAREHOLDERS JUNE 30, 2013

Name	Number of shares	Holding of shares, %
Ingman Group Oy Ab	5 850 000	28,99
Mönkkönen Tapani	4 045 650	20,05
Oy Fincorp Ab	2 103 000	10,42
Hornborg Heikki	1 088 320	5,39
Varma Mutual Pension Insurance Company	821 328	4,07
Etteplan Oyj	461 791	2,29
Tuori Klaus	351 000	1,74
Danske Fund Finnish Small Cap	308 042	1,53
Tuori Aino	256 896	1,27
Webstor Oy	223 146	1,11
Kempe Anna	220 000	1,09
Hakakari Tapio	200 000	0,99
Mandatum Life Unit-Linked	197 556	0,98
Tuori Kaius	173 370	0,86
Evli Bank Plc	164 633	0,82
Nordea Finland Small Cap Fund	132 683	0,66
Kempe Lasse	100 000	0,50
Kempe Pia	97 700	0,48
Turret Oy Ab	80 300	0,40
Nelimarkka Heikki	72 600	0,36
Other shareholders	3 231 399	16,00
Total	20 179 414	100,00
Nominee-registered shares	338 657	1,68

FORMULAS FOR KEY FIGURES

EBITDA

Operating profit (EBIT) + Depreciation and amortization

Return on equity (ROE)

$$\frac{(\text{Profit before taxes and non-controlling interest} - \text{taxes}) \times 100}{(\text{Shareholders' equity} + \text{minority interest}) \text{ average}}$$

Return on capital employed (ROCE), before taxes

$$\frac{(\text{Profit before taxes and non-controlling interest} + \text{interest and other financial expenses}) \times 100}{(\text{Balance sheet total} - \text{non-interest bearing debts}) \text{ average}}$$

Equity ratio, %

$$\frac{(\text{Shareholders' equity} + \text{non-controlling interest}) \times 100}{\text{Balance sheet total} - \text{advances received}}$$

Net gearing, %

$$\frac{(\text{Interest-bearing debts} - \text{cash and cash equivalents and marketable securities}) \times 100}{\text{Shareholders' equity} + \text{non-controlling interest}}$$

Earnings per share

$$\frac{(\text{Profit before taxes and non-controlling interest} - \text{taxes} - \text{non-controlling interest})}{\text{Adjusted average number of shares during the financial year}}$$

Equity per share

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