Financial Statement Release Jan-Dec 2012

- The Tulikivi Group's fourth-quarter net sales totalled EUR 14.2 million (EUR 15.5 million Q4/2011), the operating result was EUR 0.5 million (-1.0) and the profit before taxes was EUR 0.3 million (-1.2). The result was adversely affected by the restructuring provision of EUR 1.0 million for adjustment measures.
- Net sales in 2012 totalled EUR 51.2 million (EUR 58.8 million in 2011), the operating result was EUR 0.1 million (-2.4) and the result before taxes was EUR -0.8 million (-3.1). The comparable figures for 2011 were adversely affected by non-recurring expenses of EUR 1.6 million caused by the centralisation and adjustment measures. Earnings per share amounted to EUR -0.02 (-0.07).
- Year-end order books were at EUR 4.6 (5.7) million.
- Cash flow from operating activities before investments was EUR 0.1 (1.4) million.
- The Group's equity ratio at the end of the year was 35.2 per cent (33.3).
- The Board will propose to the Annual General Meeting that no dividend be paid.
- Future outlook: The sales of Tulikivi products will depend on the development of demand. No significant growth on the previous year is anticipated for net sales in 2013. As a result of improvements to operating efficiency, operating profit is expected to improve and the result before taxes to be profitable.

Managing Director Heikki Vauhkonen

The financial situation was very challenging at the start of 2012. The European financial crisis, which intensified in October 2011, weakened consumer confidence and decreased fireplace demand in the main markets. The strongest impact was on domestic net sales fireplace business that decreased by approximately 15 per cent despite the positive development in market share. At the start of the year, fireplace demand already remained below the previous year's level. In September 2012, domestic consumer demand decreased further.
Performance in fireplace exports was more stable, and net sales grew by around 2 per cent. The most positive development took place in the United States, Russia, Germany and the new East European export countries. As a whole, there was satisfactory performance in exports to Central Europe despite the dire financial situation.
Demand for lining stone products was low in early 2012, due to the cautious behaviour of heater manufacturers as regards their stocks. Net sales of lining stone products decreased by 18 per cent.
Net sales of sauna products are not yet significant regarding the whole figure. The net sales and result of interior stone products were as expected.

Tulikivi Corporation, FI-83900 Juuka, tel. +358 403 063 100 fax + 358 206 050 701
first name. last namei@tulikivi.fi www.tulikivi.com
VAT-number FI 03500801, Business ID 0350080-1Domicle Juuka

In spite of the decrease in net sales, the operating result of the Tulikivi Group became profitable in 2012. This was the result of the three million euro savings project that was implemented successfully. The savings boosted production efficiency and decreased fixed costs, as was the target.

Net sales and result

The Tulikivi Group's fourth-quarter net sales totalled EUR 14.2 million (EUR 15.5 million in Q4/2011), the operating profit was EUR 0.5 (-1.0) million and the profit before taxes was EUR 0.3 (-1.2) million. The comparable figures for 2011 were adversely affected by the restructuring provision of EUR 1.0 million for adjustment measures.

Group net sales in 2012 totalled EUR 51.2 million (EUR 58.8 million in 2011). The net sales of the Fireplaces Segment amounted to EUR 47.1 (53.5) million and the net sales of the Interior Stone Segment were EUR 4.1 (5.3) million. The 2011 figures included net sales of discontinued operations, which amounted to EUR 1.6 million in the Fireplaces Business and EUR 1.4 million in the Interior Stone Business.
Net sales in Finland totalled EUR 24.9 (31.6) million, or 48.5 (53.7) per cent of the total net sales. Exports accounted for more than a half of the net sales total, i.e. EUR 26.3 (27.2) million. The principal export countries were Sweden, France, Germany, Belgium and Russia. In exports, net sales of fireplaces and lining stone products were as expected.
The consolidated operating result was EUR 0.1 (-2.4) million. The Fireplaces Segment's operating profit was EUR 1.8 (0.2) million and the operating result for the Interior Stone Segment was a loss of EUR -0.1 (-0.6) million, while Other Items' expenses were EUR -2.0 (-2.0) million. Other Items include expenses of the Group administration and expenses pertaining to financial administration. The operating result for 2011 was adversely affected by non-recurring expenses of EUR 1.6 million net caused by the centralisation and adjustment measures. Of these expenses, EUR 1.4 million is allocated to the Fireplaces Segment and EUR 0.2 million net to the Interior Stone Segment.
The consolidated result before taxes was EUR -0.8 (-3.1) million and comprehensive income was EUR -0.6 (-2.4) million. The consolidated return on investment was 0.3 (-4.9) per cent. Earnings per share amounted to EUR -0.02 (-0.07).

Financing and investments

Cash flow from operating activities before investments was EUR 0.1 (1.4) million. Working capital increased by EUR 3.0 million during the financial year and came to EUR 9.9 million. This was the result of the decrease in accrued expenses, the cancellation of the restructuring provision and the increase in boulder stocks. Interest-bearing debt was EUR 23.9 (24.9) million, and net financial expenses were EUR 0.8 (0.7) million. The current ratio was 1.7 (1.5). The equity ratio was 35.2

(33.3) per cent. The ratio of interest-bearing net debt to equity, or gearing, was 112.9 (96.5) per cent. The equity per share amounted to EUR 0.49 (0.51).

Tulikivi completed negotiations to change the loan instalment schedule for the next three years. This includes covenants which are tied to the increase of the Group's profitability.

At the end of the financial year, the Group's cash and other liquid assets came to EUR 3.3 (6.8) million, and the total of undrawn credit facilities and unused credit limits amounted to EUR 4.0 (4.1) million. The Group's debt financing, totalling EUR 18.4 (14.5) million, includes covenants which are tied to the Group's equity. Furthermore, a covenant condition tied to the ratio between the interest-bearing debt and EBITDA is applied on a share of EUR 8.4 (0.0) million of debt financing. All covenant conditions were met on the balance sheet date, and the Group's financing resources are sufficient for the implementation of business plans.

The Group´s investments in production, quarrying and development came to total of EUR 2.7 (4.9) million. The new ERP system was introduced at the beginning of 2012. The new system will harmonise Tulikivi's internal processes in the various production plants and businesses. It will also make the management of the partner network and the entire delivery chain more efficient. Other major investments included replacement investments in the production plants and quarry investments.

Research and development expenses totalled EUR 1.6 (2.1) million, and their relative share of net sales was 3.1 (3.8) per cent. A total of EUR 0.6 (0.6) million of this figure, after deduction of subsidies, was capitalised.

Significant investments were made in the commercialisation, launch and product approvals of the modular Hiisi collection. The modular design of the products allows the growth of component-specific volumes in order to boost production and acquisitions. This will accelerate and intensify product development in future.

Tulikivi Figure and Tulikivi Color coating materials were launched at the same time as the Hiisi collection. They will enable the use of new designs and colours in soapstone fireplaces.

The Tulikivi Nuoska sauna heater received a Fennia Prize design award and the Hiisi collection received an award for its design at the Habitare Fair. The Tulikivi Harmaja fireplace received a Vesta Award for its technical features at the HBPA Expo in the USA.

Personnel
The Group employed an average of 351 (427) people during the financial year. The average was calculated according to the period of employment, taking account of the impact of layoffs. The number of personnel at the end of the year was 377 (436) people. Of these employees, 341(395) were employed by the Fireplaces Segment, 21 (25) by the Interior Stones Segment and 15 (16) in activities not allocated to a segment. The number of personnel decreased during the year by 54 people as a result of the centralisation measures and attrition
In all, 97.6 per cent of the employment relationships were permanent and 2.4 per cent were temporary. Salaries and bonuses during the year totalled EUR 13.9 (17.4) million. The figure includes EUR 0.9 million in restructuring costs.

The Tulikivi Group has an incentive pay scheme for all personnel. The incentive pay scheme is based on improvements in the Group's result and productivity, and the Managing Director and key personnel also have personal targets in addition to this. The 2012 result did not justify the payment of incentive pay. The cost impact of incentive pay given on the basis of personal targets was EUR 0.1 (0.1) million in the financial year.

Occupational safety during the year was good. The number of occupational accidents per million working hours was 32 (34).

Resolutions of the Annual General Meeting
Dividends
Tulikivi Corporation's Annual General Meeting, held on 12 April 2012, resolved not to pay a dividend on the 2011 financial year.

Decision-making bodies
The following persons were elected to the Board of Directors of the parent company and domestic business subsidiaries: Olli Pohjanvirta, Markku Rönkkö, Pasi Saarinen, Maarit Toivanen-Koivisto, Heikki Vauhkonen and Matti Virtaala. The Board of Directors elected from among its members Matti Virtaala as Chairman. KPMG Oy Ab, Authorized Public Accountants, was elected as the auditor.

Authorisation to repurchase the company's own shares
The Annual General Meeting authorised the Board of Directors to acquire the company's own shares as proposed by the Board.

Authorisation to decide on share issues and on the transfer of Tulikivi Corporation shares held by the company, and on the right to issue special rights giving entitlement to shares as defined in Chapter 10, section 1, of the Limited Liability Companies Act

The Annual General Meeting authorised the Board of Directors to decide on issuing new shares and on the transfer of Tulikivi Corporation shares held by the company as proposed by the Board. In accordance with the proposals of the Board, the authorisation also includes the right to issue special rights, as defined in Chapter 10, section 1, of the Limited Liability Companies Act, which give entitlement to subscribe Tulikivi shares against payment or by setting off the receivable.

Treasury shares

At the start and end of the financial year, the total number of Tulikivi Corporation shares held by the company was 124 200 Series A shares, which corresponds to 0.1 per cent of the company's share capital and 0.1 per cent of all voting rights. The company did not purchase or assign any of its own shares during the year.

Major business risks

The Group's business risks are categorised as strategic and operational risks, damage, casualty and loss risks and financial risks. Strategic risks are related to the nature of business operations, and they concern, but are not limited to, changes in the Group's operating environment, financial markets, market situation and market position as well as consumer habits and demand factors, allocation of resources, raw material reserves, changes in legislation and regulations, business operations as a whole, the reputation of the company, its brands and raw materials, and large investments.

Operational risks are related to products, distribution channels, personnel, operations, new product launches and processes. Damage, casualty and loss risks include fires, serious break-downs of machinery and other damage to assets that may also lead to interruption of business. Damage, casualty and loss risks also include occupational health and safety risks, environmental risks and accident risks. Financial risks the Group is exposed to are liquidity risks, risks related to capital management, interest rate risks and foreign currency risks.

Risk evaluation is carried out in connection with the drawing up of the strategic planning process and the annual action plan. Following analysis of the risks, the means of preventing and controlling them have been examined on the basis of impact and probability. If risk management methods prove ineffective or cannot be used, realised risks can have a substantial adverse effect on the result, financial position, business and share value.

During the financial year, the actions taken to improve profitability will substantially streamline the corporate cost structure. Other development projects to enhance risk management were also continued. As a result, new product lines were launched to complement Tulikivi's core products.

In 2012, the relative profitability of Tulikivi operations was significantly improved. Efficient operations will be further intensified with the renewed enterprise resource planning system that enables faster and more reliable reporting.

Any major downturn that might be caused by the euro area crisis could decrease the demand for the company's products and the company's profitability and equity. The company's balance sheet assets include goodwill, intangible assets and deferred tax assets, the value of which is based on the management's estimates. If these estimates fail to materialise, it is possible that impairment losses would have to be recognised in connection with the impairment testing processes. Meeting the covenant conditions on the Group's bank loans will require the improvement of the company's profitability in future.

Environmental obligations

Tulikivi's environmental strategy is geared towards making systematic progress in environmental matters in specified areas. All of Tulikivi Corporation's operational quarries and the ceramic production of the Heinävesi plant have the environmental permits they require. There are no ongoing permit processes.

Under the Mining Act and environmental legislation, the Tulikivi Group has landscaping obligations that must be met during operations and after the quarries and plants are eventually shut down. No hazardous or poisonous substances are left in the environment as a result of the Group's operations.

The Group's operations comply with the environmental permits, the requirements of the authorities and the environmental protection requirements. The Group is neither party to judicial or administrative procedures concerning environmental issues nor is it aware of any environmental risks that would have a significant effect on its financial position.

Events following the end of the financial year

On 21 January 2013, the company began codetermination negotiations covering all of the Group's personnel. The current estimate is that any reorganisation of work would mean up to 10 people being made redundant in the Group's Finnish operations, in sales, customer service and production, and up to 40 production staff being laid off until further notice. In addition to this, temporary layoffs of a maximum of 90 days are being negotiated. Tulikivi's negotiations concerning implementation of the layoffs will take account of the demand situation during 2013.

Future outlook

The demand for Tulikivi products depends on the development of consumer confidence. New products will enable the growth of market share, but no significant growth is anticipated for net sales in 2013. As a result of improvements to operating efficiency, operating profit is expected to improve and the result before taxes to be profitable.
Order books at the end of the year amounted to EUR 4.6 (5.7) million.

Board of Directors' proposal on use of distributable equity

There is no distributable equity. The reserve for invested unrestricted equity has a total of EUR 5,835 thousand of returnable funds.

The Board will propose to the Annual General Meeting that no dividend be paid.

Segment reporting

The Group's operating segments are the Fireplaces Segment and the Interior Stone Segment. The Fireplaces Segment includes Tulikivi and Kermansavi soapstone and ceramic fireplaces, their accessories, fireplace lining stones.. The Interior Stone Segment includes interior design stone products. In previous financial years this segment was called Natural Stone Products. Expenses not allocated to a segment are recognised under 'Other items' in segment reporting. Expenses not allocated to segments include expenses of the Group administration, expenses pertaining to financial administration, and financial expenses and taxes.

Strategy

The Group strategy covers all key operating and financial targets to the end of 2017. Under the strategy, the company is targeting annual organic growth of over 10 per cent in the next few years. The aim is also to achieve an operating profit of 10 per cent within the next five years. The target for return on equity is that is it should exceed 20 per cent. Corporate acquisitions in support of the strategy are also possible. Due to unstable environment, the Group did not meet its strategic goals.

Corporate Governance Statement

Tulikivi Corporation will issue its Corporate Governance Statement for 2012 separately from the Annual Report. The Corporate Governance Statement has been prepared in accordance with Recommendation 54 of the Finnish Corporate Governance Code and Chapter 2, section 6 of the Securities Markets Act. Information on corporate governance can be found on Tulikivi's website, at http://www.tulikivi.com/en/tulikivi/Corporate_governance_and_management.

FINANCIAL STATEMENT Jan –Dec 2012, SUMMARY
CONSOLIDATE STATEMENT OF COMPREHENSIVE INCOME

Eur million	1-12/12	1-12/11	Change. %	10-12/12	10-12/11	Change. %
Sales	51.2	58.8	-12.9	14.2	15.5	-8.4
Other operating income	0.8	1.0		0.2	0.1	
Increase/decrease in inventories in finished goods and in work in progress	1.1	-0.5		-0.4	0.0	
Production for own use	0.4	0.8		0.1	0.3	
Raw materials and consumables	-10.7	-12.2		-2.8	-3.1	
External services	-7.7	-9.0		-1.9	-2.5	
Personnel expenses	-17.6	-22.5		-4.5	-6.7	
Depreciation and amortisation	-4.1	-4.2		-1.1	-1.0	
Other operating expenses	-13.3	-14.5		-3.4	-3.6	
Operating profit/loss	0.1	-2.4	104.2	0.5	-1.0	150.0
Percentage of sales	0.2	-4.1		3.5	-6.5	
Finance income	0.1	0.2		0.0	0.1	
Finance expense	-0.9	-0.9		-0.2	-0.2	
Share of the profit of associated company	0.0	0.0		0.0	0.0	
Profit before tax	-0.8	-3.1	74.2	0.3	-1.2	125.0
Percentage of sales	-1.6	-5.3		2.1	-7.7	
Direct taxes	0.2	0.7		-0.1	0.2	
Profit/loss for the period	-0.6	-2.4	75.0	0.2	-1.0	120.0
Other comprehensive income						
Interest rate swaps	0.0	0.0		0.0	0.0	
Translation difference	0.0	0.0		0.0	0.0	
Total comprehensive income for the per	-0.6	-2.4	42.9	0.2	-1.0	120.0
Earnings per share attributable to the equity holders of the parent company, EUR, basic and diluted	-0.02	-0.07	71.4	0.00	-0.03	100.0

Tulikivi Corporation, FI-83900 Juuka, tel. +358 403 063 100 fax + 358 206 050 701
first name. last namei@tulikivi.fi www.tulikivi.com
VAT-number FI 03500801, Business ID 0350080-1Domicle Juuka

CONSOLIDATED BALANCE SHEET

EUR million	12/12	12/11
ASSETS		
Non-current assets		
Property, plant and equipment		
Land	1.0	1.0
Buildings	5.9	6.5
Machinery and equipment	4.4	5.4
Other tangible assets	1.5	1.4
Intangible assets		
Goodwill	4.2	4.2
Other intangible assets	12.4	12.6
Investment properties	0.2	0.2
Available-for-sale investments	0.0	0.1
Receivables		
Other receivables	0.1	0.2
Deferred tax assets	2.2	2.0
Total non-current assets	31.9	33.6
Current assets		
Inventories	11.4	10.7
Trade receivables	3.9	4.3
Current income tax receivables	0.0	0.1
Other receivables	1.2	1.1
Cash and cash equivalents	3.3	6.8
Total current assets	19.8	23.0
Total assets	51.7	56.6
EQUITY AND LIABILITIES		
Equity		
Share capital	6.3	6.3
Treasury shares	-0.1	-0.1
Translation difference	0.1	0.1
Revaluation reserve	-0.1	-0.1
Invested unrestricted equity	7.3	7.3
Retained earnings	4.7	5.3
Total equity	18.2	18.8
Non-current liabilities		
Deferred income tax liabilities	1.4	1.4
Provisions	1.2	1.3

Financial liabilities	19.3	19.0
Other debt	0.0	0.2
Total non-current liabilities	21.9	21.9
Current liabilities		
Trade and other payables	7.1	9.1
Current provisions	0.0	0.9
Current financial liabilities	4.5	5.9
Total current liabilities	11.6	15.9
Total liabilities	33.5	37.8
Total equity and liabilities	51.7	56.6

CONSOLIDATED CASH FLOW STATEMENT

EUR million	Jan-Dec 2012	Jan-Dec 2011
Cash flows from operating activities		
Profit for the period	-0.6	-2.4
Adjustments:		
Non-cash transactions	3.8	3.5
Interest expenses and interest income and income taxes	0.7	0.1
Change in working capital	-3.0	1.2
Interest paid and received and taxes paid	-0.8	-0.9
Net cash flow from operating activities	0.1	1.4
Cash flows from investing activities		
Investment in property, plant and equipment and intangible assets	-2.9	-4.7
Grants received for investments and sales of property, plant and equipment	0.6	1.1
Net cash flow from investing activities	-2.3	-3.6
Cash flows from financing activities		
Loans taken	4.1	5.5
Repayment of loans	-5.3	-5.9
Dividends paid and		

treasury shares	0.0	-0.9
Net cash flow from financing activities	-1.2	-1.3
Change in cash and cash equivalents	-3.4	-3.4
Cash and cash equivalents at beginning of period	6.8	10.2
Cash and cash equivalents at end of period	3.3	6.8

KEY FINANCIAL RATIOS AND SHARE RATIOS	Jan-Dec/12	Jan-Dec/11	Q4/12	Q4/11
Earnings per share, EUR	-0.02	-0.07	0.00	-0.03
Equity per share, EUR	0.49	0.51	0.49	0.51
Return on equity, %	-3.4	-11.9	8.9	-0.2
Return on investments, %	0.3	-4.8	3.4	-8.6
Equity ratio, %	35.2	33.3		
Net indebtness ratio, %	112.9	96.5		
Current ratio	1.7	1.5		
Gross investments, EUR million	2.7	4.9		
Gross investments, % of sales	5.3	8.3		
Research and developments, EUR million	1.6	2.1		
%/sales	3.1	3.6		
Outstanding orders (31.Dec.), EUR million	4.6	5.7		
Average number of staff	351	427		
Rate development of shares, EUR				
Lowest share price, EUR	0.47	0.61		
Highest share price, EUR	0.92	1.40		
Average share price, EUR	0.60	1.00		
Closing price, EUR	0.57	0.63		
Market capitalization at the end of period, 1000 EUR	21101.3	23322.5		

(Supposing that the market price of the K-share

is the same as that of the A-share)				
Number of shares traded, (1000 pcs)	4050.6	3849.7		
% of total amount of A-shares	14.7	14.0		
Number of shares average	37019770	37019770	37019770	37019770
Number of shares 31 December	37019770	37019770	37019770	37019770

In the consolidated balance sheet the soapstone reserves owned by the company have been recognized at cost.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million

	Share capital	Reserve for invested unrestrict. equity	Revalu-ation reserve	Trea-sury shares	Trans-lation diff.	Re-tained earnings	Total
Equity Jan. 1,2012	6.3	7.3	-0.1	-0.1	0.1	5.3	18.8
Total comprehensive income for the period			0.0		0.0	-0.6	-0.6
Transactions with the owners							
Dividends paid						0.0	.0.0
Equity Dec. 31,2012	6.3	7.3	-0.1	-0.1	0.1	4.7	18.2
Equity Jan. 31,2011	6.3	7.3	-0.1	-0.1	0.1	8,6	22,1
Total comprehensive income for the period			0.0		0.0	-2.4	-2.4
Transactions with the owners							
Dividends paid						-0.9	-0.9
Equity Dec. 31, 2011	6.3	7.3	-0.1	-0.1	0.1	5.3	18.8

SEGMENT REPORTING	Jan-Dec	Jan-Dec

EUR million	2012	2011
Sales	47.1	58.8
Fireplaces	51.2	53.5
Interior Stone	4.1	5.3
Operating profit	0.1	-2.4
Fireplaces	1.8	0.2
Interior Stone	-0.1	-0.6
Other items	-2.0	-2.0

BUSINESS SEGMENTS QUARTERLY
EUR million

	Q4/ 2012	Q3/ 2012	Q2/ 2012	Q1/ 2012	Q4/ 2011	Q3/ 2011	Q2/ 2011	Q1/ 2011
Sales	14.2	13.1	13.2	10.7	15.5	15.1	15.6	12.6
Fireplaces	13.3	12.2	12.0	9.6	14.4	14.2	13.5	11.4
Interior Stone	0.9	0.9	1.2	1.1	1.1	0.9	2.1	1.2
Operating profit/loss	0.1	0.4	0.6	-1.4	-1.1	0.5	-0.3	-1.5
Fireplaces	0.7	0.9	1.0	-0.8	-0.4	1.2	0.3	-0.9
Interior Stone	0.0	0.0	0.1	-0.2	-0.1	-0.2	-0.1	-0.2
Other items	-0.6	-0.5	-0.5	-0.4	-0.6	-0.5	-0.5	-0.4

ASSETS AND LIABILITIES BY SEGMENT ON DECEMBER 31, 2012

	Fire-places	Interior stone	Other items	Total
Assets by segment	40.9	2.5	8.3	51.7
Liabilities by segment	7.4	0.4	25.8	33.6
Investments (net)	2.0	0.0	0.7	2.7
Depreciation and amortisation expenses	3.2	0.1	0.8	4.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This financial statement release has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. The key performance ratios and share ratios are calculated using the same methods as for the consolidated financial statements for 2011.

Tulikivi Group has applied as from 1 January 2012 the following amended standards that have come into effect. These had no significant impact on the consolidated financial statements for the financial year 2012:

- Amendments to IFRS 7 *Financial Instruments: Disclosures* (effective for financial years beginning on or after 1 July 2011): The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial instruments and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The amendments will impact the notes to the consolidated financial statements.

The key performance ratios and share ratios are calculated using the same methods as for the consolidated financial statements for 2011.   The calculations rules can be found in the 2011 annual report, page 86.

Use of estimates
When preparing the financial statements certain assumptions and estimates regarding future have to be made. The outcomes might differ from these assumptions and estimates. In addition judgements have to be made in the application of accounting principles. The estimates affect the amounts of assets and liabilities at the balance sheet date, reporting of contingent liabilities and income and expenses for the reporting period.

Income taxes

EUR million	Jan-Dec/2012	Jan-Dec/2011
Taxes for the current and previous reporting periods	0.0	0.0
Deferred taxes	0.2	0.7
Total	0.2	0.7

Collaterals given

EUR million	12/2012	12/2011
Loans from credit institutions and other long term debts and loan		

Tulikivi Corporation, FI-83900 Juuka, tel. +358 403 063 100 fax + 358 206 050 701
first name. last namei@tulikivi.fi www.tulikivi.com
VAT-number FI 03500801, Business ID 0350080-1Domicle Juuka

guarantees, with related mortgages and pledges	23.8	25.9
Mortages granted and collaterals pledged	29.3	27.2
Other given guarantees and pledges on behalf of own liabilities	0.5	0.8
Derivatives		
Interest rate swaps		
Nominal value	2.3	3.2
Fair value	-0.1	-0.1
Foreign exchange forward contracts		
Nominal value	- 0.4	0.1
Fair value	0.0	0.0

The fair value of derivatives is the gain or loss for closing the contract based on market rates at the balance sheet date.

Provisions

EUR million	Environ-mental provisions	Warranty provisions	Restruc-turing provision
Provisions, Jan. 1, 2012	0.7	0.4	1.2
Increase in provisions	0.0	0.1	0.0
Effect of discounting	-0.0		
Used provisions	-0.0	-0.1	-0.9
Reversals of provisions	-0.0	-0.1	-
Provisions, Dec. 31, 2012	0.7	0.3	0.3

The environmental and warranty provisions are non-current provisions. The environmental provision before discounting amounts to EUR 1.1 (1.0) million. The discount factor used in determining the present value is 4 (4) per cent. The restructuring provision in its entirety is a long-term provision.

Environmental provision
Under the Mining Act and environmental legislation, the Tulikivi Group has landscaping obligations which must be met during operations and when the quarries are shut down in the future. The environmental provision takes into account the costs of environmental monitoring after the closure of a quarry and the costs of landscaping obligations in so far as it has been possible to determine these reliably. The lining work carried out in stacking areas is based on a long-term quarrying plan, according to which surface material from new quarries is to be used in lining work. No provi-

sion is recognised for the lining work because this particular landscaping work is not expected to increase the costs of normal quarrying activity.

Warranty provision
Tulikivi gives a five-year warranty for certain products. Any defects covered by the terms of warranty and detected during the warranty period will be repaired at Tulikivi´s expense.

Restructuring provision
The restructuring provision includes unemployment pension deductible provisions related to the redundancies.

Changes in tangible assets are classified as follows:

	12/2012	12/2011
Acquisition costs	1.2	1.7
Proceeds from sales	-0.2	-0.3
Total	1.0	1.4

Changes in intangible assets are classified as follows:

	12/2012	12/2011
Acquisition costs	1.5	3.1
Proceeds from sales	0.0	-0.0
Total	1.5	3.1

Impairment of property, plant and equipment, intangible assets and other assets
Based on impairment tests, there was no need to recognise impairment loss charges.

Share capital
Share capital by share series

	Number of shares	% of shares	% of voting rights	Share, EUR of share capital
K shares (10 votes)	9 540 000	25.7	77.6	1 621 800
A shares (1 vote)	27 603 970	74.3	22.4	4 692 675
Total Dec. 31, 2012	37 143 970	100.0	100.0	6 314 475

There have been no changes in Tulikivi Corporation´s share capital during the period. According to the articles of association the dividend paid for Series A shares shall be 0.0017 EUR higher than the dividend paid on Series K shares. Each Series K shares confers 10 votes at a general meeting, while each Series A shares confers one vote. The Series A share is listed on the NASDAQ OMX Helsinki Ltd. 2.85 per cent of all shares were nominee registered or in foreign ownership. No flagging notifications were made to the company during the review period.

Board authorizations
The Board of Directors has an authorization to acquire the company's own shares. A maximum of 2 760 397 Series A shares in the company and 954 000 Series K shares in the company can be bought back. The authorization is valid until the Annual General Meeting 2013.

The Board of Directors has an authorization to decide on share issues and the conveyance of the company's own shares in the possession of the company and the granting of special rights that give entitlement to shares as set forth in Chapter 10, Article 1 of the Companies Act.
The Annual General Meeting authorized the Board of Directors to decide on issuing new shares and the conveyance of own shares in the company's possession. New shares can be issued or own shares held by the company conveyed amounting to a maximum of 5 520 794 Series A shares and 1 908 000 Series K shares.
The authorization also includes the right to issue special rights, as defined in Chapter 10, Article 1 of the Companies Act, entitling the right holder to subscribe for shares against payment or by setting off the receivable. The authorization is valid until the Annual General Meeting 2013.

At the end of the year, the company hold 124 200 of its own A-series shares, corresponding to 0.3 per cent of share capital and 0.1 per cent of total voting rights.

Related party transactions
The following transactions with related parties took place:

EUR 1000	12/2012	12/2011
Sales of goods and services to associated companies and related parties	5	6
Purchases of goods and services from associated companies	303	310
Fixed assets acquired from associated companies	-	115
Debts owed to associated companies	-	263
Leases from related parties	108	108
Sales of goods and services to related parties	2	2

Outstanding receivables from related parties	1	1
Sales to related parties	1	-

Transactions with other related parties
Tulikivi Corporation is a founder member of the Finnish Stone Research Foundation.
The company has leased offices and storages from the property owned by the Foundation and North Karelia Educational Federation of Municipalities. The rent paid for these facilities was EUR 233 (139) thousand in the period. The rent corresponds with the market rents. The company has sold services amounting to EUR 16 (9) thousand to the foundation and has leased land, amounting to EUR 2 (2) thousand. Outstanding receivables from the Foundation amounted EUR 9 (2) thousand.

Key managent compensation
EUR 1000

	12/2012	12/2011
Salaries and other short-term employee benefits of the Board of Directors and Managing Directors	430	446
Other long term employee benefits	62	51

Largest shareholders on December 31, 2012

Name of shareholder	Shares	Proportion of total vote
Vauhkonen Reijo	4 195 577	24.3 %
Vauhkonen Heikki	3 030 353	24.1 %
Elo Eliisa	2 957 020	5.9 %
Virtaala Matti	2 450 516	12.7 %
Mutual Pension Insurance Ilmarinen	1 902 380	1.5 %
Mutanen Susanna	1 643 800	7.2 %
Vauhkonen Mikko	769 310	3.5 %
Paatero Ilkka	718 430	0.6 %
Nuutinen Tarja	674 540	3.5 %

Tulikivi Corporation, FI-83900 Juuka, tel. +358 403 063 100 fax + 358 206 050 701
first name. last namei@tulikivi.fi www.tulikivi.com
VAT-number FI 03500801, Business ID 0350080-1Domicle Juuka

Investment Fond Phoebus	585 690	0.5 %
Other shareholders	18 211 454	16.2 %

The figures contained in the financial statement release have not yet been audited.

The financial statements and Board of Directors´report will be published on the company´s website (www.tulikivi.com/Investors/Financial reports) during the week beginning March 12.

The companies included in the Group are the parent company Tulikivi Corporation, Kivia Oy, AWL-Marmori Oy, Tulikivi U.S. Inc. and OOO Tulikivi. Group companies include also The New Alberene Stone Company, Inc., which is dormant. The parent company has a fixed place of business in Germany, Tulikivi Oyj Niederlassung Deutschland.

On 21 June 2012, the Boards of Tulikivi Corporation and Kivia Oy decided to merge Kivia Oy into Tulikivi Corporation by absorption. The implementation of the merger was entered into the Trade Register on 31 December 2012. The merger aims to clarify the Group structure.

The Group has interests in associated companies Stone Pole Oy and Rakentamisen MALL Oy.

TULIKIVI CORPORATION

Board of Directors
Matti Virtaala Chairman of the Board

Distribution: NASDAQ OMX Helsinki Ltd
Central Media
www.tulikivi.com

Additional information: Tulikivi Corporation, 83900 Juuka, tel.

+358 403 063 100, www.tulikivi.com
- Chairman of the Board of Directors Matti Virtaala
- Managing Director Heikki Vauhkonen