



# **Etteplan's Financial Statement Release January-December 2010**

**Demand for design services recovered  
and operating profit improved significantly**

**Smart way to smart products**

**FINANCIAL STATEMENT RELEASE  
JANUARY 1 - DECEMBER 31, 2010**

**ETTEPLAN IN 2010: DEMAND FOR DESIGN SERVICES RECOVERED  
AND OPERATING PROFIT IMPROVED SIGNIFICANTLY**

**Review period October-December 2010**

- The Group's revenue for continuing operations increased 17.5% and was EUR 30.1 million (10-12/2009: EUR 25.6 million).
- Operating profit for continuing operations increased 49.8% and was EUR 1.9 million (EUR 1.3 million).
- Profit for the period for continuing operations improved and was EUR 1.6 million (EUR 0.5 million).
- Profit for the period for discontinuing operations was EUR 0.0 million (EUR -0.5 million).
- Operating cash flow was EUR 3.3 million (EUR 6.9 million).
- Earnings per share for continuing operations were EUR 0.06 (EUR 0.02).
- The number of personnel at the end of the period was 1,569 (1,544).

**Review period January-December 2010**

- The Group's revenue for continuing operations increased 6.2% and was EUR 104.8 million (1-12/2009: EUR 98.7 million).
- Operating profit for continuing operations increased significantly and was EUR 6.1 million (EUR -3.6 million).
- Profit for the financial period for continuing operations was EUR 4.3 million (EUR -3.3 million).
- The profit for the financial period for discontinuing operations was EUR 0.1 million (EUR -11.1 million).
- Operating cash flow was EUR 1.5 million (EUR 2.1 million).
- Earnings per share for continuing operations were EUR 0.19 (EUR -0.17).
- The Board of Directors proposes a dividend of EUR 0.10 per share.

**Outlook**

Current market outlook of machinery and equipment manufacturers is positive. The development of Etteplan's customers' order books influences quickly the development of Etteplan's revenue.

We expect the revenue and operating profit for the year 2011 to grow compared to year 2010.

Potential acquisitions in 2011 are not included in the estimate.

## Key figures\*)

(EUR 1 000)	10-12/2010	10-12/2009	1-12/2010	1-12/2009
Revenue	30,089	25,606	104,786	98,700
Operating profit/loss	1,891	1,262	6,054	-3,587
Operating profit/loss, %	6.3	4.9	5.8	-3.6
Profit/loss for the period	1,607	489	4,347	-3,287
Profit/loss for the period, %	5.3	1.9	4.1	-3.3
Equity ratio, %	43.6	38.5	43.6	38.5
Net gearing %	24.1	20.8	24.1	20.8
Total assets	67,653	61,704	67,653	61,704

\*) Continuing operations

### **Matti Hyytiäinen, President and CEO of Etteplan Oyj, comments the financial statement release as follows:**

"The gradual recovery of demand of our customers' products and services continued throughout the year and accelerated in the last quarter of the year. As a consequence the market situation for our industry improved toward the end of the year. We can be relatively satisfied with the achievements in 2010. Revenue for the whole year grew six percent and in the last quarter the growth was 17 percent compared to the same period last year. Adjustment measures started during year 2009 and finished in spring 2010 manifested as more efficient operations and our operating profit improved significantly compared to previous year. Operating cash flow remained still at a low level due to the increase in working capital caused by the strong growth in the last quarter.

We expect the demand for design services to further improve due to our customers' technology development investments and improved order books. Etteplan is well positioned for the growth of the design services' demand and we are able to increase our design capacity without significant increase in fixed costs."

### **Accounting principles**

The financial statement release has been prepared in accordance with IAS 34 (Interim Financial Reporting) and the preparation and accounting policies presented in the 2009 annual financial statements, but not all requirements of the IAS 34 standard for interim financial reporting have been followed in the accounting.

## **REPORT FOR OCTOBER-DECEMBER 2010**

### **Business review for October-December**

The development of demand for design services continued to be favorable in the period under review. Demand for design services improved in all Etteplan's central customer industries and increase in demand developed evenly in Finland and Sweden.

In the last quarter of 2010, development of demand continued in same way as in the third quarter of the year. In energy and power transmission industry, medical technology and automotive industry demand for design services remained on a good level that had continued throughout the year. Demand for design services among equipment manufacturers for forest and mining industries continued to grow in the fourth quarter. Aerospace and defence equipment industry's demand for design services, which had been at a low level in the beginning of the year and turned to an increase in the third quarter, continued to recover further during the review period.

There was no significant change, compared to the third quarter, in the amount of personnel reductions implemented as temporary layoffs in Finland. The amount continued to be under 50 employees at the end of the period. In Sweden the recruitment that commenced in the second quarter continued. A part of it was replacement recruitment. The improved market situation manifested as increased turnover of personnel in the whole design industry in Sweden.

In the review period, Etteplan increased its service offering by establishing, in December, an innovation group around the latest developments in efficiency of accumulators, batteries, and energy use. The target customers include electric and hybrid vehicle and other automotive manufacturers and their subcontractors, accumulator and battery manufacturers as well as the entire machinery and equipment industry in general. The service concept covers, e.g., the following areas of competence: battery systems for electric and hybrid vehicles, high power batteries, fuel cells, modeling and simulation of batteries, failure analysis and factory audits. This new competence can be utilized extensively in Etteplan's customer assignments in the course of 2011.

### **Financial development for October-December**

In October-December 2010, Etteplan's revenue for continuing operations increased and amounted to EUR 30.1 million (10-12/2009: EUR 25.6 million). The increase in revenue was due to the recovered demand situation and Etteplan's good market position.

Operating profit for continuing operations improved and was EUR 1.9 million (10-12/2009: EUR 1.3 million).

## **REPORT FOR JANUARY-DECEMBER 2010**

### **Business review for January-December**

Demand for design services turned to an increase in the beginning of year 2010. The growth was uneven in Etteplan's different customer industries in the beginning of the year. During the second half of the year the demand for design services developed evenly and grew in all central customer industries. The strongest improvement in demand was among equipment manufacturers in forest and mining industries. In spite the growth in demand for design services, the demand was still at a low level compared to peak year 2008.

The utilization rate of company's design capacity was on a satisfactory level during the year. During 2009, Etteplan adjusted its operations to correspond with the decreased demand situation. The adjustment measures improved company's operations' cost efficiency in year 2010. In the end of 2010 company had unused design capacity that enables organic growth in 2011 without a significant increase in fixed costs.

The amount of personnel reductions implemented as temporary layoffs in Finland decreased from 200 employees in the beginning of the year to fewer than 50 employees during the review period. In Sweden recruitment commenced in the second half of the year. The slow availability of manpower restricted the organic growth in Sweden in the second half of the year.

Etteplan increased its ownership in Etteplan Vatable Technology Centre, Ltd. (EVTC), located in Kunshan, China, from 40 percent to 70 percent on July 1, 2010. Etteplan's China offshoring service's position became an established part of Etteplan's services in 2010. Technical design and product information services were produced from China to almost 60 customers during the year.

Company renewed its legal structure in Finland during 2010. The business operations were concentrated to Etteplan Design Center Oy in Finland. Group administration units continue their operations in the parent company Etteplan Oyj.

### **Revenue**

In 2010, Etteplan's revenue for continuing operations amounted to EUR 104.8 million (1-12/2009: EUR 98.7 million). The improvement in revenue was due to the strengthened demand situation and Etteplan's good market position.

## **Result**

Operating profit for continuing operations was EUR 6.1 million (1-12/2009: EUR -3.6 million). The improved demand situation for design services, adjustment of business operations as well as saving measures influenced the improved operating profit.

Profit for continuing operations before taxes for the financial year was EUR 5.8 million (1-12/2009: EUR -4.3 million). Taxes amounted to EUR 1.4 million (EUR -1.0 million). The income tax rate calculated on profit before taxes in the consolidated income statement was 24.6% (23.5%).

The profit for continuing operations for the financial year was EUR 4.3 million (1-12/2009: EUR -3.3 million). Earnings per share were EUR 0.19 (EUR -0.17). Equity per share was EUR 1.48 (EUR 1.20). Return on investment was 17.0% (-8.6%).

Profit for the financial period for discontinuing operations was EUR 0.1 million (EUR 1-12/2009: EUR -11.1 million).

Result for the review period was EUR 4.4 million (1-12/2009: EUR -14.4 million).

## **Financial position and operating cash flow**

Total assets on December 31, 2010, were EUR 67.7 million (December 31, 2009: EUR 61.7 million). Goodwill on the balance sheet was EUR 36.0 million (December 31, 2009: EUR 31.2 million). The increase in goodwill was due to changes in currency rates and the increased ownership in EVTC. The Group's cash and cash equivalents stood at EUR 5.0 million (December 31, 2009: EUR 6.7 million). The Group's financial liabilities amounted to EUR 12.1 million (December 31, 2009: EUR 11.6 million) at period end. The equity ratio was 43.6% (December 31, 2009: 38.5%). Operating cash flow was EUR 1.5 million (1-12/2009: EUR 2.1 million). The cash flow after investments was EUR -0.6 million (1-12/2009: EUR 0.1 million).

## **Capital expenditure**

The Group's gross investments in the period under review were EUR 2.5 million (1-12/2009: EUR 4.8 million).

## **Personnel**

The number of the Group's personnel averaged 1,594 (1-12/2009: 1,765) during the review period and was 1,569 (December 31, 2009: 1,544) at end of the year. Outside Finland, the Group employed 608 people (December 31, 2009: 571) at period end.

## **Incentive plan for key personnel**

The Etteplan Oyj Board of Directors decided on a share-based incentive plan for key personnel in March 2008. The plan includes three earnings periods: calendar years 2008, 2009 and 2010. The plan had a target group of 37 people in 2008, 39 people in 2009 and 33 people in 2010.

The Board of Directors of Etteplan Oyj has in its meeting, on February 11, 2009, made a resolution, pursuant to the authorization granted to it by the Annual General Meeting of Shareholders' held March 28, 2008, upon disposal of 41,177 company-held shares as the remuneration for the 2008 earnings period for 36 employees who were part of share-based incentive plan in 2008.

The Board of Directors of Etteplan Oyj has in its meeting, on February 10, 2010, made a resolution that there will be no disposal of company-held shares for the 2009 earnings period.

The Board of Directors of Etteplan Oyj has in its meeting, on February 14, 2011, made a resolution, that there will be no disposal of company-held shares for the 2010 earnings period.

## **Estimate of operating risks and uncertainty factors**

Etteplan's financial results are exposed to number of strategic, operational and financial risks. A description of risks can be found in Etteplan's annual report 2009 on page 59. A detailed financial risk analysis can be found in Etteplan's annual report 2009 on page 30.

### **External risks**

During the period under review, economic development on the whole and unpredictable changes in customers' business operations continued to be a risk.

### **Internal risks**

Etteplan does not foresee changes in its internal risk position compared to previously stated.

## **Annual General Meeting**

The Annual General Meeting of Shareholders of Etteplan Oyj was held on March 24, 2010 at premises of the Company in Vantaa. In accordance with the proposal of the Board of Directors' Nomination and Compensation Committee Tapio Hakakari, Heikki Hornborg, Robert Ingman and Pertti Nupponen were re-elected as members of the Board of Directors as well as Satu Rautavalta and Teuvo Rintamäki were elected as new members of the Board of Directors.

The Annual General Meeting approved the Financial Statements for financial year 2009 and discharged 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 fees for the auditor are paid according to invoice by the principles approved by the Board of Directors.

The Annual General Meeting authorized the Board of Directors to decide to issue maximum of 4,000,000 shares through issuance of shares, option rights or other special rights entitling to shares under Chapter 10, Section 1 of the Companies Act in one or more issues. The authorization includes a right to issue new shares or assign company's own shares held by the company.

The authorization is effective for a period of five (5) years from the resolution of the Annual General Meeting, i.e. from March 24, 2010 to March 24, 2015. The authorization replaced the previous authorization. The Board of Directors did not use the authorization in 2010.

The Annual General Meeting resolved, in accordance with proposal of the Board of Directors, to grant the Board the authority to acquire the company's own shares in one or more lots using the company's unrestricted equity. A maximum of 2,000,000 of the company's own shares can be acquired. The Board of Directors shall have the right to decide who the shares are acquired from or, the Board of Directors has the right to decide on a directed acquisition of own shares.

The authorization is valid for 18 months from the date of the decision of the Annual General Meeting starting on March 24, 2010 and ending on September 24, 2011. The authorization replaced the previous authorization. The Board of Directors did not use the authorization in 2010.

The Annual General Meeting adopted a resolution to amend the articles of association's paragraph 9 as follows:

"9 § Invitation to the General Meeting of Shareholders

Invitation to the General Meeting of Shareholders shall be published in the company's website no earlier than two (2) calendar months and no later than three (3) weeks prior to the meeting, but no later than nine (9) days before the record date of the General Meeting. The Board of Directors may also decide to publish the invitation to the General Meeting of Shareholders in a one Finnish national newspaper determined by the Board of Directors."

## **Dividend**

The Annual General Meeting passed a resolution, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.04 per share be paid from the financial year 2009. The remaining funds shall be left to the unrestricted equity. The dividend was paid to the shareholders registered in the shareholders' register maintained by Euroclear Finland Ltd as the record date. The record date of the payment of dividend was March 29, 2010. The dividend was paid on April 7, 2010.

## **Shares, share price development and share buy-back**

The Etteplan Oyj share (ETT1V) is quoted in the Nordic NASDAQ OMX's Small Cap market capitalization group in the "Industrials" sector.

The company's share capital on December 31, 2010, was EUR 5,000,000.00, and the number of shares outstanding was 20,179,414. There were no changes in the share capital during the period under review. The company has one series of shares. All shares confer an equal right to dividends and the company's funds.

The number of Etteplan Oyj shares traded during the financial year was 2,466,130 to a total value of EUR 7.1 million. The share price low was EUR 2.40, the high EUR 3.30, the average EUR 2.86, and the closing price EUR 2.74. Market capitalization on December 31, 2010 was EUR 54.0 million, and there were 1,873 shareholders.

The company held 471,302 of its own shares on December 31, 2010. In January-December 2010, the company did not acquire its own shares, but 2,004 shares were returned from the share-based incentive plan during the report period. The company has not disposed company-held shares in January-December 2010.

## **Major events after the review period**

Etteplan's operational structure was streamlined to correspond even better with the opportunities offered by operating environment. The business was organized, as of February 1, 2011, in a way that production of design services was combined into one entity, Etteplan Operations.

Etteplan's design services continue to include two service portfolios: expertise services and operational services. Expertise services aim to improve competitiveness of customers' products by offering flexibly special technical competence that represents field's best development and experience. The aim of operational services is to increase efficiency of customers' technical design and product information as well as to release customer organization's resources to its own core business. The service portfolios received good reception from customers and Etteplan continues to offer and productize services according to this service division.

As of February 1, 2011 Etteplan Oyj's Management Group consists of Matti Hyytiäinen, President and CEO; Niclas Gräns, Vice President, Partner Network; Per-Anders Gådin, CFO; Peter Jahn, Vice President, Etteplan Enterprise Solutions; Outi-Maria Liedes, Vice President, HR & Communications and Juha Näkki, Vice President, Etteplan Operations.

An agreement has been made with Pia Björk, Vice President, Operations Development that her employment in the company ended as the operations of Operations Development -unit ended on January 31, 2011.

## **Outlook**

Current market outlook of machinery and equipment manufacturers is positive. The development of Etteplan's customers' order books influences quickly the development of Etteplan's revenue.

We expect the revenue and operating profit for the year 2011 to grow compared to year 2010.

Potential acquisitions in 2011 are not included in the estimate.

### **Board's proposal for distribution of 2010 profits**

The parent company's distributable shareholders' equity according to the balance sheet on December 31, 2010, is EUR 10,928,531.54.

The Board of Directors will propose to the Annual General Meeting, which will convene on March 31, 2011, that on the dividend payout date a dividend of EUR 0.10 per share be paid on the company's externally owned shares, to a total amount of EUR 2,017,941.40 at most, and that the remaining profit be transferred to retained earnings. It is the Board's opinion that the proposed distribution of dividends will not endanger the company's solvency. In accordance with the Board's proposal, the record date for the dividend payout is April 5, 2011 and the date of dividend payout is April 12, 2011.

### **Financial information in 2011**

Etteplan Oyj's interim reports will be published as follows:

First quarter results, 3 months      Thursday May 5, 2011

Second quarter results, 6 months    Thursday August 11, 2011

Third quarter results, 9 months      Monday November 7, 2011

### **Annual General Meeting in 2011**

Etteplan Oyj's 2011 Annual General Meeting will be held in Vantaa, Finland, on March 31, 2011, starting at 1 p.m. Summons to the AGM will be published as a separate release.

Hollola, February 15, 2011

Etteplan Oyj

Board of Directors

Additional information:

Matti Hyytiäinen, President and CEO, at tel. +358 400 710 968

No auditor's report on the financial statement release has been submitted.



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

Releases and other corporate information are available on Etteplan's website at [www.etteplan.com](http://www.etteplan.com).

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These financial statements include forward-looking estimates and assumptions. Accordingly, outcomes may deviate from these estimates, which are based on the management's current best knowledge.

Etteplan is a specialist in industrial equipment engineering and technical product information solutions and services. Our customers are global leaders in their fields and operate in areas like the automotive, aerospace and defence industries as well as the electricity generation and power transmission sectors, and material flow management.

Etteplan has comprehensive competence in electronics and embedded systems development, automation and electrical design, mechanical design and technical product information solutions and services.

In 2010, Etteplan had turnover of EUR 104.8 million. Etteplan's shares are listed on NASDAQ OMX Helsinki Ltd under the ETT1V ticker.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1 000)	10-12/2010	10-12/2009	1-12/2010	1-12/2009
<b>Continuing operations</b>				
<b>Revenue</b>	<b>30 089</b>	<b>25 606</b>	<b>104 786</b>	<b>98 700</b>
Other operating income	63	-171	1 161	392
Materials and services	-3 019	-2 614	-9 847	-8 077
Staff costs	-20 431	-16 121	-73 368	-75 851
Other operating expenses	-4 426	-5 051	-15 185	-17 155
Depreciation and amortisation	-383	-387	-1 494	-1 596
<b>Operating profit/loss</b>	<b>1 891</b>	<b>1 262</b>	<b>6 054</b>	<b>-3 587</b>
Financial income	372	122	761	341
Financial expenses	-244	-354	-758	-925
Share of the result of associates	-1	-48	-291	-134
Profit/loss before taxes	2 019	981	5 766	-4 304
Income taxes	-412	-492	-1 420	1 017
<b>Profit/loss for the financial year, continuing operations</b>	<b>1 607</b>	<b>489</b>	<b>4 347</b>	<b>-3 287</b>
<b>Discontinuing operations</b>				
Profit/loss for the financial year, discontinuing operations	0	-549	102	-11 067
<b>Profit/loss for the financial year</b>	<b>1 607</b>	<b>-59</b>	<b>4 448</b>	<b>-14 354</b>
<b>Other comprehensive income</b>				
Currency translation differences	355	36	2 620	1 245
Change in fair value of investments available for sale	139	0	139	0
Other comprehensive income, net of tax	494	36	2 759	1 245
<b>Total comprehensive income/expense for the year</b>	<b>2 100</b>	<b>-24</b>	<b>7 208</b>	<b>-13 109</b>
<b>Income/expense attributable to</b>				
Equity holders of the company	1 595	-86	4 422	-14 403
Non-controlling interests	11	27	27	49
	1 607	-59	4 448	-14 354
<b>Total comprehensive income/expense attributable to</b>				
Equity holders of the company	1 924	-57	7 011	-13 164
Non-controlling interests	176	33	197	55
	2 100	-24	7 208	-13 109
Earnings per share calculated from the result of parent company shareholders				
<b>Continuing operations</b>				
Basic earnings per share, EUR	0,06	0,02	0,19	-0,17
Diluted earnings per share, EUR	0,06	0,02	0,19	-0,17
<b>Discontinuing operations</b>				
Basic earnings per share, EUR	0,00	-0,03	0,01	-0,56
Diluted earnings per share, EUR	0,00	-0,03	0,01	-0,56

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	31.12.2010	31.12.2009
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible assets	1 625	1 458
Goodwill	36 028	31 184
Other intangible assets	967	1 042
Shares in associated companies	18	0
Investments available for sales	620	691
Other long-term receivables	4	3
Deferred tax assets	476	950
<b>Non-current assets, total</b>	<b>39 738</b>	<b>35 329</b>
<b>Current assets</b>		
Trade and other receivables	22 894	18 645
Current tax assets	4	1 079
Cash and cash equivalents	5 018	6 650
<b>Current assets, total</b>	<b>27 916</b>	<b>26 375</b>
<b>TOTAL ASSETS</b>	<b>67 653</b>	<b>61 704</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital attributable to equity holders</b>		
Share capital	5 000	5 000
Share premium account	6 701	6 701
Unrestricted equity fund	2 584	2 590
Own shares	-1 958	-1 949
Cumulative translation adjustment	63	-2 534
Other reserves	10 139	10 000
Retained earnings	2 312	18 148
Profit/loss for the financial year	4 422	-14 403
Capital attributable to equity holders, total	29 264	23 554
Non-controlling interests	101	135
<b>Equity, total</b>	<b>29 365</b>	<b>23 689</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	264	150
Financial liabilities	6 780	7 626
<b>Non-current liabilities, total</b>	<b>7 044</b>	<b>7 776</b>
<b>Current liabilities</b>		
Financial liabilities	5 322	3 959
Trade and other payables	25 085	24 401
Reserves	106	1 435
Current income tax liabilities	731	445
<b>Current liabilities, total</b>	<b>31 244</b>	<b>30 239</b>
<b>Liabilities, total</b>	<b>38 288</b>	<b>38 016</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67 653</b>	<b>61 704</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR 1 000)	1-12/2010	1-12/2009
<b>Operating cash flow</b>		
Cash receipts from customers	102 248	129 302
Operating expenses paid	-99 027	-126 232
Operating cash flow before financial items and taxes	3 221	3 070
Interest and payment paid for financial expenses	-1 582	-632
Interest received	32	197
Income taxes paid	-166	-557
<b>Operating cash flow (A)</b>	<b>1 505</b>	<b>2 078</b>
<b>Investing cash flow</b>		
Purchase of tangible and intangible assets	-768	-139
Disposals of subsidiaries	0	93
Acquisition of subsidiaries	-2 320	-966
Acquisition of associates	-113	0
Proceeds from sale of tangible and intangible assets	27	30
Loan receivables, increase	0	-977
Loan receivables, decrease	1 065	0
Proceeds from sale of investments	2	3
<b>Investing cash flow (B)</b>	<b>-2 107</b>	<b>-1 956</b>
<b>Cash flow after investments (A + B)</b>	<b>-602</b>	<b>122</b>
<b>Financing cash flow</b>		
Purchase of own shares	0	-44
Short-term loans, increase	513	0
Short-term loans, decrease	-207	-3 251
Long-term loans, increase	2 165	2 528
Hybrid loan, increase	0	10 000
Long-term loans, decrease	-3 336	-3 112
Dividend paid and other profit distribution	-788	-1 574
<b>Financing cash flow (C)</b>	<b>-1 653</b>	<b>4 547</b>
<b>Variation in cash (A + B + C) increase (+) / decrease (-)</b>	<b>-2 255</b>	<b>4 669</b>
Assets in the beginning of the period	6 650	1 879
Exchange gains or losses on cash and bank equivalents	622	102
Assets at the end of the period	5 017	6 650

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Legends for table columns

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

<b>(EUR 1 000)</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>J</b>
<b>Equity 1.1.2009</b>	<b>5 000</b>	<b>6 701</b>	<b>2 474</b>	<b>-2 025</b>	<b>-5 188</b>	<b>0</b>	<b>19 959</b>	<b>26 921</b>	<b>79</b>	<b>27 000</b>
Dividends							-1 574	-1 574		-1 574
Purchase of own shares				-44				-44		-44
Shares to be issued			116	120			-179	57		57
Hybrid loan						10 000	-59	9 941		9 941
Change in translation difference								0	6	6
Changes in ownership					1 410			1 410		1 410
Comprehensive income for the financial period					1 245		-14 403	-13 159	49	-13 109
<b>Equity 31.12.2009</b>	<b>5 000</b>	<b>6 701</b>	<b>2 590</b>	<b>-1 949</b>	<b>-2 534</b>	<b>10 000</b>	<b>3 745</b>	<b>23 554</b>	<b>135</b>	<b>23 689</b>

<b>(1 000 EUR)</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>J</b>
<b>Equity 1.1.2010</b>	<b>5 000</b>	<b>6 701</b>	<b>2 590</b>	<b>-1 949</b>	<b>-2 534</b>	<b>10 000</b>	<b>3 745</b>	<b>23 554</b>	<b>135</b>	<b>23 689</b>
Dividends							-788	-788		-788
Purchase of own shares				-9				-9		-9
Shares to be issued			-6				10	4		4
Hybrid loan							-654	-654		-654
Fair value reserve available-for-sales assets						139		139	0	139
Changes in ownership									-83	-83
Comprehensive income for the financial period					2 597		4 422	7 018	49	7 068
<b>Equity 31.12.2010</b>	<b>5 000</b>	<b>6 701</b>	<b>2 584</b>	<b>-1 958</b>	<b>63</b>	<b>10 139</b>	<b>6 734</b>	<b>29 264</b>	<b>101</b>	<b>29 365</b>

## **NOTES TO THE FINANCIAL STATEMENT RELEASE**

### **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 is a specialist in industrial equipment engineering and technical product information solutions and services. Our customers are global leaders in their fields and operate in areas like the automotive, aerospace and defence industries as well as the electricity generation and power transmission sectors, and material flow management.

Etteplan has comprehensive competence in electronics and embedded systems development, automation and electrical design, mechanical design and technical product information solutions and services.

In 2010, Etteplan had turnover of EUR 104.8 million. Etteplan's shares are listed on NASDAQ OMX Helsinki Ltd under the ETT1V ticker.

The Etteplan Oyj Board of Directors approved the financial statement release for publication at its meeting of February 14, 2011.

### **Basis for preparation**

The financial statement release has been prepared in accordance with IAS 34 (Interim Financial Reporting) and the preparation and accounting policies presented in the 2009 annual financial statements, but not all requirements of the IAS 34 standard for interim financial reporting have been followed in the accounting.

Monetary figures in the financial statement release 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 financial statement report the accounting principles used were the same as for the 2009 annual financial statements. The annual financial statements are available at <http://www.etteplan.com/investors/annual-and-interim-reports/2010.aspx> and the accounting policy is detailed on pages 26–30 of the annual report 2009. Formulas for the key figures are detailed on page 45 of the annual report 2009.

### **Use of estimates**

These financial statements include forward-looking estimates and assumptions. Accordingly, outcomes may deviate from these estimates, which are based on the management's current best knowledge.

## KEY FIGURES

(EUR 1 000)	1-12/2010	1-12/2009	Change to prev.year
Revenue	104 786	98 700	6,2 %
Operating profit/loss	6 054	-3 587	268,8 %
Operating profit/loss, %	5,8	-3,6	
Profit/loss before taxes	5 766	-4 304	234,0 %
Profit/loss before taxes, %	5,5	-4,4	
Return on equity, %	16,4	-13,0	
Return on investment, % *)	17,0	-8,6	
Equity ratio, %	43,6	38,5	
Gross interest-bearing debt	12 102	11 585	4,5 %
Net gearing, %	24,1	20,8	
Balance sheet, total	67 653	61 704	9,6 %
Gross investments	2 538	4 763	-46,7 %
Earnings per share, EUR	0,19	-0,17	207,5 %
Diluted earnings per share, EUR	0,19	-0,17	207,5 %
Equity per share, EUR	1,48	1,20	24,2 %
Personnel, average	1 594	1 765	-9,7 %
Personnel at end of the period	1 569	1 544	1,6 %

\*) Return on investment has been calculated from result before taxes

## Revenue and operating profit quarterly

(EUR 1 000)	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Revenue	24 853	26 782	23 062	30 089
Operating profit	1 125	1 859	1 178	1 891
% of revenue	4,5	6,9	5,1	6,3

## Reserves

(EUR 1 000)	Warranty provision	Reorganization provision	Other provisions	Total
Reserves 1.1.2010	187	1 198	50	1 435
Utilised during the period	-90	-220	0	-310
Unused amount reversed	-97	-872	-50	-1019
Reserves 31.12.2010	0	106	0	106
Reserves 1.1.2009	0	0	0	0
Additional provisions	187	1 198	50	1 435
Reserves 31.12.2009	187	1 198	50	1 435

### **Acquisition and disposition of company shares**

The company held 471,302 of its own shares on December 31, 2010. In January-December 2010, the company did not acquire its own shares, but 2,004 shares were returned from the share-based incentive plan during the report period. The company has not disposed company-held shares in January-December 2010.

### **Shares and share capital**

On December 31, 2010, Etteplan Oyj had 20,179,414 shares (including the shares held by the Company) and share capital amounted to EUR 5,000,000.00.

### **Dividend**

The Annual General Meeting passed a resolution, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.04 per share be paid from the financial year 2009. The remaining funds shall be left to the unrestricted equity. The dividend was paid to the shareholders registered in the shareholders' register maintained by Euroclear Finland Ltd as the record date. The record date of the payment of dividend was March 29, 2010. The dividend was paid on April 7, 2010.

### **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. The effective tax rate used in the interim report is 24.6 (23.5) %.

### **Risks**

Etteplan's financial results are exposed to number of strategic, operational and financial risks. A description of risks can be found in Etteplan's annual report 2009 on page 59. A detailed financial risk analysis can be found in Etteplan's annual report 2009 on page 30.