

SCANFIL

SCANFIL PLC INTERIM REPORT 22 OCTOBER 2010 8.30 A.M.

SCANFIL GROUP'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2010

January - September

- Turnover totalled to EUR 157.2 million (1-9 2009: 149.2), up 5.3%
- Operating profit EUR 11.2 (13.4) million, 7.1% (9.0%) of turnover
- Operating profit without non-recurring items EUR 8.7 million, 5.5% of turnover
- Profit for the review period was EUR 9.3 (11.6) million
- Earnings per share were EUR 0.16 (0.20)
- Due to forecasted strong demand during the last quarter, Scanfil estimates that the turnover of contract manufacturing business for 2010 will increase clearly. Previously, Scanfil estimated that its turnover would increase slightly on the level of 2009.

July - September

- Turnover totalled EUR 62.5 million (Q3 2009: 49.6) up 25.8%
- Operating profit EUR 3.5 (4.2) million, 5.6% (8.5%) of turnover
- Profit was EUR 3.3 (3.8) million, 5.3% (7.6%)
- Earnings per share amounted EUR 0.06 (0.06)

Non-recurring items include a sales gain of EUR 2.5 million from the Oulu property, recognised in the second quarter.

Harri Takanen, President of Scanfil plc:

"Scanfil plc's active investment operations continued in the third quarter with two new strategic investments, one in plastics technology (IonPhase) and one in the contract manufacturing industry (Kitron). In our judgment, the 32.96% holding acquired in the Norwegian listed contract manufacturer of electronic equipment Kitron ASA is a significant investment. With this ownership arrangement, we will further reinforce our position in the global contract manufacturing market.

With regard to contract manufacturing, the development of demand has been positive in the telecommunications markets as well as professional electronics products since the end of the first quarter. In terms of sales, the third quarter was the best quarter in four years. We expect solid demand for the rest of the year and that full-year sales will increase clearly, even though sales are limited by component shortages and, in part, also the sufficiency of capacity."

DEVELOPMENT OF OPERATIONS

Scanfil plc

Scanfil plc is Scanfil Group's parent company and investment company whose goal is to invest the company's assets profitably in companies that operate in select business sectors. Scanfil plc's investment portfolio is divided into three parts. The first part contains money market investments including risk-free interest investments (deposits), low-risk investments (business loans) and moderate risk investments (structured instruments). The second part contains liquid high-yield, ETF and equity investments. The third part consists strategic investments. Scanfil plc's current target allocation in terms of these three main groups is 20-35%, 10-15% and 50-70%, respectively. At the end of the review period, the allocation division per main group was 44%, 3% and 52%, respectively.

The average duration of the structured instruments in the investment portfolio is less than three years, and their share of the portfolio is less than 20%. As a whole, the investment activity has reached set targets and investments have developed favourably also on third quarter despite the nervous market environment.

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During the period under review, Scanfil plc made two new strategic investments, with Scanfil plc acquiring a 40% holding in IonPhasE Oy and a 32.96% holding in the Norwegian listed contract manufacturing group Kitron ASA. The total purchase price of the Kitron ASA shares was EUR 18.1 million.

Based on own patented technology, IonPhasE manufactures dissipative polymers that help to control static electricity in plastic products. IonPhasE products are utilised in a wide range of industries, such as chemical, automotive, telecommunications and consumer electronics. The company has interesting global customer accounts with significant growth potential.

Scanfil plc's 32.96% holding in Norwegian listed Kitron ASA strengthens significant position in the industry. From the customers' point of view, Scanfil EMS and Kitron ASA are clearly the leading and most competitive contract manufacturing partners in the Nordic countries. Kitron ASA operates in five different customer segments: the marine and oil industry, basic industry, defence equipment industry, hospital and healthcare equipment industry and data and telecommunications industry. In addition to Norway, Kitron ASA has plants and production in Sweden, Lithuania, Germany, China and, as of the beginning of 2011, also in the United States. Kitron ASA's strengths are long-term customer relationships and manufacturing agreements as well as specialised contract manufacturing competence. Kitron ASA's turnover in 2009 was NOK 1,730.7 million (about EUR 218.5 million) and the company had approximately 1,100 employees.

As of the beginning of the fourth quarter, Kitron ASA will be Scanfil Group's associated company. The purchase price of the holding of approximately one-third also corresponds to one-third of Kitron ASA's equity, which means that the ownership arrangement will not increase the goodwill on Scanfil Group's balance sheet.

With regard to other strategic investments, the business operations of Lännen Tehtaat plc continued to develop favourably also during the second quarter of 2010 in spite of industrial action in the food industry. Lännen Tehtaat comments that this year's operating profit will be at least on a par with the reference year. Due to seasonality, the fourth quarter is essential with regard to the full-year financial result. The business operations of the locking system company iLOQ Oy, Panphonics Oy and IonPhasE Oy have continued to develop as planned.

Scanfil EMS Subgroup

The strong increase in demand in contract manufacturing continued during the third quarter. January-September turnover totalled EUR 157.2 million, a growth of 5.3% compared with the same period last year. The third quarter turnover was EUR 62.5 million, significantly better (+26%) than the corresponding quarter last year. Turnover for this year's July to September was the highest turnover for an individual quarter since the third quarter of 2006.

During the period under review, demand grew positively in both telecommunications and professional electronics products. The growth of the demand for telecommunications products has been slightly stronger throughout the period under review. In spite of the increase in total demand, strong fluctuation has continued in customer-specific demand during the period. Professional electronics customers accounted for 49% of total sales in the review period (45% during the corresponding period in 2009) and telecommunications customers for 51% (55%) of total sales. The customer division and sales monitoring of Scanfil EMS subgroup has been reorganised to better match customers' product range and the company's internal reporting. The new customer groups are professional electronics customers and telecommunications customers. The reorganisation will increase the proportion of professional electronics customers by 2 to 3 percentage points compared to the previous arrangement.

The efforts to develop the quality of operations and production flow in Scanfil EMS Group's foreign subsidiaries and Finnish units continued during the period under review.

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The acquisition of new facilities for the subsidiary located in Suzhou has proceeded according to plan. Moving the operations to the new facilities is planned by the end of January 2011.

In the third quarter, Scanfil EMS Oy acquired a 40% holding in Greenpoint Oy and signed a supply contract with the company. Greenpoint Oy is specialised in developing various activation solutions, equipment and tools to drive impulse sales of fast moving consumer goods for brands and retail chains. Any essential effects of the agreement will not be seen in this year's result.

FINANCIAL DEVELOPMENT

Scanfil Group

The Group's turnover for January - September was EUR 157.2 (149.2) million, up 5.3% year-on-year. Distribution of turnover based on the location of customers was as follows: Finland 31% (38%), rest of Europe 24% (21%), Asia 43% (40%), USA 1% (1%) and others 1% (1%).

The Chinese subsidiaries' sales accounted for 47 % (43 %) of the Group's sales during the review period including deliveries to the Group's other plants.

Operating profit of the Group during the review period was EUR 11.2 (13.4) million, representing 7.1% (9.0%) of turnover. Operating profit includes a non-recurring property sales gain of EUR 2.5 million, recognised in the second quarter. Operating profit without the sales gain was EUR 8.7 million, representing 5.5% of turnover. Earnings for the review period amounted to EUR 9.3 (11.6) million. Earnings per share were EUR 0.16 (0.20) and return on investment was 10.9% (15.3%).

Scanfil EMS Subgroup

The turnover of contract manufacturing operations amounted to EUR 157.2 (149.2) million in January-September. Operating profit for the review period was EUR 8.1 (12.9) million, or 5.1% (8.6%) of turnover. The result amounted to EUR 5.0 (8.1) million, or 3.2% (5.5%) of turnover. The development of profitability was still affected by the global problems faced by both the company and its customers in the availability of certain electronics components, which increased costs and limited sales to some degree. Also, rising raw material prices have increased costs.

Return on investment was 11.6% (20.7%), equity ratio was 39.3% (37.5%) and gearing 32.9% (-25.5%). The significant change in gearing is due to the return of capital to the parent company carried out in the autumn of 2009.

Turnover amounted to EUR 62.5 (49.6) million in July - September. Operating profit for the third quarter was EUR 3.3 (4.0) million, or 5.3% (8.0%) of turnover. Profit for the quarter was EUR 2.2 (1.8) million.

Investment activities

The gains and losses from non-strategic investments by the Group's parent company, Scanfil plc, are recognised under financial income and expenses in the income statement. In January-September, recognised interest income and capital gains amounted to EUR 3.2 (1.7) million, realised sales losses amounted to EUR 0.6 (1.4) million, and value changes of financial assets at fair value through profit or loss amounted to EUR -0.2 (2.6) million, resulting in a total recorded value of EUR 2.4 (4.3) million.

In July-September 2010, realised capital gains amounted to EUR 1.2 million.

The sold investments were mainly ETF and high-yield investments.

Strategic investments (Lännen Tehtaat plc and ILOQ Oy) that do not fulfil the definition of associated companies, are measured at fair value, and the change in the value, EUR 1.9 million, is recognised in the fair value reserve under equity, adjusted with tax liabilities, net EUR 1.4 million.

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The strategic investments that fulfil the definition of an associated company are Panphonics Oy, IonPhasE Oy and Kitron ASA, and the share in their profit, EUR -0.5 million, has been recognised through profit or loss.

The associated company Greenpoint Oy is classified as an operational investment, and it is owned by Scanfil EMS Oy, the share in the associated company's profit is EUR -0.1 million.

FINANCING AND CAPITAL EXPENDITURE

The Group enjoys a strong financial position.

The consolidated balance sheet totalled EUR 216.0 (195.2) million. Liabilities amounted to EUR 58.7 (48.3) million, EUR 53.7 (36.3) million of which were non-interest-bearing and EUR 5.0 (12.0) million interest-bearing. The equity ratio was 72.8% (75.3)% and gearing -30.8% (-50.6)%.

Financial assets totalled EUR 53.4 (86.3) million, of which EUR 26.7 (26.7) million has been deposited in bank accounts and in time deposits with maturity of three months or less.

An additional EUR 26.8 (54.9) million of financial assets was invested in financial instruments, mainly in bonds, credit linked notes, structured investment instruments and ETF and equity investments. In compliance with the IFRS, the investments have been measured at fair value. The net result for January-September includes EUR -0.2 (2.6) million of change in the fair value of the investments.

Strategic investments have been made during 2010 for a total of EUR 22.1 million, of which the biggest was the acquisition of shares in Kitron ASA, EUR 18.1 million.

Cash flows from operating activities in review period of January - September was EUR -2.2 (26.0) million. EUR 10.9 million was tied to working capital whereas in the corresponding period last year, the amount of working capital that became available was EUR 14.4 million. In addition to turnover growth, an increase in inventories due to weak availability of electronics components and long delivery times has had an effect on working capital commitment. Cash flow from investment activities consists mainly of the parent company's investment activities, investments in financial instruments and the associated companies, as well as of the proceeds from the sales of the Oulu property. Cash flow from financing activities, EUR -13.9 (-8.5) million, contains proceeds from borrowings, EUR 5.0 million, the repayment of a loan taken by the Estonian subsidiary, EUR 12.0 million, and dividend payments amounting to EUR 6.9 million.

Gross investments in fixed assets totalled EUR 2.2 (2.6) million, which is 1.4% (1.7%) of turnover. Depreciations were EUR 3.8 (3.8) million.

In the statement of comprehensive income, the major change in translation differences, EUR -4.8 million, is due to the translation of the equity of the Chinese subsidiaries into the euro. The currency of China, renminbi, is tied-up with the US dollar and has weakened about 10% during the quarter with the weakening of the US dollar. Changes in exchange rates have not had a significant effect on the result of operational activity due to the business structure.

BOARD OF DIRECTORS' AUTHORISATION

The Annual General Meeting decided on 8 April 2010 according to the Board of Directors' proposal to authorize the Board of Directors to decide on the acquisition of the Company's own shares with distributable assets.

The Board of Directors has no existing share issue authorisations or authorisations to issue convertible bonds with warrants.

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OWN SHARES

On 30 September 2010, the company owned a total of 2,983,831 of its own shares that represented 4.9 % of the company's share capital and votes.

During the review period, the company disposed of 4,522 of its own shares in conjunction with the share-based profit-sharing scheme of the Group's Management Team.

SHARE TRADING AND SHARE PERFORMANCE

The highest trading price during the review period was EUR 3.14 and the lowest EUR 2.40, the closing price for the period standing at EUR 2.89. A total of 3,590,703 shares were traded during the period, corresponding to 5.9% of the total number of shares. The market value of the shares on 30 September 2010 was EUR 175.5 million.

PERSONNEL

Scanfil Group's personnel averaged 2,142 (2,063) employees during the review period and the company employed 2,361 (2,120) employees at the end of the review period, of whom 1,897 (1,598) were employed in the company's foreign plants. In all, 80 (75) % of the Group's personnel were employed by subsidiaries outside Finland on 30 September 2010.

EVENTS AFTER THE REVIEW PERIOD

The nomination committee of Kitron ASA proposes to the company's extraordinary general meeting to be held on 8 November 2010 that the board member of Scanfil plc Asa-Matti Lyytinen and President of Scanfil plc Harri Takanen shall be elected to board members of Kitron ASA until the annual general meeting of 2012. The nomination committee proposes also that the member of board of Scanfil plc Tuomo Lähdesmäki shall be elected to member of the nomination committee of Kitron ASA until the annual general meeting of 2012.

FUTURE PROSPECTS

Scanfil plc

The company will continue its active operations in the market by exploring new investment opportunities in its current and new lines of business in order to ensure a good return on its investments. Scanfil plc Group's financial position offers a good opportunity for acquisitions conforming to the investment strategy, aiming to obtain a stake in select companies that facilitates active influence on their operations.

The Group will also continue to invest its cash reserves in accordance with its investment policy.

Scanfil EMS Subgroup

Due to forecasted strong demand during the last quarter, Scanfil EMS Oy estimates that its turnover for 2010 will increase clearly. Previously, Scanfil estimated that its turnover would increase slightly on the level of 2009. The operating profit for the full year is estimated to reach a satisfactory level.

OPERATIONAL RISKS AND UNCERTAINTIES

Risks and uncertainties associated with investment activities have not changed compared to the previous interim report. The most significant short-term risks associated with investment activities may materialise if the global economy recovers at a pace slower than expected and the impact of the economic recovery policy weakens globally. On the other hand, if the recovery is faster than expected, the resulting increasing inflation expectations and tightening monetary policy might result

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in a rapid increase of interest rates and accelerating inflation. Both alternatives would have immediate impacts on the stock market and be visible as increasing market volatility.

The continued poor demand predictability of contract manufacturing clients constitutes an operational risk in the short term that is hard to estimate. Both the Scanfil EMS subgroup and some of its customers have had problems in the availability of certain electronics components. Continued weak availability of components may have an impact on the operations of the Scanfil EMS subgroup and some of its customers, thereby also influencing Scanfil's sales and profitability.

In other respects, the risks facing Scanfil's business have remained essentially the same. Risks and risk management are described in greater detail on the company's website under Corporate Governance and in the notes to the consolidated financial statements.

ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard, applying the following accounting policies with the financial statements for 2009.

The Group has adopted the revised standard IFRS 3 Business Combinations and the revised standard IAS 27 Consolidated and Separate Financial Statements as from the beginning of 2010. They have not had an impact on the interim report.

Individual figures and grand totals of tables have been rounded to the nearest million euros, so they will not always add up. The figures are unaudited.

CONSOLIDATED INCOME STATEMENT

EUR million

	2010	2009	2010	2009	2009
	7 - 9	7 - 9	1 - 9	1 - 9	1 - 12
TURNOVER	62,5	49.6	157,2	149.2	197.3
Changes in inventories of finished goods and work in progress	0.8	-1.0	1.8	-3.5	-4.1
Other operating income	0.1	0.4	3.2	0.8	1.2
Expenses	-58.6	-43.6	-147.1	-129.3	-173.4
Depreciation	-1.3	-1.2	-3.8	-3.8	-5.1
OPERATING PROFIT	3.5	4.2	11.2	13.4	16.0
Financial income and expenses	2.1	2.2	2.4	3.8	5.1
Share in the associated company's profit	-0.6		-0.6		
PROFIT BEFORE TAXES	5.0	6.4	13.0	17.2	21.1
Income taxes	-1.7	-2.7	-3.7	-5.6	-6.7
NET PROFIT FOR THE PERIOD	3.3	3.8	9.3	11.6	14.3
Attributable to:					
Equity holders of the parent	3.3	3.8	9.3	11.6	14.3
Earnings / share (EPS), EUR	0.06	0.06	0.16	0.20	0.25

The company does not have items that might dilute the earnings per share.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

	2010	2009	2010	2009	2009
	7 - 9	7 - 9	1 - 9	1 - 9	1 - 12
NET PROFIT FOR THE PERIOD	3.3	3.8	9.3	11.6	14.3
Other comprehensive income					
Translation differences	-4.8	-1.4	3.3	-2.5	-1.9
Available-for-sale investments	0.7		1.1		0.3
Other comprehensive income, net of tax	-4.1	-1.4	4.4	-2.5	-1.6
TOTAL COMPREHENSIVE INCOME	-0.8	2.4	13.7	9.1	12.8
Attributable to:					
Equity holders of the parent	-0.8	2.4	13.7	9.1	12.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	30.9.2010	30.9.2009	31.12.2009
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	30.2	32.0	31.1
Goodwill	2.4	2.4	2.4
Other intangible assets	0.8	1.2	1.1
Shares in associated companies	23.9		
Available-for-sale investments	12.2	0.0	10.6
Financial assets at fair value through profit or loss	19.3	11.4	14.5
Deferred tax assets	0.2	0.1	0.1
Total non-current assets	88.9	47.1	59.9
CURRENT ASSETS			
Inventories	38.5	25.6	24.7
Trade and other receivables	54.3	42.8	43.4
Advance payments	0.3	0.1	0.1
Financial assets at fair value through profit or loss	7.5	43.5	16.1
Available-for-sale investments, liquid assets		4.7	0.5
Available-for-sale investments, cash equivalents	14.7	12.8	20.4
Cash and cash equivalents	12.0	13.9	30.8
Total current assets	127.1	143.4	135.9
Non current assets held for sale		4.6	4.9
TOTAL ASSETS	216.0	195.2	200.7

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SHAREHOLDERS' EQUITY AND LIABILITIES

EQUITY

Share capital	15.2	15.2	15.2
Share premium account	16.1	16.1	16.1
Treasury shares	-8.9	-8.9	-8.9
Translation differences	3.4	-0.5	0.1
Other reserves	6.6	4.4	4.7
Retained earnings	124.9	120.6	123.3
TOTAL EQUITY	157.3	146.9	150.5

	30.9.2010	30.9.2009	31.12.2009
NON-CURRENT LIABILITIES			
Deferred tax liabilities	1.2	1.4	1.5
Provisions	4.8	5.3	5.4
Other liabilities	1.7		
Total non-current liabilities	7.7	6.7	6.9
CURRENT LIABILITIES			
Trade and other liabilities	43.4	28.6	30.1
Current tax	2.6	0.9	1.2
Interest bearing liabilities	5.0	12.0	12.0
Total current liabilities	51.1	41.6	43.3
TOTAL LIABILITIES	58.7	48.3	50.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	216.0	195.2	200.7

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STATEMENT OF CHANGES IN EQUITY EUR million

Equity attributable to equity holders of the parent company							
	Share capital	Share premium account	Treasury shares	Translation differences	Other reserves	Retained earnings	Equity total
Shareholders' equity							
1.1.2010	15.2	16.1	-8.9	0.1	4.7	123.3	150.5
Total comprehensive income				3.3	1.1	9.3	13.7
Payment of dividends						-6.9	-6.9
Transfer to funds					0.8	-0.8	0
Distribution of treasury shares			0.0				0.0
Shareholders' equity							
30.9.2010	15.2	16.1	-8.9	3.4	6.6	124.9	157.3

Equity attributable to equity holders of the parent company							
	Share capital	Share premium account	Treasury shares	Translation differences	Other reserves	Retained earnings	Equity total
Shareholders' equity							
1.1.2009	15.2	16.1	-7.4	2.0	3.5	116.9	146.2
Total comprehensive income				-2.5		11.6	9.1
Payment of dividends						-7.0	-7.0
Transfer to funds					0.9	-0.9	0
Distribution of treasury shares			0.0				0.0
Acquisition of treasury shares			-1.5				-1.5
Shareholders' equity							
30.9.2009	15.2	16.1	-8.9	-0.5	4.4	120.6	146.9

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CONSOLIDATED CASH FLOW STATEMENT

EUR million

	2010 1 - 9	2009 1 - 9	2009 1 - 12
Cash flow from operating activities			
Net profit	9.3	11.6	14.3
Adjustments for the net profit	2.2	4.6	6.0
Change in net working capital	-10.9	14.4	16.3
Paid interests and other financial expenses	-0.4	-0.7	-0.9
Interest received	0.4	0.5	0.7
Taxes paid	-2.8	-4.5	-5.5
Net cash from operating activities	-2.2	26.0	30.9
Cash flow from investing activities			
Investments in tangible and intangible assets	-1.0	-2.9	-3.4
Sale of tangible and intangible assets	7.5	0.2	0.2
Purchase of investments	-19.4	-51.3	-88.3
Proceeds from sale of investments	24.8	17.6	74.1
Purchase of associated companies	-22.8		
Granted loans	-0.1		
Interest received from investments	0.6	1.4	1.9
Dividends received from investments	0.5	0.0	0.0
Net cash from investing activities	-9.9	-35.1	-15.4
Cash flow from financing activities			
Purchase of treasury shares		-1.5	-1.5
Proceeds from short-term loans	5.0		
Repayment of short-term loans	-12.0		
Dividends paid	-6.9	-7.0	-7.0
Net cash from financing activities	-13.9	-8.5	-8.5
Net increase/decrease in cash and cash equivalents	-26.1	-17.5	7.1
Cash and cash equivalents at beginning of period	51.2	45.1	45.1
Changes in exchange rates	1.5	-0.9	-0.9
Cash and cash equivalents at end of period	26.7	26.7	51.2

KEY FINANCIAL INDICATORS

	2010 1 - 9	2009 1 - 9	2009 1 - 12
Return on equity, %	8.0	10.6	9.7
Return on investment, %	10.9	15.3	13.9
Interest bearing liabilities, EUR million	5.0	12.0	12.0
Gearing, %	-30.8	-50.6	-46.7
Equity ratio, %	72.8	75.3	75.0
Gross investments in fixed assets, EUR million	2.2	2.6	3.1
% of turnover	1.4	1.7	1.6

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Personnel, average	2 142	2 063	2 064
Earnings per share, EUR	0.16	0.20	0.25
Equity per share, EUR	2.72	2.54	2.61
Number of shares 000's			
at end of period	60 714	60 714	60 714
- not counting own shares	57 730	57 726	57 726
- weighted average	57 730	58 082	57 992

The company does not have any liabilities resulting from derivative instruments. Owing to the nature of the sector, the order book of company covers only a short period of time and does not give an accurate picture of future development.

SEGMENT INFORMATION

EUR million

	2010	2009	2009
	1 - 9	1 - 9	1 - 12
TURNOVER			
Europe	86.7	89.5	113.5
Asia	78.1	67.5	93.2
Turnover between segments	-7.6	-7.8	-9.4
Total	157.2	149.2	197.3
OPERATING PROFIT			
Europe	3.9	3.5	2.6
Asia	7.3	10.0	13.4
Total	11.2	13.4	16.0
ASSETS			
Europe	75.9	73.3	68.4
Asia	72.5	52.3	60.4
Goodwill	2.4	2.4	2.4
Financial assets	65.3	67.2	69.6
Total	216.0	195.2	200.7

The financial assets of investment activities comprise all of Scanfil plc's financial assets, strategic investments including associated companies and all deposits by subsidiaries with a maturity exceeding three months, classified as investment assets. The result of investment activities before tax was EUR 1.9 million (EUR 4.3 million in 2009).

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CHANGES IN TANGIBLE NON CURRENT ASSETS

EUR million

	2010	2009	2009
	1 - 9	1 - 9	1 - 12
Book value at the beginning of the period	31.1	33.7	33.7
Additions	2.0	2.5	2.9
Deductions	-0.0	-0.1	-0.4
Depreciations	-3.0	-3.5	-4.7
Exchange rate differences	0.1	-0.5	-0.4
Book value at the end of the period	30.2	32.0	31.1

ACQUIRED ASSOCIATED COMPANIES

EUR million

	Kitron ASA	IonPhasE Oy	Panphonics Oy	Greenpoint Oy	Total
Acquisition	09/10	07/10	06/10	08/10	
Share	32.96%	40 %	40 %	40 %	
Acquisition cost	18.1	2.0	2.0	2.4	24.5
Share of equity on acquisition date	18.1	0.7	0.3	0.0	19.2
Difference	0.0	1.3	1.7	2.4	5.3
Allocated to following items:					
Product development, depreciation, 5 years		1.2	1.4	2.4	5.0
Patents, depreciation, 5 years		0.1	0.3		0.3

The acquisition cost of the share of Greenpoint Oy, EUR 2.4 million, includes estimated conditional transaction price of EUR 1.7 million. Conditional transaction price will be paid as a share of profitable financial results of next five accounting periods of Greenpoint Oy.

CONTINGENT LIABILITIES

EUR million

	2010	2009	2009
	1 - 9	1 - 9	1 - 12
Given real estate mortgages	3.4	3.4	3.4
Given business mortgages	6.8	18.8	18.8
Pledged guarantees	0.1	0.1	0.1
Rental liabilities	0.2	0.3	0.2

Scanfil plc has arranged a EUR 5.2 million bank guarantee to secure the payment of contributions related to restructuring of Scanfil NV. Balance sheet of Scanfil NV includes corresponding provision.

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RELATED PARTY TRANSACTION

The company has taken out a short-term EUR 5.0 million loan from the Chairman of the Board of Directors, Jorma Takanen. The interest rate for the loan is the three-month Euribor + 0.7% and the loan will mature by 28 December 2010. The loan was used for financing the acquisition of shares in Kitron ASA. No security has been pledged for the loan.

A loan of a maximum of EUR 300,000 has been issued to Greenpoint Oy, of which EUR 100,000 has been withdrawn. The loan will mature on 30 June 2012, and its interest rate is the six-month Euribor + 2.5%.

In June 2010, the company acquired a 40% holding in Panphonics Oy, whose Chairman of the board of Directors and one of the shareholders is Asa-Matti Lyytinen, member of the Scanfil plc Board of Directors.

KEY INDICATORS QUATERLY

	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08
Turnover, MEUR	62.5	53.9	40.8	48.1	49.6	49.9	49.6	54.2
Operating profit, MEUR	3.5	6.2	1.5	2.6	4.2	5.0	4.2	4.5
Operating profit, %	5.6	11.6	3.6	5.3	8.5	10.0	8.5	8.3
Net income, MEUR	3.2	3.9	2.0	2.7	3.8	6.6	1.3	2.3
EPS, EUR	0.06	0.07	0.03	0.05	0.06	0.11	0.02	0.04

SCANFIL PLC

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Scanfil plc is a global contract manufacturer and systems supplier for communication and professional electronics with over 30 years experience in demanding contract manufacturing

Scanfil offers contract-manufacturing services as a systems supplier to the telecommunication industry, mainly to wireless communication sector, as well as to the professional electronics industry. Main telecommunication products are among others integrated enclosure systems for mobile phone and ADSL networks and assembly and testing of modules related to enclosure systems. Examples of professional electronics products include box-built tested devices, various electronic modules, backplanes and assembled circuit boards as well as cable assemblies. Production plants are situated in China, Hungary, Estonia and Finland.

SCANFIL

The associated companies of Scanfil Group:

Kitron ASA is a listed Norwegian subcontractor, which operates in five different customer segments: the marine and oil industry, basic industry, defence equipment industry, hospital and healthcare equipment industry and data and telecommunications industry. In addition to Norway, Kitron ASA has plants and production in Sweden, Lithuania, Germany, China and, as of the beginning of 2011, also in the United States. Kitron ASA's turnover in 2009 was NOK 1,730.7 million (about EUR 218.5 million). www.kitron.com

Greenpoint Oy focuses on development and supply of solutions and equipment, which improve placements, visibility and sales of customer products in the Point-Of-Sale. The Greenpoint product portfolio includes a large variety of refrigerated merchandisers, displays and integrated check-out zone concepts. The company serves both brand owners and retail chains internationally. Along with the European markets Greenpoint Oy has entered North and Latin American markets through partnerships. www.greenpoint.fi

IonPhasE Oy develops and manufactures high performance dissipative polymers that help to control static electricity. IonPhasE products are utilized in wide range of industries like chemical, automotive, telecommunication and consumer electronics. Based on own patented technology, IonPhasE manufactures polymers called IonPhasE IPE. www.ionphase.fi

Panphonics is the world's leading provider of directional audio solutions. Panphonics manufactures directional audio solutions for acoustically demanding applications based on it's own patented technology. Panphonics Sound Shower® directional audio speakers can be found in banks, retail stores, digital signage projects, information kiosks, theatres, and offices throughout the world. Panphonics is also component manufacturer and licensor of plane wave technology for industrial audio manufacturers and audio solution providers. www.panphonics.com

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