

SCANFIL GROUP'S FINANCIAL STATEMENTS FOR 1 JANUARY - 31 DECEMBER 2010

January - December

- Turnover totalled EUR 219.3 million (2009: EUR 197.3 million), up 11.1%
- Operating profit EUR 14.4 (16.0) million, 6.6% (8.1%) of turnover
- Operating profit without non-recurring items EUR 11.9 million, 5.4% of turnover
- Profit for the review period was EUR 10.9 (14.3) million
- Earnings per share were EUR 0.19 (0.25)
- The Board of Directors proposes to the Annual General Meeting a dividend of EUR 0.06 (0.08) and an additional dividend of EUR 0.06 (0.04), a total EUR 0.12 (0.12) per share

October - December

- Turnover totalled EUR 62.2 million (Q4 2009: 48.1), up 29.1%
- Operating profit EUR 3.2 (2.6) million, 5.1% (5.3%) of turnover
- Earnings per share amounted to EUR 0.03 (0.05)

Non-recurring items include a sales gain of EUR 2.5 million from the Oulu property, recognised in the second quarter. The associated company Kitron ASA has recorded a provision of NOK 27 million (EUR 3.3 million) for the fourth quarter due to the restructuring of its Swedish operations. Scanfil plc has recorded a 32.96% share (EUR 1.1 million) of the associated company's loss for the fourth quarter.

Scanfil plc expects that the Group's turnover for 2011 will increase slightly compared to 2010, while its operating profit will remain at a satisfactory level.

Harri Takanen, President of Scanfil plc:

"Scanfil plc's investment activity proceeded according to the strategy on several fronts in 2010. In addition to money market and equity investments, we made investments in, among others, plastic technology, audio technology and locking solutions. We are seeking growth opportunities from new segments with these investments."

"The most significant of the investments made in 2010 concerned the Norwegian listed company Kitron ASA."

"After the recession, the general economic outlook turned in a more positive direction during 2010, even though the debt crisis of the EU area confused the market. The contract manufacturing business (Scanfil EMS Oy) recovered at the end of the first quarter with increasing customer demand. The recovery was quick, and sales for the third quarter were the highest for four years. Overall sales for 2010 increased considerably from the previous year."

DEVELOPMENT OF OPERATIONS

Scanfil plc

In the period under review, Scanfil plc acquired more shares in the iLOQ locking company, resulting in its share of ownership increasing to 23%. At the same time, iLOQ Ltd became Scanfil plc's associated company.

Scanfil plc's share of ownership in Lännen Tehtaat Oyj is 8.6%. The business of Lännen Tehtaat plc developed favourably also during the third quarter of 2010. Lännen Tehtaat Oyj will publish its financial statements release on 17 February 2011.

Kitron ASA's business was moderate during the fourth quarter of the year. Its turnover for the fourth quarter increased slightly compared to the previous year in spite of a shortage of components. Despite challenges, 2010 as a whole was satisfactory with regard to operations. However, as the result of the provision associated with the streamlining programme in Sweden recorded in the fourth quarter, the full-year operating profit remained modest.

All of Scanfil plc's unlisted associated companies are small internationally operating start-ups with an interesting and promising global potential. The companies have technological competence, strong patent portfolios and promising commercial applications.

The iLOQ S10 product concept developed by iLOQ Ltd has achieved significant growth and customer accounts in the Finnish lock market. The company has built a Finnish distributor network that covers growth centres and major cities. iLOQ Ltd seeks fast growth through going international, first in the Nordic and then the Central European market. In Sweden, a distribution channel is being built by iLOQ Scandinavia Ab, located in Stockholm. The company aims to expand into the Central European market in 2011 with a specifically designed DIN-standard-based lock cylinder that is about to enter serial production.

During 2010, Panphonics Oy secured a deal as a supplier for a significant store-specific system covering a continent. The deliveries of this project were begun towards the end of 2010. Also, the company's SoundShower products have been approved for several other stores of leading brands and retail outlets. During 2010, product development focused on expanding the application areas of the products to more challenging conditions and the development of the product's control electronics. During the year, the company suffered slightly from the international shortage of electronics components. Exports accounted for 95% of the company's invoicing.

IonPhase Oy has implemented successful pilot projects for various industries during 2010. In addition, several new product versions received technical approvals at the end of 2010 and more product versions entering the sales phase will be completed during the spring and summer 2011. Some of the pilot projects are in their final stages, and the products are expected to enter production during the spring.

Scanfil plc's investment portfolio is divided into two parts: financial investments and capital investments. Financial investments are further divided into two 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 purpose of capital investment activity is to acquire a share of ownership in the target companies that allow an active say in the operation of the selected companies. Scanfil plc's current target allocation is: money market investments 20%-35%, ETF and equity investments 10%-15% and capital investments 50%-70%. At the end of the period under review, the allocation was 62%, 4% and 34%, respectively.

At the turn of the year, fixed-income investments were clearly overweight as the EUR 40 million credit raised in December was temporarily deposited in banks. The average duration of the structured instruments in the investment portfolio is less than three years, and they account for less than 20% of the financial investments.

With regard to investment activity, 2010 was a good year as a whole, and the target yield for the financial investments was reached. Capital investments were made in accordance with the strategy. The capital investments that have been

made enable long-term development of operations and more effective utilisation of new investment opportunities.

Scanfil EMS Subgroup

The business outlook of contract manufacturing clients improved in 2010 after the recession in 2009, and excluding the first two months of the period under review, the development of sales has been positive. The strengthening of demand that started at the end of the first quarter continued throughout the year, and full-year turnover increased by 11.1% compared to 2009. Increased sales to professional electronics customers accounted for the majority of the growth in full-year sales. Similarly to the previous quarter, the turnover for the fourth quarter, EUR 62.2 million, was considerably better (+29%) than the corresponding period the previous year.

Professional electronics customers accounted for 49% of total sales in 2010 (44% in 2009) and telecommunications customers for 51% (56%). 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 change increases the share of professional electronics customers by 2-3 percentage points compared to the previous practice.

In 2010, the company continued its activity in securing new customers, especially in professional electronics. Cooperation was agreed upon with, for example, AIXTRON SE. Professional electronics in particular include various potential segments that could utilise contract manufacturing to a higher extent. Cooperation with existing customers deepened, and some professional electronics customers increased their manufacturing activity in Asia, which provides the company with an opportunity for increasing its operations in China.

At the beginning of December, Scanfil EMS Oy's subsidiary in Suzhou, China, Scanfil (Suzhou) Co., Ltd. acquired new premises of approximately 21,000 square metres. The acquired facilities are better suited for the plant operations than the current facilities, enabling the operations to grow. In the new facilities, for example, the surface-mount assembly capacity of circuit boards used in production will be renewed and increased with several assembly machine units and necessary associated equipment. The property investment was financed using cash funds accumulated from the operations in China.

In August, Scanfil EMS Oy acquired a 40% holding in Greenpoint Oy and signed a supply contract with the company. Greenpoint Oy develops concepts to drive fast moving consumer goods and serves international brand and retail chain customers in Europe and, via contractual partners, in North and Latin America. Greenpoint Ltd's operations focused on the development of equipment and new product launches in 2010. The design of the portfolio primarily concerned new refrigerators and their certification, as well as launching them for the American market in cooperation with a large group of Mexican companies. It was agreed to launch product marketing measures in Europe during 2011 using the same operating model.

SCANFIL GROUP'S FINANCIAL DEVELOPMENT

Scanfil Group

The Group's turnover for January - December was EUR 219,3 (197.3) million, up 11.1% year-on-year. Distribution of turnover based on the location of customers was as follows: Finland 31% (35%), rest of Europe 25% (22%), Asia 42% (42%), USA 1% (1%) and others 1% (1%).

The Chinese subsidiaries' sales accounted for 47 % (46 %) 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 14.4 (16.0) million, representing 6.6% (8.1%) 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 11.9 million, representing 5.4% of turnover. The associated company Kitron ASA has recorded a provision of NOK 27 million (EUR 3.3 million) for the fourth quarter due to the restructuring of Swedish operations. The Group's financial expenses include a 32.96% share, or EUR 1.1 million, of the associated company's loss for the fourth quarter. Earnings for the review period amounted to EUR 10.9 (14.3) million. Earnings per share were EUR 0.19 (0.25) and return on investment was 8.6% (13.9%).

Scanfil EMS Subgroup

The turnover of contract manufacturing operations amounted to EUR 219.3 (197.3) million in January–December. Operating profit for the review period was EUR 11.0 (15.6) million, or 5.0% (7.9%) of turnover. The result amounted to EUR 6.8 (10.0) million, or 3.1% (5.0%) of turnover. Throughout the period under review, the development of profitability has been affected by global problems for the company and certain customers with the availability of certain electronics components. These problems increased costs and decreased sales to some extent. In addition, the increase in raw material prices that continued throughout the years increased the costs.

Return on investment was 11.4% (15.8%), equity ratio was 41.6% (39.3%) and gearing 43.1% (40.4%).

Turnover amounted to EUR 62.2 (48.1) million in October – December. Operating profit for the fourth quarter was EUR 2.9 (2.7) million, or 4.7% (5.7%) of turnover. Profit for the quarter was EUR 1.8 (1.8) million.

Investment activities

The investment activity of the Group's parent company, Scanfil plc, is divided into financial investments and capital investments. The gains and losses from investment activities are recognised under financial income and expenses in the income statement.

The financial income and expenses for the financial period include EUR 4.0 (3.3) million of interest and dividend income and capital gains from the financial investments, EUR 0.9 (1.4) million of realised sales losses and EUR -0.4 (3.5) million of changes of financial assets at fair value through profit or loss, resulting in a total recorded value of EUR 2.7 (5.4) million. The figures do not include the dividend of EUR 0.4 million from Lännen Tehtaat plc, classified as a capital investment.

Capital investments in associated companies (iLOQ Ltd, Panphonics Oy, IonPhase Oy and Kitron ASA) during 2010 amounted to a total of EUR 23.6 million, the largest of which was the acquisition of shares in Kitron ASA at the end of September, EUR 18.1 million. The Group's share of the associated companies' losses and goodwill amortisation totals EUR 2.3 million, of which the company's share of the fourth quarter losses of Kitron ASA accounts for EUR 1.1 million. Due to specification of acquisition cost of Kitron ASA, EUR 0,3 million, has been entered as income during the review period.

Of the capital investments, Lännen Tehtaat plc, which does not fulfil the definition of an associated company, is measured at fair value, and the change in the value, EUR 1.0 million for the financial period, is recognised in the fair value reserve under equity adjusted with deferred tax liability, net EUR 0.7 million. Lännen Tehtaat plc's dividend yield, EUR 0.4 million, is recognised under financial income.

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 and goodwill amortisation amount to a total of EUR -0.2 million.

The profit from investment activities, including all financial and capital investments, totalled EUR 1.1 (5.4) million for the financial period.

FINANCING AND CAPITAL EXPENDITURE

The Group enjoys a strong financial position.

The consolidated balance sheet totalled EUR 249.1 (200.7) million. Liabilities amounted to EUR 88.3 (50.2) million, EUR 48.3 (38.2) million of which were non-interest-bearing and EUR 40.0 (12.0) million interest-bearing. The equity ratio was 64.6% (75.0)% and gearing -26.2% (-46.7%). Scanfil EMS Oy has raised a loan of EUR 40.0 million, used to repay the Scanfil EMS group's loans to the parent company Scanfil plc. The loans are associated with the capital return to the parent company in autumn 2009 and the intra-group loan granted by Scanfil plc to the Estonian subsidiary.

Financial assets totalled EUR 82.2 (82.3) million, of which EUR 57.9 (51.2) million has been deposited in bank accounts and in time deposits with maturity of three months or less. An additional EUR 24.3 (82.3) 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-December includes EUR -0.4 (2.1) million of change in the fair value of the investments.

Cash flows from operating activities in the accounting period were EUR -0.3 (30.9) million. EUR 12.3 million was tied to working capital whereas in the corresponding period last year, the amount of working capital that became available was EUR 16.3 million. In addition to turnover growth, preparation for and resulting increase in inventories due to weak availability and long delivery times of electronics components had an effect on working capital commitment. Cash flow from investment activities, EUR -15.9 (-15.4) million consists of the parent company's investment activities and investments in associated companies, proceeds from the sale of the Oulu property and the subsidiary's acquisition of a property in China. Cash flow from financing activities, EUR 21.1 (-8.5) million, contains raising a financing loan of EUR 40.0 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 10.1 (3.1) million, which is 4.6% (1.6%) of turnover. Investments consists mainly the acquiring premises in China and machinery and equipment purchases. Depreciations were EUR 5.0 (5.1) million.

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.

OWN SHARES

On 31 December 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 was EUR 2.40, the closing price for the period standing at EUR 2.97. A total of 4,687,254 shares were traded during the period, corresponding to 7.7% of the total number of shares. The market value of the shares on 31 December 2010 was EUR 180.3 million.

GROUP STRUCTURE

The Scanfil plc Group includes the investment and parent company Scanfil plc, its wholly owned subgroup Scanfil EMS Oy and associated companies. Scanfil plc's associated companies are Kitron ASA (share of ownership 32.96%), IonPhase Oy (40.0%), iLOQ Ltd (22.96%) and Panphonics Oy (40.0%). Scanfil's wholly owned Belgian subsidiary Scanfil N.V. has not engaged in any production activities since 2006.

The Scanfil EMS Oy subgroup is comprised of subsidiaries and the associated company Greenpoint Oy (share of ownership 40%). Scanfil EMS Oy's subsidiaries are Scanfil (Suzhou) Co., Ltd. and Scanfil (Hangzhou) Co., Ltd. in China, Scanfil Kft. (Budapest) and real-estate company Rozália Invest Kft. (Budapest) in Hungary and Scanfil Oü (Pärnu) in Estonia. The Scanfil EMS group has a 100% holding in all of its subsidiaries.

PERSONNEL

At the end of the review period the Group employed 2,260 (2,061) people, of whom 1,809 (1,561) worked abroad. At the end of the year 55% (56%) of the personnel were working in Chinese subsidiaries. In all, 80% (76%) of the Group's personnel were employed by subsidiaries outside Finland on 31 December 2010. The Group employed an average of 2,203 (2,064) people during the year.

SITUATION OF THE MERGER BETWEEN SCANFIL EMS OY AND OJALA-YHTYMÄ OY

Scanfil plc's subsidiary Scanfil EMS Oy and Ojala-Yhtymä Oy have on 1 November 2010 signed a merger agreement whereby Ojala-Yhtymä Oy will merge into Scanfil EMS Oy. The general meetings of shareholders of both companies have approved the merger plan. The purpose is to execute the merger during the first half of 2011. Following the merger, Scanfil plc will have a 79% holding in Scanfil EMS Oy and former owners of Ojala-Yhtymä Oy a 21% holding.

After the period under review, Scanfil EMS Oy was notified by the Board of Directors of Ojala-Yhtymä Oy that the Ojala-Yhtymä Oy's Board is dissatisfied with the signed merger agreement. Therefore, the realisation of the planned merger of the companies is uncertain.

FUTURE PROSPECTS

Scanfil plc aims actively to develop capital investments already done and is looking for selected targets in its current and new lines of business. The available investment assets offer 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 contract manufacturing market has recovered during 2010. The demand outlook for the company's contract manufacturing operations (Scanfil EMS Oy) for 2011 seems positive with regard to professional electronics customers. Predicting the development of demand by telecommunications customers is more uncertain. With regard to contract manufacturing, the company estimates a cautiously positive trend in sales.

Scanfil plc expects that the Group's turnover for 2011 will increase slightly compared to 2010, while its operating profit will remain at a satisfactory level.

Outlook for the associated companies

The associated company Kitron ASA estimates that its turnover for 2011 will increase compared to 2010, while profitability is expected to improve due to streamlining measures. The operations in the United States, China and Germany are expected to generate substantial turnover during the last two quarters of 2011 at the earliest.

The commercialisation of the products of the associated companies iLOQ Ltd, Panphonics Oy, IonPhase Oy and Scanfil EMS Oy's associated company Greenpoint Oy has advanced during 2010, and the outlook for 2011 is promising.

OPERATIONAL RISKS AND UNCERTAINTIES

The most significant short-term risk associated with investment activities can be realised if the global economy's on-going recovery slows down or political uncertainty and citizens' discontent increases around the world. On the other hand, if the recovery is faster than estimated, it may result in an increase in inflation expectations, which might lead to rapidly accelerating inflation, and the resulting tightening financial policy in a rapid increase in interest rates. All of these alternatives would have immediate impacts on the stock market and be visible as increasing market volatility.

The poor demand predictability typical of contract manufacturing clients constitutes an operational risk in the short term that is hard to estimate. Demand by telecommunications customers in particular may fluctuate strongly, even in the short term. Problems with the availability of electronics components have somewhat decreased compared to the previous year, but availability may be poor for some critical component groups during the year. This may impact the sales development and profitability of the Scanfil EMS subgroup.

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.

ANNUAL GENERAL MEETING 2011 AND BOARD OF DIRECTORS' PROPOSALS TO THE ANNUAL GENERAL MEETING

Scanfil plc's Annual General Meeting will be held on 13 April 2011 at the company's head office in Sievi, Finland, at 2.00 pm.

Dividend for 2010

The parent company's distributable funds are EUR 80.680.282,34.

The Board of Directors proposes to the Annual General Meeting that, according to the dividend policy, a dividend of EUR 0.06 per share be paid based on the annual result of the financial year ending on 31 December 2010, plus an additional dividend of EUR 0.06 per share on the market, total EUR 6.927.652,68. The dividend matching day is 18 April 2011. The dividend will be paid to those shareholders who, on the matching day, are entered in the Company's Register of

Shareholders, kept by Euroclear Finland Ltd. The dividend payment day is 27 April 2011.

The Nomination Committee of the Board of Directors, supported by the company's major shareholders holding over 50% of the shares and votes, proposes that the general meeting will re-elect the following board members: Asa-Matti Lyytinen, Jorma J. Takanen, Reijo Pöllä, Jarkko Takanen and Tuomo Lähdesmäki. All members of the board have announced their consent to re-election.

In order to fulfil recommendation 9 of the Finnish Corporate Governance Code (Number, composition and competence of the directors), Scanfil plc's Nomination Committee has considered the possibility of proposing a suitable female candidate. The Nomination Committee has so far found no suitable candidate who is familiar with both investment operations and contract manufacturing.

The financial statements have been prepared in accordance with the recognition and measurement principles of the IAS 34 Interim reports standard.

In Interim Report the same accounting principles have been applied as in the 2009 Financial Statement.

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

The figures are unaudited.

Consolidated Income Statement

EUR million

	10 - 12 2010	10 - 12 2009	1 - 12 2010	1 - 12 2009
Turnover	62.2	48.1	219.3	197.3
Other operating income	0.2	0.4	3.3	1.2
Changes in inventories of finished goods and work in progress	-0.5	-0.6	1.3	-4.1
Expenses	-57.4	-44.2	-204.5	-173.4
Depreciation	-1.2	-1.2	-5.0	-5.1
Operating profit	3.2	2.6	14.4	16.0
Financial income and expenses	0.6	1.3	3.0	5.1
Share in the associated company's profit	-1.4		-2.0	
Profit before taxes	2.4	3.8	15.4	21.1
Income taxes	-0.8	-1.1	-4.5	-6.7
Net profit for the period	1.6	2.7	10.9	14.3
Attributable to:				
Equity holders of the parent	1.6	2.7	10.9	14.3
Earnings / share (EPS), EUR undiluted and diluted	0.03	0.05	0.19	0.25

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

Consolidated Statement of Comprehensive Income

EUR million

Net profit for the period	1.6	2.7	10.9	14.3
Other comprehensive income				
Available-for-sale investments	-0.4	0.3	0.7	0.3
Translation differences	2.3	0.6	5.5	-1.9
Other comprehensive income, net of tax	1.9	0.9	6.3	-1.6
Total Comprehensive Income	3.5	3.6	17.2	12.8

Consolidated Statement of Financial Position
EUR million

Assets	31.12.2010	31.12.2009
Non-current assets		
Property, plant and equipment	34.5	31.1
Goodwill	2.4	2.4
Other intangible assets	3.5	1.1
Shares in associated companies	25.7	
Available-for-sale investments	9.5	10.6
Financial assets at fair value through profit or loss	16.6	14.5
Receivables	0.2	
Deferred tax assets	0.3	0.1
Total non-current assets	92.8	59.9
Current assets		
Inventories	36.8	24.7
Trade and other receivables	53.6	43.4
Advance payments	0.3	0.1
Financial assets at fair value through profit or loss	7.7	16.1
Available-for-sale investments, liquid assets		0.5
Available-for-sale investments, cash equivalents	41.0	20.4
Cash and cash equivalents	16.9	30.8
Total current assets	156.3	135.9
Non current assets held for sale		4.9
		140.8
Total assets	249.1	200.7
Shareholder's equity and liabilities		
Equity		
Share capital	15.2	15.2
Share premium account	16.1	16.1
Treasury shares	-8.9	-8.9
Translation differences	5.7	0.1
Other reserves	6.2	4.7
Retained earnings	126.5	123.3
Total equity	160.8	150.5
Total equity	160.8	150.5

Non-current liabilities		
Deferred tax liabilities	1.1	1.5
Provisions	4.4	5.4
Interest bearing liabilities	35.6	
Other liabilities	1.0	
Total non-current liabilities	42.0	6.9
Current liabilities		
Trade and other liabilities	39.2	30.1
Current tax	2.6	1.2
Interest bearing liabilities	4.4	12.0
Total current liabilities	46.3	43.3
Total liabilities	88.3	50.2
Total shareholder's equity and liabilities	249.1	200.7

Consolidated Cash Flow Statement
EUR million

	31.12.2010	31.12.2009
Cash flow from operating activities		
Net profit	10.9	14.3
Adjustments for the net profit	4.8	6.0
Change in net working capital	-12.3	16.3
Paid interests and other financial expenses	-0.4	-0.9
Interest received	0.5	0.7
Taxes paid	-3.7	-5.5
Net cash from operating activities	-0.3	30.9
Cash flow from investing activities		
Investments in tangible and intangible assets	-9.0	-3.4
Sale of tangible and intangible assets	7.6	0.2
Purchase of investments	-25.8	-88.3
Proceeds from sale of investments	33.4	74.1
Purchase of associated companies	-24.1	
Granted loans	-0.2	
Interest received from investments	1.0	1.9
Dividends received from investments	1.1	0.0
Net cash from investing activities	-15.9	-15.4
Cash flow from financing activities		
Purchase of treasury shares		-1.5
Proceeds from short-term loans	5.0	
Repayment of short-term loans	-5.0	
Proceeds from long-term loans	40.0	
Repayment of long-term loans	-12.0	
Dividends paid	-6.9	-7.0
Net cash from financing activities	21.1	-8.5

Net increase/decrease in cash and cash equivalents	4.8	7.1
Cash and cash equivalents at beginning of period	51.2	45.1
Changes in exchange rates	1.9	-0.9
Cash and cash equivalents at end of period	57.9	51.2

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
Equity							
1.1.2010	15.2	16.1	-8.9	0.1	4.7	123.3	150.5
Total comprehensive income				5.5	0.7	10.9	17.1
Payment of dividends						-6.9	-6.9
Transfer to funds					0.8	-0.8	0
Distribution of treasury shares			0.0				0.0
Equity							
31.12.2010	15.2	16.1	-8.9	5.7	6.2	126.5	160.7

Equity attributable to equity holders of the parent company

	Share capital	Share premium account	Treasury shares	Translation differences	Other reserves	Retained earnings	Equity total
Equity							
1.1.2009	15.2	16.1	-7.4	2.0	3.5	116.9	146.2
Total comprehensive income				-1.9	0.3	14.3	12.8
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
Equity							
31.12.2009	15.2	16.1	-8.9	0.1	4.7	123.3	150.5

Key indicators

1 - 12

1 - 12

	2010	2009
Return on equity, %	7,0	9,7
Return on investment, %	8,7	13,9
Interest-bearing liabilities, EUR million	40,0	12,0
Gearing, %	-26,2	-46,7
Equity ratio, %	64,6	75,0
Gross investments in fixed assets, EUR million	10,1	3,1
% of net turnover	4,6	1,6
Personnel, average	2 260	2 064
Earnings per share, EUR	0,19	0,25
Shareholders' equity per share, EUR	2,78	2,61
Dividend per share, EUR	0,12	0,12
Dividend per earnings, %	63,7	48,6
Effective dividend yield, %	4,04	4,36
Price-to-earnings ratio (P/E)	15,77	11,14
Share price		
Year's lowest share price, EUR	2,40	1,82
Year's highest share price, EUR	3,14	2,81
Average share price for year, EUR	2,88	2,18
Share price at year's end, EUR	2,97	2,75
Market capitalisation at end of year, EUR million	180,3	167,0
Number of shares at		
the end of period, 000's	60 714	60 714
- not counting own shares	57 730	57 726
- weighted average	57 730	58 082

The company has a EUR 40 million loan in connection with which the company has entered into interest and currency swap agreements to convert the SEK-denominated principal and cash flows of instalments and interest payments into euros. The interest and currency swap agreement fully hedges the instalments and interest payments against fluctuations in exchange and interest rates.

Owing to the nature of the sector, the company's order book covers only a short period of time and does not give an accurate picture of future development.

Segment information
EUR million

1 - 12

1 - 12

	2010	2009
Turnover		
Europe	122.8	113.5
Asia	107.9	93.2
Turnover between segments	-11.4	-9.4
Total	219.3	197.3

Operating profit		
Europe	3.9	2.6
Asia	10.5	13.4
Total	14.4	16.0

Assets		
Europe	76.8	68.5
Asia	69.6	60.4
Goodwill	2.4	2.4
Financial assets	100.3	69.6
Total	249.1	200.7

The financial assets of investment activities comprise all of Scanfil plc's financial assets, capital 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 1.1 million (EUR 5.4 million in 2009).

Changes in tangible non-current assets		
EUR million	1 - 12	1 - 12
	2010	2009
Book value at the beginning of the period	31.1	33.7
Additions	7.3	2.9
Deductions	-0.1	-0.4
Depreciations	-4.5	-4.7
Exchange rate differences	0.7	-0.4
Book value at the end of the period	34.5	31.1

Contingent liabilities		
EUR million	1 - 12	1 - 12
	2010	2009
Given real estate mortgages	3.4	3.4
Given business mortgages	46.8	18.8
Pledged guarantees	0.1	0.1
Rental liabilities	0.1	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.

Acquired Associated companies EUR million

	Kitron ASA	IonPhasE Oy	Panphonics Oy	Greenpoint Oy	iLog Oy	Total
Acquisition	09 / 2010	07 / 2010	06 / 2010	08 / 2010	12 / 2010	
Share	32,96 %	40 %	40 %	40 %	22,96 %	
Acquisition cost	18.1	2.0	2.0	1.7	3.5	26.2
Share of equity on acquisition date	18.1	0.7	0.3	0.0	1.2	19.2
Difference	0.0	1.3	1.7	1.7	2.2	5.6
Allocated to following items:						
Product development, depreciation 5 years		1.2	1.4	1.7	2.2	5.0
Patents, depreciation 5 years		0.1	0.3			0.3

The acquisition cost of the share of Greenpoint Oy, EUR 1.7 million, includes specified estimated conditional transaction price of EUR 1.0 million. Conditional transaction price will be paid as a share of profitable financial results of next five accounting periods of Greenpoint Oy starting from year 2011.

Key indicators quarterly

	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09
Turnover, MEUR	62.2	62.5	53.9	40.8	48.1	49.6	49.9	49.6
Operating profit, MEUR	3.2	3.5	6.2	1.5	2.6	4.2	5.0	4.2
Operating profit, %	5.1	5.6	11.6	3.6	5.3	8.5	10.0	8.5
Net income, MEUR	1.6	3.2	3.9	2.0	2.7	3.8	6.6	1.3
EPS, EUR	0.03	0.06	0.07	0.03	0.05	0.06	0.11	0.02

Calculation of key indicators

Return on equity, %	= $\frac{\text{Net profit for the period} \times 100}{\text{Shareholders' equity (average)}}$
Return on investment, %	= $\frac{(\text{Profit before taxes} + \text{interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$
Gearing (%)	= $\frac{(\text{Interest-bearing liabilities} - \text{cash and other liquid financial assets}) \times 100}{\text{Shareholders' equity}}$
Equity ratio (%)	= $\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total} - \text{advance payments received}}$

Earnings per share	= $\frac{\text{Net profit for the period}}{\text{Average adjusted number of shares during the year}}$
Shareholders' equity per share	= $\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period}}$
Dividend per share	= $\frac{\text{Dividend to be distributed for the period (Board's proposal)}}{\text{Number of shares at the end of year}}$
Dividend per earnings (%)	= $\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
Effective dividend yield (%)	= $\frac{\text{Dividend per share} \times 100}{\text{Share price at the end of year}}$
Price-to-earnings ratio (P/E)	= $\frac{\text{Share price at the end of year}}{\text{Earnings per share}}$
Average share price	= $\frac{\text{Total share turnover}}{\text{Number of shares traded}}$
Market capitalisation	= Number of shares x last trading price of the financial period

SCANFIL PLC

Harri Takanen
President

Additional information:
President Harri Takanen
Tel +358 8 4882 111

Distribution NASDAQ OMX Helsinki
Major Media
www.scanfil.com

Scanfil Group comprises the investment and parent company Scanfil plc, and a subgroup called Scanfil EMS Oy, which is engaged in contract manufacturing for international telecommunications technology and professional electronics manufacturers. The objective of the investment activities is to make the management of the company's funds more effective and productive by diversifying the risks and finding new growth potential.

Scanfil has 35 years of experience in demanding contract manufacturing. Scanfil is a systems supplier that offers its products and services to international telecommunications systems manufacturers and professional electronics customers. Typical products are equipment systems for mobile and public switched telephone networks, automation systems, frequency converters, lift control systems, equipment and systems for electricity production and transmission, analysers, slot machines and different meteorological instruments. The company has production facilities in China, Estonia, Hungary and Finland.

The associated companies of Scanfil Group:

Kitron ASA (KIT) (Scanfil plc's share of ownership 32,96%) 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 1,643.9 million (about EUR 210.5 million). www.kitron.com

Greenpoint Oy (Scanfil EMS Oy's share of ownership 40%) 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

iLOQ Ltd (Scanfil plc's share of ownership 23%) develops, manufactures and markets digital, battery-free locking solutions that combine modern mechatronics with communications and software technology. The functionality of the iLOQ S10 product concept developed by iLOQ Ltd and the added customer value it generates have been shown to be good by achieving significant growth and customer accounts in the Finnish lock market. The company has built a Finnish distributor network that covers growth centres and major cities. www.iloq.fi

IonPhase Oy (Scanfil plc's share of ownership 40%) 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 (Scanfil plc's share of ownership 40%) is the world's leading provider of directional audio solutions. Panphonics manufactures directional audio solutions for acoustically demanding applications based on its 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

Not for release over US newswire services. Forward-looking statements: certain statements in this stock exchange release may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Scanfil Oyj to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this stock exchange release, such statements use such words as "may," "will," "expect," "anticipate," "project," "believe," "plan" and other similar terminology. New risk factors may arise from time to time and it is not possible for management to predict all of those risk factors or the extent to which any factor or combination of factors may cause the actual results, performance and achievements of Scanfil Oyj to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The forward-looking information contained in this stock exchange release is current only as of the date of this stock exchange release. There should not be an expectation that such information will, in all circumstances, be updated, supplemented or revised, except as provided by the law or obligatory

regulations, whether as a result of new information, changing circumstances, future events or otherwise.