

SIEVI CAPITAL PLC INTERIM MANAGEMENT STATEMENT 29 APRIL 2014 AT 4:00 P.M.

SIEVI CAPITAL PLC'S INTERIM MANAGEMENT STATEMENT 1 JANUARY TO 31 MARCH 2014

January–March

- Profit for the review period was EUR -0.2 (0.0) million
- Earnings per share were EUR 0.0 (EUR 0.0).
- Net worth at the end of March was EUR 1.56 (1.62) per share. The 12-month capital return-adjusted (0.06) change in net worth per share was 0.0 %.

The comparison figures for the corresponding period the previous year are presented in brackets.

Sievi Capital plc has not announced its profit outlook for 2014. The figures presented in the interim management statement are unaudited.

Sievi Capital plc's investment activity can be divided into strategic capital investments and financial investments. New strategic capital investments were not made during the review period. Financial investments consist mainly of bonds, funds and structured products. Value of financial investments developed as expected and changes in net worth were mainly due to changes in the value of financial investments.

Harri Takanen, CEO:

"During the first quarter of 2014 no new strategic capital investments were made and the investments remained unchanged. As for the financial investments, the company took a step towards more liquid and low-risk investments. iLoq Ltd, Sievi Capital plc's holding 23.2 %, exceeded slightly its budgeted turnover and the EBIT in unaudited income statement of the first quarter was positive. The turnover of IonPhase Ltd, Sievi Capital plc's holding 35.8 %, has continued to grow during the first quarter. IonPhase Ltd is in a kind of developmental phase where it still needs additional financing. During the year 2013 Sievi Capital plc made investments in convertible bonds of IonPhase Ltd amounting to EUR 0.7 million.

After the review period on April 7th 2014 Jussi Capital Ltd gained the ownership of 28.500.829 shares in Sievi Capital plc, corresponding 50.07 per cent of the total number of the shares and voting rights in Sievi Capital plc. As a result of this, according to the chapter 11, section 19, of the Securities Markets Act, Jussi Capital Ltd is obliged to make a public offer for the total amount of shares in Sievi Capital Plc. Furthermore, Jussi Capital Ltd has announced on April 9th 2014 that due to commitments received by Jussi Capital Ltd, its ownership in Sievi Capital plc will increase above 2/3. Jussi Capital Ltd has announced that its goal is to terminate Sievi Capital plc's stock listing and continue its operations outside the stock exchange.

The Board of Directors of Sievi Capital plc shall perform a general assessment based on the recommendation by the independent members of the Board and publish a statement about the takeover bid at the latest 5 business days before the bidding window closes, in accordance with to the Chapter 11 Section 13 of the Securities Market Act."

#### NET WORTH

In the end of March 2014, Sievi Capital plc's net worth per share was EUR 1.56. Compared to the beginning of 2014, the change is 1.4%. Sievi Capital publishes its net worth calculation quarterly. The number of outstanding shares used in the net worth calculation is 57,730,439.

In the calculation of net worth, publicly quoted securities, investment funds and derivatives are valued at the closing price. However, for the associated company Kitron ASA, Apetit Plc and Efore Plc, the price used is the volume-weighted average price for the five days preceding the valuation date. Otherwise, if no public trading price has been available, the bid quote or value ratified by the issuer have been used.

Unquoted shares and holdings are measured at fair value, using imputed valuation methods.

#### ASSOCIATED COMPANIES

iLoq Ltd's turnover has continued its positive development and the budgeted turnover was slightly exceeded. The profit for each month was positive. Company's management estimates that its turnover will continue to grow on the financial period of 2014.

[www.iloq.fi](http://www.iloq.fi)

The efficiency program at Panphonics Ltd is completed and the operational cost level has been adapted to correspond with the prevailing demand. There are no immediate funding requirements in relation to Panphonics Ltd.

[www.panphonics.com](http://www.panphonics.com)

The growth prospects for IonPhase Ltd in packaging solutions for the chemical and electronics industries are good. Although customer contracts with leading providers within these fields proceed slowly.

[www.ionphase.fi](http://www.ionphase.fi)

The Norwegian associated company Kitron ASA disclosed its outlook in its quarterly statements bulletin published on 23 April 2014.

[www.kitron.com](http://www.kitron.com)

#### RESOLUTIONS OF THE ANNUAL GENERAL MEETING HELD AFTER THE REVIEW PERIOD ON 8 APRIL AND AUTHORISATIONS OF THE BOARD OF DIRECTORS

On 8 April 2014, Sievi Capital plc's Annual General Meeting confirmed the financial statements for 2013 and discharged the Board of Directors and the CEO from liability.

In line with the Board of Directors' proposal, the Annual General Meeting decided to pay a dividend of EUR 0.05 per outstanding share. The dividend matching day was 11 April 2014 and the dividend payment day was 23 April 2014.

The Annual General Meeting resolved that the Board of Directors consists of three members. Asa-Matti Lytinen and Jonna Tolonen were re-elected as members of the Board of Directors, and Seppo Laine was elected as a new member. Jorma J. Takanen was elected as a deputy member of the Board. The Meeting confirmed the remuneration for the Chairman of the Board of Directors is EUR 1,500/month and for the member of the Board EUR 1,000/month.

The remuneration for the auditor shall be paid against the auditor's reasonable invoice. The company's auditor is KPMG Oy AB, a company of Authorised Public Accountants, and the main auditor is Authorised Public Accountant Antti Kääriäinen. The auditor is appointed for an indefinite term.

In its first meeting the Board of Directors elected Asa-Matti Lytinen as the Chairman of the Board of Directors.

The Meeting authorized the Board of Directors to decide on the acquisition of the Company's own shares with distributable assets in accordance with the Board of Directors' proposal and to decide on a share issue. The maximum number of the shares to be repurchased is 3,000,000 shares. The shares will be purchased using the company's non-restricted equity so the acquisition of shares will decrease the Company's distributable non-restricted reserves. Shares will be purchased in another proportion than that of the holdings of the current shareholders. Purchasing will take place through public trading arranged by NASDAQ OMX Helsinki Ltd. The shares will be purchased at the fair value established in public trading at the time of acquisition. The authorization cancels the authorization given in the Annual General Meeting on 18 April 2013 to repurchase the company's own shares. The authorization will remain in force for 18 months after it is issued

The Meeting authorized The Board to decide on granting option rights to key people of the company. The total number of option rights is 300,000 and they entitle to subscribe for a combined total of 300,000 of the company's new shares or shares in its possession. The subscription price of shares subscribed with option rights is based on the trading volume weighted by the Company's average share price on the NASDAQ OMX Helsinki in March 2014, 2015, and 2016. The subscription period for option right 2014A is 1 May 2017 – 30 April 2019, option right 2014B is 1 May 2018 – 30 April 2020 and option right 2014C 1 May 2019 – 30 April 2021. Commencement of the subscription period requires that the production or financial goals defined annually by the Board are met. The terms of Option Scheme can be found on company's web page.

#### FUTURE PROSPECTS

Reliably predicting the fair values of Sievi Capital plc's investments is associated with uncertainties and largely dependent on general market development as well as other factors beyond the company's control. For this reason, Sievi Capital plc will not issue an estimate of the future value development of its investments.

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   [www.sievicapital.com](http://www.sievicapital.com)

Sievi Capital plc is an investment company whose task is to manage the company's assets efficiently and profitably by distributing risks and looking for new growth opportunities through these measures.

Sievi Capital plc's associated companies:

Kitron ASA (KIT) (Sievi Capital plc's holding 33.0%) is a Norwegian listed contract manufacturer that operates in five different customer segments: the marine and oil industry, basic industry, defense equipment industry, hospital and healthcare equipment industry and data and telecommunications industry. In addition to Norway, Kitron has plants and production in Sweden, Lithuania, Germany, China and the United States.

[www.kitron.com](http://www.kitron.com)

iLOQ Ltd (Sievi Capital plc's holding 23.2%) develops, manufactures and markets innovative, patented, high-security, electronic and self-operated locking solutions that combine modern mechatronics with communications and software technology. The added customer value of the iLOQ S10-product range has been shown to be good and the company has achieved a significant market position in the Nordic countries and a favorable reception in Central Europe. Marketing of the DIN-compliant lock cylinder solution developed for the Central European market has commenced in Germany and the Netherlands.

[www.ilq.com](http://www.ilq.com)

IonPhasE Ltd (Sievi Capital plc's holding 35.8%) develops and manufactures high-quality 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. IonPhasE manufactures IonPhasE IPE polymers based on its patented proprietary technology.

[www.ionphase.fi](http://www.ionphase.fi)

Panphonics Ltd (Sievi Capital plc's holding 40.0%) is a leading manufacturer of products based on directional audio technology. Panphonics manufactures solutions based on proprietary patented directional audio technology for acoustically demanding applications. The company's SoundShower speaker solutions are used in banks, store-specific advertisement systems, information kiosks and offices. In addition Panphonics is a component manufacturer.

[www.panphonics.com](http://www.panphonics.com)

Besides the associated companies, Sievi Capital plc's holding in Apetit Plc is 10.2% and in Efore plc 19.5%. Apetit Plc is a food production company whose shares are quoted on NASDAQ OMX Helsinki Ltd. The group's business segments are Frozen Food, Seafood and Grains and Oil seeds. Apetit Plc operates in the northern Baltic Sea region.

[www.apetitgroup.fi](http://www.apetitgroup.fi)

Efore Plc is an international company which develops and produces demanding power products whose shares are quoted on NASDAQ OMX Helsinki Ltd. Efore Plc's product development and marketing units are located in Finland, Sweden and China. Company's production unit is located in China.

[www.efore.com](http://www.efore.com)

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