

18 January 2012
at 12.00

SOLIDIUM OY'S JULY-DECEMBER 2011 HALF YEAR REPORT

- Solidium's investment yield was -14.9% for the six-month review period and -18.5% for the last 12 months
- Solidium paid 660 million euros in dividends to the State of Finland
- Due to dividends paid and changes in the value of investments, Solidium's net asset value decreased during the review period by 1,652 million euros, down to 6,728 million euros at the end of the period
- Solidium increased its holdings in Talvivaara Mining Company Plc and Metso Corporation by acquiring shares for a total of 42 million euros
- Solidium received a total of 7 million euros in profit distribution during the review period
- Solidium's profit for the review period amounted to 7.4 million euros

Solidium's Managing Director Kari Järvinen's comments on the review period:

"During the last calendar year, the optimism that prevailed during the first quarter changed into cautiousness and, during the third quarter, into deep concern regarding the development of the global economy. Share prices took a strong downward trend after the summer, which, however, levelled off during the fourth quarter. Investors became more risk averse, which reflected particularly on the valuation of the business-cycle sensitive heavy industry. Uncertainty in economic development, mainly due to difficulties faced by state economies, will have an impact on companies' requirements to invest and expand their operations in 2012.

Solidium paid during the review period 660 million euros in dividends to the State of Finland, and the dividend pay-out by Solidium exceeds one billion euros during the last two years. Solidium continued to acquire selected shares in the autumn, in line with its investment policy. We acquired shares in Talvivaara and Metso, which in our view were attractive investment targets in the long term. We have also ensured that we have sufficient financial instruments at our disposal for potential capital requirements in line with our treasury policy. We will use our investment capacity also in the future selectively and taking into account the capital needs of our shareholder."

SOLIDIUM'S INVESTMENTS

Share acquisitions

During the review period, Solidium acquired shares for approximately EUR 42 million. Solidium increased its holding in Metso Corporation from 10.4 per cent to 11.1 per cent by purchasing 1,000,000 shares from the market for approximately EUR 23 million. In addition, Solidium increased its holding in Talvivaara Mining Company Plc from 4.3 per cent to 7.1 per cent by purchasing 6,813,108 shares from the market for approximately EUR 19 million.

Profit distribution to Solidium

During the review period, Solidium received profit distribution from Elisa amounting to EUR 6.7 million (EUR 8.3 million in 1 July – 31 December 2010). In total, profit distribution received during the 2011 calendar year was EUR 429 million (EUR 440 million in the 2010 calendar year).

Development of the investments and key figures

The total value of Solidium's investments (equity investments and money market investments) was EUR 7,075 million on 31 December 2011 (EUR 9,145 million on 30 June 2011). The yield of Solidium's investments was -14.9 per cent in the review period and -18.5 per cent over the last 12 months. Detailed information on the key investment figures is annexed to this report.

Equity investments

The value of Solidium's equity investments on 31 December 2011 was EUR 7,027 million (EUR 8,364 million on 30 June 2011). In the review period, the total yield of the equity investments amounted to -16.4 per cent, while the yield for the last 12 months was -20.4 per cent. The OMX Helsinki Cap Total Return Index decreased 20.1 per cent in the review period, and its total decrease over the last twelve months was 24.9 per cent.

Money market investments

On 31 December 2011, Solidium's money market investments stood at a total of EUR 47 million (EUR 780 million on 30 June 2011). The amount of money market investments decreased during the review period due to the payment of dividends and taxes and the acquisition of shares. The return on money market investments was 0.5 per cent in the review period and 1.1 per cent over the last 12 months.

Participation in the activities of nomination committees

Managing Director Kari Järvinen has served as Chairman of the Shareholders' Nomination Boards of Metso Corporation, Outokumpu Oyj, Rautaruukki Oyj and Sponda Plc, and as a member of the Shareholders' Nomination Boards of Kemira Oyj, TeliaSonera AB and Tieto Corporation. Pekka Ala-Pietilä, Chairman of the Board of Directors of Solidium, has served as Chairman of the Shareholders' Nomination Board of Stora Enso Oyj. The Nomination Boards are charged with preparing the motions to the 2012 Annual General Meetings concerning the election of Board members and their remuneration.

Diversity targets in Board elections

One of the key means of influence in active engagement with the portfolio companies is participation in the election of board members. By participating in board elections, companies' shareholders can increase the efficiency of the boards' decision-making and the

performance of their oversight duties by ensuring that the composition of the companies' boards boasts a sufficient diversity from many fields.

As an owner, Solidium aims to influence the boards of its portfolio companies, so that they form a well-functioning and mutually complementary body, the members of which have versatile know-how and experience that is relevant to each company's needs. In order to achieve this objective, Solidium pays particular attention, among others, to the appointment of new female members to the boards and to new board candidates' international experience and knowledge of operating environments in various market areas. Similarly, Solidium evaluates the age distribution and educational and professional background of board members in order to form the best possible boards.

Government resolution concerning ownership steering in autumn 2011

On 3 November 2011, The Government of Finland approved the goals and principles of ownership policy concerning State ownership in companies for the current Government in office. This Government resolution particularly highlights responsibility, openness and a long-term view in ownership as well as pays particular attention to the realisation of diversity in the companies' boards, especially gender equality.

SOLIDIUM OY IN THE REVIEW PERIOD

Annual General Meeting 2011

The Annual General Meeting of Solidium Oy was held in Helsinki on 31 August 2011. The Annual General Meeting adopted the company's financial statements for the financial period 1 July 2010 to 30 June 2011 and discharged the members of the Board of Directors and the Managing Director from liability. The General Meeting resolved, in accordance with the proposal of the Board that a dividend of EUR 660 million be paid for the financial period.

It was confirmed that the Board of Directors shall have seven (7) members. The following persons, who gave their consent, were elected to the Board of Directors until the end of the next Annual General Meeting: Chairman Pekka Ala-Pietilä, Vice Chairman Eija Ailasmaa and members Antti Herlin, Markku Hyvärinen, Marketta Kokkonen, Anni Vepsäläinen and Jarmo Väisänen (new member).

The Annual General Meeting confirmed that the Chairman of the Board of Directors shall receive a fee of EUR 5,500 per month, the Vice Chairman EUR 3,000 per month and the members EUR 2,500 per month. In addition, a meeting fee of EUR 600 was confirmed for each meeting.

The firm of authorised public accountants KPMG Oy Ab, with APA Sixten Nyman as the principal auditor, was appointed as Solidium's auditor to serve for a term expiring at the end of the next Annual General Meeting. The Annual General Meeting resolved to remunerate the auditors in accordance with their invoice.

Financing arrangements

Solidium signed a EUR 300 million unsecured revolving credit facility agreement on 24 October 2011. The facility is a committed credit line for general corporate purposes and is a back-up facility for the commercial paper programme. The facility is a one-year arrangement with a one-year extension option subject to agreements between the parties. The size of Solidium's commercial paper programme was increased from EUR 300 million to EUR 400 million. The programme permits the company to issue commercial papers with a maturity of less than one year. These financing arrangements enable the company to ensure, in line with its treasury policy, that it has sufficient financial instruments at its disposal for its potential capital requirements. The capital structure of Solidium may be complemented by other financial instruments in the future. At the close of the review period on 31 December 2011, the revolving credit facility was unused and there were no commercial papers outstanding.

Key financial figures

Solidium's operating expenses during the review period totalled EUR 1.7 million, resulting in a management cost ratio of 0.04 per cent. Financial income included EUR 6.7 million in dividends received from Elisa Corporation. In the same period last year, Solidium Oy reported a capital gain of EUR 79 million on the sale of shares in Sponda Plc and a capital loss of EUR 5 million on the sale of Tikkurila Plc's shares.

	1 July 2011 – 31 December 2011 (6 months)	1 July 2010 – 31 December 2010 (6 months)	1 July 2010 – 30 June 2011 (12 months)
Operating profit, EUR million	-1.7	71.1	143.9
Profit for the period, EUR million	7.4	60.9	531.0
Return on investment at fair values, %	-14.9	20.1	15.1
Dividends and capital repayments received, EUR million	6.7	8.3	422.1
Management cost ratio, %	0.04	0.07	0.06
Net asset value, EUR million	6 728.5	8 571.3	8 380.7
Shareholders' equity, EUR million	5 659.2	5 841.7	6 311.8
Interest-bearing liabilities, EUR million	0.0	0.0	0.0
Equity ratio, %	100.0	99.7	99.4
Average number of employees	11	11	11

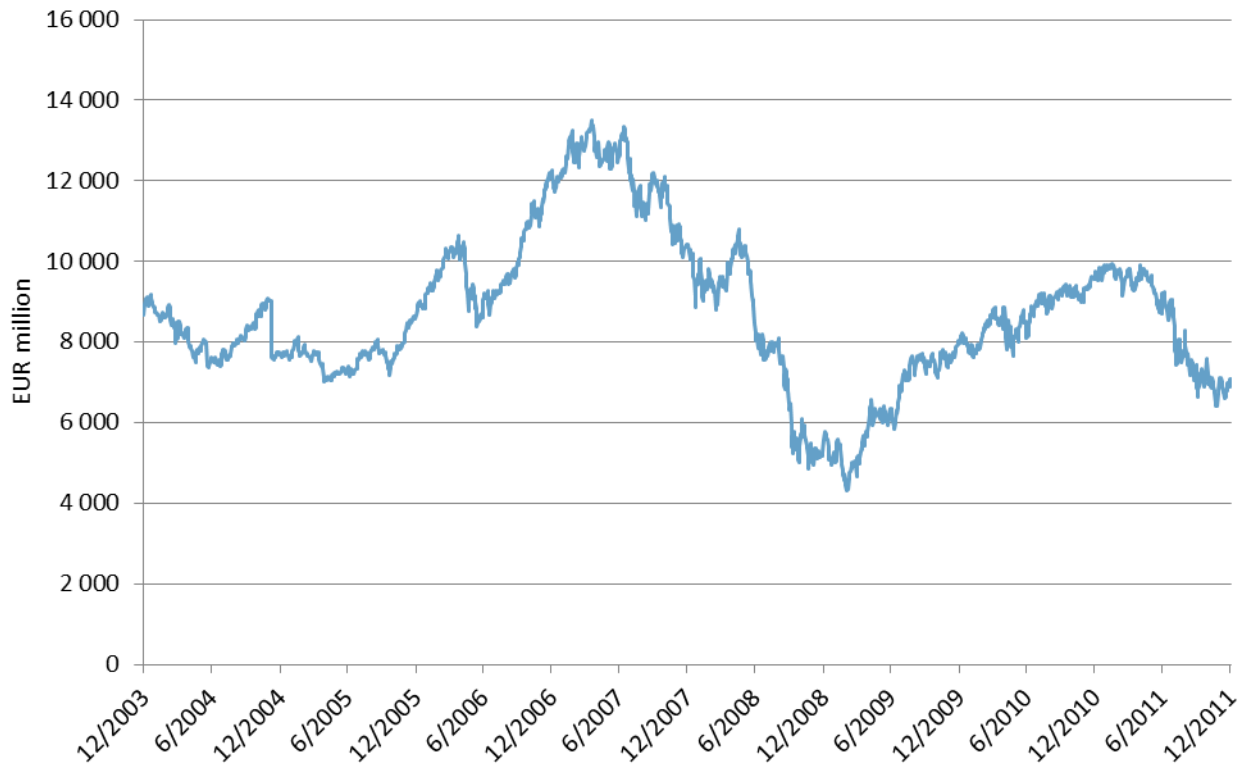
This half year report is available on the company's website, www.solidium.fi, in the Publications and Media section. This half year report has not been audited.

Attachment: Solidium's investments as at 31 December 2011

Solidium Oy

Further information: Managing Director Kari Järvinen, tel. +358 (0)10 830 8905

Solidium is a limited company wholly owned by the State of Finland. Its mission is to strengthen and stabilise Finnish ownership in nationally important companies and increase the value of its holdings in the long term. Investment activities are based on financial analysis. The basis and core objective of Solidium's investment strategy is proper, value-enhancing asset management of the current holdings. Through its stakes, Solidium is a minority owner in eleven listed companies: Elisa, Kemira, Metso, Outokumpu, Rautaruukki, Sampo, Sponda, Stora Enso, Talvivaara Mining Company, TeliaSonera and Tieto. The market value of Solidium's investments is approximately 7.4 billion euros at the date of this press release. Further information: www.solidium.fi.

ATTACHMENT: SOLIDIDIUM'S INVESTMENTS AS AT 31 DECEMBER 2011
VALUE OF TOTAL INVESTMENTS


Includes equity investments and money market investments. The period before 11 December 2008 refers to the time when equity investments were held directly by the State of Finland.

INDICATORS

	1 month	6 months	YTD	12 months	2 years
Yield, %	-0,4	-14,9	-18,5	-18,5	0,8
Yield of benchmark index, % *)	-3,6	-20,1	-24,9	-24,9	-1,3
Volatility, %	-	34,1	-	26,9	24,1
Sharpe	-	-0,9	-	-0,7	0,0
Beta	-	-	-	0,9	0,9
Alfa, %	-	-	-	2,7	1,8
Tracking Error, %	-	-	-	8,2	7,1
Information ratio	-	-	-	0,8	0,3

(Over-12-month indicators are annual)

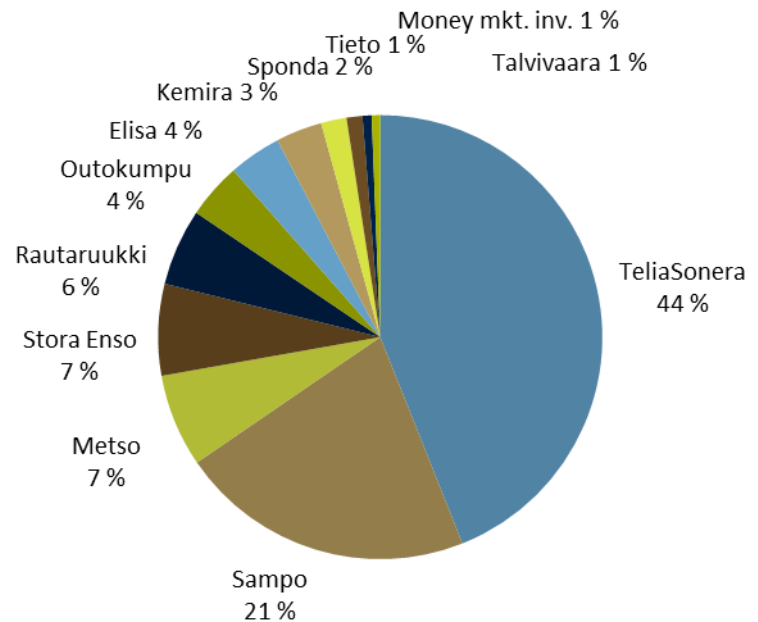
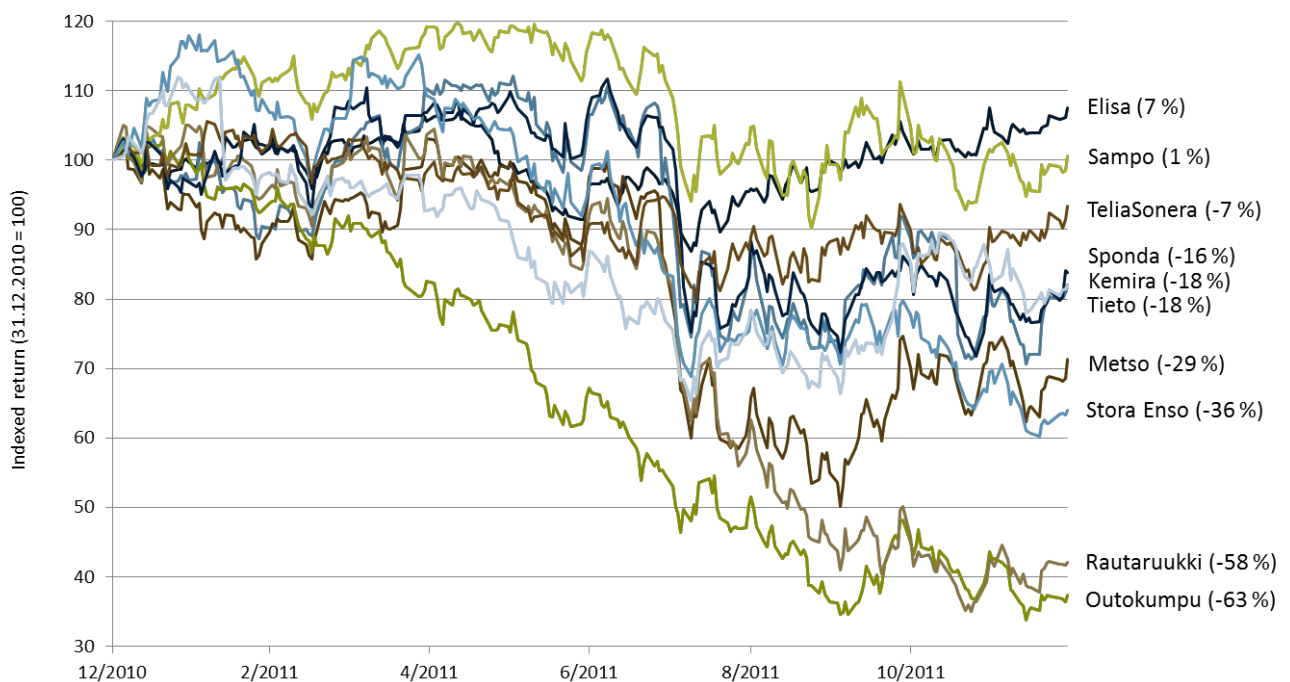
*) OMX Helsinki Cap GI

YTD = year-to-date.

Includes equity investments and money market investments.

PORTFOLIO WEIGHTS

	EUR
Total	7 074 715 252
Elisa	271 000 130
Kemira	237 726 079
Metso	478 319 973
Outokumpu	286 718 233
Rautaruukki	395 996 702
Sampo	1 519 799 134
Sponda	131 550 884
Stora Enso	471 355 226
Stora Enso A	279 369 583
Stora Enso R	191 985 643
Talvivaara	43 200 001
TeliaSonera	3 110 237 266
Tieto	81 569 598
Money mkt. inv.	47 242 027


SHARE YIELDS DURING THE FINANCIAL YEAR


Note. Talvivaara was not in the portfolio at the beginning of the year