

26 September 2017 at
9:30

Solidium Oy's half-year report 1 January –30 June 2017 and financial statements:

Six-month period of 1 January–30 June 2017

- The return of Solidium's holdings in the review period was 8.5 per cent
- Solidium acquired 3 per cent of Konecranes for a purchase price of EUR 93 million
- Solidium increased its voting rights in Stora Enso
- Solidium reduced its holding in Outokumpu
- Antti Mäkinen became the Managing Director on 2 May 2017

Financial year 1 July 2016–30 June 2017

- The return on equity holdings was 35.5 per cent in the financial year
- Solidium's result for the financial year was EUR 1,033 million. The result before reversals of impairments and taxes was 405 million
- Solidium's net asset value increased as a result of the value changes of equity investments by EUR 1.6 billion during the review period and was EUR 7.7 billion at the end of the financial year
- Solidium's Annual General Meeting decided on a distribution of dividends totalling EUR 307 million, and Timo Ahopelto was elected to Solidium's Board of Directors
- Solidium's Board of Directors approved the updated strategy after the end of the financial year

Solidium's Managing Director Antti Mäkinen's comments on the review period:

"The positive tone in the equity market continued during the review period from January to June, and this had a positive impact on Solidium's portfolio companies. The value of equity holdings grew from EUR 7.8 billion to EUR 8.2 billion during the review period. The delights of the review period included the good returns of Valmet, Outotec, and Metso. In the long-term, we expect our companies to perform better than the median of peer companies. During the financial year, six out of twelve companies met our expectations in this regard, and the same was accomplished by five companies over the longer, five-year period. The equity holdings yielded an excellent return, more than 35 per cent, during the financial year.

Solidium continuously monitors the equity market, investigates new investment opportunities, and assesses the development of its current investments. At the beginning of the review period, Solidium reduced its holding in Outokumpu by approximately EUR 94 million. The holding in Outokumpu was higher than pursued, and the timing and price were attractive for the divestment.

Solidium will spend the funds received from divestments of shares on new investments. In May, Solidium had an opportunity to purchase 3 per cent of Konecranes' shares for EUR 93 million. Konecranes is a technology leader in its industry, with globally scalable busi-

ness operations. The investment by Solidium stabilises Konecranes' Finnish ownership by further anchoring the company's ownership to Finland.

At the end of the financial period, in June, Solidium strengthened its voting rights in Stora Enso by purchasing 5.7 million A shares and divesting a corresponding number of R shares with more limited voting rights. Stora Enso is transforming from a paper company to a growth company of renewable materials with a strategy based on global trends. It creates good prerequisites for developing Stora Enso's shareholder value."

SOLIDIDIUM'S HOLDINGS

Development of holdings and key indicators

The value of Solidium's all holdings (equity holdings and money market investments) was EUR 8,930 million on 30 June 2017 (EUR 8,536 million on 31 December 2016 and EUR 6,970 million on 30 June 2016). The return on all holdings was 8.1 per cent over the review period of six months, and 32.4 per cent for the past financial year. More detailed information on the investment key indicators are attached.

Equity holdings

The value of Solidium's equity holdings was EUR 8,223 million on 30 June 2017 (EUR 7,848 million on 31 December 2016 and EUR 6,308 million on 30 June 2016). The total return of Solidium's equity holdings was 8.5 per cent during the review period and 35.5 per cent for the past financial year. During the six-month period, the best returns were generated by Valmet, Outotec and Metso, whereas in Outokumpu, Kemira and Telia Company, the development was the weakest. The best return during the financial year was generated by SSAB, Outokumpu and Stora Enso, while the returns of Telia Company, Elisa and Kemira were low.

Money market investments

Solidium's money market investments amounted to EUR 707 million on 30 June 2017 (EUR 688 million on 31 December 2016 and EUR 662 million on 30 June 2016). The return of money market investments was 0.2 per cent during the review period and 0.5 per cent for the past financial year.

Distribution of profit to Solidium

During the financial year, Solidium received a total of EUR 314 million before taxes as dividends distributed by its portfolio companies (1 July 2015 – 30 June 2016: EUR 282 million) and after taxes EUR 307 million (EUR 278 million). The dividend income received by Solidium was approximately 3.8 per cent proportioned to the value of equity holdings on 30 June 2017.

Participation in nomination boards

A central aspect of Solidium's corporate governance model is to actively influence the composition of the boards of directors of the portfolio companies. Solidium actively participated in the work of the nomination boards responsible for preparing board elections. Solidium pursues board compositions which best serve the needs of the companies and

the goal of shareholder value creation. During the financial year, a total of nine new members were elected to the boards of directors of Solidium's portfolio companies. Four of the new members were women.

Solidium's representatives have served as the chairman of the shareholders' nomination boards of Elisa, Metso, Outokumpu, Outotec, Stora Enso, Talvivaara Mining Company and Valmet, and as members of the shareholders' nomination boards of Kemira, SSAB, Telia Company and Tieto. The nomination boards prepared the proposals related to the selection and remuneration of the board members for the 2017 Annual General Meetings.

Share acquisitions and other events

During the six-month review period, Solidium executed its owner strategy by decreasing its holding in Outokumpu Oyj from 26.2 per cent to 23.8 per cent through the divestment of shares in the market for approximately EUR 93.7 million. The sales gain from the shares was EUR 56.4 million.

In May 2017, Solidium acquired 3.0 per cent of Konecranes Plc's shares for the purchase price of EUR 93.0 million. Konecranes is a world-leading manufacturer of lifting equipment and machinery, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. The company supplies its customers with lifting solutions for more efficient operations and maintenance services for all types and makes of industrial cranes, hoists and port equipment. The company has 17,000 employees and 600 service points in 50 countries. Konecranes' strong market position and unparalleled technological expertise in the value chain of the machine and metal products industry as a whole are appealing characteristics. As Terex divested its holding in Konecranes, Solidium's investment will strengthen and stabilise the Finnish ownership of the company.

In June 2017, Solidium purchased Stora Enso's A shares for EUR 68.6 million and divested Stora Enso's R shares for EUR 67.3 million. After the transactions, Solidium's share of the votes in Stora Enso increased from 25.1% to 27.3% and the share of the number of shares remained at 12.3%. Stora Enso's voting A shares are rarely available in greater numbers, and therefore Solidium took the opportunity and divested a corresponding number of R shares. The sales gain from the shares was EUR 35.6 million.

SOLIDIUM OY'S EVENTS

Solidium's strategy update

At the beginning of the financial year, Solidium received a new Board of Directors and a revised mandate, and a new Managing Director took his position in spring 2017. Reassessing Solidium's strategy was also deemed appropriate in the same connection. Strategy work based on the new mandate was led by Managing Director Antti Mäkinen in the spring and summer, and the strategy was approved by the company's Board of Directors in August.

Solidium's core task remains unchanged: to strengthen and stabilise Finnish ownership in companies of national importance and grow the value of its ownership in the long-term. However, the strategy update resulted in changes in the methods by which this goal is

pursued. The key change concerns a more active role as an owner. Solidium applies methods available for a minority owner in order to support and challenge the portfolio companies to develop and outperform their peers. The goal is for Solidium to have a representative in the board of directors of every portfolio company in the long term.

In accordance with its updated strategy, Solidium is also more active than before in reforming the composition of its equity portfolio. We can increase or decrease our holding in portfolio companies on the basis of our well-founded view and financial grounds, as well as invest in new companies with national interest. We continuously investigate new investment opportunities. Previously, Solidium primarily pursued holdings of a minimum of 10 per cent. According to the new strategy, a smaller holding is also possible if it can influence the shareholder value of the portfolio company and stabilise Finnish ownership.

Annual General Meeting

Solidium's Annual General Meeting was held in Helsinki on 26 September 2017. The Annual General Meeting adopted the company's financial statements for the financial year 1 July 2016–30 June 2017 and discharged the members of the Board of Directors and the current Managing Director as well the temporary Managing Director and the former Managing Director from liability. In accordance with the Board's proposal, the Annual General Meeting decided on a profit distribution of EUR 307 million to the owner, which corresponds to the amount of dividends received by Solidium, taking the taxes payable on the dividends into consideration. For a term ending at the end of the next Annual General Meeting, the following persons were elected to the Board of Directors: Harri Sailas was elected as the Chairman, Eija Ailasmaa as the Vice Chairman, and Timo Ahopelto (new member), Aaro Cantell, Markku Hyvärinen, Paula Lehtomäki, and Marjo Miettinen as Board members. The Annual General Meeting confirmed the existing remuneration of the Board of Directors: Chairman of the Board of Directors shall receive a remuneration of EUR 5,500 per month, the Vice Chairman EUR 3,000 per month, and each member EUR 2,500 per month. In addition, a meeting remuneration of EUR 600 was confirmed for each meeting. KPMG Oy Ab, authorised public accountants, with APA Raija-Leena Hankonen as the principal auditor, was appointed as Solidium's auditor to serve for a term ending at the end of the next Annual General Meeting.

Financial key indicators

Solidium's net profit for the financial year was EUR 1,033 million (EUR 405 million before reversals of impairments and taxes). Solidium's operating expenses were EUR 4.6 million (EUR 3.5 million in the previous financial year), resulting in a management cost ratio of operations of 0.07% at an annual level. The increase in the operating expenses was mostly attributable to the expenses related to the change of the Managing Director. The financial expenses include a reversal of impairment totalling EUR 742 million in accordance with the accounting principles, of which EUR 408 million is related to Outokumpu Oyj's shares, EUR 54 million related to Outotec Oyj's shares, and EUR 280 million related to SSAB AB's shares. Solidium's net asset value increased as a result of the value changes of share investments by EUR 1.6 billion during the review period and was EUR 7.7 billion at the end of the review period.

	1 July 2016– 30 June 2017	1 July 2015– 30 June 2016	1 July 2014– 30 June 2015
Operating profit, EUR million	89.1	-3.5	534.5
Profit for the period, EUR million	1,032.6	11.2	216.6
Return on investment at fair value, %	32.4	-7.4	4.3
Management cost ratio of operations, %	0.07	0.05	0.07
Net asset value, EUR million	7,695.0	6,127.9	6,853.6
Shareholders' equity, EUR million	4,590.1	3,835.5	4,090.3
Financial liabilities, EUR million	350.0	350.0	950.0
Equity ratio, %	90.9	91.6	81.1
Average number of employees	11	12	12

Solidium's Annual Report in English will be published and available on Solidium's website at <http://www.solidium.fi/en/publications-and-media/annual-report/> in October. This report is unaudited.

Attachment Solidium's holdings on 30 June 2017

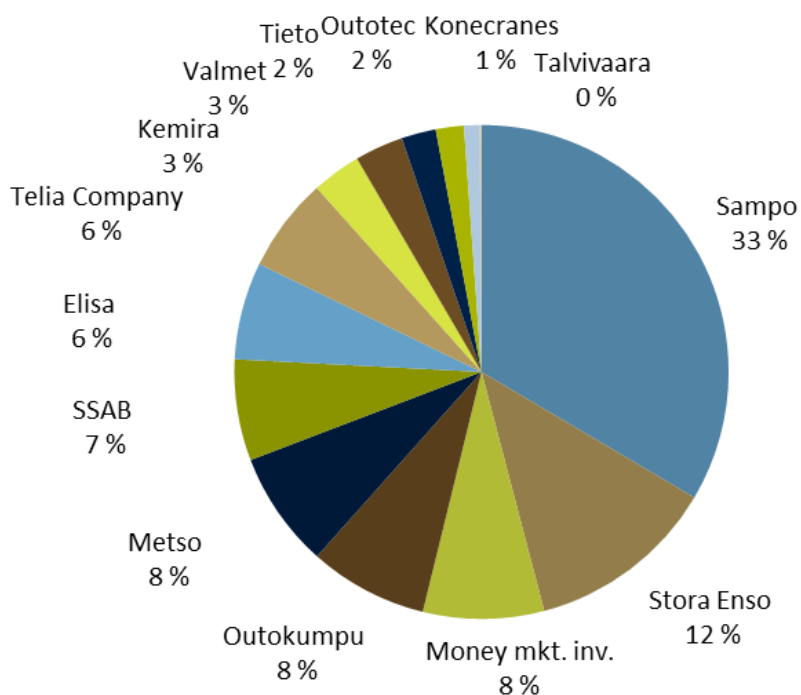
Solidium Oy

Further information: Managing Director Antti Mäkinen, tel. +358 10 830 8905

Solidium is a limited liability company wholly owned by the State of Finland. Its core task is to strengthen and stabilise Finnish ownership in companies of national importance and grow the value of its ownership in the long-term. Solidium is a minority owner in thirteen listed companies (Elisa Corporation, Kemira Oyj, Konecranes Plc, Metso Corporation, Outokumpu Oyj, Outotec Oyj, Sampo Plc, SSAB AB, Stora Enso Oyj, Talvivaara Mining Company Plc, Telia Company AB, Tieto Corporation and Valmet Corporation). The market value of Solidium's equity holdings is approximately EUR 8.3 billion on the date of this report. Further information: www.solidium.fi.

ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 30 JUNE 20167
BREAKDOWN OF HOLDINGS

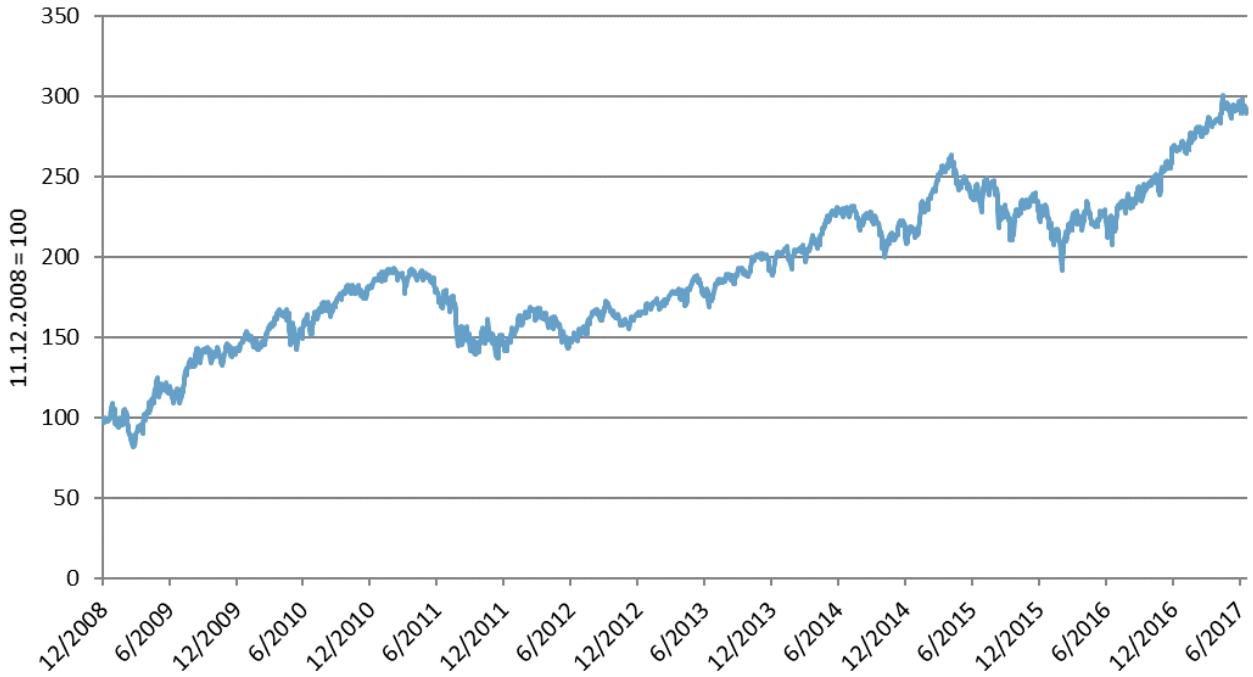
	EUR million
Total	8,930.3
Elisa	570.1
Kemira	286.4
Konecranes	92.1
Metso	679.3
Outokumpu	693.1
Outotec	164.1
Sampo	2,990.9
SSAB	591.8
SSAB A	106.1
SSAB B	485.7
Stora Enso	1,109.2
Stora Enso A	704.4
Stora Enso R	404.8
Talvivaara	9.6
Telia Company	552.1
Tieto	200.7
Valmet	284.0
Money mkt. inv.	706.8


RETURNS OF SOLIDIUM'S HOLDINGS

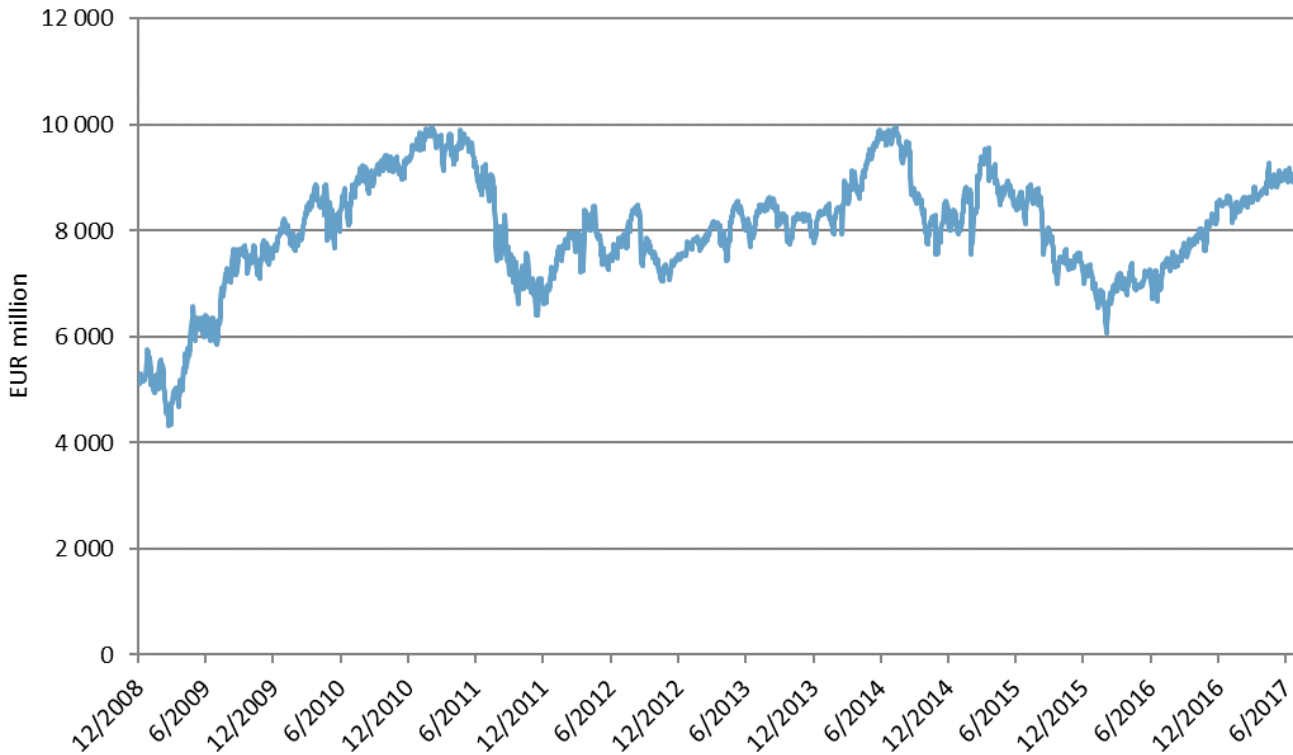
	6 months	12 months	5 years	From the establishment of Solidium
Return of total investments, %	8.1%	32.4%	13.8%	13.3%
Return of equity holdings, %	8.5%	35.5%	14.8%	13.6%

(Over-12-month returns are annualised)

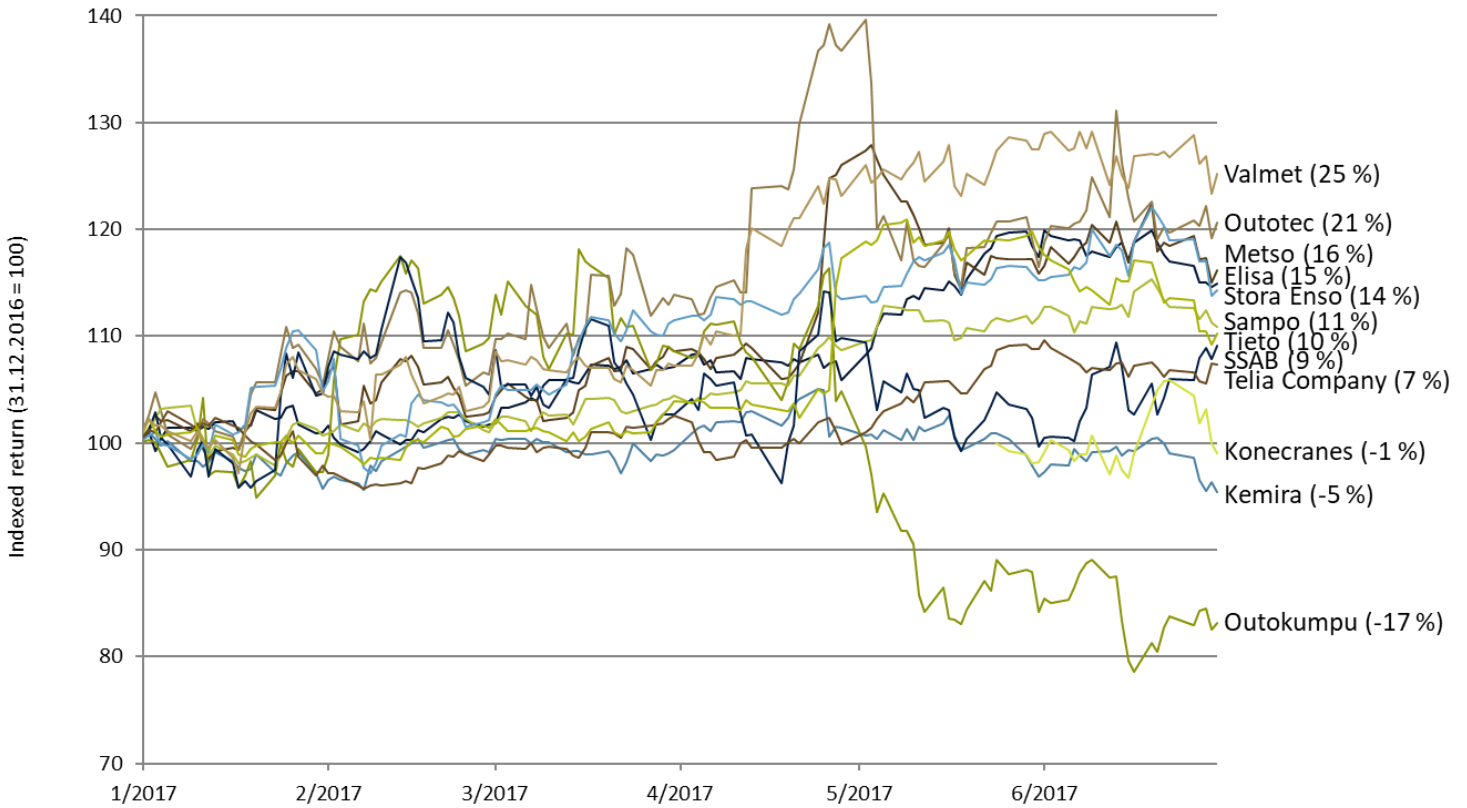
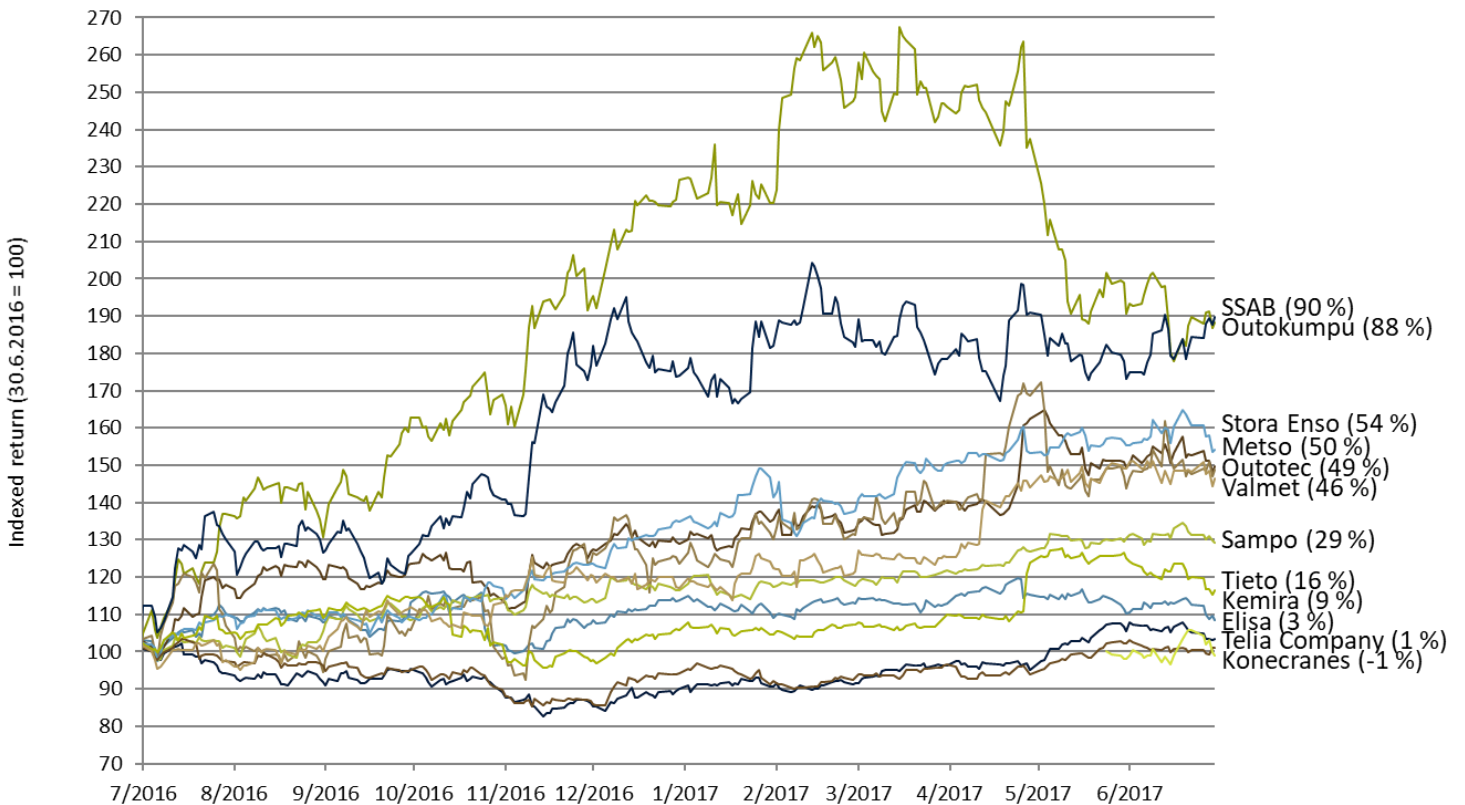
Includes equity holdings and money market investments. Solidium was established 11.12.2008

DEVELOPMENT OF THE RETURN OF THE HOLDINGS


Includes equity holdings and money market investments. Solidium was established 11.12.2008

VALUE OF THE HOLDINGS


Includes equity holdings and money market investments. Solidium was established 11.12.2008

RETURNS OF HOLDINGS TO SOLIDIDIUM DURING THE REVIEW PERIOD 1 JAN 2017 – 30 JUN 2017

RETURNS OF HOLDINGS TO SOLIDIDIUM DURING THE REVIEW PERIOD 1 JUL 2016 – 30 JUN 2017


RETURNS OF THE COMPANIES OWNED BY SOLIDIDIUM AND THEIR BENCHMARK INDICES

	6 months	12 months	5 years	10 years
Elisa	15 %	3 %	23 %	14 %
<i>Peer companies</i>	8 %	9 %	5 %	3 %
<i>DJ STOXX 600 Telecom. Index</i>	2 %	0 %	9 %	4 %
Kemira	-5 %	9 %	9 %	6 %
<i>Peer companies</i>	10 %	19 %	18 %	10 %
<i>FTSE EUROFIRST 300 Chemicals Index</i>	7 %	23 %	12 %	8 %
Konecranes	13 %	69 %	17 %	6 %
<i>Peer companies</i>	10 %	56 %	19 %	1 %
<i>BI Europe Industrial Machinery Index</i>	16 %	37 %	13 %	10 %
Metso	16 %	50 %	13 %	4 %
<i>Peer companies</i>	17 %	48 %	7 %	7 %
<i>Bloomberg Europe Mach.-Div. Index</i>	17 %	23 %	12 %	4 %
Outokumpu	-17 %	88 %	1 %	-18 %
<i>Peer companies</i>	-5 %	31 %	8 %	-14 %
<i>Bloomberg Europe Steel Index</i>	0 %	46 %	4 %	-8 %
Outotec	21 %	49 %	-6 %	-3 %
<i>Peer companies</i>	17 %	50 %	10 %	2 %
<i>Bloomberg Europe Mach.-Div. Index</i>	17 %	23 %	12 %	4 %
Sampo	11 %	29 %	23 %	14 %
<i>Peer companies</i>	12 %	37 %	18 %	7 %
<i>OMX Nordic Financials Index</i>	11 %	33 %	20 %	13 %
SSAB	11 %	92 %	-4 %	-14 %
<i>Peer companies</i>	1 %	46 %	9 %	-6 %
<i>Bloomberg Europe Steel Index</i>	0 %	46 %	4 %	-8 %
Stora Enso	15 %	63 %	23 %	2 %
<i>Peer companies</i>	-2 %	41 %	26 %	7 %
<i>Bloomberg W. For. Prod. & Paper Index</i>	6 %	32 %	17 %	4 %
Telia Company	8 %	2 %	1 %	3 %
<i>Peer companies</i>	5 %	10 %	8 %	4 %
<i>DJ STOXX 600 Telecom. Index</i>	2 %	0 %	9 %	4 %
Tieto	10 %	16 %	23 %	6 %
<i>Peer companies</i>	15 %	20 %	21 %	11 %
<i>BE500 Computer Service Index</i>	14 %	28 %	19 %	6 %
Valmet	25 %	46 %	n/a	n/a
<i>Peer companies</i>	14 %	30 %	n/a	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	17 %	23 %	n/a	n/a

From the beginning of its listing on 2 January 2014, Valmet's return has been 35 %, median return of the peer companies has been 13 % and the return of the benchmark index has been 9 %. Over-12-month returns are annualised. The returns are euro-nominated for the company's most liquid share class and benchmark index, and the gross dividends are reinvested in the company's shares (if available). The total return to Solididium may differ from the company's share return due to transactions, taxes, and because Solididium has not reinvested the dividends received, but has paid them to its owner, the Finnish State. Peer companies' return is the median of the peer companies. Data source: Bloomberg and Nasdaq