

13 September 2018 at
9:30

Solidium Oyj's financial statements and half-year report 1 January –30 June 2018:

Financial year 1 July 2017–30 June 2018

- The return on equity holdings was 8.8 per cent in the financial year
- Solidium's result for the financial year was EUR 350 million
- Solidium's net asset value increased by EUR 384 million during the review period and was EUR 8.0 billion at the end of the financial year
- Solidium's Annual General Meeting decided on a distribution of dividends totalling EUR 351 million

Six-month period of 1 January–30 June 2018

- The return of Solidium's equity holdings in the review period was 4.5 per cent
- Solidium acquired 3.3 per cent of Nokia for EUR 845 million
- Solidium disposed of its entire holding in Telia Company for EUR 517 million
- Solidium disposed of one sixth of its holding in Sampo for approximately EUR 467 million
- Solidium disposed of 14 million Stora Enso R-shares and acquired 1.4 million Stora Enso A-shares releasing capital for approximately EUR 220 million
- Antti Mäkinen was elected board member of Metso, Sampo and Stora Enso boards

Solidium's CEO Antti Mäkinen's comments on the review period:

"The financial year was characterised by strategy implementation which was demonstrated by increased purchasing and divestment activities compared to previous years. In the beginning of the year we divested our entire holding in Telia Company and reduced our ownership in SSAB and Sampo. We invested the proceeds of the transactions mainly in our Nokia investment. Nokia fits perfectly into Solidium's portfolio. Nokia's strong market position and broad technological expertise are appealing factors and provide good opportunities for value creation. In line with our mandate, we strengthen and stabilize domestic ownership in this nationally very important company.

As a whole, the return of the portfolio remained good during the financial year and Solidium's return on equity holdings was 8.8 per cent for the past financial year and 4.5 per cent for the review period. The best returns were generated by Stora Enso, which benefited from strong demand for pulp and increased prices of end products. That is why we released over EUR 200 million of our Stora Enso holding for future needs.

Our objective is for Solidium to have a representative in the board of each portfolio company in the long term. Solidium's Board members hold board memberships in three of our portfolio companies. During the review period, the AGMs of Metso, Sampo and Stora Enso elected me to their boards. Our goal in board work is to promote the interests of the company in question and to do our part to help it outperform its peers. As a board member, Solidium's representative has access to a wealth of information analysed by Solidium's

investment team about the the portfolio companies, their industries and competitors. This information is applied in full to benefit the companies.”

SOLIDIUM’S HOLDINGS

Development of holdings and key indicators

The value of Solidium’s all holdings (equity holdings and money market investments) was EUR 9,093 million on 30 June 2018 (EUR 8,847 million on 31 December 2017 and EUR 8,930 million on 30 June 2017). The return on all holdings was 4.3 per cent over the review period of six months, and 8.3 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 8,108 million on 30 June 2018 (EUR 8,538 million on 31 December 2017 and EUR 8,223 million on 30 June 2017). The total return of Solidium’s equity holdings was 4.5 per cent during the review period and 8.8 per cent for the past financial year. During the six-month period and the financial year the best returns were generated by Stora Enso and Elisa.

Money market investments

Solidium’s money market investments amounted to EUR 985 million on 30 June 2018 (EUR 309 million on 31 December 2017 and EUR 707 million on 30 June 2017). The return of money market investments was 0.0 per cent during the review period and 0.2 per cent for the past financial year.

Distribution of profit to Solidium

During the financial year, Solidium received a total of EUR 362 million before taxes as dividends distributed by its portfolio companies (1 July 2016 – 30 June 2017: EUR 314 million) and after taxes EUR 351 million (EUR 307 million). The dividend income received by Solidium was approximately 4.5 per cent proportioned to the value of equity holdings on 30 June 2018.

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 fourteen new members were elected to the boards of directors of Solidium’s portfolio companies. Five of the new members were women.

Solidium’s representatives have served as the chairman of the shareholders’ nomination boards of Elisa, Outokumpu, Outotec, Stora Enso and Valmet, and as members of the shareholders’ nomination boards of Kemira, Metso, SSAB, Telia Company and Tieto. The nomination boards prepared the proposals related to the selection and remuneration of the board members for the 2018 Annual General Meetings.

According to Solidium's strategy the objective for Solidium is to have a representative in the board of each portfolio company. In the spring 2018 AGM season Solidium's CEO Antti Mäkinen was elected board member of Metso, Sampo and Stora Enso boards.

Share transactions

In the beginning of the year 2018 Solidium acquired 3.3 per cent of the shares in Nokia Corporation for approximately EUR 845 million. Nokia is a global leader in creating the technologies of our connected world. Nokia's strong market position combined with broad technological expertise are extremely appealing factors and provides an opportunity for value creation.

In March 2018 Solidium disposed of one sixth of its holding in Sampo plc for approximately EUR 467 million. The continued excellent development of Sampo Group had led to a situation where the company's share of Solidium's total investment assets reached almost 35 per cent. By the sale of the shares Solidium balanced its portfolio, however, remaining as a significant shareholder of Sampo.

In June 2018 Solidium disposed of 14 million Stora Enso R-shares and acquired 1.4 million Stora Enso A-shares. Following the arrangements Solidium's holding in Stora Enso remains at 27.3 per cent of the votes but decreased from 12.3 per cent to 10.7 per cent of the outstanding shares releasing capital for approximately EUR 220 million for future needs.

During the financial year Solidium executed its owner strategy by decreasing its holding in Outokumpu Oyj from 23.8 per cent to 22.8 per cent through the divestment of shares in the market for EUR 36 million and in SSAB AB by decreasing its holding from 17.1 per cent to 13.5 per cent for EUR 151 million. Solidium acquired shares in Konecranes plc for EUR 88 million increasing its holding from 3.2 per cent to 6.2 per cent

SOLIDIUM OY'S EVENTS

Annual General Meeting

Solidium's Annual General Meeting was held in Helsinki on 11 September 2018. The Annual General Meeting adopted the company's financial statements for the financial year 1 July 2017–30 June 2018 and discharged the members of the Board of Directors and the CEO from liability. In accordance with the Board's proposal, the Annual General Meeting decided on a profit distribution of EUR 351 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, 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

Since 1 July 2017, Solidium has introduced section 5.2a of the Accounting Act regarding recognition of financial instruments, according to which shareholdings are valued at fair value on the balance sheet, and that changes in fair value are recorded in the fair value reserve in shareholders' equity. A deferred tax liability or deferred tax asset is recorded as a result of changes in fair value. Changes in fair value are not taxable because they are not recognized in profit and loss.

Solidium's net profit for the financial year was EUR 350 million. Solidium's operating expenses were EUR 4.6 million, resulting in a management cost ratio of operations of 0.06% at an annual level. Solidium's net asset value increased as a result of the value changes of equity investments by EUR 0.4 billion during the review period and was EUR 8.0 billion at the end of the review period.

	1 July 2017– 30 June 2018	1 July 2016– 30 June 2017
Operating profit, EUR million	-4.6	-4.6
Profit for the period, EUR million	349.6	304.6
Return on investment at fair value, %	8.3	32.4
Management cost ratio of operations, %	0.06	0.07
Net asset value, EUR million	8,009.9	7,626.3
Financial liabilities, EUR million	350.0	350.0
Equity ratio, %	88	85
Profit distribution, EUR million	351.0	307.0
Average number of employees	11	11

* Comparative figures for the previous financial year are reported in accordance with the new accounting practice.

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

This report is unaudited.

Attachment Solidium's holdings on 30 June 2018

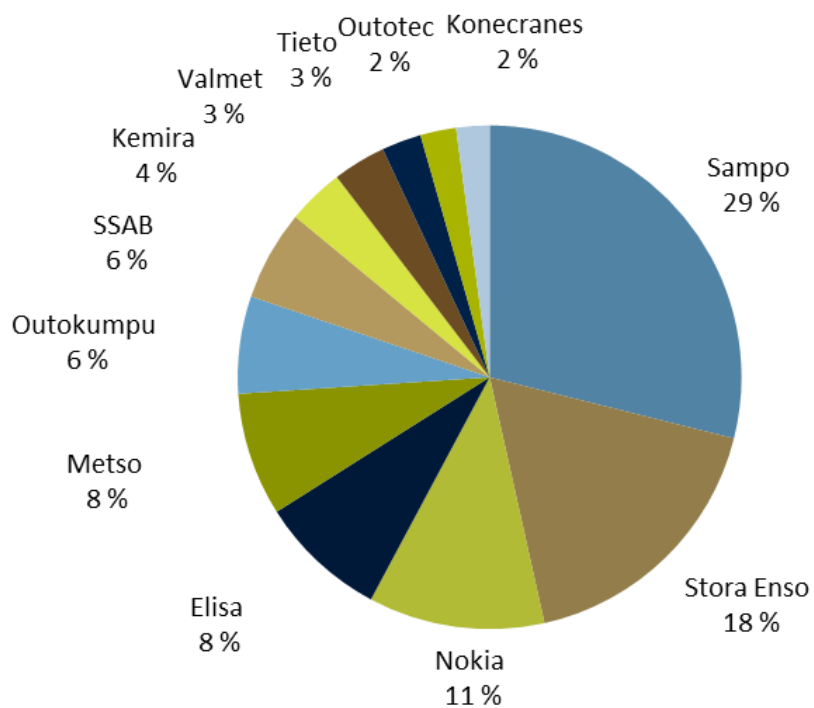
Solidium Oy

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

Solidium is a limited liability company wholly owned by the State of Finland. Its mission is to strengthen and stabilise Finnish ownership in nationally important companies and increase the values of its holdings in the long term. The basis and core objective of Solidium's strategy is proper, value-enhancing asset management of its current holdings. Through its stakes, Solidium is a minority owner in twelve significant listed companies: Elisa, Kemira, Konecranes, Metso, Nokia, Outokumpu, Outotec, Sampo, SSAB, Stora Enso, Tieto and Valmet. The value of Solidium's total investment assets is approximately 8.5 billion euros. Further information: www.solidium.fi.

ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 30 JUNE 2018
BREAKDOWN OF HOLDINGS

	EUR million
All equity holdings	8 107.7
Elisa	666.6
Kemira	295.0
Konecranes	173.2
Metso	642.2
Nokia	916.6
Outokumpu	506.4
Outotec	185.9
Sampo	2 343.2
SSAB	469.8
SSAB A	106.7
SSAB B	363.1
Stora Enso	1 427.2
Stora Enso A	1 062.0
Stora Enso R	365.2
Tieto	205.9
Valmet	275.8
Money mkt.inv.	984.8

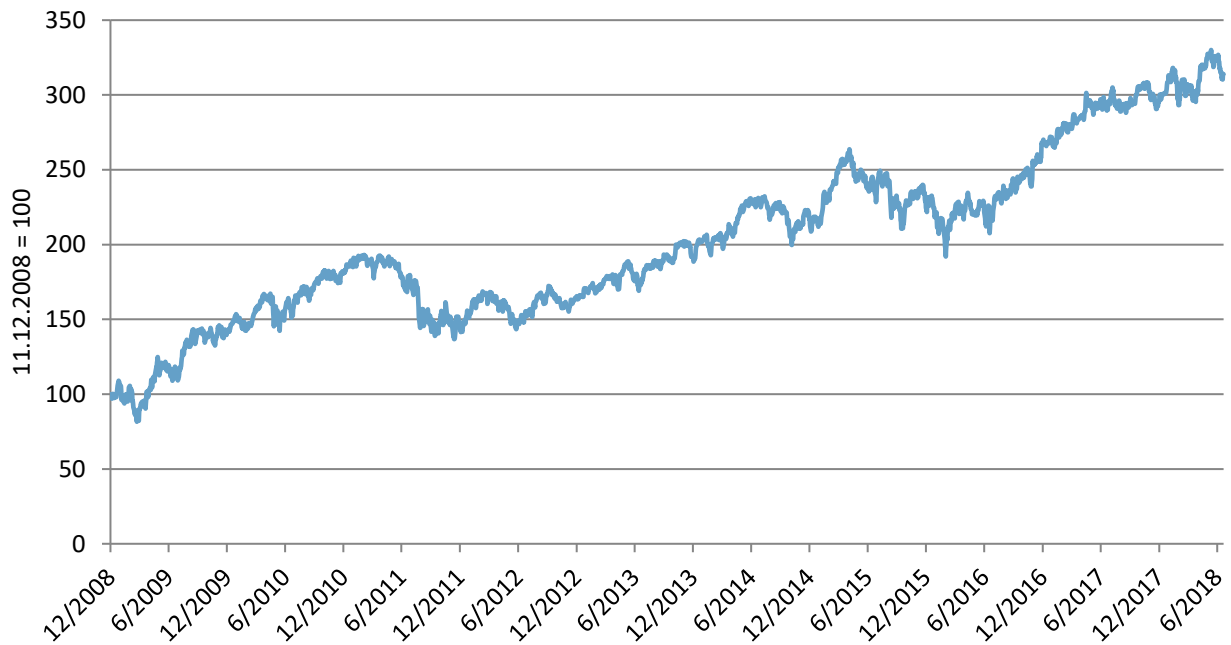


RETURNS OF SOLIDIUM'S HOLDINGS

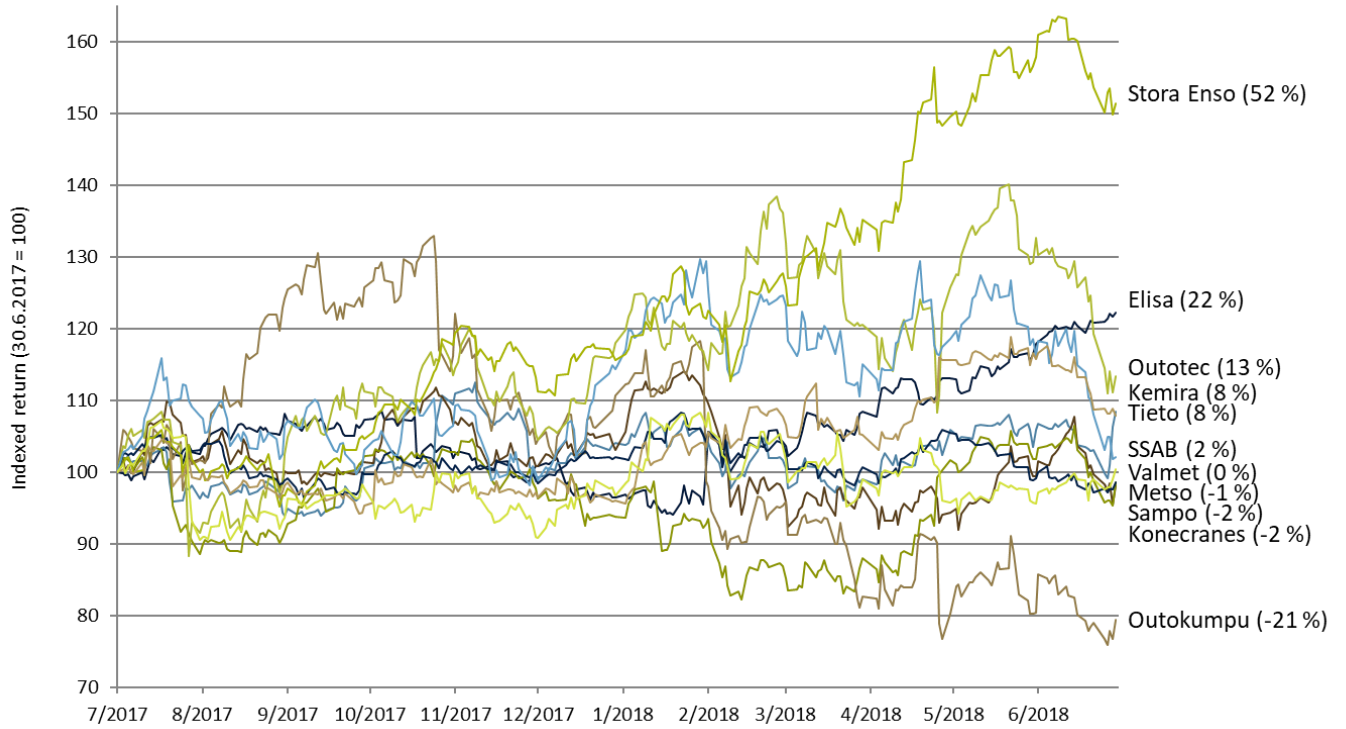
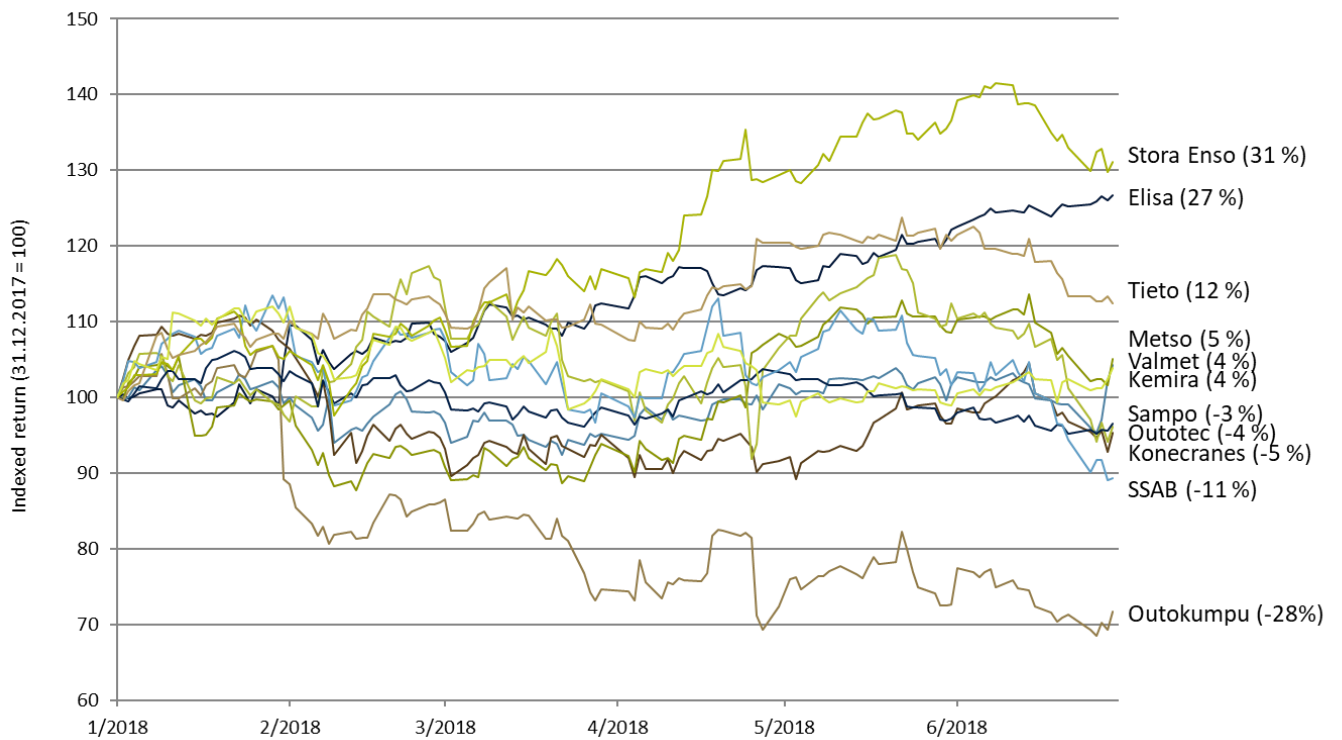
	6 months	12 months	5 years	From the establishment of Solidium
Return of total investments, %	4.3 %	8.3 %	12.7 %	12.7 %
Return of equity holdings, %	4.5 %	8.8 %	13.5 %	13.0 %

(Over-12-month returns are annualized)

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

RETURNS OF HOLDINGS TO SOLIDIDIUM DURING THE FINANCIAL YEAR 1 JUL 2017 – 30 JUN 2018

RETURNS OF HOLDINGS TO SOLIDIDIUM DURING THE REVIEW PERIOD 1 JAN 2018 – 30 JUN 2018


RETURNS OF THE COMPANIES OWNED BY SOLIDIDIUM, PEER COMPANIES AND THEIR BENCHMARK INDICES

	6 months	12 months	5 years	10 years
Elisa	27 %	22 %	28 %	19 %
<i>Peer companies</i>	-4 %	9 %	12 %	5 %
<i>DJ STOXX 600 Telecom. Index</i>	-9 %	-10 %	6 %	5 %
Kemira	4 %	8 %	4 %	14 %
<i>Peer companies</i>	-1 %	11 %	13 %	12 %
<i>FTSE EUROFIRST 300 Chemicals Index</i>	0 %	6 %	9 %	9 %
Konecranes	-4 %	-1 %	14 %	7 %
<i>Peer companies</i>	-3 %	11 %	11 %	6 %
Vinx	-4 %	-3 %	12 %	12 %
Metso	5 %	-1 %	12 %	8 %
<i>Peer companies</i>	1 %	18 %	8 %	7 %
<i>Bloomberg Europe Mach.-Div. Index</i>	-2 %	6 %	7 %	4 %
Nokia	31 %	-4 %	16 %	-7 %
<i>Peer companies</i>	14 %	6 %	6 %	3 %
<i>Stxe 600 Tech Eur Nrt</i>	8 %	15 %	16 %	10 %
Outokumpu	-28 %	-21 %	5 %	-19 %
<i>Peer companies</i>	-9 %	-4 %	10 %	-7 %
<i>Bloomberg Europe Steel Index</i>	-11 %	6 %	8 %	-9 %
Outotec	-4 %	13 %	-5 %	-2 %
<i>Peer companies</i>	8 %	8 %	12 %	8 %
<i>Bloomberg Europe Mach.-Div. Index</i>	-2 %	6 %	7 %	4 %
Sampo	-3 %	-1 %	12 %	16 %
<i>Peer companies</i>	-2 %	-1 %	12 %	12 %
<i>OMX Nordic Financials Index</i>	-7 %	-11 %	11 %	13 %
SSAB	-4 %	12 %	7 %	-10 %
<i>Peer companies</i>	-14 %	8 %	10 %	-5 %
<i>Bloomberg Europe Steel Index</i>	-11 %	6 %	8 %	-9 %
Stora Enso	30 %	52 %	31 %	15 %
<i>Peer companies</i>	9 %	8 %	28 %	19 %
<i>Bloomberg W. For. Prod. & Paper Index</i>	9 %	23 %	14 %	8 %
Tieto	12 %	8 %	20 %	13 %
<i>Peer companies</i>	5 %	14 %	22 %	15 %
<i>BE500 Computer Service Index</i>	11 %	15 %	17 %	12 %
Valmet	4 %	0 %	n/a	n/a
<i>Peer companies</i>	-1 %	21 %	n/a	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	-2 %	6 %	n/a	n/a

From the beginning of its listing on 2 January 2014, Valmet's return has been 26%, median return of the peer companies has been 8% and the return of the benchmark index has been 4%. Over-12-month returns are annualised. The returns are calculated in local currency 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