

11 August 2011 at 12.00

**SOLIDIDIUM OY'S JANUARY-JUNE 2011 HALF-YEAR REPORT**

- Solidium's investment yield was -4.2% for the six-month review period
- Investment yield was 15.1% for the last 12 months
- Solidium's net asset value amounted to 9,145 million euros at the end of the period on 30 June 2011
- Solidium received a total of 414 million euros in profit distribution from its portfolio companies during the review period
- Solidium exercised its pro rata entitlement in TeliaSonera's share repurchase offer in full for the sum of 152 million euros
- Solidium acquired a 4.3 per cent holding in Talvivaara Mining Company Plc for the sum of 60 million euros

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

"Share prices began to fall in spring 2011, having risen strongly after the financial crisis. The fall of stock markets has continued after end June 2011. The increase in government debt in eurozone countries and in the United States and the slowdown in economic growth will mean continued uncertainty in the future.

Despite volatility in the market we have remained committed to our mission. In June, we invested in Talvivaara Mining Company, which we have followed for a long time. It is our view that Talvivaara is a good investment in the long term, and well suited to Solidium. We believe that the Finnish mining cluster will enjoy a positive trend in the future, with Finland having the opportunity to become the leading mining country in Europe. We are already involved in the sector through our holdings in Outokumpu and Metso and by investing in Talvivaara we will further reinforce our insight into the mining industry and its associated sectors.

In the spring, we sold shares in TeliaSonera in connection with the company's share repurchase offer. This operation generated an income of 152 million euros and did not alter our holding in TeliaSonera."

**SOLIDIDIUM'S INVESTMENTS****Sale of shares in TeliaSonera AB**

The strong cash flow and investment outlook of TeliaSonera enabled the company to make a capital repayment of approximately 1.1 billion euros to its shareholders through a share repurchase offer in April 2011, in addition to the payment of a cash dividend.

Solidium exercised its pro rata entitlement in TeliaSonera's share repurchase offer in full by selling 22,004,579 shares to TeliaSonera. The execution price was 6.93 euros per share. Sales proceeds amounted to approximately 152 million euros and Solidium's capital gain before taxes was approximately 74.8 million euros. Solidium's holding in TeliaSonera (13.7 per cent) did not change as a result of the sale, since TeliaSonera cancelled all the shares it acquired through the repurchase offer.

### **Acquisition of shares in Talvivaara Mining Company Plc**

On 1 June 2011, Solidium Oy and Outokumpu Oyj's subsidiary Outokumpu Mining Oy agreed on the sale of all of 10,522,366 shares in Talvivaara Mining Company Plc owned by Outokumpu Mining to Solidium. The shares acquired represent 4.3 per cent of Talvivaara's shares outstanding. The shares were acquired for 60 million euros.

Talvivaara is a major international producer of base metals, focusing primarily on the production of nickel and zinc using a process called bioheapleaching. Through bioheapleaching, metals can even be profitably extracted from low-grade ores. Talvivaara's mineral resources in Sotkamo represent one of the largest known deposits of sulphide nickel in Europe. The deposits are estimated to sustain production for several decades.

### **Profit distribution received by Solidium**

During the review period of 1 January – 30 June 2011, Solidium received profit distribution from its portfolio companies amounting to 414 million euros (432 million euros in 1 January – 30 June 2010). The largest profit distribution was received from TeliaSonera (187 million euros) and Sampo (91 million euros).

Profit distribution received during the financial year 1 July 2010 – 30 June 2011 totalled 422 million euros (458 million euros in 1 July 2009 – 30 June 2010).

The comparative figures include a dividend of 102 million euros paid out by Kemira in the form of Tikkurila shares in March 2010.

### **Development of the investments and key indicators**

The total value of Solidium's investments (equity investments and money market investments) was 9,145 million euros on 30 June 2011 (9,548 million euros on 31 December 2010). The yield of Solidium's investments was -4.2 per cent in the review period and 15.1 per cent over the last 12 months. Detailed information on the key investment indicators is annexed to this report.

#### *Equity investments*

The value of Solidium's equity investments on 30 June 2011 was 8,364 million euros (9,275 million euros on 31 December 2010). In the review period, the total yield of the equity investments amounted to -4.8 per cent, while the yield for the last 12 months was 15.1 per cent. The OMX Helsinki Cap Total Return Index decreased 6.1 per cent in the review period, but rose 16.1 per cent over the last twelve months.

*Money market investments*

On 30 June 2011, Solidium's money market investments stood at a total of 780 million euros (273 million euros on 31 December 2010). The amount of money market investments increased during the review period due to cash dividends received and capital gains from the sale of shares. The return on money market investments was 0.5 per cent in the review period and 0.8 per cent over the last 12 months.

**SOLIDIUM OY IN THE REVIEW PERIOD****General meetings**

Solidium held an extraordinary General Meeting in Helsinki on 4 March 2011. The General Meeting elected Pekka Ala-Pietilä as Chairman of Solidium Oy's Board of Directors to replace Keijo Suila. Solidium held a second extraordinary General Meeting in Helsinki on 19 April 2011. The General Meeting elected Markku Hyvärinen as a member of Solidium Oy's Board of Directors to replace Lauri Ihalainen.

This half-year report is available on the company's website, [www.solidium.fi](http://www.solidium.fi), in the Publications and Media section. This half-year report has not been audited.

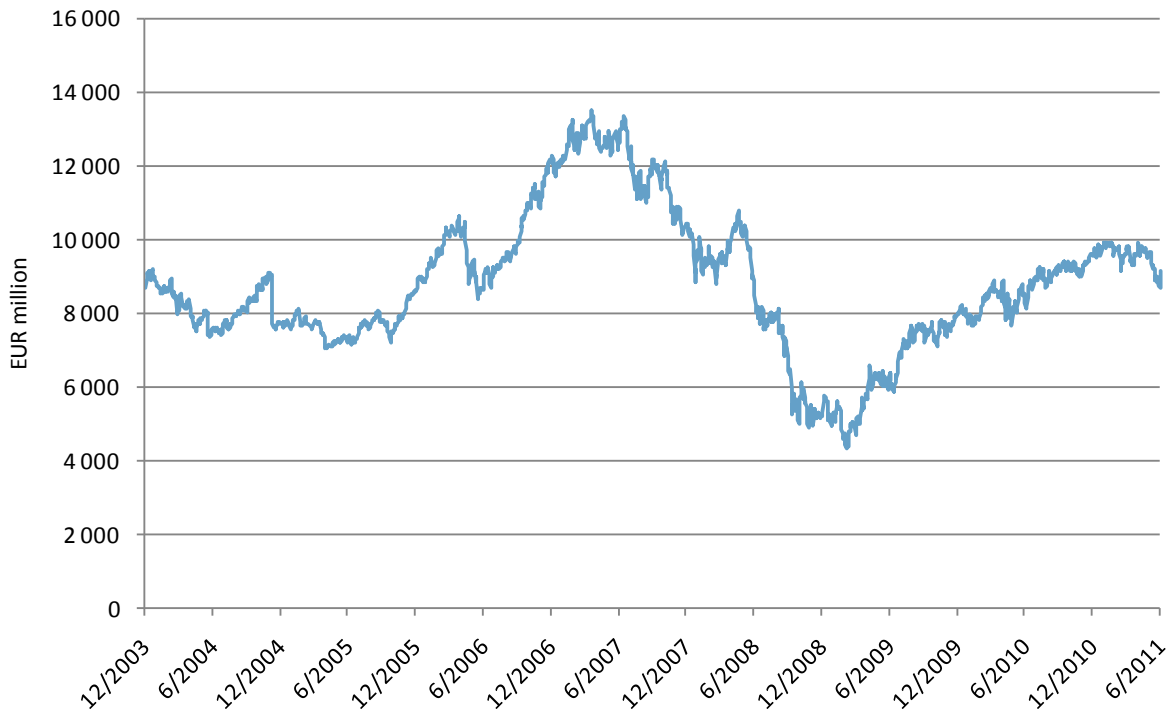
Solidium will publish its financial statements and Annual Report for the financial year 1 July 2010 – 30 June 2011 in September 2011.

Annex: Solidium's investments as at 30 June 2011

Solidium Oy

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*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 core 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 6.7 billion euros at the date of this press release. Further information: [www.solidium.fi](http://www.solidium.fi).*

**ANNEX: SOLIDIDIUM'S INVESTMENTS AS AT 30 JUNE 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, %                       | -4,5    | -4,2     | -4,2 | 15,1      | 24,5    |
| Yield of benchmark index, % *) | -5,5    | -6,1     | -6,1 | 16,1      | 23,7    |
| Volatility, %                  | -       | 16,9     | -    | 16,6      | 21,0    |
| Sharpe                         | -       | -0,5     | -    | 0,9       | 1,1     |
| Beta                           | -       | -        | -    | 0,9       | 1,0     |
| Alfa, %                        | -       | -        | -    | -0,2      | 0,8     |
| Tracking Error, %              | -       | -        | -    | 5,7       | 6,5     |
| Information ratio              | -       | -        | -    | -0,2      | 0,1     |

(Over-12-month indicators are annual)

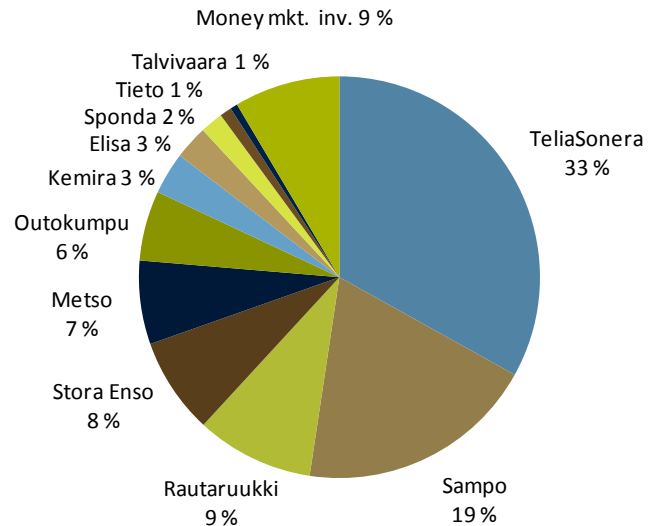
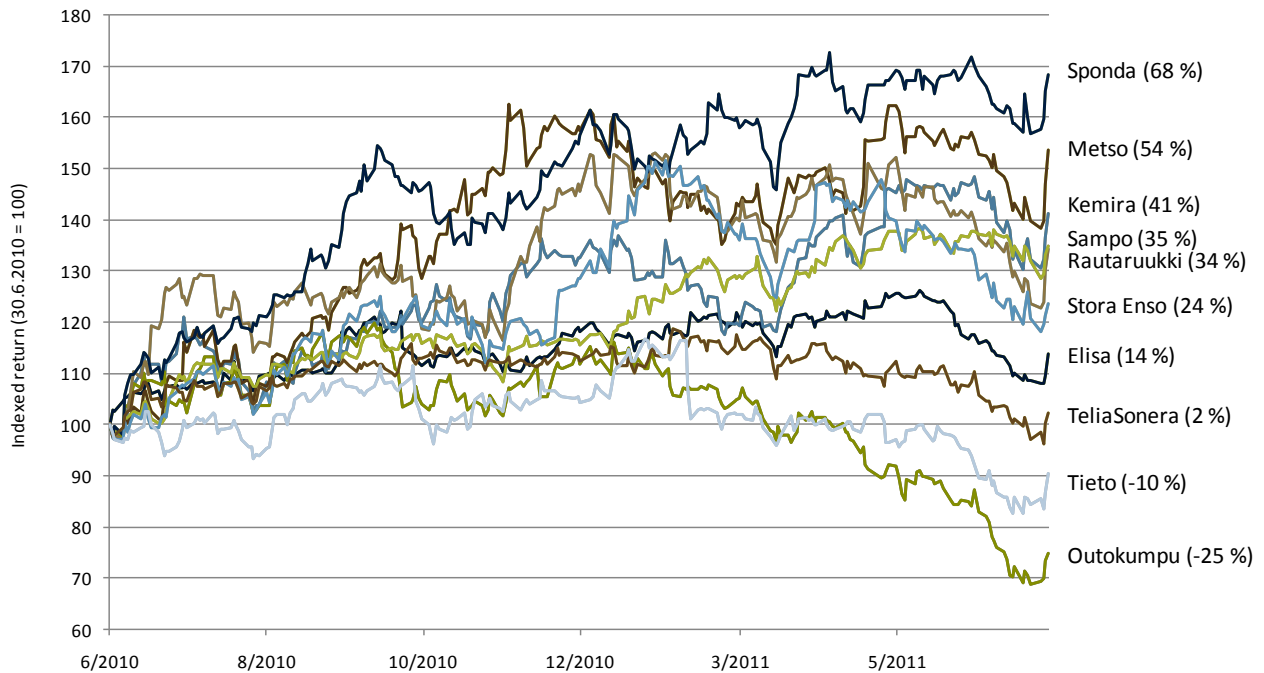
\*) OMX Helsinki Cap GI

YTD = year-to-date

*Includes equity investments and money market investments.*

**PORTFOLIO WEIGHTS**

|                     | EUR                  |
|---------------------|----------------------|
| <b>Total</b>        | <b>9 144 718 709</b> |
| Elisa               | 249 494 850          |
| Kemira              | 309 199 279          |
| Metso               | 614 784 392          |
| Outokumpu           | 515 584 854          |
| Rautaruukki         | 867 129 812          |
| Sampo               | 1 765 567 382        |
| Sponda              | 169 076 617          |
| Stora Enso          | 708 485 287          |
| Stora Enso A        | 408 352 157          |
| Stora Enso R        | 300 133 130          |
| Talvivaara          | 54 295 409           |
| TeliaSonera         | 3 024 089 338        |
| Tieto               | 86 537 928           |
| <br>Money mkt. inv. | <br>780 473 561      |


**SHARE YIELDS DURING THE FINANCIAL PERIOD JULY 1, 2010 – JUNE 30, 2011**


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