

16 August 2010 at 12.00 hours

**SOLIDIUM OY'S JANUARY-JUNE 2010 HALF YEAR REPORT**

- Solidium's net asset value at the end of the review period amounted to 7,715 million euros. Investment yield was 3.8% for the review period and 34.6% for the last 12 months
- Solidium's profit for the financial year July 1, 2009 – June 30, 2010 amounted to 397.2 million euros
- Solidium acquired a 10.3% stake in Tieto Corporation
- Solidium's portfolio grew with yet another company, as Kemira Oyj distributed its subsidiary Tikurila Oyj's shares in the form of dividends to Kemira shareholders; Tikurila Oyj was listed on the NASDAQ OMX Helsinki
- Solidium received a total of 330 million euros in cash dividends and capital repayments

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

"Yields turned back to normal levels after the recovery from the financial crisis. Healthy dividends and, in case of some of our holdings, increasing share prices enhanced our yield, even if development of share prices in general was exceptionally volatile. Our portfolio grew with two new companies, and we contributed to board nomination processes. From a shareholder's perspective, an important development was the decision, taken by many AGMs in spring, to pay the Board of Directors' remuneration partly in the form of shares."

**I SOLIDIUM'S INVESTMENTS****Acquisition of Tieto Corporation shares**

In the review period, Solidium became Tieto Corporation's largest shareholder. Solidium acquired 5.0 per cent of Tieto's share capital in April 2010. Solidium increased its holding in Tieto to 10.3 per cent in May/June. Solidium's total investment in Tieto shares now is in aggregate approximately 116 million euros. Tieto is one of the companies fulfilling Solidium's investment criteria well. It is Solidium's intention to cooperate with the other shareholders to increase shareholder value by developing the company as well as to participate in the process of nominating the members of the Board of directors through the shareholders' nomination committee. Solidium believes that Tieto is well positioned to grow profitable in its strategic growth areas.

**Tikkurila shares distributed as dividends to Kemira shareholders; Tikkurila listed on the stock exchange**

In March 2010, Kemira distributed 86 per cent of Tikkurila Oyj's shares to its shareholders, in order to facilitate the spin-off and stock exchange listing of the paints manufacturer. With its 14.68% holding, Solidium became Tikkurila's second largest shareholder. Solidium owns 6,474,021 shares in Tikkurila with a total book value of 102 million euros.

**Final tax ruling in favour of Sponda**

On July 6, 2010 Sponda Plc announced that the Supreme Administrative Court had ruled in favour of Sponda in the case concerning Sponda Kiinteistöt Oy's right to deduct confirmed losses of 558 million euros. The ruling has no effect on Sponda's 2010 financial results.

**Dividends and other profit distribution received by Solidium**

During the review period, Solidium received profit distribution from its portfolio companies (dividends and capital repayments) of 432 million euros (285 million euros in January-July 2009). Of this amount, 299 million euros were cash dividends, 31 million euros capital repayment and 102 million euros dividend in form of Tikkurila shares. Profit distribution received during the financial year July 1, 2009 – June 30, 2010 was in total 458 million euros, of which cash dividends and cash capital repayments were 356 million euros.

Solidium received the largest profit distribution from TeliaSonera (142 million euros), Kemira (109 million euros, including the Tikkurila shares) and Sampo (79 million euros).

**Development of the investments and key indicators**

Although the global economy has started to recover from the crisis, economic development continues to be hampered by several uncertainties, which are reflected in stock prices. The indebtedness of state finances compounded the instability of the markets in spring 2010: stock prices were volatile and index values ended close to levels at the beginning of the year.

*Total investments*

The total value of Solidium's investments (equity investments and money market investments) was 8,272 million euros on 30 June 2010 (7,965 million euros on 31 December 2009). The yield of Solidium's investments was 3.8 per cent in the review period and 34.6 per cent over the last 12 months. Annex 1 contains detailed information on the key investment indicators.

*Equity investments*

The value of Solidium's equity investments on 30 June 2010 stood at 7,914 million euros (7,828 million euros on 31 December 2009). In the review period, the total yield of the equity investments amounted to 3.6 per cent, while the yield for the last 12 months was 35.1 per cent. The Helsinki OMX weight-restricted Cap GI general index rose by 5.0 per cent in the second half of the year and by 31.8 per cent in the full year.

*Money market investments*

On 30 June 2010, Solidium's invested cash reserves stood at a total of 358 million euros (136 million euros on 31 December 2009). The return on the cash reserves in the review period amounted to 0.2 per cent, totalling 0.3 million euros. The volume of the cash reserves fluctuated in the review period as Solidium, on the one hand, received dividends from its portfolio companies and, on the other hand, acquired Tieto Corporation's shares. Solidium's cash reserve investment strategy is to invest in low risk money market instruments.

## II SOLIDIUM OY IN THE REVIEW PERIOD

In June, 2010 Solidium sold one hundred Rautaruukki shares for approximately 1,300 euros. The sale was executed to clarify Solidium's tax position. In Solidium's view, the shares in its portfolio should be classified as fixed assets (as in Companies Tax code, 12 §) in taxation. The classification is relevant for the taxing of capital gains.

### Key financial figures

	1.7.2009- 30.6.2010	1.5.2009- 30.6.2009
Operating profit, EUR million	-3.7	-1.1
Profit in financial year, EUR million	397.2	-0.7
Return on investment in market values, %	34.6	1.1
Profit distribution received, EUR million	458.4	0.0
Management cost ratio, %	0.05	0.11
Net asset value, EUR million	7,714.7	6,041.6
Total equity, EUR million	6,136.7	5,739.5
Interest-bearing liabilities, EUR million	0.0	0.0
Equity ratio, %	99.9	100.0
Average number of personnel	11	7

This review has not been audited.

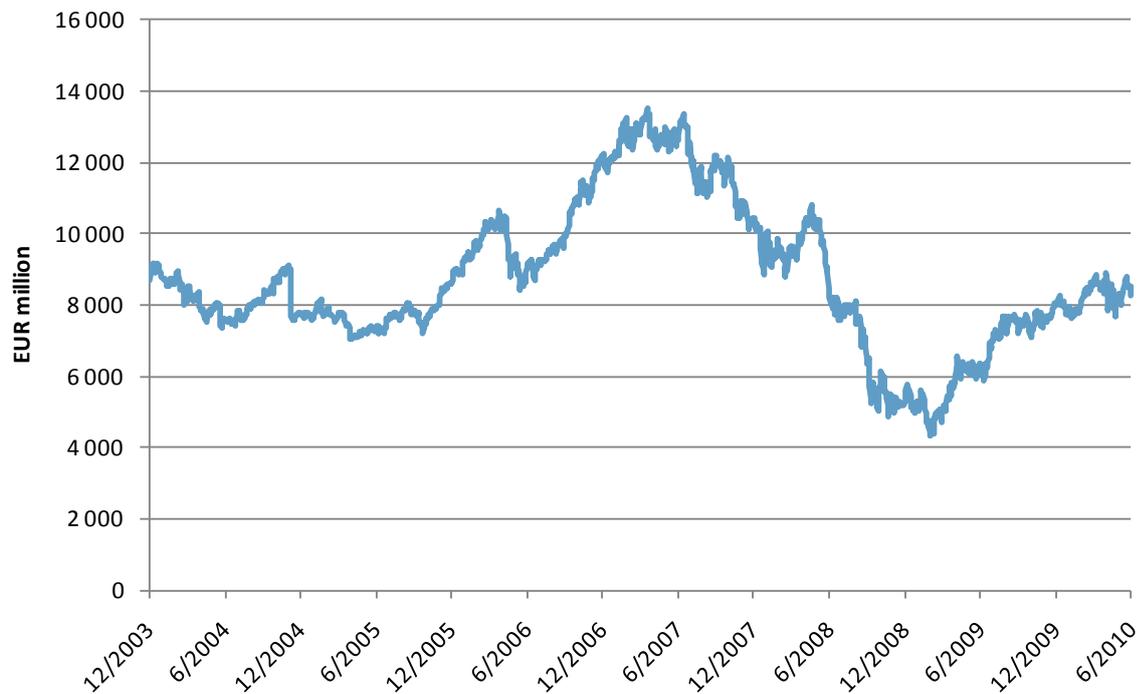
Solidium's annual report, containing financial statements and auditor's report, will be available on Solidium's internet pages at the end of August 2010.

Annex 1: Solidium's investments as at 30 June 2010

Solidium Oy

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

*Solidium is a limited company fully 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 run. Investment activities are based on financial analysis. The core of Solidium's investment strategy is proper, value enhancing asset management of the current holdings. Solidium is a minority owner through its stakes in eleven listed companies: Elisa, Kemira, Metso, Outokumpu, Rautaruukki, Sampo, Sponda, Stora Enso, TeliaSonera, Tieto and Tikurila. The market value of Solidium's investments is some 8.7 billion euros at the date of this press release. Further information: [www.solidium.fi](http://www.solidium.fi).*

**ANNEX 1: SOLIDIUM'S INVESTMENTS AS AT 30 JUNE 2010**
**VALUE OF TOTAL INVESTMENTS**


*Includes money market investments. Period before 11 Dec 2008 refers to time when equity investments were held directly by the State of Finland.*

**INDICATORS**

	1 month	6 months	YTD	12 months	2 years
Yield, %	2,1	3,8	3,8	34,6	-1,9
Yield of benchmark index, % <sup>*)</sup>	-1,2	5,0	5,0	31,8	-2,9
Volatility, %	-	24,7	-	24,6	35,6
Sharpe	-	0,3	-	1,4	-0,1
Beta	-	-	-	1,0	1,0
Alfa, %	-	-	-	1,8	1,1
Tracking Error, %	-	-	-	7,2	9,3
Information ratio	-	-	-	0,4	0,1

(Over-12-month indicators are annual)

<sup>\*)</sup> OMX Helsinki Cap GI

*Includes money market investments.*

## PORTFOLIO WEIGHTS

	EUR	Weight 30.6.2010, %
<b>Total</b>	<b>8 272 154 283</b>	<b>100,0</b>
Elisa	236 492 820	2,9
Kemira	228 403 487	2,8
Metso	416 239 011	5,0
Outokumpu	701 556 621	8,5
Rautaruukki	668 992 320	8,1
Sampo	1 377 094 990	16,6
Sponda	236 006 088	2,9
Stora Enso	589 778 931	7,1
Stora Enso A	341 915 013	4,1
Stora Enso R	247 863 918	3,0
TeliaSonera	3 259 318 289	39,4
Tieto	100 849 685	1,2
Tikkurila	99 699 923	1,2
Money mkt. inv.	357 722 118	4,3

