

8 Sept 2016 at 10.30 a.m.

Solidium Oy's half-year report for January-June 2016 and annual financial statement:**Six month review period 1 January – 30 June 2016**

- Solidium's return on equity holdings was -5.5 %
- Solidium subscribed for shares with EUR 97 million in SSAB's EUR 543 million rights issue
- Solidium increased its shareholdings in Metso and Outotec

Financial year 1 July 2015 – 30 June 2016

- Solidium's return on equity holdings was -8.9 %
- Solidium's profit for the financial year was EUR 11 million. Profit before impairments was EUR 312 million
- Solidium's net asset value decreased by EUR 726 million during the review period due to the profit distribution of EUR 266 million and decrease in the value of equity holdings, and was EUR 6,128 million at the end of the period
- After the end of the financial year the extra general meeting elected a new board of directors of Solidium
- The annual general meeting of Solidium decided on profit distribution of EUR 278 million

Kari Järvinen, Managing Director of Solidium Oy, comments the review period:

"The return of our equity holdings during the six-month review period was -5.5 %. The stock markets were volatile during review period. For the whole financial year the return on equity holdings was -8.9 %. The return largely reflects the distribution of different industries in our holdings and the unsatisfactory development in some of the companies we own. Due to the timing, the "Brexit vote" had also an impact on the valuations in Solidium's financial statement especially regarding our finance and cyclical holdings. After the end of the financial year the sentiment on the stock markets improved and Solidium's return on equity holdings in July-August 2016 was 7.3 %.

Even though the economic cycle for raw materials is at a low point, Finland is still one of the few European countries with considerable long-term potential in the metal and mining industries. That is why Solidium, as an anchor owner, has been supporting the long-term development of the companies in the industry even when the short-term outlook has been sluggish. We increased our holdings in Metso and Outotec and participated in SSAB's rights issue of EUR 543 million by subscribing for the company's new shares with approximately EUR 97 million. We were influencing the structure of the rights issue and the development of the company's financing package. The share issue strengthened SSAB's financial position enabling the company to focus on implementing its growth strategy within special steels.

The highlights of the financial year were the good returns from Elisa and Tieto and the strong performance of Kemira and Valmet. However, when assessing the return, it is important to bear in mind that Solidium is not a portfolio investor but a long-term owner. In the long run,

our expectation for the companies is to perform better than the median of the peer companies. During the financial year, seven out of eleven portfolio companies fulfilled our expectations in this regard.

After the end of the financial year the extra general meeting of Solidium elected a new board of directors as of 1 August 2016. With the new board of directors Solidium has a good basis to continue its work within the mission and authority determined by the owner of Solidium.”

SOLIDIUM’S HOLDINGS

Development of holdings and key indicators

The total value of Solidium’s holdings (equity holdings and money market investments) was EUR 6,970 million on 30 June 2016 (EUR 7,296 million on 31 December 2015 and EUR 8,423 million on 30 June 2015). The return on Solidium’s holdings was -5.1% for the six month review period and -7.4 % for the financial year. In addition to the decline of the value of equity holdings, the total value of the holdings decreased due to repayment of the exchangeable bond (EUR 600 million) and the profit distribution paid (EUR 266 million). Detailed information on the breakdown and the returns of the holdings are attached to this report.

Equity holdings

The value of Solidium’s equity holdings on 30 June 2016 was EUR 6,308 million (EUR 6,836 million on 31 December 2015 and EUR 7,025 million on 30 June 2015). The total return on the equity holdings was -5.5% for the review period and -8.9% for the financial year. The best returns during the review period were generated by Outokumpu, Outotec and Valmet while the development of Sampo, Stora Enso and Telia Company were the weakest.

Money market investments

On 30 June 2016, Solidium’s money market investments totalled EUR 662 million on 30 June 2016 (EUR 459 million on 31 December 2015 and EUR 1,398 million on 30 June 2015). The return on money market investments was 0.2% for the six-month review period and 0.3% for the financial year.

Profit distribution to Solidium

During the financial year, Solidium received profit distribution amounting to EUR 282 million before taxes (EUR 275 million in 1 July 2014 – 30 June 2015). The dividend return of Solidium’s holdings was 4.5% in relation to the value of the equity holdings in the end of June 2016.

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. During the review period, Solidium participated actively in the work of nomination boards preparing board elections. The aim of Solidium is to form a board composition which best serves the needs of the company in question and the goal of shareholder value creation. During the financial year, a total of 17 new members were elected to the boards of directors of Solidium owned companies. Nine of the new members were women.

Managing Director Kari Järvinen served as Solidium's representative in the shareholders' nomination boards of Elisa, Metso, Outokumpu, Outotec, Stora Enso, Talvivaara Mining Company and Valmet as Chairman, as well as in the nomination boards of Kemira, SSAB, Telia Company, and Tieto as a member. These nomination boards prepared proposals for the 2016 Annual General Meetings on the election of board members and their remuneration.

Share acquisitions and other events

During the six-month review period, Solidium's share acquisitions totalled EUR 103 million (EUR 172 million in 1 July 2015 – 30 June 2016). Solidium increased during the review period its holding in Metso from 14.6% to 14.9% by acquiring shares worth EUR 5 million from the market and in Outotec from 14.7% to 14.9% by acquiring shares worth EUR 1 million from the market.

In June 2016, Solidium participated in SSAB's rights issue of EUR 543 million by committing to subscribe for shares for EUR 93 million, and in a secondary subscription for EUR 4 million. Similarly to SSAB's other largest shareholder Industrivärden, Solidium supported the company by committing to subscribe for new shares pro rata on its primary participation, which the company announced to the market when the rights issue was made public. The price difference between SSAB's A and B shares has been considerable and permanent for a long time. Therefore, Solidium played a key role in influencing the structure of the rights issue and in ensuring equal treatment of shareholders. A structure in which all shareholders were offered B shares provided the best solution in terms of shareholder equality. The share issue strengthened SSAB's financial position and in conjunction SSAB refinanced a significant part of its bank financing. The company's indebtedness decreased closer to the peer company group's level, which will offer better opportunities to execute the growth strategy based on special steels.

At the end of June 2016, Talvivaara Mining Company Plc and state-owned Terrafame Oy reached an agreement on an arrangement in which Talvivaara will offset the "Nyrstar receivable" and receive EUR 1.4 million in cash as a consideration for asset items related to the operations of the Sotkamo mine. This arrangement will help the Talvivaara reorganization to proceed and to assist Terrafame as it examines the future of the Sotkamo mine. The arrangement provides Talvivaara with funds to proceed in the reorganization process, examine its options and complete the reorganization process. Solidium's Managing Director Kari Järvinen resigned from Talvivaara Mining Company's Board of Directors at the Annual General Meeting on June 15 2016.

SOLIDIUM OY DURING THE REVIEW PERIOD

Guidelines concerning Solidium

In May 2016, the Finnish government set guidelines concerning ownership steering, based on which the government issued a resolution on State ownership policy. The resolution outlines the principles and general objectives of ownership policy for State ownership of companies. As before, Solidium will be responsible for the steering of listed companies where the State has a minority interest. Solidium will continue to hold a certain number of the cur-

rent shares, it may decrease and increase their number and buy new shares in listed companies, as considered important for society. The governance model of Solidium was not changed.

General Meetings of Shareholders

The Extra General Meeting of Shareholders was held in Helsinki on 29 July 2016 electing a new Board of Directors of Solidium as of 1 August 2016. It was decided that the Board of Directors shall have six members and the Board of Directors were elected: Chairman Harri Sailas, Vice Chairman Eija Ailasmaa, and members Aaro Cantell, Markku Hyvärinen, Paula Lehtomäki, and Marjo Miettinen.

The Annual General Meeting (AGM) of Solidium was held in Helsinki on 7 September 2016. The AGM adopted the company's financial statements for the financial period of 1 July 2015 to 30 June 2016 and discharged the members of the Board of Directors and the Managing Director from liability. The AGM resolved in accordance with the proposal of the Board that a dividend and a capital distribution totaling EUR 278 million will be paid for the financial period. Harri Sailas was elected as Chairman of the Board, Eija Ailasmaa as Vice Chairman and Aaro Cantell, Markku Hyvärinen, Paula Lehtomäki and Marjo Miettinen as Board members. The AGM kept the remuneration of the Board unchanged confirming 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 Raija-Leena Hankonen as the principal auditor, was appointed as Solidium's auditor to serve for a term expiring at the end of the next AGM.

Key figures

Solidium's net profit for the financial year was EUR 11 million (EUR 312 million before impairments). Solidium's operating expenses totalled EUR 3.5 million, resulting in a management cost ratio of operations of 0.05%. Financial expenses include a total amount of EUR 300 million relating to value impairments in accordance with the accounting principles, of which EUR 83 million is related to shares in Outokumpu, EUR 43 million is related to shares in Outotec and EUR 175 million is related to shares in SSAB. Solidium's net asset value decreased by EUR 726 million during the financial year due to the profit distribution and decrease in the value of equity, and was EUR 6,128 million at the end of the period. The financial debt decreased by EUR 600 million as a result of the repayment of the exchangeable bond.

	1 Jul 2015– 30 June 2016	1 Jul 2014– 30 June 2015	1 Jul 2013– 30 June 2014
Operating profit, EUR million	-3.5	534.5	400.3
Profit for the period, EUR million	11.2	216.6	1,449.9
Return on investment at fair values, %	-7.4	4.3	31.3
Management cost ratio of operations, %	0.05	0.07	0.07
Net asset value, EUR million	6,127.9	6,853.6	8,094.4
Shareholders' equity, EUR million	3,835.5	4,090.3	5,400.7
Financial debt, EUR million	350.0	950.0	950.0
Equity ratio, %	91.6	81.1	83.9
Average number of employees	12	12	11

This half-year report is available at <http://www.solidium.fi/en/publications-and-media/half-year-report/>. This report is unaudited.

Attachment: Solidium's holdings as of 30 June 2016

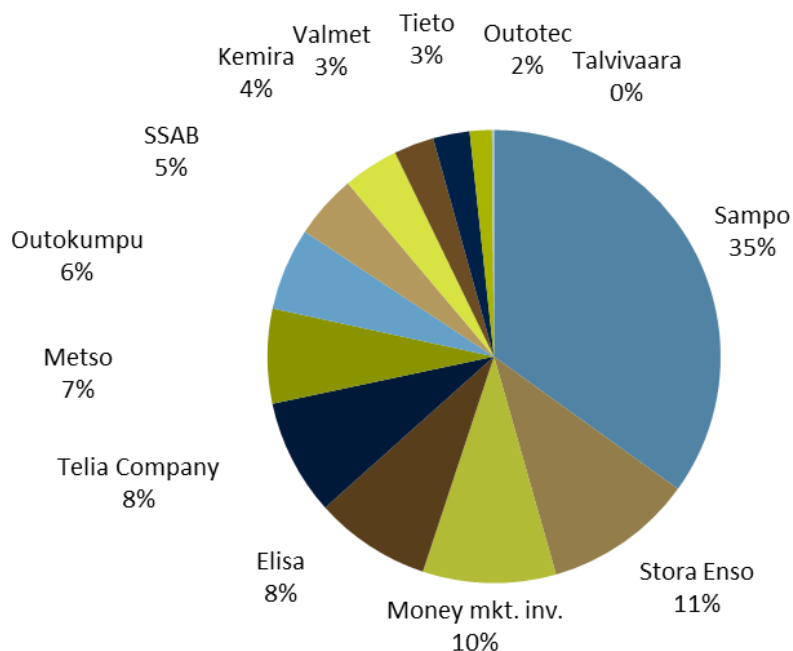
Solidium Oy

Further information: Kari Järvinen, Managing Director, 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. 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 listed companies: Elisa, Kemira, Metso, Outokumpu, Outotec, Sampo, SSAB, Stora Enso, Talvivaara Mining Company, Telia Company, Tieto and Valmet. The market value of Solidium's equity holdings is approximately 7.1 billion euros at the date of this press release. Further information: www.solidium.fi/en

ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 30 JUNE 2016
BREAKDOWN OF HOLDINGS

	EUR
Total	6 970 276 174
Elisa	577 954 400
Kemira	276 052 287
Metso	470 543 495
Outokumpu	409 664 156
Outotec	110 260 598
Sampo	2 434 993 361
SSAB	318 097 868
SSAB A	54 641 599
SSAB B	263 456 269
Stora Enso	742 341 053
Stora Enso A	444 489 516
Stora Enso R	297 851 537
Talvivaara	9 645 369
Telia Company	576 742 038
Tieto	181 974 358
Valmet	199 508 680
Money mkt. inv.	662 498 511

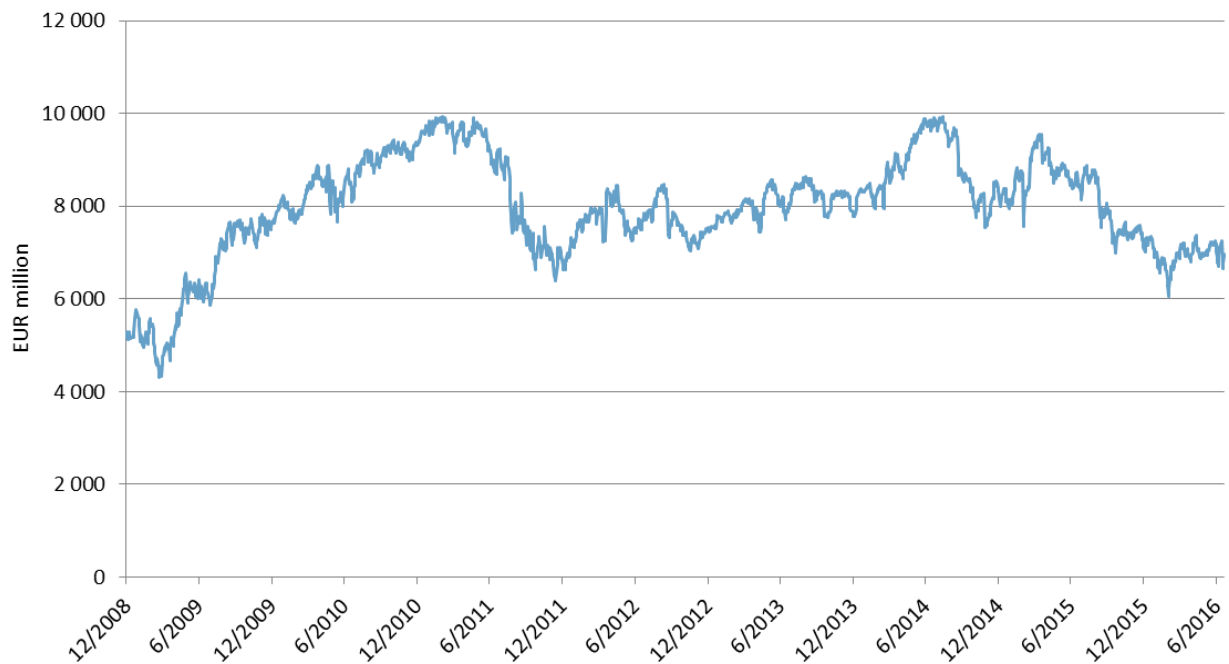

RETURNS OF SOLIDIUM'S HOLDINGS

	6 months	12 months	5 year	From the establishment of Solidium
Return of total investments, %	-5.1%	-7.4%	4.3%	10.9%
Return of equity holdings, %	-5.5%	-8.9%	4.1%	10.9%

(Over-12-month returns are annualised)

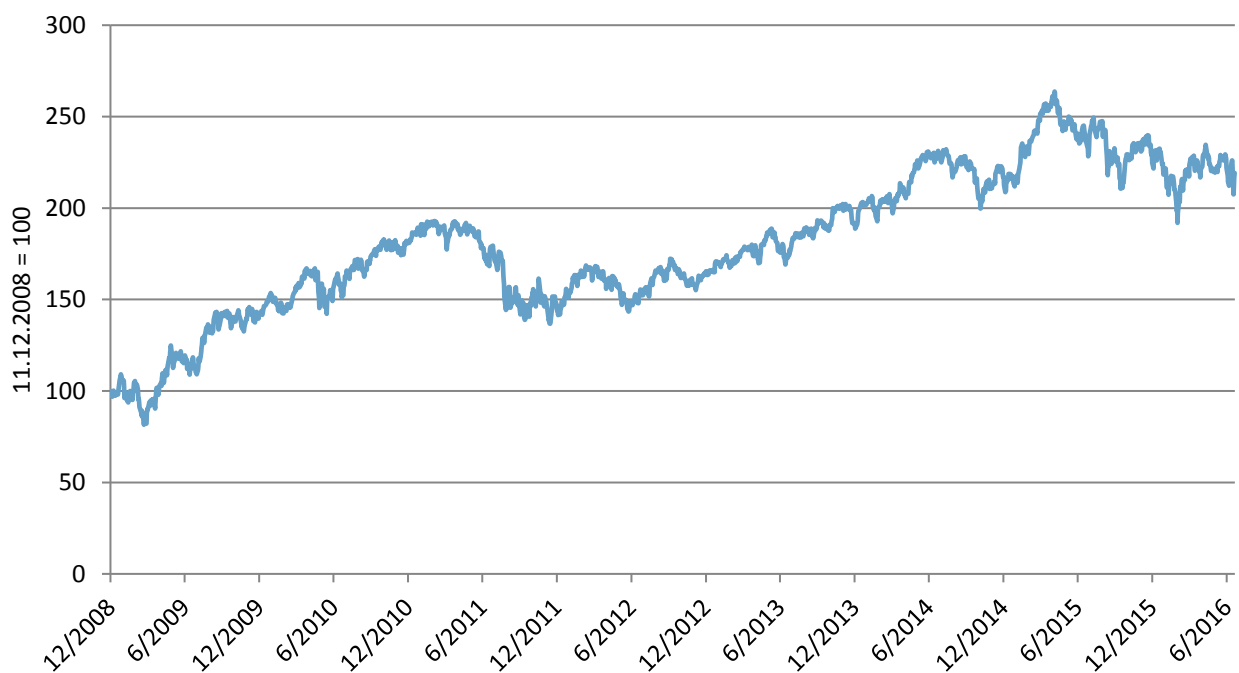
Includes equity holdings and money market investments. Solidium was established on 11 December 2008.

VALUE OF THE HOLDINGS



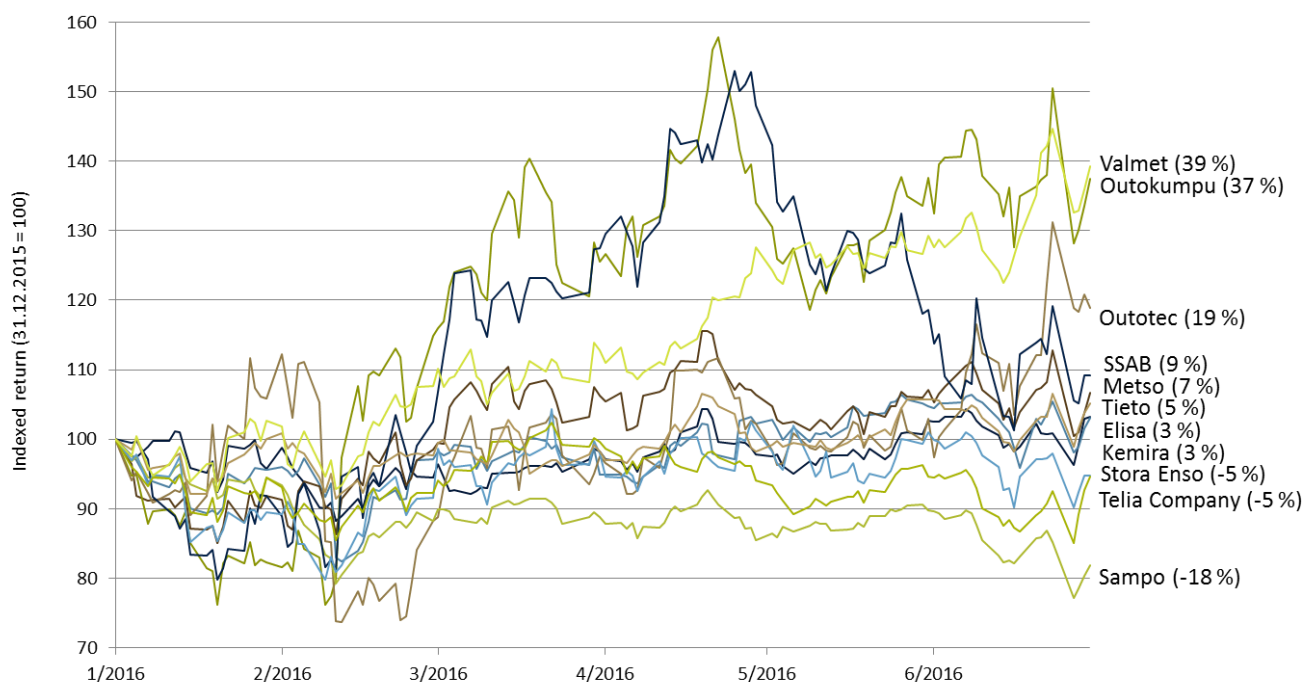
Includes equity holdings and money market investments. Solidium was established on 11 December 2008.

DEVELOPMENT OF THE RETURN OF THE HOLDINGS

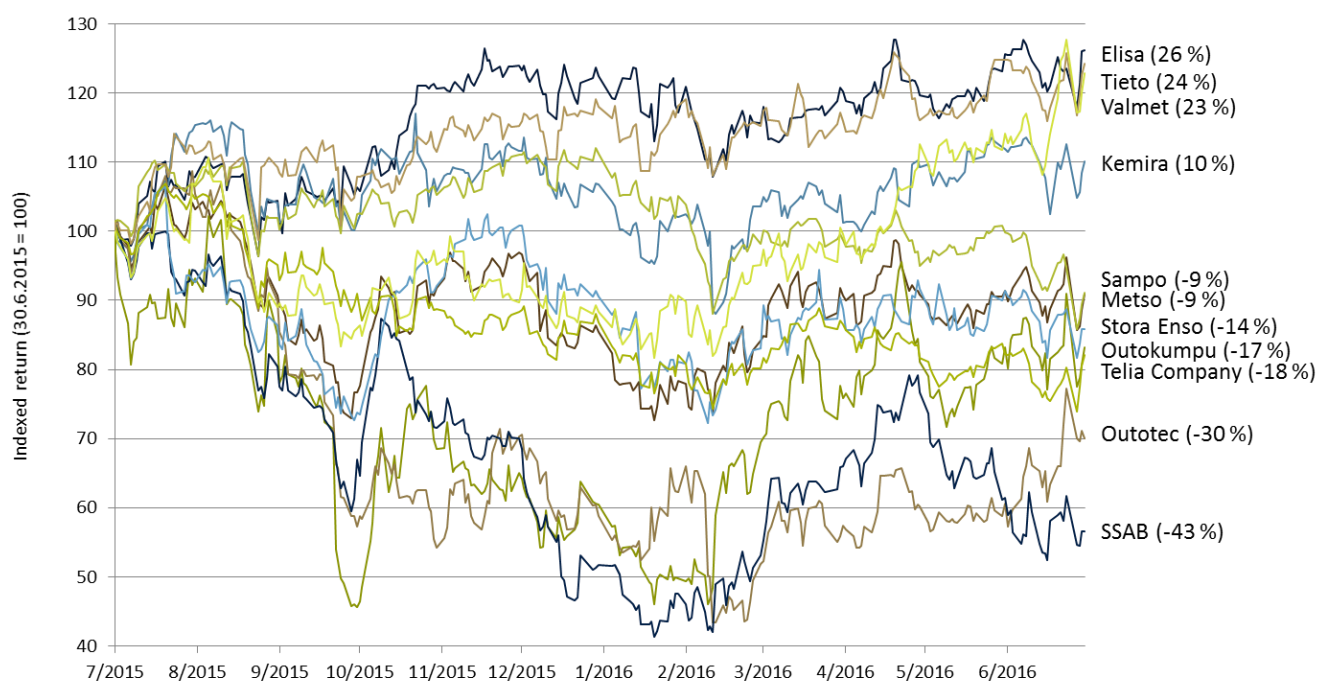


Includes equity holdings and money market investments. Solidium was established on 11 December 2008.

RETURNS OF HOLDINGS TO SOLIDIUM DURING THE REVIEW PERIOD 1 JAN 2016 – 30 JUN 2016



RETURNS OF HOLDINGS TO SOLIDIUM DURING THE FINANCIAL YEAR 2016 1 JUL 2015 – 30 JUN 2016



RETURNS OF THE COMPANIES OWNED BY SOLIDIUM AND THEIR BENCHMARK INDICES

	6 months	12 months	5 years	10 years
Elisa	3 %	26 %	27 %	18 %
<i>Peer companies</i>	-1 %	-14 %	3 %	7 %
<i>DJ STOXX 600 Telecom. Index</i>	-10 %	-14 %	9 %	7 %
Kemira	3 %	10 %	3 %	8 %
<i>Peer companies</i>	2 %	-7 %	13 %	12 %
<i>FTSE EUROFIRST 300 Chemicals Index</i>	-7 %	-15 %	7 %	11 %
Metso	7 %	-9 %	-2 %	5 %
<i>Peer companies</i>	9 %	-12 %	-3 %	9 %
<i>Bloomberg Europe Mach.-Div. Index</i>	1 %	-2 %	5 %	6 %
Outokumpu	37 %	-17 %	-29 %	-20 %
<i>Peer companies</i>	5 %	-14 %	-5 %	0 %
<i>Bloomberg Europe Steel Index</i>	12 %	-27 %	-15 %	-7 %
Outotec	19 %	-30 %	-15 %	n/a
<i>Peer companies</i>	4 %	-7 %	-2 %	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	1 %	-2 %	5 %	n/a
Sampo	-18 %	-9 %	16 %	15 %
<i>Peer companies</i>	-7 %	-11 %	13 %	5 %
<i>OMX Nordic Financials Index</i>	-10 %	-9 %	13 %	14 %
SSAB	12 %	-41 %	-22 %	-14 %
<i>Peer companies</i>	14 %	-21 %	-8 %	-3 %
<i>Bloomberg Europe Steel Index</i>	12 %	-27 %	-15 %	-7 %
Stora Enso	-11 %	-19 %	4 %	0 %
<i>Peer companies</i>	-1 %	-9 %	12 %	3 %
<i>Bloomberg W. For. Prod. & Paper Index</i>	-10 %	-16 %	10 %	3 %
Telia Company	-4 %	-17 %	2 %	6 %
<i>Peer companies</i>	-5 %	-19 %	8 %	8 %
<i>DJ STOXX 600 Telecom. Index</i>	-10 %	-14 %	9 %	7 %
Tieto	5 %	24 %	22 %	6 %
<i>Peer companies</i>	0 %	13 %	15 %	8 %
<i>BE500 Computer Service Index</i>	-5 %	-4 %	14 %	4 %
Valmet	39 %	23 %	n/a	n/a
<i>Peer companies</i>	3 %	-4 %	n/a	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	1 %	-2 %	n/a	n/a

From the beginning of its listing of on 9 October 2006, Outotec's return has been 5%, median return of the peer companies has been 5% and the return of the benchmark index has been 6%. From the beginning of its listing on 2 January 2014, Valmet's return has been 30%, median return of peer companies has been 8% and the return of the benchmark index has been 4%. 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 Solidium may differ from the company's share return due to transactions, taxes, and because Solidium has not reinvested the dividends received, but has paid them to its owner, the Finnish State. Return of the peer companies is the median return of the peer group companies. Data source: Bloomberg and Nasdaq