

13 August 2013 at 12:00

SOLIDIUM OY'S JANUARY–JUNE 2013 HALF YEAR REPORT

- Solidium's investment yield was 4.8% for the six-month review period and 13.9% for the last 12 months
- Solidium received a total of 398 million euros in profit distribution from its portfolio companies during the review period
- Solidium participated in Talvivaara Mining Company Plc's rights issue with 47 million euros
- Solidium increased its holding in Outotec Oyj to 10 per cent by acquiring shares for 39 million euros

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

"The Finnish economy continues to undergo major structural changes, which is also reflected in Solidium's portfolio and its performance. The portfolio yield was 13.9 per cent for the financial year and the dividend yield remained high at 5.5 per cent. The dividend yield is at a good level compared to the general interest rate climate and we expect dividends to remain at a good level in 2014, too."

SOLIDIUM'S INVESTMENTS**Share acquisitions**

During the review period, Solidium acquired shares for approximately EUR 86 million.

Solidium Oy became the largest shareholder in Talvivaara Mining Company Plc, with a holding of approximately 16.7 per cent, following a EUR 261 million rights issue carried out by Talvivaara in April 2013. Prior to the rights issue, Solidium's holding was 8.9 per cent of the share capital of Talvivaara. Solidium exercised its pro rata entitlement in full by subscribing for new shares with around EUR 23 million and, in addition, subscribing with around EUR 24 million for new shares in the secondary subscription. Solidium participated in the rights issue because, as a responsible owner, it deemed it important that Talvivaara has the chance to address its environmental issues and to see the ramp-up of its production through. Solidium aims to participate in the development of Finnish mining cluster also in the future.

During the period under review, Solidium increased its holding in Outotec Oyj from 8.3 per cent to 10.0 per cent by purchasing shares from the market for approximately EUR 39 million.

Other events

At the end of May 2013, the Board of Directors of Metso Corporation approved a demerger plan, under which all assets, debts and liabilities of Metso's Pulp, Paper and Power busi-

nesses will be transferred to a new company named Valmet Corporation. An application will be made for listing Valmet's shares on the NASDAQ OMX Helsinki stock exchange. Following the demerger, Metso's current Mining and Construction and Automation businesses would remain with the current company, which would continue to operate under the Metso name. Valmet would initially have the same ownership structure as Metso and would be totally independent without any cross-ownership between Metso and Valmet. Metso plans to hold an Extraordinary General Meeting on or around 1 October 2013. Solidium and a number of major Metso shareholders have signed an undertaking to vote in favour of the demerger at the Extraordinary General Meeting. Solidium has an 11.1 per cent holding in Metso.

Profit distribution to Solidium

During the period under review, Solidium received profit distribution amounting to EUR 398 million (EUR 392 million in 1 January – 30 June 2012). Profit distribution received during the financial year 1 July 2012 – 30 June 2013 totalled EUR 398 million (EUR 399 million in 1 July 2011 – 30 June 2012). The dividend yield of Solidium's portfolio was 5.5 per cent in the end of June.

Development of the investments and key indicators

The total value of Solidium's investments (equity investments and money market investments) was EUR 7,876 million on 30 June 2013 (EUR 7,525 million on 31 December 2012). The yield of Solidium's investments was 4.8 per cent in the review period and 13.9 per cent over the last 12 months. Detailed information on the key investment indicators is attached to this report.

Equity investments

The value of Solidium's equity investments on 30 June 2013 was EUR 7,216 million (EUR 7,176 million on 31 December 2012). 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 15.2 per cent. The OMX Helsinki Cap Gross index rose by 5.7 per cent in the review period and by 21.7 per cent over the last twelve months.

Money market investments

On 30 June 2013, Solidium's money market investments stood at a total of EUR 660 million (EUR 350 million on 31 December 2012). The amount of money market investments increased during the review period due to cash dividends received. The return on money market investments was 0.2 per cent in the review period and 0.5 per cent over the last 12 months.

Participation in the activities of nomination committees

Managing Director Kari Järvinen served as Chairman of the Shareholders' Nomination Committees of Metso Corporation, Outokumpu Oyj, Outotec Oyj and Rautaruukki Oyj, and as a member of the Shareholders' Nomination Committees of Kemira Oyj, TeliaSonera AB and Tieto Corporation. Pekka Ala-Pietilä, Chairman of the Board of Directors of Solidium,

served as Chairman of the Shareholders' Nomination Committee of Stora Enso Oyj and Eija Ailasmaa, Vice Chairman of the Board of Directors of Solidium, served as the Chairman of the Shareholders' Nomination Committee of Elisa Corporation. The Nomination Committees were charged with preparing the motions to the 2013 Annual General Meetings concerning the election of Board members and their remuneration.

SOLIDIDIUM OY IN THE REVIEW PERIOD

Changes in the Management Team

Hanna Masala, M.Sc. (Econ.), has been appointed as an Investment Director and member of the Management Team as from 12 August 2013. She has previously served with Outokumpu Oyj as a Vice President in charge of M&A transactions and the development of business operations, among other things. In addition, she has served with Nordea Corporate Finance as an Associate Director. The members of Solidium's Management Team are Managing Director Kari Järvinen, General Counsel Tapani Varjas, Investment Director Annareetta Lumme-Timonen, Investment Director Hanna Masala and Investment Director Petter Söderström.

In connection with this appointment, responsibilities within Solidium were re-assigned, with Annareetta Lumme-Timonen in charge of the holdings in Outotec, Stora Enso and Rautaruukki, Hanna Masala in charge of the holdings in Talvivaara Mining Company, Metso and Kemira, and Petter Söderström in charge of the holdings in Outokumpu, Sampo and TeliaSonera. In addition, Investment Managers Pauli Anttila and Pekka Tölli are in charge of the holdings in Elisa and Tieto, respectively.

This half year report is available on the company's website, www.solidium.fi, in the Publications and Media section. This half year report has not been audited.

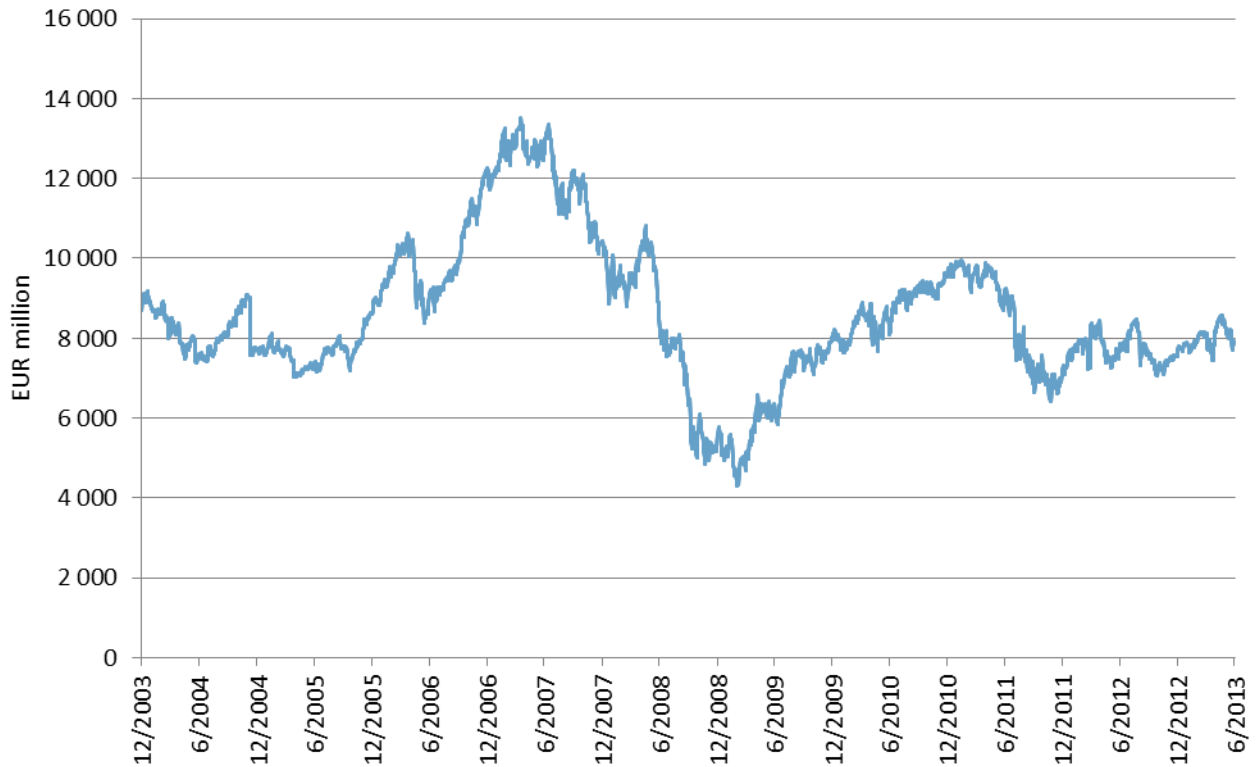
Solidium will publish its Annual Report for the 1 July 2012 – 30 June 2013 financial year in September 2013.

Attachment: Solidium's investments as at 30 June 2013

Solidium Oy

Further information: Managing Director Kari Järvinen, 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. Investment activities are based on financial analysis. The basis and core objective of Solidium's investment strategy is proper, value-enhancing asset management of its current holdings. Through its stakes, Solidium is a minority owner in eleven listed companies: Elisa, Kemira, Metso, Outokumpu, Outotec, Rautaruukki, Sampo, Stora Enso, Talvivaara Mining Company, TeliaSonera and Tieto. The market value of Solidium's investments is approximately 7.9 billion euros at the date of this press release. Further information: www.solidium.fi

ATTACHMENT: SOLIDIUM'S INVESTMENTS AS AT 30 JUNE 2013
VALUE OF TOTAL INVESTMENTS


Includes equity investments and money market investments. The equity investments in the portfolio were transferred to Solidium on 11 December 2008, having been previously held directly by the State of Finland.

INDICATORS

	3 months	6 months	YTD	12 months	2 years
Yield, %	-2.7	4.8	4.8	13.9	-1.3
Yield of benchmark index, % ^{*)}	-1.5	5.7	5.7	21.7	-1.2
Volatility, %	-	14.7	-	14.6	22.6
Sharpe	-	0.7	-	0.9	-0.1
Beta	-	-	-	0.8	0.8
Alfa, %	-	-	-	-3.6	-0.5
Tracking Error, %	-	-	-	7.6	8.1
Information ratio	-	-	-	-1.0	-0.0

(Annual figures given for key ratios of over 12 months)

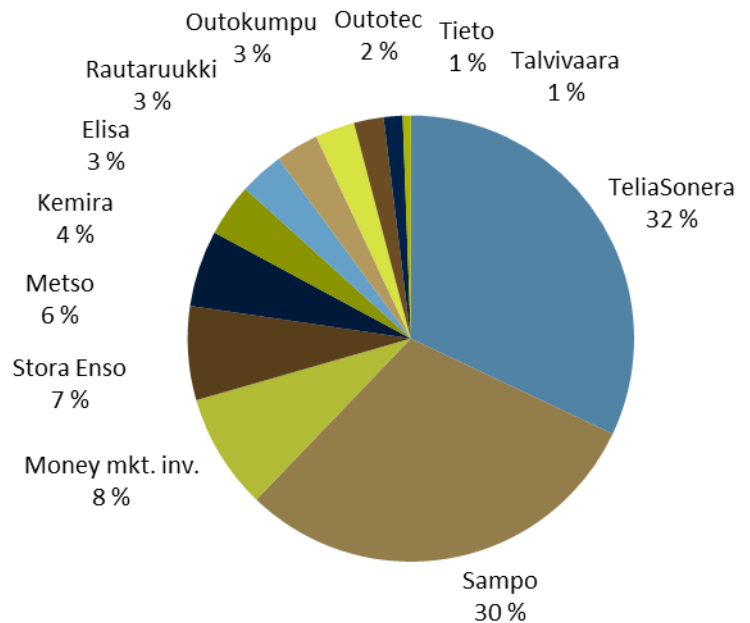
*) OMX Helsinki Cap GI

YTD = year-to-date

Includes equity investments and money market investments.

PORTFOLIO WEIGHTS

	EUR
All investments	7,876,074,106
Elisa	252,183,010
Kemira	301,171,492
Metso	436,080,896
Outokumpu	226,038,894
Outotec	169,183,021
Rautaruukki	245,668,228
Sampo	2,373,645,595
Stora Enso	535,818,485
Stora Enso A	322,178,455
Stora Enso R	213,640,030
Talvivaara	45,521,047
TeliaSonera	2,522,587,468
Tieto	108,339,257
Money market invest- ments	659,836,712


SHARE YIELDS, 1 JULY 2012 – 30 JUNE 2013
