

21 Jan 2016 at 10.30 a.m.

Solidium Oy's half-year report for July–December 2015:

WEAK INVESTMENT RETURN ALONG WITH CONTINUED PRESSURE IN THE METALS MARKET

- Solidium's return on equity holdings was -3.6% for the six-month review period and 6.3% for the calendar year 2015
- In October, Solidium paid EUR 266 million in profit distribution to the State of Finland
- The financial debt went down considerably, as the exchangeable bond amounting to EUR 600 million was repaid
- Solidium's net asset value decreased by EUR 464 million during the review period due to the profit distribution and decrease in the value of equity holdings, and was EUR 6,390 million at the end of the period
- Solidium increased its shareholdings in Metso and Outotec

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

“The highlights of the six-month review period were the continued very strong performance of Elisa as well as good returns from Tieto and Sampo. These companies have been able to enhance their profitability year by year and have succeeded well also in comparison to their peer group.

The globally difficult situation in the metals and other commodities markets is impacting especially the steel companies Outokumpu and SSAB as well as Outotec, which serves mining and metal producing customers. The severe over-capacity has already for quite some time caused problems for carbon and stainless steel markets. In addition, the slowing growth rate of the Chinese economy affects the demand for steel and other metals.

Solidium's return on equity holdings for the six-month review period was 3.6 per cent, which is below the general development of the Helsinki stock exchange. On top of the unsatisfactory development of certain companies owned by us, this largely reflects the sector distribution of our holdings.

Solidium is not a portfolio investor, but a long-term owner. In our return analysis, we focus on comparing each company to its peer group, in addition to the absolute return levels. We challenge our companies to continuous strategic development and profitability improvement. While certain companies have shown strong long-term development, not all companies have performed on the level of their peers.”

SOLIDIUM'S HOLDINGS

Development of holdings and key indicators

The total value of Solidium's holdings (equity holdings and money market investments) was EUR 7,296 million on 31 December 2015 (EUR 8,423 million on 30 June 2015 and EUR 8,099 million on 31 December 2014). The return on Solidium's holdings was -2.5% for the review period and 6.9% for the last twelve months. 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 31 December 2015 was EUR 6,836 million (EUR 7,025 million on 30 June 2015 and EUR 7,616 million on 31 December 2014). The total return on the equity holdings was -3.6% for the review period and 6.3% for the last twelve months. The best returns during the review period were generated by Elisa, Tieto and Sampo, while the development of SSAB, Outotec and Outokumpu were the weakest.

Money market investments

On 31 December 2015, Solidium's money market investments totalled EUR 459 million (EUR 1,398 million on 30 June 2015 and EUR 483 million on 31 December 2014). The return on money market investments was 0.1% for the review period and 0.2% for the last twelve months.

Profit distribution to Solidium

During the period under review, Solidium received profit distribution amounting to EUR 8 million, as Metso paid the extra dividend of EUR 0.40 per share in August 2015.

Participation in nomination boards

Participation in electing a board of directors that best meets the needs of the company, is a central way for Solidium to create value in the companies it owns. Preparing the board elections and forming ideally functioning board compositions in a crucial process in shareholder value creation. Solidium takes actively part in the work of nomination boards responsible for preparing board elections and in developing this process further. Along with this, an important influencing channel for Solidium is its direct dialogue and regular discussions with the Chairman of the Board and CEO of each company.

Managing Director Kari Järvinen has been serving 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, TeliaSonera, and Tieto as a member. These nomination boards prepare proposals for the 2016 Annual General Meetings on the election of board members and their remuneration.

Share acquisitions

During the review period, Solidium's share acquisitions totalled EUR 68 million. Solidium increased its holding in Metso from 13.0% to 14.6% by acquiring shares worth EUR 56 million from the market and in Outotec from 13.2% to 14.7% by acquiring shares worth EUR 12 million from the market.

SOLIDIUM OY DURING THE REVIEW PERIOD

General Meetings of Shareholders

The Annual General Meeting (AGM) of Solidium was held in Helsinki on 30 October 2015. The AGM adopted the company's financial statements for the financial period of 1 July 2014 to 30 June 2015 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 profit distribution of EUR 266 million be paid for the financial period. Heikki Bergholm was elected as a Chairman of the Board of Directors, and Eero Heliövaara and Anni Vepsäläinen as members of the Board of Directors until the end of the next AGM. 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 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 Sixten Nyman 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 operating loss for the period was EUR -1.7 million. Solidium's operating expenses totalled EUR 1.7 million during the review period, resulting in a management cost ratio of operations of 0.05%. Financial expenses include a total amount of EUR 446 million relating to value impairments in accordance with the accounting principles, of which EUR 195 million is related to shares in Outokumpu, EUR 60 million is related to shares in Outotec and EUR 191 million is related to shares in SSAB. Solidium's net asset value decreased by EUR 464 million during the review period due to the profit distribution and decrease in the value of equity, and was EUR 6,390 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– 31 Dec 2015 (6 months)	1 Jul 2014– 31 Dec 2014 (6 months)	1 Jul 2014– 30 Jun 2015 (12 months)
Operating profit, EUR million	-1.7	190.5	534.5
Profit for the period, EUR million	-439.8	-348.5	216.6
Return on investment at fair values, %	-2.5	-4.8	4.3
Management cost ratio of operations, %	0.05	0.08	0.07
Net asset value, EUR million	6,389.6	6,642.3	6,853.6
Shareholders' equity, EUR million	3,384.4	3,965.2	4,090.3
Financial debt, EUR million	350.0	950.0	950.0
Equity ratio, %	90.6	80.0	81.1
Average number of employees	12	12	12

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 31 December 2015

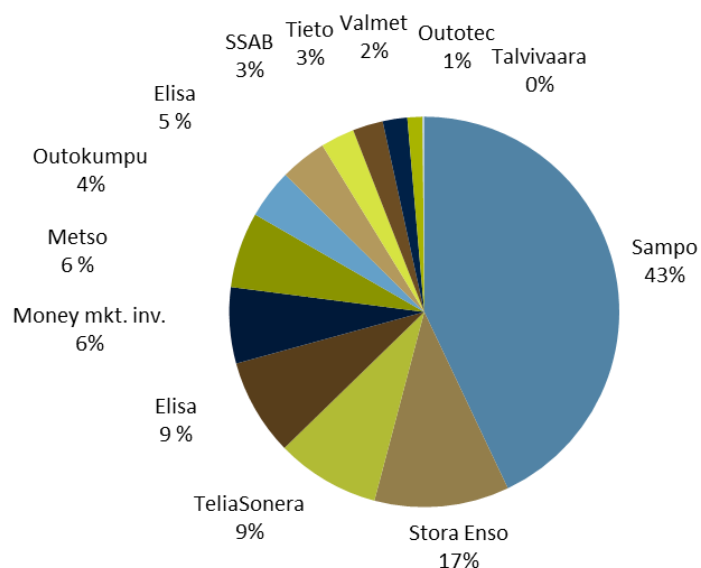
Solidium Oy

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, TeliaSonera, Tieto and Valmet. The market value of Solidium's equity holdings is approximately 6.1 billion euros at the date of this press release. Further information: www.solidium.fi/en

ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 31 DECEMBER 2015
BREAKDOWN OF HOLDINGS

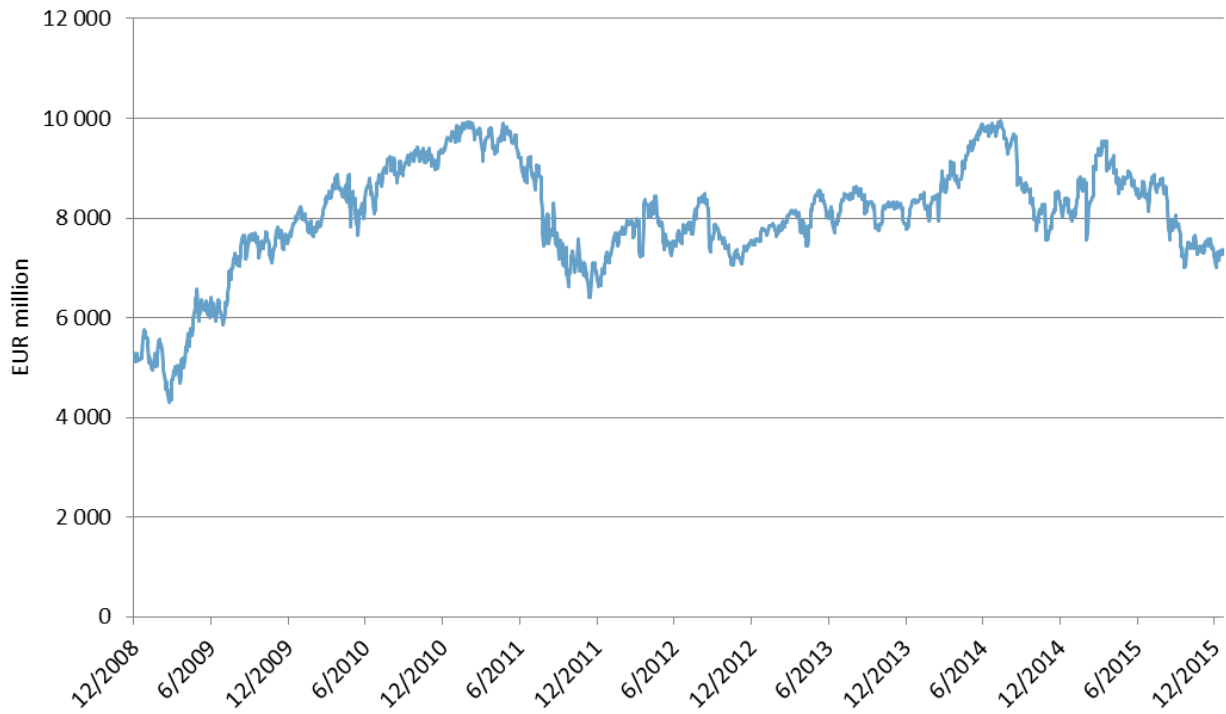
	EUR
Total	7 295 649 529
Elisa	584 506 790
Kemira	281 749 427
Metso	457 691 676
Outokumpu	297 977 229
Outotec	91 526 382
Sampo	3 132 895 920
SSAB	204 928 140
SSAB A	65 167 909
SSAB B	139 760 231
Stora Enso	815 052 444
Stora Enso A	467 005 871
Stora Enso R	348 046 573
Talvivaara	9 645 369
TeliaSonera	628 300 528
Tieto	183 309 133
Valmet	148 588 054
Money mkt. inv.	459 478 437


RETURNS OF SOLIDIUM'S HOLDINGS

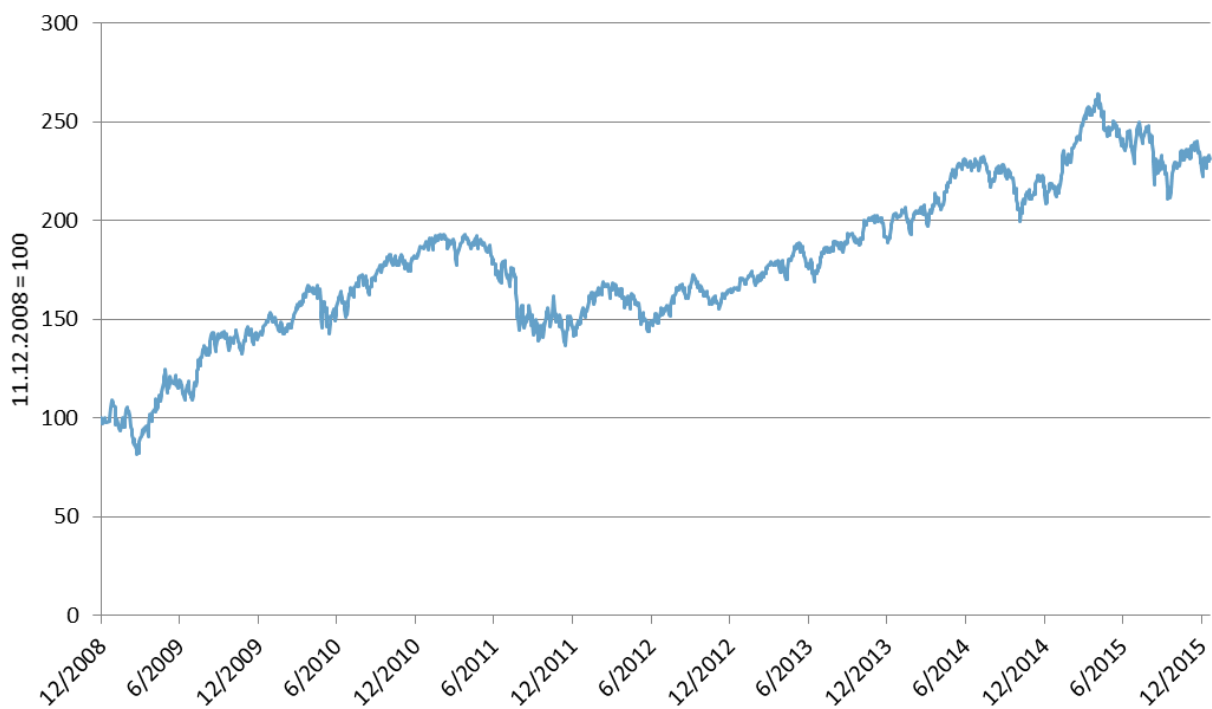
	6 months	12 months	5 year	From the establishment of Solidium
Return of total investments, %	-2.5%	6.9%	4.5%	12.6%
Return of equity holdings, %	-3.6%	6.3%	4.3%	12.7%

(Over-12-month returns are annualised)

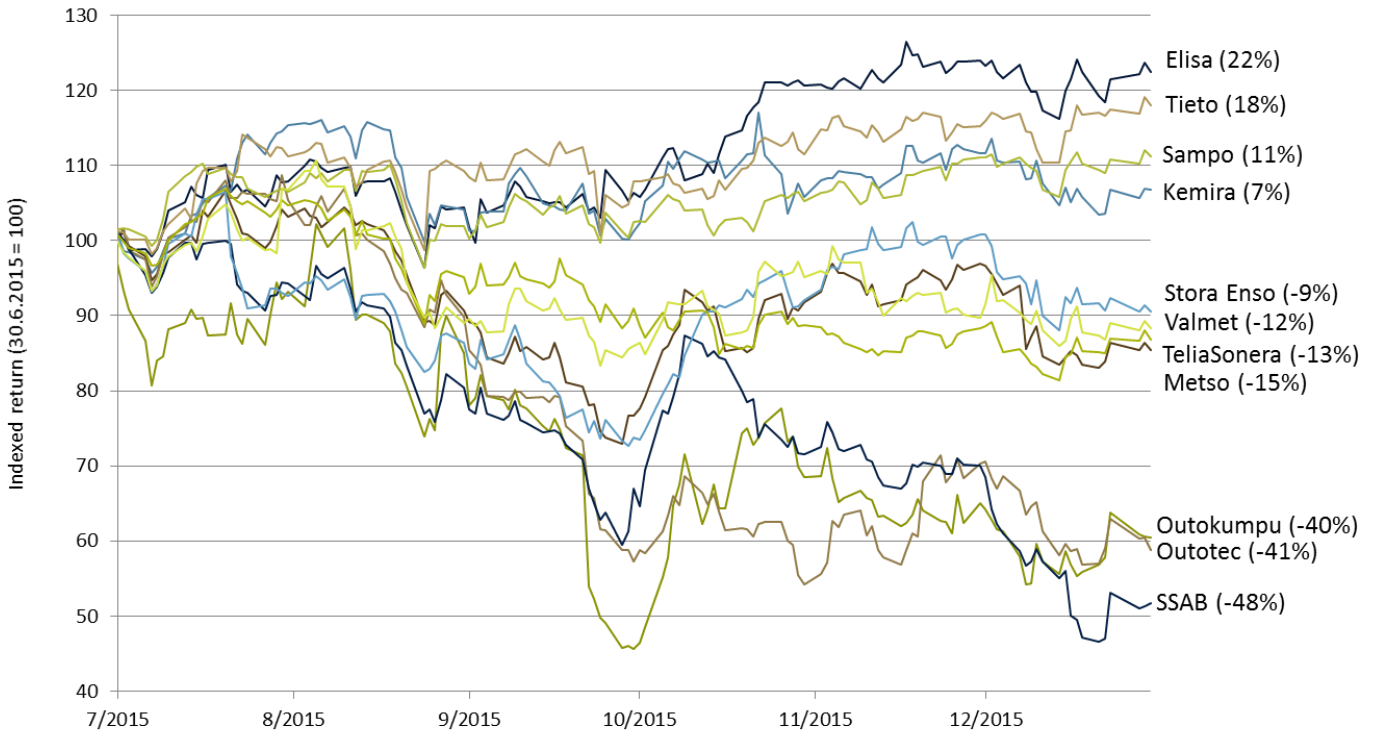
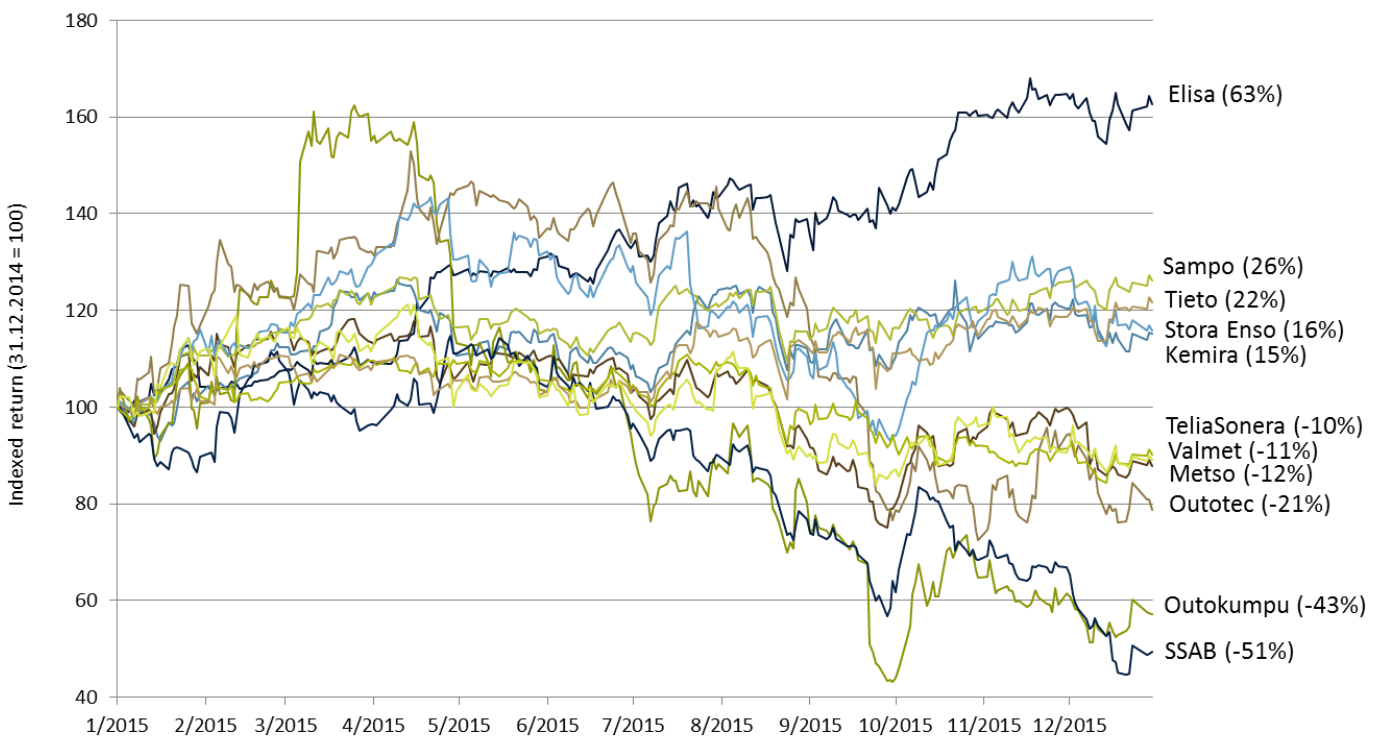
Includes equity holdings and money market investments.

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 SOLIDIDIUM DURING THE REVIEW PERIOD 1 JUL 2015 – 31 DEC 2015

RETURNS OF HOLDINGS TO SOLIDIDIUM DURING THE CALENDAR YEAR 2015


RETURNS OF THE COMPANIES OWNED BY SOLIDIUM AND THEIR BENCHMARK INDICES

	6 months	12 months	5 years	10 years
Elisa	22%	63%	25%	17%
<i>DJ STOXX 600 Telecom. Index</i>	-4%	13%	12%	9%
Kemira	7%	15%	3%	7%
<i>FTSE EUROFIRST 300 Chemicals Index</i>	-8%	5%	10%	12%
Metso	-15%	-12%	-4%	7%
<i>Bloomberg Europe Mach.-Div. Index</i>	-3%	4%	6%	8%
Outokumpu	-40%	-43%	-39%	-19%
<i>Bloomberg Europe Steel Index</i>	-35%	-31%	-18%	-4%
Outotec	-41%	-21%	-20%	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	-3%	4%	6%	n/a
Sampo	11%	26%	24%	18%
<i>OMX Nordic Financials Index</i>	1%	15%	16%	15%
SSAB	-47%	-49%	-27%	-11%
<i>Bloomberg Europe Steel Index</i>	-35%	-31%	-18%	-4%
Stora Enso	-9%	16%	6%	1%
<i>Bloomberg W. For. Prod. & Paper Index</i>	-6%	14%	10%	3%
TeliaSonera	-13%	-9%	1%	7%
<i>DJ STOXX 600 Telecom. Index</i>	-4%	13%	12%	9%
Tieto	18%	22%	18%	2%
<i>BE500 Computer Service Index</i>	0%	22%	17%	6%
Valmet	-12%	-11%	n/a	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	-3%	4%	n/a	n/a

From the beginning of its listing of on 9 October 2006, Outotec's return has been 4% 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 18% and the return of the benchmark index has been 5%. 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. Data source: Bloomberg