



Tulikivi Corporation Interim report, 1 January — 31 March 2014: The operating result before non-recurring expenses increased by EUR 0.5 million

29 April 2014, 10 a.m.

- The Tulikivi Group's first-quarter net sales were EUR 8.3 million (EUR 9.2 million in Q1/2013), the operating result in the first quarter was EUR -1.6 (-1.7) million and result before taxes EUR -1.8 (-2.0) million.
- The first-quarter operating result before non-recurring expenses was EUR -1.2 (-1.7) million.
- Net cash flow from operating activities was EUR -2.4 (-2.5) million in the review period.
- The company has good liquidity owing to the share issue during the 2013 financial year.
- Order books at the end of the period were at EUR 6.1 (6.0) million.
- Future outlook: The demand for Tulikivi products is in part dependent on consumer confidence and construction. The performance improvement programme started in 2013 includes sales and production efficiency measures and cost-saving measures. The results of these measures will begin to show in 2014. Full-year net sales are expected to be at the same level as in 2013, and the operating result is expected to be positive.

Summary of the interim report 1-3/2014. The full interim report is attached to this release.

Key financial ratios

	1-3/ 2014	1-3/ 2013	Change, %	1-12/ 2013
Sales, MEUR	8.3	9.2	-9.2	43.7
Operating profit/ loss, MEUR	-1.6	-1.7	5.9	-4.3
Operating result before non- recurring expenses, MEUR	-1.2	-1.7	28.8	-1.4
Profit before tax, MEUR	-1.8	-2.0	9.3	-5.3
Total comprehensive income for the period, MEUR	-1.5	-1.6	5.2	-4.5
Earnings per share, Euro	-0.03	-0.04		-0.11
Net cash flow from operating activities, MEUR	-2.4	-2.5		2.6
Equity ratio, %	38.9	32.0		38.1
Net Indebtness ratio, %	81.5	142.2		59.3
Return on investments, %	-15.6	-16.5		-9.8

Comments by Heikki Vauhkonen, Managing Director:

Net sales of Tulikivi products continued to be weak in the first quarter. In addition to the weak financial situation, the unusually mild winter decreased the number of deliveries in Finland and Central Europe. Net sales decreased both in Finland and in exports. Since the flow of orders was slightly better than in Q1/2013, order books increased to EUR 6.1 (6.0) million.

Net sales were reduced due to the difficult market situation in Central Europe, while in the Nordic and Baltic countries net sales showed a positive trend. Net sales in Russia also increased in spite of the weakened rouble.

In Finland low-rise housing construction and renovation was low, which affected the number of deliveries.

Despite the challenging market, sales kept growing for the latest products: saunas, design fireplaces and the new-generation Hiisi fireplace collection.

The performance improvement programme helped to increase the company's relative profitability on the previous year. This improvement in performance was achieved by the implementation of savings in fixed costs.

The production of soapstone fireplaces was centralised, while the reorganisation of the production of ceramic fireplaces will be implemented by the end of May. It is believed that these measures will improve profitability in the second half of the year.

The performance improvement programme also includes measures to boost sales efficiency. The measures have progressed as planned, but as their impact on performance improvement will be felt more slowly, improvement is expected to show later this year.

TULIKIVI CORPORATION

Board of Directors

Distribution: NASDAQ OMX Helsinki

Key media

www.tulikivi.com

Additional information: Tulikivi Corporation, FIN-83900 Juuka, Finland, tel. +358 207 636 000, www.tulikivi.com

- Harri Suutari, Chairman of the Board, tel. +358 400 384 937

- Heikki Vauhkonen, Managing Director, tel. +358 207 636 555

ATTACHEMENT: Interim Report 1-3/2014

Tulikivi comprises the Tulikivi Corporation, which is a listed family enterprise, and its subsidiaries. Tulikivi is the world's largest manufacturer of heat-retaining fireplaces. The company has three product groups: Fireplaces, Sauna and Interior. Tulikivi and its customers value wellbeing, interior design and the benefits of bioenergy. Tulikivi's net sales are approximately EUR 45 million, of which exports account for about half. Tulikivi employs approximately 300 people.