Interim Report

January – September 2013

Demand weakened

Etteplan 30 1983–2013

Etteplan

ETTEPLAN OYJ INTERIM REPORT
OCTOBER 30, 2013 AT 2:00 PM

ETTEPLAN Q3: DEMAND WEAKENED

Review period July-September 2013

- The Group's revenue decreased by 4.8% and was EUR 27.5 million (7-9/2012: EUR 28.9 million).
- EBITDA declined by 14.0% and was EUR 2.2 million (EUR 2.5 million).
- Operating profit (EBIT) decreased by 19.0% and was EUR 1.5 million (EUR 1.9 million). The operating profit includes a positive non-recurring item of EUR 0.8 million related to the Tedopres acquisition and EUR 0.3 million in non-recurring costs.
- The profit for the review period was EUR 0.9 million (EUR 1.0 million).
- Operating cash flow decreased and was EUR -1.5 million (EUR -1.2 million).
- Earnings per share were EUR 0.05 (EUR 0.05).
- Following trades completed on August 16, 2013, Ingman Group Oy Ab's holding of Etteplan's share capital and voting rights increased to 30.52 per cent. Following the completion of a mandatory public takeover bid, Ingman Group's holding of shares and votes increased to 66.85 per cent on October 14, 2013.
- Etteplan adjusts its estimate of outlook.

Review period January-September 2013

- The Group's revenue decreased by 3.3% and was EUR 96.2 million (1-9/2012: EUR 99.5 million).
- EBITDA declined by 15.6% and was EUR 7.3 million (EUR 8.6 million).
- Operating profit (EBIT) decreased by 23.5% and was EUR 5.2 million (EUR 6.8 million).
- The profit for the review period was EUR 3.5 million (EUR 4.4 million).
- Operating cash flow decreased and was EUR -2.4 million (EUR 2.8 million).
- Earnings per share were EUR 0.18 (EUR 0.23).

Outlook 2013

Market outlook

Changes in Etteplan's customers' order books quickly influence the development of Etteplan's revenue. At the end of the review period, the order books of Etteplan's major customers were, on average, at a lower level than in the corresponding period in 2012. We estimate that the demand situation for engineering design services will remain at a weakened level during the remainder of the year.

Financial guidance

We expect the revenue for the year 2013 to be almost on the same level as in year 2012 and the operating profit for the year 2013 to be less than EUR seven (7) million.

Previous estimate of outlook 2013

Previous estimate of outlook 2013 was published on October 1, 2013.

Market outlook

Changes in Etteplan's customers' order books quickly influence the development of Etteplan's revenue. At the end of the review period, the order books of Etteplan's major customers were, on average, at a lower level than in the corresponding period in 2012. We estimate that the demand situation for engineering design services continues to be challenging.

Financial guidance

We expect the revenue for the year 2013 to be on the same level as in year 2012 and the operating profit for the year 2013 to be approximately EUR seven (7) million.

Key figures

(EUR 1,000)	7-9/2013		7-9/2012		1-9/2013		1-9/2012		1-12/2012	
Revenue	27,510		28,909		96,209		99,536		134,479	
EBITDA	2,170	(7.9%)	2,524	(8.7%)	7,260	(7.5%)	8,602	(8.6%)	11,154	(8.3%)
Operating profit (EBIT)	1,515	(5.5%)	1,871	(6.5%)	5,226	(5.4%)	6,833	(6.9%)	8,715	(6.5%)
Basic earnings per share, EUR	0.05		0.05		0.18		0.23		0.29	
Equity ratio, %	34.6		31.4		34.6		31.4		32.4	
Operating cash flow	-1,468		-1,205		-2,406		2,793		11,339	
ROCE, %	12.9		15.9		15.2		20.8		20.4	
Personnel at end of the period	1,721		1,773		1,721		1,773		1,776	

Juha Näkki, President and CEO of Etteplan Oyj comments on the interim report:

"The market situation continued to be difficult in the third quarter. Following the summer, a large proportion of our key customers issued profit warnings and the demand situation weakened as customers initiated new cost-reduction measures.

We adjusted our operations in Finland, Sweden and the Netherlands to match the market situation. In Finland, the number of temporary lay-offs grew to the highest level seen since 2009. As the development of our result in the Netherlands lagged behind our expectations, we adjusted the additional purchase price related to the Tedopres acquisition to match the current level. This had a non-recurring positive impact on our result.

In China, the positive development of the market for engineering design services continued, and the number of working hours towards the Chinese market developed favorably. During the first three quarters of the year, the number of hours increased by more than 50 per cent compared to 2012, and in the third quarter we signed agreements on our first significant projects involving the sale of European top-level expertise to the Chinese market.

We continued to invest in the development of service solutions and updated our vision to highlight the significance of service solutions in our operations. Our new vision statement is: Our customers get the best service solutions anywhere at any time.

In the area of technical product information, several customers implemented our new service solutions. In addition, our amount of outstanding quotations for extensive outsourcing projects in the area of technical product information increased in the third quarter. Due to the significant market potential, we increased our product development investments in technical product information solutions in the review period and believe that the product development investments will create a foundation for business growth in 2014.

Etteplan's ownership structure changed significantly as a consequence of a mandatory public takeover bid completed during the review period. We will continue to implement our strategy with the support of our new majority shareholder. I believe that our strong market position and service solutions will turn our revenue and operating profit back to growth when the market situation improves."

Accounting principles

The interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard and the preparation and accounting policies presented in the 2012 annual financial statements, but not all requirements of the IAS 34 standard for interim financial reporting have been followed in the accounting.

This interim report includes forward-looking estimates and assumptions. Accordingly, outcomes may deviate from these estimates, which are based on the management's best knowledge at the time of interim report.

REVIEW JULY-SEPTEMBER 2013

Business review July-September 2013

Operating environment

During the review period, the order backlogs of most of Etteplan's major customers declined. The demand for engineering design services was substantially lower than in the corresponding period in 2012.

Following the summer, export industry development in Finland and Sweden turned to a steeper decline than anticipated. This affected the demand for engineering design services, causing it to weaken more than expected. According to a preliminary estimate by Finnish Customs, Finnish exports declined by 11 per cent in August. The Swedish export industry contracted by 11 per cent (Statistics Sweden). In Sweden, the demand for engineering design weakened, but was at a better level than in Finland.

In the Netherlands, the demand situation for technical product information services remained challenging. In China, the market for engineering design services continued to show positive development. The indications of the positive development of the engineering design services market included industrial companies starting negotiations on outsourcing engineering design services.

The demand for engineering design services from mining equipment manufacturers, which had been strong, declined during the review period. The development of the demand for engineering design services from lifting and hoisting equipment manufacturers was inconsistent, with the overall demand remaining on a par with the comparison period. The demand for engineering design services in the energy and power transmission industries weakened somewhat. The demand for engineering design services from forest industry equipment manufacturers remained at a low level on average. The demand for engineering design services from aerospace and defense equipment manufacturers weakened in Finland and grew slightly in Sweden compared to the corresponding period last year. The demand for engineering design services in the transportation and vehicle industry improved from the comparison period. The demand for testing and analysis services requiring special expertise remained at a good level.

New investment projects were still started at a slow pace. Quotation activity for Russian investment projects remained brisk and some new projects were launched during the review period.

Business review

Sales to key customers declined by 8.0 per cent in the review period compared to the corresponding period last year (7-9/2012). The most significant reason for the decline was that major engineering works companies represent a substantial proportion of Etteplan's key account portfolio. Resources freed up from key accounts were reallocated to other accounts, which resulted in the decline in revenue for the company as a whole to be smaller than the decline in key accounts.

The proportion of revenue represented by Managed Services was over one quarter in the review period.

The number of working hours sold in the Chinese market grew by more than 60 per cent compared to the corresponding period in 2012. This marked the first time the number of working hours sold in China exceeded the volume of offshoring services involving work being outsourced from China to the Nordic countries.

Several new assignments began in China with local companies as customers. The new accounts include among others the Chinese engine manufacturer Wärtsilä Yuchai Engine Co. Ltd (WYEC), which ordered engineering design from Etteplan for an engine testing facility for WYEC's new plant in Zhuhai City, Guangdong Province. WYEC is a joint-venture company established by Wärtsilä Corporation and Yuchai Marine Power Engine Co. Ltd at the end of 2012 to manufacture medium-speed marine engines to serve the shipbuilding industry. Production at the new plant is scheduled to begin in 2014. Shanghai-based Alfa Laval Technologies Co., Ltd began cooperation with Etteplan during the review period.

A number of new product development assignments were received during the review period, including an order from AW-Energy Oy for the engineering design for a testing facility for its WaveRoller technology, which utilizes wave energy. The WaveRoller converts the surge phenomenon that takes place on the shoreline into electrical energy. The Finland-based AW-Energy is a world-leading company in the development of wave energy.

The sales of technical product information solutions developed favorably during the review period. Agreements based on the efficient content production methods acquired through the Tedopres acquisition were signed with over ten new customers, including Outotec Oyj and Siemens AB.

During the period under review, Etteplan decided on significant investments in product development for technical product information solutions. The product development projects will be focused on improving the quality and cost-efficiency of customers' maintenance and spare parts operations by combining technical product information content production with tablet-based distribution systems.

The utilization rate of engineering design services was at a satisfactory level during the review period. The utilization rate was weakened by the demand for engineering design services being lower than in the comparison period as well as ongoing personnel negotiations. The reductions in personnel were primarily implemented as temporary lay-offs. The number of temporary lay-offs grew substantially during the review period, reaching approximately 120 in Finland at the end of the period.

Financial development July-September 2013

Etteplan's revenue in July–September 2013 declined by 4.8 per cent and stood at EUR 27.5 million (7–9/2012: EUR 28.9 million). Organic growth was -4.8 per cent. Revenue fell due to weaker demand for engineering design services.

The operating profit was EUR 1.5 million (7-9/2012: EUR 1.9 million). The operating profit includes EUR 0.3 million in non-recurring costs related to the mandatory public takeover bid by Ingman Group Oy AB and measures taken by the company to adjust its operations to the prevailing weakened market situation. The additional acquisition price debt related to the Tedopres acquisition was reassessed and adjusted to match the current management estimate. The item had a non-recurring positive impact on the result of EUR 0.8 million. The decline in operating profit was caused by the decline in revenue. In addition, the result was affected by the utilization rate of engineering design capacity being at a lower level than in the corresponding period in 2012.

The operating cash flow was EUR -1.5 million (7-9/2012: EUR -1.2 million). The decline in cash flow was due to lower revenue and an unfavorable mix of payment terms compared to the corresponding period in 2012.

REVIEW JANUARY-SEPTEMBER 2013

Business review January-September 2013

Operating environment

The period of January-September was characterized by a weakening demand situation in engineering design, particularly in Finland. At the beginning of 2013, the demand for engineering design services was at a lower level than the average demand in 2012. The anticipated improvement in demand in the second half of the year did not materialize in the third quarter. In Sweden, the demand situation remained at a lower level than in 2012 throughout the review period, but was nevertheless at a better level than in Finland. According to the estimate of the Federation of Finnish Technology Industries, industry revenue for 2013 in Finland will decline as much as 10 per cent compared to the last year (Visio 3/2013: Chief Economist Jukka Palokangas, Federation of Finnish Technology Industries).

Demand for offshoring services in China grew during the review period as Western customers sought new operating methods to improve cost-efficiency. The local Chinese market opened up gradually as new legislation promoted the purchasing of engineering design services. The demand for services produced in China strengthened at a steady pace throughout the review period. Demand improved both locally in the Chinese market and in offshoring services.

The decline in the demand for engineering design services from mining equipment manufacturers continued throughout the review period. The demand for engineering design services from lifting and hoisting equipment manufacturers weakened slightly in the review period, but remained at a good level on average. The demand for engineering design services in the energy and power transmission industries was at a good level early in the year but weakened in the second quarter and remained at the lower level in the third quarter. The demand for engineering design services from forest industry equipment manufacturers was at a low level throughout the review period. The demand for engineering design services from aerospace and defense equipment manufacturers grew in Sweden. The demand for engineering design services in the transportation and vehicle industry improved and was at a satisfactory level in the review period. The demand for testing and analysis services requiring special expertise was at a good level throughout the review period.

New investment projects were started at a slow pace during the first nine months of the year. Quotation activity for Russian investment projects was brisk and new projects were launched at a moderate pace.

Internal competition in the engineering design industry was increased by engineering design companies from low-cost countries operating in the Nordic region as well as the prevailing tight market situation.

Business review

Sales to key customers declined by 4.0 per cent compared to the corresponding period last year (1-9/2012). The decline in sales to key customers was due to major engineering works companies representing a substantial proportion of Etteplan's key account portfolio.

Etteplan's business operations contracted in the review period as customers' order backlogs and orders received by the company were at a lower level than in the corresponding period in 2012. The sale of service solutions was highlighted in a market environment where customers are determined to find increasingly advanced and cost-effective solutions in the areas of engineering design and technical product information. This was reflected in the review period in the form of successful new customer acquisition and the sales volume of Managed Services. Etteplan was active in submitting quotations for technical product information service solutions throughout the review period. On the whole, sales of technical product information services were slower than expected in the review period. In the third quarter, sales developed better than in the first six months of the year, and the company signed significant new agreements.

The difficult market environment that burdened Finnish operations was reflected as a contraction in revenue and operating profit. The company's market position in Finland remained strong. In Sweden, a high attrition rate burdened operations throughout the review period.

Chinese operations developed favorably during the review period: Etteplan acquired several new accounts in the Chinese market, and the number of working hours sold in the Chinese market grew by more than 50 per cent compared to the corresponding period in 2012.

Etteplan's Russian design permits helped the company secure several assignments related to investment projects in the review period, in spite of the overall investment activity being at a low level.

Revenue

Etteplan's revenue decreased by 3.3 per cent and was EUR 96.2 million (1-9/2012: EUR 99.5 million). Organic growth was -4.5 per cent. The factors contributing to the decrease in revenue were reduced order books and a lower volume of new orders for companies in the machinery and metal industries and the resulting weaker demand for engineering design services and technical product information solutions.

Etteplan's business is subject to periodic fluctuation. The periodic fluctuation is affected by holiday seasons and the timing of product development and investment projects in customer companies, mainly at the beginning of the year as well as in the fall. The revenue in the third quarter is typically lower than that of other quarters.

Result

Operating profit decreased by 23.5 per cent and was EUR 5.2 million (1-9/2012: EUR 6.8 million). The operating profit was affected by negative development in demand, lower revenue and the engineering design capacity utilization rate.

The operational costs decreased by 1.3 per cent as a result of the contraction in operations. The operating profit percentage decreased year-on-year and was 5.4 per cent (6.9 per cent). EBITDA declined and was EUR 7.3 million (EUR 8.6 million). EBITDA decreased less than the operating profit due to the amortization of intangible assets related to the acquisition of Tedopres International B.V.

Financial expenses were EUR 0.7 million (1-9/2012: EUR 1.0 million).

Taxes in the income statement amounted to 24.0 per cent (1-9/2012: 26.1 per cent) calculated of the result before taxes. The amount of taxes was EUR 1.1 million (EUR 1.6 million).

Profit before taxes for the review period was EUR 4.7 million (1-9/2012: EUR 5.9 million). Earnings per share were EUR 0.18 (EUR 0.23). Equity per share was EUR 1.29 (EUR 1.23). Return on capital employed (ROCE) before taxes was 15.2 per cent (20.8 per cent).

The profit for the review period was EUR 3.5 million (1-9/2012: EUR 4.4 million).

Financial position and cash flow

Total assets on September 30, 2013 were EUR 74.6 million (December 31, 2012: EUR 76.4 million). Goodwill on the balance sheet was EUR 39.7 million (December 31, 2012: EUR 39.9 million). The decrease in goodwill results from changes in currency rates.

The Group's cash and cash equivalents stood at EUR 1.1 million (December 31, 2012: EUR 5.4 million). The Group's financial liabilities at the end of the review period amounted to EUR 23.3 million (December 31, 2012: EUR 20.9 million). The total of unused short-term credit facilities stood at EUR 6.4 million (December 31, 2012: EUR 12.3 million).

The equity ratio increased compared to the end of 2012 and was 34.6 per cent (December 31, 2012: 32.4 per cent). The equity ratio was higher than in the corresponding period in the previous year (September 30, 2012: 31.4 per cent). Operating cash flow was EUR -2.4 million (1-9/2012: EUR 2.8 million). Cash flow was affected by periodic fluctuation. Cash flow was further impacted by the number of assignments with long payment terms being higher than in the comparison period. Cash flow after investments was EUR -3.3 million (1-9/2012: EUR -2.4 million).

Capital expenditures

The Group's gross investments during the review period were EUR 1.5 million (1-9/2012: EUR 8.8 million). The investments mainly consisted of license fees for design applications.

Personnel

The Group employed 1,736 (1-9/2012: 1,753) people on average during the review period and 1,721 (September 30, 2012: 1,773) at the end of the review period. At the end of the review period, 644 people (September 30, 2012: 682) were employed by the Group abroad.

Incentive plan for key personnel

The Board of Directors of Etteplan Oyj decided on a new share-based incentive plan for the Group's key personnel in March 2011. The plan includes three earning periods, calendar years 2011, 2012 and 2013. The Board of Directors shall decide on the earnings criteria and on targets to be established for them for each earning period. The rewards to be paid on the basis of the plan from all earning periods 2011, 2012 and 2013 will correspond to the value of an approximate maximum total of 810,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

During the earning period 2011, 16 people belonged to the target group of the plan. The earnings criteria of the earning period 2011 were the Etteplan Group's operating profit (EBIT) and revenue. The Board of Directors of Etteplan Oyj has in its meeting, on February 14, 2012, made a resolution that there will be no transfer of company-held shares for the 2011 earnings period.

At a meeting held on February 14, 2013, the Board of Directors of Etteplan Oyj decided to transfer company-held shares under an authorization given to the Board of Directors by the Annual General Meeting of March 30, 2012. According to the resolution of the Board of Directors, Etteplan Oyj has transferred 9,511 company-held shares to the 16 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period. The shares were transferred on April 30, 2013. In addition, the company paid the key personnel concerned a cash component corresponding to the taxes and tax-like charges incurred as a result of the reward. The earnings criteria for the 2012 earnings period was Etteplan Group's operating profit (EBIT).

During the 2013 earning period, approximately 17 employees belong to the target group of the plan. The earnings criteria for the 2013 earning period is Etteplan Group's operating profit (EBIT).

Annual General Meeting

The Annual General Meeting of Shareholders of Etteplan Oyj was held at the premises of the Company in Vantaa on March 27, 2013. In accordance with the proposal of the Board of Directors' Nomination and Remuneration Committee, the Annual General Meeting re-elected Tapio Hakakari, Heikki Hornborg, Robert Ingman, Pertti Nupponen, Satu Rautavalta and Teuvo Rintamäki to the Board.

The Annual General Meeting approved the Financial Statements for financial year 2012 and discharged the members of the Board of Directors and the CEO from liability.

The auditor elected was PricewaterhouseCoopers Oy, Authorized Public Accounting Firm, with Authorized Public Accountant Mr. Mika Kaarisalo as the main responsible auditor. The fee for the auditor is paid according to the invoice approved by the Company.

The Annual General Meeting authorized the Board of Directors to resolve to repurchase Company's own shares in one or more tranches using the Company's unrestricted equity. A maximum of 2,000,000 Company shares may be repurchased. The Company may deviate from the obligation to repurchase shares in proportion to the shareholders' holdings, i.e., the Board has the right to decide on a directed repurchase of Company shares.

The authorization includes the right for the Board to resolve to repurchase the Company's shares through a tender offer made to all shareholders on equal terms and conditions and at the price determined by the Board; or in public trading organized by the NASDAQ OMX Helsinki Ltd. at the market price valid at the time of purchase, so that the Company's total holding of own shares does not exceed ten (10) per cent of all the shares in the Company. The minimum price for the shares to be repurchased is the lowest market price quoted for the share in public trading and, correspondingly, the maximum price is the highest market price quoted for the share in public trading during the validity of the authorization.

Should shares be repurchased in public trading, such shares will not be purchased in proportion to the current shareholders' holdings. Thus, there must be a substantial financial reason for the Company to repurchase Company shares. The shares may be repurchased in order to be used as consideration in potential acquisitions or in other structural arrangements. The shares may as well be used for carrying out Company's incentive schemes for its personnel. The repurchased shares may be kept by the Company, invalidated or transferred onwards.

The repurchase of shares will reduce the non-restricted equity.

The authorization is valid for eighteen (18) months from the date of the resolution of the Annual General Meeting starting on March 27, 2013 and ending on September 26, 2014. The authorization will replace the corresponding previous authorization.

Dividend

The Annual General Meeting on March 27, 2013 passed a resolution, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.15 per share be paid for the financial year 2012 and the remaining funds shall be left to the unrestricted equity. The dividend was paid to the shareholders registered on the record date in the shareholders' register maintained by Euroclear Finland Ltd. The record date of the payment of dividend was April 3, 2013. The dividend was paid on April 10, 2013.

Shares

Etteplan's shares are listed in NASDAQ OMX Helsinki Ltd's Small Cap market capitalization group in the Industrials sector under the ETT1V ticker.

The company's share capital on September 30, 2013 was EUR 5,000,000.00, and the total number of shares was 20,179,414. The company has one series of shares. All shares confer an equal right to a dividend and the company's funds.

The Annual General Meeting on March 24, 2010 granted the Board of Directors the authorization to decide upon an issue of no more than 4,000,000 shares with a share issue or by granting option rights or other specific rights, referred to in Chapter 10, Article 1 of the Companies Act, giving entitlement to shares in one or more lots. The authorization includes the right to decide to issue either new shares or company-held shares. The authorization is valid for five (5) years from the time of the Annual General Meeting resolution – i.e. from March 24, 2010 through March 24, 2015. The authorization replaces the previous authorization. The Board has not exercised this authorization.

The company held 461,791 of its own shares on September 30, 2013, which corresponds 2.29 per cent of all shares and voting rights (December 31, 2012: 471,302). The company transferred 9,511 company-held shares to the 16 employees included in the incentive plan for key personnel as a reward for the 2012 earnings period on April 30, 2013. In January-September 2013, the company did not acquire any company-held shares.

The number of Etteplan Oyj shares traded during the review period was 627,779, to a total value of EUR 2.0 million. The share price low was EUR 3.05, the high EUR 3.54, the average EUR 3.22, and the closing price EUR 3.20. Market capitalization on September 30, 2013 was EUR 63.1 million.

On September 30, 2013, the members of the company's Board of Directors and the President and CEO owned a total of 1,599,039 (December 31, 2012: 1,596,320) shares, or 7.92 per cent of the total share base.

Etteplan

Mandatory public takeover bid for Etteplan’s shares

Following trades completed on August 16, 2013, Ingman Group Oy Ab’s (“Ingman Group”) holding of Etteplan’s share capital and voting rights increased to 30.52 per cent. As a consequence, Ingman Group was obligated to launch a mandatory takeover bid for the remaining shares in Etteplan pursuant to the Finnish Securities Markets Act, Chapter 11, Section 19.

On August 19, 2013, Ingman Group published its obligation to launch a mandatory bid for Etteplan Oyj’s shares and announced that the cash consideration to be offered in the mandatory takeover bid would be EUR 3.20 for each share in Etteplan, which corresponds to the highest price paid by Ingman Group for Etteplan’s shares during the six-month period preceding the obligation to launch a takeover bid. Ingman Group published an offer document concerning the mandatory bid on September 16, 2013. The public takeover bid commenced on September 18, 2013, at 9:30 a.m. and ended on October 9, 2013, at 4:00 p.m. (Finnish time). The mandatory takeover bid was not dependent on reaching a certain ownership level.

On August 22, 2013, the Board of Directors of Etteplan Oyj announced it would also investigate other available options in addition to the mandatory takeover bid in order to reach the best possible outcome for its shareholders. In the same release, the Board of Directors also announced it had appointed Aventum Partners Ltd as its financial advisor. On October 1, 2013, the Board of Directors of Etteplan Oyj published its opinion on the mandatory public takeover bid by Ingman Group. As part of the opinion of the Board of Directors, Chairman of the Board Heikki Hornborg stated that he deems that a strong and committed key owner is important for the future of Etteplan and that he intends to accept Ingman Group’s takeover bid in relation to all shares held by him.

On October 14, 2013, Ingman Group announced the final result of the mandatory bid. Following the completion of the mandatory public takeover bid, Ingman Group’s holding of shares and votes increased to 66.85 per cent.

Flaggings

Etteplan Oyj received one flagging notice in January-September 2013.

Ingman Group Oy Ab’s share in Etteplan Oyj’s share capital and voting rights has through trades completed on August 16, 2013 exceeded 30 per cent level.

Major events after the review period

Specification of financial guidance

On October 1, 2013, Etteplan Oyj specified its financial guidance for 2013. The company’s estimate of the market outlook remained the same as the one stated in the interim report for the second quarter of 2013 on August 15, 2013, and the company specified its financial guidance. The new financial guidance specified the previously published guidance.

Flaggings

Etteplan Oyj received a total of seven flagging notices in early October pertaining to the public takeover bid for Etteplan’s shares launched by Ingman Group Oy Ab.

On October 1, 2013, Heikki Hornborg accepted Ingman Group Oy Ab’s takeover bid for all the shares in Etteplan Oyj in relation to all shares held by him and announced that, subject to the takeover bid being completed, his holding of the shares and votes will fall to 0 per cent.

On October 7, 2013, Tapani Mönkkönen accepted Ingman Group Oy Ab’s takeover bid for the shares in Etteplan Oyj in relation to all shares held by him and announced that, subject to the takeover bid being completed, his holding of the shares and votes will fall to 0 per cent.

Ingman Group Oy Ab announced that it received information on October 8, 2013, indicating that, as a consequence of the amount of acceptances given in response to the mandatory public takeover bid, Ingman Group Oy Ab could obtain a 60.99 per cent share of Etteplan’s share capital and voting rights if the takeover bid is completed.

Ingman Group Oy Ab announced that it received information on October 10, 2013, indicating that, as a consequence of the amount of acceptances given in response to the mandatory public takeover bid, Ingman Group Oy Ab could obtain a 66.83 per cent share of Etteplan's share capital and voting rights if the takeover bid is completed.

On October 14, 2013, Ingman Group Oy Ab announced that, following the completion of the mandatory public takeover bid, Ingman Group Oy Ab's share of Etteplan's share capital and voting rights exceeded two-thirds (2/3) of Etteplan's share capital and voting rights. Following the completion of the mandatory public takeover bid, Ingman Group's holding of shares and votes increased to 66.85 per cent.

As a consequence of the completion of the mandatory public takeover bid on October 14, 2013, Tapani Mönkkönen's share of Etteplan's share capital and voting rights fell to 0 per cent.

As a consequence of the completion of the mandatory public takeover bid on October 14, 2013, Heikki Hornborg's share of Etteplan's share capital and voting rights fell to 0 per cent.

Extraordinary General Meeting

Etteplan published on October 18, 2013 an invitation to the Extraordinary General Meeting of Shareholders. The Meeting will be held on November 18, 2013 starting at 1 p.m. at the premises of the Company at the address Ensimmäinen Savu, 01510 Vantaa, Finland. Matters on the agenda of the Extraordinary General Meeting include changing the Articles of association of the Company, election of the Board of Directors and a second Auditor to the Company.

Operating risks and uncertainty factors

Etteplan's financial results are exposed to a number of strategic, operational and financial risks.

Etteplan's risk management review for 2012 is presented in the Annual Report 2012 on pages 27-29.

Operating risks and uncertainty factors in the review period

The uncertainty caused by the general economic development increased in the first three quarters of 2013. The increase in economic uncertainty was reflected in weaker demand for engineering design services and technical product information solutions.

The company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. During the period under review, increased difficulties in obtaining professional staff in Sweden was an elevated business risk that materialized and burdened the revenue and operating profit for the review period.

Estimate of operating risks and uncertainty factors in the near future

The uncertainty caused by the general economic development continues to be a risk for Etteplan's business operations. Possible changes in customers' business operations continue to cause an increased risk for Etteplan's operations.

The company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. The company expects the risk in Sweden to be at a significant level.

Operating risks continue to remain at the elevated level during the rest of the year 2013.

Etteplan

Outlook 2013

Market outlook

Changes in Etteplan’s customers’ order books quickly influence the development of Etteplan’s revenue. At the end of the review period, the order books of Etteplan’s major customers were, on average, at a lower level than in the corresponding period in 2012. We estimate that the demand situation for engineering design services will remain at a weakened level during the remainder of the year.

Financial guidance

We expect the revenue for the year 2013 to be almost on the same level as in year 2012 and the operating profit for the year 2013 to be less than EUR seven (7) million.

Hollola, October 30, 2013

Etteplan Oyj

Board of Directors

Additional information:
Juha Näkki, President and CEO, tel. +358 400 606 372

APPENDIX:

Financial Statement Summary and Notes

- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows
- Consolidated Statement of Changes in Equity
- Notes to the Financial Statement Summary

The information presented herein has not been audited.

Releases and other corporate information are available on Etteplan’s Web site at www.etteplan.com.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1 000)	7-9/2013	7-9/2012	1-9/2013	1-9/2012	1-12/2012
Revenue	**27 510**	**28 909**	**96 209**	**99 536**	**134 479**
Other operating income	847	44	1 063	243	512
Materials and services	-3 113	-2 398	-8 563	-7 885	-10 935
Staff costs	-19 671	-19 779	-67 048	-68 222	-92 696
Other operating expenses	-3 402	-4 253	-14 401	-15 070	-20 207
Depreciation and amortization	-655	-652	-2 034	-1 769	-2 439
Operating profit (EBIT)	**1 515**	**1 871**	**5 226**	**6 833**	**8 715**
Financial income	-3	-2	192	136	180
Financial expenses	-255	-366	-709	-988	-1 226
Share of the result of associate	0	-104	-54	-35	-127
Profit before taxes	1 257	1 399	4 655	5 946	7 542
Income taxes	-376	-404	-1 117	-1 550	-1 957
Profit for the financial year	**881**	**996**	**3 538**	**4 395**	**5 585**
Other comprehensive income					
Foreign subsidiary net investment hedge	-66	-273	41	-390	-279
Currency translation differences	391	1 047	-263	1 463	1 039
Change in fair value of investments available-for-sale	5	6	14	10	10
Other comprehensive income, net of tax	330	779	-207	1 084	770
Total comprehensive income for the year	**1 211**	**1 775**	**3 330**	**5 479**	**6 355**
Income attributable to					
Equity holders of the parent company	872	1 060	3 497	4 546	5 767
Non-controlling interest	9	-64	41	-151	-182
	881	996	3 538	4 395	5 585
Total comprehensive income attributable to					
Equity holders of the parent company	1 193	1 834	3 288	5 631	6 533
Non-controlling interest	19	-59	42	-152	-179
	1 211	1 775	3 330	5 479	6 355
Earnings per share calculated from the result attributable to equity holders of the parent company					
Basic earnings per share, EUR	0,05	0,05	0,18	0,23	0,29
Diluted earnings per share, EUR	0,05	0,05	0,18	0,23	0,29

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	30.9.2013	30.9.2012	31.12.2012
ASSETS			
Non-current assets			
Tangible assets	1 519	1 918	1 755
Goodwill	39 706	40 168	39 930
Other intangible assets	6 198	6 401	6 546
Shares in associated company	0	296	83
Investments available-for-sale	623	605	604
Deferred tax assets	22	134	13
Non-current assets, total	**48 068**	**49 522**	**48 931**
Current assets			
Trade and other receivables	25 375	25 033	22 035
Current tax assets	2	328	0
Cash and cash equivalents	1 122	1 019	5 402
Current assets, total	**26 499**	**26 380**	**27 438**
TOTAL ASSETS	**74 567**	**75 902**	**76 369**
EQUITY AND LIABILITIES			
Capital attributable to equity holders of the parent company			
Share capital	5 000	5 000	5 000
Share premium account	6 701	6 701	6 701
Unrestricted equity fund	2 614	2 584	2 584
Own shares	-1 912	-1 913	-1 936
Cumulative translation adjustment	444	979	661
Other reserves	111	151	151
Retained earnings	8 937	6 123	6 123
Profit for the financial year	3 497	4 546	5 767
Capital attributable to equity holders of the parent company, total	25 392	24 172	25 051
Non-controlling interest	-331	-347	-373
Equity, total	**25 061**	**23 825**	**24 678**
Non-current liabilities			
Deferred tax liabilities	1 153	1 316	1 179
Financial liabilities	10 288	15 597	13 243
Other non-current liabilities	2 421	2 998	3 224
Non-current liabilities, total	**13 862**	**19 910**	**17 646**
Current liabilities			
Financial liabilities	12 977	9 078	7 665
Trade and other payables	22 247	21 747	25 380
Current income tax liabilities	420	1 343	1 000
Current liabilities, total	**35 644**	**32 168**	**34 045**
Liabilities, total	**49 506**	**52 077**	**51 691**
TOTAL EQUITY AND LIABILITIES	**74 567**	**75 902**	**76 369**

CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR 1 000)	7-9/2013	7-9/2012	1-9/2013	1-9/2012	1-12/2012
Operating cash flow					
Cash receipts from customers	29 752	28 759	94 580	101 616	139 835
Operating expenses paid	-30 738	-29 407	-94 553	-96 776	-125 858
Operating cash flow before financial items and taxes	-986	-648	27	4 840	13 977
Interest and payment paid for financial expenses	-187	-248	-570	-800	-1 044
Interest received	11	10	21	58	79
Income taxes paid	-306	-319	-1 884	-1 304	-1 674
Operating cash flow (A)	**-1 468**	**-1 205**	**-2 406**	**2 793**	**11 339**
Investing cash flow					
Purchase of tangible and intangible assets	-482	-436	-994	-895	-1 543
Acquisition of subsidiaries	0	0	0	-4 614	-4 615
Disposal of associates	0	0	100	0	229
Proceeds from sale of tangible and intangible assets	2	0	7	20	23
Loan receivables, decrease	-3	4	13	275	299
Proceeds from sale of investments	0	13	0	13	13
Investing cash flow (B)	**-483**	**-418**	**-875**	**-5 201**	**-5 593**
Cash flow after investments (A+B)	**-1 951**	**-1 624**	**-3 281**	**-2 409**	**5 745**
Financing cash flow					
Short-term loans, increase	1 913	1 556	4 772	3 095	756
Short-term loans, decrease	-797	-821	-2 027	-1 716	-5 015
Long-term loans, increase	0	0	0	4 000	4 000
Long-term loans, decrease	0	-447	0	-2 112	0
Payment of finance lease liabilities	-245	-265	-791	-764	-1 043
Dividend paid and other profit distribution	0	0	-2 956	-1 971	-1 971
Financing cash flow (C)	**870**	**23**	**-1 002**	**532**	**-3 273**
Variation in cash (A+B+C) increase (+) / decrease (-)	**-1 081**	**-1 601**	**-4 282**	**-1 877**	**2 472**
Assets at the beginning of the period	2 264	2 717	5 402	3 023	3 023
Exchange gains or losses on cash and cash equivalents	-61	-99	2	-128	-93
Assets at the end of the period	1 122	1 019	1 122	1 019	5 402

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Legends for table columns
A) Share Capital
B) Share Premium Account
C) Unrestricted Equity Fund
D) Other Reserves
E) Own Shares
F) Cumulative Translation Adjustment
G) Retained Earnings
H) Total
I) Non-controlling Interest
J) Equity total

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2012	**5 000**	**6 701**	**2 584**	**140**	**-1 958**	**-96**	**8 093**	**20 466**	**-195**	**20 271**
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	5 767	5 767	-182	5 585
Fair value reserve available-for-sale assets	0	0	0	10	0	0	0	10	0	10
Foreign subsidiary net investment hedge	0	0	0	0	0	-279	0	-279	0	-279
Cumulative translation adjustment	0	0	0	0	0	1 036	0	1 036	3	1 039
Total comprehensive income for the year	**0**	**0**	**0**	**10**	**0**	**756**	**5 767**	**6 534**	**-179**	**6 355**
Transactions with owners										
Dividends	0	0	0	0	0	0	-1 971	-1 971	0	-1 971
Share based incentive plan	0	0	0	0	22	0	0	22	0	22
Transactions with owners, total	**0**	**0**	**0**	**0**	**22**	**0**	**-1 971**	**-1 948**	**0**	**-1 948**
Equity 31.12.2012	**5 000**	**6 701**	**2 584**	**150**	**-1 936**	**660**	**11 889**	**25 051**	**-374**	**24 678**

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2013	**5 000**	**6 701**	**2 584**	**150**	**-1 936**	**660**	**11 889**	**25 051**	**-374**	**24 678**
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	3 497	3 497	41	3 538
Fair value reserve available-for-sale assets	0	0	0	14	0	0	0	14	0	14
Foreign subsidiary net investment hedge	0	0	0	0	0	41	0	41	0	41
Cumulative translation adjustment	0	0	0	-7	0	-258	0	-265	1	-263
Total comprehensive income for the year	**0**	**0**	**0**	**8**	**0**	**-216**	**3 497**	**3 288**	**42**	**3 330**
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 956	-2 956	0	-2 956
Reclassifications	0	0	0	-48	0	0	50	2	0	2
Share based incentive plan	0	0	29	0	24	0	-46	7	0	7
Transactions with owners, total	**0**	**0**	**29**	**-48**	**24**	**0**	**-2 953**	**-2 947**	**0**	**-2 947**
Equity 30.9.2013	**5 000**	**6 701**	**2 614**	**110**	**-1 912**	**444**	**12 433**	**25 392**	**-332**	**25 061**

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2012	**5 000**	**6 701**	**2 584**	**140**	**-1 958**	**-96**	**8 093**	**20 466**	**-195**	**20 271**
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	4 546	4 546	-151	4 395
Fair value reserve available-for-sale assets	0	0	0	10	0	0	0	10	0	10
Foreign subsidiary net investment hedge	0	0	0	0	0	-390	0	-390	0	-390
Cumulative translation adjustment	0	0	0	0	0	1 464	0	1 464	-1	1 463
Total comprehensive income/expense for	**0**	**0**	**0**	**10**	**0**	**1 075**	**4 546**	**5 631**	**-152**	**5 479**
Transactions with owners										
Dividends	0	0	0	0	0	0	-1 971	-1 971	0	-1 971
Share based incentive plan	0	0	0	0	45	0	0	45	0	45
Transactions with owners, total	**0**	**0**	**0**	**0**	**45**	**0**	**-1 971**	**-1 926**	**0**	**-1 926**
Equity 30.9.2012	**5 000**	**6 701**	**2 584**	**150**	**-1 913**	**979**	**10 668**	**24 171**	**-347**	**23 824**

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NOTES TO THE FINANCIAL STATEMENT SUMMARY

General

The parent company of Etteplan Group is Etteplan Oyj (the Company), a Finnish public limited company established under Finnish law. The Company is domiciled in Hollola.

Etteplan provides engineering services and technical product information solutions to the world's leading companies in the manufacturing industry. Company's services are geared to improve the competitiveness of customers' products and engineering processes throughout the product life cycle. The results of Etteplan's innovative engineering can be seen in numerous industrial solutions and everyday products.

In 2012, Etteplan had turnover of EUR 134.5 million. The company has more than 1,700 professionals in Finland, Sweden, the Netherlands and China. Etteplan's shares are listed on NASDAQ OMX Helsinki Ltd under the ETT1V ticker.

The Etteplan Oyj Board of Directors has approved this interim report for publication at its meeting of October 30, 2013.

Basis for preparation

The interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard and the preparation and accounting policies presented in the 2012 annual financial statements, but not all requirements of the IAS 34 standard for interim financial reporting have been followed in the accounting.

Monetary figures in the interim report are presented in thousands of euros. All figures in the tables have been rounded up or down, due to which the sums of figures may deviate from the sum totals presented.

In interim report the accounting principles used were the same as for the 2012 annual financial statements. The annual financial statements are available at http://www.etteplan.com/investors/annual-and-interim-reports/2013.aspx and the accounting policy is detailed on pages 40-47 of the annual report 2012. Formulas for the key figures are detailed at the end of this interim report.

Use of estimates

This interim report includes forward-looking estimates and assumptions. Accordingly, outcomes may deviate from these estimates, which are based on the management's best knowledge at the time of interim report.

Income taxes

The taxes listed in the consolidated income statement have been calculated with the tax rate appropriate for the projected full-year result. The estimated average effective tax rate for the year has been set separately for each relevant country. Taxes in the income statement amounted to 24.0 per cent (1-9/2012: 26.1 per cent) calculated of the result before taxes.

Risks

Etteplan's financial results are exposed to a number of strategic, operational and financial risks. A description of risks can be found in Etteplan's annual report 2012 on pages 27-29. A detailed financial risk analysis can be found in Etteplan's annual report 2012 on pages 47-51.

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KEY FIGURES

(EUR 1 000)	1-9/2013	1-9/2012	1-12/2012	Change to prev. year
Revenue	96 209	99 536	134 479	-3,3 %
EBITDA	7 260	8 602	11 154	-15,6 %
EBITDA, %	7,5	8,6	8,3	
Operating profit (EBIT)	5 226	6 833	8 715	-23,5 %
EBIT, %	5,4	6,9	6,5	
Profit before taxes	4 655	5 946	7 542	-21,7 %
Profit before taxes, %	4,8	6,0	5,6	
Return on equity, %	19,0	26,6	24,8	
ROCE, %	15,2	20,8	20,4	
Equity ratio, %	34,6	31,4	32,4	
Gross interest-bearing debt	23 265	24 675	20 909	-5,7 %
Net gearing, %	88,4	99,3	62,8	
Balance sheet, total	74 567	75 902	76 369	-1,8 %
Gross investments	1 453	8 825	9 508	-83,5 %
Operating cash flow	-2 406	2 793	11 339	-186,2 %
Basic earnings per share, EUR	0,18	0,23	0,29	-21,7 %
Diluted earnings per share, EUR	0,18	0,23	0,29	-21,7 %
Equity per share, EUR	1,29	1,23	1,27	4,9 %
Personnel, average	1 736	1 753	1 756	-1,0 %
Personnel at end of the period	1 721	1 773	1 776	-2,9 %

REVENUE AND OPERATING PROFIT (EBIT) QUARTERLY

(EUR 1 000)	1-3/2013	4-6/2013	7-9/2013
Revenue	34 459	34 240	27 510
Operating profit (EBIT)	1 758	1 954	1 515
% of revenue	5,1	5,7	5,5

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FORMULAS FOR KEY FIGURES

EBITDA

Operating profit (EBIT) + Depreciation and amortization

Return on equity (ROE)

$$\frac{\text{(Profit before taxes and non-controlling interest - taxes) x 100}}{\text{(Shareholders' equity + minority interest) average}}$$

Return on capital employed (ROCE), before taxes

$$\frac{\text{(Profit before taxes and non-controlling interest + interest and other financial expenses) x 100}}{\text{(Balance sheet total - non-interest bearing debts) average}}$$

Equity ratio, %

$$\frac{\text{(Shareholders' equity + non-controlling interest) x 100}}{\text{Balance sheet total - advances received}}$$

Net gearing, %

$$\frac{\text{(Interest-bearing debts - cash and cash equivalents and marketable securities) x 100}}{\text{Shareholders' equity + non-controlling interest}}$$

Earnings per share

$$\frac{\text{(Profit before taxes and non-controlling interest - taxes - non-controlling interest)}}{\text{Adjusted average number of shares during the financial year}}$$

Equity per share

$$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial year}}$$