



**SCANFIL**

**SCANFIL GROUP'S FINANCIAL  
STATEMENTS FOR  
1 JANUARY – 31 DECEMBER 2015**

## SCANFIL GROUP'S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2015

### October – December

- Turnover totalled EUR 142.8 million (Q4 2014: 49.6), up to 187.9%
- Operating profit EUR 3.8 million (3.3), 2.7% (6.6%) of turnover, up to 17.5%
- Operating profit excluding non-recurring items EUR 5.3 million (3.3), 3.7% (6.6%) of turnover, up to 63.3%
- Profit was EUR 1.2 million (2.5), down 52.7%
- Earnings per share amounted EUR 0.02 (0.04)
- Earnings per share without non-recurring items EUR 0.05

### January – December

- Turnover totalled to EUR 377.3 million (2014: 214.5), up to 75.9%
- Operating profit EUR 14.0 million (16.2), 3.7% (7.6%) of turnover, down 13.7%
- Operating profit excluding non-recurring items EUR 19.6 million (16.4), 5.2% (7.7%) of turnover, up to 19.5%
- Profit for the review period was EUR 8.4 million (12.3), down 31.9%
- Earnings per share were EUR 0.15 (0.21)
- Earnings per share without non-recurring items EUR 0.24

PartnerTech AB (currently Scanfil Sweden AB) has been consolidated into Scanfil Group as of 1 July 2015. The January–December operating profit includes a total of EUR 5.6 million in non-recurring items. The non-recurring items comprise EUR 2.3 million of entries related to the acquisition of PartnerTech AB, EUR 1.2 million related to the fair value measurement of the subsidiary PartnerTech Aerodyn AB classified as held for sale, and a write-down of EUR 2.1 million in Hungary.

Scanfil estimates that its turnover for 2016 will be EUR 500–550 million and the operating profit before non-recurring items will amount to EUR 22–28 million.

Non-recurring expenses related to restructuring of PartnerTech AS:n (Moss, Norway) ja PartnerTech UK:n (Cambridge) in 2016 is expected to be a maximum of EUR 7.5 million. Estimated non-recurring expense includes restructuring costs and write-downs. Non-recurring loss of EUR -1.2 million caused by the sale of PartnerTech Aerodyn AB has been recorded for the year 2015.

### **Petteri Jokitalo, CEO of Scanfil plc:**

"2015 was a year of great changes for Scanfil. We took a great development stride by acquiring the Swedish contract manufacturer PartnerTech. The acquisition practically doubled our size with regard to turnover, the number of employees, customer accounts as well as number of plants. Our customer base is now more extensive than ever and our sales are well-balanced between various customer segments and accounts.

2015 was also a year of strong growth for Scanfil, and especially due to the acquisition of PartnerTech. The turnover increased to approximately EUR 377 million, and sales grew strongly during the second half of the year. Operating profit before extraordinary items was EUR 19.6 million and after extraordinary items EUR 14.0 million.

We got off to a good start in integrating the companies. For this, I wish to thank our employees, who tackled the integration process with enthusiasm, without procrastination and by working together for a shared goal. The fact that both companies already shared very similar values and strategies laid down a good foundation for the integration.

We are looking for synergy benefits, for example, from administration, sourcing and by pruning overlaps in plants. The reorganisation of plants with weak performance continues. The decision to close the plant in Norway has been made, statutory negotiations have been started at the English plant and PartnerTech Aerodyn AB (Sweden) has been sold. In China, actions were started to reduce overlapping and streamline the operations. We are aiming at reported operating profit level of 6% in 2017.

We have an excellent starting point for 2016. The expanded customer base gives us much potential for growing our business. The needs of our customers will also continue to be our priority this year. In fact, the

development of customer satisfaction is the best sales work we can do. Our goal is to make Scanfil the most attractive partner for customers and the most interesting workplace for employees. We also work to gain new customers, especially in Central Europe.

I thank Scanfil employees for their hard work and good results. I would also like to thank our customers, suppliers and other partners, as well as the owners, for their confidence and good cooperation in 2015 on behalf of all Scanfil employees.”

## ACQUIRED BUSINESS OPERATIONS

On 25 May 2015, Scanfil Plc announced a recommended cash offer to the shareholders in PartnerTech AB to tender all shares in PartnerTech to Scanfil for SEK 35 per share. A total of 12,487,738 shares had been tendered by the end of the acceptance period, corresponding to 98.6 percent of the shares and the voting rights in PartnerTech. At the end of the acceptance period, the company commenced the compulsory acquisition process to acquire the remaining shares. On 19 January 2016, Scanfil obtained "advanced title" to the minority shares in PartnerTech. As a result, Scanfil became, prior to the expiration of the compulsory acquisition process, owner of all shares in PartnerTech against providing collateral in favour of the minority shareholders as security for the purchase price under the compulsory acquisition process.

The acquisition date of PartnerTech AB was 2 July 2015. The purchase price for the 98.6% holding at 31 December 2015 is EUR 47.0 million. Scanfil financed the acquisition with a loan granted by Nordea Bank Finland Plc. Information on the acquired net assets is provided in the tables of the interim report. Of the purchase price's book value, EUR 10.8 million was allocated to long-term customer relationships (including net deferred tax liabilities), and EUR 7.1 million as unallocated goodwill which was recognised from the acquisition.

## GROUP STRUCTURE

Scanfil Group comprises the parent company, Scanfil plc, and two wholly-owned sub-groups, Scanfil EMS Oy (Finland) and Scanfil Sweden AB (Sweden). The Scanfil EMS sub-group comprises the parent company, Scanfil EMS Oy, and six wholly-owned subsidiaries operating in four different countries. The Scanfil Sweden AB sub-group comprises the parent company, Scanfil Sweden AB, and ten wholly-owned subsidiaries operating in seven different countries.

## BUSINESS TRENDS

Scanfil's turnover for 2015 amounted to approximately EUR 377.3 million. The turnover increased by approximately 76% compared to 2014, which was primarily due to the acquisition of PartnerTech on 1 July 2015. The development of turnover was particularly strong during the second half of the year. PartnerTech's customer accounts significantly increased Scanfil's customer base in all customer groups. In addition, operations expanded into a new sector, **Defence, Oil & Gas and Maritime**. The largest customer's share of the turnover was approximately 13% and that of the ten largest customers approximately 55%.

Turnover increased in the "**Medtech, Life Science, Environmental Measurement**" and the "**Other Industries**" customer groups in particular. The "**Other Industries**" customer sector includes industrial customers in the fields of material handling and lighting of retail premises, among others. Sales in the "**Defence, Oil & Gas and Maritime**" customer group picked up during the fourth quarter of the year. In the "**Energy & Automation**" and "**Urban Application**" customer group, demand was roughly on a par with the previous year. In the "**Networks**" customer sector, demand was lower than expected.

Turnover was divided between different customer groups as follows (including PartnerTech as of 1 July 2015):

EUR / million	2014	2015	% of turnover 2015
<b>Defence, Oil &amp; Gas and Maritime</b>	0.0	<b>11.2</b>	3.0 %
<b>Energy &amp; Automation</b>	61.3	<b>71.2</b>	18.9 %
<b>Medtec, Life Science, Environmental Measurements</b>	17.0	<b>43.5</b>	11.5 %
<b>Networks</b>	46.8	<b>79.0</b>	20.9 %
<b>Urban Applications</b>	81.0	<b>133.8</b>	35.5 %
<b>Other Industries</b>	8.4	<b>38.6</b>	10.2 %
<b>Total</b>	214.5	<b>377.3</b>	

## FINANCIAL DEVELOPMENT

The Group's turnover for January - December was EUR 377.3 (214.5) million. The breakdown of turnover by regional segment was as follows: Europe and USA 74% (60%), Asia 26% (40%). PartnerTech AB has been consolidated into Scanfil Group as of 1 July 2015.

The Group's operating profit for January–December was EUR 14.0 (16.2) million, representing 3.7% (7.6%) of turnover. The operating profit includes a total of EUR 5.6 million of non-recurring expenses. The non-recurring items are comprised of EUR 2.3 million of entries related to the acquisition of PartnerTech AB, EUR 1.2 million related to the fair value measurement of the subsidiary PartnerTech Aerodyn AB classified as held for sale, and a write-down of EUR 2.1 million in Hungary. The development of the Hungarian business has fallen short of expectations, and the company's future outlook has been lowered. As a result, a write-down has been recognised based on impairment testing.

Operating profit excluding non-recurring items was EUR 19.6 million, representing 5.2% of turnover. Non-recurring expenses for the previous year amounted to EUR 0.2 million. The result for the period under review was EUR 8.4 (12.3) million. Earnings per share were EUR 0.15 (0.21), and the return on investment was 10.2% (16.5%). Earnings per share excluding non-recurring items were EUR 0.24.

Turnover for October–December amounted to EUR 142.8 (49.6) and operating profit was EUR 3.8 (3.3) million, or 2.7% (6.6%) of turnover. The operating profit for the quarter includes EUR 0.4 million of non-recurring items related to the acquisition of PartnerTech AB and EUR 1.2 of losses related to the re-measurement of PartnerTech Aerodyn AB. Operating profit excluding non-recurring items was EUR 5.3 million, representing 3.7% of turnover. Earnings for the quarter amounted to EUR 1.2 (2.5) million.

## FINANCING AND CAPITAL EXPENDITURE

The Group's financial position has changed as a result of the acquisition of PartnerTech AB, but it remains satisfactory. The consolidated balance sheet totalled EUR 298.6 (134.0) million. Liabilities amounted to EUR 197.2 (39.4) million, EUR 113.8 (30.1) million of which were non-interest-bearing and EUR 83.4 (9.3) million interest-bearing. The equity ratio was 34.2% (70.6%) and gearing 60.3% (-10.5%). The equity per share was EUR 1.76 (1.64).

Scanfil has signed a financing agreement with Nordea Bank Finland Plc related to the acquisition of PartnerTech AB. Scanfil has withdrawn a long-term loan of EUR 50 million to pay the shares and raised the available credit limit by EUR 35 million to refinance the Scanfil Sweden AB sub-group and for working capital needs.

Liquid cash assets totalled EUR 22.3 (19.2) million.

Net cash flow from operating activities for the review period January-December was EUR 14.3 (11.0) million. The change in net working capital during the period amounted to EUR -6.1 (-5.2) million. More capital has been tied up in working capital due to higher turnover. Cash flow from investments was EUR -52.6 million (-8.0) consisting mainly of PartnerTech AB acquisition. Cash flow from financing was EUR 40.7 (-13.0) million,

including loan for acquiring PartnerTech AB, loan instalments and the use of a bank credit facility and payment of dividends.

Gross investments in January–December totaled EUR 54.3 (8.2) million, which is 14.4% (3.8%) of the turnover. PartnerTech AB 's acquisition's share of the investments was EUR 47.6. million. For the rest the investments were mainly acquisitions of machines and equipment. The investments for the previous year include the acquisition cost of Schaltex Systems GmbH shares, amounting to EUR 5.8 million. Depreciation totalled EUR 10.8 (4.6) million.

## **BOARD OF DIRECTORS' AUTHORISATION**

The Annual General Meeting authorized on 8 April 2015 the Board of Directors to decide on the acquisition of the Company's own shares, share issues and other special rights entitling their holders to shares in accordance with the Board of Directors' proposal.

The Board of Directors' proposals to the General Meeting and resolutions of the Meeting are available on the company website at [www.scanfil.com](http://www.scanfil.com).

The Board of Directors has no existing authorisations to issue convertible bonds with warrants.

## **OWN SHARES**

The company does not own its own shares.

## **SHARE TRADING AND SHARE PERFORMANCE**

The highest trading price during the review period was EUR 4.06 and the lowest EUR 2.36, the closing price for the period standing at EUR 3.81. A total of 5,201,866 shares were traded during the period, corresponding to 9.0% of the total number of shares. The market value of the shares on 31 December 2015 was EUR 220.0 million.

## **PERSONNEL**

At the end of the period, the Group employed 3 879 (1,782) people, of whom 325 (237) worked in the company's Finnish units and 3 554 (1,545) in the company's units outside Finland. The geographical breakdown of personnel at the end of the financial period was as follows: Europe and USA 68% (57%) and Asia 32% (43%). The average number of Group employees during the financial period was 2,690 (1,773) people.

## **OPTION SCHEMES**

Based on the authorisation by the General Meeting, the Board of Directors of Scanfil plc decided on 28 October 2015 to grant the CEO of Scanfil plc and seven key persons of the Group option rights in all for 250,000 shares.

## **NOTIFICATIONS OF CHANGES IN SHAREHOLDING**

Scanfil has not received any notifications of changes in shareholding during the financial year.

## **EVENTS AFTER THE REVIEW PERIOD**

The co-operation negotiation process of Scanfil Sweden AB's (former Partnertech AB) Norwegian subsidiary PartnerTech AS was closed on 11 January 2016. Based on the final result of the negotiations, PartnerTech AS's Board of Directors has decided to start closing down production of the plant. The negative impact on earnings resulting from the factory closing is estimated at approximately EUR 5 million – EUR 7.5 million. The respective negative cash impact is estimated at approximately EUR 3 million – EUR 5.5 million. The plan is to conclude most of the actions by 30 June 2016 and an impact on earnings is mainly focused to first quarter of 2016.



Scanfil Sweden AB's (former PartnerTech AB) English subsidiary, Scanfil Limited, informed on 19 February 2016 the company's personnel about the intention to restructure the company's operations. Scanfil Limited has also announced that it will initiate a communication and negotiation process with the representatives of the personnel groups, in accordance with English legislation. The option of discontinuing production at the factory will also be discussed in the negotiations. The restructuring negotiations concern all personnel in Scanfil Limited.

The Board of Directors of Scanfil Sweden AB (former PartnerTech AB) decided to sell the entire share capital of its subsidiary PartnerTech Aerodyn AB, located in Karlskoga, Sweden, for a cash selling price of EUR 350,000. The contract of sale was signed on 19 February 2016. Closing of the transaction is subject to certain usual pre-conditions which are expected to be met during April 2016. The transaction will result in a non-recurring loss of approximately EUR 1.2 million for the Scanfil Group, which has been posted in the result of the Group's 2015 financial period.

## **FUTURE PROSPECTS**

Scanfil estimates that its turnover for 2016 will be EUR 500–550 million and the operating profit before non-recurring items will amount to EUR 22–28 million.

Non-recurring expenses related to restructuring of PartnerTech AS:n (Moss, Norja) ja PartnerTech UK:n (Cambridge) in 2016 is expected to be a maximum of EUR 7.5 million. Estimated non-recurring expense includes restructuring costs and write-downs. Non-recurring loss of EUR -1.2 million caused by the sale of PartnerTech Aerodyn AB has been recorded for the year 2015.

## **OPERATIONAL RISKS AND UNCERTAINTIES**

A weakening of the global economy and a decrease in the international demand for capital goods could have a negative effect on the development of the business operations of Scanfil's customers and could subsequently reduce demand in the contract manufacturing market. In addition, Scanfil is exposed to risks resulting from exchange rate fluctuations in its business operations.

Scanfil's business operations have expanded in terms of the plant network, customer base and geographical regions with the acquisition of PartnerTech. However, the essential functions are the same as before. No new significant risks have been identified in conjunction with the acquisition of PartnerTech, and no essential changes have taken place in the risks related to Scanfil's business during the year.

The company's risks and risk management are described in greater detail on the company's website under Corporate Governance and in the notes to the consolidated financial statements.

## **ANNUAL GENERAL MEETING 2016 AND BOARD OF DIRECTORS' PROPOSALS TO THE ANNUAL GENERAL MEETING**

Scanfil plc's Annual General Meeting will be held on 12 April 2016 at the company's head office in Sievi, Finland.

### *Dividend for 2015*

The company aims to pay dividends amounting to approximately 1/3 of its annual result on a regular basis. The parent company's distributable funds are EUR 5,075,524.11. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.08 be paid from the unrestricted shareholders' equity per share, for a total of EUR 4,618,435.12. The dividend matching day is 14 April 2016. The dividend will be paid to those shareholders who, on the matching day, are entered in the Company's Register of Shareholders, kept by Euroclear Finland Ltd. The dividend payment day is 21 April 2016.

No significant changes have taken place in the company's financial position since the end of the financial year. In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

The proposal of Scanfil plc's nomination committee to the General Meeting for the composition of Scanfil plc's Board of Directors will be published in connection with the invitation to the General Meeting.

The company publishes a notice of the Annual General Meeting later separately.

## ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard, applying the following accounting policies with the financial statements for 2014.

All figures in the financial report have been rounded and consequently the sum of the individual figures can deviate from the sum figure. The figures are unaudited.

### Consolidated Income Statement

EUR million

	10-12 2015	10-12 2014	1-12 2015	1 - 12 2014
<b>Turnover</b>	<b>142.8</b>	<b>49.6</b>	<b>377.3</b>	<b>214.5</b>
Other operating income	0.3	0.1	0.6	0.3
Changes in inventories of finished goods and work in progress	-0.7	-1.0	4.7	-0.2
Expenses	-135.4	-44.1	-357.9	-193.8
Depreciation	-3.2	-1.4	-10.8	-4.6
<b>Operating profit</b>	<b>3.8</b>	<b>3.3</b>	<b>14.0</b>	<b>16.2</b>
Financial income and expenses	-0.2	0.0	-0.2	-0.3
<b>Profit before taxes</b>	<b>3.6</b>	<b>3.2</b>	<b>13.8</b>	<b>15.9</b>
Income taxes	-2.4	-0.7	-5.4	-3.6
<b>Net profit for the period</b>	<b>1.2</b>	<b>2.5</b>	<b>8.4</b>	<b>12.3</b>
Attributable to:				
Equity holders of the parent	1.2	2.5	8.4	12.3
Earnings per share for profit attributable to shareholders of the parent: undiluted and diluted earnings per share ( EUR)	0.02	0.04	0.15	0.21

### Consolidated Statement of Comprehensive Income

EUR million

	10 - 12 2015	10 - 12 2014	1 - 12 2015	1 - 12 2014
<b>Net profit for the period</b>	<b>1.2</b>	<b>2.5</b>	<b>8.4</b>	<b>12.3</b>
Items that may later be recognized in profit or loss				
Translation differences	0.1	1.2	2.8	4.6
Derivative Financial Instrument	-0.1	0.0	-0.4	0.1
Other comprehensive income, net of tax	0.0	1.2	2.4	4.7
<b>Total Comprehensive Income</b>	<b>1.2</b>	<b>3.8</b>	<b>10.7</b>	<b>17.0</b>
Attributable to:				
Equity holders of the parent	1.2	3.8	10.7	17.0

## Consolidated Statement of Financial Position

EUR million

<b>Assets</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Non-current assets</b>		
Property, plant and equipment	45.1	27.1
Goodwill	10.9	5.9
Other intangible assets	18.5	5.0
Shares in group companies	0.0	0.0
Deferred tax assets	2.4	0.3
<b>Total non-current assets</b>	<b>76.9</b>	<b>38.4</b>
<b>Current assets</b>		
Inventories	90.8	35.5
Trade and other receivables	105.0	40.9
Advance payments	2.2	0.0
Cash and cash equivalents	22.3	19.2
<b>Total current assets</b>	<b>220.3</b>	<b>95.7</b>
<b>Assets classified as held for sale</b>	<b>1.5</b>	
<b>Total assets</b>	<b>298.6</b>	<b>134.0</b>
<b>Shareholder's equity and liabilities</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Equity</b>		
Share capital	2.0	2.0
Translation differences	15.6	12.9
Other reserves	5.9	6.0
Reserve for invested unrestricted equity fund	10.7	10.7
Retained earnings	67.2	63.0
<b>Total equity</b>	<b>101.4</b>	<b>94.6</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3.4	0.0
Provisions	1.5	0.5
Interest bearing liabilities	45.5	0.5
<b>Total non-current liabilities</b>	<b>50.4</b>	<b>1.0</b>
<b>Current liabilities</b>		
Trade and other liabilities	105.2	28.8
Current tax	3.0	0.9
Interest bearing liabilities	37.9	8.8
<b>Total current liabilities</b>	<b>146.1</b>	<b>38.4</b>
<b>Liabilities of Assets classified for sale</b>	<b>0.7</b>	
<b>Total liabilities</b>	<b>197.2</b>	<b>39.4</b>
<b>Total shareholder's equity and liabilities</b>	<b>298.6</b>	<b>134.0</b>



## Consolidated Cash Flow Statement

EUR million

	1.1.-31.12.2015	1.1.-31.12.2014
<b>Cash flow from operating activities</b>		
Net profit	8.4	12.3
Adjustments for the net profit	17.2	7.5
Change in net working capital	-6.1	-5.2
Paid interests and other financial expenses	-1.5	-0.4
Interest received	0.2	0.2
Taxes paid	-3.8	-3.3
<b>Net cash from operating activities</b>	<b>14.3</b>	<b>11.0</b>
<b>Cash flow from investing activities</b>		
The acquisition of a subsidiary less cash and cash equivalents at the time of acquisition	-47.0	-5.8
Investments in tangible and intangible assets	-6.2	-2.3
Sale of tangible and intangible assets	0.5	0.1
Proceeds from other investments	0.1	
<b>Net cash from investing activities</b>	<b>-52.6</b>	<b>-8.0</b>
<b>Cash flow from financing activities</b>		
Repayment of short-term loans	-4.9	
Proceeds from short term borrowings	3.3	
Repayment of long-term loans	-34.8	-10.5
Proceeds from long term borrowings	81.3	0.4
Dividends paid	-4.0	-2.9
<b>Net cash from financing activities</b>	<b>40.7</b>	<b>-13.0</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>2.5</b>	<b>-10.1</b>
Cash and cash equivalents at beginning of period	19.2	28.2
Changes in exchange rates	0.6	1.1
<b>Cash and cash equivalents at end of period</b>	<b>22.3</b>	<b>19.2</b>

## Statement of changes in Consolidated Equity

EUR million

### Equity attributable to equity holders of the parent company

Equity	Share capital	Translation differences	Other reserves	Reserve for invested unrestricted equity fund	Retained earnings	Equity total
1.1.2015	2.0	12.9	6.0	10.7	63.0	94.6
Option Scheme					0.1	0.1
Fund transfer			0.2		-0.2	0
Paid dividends					-4.0	-4.0
Total comprehensive income		2.8	-0.4		8.4	10.7
<b>Equity</b>						
31.12.2015	2.0	15.6	5.9	10.7	67.2	101.4

### Equity attributable to equity holders of the parent company

Equity	Share capital	Translation differences	Other reserves	Reserve for invested unrestricted equity fund	Retained earnings	Equity total
1.1.2014	2.0	8.2	5.7	10.7	53.8	80.5
Option Scheme					0.0	0.0
Fund transfer			0.2		-0.2	0
Paid dividends					-2.9	-2.9
Total comprehensive income		4.6	0.1		12.3	17.0
<b>Equity</b>						
31.12.2014	2.0	12.9	6.0	10.7	63.0	94.6

## Key Indicators

	1 - 12 2015	1 - 12 2014
Return on equity, %	8.6	14.0
Return on investment, %	10.2	16.5
Interest-bearing liabilities, EUR million	83.4	9.3
Gearing, %	60.3	-10.5
Equity ratio, %	34.2	70.6
Gross investments, EUR million	54.3	8.2
% of net turnover	14,4	3.8
Personnel, average	2 690	1 764
Earnings per share, EUR	0.15	0.21
Shareholders' equity per share, EUR	1.76	1.64
Dividend per share, EUR	0.08	0.07
Dividend per earnings, %	55.2	32.9
Effective dividend yield, %	2.10	2.85
Price-to-earnings ratio (P/E)	26.3	11.5
Year's lowest share price, EUR	2.36	1.30
Year's highest share price, EUR	4.06	2.74
Average share price for year, EUR	2.92	1.95
Share price at year's end, EUR	3.81	2.46
Market capitalisation at end of year, EUR million	220.0	142.0
Number of shares at the end of period, 000's		
- not counting own shares	57 730	57 730
- weighted average	57 730	57 730

The group has a long-term loan of EUR 50.0 million, which is subject to an interest rate swap. The purpose of the hedge is to protect against interest rate fluctuations related to a variable-rate loan.

Owing to the nature of the sector, the company's order book covers only a short period of time and does not give an accurate picture of future development.

## Segment information

EUR million

	1 - 12 2015	1 - 12 2014
<b>Turnover</b>		
Europe and USA	282.2	131.9
Asia	113.2	86.8
Turnover between segments	-18.1	-4.2
<b>Total</b>	<b>377.3</b>	<b>214.5</b>
<b>Operating profit</b>		
Europe and USA	4.4	7.9
Asia	9.6	8.3
<b>Total</b>	<b>14.0</b>	<b>16.2</b>
<b>Assets</b>		
Europe and USA	201.4	64.9
Asia	86.3	63.2
Goodwill	10.9	5.9
<b>Total</b>	<b>298.6</b>	<b>134.0</b>

## Acquired businesses

EUR million

Scanfil Plc acquired the Swedish contract manufacturing group PartnerTech AB in a public offer.

The date of acquisition was 2 July 2015.

The share acquisition price is EUR 47.6 million, of which EUR 0.7 million was debt on the reporting date.

The acquisition was financed with a EUR 50 million loan granted by Nordea Bank Finland Plc.

The expenses of EUR 1.2 million related to the acquisition are mainly comprised of advisory fees and due diligence expenses.

The value of the acquired assets and liabilities on the date of acquisition were as follows:

Property, plant and equipment	18.5
Customer relations	13.9
Other intangible assets	0.4
Deferred tax assets	2.9
Inventories	43.4
Trade and other receivables	58.4
Current tax	1.3
Cash and cash equivalents	1.7
<b>Total assets</b>	<b>140.5</b>
Provisions	2.3
Deferred tax liabilities	3.1
Long-term interest bearing liabilities	1.2
Trade and other liabilities	60.9
Current tax	1.1
Short-term interest bearing liabilities	31.4
<b>Total liabilities</b>	<b>99.9</b>
<b>Net assets total</b>	<b>40.6</b>

Goodwill arising on acquisition:

<b>Acquisition cost</b>	<b>47.6</b>
<b>Goodwill</b>	<b>-7.1</b>
Purchase price paid in cash	47.0
Cash and cash equivalents of the acquired company	1.7
<b>Cash Flow</b>	<b>45.3</b>

Of the purchase price, EUR 13.9 million was allocated to long-term customer relationships. Unallocated goodwill of EUR 7.1 million was recognised from the acquisition.

PartnerTech AB has been consolidated into Scanfil Group as of 1 July 2015.

Scanfil's turnover for January–December 2015 would have amounted to EUR 517.0 million and operating profit to EUR 6.5 million had the acquired business operations been consolidated as of 1 January 2015.

## Changes in tangible non-current assets

EUR million	1 - 12 2015	1 - 12 2014
Book value at the beginning of the period	27.1	28.5
Additions	7.5	1.7
Consolidation of business operations	18.3	0.3
Deductions	-0.7	-0.0
Depreciations	-6.8	-4.2
Decreases in value	-0.3	
Exchange rate differences	0.0	0.9
<b>Book value at the end of the period</b>	<b>45.1</b>	<b>27.1</b>

## Financial assets and liabilities, carrying amount and fair value

EUR million	31.12.2015 Book values of balance sheet values	31.12.2014 Book values of balance sheet values
<b>Non-current assets</b>		
Available for sale investments	0.0	0.0
Non-current assets total	0.0	0.0
<b>Current assets</b>		
Trade and other receivables	102.2	39.4
Cash and cash equivalents	22.3	19.2
Forward exchange contracts	0.0	0.0
Current assets total	124.5	58.7
<b>Total financial assets</b>	<b>124.5</b>	<b>58.7</b>



## Non-current financial liabilities

Interest bearing liabilities from financial institutions	45.0	0.4
Financial leasing	0.6	0.1
Non-current financial liabilities total	45.5	0.5

## Current financial liabilities

Interest bearing liabilities from financial institutions	5.8	8.6
Financial leasing	0.9	0.1
Loans withdrawn from the credit limit	31.1	
Derivative	0.7	0.3
Trade and other payables	86.5	22.6
Current financial liabilities total	125.1	31.7

## Total financial liabilities

170.6	32.2
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The valuation of derivatives is based on market data (level 2).

The valuation of available for sale investments is based on the acquisition cost (level 3) as the fair value of the shares cannot be determined reliably.

## Contingent Liabilities

EUR million

	1 - 12 2015	1 - 12 2014
Business mortgages	110.0	26.0
Chattel mortgages	21.9	
Pledged guarantees	3.0	0.6
Rent liabilities	18.4	2.6

As part of financing the PartnerTech AB acquisition Scanfil has pledged new business mortgages. Renting expenses mainly comprise the rents of the production facilities. Rent liabilities do not include VAT.

Scanfil plc has provided Nordea Bank Finland plc with an absolute guarantee for the EUR 1.0 million credit limit of Scanfil Kft and Siemens Finance and Leasing GmbH for Scanfil GmbH's lease liabilities of EUR 0.2 million.

In addition, Scanfil EMS Oy has provided a guarantee of any obligations arising from the subsidiary's delivery contracts with its customers. The guarantee is limited to a maximum of EUR 7.5 million and seven years after the expiry of the last product agreement.

Subsidiary shares of PartnerTech AB are pledged as collateral for loans and other liabilities from Skandinaviska Enskilda Banken AB. PartnerTech AB has given security to two subsidiary suppliers regarding obligations that may be created through the business relationship.

A total of EUR 31.1 million of the credit limits were in use on 31 December 2015.

## Transactions with related parties

Scanfil EMS Oy has rented an office space from Kiinteistö Oy Pilot 1, which is owned by a company Jussi Real Estate Oy whose head owners are e.g. Jussi Capital Oy and Rela Invest Oy.

Head owners of Jussi Capital include among others Jorma Takanen (member of Scanfil Oyj Board of Directors till 20 August 2015), Harri Takanen and Jarkko Takanen.

Owners of Rela Invest Oy include among others Reijo Pöllä (member of Scanfil EMS Oy Management Team till 30 September 2015).

Rental costs January - December 2015 were EUR 19 thousand (EUR 19 thousand in January - December 2014).

Administrative service income from Sievi Capital plc were EUR 31 thousand from January - December 2015 (EUR 45.8 thousand in January - December 2014).

## Key indicators quarterly

	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14
Turnover, MEUR	142.8	135.8	52.8	45.9	49.6	56.7	60.6	47.6
Operating profit, MEUR	3.8	5.2	2.3	2.7	3.3	5.2	5.2	2.5
Operating profit, %	2.7	3.9	4.3	5.8	6.6	9.2	8.6	5.3
Net income, MEUR	1.2	2.8	1.7	2.7	2.5	3.8	4.3	1.7

## CALCULATION OF KEY INDICATORS

Return on equity, %	$\frac{\text{Net profit for the period} \times 100}{\text{Shareholders' equity (average)}}$
Return on investment, %	$\frac{(\text{Profit before taxes} + \text{interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$
Gearing (%)	$\frac{(\text{Interest-bearing liabilities} - \text{cash and other liquid financial assets}) \times 100}{\text{Shareholders' equity}}$
Equity ratio (%)	$\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total} - \text{advance payments received}}$
Earnings per share	$\frac{\text{Net profit for the period}}{\text{Average adjusted number of shares during the year}}$
Shareholders' equity per share	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period}}$
Dividend per share	$\frac{\text{Dividend to be distributed for the period (Board's proposal)}}{\text{Number of shares at the end of year}}$

Dividend per earnings (%)	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
Effective dividend yield (%)	$\frac{\text{Dividend per share} \times 100}{\text{Share price at the end of year}}$
Price-to-earnings ratio (P/E)	$\frac{\text{Share price at the end of year}}{\text{Earnings per share}}$
Average share price	$\frac{\text{Total share turnover}}{\text{Number of shares traded}}$
Market capitalisation	Number of shares x last trading price of the financial period

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Scanfil is an international contract manufacturer and system supplier for the electronics industry with 40 years of experience in demanding contract manufacturing.

Scanfil provides its customers with an extensive array of services, ranging from product design to product manufacturing, material procurement and logistics solutions. Vertically integrated production and a comprehensive supply chain are the foundation of Scanfil's competitive advantages: speed, flexibility and reliability.

Typical Scanfil products include mobile and communications network devices, automation system modules, frequency converters, lift control systems, analysers, various slot and vending machines, and devices related to medical technology and meteorology. Scanfil services are used by numerous international automation, energy, IT and health service providers, as well as companies operating in the field of urbanisation.

Scanfil's network of factories consists of 16 production units in Europe, Asia and North America. The total number of employees is 3,800.

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