Etteplan

INTERIM REPORT JANUARY–MARCH 2014

DEMAND IMPROVED AT THE END OF THE QUARTER

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ETTEPLAN OYJ INTERIM REPORT
MAY 7, 2014, AT 2:00 PM

ETTEPLAN Q1: DEMAND IMPROVED AT THE END OF THE QUARTER

Review period January-March 2014

- The Group's revenue decreased by 3.4% and was EUR 33.3 million (1-3/2013: EUR 34.5 million).
- EBITDA declined by 26.4% and was EUR 1.8 million (EUR 2.5 million).
- Operating profit (EBIT) decreased by 34.2% and was EUR 1.2 million (EUR 1.8 million).
- The profit for the review period was EUR 0.8 million (EUR 1.0 million).
- Operating cash flow improved and was EUR -1.7 million (EUR -2.0 million).
- Earnings per share were EUR 0.04 (EUR 0.05).
- The Group had 1,731 employees at the end of the period (1,732).
- Etteplan keeps its financial guidance unchanged and adjusts the estimate of its market outlook.

Outlook 2014

Market outlook

The most important factor in the development of Etteplan's business operations is the development of business operations in the machinery and metal industry. At the beginning of 2014, the revenues and order books of the machinery and metal industry were at a lower level than in the corresponding period in 2013. However, new orders increased on average. The demand for engineering design services showed signs of recovery at the end of the review period, but the full-year development remains uncertain.

Financial guidance

We expect the revenue and operating profit for the year 2014 to grow compared to 2013.

Previous estimate of outlook

Market outlook

The most important factor in the development of Etteplan's business operations is the development of business operations in the machinery and metal industry. At the beginning of 2014, the new orders and order books of the machinery and metal industry were at a lower level than in the corresponding period in 2013. In the last quarter of 2013, new orders turned to slight growth. The development of the demand situation for engineering design services in the first quarter of 2014 is uncertain despite the slightly improved market situation.

Financial guidance

We expect the revenue and operating profit for the year 2014 to grow compared to 2013.

Etteplan

Key figures

(EUR 1,000)	1-3/2014		1-3/2013		1-12/2013	
Revenue	33,282		34,459		128,647	
EBITDA	1,810	(5.4%)	2,458	(7.1%)	9,064	(7.0%)
Operating profit (EBIT)	1,157	(3.5%)	1,758	(5.1%)	6,366	(4.9%)
Basic earnings per share, EUR	0.04		0.05		0.22	
Equity ratio, %	31.5		29.6		35.9	
Operating cash flow	-1,695		-1,960		1,789	
ROCE, %	10.5		15.5		14.6	
Personnel at end of the period	1,731		1,732		1,728	

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

"In Europe, 2014 began in a weak demand situation as expected. New projects were still started at a slow pace during the early part of the review period. Therefore our revenue and operating profit declined compared to the corresponding period in 2013. However, the decline leveled off compared to the previous quarter. Our profitability was burdened by the low price level of projects sold in Europe in a weakening market situation during the second half of 2013. In addition our profitability was burdened by the tight competitive situation in the Swedish market.

The European market situation took a positive turn at the end of the review period, and some new engineering design projects were launched. This was affected by the new orders received by our customers. Especially the new orders in the forest industry equipment manufacturers increased the demand for engineering design services. There were also signs of improvement in demand among other equipment manufacturers serving the raw materials production. Due to better demand, the number of temporarily laid off personnel in Finland decreased to approximately half of the amount at the turn of the year, and new projects were also launched in Sweden and the Netherlands.

In Sweden, we strengthened our market position by acquiring the entire share capital of ProAvia Konsult AB. This acquisition strengthens our position, particularly in the aerospace and defense industry characterized by strong demand.

The implementation of the business strategy progressed well in the first quarter and the share of Managed Services exceeded one third of our revenue.

In China, our strong performance during 2013 continued in the review period and we increased our revenue substantially. The positive development of the Chinese engineering design services market continued, and the number of working hours sold in the Chinese market grew by more than 130 per cent compared to the corresponding period in 2013. We also achieved significant growth in offshoring services.

The uncertainty in the economy continues, but there are signs of a change for the better. New orders received by our customers have generally turned to growth compared to the situation at the end of 2013, which will have a positive effect on demand. I am confident that our efforts to strengthen our market position will be rewarded as demand improves and that our revenue and operating profit will develop positively during the rest of the year."

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 2013 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.

Business review January-March 2014

Operating environment

Economic development was uneven in Etteplan's operating area. The growth prospects of the Finnish economy remained subdued, Swedish economic development turned positive, and in China, the demand for engineering design services developed positively despite increased uncertainty regarding short-term economic development. Economic growth in the Netherlands was modest in 2013. Despite economic growth being slightly higher than expected in late 2013, unemployment continued to grow in the Netherlands in early 2014.

In Finland the turnover of companies in the Finnish mechanical engineering (machinery, metal products and vehicles) fell by five per cent in 2013. In January 2014 turnover was five per cent lower than 12 months earlier. The companies that took part in the Federation of Finnish Technology Industries' survey of order books reported that the monetary value of the new orders in the industry between January and March was 24 per cent higher than in the corresponding period last year, and 24 per cent higher than in the preceding quarter (The Federation of Finnish Technology Industries: Economic situation and outlook 2/2014).

In Sweden, the demand for engineering design services improved throughout the review period. Nevertheless, the competitive situation in the engineering design industry remained tight. Engineering design companies in Sweden are burdened by the challenge of maintaining the profitability of their operations. At the same time, competition for skilled personnel is becoming increasingly tight (Svenska Teknik & Designföretagen, Investerings signalen Mars 2014).

The order books of Etteplan's key customers continued to develop unevenly. New orders increased on average, but they generally did not yet affect the growth of order books and revenues. The weakening of the demand for engineering design services leveled off during the review period. The year began with demand at a low level. Demand did not improve until late in the quarter.

In the Nordic markets, the demand for engineering design services required for new investment projects showed signs of recovery. The decrease in Russian investment projects, the depreciation of the ruble, and the Ukrainian crisis did not yet affect the demand for engineering design services for Russian projects during the review period.

The demand for engineering design services among mining equipment manufacturers recovered somewhat at the end of the 2013. During the review period, demand remained at the satisfactory level seen at the end of last year. There was no significant change in the demand for engineering design services among lifting and hoisting equipment manufacturers, with demand remaining at a good level on average. The demand for engineering design services in the energy and power transmission industry was at a satisfactory level. The demand for engineering design services from forest industry equipment manufacturers improved clearly and was at a good level. In Finland, the demand for engineering design services in the aerospace and defense equipment manufacturing industry continued to decrease from the level seen at the end of 2013. In Sweden, demand from aerospace and defense equipment manufacturers was at a good level. In the transportation and vehicle industry, order books were at a good level, but new projects requiring engineering design services were launched at a slow pace. Strong demand for testing and analysis services requiring special expertise continued.

Business review

Measured in terms of revenue and operating profit, Etteplan's business improved slightly compared to the fourth quarter of 2013. Although new orders received by industry grew compared to the corresponding period in 2013, the growth had not yet significantly affected Etteplan's business in the first months of 2014. The development of the business took a positive turn only at the end of the quarter.

Sales to key customers declined by 7.1 per cent in the review period compared to the corresponding period last year (1–3/2013). The most significant factor in the decline was the decrease in several key accounts in the weak economic situation. Resources freed up from key accounts were reallocated to other accounts, which resulted in the decline in revenue for the Company as a whole being smaller than the decline in key accounts.

The share of Managed Services continued to grow and exceeded a third of total revenue in the review period.

The positive development of business operations in China continued, as the number of working hours sold to the Chinese market grew. The growth in working hours sold during the review period was over 130 per cent compared to the corresponding period in 2013. Offshoring hours performed in China and sold to other markets also increased significantly during the period.

The utilization rate of engineering design services was at a satisfactory level during the review period. The utilization rate continued to be weakened by demand remaining at a low level on average during the first quarter. Reductions in personnel in Finland were implemented as temporary lay-offs. The number of temporary lay-offs decreased clearly during the review period, declining gradually during the period from 150 employees at the start of the year to approximately 70 employees.

In January 2014, Etteplan acquired the entire share capital of the Swedish company ProAvia Konsult AB. Established in 2003, the company provides services in the field of systems engineering, targeted especially to the aerospace and defense industry. The acquisition strengthens Etteplan's market position and expertise in the area of demanding systems engineering and creates better growth opportunities for Etteplan. Demand for engineering design services in the aerospace and defense industry is at a good level after the Swedish aerospace and defense industry received major orders in late 2013. ProAvia Konsult AB's business operations were integrated into Etteplan's business operations during the review period.

Steris Finn-Aqua acquired during the review period Etteplan's Hyper STE software to produce technical writing according to the ASD-STE100 specification. The software will be used to write the user manuals of the company's multiple effect water still system and other products.

In the review period Etteplan announced that the Company is designing an innovative medical automation system for Newico for tracking a pharmaceutical product all the way from the factory to the patient. The first part of the system will be introduced at Kuopio University Hospital in Finland in 2015. Etteplan sees medical technology as an important growth area. As the medical devices used in health care become smarter, the requirements set for high-quality engineering and technical product information solutions will grow.

In the review period Etteplan was awarded several significant engineering contracts by pulp and paper machinery supplier Valmet. The largest contracts are related to the OKI Pulp & Paper Mills project in South Sumatra, Indonesia, announced earlier by Valmet. The contracts are the largest to date received from Valmet.

Etteplan and the Tissue Machine Technology Unit of Valmet AB in Sweden signed in the review period a partnering agreement. The partnering agreement deepens the existing purchasing agreement between the companies towards a long-term strategic partnership geared to improve the profitability of the parties' businesses.

Revenue

Etteplan's revenue decreased by 3.4 per cent and was EUR 33.3 million (1-3/2013: EUR 34.5 million). Organic growth was -6.9 per cent. The decrease in revenue was caused by customers' order books being at a lower level than in the comparison period, and the resulting weaker level of demand for engineering design services and technical product information solutions compared to the corresponding period in 2013. The development of Etteplan's revenue is significantly affected by the revenue development of technology companies listed on the NASDAQ OMX Helsinki Ltd. The combined revenue of these companies was at a lower level than in the corresponding period in 2013.

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 34.2 per cent and was EUR 1.2 million (1-3/2013: EUR 1.8 million). Operating profit was affected by decreased revenue and a lower capacity utilization rate compared to the corresponding period in 2013. Operating profit was also affected by the low price level of projects sold in the weak market situation of late 2013.

The operational costs decreased by 1.6 per cent as a result of the contraction in operations. The operating profit percentage decreased year-on-year and was 3.5 per cent (5.1 per cent). EBITDA declined and was EUR 1.8 million (EUR 2.5 million). EBITDA decreased less than the operating profit due to the amortization of intangible assets related to the acquisitions of Tedopres International B.V. and ProAvia Konsult AB.

Financial expenses were EUR 0.2 million (1-3/2013: EUR 0.4 million).

Profit before taxes for the review period was EUR 1.0 million (1-3/2013: EUR 1.4 million). Taxes in the income statement amounted to 15.6 per cent (1-3/2013: 24.7 per cent) calculated of the result before taxes. The amount of taxes was EUR 0.2 million (EUR 0.3 million).

The profit for the review period was EUR 0.8 million (1-3/2013: EUR 1.0 million).

Earnings per share were EUR 0.04 (EUR 0.05). Equity per share was EUR 1.22 (EUR 1.20). Return on capital employed (ROCE) before taxes was 10.5 per cent (15.5 per cent).

Financial position and cash flow

Total assets on March 31, 2014 were EUR 77.3 million (December 31, 2013: EUR 74.5 million). Goodwill on the balance sheet was EUR 39.4 million (December 31, 2013: EUR 39.1 million). The change in goodwill results from changes in currency rates and an acquisition.

The Group's cash and cash equivalents stood at EUR 1.0 million (December 31, 2013: EUR 1.0 million). The Group's financial liabilities at the end of the review period amounted to EUR 23.0 million (December 31, 2013: EUR 19.7 million). The total of unused short-term credit facilities stood at EUR 6.4 million (December 31, 2013: EUR 10.6 million).

The equity ratio improved and was 31.5 per cent (March 31, 2013: 29.6 per cent). Operating cash flow was EUR -1.7 million (1-3/2013: EUR -2.0 million). Cash flow was impacted by the proportion of business represented by assignments with long payment periods remaining significant. Cash flow after investments was EUR -3.2 million (1-3/2012: EUR -2.2 million). Cash flow accrues unevenly over the four quarters of the year due to seasonal variation in business operations.

Capital expenditures

The Group's gross investments during the review period were EUR 2.1 million (1-3/2013: EUR 0.5 million). Investments comprised, among other things, of an acquisition and license fees for design software.

Personnel

The Group employed 1,722 (1-3/2013: 1,745) people on average during the review period and 1,731 (March 31, 2013: 1,732) at the end of the review period. At the end of the review period, 622 people (March 31, 2013: 642) were employed by the Group abroad.

Incentive plan for key personnel

The Board of Directors of Etteplan Oyj decided on a share-based incentive plan for the Group's key personnel in March 2011. The plan included three earning periods, calendar years 2011, 2012 and 2013.

The Board of Directors of Etteplan Oyj decided on February 12, 2014 on a new share-based incentive plan for the Company´s President and CEO. The new Restricted Stock Plan includes one three year vesting period. The potential reward of the Plan is bound to the validity of the CEO's service. The reward from the vesting period will be paid partly in the Company's shares and partly in cash in February 2017. The reward to be paid on the basis of the Restricted Stock Plan 2014 will amount up to a maximum total of 25,000 Etteplan Oyj shares. In addition, the Company will pay taxes and tax-related costs arising from the reward to the CEO.

Annual General Meeting

The Annual General Meeting of Shareholders of Etteplan Oyj was held at the premises of the Company in Vantaa on March 26, 2014. In accordance with the proposal of the Board of Directors' Nomination and Remuneration Committee the Annual General Meeting re-elected the present members Robert Ingman, Pertti Nupponen, Teuvo Rintamäki and Leena Saarinen and elected Patrick von Essen as a new member to the Board.

The Annual General Meeting approved the Financial Statements for financial year 2013 and discharged 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. Certified Auditor Olli Wesamaa was elected as the second auditor. The fee for the auditor is paid according to 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 Company 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 any given time, 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 Company shares in public trading and, correspondingly, the maximum price is the highest market price quoted for the Company shares in public trading during the validity of the authorization.

Should Company 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 18 months from the date of the resolution of the Annual General Meeting starting on March 26, 2014 and ending on September 25, 2015. The authorization will replace the corresponding previous authorization.

The Annual General Meeting resolved, in accordance with proposal of the Board of Directors, to authorize the Board of Directors to decide to issue a maximum of 4,000,000 shares through issuance of shares, option rights or other special rights entitling to shares under Chapter 10, Section 1 of the Companies Act in one or more issues. The authorization includes a right to issue new shares or assign Company's own shares held by the Company.

The authorization includes a right to deviate from the existing shareholders' pre-emptive subscription right as set forth in the Companies Act Chapter 9, Section 3. Therefore, the Board of Directors has a right to direct the share issue, or issuance of the option rights or other special rights entitling to shares. The authorization includes also a right to determine on all the terms of share issue, option rights or other special rights entitling to shares. The authorization includes therefore a right to determine on share subscription prices, persons entitled to subscribe the shares and other terms and conditions applicable to the subscription. In order to deviate from the shareholders' pre-emptive subscription right, the Company must have a substantial financial reason such as financing of a company acquisition, other arrangement in connection with the development of the Company's business or equity or an incentive scheme to the personnel. In connection of the share issuance the Board of Directors is entitled to decide that the shares may be subscribed against contribution in kind or otherwise under special terms and conditions. The authorization includes a right to determine whether the subscription price will be entered into the share capital or into the reserve of invested non-restricted equity.

The authorization is valid for 2 years from the date of the resolution of the Annual General Meeting starting on March 26, 2014 and ending on March 25, 2016. The authorization will replace the corresponding previous authorization.

Dividend

The Annual General Meeting on March 26, 2014 passed a resolution, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.11 per share be paid for the financial year 2013 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 March 31, 2014. The dividend was paid on April 7, 2014.

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 March 31, 2014 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 Company held 461,791 of its own shares on March 31, 2014, which corresponds 2.29 per cent of all shares and voting rights (December 31, 2013: 461,791). In January-March 2014, the Company did not acquire or transfer any company-held shares.

The number of Etteplan Oyj shares traded during the review period was 332,004, to a total value of EUR 1.1 million. The share price low was EUR 3.08, the high EUR 3.34, the average EUR 3.18, and the closing price EUR 3.29. Market capitalization on March 31, 2014 was EUR 64.9 million.

On March 31, 2014, the members of the Company's Board of Directors and the President and CEO owned a total of 41,876 (December 31, 2013: 41,876) shares, or 0.21 per cent of the total share base.

Flaggings

Etteplan Oyj received no flagging notices in January-March 2014.

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 is presented in the Annual Report 2013 on pages 25-29.

Operating risks and uncertainty factors in the review period

The uncertainty caused by the general economic development continued in the first quarter of 2014. The increase in economic uncertainty was reflected in the demand for engineering design services and technical product information solutions remaining at a low level in early 2014.

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 recruiting 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. The possibility of changes in customers' business operations are a significant risk to 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. The tight competitive situation in the engineering design industry is a risk associated with business operations in Sweden.

Risks related to business operations are decreasing slowly, but they remain at a significant level during the first half of 2014.

Outlook 2014

Market outlook

The most important factor in the development of Etteplan's business operations is the development of business operations in the machinery and metal industry. At the beginning of 2014, the revenues and order books of the machinery and metal industry were at a lower level than in the corresponding period in 2013. However, new orders increased on average. The demand for engineering design services showed signs of recovery at the end of the review period, but the full-year development remains uncertain.

Financial guidance

We expect the revenue and operating profit for the year 2014 to grow compared to 2013.

Financial information in 2014

Etteplan Oyj's interim reports will be published as follows:

Second quarter results, 6 months	Wednesday August 13, 2014
Third quarter results, 9 months	Wednesday October 29, 2014

Vantaa, May 7, 2014

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)	1-3/2014	1-3/2013	1-12/2013
Revenue	**33 282**	**34 459**	**128 647**
Other operating income	82	64	1 134
Materials and services	-3 079	-2 691	-11 605
Staff costs	-23 909	-24 246	-90 250
Other operating expenses	-4 566	-5 128	-18 862
Depreciation and amortization	-653	-700	-2 697
Operating profit (EBIT)	**1 157**	**1 758**	**6 366**
Financial income	54	67	306
Financial expenses	-233	-406	-947
Share of the result of associate	0	-67	-54
Profit before taxes	979	1 351	5 672
Income taxes	-153	-334	-1 282
Profit for the financial year	**825**	**1 018**	**4 390**
Other comprehensive income, that may be subsequently reclassified to profit or loss			
Foreign subsidiary net investment hedge	28	-173	125
Currency translation differences	-283	748	-882
Change in fair value of investments available-for-sale	1	3	37
Tax from items, that may be subsequently reclassified to profit or loss	-6	-1	82
Other comprehensive income, net of tax	-259	577	-639
Total comprehensive income for the year	**566**	**1 595**	**3 751**
Income attributable to			
Equity holders of the parent company	772	990	4 291
Non-controlling interest	54	28	98
	825	1 018	4 390
Total comprehensive income attributable to			
Equity holders of the parent company	507	1 578	3 649
Non-controlling interest	60	17	102
	566	1 595	3 751
Earnings per share calculated from the result attributable to equity holders of the parent company			
Basic earnings per share, EUR	0,04	0,05	0,22
Diluted earnings per share, EUR	0,04	0,05	0,22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1 000)	31.3.2014	31.3.2013	31.12.2013
ASSETS			
Non-current assets			
Tangible assets	2 038	1 663	2 043
Goodwill	39 434	40 658	39 131
Other intangible assets	6 783	6 408	5 895
Shares in associated company	0	14	0
Investments available-for-sale	642	607	641
Deferred tax assets	147	54	100
Non-current assets, total	**49 044**	**49 405**	**47 809**
Current assets			
Trade and other receivables	27 232	27 170	25 709
Current tax assets	12	183	0
Cash and cash equivalents	964	3 299	975
Current assets, total	**28 207**	**30 652**	**26 684**
TOTAL ASSETS	**77 251**	**80 057**	**74 493**
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	2 614
Own shares	-1 912	-1 936	-1 912
Cumulative translation adjustment	-286	1 247	-20
Other reserves	190	105	189
Retained earnings	11 011	8 981	8 889
Profit for the financial year	772	990	4 291
Capital attributable to equity holders of the parent company, total	24 090	23 673	25 753
Non-controlling interest	-212	-357	-272
Equity, total	**23 878**	**23 316**	**25 481**
Non-current liabilities			
Deferred tax liabilities	1 286	1 178	1 010
Financial liabilities	12 935	12 308	10 831
Other non-current liabilities	2 723	3 224	2 438
Non-current liabilities, total	**16 944**	**16 710**	**14 279**
Current liabilities			
Financial liabilities	10 066	9 322	8 837
Trade and other payables	26 110	29 625	25 478
Current income tax liabilities	253	1 083	418
Current liabilities, total	**36 429**	**40 031**	**34 734**
Liabilities, total	**53 373**	**56 741**	**49 012**
TOTAL EQUITY AND LIABILITIES	**77 251**	**80 057**	**74 493**

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CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR 1 000)	1-3/2014	1-3/2013	1-12/2013
Operating cash flow			
Cash receipts from customers	30 938	30 968	127 633
Operating expenses paid	-32 077	-32 234	-122 910
Operating cash flow before financial items and taxes	-1 139	-1 266	4 724
Interest and payment paid for financial expenses	-189	-218	-778
Interest received	5	3	35
Income taxes paid	-372	-479	-2 192
Operating cash flow (A)	**-1 695**	**-1 960**	**1 789**
Investing cash flow			
Purchase of tangible and intangible assets	-183	-282	-1 749
Acquisition of subsidiaries	-1 393	0	0
Disposal of associates	0	0	100
Proceeds from sale of tangible and intangible assets	78	3	9
Loan receivables, decrease	0	11	9
Loan receivables, increase	0	0	-2
Investing cash flow (B)	**-1 497**	**-269**	**-1 634**
Cash flow after investments (A+B)	**-3 192**	**-2 229**	**154**
Financing cash flow			
Short-term loans, increase	531	1 537	2 516
Short-term loans, decrease	-23	-1 018	-3 370
Long-term loans, increase	3 000	0	3 000
Long-term loans, decrease	-127	0	-2 792
Payment of finance lease liabilities	-234	-276	-1 045
Dividend paid and other profit distribution	0	0	-2 956
Financing cash flow (C)	**3 148**	**243**	**-4 647**
Variation in cash (A+B+C) increase (+) / decrease (-)	**-45**	**-1 987**	**-4 493**
Assets at the beginning of the period	975	5 402	5 402
Exchange gains or losses on cash and cash equivalents	33	-117	65
Assets at the end of the period	964	3 299	975

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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 1.1.2013	**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	4 291	4 291	98	4 390
Fair value reserve available-for-sale assets	0	0	0	38	0	0	0	38	0	38
Foreign subsidiary net investment hedge	0	0	0	0	0	205	0	205	0	205
Cumulative translation adjustment	0	0	0	0	0	-886	0	-886	4	-882
Total comprehensive income for the year	**0**	**0**	**0**	**38**	**0**	**-681**	**4 291**	**3 649**	**102**	**3 751**
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 956	-2 956	0	-2 956
Reclassifications	0	0	0	0	0	0	2	2	0	2
Share based incentive plan	0	0	29	0	24	0	-46	7	0	7
Transactions with owners, total	**0**	**0**	**29**	**0**	**24**	**0**	**-3 001**	**-2 947**	**0**	**-2 947**
Equity 31.12.2013	**5 000**	**6 701**	**2 614**	**189**	**-1 912**	**-21**	**13 180**	**25 753**	**-272**	**25 481**

(EUR 1 000)	A	B	C	D	E	F	G	H	I	J
Equity 1.1.2014	**5 000**	**6 701**	**2 614**	**189**	**-1 912**	**-21**	**13 180**	**25 753**	**-272**	**25 481**
Comprehensive income										
Profit for the financial year	0	0	0	0	0	0	772	772	54	825
Fair value reserve available-for-sale assets	0	0	0	1	0	0	0	1	0	1
Foreign subsidiary net investment hedge	0	0	0	0	0	22	0	22	0	22
Cumulative translation adjustment	0	0	0	0	0	-289	0	-289	6	-283
Total comprehensive income for the year	**0**	**0**	**0**	**1**	**0**	**-266**	**772**	**506**	**60**	**566**
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 169	-2 169	0	-2 169
Transactions with owners, total	**0**	**0**	**0**	**0**	**0**	**0**	**-2 169**	**-2 169**	**0**	**-2 169**
Equity 31.3.2014	**5 000**	**6 701**	**2 614**	**190**	**-1 912**	**-286**	**11 783**	**24 090**	**-212**	**23 878**

(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	990	990	28	1 018
Fair value reserve available-for-sale assets	0	0	0	2	0	0	0	2	0	2
Foreign subsidiary net investment hedge	0	0	0	0	0	-173	0	-173	0	-173
Cumulative translation adjustment	0	0	0	0	0	760	0	760	-11	748
Total comprehensive income for the year	**0**	**0**	**0**	**2**	**0**	**586**	**990**	**1 578**	**17**	**1 595**
Transactions with owners										
Dividends	0	0	0	0	0	0	-2 956	-2 956	0	-2 956
Reclassifications	0	0	0	-48	0	0	48	0	0	0
Transactions with owners, total	**0**	**0**	**0**	**-48**	**0**	**0**	**-2 909**	**-2 956**	**0**	**-2 956**
Equity 31.3.2013	**5 000**	**6 701**	**2 584**	**105**	**-1 936**	**1 247**	**9 970**	**23 673**	**-357**	**23 316**

Etteplan

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 Vantaa.

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 2013, Etteplan had turnover of EUR 128.6 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 May 7, 2014.

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 2013 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 the interim report the accounting principles used were the same as for the 2013 annual financial statements. The annual financial statements are available at http://www.etteplan.com/investors/annual-and-interim-reports/2014.aspx and the accounting policy is detailed on pages 40-46 of the annual report 2013. 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 15.6 per cent (1-3/2013: 24.7 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 2013 on pages 25-29. A detailed financial risk analysis can be found in Etteplan's annual report 2013 on pages 47-50.

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KEY FIGURES

(EUR 1 000)	1-3/2014	1-3/2013	1-12/2013	Change to prev. year
Revenue	33 282	34 459	128 647	-3,4 %
EBITDA	1 810	2 458	9 064	-26,4 %
EBITDA, %	5,4	7,1	7,0	
Operating profit (EBIT)	1 157	1 758	6 366	-34,2 %
EBIT, %	3,5	5,1	4,9	
Profit before taxes	979	1 351	5 672	-27,6 %
Profit before taxes, %	2,9	3,9	4,4	
Return on equity, %	13,4	17,0	17,5	
ROCE, %	10,5	15,5	14,6	
Equity ratio, %	31,5	29,6	35,9	
Gross interest-bearing debt	23 001	21 630	19 668	6,3 %
Net gearing, %	92,3	78,6	73,4	
Balance sheet, total	77 251	80 057	74 493	-3,5 %
Gross investments	2 060	451	2 344	356,8 %
Operating cash flow	-1 695	-1 960	1 789	13,5 %
Basic earnings per share, EUR	0,04	0,05	0,22	-20,0 %
Diluted earnings per share, EUR	0,04	0,05	0,22	-20,0 %
Equity per share, EUR	1,22	1,20	1,31	1,7 %
Personnel, average	1 722	1 745	1 736	-1,3 %
Personnel at end of the period	1 731	1 732	1 728	-0,1 %

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

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