

The background of the slide is a dark green to black gradient. It features several thick, glowing, multi-colored lines (blue, green, purple, red) that curve and loop across the frame. In the upper right, there is a bright green light source that creates a lens flare effect. Faint, glowing circuit-like patterns are visible in the background.

PKC GROUP 

PKC Group Oyj  
Q2/2009  
Investor Presentation  
6 of August 2009

# 1-6/09 Highlights

- Net sales amounted to EUR 99.6 million (EUR 173.7 million), down 42.7% compared to 1-6/08.
- The result is burdened by expenses of EUR 4.8 million resulting from rationalisation measures.
- Operating profit totalled EUR 5.5 million negative (EUR 19.0 million), accounting for -5.5% (10.9%) of net sales.
- Profit for the report period totalled EUR 7.4 million negative (EUR 12.1 million positive).
- Earnings per share were EUR 0.45 negative (EUR 0.67 positive).
- Cash flow from operating activities was EUR 29.8 million.

# Market Development of Customer Sectors

- The continuing decline in production volumes in our customer sectors, particularly in the heavy commercial vehicle industry, led to a negative operating profit during the first half.
- The order bookings and delivery volumes for commercial vehicles exceeded the production volumes during the second quarter. This indicates that the production volumes should not further decrease from the currently exceptionally low level.
- Continued rationalisation measures and inputs in R&D puts trust in the continuous improvement of the PKC competitive position.
- Due to the current market situation, the supplier base in the commercial vehicle industry is going through radical change, in turn opening up new possibilities for PKC.

# Market Development of Customer Sectors

- The deliveries and new orders of heavy trucks saw a very sharp decline during the first half of the year in all of our market areas in comparison to the same period a year earlier.
- In Europe, our main market, the volume of deliveries and the value of the new orders received by our customers reached only a third of what it had been a year earlier.
- In South America, deliveries fell by a third but new orders fell by half.
- Our customers succeeded in reducing their stocks of finished trucks, causing the production volumes of wiring harnesses to fall behind from the truck delivery volumes.

# Market Development of Customer Sectors

- PKC deliveries for the truck industry only decreased by approximately 43%, which was due to the increased market share.
- Deliveries for the machinery industry in Europe reached approximately one-third compared to the previous year.
- The production and deliveries of recreational products were halved in North America.
- PKC is participating in several competitive bid processes concerning new customer relationships. Success in these processes might lead to new long-term delivery relationships and the subsequent strengthening of the company's market position.

# Market Development of Customer Sectors

- With the exception of the Asian markets, industrial investments fell significantly early on in the year, reducing the Group's industrial electronics deliveries by approximately 30%.

## Key Figures, 1-6/09

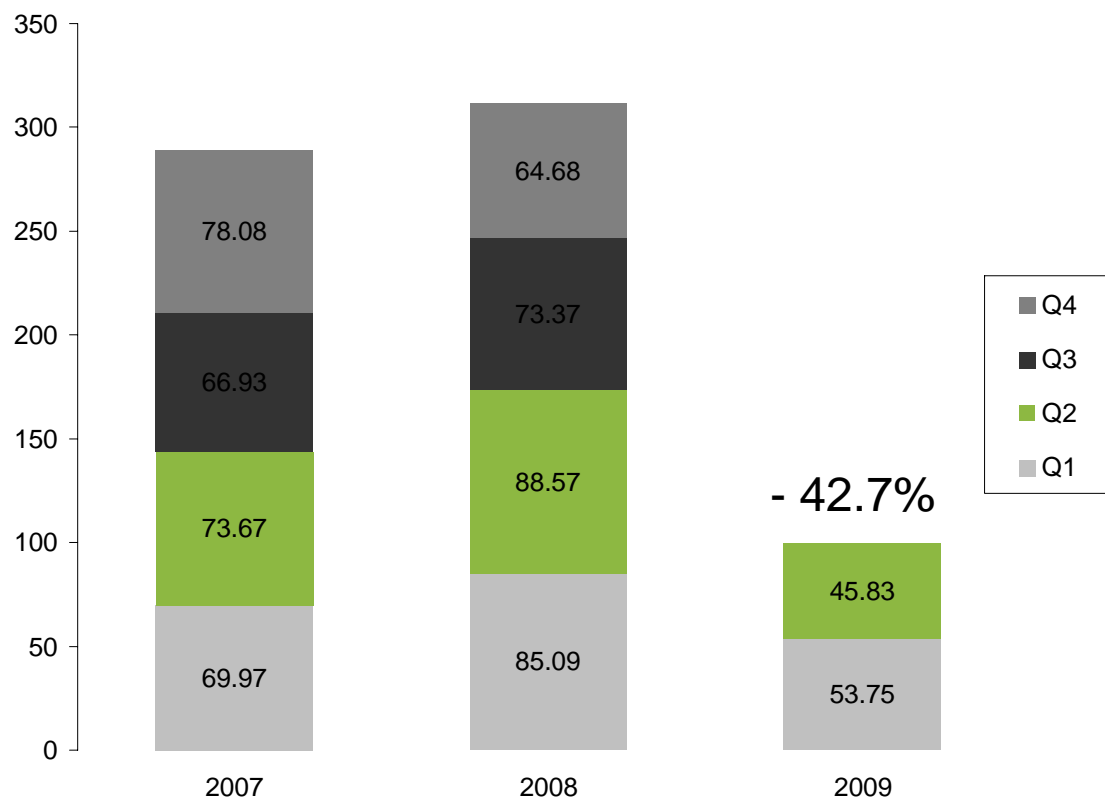
	1-6/09	1-6/08	Change %	1-12/08
Net sales (EUR 1,000)	99 582	173 661	-42.7	311 713
EBIT (EUR 1,000)	-5 500	18 968	-129.5	21 039
% of net sales	-5.5	10.9		6.7
Net result (EUR 1,000)	-7 368	12 053	-161.1	5 567
EPS, (EUR)	-0.41	0.67		0.31
ROI, %	-0.8	23.9		14.5
Net debt (EUR million)	33.5	36.3	-7.8	59.5
Gearing, %	49.1	42.0		75.7
Average number of employees	4768	5 638	-15.4	5 588

# Key Figures, 1-6/09

	1-6/09	1-6/08	Change %	1-12/08
<b>Wiring Harnesses</b>				
Net sales (EUR 1,000)	74 872	138 746	-46.0	246 680
EBIT (EUR 1,000)	-6 876	12 104	-156.8	9 744
% of net sales	-9.2	8.7		4.0
<b>Electronics</b>				
Net sales (EUR 1,000)	24 797	35 513	-30.2	65 897
EBIT (EUR 1,000)	1 377	6 863	-79.9	11 295
% of net sales	5.6	19.6		17.3

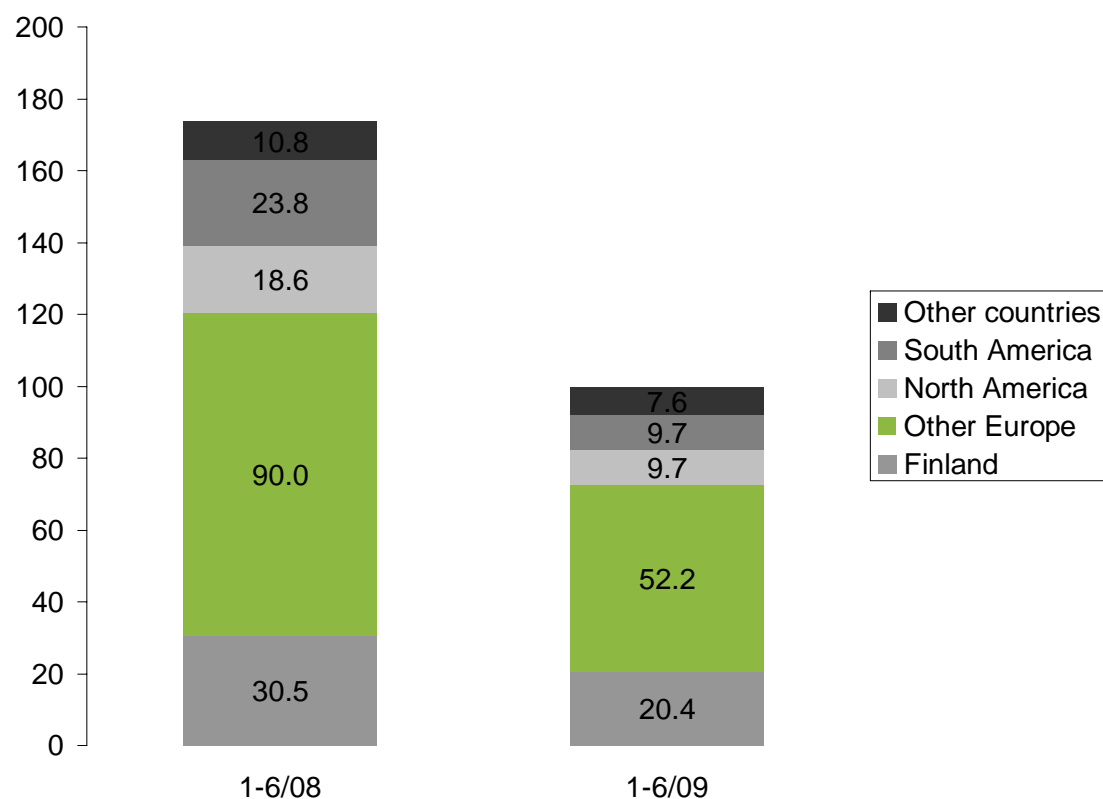
# Turnover

EUR million



# Net Sales by Geographical Segments

EUR million

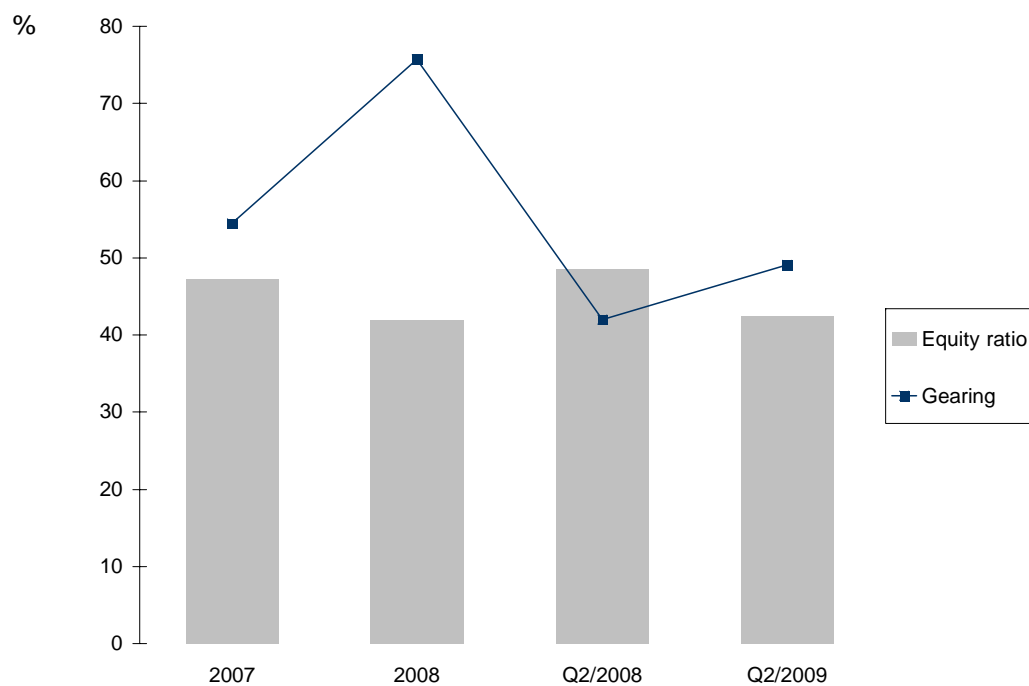


# Operating Profit

EUR million



# Equity Ratio and Gearing



Equity ratio, %

Gearing, %

Q2/09

42.5

49.1

Q2/08

48.6

42.0

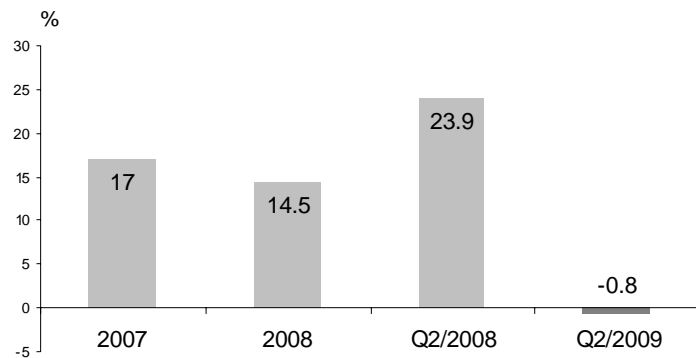
2008

41.9

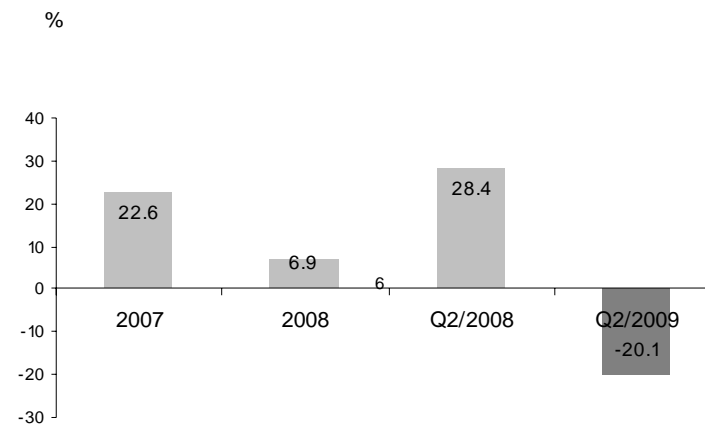
75.7

# Key Figures

Return on investment (ROI)

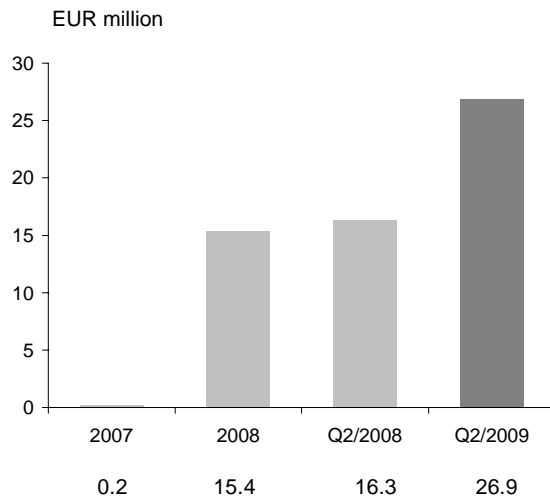


Return on equity (ROE)

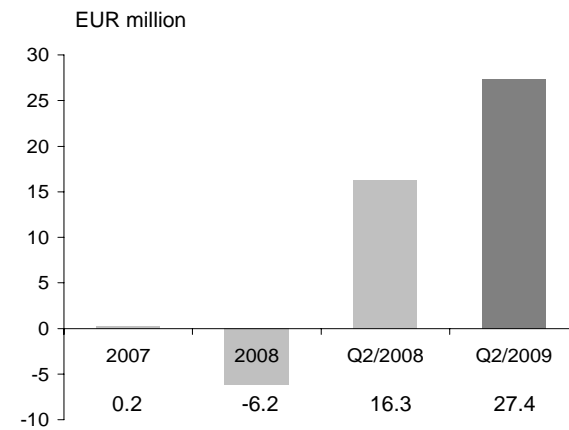


# Key Figures

Cash flow after investment,  
but before acquisitions

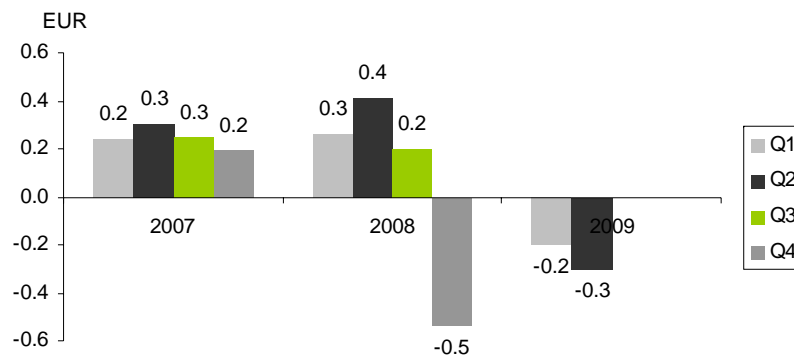


Cash flow after investment

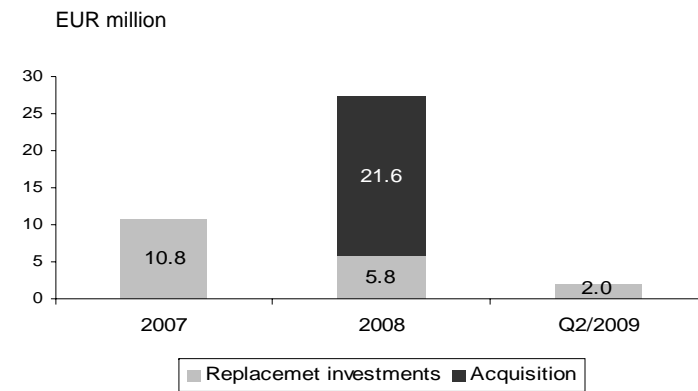


# Key Figures

### Earnings per share (EPS)



### Capex



# Key Figures, 1-6/09

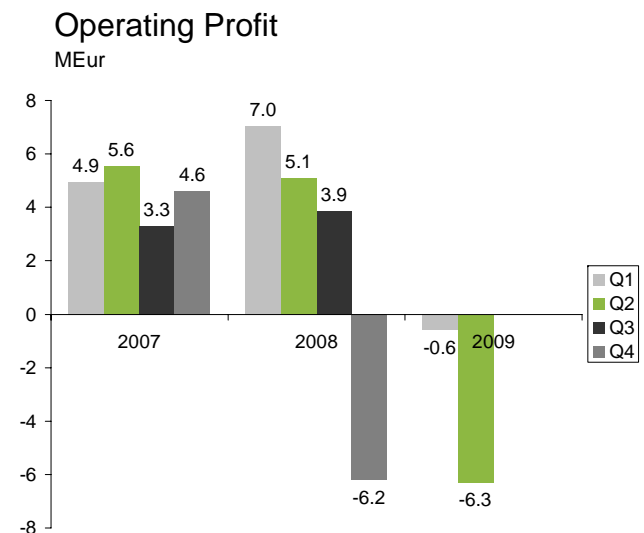
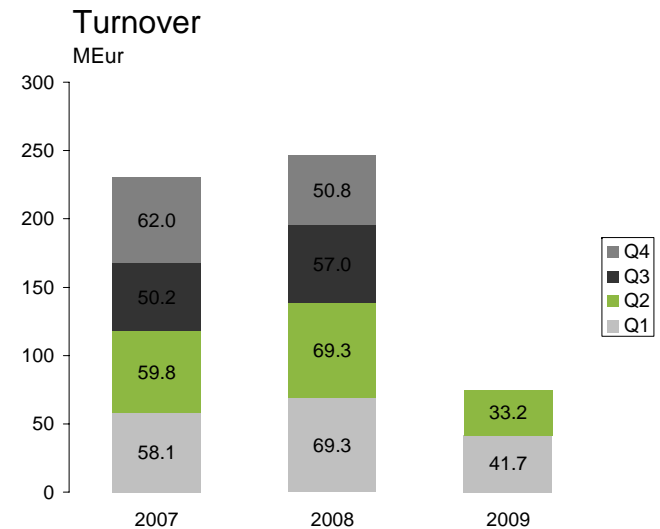
	1-6/09	1-6/08	1-12/08
Net sales, EUR 1,000	99 582	173 661	311 713
Operating profit, EUR 1,000	-5 500	18 968	21 039
% of net sales	-5.5	10.9	6.7
Profit before taxes, EUR 1,000	-6 417	17 117	15 228
% of net sales	-6.4	9.9	4.9
Profit for the report period , EUR 1,000	-7 368	11 939	5 519
% of net sales	-7.4	6.9	1.8
Return on equity (ROE), %	-20.1	28.4	6.9
Return on investment (ROI), %	-0.8	23.9	14.5
Gearing, %	49.1	42.0	75.7
Equity ratio , %	42.5	48.6	41.9
Current ratio	1.9	1.8	1.9
Gross capital expenditure, EUR 1,000	2 000	3 890	27 426
% of net sales	2.0	2.2	8.8
R&D expenditures , EUR 1,000	2 884	3 240	5 812
% of net sales	2.9	1.9	1.9
Personnel average	4768	5 638	5 588

# Operative Expenses, 1-6/09

(1,000 EUR)	1-6/09	1-6/08	Change %	1-6/09 Without PKC Poland
Direct staff expenses	15 591	21 771	-28.4	12 546
Indirect staff expenses	12 694	18 614	-31.8	12 694
Staff expenses total	28 285	40 386	-30.0	25 240
Bonus (social costs included)	331	1 411	-76.6	331
Other operating expenses	12 993	16 094	-19.3	11 556

# Wiring Harnesses

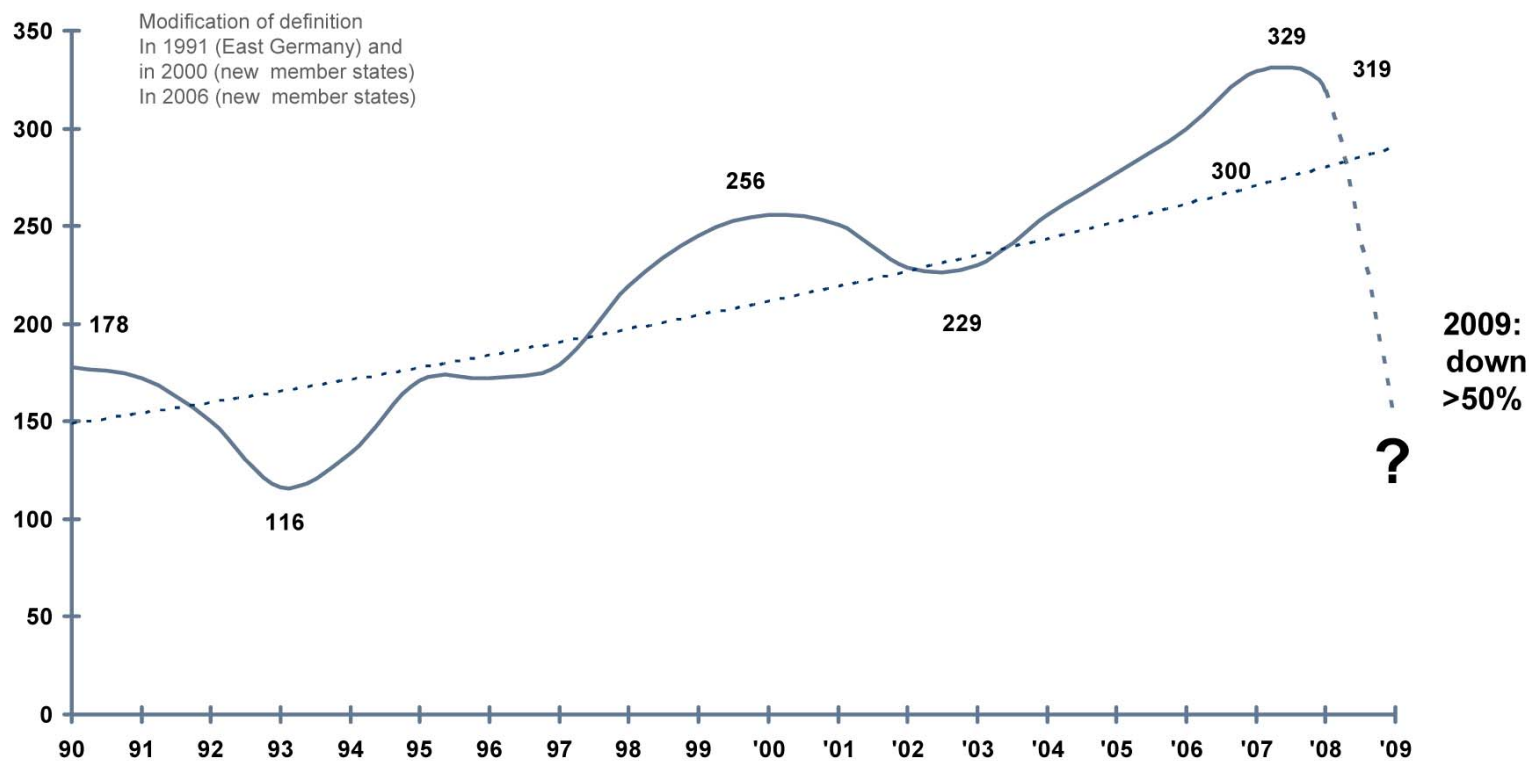
- Net sales during first six months amounted to EUR 74.9 million (EUR 138.7 million) and was 46.0% less than in 1-6/08.
- The segment's share of consolidated net sales was 75.2% (79.8%).
- Operating profit was EUR 6.9 million negative (EUR 12.1 million positive), equivalent to -9.2% negative (8.7% positive) of the segment's net sales.
- The result is burdened by expenses of EUR 4.8 million resulting from rationalisation measures.



# Heavy-duty Truck Market – Europe

(EU Members + Switzerland and Norway)

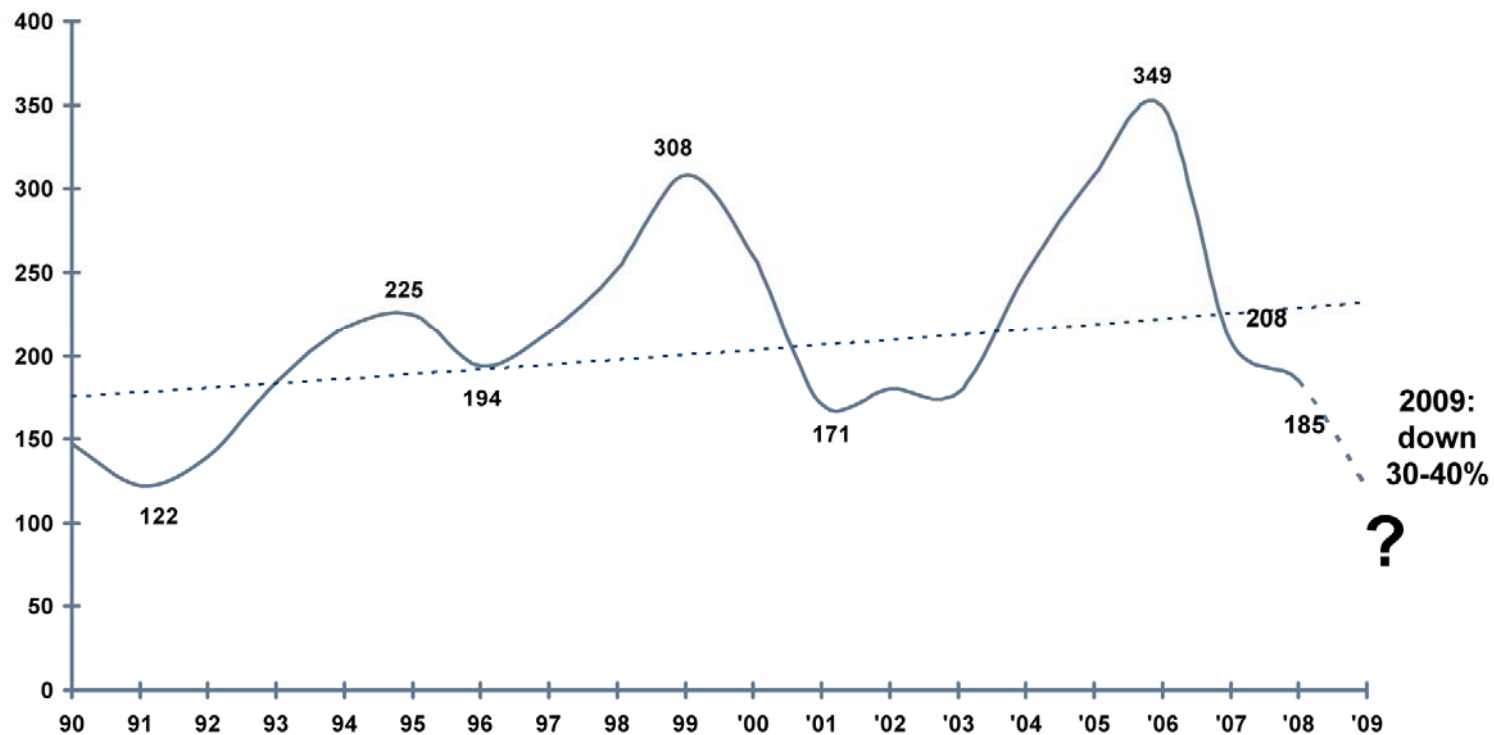
Units, Thousands (heavy trucks)



Source: Volvo.com  
AB Volvo, First Quarter 2009

# Heavy-duty Truck Market - North America

Units, Thousands (heavy trucks)



Source: Volvo.com  
AB Volvo, First Quarter 2009

# Scania, Orders Approaching Deliveries



Source: Scania.com

# Scania, Order Bookings, Trucks

Quarterly Data, Units by Geographic Area

	<b>Q2/09</b>	<b>Q1/09</b>	<b>2008</b>	<b>Q4/08</b>	<b>Q3/08</b>	<b>Q2/08</b>	<b>Q1/08</b>
Western Europe	3 001	1 856	19 684	1 921	3 077	6 209	8 477
Central and Eastern Europe	416	230	7 473	-665	1 907	2 518	3 713
Latin America	1 563	1 659	9 026	-724	3 099	3 777	2 874
Asia	1 263	585	4 835	-341	1 046	2 098	2 032
Other Markets	661	453	2 825	377	798	615	1 035
<b>Total</b>	<b>6 904</b>	<b>4 783</b>	<b>43 843</b>	<b>568</b>	<b>9 927</b>	<b>15 217</b>	<b>18 131</b>

Source: Scania.com

# Scania, Trucks Delivered

Quarterly Data, Units by Geographic Area

	Q2/09	Q1/09	2008	Q4/08	Q3/08	Q2/08	Q1/08
Western Europe	3 723	5 131	34 065	8 076	6 931	9 646	9 412
Central and Eastern Europe	549	861	12 574	1 987	2 942	3 949	3 696
Latin America	1 778	2 113	10 775	3 194	2 412	2 903	2 266
Asia	947	1 237	6 721	1 851	1 613	1 489	1 768
Other Markets	684	595	2 381	838	558	557	428
<b>Total</b>	<b>7 681</b>	<b>9 937</b>	<b>66 516</b>	<b>15 946</b>	<b>14 456</b>	<b>18 544</b>	<b>17 570</b>

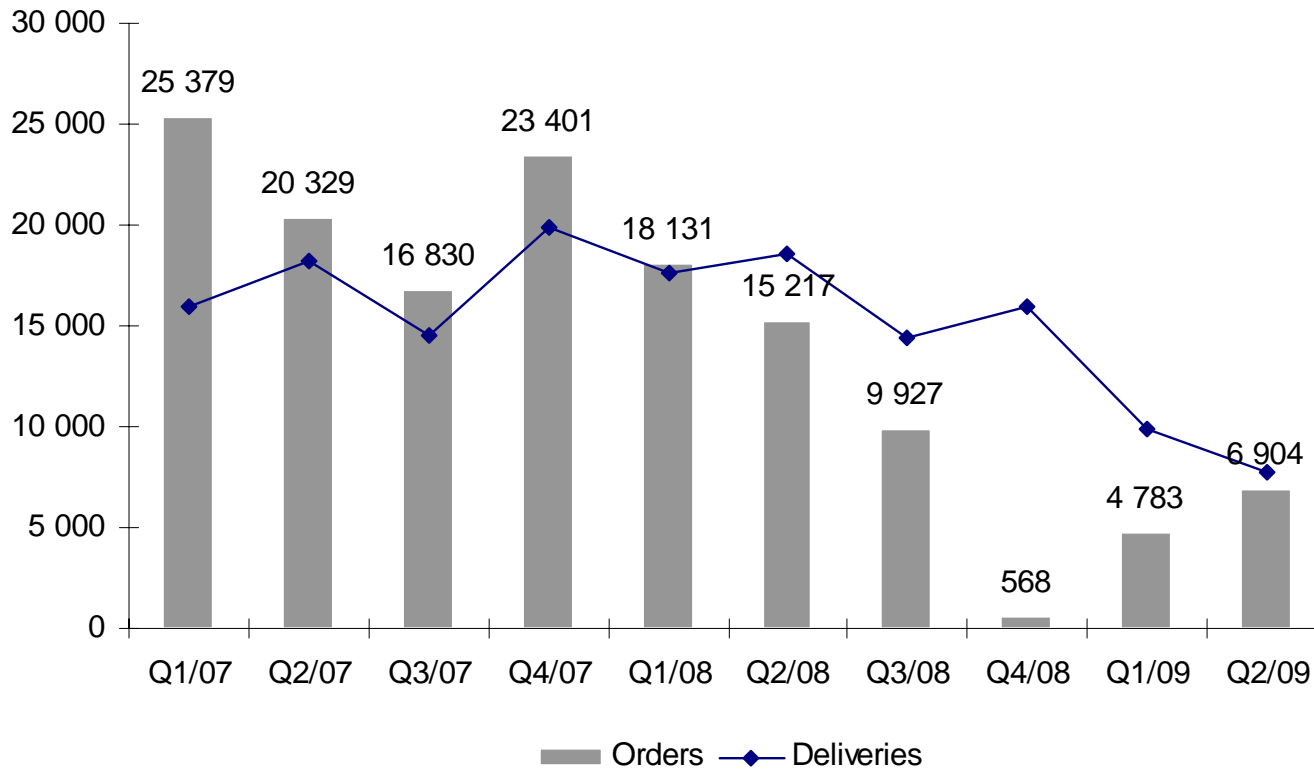
Source: Scania.com

# Volvo Trucks, Deliveries

	Q2/09	Q2/08	Change in %	Q1/09	Q1/08	Change in %
Europe	4 656	16 462	-72	6 331	16 819	-62
Western Europe	3 939	11 095	-64	5 691	12 503	-54
Eastern Europe	717	5 367	-87	640	4 316	-85
North America	1 483	4 754	-69	2 125	3 375	-37
South America	2 424	3 384	-28	1 886	2 630	-28
Asia	743	2 745	-73	2 041	2 635	-23
Middle East	227	1 619	-86	1 524	1 645	-7
Other Asia	516	1 126	-54	517	990	-48
Other markets	998	1 325	-25	1 324	1 069	24
<b>Total Volvo Trucks</b>	<b>10 304</b>	<b>28 670</b>	<b>-64</b>	<b>13 707</b>	<b>26 528</b>	<b>-48</b>

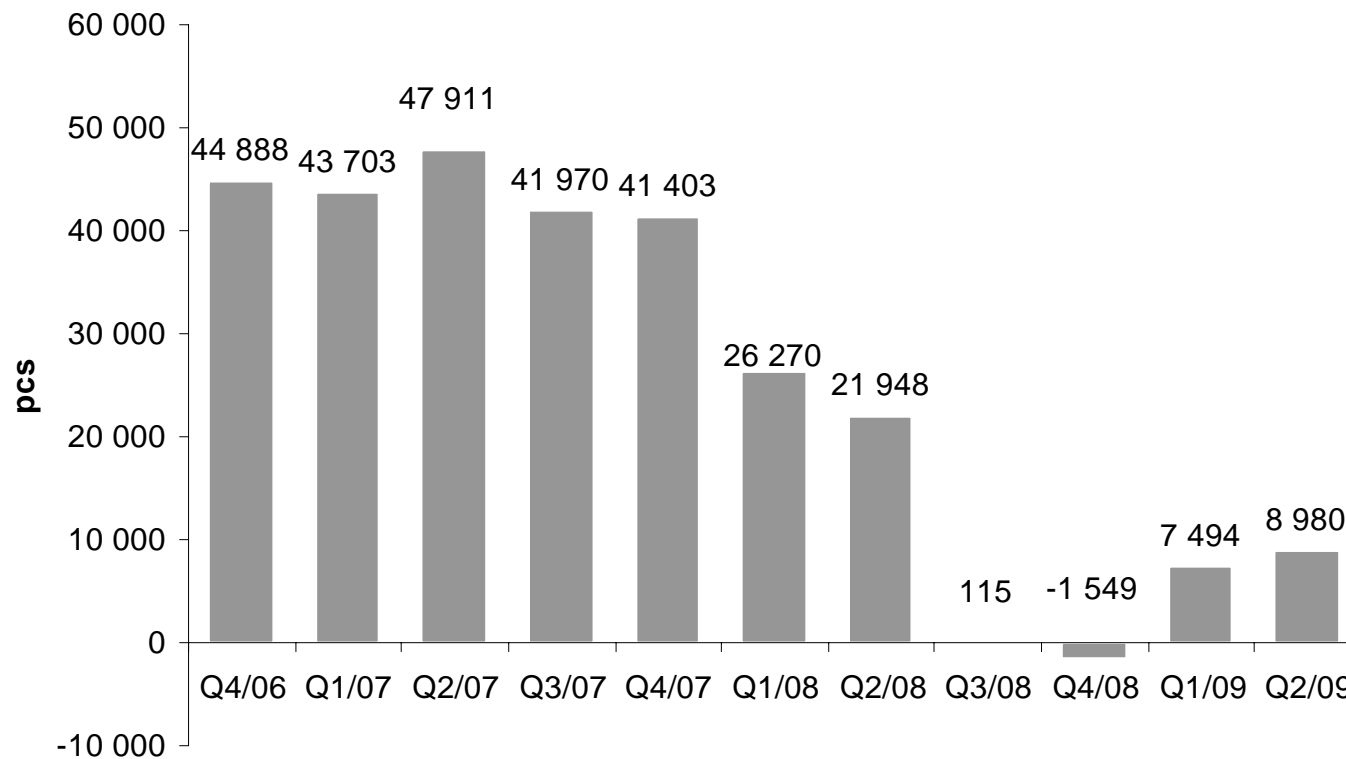
Source: Volvo.com

# Scania's Global Net Orders



Source: Scania.com

# Volvo Group's Net Truck Orders in Europe



Source: Volvo.com

# Volvo Group Net Order Intake per Market

Number of trucks	Q2/09	Q2/08	Change in %	Q1/09*	Q1/08	Change in %
Europe	8 980	21 948	-59	7 494	26 270	-71
North America	3 257	5 693	-43	2 869	5 680	-49
South America	2 998	4 382	-32	1 731	3 482	-50
Asia	7 884	18 110	-56	5 712	19 260	-70
Other markets	3 505	3 658	-4	2 377	3 772	-37
<b>Total</b>	<b>26 624</b>	<b>53 791</b>	<b>-51</b>	<b>20 183</b>	<b>58 464</b>	<b>-65</b>

\* 50% of VECV, the joint venture with Eicher Motor Limited, was consolidated in the Volvo Group on August 1, 2008.

# MAN, Order Intake

<b>Units</b>	<b>H1/09</b>	<b>H1/08</b>	<b>Change in %</b>	<b>Q2/09</b>	<b>Q2/08</b>	<b>Change in %</b>
Commercial Vehicles	19 940	57 725	-65	9 240	22 917	-60
Trucks	17 390	54 227	-68	8 012	20 838	-62
Buses	2 550	3498	-27	1 228	2 079	-41
MAN Latin America	10 939			10 939		

Source: [www.man-mn.com](http://www.man-mn.com)

# MAN, Deliveries

<b>Units</b>	<b>H1/09</b>	<b>H1/08</b>	<b>Change in %</b>	<b>Q2/09</b>	<b>Q2/08</b>	<b>Change in %</b>
Commercial Vehicles	24 346	53 307	-54	12 139	28 201	-57
Trucks	21 296	50 070	-57	10 375	26 316	-61
Buses	3 050	3 237	-6	1 764	1 885	-6
MAN Latin America	10 939			10 939		

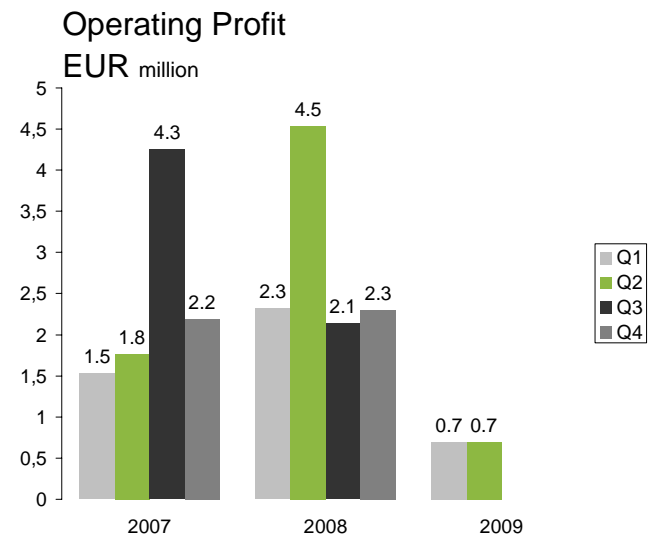
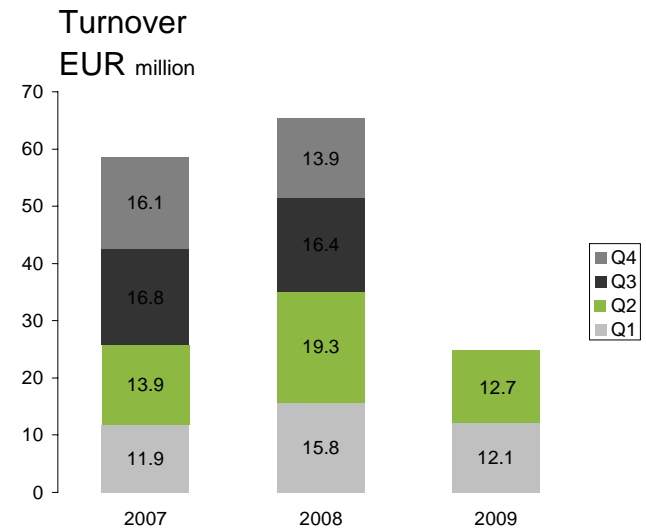
Source: [www.man-mn.com](http://www.man-mn.com)

# Summary

	Q2/08 to Q2/09	H1/08 to H1/09
<b>Change in Order Bookings</b>		
MAN	-60%	-65%
SCANIA	-55%	-65%
VOLVO	-51%	-58%
<b>Change in Truck Deliveries</b>		
MAN	-61%	-57%
SCANIA	-59%	-51%
VOLVO	-64%	-56%

# Electronics

- Net sales during first six months amounted to EUR 24.8 million (EUR 35.0 million) and was 30.2% less than in 1-6/08.
- The segment's share of consolidated net sales was 24.9% (20.2%).
- Operating profit was EUR 1.4 million (EUR 6.9 million), equivalent to 5.6% (19.6%) of the segment's net sales.



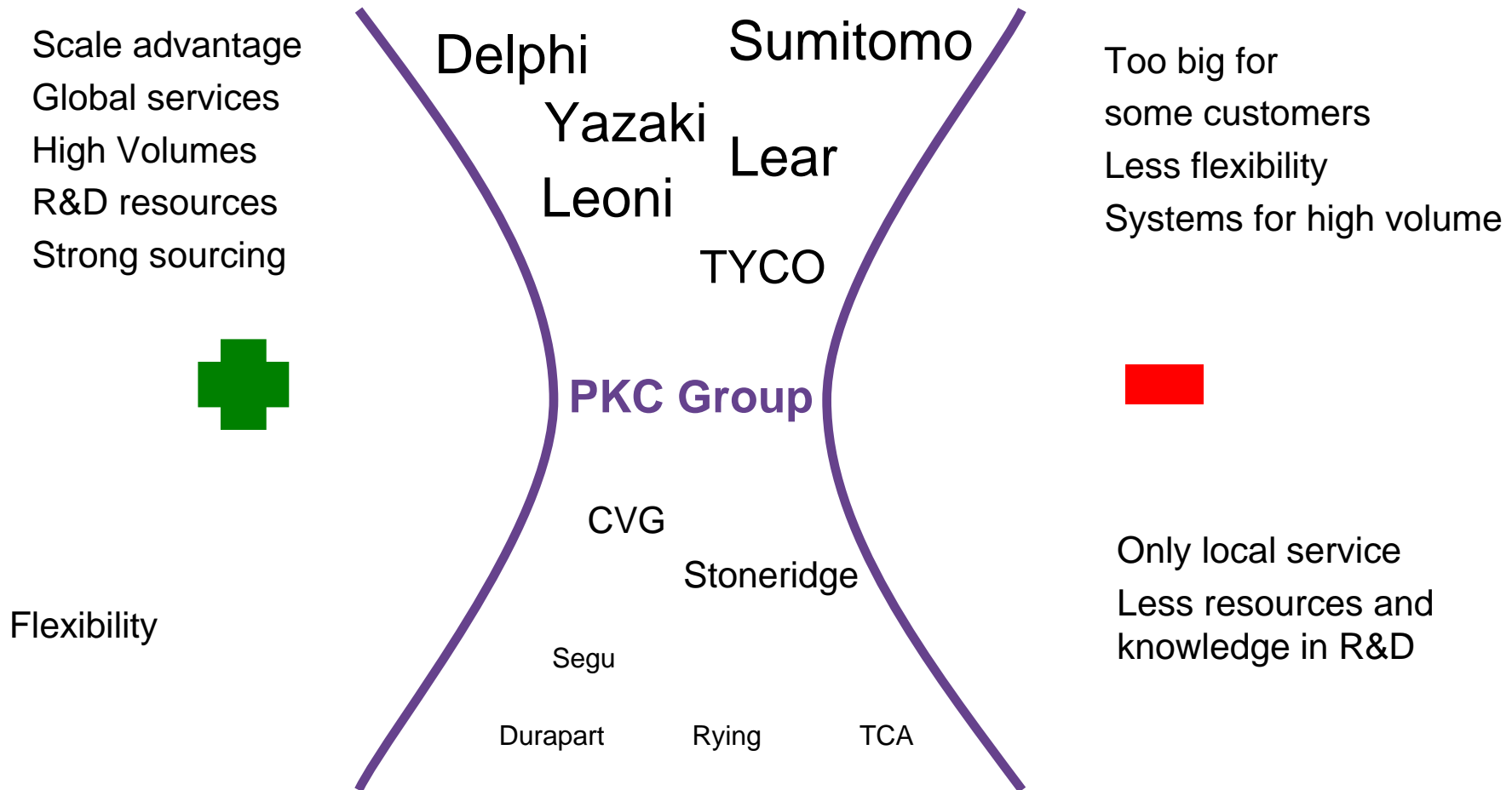
# Outlook for the Future

- It is currently difficult to estimate how long the economic downturn will last. We estimate that the low predictability in the demand in commercial vehicle industry and general uncertainty of financing will keep the demand for wiring harnesses exceptionally low.
- We also estimate that demand for electronics design and manufacturing services in the market will weaken compared to last year.

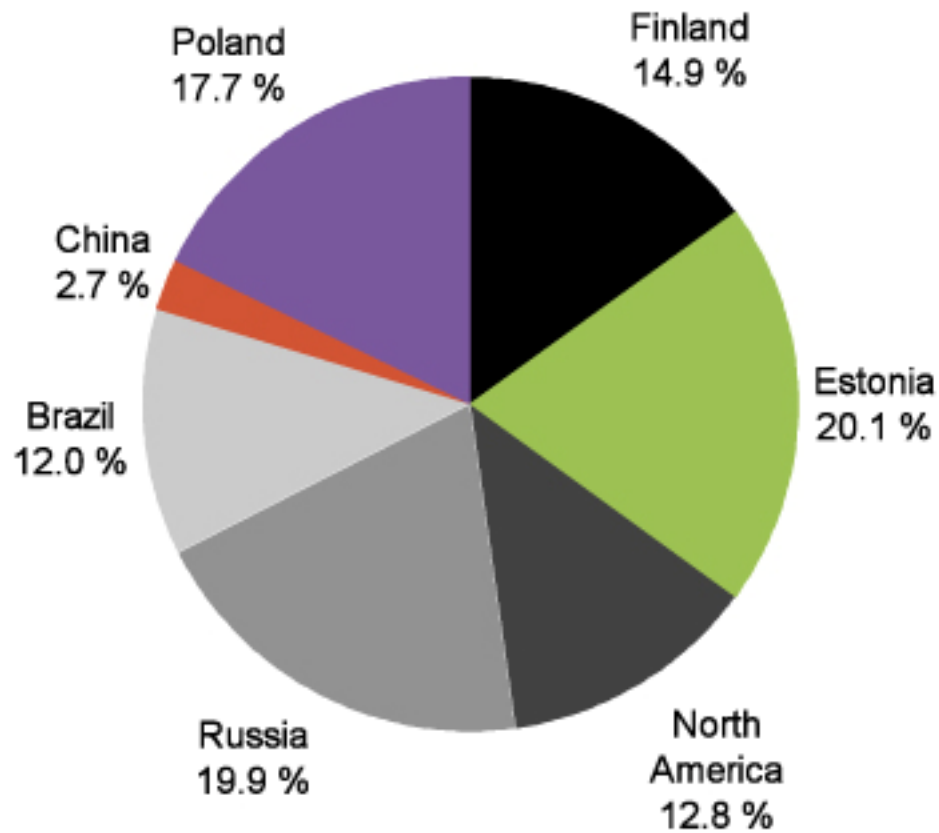
# Outlook for the Future

- We predict that the full-year net sales will decrease substantially and for operating profit to be negative. The full year estimation contains significantly more uncertainty than usual due to the customer segments' exceptionally short outlooks.
- Thanks to the low need for capital expenditures and decrease of working capital, cash flows after investments are expected to be positive.
- PKC's balance sheet, liquidity and good customer relationships all enable improvement in PKC's relative competitive position.

# PKC Group Market Position in Wiring Harness Business



# Personnel at the end of Q2



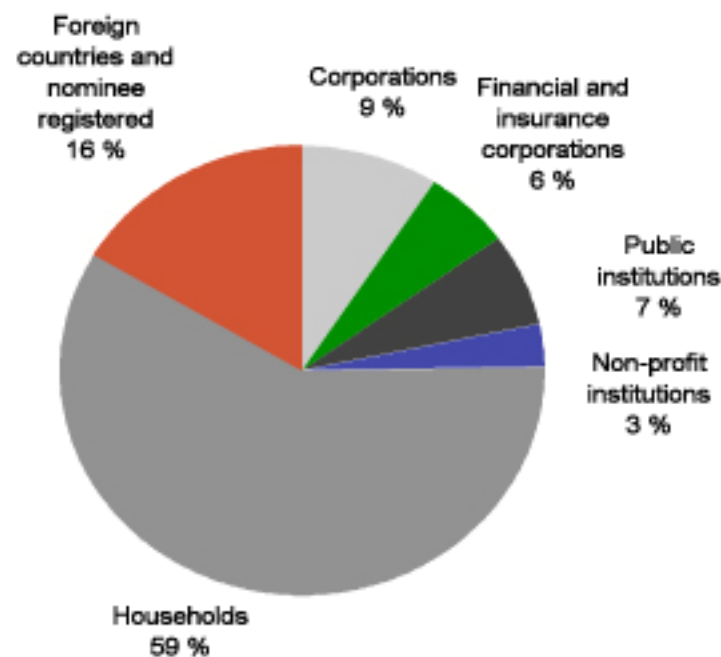
Totally 4 320 employees

# Shareholders 30 June, 2009

## Major shareholders

AS Harju Elekter	8.3
Takanen Jorma	7.2
Ilmarinen Mutual Pension Insurance Company	3.7
OP-Finland Small Firms Fund	2.5
Tapiola Mutual Pension Insurance Company	2.3
Laakkonen Mikko	2.1
Ravaska Veikko	1.9
Special Mutual Fund Avenir (non-UCITS)	1.7
Eestilä Matti	1.7
Takanen Harri	1.6
Nordea Nordic Small Cap Fund	1.4
Suutari Harri	1.3
Svenska Litteratursällskapet i Finland r.f.	1.1
Metsä-Simola Olli	0.8
OP-Nordic Small Firm Fund	0.8
<b>Total</b>	<b>38.4%</b>

## Distribution of share ownership



7 640 owners

Thank you!

[www.pkcgroup.com](http://www.pkcgroup.com)