Listing Prospectus 23.9.2013

PKC GROUP PLC

Listing of
EUR 100,000,000 Notes due 2018
The Notes are represented by units in denominations of EUR 1,000

On 20 September 2013, PKC Group Plc (the "**Issuer**" or the "**Company**") issued senior unsecured notes with an aggregate nominal amount of EUR 100,000,000 (the "**Notes**") mainly to domestic and international institutional investors. The Notes are represented by units in denominations of EUR 1,000. The rate of interest of the Notes is 4.25 per cent per annum. This document (this document and the documents incorporated herein by reference jointly referred to as the "**Listing Prospectus**") has been prepared solely for the purpose of admission to listing of the Notes to trading on regulated market on NASDAQ OMX Helsinki Ltd (the "**Helsinki Stock Exchange**") and does not constitute any offering of the Notes.

This Listing Prospectus has been drawn up in accordance with the Finnish Securities Markets Act (746/2012) (the "**Finnish Securities Markets Act**"), the Decree of the Finnish Ministry of Finance on the Prospectus referred to in Chapters 3 to 5 of the Finnish Securities Market Act (1019/2012), the Commission Regulation (EC) No 809/2004, as amended, in application of the Annexes IV, V and XXII thereof, and the regulations and guidelines of the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The FIN-FSA, which is the competent authority for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**") and relevant implementing measures in Finland, has approved this Listing Prospectus (journal number 77/02.05.04/2013) but assumes no responsibility for the correctness of the information contained herein.

Application has been made for the Notes to be admitted to public trading on the Helsinki Stock Exchange (the "**Listing**"), and the Listing is expected to take place on or about 26 September 2013.

Besides filing this Listing Prospectus with the FIN-FSA and the application to the Helsinki Stock Exchange, neither the Issuer nor the Lead Manager (defined hereafter) have taken any action, nor will they take any action to render the public offer of the Notes or their possession, or the distribution of this Listing Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for the purpose of public offer.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state of the United States. The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Lead Managers

IMPORTANT INFORMATION

In this Listing Prospectus, "**PKC Group**", "**PKC**" and the "**Group**" refer to PKC Group Plc and its consolidated subsidiaries, except where the context may otherwise require. All references to the "**Issuer**" or the "**Company**" refer to PKC Group Plc.

This Listing Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference and such documents form part of this Listing Prospectus. See "Documents Incorporated by Reference".

Nordea Bank Finland Plc and Pohjola Bank plc are acting for PKC Group as the arrangers and lead managers of the Listing (together the "**Lead Managers**" and both individually the "**Lead Manager**"). The Lead Managers are not acting for anyone else in connection with the Listing and will not be responsible to anyone other than PKC Group for providing the protections afforded to their respective clients nor for providing any advice in relation to the Listing or the contents of this Listing Prospectus. Investors should rely only on the information contained in this Listing Prospectus.

Without prejudice to any obligation of PKC Group to publish a supplement to prospectus pursuant to applicable rules and regulations, neither the delivery of this Listing Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of PKC Group since the date of Listing Prospectus or that the information herein is correct as of any time subsequent to the date of Listing Prospectus.

In making an investment decision, each investor is advised to rely on their examination, analysis and enquiry of PKC Group and the Terms and Conditions of the Notes, including the risks and merits involved. Neither PKC Group, the Lead Managers nor any of their respective affiliated parties or representatives is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors are advised to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by PKC Group or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by PKC Group or the Lead Managers. No representation or warranty, express or implied, is made by the Lead Managers as to the accuracy or completeness of the information contained in this Listing Prospectus, and nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by the Lead Managers in this respect, whether as to the past or the future.

The Lead Managers assume no responsibility for the accuracy or completeness of the information and, accordingly, disclaims to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Listing Prospectus or any such statement.

Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by PKC Group or the Lead Managers as to the future. Investors are advised to inform themselves of any press releases published by PKC Group since the date of this Listing Prospectus.

The distribution of this Listing Prospectus may, in certain jurisdictions, be restricted by law, and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction outside of Finland. PKC Group and the Lead Manager expect persons into whose possession this Listing Prospectus comes to inform themselves of and observe all such restrictions. Neither PKC Group nor the Lead Managers accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Notes is aware of such restrictions. In particular:

- the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, Singapore or any other jurisdiction in which it would not be permissible to offer the Notes; and
- this Listing Prospectus may not be sent to any person in the aforementioned jurisdictions.

This Listing Prospectus has been prepared in English only. However, the summary of this Listing Prospectus has been translated into Finnish. The Notes are governed by Finnish law and any dispute arising in relation the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in the summary for this type of securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

A – Introduction and warnings

A.1	Warning	The following summary is not intended to be exhaustive and should be read as an introduction to this Listing Prospectus, including the financial statements of PKC and the other financial information contained in this Listing Prospectus. Any decision to invest in the Notes should be based on consideration of this Listing Prospectus as a whole. Certain terms used in this summary are defined elsewhere in this Listing Prospectus. Where a claim relating to the information contained in this Listing Prospectus is brought before a court in the European Economic Area (the "**EEA**"), the plaintiff may, under the national legislation of the EEA member state where the claim is brought, be required to bear the costs of translating this Listing Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Listing Prospectus or it does not provide, when read together with other parts of this Listing Prospectus, or it does not provide, when read together with the other parts of this Listing Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
A.2	Consent by the Issuer to the use of this Listing Prospectus for subsequent resale and final placement of the Notes, the offer period and the terms and conditions attached to the consent	Not applicable

B – Issuer

B.1	Legal and commercial name of the Issuer	PKC Group Plc.
B.2	Domicile and legal form of the Issuer, legislation under which the Issuer operates and its country of incorporation	A Finnish public limited liability company incorporated and operating under the laws of Finland, domiciled in Helsinki, Finland.
B.4b	A description of any known trends affecting the Issuer and the Issuer's industries	PKC's key customers operate in the commercial vehicle industry which products are investment goods and as such their demand is highly correlated to the general level of activity of the economy. The demand for PKC´s products is heavily dependent on the volatility of the global heavy truck industry, but also dependent on developments in the automotive, electronics and energy industries in general. According to outside sources the European heavy and

		medium truck production is estimated to decrease in 2013 by about 6% compared to 2012. North American heavy duty truck production is estimated to decrease by 6%, medium duty truck production to increase by 7% and light vehicle production to increase by 5% from 2012 level. Brazilian heavy duty truck production is estimated to increase by 21% and medium duty truck production by 54% compared to 2012.
B.5	Description of the Group and the Issuer's position within the Group	PKC Group Plc is the parent company for the whole group, so it manages and directs the operations for the whole group. The main responsibility for the internal control and risk management systems relating to the financial reporting process lies with the Board of Directors of PKC Group Plc. The Group's operations are divided into two business segments corresponding to the core competence areas: Wiring Systems and Electronics. Wiring Systems business is organised under PKC Wiring Systems Oy and Electronics business under PKC Electronics Oy. The Group has production facilities in Brazil, China, Estonia, Finland, Germany, Mexico, Poland, Russia and the USA and employs over 19,000 people.
B.9	Profit forecast or estimate	On 29 May 2013 the Company issued a profit warning and lowered its operating profit outlook for 2013. PKC's interim report for 1 January – 30 June 2013 repeated the same future outlook: "PKC Group estimates its full year 2013 revenue to be lower than in 2012 and estimates its comparable operating profit excluding non-recurring items not to reach 2012 level. In 2012 PKC's revenue was EUR 928.2 million and comparable operating profit excluding non-recurring items was EUR 51.5 million."
B.10	Qualifications in the audit report on the historical financial information	The audit reports on the historical financial information do not contain any qualifications.
B.12	Selected historical key financial information (accompanied by no material adverse change and no significant change statements)	In 2012, PKC´s consolidated revenue was EUR 928.2 million (2011: EUR 550.2 million) and the operating profit excluding non-recurring items was EUR 51.5 million (EUR 42.0 million). Gross capital expenditure was EUR 16.0 million (EUR 101.5 million) (audited figures). In January–June 2013, PKC´s consolidated revenue was EUR 460.3 million (January–June 2012: EUR 486.8 million) and the operating profit excluding non-recurring items was EUR 24.6 million (EUR 28.2 million) (unaudited figures). Since the publication of the last audited financial statements, the Issuer has published a profit warning on 29 May 2013. There has been no significant change in the Issuer's financial or trading position since 30 June 2013.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1-12/2012	1-12/2011	1-6/2013	1-6/2012
EUR 1,000	(audited)		(unaudited)	
REVENUE	**928,178**	**550,208**	**460,261**	**486,771**
Other operating income	2,193	4,042	787	661
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-839	-1,679	-2,770	-2,505
Production for own use	207	208	103	60
Materials and services	564,482	332,646	275,439	297,273
Employee benefit expenses	203,221	109,800	103,996	101,283
Depreciation and amortisation	32,584	17,531	17,040	15,048
Other operating expenses	86,000	58,296	43,984	44,471
OPERATING PROFIT	**43,451**	**34,505**	**17,923**	**26,912**
Financial income	335	599	41	723
Financial expenses	-8,840	-5,690	-3,886	-3,171
PROFIT BEFORE TAXES	**34,946**	**29,414**	**14,078**	**24,464**
Income taxes	-10,947	-5,969	-4,927	-7,839
PROFIT FOR THE REPORT PERIOD	**23,999**	**23,445**	**9,151**	**16,626**
Diluted earnings per share (EPS), EUR	1.12	1.16	0.42	0.78
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Interest derivatives	-970	-464	339	-401
Foreign currency translation differences - foreign operations	-2,190	-1,112	-5,607	4,800
Tax effects relating to components of other comprehensive income	238	0	-82	0
Total comprehensive income for the period:	**21,076**	**21,869**	**3,800**	**21,025**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31.12.2012	31.12.2011	30.6.2013	30.6.2012
EUR 1,000	(audited)		(unaudited)	
Assets				
Non-current assets				
Goodwill	30,627	29,813	29,016	30,527
Other intangible assets	43,234	50,099	39,536	49,070
Property, plant and equipment	94,307	113,556	87,913	101,729
Deferred tax assets	11,272	7,697	13,410	12,957
Receivables	25,058	20,207	1,319	23,302
Total non-current assets	**204,499**	**221,371**	**171,194**	**217,584**
Current assets				
Inventories	87,481	110,526	87,754	97,586
Receivables				
Trade receivables	84,604	103,965	112,919	112,721
Other receivables	19,356	20,490	15,794	22,440
Current tax assets	1,897	165	1,564	4,606
Total receivables	105,857	124,621	130,276	139,766
Cash and cash equivalents	87,222	52,280	59,758	61,636
Total current assets	**280,560**	**287,426**	**277,788**	**298,988**
Total assets	**485,059**	**508,798**	**448,982**	**516,573**

Equity and liabilities				
Equity				
Share capital	6,191	6,103	6,218	6,191
Share premium account	10,606	8,259	11,343	10,605
Invested non-restricted equity fund	35,376	35,639	36,212	34,013
Translation reserve	4,582	6,257	-1,366	10,700
Fair value reserve	-732	-464	-475	-865
Share-based payments	2,975	2,340	3,390	2,676
Retained earnings	81,533	70,902	90,167	81,407
Profit for the report period	23,999	23,445	9,151	16,626
Total equity	**164,530**	**152,482**	**154,640**	**161,353**
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	74,595	146,789	67,958	140,942
Non-interest-bearing liabilities	27,196	24,321	5,236	26,809
Provisions	1,301	1,541	895	885
Deferred tax liabilities	27,617	32,957	23,807	32,700
Total non-current liabilities	**130,709**	**205,608**	**97,897**	**200,643**
Current liabilities				
Interest-bearing liabilities	69,190	16,230	61,642	14,120
Trade payables	75,510	90,779	90,809	91,342
Other non-interest-bearing liabilities	45,024	43,176	43,676	44,659
Current tax liabilities	96	524	318	4,456
Total current liabilities	**189,820**	**150,708**	**196,445**	**154,577**
Total liabilities	**320,529**	**356,316**	**294,342**	**355,220**
Total equity and liabilities	**485,059**	**508,798**	**448,982**	**516,573**

KEY INDICATORS	**31.12.2012**	**31.12.2011**	**30.6.2013**	**30.6.2012**
	(audited)		(unaudited)	
Revenue, EUR 1,000	928,178	550,208	460,261	486,771
Operating profit, EUR 1,000	43,451	34,505	17,923	26,912
% of revenue	4.7	6.3	3.9	5.5
Profit before taxes, EUR 1,000	34,946	29,414	14,078	24,464
% of revenue	3.8	5.3	3.1	5.0
Net profit for the period, EUR 1,000	23,999	23,445	9,151	16,626
% of revenue	2.6	4.3	2.0	3.4
Return on equity (ROE), %	15.1	17.0	11.5	21.2
Return on investments (ROI), %	16.7	18.9	18.0	23.0
Gearing, %	34.4	72.6	45.2	57.9
Equity ratio, %	33.9	30.0	34.5	31.2
Current ratio	1.5	1.9	1.4	1.9
Gross capital expenditure, EUR 1,000	16,023	101,532	6,828	10,132
% of revenue	1.7	18.5	1.5	2.1
R&D expenditure, EUR 1,000	7,992	6,922	4,279	4,079
% of revenue	0.9	1.3	0.9	0.8
Personnel average (unaudited)	20,590	10,793	19,544	21,478

B.13	Recent events materially relevant to evaluation of the Issuer's solvency	There are no recent events materially relevant to evaluation of the Issuer's solvency.
B.14	Dependency of the Issuer on other entities within the group	PKC Group Plc is the group parent company, which conducts the Group´s operations through its subsidiaries. The Group has production facilities in Brazil, China, Es-

		tonia, Finland, Germany, Mexico, Poland, Russia and the USA.
B.15	Description of the Issuer's principal activities	PKC Group has two business areas: Wiring Systems and Electronics. Wiring Systems business is organised under PKC Wiring Systems Oy and Electronics business under PKC Electronics Oy. The Wiring Systems business designs, manufactures and integrates electrical distribution systems, electronics and related architecture components, vehicle electronics, wires and cables especially for trucks and buses, light and recreational vehicles, construction equipment and agricultural and forestry equipment. The Electronics business offers, in particular, product design, development and manufacture services of testing solutions and power supply systems for the electronics, telecommunications and energy industry.
B.16	Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control	To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act and the Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.
B.17	Issuer ratings	No credit ratings have been assigned to PKC Group Plc or its debt securities.

C – Securities

C.1	Type and class of securities being offered	Senior unsecured notes with an aggregate nominal amount of EUR 100,000,000. The ISIN code of the Notes is FI4000068770.
C.2	Currency of the issuance	Euro.
C.5	Description of restrictions on the free transferability of the securities	Each Note will be freely transferable after it has been registered in to the respective book-entry account.
C.8	Rights attached to securities/ranking of the Notes	The Notes constitute direct, unsecured and unguaranteed obligations of the Issuer ranking *pari passu* among each other and with all other unsecured and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
C.9	Interest and yield; name of representative of debt security holders	The Notes bear fixed interest rate of per cent, per annum. The interest of the Notes will be paid annually in arrear commencing 20 September 2014 and thereafter on each 20 September ("**Interest Payment Date**") until 20 September 2018 (the "**Redemption Date**"). Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Redemption Date. Interest in respect of the Notes will be calculated on the basis of actual number of days elapsed in the relevant interest period divided by 365 (or, in the case of leap year, 366). The effective yield of the Notes is 4.364 per cent.
C.10	Explanation on how the interest amount is affected by	Not applicable. The Notes have no underlying component that would affect the interest amount.

	value of the underlying.	
C.11	Listing	Application has been made for the Notes to be admitted to trading on a regulated market on the Helsinki Stock Exchange, and the Listing is expected to take place on or about 26 September 2013.

D – Risks

D.2	Risks relating to the Issuer	Risks relating to the Issuer include but are not limited: Risks Related to General Market Conditions and Strategy - Uncertain global economic and financial market conditions can adversely affect PKC´s business, results of operations, financial condition, liquidity and capital resources - A slowdown in the global commercial vehicle industry can adversely affect business volumes which in turn can affect PKC's financial condition, results of operations and future prospects - Failure of executing PKC's strategy or failure of the strategy itself may adversely affect PKC's growth prospects and profitability in the future Risks relating to PKC's Business Operations - Loss of one or more of its major customers can have a material adverse effect on PKC - Downward pressure on prices can have a material adverse effect on PKC - Failure to successfully identify and complete possible acquisitions or other restructurings or enter into joint-ventures can have a material adverse effect on PKC - Purchasing and logistics risks can have a material adverse effect on PKC - Risks related to manufacturing process and quality control can have a material adverse effect on PKC - Failure to avoid and control contract and liability risks can have a material adverse effect on PKC - Political, cultural and legislative risks can have a material adverse effect on PKC - Environmental risks can have a material adverse effect on PKC - Loss of key personnel or failure to implement labour protection practices can have a material adverse effect on PKC - Information security and information systems risks can have a material adverse effect on PKC - Governmental, legal and arbitration proceedings can have a material adverse effect on PKC - Changes in tax legislation and other taxation risks can have a material adverse effect on PKC - PKC's insurance coverage includes limitations and may not be sufficient Financial Risks - PKC may not receive financing at competitive terms or at all - Fluctuations in currency exchange rates may adversely affect PKC"s earnings and balance sheet - Commodity risks can have a material adverse effect on PKC

		- Fluctuations in interest rates may adversely affect PKC´s earnings - Failure of successful credit risk management can have a material adverse effect on PKC - Failure of successful liquidity management can have a material adverse effect on PKC - Significant impairment of the goodwill decreases the equity of PKC and can have a negative effect on PKC's financial position - Future changes in accounting standards may affect PKC´s financial position
D.3	Risks relating to the Notes	Risks relating to the Notes include but are not limited: - The Notes may not be a suitable investment for all investors - The investors of the Notes are exposed to a credit risk in respect of the Issuer - The Notes will not be guaranteed by any other person or entity - The Notes or the Issuer are not currently rated by any rating agency - Right to redeem and purchase the Notes prior to maturity - There is no prior public market for the Notes - A holder of a security with a fixed interest rate is exposed to the risk that the price of such security can fall as a result of changes in the market interest rate - No limitation on issuing additional debt and selective limitation on granting of security - The Notes do not, as a rule, contain covenants governing the Issuer's operations and do not limit its ability to merge, demerge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes - Noteholders have no voting rights with respect to the General Meetings of shareholders of the Issuer - Any new statutes, ordinances and regulations, amendments to the legislation or changes in application of the law after the issue date may affect the Notes - Withholding tax on the Notes - Amendments to the Notes bind all Noteholders - The right to payment under the Notes may become void due to prescription - The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.'s operations and systems - Legal investment considerations may restrict certain investments

E – Offer

E.2b	Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks	The proceeds from the Issue are intended to be used for refinancing and general corporate purposes.
E.3	Terms and conditions of offer	Issue Date: 20 September 2013. Maturity Date: 20 September 2018. Aggregate nominal amount of the Issue: EUR 100,000,000. Interest payment dates: Annually in arrears commencing on 20 September 2014 and thereafter on each 20 September. Interest: 4.25 per cent per annum.

		Effective yield of the Notes: 4.364 per cent. Redemption: At par, bullet, at maturity. Minimum Subscription Amount: EUR 100,000. Denomination of a book-entry unit: EUR 1,000. Covenants: Change of control, Negative Pledge, Cross Default. Clearing: The Notes are issued in a dematerialized for in the OM book-entry securities system of Euroclear Finland Ltd. Applicable law: Finnish Law.
E.4	Interest material to issue including conflicting interest	Interest of the Lead Manager: Business interest normal in the financial markets.
E.5	Estimated expenses charged to investor	The Issuer will not charge any expenses to the investor in respect of the Notes issue.

TIIVISTELMÄ

Tiivistelmät koostuvat sääntelyn edellyttämistä tiedoista, joita kutsutaan nimellä "osatekijät". Nämä osatekijät on numeroitu jaksoittain A – E (A.1 – E.7).

Tämä tiivistelmä sisältää kaikki ne osatekijät, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää. Osatekijöiden numerointi ei välttämättä ole juokseva, koska kaikkia osatekijöitä ei arvopaperin tai liikkeeseenlaskijan luonteen vuoksi ole esitettävä tässä tiivistelmässä.

Vaikka arvopaperin tai liikkeeseenlaskijan luonne edellyttäisi jonkin osatekijän sisällyttämistä tiivistelmään, on mahdollista, ettei kyseistä osatekijää koskevaa merkityksellistä tietoa ole lainkaan. Tällöin osatekijä kuvataan lyhyesti ja sen yhteydessä mainitaan "ei sovellu".

A – Johdanto ja varoitukset

A.1	Varoitus	Seuraavaa tiivistelmää ei ole tarkoitettu kattavaksi esitykseksi, vaan se on johdanto tässä Listalleottoesitteessä esitettäviin yksityiskohtaisiin tietoihin, mukaan luettuna PKC:n tilinpäätöstiedot ja tähän Listalleottoesitteeseen sisältyvät taloudelliset tiedot. Sijoittajien tulee perustaa Velkakirjoja koskeva sijoituspäätöksensä Listalleottoesitteessä esitettyihin tietoihin kokonaisuutena. Tietyt tässä tiivistelmässä käytetyt termit on määritelty muualla tässä Listalleottoesitteessä. Mikäli Euroopan talousalueella ("ETA") nostetaan tähän Listalleottoesitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi joutua ennen oikeudenkäynnin vireillepanoa vastaamaan esitteen käännöskustannuksista sen ETAn jäsenvaltion lainsäädännön mukaisesti, jossa kanne nostetaan. Siviilioikeudellista vastuuta sovelletaan henkilöihin, jotka ovat laatineet tiivistelmän, sen käännös mukaan luettuna, mutta vain, jos tiivistelmä on harhaanjohtava, epätarkka tai epäjohdonmukainen suhteessa Listalleottoesitteen muihin osiin tai jos siinä ei anneta yhdessä Listalleottoesitteen muiden osien kanssa keskeisiä tietoja auttamiseksi, kun he harkitsevat sijoittamista Velkakirjoihin.
A.2	Suostumus arvopapereiden edelleenmyyntiin ja lopulliseen sijoittamiseen, tarjousaika ja suostumuksen ehdot	Ei sovellu.

B – Liikkeeseenlaskija

B.1	Liikeeseenlaskijan virallinen nimi ja muu liiketoiminnassa käytetty toiminimi	PKC Group Oyj.
B.2	Liikkeeseenlaskijan kotipaikka ja oikeudellinen muoto, Liikkeeseenlaskijaan sovellettava laki ja Liikkeeseenlaskijan perustamismaa	Suomen lain mukaisesti perustettu ja toimiva julkinen osakeyhtiö, jonka kotipaikka on Helsinki, Suomi.
B.4b	Kuvaus mahdollisista tiedossa olevista suuntauksista, jotka vaikuttavat Liikkeeseenlaskijaan ja sen toimialaan	PKC:n avainasiakkaat toimivat hyötyajoneuvo-teollisuuden toimialalla, jonka tuotteet ovat investointihyödykkeitä ja joiden kysyntä on siten vahvasti yhteydessä yleiseen taloustilanteeseen. PKC:n tuotteiden kysyntä riippuu suuresti kansainvälisen hyötyajoneuvoteollisuuden volatiliteetista, mutta myös auto-, elektroniikka- ja energiateollisuuden yleisestä kehityksestä. Ulkopuolisten lähteiden mukaan Euroopan raskaiden ja keskiraskaiden kuorma-autojen tuotannon arvioidaan vuonna 2013 laskevan noin 6 % vuoden 2012 tasosta. Pohjois-Amerikan raskaiden kuorma-autojen tuotannon arvioidaan laskevan 6 %, keskiraskaiden kuorma-autojen tuotannon kasvavan 7 % ja kevyiden ajoneuvo-

		jen tuotannon kasvavan 5 % vuoden 2012 tasosta. Brasilian raskaiden kuorma-autojen tuotannon arvioidaan kasvavan 21 % ja keskiraskaiden kuorma-autojen tuotannon 54 % verrattuna vuoteen 2012.
B.5	Kuvaus konsernista, johon Liikkeeseenlaskija kuuluu, ja Liikkeeseenlaskijan asema siinä	PKC Group Oyj on koko konsernin emoyhtiö, joten se hallitsee ja ohjaa koko konsernin toimintoja. Päävastuu taloudelliseen raportointiprosessiin liittyvien sisäisen valvonnan ja riskienhallinnan järjestelmien pääpiirteistä on PKC:n hallituksella. Konsernin liiketoiminta ja tytäryhtiöiden omistus jakaantuu ydinosaamisalueiden mukaisesti kahteen liiketoiminta-alueeseen: johdinsarjat ja elektroniikka. Johdinsarjaliiketoiminta on organisoitu PKC Wiring Systems Oy:n ja elektroniikkaliiketoiminta PKC Electronics Oy:n alle. Konsernilla on tehtaita Brasiliassa, Kiinassa, Meksikossa, Puolassa, Saksassa, Suomessa, Virossa, Venäjällä sekä Yhdysvalloissa ja se työllistää yli 19 000 henkilöä.
B.9	Tulosennuste tai -arvio	Yhtiö julkisti tulosvaroituksen 29.5.2013, jossa koko vuoden liikevoittoennustetta alennettiin. Osavuosikatsauksessa ajalta 1.1.–30.6.2013 toistettiin samat tiedot tulevaisuuden näkymistä: "PKC Group arvioi vuoden 2013 liikevaihdon olevan alhaisempi kuin vuonna 2012 ja arvioi vertailukelpoisen liikevoiton ennen kertaluonteisia eriä jäävän alle vuoden 2012 tason. Vuonna 2012 PKC:n liikevaihto oli 928,2 milj. euroa ja vertailukelpoinen liikevoitto ennen kertaluontoisia eriä oli 51,5 milj. euroa."
B.10	Historiallisia taloudellisia tietoja koskevassa tilintarkastuskertomuksessa esitetyt muistutukset	Historiallisia taloudellisia tietoja koskevissa tilintarkastuskertomuksissa ei ole esitetty muistutuksia.
B.12	Valikoidut historialliset keskeiset taloudelliset tiedot (lisättynä Ei merkittäviä kielteisiä muutoksia eikä merkittäviä muutoksia)	Vuonna 2012 PKC:n konsolidoitu liikevaihto oli 928,2 miljoonaa euroa (2011: 550,2 miljoonaa euroa) ja liikevoitto ilman kertaluonteisia eriä oli 51,5 miljoonaa euroa (42,0 miljoonaa euroa). Tilikauden bruttoinvestoinnit olivat 16,0 miljoonaa euroa (101,5 miljoonaa euroa) (tilintarkastetut luvut). Tammi-kesäkuussa 2013 PKC:n konsolidoitu liikevaihto oli 460,3 miljoonaa euroa (2012: 486,8 miljoonaa euroa) ja liikevoitto ilman kertaluonteisia eriä oli 24,6 miljoonaa euroa (28,2 miljoonaa euroa) (tilintarkastamattomat luvut). Viimeksi julkistetun tilintarkastetun tilinpäätöksen jälkeen liikkeeseenlaskija on julkistanut tulosvaroituksen 29.5.2013. Liikkeeseenlaskijan taloudellisessa asemassa tai kaupankäyntipositiossa ei ole tapahtunut merkittäviä muutoksia 30.6.2013 jälkeen.

KONSERNIN LAAJA TULOSLASKELMA	1-12/2012	1-12/2011	1-6/2013	1-6/2012
1 000 euroa	(tilintarkastettu)		(tilintarkastamaton)	
LIIKEVAIHTO	**928 178**	**550 208**	**460 261**	**486 771**
Liiketoiminnan muut tuotot	2 193	4 042	787	661
Valmiiden ja keskeneräisten tuotteiden varaston muutos	-839	-1 679	-2 770	-2 505
Valmistus omaan käyttöön	207	208	103	60
Materiaalit ja palvelut	564 482	332 646	275 439	297 273
Työsuhde-etuuksista aiheutuvat kulut	203 221	109 800	103 996	101 283
Poistot ja arvonalentumiset	32 584	17 531	17 040	15 048
Liiketoiminnan muut kulut	86 000	58 296	43 984	44 471
LIIKEVOITTO	**43 451**	**34 505**	**17 923**	**26 912**
Rahoitustuotot	335	599	41	723
Rahoituskulut	-8 840	-5 690	-3 886	-3 171
VOITTO ENNEN VEROJA	**34 946**	**29 414**	**14 078**	**24 464**
Tuloverot	-10 947	-5 969	-4 927	-7 839
KATSAUSKAUDEN VOITTO	**23 999**	**23 445**	**9 151**	**16 626**
Laimennettu tulos/osake (EPS), EUR	1,12	1,16	0,42	0,78
Muut laajan tuloksen erät:				
Erät, jotka saatetaan siirtää myöhemmin tulosvaikutteisiksi				
Korkojohdannaiset	-970	-464	339	-401
Ulkomaiseen yksikköön liittyvät muuntoerot	-2 190	-1 112	-5 607	4 800
Muihin laajan tuloksen eriin liittyvät verot	238	0	-82	0
Katsauskauden laaja tulos yhteensä:	**21 076**	**21 869**	**3 800**	**21 025**

KONSERNITASE	31.12.2012	31.12.2011	30.6.2013	30.6.2012
1 000 euroa	(tilintarkastettu)		(tilintarkastamaton)	
Varat				
Pitkäaikaiset varat				
Liikearvo	30 627	29 813	29 016	30 527
Aineettomat hyödykkeet	43 234	50 099	39 536	49 070
Aineelliset hyödykkeet	94 307	113 556	87 913	101 729
Laskennalliset verosaamiset	11 272	7 697	13 410	12 957
Saamiset	25 058	20 207	1 319	23 302
Pitkäaikaiset varat yhteensä	**204 499**	**221 371**	**171 194**	**217 584**
Lyhytaikaiset varat				
Vaihto-omaisuus	87 481	110 526	87 754	97 586
Saamiset				
Myyntisaamiset	84 604	103 965	112 919	112 721
Muut saamiset	19 356	20 490	15 794	22 440
Tilikauden verotettavaan tuloon perustuvat verosaamiset	1 897	165	1 564	4 606
Saamiset yhteensä	105 857	124 621	130 276	139 766
Rahavarat	87 222	52 280	59 758	61 636
Lyhytaikaiset varat yhteensä	**280 560**	**287 426**	**277 788**	**298 988**
Varat yhteensä	**485 059**	**508 798**	**448 982**	**516 573**
Oma pääoma ja velat				
Oma pääoma				
Osakepääoma	6 191	6 103	6 218	6 191

Ylikurssirahasto	10 606	8 259	11 343	10 605
Sijoitetun vapaan oman pääoman rahasto	35 376	35 639	36 212	34 013
Muuntoero	4 582	6 257	-1 366	10 700
Arvonmuutosrahasto	-732	-464	-475	-865
Osakeperusteiset maksut	2 975	2 340	3 390	2 676
Kertyneet voittovarat	81 533	70 902	90 167	81 407
Katsauskauden voitto	23 999	23 445	9 151	16 626
Oma pääoma yhteensä	**164 530**	**152 482**	**154 640**	**161 353**
Velat				
Pitkäaikaiset velat				
Korolliset rahoitusvelat	74 595	146 789	67 958	140 942
Korottomat velat	27 196	24 321	5 236	26 809
Varaukset	1 301	1 541	895	885
Laskennalliset verovelat	27 617	32 957	23 807	32 700
Pitkäaikaiset velat yhteensä	**130 709**	**205 608**	**97 897**	**200 643**
Lyhytaikaiset velat				
Korolliset rahoitusvelat	69 190	16 230	61 642	14 120
Ostovelat	75 510	90 779	90 809	91 342
Muut korottomat velat	45 024	43 176	43 676	44 659
Tilikauden verotettavaan tuloon perustuvat verovelat	96	524	318	4 456
Lyhytaikaiset velat yhteensä	**189 820**	**150 708**	**196 445**	**154 577**
Velat yhteensä	**320 529**	**356 316**	**294 342**	**355 220**
Oma pääoma ja velat yhteensä	**485 059**	**508 798**	**448 982**	**516 573**

TUNNUSLUVUT	**31.12.2012**	**31.12.2011**	**30.6.2013**	**30.6.2012**
	(tilintarkastettu)		(tilintarkastamaton)	
Liikevaihto, 1 000 euroa	928 178	550 208	460 261	486 771
Liikevoitto, 1 000 euroa	43 451	34 505	17 923	26 912
% liikevaihdosta	4,7	6,3	3,9	5,5
Voitto ennen veroja, 1 000 euroa	34 946	29 414	14 078	24 464
% liikevaihdosta	3,8	5,3	3,1	5,0
Katsauskauden voitto, 1 000 euroa	23 999	23 445	9 151	16 626
% liikevaihdosta	2,6	4,3	2,0	3,4
Oman pääoman tuotto (ROE), %	15,1	17,0	11,5	21,2
Sijoitetun pääoman tuotto (ROI), %	16,7	18,9	18,0	23,0
Gearing, %	34,4	72,6	45,2	57,9
Omavaraisuusaste, %	33,9	30,0	34,5	31,2
Current ratio	1,5	1,9	1,4	1,9
Bruttoinvestoinnit, 1 000 euroa	16 023	101 532	6 828	10 132
% liikevaihdosta	1,7	18,5	1,5	2,1
T&K-menot, 1 000 euroa	7 992	6 922	4 279	4 079
% liikevaihdosta	0,9	1,3	0,9	0,8
Henkilöstö keskimäärin (tilintarkastamaton)	20 590	10 793	19 544	21 478

B.13	Viimeaikaiset tapahtumat, jotka ovat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä.	Ei ole olemassa Liikkeeseenlaskijaan liittyviä viimeaikaisia tapahtumia, jotka olisivat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä.
B.14	Liikkeeseenlaskijan riippuvuus muista konserniin kuuluvista yksiköistä	PKC Group Oyj on konsernin emoyhtiö. Konsernin operatiivista liiketoimintaa harjoitetaan tytäryhtiöissä. Konsernilla on tehtaita Brasiliassa, Kiinassa, Meksikossa, Puolassa, Saksassa, Suomessa, Virossa, Venäjällä sekä

		Yhdysvalloissa.
B.15	Kuvaus Liikkeeseenlaskijan päätoimialoista	Konsernilla on kaksi liiketoiminta-aluetta: johdinsarjat ja elektroniikka. Johdinsarjaliiketoiminta on organisoitu PKC Wiring Systems Oy:n ja elektroniikkaliiketoiminta PKC Electronics Oy:n alle. Johdinsarjaliiketoiminta suunnittelee, valmistaa ja integroi räätälöityjä johdinsarjoja, niihin liittyviä arkkitehtuurikomponentteja, ajoneuvoelektroniikkaa, johtimia ja kaapeleita erityisesti kuorma- ja linja-autoihin, kevyisiin ja vapaa-ajan ajoneuvoihin, maanrakennuskoneisiin sekä maa- ja metsätalouskoneisiin. Elektroniikkaliiketoiminta tarjoaa erityisesti testaus- ja teholähderatkaisujen tuotekehitys-, suunnittelu- ja valmistuspalveluita elektroniikka-, telekommunikaatio- ja energiateollisuuteen.
B.16	Kuvaus siitä, onko Liikkeeseenlaskija suoraan tai välillisesti jonkun omistuksessa tai määräysvallassa ja mikä tämä taho on sekä määräysvallan luonne	Liikkeeseenlaskijan tietojen mukaan Liikkeeseenlaskija ei ole suoraan tai välillisesti minkään tahon määräysvallassa Arvopaperimarkkinalain 2 luvun 4 pykälän tarkoittamalla tavalla, ja Liikkeeseenlaskijan tiedossa ei ole järjestelyä, jotka saattaisivat toteutuessaan johtaa määräysvallan vaihtumiseen Liikkeeseenlaskijassa.
B.17	Liikkeeseenlaskijan luokitukset	PKC Group Oyj:lle tai sen velkapapereille ei ole annettu luottoluokituksia.

C – Arvopaperit

C.1	Tarjottavien arvopapereiden tyyppi ja laji	Senior-statuksinen vakuudeton velkakirjalaina, jonka kokonaisnimellismäärä on 100 000 000 euroa. Velkakirjojen ISIN-koodi on FI4000068770.
C.2	Liikkeeseenlaskun valuutta	Euro.
C.5	Kuvaus arvopapereiden vapaata luovutettavuutta koskevista rajoituksista	Kukin Velkakirja on vapaasti luovutettavissa sen jälkeen, kun se on kirjattu asianomaiselle arvo-osuustilille.
C.8	Arvopapereihin liittyvät oikeudet/etuoikeusjärjestys	Velkakirjat ovat Liikkeeseenlaskijan suoria, vakuudettomia ja takaamattomia velvoitteita, jotka ovat samanarvoisia keskenään ja Liikkeeseenlaskijan kaikkien muiden vakuudettomien ja etuoikeudettomien velvoitteiden kanssa, lukuun ottamatta niitä velvoitteita, joilla on etuoikeus pakottavan lain nojalla.
C.9	Korko ja tuotto; velkapaperien haltijoiden edustajan nimi	Velkakirjoille maksetaan kiinteää vuotuista korkoa, joka on 4,25 prosenttia. Velkakirjoille kertyvä korko maksetaan vuosittain takautuvasti alkaen 20.9.2014 ja tämän jälkeen 20.9. kunakin vuonna (”**Koronmaksupäivä**”) 20.9.2018 saakka (”**Lunastuspäivä**”). Velkakirjojen kulloinkin maksamatta olevalle pääomalle kertyy korkoa kultakin korkokaudelta korkokauden ensimmäinen päivä mukaan lukien ja korkokauden viimeinen päivä pois lukien. Ensimmäinen korkokausi alkaa Liikkeeseenlaskupäivänä ja päättyy ensimmäisenä Koronmaksupäivänä. Kukin seuraava korkokausi alkaa edeltävänä Koronmaksupäivänä ja päättyy seuraavana Koronmaksupäivänä. Viimeinen korkokausi päättyy Lunastuspäivänä. Velkakirjoihin sovellettava koronlaskuperuste on asianomaisella korkokaudella kuluneiden päivien todellinen määrä jaettuna 365:llä (tai karkausvuonna 366:lla). Velkakirjojen efektiivinen tuotto on 4,364 prosenttia.
C.10	Tiedot siitä, kuinka kohde-etuuden arvo vaikuttaa koron määrään	Ei sovellu. Velkakirjojen korko ei ole sidottu kohde-etuuteeen.
C.11	Listalleotto	Liikeeseenlaskija on tehnyt hakemuksen Velkakirjojen ottamiseksi kaupankäynnin kohteeksi säännellylle mark-

		kinalle Helsingin Pörssissä, ja Velkakirjat listataan Helsingin Pörssiin arviolta 26.9.2013.

D – Riskit

D.2	Liikkeeseenlaskijaan liittyvät riskit	Liikkeeseenlaskijaan liittyviä riskejä ovat muun muassa: Yleiseen markkinatilanteeseen ja strategiaan liittyvät riskit - Epävarma maailmantalouden ja rahoitusmarkkinoiden tilanne voi vaikuttaa epäsuotuisasti PKC:n liiketoimintaan, toiminnan tulokseen, rahoituksellliseen asemaan, maksu-valmiuteen ja pääomaresursseihin - Kansainvälisen hyötyajoneuvoteollisuuden heikkeneminen voi vaikuttaa tuotantovolyymeihin ja tätä kautta epäsuotuisasti PKC:n rahoituksellliseen asemaan, toiminnan tulokseen ja tulevaisuudennäkymiin - PKC:n strategian epäonnistuminen tai epäonnistuminen strategian toimeenpanossa voi vaikuttaa epäedullisesti PKC:n kasvumahdollisuuksiin ja kannattavuuteen tulevaisuudessa PKC:n liiketoimintaan liittyvät riskit - Yhden tai useamman olennaisen asiakkaan menettämisellä voi olla olennainen epäedullinen vaikutus PKC:lle - Hintojen laskemiseen vaikuttavalla kehityksellä voi olla olennainen epäedullinen vaikutus PKC:lle - Epäonnistumisella mahdollisten yrityskauppojen, muiden järjestelyjen tai yhteistyösopimusten identifioinnissa ja menestyksellisessä toteuttamisessa voi olla olennainen epäedullinen vaikutus PKC:lle - Ostoihin ja logistiikkaan liittyvillä riskeillä voi olla olennainen epäedullinen vaikutus PKC:lle - Tuotantoprosesseihin ja laatukontrolliin liittyvillä riskeillä voi olla olennainen epäedullinen vaikutus PKC:lle - Epäonnistumisella välttää ja kontrolloida sopimus- ja vastuuriskejä voi olla olennainen epäedullinen vaikutus PKC:lle - Poliittisilla, kulttuurillisilla ja lainsäädäntöön liittyvillä riskeillä voi olla olennainen epäedullinen vaikutus PKC:lle - Ympäristöriskeillä voi olla olennainen epäedullinen vaikutus PKC:lle - Avainhenkilöiden menettämisellä tai epäonnistumisella toteuttaa henkilöstön työturvallisuusmenettelyitä voi olla olennainen epäedullinen vaikutus PKC:lle - Tietoturvaan ja tietojärjestelmiin liittyvillä riskeillä voi olla olennainen epäedullinen vaikutus PKC:lle - Hallinnollisilla menettelyillä, oikeudenkäynneillä tai välimiesmenettelyillä voi olla olennainen epäedullinen vaikutus PKC:lle - Muutoksilla verolainsäädännössä sekä muilla verotukseen liittyvillä riskeillä voi olla olennainen epäedullinen vaikutus PKC:lle - PKC:n vakuutusturvaan sisältyy rajoituksia ja se voi olla puutteellinen Rahoitusriskit

		- PKC ei välttämättä saa rahoitusta kilpailukykyisillä ehdoilla tai saa rahoitusta ollenkaan - Valuuttakurssien heilahtelut voivat vaikuttaa epäsuotuisasti PKC:n tulokseen ja taseeseen - Hyödykeriskillä voi olla olennainen epäedullinen vaikutus PKC:lle - Korkojen vaihtelut voivat vaikuttaa epäsuotuisasti PKC:n tulokseen - Epäonnistumisella luottoriskien hallinnassa voi olla olennainen epäedullinen vaikutus PKC:lle - Likviditeettihallinnan epäonnistumisella voi olla olennainen epäedullinen vaikutus PKC:lle - Liikearvon olennainen arvonalennus alentaa PKC:n pääomaa ja tällä voi olla epäedullinen vaikutus PKC:n taloudelliseen asemaan - Tilinpäätösstandardeihin tulevaisuudessa tehtävät muutokset voivat vaikuttaa PKC:n rahoitusasemaan
D.3	Arvopapereihin liittyvät riskit	Arvopapereihin liittyviä riskejä ovat muun muassa: - Velkakirjat eivät välttämättä sovellu sijoituskohteeksi kaikille sijoittajille - Velkakirjoihin sijoittavat altistuvat Liikkeeseenlaskijaan liittyvälle luottoriskille - Kukaan muu henkilö tai taho - ei takaa Velkakirjoja - Tällä hetkellä mikään luottoluokituslaitos ei ole luokitellut Velkakirjoja tai Liikkeeseenlaskijaa - Liikkeeseenlaskijalla voi olla oikeus lunastaa ja ostaa Velkakirjat ennen niiden erääntymistä - Velkakirjat eivät ennestään ole julkisen kaupankäynnin kohteena - Velkakirjoille on asetettu kiinteä korko, josta syystä velkakirjojen arvo voi alentua markkinakorkojen muuttuessa - Lisävelan liikkeeseenlaskua ei ole rajoitettu ja vakuuksien antamista on rajoitettu vain osittain - Velkakirjat eivät lähtökohtaisesti sisällä liikkeeseenlaskijan liiketoimintaan liittyviä kovenantteja eivätkä rajoita Liikkeeseenlaskijan oikeutta sulautua, jakautua, toteuttaa liiketoimintakauppoja tai muutoin toteuttaa merkittäviä transaktioita, joilla voi olla olennaisen haitallinen vaikutus Velkakirjoihin - Velkakirjojen haltijoilla ei ole äänioikeutta Liikkeeseenlaskijan yhtiökokouksissa - Uudet lait, asetukset ja määräykset sekä muutokset lainsäädännössä tai oikeuskäytännössä - liikkeeseenlaskupäivän jälkeen voivat vaikuttaa Velkakirjoihin - Velkakirjoihin kohdistuvaa lähdeveroa ei hyvitetä - Velkakirjoihin tehtävät muutokset sitovat kaikkia Velkakirjanhaltijoita - Oikeus maksuun Velkakirjojen perusteella vanhenee - Velkakirjoihin liittyvien transaktioiden toteutuminen riippuu Euroclear Finland Oy:n toiminnasta ja järjestelmistä - Lainsäädännöstä voi aiheutua rajoituksia Velkakirjoihin sijoittamiseen

E – Tarjous

E.2b	Syyt tarjoamiseen ja varojen käyttö, jos muu kuin voiton tavoittelu ja/tai tietyiltä riskeiltä suojautuminen	Liikkeeseenlaskusta saatavat varat on tarkoitus käyttää jälleenrahoitukseen sekä yleiseen käyttöpääomarahoitukseen.

E.3	Tarjousehdot	Liikkeeseenlaskupäivä: 20.9.2013. Eräpäivä: 20.9.2018. Liikkeeseenlaskun kokonaismäärä: 100 000 000 euroa. Koronmaksupäivät: vuosittain jälkikäteisesti 20.9.2014alkaen ja tämän jälkeen 20.9. kunakin vuonna. Korko: 4,25 prosenttia vuodessa. Velkakirjojen efektiivinen tuotto: 4,364 prosenttia. Lunastus: nimellisarvosta, kertalyhenteisesti, eräpäivänä. Minimimerkintä: 100 000 euroa. Arvo-osuuden yksikkökoko: 1 000 euroa. Kovenantit: määräysvallan vaihtuminen, panttaamattomuussitoumus, ristiin eräännyttäminen. Selvitys: Velkakirjat lasketaan liikkeeseen arvo-osuuksina Euroclear Finland Oy:n OM arvo-osuusjärjestelmässä. Sovellettava laki: Suomen laki.
E.4	Liikkeeseenlaskuun liittyvät olennaiset intressit, mukaan lukien eturistiriidat	Pääjärjestäjän intressit: rahoitusmarkkinoilla tavanomaiset liiketoimintaintressit.
E.5	Arvioidut sijoittajilta veloitettavat kustannukset	Liikkeeseenlaskija ei veloita sijoittajalta Velkakirjojen liikkeeseenlaskuun liittyviä maksuja.

RISK FACTORS

Investors considering investment in the Notes should carefully review the information contained in this Listing Prospectus and, in particular, the risk factors described below and in the stock exchange releases published by the Company. Factors possibly affecting an investment decision are also discussed elsewhere in this Listing Prospectus. Should one or more of the risk factors described herein materialise, it may have a material adverse effect on PKC's business, financial condition, results of operations and future prospects and, thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. As a result, investors may lose part or all of their investments. The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are material in order to assess the market risk associated with the Notes. This description is based on information known and assessed at the time of preparing this Listing Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. The risks involved in an investment in the Notes are not limited to the factors identified below and the sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.

Risks Related to General Market Conditions and Strategy

Uncertain global economic and financial market conditions can adversely affect PKC's business, financial condition, results of operations and future prospects

The global credit crisis and the subsequent global recession that began in 2008 have had an adverse effect on general business conditions, increased unemployment and lowered business and consumer confidence. Despite the aggressive measures taken by various governmental and regulatory authorities as well as central banks around the world, the economic recovery has been slow. The public deficit and high indebtedness of many European countries and also the United States has weakened economic growth, end-customer demand and availability of financing for investment goods. In Brazil, inflation and economic uncertainty have increased. PKC's key customers operate in the commercial vehicle industry and customers' products are investment goods and as such their demand is highly correlated to the general economic situation.

Changes in the general market conditions can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

A slowdown in the global commercial vehicle industry can affect business volumes which in turn can adversely affect PKC's financial condition, results of operations and future prospects

The demand for PKC´s products is heavily dependent on the volatility of the global heavy truck industry, but also dependent on developments in the automotive, electronics and energy industries in general. The European heavy and medium truck production is estimated in 2013 to decrease by about 6% compared to 2012. The general economic uncertainty is estimated to keep the commercial vehicle demand in Europe at a lower level. However, the production volumes are estimated to increase due to transition to Euro 6 emission standard in the last quarter of 2013. North American heavy duty truck production is estimated to decrease by 6%, medium duty truck production to increase 7% and light vehicle production to increase by 5% from 2012 level. It is estimated that the production volumes of heavy trucks will increase gradually throughout the second half of the year 2013. Brazilian heavy duty truck production is estimated to increase by 21% and medium duty truck production by 54% compared to 2012. The governmental incentive program to support the purchase of new trucks is currently valid until the end of 2013. Should the slowdown and volatility of the global heavy automotive industry continue, thereby negatively affecting PKC's business volumes, and should PKC fail to protect itself against these risks, it may have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure of executing PKC's strategy or failure of the strategy itself may adversely affect PKC's growth prospects and profitability in the future

PKC is a global partner, designing, manufacturing and integrating electrical distribution systems for the commercial vehicle industry and other selected segments. PKC's strategic objective is to grow in a profitable manner, while strengthening its market position. Profitable growth is being sought through deepening current customer relationships, utilising global partnership opportunities in new market areas, and expanding the range of clientele in the growing markets in Asia. In addition, PKC is studying growth opportunities in expanding its business further within transportation industry. The successful implementation of PKC's business strategy will depend upon a number of factors, many of which are at least in part outside of PKC's control.

PKC´s failure in implementing the strategy, including the potential acquisitions, or failure to meet the financial goals implied by the strategy can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. In addition, even if PKC succeeds in implementing its business strategy, this may not improve its results of operations. PKC may also decide to amend its business strategy and/or adapt its business strategy.

Risks relating to PKC's Business Operations

Loss of one or more of its major customers can have a material adverse effect on PKC

The Group´s operations are dependent on agreements made with a relatively few globally operating customers and the development of their businesses. It is possible PKC loses one or more of its material customers due to insolvency or consolidation of PKC´s clients or if PKC is not able to provide products and services at competitive pricing and quality. It is also possible that PKC loses customers due to tightening competition or due to consolidation within the competitors of PKC.

If due to above mentioned reasons or otherwise PKC loses its customer and/or loses market share, this can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Downward pressure on prices can have a material adverse effect on PKC

PKC´s field of business is also characterised by constant downward pressure on prices. Cost-effectiveness is being increased by continuously developing products, rationalising production, seeking out new and more flexible ways of working, making material suppliers compete harder for the PKC´s business and moving production to countries where labour costs are lower. PKC aims to price its products and services competitively in accordance with the market situation at any given time and to offer services that fulfil the needs of its customers. However, it is possible that PKC does not succeed in pricing or productivity development or that PKC's existing or yet unknown competitors succeed better in their pricing or productivity development than PKC.

If due to above mentioned reasons or otherwise PKC loses market share, this can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure to successfully identify and complete possible acquisitions or other restructurings or enter into joint-ventures can have a material adverse effect on PKC

Asia, including China, is the world's biggest market for trucks[1], and it is anticipated to still experience strong growth. PKC's current global customers are actively directing their growth towards these markets by, for example, forming joint ventures with the leading Asian and Chinese truck manufacturers. In addition, PKC is studying growth opportunities in expanding its business further within transportation industry and PKC seeks to expand the range of clientele in current and new market areas. As a part of its growth strategy PKC may consider and execute acquisitions which are expected to boost PKC's growth targets. PKC has previously grown by completing several acquisitions, of which it has brought the integration of AEES to a conclusion during the second quarter of 2012. The growth of operations in Asia or other regions does not exclude the possibility of other restructurings or the formation of joint-ventures. For example, PKC is exploring forms of cooperation in the manufacturing of wiring systems with Sinotruck, a Chinese manufacturer of trucks and engines. Risks relating to completed and potential future acquisitions or other restructurings of PKC include unidentified liabilities of the acquired companies or businesses, the possible inability to successfully integrate and manage the acquired operations and personnel, as well as the risk that the anticipated economies of scale or synergies will not materialize. PKC seeks to manage

[1] LMC Automotive forecasting Q4/2012.

the aforementioned risks through structured acquisition processes, including due diligence reviews and integration processes. Consequently, PKC cannot guarantee that it can successfully identify potential acquisition, joint-venture or other restructuring opportunities.

The failure of PKC to successfully identify and complete possible acquisitions, other restructurings or enter into joint-ventures, due to above mentioned reasons or otherwise, can have a material adverse effect on PKC's financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Purchasing and logistics risks can have a material adverse effect on PKC

Raw materials account for approximately 60% of total costs of PKC, and trends in the world economy impact on the prices and availability of raw materials. Risks related to copper and other raw material prices can be hedged through purchasing agreements, raw material futures and options, and sales agreements. In average, changes in copper price are transferred to sales prices in a five month cycle. Similarly, changes in the prices of oil and metals can indirectly affect PKC's operations, if price fluctuations lead to a drop in demand for its customers' products.

PKC Group buys the components and raw material needed in the manufacture of its products mostly from outside suppliers. Majority of the component suppliers are designated by PKC's customers, while only the minority is managed solely by PKC.

Any disruptions in the delivery or transportation of components and materials which are due to suppliers can cause interruptions to both PKC's and its customers' production operations. Indeed, alternative suppliers cannot be quickly found for all components. PKC seeks to limit this risk by means of regularly identifying such components, identifying alternative suppliers, supplier audits and buffer stocks, through good co-operation with the customs authorities, and developing the professional skills of its logistics employees. Risks connected to interruptions and transportation have been hedged with Group-wide insurance programmes and supplementary local insurance policies. Rapid changes in forecasts submitted by customers, short delivery times, and suppliers' comparatively long delivery times, as well as the short life cycles of products pose challenges to inventory management. It is possible that PKC fails to plan and limit the supplier and logistic risks, or that such risks may not be covered by PKC's insurance policy.

PKC operates in a wide variety of countries and has several internal cross-border manufacturing agreements. Should problems arise in customs processes due to outside or internal reasons, these problems can cause interruptions to both PKC's and its customers' production operations. In addition, risks related to changes in the customs legislation and processes or thereto related false interpretations may be noticeable.

Above mentioned risks related to purchasing and logistics as well as PKC´s failure to protect against such risks can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks related to manufacturing process and quality control can have a material adverse effect on PKC

Any disruptions in manufacturing process of PKC can cause interruptions to both PKC's and its customers' production operations. Disruptions in the manufacturing process can be caused by strikes, labour actions, fire, accidents, damages or other causes. The efficiency and functionality of processes and working methods are monitored through internal assessments. The monitoring and development of the efficiency of production include aspects such as developing the working environment, keeping production machinery up to date, operational reliability and the degree of automation, maintenance programmes and the availability of spare parts as well as factors relating to the personnel´s work.

Commitment to the quality of products and operations is a vital foundation of the Group´s operations, with uncompromising quality being one of the most important factors and values guiding the Group´s operations. The cornerstone of R&D and production has always been to uphold product safety and adherence to requirements. In all its functions, the Group complies with the instructions, regulations, laws and restrictions – including those pertaining to environmental considerations – laid down by customers, society and other interest groups. In addition to product quality, steps have been taken to bolster operational quality over the entire production process. Various defect-prevention techniques are used in the planning of production processes and methods.

PKC and its customers monitor PKC’s day-to-day operational key performance indicators to avoid and mitigate risks related to manufacturing process and quality.

Above mentioned risks related to the manufacturing process and quality control as well as PKC´s failure to protect against such risks can have a material adverse effect on PKC’s business, financial position, results of operations and future prospects and thereby, on PKC’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure to avoid and control contract and liability risks can have a material adverse effect on PKC

The Group seeks to limit the contract and liability risks by means of written agreements and by taking out comprehensive insurance coverage. Written agreements have been made with major customers and suppliers and PKC´s aim is to carry contractual liability risks stemming from customer contracts to its suppliers to the extent applicable. One of the main purposes of the agreements is to agree on operating procedures and conditions to prevent the materialisation of risks, to divide responsibilities and to minimise any damage that may occur. PKC may fail to include such protective mechanisms in the agreements. Thus, PKC cannot guarantee that all contractual or liability risks have been taken into account. PKC has prepared for property, business interruption, transport and liability risks (incl. product liability, operational liability and management liability) by means of insurance programmes covering the entire Group and through local policies supplementing them.

Despite the preventive and restrictive means PKC may face damages that fall beyond the scope of the insurance coverage due to the scope or nature of damages. PKC may also fail to plan and implement adequate insurance coverage for such know or unknown risk. Such events can have a material adverse effect on PKC’s business, financial position, results of operations and future prospects and thereby, on PKC’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Political, cultural and legislative risks can have a material adverse effect on PKC

The PKC Group´s production is spread out over a wide geographical area, as is that of PKC´s main customers. Relatively high share of PKC’s production is located in countries with history of political, regulatory and economic instability, such as Brazil, Russia and Mexico etc. Unfavourable political, economic and legislative changes may impair PKC´s operations in some countries. PKC has to comply with a wide variety of laws and regulations, most notably increasing regulations restricting competitive trading conditions, health and safety regulations, environmental regulations, labour regulations, competition regulations and corporate and tax laws. Furthermore, PKC’s profitability may be burdened by high inflation of salaries and wages in emerging countries, especially in Brazil and Mexico. Also the labour union legislation, practices and the high bargaining power of labour unions e.g. in Brazil and Mexico may adversely affect PKC’s operations. The possible negative effects of such factors to PKC's business operations, business result and/or financial position cannot be predicted or excluded with certainty. The risk connected with emerging countries is reduced by decentralising production across different countries, by complying very diligently with each country’s legislation, through functional co-operation networks, and by means of continuity plans.

Above mentioned political, cultural and legislative risks as well as PKC´s failure to protect against such risks can have a material adverse effect on PKC’s business, financial position, results of operations and future prospects and thereby, on PKC’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Environmental risks can have a material adverse effect on PKC

PKC strives to minimise the environmental impact of its business in co-operation with its customers, suppliers and subcontractors in accordance with the principle of continuous improvement. Co-operation over the entire delivery chain is the most effective means of reducing the adverse environmental impacts of the chain of operations and achieving savings by recycling packaging, choosing recyclable materials, cutting down on material losses, energy consumption and unnecessary packaging materials, and other such means.

However, it is possible that PKC's activities may pollute soil, water course and buildings especially if a leak, accident or spillage occurs. It can also be possible that PKC becomes a party to such legal proceedings where a third party sues PKC's customer for breaking environmental laws. Currently there are no pending claims for damages. However, a possibility for such claims cannot be excluded. Also, PKC cannot guarantee that all the risks relating to the environment have been taken into account. The tightening of environmental regulation or the stringent application of the current regulations in countries where the PKC has activities can raise liabilities and costs that are not yet foreseeable.

Above mentioned risks and other potential environmental risks can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

<u>Loss of key personnel or failure to implement labour protection practices can have a material adverse effect on PKC</u>

PKC's development depends largely on key personnel staying employed with the Group. The loss of the work contribution of a person belonging to the PKC's senior management or the loss of work contribution of other key personnel can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. Furthermore, PKC's reputation as an employer offering ascending possibilities to professionals seeking management duties might suffer if PKC is not able to retain key personnel.

PKC's labour protection and occupational safety encompasses both the physical and psychosocial working environment. Effective labour protection is systematic and based on the assessment of working environment risks, jointly formulated plans, and security practices. Safety plans aim at achieving operational conditions in which the safety risks are at an acceptable level, and the prevention of damage and accidents is effective. PKC´s failure to plan and implement adequate labour protection and occupational safety measure or the failure to follow applicable laws and regulations regarding the same can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

<u>Information security and information systems risks can have a material adverse effect on PKC</u>

The Group's information security policy and guidelines specify minimum-level procedures and working instructions for ensuring and maintaining Group-wide information security. Efficient information systems and telecommunications connections as well as real-time information transfer between customers, suppliers and the Group's various manufacturing units, are absolutely critical in terms of business operations. PKC endeavours to ensure that the information security of applications and systems remains at an acceptable level, by means of monitoring and seeking more efficient solutions that provide greater information security. Recovery plans have been drafted for cases of failure or damage, but PKC cannot guarantee that all risks related thereto have been taken into account

PKC´s failure to plan for and implement adequate policies regarding information security and information systems can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

<u>Governmental, legal and arbitration proceedings can have a material adverse effect on PKC</u>

PKC Group Plc has been subject to a tax audit in 2011 related to the year 2009 reorganisation of Wiring Business. PKC has given its final response and the tax reassessment decision from Finnish tax administration is pending. Based on the tax audit report regarding the same, there is interpretation difference between PKC and the tax authorities, which can result in tax reassessment decision and obligation to pay additional taxes and related payments. In the opinion of the management of PKC the taxes have been reported and levied properly. However, possible tax reassessment decision can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

PKC Group is not currently involved in other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware), which may have, or may have had in the recent past, significant effects on the PKC's business operations and/or its financial position or profitability. However, the Group is exposed to different types of legal risks in its business. And therefore it is possible that PKC will in the future be a party to governmental, legal or arbitration proceedings or administrative procedure. The risks and costs relating to any of the above proceedings or procedures can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Changes in tax legislation and other taxation risks can have a material adverse effect on PKC

Tax risks relate to, among others, the changes in the tax rate and/or tax and customs legislation and processes or thereto related false interpretations or the acceptability of the Group's business transactions. The Group's internal services are priced on market terms and the Group has internal guidelines with regard to this. PKC operates in a wide variety of countries, has several internal cross-border manufacturing and service agreements and executes internal business restructurings on a regular basis. Even though PKC follows all relevant tax and customs laws and uses external tax advisors to ensure compliance, there is no certainty that all tax risks would be noticeable or avoidable. It is also possible that PKC’s business decisions are reassessed by the tax authorities, which can result in an obligation to pay additional taxes and related payments.

The realisation of tax risks can have a material adverse effect on PKC’s business, financial position, results of operations and future prospects and thereby, on PKC’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

PKC’s insurance coverage includes limitations and may not be sufficient

PKC aims to protect itself with insurance coverage as widely as the management deems necessary based on the PKC's operations. PKC’s insurance policies are subject to exclusions of liability and limitations of liability both in amount and with respect to the insured loss events. In addition, there can be no assurance that PKC’s current insurance coverage not be cancelled or become unavailable on reasonable economic terms in the future.

The realisation of such risks can have a material adverse effect on PKC’s business, financial position, results of operations and future prospects and thereby, on PKC’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Financial Risks

PKC may not receive financing at competitive terms or at all

Uncertainty in the financial market may mean that the price of the financing needed to carry out PKC’s business will increase and that it will be less readily available. PKC aims to reduce the risk relating to the availability of financing by, amongst others, applying committed revolving credit limits and by maintaining PKC’s reputation as a trustworthy debtor among its creditors. A part of PKC’s debt financing has standard covenants that apply, among other things, to the equal status of the lenders, certain key financial indicators, and the use of collateral by PKC.

Although PKC currently generates sufficient funds from operating cash flows to satisfy its debt service requirements and its capacity to obtain new financing is adequate, it is however possible, that PKC can – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs and there can be no assurance that PKC will be able to meet its financial covenants when required. Should any of the above factors materialise, this may have a material adverse effect on PKC’s business, financial position, results of operations and future prospects and thereby, on PKC’s ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Fluctuations in currency exchange rates may adversely affect PKC’s earnings and balance sheet

The objective of foreign exchange risk management is to reduce the uncertainty in the Group’s profit and loss, cash flows and balance sheet caused by fluctuations in foreign exchange rates to an acceptable level for the Group. PKC’s foreign exchange risk management shall not aim to improve profits by actively taking views on the future changes of foreign exchange rates. The main principle is to mitigate the risk first by operative means in the businesses, e.g. through commercial terms in supplier and sales contracts. Sales and purchases in foreign currencies (transaction risk) as well as balance sheet items including investments in and loans to foreign subsidiaries (translation risk) create currency risk. PKC’s treasury is authorized to use foreign exchange forwards and swaps as well as plain vanilla options to hedge against transaction risk. The main transaction risks are related to Mexican Peso vs. US Dollar and Brazilian Real vs. Euro. According to PKC’s hedging policy, all certain and highly probable transaction risk exposures (approximately 3 months’ time horizon) are hedged subject to that there are functioning, reasonably priced and liquid hedging instruments available. Majority of PKC's North American processing costs are denominated in Mexican Peso. The main principle in regard to translation risk is not to execute hedging of net investments in subsidiaries due to the fact that the translation risk only very seldom realises and while the hedge itself realises and always creates a cash flow cost. The foreign currency net investment of the Group's subsidiaries at the close of the financial period 2012 was EUR 78.9 million (2011: EUR 110.7 million). Furthermore, PKC's foreign exchange risk contains economic risk through having its manufacturing operations located in currencies other than its main selling currencies. Main manufacturing locations outside selling currencies include Mexico, Poland, Russia and China.

It is possible that PKC fails in controlling the currency risk and changes in currency positions can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Commodity risk can have a material adverse effect on PKC

Trends in global economy may affect the prices and availability of raw materials. PKC's main principle is to manage the commodity risk first by operative means e.g. through commercial terms with customers and suppliers contracts. Changes in the prices of oil and metals can interfere with PKC's operations indirectly if they reduce demand for the customers' products. PKC's major commodity risk is related to copper which is one of the components of the material costs comprising approximately ¼ of the total material costs of PKC. Changes in energy prices have no substantial effect on profit. According to PKC's Treasury Policy, PKC hedges 25%–75% of the net copper exposure. PKC's treasury is authorized to use copper futures, forwards and swaps to hedge copper exposure.

It is possible that PKC fails in controlling the commodity risk and this can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Fluctuations in interest rates may adversely affect PKC's earnings

Interest rate risk arises mainly from interest-bearing liabilities in the consolidated statement of financial position. The main objectives of interest rate risk management in PKC are to minimise interest expenses and ensure that changes in interest rates do not cause unpredictably large impact on PKC's profit and loss, cash flows or value. Interest rate risk is managed by maintaining an optimal balance between the abovementioned objectives. PKC's treasury is authorized to use interest rate swaps and forward rate agreements to modify the average interest rate fixing term. The targeted average interest rate fixing term is 6-18 months. At the end of 2012 the Group had open euro-denominated interest rate swaps. Based on these interest rate swaps PKC receives floating rate interest based on Euribor 3 months' rates and pays fixed interest. PKC applies hedge accounting to interest rate swaps.

It is possible that PKC fails in controlling interest rate risk and this can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure of successful credit risk management can have a material adverse effect on PKC

Credit risk associated with investments in the financial markets is minimised by making agreements with counterparties with high credit worthiness. Customers are granted standard payment terms only. As part of cash management PKC has some factoring arrangements. No loans are granted to parties outside PKC, nor are collateral, contingent liabilities or other obligations assumed as security for their liabilities. Impairment of trade receivables is recognised where there is reasonable evidence that PKC will not receive all receivables on the original terms. Impairment of receivables is recognised under other operating expenses in the income statement.

The possibility of major credit risks cannot be excluded. Financial difficulties of one or more customers can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Failure of successful liquidity management can have a material adverse effect on PKC

The objective of cash and liquidity management is to centralise the management of PKC's cash and other liquid assets and thereby ensure efficient use of the Group's liquidity while avoiding liquidity risk. PKC treasury shall optimize the Group's cash balances to cover the short term outgoing payments plus the liquidity buffer. To manage liquidity risk, the objective is to maintain a sufficient liquidity reserve in all situations.

At the end year 2012 cash and cash equivalents totalled EUR 87.2 million (EUR 52.3 million) in addition PKC had available undrawn credit facilities of EUR 31.1 million.

Equity and net debt in the consolidated balance sheet is managed as the capital structure. The objective of managing the capital is to support PKC's business by ensuring normal operating conditions and to increase the owner's value with a target of gaining maximum return. The optimal capital structure also ensures the lowest capital costs. The capital structure can be affected by dividend distributions, share issues and loan restructurings. The capital structure is continuously monitored by using the gearing ratio. PKC's bank loans contain common covenants. During the financial periods 2011 and 2012 and until the date of this Listing Prospectus, PKC has fulfilled the terms of the covenants. However, it cannot be guaranteed that PKC can fulfil the covenants in the future, which failure can have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Significant impairment of the goodwill decreases the equity of PKC and can have a negative effect on PKC's financial position

PKC Group signed an agreement for the purchase of shares in the AEES companies, which produce and market wires, cables, components and wiring harnesses in North America, Brazil and Ireland, on 9 August 2011. The ownership and control transferred to PKC on 1 October 2011, which is the date of acquisition. None of the goodwill, EUR 12.7 million, recognized is expected to be deductible for income tax purposes.

PKC Group assesses at least annually whether there is any indication that an asset may be impaired. Goodwill is tested for impairment annually regardless of any indication of impairment. An impairment loss is recognized when an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the asset's net selling price or its value in use, whichever is the higher. A significant impairment of the goodwill decreases the equity of PKC and, thus, it may have a negative effect on PKC's loan covenants. Even though the impairment would not affect the cash flow of PKC, a significant impairment of the goodwill may have a harmful effect on PKC's business result and/or financial position. The cash flow forecasts used in the impairment testing are based on the financial forecasts of the management. It is possible that the assumptions related to the cash flow forecasts will not be fulfilled, as a result of which the potential impairments of the goodwill may have a significantly unfavourable effect on PKC's business result and/or financial position.

Future changes in accounting standards may affect PKC's financial position

Majority of PKC's operating facilities are contracted through operating lease arrangements. An IFRS accounting principle change that would require all leases (except those under 12 months) to be recognised in the balance sheet might increase the indebtedness of PKC. Therefore, such future changes in IFRS accounting principles as described above or other changes to IFRS accounting principles may have a material adverse effect on PKC's business, financial position, results of operations and future prospects and thereby, on PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Risks relating to the Notes

The following risk factors are, among other things, material in order to assess the risks associated with the Notes. Words, expressions and references to specific conditions in this section shall have the meaning defined in the "Terms and conditions of the Notes".

The Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and

(d) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Credit risk in respect of the Issuer

The investors of the Notes are exposed to a credit risk in respect of the Issuer. The investor's possibility to receive payment under the Notes is thus dependent on the Issuer's ability to fulfil its payment obligations, which in turn is to a large extent dependent on developments in PKC's business and financial performance. In particular, should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part. An investor is always solely responsible for the economic consequences of his/her investment decisions.

No guarantee or security

The Notes will not be obligations of anyone other than the Issuer and they will not be guaranteed by any other person or entity. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

The Notes are unsecured debt instruments and the holders of the Notes (the "**Noteholders**") would be unsecured creditors in the event of the Issuer's bankruptcy or reorganisation. Accordingly, in addition to that any adverse change in the financial position or prospects of the Issuer may have a material adverse effect on the liquidity of the Notes, and may result in a material decline in the market price of the Notes, such adverse change may endanger the probability that the Noteholders will receive the prompt and full payment, when due, for principal, interest and/or any other amounts and items payable to the Noteholders pursuant to the Notes from time to time.

Absence of rating

Neither the Issuer nor the Notes are currently rated by any rating agency.

Right to redeem and purchase the Notes prior to maturity

As specified in the terms and conditions of the Notes, the holders are entitled to demand premature repayment of the Notes in cases specified in Condition 8 (*Change of Control*) and Condition 10 (*Events of Default*). Such premature repayment may have a material adverse effect on PKC's business, financial condition, results of operations and future prospects and, thereby, on the ability of PKC to fulfil its obligations under the Notes of such Noteholders who elect not to exercise their right to get their Notes prematurely repaid as well as the market price and value of such Notes. Investors are also exposed to the risk that several debt obligations of the Issuer may become due simultaneously, as a result of which the investor in the Notes may have to wait for payment until the Issuer has paid other debts which may rank *pari passu* or senior to the Notes.

In addition, as specified in the Terms and Conditions of the Notes, PKC may at any time purchase Notes in any manner and at any price prior to maturity. Only if such purchases are made by tender, such tender must be available to all Noteholders alike. PKC is entitled to cancel, dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to PKC in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases, whether by tender or otherwise, may have a material adverse effect on such Noteholders who do not participate in the purchases as well as the market price and value of such Notes.

Furthermore, in case more than 75 per cent of the aggregate volume of the Notes has been prepaid pursuant to a demand by the Noteholders based on a change of control of the Issuer, the Issuer is entitled to prepay also the remaining outstanding Notes by notifying the Noteholders of such prepayment. The early redemption triggers a so-called reinvestment risk as the investor cannot necessarily re-invest the prematurely returned principal with as high yield as the investor was originally supposed to receive under the Notes.

No prior public market for the Notes

The Notes constitute a new issue of securities by PKC. Prior to the listing of the Notes on the Helsinki Stock Exchange, there is no public market for the Notes. Although application will be made to list the Notes on the Helsinki Stock Exchange, there can be no assurance that such application will be approved. In addition, listing of the Notes will not guarantee that an active public market for the Notes will develop, and if such a market were to develop, neither the Issuer nor the Lead Manager is under any obligation to maintain such a market. The liquidity and the market prices for the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer as well as many other factors that generally influence the market prices of securities. Such fluctuations may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the holders purchased the Notes.

Noteholders should be aware of the prevailing and widely reported global credit market conditions, whereby there has been a lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more or less liquid market for the Notes and instruments similar to the Notes at that time.

Therefore, Noteholders may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the market price and value of the Notes.

Fixed interest rate

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security can fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the current interest rates on capital markets (market interest rates) typically change continuously. In case the market interest rate increases, the market price of such a security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to the market interest rate. Consequently, the holders should be aware that movements of the market interest rate may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

No limitation on issuing additional debt and selective limitation on granting of security

There is no restriction on the amount of unsecured debt which the Issuer may issue that ranks *pari passu* to the Notes. Neither is there any restriction on granting of security by the Issuer on any existing or future debts except for the negative pledge clause in Condition 9 (*Negative pledge*) of the terms and conditions of the Notes. Such issuance of further debt or granting of security may reduce the amount recoverable by the holders upon winding-up or insolvency of the Issuer.

The Notes do not, as a rule, contain covenants governing the Issuer's operations and do not limit its ability to merge, demerge, affect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes

As a rule, the Notes do not contain provisions designed to protect holders of the Notes from a reduction in the creditworthiness of the Issuer. In particular, the terms and conditions of the Notes do not, except for the change of control condition (see Condition 8 (*Change of control*) of the terms and conditions of the Notes) which grants the holders of the Notes the right to demand prepayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger, demerger, asset sale or other significant transaction that can materially alter its existence, solvency, jurisdiction of organization or regulatory regime and/or its composition and business. In the event the Issuer was to enter into such a transaction, holders of the Notes can be materially and adversely affected. Furthermore, the change of control condition does not restrict any of the current shareholders of the Issuer from disposing any or all of their shareholdings.

No voting rights

The holders of the Notes have no voting rights with respect to the General Meetings of shareholders of the Issuer. Consequently, in the Issuer's General Meetings of shareholders the Noteholders cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

No assurance on change of laws or practices

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws (including but not limited to tax laws) and regulations governing the Notes may change during the validity of the Notes, and new judicial decisions can be given and administrative practices take place. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision or administrative practice occurring after the date of this Listing Prospectus. Hence, if materialised, such event may have a material adverse effect on PKC's business, financial condition, results of operations and future prospects and, thereby, PKC's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. Such event may also cause material financial losses or damage to the Noteholders.

Withholding tax on the Notes

In the event withholding taxes are imposed in respect of payments to holders on amounts due pursuant to the Notes, the Issuer is neither obliged to gross-up or otherwise compensate holders for the lesser amounts the holders will receive as a result of the imposition of withholding taxes nor entitled to a premature redemption of the Notes.

Amendments to the Notes bind all Noteholders

The Terms and Conditions of the Notes may be amended in certain circumstances, with the required consent of a defined majority of the Noteholders. The terms and conditions of the Notes contain provisions for calling Noteholders' meetings to consider matters affecting the interests of Noteholders generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including such Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Prescription

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void. Such prescription may incur financial losses to such Noteholders who have not claimed payment under the Notes within the prescription time of three (3) years.

The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.'s operations and systems

The Notes are issued in the OM book-entry securities system of Euroclear Finland Ltd, address Urho Kekkosen katu 5 C, 00100 Helsinki ("**EFi**") or any other system of EFi replacing the OM system. The Notes are dematerialized securities and they will not be evidenced by any physical note or document of title other than statements of account made by EFi or its account operator. Consequently, the investors will have to rely for transfers and payments relating to the Notes on the procedures of EFi and its account operators.

During the term-to-maturity of the Notes, Euroclear Finland's systems to process the Notes are likely to be changed materially due to the introduction of the Target 2 securities platform of the European System of Central Banks. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Company or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each investor to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

RESPONSIBILITY STATEMENT

This Listing Prospectus has been drawn by the Issuer and the Issuer accepts responsibility regarding the information contained in this Listing Prospectus.

Having taken all reasonable care to ensure that such is the case, the information contained in this Listing Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import.

PKC Group Plc

GENERAL INFORMATION

The Issuer

PKC Group Plc
Unioninkatu 20-22
FI-00130 Helsinki
Finland

The Auditor of the Issuer

KPMG Oy Ab
Mannerheimintie 20 B
PL 1037,
FI-00101 Helsinki
Finland
Auditor in charge: Virpi Halonen

Lead Managers of the Issue of the Notes

Nordea Bank Finland Plc
Satamaradankatu 5
Helsinki
FI-00020 NORDEA
Finland

Pohjola Bank plc
Teollisuuskatu 1 b
FI-00510 Helsinki
Finland

Legal Advisor to the Issuer

Attorneys at Law Borenius Ltd
Yrjönkatu 13 A
FI-00120 Helsinki
Finland

ADDITIONAL INFORMATION

Auditors

The consolidated financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2012 incorporated in this Listing Prospectus by reference have been audited by KPMG Oy Ab with Virpi Halonen, Authorised Public Accountant, as auditor with principal responsibility. For the financial period commenced 1 January 2013, KPMG Oy Ab with Authorised Public Accountant Virpi Halonen as auditor with principal responsibility, were appointed as the auditors.

Forward-looking Statements

Certain statements in this Listing Prospectus, including but not limited to certain statements set forth under the chapters *"Risk Factors", "Information about the Issuer"* and *"Financial Information"*, are based on the beliefs of PKC Group's management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. Such forward-looking statements are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, realized revenues or performance to differ materially from the results, revenues and performance expressed or implied in the forward-looking statements of PKC Group.

Such risks, uncertainties and other important factors include, among others things, the risks described in the section *"Risk Factors".* Should one or more of these risks or uncertainties to materialize, or should any underlying assumptions prove to be incorrect, PKC Group's actual results of operations, its financial condition or its ability to fulfil its obligations under the Notes could differ materially from those described here as *"anticipated"*, *"believed", "estimated"* or *"expected"*. The forward-looking statements are not guarantees of the future operational or financial performance of PKC Group.

The Issuer does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation.

Market Information

This Listing Prospectus contains information about PKC Group's markets and estimates regarding the position of PKC Group therein. Where certain information has been derived from third-party sources the name of the source is given. The Issuer confirms that any third-party information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Issuer nor the Lead Manager have independently verified, and cannot give any assurances as to the appropriateness of such information. Should this Listing Prospectus contain market data or market estimates in connection which no source has been presented, such information is based on the estimates of PKC Group's management.

Financial Information

Financial information set forth in a number of tables in this Listing Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Listing Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based on upon the rounded numbers.

In this Listing Prospectus, references to "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary Union.

Availability of the Listing Prospectus

This Listing Prospectus will be available starting on or about 24 September, 2013 on PKC Group's website at www.pkcgroup.com; at the Company's premises at Unioninkatu 20-22, FI-00130 Helsinki, Finland during normal office hours; and at the reception of the Helsinki Stock Exchange at Fabianinkatu 14, FI-00130 Helsinki, Finland.

No Incorporation of the Website Information

This Listing Prospectus and the documents incorporated by reference hereto are available on the Company's website at www.pkcgroup.com. However, the contents of PKC Group's website or any other website do not form a part of this Listing Prospectus, and prospective investors should not rely on such information making their decision to invest in the Notes.

Notice to Investors outside Finland

This Prospectus has been prepared on the basis that all offers of the Notes in the European Economic Area (the "EEA") will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a prospectus under the Prospectus Directive for offers of securities. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for the Issuer or the Lead Manager to publish a prospectus under the Prospectus Directive for such offer. Neither the Issuer nor the Lead Manager has authorised, nor do they authorise, the making of any offer of securities through any financial intermediary. In relation to each member state of the EEA which has implemented the Prospectus Directive (each a "Relevant Member State"), an offer to the public of any Notes may not be made in that Relevant Member State, except that an offer of the Notes to the public in that Relevant Member State may be made at any time under the following exemptions from the Prospectus Directive (as amended by Directive 2010/73/EU), if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive by the Issuer or of the Lead Manager.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of the Notes to be offered so as to enable an investor to decide to purchase any of the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

The distribution of this Listing Prospectus and the offering or sale of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Listing Prospectus may come are required by the Issuer and the Arranger to inform themselves of and observe all such restrictions. This Listing Prospectus may not be distributed in the United States, Australia, Canada or Japan or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the Finnish laws. This Listing Prospectus does not constitute an offer to sell or a solicitation of an offer to buy or subscribe any of the Notes in any jurisdiction to any persons to whom it is unlawful to make such an offer or solicitation in such jurisdiction. None of the Issuer, the Arranger or any of their respective affiliates or representatives accepts any legal responsibility for any such violations, whether or not a prospective purchaser of the Notes is aware of such restrictions.

In the United Kingdom, this Listing Prospectus may be distributed only to, and may be directed at (a) persons who have professional experience in matters relating to investments falling with article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **"Order"**) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions in reliance on Regulation S under the Securities Act.

TERMS AND CONDITIONS OF THE NOTES

PKC GROUP PLC EUR 100,000,000, 4.25 per cent Notes due 2018
ISIN CODE FI4000068770

The Board of Directors of PKC Group Plc (the "**Issuer**") has in its meeting on 20 May 2013 authorised the Issuer's management to decide on the issue of senior unsecured notes referred to in Paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended in 746/1993). Based on the authorization, the Issuer has decided to issue senior unsecured notes (the "**Notes**") on the terms and conditions specified below.

Nordea Bank Finland Plc and Pohjola Bank plc will act as arrangers in connection with the offer and issue of the Notes (the "**Arrangers**").

1. PRINCIPAL AMOUNT AND ISSUANCE OF THE NOTES

The principal amount of the Notes is one hundred million euros (EUR 100,000,000) or a higher amount, as may be determined by the Issuer.

The Notes will be issued in dematerialised form in the OM book-entry securities system of Euroclear Finland Ltd ("**Euroclear Finland**") in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of Euroclear Finland, and cannot be physically delivered.

The issue date of the Notes is 20 September 2013 (the "**Issue Date**").

The Notes will be offered for subscription in a minimum amount of hundred thousand euros (EUR 100,000). The principal amount of each book-entry unit (*arvo-osuuden yksikkökoko*) is one thousand euros (EUR 1,000). The number of the Notes is hundred thousand (100,000) or a higher number if the Issuer decides to increase the principal amount of the Notes. Each Note will be freely transferable after it has been registered into the respective book-entry account.

The Issue Administrator (*liikkeeseenlaskun hoitaja*) of the Notes referred to in the regulations of Euroclear Finland (the "**Issuer Agent**") is Pohjola Bank plc.

2. SUBSCRIPTION OF THE NOTES

Notes shall be offered for subscription mainly to institutional investors through a book-building procedure (*private placement*). The subscription period shall commence and end on 13 September 2013 (the "**Subscription Date**").

Bids for subscription shall be submitted during regular business hours to Nordea Bank Finland Plc, Nordea Markets / Institutional Sales, Aleksis Kiven katu 9, FI-00020 NORDEA, Finland, telephone +358 9 369 50880 or to Pohjola Bank plc / Pohjola Markets, Teollisuuskatu 1 b, 00510 Helsinki, Finland, telephone +358 (0)10 252 7970.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription.

Subscriptions shall be paid for as instructed in connection with the subscription.

Notes subscribed and paid for shall be entered by the Issue Administrator to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of Euroclear Finland.

3. ISSUE PRICE

The issue price of the Notes is 99.498 per cent.

4. INTEREST

The Notes bear fixed interest at the rate of 4.25 per cent per annum. Interest shall be payable annually in arrears commencing on 20 September 2014 and thereafter on each 20 September (each an "**Interest Payment Date**").

Interest shall accrue for each interest period from (and including) the first day of the interest period to (but excluding) the last day of such interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Redemption Date (as defined below).

Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 (or, in the case of a leap year, 366).

5. REDEMPTION

The Notes shall be repaid in full at their nominal principal amount on 20 September 2018 (the "**Redemption Date**"), unless the Issuer has prepaid the Notes in accordance with Condition 8, 9 or 10 below.

6. STATUS AND SECURITY

The Notes constitute direct, unguaranteed and unsecured obligations of the Issuer ranking *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Notes involve a risk of the Issuer's repayment ability.

7. PAYMENTS

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the regulations and decisions of Euroclear Finland. Should the payment date of interest or principal fall on a date which is not a Business Day (as defined below), the payment of the amount due will be postponed to the next following Business Day. The postponement of the payment date shall not have an impact on the amount payable.

In these Terms and Conditions, "Business Day" shall mean a day on which banks in Helsinki are open for general business and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

8. CHANGE OF CONTROL

If, after the Issue Date, any person or group of persons acting in concert, directly or indirectly, gains control of the Issuer, the Issuer shall promptly notify the holders of Notes (the "**Noteholders**") of such event in accordance with Condition 13.

Upon occurrence of a change of control, the Issuer shall, on the Prepayment Date (as defined below), prepay the principal amount of and the interest accrued on the Notes held by the Noteholders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes accrues until the Prepayment Date (excluding the Prepayment Date).

If Notes representing more than seventy-five (75) per cent. of the aggregate principal amount of the Notes have been prepaid on the Prepayment Date pursuant to this Condition 8, the Issuer is entitled to prepay also the remaining outstanding Notes at their principal amount with accrued interest but without any premium or penalty by notifying the relevant Noteholders in accordance with Condition 13 no later than 15 Business Days after the Prepayment Date. Such prepayment may be effected at the earliest on the tenth (10th) Business Day following the date of publication of such notice.

"acting in concert" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer, to obtain or consolidate control of the Issuer;

“control” means either:

(a) ownership of shares of the Issuer representing more than 50 per cent. of the total voting rights represented by the shares of the Issuer; or

(b) capability of appointing the majority of the board of directors of the Issuer.

“Prepayment Date” means the date falling forty-five (45) Business Days after the publication of the notice referred to in the first paragraph of this Condition.

9. NEGATIVE PLEDGE

So long as any Note remains outstanding, the Issuer shall not (and the Issuer shall ensure that no other member of the Group will) create or permit to exist any Security over any of its assets, unless the granting of such security interest is required under Finnish law or other law governing such notes or other securities, or unless prior to or simultaneously therewith the Issuer’s obligations under the Notes either (a) are secured equally and rateable therewith or (b) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as referred to in Clause 12 (k)).

The above mentioned does not apply to any Security securing the Financial Indebtedness of any member of the Group the principal amount of which does not exceed, when taken together, 15 % of the consolidated assets of the Group.

"Group" means the Issuer and its subsidiaries from time to time (as defined in the Bookkeeping Act (1336/1997), as in force from time to time).

"Security" means a mortgage, charge, pledge, lien, assignment, hypothecation, guarantee or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect.

"Financial Indebtedness" means any indebtedness for or in respect of:

(a) moneys borrowed, whether by any loan or credit agreement, issue of bonds, notes, debentures or any similar instrument;
(b) any liability under a leasing contract which would, in accordance with IFRS, be treated as a finance or capital lease, or receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis), and any other transaction having the commercial effect of a borrowing;
(c) the marked to market value of any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;
(d) any counter-indemnity obligation in respect of a guarantee, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
(e) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in preceding paragraphs above.

10. EVENTS OF DEFAULT

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to the Issuer declare the outstanding principal amount of such Note together with the interest then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10) calendar day from the date such notice was received by the Issuer *provided* that an Event of Default is continuing on the date of receipt of the notice and on the specified early repayment date. Interest accrues until the early repayment date (excluding the early repayment date).

Each of the following events shall constitute an “Event of Default”:

(a) Non-Payment: Any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 14; or

(b) Cross-default: Any outstanding Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of five million euros (EUR 5,000,000) or its equivalent in any other currency is accelerated prematurely because of default, howsoever described, or if any such Indebtedness is not repaid on the due date thereof or within any applicable grace period after the due date, or if any security given by the Issuer for any such Indebtedness becomes enforceable by reason of default. A Noteholder shall not be entitled to demand repayment under this sub-Condition (b) if the Issuer has bona fide disputed the existence of the occurrence of an Event of Default under this sub-Condition (b) in the relevant court or in arbitration as long as such dispute has not been finally and adversely adjudicated against the Issuer without any appeal period; or

"Indebtedness" means, for the purposes of these terms and conditions, interest bearing debt including guarantees (whether principal, premium, interest or other amounts) in respect of any notes, bonds or other debt securities or any borrowed money of the Issuer or any of its Material Subsidiaries.

(c) Negative Pledge: the Issuer does not comply with its obligations under Clause 9 (*Negative Pledge*); or

(d) Cessation of Business: The Issuer ceases to carry on its current business in its entirety; or

(e) Winding-up: An order is made or an effective resolution is passed for the winding-up (in Finnish "selvitystila"), liquidation or dissolution of the Issuer or any of its Material Subsidiaries except for (i) actions which are frivolous (in Finnish "perusteeton") or vexatious (in Finnish "oikeuden väärinkäyttö"), or (ii) in the case of a Material Subsidiary, on a voluntary solvent basis; or

(f) Insolvency: (i) The Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due; (ii) or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Indebtedness or (iii) an application is filed for it being subject to bankruptcy or re-organisation proceedings, or for the appointment of an administrator or liquidator of any of the Issuer's or its Material Subsidiaries' assets, save for any such applications that are contested in good faith and as long as such application has not been finally and adversely adjudicated against the Issuer or its Material Subsidiary without any appeal period.

"Material Subsidiary" means for the purposes of these terms and conditions, at any time, any subsidiary of the Issuer:

(a) whose net sales (consolidated in the case of a subsidiary which itself has subsidiaries) or whose total assets (consolidated in the case of a company which itself has subsidiaries) represent not less than 10 per cent. of the consolidated net sales or the consolidated total net assets of the group taken as a whole, all as calculated by reference to the then most recent financial statements (consolidated or, as the case may be, unconsolidated) of such subsidiary and the then most recent consolidated financial statements of the group; or

(b) to which is transferred the whole or substantially the whole of the sales or assets and undertakings of a subsidiary which, immediately prior to such transfer, was a Material Subsidiary.

"subsidiary" and "group" mean a subsidiary and a group within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended) (in Finnish: "Kirjanpitolaki").

11. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision or authority of Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to holders of Notes in respect of such withholding or deduction.

12. NOTEHOLDERS' MEETING

(a) The Issuer may convene a meeting of the holders of Notes (a "**Noteholders' Meeting**") to decide on amendments of these terms and conditions or other matters as specified below. Euroclear

Finland must be notified of the Noteholders’ Meeting in accordance with the regulations of Euroclear Finland.

(b) Notice of a Noteholders’ Meeting shall be published in accordance with Condition 13 no later than ten (10) calendar days prior to the meeting. The notice shall specify the time, place and agenda of the meeting as well as any action required on the part of a Noteholder to attend the meeting. No matters other than those referred to in the notice may be resolved upon at the Noteholders' Meeting.

(c) Only those who, according to the register kept by Euroclear Finland in respect of the Notes, were registered as holders of Notes on the fifth (5th) Business Day prior to the Noteholders’ Meeting on the list of holders of Notes to be provided by Euroclear Finland in accordance with Condition 13, or proxies authorised by such holders of Notes, shall, if holding any of the principal amount of the Notes at the time of the meeting, be entitled to vote at the meeting and shall be recorded in the list of the holders of Notes present in the Noteholders’ Meeting.

(d) A Noteholders’ Meeting shall be held in Helsinki, Finland and its chairman shall be appointed by the Issuer.

(e) A Noteholders’ Meeting shall constitute a quorum only if two (2) or more holders of Notes present hold fifty (50) per cent or more of the principal amount of the Notes outstanding are present in the meeting.

(f) If, within thirty (30) minutes after the time specified for the start of the Noteholders’ Meeting, a quorum is not present, any consideration of the matters to be dealt with at the meeting may, at the request of the Issuer, be adjourned for consideration at a meeting to be convened on a date no earlier than fourteen (14) calendar days and no later than twenty-eight (28) calendar days after the original meeting at a place to be determined by the Issuer. The adjourned Noteholders’ Meeting shall constitute a quorum if two (2) or more holders of Notes holding ten (10) per cent or more of the principal amount of the Notes outstanding are present.

(g) Notice of an adjourned Noteholders’ Meeting shall be given in the same manner as notice of the original meeting. The notice shall also state the requirements for the constitution of a quorum.

(h) Voting rights of holders of Notes shall be determined according to the principal amount of the Notes held. The Issuer and any companies belonging to its group shall not hold voting rights at the Noteholders’ Meeting.

(i) Subject to Condition 12 (k) below, resolutions shall be carried by a majority of two-thirds (2/3) of the votes cast.

(j) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Noteholders’ Meeting.

(k) A Noteholders’ Meeting is entitled to make the following decisions that are binding on all the holders of Notes:

(i) to change the terms and conditions of the Notes;
(ii) to grant a temporary waiver on the terms and conditions of the Notes;

However, consent of all the holders of Notes is required to:
(iii) decrease the principal of or interest on the Notes;
(iv) extend the maturity of the Notes;
(v) amend the requirements for the constitution of a quorum at a Noteholders’ Meeting; or
(vi) amend the majority requirements of the Noteholders’ Meeting.

The consents can be given at a Noteholders’ Meeting or by other verifiable means.
The Noteholders’ Meeting can authorise a named person to take necessary action to enforce the decisions of the Noteholders’ Meeting.

(l) Resolutions passed at a Noteholders’ Meeting shall be binding on all holders of Notes irrespective of whether they have been present at the Noteholders' Meeting.

(m) Resolutions passed at a Noteholders' Meeting shall be deemed to have been notified to the holders of Notes once they have been entered into the issue account of the Notes maintained by Euroclear Finland. In addition, holders of Notes are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of holders of Notes or a Noteholders' Meeting.

13. NOTICES AND RIGHT TO INFORMATION

Holders of Notes shall be advised of matters relating to the Notes by a notice published in Helsingin Sanomat or any other major Finnish daily newspaper selected by the Issuer. Any such notice shall be deemed to have been received by the holders of Notes when published in any manner specified in this Condition 13. Once approved by Euroclear Finland, account operators of the Euroclear Finland book-entry system may give notices relating to the Notes also through the book-entry system. The Issuer may deliver notices on the Notes in writing directly to the Noteholders at the address appearing on the list of the Noteholders provided by Euroclear Finland in accordance with the below paragraph. Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this Condition 13.

In order to facilitate giving of notices to the holders of Notes pursuant to this Condition 13, the Issue Administrator is entitled to obtain information necessary for such purpose from Euroclear Finland, and Euroclear Finland shall be entitled to provide such information to the Issue Administrator.

Address for notices to the Issuer is as follows:
PKC Group Plc
Unioninkatu 20–22
FI-00130 Helsinki
Finland

14. FORCE MAJEURE

The Issuer, the Arrangers or the Issue Administrator shall not be responsible for any damage caused by *force majeure* or any other unreasonable obstacle of their operations caused by any similar reason.

15. PRESCRIPTION

In case any payment under the Notes has not been claimed by the respective holder of Note entitled to this payment within three (3) years from the original due date thereof, the right to such payment shall be prescribed.

16. LISTING

Following the subscription of the Notes, an application will be made to have the Notes listed on the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Ltd.

17. PURCHASES

The Issuer may at any time purchase Notes in any manner and at any price. If purchases are made through a tender offer, the possibility to tender must be available to all holders of Notes alike. The repurchased Notes may be resold or nullified.

18. FURTHER ISSUES OF NOTES

The Issuer may from time to time, without the consent of and notice to the holders of the Notes, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 18 shall not limit the Issuer's right to issue any other notes.

19. INFORMATION

Copies of the documents relating to the Notes shall be available for inspection during office hours at the office of the Issuer at Pohjoisesplanadi 35 AB, 00100 Helsinki, at Nordea Bank Finland Plc, Nordea Markets, Aleksis Kiven katu 9, FI-00020 Nordea, Finland and at Pohjola Bank plc / Pohjola Markets, Teollisuuskatu 1b, 00510 Helsinki.

20. APPLICABLE LAW AND JURISDICTION

The Notes are governed by Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (Helsingin käräjäoikeus).

ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Decisions and authorisations:	Authorisation of the Board of Directors of the Issuer dated 20 May 2013.
Type of the Issue:	Individual issue of Notes offered mainly to institutional investors. The maximum principal amount of the Notes (EUR 100,000,000) was issued on 20 September 2013.
Interests of the Lead Manager:	Business interest normal in the financial markets.
Form of the Notes:	Dematerialised securities issued in book-entry form in the book-entry system maintained by Euroclear Finland Oy.
Depository and Settlement System:	Euroclear Finland Oy, address Urho Kekkosen katu 5C, FI-00100, Helsinki, Finland, OM system of Euroclear Finland Oy.
Listing:	Application has been made for the Notes to be admitted to public trading listed on the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Ltd.
Estimated time of listing:	On or about 26 September 2013.
Estimated net amount of the proceeds:	Approximately EUR 100,000,000.
Estimated cost of issue and listing:	Approximately EUR 400,000.
Rate of interest of the Notes:	4.25 per cent per annum.
Effective yield of the Notes:	4.364 per cent per annum.
Taxation:	If the recipient of the interest paid on the Notes is a corporation as defined in the Income Tax Act residing in Finland, such interest is usually subject to taxation of the recipient corporation in accordance with the Business Income Tax Act (In Finnish: *laki elinkeinotulon verottamisesta*) (360/1968, as amended). The current rate of corporate income tax is 24.5 per cent. In case the subscriber is liable to pay the interest accrued from the Issue Date until the payment date of the subscription, the subscriber is entitled to deduct the paid interest from the taxable income of the year of subscription. For non-profit foundations and associations the interest received may be regarded as personal income, depending on the circumstances. Payment of interest to a Noteholder, who is neither a resident in Finland nor engaged in trade or business in Finland through a permanent establishment for income tax purposes, is not subject to Finnish withholding tax. If the recipient of interest paid on the Notes is an individual residing in Finland or an undistributed estate of a deceased Finnish resident individual,

such interest is subject to withholding of tax in advance in accordance with the Withholding Tax Act (In Finnish: *ennakkoperintälaki*) (1118/1996, as amended) and ordinary taxation as capital income in accordance with the Income Tax Act (In Finnish: *tuloverolaki*) (1535/1992, as amended). The current rate of tax withholding is 30 per cent. The capital income tax rate is currently 30 per cent (32 per cent of the capital income exceeding EUR 50,000). In unusual cases the recipient being an individual may be taxed in accordance with the Business Income Tax Act (instead of the Income Tax Act). The Act on Source Tax on Interest Income (In Finnish: *laki korkotulon lähdeverosta*) (1341/1990, as amended) is not applicable to the Notes.

The Noteholders are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

ISIN Code of the Notes:	FI4000068770.
Use of proceeds:	The proceeds from the Issue are intended to be used for refinancing and general corporate purposes.

INFORMATION ABOUT THE ISSUER

General

The business name of the Company is PKC Group Plc. The Issuer is a public limited liability company incorporated in Finland, and it is organised under the laws of Finland. The Issuer has been established on 20 June 1994 and it is registered in the Finnish Trade Register under the business identity number 0972280-0. The registered address of PKC Group Plc is Unioninkatu 20-22, FI-00130 Helsinki, Finland and its telephone number is +358 20 1752 111.

According to Section 2 of the Company's Articles of Association, the Company's field of operations is to research and develop, manufacture, export, import, sale and market as well as maintain and repair electric and data transfer systems, electronic and electric products and cable systems as well as other legal operations.

History and Development of PKC Group

<u>The first listed company in northern Finland 1994-2000</u>

In June 1994, the acting management acquired Nokia Johdinsarjat Oy's wiring harness business in management buy-out transaction. The business was incorporated into PKC (then PK Cables Oy).

The strategy to go international led to the company being listed on the Helsinki Stock Exchange. PK Cables Oyj was listed in the spring of 1997.

PKC Group´s international growth continued in 1998 when its subsidiary PK Cables do Brasil began its operations. The acquisition in 1999 of Oy Raahen TH-Elektroniikka Ab (currently PKC Electronics Oy) in Raahe, Finland, was also a significant expansion.

<u>Period of strong international growth 2000-2007</u>

Since 2000, the company has operated under the name PKC Group Oyj. In the same year, the subsidiary PK Cables Nederland B.V. began its operations.

In 2002, PKC acquired its long-time subcontractor in Estonia. With the acquisition of the Estonian AS AJT Harju Elekter (currently PKC Eesti AS) in 2002, PKC Group became the owner of the units in Haapsalu and Keila.

The Carhatec Group became part of PKC Group in 2003. In addition to its units in Finland, Carhatec owned a factory in Kostomuksha, Russia.

In 2004, PKC Group spun off its electronics business into a subgroup, and established a unit in the United States. In the following year, a decision was taken to found a subsidiary in China where production started in 2006.

In 2006, PKC expanded to North America by acquiring the Electro Canada companies with units in Canada, USA and Mexico.

<u>New significant businesses and customer accounts 2008</u>-

At the end of 2008 PKC Group Oyj acquired MAN Nutzfahrzeuge AG's cable harness business from MAN Star Trucks & Buses Sp. z o.o. in Poland. PKC's Polish subsidiary, PKC Group Poland Sp. z o.o. continued the acquired operations. The acquisition brought a significant addition to PKC's customer base as MAN Group became PKC's customer on the basis of long-term supplier agreement signed at the same time.

On 1st of November 2009 PKC reorganised its Wiring Harness business into a separate subgroup. The aim was to streamline the operations and to improve PKC's opportunities for continuous development.

In the spring 2011 under the share purchase agreement, PKC Group´s subsidiaries purchased all shares in Segu companies functioning in German, Poland and Ukraine. The Segu companies manufacture and develop wiring harnesses for the automotive and construction equipment sectors. In addition to access to interesting new OEMs, the acquisition of Segu companies provided a strategically important footprint in Germany as well as benefit of scale and increased credibility for PKC.

In the fall 2011 PKC Group signed an agreement for the purchase of AEES companies from funds controlled by Platinum Equity. AEES is one of the leading North American wiring harness manufacturers for heavy and medium duty trucks and it also has a significant position in light vehicle wiring harnesses. In addition, AEES provides components and wires to other contract manufacturers. AEES has operations in USA, Mexico, Brazil and Ireland and had about 13,800 employees at the end of June 2011. The acquisition hereby provided access to new customer segments and also offered PKC an opportunity to expand its product and service offering, e.g. via manufacturing of components and wires.

In 2012, the integration of acquisitions made in 2011 was completed and Group headquarters were transferred from Kempele to Helsinki. It was also decided to transfer the Vehicle Electronics business from the Electronics business segment to Wiring Systems business segment.

In 2013 PKC Group has decided to close the operations in Ireland and transfer its production to Group's existing facilities in Torreon, Mexico and Barchfeld, Germany. In addition, PKC Group is studying the options for its metal stamping manufacturing site in Traverse City, Michigan, USA, including the potential sale of the business and its operations. PKC has also decided to close the Ukraine plant operations and transfer production to Poland and Estonia. In 2013, PKC Group also closed its Electronics business segment operations in Russia.

Business Overview

PKC Group has two business areas: Wiring Systems and Electronics. Wiring Systems business is organised under PKC Wiring Systems Oy and Electronics business under PKC Electronics Oy.

PKC's strategic objective is to grow in a profitable manner, while strengthening its market position. Profitable growth is being sought through deepening current customer relationships, utilising global partnership opportunities in new market areas, and expanding the range of clientele in the growing markets in Asia. In addition, PKC is studying growth opportunities in expanding its business further within transportation industry.

Wiring Systems

The Wiring Systems business designs, manufactures and integrates electrical distribution systems, electronics and related architecture components, vehicle electronics, wires and cables especially for trucks and buses, light and recreational vehicles, construction equipment and agricultural and forestry equipment. In 2012, the share of the Wiring Systems business of the Group's consolidated net sales was 92.5%. The units of Wiring Systems business are located in Finland, Russia, Estonia, Poland, Ukraine, Germany, USA, Mexico and Brazil.

PKC also designs and manufactures plastic components, connectors, junction boxes, power distribution centers and wires. Wiring Systems business' clientele include all the main western truck manufacturers and global, leading manufacturers of tractors, construction equipment and light and recreational vehicles.

In 2012 the business environment in the wiring systems market remained stable in Europe despite the economic crisis, but it started to weaken toward the end of the year. The commercial vehicle market in North America grew in a positive manner, but general economic caution slowed down the development towards the end of the year.

In 2012, in addition to the traditional market areas in Europe, North and South America, the number of customers also continued to increase in Asia. PKC's product portfolio offers high technology solutions tailored to and suited for the growing commercial vehicle markets in Asia. As a global partner, PKC can offer its services both to existing customers and the leading Asian and Chinese truck manufacturers.

PKC's organisational structure has been updated during 2012 to better meet the needs of the business. In spring 2012, all Presidents of the geographical Wiring Systems business areas were appointed to the Executive Board, which in turn ensures up-to-date management and communications within the organisation. The management of Wiring Systems business in Europe and Asia was renewed by reorganizing operative management under common leadership and by centralizing sales management. The Wiring Systems business in Brazil also had its management strengthened and operations centralised.

Toward the end of the year 2012, it was decided to move the Vehicle Electronics business from the Electronics segment to Wiring Systems segment. The goal is to significantly increase the Vehicle Electronics business as part of the Wiring systems business solutions. In the same connection, it was decided to reorganize the wiring systems and vehicle electronics business in China into a separate company. An extensive operational integration process commenced after the acquisition of AEES and SEGU companies. The integration of the AEES acquisition was brought to a conclusion during the second quarter of 2012.

PKC's vision for the Wiring Systems business is that PKC will in future be the global market leader in electrical distribution system architecture and electronics for commercial vehicles and selected other segments. According to the PKC's management, PKC's strengths, mass customisation and the skill to integrate into the customers' operating environment, provide an advantage in the market. Product design and supply chain management are carried out in close cooperation with customers and in accordance with their requirements.

Electronics

The Electronics business offers, in particular, product design, development and manufacture services of testing solutions and power supply systems for the electronics, telecommunications and energy industry. Products designed and manufactured by PKC are used in e.g. power control for machines, the testing of electronic products and energy-saving. The service concept covers the entire product life-cycle. In 2012, the Electronics business accounted for 7.5% of the Group's consolidated net sales. The factories of electronics business are located in Finland and China.

The business environment in the electronics in 2012 was influenced by the economic uncertainty in Europe and global caution among companies towards industrial investment. This had an impact on the demand for electronics products. However, the demand for renewable energy and energy-saving products and intelligent power supply solutions remained good. The increased use of electronics in vehicles has also increased the demand for vehicle electronics. Competition in the electronics manufacture market nevertheless continued to be tight.

During 2012, design and product development expertise was heightened and intensified, especially in China. Cooperation between Finland and China enabled more comprehensive service provision than before for global clientele. Design, prototype and preproduction manufacture taking place close to the customer, support a faster launch of products to the markets. The effectiveness of customer service and operations was also improved via changes in the production network. Production transfers between units boosted operations and supported the Group's business strategies.

The development of vehicle electronics continued strongly in 2012, and new customerships were obtained. At the end of the year 2012, it was decided to move the Vehicle Electronics business from the Electronics business segment to Wiring Systems business segment. This enables the concentration of the Electronics business on the improvement of competitiveness in its core competence areas.

According to PKC's management, electronics business' core competence is to provide comprehensive services for the entire product life-cycle. During 2012, the demand for PKC testing solutions remained high. PKC offers its customers a comprehensive test systems services package which includes a testing station and software, product specific adapters, and maintenance. Power supply unit design is another field of expertise in the electronics business. Product life-cycle services also include global procurement solutions for electronics and mechanics in addition to product maintenance and service operations.

PKC also offers tailored solutions for direct current, alternating current, high-voltage and precision power supply units. These intelligent power supply units ensure high efficiency and low energy consumption also under demanding industrial-environment and telecommunications conditions. In particular, programmable power supply units for LED illumination solutions are being advanced at PKC.

Renewable energy solutions and intelligent electrical networks have opened up new opportunities in the Electronics segment, for instance in the design and manufacture of electrical network control equipment.

Employees

At the end of the year 2012, the Group employed 19,305 people. Of them, 62% worked in North America, 23% in Europe, 13% in South America and 2% in Asia.

Investments

PKC Group has not made any investments of material significance since the date of the last published financial statement nor has its management made any firm commitments of such investments.

Organisational Structure

PKC Group Plc is the parent company for the whole group, so it manages and directs the operations for the whole group. The main responsibility for the internal control and risk management systems relating to the financial reporting process lies with the Board of PKC Group Plc. The Group's operations are divided into two business areas corresponding to the core competence areas: Wiring Systems and Electronics. Wiring Systems business is organised under PKC Wiring Systems Oy and Electronics business under PKC Electronics Oy. The Group has production facilities in Brazil, China, Estonia, Finland, Germany, Mexico, Poland, Russia, Ukraine and the USA and it employs over 19,000 people.

The following table presents the Group Companies at the date of this Listing Prospectus (all of the Companies are 100 per cent owned by the Group):

Company	Domicile
PKC Wiring Systems Oy	Finland
AEES Inc.	USA
AEES Manufacturera, S. de R.L de C.V	Mexico
AEES Power Systems Limited Partnership	USA
Arneses de Ciudad Juarez, S. de R.L de C.V	Mexico
Arneses y Accesorios de México, S. de R.L de C.V.	Mexico
Asesoria Mexicana Empresarial, S. de R.L de C.V.	Mexico
Cableodos del Norte II, S. de R.L de C.V.	Mexico
Carhatest Oy	Finland
Engineered Plastic Components Europe Limited	Ireland
LLC PKC Group Ukraine	Ukraine
Manufacturas de Componentes Eléctricos de México, S. de R.L. de C.V.	Mexico
OOO AEK	Russia
OOO PKC Group Northwest	Russia
PK Cables do Brasil Industria e Comercio Ltda	Brazil
PKC Eesti AS	Estonia
PKC Group APAC Limited	Hong Kong
PKC Group Canada Inc.	Canada
PKC Group de Piedras Negras, S. de R.L. de C.V.	Mexico
PKC Group Mexico S.A. de C.V.	Mexico
PKC Group Poland Sp. z o.o	Poland
PKC Group USA Inc.	USA
PKC SEGU Systemelektrik GmbH	Germany
Project Del Holding S.a.r.l	Luxemburg
T.I.C.S. Corporation	USA
TKV-sarjat Oy	Finland
PKC Netherlands Holding B.V.	The Netherlands
PK Cables Nederland B.V.	The Netherlands
PKC Electronics Oy	Finland
OOO Elektrokos	Russia
PKC Wiring Harness & Electronics (Suzhou) Co., Ltd.	China

Governmental, Legal and Arbitration Proceedings

PKC Group Plc has been subject to a tax audit in 2011 related to the year 2009 reorganisation of Wiring Systems business. PKC has given its final response and the tax reassessment decision from Finnish tax administration is pending. Based on the tax audit report regarding the same, there is interpretation difference between PKC and the tax authorities, which can result in tax reassessment decision and obligation to pay additional taxes and related payments. In the opinion of the management of PKC the taxes have been reported and levied properly.

PKC Group is not currently involved in other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware), which may have, or may have had in the recent past, significant effects on the PKC's business operations and/or its financial position or profitability.

Material Contracts

On 9 August 2011, the Company, PKC Group USA Inc. and PKC Wiring Systems Oy entered into a EUR 181 million long-term senior term and revolving credit facilities agreement which was used for (a) financing AEES transaction (b) refinancing certain existing indebtedness and (c) working capital and general corporate purposes of the Group.

On 9 September 2013, the Company signed a Framework Agreement for Strategic Cooperation with China National Heavy Duty Truck Group Company Limited ("SINOTRUK"). SINOTRUK designs, develops, produces and sells a wide range of heavy duty trucks, special-purpose vehicles, buses, refitted vehicles, engines and their sets, parts and special type chassis. Under the preliminary agreement, PKC and SINOTRUK desire to explore certain forms of cooperation in connection with the manufacturing of wiring systems, which include setting up a joint venture in China and signing a long term supply agreement subject to further negotiations. The joint venture would manufacture wiring systems for SINOTRUK and possibly also for other customers in China and abroad.

There are no other material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any PKC Group company being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders.

Directed Share Issue in September 2013

The Board of Directors of PKC Group decided on 4 September 2013 to offer up to 2.14 million new shares in the Company (the "**Shares**") to a limited number of select domestic and international institutional qualified investors in an accelerated book-built offering deviating from the shareholders' pre-emptive subscription rights (the "**Share Issue**"). The Share Issue was published and completed on 5 September 2013.

Based on the subscription commitments received during the accelerated book-building, the Board of Directors of PKC issued 2,140,000 new Shares to select domestic and international institutional qualified investors. The Shares correspond to 9.9 per cent of all the shares and voting rights in the Company immediately prior to the Share Issue. Following the Share Issue, the number of issued and outstanding shares of the Company will be 23,800,772.

The subscription price was set at EUR 21.00 per Share, amounting to a total of EUR 44.94 million before commissions and expenses. The proceeds from the Share Issue are intended for refinancing and general corporate purposes. In addition, the proceeds are to ensure sufficiently strong capital structure in order to continue to execute the Company's strategy and growth plan including financing potential acquisitions.

The Shares were registered in the Finnish Trade Register on 12 September 2013 and begun trading on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares on 13 September 2013.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present selected consolidated financial information for PKC Group as of and for the years ended December 31, 2012 and 2011 and the six months ended June 30, 2013 and 2012. The consolidated financial information presented below has been derived from PKC Group's audited consolidated financial statements as of and for the years ended December 31, 2012 and 2011 and unaudited consolidated interim financial statements as of and for the six months ended June 30, 2013 and 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**1-12/2012**	**1-12/2011**	**1-6/2013**	**1-6/2012**
EUR 1,000	(audited)		(unaudited)	
REVENUE	**928,178**	**550,208**	**460,261**	**486,771**
Other operating income	2,193	4,042	787	661
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-839	-1,679	-2,770	-2,505
Production for own use	207	208	103	60
Materials and services	564,482	332,646	275,439	297,273
Employee benefit expenses	203,221	109,800	103,996	101,283
Depreciation and amortisation	32,584	17,531	17,040	15,048
Other operating expenses	86,000	58,296	43,984	44,471
OPERATING PROFIT	**43,451**	**34,505**	**17,923**	**26,912**
Financial income	335	599	41	723
Financial expenses	-8,840	-5,690	-3,886	-3,171
PROFIT BEFORE TAXES	**34,946**	**29,414**	**14,078**	**24,464**
Income taxes	-10,947	-5,969	-4,927	-7,839
PROFIT FOR THE REPORT PERIOD	**23,999**	**23,445**	**9,151**	**16,626**
Diluted earnings per share (EPS), EUR	1.12	1.16	0.42	0.78
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Interest derivatives	-970	-464	339	-401
Foreign currency translation differences - foreign operations	-2,190	-1,112	-5,607	4,800
Tax effects relating to components of other comprehensive income	238	0	-82	0
Total comprehensive income for the period:	**21,076**	**21,869**	**3,800**	**21,025**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**31.12.2012**	**31.12.2011**	**30.6.2013**	**30.6.2012**
EUR 1,000	(audited)		(unaudited)	
Assets				
Non-current assets				
Goodwill	30,627	29,813	29,016	30,527
Other intangible assets	43,234	50,099	39,536	49,070
Property, plant and equipment	94,307	113,556	87,913	101,729
Deferred tax assets	11,272	7,697	13,410	12,957
Receivables	25,058	20,207	1,319	23,302
Total non-current assets	**204,499**	**221,371**	**171,194**	**217,584**
Current assets				
Inventories	87,481	110,526	87,754	97,586
Receivables				
Trade receivables	84,604	103,965	112,919	112,721
Other receivables	19,356	20,490	15,794	22,440
Current tax assets	1,897	165	1,564	4,606
Total receivables	105,857	124,621	130,276	139,766
Cash and cash equivalents	87,222	52,280	59,758	61,636
Total current assets	**280,560**	**287,426**	**277,788**	**298,988**
Total assets	**485,059**	**508,798**	**448,982**	**516,573**
Equity and liabilities				
Equity				
Share capital	6,191	6,103	6,218	6,191
Share premium account	10,606	8,259	11,343	10,605
Invested non-restricted equity fund	35,376	35,639	36,212	34,013
Translation reserve	4,582	6,257	-1,366	10,700
Fair value reserve	-732	-464	-475	-865
Share-based payments	2,975	2,340	3,390	2,676
Retained earnings	81,533	70,902	90,167	81,407
Profit for the report period	23,999	23,445	9,151	16,626
Total equity	**164,530**	**152,482**	**154,640**	**161,353**
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	74,595	146,789	67,958	140,942
Non-interest-bearing liabilities	27,196	24,321	5,236	26,809
Provisions	1,301	1,541	895	885
Deferred tax liabilities	27,617	32,957	23,807	32,700
Total non-current liabilities	**130,709**	**205,608**	**97,897**	**200,643**
Current liabilities				
Interest-bearing liabilities	69,190	16,230	61,642	14,120
Trade payables	75,510	90,779	90,809	91,342
Other non-interest-bearing liabilities	45,024	43,176	43,676	44,659
Current tax liabilities	96	524	318	4,456
Total current liabilities	**189,820**	**150,708**	**196,445**	**154,577**
Total liabilities	**320,529**	**356,316**	**294,342**	**355,220**
Total equity and liabilities	**485,059**	**508,798**	**448,982**	**516,573**

CONSOLIDATED STATEMENT OF CASH FLOWS	1-12/2012	1-12/2011	1-6/2013	1-6/2012
EUR 1,000	(audited)		(unaudited)	
Cash flows from operating activities				
Cash receipts from customers	949,400	564,533	423,364	478,124
Cash receipts from other operating income	3,246	5,357	99	351
Cash paid to suppliers and employees	-851,334	-520,867	-405,381	-433,713
Cash flows from operations before financial income and expenses and taxes	**101,311**	**49,022**	**18,083**	**44,762**
Interest paid and other financial expenses	-5,635	-3,695	-4,083	-3,004
Translation difference	1,033	2,489	1,693	1,448
Interest received	335	1,995	41	91
Income taxes paid	-21,057	-9,822	-7,419	-8,027
Net cash from operating activities (A)	**75,988**	**39,990**	**8,315**	**35,271**
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	-16,317	-11,845	-7,209	-9,454
Proceeds from sale of property plant and equipment and intangible assets	3,490	1,393	206	2,077
Acquisitions of subsidiaries shares, net of cash acquired	0	-79,565	0	0
Loans granted	0	-514	0	0
Proceeds from repayments of borrowings	514	16	0	411
Dividends received from investments	0	301	0	0
Net cash used in investment activities (B)	**-12,313**	**-90,213**	**-7,002**	**-6,965**
Cash flows from financial activities				
Share issue	2,687	4,000	985	2,590
Drawing of borrowings	5,090	165,878	0	5,041
Repayment of short-term/long-term borrowings	23,642	-93,596	-14,502	-14,549
Dividends paid	-12,814	-10,890	-15,122	-12,814
Net cash used in financial activities (C)	**-28,678**	**65,391**	**-28,638**	**-19,733**
Net increase (+) or decrease (-) in cash and equivalents (A+B+C)	**34,996**	**15,168**	**-27,325**	**8,572**
Cash and equivalents at beginning of period	52,280	37,104	87,222	52,280
Effect of exchange rate fluctuations	-54	8	-138	784
Cash and equivalents at the end of period	87,222	52,280	59,758	61,636
Change	34,996	15,168	-27,325	8,572

KEY INDICATORS	31.12.2012	31.12.2011	30.6.2013	30.6.2012
	(audited)		(unaudited)	
Revenue, EUR 1,000	928,178	550,208	460,261	486,771
Operating profit, EUR 1,000	43,451	34,505	17,923	26,912
% of revenue	4.7	6.3	3.9	5.5
Profit before taxes, EUR 1,000	34,946	29,414	14,078	24,464
% of revenue	3.8	5.3	3.1	5.0
Net profit for the period, EUR 1,000	23,999	23,445	9,151	16,626
% of revenue	2.6	4.3	2.0	3.4
Return on equity (ROE), %	15.1	17.0	11.5	21.2
Return on investments (ROI), %	16.7	18.9	18.0	23.0
Gearing, %	34.4	72.6	45.2	57.9
Equity ratio, %	33.9	30.0	34.5	31.2
Current ratio	1.5	1.9	1.4	1.9
Gross capital expenditure, EUR 1,000	16,023	101,532	6,828	10,132
% of revenue	1.7	18.5	1.5	2.1
R&D expenditure, EUR 1,000	7,992	6,922	4,279	4,079
% of revenue	0.9	1.3	0.9	0.8
Personnel average (unaudited)	20,590	10,793	19,544	21,478

CALCULATION OF INDICATORS

Return on equity, ROE (%) $= 100 \times \dfrac{\text{Profit for the report period}}{\text{Total equity (average)}}$

Return on investments, ROI (%) $= 100 \times \dfrac{\text{Profit before taxes + financial expenses}}{\text{Total equity + interest-bearing financial liabilities (average)}}$

Gearing (%) $= 100 \times \dfrac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Total equity}}$

Equity ratio (%) $= 100 \times \dfrac{\text{Total equity}}{\text{Total of the statement of financial position - advance payments received}}$

Current ratio $= \dfrac{\text{Total current assets}}{\text{Total current liabilities}}$

FINANCIAL AND TREND INFORMATION

Historical Financial Information

PKC Group's consolidated audited financial statements as of and for the financial years ended 31 December 2012 and 2011 (IFRS) as well as unaudited interim reports as of and for the six months ended 30 June 2013 and 2012 have been incorporated into this Listing Prospectus by reference. PKC Group's interim reports have been prepared in accordance with IAS 34 (Interim Financial Reporting).

Except for the financial statements as of and for the financial years ended 31 December 2012 and 2011, the information included in this Listing Prospectus has not been audited.

No Significant Change in the Issuer's Financial or Trading Position

There has been no significant change in the financial or trading position of PKC since 30 June 2013, which is the date of its last published unaudited interim report.

Trend Information

European heavy and medium truck production is estimated in 2013 to decrease by about 6% compared to 2012. The general economic uncertainty is estimated to keep the commercial vehicle demand in Europe at a lower level. However, the production volumes are estimated to increase due to transition to Euro 6 emission standard in the last quarter of 2013. North American heavy duty truck production is estimated to decrease by 6%, medium duty truck production to increase 7% and light vehicle production to increase by 5% from 2012 level. It is estimated that the production volumes of heavy trucks will increase gradually throughout the second half of the year 2013. Brazilian heavy duty truck production is estimated to increase by 21% and medium duty truck production by 54% compared to 2012. The governmental incentive program to support the purchase of new trucks is currently valid until the end of 2013. The forecasts and estimates described above are provided by LMC Automotive, a provider of automotive production and sales forecasts and automotive industry market intelligence, which is utilised by the management of PKC in its forward-looking commercial vehicle market outlook statements.

The management of PKC estimates the demand of industrial electronic appliances to remain at the previous level. Volumes of renewable-energy and energy saving products including smart grid solutions are likely to increase. Also the demand in telecommunications sector is expected to increase slightly.

The public deficit and high indebtedness of many European countries and also the United States has weakened economic growth, end-customer demand and availability of financing for investment goods. In Brazil, inflation and economic uncertainty have increased. This increases uncertainty in the markets and might be reflected in longer than expected customer production shut-downs, in reduced daily production volumes or higher order volatility. Weakening of the USD against the Mexican peso as well as the weakening of the euro against the Polish zloty and the Russian rouble may increase PKC's processing costs. Strengthening of the euro against the Brazilian real may increase PKC's material costs. A significant increase in copper price may weaken PKC Group's profit in short term. The customer prices are updated on average with 5 month delay on the basis of copper price changes.

Profit Forecast

On 29 May 2013 the Company issued a profit warning, lowering its operating profit outlook for 2013 so that the Comparable operating profit excluding non-recurring items is not estimated to reach 2012 level. The estimate regarding the full year net sales remained unchanged. The Company stated that Brazilian unit's profitability shall be weaker than previously estimated. The operating losses shall increase due to the sizeable payments related to the new collective bargaining agreement which have been demanded from automotive companies in Curitiba and which weaken Company's operating profit during the second half of the year.

The future outlook included in the profit warning and in the interim report for 1 January – 30 June 2013 stated the following:

"PKC Group estimates its full year 2013 revenue to be lower than in 2012 and estimates its comparable operating profit excluding non-recurring items not to reach 2012 level. In 2012 PKC's revenue was EUR 928.2 million and comparable operating profit excluding non-recurring items was EUR 51.5 million."

The principal assumptions upon which the Issuer has based its forecasts are based on the best current knowledge of the PKC Group's management and information published by market research companies and customers. PKC's customers typically deliver to PKC twelve months rolling forecasts for production planning, but the committed and binding order book predominantly covers only at maximum a few weeks' time horizon. The estimates and forecasts contain certain elements of risk and uncertainty which, if they materialise, may lead to results that differ from present estimates. The main factors of uncertainty are related, among other things, to the general economic situation, the trend in the operating environment and the sector as well as the success of the Group's strategy.

Influence of management on factors affecting the forecast

The assumptions on bases for future outlook upon which the management can influence for its part include measures that the Company is capable of implementing in PKC's manufacturing and logistics operations, such as sourcing, supply chain management, engineering, production scheduling, manufacturing and deliveries through ordinary managerial measures. In addition, those include cost structure and quality management and the amount and timing of capital expenditure. The other factors affecting the outlook are generally beyond the influence of the management.

BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

According to the Company's Articles of Association, the Board of Directors shall have a minimum of five and a maximum of 7 members. As per the Articles of Association, the term of a member of the Board of Directors expires at the end of the next Annual General Meeting following the election. The Board of Directors is responsible for the Company´s administration and the due organisation of operations. The Board of Directors has drafted a written charter for its operations, which defines the key tasks and operating principles of the Board.

Name	Year born	Position	Elected to the Board of Directors
Matti Ruotsala	1956	Chairman since 2008	2006
Robert J. Remenar	1955	Vice-Chairman since 2013	2012
Wolfgang Diez	1953	Member of the Board of Directors	2013
Outi Lampela	1949	Member of the Board of Directors	2009
Shemaya Levy	1947	Member of the Board of Directors	2012
Harri Suutari	1959	Member of the Board of Directors	2012
Jyrki Tähtinen	1961	Member of the Board of Directors	1999

Matti Ruotsala has been a member of the Board of Directors since 2006 and the Chairman of the Board of Directors since 2008. He is also the Chairman of the Nomination and Remuneration Committee. Mr. Ruotsala is Executive Vice President of Fortum Corporation Power Division. Mr. Ruotsala is the Chairman of the Board of Directors at Kemijoki Oy and a member of the Board of Directors at Oy Halton Group Ltd, Componenta Oyj and Teollisuuden Voima Oyj. Mr. Ruotsala is independent of the Company and of its significant shareholders.

Robert J. Remenar has been a member of the Board of Directors since 2012 and the Vice-Chairman of the Board of Directors since 2013. Mr. Remenar is also a member of the Nomination and Remuneration Committee. Mr. Remenar is the President and CEO of Chassix Inc. (formed by integrating Diversified Machine, Inc. and SMW Automotive) Mr. Remenar is a member of the Board of Directors at Nexteer Automotive and Stackpole International, member of the President´s Advisory Council (PAC) of Walsh College, Troy, Michigan and a member of Dean´s Business Advisory Council (DBAC), Central Michigan University, Mt. Pleasant, Michigan. Mr. Remenar is independent of the Company and of significant shareholders.

Wolfgang Diez has been a member of the Board of Directors since 2013 and is also a member of the Audit Committee. Mr. Diez is an independent consultant in automotive and supplier industry. Mr. Diez is independent of significant shareholders.

Outi Lampela has been a member of the Board of Directors since 2009 and is also a member of the Audit Committee. Ms. Lampela is Consultant, Financial Advisor. Ms. Lampela is independent of the Company and of its significant shareholders.

Shemaya Levy has been a member of the Board of Directors since 2012 and is also the Chairman of the Audit Committee. Mr. Levy is a board professional and is a member of the Supervisory Board and Nomination Committee and Chairman of the Audit Committee at AEGON N.V., Vice-chairman of the Supervisory Board, Chairman of the Audit Committee and member of the Remuneration Committee at TNT Express N.V. and a member of the Supervisory Board of the SEGULA Technologies Group. Mr. Levy is independent of the Company and of its significant shareholders.

Harri Suutari has been a member of the Board of Directors since 2012 and is also a member of the Nomination and Remuneration Committee. Mr. Suutari is a board professional and has previously been the President and CEO at PKC Group Plc (April 3 2008 - April 4 2012 and March 13, 2002-August 31, 2005). Mr. Suutari is the Chairman of the Board of Directors at Componenta Oyj, Metsänhoitoyhdistys Kainuu LKV, Alma Media Oyj and Tulikivi Oyj, member of the Board of Directors at Oy M-Filter Ab and a deputy member of the Board of Directors at Teknologiateollisuus ry. Mr. Suutari is not independent of the Company (an employment relationship or service contract with the Company in the last three years). Mr. Suutari is independent of the Company's significant shareholders.

Jyrki Tähtinen has been a member of the Board of Directors since 1999 and is also a member of the Audit Committee. Mr. Tähtinen is Attorneys at Law Borenius Ltd's Chairman of the Board of Directors. Mr.

Tähtinen is a member of the Board of Directors at JSH Capital Oy and Dexus Group Oy. Mr. Tähtinen is independent of the Company and of its significant shareholders.

Board Committees

The Board of Directors has established among its members an Audit Committee and a Nomination and Remuneration Committee. The Board has not deemed it necessary to establish other committees, as, taking into account the scope and nature of the Company's operations as well as the Board's working methods, the Board is able to handle matters effectively without such committees.

Audit Committee

Audit Committee assists the Board by concentrating on issues relating to financial reporting and control, as well as preparing the proposal for resolution on the election of the auditor. The Board of Directors has drafted a written charter for the Audit Committee, which defines the key tasks and operating principles of the Audit Committee.

The Board elects the members and Chairman of the Committee from among its members at the organisation meeting. In 2013, Shemaya Levy was elected as Chairman of the Audit Committee and Wolfgang Diez, Outi Lampela and Jyrki Tähtinen as members. The members of the Audit Committee must be independent of the Company, and at least one member must be independent of significant shareholders.

Nomination and Remuneration Committee

Nomination and Remuneration Committee prepares the matters pertaining to the nomination and remuneration of Board members, the appointment and remuneration of the managing director and other executives of the Company as well as the remuneration schemes of the personnel. The Board of Directors has drafted a written charter for the Nomination and Remuneration Committee, which defines the key tasks and operating principles of the Committee.

The Board elects the members and Chairman of the Committee from among its members at the organisation meeting. In 2013, Matti Ruotsala was elected as Chairman of the Committee and Robert Remenar and Harri Suutari as members. The majority of the members must be independent of the Company. The President or any other executive of the Company may not be appointed to the Nomination and Remuneration Committee.

President

The Board of Directors appoints the Company´s President, who is also the Group CEO. The President supervises the operations and administration of the whole group in accordance with the Companies´ Act, the Articles of Association, the directions of the Board as well as the company´s Corporate Governance Guidelines and other internal guidelines. The President´s service contract has been prepared in writing and shall remain valid until further notice. The President operates as the Chairman of the Executive Board. The company´s President and CEO since April 4, 2012 has been Matti Hyytiäinen.

Executive Board

The Executive Board supports the President and CEO in managing the Group, but it does not have any authority based on legislation or the Articles of Association. The tasks of the Executive Board are to improve operations, carry out strategic work, monitor the realisation of the objectives and action plans set in strategic work, and deal with other matters of vital importance to operations. The Executive Board comprises the President and CEO (Chairman) and persons appointed by the Board of Directors upon proposal of the President.

At the date of this Listing Prospectus, the members of the Executive Board are as follows:

Name	Year born	Position	Appointed
Matti Hyytiäinen	1960	President and CEO	2012
Jyrki Keronen	1966	Senior Vice President, Business Development and APAC	2012
Jani Kiljala	1975	President, Wiring Systems, Europe	2013
Pekka Korkala	1969	President, Wiring Systems, South America	2012
Sanna Raatikainen	1972	General Counsel	2008
Jarmo Rajala	1962	President, Electronics	2005
Frank Sovis	1961	President, Wiring Systems, North America	2012
Juha Torniainen	1966	CFO	2012

Matti Hyytiäinen has been the President and CEO of the Company since 2012. Mr. Hyytiäinen has previously acted as Etteplan Oyj´s President and CEO (2008-2011), KONE Oyj, Escalator division´s Senior Vice President (2001-2007), Perlos Oyj´s Senior Executive Vice President (2001), KONE Elevators Co., Ltd´s President (1996-2000), PT KONE Indo Elevator´s President (1994-1996), KONE Oyj Hissit Suomi, General Manager, subsidiaries and acquisitions (1989 – 1994), Hissi-Ala Oy´s General Manager (1986 – 1989) and KONE Oyj Hissit Suomi, Assistant Controller (1984-1986). Mr. Hyytiäinen is a member of the Board of Directors at Kemppi Oy. He holds the degree of Master of Science in Economics.

Jyrki Keronen, Senior Vice President, Business Development and APAC, has been with the Company since 2011 and a member of Executive Board since 2012. Mr. Keronen has previously acted as the Senior Vice President Rautaruukki Oyj Engineering and Construction divisions (2009 – 2011), Vice President, Business Development Nypro Inc. Consumer & Electronics division (2003-2009), President Perlos Inc. (2002-2003) and has held leadership positions in Perlos both in Americas regions and in Europe (1996 – 2002). Mr. Keronen holds the degree of Bachelor of Science in Engineering and Executive Master in Business Administration.

Jani Kiljala, President, Wiring Systems, Europe, has been with the Company since 1999 and a member of the Executive Board since 2013. Mr. Kiljala has previously acted as PKC Wiring Systems Vice President Sales & Engineering Europe & APAC (2012-2013), PKC Eesti AS Managing Director (2008 – 2012), and PKC Group Oyj Account Director (2006-2008) and has held management positions in production, logistics and IT (1999-2006). He holds the degree of Master of Science in Technology.

Pekka Korkala, President, Wiring Systems, South America, has been with the Company and a member of the Executive Board since 2012. Mr. Korkala has previously acted as Lahden Autokori Oy´s Managing Director (2010-2012), PKC Group Oyj´s Vice President, Wiring Harnesses (2008-2009), PKC Group Oyj´s Mexican unit´s Production Director (2006-2008), Business Unit Director (2002-2006), Brazilian unit´s Business Controller (1999-2002) and has also held positions in production management. Prior to that, he acted as Rannikon Konetekniikka Oy´s Production Manager (1995-1998). Mr. Korkala holds the degree of Master of Science in Technology.

Sanna Raatikainen, General Counsel, has been with the Company since 1999 and a member of the Executive Board since 2008. Ms. Raatikainen has previously acted as PKC Group´s Legal Counsel (1999-2008) and done court training at district court of Oulu (1997-1998). Ms. Raatikainen holds the degree of Master of Laws, with court training.

Jarmo Rajala, President, Electronics, has been with the Company and a member of the Executive Board since 2005. Mr. Rajala has previously acted as PKC Group's Business Unit Director (2005-2006), Suomen 3C Oy's Business Unit Director (2005), Cybelius Software Oy´s Sales Director (2003-2005), Tammerneon Europe Ltd's (Hungary) Managing Director (1998-2003), Finland Trade Center Budapest's Trade Commissioner (1997), Vaasa University´s Liaison Officer, Project Manager and Lecturer (1990-1996), United Nations / UNIFIL (Lebanon) Platoon Leader (1989-1990) and Vaasa University's Training Designer and Lecturer (1987-1989). Mr. Rajala holds the degree of Master of Science in Economics.

Frank Sovis, President, Wiring Systems, North America, has been with the Company since 2011 and a member of the Executive Board since 2012. Mr. Sovis has previously acted as the President & Chief Executive Officer, AEES (2009–2011), Chief Operating Officer, Noble International (2007–2009), President Interior Systems Division, Lear Corporation (2000–2006), Vice President, Lear Corporation (1995–2000), Director of Finance, Lear Corporation (1990–1994), Manufacturing Consulting, Ernst & Young (1987–1990), Financial Specialist, General Motors (1983–1987). He holds the degrees of Master of Business Administration and Bachelor of Business Administration.

Juha Torniainen, CFO, has been with the Company and a member of the Executive Board since 2012. Mr. Torniainen has previously acted as StaffPoint Oy, Managing Director (2009-2012), Perlos Corporation, CFO (2006-2009), Perlos Corporation, Executive Vice President, Finance and Information Management (2003-2005), Perlos Corporation, Director, Finance (2000-2002), Oy Veho Ab, Business Controller (1998-2000) and Kemira Oyj, Controller (1994-1998). He holds the degree of Master of Science in Economics.

Conflict of Interest

The members of the Board of Directors, the members of the Executive Board or the President and CEO of PKC Group do not have conflict of interests with any duties to PKC Group and their private interests and/or their other duties.

Corporate Governance

In its decision making and administration, PKC Group applies the Finnish Companies Act, regulations applicable to publicly listed companies, the Company's Articles of Association, the rules of procedure for PKC's Board of Directors and committees, rules and guidelines issued by Helsinki Stock Exchange and the Finnish Corporate Governance Code 2010.

Business Address

The business address of the members of the Board of Directors, the President and the CEO and the members of the Executive Board is Unioninkatu 20-22, FI-00130 Helsinki, Finland.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

As of the date of this Listing Prospectus, PKC Group's share capital was EUR 6,218,428.96 and the total number of shares issued 23,800,772. As of the date of this Listing Prospectus, PKC Group does not hold its own shares.

The following table sets forth the ten largest shareholders of PKC Group Plc that appear on the shareholder register maintained by Euroclear Finland Ltd. as of 17 September 2013:

Name	Number of Shares	Per cent of Shares
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	2,541,431	10.68
AS Harju Elekter	1,294,641	5.44
OP-Focus-erikoissijoitusrahasto	721,062	3.03
Keskinäinen työeläkevakuutusyhtiö Varma	574,083	2.41
Fondita Nordic Micro Cap Placeringsfond	496,000	2.08
OP-Suomi Pienyhtiöt -sijoitusrahasto	434,271	1.82
Laakkonen Mikko Kalervo	367,934	1.55
Takanen Jorma	356,614	1.50
ODIN Finland	352,796	1.48
Keskinäinen Henkivakuutusyhtiö Suomi	330,000	1.39

To the extent know to the Company, the Company is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act and the Company is not aware of any arrangement the operation of which may result in a change of control of the Company.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Listing Prospectus and they form a part of the financial information of PKC Group. The documents incorporated by reference are available at the Company’s website at www.pkcgroup.com and at the registered office of PKC Group located at Unioninkatu 20-22, FI-00130 Helsinki, Finland, on weekdays during normal business hours.

Document	**Information incorporated by reference**
Interim Report January-June 2013	Unaudited consolidated interim report of PKC Group as of and for the six months ended June 30, 2013.
Annual Report 2012, pages 53–120	Audited consolidated and parent company financial statements of PKC Group as of and for the year ended December 31, 2012.
Annual Report 2012, page 121	Auditor’s report for PKC Group as of and for the year ended December 31, 2012.
Annual Report 2011, pages 44–112	Audited consolidated and parent company financial statements of PKC Group as of and for the year ended December 31, 2011.
Annual Report 2011, page 113	Auditor’s report for PKC Group as of and for the year ended December 31, 2011.

DOCUMENTS ON DISPLAY

In addition to the documents incorporated by reference, the Issuer's Articles of Association and Extract from the Finnish Trade Register concerning the Issuer are available for viewing at the head office of the Company, address Unioninkatu 20-22, FI 00130 Helsinki, Finland for as long as any of the Notes are outstanding.