INTERIM REPORT
JANUARY-DECEMBER 2013

PKC GROUP

PKC Group Plc FINANCIAL STATEMENT RELEASE 14 February 2014 8.15 a.m.

PKC GROUP'S FINANCIAL STATEMENT RELEASE 1 January-31 December 2013: STABLE MARKET SHARE DEVELOPMENT, BEST QUARTERLY CASH FLOW OF 2013

OCTOBER - DECEMBER 2013 HIGHLIGHTS

- Revenue decreased 0.9% on the comparison period (10-12/2012), totalling EUR 212.1 million (EUR 214.0 million).
- EBITDA before non-recurring items was EUR 13.9 million (EUR 17.2 million) and 6.6% (8.5%) of revenue.
- EBITA** was EUR 9.8 million (EUR 12.1 million) and 4.6% (5.7%) of revenue. During the report period PPA depreciation and amortisation totalled EUR 3.2 million (EUR 3.2 million).
- Operating profit before non-recurring items was EUR 6.7 million (EUR 8.9 million) and 3.1% (4.2%) of revenue.
- Diluted earnings per share were EUR 0.08 (EUR 0.03).
- Cash flow after investments was EUR 18.5 million (EUR 11.6 million).

JANUARY - DECEMBER 2013 HIGHLIGHTS

- Revenue decreased 4.8% on the comparison period (1-12/2012), totalling EUR 884.0 million (EUR 928.2 million).
- EBITDA before non-recurring items was EUR 70.3 million (EUR 83.0 million) and 8.0% (8.9%) of revenue.
- EBITA** was EUR 52.5 million (EUR 65.4 million) and 5.9% (7.0%) of revenue. During the report period PPA depreciation and amortisation totalled EUR 11.6 million (EUR 13.9 million).
- Operating profit before non-recurring items was EUR 40.9 million (EUR 51.5 million) and 4.6% (5.5%) of revenue.
- Diluted earnings per share were EUR 0.62 (EUR 1.12).
- Cash flow after investments was EUR 24.9 million (EUR 63.7 million).
- Dividend proposal is EUR 0.70 per share (EUR 0.70 per share).

PKC GROUP'S OUTLOOK FOR 2014

- PKC Group estimates that 2014 revenue and comparable EBITDA will be lower than in 2013. In 2013, PKC's revenue was EUR 884.0 million and comparable EBITDA before non-recurring items was EUR 70.3 million.
- Revenue estimate is based on current business structure. Revenue will be affected by light vehicle build-outs in North America and by changes in exchange rates. As a result of the above, comparable EBITDA is expected to be lower than in 2013. Comparable EBITDA in 2014 will also be affected by reorganisation and program transfers in Europe and expenditures related to the implementation of PKC's growth strategy.

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PKC Group Plc Unioninkatu 20-22, FI-00130 Helsinki, Finland
Tel. +358 20 175 2111 / Fax +358 20 1752 175 / Business ID 0972280-0 / Registered Office: Helsinki / www.pkcgroup.com

KEY FIGURES	10-12/13	10-12/12	Change %	1-12/13	1-12/12	Change %
EUR 1,000 (unless otherwise noted)						
Revenue	212,109	213,960	-0.9	883,986	928,178	-4.8
EBITDA*	13,946	17,173	-18.8	70,341	82,954	-15.2
% of revenue	6.6	8.5		8.0	8.9	
EBITA**	9,813	12,137	-19.1	52,461	65,358	-19.7
% of revenue	4.6	5.7		5.9	7.0	
Operating profit*	6,661	8,888	-25.1	40,873	51,478	-20.6
% of revenue	3.1	4.2		4.6	5.5	
Non-recurring items	2,061	4,868	-57.7	10,409	8,027	29.7
Operating profit	4,599	4,020	14.4	30,463	43,451	-29.9
% of revenue	2.2	1.9		3.4	4.7	
Profit before taxes	1,942	697	178.4	21,562	34,946	-38.3
Net profit for the report period	1,783	707	152.0	13,947	23,999	-41.9
Earnings per share (EPS), EUR	0.08	0.03	140.9	0.62	1.12	-44.5
Cash flow after investments	18,513	11,589	59.7	24,941	63,673	-60.8
ROI,%				14.7	16.7	
Gearing, %				-1.1	34.4	
Average number of personnel	18,946	19,566	-3.2	19,206	20,590	-6.7

* before non-recurring items
** operating profit before PPA depreciation and amortisation and non-recurring items

MATTI HYYTIÄINEN, PRESIDENT & CEO:

"PKC's revenue was EUR 884.0 million and operating profit before non-recurring items EUR 40.9 million. The decrease in revenue was particularly affected by production volumes for heavy-duty trucks in North America falling short of the previous year's level and the unfavourable exchange rate between the euro and the US dollar. European truck production remained at the level of the previous year despite the market boost caused by transition to Euro 6 standard in the last quarter of the financial year. Brazilian production volumes increased in comparison with the previous year. The revenue recorded was also affected by some product programmes for light vehicles and components reaching the end of their life cycles during the financial year.

Cash flow for the entire year was at a moderate level, EUR 24.9 million after investments. As a result of the positive cash flow and a directed share issue implemented during the financial year, the company is free of net debt, with gearing at 1.1% negative.

PKC's market position remained strong in all geographical areas of operation throughout the financial year.

PKC's Wiring Systems segment's operating profit before non-recurring items fell short of that of the previous year owing to lower volumes in North America and the losses recorded at the Brazilian unit. Moreover, as a result of uneven order flows, our production efficiency suffered. During the financial year, several new production programmes ramp-ups and transfers of production were also ongoing.

PKC's Electronics segment's operating profit before non-recurring items improved significantly over the previous year as a result of the measures implemented during the financial year that streamlined the cost structure and of the growing share of ODM products in revenue.

In 2014, truck production volumes are expected to fall in Europe and Brazil and to increase in North America. The market demand for Electronics segment's products is expected to remain at the present level.

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In many ways, 2013 was challenging, and I would like to express my thanks to all PKC's personnel for a job well done.

During 2014, we are continuing with the implementation of the strategy programme published in spring 2013, and PKC is on track to achieving the set strategic targets."

OPERATING ENVIRONMENT

Wiring Systems Business

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 economic situation. During 2013, the general economic activity remained on a relatively low level, but some early signs of recovery were visible during the year, first in North America and then in Europe. In Brazil, the economic growth slowed down and the inflation increased.

PKC's product program life cycles are long, therefore PKC's market share variations in the short term are mainly explained by changes in customers' market share. During 2013, PKC's regional market shares in truck production fluctuated somewhat from quarter to quarter. The largest fluctuation occurred in the market shares of the North American medium-duty truck market share (range 36% - 33%) and of Brazilian heavy-duty truck market share (range 34% - 32%).

Among PKC Group's key currencies, the US dollar weakened against the euro towards the end of the year and slightly in the average for the full year. The Mexican peso against the US dollar was relatively volatile during the year, but in the average remained quite close to previous year's level. Brazilian real depreciated significantly and Russian rouble depreciated somewhat in the average from the previous financial year. In average the Polish zloty remained relatively stable. The price of key raw material, copper, declined during the year. However, in average the customer sales prices are updated with a 3-5 month delay on the basis of copper price changes.

- Vehicles, Europe

European heavy and medium truck production in 2013 remained at the same level as in 2012. A decline took place in first half of 2013, whereas the production increased at the end of 2013 due to a pre-buy impact caused by the transition to Euro 6 standard at January 1, 2014.

In the final quarter of 2013, production of heavy-duty trucks in Europe was 100,000 units, some 33% more than in the previous quarter. Compared to the corresponding period in 2012, the increase was 84,000, or about 18%. Total production for 2013 was 316,000 units, which was at the same level as the previous year.

Production of medium-duty trucks in the last quarter of 2013 was 20,000 units, or about 23% more than production in the same period the previous year and production achieved in the third quarter of the year (both having been 16,000 units). Production for the whole year was 70,000 units, which was at the same level as the previous year.

- Vehicles, North America

In North-America the uncertainty related to economic and political decisions affected consumer confidence, which was reflected in cautiousness on the truck investment.

The production volume for heavy-duty trucks (class 8) in the NAFTA area in the last quarter of 2013 was 63,000 units, which was on the same level as production in the previous quarter. Compared to the production of 58,000 units in the corresponding period in 2012, this represented a growth of 10%. Total production of heavy-duty trucks in 2013 was 250,000 units, which was about 10% less than total production the previous year (278,000).

Production of medium-duty trucks fell by about 5% from 52,000 units in the third quarter to 49,000 in the final quarter of the year. Compared to the corresponding period in 2012, production increased by almost 7%. Total production for the year increased from about 186,000 units in 2012 to 200,000, representing an increase of more than 7%.

Production figures for light vehicles in the final quarter (2,060,000) increased by more than 3% compared to those in the previous quarter, and showed an increase of more than 10% over the production volume in the corresponding period in 2012. Production in 2013 increased by about 8% to 8,118,000 units from 7,507,000 the previous year.

- Vehicles, Brazil

The Brazilian truck production benefited from government subsidies which continued throughout 2013 and improved demand.

In Brazil, production of heavy-duty trucks in the final quarter was about 36,000 units, which is about 9% less than production in the third quarter, but over 48% more than that in the corresponding period in 2012 (24,000 units). Total production in 2013 was 144,000 units, representing an increase of about 48% over 2012 (97,000).

Production of medium-duty trucks in the fourth quarter was 14,500 units, which is about 3% less than production in the third quarter (15,000), but over 69% more than that in the corresponding period in 2012 (8,500 units). Total production in 2013 was 54,000 units, representing an increase of about 63% over 2012 (33,000).

Electronics Business

Economic uncertainty in Europe and global caution among companies towards industrial investment exerted a negative impact on the demand for electronics products. The demand for renewable-energy and energy saving products including smart grid solutions on the market fell short of the level of the previous year. The market demand for telecommunications-related products increased slightly from previous year.

REVENUE AND FINANCIAL PERFORMANCE

October-December 2013

Revenue in October-December amounted to EUR 212.1 million (EUR 214.0 million), down 0.9% on the same period a year earlier. During the report period EUR 2.1 million (EUR 4.9 million) in non-recurring items were recognised. Non-cash non-recurring items were EUR 0.5 million (EUR 1.1 million). Non-recurring items are mainly related to impairment (EUR 0.5 million), advisor fees related to strategic projects (EUR 0.5 million), and other expenses, of which majority employee benefit expenses in Wiring Systems segment. Operating profit before non-recurring items, PPA depreciation and amortisation related to acquisitions totalled EUR 9.8 million (EUR 12.1 million), accounting for 4.6% of revenue (5.7%). Operating profit totalled EUR 4.6 million (EUR 4.0 million), accounting for 2.2% of revenue (1.9%). Operating profit continued to be burdened by the losses of the Brazilian unit. The losses were impacted by weaker Brazilian real and higher labour costs. Measures to improve profitability in Brazil are continuing. Total depreciation and amortisation amounted to EUR 7.8 million (EUR 9.4 million), including EUR 0.5 million of non-recurring items (EUR 1.1 million). PPA depreciation and amortisation amounted to EUR 3.2 million (EUR 3.2 million). Financial items were EUR 2.7 million negative (EUR 3.3 million negative) and include some costs related to refinancing which continued during the quarter. Financial items include foreign exchange losses totalling EUR 0.9 million (EUR 2.0 million). Profit before taxes was EUR 1.9 million (EUR 0.7 million). Income tax of the report period amounted to EUR 0.2 million (EUR 0.0 million). Net profit for the report period totalled EUR 1.8 million (EUR 0.7 million). Diluted earnings per share were EUR 0.08 (EUR 0.03).

Revenue generated by the Wiring Systems business in the report period amounted to EUR 198.4 million (EUR 196.1 million), or 1.1% more than in the comparison period. The segment’s share of the consolidated revenue was 93.5% (91.7%). Revenue increased due to higher sales to European customers, whereas sales to North American customers decreased. During the report period EUR 1.7 million (EUR 3.5 million) in non-

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recurring items were recognised and they are mainly related to employee benefit expenses and impairment. Non-cash non-recurring items were EUR 0.5 million (EUR 1.1 million). Operating profit before non-recurring items was EUR 8.3 million (EUR 8.7 million), equivalent to 4.2% of the segment's revenue (4.4%). Operating profit was EUR 6.6 million (EUR 5.2 million), equivalent to 3.3% of the segment's revenue (2.6%). The relative profitability was still weakened due to the losses of the Brazilian unit. The losses were impacted by weaker Brazilian real and higher labour costs. Measures to improve profitability in Brazil are continuing.

Revenue generated by the Electronics business decreased by 23.0% to EUR 13.7 million (EUR 17.8 million). The segment's share of the consolidated revenue was 6.5% (8.3%). During the report period EUR 0.1 million negative (EUR 1.1 million) in non-recurring items were recognised. Operating profit before non-recurring items was EUR 0.2 million (EUR 1.0 million), equivalent to 1.6% of the segment's revenue (5.3%). Operating profit was EUR 0.3 million (EUR 0.2 million negative), equivalent to 2.2% of the segment's revenue (-0.8%). The relative profitability was weakened due to lower sales volume.

January-December 2013

Revenue in January-December amounted to EUR 884.0 million (EUR 928.2 million), down 4.8% on the previous financial year. Sales to North American customers decreased by approximately 10.9% in euro terms, whereas sales to European customers increased by approximately 1.5%. During the financial year EUR 10.4 million (EUR 8.0 million) in non-recurring items were recognised. Non-cash non-recurring items were EUR 3.4 million (EUR 1.1 million). Non-recurring items are mainly related to employee benefit expenses (EUR 5.3 million), impairment (EUR 3.4 million) and advisor fees related to strategic projects (EUR 0.7 million). Operating profit before non-recurring items, PPA depreciation and amortisation related to acquisitions totalled EUR 52.5 million (EUR 65.4 million), accounting for 5.9% of revenue (7.0%). Operating profit totalled EUR 30.5 million (EUR 43.5 million), accounting for 3.4% of revenue (4.7%). Operating profit continued to be burdened by the losses of the Brazilian unit. Measures to improve profitability in Brazil are continuing. Total depreciation and amortisation amounted to EUR 32.9 million (EUR 32.6 million), including EUR 3.4 million of non-recurring items (EUR 1.1 million). PPA depreciation and amortisation amounted to EUR 11.6 million (EUR 13.9 million). Financial items were EUR 8.9 million negative (EUR 8.5 million negative). Financial items include foreign exchange losses totalling EUR 2.2 million (EUR 2.6 million). Profit before taxes was EUR 21.6 million (EUR 35.0 million). Income tax of the financial year amounted to EUR 7.6 million (EUR 11.0 million). Net profit for financial year totalled EUR 13.9 million (EUR 24.0 million). Diluted earnings per share were EUR 0.62 (EUR 1.12).

Revenue generated by the Wiring Systems business in the financial year amounted to EUR 820.3 million (EUR 858.8 million), or 4.5% less than in the previous financial year. The effect of exchange rate changes on consolidated revenue was about 3% negative. The segment's share of the consolidated revenue was 92.8% (92.5%). Revenue decreased due to lower North American truck market production volumes, while the South American truck production volumes increased and the European truck market remained relatively stable. The revenue was also affected by some light vehicle and component product programmes reaching the end of their life cycles during the financial year. During the financial year, several new production programmes ramp-ups and transfers of production were also ongoing. During the financial year EUR 8.4 million (EUR 6.4 million) in non-recurring items were recognised. Non-recurring items are mainly related to employee benefit expenses (EUR 4.5 million) and impairment (EUR 3.4 million). Non-cash non-recurring items were EUR 3.4 million (EUR 1.1 million). Operating profit before non-recurring items was EUR 42.9 million (EUR 53.5 million), equivalent to 5.2% of the segment's revenue (6.2%). Operating profit was EUR 34.5 million (EUR 47.1 million), equivalent to 4.2% of the segment's revenue (5.5%). The relative profitability was still weakened due to the losses of the Brazilian unit. Measures to improve profitability in Brazil are continuing.

Revenue generated by the Electronics business decreased by 8.3% to EUR 63.7 million (EUR 69.4 million). The segment's share of the consolidated revenue was 7.2% (7.5%). During the financial year EUR 0.2 million (EUR 1.4 million) in non-recurring items were recognised. The gross non-recurring expenses of EUR 1.5 million related to reorganisation in Finland and Russia were compensated by non-recurring intra-group reorganisation gains of EUR 1.2 million. Operating profit before non-recurring items was EUR 4.3 million (EUR 2.1 million), equivalent to 6.6% of the segment's revenue (3.1%). Operating profit was EUR 4.1 million (EUR 0.8 million), equivalent to 6.5% of the segment's revenue (1.1%). Operating profit before non-recurring items improved significantly over the previous year as a result of the measures implemented during the

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financial year that streamlined the cost structure and of the growing share of ODM products in revenue.

FINANCIAL POSITION AND CASH FLOW

Consolidated total assets at 31 December 2013 amounted to EUR 455.6 million (EUR 485.1 million). Interest-bearing liabilities totalled EUR 100.4 million at the close of financial year (EUR 143.8 million), out of which current interest-bearing liabilities, consisting mainly of financial lease liabilities, totalled EUR 0.7 million. In addition, the Group has a committed, un-utilized credit facility of EUR 30.0 million. Financial position was improved by a directed share issue which amounted to EUR 44.9 million. Furthermore, PKC Group Plc issued EUR 100 million fixed rate unsecured bond maturing in 2018. The proceeds from the equity and bond issues were partly used for refinancing. The effective average interest rate of the interest bearing debt including un-utilized credit facility was at the close of financial year 3.8 % (3.1 %). The effective average interest rate changed mainly due to refinancing executed in 2013 and due to changes in the interest rate fixing terms. The Group’s equity ratio was 42.7% (33.9%). Net liabilities totalled EUR 2.2 million negative (EUR 56.6 million) and gearing was 1.1% negative (34.4%).

PKC Group uses derivatives only to hedge risks arising from changes in foreign exchange rates, interest rates and copper price. At the end of the reporting period nominal value of copper derivatives (forward contracts) was EUR 8.1 million (EUR 4.6 million). The Group utilizes euro-denominated interest rate swaps to maintain the targeted level for interest rate fixing term. Based on these interest rate swaps the Group receives fixed rate interest for 5 years and pays floating interest based on Euribor 6 month rate. The nominal value of these interest rate swaps was EUR 75.0 million (EUR 36.0 million) at the close of the year. At the end of reporting period the nominal amount of currency forwards was EUR 18.2 million (EUR 5.1 million).

Inventories amounted to EUR 80.2 million (EUR 87.5 million). Current receivables totalled EUR 110.4 million (EUR 105.9 million). Net cash from operating activities was EUR 39.7 million (EUR 76.0 million) and cash flow after investments during the financial year was EUR 24.9 million (EUR 63.7 million). Cash flow after investments was to large extent generated during the second half of the year, while during the first half of the year working capital was increasing from its seasonally low level at the very beginning of 2013. Cash and cash equivalents amounted to EUR 102.7 million (EUR 87.2 million).

CAPITAL EXPENDITURE

During the financial year, the Group’s gross capital expenditure totalled EUR 14.6 million (EUR 16.0 million), representing 1.7% of revenue (1.7%). Gross capital expenditure is geographically divided as follows: Europe 27.8% (17.3%), South America 22.7 % (23.2%), North America 44.3 % (56.5%) and APAC 5.2 % (2.9%). The capital expenditure consisted mainly of production machinery and equipment during the financial year. No major single investments were carried out during the review period.

PKC estimates that in the medium term, the Group's replacement investment level is close to its annual depreciation and amortisation level excluding PPA related depreciation and amortization, and impairment losses. The Group’s depreciation, amortization and impairment losses amounted to EUR 32.9 million (EUR 32.6 million) in 2013. Excluding PPA related depreciation and amortization, and impairment losses it amounted to EUR 17.9 million (EUR 17.6 million).

RESEARCH & DEVELOPMENT

Research and development costs totalled EUR 8.5 million (EUR 8.0 million), representing 1.0% (0.9%) of the consolidated revenue. At the end of the financial year, 156 (165) people worked in product development, excluding production development and process development personnel.

In its product strategy, product development in PKC’s Wiring Systems business takes into consideration the long- and short-term product development needs of PKC’s customers and the latest development trends in the automotive industry.

PKC’s main products are individually tailored electrical distribution systems, in addition to which PKC’s product development is a pioneer in the application of new solutions for the needs of its customers. A

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growing part of PKC's global product range is vehicle electronics, through which PKC can offer its customers more thoroughly optimised electrical distribution systems.

Through active technological development, improvement is constantly being sought in product quality and performance: alternative materials are researched and utilised, and new innovative solutions are developed for the vehicle electrical distribution systems architecture. Improvements are being implemented cost-effectively with the aim of minimising the overall costs of the customer's product.

The strong areas of expertise of PKC's Electronics business product development are test and power management solutions. In 2013 PKC launched its own products: the Chameleon™ product family in test solutions and the Alva power source product family and Nactus over voltage protection in power management solutions.

PERSONNEL

During the financial year, the Group had an average payroll of 19,206 employees (20,590). At the end of the financial year, the Group's personnel numbered 18,644 employees (19,305), of whom 18,338 (18,962) worked abroad and 306 (343) in Finland. In addition the Group had at the end of the financial year 613 temporary employees. In 2013, 96.8% of the personnel was employed by the wiring systems business segment and 3.2% by the electronics business segment. Geographically personnel was divided as follows: South America 14.9%, North-America 56.6%, Asia 2.2% and Europe 26.2%. Total amount of financial year's employee benefit expenses was EUR 201.2 million (EUR 203.2 million) including EUR 5.3 million (EUR 5.9 million) classified as non-recurring expenses).

Majority of PKC's manufacturing is labour intensive and the Group's competitiveness is based on its skilled personnel. In order to maintain a skilled and engaged workforce, PKC focuses on developing its employees' competences. PKC takes a systematic approach to labour protection and frequently follows e.g. injury and occupational disease rates and absentee rates which are reported also in PKC Group's corporate responsibility report.

QUALITY AND THE ENVIRONMENT

All of the Group's wiring system factories are certified in accordance with requirements of the ISO/TS16949 quality standard for the automotive industry excluding factory in Traverse City (USA) and Raahe (Finland) electronics factory, which are certified in accordance with requirements of ISO9001 standard. In addition all of the Group's factories, except factory in Campo Alegre (Brazil), are certified in accordance with the ISO14001 environmental standard and all factories operate in accordance with the ISO9001 quality standard. Production units in Acuna (Mexico), Juarez (Mexico), Piedras Negras (Mexico), Torreon (Mexico), Keila (Estonia), Haapsalu (Estonia), Itajuba (Brazil), Raahe (Finland) and Suzhou (China) have also certification in accordance with the OHSAS18001 occupational health and safety management system standard. Certification of Campo Alegre (Brazil) factory according to ISO14001 environmental standard will be completed after the period. Preparations to recertify Curitiba (Brazil) factory according to ISO14001 environmental standard is on-going and is planned to be completed in first half of 2014.

PKC wants to take responsibility for the well-being of the environment by developing energy-saving solutions and by designing products where emissions and material usage are minimised. The environmental impact of manufacturing will be reduced by optimizing deliveries and the efficient management of materials.

MANAGEMENT

The Annual General Meeting held on 4 April 2013, re-elected Outi Lampela, Shemaya Levy, Robert Remenar, Harri Suutari, Matti Ruotsala and Jyrki Tähtinen as Board members and elected Wolfgang Diez as new Board member. In the Board's organisation meeting, Matti Ruotsala was elected as Chairman of the Board with Robert Remenar as Vice-Chairman.

Shemaya Levy was elected as the chairman of the Audit Committee and Wolfgang Diez, Outi Lampela and Jyrki Tähtinen as members. The Board elected Matti Ruotsala as chairman of the Nomination and

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Remuneration Committee and Robert Remenar and Harri Suutari as members.

KPMG Oy Ab, which has announced Virpi Halonen, APA, to be the Auditor with principal responsibility, was selected as auditor.

At the end of the financial year the Group's Executive Board consisted of the following persons Matti Hyytiäinen, Chairman (President & CEO), Jyrki Keronen (Senior Vice President, Business Development & APAC), Jani Kiljala (President, Wiring Systems, Europe), Pekka Korkala (President, Wiring Systems, South America), Sanna Raatikainen (General Counsel), Jarmo Rajala (President, Electronics), Frank Sovis (President, Wiring Systems, North America) and Juha Torniainen (CFO).

As of 1 January 2014, PKC Group's Wiring Systems businesses in Europe and South America was consolidated under the same leadership. Jani Kiljala took over also the wiring systems business in South America as President, Wiring Systems, Europe and South America and Pekka Korkala's Executive Board membership ended.

SHARE TURNOVER AND SHAREHOLDERS

PKC Group Plc's share turnover on NASDAQ OMX Helsinki Ltd from 1 January to 31 December 2013 was 8,962,859 shares (10,853,570 shares), representing 40.2% of the average number of shares (51.0%). Shares were traded to a total value of EUR 184.3 million (EUR 160.1 million). PKC's shares are also traded on alternative exchanges (inter alia Chi-X and BATS). The total trading volume on these particular alternative exchanges was 668,787 shares (331,968 shares) during the financial year. On the NASDAQ OMX Helsinki Ltd the lowest share value during the financial year was EUR 15.00 (EUR 10.65) and the highest EUR 25.31 (EUR 18.30). The closing price on the last trading day of the financial year was EUR 24.19 (EUR 15.49) and the average price during the financial year was EUR 20.47 (EUR 14.76). The company's market capitalisation at 31 December 2013 was EUR 576.1 million (EUR 333.4 million).

The shares held by Board members, their closely associated persons and corporations in which they have a controlling interest accounted for 0.1% (0.6%) of the total number of shares at the end of the financial year. PKC Group Plc had a total of 8,413 shareholders (8,853) at the end of financial year. The shares held by foreigners and through nominee registrations at the close of the financial year totalled 36,5% of the share capital (22.3%).

Flaggings

After end of the financial year on 24 January 2014 the share of votes and share capital in PKC Group Plc held by funds (OP-Focus Non-UCITS Fund, OP-Delta Fund and OP-Finland Small Firm Fund) managed by OP Fund Management Company Ltd (0743962-2) fell below the limit of 5%. Following the transaction the funds managed by OP Fund Management Company Ltd owned 1,096,908 shares i.e. 4.59% of the shares and votes.

SHARES AND SHARE CAPITAL

PKC Group Plc's shares and share capital has changed during the financial year as follows:

- A total of 31,705 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 10,779.70. A total of 17,950 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 31 January 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd as of 1 February 2013. After the increase the Company's registered share capital was EUR 6,201,845.46, divided into 21,574,097 shares.
- A total of 24,100 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 8,194.00. A total of 4,500 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 3 April 2013. The new

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shares were traded on the main list of the NASDAQ OMX Helsinki Ltd as of 4 April 2013. After the increase the Company's registered share capital was EUR 6,210,039.46, divided into 21,602,697 shares.

- A total of 24,675 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 8,389.50. A total of 5,250 PKC Group Plc's shares have been subscribed for with 2009A options and a total of 21,900 PKC Group Plc's shares have been subscribed for with 2009B options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 14 May 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd as of 15 May 2013. After the increase the Company's registered share capital was EUR 6,218,428.96, divided into 21,654,522 shares.
- A total of 250 PKC Group Plc's shares have been subscribed for with 2009A options and a total of 6,000 PKC Group Plc's shares have been subscribed for with 2009B options. New shares corresponding to subscriptions have been entered into the Trade Register on 16 August 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd as of 19 August 2013. After the increase the Company's registered share capital is divided into 21,660,772 shares.
- A total of 2,140,000 new shares were subscribed for in PKC Group Plc's directed share issue. New shares corresponding to subscriptions have been entered into the Trade Register on 12 September 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd as of 13 September 2013. After the increase the Company's registered share capital is divided into 23,800,772 shares.
- A total of 2,500 PKC Group Plc's shares have been subscribed for with 2009A options and a total of 12,493 PKC Group Plc's shares have been subscribed for with 2009B options. New shares corresponding to subscriptions have been entered into the Trade Register on 7 November 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd as of 8 November 2013. After the increase the Company's registered share capital is divided into 23,815,765 shares.
- A total of 19,100 PKC Group Plc's shares have been subscribed for with 2009A options and a total of 71,022 PKC Group Plc's shares have been subscribed for with 2009B options. New shares corresponding to subscriptions have been entered into the Trade Register on 31 December 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd as of 2 January 2014. After the increase the Company's registered share capital is divided into 23,905,887 shares.

THE BOARD'S AUTHORISATIONS

The Board of Directors was granted authorisation by the Annual General Meeting on 30 March 2011 to decide on share issue and granting of special rights defined in Chapter 10, Section 1 of the Companies Act and all the terms and conditions thereof. A maximum total of 6,000,000 shares may be issued or subscribed for on the basis of authorisation. The authorisation includes the right to decide on directed share issue. The authorisation is in force for five years from the date of the General Meeting's decision. At Board of Directors' discretion the authorisation may be used e.g. in financing possible corporate acquisitions, inter-company co-operation or similar arrangement, or strengthening company's financial or capital structure etc. PKC Group Plc's Board of Directors has, on the basis of the authorisation granted by the shareholders' meeting on 30 March 2011, resolved on a directed share issue without payment of 1,250,000 new shares to company's wholly owned subsidiary PKC Group USA Inc for the payment of the purchase price for the shares in the AEES-companies. On 4 September 2013 a total of 2,140,000 new shares were subscribed for in PKC Group Plc's directed share issue. After this share issue, a maximum total of 2,610,000 shares may be issued or subscribed for on the basis of authorisation.

The Board of Directors does not possess a valid authorisation to acquire company's own shares, and the company does not have any own shares (treasury shares) in its possession.

STOCK OPTION SCHEMES

2006 options

The key personnel stock option scheme initiated in 2006, comprises a total of 697,500 options divided into A,

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B and C warrants.

The share subscription period for 2006A warrants has ended 30 April 2011. During the share subscription period a total 200,300 shares were subscribed and 2,200 warrants remained unused. The share subscription period for 2006B warrants has ended 30 April 2012 and no warrants remained unused. The share subscription period for 2006C warrants has ended 30 April 2013. During the share subscription period a total 260,850 shares were subscribed and 1,650 warrants remained unused.

2009 options

The key personnel stock option scheme initiated in 2009 comprises a total of 600,000 options divided into A, B and C warrants. At the close of the financial year, the outstanding options and options held by key personnel totals 36,200 2009A, 69,107 2009B and 167,500 2009C warrants.

The subscription price for shares through the exercise of the 2009 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki for April 2009, 2010 and 2011 + 20% with dividend adjustments, (at present, EUR 1.60 for the 2009A warrants, EUR 11.41 for the 2009B warrants and EUR 17.28 for the 2009C warrants). The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe for a maximum total of 600,000 new shares in the company or existing shares held by the company. After the registration of subscription made on 31 December 2013, the Company's share capital can increase by a maximum of 329,285 shares as a result of the exercise of the remaining outstanding option rights. The share subscription period for 2009A warrants is 1 April 2012 — 30 April 2014, for 2009B warrants 1 April 2013 — 30 April 2015 and for 2009C warrants 1 April 2014 — 30 April 2016.

2012 options

The key personnel stock option scheme initiated in 2012 comprises a total of 1,020,000 options. The stock options are marked with the symbol 2012A(i) and 2012A(ii); 2012B(i) and 2012B(ii); as well as 2012C(i) and 2012C(ii). A total of 170,000 stock options are included in each stock option class. At the close of the financial year, the outstanding options and options held by key personnel totals 170,000 2012A(i) and 165,000 2012B(i) warrants, in addition to which 170,000 2012A(ii) and 165,000 2012B(ii)warrants have been initially allocated to key personnel.

The subscription price for shares through the exercise of the 2012 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki Ltd during first quarter in 2012, 2013 and 2014. The share subscription price is EUR 15.31 with the 2012A options and EUR 16.65 with the 2012B options. The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe for a maximum total of 1,020,000 new shares in the company or existing shares held by the company. The share subscription period for stock options 2012A, will be 1 April 2015—30 April 2017, for stock options 2012B, 1 April 2016—30 April 2018, and for stock options 2012C, 1 April 2017—30 April 2019. The share subscription period for stock options 2012A(ii), 2012B(ii) and 2012C(ii) shall, however, not commence, unless certain operational or financial targets of the Group established for the exercise of stock options and determined by the Board of Directors have been attained. The Board of Directors shall annually decide on targets separately for each stock option class in connection with the distribution of stock options. Those stock options, for which the targets determined by the Board of Directors have not been attained, shall expire in the manner decided by the Board of Directors.

CORPORATE RESPONSIBILITY

Corporate responsibility is a key element in PKC's operations. PKC operates with ethical business practice, takes responsibility for the operating environment and strives to minimize any harm caused to the environment, and respects and promotes human rights and fair workplace practices, equal opportunities, and zero-tolerance policy on bribery and corruption. PKC Group's Board of Directors has ratified the Code of Conduct covering the whole group. The Code of Conduct sets principles for ethical business practice and is based on the highest ethical standards. Compliance with legislation, regulations and international norms is a fundamental requirement, from which it is not possible to deviate in any circumstances.

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PKC's Corporate Responsibility report for 2013 will published on 12 March 2014.

STRATEGY 2018

Strategic objectives have been announced in the capital market day held 3 April 2013.

PKC is a global partner, designing, manufacturing and integrating electrical distribution systems for the commercial vehicle industry and other selected segments. PKC is seeking growth within its current Commercial Vehicle markets and customers as well as in the growing markets of Asia. In addition, PKC is studying growth opportunities in expanding its business further within Transportation Industry. This is a segment where PKC can further utilize its unique knowhow as a global supplier of electrical distribution systems.

The long-term financial targets of PKC Group Plc is to reach EUR 1.4 billion revenue by 2018 and over 10% EBITDA, while maintaining gearing below 75%. The targeted dividend payout is 30 - 60% of the cash flow after investments.

Key strategic highlights of 2013

In order to optimise production, PKC Group has established a new Wiring Systems company in Suzhou, China. In addition, the new factory in Suzhou will function as NPI center for China and APAC. PKC Group has decided to establish a new wiring systems factory in Smederevo, Serbia. The factory's purpose is to serve existing and potential new customers in Europe. The total capital expenditure by the end of 2016 is estimated to be about eight million euros. The factory is expected to employ about 1,500 employees by the end of 2016. In addition, PKC has closed its factories in Ireland and Ukraine.

PKC Group has signed a Framework Agreement for Strategic Cooperation with China National Heavy Duty Truck Group Company Limited ("SINOTRUK"). 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.

PKC Group issued EUR 100 million fixed rate unsecured bond maturing in 2018. The bond pays an annual coupon of 4.25 per cent. The bond was admitted to public trading on 26 September 2013 at NASDAQ OMX Helsinki.

PKC issued 2.14 million new shares to a limited number of selected domestic and international institutional qualified investors in an accelerated book-built offering deviating from the shareholders' pre-emptive subscription rights. The issue amounted to a total of EUR 44.94 million before commissions and expenses.

EVENTS AFTER THE FINANCIAL YEAR

On 7 January 2014 PKC Group Plc announced to optimise its manufacturing footprint in North America. PKC has decided to close the factory in Nogales, Mexico in order to further adapt and align its manufacturing capacity to the North American customer base. The Nogales production shall be transferred to PKC's existing facility in Torreon, Mexico. The action taken is related to current light vehicle program build-outs in North America and PKC's focus on maximising its opportunities in the current core customer segments. The related non-recurring items are estimated to be approximately EUR 3.6 million on an after-tax basis. The estimated annual savings are approximately EUR 2.0 million on an after tax basis from 2014 onwards. These measures are expected to be completed in 2014.

SHORT-TERM RISKS AND UNCERTAINTIES

The public deficit and high indebtedness of many European countries and also the United States have weakened economic growth, end-customer demand and availability of financing for investment goods. In addition, uncertainty related to emerging markets' economic development has increased recently. Especially in Brazil inflation as well as economic and political uncertainty has continued. In Europe the transition to EURO 6 standard commercial vehicles and related pre-buy effect at the end of 2013 may reduce the demand at the start of year 2014. Changes in customers' relative market shares and sourcing strategies may affect demand of PKC's products.

Weakening of the US dollar 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 a 3-5 month delay on the basis of copper price changes.

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 during the second quarter of 2013 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.

The objective of PKC Group's risk management is to identify risks relevant to business operations, and to determine the measures, responsibilities and schedules required for efficient risk management. The comprehensive risk management process is implemented across the whole PKC Group with the aim of establishing uniform procedures for the analysis and measurement of risks, taking into consideration the geographical differences between units. PKC's risks are classified into strategic, operational and financial risks. More information about PKC's risks is presented in the annual report and Corporate Governance Guidelines.

MARKET OUTLOOK

Wiring Systems Business

Production of heavy-duty trucks in Europe is expected to decline by 4% in 2014, and production of medium-duty trucks by 3% compared to the previous year. The Euro 6 emission standard that entered into force at the beginning of 2014 caused an increase in the demand for trucks at the end of 2013. Second half of 2014 volumes are expected to be higher than those of the first half.

Production of heavy-duty trucks in North America is expected to increase by 10%, production of medium-duty trucks by 5% and production of light vehicles by 2% compared to 2013. Quarterly production volumes for heavy-duty trucks are expected to increase steadily during the year.

Production of heavy-duty trucks in Brazil is expected to decline by 5%, and production of medium-duty trucks to increase by 24% compared to 2013. The governmental incentive program to support the purchase of new trucks continues to be valid until further notice, although the terms have been weakened somewhat.

Electronics Business

The market demand for Electronics segment's products is expected to remain at the present level.

PKC GROUP'S OUTLOOK FOR 2014

PKC Group estimates that 2014 revenue and comparable EBITDA will be lower than in 2013. In 2013, PKC's revenue was EUR 884.0 million and comparable EBITDA before non-recurring items was EUR 70.3 million.

Revenue estimate is based on current business structure. Revenue will be affected by light vehicle build-outs in North America and by changes in exchange rates. As a result of the above, comparable EBITDA is expected to be lower than in 2013. Comparable EBITDA in 2014 will also be affected by reorganisation and

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program transfers in Europe and expenditures related to the implementation of PKC's growth strategy.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF PROFITS

The parent company's distributable funds are EUR 139.0 million, of which EUR 70.3 million is distributable as dividends, including the net profit for the financial year EUR 21.6 million. The Board of Directors will propose to the Annual General Meeting to be held on 3 April 2014 that a dividend of EUR 0.70 per share be paid for a total of EUR 16.7 million and that the remainder of the distributable funds be transferred to shareholders' equity. The number of shares may change due to share subscriptions registered before the record date. The record date for the dividend pay-out is 8 April 2014 and the payment date is 15 April 2014. In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

ANNUAL REPORT 2013 AND CORPORATE GOVERNANCE STATEMENT

PKC Group Plc will publish the Annual Report 2013, which contains the report by the Board of Directors and financial statements, auditor's report and a separate corporate governance statement on Wednesday, March 12, 2014. The Annual Report will be published on the PKC Group website.

ANNUAL GENERAL MEETING AND FINANCIAL REPORTS IN 2014

The Annual General Meeting is will be held on Thursday, April 3, 2014.

In 2014, the Interim Reports will be published as follows:
- Interim Report 1-3/2014 Thursday, May 8, 2014 at about 8.15 a.m.
- Interim Report 1-6/2014 Thursday, August 7, 2014 at about 8.15 a.m.
- Interim Report 1-9/2014 Thursday, October 30, 2014 at about 8.15 a.m.

The text section of this release focuses on the annual accounts. Comparisons have been made to the figures of the corresponding period in 2012, unless otherwise mentioned. The figures presented in the tables are independently rounded figures.

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TABLES

This financial statement report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The financial statement report has been prepared in accordance with the same principles as the annual financial statements for 2012. Except for changing the functional currency for companies in China and Russia from euro to local currency the translation differences are currently presented in other comprehensive income. The year 2013 IFRS standard changes have no significant effect on the financial staement report. Amendments to IAS 1 Presentation of Financial Statements, where the main change is the requirement for separate subtotals in other comprehensive income have effect on the presentation of items in other comprehensive income. Amendments to IFRS 13 Fair Value Measurement and IFRS 7 Financial Instruments have had effect mainly to the presentation of interim report. The annual figures in the financial statement release are audited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	**10-12/13 3 mon.**	**10-12/12 3 mon.**	**1-12/13 12 mon.**	**1-12/12 12 mon.**
Revenue	**212,109**	**213,960**	**883,986**	**928,178**
Other operating income	705	755	1,982	2,193
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-553	2,661	-3,235	-839
Production for own use	185	106	315	207
Materials and services	128,783	130,267	533,004	564,482
Employee benefit expenses	50,533	53,586	201,170	203,221
Depreciation, amortisation and impairment	7,783	9,393	32,860	32,584
Other operating expenses	20,749	20,215	85,551	86,000
Operating profit	**4,599**	**4,020**	**30,463**	**43,451**
Interest and other financial expenses	-2,493	-1,523	-7,497	-6,213
Interest and other financial income	698	156	827	335
Foreign currency exchange differences	-861	-1,955	-2,231	-2,627
Profit before taxes	**1,942**	**697**	**21,562**	**34,946**
Income taxes	-159	10	-7,615	-10,947
Profit for the report period	**1,783**	**707**	**13,947**	**23,999**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Interest derivatives	0	-416	970	-970
Foreign currency translation differences - foreign operations	-5,318	-2,080	-16,905	-2,190
Tax effects relating to components of other comprehensive income	0	238	-238	238
Total comprehensive income for the period	**-3,535**	**-1,551**	**-2,226**	**21,076**
Attributable to equity holders of the parent company				
Basic earnings per share (EPS), EUR	0.08	0.03	0.63	1.13
Diluted earnings per share (EPS), EUR	0.08	0.03	0.62	1.12

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)	12/13	12/12
ASSETS		
Non-current assets		
Goodwill	29,486	30,627
Other intangible assets	34,694	43,234
Property, plant and equipment	76,026	94,307
Deferred tax assets	16,443	11,272
Receivables	5,727	25,058
Total non-current assets	**162,376**	**204,499**
Current assets		
Inventories	80,237	87,481
Receivables		
Trade receivables	92,704	84,604
Other receivables	17,649	19,356
Current tax assets	2	1,897
Total receivables	110,356	105,857
Cash and cash equivalents	102,665	87,222
Total current assets	**293,257**	**280,560**
Total assets	**455,634**	**485,059**
EQUITY AND LIABILITIES		
Equity		
Share capital	6,218	6,191
Share premium account	11,282	10,606
Invested non-restricted equity fund	81,033	35,376
Translation difference	-12,323	4,582
Fair value reserve	0	-732
Share-based payments	3,857	2,975
Retained earnings	90,411	81,533
Profit for the report period	13,947	23,999
Total equity	**194,425**	**164,530**
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	99,763	74,595
Non-interest-bearing liabilities	8,722	27,196
Provisions	1,064	1,301
Deferred tax liabilities	23,929	27,617
Total non-current liabilities	**133,478**	**130,709**
Current liabilities		
Interest-bearing liabilities	677	69,190
Trade payables	88,695	75,510
Other non-interest-bearing liabilities	38,209	45,025
Current tax liabilities	149	96
Total current liabilities	**127,730**	**189,820**
Total liabilities	**261,208**	**320,529**
Total equity and liabilities	**455,634**	**485,059**

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CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	10-12/13 3 mon.	10-12/12 3 mon.	1-12/13 12 mon.	1-12/12 12 mon.
Cash flows from operating activities				
Cash receipts from customers	221,778	234,532	876,460	949,400
Cash receipts from other operating income	230	2,111	785	3,246
Cash paid to suppliers and employees	-196,696	-211,112	-819,256	-851,334
Cash flows from operations before financial income and expenses and taxes	**25,312**	**25,531**	**57,989**	**101,311**
Interest paid and other financial expenses	-34	-1,134	-5,851	-5,635
Effects of exchange rate changes	-323	-384	680	1,033
Interest received	90	161	153	335
Income taxes paid	-2,091	-8,995	-13,258	-21,057
Net cash from operating activities (A)	**22,953**	**15,180**	**39,714**	**75,988**
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	-4,135	-4,806	-15,103	-16,317
Proceeds from sale of property, plant and equipment and intangible assets	-305	1,216	329	3,490
Proceeds from repayments of borrowings	0	0	0	514
Net cash used in investment activities (B)	**-4,440**	**-3,589**	**-14,773**	**-12,313**
Cash flows after investments	**18,513**	**11,589**	**24,941**	**63,673**
Cash flows from financing activities				
Drawing of long-term borrowings	31	0	99,531	0
Drawing of short-term borrowings	0	-9	0	5,090
Share issue and subscriptions of options	987	14	46,342	2,687
Repayment of short-term/long-term borrowings	-44,238	275	-138,645	-23,642
Dividends paid	0	0	-15,122	-12,814
Net cash used in financing activities (C)	**-43,219**	**279**	**-7,893**	**-28,678**
Net increase (+) or decrease (-) in cash and equivalents (A+B+C)	**-24,706**	**11,870**	**17,047**	**34,996**
Cash and cash equivalents in the beginning of the period	128,014	75,406	87,222	52,280
Effect of exchange rate changes	-643	-54	-1,604	-54
Cash and cash equivalents in the end of the period	102,665	87,222	102,665	87,222

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KEY FINANCIAL INDICATORS

	1-12/13 12 mon.	1-12/12 12 mon.
Revenue, EUR 1,000	883,986	928,178
Operating profit, EUR 1,000	30,463	43,451
% of revenue	3.4	4.7
Profit before taxes, EUR 1,000	21,562	34,946
% of revenue	2.4	3.8
Net profit for the period, EUR 1,000	13,947	23,999
% of revenue	1.6	2.6
Return on equity (ROE), %	7.8	15.1
Return on investments (ROI), %	14.7	16.7
Net working capital, EUR 1,000	63,540	72,709
Net liabilities, EUR 1,000	-2,225	56,563
Gearing, %	-1.1	34.4
Equity ratio, %	42.7	33.9
Current ratio	2.3	1.5
Gross capital expenditure, EUR 1,000	14,620	16,023
% of revenue	1.7	1.7
R&D expenditures, EUR 1,000	8,503	7,992
% of revenue	1.0	0.9
Personnel average	19,206	20,590

PER-SHARE KEY INDICATORS

	1-12/13 12 mon.	1-12/12 12 mon.
Earnings per share (EPS), EUR	0.63	1.13
Earnings per share (EPS),diluted, EUR	0.62	1.12
Equity per share, EUR	8.13	7.64
Cash flow per share, EUR	1.11	2.97
Share price at close of period, EUR	24.19	15.49
Dividend per share, EUR *)	0.70	0.70
Dividend per earnings, % *)	111.82	62.12
Effective dividend yield, % *)	2.89	4.52
Price/earnings ratio (P/E)	38.64	13.75
Lowest share price, EUR	15.00	10.65
Highest share price, EUR	25.31	18.30
Average share price, EUR	20.47	14.76
Turnover in shares, 1,000 shares	8,963	10,854
Turnover in shares per (share issue adjusted) share capital, %	40.2	51.0
Average number of shares, 1,000 shares	22,280	21,296
Average number of shares, diluted, 1,000 shares	22,454	21,462
Shares at end of period, 1,000 shares	23,906	21,524
Market capitalisation, EUR 1,000	576,103	333,414

*) The figures of 2013 are based on the Board of Director's proposal

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1. SEGMENT INFORMATION

1.10.-31.12.2013 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	198,392	13,717	0	212,109
Internal revenue	65	45	-109	0
Total revenue	**198,457**	**13,761**	**-109**	**212,109**
EBITDA	**15,197**	**575**	**-1,825**	**13,946**
% of revenue	**7.7**	**4.2**		**6.6**
Depreciation, amortisation and impairments *)	3,768	351	14	4,133
EBITA	**11,429**	**223**	**-1,839**	**9,813**
% of revenue	**5.8**	**1.6**		**4.6**
PPA depreciation and amortisation	3,153	0	0	3,153
Operating profit before non-recurring items	**8,276**	**223**	**-1,839**	**6,661**
% of revenue	**4.2**	**1.6**		**3.1**
Non-recurring employee benefit expenses	1,323	22	0	1,345
Impairment of PPE and intangible assets	497	0	0	497
Other non-recurring income and expenses	-154	-100	474	219
Total non-recurring items	**1,667**	**-79**	**474**	**2,061**
Operating profit	**6,609**	**302**	**-2,312**	**4,599**
% of revenue	**3.3**	**2.2**		**2.2**
Segment's assets	430,524	39,424	-30,757	439,191
Unallocated assets **)	0	0	16,443	16,443
Total assets	**430,524**	**39,424**	**-14,314**	**455,634**

*) excluding PPA depreciation and amortisation and non-recurring asset impairment
**) Segment's assets do not include deferred taxes

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1.10.-31.2.2012 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	196,140	17,820	0	213,960
Internal revenue	120	107	-228	0
Total revenue	**196,260**	**17,928**	**-228**	**213,960**
EBITDA	**16,194**	**1,423**	**-444**	**17,173**
% of revenue	**8.3**	**7.9**		**8.5**
Depreciation, amortisation and impairments *)	4,243	468	325	5,036
EBITA	**11,951**	**954**	**-768**	**12,137**
% of revenue	**6.1**	**5.3**		**5.7**
PPA depreciation and amortisation	3,249	0	0	3,249
Operating profit before non-recurring items	**8,703**	**954**	**-768**	**8,888**
% of revenue	**4.4**	**5.3**		**4.2**
Non-recurring employee benefit expenses	2,425	77	231	2,733
Impairment of PPE and intangible assets	1,108	0	0	1,108
Advisor fees	0	66	0	66
Other non-recurring income and expenses	0	961	0	961
Total non-recurring items	**3,533**	**1,104**	**231**	**4,868**
Operating profit	**5,170**	**-150**	**-999**	**4,020**
% of revenue	**2.6**	**-0.8**		**1.9**
Segment's assets	456,103	42,390	-24,706	473,787
Unallocated assets **)	0	0	11,272	11,272
Total assets	**456,103**	**42,390**	**-13,434**	**485,059**

*) excluding PPA depreciation and amortisation and non-recurring asset impairment
**) Segment's assets do not include deferred taxes

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1.1.-31.12.2013 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	820,332	63,654	0	883,986
Internal revenue	436	1,295	-1,732	0
Total revenue	**820,768**	**64,950**	**-1,732**	**883,986**
EBITDA	**70,527**	**5,837**	**-6,023**	**70,341**
% of revenue	**8.6**	**9.0**		**8.0**
Depreciation, amortisation and impairments *)	16,054	1,556	270	17,881
EBITA	**54,473**	**4,281**	**-6,293**	**52,461**
% of revenue	**6.6**	**6.6**		**5.9**
PPA depreciation and amortisation	11,588	0	0	11,588
Operating profit before non-recurring items	**42,885**	**4,281**	**-6,293**	**40,873**
% of revenue	**5.2**	**6.6**		**4.6**
Non-recurring employee benefit expenses	4,459	853	0	5,312
Impairment of PPE and intangible assets	3,391	0	0	3,391
Other non-recurring income and expenses	507	-700	1,900	1,707
Total non-recurring items	**8,356**	**153**	**1,900**	**10,409**
Operating profit	**34,529**	**4,128**	**-8,193**	**30,463**
% of revenue	**4.2**	**6.5**		**3.4**
Segment's assets	430,524	39,424	-30,757	439,191
Unallocated assets **)	0	0	16,443	16,443
Total assets	**430,524**	**39,424**	**-14,314**	**455,634**

*) excluding PPA depreciation and amortisation and non-recurring asset impairment
**) Segment's assets do not include deferred taxes

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1.1.-31.12.2012 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	858,778	69,400	0	928,178
Internal revenue	516	203	-718	0
Total revenue	**859,294**	**69,602**	**-718**	**928,178**
EBITDA	**81,893**	**4,167**	**-3,106**	**82,954**
% of revenue	**9.5**	**6.0**		**8.9**
Depreciation, amortisation and impairments *)	14,517	2,030	1,049	17,596
EBITA	**67,376**	**2,137**	**-4,155**	**65,358**
% of revenue	**7.8**	**3.1**		**7.0**
PPA depreciation and amortisation	13,880	0	0	13,880
Operating profit before non-recurring items	**53,496**	**2,137**	**-4,155**	**51,478**
% of revenue	**6.2**	**3.1**		**5.5**
Non-recurring employee benefit expenses	5,329	331	231	5,892
Impairment of PPE and intangible assets	1,108	0	0	1,108
Advisor fees	0	66	0	66
Other non-recurring income and expenses	0	961	0	961
Total non-recurring items	**6,438**	**1,359**	**231**	**8,027**
Operating profit	**47,058**	**778**	**-4,386**	**43,451**
% of revenue	**5.5**	**1.1**		**4.7**
Segment's assets	456,103	42,390	-24,706	473,787
Unallocated assets **)	0	0	11,272	11,272
Total assets	**456,103**	**42,390**	**-13,434**	**485,059**

*) excluding PPA depreciation and amortisation and non-recurring asset impairment
**) Segment's assets do not include deferred taxes

REVENUE BY GEOGRAPHICAL LOCATIONS (EUR 1,000)	10-12/13 3 mon.	10-12/12 3 mon.	1-12/13 12 mon.	1-12/12 12 mon.
Finland	13,470	15,022	57,184	60,401
Other Europe	61,408	51,859	225,701	218,358
North America	111,636	122,194	491,704	551,957
South America	20,560	19,310	87,461	76,105
APAC	5,036	5,574	21,936	21,356
Total	**212,109**	**213,960**	**883,986**	**928,178**

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2. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR MILLION)

A = Share Capital
B = Share premium account
C = Invested non-restricted equity fund
D = Fair value reserve
E = Translation difference
F = Retained earnings
G = Equity attributable to shareholders of the parent company

	A	B	C	D	E	F	G
Equity at 1.1.2012	**6.1**	**8.3**	**35.6**	**-0.5**	**6.3**	**96.7**	**152.5**
Dividends	0.0	0.0	0.0	0.0	0.0	-12.8	-12.8
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.6	0.6
Share issue, exercise of options	0.1	2.3	0.3	0.0	0.0	0.0	2.7
Comprehensive income for the period	0.0	0.0	-0.5	-0.3	-1.7	24.0	21.5
Equity at 31.12.2012	**6.2**	**10.6**	**35.4**	**-0.7**	**4.6**	**108.5**	**164.5**
Equity at 1.1.2013	**6.2**	**10.6**	**35.4**	**-0.7**	**4.6**	**108.5**	**164.5**
Dividends	0.0	0.0	0.0	0.0	0.0	-15.1	-15.1
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.9	0.9
Share issue, exercise of options	0.0	0.7	45.7	0.0	0.0	0.0	46.4
Comprehensive income for the period	0.0	0.0	0.0	0.7	-16.9	13.9	-2.3
Equity 31.12.2012	**6.2**	**11.3**	**81.0**	**0.0**	**-12.3**	**108.2**	**194.4**

3. PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)

	12/13	12/12
Acquisition cost 1.1.	**150,212**	**144,608**
+/- Translation difference 1.1.	-11,867	-4,633
+ Additions	13,186	14,413
+/- Reclassifications	-1,139	-1,067
+/- Other changes	-1,998	0
- Disposals	-1,715	-3,108
Acquisition cost 31.12.	**146,679**	**150,213**
Accumulated depreciation 1.1.	**55,877**	**32,135**
+/- Translation difference 1.1.	-5,639	1,231
- Accumulated depreciation on disposals and reclassifications	-811	-370
+/- Other changes	1,985	-356
+ Depreciation and impairment	19,240	23,266
Depreciation 31.12.	**70,652**	**55,906**
Carrying amount 31.12.	**76,027**	**94,307**

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4. OTHER INTANGIBLE ASSETS (EUR 1,000)	12/13	12/12
Acquisition cost 1.1.	**108,306**	**105,391**
+/- Translation difference 1.1.	-3,188	795
+ Additions	1,434	2,141
+/- Reclassifications	-5	0
- Disposals	-39	-21
Acquisition cost 31.12.	**106,508**	**108,306**
Accumulated amortisation 1.1.	**34,445**	**25,478**
+/- Translation difference 1.1.	-466	-359
- Accumulated amortisation on disposals and reclassifications	0	-20
+ Amortisation	8,350	9,345
Amortisation 31.12.	**42,328**	**34,444**
Carrying amount 31.12.	**64,180**	**73,862**

5. FAIR VALUES OF FINANCIAL INSTRUMENTS (EUR 1,000)

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 31 December 2013

As of December 31, 2013	Carrying amounts of balance sheet items	Fair values of balance sheet items
Non-current financial assets		
Other non-current financial assets	7	7
Total non-current financial assets	7	7
Current financial assets		
Interest rate swaps	255	223
Total current financial assets	255	223
Total financial assets	**262**	**230**
Non-current financial liabilities		
Non-current interest-bearing liabilities	99,763	100,000
Total non-current financial liabilities	99,763	100,000
Current financial liabilities		
Current interest-bearing liabilities	677	677
Copper derivatives	19	19
Currency derivatives	86	86
Total current financial liabilities	782	782
Total financial liabilities	**100,545**	**100,782**

The valuation of derivatives is based on market data (level 2 IFRS 7:27A).
The valuation of available-for-sale shares (7) is based on the acquisition cost (level 3, IFRS 7.27A) as the fair value of the shares cannot be determined reliably.

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6. CONTINGENT LIABILITIES AT END OF PERIOD (EUR 1,000)	12/13	12/12
Leasing liabilities	**22,680**	**23,640**
Liabilities for derivative instruments		
Nominal values		
Interest rate swaps	75,000	36,009
Currency derivatives		
Forward contracts	18,190	5,121
Copper derivatives		
Forward contracts	8,056	4,564
Total	**101,245**	**45,694**
Fair values		
Interest rate swaps	223	-980
Currency derivatives		
Forward contracts	-86	12
Copper derivatives		
Forward contracts	-19	-66
Total	**118**	**-1,034**

Currency and copper derivatives are used only in hedging currency and copper risks. PKC Group does not apply hedge accounting to currency and copper derivative instruments in accordance with IAS 39. Fair values of currency and copper derivatives are recognised through profit and loss. PKC Group applies hedge accounting to interest rate swaps.

7. QUARTERLY KEY INDICATORS, CONSOLIDATED	7-9/12 3 mon.	10-12/12 3 mon.	1-3/13 3 mon.	4-6/13 3 mon.	7-9/13 3 mon.	10-12/13 3 mon.
Revenue, EUR million	227.4	214.0	225.2	235.1	211.6	212.1
Operating profit, EUR million	12.5	4.0	5.9	12.0	7.9	4.6
% of revenue	5.5	1.9	2.6	5.1	3.8	2.2
Profit before taxes, EUR million	9.8	0.7	4.7	9.4	5.5	1.9
% of revenue	4.3	0.3	2.1	4.0	2.6	0.9
Equity ratio, %	32.5	33.9	34.8	34.5	39.1	42.7
Earnings per share (EPS), diluted (EUR)	0.31	0.03	0.14	0.28	0.14	0.08
Equity per share, EUR	7.68	7.64	8.06	7.14	8.26	8.13
Net cash from operating activities, EUR million	25.5	15.2	3.5	4.8	8.4	23.0
Cash flow after investments, EUR million	23.8	11.6	0.2	1.1	5.1	18.5
QUARTERLY KEY INDICATORS, WIRING SYSTEMS						
Revenue, EUR million	209.2	196.1	208.4	217.2	196.4	198.4
Operating profit, EUR million	12.5	5.2	6.5	12.9	8.5	6.6
% of revenue	6.0	2.6	3.1	6.0	4.3	3.3
QUARTERLY KEY INDICATORS, ELECTRONICS						
Revenue, EUR million	18.3	17.8	16.7	17.9	15.3	13.7
Operating profit, EUR million	1.3	-0.2	1.1	1.8	0.9	0.3
% of revenue	6.9	-0.8	6.6	10.1	5.9	2.2

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CALCULATION OF INDICATORS

Return on equity (ROE), %
= 100 x Profit for the report period / Total equity (average)

Return on investments (ROI), %
= 100 x (Profit before taxes + financial expenses) / (Total equity + interest-bearing financial liabilities (average))

Net liabilities
= Interest bearing liabilities – cash and cash equivalents

Gearing, %
= 100 x (Interest-bearing financial liabilities – cash and cash equivalents) / Total equity

Equity ratio, %
= 100 x Total equity / (Total of the statement of financial position – advance payments received)

Current ratio
= Total current assets / Total current liabilities

Earnings per share (EPS), EUR
= Profit for the report period attributable to equity holders of the parent company / Average share issue-adjusted number of shares

Shareholders’ equity per share, EUR
= Equity attributable to equity holders of the parent company / Share issue-adjusted number of shares at the date of the statement of financial position

Cash flow per share, EUR
= Cash flows after investments / Average share issue-adjusted number of shares

Market capitalisation
= Number of shares at the end of the report period x the last trading price of the report period

EBITDA
= Operating profit + non-recurring items + depreciation, amortisation and impairments

EBITA
= Operating profit + non-recurring items + PPA depreciation and amortisation

Net working capital
= Inventories + current non-interest-bearing receivables – current non-interest-bearing liabilities

All the future estimates and forecasts presented in this stock exchange release are based on the best current knowledge of the company’s management and information published by market research companies and customers. 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.

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PKC GROUP PLC
Board of Directors

Matti Hyytiäinen
President & CEO

For additional information, contact:
Matti Hyytiäinen, President & CEO, PKC Group Plc, +358 400 710 968

PRESS CONFERENCE

A press conference on the financial statement will be arranged for analysts and investors today, 14 February 2014, at 10.00 a.m., at the address Event Arena Bank, Unioninkatu 20, Helsinki.

DISTRIBUTION

NASDAQ OMX
Main media
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PKC Group is a global partner, designing, manufacturing and integrating electrical distribution systems, electronics and related architecture components for the commercial vehicle industry and other selected segments. The Group has production facilities in Brazil, China, Estonia, Finland, Germany, Mexico, Poland, Russia and the USA. The Group's revenue in 2013 totalled EUR 884.0 million. PKC Group Plc is listed on NASDAQ OMX Helsinki Ltd.

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MANAGING THE COMPLEXITY

PKC GROUP

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

www.pkcgroup.com