INTERIM REPORT
JANUARY-DECEMBER 2015

PKC GROUP

PKC Group Plc	FINANCIAL STATEMENT RELEASE	11 February 2016 8.15 a.m.

PKC GROUP Q4/2015:
SRATEGIC PROJECTS ADVANCED, EBITDA CONTINUED TO IMPROVE

OCTOBER - DECEMBER 2015 HIGHLIGHTS
- Revenue increased 10.8% on the comparison period (10-12/2014), totalling EUR 231.8 million (EUR 209.2 million).
- EBITDA before non-recurring items increased 80.9% on the comparison period (10-12/2014), totalling EUR 15.6 million (EUR 8.6 million) and 6.7% (4.1%) of revenue.
- Wiring Systems business segment's EBITDA before non-recurring items increased 65.2% on the comparison period (10-12/2014), totalling EUR 17.7 million (EUR 10.7 million) and 8.1% (5.5%) of revenue.
- Cash flow after investments was EUR 46.8 million (EUR 30.7 million).

JANUARY - DECEMBER 2015 HIGHLIGHTS
- Revenue increased 9.5% on the comparison period (1-12/2014), totalling EUR 908.0 million (EUR 829.5 million).
- EBITDA before non-recurring items increased 31.5% on the comparison period (1-12/2014), totalling EUR 63.9 million (EUR 48.6 million) and 7.0% (5.9%) of revenue.
- Wiring Systems business segment's EBITDA before non-recurring items increased 29.1% on the comparison period (1-12/2014), totalling EUR 66.4 million (EUR 51.4 million) and 7.8% (6.7%) of revenue.
- Cash flow after investments was EUR -23.4 million (EUR 20.7 million) including acquisition cash outflow amounting to EUR 22.5 million.

DIVIDEND PROPOSAL
- Dividend proposal is EUR 0.70 per share (EUR 0.70 per share).

PKC GROUP'S OUTLOOK FOR 2016
- PKC Group estimates that with prevailing exchange rates 2016 revenue will be at or above previous year level and comparable EBITDA will be higher than previous year level. Revenue and comparable EBITDA improvement is to take place in the second half of the year. In 2015, PKC's revenue was EUR 908.0 million and comparable EBITDA before non-recurring items was EUR 63.9 million.

KEY FIGURES	10-12/15	10-12/14	Change %	1-12/15	1-12/14	Change %
EUR 1,000 (unless otherwise noted)						
Revenue	231,753	209,247	+10.8	908,041	829,516	+9.5
EBITDA*	15,559	8,600	+80.9	63,866	48,572	+31.5
% of revenue	6.7	4.1		7.0	5.9	
Operating profit*	6,952	1,558	+346.1	31,646	21,384	+48.0
% of revenue	3.0	0.7		3.5	2.6	
Non-recurring items	-1,227	-11,739	-89.6	-8,973	-28,362	-68.4
Operating profit (loss)	5,725	-10,181		22,674	-6,978	
% of revenue	2.5	-4.9		2.5	-0.8	
Profit (loss) before taxes	4,660	-11,160		18,288	-10,528	
Earnings per share (EPS), EUR	0.08	-0.63		0.29	-1.21	
Cash flow after investments	46,798	30,737	+52,3	-23,372	20,699	
ROCE, %				10.8	7.7	
Gearing, %				31.4	-5.6	

* before non-recurring items

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MATTI HYYTIÄINEN, PRESIDENT & CEO:

”PKC's financial year 2015 was a year of positive development, both financially and also in terms of the implementation of the growth strategy.

The company's revenue and operating profit before non-recurring items increased. Revenue amounted to EUR 908.0 million (+9.5%) and operating profit before non-recurring items amounted to EUR 31.6 million (+48.0%).

2015 was full of events. It included expansion into rolling stock customer relationships through the acquisition of Kabel-Technik-Polska Sp. z o.o. and the establishment of a joint venture in China with Huakai specialising in the manufacture of electrical distribution systems. Production reorganisation proceeded in Europe and Brazil. The new wiring systems factories in Lithuania and Serbia speeded up and production in Brazil was consolidated into one factory.

PKC's market position remained strong in all product and geographical areas of operation throughout the financial year. As a sign of this success, customers honoured PKC with several quality awards. PKC's excellent customer service and reliability are based on the professionally-skilled personnel, who once again succeeded excellently in their work. For this I would like to express my warmest thanks to all those working at PKC.

This year we will continue with the implementation of our growth strategy. We will concentrate on strengthening our position and creating the prerequisites for growth globally with our rolling stock customers, and with our truck customers especially in China. Our strong balance sheet is enabling us to engage in growth projects. The key reorganisations in European production will gradually end during the year, with the exception of the closure of the Keila factory situated in Estonia which, as a result of customer projects, will not be carried out until Q1/17. Competence units will remain at Keila to serve European and South American business. The closure of the Keila factory will not result in additional non-recurring items.

In 2016, we expect the market environment to be fluctuating. The production of trucks in North America and Brazil is forecast to decline. In Europe, production volumes are expected to remain unchanged. In China, the production of trucks is expected to increase, and the positive nature of the market is being increased by the continuation in average price rises brought about by the increasing complexity of electrical distribution systems. The rolling stock market is expected to grow, and the order books of PKC's rolling stock customers are on a good level. The demand for the products of the Electronics segment is estimated to remain at the current level at the most.”

OPERATING ENVIRONMENT

Wiring Systems Business

PKC Group'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 development. Economic activity continued on a good level in North America during the financial period even though the anticipated interest rate increase was initially postponed due to slightly softer economic indicators, but which did take place eventually in December. The growth of the European economy has continued to be low and deflationary and political risks still exist including the refugee crisis' potential political and economic consequences. The European Central Bank's quantitative easing, lower oil prices and increased export competitiveness have increased the optimism. In Brazil and Russia, the economic growth has slowed down and the economies are in recession. China's economic indicators have continued to weaken.

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 2015, PKC's regional market shares in truck production fluctuated somewhat from quarter to quarter. The largest fluctuation occurred in the market shares of the European heavy duty truck markets (41%-44%) and medium duty truck markets (20%-25%). In Brazilian and North American truck market the market share development was relatively stable during 2015. Since the end of third quarter PKC's market share in China truck production has been approximately 10% after the set-

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up of joint venture in China with Jiangsu Huakai Wire Harness Co. Ltd.

PKC Group's functional currency the euro has depreciated against the US dollar during financial period and was on average clearly weaker than during the previous year. During the financial period the Brazilian real has depreciated in relation to the euro and the depreciation was especially fast during the third quarter. US dollar has continued to strengthen against Mexican peso and was on a significantly stronger level than in the comparison period. The price of key raw material, copper, has continued to decrease during the year ending up on a significantly lower lever than at the end of comparison period. On average the customer sales prices are updated with a 3-5 month delay on the basis of copper price changes.

Vehicle production, units	10-12/15	10-12/14	Change %	7-9/15	Change %	1-12/15	1-12/14	Change %
North America								
Heavy duty trucks	75,716	76,903	-1.5	83,094	-8.9	326,880	297,499	9.9
Medium duty trucks	62,958	57,723	9.1	60,960	3.3	241,292	227,148	6.2
Light vehicles (Pick-up & SUV)	2,386,630	2,192,188	8.9	2,418,649	-1.3	9,502,046	8,882,674	7.0
Europe								
Heavy duty trucks	98,397	84,337	16.7	90,674	8.5	356,253	305,974	16.4
Medium duty trucks	18,560	17,862	3.9	16,842	10.2	74,548	71,478	4.3
Brazil								
Heavy duty trucks	17,767	20,681	-14.1	11,736	51.4	57,077	101,617	-43.8
Medium duty trucks	5,460	10,431	-47.7	5,375	1.6	24,395	35,892	-32.0
China								
Heavy duty trucks	126,986	158,654	-20.0	105,056	-20.9	529,525	747,451	-29.2
Medium duty trucks	51,008	67,073	-24.0	41,426	23.1	185,574	247,899	-25.1

Source: LMC Automotive Q4/2015

European truck demand has continued to recover but is still below the normal long-term replacement level. European truck production volumes include also export volumes to EMEA, e.g. Russia, which have been on a low level. In North America, record freight volumes continued to drive the demand for heavy duty trucks for major part of 2015, even though the growth has reversed and the order intake has declined recently. In addition to the replacement investment, the expansion of transportation capacity boosted the truck demand during 2015. In Brazil the weak economic situation continues to have a strong negative impact on the demand for trucks. In China economic situation continued to deteriorate and resulted in lower truck production.

Electronics Business

Economic uncertainty and global caution among companies towards industrial investment exerted a negative impact on the demand for electronics products. However, the market demand for telecommunications related products increased from the level of previous year. The demand for renewable-energy and energy saving products including smart grid solutions on the market remained on the previous year's level.

REVENUE AND OPERATING PROFIT

Revenue in October-December amounted to EUR 231.8 million (EUR 209.2 million), up 10.8% on the same period a year earlier. The changes in consolidation exchange rates increased the revenue by approximately +6%. Revenue in January-December amounted to EUR 908.0 million (EUR 829.5 million), up 9.5% on the same period a year earlier. The changes in consolidation exchange rates increased the revenue by approximately +10%. Since the beginning of the third quarter consolidated Group revenue also includes the acquired Groclin's Wiring & Controls business, including Polish Kabel-Technik-Polska Sp. z o.o. which increased the fourth quarter revenue by 8.2% and the full year revenue by 3.7%. The Chinese joint venture, Jiangsu Huakai-PKC Wire Harness Co., Ltd., began operations close to the end of the third quarter, and its

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impact to fourth quarter revenue was 5.6%.

During the fourth quarter the non-recurring items amounted to EUR -1.2 million (EUR -11.7 million) and during January-December the non-recurring items amounted to EUR -9.0 million (EUR -28.4 million). Non-recurring items consist of restructuring expenses (January-December 2015: EUR 6.0 million) related mainly to the closure of Curitiba (Brazil) factory and expenses related to Group's strategic reorganisation (January-December EUR 3.0). Non-cash non-recurring items were EUR -0.2 million (EUR -4.2 million) during the fourth quarter and EUR -0.6 million (EUR -11.3 million) during January-December.

The fourth quarter EBITDA before non-recurring items was EUR 15.6 million (EUR 8.6 million) and 6.7% (4.1%) of revenue. The January-December EBITDA before non-recurring items was EUR 63.9 million (EUR 48.6 million) equalling to 7.0% (5.9%) of revenue. The EBITDA before non-recurring items continued to improve in the Wiring Systems segment contributed by lower losses in Brazil despite lower revenue, favourable translation impact arising from exchange rates and improved profit in Europe. In addition, recent transactions contributed to consolidated EBITDA. Electronics segment's EBITDA has improved in the financial period, but was lower in the fourth quarter impacted by unfavorable share of ODM products in the product mix. The fourth quarter operating profit before non-recurring items and PPA depreciation and amortisation related to acquisitions totalled EUR 9.9 million (EUR 3.7 million), accounting for 4.3% of revenue (1.7%). The January-December operating profit before non-recurring items and PPA depreciation and amortisation related to acquisitions totalled EUR 42.0 million (EUR 29.5 million), accounting for 4.6% of revenue (3.6%). The fourth quarter Group depreciation, amortisation and impairment losses amounted to EUR 8.6 million (EUR 8.7 million). Excluding PPA related depreciation and amortisation, and impairment losses it amounted to EUR 5.7 million (EUR 4.9 million). The January-December Group depreciation, amortisation and impairment losses amounted to EUR 33.0 million (EUR 33.5 million). Excluding PPA related depreciation and amortisation, and impairment losses it amounted to EUR 21.9 million (EUR 19.0 million).

During October-December the Group's operating profit totalled EUR 5.7 million (EUR -10.2 million), accounting for 2.5% of revenue (-4.9%). During January-December the Group's operating profit totalled EUR 22.7 million (EUR -7.0 million), accounting for 2.5% of revenue (-0.8%).

Wiring Systems Business

Revenue during October-December amounted to EUR 219.8 million (EUR 196.7 million), or 11.7% more than in the comparison period. The changes in consolidation exchange rates increased the revenue by approximately +6%. Revenue during January-December amounted to EUR 846.7 million (EUR 772.1 million), or 9.7% more than in the comparison period. The changes in consolidation exchange rates increased the revenue by approximately +10%. Since the beginning of the third quarter, Wiring Systems revenue also includes the acquired Groclin's Wiring & Controls business, including Polish Kabel-Technik-Polska Sp. z o.o., which increased the fourth quarter revenue by 8.7%. The Chinese joint venture, Jiangsu Huakai-PKC Wire Harness Co., Ltd., began operations close to the end of the third quarter, and its impact to segment revenue in the fourth quarter was 5.9%. The revenue in North America included some negative impact due to light vehicle program build-outs where a major individual program ended in December 2014. In Europe, the revenue increased, while the revenue in Brazil decreased significantly due to poor market conditions. The segment's share of the consolidated revenue was during October-December 94.8% (94.0%) and during January-December 93.2% (93.1%).

During the fourth quarter the non-recurring items amounted to EUR -0.7 million (EUR -11.4 million) and during January-December the non-recurring items amounted to EUR -5.8 million (EUR -26.5 million). Non-recurring items include restructuring expenses which are mainly related to the closure of Curitiba (Brazil) factory which were initially recognized in the second quarter of the year. Non-cash non-recurring items were EUR -0.2 million (EUR -4.2 million) during the fourth quarter and EUR -0.6 million (EUR -11.3 million) during January-December.

The fourth quarter EBITDA before non-recurring items was EUR 17.7 million (EUR 10.7 million) and 8.1% (5.5%) of the segment's revenue. During January-December EBITDA before non-recurring items was EUR 66.4 million (EUR 51.4 million) and 7.8% (6.7%) of the segment's revenue. EBITDA before non-recurring items

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was improved by lower losses in Brazil despite lower revenue, favourable translation impact arising from exchange rates and improved profit in Europe. In addition, recent transactions contributed to consolidated EBITDA. In Europe the development program continues. In South America, the closing of the Curitiba factory and consolidating of all production capacity in Brazil to Campo Alegre factory has taken place.

During October-December operating profit before non-recurring items was EUR 9.6 million (EUR 4.1 million), equivalent to 4.3% of the segment's revenue (2.1%) and during January-December operating profit before non-recurring items was EUR 36.0 million (EUR 25.8 million), equivalent to 4.2% of the segment's revenue (3.3%). During October-December operating profit was EUR 8.8 million (EUR -7.3 million), equivalent to 4.0% of the segment's revenue (-3.7%) and during January-December operating profit was EUR 30.2 million (EUR -0.7 million), equivalent to 3.6% of the segment's revenue (-0.1%).

Electronics Business

Revenue during October -December decreased 4.2% to EUR 12.0 million (EUR 12.5 million). Revenue during January-December increased by 6.7% to EUR 61.3 million (EUR 57.4 million). During January-December the revenue generated by own products increased. The segment's share of the consolidated revenue was during October-December 5.2% (6.0%) and during January-December 6.8% (6.9%). During January-December and October-December EUR -0.2 million in non-recurring expenses related to employee benefits were recognised. During the comparison periods (1-12/2014 and 10-12/2014) no non-recurring items were recognised. During the fourth quarter EBITDA before non-recurring items was EUR -0.5 million (EUR 0.2 million) and -3.8% (1.4%) of the segment's revenue and during January-December EBITDA before non-recurring items was EUR 3.7 million (EUR 3.1 million) and 6.1% (5.5%) of the segment's revenue. During October-December operating profit before non-recurring items was EUR -0.9 million (EUR -0.2 million), equivalent to -7.2% of the segment's revenue (-1.8%) and during January-December operating profit before non-recurring items was EUR 2.0 million (EUR 1.7 million), equivalent to 3.3% of the segment's revenue (2.9%). During October-December operating profit was EUR -1.1 million (EUR -0.2 million), equivalent to -8.8% of the segment's revenue (-1.8%) and during January-December operating profit was EUR 1.8 million (EUR 1.7 million), equivalent to 3.0% of the segment's revenue (2.9%). During January-December profitability was improved due to higher share of own products in the revenue.

FINANCIAL ITEMS AND NET PROFIT

Financial items were EUR -1.1 million (EUR -1.0 million) during October-December and EUR -4.4 million (EUR -3.6 million) during January-December. Financial items include foreign exchange differences totalling EUR 0.4 million (EUR 0.4 million) during October-December and EUR 0.6 million (EUR 0.5 million) during January-December.

Profit before taxes during October-December was EUR 4.7 million (EUR -11.2 million) and during January-December EUR 18.3 million (EUR -10.5 million). Income tax of the quarter amounted to EUR 2.4 million (EUR 3.8 million). Income tax of January-December amounted to EUR 11.0 million (EUR 18.5 million). Income tax of the comparison period January-December 2014 includes additional taxes of EUR 8.3 million related to previous years. During January-December the effective tax rate continued to be impacted by PKC Group's high exposure to North America where the tax rates are higher. Furthermore, effective tax rate is influenced by losses, including non-recurring items' impact, in Brazil, whereby no deferred tax assets are currently recognized. Net profit for the quarter totalled EUR 2.3 million (EUR -15.0 million) and net profit for January-December totalled EUR 7.3 million (EUR -29.1 million). Earnings per share for the quarter were EUR 0.08 (EUR -0.63) and earnings per share for January-December were EUR 0.29 (EUR -1.21).

CASH FLOW, FINANCIAL POSITION AND FINANCING

During October-December net cash from operating activities was EUR 53.6 million (EUR 34.4 million) and cash flow after investments was EUR 46.8 million (EUR 30.7 million). During January-December net cash from operating activities was EUR 14.8 million (EUR 41.0 million) and cash flow after investments was EUR -23.4 million (EUR 20.7 million). The acquisition cash outflow was EUR 22.5 million during January-December. Net

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cash from operating activities was reduced by the build-up of working capital in the recently established Chinese joint venture and by higher volumes in the recently acquired rolling stock business.

The core net working capital (inventories, trade receivables and trade payables) decreased from the end of previous quarter by EUR 31.8 million. Total net working capital (including all current non-interest bearing items) at the end of December 2015 was EUR 55.1 million (EUR 26.2 million a year earlier) representing a decrease of EUR 41.8 million during the quarter, while in the comparison quarter the decrease was EUR 40.7 million. Typically for the automotive industry, working capital levels are at their lowest around the year end production shut-down period. Total net working capital includes the recording of additional EUR 8.3 million tax liability in the third quarter 2014 and unpaid liabilities related to non-recurring items in Europe, South America and North America which were recorded in 2014 and 2015 and are yet to be paid during 2016.

During the quarter, the Group's gross capital expenditure totalled EUR 5.9 million (EUR 4.0 million), representing 2.5% of revenue (1.9%) and during January-December, the Group's gross capital expenditure totalled EUR 38.1 million (EUR 19.9 million), representing 4.2% of revenue (2.4%). Gross capital expenditure is geographically divided as follows: Europe 77.5% (40.4%), North America 18.0% (40.7%), APAC 3.1% (9.2%) and South America 1.4% (9.6%). The capital expenditure consisted of regular maintenance investments into production machinery and equipment during the report period. The total capital expenditure includes the impact of acquisition EUR 22.5 million.

At the close of the financial year cash and cash equivalents amounted to EUR 118.3 million (EUR 110.3 million). At the close of the financial year, interest-bearing liabilities totalled EUR 167.7 million (EUR 101.4 million), which consisted of non-current interest-bearing debt of EUR 142.2 million and current interest-bearing debt of EUR 25.5 million. Increase in non-current interest bearing debt was due to funding of the acquisition in July. Current interest-bearing liabilities consist mainly of outstanding of commercial papers. PKC Group has a Finnish commercial paper program whereby PKC Group regularly issues short-term notes. In addition, the group has a committed, un-utilized credit facility of EUR 90.0 million. PKC Group selectively utilizes also non-recourse factoring arrangements with some customers. At the close of the financial period the outstanding amount of such arrangements was EUR 29.4 million (EUR 26.4 million).

The effective average interest rate of the interest-bearing debt including the expenses of the unutilized credit facility was at the close of the financial year 2.4% (4.4%). The change in effective average interest rate is mainly related to increased use of commercial papers and financial institution loans. The Group's equity ratio was 29.0% (34.7%). Net interest-bearing liabilities totalled EUR 49.4 million (EUR -8.9 million) and gearing was 31.4% (-5.6%).

RESEARCH & DEVELOPMENT

Research and development costs during the quarter totalled EUR 2.4 million (EUR 2.2 million), representing 1.0% (1.1%) of the consolidated revenue. Research and development costs during January-December totalled EUR 9.2 million (EUR 8.2 million), representing 1.0% (1.0%) of the consolidated revenue. At the end of financial year 143 (149) people worked in product development, excluding production development and process development personnel.

PERSONNEL, QUALITY AND THE ENVIRONMENT

The Group had an average payroll of 21,964 employees (20,165) during the fourth quarter and 20,770 (19,640) during January-December. At the end of the financial year, the Group's personnel totalled 21,764 employees (19,437), of whom 21,475 (19,141) worked abroad and 289 (296) in Finland. In addition the Group had at the end of the financial year 300 (605) temporary employees. 97.6% of the personnel were employed by the Wiring Systems business segment and 2.3% by the Electronics business segment. Geographically personnel was divided at the end of the financial year as follows: North America 54.8%, Europe 35.0%, South America 5.4% and Asia 4.8%.

More information about personnel, quality and the environment can be found from the Corporate Responsibility

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report which will be published 31 March 2016 at the latest.

MANAGEMENT

The Annual General Meeting held on 1 April 2015, re-elected Reinhard Buhl, Wolfgang Diez, Shemaya Levy, Mingming Liu, Robert Remenar, Matti Ruotsala and Jyrki Tähtinen as Board members. In the Board's organisation meeting, Matti Ruotsala was elected as Chairman of the Board and Robert Remenar as Vice-Chairman.

Shemaya Levy was elected as the chairman of the Audit Committee and Wolfgang Diez, Mingming Liu and Jyrki Tähtinen as members. The Board elected Matti Ruotsala as chairman of the Nomination and Remuneration Committee and Reinhard Buhl and Robert Remenar 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 consists of the following persons: Matti Hyytiäinen, Chairman (President & CEO), Julie Bellamy (Group Senior Vice President, Human Resources), Andre Gerstner (President, Rolling Stock Business), Jyrki Keronen (President, Wiring Systems, APAC), Jani Kiljala (President, Wiring Systems, Europe and South America), Frank Sovis (President, Wiring Systems, North America), Juha Torniainen (CFO) and Vesa Vähämöttönen (Group Senior Vice President, Business Development).

SHARE TURNOVER AND SHAREHOLDERS

Trading of shares on Nasdaq Helsinki	1-12/15	1-12/14
Turnover in shares	11,308,942	12,100,818
Share turnover, EUR million	212.5	238.4
Turnover in shares per average number of shares, %	47.1	50.5

PKC's shares are also traded on alternative exchanges (such as Chi-X, BATS and Turquoise). The total trading volume on these particular alternative exchanges was 1,541,048 shares (1,232,226 shares) during January-December.

Shares and market value on Nasdaq Helsinki	1-12/15	1-12/14
Number of shares at the close of the financial year	24,095,387	23,970,504
Lowest share price during the financial year, EUR	15.51	13.13
Highest share price during the financial year, EUR	23.37	26.33
Share price at close of the financial year, EUR	16.27	17.58
Average share price of the financial year, EUR	18.84	19.69
Market capitalisation at the close of the financial year, EUR million	392.0	421.4

The shares held by Executive Board members, Board members, their closely associated persons and corporations in which they have a controlling interest accounted for 0.3% (0.1%) of the total number of shares at the end of the financial year. PKC Group Plc had a total of 9,465 shareholders (8,811) at the end of financial year. The shares held by foreigners and through nominee registrations at the close of the financial year totalled 32.5% of the share capital (30.5%).

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Flaggings

On 12 January 2015 the share of votes and share capital in PKC Group Plc held by Nordea Funds Oy (1737785-9) fell below the limit of 5%. Following the transaction Nordea Funds Oy owned 1,183,325 PKC Group Plc shares and votes, i.e. 4.94% of the share capital and votes.

On 19 February 2015 the share of votes and share capital in PKC Group Plc held by Nordea Funds Oy (1737785-9) exceeded the limit of 5%. Following the transaction Nordea Funds Oy owned 1,201,128 PKC Group Plc shares and votes, i.e. 5.01% of the share capital and votes.

On 17 June 2015 the share of votes and share capital in PKC Group Plc held by Nordea Funds Oy (1737785-9) fell below the limit of 5%. Following the transaction Nordea Funds Oy owned 1,168,031 PKC Group Plc shares and votes, i.e. 4.86% of the share capital and votes.

NUMBER OF SHARES

PKC Group Plc’s number of shares has changed during January-December as follows:

Registrations of new shares corresponding to subscriptions	2009B options	2009C options	2012A(i) options	2012A(ii) options	Number of shares after subscriptions
29.1.2015	5,000	-	-	-	23,975,504
25.3.2015	6,660	1,000	-	-	23,983,164
15.5.2015	25,723	19,000	7,500	6,500	24,041,887
22.12.2015	0	2,500	25,000	26,000	24,095,387

THE BOARD'S AUTHORISATIONS

The Board of Directors was granted authorisation by the Annual General Meeting on 3 April 2014 to decide on one or more share issues 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 4,750,000 shares may be issued or subscribed for on the basis of authorisation. The authorisation includes the right to decide on directed share issues. 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. The authorisation revoked the authorisation granted on 30 March 2011.

The Board of Directors was granted authorisation by the Annual General Meeting on 1 April 2015 to resolve to repurchase a maximum of 530,000 shares in the Company by using funds in the unrestricted shareholders' equity. The number of shares corresponds 2.2 per cent of all shares of the Company. The price paid for the shares repurchased shall be based on the market price of the Company´s shares in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization is used for purposes determined by the Board of Directors, among other things, for the Company's incentive plans. The authorization is effective until next Annual General Meeting of Shareholders, however, at most until 30 September 2016.

OWN SHARES

PKC Group has entered into an agreement with a third-party service provider concerning the management of the share-based incentive program for key personnel. The third party acquires and owns the shares until the shares are given to the participants of the program. In accordance with IFRS accounting principles these 132,500 shares acquired have been accounted for as treasury shares in the consolidated statement of financial position. The number of shares equals to 0.5% of the total company shares and voting rights outstanding.

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STOCK OPTION AND SHARE-BASED INCENTIVE PLANS

At the end of December 2015, PKC Group Plc's valid stock option schemes 2009C, 2012A, 2012B and 2012C entitled the holders to subscribe to a total of 408,500 shares and invested non-restricted equity fund can increase by EUR 8.6 million.

On 11 February 2015 PKC Group announced three new share-based incentive plans for the Group key personnel approved by the Board of Directors. In total, the Performance Share Plan 2015, Matching Share Plan 2015 and Restricted Share Plan 2015 correspond to the value of an approximate maximum total of 530,000 PKC Group Plc shares (including also the cash proportion).

The terms and conditions of stock options and share-based incentive plans are available on company's website at www.pkcgroup.com/investors.

KEY STRATEGIC HIGHLIGHTS OF 2015

PKC Group announced on 4 September 2015 that PKC's joint venture Jiangsu Huakai-PKC Wire Harness Co., Ltd. has been established and started its operations. Details of the joint venture are presented in the section 8 (established joint venture).

PKC Group announced on 1 July 2015 that it had closed the deal to buy the rolling stock electrical distribution system business (Wiring & Controls business) of Groclin S.A. Group. Details of the acquisition are presented in the section 7 (business combinations).

PKC Group adjusts production capacity in South America by closing Curitiba, Brazil factory and consolidating all its production capacity in Brazil to Campo Alegre factory, which was announced on 24 June 2015.

PKC Group won new business contracts in the amount of about EUR 30 million from two major global vehicle manufacturers, which was announced on 25 March 2015.

EVENTS AFTER THE FINANCIAL YEAR

PKC Group announced two new share-based incentive plans for the Group key personnel approved by the Board of Directors.

SHORT-TERM RISKS AND UNCERTAINTIES

The demand for PKC´s products is dependent especially on the volatility of the global commercial vehicle industry as well as the development of PKC's customers' businesses. Rolling stock programs are typically government funded and therefore subject to risks in execution schedules.

Uncertainty related to emerging markets' economic development especially in China, Brazil and Russia has increased to a high level. The growth of the European economy has not accelerated significantly and the inflation has continued on a low level.

Consolidation of the customer base and 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 in the short term. 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.

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MARKET OUTLOOK

Wiring Systems Business

In 2016 the production of heavy-duty and medium-duty trucks in Europe is expected to be at the previous year's level.

In 2016 the production of heavy-duty and medium-duty trucks in North America is expected to decrease by about 17%, and production of light vehicles to increase by about 2% compared to 2015.

In 2016 the production of heavy-duty and medium-duty trucks in Brazil is expected to continue to decrease.

In 2016 the production of heavy-duty and medium-duty trucks in China is expected to grow by about 5% compared to previous year's level.

The demand for the rolling stock is expected to continue to grow steadily.

Electronics Business

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

PKC GROUP'S OUTLOOK FOR 2016

PKC Group estimates that with prevailing exchange rates 2016 revenue will be at or above previous year level and comparable EBITDA will be higher than previous year level. Revenue and comparable EBITDA improvement is to take place in the second half of the year. In 2015, PKC's revenue was EUR 908.0 million and comparable EBITDA before non-recurring items was EUR 63.9 million.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF PROFITS

The parent company's distributable funds are EUR 136.1 million, of which EUR 65.3 million is distributable as dividends, including the net profit (loss) for the financial year EUR 40.7 million. The Board of Directors will propose to the Annual General Meeting to be held on 6 April 2016 that a dividend of EUR 0.70 per share be paid for a total of EUR 16.9 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 2016 and the payment date is 15 April 2016. In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

ANNUAL REPORT 2015 AND CORPORATE GOVERNANCE STATEMENT

PKC Group Plc will publish the Annual Report 2015, which contains the report by the Board of Directors and financial statements, auditor's report and a separate corporate governance statement on Tuesday, March 15, 2016 at the latest. The Annual Report will be published on the PKC Group website.

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ANNUAL GENERAL MEETING AND FINANCIAL REPORTS IN 2016

The Annual General Meeting will be held on Wednesday, April 6, 2016.

In 2016, the financial information will be published as follows:

- Interim Statement 1-3/2016 Wednesday, May 4, 2016 at about 8.15 a.m.
- Half-yearly Report 1-6/2016 Wednesday, August 10, 2016 at about 8.15 a.m.
- Interim Statement 1-9/2016 Thursday, October 27, 2016 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 2014, unless otherwise mentioned. The figures presented in the tables are independently rounded figures.

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TABLES

This financial statement release has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The financial statement release has been prepared in accordance with the same principles as the annual financial statements for 2014. The year 2015 IFRS standard changes have no significant effect on the financial statement release. PKC Group has reclassified certain financial items and operating expenses as of the beginning of 2015. Comparison periods have been adjusted accordingly. The changes have minor impact to revenue and operating profit (loss) and have no impact on the net profit (loss) for the period or shareholders' equity. The changes are presented in detail in interim report Q1/2015. The annual figures in the financial statement release are audited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	**10-12/15 3 mon.**	**10-12/14 3 mon.**	**1-12/15 12 mon.**	**1-12/14 12 mon.**
Revenue	**231,753**	**209,247**	**908,041**	**829,516**
Production for own use	5	-69	23	53
Other operating income	845	1,069	3,896	4,311
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-9,289	492	-9,492	1,211
Materials and services	-126,356	-129,416	-529,098	-505,270
Employee benefit expenses	-60,991	-61,078	-233,456	-221,893
Depreciation, amortisation and impairment	-8,607	-8,745	-33,013	-33,476
Other operating expenses	-21,635	-21,681	-84,227	-81,430
Operating profit (loss)	**5,725**	**-10,181**	**22,674**	**-6,978**
Items affecting comparability	-1,227	-11,739	-8,973	-28,362
Comparable operating profit	**6,952**	**1,558**	**31,646**	**21,384**
Interest and other financial income and expenses	-1,471	-1,365	-4,940	-4,085
Foreign currency exchange differences	405	385	554	535
Profit (loss) before taxes	**4,660**	**-11,160**	**18,288**	**-10,528**
Income taxes	-2,378	-3,832	-10,964	-18,523
Net profit (loss) for the report period	**2,282**	**-14,992**	**7,324**	**-29,051**

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	10-12/15 3 mon.	10-12/14 3 mon.	1-12/15 12 mon.	1-12/14 12 mon.
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences - foreign operations	-1,981	-3,674	755	8,452
Cash flow hedges	84	-1,443	-2,891	-1,443
Taxes related to cash flow hedges	-33	529	1,051	529
Total comprehensive income for the period	**352**	**-19,580**	**6,239**	**-21,514**
Net profit (loss) attributable to				
Shareholders of the parent company	1,864	-14,992	6,858	-29,051
Non-controlling interests	418	0	466	0
Total comprehensive income attributable to				
Shareholders of the parent company	-70	-19,580	5,767	-21,514
Non-controlling interests	423	0	472	0
Attributable to equity holders of the parent company				
Basic earnings per share (EPS), EUR	0.08	-0.63	0.29	-1.21
Diluted earnings per share (EPS), EUR	0.08	-0.62	0.29	-1.21

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)	12/15	12/14
ASSETS		
Non-current assets		
Goodwill	37,771	30,348
Intangible assets	65,956	36,035
Property, plant and equipment	73,045	68,539
Available-for-sale financial assets	720	720
Other receivables	6,040	6,541
Deferred tax assets	20,032	17,300
Total non-current assets	**203,564**	**159,483**
Current assets		
Inventories	94,875	79,390
Receivables		
Trade receivables	106,807	89,033
Other receivables	18,425	18,052
Current tax assets	303	3
Total receivables	125,535	107,088
Cash and cash equivalents	118,287	110,321
Total current assets	**338,697**	**296,799**
Total assets	**542,261**	**456,282**
EQUITY AND LIABILITIES		
Equity		
Total equity attributable to the equity holders of the parent company	146,584	158,085
Non-controlling interests	10,728	0
Total equity	**157,313**	**158,085**
Liabilities		
Non-current liabilities		
Interest-bearing financial liabilities	142,190	101,446
Provisions	1,224	1,619
Other liabilities	21,479	9,260
Deferred tax liabilities	29,305	25,593
Total non-current liabilities	**194,199**	**137,918**
Current liabilities		
Interest-bearing financial liabilities	25,472	0
Trade payables	108,971	98,251
Other non-interest-bearing liabilities	56,287	62,013
Current tax liabilities	20	15
Total current liabilities	**190,750**	**160,279**
Total liabilities	**384,949**	**298,197**
Total equity and liabilities	**542,261**	**456,282**

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CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	10-12/15 3 mon.	10-12/14 3 mon.	1-12/15 12 mon.	1-12/14 12 mon.
Cash flows from operating activities				
Cash receipts from customers	243,504	234,372	899,682	836,731
Cash receipts from other operating income	3,288	2,886	4,022	3,647
Cash paid to suppliers and employees	-193,284	-212,983	-859,332	-794,399
Cash flows from operations before financial income and expenses and taxes	**53,508**	**24,274**	**44,373**	**45,979**
Interest paid and other financial expenses	-965	-1,394	-9,439	-8,227
Effects of exchange rate changes	327	11,043	-8,047	7,909
Interest received	67	1,055	4,415	3,846
Income taxes paid	618	-567	-16,489	-8,468
Net cash from operating activities (A)	**53,555**	**34,411**	**14,813**	**41,038**
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	-6,447	-3,674	-16,128	-19,772
Proceeds from sale of property, plant and equipment and intangible assets	183	0	306	42
Acquisitions of subsidiary shares, net of cash acquired	-492	0	-22,503	-610
Dividends received from investments	0	0	140	1
Net cash used in investment activities (B)	**-6,757**	**-3,674**	**-38,185**	**-20,339**
Cash flows after investments	**46,798**	**30,737**	**-23,372**	**20,699**
Cash flows from financing activities				
Share issue and subscriptions of options	821	8	1,736	422
Proceeds from current borrowings	34,500	0	172,500	0
Proceeds from non-current borrowings	0	0	40,000	0
Repayment of current/non-current borrowings	-40,007	15	-168,792	-660
Purchase of treasury shares	-2,257	0	-2,257	0
Dividends paid	0	0	-16,788	-16,760
Net cash used in financing activities (C)	**-6,943**	**23**	**26,398**	**-16,998**
Net increase (+) or decrease (-) in cash and equivalents (A+B+C)	**39,855**	**30,760**	**3,026**	**3,701**
Cash and cash equivalents in the beginning of the period	77,055	78,703	110,321	102,665
Effect of exchange rate changes	1,377	858	4,940	3,956
Cash and cash equivalents in the end of the period	118,287	110,321	118,287	110,321

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KEY FINANCIAL INDICATORS	1-12/15 12 mon.	1-12/14 12 mon.
Revenue, EUR 1,000	908,041	829,516
Operating profit (loss), EUR 1,000	22,674	-6,978
% of revenue	2.5	-0.8
Profit (loss) before taxes, EUR 1,000	18,288	-10,528
% of revenue	2.0	-1.3
Net profit (loss) for the period, EUR 1,000	7,324	-29,051
% of revenue	0.8	-3.5
Return on equity (ROE), %	4.6	-16.5
Return on investments (ROI), %	12.5	2.0
Return on capital employed (ROCE), %	10.8	7.7
Net working capital, EUR 1,000	55,132	26,199
Net liabilities, EUR 1,000	49,375	-8,875
Gearing, %	31.4	-5.6
Equity ratio, %	29.0	34.7
Current ratio	1.8	1.9
Gross capital expenditure, EUR 1,000	38,129	19,908
% of revenue	4.2	2.4
R&D expenditures, EUR 1,000	9,151	8,164
% of revenue	1.0	1.0
Personnel average	20,770	19,640

PER-SHARE KEY INDICATORS	1-12/15 12 mon.	1-12/14 12 mon.
Earnings per share (EPS), EUR	0.29	-1.21
Earnings per share (EPS), diluted, EUR	0.29	-1.21
Equity per share, EUR	6.08	6.59
Cash flow per share, EUR	-0.97	0.86
Dividend per share, EUR *)	0.70	0.70
Dividend per earnings, % *)	244.89	-57.72
Effective dividend yield, % *)	4.30	3.98
Price/earnings ratio (P/E)	56.92	-14.49
Share price at close of period, EUR	16.27	17.58
Lowest share price, EUR	15.51	13.13
Highest share price, EUR	23.37	26.33
Average share price, EUR	18.84	19.69
Turnover in shares, 1,000 shares	11,309	12,101
Turnover in shares per (share issue adjusted) share capital, %	47.1	50.5
Average number of shares, 1,000 shares	23,993	23,953
Average number of shares, diluted, 1,000 shares	24,024	24,098
Shares at end of period, 1,000 shares	24,095	23,971
Market capitalisation, EUR 1,000	392,032	421,401

*) The figures of 2015 are based on the Board of Director's proposal

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1. OPERATING SEGMENTS

Segment assets and liabilities include only those assets and liabilities that can be directly allocated to the respective segments. Group's unallocated expenses and income, and eliminations between segments are included in unallocated items of comprehensive income. Unallocated assets include mainly items related to Group management and also taxes and loan receivables. Unallocated liabilities include current and non-current loans and tax liabilities.

(EUR 1,000)	10-12/15 3 mon.	10-12/14 3 mon.	1-12/15 12 mon.	1-12/14 12 mon.
Wiring Systems				
Segment revenue	219,935	196,889	847,285	772,680
of which inter-segment revenue	165	144	552	607
External revenue	219,770	196,746	846,733	772,073
EBITDA	17,722	10,730	66,406	51,425
% of revenue	8.1	5.5	7.8	6.7
EBITA	12,470	6,173	46,333	33,934
% of revenue	5.7	3.1	5.5	4.4
Operating profit (loss) before non-recurring items	9,553	4,079	35,984	25,778
% of revenue	4.3	2.1	4.2	3.3
Non-recurring employee benefit expenses	-816	-5,208	-4,889	-12,216
Impairment of PPE and intangible assets	0	-1,704	-793	-6,288
Other non-recurring income and expenses	71	-4,444	-71	-7,967
Total non-recurring items	-745	-11,356	-5,752	-26,471
Operating profit (loss)	8,809	-7,277	30,232	-692
% of revenue	4.0	-3.7	3.6	-0.1
Electronics				
Segment revenue	12,009	12,605	61,519	57,717
of which inter-segment revenue	27	104	213	274
External revenue	11,982	12,501	61,306	57,443
EBITDA	-461	172	3,720	3,131
% of revenue	-3.8	1.4	6.1	5.5
EBITA	-865	-221	2,019	1,658
% of revenue	-7.2	-1.8	3.3	2.9
Operating profit (loss) before non-recurring items	-865	-221	2,019	1,658
% of revenue	-7.2	-1.8	3.3	2.9
Non-recurring employee benefit expenses	-191	0	-191	0
Total non-recurring items	-191	0	-191	0
Operating profit (loss)	-1,056	-221	1,829	1,658
% of revenue	-8.8	-1.8	3.0	2.9

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	10-12/15 3 mon.	10-12/14 3 mon.	1-12/15 12 mon.	1-12/14 12 mon.
Unallocated amounts and eliminations				
Segment revenue	95	77	287	576
of which inter-segment revenue	94	77	285	576
External revenue	1	0	1	0
EBITDA	-1,703	-2,302	-6,260	-5,983
EBITA	-1,736	-2,299	-6,357	-6,052
Operating profit (loss) before non-recurring items	-1,736	-2,299	-6,357	-6,052
Other non-recurring income and expenses	-291	-383	-3,030	-1,891
Total non-recurring items	-291	-383	-3,030	-1,891
Operating profit (loss)	-2,028	-2,682	-9,387	-7,943
Total Group				
Segment revenue	232,039	209,571	909,091	830,973
of which inter-segment revenue	286	324	1,050	1,457
External revenue	231,753	209,247	908,041	829,516
EBITDA	15,559	8,600	63,866	48,572
% of revenue	6.7	4.1	7.0	5.9
EBITA	9,869	3,652	41,996	29,540
% of revenue	4.3	1.7	4.6	3.6
Operating profit (loss) before non-recurring items	6,952	1,558	31,646	21,384
% of revenue	3.0	0.7	3.5	2.6
Non-recurring employee benefit expenses	-1,006	-5,208	-5,079	-12,216
Impairment of PPE and intangible assets	0	-1,704	-793	-6,288
Other non-recurring income and expenses	-220	-4,827	-3,101	-9,858
Total non-recurring items	-1,227	-11,739	-8,973	-28,362
Operating profit (loss)	5,725	-10,181	22,674	-6,978
% of revenue	2.5	-4.9	2.5	-0.8

REVENUE BY GEOGRAPHICAL LOCATIONS (EUR 1,000)	**10-12/15 3 mon.**	**10-12/14 3 mon.**	**1-12/15 12 mon.**	**1-12/14 12 mon.**
Finland	11,261	11,004	44,099	50,781
Other Europe	73,861	50,137	241,276	191,186
North America	123,402	129,420	540,721	494,069
South America	5,791	13,486	37,892	67,874
APAC	17,438	5,199	44,052	25,607
Total	**231,753**	**209,247**	**908,041**	**829,516**

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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 = Other reserves
E = Translation difference
F = Retained earnings
G = Equity attributable to shareholders of the parent company
H = Non-controlling interests
I = Total equity

	A	B	C	D	E	F	G	H	I
Equity at 1.1.2014	**6.2**	**11.3**	**81.0**	**0.0**	**-12.3**	**108.2**	**194.4**	**0.0**	**194.4**
Dividends	0.0	0.0	0.0	0.0	0.0	-16.8	-16.8	0.0	-16.8
Share-based payments	0.0	0.0	0.0	0.0	0.0	1.5	1.5	0.0	1.5
Exercise of options	0.0	0.0	0.4	0.0	0.0	0.0	0.4	0.0	0.4
Comprehensive income for the period	0.0	0.0	-0.2	-0.9	8.7	-29.1	-21.5	0.0	-21.5
Equity at 31.12.2014	**6.2**	**11.3**	**81.3**	**-0.9**	**-3.7**	**63.9**	**158.1**	**0.0**	**158.1**
Equity at 1.1.2015	**6.2**	**11.3**	**81.3**	**-0.9**	**-3.7**	**63.9**	**158.1**	**0.0**	**158.1**
Dividends	0.0	0.0	0.0	0.0	0.0	-16.8	-16.8	0.0	-16.8
Purchase of treasury shares	0.0	0.0	0.0	0.0	0.0	-2.3	-2.3	0.0	-2.3
Share-based payments	0.0	0.0	0.0	0.0	0.0	1.4	1.4	0.0	1.4
Exercise of options	0.0	0.0	1.7	0.0	0.0	0.0	1.7	0.0	1.7
Comprehensive income for the period	0.0	0.0	0.0	-1.8	0.7	6.9	5.8	0.5	6.2
Other changes	0.0	0.0	0.0	0.0	0.0	-1.4	-1.4	0.0	-1.4
Change in ownership interest									
Establishment of subsidiary with NCI								10.3	10.3
Equity 31.12.2015	**6.2**	**11.3**	**82.9**	**-2.8**	**-2.9**	**51.8**	**146.6**	**10.7**	**157.3**

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3. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)	12/15	12/14
Intangible assets and goodwill		
Carrying amount 1.1.	**66,383**	**64,180**
Currency translation differences	4,688	4,282
Additions	1,913	4,230
Acquisitions	41,990	0
Amortisation and impairment	-11,235	-7,990
Disposals and reclassifications	-13	1,682
Carrying amount 31.12.	**103,725**	**66,383**
Property, plant and equipment		
Carrying amount 1.1.	**68,539**	**76,027**
Currency translation differences	-1,238	2,044
Additions	13,252	15,672
Acquisitions	16,400	0
Amortisation and impairment	-7,180	-16,329
Disposals and reclassifications	-16,730	-8,875
Carrying amount 31.12.	**73,045**	**68,539**

4. 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 2015

As of December 31, 2015	Carrying amounts of balance sheet items	Fair values of balance sheet items
Other non-current financial assets	672	672
Total non-current financial assets	672	672
Interest derivatives	1,822	1,822
Total current financial assets	1,822	1,822
Total financial assets	**2,494**	**2,494**
Non-current interest-bearing liabilities	142,190	150,441
Total non-current financial liabilities	142,190	150,441
Current interest-bearing liabilities	25,472	25,472
Currency derivatives	5,968	5,968
Copper derivatives	226	226
Total current financial liabilities	31,666	31,666
Total financial liabilities	**173,856**	**182,107**

The valuation of derivatives is based on market data (level 2 IFRS 7:27A). The valuation of available-for-sale shares (Other non-current financial assets, EUR 672 thousand) 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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5. CONTINGENT LIABILITIES AT END OF PERIOD (EUR 1,000)	12/15	12/14
Leasing liabilities	**30,647**	**20,771**
Liabilities for derivative instruments		
Nominal values		
Interest derivatives	50,000	50,000
Currency derivatives	87,038	62,988
Copper derivatives	2,379	3,708
Total	**139,417**	**116,696**
Fair values		
Interest derivatives	1,822	2,040
Currency derivatives	-5,968	-3,931
Copper derivatives	-226	-42
Total	**-4,372**	**-1,933**

Derivatives are used to hedge risks from changes in interest rates, currencies and copper prices. Based on the currently outstanding interest rate swap the Group receives fixed rate interest until September 2018 and pays floating interest based on Euribor six months rate. PKC Group does not apply hedge accounting to copper derivative instruments in accordance with IAS 39. Fair values of copper derivatives are recognised through profit and loss. PKC Group applies hedge accounting to currency derivatives and to interest rate swaps.

6. QUARTERLY KEY INDICATORS, CONSOLIDATED	10-12/14 3 mon.	1-3/15 3 mon.	4-6/15 3 mon.	7-9/15 3 mon.	10-12/15 3 mon.
Revenue, EUR million	209.2	226.5	223.9	225.9	231.8
Operating profit (loss), EUR million	-10.2	8.6	2.7	5.6	5.7
% of revenue	-4.9	3.8	1.2	2.5	2.5
Profit (loss) before taxes, EUR million	-11.2	7.8	1.4	4.4	4.7
% of revenue	-5.3	3.4	0.6	2.0	2.0
Equity ratio, %	34.7	35.8	32.6	29.3	29.0
Earnings per share (EPS), diluted (EUR)	-0.63	0.18	-0.06	0.08	0.08
Equity per share, EUR	6.59	7.34	6.35	6.16	6.08
Net cash from operating activities, EUR million	34.4	-29.7	4.5	-13.6	53.6
Cash flow after investments, EUR million	30.7	-31.8	1.6	-39.9	46.8
QUARTERLY KEY INDICATORS, WIRING SYSTEMS					
Revenue, EUR million	196.7	205.7	209.2	212.0	219.8
Operating profit (loss), EUR million	-7.3	8.2	4.4	8.9	8.8
% of revenue	-3.7	4.0	2.1	4.2	4.0
QUARTERLY KEY INDICATORS, ELECTRONICS					
Revenue, EUR million	12.5	20.8	14.7	13.9	12.0
Operating profit (loss), EUR million	-0.2	2.4	0.2	0.2	-1.1
% of revenue	-1.8	11.6	1.6	1.6	-8.8

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7. BUSINESS COMBINATIONS

On July 1, 2015 PKC Group acquired Groclin's Wiring & Controls business, including Kabel-Technik-Polska Sp. z o. o ("KTP") in Poland. The consideration of the transaction is EUR 38.0 million.

KTP develops and manufactures electrical cabinets, power packs and electrical distribution systems for rolling stock manufacturers. The clientele also includes the on/off highway commercial vehicle, energy and materials handling industry. The customers are leading companies in their field and mainly operate globally.

The net debt free purchase price was EUR 50 million. The acquisition took place via a new company, in which PKC Group has an 80% holding and Wiring & Controls business' management has a 20% holding. PKC Group and minority shareholders have agreed on a call option structure, within the framework of which PKC Group will acquire the minority shareholders' shares not before than two years from the closing of the deal.

The acquisition has been consolidated into PKC Group as of 1 July 2015 according to the so-called anticipated acquisition method. In the anticipated acquisition method, the estimated value of the call option is included into the acquisition value (consideration transferred). The acquired Wiring & Controls business is included into PKC Group's Wiring Systems business segment.

The following tables summarise the preliminary amounts for the consideration paid for KTP, the cash flow from the acquisition and the amounts of the assets acquired and liabilities recognised at the acquisition date.

Preliminary consideration	**MEUR**
Consideration transferred	38.0
Total consideration transferred	**38.0**

Preliminary cash flow from the acquisition	**MEUR**
Consideration paid in cash	22.4
Cash and cash equivalents of the acquired companies	-0.5
Total cash flow from the acquisition	**22.0**

Provisional values of the assets and liabilities arising from the acquisition	**MEUR**
Intangible assets	34.6
Property, plant and equipment	11.7
Inventories	8.9
Trade and other receivables	11.5
Deferred tax assets	1.6
Cash and cash equivalents	0.5
Total assets	**68.8**
Provisions	0.1
Pension obligations	0.1
Trade payables and other liabilities	32.2
Deferred tax liabilities	4.8
Total liabilities	**37.1**
Total net assets	**31.7**
Preliminary goodwill	**6.3**

The preliminary fair values of acquired identifiable intangible assets at the date of acquisition (including customer relationships, trademarks, order backlog) amounted to EUR 34.6 million. The fair value of current trade receivables and other receivables is approximately EUR 11.5 million. The fair value of trade receivables does not include any significant risk.

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The preliminary goodwill of EUR 6.3 million reflects the value of know-how and expertise in rolling stock business. PKC Group foresees that the new unit will capture new market opportunities and improve the operational efficiency of its customers. The goodwill recognised for KTP is not tax deductible.

Purchase price allocation resulted in assets totalling EUR 24.9 million and related depreciation and amortization equal to EUR 3.4 million per year in the beginning.

Acquisition-related costs amounted to EUR 2.1 million consisting of external advisory and due diligence fees. The costs have been included in the other operating expenses in the consolidated statement of income and classified as non-recurring items.

Had the acquisition occurred on 1 January 2015, management estimates that the consolidated Group revenue would have been EUR 934 million and adjusted EBITDA EUR 66 million in January-December 2015.

8. ESTABLISHED JOINT VENTURE

PKC Group announced on 4 September 2015 that PKC's joint venture Jiangsu Huakai-PKC Wire Harness Co., Ltd. has been established and started its operations. The finalisation of the joint venture was subject to usual conditions including e.g. negotiating the related agreements and authority approvals. The conditions have been fulfilled, Huakai's business has been transferred to joint venture and the joint venture has started its operations in September.

The joint venture was accomplished through a new company that was established by Huakai in Danyang, Jiangsu province in China with an equity value of RMB 150 million / EUR 22 million. PKC will contribute in total RMB 150 million / EUR 22 million via share issues to be financed from PKC's cash resources. After the capital increase the total equity value of the joint venture is RMB 300 million / EUR 44 million and PKC owns 50% and Huakai 50%. The joint venture agreement contains such elements that give PKC the consolidation right and control, accordingly.

The joint venture comprises Huakai's current business which develops and manufactures electrical distribution systems to truck, construction vehicle and bus segments in China. The key customers are Foton (and Beijing Foton Daimler Automotive), Kinglong and Iveco. Foton is the fourth biggest truck manufacturer in China with 11% market share in 2014. Had the joint venture been established on 1 January 2015, management estimates that the annual revenue 2015 of the joint venture would have been approximately EUR 44 million with current exchange rate, and employees amount to 715.

The joint venture is consolidated into PKC Group as of 1 September 2015. The joint venture will be included into PKC Group's Wiring Systems business segment.

CALCULATION OF INDICATORS

Calculation of indicators are presented in annual report, which can be found from company's webpage www.pkcgroup.com/investors/reports-and-presentations.

During 2015 following change to the calculation of indicators:

Return on capital employed (ROCE), %
= 100 x (Operating profit +/– non-recurring items) / (Total equity + interest-bearing financial liabilities (average))

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

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PRESS CONFERENCE

A press conference on the financial statement will be arranged for analysts and investors today, 11 February 2016, at 10.00 a.m., at the address Event Arena Bank, Unioninkatu 20, Helsinki.

DISTRIBUTION

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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, rolling stock manufacturers and other selected segments. The Group has production facilities in Brazil, China, Estonia, Finland, Germany, Lithuania, Mexico, Poland, Russia, Serbia and the USA. The Group's revenue in 2015 totalled EUR 908.0 million. PKC Group Plc is listed on Nasdaq Helsinki.

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MANAGING THE COMPLEXITY

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