PKC Group Plc
Annual General Meeting

4.4.2013

Pörssitalo
Helsinki

PKC GROUP PLC'S ANNUAL GENERAL MEETING

Time: 4 April 2013 at 1.00 p.m.
Place: Pörssitalo, at the address: Fabianinkatu 14, Helsinki

AGENDA

Calling the meeting to order

1 Opening of the meeting

2 Calling the meeting to order

3 Election of persons to scrutinize the minutes and to supervise the counting of votes

4 Recording the legality of the meeting

5 Recording the attendance at the meeting and adoption of the list of votes

- Shareholder and share list as well as list of shareholders, who have informed of their attendance before the last notification date are available at the meeting

Financial statements, use of profit and discharge from liability

6 Presentation of the annual accounts, the report of the Board of Directors and the auditor's report

- Review by the President & CEO
- The Company's annual report, which includes the Company's financial statements and consolidated financial statements, the report of the Board of Directors and the Auditor's report, is available at the meeting
- Auditor's report attached hereto

7 Adoption of the annual accounts

8 Resolution on the use of the profit shown on the balance sheet and the payment of dividend

- Board's proposal for disposal of profits attached hereto

9 Resolution on the discharge of the members of the Board of Directors and the CEO from liability

Auditor and Board of Directors

- Board's proposals attached hereto

10 Resolution on the remuneration of the members of the Board of Directors and the auditor

11 Resolution on the number of members of the Board of Directors and the auditors

12 Election of members of the Board of Directors

13 Election of auditor

Closing of the meeting

14 Closing of the Meeting

PKC GROUP

Annual General Meeting

April 4, 2013 Helsinki

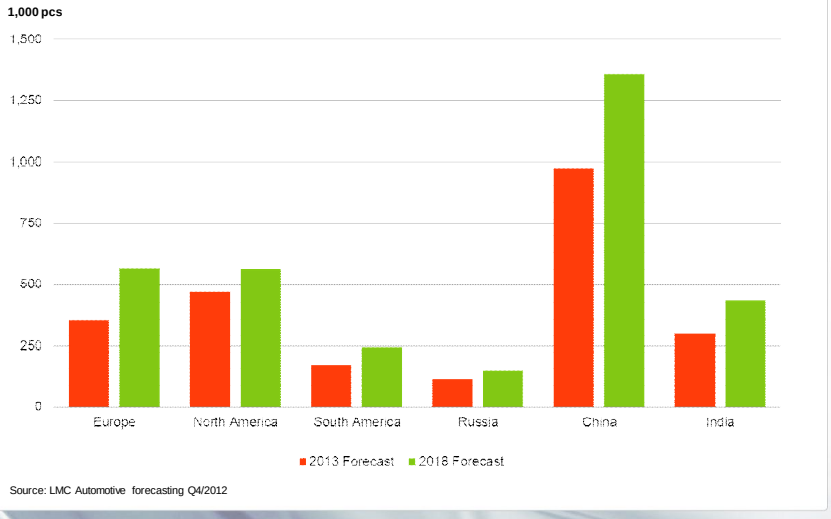
Matti Ruotsala
Chairman of the Board of Directors

Share Price Development 1.1.2008 – 28.3.2013

PKC GROUP

Heavy and Medium Duty Trucks Production 2013 – 2018

PKC GROUP



Source: LMC Automotive forecasting Q4/2012

PKC GROUP

Proposal for the Disposal of Profits

Annual General Meeting 2013

Proposal for the Disposal of Profits

PKC GROUP

- The parent company's distributable funds are EUR 86.2 million, of which EUR 63.8 million is distributable as dividends, including the net profit for the financial year EUR 42.0 million.
- The Board of Directors proposes that a dividend of EUR 0.70 per share be paid for a total of EUR 15.1 million and that the remainder of the distributable funds be transferred to shareholders' equity.
- The number of shares has increased 3 April 2013 after Board of Directors' date of proposal (13 February 2013) from 21,574,097 shares to 21,602,697 shares due to share subscriptions registered. The shares will entitle their holders to dividends and other shareholder rights in the Company as of the date of registration of the shares in the Trade Register. After the increase in number of shares the proposed dividend amount to EUR 15,121,887.90.
- The record date for the dividend pay-out is 9 April 2013 and the payment date is 16 April 2013.
- In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

PKC GROUP

Presentation of the Proposed New Board Member

Annual General Meeting 2013

Proposed New Board Member
Diez, Wolfgang (b. 1953)

PKC GROUP

- Diplom-Kaufmann in Business Administration
- Independent consultant in automotive and supplier industry
- Previously DaimlerChrysler AG's Head of Global Corporate Bus Business and Member of management board Commercial Vehicle Division (2002-2006), EvoBus GmbH's CEO and Chief Personnel Officer (1995-2006), Mercedes-Benz AG's Director Business Administration and Controlling, Commercial Vehicle Division, before that in other managerial positions within Daimler-Benz AG since 1997.
- Independent of company and of its significant shareholders

PKC GROUP

Thank You!

www.pkcgroup.com

PKC GROUP

Annual General Meeting 2013

Review of President & CEO

4.4.2013

Matti Hyytiäinen
President & CEO

PKC Group Briefly

PKC GROUP

- Global partner in electrical distribution systems, electronics and related architecture components
- Products and services to the transportation, industrial and electronics industries
- PKC Group has two business areas: Wiring Systems and Electronics
- Global footprint with headquarters in Helsinki, Finland
- The Group's net sales amounted to EUR 928.2 million in 2012
- 19,759 employees globally at the end of 2012
- PKC Group Plc is listed in NASDAQ OMX Helsinki Ltd.

PKC – Global Partner

PKC GROUP

Through our global service and production network, we are where our customers are.

Strong Performance During Year 2012

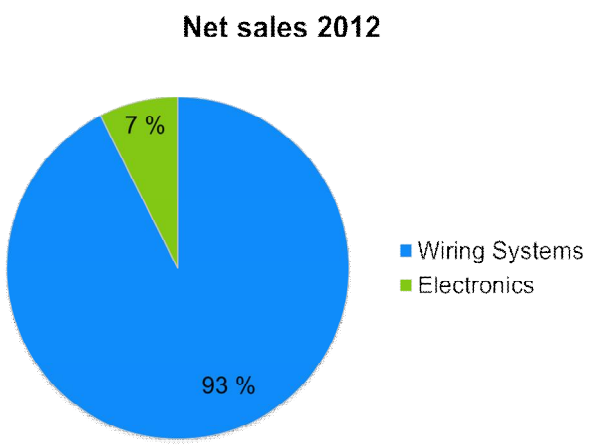
PKC GROUP

The Highlights

- Successful integration of AEES companies into PKC
- New customers, increased sales to current customers in new market areas
- Free cash flow of EUR 3.0 per share
- Dividend up by 17%, the proposal is EUR 0.70 per share

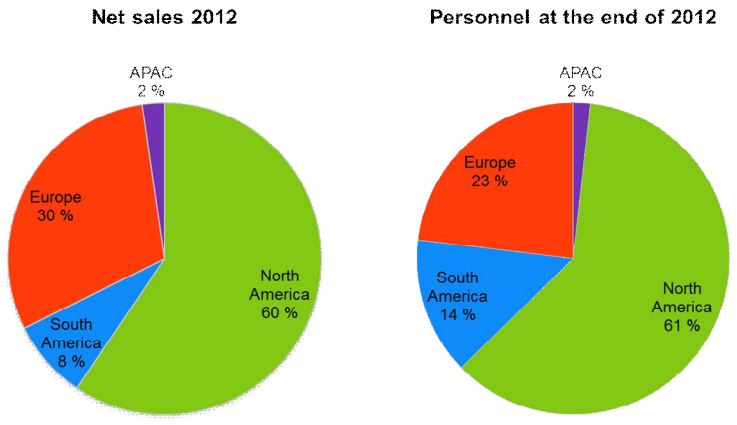
PKC Sales Split

PKC GROUP



Geographical Split

PKC GROUP



Key Figures, 1-12/2012

PKC GROUP

EUR million	1-12/12	1-12/11	Change %
Net sales	928.2	550.2	68.7
EBITDA	84.1	59.5	41.3
Depreciation and amortisation[1)]	18.7	10.5	78.1
PPA depreciation and amortisation	13.9	7.0	98.6
EBIT	51.5	42.0	22.6
Non-recurring items	8.0	7.5	6.7
EBIT after non-recurring items	43.5	34.5	26.1
Financial items	-8.5	-5.1	
Taxes	-10.9	-6.0	
Net profit	24.0	23.4	2.6
EPS (EUR)	1.12	1.16	-3.4

[1)] Excluding PPA depreciation and amortisation

Key Figures, 12/2012

PKC GROUP

EUR million	12/12	12/11	Change %
Goodwill	30.6	29.8	2.7
Intangible assets	43.2	50.1	-13.8
Property, plant and equipment	94.3	113.6	-17.0
Others	36.3	27.9	30.1
Total non-current assets	**204.5**	**221.4**	**-7.6**
Inventories	87.5	110.5	-20.8
Trade receivables	84.6	104.0	-18.7
Cash and cash equivalents	87.2	52.3	66.7
Others	21.3	20.7	2.9
Total current assets	**280.6**	**287.4**	**-2.4**
Total assets	**485.1**	**508.8**	**-4.7**

Key Figures, 12/2012

PKC GROUP

EUR million	12/12	12/11	Change %
Total equity	**164.5**	**152.5**	**7.9**
Total non-current liabilities	**130.7**	**205.6**	**-36.4**
Trade payables	75.5	90.8	-16.9
Other current liabilities	114.3	59.9	90.8
Total current liabilities	**189.8**	**150.7**	**25.9**
Total liabilities	**320.5**	**356.3**	**-10.0**
Total equity and liabilities	**485.1**	**508.8**	**-4.7**

Key Figures, 1-12/2012

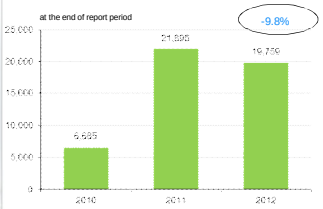
PKC GROUP

EUR million	1-12/12	1-12/11	Change %
Net cash from operating activities	76.0	40.0	90.0
Cash flow after investments	63.7	-50.2	
Net working capital	72.6	100.1	-27.5
Net debt	56.6	110.7	
ROI, %	*16.7*	*18.9*	
Equity ratio, %	*33.9*	*30.0*	
Gearing, %	*34.4*	*72.6*	
No. of employees at closing	19,759	21,895	-9.8

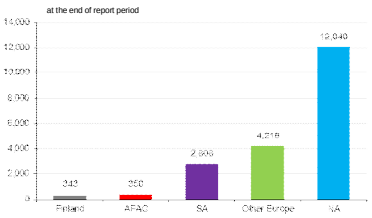
Key Figures, 1-12/2012

PKC GROUP

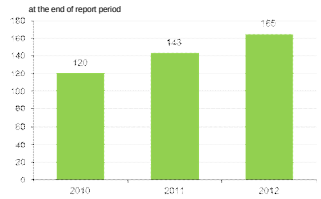
Personnel



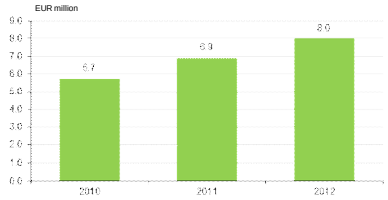
Personnel



R&D Personnel



R&D Expenditures

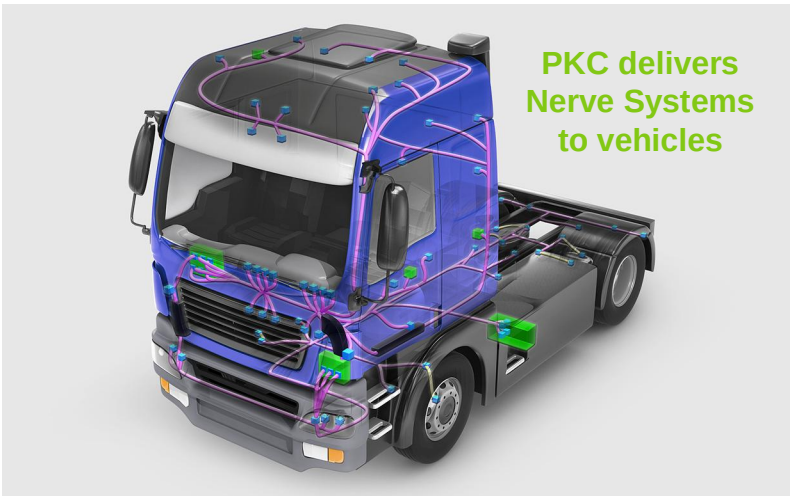


PKC GROUP

Wiring Systems Business Segment

Expert in Electrical Distribution Systems

PKC GROUP



PKC delivers Nerve Systems to vehicles

PKC in Transportation Industry

PKC GROUP

Trucks & buses (HCV & MCV)

Light commercial vehicles (LCV)

Construction equipment

Recreational vehicles

Agriculture and forestry

Engines

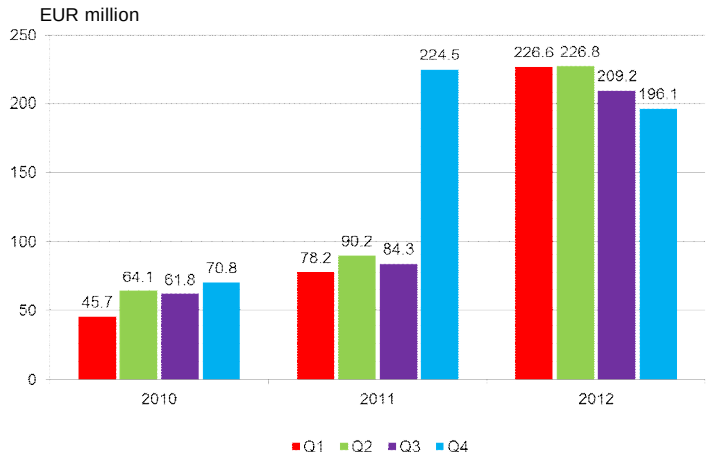
Key Financials, Wiring Systems, 2012

PKC GROUP

EUR million	1-12/12	1-12/11
Net sales	858.8	477.2
EBIT before non-recurring items	53.5	42.5
% of net sales	*6.2*	*8.9*
Non-recurring items	6.4	7.0
EBIT	47.1	35.5

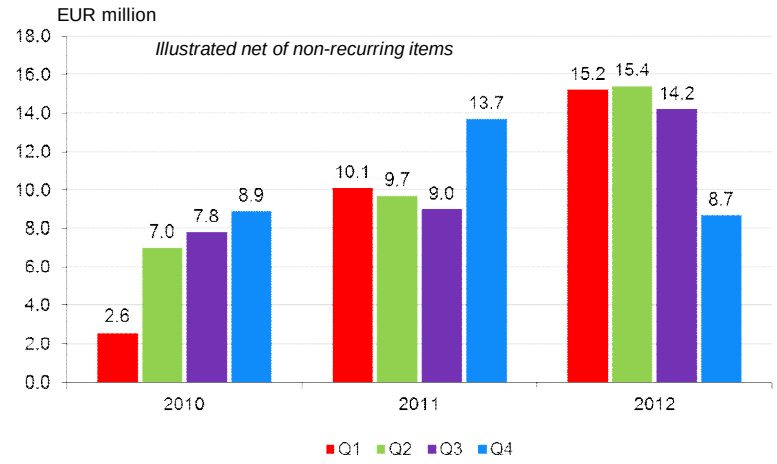
Net Sales, Wiring Systems

PKC GROUP



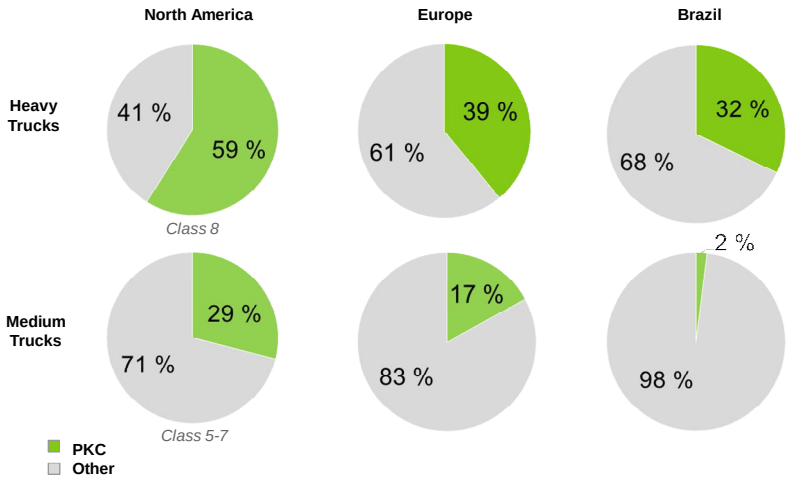
Adjusted EBIT, Wiring Systems

PKC GROUP



PKC Group Truck Market Share

PKC GROUP



Source: ACT report, January 2013, LMC Automotive forecasting Q4/2012. Note: Europe comprised of EU27 + Efta

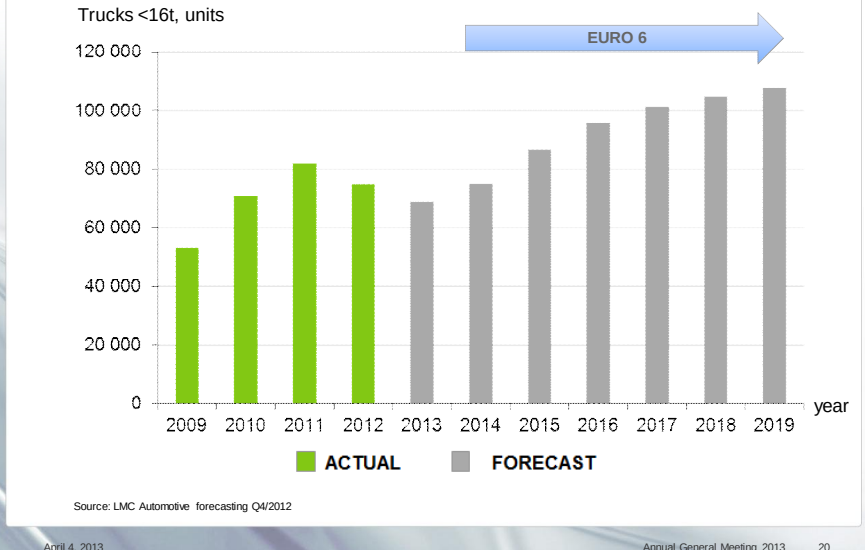
Heavy Truck Production, EU27+ EFTA

PKC GROUP

Source: LMC Automotive forecasting Q4/2012

Medium Truck Production, EU27+ EFTA

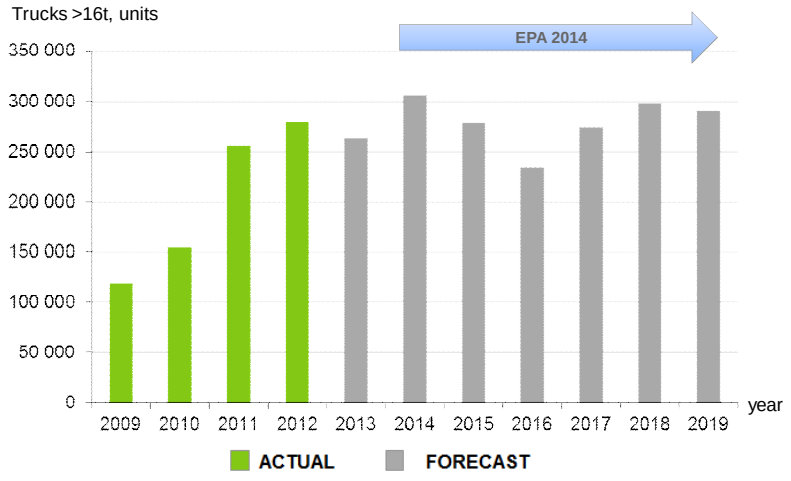
PKC GROUP



Source: LMC Automotive forecasting Q4/2012

Heavy Truck Production, North America

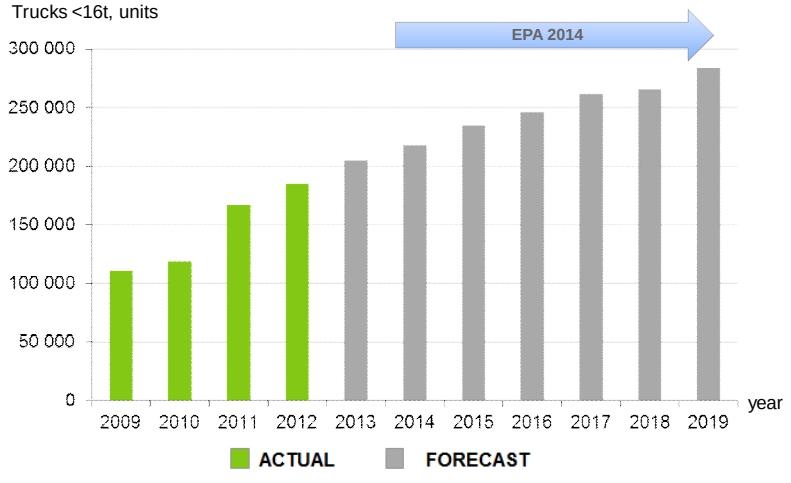
PKC GROUP



Source: LMC Automotive forecasting Q4/2012

Medium Truck Production, North America

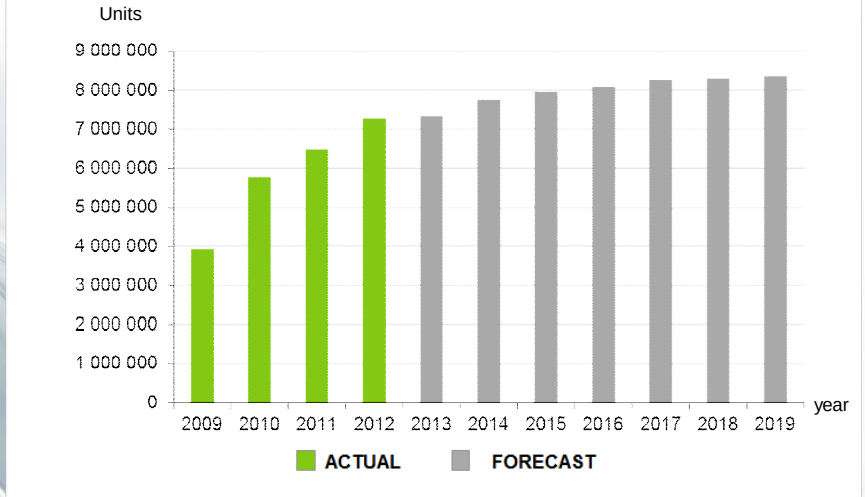
PKC GROUP



Source: LMC Automotive forecasting Q4/2012

Light Vehicle (Pick-up and SUV) Production, North America

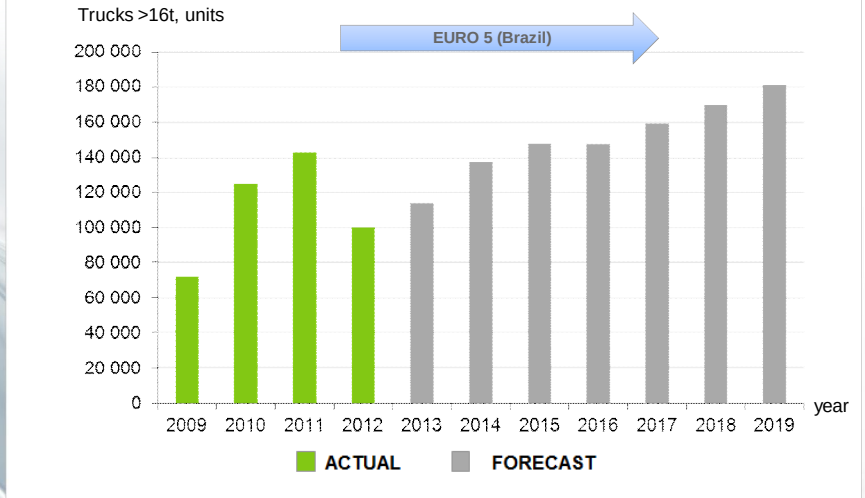
PKC GROUP



Source: LMC Automotive forecasting Q4/2012

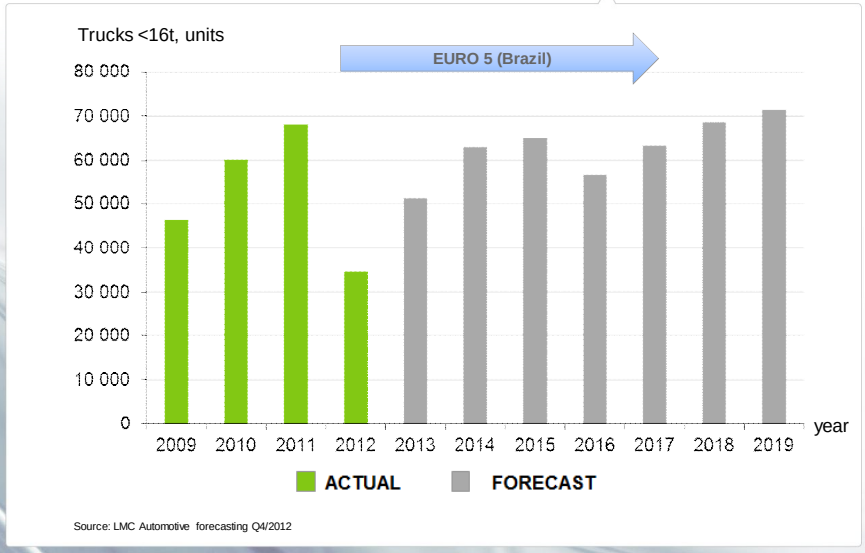
Heavy Truck Production, Brazil

PKC GROUP



Source: LMC Automotive forecasting Q4/2012

Medium Trucks Production, Brazil



Source: LMC Automotive forecasting Q4/2012

Electronics Business Segment

Electronics Business

PKC GROUP

- Provides design and manufacture services for the entire product life-cycle, especially for the energy, telecommunications and electronics industries
- Core competences
  - Designing testing solutions for electronics products
  - Designing intelligent power supply units
- Products are used e.g. in power control for machinery, the testing of electronic products and for energy-saving
- The service concept includes services covering the product's whole life-cycle

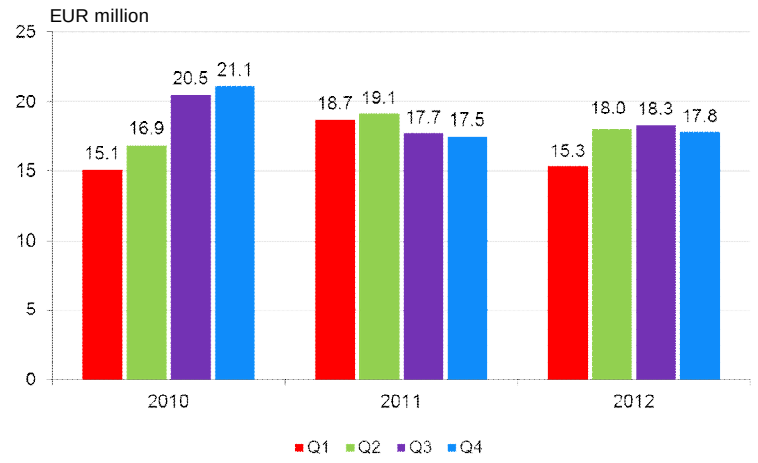
Key Financials, Electronics, 2012

PKC GROUP

EUR million	1-12/12	1-12/11
Net sales	69.4	73.0
EBIT before non-recurring items	2.1	2.8
% of net sales	*3.1*	*3.9*
Non-recurring items	1.4	0.5
EBIT	0.8	2.4

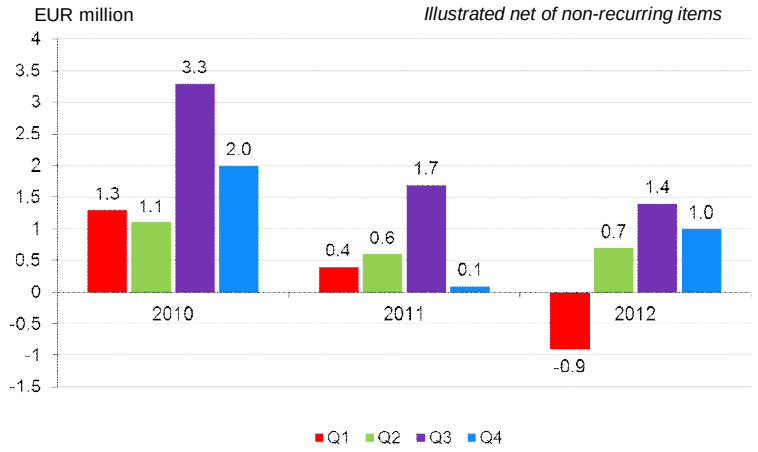
Net Sales, Electronics

PKC GROUP



Adjusted EBIT, Electronics

PKC GROUP



PKC GROUP

Outlook for the Future

Market Outlook

PKC GROUP

- European heavy and medium truck production is estimated to decrease by 8% compared to 2012. The general economic uncertainty is estimated to keep the commercial vehicle demand in Europe at a lower level especially during the first half of 2013. In the second half, the production volumes are estimated to increase due to transition to Euro 6 emission standard.
- North American heavy duty truck production is estimated to decrease by 5%, medium duty truck production to increase 10% and light vehicle production to remain at 2012 level. It is estimated that the production volumes of trucks will increase gradually throughout the year.
- Brazilian heavy duty truck production is estimated to increase by 14% and medium duty truck production by 48% compared to 2012. The governmental incentive program to support the purchase of new trucks is ongoing. The continuation of the program is decided during year 2013. The continuation of the program may have an impact on the production volumes.
- PKC's market outlook is further impacted by some light vehicle and component programs that are near end-of-life-cycle and will be ramped-down in 2013.
- Industrial investment cautiousness of companies globally is estimated to keep the demand of industrial electronic appliances not more than on a current level. Volumes of renewable-energy and energy saving products including smart grid solutions are likely to remain good.

PKC Group's Outlook

- PKC Group estimates its full year 2013 net sales to be lower than in 2012 and estimates its comparable operating profit excluding non-recurring items to reach 2012 level.
- In 2012 PKC's net sales were EUR 928.2 million and comparable operating profit excluding non-recurring items was EUR 51.5 million.

Events after the Financial Year

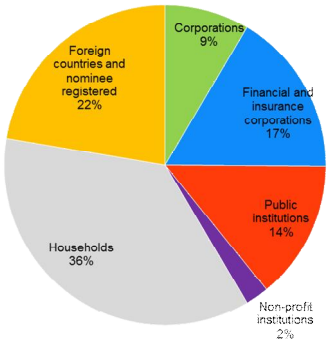
- PKC puts emphasis on Asia, President & CEO to relocate to Hong Kong.
- PKC is establishing NPI-centers (New Program Introduction-centers) in Keila, Estonia and Curitiba, Brazil.
- PKC has decided to close the operations in Ireland and transfer its production to other existing facilities in Mexico and Germany.
- PKC Group is studying the options for its metal stamping manufacturing site in Traverse City, Michigan, USA, including the potential sale of the business and its operations.

Shareholders 31.12.2012

PKC GROUP

Major shareholders	%
Ilmarinen Mutual Pension Insurance Company	10.2
AS Harju Elekter	6.4
OP-Focus Non-UCITS Fund	3.2
Varma Mutual Pension Insurance Company	2.7
Takanen Jorma	2.7
OP-Finland Small Firms Fund	2.4
Laakkonen Mikko	1.9
ODIN Finland	1.6
Nordea Nordic Small Cap Fund	1.4
Eestilä Matti	1.4
Fondica Nordic Micro Cap	1.3
Mutual Fund Evli Finnish Equity	1.2
OP-Delta Fund	1.1
Tukinvest Oy	1.0
Savings Bank Finland Fund	0.9
Total	**39.4**

Shareholders categories 31.12.2012



8,853 owners

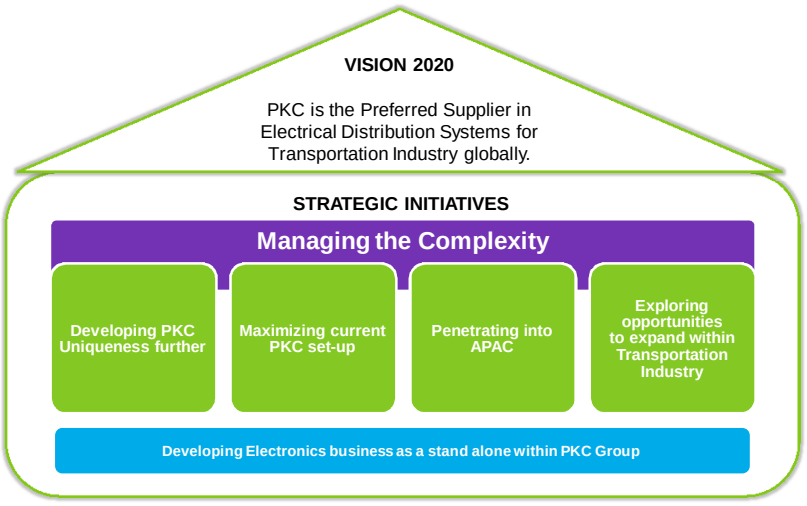
PKC GROUP

Capital Market Day

3 April, 2013 in Helsinki

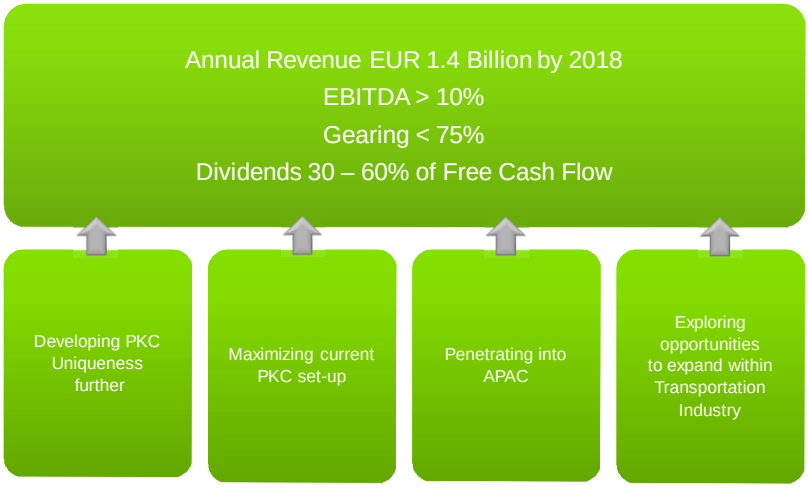
PKC's Strategy Capture Growth Opportunities

PKC GROUP



Long-Term Financial Targets

PKC GROUP



PKC is an Excellent Investment Opportunity

PKC GROUP

- PKC is growth-driven company
- PKC has unique technological capabilities that delivers major benefits to our customer
- Solid financial position

PKC GROUP

Thank You!

www.pkcgroup.com

AUDITOR'S REPORT

To the Annual General Meeting of PKC Group Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of PKC Group Plc for the year ended 31 December, 2012. The financial statements comprise the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the President and CEO

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the President and CEO are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Other opinions

We recommend that the Members of the Board of Directors and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki, February 13, 2013

KPMG Oy Ab

Virpi Halonen
Authorized Public Accountant

THE BOARD OF DIRECTORS' PROPOSALS FOR THE ANNUAL GENERAL MEETING

The Board of Directors' Proposal for the Disposal of Profits

The parent company's distributable funds are EUR 86.2 million, of which EUR 63.8 million is distributable as dividends, including the net profit for the financial year EUR 42.0 million.

The Board of Directors will propose to the Annual General Meeting to be held on 4 April 2013 that a dividend of EUR 0.70 per share be paid for a total of EUR 15.1 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 9 April 2013 and the payment date is 16 April 2013.

In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

THE BOARD OF DIRECTORS' PROPOSALS FOR THE ANNUAL GENERAL MEETING

Auditors and Board of Directors

Resolution on the remuneration of the members of the Board of Directors and the auditor

The Board of Directors proposes, upon Nomination and Remuneration Committee's proposal, that

- the annual remuneration payable to the members of the Board of Directors to be elected for a term of office ending at the end of the next Annual General Meeting shall be the following: Chairman EUR 60,000, Vice Chairman EUR 45,000 and other Board members EUR 30,000;
- the chairmen of the board committees shall be paid an additional annual remuneration of EUR 10,000 and the other committee members EUR 5,000;
- the meeting fee for attending the board meetings shall be the following: Chairman EUR 1,200 per meeting, and other Board members EUR 800 per meeting. The meeting fees will be doubled in case Board member physically participates in a meeting held in a country, where Board member is not resident. No meeting fee shall be paid for the decision minutes drafted without holding a meeting nor for participating in committee meetings;
- in addition, the travel and accommodation expenses related to the board and committee meetings shall be paid.

The Board of Directors proposes, upon Audit Committee's proposal, that the remuneration and travel expenses for the auditor to be elected be paid according to the auditor's reasonable invoice.

Resolution on the number of members of the Board of Directors and the auditors

The Board of Directors proposes, upon Nomination and Remuneration Committee's proposal, that seven members shall be elected to the Board of Directors and, upon Audit Committee's proposal, that one authorised public accounting firm shall be elected as auditor.

Election of members of the Board of Directors

The Board of Directors proposes, upon Nomination and Remuneration Committee's proposal, that Outi Lampela, Shemaya Levy, Robert Remenar, Matti Ruotsala, Jyrki Tähtinen and Harri Suutari shall be re-elected as Board members and Mr Wolfgang Dietz (b. 1953), Independent consultant in automotive and supplier industry shall be elected new Board member

The proposed new Board member is presented in more detail in the attachment.

Election of auditor

The Board of Directors proposes, upon Audit Committee's proposal, that authorised public accounting firm KPMG Oy Ab, which has announced Virpi Halonen, APA, to be the Auditor with principal responsibility, shall be selected as auditor.

ATTACHMENT: PRESENTATION OF THE PROPOSED NEW BOARD MEMBER

Diez, Wolfgang (b. 1953)

- Diplom-Kaufmann in Business Administration
- Independent consultant in automotive and supplier industry
    - Previously DaimlerChrysler AG's Head of Global Corporate Bus Business and Member of management board Commercial Vehicle Division (2002-2006), EvoBus GmbH's CEO and Chief Personnel Officer (1995-2006), Mercedes-Benz AG's Director Business Administration and Controlling, Commercial Vehicle Division, before that in other managerial positions within Daimler-Benz AG since 1997.
- Independent of company and of its significant shareholders