



Safe Milk for millions... by Elecster technology

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## Managing Director's Review



During year 2011, the market position of Elecster Oyj was further strengthened. Our persistent and long term work to switch pasteurised milk for UHT milk in countries lacking sufficient cold chain has contributed in the progress. The aseptic pouch package we offer solves the problems regarding to shelf-life of milk in the distribution chain.

In our target countries, more and more people recognise the great benefits relating to the safety and economy entailed in Elecster system. Those dairies who introduce our system first in their countries play the key role; their message to their own colleagues is the most important marketing message. And this message has already been sent out in dozens of countries.

The concept Elecster offers to its customer is a total solution including a safe and functional system for milk processing and distribution in an efficient and economical way.

In the aseptic pouch packaging sector, Elecster has already reached the position "number one in pouch" in the world. Now we aim to retain and even strengthen the reached position.

Based on customer feedback, reliability is one of the fundamental reasons why customers opt for Elecster concept.

Our equipment work as promised, even after ceasing of the guarantee period, as we also provide after sales services, in cooperation with our local representatives. Further essential assessments received from our customers are: efficiency, easy operation and serviceability of the equipment. In addition to these, also such features as durability and long useful life of our equipment are highly valued among our customers. We are able to promote our concept as one of the best overall economic solution for the customers.

A happy customer is the world's best 'salesman'. This is the cornerstone of the position we have reached. While aiming to conquer the world in our sector, we have to take good care of this fact also in future. This is not a sprint race, it is a marathon, and we are in the right route.

I wish to express my best thanks to the personnel of Elecster group for the good work done. I trust we all desire to make progress in the selected way. I also thank our customers, shareholders and other partners for the good cooperation in 2011.

In Akaa, on March 6th 2012  
Jarmo Halonen

## Consolidated Financial Statements, IFRS

### Consolidated income statement

EUR 1.000	1.1.-31.12.2011	1.1.-31.12.2010
<b>Net sales</b>	<b>45 407</b>	<b>39 398</b>
Change in inventories of finished goods and work in progress	843	402
Production for own use	139	455
Other operating income	344	134
Material and services	-22 766	-19 789
Employee benefit expenses	-10 149	-9 527
Depreciation	-1 763	-1 687
Other operating expenses	-8 651	-6 814
<b>OPERATING PROFIT</b>	<b>3 404</b>	<b>2 573</b>
Financial income	1 293	1 552
Financial expenses	-1 860	-2 043
<b>PROFIT BEFORE TAXES</b>	<b>2 836</b>	<b>2 082</b>
Income taxes	-665	-638
<b>PROFIT FOR THE PERIOD</b>	<b>2 171</b>	<b>1 444</b>
<b>NET PROFIT/LOSS ATTRIBUTABLE TO</b>		
Equity holders of the parent	2 021	1 507
Minority interest	150	-63
	<b>2 171</b>	<b>1 444</b>
Earnings per share calculated on profit attributable to equity holders of the parent		
Earnings per share undiluted (EUR), continuing operations	0,54	0,40
Earnings per share diluted (EUR), continuing operations	0,54	0,40

### Statement of comprehensive income

	1.1.-31.12.2011	1.1.-31.12.2010
<b>PROFIT FOR THE PERIOD</b>	<b>2 171</b>	<b>1 444</b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
Exchange difference on translating foreign operations	173	614
Other comprehensive income, net of tax	173	614
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2 344</b>	<b>2 058</b>
Total comprehensive income attributable to		
Equity holders of the parent	2 194	2 121
Minority interest	150	-63
	<b>2 344</b>	<b>2 058</b>

## Consolidated Financial Statements, IFRS

### Consolidated balance sheet

EUR 1.000	31.12.2011	31.12.2010
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	124	100
Tangible assets	12 541	13 290
Investments available for sale	420	419
Long-term receivables	2 101	3 272
Deferred tax assets	145	134
<b>TOTAL NON-CURRENT ASSETS</b>	<b>15 331</b>	<b>17 215</b>
<b>CURRENT ASSETS</b>		
Inventories	13 507	13 104
Trade receivables and other receivables	11 007	10 645
Tax receivable, income tax	59	112
Cash and bank	3 571	3 139
<b>TOTAL CURRENT ASSETS</b>	<b>28 144</b>	<b>27 000</b>
<b>TOTAL ASSETS</b>	<b>43 474</b>	<b>44 215</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	3 152	3 152
Share premium account	4 239	4 239
Other reserves	84	77
Translation differences	387	99
Retained earnings	10 188	8 925
	18 050	16 492
Minority interest	1 041	891
<b>SHAREHOLDERS' EQUITY</b>	<b>19 091</b>	<b>17 383</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liability	528	503
Long-term liabilities, interest-bearing	8 865	8 878
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>9 393</b>	<b>9 381</b>
<b>CURRENT LIABILITIES</b>		
Short-term interest-bearing liabilities	9 066	9 695
Trade payables and other liabilities	5 856	7 750
Tax liability, income tax	68	6
<b>TOTAL CURRENT LIABILITIES</b>	<b>14 990</b>	<b>17 451</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43 474</b>	<b>44 215</b>

## Key indicators

### Financial indicators

<b>1000 EUR</b>	<b>IFRS 2011</b>	<b>IFRS 2010</b>	<b>IFRS 2009</b>	<b>IFRS 2008</b>	<b>IFRS 2007</b>
Net sales	45 407	39 398	35 540	36 908	42 154
Net sales change, %	15,3 %	10,9 %	-3,7 %	-12,4 %	4,7 %
Operating profit	3 403	2 573	2 277	2 354	3 689
% of net sales	7,5 %	6,5 %	6,4 %	6,4 %	8,8 %
Profit before extra-ordinary items and taxes	2 836	2 082	1 478	1 364	2 889
% of net sales	6,2 %	5,3 %	4,2 %	3,7 %	6,9 %
Return on equity, %	11,9 %	8,7 %	7,2 %	7,3 %	15,5 %
Return on investment, %	11,3 %	9,6 %	7,2 %	8,9 %	12,6 %
Balance sheet total	43 474	44 215	40 631	40 670	37 82
Equity ratio, %	44,8 %	40,9 %	39,3 %	38,5 %	40,0 %
Gearing, %	75,2 %	88,8 %	97,2 %	107,0 %	85,5 %
Gross investments	928	850	2 081	3 414	1 035
% of net sales	2,0 %	2,2 %	5,9 %	9,3 %	2,5 %
Research and development	942	933	881	905	851
% of net sales	2,1 %	2,4 %	2,5 %	2,5 %	2,0 %
Average number of personnel during year about which abroad	335 174	326 164	321 161	325 165	318 162

### Adjusted share-related indicators

	<b>IFRS 2011</b>	<b>IFRS 2010</b>	<b>IFRS 2009</b>	<b>IFRS 2008</b>	<b>IFRS 2007</b>
Earnings per share, eur	0,54	0,40	0,33	0,25	0,53
Earnings per share (diluted), eur	0,54	0,40	0,33	0,25	0,53
Dividend per share (A-share), eur	0,22*	0,17	0,14	0,10	0,18
Dividend per share (K-share), eur	0,22*	0,17	0,14	0,10	0,18
Dividend per earnings, %	40,7 %	42,5 %	42,4 %	40,0 %	34,0 %
Effective dividend yield, %	5,3 %	3,9 %	3,5 %	2,8 %	3,0 %
Equity per share, eur	4,82	4,40	3,97	3,82	3,69
Price per earnings ratio (P/E-ratio)	8	11	12	14	11
Trading volume (A-share), 1000 pcs	240	361	319	273	718
% average number of shares	13,2 %	19,9 %	17,5 %	15,0 %	39,5 %
Average number of shares	3 748 116	3 748 116	3 748 116	3 748 116	3 748 116
Number of shares at the end of period					
A-share	1 820 116	1 820 116	1 820 116	1 820 116	1 820 116
K-share	1 928 000	1 928 000	1 928 000	1 928 000	1 928 000
Adjusted share (A-share)					
lowest share price, eur	3,40	4,05	2,75	3,02	4,53
highest share price, eur	4,83	4,75	4,53	6,10	6,70
share price at December 31, eur	4,16	4,33	4,05	3,60	5,98
Market capitalization of shares December 31, euros millions	15,6	16,2	15,2	13,5	22,4

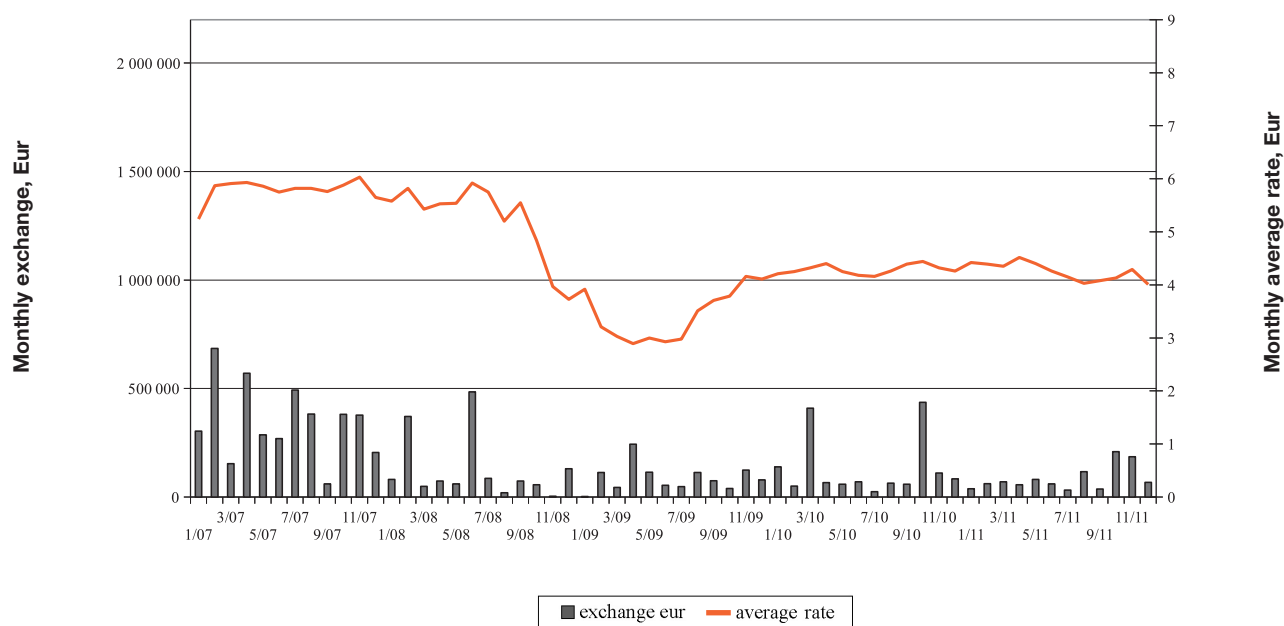
\*) proposal by the Board of Directors

## Calculation of key figures

Return on equity, %	$\frac{\text{Profit before extra-ordinary items and taxes - direct taxes}}{\text{Total equity (average)}} * 100$
Return on investments, %	$\frac{\text{Profit before extra-ordinary items and taxes + interest expences and other financial expenses}}{\text{Total assets - non-interest-bearing liabilities (average)}} * 100$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - advance payments received}} * 100$
Gearing, %	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Total equity}} * 100$
Earnings/share	$\frac{\text{Profit before extra-ordinary items - taxes - +/- minority interest}}{\text{Adjusted number of shares (average)}}$
Shareholders' equity/share	$\frac{\text{Equity attributable to shareholders of parent company}}{\text{Adjusted numbers of shares at 31 December}}$
Price/earnings ratio (P/E)	$\frac{\text{Adjusted share price at 31 December}}{\text{Earnings/share}}$
Effective dividend yield, %	$\frac{\text{Dividend per share}}{\text{Adjusted share price at 31 December}} * 100$

## Exchange of shares and turnover

Exchange of shares and average rate  
1/2007 - 12/2011



Share	Share price 31 Dec 2011	Lowest price	Highest price	Trading volume	%-of A-share
A-share	4,16	3,40	4,83	240.134	13,2

## Share information

### Principal shareholders on December 31st 2011

	A-share	K-share	%-of shares	%-of votes
1. Finha Capital Oy	499 640	900 000	37,34 %	45,02 %
2. Okuli Oy	70 000	957 920	27,42 %	45,73 %
3. Mandatum Henkivakuutusosakeyhtiö	217 000		5,79 %	1,03 %
4. Määttä Mikko	80 000		2,13 %	0,38 %
5. Onninen-Sijoitus Oy	75 000		2,00 %	0,36 %
6. Turun kaupungin vahinkorahasto	43 723		1,17 %	0,21 %
7. Himahamsterit Oy	34 837		0,93 %	0,17 %
8. Halonen Jukka	11 000	17 520	0,76 %	0,88 %
9. Pöyhönen Eija	25 800		0,69 %	0,12 %
10. Tilander Tapio	25 480		0,68 %	0,12 %

At the end of 2011, the members of Elecster's Board of Directors, Managing Director and the corporations in their authority hold a total 41.835 shares.

These shares represent 1,12 percent of the total share capital and 0,95 percent of voting rights.

### Structure of share capital on December 31st 2011

Series of shares	Number of shares	% of shares	% of votes	Share capital Eur
K-shares	1 928 000	51 %	91,37 %	1 621 331,61
A-shares	1 820 116	49 %	8,63 %	1 530 607,68
Total	3 748 116	100 %	100,00 %	3 151 939,29

### Distribution of shareholding on December 31st 2011

#### Breakdown of shareholding

	Number of shares	Number of shareholders	% of shareholders	Shares	% of shares
1-100		239	28,80 %	14 100	0,38 %
101-1 000		429	51,69 %	181 269	4,84 %
1 001-5 000		126	15,18 %	286 683	7,65 %
5 001-10 000		15	1,81 %	112 172	2,99 %
10 001-100 000		18	2,17 %	503 627	13,44 %
100 001-		3	0,36 %	2 644 560	70,56 %
Total		830	100,00 %	3 742 411	99,85 %
Number of shares not entered in the book entry system				5 705	0,15 %
Number issued				3 748 116	100,0 %

#### According to shareholders

	Number of shareholders	% of shares
Companies	61	74,34 %
Credit and insurance institutions *)	3	3,42 %
General Government	2	1,45 %
Non-profit institutions	3	0,08 %
Households	758	20,46 %
Foreign owners	3	0,09 %
Number of shares not entered in the book entry system		0,16 %
Total	830	100,00 %

\*) Also the administratively registered share are included in this figure

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