

## **PEIKKO'S YEAR-TO-DATE STRONG, OWNERSHIP SUCCESSION STRENGTHENS BALANCE SHEET**

### **Peikko's year-to-date strong**

Year 2011 has been good for Peikko Group. The growth of net sales in January – September 2011 was almost 50%. The net sales for 2011 are estimated to reach EUR 100 million (EUR 77 million in 2010). The Group's operational result will also be clearly positive after two weaker years.

The demand has been strongest in German speaking countries and in the Nordic Countries. In 2011 Peikko also started production activities in China. The outlook for the following months is still favorable, even if the international financial crisis is likely to affect volumes in spring 2012.

### **Topi Paananen to gain voting authority following the ownership succession – balance sheet to be further strengthened**

The ownership structure of Peikko Group Corporation, the parent company of Peikko Group, will change. The company is part of Troll Capital Oy, which is owned by equal shares by the siblings Elmar Paananen, Annamari Jukko and Topi Paananen. Peikko Group will separate from Troll Capital Oy through a partial demerger on 31 October 2011. When the phased ownership succession arrangements end in 2012, Peikko Group will be jointly owned about half by Topi Paananen and the other half by the seven grandchildren of the company's founder Jalo Paananen. The ownership will be managed through companies Peikko Capital Oy (40%) and Mecatechno Oy (60%). The voting authority transfers solely to Topi Paananen. As part of the arrangement, Topi Paananen cedes his ownership of Peikko Group's former parent company Troll Capital Oy to his siblings.

This arrangement will have a substantial positive effect on Peikko's equity position and risk-bearing capacity. Overall Peikko Group Corporation's sum of equity and long-term subordinated loans will increase in November 2011 by over EUR 12 million compared to the situation prior to the start of the ownership arrangements.

"This arrangement will further improve Peikko's balance sheet and clarify the ownership structure for the following decades to come. Peikko continues as an entrepreneurial, independent, and financially strong player in its field", states Topi Paananen, CEO and future principal owner of Peikko Group Corporation.

### **Further information:**

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Picture material of Topi Paananen for download:

<http://materials.crasman.fi/materials/public/8259f54bcd79678b00e86f2ee62355c4/>

### **Peikko in brief:**

*Peikko Group Corporation is a leading global supplier of fastening products for concrete connections and composite beams. Peikko's innovative solutions make the customers' building process faster, easier and more reliable. Peikko has subsidiaries in 30 countries in China, Europe, the Middle East, and North America, with manufacturing operations in 8 countries. Peikko's net sales in 2011 are estimated to reach EUR 100 million. Peikko is a family-owned and run company with over 800 professionals. Peikko was founded in 1965 and is headquartered in Lahti, Finland. Further information: [www.peikko.com](http://www.peikko.com).*