

Turnover and operating result grew significantly from previous year

Neo Industrial's turnover for the period between 1 January and 31 March 2017 was EUR 26.0 million (EUR 19.3 million in the comparison period 1.1.-31.3.2016). Its operating result was EUR 1.2 million (0.6). During the first quarter of the year, the turnover increased by EUR 6.7 million and the operating result improved by EUR 0.6 million compared to previous year.

Managing Director Ralf Sohlström: "We succeeded well with loading our factories during the low-demand winter season. As the summer approaches, the demand for cables normally increases. In addition, we have had successes in export sales, and we have put efforts into marketing and product development. Reka Cables is launching a new installation cable family that has already been received well in the market because of its improved safety, ease of use and environmentally-friendliness.

KEY FIGURES (IFRS)

	1-3/2017	1-3/2016	1-12/2016
Turnover, EUR million	26,0	19,3	101,0
Operating result, EUR million	1,2	0,6	5,9
Result for the period, EUR million	0,8	0,0	3,3
Earnings per share, EUR	0,14	0,00	0,55
ROI, %	6,3	1,8	22,6
IAS 19 corrected Equity ratio, %	22,3	10,5	22,0

SEGMENTS

The business segment of Neo Industrial is Cable industry.

CABLE SEGMENT

The Cable Segment's turnover for the period between 1 January and 31 March 2017 was EUR 26.0 million (EUR 19.3 million in the comparison period 1.1.-31.3.2016). Its operating result was EUR 1.8 million (0.8).

During January - March 2017 the sales volumes in the cable market of Nordic countries, the main market area of Reka Cables Ltd, increased significantly from the previous year. The sales volumes in other markets were lower compared to the previous year.

At the end of the review period the raw material EUR prices of aluminium and copper were slightly higher compared to the price level at the turn of the year.

The made investments, EUR 0.3 million, were mainly targeted at improving productivity.

Turnover for Nestor Cables Ltd, an associated company, was EUR 5.2 million (3.9 million) during January - March 2017. The operating result was negative but better than previous year. The company's value on the consolidated balance

sheet is zero and the result of the company is not included in the Group figures.

RISKS AND UNCERTAINTY FACTORS

Neo Industrial's financial risks include currency, interest rate, commodity, liquidity, credit and investment market risks. Financial risks and the related protection measures are described in more detail in the notes to the latest financial statements. The company's future risk factors are related to the business development of its portfolio companies.

In the Cable Segment the most significant risks are related to market development, fluctuations of raw material prices and currencies as well as working capital management in various situations. During considerable seasonal changes, suppliers' terms of payment affect significantly the ability to ensure competitive delivery times through sufficient inventories. Also, operation models are being developed in order to balance out the effects of seasonal changes on the load rates of factories.

In the Cable Segment the key raw materials are metals (copper and aluminium) and plastics. In the metals purchases partial price hedging is used with the aid of commodity derivatives. Important with metals are the development of both the dollar-denominated price and the USD / EUR exchange rate.

NEAR-TERM OUTLOOK

Construction continues to be on a good level in our main market areas. The management believes that grid constructors will continue ground cabling investments to ensure distribution reliability. The turnover and the operating result are estimated to increase clearly in 2017 compared to previous year.

The information presented in this release is unaudited.

Hyvinkää May 3, 2017

Neo Industrial Plc
Board of Directors

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All comments in this report that do not refer to actual facts are future estimates. Such estimates include expectations concerning market trends, growth and profitability as well as statements including the words "believe", "assume" or "will be" or a similar expression. Since these estimates are based on current plans and estimates, they involve risks and uncertainty factors that may cause the actual results to differ substantially from current statements.

Among other things, such factors include 1) operating conditions, such as continued success in production and the ensuing efficiency benefits, availability and cost of production inputs, demand for new products and changes in circumstances affecting the acquisition of capital under acceptable conditions; 2) sector-specific circumstances, such as the intensity of demand for products, the competition, current and future market prices for the Group's products and related pricing pressures, the financial situation of the Group's customers and competitors and competitors' possible new products; and 3) the general economic situation, such as economic growth in the Group's main market areas and changes in exchange rates and interest rates.