Private Equity
Corporate Finance
Asset Management

2012

ANNUAL REPORT

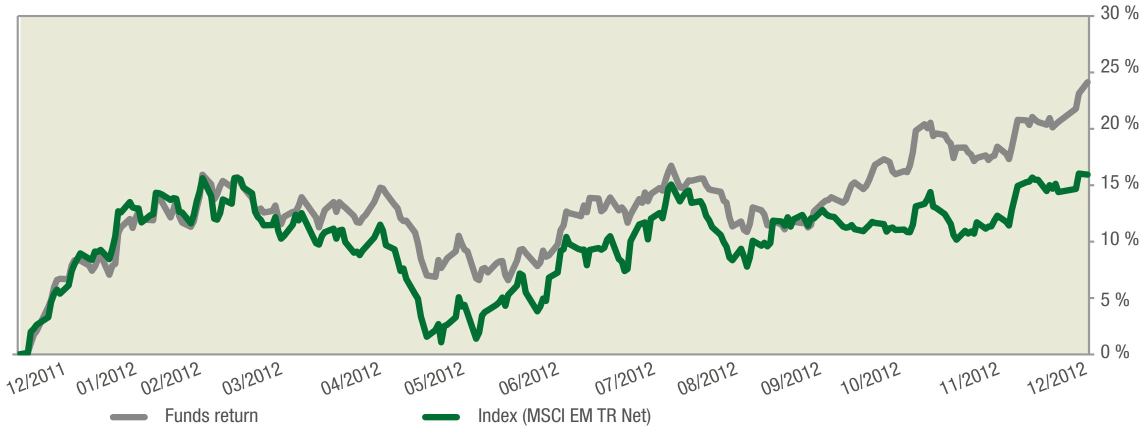
eQ Emerging Markets Dividend grows rapidly

2012 was a successful year for the eQ Emerging Markets Dividend Fund. We were able to combine high dividend yield with the high growth of emerging markets. This combination gave fund investors an excellent return, and the value of the fund increased by no less than 24.1 per cent in 2012. Our fund gave the best return of all emerging markets global equity funds registered in Finland. We are especially glad that the good return was not the result of high risk-taking, but even the risk-adjusted return was the best in its group. For example the fact that more than 50 per cent of our investments have been made in debt-free companies tells something about the portfolio's risk level. When you make investments in companies with a strong balance sheet it is easier to sleep soundly even in difficult times.

In future, dividend yield will be an ever more significant part of return even in emerging markets, and our clients have noticed this. The fund's assets grew more than threefold during the year, totalling EUR 70.5 million at the end of the year.

In 2013, the expected dividend yield of our portfolio is 6.4 per cent, the average P/E ratio of the companies included in the portfolio is below ten, and the companies' balance sheets are strong. We also expect of the portfolio companies clearly faster growth than that of companies in emerging markets on the average. These starting points build a good basis for the year 2013.

Jukka-Pekka Leppä, Portfolio Manager



CONTENT

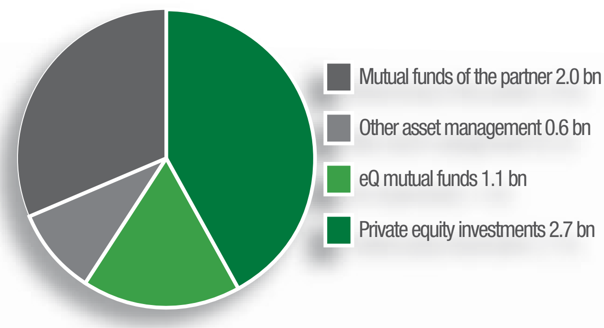
" eQ has become a significant asset manager in Finland

eQ IN BRIEF

eQ Group is a Finnish group of companies that specialises in asset management and corporate finance operations. The Group offers its clients services related to mutual, private equity and hedge funds, discretionary asset management, structured investment products, investment insurance policies and a large range of mutual funds offered by international partners. The asset management clients are institutional investors and private individuals. The Group employs about 80 experts in the finance sector in Helsinki, and the Group also has personnel in Sweden and Denmark. The assets under the Group's management totalled EUR 6.3 million at the end of 2012, as eQ became one of the largest asset managers in Finland last year. After the mergers, eQ has 35 mutual funds registered in Finland, and they contain more than one billion euros of client assets. The client assets in funds managed by international partners total about EUR 2.0 billion and private equity investments about EUR 2.7 billion. In addition, Advium Corporate Finance Ltd, which is part of the Group, offers advisory services related to mergers and acquisitions, real estate transactions and equity capital markets.

eQ Group has grown rapidly in past years. In 2011, Amanda Capital Plc, Advium Corporate Finance Ltd and eQ Asset Management Group Ltd were merged. As a result of the merger, the Group began to offer its clients private equity investment services and funds as well as advisory services related to mergers and acquisitions and real estate transactions, in addition to asset management that concentrates on equity and bond markets. The Group decided that the name of the parent company, Amanda Capital Plc, of the new listed Group would be changed to eQ, which is a relatively well-known brand in Finland. In November 2012, eQ acquired ICECAPITAL's asset management business. The combination was executed through business transfers, in which the operations of ICECAPITAL's companies were transferred to the corresponding eQ companies.

eQ's assets under management



The new product and service selection

eQ	ICECAPITAL Asset Management	Combined
AuM: 3.4 bn	AuM: € 2.9 bn	AuM: € 6.3 bn
Mutual funds	Mutual funds	Mutual funds
Fund-of-funds (PE)	Investment advisory (PE)	Private equity
Discretionary asset management	Discretionary asset management	Discretionary asset management
	Structured products	Structured products
	Life insurance	Life insurance
Corporate Finance		Corporate Finance
Investments		Investments

CEO'S REVIEW

The assets under eQ's management increased to more than EUR 6 billion. eQ consolidated its position with the acquisition of ICECAPITAL. The integration of the companies was carried out rapidly at the end of 2012. As a result of the acquisition, we now have a committed and experienced team and an extremely wide service offering.

We began the year 2012 with the target of growing significantly and creating the preconditions for improving our result in the long term. The acquisition of ICECAPITAL's asset management business in November 2012 supported our target in an excellent manner. We are very pleased with the deal owing to which our market share in Finland grew considerably. As a result of the acquisition, the assets under eQ's management totalled EUR 6.3 billion at the end of the year. Calculated with the assets under management, eQ is now the largest asset manager in Finland independent of large bank groups.

The successful deal will not only increase the assets under our management but it also improves the profitability of our Asset Management operations. The improvement partly results from the profit of the acquired operations and partly from the synergy benefits we will achieve. We have estimated that the cost synergies will exceed EUR 2 million in 2013.

The integration was carried out in record time. The personnel of the Asset Management segment moved to the same premises only four weeks after the acquisition, and the business transfers of the acquired companies were carried out at the beginning of 2013. We have also made a decision to harmonise the names and rules of the funds. These changes will take place during the spring. All these measures give us an excellent starting point for the year 2013. Even though the first steps of the integration were quite prompt and purposeful, there is still much work to be done. The largest of these projects is the implementation of a unified IT structure. We have begun the work and should be able to complete the project by the end of the year.

After the acquisition, our asset management team is extremely experienced and our service offering is very competitive. Our product range also grew significantly and there were only few overlapping products. In addition to the acquisition, we have consolidated our organisation by recruiting new employees, and I venture to say that our present asset management team is one of the most experienced in Finland.

Our personnel is also motivated and committed to serving our clients in the best possible manner. Commitment was strengthened by carrying out a personnel issue after the acquisition. The share issue was fully subscribed for. The personnel's holding in eQ rose to 33% during the year. These factors naturally create excellent preconditions for our future business operations.

Another step in our growth was the acquisition of Finnreit Fund Management Company. We own 50% of the company, and the operative management owns the other half. Finnreit Fund Management Company manages the eQ Care Fund, which invests its assets directly in care properties, which build the fund's diversified portfolio. The fund is the first non-UCITS fund of this type in Finland. We strongly believe that the need for private capital will increase in the care sector and that the fund will offer an interesting opportunity for investors.

Advium's market position has remained good, even though the number of mergers and acquisitions was rather moderate, fourth year in a row. The reasons for the low activity are the general uncertainty, which has continued for a long time now, the estimates of a negative result development in certain sectors, the limited availability of financing and price, for instance. Advium managed, however, to act as advisor in ten executed transactions, which shows that the company has an excellent market position. During the year, Advium recruited a few new employees, and the present team of 13 reflects our trust in the picking-up of the market.

> **" We now have an excellent and experienced team and very extensive service offering**

> ” We wish to grow in future as well

Good result in all business areas. The year was characterised by significant uncertainty in capital markets, which had a negative impact on the profit of both the Asset Management and Corporate Finance segments. Despite this, both these segments made a profit in 2012. In addition, the result of the Investments segment was once more excellent. The operating profit of the Asset Management segment was EUR 0.9 million, including EUR 0.7 million of one-off expenses, and that of Corporate Finance EUR 0.7 million. The Investments segment had a net cash flow of EUR 7.6 million and an operating profit of EUR 4.7 million.

The Group's balance sheet and financial position are in good shape even after the acquisition. At the turn of the year, the Group's net receivables totalled EUR 6.7 million. In addition, our balance sheet comprises investments in private equity funds totalling EUR 38.7 million. These factors together offer us a good opportunity to invest in growth even in future. We still believe that consolidation will continue in the Finnish asset management market, and eQ is in a good position to participate in it.

We wish to grow in future as well, organically by expanding our present products and creating new investment solutions and, when possible, through corporate acquisitions. Our primary target is growth in Finland. However, we now have a small foothold in Sweden, Denmark and Norway, and our aim for 2013 is to find out what the preconditions for more extensive operations in these countries would be.

I would like to thank our clients for the confidence they have shown to us and our employees for the work well done.

Helsinki, 10 February 2013

Janne Larma
CEO

BUSINESS AREAS

eQ's business areas are Asset Management, Corporate Finance and Investments

ASSET MANAGEMENT

The Asset Management segment consists of the asset management firm eQ Asset Management Ltd and its subsidiaries, the most important of which is eQ Fund Management Company Ltd. The aim of the asset management operations is to offer its clients good investment products, innovative solutions and excellent customer service. Through our own organisation and our international partners, we can offer an extensive and international range of investment solutions.

The business operations of eQ Asset Management were expanded significantly in 2012, when eQ acquired ICECAPITAL's asset management business. The deal was closed on 19 November 2012, and the combined organisation moved to joint premises on 11 December 2012. By the end of the year, most of the functions had been integrated, but system integration will still be carried out in 2013, for instance. Fund combinations and changes of names will take place during the first months of 2013.

After the combination, eQ Asset Management became the fifth largest asset manager in Finland, just after the large banks. The service offering is extensive. In addition to traditional discretionary asset management services and mutual funds, it covers private equity, structures and investment insurance policies. In the property market, we offer our clients eQ Care, which makes investments in so-called care properties in Finland. eQ Asset Management has now 53 permanent employees with long experience in the asset management sector, who serve the clients and manage their assets. The segment also has employees in Sweden and Denmark and, in addition to these countries, clients in Norway. There are also individual private equity clients in other European countries.

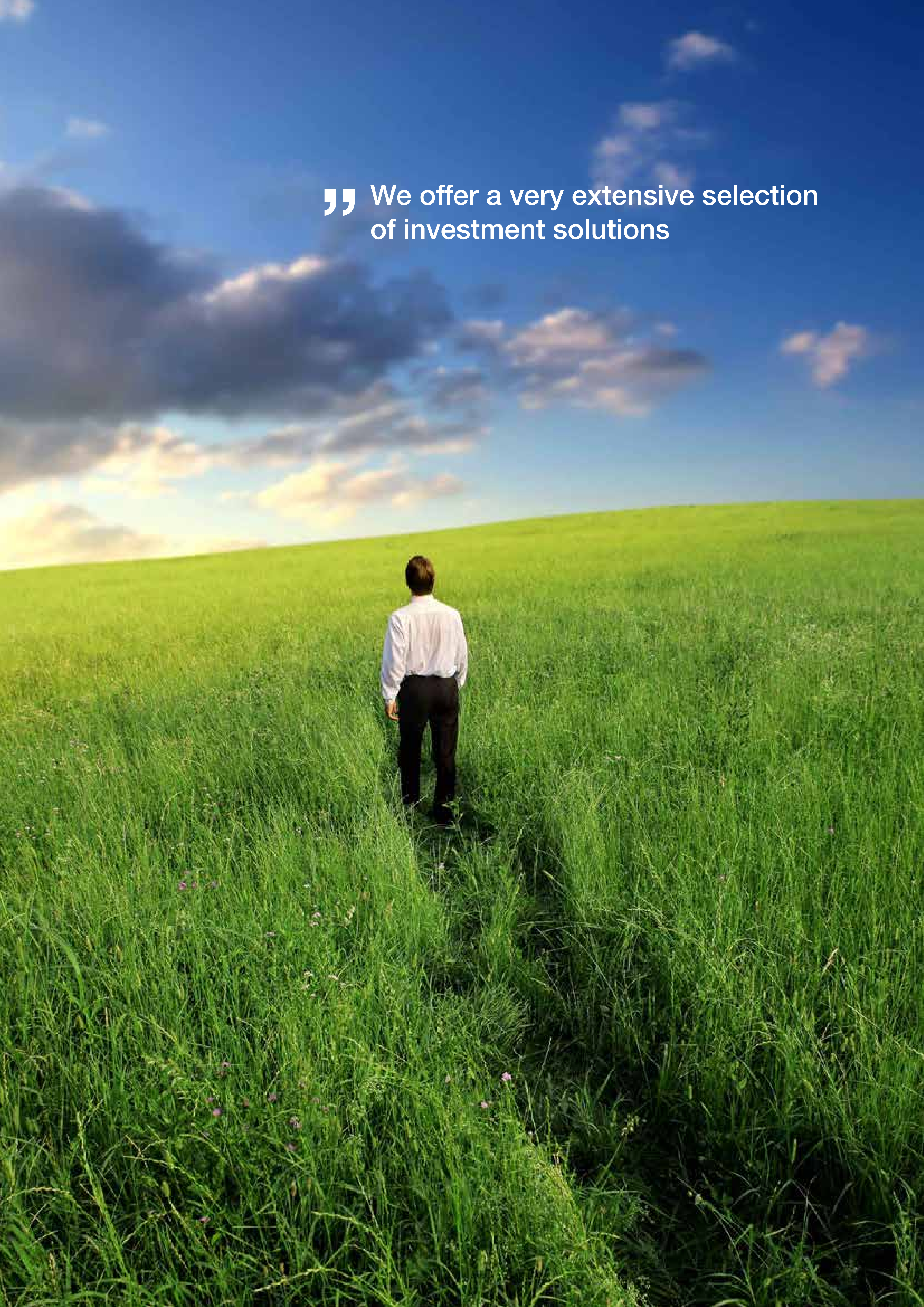
After the combination, the assets under eQ's management increased from EUR 3.4 billion to EUR 6.3 billion. After the mergers, there are 35 mutual funds registered in Finland, and they contain more than one billion euros of client assets. The assets are managed by a portfolio management team consisting of 18 persons, five of which make private equity fund investments. The client assets in funds managed by international partners total about EUR 2 billion. About 40 per cent of eQ Asset Management's client assets are private equity investments, and the Amanda V East Fund made its final close at the end of 2013 in EUR 50 million. The fund makes investments in Russia and Eastern Europe, and it is already eQ's second fund in this region. eQ VI North, which will make investments in Northern Europe, will begin fund-raising in 2013.

In 2012, the investments mostly gave good returns, and the products of eQ Asset Management did well, compared with both market development and competitors. Most of our funds were in Morningstar classes 4 and 5, for instance.

eQ Asset Management has a versatile customer base. We specialise in services for institutions and wealthy investors, but we also have a large number of private individuals making fund investments among our clients. Owing to the acquisition, we already have a significant position as institutional asset manager, and the wider service offering will make good growth possible within asset management for private individuals.

The net sales of the Asset Management segment were EUR 9.0 million and the operating profit EUR 0.9 million in 2012. The income statement of eQ asset management companies has been consolidated with the income statement of eQ Group and the Asset Management segment from 1 April 2011. The result of ICECAPITAL asset management companies, which were acquired in 2012, has been consolidated with eQ Group's income statement and the Asset Management segment from 20 November 2012. The Asset Management segment's profit for the year 2012 comprises one-off personnel expenses of EUR 0.7 million related to the termination of employment. The number of permanent personnel was 53 at the end of December. Altogether 10 persons had fixed-term employment, and the Group made an agreement with 18 persons on the termination of employment at the beginning of 2013.

Asset Management	Jan. to Dec. 2012	Jan. to Dec. 2011
Net sales	9.0 M€	7.6 M€
Operating profit	0.9 M€	2.2 M€
Personnel	81	44


"We offer a very extensive selection of investment solutions

Care property as investment object

In 2012, we launched eQ Care, the first non-UCITS fund in Finland that makes investments directly in care properties under the supervision of the Finnish Financial Supervision Authority. At the end of 2012, after just a few months of operation, the fund had 160 investors and it managed assets totalling EUR 8 million. The fund buys to its portfolio new Finnish care properties from areas that are expected to have a need for care properties in the long term. During the first year of operation, we have bought to the fund´s real estate portfolio, after a thorough analysis of the objects, nine high-class day-care centres operated by private actors and built specifically for this purpose in Oulu and Kuopio regions. In 2013, we will diversify our real estate investments to care properties of other types as well.

The demand for care services in Finland will grow rapidly in coming years. This is due to the ageing population, increasing number of people suffering from dementia and the growing need within child welfare and day-care as well as within rehabilitation, living and care services for special groups. At the same time, the service structure of care services will change and the share of private care service production will further increase. Within day-care for children, for instance, the share of private service production will grow in coming years from the present level of 10% to about 30%. In the next few years, we will need additional investments of EUR 2 to 3 billion in properties in this sector, and the total need for new care places may according to experts even exceed 20 000.

We believe that the fund will interest a large group of investors of different types, as a return level that can be estimated relatively well combined with a sector with a significant growth potential is a combination that seems to arouse interest. The feedback from the customer meetings that we arranged during the autumn was extremely enthusiastic. Our aim is to become one of Finland's major investors in care properties and to pay the investors a return of at lest 6% annually.

Our new type of a fund has been received very positively among investors, but also by operators in the care property and municipal sectors. The working day of the CEO may comprise investor presentations in business costume, or just as well a round in the property dressed in security boots and helmet. The sector requires fieldwork, which our entire team carries out as much as possible so that our investors can invest in our fund with confidence. We wish all present and new clients of eQ welcome to invest in the eQ Care Fund.

Amos Janhunen, CEO
Finnreit Fund Management Company Ltd

CORPORATE FINANCE

eQ Plc's corporate finance services are offered by eQ' subsidiary Advium Corporate Finance Ltd. The services cover mergers and acquisitions, large real estate transactions, equity capital markets and advisory services in general. The clients are mainly Finnish companies that make corporate or real estate transactions in Finland and abroad, but also international companies engaged in corporate or real estate transactions in Finland.

Advium is one of the most highly esteemed and experienced advisors in Finland. The company has carried out more than 100 corporate and real estate transactions during the past eleven years, and in many of them, at least one of the parties has been an international actor.

For Advium, the year 2012 was in several respects similar to the previous year. As general economic uncertainty still prevails, the M&A market continued to be challenging. Acquisition and real estate transaction processes are long, and the likelihood that transactions will be executed has not returned to the same level as in the best years. During the calendar year, Advium acted as advisor in altogether 10 transactions that were executed.

Advium acted as advisor in the largest single real estate transaction in Finland, as Nokia Plc sold its head office in Keilaniemi, Espoo. The sales price was EUR 170 million. Advium also acted as advisor in transactions in which the Finnish company Produal, which manufactures measuring equipment for building automation, was sold to funds managed by Vaaka Partners, and as the majority share of the Finnish digital marketing agency Activeark was sold to the British JWT, which is part of the world leader in marketing communication WPP. In addition, Advium acted as advisor in a transaction through which Rettig bought the share capital of the German company Hewing GmbH from Uponor.

It is typical of the corporate finance business that clients pay a success fee when the transaction has been carried out. Consequently, the transaction dates of deals have a major impact on our invoicing. In 2012, Advium's net sales totalled EUR 2.6 million and the operating profit was EUR 0.7 million. Advium had 13 employees at the end of December. The income statement of Advium Corporate Finance Ltd has been consolidated with the income statement of eQ Group and the Corporate Finance segment from 1 April 2011.

Advium was elected the best investment bank in Finland operating in the real estate sector in an inquiry by the Euromoney magazine in 2012. This was the sixth time Advium won the inquiry.

Corporate Finance	Jan. to Dec. 2012	Jan. to Dec. 2011
Net sales	2.6 M€	2.1 M€
Operating profit	0.7M€	0.7 M€
Personnel	13	11

" Advium was elected for the sixth time as Finland's best investment bank within real estate sector in Euromoney Magazine's 2012 survey

INVESTMENTS

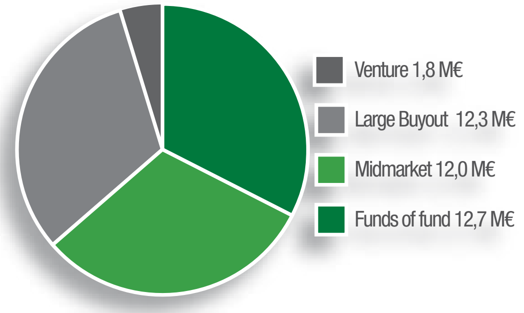
The business operations of the Investments segment consist of private equity fund investments made from the own balance sheet of eQ Group. During the financial period 2012, the net income of eQ Plc's Investments segment totalled EUR 5.1 million. At the end of the period, the market value of the private equity investments made from the own balance sheet was EUR 38.7 million, and the remaining investment commitments totalled EUR 10.8 million. During the financial period, private equity funds called in a total of EUR 4.3 million and returned EUR 5.7 million. The distribution of profit amounted to EUR 6.2 million. A write-down with a result impact recorded in the last quarter of the year amounted to EUR 1.0 million.

Investments	Jan. to Dec. 2012	Jan. to Dec. 2011
Net sales	5.1 M€	6.5 M€
Operating profi	4.7 M€	6.1 M€

Investments	Jan. to Dec. 2012	Jan. to Dec. 2011
Fair value	38.7 M€	42.5 M€
Remaining investment commitments	10.8 M€	14.7 M€

eQ's aim is to achieve an average return on investments that is higher than that of the equity market. The aggregate return of private equity investments since the beginning of operations is 21.66% p.a. (IRR). eQ has experience of making private equity investments in Europe, the U.S., Asia and Russia. eQ has made a decision that it will only make new investments in funds managed by eQ in future. eQ's investment objects have been presented on page 90 of the Annual Report. The enclosed chart shows the distribution of the investments' market value by fund type on 31 December 2012.

Market value of the own investments based on the fund type



The outlook of the economy and stock market is improving

The year 2012 was relatively good for investors, and the returns of different asset classes exceeded the average return level of the past few years. The international financial crisis showed signs of easing up, and the interest rates of goverment bonds struck by the crisis started to fall. The ECB's increase in the money supply led to an unexceptionally low interest rate level. In 2012, the returns of government bonds and corporate bonds were even two-digit. The equity market recovered towards the end of the year, but shares gave lower returns than corporate bonds in several markets.

Investors expect the year 2013 to be better than the previous year. Optimism is based on the growth of the world economy, which is expected to accelerate gradually towards the end of the year. Based on present prognoses, economic growth will be the poorest in Europe, which suffers from the debt crisis, but the growth of emerging markets will be clearly faster than that of western industrialised countries. The upturn of the economy is also seen in exports, which show the first signs of growth, and the improvement of company results.

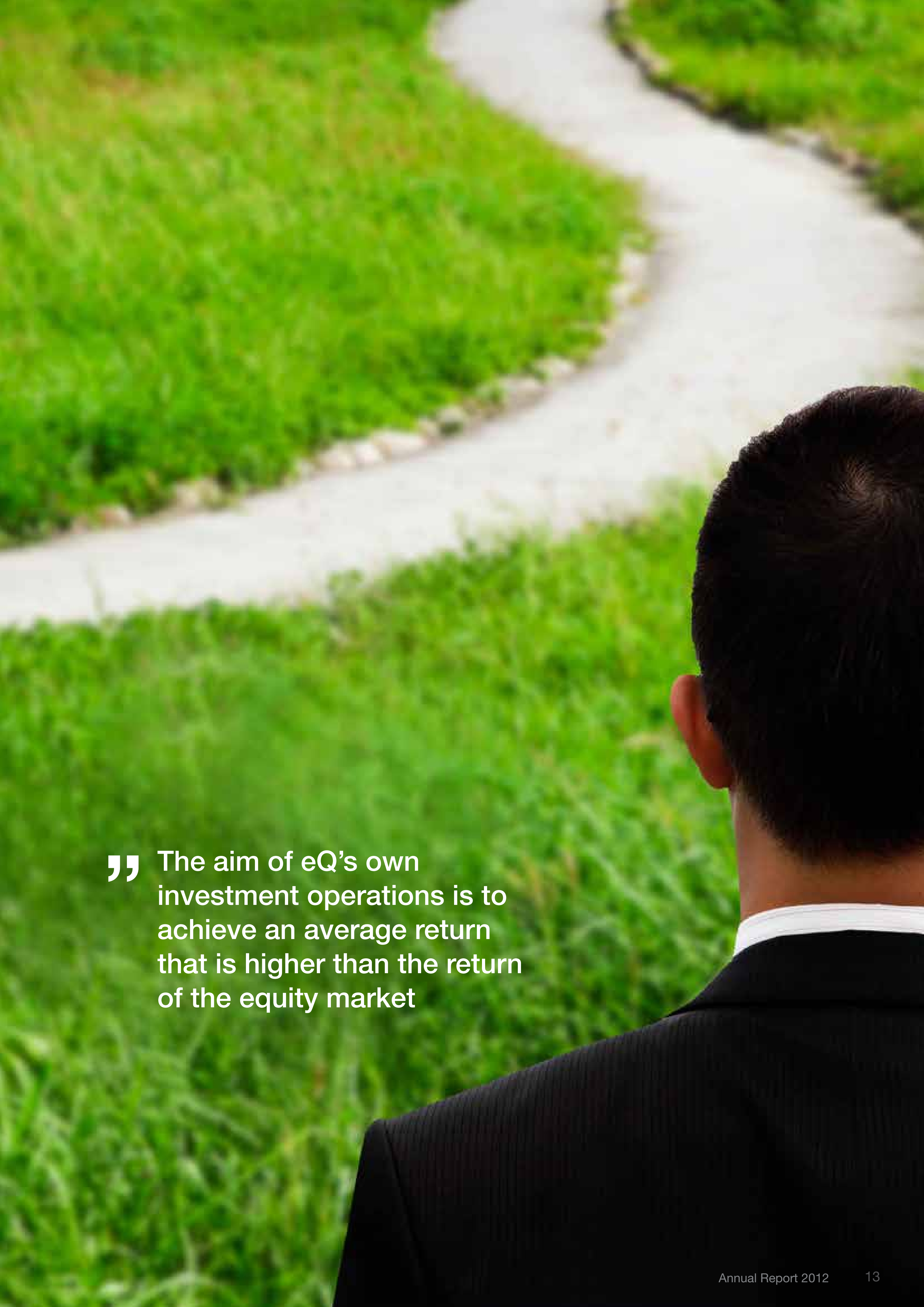
In the U.S., the profits of listed companies reached an all-time-high in 2012. Despite this, the valuation level of American equities is still lower than the long-term average. The dividend yield of the stock market has remained higher than the returns of government bonds. In 2013, investors expect companies to further improve their profits, which are already at a record level.

Even though economic growth in Europe is likely to remain clearly lower than in other economic areas, investors can expect reasonably good returns in Europe as well. The finances and financial structure of most Finnish listed companies are in good shape. In 2012, the net result of two sectors, banks and machinery, already reached an all-time high. In 2013, the total profit of listed companies is expected to grow from the previous year. The dividend distribution of listed companies will increase clearly this spring – with the exception of Nokia.

Investors have realised that it is only possible to get a good return on investments in 2013 by making investments in products that carry a higher risk. The expected return of government bonds and IG corporate bonds is no longer sufficient for investors. The good dividend yield of equities steers investments to an increasing degree to the equity market. Even though we will continue to see price volatility in the market, investors are willing to look for higher returns from products with a higher risk.

Hannu Angervuo, Portfolio Manager

Comments from experts



” The aim of eQ’s own investment operations is to achieve an average return that is higher than the return of the equity market

FINANCIAL STATEMENTS 2012

REPORT BY THE BOARD OF DIRECTORS

Operating environment

In 2012, concerns for the stability of the economies in Southern Europe and the bank systems remained a central theme in the investment market. At the beginning of 2012, the European Central Bank launched more robust measures than before in order to alleviate the crisis, but political uncertainty in several of the countries struck by the crisis brought uncertainty back to the market already in the spring. Towards the end of the year, decisions and measures by the ECB, IMF and the leading politicians of the euro states once more calmed down the market.

Equity market

The equity market continued to rise even in the last quarter of the year, and 2012 turned out to be a good year for equity investors. Macroeconomic indicators have exceeded expectations, and above all the ECB's announcement of buying government bonds of the countries struck by the crisis and the stimulation package in the US increased the willingness of equity investors to take risks in the autumn. The MSCI World TR Net Index, which describes equities globally, rose by 13.6 per cent during the year. In Finland, equities rose rapidly in the last quarter of the year, and the rise of Helsinki Stock Exchange reached other western stock exchanges when comparing the performance during the entire year. The OMX Hex Cap return index increased by 15.5 per cent in 2012, and the Stoxx 600 TR Net Index, which describes European shares, by 18.2 per cent. Even in the US, the equity market has risen rapidly. Calculated in euros, the S&P 500 TR Net Index rose by 13.0 per cent in 2012.

Emerging markets maintained strong growth during the entire year, and the feared slow-down in the Chinese market did not materialise. The prognoses for the first moths of 2013 continue to promise rapid growth in the Chinese market. In 2012, the MSCI EM TR Net Index describing the equity market of emerging economies rose by 15.9 per cent.

Bond market

The debt crisis of the eurozone was alleviated towards the end of 2012. The 10-year interest rates of the Spanish and Italian government bonds already fell to round 5 and 4.5 per cent, when the interest rate level in Spain had exceeded 7 per cent in the summer. German government bonds, which acted as a safe heaven throughout the year, kept their value during the last months of the year, however, and the 10-year interest rate in Germany ended up round 1.3 per cent. During the year, the European Central Bank lowered the steering rate once, from 1 per cent to 0.75 per cent. Short market rates are at a considerably lower level, however, and the 3-month Euribor rate, for instance, was 0.19 per cent at the close of the year. In the pricing of corporate loans, the lowest prices were seen when the euro crisis was at its worst in summer, but the market recovered rapidly in the second half of the year. The interest rate differences with government bonds were cut down in all classes of corporate loans.

As a whole, 2012 was a very good year for bond investors. The fall of long interest rates and more expensive corporate loans lead to excellent returns from fixed-income funds. The best return was obtained from high yield corporate loans with a low credit rating, about 20 per cent, but corporate loans with a good credit rating and government bonds also gave returns exceeding 10 per cent.

Finnish market for mutual funds

The assets managed by mutual funds operating in the Finnish market started to grow once more clearly in 2012, and net subscriptions totalled EUR 4.6 billion in 2012. The total assets under management by mutual funds rose to about EUR 66 billion at the close of the year (EUR 55 billion on 31 December 2011), which is at the same level as the previous high in 2007. In 2012, net subscriptions were above all made in equity and bond funds in emerging markets and in funds for corporate loans.

Private equity market

As a whole, the year was quieter for the European private equity market than the previous year. The number of transactions fell by 14 per cent and their value by 21 per cent. Buyouts formed the most popular transaction type, and altogether 95 buyouts were executed amounting to just under EUR 23 billion. Geographically, the UK was once more the biggest market for mergers and acquisitions, its share of all transactions being more than 30 per cent. The increase in the number of large transactions indicates a slight recovery of the debt market, and it also reflects the existing investment capacity in funds that were raised in 2008 and 2009. (Source: unquote Private Equity Barometer/Arle Partners).

Major events

The Board of Directors appointed Group Legal Counsel Juha Surve to the Management Team on 21 February 2012. From 21 February 2012, the Group's Management Team consisted of the following persons: Janne Larma (chairman), Staffan Jåfs, Lauri Lundström, Annamaija Peltonen and Juha Surve.

The eQ Emerging Markets Local Currency Credit fund was launched on 21 March 2012. The non-UCITS fund makes investments in loans issued by solid companies operating in emerging markets in local currencies. The fund is the first Finnish fund that makes investments in emerging market corporate loans in local currencies.

The Board of Directors of eQ Asset Management Ltd, which is a subsidiary of eQ Plc, appointed Mikko Koskimies, M.Sc. (Econ.), Managing Director of eQ Asset Management Ltd on 4 September 2012. Koskimies began his work on 1 October 2012. In addition, the Board of Directors of eQ Plc appointed Mikko Koskimies member of the eQ Group Management Team from the same date. As of 1 October 2012, eQ Asset Management Ltd's previous Managing Director Lauri Lundström began to work as eQ Plc's Administrative Director and he will continue as member of eQ Group's Management Team.

In connection with Mikko Koskimies appointment, eQ's Board decided on a new shareholding scheme for the eQ Group. The purpose of this scheme is to incentivise Mikko Koskimies by encouraging him to buy and hold shares in eQ Plc, and thus seek to increase the shareholder value of eQ in the long term. For this purpose, a share issue was directed to a company wholly owned by Mikko Koskimies on 4 September 2012. Through the issue, a total of 1 200 000 new shares were offered for subscription in deviation from the shareholders' pre-emptive subscription right. As a result of the share subscriptions, Mikko Koskimies owns approximately 3.31% of the shares of eQ through his company at the close of the financial period. The subscription of shares was financed with capital from Koskimies' company and through an interest-bearing loan of EUR 1 336 000 issued by eQ to the company.

eQ Asset Management Ltd, which is part of eQ Group, and Finnreit Fund Management Company Ltd agreed on 12 September 2012 that eQ Asset Management Ltd would subscribe for 50 per cent of Finnreit Fund Management Company Ltd's shares in a directed share issue. eQ Asset Management Ltd also has an option to buy the entire share capital. As a result of this agreement, a completely new type of property fund called eQ Care was launched. The fund is a non-UCITS fund, which is supervised by the Finnish Financial Supervisory Authority and acts according to the Act on Common Funds. eQ Care invests directly in care properties, which form a diversified portfolio for the fund. A share of the result of Finnreit Fund Management Company Ltd that corresponds to eQ Group's holding has been consolidated with eQ Group's income statement from 1 October 2012.

Through an acquisition closed on 19 November 2012, eQ Plc acquired the asset management business from ICECAPITAL Securities Ltd, excluding the real estate private equity fund business. The transaction was implemented as acquisition whereby eQ Plc acquired ICECAPITAL Asset Management Ltd and its fully owned subsidiaries ICECAPITAL Fund Management Company Ltd, ICECAPITAL Life Ltd and ICECAPITAL Asset Management (Norway) AS as well as the following subsidiaries, where the personnel owns the minority share: ICECAPITAL Financial Products Ltd, ICECAPITAL Asset Management AB (Sweden) and ICECAPITAL Asset Management (Denmark) A/S. The debt-free purchase price was EUR 11.0 million and the purchase price of the shares EUR 14.1 million. The Group financed the purchase with its existing cash reserves and long-term bank financing. In 2011, the net sales of the acquired companies totalled approximately EUR 7.3 million and the operating profit was about EUR 1.3 million. The figures for 2011 do not include operations that were discontinued during the financial year. The company estimates that the annual net synergy benefits resulting from the integration of the asset management organisations of eQ and ICECAPITAL will exceed EUR 2 million in 2013. The acquisition and the resulting integration of operations will support eQ's strategy of becoming the leading asset manager in Finland and improve its competitive edge.

On 20 November 2012, eQ Plc's Board appointed the following persons to eQ Group's Management Team: Janne Larma (chairman), Staffan Jåfs, Mikko Koskimies, Lauri Lundström and Juha Surve.

The Board of Directors of eQ Plc decided on a new share issue directed to the personnel based on the authorization by the Annual General Meeting held on 13 March 2012. In the share issue, new shares of eQ Plc were offered to the entire personnel of eQ Group. The intention of the share issue was to commit the entire personnel, especially after the combination of eQ and ICECAPITAL Asset Management, by encouraging them to acquire and hold shares of eQ Plc and thus seek to increase eQ Plc's shareholder value in the long term. A maximum of 1 800 000 new shares were issued in the personnel issue deviating from the shareholders' pre-emptive right. The share subscription period began on 10 December 2012 and ended on 12 December 2012. The personnel issue was fully subscribed for.

On 22 November 2012, eQ Plc announced co-determination negotiations commenced by its subsidiaries eQ Asset Management Ltd, eQ Fund Management Company Ltd, ICECAPITAL Asset Management Ltd and ICECAPITAL Fund Management Company Ltd covering the entire personnel of said companies. On 28 November 2012, eQ Plc announced the completion of the co-determination negotiations. The aim of the plan handled during the negotiations was to remove overlapping functions generated through the acquisition of ICECAPITAL Asset Management Ltd and its subsidiaries and to improve the Group's competitiveness by adapting costs. The negotiations concerned the plan to integrate and reorganize operations and the possible impacts of these actions on the personnel, including possible personnel reductions. The company agreed with 18 persons on the termination of their employment at the beginning of 2013, and consequently no personnel reductions were necessary.

The private equity fund Amanda V East LP, which is managed by eQ, held its third close of EUR 44.5 million on 21 December 2012. The final close took place on 31 January 2013 on EUR 50 million.

Group net sales and result development

The result development of the Group has been influenced by ICECAPITAL Asset Management Ltd, which was acquired on 19 November 2012, as well as by Advium Corporate Finance Ltd and eQ Asset Management Group Ltd, which were acquired on 16 March 2011. ICECAPITAL Asset Management Ltd and its subsidiaries, which the Group acquired on 19 November 2012, have been consolidated with the eQ Group from the acquisition date, and Advium Corporate Finance Ltd and eQ Asset Management Group Ltd, which were acquired during the financial period 2011, from 1 April 2011. Due to the acquisitions, the comparison information of the financial statements is not comparable.

The consolidated net sales totalled EUR 16.3 million (EUR 15.8 million from 1 Jan. to 31 Dec. 2011). Fee and commission income increased from the comparison period due to the acquisition of Advium Corporate Finance Ltd, eQ Asset Management Group Ltd and ICECAPITAL Asset Management Ltd. The Group's net fee and commission income rose to EUR 11.3 million (EUR 9.3 million). On the other hand, net investment income fell from the comparison period to EUR 5.1 million (EUR 6.5 million), including a write-down of EUR 1.0 million (EUR 0.4 million) with a result impact. The Group's expenses and depreciation totalled EUR 11.6 million (EUR 8.6 million). Personnel expenses were EUR 6.5 million (EUR 4.6 million) and depreciation was EUR 1.2 million (EUR 0.9 million). The depreciation includes EUR 0.9 million (EUR 0.6 million) in depreciations of customer agreements allocated to intangible assets in connection with corporate acquisitions. Other operating expenses were EUR 3.9 million (EUR 3.1 million).

The Group's operating profit was EUR 4.7 million (EUR 7.2 million). The fall from the comparison period is due to the decrease in the net income from investment operations by EUR 1.4 million and one-off items of EUR 1.1 booked for the period. The profit for the period was EUR 3.4 million (EUR 4.9 million). The profit for the period includes one-off items of EUR 1.1 million (EUR 0.3 million) resulting from the corporate acquisition and the termination of employment. The one-off items comprise EUR 0.3 million of legal and other expert fees and EUR 0.7 million of personnel expenses related to the termination of employment.

Business Areas

Asset Management

The operating environment of the Asset Management segment was divided in 2012. In the first half of the year, Finnish investors still concentrated their attention to the debt crisis of the eurozone and its impacts. Towards the end of the year, the macro-economic outlook of national economies and the fundamentals of investment objects gained more attention, which had a positive impact on both the equity and bond market. As a whole, the year was fairly good for investors in most markets, and above all emerging markets and corporate loans gave an exceptionally high return in 2012.

The joining of eQ and the asset management operations of ICECAPITAL in November 2012 increased the assets managed by eQ Asset Management considerably. In 2012, the total assets under management increased by 79 per cent and totalled EUR 6 294 million at the end of the year (EUR 3 519 million on 31 Dec. 2011). The assets in the mutual funds managed by eQ Fund Management Company and ICECAPITAL Fund Management Company totalled EUR 1 056 million at the close of the year. Mutual funds of partners and other assets covered by asset management operations totalled EUR 2 587 million. The assets managed under private equity funds and asset management totalled EUR 2 651 million. EUR 1 283 million of these assets were covered by the reporting service.

eQ Emerging Markets Dividend, which makes investments in dividend stock in emerging markets, gathered a considerable amount of new capital during the year. At the end of the year, the fund's assets totalled about EUR 70.5 million. A new fixed-income fund called eQ Emerging Market Local Currency Credit was launched in March. It follows an entirely new investment strategy in Finland, as it makes investments in emerging market corporate loans in local currencies.

In September, eQ Asset Management Ltd acquired 50 per cent of the share capital of Finnreit Fund Management Company Ltd, and as a result of this, the non-UCITS fund eQ Care was launched. This is the first opportunity in Finland to make investments in domestic care properties and, consequently, obtain annual income from rents through the fund's profit distribution. The operations of the fund have begun well.

During the entire year 2012, the portfolio management organisation of eQ Asset Management managed to assess changes in the market in advance and mostly weigh the right asset classes and sectors. The pace of allocation work was speeded up during the year, and we made changes in allocations more easily than before, but with smaller shares. The aim of this was to react to the exceptionally strong movements of the market. The joining of eQ and ICECAPITAL Asset Management in November consolidated the portfolio management organisation considerably, and in 2013 we will be able to offer our clients an even wider range of mutual funds and asset management services with a higher quality.

During the financial period 2012, eQ Private Equity continued active fundraising to the Amanda V Fund. The fund held its third closing of EUR 44.5 million on 21 December 2012, and the final close took place on 31 January 2013 on EUR 50 million.

The number of personnel in the Asset Management segment was 81 at the end of December. The company agreed with 18 persons on the termination of their employment at the beginning of 2013.

Asset Management	1-12/2012	1-12/2011
Net sales, EUR million	9.0	7.6
Operating profit, EUR million	0.9	2.2
Personnel	81	44

The income statement of eQ Asset Management companies has been consolidated with the income statement of eQ Group and the Asset Management segment from 1 April 2011. The result of ICECAPITAL Asset Management companies has been consolidated with the income statement of eQ Group and the Asset Management segment from 20 November 2012.

Corporate Finance

In the Corporate Finance segment, Advium Corporate Finance acts as advisor in mergers and acquisitions, larger real estate transactions and equity capital markets.

For Advium, the year 2012 was in several respects similar to the previous year. As general economic uncertainty still prevails, the M&A market continued to be challenging. Acquisition and real estate transaction processes are long, and the likelihood that transactions will be executed has not returned to the same level as in the best years. During the calendar year, Advium acted as advisor in altogether 10 transactions that were executed.

Advium acted as advisor in the largest single real estate transaction in Finland in 2012, as Nokia Plc sold its head office in Keilaniemi, Espoo. The sales price was EUR 170 million. Advium also acted as advisor in transactions in which the Finnish company Produal, which manufactures measuring equipment for building automation, was sold to funds managed by Vaaka Partners, and as the majority share of the Finnish digital marketing agency Activeark was sold to the British JWT, which is part of the world leader in marketing communication WPP. In addition, Advium acted as advisor in a transaction through which Rettig bought the share capital of the German company Hewing GmbH from Uponor.

The number of personnel at Advium was 13 at the end of December.

It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result may vary considerably from quarter to quarter.

Corporate Finance	1-12/2012	1-12/2011
Net sales, EUR million	2.6	2.1
Operating profit, EUR million	0.7	0.7
Personnel	13	11

The income statement of Advium Corporate Finance Ltd has been consolidated with the income statement of eQ Group and the Corporate Finance segment from 1 April 2011.

Investments

The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet.

During the financial period, the net income of the Investments segment totalled EUR 5.1 million (EUR 6.5 million from 1 Jan. to 31 Dec. 2011). At the end of the period, the fair value of the private equity funds was EUR 38.7 million (EUR 42.5 million on 31 Dec. 2011). As for private equity fund investments, the amount of the remaining investment commitments was EUR 10.8 million (EUR 14.7 million). The investment objects returned capital for EUR 5.7 million (EUR 8.3 million) and distributed a profit of EUR 6.2 million (EUR 6.8 million) during the financial period. Capital calls totalled EUR 4.3 million (EUR 6.1 million). The net cash flow from investments during the period was consequently EUR 7.6 million (EUR 9.0 million). The write-down with a result impact recorded in the last quarter of the year amounted to EUR 1.0 million (EUR 0.4 million).

The largest exits in 2012 were:

- The exit of the EQT IV and EQT V Funds from the German cable television company KBW, which was sold to an industrial buyer, Liberty Global. The exit generated a cash flow of about EUR 0.9 million for eQ.
- The exit of the EQT V Fund from the Danish cancer diagnostics company Dako. The company was sold to the American company Agilent Diagnostics and the exit generated a cash flow of about EUR 1.0 million for eQ.
- Montagu III made an exit from the European company BSN Medical, which manufactures medical and heath care products. The company was sold to another private equity investor EQT Partners. The cash flow generated for eQ from this exit was about EUR 1.4 million.
- The Triton II Fund made an exit from German Bravida, which offers technical installation and service for real properties. The company was sold to another private equity investor Bain Capital, and the cash flow generated for eQ was about EUR 1.9 million.

In the last quarter, eQ Plc sold an investment in the IK 2000 Fund in the secondary market. The original commitment of eQ was EUR 5.0 million, and its latest market value adjusted for cash flow on 30 September 2012 was EUR 0.7 million. As a result of the transaction, eQ's open commitments decreased by about EUR 0.3 million.

Investments	1-12/2012	1-12/2011
Net sales, EUR million	5.1	6.5
Operating profit, EUR million	4.7	6.1
Personnel	1	1

eQ has made a decision that it will only make new investments in funds managed by eQ in future.

Balance sheet and financial position

At the end of the financial year, the consolidated balance sheet total was EUR 84.3 million (EUR 74.0 million on 31 Dec. 2011). At the end of the period, eQ Plc's shareholders' equity was EUR 73.6 million (EUR 69.7 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 3.4 million, the change in the fair value reserve of EUR -0.9 million, the dividend payout of EUR -4.0 million, the share issue of EUR 2.0 million directed to Mikko Koskimies, and the personnel issue of EUR 3.2 million.

The subscription of the shares directed to Mikko Koskimies was financed with capital from Koskimies' company and through a loan that eQ Plc issued to Koskimies' company. As part of the arrangement, eQ Plc's Board decided to grant an interest-bearing loan of EUR 1.3 million at the most to the company wholly owned by Koskimies for financing the subscription of eQ Plc's shares.

At the end of the period, cash in hand and interest-bearing receivables totalled EUR 10.8 million (EUR 10.6 million). In order to safeguard the availability of financing, the Group has access to a credit limit of EUR 6.0 million. At the end of the period, the Group had interest-bearing liabilities of EUR 4.0 million. Of this sum, EUR 2.7 million was long-term debt and EUR 1.3 million short-term debt. All the interest-bearing liabilities were related to the acquisition of the ICECAPITAL Asset Management companies. During the comparison period, the company had no interest-bearing liabilities. At the end of the period, interest-free long-term debt was EUR 0.9 million (EUR 1.2 million) and interest-free short-term debt EUR 5.8 million (EUR 3.1 million). eQ's equity to assets ratio was 87.3% (94.1%).

Major risks and uncertainties associated with the operations

The single major risk of the Group is the dependence of the operating income on the changes in the external operating environment. The result of the Asset Management segment depends on the development of the assets under management, which is highly dependent of the development of the capital market. The management fees of private equity funds are based on long-term agreements that produce a stable cash flow, however. Success fees, which depend on the number of mergers and acquisitions and real estate transactions, have a considerable impact on the result of the Corporate Finance segment. These vary considerably within one year and are dependent on economic trends. If the present uncertain situation in the external operating environment continues, this will have a negative impact on Group operations.

The risks associated with eQ Group's investment operations are the market risk, currency risk and liquidity risk. Among these, the market risk has the greatest impact on investments. eQ's investments are well diversified, which means that the impact of one investment in a company, made by one individual fund, on the yield of the investments is often small. eQ has tried to diversify the risks related to the investment operations by making investments in private equity funds that make investments in different geographic areas and fields of industry. Most of the company's investments have been made in investments denominated in euro, which means that the exposure to the currency risk is not considerable. The company has made a decision that it will only make new private equity investments in funds managed by eQ in future.

The Group's liquidity is monitored continuously, and good liquidity is maintained by only investing the surplus liquidity in objects with a low risk, which can be turned into cash rapidly and at a clear market price. The capital calls and exits from target companies of private equity funds have a major impact on liquidity. In order to ensure the availability of financing, the Group has access to a credit limit.

Board of Directors, Management Team, CEO and auditor

eQ Plc's Annual General Meeting held on 13 March 2012 re-elected the following persons to the Board: Ole Johansson, Georg Ehrnrooth, Eero Heliövaara and Jussi Seppälä. Christina Dahlblom was elected new member. The Board appointed Ole Johansson Chairman of the Board at its constituting meeting. eQ Plc's Board had 9 meetings during the financial period 2012, average attendance being 96%.

From 20 November 2012, eQ Group's Management Team has consisted of the following persons:

- Janne Larma, CEO of eQ Plc
- Staffan Jåfs, Director, Private Equity
- Mikko Koskimies, CEO of eQ Asset Management Ltd
- Lauri Lundström, Senior Vice President, Administration, eQ Plc
- Juha Surve, Group General Counsel, eQ Plc

In 2012, the company's CEO was Janne Larma, and the substitute for the CEO Lauri Lundström.

The company auditor has been Ernst & Young Oy, a firm of authorized public accountants, with Ulla Nykky APA, as auditor with main responsibility.

Personnel

At the end of the financial year, the number of Group personnel was 103 (62 on 31 Dec. 2011). The number of personnel increased after the acquisition of ICECAPITAL Asset Management companies by about 30. The Asset Management segment had 81 (44) employees, the Corporate Finance segment 13 (11) employees and the Investments segment 1 (1) employee. Group administration had 8 (6) employees. The personnel of the Asset Management segment comprises ten persons with fixed-term employment. Of the personnel, 99 persons (62) worked in Finland and 4 persons (0) in other Scandinavian countries.

As a result of the co-determination negotiations concerning the entire personnel conducted by eQ Plc's subsidiaries eQ Asset Management Ltd, eQ Fund Management Company Ltd, ICECAPITAL Asset Management Ltd and ICECAPITAL Fund Management Company Ltd in November 2012, the company agreed with 18 persons on the termination of their employment at the beginning of 2013. The aim of the plan handled during the negotiations was to remove overlapping functions generated through the acquisition of ICECAPITAL Asset Management Ltd and its subsidiaries and to improve the Group's competitiveness by adapting costs.

The overall salaries paid to the employees of eQ Group during the financial period totalled EUR 6.5 million (EUR 4.6 million from 1 Jan. to 31 Dec. 2011). The salaries of the financial period comprise personnel expenses of EUR 0.7 million related to the termination of employment. The comparison figure comprises the salaries of Advium Corporate Finance Ltd and the eQ Asset Management Group from 1 April 2011 and the salaries of eQ Plc and Amanda Advisors Ltd from 1 January 2011. The profit for 2012 includes the salaries of the acquired ICECAPITAL Asset Management companies from 20 November 2012. The figures are, therefore, not comparable.

Loans to related parties

eQ Plc's receivables from related parties have been described under item 25 (Related party transactions) of the Notes to the Financial Statements.

eQ Plc's share

Authorisations

The Annual General Meeting held on 13 March 2012 authorised the Board of Directors to decide on the repurchase of no more than 500 000 company shares, which can be repurchased otherwise than in proportion to the shareholdings of the shareholders, with assets from the company's unrestricted equity. Shares will be purchased at the market price in public trading on NASDAQ OMX Helsinki at the time of purchase. The number of shares corresponds to approximately 1.49 per cent of all shares in the company. Own shares may be repurchased in order to develop the company's capital structure, to finance or carry out corporate acquisitions or other business transactions, or as part of the company's incentive scheme. The repurchased shares may be held by the company, transferred further or annulled. The Board of Directors shall decide on all other matters related to the repurchase of own shares. The authorisation cancels all previous authorisations to repurchase the company's own shares and is effective until the following Annual General Meeting.

In addition, the AGM held on 13 March 2012 authorised the Board of Directors to decide on a share issue or share issues and/or the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Limited Liability Companies' Act, comprising a maximum of 5 000 000 shares. The amount of the authorisation corresponds to approximately 14.94 per cent of all company shares. The authorisation is to be used in order to finance or carry out potential corporate acquisitions or other business transactions, to consolidate the balance sheet and financial position of the company, to carry out the company's incentive schemes or for any other purposes decided by the Board. Based on the authorisation, the Board shall decide on the terms of the issuance of shares and special rights entitling to shares referred to in chapter 10 section 1 of the Limited Liability Companies' Act, including the recipients of the shares or special rights entitling to shares and the amount of the consideration to be paid. Therefore, based on the authorisation, shares or special rights entitling to shares may also be issued in a manner that deviates from the shareholders' pre-emptive rights, as described in the Limited Liability Companies' Act. A share issue may also be executed without consideration, in accordance with the preconditions set out in the Limited Liability Companies' Act. The authorisation cancels all previous authorisations to decide on share issues, and it will be effective until the following AGM.

Shares and share capital

On 9 May 2012, eQ Plc's Board of Directors decided to cancel 163 153 own shares held by the company. The number of shares in eQ Plc was altered on 7 June 2012, as the cancellation of the shares that the company had held was entered in the Trade Register. After the cancellation, the number of company shares was 33 297 198. The cancellation did not have any impact on the company's share capital.

Based on an authorisation by the Annual General Meeting held on 13 March 2012, eQ Plc's Board of Directors decided on 4 September 2012 to carry out a share issue against payment directed to a company wholly owned by Mikko Koskimies, new Managing Director of eQ Asset Management Ltd. Through the share issue, a total of 1 200 000 shares were offered for subscription in deviation from the shareholders' pre-emptive subscription right. eQ has a weighty financial reason to deviate from the shareholders' pre-emptive right, as the shares were issued to a company wholly owned by Koskimies in order to incentivise Koskimies and enhance his commitment as one of the Group's key persons.

The subscription price per share of the new shares was the volume-weighted average price of the company's share on NASDAQ OMX Helsinki Ltd for 20 consecutive trading days immediately preceding the meeting of the Board that decided on the issuance of the shares, i.e. EUR 1.67 per share. The company wholly owned by Mikko Koskimies has on 4 September 2012 subscribed for all the offered shares and paid the subscription price on 14 September 2012. An amount corresponding to the subscription price of the new shares, EUR 2.0 million, has been entered into eQ's invested unrestricted equity reserve. Rights to dividends and other shareholder rights commenced on the day when the new shares were entered in the Trade Register and the shareholders' register of the company. The new shares were entered in the Trade Register on 24 September 2012, and they became subject to public trading on NASDAQ OMX Helsinki Ltd on 27 September 2012.

Based on the share issue directed to Koskimies, the number of eQ shares grew from 33 297 198 to 34 497 198. The share capital did not change as a result of the share issue.

The Board of Directors of eQ Plc decided on a new share issue directed to the personnel based on the authorization by the Annual General Meeting held on 13 March 2012. In the share issue, new shares of eQ Plc were offered to the entire personnel of eQ Group. The intention of the share issue was to commit the entire personnel, especially after the combination of eQ and ICECAPITAL Asset Management, by encouraging them to acquire and hold shares of eQ Plc and thus seek to increase eQ Plc's shareholder value in the long term. A maximum of 1 800 000 new shares were issued in the personnel issue deviating from the shareholders' pre-emptive right. The share subscription period began on 10 December 2012 and ended on 12 December 2012. A subscriber has no right to dispose of or assign the subscribed shares before 18 December 2013, and if the subscription exceeds 20 000 shares, not before 18 December 2015. eQ has a weighty financial reason to deviate from the shareholders' pre-emptive right, as the shares are issued to the personnel in order to encourage personnel to acquire and hold shares of eQ and thus incentivise and enhance the personnel's commitment in the long term.

The subscription price of the shares was EUR 1.80 per share. The volume-weighted average price of the company's share on NASDAQ OMX Helsinki Ltd for the period of 20 consecutive trading days before the Board meeting that decided on the personnel issue was EUR 1.81 per share. Thus, the discount in the personnel issue was EUR 0.01 per share i.e. about 1 per cent. The full subscription price of the shares was entered into the invested unrestricted equity reserve. The new shares were entered in the Trade Register on 28 December 2012, and they became the object of public trading on NASDAQ OMX Helsinki Ltd on 2 January 2013.

Based on the share issue, the number of shares in eQ Plc increased from 34 497 198 to 36 297 198. Each share carries one vote. The share capital did not change as a result of the issue. On 31 December 2012, the share capital was EUR 11 383 873.

Option rights

At the end of the period, eQ Plc had one option scheme. The option scheme is intended as part of the incentive and commitment system of the Group's key employees.

On 4 September 2012, eQ Plc's Board of Directors decided to issue to Mikko Koskimies, who had been appointed Managing Director of eQ Asset Management Ltd and member of eQ Group's Management Team, 200 000 option rights in accordance with eQ Plc's Option Scheme 2010 (50 000 2010B options, 50 000 2010C options, 50 000 2010D options and 50 000 2010E options).

On 20 November 2012, the Board of Directors of eQ Plc decided to issue to Kirsi Hokka, Matti Mononen and Jyri Viskari 200 000 option rights each in accordance with the company's Option Scheme 2010 (50 000 2010B options, 50 000 2010C options, 50 000 2010D options and 50 000 2010E options each). On

20 November 2012, Kirsi Hokka was appointed Head of customer relations at eQ Asset Management. Matti Mononen and Jyri Viskari are key employees of ICECAPITAL Asset Management, which was acquired on 19 November 2012.

At the end of the financial period, altogether 1 500 000 options had been allocated. Based on the authorisation given to the Board on 14 April 2010 by the Annual General Meeting, there were 240 000 unallocated options at the end of the financial period. The terms and conditions of the option scheme have been published in a stock exchange release of 18 August 2010, and they can be found in their entirety on the company website at www.eQ.fi.

Own shares

eQ Plc held no own shares at the end of the financial period on 31 December 2012. On 9 May 2012, eQ Plc's Board of Directors decided to cancel the own shares held by the company, altogether 163 153 shares. The shares corresponded to approximately 0.5 per cent of the total number of company shares. The cancellation became affective on 7 June 2012, when it was entered in the Trade Register.

Other information on the share

The following information on the company share is found in the Notes to the Financial Statements: distribution of holdings, information on considerable holdings and votes, the holdings of the company management and directors, and the number of company shares and share types.

Corporate governance

In addition to acts and regulations applicable to listed companies, eQ Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association in June 2010. The entire Code is available on the website of the Securities Market Association at www.cgfinland.fi.

eQ Plc departs from the following recommendations of the Code: 50. Internal audit. In addition, eQ Plc has no Board committees.

Proposal for the distribution of profits

The distributable means of the parent company on 31 December 2012 totalled EUR 56.1 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.12 per share be paid out on the record date 2 April 2013. The proposal corresponds to a dividend totalling EUR 4 355 663.76 calculated with the number of shares at the end of the financial year. The Board proposes that the dividend payment date is 9 April 2013.

After the end of the financial period, no essential changes have taken place in the financial position of the company. The Board of Directors feel that the proposed distribution of profit does not endanger the liquidity of the company.

Events after the financial period

In the Investments segment, private equity funds in which eQ has made investments have announced exits that have not been realised during the financial period. If the announced exits will be carried out according to plan, the cash flow from the exits that eQ will receive after the financial period, in the first or second quarter of 2013, is estimated to be about EUR 4.6 million, of which the estimated distribution of profits accounts for about EUR 3.0 million.

Related to the acquisition of the asset management business of ICECAPITAL in 2012, eQ plans to integrate the acquired business into the eQ Group as rapidly as possible. At the beginning of 2013, eQ executed business transfers in which the business operations of ICECAPITAL Asset Management Ltd were transferred to eQ Asset Management Ltd and the business of ICECAPITAL Fund Management Company Ltd to eQ Fund Management Company Ltd. In future, the asset management business of eQ Group will be carried out through eQ

Asset Management Ltd and its subsidiaries and, correspondingly, the mutual fund business of eQ Group through eQ Fund Management Company Ltd. After the now executed transfers of business, ICECAPITAL Asset Management Ltd will be merged with eQ Asset Management Ltd and ICECAPITAL Fund Management Company Ltd with eQ Fund Management Company Ltd in the spring of 2013.

As a result of the co-determination negotiations carried out by eQ Plc's subsidiaries eQ Asset Management Ltd, eQ Fund Management Company Ltd, ICECAPITAL Asset Management Ltd and ICECAPITAL Fund Management company Ltd in November 2012 covering the entire personnel of said companies the company agreed with 18 persons on the termination of their employment at the beginning of 2013.

The Amanda V East private equity fund managed by eQ held its final close on 31 January 2013 on EUR 50.0 million.

The Board of Directors of eQ Plc has on 14 February 2013 received a letter of resignation from Eero Heliövaara. His resignation from the Board of Directors becomes effective as of 14 February 2013. The reason for Heliövaara's resignation is that he was appointed as Director General of the Government Ownership Steering Department as of 1 March 2013, and relating to his new position he has committed to resign e.g. from the Board of Directors of eQ Plc.

The Board of Directors of eQ Plc decided on 14 February 2013 that the company will not have substitute for the CEO in the future.

Outlook

Investors' trust in the fact that the debt crisis of public economies in the eurozone and the bank crisis will start calming down has increased in past months. We have seen this in the willingness of investors to take greater risks, which has lead to an increase in share prices. Investments in equity funds have also increased during the first weeks of 2013. Even rapid changes in the allocations of investors are possible, however. The changes in the assets under the Group's management and the development of the fee and commission income correlate with the development of the investment market.

Helsinki, 14 February 2013

eQ Plc
Board of Directors

KEY RATIOS, CONSOLIDATED

EUR 1 000	2012	2011	2010	2009	2008
INCOME STATEMENT					
Fee and commission income, net	11 260	9 327	3 972	4 295	4 558
Net investment income	5 080	6 482	1 136	-5 331	1 540
Turnover	16 339	15 808	5 108	-1 036	6 098
Operating profit	4 712	7 234	1 829	-4 489	-2 124
% of turnover	28.8	45.8	35.8	433.2	-34.8
Financial income and expenses	-44	-302	-623	-172	447
% of turnover	-0.3	-1.9	-12.2	16.6	7.3
Profit (loss) before	4 632	6 932	1 205	-4 662	-1 678
% of turnover	28.4	43.9	23.6	449.9	-27.5
Direct taxes	-1 247	-1 988	-371	2 107	358
PROFIT (LOSS) FROM THE FINANCIAL YEAR	3 364	4 942	834	-2 555	-1 319
BALANCE EUR 1 000					
Intangible and tangible assets	29 312	19 470	4 623	5 348	6 041
Investments	39 106	42 633	40 625	30 769	32 389
Long-term receivables	1 336	79	1 684	3 093	466
Short-term receivables	5 177	1 299	441	480	922
Financial securities and cash	9 389	10 540	4 112	3 741	5 782
TOTAL ASSETS	84 319	74 020	51 486	43 432	45 599
Shareholders’ equity	73 604	69 684	44 229	38 968	41 401
Non-interest-bearing liabilities	6 677	4 336	1 456	1 464	605
Interest-bearing liabilities	4 038	-	5 800	3 000	3 500
Provisions	-	-	-	-	94
TOTAL LIABILITIES	84 319	74 020	51 486	43 432	45 599

PROFITABILITY AND OTHER KEY RATIOS	2012	2011	2010	2009	2008
Return on investment, ROI % p.a.	4.7	8.8	3.2	-5.4	-2.3
Return on equity, ROE % p.a.	4.7	8.7	2.0	-6.4	-2.6
Equity to asset ratio, %	87.3	94.1	85.9	89.7	90.8
Gearing, %	-7.3	-15.2	3.8	-1.9	-5.5
Private equity investment to equity ratio, %	52.6	61.0	91.8	79.0	78.2
Investment commitments to equity ratio, %	67.1	82.1	129.6	161.6	209.9
Number of personnel at period end	103	62	13	15	15
Number of personnel on average	70	50	14	15	14

SHARE RATIOS					
Earnings per average share, EUR	0.10	0.16	0.04	-0.12	-0.06
Earning per share, diluted, eur	0.10	0.16	0.04	-0.12	-0.06
Shareholders' equity per share, EUR	2.03	2.08	1.94	1.71	1.82
Shareholders' equity per average share, EUR [1]	2.21	2.25	1.99	1.76	1.86
Dividend EUR 1 000 [2]	4 356	3 996	-	-	-
Dividend per share [2]	0.12	0.12	-	-	-
Dividend per result, % [2]	120.0	80.8	-	-	-
Effective dividend yield [2]	6.0	7.7	-	-	-
Price/earnings ratio, P/E	20.0	9.8	45.5	-14.9	-29.8
Price development of share issue adjusted shares, EUR					
Average stock price	1.79	1.78	1.61	1.78	3.29
Highest stock price	2.10	1.90	1.95	2.20	3.91
Lowest stock price	1.49	1.34	1.37	1.40	1.50
Closing price	2.00	1.56	1.73	1.71	1.79
Market capitalisation EUR 1 000 [3]	72 594	52 198	39 388	38 933	40 754
Share turnover 1 000 shs	6 107	3 354	3 007	1 173	2 001
% of total number of shares	18.3	10.8	13.2	5.2	8.8
Share turnover EUR 1,000	11 146	5 956	4 856	2 091	6 584
Share issue adjustment number of shares 1 000 shs					
Average during the period	33 335	30 983	22 768	22 768	22 768
At period end	36 297	33 460	22 768	22 768	22 768

1) The weighted average number of shares outstanding during the period has been used in calculation of the ratio.
2) The proposal of the Board of Directors for the dividend.
3) Closing price and volume of the trading day has been used in calculation of the ratio.

CALCULATION OF KEY RATIOS

RETURN ON INVESTMENT, ROI (%)

$$100 \times \frac{\text{profit or loss + finance expense}}{\text{equity + interest - bearing financial liabilities (average)}}$$

DIVIDEND PER EARNINGS (%)

$$100 \times \frac{\text{dividend per share}}{\text{earnings per share}}$$

RETURN ON EQUITY, ROE (%)

$$100 \times \frac{\text{profit or loss}}{\text{equity (average)}}$$

EFFECTIVE DIVIDEND YIELD (%)

$$100 \times \frac{\text{dividend per share}}{\text{adjusted closing share price at 31. Dec.}}$$

EQUITY TO ASSETS RATIO (%)

$$100 \times \frac{\text{equity}}{\text{balance sheet total - advances received}}$$

PRICE/EARNINGS RATIO, P/E

$$\frac{\text{adjusted closing share price at 31. Dec.}}{\text{earnings per share}}$$

GEARING (%)

$$100 \times \frac{\text{interest bearing liabilities - current investments - cash in hand and at bank}}{\text{equity}}$$

MARKET CAPITALISATION

number of shares at 31. Dec. x closing share price at 31. Dec.

EARNINGS PER SHARE, EPS

$$\frac{\text{profit or loss for the financial period attributable to parent company share holders}}{\text{adjusted average number of shares}}$$

TURNOVER (%)

$$100 \times \frac{\text{number of shares traded during the financial period}}{\text{average number of shares during the financial period}}$$

SHAREHOLDERS' EQUITY PER SHARE

$$\frac{\text{shareholders' equity}}{\text{adjusted number of shares at balance sheet date}}$$

PRIVATE EQUITY INVESTMENTS TO EQUITY RATIO (%)

$$100 \times \frac{\text{private equity investments}}{\text{shareholders' equity}}$$

DIVIDEND PER SHARE

$$\frac{\text{dividend for the financial period}}{\text{adjusted number of shares at balance sheet date}}$$

PRIVATE EQUITY COMMITMENTS EQUITY RATIO (%)

$$100 \times \frac{\text{private equity investments + remaining commitments}}{\text{shareholders' equity}}$$

INCOME STATEMENT, CONSOLIDATED

EUR 1 000	Note no.	2012	2011
NET SALES			
Fee and commission income, net		11 260	9 327
Net investment income		5 080	6 482
Total	7	16 339	15 808
Operating expenses	8, 9	-10 381	-7 709
Depreciations	10	-1 246	-865
OPERATING PROFIT		4 712	7 234
Finance income	11	30	52
Finance cost	11	-74	-354
Share of profit of associate		-35	-
PROFIT BEFORE TAXES		4 632	6 932
Income taxes	12	-1 247	-1 988
PROFIT (LOSS) for the period		3 386	4 945
Other comprehensive income:			
Available for sale financial assets, net		-938	3 432
Transaction differencies		-5	-
Other comprehensive income after taxes		-943	3 432
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2 443	8 376
Distribution of the profit for the period:			
Equity holders of the parent company		3 364	4 942
Non-controlling interest		22	3
Tilikauden laajan tuloksen jakautuminen:			
Equity holders of the parent company		2 421	8 376
Non-controlling interest		22	-
Earnings per share			
Earnings per share calculated from the profit of equity holders of the parent company:			
Earnings per average share, EUR *)		0.10	0.16
Diluted earnings per share, EUR		0.10	0.16

BALANCE SHEET, CONSOLIDATED

EUR 1 000	Note no.	Dec. 31, 2012	Dec. 31, 2011
ASSETS			
Long-term assets			
Intangible assets	17	29 174	19 318
Tangible assets	17	138	151
Share in associate companies	18	365	-
Investments available for sale	14-16, 19		
Financial securities		5	49
Private equity investments		38 691	42 539
Receivables	14-15	1 336	-
Deferred tax assets	20	57	79
Total long-term assets		69 766	62 137
Current assets	21		
Accured income and advance payments		4 830	1 257
Tax receivable		289	42
Investments available for sale	14-16, 19		
Financial securities		45	45
Cash		9 389	10 540
Total current assets		14 554	11 883
TOTAL ASSETS		84 319	74 020
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	22		
Share capital		11 384	11 384
Invested unrestricted equity		51 875	46 631
Own shares		-	0
Fair value reserve		-1 484	-546
Transaction differencies		-5	-
Retained earnings		8 394	7 273
Profit (loss) for the financial year		3 364	4 942
Share of non controlling intrests		77	-
Total shareholders' equity		73 604	69 684
Non-current liablilities	20		
Deferred tax liability	14-15	875	1 230
Financial liabilities		2 700	-
Other liabilities		38	-
Total non-current liabilities		3 613	1 230
Current liabilities			
Other liabilities	23	5 718	2 034
Tax payable		84	1 073
Interest-bearing liabilities	14-15, 23	1 300	-
Total current liabilities		7 102	3 106
Total liabilities		10 715	4 336
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		84 319	74 020

CONSOLIDATED CASH FLOW STATEMENT

EUR 1 000	2012	2011
CASH FLOWS FROM OPERATIONS		
Operating profit	4 712	7 234
Depreciation and amortisation	1 246	865
Operations without cash payment	126	102
Investments available for sale, change	2 825	2 643
Change in working capital		
Business receivables, increase (-) decrease (+)	-2 520	-809
Interest-free debt, increase (+) decrease (-)	369	1 525
Total change in working capital	-2 151	717
Cash flows from operations before financial items and taxes	6 759	11 561
Interests received	30	52
Interests paid	-74	-354
Deferred taxes	-2 058	-336
CASH FLOWS FROM OPERATIONS	4 657	10 922
CASH FLOWS FROM INVESTMENTS		
Acquisition of shares in associated companies	-400	-
Acquisition of subsidiaries excluding acquired cash	-10 649	-
Investments to intangible and tangible assets	-6	669
INVESTING ACTIVITIES IN INVESTMENTS	-11 055	669
CASH FLOWS FROM FINANCING		
Dividends paid	-3 996	-
Income from share issues	5 244	636
Loans obtained	4 000	-
Repayments of loans	-	-5 800
Purchase of own shares	-	0
CASH FLOWS FROM FINANCING	5 248	-5 164
INCREASE/DECREASE IN LIQUID ASSETS	-1 150	6 428
Liquid assets 1 Jan.	10 540	4 112
Liquid assets 31 Dec.	9 389	10 540

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

1 000 EUR	Share Capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total	Share of non-controlling interest	Total shareholders' equity
Shareholders' equity on 1 Jan. 2012	11 384	46 631	-546	-	12 215	69 684	-	69 684
Comprehensive income								
Profit (loss) for the period					3 364	3 364	22	3 386
Other comprehensive income								
Available for sale financial assets			-938			-938		-938
Translation differences				-5		-5		-5
Total comprehensive income			-938	-5	3 364	2 421	22	2 443
Dividend distribution					-3 996	-3 996		-3 996
Share issue		5 244				5 244		5 244
Options granted					140	140		140
Other changes					35	35		35
Changes in subsidiary holdings							55	55
Shareholders' equity on 31 Dec. 2012	11 384	51 875	-1 484	-5	11 758	73 528	77	73 604

1 000 EUR	Share Capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total	Share of non-controlling interest	Total shareholders' equity
Shareholders' equity on 1 Jan. 2011	11 384	29 614	-6 819	-	10 051	44 229	-	44 229
Comprehensive income								
Profit (loss) for the period					4 942	4 942		4 942
Other comprehensive income								
Available for sale financial assets			6 274		-2 841	3 432		3 432
Total comprehensive income			6 274		2 101	8 374		8 374
Acquisition of own shares						0		0
Share issue		17 017				17 017		17 017
Issued/returned options					64	64		64
Shareholders' equity on 31 Dec. 2011	11 384	46 631	-546	-	12 215	69 684	-	69 684

The company has booked in 2011 from retained earnings to fair value reserve EUR 2 841 thousand. Booking is related to value decrease of Private Equity investment and deferred taxes related to value decrease allocated between profit and loss and comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES FOR PREPAIRING THE CONSOLIDATED FINANCIAL STATEMENTS

Main operations

eQ Plc is a Finnish public limited company founded under Finnish law. The domicile of the company is Helsinki, Finland. eQ Plc and its subsidiaries form eQ Group ("eQ" or "the Group"). The parent company eQ Plc's shares are listed on NASDAQ OMX Helsinki. eQ Group is a group of companies that concentrates on asset management and corporate finance operations. The Group offers versatile asset management services to institutions and private individuals. In addition, Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

A copy of the consolidated financial statements is available on the company website at www.eq.fi or at the head office of the parent company, address Mikonkatu 9, Helsinki.

The consolidated financial statements have been prepared for the 12-month period 1 January to 31 December 2012. The Board of Directors of eQ Plc has approved the consolidated financial statements for publication on 14 February 2013. According to the Finnish Limited Liability Companies Act, the Annual General Meeting shall have the right to adopt, reject or amend the financial statements after their publication.

Principles for preparing the financial statements

eQ Plc's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, approved by the EU, and the IAS and IFRS standards and SIC and IFRIC interpretations valid on 31 December 2012 have been applied when preparing the statements.

The Group has applied the following new and amended standards and interpretations from 1 January 2012:

- Amendments to IFRS 7 Financial Instruments: disclosures (effective from 1 July 2011 or from financial periods beginning after said date): The amendments improve the transparency of presenting transactions regarding transfers of financial instruments and improve the possibility of the users of the financial statements to understand the risks pertaining to the transfer of financial instruments and the impact of these risks on the company's financial position, particularly those that involve securitisation of finan-

cial assets. The Group assesses that the amendment has not had any significant impact on the consolidated financial statements.

IASB has published the following new or amended standards and interpretations that the Group has not yet applied. The Group will start applying the standard and interpretation from the effective date, however, or if this date is other than the first day of the financial year, from the beginning of the financial period following after the effective date.

- Amendment to IFRS 1 First-time adoption of IFRS standards – The deemed acquisition cost of assets and liabilities in severe hyperinflation and exemption of a fixed application date. The amendment defines a new exception regarding the deemed acquisition cost for an entity that publishes its first IFRS financial statements in a situation where its functional currency has been or is on the transfer date exposed to hyperinflation. The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- Amendment to IAS 1. Presentation of Financial Statements (effective from 1 July 2012 or from financial periods beginning after said date). The main amendment is the requirement on the grouping of items of other comprehensive income that are in certain circumstances reclassified subsequently to profit or loss. The amendment does not change the nature of the items that are currently recognised in other comprehensive income, nor does it have an impact on the determination as to whether items in other comprehensive income are reclassified through profit or loss in future periods. The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- Amendments to IAS 12 Income tax (effective from 1 January 2012 or from financial periods that begin thereafter): The amendments cover the basic assumption related to the recognition of deferred taxes. According to the amendments, the book value of investment property valued at fair value is expected to be determined based on sales instead of continuous use. The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- Amendment to IAS 19 Employee benefits (effective from 1 January 2013 or from financial periods that begin thereafter). The amended standard contains several amendments that aim at unifying the recognition of pension benefits and improving comparability. In addition, the changes to disclosure will improve the comparability of financial statements and give a clearer picture of the financial commitments related to benefit arrangements. The Group assesses that the amendment will not have any significant impact

on the future consolidated financial statements.

- IFRS 9 Financial instruments and amendments in it (effective from 1 January 2015 or from financial periods that begin thereafter). The original valuation of financial assets will be made at fair value regarding all financial assets. Financial assets that are debt instruments and to which the fair value option is not applied are valued after initial recognition either at periodisized acquisition cost or at fair value, depending on the company's business model for managing financial assets and the agreement-based cash flow of financial assets. Basically, all equity instruments are, after initial recognition, valued at fair value either through profit and loss or by entering the change among other comprehensive income items. The main change regarding financial liabilities is that, when applying the fair value option, the impact of the change in the own credit risk on the fair value of financial liabilities will in future be entered into other comprehensive income items The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- IFRS 10 Consolidated financial statements (effective from 1 January 2013 or from financial periods that begin thereafter). Based on existing principles, the standard defines control as a central factor when deciding whether an entity shall be consolidated. The standard also gives guidelines on the definition of control, when it is difficult to assess. The standard may have an impact on the consolidated financial statements regarding associated companies owned by the Group.
- IFRS 11 Joint arrangements (effective from 1 January 2013 or from financial periods that begin thereafter). The standard emphasises in the accounting of joint arrangements the rights and obligations arising from them rather than their legal form. There are two types of joint arrangements: joint operations and joint ventures. The standard also requires that one method is used in the reporting of joint arrangements, i.e. the equity method, and the former proportional consolidation is no longer allowed. The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- IFRS 12 Disclosures of interest in other entities (effective from 1 January 2013 or from financial periods that begin thereafter). The standard contains requirements on the notes to the financial statements regarding different interests in other entities, including associates, joint arrangements, special purpose vehicles and other off balance sheet vehicles. The amendment increases the requirements on the notes in, e.g. companies with non-controlling interests and in situations where the assessment of control is based on consideration. The new standard will make the notes that the Group presents about its holdings in other entities more extensive.
- IFRS 13 Fair value measurement (effective from 1 January 2013 or from financial periods that begin thereafter). The aim is to improve consistency and reduce complexity, by providing a precise definition of fair value and a single source of fair value measurement and the required notes. The use of fair value is not expanded but instructions on its definition are given in situations where its use is allowed or it has been required in some other standard. The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- IAS 27 (revised 2011) Separate financial statements (effective from 1 January 2013 or from financial periods that begin thereafter). The amended standard contains the remaining requirements on separate financial statements after the items relating to control have been included in the new IFRS 10. The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- IAS 28 (revised 2011) Associates and joint ventures (effective from 1 January 2013 or from financial periods that begin thereafter). The revised standard includes requirements for joint ventures and associates to be equity accounted as a result of the issue of IFRS 11.
- Amendment to IAS 32 Financial instruments: presentation (effective from 1 January 2014 or from financial periods that begin thereafter). The amendment specifies the presentation of the net amounts of financial assets and liabilities and adds new applications instructions. The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- Amendment to IFRS 7 Financial instruments: disclosures (effective from 1 January 2013 or from financial periods that begin thereafter). The amendment specifies the requirements on the notes that apply to financial instruments the net amounts of which are presented in the balance sheet as well as general netting arrangements or similar agreements. The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- IFRIC 20 Stripping costs in the production phase of a surface mine (effective from 1 January 2013 or from financial periods that begin thereafter). The Group assesses that the amendment will not have any significant impact on the future consolidated financial statements.
- Annual improvements to IFRSs 2009–2011, May 2012, effective from 1 January 2013 or from financial periods that begin thereafter). Through the annual Improvements procedure, minor and non-urgent amendments are gathered into one entity and executed once a year. The amendments apply to five standards at the most. The impacts of the changes vary by standard, but they will not have any significant impact on the consolidated financial statements.

Use of estimates

Preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amount of assets and liabilities in the balance sheet at the time of preparation, the reporting of contingent assets and liabilities, and the amount of profits and costs during the reporting period. The estimates are based on the management's current best view, but it is possible that the outcome differs from the values used in the financial statements.

Consolidation principles

The consolidated financial statements comprise all Group and associated companies. Subsidiaries are companies over which the Group exercises control (more than 50% of voting rights or otherwise control). Control means the right to decide over the principles of the company's finances and business in order to obtain benefit.

The Group's internal holding has been eliminated by using the acquisition method. Acquired subsidiaries are consolidated from the moment the Group has gained control and transferred subsidiaries until control is terminated. The subsidiaries have been consolidated with the parent company by using the acquisition method. Non-controlling interests are shown as a separate item in the income statement and in the balance sheet in connection with shareholders' equity, on a separate line. All internal transactions, receivables, debts and the internal distribution of profits have been eliminated in the financial statements.

An associated company is a company over which the Group exercises significant influence (more than 20% of the votes) but not control. Such companies have been consolidates by using the proportional method, according to which the investment in the associated company is entered in the balance sheet at original acquisition cost. The acquisition cost is adjusted with changes that have taken place after the acquisition in the Group's share of the associated company's net assets and with possible impairment. The share of the Group in the associated companies' results, based on the holding, is entered as separate item in the income statements, after operating profit.

The consolidated financial statements comprise the parent company eQ Plc and the following subsidiaries:

- eQ Asset Management Ltd
- eQ Fund Management Company Ltd
- ICECAPITAL Asset Management Ltd
- ICECAPITAL Fund Management Company Ltd
- ICECAPITAL Life Ltd
- ICECAPITAL Financial Products Ltd
- ICECAPITAL Asset Management (Norway) AS
- ICECAPITAL Nordic Secondary AS
- ICECAPITAL Asset Management AB
- ICECAPITAL Asset Management (Denmark) A/S
- Advium Corporate Finance Ltd
- Amanda GP I and II Ltd
- Amanda III Eastern GP Ltd
- Amanda IV West GP Ltd
- Amanda V East GP Ltd
- Nordic Venture Partners Limited
- Nordic Venture Managers Limited
- Proventure Scotland GP
- European Fund Investment II Limited GP

The Group also has the following associated companies:

- Finnreit Fund Management Company Ltd

During the financial period 2012, eQ Plc acquired on 19 November 2012 ICECAPITAL Asset Management Ltd and its fully owned subsidiaries ICECAPITAL Fund Management Company Ltd, ICECAPITAL Life Ltd, ICECAPITAL Asset Management (Norway) AS and ICECAPITAL Nordic Secondary AS as well as the following subsidiaries where the personnel holds the minority share: ICECAPITAL Financial Products Ltd, ICECAPITAL Asset Management AB and ICECAPITAL Asset Management (Denmark) A/S. The acquired companies have been consolidated from the time of the acquisition. During the financial period 2011, eQ Plc acquired on 16 March 2011 Advium Corporate Finance Ltd and eQ Asset Management Group Ltd. These companies have been consolidated since 1 April 2011.

Segment reporting

eQ Plc's operating segments are Asset Management, Corporate Finance and Investments. Segment reporting is presented according to the internal reporting provided to the highest operative decision-makers and prepared in accordance with IFRS standards. The highest operative management is responsible for assessing the results of the business segments. In the Group, the CEO is responsible for this function. Within the Group, decisions regarding the assessment of the segments' results are based on the segments' results before financial income and expenses and taxes.

The business segments consist of business units with different types of products and services as well as different income logics and profitability. The pricing between the segments is based on fair market value. The income, expenses and assets that directly belong to the business areas or can on sensible grounds be allocated to them are allocated to the business areas. Group administrative functions are presented under Other segments. The unallocated items presented under Other segments also comprise financial income and expenses and taxes.

The Asset Management segment comprises asset management, sales of asset management services and customer relationship management as well as business support. The Corporate Finance segment comprises services related to mergers and acquisitions, real estate transactions and equity capital markets. The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet.

Foreign currency transactions

The consolidated financial statements are presented in euros and foreign currency transactions are converted to euros using the exchange rates valid on the day of the transaction. Foreign currency receivables and liabilities are converted to euros using the European Central Bank's average exchange rates on the balance sheet date.

The gains and losses arising from foreign currency transactions and the translation of monetary items are presented through profit and loss. The foreign currency translation gains and losses resulting from business operations are included in corresponding items above the operating profit. The foreign currency translation gains and losses related to financing are included in financial items.

The realised foreign currency translation gains and losses from available for sale investments are included in the income statement under net income from investment operations. Unrealised foreign currency translation gains and losses from available for sale items are included in the investments available for sale and the fair value reserve.

The income statements of subsidiaries using other functional currencies than the euro are translated into euros in the consolidated financial statements using the average rates for the financial period. The balance sheets of the companies are translated using the closing rates on the last day of the accounting period. The translation of the result and balance sheet of the financial period gives rise to a translation difference in the shareholders' equity of the balance sheet. The change in the translation difference is entered into other comprehensive income items.

The translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and the translation of the equity items accrued after the acquisition are entered into other comprehensive income items.

Revenue recognition

The asset management fee and commission income for funds and asset management, included in net sales, is periodisized per month and invoiced afterwards in periods of one, three, six or twelve months. The asset management fee and commission income from private equity and other advisory services and consulting is mainly invoiced in advance and periodisized per month. The fee income related to projects within corporate finance operations is entered as income for the financial period during which the result of the project can be assessed in a reliable manner. The expenses arising from a project are expensed immediately.

The net income from investment operations included in the net sales includes the profit distributions from private equity funds as well as realised losses or losses assessed as permanent. Profit distributions are recognised in accounting only when the realisation of the target funds has taken place or later, when the target funds have obtained the necessary permits from authorities. Dividend income and sales profits and losses from direct investments are also included in the net income from investment operations.

Tangible and intangible assets

Tangible assets are entered into the balance sheet at original acquisition cost less depreciation according to plan and impairment. Acquisition cost comprises the cost arising directly from the acquisition.

Intangible assets include the goodwill generated from corporate acquisitions. The goodwill arising in the combination of business operations is entered in the amount at which the transferred consideration, the share of non-controlling interests in the object of the acquisition and the previously owned share together exceed the fair value of the acquired net assets.

Goodwill is valued at original acquisition cost minus impairment. No depreciation is booked for goodwill but it is tested annually for impairment. Goodwill is allocated to cash-generating units.

Other intangible assets are brands, customer agreements, software licenses and other intangible rights.

No depreciation is booked for intangible assets that have an unlimited useful life but they are tested annually for impairment. Intangible assets with a limited useful life are entered as costs into the income statement as straight-line depreciation according to plan during their useful life. Depreciation has been calculated based on the useful life from the original acquisition costs as straight-line depreciation.

The depreciation periods according to plan by asset type are as follows:

- Machinery and equipment 3 to 10 years
- Customer agreements 4 to 10 years
- Software and other intangible rights 4 to 5 years

Impairment and impairment test

The balance sheet values of other long-term tangible and intangible assets are tested for impairment at each balance sheet date and always when there is indication that the value of an asset may have been impaired. In the impairment test, the recoverable amount of the assets is tested. The recoverable amount is the higher of an asset's net sales price and its value in use, based on cash flow. An impairment loss is entered in the income statement, if the book value of the asset is higher than the recoverable amount.

The need for impairment is assessed at the level of cash-generating units, i.e. the lowest unit level that is mainly independent of other units and the cash flow of which can be separated from other cash flows. For the testing of impairment, the recoverable amount of the asset item has been defined by calculating the asset items' value in use. The calculations are based on five-year cash flow plans approved by the management. The income cash flow of asset management is based on the assets under management through existing asset management agreements and an assessment on new asset management agreements and the termination of existing agreements. The development of the assets under management and the income cash flow from asset management also de-

pend essentially on the development of the capital market. The income cash flow of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within a year and depending on economic trends. The future expense cash flows of the impairment calculations are based on the Group management's cost estimates for the future. In the calculations, the management uses a discount rate that reflects the view on the time value of money and the special risks associated with the asset item.

Employment pensions

The Group's pension arrangement is a contribution-based arrangement and the payments are entered in the income statement for the periods to which they apply. The pension coverage of the Group's personnel is arranged with a statutory TyEL insurance policy through an insurance company outside the Group.

Share-related payments

Option rights are valued at fair value on their grant date and expensed in the income statement during the period when the right arises. The fair value of granted options on the grant date has been defined by using the Black-Scholes price-setting model.

Income taxes

The taxes based on Group company earnings for the period are entered into the Group's taxes, as are the adjustments of taxes from previous periods and the changes in deferred taxes. The tax based on the period's taxable income is calculated from the taxable income based on each country's valid tax rate. The tax impact of items entered directly into shareholders' equity is similarly entered directly into the shareholders' equity.

Deferred taxes are calculated based on the debt method from all temporary differences in accounting and taxation in accordance with the valid tax rate legislated before the end of the financial year. The deferred tax receivable is entered to the amount in which taxable income is likely to arise in future, against which the temporary difference can be exploited. The most significant temporary differences are generated from valuing the acquired companies' net assets at fair value and from valuing available for sale financial assets at fair value.

Financial assets

The available for sale financial assets are assets no belonging to derivative assets that have specifically been classified into this group or that have not been classified into any other group. They are included in non-current assets, if the purpose is not to hold them for a shorter period than 12 months beginning from the end of the reporting period, in which case they are included in current assets.

eQ Group's private equity fund investments and investments in mutual funds are classified as available for sale investments. Mutual fund investments available for sale are valued at fair value using quoted market prices and rates. Private equity fund investments are valued using the practice generally used in the sector, i.e. the fair value of the private equity fund investment is the latest fund value announced by the private equity fund management company added with the capital investments and less the capital returns that have taken place between the balance sheet date and the announcement of the management company. The changes in the fair value of investments available for sale are entered into comprehensive income items and presented in shareholders' equity under the fair value reserve. When an investment available for sale is realised, the accumulated changes in fair value are booked from shareholders' equity to earnings.

Loans and other receivables are assets no belonging to derivative assets with fees that are fixed or that can be defined and that are not quoted in functioning markets, nor does the Group hold them for trading purposes or classify them, in connection with the first entry, specifically as available for sale. Their valuation principle is the periodisized acquisition cost using the method of effective interest rate. Based on their nature, they are included in the balance sheet in current or non-current assets: in the last mentioned if they fall due after a period exceeding 12 months.

Financial assets are derecognised when the Group has lost the agreement-based right to the cash flows or when it has to a significant degree transferred the risks and return outside the Group.

Cash

Cash in hand consists of cash, short-term bank deposits and other short-term liquid investments with a maturity not exceeding three months.

Impairment of financial assets

The Group assesses on each closing date of a reporting period whether there is objective proof of the impairment of a single item or a group of items included in financial assets. An impairment is made if there is objective proof of the impairment of value of said item.

As for available for sale investments, the loss in the fair value reserve is transferred to the profit or loss, if there is proof of the impairment. The private equity investments of eQ Group are equity-based. Consequently, the impairment losses of private equity investments are recognised through profit or loss. When assessing the impairment losses, e.g. the following factors are taken into account: the life cycle of the private equity fund, does the private equity fund have uncalled investment commitments and the evaluation of the private equity fund's management company on the permanence of the fair value and acquisition price.

An impairment loss on receivables is recorded, when there is reliable proof that the company cannot recover its receivables according to the original terms.

Financial liabilities

Long and short-tem interest-bearing liabilities are classified as other financial assets. Other financial assets are valued at periodisized acquisition cost and entered into the balance sheet and from the balance sheet on the clearing date. Financial liabilities are classified as short-term, unless the Group has an absolute right to transfer the payment of the debt so that it falls due at least 12 months from the end of the reporting period.

Financial liabilities or their part are derecognised first when the debt has ceased to exist, i.e. when the specified obligation has been fulfilled or annulled or its validity has been terminated.

Earnings per share

Earnings per share are calculated by dividing the profit for the period belonging to the parent company's shareholders with the weighted average number of outstanding shares during the financial period. When calculating earnings per share adjusted with dilution, the diluting effect of the conversion into shares of all diluting, potential ordinary shares is taken into consideration in the weighted average number. The Group's share options are diluting instruments, i.e. instruments that increase the number of ordinary shares.

Dividend distribution

No booking has been made for the dividend proposed by the Board of Directors to the AGM in the financial statements and it has not been taken into account when calculating distributable retained profits. The dividend is only taken into account based on the AGM decision.

2. RISK MANAGEMENT

eQ Group defines risk as an unexpected change in economic outcome. The purpose of risk management is to make sure that the risks associated with the company's operations are identified, assessed and that measures are taken regarding them. Risk management shall see to it that manageable risks do not jeopardize the business strategy, critical success factors or earning power. Risk management comprises all the measures that are needed for the cost-efficient management of risks arising from the Group's operations. Risk management is a continuous process that is assessed at regular intervals. The aim of this is to make sure that risk management is adapted to the changing operating environment.

eQ Plc's Board supervises that the CEO takes care of eQ Plc's day-to-day administration according to the rules and instructions issued by the Board. The Board also supervises that risk management and control are organised in a proper manner. eQ Plc's Board approves the principles for risk management and defines the company's organisation structure as well as the authorities, responsibilities and reporting relations. The operative management is responsible for the practical implementation of the risk management process and control. It is the duty to the operative management to see to it that internal instructions are maintained and make sure that they are sufficient and functional. The management is also responsible for making sure that the organisation structure functions well and is clear and that the internal control and risk management processes function.

eQ Group comprises two fully owned subsidiaries eQ Asset Management Ltd and ICECAPITAL Asset Management Ltd, which are engaged in asset management operations. Below is a description of eQ Group's and the investment firms' major risks. As investment firms, eQ Asset Management Ltd and ICECAPITAL Asset Management Ltd follow the Basel II capital adequacy regulations.

Risks related to operations

Financial risk

Financial risks are divided into market, liquidity and credit risks. The aim of the management of financial risks is to cut down the impacts of fluctuations in interest rates, foreign exchange rates and prices and other uncertainties as well as to guarantee sufficient liquidity.

Market risk

Market risk means the risk that changes in market prices may pose. Interest rate, currency and price risks are regarded as market risks. The business operations of Group companies do not as such comprise taking own positions in the equity or bond market for trading purposes. Therefore, market risks are small in this respect.

Interest rate risk

Interest rate risk means the uncertainty of the cash flow and result that results from changes in interest rates. The business operations of the Group companies do not comprise taking own positions in the bond market for trading purposes. Therefore, there are no market risks in this respect. The possible interest rate risk of the Group mainly arises from short and long-term interest-bearing loans.

Loans with variable interest rates expose the Group to an interest rate risk, which can be hedged with interest rate swaps, when necessary. The interest rate risk is also managed through the planning of the balance sheet structure. The Group's interest-bearing loans had a variable interest rate on the closing date of the reporting period. On said date, the Group had no open interest rate swaps.

Currency risk

Currency risk means the uncertainty of the cash flow and result arising from changes in exchanges rates. The Group has subsidiaries outside the eurozone, and changes in exchange rates have an impact on their equity (Sweden, Denmark and Norway). As the share of these companies' equity is small, changes in exchange rates have not been hedged. For other parts, the Group company operations are mainly denominated in euros, which means that there is no significant currency risk in this respect.

eQ Plc's private equity fund investments are mainly euro-denominated, which means that the investments operations do not expose the Group to any significant currency risk. eQ does not separately monitor changes arising from foreign exchange rates in its private equity operations but regards them as part of the change in the investment object's fair value. eQ's investments in private equity funds are divided into different currencies as follows:

Private equity investments in foreign currencies and change in fair value in euros, EUR million:

31 Dec. 2012				decrease in value against euro	
	Currency	Euro	%	10%	20%
EUR million	33.1	33.1	85.6		
GBP million	3.6	4.4	11.3	-0.4	-0.9
USD million	1.6	1.2	3.1	-0.1	-0.2
		38.7			

31 Dec. 2011				decrease in value against euro	
	Ccurrency	Euros	%	10%	20%
EUR million	37.1	37.1	87.3		
GBP million	3.5	4.2	9.8	-0.4	-0.8
USD million	1.6	1.3	3.0	-0.1	-0.3
		42.5			

Price risk

Price risk means the possibility of loss due to fluctuations in market prices.

The Group's parent company eQ Plc makes investments in private equity funds from its own balance sheet. eQ Plc's private equity investments are well diversified, which means that the impact of one investment in a company, made by one individual fund, on the yield of the investments is often small.

The major factors influencing the value of eQ's investments in private equity funds are the values of the companies included in the portfolio and factors influencing them, such as the:

- financial success of the underlying company
- growth outlook of the underlying company
- valuation of comparison companies
- valuation method selected by the management company of the fund

The price risk of eQ's private equity fund portfolio has been diversified by making investments in different sectors, geographic areas and funds investing in different development stages. At the end on 2012, there were altogether more than 370 indirectly owned companies in eQ's private equity fund portfolio. The impact of one individual risk on the value of eQ's private equity fund portfolio is small, owing to efficient diversification.

The impact of the price risk of the private equity portfolio on shareholders' equity

At the end of 2012, a 10% change in the market value of the private equity fund portfolio corresponds to a change of EUR 2 921.2 thousand in the shareholders' equity. At the end of 2011, a change of 10% in the market value of the private equity fund portfolio corresponded to change of EUR 3 147.9 thousand in the shareholders' equity.

Liquidity risk

Liquidity risk means the risk that the company's liquid assets and possibilities of getting additional financing are not sufficient for covering business needs. Liquidity risk arises from the unbalance of cash flows. The Group's liquidity is monitored continuously, and good liquidity is maintained by only investing the surplus liquidity in objects with a low risk, which can be turned into cash rapidly and at a clear market price. The capital calls and exits from target companies of the own private equity fund investments have a major impact on liquidity.

The Group's major source of financing is a positive cash flow. In addition, the Group's parent company has access to a credit limit of EUR 6.0 million in order to safeguard the availability and flexibility of financing.

The table below describes the maturity analysis of debts based on agreements.

Maturity distribution of debts, EUR 1 000

31 Dec. 2012	less than 1 year	1 to 5 years	over 5 years	total
Loans from financial institutions	1 300	2 700	-	4 000
Accounts payable and other liabilities	5 802	38	-	5 840
Total	7 102	2 738	-	9 840

31 Dec. 2011	less than 1 year	1 to 5 years	over 5 years	total
Loans from financial institutions	-	-	-	-
Accounts payable and other liabilities	3 106	-	-	3 106
Total	3 106	-	-	3 106

Credit risk

Credit risk means that a customer or counterparty may not fulfil its obligations arising from a credit relation and that the security that may have been issued is not sufficient for covering the receivable. The Group's contractual counterparties are clients who buy the company's services and partners. The Group does not give any actual credits, which means that the credit risks mainly arise from the own investment portfolio. eQ Plc has tried to manage the credit risk related to private equity operations by diversifying the private equity investments well. eQ has made the decision to make new private equity fund investments only in the Group's own private equity funds in future.

In addition, eQ Group may invest surplus liquidity in accordance with an investment policy that it has approved. Liquid assets are invested in fixed-income funds with short maturity and continuous liquidity, in bank deposits or other corresponding short-term interest rate instruments with a low risk where the counterparties are solid and have a high credit rating. The credit risk of the asset management and corporate finance operations is related to commission receivables from clients, which are monitored daily.

As for credit risks, eQ calculates its minimum capital adequacy requirements according to pillar 1 by using the so-called standardized approach.

Operational risks

Operational risks may arise from inadequate or failed internal processes, people and systems, or from external events. Operational risks also cover legal and reputation risks, and they are managed by, for instance, developing internal processes and seeing to it that the instructions are good and the personnel is offered sufficient training.

Legal risks are included in operational risks and can be related to agreements between the Group and different partners. The Group tries to identify these risks by going through any agreements thoroughly and using the help of external experts, when necessary.

The Group carries our a self-assessment of operational risks annually. The aim is to identify operational risks, assess the probability and impacts of each separate risk and try to find out ways of decreasing the risks.

In the self-assessments, the key employees of different functions assess all potential operational risks in their operating environment. The Group tries to define the expected value for risk transactions, i.e. the most likely amount of loss during the year. The expected value is calculated by multiplying the assessed number of risk occurrences and the assessed amount of one single loss in euros. The results of this assessment are used for planning the measures with which operational risks are cut down.

eQ calculates the capital requirement regarding operational risk based on Basel II pillar 1 using the so-called basic indicator approach, which uses the weighted average of the return indicators for the three previous years. When assessing the risk-based capital of the operational risk, the Group uses risk reviews that are based on the self-assessments of different functions.

Risks arising from business operations and external operating environment

The sources of income in Group operations have been diversified to different sources of income. Consequently, the Group can prevent excessive dependence on one single source of income.

The major single risk of the Group is the dependence of the operating income on changes in the external operating environment. The result of the asset management operations depends on the development of the assets under management, which is highly dependent of the development of the capital market. The management fees of private equity funds are based on long-term agreements that produce a stable cash flow, however. Success fees, which depend on the number of mergers and acquisitions and real estate transactions, have a considerable impact on the result of the corporate finance operations. These vary considerably within one year and are dependent on economic trends.

The Group tries to manage the risks associated with its business operations through a flexible, long-tern business strategy, which is reviewed at regular intervals and updated when necessary.

The impact of the risks associated with the external operating environment (business, strategic and reputation risks and risks arising from changes in the compliance environment) on the Group's result, balance sheet, capital adequacy and need of capital is assessed continuously as part of the day-to-day operations and at regular intervals in connection with the top management's strategy planning process. The regular planning assesses the impact on the result, balance sheet and capital adequacy. In the assessment, the company's assets must clearly exceed the minimum requirement set by authorities even in the alternative scenario. The Group aims to maintain a sufficient equity buffer with which it can meet any risks posed by the external operating environment.

Other risks

Risks associated with property and indemnity risks

The Group has insurance policies for property, interruption and indemnity risks. The coverage of the insurance policies is assessed annually. The Group also protects its property with security control and passage rights.

Risks associated with the concentration of business

eQ Group offers overall investment services, i.e. individual asset management and mutual funds for its clients, covering individuals, companies and institutional investors. In addition, the Group offers asset management and advisory services related to private equity investments as well as corporate finance services. In normal situations, there are no essential concentration risks in the Group's operations that would have an impact on the need of capital, at least not to any significant extent, which means that there is no need to maintain a separate risk-based capital regarding the concentration of operations.

3. CAPITAL MANAGEMENT

The aim of the Group's capital management is to create an efficient capital structure that ensures normal operating preconditions and growth opportunities for the Group as well as the sufficiency of capital in relation to the risks associated with the operations. The Group can influence the capital structure through dividend distribution and share issues, for instance. The capital managed is the shareholders' equity shown on the balance sheet. At the end of the accounting period 2012, the shareholders' equity amounted to EUR 73.6 million. At the end of the period, interest-bearing liabilities totalled EUR 4.0 million and the equity to assets ratio was 87.3%. The main source of financing is the positive cash flow of operations. The Group also has access to a credit limit. The covenants associated with the Group's interest-bearing debts and credit limit are regular terms dealing with the relation between the debt and the operating profit, equity to assets ratio and the minimum amount of equity, for instance. During the accounting period, the Group has fulfilled the covenants related to long-term liabilities and the credit limit. The Group's net gearing has been presented in the table below. The ratio is calculated by dividing net debt with shareholders' equity. The Group management monitors the development of net debt as part of capital management.

Net gearing, EUR 1 000

	2012	2011
Interest-bearing financial liabilities	4 037	0
Financial securities*	45	45
Cash	9 389	10 540
Net debt	-5 397	-10 585
Total shareholders' equity	73 604	69 684
Net gearing, %	-7.3	-15.2

*In addition, eQ Group has on 31 December 2012 long-term interest-bearing receivables of EUR 1.3 million.

The sufficiency of capital is assessed by comparing the available capital with the capital needed for covering risks. The starting point of capital planning consists of the assessments of the future development of business and the possible impacts of the risks associated with the operations on the operations. The plans take into consideration the viewpoints of different stakeholders, e.g. authorities, creditors and owners.

4. CAPITAL ADEQUACY AND ITS MANAGEMENT

eQ Group comprises eQ Plc's fully owned subsidiaries eQ Asset Management Ltd and ICECAPITAL Asset Management Ltd, which are engaged in investment business. As investment companies, the subsidiaries eQ Asset Management Ltd and ICECAPITAL Asset Management Ltd follow the Basel II regulations. Capital adequacy management is a central part of pillar 2 of the Basel II capital adequacy regulations. According to them, investment firms are obliged to consider their capital adequacy in relation to risks in a more extensive manner than just fulfilling the capital adequacy requirements set our in the first pillar regarding credit, market and operational risks.

In the capital adequacy management process, the company builds a motivated view of essential risks and the risk-based capital need required by them, which is not the same as the capital adequacy requirement of pillar 1 and may deviate from it. The capital adequacy management process deals with risks that are not taken into consideration in pillar 1 capital adequacy requirements, including qualitative risks. The capital adequacy management process also takes a stand on the sufficient level of risk management and internal control regarding each separate risk.

The capital adequacy management process is carried out at least once a year in connection with the planning of operations and budgeting. The process results in a capital plan describing risk-based capital need, the sufficiency of capital and capital adequacy.

The table below presents eQ Group's and the investment firms' (eQ Asset Management Ltd and ICECAPITAL Asset Management Ltd) capital adequacy requirements and ratios:

Capital adequacy, EUR 1 000

	31 Dec. 2012 eQ Group	31 Dec. 2012 eQ Asset Management Ltd	31 Dec. 2012 ICECAPITAL Asset Management Ltd
Own funds:			
Tier 1 capital			
Share capital	11 384	498	850
Funds	60 263	5 039	1 643
Minority interest	77		
Profit for the period according to accounting	3 364	634	577
Decreases of tier 1 capital: intangible assets	-29 174	-1 660	-33
Tier 2 capital	-1 484	0	0
Total own funds	44 430	4 511	3 037
Own funds requirement, credit and counterparty risk:			
Claims from credit institutions and investment firms	150	9	25
Claims from corporations	309	251	98
Investments in mutual funds	0	0	0
Other items	4 181	142	150
Own funds requirement, credit and counterparty risk, total	4 640	402	272
Own funds requirement, currency risk	507	0	102
Own funds requirement, operational risk	3 254	1 220	664
Minimum requirement for own funds, total	8 401	1 622	1 039
Own funds surplus	36 029	2 889	1 998
Capital adequacy ratio, %	42.31	22.25	23.39

Capital adequacy, EUR 1 000

	31 Dec. 2011 eQ Group	31 Dec. 2011 eQ Asset Management Ltd
Own funds:		
Tier 1 funds		
Share capital	11 384	498
Funds	53 904	5 477
Profit for the period according to accounting	4 944	-466
Decreases of tier 1 capital: intangible assets	-19 318	-2 644
Tier 2 capital	-546	0
Total own funds	50 366	2 865
Own funds requirement, credit and counterparty risk:		
Claims from credit institutions and investment firms	169	50
Claims from corporations	75	0
Mutual fund investments	0	0
Other items	4 613	162
Own funds requirement, credit and counterparty risk, total	4 857	213
Own funds requirement, currency risk	0	0
Own funds requirement, operational risk	1 499	1 096
Minimum requirement for own funds, total	6 357	1 309
Own funds surplus	44 009	1 556
Capital adequacy ratio, %	63.39	17.51

5. SEGMENT INFORMATION

The Asset Management segment comprises asset management, sales of asset management services and customer relationship management as well as business support. The Corporate Finance segment comprises services related to mergers and acquisitions, real estate transactions and equity capital markets. The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet.

1 Jan. to 31 Dec. 2012	Asset Management	Corporate Finance	Investments	Other	Eliminations	Group total
External income	8 625	2 635	5 079	-	-	16 339
Income from other segments	400	-	-	73	-473	-
Net sales	9 025	2 635	5 079	73	-473	16 339
Operating profit	912	725	4 679	-1 604		4 712
Share of associated companies' result	-35	-	-	-		-35
Profit for the period	876	725	4 679	-2 895		3 386
Long-term assets	20 230	9 369	38 748	1 418		69 766
of which shares in associated companies	365	-	-	-		365

1 Jan. to 31 Dec. 2011	Asset Management	Corporate Finance	Investments	Other	Eliminations	Group total
External income	7 226	2 101	6 482	-	-	15 808
Income from other segments	400	-	-	-	-400	-
Net sales	7 626	2 101	6 482		-400	15 808
Operating profit	2 179	707	6 082	-1 734		7 234
Share of associated companies' result	-	-	-	-		-
Profit for the period	2 179	707	6 082	-4 024		4 944
Long-term assets	10 063	9 384	42 618	71		62 137
of which shares in associated companies	-	-	-	-		-

The income of the Asset Management segment from other segments comprises the management fee income from eQ Group's own investments in private equity funds. The corresponding expenses are allocated to the Investments segment. Under the item Other, income from other segments comprises the administrative services produced by Group administration to other segments. The line operating profit under item Other presents the undivided personnel, administration and other expenses allocated to Group administration as well as the one-off items related to the acquisition of the ICECAPITAL Asset Management companies during the financial period 2012. The legal and other expert fees related to the acquisition total EUR 0.3 million. In addition to the above, undivided financial income and expenses as well as taxes have been presented on line profit for the period, under the item Other. For the Asset Management segment, the profit for the year 2012 comprises one-off personnel expenses of EUR 0.7 million related to the termination of employment.

Geographic information:

Net sales by country, EUR 1 000

Domicile	2012	2011
Finland	15 438	14 794
Other countries	901	1 014
Total	16 339	15 808

Long-term assets per country, EUR 1 000

Domicile	2012	2011
Finland	69 204	61 536
Other countries	562	600
Yhteensä	69 766	62 137

The other countries comprise Sweden, Denmark, Norway and Guernsey.

External net sales and long-term assets are presented based on domicile.

eQ Plc does not have any single clients the income from which would exceed 10% of the total income.

6. CORPORATE ACQUISITIONS

Accounting period 2012:

On 19 November 2012, eQ Plc acquired ICECAPITAL Asset Management Ltd and its fully owned subsidiaries, ICECAPITAL Fund Management Company Ltd, ICECAPITAL Life Ltd and ICECAPITAL Asset Management (Norway) AS as well as the following subsidiaries, where the personnel owns the minority share: ICECAPITAL Financial Products Ltd, ICECAPITAL Asset Management AB (Sweden) and ICECAPITAL Asset Management (Denmark) A/S. The purchase price was EUR 14.1 million and the total acquisition cost EUR 14.3 million. The acquisition cost contains a transfer tax of EUR 0.2 million. The Group financed the purchase with its existing cash reserves and bank financing.

The acquisition price exceeded the acquired net assets by EUR 10.8 million. EUR 0.7 million of the purchase price was allocated to intangible assets by calculating a fair value for the acquired customer agreements. The remaining goodwill is EUR 10.3 million. The goodwill is based on the personnel and their expertise and offers eQ the opportunity to expand its operations to new business areas by widening the customer base and product range.

The acquired companies have been consolidated with eQ Group since the acquisition. Had the acquired companies been consolidated with eQ Group from the beginning of 2012, the Group's net sales would have been EUR 6.4 million higher and the profit EUR 0.9 million higher during the period under review.

Acquired net assets at fair value and goodwill, EUR million:	
Cash and investments	3.7
Tangible assets	0.0
Intangible assets	0.0
Receivables	2.2
Liabilities	2.4
Acquired net assets	3.6
Acquisition cost (preliminary)	14.3
Share of non-controlling interests of the net assets	0.1
Unallocated purchase price	10.8
Customer agreements	0.7
Deferred tax	-0.2
Goodwill	10.3

Accounting period 2011:

During the accounting period 2011, on 16 March 2011, eQ Plc acquired 100 % of the shares in Advium Corporate Finance Ltd and eQ Asset Management Group Ltd and a convertible bond issued by eQ Asset Management Group Ltd. The value of the transaction totalled EUR 16.6 million, and it was paid by issuing 10 302 605 new shares in eQ Plc. Of the shares, 5 854 563 were allocated to the shareholders of Advium Corporate Finance Ltd, and their purchase price was EUR 9.4 million. 3 903 042 shares were allocated to the shareholders of eQ Asset Management Group Ltd, their purchase price being EUR 6.3 million. 545 000 shares were issued for acquiring the convertible bond issued by eQ Asset Management Group Ltd, the purchase price being EUR 0.9 million. The purchase price comprises a transfer tax of EUR 0.2 million.

The purchase price exceeded Advium Corporate Finance Ltd's net assets by EUR 9.3 million and the purchase price of eQ Asset Management Group Ltd exceeded the net assets by EUR 5.3 million. As for Advium, EUR 2.0 million was allocated to intangible assets by calculating a fair value for the Advium brand. For eQ Asset Management Group Ltd's part, EUR 2.5 million was allocated to intangible assets by calculating fair values for the concluded customer agreements and the brand. A deferred tax liability allocated to these assets was recorded in the amount of EUR 0.1 million. The remaining goodwill for Advium is EUR 7.3 million and for eQ Asset Management Group Ltd EUR 2.9 million. The goodwill is based on the personnel and its expertise and offers eQ the opportunity to expand its operations to new business areas, which increases its customer base and product range.

Had Advium Corporate Finance and eQ Asset Management Group been consolidated with eQ Group at the beginning of 2011, the Group's net sales had been EUR 1.6 million higher during the period under review and the result EUR 0.0 million higher.

Acquired net assets at fair value and goodwill, EUR million:

	Advium Corporate Finance	eQ Asset Management Group
Cash and investments	0.5	1.3
Tangible assets	0.1	0.1
Intangible assets	0.0	0.7
Receivables	0.5	0.8
Financial liabilities	-0.6	-1.4
Other liabilities	-0.4	-0.4
Acquired net assets	0.1	1.0
Acquisition cost	9.4	6.3
Unallocated purchase price	9.3	5.3
Fair value of the brand	2.0	2.0
Customer agreements	0.0	0.5
Deferred tax	0.0	-0.1
Goodwill	7.3	2.9

On 31 May 2011, the Group increased its holding in the investment firm Active Hedge Advisors AHA Ltd, which has offered advisory services to eQ Asset Management in connection with the investment operations of the eQ Active Hedge Fund, from 50 to 100%.

Acquired net assets at fair value and goodwill, EUR million:

Cash and investments	43.7
Other liabilities	-1.1
Acquired net assets	42.6
Acquisition cost	113.1
Unallocated purchase price	70.5
Goodwill	70.5

NOTES TO THE CONSOLIDATED INCOME STATEMENT

EUR 1 000	2012	2011

7. NET SALES

Fee and commission income		
Asset management fee income, net	8 625	7 226
Corporate Finance income	2 635	2 101
Total	11 260	9 327
Net income from investments		
Profit distribution from private equity investments	6 240	6 818
Impairment losses	-988	-352
Sales profit/losses	-172	-
Dividends	-	6
Other income	-	11
Total	5 080	6 482
TOTAL	16 339	15 808

8. EXPENSES RELATED TO EMPLOYEE BENEFITS

Short-term employee benefits		
Salaries and remunerations	-4 922	-3 743
Other indirect employee costs	-79	-114
Share-based payments	-140	-104
Termination benefits	-656	-35
Benefits after end of employment		
Pension costs - payment based arrangements	-712	-607
TOTAL	-6 509	-4 603

9. OTHER OPERATING EXPENSES

Fees for advisory services	-319	-331
Fees for audit services	-256	-232
Auditing fees	-139	-150
Certificates	-3	-1
Tax consulting	-	-10
Other services	-114	-71
Other expenses	-3 296	-2 543
Premises	-674	-498
IT and connection costs	-967	-767
Other costs	-1 655	-1 277
TOTAL	-3 872	-3 105
TOTAL OPERATING EXPENSES	-10 381	-7 709

10. DEPRECIATIONS AND AMORTISATIONS

	2012	2011
Depreciations on tangible assets	-39	-37
Depreciations on intagible assets		
Customer agreements	-947	-599
Other intagible assets	-260	-229
TOTAL	-1 246	-865

11. FINANCIAL INCOME AND EXPENSES

Interest income	29	49
Other financial income	1	3
Intrest cost on financial liabilities	-42	-22
Other interest cost	-1	-186
Other financial expenses	-30	-146
TOTAL	-44	-302

12. INCOME TAXES

Direct taxes for the review period	-1 451	-1 360
Change in deferred taxes	204	-628
TOTAL	-1 247	-1 988
Deferred tax related items entered directly into equity	-304	-1 119
Tax reconciliation		
Profit (loss) before tax	4 632	6 932
Tax calculated at parent company's tax rate	-1 135	-1 802
Income not subjected to tax	0	1
Expenses not allowable for tax purposes	-24	-4
Change of parent companytax base	-	17
Consolidation procedures and eliminations	-87	-200
TOTAL	-1 247	-1 988

*) Tax base for the parent company was 24,5% during 2012 and 26% during 2011.

Deferred taxes have been calculated using tax bases legislated before the end of the financial year.

13. EARNINGS PER SHARE

Earnings for the period	3 364	4 944
Shares, 1 000 shs *)	33 335	30 942
Earnings per share calculated from the profit of equity holder of the parent company:		
Earnings per share	0.10	0.16
Diluted earnings per share	0.10	0.16

*) Calculated using the weighted avarage number of shares.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Private Equity
Corporate Finance
eQ
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Private Equity
Corporate Finance
eQ

EUR 1 000

14. FINANCIAL ASSETS AND LIABILITIES

2012	Carrying amount	Financial inc./exp.	Gains/ losses	Impairment losses	Divi- dends
FINANCIAL ASSETS					-
Financial assets available for sale	38 741	-	6 067	-988	-
Loans	1 336	5	-	-	-
Sales recivable and other receivable	5 119	1	-	-	
Cash	9 389	24	-	-	
TOTAL	54 586	30	6 067	-988	-
FINANCIAL LIABILITIES					
Financial liabilities from instituitions	4 000	-72	-	-	-
Accounts payable other liablities	5 840	-2	-	-	-
TOTAL	9 840	-74	-	-	-

2011	Carrying amount	Financial inc./exp.	Gains/ losses	Impairment losses	Divi- dends
FINANCIAL ASSETS					
Financial assets available for sale	42 633	-	6 818	352	6
Cash	1 299	-	-	-	-
Loans and receivables	10 540	52	-	-	
TOTAL	54 471	0	6 818	352	6
FINANCIAL LIABILITIES					
Financial liabilities from instituitions	-	-353	-	-	
Other financial liabilities	3 106	-1	-	-	-
TOTAL	3 106	-354	-	-	-

EUR 6 million credit limit is available for eQ Group of which EUR 0 is drawn at end of financial year 2012.

15. FAIR VALUES

	2012		2011	
	Fair value	Carrying amount	Fair value	Carrying amount
FINANCIAL ASSETS				
Financial assets available for sale				
Private equity investments	38 691	38 691	42 539	42 539
Financial securities	50	50	94	94
Loans	1 336	1 336	-	-
Sales recivable and other receivable	5 119	5 119	1 299	1 299
Cash	9 389	9 389	10 540	10 540
TOTAL	54 586	54 586	54 471	54 471

	2012		2011	
	Fair value	Carrying amount	Fair value	Carrying amount
FINANCIAL LIABILITIES				
Financial liablities from institutions	4 000	4 000	-	-
Accounts payable and other liablities	5 840	5 840	3 106	3 106
Total	9 840	9 840	3 106	3 106

In the table above are presented fair values and carrying amounts of financial assets and liabilities. The detailed measurement bases of financial assets and liabilities are disclosed in Accounting Policy. Original carrying amount of sales receivables and accounts payable corresponds to the fair value as the effect of the discounting is not material considering maturity.

16. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AT FAIR VALUE

31 Dec. 2012	Fair value	Tier 3
Available-for-sale financial assets		
Private equity investments	38 691	38 691
Financial securities	50	50
Total	38 741	38 741

Tier 3

Available-for-sale financial assets

Private equity investments	Private equity investments	Financial securities	Total
Acquisition cost 1. Jan	42 539	94	42 633
Increases an decreases	-1 445	-44	-1 489
Write-down	-988	-	-988
Fair value change	-1 243	-	-1 243
Sales loss	-173	-	-173
Acquisition cost 31. Dec	38 691	50	38 741

The fair values of level 3 instruments are based on the value reported by the private equity fund management company, and their use in generally accepted valuation models. Private equity fund investments are valued according to the International Private Equity and Venture Capital Guidelines. Permanent write-downs in valuations are based on management's consideration as described in the principles of the financial statements.

No transfers took place between tiers of the fair value hierarchy during the financial period.

17. TANGIBLE AND INTANGIBLE ASSETS

	2012	2011
Tangible assets		
Machinery and equipment, Acquisition cost 1 Jan.	376	237
Increases	25	139
Machinery and equipment, Acquisition cost 31 Dec.	401	376
Accumulated depreciation and impairment losses 1 Jan.	-233	-196
Depreciation for the period	-39	-37
Other impairment losses 31 Dec.	-272	-233
Tangible assets 31. Dec.	129	143
Other tangible assets 1 Jan.	8	8
Other tangible assets 31 Dec.	8	8

	2012	2011
Other tangible assets		
Acquisition cost 1 Jan.	1 004	274
Increases	85	730
Acquisition cost 31 Dec.	1 089	1 004
Accumulated amortisation and impairment losses 1 Jan.	-444	-215
Depreciation for the period	-260	-229
Accumulated amortisation and impairment losses 31 Jan.	-704	-444
Other tangible assets 31 Dec.	385	561
Customer agreements		
Acquisition cost 1 Jan.	5 994	5 447
Increases	719	546
Acquisition cost 31 Dec.	6 713	5 994
Accumulated amortisation and impairment losses 1 Jan.	-3 329	-2 730
Depreciation for the period	-947	-599
Accumulated amortisation and impairment losses 31 Jan.	-4 276	-3 329
Customer agreements 31 Dec.	2 437	2 665
Intangible assets 31 Dec.	2 822	3 225
Goodwill acquisition cost 1 Jan.	12 093	1 798
Increases	10 260	10 295
Goodwill acquisition cost 31 Dec.	22 353	12 093
Brands 1 Jan.	4 000	0
Increases	-	4 000
Brands 31 Dec.	4 000	4 000
Intangible assets, carrying amount 31 Dec.	29 174	19 318

Goodwill and value of the brands

eQ Plc has goodwill generated from corporate acquisitions related to the asset management and corporate finance operations. The goodwill associated with the asset management operations is related to the acquisition of ICECAPITAL Asset Management Ltd in November 2012, the acquisition of Cautus Capital Ltd in May 2011, the acquisition of eQ Asset Management Group Ltd in March 2011, and the acquisition of Mandatum Private Equity Fund Ltd in December 2005. The goodwill associated with corporate finance operations is related to the acquisition of Advium Corporate Finance Ltd in March 2011.

Allocation of goodwill to cash-generating units (EUR million):	31 Dec. 2012	31 Dec. 2011
Asset Management	15.0	4.8*
Corporate Finance	7.3	7.3

*During the financial period 2011, eQ has recognised in its asset management operations two cash-generating units. The cash-generating units during the financial period 2011 were equity and bond asset management and private equity asset management. The goodwill allocated to the equity and bond asset management in the financial statements for 2011 was EUR 2.9 million and the goodwill allocated to private equity asset management EUR 1.8 million. Due to the reorganisation of the asset management operations during the financial period 2012, the cash-generating units have changed, and the asset management operations are treated as one cash-generating unit.

Additionally, a total of EUR 4.0 million concerning asset management and corporate finance operations has been allocated to intangible assets by calculating fair values for the acquired brands. In connection with the acquisition of eQ Asset Management Group Ltd, EUR 2.0 million was allocated to the eQ brand by calculating a fair value for the brand. In connection with the acquisition of Advium Corporate Finance Ltd, EUR 2.0 million was allocated to the Advium brand by calculating a fair value for the brand. The useful lives of the brands have been deemed as unlimited, as their strong recognisability supports the management's view that they will generate cash flows during a period of time that cannot be defined

Allocation of brands to cash-generating units, EUR million:

Allocation of goodwill to cash-generating units (EUR million):	31 Dec. 2012	31 Dec. 2011
Asset Management	2.0	2.0
Corporate Finance	2.0	2.0

Impairment testing

No depreciation is booked for intangible assets that have an unlimited useful life but they are tested annually for impairment. For the testing of impairment, the recoverable amount of the asset item has been defined by calculating the asset items' value in use. The calculations are based on five-year cash flow plans approved by the management.

The income cash flow of asset management is based on assets that are managed under existing asset management agreements and an assessment of new asset management agreements and the termination of existing agreements. The development of the assets under management and the income cash flow of asset management operations also depend essentially on the development of the capital market. The income cash flow of the corporate finance operations is markedly influenced by success fees, which are dependent on the number of corporate and real estate transactions. These vary considerably within a year and depending on economic trends. The estimate on the income cash flow of the corporate finance operations is based on the management's view on the number of future transactions. The future expense cash flows of the impairment calculations are based on the Group management's cost estimates for the future.

Cash flow that extends beyond the five-year prognosis period has been calculated by using the so-calledfinal value method, in which the management's conservative estimate on the long-term growth of the cash flow has been applied when defining growth. An annual growth of 1% has been used as the growth factor of the final value.

In the calculations, the management uses as discount rate before taxes, which reflects the view on the time value of money and the special risks related to the asset item. In 2012, the discount rate was 9% (10% in 2011).

The impairment tests show no indication of decrease in value.

Sensitivity analysis

The impairment test calculations have been subjected to sensitivity analyses by using poorer scenarios than the actual prognoses. With these scenarios, we wanted to study the change of the value in use by changing the basic assumptions of value definition. The future income and expense cash flows, discount rate and growth speed of the final value were changed in the sensitivity analyses. The scenarios were formed by changing the assumptions as follows:

1) by using annually an income cash flow that was 1 to 2% lower than the prognosis
2) by using annually an expense cash flow that was 1 to 2% higher than the prognosis
3) by using 0% growth in the final value calculations
4) by using a 1 to 3% higher discount rate

Based on the sensitivity analyses, none of the scenarios changes the recoverable amount to any great extent or leads to a situation where the book value would exceed the value in use. Based on the impairment tests conducted, there is no need to make any impairment write-downs. The management feels that the above-described theoretical changes made in the basic assumptions of the scenarios should not be interpreted as any proof for their likelihood. Sensitivity analyses are hypothetical and must therefore be treated with certain reservation.

18. INVESTMENTS IN ASSOCIATE

	2012	2011
Shares in associates		
Acquisition cost 1 Jan.	-	-
Increases	400	-
Acquisition cost 31 Dec.	400	-
Adjustment 1 Jan..	-	-
Share of profit	-35	-
Adjustments 31. Dec.	-35	-
Shares in associates 31 Dec.	365	-

On 12 September 2012 eQ Asset Management Ltd, part of eQ Group, and Finnreit Fund Management Ltd argeed that eQ Asset Management Ltd subscribe 50% of the shares of Finnreit Fund Management in a directed share issue.

Finnreit Management Ltd	2012
Docimile	Helsinki
Asset	440
Liabilities	49
Sales, net	23
Profit/loss	-228
Ownership, %	50.00

19. INVESTMENT AVAILABLE FOR SALE

Private equity investments		
Acquisition cost 1 Jan.	42 539	40 625
Increases	4 256	6 083
Decreases	-5 873	-8 326
Acquisition cost 31 Dec.	40 922	38 382
Change in value	-1 243	4 510
Write -down recorded as permanent	-988	-352
Carrying amount 31 Dec.	38 691	42 539
Financial securities		
Acquisition cost 1 Jan.	94	-
Increases	5	94
Decreases	-49	-
Acquisition cost 31 Dec.	50	94
Carrying amount 31 Dec.	50	94

20. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets		
Changes in fair value	57	79
Deferred tax assets	57	79
Deferred tax liabilities		
Contracts	260	147
Changes in fair value	494	953
Other differences	122	129
Deferred tax liabilities	875	1 230
Deferred tax assets (-) / tax liabilities (+), net	818	1 150

The deferred tax asset is booked until it is probable that there will be future taxable income, against which unused tax losses can be utilized. The eQ Group has 2.7 million (EUR 0.0 31 Dec 2011) confirmed losses in taxation from which deferred tax asset is not booked as as it is not probable that the Group will have taxable income of which these are avaible to use. Tax losses are related to foreign ICECAPITAL companies acquired in 2012.

21. SALES AND OTHER RECEIVABLES

Sales receivable	2 577	407
Other receivable	1 005	621
Accruals	1 248	228
Tax receivable	289	42
Total	5 119	1 299

Sales receivable EUR 2 577 thousand, age distribution: less than 30 days. Accruals include pension contribution EUR 7 thousand.

22. EQUITY

Descrition of equity funds:

Reserve for invested unrestricted equity
Reserve for invested unrestricted equity includes other investments of equity nature and part of subscription price that is not specifically recognized in share capital.

Fair value reserve
Fair value reserve includes accumulated fair value changes of available-for-sale-financial-assets and deferred taxes related to these changes.

Translation differencies
Translation differencies includes items from the translation of foreign currency subsdiaries.

23. CURRENT LIABILITIES

	2012	2011
Accounts payable	499	213
Other liabilities	2 143	589
Other accruals	3 076	1 232
Tax payable	84	1 073
TOTAL	5 802	3 106
Interest-bearing liabilities	1 300	-
CURRENT LIABILITIES TOTAL	7 102	3 106

Major items in other accruals are bonus reservation EUR 576 thousand and holiday pay reserve EUR 778 thousand.

24. OBLIGATIONS

eQ's remaining commitments to private equity funds were	10 832	14 658
Leasing and rental commitments not later than one year	596	516
Leasing and rental commitments later than one year and not later than five years.	558	1 031
TOTAL	11 986	16 204

25. RELATED PARTY DISCLOSURES

The associated companies, the subsidiaries and the members of the Board of Directors and the Management Team including CEO are considered as related party of the Group. The members of the board of directors, CEO, subsitute for the CEO and management team are consider to be key employees.

	2012	2011
Fees and remunerations of the CEO	235	174
Fee and remuneration of the subsitute for the CEO	151	90
Fee and remuneration of the Management Team	285	189

The retirement age and pension of the CEO, substitute for the CEO and other members of the Management Team are determined in accordance with the Finnish Employees Pensions Act. The CEO, substitute for the CEO and other members of the Management Team do not have a supplementary pension scheme.

Management has been granted 900 000 option rights of which 450 000 to the CEO. During the financial year 2012 total of 200 000 new share option were issued to the management of the Group.

The Board of Directors has no share based remuneration or other bonus schemes. The Annual General Meeting of Shareholders held on 13 March, 2012: remuneration of EUR 3 300 per month was paid to the Chairman of the Board and EUR 1 800 per month to the members of the Board of Directors.

Loans to related parties

Loans to key employees of the Group, 1 000 EUR

	2012	2011
1 Jan.	-	-
Issued during the financial year	1 300	-
31 Dec.	1 300	-

On 4 September 2012, eQ Plc's Board of Directors decide to grant an interest-bearing loan in the amount of EUR 1.3 million to a company wholly owned by Mikko Koskimies, who had been appointed Managing Director of eQ Asset Management Ltd and member of eQ Group's Management Team for financing a purchase of shares in eQ Plc as part of the management's long-term incentive scheme. A total of 1 200 000 new shares of eQ Plc were offered for subscription to the company wholly owned by Mikko Koskimies .

The acquired shares in eQ Plc function as security for the loan. The interest rate of the loan is market-based. The entire loan will be repaid within five years at the latest. The company wholly owned by Koskimies has the right to repay the loan prematurely at any time. The transfer of the eQ shares owned by the company is restricted for three years during the duration of the scheme.

Transactons with the related parties, 1 000 EUR

Associated companies	2012	2011
Sales	43	-
Receivable	16	-

The ownership of the Management Team and the members of the Board of Directors in eQ Plc as of 31 December 2012

The table below shows the personal ownership of the members of the Board and the Management Team and those companies in which they have a sole control.

	Shares	%
Johansson, Ole	150 000	0.41
Dahlblom, Christiina	0	0.00
Ehrnrooth, Georg*	5 835 855	16.08
Heliövaara, Eero	60 000	0.17
Seppäla, Jussi	75 000	0.21
Larma, Janne	4 391 637	12.10
Jåfs, Staffan	10 089	0.03
Koskimies, Mikko	1 200 000	3.31
Lundström, Lauri	400 000	1.10
Surve, Juha	41 000	0.11

* Georg Ehrnrooth together with his brothers Henrik Ehrnrooth and Carl-Gustaf Ehrnrooth, indirectly holds a controlling interest in Fennogens Investments S.A.

26. SUBSIDIARIES

The Group includes following companies at the end of the year. Shares in associates are shown in note 18.

Company	Country	Group holding %
eQ Varainhoito Oy	Finland	100
eQ Rahastoyhtiö Oy	Finland	100
ICECAPITAL Varainhoito Oy	Finland	100
ICECAPITAL Rahastoyhtiö Oy	Finland	100
ICECAPITAL Life Oy	Finland	100
ICECAPITAL Financial Products Oy	Finland	51
ICECAPITAL Asset Management (Norway) AS	Norway	100
ICECAPITAL Nordic Secondary AS	Norway	100
ICECAPITAL Asset Management AB	Sweden	57
ICECAPITAL Asset Management (Denmark) A/S	Denmark	85
Advium Corporate Finance Oy	Finland	100
Amanda GP I ja II Oy	Finland	100
Amanda III Eastern GP Oy	Finland	100
Amanda IV West GP Oy	Finland	100
Amanda V East GP Oy	Finland	100
Nordic Venture Partners Limited	Guernsey	100
Nordic Venture Managers Limited	Guernsey	100
Proventure Scotland GP	Scotland	100
European Fund Investment II Limited GP	Scotland	100

INCOME STATEMENT, PARENT COMPANY (FAS)

EUR	Note no.	2012	2011
NET SALES	2	11 880 110.72	14 983 318.63
Cost of investments	3	-4 251 039.32	-6 070 599.57
Change in inventories	3	-1 932 515.54	611 557.31
Staff costs	4	-713 197.43	-640 743.31
Depreciation	5	-29 283.35	-20 505.96
Other operating expenses	6	-1 261 669.73	-1 391 610.94
		-8 187 705.37	-7 511 902.47
OPERATING PROFIT		3 692 405.35	7 471 416.16
Financial income and expenses	7	771 975.50	103 955.94
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS		4 464 380.85	7 575 372.10
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		4 464 380.85	7 575 372.10
Direct taxes	9	-1 029 368.16	-486 517.28
PROFIT (LOSS) FOR THE FINANCIAL YEAR		3 435 012.69	7 088 854.82

BALANCE SHEET, PARENT COMPANY (FAS)

EUR	Note no.	31.12.2012	31.12.2011
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	54 444.25	38 647.13
Tangible assets	9	27 314.52	32 562.53
Investments	10	33 382 458.75	19 960 590.51
TOTAL NON-CURRENT ASSETS		33 464 217.52	20 031 800.17
CURRENT ASSETS			
Inventories			
Private equity investments	11	36 114 827.56	38 047 343.10
Long-term receivables	12	1 353 777.51	33 304.17
Short-term receivables	12	752 272.25	868 233.23
Cash in hand and cash at bank		2 495 607.33	4 825 566.45
TOTAL CURRENT ASSETS		40 716 484.65	43 774 446.95
TOTAL ASSETS		74 180 702.17	63 806 247.12
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	13		
Share capital		11 383 873.00	11 383 873.00
Invested unrestricted equity		50 020 730.66	44 776 730.66
Retained earnings		2 635 484.52	-502 012.64
Profit (loss) for the financial year		3 435 012.69	7 088 854.82
TOTAL		67 475 100.87	62 747 445.84
LIABILITIES			
Long term liabilities	14	5 200 000.00	-
Short term liabilities	15	1 505 601.30	1 058 801.28
TOTAL LIABILITIES		6 705 601.30	1 058 801.28
TOTAL EQUITY AND LIABILITIES		74 180 702.17	63 806 247.12

CASH FLOW STATEMENT, PARENT COMPANY (FAS)

EUR 1 000	2012	2011
CASH FLOW FROM OPERATIONS		
Operating profit	3 692	7 471
Adjustments:		
Depreciation	29	21
Change in working capital		
Business receivables, increase (-) decrease (+)	-1 103	210
Non-interest-bearing liabilities, increase (+) decrease (-)	-343	375
Investments, increase (-) decrease (+)	1 933	-612
Total change in working capital	487	-26
Cash flows from operations before financial items and taxes	4 209	7 466
Financial income and expenses	1 460	506
Taxes	-1 597	-21
CASH FLOW FROM OPERATIONS	4 071	7 951
CASH FLOW FROM INVESTMENTS		
Investing activities to tangible and intangible assets	-40	-31
Investing activities to investments	-14 110	-219
CASH FLOW FROM INVESTMENTS	-14 149	-251
CASH FLOW FROM FINANCING		
Dividends payed	-3 996	-
Share issue	5 244	636
Loans optained	6 500	-
Acquisition of own shares	-	-5 800
Group support	-	600
CASH FLOW FROM FINANCING	7 748	-4 564
Increase/decrease in liquid assets	-2 330	3 136
Liquid assets 1 Jan.	4 826	1 689
Liquid assets 31 Dec.	2 496	4 826

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES

General

The financial statements of eQ Plc, domiciled in the city of Helsinki, have been prepared according to the Finnish Accounting Standards (FAS).

Net sales

The net sales include the capital returns and income from investments in private equity funds, the sales of private equity fund units and the dividends paid by the investment objects of private equity funds in form of partnerships.

Valuation of inventories

The inventories include the investments in private equity funds and other investments pertaining to the company's actual business. The inventories are valued at acquisition cost or at a lower probable repurchase or transfer price. In connection with a return of the capital invested in a private equity fund, the corresponding share of the acquisition cost of the private equity fund investment is entered as change in inventories.

Valuation of current assets

The securities included in current assets are valued at acquisition cost or at a lower market price.

Depreciation principles

A depreciation plan drawn up in advance has been used when defining the depreciation according to plan. The depreciation according to plan is calculated as straight-line depreciation based on the original acquisition cost. Long-term expenses are depreciated over 3 to 10 years. Machinery and equipment is depreciated over 4 to 10 years.

Foreign currency items

The receivables and debts in foreign currencies have been translated to euros according to the rate prevailing on the balance sheet day.

NOTES TO THE INCOME STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1 000	2012	2011

2. NET SALES

Dividends	-	6
Return of capital from private equity funds	11 807	14 978
Income from services	73	-
TOTAL	11 880	14 983

3. MATERIAL AND SERVICES

Investments		
Purchases during the financial period	-4 251	-6 071
Change in inventories		
Private equity investments	-1 933	612
TOTAL	-6 184	-5 459

4. STAFF COSTS

Salaries and remunerations	-688	-530
Pension costs	-16	-95
Other indirect employee costs	-9	-16
TOTAL	-713	-641

Average number of personnel during the fiscal year	8	5

5. DEPRECIATIONS AND AMORTISATIONS

Depreciations and amortisations on tangible and intangible assets	-29	-21

Depreciation specification to balance sheet item is included under intangible and tangible assets.

6. OTHER OPERATING COSTS

Management fees paid for eQ Asset Management Ltd	-400	-400
Fees for advisory services	-202	-300
Fees for audit services	-163	-146
Auditing fees	-52	-65
Tax consulting	-26	-9
Other fees	-85	-72
Other expenses	-497	-546
TOTAL	-1 262	-1 392

7. FINANCIAL INCOME AND EXPENSES

	2012	2011
Financial income		
Dividend income	1 521	827
Other finacial income expenses		
From group companies	2	26
From others	15	18
TOTAL	1 538	871
Impairment from investments held as non-current assets	-688	-402
Financial expenses		
To group companies	-5	-
To others	-72	-366
TOTAL	-78	-366
FINANCIAL INCOME AND EXPENSES TOTAL	772	104

8. INCOME TAXES

Income taxes for period		
Income taxes from the operations	-1 029	-487

NOTES TO THE BALANCE SHEET OF THE PARENT COMPANY (FAS)

EUR 1 000	2012	2011

9. INTANGIBLE AND TANGIBLE ASSETS

Intangible rights		
Acquisition cost 1 Jan.	87	56
Increases	39	31
Acquisition cost 31 Dec.	126	87
Accumulated amortisation and impairment losses 1 Jan.	-49	-36
Amortisation for the period	-23	-12
Accumulated amortisation and impairment losses 31 Dec.	-72	-49
Carrying amount 31 Dec.	54	39
Machinery and equipment		
Acquisition cost 1 Jan.	149	149
Increases	1	-
Acquisition cost 31 Dec.	150	149
Accumulated amortisation and impairment losses 1 Jan.	-125	-117
Depreciation for the period	-6	-8
Accumulated amortisation and impairment losses 31 Dec.	-131	-125
Carrying amount 31 Dec.	19	24
Other tangible assets		
Acquisition cost 1 Jan.	8	8
Acquisition cost 31 Dec.	8	8

10. INVESTMENTS

Shares of subsidiary		
Acquisition cost 1 Jan.	19 961	6 385
Increases	14 339	13 978
Decreases	-232	-1
Acquisition cost 31 Dec.	34 068	20 362
Impairment losses	-688	-402
Carrying amount 31 Dec.	33 380	19 961
Other shares and investments		
Acquisition cost 1 Jan.	-	-
Increases	3	-
Acquisition cost 31 Dec	3	-
Carrying amount 31 Dec.	3	-
Total investments	33 382	19 961

11. INVENTORIES

	2012	2011
Private equity investments 1.1.	38 047	37 436
Change in inventories	-1 933	612
Private equity investments 31.12.	36 115	38 047

12. RECEIVABLES

	2012	2011
Long-term receivables		
Loan receivables	1 336	-
Other receivables	18	33
Total	1 354	33
Short-term receivables		
From group companies		
Loan receivables	-	768
Other receivables	568	41
Total	568	809
Other receivables	0	9
Accruals	184	50
Total	752	868
RECEIVABLES TOTAL	2 106	902

13. SHAREHOLDERS' EQUITY

	2012	2011
Share capital 1 Jan.	11 384	11 384
Share capital 31 Dec.	11 384	11 384
Restricted equity	11 384	11 384
Invested unrestricted equity 1 Jan.	44 777	29 614
Increase	5 244	15 162
Invested unrestricted equity 31 Dec..	50 021	44 777
Retained earnings 1 Jan.		
Profit brought forward	6 587	-502
Dividends	-3 996	-
Purchase of own shares	-	0
Cancellation of own shares	0	-
Other changes	44	-
Retained earnings 31 Dec.	2 635	-502
Profit for the financial year	3 435	7 089
Non-restricted equity	56 091	51 364
SHAREHOLDERS' EQUITY 31 DEC.	67 475	62 747
Calculation of distributable earnings 31 Dec.		
Retained earnings	2 635	-502
Profit loss for the financial year	3 435	7 089
Invested unrestricted equity	50 021	44 777
DISTRIBUTABLE EARNINGS	56 091	51 364

The share capital of the company consists of 36 297 198 shares. All share carry one vote.

14. NON-CURRENT LIABILITIES

	2012	2011
Loans from institutions	2 700	-
Loan from group companies	2 500	-
Non current liabilities total	5 200	-

15. CURRENT LIABILITIES

Loans from institutions	1 300	-
Accounts payable	40	380
Other liabilities	8	87
Accrued expenses	149	591
TOTAL	1 497	1 059
To group companies		
Other liabilities	8	-
Current liabilities total	1 506	1 059

OTHER NOTES OF THE PARENT COMPANY

PLEDGES, MORTGAGES AND OBLIGATIONS (EUR 1 000)

	31 Dec. 2012	31 Dec. 2011
Remaining commitments	10 712	14 340
Leasing and rental commitments not later than one year	70	21
Leasing and rental commitments later than one year and not later than five years	5	21
TOTAL	10 787	14 382

SHARES AND SHAREHOLDERS

Major shareholders	Number of shares	Share of shares and votes, %
Fennogens Investments SA	5 760 855	15.87
Chilla Capital	4 391 637	12.10
Veikko Laine Oy	3 655 302	10.07
Ulkomarkkinat Oy	3 455 003	9.52
Oy Hermitage Ab	2 365 246	6.52
Mandatum Henkivakuutusosakeyhtiö	2 053 296	5.66
Oy Cevante Ab	1 419 063	3.91
Teamet Oy	1 200 000	3.31
Fazer Jan Peter	1 064 815	2.93
Linnalex Ab	881 652	2.43
Louko Antti Jaakko	747 918	2.06
VH-Holding 3 Oy	550 000	1.52
Pinomonte Ab	529 981	1.46
Ab Kelonia Oy	405 500	1.12
Leenos Oy	400 000	1.10
Rettig Asset Management Oy Ab	387 271	1.07
Änkilä Petteri Juha Väinämö	346 500	0.95
Liikesivistysrahaston Kannatusyhdistys r.y.	276 800	0.76
Leppä Jukka-Pekka	240 000	0.66
Piela Ventures Oy	237 460	0.65
Muut	5 928 899	16.33
Yhteensä	36 297 198	100.00

The information is based on the situation in the shareholders register kept by Euroclear Finland Ltd on 31 December 2012

Ownership structure by sector 31.12.2010	Number of shares	Share of shares and votes %
Corporations	20 459 550	56.37
Financial and insurance institutions	2 542 502	7.00
Public organisations	37	0.00
Households	6 262 374	17.25
Foreign	5 768 943	15.89
Others 1)	1 263 792	3.48
TOTAL	36 297 198	100.00

1) The others comprise non-profit organisations and shares on a separate account. Separate account includes total of 843 000 shares related to the personnel issue in December 2012.

Ownership structure according to number of shares held

Shares No./shareholder	Number of owners	Share of shareholders %
1 -100	1 236	38.70
101 -500	972	30.43
501 -1.000	404	12.65
1.001 -5.000	437	13.68
5.001 -10.000	59	1.85
10.001 -50.000	50	1.57
50.001 -100.000	8	0.25
100.001 -500.000	15	0.47
500.001 -	13	0.41
TOTAL	3 194	100.00

Shares No./shareholders	Number of shares	Share of No. of shares %
1 -100	49 244	0.14
101 -500	270 440	0.75
501 -1.000	329 428	0.91
1.001 -5.000	1 013 532	2.79
5.001 -10.000	443 388	1.22
10.001 -50.000	1 000 415	2.76
50.001 -100.000	580 660	1.60
100.001 -500.000	3 692 323	10.17
500.001 -	28 074 768	77.35
Total	35 454 198	97.68
Shares on a separate account	843 000	2.32
TOTAL	36 297 198	100.00

Nominee-registered

323 465 of the company shares represent 0.89 % of company votes and shares, were nominee-registered.

Shares and share capital	Number of shares	Share capital
1 Jan. 2012	33 460 351	11 383 873
31 Dec. 2012	36 297 198	11 383 873

The number of the eQ Plc shares decreased by 163 153 shares because of the cancelation of own shares registered on 7 June 2012. The number of the shares increased by 1 200 000 shares due to share issue directed to the company fully owned by Mikko Koskimies, CEO of eQ Asset Management Ltd. New shares were registered on 24 September 2012. In addition, the number of shares increased by 1 800 000 shares due to personnel issue registered on 28 December 2012.

Each share carries one vote.

Own shares

eQ Plc held no own shares at the end of the financial period on 31 December 2012. eQ Plc's Board of Directors decided on 9 May 2012 to cancel altogether 163 153 own shares held by the company, which corresponded to about 0.5% of the registered number of shares. The cancellation became effective on 7 June 2012 as it was entered in the Trade Register.

Management ownership

Specification for the Management ownership is shown in the notes to the balance sheet.

Option programme

eQ Plc's Board of Directors has on 18 August 2010 decided to issue a maximum of 2 000 000 option rights to key employees of the eQ Group. Each option right entitles its holder to subscribe for one new share in eQ Plc. The option rights are intended as part of the incentive and commitment scheme of key persons.

The option rights are valued at fair value on the date of their issue and entered as expense in the income statement during the period when the right arises. The fair value of the issued options on the day of issue has been defined by using the Black-Scholes option pricing model.

Options	2010A	2010B	2010C	2010D	2010E
Number of options	400 000	400 000	400 000	400 000	400 000
Share subscription period begins	1 April 2012	1 April 2013	1 April 2014	1 April 2015	1 April 2016
Share subscription period ends	31 May 2020	31 May 2020	31 May 2020	31 May 2020	31 May 2020
Share subscription price	The share subscription price with an option right is EUR 2.50. * Subscription price is reduced by the dividend and the capital return at the record rate of such event.				

	2012	2011
Number of issued options at the beginning of the financial year	700 000	450 000
Options granted	800 000	450 000
Options returned	0	-200 000
Number of issued options at the end of the financial year	1 500 000	700 000
Information used in the Black-Scholes model		
Anticipated volatility	30%	25%
Interest rate at the time of issue	1.53%/1.67%*	3.34%

*Option issued on 4 September 2012 and 20 November 2012.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The distributable means of the parent company on 31 December 2012 totalled EUR 56.1 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.12 per share be paid out on the record date 2 April 2013. The proposal corresponds to a dividend totalling EUR 4 355 663.76 calculated with the number of shares at the end of the financial year. The Board proposes that the dividend payment date is 9 April 2013.

After the end of the financial period, no essential changes have taken place in the financial position of the company. The Board of Directors feel that the proposed distribution of profit does not endanger the liquidity of the company.

Signatures for the and Financial Statements and Board of Directors' report

Helsinki, February 14, 2013

Ole Johansson Chairman of the Board	Christina Dahlblom	Georg Ehrnrooth

Jussi Seppälä

Janne Larma
CEO

The Auditor's Note

Our auditors' report has been issued today.

Helsinki, February 14, 2013

ERNST & YOUNG OY
Authorized Public Accountant Firm

Ulla Nykky
Authorized Public Accountant


Varainhoito
Private Equity
Corporate Finance
eQ

AUDITOR'S REPORT

To the Annual General Meeting of eQ Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of eQ Plc for the financial period 1.1. - 31.12.2012. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flow, 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 Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated the 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 preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with 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 Managing Director 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 requirements of professional ethics. We conducted our audit accordance with good auditing practice in Finland. Good auditing practice requires that we and plan and perform the audit to obtain reasonable assurance 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 and the Managing Directors are guilty of an act of negligence which may result in liability in damages towards the company or 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 the report of the Board of Directors that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for 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.

Opinions based on assignment of the Board of Directors

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the result shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors of the parent company and the Managing Directors should be discharged from liability for the financial period audited by us.

Helsinki February 14, 2013

Ernst & Young Oy
Authorized Public Accountant Firm

Ulla Nykky
Authorized Public Accountant

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT 2012

This Corporate Governance Statement has been drawn up separately from the report by the Board of Directors. The statement is not part of the official financial statements.

General

In addition to acts and regulations applicable to listed companies, eQ Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association in June 2010. The entire Code is available on the website of the Securities Market Association at www.cgfinland.fi.

eQ Plc departs from the following recommendations of the Code: 50. Internal audit. In addition, eQ Plc has no board committees. These departures and their justifications are explained below.

General Meeting of Shareholders

The General Meeting is eQ Plc's highest decision-making body, at which the shareholders participate in the supervision and control of the company. eQ Plc convenes one Annual General Meeting (AGM) during each financial period. An Extraordinary General Meeting may be convened when necessary. Shareholders exercise their right to vote and voice their views at the General Meeting.

eQ Plc provides shareholders with sufficient information about the agenda of the General Meeting in advance. The advance information is provided in the notice of the General Meeting, other releases and on the company website. The General Meeting is organized in such a way that shareholders can effectively exercise their ownership rights. The goal is that the CEO, Chairman of the Board, and a sufficient number of directors attend the General Meeting. A person proposed as director for the first time shall participate in the General Meeting that decides on his or her election, unless there are well-founded reasons for his or her absence.

eQ Plc's Annual General Meeting was held on 13 March 2012.

Board of Directors

The General Meeting elects the directors. The director candidates put forward to the Board shall be mentioned in the notice of the General Meeting, if the proposal has been made by the Board or if the candidate is supported by shareholders holding at least 10 per cent of the total votes carried by all the shares of the company, provided that the candidate has given his/her consent to the election. The candidates proposed after the delivery of the notice of the meeting will be disclosed separately. The company's Articles of Association do not contain any provisions on the manner of proposing prospective directors. In its Annual Report, the company states the number of Board meetings held during the financial period as well as the average attendance of the directors. The directors are elected for one year at a time.

A person elected director must have the qualifications required by the work of a director and sufficient time for taking care of the duties. The company facilitates the work of the Board by providing the directors with sufficient information on the company's operations. eQ Plc's Board of Directors consists of 5 to 7 members. The members elect the Chairman of the Board.

The company reports the following biographic details and holdings of the directors: name, year of birth, education, main occupation, primary working experience, date of inception of Board membership, key positions of trust, and shareholdings in the company.

The members of eQ's Board of Directors shall provide the Board and the company with sufficient information for the evaluation of their qualifications and independence and notify of any changes in such information.

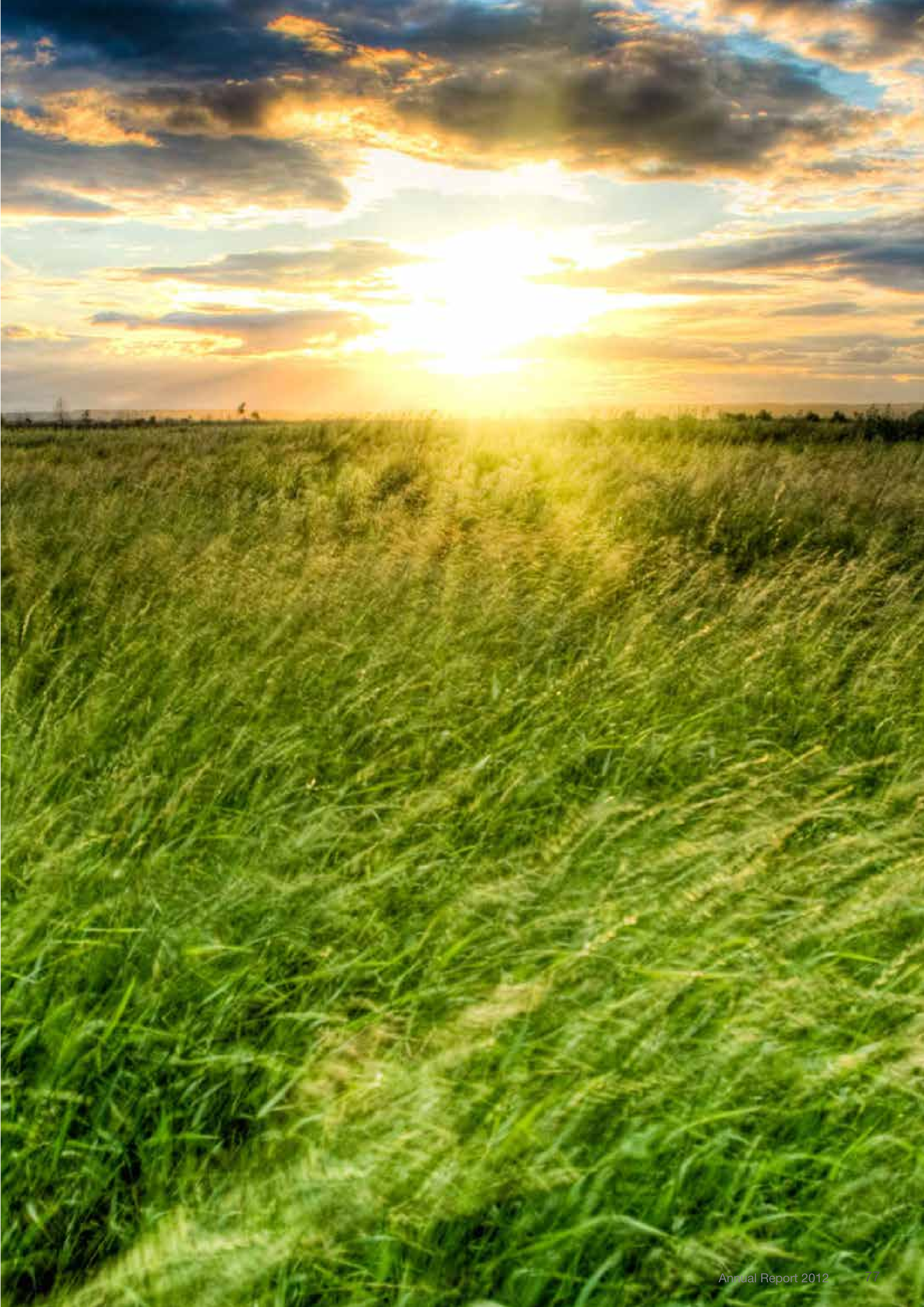
The Annual General Meeting held on 13 March 2012 elected the following persons to the Board:

Ole Johansson, born 1951, member of the Board since 2011, Chairman of the Board, B.Sc. (Econ)

Outokumpu Oyj, Chairman of the Board, 2008 -; Svenska Handelsbanken AB (publ.), member of the Board, 2012 -; Confederation of Finnish Industries (EK), Chairman of the Board, 2011-2012; Varma Mutual Pension Insurance Company, Deputy Chairman of the Board, 2005-2012; Technology Industries of Finland, member of the Board, 2010-2012; Finnish Business and Policy Forum EVA, member of the Board, 2010-2013; Research Institute of Finnish Economy ETLA, member of the Board, 2011-2013.

Independent of the company and significant shareholders.

Christina Dahlblom, born 1978, member of the Board since 2012, D.Sc. (Econ)



2011- Dahlblom & Sparks Ltd, founder and Managing Director; Nordman Invest Oy, member of the Board, 2012-; Oy Transmeri Ab, member of the Board, 2012-; Diamanten i Finland rf, member of the Board, 2012-.

Independent of the company and significant shareholders.

Georg Ehrnrooth, born 1966, member of the Board since 2011, studies in agriculture and forestry

Pöyry Oyj, member of the Board, 2010-; Norvestia Oyj, member of the Board 2010-; Forcit Oy, member of the Board, 2010-; Paavo Nurmi Foundation, member of the Board, 2005-; Anders Wall Foundation, member of the Board, 2008-; Louise and Göran Ehrnrooth Foundation, deputy member of the Board, 2003-; Semerca Investments S.A, Chairman of the Board, 2009-; Corbis S.A, Chairman of the Board, 2009-; Fennogens Investments S.A, Chairman of the Board, 2009-; OE Capital Ab, Chairman of the Board, 2010-; Vicus Oy, member of the Board, 2012-.

Independent of the company, but not independent of its significant shareholders.

Eero Heliövaara, born 1956, member of the Board since 2011, M.Sc. (Econ), M.Sc. (Eng)

Finnish Foundation for Share Promotion, Chairman of the Board, 2010-; Paulig Ltd, member of the Board, 2009-; Realia Group Oy, member of the Board, 2010-; Helsinki Bourse Club, member of the Board, 2006-; Foundation of the Finnish Cancer Institute, member of the Board, 2009-; Economic Information Office, member of the Board, 2011-; Finnish Foundation of Economic Education, member of the Board, 2002-; Scout Foundation of Finland, member of the Board, 2007-; HLD Healthy Life Devices Oy, Chairman of the Board, 2012-.

Independent of the company and significant shareholders

Jussi Seppälä, born 1963, member of the Board since 2011, M.Sc. (Econ)

2008- Minerva Group, Managing Director of Minerva Partnership Oy, Cardos Oy, member of the Board, 1999-; Hoivakoti Villa Lauriina Koy, member of the Board; Lintuvaaran hoivakoti Koy, member of the Board; Minerva Partnership Oy, member of the Board, Deamia Oy, deputy member of the Board; Keskinäinen Koy Eiran Edelfelt, deputy member of the Board; Minerva Hoiva I GP Oy, Chairman of the Board.

Independent of the company and significant shareholders.

eQ Plc's Board of Directors has drawn up a written charter covering its operations. Below is a list of the most important principles and duties presented in the charter:

- the Board shall be responsible for the administration of the company and the appropriate organization of the company's operations,
- the Board shall steer and supervise the company's operative management as well as appoint and dismiss the CEO,
- the Board shall approve the company's strategic goals,
- the Board shall approve the company's risk management principles and make sure that the management system functions well,
- the Board shall ensure that the company confirms the values that are to be applied in its operations,
- the Board shall promote the interests of the company and all its shareholders,
- the members of the Board do not represent the parties who proposed them as Board members when working on the Board,
- the Board shall assess its performance and working methods annually, either by means of internal self-evaluation or by using an external evaluator.

During the financial period 2012, the Board of Directors of eQ Plc convened 9 times, average attendance being 96 per cent.

The majority of the members of eQ Plc's Board of Directors are independent of the company and the company's major shareholders. The Board of Directors assesses the independence of the directors and states on the company website which of the directors have been deemed independent. When evaluating independence, the circumstances of private individuals or legal entities regarded as related parties will be taken into consideration in all situations. Companies belonging to the same group as a company are comparable with the company.

Board Committees

eQ Plc does not have any committees due to the size of the company and its Board.

CEO

The CEO is in charge of the day-to-day administration of the company in accordance with the rules and regulations of the Finnish Limited Liability Companies Act and instructions and orders issued by the Board of Directors. The CEO may take measures that, considering the scope and nature of the operations of the company, are unusual or extensive with the authorization of the Board. The CEO ensures that the accounting practices of the company comply with the law and that financial matters are organized in a reliable manner.

eQ Plc's Board of Directors appoints the CEO.

Janne Larma, M.Sc. (Econ) (born 1965) was appointed CEO on 16 March 2011.

The company discloses the same biographic details and information on the holdings of the CEO as of the directors. The CEO shall not be elected Chairman of the Board.

Substitute for the CEO

The substitute for the CEO is responsible for the CEO's duties in the event that the CEO is unable to attend to them. eQ Plc's Board of Directors appointed Lauri Lundström, M.Sc. (Econ) (born 1962), substitute for the CEO on 23 November 2011.

The company discloses the same biographic details and information on the holdings of the substitute for the CEO as of the directors.

Other executives

eQ Plc's Management Team during the financial period 2012:

Management Team to 21 February 2012:
- Janne Larma, born 1965, M.Sc. (Econ), Chairman, CEO of eQ Plc
- Staffan Jåfs, born 1974, M.Sc. (Econ), Director, Private Equity
- Lauri Lundström, born 1962, M.Sc. (Econ), CEO of eQ Asset Management Ltd
- Annamaija Peltonen, born 1964, Vocational Qualification in Business and Administration, Deputy CEO of eQ Fund Management Company Ltd

Management Team from 21 February 2012:
- Janne Larma, born 1965, M.Sc. (Econ), Chairman, CEO of eQ Plc
- Staffan Jåfs, born 1974, M.Sc. (Econ), Director, Private Equity
- Lauri Lundström, born 1962, M.Sc. (Econ), CEO of eQ Asset Management Ltd
- Annamaija Peltonen, born 1964, Vocational Qualification in Business and Administration, Deputy CEO of eQ Fund Management Company Ltd
- Juha Surve, born 1980, LL.M., M.Sc. (Econ), Group General Counsel of eQ Plc

Management Team from 1 October 2012:
- Janne Larma, born 1965, M.Sc. (Econ), Chairman, CEO of eQ Plc
- Staffan Jåfs, born 1974, M.Sc. (Econ), Director, Private Equity
- Mikko Koskimies, born 1967, M.Sc. (Econ), CEO of eQ Asset Management Ltd
- Lauri Lundström, born 1962, M.Sc. (Econ), Senior Vice President, Administration, eQ Plc
- Annamaija Peltonen, born 1964, Vocational Qualification in Business and Administration, Deputy CEO of eQ Fund Management Company Ltd
- Juha Surve, born 1980, LL.M., M.Sc. (Econ), Group General Counsel of eQ Plc

Management Team from 20 November 2012:
- Janne Larma, born 1965, M.Sc. (Econ), Chairman, CEO of eQ Plc
- Staffan Jåfs, born 1974, M.Sc. (Econ), Director, Private Equity
- Mikko Koskimies, born 1967, M.Sc. (Econ), CEO of eQ Asset Management Ltd
- Lauri Lundström, born 1962, M.Sc. (Econ), Senior Vice President, Administration, eQ Plc
- Juha Surve, born 1980, LL.M., M.Sc. (Econ), Group General Counsel of eQ Plc

Remuneration

Board of Directors

Remuneration and other financial benefits of the Board of Directors

The General Meeting decides on the remuneration of the members of the Board of Directors annually.

The 2012 Annual General Meeting decided that the Board of Directors would receive remuneration according to following: Chairman of the Board EUR 3 300 per month and the directors EUR 1 800 per month. The remuneration is paid in cash. The members of eQ's Board of Directors have no share-related rights, nor are they covered by any other remuneration scheme.

CEO and other executives

Decision-making process and main principles of remuneration

eQ's Board of Directors decides annually on the remuneration system of the Group, as well as on the principles of performance-based remuneration and the persons involved in the system. The Board of Directors also decides the remuneration of the CEO and the members of the Management Team, based on a proposal by the CEO. The Board reviews annually, in a manner that it decides on separately, that eQ Group has complied with the remuneration system.

eQ's remuneration systems are divided into long-term incentive schemes and the annual performance bonus system. In remuneration, eQ follows the following main principles:
- The systems support eQ Group's long-term goals, such as improving the profitability of the business in a long term, sufficient capital adequacy, return on investments and cost efficiency.
- Remuneration must be designed to prevent unnecessary risk-taking.
- The Board decides on the payment of the performance bonuses based on the systems, and the decision will be made annually after the end of the incentive period.
- A performance bonus will not be paid and it will be recovered as unfounded, if it is found that the person concerned has acted contrary to eQ's internal

policies, laws or regulations or guidelines issued by authorities.
- The decision about remuneration is always made by the superior of the concerned person's superior.
- eQ Group does not have any pre-determined thresholds for remuneration, but eQ's Board of Directors will consider annually and case by case whether it is necessary to restrict the payment of the remuneration. When necessary, decisions are made on a postponement of the payment of variable remuneration, on whether non-cash payment should be used or if the payment should be cancelled. If variable remuneration does not exceed EUR 50 000 per year, payment will not be postponed.

Long-term incentive scheme

The aim of the long-term incentive scheme is to commit key personnel to eQ Group and its objectives. The long-term incentive scheme primarily consists of eQ's option scheme. Options are issued to those who can influence the development of the entire eQ Group through their performance. eQ's Board of Directors decides on the issue of options. The terms of the option scheme are available on eQ's website, in the Investors section.

In addition, eQ Group can introduce other long-term incentive schemes based on the consideration of the Board of Directors. Such incentive schemes can be tied directly or indirectly to the company's share price development.

Annual bonus system

The amount of the annual bonus is determined by the achievement of personal goals, the business unit's result and sales, as well as the company result. The share of the result is the higher, the more the person concerned is able to influence the outcome. eQ's Board of Directors determines annually in advance on what basis annual bonuses will be paid and what their size is. In addition, the Board of Directors decides on the distribution of the annual bonuses after the incentive period has ended.

Remuneration and other financial benefits of the CEO

The Board of Directors appoints the CEO and decides on the CEO's salary, benefits and other terms related to the CEO's employment relationship. The terms of the CEO's employment relationship have been specified in writing in the CEO's contract of employment approved by the Board. Both parties may give notice on this contract with a period of notice of two (2) months. When notice is given by the company for whatever reason or if the contract is terminated through mutual agreement by the company and the CEO, the CEO is entitled to a compensation corresponding to his/her overall remuneration for six (6) months preceding the termination of the contract, which compensation is paid on the day when the contract is terminated.

The remuneration of the CEO consists of a fixed monthly salary in cash (monthly salary and fringe benefits), performance bonus as short-term incentive and an option scheme. The Board of Directors decides on the CEO's remuneration. The retirement age and pension of the CEO are determined in accordance with the Finnish Employees Pensions Act. The CEO does not have a supplementary pension scheme. The remuneration of the substitute for the CEO consists of a fixed monthly salary in cash (monthly salary and fringe benefits) and performance bonus as short-term incentive. The substitute for the CEO does not have a supplementary pension scheme. The Board of Directors decides on remuneration of the substitute for the CEO.

In 2012, the CEO was paid an overall remuneration of EUR 234 856, the share of variable remuneration being EUR 46 329. The substitute for the CEO was paid on overall remuneration of EUR 150 507, the share of variable remuneration being EUR 11 241.

Janne Larma, CEO, has been granted, as part of the long-term incentive scheme, 450 000 option rights (90 000 2010A options, 90 000 2010B options, 90 000 2010C options, 90 000 2010D options and 90 000 2010E options).

A company controlled by the CEO subscribed for 216 906 shares in the personnel issue directed to eQ's Group's personnel. A company controlled by the substitute for the CEO subscribed for 31 789 shares in the personnel issue. A maximum of 1 800 000 new shares in the company were issued in the personnel issue, deviating from the shareholders' pre-emptive right. eQ had a weighty financial reason to deviate from the shareholders' pre-emptive right, as the shares were issued to the personnel in order to encourage personnel to acquire and hold company shares and thus incentivise and enhance the personnel's commitment in the long term. The share subscription period began on 10 December 2012 and ended on 12 December 2012. The subscription price of the shares was EUR 1.80 per share. The volume-weighted average price of the company's share on NASDAQ OMX Helsinki Ltd for the period of 20 consecutive trading days before the Board meeting that decided on the personnel issue was EUR 1.81 per share. Thus, the discount in the personnel issue was EUR 0.01 per share. A subscriber has no right to dispose of or assign the subscribed shares before 18 December 2013, and if the subscription exceeds 20 000 shares, not before 18 December 2015.

Remuneration and other financial benefits of the other executives

The Board of Directors decides on the remuneration system of the Management Team based on the CEO's proposal. The remuneration system consists of a fixed salary in cash (monthly salary and fringe benefits), performance bonus as short-term incentive and a long-term incentive scheme. Management Team members do not receive remuneration when acting as Board members in the subsidiaries of eQ Plc. The retirement age and pension of the Management Team are determined in accordance with the Finnish Employees Pensions Act. The Management Team members do not have a supplementary pension scheme.

In 2012, the other Management Team members than the CEO and the substitute for the CEO were paid an overall remuneration of EUR 284 715, the share of the variable remuneration being EUR 19 695.

Mikko Koskimies, member of the Management Team, has been granted 200 000 option rights as part of the long-term incentive scheme (50 000 2010B options, 50 000 2010C options, 50 000 2010D options and 50 000 2010E options) and Staffan Jåfs, member of the Management Team,250 000 options (50 000 2010A options, 50 000 2010B options, 50 000 2010C options, 50 000 2010D options and 50 000 2010E options).

Mikko Koskimies, member of the Management Team, has invested in eQ's shares as part of the long-term incentive scheme for the management. For the purpose of shareholding, a share issue was directed to a company wholly owned by Mikko Koskimies on 4 September 2012. The subscription of shares was financed by capital from the company owned by Mikko Koskimies and through a loan issued by eQ to the company. As part of the arrangement, eQ's Board decided on 4 September 2012 to grant the company wholly owned by Mikko Koskimies an interest-bearing loan of a maximum of EUR 1 336 000 in order to finance the subscription of eQ shares. The loan will be repaid in full within five years at the latest. The company owned by Koskimies has the right to repay the loan prematurely at any time, and transfer of the eQ shares owned by it is restricted for three years during the duration of the scheme.

The other members of the Management Team than the CEO and the substitute for the CEO subscribed for 50 000 shares in the share issue directed to eQ Group's personnel in December.

Description of the main features of the internal control and risk management systems in relation to the financial reporting process

The objective of the financial reporting process is to produce timely financial information and to ensure that decision-making is based on reliable information. The aim is to ensure that the financial statements and interim reports are prepared according to applicable laws, generally accepted accounting principles and other requirements on listed companies.

The financial reporting process produces eQ Group's monthly and quarterly reports. The Management Team of the Group reviews eQ Group's result and financial performance monthly. The Group management presents the result and financial position of the Group quarterly to the Board of Directors. The Board of Directors supervises that the financial reporting process produces high-quality financial information.

The Group's subsidiaries report their results monthly to the parent company. The financial administration of the Group mostly takes care of the bookkeeping of the subsidiaries. At Group level, this will make it easier to make sure that the financial reporting of the subsidiaries is reliable. The Group's interim reports and financial statements are prepared in accordance with the IFRS reporting standards. The financial administration of the Group monitors the changes that take place in IFRS standards.

Based on risk assessments, the company has developed measures for controlling the risks pertaining to financial reporting, which make sure that financial reporting is reliable. The companies use various reconciliations, checks and analytical measures, for instance. The financial administration of the Group prepares monthly analyses of income statement and balance sheet items, both at company and segment level. In addition, tasks related to risk-exposed work combinations are separated, and there are appropriate approval procedures and internal guidelines. The reliability of financial reporting is also supported by various system controls in the reporting systems. Other basic principles of control are a clear division of responsibility and clear roles as well as regular reporting routines.

The Group does not have a separate internal audit organization (Recommendation 50. Internal audit). The CEO is responsible for the tasks of the internal audit function. The CEO may assign external evaluators to carry out audits on areas that the CEO deems necessary. The risk management and compliance function of the Asset Management segment is responsible for risk management related to the business and the compliance of the operations to rules and regulations. The risk management and compliance function carries out different sample checks of the operations. The CEO reports the observations to the Board of Directors.

Insider administration

eQ Plc complies with the Guidelines for Insiders issued by NASDAQ OMX Helsinki Ltd on 9 October 2009.

The company maintains an insider register on statutory insiders and company-specific insiders. The statutory insider register, which is public, includes the members of the company's Board of Directors, the CEO, the substitute for the CEO, the Management Team, and the auditor with main responsibility. In addition, the personnel of financial administration, risk management and communications, the secretary of the CEO and the management of major subsidiaries are regarded as company-specific insiders. The insider register is maintained by the Euroclear Finland Ltd.

Those who are regarded as eQ Plc's insiders or those whose interests they protect (persons under guardianship) or corporations they control are not be permitted to trade in eQ Plc's shares on a short-term basis. Investments are regarded as short-term investments when the period between the purchase and transfer or the transfer and purchase of the security is less than one (1) month.

Company insiders may not trade in securities issued by the company for 14 days prior to the publication of the company's interim report and financial statements release. It is recommended that insiders schedule their trading, as far as possible, to periods during which the market has as complete information as possible on issues influencing the value of the share.

The restriction on trading is applied to the company's permanent insiders, those under their guardianship and the organizations they control, as referred to in chapter 2, section 4 of the Securities Markets Act (746/2012). The restriction on trading does not apply to auditors, nor corporations in which insiders exercise significant influence.

It is contrary to good practice and forbidden to circumvent the trading restriction by trading in shares on one's own behalf in the name of a related party or through other intermediaries, such as organizations in which the insider exercises significant influence.

The company uses a register on project-specific insiders in issues or arrangements that deviate from the company's regular business activities due to their nature or size. The company evaluates on a case-by-case basis whether an issue or arrangement under preparation is to be deemed a project. The purpose of the project-specific register is to clarify the moment at which a person is to be regarded as an insider and to make the processing of insider information more efficient.

eQ Plc has informed its permanent insiders of the company's Guidelines for Insiders. The company has a designated person in charge of insider issues, who carries out tasks related to the management of insider issues. The company checks the information to be declared with the permanent insiders annually. In addition, the company checks at least once a year the trading of the permanent insiders based on the register information of the Euroclear Finland Ltd.

Audit

The proposal for the election of an auditor prepared by the Board of Directors of the company will be disclosed in the notice of the General Meeting. If the Board has not arrived at a decision on the prospective auditor by the time the notice is sent, the candidacy will be disclosed separately.

In 2012, Ernst & Young Oy, Authorized Public Accountants, acted as an Auditor of eQ Plc. The responsible auditor was Ulla Nykky, APA.

Auditors' fees

The auditors have been paid the following amounts for the services related to the audit and for other services: Fees for the audit and closely related fees in 2012 totalled EUR 139 484 (2011: EUR 149 956). The other services in 2012 amounted to EUR 116 825 (2011: EUR 81 743).

Disclosure of information

The major issues concerning eQ Plc's administration are disclosed on the company website (www.eQ.fi). The stock exchange releases are available on the company website immediately after their publication.

BOARD OF DIRECTORS

The Board of Directors since 13 March 2012

Ole Johansson

Member of the Board since 2011
Chairman of the Board

Born 1951

Education
B.Sc. (Econ.), Swedish School of Economics, Helsinki.

Primary working experience
2000-2011 Wärtsilä Corporation, President & CEO, 1975-79 and rejoined in 1981 Wärtsilä Group; 1984-86 Wärtsilä Diesel Inc., Vice President; 1986-94 Wärtsilä Diesel Group, Vice President & Controller; 1994-96 Metra Corporation, Senior Vice President & CFO; 1996-98 Metra Corporation, Executive Vice President & CFO; 1998-2000 Wärtsilä NSD Corporation, President & CEO.

Positions of trust
Outokumpu Oyj, Chairman of the Board, 2008-; Svenska Handelsbanken AB, Member of the Board, 2012-; The Confederation of Finnish Industries, Chairman of the Board, 2011-2012; Varma Mutual Pension Insurance Company, Deputy Chairman of the Board, 2005-2012; Technology Industries of Finland, Member of the Board, 2010-2012; Finnish Business and Policy Forum EVA, Member of the Board, 2010-2013; Research Institute of Finnish Economy ETLA, Member of the Board, 2011-2013.

Independent of the company and significant shareholders.

Christina Dahlblom

Member of the Board since 2012

Born 1978

Education
M.Sc (Econ), Swedish School of Economics, Helsinki
Business Coach

Primary working experience
2011- Dahlblom & Sparks Ltd, Founder and Managing Director; 2006–2011 Hanken & SSE Executive Education Ab, Managing Director; 2004–2006 TNS Gallup Ltd, Director; 2001–2004 Svenska handelshögskolan, Researcher.

Positions of trust
Nordman Invest Oy, Member of the Board, 2012-; Oy Transmeri Ab, Member of the Board, 2012-; Diamanten I Finland rf, Member of the Board, 2012-.

Independent of the company and significant shareholders

Georg Ehrnrooth

Member of the Board since 2011

Born 1966

Education
Studies in agriculture and forestry, Högre Svenska Läroverket, Åbo.

Primary working experience
2005 eQ Corporation and eQ Bank Ltd, Chief Executive Officer.

Positions of trust
Pöyry Oyj, Member of the Board, 2010-; Norvestia Oyj, Member of the Board, 2010-; Forcit Oy, Member of the Board, 2010-; Paavo Nurmi Foundation, Member of the Board, 2005-; Anders Wall Foundation, Member of the Board, 2008-; Louise and Göran Ehrnrooth Foundation, Deputy Member of the Board, 2003-; Semerca Investments S.A, Chairman of the Board, 2009-; Corbis S.A, Chairman of the Board, 2009-; Fennogens Investments S.A, Chairman of the Board, 2009-; OE Capital Ab, Chairman of the Board, 2010-; Vicus Plc, Member of the Board 2012-.

Independent of the company, but not independent of its significant shareholders.

Eero Heliövaara

Member of the Board since 2011

Born 1956

Education

Master of Science in Economics and Business Administration, Helsinki School of Economics

Master of Science in Engineering, Helsinki University of Technology

Primary working experience

2006-2009 SRV Group Plc, President; 2001-2005 Pohjola Group Plc, President and CEO; 1998-2001 Ilmarinen Mutual Pension Insurance Company, Executive Vice President, CIO; 1996-1998 Merita Asset Management Ltd, Managing Director; 1994-1996 Merita Bank, Private Bank, First Vice President; 1991-1994 Union Bank of Finland International S.A., Luxemburg, Managing Director; 1987-1991 Arctos Capital Ltd, Managing Director, partner; 1985-1987 Spontel Ltd, Financial Director.

Positions of trust

Finnish Foundation for Share Promotion, Chairman of the Board, 2010-; Paulig Ltd, Deputy Chairman of the Board, 2009-; Realia Group Oy, Member of the Board, 2010-; The Helsinki Bourse Club, Member of the Board, 2006-; Foundation of the Finnish Cancer Institute, Member of the Board, 2009-; TAT-Group, Member of the Board, 2011-; Finnish Foundation of Economic Education, Member of the Board, 2002-; Scout Foundation of Finland, Member of the Supervisory Board, 2007; Healthy Life Devices Ltd, Member of the Board, 2012-.

Independent of the company and significant shareholders

Jussi Seppälä

Member of the Board since 2011

Born 1963

Education

M.Sc. (Econ), Helsinki School of Economics

Primary working experience

2008- Minerva Group, Managing Director of Minerva Partnership Oy; 1999-2008 FIM Group Oyj / Glitnir Oyj, 2008 Head of Equities, Moscow, 2006-2007 Marketing Director, 1999-2006 Managing director of FIM Fund Management Oy; 1996-1999 SEB, Fixed income sales; 1992-1995 JP Bank, Stockholm, Fixed income research and sales.; 1988-1991 Entrepreneur, Software development for banking sector (interest rate risk management).

Positions of trust

Oy Cardos Ab, Member of the Board, 1999-; Hoivakoti Villa Lauriina Koy, Member of the Board; Lintuvaaran hoivakoti Koy, Member of the Board; Minerva Partnership Oy, Member of the Board, Deamia Oy, Deputy Member of the Board, 1999-; Keskinäinen Koy Eiran Edelfelt, Substitute Member of the Board; Minerva Hoiva I GP Oy, Chairman of the Board.

Independent of the company and significant shareholders.

MANAGEMENT TEAM

Managment Team since 20 November 2012

Janne Larma,

Chairman of the Management Team

Janne Larma, M.Sc. (Econ), (born 1965) is CEO of eQ Plc. He founded Advium Corporate Finance Ltd in 2000, prior to which he had gained more than ten years of experience within investment banking. In addition, Janne Larma has experience in the asset management business, as Board member of the parent company of eQ Asset Management Group and as member of eQ Bank's management team from 2004 to 2009.

Staffan Jåfs

Staffan Jåfs, M.Sc. (Econ), (born 1974) is responsible for the group's investments and head of the alternative investments function, which includes private equity and hedge funds. Staffan has worked in the private equity business since 2000 and with eQ Plc since 2007. Previously, he worked at Proventure Ltd as CFO, responsible for the group's financial administration. Staffan started his career as Financial Manager at Kantarellis, a hotel and restaurant chain.

Mikko Koskimies

Mikko Koskimies M.Sc. (Econ), (born 1967) is CEO of eQ Asset Management Ltd. He previously worked as a Managing Director of Pohjola Asset Management Ltd and was a member of the Executive Committee of Pohjola Bank. Mikko Koskimies also worked from 1998 to 2005 as a Managing Director of Alfred Berg Asset Management Ltd. During the years from 1989 to 1997 he worked within the current Nordea Group. From 1993 to1997 Mikko worked in Private Banking for Merita Bank Luxembourg S.A. in Luxembourg.

Lauri Lundström

Lauri Lundström, M.Sc. (Econ), (born 1962) is Director, Group Administration. He has worked as CEO of eQ Asset Management Ltd and from 2006 to 2009 he was responsible for the asset management business of eQ Bank. Before this, he was CEO of Pohjola Fund Management Company from 2001 to 2006, CFO of Conventum Investment Bank from 1999 to 2001, CEO, responsible for asset management, of the fund management company of Arctos Investment Bank Group from 1996 and CFO of Arctos Group from 1993.

Juha Surve

Juha Surve, LL.M and M.Sc. (Econ.), (born 1980) is Group General Counsel of eQ Plc, and he also acts as a secretary of the Board of eQ Plc. Juha has worked among financial sector and capital markets since 2003 and with eQ Plc since the beginning of year 2012. From 2008 to 2012 he worked at Castrén & Snellman Attorneys Ltd expertising in securities market and corporate law. Prior to that he gained over five years' experience in various asset management related duties e.g. in OP-Pohjola Group and Nordea Bank. In addition, he has been involved in numerous law-drafting projects relating to Finnish securities market legislation.

CEO

The Board of Directors appointed Janne Larma as CEO of eQ Plc in the constitutive meeting of March 16, 2011. Janne Larma (born 1965) founded Advium Corporate Finance Ltd in 2000, prior to which he had gained over 10 years of experience within investment banking. In addition, Janne Larma has gained experience in asset management, as a board member of eQ Asset Management as well as a member of the management group of eQ Bank during the years 2004-2009. Janne Larma acts as a Chairman of the Management Team.

FINANCIAL REPORT IN 2013

Interim reports of eQ will be published as follows in 2013

Interim Report	Interim Report	Interim Report
January-March	January-June	January-September
Wednesday, May 8	Friday, August 16	Wednesday, November 7

Interim reports, stock exchange releases and the Annual Report are available and printable at eQ's website www.eQ.fi.

INVESTMENTS

Amanda III Eastern Private Equity L.P.	
Vintage Year	2006
Management company	Amanda III Eastern GP Ltd
Total size of the Fund	110.2 MEUR
eQ's commitment	10.0 MEUR
Financing stage	Buyout
Geographical focus	Russia, IVY, CIS countries, Central and Eastern Europe
Target funds	No sector preference
www pages	www.eQ.fi

Amanda IV West L.P.	
Vintage year	2007
Management company	Amanda IV West GP Ltd
Total size of the fund	90.0 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Western Europe
Target funds	No sector preference
www pages	www.eQ.fi

Amanda V East L.P.	
Vintage year	2008
Management company	Amanda V East GP Ltd
Total size of the Fund	44.5 MEUR (fundraising ongoing)
eQ's commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Russia, East Europe
Industry focus	No sector preference
www pages	www.eQ.fi

Balderton Capital I L.P.	
Vintage Year	2000
Management company	Balderton Capital Partners
Total size of the Fund	500.0 MUSD
eQ's commitment	2.0 MUSD
Financing stage	Venture capital
Geographical focus	Europe
Industry focus	Software, internet, media, and telecom
www pages	www.balderton.com
Other	Fund name previously Benchmark Europe I L.P.

The First European Fund Investments UK L.P. (EFI I)	
Vintage Year	1999
Management company	Nordic Venture Partners Ltd
Total size of the Fund	88.0 MEUR
eQ's commitment	0.88 MEUR
Financing stage	Buyout/venture capital
Geographical focus	Europe
Target funds	No sector preference
www pages	www.eQ.fi

Charterhouse Capital Partners VII L.P.	
Vintage Year	2002
Management company	Charterhouse Development Capital Limited
Total size of the Fund	2,708.0 MEUR
eQ's commitment	3.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large companies
www pages	www.charterhouse.co.uk

European Fund Investments L.P. (EFI II)	
Vintage Year	2001
Management company	Nordic Venture Managers Ltd
Total size of the Fund	88.4 MEUR
eQ's commitment	0.88 MEUR
Financing stage	Buyout/venture capital
Geographical focus	Europe
Target funds	No sector preference
www pages	www.eQ.fi

EQT IV (No. 1) L.P.	
Vintage Year	2004
Management company	EQT Partners
Total size of the Fund	2,500.0 MEUR
eQ's commitment	3.0 MEUR
Financing stage	Large buyout
Geographical focus	Northern Europe
Industry focus	Middle-sized and large industrial companies
www pages	www.eqt.se

Atlas Venture VI L.P.	
Vintage Year	2001
Management company	Atlas Venture Advisors, Inc.
Total size of the Fund	599.7 MUSD
eQ's commitment	1.9 MUSD
Financing stage	Venture capital
Geographical focus	Europe, U.S.
Industry focus	Information technology, life science
www pages	www.atlasventure.com

EQT V L.P.	
Vintage Year	2006
Management company	EQT Partners
Total size of the Fund	4,250.0 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Large buyout
Geographical focus	Northern Europe
Industry focus	Middle-sized and large companies
www pages	www.eqt.se

Fenno Rahasto Ky	
Vintage Year	1997
Management company	Fenno Management Oy, CapMan Capital Management Oy
Total size of the Fund	42.5 MEUR
eQ's commitment	2.6 MEUR
Financing stage	Midmarket
Geographical focus	Finland
Industry focus	Middle-sized companies
www pages	www.capman.fi

Industri Kapital 1997 L.P.	
Vintage Year	1997
Management company	Industri Kapital 1997 Limited
Total size of the Fund	750.0 MEUR
eQ's commitment	3.1 MEUR
Financing stage	Buyout
Geographical focus	Mainly Nordic countries
Industry focus	Middle-sized and large companies
www pages	www.ikinvest.com

Finnventure Rahasto V Ky	
Vintage Year	1999
Management company	CapMan Capital Management Oy
Total size of the Fund	169.9 MEUR
eQ's commitment	4.3 MEUR
Financing stage	Midmarket, venture capital
Geographical focus	Finland, Nordic countries
Industry focus	Middle-sized and technology companies
www pages	www.capman.fi

Innovacom 4 FCPR	
Vintage Year	2000
Management company	Innovacom s.a.
Total size of the Fund	200.7 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Venture capital
Geographical focus	France, Germany, U.S., United Kingdom
Industry focus	Communications, computer related, computer software, electronic related
www pages	www.innovacom.com

Gresham Fund III	
Vintage Year	2003
Management company	Gresham LLP
Total size of the Fund	236.9 MGBP
eQ's commitment	2.0 MGBP
Financing stage	Midmarket
Geographical focus	UK
Industry focus	Small and middle-sized companies
www pages	www.greshampe.com

MB Equity Fund II L.P.	
Vintage Year	1997
Management company	MB Equity Partners Oy
Total size of the Fund	42.1 MEUR
eQ's commitment	4.1 MEUR
Financing stage	Midmarket
Geographical focus	Finland
Industry focus	Middle-sized companies
www pages	www.mbfunds.fi

Gresham IV Fund L.P.	
Vintage Year	2006
Management company	Gresham LLP
Total size of the Fund	347.0 MEUR
eQ's commitment	3.0 MEUR
Financing stage	Midmarket
Geographical focus	UK
Industry focus	Small and middle-sized companies
www pages	www.greshampe.com

Merlin Biosciences Fund L.P.	
Vintage Year	2000
Management company	Merlin Biosciences Limited
Total size of the Fund	247.0 MEUR
eQ's commitment	1.3 MEUR
Financing stage	Venture capital
Geographical focus	Europe
Industry focus	Biosciences, life science
www pages	www.excalibur-group.co.uk

Montagu III L.P.	
Vintage Year	2005
Management company	Montagu Private Equity LLP
Total size of the Fund	2,260.6 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized companies
www pages	www.montagu.com

Nexit Infocom 2000 Fund L.P.	
Vintage Year	2000
Management company	Nexit Ventures Oy
Total size of the Fund	66.3 MEUR
eQ's commitment	3.2 MEUR
Financing stage	Venture capital
Geographical focus	Nordic countries and U.S.
Industry focus	Mobile, wireless internet infrastructure, mobile internet
www pages	www.nexitventures.com

PAI Europe IV	
Vintage Year	2005
Management company	PAI Partners
Total size of the Fund	2,700.0 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large companies
www pages	www.paipartners.com

Permira Europe II L.P.	
Vintage Year	2000
Management company	Permira Advisers Limited
Total size of the Fund	3,300.0 MEUR
eQ's commitment	4.2 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large companies
www pages	www.permira.com

Permira Europe III L.P.	
Vintage Year	2003
Management company	Permira Advisers Limited
Total size of the Fund	5,076.0 MEUR
eQ's commitment	3.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large companies
www pages	www.permira.com

Permira Europe IV L.P.	
Vintage Year	2006
Management company	Permira Advisers Limited
Total size of the Fund	9,636.0 MEUR
eQ's commitment	4.0 MEUR
Financing stage	Buyout
Geographical focus	Europe, USA and Asia
Industry focus	Large companies
www pages	www.permira.com

Triton Fund II L.P.	
Vintage Year	2006
Management company	Triton Advisers Limited
Total size of the Fund	1,115.0 MEUR
eQ's commitment	5.0 MEUR
Financing stage	Midmarket
Geographical focus	Europe
Industry focus	Middle-sized companies
www pages	www.triton-partners.com

Structured products as part of eQ portfolio management's expertise

As a result of the acquisition of ICECAPITAL, extensive business in structured investment products was also transferred to eQ. The team consists of four persons with a long experience in arranging structured investment products for institutional clients and private individuals directly and through distribution organisations, both in Finland and in other Scandinavian countries. With the new business operations, eQ will also offer banks and private bankers customised solutions for their end-customer offering.

Structured products complement eQ's product portfolio in an excellent manner. The direct benefits of the merger are significant as the wider customer base supports the structured products business. We will also be able to exploit eQ's strong portfolio management expertise when structuring products.

The most traditional and best-known version of structured products is the invest-linked bond with capital protection. The low interest rate level in the past has cut down the return potential of these structures and partly decreased their demand. Therefore, conditionally capital protected structures have increased their popularity in recent years, as they offer a much greater return potential. In most cases, the market risk of a conditionally protected structure is smaller than that of a corresponding direct investment, however.

Structured investment products are well suited for customising the risk/return ratio, and they can be used for exploiting even a sideways or falling market. During the past two years so-called cash-flow products, which give a return already during the investment period, have also gained popularity. Structures based on credit risk have been especially popular. This development has been enhanced by the present challenging investment environment, which has made the predictability of returns in relation to the risk more difficult than normally. Structured products are well suited for this kind of a market situation precisely due to their predictable nature: when the investor makes his investment decision, he knows rather well what the return of the investment period will be and what the potential risks are.

The overall sales of structured products in Finland have varied from EUR 2.1 to 2.5 billion during the past few years. The aim of eQ's structured investment products business is to obtain a significant marker share even in this segment.

Niklas Åkerfelt, Director
Structured Investment Products

eQ's fund selection after the combination

The business operations of ICECAPITAL Fund Management Company Ltd and the management of the funds were transferred to eQ Fund Management Company on 1 January 2013.

The different administrative units were combined already in December 2012. The combination has widened our expertise and improved the services offered both in the support units and within risk management. We will continue to invest in precise and rapid service that supports our enthusiastic and professional personnel.

As a result of the combination, the size of eQ Fund Management Company was doubled, as the fund capital exceeded EUR 1 billion and the number of funds grew to 38. eQ clearly rose to a new size class among Finnish fund management companies.

The number of eQ funds increased, and combination measures have been launched only regarding three funds. We are now unifying the rules and regulations of all our funds. The most visible result of this work will be seen in the names of the funds, as we will give all our funds new and more descriptive names during the spring 2013.

Our wide range of funds now covers both actively managed funds and funds that are passively managed though indices in all risk classes. The equity fund range covers emerging markets, Europe and Scandinavia as well as global strategies, sector and themes. Our fixed-income range offers a variety of funds from money markets to a fund investing in loans of companies operating in emerging markets in local currencies. In addition, the funds belonging to the alternative investments group offer alternatives from a fund that invests in care properties to funds striving for absolute return.

The year 2012 was very good for mutual funds, and eQ's fund capital grew significantly. Our funds in emerging markets showed excellent results in return comparisons. The eQ Emerging Markets Dividend Fund with a return of 24.1% and the eQ Emerging Asia Fund with a return of no less that 35.9% were both among the best funds in their groups in the 12-month return comparison of Investment Research Finland's Fund Report.

The year was also favourable for bond investors. The fall of long interest rates and more expensive corporate loans lead to excellent returns from fixed-income funds. The best return was obtained from high yield corporate loans with a low credit rating, almost 20 per cent, but corporate loans with a good credit rating and government bonds also gave returns exceeding 10 per cent.

The year 2013 has started off well, and our funds continue to offer an excellent way of making investments in different asset classes, in a diversified manner and in different market areas.

Annamaija Peltonen, CEO
eQ Fund Management Company Ltd

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