Dovre Group Plc | Interim report | April 28, 2011 at 08:45 a.m.

DOVRE GROUP INTERIM REPORT (IFRS) JANUARY 1 – MARCH 31, 2011

Dovre Group's net sales increased and operating result improved in Q1/2011

(Unless otherwise stated, last year's corresponding period in parentheses.)

SUMMARY

January – March 2011

- Net sales EUR 18.6 (16.3) million – growth 13.9%
- Project Personnel: net sales EUR 16.0 (13.9) million – growth 14.7%
- Consulting: net sales EUR 1.7 (1.5) million – growth 13.1%
- Software: net sales EUR 1.1 (0.9) million – growth 22.4%
- Operating result EUR 2.5 (0.5) million – increase EUR 2.0 million
- Result for the period EUR 1.4 (0.5) million – increase EUR 0.9 million
- Closure of the defined benefit pension plan in Norway improved the operating result by approx. EUR 1.7 million and the result for the period by approx. EUR 1.2 million
- Earnings per share EUR 0.02 (0.01)
- Net cash flow from operating activities EUR 0.5 (1.1) million

Net sales and operating result in 2011 are expected to grow from 2010. The guidance has not been changed.

The interim report is unaudited.

KEY FIGURES

(EUR million)	1-3 2011	1-3 2010	Change %	1-12 2010
Net sales	18.6	16.3	13.9	70.8
Operating result	2.5	0.5	368.3	3.4
% of Net sales	13.3%	3.2%		4.8%
Result for the period	1.4	0.5	214.9	2.3
% of Net sales	7.7%	2.8%		3.3%
Net cash flow from operations	0.5	1.1	-54.3	3.4
Debt-equity ratio (Gearing), %	-28.9%	-5.7%	407.0	-27.2%
Earnings per share, EUR				
Basic	0.02	0.01	100.0	0.04
Diluted	0.02	0.01	100.0	0.04

ILKKA TOIVOLA, CEO

Dovre Group’s net sales continued growing in Q1, increasing 14% from Q1/2010. All the company’s business divisions increased their net sales. Net sales grew particularly well in North America and Asia. In Q1/2011, the net sales of the Project Personnel division grew by 15% compared to Q1/2010. High oil price shows as an increased interest in investments by major oil and gas companies.

Both the company’s Consulting and Software divisions performed well in Q1/2011, increasing their net sales by 13% and 22%, respectively. Investment levels in the Nordic countries have returned to normal.

The Group’s operating result in Q1/2011 was EUR 2.5 million, including the release of the provision from the defined benefit pension plan in Norway. Excluding the release of the provision from the defined benefit pension plan, the Group’s operating result was as expected, EUR 0.8 million. The company’s cash position continued improving.

In accordance with the company’s new growth strategy, we have delivered our first customer assignments within nuclear energy and strengthened our cooperation with actors within renewable energy. We have also improved our position as a service provider to the oil and gas industry by gaining new customers from among the industry’s major project suppliers. The company has changed its name and outward appearance as outlined in the strategy. By continuous development of our operations, we are able to improve our customer service and internal efficiency, thus supporting the improvement of the operating result as outlined in our guidance.

FUTURE OUTLOOK

Based on market forecasts, we expect the Project Personnel division to grow in 2011. Major oil and gas companies have indicated increased investments in new projects over the next two years. We expect demand for the divisions’ services to grow in North America, Norway, Australia, Papua New Guinea, and Russia. We aim to strengthen our cooperation with the suppliers and producers of renewable energy.

Markets for the Group’s Consulting and Software divisions are estimated to grow 7-9% in most North European countries. Both business divisions expect growth in net sales in 2011.

The Group continues the measures to improve the efficiency of those business units that are not yet performing as expected.

Net sales and operating result in 2011 are expected to grow from 2010. The guidance has not been changed.

This future outlook is based on forecasts approved by Dovre Group’s Board of Directors.

SEGMENT REPORTING

As of January 1, 2011, the Group’s reporting structure has been changed so that the Group consists of three business divisions: Project Personnel, Consulting, and Software. The reorganization has been realized by dividing the Group’s previous Oil & Gas Services division into two new divisions that will focus on project personnel services (Project Personnel division) and management consulting services (Consulting division).Camako, which was previously part of the Group’s Software Solutions division, has been integrated into the Consulting division. The Group’s Software division consists of Safran Software Solutions AS.

Project Personnel, Consulting, Software, and Group functions constitute separate reporting segments. Group functions consists of the Group’s management and administration. Information for the period January 1 – March 31, 2011 as well as the comparative figures for 2010 have been presented according to this segment division.

NET SALES

January – March 2011

In Q1, the Group's net sales increased by 13.9% totaling EUR 18.6 (16.3) million. Project Personnel accounted for 86 (86) %, Consulting for 9 (9) %, and Software for 6 (5) % of the Group's net sales. Net sales for Project Personnel increased by 14.7% totaling EUR 16.0 (13.9) million. Net sales for Consulting grew by 13.1% totaling EUR 1.7 (1.5) million. Net sales for Software grew by 22.4% totaling EUR 1.1 (0.9) million.

Approximately one third of the growth in net sales incurred from positive variations in exchange rates.

Net sales by reporting segment

(EUR million)	1-3 2011	1-3 2010	Change %	1-12 2010
Project Personnel	16.0	13.9	14.7	61.4
Consulting	1.7	1.5	13.1	6.1
Software	1.1	0.9	22.4	3.5
Group functions	0.2	0.0	440.9	0.6
Net sales between segments	-0.4	-0.1	357.8	-0.9
Group total	18.6	16.3	13.9	70.8

Net sales by market area

(EUR million)	1-3 2011	1-3 2010	Change %	1-12 2010
EMEA	8.4	8.7	-3.4	33.5
AMERICAS	9.5	7.3	30.4	34.9
APAC	0.8	0.5	85.9	3.1
Net sales between market areas	-0.2	-0.1	31.4	-0.7
Group total	18.6	16.3	13.9	70.8

(% of net sales)	1-3 2011	1-3 2010	Change %	1-12 2010
EMEA	45.3 %	53.4 %	-15.2	47.3 %
AMERICAS	51.2 %	44.7 %	14.5	49.4 %
APAC	4.5 %	2.8 %	63.2	4.3 %
Net sales between market areas	-1.0 %	-0.8 %	15.4	-1.0 %
Group total	100.0 %	100.0 %	0.0	100.0 %

PROFITABILITY

Operating result January – March, 2011

In Q1, the Group's operating result was EUR 2.5 (0.5) million. Project Personnel division's operating result was EUR 2.5 (0.7) million. Consulting division's operating result was EUR 0.1 (0.0) million. Software division's operating result was EUR 0.2 (0.1) million. Operating result for Group functions was EUR -0.2 (-0.3) million.

The release of the provision for the defined benefit pension plan in Norway improved the Project Personnel division's operating result by EUR 1.7 million.

Operating result by reporting segment

(EUR million)	1-3 2011	1-3 2010	Change %	1-12 2010
Project Personnel	2.5	0.7	246.4	2.4
Consulting	0.1	0.0	2 500.0	0.6
Software	0.2	0.1	51.8	0.4
Group functions	-0.2	-0.3	6.1	0.1
Operating result between segments	0.0	0.0	8.3	-0.2
Group total	2.5	0.5	371.0	3.4

Result January – March 2011

The Group's result before taxes was EUR 2.3 (0.7) million and after taxes EUR 1.4 (0.5) million.

The Group's earnings per share was EUR 0.02 (0.01).

The Group's return on investment (ROI) was 54.6 (15.7) %.

CASH FLOW, FINANCING, AND INVESTMENTS

On March 31, 2011, the Group balance sheet total was EUR 30.8 (31.8) million.

The cash and cash equivalents for the Group totaled EUR 5.9 (4.3) million at the end of the period. In addition, the parent company and the subsidiaries have unused credit limits. The Group's cash and cash equivalents increased by EUR 0.4 (0.5) million during January – March 2011.

The equity ratio was 58.9 (47.3) %. The debt-equity ratio (gearing) was -28.9 (-5.7) %. On March 31, 2011, the interest-bearing liabilities amounted to EUR 0.8 (3.4) million, accounting for 2.5 (10.5) % of the Group's shareholders' equity and liabilities. Of the interest-bearing liabilities, EUR 0.3 (0.7) million were non-current and EUR 0.4 (2.7) million current.

The net cash flow from operating activities was EUR 0.5 (1.1) million. This includes the EUR -0.3 (0.9) million change in working capital. EUR 0.0 million were paid in taxes.

The net cash flow from investing activities was EUR 0.2 (-0.3) million. Gross investments totaled EUR 0.0 (0.4) million.

The net cash flow from financing activities was EUR -0.2 (-0.2) million. The Group drew new loans worth of EUR 0.0 (0.3) million and paid back existing loans worth of EUR 0.2 (0.5) million.

The balance sheet goodwill totaled EUR 7.4 (7.3) million on March 31, 2011. No indications of impairment of assets exist.

RESEARCH AND DEVELOPMENT

The Group's research and development costs were EUR 0.2 (0.3) million, representing 1.0 (1.7) % of the Group's net sales. A total of EUR 0.1 (0.2) million of capitalized research and development costs were in the Group's balance sheet on March 31, 2011.

The Group's R&D costs consist of the R&D of Safran in the Software division and the R&D of Camako in the Consulting division. The development of Safran Project 3.7 version was completed and customer deliveries were started in Q1/2011. Camako completed the development work on a version of Camako EPM that is compatible with the newest Microsoft SharePoint 2010 platform.

CHANGES IN DOVRE GROUP

The Group's CFO Sirpa Haavisto left the company on February 28, 2011. Heidi Karlsson, SVP Corporate Functions, has taken over the CFO's duties as of March 1, 2011.

PERSONNEL

The Group's personnel expenses were EUR 15.0 (14.6) million in Q1/2011.

The personnel expenses of the Project Personnel division were EUR 12.8 (12.6) million. The personnel expenses of the Consulting division were EUR 1.3 (1.2) million. The personnel expenses of the Software division were 0.7 (0.6) million. The personnel expenses of Group functions were EUR 0.2 (0.1) million.

During the period under review, the number of personnel averaged 405 (399).

Personnel by reporting segment (average)

	1-3 2011	1-3 2010	Change %	1-12 2010
Project Personnel	334	337	-0.9	352
Consulting	44	35		34
Software	22	24	-8.3	24
Group functions	5	3	66.7	4
Total	405	399	1.5	414

On March 31, 2011, Dovre Group employed 400 (400) people worldwide. Of these, 330 (338) were employed by the Project Personnel division, 44 (35) by the Consulting division, 22 (24) by the Software division, and 4 (3) by the Group administration.

BUSINESS PERFORMANCE

In accordance with the company's new growth strategy, we have delivered our first customer assignments within nuclear energy and strengthened our cooperation with actors within renewable energy. We have also improved our position as a service provider to the oil and gas industry by gaining new customers from among the industry's major project suppliers. The company has changed its name and outward appearance as outlined in the strategy.

Demand for the services of the Project Personnel division has developed well during Q1/2011, with customer demand exceeding supply. The challenge of increasing the top line has shifted to recruiting new competent personnel. Market activity has increased across all our main market areas.

In Canada, Dovre Group's success in Q1/2011 centered on market growth in offshore and oil sands development projects. In addition, new major projects have been announced. We also expect continued demand for providing personnel to new projects managed in areas such as Houston, Papua New Guinea, and Australia. To respond to customer demand, we are investigating the possibility of establishing ourselves in the Middle East.

In Norway, the oil and gas market shows increased activity, with investment levels estimated to continue growing in 2011-2013. Measured in the number of customer enquiries for project personnel, customer demand has increased markedly in Norway. The number of Dovre consultants employed has increased in Q1/2011. We have actively developed our sales activities, with the first results of this work showing already. In Norway, we are expanding our service portfolio to include technical consulting as well as project consulting.

In the Consulting division, business units both in Norway and Finland have continued growing. We are particularly satisfied with having been awarded a four-year frame agreement with the Norwegian Ministry of Finance. The agreement provides us with an opportunity to continue contributing to the governance and development of large public projects in Norway. In Finland, we have been successful in starting product independent project management consulting and have already completed customer deliveries in both the private and the public sector. In addition, Camako was among the first companies in the Nordic countries to achieve Microsoft's new, and more demanding, 'Project and Portfolio Management' gold certificate.

In the Software division, Safran is actively developing its business by continuing market expansion outside Norway. The company has progressed well in developing sales channels in new countries and has made new partner contracts during Q1/2011. Safran aims to establish new customer contacts in energy industry and shipbuilding.

The work to streamline the Group structure has proceeded according to plan. The reorganization of the Group's legal structure has begun globally and is estimated to be completed during 2011. The Group's financing and financial management will be developed towards a global Group structure. Also, the harmonization of the Group's financial reporting processes and systems has begun. The improvement of the cost structure across all business units continues.

SHARES, SHARE CAPITAL, AND AUTHORIZATION TO ISSUE SHARES

On January 1, 2011, the share capital of Dovre Group was EUR 15,916,854.20 and the total number of shares 61,961,751. On March 31, 2011, the share capital of Dovre Group was EUR 9,603,084.48. On March 17, 2011, Dovre Group's Annual General Meeting decided to reduce the share capital with the amount of EUR 6,313,769.72. The reduction of the share capital was registered in the Finnish Trade Register on March 25, 2011. The total number of shares did not change during the period under review.

Trading and market capitalization

In January – March, 2011, approximately 4.3 million Dovre Group shares were traded on the NASDAQ OMX Helsinki Ltd., corresponding to an exchange of approximately EUR 2.0 million.

From January 1 to March 31, 2011, the lowest quotation was EUR 0.42 and the highest quotation was EUR 0.51. On March 31, 2011, the closing quotation was EUR 0.48.

The period-end market capitalization was approximately EUR 29.7 million.

Shareowners

On March 31, 2011, the number of registered shareholders of Dovre Group totaled 2,963 including 8 nominee registers. 1.3% of the Group's shares are nominee-registered.

Option rights

No shares were subscribed for with Dovre Group Plc's option rights during the period.

On March 31, 2011, a total of 2,450,000 options were outstanding under the 2010 option plan. The company has in reserve 1,570,000 of these. In addition, a total of 1,977,000 options were outstanding under the 2007 option plan. The company has in reserve 384,000 of these.

The 2007 option plan expires on May 31, 2011.

The Authorization of the Board of Directors

The Board of Directors has the authorization to issue shares through issuance of shares or special rights entitling to shares until April 17, 2012.

During the period, no new shares or special rights entitling to shares were issued based on this authorization. On March 31, 2011, a total of 10,620,653 shares or special rights entitling to shares were remaining of the authorization.

CORPORATE GOVERNANCE

On March 17, 2011, the Dovre Group Plc Annual General Meeting set the number of Board members to five. The following five members were elected as the members of the Board: Ilari Koskelo, Antti Manninen, Leena Mäkelä, Hannu Vaajoensuu, and Janne Mielck as a new member. In its first meeting held after the Annual General Meeting, the Board of Directors elected Hannu Vaajoensuu as the Chairman and Antti Manninen as the Vice Chairman of the Board.

Authorized public accountants Ernst & Young Oy continues as the Group's auditor, with APA Mikko Järventausta as the new auditor in charge.

A separate stock exchange bulletin outlining the decisions of the Annual General Meeting was issued on March 17, 2011.

Dovre Group complies with the Finnish Corporate Governance Code, but makes the following exception to the code: The company's Board does not have any designated board committees. The establishment of committees has not been deemed necessary due to the size of the company and the Board.

The Corporate Governance Statement for 2010 has been composed in accordance with Recommendation 51 of the new Corporate Governance Code of the Finnish Securities Market Association and Chapter 2, Section 6 of the Finnish Securities Market Act. The Corporate Governance Statement has been issued separately from the Annual Review by Dovre Group Plc Board of Directors.

Dovre Group's corporate governance principles are available on the company website at www.dovregroup.com.

As of March 1, 2011, the Group's executive team consists of Ilkka Toivola (CEO), Heidi Karlsson (SVP, Corporate Functions), Petri Karlsson (Strategy & Business Development), Mike Critch (Executive Vice President, Project Personnel), Arve Jensen (Executive Vice President, Project Personnel), and Juha Pennanen (Managing Director, Software).

SHORT-TERM RISKS AND UNCERTAINTIES

The success of the Project Personnel division is influenced by the energy sector market as well as investment levels in the oil and gas industry. Project Personnel expands its business to new markets. Growth in new markets requires investment and includes operational risks.

A significant share of the Project Personnel division's net sales comes from a few major clients. Dovre Group has extensive global delivery agreements with these clients and is thus dependent on its key customers and the long-term frame agreements signed with them.

The oil and gas industry in general involves risks, and single projects may experience delays or accidents. Such situations may affect the net sales of the Project Personnel division. However, Dovre Group is not responsible for project delivery, but the company's responsibility is limited to the work performed by its consultants.

Market forecasts indicate that investment levels are growing in the Nordic countries, an important market for the Group's Consulting and Software divisions. Growth levels vary across sectors. Risks involved in project delivery are due to both customers and the Group's own personnel.

During the period under review, Dovre Group did not use any currency hedging. The euro, the Norwegian crown, the US dollar, and the Canadian dollar are the most important currencies for the Group. Currency fluctuations can affect the company's net sales. Receivables and payables in foreign currencies can also result in foreign exchange gains or losses.

OTHER EVENTS

During the period under review, the company changed its name to Dovre Group Plc. The new name was approved by the Annual General Meeting on March 17, 2011. The name change took effect on March 25, 2011. The name change is part of the Group's new growth strategy, which was announced in February 2011.

Espoo, April 27, 2011

Dovre Group Plc
Board of Directors

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Analyst and Press Briefing

Proha arranges a briefing on the interim report for the press and analysts at Radisson Blu Plaza Hotel, Boardroom Cabinet, Mikonkatu 23, Helsinki, Thursday, April 28, 2011 at 10:00 a.m.

Distribution

NASDAQ OMX Helsinki Ltd
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www.dovregroup.com

SUMMARY OF FINANCIAL STATEMENTS AND NOTES

The interim report has been prepared in line with IAS 34 and the same accounting principles have been applied as in the 2010 financial statements. Key indicator calculations remain unchanged and have been presented in the 2010 financial statements.

Reporting segments

As of January 1, 2011, the Group's reporting structure has been changed so that Project Personnel, Consulting, Software, and Group functions constitute separate reporting segments. Information for the period January 1 – March 31, 2011 as well as the comparative figures for 2010 have been presented according to this segment division.

GROUP COMPREHENSIVE INCOME STATEMENT

(EUR thousand)	1-3 2011	1-3 2010	Change %	1-12 2010
NET SALES	18 559	16 295	13.9	70 776
Other operating income	20	13	50.5	1 062
Material and services	-47	-41	16.1	-85
Employee benefits expense	-15 008	-14 626	2.6	-63 798
Depreciation and amortization	-103	-125	-17.1	-532
Other operating expenses	-959	-991	-3.2	-4 052
OPERATING RESULT	2 462	526	368.3	3 370
Financing income	39	234	-83.4	917
Financing expenses	-244	-38	538.2	-898
RESULT BEFORE TAX	2 257	721	212.9	3 389
Tax on income from operations	-822	-266	209.4	-1 063
RESULT FOR THE PERIOD	1 435	456	-215.0	2 326
Other comprehensive income				
Translation differences	-220	714	-130.9	647
Other comprehensive income for the period, net of tax	-220	714	-130.9	647
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1 214	1 169	3.9	2 973
ALLOCATION OF RESULT FOR THE PERIOD				
Result attributable to shareholders of the parent	1 451	452	221.0	2 373
Result attributable to non-controlling interest	-16	4	-541.3	-47
Total	1 435	456	214.9	2 326
ALLOCATION OF COMPREHENSIVE RESULT FOR THE PERIOD				
Result attributable to shareholders of the parent	1 214	1 162	4.4	3 013
Result attributable to non-controlling interest	1	7	-88.6	-40
Total	1 214	1 169	3.9	2 973
Earnings/share EUR				
Basic	0.02	0.01	221.0	0.04
Diluted	0.02	0.01	217.3	0.04

Comprehensive earnings/share EUR				
Basic	0.02	0.02	4.4	0.05
Diluted	0.02	0.02	4.3	0.05

AVERAGE NUMBER OF SHARES

Average number of shares

	1-3 2011	1-3 2010	1-12 2010
Undiluted	61.961.751	61.961.751	61.961.751
Diluted	62.688.899	61.961.751	62.004.184

Number of shares at the end of the period

	31.3.2011	31.3.2010	31.12.2010
Undiluted	61.961.751	61.961.751	61.961.751
Diluted	62.686.646	61.961.751	62.046.387

GROUP BALANCE SHEET

(EUR thousand)	31.3. 2011	31.3. 2010	Change %	31.12. 2010
ASSETS				
Non-current assets				
Intangible assets	1 398	1 678	-16.7	1 462
Goodwill	7 378	7 311	0.9	7 446
Tangible assets	179	204	-12.0	198
Investments in associates	933	933	0.0	933
Available-for-sale investments	76	215	-64.7	76
Trade receivables and other receivables	348	271	28.1	279
Deferred tax asset	7	449	-98.5	699
Non-current assets	10 318	11 061	-6.7	11 092
Current assets				
Trade receivables and other receivables	14 432	16 359	-11.8	14 027
Tax receivable, income tax	125	78	60.3	135
Cash and cash equivalents	5 948	4 283	38.9	5 520
Current assets	20 506	20 720	-1.0	19 682
TOTAL ASSETS	30 823	31 781	-3.0	30 774
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	9 603	15 917	-39.7	15 917
Fair value reserve and other reserves	169	5 188	-96.7	5 155
Translation differences	646	778	-17.0	690
Retained earnings	7 369	-7 195	202.4	-5 197

Equity attributable to shareholders of the parent	17 787	14 689	21.1	16 564
Non-controlling interest	156	201	-22.6	155
Shareholders' equity	17 943	14 890	20.5	16 718
Non-current liabilities				
Deferred tax liability	757	702	7.8	814
Long-term liabilities, interest-bearing	314	712	-55.9	410
Long-term liabilities, interest-free	28	39	-28.5	15
Liabilities from defined benefit plan	0	1 388	-100.0	1 718
Non-current liabilities	1 099	2 841	-61.3	2 958
Current liabilities				
Short-term interest-bearing liabilities	442	2 716	-83.7	563
Trade payables and other liabilities	10 687	11 143	-4.1	9 929
Tax liability, income tax	498	191	161.2	465
Current provisions	155	0		141
Current liabilities	11 782	14 050	-16.1	11 098
TOTAL EQUITY AND LIABILITIES	30 823	31 781	-3.0	30 774

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

a) Share capital
b) Share premium account
c) Unrestricted equity fund
d) Fair value reserve and other reserves
e) Translation differences
f) Retained earnings
g) Equity attributable to shareholders of the parent
h) Non-controlling interest
i) Shareholders' equity total

EUR thousand	a)	b)	c)	d)	e)	f)	g)	h)	i)
SHAREHOLDERS' EQUITY Jan 1, 2010	15 917	0	217	4 976	-140	-7 449	13 520	195	13 714
Transfers between items	0	0	-13	0	0	13	0	0	0
Comprehensive income									
Profit/loss for the period	0	0		0		456	456	-4	452
Other comprehensive income									
Translation differences	0	0	8	0	919	-219	708	11	719
Total comprehensive income	0	0	8	0	919	236	1 163	7	1 171
Transactions with shareholders									
Share based payments	0	0	0	0	0	6	6	0	6
Total transactions with shareholders	0	0	0	0	0	6	6	0	6
SHAREHOLDERS' EQUITY March 31, 2010	15 917	0	212	4 976	778	-7 195	14 689	201	14 891

EUR thousand	a)	b)	c)	d)	e)	f)	g)	h)	i)
SHAREHOLDERS' EQUITY Jan 1, 2011	15 917	0	179	4 976	690	-5 197	16 564	155	16 718
Transfers between items *)	-6 314	0	0	-4 976	0	11 290	0	0	0
Comprehensive income									
Profit/loss for the period	0	0	0	0	0	1 451	1 451	-16	1 435
Other comprehensive income									
Translation differences	0	0	-10	0	-44	-183	-237	17	-220
Total comprehensive income	0	0	-10	0	-44	1 268	1 214	1	1 214
Transactions with shareholders									
Share based payments	0	0	0	0	0	9	9	0	9
Total transactions with shareholders	0	0	0	0	0	9	9	0	9
SHAREHOLDERS' EQUITY March 31, 2011	9 603	0	169	0	646	7 369	17 787	156	17 943

*) Reduction of the share capital of the company and dissolution of the unrestricted equity fund based on the decision of the Annual General Meeting on March 17, 2011

GROUP CASH FLOW STATEMENT

(EUR thousand)	1-3 2011	1-3 2010	1-12 2010
Cash flow from operating activities			
Operating result	2 462	526	3 370
Adjustments:			
Gain on disposal of investment	0	0	-971
Depreciation/Amortization/Impairment	103	125	532
Personnel expenses	-1 648	6	311
Non-cash transactions	0	0	262
Adjustments, total	-1 545	131	135
Changes in working capital:			
Trade and other receivables	-395	-322	1 209
Trade and other payables	57	1 209	-447
Changes in working capital, total	-338	887	762
Interest paid	-17	-37	-235
Interest received	9	9	76
Other financial expenses paid	-67	-5	-579
Other financial expenses received	9	8	476
Income taxes paid	-33	-423	-629
Net cash generated by operating activities	480	1 096	3 376
Cash flow from investing activities			
Acquisition of subsidiaries net cash acquired *)	0	-110	-329
Investments in tangible and intangible assets	-20	-213	-229
Proceeds from available-for-sale financial assets	186	0	937
Dividends received	0	0	23
Net cash generated by investing activities	166	-323	402
Cash flow from financing activities			
Proceeds from short-term loans	0	300	300
Repayments of short-term loans	-121	-548	-2 315
Repayments of long-term loans	-96	0	0
Net cash used in financing activities	-217	-248	-2 015
Change in cash and cash equivalents	428	525	1 762
Cash and cash equivalents at beginning of the period	5 520	3 758	3 758
Change in cash and cash equivalents	428	525	1 762
Cash and cash equivalents at end of the period	5 948	4 283	5 520

*) Additional purchase price for earlier acquisitions

GROUP INCOME STATEMENT QUARTERLY

(EUR thousand)	2011 1-3	2010 1-3	2010 4-6	2010 7-9	2010 10-12
NET SALES	18 559	16 295	18 554	17 376	18 551
Other operating income	20	13	36	1 070	-57
Material and services	-47	-41	-11	-10	-23
Employee benefits expense	-15 008	-14 626	-16 321	-15 809	-17 042
Depreciation and amortization	-103	-125	-136	-158	-113
Other operating expenses	-959	-991	-1 255	-706	-1 100
OPERATING RESULT	2 462	526	867	1 762	215
% of Net sales	13.3%	3.2%	4.7%	10.1%	1.2%
Financing income	39	234	220	232	231
Financing expenses	-244	-38	-102	-502	-257
RESULT BEFORE TAX	2 257	721	985	1 493	190
% of Net sales	12.2%	4.4%	5.3%	8.6%	1.0%
Tax on income from operations	-822	-265	-437	-269	-91
RESULT FOR THE PERIOD	1 435	456	548	1 224	99
% of Net sales	7.7%	2.8%	3.0%	7.0%	0.5%

GROUP COMMITMENTS AND CONTINGENT LIABILITIES

(EUR thousand)	31.3. 2011	31.3. 2010	31.12. 2010
Collateral for own commitments			
Debts secured by corporate mortgages			
Loans and checking account credit lines	62	2554	28
Book value of shares of Dovre Group AS and Dovre Fabcon AS and current assets of Dovre Fabcon AS given as security	469	7300	469
Debts secured by assets			
Loans and checking account credit lines	0	0	0
Book value of trade receivables and fixed assets given as security	4385	619	4773
Debts secured by shares			
Loans and checking account credit lines	0	696	0
Book value of pledged shares	933	933	933
Future minimum lease payments under non-cancellable operating leases			
Not later than one year	413	193	427
Later than one year and not later than five years	1 492	1 024	1 638
Total	1 905	1 217	2 065

RELATED PARTY TRANSACTIONS

Investments in associates	31.3.2011	31.3.2010	31.12.2010
Carrying value, opening balance	933	933	933
At the end of the period	933	933	933

GROUP KEY FINANCIAL PERFORMANCE INDICATORS

(EUR million)	1-3 2011	1-3 2010	1-12 2010
Net sales	18.6	16.3	70.8
Operating result	2.5	0.5	3.4
% of Net sales	13.3%	3.2%	4.8%
Result before taxes	2.3	0.7	3.4
% of Net sales	12.2%	4.4%	4.8%
Result for the period	1.4	0.5	2.3
% of Net sales	7.7%	2.8%	3.3%
Return on equity, %	33.1%	12.7%	15.3%
Return on investment, %	54.6%	15.7%	22.9%
Interest-bearing liabilities	0.8	3.4	1.0
Cash and cash equivalents	5.9	4.3	5.5
Debt-equity ratio (Gearing), %	-28.9%	-5.7%	-27.2%
Equity-ratio, %	58.9%	47.3%	55.5%
Balance sheet total	30.8	31.8	30.8
Gross investments	0.0	0.4	0.2
% of Net sales	0.0%	2.6%	0.3%
R & D costs	0.2	0.3	0.7
% of Net sales	1.0%	1.7%	0.9%
Personnel average for the period	405	399	414
Personnel at the end of the period	400	400	418
Earnings per share, EUR			
Basic	0.02	0.01	0.04
Diluted	0.02	0.01	0.04
Equity per share, EUR	0.29	0.24	0.27

LARGEST SHAREHOLDERS AS OF MARCH 31, 2011

	Shareholder	Shares	% Holding
1	Etola Erkki	16 900 000	27.3 %
	*Etra Capital Oy *)*	*15 000 000*	*24.2 %*
	Etola Erkki	*1 900 000*	*3.1 %*
2	Koskelo Ilari	4 262 590	6.9 %
	Koskelo Ilari	*2 962 590*	*4.8 %*
	*Navdata Oy **)*	*1 300 000*	*2.1 %*
3	Mäkelä Pekka	1 982 375	3.2 %
4	Sijoitusrahasto Evli Suomi	1 673 392	2.7 %
5	Siik Rauni	1 135 000	1.8 %
6	Thominvest Oy	1 043 500	1.7 %
7	Hinkka Petri	1 000 000	1.6 %
8	Siik Seppo Sakari	751 530	1.2 %
9	Paasi Kari	700 000	1.1 %
	Virkki Risto	700 000	1.1 %
11	Ruokostenpohja Ismo	672 950	1.1 %
12	FIM Nordic Sijoitusrahasto	636 974	1.0 %
13	Kefura Ab	620 000	1.0 %
14	Hinkka Invest Oy	583 390	0.9 %
15	Oy Etsmo Ab	550 000	0.9 %
16	Vaajoensuu Hannu	545 000	0.9 %
	*Havacment Oy ***)*	*215 000*	*0.3 %*
	*Vaajoensuu Henri ***)*	*165 000*	*0.3 %*
	*Vaajoensuu Petra ***)*	*165 000*	*0.3 %*
17	Manninen Antti	500 500	0.8 %
	Manninen Antti	*300 000*	*0.5 %*
	Amlax Oy	*200 500*	*0.3 %*
18	Jokinen Reino	434 050	0.7 %
19	Olsson Vesa	400 000	0.6 %
20	Saikko Risto	395 065	0.6 %
	20 largest shareholders (total)	35 486 316	57.3 %
	Nominee registered shares (total)	813 246	1.3 %
	Total remaining	25 662 189	41.4 %
	TOTAL	61 961 751	100.0 %

*) Erkki Etola holds control in Etra Capital Oy.
**) Ilari Koskelo, member of Dovre Group's Board of Directors, holds control in Navdata Oy.
***) Hannu Vaajoensuu, Chairman of Dovre Group's Board of Directors, holds control in Havacment Oy.
Henri and Petra Vaajoensuu are Hannu Vaajoensuu's family members living in the same household with him.