INTERIM REPORT

Q2 2014

Private Equity
Corporate Finance
Asset Management

eQ PLC STOCK EXCHANGE RELEASE

14 August 2014 at 08:45 a.m.

eQ PLC'S INTERIM REPORT 1 JANUARY TO 30 JUNE 2014 – INCOME FROM CLIENT OPERATIONS INCREASED BY ALMOST 50% AND PROFIT MORE THAN DOUBLED

April to June 2014 in brief

- In the second quarter, the Group's net revenue totalled EUR 6.7 million (EUR 4.1 million from 1 April to 30 June 2013).
  - The Group's net fee and commission income totalled EUR 5.8 million (EUR 3.9 million).
  - The Group's net investment income from own investment operations was EUR 0.2 million (EUR 0.2 million).
- The Group's non-recurring other income and expenses totalled EUR 0.6 million (net) (EUR 0.0 million).
- The operating profit of client operations (Asset Management and Corporate Finance) was EUR 3.0 million (EUR 1.3 million).
- The Group's operating profit was EUR 2.7 million (EUR 1.1 million).
- Earnings per share were EUR 0.06 (EUR 0.02).

January to June 2014 in brief

- During the period under review, the Group's net revenue totalled EUR 11.1 million (EUR 9.8 million from 1 Jan. to 30 June 2013).
  - The Group's net fee and commission income totalled EUR 10.3 million (EUR 7.4 million).
  - The Group's net investment income from own investment operations was EUR 0.1 million (EUR 2.5 million).
- The Group's non-recurring other income and expenses totalled EUR 0.6 million (net) (EUR 0.0 million).
- The operating profit of client operations (Asset Management and Corporate Finance) was EUR 4.5 million (EUR 1.8 million).
- The Group's operating profit was EUR 3.6 million (EUR 3.2 million).
- Earnings per share were EUR 0.08 (EUR 0.06).
- The assets under management totalled EUR 7.1 billion at the end of the period (EUR 6.7 billion on 31 Dec. 2013).
- The net cash flow from own investment operations was EUR 3.0 million (EUR 4.8 million from 1 Jan. to 30 June 2013).

Key ratios	4-6/ 2014	4-6/ 2013	Change %	1-6/ 2014	1-6/ 2013	Change %	1-12/ 2013
Net revenue, Group, EUR million	6.7	4.1	66 %	11.1	9.8	14 %	18.8
Net revenue, Asset Management, EUR million	5.3	3.5	51 %	8.6	6.7	28 %	13.6
Net revenue, Corporate Finance, EUR million	1.3	0.5	183 %	2.6	0.9	194 %	2.2
Net revenue, Investments, EUR million	0.1	0.1	33 %	-0.0	2.3	-101 %	3.0
Net revenue, other segments and eliminations, EUR million	0.0	0.0	111 %	0.0	0.0	-326 %	0.0

Key ratios	4-6/ 2014	4-6/ 2013	Change %	1-6/ 2014	1-6/ 2013	Change %	1-12/ 2013
Operating profit, Group, EUR million	2.7	1.1	161 %	3.6	3.2	12 %	4.9
Operating profit, Asset Management, EUR million	2.4	1.2	104 %	3.4	1.7	102 %	3.1
Operating profit, Corporate Finance, EUR million	0.6	0.1	512 %	1.1	0.1	850 %	0.4
Operating profit, Investments, EUR million	0.1	0.1	33 %	-0.0	2.3	-101 %	3.0
Operating profit, other segments, EUR million	-0.4	-0.3	17 %	-0.8	-0.8	1 %	-1.6
Profit for the period, EUR million	2.2	0.7	196 %	2.8	2.2	29 %	3.4
Earnings per share, EUR	0.06	0.02	200 %	0.08	0.06	33 %	0.10
Equity per share, EUR	1.97	1.95	1 %	1.97	1.95	1 %	1.97
Liquid assets and interest-bearing receivables, EUR million	11.6	5.9	96 %	11.6	5.9	96 %	11.3
Private equity investments, EUR million	30.7	35.8	-14 %	30.7	35.8	-14 %	30.6
Interest-bearing liabilities, EUR million	0.0	0.0	0 %	0.0	0.0	0 %	0.0
Assets under management, EUR billion	7.1	6.3	13 %	7.1	6.3	13 %	6.7

Janne Larma, CEO

The first part of the year has mainly given equity investors good returns. The world stock exchange index (MSCI World) gave a 7.3 per cent return, the Helsinki Stock Exchange (OMXH Cap) an 8.4 per cent return and emerging markets (MSCI) a 6.9 per cent return during the six-month period. Long-term interest rates have fallen in both developed and emerging markets and given investors good returns.

In the first half of the year, eQ Asset Management's sales developed in an excellent manner. Our net sales in funds registered in Finland totalled about EUR 180 million. The eQ Emerging Dividend Fund continued to grow, and at the end of June, its size exceeded EUR 285 million. The eQ Care Fund also received new subscriptions, and at the end of June, its size was almost EUR 130 million.

The eQ PE VI North investment programme established by eQ Asset Management was closed at the end of June at EUR 130 million. The assets were raised in record time, 9 months, and the programme exceeded the EUR 100 million target considerably. This clearly shows that investors trust eQ Asset Management and that we offer our clients products that are competitive and interesting. Our consolidated real estate asset management team will begin working in full in the third quarter, and we strongly believe that investors find real estate products interesting. According to estimates, we will launch a new, interesting real estate investment product already during the second half of the year.

Corporate finance business operations have also developed favourably, and during the first six months of the year, Advium has acted as advisor in six transactions. Advium acted, for instance, as financial advisor to Rake Oy, as it sold the Klaus K lifestyle hotel to Kämp Group. Besides, Advium acted as advisor to Sveafastigheter as it agreed on the sale of 68 grocery stores in Finland to the Trophi Fastighets AB fund. After the end of the period under review, Advium acted as advisor to the seller as the State of Finland sold the entire stock of the infrastructure and construction service company Destia Ltd to Ahlström Capital.

During the first half of the year, the income from client operations increased by 47 per cent and the operating profit by 149 per cent from the previous year. The operating profit of the Asset Management segment doubled to EUR 3.4 million from EUR 1.7 million in 2013. The result improvement is due to increasing management fees, above all from real estate asset management. The result comprises EUR 0.6 million (net) of non-recurring income and expenses. The result of the Corporate Finance segment improved clearly, the operating profit being EUR 1.1 million, as compared with EUR 0.1 million the year before. In the Investments segment, the net cash flow was EUR 3.0 million positive, and the value change since the beginning of the year EUR 3.1 million positive. The operating profit was EUR -0.0 million due to write-downs of EUR 0.7 million.

The balance sheet of the Group is in excellent shape. At the end of June, the Group's liquid assets and interest-bearing receivables totalled EUR 11.6 million, and the balance sheet value of the private equity investments was EUR 30.7 million.

I am very pleased with the result of the operations, which has been achieved through some years of consistent work. We will continue with our work eagerly and confidently in the second half of the year.

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eQ's interim report 1 January to 30 June 2014 is enclosed to this release and it will also be available on the company website at www.eQ.fi.

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eQ Group is a Finnish group of companies specialising in asset management and corporate finance business. eQ Asset Management offers a wide range of asset management services (including private equity funds and real estate asset management) for institutions and individuals. The assets managed by the Group total approximately EUR 7.1 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

More information about the Group is available on our website at www.eQ.fi.

eQ PLC'S INTERIM REPORT 1 JAN. TO 30 JUNE 2014

Result of operations and financial position 1 April to 30 June 2014

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- The Group's operating profit was EUR 3.6 million (EUR 3.2 million).
- Consolidated earnings after taxes were EUR 2.8 million (EUR 2.2 million).
- Earnings per share were EUR 0.08 (EUR 0.06).
- Equity per share was EUR 1.97 (EUR 1.97 on 31 Dec. 2013).
- The assets under management totalled EUR 7.1 billion at the end of the period (EUR 6.7 billion on 31 Dec. 2013).
- The net cash flow from own investment operations was EUR 3.0 million (EUR 4.8 million from 1 Jan. to 30 June 2013).

Operating environment

In the first quarter, statistics problems in the US and China caused headaches, but in the second quarter, the picture of the financial situation became clearer and improved. In the US, growth accelerated in the second quarter and above all the labour market situation improved more than expected. Growth in China has remained above 7 per cent, which is less than what we are used to but corresponds to the guidelines of Chinese central government. In Europe, the market was still divided. In the UK, growth is already round 3 per cent, and the growth in Germany is on a solid basis. In most other European countries, however, there is no growth or the figures continue to be negative. The pace of recovery in Finland is still among the weakest in Europe.

In June, the European Central Bank reacted to the slow economic growth and inflation by cutting its interest rate to 0.15 per cent and introducing a negative deposit facility interest rate. The ECB also decided to introduce a liquidity operation based on the lending volumes of banks and possibly even purchase assets from the balance sheets of banks in autumn. This increased the market's trust in a more extensive recovery of Europe on a longer term. The euro fell momentarily, but a greater weakening, which the ECB had hoped for, could not be achieved. At the end of the quarter, the good market sentiment was weakened by the unrest in Iraq, OPEC's second largest oil producer.

Equity market

The equity market rose in the second quarter, even though some weak financial figures and the unrest in Iraq, which began in June, shook the market from time to time. The most important change has been the recovery of the emerging markets – money flows to emerging markets were positive almost during the entire quarter. Besides, China announced that it would continue with the liberalisation of the capital market so that it will become easier for foreigners to buy so-called A shares and, correspondingly, the Chinese are allowed to buy H shares for the first time. Q1 results were very similar to those one year earlier. In the US, company net sales grew by about 3 per cent, profits by approximately 5 per cent, and the majority of companies made better results than analysts had expected. In Europe, net sells decreased by about 2 per cent, results were round zero and many companies still fell short of expectations. In Finland, the total net sales of listed companies fell by no less than 6 per cent, but profits improved by 2 per cent owing to enhanced operations. The rise of the major share indices accelerated in the second quarter and the S&P 500 index rose by 5.9 per cent, STOXX 600 by 3.7 per cent, OMX Helsinki Cap by 6.4 per cent and the MSCI EM Index, which describes emerging market equities, by 7.2 per cent. Since the beginning of 2014, S&P 500 had risen by 7.9 per cent, STOXX 600 by 6.2 per cent, OMX Helsinki Cap by 8.4 per cent, and the MSCI EM Index by 6.9 per cent. Among emerging economies, shares prices increased the most in so-called frontier markets, and the index that describes these markets rose by no less than 21.1 per cent during the first half of the year,

Bond market

Bond market returns continued to be good for euro investors in the second quarter of 2014. During the whole spring, the European Central Bank prepared a new package of measures, which was published in June. The fall of the interest rate, the negative deposit facility interest rate and the other measures promised for autumn supported the European bond market considerably, and even the interest rates of the so-called fringe countries narrowed strongly in relation to Germany. In addition, credit rating agencies raised the ratings of both Portugal and Ireland during the quarter, and Greece applied for – and received – direct financing from the market for the first time in a long period. The euro government bond index gave a 2.4 per cent return in the second quarter, corporate loans with a good rating a 1.8 per cent return and high-yield loans a return of 1.6 per cent. The best return of the quarter came from emerging markets, where both the narrowing of bond spreads and currencies enhanced the return. The FED continued to cut down its liquidity operations, but calmed down the market's fears for interest rate increases. Since the beginning of the year, government bonds gave a yield of 6.4 per cent, investment grade loans a return of 4.2 per cent, high yield loans 4.7 per cent and emerging market corporate loans more than 6 per cent.

Major events during the period under review

The business operations of the Group's subsidiary Finnreit Fund Management Company Ltd were transferred to another subsidiary, eQ Fund Management Company Ltd. Finnreit Fund Management Company Ltd will be merged with eQ Fund Management Company Ltd during the financial period 2014.

The Annual General Meeting of eQ Plc was held on 27 March 2014. The decisions by the Annual General Meeting have been presented in a separate chapter below.

During the second quarter, eQ Plc purchased and annulled a total of 85 000 own shares.

The eQ PE VI North investment programme, established and managed by eQ, grew to EUR 130.0 million by 30 June 2014, when the eQ PE VI North Fund had its final close.

Group net sales and result development

During the period under review, the consolidated net revenue totalled EUR 11.1 million (EUR 9.8 million from 1 Jan. to 30 June 2013). The Group's net fee and commission income rose to EUR 10.3 million (EUR 7.4 million). On the other hand, the income from own investment operations fell from the comparison period. The net investment income was EUR 0.1 million (EUR 2.5 million), including a write-down of EUR 0.7 million (EUR 0.6 million) with a result impact.

The other income of the Group and the Asset Management segment included EUR 0.7 million of non-recurring items related to the adjustment of the additional purchase price of a corporate acquisition made in 2013.

The Group's expenses and depreciation totalled EUR 7.5 million (EUR 6.6 million). Personnel expenses were EUR 5.2 million (EUR 3.6 million), other administrative expenses totalled EUR 0.9 million (EUR 1.2 million), and the other operating expenses were EUR 1.1 million (EUR 1.1 million). The personnel expenses increased from the year before due to result bonuses and the fact that vacation salary reserves were reversed in the third quarter, when they had been reversed in the second quarter in 2013. The other operating expenses include EUR 0.1 million of non-recurring expenses. Depreciation was EUR 0.4 million (EUR 0.6 million), including EUR 0.2 million (EUR 0.5 million) in depreciation of customer agreements allocated to intangible assets in connection with corporate acquisitions.

The Group's operating profit was EUR 3.6 million (EUR 3.2 million). The profit for the period was EUR 2.8 million (EUR 2.2 million).

Business areas

Asset Management

eQ Asset Management offers versatile and innovative asset management services to both institutions and individuals. The Asset Management segment consists of the investment firm eQ Asset Management Ltd and its subsidiaries, the most important of which is eQ Fund Management Company Ltd.

Mutual funds and asset management

In the second quarter, eQ decided to merge the sub-funds of the sector funds to the eQ Global Sectors Fund, and as a result, the number of mutual funds registered in Finland fell by seven. At the end of June, eQ Asset Management had 25 mutual funds.

During the first half of 2014, fixed-income funds gave very good returns that were, overall, among the best in the market. Equity funds also gave good returns in the second quarter, which mostly doubled from the level at the beginning of the year. The returns of emerging market fixed-income and equity funds, which developed in a weaker manner in the first quarter, were good in the second quarter. The eQ Global Utilities and Energy Fund gave an almost 20 per cent return during the six-month period, and the eQ Europe Property, eQ Nordic Small Cap and eQ Europe Dividend funds also gave excellent returns. The only fund with a negative development was the fund that makes investments in Russia. Almost all fixed-income funds gave excellent relative returns, and among the equity funds, eQ Global Utilities and Energy and eQ Emerging Asia gave the best returns as compared with their benchmark indices.

As for sales, even the second quarter was excellent. The net sales of our funds registered in Finland were about EUR 180 million in the six-month period. The eQ Emerging Dividend Fund continued to grow during the quarter from about EUR 160 million at the beginning of the year to more than EUR 285 million. The fund is one of the best funds worldwide making investments in global emerging markets.

Private Equity

On 1 October 2013, eQ launched a new fund called eQ PE VI North, which makes investments in private equity funds that make investments in small and mid-sized companies in Northern Europe. The fund continued to raise funds during the quarter, and we carried out its second close on 17 April. The final close took place on 30 June at EUR 100 million. Altogether 35 investors joined the fund, 23 of which were new investors in eQ's private equity funds. The overall investment capacity of the parallel investment programme and the fund is EUR 130 million, which exceeds the target of EUR 100 million markedly. The investment operations of the fund are advancing well thanks to the secondary market transactions made in it.

Real estate asset management

eQ strengthened its real estate asset management organisation considerably in the second quarter by recruiting three experienced real estate experts. Tero Estovirta, Robert Landtman and Samuel Granvik will consolidate the organisation and make it possible to develop new real estate investment products.

New net subscriptions exceeding EUR 18 million were made in the eQ Care Fund on 30 June. At the end of the second quarter, the size of the eQ Care fund was almost EUR 130 million, and its investment capacity already clearly exceeds EUR 250 million. The fund had 41 objects in its portfolio, and its 12-month return was almost 10 per cent. The fund accepts subscriptions four times a year and redemptions twice a year.

Assets under management and clients

At the end of the quarter, the assets managed by eQ Asset Management totalled EUR 7 094 million, which is an increase by six per cent since the beginning of the year (EUR 6 700 million on 31 Dec. 2013). At the end of the period under review, the assets managed by mutual funds registered in Finland totalled EUR 1 371 million (EUR 1 151 million on 31 Dec. 2013). Mutual funds managed by international partners and other assets covered by asset management operations totalled EUR 2 825 million (EUR 2 846 million). The assets managed under private equity funds and asset management totalled EUR 2 898 million (EUR 2 704 million). EUR 1 572 million (EUR 1 414 million) of these assets were covered by the reporting service.

Result of the Asset Management segment

The net revenue of the Asset Management segment increased by more than 50 per cent from the second quarter of 2013 and the operating profit more than doubled from the second quarter of 2013. The result includes a non-recurring positive item of EUR 0.7 million, which is an adjustment related to an earlier corporate acquisition. Since the beginning of the year, net sales grew by almost 30 per cent and the operating profit more than doubled to EUR 3.4 million. The net revenue, compared with the previous year, fell due to the end of the term of one Private Equity fund at the close of 2013. The Asset Management segment had 58 employees at the end of the quarter.

Asset Management	4-6/ 2014	4-6/ 2013	Change %	1-6/ 2014	1-6/ 2013	Change %	1-12/ 2013
Net revenue, EUR million	5.3	3.5	51%	8.6	6.7	28%	13.6
Operating profit, EUR million	2.4	1.2	104%	3.4	1.7	102%	3.1
Assets under management, EUR billion	7.1	6.3	13%	7.1	6.3	13%	6.7
Personnel	58	59	-2%	58	59	-2%	59

The result of Finnreit Fund Management Company Ltd has been consolidated with the income statement of eQ Group and the Asset Management segment from 1 October 2013.

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.

The first half of the year was considerably better for Advium that the corresponding period last year. The number of corporate and real estate transactions has increased from 2013 owing to the better result outlook and better terms for financing. The general economic outlook in Finland remains, however, modest, and the unstable situation in Ukraine further deteriorates the situation.

In the second quarter, Advium acted as advisor in four transactions. Advium acted as advisor to the seller as Pöyry Plc sold a major part of its real estate planning, consulting, and construction operations in Finland to Ramboll Finland Oy. In addition, Advium acted as financial advisor to Rake Oy as it sold the Klaus K lifestyle hotel to Kämp Group. Advium acted as advisor to a fund managed by Schroder Property KAG, as it sold Kauppakeskus Grani to a fund managed by VTT Kiinteistösijoitus Oy. Additionally, Advium acted as advisor to Sveafastigheter as it agreed on the sale of 68 grocery stores located in Finland to the Trophi Fastighets AB Fund.

After the period under review, Advium acted as advisor to the seller, as the State of Finland sold the entire stock of the infrastructure and construction service company Destia Ltd to Ahlström Capital. Advium also acted as advisor to the buyers, as the State of Finland and the German shipbuilding company Meyer Werft signed an agreement with the Corean parent company STX Europe of STX Finland Ltd on the purchase of the entire share capital of STX Finland Ltd. The final transaction must be approved by, e.g. German competition authorities.

The number of personnel in the Corporate Finance segment was 14 at the end of June.

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	4-6/ 2014	4-6/ 2013	Change %	1-6/ 2014	1-6/ 2013	Change %	1-12/ 2013
Net revenue, EUR million	1.3	0.5	183%	2.6	0.9	194%	2.2
Operating profit, EUR million	0.6	0.1	512%	1.1	0.1	850%	0.4
Personnel	14	13	8%	14	13	8%	13

Investments

The business operations of the Investments segment consist of private equity fund investments made from eQ Group’s own balance sheet. Additional information on the investments of the Group can be found on the company website at www.eQ.fi.

During the period under review, the net revenue of the Investments segment totalled EUR -0.0 million (EUR 2.3 million from 1 Jan. to 30 June 2013). At the end of the period, the fair value of the private equity fund investments was EUR 30.7 million (EUR 30.6 million on 31 December 2013). As for private equity investments, the amount of the remaining investment commitments was EUR 12.2 million (EUR 11.2 million). eQ Plc increased its own investment commitment in the eQ PE VI North private equity fund from EUR 3.0 million to EUR 5.0 million on 30 June, in connection with the final close of the fund.

During the period, the investment objects returned capital for EUR 3.5 million (EUR 3.3 million from 1 Jan. to 30 June 2013) and distributed a profit of EUR 0.8 million (EUR 3.0 million). Capital calls totalled EUR 1.3 million (EUR 1.5 million). The net cash flow from the investments during the period was consequently EUR 3.0 million (EUR 4.8 million). A write-down of EUR 0.7 million (EUR 0.6 from 1 Jan. to 30 June 2013) with an impact on the result was recorded in the first quarter. The value change of investments in the fair value reserve before taxes was EUR 3.1 million (EUR -0.5 million). The return of eQ’s own investment operations since the beginning of operations has been 21.3 per cent p.a. (IRR).

The largest exits and cash flows in the second quarter of 2014 were:

- The Amanda III East fund of funds returned assets as a result of several liquidity transactions that had taken place in the portfolio. EUR 0.2 million was returned to eQ.
- The Amanda IV West fund of funds returned assets as a result of several liquidity transactions that had taken place in the portfolio. EUR 0.3 million was returned to eQ.
- The EQT V fund returned profit distribution funds pawned to the manager of the fund due to the extended operating period of the fund. EUR 0.3 million was returned to eQ.
- The Permira IV fund returned assets of EUR 0.3 million in connection with the exit of a company called Renaissance Learning. The company offers e-service and a programme for assessment, teaching and learning. The company was sold to another private equity investor Hellman & Friedman.

The income of eQ’s own investment operations is recognised due to factors independent of the company. Due to this, the segment’s net revenue and result may vary considerably. eQ has made a decision that it will only make new investments in funds managed by eQ in future.

Investments	4-6/ 2014	4-6/ 2013	Change %	1-6/ 2014	1-6/ 2013	Change %	1-12/ 2013
Net revenue, EUR million	0.1	0.1	33%	-0.0	2.3	-101%	3.0
Operating profit, EUR million	0.1	0.1	33%	-0.0	2.3	-101%	3.0
Fair value of investments, EUR million	30.7	35.8	-14%	30.7	35.8	-14%	30.6
Investment commitments, EUR million	12.2	10.3	18%	12.2	10.3	18%	11.2

Balance sheet

At the end of the period under review, the consolidated balance sheet total was EUR 78.4 million (EUR 77.7 million on 31 Dec. 2013). At the end of the period, eQ Plc’s shareholders’ equity was EUR 71.5 million (EUR 71.8 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 2.8 million, the change in the fair value reserve of EUR 2.4 million, the dividend distribution of EUR -5.5 million, and the purchase and annulment of own shares of EUR -0.2 million. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets and interest-bearing receivables totalled EUR 11.6 million (EUR 11.3 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 under review, the Group had no interest-bearing liabilities (EUR 0.0 million). Interest-free long-term debt was EUR 0.9 million (EUR 1.4 million) and interest-free short-term debt EUR 6.0 million (EUR 4.4 million). eQ’s equity to assets ratio was 91.3% (92.4%).

Shares and share capital

At the end of the period on 30 June 2014, the number of eQ Plc’s shares was 36 357 198 and the share capital was EUR 11 383 873. The number of shares fell by 85 000 during the period as a result of the annulment of own shares held by the company. There were no changes in the share capital during the period under review.

Own shares

At the end of the period, on 30 June 2014, eQ Plc held no own shares. On 17 April 2014, eQ Plc purchased, based on an authorisation by the Annual General Meeting, 85 000 own shares, which had been issued to employees of eQ Group. The company acquired the shares in accordance with the terms of the share issue at original subscription price based on the termination of employment. The company annulled the shares on 17 June 2014. The amount corresponded to about 0.23 per cent of the company's entire share capital.

Shareholders

Ten major shareholders on 30 June 2014

	Share of votes and shares, %
Fennogens Investements SA	16.25%
Chilla Capital	12.02%
Ulkomarkkinat Oy	10.39%
Veikko Laine Oy	10.10%
Oy Hermitage Ab	6.31%
Mandatum Life Insurance Company	5.65%
Oy Cevante Ab	3.90%
Teamet Oy	3.30%
Fazer Jan Peter	2.93%
Louko Antti Jaakko	2.06%

On 30 June 2014, eQ Plc had 3 273 shareholders.

Option scheme 2010

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.

At the end of the period under review, altogether 1 700 000 options had been allocated. Based on the authorisation given to the Board on 14 April 2010 by the Annual General Meeting, there were 20 000 options still available for allocation at the end of the 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.

Decisions by the Annual General Meeting

eQ Plc's Annual General Meeting (AGM), held on Thursday 27 March 2014 in Helsinki, decided upon the following:

Confirmation of the financial statements

eQ Plc's AGM confirmed the financial statements of the company, which included the consolidated financial statements, the report by the Board of Directors, and the auditors' report for the financial year 2013.

Decision in respect of the result shown on the balance sheet

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.15 per share be paid. The dividend was paid to shareholders who, on the record date for the dividend payment, i.e. 1 April 2014, were recorded in the shareholder register held by Euroclear Finland Ltd. The dividend was paid on 8 April 2014.

Discharge from liability to the Board of Directors and the CEO

The AGM decided to grant discharge from liability to the Board of Directors and the CEO.

Number of directors, appointment of directors, and the remuneration of directors

According to the decision of the AGM, five members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Christina Dahlblom, Georg Ehrnrooth, Ole Johansson, and Jussi Seppälä were re-elected to the Board for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: the Chairman of the Board will receive EUR 3 300 and the other directors EUR 1 800 per month. Travel and lodging costs will be compensated in accordance with the company's expense policy. The Board elected Ole Johansson Chairman of the Board at its meeting held immediately after the AGM.

Auditors and auditors' compensation

The AGM decided to elect the corporation of authorised public accountants KPMG Oy Ab auditor of the company. The auditor with main responsibility appointed by the company is Raija-Leena Hankonen, APA. It was decided to compensate the auditor according to an invoice approved by eQ Plc.

Authorising the Board of Directors to decide on the repurchase of shares

The AGM authorised the Board of Directors to decide on the repurchase of the company's own shares in one or several transactions on the following terms: the Board of Directors was authorised to decide on the repurchase of no more than 1 000 000 own shares, which corresponded to approximately 2.74 per cent of all the shares in the company on the date of the notice of the AGM. The shares will be repurchased with assets from the company's unrestricted equity, which means that any repurchases will reduce the distributable assets of the company. Shares may be repurchases otherwise than in proportion to the shareholdings of the shareholders with assets from the company's unrestricted equity at the market price of the shares in public trading on NASDAQ OMX Helsinki at the time of purchase or at a lower price.

Own shares may be repurchased in order to develop the company's capital structure, to finance corporate acquisitions or other business transactions, to finance or carry out investments or other arrangements pertaining to the company operations, or they may be used as part of the company's incentive schemes. For said purposes, the repurchased shares may be held, cancelled, or transferred further. The Board of Directors shall decide on 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 next AGM, no longer than 18 months, however.

Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The AGM 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 total of 5 000 000 new shares. The amount of the authorisation corresponded to approximately 13.72 per cent of all shares in the company on the date of the notice of the AGM.

The authorisation can be used in order to finance or carry out potential acquisitions or other business transactions, to strengthen the balance sheet and the 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 all matters related to 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 the 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 to certain persons, i.e. in deviation of the shareholders' pre-emptive rights as described in said Act. A share issue may also be executed without payment in accordance with the preconditions set out in the Limited Liability Companies Act. The authorisation cancels all previous corresponding authorisations and is effective until the next AGM, no longer than 18 months, however.

Personnel and organisation

At the end of the period, the number of Group personnel was 79 (82 on 31 December 2013). The Asset Management segment had 58 (59) employees, the Corporate Finance segment 14 (13) employees and the Investments segment 1 (1) employee. Group administration had 6 (9) employees. The personnel of the Asset Management segment comprises three persons with fixed-term employment and that of the Corporate Finance segment one person with fixed-term employment. Of the personnel, 78 persons (79) worked in Finland and 1 person (3) in other Scandinavian countries.

The overall salaries paid to the employees of eQ Group during the period under review totalled EUR 5.2 million (EUR 3.6 million from 1 Jan. to 30 June 2013). As compared with 2013, the salary expenses were increase by result bonuses and the fact that vacation salary reserves were reversed in the third quarter, when they had been reversed in the second quarter in 2013.

Major risks and short-term uncertainties

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. On the other hand, the management fees of private equity funds are based on long-term agreements that produce a stable cash flow.

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.

The risks associated with eQ Group's own investment operations are the market risk, currency risk and liquidity risk. Among these, the market risk has the greatest impact on investments. The company's own 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 income from eQ Group's own investment operations is recognised for eQ in different quarters due to factors independent of the company, depending on the exits from private equity funds. The income from investment operations may vary considerably from quarter to quarter.

Events after the period under review

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 period under review, in the third or fourth quarter of 2014, is estimated to be about EUR 1.5 million, of which the estimated distribution of profits accounts for about EUR 0.1 million.

After the period under review, Advium acted as advisor to the seller, as the State of Finland sold the entire stock of the infrastructure and construction service company Destia Ltd to Ahlström Capital. Advium also acted as advisor to the buyers, as the State of Finland and the German shipbuilding company Meyer Werft signed an agreement with the Corean parent company STX Europe on of STX Finland Ltd on the purchase of the entire share capital of STX Finland Ltd. The final transaction must be approved by, e.g. German competition authorities.

The Financial Supervision Authority granted eQ Fund Management Company Ltd the license to act as alternative investment fund manager (AIFM) on 8 July 2014.

eQ Plc
Board of Directors

TABLES

Principles for drawing up the report

The interim report has been prepared in accordance to IFRS standards and the IAS 34 Interim Reports standard, approved by the EU.

The income of eQ's own investment operations is recognised due to factors independent of the company. Due to this, the net income from available-to-sale financial assets may vary considerably.

On 30 September 2013, eQ increased its holding in Finnreit Fund Management Company Ltd from 50 to 100 per cent. Finnreit Fund Management Company has been consolidated as subsidiary from 1 October 2013.

The interim report has not been audited.

CONSOLIDATED INCOME STATEMENT, EUR 1 000

	4–6/14	4–6/13	1–6/14	1–6/13	1–12/13
Fee and commission income	5 859	3 956	10 420	7 529	15 670
Net income from foreign exchange dealing	-4	-14	-3	-9	-24
Interest income	6	4	10	8	28
Net income from available-for-sale financial assets	222	211	119	2 462	3 430
Other operating income	710	-	710	-	-
Operating income, total	6 794	4 158	11 257	9 990	19 105
Fee and commission expenses	-53	-69	-108	-135	-269
Interest expenses	-9	-21	-16	-54	-69
NET REVENUE	6 732	4 067	11 133	9 801	18 767
Administrative expenses					
Personnel expenses	-2 725	-1 615	-5 150	-3 639	-8 052
Other administrative expenses	-459	-570	-900	-1 236	-2 263
Depreciation on tangible and intangible assets	-189	-313	-377	-626	-1 388
Other operating expenses	-612	-516	-1 054	-1 061	-2 136
Impairment losses of other financial assets	-	-	-38	-	-
OPERATING PROFIT (-LOSS)	2 748	1 053	3 615	3 239	4 928
Share of associated companies' results	-	-35	-	-70	-71
PROFIT BEFORE TAXES	2 748	1 018	3 615	3 168	4 857
Income tax	-570	-283	-784	-971	-1 443
PROFIT (LOSS) FOR THE PERIOD	2 177	735	2 830	2 197	3 414

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4–6/14	4–6/13	1–6/14	1–6/13	1–12/13
Other comprehensive income:					
Items that may be reclassified subsequently to the income statement:					
Available-for-sale financial assets, net	1 587	1 278	2 448	-389	-1 083
Translation differences	-6	-8	-10	4	15
Other comprehensive income after taxes	1 581	1 270	2 438	-385	-1 068
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3 759	2 005	5 268	1 813	2 346

Profit for the period attributable to:					
Equity holders of the parent company	2 180	743	2 808	2 233	3 487
Non-controlling interests	-3	-7	22	-36	-73
Comprehensive income for the period attributable to:					
Equity holders of the parent company	3 761	2 013	5 246	1 849	2 419
Non-controlling interests	-3	-7	22	-36	-73
Earnings per share calculated from the profit of equity holders of the parent company:					
Earnings per average share, EUR	0.06	0.02	0.08	0.06	0.10
Diluted earnings per average share, EUR	0.06	0.02	0.08	0.06	0.09

CONSOLIDATED BALANCE SHEET, 1 000 EUR

	30 June 2014	30 June 2013	31 Dec. 2013
ASSETS			
Liquid assets	23	15	28
Claims on credit institutions	10 415	4 619	9 955
Claims on the public and public sector entities	1 200	1 300	1 300
Available-for-sale financial assets			
Financial securities	66	50	51
Private equity investments	30 748	35 810	30 600
Shares in associated companies	-	294	-
Intangible assets	30 758	28 981	31 120
Tangible assets	105	120	116
Other assets	3 265	2 062	2 214
Accruals and prepaid expenditure	977	1 654	1 647
Income tax receivables	492	705	96
Deferred tax assets	321	608	527
TOTAL ASSETS	78 371	76 217	77 653
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	2 594	1 737	2 618
Accruals and deferred income	2 597	1 764	2 382
Income tax liabilities	790	722	131
Deferred tax liabilities	871	893	732
TOTAL LIABILITIES	6 852	5 115	5 863
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Fair value reserve	-119	-1 873	-2 567
Translation difference	0	-1	10
Reserve for invested unrestricted equity	52 167	52 167	52 167
Retained earnings	5 590	7 512	7 654
Profit (loss) for the period	2 808	2 233	3 487
Attributable to non-controlling interests	-310	-320	-345
TOTAL EQUITY	71 519	71 102	71 790
TOTAL LIABILITIES AND EQUITY	78 371	76 217	77 653

CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-6/2014	1-6/2013	1-12/2013
CASH FLOW FROM OPERATIONS			
Operating profit	3 615	3 239	4 929
Depreciation and write-downs	1 112	626	2 438
Interest income and expenses	5	46	41
Transactions with no related payment transactions	76	165	337
Available-for-sale investments, change	2 200	1 824	5 883
Change in working capital			
Business receivables, increase (-) / decrease (+)	-306	1 015	1 473
Interest-free debt, increase (+) / decrease (-)	60	-2 221	-1 722
Total change in working capital	-246	-1 206	-249
Cash flow from operations before financial items and taxes	6 762	4 694	13 378
Interests received	10	8	28
Interests paid	-16	-54	-69
Taxes	-652	-1 055	-1 870
CASH FLOW FROM OPERATIONS	6 105	3 593	11 467
CASH FLOW FROM INVESTMENTS			
Acquisition of subsidiaries excluding acquired cash	-	-	-1 932
Investments in intangible and tangible assets	-22	-229	-438
CASH FLOW FROM INVESTMENTS	-22	-229	-2 370
CASH FLOW FROM FINANCING			
Dividends paid	-5 466	-4 411	-4 411
Purchase of own shares	-161	-	-
Income from share issue	-	291	291
Repayment of loans	-	-4 000	-4 000
Changes in subsidiary holdings	-	-	-386
CASH FLOW FROM FINANCING	-5 627	-8 119	-8 505
INCREASE/DECREASE IN LIQUID ASSETS	456	-4 755	593
Liquid assets on 1 Jan.	9 982	9 389	9 389
Liquid assets on 30 June/31 Dec.	10 438	4 635	9 982

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR 1 000

	Equity attributable to equity holders of the parent company							
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total	Share of non-controlling interests	Total equity
Shareholders' equity on 1 Jan. 2013	11 384	51 875	-1 484	-5	11 758	73 528	77	73 604
Profit (loss) for the period					2 233	2 233	-36	2 197
Other comprehensive income								
Available-for-sale financial assets			-389			-389		-389
Translation differences				4		4		4
Total comprehensive income			-389	4	2 233	1 849	-36	1 813
Share issue		291				291		291
Dividend distribution					-4 411	-4 411		-4 411
Other changes					0	0		0
Options granted					165	165		165
Changes in subsidiary holdings							-361	-361
Shareholders' equity on 30 June 2013	11 384	52 167	-1 873	-1	9 745	71 422	-320	71 102

Shareholders' equity on 1 Jan. 2014	11 384	52 167	-2 567	10	11 141	72 135	-345	71 790
Profit (loss) for the period					2 808	2 808	22	2 830
Other comprehensive income								
Available-for-sale financial assets			2 448			2 448		2 448
Translation differences				-10		-10		-10
Total comprehensive income			2 448	-10	2 808	5 246	22	5 268
Dividend distribution					-5 466	-5 466		-5 466
Annulment of own shares					-161	-161		-161
Options granted					76	76		76
Other changes							12	12
Shareholders' equity on 30 June 2014	11 384	52 167	-119	0	8 398	71 829	-310	71 519

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 June 2014		30 June 2013		31 Dec. 2013	
	Fair value	Book value	Fair value	Book value	Fair value	Books value
Financial assets						
Available-for-sale financial assets						
Private equity investments	30 748	30 748	35 810	35 810	30 600	30 600
Financial securities	66	66	50	50	51	51
Loan receivables	1 200	1 200	1 300	1 300	1 300	1 300
Accounts receivable and other receivables	4 735	4 735	4 420	4 420	3 957	3 957
Liquid assets	10 438	10 438	4 635	4 635	9 982	9 982
Total	47 187	47 187	46 214	46 214	45 890	45 890
Financial liabilities						
Liabilities to credit institutions	-	-	-	-	-	-
Accounts payable and other liabilities	5 980	5 980	4 222	4 222	5 131	5 131
Total	5 980	5 980	4 222	4 222	5 131	5 131

The table shows the fair values and book values of financial assets and liabilities per balance sheet item. The assessment principles of fair values are presented in the accounting principles.
The original book value of accounts receivable and accounts payable corresponds to their fair value, as the impact of discounting is not essential taking into account the maturity of the receivables and liabilities.

Value of financial instruments across the three levels of the fair value hierarchy

	30 June 2014		30 June 2013		31 Dec. 2013	
	Fair value	Level 3	Fair value	Level 3	Fair value	Level 3
Available-for-sale financial assets						
Private equity investments	30 748	30 748	35 810	35 810	30 600	30 600
Financial securities	66	66	50	50	51	51
Total	30 814	30 814	35 860	35 860	30 652	30 652

Level 3 reconciliation – Available-for-sale financial assets:

	Private equity investments	Financial securities	Total
Opening balance on 1 Jan. 2014	30 600	51	30 652
Calls	1 274	15	1 289
Returns	-3 489	-	-3 489
Impairment loss	-697	-	-697
Change in fair value	3 060	-	3 060
Closing balance on 30 June 2014	30 748	66	30 814

	Private equity investments	Financial securities	Total
Opening balance on 1 Jan. 2013	38 691	50	38 741
Calls	1 467	-	1 467
Returns	-3 284	-	-3 284
Impairment loss	-550	-	-550
Change in fair value	-515	-	-515
Closing balance on 30 June 2013	35 810	50	35 860

	Private equity investments	Financial securities	Total
Opening balance on 1 Jan. 2013	38 691	50	38 741
Calls	3 046	-	3 046
Returns	-8 928	-	-8 928
Impairment loss	-1 050	-	-1 050
Change in fair value	-1 158	1	-1 157
Closing balance on 31 Dec. 2013	30 600	51	30 652

The fair values of level 3 instruments are based on the value of the fund according to the management company of the fund and their use in widely used valuation models.
Private equity investments are valued in accordance with a practice widely used in the sector, International Private Equity and Venture Capital Guidelines.
The impairment losses of private equity investments are based on the management's assessment, as described in the principles for preparing the financial statements. During the period under review, no transfers took place between the levels of the fair value hierarchy.

SEGMENT INFORMATION, EUR 1 000

4-6/14	Asset Man.	Corporate Finance	Invest-ments	Other	Elimin-ations	Group total
Fee and commission income	4 541	1 318	-	-		5 859
From other segments	75	-	-	-	-75	-
Net income from foreign exchange dealing	-2	-	-	-2		-4
Interest income	-	-	-	6		6
Net income from available-for sale financial assets	-	-	222	-		222
Other operating income	710	-	-	-		710
From other segments	-	-	-	19	-19	-
Operating income, total	5 324	1 318	222	24	-94	6 794
Fee and commission expenses	-49	-	-	-5		-53
To other segments	-	-	-75	-	75	-
Interest expenses	-	-	-	-9		-9
NET REVENUE	5 276	1 318	147	11	-19	6 732
Administrative expenses						
Personnel expenses	-1 849	-618	-	-258		-2 725
Other administrative expenses	-341	-62	-	-75	19	-459
Depreciation on tangible and intangible assets	-180	-3	-	-6		-189
Other operating expenses	-464	-73	-	-75		-612
Impairment losses of other financial assets	-	-	-	-		-
OPERATING PROFIT (LOSS)	2 441	563	147	-404	0	2 748
Share of associated companies' results	-	-	-	-		-
PROFIT BEFORE TAXES	2 441	563	147	-404		2 748
Income tax				-570		-570
PROFIT (LOSS) FOR THE PERIOD				-974		2 177

4-6/13	Asset Man.	Corporate Finance	Invest-ments	Other	Elimin-ations	Group total
Fee and commission income	3 490	466	-	-		3 956
From other segments	100	-	-	-	-100	-
Net income from foreign exchange dealing	-18	-	-	5		-14
Interest income	-	-	-	4		4
Net income from available-for-sale financial assets	-	-	211	-		211
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	3 572	466	211	28	-119	4 158
Fee and commission expenses	-68	-	-	-2		-69
To other segments	-	-	-100	-	100	-
Interest expenses	-	-	-	-21		-21
NET REVENUE	3 504	466	111	5	-19	4 067

4-6/13	Asset Man.	Corporate Finance	Invest-ments	Other	Elimin-ations	Group total
Administrative expenses						
Personnel expenses	-1 165	-251	-	-200		-1 615
Other administrative expenses	-455	-53	-	-81	19	-570
Depreciation on tangible and intangible assets	-304	-3	-	-6		-313
Other operating expenses	-387	-67	-	-62		-516
OPERATING PROFIT (LOSS)	1 194	92	111	-344	0	1 053
Share of associated companies' results	-35	-	-	-		-35
PROFIT BEFORE TAXES	1 159	92	111	-344		1 018
Income tax				-283		-283
PROFIT (LOSS) FOR THE PERIOD				-627		735

1-6/14	Asset Man.	Corporate Finance	Invest-ments	Other	Elimin-ations	Group total
Fee and commission income	7 825	2 596	-	-		10 420
From other segments	150	-	-	-	-150	-
Net income from foreign exchange dealing	-2	-	-	-2		-3
Interest income	-	-	-	10		10
Net income from available-for sales financial assets	-	-	119	-		119
Other operating income	710	-	-	-		710
From other segments	-	-	-	38	-38	-
Operating income, total	8 683	2 596	119	47	-188	11 257
Fee and commission expenses	-99	-	-	-9		-108
To other segments	-	-	-150	-	150	-
Interest expenses	-	-	-	-16		-16
NET REVENUE	8 584	2 596	-31	23	-38	11 133
Administrative expenses						
Personnel expenses	-3 394	-1 205	-	-552		-5 150
Other administrative expenses	-669	-129	-	-141	38	-900
Depreciation on tangible and intangible assets	-359	-6	-	-12		-377
Other operating expenses	-760	-141	-	-153		-1 054
Impairment losses of other financial assets	-	-38	-	-		-38
OPERATING PROFIT (LOSS)	3 402	1 078	-31	-835	0	3 615
Share of associated companies' results	-	-	-	-		-
PROFIT BEFORE TAXES	3 402	1 078	-31	-835		3 615
Income tax				-784		-784
PROFIT (LOSS) FOR THE PERIOD				-1 619		2 830

1-6/13	Asset Man.	Corporate Finance	Invest-ments	Other	Elimin-ations	Group total
Fee and commission income	6 645	884	-			7 529
From other segments	200	-	-		-200	-
Net income from foreign exchange dealing	-9	-	-	0		-9
Interest income	-	-	-	8		8
Net income from available-for sale financial assets	-	-	2 462			2 462
Other operating income	-	-	-			-
From other segments	-	-	-	38	-38	-
Operating income, total	6 836	884	2 462	46	-238	9 990
Fee and commission expenses	-134	-	-	-2		-135
To other segments	-	-	-200	-	200	-
Interest expenses	-	-	-	-54		-54
NET REVENUE	6 703	884	2 262	-10	-38	9 801
Administrative expenses						
Personnel expenses	-2 654	-515	-	-469		-3 639
Other administrative expenses	-983	-115	-	-175	38	-1 236
Depreciation on tangible and intangible assets	-607	-6	-	-13		-626
Other operating expenses	-770	-134	-	-157		-1 061
Impairment losses of other financial assets	-	-	-	-		-
OPERATING PROFIT (LOSS)	1 688	113	2 262	-825	0	3 239
Share of associated companies' results	-70	-	-	-		-70
PROFIT BEFORE TAXES	1 618	113	2 262	-825		3 168
Income tax				-971		-971
PROFIT (LOSS) FOR THE PERIOD				-1 796		2 197

1-12/13	Asset Man.	Corporate Finance	Invest-ments	Other	Elimin-ations	Group total
Fee and commission income	13 511	2 159	-	-		15 670
From other segments	400	-	-	-	-400	-
Net income from foreign exchange dealing	-23	-	-	-1		-24
Interest income	-	-	-	28		28
Net income from available-for sale financial assets	-	-	3 430	-		3 430
Other operating income	-	-	-	-		-
From other segments	-	-	-	76	-76	-
Operating income, total	13 888	2 159	3 430	103	-476	19 105
Fee and commission expenses	-267	-	-	-2		-269
To other segments	-	-	-400	-	400	-
Interest expenses	-	-	-	-69		-69
NET REVENUE	13 621	2 159	3 030	33	-76	18 767
Administrative expenses						
Personnel expenses	-5 774	-1 253	-	-1 025		-8 052
Other administrative expenses	-1 806	-243	-	-290	76	-2 263
Depreciation on tangible and intangible assets	-1 350	-12	-	-26		-1 388
Other operating expenses	-1 552	-261	-	-323		-2 136
OPERATING PROFIT (LOSS)	3 139	389	3 030	-1 631	0	4 928
Share of associated companies' results	-71	-	-	-		-71
PROFIT BEFORE TAXES	3 068	389	3 030	-1 631		4 857
Income tax				-1 443		-1 443
PROFIT (LOSS) FOR THE PERIOD				-3 074		3 414

The fee and commission 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 provided by Group administration to other segments and the undivided interest income and expenses. The item Other also includes the undivided personnel, administration and other expenses allocated to Group administration. The taxes not distributed to the segments are also presented under the item Other.

The highest operative decision-making body does not follow assets and liabilities at segment level, due to which the Group's assets and liabilities are not presented as divided between the segments.

In 2014, the other income of the Asset Management segment includes EUR 0.7 million of non-recurring items related to the adjustment of the additional purchase price of a corporate acquisition made in 2013. The other operating expenses comprise EUR 0.1 million of non-recurring expenses.

GROUP KEY RATIOS

	30 June 2014	30June 2013	31 Dec. 2013
Profit (loss) for the period to the equity holders of the parent company (EUR 1 000)	2 808	2 233	3 487
Earnings per average share, EUR	0.08	0.06	0.10
Diluted earnings per average share, EUR	0.08	0.06	0.09
Equity per share, EUR	1.97	1.95	1.97
Equity per average share, EUR *)	1.96	1.95	1.97
Return on investment, ROI % p.a.	7.9	6.1	4.7
Return on equity, ROE % p.a.	7.9	6.1	4.7
Equity to assets ratio, %	91.3	93.3	92.4
Group's total capital ratio, %	33.8	40.0	35.7
Share price at the end of the period, EUR	2.57	2.15	2.29
Number of personnel at the end of the period	79	81	82

*) Weighted average number of shares outstanding.

RELATED PARTY TRANSACTIONS

Open balances with key persons belonging to the company management

On 4 September 2012, eQ Plc's Board decided 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. On 30 June 2014, EUR 1.2 million of this loan was an open receivable.

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.

Transactions with related parties and receivables from related parties, EUR 1 000

Associated companies - Finnreit Fund Management Company Ltd, associated company till 30 September 2013

	1–6/14	1–6/13	1–12/13
Sales	-	55	156
Receivables	-	27	-

REMAINING COMMITMENTS

On 30 June 2014, eQ's remaining commitments in private equity funds totalled EUR 12.2 million (EUR 11.2 million on 31 Dec. 2013). Other commitments at the end of the period under review totalled EUR 0.3 million (EUR 0.4 million on 31 Dec. 2013).