

ILMARINEN'S INTERIM REPORT Q1 / 2013

Press conference 23 April 2013

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ILMARINEN



KEY OBSERVATIONS IN JANUARY–MARCH 2013

- Return on investments in January–
March
2.0 per cent
 - At **4.7 per cent**, equity investments
generated the best return
- Long-term return at a good level
 - Nominal return **5.7 per cent**
 - Real return **3.7 per cent**
- Solvency strengthened

RETURN ON INVESTMENTS 2.0%

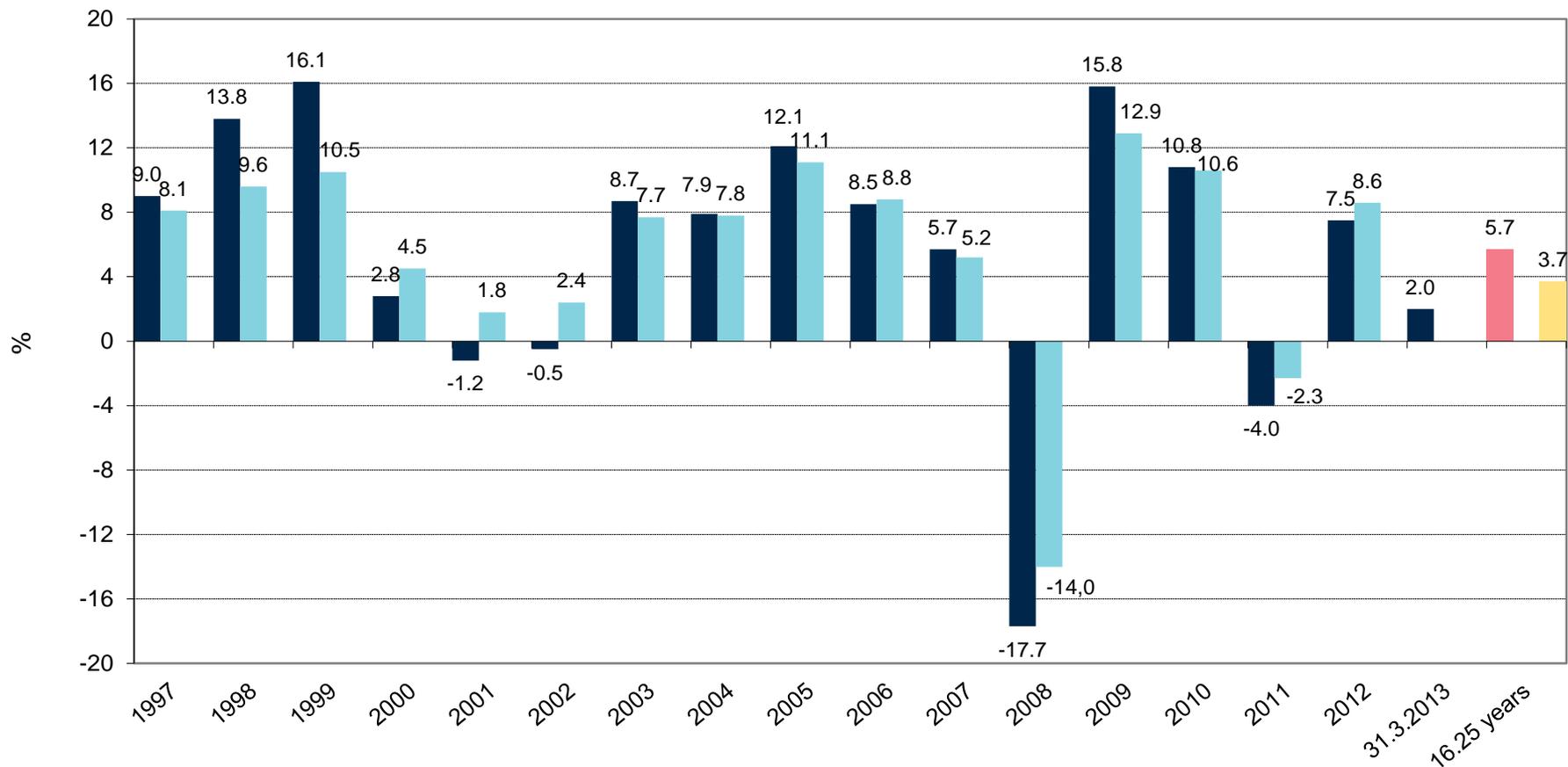
Asset allocation and return

| | Market value EUR mill. | Market value % | Risk breakdown EUR mill. | Risk breakdown % | Return % | Volatility |
|---|---------------------------|-------------------|--------------------------------|------------------------|-------------|------------|
| Fixed income investments | 13,791.1 | 45.3 | 12,485.3 | 41.0 | 1.1 | |
| Loan receivables | 2,221.5 | 7.3 | 2,221.5 | 7.3 | 1.0 | |
| Public corporation bonds | 4,168.9 | 13.7 | 1,265.5 | 4.2 | -0.4 | 2.4 |
| Bonds | 5,808.4 | 19.1 | 315.2 | 1.0 | 2.4 | 2.4 |
| Other money market instruments (incl. investment receivables and payables) | 1,592.3 | 5.2 | 8,683.1 | 28.5 | 0.8 | |
| Equities and shares | 11,465.0 | 37.7 | 12,809.8 | 42.1 | 4.1 | |
| Listed equities and shares | 9,267.8 | 30.5 | 10,609.9 | 34.9 | 4.7 | 15.1 |
| Private equity investments | 1,388.9 | 4.6 | 1,388.9 | 4.6 | 1.7 | |
| Unlisted equities and shares | 808.3 | 2.7 | 810.9 | 2.7 | 2.0 | |
| Real estate investments | 3,527.6 | 11.6 | 3,527.6 | 11.6 | 1.1 | |
| Direct real estate investments | 2,986.1 | 9.8 | 2,986.1 | 9.8 | 1.2 | |
| Real estate funds and joint investments | 541.4 | 1.8 | 541.4 | 1.8 | 0.3 | |
| Other investments | 1,642.0 | 5.4 | 1,603.0 | 5.3 | -2.1 | |
| Hedge fund investments | 385.5 | 1.3 | 385.5 | 1.3 | 4.5 | 7.1 |
| Commodity investments | 0.3 | 0.0 | 13.0 | 0.0 | - | |
| Other | 1,256.2 | 4.1 | 1,204.5 | 4.0 | - | |
| Investments total | 30,425.6 | 100.0 | 30,425.6 | 100.0 | 2.0 | 4.4 |

The modified duration of bond investments is -0.6 years.

REAL RETURN ON INVESTMENT IN THE LONG TERM 3.7%

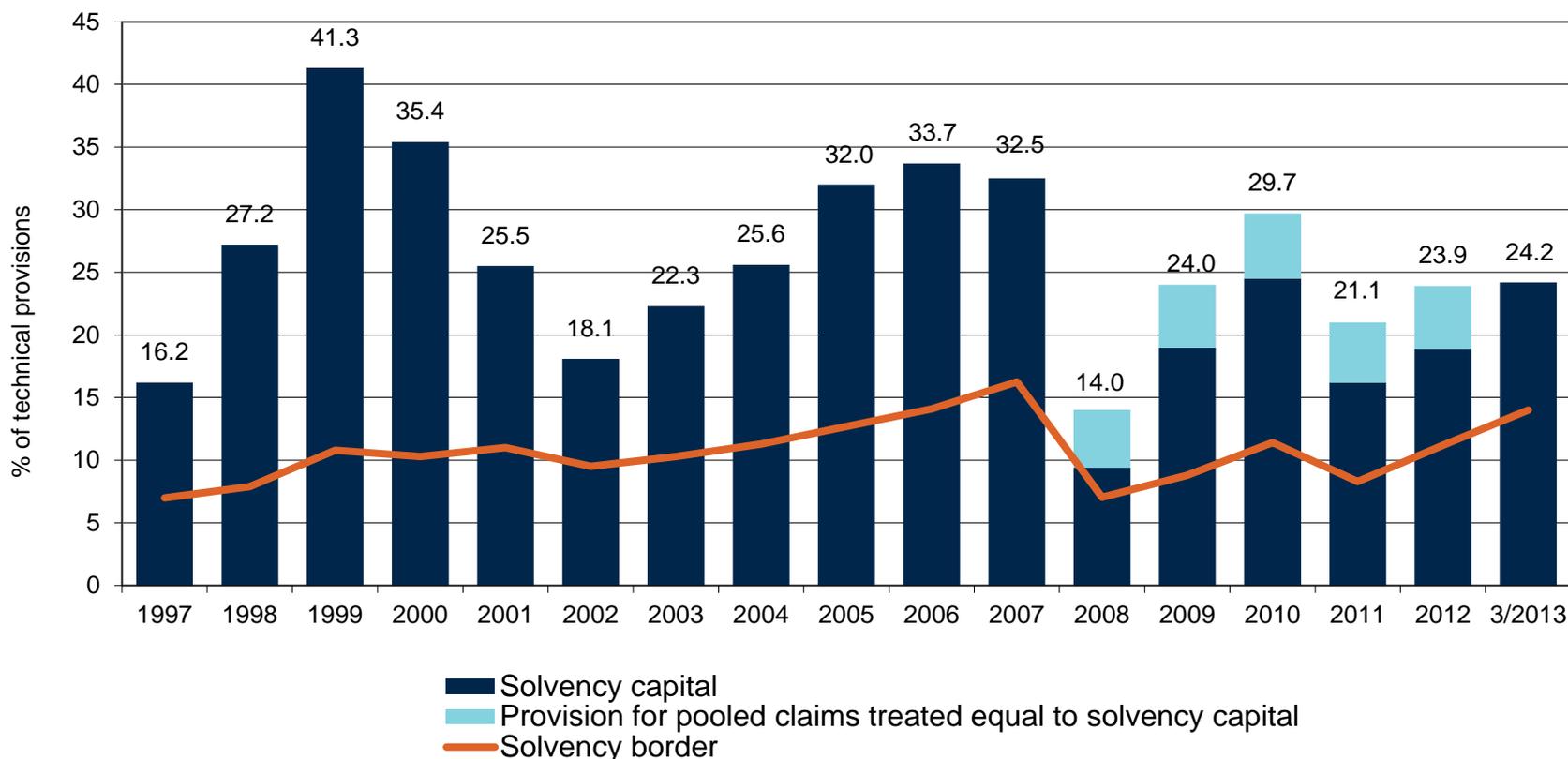
Net investment return at current value



- Ilmarinen
- Other companies on average
- Ilmarinen's annual average nominal return (16.25 yrs)
- Ilmarinen's annual average real return(16.25 yrs)

SOLVENCY STRENGTHENED

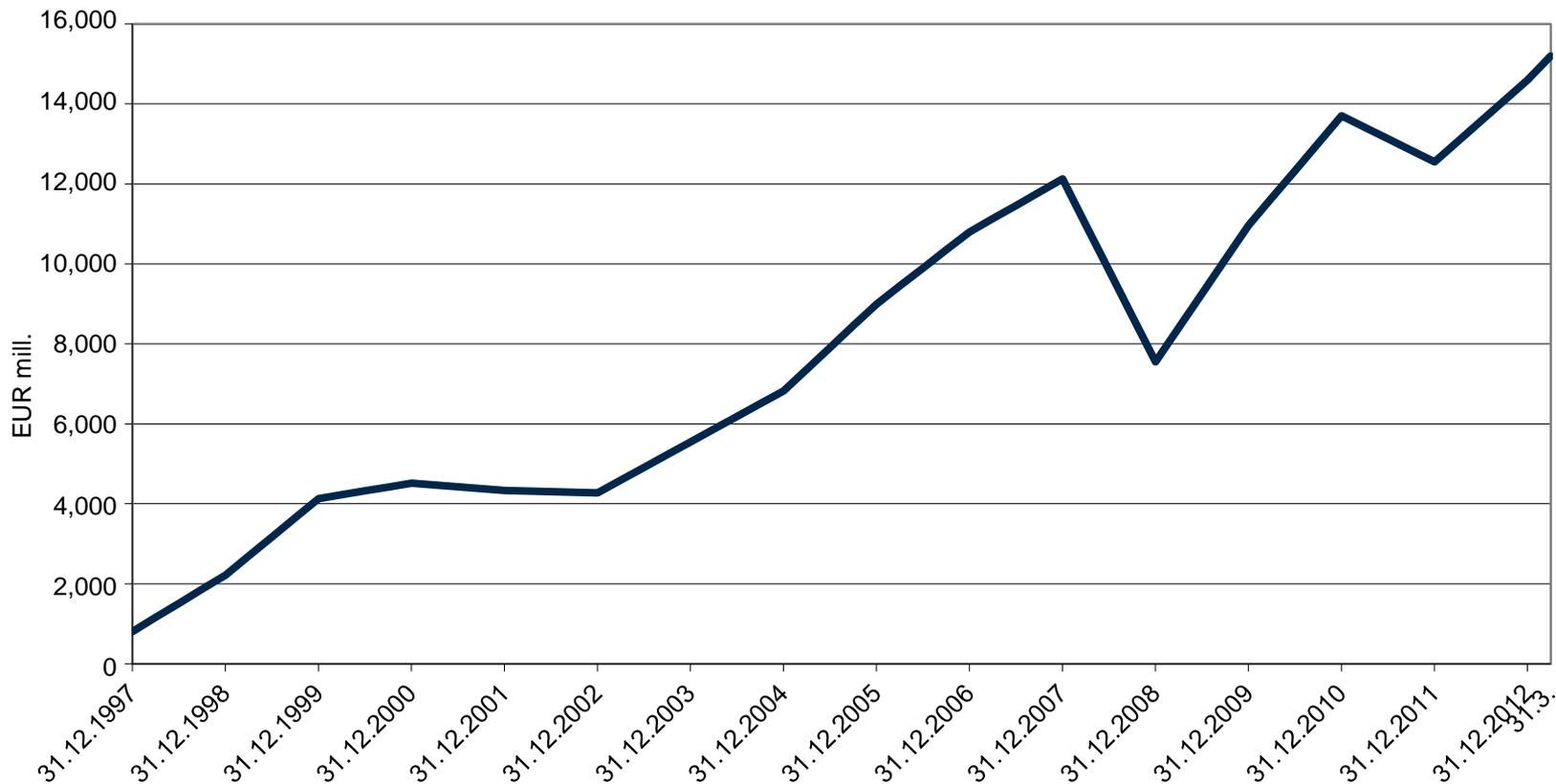
Solvency development



On 31 March 2013 the solvency ratio was 1.7 times the solvency limit (2.2 on 31 Dec 2012).

RETURN ON INVESTMENTS BACK TO LONG-TERM TREND

Cumulative net return on investments 1997–31 March 2013



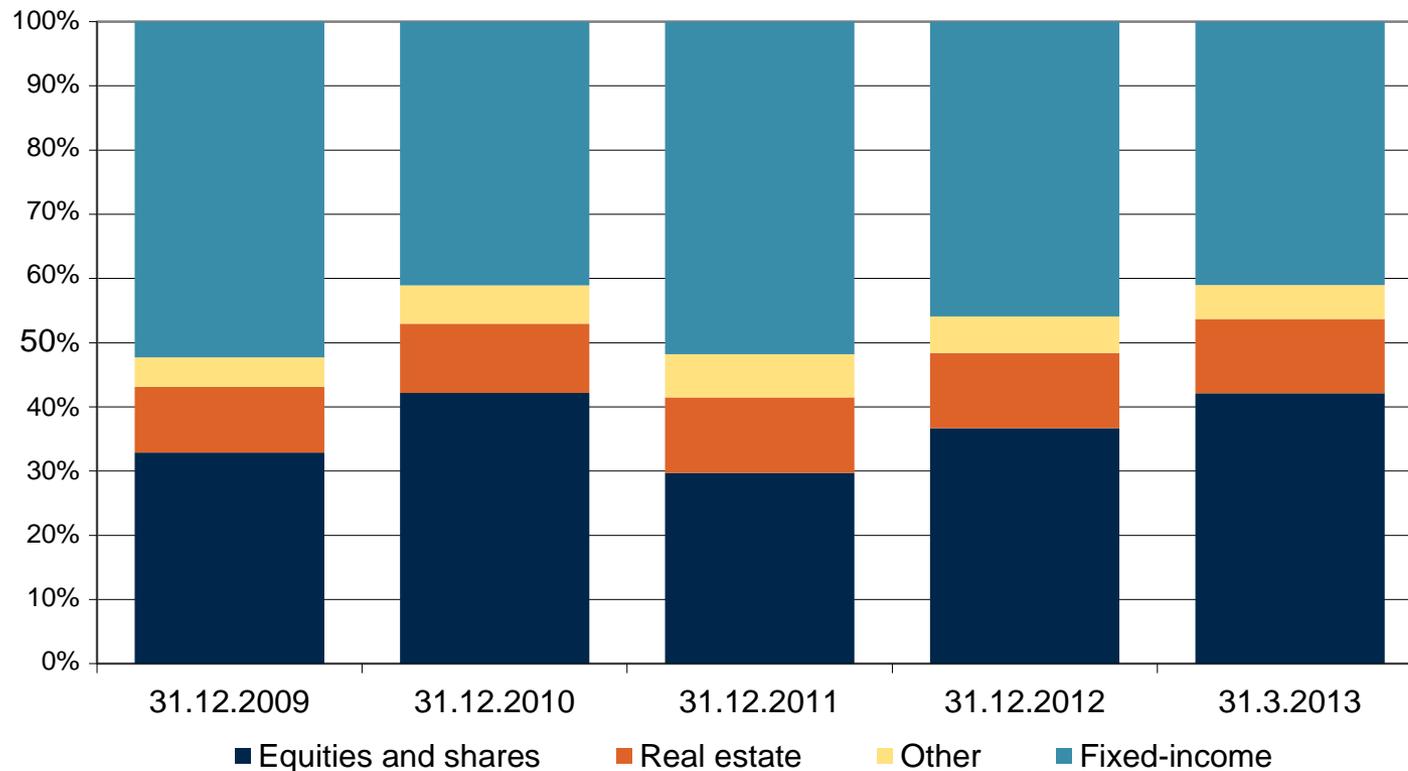
Cumulative return corresponds with an annual average return of 5.7% and an average real return of 3.7%

ILMARINEN'S AND MARKETS' INVESTMENT RETURNS

| % | Ilmarinen | Finnish equities and shares | European equities and shares | Euro government bonds | Euro corporate bonds |
|-----------------------------------|-----------|-----------------------------|------------------------------|-----------------------|----------------------|
| 31.3.2013 | 2.0 | 7.3 | 5.7 | 0.4 | 0.6 |
| 2012 | 7.5 | 15.5 | 18.2 | 11.0 | 13.6 |
| 2011 | -4.0 | -24.9 | -8.6 | 3.4 | 1.7 |
| 2010 | 10.8 | 29.8 | 11.6 | 1.2 | 4.7 |
| 2009 | 15.8 | 44.5 | 32.4 | 4.3 | 16.0 |
| 2008 | -17.7 | -47.3 | -43.8 | 9.1 | -4.0 |
| 2007 | 5.7 | 8.1 | 2.4 | 1.9 | -0.2 |
| 2006 | 8.5 | 29.9 | 20.8 | -0.4 | 0.4 |
| 2005 | 12.1 | 34.5 | 26.7 | 5.3 | 4.0 |
| 2004 | 7.9 | 21.4 | 12.2 | 7.6 | 7.8 |
| 2003 | 8.7 | 22.7 | 16.8 | 4.1 | 7.5 |
| 2002 | -0.4 | -13.5 | -31.0 | 9.4 | 8.0 |
| 2001 | -1.2 | -18.2 | -15.5 | 6.1 | 7.1 |
| 2000 | 2.9 | -21.5 | -3.8 | 7.1 | 6.0 |
| 1999 | 16.1 | 71.8 | 38.2 | -2.4 | -3.7 |
| 1998 | 14.1 | 17.1 | 21.0 | 13.2 | 11.4 |
| 1997 | 9.0 | 31.4 | 41.2 | 5.9 | 6.6 |
| Average return over 5 years | 3.0 | 0.0 | 2.4 | 5.3 | 6.4 |
| Average return over 10 years | 5.1 | 11.2 | 8.3 | 4.5 | 4.8 |
| Average return since 1997 | 5.7 | 8.6 | 6.0 | 5.3 | 5.2 |
| Real average return over 5 years | 1.0 | -1.9 | 0.4 | 3.4 | 4.4 |
| Real average return over 10 years | 3.3 | 9.3 | 6.4 | 2.7 | 3.0 |
| Real average return since 1997 | 3.7 | 6.6 | 4.1 | 3.4 | 3.3 |

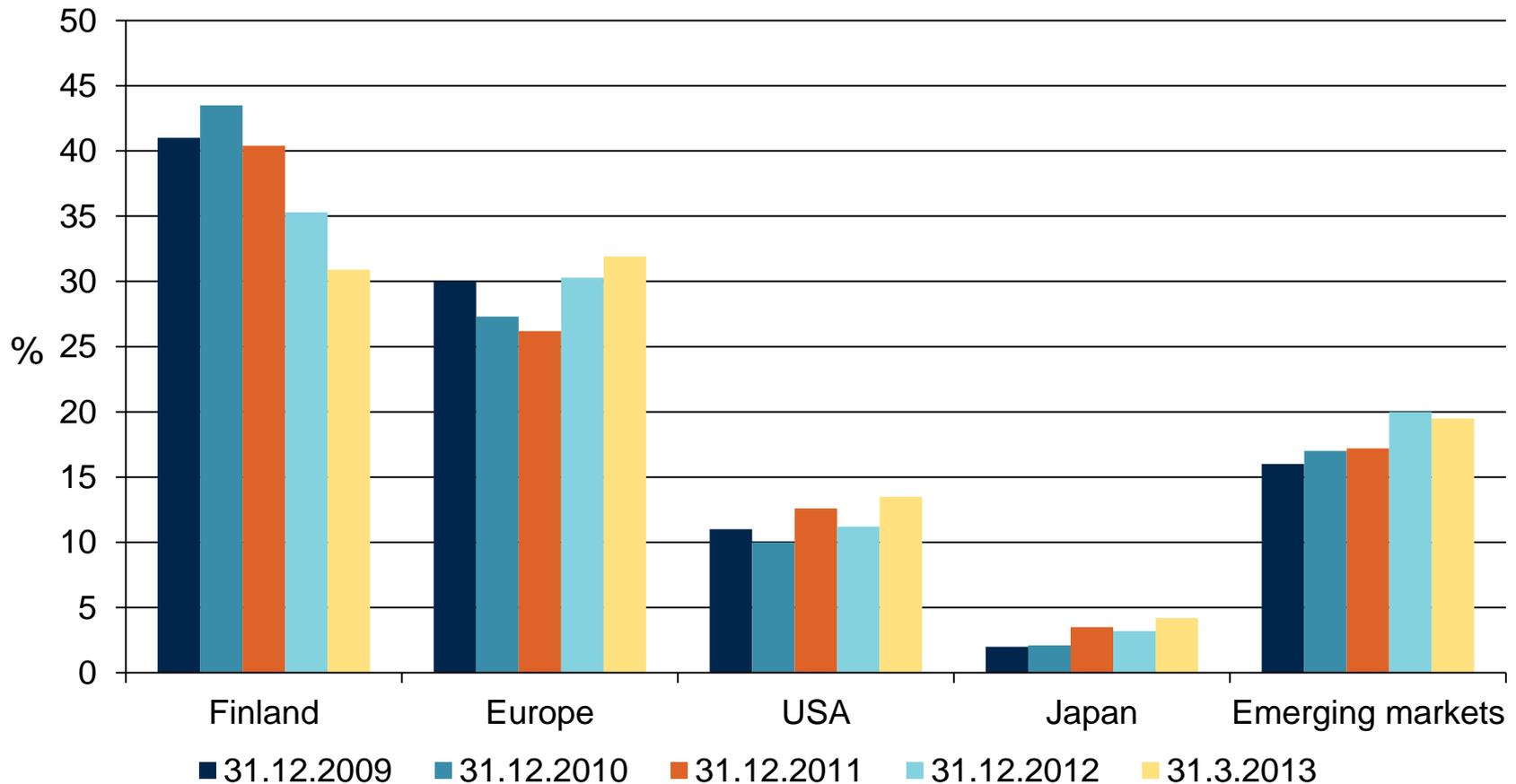
EQUITIES AND SHARES IN PORTFOLIO INCREASED

Asset allocation development



PROPORTION OF INVESTMENTS IN INTERNATIONAL SHARES INCREASED

Geographical breakdown of listed equities



SHAREHOLDING IN FINNISH COMPANIES CLOSE TO EUR 3 BILLION

Most significant Finnish equity holdings

| EUR million | 31.3.2013 | 31.12.2012 |
|----------------------|-----------|------------|
| Pohjola Bank plc | 362.4 | 358.2 |
| Fortum Corporation | 166.1 | 171.3 |
| Kone Corporation | 157.9 | 149.6 |
| Nokia Corporation | 151.2 | 208.4 |
| Sampo plc | 145.1 | 136.1 |
| Wärtsilä Corporation | 144.4 | 127.6 |
| Outotec Oyj | 107.7 | 103.4 |
| Nokian Tyres plc | 100.0 | 113.9 |
| Sponda Plc | 99.3 | 97.4 |
| Citycon Oyj | 87.9 | 75.4 |

| Percentages | 31.3.2013 | 31.12.2012 |
|----------------------|-----------|------------|
| Basware Corporation | 11.43 | 11.38 |
| Suominen Corporation | 10.74 | 10.74 |
| PKC Group Plc | 10.72 | 10.23 |
| Finnlines plc | 10.58 | 10.58 |
| Technopolis Plc | 10.48 | 10.48 |
| Tikkurila Oyj | 10.47 | 10.47 |
| Pohjola Bank plc | 10.00 | 10.00 |
| Talentum Plc | 9.73 | 9.73 |
| Sponda Plc | 9.56 | 9.56 |
| Digia Plc | 9.12 | 4.79 |



*Market and economic
outlooks*



CURRENT MARKETTRENDS

- The eurozone debt crisis will continue
 - The biggest concerns are currently focussed on Italy and Spain
- Macroeconomic outlooks have been disappointing particularly in Europe
- During Q1 results disclosures, the markets' attention has been focussed especially on the rest-of-the-year outlook for companies



ECONOMIC OUTLOOK

- Europe's downturn seems to be persisting longer than expected
- Driven by China and the US, the world economy will return to a growth rate of 4% next year
- Interest rates will remain at a record-low level
 - The risk of a rise in long-term interest rates still exists
- The equity market outlook for the next few years is promising

THANK YOU.



ILMARINEN

FOR A BETTER
LIFE



ILMARINEN