

TECNOTREE

Powering the digital marketplace

Interim Report Q1 2015



TECNOTREE CORPORATION INTERIM REPORT 1 JAN – 31 MAR 2015 (UNAUDITED)

29 April 2015 at 8:30 am

Tecnotree is a global supplier of telecom IT solutions, providing products and services for charging, billing, customer care, and messaging and content services. The company's product portfolio comprises virtually the full range of business management systems for telecom operators, with standard solutions for fixed networks, mobile services and broad band and for managing subscriptions, services and cash flows for prepaid and post-paid customers. Tecnotree has a strong footing especially in developing markets.

A QUARTER FULL OF CHANGES

First quarter

- First quarter net sales were EUR 17.1 (14.4) million.
- The adjusted operating result for the quarter was EUR 1.4 (-1.8) million and the operating result EUR 1.1 (-1.8) million.
- The adjusted result for the quarter was EUR -0.4 (-3.5) million and result EUR -3.3 (-4.8) million.
- The order book at the end of the period stood at EUR 48.1 (31 December 2014: 38.9) million.
- First quarter cash flow after investments was EUR 0.8 (-3.2) million.
- Earnings per share were EUR -0.03 (-0.04).
- Tecnotree filed for restructuring proceedings on 5 March 2015.

KEY FIGURES	1-3/ 2015	1-3/ 2014	1-12/ 2014
Net sales, MEUR	17.1	14.4	74.0
Adjusted operating result, MEUR ¹	1.4	-1.8	3.7
Operating result, MEUR	1.1	-1.8	3.3
Result before taxes, MEUR	-2.4	-3.7	-2.4
Adjusted result for the period, MEUR ²	-0.4	-3.5	-6.4
Result for the period	-3.3	-4.8	-9.3
Earnings per share, basic, EUR	-0.03	-0.04	-0.08
Order book, MEUR	48.1	49.1	38.9
Cash flow after investments, MEUR	0.8	-3.2	-1.8
Change in cash and cash equivalents, MEUR	0.7	-3.7	-4.2
Cash and cash equivalents, MEUR	3.4	2.9	2.5
Equity ratio %	24.5	26.1	22.5
Net gearing %	149.0	154.5	172.7
Personnel at end of period	970	1,042	993

¹ Adjusted operating result = operating result before one-time costs. Details of these are given in the section "Result analysis".

² Adjusted result for the period = result for the period without exchange rate gains and losses, included in financial items, on intra-group balances being typically receivables due to subsidiaries from the parent company.

Unless otherwise stated, all figures presented below are for the review period 1-3/2015 and the figures for comparison are for the corresponding period 1-3/2014.

CEO Ilkka Raiskinen:

"The first quarter of the year was once again a very eventful period for the company. Exchange rates had a positive impact on net sales and thanks to the strong order book the quarter continued Tecnotree's improving financial performance – the review period was in terms of net sales and operating result the best ever start to the year for the company. The tight cash situation cast a shadow over the quarter, however, and influenced in the company filing for restructuring proceedings. The company's cash flow has improved and its operations have stabilised: the net cash flow for the Group's business operations was EUR 0.8 million positive.

The remainder of the year looks encouraging and customers especially in Africa and the Middle East are continuing to make investments, which is expected to have a positive impact on Tecnotree's financial performance."

SALES AND NET SALES

Tecnotree's net sales in the review period increased 18.9 per cent to EUR 17.1 (14.4) million. Net sales for the quarter included EUR 3.3 million recorded for positive exchange rate differences, which were mainly due to the strengthening of the dollar against the euro. Tecnotree's first quarter net sales are usually lower than average quarterly net sales. One reason for this is the internal budget process at customers, which results in investment decisions being taken in later quarters of the year.

The order book in the Middle East and Africa (MEA) region increased strongly while that in the Americas declined. One factor in this decline was that the company reached agreement with an operator group in Latin America to split delivery of the USD 30.5 million contract announced on 20 December 2011 into two delivery projects. Since agreement has not yet been reached on the second project, the order book at the end of year 2014 was reduced by the outstanding amount exceeding the value of the first project, USD 17.3 million or EUR 13.5 million. The second project will be treated as a new order in the order book, when it has been agreed. As a result, the order book consists of an increasing amount of short-term projects, which do not tie up as much working capital.

Further information about sales and net sales is given below in the section "Geographical areas".

SPECIFICATION OF NET SALES	1-3/2015 MEUR	1-3/2014 MEUR	1-3/2015 %	1-3/2014 %
Revenue from contract work recognised by stage of completion (IAS 11)	4.1	5.1	23.9	35.3
Revenue from maintenance and support (IAS 18)	7.7	5.8	44.9	40.7
Revenue from goods and services (AS 18)	2.0	3.7	11.6	26.0
Currency exchange gains and losses	3.3	-0.3	19.6	-2.0
TOTAL	17.1	14.4	100.0	100.0

NET SALES BY MARKET AREA	1-3/2015 MEUR	1-3/2014 MEUR	1-3/2015 %	1-3/2014 %
Europe & Americas	8.8	6.7	51.6	46.9
MEA & APAC	8.3	7.6	48.4	53.1
TOTAL	17.1	14.4	100.0	100.0

CONSOLIDATED ORDER BOOK	31.3.2015 MEUR	31.3.2014 MEUR	31.3.2015 %	31.3.2014 %
Americas (North, Central and South America)	12.5	24.5	26.0	49.9
APAC (Asia and Pacific)	35.6	24.6	74.0	50.1
TOTAL	48.1	49.1	100.0	100.0

RESULT ANALYSIS

The income and costs recorded for Tecnotree's business operations vary considerably from one quarter to another. For this reason it is important to base an examination of the profitability of the company on the result for more than one quarter.

Tecnotree reports its result as follows:

INCOME STATEMENT, KEY FIGURES, MEUR	1-3/2015	1-3/2014	1-12/2014
Net sales	17.1	14.4	74.0
Other operating income	0.0	0.0	0.1
Operating costs excluding one-time costs	-15.7	-16.2	-70.4
Adjusted operating result	1.4	-1.8	3.7
One-time costs	-0.3		-0.4
OPERATING RESULT	1.1	-1.8	3.3
Financial items without foreign currency differences	-0.5	-0.6	-2.8
Income taxes	-0.9	-1.1	-6.9
Adjusted result for the period	-0.4	-3.5	-6.4
Foreign currency differences included in financial items	-2.9	-1.3	-2.9
RESULT FOR THE PERIOD	-3.3	-4.8	-9.3

The impact of the restructuring proceedings currently in process at Tecnotree Corporation has not been recorded separately in the interim financial statements for the review period. Their impact will be determined after the court has examined the restructuring program that is being drafted. The administrator in respect of the restructuring proceedings has to draw up and deliver their restructuring program proposal to the district court of Espoo by 6 July 2015. More details are given below in the section "Restructuring proceedings".

The costs for the quarter include one-time costs of EUR 0.3 million arising from redundancies.

Exchange rates had a significant impact on the result for the period. Net sales included EUR 3.3 million in positive foreign currency differences, which were mainly due to the strengthening of the US dollar against the euro. Costs for subsidiaries in the consolidated income statement rose EUR 1.3 million from the period for comparison because of the strengthening of the subsidiary company currencies.

Negative foreign currency differences of EUR 2.9 million were recorded in financial items. These are mainly due to the impact of intra-group balance sheet items, when for example a subsidiary records an exchange rate gain or loss on a euro denominated receivable from the parent company. These intra-group items are large, so exchange rates have a significant impact. It is important to examine Tecnotree's operative result without the impact of exchange rates, which is why this is shown separately in the table above. It has no direct impact on the Group's cash flow.

Exchange rates also have a direct impact on shareholders' equity in terms of translation differences arising from foreign companies, which totalled EUR 5.4 million positive in the review period.

Financial income and expenses (net) during the review period totalled a net loss of EUR 3.5 million (net loss of EUR 1.9 million). Here is a breakdown of these:

FINANCIAL INCOME AND EXPENSES, MEUR	1-3/2015	1-3/2014	1-12/2014
Interest income	0.0	0.0	0.0
Exchange rate gains	0.9	0.0	0.3
Other financial income	0.0	0.0	0.1
FINANCIAL INCOME, TOTAL	0.9	0.1	0.4
Interest expenses	-0.5	-0.4	-2.4
Exchange rate losses	-3.8	-1.4	-3.1
Other financial expenses	-0.1	-0.2	-0.5
FINANCIAL EXPENSES, TOTAL	-4.4	-2.0	-6.0
FINANCIAL ITEMS, TOTAL	-3.5	-1.9	-5.7

Taxes for the period totalled EUR 0.9 (1.1) million, including the following items:

TAXES IN INCOME STATEMENT, MEUR	1-3/2015	1-3/2014	1-12/2014
Withholding tax expenses in parent company	-1.4	-0.9	-4.5
Change in withholding tax provision	-0.0	0.1	-1.3
Income taxes on the results of Group companies	-0.2	0.4	-0.3
Prior year taxes	-0.8	0.0	0.0
Change in deferred tax asset in India	1.0	-1.0	-0.7
Change in deferred tax liability based on:			
- dividend tax in India	0.6	0.2	-0.2
Other items		0.0	0.0
TAXES IN INCOME STATEMENT, TOTAL	-0.9	-1.1	-6.9

Earnings per share were EUR -0.03 (-0.04). Equity per share at the end of the period was EUR 0.15 (31 December 2014: EUR 0.14).

FINANCING, CASH FLOW AND BALANCE SHEET

The company's cash situation remained tight during the review period. This resulted in Tecnotree Corporation applying for debt restructuring proceedings in March. The Company's debts on 4 March 2015 will be dealt with in the restructuring proceedings and the court will make a decision about them.

Tecnotree's working capital decreased during the period by EUR 3.8 million:

CHANGE IN WORKING CAPITAL, MEUR (increase - / decrease +)	1-3/2015	1-3/2014	1-12/2014
Change in trade receivables	1.5	-1.4	1.5
Change in other receivables	3.0	-1.6	-7.5
Change in inventories	-0.5	-0.3	0.1
Change in trade payables	-0.2	1.3	5.0
Change in other liabilities	-0.1	0.9	0.7
CHANGE IN WORKING CAPITAL, TOTAL	3.8	-1.1	-0.3

Project revenue is recognised in other receivables. When the agreement allows the customer to be invoiced, the receivables are regrouped in trade receivables. Trade and other receivables should be treated as one item when assessing changes in Tecnotree's working capital.

Tecnotree's cash and cash equivalents totalled EUR 3.4 (31 December 2014: 2.5) million. Cash flow after investments for the review period ended up EUR 0.8 million positive. The change in cash and cash equivalents for the review period was EUR 0.7 million positive. The company had no unused credit facilities at the end of the review period (31.12.2014: 0.0). In April, the bank granted a EUR 1.0 million short-term loan, which is due in June.

The balance sheet total on 31 March 2015 stood at EUR 77.4 (31 December 2014: 75.0) million. Tecnotree's gross capital expenditure during the review period was EUR 0.0 (0.2) million or 0.3 per cent (1.5 %) of net sales. Interest-bearing liabilities were EUR 31.8 (31 December 2014: 31.8) million. The net debt to equity ratio (net gearing) was 149.0 per cent (31 December 2014: 172.7 %) and the equity ratio was 24.5 per cent (31 December 2014: 22.5 %). During the period, total equity was affected by positive translation differences of EUR 5.4 million mainly from Indian Rupees (INR).

The financing agreement signed with its bank in 2013 by Tecnotree contains loan covenants. On the test date on 30 December 2014, four of the six covenants failed to comply with the requirements of the financing agreement. However Tecnotree had reached agreement with its bank that any failure to achieve the performance ratios as stated in the loan covenants on 31 December 2014, would not result in the sanctions contained in the financing agreement, such as the obligation to repay the loans. The next major review of the covenants will take place on 30 June 2015. Tecnotree estimates that all the covenants will not comply with the terms stated in the financial agreement, so the Company will propose to the bank a similar agreement on this matter as in 2014.

BUSINESS DESCRIPTION

Tecnotree is a global supplier of telecom IT solutions, providing products, services and solutions for charging, billing, customer care, and messaging and content services. The company's product portfolio comprises virtually the full range of business management systems for telecom operators, with standard solutions for fixed networks, mobile services and broad band and for managing subscriptions, services and cash flows for prepaid and post-paid customers. Tecnotree's solutions enable communication service providers to expand their business by creating digital market places, individual service packages and personalised subscriptions, and increase added value throughout their customers' life cycles.

Tecnotree's business is based on system project sales, system maintenance and on customising, support and operating services. Tecnotree has a strong footing especially in developing markets such as Latin America, Africa and the Middle East.

SEGMENT INFORMATION

The operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Europe & Americas (Europe and North, Central and South America) and MEA & APAC (Middle East and Africa, Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Tecnotree's chief operating decision maker, as referred to in IFRS 8, is the Group's management board.

The operating segments have changed in 2015. The former segments Americas (North, Central and South America) and Europe have been combined to form a single segment called Europe & Americas, and the former segments MEA (Middle East and Africa) and APAC (Asia Pacific) have also been combined to form a single segment called MEA & APAC. The segment figures for the comparative period have been correspondingly adjusted.

Net sales for the operating segments are presented based on the location of customers.

GEOGRAPHICAL AREAS

Tecnotree Group operates in the following geographical areas: Europe & Americas (Europe and North, Central and South America) and MEA & APAC (Middle East and Africa, Asia Pacific).

Europe & Americas

Operations in the market area developed positively and net sales increased 30.7 per cent from the previous year to EUR 8.8 (6.7) million. Business conditions took a positive turn as the focus switched from delivery projects with a long time scale to the service business and deliveries with shorter deadlines. The change in focus meant that the order book for the area declined 49.1 per cent from the previous year to EUR 12.5 (24.5) million. Sales comprised expansions and upgrades of solutions installed for current customers, the renewal of annual maintenance contracts, and partial implementation of new orders.

MEA & APAC

The quarter started on a firm footing with a strong order book and as a result net sales increased 8.4 per cent from the previous year, to EUR 8.3 (7.6) million. The order book continued to grow, standing at EUR 35.6 (24.6) million at the end of the quarter. Positive developments are taking place in billing systems and strong demand for Tecnotree's new products, such as customer lifecycle management and unified product catalogue, is of particular importance.

PERSONNEL

At the end of March 2015 Tecnotree employed 970 (31 December 2014: 993) persons, of whom 90 (31 December 2014: 89) worked in Finland and 880 (31 December 2014: 904) elsewhere. The company employed on average 964 (1,051) people during the review period. Personnel by country were as follows:

PERSONNEL	1-3/2015	1-3/2014	1-12/2014
Personnel, at end of period	970	1,042	993
Finland	90	91	89
Ireland	50	50	51
Brazil	25	32	31
Argentina	37	32	35
India	729	796	743
Other countries	39	41	44
Personnel, average	964	1,051	1,038
Personnel expenses (MEUR)	8.7	7.8	33.6

SHARES AND SHARE CAPITAL

At the end of March 2015 the shareholders' equity of Tecnotree Corporation stood at EUR 18.9 (31 December 2014: 16.9) million and the share capital was EUR 4.7 million. The total number of shares was 122,628,428.

At the end of the period, the company did not hold any own shares. Equity per share was EUR 0.15 (31 December 2014: EUR 0.14).

A total of 33,299,337 Tecnotree shares (EUR 3,761,749) were traded on the Helsinki Exchanges during the period 1 Jan – 31 Mar 2015, representing 27.2 per cent of the total number of shares.

The highest share price quoted in the period was EUR 0.20 and the lowest EUR 0.07. The average quoted price was EUR 0.11 and the closing price on 31 March 2015 was EUR 0.08. The market capitalisation of the share stock at the end of the period was EUR 9.4 million.

RESTRUCTURING PROCEEDINGS

On 5 March 2015 Tecnotree Corporation filed an application with the district court of Espoo for debt restructuring proceedings. The court decided on 9 March 2015 to commence the corporate restructuring proceedings. The extraordinary meeting of shareholders of Tecnotree Corporation held on 27 March 2015 decided to approve the application made by the Board of Directors and to continue with the restructuring proceedings.

Tecnotree Corporation's business operations have been loss-making for several years, the cash situation remained tight during 2014, and on 31 December 2014 the shareholders' equity of the parent company fell below half of the share capital. The Company has actively searched for a solution to improve its financial standing and carefully studied different options for solving the situation. As the result, the Company came to the conclusion that it would be in the best interest of the Company and its shareholders for the Company to apply for restructuring proceedings in accordance with the Act on Restructuring of Enterprises. The Company considers that its difficulties are temporary in nature, and that the restructuring proceedings would in the Company's assessment make it possible to remedy the Company's financing and equity structure and thus secure the long-term continuation of the Company's business operations. If it takes place, the restructuring will ease the debt liability of the Company and consequently will also improve the shareholders' equity.

On 9 March 2015 the district court appointed Mr. Jari Salminen, Attorney-at-Law, from JB Eversheds Oy as the administrator in respect of the restructuring process. Creditors must state their claims (receivables) in writing to the administrator by 7 April 2015, if the amounts differ from the ones announced by the debtor. The administrator must send a statement on the financial status of the debtor to the interested parties by 5 May 2015. The administrator must prepare and deliver his proposed restructuring programme to the district court of Espoo by 6 July 2015. Tecnotree Corporation has to comply with the restructuring programme to be confirmed through court proceedings. This requires a sufficient cash inflow, in other words payments by customers.

Filing the application for restructuring has no direct impact on Tecnotree's business operations, and the Company is continuing to carry out agreed customer projects and to serve its customers as usual.

RISKS AND UNCERTAINTY FACTORS

The risks and uncertainty factors for Tecnotree are explained in the 2014 Board of Directors' Report and in the notes to the Financial Statements.

Risks and uncertainties in the near future

Tecnotree's risks and uncertainties in the near future relate to projects, to their timing, to receivables from the recognition of partial deliveries and for sales, to changes in foreign exchange rates and to financing. Having sufficient cash funds is the biggest single risk. The

financing agreement contains covenants that create risk. The next major review of the covenants will take place on 30 June 2015. Tecnotree estimates that all the covenants will not comply with the terms stated in the financial agreement, so the Company will propose to the bank a similar agreement on this matter as in 2014. Under the terms of the financing agreement, failure to meet the requirements of the covenants entitles the bank to demand payment of the loan. More details are given in the section "Financing, cash flow and balance sheet" above.

The company has sales to a client in Argentina. The Argentine government is having difficulties in connection with old foreign debt, which may have a negative impact on payments due from Argentina. There are similar risks in several other countries where Tecnotree has customers and sales.

At the end of 2014 the Group's shareholders' equity stood at EUR 16.9 million. However, the shareholders' equity of the parent company was only EUR 2.2 million while its share capital stood at EUR 4.7 million. So the shareholders' equity of the parent company had fallen below half of the share capital. This matter was dealt with as stipulated in section 23 of chapter 20 of the Limited Liability Companies Act at the Annual General Meeting on 14 April 2015. The AGM decided to reduce the share capital to EUR 1.3 million. The shareholders' equity of the parent company stood at EUR 2.3 million on 31 March 2015.

Restructuring proceedings

Tecnotree Corporation filed an application for debt restructuring proceedings with the district court of Espoo on 5 March 2015. The court decided on 9 March 2015 to commence the corporate restructuring proceedings. The district court appointed Mr. Jari Salminen, Attorney-at-Law, from JB Eversheds Oy as the administrator in respect of the restructuring process. Creditors must state their claims (receivables) in writing to the administrator by 7 April 2015, if the amounts differ from those stated by the debtor. The administrator must send a statement on the financial status of the debtor to the interest parties by 5 May 2015. The administrator must prepare and deliver his proposed restructuring programme to the district court of Espoo by 6 July 2015. Tecnotree Corporation has to comply with the programme approved by the court. This involves risk. Tecnotree is responsible for all its liabilities in full after the date of application for restructuring proceedings. This requires a sufficient cash inflow, in other words payments by customers.

After filing its application for restructuring proceedings, Tecnotree has had problems in individual cases, in particular with companies from which Tecnotree has made purchases. Customers may also be afraid of the risks relating to Tecnotree, which may have some impact on future orders.

EVENTS AFTER THE END OF PERIOD

Annual General Meeting

The Annual General Meeting of Tecnotree Corporation held on 14 April 2015 confirmed the financial statements and the consolidated financial statements for the financial year 2014 and discharged the Board of Directors and the CEO from liability for the year 2014. The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the year 2014, and that the cumulative loss of the company, EUR

5,505,421.98 (taking in account the loss of the financial year amounting to EUR 5,519,009.82) is covered by non-restricted equity reserves to an amount of EUR 2,131,259.02 and that the remaining loss of EUR 3,374,162.96 is covered by a reduction of the share capital.

Board of Directors

The Annual General Meeting confirmed that the Board of Directors will consist of four members. Pentti Heikkinen, Harri Koponen and Christer Sumelius were re-elected as Board members and Matti Jaakola was elected as a new member of the Board. The Board members were elected for a period of office expiring at the end of the first Annual General Meeting following the election.

In the organizing meeting of the Board of Directors following the Annual General Meeting, Harri Koponen was elected as Chairman and Pentti Heikkinen as Vice Chairman of the Board of Directors. No committees were founded by the Board of Directors. The Board of Directors has assessed the Board members' independence in compliance with the Finnish Corporate Governance Code's recommendations. Based on the assessment, all Board members are independent of the company and its major shareholders.

The Annual General Meeting resolved that annual fee to the chairman of the Board of Directors will be EUR 50,000, the annual fee of the vice chairman of the Board will be EUR 30,000 and the annual fee of the members of the Board of Directors will be EUR 23,000. In addition it was decided that a compensation of EUR 800 for the chairman and EUR 500 for a member of the Board of Directors be paid for attendance at Board and Committee meetings.

Auditors

KPMG Oy Ab, Authorised Public Accountants, will continue as the company's auditor until the end of the following Annual General Meeting. The principal auditor appointed by them is Mr. Toni Aaltonen, Authorized Public Accountant. The auditor's fees are paid according to invoice.

Current authorisations

The Annual General Meeting authorized the Board of Directors in accordance with the proposal of the Board of Directors to decide to issue and/or to convey a maximum of 100,000,000 new shares and/or the company's own shares either against payment or for free. New shares may be issued and the company's own shares may be conveyed to the company's shareholders in proportion to their current shareholdings in the company or waiving the shareholder's pre-emption right, through a directed share issue if the company has a weighty financial reason to do so. The Board of Directors may also decide on a free share issue to the company itself. The Board of Directors is, within the limits of the authorization, authorized to grant special rights referred to in Chapter 10, Section 1 of the Companies Act, which carry the right to receive, against payment, new shares of the company or the company's own shares held by the company in such a manner that the subscription price of the shares is paid in cash or by using the subscriber's receivable to set off the subscription price. The Board of Directors shall decide on other terms and conditions related to the share issues and granting of the special rights. The said authorisations will be valid for one year from the decision of the Annual General Meeting.

PROSPECTS IN 2015

Tecnotree estimates that its operating result will improve from 2014. Variations in the quarterly figures will be considerable.

FINANCIAL INFORMATION

Tecnotree is holding a conference for analysts, investors and the media to present its interim report on 29 April 2015 at 10.00 am in the Tapiola conference room at the Scandic Hotel Simonkenttä, Simonkatu 9, Helsinki. The interim report will be presented by CEO Ilkka Raiskinen and the conference will be held in Finnish. The material to be presented at the press conference will be available at www.tecnotree.com.

TECNOTREE CORPORATION

Board of Directors

FURTHER INFORMATION

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DISTRIBUTION

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TABLE SECTION (UNAUDITED)

The financial figures in the income statement, balance sheet and key indicators are presented in million euros. The figures shown here have been calculated using exact values.

CONSOLIDATED INCOME STATEMENT, MEUR	Note	1-3/ 2015	1-3/ 2014	1-12/ 2014
NET SALES	2	17.1	14.4	74.0
Other operating income		0.0	0.0	0.1
Materials and services		-1.1	-2.7	-11.9
Employee benefit expenses		-8.7	-7.8	-33.6
Depreciation, amortisation and impairment charges		-0.2	-0.3	-1.1
Other operating expenses		-5.9	-5.3	-24.4
OPERATING RESULT	2	1.1	-1.8	3.3
Financial income		0.9	0.1	0.4
Financial expenses		-4.4	-2.0	-6.0
RESULT BEFORE TAXES		-2.4	-3.7	-2.4
Income taxes		-0.9	-1.1	-6.9
RESULT FOR THE PERIOD		-3.3	-4.8	-9.3
Allocated to:				
Equity holders of parent company		-3.3	-4.8	-9.3
Non-controlling interest		-0.0	-0.0	-0.0
EPS calculated on the profit attributable to equity holders of parent company:				
Earnings per share, basic, EUR		-0.03	-0.04	-0.08
Earnings per share, diluted, EUR		-0.03	-0.04	-0.08
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MEUR		1-3/ 2015	1-3/ 2014	1-12/ 2014
RESULT FOR THE PERIOD		-3.3	-4.8	-9.3
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Translation differences from foreign oper.		5.8	1.6	4.7
Tax relating to components of OCI		-0.4	-0.1	-0.3
Other comprehensive income, net of tax		5.4	1.5	4.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2.1	-3.4	-4.9
Allocated to:				
Equity holders of parent company		2.1	-3.4	-4.9
Non-controlling interest		-0.0	-0.0	-0.0

CONSOLIDATED BALANCE SHEET	Note	31.3.2015	31.3.2014	31.12.2014
Assets				
Goodwill		18.5	15.7	16.6
Other intangible assets		0.3	0.5	0.4
Tangible assets		3.7	4.0	3.8
Deferred tax assets		2.1	0.5	0.9
Other non-current trade and other receivables		1.3	0.8	1.1
Current assets				
Inventories		1.0	0.8	0.5
Trade receivables		13.7	18.6	15.2
Other receivables		33.1	26.2	33.8
Investments		0.2	0.6	0.1
Cash and cash equivalents		3.4	2.9	2.5
TOTAL ASSETS		77.4	70.4	75.0
Shareholders' equity				
		18.9	18.4	16.9
Non-current liabilities				
Deferred tax liabilities		3.1	2.9	3.4
Non-current interest-bearing liabilities	3	0.0	20.7	0.0
Other non-current liabilities		1.7	1.0	1.2
Current liabilities				
Current interest-bearing liabilities	3	31.8	11.1	31.8
Trade payables and other liabilities		21.8	16.4	21.7
EQUITY AND LIABILITIES, TOTAL		77.4	70.4	75.0

CALCULATION OF CHANGES IN
SHAREHOLDERS' EQUITY, MEUR

MEUR	A	B	C	D	E	F	G	H	I	J
SHAREHOLDERS' EQUITY 1 JAN 2015	4.7	0.8		-8.5	1.6	2.3	15.8	16.8	0.1	16.9
Result for the period							-3.3	-3.3	-0.0	-3.3
Other comprehensive income:										
Translation differences, net of tax				5.4				5.4		5.4
Total comprehensive income for the period				5.4			-3.3	2.1	-0.0	2.1
Disposal of own shares								0.0		0.0
Sharebased payments							0.0	0.0		0.0
Transactions with shareholders, total			0.0				0.0	0.0		0.0
Covering of loss								0.0		0.0
Other changes							-0.0	-0.0	0.0	-0.0
SHAREHOLDERS' EQUITY 31 MAR 2015	4.7	0.8	0.0	-3.1	1.6	2.3	12.5	18.9	0.1	18.9
Me	A	B	C	D	E	F	G	H	I	J
SHAREHOLDERS' EQUITY 1 JAN 2014	4.7	0.8	-0.1	-12.9	5.5	2.3	21.3	21.7	0.1	21.7
Result for the period							-4.8	-4.8	-0.0	-4.8
Other comprehensive income:										
Translation differences, net of tax				1.5				1.5		1.5
Total comprehensive income for the period				1.5			-4.8	-3.4	-0.0	-3.4
Sharebased payments							0.0	0.0		0.0
Transactions with shareholders, total							0.0	0.0		0.0
Covering of loss					-3.8		3.8	0.0		0.0
Other changes							0.0	0.0	0.0	0.0
SHAREHOLDERS' EQUITY 31 MAR 2014	4.7	0.8	-0.1	-11.4	1.6	2.3	20.3	18.3	0.1	18.4

A = Share capital

B = Share premium fund

C = Own shares

D = Translation differences

E = Invested non-restricted equity reserve

F = Other reserves

G = Retained earnings

H = Total equity attributable to equity holders of parent company

I = Non-controlling interest

J = Total shareholders' equity

CONSOLIDATED CONDENSED CASH FLOW STATEMENT, MEUR	1-3/2015	1-3/2014	1-12/2014
Cash flow from operating activities			
Result for the period	-3.3	-4.8	-9.3
Adjustments of the result	2.5	4.0	13.9
Changes in working capital	3.8	-1.1	-0.3
Interest paid *	-0.1	-0.1	-0.2
Interest received	0.0	0.0	0.1
Income taxes paid	-2.0	-1.0	-5.9
Net cash flow from operating activities	0.9	-3.1	-1.7
Cash flow from investing activities			
Investments in intangible assets	-0.0	-0.1	-0.1
Investments in tangible assets	-0.0	-0.1	-0.7
Proceeds from disposal of intangible and tangible assets	0.0		0.1
Investments in other securities	-0.1		
Proceeds from disposal of other securities		0.0	0.5
Interest received from other securities		0.0	0.0
Net cash flow from investing activities	-0.1	-0.2	-0.1
Cash flow from financing activities			
Borrowings received	0.3		2.8
Repayments of borrowings	-0.3		-2.8
Changes in credit facilities in use			0.0
Interest paid *	-0.1	-0.4	-2.4
Net cash flow from financing activities	-0.1	-0.4	-2.4
Increase (+) and decrease (-) in cash and cash equivalents	0.7	-3.7	-4.2
Cash and cash equivalents at beg. of period	2.5	6.6	6.6
Impact of changes in exchange rates	0.2	-0.1	0.2
Cash and cash equivalents at end of period	3.4	2.9	2.5

1. ACCOUNTING PRINCIPLES FOR THE FINANCIAL REPORT

This interim review has been prepared in accordance with IFRS reporting and evaluation principles and applying the same accounting principles as in the previous annual financial statements, but not complying with all the requirements of IAS 34 Interim Financial Reporting. The new and revised IFRS regulations that came into force on 1 January 2015 have not had a significant impact on the accounting principles and basis for preparing the interim review.

Going concern basis

The uncertainty factors relating to Tecnotree's operations are explained in the 2014 financial statements and in the section "Risks and uncertainty factors" above. The company has significant uncertainty factors relating to the continuity of its operations. In practice these risks are related to financing. In addition Tecnotree has a risk relating to the sufficiency of the shareholders' equity of the parent company. This is explained above in the section "Risks and uncertainties in the near future". Tecnotree observes the going concern principle. It is estimated that the restructuring proceedings will have a stabilising effect on the company's operations.

2. SEGMENT INFORMATION

The operating segments under IFRS 8 reported by Tecnotree are the geographical areas, which are Europe & Americas (Europe and North, Central and South America) and MEA & APAC (Middle East and Africa, Asia Pacific). This is because their results are monitored separately in the company's internal financial reporting. Tecnotree's chief operating decision maker, as referred to in IFRS 8, is the Group's management board.

The operating segments have changed in 2015. The former segments Americas (North, Central and South America) and Europe have been combined to form a single segment called Europe & Americas, and the former segments MEA (Middle East and Africa) and APAC (Asia Pacific) have also been combined to form a single segment called MEA & APAC. The segment figures for the period for comparison have been correspondingly adjusted.

Net sales for the operating segments are presented based on the location of customers.

OPERATING SEGMENTS	1-3/2015	1-3/2014	1-12/2014
NET SALES, MEUR			
Americas (North, Central and South America)	8.8	6.7	42.0
APAC (Asia Pacific)	8.3	7.6	32.0
TOTAL	17.1	14.4	74.0

3. INTEREST-BEARING LIABILITIES

At the end of the review period, Tecnotree had a bank loan of EUR 21.8 million (31 December 2014: 21.8) as well as a fully used credit facility of EUR 10.0 million (31 December 2014: 10.0) to finance working capital. The company had all its credit facilities in use at the end of the review period.

The credit facility is long-term in nature and in force until 30 June 2018, but is based on financing individual customer receivables. Financing taken under the credit facility falls due on payment of the receivables for which they were taken, but is renewed by financing new receivables. This is the reason for presenting the credit facility as current liability in the balance sheet.

Likewise the long-term in nature loan is classified as current in the balance sheet, because the financing agreement signed with its bank in 2013 by Tecnotree contains loan covenants. On the test date on 30 December 2014, four of the six covenants failed to comply with the requirements of the financing agreement. However Tecnotree had reached agreement with its bank that any failure to achieve the performance ratios as stated in the loan covenants on 31 December 2014, would not result in the sanctions contained in the financing agreement, such as the obligation to repay the loans. The next major review of the covenants will take place on 30 June 2015. Tecnotree estimates that all the covenants will not comply with the terms stated in the financial agreement, so the Company will propose to the bank a similar agreement on this matter as in 2014.

INTEREST-BEARING LIABILITIES, MEUR	31.3.2015	31.3.2014	31.12.2014
Loans from financial institutions, 1 Jan	31.8	31.8	31.8
Raised loans	0.3	0.0	2.0
Repayments of loans	-0.3	0.0	-2.0
Changes in credit facilities in use	0.0	0.0	0.0
Loans from financial institutions, end of period	31.8	31.8	31.8
Loans from related parties, 1 Jan	0.0	0.0	0.0
Raised loans			0.8
Repayments of loans			-0.8
Loans from related parties, end of period	0.0	0.0	0.0
Interest-bearing liabilities total	31.8	31.8	31.8

4. RELATED PARTY TRANSACTIONS

Tecnotree's related parties include the subsidiaries, the members of the Board of Directors and the Management Board, the CEO and the close family members of the preceding persons, and those entities in which these people have control.

In June 2014 Tecnotree raised a variable-interest short-term loan with market-based conditions of EUR 0.8 million from certain shareholders in the company who are related parties. The company repaid these loans in December.

Except for the above mentioned transactions and regularly paid salaries and fees as well as ordinary intra-group transactions, Tecnotree has not entered any significant transactions with related parties during the review period or previous year.

5. CONTINGENT LIABILITIES

CONSOLIDATED CONTINGENT LIABILITIES, MEUR	31.3.2015	31.3.2014	31.12.2014
On own behalf			
Real estate mortgages	4.4	4.4	4.4
Corporate mortgages	45.3	45.3	45.3
Guarantees	0.2	0.3	0.2
Other liabilities			
Disputed income tax liabilities in India	1.5	0.4	1.3
OTHER OPERATING LEASES, MEUR	31.3.2015	31.3.2014	31.12.2014
Minimum rents payable based on other leases that cannot be cancelled:			
Other operating leases			
Less than one year	0.8	0.5	0.7
Between one and five years	0.4	0.6	0.3
DERIVATIVE CONTRACTS, MEUR	31.3.2015	31.3.2014	31.12.2014
Currency call options, fair value (negative)		-0.1	-0.1
Currency call options, value of underlying instruments		23.4	8.4
Currency put options, fair value (positive)		0.1	0.0
Currency put options, value of underlying instruments		22.0	7.8
Currency termines, fair value (positive)		0.1	
Currency termines, value of underlying instruments		5.0	
Interest rate swap, fair value (negative)	-0.5	-0.4	-0.5
Interest rate swap, value of underlying instruments	14.5	14.5	14.5

In addition, the shares of the Indian subsidiary held by the parent company are pledged. These shares have a book value of EUR 35.4 million in the parent company. The net assets of the Indian subsidiary in the consolidated balance sheet are EUR 48.2 million.

6. KEY FIGURES

CONSOLIDATED KEY FINANCIAL FIGURES	1-3/2015	1-3/2014	1-12/2014
Return on investment, %	15.9	-13.1	7.1
Return on equity, %	-73.6	-96.8	-48.2
Equity ratio, %	24.5	26.1	22.5
Net gearing, %	149.0	154.5	172.7
Investments, MEUR	0.0	0.2	0.7
% of net sales	0.3	1.5	1.0
Research and development, MEUR	3.2	3.7	12.0
% of net sales	18.7	25.5	16.2
Order book, MEUR	48.1	49.1	38.9
Personnel, average	964	1,051	1,038
Personnel, at end of period	970	1,042	993

CONSOLIDATED KEY FIGURES PER SHARE	1-3/2015	1-3/2014	1-12/2014
Earnings per share, basic, EUR	-0.03	-0.04	-0.08
Earnings per share, diluted, EUR	-0.03	-0.04	-0.08
Equity per share, EUR	0.15	0.15	0.14
Number of shares at end of period, x 1,000	122,628	122,564	122,628
Number of shares on average, x 1,000	122,628	122,564	122,605
Share price, EUR			
Average	0.11	0.23	0.19
Lowest	0.07	0.21	0.13
Highest	0.20	0.26	0.26
Share price at end of period, EUR	0.08	0.22	0.14
Market capitalisation of issued stock at end of period, MEUR	9.4	27.0	17.0
Share turnover, million shares	33.3	14.1	44.6
Share turnover, % of total	27.2	11.5	36.3
Share turnover, MEUR	3.8	3.3	8.7
Price/earnings ratio (P/E)			-1.8

QUARTERLY KEY FIGURES	1Q/15	4Q/14	3Q/14	2Q/14	1Q/14	4Q/13
Net sales, MEUR	17.1	24.2	23.7	11.7	14.4	20.0
Net sales, change %	18.9	20.6	35.7	-47.7	3.1	-10.6
Adjusted operating result ¹	1.4	5.1	4.7	-4.3	-1.8	3.6
% of net sales	8.0	21.3	19.8	-36.9	-12.3	17.8
Operating result, MEUR	1.1	4.7	4.7	-4.3	-1.8	3.6
% of net sales	6.2	19.4	19.8	-36.9	-12.3	17.7
Result before taxes, MEUR	-2.4	4.0	2.8	-5.5	-3.7	3.7
Personnel at end of period	970	993	1,059	1,052	1,042	1,059
Earnings per share, basic, EUR	-0.03	0.00	0.01	-0.05	-0.04	0.00
Earnings per share, diluted, EUR	-0.03	0.00	0.01	-0.05	-0.04	0.00
Equity per share, EUR	0.15	0.14	0.13	0.10	0.15	0.18
Net interest-bearing liabilities, MEUR	28.2	29.2	31.4	30.3	28.4	24.6
Order book, MEUR	48.1	38.9	52.7	46.7	49.1	45.0

¹ Adjusted result = operating result before one-time costs. Details of these are given in the section "Result analysis".