HELSINKI – **PKC Group** reported net sales for the April to June quarter of EUR 244.8 million, up 124% year-over-year.

Net profit was EUR 9.7 million, up 54% compared to the prior-year period.

Consolidated operating profit was EUR 14.2 million, up 100% year-over-year, accounting for 5.8% of net sales. Operating profit continued to be burdened by the losses of the company's Brazilian unit.

"PKC's performance remained stable during the second quarter of 2012. The second quarter's net sales reached EUR 244.8 million, EBITDA EUR 21.9 million, and operating profit EUR 14.2 million. Cash flow after investments was EUR 5.2 million positive. Cash flow during the second quarter was impacted by investments that were larger than in the first quarter and growth of net working capital in North America. In our other units the net working capital decreased from the levels of the first quarter," said president and CEO Matti Hyytiainen.

Economic uncertainty and worldwide drop in industrial investments affected the demand for electronic appliances, says the firm. Investments in renewable energy and telecommunication testing equipment remained on the same modest level as during the first quarter of 2012. However, the volumes of developing and constructing smart grids were at a good level. Also, the demand for energy-efficient technologies and products grew during the second quarter, says PKC.

Net sales generated by the electronics business decreased 6.1% to EUR 18 million in the quarter.

PKC's wiring systems business developed positively; first six months' operating profit was EUR 29.4 million. Positive growth in North America and Europe compensated for the operating loss of the Brazilian wiring systems business. ODM deliveries of PKC's electronics business remained on a very low level and the electronics business recorded an operating loss of EUR 300,000.

PKC's net sales for the first six months of 2012 amounted to EUR 486.8 million, up 136.1% year-over-year.

Net profit for the first six months was EUR 16.6 million, up 19.4% year-over-year.

Net sales generated by the electronics business decreased 12% to EUR 33.3 million.

PKC expects total net sales and comparable operating profit will increase in 2012 from the previous year's level.

Ed: EUR 1 = US$1.23