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FINLAND

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I OVERVIEW OF M&A ACTIVITY

Activity in Finnish mergers and acquisitions showed clear signs of recovery in 2013. According to data compiled by Mergermarket there were 83 announced deals during the second half of 2013, compared to 68 deals in the second half of 2012. The aggregate disclosed deal value for announced acquisitions of Finnish targets increased to approximately €13.9 billion in the second half of 2013, compared to €1.1 billion in the second half of 2012. The significant increase in value was mainly driven by a few large deals, most notably Nokia Corporation's sale of its mobile phone business to Microsoft in a landmark €5.44 billion transaction.

In general, the deal-making environment remained less favourable than it was before the 2008 financial crisis, the uncertainty being fuelled by the challenging outlook of the Finnish economy. Availability of financing remained relatively good.

The first half of 2014 has been in line with 2013, and the overall M&A pipeline is relatively strong. The activity in 2014 has been slightly above the level of 2013, with 60 deals announced during the first half, with the aggregate disclosed deal value for announced acquisitions of Finnish targets amounting to approximately €6.2 billion. There are certain signs that the market will continue to improve, which is supported by the increased level of large structural deals and the continued presence of structured sales processes. Most deals are, nevertheless, still being prepared and negotiated quite extensively and the number of failed structured sales processes has increased.

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II GENERAL INTRODUCTION TO THE LEGAL FRAMEWORK FOR M&A

The Finnish legal system derives from Nordic legal tradition, which itself is based on the German civil law tradition. Historically, agreements have been relatively brief, leaving room for interpretation in accordance with contract law principles and market practice. However, over the past few decades, agreements and, in particular, acquisition agreements have become more detailed and have started to resemble Anglo-American acquisition agreements.

The manner of carrying out a takeover of a Finnish company depends primarily on its ownership structure and whether the company's shares are listed or unlisted.

The ownership of most Finnish private companies is concentrated. Even in many listed companies, the majority of shares are held by a relatively small group of shareholders. Therefore, negotiations with the majority shareholders are often important in both public and private takeovers, and irrevocable undertakings from major shareholders may be decisive for the success of a public offer.

The legal framework applicable to public takeovers varies considerably from the regulation of private transactions. Contrary to private deals, takeovers of listed companies are subject to fairly detailed rules.

Regulation of Finnish public takeovers essentially consists of rules applicable to public takeovers included in Chapter 11 of the Securities Markets Act (SMA), Regulation and guideline 9/2013 on public offers issued by the Finnish Financial Supervision Authority (FSA), which entered into force on 1 July 2013 and replaced the old FSA Standard 5.2c, as well as the revised Helsinki Takeover Code issued by the Takeover Board of the Securities Market Association, which entered into force on 1 January 2014 and replaced the old Takeover Code from 2006. The current SMA entered into force in the beginning of 2013.

Chapter 11 of the SMA sets out, *inter alia*, the general requirement to treat holders of each class of securities subject to the offer equally, the general structure of the offer procedures, rules on publication of the offer and disclosure obligations, the requirement to make a mandatory offer, pricing of offers and rules on competing offers.

There is a dual mandatory offer threshold, which is exceeded when the bidder obtains 30 per cent of the shares or 50 per cent of the voting rights in the target. No mandatory offer will be required if the relevant thresholds are exceeded as a result of a voluntary offer that is made for all shares and securities granting a right to shares in the target.

Public offers are monitored by the FSA, which is authorised to interpret the relevant statutory provisions and issue standards and guidelines. Regulation and guideline 9/2013 supplements the statutory rules and sets forth the FSA's interpretation of the relevant provisions of the SMA. The standard contains more detailed rules on matters such as the takeover procedure, disclosure obligations and pricing.

Furthermore, the rules and regulations of the Nasdaq OMX Helsinki regulate, *inter alia*, the trading in securities in connection with public transactions.

Where the consideration consists of securities, the rules of the SMA relating to public offerings and listing of securities may also become applicable. Under the EU prospectus regime, an EU listing prospectus may be used in exchange offers in Finland where the consideration consists of securities listed in Finland or in another EU Member State. In such cases, the offer document will also have to comply with the EU Prospectus Regime.

Another source of law is the Companies Act, which sets out general principles of company law as well as provides the regulatory framework for corporate reorganisations and squeeze-outs.

Under the Companies Act, a squeeze-out procedure can be initiated by a shareholder holding directly or indirectly through a group company more than 90 per cent of the shares and votes of a company. A shareholder whose shares can be redeemed also has a right to request that the majority shareholder redeem that shareholder's shares.

The redemption price in a squeeze-out is the fair price. Where the 90 per cent threshold is exceeded as a result of a voluntary or mandatory public offer, the offer price is regarded as the fair price unless there are special reasons for deviation from that price. Where the bidder intends to exercise the squeeze-out right upon reaching the legal threshold through a tender offer, that intention should be disclosed in the offer document. The squeeze-out is effected through arbitration proceedings, which are usually initiated by the majority shareholder against all other shareholders.

Whereas the takeover of a listed company follows a rather rigid statutory procedure, the acquisition of a private company can be structured more freely.

With regard to private transactions in particular, there are few processes involving notaries and government officials. As a result, few formal requirements exist concerning documentation governing transfer of a business regardless of whether it is transferred through an asset or a share deal.

With regard to defensive action, the board of the target company has a general obligation under Finnish company law to act in the interests of the target company, with particular regard to the interests of the shareholders. In line with this general obligation, Chapter 11 of the SMA provides that the board is generally obliged to seek shareholder approval for defensive action that may frustrate a tender offer.

Finland has resolved to opt out of the breakthrough rule contained in Article 11 of the Takeover Directive. Breakthrough rules may, however, be voluntarily adopted by listed companies in their articles of association. Currently, such provisions have not been adopted by any listed company.

Finnish law severely restricts financial assistance. Under the Companies Act, a Finnish limited liability company may not grant any loan, grant any security for a loan, give any guarantee or assume any other liability the purpose of which is to finance an acquisition of the shares in the company or the shares in its parent company. A breach of the financial assistance rule may lead to, *inter alia*, personal liability for the members of the board of directors. In practice, alternative structures, such as merging of the target company into the acquirer after the initial transaction, are used to facilitate intra-group financing arrangements in connection with acquisitions.

III DEVELOPMENTS IN CORPORATE AND TAKEOVER LAW AND THEIR IMPACT

The current SMA entered into force in the beginning of 2013. It includes certain new rules applicable to public offers for securities.

First, a definition of persons acting in concert has been included in the law, mirroring that included in the Takeover Directive. Accordingly, natural or legal persons are regarded as acting in concert where they, on the basis of an agreement or otherwise, cooperate with a shareholder, the bidder or the target company with a view to exercising or acquiring significant influence in the company or frustrating a public offer. In addition, related parties, such as group companies, are regarded as persons acting in concert.

Second, the bidder's obligation to promote the fulfilment of a public offer is expressly stated in the SMA. This rule, which is based on the general principles of the Takeover Directive, means that the bidder may not prevent or substantially hamper the fulfilment of the bid or its conditions.

The legislation also grants the FSA the right to impose on a potential bidder a deadline for launching a public offer ('put up or shut up'). Such a deadline can be imposed on the target company's application in a situation where a potential bidder has in public stated that it is considering launching a public offer. In case the potential bidder does not launch a bid, it can be prevented from doing so during the following six months.

To ensure sufficient protection of target shareholders, shareholders have the right to withdraw their acceptance until the bidder has announced that all the conditions of the bid have been fulfilled or waived. With regard to unconditional bids, the acceptance can be withdrawn if the bid has been valid for 10 weeks and the purchase transactions have not been effected.

The reformed SMA introduced two new exceptions from the obligation to launch a tender offer for all shares in the company. Firstly, significant shareholders are permitted to launch a conditional consortium bid: if the mandatory bid obligation is triggered merely as a result of shareholders acting in concert in launching a voluntary offer, the shareholders are exempted from the mandatory bid obligation, provided that their acting in concert is limited to the voluntary bid. Secondly, no mandatory bid obligation will arise if a shareholder, or a party acting in concert, disposes of the number of voting rights exceeding the mandatory bid threshold within one month after the mandatory bid obligation arose.

The SMA requires all listed companies to be members of a common organisation, the purpose of which is to develop good securities market practice.

In connection with the entry into force of the SMA, the former Takeover Panel was closed down, and as of January 2013 the renewed Securities Market Association has taken care of issuing recommendations and opinions to promote compliance with good securities market practice. The Association has also established the Takeover Board to promote good securities market practice in connection with takeover bids. Furthermore, an application can now be made to the Takeover Board for a statement regarding the interpretation of the Helsinki Takeover Code, compliance with good securities markets practice and individual company law issues.

In December 2013, the Takeover Board issued the new revised Helsinki Takeover Code, which entered into force on 1 January 2014 and replaced the old Takeover Code from 2006. Compliance with the new Takeover Code is based on a 'comply or explain' principle; in a tender offer both the target company and the bidder have an obligation to confirm whether they comply with the Takeover Code and publicly explain if they are not committed to complying with the Takeover Code or some of its individual recommendations. The substance of the recommendations in the new Takeover Code is to a large extent similar to the old Takeover Code, taking into account the provisions of the new SMA and certain developments in market practice since 2006.

IV FOREIGN INVOLVEMENT IN M&A TRANSACTIONS

The Finnish private M&A market is an integrated part of the Nordic and international private M&A market. This is reflected in the Finnish market practice and the procedures followed in Finnish private transactions. Even purely Finnish transactions are often prepared, negotiated, drafted and executed in ways that are similar to those in the international marketplace.

A large number of Finnish transactions have a cross-border element, as foreign ownership of Finnish businesses continues to increase. The financial crisis significantly decreased the use of structured sales and auctions in the Finnish market, but in recent years structured sales and auctions have made a strong comeback.

As the Finnish market is relatively small, Finnish companies frequently engage in M&A transactions abroad, both as sellers and buyers. Foreign buyers are on the other hand frequently involved on the Finnish market on the buy side.

Similar to other Nordic countries, the legal advisory market concentrates on domestic firms. The same goes for domestic or Nordic banks, which handle a large share of the financial advisory mandates. However, the largest transactions frequently involve large international investment banks, complemented by local Finnish players.

V SIGNIFICANT TRANSACTIONS, KEY TRENDS AND HOT INDUSTRIES

i Finnish activity abroad

The acquisition activity abroad by Finnish companies remained relatively low during 2013–2014. There are, however, certain sectors, in particular industrial products and mining, in which Finnish-based companies have actively been seeking international growth, mainly through smaller acquisitions.

ii Private equity

The activity of private equity investors remained relatively high during 2013–2014, although it is still below the level of activity seen before the financial crisis. The focus has remained on developing and reorganising portfolio companies, and transactions have mainly been small and medium-sized. However, 2013 also saw a number of larger deals, including EQT's acquisition of Terveystalo, the Finnish private health-care provider, from Bridgepoint in a €390 million transaction. Many private equity investors are still expected to come under increased pressure to dispose of portfolio companies already held beyond the planned investment horizon and to invest committed capital. In sales processes, the trend moved towards a higher level of differentiation in terms of structure, with the popularity of large-scale controlled auctions decreasing and the focus instead shifting to more concentrated efforts with a limited number of bidders.

iii Public-to-private activity

The first half of 2014 saw two major voluntary public tender offers as SSAB, the Swedish steel processing company, made a €1.9 billion cash offer for Rautaruukki Plc, the Finnish metals manufacturer, and OP-Pohjola Group Central Cooperative, the Finnish-based financial services group, made a €3.4 billion offer for the stake in Pohjola Bank Plc, a Finnish bank, that it did not already own. In addition, 2013–2014 saw smaller voluntary offers, including CapMan's €62 million bid for Oral Hammaslaakarit Plc, and mandatory offers, including Ingman Group's €67 million offer for Etteplan, a Finnish provider of industrial equipment engineering and technical product information solutions, and Jussi Capital's €39 million offer for Sievi Capital, a listed investment company. No hostile offers have been seen on the Finnish market since Nordic Capital's unsuccessful €1.1 billion offer for TietoEnator in 2008.

iv Sector-specific trends

Activity in the life sciences and health-care sector has remained strong and the expected growth in future spending in the public health and social services sector has resulted in numerous deals and a strong pipeline. Highlight transactions during 2013–2014 included EQT's acquisition of Terveystalo, the Finnish private health-care provider, from Bridgepoint and CapMan's tender offer for Oral Hammaslaakarit Plc. In addition, there were a number of smaller transactions.

Deal activity in the communication technology, media and online gaming sectors was high during 2013–2014. The largest deals in the sector involved Nokia Corporation, which refocused its operations by buying back Siemens AG's 50 per cent stake in Nokia Siemens Networks Oy for €1.7 billion in July 2013. Subsequently, in September 2013 Nokia announced the sale of its mobile phones business to Microsoft for €5.44 billion, the largest transaction on the Finnish market since 2006.

The Finnish online gaming sector continued to attract investors and 2013 saw the biggest transaction on the Finnish market so far, when Japanese Softbank and Gungho Online Entertainment acquired a 51 per cent stake in Supercell, the Finnish online game developer, from Accel Partners and the company's founders, for €1.1 billion.

Activity remained strong also in the energy and infrastructure sector. Fortum, the listed Finnish power and heat company, sold its Finnish electricity distribution business to a consortium lead by First State Investments, the UK-based infrastructure investor, and Borealis Infrastructure Management, the Canada-based infrastructure investment arm of Ontario Municipal Employees Retirement System, in a €2.55 billion deal. Another notable transaction was Fingrid Oyj's and Elering OU's €77 million acquisition of Estlink, the Estonian Finnish project of a 350MW DC submarine cable between the Baltics and Finland.

The Finnish real estate sector continued to be slower than expected during 2013, but the first half of 2014 has shown some signs of increased activity. On a general level, transaction work is expected to increase throughout 2014 and beyond as substantial parts of the current portfolios are due to be refinanced.

VI FINANCING OF M&A: MAIN SOURCES AND DEVELOPMENTS

Domestic and Nordic banks have traditionally provided acquisition finance for Finnish transactions. However, large international banks are regularly involved in larger deals, and have returned to the Finnish market, although not yet to the extent seen before the financial crisis. While Nordic banks may face lending constraints in the future because of increased bank regulation, the current market sentiment seems to be that they have a fair amount of capacity to finance transactions and that there is actually too little demand for financing. The 2013–14 period indicates that Nordic banks are willing to provide financing, at least for mid-sized transactions, in particular for deals in 'hot' industries. In terms of covenants, however, the Finnish market has not to date witnessed a proliferation of 'covenant-lite' loans without maintenance-based financial covenants.

High-yield and other corporate bonds have increased in importance as a financing source for larger companies and recently also for private-equity-owned companies. For example, in May 2014, Paroc Group, which was taken over by its lenders in 2009, issued a €430 million six-year US high-yield bond and Elematic Oy Ab, a portfolio company of Pamplona Capital Management, issued a €35 million four-year high-yield bond. In the future, more private equity sponsors are expected to tap the high-yield bond market, particularly as a source of refinancing existing portfolio company debt. The absence of maintenance-based financial covenants is often cited by private equity sponsors as a key benefit of high-yield bonds, although it should be noted that, with the exception of a few bonds issued by private-equity backed companies, Nordic high-yield bonds' terms tend to contain maintenance-based financial covenants.

Finally, there is a trend towards an increasing number of non-bank loan investors in the LBO market, including assets managers, hedge funds and collateralised loan obligations. The majority of those investors are from outside the Nordic countries.

VII EMPLOYMENT LAW

The transfer of business under the Finnish Employment Contracts Act corresponds to the transfer under the Acquired Rights Directive (2001/23/EC). The basic requirement for a transaction or arrangement to constitute a transfer of business is that the subject of the transfer is an economic entity (i.e., an organised grouping of resources that has the objective of pursuing an economic activity), and that it retains these characteristics also after the transfer. Supplementary operations may also be subject to a labour law business transfer.

The transfer is mandatory and automatic. It does not require the entry into new employment contracts or other agreements with the transferring personnel, and they cannot effectively object to the transfer.

The employees transferring to the transferee are those at the service of the business concerned at the time of the transfer.

According to the Finnish Cooperation Act, the transferor and the transferee have a joint obligation to provide the employee representatives concerned with information regarding the timing of the transfer, the grounds for the transfer, the legal, financial and social consequences of the transfer to employees and the planned measures concerning the employees. The information shall be provided well in advance of the transfer of business; generally, one to two weeks before the transfer is deemed sufficient, depending on the size of the transaction and its impact on the personnel.

After the transfer, the transferee needs to make sure that the transferred personnel have been provided with such information within a week of the transfer. It also has a general obligation to discuss the related employment issues with the transferred personnel.

The procedure is the same irrespective of how many employees will transfer.

VIII TAX LAW

The main driver for choosing the form of transaction is taxation. Finland has implemented the provisions of the Merger Directive (90/434/EEC) and, accordingly, certain transactions such as share-for-share acquisitions can be carried out without triggering capital gains taxation.

An asset deal is typically preferable from the buyer's perspective, since the buyer may obtain a step-up in basis and depreciate the acquired assets (including goodwill). However, losses cannot be transferred in an asset deal. The sellers typically prefer share deals, as a capital gain is often tax exempt in a share deal. An asset deal may be preferred by a seller with carry-forward tax losses, or if the sale resulted in a loss. A buyer cannot depreciate the acquisition cost (including goodwill) in a share deal. The tax loss carry-forwards of the target may be lost in a share deal.

Transfers of shares and other securities in Finnish companies are subject to a transfer tax of 1.6 per cent (2 per cent for transfer of securities in a real estate company) of the sales price. The sale price is deemed to include any payments made, or obligations assumed, by the transferee to or for the benefit of the transferor. Transfers of securities between non-residents are generally exempted from the transfer tax unless the securities are issued by a Finnish real estate company. Also, transfers of securities in a foreign real estate holding company are subject to the transfer tax, if the assets of the foreign company are mainly comprised of real property (directly or indirectly) located in Finland and either the transferor or transferee is Finnish. In addition to securities, a transfer tax of 4 per cent is levied on the transfer of real property. Where the consideration consists of securities, other than newly issued shares, the transfer tax is levied on the transferred assets and the consideration. Certain corporate restructurings, such as transfer of a business against share consideration, are exempt from the transfer tax. Also, certain transfers of listed shares on the stock exchange are exempted from the transfer tax.

An asset deal is not subject to VAT, if it is treated as a transfer of a business as a going concern, the transfer is made to the buyer, and the buyer starts using the assets in a business subject to VAT. No VAT is payable upon a transfer of shares in a share deal.

Acquisitions are typically carried out through a local, newly established and leveraged acquisition vehicle (a limited liability company or a branch). As of tax year 2014 specific interest limitation rules limit the deductibility of net interest expenses on intra-group loans to the extent that the total net interest expenses (including also third party interest expenses) exceed 25 per cent of the borrower's fiscal EBITDA. The limitation does not apply if (1) total net interest expenses for the year do not exceed €500,000 (including also third-party interest expenses) or (2) the company's equity ratio is at the level of or higher than the equity ratio of the group. Financial institutions and certain other companies are outside the scope of the interest limitation rule. Otherwise, arm's-length interest expenses on acquisition debt are generally tax-deductible. There is generally no withholding tax on interest payments made to non-residents.

When certain conditions are satisfied, one group member can transfer profits to another member by way of a tax deductible group contribution, which constitutes taxable income for the recipient. The preconditions include a minimum ownership by the (common) parent of 90 per cent of the share capital in the subsidiary (subsidiaries), which has lasted the entire fiscal year, the fiscal years ending simultaneously as well as both parties carrying out business activities. Group contributions to foreign group members are not deductible.

Capital gains are generally taxable for resident individuals at 30 per cent, or 32 per cent for taxable capital income exceeding €40,000. In the case of corporations, capital gains are generally included in the taxable income. The general corporate income tax rate is 20 per cent. Capital gains from transfers of shares classified as fixed assets are as a general rule tax-exempt for corporate shareholders, provided that the shares represent at least 10 per cent of the share capital of the target and have been held for at least 12 months. However, private equity investors have been excluded from the scope of the capital gains tax exemption. Capital gains realised by non-resident shareholders are generally not taxable in Finland under domestic rules, unless the shareholding relates to a business carried out in Finland, for example through a permanent establishment, or the shares are shares in a real estate company.

Dividends received by corporate shareholders are generally tax exempt. The tax exemption applies to (1) domestic dividends; (2) dividends from other EU country residents that are referred to in Article 2 of the EU Parent-Subsidiary Directive (2013/13/EU); and (3) dividends from other EEA resident companies, provided that the EEA tax resident company is subject to a minimum of 10 per cent tax on its income. Specific rules apply to financial, insurance and pension institutions. Furthermore, dividends received by an unlisted company from a listed company are fully taxable at 20 per cent, unless the unlisted recipient company directly holds minimum of 10 per cent of the capital of the distributing listed company. Dividend income is fully taxable at 20 per cent in other cases than above if no exemption is provided under a tax treaty.

Dividend income received by resident individual shareholders from domestic listed companies is partly taxable (85 per cent) and partly exempt (15 per cent). The taxable dividend income is taxed as capital income at 30 per cent, or at 32 per cent when taxable capital income exceeds €40,000. The taxation of dividend income received by resident individual shareholders from domestic unlisted companies is determined based on an annual return of 8 per cent of the net value of the shares. As a general rule, within the 8 per cent annual return, dividend income is partly taxable (85 per cent) as capital income and partly tax exempt (15 per cent). However, up to an amount of €150,000, only 25 per cent of the dividend income is taxable as capital income. To the extent that the dividend income exceeds the 8 per cent annual return, 75 per cent of the dividend income is taxable as earned income at progressive rates and 25 per cent is tax exempt.

Foreign corporate shareholders are generally subject to a withholding tax at a rate of 20 per cent on dividends. However, dividends are not subject to withholding tax if paid to (1) a corporate recipient covered by Article 2 of the Parent-Subsidiary Directive (2013/13/EU) that holds more than 10 per cent of the distributing company's share capital; or (2) an EEA resident corporate recipient that cannot obtain a credit for the withholding tax and the dividend, if paid to a Finnish-resident corporate recipient, had been tax exempt. Further, the level of withholding tax is generally reduced to between zero and 15 per cent under Finland's tax treaties.

As a general rule, losses can be carried forward and utilised during 10 years after the year in which they arose. However, losses incurred by a company are not carried forward if a change of over 50 per cent in the ownership occurs. The rule also applies in the case of an indirect ownership change. An exemption may be granted by the tax authorities.

IX COMPETITION LAW

Finnish merger control rules are set out in the Finnish Competition Act, which entered into force in November 2011. If the EU Merger Regulation does not apply, a transaction must be notified to the Finnish Competition and Consumer Authority (FCCA) where the aggregate worldwide turnover of the parties (i.e., usually the acquirer and the target) exceeds €350 million and each of at least two of the parties has a Finnish turnover of at least €20 million. Finnish turnover means sales to customers located in Finland irrespective of whether the seller has any physical presence in Finland. Notification must be submitted after entering into a concentration agreement, acquisition of control or announcement of a public offer, and in any event before closing the transaction. It is also possible to notify the transaction already as soon as the parties have, with a sufficient degree of certainty and sufficiently specific terms, proven their intention to conclude the transaction, for instance, with a signed letter of intent. A notified transaction may not be implemented before clearance unless the FCCA grants an exemption.

The FCCA applies the SIEC (significant impediment to effective competition) test in line with the EU Merger Regulation. The Market Court may, upon the FCCA's proposal, prohibit a transaction, order it to be cancelled or impose conditions if the concentration would significantly impede effective competition in Finland or in a substantial part thereof, particularly as a result of the creation or strengthening of a dominant position.

The FCCA will decide within one month of the submission of the notification to either approve the transaction or begin an in-depth investigation. The in-depth investigation may last for three months (but may be extended by two months). The FCCA can extend the investigation period if the parties to the transaction do not submit the required information to the authority or the information is significantly incomplete or inaccurate. If the FCCA wishes to prohibit the transaction, it is required to make a proposal to that effect to the Market Court, which will decide on the issue. The Market Court's decision can be appealed to the Supreme Administrative Court. The notifying party, however, is not entitled to appeal a conditional approval decision of the FCCA to the Market Court.

X OUTLOOK

The general short to medium-term outlook is somewhat positive, although the times of uncertainty are still not over. The expectation is, however, that M&A activity will continue to pick up, both for larger structural deals and for small and mid-cap transactions.

Financial sponsors have been more active in the markets than at any time since the financial crisis and are expected to strengthen their presence further. The amount of funds already raised but not yet invested continues to be significant. On the other hand, financial sponsors are likely to be under increased pressure to dispose of portfolio companies already held beyond the planned investment horizon, even in the face of lower valuations. Many potential industrial buyers continue to have strong financial positions and seek investment targets.

The Finnish IPO market has been quiet for several years, with Finnish companies relying on other types of financing or seeking equity financing through IPOs listing abroad. There have, however, been certain positive signals indicating that listing activity may increase. The second half of 2013 saw the listing of Caverion, the building systems business of YIT, the Finnish-based construction company, and Valmet, the pulp, paper and power business of Metso, the Finnish-based supplier of technology and services to process industries.

There has also been increasing interest towards Nasdaq OMX Helsinki's less regulated First North marketplace with several listings during 2013–2014, including Verkkokauppa.com, the Finnish online retailer, and Taaleritehdas, the Finnish investment manager, and a relatively strong pipeline.

In the second half of 2013 and the first half of 2014, the share prices of Finnish companies listed on the Nasdaq OMX Helsinki have been continuing to increase in value.

Appendix 1

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Jan Ollila is the managing partner of Dittmar & Indrenius and advises international and domestic public and private corporate clients, private equity houses and financial institutions on a wide range of matters with a particular emphasis on public and private mergers and acquisitions, financing arrangements and related dispute resolution. Mr Ollila joined Dittmar & Indrenius in 1992 and became a partner in 2000.

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