Stock Exchange Release
Talvivaara Mining Company Plc
8 November 2012

Talvivaara Mining Company Interim Report for January-September 2012

Improved production in the third quarter
Continued heavy rains have prolonged water balance challenges and impacted solution grades

Highlights

Q3 2012
- Nickel production of 4,030t and zinc production of 7,184t; improved output compared to Q2 2012
- Stable operation of the metals recovery plant throughout most of the quarter
- Continued progress in equipment availabilities and run-rates across processes
- Heavy rains prolonged water balance challenges and impacted solution grades; measures to improve water balance in progress
- Successful implementation of altered production scheme with emphasis on heap reclaiming for 3-4 months from the beginning of September
- Net sales of EUR 44.8m
- Operating loss of EUR (4.3)m

Q1-Q3 2012
- Nickel production of 10,598t and zinc production of 21,760t
- Net sales of EUR 117.3m
- Operating loss of EUR (26.6)m

Production guidance

As announced in connection with Talvivaara's Production Update on 15 October 2012, Talvivaara anticipates its Q4 2012 production to improve over the level attained in Q3 2012. However, due to the challenging water balance situation the Company considers it unlikely that its full year 2012 production target of approximately 17,000t of nickel will be achieved.

Key figures

EUR million	**Q3 2012**	Q3 2011	**Q1-Q3 2012**	Q1-Q3 2011	FY 2011
Net sales	**44.8**	60.6	**117.3**	164.7	231.2
Operating profit (loss)	**(4.3)**	5.5	**(26.6)**	16.0	30.9
% of net sales	**(9.6%)**	9.1%	**(22.7%)**	9.7%	13.4%
Profit (loss) for the period	**(12.1)**	(3.4)	**(44.5)**	(8.9)	(5.2)
Earnings per share, EUR	**(0.05)**	(0.02)	**(0.16)**	(0.05)	(0.04)
Equity-to-assets ratio	**28.0%**	28.7%	**28.0%**	28.7%	27.9%
Net interest bearing debt	**514.6**	410.2	**514.6**	410.2	455.7
Debt-to-equity ratio	**140.6%**	128.1%	**140.6%**	128.1%	141.3%
Capital expenditure	**32.5**	22.0	**67.9**	57.6	79.1
Cash and cash equivalents at the end of the period	**87.3**	38.6	**87.3**	38.6	40.0
Number of employees at the end of the period	**551**	446	**551**	446	461

All reported figures in this release are unaudited.

CEO Harri Natunen comments: *"In the third quarter, we continued our consistent work to gradually ramp up production, enhance stability and availability of processes and improve our environmental performance. Across all of these areas, we have seen continued positive development which gives us a high degree of confidence for*

the future. In July, we achieved a record level of ore production despite the mining department sourcing ore from a more distant location than planned. The metals recovery plant operated steadily throughout most of the third quarter, and in September reached an average monthly flow rate of 1,447 m^3/h excluding an unscheduled stoppage towards the end of the month. Our environmental track record continued to improve in the third quarter and, for example, no odour complaints from nearby residents were received in September.

Whilst I am pleased to report these underlying supportive trends, we have continued to face water balance challenges and consequential effects on metals production. Historically heavy rainfall has continued in Sotkamo since the spring, and during the summer months rainfall exceeded the long-term average by 50-100%. Excess water in circulation has diluted metal grades in leach solution, and the high water content in heaps has also impacted leaching performance by reducing the efficiency of aeration.

We are implementing a number of measures to improve the water balance and the leaching performance, including the commissioning of reverse osmosis technology for water purification, accelerated reclaiming of primary heaps, and development work on the design of future primary heaps. As a result, we expect some improvement in the metal grades towards the year-end, but a complete reversal is unlikely to be achieved until next year. Whilst we expect production in the fourth quarter to be higher than in the third quarter, the water balance challenges have led us to conclude that we are unlikely to achieve our full year nickel production target of 17,000t.

Because of the challenging water balance and temporary storage of water in the open pit we also decided to alter our production scheme for 3-4 months starting September. During this time we will not mine and crush new ore, but rather concentrate on primary heap reclaiming and removal of water from the open pit. To date, implementation of the scheme has progressed well and is expected to result in cost savings amounting to around EUR 20 million during the remainder of 2012 and the first part of 2013.

Our third quarter financial result was impacted by the LME nickel price declining to its lowest levels since mid-2009, recording an average of approximately USD 15,700/t in August. Although the price recovered somewhat towards the quarter-end, the market outlook for nickel remains quite cautious and uncertain in the coming months. In order to ensure Talvivaara's financial flexibility in this environment, we are focusing on attaining the targeted savings from the temporary alteration of our production scheme as well as assessing options for additional funding.

As announced in our previous releases on 5 and 7 November 2012, we detected a leakage in the mine's gypsum pond on 4 November 2012. Ever since then, our own and our contractors' personnel have worked day and night to locate and stem the leakage and to minimize its environmental impact. At the time of this announcement, we have managed to locate the damaged area and materially reduce the leakage, but work to repair the pond still continues. We have also built and are building more safety dams, which have enabled us to contain most of the leaked water within the mining concession area. I take this opportunity to thank our own and our contractors' personnel for their tireless work on resolving this issue, and I wish them further strength as we now continue our work on minimizing the environmental impact and normalizing our production."

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Webcast and conference call on 8 November 2012 at 12:00 GMT / 14:00 EET

A combined webcast and conference call on the January-September 2012 Interim Result will be held on 8 November 2012 at 12:00 GMT / 14:00 EET. The call will be held in English.

The webcast can be accessed through the following link:
http://qsb.webcast.fi/t/talvivaara/talvivaara_2012_1108_q3/

A conference call facility will be available for a Q&A with senior management following the presentation.

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Conference ID: 914121

The webcast will also be available for viewing on the Talvivaara website shortly after the event.

Financial review

Q3 2012 (July-September)

Net sales and financial result

Talvivaara's net sales for nickel and cobalt deliveries to Norilsk Nickel and for zinc deliveries to Nyrstar during the quarter ended 30 September 2012 amounted to EUR 44.8 million (Q3 2011: EUR 60.6 million). Net sales grew by 33.9% compared to Q2 2012 primarily due to an increase of 34.5% in nickel product deliveries and a slight increase in the nickel price. Product deliveries in Q3 2012 amounted to 3,978t of nickel, 97t of cobalt and 5,638t of zinc.

The change in work in progress during Q3 2012 amounted to EUR 10.4 million and reduced by 56.5% compared to Q2 2012. The reduction resulted from the implementation of an alteration to the production scheme, whereby mining and crushing operations are temporarily discontinued as of September 2012. As no new ore was stacked during September, work in progress increased less in Q3 2012 than during normal operations.

Operating loss for Q3 2012 was EUR (4.3) million (Q3 2011: profit of EUR 5.5 million), corresponding to an operating margin of (9.6%) (Q3 2011: 9.1%). During the period, materials and services amounted to EUR (29.3) million (Q3 2011: EUR (29.1) million) and other operating expenses to EUR (13.9) million (Q3 2011: EUR (12.3) million). Compared to Q2 2012, materials and services and other operating expenses decreased by 11.0%, reflecting primarily efficiency improvements at the metals recovery plant.

Loss for the period amounted to EUR (12.1) million (Q3 2011: EUR (3.4) million).

Balance sheet and financing

Capital expenditure during the third quarter totalled EUR 32.5 million (Q3 2011: EUR 22.0 million). The expenditure related primarily to secondary heap foundations, secondary leaching and the uranium extraction circuit. Talvivaara received advance payments amounting to EUR 14.0 million from Cameco to cover the construction costs of the uranium extraction circuit.

In order to secure Talvivaara's financial flexibility and a sufficient level of liquidity, the Company is undertaking an assessment of a range of funding options including debt, convertible bonds, royalty streams and equity. At this stage no formal decision has been made and the Board continues to assess funding alternatives.

Q1-Q3 2012 (January-September)

Net sales and financial result

Talvivaara's net sales for nickel and cobalt deliveries to Norilsk Nickel and for zinc deliveries to Nyrstar during Q1-Q3 2012 amounted to EUR 117.3 million (Q1-Q3 2011: EUR 164.7 million). Net sales decreased by 28.8% compared to Q1-Q3 2011 mainly due to a lower nickel price. Product deliveries amounted to 10,457t of nickel, 21,078t of zinc and 285t of cobalt (Q1-Q3 2011: 11,136t of nickel, 24,266t of zinc, 266t of cobalt).

The Group's other operating income amounted to EUR 4.0 million (Q1-Q3 2011: EUR 2.6 million) and mainly resulted from indemnities on losses and fair value gains on biological assets.

Materials and services were EUR (97.8) million in Q1-Q3 2012 (Q1-Q3 2011: EUR (97.3) million) and other operating expenses were EUR (47.8) million (Q1-Q3 2011: EUR (42.6) million). The largest cost items were production chemicals, external services, electricity and maintenance.

Employee benefit expenses were EUR (20.7) million (Q1-Q3 2011: EUR (19.1) million). The increase was attributable to the increased number of personnel.

Operating loss for Q1-Q3 2012 was EUR (26.6) million (Q1-Q3 2011: profit of EUR 16.0 million). Operating margin for Q1-Q3 2012 was (22.7%), showing an improvement over (30.8%) in H1 2012. The key determinants to the change in the operating margin were a somewhat higher but still challenging nickel price and increased nickel product deliveries.

Finance income for the period was EUR 2.1 million (Q1-Q3 2011: EUR 1.0 million) and consisted mainly of exchange rate gains. Finance costs of EUR (34.1) million (Q1-Q3 2011: EUR (27.8) million) were mainly due to interest and related financing expenses on borrowings.

Loss for Q1-Q3 2012 amounted to EUR (44.5) million (Q1-Q3 2011: EUR (8.9) million) reflecting the challenging nickel price, high maintenance costs and lower than anticipated level of product deliveries. Earnings per share were EUR (0.16) (Q1-Q3 2011: EUR (0.05)).

The total comprehensive income for Q1-Q3 2012 was EUR (44.5) million (Q1-Q3 2011: EUR (16.3) million). In 2011, it included a reduction in hedge reserves resulting from the occurrence of the hedged sales.

Balance sheet

Capital expenditure in Q1-Q3 2012 totalled EUR 67.9 million (Q1-Q3 2011: EUR 57.6 million). The expenditure related primarily to the uranium extraction circuit, earthworks in secondary leaching and secondary heap foundations. In addition, major investments were made in environmental technology to improve the quality of effluent waters, reduce odour emissions and limit dust emissions. On the consolidated statement of financial position as at 30 September 2012, property, plant and equipment totalled EUR 793.4 million (31 December 2011: EUR 762.0 million).

In the Group's assets, inventories amounted to EUR 301.9 million on 30 September 2012 (31 December 2011: EUR 240.4 million). The increase in inventories reflects the ramp-up of production and the consequent increase in the amount of ore stacked on heaps, valued at cost. The temporary alteration to the production scheme will also affect the amount of inventories in Q3-Q4 2012.

Trade receivables amounted to EUR 52.9 million on 30 September 2012 (31 December 2011: EUR 64.0 million). Trade receivables remained roughly at the same level as at the end of Q2 2012 due to unscheduled downtime at the metals recovery plant in late September.

On 30 September 2012, cash and cash equivalents totalled EUR 87.3 million (31 December 2011: EUR 40.0 million).

In equity and liabilities, the total equity amounted to EUR 366.1 million on 30 September 2012 (31 December 2011: EUR 322.6 million). Talvivaara raised EUR 81.5 million, net of transaction costs, from an issue of 24,589,050 new shares in Q1 2012. In addition, interest cost of EUR 2.8 million of a perpetual capital loan was capitalized in equity. A total of 1,830,087 new shares were subscribed and paid for in Q1-Q3 2012 under the Company's stock option rights 2007A and the entire subscription price amounting to EUR 4.9 million was recognized in equity.

Borrowings increased from EUR 495.7 million on 31 December 2011 to EUR 601.9 million at the end of September 2012. The changes in borrowings during Q1-Q3 2012 included an issue of a senior unsecured bond of EUR 110 million, a draw-down of EUR 20 million from the revolving credit facility, a repayment of commercial paper notes amounting to EUR 8.5 million, and a partial buy-back, with a nominal value of EUR 8 million, of senior unsecured convertible bonds due 2013.

Total advance payments as at 30 September 2012 amounted to EUR 265.5 million, representing an increase of EUR 18.2 million from EUR 247.3 million on 31 December 2011. During Q1-Q3 2012, Talvivaara received a total of EUR 22.3 million in advance payments from Cameco based on the uranium off-take agreement between the companies, whilst the advance payment from Nyrstar was amortised by EUR 4.1 million as a result of zinc deliveries.

Total equity and liabilities as at 30 September 2012 amounted to EUR 1,309.5 million (31 December 2011: EUR 1,156.7 million).

Financing

In June, Talvivaara's EUR 130 million revolving credit facility was amended, changing its margin to 4.00% through to June 2013. Thereafter, the margin will be 1.75-3.00% depending on the Company's leverage ratio.

As at 30 September 2012, EUR 70 million of the facility was drawn. The drawdown has been reported under current liabilities following a breach of some of the facility's covenant requirements in the third quarter. The breached covenants have been waived by the banks since the quarter-end.

In April and May, Talvivaara conducted a buy-back for a portion amounting to a nominal value of EUR 8 million of the Company's senior unsecured convertible bonds due 2013. The remaining convertible bonds have a nominal value of EUR 76.9 million and are due in May 2013.

In March, Talvivaara issued a EUR 110 million senior unsecured bond. The 5-year bond has an issue price of 100%, pays a coupon of 9.75% and is callable after 3 years. The bond issue was sold to both Finnish and international institutional and private investors. The bond was settled and the notes were listed on NASDAQ OMX Helsinki in April.

In February, Talvivaara completed an issue of 24,589,050 new shares representing approximately 10 per cent of the number of the existing shares of the Company. The proceeds of the share issue amounted to EUR 82.6 million before commissions and expenses and to EUR 81.5 million net of costs. An Extraordinary General Meeting of Talvivaara Mining Company Plc resolved to approve the share issue in March, and the new shares were subsequently registered in the Finnish Trade Register.

Currency option programme

Talvivaara has entered into a currency option programme comprising USD options for three months from October 2012 through to December 2012. Monthly obligation is USD 5.0 million and protection is USD 5.0 million. The collar ranges from 1.1500 to 1.3750.

Production review

Metals recovery

Talvivaara produced 4,030t of nickel (Q3 2011: 3,153t) and 7,184t of zinc (Q3 2011: 7,286t) in the third quarter of 2012, which represents a clear improvement over 3,194t nickel and 6,686t zinc in the previous quarter. During the first nine months of 2012, the Company produced 10,598t of nickel (Q1-Q3 2011: 11,319t) and 21,760t of zinc (Q1-Q3 2011: 21,291t).

The Company continued to achieve stable operation of the metals recovery plant for most of the third quarter. Deviations from stable operation were caused by two brief power outage -related stoppages in late July and an unscheduled downtime of 8 days in late September due to problems in re-starting hydrogen sulphide production following a planned 4-hour stoppage for piping installations to enable de-watering of the open-pit mine. Leach solution flow rate through the plant improved throughout the quarter and reached an average of 1,447 m^3/h in September excluding the unscheduled stoppage.

Bioheapleaching and water management

Continued historically heavy rainfall throughout the third quarter has prolonged water balance issues at the Sotkamo mine. In the first nine months of the year, the total rainfall in the area amounted to 710mm, which exceeds the long-term average of 489mm by 45%. During most of the spring and summer, rainfall in the area exceeded the long-term average by 50-100%. The excess water in circulation has continued to dilute metal grades in leach solution. During the third quarter, the average nickel grade in solution pumped to the metals recovery plant was 1.5-1.6 g/l compared to slightly below 2 g/l at the start of the year.

Talvivaara is taking active measures to moderate the water balance and to enhance leaching performance. The construction of two reverse osmosis plants for water purification was nearly completed during the third quarter. The plants are expected to improve the water balance by enabling the Company to increase the recycling of purified process waters and to reduce raw water intake. A third reverse osmosis unit will be installed next spring.

The unusually high water content in the heaps has also been found to impact leaching by reducing the efficiency of aeration. Measures to improve aeration are being taken and include accelerated reclaiming of the existing primary heaps as well as improving the overall water balance, which over time enables reduction of the amount of water in circulation. Development work is also on-going to improve the design of future primary heaps for optimal aeration efficiency.

As a result of the heavy rains, some 1.7Mm^3 of excess water has accumulated at the mine site and been temporarily stored in the open pit. De-watering of the pit started in September following the completion of an expansion of the gypsum pond, and is expected to take 2-3 months.

Ore production

Because water in the open pit prevented mining in accordance with original plans in the third quarter, the mining department sourced ore from a more distant location at the Southern end of the Kuusilampi pit. Despite this, a record level of 1.5Mt of ore was mined and subsequently crushed in July and equipment availabilities in materials handling approached the required steady state levels. In total, 2.6Mt of ore was mined and stacked in the third quarter (Q3 2011: 3.0Mt). Waste mining during the period amounted to 1.5Mt (Q3 2011: 4.5Mt).

As previously announced, Talvivaara has decided to discontinue mining and crushing operations for a period of 3-4 months from the beginning of September due to the prevailing water balance situation. Discontinuing mining and crushing operations is carried out without lay-offs or redundancies. The temporary production scheme alteration is proceeding as planned.

Production key figures

		Q3 2012	Q3 2011	**Q1-Q3 2012**	Q1-Q3 2011	**FY 2011**
Mining						
Ore production	Mt	**2.6**	3.0	**8.7**	7.9	**11.1**
Waste production	Mt	**1.5**	4.5	**4.1**	15.0	**17.0**
Materials handling						
Stacked ore	Mt	**2.6**	3.0	**8.7**	7.9	**11.1**
Bioheapleaching						
Ore under leaching	Mt	**44.3**	32.2	**44.3**	32.2	**35.6**
Metals recovery						
Nickel metal content	Tonnes	**4,030**	3,153	**10,598**	11,319	**16,087**
Zinc metal content	Tonnes	**7,184**	7,286	**21,760**	21,291	**31,815**

Sustainable development, safety and permitting

Safety

A safe working environment and safe working practices are top priorities for Talvivaara. Following the regrettable fatality at the site in March, the Company has implemented a number of preventative safety-related improvements to its processes and operational procedures. There have been no accidents leading to employee absence at the metals recovery plant during the second and third quarters of 2012. Talvivaara continues its efforts to improve occupational safety and to enhance the Company's safety culture.

At the end of the third quarter, the injury frequency among the Talvivaara personnel was 13.2 lost time injuries/million working hours on a rolling 12 month basis (30 September 2011: 13.9 lost time injuries/million working hours).

Environment

Talvivaara continues to focus on minimising the environmental impact of its operations. In the second quarter the Company announced investments in environmental technology amounting to more than EUR 13 million, which are currently being implemented. The new technologies will further improve the quality of effluent waters, reduce odour emissions and limit dust emissions.

Hydrogen sulphide (odour) emissions have been largely addressed. Odour complaints from nearby residents have reduced substantially, and there were no complaints in September.

Dust emissions have been addressed through the commissioning in July of a new dust removal system at the screening hall. In line with Talvivaara's commitment to continuous improvement, several technological solutions are being studied to further reduce dust emissions.

Talvivaara has continued to make significant progress in reducing its sulphate and sodium discharges into nearby lakes as a result of process improvements and increased water recycling. In order to further reduce discharges into water, Talvivaara has invested in a reverse osmosis–based water treatment system, which is expected to be commissioned before year-end 2012.

In order to improve timely and transparent communication on environmental matters with the neighbouring communities and other interested stakeholders, Talvivaara launched a specific website for this purpose in January 2012. The Finnish language website, *www.paikanpaalla.fi*, reviews environmental data and events in blog format and aims to provide region-specific information in an easily understandable and concise form.

Permitting

In January, Talvivaara received a positive opinion on its uranium recovery process from the European Commission under the Euratom Treaty. In its opinion, the European Commission considered that uranium recovery at the Talvivaara mine complies with the goals set by the Euratom Treaty and may improve the supply security of nuclear fuel in the European Union. In March, Talvivaara also received a licence from the Finnish Government to extract uranium as a by-product from its existing operations pursuant to the Nuclear Energy Act. The permit is valid throughout the life of the mine, however, no longer than until the end of 2054.

In April, Talvivaara was informed by the Northern Finland Regional State Administrative Agency that the Company's environmental permit for uranium extraction and the general update of Talvivaara mine's environmental permit are to be processed together. Decisions on the permits were previously expected by year-end 2012, but the permitting authorities have informed the Company of a delay in processing the applications. Permit decisions are now expected to be postponed until late January or February 2013. Talvivaara continues to operate under the Company's existing environmental permit until the renewal process is completed and does not anticipate the delay having any material impact on its production output or financial results. Talvivaara aims to start uranium recovery as soon as all the necessary permits have been obtained.

Following completion of the Environmental Impact Assessment ("EIA") programme, the EIA process for the potential expansion of the Talvivaara mine was initiated during the first quarter of 2012. The EIA covers options to expand production capacity up to 100,000t of nickel per annum, and also the option to refine nickel sulphide into LME-quality nickel metal. Talvivaara expects to submit the environmental permit application for production expansion in 2013 following completion of the EIA process.

Business development

Uranium production

Talvivaara is preparing for the recovery of uranium as a by-product of the Company's existing operations. Uranium occurs naturally in small concentrations in the Talvivaara area and leaches into the process solution along with Talvivaara's main products. Annual uranium production is estimated at 350tU (ca. 770,000 pounds), corresponding to approximately 410t (900,000 pounds) of yellow cake (UO_4). Talvivaara's entire uranium production will be sold under a long-term agreement to Cameco.

Following receipt of the construction permit in August 2011, Talvivaara commenced construction of the uranium recovery facility, which will be completed during the current year. The permitting process for uranium production is on-going and the start of uranium production is further subject to, among others, environmental permit approval and chemical authorisation. The decision on the environmental permit is expected in late January or February 2013 in connection with the general update of the mine's environmental permit.

Production expansion – Operation Overlord

Conceptual studies relating to production expansion beyond 50,000tpa of nickel continued during the quarter, with a particular emphasis on permitting and the on-going Environmental Impact Assessment. The scoping studies are based on the target of doubling the presently planned production to approximately 100,000tpa of nickel. Whilst studies relating to various processing options continue, it appears relatively likely that a substantial

part of the expanded production would be LME-quality nickel metal, i.e. Talvivaara would integrate its production one step further downstream.

No investment decisions relating to the production expansion have yet been taken, with such a decision expected at the earliest in 2014.

Energy strategy

Talvivaara's energy strategy is focused on building an environmentally sound portfolio of low-cost capacity allowing the Company to be energy self-sufficient in the longer term. Talvivaara's electricity need is currently approximately 45MW, and is expected to increase significantly if the Company proceeds with the planned capacity expansion and further refining of nickel into LME-quality metal.

Talvivaara increased its capacity share in the Fennovoima nuclear project in Finland from approximately 10MW to approximately 60MW during the first quarter of 2012. The Company is also studying, amongst others, on-site windpower production, bioenergy and utilization of energy generated in the production process.

Annual General Meeting

Talvivaara's Annual General Meeting was held on 26 April 2012 in Sotkamo, Finland. The resolutions of the AGM included:

- that no dividend be paid for the financial year 2011;
- that the annual fee payable to the members of the Board for the term until the close of the Annual General Meeting in 2013 be as follows: Executive Chairman of the Board EUR 280,000, Deputy Chairman (Senior Independent Director) EUR 69,000, Chairmen of the Board Committees EUR 69,000 and other Non-executive Directors EUR 48,000;
- that the number of Board members be eight and that Mr. Edward Haslam, Ms. Eileen Carr, Mr. D. Graham Titcombe, Mr. Tapani Järvinen and Mr. Pekka Perä be re-elected as Board members and Mr. Stuart Murray, Mr. Michael Rawlinson and Ms. Kirsi Sormunen be appointed as new members of the Board;
- that the auditor be reimbursed according to the auditor's approved invoice and authorised public accountants PricewaterhouseCoopers Oy be elected as the Company's auditor for the financial year 2012;
- that the Board be authorised to decide on the repurchase, in one or several transactions, of a maximum of 10,000,000 of the Company's own shares. The authorisation is valid until 25 October 2013 and replaces the authorisation to repurchase 10,000,000 shares granted by the Annual General Meeting of 28 April 2011; and
- that the Board be authorised to decide on the conveyance, in one or several transactions, of a maximum of 10,000,000 of the Company's own shares. The shares may be conveyed to the Company's shareholders in proportion to their present holding or by waiving the pre-emptive subscription rights of the shareholders and the authorisation is valid until 25 April 2014.

Risk management and principal risks

In line with current corporate governance guidelines on risk management, Talvivaara carries out an on-going process endorsed by the Board of Directors to identify risks, measure their impact against certain assumptions and implement the necessary proactive steps to manage these risks.

Talvivaara's operations are affected by various risks common to the mining industry, such as risks relating to the development of Talvivaara's mineral deposits, estimates of reserves and resources, infrastructure risks, and volatility of commodity prices. There are also risks related to counterparties, currency exchange ratios, management and control systems, historical losses and uncertainties about the future profitability of Talvivaara, dependence on key personnel, effect of laws, governmental regulations and related costs, environmental hazards, and risks related to Talvivaara's mining concessions and permits.

In the short term, Talvivaara's key operational risks continue to relate to the on-going ramp-up of operations. While the Company has demonstrated that all of its production processes work and can be operated on industrial scale, the rate of ramp-up is still subject to risk factors including the reliability and sustainable capacity of production equipment, and eventual speed of leaching and rates of metals recovery in bioheapleaching. In

addition, there may be production and ramp-up related risks that are currently unknown or beyond the Company's control.

The market price of nickel has historically been volatile and in the Company's view this is likely to persist, driven by shifts in the supply-demand balance, macroeconomic indicators and variations in currency exchange ratios. Nickel sales currently represent close to 90% of the Company's revenues and variations in the nickel price therefore have a direct and significant effect on Talvivaara's financial result and economic viability. Talvivaara is, since February 2010, unhedged against variations in metal prices. Full or substantially full exposure to nickel prices is in line with Talvivaara's strategy and supported by the Company's view that it can operate the Talvivaara mine, once it has been fully ramped up, profitably also during the lows of commodity price cycles.

Talvivaara's revenues are almost entirely in US dollars, whilst the majority of the Company's costs are incurred in Euro. Potential strengthening of the Euro against the US dollar could thus have a material adverse effect on the business and financial condition of the Company. Talvivaara hedges its exposure to the US dollar on a case by case basis with the aim of limiting the adverse effects of US dollar weakness as considered justified from time to time.

Liquidity and refinancing risks may arise as a result of the Company's inability to produce sufficient volumes of its saleable products, particularly nickel, unexpected increase in production costs, and sudden or substantial changes in the prices of commodities or currency exchange rates. Talvivaara seeks to reduce liquidity risk by close monitoring of liquidity in order to detect any threat of adverse changes in advance so as to allow for sufficient time to secure access to adequate credit or other funding on reasonable terms. Talvivaara also seeks to maintain a balanced maturity profile of its long-term debt in order to mitigate refinancing risks.

Personnel and management

The number of personnel employed by the Group on 30 September 2012 was 551 (Q3 2011: 446).

Wages and salaries paid during the three months to 30 September 2012 totalled EUR 4.8 million (Q3 2011: EUR 4.9 million). Wages and salaries paid during the nine months to 30 September 2012 totalled EUR 17.1 million (Q1-Q3 2011: EUR 16.2 million).

Harri Natunen was appointed as CEO in April 2012. Following his appointment, Natunen consolidated the Executive Committee, which now continues in the following composition:

Harri Natunen, Chief Executive Officer
Saila Miettinen-Lähde, Deputy CEO / Chief Financial Officer
Pekka Erkinheimo, Chief Commercial Officer
Kari Vyhtinen, Chief Investment Officer
Eeva Ruokonen, Chief Sustainability Officer
Maija Kaski, Chief Human Resources Officer
Mikko Korteniemi, Chief Production Officer (Bioheapleaching and Metals Recovery)
Jari Voutilainen Chief Mining Officer (Mining and Materials Handling).

Shares and shareholders

The number of shares issued and outstanding and registered on the Euroclear Shareholder Register as of 30 September 2012 was 272,309,640. Including the effect of the EUR 85 million convertible bond of 14 May 2008, the EUR 225 million convertible bond of 16 December 2010, the Option Scheme of 2007 and share subscriptions registered during 2012, the authorised full number of shares of the Company amounted to 315,785,376.

The share subscription period for stock options 2007A was between 1 April 2010 and 31 March 2012. By the end of the subscription period a total of 2,279,373 Talvivaara Mining Company's new shares were subscribed for under the stock option rights 2007A. A total of 53,727 stock option rights 2007A remained unexercised following the end of the subscription period and expired.

The share subscription period for stock options 2007B is between 1 April 2011 and 31 March 2013. No new shares of Talvivaara were subscribed for under the stock option rights 2007B in Q1-Q3 2012 and a total of 2,284,337 stock option rights 2007B remain unexercised. A total of 2,333,000 option rights 2007C have been issued to 250 key employees and the subscription period for stock options 2007C is between 1 April 2012 and 31 March 2014. A total of 2,333,000 stock options 2007C remain unexercised.

In February 2012, Talvivaara completed an issue of 24,589,050 new shares. An Extraordinary General Meeting of Talvivaara Mining Company Plc. resolved on 12 March 2012 to approve the proposal by the Board of Directors on the share issue in deviation from the shareholders' pre-emptive subscription rights. The new shares were registered with the Finnish Trade Register on 13 March 2012.

In addition, the Board of Directors has resolved, on the basis of the authorisation granted by the Extraordinary General Meeting held on 12 March 2012, to issue special rights entitling to subscribe up to 184,428 new shares, in order to carry out an adjustment to the conversion price, as a result of the equity placing, in accordance with the terms and conditions of the convertible bonds due 2013. Accordingly the maximum number of ordinary shares that may be issued upon conversion is 11,677,591 shares. Due to an adjustment to the conversion price of the convertible bonds due 2015, as a result of the placing, the maximum number of ordinary shares that may be issued upon conversion is 27,180,708 shares.

As at 30 September 2012, the shareholders who held more than 5% of the shares and votes of Talvivaara were Pekka Perä (20.8%), Solidium Oy (8.9%), Varma Mutual Pension Insurance Company (8.7%) and Ilmarinen Mutual Pension Insurance Company (6.2%).

Events after the review period

Commencement of copper production

Talvivaara has commenced production of saleable quantities of copper sulphide in October 2012. For the time being, the product is being sold under spot arrangements.

Leakage at the gypsum pond

Talvivaara located on Wednesday 7 November 2012 the gypsum pond leakage detected on Sunday morning 4 November 2012. The leakage was detected near the center of the approximately 60-hectare pond. The process of plugging was initiated following the detection of the leakage, and at the time of this announcement we have managed to materially reduce the leakage.

As a precaution, Talvivaara's metals recovery plant was temporarily suspended following detection of the leakage. Preparations for the re-start of the metals recovery plant are being carried out, and the Company anticipates starting the metals production by this weekend. During the shutdown, Talvivaara reconfigured the process flows enabling the isolation of the damaged gypsum pond from the solution circulation. In addition, the new reverse osmosis plant connections were completed. The re-start of production at the plant will not cause additional strain on the damaged gypsum pond, or impact the measures or timing of repairing the pond.

Short-term outlook

Operational outlook

As previously announced, Talvivaara has decided to discontinue mining and crushing operations for a period of 3-4 months from the beginning of September due to the prevailing water balance situation. The temporary production scheme alteration is proceeding as planned and, as a result, Talvivaara expects to realize operating cost savings of approximately EUR 20 million during the fourth quarter of 2012 and first quarter of 2013. The altered production scheme is not anticipated to negatively impact metals production during the remainder of 2012. Because of the large nickel inventory already under leaching in the heaps and the long leaching times that in total extend over several years, the impact on 2013 production is also anticipated to be minor.

As a result of the ongoing efforts to reduce the impact of excess water on leaching performance, Talvivaara expects to see moderate improvement in the leach solution grades during the remainder of 2012. However, a complete reversal of the impact is unlikely to be achieved before the year-end. As a result, Talvivaara anticipates its Q4 2012 production to improve over the level attained in Q3 2012, but the Company considers it unlikely that its full year 2012 production target of approximately 17,000t of nickel will be achieved.

Talvivaara expects to release its 2013 full year production guidance in connection with the Company's Capital Markets Day, which will be held in London on 20 November 2012. Further details of the event and its video cast will be available on the Company's web site approximately one week prior to the event.

Market outlook

The nickel price remained at a depressed level through most of the third quarter, and the August average LME nickel price of approximately USD 15,700/t was the lowest monthly average since mid-2009. While the nickel price somewhat recovered towards the end of the quarter, short-term visibility remains low and volatility is likely to remain elevated.

Talvivaara foresees the nickel industry fundamentals to support favourable nickel price development in the longer term, driven by increasing marginal cost of production across the nickel industry and lack of new committed nickel projects to replace depleting supply after the next few years. Talvivaara continues to see the longer term nickel price support level at around USD 20,000/t.

8 November 2012

Talvivaara Mining Company Plc.
Board of Directors

CONSOLIDATED INCOME STATEMENT

(all amounts in EUR '000)	Unaudited three months to 30 Sep 12	Unaudited three months to 30 Sep 11	Unaudited nine months to 30 Sep 12	Unaudited nine months to 30 Sep 11
Net sales	**44,787**	**60,620**	**117,254**	**164,734**
Other operating income	2,497	1,136	3,996	2,557
Changes in inventories of finished goods and work in progress	10,367	2,562	56,689	42,236
Materials and services	(29,317)	(29,131)	(97,791)	(97,335)
Personnel expenses	(5,863)	(5,708)	(20,662)	(19,129)
Depreciation, amortization, depletion and impairment charges	(12,863)	(11,668)	(38,274)	(34,484)
Other operating expenses	(13,888)	(12,277)	(47,793)	(42,612)
Operating profit (loss)	**(4,280)**	**5,534**	**(26,581)**	**15,967**
Finance income	574	170	2,142	961
Finance cost	(12,338)	(10,025)	(34,083)	(27,781)
Finance income (cost) (net)	(11,764)	(9,855)	(31,941)	(26,820)
Profit (loss) before income tax	**(16,044)**	**(4,321)**	**(58,522)**	**(10,853)**
Income tax expense	3,908	921	14,001	1,909
Profit (loss) for the period	**(12,136)**	**(3,400)**	**(44,521)**	**(8,944)**
Attributable to:				
Owners of the parent	(11,256)	(3,577)	(40,816)	(10,178)
Non-controlling interest	(880)	177	(3,705)	1,234
	(12,136)	**(3,400)**	**(44,521)**	**(8,944)**
Earnings per share for profit (loss) attributable to the owners of the parent (expressed in EUR per share)				
Basic and diluted	(0,05)	(0,02)	(0,16)	(0,05)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(all amounts in EUR '000)	Unaudited three months to 30 Sep 12	Unaudited three months to 30 Sep 11	Unaudited nine months to 30 Sep 12	Unaudited nine months to 30 Sep 11
Profit (loss) for the period	**(12,136)**	**(3,400)**	**(44,521)**	**(8,944)**
Other comprehensive income, items net of tax				
Cash flow hedges	-	(2,506)	-	(7,385)
Other comprehensive income, net of tax	**-**	**(2,506)**	**-**	**(7,385)**
Total comprehensive income	**(12,136)**	**(5,906)**	**(44,521)**	**(16,329)**
Attributable to:				
Owners of the parent	(11,256)	(5,682)	(40,816)	(16,381)
Non-controlling interest	(880)	(224)	(3,705)	52
	(12,136)	**(5,906)**	**(44,521)**	**(16,329)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in EUR '000)	Unaudited As at 30 Sep 12	Audited As at 31 Dec 11	Unaudited As at 30 Sep 11
ASSETS			
Non-current assets			
Property, plant and equipment	793,437	761,985	751,448
Biological assets	9,349	7,688	8,793
Intangible assets	7,100	7,371	7,485
Deferred tax assets	41,207	26,398	25,847
Other receivables	2,928	2,902	2,986
Available-for-sale financial assets	5,603	630	630
	859,624	806,974	797,189
Current assets			
Inventories	301,928	240,436	225,038
Trade receivables	52,872	64,027	47,602
Other receivables	7,749	5,249	5,806
Derivative financial instruments	13	10	237
Cash and cash equivalent	87,306	40,019	38,555
	449,868	349,741	317,238
Total assets	**1,309,492**	**1,156,715**	**1,114,427**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	80	80	80
Share issue	-	278	-
Share premium	8,086	8,086	8,086
Hedge reserve	-	-	1,665
Other reserves	539,490	449,532	448,802
Retained earnings	(193,722)	(151,129)	(152,646)
	353,934	306,847	305,987
Non-controlling interest in equity	12,137	15,733	14,238
Total equity	366,071	322,580	320,225
Non-current liabilities			
Borrowings	443,358	467,161	421,982
Advance payments	253,813	235,568	227,344
Provisions	5,582	6,036	5,860
	702,753	708,765	655,186
Current liabilities			
Borrowings	158,567	28,515	26,761
Advance payments	11,684	11,684	14,800
Trade payables	27,184	33,678	35,607
Other payables	43,231	51,478	61,074
Derivative financial instruments	2	15	774
	240,668	125,370	139,016
Total liabilities	943,421	834,135	794,202
Total equity and liabilities	**1,309,492**	**1,156,715**	**1,114,427**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(all amounts in EUR '000)	Share capital	Share issue	Share premium	Hedge reserve	Invested unrestricted equity	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
1 Jan 11	**80**	**91**	**8,086**	7,494	401,612	31,400	(80,068)	368,695	16,895	385,590
Profit (loss) for the period	-	-	-	-	-	-	(10,178)	(10,178)	1,234	(8,944)
Other comprehensive income										
- Cash flow hedges	-	-	-	(6,203)	-	-	-	(6,203)	(1,182)	(7,385)
Total comprehensive income for the period	**-**	**-**	**-**	(6,203)	-	-	(10,178)	(16,381)	52	(16,329)
Transactions with owners										
Stock options	-	(91)	-	-	658	-	-	567	-	567
Senior unsecured convertible bonds due 2015	-	-	-	-	1,800	-	-	1,800	-	1,800
Acquisition of subsidiary	-	-	-	374	-	996	(60,509)	(59,139)	(2,349)	(61,488)
Perpetual capital loan	-	-	-	-	-	-	(1,891)	(1,891)	(360)	(2,251)
Incentive arrangement for Executive Management	-	-	-	-	-	70	-	70	-	70
Senior unsecured convertible bonds due 2015, equity component	-	-	-	-	-	9,018	-	9,018	-	9,018
Employee share option scheme - value of employee services	-	-	-	-	-	3,248	-	3,248	-	3,248
Total contribution by and distribution to owners	-	(91)	-	374	2,458	13,332	(62,400)	(46,327)	(2,709)	(49,036)
Total transactions with owners	-	(91)	-	374	2,458	13,332	(62,400)	(46,327)	(2,709)	(49,036)
30 Sep 11	**80**	**-**	**8,086**	1,665	404,070	44,732	(152,646)	305,987	14,238	320,225
31 Dec 11	**80**	**278**	**8,086**	-	404,069	45,463	(151,129)	306,847	15,733	322,580
1 Jan 12	**80**	**278**	**8,086**	-	404,069	45,463	(151,129)	306,847	15,733	322,580
Profit (loss) for the period	-	-	-	-	-	-	(40,816)	(40,816)	(3,705)	(44,521)
Other comprehensive income										
- Cash flow hedges	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	-	-	-	(40,816)	(40,816)	(3,705)	(44,521)
Transactions with owners										
Stock options	-	(278)	-	-	5,198	-	-	4,920	-	4,920
Senior unsecured convertible bonds due 2013	-	-	-	-	-	(251)	-	(251)	-	(251)
Perpetual capital loan	-	-	-	-	-	2,353	(1,777)	576	109	685
Share issue	-	-	-	-	81,481	-	-	81,481	-	81,481
Incentive arrangement for Executive Management	-	-	-	-	-	71	-	71	-	71
Employee share option scheme - value of employee services	-	-	-	-	-	1,106	-	1,106	-	1,106
Total contribution by and distribution to owners	-	(278)	-	-	86,679	3,279	(1,777)	87,903	109	88,012
Total transactions with owners	-	(278)	-	-	86,679	3,279	(1,777)	87,903	109	88,012
30 Sep 12	**80**	**-**	**8,086**	-	490,748	48,742	(193,722)	353,934	12,137	366,071

CONSOLIDATED STATEMENT OF CASH FLOWS

(all amounts in EUR '000)	Unaudited three months to 30 Sep 12	Unaudited three months to 30 Sep 11	Unaudited nine months to 30 Sep 12	Unaudited nine months to 30.Sep.11
Cash flows from operating activities				
Profit (loss) for the period	(12,136)	(3,400)	(44,521)	(8,944)
Adjustments for				
Tax	(3,908)	(921)	(14,001)	(1,909)
Depreciation and amortization	12,863	11,668	38,274	34,484
Other non-cash income and expenses	(7,302)	(8,824)	(19,339)	(26,816)
Interest income	(574)	(170)	(2,142)	(961)
Fair value gains on financial assets at fair value through profit or loss	(11)	58	(16)	(327)
Interest expense	12,338	10,026	34,083	27,781
	1,270	8,437	(7,662)	23,308
Change in working capital				
Decrease(+)/increase(-) in other receivables	(5,656)	(23,324)	10,293	14,383
Decrease (+)/increase (-) in inventories	(11,361)	(5,934)	(61,491)	(49,677)
Decrease(-)/increase(+) in trade and other payables	(4,107)	30,673	(25,403)	8,026
Change in working capital	(21,124)	1,415	(76,601)	(27,268)
	(19,854)	9,852	(84,263)	(3,960)
Interest and other finance cost paid	(844)	(2,573)	(13,375)	(14,087)
Interest and other finance income	119	716	476	1,055
Net cash generated (used) in operating activities	(20,579)	7,995	(97,162)	(16,992)
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	-	-	-	(61,487)
Purchases of property, plant and equipment	(32,513)	(21,938)	(67,640)	(57,322)
Purchases of biological assets	-	(29)	-	(64)
Purchases of intangible assets	(19)	(71)	(213)	(175)
Proceeds from sale of property, plant and equipment	-	19,995	18	19,995
Proceeds from sale of biological assets	10	25	101	257
Proceeds from sale of intangible assets	-	5	-	5
Purchases of financial assets at fair value through profit or loss	-	-	-	(12,010)
Purchases of available-for-sale financial assets	(1,025)	(39)	(13,141)	(167)
Proceeds from sale of financial assets at fair value through profit or loss	-	12,022	-	12,022
Net cash generated (used) in investing activities	(33,547)	9,970	(80,875)	(98,946)
Cash flows from financing activities				
Proceeds from share issue net of transactions costs	(30)	-	81,108	-
Realised stock options	-	156	4,920	567
Proceeds from interest-bearing liabilities	-	9,94	130,000	11,016
Perpetual capital loan	-	-	-	(3,042)
Proceeds from advance payments	14,016	-	22,349	7,000
Payment of interest-bearing liabilities	(1,289)	(24,143)	(13,053)	(26,603)
Net cash generated (used) in financing activities	12,697	(14,038)	225,324	(11,062)
Net increase (decrease) in cash and cash equivalents	(41,429)	3,927	47,287	(127,000)
Cash and cash equivalents at beginning of the period	128,735	34,628	40,019	165,555
Cash and cash equivalents at end of the period	87,306	38,555	87,306	38,555

NOTES

1. Basis of preparation

This year-end report has been prepared in compliance with IAS 34.

The interim financial information set out herein has been prepared on the same basis and using the same accounting policies as were applied in drawing up the Group's statutory financial statements for the year ended 31 December 2011.

2. Property, plant and equipment

(all amounts in EUR '000)	Machinery and equipment	Construction in progress	Land and buildings	Other tangible assets	Total
Gross carrying amount at 1 Jan 12	361,245	41,344	273,921	224,796	901,306
Additions	2,005	67,228	25	-	69,258
Disposals	(34)	-	-	-	(34)
Transfers	1,729	(6,200)	2,602	1,869	-
Gross carrying amount at 30 Sep 12	364,945	102,372	276,548	226,665	970,530
Accumulated depreciation and impairment losses at 1 Jan 2012	66,791	-	32,644	39,886	139,321
Disposals	(17)	-	-	-	(17)
Depreciation for the period	22,391	-	9,172	6,226	37,789
Accumulated depreciation and impairment losses at 30 Sep 12	89,165	-	41,816	46,112	177,093
Carrying amount at 1 Jan 12	294,454	41,344	241,277	184,910	761,985
Carrying amount at 30 Sep 12	**275,780**	**102,372**	**234,732**	**180,553**	**793,437**

3. Trade receivables

(all amounts in EUR '000)

	30 Sep 12	31 Dec 11
Nickel-Cobalt sulphide	47,887	55,258
Zinc sulphide	4,985	8,769
Total trade receivables	**52,872**	**64,027**

4. Inventories

(all amounts in EUR '000)

	30 Sep 12	31 Dec 11
Raw materials and consumables	18,818	14,016
Work in progress	267,697	213,629
Finished products	15,413	12,791
Total inventories	**301,928**	**240,436**

5. Borrowings

(all amounts in EUR '000)

Non-current	**30 Sep 12**	**31 Dec 11**
Capital loans	1,405	1,405
Investment and Working Capital loan	57,272	57,863
Bond due 2017	108,504	
Revolving Credit Facility	-	49,110
Senior Unsecured Convertible Bonds due 2015	223,748	217,138
Senior Unsecured Convertible Bonds due 2013	-	80,796
Finance lease liabilities	32,862	37,444
Other	19,567	23,405
	443,358	**467,161**
Current		
Investment and Working Capital loan	1,430	1,430
Senior Unsecured Convertible Bonds due 2013	75,134	-
Commercial papers	-	8,481
Revolving Credit Facility	69,364	-
Finance lease liabilities	12,639	18,604
	158,567	**28,515**
Total borrowings	**601,925**	**495,676**

6. Advance payments

(all amounts in EUR '000)

Non-current	**30 Sep 12**	**31 Dec 11**
Deferred zinc sales revenue	217,083	221,187
Deferred uranium sales revenue	36,730	14,381
	253,813	**235,568**
Current		
Deferred zinc sales revenue	11,684	11,684
	11,684	**11,684**
Total advance payments	**265,497**	**247,252**

7. Changes in the number of shares issued

	Number of shares
31 Dec 11	**245,781,803**
Stock options 2007A	1,938,787
Share issue	24,589,050
30 Sep 12	**272,309,640**

8. Contingencies and commitments

(all amounts in EUR '000)

The future aggregate minimum lease payments under non-cancellable operating leases

	30 Sep 12	31 Dec 11
Not later than 1 year	1,306	1,919
Later than 1 year and not later than 5 years	791	929
Later than 5 years	-	37
	2,097	2,885

Capital commitments

At 30 September 2012, the Group had capital commitments amounting to EUR 22.8 million (31 December 2011: EUR 14.5 million) principally relating to the completion of the Talvivaara mine, improving the reliability and expansion of production capacity. These commitments are for the acquisition of new property, plant and equipment.

Key financial figures of the Group

		Three months to 30 Sep12	Three months to 30 Sep 11	Nine months to 30 Sep 12	Nine months to 30 Sep 11	Twelve months to 31 Dec 11
Net sales	EUR '000	44,787	60,620	117,254	164,734	231,226
Operating profit (loss)	EUR '000	-4,280	5,534	-26,581	15,967	30,899
Operating profit (loss) percentage		-9,6 %	9,1 %	-22,7 %	9,7 %	13,4 %
Profit (loss) before tax	EUR '000	-16,044	-4,321	-58,522	-10,853	-6,964
Profit (loss) for the period	EUR '000	-12,136	-3,400	-44,521	-8,944	-5,216
Return on equity		-3,3 %	-1,1 %	-12,9 %	-2,5 %	-1,5 %
Equity-to-assets ratio		28,0 %	28,7 %	28,0 %	28,7 %	27,9 %
Net interest-bearing debt	EUR '000	514,619	410,188	514,619	410,188	455,657
Debt-to-equity ratio		140,6 %	128,1 %	140,6 %	128,1 %	141,3 %
Return on investment		0,0 %	0,9 %	-1,2 %	2,3 %	4,0 %
Capital expenditure	EUR '000	32,532	22,038	67,853	57,561	79,144
Property, plant and equipment	EUR '000	793,437	751,448	793,437	751,448	761,985
Derivative financial instruments	EUR '000	11	-537	11	-537	-5
Borrowings	EUR '000	601,925	448,743	601,925	448,743	495,676
Cash and cash equivalents at the end of the period	EUR '000	87,306	38,555	87,306	38,555	40,019

Share-related key figures

		Three months to 30 Sep 12	Three months to 30 Sep 11	Nine months to 30 Sep 12	Nine months to 30 Sep 11	Twelve months to 31 Dec 11
Earnings per share	EUR	-0,05	-0,02	-0,16	-0,05	-0,04
Equity per share	EUR	1,34	1,25	1,34	1,25	1,25
Development of share price at London Stock Exchange						
Average trading price[1]	EUR	1,84	3,95	2,83	5,19	4,22
	GBP	1,46	3,44	2,30	4,56	3,66
Lowest trading price[1]	EUR	1,50	2,89	1,50	2,87	2,25
	GBP	1,22	2,52	1,22	2,52	1,95
Highest trading price[1]	EUR	2,16	5,24	4,42	7,09	7,17
	GBP	1,76	4,57	3,59	6,22	6,22
Trading price at the endof the period[2]	EUR	1,91	2,91	1,91	2,91	2,39
	GBP	1,52	2,52	1,52	2,52	2,00
Change during the period		-11,1 %	-45,8 %	-23,8 %	-57,7 %	-66,4 %
Price-earnings ratio		neg.	neg.	neg.	neg.	neg.
Market capitalization at the end of the period[3]	EUR '000	520,017	714,672	520,017	714,672	588,487
	GBP '000	415,000	619,370	415,000	619,370	491,564
Development in trading volume						
Trading volume	1000 shares	12,765	15,709	79,481	42,056	67,799
In relation to weighted average number of shares		4,8 %	6,4 %	30,1 %	17,1 %	27,6 %
Development of share price at OMX Helsinki						
Average trading price	EUR	1,82	3,87	2,73	5,46	4,33
Lowest trading price	EUR	1,55	2,97	1,55	2,97	2,27
Highest trading price	EUR	2,17	5,11	4,35	7,34	7,34
Trading price at the end of the period	EUR	1,90	2,97	1,90	2,97	2,49
Change during the period		-10,6 %	-42,4 %	-24,0 %	-58,0 %	-64,8 %
Price-earnings ratio		neg.	neg.	neg.	neg.	neg.
Market capitalization at the end of the period	EUR '000	516,027	730,464	516,027	730,464	612,488
Development in trading volume						
Trading volume	1000 shares	32,199	34,256	147,094	116,983	190,901
In relation to weighted average number of shares		12,2 %	14,0 %	55,7 %	47,6 %	77,7 %
Adjusted average number of shares		263,907,605	245,540,343	263,907,605	245,540,343	245,601,204
Fully diluted average number of shares		263,907,605	244,436,343	263,907,605	244,436,343	244,497,204
Number of shares at the end of the period		272,309,640	245,781,803	272,309,640	245,781,803	245,781,803

[1)] Trading price is calculated on the average of EUR/GBP exchange rates published by the European Central Bank during the period.
[2)] Trading price is calculated on the EUR/GBP exchange rate published by the European Central Bank at the end of the period.
[3)] Market capitalization is calculated on the EUR/GBP exchange rate published by the European Central Bank at the end of the period.

Employee-related key figures

		Three months to 30 Sep 12	Three months to 30 Sep 11	Nine months to 30 Sep 12	Nine months to 30 Sep 11	Twelve months to 31 Dece 11
Wages and salaries	EUR '000	4,824	4,927	17,098	16,189	21,574
Average number of employees		577	471	536	443	445
Number of employees at the end of the period		551	446	551	446	461

Other figures

	Three months to 30 Sep 12	Three months to 30 Sep 11	Nine months to 30 Sep 12	Nine months to 30 Sep 11	Twelve months to 31 Dec 11
Share options outstanding at the end of the period	4,611,337	5,735,851	4,611,337	5,735,851	6,501,151
Number of shares to be issued against the outstanding share options	4,611,337	5,735,851	4,611,337	5,735,851	6,501,151
Rights to vote of shares to be issued against the outstanding share options	1,7 %	2,3 %	1,7 %	2,3 %	2,6 %

Talvivaara Mining Company Plc
Key financial figures of the Group

Return on equity	Profit (loss) for the period / (Total equity at the beginning of period + Total equity at the end of period)/2
Equity-to-assets ratio	Total equity / Total assets
Net interest-bearing debt	Interest-bearing debt - Cash and cash equivalent
Debt-to-equity ratio	Net interest-bearing debt / Total equity
Return on investment	Profit (loss) for the period + Finance cost / (Total equity at the beginning of period + Total equity at the end of period)/2 + (Borrowings at the beginning of period + Borrowings at the end of period)/2

Share-related key figures

Earnings per share	Profit (loss) attributable to equity holders of the Company / Adjusted average number of shares
Equity per share	Equity attributable to equity holders of the Company / Adjusted average number of shares
Price-earnings ratio	Trading price at the end of the period / Earnings per share
Market capitalization at the end of the period	Number of shares at the end of the period * trading price at the end of the period