

Frankis Group Oy

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BALANCE SHEET BOOK

Financial Statements 01 Jan 2012-31 Jan 2013

Translation

Business ID 2416007-6

Balance sheet book must be kept until 31 Jan 2023

Financial Statements 01 Jan 2012-31 Jan 2013

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FRANKIS GROUP OY

ANNUAL REPORT FOR PERIOD OF 1 Jan 2012 – 31 Jan 2013

Frankis Group Oy acts as the active parent/administrator company of the Group

Corporate relations

Frankis Group Oy (formerly Senhold 1 Oy) owned 100% of Frankis Finland Oy during the accounting period. Frankis Finland Oy likewise owned 100% of Kotipizza Oyj and also Helsinki Foodstock Oy. Furthermore the Group includes the wholly-owned Francout Oy, Domipizza Oy and Senhold 2 Oy. No change in ownership of the Group has taken place during the accounting period.

Operations of subsidiaries

Kotipizza Oyj operates a pizza franchise in Finland.
Helsinki Foodstock Oy is a wholesaler whose customers include the Kotipizza chain (inter alia).
Francout Oy is an accounting office that offers bookkeeping and other accounting services for Kotipizza chain franchisees, group companies and other customers.
Domipizza Oy operates in the fast food industry; its product is a pizza slice.
Subsidiaries have compiled their own annual reports.

Frankis Group Group data (EUR) :	31.1.2013	
	(13 months) Parent company	(12 months) Group
Sales turnover	795.208	53.774.404
Operating profit	-185.282	3.164.475
Total assets of balance sheet	33.913.161	47.314.751

Key figures Frankis Group Oy	Parent company	Group
Operating profit %	negative	5,9
Return on equity %	negative	negat
Equity ratio %	15,8	10,3
Average number of employees	2	52
Saleries and remuneration paid (thousand EUR)	499	3.047
Number of shares	544.275.188	

All shares have an equal right to recieve dividends and company assets

Management and auditors of company

The following are members of Frankis Group Oy's board of directors

Johan Wentzel	Chairman
Olli Väättäinen	Regular member
Rabbe Grönblom	Regular member
Kim Hanslin	Regular member starting 1 Nov 2012
Janne Wartiovaara	Deputy member

Kim Hanslin has been Managing Director since 31 Oct 2012, and Tommi Tervanen beginning on 1 Nov 2012

Auditor KHT Audit firm Ernst & Young Oy
Principal auditor KHT (KHT = Authorised Public Accountant) Mikko Järventausta

Board's proposal regarding the use of earnings

The Board recommends that no dividend be paid, but that the loss of the period be recognized in equity.

No substantial changes have occurred in the company's financial position after the conclusion of the accounting period.

Inquiries and possibilities shall be continued in the current accounting period to clarify the new group structure that emerged in 2011 in the company reorganization.

CONSOLIDATED INCOME STATEMENT		01 Jan 2012-31 Jan 2013	22 Jun 2011-31 Jan 2012
		13 months	7 months
Sales	1)	53.774.404,07	21.650.832,76
Other operating income	2)	251.961,11	35.319,24
Materials and services	3)	-39.338.316,19	-15.776.660,35
Staff costs	4)	-3.737.364,45	-1.421.230,58
Depreciation and write-downs	5)	-2.332.586,51	-911.259,89
Other operating expenses	6)	-5.453.623,03	-2.046.881,68
Operating income		3.164.475,00	1.530.119,50
Financial income and expenses	7)	-2.939.481,99	-1.506.950,50
Profit before extraordinary items		224.993,01	23.169,00
Profit before appropriations and taxes		224.993,01	23.169,00
Income tax	8b)	-618.484,82	-220.336,57
Loss for the period		-393.491,81	-197.167,57

Frankis Group - Consolidated

CONSOLIDATED BALANCE SHEET		31.1.2013	31.12.2011
ASSETS			
Fixed assets			
Intangible assets	9)	35.632.380,73	36.816.616,83
Tangible assets	10)	489.369,85	434.243,27
Investments	11)	1.765,97	1.765,97
Total fixed assets		36.123.516,55	37.252.626,07
Current assets			
Inventories	12)	3.088.166,67	2.490.563,95
Receivables	13)	5.278.088,23	6.092.912,57
Cash and cash equivalents		2.824.979,79	4.075.514,53
Total current assets		11.191.234,69	12.658.991,05
Total assets		47.314.751,24	49.911.617,12
LIABILITIES AND EQUITY			
Equity	14)		
Share capital		2.500,00	2.500,00
Reserve for invested unrestricted equity		5.440.251,88	5.440.251,88
Profits/losses/translation differences of prev. periods		-197.932,35	-5.123,30
Profit for the period		-393.491,81	-197.167,57
Total equity		4.851.327,72	5.240.461,01
Mandatory provisions	15)	62.749,76	20.848,14
Long-term liabilities	16)	32.785.132,17	32.179.902,66
Short-term liabilities	17)	9.615.541,59	12.470.405,31
Total liabilities		42.400.673,76	44.650.307,97
Total liabilities and equity		47.314.751,24	49.911.617,12

INCOME STATEMENT		01 Jan 2012-31 Jan 2013	22 June 2011-31 Dec 2011
		13 months	6 months
Sales	1)	795.208,44	241.200,00
Other operating income	2)	12.258,00	0,00
Materials and services	3)	-0,18	0,00
Staff costs	4)	-599.091,42	-171.605,34
Depreciation and write-downs	5)	-3072,11	0,00
Other operating expenses	6)	-390.584,96	-56.169,14
Operating loss/profit		-185.282,23	13.425,52
Financial income and expenses	7)	-3.796.729,08	-1.024.485,27
Loss before extraordinary items		-3.982.011,31	-1.011.059,75
Extraordinary items	8a)	4.258.200,00	0,00
Profit before appropriations and taxes		276.188,69	-1.011.059,75
Income tax	8b)	-95.790,23	0,00
Profit/loss for the period		180.398,46	-1.011.059,75

BALANCE SHEET		31.1.2013	31.12.2011
ASSETS			
Fixed assets			
Intangible assets	9)	12.978,53	0,00
Tangible assets	10)	107.692,08	0,00
Investments	11)	30.096.877,18	29.452.421,70
Total fixed assets		30.217.547,79	29.452.421,70
Current assets			
Receivables	13)	3.695.613,23	2.591.026,39
Cash and cash equivalents		0,00	1.820.111,23
Total current assets		3.695.613,23	4.411.137,62
Total assets		33.913.161,02	33.863.559,32
LIABILITES AND EQUITY			
Equity	14)		
Share capital		2.500,00	2.500,00
Reserve for invested unrestricted equity		5.440.251,88	5.440.251,88
Losses of previous periods		-1.011.059,75	0,00
Profit / loss for the period		180.398,46	-1.011.059,75
Total equity		4.612.090,59	4.431.692,13
Mandatory provisions	15)	48.025,76	0,00
Long-term liabilities	16)	26.814.071,11	25.905.748,13
Short-term liabilities	17)	2.438.973,56	3.526.119,06
Total liabilities		29.253.044,67	29.431.867,19
Total liabilities and equity		33.913.161,02	33.863.559,32

CONSOLIDATED CASH FLOW STATEMENT	01.01.2012-31.01.2013	22.6.2011-31.1.2012
Cash flow from business operations		
Proceeds from sales	54.281.829,72	19.142.737,27
Proceeds from other operating income	118.510,01	30.981,61
Payments made for business expenses	48.921.162,99	17.396.735,73
Cash flow from business operations before financial items and taxes	5.479.176,74	1.776.983,15
Interest paid and payments for other financing expenses from operations	76.202,36	32.217,04
Interest received from operations	67.853,89	36.901,48
Direct taxes paid	698.044,89	60.513,41
Cash flow before extraordinary items	4.772.783,38	1.721.154,18
Cash flow from extraordinary operating items (net)	0,00	0,00
Cash flow from operations	4.772.783,38	1.721.154,18
Cash flow from investing activities		
Investments in tangible and intangible assets	-1.228.851,57	-35.827.533,07
Proceeds from the disposal of tangible and intangible assets	105.097,61	40.673,62
Investments in investments (-) / return on investments (+)	4.423,44	-1.765,97
Interest paid on investments	-4.429,31	-3.189,13
Cash flow from investing activities	-1.123.759,83	-35.791.814,55
Cash flow from financing activities		
Proceeds from share issue	0,00	5.442.751,88
Translation differences	4.358,62	-5.123,19
Short-term loans taken	51.997,49	0,00
Short-term loans repaid	-2.131.410,88	0,00
Long-term loans taken	0,00	33.505.748,13
Long-term loans repaid	-2.000.000,00	0,00
Interest paid	-824.503,53	-821.201,92
Interest received and other financial income	0,00	24.000,00
Cash flow from financing activities	-4.899.558,30	38.146.174,90
Change in liquid assets: increase (+) / decrease (-)	-1.250.534,75	4.075.514,53
Liquid assets at beginning of period	4.075.514,53	0,00
Liquid assets at end of period	2.824.979,78	4.075.514,53

CASH FLOW STATEMENT	01.01.2012-31.01.2013	22.6.2011-31.12.2011
Cash flow from business operations		
Proceeds from sales	788.656,44	262.542,35
Proceeds from other operating income	12.258,00	0,00
Payments made for business expenses	954.997,33	141.475,07
Cash flow from business operations before financial items and taxes	-154.082,89	121.067,28
Interest paid and payments of other financing expenses from operations	24,35	0,00
Interest received from operations	2.161,93	7.201,36
Direct taxes paid	0,00	0,00
Cash flow before extraordinary items	-151.945,31	128.268,64
Cash flow from extraordinary operating items (net)	1.676.945,24	0,00
Cash flow from operations	1.524.999,93	128.268,64
Cash flow from investing activities		
Investments in tangible and intangible assets	-17.166,95	0,00
Investments in investments	-644.455,48	-27.321.010,82
Loans granted	-829.156,84	-2.572.361,08
Repayment of loan receivables	1.260.240,36	0,00
Interest received from investments	14.427,52	0,00
Cash flow from investing activities	-216.111,39	-29.893.371,90
Cash flow from financing activities		
Proceeds from share issue	0,00	5.442.751,88
Repayment of short-term loans	-2.131.410,88	0,00
Short-term loans taken	251.997,49	0,00
Repayment of long-term loans	-600.000,00	0,00
Long-term loans taken	0,00	26.505.748,18
Interest paid	-649.586,38	-363.285,57
Cash flow from financing activities	-3.128.999,77	31.585.214,49
Change in liquid assets: increase (+) / decrease (-)	-1.820.111,23	1.820.111,23
Liquid assets at beginning of period	1.820.111,23	0,00
Liquid assets at end of period	0,00	1.820.111,23

ACCOUNTING PRINCIPLES APPLIED IN CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements contain Frankis Group Oy and all of the subsidiaries in which the parent company has directly or indirectly over 50 percent of the number of votes or otherwise controlling interest in the company.

Companies acquired during the accounting period are included in the consolidated financial statement starting from the moment of acquisition. The group was formed on 1 Sept 2011. This is the company's second consolidated financial statement.

GROUP STRUCTURE:

Frankis Group Oy belongs to a group that is comprised of funds that are managed by Sentica Partners Oy. Liabilities related to these are shown in the group 'liabilities to companies in the same group'.

The Frankis Group Group is comprised of parent company Frankis Group Oy and subsidiaries Frankis Finland Oy (100 % ownership), Francount Oy (100% ownership), Domipizza Oy (100% ownership) and Senhold 2 Oy (100% ownership).

Frankis Finland Oy owns subsidiaries Kotipizza Oyj (100% ownership) and Helsinki Foodstock Oy (100% ownership). Frankis Finland Oy compiles sub-group financial statements whose numbers are combined into the main group.

Senhold 2 Oy owns subsidiary Kotipizza SPb LLC in Russia. Senhold 2 Oy does not compile separate sub-group financial statements; instead Kotipizza SPb LLC's numbers are combined directly into the main group.

The financial statements are available: Satamaterminaali Vaskiluoto, 65170 Vaasa.

ACCOUNTING PRINCIPLES

The cost method is applied in the compilation of the consolidated financial statements. The difference between the subsidiary's acquisition cost and the equity corresponding to the acquired holding is shown as group goodwill. Goodwill of the group is amortised over 20 years. The financial statements of a foreign subsidiary have been modified, if necessary, to correspond with the accounting principles applied in the compiling of the consolidated financial statements.

The group's internal transactions, internal ownership and mutual receivables and liabilities have been eliminated.

The accounting period of the parent company differs from that of the subsidiaries by one month. The parent company's own period started 01 Jan 2012 (13 months) and the periods of all of the subsidiaries began 1 Feb 2012 (12 months). The Accounting Board (KILA) has granted the company an exemption from similarity for years 2011-2013.

Group goodwill has been amortised in the consolidated financial statements according to the accounting periods of subsidiaries (12 months).

The one-month difference in the length of period causes elimination differences in the group which weakens the profit of the group. Internal transactions of the parent company in January in relation to subsidiaries have been eliminated unilaterally from the income and balance sheet of the parent company.

Fixed assets

Fixed assets are presented as the difference between acquisition cost and accumulated depreciation.

The cost of fixed assets is depreciated according to a plan drawn up in advance and the cost includes only the cost of products with remaining economic life.

Depreciation/amortisation periods:

Intellectual property rights	5-10 years
Long-term expenditures	4-10 years
Buildings and structures	5-10 years
Machinery and equipment	3-5 years

Valuation of inventory

Materials and supplies and other inventory are valued at acquisition cost, and unfinished products are valued according to direct construction costs. Completed products and goods are valued at acquisition cost for new ones, and according to lowest fair market value for used ones.

Pension costs

Employee pension plans are managed by an external pension insurance company.

Protection changes in interest rate

The parent company of the group has made an interest rate protection agreement against changes in the interest rate of a long-term loan. The impact of the agreement on profit is taken into account in financing expenses.

A mandatory provision has been made in the financial statements for the speculative part of the agreement when the market value is negative on the closing date.

Foreign currency items

On the balance sheet, receivables and liabilities denominated in foreign currencies have been converted into Finnish currency at the exchange rate on the closing date; on the income statement the medium rate of exchange for the period is applied. Translation differences arising from using different currencies are recorded in shareholders' equity of the group.

Deferred income taxes

Deferred tax liabilities or assets are calculated at the temporary difference between taxation and financial statements using the subsequent years' tax rate adopted at the closing date. A deferred tax asset that is based on adopted losses is recorded, in accordance with the prudence principle, only for losses that can be utilised in the next few years with a high probability.

Deferred tax liabilities and assets of the Group are netted into own single item on the balance sheet.

Valuation of receivables

Short- and long-term receivables are valued at fair market value. The part of a loan or other such receivables whose accumulation involves uncertainty is recorded in impairments of investments in fixed assets. Mutual receivables and liabilities and impairments have been eliminated from subsidiaries that are combined in the consolidated financial statements.

Changes in accounting policies

The following changes in accounting policies have been made in group subsidiaries during the period:

In the current period, only the portion of uncertain receivables that exceeds the guarantee is recorded in the loan loss provision. In previous periods, uncertain receivables have been recorded in full in the loan loss provision.

In the current period, guarantees received by the company have been transferred from short-term liabilities into long-term liabilities. The comparative balance sheet has not been adjusted. In the latest financial statement there were 1,398,292.29 euros of these kinds of guarantees.

In the current period, only pledged deposits of the security deposits received by the company were left in other receivables and the other deposits were transferred to the cash and cash equivalents group. In previous periods all security deposits were shown in other receivables. The comparative balance sheet has not been adjusted. In the latest financial statements there were 669 932,43 euros of these kinds of security deposits.

Comparability of financial statements

The figures of the periods are not comparable to each other because the accounting periods are different in length.

NOTES TO FINANCIAL STATEMENTS

Notes to income statement	Group 31 Jan 2013	Group 31 Jan 2012	Parent 31 Jan 2013	Parent 31 Dec 2011
1. Sales turnover				
Breakdown by area of business				
Franchising activity	12.324.975,04	5.100.407,70	0,00	0,00
Restaurant activity	2.910.541,71	1.108.986,78	0,00	0,00
Administrative services	0,00	0,00	783.900,00	241.200,00
Wholesale	37.779.492,99	15.110.512,12	0,00	0,00
Financial management services	759.394,33	330.926,16	0,00	0,00
Proceeds from premises	0,00	0,00	11.308,44	0,00
Total	53.774.404,07	21.650.832,76	795.208,44	241.200,00
2. Other operating income				
Capital gains from sales of fixed assets	92.500,00	460,68	0,00	0,00
Other income	159.461,11	34.858,56	12.258,00	0,00
Total	251.961,11	35.319,24	12.258,00	0,00
3. Materials and services				
Materials and supplies				
Purchases during the period	39.618.421,19	15.806.057,83	0,18	0,00
Change in inventories (- add, + subtract)	-611.248,53	-183.466,49	0,00	0,00
Total	39.007.172,66	15.622.591,34	0,18	0,00
Outside services	331.143,53	154.069,01	0,00	0,00
Total materials and services	39.338.316,19	15.776.660,35	0,18	0,00
4. Staff costs				
Wages and salaries	3.047.818,80	1.166.059,61	499.554,62	146.161,43
Pension expenses	541.794,88	194.484,82	84.333,64	22.240,16
Other social security costs	147.750,77	60.686,15	15.203,16	3.203,75
Total	3.737.364,45	1.421.230,58	599.091,42	171.605,34
4.1. Average number of employees	52	53	2	2
5. Depreciation, amortisation and write-downs				
Depreciation according to plan				
Other long-term expenditures	175.035,10	59.024,10	637,90	0,00
Buildings and structures	16.924,56	9.489,06	0,00	0,00
Machinery and equipment	135.040,77	58.481,83	0,00	0,00
Total	327.000,43	126.994,99	2.434,21	0,00
Amortisation of Group goodwill	2.005.586,08	784.264,90	0,00	0,00
Total depreciation and amortisation	2.332.586,51	911.259,89	3.072,11	0,00
6. Other operating expenses				
Breakdown of most significant items:				
Facility expenses	682.182,08	224.201,10	14.564,62	0,00
Marketing expenses	784.967,61	282.354,42	0,00	0,00
Administration expenses	2.310.757,98	836.506,61	253.112,45	42.258,16
Machinery and equipment expenses	537.326,95	204.941,70	18.569,67	16,23
Other expenses	1.138.388,41	498.877,85	104.338,22	13.894,75
Total	5.453.623,03	2.046.881,68	390.584,96	56.169,14
6.1. Fees paid to auditor				
Statutory audit	16.000,00	9.042,50	3.742,00	0,00
In Frankis Group				

	Group 31 Jan 2013	Group 31 Jan 2012	Parent 31 Jan 2013	Parent 31 Dec 2011
7. Financial income and expenses				
Other interest and financial income				
From companies in the same group	0,00	0,00	41742,44	3.166,68
From others	66.279,49	43.817,42	698,33	8.664,96
Total	66.279,49	43.817,42	42.440,77	11.831,64
Interest and other financial expenses				
For companies in the same group	-756.839,10	-222.287,70	-771.651,12	-222.287,70
For others	-2.248.922,38	-1.328.480,22	-1.995.805,10	-814.029,21
Total	-3.005.761,48	-1.550.767,92	-2.767.456,22	-1.036.316,91
Write-downs from group receivables	0,00	0,00	-1.071.713,63	0,00
Total financial income and expenses	-2.939.481,99	-1.506.950,50	-3.796.729,08	-1.024.485,27
8a) Extraordinary items				
Group contributions received	0,00	0,00	4.300.000,00	0,00
Group contributions given	0,00	0,00	-41.800,00	0,00
Total extraordinary items	0,00	0,00	4.258.200,00	0,00
8b) Income taxes				
1) Taxes for the period	-379.213,06	-447.352,96	-95.790,23	0,00
2) Accrued taxes	-239.271,76	227.016,39	0,00	0,00
Accrued tax liability based on appropriations	-5.979,43	-29.499,71	0,00	0,00
Accrued tax asset based on a loss to be adopted	-247.709,63	250.801,78	0,00	0,00
Accumulated tax assets based on accrual differences	14.417,30	5.714,32	0,00	0,00
Total income taxes	-618.484,82	-220.336,57	0,00	0,00

NOTES TO BALANCE SHEET

	Group 31 Jan 2013	Group 31 Jan 2012	Parent 31 Jan 2013	Parent 31 Dec 2011
9. Intangible assets				
Intellectual property rights				
Acquisition cost at beginning of period	246.566,56	173.714,08	0,00	0,00
Increases during the period	76.871,54	81.573,14	0,00	0,00
Decreases during the period	0,00	-8.720,66	0,00	0,00
Acquisition cost at end of period	323.438,10	246.566,56	0,00	0,00
Accumulated amortisation according to plan at beginning of period	-142.143,69	-137.283,66	0,00	0,00
Amortisation according to plan for the period	-13.912,13	-4.860,03		
Accumulated amortisation according to plan at end of period	-156.055,82	-142.143,69	0,00	0,00
Book value at end of period	167.382,28	104.422,87	0,00	0,00
Group goodwill				
Acquisition cost at beginning of period	37.048.297,41	0,00	0,00	0,00
Increases during the period	644.455,48	37.048.297,41	0,00	0,00
Acquisition cost at end of period	37.692.752,89	37.048.297,41	0,00	0,00
Accumulated amortisation according to plan at beginning of period	-784.264,90	0,00	0,00	0,00
Amortisation according to plan for the period	-2.005.586,08	-784.264,90	0,00	0,00
Accumulated amortisation according to plan at end of period	-2.789.850,98	-784.264,90	0,00	0,00
Book value at end of period	34.902.901,91	36.264.032,51	0,00	0,00
Other long-term expenditures				
Acquisition cost at beginning of period	1.327.068,57	1.272.165,57	0,00	0,00
Increases during the period	275.058,06	54.903,00	13.616,43	0,00
Acquisition cost at end of period	1.602.126,63	1.327.068,57	13.616,43	0,00
Accumulated amortisation according to plan at beginning of period	-878.907,12	-825.203,74	0,00	0,00
Amortisation according to plan for the period	-161.122,97	-53.703,38	-637,90	0,00
Accumulated amortisation according to plan at end of period	-1.040.030,09	-878.907,12	-637,90	0,00
Book value at end of period	562.096,54	448.161,45	12.978,53	0,00
Total intangible assets	35.632.380,73	36.816.616,83	12.978,53	0,00

	Group 31 Jan 2013	Group 31 Jan 2012	Parent 31 Jan 2013	Parent 31 Dec 2011
10. Tangible assets				
Buildings and structures				
Acquisition cost at beginning of period	364.426,66	347.607,86	0,00	0,00
Increases during the period	0,00	16.818,80	0,00	0,00
Decreases during the period	-161.783,52	0,00	0,00	0,00
Acquisition cost at end of period	202.643,14	364.426,66	0,00	0,00
Accumulated depreciation according to plan at beginning of period	-319.408,40	-309.919,34	0,00	0,00
Depreciation according to plan during the period	-16.924,56	-9.489,06	0,00	0,00
Accumulated depreciation according to plan at end of period	-336.332,96	-319.408,40	0,00	0,00
Planned depreciation accumulated from disposals at end of period	161.783,52			
Book value at end of period	28.093,70	45.018,26	0,00	0,00
Machinery and equipment				
Acquisition cost at beginning of period	1.307.696,46	1.236.872,30	0,00	0,00
Increases during the period	207.091,91	70.824,16	110.126,29	0,00
Decreases during the period	0,00	0,00	0,00	0,00
Acquisition cost at end of period	1.514.788,37	1.307.696,46	110.126,29	0,00
Accumulated depreciation according to plan at beginning of period	-918.471,45	-859.989,62	0,00	0,00
Depreciation according to plan during the period	-135.040,77	-58.481,83	-2.434,21	0,00
Accumulated depreciation according to plan at end of period	-1.053.512,22	-918.471,45	-2.434,21	0,00
Book value at end of period	461.276,15	389.225,01	107.692,08	0,00
Total tangible assets	489.369,85	434.243,27	107.692,08	0,00
11. Investments				
Shares and holdings				
Acquisition cost at beginning of period	1.765,97	1.765,97	29.452.421,70	0,00
Increases	0,00	0,00	644.455,48	29.452.421,70
Decreases and write-downs	0,00	0,00	0,00	0
Acquisition cost at end of period	1.765,97	1.765,97	30.096.877,18	29.452.421,70
12. Inventories				
Materials and supplies	2.191.368,24	2.027.719,97	0,00	0,00
Works in process	639.732,63	229.480,96	0,00	0,00
Goods	254.972,55	217.672,77	0,00	0,00
Prepayments	2.093,25	15.690,25	0,00	0,00
Total	3.088.166,67	2.490.563,95	0,00	0,00
13. Receivables				
Long-term receivables				
Credit insurance for goods	10.520,13	10.126,76	0,00	0,00
Guarantees	0,00	4.810,40	0,00	0,00
Receivables from companies in same group	0,00	0,00	0,00	850.403,42
Total	10.520,13	14.937,16	0,00	850.403,42
Short-term receivables				
Receivables from companies in same group	0,00	0,00	3.680.804,27	1.726.040,33
Accounts receivable from companies in same group	0,00	0,00	372,00	0,00
Receivables from others				
Accounts receivable	4.067.633,26	4.050.286,73	0,00	0,00
Receivables from associated companies	15.072,42	11.301,85	496,02	560,01
Accrued income	362.473,68	178.629,63	10.152,94	13.855,35
Loan receivables	158,00	184,48	0,00	0,00
Deferred taxes (offset tax liabilities and assets)	31.352,52	270.624,28	0,00	0,00
Other receivables	790.878,23	1.566.948,44	3.788,00	167,28
Total short-term receivables	5.267.568,11	6.077.975,41	3.695.613,23	1.740.622,97
Total receivables	5.278.088,24	6.092.912,57	3.695.613,23	2.591.026,39

	Group 31 Jan 2013	Group 31 Jan 2012	Parent 31 Jan 2013	Parent 31 Dec 2011
14. Shareholder equity				
Share capital at beginning of period	2.500,00	0,00	2.500,00	-
Share capital, increase of period	0,00	2.500,00	0,00	2.500,00
Reserve for invested unrestricted equity at beginning of period	5.440.251,88	0,00	5.440.251,88	0,00
Increase during period	0,00	5.440.251,88	0,00	5.440.251,88
Reserve for invested unrestricted equity at end of period	5.440.251,88	5.440.251,88	5.440.251,88	5.440.251,88
Retained earnings at beginning of period	-202.290,97	0,00	-1.011.059,75	0,00
Translation differences	4.358,62	-5.123,30	0,00	0,00
Profit of loss for the period	-393.491,81	-197.167,57	180.398,46	-1.011.059,75
Retained earnings at end of year	-591.424,16	-202.290,87	180.398,46	-1.011.059,75
Total shareholder equity	4.851.327,72	5.240.461,01	4.612.090,59	4.431.692,13
Distributable funds				
Reserve for invested unrestricted equity			5.440.251,88	5.440.251,88
Retained earnings			-1.011.059,75	0,00
Profit/loss for the period			180.398,46	-1.011.059,75
Total			4.609.590,59	4.429.192,13
15. Mandatory provisions				
Lease commitments	14.724,00	20.848,14	0,00	-
Cost provision for speculative portion of interest rate derivative	48.025,76	0,00	48.025,76	-
Total	62.749,76	20.848,14	48.025,76	-
16. Long-term liabilities				
Loans from financial institutions 1-5 years	16.485.555,55	18.000.000,00	12.285.555,55	12.400.000,00
Prepayments received	1.736.493,08	576.083,31	0,00	-
Accounts payable	134.643,75	94.571,22	106.575,77	-
Debts payable to companies in same group	6.208.453,11	5.541.635,00	6.208.453,11	5.541.635,00
Debts payable to associated companies	7.592.823,58	7.409.949,63	7.592.823,58	7.409.949,63
Other liabilities	627.163,10	557.663,50	620.663,10	554.163,50
Total long-term liabilities	32.785.132,17	32.179.902,66	26.814.071,11	25.905.748,13
The company's loans from finance companies involve covenants that give the lender the right to terminate the loan when these covenants are violated.				
On the closing date, the company satisfied all the terms of the loan.				
17. Short-term liabilities				
Debts payable to companies in same group	312.293,49	222.272,70	513.642,41	222.272,70
Debts payable to associated companies *)	670.772,55	2.355.804,90	670.585,06	2.330.252,16
Loans from financial institutions	2.051.997,49	2.000.000,00	651.997,49	600.000,00
Accounts payable to companies in same group	0,00	0,00	5.942,55	3.602,19
Accounts payable to companies outside the group	4.061.651,29	3.991.214,77	28.534,74	6.614,45
Prepayments received	58.358,32	116.259,30	0,00	0,00
Accrued liabilities	1.827.763,67	1.780.577,83	537.149,99	323.578,06
Other short term liabilities	632.704,78	605.983,52	31.121,32	39.799,50
Guarantees	0,00	1.398.292,29	0,00	0,00
Total short-term liabilities	9.615.541,59	12.470.405,31	2.438.973,56	3.526.119,06
Total liabilities	42.400.673,76	44.650.307,97	29.253.044,67	29.431.867,19
*) The final total of the acquisition was preliminary in comparative data and was clarified in 2012.				
Breakdown of significant accrued liabilities				
Rental income	330.348,27	0,00	0,00	0,00
Staff costs	656.572,63	0,00	84.907,09	73.598,15
Taxes	165.045,66	0,00	97.303,96	0,00
Others	308.981,22	0,00	0,00	0,00
Interest	366.815,89	0,00	354.938,94	249.979,91
Total accrued liabilities	1.827.763,67	0,00	537.149,99	323.578,06

	Group 31 Jan 2013	Group 31 Jan 2012	Parent 31 Jan 2013	Parent 31 Dec 2011
Liabilities				
<u>Amounts payable for lease agreements</u>				
Leasing commitments, own				
payable for the period that has begun	89.257,60	95.690,63	0,00	0,00
payable later	96.040,89	128.535,86	0,00	0,00
Total leasing commitments	185.298,49	224.226,49	0,00	0,00
Repurchase commitments / guarantees / residual values	336.677,58	432.813,99	0,00	0,00
Secondary guarantee obligations	194.797,41	287.502,92		
<u>Liabilities that are guaranteed by mortgages on company assets and deposits</u>				
Liability: lease commitments / guarantee limit (sum is the amount that is available)	590.104,24	527.871,26	0,00	0,00
Guarantee: mortgage on company assets, mortgage deposits	27.000.000,00 554.503,10	27.555.020,18 661.110,20	0,00 0,00	0,00 0,00
Liability: bank guarantee	120.000,00	120.000,00	0,00	0,00
Guarantee: mortgage on company assets, mortgage Pledged deposit	27.000.000,00 386,96	27.000.000,00 1.022,40	0,00	0,00
<u>Debts guaranteed by pledged shares, granted mortgages on company assets and guarantees.</u>				
Liabilit Loans from financial institutions	13.051.997,49	15.000.000,00	7.451.997,49	8.000.000,00
Guarantee: Pledged shares (book value)	50.363.926,68	47.272.973,68	30.096.877,18	29.452.421,70
Guarantee: mortgage on company assets	54.000.000,00	54.000.000,00	27.000.000,00	27.000.000,00
Guarantees: securities *)	13.000.000,00	15.000.000,00	5.600.000,00	7.000.000,00
*) each group company has contributed a guarantee that is equal in size.				
<u>Guarantees on behalf of companies outside the group</u>				
	1.295.072,00	1.773.388,00	0,00	0,00

Protection against changes in interest rate

The Group's parent company has entered an interest rate swap agreement for protection against the interest rate risk of a loan on the balance sheet. The properties of the hedging instrument and hedged item are essentially equivalent to each other; therefore the company considers the protection effective. The market value of the interest rate swap agreement on the closing date was -328 606,00 euros.

Signatures of Board of Directors and Managing Director

_____ day, _____ month 2013

Johan Wentzel
Chairman of the Board

Janne Wartiovaara
as deputy Member of Rabbe Grönblom

Olli Väättäinen
Member of the Board

Kim Hanslin
Member of the Board

Tommi Tervanen
Managing Director

A report has been issued today on the completed audit.

_____ day _____ month 2013

Ernst & Young Oy

Mikko Järventausta
KHT (Authorised Public Accountant)

ACCOUNTING BOOKS USED 01 Jan 2012-31 Jan 2013

Journal	Archived electronically
General ledger	Archived electronically
Accounts payable ledger	Paper copies
Balance sheet book and balance sheet specifications	Bound separately into one book

TYPES OF DOCUMENTS USED 01 Jan 2012-31 Jan 2013

1	Bank statement accounting Nordea Pankki
9	Memos
42	Purchase invoices
99	VAT documents

Auditor's Report

Translation

To the Annual General Meeting of Frankis Group Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Frankis Group Oy (former Senhold 1 Oy) for the financial period 1.1.2012–31.1.2013. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, March 8, 2013

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant