

PANOSTAJA GROUP INTERIM REPORT NOVEMBER 1, 2012–JULY 31, 2013 (9 months)

The net sales for the third quarter: MEUR 45.7, growth 17%

EBIT without one-time items for the third quarter: MEUR 2.1, growth 30%.

Operating cash flow for the third quarter MEUR 2.4. Growth MEUR 1.7.

Panostaja changes its result management procedures with regard to net sales and EBIT. During the 2013 financial period, the Group's net sales are expected to grow by about 16–20% over the previous year and the Group's EBIT is expected to remain at the level of the 2012 (MEUR 4.2) financial period 2013 without one-time items (such as depreciation).

THIRD QUARTER, MAY–JULY 2013

Net sales MEUR 45.7 (MEUR 38.9), growth 17%.

EBIT MEUR -0.4 (MEUR 1.6), down by MEUR 2.0. EBIT includes MEUR 2.3 of goodwill write-down related to Takoma.

EBIT without one-time items MEUR 2.1 (MEUR 1.6)

Profit before taxes MEUR -1.0 (MEUR 0.9)

Earnings per share (undiluted) -2.6 cents (1.9 cents)

Operating cash flow MEUR 2.4 (MEUR 0.7).

The growth in net sales was due to corporate acquisitions carried out in the current year and the previous year and the operative growth of the Digital Printing Services and the Safety segment. The impact of corporate acquisitions on the net sales for the third quarter stood at MEUR 9.7.

The improvement in EBIT without one-time items in the third quarter by MEUR 0.5 was particularly affected by corporate acquisitions carried out at the beginning of the financial period and by an improved result in the Digital Printing Services and the Safety segment.

NOVEMBER 2012–JULY 2013

Net sales MEUR 136.0 (MEUR 114.7), growth 19%.

EBIT MEUR -0.3 (MEUR 4.0), change MEUR 4.3.

EBIT without one-time items MEUR 2.5 (MEUR 4.4), change -42%.

Profit before taxes MEUR -2.6 (MEUR 2.3).

Earnings per share (undiluted) -8.3 cents (1.7 cents).

Equity per share EUR 0.60 (EUR 0.61).

Equity ratio 33.0% (37.0%).

Operating cash flow was MEUR 4.7 (MEUR 6.5).

The increase in net sales was primarily a result of the corporate acquisitions carried out during the previous financial period and the current financial period. The impact of corporate acquisitions stood at MEUR 27.9. Furthermore, organic growth in the Safety segment continued.

The MEUR -4.3 decrease in EBIT was especially caused by the MEUR 2.3 goodwill write-down related to Takoma, weak demand in the technology industry segments, and the MEUR 0.9 costs incurred from goodwill allocations from corporate acquisitions carried out at the beginning of the financial period.

Panostaja changes its result management procedures with regard to net sales and EBIT. During the 2013 financial period, the Group's net sales are expected to grow by about 16–20% over the previous year and the Group's EBIT is expected to remain at the level of the 2012 financial period without one-time items (such as depreciation).

The previous result management on June 5, 2013: During the 2013 financial period, the Group's net sales are expected to grow by about 16–21% over the previous year and the Group's EBIT is expected to increase in the 2013 financial period.

The General Meeting of January 29, 2013 approved the capital repayment proposal made by the Board. EUR 0.04 per share of capital repayment was paid from the invested unrestricted equity fund. The record date for the capital repayment was February 1, 2013, with the payment date being February 8, 2013. A total of MEUR 2.0 of capital was repaid to parent company shareholders.

| | 9 months | 9 months | 12 months |
|--|--------------------------|--------------------------|-----------------------------|
| | 11/12- 07/13 | 11/11- 07/12 | 11/11- 10/12 |
| Key figures | | | |
| Net sales (MEUR) | 136,0 | 114,7 | 156,8 |
| EBIT (MEUR) | -0,3 | 4,0 | 4,2 |
| Profit before taxes (MEUR) | 2,6 | 2,3 | 0,9 |
| Earnings per share, undiluted (EUR) | -0,1 | 0,02 | -0,04 |
| Equity per share (EUR) | 0,60 | 0,61 | 0,56 |
| Financial position and cash flow: | July 31, 2013 | July 31, 2012 | October 31, 2012 |
| Net liabilities (MEUR) | 46,0 | 45,3 | 40,5 |
| Gearing (%) | 91,3 | 94,4 | 89,6 |
| Equity ratio (%) | 33,0 | 37,0 | 34,1 |
| Operating cash flow (MEUR) | 4,7 | 6,5 | 10,6 |

The income statement for operations discontinued during the reference period has been separated from the income statement for retained operations and the result for them is presented in accordance with the IFRS standard on row 'Earnings from discontinued operations'.

MARKET SITUATION

The first three quarters of Panostaja Group's financial period have not met the financial expectations targeted at all segments. In particular, the segments serving the technology industry suffered from weak demand. The general economic situation and atmosphere has remained challenging, especially in export industry-related segments. For the time being, the demand for companies operating on the domestic market has at least remained at a satisfactory level. The situation on the financial markets remains challenging, particularly in the SME sector, and the restraints on credit issue area a significant risk to general financial development. In terms of volumes, the corporate acquisitions market remains at a lower level than normal, and no significant change in activity is expected to take place up to the end of the year.

Panostaja prepared for a weak financial market situation in the SME sector and for a continued quiet period in the corporate acquisitions market by taking out a MEUR 7.5 hybrid loan in May. This hybrid loan will enable Panostaja to make, in line with the company's strategy and investment criteria, new complementary acquisitions and to give more temporal room for maneuver for possible divestments.

THE ECONOMIC DEVELOPMENT OF THE PANOSTAJA GROUP

THIRD QUARTER, MAY–JULY 2013

Panostaja Group net sales in the third quarter were MEUR 45.7 (MEUR 38.9). Exports amounted to MEUR 2.3, or 4.9%, (MEUR 3.2, or 8.2%) of net sales.

Net sales increased by 17%. The MEUR 6.7 increase in net sales was primarily the result of growth stemming from corporate acquisitions. Corporate acquisitions made in the previous financial period and the current financial period increased net sales by MEUR 9.7. Of the Group's 11 operational segments, five exceeded the net sales of the reference year. Correspondingly, five segments fell below the net sales level of the reference year. There is not yet any comparative data for the Ceiling Materials segment. On November 7, 2012, Panostaja bought 60% of the share capital of Selog Oy, which supplies material, calculation and design services for ceiling construction.

EBIT totaled MEUR -0.4 (MEUR 1.6). The MEUR 2.0 decrease in EBIT was due to the MEUR 2.3 goodwill write-down of Takoma. EBIT was positively affected by corporate acquisitions carried out at the beginning of the financial period and by a strong result in the Digital Printing Services and Safety segments. Five segments achieved better EBIT than in the reference period.

The Group's net financial expenses for the review period were approximately MEUR -0.8 (MEUR -0.6). The Group's liquidity was good. Operating cash flow improved and was MEUR 2.4 (MEUR 0.7).

NOVEMBER 2012–JULY 2013

Net sales increased by 19%. Panostaja Group's net sales were MEUR 136.0 (MEUR 114.7) in the review period that has ended. Export amounted to MEUR 7.0, or 5.1%, (MEUR 9.0, or 7.8%) of net sales. Corporate acquisitions realized during the previous financial period affected the MEUR 21.3 increase in net sales by MEUR 27.9.

Of the Group's eleven operational segments, five exceeded the cumulative net sales for the reference period, and three segments exceeded the EBIT levels in the review period. EBIT improved in the following segments: Digital Printing Services, Value-added Logistics and Fasteners.

EBIT totaled MEUR -0.3 (MEUR 4.0). The MEUR -4.3 decrease in EBIT was primarily caused by a MEUR 2.3 goodwill write-down related to Takoma, the goodwill allocations from corporate acquisitions carried out at the beginning of the financial period, and weak development in the Takoma and Heat Treatment segments. EBIT in the Heat Treatment segment deteriorated in comparison to the reference period by MEUR 1.6, and in the Takoma segment by MEUR 1.0.

The Group's net financial expenses for the review period were approximately MEUR -2.5 (MEUR -2.2). The Group's liquidity remained good and operating cash flow was MEUR 4.7 positive.

Personnel

Panostaja's personnel continued to grow in the Helsinki capital region. At the end of the review period, Panostaja Group employed a total of 1,394 persons, while the average number of personnel during the financial year was 1,300.

| | July 31, 2013 | July 31, 2012 | October 31, 2012 |
|---|------------------|------------------|---------------------|
| Average number of employees | 1 300 | 1 171 | 1 152 |
| Employees at the end of the review period | 1 394 | 1 244 | 1 206 |

| Employees in each segment at the end of the review period | July 31, 2013 | July 31, 2012 | October 31, 2012 |
|--|------------------|------------------|---------------------|
| Digital Printing Services | 456 | 340 | 335 |

| | | | |
|--------------------------------|-------|-------|-------|
| Safety | 206 | 215 | 212 |
| Takoma | 195 | 200 | 193 |
| Value-added Logistics | 305 | 272 | 253 |
| Ceiling Materials | 15 | | |
| Spare Parts for Motor Vehicles | 40 | 41 | 38 |
| Fittings | 38 | 30 | 30 |
| Heat Treatment | 63 | 64 | 65 |
| Carpentry Industry | 32 | 32 | 30 |
| Supports | 16 | 16 | 16 |
| Fasteners | 20 | 24 | 24 |
| Other | 8 | 10 | 10 |
| Group in total | 1 394 | 1 244 | 1 206 |

GROUP STRUCTURE CHANGES

In line with its strategy, Panostaja actively carried out corporate acquisitions and expanded operations by creating a new segment.

On November 6, 2012, Panostaja Oyj's subsidiary Suomen Helasto Oy bought the entire shareholding of Oy Eurohela Trading Ltd, which provides furniture fittings wholesale services. The segment was also reorganized, so that the furniture fittings and construction fittings operations were divided into individual companies. Suomen Helasto Oy's subsidiaries Oy Eurohela Trading Ltd and Suomen Helakeskus Oy merged to form Suomen Helakeskus Oy, focusing on the furniture fittings business. Suomen Helasto Oy's new subsidiary Rakennushelasto Oy, which was established as part of the reorganization, specializes in the construction fittings business. As a result of the reorganization, Panostaja Oyj's shareholding in Suomen Helasto Oy is about 95%.

Panostaja Oyj announced on November 7, 2012 that it had bought 60% of the share capital of Selog Oy, a company supplying material, calculation and design services for ceiling construction. As a result of the transaction, Panostaja expanded its business operations and established within the Group a new business area specializing in wholesale services of ceiling materials. As part of the arrangement, Selog Oy's owners continued as minority shareholders in the new segment.

Panostaja expanded its Digital Printing Services segment on December 4, 2012, which already includes the Kopijyvä Group. Panostaja's subsidiary Digiprint Finland Oy acquired the entire share capital of DMP-Digital Media Partners Oy. The DMP Group provides printing, publication and production services for marketing communications. Since the reorganization, Panostaja Oyj's shareholding in Digiprint Finland Oy is about 56%. As part of the reorganization, the owner of DMP-Digital Media Partners Oy became minority shareholders in Digiprint Finland Oy. As a result of the reorganization, Digiprint Finland Oy owns all of Kopijyvä Oy and DMP-Digital Media Partners Oy.

SEGMENT REVIEW

Panostaja Group's business operations for the period under review are reported in 12 segments: Digital Printing Services, Safety, Takoma, Value-added Logistics, Ceiling Materials, Spare Parts for Motor Vehicles, Fittings, Heat Treatment, Carpentry Industry, Supports, Fasteners and Other (parent company and associated companies).

NOVEMBER 2012–JULY 2013

Net sales in the Digital Printing Services segment grew from MEUR 25.5 to MEUR 36.6. EBIT was MEUR 4.4, MEUR 0.8 better than the EBIT of the previous period. The review period as a whole was characterized by the acquisition of DMP Group on December 4, 2012. The review period is also encumbered by costs arising from the corporate acquisition. Although the markets have been poor as a result of the economic situation, the segment has succeeded in increasing its market share. In April, operations expanded to Kotka with the acquisition of Mainospiste Newex Ky.

Net sales in the Safety segment increased from MEUR 21.1 to MEUR 22.3. EBIT remained at the level of the previous year at MEUR 0.6. The increase in net sales was better than the average for the sector and resulted from organic growth. The company's order book and stock of tenders have remained at a rather good level. In May, Flexim strengthened its operations in Southern Karelia by acquiring the business of Lappeenranta Lukko- ja Varustepalvelu Oy.

Net sales in the Takoma segment declined from MEUR 21.9 to MEUR 17.3. The segment's EBIT decreased from MEUR -2.1 to MEUR -5.4. During the review period, Panostaja recorded a MEUR 2.3 goodwill write-down in the Takoma segment as part of the reorganization of business operations. The activity of Takoma's domestic customers in Finland continues to decline and some of the customers are transferring their production abroad. Results have been achieved in the acquisition of new customers in Norway, but this is slow in making an impact. Takoma is making significant structural and operational changes, aiming at the making the Takoma Group profitable during the next financial period.

As a result of weakened liquidity, Takoma has tried to reduce production costs and to improve overall efficiency by such means as winding up the unprofitable business of Hervannan Koneistus Oy and Takoma Systems Oy and by adapting the capacity of machining to correspond to demand. These reorganization measures include the realization of fixed assets. Furthermore, Takoma is negotiating to reorganize its financial structure by changing its loan repayment periods, amongst other measures.

Net sales in the Value-added Logistics segment grew from MEUR 16.1 to MEUR 21.8. EBIT improved slightly from MEUR 0.8 to MEUR 0.9. The increase in net sales can mainly be explained by the acquisition in May 2012 of packaging and logistics company HSG Logistics Oy.

Ceiling Materials is a new segment, which was created when Panostaja acquired 60% of the shares of Selog Oy on November 7, 2012. Net sales for the segment in the review period were MEUR 9.5 and EBIT MEUR 0.7. The work situation of customers has generally improved during the summer, but there remains uncertainty about the coming winter due to the market situation.

Net sales in the Spare Parts for Motor Vehicles segment remained at the level of the previous year at MEUR 7.6. EBIT was also in line with the previous year at MEUR 0.6. The general economic situation has also cut growth in the spare parts business.

Net sales in the Fittings segment increased from MEUR 7.8 to MEUR 8.9. However, EBIT dropped from the previous year's MEUR 0.3 to MEUR -0.1. The increase in net sales in the Fittings segment was primarily a result of the acquisition of Oy Eurohela Trading Ltd on November 6, 2012. The result is adversely affected by costs incurred from goodwill allocation of the corporate acquisition carried out.

Net sales in the Heat Treatment segment declined from MEUR 5.7 to MEUR 3.6, and EBIT of MEUR 0.8 dropped to MEUR -0.8. As a result of weak demand, the result for the review period is expected to be very poor and adaptation measures are continuing. In Finland, welding machine shops and foundries are still facing difficulties, but in Poland the poor economic situation has begun to recover.

Net sales in the Carpentry Industry segment declined from MEUR 4.5 to MEUR 4.1, and EBIT of MEUR 0.9 dropped to MEUR 0.5. Demand in Norway continued to be weak, but sales in Finland have developed better than the overall market. The company is carrying out a significant production investment programme, the benefits and capacity increase of which will be fully felt during the next financial period.

Net sales in the Supports segment declined from MEUR 3.0 to MEUR 2.5. EBIT weakened from the reference year's MEUR 0.3 to MEUR 0.1. Economic conditions in construction remain poor, which is directly affecting the development of the sector. The segment has, however, been able to keep its market position.

In the Fasteners segment, net sales were on a slightly lower level than in the reference period at MEUR 2.0. EBIT of MEUR -0.1 was slightly better than the figure for the reference year of MEUR -0.2. There have been no significant customer losses, but the order books of customers are low.

There were no significant changes in the net sales of the Other segment. In the review period, two associated companies, Ecosir Group Oy and Spectra Yhtiöt Oy, issued reports to the parent company. The profit/loss of the reported associated companies in the review period was MEUR 0.2 (MEUR 0.1), which is presented on a separate row in the consolidated income statement.

INVESTMENTS AND FINANCE

The Group's liquidity remained good and operating cash flow MEUR 4.7 positive (MEUR 6.5). The Group's liquid assets were MEUR 15.9 (MEUR 7.7).

The Group's gross capital expenditure increased and were in the review period MEUR 20.0 (MEUR 6.2). Investments were mainly targeted at corporate acquisitions. The Group's equity ratio was 33.0% (37.0%) and interest-bearing net liabilities totaled MEUR 46.0 (MEUR 45.3). Interest-bearing net liabilities increased as a result of corporate acquisitions. Panostaja Oyj's convertible subordinated loan amounted to MEUR 15 of the net liabilities (MEUR 15.0). Return on equity was -12.7% (1.7 %) and return on investment -0.1% (3.6%). Gearing ratio was 91.3% (94.4%).

In May, Panostaja Oyj issued a domestic hybrid loan of MEUR 7.5 (equity debenture loan). The loan was issued on May 27, 2013. It will strengthen the company's solvency and financial position. The hybrid loan has been processed in accordance with the IFRS as an equity loan and is shown in the balance sheet in the equity group.

Financial position:

| MEUR | July 31, 2013 | July 31, 2012 | October 31, 2012 |
|--|------------------|------------------|---------------------|
| Interest-bearing liabilities | 65,9 | 57,3 | 56,6 |
| Interest-bearing receivables | 4,0 | 4,5 | 3,7 |
| Cash and cash equivalents | 15,9 | 7,7 | 12,3 |
| Interest-bearing net liabilities | 46,0 | 45,3 | 40,5 |
| Equity (belonging to the parent company's shareholders as well as minority shareholders) | 50,4 | 48,0 | 48,0 |
| Gearing ratio, % | 91,3 | 94,4 | 89,6 |
| Equity ratio, % | 33,0 | 37,0 | 34,1 |
| Return on equity, % | -12,7 | 1,6 | -5,4 |
| Return on investment, % | -0,1 | 3,6 | 2,2 |

The Annual General Meeting of January 29, 2013 approved the capital repayment proposal made by the Board. EUR 0.04 per share of capital repayment was paid from the invested unrestricted equity fund. The record date for the capital repayment was February 1, 2013, with the payment date being February 8, 2013. A total of MEUR 2.0 of capital was repaid to parent company shareholders.

SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.66 and EUR 0.86 during the review period. During the three-quarter period, the exchange of shares totaled 2,539,078 shares, 4.9% of the share capital. The review-period share closing rate was EUR 0.69. The market value of the company's share capital at the end of July was MEUR 35.7 and the company had 3,743 shareholders (3,785).

| Development of share exchange | 3Q/2013 | 3Q/2012 | 1-3Q/2013 | 1-3Q/2012 |
|-------------------------------|---------|---------|-----------|-----------|
| Shares exchanged, 1,000 pcs | 475 | 395 | 2 539 | 5 303 |
| % of share capital | 0,9 | 0,8 | 4,9 | 10,4 |

| Share | July 31, 2013 | July 31, 2012 | October 31, 2012 |
|----------------------------|------------------|------------------|---------------------|
| Shares in total, 1,000 pcs | 51 733 | 51 733 | 51 733 |
| Own shares, 1,000 pcs | 508 | 565 | 553 |
| Closing rate | 0,69 | 0,77 | 0,76 |
| Market value (MEUR) | 35,7 | 39,8 | 39,3 |
| Shareholders | 3 743 | 3 785 | 3 780 |

On December 28, 2012, Panostaja Oyj received a notification of change in holding in the company pursuant to Section 2(9) of the Securities Markets Act. Matti Koskenkorva's share of Panostaja Oyj's total number of voting shares exceeded 10%. Matti Koskenkorva's share on the record date was 5,187,192 shares, 10.03% of Panostaja Oyj's share capital and voting shares.

ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on January 29, 2013 in Tampere. Jukka Ala-Mello, Satu Eskelinen, Mikko Koskenkorva and Eero Eriksson were re-elected to Panostaja Oyj's Board of Directors. Antero Virtanen and Jukka Terhonen were elected as new members. In the Board's organizing meeting held immediately after the General Meeting, Jukka Ala-Mello was elected Chairman of the Board and Eero Eriksson as Vice Chairman. Authorized Public Accountant Markku Launis and Authorized Public Accountants PricewaterhouseCoopers Oy were selected as general chartered accountants, with Authorized Public Accountant Janne Rajalahti as the responsible public accountant.

The General Meeting approved the closing of the November 1, 2011–October 31, 2012 accounts as well as the proposal by the Board to transfer the loss for the financial period to the profit funds and that capital repayment be paid at a rate of EUR 0.04 per share. The record date for the capital repayment was February 1, 2013, with the payment date being February 8, 2012. In addition, the General Meeting authorized the Board to decide, at its discretion, on the potential distribution of assets to shareholders, the company's financial status permitting, as distribution of assets from the invested unrestricted equity fund. The maximum distribution of assets performed on the basis of this authorization totals EUR 5,200,000. The authorization includes the right of the Board to decide on all other terms and conditions relating to the said asset distribution. The authorization will remain valid until the end of the next Annual General Meeting.

In addition, the General Meeting granted exemption from liability to the members of the Board and to the CEO. It was decided at the General Meeting that the Chairman of the Board be paid EUR 40,000 as an annual compensation for the term that begins at the end of the Meeting and ends at the end of the 2014 Annual General Meeting, and that the other members of the Board be paid an annual compensation of EUR 20,000. It was further resolved at the General Meeting that approximately 40% of the compensation remitted to the members of the Board be paid on the basis of the share issue authorization given to the Board, by issuing company shares to each Board member if the Board member does not own more than one percent of the company's shares on the date of the General Meeting. If the holding of a Board member on the date of the General Meeting is over one percent of all company shares, the compensation will be paid in full in monetary form.

The General Meeting authorized the Board of Directors to decide on the acquisition of the company's own shares, so that the shares will be acquired in one or more installments and, based on this authorization, a maximum of 5,100,000 shares can be acquired, which corresponds to about 9.86% of all the company's shares. By virtue of the authorization, the company's own shares may be obtained using unrestricted equity only.

The company's own shares may be acquired at the price in public trade arranged by NASDAQ OMX Helsinki Oy on the date of acquisition or otherwise at the prevailing market price. The Board of Directors will decide how the company's own shares are to be acquired. The company's own shares may be acquired not following the proportion of ownership of the shareholders (directed acquisition). The authorization shall be valid until July 29, 2014.

The Board of Directors has not used the authorization granted by the Annual Meeting to acquire its own shares during the review period.

SHARE CAPITAL AND THE COMPANY'S OWN SHARES

At the close of the review period, Panostaja Oyj's share capital was EUR 5,568,681.60. The total number of shares is 51,733,110.

The total number of the company's own shares held by the company at the end of the review period was 507,624 individual shares (at the beginning of the financial period: 552,566). The number of the company's own shares corresponded to 1.0% of the number of shares and votes at the end of the entire review period.

In accordance with the decisions of the General Meeting of January 30, 2012 and the Board, Panostaja Oyj transferred a total of 12,656 individual shares as meeting compensation to the members of the Board on December 14, 2012. As per the decision of the General Meeting of January 29, 2013 and the Board on March 7, 2013, 15,384 shares were transferred, and on June 6, 2013 16,902 Panostaja Oyj shares were transferred.

EQUITY CONVERTIBLE SUBORDINATED LOANS

At the end of the review period, EUR 15,000,000 of the 2011 convertible subordinated loan remained. The interest on the loan is 6.5% and the loan period February 7, 2011–April 1, 2016. The original share exchange rate is EUR 2.20, and the loan shares may be exchanged for no more than 6,818,181 company shares. The total number of loan shares is 300, and they are available for public trade on the Nasdaq OMX Helsinki stock exchange. The share exchange rate will be entered into the company's invested unrestricted equity fund.

NEAR-FUTURE RISKS AND FACTORS OF UNCERTAINTY

The most significant risks of Panostaja Group are described in the financial statement bulletin of December 14, 2012 and the annual report. The near-future risks are mainly tied to the uncertainty resulting from Finland's economic situation, export industry competitiveness and the change it has caused, as well as their potential impact on achieving the goals set for the various segments. The instability of the overall economic situation has led to a decline in customer demand as well as the postponement of investments, particularly in segments serving the technology sector, which may result in a need for consolidated goodwill write-downs. Structural changes concerning Takoma may cause needs for one-time write-downs. In the current financial period, credit loss risks continue to represent a significant uncertainty factor in some of the segments. This risk is increased by the tightening of credit issue to SMEs. The weakening in financial market liquidity and the tightening on credit issue may hamper the realization of corporate acquisitions and the availability of finance for working capital. Panostaja has prepared for a weak financial market situation in the SME sector and for a continued quiet period in the corporate acquisitions market by taking out a MEUR 7.5 hybrid loan in May.

EVENTS AFTER THE REVIEW PERIOD

There are no major events to report.

PROSPECTS FOR THE REMAINDER OF THE FINANCIAL PERIOD

In accordance with its business strategy, Panostaja Group focuses on increasing shareholder value in the segments owned by the Group. The development of shareholder value will be constantly monitored as part of a changing operating environment, and decisions on the development or divestment of business areas will be made in order to maximize the shareholder value. Active development of shareholder value, the effective allocation of capital and finance opportunities create a solid foundation for operational expansion. The need for ownership arrangements in SMEs enables both expansion into new segments and growth in existing ones.

Economic prospects in the fields of the existing segments are strongly tied to the prospects of customer enterprises. The current economic prospects remain uncertain and difficult to predict, and the growth forecasts have generally had to be cut, particularly due to slow growth in the export industry. In the various segments of Panostaja Group, prospects vary from cautiously positive to pessimistic. The challenges in the forecastability of the technology industry or weakening prospects may create a need for consolidated goodwill write-downs. The prospects for new construction have also declined during the current year, but this is not expected to have a fundamental impact on the prospects for the remainder of the financial period.

The market still provides sufficient opportunities for corporate acquisitions, and Panostaja Group aims to implement its growth strategy by means of controlled acquisitions, particularly in current segments. In addition, the divestment of certain segments will be carried out actively, in order to maximize shareholder value.

Panostaja changes its result management procedures with regard to net sales and EBIT. During the 2013 financial period, the Group's net sales are expected to grow by about 16–20% over the previous year and the Group's EBIT is expected to remain at the level of the 2012 (MEUR 4.2) financial period 2013 without one-time items (such as depreciation).

The previous result management on June 5, 2013: During the 2013 financial period, the Group's net sales are expected to grow by about 16–21% over the previous year and the Group's EBIT is expected to increase in the 2013 financial period.

Panostaja Oyj

Board of Directors

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Panostaja Oyj

Juha Sarsama
CEO

All forecasts and assessments presented in this interim report bulletin are based on the current outlook of the Group and the Management of the various business areas with regard to the state of the economy and its development. The results attained may be substantially different.

The information in the interim report has not been audited.

INCOME STATEMENT

| | 05/13- 07/13 3 months | 05/12- 07/12 3 months | 11/12- 07/13 9 months | 11/11- 07/12 9 months | 2012 12 months |
|--|--------------------------------|--------------------------------|--------------------------------|-----------------------------|----------------------|
| (EUR 1,000) | | | | | |
| Net sales | 45 695 | 38 972 | 136 043 | 114 719 | 156 819 |
| Other operating income | 252 | 208 | 752 | 637 | 1 172 |
| Costs in total | 42 043 | 36 195 | 129 349 | 107 448 | 146 193 |
| Depreciations, amortizations and impairment | 4 283 | 1 361 | 7 740 | 3 936 | 7 561 |
| Operating profit | -379 | 1 624 | -294 | 3 972 | 4 236 |
| Financial income and expenses | -789 | -797 | -2 425 | -2 192 | -3 710 |
| Share of associated company profits | 189 | 88 | 76 | 523 | 400 |
| Profit before taxes | -979 | 915 | -2 643 | 2 303 | 927 |
| Income taxes | -805 | -340 | -1 919 | -564 | -2 181 |
| Profit/loss from retained operations | -1 783 | 575 | -4 562 | 1 739 | -1 254 |
| Profit/loss from discontinued operations | 0 | 171 | 0 | -1 145 | -1 236 |
| Profit/loss for the financial period | -1 783 | 746 | -4 562 | 594 | -2 490 |
| Attributable to | | | | | |
| shareholders of the parent company | -1 363 | 958 | -4 252 | 847 | -1 984 |
| minority shareholders | -420 | -212 | -310 | -253 | -506 |
| Earnings per share from retained operations | | | | | |
| EUR, undiluted | -0,027 | 0,015 | -0,083 | 0,039 | -0,015 |
| Earnings per share from retained operations | | | | | |
| EUR, diluted | -0,027 | 0,015 | -0,083 | 0,039 | -0,015 |
| Earnings per share from discontinued operations | | | | | |
| EUR, undiluted | 0,000 | 0,003 | 0,000 | -0,022 | -0,024 |
| Earnings per share from discontinued operations | | | | | |
| EUR, diluted | 0,000 | 0,003 | 0,000 | -0,022 | -0,024 |
| Earnings per share on retained and discontinued operations | | | | | |
| EUR, undiluted | -0,027 | 0,019 | -0,083 | 0,017 | -0,039 |
| Earnings per share on retained and discontinued operations | | | | | |
| EUR, diluted | -0,027 | 0,019 | -0,083 | 0,017 | -0,039 |

EXTENSIVE INCOME STATEMENT

| | | | | | |
|---|--------|------|--------|------|--------|
| Items of the extensive income statement | -1 783 | 746 | -4 562 | 594 | -2 490 |
| Translation differences | 2 | 4 | -68 | -86 | 103 |
| Extensive income statement for the period | -1 781 | 750 | -4 630 | 508 | -2 387 |
| Attributable to | | | | | |
| shareholders of the parent company | -1 363 | 962 | -4 320 | 761 | -1 881 |
| minority shareholders | -420 | -212 | -310 | -253 | -506 |

BALANCE SHEET

July 31, 2013 July 31, 2012 October 31, 2012

(EUR 1,000)

ASSETS

Non-current assets

| | | | |
|-------------------------------|--------|--------|--------|
| Goodwill | 42 145 | 36 539 | 34 348 |
| Other intangible assets | 9 357 | 6 057 | 6 081 |
| Property, plant and equipment | 16 816 | 19 553 | 18 996 |
| Interests in associates | 3 899 | 3 946 | 3 824 |
| Other non-current assets | 13 395 | 14 583 | 13 074 |
| Non-current assets total | 85 612 | 80 678 | 76 323 |

Current assets

| | | | |
|--|---------|---------|---------|
| Stocks | 21 161 | 19 542 | 18 639 |
| Trade and other non-interest-bearing receivables | 28 253 | 22 012 | 25 293 |
| Short-term investments | 3 000 | | |
| Cash and cash equivalents | 12 909 | 7 729 | 12 347 |
| Current assets total | 65 323 | 49 283 | 56 279 |
| Held-for-sale non-current asset items | 2 504 | | |
| Assets in total | 153 439 | 129 961 | 132 601 |

EQUITY AND LIABILITIES

Equity attributable to parent company shareholders

| | | | |
|-----------------------------------|--------|--------|--------|
| Share capital | 5 569 | 5 569 | 5 569 |
| Share premium account | 4 646 | 4 646 | 4 646 |
| Translation difference | -68 | -165 | -66 |
| Invested unrestricted equity fund | 14 501 | 16 510 | 16 523 |
| Retained earnings | -1 437 | 4 871 | 1 981 |
| Equity convertible loan | 7 390 | | |
| Total | 30 601 | 31 431 | 28 653 |

| | | | |
|--------------------------------------|---------|---------|---------|
| Minority interest | 19 789 | 16 570 | 16 520 |
| Equity total | 50 390 | 48 001 | 45 173 |
| Liabilities | | | |
| Deferred tax liabilities | 2 239 | 1 641 | 1 505 |
| Equity convertible subordinated loan | 14 523 | 14 381 | 14 414 |
| Non-current liabilities | 39 459 | 33 877 | 27 752 |
| Current liabilities | 46 828 | 32 060 | 43 757 |
| Liabilities total | 103 049 | 81 959 | 87 428 |
| Equity and liabilities in total | 153 439 | 129 961 | 132 601 |

CASH FLOW STATEMENT (EUR 1,000)

| | 07/2013 | 07/2012 | 2012 |
|---------------------------------------|---------|---------|---------|
| Operating net cash flow | 4 711 | 6 531 | 4 711 |
| Investment net cash flow | -14 090 | -3 126 | -14 090 |
| Loans drawn | 25 425 | 7 816 | 31 862 |
| Loans repaid | -9 358 | -15 046 | -15 795 |
| Share issue | | | |
| Disposal of own shares | 34 | 34 | 34 |
| Dividends paid and capital repayments | -3 156 | -3 216 | -3 156 |
| Finance net cash flow | 12 946 | -10 412 | 12 946 |
| Change in cash flows | 3 567 | -7 007 | 3 567 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (EUR 1,000) | Share capital | Share premium account | Invested unrestrictede equity fund | Translation differences | Profit funds | Equity convertible loan | Minority shareholders' interest | Total |
|---------------------------------|---------------|-----------------------|------------------------------------|-------------------------|--------------|-------------------------|---------------------------------|--------|
| Equity | 5 569 | 4 646 | 19 023 | -169 | 4 047 | | 14 270 | 47 386 |
| November 1, 2011 | | | | | | | | |
| Profit for the financial period | | | | | 847 | | -253 | 594 |

| | | | | | | | | |
|--|-------|-------|--------|-----|--------|-------|--------|---------|
| Profit and costs recorded during the financial period, total | | | | | 847 | | -253 | 594 |
| Dividends paid | | | | | | | -659 | -659 |
| Repayment of capital | | | -2 557 | | | | | -2 557 |
| Share subscription | | | | | | | | |
| Share issue | | | | | | | | |
| Disposal of own shares | | | 35 | | | | | 35 |
| Reward scheme | | | 9 | | | | | 9 |
| Translation differences | | | | 4 | | | | 4 |
| Changes in minority interest | | | | | -102 | | 3 212 | 3 110 |
| Other changes in equity, total | | | -2 513 | 4 | 4 894 | | 2 300 | 4 685 |
| Equity | | | | | | | | |
| July 31, 2012 | 5 569 | 4 646 | 16 510 | -86 | 4 792 | | 16 570 | 48 001 |
| Equity | 5 569 | 4 646 | 16 523 | -66 | 1 981 | | 16 250 | 45 173 |
| November 1, 2012 | | | | | | | | |
| Profit for the financial period | | | | | -4 252 | | -310 | -4 562 |
| Profit and costs recorded during the financial period, total | | | | | -4 252 | | -310 | -4 562 |
| Dividends paid | | | | | | | -1 116 | - 1 116 |
| Repayment of capital | | | -2 040 | | | | | -2 040 |
| Equity convertible loan | | | | | | 7 390 | | 7 390 |
| Disposal of own shares | | | 18 | | | | | 18 |
| Reward scheme | | | | | | | | |
| Translation differences | | | | -2 | -30 | | | -32 |
| Changes in minority interest | | | | | 892 | | 4 696 | 5 588 |
| Correction of errors in previous financial period | | | | | -28 | | | -28 |
| Other changes in equity, total | | | -2 022 | -2 | 834 | 7 390 | 3 579 | 9 779 |
| Equity | 5 569 | 4 646 | 14 501 | -68 | -1 437 | 7 390 | 19 789 | 50 390 |
| July 31, 2013 | | | | | | | | |

KEY FIGURES

| | 07/2013 | 07/2012 | 10/2012 |
|---|---------|---------|---------|
| Equity per share (EUR) | 0,60 | 0,61 | 0,56 |
| Earnings per share, diluted (EUR) | -0,08 | 0,02 | -0,04 |
| Earnings per share, undiluted (EUR) | -0,08 | 0,02 | -0,04 |
| Average number of shares during financial period, 1,000 pcs. | 51 203 | 51 150 | 51 157 |
| Number of shares at end of financial period, 1,000 pcs. | 51 733 | 51 733 | 51 733 |
| Share issues/CL exchanges during financial period, 1,000 pcs. | 0 | 0 | 0 |
| Number of shares, 1,000, diluted | 58 021 | 57 968 | 57 075 |
| Return on equity, % | -12,7 | 1,6 | -5,4 |
| Return on investment, % | -0,1 | 3,6 | 2,2 |
| Gross capital expenditure | | | |
| To permanent assets (MEUR) | 20,1 | 6,2 | 6,2 |
| % of net sales | 14,8 | 5,4 | 4,0 |
| Interest-bearing liabilities | 65,9 | 57,3 | 56,6 |
| Equity ratio (%) | 33,0 | 37,0 | 34,1 |
| Average number of employees | 1 300 | 1 171 | 1 152 |

GROUP DEVELOPMENT BY QUARTER

| (MEUR) | Q3/13 | Q2/13 | Q1/13 | Q4/12 | Q3/12 | Q2/12 | Q1/12 |
|---|-------|-------|-------|-------|-------|-------|-------|
| Net sales | 45,7 | 46,9 | 43,4 | 42,1 | 39,0 | 38,0 | 37,7 |
| Other operating income | 0,3 | 0,2 | 0,2 | 0,5 | 0,2 | 0,3 | 0,1 |
| Costs in total | -42,0 | -44,5 | -42,8 | -38,7 | -36,2 | -35,9 | -35,3 |
| Depreciations, amortizations and impairment | -4,3 | -1,9 | -1,5 | -3,6 | -1,4 | -1,3 | -1,3 |
| EBIT | -0,4 | 0,7 | -0,7 | 0,3 | 1,6 | 1,1 | 1,2 |
| Finance items | -0,8 | -0,9 | -0,8 | -1,5 | -0,8 | -0,6 | -0,7 |
| Share of associated company profits | 0,2 | 0,0 | -0,1 | -0,1 | 0,1 | 0,4 | 0,0 |
| Profit before taxes | -1,0 | -0,1 | -1,6 | -1,4 | 0,9 | 0,9 | 0,5 |
| Taxes | -0,8 | -0,5 | -0,5 | -1,6 | -0,3 | -0,4 | 0,0 |
| Profit from continuing operations | -1,8 | -0,7 | -2,1 | -3,0 | 0,6 | 0,5 | 0,5 |
| Profit from discontinued operations | 0,0 | 0,0 | 0,0 | -0,1 | 0,1 | -0,3 | -0,8 |
| Profit for the financial period | -1,8 | -0,7 | -2,1 | -3,1 | 0,7 | 0,2 | -0,4 |

| | | | | | | | |
|-------------------------------------|------|------|------|------|------|------|------|
| Minority interest | -0,4 | 0,3 | -0,2 | -0,3 | -0,2 | -0,2 | 0,2 |
| Parent company shareholder interest | -1,4 | -1,0 | -1,9 | -2,8 | 0,9 | 0,4 | -0,6 |

GUARANTEES GIVEN

| | | | |
|--|---------|---------|--------|
| (EUR 1,000) | 07/2013 | 07/2012 | 2012 |
| Guarantees given on behalf of Group companies | | | |
| Enterprise mortgages | 44 421 | 40 971 | 40 861 |
| Pledges given | 79 236 | 52 048 | 58 321 |
| Other liabilities | 778 | 1833 | 1 888 |
| Other rental agreements | | | |
| In one year | 9 350 | 7 946 | 7 779 |
| In over one year but within five years maximum | 20 088 | 18 394 | 17 466 |
| In over five years | 3 792 | 3 127 | 2 833 |
| Total | 33 230 | 29 467 | 28 078 |

SEGMENT INFORMATION

| | | | | |
|-----------|-------------|-------------|-------------|-------------|
| NET SALES | 05/13-07/13 | 05/12-07/12 | 11/12-07/13 | 11/11-07/12 |
|-----------|-------------|-------------|-------------|-------------|

(EUR 1,000)

| | | | | |
|--------------------------------|--------|--------|---------|---------|
| Digital Printing Services | 12 292 | 8 341 | 36 615 | 25 544 |
| Safety | 6 981 | 6 406 | 22 349 | 21 058 |
| Takoma | 6 000 | 6 734 | 17 278 | 21 911 |
| Value-added Logistics | 7 569 | 7 513 | 21 815 | 16 059 |
| Ceiling Materials | 3 533 | 0 | 9 511 | 0 |
| Spare Parts for Motor Vehicles | 2 646 | 2 643 | 7 604 | 7 558 |
| Fittings | 2 761 | 2 332 | 8 904 | 7 770 |
| Heat Treatment | 1 314 | 1 784 | 3 625 | 5 662 |
| Carpentry Industry | 1 110 | 1 513 | 4 092 | 4 510 |
| Supports | 862 | 1 086 | 2 498 | 2 992 |
| Fasteners | 709 | 724 | 2 004 | 2 138 |
| Other | 0 | 16 | 42 | 48 |
| Eliminations | -82 | -120 | -294 | -530 |
| Group in total | 45 695 | 38 972 | 136 043 | 114 719 |

OPERATING PROFIT (EUR 1,000)

| | | | | |
|---------------------------|--------|------|--------|--------|
| Digital Printing Services | 1 702 | 997 | 4 407 | 3 594 |
| Safety | 409 | -16 | 609 | 617 |
| Takoma | -3 437 | -504 | -5 393 | -2 085 |
| Value-added Logistics | 530 | 532 | 895 | 811 |

| | | | | |
|--------------------------------|------|-------|--------|--------|
| Ceiling Materials | 323 | 0 | 662 | 0 |
| Spare Parts for Motor Vehicles | 315 | 268 | 600 | 639 |
| Fittings | 235 | 56 | -145 | 327 |
| Heat Treatment | -135 | 166 | -756 | 801 |
| Carpentry Industry | 111 | 364 | 547 | 933 |
| Supports | 94 | 170 | 110 | 303 |
| Fasteners | 35 | -8 | -52 | -169 |
| Other | -561 | -402 | -1 778 | -1 798 |
| Group in total | -379 | 1 624 | -294 | 3 973 |

SEGMENT INFORMATION BY QUARTER

| Net sales, MEUR | 3Q/13 | 2Q/13 | 1Q/13 | 4Q/12 | 3Q/12 | 2Q/12 | 1Q/12 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Digital Printing Services | 12,3 | 13,4 | 10,9 | 9,5 | 8,3 | 8,9 | 8,3 |
| Safety | 7,0 | 7,8 | 7,6 | 8,0 | 6,4 | 7,3 | 7,3 |
| Takoma | 6,0 | 5,8 | 5,5 | 7,0 | 6,7 | 7,5 | 7,7 |
| Value-added Logistics | 7,6 | 7,2 | 7,1 | 7,2 | 7,5 | 4,1 | 4,4 |
| Ceiling Materials | 3,5 | 3,0 | 3,0 | | | | |
| Spare Parts for Motor Vehicles | 2,6 | 2,5 | 2,5 | 2,9 | 2,6 | 2,5 | 2,4 |
| Fittings | 2,8 | 3,1 | 3,0 | 2,5 | 2,3 | 2,7 | 2,7 |
| Heat Treatment | 1,3 | 1,2 | 1,1 | 1,8 | 1,8 | 1,9 | 2,0 |
| Carpentry Industry | 1,1 | 1,6 | 1,4 | 1,6 | 1,5 | 1,6 | 1,4 |
| Supports | 0,9 | 0,8 | 0,8 | 1,0 | 1,1 | 1,0 | 0,9 |
| Fasteners | 0,7 | 0,7 | 0,6 | 0,7 | 0,7 | 0,7 | 0,7 |
| Other | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Eliminations | -0,1 | -0,1 | -0,1 | -0,1 | 0,0 | -0,2 | -0,1 |
| Group in total | 45,7 | 46,9 | 43,4 | 42,1 | 38,9 | 38,0 | 37,7 |

| Operating profit (MEUR) | 3Q/13 | 2Q/13 | 1Q/13 | 4Q/12 | 3Q/12 | 2Q/12 | 1Q/12 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Digital Printing Services | 1,7 | 1,7 | 1,0 | 1,9 | 1,0 | 1,4 | 1,1 |
| Safety | 0,4 | 0,4 | -0,2 | 0,5 | 0,0 | 0,4 | 0,3 |
| Takoma | -3,4 | -0,9 | -1,0 | -2,9 | -0,5 | -1,0 | -0,5 |
| Value-added Logistics | 0,5 | 0,3 | 0,1 | 0,6 | 0,5 | 0,1 | 0,1 |
| Ceiling Materials | 0,3 | 0,1 | 0,2 | | | | |
| Spare Parts for Motor Vehicles | 0,3 | 0,1 | 0,2 | 0,5 | 0,3 | 0,2 | 0,2 |
| Fittings | 0,2 | -0,2 | -0,2 | 0,1 | 0,0 | 0,2 | 0,1 |
| Heat Treatment | -0,1 | -0,3 | -0,3 | 0,2 | 0,2 | 0,2 | 0,4 |
| Carpentry Industry | 0,1 | 0,2 | 0,2 | 0,4 | 0,4 | 0,4 | 0,2 |
| Supports | 0,1 | 0,0 | 0,0 | 0,0 | 0,2 | 0,0 | 0,1 |
| Fasteners | 0,0 | 0,0 | 0,0 | -0,1 | 0,0 | -0,1 | -0,1 |
| Other | -0,6 | -0,6 | -0,6 | -0,8 | -0,4 | -0,6 | -0,7 |
| Group in total | -0,4 | 0,7 | -0,7 | 0,3 | 1,6 | 1,1 | 1,2 |

Panostaja is an investment company developing Finnish SMEs in the role of an active majority shareholder. The company aims to be the most sought-after partner for business owners selling their companies as well as for the best managers and investors. Together with its partners, Panostaja increases the Group's shareholder value and creates Finnish success stories.

At present, Panostaja has 11 segments engaging in business operations. Flexim Security Oy (Safety) is a specialist in security technology and services, locking, door automation and access control products and solutions. Heatmasters Group (Heat Treatment) offers thermal treatment services of metals in Finland and internationally, and produces, develops and markets heat treatment technology. KL-Varaosat (Spare Parts for Motor Vehicles) is an importer, wholesale dealer and retailer of original spare parts and supplies for Mercedes Benz and BMW cars. Kopijyvä Oy & DMP-Digital Media Partners Oy (Digital Printing Services) form Finland's largest company offering digital printing services and publication and production services. Suomen Helakeskus Oy (Fittings) is a major wholesaler of construction and furniture fittings in Finland. Suomen Kiinnikekeskus Oy (Fasteners) is a supply shop in the fastener field. Matti-Ovi Oy (Carpentry Industry) manufactures and markets, as its main product, solid wood interior doors. Selog Oy (Ceiling Materials) is a specialty supplier and wholesaler of ceiling materials. Takoma Oyj (Takoma) is a listed shop group with an entrepreneur-driven business model. Toimex Oy (Supports) works in the HEPAC field, manufacturing and selling supports. Vindea Oy (Value-added Logistics) is an enterprise specialized in value-added logistics services for the Finnish metal industry.