
FINANCIAL STATEMENT BULLETIN

Q4 November 2014–October 2015
December 11, 2015

PANOSTAJA GROUP FINANCIAL STATEMENT

BULLETIN

November 1, 2014–October 31, 2015 (12 months)

- **Net sales increased by 22% and stood at MEUR 148.2 (MEUR 121.1).**
- **EBIT decreased by MEUR 0.7 to MEUR 7.3 (MEUR 8.1).**
- **The profit for the financial period was MEUR 13.5 (MEUR 8.2).**
- **Operating cash flow deteriorated and was MEUR 8.0 (MEUR 11.4).**

Proposal for the distribution of profits:

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.05 per share be paid for the past financial period.

OUTLOOK FOR THE 2016 FINANCIAL PERIOD

In the corporate acquisitions market, Panostaja's activity in the target size category has remained as before. The need for SMEs to utilize ownership arrangements and growth opportunities persists, and there are still a sufficient number of corporate acquisition opportunities in the markets for those who take an active approach. Panostaja's intention is to implement its strategy during the financial period by investing in 1–2 new segments and making corporate acquisitions in the current segments of choice. Divestment possibilities will also be assessed actively as part of the segments' owner strategies.

Economic prospects in the business areas of the current segments continue to be marred by the uncertainty and poor predictability of the general economic development. The prospects in Panostaja's segments vary from positive to weak. Despite the uncertain market situation, the growth and development measures implemented support the development of the segments.

The Group's EBIT is expected to improve substantially over the course of the 2016 financial period.

CEO Juha Sarsama: A year of significant corporate restructurings

We conducted significant corporate restructurings during the past financial period. We established a new Oral Health Care segment by acquiring a majority shareholding in Megaklinikka Oy, a company that utilizes a new kind of service concept. We also significantly expanded our Digital Printing Services

segment when Multiprint Oy and Grano Oy merged to form the leading player in the field and a pioneer whose annual net sales are slated to reach approximately MEUR 90. We also divested one of our largest segments by selling Flexim Security Oy to Assa Abloy Oy, recording MEUR 8.6 in sales profit for the transaction. During our eight-year ownership, Flexim Security quadrupled its net sales and became one of the leading experts in its field as a developer of worry-free and safe access control.

Our profit development was moderate in the challenging market climate. The corporate acquisitions we conducted increased our net sales by 22% over the previous year. However, due to the continuously challenging market situation and costs related to the Multiprint merger, our EBIT stood at MEUR 7.3, which was slightly lower than the previous year. There were still substantial differences between segments in terms of profit development.

The economic situation in Finland remained uncertain. The Syrian crisis, Russia, and the decline of the Chinese economy are causing widespread and prolonged uncertainty in European economic development. The development in the price of oil is causing investments to dwindle in the off-shore sector. The general economic situation and atmosphere are challenging, which is reflected in almost all the Group's business segments.

Activity in the corporate acquisitions market has remained as before. The markets still provide opportunities for both new acquisitions and select divestments. Our aim is to be an active player on the market for target companies that are in accordance with our strategy.

August 1, 2015–October 31, 2015 (Q4)

- Net sales increased by 27% and stood at MEUR 44.1 (MEUR 34.8). The impact of the corporate acquisitions on the MEUR 9.3 growth in net sales for the third quarter stood at MEUR 10.0. Net sales increased in three of the eight segments.
- EBIT decreased by MEUR 0.3 to MEUR 3.1 (MEUR 3.5). The market situation remained challenging in almost all segments, as a result of which profitability did not reach the level of the reference year for all areas. Four segments out of eight exceeded the EBIT for the reference period.
- Profit before taxes MEUR 1.4 (MEUR 2.8)
- The profit for the review period was MEUR 13.5 (MEUR 2.4).
- Earnings per share (undiluted) were 17.6 cents (1.6 cents)
- Operating cash flow deteriorated and was MEUR -1.6 (MEUR 6.2).
- The sale of Flexim Security Oy to Assa Abloy Oy was completed during the review period. The Group recorded a sales profit of MEUR 8.6 before taxes for the fourth quarter.

November 1, 2014–October 31, 2015 (12 months)

- Net sales increased by 22% and stood at MEUR 148.2 (MEUR 121.1). The impact of the corporate acquisitions on the MEUR 27.1 growth in net sales stood at MEUR 28.4. Net sales increased in three of the eight segments.
- EBIT declined and was MEUR 7.3 (MEUR 8.1). EBIT in the review period was encumbered by the difference of MEUR -0.5 between the values of Kotisun Oy's additional purchase price and the value on the balance sheet date, which has been recognized in the company's other costs, as well as the MEUR 1.7 cost caused by the Multiprint arrangement. One segment out of eight exceeded the EBIT for the reference period.
- Profit before taxes was MEUR 3.4 (MEUR 5.6)
- The profit for the review period, including the sales profit from Flexim Security Oy, was MEUR 13.5 (MEUR 8.2). The reference period includes the MEUR 5.5 sales profit for Vindea and the discontinued operations of Takoma.
- Earnings per share (undiluted) were 14.1 cents (9.4 cents)
- Operating cash flow deteriorated and was MEUR 8.0 (MEUR 11.4).

Key figures Panostaja Group

MEUR	12 months	12 months	Q4	Q4
	11/14–	11/13–	8/15–	8/14–
	10/15	10/14	10/15–	10/14
Net sales, MEUR	148.2	121.1	44.1	34.8
EBIT, MEUR	7.3	8.1	3.1	3.5
Profit before taxes, MEUR	3.4	5.6	1.4	2.8
Earnings per share, undiluted (EUR)	0.14	0.09	0.18	0.02
Equity per share (EUR)	0.74	0.62	0.74	0.62
Operating cash flow (MEUR)	8.0	11.4	-1.6	6.2

The income statement for operations discontinued during the reference period has been separated from the income statement for continuing operations and the profit/loss for them is presented in accordance with the IFRS standards in the row 'Earnings from discontinued operations'. Prior to separating discontinued and sold operations from continuing operations in the income statement, the consolidated net sales for the reference period were MEUR 154.8 and EBIT was MEUR 10.2.

Key figures by segment

MEUR	12 months	12 months	Q4	Q4
	11/14–	11/13–	8/15–	8/14–
	10/15	10/14	10/15–	10/14
Net sales				
Digital Printing Services	69.9	57.8	23.4	15.8
Building Technology Renovation	23.7	8.8	6.8	4.9
Takoma	13.2	15.3	3.1	4.6
Ceiling Materials	9.9	11.0	2.4	2.6
Fittings	10.4	10.9	2.6	2.6
Spare Parts for Motor Vehicles	11.8	10.8	3.3	2.9
Heat Treatment	6.3	6.8	1.3	1.6
Oral Health Care	3.4		1.2	
Others	0.0	0.0	0.0	0.0
Eliminations	-0.3	-0.3	0.0	-0.1
Group in total	148.2	121.1	44.1	34.8

Key figures by segment

MEUR	12 months	12 months	Q4	Q4
	11/14– 10/15	11/13– 10/14	8/15– 10/15	8/14– 10/14
EBIT				
Digital Printing Services	5.9	7.1	3.1	2.6
Building Technology Renovation	4.2	1.1	1.4	0.6
Takoma	-0.7	-0.4	-0.3	0.2
Ceiling Materials	0.5	0.5	0.1	0.0
Fittings	0.7	0.8	0.2	0.3
Spare Parts for Motor Vehicles	0.5	0.7	0.3	0.2
Heat Treatment	0.1	0.2	-0.2	-0.1
Oral Health Care	-0.5	0.0	-0.2	0.0
Others	-3.3	-2.1	-1.2	-0.4
Group in total	7.3	8.1	3.1	3.5

PRESS CONFERENCE

Panostaja will hold a press conference for analysts, investors and the press on the same day on December 11, 2015 from 10:00am to 11:00am at Hotel Scandic Simonkenttä, Bulsa-Freda 1-2, Simonkatu 9, Helsinki.

The interim report, presentations and other investor information are available at: www.panostaja.fi.

Panostaja Oyj

Juha Sarsama

CEO

Further information:

CEO Juha Sarsama, Panostaja Oyj, +358 (0)40 774 2099

Distribution: NASDAQ OMX Helsinki, key media, www.panostaja.fi.

PANOSTAJA GROUP FINANCIAL STATEMENT BULLETIN November 1, 2014–October 31, 2015

THE ECONOMIC DEVELOPMENT OF THE PANOSTAJA GROUP

Key figures Panostaja

Group, MEUR	12 months		12 months	Change, %	Q4	Q4	Change, %
	11/14–	11/13–					
	10/15	10/14			10/15–	10/14	
Net sales, MEUR	148.2	121.1	22.4%	44.1	34.8	26.6%	
EBIT, MEUR	7.3	8.1	-9.1%	3.1	3.5	-9.6%	
Profit before taxes, MEUR	3.4	5.6	-38.4%	1.4	2.8	-50.4%	
Earnings per share, undiluted (EUR)	0.14	0.09	50.0%	0.18	0.02	1000.0%	
Equity per share (EUR)	0.74	0.62	19.7%	0.74	0.62	19.7%	
Operating cash flow (MEUR)	8.0	11.4	-29.8%	-1.6	6.2	-126.0%	

AUGUST 2015–OCTOBER 2015

In the fourth quarter, net sales increased by 27% and stood at MEUR 44.1 (MEUR 34.8). Export amounted to MEUR 1.9, or 4.3%, (MEUR 2.4, or 5.5%) of net sales. The impact of the corporate acquisitions on the MEUR 9.3 growth in net sales stood at MEUR 10.0. Net sales increased in three of the eight segments.

EBIT decreased by MEUR 0.4 to MEUR 3.1 (MEUR 3.5). The market situation remained challenging in almost all segments, as a result of which profitability did not reach the level of the reference year for all areas. Four segments out of eight exceeded the EBIT for the reference period.

Profit before taxes was MEUR 1.4 (MEUR 2.8) Earnings per share (undiluted) were 17.6 cents (1.6 cents) Equity per share was EUR 0.74 (EUR 0.62).

Operating cash flow was MEUR -1.6 (MEUR 6.2).

NOVEMBER 2014–OCTOBER 2015

Net sales increased by 22% and stood at MEUR 148.2 (MEUR 121.1). Export amounted to MEUR 6.5, or 4.4%, (MEUR 5.9, or 5.3%) of net sales. The impact of the corporate acquisitions on the MEUR 27.0 growth in net sales stood at MEUR 28.4. Net sales increased in three of the eight segments.

EBIT remained at the same level at MEUR 7.3 (MEUR 8.1). EBIT in the review period was encumbered by the difference of MEUR -0.5 between the values of Kotisun Oy's additional purchase price and the value on the balance sheet date, which has been recognized in the company's other costs, as well as the MEUR 1.7 cost caused by the Multiprint arrangement. One segment out of eight exceeded the EBIT for the reference period.

Profit before taxes was MEUR 3.4 (MEUR 5.6) Earnings per share (undiluted) were 14.1 cents (9.4 cents) Equity per share was EUR 0.74 (EUR 0.62).

Operating cash flow was MEUR 8.0 (MEUR 11.4).

Key figures by segment

MEUR	12	12	Change, %	Q4	Q4	Change, %
	11/14– 10/15	11/13– 10/14		8/15– 10/15	8/14– 10/14	
Net sales						
Digital Printing Services	69.9	57.8	20.9%	23.4	15.8	48.3%
Building Technology Renovation	23.7	8.8	170.7%	6.8	4.9	38.9%
Takoma	13.2	15.3	-14.1%	3.1	4.6	-32.3%
Ceiling Materials	9.9	11.0	-10.2%	2.4	2.6	-5.0%
Fittings	10.4	10.9	-5.0%	2.6	2.6	-1.7%
Spare Parts for Motor Vehicles	11.8	10.8	9.6%	3.3	2.9	13.7%
Heat Treatment	6.3	6.8	-7.8%	1.3	1.6	-16.8%
Oral Health Care	3.4			1.2		
Others	0.0	0.0		0.0	0.0	
Eliminations	-0.3	-0.3	11.9%	0.0	-0.1	-51.6%
Group in total	148.2	121.1	22.4%	44.1	34.8	26.6%

Key figures by segment

MEUR	12	12	Change, %	Q4	Q4	Change, %
	11/14– 10/15	11/13– 10/14		8/15– 10/15	8/14– 10/14	
EBIT						
Digital Printing Services	5.9	7.1	-17.0%	3.1	2.6	18.3%
Building Technology Renovation	4.2	1.1	281.4%	1.4	0.6	116.3%
Takoma	-0.7	-0.4	86.0%	-0.3	0.2	-239.7%
Ceiling Materials	0.5	0.5	-2.8%	0.1	0.0	-1371.5%
Fittings	0.7	0.8	-19.7%	0.2	0.3	-18.5%
Spare Parts for Motor Vehicles	0.5	0.7	-34.0%	0.3	0.2	20.3%
Heat Treatment	0.1	0.2	-74.9%	-0.2	-0.1	176.7%
Oral Health Care	-0.5			-0.2		
Others	-3.3	-2.1	54.0%	-1.2	-0.4	172.0%
Group in total	7.3	8.1	-9.1%	3.1	3.5	-9.6%

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

Panostaja Group's business operations for the period under review are reported in nine segments: Digital Printing Services, Building Technology Renovation, Takoma, Ceiling Materials, Fittings, Spare Parts for Motor Vehicles, Heat Treatment, Oral Health Care and Other (parent company and associated companies).

Segment comments, November 2014–October 2015 (12 months)

The Digital Printing Services segment expanded significantly over the course of the financial period under review through the acquisition of Multiprint Group. After the merger, Panostaja's holding in the Group is 51.9%. Jaakko Hirvonen serves as the Group's Managing Director. Grano Oy is Finland's largest and strongest company in the graphical industry, providing services in marketing communications and printing. The company has facilities in more than 20 municipalities throughout Finland, from Oulu to Helsinki. It also operates in Tallinn and St. Petersburg.

Net sales in the Digital Printing Services segment increased by 21% from MEUR 57.8 to MEUR 69.9. The growth is explained by the acquisition of the Multiprint companies in June. Paper sales in Finland have declined more than 10% from the previous year. In addition to this, the price competition remains fierce. Considering the market situation, however, the segment has fared well. The segment's EBIT dropped from MEUR 7.1 to MEUR 5.9, which was primarily due to the included one-time costs related to the Multiprint arrangement amounting to an estimated MEUR 1.7, MEUR 0.2 of which affected the last quarter. The acquisition of Multiprint and the resulting measures to consolidate operations put a stamp on

the entire review period. The Group's corporate structure was simplified after the review period when Multiprint Oy was merged with Grano Oy on November 1, 2015. At the end of the financial period, the segment employed 775 (497) staff.

The Building Technology Renovation segment offers consumers conceptualized service water and heating network renovations as a turnkey service. KotiSun has grown rapidly into the largest and best-known company in the sector in Finland. The company has facilities in more than 10 municipalities in Finland. The company's Managing Director is Kalle Lahtinen. At the end of the review period, Panostaja's shareholding in the Group stood at 58.2%.

The figures of the Building Technology Renovation segment have been consolidated into Panostaja Group's figures as of May 1, 2014. The market situation remained good throughout the review period. Net sales in the Safety segment grew from MEUR 8.8 to MEUR 23.7 and EBIT from MEUR 1.1 to MEUR 4.2 (comparison data for 6 months). EBIT in the segment was encumbered by the difference of MEUR -0.5 between the values of Kotisun Oy's additional purchase price and the value on the balance sheet date (October 31, 2014), which has been recognized in the company's other costs. The difference was realized due to the company's business developing better than expected at the time of the deal. At the end of the review period, the company acquired a majority shareholding in Pirkanmaan LVI-palvelu Oy, expanding its operations to sewer renovations. The segment employed 139 (113) staff at the end of the financial period.

The only unit continuing in the Takoma segment is Takoma Gears in Parkano, which offers mechanical power transmission products and services to the marine, offshore and mining industries. Takoma Oyj, which is 63.1% owned by Panostaja, is the parent company of Takoma Group. Jari Lilja has served as the Managing Director of Takoma Oyj since August 3, 2015.

The reorganization proceedings of Takoma Oyj and Takoma Gears Oy began on January 17, 2014, and the reorganization program was confirmed at Pirkanmaa District Court on September 30, 2014. The repayment schedule of the reorganization debts was prolonged and the debt structure was lightened in the reorganization program. The confirmation of the reorganization program provides an opportunity to develop the operations of Takoma Gears Oy. In the period under review, Tampereen Laatukoneistus Oy, Hervannan Koneistus Oy and Takoma Systems Oy filed for bankruptcy in 2014. As a result of the bankruptcies, the companies in question have been treated as discontinued operations in Panostaja's consolidated financial statements.

Net sales for Takoma's continuing operations declined from MEUR 15.3 to MEUR 13.2. EBIT for the segments continuing operations dropped from MEUR -0.4 to MEUR -0.7. The order book was MEUR 5.1 (MEUR 6.5), indicating a decrease of 21.5%. Order book development in the Offshore segment has been weaker than anticipated, and the difficult market situation places pressure on pricing. Production adaptation measures have been under way since spring. The figures for discontinued operations are presented under 'discontinued operations', and they yielded a combined profit of MEUR 0.3 (MEUR -0.8) in the period under review. At the end of the financial period, the segment employed 90 (92) staff.

Established in 2005, Selog Oy is Finland's largest wholesaler of ceiling materials, serving contractors and installation companies in the field. The range of services also includes calculation, design and logistics.

Selog's services cover renovation and restoration projects and new construction sites. The company's offices are in Helsinki, Tampere and Lappeenranta. Selog Oy is part of Selog Group, in which Panostaja's holding is 60%. Selog Oy's Managing Director is Simo Tuokko.

Due to the difficult market situation in construction, net sales in the Ceiling Materials segment decreased during the financial period from MEUR 11.0 to MEUR 9.9. Despite the lower net sales, EBIT remained at the level of the previous year at MEUR 0.5. The economic prospects for construction are poor and competition for projects is fierce. The unfavorable development of net sales has been softened by cost adaptation. Despite the difficult situation in construction, the development of the segment has remained at a reasonable level thanks to adapted costs and efficient acquisitions. At the end of the financial period, the segment employed 14 (13) staff.

The Suomen Helasto Group is a major wholesaler of construction and furniture fittings in Finland, and it includes Suomen Helakeskus Oy and Rakennushelasto Oy. Suomen Helakeskus imports, markets and sells fittings for the furniture industry, and Rakennushelasto accessories for the door and window industries as well as building board. Panostaja's share of ownership of the Suomen Helasto Group is 95.3%. The companies operate in Seinäjoki. The Group's Managing Director is Hannu Rantanen.

Net sales in the Fittings segment decreased during the review period from MEUR 10.9 to MEUR 10.4. The lower volume of constructions caused the decline from the reference year. The market situation has remained difficult, and liquidity problems have increased among customer companies. In the review period, Helakeskus opened up new opportunities in a few notable retail chains and Rakennushelasto entered into a retail agreement for the distribution of the accessibility products it imports. The company staff have been adapted to the current level of demand. The company has also expanded its operations to generating added value through the assembly of semi-finished products. EBIT for the review period weakened slightly from MEUR 0.8 to MEUR 0.7. At the end of the financial period, the segment employed 28 (33) staff.

KL-Varaosat Oy is an importer, wholesale dealer and retailer of original spare parts and supplies for Mercedes Benz, BMW and Volvo cars. It operates in Tampere, Jyväskylä, Rovaniemi, Turku and Vantaa. During the review period, the segment expanded both geographically and in terms of range of models, when KL-Varaosat Oy opened a new branch in Vantaa and started selling Volvo parts nationally. KL-Varaosat Oy is part of KL Parts Group, in which Panostaja's holding is 75%. KL-Varaosat Oy's Managing Director is Juha Kivinen.

Net sales in the Spare Parts for Motor Vehicles segment increased by 10% from MEUR 10.8 to MEUR 11.8. Sales have seen positive development since the relatively weak summer. Numerous successes were achieved in the sale of Volvo parts among repair workshop customers, and the sales development in the Vantaa facility has been faster than estimated. EBIT weakened slightly from the previous year's MEUR 0.7 to MEUR 0.5. This is partially attributable to the strong investments in expanding the business operations. At the end of the financial period, the segment employed 47 (47) staff.

Heatmasters Group offers heat treatment services for metals in Finland and internationally, and produces, develops and markets heat treatment technology. Heatmasters Group includes two companies

engaging in business operations in Finland – Heatmasters Lämpökäsittely Finland Oy and Heatmasters Technology Oy – operating in Lahti and Kouvola. The Group also has subsidiaries in Poland and Sweden. At the end of the financial year, Panostaja owned 80.0% of the segment. Heatmasters Group Oy's Managing Director is Ilkka Mujunen.

Net sales in the Heat Treatment segment decreased during the review period from MEUR 6.8 to MEUR 6.3. The heat treatment markets of Finland and Central Europe remain at a normal and high level, respectively, but in Scandinavia demand has been poor. EBIT weakened from MEUR 0.2 to MEUR 0.1. A key factor in the weakening of net sales and EBIT was the poor market situation in Scandinavia, which was mirrored by the Swedish unit's operations incurring a loss. Net sales and EBIT in the Finnish market were particularly improved by the large projects carried out at Neste Oyj's worksite. At the end of the financial period, the segment employed 51 (59) staff.

The Oral Health Care segment was created when Panostaja acquired a 75% share in Megaklinikka Oy in March 2015. The company is a dental clinic offering a completely new kind of service concept. Its operations are based on a customer-centered approach in which the customer is offered all dental care services in one visit, with top quality and without having to wait in line. The company also offers its ERP system as a licensed service to public health care providers. Oral Health Care is a new segment, so there is not yet any comparative data on it. The Managing Director of the company is Christoffer Nordström.

The segment was integrated into the Panostaja Group on March 1, 2015 and, during the review period, its net sales were MEUR 3.4 and EBIT MEUR -0.5. The segment's EBIT was encumbered by the costs of reorganization of MEUR -0.2 entered as Other Business Costs. The situation in the field continues to be challenging. Overall, customer visits in the Helsinki market area have dropped from the previous year. The licensing operations served the first pilot customer during the financial period, and the results were good. International business is expected to begin in the current financial period. After the financial period under review, a rental agreement was made for the premises of the Stockholm clinic, which is expected to be opened in the fall of 2016. At the end of the review period, the segment employed 86 persons. Panostaja's share of ownership in the segment was 74.8% at the end of the review period.

There were no significant changes in the net sales of the Other segment. In the review period, three associated companies Juuri Partners Oy, 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 -0.1 (MEUR -0.1), which is presented in a separate row in the consolidated income statement.

In a tax inspection of Panostaja Oyj in 2014, the Tax Administration deemed that while serving as the parent company of the Panostaja Group, the company is not engaging in VAT-liable operations, whereby it is not entitled to VAT deductions related to such operations. The Tax Administration denied the company's VAT deductions as regards the portion that exceeded the VAT paid for sales – MEUR 0.6 in total. Panostaja Oyj is appealing the decisions with the Administrative Court of Helsinki.

By demand of Panostaja Oyj, the Tax Administration granted protection of legitimate expectations for the inspected financial periods that had concluded between 2011 and 2013. This was due to the fact that the Tax Administration had previously deemed the company entitled to full VAT deductions for corresponding operations. Therefore, the company was not back taxed for these years.

The result of the Group's parent company is encumbered by the recording of the previously deducted value added taxes of purchases as expenses in accordance with the Tax Administration's decision. The impact on profit/loss in the review period was MEUR -0.2. Furthermore, a loss of MEUR -0.2 was

recorded in the balance for previous financial periods. The fourth quarter result of the Others segment is encumbered by MEUR 0.8 in costs related to the Flexim arrangement.

Personnel	October 31, 2015	October 31, 2014	Change
Average number of employees	1,176	1,204	-2%
Employees at the end of the review period	1,239	1,112	11%
Employees in each segment at the end of the review period			
	October 31, 2015	October 31, 2014	Change
Digital Printing Services	775	497	56%
Safety	0	249	-100%
Building Technology Renovation	139	113	23%
Takoma	90	92	-2%
Ceilings	14	13	8%
Fittings	28	33	-15%
Spare Parts for Motor Vehicles	47	47	0%
Heat Treatment	51	59	-14%
Oral Health Care	86		
Others	9	9	0%
Group in total	1,239	1,112	11%

The new Building Technology Renovation segment established in the previous financial period, the Oral Health Care segment acquired during the current financial period, and the Multiprint arrangement increased the Group's number of employees. The Safety segment sold after the review period is still included in the Group's reference figures. At the end of the review period, Panostaja Group employed a total of 1,239 persons, while the average number of personnel during the period was 1,176. During the review period, Panostaja continued to develop its personnel in line with its strategy.

INVESTMENTS AND FINANCE

Operating cash flow deteriorated and was MEUR 8.0 (MEUR 11.4). Liquidity remained good. The Group's liquid assets were MEUR 30.6 (MEUR 18.6) and interest-bearing net liabilities MEUR 45.7 (MEUR 35.0). The gearing ratio fell and was 65.2% (73.7%). The drop in the gearing ratio is a result of the Multiprint arrangement. The Group's net financial expenses for the review period were MEUR -3.8 (MEUR -2.2), or 2.6% (1.8%) of net sales. The financial expenses include a MEUR 1.0 write-down of associated company Ecosir's subordinated loan.

Panostaja Oyj's convertible subordinated loan amounted to MEUR 15 of the net liabilities (MEUR 15.0). The Group's equity ratio at the end of the review period was 37.5% (33.3%). Return on equity was 23.0% (17.1%). Return on investment fell to 12.4% (14.4%).

The Group's gross capital expenditure for the review period was MEUR 54.9 (MEUR 19.9), or 37.0% (16.5%) of net sales. Investments were mainly targeted at corporate acquisitions as well as tangible and intangible assets.

On January 13, 2015, Panostaja Oyj announced that it had made an agreement valued at MEUR 50 for a domestic commercial paper program. Within the framework of the contract, the company can issue commercial papers of a tenor of less than one year, which are used to finance Panostaja's working capital and other current financing needs.

Financial position MEUR	October 31,	
	2015	October 31, 2014
Interest-bearing liabilities	79.8	58.1
Interest-bearing receivables	3.5	4.5
Cash and cash equivalents	30.6	18.6
Interest-bearing net liabilities	45.7	35.0
Equity (belonging to the parent company's shareholders as well as minority shareholders)	70.1	47.5
Gearing ratio, %	65.2	73.7
Equity ratio, %	37.5	33.3
Return on equity, %	23.0	17.1
Return on investment, %	12.4	14.4

GROUP STRUCTURE CHANGES

On February 27, 2015, Panostaja Oyj announced that it had signed an agreement for the purchase of shares in Megaklinikka Oy, which offers oral health care services. In the transaction, Panostaja bought a 75% share of the company formed. As a result of the transaction, Panostaja expanded its business operations and established within the Group a new business area specializing in oral health care. Megaklinikka's key personnel continue as minority shareholders with a 25% stake in the company.

Panostaja's aim is to build Megaklinikka into a company that revolutionizes practices in the sector, and to expand business both in Finland and internationally.

The purchase price paid for Megaklinikka Oy's entire shareholding was approximately MEUR 2.9. The sellers also have the opportunity for an additional purchase price of up to MEUR 1.0, which will be set based on the operating margin for the 2015 and 2016 calendar years. At the time of the closing of the books, the overall purchase price was estimated to be MEUR 2.9.

Based on an acquisition cost calculation, the fair value of the net assets acquired is MEUR 0.3, resulting in goodwill of MEUR 2.6.

On March 19, 2015, Panostaja announced that Ilkka Mujunen, Managing Director of Heatmasters Group Oy, which belongs to the Panostaja Group, had been invited to become a shareholder in the company. After the arrangement, his stake in Heatmasters Group Oy is 20%.

On June 4, 2015, Panostaja Oyj announced that together with the other owners of Flexim Group Oy it had signed a contract for the sale of the entire shareholding in Flexim Security Oy to ASSA ABLOY Oy. At the same time, Panostaja divested its Safety segment. The deal was concluded on August 28, 2015. The Group has not recorded a conditional additional purchase price related to the sale of Flexim.

On June 11, 2015, Panostaja Oyj announced the merger of Digiprint Finland Oy and Multiprint Group Oy. The merger was carried out through an arrangement whereby the share capitals of both Digiprint Finland Oy and Multiprint Group Oy were sold to the newly founded Digiprint Finland Group Oy. Panostaja Oyj received as a purchase price around MEUR 32 in Digiprint Finland Oy shares and reinvested around MEUR 24.6 in Digiprint Finland Group Oy. Within the Panostaja Group, the arrangement has no impact on profit/loss, because Panostaja Oyj maintains a controlling interest in Digiprint Finland Group Oy, with a share of ownership in Digiprint Finland Group Oy of 51.9%. The other owners are the Turun Metsänkävijät ry scout troop with a share of ownership of approximately 16% and mainly the company's executive management.

At the time of the transaction, the Group evaluated the overall purchase price to be MEUR 36.0. Based on an acquisition cost calculation, the fair value of the net assets acquired is MEUR 4.8, resulting in goodwill of MEUR 31.2. MEUR 3.9 of the purchase price is allocated to customer accounts and MEUR 0.9 to technology.

SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.81 (lowest quotation) and EUR 0.89 (highest quotation) during the fourth quarter. In the period under review, a total of 1,015,616 shares were exchanged, which amounts to 2.0% of the share capital. The October 2015 share closing rate was EUR 0.86. The market value of the company's share capital at the end of October 2015 was MEUR 44.5 (MEUR 42.4). At the end of October 2015, the company had 3,660 shareholders (3,493).

Development of share exchange	4Q/2015	4Q/2014	1–4Q/2015	1–4Q/2014
Shares exchanged, 1,000 pcs	1,016	2,230	6,508	7,908
% of share capital	2.0	4.4	10.7	15.4

Share	October 31,	October 31,
Shares in total, 1,000 pcs	51,733	51,733
Own shares, 1,000 pcs	342	429
Closing rate	0.86	0.82
Market value (MEUR)	44.5	42.4
Shareholders	3,660	3,493

10 largest shareholders (pcs)	October 31,	October 31, 2014
Treindex Oy	5,679,200	5,679,200
Koskenkorva Matti	4,308,756	4,300,000
Mutual Pension Insurance Company Etera	4,259,000	4,259,000
Koskenkorva Maija	3,729,542	3,729,542
Mutual Insurance Company Fennia	3,468,576	3,468,576
Koskenkorva Mauno	1,340,769	1,640,769
Koskenkorva Mikko	1,245,139	1,245,139
Johtopanostus Oy	1,030,000	1,030,000
Malo Hanna	982,207	982,207
Kumpu Minna	982,170	982,170

ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on February 5, 2015 in Tampere. The number of Board Members was confirmed at six and Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Jukka Teronen, Antero (Antti) Virtanen and Hannu Tarkkonen were re-elected to the Board for the term that ends at the end of the Annual General Meeting in 2016.

Authorized Public Accountants PricewaterhouseCoopers Oy and Authorized Public Accountant Markku Launis were elected as auditors for the period that ends at the end of the Annual General Meeting in 2016. Authorized Public Accountants PricewaterhouseCoopers Oy has stated that Authorized Public Accountant Lauri Kallaskari will serve as the chief responsible public accountant.

The General Meeting confirmed the financial statements and consolidated financial statements presented for the financial year November 1, 2013–October 31, 2014 and resolved that shareholders be paid EUR 0.04 per share as capital repayment from the invested unrestricted equity fund.

The Meeting also resolved, in accordance with the proposal of the Board of Directors, that the Board be authorized to decide, at its discretion, on the potential distribution of assets to shareholders, should the company's financial status permit this, either as dividends or as repayment of capital from the invested unrestricted equity fund. The maximum distribution of assets performed on the basis of this authorization shall total no more than EUR 4,700,000. The Meeting resolved that the authorization includes the right of the Board to decide on all other terms and conditions relating to the said asset distribution and that the authorization remain valid until the start of the next Annual General Meeting.

The General Meeting granted exemption from liability to the members of the Board and to the CEO. The General Meeting resolved that the remuneration of the Board of Directors remain unchanged and that Chairman of the Board be paid EUR 40,000 as compensation for the term that ends at the end of the 2016 Annual General Meeting, and that the other members of the Board each be paid compensation of EUR 20,000. It was also resolved that the travel expenses of the Chairman of the Board and the Board members will be paid based on the maximum amount specified in the valid grounds for payment of travel expenses ordained by the Finnish Tax Administration. 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 Meeting is over one percent (1%) of all company shares, the compensation will be paid in full in monetary form.

In addition, the Board was authorized to decide on the acquisition of the company's own shares in one or more installments so that the number of the company's own shares to be acquired may not exceed 5,100,000 in total, which corresponds to about 9.86% of the company's total stock of 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 date-of-acquisition price in public trading arranged by NASDAQ OMX Helsinki Oy 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 issued at the Annual General Meeting on January 29, 2014 to decide on the acquisition of the company's own shares is canceled by this authorization. The authorization remains valid until August 5, 2016.

The previous Meeting authorized the Board of Directors to decide in one or more stages on the issuance of shares and options rights and other special rights entitling to shares as defined in Section 1 of Chapter 10 of the Limited Liability Companies Act in such a way that the number of shares given by virtue of the authorization may not exceed 30,000,000 shares. The Board of Directors decides on all terms and conditions for share issues and options as well as on the terms and conditions for the granting of special

rights providing entitlement to shares. This authorization concerns both the issue of new shares and the selling of the company's own shares. Share issues and the provision of option rights as well as that of other rights providing entitlement to shares as specified in Section 1 of Chapter 10 of the Limited Liability Companies Act may take place deviating from the shareholders' pre-emptive right to subscription (directed issue). The authorization issued at the Annual General Meeting on January 27, 2011 to decide on share issues and the provision of special rights providing entitlement to shares is canceled by this authorization. The authorization remains valid until February 5, 2020.

Immediately upon the conclusion of the General Meeting, the company's Board held an organizing meeting in which Jukka Ala-Mello was elected Chairman and Eero Eriksson Vice Chairman.

The Board of Directors has not used the authorization granted by the Annual Meeting to acquire the company's 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 shares held by the company at the end of the review period was 342,398 individual shares (at the beginning of review period: 429,058). The number of the company's own shares corresponded to 0.7% of the number of shares and votes at the end of the entire review period.

In accordance with the decisions by the General Meeting on January 29, 2014 and by the Board, Panostaja Oyj relinquished a total of 30,000 individual shares as share bonuses to the company management on December 11, 2014. On December 15, 2014, the company issued to the Board members a total of 14,634 shares, on March 5, 2015, a total of 14,118 shares, on June 4, 2015, a total of 13,954, and on September 3, 2015, a total of 13,954 shares as meeting compensation.

EQUITY CONVERTIBLE SUBORDINATED LOAN AND HYBRID LOAN

At the end of the review period, MEUR 15.0 of the 2011 convertible subordinated loan remained. The interest rate for the loan is 6.5%, and the loan period is February 7, 2011–April 1, 2016. The original share exchange rate is EUR 2.20, and the loan shares can 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.

On May 27, 2013, the Group issued an equity convertible subordinated loan to the value of MEUR 7.5. The equity convertible subordinated loan has no maturity date, but the Group is entitled, but not obliged, to redeem the loan within four years. Based on the contract, the annual interest is 9.75%. Interest is only paid if the company decides to distribute dividends. If dividends are not distributed, the Group will decide separately on the payment of interest. In the consolidated financial statements, the loan is classified as equity and interest is presented as dividend. The Board of Directors of Panostaja Oyj decided to pay the hybrid loan interest amounting to MEUR 0.7, which was paid on May 27, 2014.

EVENTS AFTER THE REVIEW PERIOD

Panostaja signed agreements for a financing package worth a total of MEUR 30 on December 8, 2015. The package consists of MEUR 20 in loans and a MEUR 10 acquisition limit. The loans are secured debt loans. A share of MEUR 5 of the loans falls due three years from withdrawal and a share of MEUR 15 falls due on October 31, 2019. In accordance with binding loan agreements, the loans shall be withdrawn by April 30, 2016. The corporate acquisition limit will be valid for three years and can be used to withdraw two-year loans to fund acquisitions made by Panostaja.

MARKET PROSPECTS

The Finnish economic situation and atmosphere and the crisis in Syria, the situation in Russia and the weakened outlook of China have kept market prospects weak. The demand for companies operating on the domestic market is low and domestic consumer demand is still not expected to recover in the near future. Although the financial situation of companies in the SME sector has tightened due to increasing regulation, financing is available for good projects. The protraction of the Syrian crisis and the parties involved being driven further apart, the weakening economic trend in China, and the structural challenges and labor market unrest in the Finnish economy are all significant risks to overall economic development in 2016, and at the moment are particularly reflected in segments serving the construction industry and trade. The development in the price of oil is causing investments to dwindle in the off-shore sector. Activity in the corporate acquisitions market dwindled slightly towards the end of the year, but the markets still provide opportunities for both new acquisitions and divestments.

THE MOST SIGNIFICANT NEAR-FUTURE BUSINESS RISKS AND RISK MANAGEMENT

Risk management is part of the Panostaja Group's management and monitoring systems. Panostaja aims to identify and monitor changes in the business environment and general market situation of its segments, to react to them and to utilize the business opportunities that they present. Risk is classified as factors that may endanger or impede Panostaja or the business segments owned by it from achieving

strategic objectives, improvement in profit and the financial position or business continuity, or that may otherwise cause significant consequences for Panostaja, its owners, segments, personnel or other stakeholder groups. A more detailed report on Panostaja's risk management policy and the most significant risks was published in the 2014 annual report. Financial risks are discussed in greater detail in the Notes to the 2015 Financial Statements.

Market risks, general: General market risks are mainly tied to the uncertainty resulting from Finland's economic situation and change caused by the Syrian crisis, Russia and the weakened economic trends in China, as well as their potential impact on achieving the goals set for the various segments. The change in the financial markets and the tightening on credit issue may hamper the realization of corporate acquisitions and the availability of finance for working capital.

Panostaja prepared for the 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 2013. This hybrid loan has enabled Panostaja to make, in line with the company's strategy and investment criteria, new complementary acquisitions and to afford more time for possible divestments.

Market risks, operating fields of the segments: The instability of the overall economic situation has led to a decline in customer demand as well as the postponement of investments, which may result in a need for consolidated goodwill write-downs. Economic prospects in the fields of the existing segments are strongly tied to the prospects of customer enterprises. Expectations for the financial situation are still characterized by uncertainty and poor forecastability. The prospects in Panostaja Group's segments vary from positive to weak. Panostaja regularly assesses the risks for each segment and, based on the updated risk assessment, takes the necessary remedial action.

Strategic risks: Panostaja represents the Finnish SME sector extensively. Net sales are divided into five different sectors whose cyclical nature varies. The Group's business structure partially evens out economic fluctuations. In spite of this, general and sector-specific market risks can, however, affect the Group's result and financial development. In the business segments, the expected market situation is taken into account by adapting production and costs to market demand and by safeguarding the financial position. In changes in the global economy, Panostaja also sees opportunities to improve its market position, for example through corporate acquisitions. The crises in Russia, Ukraine and Syria do not have direct effects on Panostaja Group, but their protraction is negatively affecting demand on the domestic Finnish market and thereby the development of Panostaja's profit and financial position.

Financial risks: As a consequence of its operations, the Group is exposed to many financial risks. The aim of risk management is to limit the adverse effects of changes in financial markets on the result and financial development of the Group. The Group's revenue and operative cash flows are mainly independent of fluctuations in market interest rates. The interest risk of the Group mainly constitutes borrowing, which is spread over variable and fixed-interest loans. Some of the business segments use interest rate swaps and interest rate ceiling agreements. The Group mainly operates in the eurozone and so is only exposed to foreign exchange risks resulting from changes in exchange rates to a slight degree. Credit loss risks continue to represent a significant uncertainty factor in some of the segments. This risk is increased by the tightness of credit issue to SMEs.

Corporate acquisitions:

Panostaja actively seeks SMEs and endeavors to increase and create value, through organic growth, corporate acquisitions and correctly-timed divestments. The market still provides sufficient opportunities for corporate acquisitions, and Panostaja Group aims to implement its strategy by means of controlled acquisitions in current segments, and new potential segments are also being actively studied. Preparation for divestments is being continued as part of the ownership strategies of segments. Risks related to corporate acquisitions are managed by investing carefully according to specific investment criteria,

conducting in-depth analyses of the targets companies and target markets, and ensuring the efficiency of integration processes. Panostaja Group has specified harmonized guidelines and a corporate acquisitions process for the preparation and implementation of corporate acquisitions.

Non-life risks: Non-life risks are managed in Panostaja Group through insurance and Group guidelines, which set policy for the different areas.

Operative risks: On September 30, 2014, Pirkanmaa District Court confirmed the reorganization programs of Takoma Oyj and Takoma Gears Oy. The confirmation of the reorganization program provides an opportunity to develop the operations of Takoma Gears Oy. Changes concerning Takoma may, however, continue to cause needs for one-time write-downs. Takoma's failure to implement the reorganization program is not expected to cause changes to Panostaja Group's operating conditions.

OUTLOOK FOR THE 2016 FINANCIAL PERIOD

According to its strategy, Panostaja is actively focusing on increasing shareholder value in the segments it owns. 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 shareholder value. Active development of shareholder value, the effective allocation of capital and good financing opportunities for corporate acquisitions create a solid foundation for operational expansion.

In the corporate acquisitions market, Panostaja's activity in the target size category has remained as before. The need for SMEs to utilize ownership arrangements and growth opportunities persists, and there are still a sufficient number of corporate acquisition opportunities in the markets for those who take an active approach. Panostaja's intention is to implement its strategy during the financial period by investing in 1–2 new segments and making corporate acquisitions in the current segments of choice. Divestment possibilities will also be assessed actively as part of the segments' owner strategies, although the price level is more favorable to active buyers.

Economic prospects in the business areas of the current segments continue to be marred by the uncertainty and poor predictability of the general economic development. The prospects in Panostaja's segments vary from positive to weak. Despite the uncertain market situation, the growth and development measures implemented support the development of the segments.

The Group's EBIT is expected to improve substantially over the course of the 2016 financial period.

In addition to prospects for each financial period, Panostaja will periodically provide its investors with more information on growth and development opportunities in the segments as well as Panostaja's goals for increasing value in them. Panostaja's future aim is to ensure that investors have the opportunity to ascertain the independent value of the segments and gain a clearer view of Panostaja's structure as an investment company.

Panostaja Oyj

Board of Directors

For further information, contact CEO Juha Sarsama: tel. +358 (0)40 774 2099.

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 views of 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.

ACCOUNTING PRINCIPLES

This financial statement bulletin has been prepared in compliance with the IFRS accounting and valuation principles based on the IAS 34 standard.

The information in the interim report has not been audited.

INCOME STATEMENT

EUR 1,000	3 months	3 months	12 months	12
	8/15–	8/14–	11/14–	11/13–
	10/15–	10/14	10/15	10/14
Net sales	44,088	34,835	148,218	121,131
Other operating income	372	238	674	1,056
Costs in total	41,331	31,613	141,569	114,130
Depreciations, amortizations and impairment	2,042	1,230	6,049	4,539
Operating profit	3,129	3,460	7,323	8,057
Financial income and expenses	-1,917	-812	-3,832	-2,341
Share of associated company profits	186	175	-53	-137
Profit before taxes	1,399	2,822	3,437	5,580
Income taxes	2,287	-1,512	277	-3,603
Profit/loss from continuing operations	3,685	1,311	3,714	1,977
Profit/loss from discontinued operations	9,803	459	9,535	7,090
Profit/loss from discontinued operations	0	627	250	-834
Profit/loss for the financial period	13,488	2,396	13,499	8,234
Attributable to				
shareholders of the parent company	9,186	953	7,834	5,385
minority shareholders	4,302	1,444	5,665	2,849
Earnings per share from continuing operations				
EUR, undiluted	-0.015	0.007	0.008	-0.034
Earnings per share from continuing operations				
EUR, diluted	-0.015	0.007	0.008	-0.017
Earnings per share from discontinued operations				
EUR, undiluted	0.191	0.009	0.133	0.128
Earnings per share from discontinued operations EUR, undiluted	0.168	0.008	0.117	0.113
Earnings per share from continuing and discontinued operations EUR, undiluted	0.176	0.016	0.141	0.094

Earnings per share from continuing and discontinued operations EUR, diluted	0.159	0.016	0.138	0.094
EXTENSIVE INCOME STATEMENT				
Items of the extensive income statement	13,488	2,396	13,499	8,234
Translation differences	28	0	28	-79
Extensive income statement for the period	13,516	2,396	13,527	8,155
Attributable to				
shareholders of the parent company	9,214	953	7,862	5,306
minority shareholders	4,302	1,444	5,665	2,849

BALANCE SHEET

	October 31, October 31, 2015	2014
EUR 1,000		
ASSETS		
Non-current assets		
Goodwill	78,042	49,692
Other intangible assets	11,252	8,707
Property, plant and equipment	10,167	9,129
Interests in associated companies	3,666	3,611
Deferred tax assets	5,911	2,514
Other non-current assets	6,860	8,129
Non-current assets total	115,898	81,781
Current assets		
Stocks	12,596	14,932
Trade receivables and other non-interest-bearing receivables	29,042	27,461
Financial assets at fair value through profit and loss	6,606	9,490
Cash and cash equivalents	24,001	9,146
Current assets total	72,245	61,029
ASSETS IN TOTAL	188,143	142,810
EQUITY AND LIABILITIES		
Equity attributable to parent company shareholders		
Share capital	5,569	5,569
Share premium account	4,646	4,646
Invested unrestricted equity fund	12,602	14,569
Equity convertible loan	7,390	7,390
Translation difference	-124	-152
Retained earnings	7,992	94

Total	38,075	32,116
Minority interest	32,001	15,378
Equity total	70,076	47,494
Liabilities		
Deferred tax liabilities	1,836	996
Equity convertible subordinated loan	0	14,691
Non-current liabilities	59,825	34,399
Current liabilities	41,407	45,231
Equity convertible subordinated loan	15,000	
Liabilities total	118,067	95,316
EQUITY AND LIABILITIES IN TOTAL	188,143	142,810

CASH FLOW STATEMENT	October 31, 2015	October 31, 2014
EUR 1,000		
Profit/loss for the financial period before the minority share	13,499	8,234
Adjustments:		
Depreciations	6,049	5,408
Financial income and costs	3,832	3,255
Share of associated company profits	53	137
Taxes	-277	3,763
Sales profits and losses from property, plant and equipment	-10,424	-6,381
Other earnings and expenses with no payment attached	3,383	1,665
Operating cash flow before change in working capital	16,116	16,080
Change in working capital		
Change in non-interest-bearing receivables	3,003	707
Change in non-interest-bearing liabilities	-3,694	909

Change in stocks	-835	6
Change in working capital	-1,526	1,622
Operating cash flow before financial items and taxes	14,590	17,702
Financial items and taxes:		
Interest paid	-4,141	-3,941
Interest received	379	262
Taxes paid	-2,847	-2,630
Financial items and taxes	-6,609	-6,309
Operating net cash flow	7,981	11,393
Investments		
Investments in intangible and tangible assets	-6,488	-5,356
Sales of intangible and tangible assets	865	2,195
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	-48,272	-14,349
Sale of subsidiaries with time-of-sale liquid assets deducted	24,270	9,881
Acquisition of associated companies	-134	-235
Financial assets acquired and sold entered at fair value through profit and loss	2,884	-1,000
Capital gains from sales of other shares	70	13
Loans receivable and repayments granted	-102	-409
Investment net cash flow	-26,908	-9,260
Finance		
Share issue	23,241	1,224
Loans drawn	46,936	13,638
Loans repaid	-33,199	-14,502
Disposal of own shares	73	48
Dividends paid	-3,267	-1,577
Finance net cash flow	33,784	-1,169
Change in liquid assets	14,857	965
Liquid assets at the beginning of the period	9,146	8,193
Effect of exchange rates	-2	-12
Liquid assets at the end of the period	24,001	9,146

EUR 1,000	Share capital	Share premium account	Invested unrestricted equity fund	Translation differences	Profit funds	Other funds	Minority shareholders' interest	Total
Equity	5,569	4,646	14,508	-73	-1,979	7,390	19,016	49,079
November 1, 2013								
Profit for the financial period					5,385		2,849	8,234
Profit and costs recorded during the financial period, total					5,385		2,849	8,234
Dividends paid						-1,537	-1,537	
Interest on equity convertible loan					-731		-731	
Disposal of own shares			48					48
Reward scheme			13					13
Translation differences				-79				-79
Other changes								
Changes in minority interest					61	-2,594	-4,910	-7,504
Other changes in equity, total					-79	-3,311	-6,487	-9,906
Equity								
October 31, 2014	5,569	4,646	14,569	-152	95	7,390	15,378	47,495
Error correction					-124			-124
Adjusted equity	5,569	4,646	14,569		-29			47,370
Equity								
November 1, 2014	5,569	4,646	14,569	-152	95	7,390	15,378	47,370

Profit for the financial period	7,834	5,665	13,499
Profit and costs recorded during the financial period, total	7,834	5,665	13,499
Dividends paid		-1,189	-1,189
Repayment of capital	-2,047		-2,047
Interest on equity convertible loan		-731	-731
Disposal of own shares	74		74
Reward scheme	3		3
Translation differences	28		28
Share of minority shareholders created from subsidiary acquisition		11,721	11,721
Sales of shares in subsidiaries that have not led to loss of controlling interest	1,393		1,393
Sales of shares in subsidiaries that have led to loss of controlling interest		-101	-101
Acquisitions of minority shares	-475	527	52
Other changes in equity, total	-1,992	28	187
Equity	5,569	4,646	12,602
	-124	7,992	7,390
		32,001	70,076

October 31, 2015**KEY FIGURES****EUR 1,000**

Equity per share (EUR)

October 31,

October 31, 2015

2014

0.74

0.62

Earnings per share, undiluted (EUR)	0.14	0.09
Earnings per share, diluted (EUR)	0.14	0.09
Average number of shares during financial period, 1,000 pcs.	51,342	51,284
Number of shares at end of financial period, 1,000 pcs.	51,733	51,733
Share issues/CL exchanges during financial period, 1,000 pcs.	0	0
Number of shares, 1,000, diluted	58,160	58,102
Return on equity, %	23.0	17.1
Return on investment, %	12.4	15.4
Gross capital expenditure		
In permanent assets (MEUR)	54.9	19.9
% of net sales	37.0%	16.5%
Interest-bearing liabilities	79.8	58.1
Equity ratio (%)	37.5	33.3
Average number of employees	1,176	1,204

ACQUIRED BUSINESSES

Acquisition cost calculation for Multiprint

On June 11, 2015, Panostaja Oyj announced the merger of Digiprint Finland Oy and Multiprint Group Oy. The merger was carried out through an arrangement whereby the share capitals of both Digiprint Finland Oy and Multiprint Group Oy were sold to the newly founded Digiprint Finland Group Oy. Panostaja Oyj received as a purchase price around MEUR 32 in Digiprint Finland Oy shares and reinvested around MEUR 24.6 in Digiprint Finland Group Oy. Panostaja's ownership of Digiprint Finland Group Oy is 51.9%. Multiprint has been integrated into the Panostaja Group as of June 1, 2015.

At the time of the transaction, the Group evaluated the overall purchase price to be MEUR 36.0. Based on an acquisition cost calculation, the fair value of the net assets acquired is MEUR 4.8, resulting in goodwill of MEUR 31.2. The fair values recorded in immaterial rights in the context of the merger are related to customer relationships MEUR 3.9 and technology MEUR 0.9.

Consideration given

Consideration given	36.0
Acquired assets and liabilities	
Permanent assets	6.8
Stocks	1.1
Trade receivables	5.7
Other and accrued income	0.9
Cash and cash at bank	2.5
Total assets	17.0
Interest-bearing liabilities	5.9
Deferred tax liabilities	1.0
Trade payables	1.3
Advances received	0.0
Other and accrued liabilities	4.0
Total liabilities	12.2
Net assets	4.8
Goodwill	31.2

Acquisition cost calculation for Megaklinikka

On February 27, 2015, Panostaja Oyj announced that it had signed an agreement for the purchase of shares in Megaklinikka Oy, which offers oral health care services. In the transaction, Panostaja bought a 75% share of the company formed.

The purchase price paid for Megaklinikka Oy's entire shareholding was approximately MEUR 2.9. The sellers also have the opportunity for an additional purchase price of up to MEUR 1.0, which will be set based on the operating margin for the 2015 and 2016 calendar years. At the time of the closing of the books, the overall purchase price was estimated to be MEUR 2.9.

Based on an acquisition cost calculation, the fair value of the net assets acquired is MEUR 0.3, resulting in goodwill of MEUR 2.6. Megaklinikka has been integrated into the Panostaja Group as of March 1, 2015.

Consideration given

Consideration paid	2.9
Conditional consideration	0.0
Consideration in total	3.9
Acquired assets and liabilities	
Permanent assets	1.9
Stocks	0.1
Current receivables	0.4
Cash and cash at bank	0.2
Total assets	2.6
Non-current liabilities	0.7
Current liabilities	1.6
Total liabilities	2.3
Net assets	0.3
Goodwill	2.6

GROUP DEVELOPMENT BY QUARTER MEUR

	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14
Net sales	44.1	37.9	34.6	31.6	34.8	30.3	29.2	26.8
Other operating income	0.4	0.0	0.2	0.1	0.2	0.3	0.2	0.3
Costs in total	41.3	37.0*	32.5	30.7	31.6	28.8	27.2	26.6
Depreciations, amortizations and impairment	2.0	1.7	1.2	1.1	1.2	1.1	1.1	1.1
EBIT	3.1	1.0	2.3	1.0	3.5	1.9	2.2	0.6
Finance items	-1.9	-0.9	-0.5	-0.5	-0.8	-0.6	-0.4	-0.5

	0.2	0.0	-0.1	-0.1	0.2	0.0	0.0	-0.3
Share of associated company profits	0.2	0.0	-0.1	-0.1	0.2	0.0	0.0	-0.3
Profit before taxes	1.4	0.1	1.7	0.3	2.8	1.2	1.7	-0.2
Taxes	2.3	-0.7	-0.8	-0.5	-1.5	-0.5	-0.7	-0.9
Profit from continuing operations	3.7	-0.7	0.9	-0.2	1.3	0.7	1.1	-1.1
Profit/loss from discontinued operations	9.8	0.8	-0.6	-0.5	0.5	6.3	0.2	0.1
Profit/loss from discontinued operations	0.0	0.0	0.3	0.0	0.6	0.0	-0.2	-1.3
Profit for the period	13.5	0.2	0.6	-0.7	2.4	7.0	1.1	-2.3
Minority interest	4.3	0.5	0.6	0.2	1.4	0.7	0.9	-0.2
Parent company shareholder interest	9.2	-0.4	0.0	-1.0	1.0	6.3	0.2	-2.0

* Q3 adjustment for Lingoneer sales profit MEUR -0.4

GUARANTEES GIVEN	October 31,	
	2015	2014
Guarantees given on behalf of Group companies		
Enterprise mortgages	97,544	44,277
Pledges given	123,064	67,947
Other liabilities	11,101	4,562
Other rental agreements		
In one year	7,911	6,238
In over one year but within five years maximum	13,526	13,320
In over five years	1,112	2,006
Total	22,549	21,564

SEGMENT INFORMATION

TURNOVER	11/14–10/15	
	11/14–10/15	11/13–10/14
EUR 1,000		
Digital Printing Services	69,882	57,795

Building Technology Renovation	23,712	8,758
Takoma	13,182	15,339
Ceiling Materials	9,867	10,989
Fittings	10,365	10,912
Spare Parts for Motor Vehicles	11,804	10,768
Heat Treatment	6,300	6,832
Oral Health Care	3,386	
Others	13	0
Eliminations	-293	-262
Group in total	148,218	121,131

EBIT

11/14–10/15

11/13–10/14

EUR 1,000

Digital Printing Services	5,931	7,146
Building Technology Renovation	4,192	1,099
Takoma	-680	-365
Ceiling Materials	529	544
Fittings	657	818
Spare Parts for Motor Vehicles	472	714
Heat Treatment	60	239
Oral Health Care	-548	
Others	-3,290	-2,137
Group in total	7,323	8,057

DEPRECIATIONS

11/14–10/15

11/13–10/14

EUR 1,000

Digital Printing Services	-3,404	-2,503
Building Technology Renovation	-734	-161
Takoma	-649	-947

Ceiling Materials	-205	-202
Fittings	-150	-177
Spare Parts for Motor Vehicles	-116	-110
Heat Treatment	-304	-358
Oral Health Care	-400	
Others	-87	-80
Group in total	-6,049	-4,539

NET LIABILITIES

11/14–10/15

11/13–10/14

EUR 1,000

Digital Printing Services	37,242	7,469
Building Technology Renovation	8,179	5,545
Takoma	4,248	4,659
Ceiling Materials	907	1,368
Fittings	6,374	6,742
Spare Parts for Motor Vehicles	2,163	1,894
Heat Treatment	-857	-566
Oral Health Care	3,159	
Parent company	-3,827	-1,766
Eliminations	-11,910	9,662
Group in total	45,678	35,008

**SEGMENT INFORMATION BY QUARTER
NET SALES, MEUR**

	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14
Digital Printing Services	23.4	17.9	14.9	13.7	15.8	13.2	15.2	13.6
Building Technology Renovation	6.8	6.0	5.8	5.2	4.9	3.9	0.0	0.0
Takoma	3.1	2.8	3.2	4.0	4.6	3.5	3.8	3.5
Ceiling Materials	2.4	2.7	2.4	2.3	2.6	2.9	2.9	2.7
Fittings	2.6	2.5	2.8	2.4	2.6	2.6	3.2	2.5
Spare Parts for Motor Vehicles	3.3	3.0	2.9	2.6	2.9	2.7	2.6	2.6
Heat Treatment	1.3	1.8	1.8	1.4	1.6	1.6	1.6	2.0
Oral Health Care	1.2	1.3	0.9	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	0.0	0.0	-0.1	-0.1	-0.1	-0.1	0.0	-0.1
Group in total	44.1	37.9	34.6	31.6	34.8	30.3	29.2	26.8

**SEGMENT INFORMATION BY QUARTER
EBIT, MEUR**

	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14
Digital Printing Services	3.1	0.2*	1.8	0.8	2.6	1.3	2.2	1.0
Building Technology Renovation	1.4	1.0	1.1	0.7	0.6	0.5	0.0	0.0
Takoma	-0.3	-0.1	-0.3	0.0	0.2	0.0	-0.3	-0.3
Ceiling Materials	0.1	0.2	0.1	0.1	0.0	0.1	0.4	0.1
Fittings	0.2	0.2	0.1	0.1	0.3	0.2	0.3	0.1
Spare Parts for Motor Vehicles	0.3	0.2	0.0	0.0	0.2	0.2	0.1	0.2
Heat Treatment	-0.2	0.1	0.2	-0.1	-0.1	0.1	0.0	0.2
Oral Health Care	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0
Others	-1.2	-0.8	-0.7	-0.7	-0.4	-0.4	-0.6	-0.7
Group in total	3.1	1.0	2.3	1.0	3.5	1.9	2.2	0.6

* Q3 adjustment in Digital Printing Services for Lingoneer sales profit MEUR -0.4

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.

Panostaja has eight segments engaging in business operations. Grano Oy (Digital Printing Services) forms Finland's largest company offering digital printing services and publication and production services. Heatmasters Group (Heat Treatment) offers thermal treatment services for 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, BMW and Volvo cars. Megaklinikka Oy (Oral Health Care) is a company providing oral health care services. The company is a dental clinic offering a completely new kind of service concept. Suomen Helakeskus Oy (Fittings) is a major wholesale dealer concentrating on construction and furniture fittings. Selog Oy (Ceiling Materials) is a specialty supplier and wholesaler of ceiling materials. Takoma Oyj (Takoma) is a listed machine shop group. KotiSun Oy (Building Technology Renovation) is Finland's leading company in service water and heating network building technology renovations for detached houses.