

Restamax Plc

BALANCE SHEET BOOK

31/12/2013

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Annual report from the Board of Directors

Restamax Plc is the parent company of the Restamax group. Its name in English is Restamax Plc. In addition to the parent company, the consolidated financial statements include 22 subsidiaries.

The change of Restamax into a public limited company was registered into the Trade Register on 20 September 2013. The shares of the company have been issued in a book-entry system. The shares are listed on the main list of the Helsinki Stock Exchange. The stock symbol for the share is RESTA.

Key events during the annual period

On 5 September 2013, all shareholders made a unanimous decision in accordance with Chapter 5, Section 1 of the Limited Liability Companies Act (624/2006) to perform a bonus issue where the then shareholders of the company were allowed to register 9 new shares in the company for each share owned. The equity issue increased the number of shares in the company from 1,064,962 to 10,649,620. At the same time, the decision was made to enter the company's shares into the book-entry system and to authorise the Board of Directors to decide on the entry time.

On 5 September 2013, the shareholders made a decision in accordance with Chapter 5, Section 1 of the Limited Liability Companies Act (624/2006) to authorise the Board of Directors to decide on an equity issue and to issue special rights related to shares in accordance with Chapter 10, Section 1 of the above act; the Board of Directors may use the right to issue a maximum of 6,300,000 new shares in the company. The Board of Directors may use the right to decide on a special issue, i.e. to deviate from the shareholder priority. The new shares may be issued with or without payment. However, a special issue may only be arranged without payment if a justified financial reason exists in terms of the overall benefit of the company and all of its shareholders. New shares may also be issued in exchange for property given as subscription in kind, or by setting off the subscription price with a receivable that the subscriber has with the company. The subscription price for new shares is registered in the invested unrestricted equity fund. The Board of Directors may use the authorisation on one or more occasions. The board may use the authorisation to, for example, improve the capital structure and liquidity of the company, carry out an equity issue during the listing of the company's share at a stock exchange, use the shares as collateral in a corporate acquisition, to perform other business arrangements, or as part of the share bonus programme of the company or group. Based on the authorisation, the Board of Directors is entitled to issue option rights and other special rights referred to in Chapter 10, Section 1 of the Limited Liability Companies Act (624/2006); these rights entitle the recipient to receive new shares by paying for them in cash or by setting off the subscription price with a receivable that the subscriber has from the company. The Board of Directors will decide on the other issues related to equity issues and granting option rights and special rights. The authorisation remains in force until 31 July 2015.

In a release dated 11 November 2013, Restamax Plc announced an initial public offering, decided on by the company's Board of Directors on 5 November 2013, where the company offered at most 3,600,000 new shares in the company to private individuals, companies and institutions as well as Restamax's employees. The main purpose of the initial public offering was to strengthen the company's capital base and to promote the growth and expansion of the company in accordance with its strategy, as well as to strengthen its competitive position. The strengthening of the company's capital base allows for the implementation of the company's growth strategy, as well as its growth both through existing business and business acquisitions. The aim of the initial public offering was also to increase the number of shareholders in the company, gain access to the capital market, increase the liquidity of the company's shares and to promote awareness of the company.

On 14 November 2013, Restamax Plc submitted a listing application to the Helsinki Stock Exchange for the admission of the Company's shares to trading on the official list of the Helsinki Stock Exchange under the trading code RESTA.

The directed rights issue to the public and personnel ended on 21 November 2013, and the issue to institutions also ended on 21 November 2013. In the issue to institutions and the public, the price of the share was EUR 4.60; in the issue to personnel, the price was EUR 4.14 per share. The issue was oversubscribed. The number of the Company's shares increased to

a total of 14,249,620 shares. The shares subscribed during the issue were entered into the Trade Register on 26 November 2013. Trading in the company's shares started on 28 November 2013 on the official list of the Helsinki Stock Exchange.

No major changes occurred in the market situation concerning any of the company's activities during the financial period. The general economic situation was weaker than forecast during the financial period, and this affected sales in December in particular. Mainly due to December being weaker than forecast, profitability decreased on the previous year. The group opened several new restaurants during the financial period. During the financial period, the group sold its shares in Mainostoimisto FUEL Oy as well as the security and doorman business of JVP Security Oy; both were part of its auxiliary business activities.

During the financial period, the company also expanded its operating activities into new localities. The company was able to establish itself reasonably well in the new markets.

The streamlining of the group structure was continued during the financial period. A contract was signed with the minority shareholders of the subsidiary Suomen Ravintolatoimi Oy on 28 June 2013; according to the contract, the subsidiary's shares were exchanged for shares in the parent company. After the share exchange, Suomen Ravintolatoimi Oy became a fully-owned subsidiary. During the financial period, Restamax Plc bought the shares of a shareholder that owned 24.68% of the subsidiary Beefmax Oy. As a result of this transaction, Beefmax Oy became a fully-owned subsidiary of the company.

Key events after the closing of the financial period

The company has entered into a new brewery contract that came into effect on 1 January 2014. With the current purchase volumes, the annual income effect of the new contract before income tax is EUR 800,000.

The company opened a new Food Park restaurant mix in Ideapark in Lempäälä. This is one of the largest restaurant mixes inside a shopping centre in the entire Nordic region.

The company and Hans Välimäki Oy owned by Hans Välimäki have founded the Gastromax Oy joint venture, of which Restamax owns 70% and Hans Välimäki Oy 30%. The joint venture has bought the Midhill restaurants in theme parks in Helsinki and Tampere, partially owned by Hans Välimäki through various companies, as well as the operations of two other restaurants.

On 4 March 2014, Restamax Plc purchased all shares in Rengasravintolat Oy. The transaction covers the 16 restaurants in Helsinki, Tampere, Jyväskylä and Pori owned by Rengasravintolat Oy and its fully-owned subsidiaries. The pro forma turnover for the operating activities purchased in 2013 was MEUR 21.9, the earnings before interest, taxes, depreciation and amortisation were MEUR 4.5, and the operating profit was MEUR 4.1. The purchase price for the acquisition was MEUR 7.8 in cash and 2,130,000 new shares in Restamax Plc, offered to the sellers in a directed rights issue (value as of 28 February 2014 was approx. MEUR 9.5). The aim is to register the shares in the Trade Register as soon as possible; after registration, they will allow the subscribers to receive dividend from the ended financial period. The company will seek the listing of the shares as soon as possible. An additional purchase price of at most MEUR 1.2 will also be paid. The final additional purchase price will be determined on 28 February 2014 by the net assets in Rengasravintolat Oy's signed and audited consolidated interim financial statements (FAS). After the registration of the equity issue mentioned above, Restamax Plc's share capital will consist of 16,379,620 shares and votes.

Key figures concerning financial position and net income

Key figures describing financial position and net income of parent company (FAS)

TEUR	2013	2012	2011
Turnover	11,647.2	8,444.7	7,916.4
EBITDA	337.1	414.5	2,739.4
% of turnover	2.9%	4.9%	34.6%
Operating profit	-635.1	-282.3	2,129.1
% of turnover	-5.5%	-3.3%	26.9%
Return on equity %	16.6%	7.4%	30.7%
Equity ratio %	69.9%	38.6%	46.4%

Key figures describing financial position and net income of group

TEUR	2013 (IFRS)	2012 (IFRS)	2011 (IFRS)
Turnover	65,033.2	60,773.4	47,301.5
Material margin	48,038.0	45,136.4	35,489.9
% of turnover	73.9%	74.3%	75.0%
EBITDA	9,146.0	9,938.7	9,199.6
% of turnover	14.1%	16.4%	19.4%
Operating profit	4,051.4	5,719.4	6,237.2
% of turnover	6.2%	9.4%	13.2%
Total assets	48,770.2	39,257.2	30,914.1
Return on investment %	10.7%	24.2%	30.8%
Return on equity %	13.9%	31.0%	52.5%
Equity ratio %	60.9%	38.1%	37.7%
Gearing ratio %	21.9%	43.8%	66.9%
Staff expense %	30.1%	29.6%	28.6%
Gross investments	3,570.0	10,714.1	11,634.1

Key figures per share

		2013 (IFRS)	2012 (IFRS)	2011 (IFRS)
Earnings per share, undiluted	EUR	0.24	0.31	0.40
Earnings per share, diluted	EUR	0.24	0.31	0.40

Equity per share	EUR	1.97	1.28	0.99
Dividend per share	EUR	0.09 (*)	0.14	0.14
Dividend/earnings per share	%	37.5	45.2	35.0
Effective dividend yield	%	2.1	-	-
Profit/earnings ratio (P/E)		18.3	-	-

Share price 31 December	EUR	4.38	-	-
Average share price	EUR	4.62	-	-
Highest share price during financial period	EUR	4.97	-	-
Lowest share price during financial period	EUR	4.38	-	-

Market value for shares	MEUR	62.41	-	-
Exchange of shares during financial period	pcs	131,562	-	-
Proportionate exchange of shares	%	0.92	-	-

Adjusted average number of shares during financial period	pcs	10,678,024	-	-
Adjusted average number of shares on 31 December	pcs	14,249,620	-	-

(*) The dividend/share key figure for 2013 has been calculated using the number of shares on the date of the closing of the accounts, added to the number of shares in the equity issue of 4 March 2014 that are eligible to receive dividends.

The calculation formulae for the key figures are presented in note 38.

Personnel information

Key figures describing the personnel of the parent company

	2013	2012	2011
Average number of employees	61	59	60
Salaries and fees for financial period	2,380.6	2,039.9	1,694.4

Key figures describing the personnel of the group

	2013	2012	2011
Average number of employees			
Full-time staff	160	154	175
Part-time staff	170	72	
Salaries and fees	8,496.3	7,885.2	5,560.7

Proposal from the Board of Directors concerning actions to be taken regarding the profit of the parent company

Unrestricted equity fund	EUR	25,392,913.54
Profit funds from previous years	EUR	456,742.97
Profit from financial period	EUR	3,152,557.65
Unrestricted equity	EUR	29,002,214.16
of which distributable		29,002,214.16

The Board of Directors proposes to the general meeting that the profit for the financial period of EUR 3,152,557.65 be used to distribute a dividend of EUR 0.09 per share (16,379,620 pcs), amounting to EUR 1,474,165.80. According to the current understanding of the Board of Directors, the proposed distribution of dividends will not endanger the company's financial standing.

Shares in the company

At the time of the closing of the accounts, the company had 14,249,620 shares. After the directed rights issue related to the business acquisition on 4 March 2014, the company has 16,379,620 shares. All shares have an equal right to dividends and the company assets. One share equals one vote at the general meeting. The company's shares are listed at NASDAQ OMX Helsinki Oy.

Organisation, management and auditor of parent company

During the financial period, the parent company's Board of Directors had the following permanent members: Timo Laine, Mikko Aartio, Jarno Suominen (until 11 June 2013), Turo Levänen, Jarmo Viitala, Petri Olkinuora (from 11 June 2013) and Sami Asikainen (from 11 June 2013).

The Chief Executive Officer for the company was Markku Virtanen. The auditors for the parent company and group were Deloitte & Touche Oy, Authorised Public Accountants, with Hannu Mattila, APA as the responsible auditor.

Subordinated loans

Subordinated loans, TEUR	31 December 2013	31 December 2012
Parent company	571.4	2,174.9
Group	571.4	2,174.9

Conditions for subordinated loan of EUR 571,414.42

The company has received a subordinated loan in accordance with Chapter 12 of the Limited Liability Companies Act. The loan period is approximately 7 years. The loan is repaid in equal instalments twice per year: on 30 June and 31 December. The instalments amount to EUR 70,000.00–110,000.00.

In case of bankruptcy or liquidation, the capital and interest of the loan can be repaid at a lower priority compared to all other creditors, but before the proportional share of the shareholders.

The capital can only be refunded and interest can only be paid to the extent where the total amount of unrestricted equity and subordinated loans at time of payment exceeds the loss confirmed for the last completed financial period or the loss included in the balance sheet of a later financial statement.

The repayment of the capital and its interest requires that the group has an equity ratio of at least 30.0%. If the equity ratio condition is not met, the planned repayments and interest payments are postponed. Company equity allowing, an interest of 3.0% + the 12-month Euribor rate will be paid for the loan. The interest is paid twice per year: on 30 June and 31 December. The reference rate is verified on 1 July each year.

Account on the scope of research and development activities

The company is not involved in research activities per se. The company's research activities mainly consist of developing new restaurant concepts and the further development of existing concepts.

Corporate governance statement

The Board of Directors' account on the company's corporate governance system, drawn up in accordance with recommendation 54 in the new administrative code and Chapter 7, Section 7 of the Securities Markets Act (746/2012) will be published separately in the Board of Directors' annual report. The account is available at the company's website: www.restamax.fi – sijoittajille - hallinnointi.

Assessment of risks and uncertainties related to the company's operation

Generally negative financial developments may adversely affect the company's operating activities and net income. Recession affects the purchasing behaviour and purchasing power of consumers and companies.

Changes in the competitive environment and other competitive risks within the company's industry segment may adversely affect the company's operating activities. The restaurant business is a highly competitive industry segment. The company competes with thousands of other actors offering restaurant services across its geographical areas of operation. Changes in the competing environment, and the company's potential failure to adapt to or manage these changes, as well as other competitive risks, should they be realised, may materially affect the operating activities, financial position, operating income and future outlook of the company or a unit thereof, and the share price of the company.

Anticipating the needs, preferences and behaviour of the consumers is one of the greatest challenges in the restaurant industry. These needs are affected by changes in society, such as the general increase in purchasing power and the overall age structure. Restamax aims to develop its service concept in a manner that can anticipate the needs and preferences of the consumers.

A reduction in the purchasing power and purchases of customers, should it be realised, may adversely affect the company's operating activities. The company has an extremely extensive and geographically distributed customer base that mainly consists of consumers. Therefore, no customers account for more than ten per cent of the company's turnover. Despite the extensive customer base, negative financial developments and uncertainty of the future, or changes in the consumption needs of the customer base, may adversely affect the purchase willingness and opportunities of Restamax's customer base.

General leasing level developments and increases in lease costs, the price of alcohol and foodstuffs as well as salary expenses may adversely affect the company's operating activities. The cost of premises, in particular, makes up a significant part of Restamax's operating expenses. Restamax's premises are leased, so the general leasing level and its development has a major impact on the company's operations. Although Restamax aims to carefully select the premises that it leases, and to sign long-term, low-cost lease agreements, lease costs may increase due to the general development of the leasing level and due to reasons attributable to the lessors. A significant increase in salary expenses may also adversely affect the company's operating income. Furthermore, an increase in the price of alcohol and foodstuffs may reduce Restamax's profit margins.

Difficulties in finding good business locations for Restamax's restaurants on competitive terms, or in preserving locations already secured may increase the company's cost level and make its expansion more difficult. Very often, the location of a restaurant is essential in terms of its turnover. Therefore, Restamax aims to only lease premises at good locations and in localities where it already operates, as well as in towns and centres where it aims to expand its activities. However, finding such premises may be difficult, and lease costs may be substantial due to large lease securities and other fees. Regardless of location, Restamax may be required to renovate the rental premises and to purchase movables and furniture. The company may also be required to sign a lease agreement for a long lease term, and be responsible for the lease payments even if it should decide to close down the restaurant or nightclub operating inside the premises during the lease term. According to the financial statements for 2013, the company's lease liabilities according to the lease agreements it has signed amount to MEUR 31.1; some of these liabilities are related to premises that have been sublet. The company's lease agreements also include maintenance responsibilities and restoration requirements that may incur costs during the lease term and upon the termination of the agreement. The company is also liable to its lessor in terms of sublet premises if the party to which Restamax has sublet the premises is unable to meet the requirements in the agreement entered into.

Although Restamax does have the right to transfer some lease agreements to a third party, this might not always be possible on economically feasible or executable terms. It is possible that, at the end a lease agreement, Restamax is unable to renew the said agreement, or that the new agreement terms are less favourable to the company. Therefore, Restamax may lose the leased premises where it operates a functional and profitable restaurant. A sharp increase in lease levels or an increase in the demand of favourably located business premises may make it more difficult for Restamax to expand its operating activities or increase the general operating costs. Any of the above may have a materially adverse effect on the operating activities, financial position, operating income or future outlook of Restamax or one of its units.

Changes in the regulation environment, especially changes in laws related to serving alcoholic beverages and foodstuffs or variations in their interpretation may adversely affect the company's operating activities. The restaurant and nightclub business that Restamax is involved in is heavily regulated in Finland. The administrative and regulatory authorities interpret the laws and stipulations applied to Restamax; these are related to alcohol, rights to serve alcohol, and foodstuffs, food

safety and hygiene. The interpretations and practices of the authorities may also vary greatly between different regions. The laws and stipulations often impose fairly strict, and sometimes even retroactive, responsibilities for costs and damages. Restamax strives to practise its operations in accordance with all the decrees and regulations governing the serving of alcohol and food products as well as all other legal provisions. A significant part of Restamax's business operations are subject to licence and closely monitored. Unexpected changes in the regulation may adversely affect the company's operating activities, since Restamax's operating activities are significantly reliable on matters subject to licence, such as the licences to serve alcohol and the licences to extend the serving time. A significant portion of Restamax's turnover is created by the sale of alcoholic beverages; therefore, the company's sales may be materially affected by the temporary or permanent withdrawal of its licences to serve alcohol.

Any changes to legislation concerning alcohol may reduce the sales of the company's products or services. A significant portion of Restamax's turnover is created by the sale of alcoholic beverages, and many of Restamax's restaurants currently have the licence to extend the serving time of alcohol. Therefore, any limitations and prohibitions in the legislation concerning alcohol and increases in alcohol taxation may reduce demand for Restamax's services and the sales of its products, especially in nightclubs.

If stricter legislation concerning alcohol is introduced, by way of shortening serving times or increasing the tax on alcohol, for example, this may have a materially adverse effect on the operating activities, financial position, operating income or future outlook of Restamax or one of its units.

The removal of the tax deductibility of entertainment expenses may reduce the demand for the company's services. As of 1 January 2014, entertainment expenses are no longer deductible; this may lead to companies clearly reducing their level of entertainment expense. Although Restamax has an extensive and geographically distributed customer base that mainly consists of consumers, the removal of the tax deductibility of entertainment expenses may reduce the demand for Restamax's services.

Restamax may fail in its new investments or future company arrangements. Expanding the business is part of Restamax's strategy. When expanding, Restamax may invest in new restaurants and nightclubs and perform mergers or business acquisitions in order to expand its restaurant operations into new localities or to strengthen its service selection or brands. Growth that occurs by means of business acquisitions and new investments involves risks, such as the correctness of the assessments concerning the feasibility of the investments, the adjustment of the purchased operating activities and personnel to the company's operation, and the commitment of the transferred personnel. If Restamax fails in any of the tasks mentioned above, any future mergers or business acquisitions may, if they are realised, have a materially adverse effect on the operating activities, financial position or operating income of Restamax or one of its units, and the share price.

A ruling during a trial or an authoritative process that is negative to the company may adversely affect the company's operating activities. Restamax has extensive operations all over Finland, and its affiliated companies may become a party or an object of a trial, authoritative process or claim that is related to their operation. Due to the nature of trials, authoritative processes and other adversarial processes and claims, their outcome is difficult to anticipate, and no reliable predictions can be made concerning such processes or claims that are currently pending or that can be expected in the future. Any ruling that is negative to Restamax in any trial, authoritative process claim, including the disputes listed in the financial statements under "33 Conditional liabilities and assets and commitments – Pending trials", may have a materially adverse effect on the operating activities, financial position, operating income and future outlook of Restamax or one of its units, and the share price.

Insufficient insurance coverage or the denial of its claims for compensation may have an adverse effect on the company's operating activities. Restamax has aimed to protect itself by taking out insurance coverage that is suitable for the industry that it operates in, and that the management considers necessary in terms of the company's operating activities. The restaurant and nightclub business includes accident risks, and unforeseen consequences, such as fires, may disturb the company's operation due to injuries sustained by its personnel and damage to the company's property, the adverse effects on the continuity of the company's operating activities, or other reasons. By taking out insurance coverage, the company aims to protect itself against material losses and losses due to interruptions in its operating activities. Although it is the understanding of the company's management that the insurance coverage is sufficient and that it corresponds to the normal

practices of the industry, it is nevertheless possible that the insurance coverage is not comprehensive enough in terms of risks or accidents or in other respects. The insurance companies may also deny Restamax's claims for compensation entirely or in part, or it may be possible that the insurance companies are unable to fulfil their commitments in the manner required by the insurance contract. If a risk related to insurance coverage is realised, it may have a materially adverse effect on the operating activities, financial position, operating income and future outlook of the company or one of its units, and the share price.

The realisation of tax risks may lead to financial losses that may have an adverse effect on the company's operating activities. Estimating tax costs at the group level requires careful consideration, and there are uncertainties related to the final amount of tax in relation to many business activities and calculations. For example, there are task risks related to performed company restructurings or changes in tax legislation, the interpretation of tax legislation in ways that are incorrect or in contrast to the tax authorities' opinion, or the acceptability of the pricing used in intragroup transactions. The realisation of tax risks may lead to increases in fees or taxes or to sanctions defined by the tax authorities, which in turn may lead to financial losses. Although the company uses external resources to manage tax risks, it cannot be completely ensured that all tax risks can be detected and avoided. If any of the risks above is realised, it may have a materially adverse effect on the operating activities, financial position, operating income and future outlook of the company or one of its units, and the share price.

The primary financial risks for the company are liquidity risk, interest risk and credit risk. The company finances its operating activities and growth using income from operations as well as equity and credit capital. The financial position and liquidity of the company are affected by its future cash flow and its related risk factors, and the availability of financing.

Goodwill has been tested during the last quarter of 2013. According to the impairment tests of these assets, goodwill has not been impaired.

Shareholders

At the beginning of 2013, the company had 8 shareholders. The number of shareholders has increased substantially during the direct right issue and the initial public offering. According to the list of shareholders, the company had 531 shareholders on 31 December 2013 and over 560 shareholders on 21 March 2014.

On 21 March 2014, the company's ten largest shareholders were as follows:

Shareholder	Shares (pcs)	%
Mr Max Oy*	5,030,000	30.71
Tamames Holding Sweden Ab	1,923,080	11.74
Niemi Mika	1,916,276	11.70
Ramanetto Oy*	1,001,540	6.11
Sign Systems Finland Oy	1,001,540	6.11
Sijoitusrahasto Evli Suomi Pienyhtiöt	708,311	4.32
Finngastro Oy**	420,000	2.56
Pohjola Pankki Oyj (custodian)	301,874	1.84
Skandinaviska Enskilda Banken Ab (Publ) Helsinki branch (custodian)	289,627	1.77
Elo Mutual Pension Insurance	271,566	1.66
Total	12,863,814	78.54

*Entities controlled by board members Timo Laine and Mikko Aartio.

**Entity controlled by chief executive officer Markku Virtanen.

Shares owned by management

On 31 December 2013, Restamax Plc had 14,249,640 shares.

Finngastro Oy, an entity controlled by chief executive officer Markku Virtanen owned 420,000 shares in Restamax Plc, representing 2.95% of all the shares in the company.

Mr Max Oy, an entity commonly controlled by Timo Laine, the chairman of the Board of Directors, and Mikko Aartio, a permanent member of the Board of Directors, owned 5,030,000 shares in Restamax Plc as of 31 December 2013; Ramanetto Oy, also controlled by the same, owned 1,001,540 shares. Furthermore, Tampereen Ravintolatoimi Oy, an entity controlled by Timo Laine, owned 137,630 shares in Restamax Plc as of 31 December 2013. As of 31 December 2013, Mikko Aartio personally owned 4,000 shares in Restamax Plc, and Eiran Ravintolatoimi Oy, an entity controlled by Aartio, owned 68,820 shares in Restamax Plc. In total, Timo Laine and Mikko Aartio owned, either personally or through entities commonly or individually controlled by them, 6,241,990 shares in Restamax Plc, representing 43.80% of all the shares in the company.

Permanent board member Sami Asikainen owned 2,900 shares in Restamax Plc as of 31 December 2013, representing 0.02% of all the shares in the company.

Permanent board member Petri Olkinuora owned 12,500 shares in Restamax Plc as of 31 December 2013, representing 0.09% of all the shares in the company.

Avantline Oy, an entity controlled by permanent board member Turo Levänen owned 153,840 shares in Restamax Plc as of 31 December 2013, representing 1.08% of all the shares in the company.

As of 31 December 2013, permanent board member Jarmo Viitala personally owned 24,900 shares in Restamax Plc; Sign Systems Finland Oy, an entity controlled by Viitala, owned 1,001,540 shares in Restamax Plc. Jarmo Viitala and entities controlled by him owned a total of 1,026,440 shares in Restamax Plc as of 31 December 2013, representing 7.20% of all the shares in the company.

Board of Directors' authorisations

On 5 September 2013, the shareholders made a decision in accordance with Chapter 5, Section 1 of the Limited Liability Companies Act (624/2006) to authorise the Board of Directors to decide on an equity issue and to issue special rights related to shares in accordance with Chapter 10, Section 1 of the above act; the Board of Directors may use the right to issue a maximum of 6,300,000 new shares in the company. The Board of Directors may use the right to decide on a special issue, i.e. to deviate from the shareholder priority. The new shares may be issued with or without payment. However, a special issue may only be arranged without payment if a justified financial reason exists in terms of the overall benefit of the company and all of its shareholders. New shares may also be issued in exchange for property given as subscription in kind, or by setting off the subscription price against a receivable that the subscriber has with the company. The subscription price for new shares is registered in the invested unrestricted equity fund. The Board of Directors may use the authorisation on one or more occasions. The board may use the authorisation to, for example, improve the capital structure and liquidity of the company, carry out an equity issue during the listing of the company's share at a stock exchange, use the shares as collateral in a corporate acquisition, to perform other business arrangements, or as part of the share bonus programme of the company or group. Based on the authorisation, the Board of Directors is entitled to issue option rights and other special rights referred to in Chapter 10, Section 1 of the Limited Liability Companies Act (624/2006); these rights entitle the recipient to receive new shares by paying for them in cash or by setting off the subscription price with a receivable that the subscriber has from the company. The Board of Directors will decide on the other issues related to equity issues and granting option rights and special rights. The authorisation remains in force until 31 July 2015.

On 25 November 2013, Restamax Plc's Board of Directors approved the subscriptions of the equity issue of November 2013, using the authorisation granted by the unanimous shareholder decision on 5 September 2013. The number of shares issued was 3,600,000.

After the end of the financial period, on 4 March 2014, the board decided on the basis of the authorisation granted by the unanimous shareholder decision on 5 September 2013 to arrange a directed rights issue as part of the payment of the purchase price for the Rengasravintolat group. The number of shares issued was 2,130,000.

The board is authorised to issue an additional 570,000 shares.

The board is not authorised to purchase or assign the company's own shares.

Estimate of probable future development

The company estimates that turnover in 2014 will grow to MEUR 86–97. The company estimates that the 2014 EBITDA will increase to MEUR 14.5–16.3, and that profits will increase to MEUR 8.7–10.4. The estimate is based on the management's opinion of the future development of the operating activities that were a part of the Restamax group on 31 December 2013, and the effect of the acquisitions of Hans Välimäki's restaurant operations and the Rengasravintola group on the operating activities of Restamax Plc during the 2014 financial period.

Group income statement (IFRS)

TEUR	Note	1 January -31 December 2013	1 January - 31 December 2012
Turnover	21	65,033.2	60,773.4
Other operating income	22	1,674.5	935.0
Materials and services	23	-26,176.4	-23,960.4
Staff expenses	24	-10,395.5	-9,677.5
Other operating expenses	26	-20,989.9	-18,131.8
EBITDA		9,146.0	9,938.7
Depreciations, amortisations and impairment	25	-5,094.6	-4,219.2
Operating profit		4,051.4	5,719.5
Share of associated company profits	10	-19.4	-56.6
Financial income	27	27.5	17.6
Financial expenses	27	-478.7	-510.7
Financial expenses (net)	27	-451.2	-493.1
Profit/loss before taxes		3,580.8	5,169.7
Income taxes	28	-1,400.4	-1,195.4
Change in deferred taxes	17.28	727.8	-186.5
Profit for the financial period		2,908.2	3,787.8
Attributable to:			
Parent company shareholders		2,564.6	3,075.5
Minority shareholders		343.5	712.3
Total		2,908.2	3,787.8
Earnings per share calculated from the profit to parent company shareholders			
Earnings per share (euros), undiluted, profit from financial period	7	0.24	0.31
Earnings per share (euros), diluted, profit from financial period	7	0.24	0.31
Extensive consolidated income statement			
Profit for the financial period		2,908.2	3,787.8
Other comprehensive income for the financial period (after taxes):			
Financial assets available for sale	13	-3.0	0.0
Total comprehensive income of the period		2,905.1	3,787.8
Attributable to:			
Parent company shareholders		2,561.6	3,075.5
Minority shareholders		343.5	712.3
Total		2,905.1	3,787.8

The notes on pages 15–57 are a material part of the financial statements

Group balance sheet (IFRS)

TEUR	Note	31 December 2013	31/12/2012
ASSETS			
Non-current assets			
Intangible assets	8	9,337.8	9,648.5
Property, plant and equipment	9	18,063.5	20,062.9
Shares in associates	10	0.0	20.3
Financial assets available for sale	13	321.3	324.5
Interest-bearing loan assets	12	227.8	131.3
Non-interest-bearing other receivables	12	390.0	74.2
Deferred tax assets	17	805.4	410.7
Non-current assets total		29,145.7	30,672.3
Current assets			
Inventories	11	1,284.7	1,342.4
Interest-bearing loan assets	12	116.3	0.0
Trade and other receivables	12	4,183.3	3,819.2
Financial assets recognised at fair value through profit and loss	14	11,006.2	0.0
Cash and cash equivalents	15	3,034.2	3,423.3
Current assets total		19,624.6	8,584.9
Non-current asset items available for sale		0.0	0.0
Assets in total		48,770.2	39,257.2
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital	16	150.0	150.0
Invested unrestricted equity fund	16	24,352.3	6,850.0
Fair value fund	16	-13.3	-10.3
Retained earnings	16	3,556.6	4,327.9
Equity convertible loan	16	0.0	1,439.4
Total equity attributable to parent company shareholders		28,045.6	12,757.0
Minority shareholders	16	250.8	896.0
Equity total		28,296.4	13,653.0
Non-current liabilities			
Deferred tax liabilities	17	329.5	657.5
Financial liabilities	18	5,795.4	6,698.4
Trade payables and other liabilities	20	1,297.3	2,012.1
Non-current liabilities total		7,422.2	9,368.0
Current liabilities			
Financial liabilities	18	3,617.9	2,892.1
Trade payables and other liabilities	20	9,433.8	13,344.1
Current liabilities total		13,051.7	16,236.2
Liabilities related to non-current for-sale assets		0.0	0.0
Liabilities total		20,473.9	25,604.2
Equity and liabilities in total		48,770.2	39,257.2

The notes on pages 15–57 are a material part of the financial statements

Consolidated statement of changes in equity

The notes on pages 17 – 62 are a material part of the financial statements

TEUR	Note	Share capital	Invested unre- stricted equity	Fair value fund	Retained earnings	Equity converti- ble loan	Total	Minority sharehold- ers' share	Equity total
Equity on January 1 2012	16	150.0	6,850.0	-10.3	2,669.3	193.7	9,852.7	930.9	10,783.6
Comprehensive income for the review period									
Profit for the review period					3,075.5		3,075.5	712.3	3,787.8
Other comprehensive income (after taxes)									
Total comprehensive income for the financial period					3,075.5		3,075.5	712.3	3,787.8
Transactions with sharehold- ers									
Equity convertible loan	16					1,245.7	1,245.7		1,245.7
Dividend distribution	16				-1,400.0		-1,400.0	-510.3	-1,910.3
Changes in minority share- holders' shares without change in controlling interest					-16.9		-16.9	-236.9	-253.8
Transactions with sharehold- ers, total					-1,416.9	1,245.7	-171.2	-747.2	-918.4
Equity on 31 December 2012	16	150.0	6,850.0	-10.3	4,327.9	1,439.4	12,757.0	896.0	13,653.0
Equity on 01/01/2013	16	150.0	6,850.0	-10.3	4,327.9	1,439.4	12,757.0	896.0	13,653.0
Comprehensive income for the review period									
Profit for the review period					2,564.6		2,564.6	343.6	2,908.2
Other comprehensive income (after taxes)									
Financial assets available for sale				-3.0			-3.0		-3.0
Total comprehensive income for the financial period				-3.0	2,564.6		2,561.6	343.6	2,905.2
Transactions with sharehold- ers									
Equity convertible loans	16					-1,439.4	-1,439.4		-1,439.4
Dividend distribution	16				-1,400.0		-1,400.0	-641.0	-2,041.0
Share issue			18,542.9				18,542.9		18,542.9
Expenses directly from the issue of new shares adjusted with taxes			-1,040.6				-1,040.6		-1,040.6
Changes in minority share- holders' shares without change in controlling interest					-1,936.0		-1,936.0	-347.8	-2,283.8
Transactions with sharehold- ers, total			17,502.3		-3,336.0	-1,439.4	12,727.0	-988.8	11,738.2
Equity on 31/12/2013	16	150.0	24,352.3	-13.3	3,556.6	0.0	28,045.6	250.8	28,296.4

Group cash flow statement (IFRS)

TEUR	2013	2012
Operating cash flow		
Profit from financial period	2,908.2	3,787.8
Adjustments:		
Non-cash transactions	-1,165.6	-148.9
Depreciations, amortisations and impairment	5,110.5	4,219.2
Financial expenses (net)	451.2	493.1
Taxes	673.0	1,381.9
Share of profits/losses of associated companies	19.4	56.6
Cash flow before change in working capital	7,996.7	9,789.7
Changes in working capital:		
Increase (-)/deduction (+) in accounts receivable and other re- ceivables	75.2	-274.0
Increase (-)/deduction (+) in inventories	57.7	13.3
Increase (+)/deduction (-) in accounts payable and other liabilities	-2,298.2	2,639.6
Change in working capital	-2,465.3	2,378.8
Dividends received	4.6	3.7
Interest paid and other financial costs	-468.6	-489.6
Interest received	21.0	5.1
Taxes paid	-2,181.2	-960.8
Cash proceeds from the sales of advertising space and contract payments	0.0	1,420.0
Operating net cash flow	2,907.2	12,147.0
Investment cash flow		
(*) Investments in financial assets available for sale	-11,000.0	0.0
Investments in tangible and intangible assets (-)	-3,614.1	-8,647.4
Deduction (+)/increase (-) of non-current loan assets	-382.9	55.9
Acquisition of subsidiaries with time-of-acquisition liquid assets deducted	0.0	-145.1
Sale of subsidiaries with time-of-sale liquid assets deducted	1.6	0.0
Business transactions, acquisitions (-)	0.0	-1,371.2
Business transactions, sales (+)	249.4	277.0
Investment net cash flow	-14,746.0	-9,830.9
Finance cash flow		
(**) Repayment of equity convertible loans	-2,714.8	-29.7
Non-current loans drawn (+)	1,000.0	3,000.0
Non-current loans repaid (-)	-1,679.4	-1,932.4
Current loans drawn (+)/repaid (-)	550.9	-653.5
Acquisition of shares of minority shareholders (-)	-215.4	-195.7
Sale of shares of minority shareholders (+)	0.0	0.0
Amortisations of finance leases (-)	-89.1	-8.5
Dividends paid	-542.3	-547.5
Payments received in share issue	16,518.0	0.0
Payments directly from the issue of new shares	-1,378.3	0.0
Finance net cash flow	11,449.7	-367.3
Change in liquid assets	-389.1	1,948.8
Liquid assets 1 Jan	3,423.3	1,474.4

Liquid assets 31 Dec	3,034.2	3,423.3
Change	-389.1	1,948.8

The notes on pages 17 – 62 are a material part of the financial statements

(*) Assets invested in a bond fund, from which assets can be realised in two days.

(**) Equity convertible loan has been converted from the dividend payments made during the financial period, which has been paid off at the end of the financial period.

1 Notes to consolidated financial statements

Basic company information

The parent company for the group is the Finnish public limited company Restamax Plc (hereinafter referred to as the "Company"), whose domicile is Tampere and postal address is Näsilinnankatu 48 E, FI-33200 Tampere, Finland. The main industry segment of the group is the production of restaurant services. The company's largest shareholder is Mr Max Oy, whose domicile is Tampere.

Restamax Plc and its subsidiaries (collectively referred to as "Restamax" or the "Group") are a Finnish group that operates in the restaurant business; its operations are entirely focused on Finland. The group includes 68 bars, restaurants and nightclubs in different parts of the country; of these, 59 are operated by the Group and 9 are sublet. The Group also has other operating activities that support the restaurant industry. The group's restaurant concepts include The nightclubs Viihdemaailma Ilona and London, the restaurants Stefan's Steakhouse, Daddy's Diner and Gringos Locos, the Galaxie Center activity restaurants, the Wayne's Coffee cafés, and many others.

A copy of the consolidated financial statements is available at the website www.restamax.fi, or in the main office of the Group's parent company at the above address.

Restamax Plc's Board of Directors has approved the publication of these financial statements in its meeting on 28 March 2014. According to the Finnish Limited Liability Companies Act, shareholders are authorised to approve or reject the financial statements in a general meeting held after its publication. The general meeting can also decide on the amendment of the financial statements.

Accounting policies

These are the second financial statements for the Restamax Group that have been drawn up in accordance with the International Financial Reporting Standards (IFRS), and they have been drawn up in adherence to the IAS and IFRS standards in force as of 31 December 2013, as well as the SIC and IFRIC interpretations issued in relation to them. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in the EU's regulation (EC) No. 1606/2002 and embodied in the Finnish Accounting Act and provisions issued under it. The notes to the consolidated financial statements have also been prepared in accordance with the requirements in Finnish accounting legislation and Community law that complement the IFRS regulations.

The information in the consolidated financial statements is based on historical costs, except where otherwise stated in the accounting policies.

Monetary figures in the financial statements are expressed in thousands of euros unless otherwise stated. The company's functional currency is the euro.

New standards and interpretations applied

The following new standards, interpretations and amendments to existing standards and interpretations have been adopted as of 1 January 2013:

- Amendment to IAS 1 *Presentation of Financial Statements* (effective for financial periods beginning on or after

1 July 2012). The key amendment was the requirement to group the other items in the total comprehensive income according to whether or not they may be later transferred to profit and loss under specific conditions. The amendment only affected the presentation, and did not significantly affect the financial position or income of the Group.

- Amendment to IAS 19 *Employee Benefits* (effective for financial periods beginning on or after 1 January 2013). The amendments imply that, going forward, actuarial gains and losses will immediately be registered under the other items in the total comprehensive income, that is, the corridor approach has been discontinued and the finance charge is defined on the basis of the net reservation. The amendment had no effect on the consolidated financial statements.
- IFRS 13 *Fair Value Measurement* (effective for financial periods beginning on or after 1 January 2013). The aim of the standard is to increase convergence and to reduce complexity, as it provides an exact definition for fair value and combines the requirements for fair value definition and the required notes under the same standard. The use of fair value is not expanded, but instruction for its definition is provided whenever its use is allowed or required by another standard. The new standard expanded the notes that apply to assets recognised at fair value. The new requirements did not have a material effect on the consolidated financial statements.
- Amendment *Offsetting Financial Assets and Financial Liabilities* to standard IFRS 7 *Financial Instruments: Financial Statement Disclosures* (effective for financial periods beginning on or after 1 January 2013). The amendment specifies the note requirements concerning the financial instruments presented in the balance sheet at net value, as well as general netting arrangements and similar agreements. The amendment had no material effect on the consolidated financial statements.
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (effective for financial periods beginning on or after 1 January 2013). The interpretation had no effect on the consolidated financial statements.
- *Annual Improvements to IFRSs* (2009 – 2011, May 2012, effective for financial periods beginning on or after 1 January 2013). The Annual Improvement procedure is used to collect minor and less urgent amendments to the standards into a single entity that is implemented once per year. The amendments included in the project involved a total of five standards. The effects of the changes vary by standard, but they did not have a significant effect on the consolidated financial statements.

2 Accounting policies requiring management consideration and key sources of estimation uncertainty

Use of estimates

Consolidation in accordance with the IFRS standards requires the use of specific estimates and assumptions that affect the reported figures. The estimates and assumptions included in the financial statements are based on the management's best possible opinion on the closing date. These estimates and assumptions affect the assets and liabilities in the balance sheet, the presentation of contingent assets and liabilities in the notes, and the income and expenses from the financial period. The estimates are based on earlier experience, market information and several other assumptions that may be considered reasonable, but the actual figures may differ from these values due to different assumptions or conditions. The management must employ its judgment when following the accounting policies, and it must prepare estimates concerning income tax, goodwill impairment tests, reservations and contingent liabilities, for example. These policies and estimates require the management to make subjective and complicated, judgment-based estimates, such as those concerning the effects of factors that are uncertain by nature.

Income taxes

The tax costs in the income statement are based on the taxable income from the financial period and the deferred tax. Taxes are recognised in profit or loss, except in cases where they are directly related to items registered as equity or other items in the total comprehensive income. In these cases, their tax effects are also registered as equity in these items. Tax based on the taxable income from the financial period is calculated using the taxable income and the applicable tax rate in each country. The taxes are adjusted by any taxes related to previous financial periods.

Deferred tax is calculated for any temporary differences between carrying amounts and tax bases. The largest temporary differences are generated by the differences between the carrying amounts and tax bases of property, plant and equipment, fair value adjustments of assets and liabilities during business combinations, and unused tax losses. Deferred taxes have been calculated using the tax rates that have been enacted or substantively enacted on the closing date.

Deferred tax assets are recognised up to the probable amount of future taxable income against which the temporary difference can be utilised. The prerequisites for recognising deferred tax assets are estimated in this respect on each closing date.

However, deferred tax liabilities are not recognised when the asset or liability in question is one that would be originally entered into the bookkeeping, business combination is not involved, and the entry of such an asset or liability does not affect the result of the bookkeeping or the taxable income at the time when the business transaction takes place.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset the current tax assets and liabilities, and when the deferred tax assets and liabilities are related to taxes on income collected by the same recipient, either from the same taxpayer or different taxpayers, when the aim is to realise the asset and liability in their net amounts.

Provisions and contingent payables

A provision is entered when the Group has a judicial and constructive obligation for payment on the basis of a past event, the realisation of the obligation is probable and the size of the obligation can be reliably estimated. Provisions are recognised at the present value required to cover the obligation. The discount factor used for calculating the present value is selected in a manner where it is representative of the market opinion of the value of money over time and the risks related to the obligation. If a part of the liability can be received as reimbursement from a third party, the reimbursement will be registered as separable assets when the reimbursement has been practically ensured. The provision amounts are estimated on each closing date, and their amounts are adjusted to correspond to the best possible estimate at the moment of inspection. Changes in the provisions are entered in the income statement under the same item as the one where the provision was originally entered.

A provision will be entered for a contract that generates a loss when the necessary expenditures required to fulfil the obligations outweigh the benefits received from the contract.

A contingent liability is a possible liability arising from past events whose existence will only be confirmed when an uncertain event outside the Group's control is realised. A present obligation that is not likely to cause a payment obligation, or whose size cannot be reliably determined is also considered to be a contingent liability. Contingent liabilities are presented in the notes to the financial statements.

Estimated goodwill impairment

Impairment testing compares the book value of a group of units including goodwill and generating cash flow to its recoverable amount per year, and determines its possible impairment. The recoverable amount from the group of units generating cash flow is based on utility value calculations. The discount rate takes industry-specific factors into account.

In the testing, the recoverable amount is estimated using budgets, forecasts and terminal periods, and the sensitivity of the calculations is analysed in terms of changes to the discount rate, profitability and residual values. Changes to these estimates or the structure or number of the units or unit groups may cause impairment of the fair values of commodities or the goodwill. The estimates concern the expected selling prices of the products, the expected price development of the product costs, and the discount rate.

3 Accounting principles for the consolidated financial statements

Consolidation principles

Subsidiaries are companies where the Group has a controlling interest. Control is established when the Group owns more than half the voting rights, or it otherwise has a controlling interest over the operation of the company. The existence of potential voting rights has been taken into account when estimating the prerequisites for control

whenever the instruments providing potential voting rights can be implemented at the time of the review. Control means the right to determine the principles of the company's finances and operation in a manner where its operations create benefits.

The acquisition method has been used to eliminate mutual share ownership between the Group's companies. Subsidiaries are consolidated into the consolidated financial statements starting from the date when control is transferred to the Group; assigned subsidiaries are retained in the consolidated financial statements until the date when the control ceases. The amount by which the purchase cost exceeds the Group's share of the fair value of the purchased net identifiable assets is recognised as goodwill. If the purchase cost is lower than the net assets of the acquired subsidiary, the difference is marked as income in the income statement.

Acquisition-related expenditures, excluding the expenditures from issuing current liability and equity convertible securities, have been recognised as expenses. Any contingent additional purchase price has been recognised at fair value at the moment of the acquisition, and has been classified as liability or equity, accordingly. Additional purchase price classified as liability is recognised at fair value for each closing date, and the generated profit or loss is recognised. Additional purchase price classified as equity will not be recognised again. Any possible non-controlling interests in the object of acquisition are recognised at either fair value or an amount corresponding to the proportion of non-controlling interests in the net identifiable assets of the object of acquisition. The recognition principle is defined separately for each business acquisition.

Intragroup transactions, receivables and payables as well as unrealised gains are eliminated when drawing up the consolidated financial statements. Unrealised losses are not eliminated if the loss is caused by impairment. Where necessary, the accounting policies for subsidiaries have been amended to correspond to those of the Group.

The distribution of the profit or loss for the financial period between the owners of the parent company and the minority shareholders is presented in a separate income statement. The distribution of the comprehensive income between the owners of the parent company and the minority shareholders is presented together with the comprehensive income statement. The comprehensive income is directed towards the minority shareholders, even if this should lead to the non-controlling interests becoming negative. The portion of equity belonging to the minority shareholders is presented as a separate item in the balance sheet, as part of equity. Changes to the parent company's ownership interest in the subsidiary that will not lead to loss of control are recognised as operating activities involving equity. If an acquisition is completed in stages, the earlier ownership interest is recognised at fair value, and the generated profit or loss is recognised. When the Group loses controlling interest in a subsidiary, the remaining portion is recognised at fair value on the date of the loss of control, and the difference is recognised in profit or loss.

Associates are companies where the Group has significant influence. Significant influence is mainly generated when the Group owns over 20 per cent of the company's voting rights, or when the Group has significant influence, but does not have a controlling interest. Associates are consolidated into the consolidated financial statements by using the equity method. If the Group's share of the losses of an associate exceeds the book value of the investment, the investment is recognised at zero value in the balance sheet; losses exceeding the book value are not consolidated unless the Group is committed to fulfilling the liabilities of the associate. Investment in an associate includes the accrued goodwill. Unrealised gains between the Group and associate have been eliminated in accordance with the Group's ownership interest. The portion of the associates' income from the financial period corresponding to the Group's ownership interest is presented as a separate item after the operating profit. Correspondingly, the Group's share of the changes registered in the other items of the associate's comprehensive income is entered in the other items of the Group's comprehensive income. The Group's associates did not have such items during the financial periods 2012–2013.

The consolidated financial statements include the parent company Restamax Plc and its subsidiaries with their subsidiaries. The subsidiaries and associates consolidated into the consolidated financial statements are broken down in note 31.

Segment reporting

The Group's core business is the restaurant business, and it operates solely on the domestic market. The Group's management group has been named as the top operative decision-maker responsible for resource allocation and income estimates. The Group's operating activities are managed and followed as one entity, and therefore, the group has only one operating segment. The figures followed by the top decision-maker do not materially differ from those presented in the Group's income statement and balance sheet. Since the Group only operates in Finland, a separate geographical distribution is not presented.

Items denominated in a foreign currency

The consolidated financial statements are presented in euros, which is the operating and presentation currency for the Group's parent company.

Business transactions denominated in a foreign currency have been recognised in the functional currency, using the exchange rate in force on the date of the transaction. Monetary items denominated in a foreign currency have been converted into the functional currency using the exchange rates on the end date of the reporting period. Profits and losses generated by business transactions denominated in a foreign currency and conversion of monetary items have been recognised. Foreign exchange gains and losses are included in the corresponding items above the operating income. The Group has minor items denominated in a foreign currency.

Property, plant and equipment

Property, plant and equipment have been recognised according to their original cost deducted by the accumulated depreciations and devaluations. The original cost includes the immediate costs for the purchase. Expenditure accumulated later is only included in the book value or entered as a separate commodity if it is likely that the future economic benefit related to the commodity will be to the benefit of the Group, and if the purchase cost for the commodity can be reliably defined. Repair and maintenance costs are recognised in profit or loss for the period during which they were realised. If a fixed asset commodity consists of several parts with useful lives of different lengths, each part is processed as a separate commodity. As is typical for the industry segment, property, plant and equipment also includes periodic modification and renovation costs of the rental premises of restaurants; these consist of the interior finishing work for rental premises, for example.

Depreciation of property, plant and equipment is calculated as degressive depreciation from book value, or as straight-line depreciation, where the purchase cost is entered as expense over the useful lives as follows:

Machinery and equipment, residual value depreciation 25.0%
Modification and renovation expenses for rental premises 5–10 years

The residual values of tangible assets and their useful lives are verified at least once per year on the closing date, and adjusted by their devaluation when necessary. On each closing date, the Group will evaluate whether there are signs that the value of an asset has degraded. If the book value of an asset is higher than its recoverable amount, the book value of the asset will be immediately lowered to match the recoverable amount. When proper-

ty, plant and equipment are classified as available for sale in accordance with the IFRS 5 standard, the entry of depreciations is discontinued.

The profits and losses from the sales of tangible assets are included in the income statement as other gains or expenses from operating activities.

Intangible assets

The Group's intangible assets mainly consist of goodwill generated from business combination as well as other intangible assets resulting from the same, such as the rights to use names, non-competition agreements and beneficial lease agreements.

As regards acquisitions after 1 January 2010, goodwill generated from business combination is recognised at the amount by which the assigned purchase consideration, the share of non-controlling interests in the object of acquisition and the earlier owned share combined exceed the fair value for the acquired net assets. Goodwill from business combination before this date corresponds to the book value according to the earlier generally accepted accounting principles that has been used as the deemed cost in the IFRS standards. The classification or accounting processing of these acquisitions has not been adjusted when drawing up the Group's comprehensive IFRS balance sheet.

Depreciations of goodwill or other intangible assets with unlimited useful lives are not entered; instead, they are tested for possible impairment each year. Non-competition agreements that are valid until further notice are considered to have an unlimited useful life. Goodwill and the non-competition agreements mentioned above are recognised according to their original cost deducted by the devaluation.

Other intangible assets with a limited useful life that have been specified during business combination are registered separately from goodwill in the balance sheet if they fit the definition of a commodity and can be itemised, or if they are created by agreements or legal rights and their fair value can be reliably defined. Such intangible assets are recognised according to their original cost and depreciated using straight-line depreciation during their known or estimated useful life as follows:

Right to use a name	10 years
Non-competition agreement	2–3 years
Beneficial lease agreements	10 years

The Group did not have research and development costs in 2012–2013.

Impairment of tangible and intangible assets

On each closing date, the Group evaluates whether there are signs that the value of an asset has degraded. If these signs should appear, the recoverable amount for the asset is estimated. Furthermore, recoverable amounts are estimated each year for the following assets, regardless of whether there are signs that their value has degraded: goodwill, intangible assets with unlimited useful lives and incomplete intangible assets. The need to enter a devaluation is examined on the level of the cash-generating unit or units, that is, the lowest level that is mostly independent of the other units and whose cash flow can be separated from the other cash flows.

The recoverable amount is the fair value of the asset deducted by the costs to sell, or the value in use, if it is higher. The value in use refers to the estimated deferred net cash flows that are available from the asset or

cash-generating unit, discounted to their present value. The discount rate is the rate before tax that presents the market's view of the value of money over time, and the special risks related to the asset or cash-generating unit.

An impairment loss is entered when the book value of an asset is lower than its recoverable amount. The impairment loss is immediately entered in the income statement. The impairment loss of a cash-generating unit is primarily allocated to reduce the goodwill of a cash-generating unit, and secondarily, it is used to impair the unit's other assets on a pro rata basis. The useful life of the depreciable asset is reassessed when an impairment loss is entered. An impairment loss entered for an asset is withdrawn whenever a change occurs in the estimates that have been used to determine the recoverable amount for the asset.

However, impairment loss is only withdrawn up to the book value of the commodity without any impairment loss. Impairment loss for goodwill is not withdrawn under any circumstances.

Lease agreements

The Group as a lessee

Lease agreements concerning property, plant and equipment where the Group receives a material part of the risks and benefits of ownership are classified as finance lease agreements. Assets acquired by means of such an agreement is entered in the balance sheet at the commencement of the lease term at the fair value of the commodity, or at the present value of the minimum lease payments, whichever is lower. Commodities acquired using finance lease agreements are depreciated over the useful life of the commodity, or, whenever there is no certainty that ownership rights will be transferred to the lessee after the lease term, over a lease term that is shorter than the useful life. The lease payments paid are divided between finance charges and repayment of debt over the lease term, so that the remaining debt for each period will have a similar interest rate. The lease liabilities are included in financial liability.

Lease agreements where the lessor is responsible for the risks and benefits of ownership are processed as other lease agreements. Lease payments on the basis of other lease agreements are entered in the income statement as annuities over the lease term.

The Group as a lessor

Commodities leased out with agreements other than finance lease agreements are included in the property, plant and equipment of the balance sheet. They are depreciated over their useful life, similarly to property, plant and equipment that is being used by the Group for similar purposes. Lease income is entered into the income statement as annuities over the lease term.

Inventories

Inventories are recognised according to their purchase cost or their net realisable value, whichever is lower. Purchase cost is defined using a weighted average price method. The purchase cost includes the immediate expenses for the purchase, with value added tax deducted. The net realisable value is the estimated selling price that can be achieved during ordinary course of business, deducted by the costs to sell.

Inventories include ingredients for restaurant food as well as alcohol and tobacco products.

Pension obligations

Pension obligations are defined as benefit-based or defined contribution plans. The Group's pension plans in Finland, as required by legislation, have been classified as defined contribution plans. In a defined contribution plan, the group pays fixed fees for a pension plan to a pension insurance company. The Group is not legally or constructively obligated to make additional payments if the recipient of the payments does not have sufficient funds to pay the pension benefits that the employees have earned for the current period or periods preceding it. In a defined contribution plan, the payments made are entered into the income statement for the financial period that the charge applies to.

Income recognition principles

Sale of goods

The Group's turnover is mostly generated from the sale of drinks, food and cigarettes within its restaurant business. The amount of profit entered at the time of sale consists of the fair value of the compensation that is or will be received for the sold item, deducted by any value added tax as well as volume discounts and other discounts. Most of the Group's income is generated from retail sales, where the payment instruments are cash and credit cards.

Sale of services

Sale of services is entered as income for the financial period during which the service is performed and during which the financial benefits from the service will probably be received. Income received from the sales of advertising space, marketing space or other similar space, as well as tickets, is also considered to be a part of the Group's income.

Rental income

Rental income is recognised as annuities over the lease period.

Interest and dividends

Interest income is entered using the effective interest method, and dividend yield is entered for the period during which the right to the dividend has been generated.

Non-current assets classified as held for sale and discontinued operation

Non-current assets (or disposal groups) and assets and liabilities related to discontinued operation are classified as held for sale if the amount corresponding to their book value will mostly be generated by the sale of the asset instead of continued use. The prerequisites for classification as held for sale are considered to be met when the sale is highly probable and the asset (or disposal group) can be immediately sold in its present condition using common terms, and when the management is committed to the sale and the sale is expected to take place within one year from the classification.

Immediately before the classification, the assets classified as held for sale or the assets and liabilities of the disposal groups are recognised according to the applicable IFRS standards. Starting from the classification, the assets held for sale (or the disposal group) are recognised at book value or fair value deducted by the costs to sell, whichever is

lower. The depreciation of these assets is discontinued at the moment of classification.

Assets in the disposal group that are not within the scope of the IFRS 5 standard recognition rules, as well as liabilities, are recognised according to the applicable IFRS standards even after the moment of classification.

Discontinued operation refers to a part of the Group that has been discontinued or classified as held for sale and that meets the classification criteria for discontinued operation in accordance with IFRS 5.

The net income for discontinued operations is presented as a separate item in the group's statement of comprehensive income. Assets held for sale, disposal groups, items related to assets held for sale that are registered in other items of the comprehensive income and liabilities included in the disposal group are presented separately from the other items in the balance sheet.

EBITDA and operating income

The standard IAS 1 *Presentation of Financial Statements* does not define the concepts of EBITDA or operating income. The Group has defined them in the following way: EBITDA is the net sum created when other operating income is added to the turnover, and the acquisition costs of materials and services adjusted by the changes in the inventory, staff expenses and other operating costs are deducted. All the income statement assets other than those mentioned above are presented below EBITDA; operating income is the resulting net sum when depreciations and any possible impairment loss is deducted from EBITDA. Exchange differences are included in EBITDA, if they are due to items related to operating activities; otherwise, they are entered under financial items.

Reserves and contingent liabilities

A provision is entered when the Group has a judicial or constructive obligation for payment on the basis of a past event, the realisation of the obligation is probable and the size of the obligation can be reliably estimated. Provisions are recognised at the present value required to cover the obligation. The discount factor used for calculating the present value is selected in a manner where it is representative of the market opinion of the value of money over time and the risks related to the obligation. If a part of the liability can be received as reimbursement from a third party, the reimbursement will be registered as separable assets when the reimbursement has been practically ensured. The provision amounts are estimated on each closing date, and their amounts are adjusted to correspond to the best possible estimate at the moment of inspection. Changes in the provisions are entered in the income statement under the same item as the one where the provision was originally entered.

A provision will be entered for a contract that generates a loss when the necessary expenditures required to fulfil the obligations outweigh the benefits received from the contract.

A contingent liability is a possible liability arising from past events whose existence will only be confirmed when an uncertain event outside the Group's control is realised. A present obligation that is not likely to cause a payment obligation, or whose size cannot be reliably determined is also considered to be a contingent liability. Contingent liabilities are presented in the notes.

Income taxes

The tax costs in the income statement are based on the taxable income from the financial period and the deferred tax. Taxes are recognised in profit or loss, except in cases where they are directly related to items registered as equity or other items in the total comprehensive income. In these cases, their tax effects are also registered as equity

in these items. Tax based on the taxable income from the financial period is calculated using the taxable income and the applicable tax rate in each country. The taxes are adjusted by any taxes related to previous financial periods.

Deferred tax is calculated for any temporary differences between carrying amounts and tax bases. The largest temporary differences are generated by the differences between the carrying amounts and tax bases of property, plant and equipment, fair value adjustments of assets and liabilities during business combinations, and unused tax losses. Deferred taxes have been calculated using the tax rates that have been enacted or substantively enacted on the date of the closing of the books.

Deferred tax assets are registered up to the probable amount of future taxable income against which the temporary difference can be utilised. The prerequisites for recording deferred tax assets are estimated in this respect on each closing date.

However, deferred tax liabilities are not entered when the asset or liability in question is one that would be originally entered into the bookkeeping, business combination is not involved, and the entry of such an asset or liability does not affect the result of the bookkeeping or the taxable income at the time when the business transaction takes place.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset the current tax assets and liabilities, and when the deferred tax assets and liabilities are related to taxes on income collected by the same recipient, either from the same taxpayer or different taxpayers, when the aim is to realise the asset and liability in their net amounts.

Financial assets and liabilities

Financial assets

According to the IAS 39 standard, the Group's financial assets are classified into the following groups: financial assets recognised at fair value in profit or loss, loans and receivables and available-for-sale financial assets. The classification is performed on the basis of the purpose of the acquisition of the financial assets, and the assets are classified during their original acquisition.

Transaction expenses are included in the original book value of the financial assets mentioned above whenever the item is not recognised at fair value in profit or loss. All purchases and sales of financial assets are entered on their trade date, which is the date when the Group commits to purchase or sell the asset.

Financial assets are derecognised whenever the Group waives its contractual rights to the item, the rights are dissolved or the Group loses control of the asset.

The group of financial assets recognised at fair value in profit or loss includes financial assets that have been acquired to be held for trading, such as derivatives and interest funds, or that are classified to be recognised at fair value in profit or loss during their original entry. Unrealised and realised gains and losses are entered into the income statement for the financial period during which they are generated.

Loans and other receivables are non-derivative financial assets that are generated by handing over goods, services or money to the debtor. Loans and receivables are not quoted on the marketplace, and the payments related to them are either fixed or they can be determined. Their measurement basis is an amortised cost using the effective

interest method. In the balance sheet, they are included in the trade and other receivables group as current or non-current assets according to their nature; they are non-current, if the due date is over 12 months away.

Available-for-sale financial assets are non-derivative assets that have been expressly classified into this group or that have not been classified into any others. They are non-current assets, unless the intention is to retain them for less than 12 months after the closing date; in this case, they are included in current assets. Available-for-sale financial assets may consist of shares and holdings. They are recognised at fair value, or, whenever fair value cannot be reliably defined, at their purchase cost. Changes in the fair value of available-for-sale financial assets are entered as equity in the fair value fund in the other items of the comprehensive income statement, taking into account the tax effects. Accumulated fair value changes are moved from equity into the income statement when the investment is sold or whenever its value has degraded to the point where an impairment loss must be entered for the investment.

Financial liabilities

According to standard IAS 39, the Group's financial liabilities are included in the financial liabilities recognised at amortised cost; they consist of loans from financial institutions, trade payables and other financial liabilities. Financial liabilities are originally registered in the books and records at fair value. Transaction expenses are included in the original book value of the financial liabilities. Later, all financial liabilities are recognised at amortised cost using the effective interest method. Financial liabilities are included in both the non-current and current liabilities.

Devaluation of financial assets

On each closing date, the Group estimates whether objective evidence exists of the devaluation of an individual financial asset or a group thereof. If the fair value of share investments has fallen substantially below their purchase cost for a period defined by the Group, this is considered evidence of the devaluation of an available-for-sale share. If evidence of devaluation exists, the loss accumulated in the fair value fund is moved to the income statement. The impairment loss of equity convertible investments classified as available-for-sale financial assets is not withdrawn by means of the income statement, whereas a later cancellation of an impairment loss that involves interest instruments is recognised in profit or loss.

The Group will enter an impairment loss for trade receivables or other receivables when objective evidence exists that the counterparty will be unable to fulfil its obligation. Substantial financial difficulties on part of the debtor, probability of bankruptcy or default of payment constitute evidence of impairment. The size of the impairment loss entered in the income statement is defined as the difference between the book value of the receivable and the current value of the deferred cash flows discounted by the effective rate. If the amount of impairment loss is reduced during a later financial period, and the reduction can be objectively considered to be related to an event that took place after the entry of the impairment, the entered loss is withdrawn and the withdrawal is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash money, money on bank accounts, bank deposits that may be withdrawn upon request, as well as other current and highly liquid investments that can be easily converted into a predetermined cash amount and that carry a low risk of value changes. Items classified as cash and cash equivalent have at most three months' maturity from the date of acquisition. Cash and cash equivalents are recognised at fair value in the balance sheet.

Borrowing costs

Borrowing costs are recognised as an expense for the period during which they were generated. Transaction costs accrued from the acquisition of loans are amortised as interest expenses using the effective interest method.

Share capital

Share capital consists solely of ordinary shares. The immediate expenditure from the issue or acquisition of new shares or other equity instruments, exclusive of tax, is recognised as equity, wherein it reduces the purchase consideration received for the issue. If the company buys back its equity instruments, the purchase cost for the instruments is deducted from equity.

Distribution of dividends

Liability for dividend distribution to the Group's shareholders is recognised for the period during which the general meeting approved the distribution of dividends.

New and revised standards and interpretations to be applied later

IASB has published the following new and revised standards and interpretations that the Group has not yet applied. The Group will be applying them starting from the effective date of each standard or interpretation, or, whenever the effective date is not the first day of the financial period, starting from the financial period following the effective date.

- IFRS 10 *Consolidated Financial Statements and its amendments* (effective within the EU for financial periods beginning on or after 1 January 2014). In accordance with the existing principles, the standard defines that controlling interest is a central factor in deciding whether an entity must be consolidated into the consolidated financial statements. Furthermore, the standard provides additional guidance for defining control when it is difficult to assess. The standard is not expected to have a material effect on the consolidated financial statements. The Group will be applying the standard for the financial period starting on 1 January 2014.
- IFRS 11 *Joint Arrangements and its amendments* (effective within the EU for financial periods beginning on or after 1 January 2014). The standard emphasises the rights and obligations arising from joint arrangements over their judicial form as regards accounting. There are two types of joint arrangements: common functions and joint ventures. Furthermore, the standard requires that only one method, the equity method, be used for reporting shares in joint ventures; the earlier proportionate consolidation method is no longer allowed. The standard is not expected to have a material effect on the consolidated financial statements. The Group will be applying the standard for the financial period starting on 1 January 2014.
- IFRS 12 *Disclosure of interests in other entities and its amendments* (effective within the EU for financial periods beginning on or after 1 January 2014). The standard includes the requirements for notes concerning different shares in other entities, including associated companies, joint arrangements, structured entities and other companies not listed on the balance sheet. The new standard will expand the notes that the Group presents concerning its holdings in other entities. The Group will be applying the standard for the financial period starting on 1 January 2014.

- IAS 28 (renewed in 2011) *Investments in Associates and Joint Ventures* (effective within the EU for financial periods beginning on or after 1 January 2014). The revised standard includes requirements for processing associates and joint ventures using the equity method as a result of the publication of IFRS 11. The Group will be applying the standard for the financial period starting on 1 January 2014.
- IAS 27 (renewed in 2011) *Separate Financial Statements and its amendments* (effective within the EU for financial periods beginning on or after 1 January 2014). The revised standard includes the requirements concerning separate financial statements that remain after the items discussing control have been included in the new IFRS 10. The Group will be applying the standard for the financial period starting on 1 January 2014. This will have no effect on the consolidated financial statements.
- Amendment Offsetting Financial Assets and Financial Liabilities to standard IAS 32 *Financial Instruments: Presentation* (effective for financial periods beginning on or after 1 January 2014). The amendment specifies the rules concerning the net presentation of financial assets and liabilities in the balance sheet and adds application guidance. The amendment is expected to have no material effect on the consolidated financial statements.
- IAS 36 *Impairment of Assets*, amendment *Recoverable Amount Disclosures for Non-Financial Assets* (effective for financial periods beginning on or after 1 January 2014). The key content of the amendment is to specify the disclosure requirements concerning cash-generating units where an impairment has been recognised.
- *Annual Improvements to IFRSs 2010–2012*, *Annual Improvements to IFRS 2011–2013*, (effective for financial periods beginning on or after 1 July 2014). The Annual Improvement procedure is used to collect minor and less urgent amendments to the standards into a single entity that is implemented once per year. The effects of the amendments vary by standard, but they are not expected to have a significant effect on the consolidated financial statements. The amendments have not yet been approved for application within the EU.
- IFRS 9 *Financial Instruments: Classification and Measurement* (effective date unreleased). IFRS 9 is a project consisting of several phases that aims to replace IAS 39 with an entirely new standard. According to the section of IFRS 9 concerning classification and measurement, the classification and measurement of a company's financial assets depends on the company's business model and the specific characteristics of the contractual cash flows. The rules concerning the classification and measurement of financial liabilities are largely based on the requirements in the current IAS 39. With the general hedge accounting model introduced in IFRS 9, financial statements reporting may reflect risk management practices more clearly since the applications of hedge accounting will be expanded. The standard has not yet been approved for application within the EU.
- IFRIC 21 *Levies* (effective for financial periods beginning on or after 1 January 2014). The interpretation discusses the accounting of a possible obligation to the payee generated by levies. The interpretation has not yet been approved within the EU.

4 Management of financial risks

Risk management principles and process

The Group's operating activities expose it to certain financial risks, such as the effects of changes in interest rates. A key principle of the Group's risk management is the unpredictability of the financial markets and the aim to minimise their adverse effects on the Group's net income. The Group's financial management identifies and estimates the risks and, whenever necessary, acquires the instruments to protect the Group against the risks.

The Group's financing policy guides all of the group's financing transactions. The main risks on the financing market are explained below.

Interest rate risk

The Group's interest rate risk is mainly caused by non-current loans that have been taken out with a variable interest rate. The Group is not presently hedging against the interest rate risk. The interest rates for the loans vary between the 6 and 12 month Euribor rates plus margins of 1.7–3.0%.

The Group's income and operative cash flows are mostly independent of the variations in the market rates of interest. The Group's main exposure to interest rate risk is a result of the variable interest rates, and the risk is mainly considered to relate to the loan portfolio. On the closing date, 100.0% of the Group's loans had variable interest rates.

Liquidity risk

The Group aims to continuously estimate and follow up on the financing required for the operating activities, such as by performing a monthly analysis of the utilisation rate of the restaurants, the development of sales and investment needs, in order to ensure that the Group has sufficient liquid assets to finance its operations and pay back due loans. The Financial Director analyses the need for possible additional financing.

The aim is to ensure the availability and flexibility of group financing by using sufficient credit limit reserves, a balanced loan maturity distribution and sufficiently long loan periods, and by using several financial institutions and forms of financing when necessary. The Group's financing activities determine the optimum cash liquidity.

The Group's liquidity remained good throughout 2013. At the end of the year, cash and cash equivalents equalled TEUR 3,034.2 (3,423.3 on 31 December 2012), in addition to which the Group had access to undrawn confirmed account credit limits equalling TEUR 1,500.0 (610.6 on 31 December 2012).

During the year, the Group drew TEUR 1,000.0 of new non-current financing for its investments. The loan period for these financing arrangements is 5 years. The average annual interest rate for the Group's gross interest-bearing liabilities in 2013 was approximately 3.1% (3.4% in 2012).

The most important loan covenants are reported to the creditors each quarter. If the Group violates the terms of the loan covenant, the creditor may require faster repayment for the loans. The management regularly monitors the fulfilment of the loan covenant terms. During the financial period 2013, the Group has been able to fulfil all the loan covenant terms related to specific operative cash flow requirements, equity ratio and number of investments.

The Group's management has not identified any significant accumulation or liquidity risk in the financial assets or sources of financing.

The following table presents the maturity analysis. Negative numbers indicate incoming cash flow. The numbers are undiscounted and include interest payments, capital amortisation and repayments.

31 December 2013							
MEUR	Note	Balance sheet value	Cash flow	Less than 1 year	1–2 years	2–5 years	over 5 years

Financial liabilities	18	9,413.3	9,789.1	3,969.7	2,394.5	3,424.8	0.0
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31/12/2012

MEUR	Note	Balance sheet value	Cash flow	Less than 1 year	1–2 years	2-5 years	over 5 years
Financial liabilities	18	9,590.5	10,754.4	3,219.2	2,550.4	4,918.1	66.7

Credit risk

The Group's course of action defines the creditworthiness requirements for the customers' counterparties. The primary method of payment within the Group is cash. The credit risk management and credit control have been centralised to be handled by the Group's financial management. Credit is only extended to customers with flawless credit ratings. The Group always requests a sufficient security from the counterparty in case of significant individual business transactions.

As regards receivables, the group does not have any material credit risk accumulation, since the receivables consist of several items. Risks related to trade receivables and other receivables are minimised using short payment terms and effective collection. The maturity distribution for receivables is presented in note 11, Receivables.

During the financial period, the Group recognised TEUR 296.2 in credit losses in profit or loss for 2013 and TEUR 76.1 for 2012.

Capital management

The aim of the Group's capital management (equity vs. liabilities) is to create an optimal capital structure that can support operating activities by ensuring normal operational prerequisites, and to increase shareholder value in the long term. The capital structure can be mainly affected by means of distribution of dividends, subordinated loans and equity issues. The Group can also decide to sell its assets in order to reduce its debts. The managed capital is the equity indicated in the consolidated statement of financial position. An optimal capital structure also reduces capital costs.

The Group's net gearing was as follows:

MEUR	2013	2012
Interest-bearing liabilities	9,413.3	9,590.5
Interest-bearing receivables	-195.3	-184.9
Cash and cash equivalents	-3,034.2	-3,423.3
Net liabilities	6,183.8	5,982.3
Equity total	28,296.4	13,653.0
Gearing ratio	21.9%	43.8%

5 Acquired business operations

Changes in the shares of minority shareholders

In June 2013, the group acquired an additional 12.19 % share of the share capital of Suomen Ravintolatoimi Oy (SRT) with an exchange of shares, and now the Group owns the entire share capital of the company. The sales price was TEUR 2,024.9 and it was paid entirely by emitting 64,962 new Restamax Plc shares. The book value of SRT's net assets (without goodwill) was TEUR 786.1. As a result of the acquisition, the share of the minority shareholders decreased by TEUR 245.2 and earnings were reduced by TEUR 1,779.7.

On 27 September 2013, the Group acquired an additional 24.68 % share of the Beefmax Oy share capital and now owns the entire share capital of the company. The sales price was TEUR 212,0. The book value of Beefmax's net assets (without goodwill) was TEUR 340.8. As a result of the acquisition, the share of the minority shareholders decreased by TEUR 84.1 and earnings were reduced by TEUR 127.9.

Acquisitions during the financial period of 2012

The Group acquired several companies and business operations during the financial period. With these acquisitions, the Group expanded into new markets and complemented its service concept with functions that complement restaurant services.

On 22 January 2012, the Group acquired the business of Ravintola Patarouva in Tampere. On 1 March 2012, the Group also acquired 100.00% of the shares in JVP Security Oy, a company offering security services. This business acquisition complements the products and services offered by the group, and extends the offering of security services offered to the different units of the Group.

The Group expanded its operating activities into Joensuu on 14 May 2012 by acquiring the business operations of a restaurant located at Kauppakatu 25, which is currently the location of a Viihdemaailma Ilona nightclub. The Group also expanded its operating activities into Rauma by acquiring the business of the Mr. Jones restaurants on 31 May 2012.

On 2 July 2012, the Group acquired 100.00% of the shares in Old Tawastia Oy, a company offering security services. The acquisition complements and expands the Group's services in Hämeenlinna. On 21 September 2012, the Group acquired the business of Ravintola Glöd (Mecca) in Helsinki; it is currently the location of a Stefan's Steakhouse restaurant.

The total purchase price for these acquisitions was TEUR 2,233.8. The purchase-related costs, TEUR 8, have been recognised as other business expenses.

The book values of the acquired assets and liabilities were as follows at the time of purchase:

	Note	Recognised values
Property, plant and equipment	9	838.7
Right to use a name (included in intangible rights)	8	60.0
Non-competition agreements (included in intangible rights)	8	190.0
Beneficial lease agreements (included in intangible rights)	8	210.0
Financial assets available for sale	13	0.1
Inventories		104.4
Trade and other receivables		169.2

Cash and cash equivalents	365.4
Assets in total	1,937.9
Financial liabilities	170.0
Deferred tax liabilities	27.5
Trade payables and other current liabilities	600.2
Liabilities total	797.7
Net assets	1,140.2

Generation of goodwill through acquisitions:

Total assigned purchase consideration:	2,233.8
Share of minority shareholders based on proportional share of negative net identifiable assets	-
Earlier ownership interest recognised at fair value	-
Net identifiable assets of object of acquisition	-1,140.2
Goodwill	1,093.6

The acquisitions generated a total of TEUR 1,093.6 in goodwill based on expected synergy benefits, establishment into new markets and expected gains from combining the acquired restaurants with the other restaurant concepts and services. TEUR 811.0 of the recognised goodwill and TEUR 360.0 of the intangible rights generated from fair value allocation are tax deductible. The effect of the acquisitions on the Group's net turnover for 2012 was TEUR 5,774.3 TEUR, and the effect on the operating income was TEUR -215.8.

Acquisitions of shares of minority shareholders

In December 2012, the Group acquired an additional 5.00% share of Barmax Oy's share capital for TEUR 26.0 and now owns the entire share capital of the company. The book value of the company's net assets (without goodwill) was TEUR -624.3. As a result of the acquisition, the share of the minority shareholders decreased by TEUR 0.0 and earnings were reduced by TEUR 26.0.

Furthermore, in April 2012, the Group's subsidiary Priima-Ravintolat Oy redeemed a minority share at a purchase price paid from the unrestricted equity fund. This redemption increased the Group's ownership interest by 8.20%; it now stands at 62.33%. As a result of the acquisition, the share of the minority shareholders decreased by TEUR 59.0 and earnings were reduced by TEUR 59.3.

6 Sold business operations

Business operations sold during the financial period of 2013

Restamax sold its share of the advertising agency Mainostoimisto FUEL Oy on 7 August 2013. At the same time, the company made an agreement with the advertising agency until 2015.

The Group's subsidiary JVP-Security Oy was sold with a bill of sale dated 30 September 2013.

In March, the Group sold the shares of its associate Staria Max Oy. Control of the shares was transferred at the time of concluding the transaction. Impairment loss resulting from the transaction was TEUR 19.1.

During the financial period, the Group sold shares in subsidiaries and restaurant businesses as follows:

Name	Sold ownership interest	Location	Control transfer date
Ravintola Senssi	100%	Lahti	4 March 2013
Ravintola La Bamba	100%	Rauma	1 April 2013
Ravintola Teatteri Forum	100%	Helsinki	24 June 2013
Pub Sääksville	100%	Lempäälä	1 July 2013
Pub Goljat	100%	Tampere	1 July 2013
Mainostoimisto Fuel Oy	60%	Tampere	7 August 2013
Pub Harald	100%	Tampere	31 August 2013
Wayne's Coffee	100%	Tampere	15 September 2013
Security business operations	100%	Jyväskylä	30 September 2013
Pub Vieteri	100%	Tampere	21 October 2013
Eiran Musiikkiteatteri Oy	20%	Helsinki	20 December 2013

At the moment of transfer of control, the value of the assets sold were in total as follows:

Property, plant and equipment	408.9
Intangible rights	234.5
Inventories	7.3
Other assets	194.4
Liabilities	-214.8
Net assets, total	630.3

Impairment affected these sales in connection with the goodwill of the units sold and in relation to property, plant and equipment. Impairment losses are entered in the extensive consolidated income statement in the line "Depreciations, amortizations and impairment" as follows:

Property, plant and equipment	121.6
Intangible rights - goodwill	66.5

Sales profit of TEUR 404.9 is entered in the extensive income statement under other operating income.

Business operations sold during the financial period of 2012

In March 2012, the Group sold the restaurant Pub Polle & Nightclub Rodeo in Orivesi. Control of the restaurant was transferred to the buyer on 15 April 2012.

In May 2012, the Group signed a bill of sale for the business operations of the restaurant Ravintola Volume in Tampere. Control was transferred to the buyer on 15 June 2012. In May, the Group sold the restaurant Ravintola Motellet in Helsinki. Control was transferred to the buyer on 18 May 2012.

The Group sold the restaurant Oluthuone Ville, located in Tampere, with a bill of sale dated in May. Control was transferred to the buyer on 28 May 2012. In October 2012, the Group sold the restaurant Ravintola Mesikämmen in Kotka. Control was transferred to the buyer on 1 November 2012.

The partial reason for the selling of the above restaurants was their lack of profitability.

At the moment of transfer of control, the value of the assets sold were in total as follows:

	Note	Recognised values
Sold restaurants, total		
Property, plant and equipment	9	179.7
Intangible rights	8	91.0
Assets in total		270.7

With the exception of Oluthuone Ville, impairment affected these sales in connection with the goodwill of the units sold and in relation to property, plant and equipment. Impairment losses are entered in the extensive income statement in line "Depreciations, amortisations and impairment" as follows:

Property, plant and equipment	61.2
Intangible rights – goodwill	92.6
Impairment, total	153.8

The profit of TEUR 6.3 from the sale of Oluthuone Ville was entered under other operating income.

7 Earnings per share

The undiluted earnings per share is calculated by dividing the parent company's profit belonging to the shareholders by the weighted average of the outstanding shares during the financial period.

	2013	2012
Parent company's profit from the financial period belonging to the owners (TEUR)	2,564.6	3,075.5
Weighted average of the number of outstanding shares during the financial period	10,678,024	10,000,000
Earnings per share (euros), undiluted	0.24	0.31
Earnings per share (euros), diluted	0.24	0.31

See note 37, Key events occurring after the balance sheet date, regarding a business acquisition that is partially paid in shares.

The Group does not have any diluting instruments, i.e. instruments that increase the number of ordinary shares.

8 Intangible assets

31 December 2013				
TEUR	Note	Goodwill	Intangible rights	Total
Purchase costs				

Purchase cost 1 January 2013		9,189.6	820.0	10,009.6
Business combination	5	0.0	0.0	0.0
Additions			158.1	158.1
Deductions		-234.5	0.0	-234.5
Purchase cost 31 December 2013		8,955.1	978.1	9,933.2
Accumulated depreciations and impairments 1 January 2013		-92.6	-268.5	-361.1
Impairments	25	-66.5	0.0	-66.5
Depreciations	25	0.0	-167.9	-167.9
Accumulated depreciations and impairments 31 December 2013		-159.1	-436.4	-595.5
Book value 31 December 2013		8,796.0	541.8	9,337.8
Book value 1 January 2013		9,097.0	551.5	9,648.5

31 December 2012

TEUR	Note	Goodwill	Intangible rights	Total
Purchase cost 1 January 2012		8,187.0	360.0	8,547.0
Business combination	5	1,093.6	460.0	1,553.6
Deductions		-91.0	0.0	-91.0
Purchase cost 31 December 2012		9,189.6	820.0	10,009.6
Accumulated depreciations and impairments 1 January 2012		0.0	-153.3	-153.3
Impairments	25	-92.6	0.0	-92.6
Depreciations	25	0.0	-115.2	-115.2
Accumulated depreciations and impairments 31 December 2012		-92.6	-268.5	-361.1
Book value 31 December 2012		9,097.0	551.5	9,648.5
Book value 1 January 2012		8,187.0	206.7	8,393.6

Impairment test

Impairment testing compares the book value of a group of units including goodwill and generating cash flow to its recoverable amount. The judgment and future estimates of the company management are central to the drafting of the impairment calculations. If the recoverable amount is lower than the book value in the balance sheet, the difference is recognised as an impairment loss affecting income. The recoverable amount is the fair value of the cash-generating units deducted by the costs to sell, or the value in use, whichever is higher. For the impairment testing, the recoverable amount used has been the value in use calculated by means of the discounted cash flow (DCF) method.

Goodwill and non-competition agreements with unlimited durations are allocated as follows within the Group:

	31 December 2013	31 December 2012
Goodwill	8,796.0	9,097.0
Non-competition agreements	190.8	220.0

Impairment tests are performed for goodwill and non-competition agreements each year and whenever an external or internal factor can be expected to cause changes that may potentially lead to impairment. Impairment tests were performed for 31 December 2013, 31 December 2012 and for the IFRS changeover date of 1 January 2011, using the then-current book values and calculations of future cash flows. The testing can be performed on a date other than the closing date, as long as it is the same date every year. During the changeover to IFRS, the company decided for the sake of simplicity that the testing date should be the last day of the financial period; going forward, however, it may select 30 September as the yearly testing date.

The impairment calculations are based on cash flow predictions in the budget drafted by the Group's management group and approved by its Board of Directors, added by the forecast and terminal periods. The length of the forecast period used for the impairment calculations is 4 years.

Drawing up calculations using the DCF model requires forecasts and assumptions, the most significant of which involve turnover growth, cost development, level of maintenance investments and changes in the discount rate. It is possible that the assumptions related to the cash flow forecasts are not realised, and the resulting impairments of goodwill or non-competition agreements may have a materially adverse effect on the income from the company's operations and its financial position during present and future review periods.

The forecast cash flows are based on the capacity of the cash-generating unit group that the Group owned on the testing date. In other words, expansion investments have not been taken into account in the cash flow estimates. The Group's cash-generating unit or group thereof is mainly involved in the restaurant business. The expansion of operating activities into new areas inside Finland is capacity expansion, and the investing activities related to it or gains derived from it have not been included in the calculations.

The company has one group of cash-generating units that is used to follow up on goodwill, and, therefore, all goodwill and non-competition agreements with unlimited durations are allocated to this group. According to the company's strategy, its restaurant network forms a unified group of cash-generating units due to their centralised management, service marketing, service production methods, significant centralised purchases and other group services.

The impairment tests for 31 December 2013 and 31 December 2012 did not indicate a need for impairment in terms of goodwill or non-competition agreements, as the recoverable amount exceeded the book value by over MEUR 40.0 during all testing periods.

The assumptions used in calculating value in use, by testing date:

	31 December 2013	31 December 2012
Turnover growth, first year	-4.9%	7.1%
Turnover growth, other years	0.0%	0.0%
EBITDA	18.3%	16.7%
Terminal growth assumption	0.0%	0.0%

Discount rate	8.41%	8.52%
Change in net working capital	0.0%	0.0%

The decrease in turnover is based on the sold companies and business operations, increased competition and a challenging market situation.

Based on the sensitivity analysis, the following changes in the key items of the calculations may occur at testing time without creating a need to impair the existing goodwill or non-competition agreements (assuming that no changes occur in the other key assumptions of the calculations):

	31 December 2013	31 December 2012
Annual turnover reduction	1.9%	1.5%
Annual increase in operating costs	2.1%	1.7%
EBITDA	9.1%	10.1%

The company's value in use is not particularly sensitive to changes in the discount rate used in the calculation. It is the opinion of the management that, when estimated conservatively, no reasonably possible change in any of the used variables will lead to a situation where the recoverable amount might fall below the book value. However, maintaining the calculated level of value in use requires that, in accordance with the company strategy, turnover and EBITDA are kept at an acceptable level, the competitiveness of the restaurants is improved, new restaurant concepts are developed, and competitive pricing and reasonable cost management are maintained through constant supervision.

9 Property, plant and equipment

31 December 2013					
TEUR	Note	Machines and equipment	Improvement costs for rental premises	Prepayments and incomplete acquisitions	Total
Purchase cost 1 January 2013		9,551.5	21,048.3	320.6	30,20.5
Additions		1,348.2	2,124.2	0.0	3,472.4
Business combination	5	0.0	0.0	0.0	0.0
Deductions		-396.7	-154.4	-60.5	-611.6
Purchase cost 31 December 2013		10,503.0	23,018.2	260.1	33,781.3
Accumulated depreciations and impairments 1 January 2013		-4,176.2	-6,681.3	0.0	-10,857.5
Impairments	25	-54.2	-215.7	0.0	-269.9
Depreciations	25	-1,556.7	-3,033.7	0.0	-4590.4
Accumulated depreciations and impairments 31/12/2013		-5,787.1	-9,930.7	0.0	-15,717.8
Book value 31 December 2013		4,716.0	13,087.4	260.1	18,063.5
Book value 01/01/2013		5,375.3	14,367.1	320.6	20,062.9

TEUR	Note	Machines and equipment	Improvement costs for rental premises	Prepayments and incomplete acquisitions	Total
Purchase cost 1 January 2012		6,832.5	14,814.6	331.9	21,979.0
Additions		1,952.4	6,339.5	29.9	8,321.8
Business combination	5	838.7	0.0	0.0	838.7
Deductions		-72.1	-105.7	-41.3	-219.1
Purchase cost 31/12/2012		9,551.5	21,048.3	320.6	30,920.4
Accumulated depreciations and impairments 01/01/2012		-2,704.7	-4,141.4	0.0	-6,846.1
Impairments	25	-61.3	0.0	0.0	-61.3
Depreciations	25	-1,410.3	-2,539.9	0.0	-3,950.1
Accumulated depreciations and impairments 31 December 2012		-4,176.2	-6,681.3	0.0	-10,857.5
Book value 31 December 2012		5,375.3	14,367.1	320.6	20,062.9
Book value 1 January 2012		4,127.8	10,673.2	331.9	15,132.9

Finance lease agreements

Property, plant and equipment includes commodities leased with finance lease agreements as follows:

	2013	2012
Purchase cost entered on the basis of finance lease agreements	168.6	171.7
Addition	78.0	0.0
Accumulated depreciations	-35.7	-3.1
Book value	210.9	210.9

10 Shares in associates

TEUR	2013	2012
At the beginning of the financial period	20.3	76.9
Share of the financial period's income	-19.4	-56.6
Deductions	-0.9	0.0
At the end of the financial period	0.0	20.3

No goodwill is included in the book value for associates on 31 December 2013 and 31 December 2012.

Information on Group's associate and its combined assets and liabilities, turnover and profit/loss

TEUR	31 December 2013	31 December 2012
Staria Max Oy, domicile Tampere		
Group ownership interest %	0.0%	49.20%
Turnover	0.0	816.2
Profit/loss	0.0	-49.1
Assets	0.0	408.9
Liabilities	0.0	369.5

The associate Staria Max Oy produces financial administration services. The associate's book value does not include shares for quoted or unquoted companies. The associated company was sold in March 2013.

11 Inventories

TEUR	2013	2012
Alcohol stock	647.8	657.6
Beer stock	142.7	142.9
Refreshments stock	69.0	67.5
Food stock	273.8	298.9
Cigarette stock	24.7	25.2
Others	126.6	150.5
Total	1,284.7	1,342.4

During the reporting period, TEUR 17,014.1 was entered into the income statement for materials and supplies and through stock value changes (TEUR 15,637.0 in 2012).

In 2012, the Group recognised an inventories impairment of TEUR 61.6 due to the decommissioning of the card stock. No inventories impairments were entered in 2011 or 2013.

12 Receivables

TEUR	2013	2012
Loans and other receivables (non-current)		
Interest-bearing loan assets	227.8	131.3
Other non-interest-bearing receivables	390.0	74.2
Loans and other receivables (non-current), total	617.8	205.5
Trade and other receivables (current)		
Loans and other receivables (current)		
Accounts receivable	2,342.5	2,020.6
Interest-bearing other receivables	116.3	184.9
Loans and other receivables (current), total	2,458.8	2,205.5
Prepayments and accrued income	1,513.0	1,178.4
Other non-interest-bearing receivables	327.8	435.3
Trade and other receivables (current), total	4,299.5	3,819.2
Accounts receivable		
TEUR	2013	2012
Accounts receivable	2,342.5	2,020.6
Trade receivables, total	2,342.5	2,020.6
Age distribution for trade receivables		
Not due	1,893.9	1,581.4
due, less than 3 months	305.9	255.5
due, more than 3 months	142.7	183.7
Total	2,342.5	2,020.6

The most significant accrued income items consist of pension insurance, income tax, discount amortisation and advance items.

The book value for trade and other receivables corresponds to their fair value. There is no significant credit risk accumulation related to the receivables. The balance sheet values correspond to the monetary amount that is the maximum credit risk if the counterparties cannot fulfil their obligations related to the receivables. The fair values for receivables are presented in note 36.

13 Financial assets available for sale

Financial assets include shares and other investments. At present, all investments have been classified as available for sale.

Financial assets available for sale

TEUR	Note	2013	2012
Value at the beginning of the financial period		324.5	324.4
Additions	5	0.0	0.1
Deductions		-0.2	0.0
Changes in fair value recognised in equity		-3.0	0.0

Value at the end of the financial period	321.3	324.5
Non-current portion	321.3	324.5

The available-for-sale financial assets are non-current and they consist of unquoted shares and holdings in euros that are recognised at fair value or purchase price whenever the fair value cannot be reliably determined.

The fair values for available-for-sale financial assets are presented in note 36. No financial assets are due. Impairments totalling TEUR 3.0 have been recognised.

14 Financial assets valued at fair value through profit and loss

TEUR	Note	2013	2012
Interest fund (Investments to available-for-sale financial assets in the financing calculation)	36	11,006.2	0.0

15 Cash and cash equivalents

TEUR	Note	2013	2012
Cash in hand and bank accounts (Financial assets in financing calculation)	36	3,034.2	3,423.3

There is no significant credit risk accumulation related to cash and cash equivalent. The balance sheet values correspond to the monetary amount that is the maximum credit risk if the counterparties cannot fulfil their obligations related to the receivables.

16 Equity

Restamax Plc has one series of shares where all shares are equally entitled to dividends. One share equals one vote at the general meeting. Restamax Plc has 14,249,620 shares.

TEUR	Shares, 1,000 pcs	Share capital	Invested unre- stricted equity fund	Fair value fund	Equity con- vertible loan	Retained earn- ings	Minority sharehold- ers' share	Equity total
01/01/2012	1,000	150.0	6,850.0	-10.3	193.7	2,669.3	930.9	10,783.6
31/12/2012	1,000	150.0	6,850.0	-10.3	1,439.4	4,327.9	896.0	13,653.0
01/01/2013	1,000	150.0	6,850.0	-10.3	1,439.4	4,327.9	896.0	13,653.0
31 December 2013	14,250	150.0	24,352.3	-13.3	0.0	3,556.6	250.8	28,296.4

All of the issued shares have been paid for.

Invested unrestricted equity fund

The invested unrestricted equity fund includes other equity convertible investments and the portion of the share subscription price that is not registered in the share capital according to a specific decision.

Fair value fund

The value changes of the available-for-sale financial assets from the moment of acquisition are entered in the fair value fund, deducted by the deferred taxes.

TEUR	2013	2012
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Fair value fund

-13.3

-10.3

Equity convertible loan

Equity convertible loans include the interest-free capital loans with no maturity that the owners have granted to the Group. Equity convertible loans have no due date, but the Group has the right (not an obligation) to redeem the loan if so desired.

Dividends

In 2013, dividends were distributed at EUR 1.4 per share, totalling TEUR 1,400.00 (in 2012, EUR 1.4 per share, totalling TEUR 1,400.00). After the end of the reporting period, the Board of Directors has proposed a dividend of EUR 0.09 per share, totalling TEUR 1,474.1. The debt from the proposed dividends has not been entered into these financial statements.

17 Deferred tax assets and liabilities

Deferred taxes have been recognised for all temporary differences. The changes in deferred taxes during 2013 are as follows:

TEUR	1 January 2013	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31 December 2013
Deferred tax assets:					
Temporary differences					
Financial assets available for sale	3.4	-3.4	0.0	0.0	0.0
For confirmed losses	229.2	625.3	0.0	0.0	854.5
For consolidated eliminations	111.5	-27.8	0.0	0.0	83.7
For launch marketing expenses	63.2	-26.7	0.0	0.0	36.5
Beneficial lease agreement	3.3	2.1	0.0	0.0	5.4
Netting for deferred tax liabilities					-174.8
Deferred tax assets, total	410.7	569.5	0.0	0.0	805.4
Deferred tax liabilities:					
Temporary differences:					
Amortisation of loan expenses using effective interest method	8.0	-3.4	0.0	0.0	4.6
For withdrawal of goodwill depreciation	298.7	25.4	0.0	0.0	324.1
Reconstruction of destroyed restaurant	153.6	-62.4	0.0	0.0	91.2
Non-competition agreements	52.6	-32.4	0.0	0.0	20.2
For business combination	143.7	-23.4	0.0	-70.2	50.0
Finance lease	1.3	11.6	0.0	0.0	12.9
Financial assets recognised at fair value in profit or loss		1.2			1.2
Netting for deferred tax assets					-174.8
Deferred tax liabilities, total	657.9	-83.4	0.0	-70.2	329.5

TEUR	01/01/2012	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31/12/2012
Deferred tax assets:					
Temporary differences					
Financial assets available for sale	3.4	0.0	0.0	0.0	3.4
For confirmed losses	457.4	-228.2	0.0	0.0	229.2
For consolidated eliminations	99.9	11.6	0.0	0.0	111.5
For launch marketing expenses	15.2	48.0	0.0	0.0	63.2
Beneficial lease agreement	0.0	3.3	0.0	0.0	3.3
Deferred tax assets, total	575.9	-165.3	0.0	0.0	410.7

TEUR	01/01/2012	Entered in income statement	Entered in other items of comprehensive income statement	Business operations bought/sold	31/12/2012
Deferred tax liabilities:					
Temporary differences:					
Amortisation of loan expenses using effective interest method	12.9	-4.9	0.0	0.0	8.0
For withdrawal of goodwill depreciation	208.3	90.4	0.0	0.0	298.7
Reconstruction of destroyed restaurant	195.5	-41.9	0.0	0.0	153.6
Non-competition agreements	52.6	-24.9	0.0	24.5	52.2
For business combination	140.7	0.0	0.0	3.0	143.7
Financial lease	0.0	1.3	0.0	0.0	1.3
Deferred tax liabilities, total	610.0	20.0	0.0	27.5	657.5

Deferred tax assets and liabilities have been given as net amounts whenever the entity has a legally enforceable right to mutually offset the recognised items and the deferred tax assets are related to the same tax recipient.

On 31 December 2013, the Group had TEUR 225.6 in confirmed losses (TEUR 2,549.5 on 31 December 2012) for which a deferred tax asset has not been recognised, since the realisation of the included tax benefit is not probable in the near future. These losses will expire in 2020–2022.

Deferred tax assets

TEUR	2013	2012
Deferred tax assets due in over 12 months	668.3	194.6
Deferred tax assets due in 12 months	137.0	216.1
Total	805.4	410.7

Deferred tax liabilities

TEUR	2013	2012
Deferred tax liabilities due in over 12 months	263.9	570.3
Deferred tax liabilities due in 12 months	65.6	87.2
Total	329.5	657.5

18 Financial liabilities

TEUR	2013	2012
Non-current financial liabilities recognised at amortised cost		
Loans from financial institutions, non-current portion	5,160.5	5,807.7
Subordinated loans	571.4	735.5
Other interest-bearing liabilities	0.0	60.0
Finance lease liabilities	63.5	95.2
Total	5,795.4	6,698.4
Current financial liabilities recognised at amortised cost		
Loans from financial institutions, current portion	3,529.6	2,778.7
Other interest-bearing liabilities	0.0	45.5
Finance lease liabilities	88.3	68.0
Total	3,617.9	2,892.1

The Group's assets (listed in note 31) is lodged as security for the loans from financial institutions.

Maturity of non-current financial liabilities

TEUR	2013	2012
less than 1 year	3,617.9	2,892.1
1 to less than 2 years	2,304.3	2,275.4
2-5 years	3,491.1	4,356.5
After 2018	0.0	66.5
Total	9,413.3	9,590.5

The Group's loans from financial institutions have a variable interest rate, and the loans are priced every 6 to 12 months.

Average interest rates for the Group's loans from financial institutions (including current loans from financial institutions)

TEUR	2013	2012
	%	%
Loans from financial institutions	3.1	3.4

The book value for interest-bearing loans corresponds to their fair value, since the loans are re-priced on the closing date. The Group's interest-bearing liabilities are in euros.

Maturity of finance lease liabilities

TEUR	2013	2012
Gross amount of finance lease liabilities – minimum lease payments by maturity time		
less than 1 year	95.6	70.4
2–5 years	66.5	99.8
Total	162.1	170.2
Future finance costs	10.3	7.0
Present value of finance lease liabilities	151.8	163.2
The present value of finance lease liabilities will be due as follows		
less than 1 year	88.3	68.0
2-5 years	63.5	95.2
After 2018	0.0	0.0
Total	151.8	163.2

Finance lease liabilities consist of restaurant furnishing leased from a financing company.

19 Pension obligations

Pension obligations are classified into benefit-based or defined contribution plans. In a defined contribution plan, the payments made are entered into the income statement for the financial period that the charge applies to. The group only has defined pension contribution plans.

20 Trade payables and other liabilities

TEUR	2013	2012
Long-term		
Accounts payable	0.0	0.0
Advances received	1,297.3	2,012.1
Other non-interest-bearing liabilities	0.0	0.0
Non-current trade and other payables, total	1,297.3	2,012.1
Short-term		
Accounts payable	5,562.2	7,613.5
Advances received	979.8	1,412.4
Accruals and deferred income		
Salary debt	214.6	362.8
Holiday salary debts	1,094.3	1,190.0
Pension insurance	94.1	162.7
Taxes based on taxable income from financial period	125.4	1,236.1
Other accruals and deferred income	400.1	162.2
Accrued expenses, total	1,928.5	3,113.8
Other non-interest-bearing liabilities	963.3	1,204.4

Current trade and other payables, total	9,433.8	13,344.1
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The fair values for trade and other payables are presented in note 34.

21 Turnover

TEUR	2013	2012
Sale of goods		
Sale of alcohol	20,222.8	20,110.4
Sale of beer	8,156.2	8,012.7
Sale of refreshments	3,430.8	3,199.3
Sale of food	20,355.3	16,622.3
Sale of coffee	507.1	234.8
Sale of cigarettes	422.4	423.0
Sale of goods, total	53,094.6	48,602.5
Sale of services		
Ticket sales	6,577.5	6,523.8
Other sales	2,403.8	2,301.0
Doorman service income	1,587.9	1,912.5
Rental income	343.2	539.3
Pool income	663.4	509.1
Coin-operated machine income	362.8	385.2
Sale of services, total	11,938.6	12,170.9
Total	65,033.2	60,773.4

The sale of goods includes restaurant sales.

22 Other operating income

TEUR	2013	2012
Sales profit	417.0	11.2
Insurance compensation	17.1	3.9
Rental income	610.3	396.3
Other operating income	630.1	523.6
Total	1,674.5	935.0

Rental income includes the rental of flats. Other operating income mainly consists of the contract compensation for personnel rental services and the income from personnel rental.

23 Materials and services

TEUR	2013	2012
Acquisitions	16,995.1	15,637.0
External services	9,181.3	8,323.4
Total	26,176.4	23,960.4

External services consists of rented restaurant employees.

24 Costs related to employment benefits

TEUR	2013	2012
Salaries	8,496.3	7,885.2
Pension costs – defined contribution plans	1,569.0	1,462.1
Social security costs	330.2	330.2
Total	10,395.5	9,677.5

The management's employment benefits are presented in note 28, Associated company events.

TEUR	2013	2012
Group personnel on average over financial period	330	226

25 Depreciations, amortisations and impairment

TEUR	2013	2012
Depreciations by commodity group		
Intangible assets		
Non-competition agreements	104.1	101.7
Beneficial lease agreement	21.0	10.5
Right to use a name	6.0	3.0
IT software	36.7	0.0
Total	167.8	115.2
Tangible assets		
Improvement costs for rental premises	3,033.7	2,539.9
Machines and equipment	1,556.7	1,410.3
Total	4,590.4	3,950.1
Impairment by commodity group		
From goodwill	66.5	92.6
Fixed assets	269.9	61.3
Depreciations, total	336.4	153.8
Depreciations, amortisations and impairment total	5,094.6	4,219.2

26 Other operating expenses

TEUR	2013	2012
Voluntary indirect employee costs	275.1	298.9
Costs for business premises	9,680.2	8,289.9
Costs for machinery and equipment	2,317.8	2,205.3
Travel expenses	229.0	228.1
Marketing, performer and entertainment expenses	5,972.3	5,170.8
Other costs*	2,515.5	1,938.8
Total	20,989.9	18,131.8

* Other costs consist of several items that are not individually relevant.

27 Financing income and expenses

TEUR	2013	2012
Financial income		
Other financial income	27.5	17.6
Total	27.5	17.6
Items recognised in profit or loss		
Interest expense for financial liabilities recognised at amortised cost	-291.9	-456.1
Other finance costs	-186.8	-54.6
Total	-478.7	-510.7
Finance costs – net	-451.2	-493.1
Other comprehensive income items		
Financial assets available for sale	0.0	0.0
Total	0.0	0.0

28 Income taxes

Tax constituents		
TEUR	2013	2012
Tax based on taxable income from financial period	1,400.4	1,195.4
Change in deferred taxes	-727.8	186.5
Total	672.6	1,381.9
Taxes directly recognised as equity during the financial period		
TEUR	2013	2012
For expenses directly related to listing in stock exchange	-337.7	0.0
Total	-337.7	0.0
Tax cost balancing calculation		
TEUR	2013	2012
Profit/loss before taxes	3,580.8	5,169.7
Tax calculated at rate of 24.5%*	877.3	1,266.6
Non-deductible expenses	14.3	101.0
Use of tax losses not registered previously	-13.7	-136.5
Recognised deferred tax assets for confirmed losses of previous years	-581.3	0.0
Non-recognised deferred tax assets for tax losses	298.2	214.0
Tax-free income	-20.1	-52.8
Share of associate's profits, deducted by taxes	-4.7	-13.9
Taxes from earlier financial periods	1.5	3.5
Change in Finnish tax rate	101.1	
Tax expenses in income statement	672.6	1,381.9

Deferred tax assets and liabilities have been calculated using the Finnish tax rate of 20.0%.

Taxes related to other items in comprehensive income statement

TEUR

2013

2012

	Before taxes	Effect of tax	After taxes	Before taxes	Effect of tax	After taxes
Assets available for sale	0.0	0.0	0.0	0.0	0.0	0.0

29 Associated company events

Parties are considered to be related when one party can exercise control, shared control or significant influence over the other in decision-making involving its economy and operating activities. The Group's related parties are the parent company, subsidiaries, associates, the parent company's subsidiaries and the key management personnel. Key management personnel are the members of the Board of Directors, the Group's management group and the Chief Executive Officer and his/her deputy, as well as their close family members. The Chief Executive Officer has had no deputy. Furthermore, Restamax's related parties include any owners who can exercise control or significant influence in Restamax, the companies where the said owners have a controlling interest, and companies where a person exercising control over Restamax exercises significant influence or is a part of the management of the company or its parent company.

Management employee benefits

The management employee benefits have been presented on a cash basis.

TEUR	2013	2012
Salaries for the management group (including Chief Executive Officer) with associated costs and other short-term employee benefits	442.7	466.5
Fees for the Board of Directors	51.0	22.5

Fees and benefits for Chief Executive Officer and other management group members

TEUR	2013	2013	2013	2012	2012	2012
	Salary with benefits	Attendance allowances for the Board of Directors	Total	Salary with benefits	Attendance allowances for the Board of Directors	Total
Salaries and fees						
CEO	104.7	0.0	104.7	106.4	0.0	106.4
Other management group members	338.0	7.5	345.5	347.0	13.0	360.0
Total	442.7	7.5	450.2	453.5	13.0	466.5
Fees for the Board of Directors, management group members		7.5			13.0	
Fees for the Board of Directors, non-management group members		43.5			9.5	
Fees for the Board of Directors, total		51.0			22.5	

Chief Executive Officer's pension commitments and termination compensation

Chief Executive Officer Markku Virtanen is covered by the Employees Pensions Act that offers pension security based on time of service and earnings in the manner defined in the Act. No separate provisions for retirement age are included in the chief executive officer's contract. The Chief Executive Officer's accrued pension costs for the financial period were TEUR 15.7.

The termination time of the Chief Executive Officer's working contract is 6 months for both parties. In addition to the pay for the notice period, the Chief Executive Officer is not entitled to any separate termination compensation.

Fees for the Board of Directors

TEUR	2013	2012
Attendance allowances		
Timo Laine, Chairman of the Board of Directors	11.5	3.5
Jarno Suominen, member of the Board of Directors	2.5	5.0
Mikko Aartio, member of the Board of Directors	7.5	4.5
Turo Levänen, member of the Board of Directors	7.5	4.5
Jarmo Viitala, member of the Board of Directors	6.5	4.5
Juhani Eskelinen, deputy member of the Board of Directors	0.5	0.5
Sami Asikainen, member of the Board of Directors	5.0	0.0
Petri Olkinuora, member of the Board of Directors	10.0	0.0
Total	51.0	22.5

Transactions with associated companies

TEUR	Sales	Interest expenses	Rental expenses	Acquisitions	Rental income	Receivables	Liabilities
2013	287.4	22.8	72.6	7,308.4	0.0	9.2	3,450.7
2012	235.4	40.5	110.2	8,734.1	0.0	50.9	5,765.8

The most significant business transactions have been made with an associated personnel rental company. Transactions with associated companies have been completed applying the same terms as those used for transactions with independent parties.

Loans granted to key management personnel

TEUR	2013	2012
At the beginning of the financial period	25.5	20.2
Change in the management group	10.4	0.0
Loans granted during the financial period	0.0	56.0

Loans repaid	-25.0	-51.0
Interest charged	0.5	0.6
Interest payments received during the financial period	0.0	0.3
At the end of the financial period	11.4	25.5

Loans have been granted until further notice and will be paid back when agreed. Interest is set annually and in 2012 and 2013 it was 3.0%. The loans carry no collateral.

Transactions with associated companies

TEUR	Sales	Acquisitions	Receivables	Liabilities
2013(*)	29.5	183.3	112.7	77.0
2012	119.4	814.9	216.9	224.3

(*) Associated company sold in March 2013. The sums include all events between January and March 2013.

Transactions with associated companies have been completed applying the same terms as transactions with independent parties.

30 Auditor's fees

TEUR	2013	2012
Deloitte & Touche Oy, Authorised Public Accountants		
Audit	88.5	67.5
Other services	426.5	27.4
Total	515.0	94.9

31 Subsidiaries and associated companies 31 December 2013

Subsidiaries consolidated into the consolidated financial statements	Ownership interest	Domicile
Max Siivouspalvelut Oy	70.00%	Tampere
Beefmax Oy	100.00%	Helsinki
Baarisalkku Oy	100.00%	Helsinki
Onemax Oy	100.00%	Tampere
Koskimax Oy	59.60%	Tampere
SRMax Oy	85.00%	Tampere
Suomen Diner Ravintolat Oy	58.00%	Tampere
Mainostoimisto FUEL Oy (*)	60.00%	Tampere
Eiran Musiikkiteatteri Oy	80.00%	Tampere
Barmax Oy (group)	100.00%	Tampere
Poolmax Oy	80.00%	Tampere
Kampin Sirkus Oy (group)	90.00%	Tampere
Markkinointitoimisto Aito Finland Oy	60.00%	Tampere
Suomen Ravintolatoimi Oy	57.90 %	Jyväskylä
Max Consulting Oy	100.00%	Tampere
Suomen Ravintolatoimi Oy (group)	42.10 %	Jyväskylä
Eiran Tivoli Oy	100.00%	Tampere
JVP Security Oy	100.00%	Jyväskylä
Bistromax Oy	70.00 %	Tampere
Priima-Ravintolat Oy (group)	63.78%	Tampere

Rock Hard Catering Oy	88.00%	Tampere
Aleksanterin Ravintolat Oy	80.00%	Tampere
Ruma Oy	100.00%	Tampere
(*) Mainostoimisto FUEL Oy sold on 7 August 2013		

32 Other lease agreements

The Group as a lessee

The Group has leased many of the restaurant and office premises that it uses. The lease terms are on average between two to fifteen years, and often include the option of continuing the agreement past the original termination date. The lease agreements often have a fixed lease with an index condition or are turnover-based. Some of the lease agreements are valid until further notice, with a notice period of 2 months.

Minimum lease payments to be made based on other lease agreements that cannot be annulled:

TEUR	2013	2012
In one year	7,790.8	8,246.4
In over one year and within five years maximum	18,423.9	20,100.3
In over five years	4,937.3	5,358.2
Total	31,152.0	33,705.0

In 2013, lease expenses of TEUR 7,449.7 (TEUR 6,484.1 in 2012) paid based on lease agreements were recorded through profit and loss.

The Group has sublet 9 restaurant premises. Lease expenses of TEUR 659.2 in 2013 (TEUR 493.3 in 2012) were recorded for these premises. Based on the sublease agreements, the future minimum lease payments will amount to TEUR 1 250.2 at the end of 2013 (TEUR 495.6 at the end of 2012).

The Group as a lessor

Minimum deferred lease payments to be made based on other lease agreements that cannot be annulled:

TEUR	2013	2012
In one year	671.2	229.4
In over one year and within five years maximum	579.0	266.2
In over five years	0.0	0.0
Total	1,250.2	495.6

33 Conditional liabilities and assets and commitments

TEUR	2013	2012
Liabilities with guarantees included in the balance sheet		
Loans from financial institutions, non-current	5,184.0	5,844.9
Loans from financial institutions, current	3,529.6	2,778.7
Total	8,713.6	8,623.6

Guarantees given on behalf of the Group		
Collateral notes secured by a mortgage	15,650.0	16,300.0
Subsidiary shares	11,668.6	8,762.4
Other shares	164.8	0.0
Bank guarantees	2,125.9	2,016.7
Total	29,609.3	27,079.0
MEUR	2013	2012
Commitments:		
Commitments regarding personnel services	32.7	40.8

Open legal proceedings

On 23 August 2012, Musiikkiteatteri Palatsi Oy and Restamax Plc signed an agreement regarding the acquisitions of certain assets, the transfer of certain liabilities to Restamax Plc and the purchase and sales of certain performances. Since the agreement was signed, the parties have had disagreements regarding the content of the agreement, the related liabilities and rights, and the meeting of such liabilities and rights.

Musiikkiteatteri Palatsi Oy has filed legal action against the company and, with its complaint dated 14 January 2013, has demanded the company pay an indemnity of at least TEUR 625.3 with interest, legal and injured party fees and that the court confirms that Musiikkiteatteri Palatsi Oy is not liable to pay the company the TEUR 405.0 the company has invoiced from it.

In connection with the same case, on 18 February 2013 Musiikkiteatteri Palatsi Oy claimed that the piece being performed on the premises of Restamax's subsidiary Eiran Musiikkiteatteri Oy was an illegal copy and that the company has no right to perform this piece.

In its response on 8 March 2013, the company denied all of the claims presented and presented its own counter-claim regarding the same agreement. With the counter claim, the company demanded it be paid a total of TEUR 510,7 in lost profits with interest as well as legal and injured party fees. In addition, Eiran Musiikkiteatteri Oy has also demanded that Musiikkiteatteri Palatsi Oy pay TEUR 405.0 in damages with interest as well as legal and injured party fees.

The case is pending at Helsinki District Court. In the company's view, the matter is not significant and the claims made do not have a significant effect on the Group's financial position.

Restamax Plc has been notified of an action whereby it has been sued to appear at the Market Court. The plaintiff in the case is Kemijärvi-based Hansamix Oy, which claims that Restamax restaurant Flame located in Tampere has breached a trademark registered by Hansamix. The plaintiff is demanding a compensation of EUR 300,000 for the trademark breach and EUR 180,000 in damages as well as a prohibition to use the name/logo Flame in business operations, failing which a penalty payment of EUR 100,000 would be imposed. In addition, the plaintiff claims that Restamax's Flame restaurant is guilty of prohibited unfair imitation as defined in the Unfair Business Practices Act. The name Flame is no longer in use in Restamax's business operations. It is the understanding of Restamax that the

claims presented by Hansamix Oy are completely unfounded, in terms of their justifications and amount, and they will be denied in the plea to be submitted to the Market Court.

On 16 December 2013, Restamax Plc has been notified of three complaints, the plaintiffs being Potkan Oy, Ari Kankaanpää and Heikki Vihinen, concerning the cooperation agreement signed by and between Restamax Plc and Potkan Oy, Kankaanpää and Vihinen on 15 September 2012 concerning the operations of Eiran Musiikkiteatteri Oy. In their complaints, Potkan Oy, Kankaanpää and Vihinen claim that Restamax Plc has breached the cooperation agreement and that it has not rectified its practices despite a warning within the time set, and demand that Restamax Plc pay each party to the agreement EUR 300,000 as penalty with interest from 18 September 2013, as well as demand that each party's legal expenses be paid with interest.

In the written reply submitted to the Pirkanmaa District Court on 29 January 2014, Restamax Plc denies the claims presented and demands that its legal expenses be paid with interest. In the same writ, Restamax Plc has filed a defendant's claim. In the defendant's write, Restamax Plc views that Kankaanpää and Vihinen have breached the cooperation agreement and demands a penalty with interest from both parties as well as the payment of its legal expenses.

34 Classification of financial assets and liabilities

31 December 2013					
TEUR	Recognised at fair value in profit or loss	Available for sale	Loans and receivables	Into amortised cost	Fair value
Financial reserves					
Interest-bearing loan assets			227.8		227.8
Non-interest-bearing other receivables			390.0		390.0
Trade and other receivables			4,183.3		4,183.3
Financial assets valued at fair value through profit and loss	11,006.2				11,006.2
Unquoted shares		321.3			-
Cash and cash equivalents			3,034.2		3,034.2
Total	11,006.2	321.3	7,835.3		18,841.5
Book value, total	11,006.2	321.3	7,835.3		18,841.5
Financial liabilities					
Non-current financial liabilities				5,795.4	5,795.4
Non-current trade payables and other liabilities				1,297.3	1,297.3
Current financial liabilities				3,617.9	3,617.9
Current trade payables and other liabilities				9,433.8	9,433.8
Fair value, total				20,144.4	20,144.4
Book value, total				20,144.4	20,144.4

31/12/2012

TEUR	Recognised at fair value in profit or loss	Available for sale	Loans and receivables	Into amortised cost	Fair value
Financial reserves					
Interest-bearing loan assets			131.3		131.3
Other non-interest-bearing re- ceivables			74.2		74.2
Trade and other receivables			3,819.2		3,819.2
Unquoted shares		324.5			-
Cash and cash equivalents			3,423.3		3,423.3
Total		324.5	7,448.0		7,448.0
Book value, total					
		324.5	7,448.0		7,448.0
Financial liabilities					
Non-current financial liabilities				6,698.4	6,698.4
Non-current trade payables and other liabilities				2,012.1	2,012.1
Current financial liabilities				2,892.1	2,892.1
Current trade payables and other liabilities				13,344.1	13,344.1
Fair value, total				24,946.7	24,946.7
Book value, total					
				24,946.7	24,946.7

35 Adjustments to cash flow from operating activities

TEUR	2013	2012
Non-cash transactions		
Recognition of advertising space sales and contract compensation	-1,148.2	-309.6
Accounts receivable write-off	296.2	75.8
Sale of fixed assets	-396.1	36.8
Other adjustments	82.5	48.0
Total	-1,165.6	-148.9

36 Fair values of financial instruments

Below are the fair value definition principles for all financial instruments. The table also presents in detail the values and book values for each item; these correspond to the values in the consolidated balance sheet.

MEUR	Note	Book value 2013	Fair value 2013	Book value 2012	Fair value 2012
Financial reserves					
Financial assets available for sale	13	321.3	321.3	324.5	324.5
Interest-bearing loan assets	12	227.8	227.8	131.3	131.3
Trade and other receivables	12	4,183.3	4,183.3	3,819.2	3,819.2
Financial assets valued at fair value through profit and loss	14	11,006.2	11,006.2		
Cash and cash equivalents	15	3,034.2	3,034.2	3,423.3	3,423.3
Financial liabilities	18				
Non-current financial liabilities	18	5,795.4	5,795.4	6,698.4	6,698.4
Non-current trade payables and other liabilities	20	1,297.3	1,297.3	2,012.1	2,012.1
Current financial liabilities	18	3,617.9	3,617.9	2,892.1	2,892.1
Current trade payables and other liabilities	20	9,433.8	9,433.8	13,344.1	13,344.1

The following price quotations, assumptions and recognition models have been used when determining the fair values of the financial assets and liabilities presented in the table:

Financial assets available for sale

Financial assets available for sale mostly consist of Finnish holdings and Finnish unquoted shares. Unquoted share investments have been recognised at fair value or purchase cost, since it has been impossible to recognise them at fair value using valuation techniques. It has been impossible to determine the fair value of investments and the estimate varies greatly, or the probabilities of different estimates within the range of variation cannot be reasonably determined and used to determine the fair value. Financial assets recognised at fair value are either sellable on the secondary market or their recognition uses the bid price on the counterparty's closing date.

Trade and other receivables

The original book value of the receivables corresponds to their fair value, since the effect of the discounting is not relevant when considering the maturity of the receivables.

Financial assets recognised at fair value through profit and loss

Financial assets recognised at fair value through profit and loss include financial asset items that have been acquired to be held for trading or that are classified to be recognised at fair value through profit and loss in the original entry.

At Restamax, this group includes the interest fund investment. The fair value of the investment is based on the quoted market price on the closing date of the reporting period, and any changes in fair value as well as unrealised and realised gains and losses are recognised in the financial items of the income statement.

Financial liabilities

The fair values for liabilities are based on discounted cash flows. The discount rate used has been the rate at which the Group could take out a similar external loan on the closing date. The total interest consists of the risk-free interest and a company specific risk premium. The re-pricing date for the loans is 31 December, which means that the book values for the loans correspond to their market values.

Trade payables and other liabilities

The original book value of the trade and other receivables corresponds to their fair value, since the effect of the discounting is not relevant when considering the maturity of the receivables.

Fair value hierarchy for financial assets recognised at fair value

31 December 2013				
TEUR	Level 1	Level 2	Level 3	Total
Assets				
TEUR				
Financial assets available for sale				
- equity securities	11,006.2	5.0	0.0	11,011.2
Assets in total	11,006.2	5.0	0.0	11,011.2
31/12/2012	Level 1	Level 2	Level 3	Total
Assets				
TEUR				
Financial assets available for sale				
- equity securities	0.0	8.0	0.0	8.0
Assets in total	0.0	8.0	0.0	8.0

During the closed financial period, there were no transfers between the fair value hierarchy levels 1, 2 or 3.

The fair values at hierarchy level 1 are based on the quoted prices for similar assets or liabilities on the market. The shares and holdings of the Group consist of unquoted items.

The fair values for instruments at level 2 are based on significantly different input information than the quoted prices at level 1, but are nevertheless based on information (i.e. prices) or indirect information (i.e. derived from prices). In determining the fair value for these instruments, the Group uses generally accepted valuation models whose input information is largely based on verifiable market data.

The fair values of instruments at level 3 are based on input information concerning the asset or liability that is not

based on verifiable market data; instead, they are largely based on management estimates and their use in generally accepted valuation models.

Other available-for-sale financial assets have been recognised at purchase cost, since the fair value cannot be reliably determined.

37 Key events occurring after the closing date

Restamax Plc and Hans Välimäki Oy owned by Hans Välimäki founded the Gastromax Oy joint venture. Restamax Plc owns 70% of the new Gastromax Oy and Hans Välimäki owns 30%. On 1 February 2014, the joint venture purchased the Midhill restaurants located in Helsinki and Tampere amusement parks, previously owned by Hans Välimäki through various companies, and also the operations of two other restaurants.

The fair value for the assigned overall purchase consideration is as follows:

Goodwill	910.5
Inventories	20.9
Property, plant and equipment	265.0
Deferred taxes	<u>4.0</u>
Total assets	1 200.4

The purchase cost calculation for the acquired entity is still incomplete.

On 5 March 2013, Restamax Plc purchased all shares in Rengasravintolat Oy. The transaction covers the 16 restaurants in Helsinki, Tampere, Jyväskylä and Pori owned by Rengasravintolat Oy and its fully-owned subsidiaries. The purchase price for the acquisition was MEUR 7.8 in cash and 2,130,000 new shares in Restamax Plc, offered to the sellers in a directed rights issue. The final purchase price will be determined on the basis of the net assets in Rengasravintolat Oy's interim consolidated financial statements that will be published on 28 February 2014. Information according to IFRS 3 cannot be presented yet, as it is not available.

38 Calculation formulas for key figures

Profitability

Return on equity %

$$\frac{\text{Profit (profit belonging to owners of parent company + profit belonging to minority shareholders)}}{\text{Equity on average (belonging to owners of parent company and minority shareholders)}} \times 100$$

Return on investment %

$$\frac{\text{Profit before tax + finance costs}}{\text{Equity (belonging to owners of parent company and minority shareholders)}} \times 100$$

Material margin

Turnover - acquisitions +/- change in inventories

Staff expense %

$$\frac{\text{Staff expenses + External services}}{\text{Turnover}} \times 100$$

EBITDA

Earnings + depreciations and impairment

Financial position

Equity ratio %

$$\frac{\text{Equity}}{\text{Total assets - Advances received}} \times 100$$

Gearing ratio %

$$\frac{\text{Interest-bearing net financial liabilities}}{\text{Equity (belonging to owners of parent company and minority shareholders)}} \times 100$$

Key figures per share

Dividends per share

Distribution of dividends
for financial period

Undiluted number of shares on closing date

Earnings per share

Net income for financial period - non-controlling interests

Number of shares, excluding shares controlled by company itself, on average over financial period

Equity per share, EUR

Equity attributable to parent company shareholders

Number of shares at the end of the financial period, excluding shares controlled by company itself

Dividend payout ratio, %

(Dividend per share) x 100

Earnings per share

Effective dividend yield, %

Dividends per share x 100

Share price on closing date

Profit/earnings ratio (P/E)

Share price on closing date

Earnings per share

Average share price

Total trading in share in euros

Number of traded shares on average over financial period

Market value for share capital, MEUR

Share price on closing date x number of shares

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

NOTES CONCERNING THE PREPARATION OF THE FINANCIAL STATEMENTS

Principles and methods of valuation and accrual

Valuation of non-current assets

Non-current assets have been valued by deducting the accrued depreciation from their purchase cost.
The notes for the non-current assets only present the purchase costs for those non-current assets whose purchase costs have not been completely depreciated according to the plan.

Basis of and changes to planned depreciation

Commodity group	Estimated service life years	Depreciation percentage	Depreciation method
Goodwill	5		straight-line depreciation
Other long-term expenditure	3,5,7,10		straight-line depreciation
Fusion assets	5		straight-line depreciation
Machines and equipment		25	residue cost depreciation

Valuation of current assets

Inventories have been valued according to their varying purchase cost in accordance with the FIFO principle and the lowest value principle in Chapter 5 Section 6(1) of the Accounting Act.

The sale receivables and other receivables marked under non-current assets have been valued according to their nominal value or their probable value, whichever is lowest.

Pensions

The pension coverage for the company's personnel has been arranged in external pension insurance companies.

Valuation of credit capital

Payables have been valued according to their nominal value.

NOTES TO THE BALANCE SHEET

NOTES CONCERNING ASSETS IN THE BALANCE SHEET

Non-current assets

Intangible assets		Goodwill	Other long-term expenditure	Total
Book value on 1 Jan		626,311.92	2,144,451.19	2,770,763.11
Additions		0.00	778,510.45	778,510.45
Deductions		0.00	-127,644.30	-127,644.30
Depreciation during the financial period		-303,977.03	-402,887.75	-706,864.78
Book value on 31 December		322,334.89	2,392,429.59	2,714,764.48
Tangible assets				
	Machines and equipment	Other tangible assets	Prepayments and incomplete purchases	Total
Book value on 1 Jan	980,403.16	2,806.22	2,000.00	985,209.38
Additions	294,837.72	0.00	249,051.05	543,888.77
Deductions	-72,652.53	0.00	0.00	-72,652.53
Depreciation during the financial period	-265,346.71	0.00	0.00	-265,346.71
Book value on 31 December	937,241.64	2,806.22	251,051.05	1,191,098.91

Restamax Plc

Business ID 1952494-7

Investments

	Holdings in group undertakings	Holdings in associated companies	Other shares and holdings	Total
Book value on 1 Jan	#####	19,994.88	12,068.09	6,220,308.67
Additions	#####	0.00	0.00	2,272,655.39
Deductions	-2,000.00	-19,994.88	-200.00	-22,194.88
Book value on 31 December	#####	0.00	11,868.09	8,470,769.18

Company's shares in other companies where its ownership exceeds 20%

Company name and type	Domicile	Share%
Baarisalkku Oy	Helsinki	100.00
Beefmax Oy	Helsinki	100.00
Max Siivouspalvelut Oy	Tampere	70.00
Koskimax Oy	Tampere	59.60
Onemax Oy	Tampere	100.00
Suomen Diner Ravintolat Oy	Tampere	58.00
SRMax Oy	Tampere	85.00
Eiran Musiikkiteatteri Oy	Tampere	80.00
Suomen Ravintolatoimi Oy	Jyväskylä	57.90
Max Consulting Oy	Tampere	100.00
Owned by Max Consulting Oy:		
Suomen Ravintolatoimi Oy	Jyväskylä	42.10
Owned by Suomen Ravintolatoimi Oy:		
Eiran Tivoli Oy	Tampere	100.00
JVP Security Oy	Jyväskylä	100.00
Bistromax Oy	Tampere	70.00
Kampin Sirkus Oy	Tampere	90.00
Owned by Kampin Sirkus Oy:		
Markkinointitoimisto Aito Finland Oy	Tampere	60.00
Barmax Oy	Tampere	100.00
Owned by Barmax Oy:		
Poolmax Oy	Tampere	80.00
Priima Ravintolat Oy	Tampere	63.78
Owned by Priima Ravintolat Oy:		
Rock Hard Catering Oy	Tampere	88.00
Aleksanterin Ravintolat Oy	Tampere	80.00
Ruma Oy	Tampere	100.00
Prepayments and accrued income	12/31/13	12/31/12
Pension insurance payments	47,788.10	663.98
Income taxes	0.00	87,635.14
Other prepayments and accrued income	257,021.40	200,114.55
Total	304,809.50	288,413.67

Restamax Plc

Business ID 1952494-7

Receivables from companies in the same group		31.12.2013	31.12.2012
Long-term			
Loan assets		8,359,437.69	8,430,349.17
		<u>8,359,437.69</u>	<u>8,430,349.17</u>
Short-term			
Accounts receivable		208,818.49	468,906.53
Prepayments and accrued income		187,252.30	189,338.09
Other receivables from the same group		1,946,202.75	1,098,062.76
Loan assets		6,095,267.65	2,706,432.28
		<u>8,437,541.19</u>	<u>4,462,739.66</u>
Receivables from companies in the same group in total		16,796,978.88	12,893,088.83
Equity		12/31/13	12/31/12
Share capital at the beginning of the financial period		150,000.00	150,000.00
Increase of share capital		0.00	0.00
Share capital at the end of the financial period		150,000.00	150,000.00
Invested equity at the end of the financial period in total		150,000.00	150,000.00
Invested unrestricted equity fund at the beginning of the financial period		6,850,000.00	6,850,000.00
Private offering		2,024,865.54	0.00
Initial public offering		16,518,048.00	0.00
Invested unrestricted equity fund at the end of the financial period		25,392,913.54	6,850,000.00
Profit/loss from previous financial periods at the beginning of the financial period		1,175,825.30	2,800.60
Transfer of profit/loss from previous financial period		680,917.67	2,573,024.70
Dividend distribution		-1,400,000.00	-1,400,000.00
Profit/loss from previous financial periods at the end of the financial period		456,742.97	1,175,825.30
Profit/loss from financial period		3,152,557.65	680,917.67
Unrestricted equity at the end of the financial period in total		29,002,214.16	8,706,742.97
Equity total		29,152,214.16	8,856,742.97
Calculation of distributable equity funds		12/31/13	12/31/12
Profit from previous financial periods		456,742.97	1,175,825.30
Net income from financial period (profit + / loss -)	+	3,152,557.65	680,917.67
Invested unrestricted equity fund	+	25,392,913.54	6,850,000.00
Distributable funds total	=	29,002,214.16	8,706,742.97
Payables to companies in the same group		12/31/13	12/31/12
Long-term			
Capital loan		0.00	1,530,207.92
Liabilities		544,657.00	417,577.00
		<u>544,657.00</u>	<u>1,947,784.92</u>
Short-term			
Accounts payable		113,335.48	317,042.17
Liabilities		363,104.67	278,384.67
Accruals and deferred income		26,650.82	16,808.78
		<u>503,090.97</u>	<u>612,235.62</u>
Total		1,047,747.97	2,560,020.54

Restamax Plc**Business ID 1952494-7**

Accruals and deferred income		31.12.2013	31.12.2012
Salary debt		65,944.24	72,890.50
Holiday salary debt		321 826.64	377,481.75
Pension insurance		0.00	36,302.54
Other accruals and deferred income		55,858.88	13,421.81
Total		<u>443,629.76</u>	<u>500,096.60</u>

NOTES CONCERNING GUARANTEES AND GUARANTEE ENGAGEMENTS**Liabilities and guarantees by balance sheet item and guarantee type**

Liabilities with guarantees included in the balance sheet	12/31/13	12/31/12
Loans from financial institutions, non-current	5,138,473.52	5,786,403.52
Loans from financial institutions, current	<u>3,516,618.21</u>	<u>2,765,671.27</u>
Total	8,655,091.73	8,552,074.79
Provided guarantees	12/31/13	12/31/12
Mortgages on company assets	15,650,000.00	15,650,000.00
Bank guarantees	1,453,592.11	1,278,612.29
Mortgaged securities, shares in subsidiaries at book values	<u>8,456,776.09</u>	<u>6,031,091.64</u>
Other provided guarantees in total	25,560,368.20	22,959,703.93

Furthermore, Restamax Oy has provided an absolute guarantee for all of the companies in the Restamax group as relates to accounts payable to the wholesaler, up to an amount of €200,000.

Leasing rental agreement liabilities not included in the balance sheet	12/31/13	12/31/12
To be paid during the next financial period	72,409.74	54,707.91
To be paid later	<u>81,270.08</u>	<u>104,518.89</u>
Total	153,679.82	159,226.80
Total amount of open leasing rental agreements,	153,679.82	159,226.80
, of which will be due 2014	72,409.74	54,707.91
2015–2018	81,270.08	104,518.89
The agreements can be terminated by paying the residual value for the remaining instalments	153,679.82	159,226.80

Other liabilities

Other guarantee engagements not included or marked in the balance sheet

	12/31/13	12/31/12
Rental guarantee, VAT 0%	<u>19,151,738.18</u>	<u>12,122,048.37</u>
	19,151,738.18	12,122,048.37
	12/31/13	12/31/12
Staff Invest Oy, purchase guarantee approx.	MEUR 32.7	MEUR 40.8

NOTES CONCERNING INCOME STATEMENT

Number of staff	12/31/13	12/31/12
Average number of staff	61	59
Total number of staff	61	59
Distribution of turnover	12/31/13	12/31/12
Restaurant business	11,575,413.70	8,373,075.61
Other business	71,822.40	71,584.27
	11,647,236.10	8,444,659.88
Other operating income	12/31/13	12/31/12
Sales profit	28,500.00	3,300.00
Rental income	123,303.60	79,284.36
Other miscellaneous operating income	257,025.80	195,479.32
Other miscellaneous operating income, group	846,988.38	845,082.70
Total	1,255,817.78	1,123,146.38
Other operating expenses	12/31/13	12/31/12
Voluntary indirect employee costs	118,861.32	121,203.11
Costs for business premises	2,377,031.96	1,614,482.21
Costs for machinery and equipment	509,532.00	379,393.40
Travel expenses	113,685.06	81,495.90
Marketing, performer and representational expenses	897,009.41	534,421.18
Other operating expenses	765,616.16	328,762.87
	4,781,735.91	3,059,758.67
Auditor services	12/31/13	12/31/12
Auditor's fee	36,450.00	13,000.00
Other services	422,297.75	16,705.00
Total	458,747.75	29,705.00
Financing income and expenses	12/31/13	12/31/12
Income from shares in companies of the same group	5347,660.42	1,226,888.25
Income from shares	2,400.00	935.00
Interest and other financing income	201,122.37	195,044.09
Interest and other financing expenses	-1,763,536.74	-459,670.11
Total	3,787,646.05	963 197.23

The company has received advance dividends from Max Consulting Oy and Suomen Ravintolatoimi Oy amounting to €3,250,000.00.

FINANCIAL STATEMENT FOR 1 JANUARY - 31 DECEMBER 2013

€ thousands

1 January -31 December 2013 y -31 December 2012

Operating cash flow:

Profit (loss) before extraordinary items	3.153	681
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Adjustments:

Depreciations according to plan	972	697
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Other income and expenses that do not incur payments	-654	-362
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Financing income and expenses	-3.788	-963
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Other adjustments	58	859
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Cash flow before change in working capital	-259	911
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Change in working capital:

Increase (-)/deduction (+) in current interest-free receivables	-114	466
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Increase (-)/deduction (+) in inventories	34	90
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Increase (-)/deduction (+) in current interest-free payables	-266	873
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Operating cash flow before financial items and taxes	-605	2.34
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Interest and fees paid for other operating finance costs	-363	-454
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Dividends received from operation	353	2.058
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Interest received from operation	198	248
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Immediate taxes paid	88	-155
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Cash flow before extraordinary items	-330	4.037
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Operating cash flow (A)	-330	4.037
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Investment cash flow:

Investments in tangible and intangible assets	-1.331	-2.305
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Income from assignment of tangible and intangible assets	134	270
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Investments in other investments	-249	-537
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Deduction (+)/increase (-) of non-current loan assets	715	-2.113
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Fund investment	-11	0
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Income from assignment of other investments	32	0
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Investment cash flow: (B)	-11.7	-4.685
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Finance cash flow:

Current loans drawn (+)/repaid (-)	836	48
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Non-current loans drawn (+)	1	777
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Non-current loans repaid (-)	-4.4	0
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Dividends paid and other distribution of profits	-125	-125
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Payments directly from the issue of new shares	-1.378	0
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Payments received from share issue	16.518	0
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Finance cash flow: (C)	12.451	700
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Change in cash and cash equivalents (A+B+C), increase (+)/deduction (-)	421	52
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Cash and cash equivalents at the beginning of the financial period	297	173
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Cash and cash equivalents at the end of the financial period	718	297
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Cash and cash equivalents transferred during the merger of Old Tawastia Oy	0	72
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Cash and cash equivalents at the end of the financial period, excluding the mer	718	226
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Change	421	52
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NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 2013**List of accounting books, receipt types and storage methods**

	Storage method
General journal	On CD
Nominal ledger	On CD
Accounts receivable	On CD
Accounts payable	On CD
Payroll accounting	As paper copies
Balance sheet book	Separately bound
Balance sheet specifications	Separately bound

	Receipt type	Storage method
Allocation receipts	10000	As paper copies
Cash receipts	8000	As paper copies
Bank receipts, Sampo	17000	On CD
Memo vouchers	8000	As paper copies
Sales invoices	12000	On CD
Purchase invoices	3000	On CD
VAT receipts	8000	As paper copies

Restamax Plc

BUSINESS ID 1952494-7

SIGNATURES FOR FINANCIAL STATEMENTS AND ANNUAL REPORT 31 DECEMBER 2013

DATE AND SIGNATURES

Tampere __ March 2014

Timo Laine
Chairman of the board of directors

Mikko Aartio

Turo Levänen

Jarmo Viitala

Petri Olkinuora

Sami Asikainen

Markku Virtanen
CEO

AUDITOR'S NOTE

An audit report has been provided today.

Date and signatures

Tampere on the __ of _____ 2014

Deloitte & Touche Oy, Authorised Public Accountants

Hannu Mattila, APA

