# INTERIM REPORT
# Q1/2015

RESTAMAX

RESTAURANT COMPANY

# RESTAMAX INTERIM REPORT Q1 2015

## THE GROUP'S STRONG GROWTH CONTINUED AND PROFITABILITY IMPROVED IN JANUARY–MARCH 2015

**January–March 2015 in brief**

Figures in parentheses refer to the same period last year, unless otherwise stated.

**Entire Group:**

The Group's turnover was MEUR 24.5 (MEUR 15.9), growth of 53.6 per cent. EBITDA was MEUR 2.9 (MEUR 1.4), growth of 104.6 per cent. Operating profit was MEUR 0.8 (MEUR 0.1), growth of 802.4 per cent.

**Restaurant business:**

The turnover of the restaurant business segment was MEUR 22.4 (MEUR 15.9), growth of 41.0 per cent. EBITDA was MEUR 2.6 (MEUR 1.4), growth of 81.0 per cent. Operating profit was MEUR 0.7 (MEUR 0.1), growth of 649.1 per cent.

**Labour hire business:**

The turnover of the labour hire business segment was MEUR 4.3. EBITDA was MEUR 0.4. Operating profit was MEUR 0.1. (New business segment, no comparison figures.)

**Prospects for 2015**

**Result management (as of 20 February 2015):**

Restamax estimates that the Group will reach a turnover of over MEUR 100 during the 2015 financial period, and that the EBITDA and operating profit will increase proportionally compared to the previous financial period.

RESTAMAX
RESTAURANT COMPANY

# CEO MARKKU VIRTANEN

## Strong start for 2015

We successfully implemented several large growth investments in 2014. The acquisition of Rengasravintolat in March 2014, adding the labour hire segment to our business in August and expanding to northern tourist resorts with the Tunturimax corporate acquisition in October created a strong growth platform for the future. We added 32 restaurants to our restaurant portfolio in 2014. The business acquisitions were completed during the 2014 financial period, so the acquired business operations have been fully available to us in early 2015.

During the first quarter of 2015, our turnover increased by 53 per cent from the previous year. Our EBITDA increased by over 104 per cent, and our operating profit increased more than eightfold from the previous year.

Despite the challenging market situation, we reached a relatively good result in the first quarter, considering the circumstances. The winter season of our fell restaurants in Pyhä and Ruka was fairly successful in terms of sales. 2015 also started very favourably in labour hire operations.

I am extremely pleased with the flexible and efficient work of our personnel under these financially challenging times. Our staff expense percentage has remained fairly efficient, largely thanks to our management and personnel. Our organisation received a good grade in the occupational satisfaction survey that was conducted late last year. We will continue on our tried and tested course and use the feedback received to develop our operations further.

At the beginning March 2015, Vice CEO Harri Niskanen joined us in developing our activities. His valuable professional expertise strengthens the leadership of our Group. The importance of our partners for our operations has also increased further. We have expanded our partner network and boosted the cooperation with our contract suppliers. As a listed, strongly growing and financially sound company we are an even better partner than before for lessors and our other stakeholders.

## Exceptional profit development despite the field's downturn

In Finland, the total value of the restaurant market is currently approximately EUR 5 billion. In 2014 (January–December), the turnover of restaurants licensed to serve alcohol increased by 1.2 per cent, whereas the turnover increase in the industry in 2013 was 1.6 per cent. Based on preliminary information, the sales of restaurants licensed to serve alcohol decreased by 3.0 per cent in 2014, alcohol sales decreased by approximately 5 per cent, and food sales also decreased (January–September 2014).

Although 2014 was in a slight downturn for the industry, the tourism and catering industry is considered a growing industry segment in the long term. The key reasons why the restaurant market is growing slightly more strongly than the GDP include increased domestic travel and tourism, urbanisation, increased number of single-person households and changes in consumer habits.

According to the 2014 restaurant trend survey commissioned from TNS Gallup by the Finnish Hospitality Association MaRa, Finns eat out at restaurants significantly more often than ten years ago. The number of people who eat at restaurants has increased steadily to this day, although the development has slowed down slightly in the past few years.

Despite the challenges, the recovery of the industry is in sight. The economy in general is estimated to experience slow growth due to increased export at the end of 2015. Another turn for the positive can be seen in the partial reinstitution of deductible representation expenses that allows companies to deduct 50 per cent of their representation expenses in their income taxation starting from the beginning of 2015. The decision supports the demand for tourism and restaurant services, increases employment and brings tax revenues to the State.

The tourism and restaurant sector creates a substantial number of jobs and brings the State in excess of EUR 5 billion in tax revenues each year. I hope that the new Finnish Government and decision-makers acknowledge the importance of this industry segment and make good decisions concerning the value added tax and alcohol taxation in order to ensure the prerequisites for growth.

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**Labour hire segment – a strong future industry segment**

The labour hire segment became part of our operations in the 2014 financial period. Our subsidiary Smile Henkilöstöpalvelut Oy helps us ensure the sufficient availability of personnel in the future and support the growth of our company. During 2014, we made a significant number of changes, investments and corporate arrangements in order to integrate the new segment into our activities. This business segment has not yet been fully integrated into our Group, however, and the business is in an early phase, but I see great growth potential in labour hiring.

According to national statistics, the turnover of labour hire services is growing constantly, and the industry segment has favourable growth prospects. The sector offers today's employers and employees flexible opportunities. The new generations are open to working flexibly in different companies and sectors. According to national temporary hired labour surveys in 2014, hired labour work is considered sensible, and up to 86 per cent of temporary hired workers would recommend it to someone they know. The labour hire segment plays a significant role in our society, especially in increasing youth employment.

**100 restaurants around Finland**

Although there is uncertainty in the demand for restaurant services, and the competition is tough, we have successfully increased our business and also maintained good profitability at a level that is clearly above the average profitability in the industry segment. One of the essential key elements to our success is the large number of unique restaurant concepts that can be customised for different locations to serve the needs and wishes of different target groups.

Today, our Group comprises some 100 restaurants in different parts of Finland. At the beginning of 2015, we added three new nightclubs into our portfolio. The purchase of the Apollo and Tivoli nightclubs expanded our operations into Oulu, a new market area; in Pori, we strengthened our current market position by purchasing the Cabaret nightclub. We also opened the Belgian bistro Rikhard von Trappe in Helsinki in co-operation with Hans Välimäki, and the Boho & Keittiö restaurant in Jyväskylä with our subsidiary Priima-Ravintolat Oy.

The first quarter of the year gives a strong indication that we will achieve the targets that we have set for this year.

**Markku Virtanen, CEO**

# KEY FIGURES

## RESTAMAX GROUP IN TOTAL

| (EUR thousand) | 1–3/2015 | 1–3/2014 | 1–12/14 |
|---|---|---|---|
| **KEY FIGURES, entire Group** | | | |
| Turnover | 24,450 | 15,914 | 86,653 |
| EBITDA | 2,895 | 1,415 | 12,008 |
| EBITDA, % | 11.8% | 8.9% | 13.9% |
| Operating profit | 788 | 87 | 5,265 |
| Operating profit, % | 3.2% | 0.5% | 6.1% |
| Review period result | 488 | 71 | 3,334 |
| To shareholders of the parent company | 638 | 102 | 3,451 |
| To minority shareholders | −150 | −31 | −117 |
| Earnings per share (euros) to the shareholders of the parent company | 0.04 | 0.01 | 0.22 |
| Interest-bearing net liabilities | 21,405 | 7,685 | 18,944 |
| Gearing ratio, % | 53.9% | 20.3% | 48.1% |
| Equity ratio, % | 50.1% | 61.3% | 47.2% |
| Return on investment, % (p.a.) | 5.0% | 1.8% | 10.5% |

## RESTAURANT BUSINESS

| (EUR thousand) | 1–3/2015 | 1–3/2014 | 1–12/14 |
|---|---|---|---|
| Turnover | 22,443 | 15,914 | 83,666 |
| EBITDA | 2,562 | 1,415 | 11,444 |
| EBITDA, % | 11.4% | 8.9% | 13.7% |
| Operating profit | 654 | 87 | 4,957 |
| Operating profit, % | 2.9% | 0.5% | 5.9% |
| **KEY FIGURES** | | | |
| Material margin, % | 74.1% | 75.4% | 74.0% |
| Staff expenses, % | 29.6% | 29.5% | 29.6% |

## LABOUR HIRE BUSINESS

| (EUR thousand) | 1–3/2015 | 1–3/2014 | 1–12/14 |
|---|---|---|---|
| Turnover | 4,316 | – | 6,833 |
| EBITDA | 427 | – | 696 |
| EBITDA, % | 9.9% | – | 10.2% |
| Operating profit | 134 | – | 308 |
| Operating profit, % | 3.1% | – | 4.5% |
| **KEY FIGURES** | | | |
| Staff expenses, % | 85.9% | | 84.0% |

## TURNOVER AND INCOME

**The Group's income for the first quarter of 2015**

**Entire Group:**

The Group's turnover was MEUR 24.5 (MEUR 15.9), growth of 53.6 per cent. EBITDA was MEUR 2.9 (MEUR 1.4), growth of 104.6 per cent. Operating profit was MEUR 0.8 (MEUR 0.1), growth of 802.4 per cent.

**Restaurant business:**

The turnover of the restaurant business segment was MEUR 22.4 (MEUR 15.9), growth of 41.0 per cent. EBITDA was MEUR 2.6 (MEUR 1.4), growth of 81.0 per cent. Operating profit was MEUR 0.7 (MEUR 0.1), growth of 649.1 per cent.

**Labour hire business:**

The turnover of the labour hire business segment was MEUR 4.3. EBITDA was MEUR 0.4. Operating profit was MEUR 0.1. (New business segment, no comparison figures.)

Restamax Group's result for the first quarter of the year is significantly better than that of the previous year. Considerable growth was achieved during the review period; the turnover increased by over 53 per cent, EBITDA by over 100 per cent, and operating profit by over 800 per cent from the corresponding period in the previous year. The increase in turnover was fuelled by the investments made and corporate acquisitions completed in 2014, which have been fully available to the company since the beginning of 2015, helping create a strong growth platform for the future.

Due to the seasonal nature of both the restaurant and labour hire businesses, most of the profits are made at the end of the year.

## CASH FLOW, INVESTMENTS AND FINANCING

The Group's net operating cash flow between January and March was MEUR 0.8 (MEUR 1.1).

During the review period, significant corporate acquisitions and growth investments were made; the operations of three nightclubs were acquired Oulu and Pori, a Belgian bistro was opened in Helsinki and a new restaurant was opened in Jyväskylä.

The Group's interest-bearing net liabilities at the end of March were MEUR 21.4 (MEUR 7.7). The Group's net financial expenses between January and March were EUR 170,000 (EUR 14,000). Equity ratio was 50.1 per cent (61.3 per cent) and gearing ratio was 53.9 per cent (20.3 per cent).

## PIVOTAL EVENTS IN THE REVIEW PERIOD

**Purchase of the Tivoli, Apollo and Cabaret nightclubs, Oulu and Pori**

Restamax Plc purchased the operations of the Tivoli and Apollo nightclubs in Oulu and the Cabaret nightclub in Pori through an acquisition realised on 31 December 2014. Restamax gained ownership of the business operations of the nightclubs on 1 January 2015.

**Rikhard von Trappe – Belgian Bistro & Bar, Helsinki**

In January 2015, Gastromax Oy opened the Rikhard von Trappe – Belgian Bistro & Bar restaurant in the place of Rikhards Gastropub in Helsinki as a continuation of the August von Trappe – Belgian Bistro & Bar, which was opened in Tampere in November.

**Tampereen Satamaravintolat Oy**

In February, Restamax purchased all the shares of Tampereen Satamaravintolat Oy, thus acquiring the restaurant business located at the Mustalahti marina in Tampere.

**HillSide Grill, Ruka**

Tunturimax Oy opened the seasonal restaurant HillSide Grill in Ruka for the 2015 winter holiday season.

**Appointment of Vice CEO**

Harri Niskanen started work as Vice CEO and Executive Team member of Restamax on 1 March 2015. He will be responsible for the company's operation, development and result together with CEO Markku Virtanen.

**Boho & Keittiö, Jyväskylä**

On 27 March, Restamax's subsidiary Priima-Ravintolat Oy opened the Boho & Keittiö restaurant in Jyväskylä.

## EVENTS AFTER THE REVIEW PERIOD AND NEW PROJECTS

**Iloinen katupoika, Helsinki**

On 23 April, the Iloinen katupoika karaoke restaurant was opened in Helsinki's City Corridor on the old premises of restaurant Midhill. Iloinen Katupoika is part of the Gastromax restaurant family.

**Italpal Oy**

On 2 April 2015, Restamax Plc purchased all shares in Italpal Oy, which engages in the restaurant business. The acquisition cost calculation has not been drawn up yet.

**Smile Doctors Oy**

In early April, Restamax's subsidiary Smile Henkilöstöpalvelut Oy expanded its operations to medical and health care services. Smile Doctors Oy focuses on supplying and hiring out doctors.

**Appointments**

New experts were recruited for Restamax's line management and sales organisation. Kaisa Laatikainen started as Sales Manager on 20 April 2015, and Saija Mattila was appointed Line Manager for restaurants starting 1 May 2015.

**Decisions of the Annual General Meeting**

On 22 April 2015, Restamax's Annual General Meeting confirmed the proposal made by the Board of Directors that a dividend of EUR 0.22 per share be distributed based on the balance sheet to be confirmed for the financial period that ended on 31 December 2014.

The Annual General Meeting re-elected the following current Members of the Board until the end of the next annual general meeting: Timo Laine, Petri Olkinuora, Mikko Aartio, Jarmo Viitala and Mika Niemi. Timo Everi was elected as a new member to the Board of Directors.

## STAFF

**Restaurant business:**

In 1 January–31 March 2015, the restaurant operations of the Restamax Group employed on average 229 (178) full-time employees and 98 (73) part-time employees converted into full-time employees as well as 246 (166) rented employees converted into full-time employees.

**Labour hire business:**

In 1 January–31 December 2015, the Restamax Group's labour hire business employed, on average, 407 full-time employees.

Depending on the season, some 900–1,100 persons work at the Group at the same time.

## RISKS AND UNCERTAINTY FACTORS

Restamax Group strives to practise its restaurant and labour hire operations in accordance with all decrees and regulations governing the serving of alcohol and food products and labour agreements as well as all other legal provisions. A significant part of Restamax's business operations is subject to licence and closely monitored. Any unexpected changes in regulation may impact the company's operations in a negative fashion.

Despite Restamax's extensive customer base, the general financial recession, uncertainty of the future and changes in the consuming habits of our customers are impairing our customers' desire to make purchases. The restaurant business is struggling in a downturn and the demand for tourism and restaurant services continues to decline. Customers are consuming less than before and their average purchases are smaller.

The share of alcohol consumption in restaurants has dropped to a historically low level. The increase in the alcohol tax introduced at the beginning of 2014 has further decreased the domestic serving demand of alcohol. The Finnish government's decisions concerning alcohol legislation and value added taxation may affect the company's business.

Reasons behind the field's weakening profitability and dropping sales also include, besides the weak financial situation of households and the resulting reduction in purchasing power, weakening company sales. In addition, the decrease in the numbers of foreign and domestic travellers, heavy cost structure and continuously tightening taxation create challenges for the field. According to forecasts by the Finnish Hospitality Association (MaRa), no quick recovery is in sight and the field's downturn looks bleaker than average.

In addition to the prices of alcohol and foodstuffs, Restamax's operations are also significantly affected by the cost of our premises, which make up a substantial portion of Restamax's business expenses. Restamax's premises are leased, so the general leasing level and its development has a major impact on the company's operations.

Most of the Group's labour hire business is targeted towards the restaurant business. Therefore, any changes on the restaurant market and in the level of employment in the field will also affect the Group's labour hire business. The labour hire business may increase credit losses or the need to make credit loss reservations.

# INTERIM REPORT: 1.1.–31.3.2015
# TABLE SECTION AND NOTES

## THE INFORMATION PRESENTED IN THE INTERIM REPORT HAS NOT BEEN AUDITED

## GROUP INCOME STATEMENT (IFRS)

| EUR thousand | Note | 1 January–31 March 2015 | 1 January–31 March 2014 | 1 January–31 December 2014 |
|---|---|---|---|---|
| Turnover | | 24,450.3 | 15,914.0 | 86,653.3 |
| Other operating income | | 267.0 | 387.9 | 1,593.7 |
| Materials and services | | -6,468.8 | -6,048.4 | -28,394.6 |
| Staff expenses | | -7,433.4 | -2,909.8 | -20,028.7 |
| Other operating expenses | | -7,920.0 | -5,928.6 | -27,815.2 |
| **EBITDA** | | **2,895.2** | **1,415.1** | **12,008.4** |
| | | | | |
| Depreciations, amortizations and impairment | | -2,107.4 | -1,327.8 | -6,743.6 |
| **Operating profit** | | **787.8** | **87.3** | **5,264.8** |
| | | | | |
| Financial income | | 7.9 | 75.3 | 107.1 |
| Financial expenses | | -178.0 | -88.9 | -655.5 |
| **Profit/loss before taxes** | | **617.7** | **73.7** | **4,716.4** |
| Income taxes | | -302.3 | -154.7 | -1,086.7 |
| Change in deferred taxes | | 172.6 | 151.6 | -295.9 |
| **Profit for the financial period** | | **487.9** | **70.6** | **3,333.8** |
| | | | | |
| Attributable to: | | | | |
| Parent company shareholders | | 637.9 | 101.7 | 3,450.7 |
| To minority shareholders | | -150.0 | -31.1 | -116.9 |
| **Total** | | **487.9** | **70.6** | **3,333.8** |
| | | | | |
| **Earnings per share calculated from the review period profit for parent company shareholders** | | | | |
| Undiluted earnings per share (euros) | | 0.04 | 0.01 | 0.22 |
| Diluted earnings per share (euros) | | 0.04 | 0.01 | 0.22 |
| | | | | |
| **Comprehensive consolidated income statement** | | | | |
| | | | | |
| **Profit for the financial period** | | **487.9** | **70.6** | **3,333.8** |
| Other comprehensive income items (after taxes): | | | | |
| Financial assets available for sale | | 0.0 | 0.0 | 0.0 |
| **Total comprehensive income for the period** | | **487.9** | **70.6** | **3,333.8** |
| | | | | |
| Attributable to: | | | | |
| Parent company shareholders | | 637.9 | 101.7 | 3,450.7 |
| To minority shareholders | | -150.0 | -31.1 | -116.9 |
| **Total** | | **487.9** | **70.6** | **3,333.8** |

# GROUP BALANCE SHEET (IFRS)

| EUR thousand | Note | 3/31/15 | 3/31/14 | 12/31/14 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Intangible assets | | 39,662.4 | 28,054.1 | 40,241.8 |
| Property, plant and equipment | | 26,022.2 | 20,460.9 | 25,220.8 |
| Financial assets available for sale | | 492.4 | 348.6 | 348.6 |
| Interest-bearing loans receivable | | 178.9 | 178.9 | 178.9 |
| Non-interest-bearing other receivables | | 900.2 | 538.3 | 900.2 |
| Deferred tax assets | | 438.3 | 984.1 | 275.7 |
| **Non-current assets total** | | **67,694.4** | **50,564.9** | **67,166.0** |
| | | | | |
| **Current assets** | | | | |
| Inventories | | 2,078.2 | 1,580.2 | 1,994.3 |
| Interest-bearing loans receivable | | 153.1 | 108.6 | 83.3 |
| Sales receivables and other non-interest-bearing receivables | | 8,399.8 | 4,645.2 | 9,697.9 |
| Financial assets valued at fair value through profit and loss | | 0.0 | 3,074.5 | 0.0 |
| Cash and cash equivalents | | 1,331.1 | 4,250.3 | 5,242.5 |
| **Current assets total** | | **11,962.3** | **13,658.8** | **17,018.0** |
| **Assets in total** | | **79,656.6** | **64,223.8** | **84,184.0** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity attributable to parent company shareholders** | | | | |
| Share capital | | 150.0 | 150.0 | 150.0 |
| Invested unrestricted equity fund | | 33,937.3 | 33,937.3 | 33,937.3 |
| Fair value fund | | -13.3 | -13.3 | -13.3 |
| Own shares | | -658.6 | 0.0 | -441.7 |
| Retained earnings | | 5,831.2 | 3,658.3 | 5,197.6 |
| Equity loan | | 220.0 | 0.0 | 220.0 |
| | | | | |
| **Total equity attributable to parent company shareholders** | | **39,466.6** | **37,732.3** | **39,049.9** |
| Minority shareholders | | 209.1 | 221.1 | 354.8 |
| **Equity total** | | 39,675.7 | 37,953.4 | 39,404.7 |
| | | | | |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | | 910.9 | 914.0 | 904.5 |
| Provisions | | 50.2 | 0.0 | 80.3 |
| Financial liabilities | | 16,640.1 | 6,513.5 | 17,297.6 |
| Trade payables and other liabilities | | 918.5 | 1,368.6 | 1,169.3 |
| **Non-current liabilities total** | | 18,519.7 | 8,796.1 | 19,451.7 |
| | | | | |
| **Current liabilities** | | | | |
| Financial liabilities | | 5,998.6 | 5,570.4 | 7,046.1 |
| Trade payables and other liabilities | | 15,462.6 | 11,903.9 | 18,281.5 |
| **Current liabilities total** | | **21,461.2** | **17,474.3** | **25,327.6** |
| **Liabilities total** | | **39,980.9** | **26,270.4** | **44,779.3** |
| | | | | |
| **Equity and liabilities in total** | | **79,656.6** | **64,223.8** | **84,184.0** |

## GROUP CASH FLOW STATEMENT (IFRS)

| EUR thousand | 1 January–31 March 2015 | 1 January–31 March 2014 | 1 January–31 December 2014 |
|---|---|---|---|
| **Operating cash flow** | | | |
| Profit from review period | 487.9 | 70.6 | 3,333.8 |
| Adjustments: | | | |
| Non-cash transactions | -363.6 | -595.7 | -106.9 |
| Depreciations, amortizations and impairment | 2,107.4 | 1,327.8 | 6,743.6 |
| Financial expenses (net) | 170.1 | 13.6 | 548.4 |
| Taxes | 129.8 | 3.1 | 1,382.6 |
| **Cash flow before change in working capital** | 2,531.7 | 819.4 | 11,901.5 |
| **Changes in working capital:** | | | |
| Increase (-)/deduction (+) in accounts receivable and other receivables | 391.6 | 1,596.8 | 1,903.6 |
| Increase (-)/deduction (+) in inventories | -13.6 | 137.8 | -154.0 |
| Increase (+)/deduction (-) in accounts payable and other liabilities | -2,704.7 | -959.4 | -2,165.8 |
| **Change in working capital** | **-2,326.6** | **775.2** | **-416.2** |
| Dividends received | 0.0 | 0.0 | 4.8 |
| Interest paid and other financial costs | -168.4 | -96.0 | -876.9 |
| Interest received and other financial income | 7.8 | 1.5 | 245.5 |
| Taxes paid | 769.8 | -360.2 | -2,666.6 |
| **Operating net cash flow** | **814.2** | **1,139.9** | **8,192.1** |
| | | | |
| **Investment cash flow** | | | |
| Sales of available-for-sale financial assets | 0.0 | 8,000.0 | 11,000.0 |
| Investments in tangible and intangible assets | -2,227.4 | -2,729.3 | -10,082.6 |
| Deduction (+)/increase (-) of non-current loans receivable | -24.7 | 1,730.0 | 1,880.3 |
| Acquisition of subsidiaries with time-of-acquisition liquid assets deducted | -337.7 | -5,591.8 | -13,319.0 |
| Business transactions, acquisitions (-) | -233.7 | -570.0 | -4,675.1 |
| Business transactions, sales (+) | 28.7 | 95.6 | 134.7 |
| **Investment net cash flow** | **-2,794.9** | **934.5** | **-15,061.7** |
| | | | |
| **Financial cash flow** | | | |
| Acquisition of own shares (-) | -216.9 | 0.0 | -250.3 |
| Non-current loans drawn (+) | 0.0 | 0.0 | 20,100.0 |
| Non-current loans repaid (-) | -658.9 | -569.3 | -10,191.8 |
| Current loans drawn (+)/repaid (-) | -1,041.8 | -199.7 | 1,547.9 |
| Amortizations of finance leases (-) | -13.1 | -23.2 | -88.3 |
| Dividends paid | 0.0 | -66.0 | -2,039.6 |
| **Finance net cash flow** | **-1,930.7** | **-858.2** | **9,077.9** |
| | | | |
| **Change in liquid assets** | -3,911.4 | 1,216.2 | 2,208.3 |
| | | | |
| **Liquid assets 1 Jan** | **5,242.5** | **3,034.2** | **3,034.2** |
| **Change** | **-3,911.4** | **1,216.2** | **2,208.3** |
| **Liquid assets 31 Mar** | **1,331.1** | **4,250.4** | **5,242.5** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to parent company shareholders

| EUR thousand | Share capital | Invested unrest-ricted equity | Fair value fund | Own shares | Retained earnings | Equity loan | Total | Minority share-holders' share | Equity total |
|---|---|---|---|---|---|---|---|---|---|
| **Equity on 1 January 2015** | **150.0** | **33,937.3** | **-13.3** | **-441.7** | **5,197.6** | **220.0** | **39,049.9** | **354.8** | **39,404.7** |
| **Comprehensive income of the review period** | | | | | | | | | |
| Profit from review period | | | | | 637.9 | | **637.9** | -150.0 | **487.9** |
| Other comprehensive income items (after taxes) | | | | | | | **0.0** | | **0.0** |
| Financial assets available for sale | | | | | | | **0.0** | | **0.0** |
| **Total comprehensive income for the financial period** | 0.0 | 0.0 | 0.0 | 0.0 | 637.9 | 0.0 | **637.9** | -150.0 | **487.9** |
| **Transactions with shareholders** | | | | | | | **0.0** | | **0.0** |
| Equity convertible loans | | | | | | | **0.0** | | **0.0** |
| Dividend distribution | | | | | | | **0.0** | | **0.0** |
| New issue | | | | | | | **0.0** | | **0.0** |
| Expenses directly from the issue of new shares adjusted with taxes | | | | | | | **0.0** | | **0.0** |
| Acquisition of own shares | | | | -216.9 | | | **-216.9** | | **-216.9** |
| Changes in minority shareholders' shares without change in controlling interest | | | | | -4.3 | | **-4.3** | 4.3 | **0.0** |
| **Transactions with shareholders, total** | 0.0 | 0.0 | 0.0 | -216.9 | -4.3 | 0.0 | **-221.2** | 4.3 | **-216.9** |
| **Equity, 31 March 2015** | **150.0** | **33,937.3** | **-13.3** | **-658.6** | **5,831.2** | **0.0** | **39,466.6** | **209.1** | **39,675.7** |
| | | | | | | | | | |
| **Equity, 1 January 2014** | **150.0** | **24,352.3** | **-13.3** | **0.0** | **3,556.6** | **0.0** | **28,045.6** | **250.8** | **28,296.3** |
| **Comprehensive income of the review period** | | | | | | | | | |
| Profit from review period | | | | | 101.7 | | 101.7 | -31.1 | 70.6 |
| Other comprehensive income items (after taxes) | | | | | | | | | |
| Financial assets available for sale | | | | | | | **0.0** | | **0.0** |
| **Total comprehensive income for the financial period** | **0.0** | **0.0** | **0.0** | **0.0** | **101.7** | **0.0** | **101.7** | **-31.1** | **70.6** |
| **Transactions with shareholders** | | | | | | | | | |
| Equity loans | | | | | | | **0.0** | | **0.0** |
| Dividend distribution | | | | | | | **0.0** | | **0.0** |
| New issue | | 9,585.0 | | | | | **9,585.0** | | **9,585.0** |
| Expenses directly from the issue of new shares adjusted with taxes | | | | | | | **0.0** | | **0.0** |
| Changes in minority shareholders' shares without change in controlling interest | | | | | | | **0.0** | 1.5 | **1.5** |
| **Transactions with shareholders, total** | 0.0 | 9,585.0 | 0.0 | 0.0 | 0.0 | 0.0 | **9,585.0** | 1.5 | **9,586.5** |
| **Equity, 31 March 2014** | **150.0** | **33,937.3** | **-13.3** | **0.0** | **3,658.3** | **0.0** | **37,732.3** | **221.2** | **37,953.4** |

# INTERIM REPORT NOTES

## 1. ACCOUNTING PRINCIPLES

This unaudited interim report has been prepared by observing the accounting and valuation principles of the IFRS standards, but not all the requirements of the IAS 34 Interim Financial Reporting standard have been observed in its preparation. The interim report should be read together with the 2014 IFRS consolidated financial statements. The interim report has been prepared by observing the same principles as the 2014 IFRS consolidated financial statements, with the exception of the changes to the IFRS standards effective and adopted as of 1 January 2015. The changes are described in the 2014 IFRS consolidated financial statements. The changes do not have a significant effect on the interim report.

Preparing the consolidated financial statements in accordance with the IFRS requires the use of the management's evaluations and presumptions, which affects the amounts of assets and liabilities as well as profits and costs on the balance sheet. Although the assessments are based on the management's best perception at the moment, it is possible that realisations may deviate from the original assessments and presumptions.

All figures are presented as thousands of euros and have been rounded to the nearest 0.1 thousand euros, thus the sum of individual figures may deviate from the total sum presented.

## 2. SEGMENT INFORMATION

The Group's reported segments are the Group's strategic business units: restaurants and labour hiring. These business units produce different products and services and they are managed as separate units, since their business requires applying a different strategy. The Group's Executive Team has been named as the top operative decision-maker responsible for resource allocation and income estimates. The Group operates solely on the domestic market.

The restaurants segment operates in all sectors of the restaurant business, offering different types of restaurant experiences to customers' needs; the segment operates on the principle of "from the morning until late at night", offering both restaurants and nightclubs. The segment has a total of 39 concepts, 14 of which are designed for duplication. The Group's well-known restaurant concepts include the von Trappe restaurants, Viihdemaailma Ilona, American Diner, Daddy's Diner, Stefan's Steakhouse, and the Galaxie and Space Bowling & Billiards entertainment centres.

The labour hire segment offers labour services mainly to companies in the restaurant and HoReCa fields. The segment's income is generated from profits received from labour hiring. The labour hiring business was acquired on 1 August 2014.

The segment information presented by the Group is based on the management's internal reporting that is prepared in accordance with the IFRS standards. The pricing between segments is based on a fair market price. The Group's assets and liabilities are not focused or monitored per segment in internal financial reporting.

The Group's evaluation of profitability and decisions concerning the resources to be allocated to a segment are based on the segments' EBITDA. It is the understanding of the management that this is the most suitable benchmark for comparing the profitability of the segments to other companies in their respective fields.

| | 1 January–31 March 2015 | | | | 1 January–31 March 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | Restaurants | Labour hire | Eliminations | Group | Restaurants | Labour hire | Eliminations | Group |
| Turnover | 22,442.8 | 4,315.7 | -2,308.2 | 24,450.3 | 15,914.0 | - | - | 15,914.0 |
| Other operating income | 363.3 | 2.7 | -99.0 | 267.0 | 387.9 | - | - | 387.9 |
| EBITDA | 2,561.6 | 426.8 | -93.2 | 2,895.2 | 1,415.1 | - | - | 1,415.1 |
| Depreciations | -1,907.7 | -292.9 | 93.2 | -2,107.4 | -1,327.8 | - | - | -1,327.8 |
| Operating profit | 653.9 | 133.9 | 0.0 | 787.8 | 87.3 | - | - | 87.3 |
| Profit/loss before taxes | 562.1 | 55.6 | 0.0 | 617.7 | 73.7 | - | - | 73.7 |

| | 1 January–31 December 2014 | | | |
|---|---|---|---|---|
| | Restaurants | Labour hire | Eliminations | Group |
| Turnover | 83,666.4 | 6,833.4 | -3,846.5 | 86,653.3 |
| Other operating income | 1,790.6 | 14.6 | -211.6 | 1,593.7 |
| EBITDA | 11,444.3 | 696.0 | -132.0 | 12,008.4 |
| Depreciations | -6,487.7 | -387.8 | 132.0 | -6,743.6 |
| Operating profit | 4,956.6 | 308.2 | 0.0 | 5,264.8 |
| Profit/loss before taxes | 4,531.1 | 185.3 | 0.0 | 4,716.4 |

**The EBITDA of the labour hiring segment on 1 January–31 December 2014 includes a non-recurring cost item related to a business acquisition, an asset transfer tax amounting to approx. EUR 125,000.00.**

## 3. GROUP STRUCTURE CHANGES

**Acquired subsidiaries and businesses**

Restamax Plc purchased the operations of the Tivoli and Apollo nightclubs in Oulu and the Cabaret nightclub in Pori through an acquisition realised on 31 December 2014. Restamax gained ownership of the business operations of the nightclubs on 1 January 2015.

Restamax Group's subsidiary Priima-Ravintolat Oy purchased all shares in the restaurant business of Tampereen Satamaravintolat Oy with a bill of sale dated 20 February 2015.

**At the moment of transfer of control, the values of the business and assets of the subsidiary acquired were as follows:**

| | |
|---|---|
| Tangible assets | 477.1 |
| Property, plant and equipment | 370.0 |
| Inventories | 70.4 |
| Current receivables | 5.8 |
| Cash and cash equivalents | 30.4 |
| **Assets in total** | **953.7** |
| Deferred tax liabilities | 16.0 |
| Other payables | 41.8 |
| **Liabilities total** | **57.8** |
| Net assets | 896.0 |

**Generation of goodwill through acquisitions:**

| | |
|---|---|
| Total purchase consideration | 1,927.4 |
| Net identifiable assets of the acquired entity | 896.0 |
| **Goodwill** | **1,031.4** |

**Events after the review period:**

On 2 April 2015, Restamax Plc purchased all shares in the restaurant business Italpal Oy. No acquisition cost calculation has yet been made.

# 4. INTANGIBLE AND TANGIBLE ASSETS

| Intangible assets and goodwill | 3/31/15 | 3/31/14 | 12/31/14 |
|---|---|---|---|
| Book value 1 Jan | 40,241.8 | 9,337.8 | 9,337.8 |
| Business acquisitions | 381.5 | 18,831.6 | 31,665.2 |
| Additions | 0.0 | 0.0 | 74.3 |
| Depreciations, amortizations and impairment | -511.0 | -98.1 | -816.7 |
| Deductions | -450.0 | -17.2 | -18.8 |
| **Book value at the end of the review period** | **39,662.4** | **28,054.1** | **40,241.8** |
| | | | |
| Tangible assets | 3/31/15 | 3/31/14 | 12/31/14 |
| Book value 1 Jan | 25,220.8 | 18,063.5 | 18,063.5 |
| Business acquisitions | 497.1 | 1,546.0 | 1,699.4 |
| Additions | 1,900.7 | 2,090.3 | 11,609.3 |
| Depreciations, amortizations and impairment | -1,596.4 | -1,229.7 | -5,926.8 |
| Deductions | 0.0 | -9.2 | -224.6 |
| **Book value at the end of the review period** | **26,022.2** | **20,460.9** | **25,220.8** |

**The business acquisitions in 2014 included an advance payment of EUR 1,500.0 thousand. Of the advance payment, EUR 450.0 thousand is allocated for increasing tangible assets, and EUR 1,050.0 thousand is included in the opening balance of intangible assets.**

# 5. ASSOC. COMPANY EVENTS

## Transactions with associated companies

| EUR thousand | Sales | Acquisitions | Receivables | Liabilities |
|---|---|---|---|---|
| 3/31/15 | 72.4 | 501.5 | 190.7 | 1,766.5 |
| 3/31/14 | 64.6 | 1,918.1 | 0.1 | 2,122.5 |
| 12/31/14 | 310.0 | 7,214.5 | 476.2 | 2,188.7 |

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

## Loans granted to key management personnel

| EUR thousand | 3/31/15 | 3/31/14 | 12/31/14 |
|---|---|---|---|
| At the beginning of the financial period | 48.0 | 11.4 | 11.4 |
| Change in the Executive Team | 0.0 | 0.4 | -4.4 |
| Loans granted during the financial period | 0.0 | 0.0 | 40.0 |
| Loans repaid | 0.0 | 0.0 | 0.0 |
| Interest charged | 0.3 | 0.1 | 1.0 |
| Interest payments received during the financial period | 0.0 | 0.0 | 0.0 |
| **At the end of the financial period** | **48.3** | **11.9** | **48.0** |

**Loans have been granted until further notice and will be paid back when agreed. Interest is set annually, and in 2014 and 2015 it was 3.0%. The loans carry no collateral.**

## Changes in Restamax Plc management

From 1 January 2015, Restamax's Executive Team consist of the following members:

Markku Virtanen, CEO
Jarno Suominen, CFO
Perttu Pesonen, Development Director
Eero Aho, Business Director, Food
Tanja Virtanen, Product Line Director, Food
Paul Meli, Product Line Director, Nightclubs and other entertainment

Harri Niskanen has been appointed Restamax Plc's Vice CEO and Executive Team member from 1 March 2015 onward.

# 6. CONDITIONAL LIABILITIES AND ASSETS AND COMMITMENTS

### The Group as a lessee

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

| EUR thousand | 3/31/15 | 3/31/14 | 12/31/14 |
|---|---|---|---|
| In one year | 11,637.5 | 9,996.1 | 11,898.6 |
| In over one year and within five years maximum | 32,653.8 | 25,786.0 | 35,330.5 |
| In over five years | 10,672.0 | 8,398.7 | 12,994.6 |
| **Total** | **54,963.3** | **44,180.8** | **60,223.7** |

**At the beginning of 2015, EUR 3,112.7 thousand (EUR 2,110.7 thousand in 2014) of rental costs based on other rental agreements were recorded through profit and loss.**

### The Group as a lessor

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

| EUR thousand | 3/31/15 | 3/31/14 | 12/31/14 |
|---|---|---|---|
| In one year | 529.9 | 730.5 | 468.0 |
| In over one year and within five years maximum | 630.4 | 609.4 | 370.0 |
| In over five years | 268.6 | 0.0 | 0.0 |
| **Total** | **1,428.9** | **1339.9** | **838.0** |

### Guarantees and contingent liabilities

| EUR thousand | 3/31/15 | 3/31/14 | 12/31/14 |
|---|---|---|---|
| Liabilities with guarantees included on the balance sheet | | | |
| Loans from financial institutions, non-current | 16,250.8 | 5,911.6 | 17,297.6 |
| Loans from financial institutions, current | 5,957.6 | 5,492.2 | 7,046.1 |
| **Total** | **22,208.3** | **11,403.8** | **24,343.7** |
| | | | |
| Guarantees given on behalf of the Group | | | |
| Collateral notes secured by a mortgage | 15,650.0 | 17,487.3 | 15,650.0 |
| Real estate mortgages | 2,500.0 | 0.0 | 2,500.0 |
| Subsidiary shares | 25,800.8 | 16,735.8 | 25,798.5 |
| Other shares | 164.8 | 164.8 | 164.8 |
| Bank guarantees | 2,573.8 | 2,263.9 | 2,528.9 |
| Other guarantees | 2,995.0 | 0.0 | 1,995.0 |
| **Total** | **49,684.4** | **36,651.8** | **48,637.2** |

| MEUR | 3/31/15 | 3/31/14 | 12/31/14 |
|---|---|---|---|
| Commitments | | | |
| Positions regarding personnel services | 0.0 | 31.1 | 0.0 |
| Purchase commitment | 0.2 | 0.0 | 0.2 |

**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 EUR 625.3 thousand with interest, legal and injured party fees and that the court confirms that Musiikkiteatteri Palatsi Oy is not liable to pay the company the EUR 405.0 thousand 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 demands presented and presented its own counterclaim regarding the same agreement. With the counter claim, the company demanded it be paid a total of EUR 510.7 thousand 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 EUR 405.0 thousand 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 Oyj and Ari Kankaanpää, Heikki Vihinen and Potkan Oy have on 30 April 2015 signed a conciliation agreement relating to cases L 13/40254, L 13/40255 and L 13/40256, which were pending at Pirkanmaa District Court, concerning the co-operation agreement signed between Restamax Oyj and Potkan Oy, Kankaanpää and Vihinen on 15 September 2012 on the operations of Eiran Musiikkiteatteri Oy. According to the terms of the conciliation agreement, all parties withdraw their actions and counterclaims and waive the requirements they have presented in the civil cases mentioned above and commit to not presenting any demand to one another concerning or relating to the co-operation agreement in question. The parties do not make public the other terms and conditions of the conciliation agreement. This settlement does not have an impact on the result of Restamax Group.

# 7. KEY FIGURES

| | 1 January–31 March 2015 | 1 January–31 March 2014 | 1.1.–31.12.2014 |
|---|---|---|---|
| Earnings per share, EUR | 0,04 | 0.01 | 0,22 |
| | | | |
| Operating profit, % | 3.2 % | 0.5 % | 6.1 % |
| Operating profit, % restaurant | 2.9 % | 0.5 % | 5.9 % |
| Operating profit, % labour hire | 3.1 % | – | 4.5 % |
| | | | |
| EBITDA % | 11.8 % | 8.9 % | 13.9 % |
| EBITDA % restaurant | 11.4 % | 8.9 % | 13.7 % |
| EBITDA % labour hire | 9.9 % | – | 10.2 % |
| | | | |
| Return on equity, % (p.a.) | 4.9 % | 1.1 % | 9.8 % |
| Return on investment, % (p.a.) | 5.0 % | 1.8 % | 10.5 % |
| Equity ratio, % | 50.1 % | 61.3 % | 47.2 % |
| Gearing ratio, % | 53.9 % | 20.3 % | 48.1 % |
| | | | |
| Interest-bearing net liabilities | 21,404.9 | 7,685.2 | 18,943.9 |
| Net financial expenses | 170.1 | 13.6 | 548.4 |
| | | | |
| Material margin %, restaurant | 74.1 % | 75.4 % | 74.0 % |
| | | | |
| Staff expenses %, restaurant | 29.6 % | 29.5 % | 29.6 % |
| Staff expenses %, labour hire | 85.9 % | – | 84.0 % |
| | | | |
| Average staff, restaurant | | | |
| Registered staff | | | |
| Full-time staff | 229 | 178 | 220 |
| Part-time staff translated into full-term staff | 98 | 73 | 101 |
| Rented workforce, translated into full-term staff | 246 | 166 | 221 |
| | | | |
| Average staff, labour hire | | | |
| Registered staff | | | |
| Full-time staff | 407 | – | 364 |

# KEY FIGURES

## Calculation formulas for key figures

**Earnings per share**

$$\frac{\text{Parent company owners' share of profit from the financial period}}{\text{Average number of shares}} * 100$$

**Return on equity %**

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

**Equity ratio %**

$$\frac{\text{Equity (belonging to owners of parent company + belonging to minority shareholders)}}{\text{Total assets – Advances received}} * 100$$

**Return on investment %**

$$\frac{\text{Profit before tax + finance costs}}{\text{Average equity (belonging to owners of parent company and minority shareholders) + Interest-bearing financial liabilities on average}} * 100$$

**Gearing ratio %**

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