

# INTERAVANTI



ANNUAL REPORT 2012

## INTERAVANTI IN A NUTSHELL

Interavanti Oyj is a real estate investment company founded in 1987.

Its primary focus is the building, renting, and sales of business, industrial and storage premises.

The investment sites are located in Finland, Poland, Hungary, and Estonia.

The meat processing company Yrjö Wigren Oy is also part of the group.

<b>Contents</b>	<b>Page</b>
Annual report	3-9
Profit and loss account	11
Balance sheet	13
Cash flow statement	14

## INTERAVANTI OYJ

### Annual report for the financial year 1 January to 31 December 2012 by the Board

#### Significant events during the financial year

##### Delisting

Interavanti Oyj was delisted from Nasdaq OMX Helsinki. The last trading day in the Nasdaq OMX Helsinki stock exchange was December 21, 2012.

As part of the delisting project, Interavanti Oyj made a voluntary public purchase offer for its own shares. On 31 December, 2012, the company was in possession of 171,320 shares in total.

##### Real estate business

Real estate business investments to the sum of MEUR 2.6 (1.5) were made during the financial year. A subsidiary of Interavanti purchased a property located in Tampere, which added 6,627 m<sup>2</sup> to the combined area of properties located in Finland. Other investments were mainly focused on domestic renovations.

During the financial year, the company sold a total of 4,862 m<sup>2</sup> of investment properties, for approx. MEUR 4.5

- Total share capital of the real estate company; Helsinki, 2,446 m<sup>2</sup>
- Seven office premises; Helsinki, 489 m<sup>2</sup>
- Three office premises; Tampere, 1,927 m<sup>2</sup>

The effect on the group return was approx. MEUR 2.0.



##### Meat processing business

During the financial year, a subsidiary of Interavanti, Yrjö Wigren Oy, acquired the entire share capital of Wigren Catering Oy. Investments in the meat processing business totalled MEUR 0.4 during the financial year.

## INTERAVANTI OYJ

### Group turnover

The turnover of the Group was MEUR 12.1 (9.1). The Group turnover includes the turnover of Yrjö Wigren Oy, MEUR 7.9 (5.1).

### Group profit

The Group profit for the period was MEUR 0.8 (0.6).

### Investment property

As of 31 December, 2012, Interavanti Oyj controls a total of 65,617 m<sup>2</sup> (63,852) of investment property comprising of the following

	m2	utilisation rate
Finland	22,988	81 %
Estonia	24,073	97 %
Poland	6,486	100 %
Hungary	12,070	100 %

The investment properties include 545 m<sup>2</sup> (662) of premises in the group's own use. The average net rent profit from the rented premises is 10.3 % (9.6).

### Financing

The group has a total of MEUR 15.9 (17.2) of net liabilities, of which a sum of MEUR 1.5 (1.8) that is due in less than a year is included in the short-term liabilities on the balance sheet. The company has MEUR 1.7 (0.4) of liquid assets and MEUR 14.3 (16.8) of net liabilities.

At the end of the financial year, the Group had an account limit of MEUR 3.6 (3.4), of which MEUR 3.0 (2.5) is unused.

At the end of the period, the Group had loans to the amount of MEUR 14.5 (15.2) with variable interest rates, of which MEUR 10.8 (12.7) was hedged with an interest rate swap.

### Key indicators on the financial position and result

Group key indicators	FAS 2012	FAS 2011
Turnover MEUR	12.1	9.1
Operating profit MEUR	1.2	0.6
% of turnover	9.9	6.6
Return on equity %	2.5	1.3
Equity ratio %	55.1	55.7

### Statement on research and development activities

There have been no significant research and development activities during the financial year.

## **INTERAVANTI OYJ**

### **Personnel**

During the period, the Group employed 52 (39) people on average. The number of personnel increased during the period, as the personnel of the subsidiary Wigren Catering Oy of the subsidiary Yrjö Wigren Oy were added to the Group figures. Wage and fee expenses totaled MEUR 1.9 (1.3) during the financial year.

### **Board authorisations and shares**

The Annual General Meeting on March 7, 2012, authorised the Board of Directors to decide on issuing a maximum of 20,000,000 new shares in one or several tranches. New shares may be issued to shareholders either in proportion to shareholders' existing shareholdings or, as an exception to the shareholders' pre-emptive right, by carrying out a directed issue. The process of issuing new shares has not been actuated.

An Extraordinary General Meeting was held on October 8, 2012. The Annual General Meeting authorised the Board to decide on acquiring shares of their own with the available equity of the company, in accordance with Chapter 15, Section 5(2) of the Companies Act. The authorisation applies to a maximum of 601,818 shares in one or several tranches and is valid until 31 December, 2013. The Board was authorised to decide on the purchasing price of the shares as well as other terms of the acquisition. The sale price of a share should, however, be at least EUR 2.50 and at most EUR 3.50. Acquisition of own shares in accordance with the authorisation can be carried out as a public offer from the company, or in public trading in stock exchanges whose rules allow companies to trade their own shares. According to the authorisation, the Board does not have to acquire own shares in the proportion of the shareholders' shareholding.

The acquisition of own shares is connected to the public purchase offer for company shares by the company that was reported in the stock exchange release of October 17, 2012. The Board decided to make a public purchase offer for a maximum of 601,818 of its own shares in accordance with the authorisation. The Board accepted the purchase offer bidding documents and the final terms of the offer in a meeting held on October 17, 2012. The bidding window for the purchase offer started on October 18, 2012 and ended on November 9, 2012. Along with this purchase offer, the company bought a total of 171,320 of its own shares during the financial period.

### **Shares**

The company has one share type. The shares have no nominal value or maximum quantity. Each share constitutes one vote in the General Meeting. All shares have equal rights to dividend and company assets. The number of shares on 31 December, 2012 was 9,703,206, of which the company owned 171,320, which is 1.8 % of all the shares. The number of externally held shares was 9,531,886, which is the number of shares with a vote, which in turn is 98.2 % of the total number of shares.



**Varasto Estonia Oü,  
24,073 m2**



## **INTERAVANTI OYJ**

### **Insider loans and liabilities**

During the financial year, the company was granted a loan that was intended to be temporary by insider companies. The loan was used to finance the acquisition of a new property.

### **Board of Directors, management and accountant**

The Interavanti Oyj Board of Directors has consisted of four members during the financial year: Lasse Jokinen, Jorma Lindström, Pekka Saarenpää, and Veikko M. Vuorinen. Veikko M. Vuorinen has also acted as the managing director of the company.

The General Meeting once again selected the Authorised Public Accountant organisation PricewaterhouseCoopers Oy as the accountants. PricewaterhouseCoopers Oy named Samuli Perälä, APA, as the accountant responsible.

### **Prospects for the future**

The utilisation rate in the real estate business is good and there is no indication that this will change in the future. However, the operating expenses in the branch have grown faster than inflation, which has a negative effect on the profit from properties.

Annual expenses are expected to decrease with the delisting, and company management now has a better chance of focusing on business development, which is expected to streamline business even further.

As a result of the greater than expected increase in the expenses of the meat processing business, which we have not had the opportunity to transfer to retail prices in full, and the delays in reorganising the business operations, the meat processing business is expected to show a loss.

The rental contract in Poland ends at the end of September, 2013. Advertising for the premises to be rented has already started in cooperation with a local expert.

The company continues to plan the second phase developments on its site in Poland.

We are still searching for property investment sites as well as holdings in growth companies.

### **Risks of operation**

#### **Risks of the real estate business**

The majority of the most noteworthy real estate business risks for Interavanti are related to clients and financing.

The global recession and financial insecurity that started in late 2008 have also had repercussions for Interavanti Oyj's operations. Because the general economic conditions have continued to weaken, they have had an adverse impact on our clients and thus on the business of Interavanti Oyj as well. The aforementioned developments and uncertainty have continued until the time of this review and are expected to continue.



**Warasto Hungary Kft.**  
**12,070 m<sup>2</sup>**



**Transpoint**

- ← Yehergli. Parkoló  
LKW Parking
- ← Raktár bejárat
- Vendég Parkoló →
- ▼ Fuvarszervezés

## INTERAVANTI OYJ

Our premises abroad have been let on long-term contracts to well-established tenants. All of Interavanti's rental contracts in Poland and Hungary are based on the euro.

As before, Interavanti's aim is to maintain its healthy liquidity and equity ratio, whilst at the same time avoiding unreasonable risks.

### **Risks of the meat processing business**

The profitability of the meat processing business may be affected by changes in the market value of meat, and changes in the production quantities and availability of Finnish meat. Changes in the consumption of meat may also affect the profitability and scope of the meat processing business.

Yrjö Wigren Oy aims to protect itself from the effects of any unfavourable developments in production costs by means of production adjustment, and strives to foresee changes in the pricing of end products.

Producing food always carries risks concerned with the quality and safety of raw materials, goods and the production process. Yrjö Wigren Oy has access to methods to ensure the safety of production processes. Self-monitoring ensures the quality of production.

Retail trade in the Finnish food industry is highly concentrated. Thus, depending on single customers may play a greater role. Wigren is known for its quality products and traditions dating back nearly a hundred years, which provides a strong basis upon which to build the company's future. The recognised brand of Yrjö Wigren Oy strengthens the company's standing in the food production chain.

### **Events after the closing date**

There have been no significant events after the period end.

### **Board of Directors' proposal for the distribution of the parent company assets**

The parent company recorded a profit of EUR 2,655,680.49 for the financial period. The Board of Directors proposes to the Annual General Meeting a dividend of EUR 0.12 per share, a total of EUR 1,143,826.32, and that the rest of the profits from the financial period, EUR 1,511,854.17, are entered into the profit account from previous financial years.

There have been no significant changes in the financial standing of the company after the end of the financial year. According to the Board, the proposed distribution of funds does not risk the company's solvency.



**Varasto Poland Sp. z o.o.,  
6,486 m2**



## INTERAVANTI OYJ

Profit and loss account Euros	Ref.	Group		Parent company	
		1.1.–31.12.2012	1.1.–31.12.2011	1.1.–31.12.2012	1.1.–31.12.2011
<b>TURNOVER</b>	<b>1</b>	<b>12,069,962.11</b>	<b>9,140,508.19</b>	<b>1,584,683.56</b>	<b>1,486,261.41</b>
Increase (+) or decrease (-) in the stock of finished or unfinished products		48,075.07	65,393.62	0.00	0.00
Other returns from business activities	2	2,099,346.55	475,933.25	1,764,181.24	485,530.40
Materials and services (-)	3	-4,529,074.86	-2,567,670.21	0.00	0.00
Personnel costs (-)	4	-2,374,981.93	-1,551,207.78	-235,002.99	-242,195.49
Depreciations and impairments (-)	5	-1,965,043.37	-1,473,027.45	-211,804.69	-370,287.66
Other costs of business activities (-)	6	-4,148,534.95	-3,486,371.75	-1,669,108.39	-1,659,976.18
<b>PROFIT (-LOSS)</b>		<b>1,199,748.62</b>	<b>603,557.87</b>	<b>1,232,948.73</b>	<b>-300,667.52</b>
Financing profits and costs (+/-)	7	-446,777.93	-367,988.92	1,422,731.76	-97,504.34
<b>PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS, APPROPRIATIONS AND TAXES</b>		<b>752,970.69</b>	<b>235,568.95</b>	<b>2,655,680.49</b>	<b>-398,171.86</b>
Income tax	8	-159,952.62	100,132.44	0.00	0.00
Minority shares		178,936.82	238,388.12	0.00	0.00
<b>PROFIT FOR THE PERIOD</b>		<b>771,954.89</b>	<b>574,089.51</b>	<b>2,655,680.49</b>	<b>-398,171.86</b>



**Varasto Estonia Oü,  
24,073 m<sup>2</sup>**



## INTERAVANTI OYJ

Balance sheet Euros	Ref.	Group		Parent company	
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
<b>Assets</b>					
<b>FIXED ASSETS</b>					
Intangible assets	9	1,708,724.72	2,091,070.43	127,933.41	186,459.93
Material goods	10	32,146,669.26	32,296,853.93	30,122.30	37,330.17
Investments	11				
Shares in companies within the group		0.00	0.00	21,959,899.87	23,536,181.85
Stakes in holding companies		222,085.88	329,454.92	312,085.80	439,454.80
Other shares and stakes		2,726,400.38	3,934,285.09	2,503,144.92	3,707,778.50
<b>FIXED ASSETS TOTAL</b>		<b>36,803,880.24</b>	<b>38,651,664.37</b>	<b>24,933,186.30</b>	<b>27,907,205.25</b>
<b>CURRENT ASSETS</b>					
Floating assets	12	472,441.22	358,977.93	0.00	0.00
Long-term receivables	13	806,705.27	1,401,762.36	11,359,984.07	10,083,985.99
Short-term receivables	14	2,587,169.65	4,222,168.55	1,905,256.88	3,541,594.71
Liquid assets and cash in hand		1,724,696.48	419,818.22	1,358,509.03	120,730.05
<b>CURRENT ASSETS TOTAL</b>		<b>5,591,012.62</b>	<b>6,402,727.06</b>	<b>14,623,749.98</b>	<b>13,746,310.75</b>
<b>Assets total</b>		<b>42,394,892.86</b>	<b>45,054,391.43</b>	<b>39,556,936.28</b>	<b>41,653,516.00</b>
<b>Liabilities</b>					
		<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>EQUITY</b>					
Share capital		13,584,488.40	13,584,488.40	13,584,488.40	13,584,488.40
Share premium		5,787,442.12	5,787,442.12	5,787,442.12	5,787,442.12
Reserve for invested non-restricted equity		1,258,122.34	4,145,315.56	1,258,122.34	4,145,315.56
Profit from previous financial years		1,867,268.18	895,006.81	0.00	0.00
Profit for the period		771,954.89	574,089.51	2,655,680.49	-398,171.86
<b>EQUITY TOTAL</b>	<b>15</b>	<b>23,269,275.93</b>	<b>24,986,342.40</b>	<b>23,285,733.35</b>	<b>23,119,074.22</b>
<b>MINORITY SHARE</b>		<b>38,413.45</b>	<b>49,796.75</b>	<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES</b>					
Long-term liabilities	16	14,567,419.01	16,135,339.72	13,588,598.15	15,920,356.36
Short-term liabilities	17	4,519,784.47	3,882,912.56	2,682,604.78	2,614,085.42
<b>LIABILITIES TOTAL</b>		<b>19,087,203.48</b>	<b>20,018,252.28</b>	<b>16,271,202.93</b>	<b>18,534,441.78</b>
<b>Liabilities total</b>		<b>42,394,892.86</b>	<b>45,054,391.43</b>	<b>39,556,936.28</b>	<b>41,653,516.00</b>

# INTERAVANTI OYJ

Cash flow statement 1,000 EUR	Group		Parent company	
	1.1.– 31.12.2012	1.1.–31.12.2011	1.1.–31.12.2012	1.1.–31.12.2011
<b>Cash flow from operating activities:</b>				
Business result	1,200	604	1,233	-301
Adjustments:				
Depreciations and impairments	1,965	1,473	211	370
Other corrections	-2,084	0	-1,746	0
Cash flow before change in working capital	1,081	2,077	-302	70
Change in working capital:	0	0	0	0
Addition/deduction of short term receivables without interest	11	-1,012	45	186
Addition/deduction in floating assets	-84	-131	0	0
Addition/deduction of short term liabilities without interest	165	981	204	119
Cash flow from operating activities before financing items and taxes	1,173	1,915	-53	375
Interest and costs paid from other operations' financing costs	-627	-784	-649	-743
Dividends received from operations	108	121	108	121
Interest received from operations	3	348	163	442
Direct taxes paid (-)	-55	0	0	0
<b>Cash flow from operating activities (A)</b>	<b>602</b>	<b>1,600</b>	<b>-431</b>	<b>194</b>
<b>Cash flow from investing activities:</b>				
Investments in immaterial and material goods (-)	-841	-1,384	-8	-176
Profits from assignments of material and intangible assets	70	15	7	18
Subsidiary shares bought	0		-15	
Subsidiary shares sold	4,964		4,964	
Profits from sales of other investments	1,674	0	1,672	0
Loans granted (-)	0	0	-1,643	-1,480
Investments in subsidiary companies (-)	-2,159	0	0	-132
Asset deal	0	-2,128	0	0
Repayments of loan receivables	0	411	0	815
Dividends received and equity returns	0	0	1,543	950
<b>Cash flow from investing activities (B)</b>	<b>3,708</b>	<b>-3,086</b>	<b>6,520</b>	<b>-5</b>
<b>Cash flow from financing activities:</b>				
Minority shareholders' investments in the company	0	70	0	0
Acquisition of own shares (-)	-548	0	-548	0
Long-term loan withdrawals	2,245	2,532	0	861
Long-term loan repayments (-)	-2,759	-947	-2,362	-947
Dividends paid and other distribution of funds (-)	-1,943	-485	-1,941	-485
Cash flow from financing activities (C)	<b>-3,005</b>	<b>1,169</b>	<b>-4,851</b>	<b>-571</b>
<b>Change in cash and cash equivalents (A + B + C)</b>	<b>1,305</b>	<b>-317</b>	<b>1,238</b>	<b>-382</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>420</b>	<b>737</b>	<b>121</b>	<b>503</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,725</b>	<b>420</b>	<b>1,359</b>	<b>121</b>





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