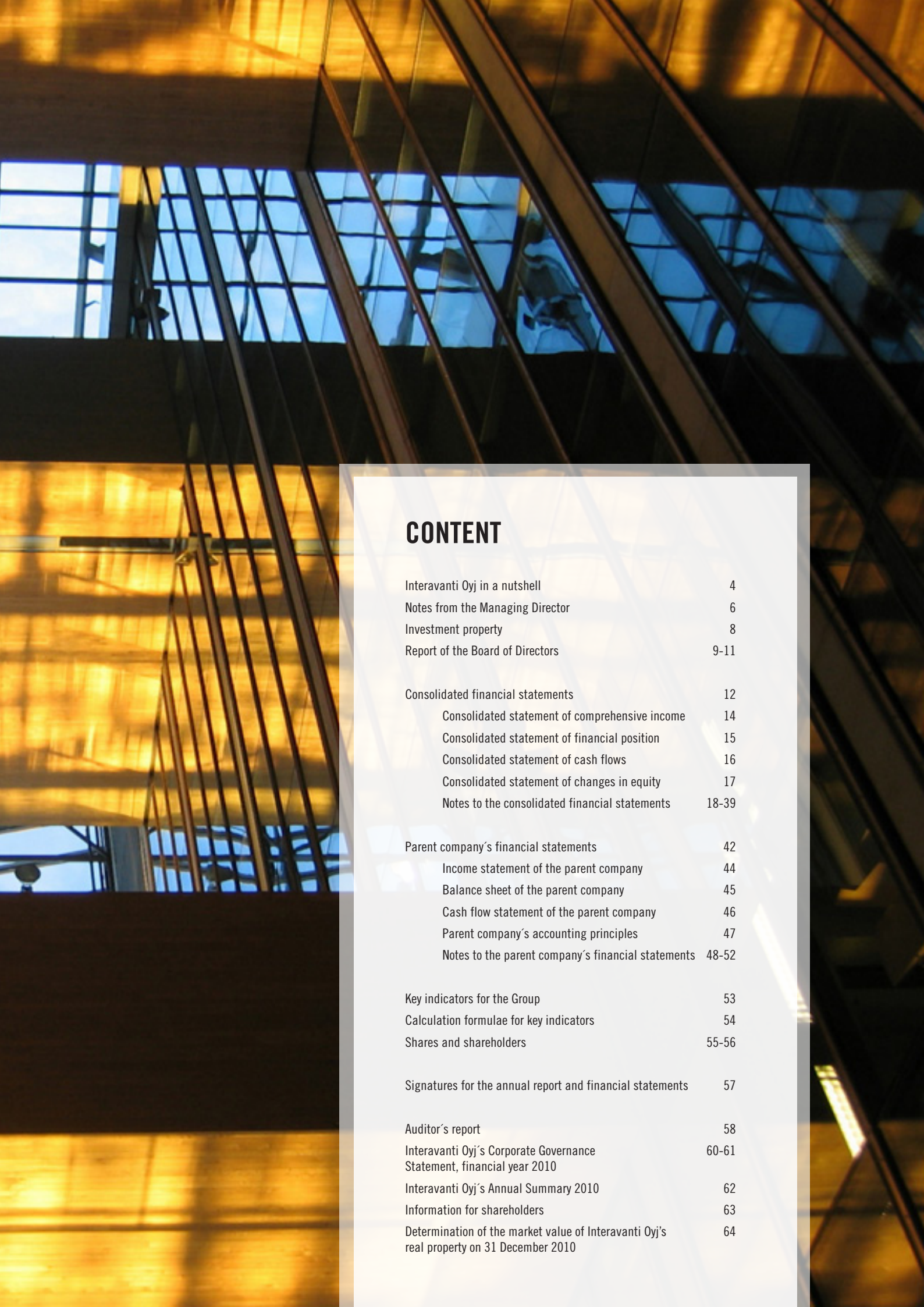
INTERAVANTI

ANNUAL REPORT 2010



CONTENT

Interavanti Oyj in a nutshell

Interavanti Oyj is a real estate investment company founded in 1987. The company has been listed on the NASDAQ OMX Helsinki since 1988.

Interavanti engages in renting, buying, and selling real estate, property, and apartments. To fulfil its purposes, the company may act as a developer. The company may also engage in securities trading or development and secondary production related to corporate acquisitions and property, as well as consulting services.

Notes from the Managing Director

Dear reader,

The result for 2010 was as expected.

The utilisation rate of our investment premises was 93.5%. In comparison with the previous year, the utilisation rate remained quite stable. Investments in foreign properties are yielding as expected. The company has continued planning the second phase developments on its site in Poland.

In spite of actively searching for and determining the possibilities of holdings in growth companies, we were unable to find any suitable investments during the course of the year.

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

Our liquidity and equity ratio are still good. Maintaining the current level and avoiding unreasonable risks will also be our goals in the future.

We believe that our investment property operations will continue as planned, just as they did in 2010.

I wish to thank all of our customers and partners for the past year.

Helsinki, 14 February 2011

Veikko M Vuorinen

Investment property

KEY INDICATORS

1,000 EUR	2010	2009	change %
Turnover	4 092	4 099	0 %
Operating profit	2 598	-668	489 %
Profit before taxes	2 108	-1 322	259,5 %
Equity ratio %	60,8	58,6	3,8 %
Rented spaces:			
- surface area m²	63 208	63 758	-0,9 %
- balance sheet value 1,000 eur	39 908	38 312	4,2 %
- utilisation rate %	93,5	93,7	-0,2 %
- average net profit %	7,9	8,2	-3,7 %

The investment property capital, a total of 63,208 m2 (63,758), consisted of industrial, business, and office premises located in Finland, Estonia, Hungary, and Poland.

The value of the rented contracts, roughly EUR 10.7 million, is calculated as based on the fixed rental time of the contracts and current rental rates. As for the contracts valid until further notice, the length of the term of notice was used. There was a total of 118 contracts.

The utilisation rate of the industrial premises was 95% (94), of the business premises 100% (98), and of the office premises 85% (89). The average net yield for the total balance sheet value was 7.9% (8.2). The average net yield for the balance sheet value of the rented premises was 8.6% (8.9), divided as based on the type of premises as follows: industrial premises 8.4% (9), office premises 8% (8), and business premises 11 % (10). The average book price (IFRS) for all premises was EUR 631/m² (601). In addition to the investment property, the company had a total of 246 m2 (246) of its properties in internal use in Finland.

The rented facilities are mostly industrial, office, and business premises, and they are divided as follows:

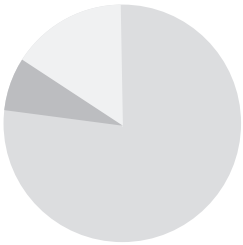
Surface areas %	2010	2009
Industrial premises	77 %	77 %
Business premises	7 %	7 %
Office premises	16 %	16 %

Surface areas m²	2010	2009
Industrial premises	48 836	49 222
Business premises	4 212	4 548
Office premises	9 889	9 895
Apartments	270	93

Distribution of premises, percentage of surface area	2010	2009
Finland		
Helsinki, Metropolitan area	22 %	21 %
Tampere	4 %	4 %
The rest of Finland	7 %	8 %
Countries other than Finland		
Estonia	38 %	38 %
Hungary	19 %	18 %
Poland	10 %	11 %

6.6% (6,3) of the total balance sheet value consists of unoccupied facilities.

Surface areas, %



Industrial	77%
Business	7 %
Office	16%

Property capital by categories, MEUR

Industrial	29,2
Business	3,6
Office	7,1

Accumulation of rental income %

Industrial	67%
Business	15 %
Office	18 %

INTERAVANTI OYJ
Report of the Board of Directors

Turnover and return

The turnover of the Group was MEUR 4.1 (4.1). The gross profit of the financial year was MEUR 2.1 (-1.3). A total of MEUR 0.9 (-2.6) of changes in the market value of investment properties were recognised. The profit for the period was MEUR 2.0 (-1.5). The return per share was EUR 0.21 (-0.16). The equity ratio was 60.8% (58.6) and gearing 52.5% (59.5).

Key figures for the group's economic development and comparable data are presented in the "Key Figures" section.

Investment property

On 31/12/10, Interavanti Oyj controlled a total of 63,208 m^2 (63,758) of investment property. The utilisation rate at the end of the financial year was 93.5% (93.7). The average net profit from the rented premises was 8.6% (8.9), and the average for all the premises was 7.9% (8.2).

Distribution of premises and utilisation rate

The total area of investment property in Finland is 20,977 m2 (21 313), representing approximately 33% (33) of the entire investment property portfolio. The utilisation rate is approx. 82% (84).

In Estonia, subsidiary Varasto Estonia Oü owns logistics premises comprising a total of 24,073 m^2 (24,073), which represents 38% (38) of the entire property portfolio. The utilisation rate is approx. 98% (98). A total of 7,000 m^2 of permitted building volume remains unused.

In Poland, subsidiary Varasto Poland Sp. z o.o. owns logistics premises comprising a total of 6,486 m^2 (6,700), representing approximately 10% (11) of the entire investment property portfolio. The utilisation rate is 100% (100). A total of 35,000 m^2 of permitted building volume remains unused.

In Hungary, the subsidiary Warasto Hungary Kft. owns logistics premises comprising a total of 11,672 m^2, representing approximately 19% (18) of the entire investment property portfolio. The utilisation rate is 100% (100).

Investments

In Finland, property improvements worth MEUR 0.4 were made on a property in Lahti. In Hungary, Interavanti Oyj's subsidiary Warasto Hungary Kft has made an alteration investment of about MEUR 0.2, which will be paid back during the current rental agreement.

Total gross investments for the period were approximately MEUR 0.8 (0.2).

Measurement of assets

The market values of the investment properties were assessed by an external property valuer at the time of the closing of the books on 31 December 2010. In bookkeeping, the company has used the estimate made by the property valuer, having deducted the low point of the valuation margin: -10%.

During the financial year, a total of MEUR 0.9 (-2.6) of changes in the market value of investment properties were recognised. Changes in market value comprise both measurement profits and losses.

Financing

The group has a total of MEUR 15.2 (16.1) of net liabilities, of which a sum of MEUR 0.9 (1.9) that is due in less than a year is included in the short-term liabilities on the balance sheet. The company has MEUR 0.7 (0.7) of liquid assets and MEUR 14.4 (15.4) of net liabilities. Interavanti Oyj has an unused current account limit of MEUR 0.8. During the financial year, Interavanti also recorded a valuation loss of MEUR 0.1 (0.1) on the interest rate swap in order to hedge the interest rate risk associated with the floating-rate loan.

The General Meeting

The Annual General Meeting on 8 March 2010 verified the financial statements for the financial year 1 January -31 December 2009 and discharged the persons accountable from liability for the financial year.

In accordance with the proposal by the Board of Directors, the Annual General Meeting agreed to cover the loss from retained earnings and to distribute EUR 0.05/share from the reserve for invested non-restricted equity EUR 5,341,383.56 remained in the non-restricted equity. Distribution of earnings began on 18 March 2010.

Four people were selected as Members of the Board: Lasse Jokinen, Pekka Saarenpää, Jorma Lindström, and Veikko M Vuorinen.

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

The 8th Article of the Articles of Association was amended so that both the Annual General Meeting and Extraordinary General Meetings will be convened by posting the notice of meeting in the company website. The notice of meeting shall be posted no earlier than two months and no later than three weeks in advance of the General Meeting, however, at the very latest 9 days before the record date of the General Meeting.

In accordance with the proposal by the Board of Directors, the General Meeting authorised the Board to acquire and hand over up to 970,320 private

shares. Acquisition of private shares has not been actuated. In addition, the Board was authorised to decide on issuing new shares in one or several tranches. The process of issuing new shares has not been actuated.

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 31/12/10 was 9,703,206. The company shareholders are listed in the "Shares and shareholders" section.

Insider matters

Interavanti Oyj complies with the insider guidelines prepared by NASDAQ OMX Helsinki, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers. In addition, the company follows its own insider guidelines and manages its own insiders records.

Notifications in accordance with Chapter 2, Section 9 of the Securities Markets Act

There were no notifications in accordance with chapter 2, section 9 of the Finnish Securities Markets Act during the period 1 January–31 December 31 2010.

Prospects for the future

Interavanti estimated in the 2009 financial statements that the downward trend that started in 2008 in the real estate business probably reached its low point towards the end of 2009. Even though the outlook for the line of business improved towards the end of the period, it has not materially influenced Interavanti's business. Interavanti's utilisation rate and the net profit from the rented premises are expected to remain on the level of 2010 in 2011.

Interavanti Oyj participates as one of the two founders in a new company called PowerTube Oy, specialised in designing equipment for emission-free electricity production. The owners of PowerTube Oy's share capital are Interavanti Oyj (80%) and the private inventor (20%). Interavanti Oyj has also supported PowerTube Oy's development project and was and will be in charge of the company's administration.

PowerTube Oy's product development project has had its first laboratory modelling and a preliminary mathematical simulation. The results are promising but demand further research. PowerTube Oy has started negotiations with potential partners in cooperation.

The company has continued planning the second phase developments on its site in Poland.

Interavanti Oyj is still searching for property investment sites as well as holdings in growth companies.

Risks of operation

The majority of most material business risks for Interavanti are related to clients and financing.

The global recession and financial insecurity that started in late 2008 have had repercussions also in 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. To

date, substantial credit losses have not been realised. Our premises abroad have been let on long-term contracts to well-established tenants. All rental contracts of Interavanti in Poland and Hungary are based on euro.

As before, Interavanti's aim is to maintain its healthy liquidity and equity ratio as well as avoid unreasonable risks.

At the beginning of 2008, Interavanti took out a floating-rate loan of MEUR 18.0. At the end of the financial period, the outstanding loan is MEUR 15.2, out of which MEUR 14.2 has been hedged with an interest rate swap.

More information on financing risks and risk management is available in the Notes to the Consolidated Financial Statements, Note 3.

Insider transactions

During the period, the company acquired a small amount of specialist services from insider parties.

During the financial year, Joestoni Investeeringu AS rented premises from Varasto Estonia Oü and Varasto Estonia Oü purchased building maintenance and administration from Joestoni Investeeringu AS, the owner of which is an insider to Interavanti Oyj.

Events after the closing date

The right to convert of the convertible bond that was signed by Interavanti Oyj and Yrjö Wigren Oy ended on 31 January 2011. Interavanti did not use its right to convert.

Interavanti's Corporate Governance Statement, Financial Year 2010

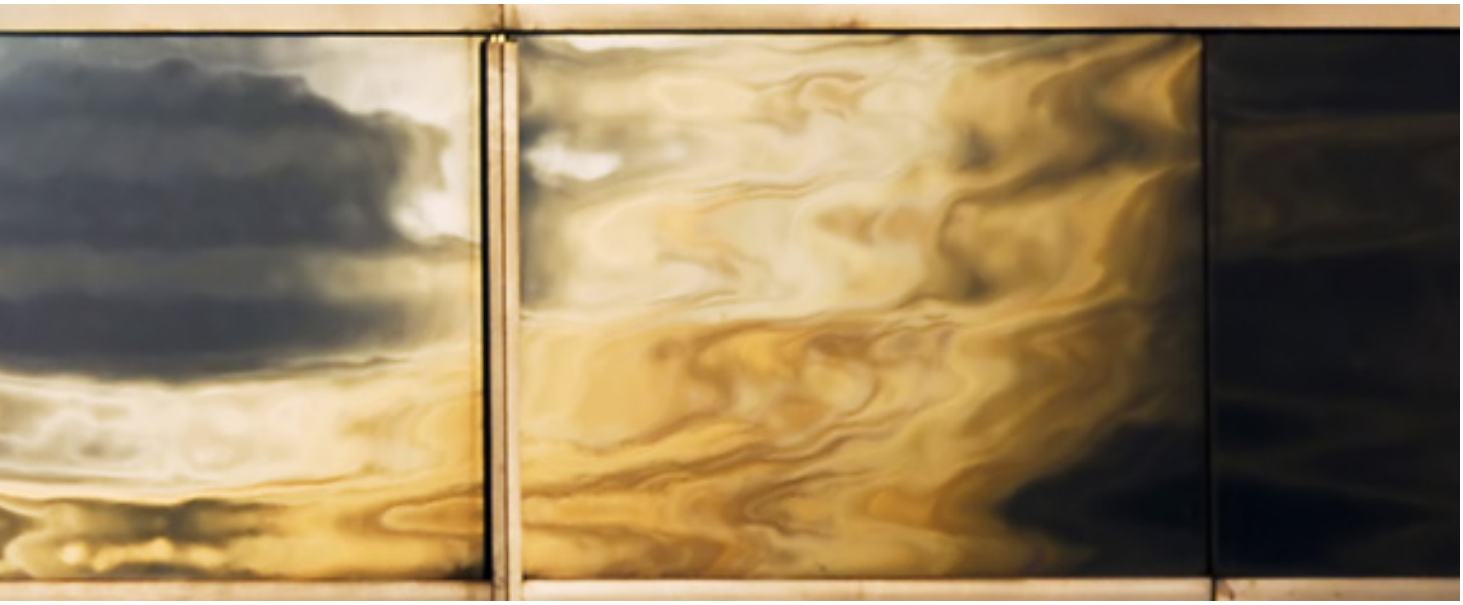
This statement is issued as an independent report and is published together with the Annual Report on the company's web pages.

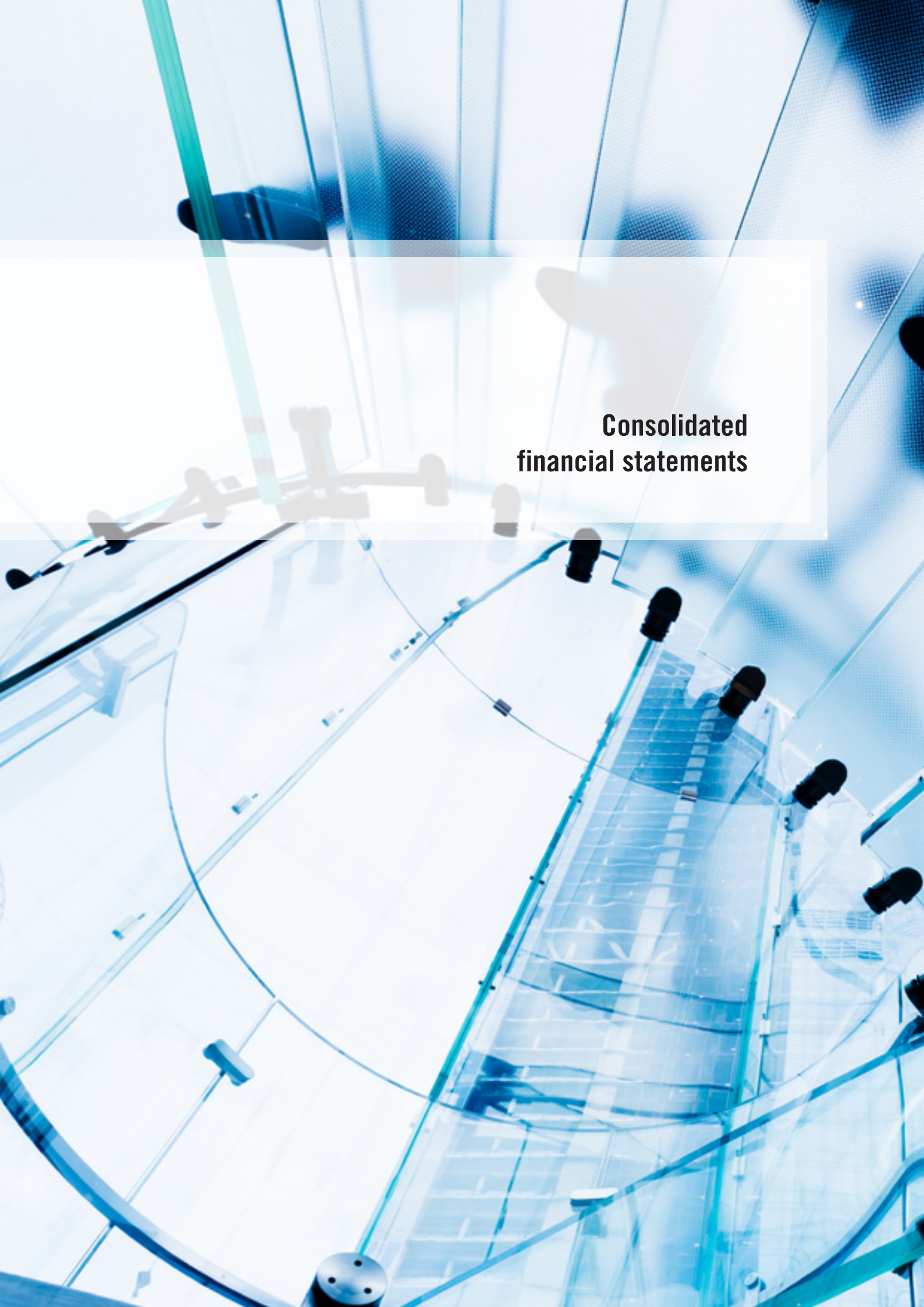
Board of Directors' proposal for the distribution of the parent company profit

The parent company recorded a loss of EUR 854,455.11 for the financial period. The Board of Directors proposes covering of the loss from the reserve for invested non-restricted equity. The parent company's distributable funds are EUR 4,630,475.86. The Board of Directors proposes to the Annual General meeting a dividend of EUR 0.05 per share, i.e. a total of EUR 485,160.30, from the reserve for invested non-restricted equity.

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.

The company management avers that the accounting documents have been prepared in compliance with the accounting standards applied to the financial statements and that they provide a true and fair view of the assets, liabilities, financial position, and profit or loss of both the issuer and group.





Consolidated financial statements

Consolidated statement of comprehensive income

EUR 1,000 (IFRS)	Reference	1.1.-31.12.2010	1.1.-31.12.2009
TURNOVER	4, 5	**4 092**	**4 099**
Other income	6	49	233
Maintenance and repair costs		-1 447	-1 174
Employment benefit expenses	8	-315	-288
Depreciation	7	-16	-164
Changes in the market value of investment properties	14	876	-2 643
Profits and losses from the sale of investment properties	13	27	0
Other expenses		-668	-731
Operating profit		**2 598**	**-668**
Financial income	10	281	297
Financial expenses	10	-771	-951
Profit before taxes		**2 108**	**-1 322**
Income tax	11	-108	-204
Profit for the period		**2 000**	**-1 526**
Total comprehensive profit for the period		**2 000**	**-1 526**
Income for the financial year attributable to:			
Equity holders of the parent		2 013	-1 527
Non-controlling owners		-13	1
		2 000	-1 526
Total comprehensive income attributable to:			
Equity holders of the parent		2 013	-1 527
Non-controlling owners		-13	1
		2 000	-1 526
Earnings per share attributed to equity holders of the parent:			
Undiluted and diluted	12	0,21	-0,16

Consolidated statement of financial position

EUR 1,000 (IFRS)	Reference	31.12.2010	31.12.2009
ASSETS			
Non-current assets			
Investment properties	14	39 908	38 312
Property, plant, and equipment	15	335	373
Available-for-sale financial assets	16, 23	124	126
Loans and other receivables	17, 23	3 280	3 259
Deferred tax assets	18	23	43
		43 670	42 113
Current assets			
Trade and other receivables	17, 23	848	1 564
Cash and cash equivalents	19, 23	737	678
		1 585	2 242
Assets total		**45 255**	**44 355**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		13 584	13 584
Share premium		5 788	5 788
Reserve for invested non-restricted equity		5 485	6 521
Translation difference		-80	-80
Retained earnings		2 659	95
Total		27 436	25 908
The share attibutable to non-controlling owners		**29**	**42**
Total equity	20	**27 465**	**25 950**
Non-current liabilities			
Loans from financial institutions	21, 23	14 211	14 211
Deferred tax liabilities	18	1 237	1 177
		15 448	15 388
Current liabilities			
Loans from financial institutions	21, 23	947	1 895
Trade and other payables	22, 23	1 395	1 122
		2 342	3 017
Total liabilities		**17 790**	**18 405**
EQUITY AND LIABILITIES TOTAL		**45 255**	**44 355**

Consolidated statement of cash flows

EUR 1,000 (IFRS)	Reference	1.1.-31.12.2010	1.1.-31.12.2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit		2 598	-668
Adjustments for the operating profit	27	-899	2 807
Change in working capital	27	497	54
Interests paid		-673	-1 000
Interests received		44	128
Dividends received		216	1
Taxes paid		318	-748
Cash flow from operating activities		2 101	574
TOTAL CASH FLOW FROM OPERATING ACTIVITIES		**2 101**	**574**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in investment properties	14	-775	-422
Investments in immaterial and material goods		-4	-24
Paybacks from provided loans		8	12
Sales of tangible and intangible assets		13	6
Profits from sales of investment properties		149	28
Cash flow from investing activities		-609	-400
TOTAL CASH FLOW FROM INVESTING ACTIVITIES		**-609**	**-400**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans repaid		-948	-1 894
Acquisition of shares in subsidiary			-4
Dividends paid		-485	-1 457
Cash flow from financing activities		-1 433	-3 355
TOTAL CASH FLOW FROM FINANCING ACTIVITIES		**-1 433**	**-3 355**
Change in cash and cash equivalents		59	-3 181
CHANGE IN CASH AND CASH EQUIVALENTS, TOTAL		**59**	**-3 181**
Cash and cash equivalents 1 January		678	3 859
Cash and cash equivalents 31 December	27	737	678

Consolidated statement of changes in equity

1000 eur	Reference	Share capital	Share premium	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Equity attributable to equity holders of the parent total	Non-controlling owners	Equity capital total
Equity on 01/01/09		**13 584**	**5 788**		**-80**	**9 598**	**28 890**	**47**	**28 937**
Dividend distribution						-1 455	-1 455	-2	-1 457
Share issue				6 521			6 521		6 521
Acquisition of own shares						-6 521	-6 521		-6 521
Acquisition of shares in subsidiary								-4	-4
Comprehensive income for the financial year						-1 671	-1 671	1	-1 670
Equity on 31/12/09	20	**13 584**	**5 788**	**6 521**	**-80**	**-49**	**25 764**	**42**	**25 806**
Adjustment to the profit of the previous year	2					144	144		144
Adjusted Equity on 31/12/2009		**13 584**	**5 788**	**6 521**	**-80**	**95**	**25 908**	**42**	**25 950**
Equity on 01/01/10		**13 584**	**5 788**	**6 521**	**-80**	**95**	**25 908**	**42**	**25 950**
Dividend distribution				-485			-485		-485
Covering of the Parent's losses from the previous years				-551		551			
Comprehensive income for the financial year						2 013	2 013	-13	2 000
Equity on 31/12/2010	20	**13 584**	**5 788**	**5 485**	**-80**	**2 659**	**27 436**	**29**	**27 465**

Notes to the consolidated financial statements

Notes to the consolidated financial statements

1. BASIC INFORMATION ON THE GROUP

Interavanti Oyj is a real estate investment company primarily focusing on the building, renting, and sales of business, industrial and storage premises. The investment sites are located in Finland, Poland, Hungary, and Estonia.

The parent company of the group, Interavanti Oyj, is a public company. The company is registered in Helsinki. The registered address is Mannerheimintie 118, 9th floor, 00270 Helsinki, Finland. Copies of the consolidated financial statements are available from the above address and on the website www.interavanti.fi.

The company is listed on the main list of the NASDAQ OMX Helsinki stock exchange.

In the meeting on 14 February 2011, the Board of Interavanti Oyj accepted these financial statements for publication. According to the Finnish Companies Act, shareholders have the opportunity to accept or refuse the financial statements in a General Meeting taking place after the publication of the statements. It is also possible to make a decision on changing the financial statements in the General Meeting.

2. ACCOUNTING PRINCIPLES

Basis for accounting

The Interavanti consolidated financial statements have been drawn in compliance with the International Financial Reporting Standards (IFRS). The IAS and IFRS and the SIC and IFRIC interpretations valid on 31/12/10 have been observed in the preparation of the statements. The International Financial Reporting Standards are taken to mean any and all standards and their official interpretations accepted to be applied in the EU, according to the procedures enacted in the EU regulation 1606/2002, noted in the Finnish Bookkeeping Act and legal provisions based on the Act. The notes to the consolidated financial statements are also in accordance with the Finnish legislation on bookkeeping and corporations, which complement the IFRS regulations.

The consolidated financial statements were drawn up based on the original acquisition costs, except for the investment properties and financial assets recognised through profit and loss, which are measured at market value. The information in the financial statements is presented in thousands of euro.

The following new and renewed standards and interpretations have been applied since 1 January 2010:

- *IFRS 3 (revision): Business combinations*
- *IAS 27 (revision): Consolidated and Separate Financial Statements*
- *IAS 39 (revision): Financial Instruments: Recognition and Measurement - approved designated hedge items*
- *IAS 2 (revision): Share-based payments*

Interavanti has also adopted the EU-approved changes to many standards associated with the IFRS 2008 and 2009 Annual Improvements projects.

The above-mentioned revisions and changes have had a minor or zero impact during the financial period.

The preparation of financial statements in accordance with the IFRS standards requires the management of the corporation to make certain assessments and apply discretion in the application of the accounting principles. Information on the discretion -- used by the management when applying the corporation's accounting principles for the financial statements and having the most influence on the figures presented in the financial statements -- can be found in the chapter "Accounting principles requiring management discretion and primary uncertainty factors related to assessments".

Adjustments to the notes of the previous financial period

In the beginning of the 2010 financial period, the company reached an agreement with regard to compensating for the decontamination of the soil on a property purchased in 2005. The compensation of EUR 144 thousand paid by the seller of the property in FY 2010 should be recognised in FY 2009. The error has been adjusted retroactively by adjusting the figures of FY 2009 by including the above compensation of EUR 144 thousand into other income and other short-term receivables.

The impact on consolidated equity is presented in the consolidated statement of changes in equity on page 17.

As a result of the adjustment, the earnings per share for FY 2009 improved slightly to -0.16 (-0,17 before the adjustment).

Notes to the consolidated financial statements

Subsidiary companies

The consolidated financial statements include the parent company Interavanti Oyj and all subsidiary companies owned directly or indirectly by Interavanti Oyj. Subsidiaries are companies in which the group has a controlling interest. A controlling interest is created when the group holds more than half the voting rights or it otherwise exercises the right of control. In the assessment of the right of control, the existence of potential controlling interest has also been taken into consideration if the instruments of the potential right of control can be implemented at the time of assessment. Right of control means having the right to govern the company's financial and business principles so as to gain profit from its operations.

Mutual shareholding within the group has been eliminated using the purchase method. The acquired subsidiary companies are added to the consolidated financial statement from the moment when the group has gained the right of control, and the sold subsidiaries are consolidated up to the termination of the right of control. All internal transactions, receivables, liabilities and unrealised profits within the group, as well as the internal profit distribution, are eliminated in the consolidated financial statements.

The distribution of the profit of the financial year to the owners and non-controlling owners of the parent company is presented in the consolidated comprehensive statement of income. The share of non-controlling owners is presented separately in the balance sheet as a part of equity.

Mutual real estate companies Mutual real estate companies have been consolidated with a relative merging method so that the premises and other related assets and liabilities controlled by the group are included in the consolidated financial statements.

Properties owned by mutual real estate companies have been measured at market value at the time of acquisition.

Other subsidiary companies Other subsidiary companies are added to the consolidated financial statements in full.

Affiliate companies

All affiliate companies are housing associations and mutual real estate companies. Affiliate companies are presented in the investment properties section of the balance sheet and are measured at their market value.

Foreign currency translation

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

Foreign currency transactions Foreign currency transactions are recorded at the exchange rate valid on the date of the transactions. Monetary items in foreign currencies are translated into the operating currency using the exchange rate on the closing date. Non-monetary items in foreign currencies measured at their market value are translated using the exchange rate on the measurement date. Otherwise, non-monetary items are measured at the exchange rate prevailing on the date of the transactions.

Foreign currency exchange gains and losses from foreign business transactions and foreign non-monetary items are recorded in the comprehensive statement of income. Exchange gains and losses from business transactions are presented in other items above the profit for the year.

Translation of the financial statements of foreign group companies
The euro is used as the operating currency for the foreign companies, the profits, costs, and financial transactions of which are primarily in euro. Monetary foreign currency items for these subsidiaries are recorded in the consolidated financial statements using the exchange rate on the closing date and non-monetary items, using the exchange rate on the business transaction date. Non-monetary items that are measured at market value are measured in the financial statements using the exchange rates valid on the moment of the determination of the market value.

The profit and loss amounts of other foreign consolidated companies are converted to euro in the comprehensive statement of income using the medium rates of the business period, and balance sheets using the rates of the closing date. Using different conversion rates for the comprehensive statement of income and the balance sheet causes a translation difference, which is recorded in equity. Translation differences for the elimination of the acquisition costs of foreign subsidiary companies and for the conversion of post-acquisition equity instalments are recorded in equity. When a subsidiary company is sold either partially or completely, the accumulated translation differences are recorded in the comprehensive statement of income as a part of the sales profit or loss. The only group subsidiary with an operating currency not based on the euro in FY 2010 is in Estonia. As the exchange rate of the Estonian crown for euro was fixed during the financial period, there are no translation differences.

The figures concerning the return and financial position of the group are measured in euro.

Financial assets and liabilities

Financial assets Financial assets are classified by the group in the following categories: financial assets to be recorded at market value through profit and loss, loans and other receivables as well as available-for sale financial assets. The classification is made in accordance with the purpose of the acquisition of the financial assets, in connection with the original acquisition. All financial assets are originally recorded at their market value, and the transaction costs are included in the original carrying amount of financial assets in the case of an item that is not measured at market value through profit and loss. All purchases and sales of financial assets are recorded on the date of the transaction. Financial assets are removed from the balance sheet when the group's contractual rights to cash flows have been terminated or when the group has substantially transferred all risks and benefits outside of the group.

Financial assets are classified within the category of *financial assets recorded at market value through profit and loss,* if acquired as held for trading or originally classified as recorded at market value through profit and loss. Financial assets held for trading have primarily been acquired to gain profit from short-term fluctuations in market prices. Interavanti has included the group's derivatives, because the group does not apply hedge accounting as defined in IAS 39. Currently, the group does not hold other derivatives beyond an interest rate swap. The items of the group have been measured at their market value, and the realised and unrealised profits and losses arising from the changes in the market value are recorded in the comprehensive statement of income for the financial year in which the profits and losses occurred.

Loans and other receivables are non-derivative assets, the payments related to them are either fixed or determinable, and they are not quoted in an active market. They are measured at amortised cost. In the balance sheet, they are included in the non-current assets if they mature after more than 12 months. In other cases, they are included in the current assets. The loans and receivables of the group comprise trade receivables, loan receivables, and purchase money claims.

Available-for-sale financial assets are non-derivative assets that are specifically designated as belonging to this category, or are not classified in some other category. They are included in non-current assets unless the group has the intention to hold them for less than 12 months from the closing date, in which case they are included in the current assets. Available-for-sale financial assets are measured at their market value, and changes in the market value are recorded in equity, net of tax. Changes in market value are transferred from equity to the comprehensive statement of income when the investment is sold, or

when its value has been impaired so that an impairment loss on the investment must be recorded. The group's available-for-sale financial assets on the closing date consist of holdings in shares, the market value of which cannot be defined reliably due to their highly unliquid market. Such shares are measured at cost.

Cash and cash equivalents consist of cash balances, call deposits withdrawable on demand, and other short-term highly liquid investments. The maturity of the items classified into cash and cash equivalents is three months or less from the date of acquisition.

Impairment of financial assets

On each closing date, the group assesses whether there is any objective evidence that a financial asset is impaired. A significant decline in the market value of share investments below their acquisition price within the timeframe determined by the group is regarded as an indication of the impairment of the available-for-sale share. If there is evidence of such impairment, the cumulative loss is recorded in the comprehensive statement of income. Impairment losses from available-for-sale financial assets are not reversed through the comprehensive statement of income, whereas the subsequent reversal of impairment losses on interest instruments is recorded through profit and loss.

The group recognises an impairment loss on trade receivables when there is justified evidence that the group cannot collect the receivables in full. Impairment is assessed by monitoring the creditworthiness of clients. Indications of the impairment of trade receivables include the significant financial difficulties, probability of bankruptcy and failure of making payments of the debtor. The amount of the impairment recorded in the comprehensive statement of income is the carrying amount of the receivable less the estimated present value of estimated future cash flows, discounted by the effective interest rate. If the amount of the impairment declines during any later financial year and if it is justified to regard the impairment as relating to an event subsequent to the recognition of the impairment, the recorded loss is reversed through profit and loss.

Financial liabilities

Financial liabilities are recorded at amortised cost.

The market values of financial assets and liabilities and the principles for their determination are described in the other notes to the financial statements.

Property, plant, and equipment

Items of property, plant, and equipment are mainly items of machinery and equipment. The value of property, plant, and equipment item is based on the original acquisition costs, from which write-offs and impairment have been reduced.

Depreciation on property, plant, and equipment items is calculated as follows:

Machinery and equipment	expenditure residue depreciation	25 %
Renovation costs	straight-line depreciation	5 years

The depreciation value and the financial influence time of the goods are verified at each closing of the accounts, and if necessary, they are revised to reflect the changes in the expectations of the financial gain.

When a property, plant and equipment item is classified as held for sale in accordance with the IFRS 5 Non-current Assets Held for Sale and Discontinued Operations standard, the depreciation of the item is terminated.

The sales profits and losses created in the disposal of property, plant and equipment items are included in other return and costs from business operations.

Intangible assets

Intangible assets are recorded in the balance sheet at the cost of acquisition if the cost of acquisition can be reliably determined and it is likely that the expected financial benefit from the asset will benefit the group.

Depreciation times for other intangible assets are the following:

IT software	straight-line depreciation	4 years

Depreciations will not be made from indefinite-life intangible assets, but are annually tested to determine potential impairment. The Group does not hold any indefinite-life intangible assets.

There is no goodwill in the Group.

Borrowing costs

Borrowing costs are recorded as costs in the period in which they have incurred.

Impairment testing of tangible and intangible assets

At each closing date, the Group assesses whether there are any indications that an asset may be impaired. If there is any such indication, the Group estimates the amount recoverable from the asset. The need for impairment is reviewed at the level of cash-flow generating units, that is, at the lowest unit level which is mainly independent of other units and the cash flows of which can be separated from other cash flows. The re-

coverable amount is the market value of the asset less selling costs or the value of use if higher than the selling costs. Value of use refers to the estimated future net cash flows that can be obtained from an asset or a unit generating cash flow discounted to their current value. The discount rate used is a pre-tax rate that represents the market outlook on the time value of the currency and the risks related to the asset.

An impairment loss is recorded when the carrying amount of the asset is higher than the amount recoverable from the asset. Impairment loss is immediately recorded in the comprehensive statement of income. The economic life of the asset to be depreciated is reassessed in connection with the recognition of the impairment loss. An impairment loss will be reversed if there has been a change in the assessments used in the determination of the recoverable amount. The impairment loss will, however, only be reversed up to the carrying amount that the asset would have without the recording of the impairment loss.

Investment properties

An investment property is a piece of land, building or part of a building controlled by Interavanti Oyj in order to obtain rental income, increase in value, or both. Properties and apartments owned and managed by the group have been treated as investment properties.

Investment properties are measured at their market value. The market value is determined at least once per year by an external property valuer according to International Valuation Standards (IVS). The market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing in an active market. Where necessary, these market prices will be adjusted in accordance with the characteristics, location or condition of the asset. If this information is not available, optional valuation methods will be used, such as the recently realised prices in slightly less active market, the yield value method, or a combination of the two. The company has used the estimate made by the property valuer in bookkeeping, having deducted the lower limit of the assessment margin of 10% as stated by the property valuer.

The property valuer, approved by the Central Chamber of Commerce, represents Comreal Oy. The evaluation report on page 64 is available also on Interavanti Oyj's website. The report includes the evaluation process, influencing factors, evaluation results, and assessment margin.

Changes in the market values of the investment properties are presented separately in the comprehensive statement of income.

No depreciations are made of the values of investment properties.

Subsequent costs, such as renovations of apartments and properties, are capitalised as part of the carrying amount of the investment property only when it is likely that the future financial benefit related to them will benefit the Group and when the costs can be reliably determined. Other repair and maintenance costs are recorded as costs in the financial year in which they have incurred.

Provisions and contingent liabilities

Provisions are recorded when the group has a legal or factual obligation based on an earlier transaction and when it is probable that the fulfilment of the obligation will at some point in the future call for a payment and when the amount of the obligation can be reliably estimated. Provisions are measured based on the assessment made at closing date concerning the costs required to cover the obligation. If the effect of time value on the valuation of the provision is significant, the provisions are measured at the current value of costs required to cover the obligation.

Contingent liabilities are possible obligations resulting from an earlier event that become certain only upon the occurrence of an uncertain event over which the group has no control. Contingent liabilities also cover such existing obligations that will not likely require payment, or the amount of which cannot be reliably determined. Contingent liabilities are presented in the 'Notes to the financial statements' section.

Principle of revenue recognition

The turnover of the group consists of property rental income and compensations for use. Profits and losses from property sales are presented as a separate item in the comprehensive statement of income.

Recognition of rental return as income Rental returns from properties and apartments are recorded as income evenly for the entire contract period.

Recognition of sales profits and losses The profits from the disposal of properties and apartments are entered as income and the sales losses as costs when all risks and benefits are disposed in context with the disposal of the ownership and tenure.

Pensions

There are no benefit-based arrangements in the group. The payments of the group's payment-based, several employer and insured arrangements pensions are recorded in the comprehensive statement of income for the financial year to which the payment is related.

Share-based payments

The Group has no arrangements based on options or shares.

Income tax

The tax costs in the comprehensive statement of income consist of the tax based on the taxable income and the deferred taxes for the financial year. The tax effect on items that is recorded directly in equity is similarly recorded in equity. The consolidated financial statements include the taxes calculated using the tax rate valid at the time of the closing of the books on the Group companies' profits and tax provisions.

Deferred tax liabilities or assets are calculated from all accrual differences between bookkeeping and taxation using the tax rates enacted by the date of closing the accounts. Deferred tax liability is not, however, recorded in cases of initial recognition of assets or liabilities that do not involve the consolidation of business operations and that have no effect on accounting or taxable profit at the time of their realisation. No deferred tax is recorded for goodwill impairment that is not deductible in taxation.

Deferred tax assets are recorded up to the amount that is probable that future taxable income will be available, against which the temporary difference can be used.

The most significant accrual differences consist of the measurement of investment properties at their market value.

Rental contracts

The Group as a tenant All the group's rental contracts are other rental contracts, recorded as cost in the comprehensive statement of income during the rental period. At the closing date, the group's rental contracts were mainly land lease contracts recorded as cost, according to the passing time.

Accounting principles requiring management discretion and significant uncertainty factors related to assessments

In the preparation of the financial statements, some assessments and assumptions have been necessary. The actual outcomes of these may differ from the assessments and assumptions. In addition, discretion is necessary when applying the accounting principles of the financial statements. The most significant assessments are related to the market values of investment properties.

Uncertainty factors related to assessments The market value for the properties owned by the Group is assessed annually based on an estimate by an external property valuer. The balance sheet value is corrected where the market value is higher or lower than the balance sheet value. The correction is made through profit and loss. The balance sheet value of investment properties on 31 December 2010 was MEUR 39.9 (MEUR 38.3 on 31 Dec 2009).

The assessments made in connection with the preparation of the financial statements are based on the best opinion by the management at the time of the closing of the books. The assessments lean on earlier experience and future-related assumptions considered the most probable. These assumptions may be related to, e.g. the expected development of the group's financial operational environment from the point of view of sales and the level of costs. The group regularly monitors the realisation of assessments and assumptions and their underlying factors together with the business units, and utilises several internal and external information sources for the purpose. Any changes in the assessments and assumptions are entered in the bookkeeping for the financial year, during which the assessment or assumption is corrected, as well as all following financial years.

Dividend distribution

No recognition has been made to the financial statements of the dividend distribution suggested by the Board at the General Meeting. The dividends are taken into account only after the decision is taken in the General Meeting.

Adoption of new or revised IFRS standards and IFRIC interpretations

In 2011, the Group will adopt the following standards and interpretations, published by IASB:

• *IAS 24 (amended) Related party disclosures. The revised standard clarifies the disclosure requirements for entities related to the government, and specifies the concept of a related party.*

• *IAS 32 (Revision), Financial Instruments: Presentation – Classification of rights issues. The amendment clarifies treatment of certain rights when the issued instruments are denominated in currency other than the issuer's operating currency.*

• *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments* and IFRIC 14 (amendment) Prepayments of Minimum Funding Requirements*

IASB issued improvements to 7 standards in July 2010 as a part of annual improvements.*

The Group will adopt the following standards, interpretations, and amendments to the existing standards in 2012 or later:

• IFRS 9 Financial Instruments – Classification and Measurement. IFRS 9 section on classification and measurement of financial instruments was published in November 2009. It is the first phase in the process for replacing IAS 39 "Financial Instruments: Recognition and Measurement" with a new standard. IFRS 9 includes new requirements for classifying and measuring of financial instruments.*

• IFRS 9 Financial Liabilities – Classification and Measurement. Section 2 of the IFRS 9 was published in October 2010. It complements the first phase of amendments to the IAS 39 standard for classifying and measuring of financial instruments, published in November 2009. The new standard maintains the existing amortised cost measurement for most liabilities, limiting change to debts that are measured at market value.*

• IFRS 7 (amendment) Financial Instruments: Disclosures. The amendment requires enhanced disclosures about the risk positions arising from transferred financial assets. The new requirements for enhanced disclosures also cover transferred financial assets that are derecognised in their entirety, but for which the transferer still has continuing involvement.*

• IAS 12 (amendment), Deferred Tax. The change requires that the entity should assess the extent to which the book value of assets, measured at their market value in the balance sheet, is accured by using the asset (such as rental income) or selling the asset. The presumption is, that the book value of certain market value assets is accrued from selling the asset. The presumption is applicable to deferred taxes arising from investment property, property, plant and equipment, and intangible assets that are valued by applying the market value model or the revaluation model.*

The impact of the above standards and interpretations on the consolidated financial statements is currently under study.

*The standard/interpretation or amendment has not yet been accepted for application within the EU.

3. MANAGEMENT OF FINANCIAL RISKS

In its normal activities, Interavanti Oyj is exposed to several financial risks, which are the market risk (interest and currency risks), credit risk and liquidity risk. The following describes the risks to which the group is exposed and how they are controlled.

Market risk

Interest risk In its normal business activities, Interavanti Oyj is exposed first and foremost to a financing interest risk. The interest risk for the group is related to the liability portfolio of the group, since all the loans from financial institutions of the group at the closing date are with a floating rate. Through loan receivables, the group is also exposed to interest risk related to market value, but the risk is of a minor nature.

The group may hedge from changes in the interest rate level with derivatives, but hedge accounting is not part of group policies. At the moment, the group has an interest rate swap of EUR 14,210,526. With the interest rate swap, the group has changed 94% of its debts to a fixed rate, and has thus hedged the liabilities against financing interest risk. Interest rate swaps are valued in their market value in the balance sheet at each closing date. The market values correspond to the amount of money the Group would pay or earn, should it cancel the interest rate swap.

Currency risk The group functions internationally and has been exposed to transaction risk due to currency positions to a minor degree, as well as risks developing from monetary items in different currencies converted into the functional currency of the parent company. The most significant currencies for the group are the Polish zloty (PLN) and the Hungarian forint (HUF).

Because nearly all rental contracts are made in euro, the currency risk has no significant effect on the group return or equity.

Credit risk

The Group has no significant credit risk accumulations for sales receivable, due to the wide range of customers and the fact that most rents receivable have adequate securities. The amount of credit losses recorded during the financial year is MEUR 0.1 (MEUR 0.1 on 31/12/09).

During the previous financial year, the group negotiated new terms of payment for receivables that otherwise would have been due or at risk of impairment of value. The schedule of payments has been partly realised during the closed financial period. For a long-term loan receivable of MEUR 0.4, there are securities of a corporate mortgage, property mortgage, and personal security. The loan receivable will be due in the years 2011–2023.

The specification of the liabilities is in Note 17.

The maximum amount of the group's credit risk corresponds to the book value of the financing assets at the end of the financial year.

Liquidity risk

The Group constantly strives to estimate and follow the amount of funding required by the business activities. This is done in order to ensure that the group has enough liquid assets for funding the activities and making payments on loans that are due. Each year, the company prepares a cash flow forecast, which recognises rental income from long-term rental agreements and the budgeted costs. This ensures adequate liquidity.

The availability and flexibility of the funding is secured with credit limits and by using several financial institutions and forms of financing for acquiring the funding.

The amount of unused credit limits on 31 December 2010 was MEUR 0.8 (MEUR 0.8 on 31 December 2009). The maturity of financial liabilities is presented in Note 21.

Equity management

The equity structure can be affected through, e.g. dividends and share issue. The group may change and adapt the amounts of dividends to the shareholders, equity returned, or new released shares, or decide on asset-stripping in order to reduce the amount of liabilities.

The development of the equity structure is monitored with a net indebtedness ratio (gearing) with a strategic optimum level.

The group loans have a specific term, according to which the ratio of loans to the pledged property must not exceed 75 per cent. Should the above ratio of 75 per cent be exceeded, the Group must regain the agreed ratio within 30 days of exceeding the ratio. Failure to do this will result in immediate maturing of the loan, if the bank so requires. At the time of the closing of the books, the group's minimum pledged amount, as per the special term, is MEUR 20.2. The Group's securities and contingent liabilities are presented in Note 25.

At the end of 2010, the net liabilities with interest was MEUR 14.4 (MEUR 15.4 at the end of 2009), and the net indebtedness ratio was 52.5% (59.5% on 31/12/2009). When calculating the net indebtedness ratio, the net liabilities with interest were divided by the amount of shareholders' equity. Liabilities with interest subtracted with receivables with interest and liquid assets are included in the net liabilities.

The net indebtedness ratios were as follows:

EUR 1,000	2010	2009
Loans from financial institutions	15 158	16 106
Cash in hand and bank accounts	-737	-678
Net liabilities with interest	-14 421	-15 428
Total equity	27 465	25 950
Net indebtedness ratio (gearing)	52,5 %	59,5 %

Notes to the consolidated financial statements

4. SEGMENT INFORMATION

Interavanti Oyj engages in the property investment business. The senior operative decison-maker of the Group is the Managing Director. Management and control of business activities is based on a geographical distribution (Finland, Estonia, Poland, and Hungary), which serves as the basis of defining the reporting segments. The assessment of segment profitability and the decisions on resource allocation to segments are based on segment turnover and business results.

SEGMENTS 2010, EUR 1,000

TURNOVER	2010	2009
Finland	1 627	1 609
Estonia	1 403	1 510
Poland	406	404
Hungary	663	580
Elimination	-7	-4
Total for the Group	**4 092**	**4 099**

Other return from business activities	2010	2009
Finland	9	257
Other	49	11
Elimination	-9	-35
Total for the Group	**49**	**233**

BUSINESS PROFIT	2010	2009
Finland	-283	563
Estonia	1 057	440
Poland	1 293	-1 353
Hungary	650	-130
Other	-112	-149
Elimination	-7	-39
Total for the Group	**2 598**	**-668**

The results of a segment's properties include the following changes in market value:	2010	2009
Finland	-24	445
Estonia	-215	-943
Poland	1 080	-1 507
Hungary	35	-638
Total	**876**	**-2 643**

The positive change in the market value in Poland is mainly a result of the increase in the value of undeveloped land over the last few years. In addition, the planning of the second phase developments commenced in 2010, and the increased demand for rental premises have contributed to the increase in value.

ASSETS	2010	2009
Finland	18 088	18 350
Estonia	15 349	15 538
Poland	5 156	4 089
Hungary	6 584	6 206
Other	78	172
Total for the Group	**45 255**	**44 355**

Investments EUR 1,000	2010	2009
Finland	502	80
Estonia	35	43
Hungary	238	77
Other	0	3
Total for the Group	**775**	**203**

5. TURNOVER

EUR 1,000	2010	2009
Rental profits and compensation for use	4 092	4 099
Total	**4 092**	**4 099**

The Group rents out office, business, and storage premises. The rental contracts have an average length of 2 to 5 years, or are valid until further notice. The contracts usually define the first possible date of notice. After this date, it is possible to extend the contract until further notice, in which case the period of notice is 3 to 12 months. The index, renewal, and other terms of the contracts differ from each other. In the financial statements, the rented targets are treated as investment properties.

Minimum rents to be received based on other non-voidable rental contracts:

EUR 1,000	2010	2009
Within one year	3 200	3 636
Within more than one but fewer than five years	6 434	8 529
After more than five years	1 132	52
Total	**10 766**	**12 217**

Notes to the consolidated financial statements

6. OTHER RETURN FROM BUSINESS ACTIVITIES

EUR 1,000	2010	2009
Corrected purchase price*	0	144
Other income**	49	89
Total	**49**	**233**

*Other returns for the period of 1 Jan-31 Dec 2009 has been amended to include a lump-sum compensation of EUR 144 thousand agreed in the beginning of the financial year 2010. The error has been retrospectively corrected by adjusting the reference data for the period within which the error had been made.

**In 2010, includes research and development aid from Tekes and in 2009, e.g. adminisration service fees.

7. DEPRECIATION

EUR 1,000	2010	2009
Intangible assets		
IT licences	0	3
	0	3
Property, plant, and equipment		
Machinery and equipment	16	20
	16	20
Impairments of long-term assets		
Available-for-sale financial assets	0	141
	0	141
Total	**16**	**164**

8. EMPLOYMENT BENEFIT EXPENSES

EUR 1,000	2010	2009
Wages	264	240
Pensions – payment based arrangements	41	40
Other personnel costs	10	8
Total	**315**	**288**

Group average personnel during the financial years	2010	2009
Property investment activities	4	4
Total	**4**	**4**

Information on the employment benefits and liabilities of the management are presented in Note 26: Insider transactions.

9. OTHER COSTS OF BUSINESS ACTIVITIES

EUR 1,000	2010	2009
Personnel, travel, entertainment and marketing	113	106
Costs of premises	11	23
Office expenses	172	196
Administrative expenses	372	406
Total	**668**	**731**

Auditing fees are included in other costs of business activities.

EUR 1,000	2010	2009
Auditing fees	51	49
Assignments referred to in Chapter 1, Section 1(2) of the Auditing Act.	0	9
Tax consulting	16	30
Other services	15	14
Total	**82**	**102**

10. FINANCIAL INCOME AND EXPENSES

Financial income

EUR 1,000	2010	2009
Dividend profits	217	1
Interest income from loans and other receivables	30	110
Interest income from impaired receivables	1	3
Other financial income	33	183
Total	**281**	**297**

Financial expenses

EUR 1,000	2010	2009
Interest costs for financial liabilities measured at amortised cost	-659	-806
Other financial expenses*	-112	-145
Total	**-771**	**-951**
Net financing expenses	**-490**	**-654**

* Includes e.g. a change in the market value of an interest rate swap 105 (127).

11. INCOME TAX

EUR 1,000	2010	2009
Tax based on the taxable income during the financial year	-25	0
Taxes from previous financial years	-3	9
Deferred taxes	-80	-213
Total	**-108**	**-204**

Reconciliation between the tax costs in the comprehensive statement of income and the income tax costs using the Finnish 26% tax rate:

EUR 1,000	2010	2009
Profit/loss before taxes	2 108	-1 322
Taxes calculated using the Finnish 26% tax rate	548	-344
Non-taxable income	-785	-308
Non-deductible costs	44	71
Use of previously unrecognised tax losses and impairments	4	-21
Previously unrecognised deferred tax assets from tax losses	293	921
Estimate in utilisation of temporary differences changed	0	-70
Correction to the return of 2009		-37
Other items	4	-8
Taxes in the comprehensive statement of income	**108**	**204**
Effective tax rate of the Group	5,1 %	-15,5 %

12. EARNINGS PER SHARE

Earning per share is calculated by dividing the net profit for the financial year of the parent company by the weighted average of the amount of externally held shares during the financial year.

	2010	2009
Profit attributable to the equity holders of the profit (EUR 1,000)	2 013	-1 527
Weighted average number of shares during the financial year (1,000 pcs)	9 703	9 703
Earnings per share (EUR/share)	0,21	-0,16

13. ACQUIRED INVESTMENT PROPERTIES AND SOLD INVESTMENT PROPERTIES

Selling property investments

Interavanti Oyj has sold property investment objects as follows:

	2010 (pcs)	2009 (pcs)
Apartments	1	0

The investments that were sold had the following effect on the net assets of the Group:

EUR 1,000	2010	2009
Property investments	81	0
Assets total	81	0
Total price	120	0
Expenses associated with sales	12	0
Sales profit	27	0
Total price	120	0
Total price paid	120	0

The sales profit is calculated as a remainder of the total price and the market value corresponding to the beginning of the financial year.

14. INVESTMENT PROPERTIES

EUR 1,000	2010	2009
Beginning of the financial year	38 312	40 135
Additions	775	179
Sales	-81	0
Transfers from own use	26	641
Profit/loss from measurement at market value	876	-2 643
End of the financial year	**39 908**	**38 312**

Additions consist of renovation of properties. During the financial year of 2010, one unit in a housing company was sold.

Changes in market value are presented in more detail in Note 4.

Notes to the consolidated financial statements

15. PROPERTY, PLANT, AND EQUIPMENT

EUR 1,000	Apartments in own use	Machinery and equipment	Total
Acquisition cost 01/01/10	314	204	518
Additions		4	4
Transfers from own use	-26		-26
Acquisition cost 31/12/10	288	208	496
Depreciation accumulated 01/01/10		-145	-145
Depreciation during the financial year		-16	-16
Depreciation accumulated 31/12/10	0	-161	-161
Carrying amount 31/12/10	288	47	335

EUR 1,000	Apartments in own use	Machinery and equipment	Total
Acquisition cost 01/01/09	955	215	1 170
Additions		24	24
Transfers from own use	-641	0	-641
Reductions		-35	-35
Acquisition cost 31/12/09	314	204	518
Depreciation accumulated 01/01/09		-125	-125
Depreciation during the financial year		-20	-20
Depreciation accumulated 31/12/09	0	-145	-145
Carrying amount 31/12/09	314	59	373

Impairment losses have not been recorded during 2009 and 2010.

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR 1,000	2010	2009
Beginning of the financial year	126	267
Return of capital	-2	
Reductions		-141
End of the financial year	**124**	**126**

Available-for-sale financial assets consist mainly of investments in non-listed shares. The shares have been entered as depreciation during the financial year of 2009, which is present in the comprehensive statement of income item Depreciations.

17. LOANS AND OTHER RECEIVABLES

EUR 1,000	2010	2009
Acquisition price receivables	2 847	2 848
Loan receivables	433	411
Total	**3 280**	**3 259**

The carrying amounts of loans and other receivables are reasonably close to their market value.

The purchase money claims include a purchase money claim of EUR 2,498 thousand, associated with selling the shares of Lippupiste Oy, maturing on 2 May 2012.

Short-term loans and other receivables are presented in the table below. Their fair values correspond to their carrying amounts, because the effect of discounting is insignificant based on their maturity.

EUR 1,000	2010	2009
Loans and other receivables		
Trade receivables	370	450
Loan receivable of factoring business	245	396
Loans and other receivables total	**615**	**846**
Accrued income	202	641
Other receivables	31	77
Total	**848**	**1 564**

Trade receivables are rent receivables, of which TEUR 330 (342) is the total of rent receivables for the Estonian and Hungarian subsidiaries. Based on the rental contracts, Estonian rents mature monthly at the end of each rental period.

The essential items included in accrued income are interests receivables and VAT receivables.

The factoring receivable is guaranteed by TEUR 311 (512) worth of factoring trade receivables.

Trade and other receivables were distributed across various currencies as follows:

EUR 1,000	2010	2009
Euro	629	1 327
PLN	4	25
HUF	48	3
EEK	167	209
Total	**848**	**1 564**

The table below presents the age distribution of long-term and short-term receivables.

EUR 1,000	2010	2009
Not matured	3 808	4 664
1 to 30 days	112	48
31 to 90 days	106	21
More than 90 days	102	90
	4 128	**4 823**

The amount of credit losses entered during the financial year as having an effect on return was MEUR 0.1 (MEUR 0.1 in 2009).

18. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets EUR 1,000	31.12.2009	Recorded in the profit and loss account	31.12.2010
Quoting investment properties at market value	43	-20	23
Total	**43**	**-20**	**23**
Deferred tax liabilities EUR 1,000			
Quoting investment properties at market value	-1 177	-60	-1 237
Total	**-1 177**	**-60**	**-1 237**

Deferred tax assets are not recognised for confirmed and unconfirmed losses, because of the uncertainty of realisation of the tax benefit.

Deferred tax assets EUR 1,000	31.12.2008	Recorded in the profit and loss account	31.12.2019
Portion of the total price not entered as income	91	-91	0
Quoting investment properties at market value	24	19	43
Total	**115**	**-72**	**43**
Deferred tax liabilities EUR 1,000			
Quoting investment properties at market value	-967	-210	-1 177
Measurement of land at market value in connection with the acquisition of a subsidiary company	-70	70	0
Total	**-1 037**	**-140**	**-1 177**

19. CASH AND CASH EQUIVALENTS

EUR 1,000	2010	2009
Cash in hand and bank accounts	737	678
Total	**737**	**678**

The balance sheet values of financial assets correspond to their market values. Credit limits are included in the current liabilities. The cash and cash equivalents on the balance sheet correspond to the cash flows in the cash flow statement.

20. NOTES RELATED TO EQUITY

	Number of shares 1000 pcs	Share capital EUR 1,000	Share premium EUR 1,000	Reserve for invested non-restricted equity EUR 1,000	Total EUR 1,000
31.12.2009	9 703	13 584	5 788	6 521	25 893
31.12.2010	9 703	13 584	5 788	5 485	24 857

Interavanti Oyj has one share type. The shares have no nominal value or maximum quantity. All issued shares have been paid in full. The company does not hold any own shares.

The descriptions of equity funds are presented below:

Share premium
During the old Companies Act, the share premium was created in the share issues, as a remainder between the issue price and the nominal price.

Reserve for invested non-restricted equity
The reserve for invested non-restricted equity includes other quasi-equity investments and the issue price, where it is not recorded in the share capital by an express decision. In 2010, the reserve was used to cover the parent company's losses of the previous years: EUR 551 thousand, and the dividend paid for the financial year of 2009: EUR 485 thousand.

Translation difference
The translation difference fund comprises the translation differences from the conversion of the financial statements of foreign business units.

Dividends
In 2010, EUR 0.05 per share were distributed from the reserve for invested non-restricted equity, EUR 485 thousand in total. After the closing of the reporting period, the Board has proposed distribution of EUR 0.05 per share from the reserve for invested non-restricted equity, EUR 485 thousand in total.

21. LOANS FROM FINANCIAL INSTITUTIONS

The loans from financial institutions are financing liabilities with a floating rate (1-month Euribor + 0.85%) measured at amortised cost. The instalments for the following year are recorded under the 'Short-term' item.

EUR 1,000	2010	2009
Long-term	14 211	14 211
Short-term	947	1 895
Total	**15 158**	**16 106**

The carrying amounts of loans are reasonably close to their market value.

Liabilities maturing later than in five years' time are presented below.

	2010	2009
Loans from financial institutions	8 526	6 631

The Group's financial liabilities mature as agreed as follows:

2010 / EUR 1,000	2011	2012	2013	2014	2015	yli 5 v.
Loans from financial institutions	947	947	947	1 895	1 895	8 526
Loan interests, the interest rate swap included	620	550	481	403	318	274
Trade and other payables	504					
Total	**2 071**	**1 497**	**1 428**	**2 298**	**2 213**	**8 800**

2009 / EUR 1,000	2010	2011	2012	2013	2014	yli 5 v.
Loans from financial institutions	1 895	1 895	1 895	1 895	1 895	6 631
Loan interests, the interest rate swap included	709	487	398	176	88	135
Trade and other payables	348					
Total	**2 952**	**2 382**	**2 293**	**2 071**	**1 983**	**6 766**

The advances received that are rent deposits have not been included, because their due date is not available.
All loans from financial institutions are in euro.

The weighted average of the effective interest rates of long-term financing loans, interest rate swap included, was 4.321% in 31 December 2010 (3.863%).
The weighted average of the effective interest rates of short-term financing loans, interest rate swap included, was 4.321% in 31 December 2010 (3.863%).

22. TRADE AND OTHER PAYABLES

Short-term trade and other payables are presented in the table below.

EUR 1,000	2010	2009
Financing liabilities recorded at market value through profit and loss:		
Interest rate swaps	824	720
Financial liabilities measured at amortised cost:		
Trade payables	86	38
Other liabilities	159	47
Total financial liabilities measured at amortised cost:	245	85
Advances received	67	54
Accrued expenses and deferred income	259	263
Total	**1 395**	**1 122**

The nominal value of interest rate swap was MEUR 14.2 (2009:14). The company sees no counterparty risks related to it, because the counterparty is an established bank. More information on the interest rate swap is in Note 3.

The market value of the short-term trade and other payables corresponds to their balance sheet value, since the effect of discounting is not significant when their maturity is considered.

During the financial year, the essential items in the accrued expenses and deferred income consist of personnel and interest liabilities. Advances received are comprised of deposits paid in cash by tenants.

Short-term trade and other payables are distributed across different currencies as follows:

EUR 1,000	2010	2009
Euro	1 202	994
PLN	27	21
HUF	101	42
EEK	65	65
Total	**1 395**	**1 122**

23. FINANCIAL ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CATEGORIES

2010/EUR 1,000	Financial assets and liabilities measured at fair value through profit and loss	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortised cost
Financial assets				
Long-term loans and other receivables		3 280		
Trade and other receivables		848		
Available-for-sale financial assets			124	
Cash and cash equivalents		737		
Financial liabilities				
Loans from financial institutions				15 158
Trade and other payables				571
Interest rate swap*	824			

*In accordance with the standard, an entity must apply a market value measurement hierarchy to financial instruments at market value which reflects the level of significance of the inputs used in valuation. At the closing date, the Group's financial instruments at market value included only interest rate swaps. The Group classifies these instruments as market value hierarchy 2. The market values of level 2 instruments are based on inputs that are directly or indirectly observable for the instrument in question, but are not based on the quoted prices of similar items in an active market. The market value of interest rate swaps is based on the market value determined by the counterpart banks, calculated by using the regular valuation methods used by OTC market parties, the inputs of which are mainly based on observable market inputs. During the financial year, there was no reclassification between the hierarchies of market value. The Group does not apply the hedge accounting method determined in IAS 39.

The distribution of sales receivables and other receivables to loans and other receivables, and other than financial assets is presented in note 17.

The distribution of accounts payable and other payables to financial liabilities and other than financial liabilities is presented in Note 22.

2009/EUR 1,000	Financial assets and liabilities measured at fair value through profit and loss	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortised cost
Financial assets				
Long-term loans and other receivables		3 259		
Trade and other receivables		1 564		
Available-for-sale financial assets			126	
Cash and cash equivalents		678		
Financial liabilities				
Loans from financial institutions				16 106
Trade and other payables				402
Interest rate swap*	720			

The distribution of sales receivables and other receivables to loans and other receivables, and other than financial assets is presented in note 17.

The distribution of accounts payable and other payables to financial liabilities and other than financial liabilities is presented in Note 22.

24. OTHER RENTAL CONTRACTS

The Group as tenant

Minimum rents to be paid based on other non-voidable rental contracts:

EUR 1,000	2010	2009
Within one year	65	46
Within more than one but fewer than five years	354	50
Total	**419**	**96**

The rental contracts are land lease contracts. The comprehensive statement of income includes EUR 65 thousand of rental expenses paid based on other rental contracts (EUR 46 thousand in 2009).

25. SECURITIES AND CONTINGENT LIABILITIES

EUR 1,000	31.12.2010	31.12.2009
Collateral for own commitments		
Loans from financial institutions with a guarantee	15 158	16 106
Collaterals for liabilities		
Mortgaged properties	27 118	27 077
VAT return liability		
VAT return liabilities for basic improvements	92	40

26. INSIDER TRANSACTIONS

Insiders of the Group include group subsidiaries, affiliated companies and Managing Directors, the Board, their close family and entities, where these people are in direct or indirect control alone or togeher with another party or exercise substantial control, or where these people have, directly or indirectly, a major right to vote.

Interavanti Oyj has the following subsidiary companies:

Company	Domicile	Share of ownership (%)	Share of voting rights (%)
Aladdin Oy	Helsinki	100,0	100,0
Oy Nordic Foxes Ab	Helsinki	91,5	91,5
Old Foxes Oy	Helsinki	88,0	92,4
Alkutori Oy	Helsinki	100,0	100,0
PowerTube Oy	Helsinki	80,0	80,0
Varasto B.V.	The Netherlands	100,0	100,0
Varasto Poland Sp. z o.o.	Poland	100,0	100,0
Warasto Hungary Kft.	Hungary	100,0	100,0
Varasto Estonia Oü	Estonia	100,0	100,0
Mutual real estate companies:			
Ki Oy Vanha Talvitie 1	Helsinki	100,0	100,0
Ki Oy Lahden Sopenkorvenkatu 9	Lahti	100,0	100,0
Ki Oy Työpajankatu 2	Helsinki	100,0	100,0
Ki Oy Malminkartanontie 1	Helsinki	100,0	100,0
Affiliate companies:			
Pälkäne Oy	Helsinki	29,1	29,1

The following transactions were completed with the insiders:

a) Sales of products and services

EUR 1,000	2010	2009
Members of the board and managing director		
Rental return	14	14
Total	**14**	**14**

b) Purchasing products and services

EUR 1,000	2010	2009
Members of the board and managing director		
Renovation work on properties	0	41
Other products and services	85	67
Total	**85**	**108**

During the financial year, Joestoni Investeeringu AS rented premises from Varasto Estonia Oü and Varasto Estonia Oü has purchased building maintenance and administration from Joestoni Investeeringu AS, the owner of which is an insider to Interavanti Oyj. During the period, the company has acquired a small amount of specialist services from an insider party.

Business transactions have been conducted at an arm's length/the market price.

Management employment benefits

Wages and fees

EUR 1,000	2010	2009
For managing directors	110	110
Members and substitute members of the Board	9	8
Total	**119**	**118**

27. NOTES TO THE STATEMENT OF CASH FLOWS

Adjustments to cash flows from operations

EUR 1,000	2010	2009
Depreciation	16	164
Change of the market value of investment properties	-876	2 643
Sales profits of investment properties	-27	0
Other corrections	-12	0
Total	**-899**	**2 807**

Change in working capital

EUR 1,000	2010	2009
Reductions in short-term receivables	325	228
Change in short-term liabilities	172	-30
Total	**497**	**198**

Contents of cash and cash equivalents

EUR 1,000	2010	2009
Bank accounts and cash reserves	737	678
Total	**737**	**678**

28. EVENTS AFTER THE CLOSING DATE

The right to convert of the convertible bond signed by Interavanti Oyj and Yrjö Wigren Oy ended on 31 January 2011. Interavanti did not use its right to convert.

Parent company´s financial statements

Income statement of the parent company

EUR 1,000 (FAS)	1.1.-31.12.2010	1.1.-31.12.2009
TURNOVER	**1 544**	**1 520**
Other return from business activities	9	259
Personnel costs	-270	-228
Depreciations and changes in value	60	-329
Other costs of business activities	-1 856	-1 670
BUSINESS PROFIT	**-513**	**-448**
Financial income and expenses	-341	-375
PROFIT BEFORE EXTRAORDINARY ITEMS, TAXES, AND PROVISIONS	**-854**	**-823**
Income tax	0	0
PROFIT FOR THE FINANCIAL YEAR	**-854**	**-823**

Balance sheet of the parent company

EUR 1,000 (FAS)	31.12.2010	31.12.2009
Assets		
FIXED ASSETS		
Intangible assets	79	93
Material goods	52	63
Investments		
Share in companies within the group	24 364	25 036
Shares in affiliated companies	646	646
Other investments	3 745	3 746
	28 755	**29 428**
FIXED ASSETS TOTAL	**28 886**	**29 584**
CURRENT ASSETS		
Long-term receivables	12 014	12 147
Short-term receivables	1 021	1 604
Liquid assets and cash on hand	503	421
CURRENT ASSETS TOTAL	**13 538**	**14 172**
	42 424	**43 756**
Liabilities		
EQUITY		
Share capital	13 584	13 584
Share premium	5 788	5 788
Reserve for invested non-restricted equity	5 485	6 521
Profit from previous financial years	0	272
Profit for the year	-854	-823
EQUITY TOTAL	**24 003**	**25 342**
LIABILITIES		
Long-term liabilities	16 006	15 080
Short-term liabilities	2 415	3 334
LIABILITIES TOTAL	**18 421**	**18 414**
	42 424	**43 756**

Cash flow statement of the parent company

EUR 1,000 (FAS)	1.1.-31.12.2010	1.1.-31.12.2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Business result	-513	-592
Adjustments for the operating profit	-61	329
Change in working capital	305	214
Interests paid	-700	-1 027
Interests received	53	372
Dividends received	217	13
Taxes paid	343	-748
CASH FLOWS FROM OPERATING ACTIVITIES	-356	-1 439
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in material and immaterial goods	-23	-80
Profits from sales of material and immaterial goods	11	6
Profits from sales of other investments	30	27
Returns of capital	781	0
Change in loan receivables	1 072	1 574
CASH FLOWS FROM INVESTING ACTIVITIES	1 871	1 527
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loan paybacks	-948	-1 894
Acquisition of shares in a subsidiary	0	-4
Dividends paid	-485	-1 456
CASH FLOWS FROM FINANCING ACTIVITIES	-1 433	-3 354
CHANGE IN CASH AND CASH EQUIVALENTS	82	-3 266
Cash and cash equivalents 1 January	421	3 687
Cash and cash equivalents 31 December	503	421

Parent company´s accounting principles

Principle of revenue recognition

The turnover of the company consists of property rental income that is entered as income over the agreement period.

Valuation and depreciation principles for fixed assets

The planned instances of depreciation have been calculated as straight-line depreciation in accordance with the financial operation period. The fixed assets have been valued at the acquisition cost or a smaller market value as defined by evaluations in previous years. All planned instances of depreciation have been taken into account.

All instances of depreciation planned and carried out during the financial year have been calculated from the balance sheet value as depreciation for the remaining depreciation period.

Immaterial rights	5 years of straight-line depreciation
Machinery and equipment	5 years
Other long-term expense items	4 to 10 years

Sales profits for fixed assets

Sales profits from property and apartment shares sold during the financial year have been recorded in other returns from business activities.

Affiliate companies

All affiliated companies are housing associations and mutual real estate companies. Affiliated companies are presented on the balance sheet and are quoted at the acquisition value.

Other returns from business activities

Other returns from business activities include invoiced administration services for the period.

Adjustments to the notes of the previous financial period

In the beginning of the 2010 financial period, the company reached an agreement with regard to compensating for the decontamination of the soil on a property purchased in 2005. The compensation of EUR 144 thousand paid by the seller of the property in FY 2010 should be recognised in FY 2009. The error has been adjusted retroactively by adjusting the figures of FY 2009 by including the above compensation of EUR 144,000.00 into other returns from business operations and other short-term receivables.

The impact on equity is presented in the Notes: Statement of changes in shareholders´ equity on page 50.

Derivatives

The company has an interest rate swap of EUR 14,210,526. With the interest rate swap, the company has changed the 1-month Euribor to a fixed rate and, thus, hedged approximately 94% of its liabilities against financing interest risk. The company does not apply hedge accounting. The interest rate swaps are measured at market value through profit and loss.

Notes to the parent company´s financial statements

Notes to the profit and loss account

EUR 1,000	2010	2009
Turnover		
Rental return	1 544	1 520
Other return from business activities		
Other return from the business activities*	9	259
Total	9	259

*Other returns for the period of 1 Jan-31 Dec 2009 have been amended to include a lump-sum compensation of EUR 144 thousand, as agreed in the beginning of the financial year 2010. The error has been retrospectively corrected by adjusting the reference data for the period within which the error had been made.

Personnel		
Personnel costs		
Wages and fees	226	191
Pensions	36	31
Other personnel costs	8	6
Total	270	228
Wages for the Managing Director	110	110
Wages for the Board	9	8
Personnel	3	2

All Board fees, wages for the Managing Director and officials, and incidental task fees are included in the personnel costs. The pension schemes for the personnel have been arranged with the statutory pension insurance with normal conditions.

Other costs of business activities		
Costs of the renting activities: total	1 298	1 033
Other costs of business activities	558	637
Total	1 856	1 670
Financial income and expenses		
Dividend profits		
From companies within the Group	0	11
From others	217	1
Total	217	12
Interest income from long-term investments		
From companies within the Group	201	594
Other interest and financial income		
From others	44	124
Total	462	730
Interest costs and other financial expenses		
To companies within the Group	41	40
To others	762	1 065
Total	803	1 105
Financing profits and costs total	-341	-375

Notes to the balance sheet

EUR 1,000

Fixed assets and other long-term expense items, changes

	Acquisition cost 1 Jan 2010	Additions 2010	Reductions 2010	Transfer between	Acquisition cost 31 Dec 2010	Straight-line depre-ciations 1 Jan 2010	Depreciation accumulated for reductions and transfers	Depreciations for the financial year	Impairments reversals	Accumulated depreciation impairments and their reversals total 31 Dec 2010	Carrying amount 31 Dec 2010
PARENT COMPANY											
Immaterial and material goods											
Other long-term expenses	1 428	18	0		1 446	1 335	0	32	0	1 367	79
Machinery and equipment	493	5	0		498	430	0	16	0	446	52
Immaterial and material total	1 921	23	0		1 944	1 765	0	48	0	1 813	131
Investments											
Shares, group companies	25 604	0	780		24 824	568	0	0	108	460	24 364
Shares, participating interest companies	646	0	0		646	0	0	0	0	0	646
Shares, others	3 804	0	1		3 803	58	0	0	0	58	3 745
Shares and stakes total	30 054	0	781		29 273	626	0	0	108	518	28 755

	Acquisition cost 1 Jan 2009	Additions 2009	Reductions 2009	Transfer between	Acquisition cost 31 Dec 2009	Straight-line depre-ciations 1 Jan 2009	Depreciation accumulated for reductions and transfers	Depreciations for the financial year	Impairments reversals	Accumulated depreciation impairments and their reversals total 31 Dec 2009	Carrying amount 31 Dec 2009
PARENT COMPANY											
Immaterial and material goods											
Other long-term expenses	1 369	59	0		1 428	1 298	0	37	0	1 335	93
Machinery and equipment	532	21	60		493	436	-25	19	0	430	63
Immaterial and material total	1 901	80	60		1 921	1 734	-25	56	0	1 765	156
Investments											
Shares, group companies	8 610	16 994	0		25 604	353	0	0	-215	568	25 036
Shares, participating interest companies	646	0	0		646	0	0	0	0	0	646
Shares, other	3 804	0	0		3 804	0	0	0	-58	58	3 746
Shares and stakes total	13 060	16 994	0		30 054	353	0	0	-273	626	29 428

Notes to the parent company´s financial statements

EUR 1,000	2010	2009
CURRENT ASSETS		
Long-term receivables		
Receivables from companies within the Group		
Loan receivables	8 684	8 815
Receivables from others		
Loan receivables	433	411
Purchase price receivables, long-term	2 897	2 921
	3 330	3 332
Total	**12 014**	**12 147**
Short-term receivables		
Receivables from companies within the Group		
Accrued income	653	606
Receivables from others		
Trade receivables	57	121
Loan receivables	245	426
Accrued income	66	451
	368	998
Total	**1 021**	**1 604**

Accrued income consists mostly of periodic interest income, administration services paid on behalf of other group companies, and tax assets.

Changes in shareholders' equity		
Share capital 1 January	13 584	13 584
Share capital 31 December	13 584	13 584
Share premium 1 January	5 788	5 788
Share premium 31 December	5 788	5 788
Reserve for invested non-restricted equity 1 January	6 521	0
Increase during the financial year	0	6 521
Covering of losses from the previous years	-551	0
Dividend distribution	-485	0
Reserve for invested non-restricted equity 1 December	5 485	6 521
Profit from previous financial years 1 January	-551	8 249
Dividend distribution	0	-1 456
Redemption of own shares	0	-6 521
Losses covered with the reserve for invested non-restricted equity	551	0
Profit from previous financial years 31 December	0	272
Profit for the period 31 Dec 2010/31 Dec 2009	-854	-967
Adustment of an error in the previous financial year	-	144
Profit for the period 31 Dec 2009	-	-823
Total equity	**24 003**	**25 342**
Funds eligible for profit distribution		
Reserve for invested non-restricted equity	5 485	6 521
Profit from previous financial years	0	272
Profit for the year	-854	-823
Total	**4 631**	**5 970**

1000 eur	2010	2009
CURRENT LIABILY		
Long-term liabilities		
Liabilities to companies within the Group		
Other liabilities	1 795	869
Liabilities from others		
Loans from financial institutions	14 211	14 211
Total	**16 006**	**15 080**
Loans maturing later than in five years' time		
Loans from financial institutions	8 526	6 631
Short-term liabilities		
Liabilities to companies within the Group		
Other liabilities	398	398
Accrued expenses and deferred income	25	130
Liabilities from others		
Loans from financial institutions	947	1 895
Advances received	67	54
Trade payables	42	38
Other liabilities	20	8
Accrued expenses and deferred income	916	811
Total	**2 415**	**3 334**

The essential items in the accrued expenses and deferred income consist of personnel expenses, interest liabilities and a cost reservation related to an interest rate swap. Advances received comprises deposits paid by tenants.

Contingent liabilities

Liabilities, and assets pledged and mortgages given as security for liabilities	31.12.2010	31.12.2009
On own behalf		
Carrying amount of the shares pledged	9 144	8 974
Total	9 144	8 974
Loans from financial institutions		
Interavanti Oyj	15 158	16 106

Notes to the parent company´s financial statements

Interavanti Oyj Subsdiaries

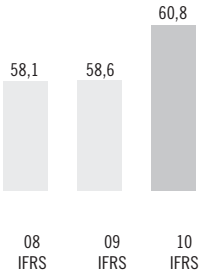
Company	Domicile	Share of ownership (%)	Share of Voting right (%)
Aladdin Oy	Helsinki	100	100
Oy Nordic Foxes Ab	Helsinki	91,54	91,54
Old Foxes Oy	Helsinki	87,96	92,36
Alkutori Oy	Helsinki	100	100
PowerTube Oy	Helsinki	80	80
Varasto B.V.	The Netherlands	100	100
Varasto Poland Sp. z o.o.	Poland	100	100
Warasto Hungary Kft.	Hungary	100	100
Varasto Estonia Oü	Estonia	100	100
Ki Oy Vanha Talvitie 1	Helsinki	100	100
Ki Oy Lahden Sopenkorvenkatu 9	Lahti	100	100
Ki Oy Työpajankatu 2	Helsinki	100	100
Ki Oy Malminkartanontie 1	Helsinki	100	100
Affiliate companies:			
Pälkäne Oy	Helsinki	29,1	29,1

Key indicators for the group

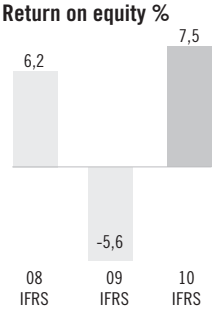
		IFRS 2010	IFRS 2009	IFRS 2008
BUSINESS ACTIVITY				
Turnover	MEUR	4,10	4,10	2,97
Other return from business activities	MEUR	0,05	0,23	3,01
Operating profit	MEUR	2,60	-0,67	3,31
% of turnover	%	63,5	-16,3	111,5
Profit before taxes	MEUR	2,11	-1,32	2,50
% of turnover	%	51,5	-32,2	84,0
Profit for the year	MEUR	2,00	-1,53	1,73
% of turnover	%	48,9	-37,2	58,4
Gross investments	MEUR	0,8	0,2	22,3
% of turnover	%	18,9	4,9	750,0
Personnel	avg./financial year	4	4	4
Wages and fees	MEUR	0,26	0,23	0,27
Return on equity (ROE)	%	7,5	-5,6	6,2
Return on investment (ROI)	%	6,8	-0,8	10,4
FINANCIAL STANDING				
Equity ratio	%	60,8	58,6	58,1
Net indebtedness ratio	%	52,5	59,5	48,9
KEY INDICATORS PER SHARE				
Income/share (continuing operations)	EUR	0,21	-0,16	0,18
Income/share (discontinuing operations)	EUR			0,52
Earnings/share	EUR	0,21	-0,16	0,71
Shareholders' equity/share	EUR	2,83	2,67	2,98
Dividend/share	EUR/share	0,05*	0,05	0,15
Dividend/bottom line	%	23,8	-31,3	83,3
Effective dividend return	%	1,4	1,1	3,4
P/E ratio		17,6	-27,7	24,4
Market value of share base	MEUR	36,0	43,0	42,8
Number of				
trade amount	Thous. pcs	21	30	75
portion of the total number of shares	%	0,2	0,3	0,8
Price development of shares				
highest	EUR	4,65	6,30	6,20
lowest	EUR	3,60	4,14	3,00
Final trade price of the closing date	EUR	3,70	4,43	4,40
Average price of share	EUR	3,98	5,44	4,74
Average number of externally held shares during the financial year	Thous. pcs	9703	9703	9703
Amount of externally held shares at the end of the financial year	Thous. pcs	9703	9703	9703

*Board proposition
The key indicators calculated here apply to continuing operations

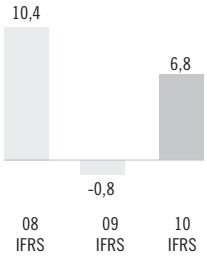
Equity ratio %



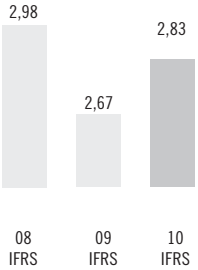
Return on equity %



Return on investment % (ROI)



Equity / share, eur



Calculation formulae for key indicators

1. Return on equity % (ROE)

$$\frac{\text{Return before extraordinary items and taxes - taxes}}{\text{Shareholders' equity (average during the year)}} \times 100$$

2. Return on investment % (ROI)

$$\frac{\text{Return before extraordinary items and taxes + interest costs and other financing costs}}{\text{Grand total of the balance sheet – interest-free liabilities (average during the year)}} \times 100$$

3. Equity ratio, %

$$\frac{\text{Shareholders' equity}}{\text{Grand total of the balance sheet – advances received}} \times 100$$

4. Earnings per share (EPS)

$$\frac{\text{Profit attributable to the equity holders of the parent}}{\text{Average number of shares during the financial year}}$$

5. Shareholders' equity / share

$$\frac{\text{Shareholders' equity belonging to the owners of the parent company}}{\text{Number of shares on the closing date}}$$

6. P/E ratio

$$\frac{\text{Final trade price of the closing date}}{\text{Earnings per share (EPS)}}$$

7. Net indebtedness ratio % (gearing)

$$\frac{\text{Liabilities with interest - liquid assets and cash on hand}}{\text{Shareholders' equity}} \times 100$$

8. Dividend / share

$$\frac{\text{Dividend to be paid for the financial year}}{\text{Total number of externally held shares at the end of the period}}$$

9. Dividend / bottom line

$$\frac{\text{Dividend to be paid for the financial year / share}}{\text{Earnings per share}} \times 100$$

10. Effective dividend return

$$\frac{\text{Dividend / share}}{\text{Final trade price of the closing date}} \times 100$$

11. Net rental income

$$\frac{\text{Net rental income at the end of the period x 12}}{\text{Balance sheet value of investment properties at the end of the period}} \times 100$$

12. Utilisation rate

$$\frac{\text{Rented surface area}}{\text{Rentable surface area}} \times 100$$

Shares and shareholders

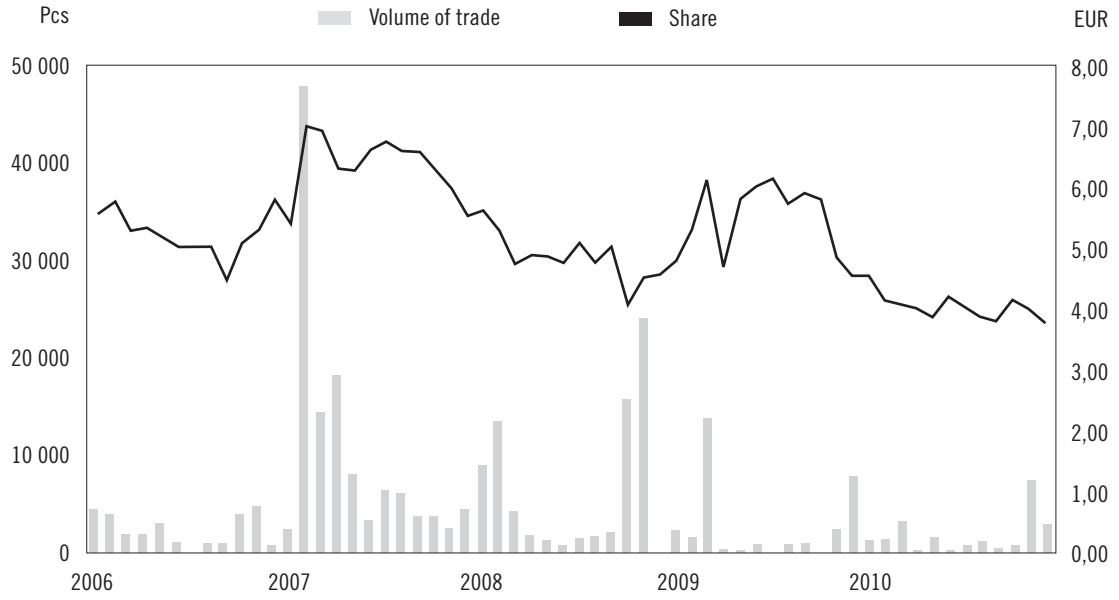
Share capital and shares

Interavanti Oyj shares have been listed on the NASDAQ OMX Helsinki since 11 July 1988. The shares have been in the book-entry system since October 1994.

Largest shareholders on 31/12/10		number of shares	ownership %
Jokinen Lasse	197 934		
Oy Joeston Ltd	4 605 180	4 803 114	49,5 %
Vuorinen Veikko M		4 297 875	44,3 %
Lakkapää Vilppu		57 500	0,6 %
Jokinen Harri		45 000	0,5 %
Pulkkanen Esko		37 443	0,4 %
Kiinteistö- ja sijoitushovi Oy		32 500	0,3 %
Vuorinen Liisa-Mari		23 423	0,2 %
Joutsenharju Kiint. Oy		21 000	0,2 %
Assi Group Oy		20 000	0,2 %
Kuassa Oy		19 318	0,2 %
Kaitala Pirjo		12 000	0,1 %
Tuunanen Taito		11 805	0,1 %
Harima Tarja		11 500	0,1 %
Hälläväliä Oy		11 345	0,1 %

The total number of shares held by the Managing Director, Board members, and their controlling and influential entities was 9,129,257, amounting to approximately 94% of shares and votes.

Number of trade and average price of share



Shares and shareholders

Shareholders' agreement

The parties of the agreement are Lasse Jokinen and, under his control, Oy Joeston Ltd, together with Veikko M Vuorinen.

The term of the agreement is the period of share ownership. The principal content of the agreement states that, when selling the shares, the parties are responsible for offering the shares so that the other parties have an opportunity to redeem them. The parties commit themselves to vote and to use their right to vote in a congruent manner at the shareholders' meetings of Interavanti Oyj. The parties commit themselves to vote mutually in a way that enables 50% of the Board members to be selected from the candidates proposed by both groups of owners. A member of the Board -- selected alternately by each group of owners -- acts as the chairman of the Board.

Price development and trade of the shares

In 2010, a total of 20,709 (29,617) Interavanti Oyj shares were traded on NASDAQ OMX Helsinki. The value of the share trade was MEUR 0.08 (0.16). The highest trading rate was EUR 4.65 (6.30), and the lowest EUR 3.60 (4.14). At the end of the year, the market value of the share capital was MEUR 36 (43).

Distribution of ownership	shares	shareholders	%	shares and votes	%
	1-100	77	21,7	3 140	0,0
	101-1000	183	54,5	73 509	0,8
	1001-10000	79	22,3	212 534	2,2
	10001-100000	13	3,7	313 034	3,2
	100.001-	3	0,8	9 100 989	93,8
Total quantity issued		355	100,0	9 703 206	100,0
nominee-registered possessions		1	0,0	20	0,0

Distribution of sectors	shareholders	%	shares and votes	%
Households	321	90,4	4 958 812	51,1
Companies	29	8,2	4 734 349	48,8
Non-profit	1	0,3	1 000	0,0
Financial and insurance institutions	1	0,3	20	0,0
Foreign owners	3	0,8	9 025	0,1
Total quantity issued	355	100,00	9 703 206	100,0
nominee-registered possessions	1	0,0	20	0,0

Signatures for the annual report and financial statements

Signatures for the annual report and financial statements

Helsinki, 14/02/11

Lasse Jokinen
Chairperson

Jorma Lindström

Pekka Saarenpää

Veikko M Vuorinen
Managing Director

Indication of closing the accounts

An auditor's report, concerning the inspection, has been issued today.

Helsinki, 14/02/11

PricewaterhouseCoopers Oy
Authorised Public Accountant organisation

Samuli Perälä
APA

Auditor's report

To the Annual General Meeting of Interavanti Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Interavanti Oyj for the period 1 January – 31 December 2010. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki 14 February 2011
PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant

Interavanti Oyj's Corporate Governance Statement, financial year 2010

Interavanti complies with the Finnish Corporate Governance Code of the Securities Market Association, adopted in October 2010. The Code is publically available on the website of the Securities Market Association at www.cgfinland.fi.

This Corporate Governance Statement has been prepared in accordance with Recommendation 54 of the Code, as a separate statement in addition to the annual report. The statement and the annual report are available on the company's webpages at www.interavanti.fi/ Sijoittajatiedot.

Exceptions to the code:

The company has departed from the following recommendation in the code:

Recommendation 9: Number, composition, and competence of the directors

Both genders are not represented on the Board for the present.

Due to the company size and the scope of operations, the current number of Board members and board composition is sufficient for the time being.

The outline of the internal control and risk management systems

Internal control The purpose of internal control is to ensure effective and profitable operations, generation of reliable information, and compliance with the operating principles.

The Board shall define the operating principles of internal control.

In its meetings, the Board looks into the current financial status, cash flows, action plans and market conditions of the company.

The purpose of internal control is to monitor the correctness of daily accounting and financial reporting, and to prevent and identify any misconduct. The Managing Director has an active role in the company's control system.

Foreign subsidiaries submit a monthly accounting report for regular monitoring and control. Foreign payment transactions mainly take place in the parent company, which ensures effective control.

Internal control is not separately organised due to the scope and nature of the company business operations. The company's internal control system is continuously developed in accordance with the control recommendations by the external auditing organisation.

Risk management The purpose of Interavanti's risk management is to identify, analyse and manage the risks related to business operations in order to ensure the continuity of operations and maximise the value of shares. Most material risks are determined in the preparation of the interim report and financial statements, and they are detailed in the annual report each year.

The majority of most material business risks for Interavanti are related to clients and financing. Client-related risks are managed by the active monitoring of rents receivable and ensuring them by adequate securities.

In its normal business activities, Interavanti Oyj is exposed, first and foremost, to an interest rate risk on the loan portfolio. The risk of fluctuating interest rates can be managed by using interest rate swaps. Financing risks are also managed by maintaining healthy liquidity and equity ratio and avoiding unreasonable risks.

Board of Directors

Selection of members and the term The General Meeting elects the Board of Interavanti Oyj, which may include 3-6 members in accordance with the Articles of Association. The Board selects a chairperson from among its members.
The Board members are appointed for a year at the time, and the members' term ends at the end of the first Annual General Meeting following the election.

Member candidates who are either proposed by the Board or supported by shareholders holding no less than 10% of the votes carried by the company shares must be included in the notice of the General Meeting. The Articles of Association do not refer to any specific order of appointment of Board members.

Composition of the Board The present Board was elected in the Annual General Meeting. The Board has four members, two of whom are principal shareholders in the company:

- **Lasse Jokinen**, born 1955, Chairman of the Board since 02/2001, on the Board since 04/2000; shareholding in the company: 49.5%, dependent of significant shareholders, full-time occupation: Managing Director in a transport and car dealing company, vocational training, extensive experience as an entrepreneur in excavating, transport and vehicle sales, no other relevant positions of trust

- **Veikko M Vuorinen**, born 1946, a Board member since 02/2001; shareholding in the company: 44.3%; a dependent member due to his position as the Managing Director and dependency of significant shareholders, full-time occupation: Managing Director, since 01/2002, comprehensive school, The English College, substantial experience as an entrepreneur and managing director in the restaurant, food and trading industries, a Member of the Board of Governors of Suomen Hypoteekkiyhdistys

- **Pekka Saarenpä**ä, born 1955, a Board member since 02/2001, an independent member, no shareholding in the company, full-time occu-

pation: entrepreneur, building engineer/1979, job experience in construction, an entrepreneur: 9 years. General foreman: 10 years. Acquisition and other tasks: 7 years (4 years out of which on export sites abroad); no other relevant positions of trust.

- **Jorma Lindström**, born 1950, a Board member since 02/2004; an independent member, no shareholding in the company; Master of Laws, an independent solicitor; full-time occupation: practice of law since 1980, no other relevant positions of trust

Three out of four Board members are independent of the company and two out of four are independent of significant shareholders in the company.

The tasks of the Board

- Approval of strategic goals
- Supervision and control of company operations by promoting the best interest of the company and all its shareholders
- Appointing and dismissing the Managing Director
- Considering and approving interim reports, the consolidated financial statements and the annual report
- Adoption of the group's action plan, budget and investment plan
- Deciding on strategically or financially material individual investments, business acquisitions, divestments or arrangements
- Preparing the dividend policy
- Preparing the principles of internal control.

In Board meetings, the Managing Director reports the status and changes in the business operations and markets.

The Board has not established any committees. The Board performs the duties of an audit committee.

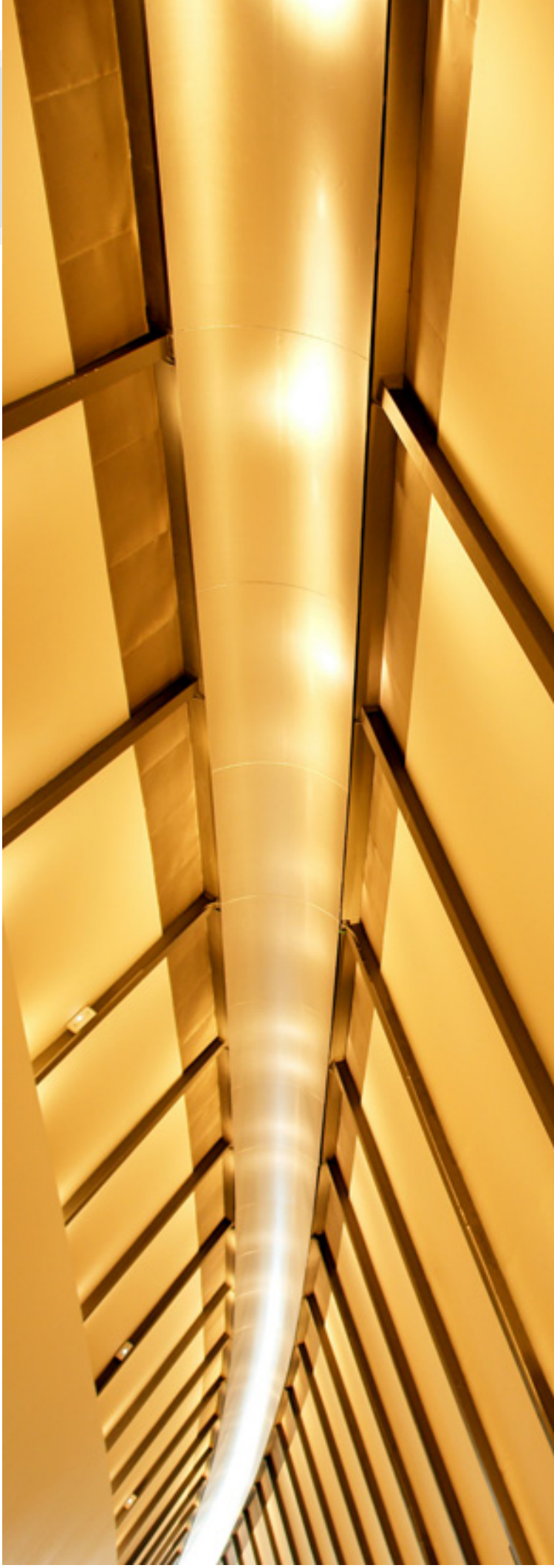
The Board makes an annual assessment of its operations and methods. The company does not have a supervisory board.

In 2010, the Board had 10 meetings with a 97.5% attendance by the members.

Managing Director

The Board appoints the managing director in accordance with the Companies Act.
The Managing Director is responsible for managing the company's operative administration in accordance with the decisions and instructions adopted by the Board.

Interavanti Oyj's managing director since 2002 is **Veikko M Vuorinen** (born 1946), also an ordinary member of the Board and a principal shareholder. Detailed personal information is available in the section entitled "Composition of the Board".



Interavanti Oyj's Annual Summary 2010

In 2010, Interavanti Oyj released the following stock exchange releases, which can be read in full on the company website. The releases deal with events in 2010, so they may also contain out-of-date information.

STOCK EXCHANGE RELEASES 2010

29 Jan 2010	The date of InteravantiOyj's Annual General Meeting, a change to the previous announcement
2 Jan 2010	Release concerning financial statements for 2009
08 Feb 2010	InteravantiOyj's Annual Summary 2009
12 Feb 2010	Summons to the Annual General Meeting
15 Feb 2010	A correction to the Summons to the Annual General Meeting
15 Feb 2010	Publication of the Financial Statements, the Annual Report and the Statement of Corporate Governance
19 Feb 2010	Issuing of the Annual Report
08 Mar 2010	Decisions by the Annual General Meeting
23 Apr 2010	Interim management report 01/01/2010 to 23/04/2010
30 Jul 2010	Interim report for 01/01/2010 - 30/06/2010
22 Oct 2010	Interim management report 01/01/2010 to 22/10/2010
22 Dec 2010	Interavanti Oyj's financial information in 2011

INTERAVANTI OYJ
Mannerheimintie 118, 9th floor
FI-00270 HELSINKI
Tel. +358 (0)9 477 7220
Business identity code: 0680026-0
www.interavanti.fi

Information for shareholders

Annual General Meeting

The Annual General Meeting of Interavanti Oyj shall take place on 08/03/11 at 10:00 a.m. at the company's office at Mannerheimintie 118, 9th floor, FI-00270 Helsinki, Finland.

Participating shareholders must register for the meeting by 01/03/11, 3:00 p.m. by phone, email, or a posted letter. The contact person is Mirja Kopsa, tel. +358 9 477 7220, telefax +358 9 477 72240, email: mirja.kopsa@interavanti.fi, and the postal address for written enrolments is Mannerheimintie 118, FI-00270 Helsinki. Should you have a proxy, please deliver it by the end of the enrolment period.

The right to participate in the General Meeting applies to those who are registered by 24/02/11 as shareholders in the list of shareholders maintained by Euroclear Finland Oy.

Profit distribution

The Board of Directors proposes to the Annual General Meeting that, in accordance with the adopted balance sheet of the financial period closing on 31/12/10, EUR 0.05/share is distributed from the reserve for invested non-restricted equity. The entire amount of profit distribution is treated as a dividend in taxation. The funds are proposed to be distributed by resolution of the General Meeting for payment to the shareholders who are recorded in the company list of shareholders managed by Euroclear Finland Oy on the record date of 11 March 2010. The date of remittance is 18 March 2011. The parent company's distributable funds are EUR 4,630,475.86 on 31 December 2010.

Share basics

NASDAQ OMX Helsinki Oy

Trading code	INAS1
ISIN code	FI0009002349
Listed	11.7.1988
Number of shares	9,703,206

Price development of share

	2010	2009
12 month low	3,60	4,14
12 month high	4,65	6,30
Average price	3,98	5,44
Closing price	3,70	4,43

Financial Information

During the financial year 2011, Interavanti Oyj will release

- an interim management report for 1 January to 21 April 2011, with 21 April 2011 as the release date
- an interim report for 1 January-30 June 2011, release date 29 July 2011
- an interim management report for 1 January to 28 October 2011, with 28 October 2011 as the release date

On the basis of the Finnish Securities Markets Act (152/2007) introduced on 9 February 2007, and taking into account the size of the company (the value of the company's shares in circulation is less than MEUR 75), Interavanti Oyj will -- instead of disclosing interim reports for the first three and nine months of the year -- disclose the interim management reports accordant with Chapter 2, Section 5 C of the Finnish Securities Markets Act.

The interim reports and the interim management reports are available on the company website at www.interavanti.fi. Printed copies will be mailed on request.

Determination of the market value of Interavanti Oyj's real property on 31 December 2010

Client

Interavanti Oyj, Managing Director Veikko M. Vuorinen

Author

Seppo Pakarinen, Authorised Property Valuer (AKA), Comreal Oy

Sources of information

In compiling the statement, the author has had access to property-specific documents, submitted by the client, including information about the rental income, condition, repair needs and other costs related to the scope of the statement.

The condition of the soil at the property sites, the technical condition of the buildings, and any possible damage are presented only if the valuer has had access to specific reports submitted by the client.

Intended use

The statement has been prepared for Interavanti Oyj's financial reporting purposes. It can be used for other purposes only by written authorisation of Comreal Oy.

Scope

At the client's request, the property-specific reports are concise.

Definition of value

"Market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion." (International Valuation Standards, IVS 1).

Valuation methods

The applied value formation methods are mentioned in each property-specific report. The main valuation methods are yield value (direct capitalisation) and market value.

Value added tax

All amounts of money mentioned in context of specific properties are value added tax excluded. The reports include no comment on whether the properties in question are VAT registered.

Market value

The total market value of the real property is **forty-four million nine hundred and seventy-five thousand euro** (€44,975,000)

The market value of the property in Finland is fifteen million four hundred and seventy-five thousand euro (€15,475,000).

The market value of the properties outside Finland is twenty-nine million and five hundred thousand euro (€29,500,000).

Inspections

The property valuer has inspected all the valued properties externally between 2006 and 2010. The majority of properties were also inspected from inside.

Valuation accuracy

The accuracy margin is +/- 10 per cent.

Compliance statement

We hereby confirm that Comreal Oy, as the valuation expert, has determined the value of Interavanti Oyj's real property as an independent and external property valuer, authorised by the Central Chamber of Commerce. To the best of the valuer's knowledge, the assignment has no conflicts of interest.

In Vantaa, 31 December 2010

Seppo Pakarinen, M.Sc. econ, Authorised Real Estate Agent (LKV)
Authorised Property Valuer approved by the Central Chamber of Commerce (KHK)
Authorised Property Value (AKA), general authorisation
Comreal Oy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