



SOK Corporation

Financial statement bulletin
1 january – 31 december 2013

Executive board report on operations

Development of the operating environment

The situation in the Finnish economy was weak in 2013. The economy reduced for the second year in a row. Exports and investments decreased. Industrial production decreased by several percent. Unemployment increased and employment weakened. Consumer confidence in the economy was considerably lower than the long term average. Household consumption waned.

Due to the weak economic situation and stalled consumption, 2013 was a very difficult year for retail and wholesale. In particular the consumer and durable goods trade suffered, but the sales volume in the grocery trade has also been experiencing a record-long period of decline since the spring of 2012. The total retail revenue grew only by a few percent compared to the previous year. The volume of sales even decreased. This has only happened once before since the depression in the 1990s: in 2009, after the financial crisis.

Financial development

SOK's operations

SOK is the parent company of SOK Corporation. In accordance with its statutes, SOK acts as the central organisation of S Group, promoting and developing the operations of the cooperative enterprises and other organisations belonging to S Group, and managing and supervising the Group's overall resources for maximum efficiency while also monitoring the operations and seeing to the interests of S Group and its various segments.

SOK is in responsible for S Group's overall strategic management. Its tasks are to provide S Group companies with services in chain management, co-op membership and marketing, as well as other group and corporate services and development activities related to these services and other activities of S Group. Services key to S Group's business operations also include procurement and assortment services.

Through its subsidiaries engaged in business operations, SOK offers an increasingly wide spectrum of services to its co-op members in S Group. Furthermore, through its subsidiaries, SOK engages in the supermarket trade, as well as the travel industry and hospitality business in the Baltic countries and St. Petersburg.

SOK Corporation's financial development 1 January – 31 December 2013

The revenue from SOK Corporation's continuous operations 1 January – 31 December 2013 totalled EUR 8,539 million, down by 19.7 per cent from the previous year. The decrease in revenue was due to a change that took place in the ownership of North European Oil Trade Oy in December 2012. As a result of this change, North European Oil Trade Oy was no longer considered a subsidiary but a joint venture. SOK's comparable

revenue from continuous operations 1 January – 31 December 2013, excluding the figures of North European Oil Trade Oy, increased slightly from the corresponding period in the previous year. The operating loss of SOK Corporation's continuous operations was EUR 7.9 million (-7.2 million). Revenue from international operations was EUR 571 million, or 6.7 per cent of the revenue of the continuous operations.

SOK Corporation's result for the period under review (continuing and discontinued operations) was EUR 4.5 million, compared to EUR -22.8 million in the previous year. The improvement was to a large extent due to the divestment of Hankkija Oy's shares. The key indicators describing SOK Corporation's financial position and profit:

SOK Corporation			
continuing operations	2013	2012	2011
Revenue, EUR million	8 539	10 634	11 280
Operating profit, EUR million	-7,9	-7,2	18,8
Operating profit, % of revenue	-0,1	-0,1	0,2
SOK Corporation			
Return on equity, %	0,8	-3,9	2,0
Equity ratio, %	36,3	29,3	26,7

SOK Corporation's operating revenue and operating result by business area (segment)

SOK Corporation's operating revenue and operating result are divided into retail and wholesale business areas in accordance with operational monitoring. In addition, the operating result of the banking operations is under operational monitoring.

	Revenue EUR million	± % prev. year	Operating result EUR million	Change EUR million
Supermarket trade	519	+23,9	-28,0	-10,7
Travel industry and hospitality business	252	+0,7	9,4	-0,5
Procurement and service business	7 765	-22,1	-7,8	+1,5
Continuous operations total	8 536	-19,7	-26,4	-9,7
Automotive trade and accessories (a discontinued operation) ¹⁾	105	-38,9	-15,1	+5,0
Elimination of internal items for the retail and wholesale business	-1		-1,8	
Retail and wholesale business in total ²⁾	8 640	-26,2	-43,4	-8,7
Result from banking			10,8	+8,4
SOK Corporation total ³⁾	8 640	-26,2	-32,6	-0,2

- ¹⁾ Termination costs of Automotive Trade and Accessories were 24,3 million Euros. Expenses has been booked as one of expense after operating profit. Taken into account the termination costs, Automotive Trade ja Accessories operating profit was -39,4 million Euros.
- ²⁾ The comparison figures include the revenue and operating result of Hankkija Group and North European Oil Trade Oy.
- ³⁾ SOK Corporation's operational result, EUR -32.6 million, will be reconciled with SOK Corporation's result from continuous operations before taxes, EUR -13.2 million. The difference is mainly due to the sales gain from Hankkija Oy's shares and from other items not included in the operational result (more detailed information in segment information).

Funding (including discontinued operations)

SOK Corporation's funding situation improved considerably during the year primarily due to the realisation of non-current assets. SOK Corporation's interest-bearing net liabilities amounted to EUR 4.4 million at the end of December (EUR 247.4 million) and gearing was 0.7 per cent (41.7 per cent). SOK Corporation's equity ratio increased to 36.3 per cent (29.3 per cent).

SOK Corporation's liquidity remained good throughout the year. Liquid cash assets and money market investments amounted to EUR 157.7 million at the end of December (EUR 177.6 million). In addition, the Group had EUR 220.0 million of undrawn binding credit facilities, all of which were long-term.

Investments and divestments

SOK Corporation's non-current asset procurement totalled EUR 99.7 million in 2013 (EUR 124.8 million). Considerable investments also included the investments in the supermarket trade in the St. Petersburg area, in particular. In Finland, investments were made in IT systems, procurement and properties.

The sales of non-current assets amounted to EUR 149.6 million (EUR 47.0 million). The realisations consisted primarily of the divestment of Hankkija Oy's shares to the Danish firm DLA International, property sales related to the discontinuation of the automotive trade, equipment sales to an external financing company, and the divestment of certain supermarket trade properties to a property fund.

Personnel

SOK Corporation's average number of personnel, converted to full-time equivalents, amounted to 8,897 people during the review period (2012: 9,732; 2011: 8,947).

At the end of the year, SOK Corporation's number of personnel was 9,353, of whom 1,517 (16.2 per cent) were employed by SOK and 7,836 (83.8 per cent) by the subsidiaries. The number of personnel decreased by 1,277 persons (12.0 per cent) from the previous year. The total number of employees working abroad was 4,043. The decrease in the number of employees during the year was mainly due to the divestment of Hankkija Oy and the personnel reductions in SOK and SOK Autokauppa Oy.

The number of personnel in continuous operations at the end of 2013 was 9,270, with a reduction of 0.2 per cent compared to the number of personnel at the end of 2012. The total amount of salaries and remuneration in the continuous operations was EUR 302 million (EUR 299 million) in the period under review.

Development of the business areas

Supermarket trade

The supermarket trade includes the business operations in Estonia, Latvia, Lithuania, and Russia. In Estonia, there are six Prisma stores in Tallinn, two stores in Tartu, and one in Narva. There are five Prisma stores in Riga, Latvia. In Lithuania, there is one Prisma store in Vilnius and two in Kaunas. Seventeen Prisma supermarkets operate in St. Petersburg. The revenue of the supermarket trade was EUR 519 million, an increase of 23.9 per cent from the previous year. The increase in revenue resulted from, among other things, growth in the network: a total of four new outlets were established. The operating result level of the supermarket trade was lower than in the previous year. The result continues to be burdened by the establishment of new outlets and the general recession in retail.

The capital expenditure in the supermarket trade totalled EUR 53.0 million. Of this, EUR 20.9 million consisted of investments in equipment and EUR 32.1 million was for investments in supermarket trade properties in Russia.

Travel industry and hospitality business

In 2013, travel industry and hospitality business in the SOK Corporation was operated by Sokotel Oy in Finland, AS Sokotel in Estonia, and OOO Sokotel in Russia.

Due to the general economic uncertainty, the demand situation was challenging in both accommodation and restaurant markets in 2013. In 2013, Sokotel Oy's revenue was EUR 203 million, showing an increase of 0.3 per cent from the previous year. The company's operating result declined from 2012, primarily due to the increase in the cost level which was higher than the revenue growth.

The revenue of AS Sokotel, engaging in the travel industry and hospitality business through Sokos Hotel Viru in Tallinn, increased by 0.9 per cent from the previous year, to EUR 17 million. AS Sokotel's operating result was better than in the previous year as a result of the increased revenue and improved effectiveness.

In St. Petersburg, SOK Corporation's travel industry and hospitality business is operated by OOO Sokotel. There are three Sokos Hotels in St. Petersburg. The company's revenue totalled EUR 32 million, representing growth of 2.7 per cent. OOO Sokotel's result was considerably better than in the previous year, due to the increased revenue and cost savings.

In 2013, the investments by the travel industry and hospitality business totalled EUR 4.9 million. Of this amount, investments in Finland accounted for EUR 3.5 million, in Russia approximately EUR 0.4 million, and in Estonia EUR 1.1 million.

Automotive trade and accessories

SOK Corporation's automotive trade and accessories revenue was EUR 105 million, down by 39 per cent from the previous year. SOK Corporation started planning the disposal of the automotive trade in the spring of 2013 and the disposal was completed in the summer and autumn. At the end of the year, SOK Corporation's automotive trade had been discontinued through divestments and outlet closures. The disposal of the automotive trade was completed as planned, and the operating result was in accordance with the discontinuation plan. The business arrangements in the automotive trade have been described in section "Changes in the Group structure" below.

There were no significant investments in the automotive trade in 2013.

Procurement and service business

The procurement and service business comprises the procurement and logistics services for groceries and consumer goods provided by SOK's procurement operations and Inex Partners Oy; the procurement and logistics services provided by Meira Nova Oy in the HoReCa business, as well as other services provided by SOK Corporation primarily to the S Group units. Revenue generated by other services provided by S Group to the units consists of, among other things, chain fees, management service income as well as property service and lease income.

The revenue of the procurement and services operations was EUR 7,765 million, showing a decrease of 22.1 per cent from the previous year. The decrease in revenue was due to a change that took place in the ownership of North European Oil Trade Oy in December 2012. As a result of this change, North European Oil Trade Oy was no longer considered a subsidiary but a joint venture. The revenue of the procurement and service operations includes SOK's EDI invoicing from the S Group units totalling EUR 7,182 million. The operating result of the procurement and service operations was slightly better than in the previous year but showed a loss.

The investments by the procurement and service business totalled approximately EUR 41.7 million in 2013. The investments consisted mainly of IT systems and equipment acquisitions.

Development of associated companies and joint ventures

Among the associated companies engaging in business operations within SOK Corporation, the most significant is S-Bank Ltd, which operates in the banking sector and belongs to S Group. S-Bank provides the members of the cooperative enterprises with services in daily banking, and its product range consists of current accounts and savings accounts, payment cards, consumer credits, online banking services, as well as funds and asset management.

At the beginning of August, S-Bank purchased the majority shareholding in the investment services provider FIM. In accordance with mutually agreed terms and conditions, S-Bank will acquire the remaining shares in early 2016. As a result of

the acquisition, S-Bank's product range was expanded into fund saving and asset management.

A decision was made in November on to merge with Local-Tapiola Bank into a new S-Bank. S Group will be own 75 per cent and the LocalTapiola Group 25 per cent of the new bank. The new bank will begin its operations in May 2014. For S-Bank customers, the merger provides a broader product range with secured credit, such as mortgages, among others. The merger of the banks into the new S-Bank requires a new banking license.

At the end of 2013, S-Bank had more than 2.6 million customers using its free basic banking services. The number of customers with S-Etukortti Visa was nearly 1.4 million at the end of the year.

The amount of deposits by private customers in S-Bank totalled nearly EUR 2,304 million at the end of the year. Corporate deposits included, S-Bank's total funds on deposit were nearly EUR 2,532 million at the end of the year. This showed an increase of around EUR 60 million from the turn of the year.

Lending to private customers increased by more than EUR 141 million and amounted to almost EUR 394 million at the end of the year. Corporate credit included, the amount of outstanding credit was EUR 589 million at year-end. The amount of outstanding credit grew by a total of EUR 229 million during the year. The development of lending and borrowing stemmed from both the powerful growth in volumes and the inclusion of FIM's banking operations in the S-Bank Group.

The launch of the S-Säästörahasto funds at the end of November was also positively received. The assets managed by FIM totalled EUR 2,112 million at the end of the year.

S-Bank's financial performance was excellent in 2013. The good result was based on the powerful growth in banking volumes. In addition, the result was affected by the market situation which was favourable in terms of investment activities and the moderate increase in expenses. S-Bank Group's result was EUR 21.3 million (4.8), of which the adjusted result corresponding to SOK Corporation's shareholding (50%) was EUR 10.8 million (2.4). S-Bank Group's equity ratio was 18.2 per cent.

The revenue of North European Oil Trade Oy was EUR 4,676 million, up 28.4 per cent year-on-year. The growth was attributable to growth in operations. North European Oil Trade Oy's operating profit for the financial year improved compared to last year and amounted to EUR 0.3 million. SOK's ownership share in the company is 50.77 per cent. Due to the shared controlling interest based on the associated company agreement, the company is treated as a joint venture using the equity method.

In addition to S-Bank and North European Oil Trade Oy, SOK Corporation's other significant associated companies and joint ventures include Finnfrosto Oy (specialising in the procurement and logistics of frozen products), an associated company of SOK's subsidiary Inex Partners Oy, the Raisio-based Mylly Oy commercial centre, and the inter-Nordic procurement company Coop Trading A/S.

The added result impact of all associated companies and joint ventures amounted to EUR 11.7 million (EUR 3.4 million).

Changes in the group structure

Changes during the period

Business acquisitions and establishments

SOK Real Estate Int. Oy purchased 60 per cent of the share capital of OOO Itis and OOO Itis 3 in January. Previously the companies were associated companies with 25 per cent shareholding. In March, SOK Real Estate Int. Oy purchased the remainder of OOO Itis 3's share capital. In addition to the earlier 85 per cent shareholding, it also purchased the remaining 15 per cent of the shares of OOO Itis 2. Further in October, SOK Real Estate Int. Oy purchased the remainder of OOO Itis's share capital. In September – October, OOO Itis and OOO Itis 3 as well as OOO Karelia were sold to Russian and Baltics Retail Properties Ky, a property fund investing in the Prisma stores in St. Petersburg and the Baltic countries. SOK Corporation owns 20 per cent of the property fund. The arrangements are associated with the financing arrangements of the business outlets in St. Petersburg and the Baltic countries. The property fund has been consolidated in the consolidated financial statements in accordance with SOK Corporation's shareholding using the equity method.

In September, SOK established Inex Export Oy for trade in the neighbouring countries.

In December, SOK established the joint venture North European BioTech Oy together with St1 Holding Oy. The purpose of the company is to develop and lease bio energy plants.

Business sales and discontinued operations

In January, SOK sold 60 per cent of the shares of Hankkija Oy, operating in the agricultural, machinery, gardening and hardware trade, to the Danish firm DLA International. Based on a binding purchase and sales agreement (implementation period 2015–2017), the remaining 40 per cent have also been treated as sold in January 2013 in accordance with the IFRS regulations. Included in the divestment were also Hankkija Oy's subsidiaries Hiven Oy, Movere Oy, SIA Baltic Feed and UAB Baltijos Pasarai as well as the associated company Farmit Website Oy. Hankkija Oy is presented in the financial statements as discontinued operations in accordance with the IFRS 5 requirements.

SOK's subsidiary SOK Autokauppa Oy, engaging in the automotive trade, sold its six dealerships in five cities in a business transaction to Veljekset Laakkonen Oy in July. In the transaction, the car dealership operations of the two outlets in Herttoniemi in Helsinki, and the dealerships in Suomenoja in Espoo, as well as in Raisio, Turku and Vantaa were transferred to Laakkonen. At the same time, the shares of the property companies Crys in Herttoniemi in Helsinki, and Raison Nikkari in Raisio were sold to Laakkonen. In September, SOK Autokauppa Oy sold the business operations of Automaa Tampere to Autokeskus Oy. After the transaction, the business operations of the three remaining outlets were discontinued at the end of 2013. Moreover, the Kiinteistö-yhtiö Autokiinteistöt Oy property company in Hämeenlinna was sold in November. The automotive trade and accessories business is presented in the financial statements as discontinued operations in accordance with the IFRS 5 requirements.

SOK Corporation's internal corporate arrangements

In January, SOK Holding Oy was renamed SOK Liiketoiminta Oy, after which the company became the owner of SOK Corporation's companies engaging in business operations. Kiinteistö Oy Juvan Tulostie 3 merged with SOK in January and SOK-Invest Oy merged with SOK in September. In August, Oy Tammer Ab merged with Kiinteistö Oy Tullintorni, which then merged with LB Kiel Tampere Ab.

At the end of 2013, the business operations of the goods trade operated by Inex Partners Oy was transferred to the parent company SOK as a business transaction in accordance with the new operating model implemented.

Changes after the financial period

In January 2014, LB Kiel Tampere AB was divided into two mutual joint-stock property companies: Kiinteistö Oy Hotelli Tammer and Kiinteistö Oy Tullintorni. In addition, Kiinteistö Oy Peltokuumolantie 4 B was divested in January.

Management and future outlook

Management and changes in management

Kuisma Niemelä was the chairman of SOK's Executive Board and CEO until 16 September 2013. After Niemelä resigned, Antti Sippola, Senior Vice President and Deputy CEO, was the acting chairman 17 September – 31 December 2013. In December, SOK's Supervisory Board elected Managing Director Taavi Heikkilä as the new CEO as of 1 January 2014.

In addition to the CEO, the Executive Board in 2013 consisted of the following members: Managing Director Esko Jääskeläinen, Managing Director Tapio Kankaanpää, Managing Director Harri Koponen (until 9 December 2013), Managing Director Arttu Laine, Managing Director Timo Mäki-Ullakko and Managing Director Matti Niemi. Harri Koponen was the Executive Board's Vice Chairman. In practice, he also attended to the tasks of the Chairman for the period of 17 September–9 December 2013. Managing Director Matti Niemi was the Chairman of the Executive Board 10–31 December 2013.

The auditor in the financial year 2013 was KPMG Oy Ab, authorised public accountants, with APA Raija-Leena Hankonen as the principal auditor.

SOK's Supervisory Board appointed the following persons to SOK's Executive Board for the one-year term beginning on 1 January 2014: Managing Director Matti Niemi (vice chairman), Managing Director Esko Jääskeläinen, Managing Director Tapio Kankaanpää and Managing Director Timo Mäki-Ullakko, as well as Managing Director Heikki Hämäläinen and Managing Director Jouko Vehmas as new members. SOK's Chief Executive Officer Taavi Heikkilä was the chairman of the Executive Board.

Assisting SOK's CEO in the strategic management of SOK Corporation and S Group was SOK's Corporate Management Team, which in 2013 comprised the following members: Antti

Sippola, Senior Vice President, Deputy CEO; Jari Annala, Senior Vice President; Vesa Kyllönen, Senior Vice President; Harri Miettinen, Senior Vice President; Leena Olkkonen, Senior Vice President; and Jorma Vehviläinen, Senior Vice President (as of 1 April 2013). Seppo Kuitunen, General Counsel, worked as secretary to the Corporate Management Team. During the year, Leena Laitinen, Senior Vice President, and Suso Kolesnik, Senior Vice President, resigned from the Corporate Management Team in March 2013 and June 2013, respectively.

Risks and uncertainties

SOK Corporation has a Board-approved risk management policy, which is based on S Group's shared risk management principles. SOK Corporation's risk management policy describes the purpose, objectives, key implementation methods and responsibilities of the Group's risk management. Within SOK Corporation, risk management is implemented continuously and throughout the management process. Risks are reviewed in a comprehensive manner considering strategic, financial, operative, and loss or damage risks. Through risk management procedures, SOK and its subsidiaries aim to anticipate and control risk factors that affect their ability to reach their goals, and use the potential related to risks in their business operations.

SOK Corporation's most central risks are related to ensuring the competitiveness and profitability of operations in Finland, Russia and the Baltic countries in the current uncertain economic situation. The management of these risks emphasises continuous development and market adaptation of business ideas, systematic management of assortments as well as anticipating and responding to changes in the competitive arena. SOK's resources will be directed even better to functions and projects which are important in terms of implementing S Group's strategy.

SOK Corporation's financing and management of finance risks is centralised within SOK's Treasury unit. The Group has a finance and funding policy confirmed by the SOK Executive Board that defines the principles of managing finance risk and the permissible maximum amounts for finance risks. In addition, numerical targets have been set for the different sub-areas of financing in order to ensure that financing is sufficient, balanced, and affordable under all circumstances. The management of finance risks and price risks of goods are described in greater detail in the Notes to the consolidated financial statements.

Environmental risks associated with SOK Corporation's business operations have been identified and analysed by business area. The obligations related to mitigating climate change, improving energy efficiency, and increasing renewable sources of energy contain both risks and opportunities for S Group's business operations. The most significant environmental considerations and related measures are described in S Group's corporate responsibility report, which will be published on the S-Group's website (www.s-kanava.fi) in the spring of 2014.

Outlook for the current year

The development of the general economic situation in Finland and in the neighbouring countries is a significant factor for the success of SOK Corporation's operations. The weak development of consumers' purchasing power in Finland and the weak expected growth in the Russian economy will create challenges in 2014.

SOK group's procurement and service operations were streamlined considerably in 2013. In the procurement operations, a new operating model was implemented in which SOK's chain management units handle the procurement in the grocery and consumer goods trade. Inex Partners will focus on logistics operations. Other chain management and service operations will produce the same services as before but with considerably more effective resources. The streamlining measures implemented in the business operations and the disposal of the unprofitable automotive trade are expected to considerably improve the results of SOK Corporation's operations in Finland from the previous year's level.

The continuing network expansion implemented according to plan will continue to have a negative impact on the result of the supermarket trade, particularly in Russia. Opening new units will continue to affect the result of the supermarket trade in the Baltic countries as well. Despite the network expansion, the total result of the supermarket trade is expected to improve slightly compared to the past year.

Overall, it is forecasted that the operating result of SOK Corporation's business operations will continue to show a loss due to the network expansion of the supermarket trade but develop positively compared to the previous year.

Executive board's proposal on the distribution of the distributable surplus

SOK's distributable surplus is EUR 513,829,231.60, of which the surplus for the financial year is EUR 47,849,287.56. The Executive Board proposes that EUR 193,906.25 be paid as interest on supplementary cooperative capital and that EUR 47,655,381.31 be left in equity.

No significant changes have occurred in SOK's financial position since the end of the financial period. SOK's liquidity is good and the described distribution of surplus does not endanger SOK's solvency in the view of the Executive Board.

Helsinki, 12 February 2014

SOK
CORPORATION

Executive Board

Consolidated financial statements

Consolidated income statement, IFRS

EUR million	1.1.-31.12.2013	1.1.-31.12.2012
Continuing operations:		
Revenue	8 538.9	10 634.0
Other operating income	12.6	2.8
Materials and services	-7 843.9	-9 968.7
Employee benefit expenses	-302.0	-299.4
Depreciation and impairment losses	-66.3	-63.4
Other operating expenses	-360.5	-317.3
Share of results of associated companies and joint ventures (+/-)	13.3	4.8
Operating profit	-7.9	-7.2
Financial income and expenses (+/-)	-5.8	-1.1
Share of results of associated companies and joint ventures (+/-)	0.5	-0.3
Profit before taxes	-13.2	-8.6
Income taxes (+/-)	4.2	4.2
Result for the financial year from continuing operations	-9.0	-4.5
Result for the period from discontinued operations	13.5	-18.4
Result for the financial year	4.5	-22.8
Attributable to:		
Owners of the parent	4.5	-23.2
Share of non-controlling interests	0.0	0.3
	4.5	-22.8
Statement of other comprehensive income		
EUR million	1.1.-31.12.2013	1.1.-31.12.2012
Result for the financial year	4.5	-22.8
Other comprehensive income:		
Items that may be Reclassified Subsequently to Profit and Loss		
Exchange differences on translating foreign operations	-0.8	0.8
Available-for-sale financial assets		
Fair value changes during the period	-2.3	9.7
Income tax relating to available-for-sale financial assets	0.7	-2.4
Comprehensive income items of associated companies and joint ventures	-1.9	28.6
Items that will not be Reclassified to Profit and Loss		
Other items of comprehensive income	-2.1	
Other comprehensive income for the financial year, net of tax	-6.3	36.6
Total comprehensive income for the financial year	-1.8	13.8
Total comprehensive income for the financial year attributable to:		
Owners of the parent	-1.8	13.4
Share of non-controlling interests	0.0	0.3
	-1.8	13.8

Consolidated statement of financial position, IFRS

EUR million	31.12.2013	31.12.2012
ASSETS		
Non-current assets		
Property, plant and equipment	303.9	337.1
Investment properties	40.9	44.3
Intangible assets	63.3	65.6
Interests in associated companies and joint ventures	130.8	116.8
Non-current financial assets	118.5	98.6
Deferred tax assets	38.7	34.1
Non-current assets, total	696.2	696.5
Current assets		
Inventories	190.1	220.6
Trade receivables and other current non-interest-bearing receivables	591.4	639.8
Current interest-bearing receivables	0.0	8.2
Short-term investments		20.0
Cash and cash equivalents	156.1	147.8
Current assets, total	937.5	1 036.4
Assets held for sale	7.1	321.8
Assets, total	1 640.8	2 054.7
EQUITY AND LIABILITIES		
Equity		
Cooperative capital	163.3	156.0
Restricted reserves	35.4	38.8
Retained earnings	395.0	396.2
Equity attributable to the the owners of the parent	593.8	591.1
Non-controlling interests	0.8	1.9
Equity, total	594.6	592.9
Non-current liabilities		
Supplementary cooperative capital	12.8	12.8
Non-current interest-bearing liabilities	104.8	106.3
Non-current non-interest-bearing liabilities	36.7	36.2
Provisions	19.0	6.0
Deferred tax liabilities	14.3	16.2
Non-current liabilities, total	187.6	177.4
Current liabilities		
Current interest-bearing liabilities	46.3	239.6
Current non-interest-bearing liabilities	126.0	44.0
Trade payables	677.3	724.4
Provisions	4.9	2.8
Tax liabilities for the financial year	0.0	0.4
Current liabilities, total	854.5	1 011.3
Liabilities associated with assets held for sale	4.1	273.1
Equity and liabilities, total	1 640.8	2 054.7

Consolidated statement of cash flows, IFRS

EUR million	Note/Reference	1.1.-31.12.2013	1.1.-31.12.2012
BUSINESS OPERATIONS			
Operating profit from continuing and discontinued operations		-0.5	-24.4
Adjustments to operating profit	(A)	-25.8	52.5
Change in working capital	(B)	146.8	32.8
Cash flow from business operations before financing and taxes		120.5	60.9
Increase (-) / decrease (+) in current receivables		-0.6	0.7
Interest paid and other financial expenses		-31.3	-10.6
Interest received and other financial income		13.8	15.0
Dividends received from business operations		2.1	1.1
Income taxes paid		3.0	1.0
Cash flow from business operations		107.5	68.1
INVESTMENTS			
Acquired shares in subsidiaries		-21.9	-2.8
Divested shares in subsidiaries		96.7	5.1
Investments in tangible assets		-58.0	-98.0
Investments in intangible assets		-18.8	-23.8
Divestments of tangible fixed assets		52.9	41.8
Change in other long-term investments		-6.5	-23.3
Dividends received from investments		0.1	0.2
Cash flow from investing activities		44.5	-100.7
FINANCING			
Increase in long-term liabilities		8.6	300.0
Decrease in long-term liabilities			-314.5
Increase (+) / decrease (-) in short-term liabilities		-152.4	43.7
Interest paid		-2.1	-7.3
Interest received		7.6	12.7
Changes in bonds and notes and mutual fund shares		-19.9	19.9
Share of non-controlling interests		-0.9	
Increase in cooperative capital		7.3	10.4
Interest paid on the cooperative capital		-0.3	-0.4
Other decrease in equity		0.1	0.0
Cash flow from financing		-152.0	64.5
Increase / Decrease in cash and cash equivalents		0.0	31.8
Cash and cash equivalents at the beginning of the year		157.7	126.4
Foreign exchange rate effect on cash and cash equivalents			-0.5
Increase / Decrease in cash and cash equivalents		0.0	31.8
Cash and cash equivalents at the end of the year		157.7	157.7
Adjustments to operating profit	(A)		
Gains from the sale of fixed assets		-46.1	-1.7
Depreciation and impairment losses		67.4	71.0
Other non-cash income and expenses		-47.0	-16.8
		-25.8	52.5
Change in working capital	(B)		
Change in trade and other receivables		101.1	119.9
Change in inventories		170.3	98.2
Change in non-interest-bearing liabilities		-124.6	-185.3
		146.8	32.8

Only short-term, under three month debt securities have been categorised as cash and cash equivalents in the consolidated cash flow statement.

The loan period of short term loans is less than 3 months.

The cash flow statement includes the cash flow from both continuing and discontinued operations.

Accounting policies applied to the income statement and balance sheet

This Financial Statements Bulletin has been prepared in compliance with the IAS 34 Interim Financial Reporting standard. The same accounting principles were adhered to in the preparation of the Financial Statements Bulletin as in the 2012 Financial Statements, and, furthermore, the IAS/IFRS standard and interpretation amendments that came into effect in the financial year 2013 were also adhered to. The implementation of these standard and interpretation amendments has not had a material effect on the Consolidated Financial Statements.

All figures in the tables of the Financial Statements have been rounded off, which is why the total of the individual figures may differ from the sum presented. The key ratios have been calculated with exact values.

The automotive trade and accessories and Hankkija Group is presented as discontinued operations in the Financial Statements, as per the IFRS 5 requirements.

This Financial Statements Bulletin is unaudited.

Segment information 31.12.2013

SOK Corporation applies the IFRS 8 standard in its segment reporting. For reporting to top management, SOK Corporation's operations are divided into five business segments. The segments are based on business areas. In calculating the operating result, valuations in accordance with Finnish accounting legislation are used. In SOK Corporation's management reporting, assets are not allocated or reported on, except for working capital.

	Supermarket Trade	Tourism and Hospitality Business	Automotive Trade and Accessories	Procurement and services Business	Elimination of internal items in the Retail and Wholesale Business	Retail and Wholesale Business, total	Banking	Management Reporting, total
2013 EUR million								
Revenue	519.0	252.1	105.2	7 764.7	-0.7	8 640.2		8 640.2
Operating result	-28.0	9.4	-15.1	-7.8	-1.8	-43.4	10.8	-32.6
Investments	53.0	4.9	0.0	41.7				99.7
Divestments	44.7	0.1	0.6	104.2				149.6
Working capital	- 15.7	1.1	0.5	54.5		40.4		40.4

Reconciliation of the revenue

Management accounting revenue to be reported	8 640.2
Revenue from discontinued operations	-105.2
Eliminations	3.9
Revenue from continuing operations IFRS	8 538.9

Reconciliation of the result

Operating result of the segments to be reported	-32.6
Items excluded from the operating result within SOK Corporation:	
Financial income and expenses	0.4
Gains and losses on the sale of property, plant and equipment	46.1
Other operating income and expenses	-1.8
Impairment losses on non-current asset investments	0.3
Increase in compulsory provisions	-23.0
Valuation gains and losses on derivatives	-2.6
Result before taxes for the period from discontinued operations	-8.0
Impairment losses	-4.0
Other adjustments	12.0
Profit before taxes from continuing operations IFRS	-13.2

Termination costs of Automotive Trade and Accessories were 24,3 million Euros. Expenses has been booked as one of expence after operating profit. Taken into account the termination costs, Automotive Trade ja Accessories operating profit was -39,4 million Euros..

Additional data at SOK Corporation level, external income

Finland	7 968.4
Foreign	570.5
Revenue, total	8 538.9

Supermarket Trade	518.5
Tourism and Hospitality Business	255.8
Procurement and services Business	7 764.7
Revenue, total	8 538.9

Additional data at SOK Corporation level, fixed assets

Finland	309.7
Foreign	98.5
Fixed assets, total	408.2

Segment information 31.12.2012

SOK Corporation applies the IFRS 8 standard in its segment reporting. For reporting to top management, SOK Corporation's operations are divided into six business segments. The segments are based on business areas. In calculating the operating result, valuations in accordance with Finnish accounting legislation are used. In SOK Corporation's management reporting, assets are not allocated or reported on, except for working capital.

2012 EUR million	Supermarket Trade	Tourism and Hospitality Business	Automotive Trade and Accessories	Agricultural Trade	Procurement and services Business	Elimination of internal items in the Retail and Wholesale Business	Retail and Wholesale Business, total	Banking	Management Reporting, total
Revenue	418.8	250.4	172.2	970.8	9 961.9	-69.6	11 704.6		11 704.6
Operating result	-17.3	9.9	-20.2	2.5	-9.3	-0.4	-34.7	2.4	-32.3
Investments	52.2	9.3	0.2	8.0	55.2				124.8
Divestments	0.4	17.6	0.2	0.4	28.4				47.0
Working capital	-25.0	-0.1	25.3	122.0	52.9		175.0		175.0

Reconciliation of the revenue

Management accounting revenue to be reported	11 704.6
Revenue from discontinued operations	-1 074.3
Eliminations	3.6
Revenue from continuing operations IFRS	10 634.0

Reconciliation of the result

Operating result of the segments to be reported	-32.3
Items excluded from the operating result within SOK Corporation:	
Financial income and expenses	1.9
Gains and losses on the sale of property, plant and equipment	1.6
Other operating income and expenses	-0.8
Impairment losses on non-current asset investments	0.0
Increase in compulsory provisions	-1.7
Valuation gains and losses on derivatives	1.2
Gains on the sale of business operations	0.1
Result before taxes for the period from discontinued operations	18.5
Impairment losses	-0.9
Other adjustments	3.8
Profit before taxes from continuing operations IFRS	-8.6

Additional data at SOK Corporation level, external income

Finland	10 160.1
Foreign	473.9
Revenue, total	10 634.0

Supermarket Trade	418.8
Tourism and Hospitality Business	254.3
Procurement and services Business	9 960.9
Revenue, total	10 634.0

Additional data at SOK Corporation level, fixed assets

Finland	337.8
Foreign	109.3
Fixed assets, total	447.0

Assets held for sale

Intra group transactions have been eliminated from the presented figures.

Discontinued operations:

SOK sold 60% of its shares in its previously wholly owned subsidiary Hankkija-Maatalous Oy to the Danish firm DLA International with a bill of sale dated 17 January 2013. Also included in the divestment were Hankkija Oy's subsidiaries Hiven Oy, Movere Oy, SIA Baltic Feed and UAB Baltijos Pasarai, as well as the associated company Farmit Website Oy. The aim is to complete the divestment in several parts so that 60% of the shares were transferred in 2013 and the remaining 40% in the coming years. The competition authorities approved the divestment at the beginning of 2013. The divestment of the remaining portion will be agreed separately in 2014 and 2015, and the divestment of properties associated with Hankkija-Maatalous, agreed in connection with the arrangement, will be settled by 2018.

SOK's subsidiary SOK Autokauppa Oy, engaging in the automotive trade, sold its six dealerships in five cities in a business transaction to Veljekset Laakkonen Oy in July. The transaction transfers the car dealership operations of the two outlets in Herttoniemi in Helsinki and the dealerships in Suomenoja in Espoo, as well as those in Raisio, Turku and Vantaa, were transferred to Laakkonen. At the same time, the shares of the property companies Crys in Herttoniemi in Helsinki and Raision Nikkari in Raisio were sold to Laakkonen. In September, SOK Autokauppa Oy sold the business operations of Automaa Tampere to Autokeskus Oy. After the transaction, the business operations of the three remaining outlets were discontinued at the end of 2013. Moreover, the Kiinteistöyhtiö Autokiinteistöt Oy property company in Hämeenlinna was sold in November.

The result of the discontinued operations included in the consolidated income statement was as follows:

EUR million	2013	2012
Revenue	105.2	1 074.3
Other operating income	45.9	0.3
Materials and services	-93.0	-932.5
Employee benefits expenses	-16.0	-77.2
Depreciation and impairment losses	-1.0	-7.6
Other operating expenses	-33.6	-74.6
Operating profit	7.4	-17.2
Financial income and expenses	0.6	-1.3
Result before taxes	8.0	-18.5
Income taxes	5.5	0.1
Result for the period	13.5	-18.4
Owners of the parent	13.5	-18.7
Share of non-controlling interests	0.0	0.4
Result for the period from discontinued operations	13.5	-18.4

Cash flows of the discontinued operations were following:

Cash flow	2013	2012
Cash flow from business operations	12.9	42.3
Cash flow from investments	69.3	-8.1
Cash flow from financing	-13.7	-28.0
Cash flow, total	68.5	6.2

The effect of the disposal on the Group's financial position	2013	2012
Tangible and intangible assets	0.1	76.6
Non-current financial assets		3.1
Deferred tax assets	2.5	0.5
Inventories	0.3	142.3
Trade receivables and other current non-interest-bearing receivables	2.5	52.1
Current interest-bearing receivables	0.2	33.3
Cash and cash equivalents	1.5	14.0
Non-current interest-bearing liabilities		-32.8
Non-current non-interest-bearing liabilities		-1.0
Provisions	-2.6	
Deferred tax liabilities		-3.7
Current interest-bearing liabilities	-0.3	-33.1
Current non-interest-bearing liabilities	-1.2	-202.5
Assets and liabilities, total	3.0	48.7
Cash payment	89.3	0.0
Net cash disposed of with the discontinued operation	-14.0	0.0
Cash flow effect	75.3	0.0

Consolidated statement of changes in equity, IFRS

EUR million	Equity attributable to the owners of the parent								Equity, total
	Cooperative capital	Fair value reserve	Reserve fund	Supervisory Board's Disposal fund	Translation differences	Retained earnings	Total	Non-controlling interests	
Equity									
1 Jan 2012	145.7	-15.5	18.5	0.0	-2.5	422.8	569.0	5.3	574.3
Total comprehensive income		35.9			0.8	-23.2	13.4	0.3	13.8
Increase in cooperative capital	10.3						10.3		10.3
Other changes				0.0		-1.7	-1.7	-3.5	-5.2
Change of non-controlling interests								-0.3	-0.3
31 Dec 2012	156.0	20.3	18.5	0.1	-1.8	398.0	591.1	1.9	592.9
Total comprehensive income		-3.4			-0.8	2.4	-1.8	0.0	-1.8
Increase in cooperative capital	7.3						7.3		7.3
Change of non-controlling interests, which did not result in a change in the controlling interest						-2.8	-2.8	-1.1	-3.8
Other changes				0.0			0.0	0.0	0.0
31 Dec 2013	163.3	16.9	18.5	0.1	-2.6	397.6	593.8	0.8	594.6

Tangible and intangible assets

EUR million	Tangible assets	Investment properties	Intangible assets
Acquisition cost			
Acquisition cost, 1 Jan 2013	555.1	86.4	178.8
Translation differences	-10.6		-0.4
Assets held for sale	-11.5		-4.3
Increases	40.4		29.4
Decreases	-35.8	-0.1	-22.9
Transfers between items	1.3	0.4	-1.7
Acquisition cost, 31 Dec 2013	538.9	86.7	179.0
Accumulated depreciation			
Accumulated depreciation, 1 Jan 2013	-218.0	-42.0	-113.3
Translation differences	2.8		0.1
Assets held for sale	6.7		4.2
Accumulated depreciation on deducted and transferred items	16.4	0.1	12.1
Depreciation for the period	-42.6	-3.7	-15.5
Impairment losses	-0.3		-3.3
Accumulated depreciation, 31 Dec 2013	-235.0	-45.7	-115.7
Carrying amount, 1 Jan 2013	337.1	44.3	65.5
Carrying amount, 31 Dec 2013	303.9	40.9	63.3
Acquisition cost			
Acquisition cost, 1 Jan 2012	626.9	85.9	299.5
Translation differences	2.1		0.0
Assets held for sale	-96.9		-47.8
Increases	89.5	0.5	34.9
Decreases	-68.2	-0.3	-87.3
Transfers between items	1.8	0.2	-2.0
Acquisition cost, 31 Dec 2012	555.1	86.4	197.3
Accumulated depreciation			
Accumulated depreciation, 1 Jan 2012	-280.7	-38.3	-179.0
Translation differences	-0.4		0.0
Assets held for sale	57.8		10.3
Accumulated depreciation on deducted and transferred items	50.3		59.0
Depreciation for the period	-44.3	-3.7	-0.5
Impairment losses	-0.8		-21.7
Accumulated depreciation, 31 Dec 2012	-218.0	-42.0	-131.8
Carrying amount, 1 Jan 2012	346.1	47.6	120.5
Carrying amount, 31 Dec 2012	337.1	44.3	65.5

Related party transactions

Transactions and balances with associated companies:

EUR million	2013	2012
Sales	15.4	26.2
Purchases	1 539.5	277.9
Financial income and expenses	0.6	0.2
Trade and other receivables	1.2	1.7
Loan receivables	35.1	20.0
Loans	-8.5	16.0
Trade payables and other liabilities	46.3	46.8

Pledges and contingent liabilities

Contingent liabilities, EUR million	31.12.2013	31.12.2012	Change
Pledges given and contingent liabilities			
Pledges	0.2	0.4	-0.2
Mortgages		0.4	-0.4
Guarantees	4.0	4.6	-0.6
Total	4.2	5.4	-1.2
Security given on behalf of others			
Guarantees for liabilities of joint ventures	103.6	151.5	47.9
Guarantees for liabilities of cooperative enterprises	9.2	10.0	-0.8
Total	112.7	161.5	-48.8
Other contingent liabilities			
Guarantees for liabilities of partly owned enterprises	17.9	13.9	4.0
Guarantees for liabilities of cooperative enterprises	0.2	0.4	-0.2
Guarantees for others' liabilities	1.4	1.4	0.0
Total	19.5	15.7	3.8
Other liabilities			
Repurchase liabilities ¹⁾	26.8		26.8
Underwriting ²⁾	12.0		12.0
Total	38.8	0.0	38.8

Operating leases

Group as lessee

Minimum lease payments on non-cancellable operating leases:

EUR million	31.12.2013	31.12.2012	Change
In one year	141.6	136.5	5.2
In one to five years	522.2	493.9	28.3
Over five years	585.4	659.8	-74.4
Total	1 249.3	1 290.2	-27.7

¹⁾ Repurchase liabilities consist of an obligation to purchase the targets of the property fund which invests in the Prisma stores in St. Petersburg and the Baltic countries, at the amount of the fund's remaining liabilities. SOK's ownership share in the property fund company is 20 per cent.

²⁾ The underwriting obligation consists of an obligation to invest capital inputs in the property fund which invests in the Prisma stores in St. Petersburg and the Baltic countries.

The guarantees granted consist mainly of the guarantees on behalf of joint venture North European Oil Trade Oy on a loan and other liabilities of 76.8 million and of the guarantees on behalf of joint venture Kauppakeskus Mylly Oy on a loan of EUR 44.7 million.

In addition, SOK has given letters of comfort for the guarantees granted by SOK-Takaus Oy. The amount of the letters of comfort is EUR 78.1 million on 31 December 2013 (EUR 80.7 million on 31 December 2012).

Other financial liabilities:

The Group is obligated to audit valued added tax depreciations it has made on a property investment if the taxable use of the property decreases during the auditing period. The maximum amount of the responsibility is EUR 6.6 million (EUR 5.4 million on 31 December 2012).

Other contingent liabilities:

Commitments in accordance with the shareholder agreement to be responsible for the S-Voima Oy commitments and to finance its operations.

In accordance with the so-called Mankala principle, the shareholders are responsible for S-Voima Oy's commitments. This principle states that the liability for the company's variable costs is determined based on the energy the shareholder uses. The liability for the company's fixed costs, also including loan repayments and interests as well as depreciations, is distributed in proportion to the share series owned by the shareholder. The company's series A shares are related to the acquisition of market electricity; series B and B1 shares to the acquisition of wind power electricity; and series C shares to the acquisition of nuclear power electricity in which S Group has decided not to participate.

Furthermore, the shareholders of S-Voima Oy have also agreed in the shareholder agreement on a mutual obligation to finance the company's investments in production companies through equity, in which case the liability will by default be distributed by share series in the proportion of shareholding. The remaining portion of the equity financing liability based on decisions made by SOK's accounts closing date is estimated at EUR 1.8 million in total (EUR 4.0 million 31 Dec 2012). It is estimated that liabilities financing by the company's shareholders is not needed.

Key ratios

SOK Corporation continuing operations	31.12.2013	31.12.2012
Revenue, EUR million	8 538.9	10 634.0
Operating profit, EUR million	-7.9	-7.2
% of revenue	-0.1	-0.1
Profit before taxes, EUR million	-13.2	-8.6
% of revenue	-0.2	-0.1
SOK Corporation		
Equity ratio, %	36.3	29.3
Gearing, %	0.7	41.7

Calculation of key ratios

$$\text{Equity ratio, \%} = \frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100 \%$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Total equity}} \times 100 \%$$

$$\text{Capital adequacy ratio, \%} = \frac{\text{Own funds, total}}{\text{Minimum own funds requirement, total}} \times 8 \%$$