



SOK Corporation

Financial statement bulletin
1 january – 31 december 2015

Executive board report on operations

Development of the operating environment

Economic development continued to be weak in Finland in 2015. Economic growth was close to zero – lower than in competitor countries – and there was no clear turn for the better in this trend. Our country's economy has experienced – and will continue to experience for a long time – difficulties amid the great structural transition.

Finnish exports continued to decline and have decreased further over the past few years than the export of any other developed country. In particular, jobs in the industry have rapidly reduced, and the number of both long-term unemployed and those without jobs due to structural unemployment is growing. Our employment rate is clearly lower than that of other Nordic countries. Private consumption has remained low despite inflation being non-existent.

The weak economic development was reflected in commerce. Net sales in retail and its largest sector, the grocery trade, decreased from the previous year. The decrease in net sales in the grocery trade was mainly due to lower prices. Only sales growth in the retail of sports equipment and home electronics was more substantial.

Financial development

SOK's operations

SOK is the parent company of SOK Corporation. In accordance with its statutes, SOK is the central organisation of S Group, promoting and developing the operations of the cooperatives 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 segments.

SOK is 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 support services and development activities related to these services and other activities of S Group. Services central to S Group's operations also include procurement and assortment services.

Through its subsidiaries conducting business operations, SOK offers a wide spectrum of services to its co-op members in S Group. Furthermore, through its subsidiaries, SOK engages in the supermarket trade and the travel industry and hospitality business in the Baltic area and St Petersburg.

SOK Corporation's financial development 1 January–31 December 2015

The net sales from SOK Corporation's continuing operations between 1 January–31 December 2015 totalled EUR 7,038.4 million, down by 3.4 per cent from the previous year. SOK Corporation's operating profit was EUR 11.1 million (EUR 43.1

million). The weaker result was mainly due to the combination merger of S-Bank and LocalTapiola Bank in the comparison year, which had a positive effect of EUR 32 million on the result, recognised in other operating income. In addition, the impact of SOK's efficiency improvement programme is reflected in both net sales and operating profit. By cutting costs, SOK Corporation has participated in the savings programme implemented throughout S Group, and by reducing the service fees charged from the regional cooperatives, it has contributed towards funding the price reductions introduced during the financial period. International operations accounted for 6.9 per cent of net sales, or EUR 488.5 million.

SOK Corporation			
continuing operations	2015	2014	2013
Net sales, EUR million	7 038	7 286	7 317
Operating profit, EUR million	11.1	43.1	-7.9
Operating profit, % of net sales	0.2	0.6	-0.1
SOK Corporation			
Return on equity, %	0.1	5.5	0.8
Equity ratio, %	37.0	38.3	36.3

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

SOK Corporation's net sales 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 listed under operational monitoring.

	Net sales EUR million	± % prev. year	Operating result EUR million	Change EUR million
Supermarket trade	447,5	-16,8	-27,3	-3,4
Travel industry and hospitality business	258,6	4,0	+18,9	+8,4
Procurement and service business	6 412,0	-2,8	+1,6	+0,3
Real estate business	68,8	-0,6	+13,9	-0,1
Result from banking			+5,6	-0,2
Elimination for the retail and wholesale and other items	-152,3	-4,0	2,9	+2,9
SOK Corporation total	7 034,6	-3,4	+15,6	+8,0

Funding

SOK Corporation's financial situation was excellent throughout the year. SOK Corporation's interest-bearing net liabilities amounted to EUR -128.1 million at the end of December (EUR -68.4 million) and gearing was -13.7 per cent (-11.2 per cent). SOK Corporation's equity ratio was 37.0 per cent (38.4 per cent).

operating profit remained at the previous year's level. The investments in the real estate business totalled EUR 25.8 million in 2015. Of the investments, EUR 20.6 million targeted S-ryhmän Logistiikkakeskukset Oy, which is building a new grocery logistics centre in Sipoo.

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.

S-Bank Group's most significant events during the year were related to the earlier merger with LocalTapiola Bank and the acquisition of the majority holding in FIM and the subsequent integration of the existing systems and operating processes.

As part of the integration, FIM Bank Ltd. relinquished its credit institution licence in February and continued operations as FIM Sijoituspalvelut Oy, an investment service company.

FIM's renewed online service, which provided S-Bank's banking services to FIM's customers, was implemented in June. At the end of October, the services for customers of the former LocalTapiola Bank were integrated with S-Bank's systems.

S-Bank's goal is to build Finland's best digital banking service experience, and S-Bank's strategy was specified in terms of digital services in 2015. In addition to the extensive personnel training programme, the organisational structure of S-Bank was reformed to support digital development work and digital business in the statutory labour negotiations carried out in November–December.

At the end of 2015, S-Bank had more than 2.8 million customers, and they had 1.8 million international payment cards issued by S-Bank. Banking IDs for using the electronic services had been issued to 1.6 million customers.

At the end of the year, S-Bank's total funds on deposit were EUR 4,112.0 million (EUR 4,057.2 million) and total lending was EUR 2,831.1 million (EUR 2,571.1 million).

S-Bank Group's operating result was EUR 16.6 million (EUR 14.6 million), of which the adjusted result corresponding to SOK Corporation's shareholding (37.5 per cent) was EUR 5.6 million.

The fuel procurement company North European Oil Trade's group net sales were approximately EUR 4,300 million. Net sales decreased from the previous year due to the decline in the world market price of oil. By contrast, the Group's operations conducted by NEOT grew in size with the inclusion of the operations in Norway. North European Oil Trade Oy's profit for the financial period remained at last year's level and amounted to EUR 0.4 million. SOK's holding in the company is 50.77 per cent. Due to the shared controlling interest based on the shareholding agreement, the company is treated as a joint venture using the equity method.

In addition to S-Bank and North European Oil Trade Oy, other significant SOK Corporation associated companies and joint ventures include Russian and Baltics Retail Properties Ky, a property fund company investing in the Prisma stores in St. Petersburg and the Baltic area; Finnfröst Oy, an associated company of SOK's subsidiary Inex Partners Oy that provides frozen goods procurement and logistics services; Kauppakeskus Mylly Oy in Raisio; and the inter-Nordic procurement company Coop Trading A/S.

The total impact of SOK Corporation's associated companies and joint ventures on SOK Corporation's result was EUR 8.0 million (EUR 7.7 million).

Changes in the group structure

Changes during the period

Divestments and discontinued operations

Sokotel Oy sold the operations of Sokos Hotel Caribia to Holiday Club Resorts Oy in October.

SOK Group's internal reorganisations

OOO Real Estate 1 and OOO Real Estate 2 were merged into OOO Otel Plus in April.

Management and future outlook

SOK's management and auditors

Taavi Heikkilä was Chairman of SOK's Executive Board in 2015. In addition to the CEO, the Executive Board in 2015 consisted of the following members: Managing Director Harri Koponen, Managing Director Esko Jääskeläinen, Managing Director Tapio Kankaanpää, Managing Director Timo Mäki-Ullakko, Managing Director Matti Niemi, and Managing Director Jouko Vehmas. Managing Director Matti Niemi was the Vice-Chairman of the Executive Board.

The auditor in the financial year 2015 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 2016: Managing Director Matti Niemi (Vice-Chairman), Managing Director Heikki Hämäläinen, Managing Director Tapio Kankaanpää, Managing Director Hannu Krook, Managing Director Timo Mäki-Ullakko and Managing Director Jouko Vehmas. SOK's Chief Executive Officer Taavi Heikkilä is the Chairman of the Executive Board.

SOK's CEO is assisted by SOK's Corporate Management Team in the management of SOK Corporation and S Group. In 2015, the Corporate Management Team consisted of Arttu Laine, Deputy CEO of SOK, Executive Vice President, S Group Chain Management, Procurement and Logistics; Jari Annala, CFO, SOK Finance and Administration; Leena Olkkonen, Executive Vice President, SOK Human Resources; Jorma Vehviläinen, Executive Vice President, SOK Consumer Goods; and Veli-Pekka Ääri, Executive Vice President, SOK Customer Relationships, Information and Digital Services. Seppo Kuitunen, General Counsel, worked as secretary to the Corporate Management Team. Leena Olkkonen resigned from the Corporate Management Team at the end of the year. As of the beginning of 2016, Executive Vice President Susa Nikula is responsible for Human Resources in the Corporate Management Team.

At the end of December, SOK Corporation's liquid assets amounted to EUR 249.9 million (EUR 178.8 million). In addition, the Group had a long-term, un-drawn binding credit facility of EUR 120.0 million (EUR 180.0 million).

Investments and divestments

SOK Corporation's non-current asset procurement totalled EUR 48.2 million in 2015 (EUR 68.6 million). In Finland, investments were made in IT systems, the travel industry and hospitality business, and real estate. In St. Petersburg and the Baltic area, investments were made in the supermarket trade, travel industry and hospitality business and the acquisition of a shopping centre property in Lithuania.

The divestments of non-current assets amounted to EUR 25.1 million (EUR 13.9 million). Divestments consisted mainly of the sale of information systems to an external funding company and the sale of real estate shares.

Personnel

SOK Corporation's average number of personnel, converted to full-time equivalents, was 7,778 people during the financial period (2014: 8,232; 2013: 9,099).

At the end of 2015, SOK Corporation's number of personnel was 7,183, of whom 1,298 (18 per cent) were employed by SOK and 5,885 (82 per cent) by the subsidiaries. The number of personnel decreased by 1,685 persons (19 per cent) compared to the corresponding period in the previous year. The total number of employees working abroad was 3,385 (47 per cent).

During the year, the decrease in the number of personnel was attributable to the personnel reductions at SOK and its subsidiaries, as well as personnel changes in the neighbouring countries and in logistics.

Development of the business areas

Supermarket trade

The supermarket trade includes the business operations in Estonia, Latvia, Lithuania and Russia. In Estonia, SOK Corporation has five Prisma stores in Tallinn, two stores in Tartu and one in Narva. The off-licence at the Port of Tallinn was closed down in February. SOK Corporation has five Prisma stores in Riga, Latvia. In Lithuania, it has two Prisma stores in Vilnius and two in Kaunas. The number of Prisma stores in St. Petersburg is 17; two loss-making stores were closed, one in May and another in August.

Net sales from the supermarket trade totalled EUR 447.5 million. Net sales decreased by 16.8 per cent year-on-year, primarily because of lower net sales in Russia, which were mainly due to a weaker Russian rouble. The operating profit of the supermarket trade was slightly weaker than in the previous year.

Investments made in the supermarket trade totalled EUR 2.0 million and were mostly related to the replacement of equipment. Of these investments, EUR 1.7 million targeted the Baltic area and approximately EUR 0.3 million St. Petersburg.

Travel industry and hospitality business

In 2015, SOK Corporation travel industry and hospitality business was conducted by Sokotel Oy in Finland, AS Sokotel in Estonia, and OOO Sokotel in Russia.

Due to the general economic uncertainty, the demand situation continued to be challenging in both the accommodation and restaurant markets. In 2015, Sokotel Oy's revenue was EUR 217.7 million, showing an increase of 6.0 per cent from the previous year. Part of growth was attributable to Solo Sokos Hotel Tornii Tampere, opened at the end of 2014, with net sales exceeding expectations. The operations of Break Sokos Hotel Caribia were divested in October. Sokotel Oy's operating profit improved considerably from 2014, due to the successful execution of the productivity programme.

The net sales of AS Sokotel, engaging in the travel industry and hospitality business through two units in Tallinn, increased by 2.0 per cent from the previous year, to EUR 17.9 million. AS Sokotel's operating profit was weaker than in the previous year due to the continued investments in the development of the units.

In St. Petersburg, SOK Corporation's travel industry and hospitality business is conducted by OOO Sokotel. There are three Sokos Hotels in St. Petersburg. The company's revenue totalled EUR 23.0 million, representing a decrease of 10.4 per cent. In the local currency, the net sales increased by 18.6 per cent. Net sales improved due to growth in local demand in particular. OOO Sokotel's operating profit was better than in the previous year, despite the increased cost level resulting from the weaker exchange rate of the rouble.

In 2015, the investments by the travel industry and hospitality business totalled EUR 4.0 million. Of this amount, investments in Finland accounted for EUR 2.1 million, in Russia EUR 0.1 million, and in Estonia EUR 1.7 million. The investments consisted mainly of hotel unit renovations.

Procurement and service business

The procurement and service business comprises procurement services for groceries and consumer goods provided by SOK's procurement operations, logistics services provided by Inex Partners Oy, procurement and logistics services provided by Meira Nova Oy in the HoReCa business, and other services provided by SOK and its subsidiaries primarily for the S Group units. Net sales generated by other services provided to S Group's units include chain fees and management service income.

The net sales from the procurement and service business were EUR 6,412.0 million, showing a decrease of 2.8 per cent from the previous year. In accordance with the new operating model, the operating profit of the procurement and service business was better than in the previous year, amounting to EUR 1.6 million.

The investments made by the procurement and service business totalled EUR 15.8 million in 2015. The investments were primarily IT system purchases.

Real estate business

Net sales from the real estate business consist of rental and property service income from properties owned by SOK Corporation. Net sales from the real estate business, EUR 68.8 million, and the

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 near-term risks are related to ensuring the competitiveness and profitability of operations in Finland, Russia and the Baltic countries in the current uncertain economic situation. By means of its development projects, SOK must support the entire S Group in maintaining profitability in the grocery trade, improving the performance of the consumer goods trade and ensuring sufficient business volumes for profitability. In addition, SOK still pays attention to the monitoring and management of risks related to changes in regulation. In terms of the regulatory changes, the most central recent risks are the liberalisation of the opening hours of stores and the EU's new Data Protection Regulation. The start-up of the new grocery trade logistics centre is associated with considerable operative risks, which are being minimised by means of extensive risk management measures. The central uncertainties in SOK's own operations are associated with ensuring the profitability of the operations of Prisma stores in Latvia, Lithuania and St. Petersburg.

SOK Corporation's funding and management of finance risks are 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 financing risks and the permissible maximum amounts for financing risks. In addition, numerical targets have been set for the different areas of financing in order to ensure that financing is sufficient, balanced, and affordable under all circumstances. The management of financing risks is described in greater detail in the Notes to the Financial Statements.

Environmental risks associated with SOK Corporation's business operations have been identified and analysed by business area. The most significant environmental considerations and related measures are described in S Group's Annual Report, which will be published at www.vuosikatsaus.s-ryhma.fi in the spring of 2016.

Outlook for the current year

The development of the general economic situation in Finland and its 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 low expectations concerning the Russian economy will create challenges in 2016 as well.

As a result of the efficiency measures carried out and ongoing in the business operations, particularly focusing on the travel industry and hospitality business and the supermarket trade, the

results of SOK Corporation's operations are expected to improve from last year's level, despite the challenging market situation. The result for the travel industry and hospitality business in Finland will be burdened by the investments that will be larger in 2016 than in the previous year.

The most significant risks in the procurement and services business in the coming years are associated with the new grocery logistics centre in Sipoo. Smooth start of the operations in Sipoo and the controlled shutdown of the old logistics centre in Espoo gradually in 2016–2018 are important for the procurement and service business.

In the supermarket trade, the further development and streamlining of the network and its associated operations have been successful. However, the unstable economic situation in Russia had a powerful impact in 2015 and continues to lower expectations this year. Despite the weak outlook of the Russian economy, the result of the supermarket trade as a whole is expected to continue its improvement compared to the previous year due to the streamlining measures.

As a whole, the operational result in the neighbouring countries is forecast to remain negative due to the economic situation in Russia, but to develop positively compared to 2015. All business areas considered, SOK Corporation's operating result is expected to be positive in 2016, just as it was in 2015, and to improve slightly from the past year.

Executive Board's proposal on the distribution of SOK's distributable surplus

SOK's distributable surplus is EUR 566,796,759.91, of which the surplus for the financial year is EUR 41,231,467.87. The Executive Board proposes that EUR 5,627,135.14 be paid as interest on cooperative capital and that EUR 188,864.70 be paid as interest on supplementary cooperative capital, and that EUR 50,000.00 be transferred to the Supervisory Board's contingency fund, and that EUR 35,365,468.03 be left on the surplus account for the previous financial years.

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

Helsinki, 10 February 2016

SOK
CORPORATION

Executive Board

Consolidated financial statements

Consolidated income statement, IFRS

EUR million	1.1.–31.12.2015	1.1.–31.12.2014
Continuing operations:		
Revenue	7 038.4	7 285.5
Other operating income	2.0	34.8
Materials and services	-6 336.9	-6 564.6
Employee benefit expenses	-258.8	-283.9
Depreciation and impairment losses	-62.8	-68.3
Other operating expenses	-378.5	-367.9
Share of results of associated companies and joint ventures (+/-)	7.7	7.5
Operating profit (-loss)	11.1	43.1
Financial income and expenses (+/-)	-2.1	-3.7
Share of results of associated companies and joint ventures (+/-)	0.3	0.2
Profit before taxes	9.4	39.7
Income taxes (+/-)	-8.8	-7.0
Result for the financial year from continuing operations	0.6	32.6
Result for the period from discontinued operations		0.4
Result for the financial year	0.6	33.1
Attributable to:		
Owners of the parent	3.3	33.6
Share of non-controlling interests	-2.6	-0.5
	0.6	33.1
Statement of other comprehensive income		
EUR million	1.1.–31.12.2015	1.1.–31.12.2014
Result for the financial year	0.6	33.1
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	-2.9	-12.5
Exchange differences on loans to foreign subsidiaries classified as net investments	0.5	-3.1
Cashflow hedges	-1.0	-2.1
Comprehensive income items of associated companies and joint ventures	-5.4	-10.1
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains/losses	-0.4	-0.2
Other comprehensive income for the financial year, net of tax	-9.2	-28.0
Total comprehensive income for the financial year	-8.6	5.1
Total comprehensive income for the financial year attributable to:		
Owners of the parent	-6.0	5.6
Share of non-controlling interests	-2.6	-0.5
	-8.6	5.1

Consolidated statement of financial position, IFRS

EUR million	31.12.2015	31.12.2014
ASSETS		
Non-current assets		
Property, plant and equipment	318.0	266.2
Investment properties	34.8	38.7
Intangible assets	57.9	64.0
Interests in associated companies and joint ventures	161.8	162.2
Non-current financial assets	78.2	82.3
Deferred tax assets	29.1	32.6
Non-current assets, total	679.8	645.9
Current assets		
Inventories	163.2	174.8
Trade receivables and other current non-interest-bearing receivables	544.9	565.9
Current interest-bearing receivables	32.2	18.8
Cash and cash equivalents	249.9	177.1
Current assets, total	990.3	936.6
Assets held for sale		4.0
Assets, total	1 670.1	1 586.5
EQUITY AND LIABILITIES		
Equity		
Cooperative capital	172.0	169.4
Restricted reserves	19.6	25.7
Invested non-restricted equity reserve	4.0	
Retained earnings	415.1	409.4
Equity attributable to the the owners of the parent	610.7	604.5
Non-controlling interests	5.8	2.0
Equity, total	616.5	606.5
Non-current liabilities		
Supplementary cooperative capital	12.8	12.8
Non-current interest-bearing liabilities	131.3	87.8
Non-current non-interest-bearing liabilities	28.4	30.7
Provisions	11.2	14.4
Deferred tax liabilities	12.2	15.7
Non-current liabilities, total	195.8	161.4
Current liabilities		
Current interest-bearing liabilities	26.6	16.7
Current non-interest-bearing liabilities	113.7	113.5
Trade payables	705.2	683.6
Provisions	7.6	3.5
Tax liabilities for the financial year	4.6	0.1
Current liabilities, total	857.7	817.4
Liabilities associated with assets held for sale		1.3
Equity and liabilities, total	1 670.1	1 586.5

Consolidated statement of cash flows, IFRS

EUR million	Note/Reference	1.1.–31.12.2015	1.1.–31.12.2014
BUSINESS OPERATIONS			
Operating result from continuing and discontinued operations		11.1	45.4
Adjustments to operating result	(A)	26.2	35.2
Change in working capital	(B)	54.8	65.2
Cash flow from business operations before financing and taxes		92.1	145.8
Increase (-) / decrease (+) in current receivables		0.1	0.4
Interest paid and other financial expenses		-17.5	-49.6
Interest received and other financial income		29.7	14.8
Dividends received from business operations		0.1	0.1
Income taxes paid		-3.2	-0.2
Cash flow from business operations		101.4	111.6
INVESTMENTS			
Acquired shares in subsidiaries net of acquired cash			-12.0
Divested shares in subsidiaries net of cash held by subsidiary			4.0
Investments in tangible assets		-34.5	-33.2
Investments in intangible assets		-13.7	-23.5
Divestments of tangible fixed assets		25.1	9.9
Change in other long-term investments		-8.8	14.2
Dividends received from investments		0.7	6.0
Cash flow from investing activities		-31.1	-34.4
FINANCING			
Proceeds from new long-term liabilities		1.5	14.9
Repayment of long-term liabilities		-0.2	
Increase (+) / decrease (-) in short-term liabilities		-0.5	-28.2
Interest paid		-3.8	-2.1
Interest received		1.6	1.2
Increase in cooperative capital		2.6	6.0
Interest paid on the cooperative capital		-0.2	-0.2
Cash flow from financing		1.1	-50.7
Increase / Decrease in cash and cash equivalents		71.4	26.5
Cash and cash equivalents at the beginning of the year		178.8	157.7
Foreign exchange rate effect on cash and cash equivalents		-0.8	-5.3
Increase / Decrease in cash and cash equivalents		71.4	26.5
Cash and cash equivalents at the end of the year		249.4	178.8
Adjustments to operating profit	(A)		
Gains from the sale of fixed assets		-0.2	-1.2
Depreciation and impairment losses		62.8	68.3
Other non-cash income and expenses		-36.4	-32.0
		26.2	35.2
Change in working capital	(B)		
Change in trade and other receivables		20.5	34.3
Change in inventories		11.6	7.1
Change in non-interest-bearing liabilities		22.7	23.8
		54.8	65.2

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

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

Consolidated statement of changes in equity, IFRS

EUR million	Equity attributable to the owners of the parent									
	Cooperative capital	Fair value reserve	Reserve fund	Invested non-restricted equity reserve	Supervisory Board's Disposal fund	Translation differences	Retained earnings	Total	Non-controlling interests	Equity, total
Equity										
1 Jan 2014	163.4	16.9	18.5		0.1	-2.6	397.6	593.8	0.8	594.6
Total comprehensive income		-9.7				-18.1	33.6	5.8	-0.5	5.3
Increase in cooperative capital	6.0							6.0		6.0
Acquisition of the share of non-controlling interest								0.0	1.7	1.7
Other changes					0.0		-1.1	-1.2		-1.2
31 Dec 2014	169.4	7.2	18.5		0.0	-20.6	430.0	604.5	2.0	606.5
Total comprehensive income		-6.1				-2.8	3.3	-6.8	-2.6	-8.2
Increase in cooperative capital	2.6							2.6		2.6
Change of non-controlling interests, which did not result in a change in the controlling interest							5.6	6.8	6.5	12.1
Other changes				4.0	0.0		-0.4	3.6		3.6
31 Dec 2015	172.0	1.1	18.5	4.0	0.0	-23.4	438.5	610.7	5.8	616.5

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 2014 Financial Statements, and, furthermore, the IAS/IFRS standard and interpretation amendments that came into effect in the financial year 2015 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.

This Financial Statements Bulletin is unaudited.

Segmentti-informaatio 31.12.2015

SOK Corporation applies the IFRS 8 standard in its segment reporting. For reporting to top management, SOK Corporation's operations are divided into seven business segments. The segments are based on business areas. In calculating the operational 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. The working capital of Real estate business is included in the working capital of Procurement and services business.

EUR million	Supermarket trade	Travel industry and hospitality business	Procurement and services business	Real estate business	Banking	Internal eliminations and other	Management reporting, total
Revenue	447.5	258.6	6 412.0	68.8		-152.3	7 034.6
Operating result	-27.3	18.9	1.6	13.9	5.6	2.9	15.6
Investments	2.0	4.0	36.4	5.2		0.5	48.1
Divestments	0.6	0.0	22.8	1.7		0.1	25.3
Working capital	-3.1	2.2	-33.1	0.0		-2.5	-36.5
Reconciliation of the revenue							
Management accounting revenue to be reported				7 034.6			
Eliminations				3.8			
Revenue from continuing operations IFRS				7 038.4			
Reconciliation of the result							
Operating result of the segments to be reported				15.6			
Items excluded from the operating result within SOK Corporation:							
Financial income and expenses				1.3			
Gains and losses on the sale of property, plant and equipment				12.5			
Other operating income and expenses				-3.1			
Increase in provisions				-3.2			
Valuation gains and losses on derivatives				-0.8			
Impairment losses on tangible and intangible assets				-4.4			
Other adjustments				-8.5			
Profit before taxes from continuing operations IFRS				9.4			
Additional data at SOK Corporation level, external income							
Finland				6 547.7			
Foreign				490.7			
Revenue, total				7 038.4			
Supermarket Trade				447.5			
Tourism and Hospitality Business				262.4			
Procurement and services Business				6 259.6			
Real estate business				69.0			
Revenue, total				7 038.4			
Additional information at SOK Corporation level, fixed assets							
Finland				347.5			
Foreign				63.3			
Fixed assets, total				410.8			

Segment information 31.12.2014

SOK Corporation applies the IFRS 8 standard in its segment reporting. For reporting to top management, SOK Corporation's operations are divided into seven business segments. The segments are based on business areas. In calculating the operational 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. The working capital of Real estate business is included in the working capital of Procurement and services business.

EUR million	Supermarket trade	Travel industry and hospitality business	Procurement and services business	Real estate business	Banking	Internal eliminations and other	Management reporting, total
Revenue	537.7	248.7	6 585.0	69.4		-158.7	7 282.1
Operating result	-24.0	10.5	1.6	14.0	5.9	-0.1	7.6
Investments	13.3	6.2	28.2	20.9		0.1	68.6
Divestments	0.1	0.0	7.5	6.2		0.1	13.9
Working capital	1.2	5.3	36.3			-1.2	41.6
Reconciliation of the revenue							
Management accounting revenue to be reported				7 282.1			
Revenue from discontinued operations				-0.4			
Eliminations				3.8			
Revenue from continuing operations IFRS				7 285.5			
Reconciliation of the result							
Operating result of the segments to be reported				7.6			
Items excluded from the operating result within SOK Corporation:							
Financial income and expenses				0.0			
Gains and losses on the sale of property, plant and equipment				1.2			
Other operating income and expenses				32.6			
Increase in provisions				2.2			
Valuation gains and losses on derivatives				0.7			
Result before taxes for the period from discontinued operations				-2.6			
Impairment losses on tangible and intangible assets				-6.2			
Other adjustments				4.3			
Profit before taxes from continuing operations IFRS				39.7			
Additional data at SOK Corporation level, external income							
Finland				6 701.6			
Foreign				583.9			
Revenue, total				7 285.5			
Supermarket Trade				537.7			
Tourism and Hospitality Business				252.5			
Procurement and services Business				6 426.0			
Real estate business				69.4			
Revenue, total				7 285.5			
Additional information at SOK Corporation level, fixed assets							
Finland				291.3			
Foreign				77.5			
Fixed assets, total				368.8			

Assets held for sale

Intra group transactions have been eliminated from the presented figures except for cash flows of discontinued operations in which they are included.

Discontinued operations:

SOK Corporation has no discontinued operations. During previous year SOK Corporation's automotive trade and accessories were presented as discontinued operations.

EUR million	2015	2014
Revenue		0.4
Other operating income		0.3
Materials and services		-0.4
Employee benefits expenses		-0.4
Depreciation and impairment losses		0.0
Other operating expenses		2.3
Operating profit		2.2
Financial income and expenses		0.4
Result before taxes		2.6
Income taxes		-2.2
Result for the period		0.4
Owners of the parent		0.4
Share of non-controlling interests		0.0
Result for the period from discontinued operations		0.4

Cash flows of the discontinued operations were following:

Cash flow		
Cash flow from business operations		1.0
Cash flow from investments		0.1
Cash flow from financing		-1.0
Cash flow, total		0.0

The effect of the disposal on the Group's financial position	2015	2014
Tangible and intangible assets		0.0
Non-current financial assets		0.0
Deferred tax assets		0.8
Inventories		0.0
Trade receivables and other current non-interest-bearing receivables		1.5
Current interest-bearing receivables		0.0
Cash and cash equivalents		1.7
Non-current interest-bearing liabilities		0.0
Non-current non-interest-bearing liabilities		0.0
Provisions		-1.1
Deferred tax liabilities		0.0
Current interest-bearing liabilities		0.0
Current non-interest-bearing liabilities		-0.2
Assets and liabilities, total		2.8
Cash payment		0.0
Net cash disposed of with the discontinued operation		0.0
Cash flow effect		0.0

Tangible and intangible assets

EUR million	Tangible assets	Investment properties	Intangible assets
Acquisition cost			
Acquisition cost, 1 Jan 2015	509.2	89.2	183.4
Translation differences	-8.6		-0.2
Increases	98.0	0.1	13.7
Decreases	-13.9	-2.0	-15.7
Transfers between items	-3.4	3.3	0.1
Acquisition cost, 31 Dec 2015	581.3	90.7	181.4
Accumulated depreciation			
Accumulated depreciation, 1 Jan 2015	-243.0	-50.5	-119.4
Translation differences	2.9		0.1
Accumulated depreciation on deducted and transferred items	14.3	-1.0	15.7
Depreciation for the period	-37.3	-4.2	-19.8
Impairment losses	-0.1	-0.1	0.0
Accumulated depreciation, 31 Dec 2015	-263.3	-55.8	-123.4
Carrying amount, 1 Jan 2015	266.2	38.7	64.0
Carrying amount, 31 Dec 2015	318.0	34.8	57.9
Acquisition cost			
Acquisition cost, 1 Jan 2014	538.9	86.7	179.0
Translation differences	-53.9		3.9
Increases	41.6	0.0	31.6
Decreases	-16.8		-29.2
Transfers between items	-0.7	2.5	-1.9
Acquisition cost, 31 Dec 2014	509.2	89.2	183.5
Accumulated depreciation			
Accumulated depreciation, 1 Jan 2014	-235.0	-45.7	-115.7
Translation differences	15.1		-1.2
Accumulated depreciation on deducted and transferred items	14.1	-1.0	21.7
Depreciation for the period	-37.0	-3.8	-18.2
Impairment losses	-0.2	0.0	-6.1
Accumulated depreciation, 31 Dec 2014	-243.0	-50.5	-119.5
Carrying amount, 1 Jan 2014	303.9	40.9	63.3
Carrying amount, 31 Dec 2014	266.2	38.7	64.0

Related party transactions

Transactions and balances with associated companies and joint ventures:

EUR million	2015	2014
Sales	20.2	17.5
Purchases	338.5	340.2
Financial income and expenses	0.8	0.4
Trade and other receivables	1.1	1.9
Loan receivables	37.5	57.5
Loans	0.0	0.0
Trade payables and other liabilities	10.7	30.1

Pledges and contingent liabilities

Contingent liabilities, EUR million	31.12.2015	31.12.2014	Change
Pledges given and contingent liabilities			
Pledges	0.1	0.1	0.0
Guarantees	4.0	4.6	-0.6
Total	4.1	4.7	-0.6
Security given on behalf of others			
Guarantees for liabilities of joint ventures	69.4	109.3	-39.8
Guarantees for liabilities of cooperative enterprises	7.4	7.4	0.0
Total	76.8	116.6	-39.8
Other contingent liabilities			
Guarantees for liabilities of joint ventures enterprises	21.0	26.2	-5.2
Guarantees on behalf of associated companies		1.4	-1.4
Guarantees for liabilities of cooperative enterprises	0.1	0.1	0.0
Total	21.1	27.7	-6.6
Other liabilities			
Letter of credit liabilities	0.5		
Repurchase liabilities ¹⁾	33.9	36.2	-2.3
Underwriting ²⁾	10.4	10.4	0.0
Other liabilities	9.8		-9.8
Total	54.1	46.6	7.5
Operating leases			
Group as lessee			
Minimum lease payments on non-cancellable operating leases:			
EUR million	31.12.2015	31.12.2014	Change
In one year	131.1	142.9	-11.8
In one to five years	439.0	520.8	-81.8
Over five years	372.0	486.1	-114.4
Total	942.1	1 149.8	-207.7

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 EUR 39,9 million (EUR 65.4 million 31 December 2014) and of the guarantees on behalf of joint venture Kauppakeskus Mylly Oy on a loan of EUR 50,0 million (EUR 50.0 million 31 December 2014).

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 71.9 million on 31 December 2015 (EUR 78.0 million on 31 December 2014).

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 6.5 million (EUR 6.8 million on 31 December 2014).

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. There are not left liabilities based on equity financing in decisions already made (EUR 0.9 million 31 DEC 2014). It is estimated that liabilities financing by the company's shareholders is not needed.

Additionally SOK has pledged to provide loan funding. SOK has at year end 2014 the following open commitments: To provide EUR 60,0 million (EUR 60,0 million 31 Dec 2014) shareholder loan to S-ryhmän logistiikkakeskukset Oy, to provide EUR 5,0 million (EUR 5,0 million 31 Dec 2014) conditional subordinated loan to North European Oil Trade Oy and EUR 3.5 million (EUR 0.5 million 31 Dec 2014) subordinated loan to North European Bio Tech Oy.

Key ratios

SOK Corporation continuing operations:	31.12.2015	31.12.2014
Revenue, EUR million	7 038.4	7 285.5
Operating result, EUR million	11.1	43.1
% of revenue	0.2	0.6
Profit before taxes, EUR million	9.4	39.7
% of revenue	0.1	0.5
SOK Corporation:		
Equity ratio, %	37.0	38.3
Gearing, %	-12.9	-11.2

Calculation of key ratios

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

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

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