S Group's year 2013

SOK Corporation's Financial Statements

S Group is a forerunner in wind power in Finland. Our objective is to generate 50% of the electricity we need with our own wind power.

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S Group's financial result remained at the previous year's level in 2013. Our goals are set slightly higher in 2014, although the overall economic situation continues to be challenging.

Streamlining
to serve you better

Finland, and the retail segment in particular, faced difficult times in 2013, and S Group's journey was not easy either. Regardless, our retail sales stayed on a path of growth and the Group's combined result remained at last year's level.

Economic forecasts are not promising much improvement for 2014, and it also seems that we have entered a period of clearly slower growth. In spite of this, we have justified reason to be hopeful.

The operating environment in retail is changing rapidly, and this requires that we also develop continuously. In the future, we will need increased cost-effectiveness, better understanding of different customer needs and new innovations.

For S Group, 2014 marks the beginning of many changes. We will continue to streamline our operations in order to secure our price competitiveness. At the same time, we will develop our services in order to meet the changing wishes of our co-op members.

The share of online trade has also grown in Finland and in the consumer goods trade, in particular. We will address the challenge this creates by developing digital contents and services. In this way, we want to both serve our customers in a more personalised way and build a closer connection with them. At the same time, we will combine shopping online and in physical stores.

Developing new services requires that we are increasingly innovative. In addition, it also requires that we possess a new kind of courage to involve our personnel in building new innovations, and to expand this involvement to external partners as well over time.

S Group's greatest competitive advantage is the cooperative activities which advocate the interests of consumers in the changing world as well. Therefore, we must focus on the core of our operations; in other words, on responsibly producing competitive products and services for our co-op members. In doing this, our success is measured by indicators which are not only financial.

Taavi Heikkilä
CEO
SOK Corporation

Today's co-operative activities

The co-operative movement arrived in Finland more than a hundred years ago. One of S Group's fundamental claims is that the principles of co-operative activities have not changed since that time. We even claim that we can succeed only by constantly keeping in mind the foundation of the co-operative activities.

S Group's current values are based on the basic principles of co-operative activities. In turn, our responsibility principles have been derived directly from these values. They guide S Group in its efforts to be a forerunner in responsibility. By means of practical measures, we want to prove that modern co-operative activities create the best possible foundation for responsible operations.

We exist for the customer means that we offer, among other things, high-quality products and services, competitive prices and an extensive network, as well as reward co-op members with the best benefits. The section about the ABC chain offers more information on how we are developing our operations to meet these objectives.

We take responsibility for people and the environment obligates us to carry out excellent HR work with exemplary supervisory work at its core. Environmental responsibility is reflected in almost all aspects of operations development, but in particular, it shows in the management of the entire lifecycle of our purchases and investments. By reading about our grocery trade, you'll see what we do in order to ensure the responsibility of our procurement operations.

We constantly renew our operations means that we take feedback from our customers and other stakeholders into consideration. This calls for an active dialogue, a willingness to face challenges which may be difficult to resolve, and being prepared to make quick corrections. More information about how business operations are being developed, even rapidly if needed, can be found in the section about the travel industry and hospitality business, for example.

We operate profitably illustrates our holistic responsibility to carry out profitable operations in the long term for the benefit of society as a whole. We are not looking for quick wins but, among other things, we plan our investments with a perspective of decades. Our sizeable logistics centre projects are a current example of this.

New horizons in the grocery trade

Sales in the grocery trade were slow in 2013. In terms of volume, the sales of the entire grocery trade in Finland declined, compared to the previous year. The small statistical increase seen in the value of sales is due to the increased prices of food products.

The higher prices were due to the increases in indirect taxes, which affected the grocery trade drastically. The purchasing power of consumers was eroded by the concurrent tightening of income taxation.

However, considering the circumstances, S Group did well. The market share of the grocery trade remained at the previous year's level.

The demand outlook in the grocery trade in the coming years is also weak, since the recovery of the national economy from the recession is expected to be slow. In the declining demand, retail can no longer be the kind of driver in the national economy that we have come to expect it to be in recent years.

In practice, construction investments in retail as a whole will decrease. The main focus of investments will shift from new building to repair and replacement.

At the end of 2013, S Group had 99 Prisma stores, 437 S-markets, 275 Sale units, 87 Alepa units and 106 ABC service station stores. Total investments in developing the grocery trade and improving the service and product range for co-op members were still quite considerable.

- **In S Group, groceries are sold by the Prisma stores, S-markets and Sale stores, as well as ABC service station stores.**
- **The Group also operates the grocery trade in St. Petersburg, Russia and in the Baltic countries.**
- **At the end of 2013, there were 64 Prismas, 437 S-markets, 275 Sale stores, 87 Alepa stores and 106 ABC service station stores in Finland.**
- **There were 17 Prismas in Russia and 17 in the Baltic countries.**
- **S Group is the market leader in the grocery trade in Finland with a market share of 45.7 per cent.**
- **In 2013, sales in the grocery trade amounted to EUR 6 960 million.**

It is important for S Group's grocery stores to provide customers with a domestic alternative, whenever possible. In 2013, the Group began selling affordable, Finnish fat-free and light Rainbow milk varieties. Milk is collected from producers around Finland and processed at the Arla Ingman dairy in Sipoo and at the Hämeenlinna cooperative dairy.

Growth through internationalisation

Whereas the demand outlook in Finland is rather weak, there are almost endless growth opportunities in the east. The internationalisation of S Group provides clear benefits for the Group itself and all co-op members.

In December 2013, SOK opened its 16th and 17th Prisma stores in St. Petersburg. The plan is to open two to three more units in 2014. The revenue of the Prisma stores in St. Petersburg was EUR 242 million, and it is expected to increase to approximately EUR 300 million in 2014. In addition, the units in the Baltic countries (a total of 17 Prisma stores in Estonia, Lithuania and Latvia) generated a total sales of EUR 279 million.

The procurement volumes of the Prisma stores abroad already enable co-op members in Finland to obtain certain products at reduced prices. The result of the Prisma stores in Estonia was positive, and after the initial investments, all international units will soon be profitable. This will strengthen the competitiveness of S Group as a whole in Finland as well.

The internationalising of Finnish retail brings much needed export income to our national economy. At the same time, the export of services strengthens the position of the Finnish food industry, since retail provides it with excellent distribution channels to very large markets.

Polarising consumption

The recession and the subsequent period of slow growth, increased uncertainty among consumers regarding their livelihood, and tightening taxation, as well as ageing population and shrinking economies are changes and challenges that S Group's grocery trade must be able to respond to. Consumers' attitudes concerning food are becoming increasingly critical. New services and channels are changing retail structures and operating methods.

Consumption is becoming polarised. The sales of affordable products, such as private labels, are increasing. At the same time, demand for locally produced food is increasing, as is the demand for organic, clean food free of additives and the demand for various special products.

Advocating the interests of the customer

The most important customer promise in S Group's grocery trade has remained the same for over a hundred years – since the beginning of cooperative activities. As a consumer cooperative, S Group always advocates the interests of the customer. Each cooperative attends to the interests of the customer in its own region by constantly monitoring the prices and product ranges in the operating area.

The strategic objective of each store is to be the most affordable in its own area of influence and have the best and most targeted product range.

Price leadership is demanding. Permanently economical pricing means that individual deals-of-the-day are not used to attract customers; the prices of the entire product range are as fixed as possible.

Store-specific product ranges

Extensive and high-quality product ranges and a concurrent affordable price level require effective background functions, of which procurement and logistics are key. On-target product ranges and well-planned logistics require analyses, forecasts and information systems.

S Group is a forerunner in analytics in Finland and even internationally. For example, it was the first in the world to implement store-specific space optimisation, which is expected to provide considerable competitive advantage in the future. Customers' wishes can be taken into consideration better when planning the product range in the store.

S Group produced nearly 60,000 shelf charts last year, a separate one for each store and display group. Shelf charts, or store-specific instructions concerning product display, vary by season. Accurate division of space at any given moment is based on forecasting sales in which S Group is an international forerunner as well.

Consumers are interested in knowing the origin of food and products. S Group is the first Finnish retailer to mark the country of origin of the main ingredient on its private label products. The marking is already provided in 80% of packages.

Improved customer service

All background functions aim to facilitate the work carried out at the store so that personnel have more time for the most important task: serving customers. In the future, analytics and forecasting may also assist in work shift planning. It could help allocate personnel resources even better than currently, for example, in order to ensure smooth service during peak hours.

Ensuring that the customer has a positive shopping experience is important for S Group. The shopping experience must be equally positive both in the physical store and in the online store. Personnel play a key role in creating a positive customer experience.

Currently, S Group is investing heavily in developing customer service in both the grocery trade and other business areas. Knowing the needs of co-op members and listening to their wishes is S Group's well-known strength that will be utilised even more effectively.

Becoming a trailblazer of responsibility

S Group is deeply involved in international procurement activities, such as the inter-Nordic procurement company Coop Trading A/S. In international procurement, responsible operations are particularly important. Monitoring a long supply chain is not always an easy task.

S Group has worked hard to understand the production conditions of products originating from more distant locations as well. There is still room for improvement, and the Group will continue to take the problems detected seriously in the future.

S Group participates in the international BSCI system in which retail cooperates in monitoring social responsibility in the supply chain. Being proactive is also important. S Group engages in continuous direct dialogue with its own suppliers regarding production conditions, for example.

S Group's grocery stores want to offer co-op members opportunities to be a responsible consumer. The ranges of various eco-labelled and certified products are being developed in a goal-oriented manner.

In addition to transparent procurement chains, the responsibility work in retail highlights environmentally conscious transportation solutions, energy efficiency and, above all, product safety.

More local food

A part of S Group's social and financial responsibility is favouring local food and products from Finnish small-scale producers in the product range. The objective of the local food strategy drawn up by S Group is to offer consumers the local alternatives they have requested. The goal is to intensify cooperation between the cooperatives and producers by means of providing small-scale producers with a number of opportunities to be included in the retail product range. The intention is also to increase processing food production, which will help generate jobs both at the local and regional level.

S Group is committed to an EU-level agreement on the principles of good retail practices. According to these practices, all supplier agreements are made in writing and cannot be unilaterally changed, and both parties must bear a reasonable corporate risk.

Expanding food sales online

Purchasing behaviour is also in heavy turmoil in the grocery trade. In many fields, digital has already revolutionised retail and caused profound changes. Online purchasing and, for example, various mobile applications have entered the grocery trade relatively slowly on the international scale as well.

While a great breakthrough of online food trades is still to come, S Group continuously develops ways to increase customer interaction in the grocery trade. The awarded Foodie service already has 160,000 registered users, creating a genuine social network. Foodie offers complete information on the prices and selections for all S Group's grocery stores. This level of transparency in the grocery trade is rare even internationally.

Thus far, S Group has been offering online trade of food in the Greater Helsinki area, Kuopio and Oulu. Sales volumes are still reasonably low, but growth has been considerable in the Greater Helsinki area. In 2013, the value of S Group's online food trade totalled EUR 6.1 million, or the same amount as the sales of a medium-sized S-market.

S Group is actively seeking opportunities to expand the online food trade. In the initial stage, this is happening in big cities, and in 2014 in Tampere and Lahti.

FOODIE.FM

S Group's largest regional cooperative HOK-Elanto has invested in online food trade, developing new services. In 2013, sales in the Kauppakassi service, provided by Alepa and Prisma, nearly tripled and correspond to the sales of a small S-market. Alepa's Kauppakassi service delivers food purchases to the customer's home. In Prisma, the products are collected in the store for customer pickup.

Multichannel operations offer good service

The consumer goods trade is currently undergoing a drastic change. Several consecutive economic recessions have eaten into consumer demand in many product areas. In addition, price erosion is a fact. Even if the volume of products sold were higher, less money is coming in from sales. The continued economic uncertainty is likely to keep the potential demand growth moderate for a long period.

An even greater change is taking place in the purchasing behaviour of consumers. Digital is here to stay and its powerful emergence will surely change the operating methods and structures of retail.

The greatest successes in S Group's consumer goods trade were experienced in the digital trade in 2013. Growth in online trade overall in S Group was 250 per cent compared to the previous year. Both the number of visitors and revenue developed quite favourably. Growth was achieved on all fronts.

Prisma's web store is the most advanced in Finland

The first full year of operation in Prisma's web store proved that the hypermarket has an appealing online product range as well. Co-op members immediately embraced the service.

Last year, Prisma introduced several new product categories in the web store product range, for example, in the fields of home, sports, children's wear and building and renovation.

Prisma's web store was selected as the most advanced in Finland in the Digital Leaders in Finland 2013 study conducted by Magenta Advisory. This is quite an accomplishment for a web store that has been in operation for less than a year. The store received praise particularly for its services that support purchasing.

In the same study, the web store of Sokos did well also, ranking third. Its sales also developed well following the facelift of the Sokos.fi site and its expansion into clothing and household items, in addition to beauty.

The web store of Kodin Terra also performed well during the summer season.

Digital in daily purchasing

S Group plans to continue growing its online trade in 2014 as well. The goal is to have co-op members learn to use digital services as part of their regular product browsing and selection process, whether the actual buying takes place in a store or online. Co-op member services in digital channels will be developed further by means of new and improved functionalities. At the same time, the goal is to generate a closer link between digital services and the store network.

S Group believes that Finnish online trade can perform well against the competition of large international web stores. This can be accomplished, in particular, when all channels are applied, in

other words when retail is available for the customer both digitally and in the physical store network. Faster and more flexible deliveries can also help compete against international giants. In addition, Finnish web stores are considered secure places to make purchases.

A successful 3+1 Days campaign

The successful events in the consumer goods trade included the 3+1 Days campaign by the Sokos and Emotion chains in 2013. Many units broke their sales records in October, in particular. Targeting products and discounts even more precisely produced results, and the web was used as an effective marketing channel to support sales.

The Sokos chain implemented the largest single product range update in its history in 2013. The largest department stores and the Sokos web store expanded the brand selection in women's and men's clothing considerably with international high-quality brands. This product range update, implemented late in the autumn, was received well by customers and reflected in the successful Christmas sales.

The Christmas sales of Sokos slightly exceeded the previous year's level, which can be considered a good accomplishment in the current market situation.

Overall, Sokos made a satisfactory result in the market situation that was difficult for department stores and speciality stores. The results at the end of the year, in particular, were clearly better than the general market development.

New women's and men's clothing brands arrived in the Sokos stores and the Sokos web store in the autumn of 2013. This fulfilled the wishes of many co-op members. Although this was not the best possible point in time due to the recession, the renewal has been well received, which shows both in sales and customer feedback. The brands include: Diesel, Filippa K, Peak Performance, Tiger of Sweden and Marc O'Polo.

Sokos chain reinventing itself

The newest Sokos department store began its operations in the new Kaari shopping centre, which opened in the Kannelmäki area in Helsinki in October. Reforms were carried out at several department stores.

The most significant expansion was completed in Pori where the general appearance and product range of the department store were revamped. Services improved not only in the consumer goods trade but also in the grocery trade and restaurant operations.

The Hakaniemi Sokos in Helsinki was closed in January 2014 for renovations that will last several years. The Sokos store in Rauma will also be closed in 2014. Emotion units continue to offer beauty products in both Hakaniemi and Rauma.

Speciality stores providing services did well

Emotion, Finland's largest speciality store for beauty grew considerably faster than the market. Part of the growth was due to the new units that opened in Kerava and Pietarsaari.

The women's and men's clothing and cosmetics business in S Group is operated by the Pukumies chain, owned by the Osuuskauppa Arina cooperative. Despite the recession, Pukumies, which sells high-quality brands, demonstrated the power of good service by maintaining its sales at the previous year's level.

The Kaari shopping centre, opened in October, is spacious, open and modern. The ninth largest shopping centre in Finland, owned by HOK-Elanto, expects 6.5 million visitors annually. Its location at a junction of commuter traffic in the Greater Helsinki area is favourable, and more than 200,000 people live within a five-kilometre radius of it. Kaari is the home of a Prisma store, a Sokos store and approximately 80 speciality stores and several restaurants.

Pukumies Oy runs the Pukumies stores and Mick's youth fashion stores in Oulu, Kokkola, Seinäjoki, Jyväskylä and Rovaniemi. The Pukumies store in Kotka is operated by the Kymen Seudun Osuuskauppa cooperative. In addition, the Pukumies store of the Osuuskauppa Arina cooperative runs the Companys concept stores, focusing on women's clothing, in the Kamppi shopping centre in Helsinki and in the Ikano shopping centre in Kuopio.

The private REG label introduced in the hardware trade

The hardware trade also performed well in 2013. While sales in retail decreased by five per cent, sales in the hardware trade in S Group remained at the previous year's level without network expansion. S Group's hardware trade chains Kodin Terra and S-Rauta focused particularly on increasing service and product competence.

S Group's private label REG was introduced in the hardware trade, with a selection of a variety of interior decoration and renovation products.

Increasing the private label

offering has been one of the key objectives in S Group's consumer goods trade in recent years in all chains that sell consumer goods. The production of private label products is monitored particularly closely. Private labels offer co-op members an opportunity to choose products that are proven to have been manufactured under ethically and socially acceptable production conditions. Wishes of co-op members have been taken into account in designing the products.

Prisma is the most "Liked" brand

In the Prisma chain, sales in the consumer goods trade as a whole remained at the previous year's level. Sales grew in sports, consumer and household electronics, as well as construction and renovation.

No new Prisma hypermarkets opened in 2013, but several considerable renovation and expansion projects were completed in different parts of Finland. In 2014, Prisma stores will be renovated in Imatra, Rovaniemi, Savonlinna and Tampere, among others.

Prisma's unwavering popularity among consumers of all ages is demonstrated by the fact that it is still Finland's most "Liked" corporate brand on Facebook.

Success through multichannel operations

The extensive changes taking place in the consumer goods trade will also have concrete effects on S Group. This means the implementation of new combinations of digital services and physical stores, among other things. Showroom-style solutions are already being tested, and they will be developed based on the experiences gained. Products sold in the Prisma and Sokos web stores can be physically displayed in the solutions, and the products can also be purchased digitally in the store.

In the future, digital services, including web stores, will be available in all of the terminal devices customers want to use: computers, tablets and mobile phones.

This development will reduce the need for store space, for example in hypermarkets, which means that large units can add more business concepts that complement the existing product ranges and services.

Improved competitiveness

For the new operating methods to succeed in the consumer goods trade, the new procurement and logistics operating model being developed in S Group since 2012 must be deployed effectively.

The most visible part of the operating method is the consumer goods trade logistics centre completed in Bastukärr in Sipoo. Its operations are currently being established. In the future, it will improve S Group's competitiveness by reducing logistics costs, among other things. It will also enable better sales forecasting and campaign availability, of which the aforementioned 3+1 Days campaign was a good example.

- **S Group operates the consumer goods trade in the Prisma, Sokos, Emotion, Kodin Terra and S-Rauta chains. In addition, consumer goods are sold by the S-markets, Sale stores and ABC service station stores. The Pukumies chain operates in some areas of Finland.**
- **At the end of 2013, there were 64 stores in the Prisma chain in Finland and 34 outlets in the neighbouring countries. There were 22 Sokos department stores, 36 Emotion stores, 11 Kodin Terra stores and 14 S-Rauta stores. The Pukumies chain operated in six towns.**
- **In 2013, sales in the consumer goods trade amounted to EUR 1 425 million.**

New winds blowing in the ABC chain

It will be 15 years in 2014 since the yellow ABC pylons started dotting the landscape along Finnish major roads and the chain revolutionised the traditional service station trade with its completely new business idea. Filling stations with men in greasy work overalls and air saturated with the smell of grilled food became history. They were replaced by true oases of service for the whole family that combined fuel sales with high-quality restaurant services, full-range grocery stores with supermarket prices, as well as a variety of additional services. The transition from vehicle maintenance to taking care of customers was considerable and pioneering.

The ABC chain is a success story. The chain has become the market leader in petrol sales and the trusted brand for many co-op members. It has stimulated people in an unprecedented way: no other retail business idea has been written about as much as that of ABC in recent years.

The rapid expansion phase of the network is now over. Five new ABC service station stores were opened in 2013: in Alajärvi, Joutsa, Kontiolahti, Raisio and Teivo. In 2014, two new outlets will open, in Imatra and Vaasa. A total of 12 new unmanned ABC stations were opened in 2013.

"I take good care of you"

Now a new chapter is beginning in the glorious and interesting story of the ABC chain. The entire chain pays increased attention to developing the quality and service offering of the outlets. The focus will be on customer service, and the goal is to provide customers with a level of service they are happy to endorse.

The familiar slogan "We take good care of you" has transformed into "I take good care of you" within the chain. It highlights the personal responsibility that all employees bear in providing co-op members with the best possible service experiences in all units and at all times. From the business standpoint, the goal is improved customer satisfaction, which attracts the existing customers to shop at the units even more regularly.

All employees and supervisors of the service station stores, a total of more than 4,000 people, participated in the "Peukuttavan palvelun ABC" service coaching by the end of March 2014.

Ahead of competition

In the economic recession of recent years, fuel sales have been facing difficult times. The number of motorists has declined and the instability of the world market price of oil has caused fluctuations in the price of fuel, and this has reflected on consumer demand. In 2013, fuel prices were more stable than in the previous year and the price level was more favourable to consumers than in 2012, for example.

Fuel sales performed well in the ABC chain as well. By contrast, targets were not quite met in the restaurant and supermarket

The appearance and size of ABC stores vary, almost without exception. In the summer of 2013, the chain opened ABC Joutsa in the Central Finland lake district. It has the appearance of a log home and fits the rural landscape perfectly. It also offers up to five different types of fuel and highlights the local offering in both its restaurant and supermarket.

sales, so the total growth in the development of sales in the chain was zero for the first time in 15 years.

Competition in the service station and fuel sales business is fierce. Currently, there are four nearly equally strong players in Finland. Neste, St1/Shell and Teboil have succeeded in mimicking the business idea of the ABC service station stores in recent years. In fast food services, competitors also include shopping centres built along major roads.

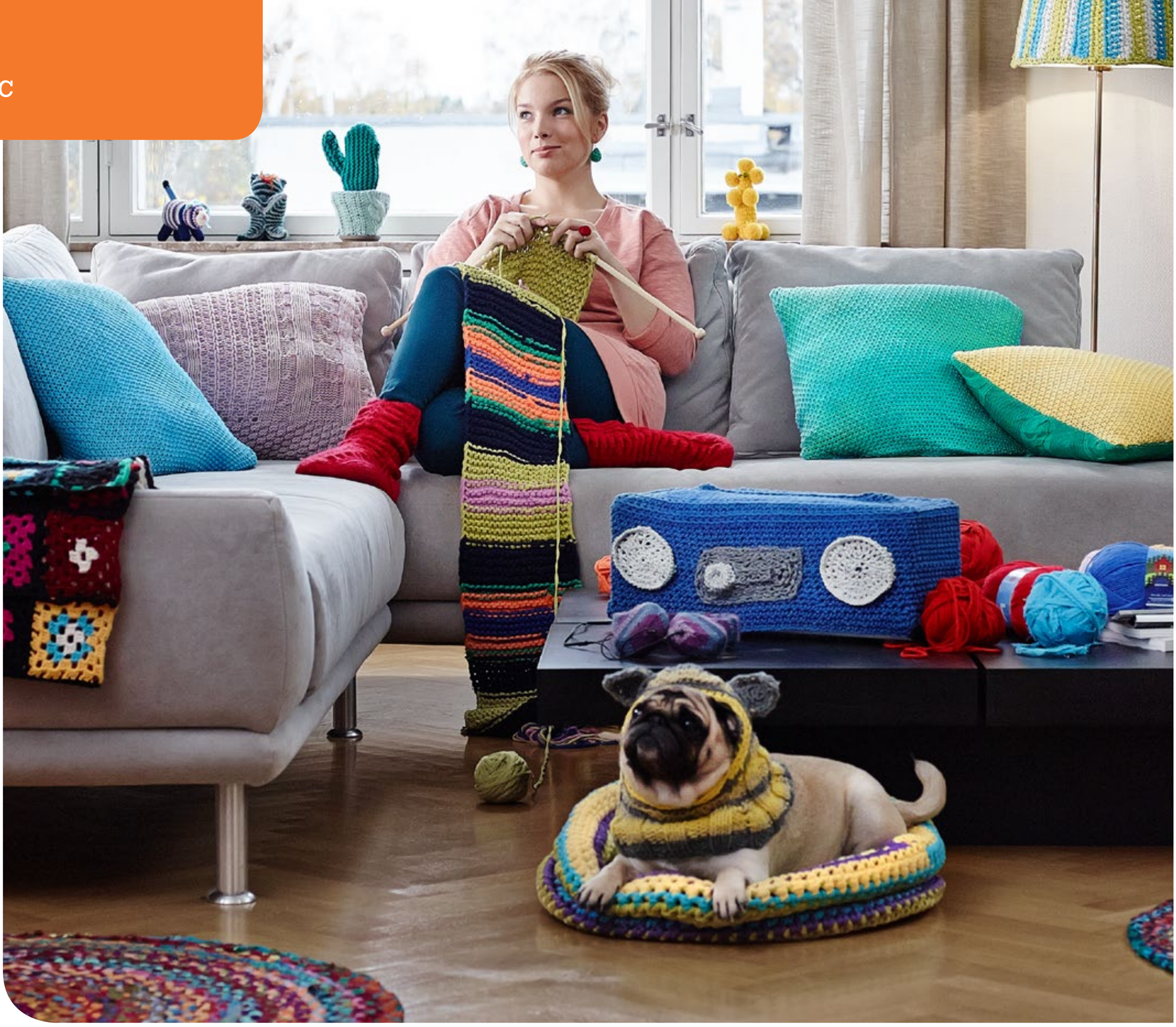
Improving customer service is now one of the means that are used to help the chain improve its competitive edge against competition.

Every ABC is different

In addition to the development of the service culture, several renewal projects are under way in the ABC chain. The range of services and products in the service station stores is being developed increasingly based on their location and customer base.

Excellent restaurant services and additional services are key in units located by busy major roads. Many ABCs also offer supermarket services to local customers, which means that the product range they offer must be sufficiently extensive and versatile. The aim is to improve the chain's credibility as a high-quality, versatile and affordable location for making grocery purchases.

Increasing the share of local items in the selection of food items is one of the most important goals. Local products are increasingly highlighted on the menus of the ABC restaurants as well. Carefully planned portions of local dishes and delicacies from the nearby areas are promoted, although the ABC classics, Apsi Apina children's menus and fast food selections are also permanently available.



The contents of the ABC buffet have also been renewed. The goal of the buffet is to offer delicious and versatile food for the Finnish taste.

In the ABC restaurants, the portions are not ready meals but are for the most part prepared from start to finish at the outlet.

The focus in 2014 will be on developing the selection of prepared snacks and café items.

Opportunities to make responsible choices

ABC wants to implement practical measures to show that it is a pioneer in sustainable operations in the Finnish fuel trade. For the environmentally conscious motorists, the chain offers alternatives despite the fact that financially, the alternatives are not yet completely profitable.

Many ABC stations offer five different fuel options to choose from. The environmentally friendly EkoFlex E85 fuel is manufactured from recycled raw materials, which cannot be used for human consumption and that include either organic waste from the food industry or expired bread that stores cannot donate to charity. Currently, demand for EcoFlex is clearly on the increase, and the chain is going to considerably increase the number of stations providing this fuel.

In 2013, the chain started selling the new Smart Diesel that will be available in nation-wide distribution in April 2014. This top-quality fuel has properties that improve the engine performance and endurance and help protect the environment due to lower emissions.

The joint project of the ABC chain, Fortum and Nissan to build charging stations for electric cars in Southern Finland is progressing as planned. At the end of 2013, there were seven charging stations in operation.

ABC also wants to offer opportunities for driving natural gas-powered cars. In June, the chain's third gas filling station, maintained by Gasum, was opened in Tytyri in Lohja.

Responsible operations also include building new and renovated units that are as energy-efficient as possible. Renewable energy is used whenever possible. Examples of this include the ABC pylons where the lighting is powered by wind energy, and the solar panels of ABC Kivimaa, which provide heating energy for a portion of the unit's service water.

A social phenomenon

In 2014, ABC will also renew its marketing communications. In fierce competition where the chain's business idea is being copied, it is increasingly important to clarify the brand. ABC aims to bring out its strengths in a more efficient manner, using both facts and appealing to the senses in its communications. The share of television in the media palette will increase.

One of the strengths of the ABC chain is the excellent location of the units. ABC and its competitors naturally want to be conveniently located. Due to their financial success, the cooperatives have been able to invest in large units that municipalities have welcomed in their areas and which attract extensive customer volumes, create jobs and open up opportunities for local entrepreneurs as well.

The ABC service station stores have invigorated in new ways many areas where nobody else has been prepared to try starting businesses. During its 15 years of existence, the ABC chain has become a positive phenomenon that is both financial and social in Finnish society.

- S Group's service station store and fuel sales chain ABC combines supermarket and restaurant trade services and fuel sales, as well as other additional services under the same roof in its stores.
- At the end of 2013, there were 106 ABC service station stores and 309 unmanned ABC stations.
- In addition, there were 16 ABC Delis in the Greater Helsinki area and one ABC Grillimarket in both Sipoo and Lohja.
- Fuel for the ABC chain is produced by Neot Oy, the largest fuel procurement company in the Nordic countries, owned jointly by SOK and the St1 chain.
- ABC chain's sales in 2013 amounted to EUR 1 817 million and its market share of the petrol sales was 29.6 per cent.

The ABC service station stores also offer mobile services. The easy-to-use service application for smart phones and tablets makes the everyday life of motorists a little easier. Among other things, the service can be used to find the location of the nearest ABC and get driving directions, check its buffet menu and daily discounts. The ABC mobile service has also been updated to match the new marketing look.

Targeted personalised service

In 2013, the travel industry and hospitality business market experienced declining demand. The year was also characterised by reduced sales of fast food, whereas earlier recessions did not affect demand for fast food. Demand for alcoholic beverages served in restaurants and bars was at a historically low level and is expected to decrease further.

The sector has been burdened by increases in indirect taxes, a general increase in the expense level and consumers' waning purchasing power. The sector took additional hits at the beginning of 2014 when the alcohol tax was raised and the tax deductions for entertainment expenses were discontinued. Additional pressure comes from the increasingly strict regulation in the sector, such as the planned reductions in opening hours.

Considering the circumstances, S Group did well in the rough operating environment of 2013. Sales and market share grew in the hotel business. Nevertheless, indicators measuring the profitability of the hotel business, such as occupancy rate and average price, did not meet the targets.

A successful brand reform

In 2013, S Group implemented a brand reform in the Sokos Hotels chain. The reform was the largest in the history of the sector in Finland. The 40-year-old hotel chain was reorganised into three different types of Sokos Hotels: Solo, Break and Original. The objective of the hotels is to offer targeted personalised services, which will help them meet the changing and individual needs of consumers.

The Solo brand consists of unique hotels which focus on personalised service. Many of them are also well-known historical classics in their home areas. Break hotels offer customers joy, time and energy by means of different kinds of organised breaks. Their customer promise consists of guests always leaving a Break hotel feeling more energised than before. Original hotels are the common thread of the largest hotel chain in Finland: they are friendly and welcoming, familiar and safe hotels which take local traditions into consideration.

The first Solo hotel opened in Jyväskylä in the summer of 2012. The actual launch of the Solo brand took place in the spring of 2013. Solo hotels have received plenty of positive publicity, and feedback from both Finnish and international guests in customer satisfaction surveys has been excellent.

The brand reform provided a boost to the Break hotels focusing on leisure time activities and clarified their profile. In 2014, development will focus on the Original hotels and profitable commercialisation of the entire brand reform.

Personnel coaching was carried out at the more than 50 Sokos Hotels in Finland, St. Petersburg and Estonia in order to deploy the reform, representing a considerable investment in developing the corporate and service culture.

Developing the restaurant concepts and food products is an ongoing task. Food Lab in the Citycenter shopping area in Helsinki is a joint project of SOK and HOK-Elanto, a testing lab for ideas and, at the same time, an actual restaurant where products, services and entire concepts are developed together with customers. Functioning ideas can later be deployed in co-operatives in different parts of Finland.

Break hotels want to offer guests a vibrant and refreshing interlude from everyday life. Personnel act as coaches for guests, recommending a variety of leisure time activities. The objective is to make guests feel invigorated and full of energy after their stay. Break by Sokos Hotels include Koli, Bomba, Eden, Caribia, Vesileppis, Levi, Tahko, Vuokatti and Flamingo.

Favourable development in the neighbouring countries

In the Radisson Blu chain, the year 2013 was successful. The Radisson Blu Plaza Helsinki was reopened after renovations at the end of 2012. It received significant recognition in the international World Travel Awards when travel industry professionals and consumers selected it as Finland's Leading Business Hotel in 2013. The Plaza has also received excellent evaluations from guests.

S Group's hotel business succeeded well in Estonia and St. Petersburg. The excellent performance of Original Sokos Hotel Viru continued, and the operations of the chain hotels in St. Petersburg were also profitable.

The number of overnight stays by Russian tourists in S Group's hotels in Finland remained at a good level. Russians are very important both as seasonal customers and during off-season, when the hotel and restaurant business in Finland is otherwise slow.

Considerable investments

The importance of tourists from Russia and other countries as well as Finnish leisure travellers will increase further in the hotel business in the upcoming years. Business activities which previously attracted large volumes of business travellers to Finland have disappeared from our country. Leisure travellers are needed to compensate for this loss.

However, Finland should have good growth prerequisites as a travel industry destination. This is according to the Ministry of Employment and the Economy, which recently named the travel industry as one of Finland's strategic sectors.

S Group also believes in the growth opportunities of the sector. Despite the uncertain economic times, the Group has made considerable investments in the hotel business.

In 2013, the traditional Lahden Seurahuone hotel was completely renovated. The hotel reopened by the May Day festivities and is now one of the Solo hotels.

The largest investment in a long time was the hotel being constructed in the growing economic area of Tampere, scheduled to open in October 2014. The project has advanced ahead of schedule and gained plenty of positive attention. The 25-storey hotel will be the tallest in Finland, which is why it has been dubbed the "Tower Hotel" in the construction phase. The hotel's official name and brand will be announced in the spring of 2014.

A revamped Sokoshotels.fi

S Group hotels want to be ahead of the competition in developing marketing in the sector. In the hotel business, the Internet is changing the sector's business logic and operating models. Currently, the majority of both information searches and accommodation reservations are done online.

The revamped Sokos Hotels website opened at the beginning of 2014. The website can be conveniently accessed with different terminal devices for hotel reservations. Customers can choose combinations of room types, rate categories and additional services most suitable for their needs.

Growing importance of social media

The digital revolution is a fact in the hotel and restaurant business. According to studies, more than 90 per cent of restaurant customers search for information online ahead of time. Social media is very important. Friends' recommendations are often much more important than traditional sector marketing.

At the beginning of 2014, S Group will launch Raflaamo.fi, a shared web service of the

Group's restaurants. The service will provide the most important information on the restaurants, such as menus, opening hours and locations. Raflaamo will be a one-stop service for making table reservations and finding restaurant details using different search criteria. The service can be accessed with all terminal devices.

Everyday restaurant dining

The economic situation will inevitably affect restaurant operations. A large number of small businesses have disappeared from the sector due to the recession, which has streamlined the restaurant business arena.

S Group also aims to simplify the segment. Currently, the Group has both chain restaurants and individual unique restaurants. A shared management system is being developed for them, aiming to improve intra-Group efficiency and profitability.

New investments are continuously being made and operating ideas are being developed in both the accommodation and restaurant business. Restaurant acquisitions in 2013 were carried out, in particular, by the largest regional co-operative HOK-Elanto: it established or bought a total of 21 restaurants in the Greater Helsinki area.

In order to develop business ideas, S Group closely monitors trends and listens to the wishes of co-op members. The fragmentation of consumer behaviour can be clearly seen in the restaurant business. The culinary choices of consumers are increasingly often a reflection of their values and lifestyles. Therefore, several trends, which may even be complete opposites, can be strong simultaneously.

The greatest change that has taken place in recent years might be the fact that restaurant dining has become an everyday activity in Finland as well. Restaurants targeting private consumers as well as relaxed, no-nonsense outlets have been growing in popularity year after year. This development is welcome in S Group.

- **In S Group, the travel industry and hospitality business is conducted by the regional co-operatives as well as SOK's subsidiaries Sokotel Oy, OOO Sokotel and Sokotel AS.**
- **The Sokos Hotels chain consists of a total of 51 hotels in Finland, Estonia and St. Petersburg. The chain's new hotel types are Original, Solo and Break.**
- **There are a total of seven hotels in the Radisson Blu chain.**
- **S Group has 15 nationwide restaurant chains with 343 restaurants. The total number of restaurants is 600. Including the restaurants of ABC chain the total number of restaurants in S-Group was 760.**
- **S Group is the market leader in the travel industry and hospitality business in Finland.**
- **In 2013, sales in the travel industry and hospitality business amounted to EUR 811 million.**

A changing palette of operations

In 2013, SOK Corporation's revenue decreased by 26.2 per cent. This was due to the divestment completed at the beginning of 2013 in which the majority shareholding in Hankkija-Maatalous Oy was sold to Danish firm DLA.

The new company's first year of operation proceeded favourably. The familiar Agrimarket and Multasormi stores continued their business as usual. Streamlining of operations provided good results.

Among the regional cooperatives, Southern Ostrobothnia Cooperative Society, Kymen Seutu Cooperative Society and Suur-Seutu Cooperative Society still conduct agricultural trade.

Another significant reason for SOK Corporation's declined revenue was the fact that North European Oil Trade Oy, a wholesaler of oil and bio products, is no longer consolidated in SOK Corporation's figures.

Reorganisation in the automotive trade

In 2013, SOK decided to divest its own automotive trade. In July, Veljekset Laakkonen Oy acquired six Automaa dealerships from SOK. This was one of the largest acquisitions in the history of the Finnish automotive trade.

Eleven regional cooperatives continue the automotive trade within S Group. The services include new vehicles, trade-in vehicles, spare parts and accessories sales, service and repair. S Group has representation of 20 vehicle makes, which were sold in 26 outlets.

Health services in Northern Karelia

S Group is investigating opportunities to develop services for co-op members in new lines of business. One of the new endeavours was launched in the Northen Karelia Cooperative Society that has been producing occupational health services for its personnel since the beginning of 2013.

The plan is to have Pohjois-Karjalan Työterveyspalvelut Oy provide occupational health services to co-op members as well. Its services are already used by a group of other companies in the region.

S Group's regional cooperatives also have other regional operations of their own, such as funeral services provided by HOK-Elanto in the Greater Helsinki area.

Competitive advantage from logistics

Inex Partners Oy is in charge of producing the logistics services for the grocery trade and consumer goods trade in S Group in a manner that strengthens competitiveness. The product procurement responsibility was transferred from Inex to SOK in 2012. The change was completed in 2013.

Consumer goods logistics in Sipoo

The new consumer goods logistics centre opened in Sipoo in 2012. Its operations were at full swing in 2013, and SOK disposed of the former logistics centre in Hakkila and other separate inventory locations.

In the future, the delivery capacity can be increased from the current level without considerable additional investments.

Centralised and direct distribution

By contrast, sales in the grocery trade progressed as expected. Approximately two thirds of the products were delivered to stores as part of centralised distribution and approximately one third directly from suppliers to units. The transport of recyclable packaging being returned from stores was considerably transferred to return deliveries of centralised distribution.

A new return terminal with modern baling press systems for the processing of compressible fractions was built in Kilo in Espoo.

Automation assisting people

S Group's newgrocery logistics centre is being built in Bastukärr in Sipoo. Its foundation was laid in September 2013. The project implementation has progressed as planned, and the centre will be commissioned in five stages in 2016–2018. Once the project is completed, Inex will move its grocery logistics from the current Kilo centre in Espoo and other centres in the Greater Helsinki area to Sipoo.

Automation systems play a significant role in the new logistics centre. The goal of automation is increased productivity, improved ergonomics of warehouse tasks and the shorter lead times of goods.

The physical stress of traditional warehouse work, heavy containers, and working in refrigerated areas, as well as shift and weekend work, cause burden on the personnel and also make it more difficult to find new workforce. The new, advanced technology makes it possible to use machines in the heaviest work stages.

The logistics centre will not use actual industrial robots but instead uses various conveyors, automated storage and retrieval machines, pallet unloaders, and automated palletising systems of delivery packages, which are used to process the majority of the goods flow. Products that, due to their properties do not suit automated handling, will continue to be picked manually.

The estimated need for workforce at the new logistics centre is approximately 600 people.

The size of the grocery logistics centre being built is illustrated by its upcoming capacity: it has nearly 100,000 pallet spots, 200 automated storage and retrieval machines, several kilometres of conveyors and more than 40 automated palletising machines. The centre will be able to deliver approximately 1.2 million containers per day.

Competent S Group personnel

The rapid change in the retail operating environment challenges HR work in new ways. Availability of skilled personnel is a key challenge that retail will be facing in the upcoming years. More people will be retiring than will be employed in the service industries.

Increasing the appreciation and appeal of the service industries is important, as is maintaining the competence, commitment, motivation, working ability and job satisfaction of existing employees. In the future, workplaces will be increasingly multicultural, since immigrants will also be needed to fulfil the need for labour.

Requirements concerning professional skills increase rapidly. There are two significant development trends visible in retail: Digitalisation is accelerating, and browsing and purchasing products online is increasing. On the other hand, customers in physical stores expect better service, more in-depth product knowledge and a memorable purchasing environment.

This development requires that in workplaces, both employees and managers have diverse and, in part, also new kinds of skills. Customer encounters highlight skills in sales, interaction and customer service. Managers need to be present and available in the frontline of sales, and they must recognise and allocate competence, as well as master the big picture of producing results.

The Cooperative Society Suur-Savo has been managing competence in a goal-oriented manner since 2009. This has provided many practical benefits. Personnel are more motivated to develop their competence, it has been easier for supervisors and HR specialists to identify gaps in competence and development needs, and the quality and content of unit meetings have improved.

The preferred employer in the service industry

S Group wants to be the preferred employer in the service business, with competent personnel who are motivated to reach the company's objectives and to succeed. Successful steps to meet this objective have already been taken: S Group has been the preferred employee in the service business for many years, and job satisfaction among employees is constantly at a good level.

The most important development projects in S Group's HR work in 2013 included effective working hour guidance and renewing shift planning, competence development and management, development of supervisory work, sales management and performance-based rewards, as well as the development of working ability management.

Targeted competence

S Group's goal is a more centralised work shift planning in the future. Shifts will be planned for larger entities, such as several units, at a time. This will make it easier to align service and competence properly and provide more hours for own personnel. Personnel are encouraged to

develop themselves and diversify their competence, as well as to be mobile between different units and even different lines of business.

The new kind of shift planning requires that personnel competence is recognised and, if needed, developed. Team-specific competence discussions and development discussions assessing personal competence are routinely conducted in S Group.

The Jollas Institute is the driver of competence development in S Group. In addition to providing training and coaching, it is also increasingly a partner in developing S Group's business operations.

Personnel well-being and good working capacity

S Group is proud of its good supervisory work. A supervisor is key in creating a good working atmosphere, as well as monitoring performance and the unit's results.

Personnel working ability and any changes therein are also actively monitored, and any issues are addressed as early as possible. Information flow between units, HR functions and occupational health services is developed. Good job satisfaction and personnel wellbeing manifest as good service and improved customer satisfaction.

S Group has developed performance-based reward models in recent years in order to support sales management. Personnel receive team-specific or individual rewards for top performance in a cycle shorter than that in the performance-based compensation. The majority of employees are covered by the regular annual performance-based compensation.

A new employer image

S Group renewed its employer image last year. The main idea in the new image is the slogan "This is why I work here", which is a heading under which S Group employees can describe what they like about their jobs. Recruitment will also focus increasingly on social media in the future.

S Group wants to show the way in implementing the higher retirement ages in working life. Work careers will be extended, which is why the retirement age in all new manager contracts is 63 instead of the current 60 years.

A difficult year for retail

The year 2013 was difficult for retail. For the first time in a long time, the line of business experienced a record number of bankruptcies and its total workforce decreased considerably. Considering the circumstances, S Group did well. The cooperatives did not need to resort to considerable terminations and temporary layoffs, but operations were adjusted using different means.

The number of employees in S Group's international operations increased clearly in functions where sales developed well and the strong investment rate continued.

Streamlining of SOK's service operations began in Finland. The aim is to achieve cost savings of EUR 50 million by the end of 2015. According to the decisions made after the statutory labour negotiations, the maximum personnel reduction need at SOK will be 240 persons by the end of 2014.

- **Almost 42,000 employees worked in S Group.**
- **Of them, SOK Corporation employed 9 353 persons, with 4 043 working abroad.**
- **Women accounted for 73% and men 27% of personnel.**
- **The average age of personnel was 35 years.**

Closer interaction with customers

The number of co-op members in S Group continued to grow in 2013, with more than 92,000 new members joining cooperatives (net increase 53 798 members). At the end of the year, the number of co-op members was 2,109,025; in other words, four of every five Finnish households were members of a co-operative.

Key figures illustrating the use of services by co-op members were at an excellent level in 2013. S Group will be paying special attention to customer encounters, service, understanding differences between customers, and interaction with them.

The goal is to have as many co-op members as possible use S Group's services regularly and extensively.

Co-op membership is recommended

The S-Etukortti card is the key to the benefits S Group produces for its members. Studies indicate that co-op membership is also the most recommended and valued customer relationship programme in Finland. Several studies have shown that the S-Etukortti card provides its holders the best advantages and benefits.

The Bonus, which provides rewards for the use of the co-operative's services, is one of the most significant benefits offered to co-op members. In 2013, a total of EUR 379 million was paid in Bonuses. Last year, co-op members received EUR six million in payment-method benefits for their purchases, EUR 13 million in interest on the membership fee, and EUR 25 million in surplus return. In total, co-op members received EUR 423 million in rewards, or an average of EUR 212 per co-op member household.

More than one million customer encounters

S Group is close to Finnish consumers. Every day, more than one million customer encounters take place in outlets and online and mobile services. These encounters are opportunities for S Group to listen to and talk with co-op members.

Co-op members have the opportunity to interact with S Group through its numerous own channels. In addition to the outlets and the personnel working there, the channels include the S-kanava website, Yhteishyvä magazine, Yhteishyvä.fi web service, customer panels and numerous communities in the social media.

The digital revolution makes it possible to build service business on top of the business based on products. This is also what S Group is aiming to accomplish, developing digital services which make shopping at the physical units easier. This is part of modern marketing which aims to be fast, up to the minute, concrete and, ultimately, to make the customer's life easier.

Focus on own media

S Group is increasingly focusing on its own communication channels, which emphasize increased interactivity. When the content and services in the channels interest co-op members, traditional marketing can be reduced, since

it is often not cost effective and its impact is difficult to measure.

The S-kanava customer website was updated at the beginning of 2013. It now offers news content changing daily, blogs and discussion topics, among other things. The content is targeted locally. Any terminal device can be used to access the site. The popular website has more than a million individual visitors every week.

The traditional, 110-year-old Yhteishyvä member magazine is doing well and print versions will be published ten times in 2014. Yhteishyvä has also increased its online presence. The Yhteishyvä Live service offers articles published in the printed version as well as new content, such as videos related to the articles.

S Group and LocalTapiola have agreed on co-operation which develops competitive services for the customers of both groups. One concrete advantage is the bonus co-operation, which will begin in June 2014. As of that point, co-op members will receive Bonus from LocalTapiola insurance products.

Co-op membership is part of cooperative activities

The discussion around customer loyalty programmes and their impact on competition is currently lively. As a rule, S Group wants to emphasise that co-op membership, S Group's customer relationship programme, is not a customer loyalty programme but an operating model that dates back more than a hundred years and is closely tied to the cooperative form of business.

Co-operatives and their services are there for the members. Co-operatives have succeeded well in their task when members use their services extensively.

According to studies, consumers' interest in various customer relationship programmes is still strong. Consumers find S Group's customer relationship programme easy, clear and transparent.

Services for corporate customers

S Group also makes its wide spectrum of services available to corporate customers. Last year, the S-Business card was also accepted as a payment method at all of S Group's hotels and restaurants in Finland. Now the card is honoured in more than 1,600 S Group outlets.

Big decisions at S-Bank

In 2013, S-Bank Ltd. made its biggest decisions since it was established in 2007. At the beginning of August, S-Bank acquired a majority shareholding in the investment service company FIM Corporation and thus expanded its product portfolio to include funds and asset management.

The decision to merge with LocalTapiola Bank to form the new S-Bank was finalised in November. The new bank will begin its operations in May 2014. For S-Bank customers, the merger provides a broader product range including secured credit, such as mortgages.

Solid basic banking

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. More than 1.3 million customers had acquired S-Bank's electronic banking IDs.

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. This showed an increase of around EUR 60 million from the turn of the year.

The recognition of S-Bank's affordable and reliable credit products has improved and their demand has increased. Lending to private customers increased by more than EUR 141 million from the turn of the year and amounted to almost EUR 394 million at the end of the year. Corporate customers' credit included, the outstanding credit totalled EUR 589 million at the end of the year. 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.

- **S-Bank, an S Group company, is a Finnish in-store bank with more than 2.6 million customers.**
- **S-Bank offers its customers services relating to daily banking, savings and financing of purchases. The funds and asset management services offered by S-Bank are produced by its subsidiary FIM.**
- **S-Bank serves customers in more than 700 S Group outlets throughout Finland, and also offers online bank and telephone banking services. S-Bank services are primarily aimed at S-Etukortti card users.**
- **S-Bank was awarded the Key Flag logo in recognition of the company's Finnish origins.**

The S-mobiili application combines a fully fledged mobile bank and a retail customer relationship. It helps co-op members use their smartphones to conveniently monitor the development of their bonus purchases, use the key banking services and receive information on current benefits in the S Group chains and on co-operatives' outlets.

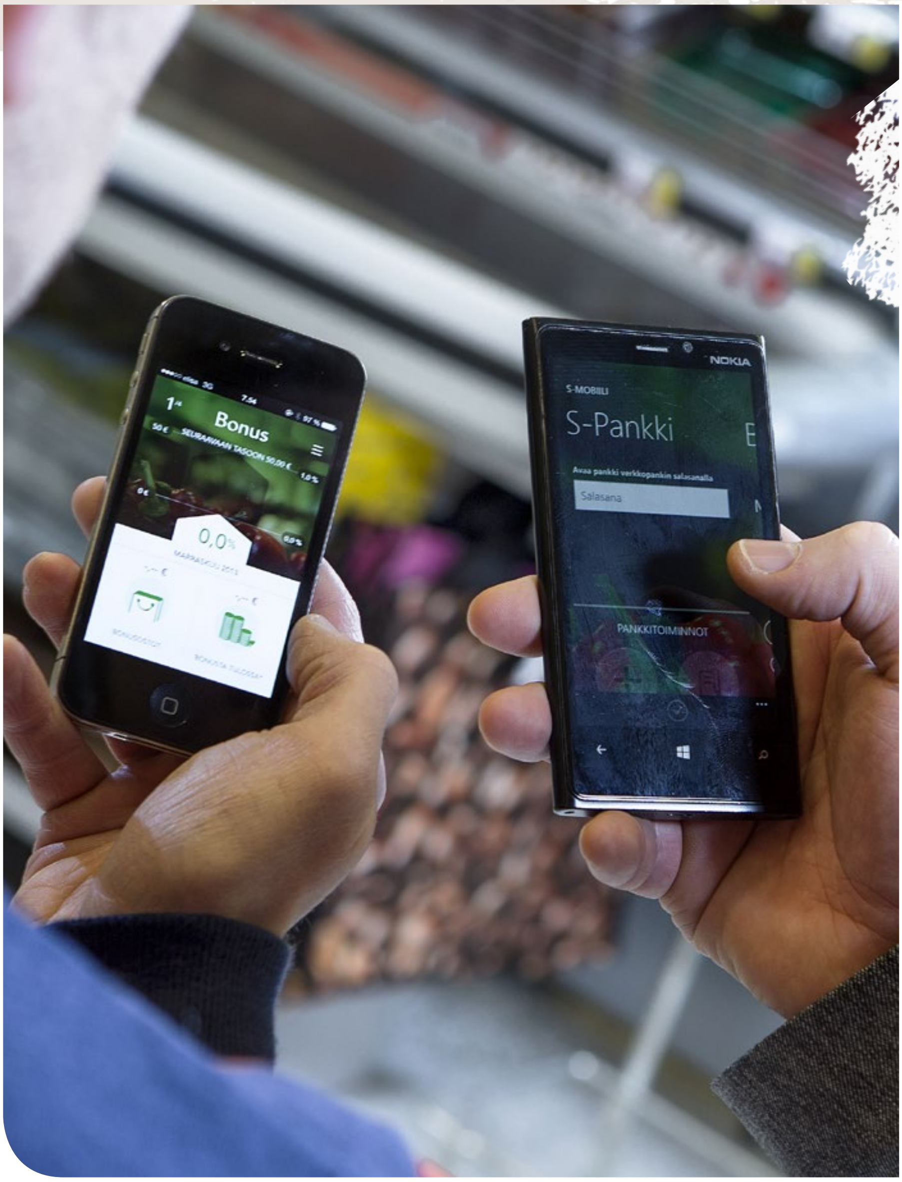
Funds in the service portfolio

Consumers welcomed the new fund products launched at the end of November: the S-Säästö-rahastot savings funds Varovainen (careful), Kohtuullinen (moderate) and Rohkea (daring). By mid-February 2014, nearly 30,000 S-Bank customers had entered into agreements on fund savings. The assets managed by FIM totalled EUR 2,112 million at the end of 2013.

S Group launched its new S-mobiili smartphone application at the end of the year. It has become even more popular than anticipated. The usability of the S-mobiili application, which was developed together with customers, has been extensively praised.

Good financial performance

S-Bank's financial performance was excellent in 2013. S-Bank Group's operating profit amounted to EUR 27.9 million. S-Bank Group's equity ratio was 18.2 per cent.



What is S Group?

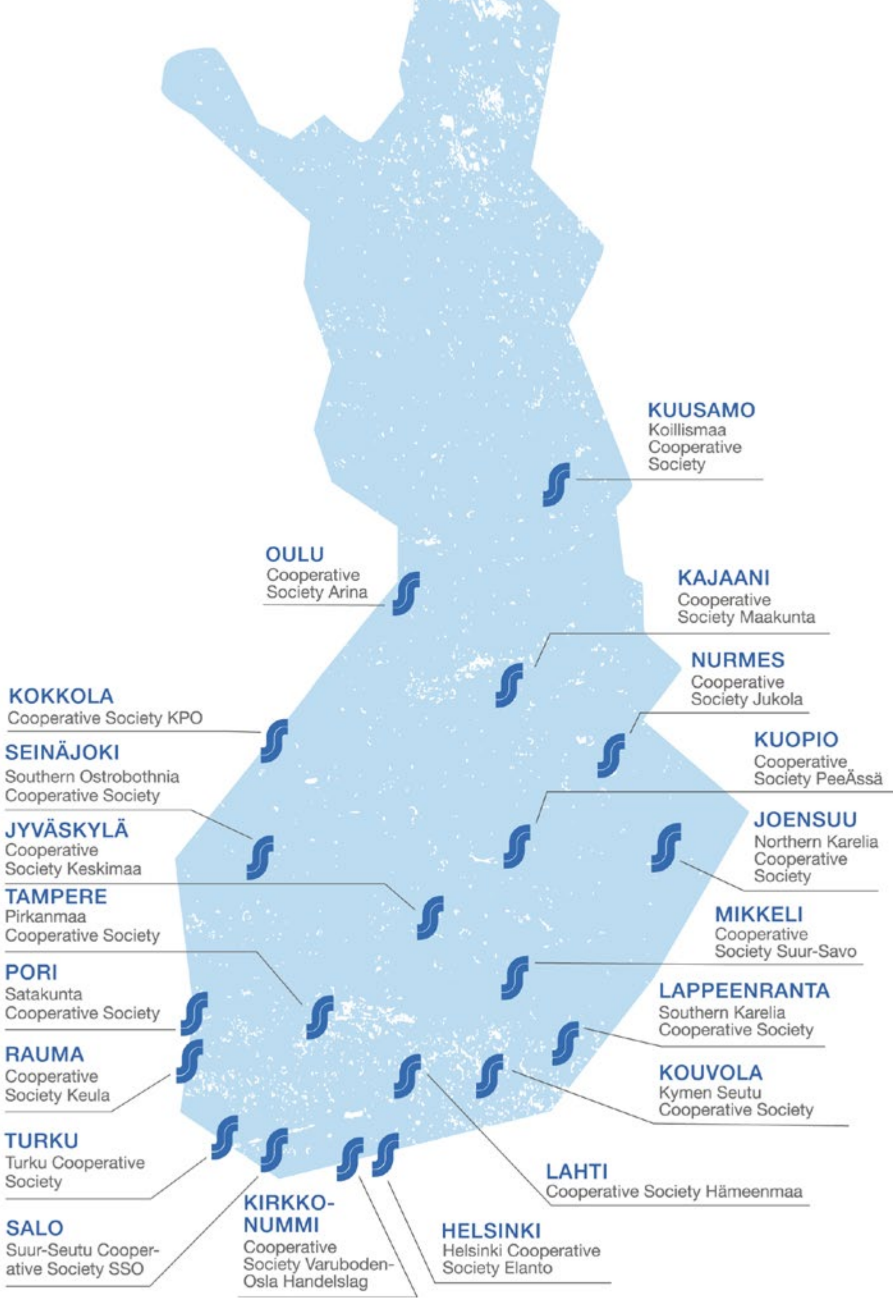
S Group is a renowned Finnish cooperative retail company group. It consists of the SOK Corporation with its subsidiaries and 20 regional and eight local cooperatives. Co-op members, who are both customers and owners, own the cooperatives, which in turn own the SOK central firm. At the end of the year 2013 the number of co-op members was 2,109,025.

The purpose of S Group's business is to provide the co-op members with competitive services and benefits. The group wants to offer diverse services and an extensive outlet network for co-op members everywhere in Finland. All operations are based on satisfying customers' need for services and making their everyday life easier through useful services and benefits.

The following values form the backbone of our business:

- We exist for the customer
- We take responsibility for people and the environment
- We constantly renew our operations
- We operate profitably

S Group's regional cooperatives
31 December 2013



S Group's key figures in 2013

	EUR million
S Group's retail sales	11.353
S Group's retail sales in the Baltic countries and Russia	569
S Group's retail sales in Finland	10.784
Cooperatives' retail sales	10.462
S Group's Bonus sales	9.541
Bonus paid out to co-op members	379
S Group's investments	566
S Group's result	226
Co-op members	2 109 025
Personnel	41 784

S Group's business

- S Group produces services for the grocery and consumer goods trade, the service station and fuel trade, the travel industry and hospitality business, the automotive and accessories trade and the agricultural trade. In addition, S-Bank offers banking services.
- S Group's business is organised as nation-wide chains. Joint service operations are produced centrally by SOK. S Group's efficient business model is built on chain business combined with regional cooperatives' good knowledge of local markets and customers.
- In addition to the home market, S Group engages in international business (supermarket trade and travel industry and hospitality business) in Russia and the Baltic countries. S Group has three Sokos hotels in St Petersburg and one in Tallinn. There are nine Prismas in Estonia, 17 in Russia, five in Latvia and three in Lithuania.
- At the end of 2013, S Group had 1,646 outlets.
- S Group employed 41,784 service sector professionals at the end of 2013.

The S Group's retail sales by business area 2013 (VAT 0%)

	EUR million
Prisma hypermarkets*	3 377.03
S Markets	3 251.54
Sale stores	578.72
Alepa stores	345.71
Kodin Terra stores	157.99
S-Rauta	82.84
Other supermarket trade	13.27
Supermarket trade*	**7 807.09**
ABC service station stores	865.15
ABC unmanned stations	735.90
ABC fuel oil service	45.96
ABC-Deli convenience stores	103.35
ABC-GrilliMarket	9.78
Other service station stores	52.08
Other unmanned stations	4.88
Other service station stores and fuel sales	0.13
Service station stores and fuel sales	**1 817.23**
Sokos department stores	273.42
Emotion speciality stores	33.30
Pukumies fashion stores	25.05
Other consumer goods	6.69
Department stores and speciality stores	**338.47**
Travel industry*	275.40
Hospitality business*	535.41
Travel industry and hospitality, total*	**810.81**
Automaa	121.25
Other car dealerships	284.74
Automotive trade and accessories	**405.99**
Agrimarkets	83.91
Hardware trade	11.25
Grain trade	56.48
Other agribusiness	10.16
Agricultural and hardware trade	**161.80**
Others	**11.68**
S Group retail sales total*	**11 353.17**

* including retail sales in neighbouring countries

S Group Retail Outlets as of 31 December 2013

	Number*	Number**
Prisma hypermarkets***	100	
S Markets	437	
Sale stores	275	
Alepa stores	87	
Supermarket outlets	*899*	
Kodin Terra stores***	12	
S-Rauta stores	15	
Other outlets	12	
Supermarket trade	**938**	
ABC service station stores	106	106
ABC unmanned stations	99	309
ABC-Deli convenience stores	16	16
ABC-GrilliMarket	2	2
Other service station stores	11	1
Other unmanned stations	0	3
Service station stores and fuel trade	**234**	**437**
Sokos department stores***	22	
Emotion speciality stores	35	
Pukumies fashion stores	10	
Other speciality stores***	11	
Department stores and speciality stores	**78**	
Sokos Hotels	52	
Radisson SAS Hotels	7	
Other hotels	4	
Travel industry outlets	*63*	
Hospitality outlets	*267*	*760*
Travel industry and hospitality	**330**	
Car dealership	37	
Agrimarkets	14	
Machine Centres	0	
Other hardware and agribusiness outlets	1	
Hardware and agribusiness outlets	**15**	
Other outlets	**14**	
S GROUP TOTAL	**1 646**	

* The number of outlets does not include restaurants, stores or stations connected to other outlets.

** The number of outlets includes restaurants, stores or stations connected to other outlets.

*** The number of outlets includes also the webstores.

S Group Key Figures 2009–2013

EUR Million	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010	IFRS 2009
SOK Corporation					
Revenue	8 539	10 634	11 280	9 258	8 532
Depreciation and impairment losses	66	63	72	65	72
Operating profit	-8	-7	19	49	63
Financial income and expenses (+/-)	7	1	0	7	-26
Profit before taxes	-15	-9	20	41	37
Profit for the financial year	5	-23	12	34	37
Total assets	1 641	2 055	2 178	2 068	2 015
Non-current assets	699	697	689	702	684
Inventories	190	221	462	346	346
Current assets	942	1 036	1 026	1 020	966
Assets held for sale	7	322			19
Equity attributable to equity holders of the parent, total	594	591	569	567	536
Minority interest	1	2	5	20	20
Provisions	26	9	8	12	16
Liabilities	1 046	1 189	1 604	1 481	1 439
Liabilities associated with assets held for sale	4	273			21
Interest-bearing liabilities	162	425	362	323	395
Cash and cash equivalents and short-term investments	158	178	166	268	241
Net interest-bearing liabilities	4	247	196	54	154
Personnel at 31.12.	9 353	10 630	9 934	9 708	8 889

EUR Million	FAS 2013	FAS 2012	FAS 2011	FAS 2010	FAS 2009
SOK					
Sales (excl. VAT)	7 496	7 384	7 048	6 557	6 162
Sales to cooperative societies	7 114	6 974	6 674	6 202	5 797
Operating profit before extraordinary items, appropriations and taxes	48	4	49	22	59
Profit/loss for the financial year	48	-8	39	8	45
Personnel at 31.12.	1 517	1 755	1 280	1 196	863
Cooperative societies + subsidiaries					
Sales (excl. VAT)	10 462	10 373	9 854	9 092	
Sales (incl. VAT)	-	-	-	-	8 840
Number of societies	28	29	29	31	36
Memberships of societies	2 109 025	2 055 227	1 993 779	1 933 587	1 707 274
Personnel at 31.12.	32 093	32 787	32 208	30 240	27 010
S Group					
Retail sales (excl. VAT)	11 353	12 037	11 461	10 465	
Retail sales (incl. VAT)	-	-	-	-	10 544
Outlets	1 646	1 697	1 668	1 636	1 526
Personnel at 31.12.	41 784	43 417	42 142	39 948	35 899

Calculation of key ratios

Net interest-bearing liabilities = Interest-bearing creditors - cash and cash equivalents and short-term investments

SOK Corporation's Corporate Governance and Management System

Applicable Rules

SOK is a Finnish cooperative whose decision-making and administration are subject to the provisions of the Cooperatives Act, other regulations concerning the operations of the business areas and SOK's Statutes. The new Cooperatives Act became effective on 1 January 2014. Whether there is a need to amend the Statutes will be assessed during the transition period of the Act. The operations of the subsidiaries are regulated by, among others, the Limited Liability Companies Act, and SOK Corporation's operations are governed by the operating principles, operating policies and investment and approval guidelines confirmed by SOK's Executive Board as well as the rules of procedure confirmed for different bodies.

The Securities Market Association approved a Corporate Governance Code for listed companies (available at http://cgfinland.fi/) in June 2010. According to the Central Chamber of Commerce, other nationally significant institutions should also adhere to the Code to the extent possible considering their special characteristics. SOK adheres to the Corporate Governance Code for listed companies to the extent that it is a cooperative form of business and that it is relevant considering its special characteristics.

Cooperative Meeting

The Cooperative Meeting is SOK's highest decision-making body. Each cooperative enterprise is eligible to send a maximum of five representatives to the Cooperative Meeting, all of whom have the right to address the meeting, but only one of whom has the right to vote on behalf of the cooperative enterprise. Exercising the members' ownership rights is based on the Cooperative's Statutes.

The task of the Annual Cooperative Meeting is to attend to the matters defined in the Statutes, such as adoption of the financial statements, disposal of profit/loss, granting of release from liability, and the election and remuneration of the Supervisory Board and the auditors. An Extraordinary Cooperative Meeting can be convened when necessary.

Supervisory Board

The Cooperatives Act does not require the setting up of a Supervisory Board, but a Supervisory Board has been set out in SOK's Statutes as part of SOK Corporation's administrative model. The role of the Supervisory Board is to represent the extensive grass-roots membership and to act as a forum on which the Cooperative's joint position on major strategic issues is defined. Its duty is to determine overall policies and to safeguard the members' interests. The Supervisory Board confirms all the main strategic policies of S Group and SOK Corporation based on a proposal from the Executive Board. Matters concerning the actual operational management are handled by the Cooperative's Executive Board and line management.

The Supervisory Board oversees that the administration of the cooperative society and SOK Corporation complies with the law, the Statutes, and the decisions of the Cooperative Meeting and the Supervisory Board, and that such administration is in the cooperative society's best interests. The Supervisory Board approves and, if necessary, expels members of the cooperative society and appoints and dismisses the Chief Executive Officer and other members of the Executive Board, and also decides on the remuneration of Executive Board members other than those who are employed by the cooperative society.

Furthermore, the Supervisory Board decides on the principles of cooperation for S Group's operations and long-term plans.

The Supervisory Board has confirmed rules of procedure.

The chairman of the Supervisory Board and the two vice chairmen comprise the Committee of Presiding Officers, which assists the Supervisory Board in carrying out its duties. The Chief Executive Officer attends the meetings of the Committee of Presiding Officers. In addition, the Committee of Presiding Officers takes decisions on, among other things, the CEO's salary and other compensation.

The members of the Committee of Presiding Officers

Chairman, Dean, D. Th. Matti Pikkarainen (born 1953)

1st vice-chairperson, talousneuvos [Finnish honorary title], business college graduate Maija-Liisa Lindqvist (born 1951)

2nd vice-chairman, kauppaneuvos [Finnish honorary title], BA (Hospitality Management), MBA Kimmo Simberg (born 1959)

The Supervisory Board has established four permanent committees: the Nomination Committee, Compensation Committee, Audit Committee, and Cooperative Committee, which all have their own rules of procedure.

The Cooperative Meeting elects the members of the Supervisory Board on the basis of candidates put forward by the cooperative enterprises. The Supervisory Board has 12–25 members. A person elected to the Supervisory Board must be a Finnish citizen, a member of a cooperative enterprise and under 65 years of age. The Cooperative Meeting decides on the remuneration of the chairman, vice-chairmen, and members of the Supervisory Board as well as of the auditors.

The Supervisory Board had 20 members and two personnel representatives in 2013. The Supervisory Board convened seven times.

The special compensation for the chairman of the Supervisory Board in 2013 was EUR 4,000 per month, and the vice chairmen were paid a compensation of EUR 1,500 per month. The meeting compensation for the chairmen and members of the Supervisory Board in 2013 was EUR 460 for each meeting and per day spent carrying out a specific assignment.

Executive Board

Election and Composition of the Executive Board

Under SOK's Statutes, the Executive Board is composed of the Cooperative's CEO, acting as chairman, and of a minimum of three and a maximum of eight other members. The Supervisory Board elects the members of the Executive Board for a term of one year on the basis of the Nomination Committee's proposal. According to the rules, a person elected to the Supervisory Board must be a Finnish citizen and under 65 years of age. The objective is to ensure sufficient rotation, but, on the other hand, continuity is considered important.

In 2013, SOK's Executive Board had seven members, six of whom were managing directors of cooperative enterprises. SOK's Chief Executive Officer is the chairman of the Executive Board. Kuisma Niemelä was the chairman until 19 September 2013. As the Executive Board's vice chairman, Harri Koponen also attended to the tasks of the chairman for the period of 17 September–9 December 2013. For the remainder of 2013, the duties of the chairman of the Executive Board were attended to by managing director Matti Niemi.

On 19 December 2013, SOK's Supervisory Board elected the following members to the Executive Board for 2014:

Chairman Taavi Heikkilä (born 1962), CEO, M.Sc. (Econ.)

Heikki Hämäläinen (born 1966), managing director, M.Sc. (B.A.)

Esko Jääskeläinen (born 1956), managing director, M. Sc. (Econ.)

Tapio Kankaanpää (born 1962), managing director, M.Sc. (B.A.)

Timo Mäki-Ullakko (born 1963), managing director, M.Sc. (B.A.)

Vice-Chairman Matti Niemi (born 1955), managing director, M.Sc. (B.A.)

Jouko Vehmas (s. 1956), managing director, M.Sc. (Econ.)

Duties of the Executive Board

The Executive Board represents the cooperative society and attends to its administration and the due arrangement of its operations within the framework of SOK Corporation and in compliance with the applicable legislation and rules. The duty of the Executive Board is to prepare strategic decisions for presentation to the Supervisory Board as well as to decide on the operating plans of both SOK and its subsidiaries.

In addition, the Executive Board, upon a proposal from the CEO, decides on setting up SOK's Corporate Management Team and on appointing its members and their compensation. The Executive Board appoints a Nomination Working Group, which prepares a proposal on the composition of the Boards of Directors and Business Area Boards of SOK's subsidiaries for decision by the Executive Board. Rules of procedure have been confirmed for the Executive Board.

SOK's Executive Board has not established the committees mentioned in the Corporate Governance Code for listed companies because they have been established by the Supervisory Board.

Meetings of the Executive Board

The Executive Board convenes as required and upon the chairman's invitation, and forms a quorum when more than half of the members are present. The Executive Board regularly evaluates its work and procedures by carrying out a self-assessment once a year.

The Executive Board convened 15 times during 2013, and the members' attendance rate was 91 per cent. The members of the Executive Board were paid a total of EUR 121,600 in remuneration in 2013. The CEO does not receive separate remuneration for his work in the Executive Board. The chairmen of the Supervisory Board are also entitled to attend the meetings of the Executive Board.

CEO

Contrary to the recommendation of the Corporate Governance Code for listed companies, the Chief Executive Officer employed by the cooperative society is the chairman of SOK's Executive Board. Because the CEO is the chairman of the Executive Board, the Supervisory Board appoints the CEO. The duty of the CEO is to manage the operations of the Executive Board and the cooperative society in accordance with legislation, SOK's Statutes, and the decisions of the governing bodies.

CEO Kuisma Niemelä was chairman of SOK's Executive Board and CEO, as referred to in the Cooperatives Act, until 16 September 2013. In 2013, SOK's CEO was paid salaries, including fringe benefits, in the total amount of EUR 564,425.54. Bonuses and incentives accounted for EUR 65,333.30 of this amount. SOK's CEO had a corporate residence as a fringe benefit, and its taxation value is included in the aforementioned remuneration amount.

Deputy CEO Antti Sippola served as acting chairman between 17 September and 31 December 2013. SOK's Supervisory Board elected Taavi Heikkilä, M.Sc. (B.A.) and managing director of the Osuuskauppa Hämeenmaa cooperative, as SOK's new CEO and the chairman of the Executive Board as of 1 January 2014.

SOK's Corporate Management Team

The duties of SOK's Corporate Management Team include assisting the CEO in the management of SOK Corporation and S Group. The Corporate Management Team coordinates and prepares, among other things, the central proposals made to the Executive Board. Such proposals include business strategies, target levels, operating plans and budgets, as well as major investment projects and disposals of S Group and SOK Corporation. In addition, the Corporate Management Team discusses operational matters concerning all of SOK Corporation's areas of responsibility. The retirement age of the members of SOK's Corporate Management Team is 60–62 years, determined in accordance with personal executive contracts.

At the end of the year, the Corporate Management Team had six members, and it convened 21 times in 2013. In 2013, the Corporate Management Teamwas paid a total of EUR 2,465,937.13 in salaries and bonuses. This amount also includes fringe benefits.

Subsidiaries

Primarily, the chairman of the Board of Directors of a subsidiary is a member of the Corporate Management Team, employed by SOK and responsible for the line of business in question. The CEO was the chairman of SOK Liiketoiminta Oy's Board of Directors. SOK's Executive Board nominates the members of the subsidiaries' Boards of Directors for the subsidiaries' Annual General Meetings to decide on. The members of the Boards of Directors of subsidiaries are primarily elected from amongst S Group's employees.

The subsidiary's Board elects the company's managing director, but the election is subject to approval by SOK's Executive Board. The Managing Directors of subsidiaries do not, as a rule, have seats on the Board of Directors of the company in question. The operations of subsidiaries are guided by the Corporation-wide principles and operating policies decided by SOK's Executive Board.

Chain Management

The chain management organisations manage and co-ordinate the different business and service operations under the supervision of SOK's Executive Board. Each chain management organisation is made up of a Business Area Board, a chain management unit, and steering groups assisting them. The chain management organisation is the main organisation for cooperation between SOK's member cooperative enterprises and SOK Corporation. A review is under way regarding a reform of the decision-making system, and possible changes based on it will be determined in the spring of 2014.

The chain management organisation is responsible for steering, developing, and supervising chain operations in its own area. It operates in co-operation with the cooperative enterprises and various expert organisations. The Business Area Board, within the scope of its authority, takes the main decisions concerning its own area of responsibility and chains.

The Business Area Boards comprise of the managing directors of cooperative enterprises and Corporate Management Team members who are employed by SOK. SOK's Executive Board decides on the composition of the Business Area Boards. A review is under way regarding the role of the Business Area Boards, and possible changes to be implemented based on it will be determined in the spring of 2014.

Management Bonus Scheme

SOK Corporation's entire personnel in Finland are covered by a bonus scheme. SOK's Executive Board decides on the bonus scheme for the management (the Corporate Management Team), and the Supervisory Board's Committee of Presiding Officers decides on the bonus scheme for the CEO. The bonus scheme for the senior management is based on both short-term and long-term objectives. The maximum level of the Corporate Management Team's short and long-term bonuses corresponds, at a maximum, to threemonths' monthly salary at an annual level.

The Supervisory Board has set up a permanent Compensation Committee whose task is to assess and develop the compensation systems and principles for S Group's top management and to issue recommendations on compensation to be submitted to SOK's decision-making governing bodies.

Audit

The Annual Cooperative Meeting elects an auditor to audit the financial statements and consolidated financial statements as well as the accounting records and administration of the cooperative society. The auditor must have the legally required qualifications.

The Annual Cooperative Meeting elected KPMG Oy Ab, Authorised Public Accountants, as SOK's auditor for 2013, with Raija-Leena Hankonen, APA, as the principal auditor.

In 2013, the auditing fees paid by the SOK Corporation companies in Finland, the Baltic countries, and Russia amounted to EUR 644,208, and other fees amounted to EUR 69,777.

Internal Control, Internal Audit, and Risk Management

SOK's Executive Board is responsible for duly organising the cooperative's operations and management and for the legality and reliability of the accounting records, financial management, and routine management. In addition, the Chief Executive Officer, SOK's unit directors, and the Boards of Directors of the subsidiaries and their managing directors carry out the management and control of business activities in day-to-day operations within their own areas of responsibility. In February 2012, SOK's Executive Board approved the operating policy for SOK Corporation's internal control.

The Corporation's internal audit is carried out by the internal control functions of SOK and its subsidiaries. SOK's Executive Board reviews the annual plan for SOK's internal audit every year. The internal audit function regularly reports on the findings of the internal audit to the CEO, Executive Board, and the Supervisory Board's Audit Committee.

SOK's Executive Board has confirmed a risk management policy for identifying and analysing risks across the Corporation and for defining and determining risk management measures as part of operational planning. The key risks in the Corporation's operations and strategic objectives are identified on the basis of the analyses. The management of SOK Corporation's subsidiaries and units reviews and approves each unit's major risks and the defined risk management measures and is responsible for implementing risk management measures.

Precautions have been taken for property, loss-of-profits, and liability damage risks of operations through measures such as contingency plans and insurance. SOK Corporation's risk management expert organisation directs and develops risk management in S Group and provides support for risk management. SOK's internal audit function assesses the sufficiency and functioning of the risk management processes.

Financial Reporting

SOK Corporation publishes its financial statements in February and its interim report for six months in August. Furthermore, reports on the development of S Group's retail sales are published quarterly. SOK Corporation's Annual Report is published at the Annual Cooperative Meeting in April.

Communications

Up-to-date information and other communications concerning the SOK Corporation and S Group are available on the Group's website at www.s-kanava.fi. The SOK MEDIA / Communication and Community Relations service area is responsible for producing and updating the information.

SOK Supervisory Board 2013

Matti Pikkarainen (born 1953)

Oulu
D.Th.
dean, Oulu Evangelical Lutheran Federation of Parishes
chairperson 2013–
chairperson of the Supervisory Board of the Osuuskauppa Arina cooperative
member of the Supervisory Board 2004–
outgoing in 2016

Maija-Liisa Lindqvist (born 1951)

Lahti
talousneuvos [Finnish honorary title]
training coordinator
first vice chairperson 2013–
chairperson of the Supervisory Board of the Osuuskauppa Hämeenmaa cooperative member of the Supervisory Board 1997–
outgoing in 2014

Kimmo Simberg (born 1959)

Seinäjoki
BA (Hospitality Management), MBA
second vice chairman 2011–
managing director of the Etelä-Pohjanmaan Osuuskauppa cooperative
member of the Supervisory Board 2004–2005, 2011–
outgoing in 2016

Jorma Bergholm (born 1954)

Helsinki
managing director
Helsingin Työväenyhdistys ry
chairman of the Supervisory Board of the Helsingin Osuuskauppa Elanto cooperative
member of the Supervisory Board 2005–
outgoing in 2014

Timo Hollmén (f. 1950)

Kaarina
agrologist
chairman of the Supervisory Board of the Turun Osuuskauppa cooperative
member of the Supervisory Board 2013–
outgoing in 2016

Heikki Hämäläinen (born 1966)

Mikkeli
M.Sc. (B.A.)
managing director of the Osuuskauppa Suur-Savo cooperative
member of the Supervisory Board 2007–
outgoing in 2015

Pentti Hämäläinen (born 1954)

Hamina
lawyer
chairman of the Supervisory Board of the Kymen Seudun Osuuskauppa cooperative
member of the Supervisory Board 2008–
outgoing in 2015

Esa Karppinen (born 1949)

Melalahti
insurance agent
chairperson of the Osuuskauppa Maakunta cooperative
member of the Supervisory Board 2011–2012, 2013–
outgoing in 2015

Jukka Kihlman (born 1954)

Kuusamo
eMBA
managing director of the Koillismaan Osuuskauppa cooperative
member of the Supervisory Board 2009–
outgoing in 2015

Kimmo Koivisto (born 1956)

Salo
farmer
chairman of the Supervisory Board of the Suur-Seudun Osuuskauppa SSO cooperative
member of the Supervisory Board 2003–2004, 2007–
outgoing in 2016

Hannu Krook (born 1965)

Nurmijärvi
M.Sc. (B.A.)
managing director of the Osuuskauppa Varuboden-Osla Hlg cooperative
member of the Supervisory Board 2013–
outgoing in 2016

Mika Marttila (born 1970)

Rauma
M.Sc. (B.A.)
managing director of the Osuuskauppa Keula cooperative
member of the Supervisory Board 2011–
outgoing in 2014

Otto Mikkonen (born 1949)

Joensuu
teollisuusneuvos [Finnish honorary title]
M.Sc. (Techn.)
chairman of the Supervisory Board of the Pohjois-Karjalan Osuuskauppa cooperative
member of the Supervisory Board 2001–
outgoing in 2016

Antti Määttä (born 1966)

Jyväskylä
M.Sc. (B.A.)
managing director of the Osuuskauppa Keskimaa cooperative
member of the Supervisory Board 2013–
outgoing in 2016

Ilkka Ojala (born 1949)

Tampere
M.Sc. (Eng.), M.Sc. (Admin.)
managing director, City of Tampere Tilakeskus department
Chairman of the Supervisory Board of the Pirkanmaan Osuuskauppa cooperative
member of the Supervisory Board 2011–
outgoing in 2014

Jouko Pihlajamaa (born 1948)

Pietarsaari
M.Sc. (Eng.)
chairman of the Board of Directors, Oy Elkamo Ab
chairman of the Supervisory Board of the Osuuskauppa KPO cooperative
member of the Supervisory Board 2009–
outgoing in 2014

Timo Santavuo (born 1960)

Pori
lawyer, LL.M. with court training
chairman of the Supervisory Board of the Satakunnan Osuuskauppa cooperative
member of the Supervisory Board 2000–
outgoing in 2015

Timo Sonninen (born 1948)

Iisalmi
talousneuvos [Finnish honorary title]
entrepreneur
chairman of the Supervisory Board of the Osuuskauppa PeeÄssä cooperative
member of the Supervisory Board 1985–
outgoing in 2014

Matti Timonen (born 1956)

Nurmes
farmer
chairman of the Supervisory Board of the Jukolan Osuuskauppa cooperative
member of the Supervisory Board 2011–
outgoing in 2014

Olli Vormisto (born 1967)

Lappeenranta
M.Sc. (B.A.)
managing director of the Etelä-Karjalan Osuuskauppa cooperative
member of the Supervisory Board 2012–
outgoing in 2015

Personnel representatives

Ulla Kivilaakso (born 1970)

Helsinki
business college graduate, diploma in marketing and communications management (MJD)
customer relationship manager SOK Travel industry chain management
member of the Supervisory Board 2011–
outgoing in 2014

Iiris Merimaa (born 1962)

Helsinki
receptionist
SOK Administrative services and risk management
member of the Supervisory Board 2009–
outgoing in 2014

SOK Executive Board 2014

1 Heikki Hämäläinen

(born 1966) M.Sc. (B.A.), managing director Osuuskauppa Suur-Savo cooperative
Member of SOK's Executive Board 2014–
With S Group 1990–

2 Tapio Kankaanpää

(born 1962) M.Sc. (B.A.), managing director Osuuskauppa PeeÄssä cooperative
Member of SOK's Executive Board 2012–
With S Group 1987–

Introductions of the Board members (left to right)

3 Taavi Heikkilä

(born 1962) CEO, M.Sc. (B.A.)
Member of SOK's Executive Board 2007–2011, 2014–
With S Group 1987–

4 Esko Jääskeläinen

(born 1956) M.Sc. (Econ.), managing director Suur-Seudun Osuuskauppa SSO cooperative
Member of SOK's Executive Board 2011–
With S Group 1980–

5 Matti Niemi

(born 1955) M.Sc. (B.A.), managing director Helsingin Osuuskauppa Elanto cooperative
Member of SOK's Executive Board 2007–
With S Group 1982–

6 Timo Mäki-Ullakko

(born 1963) M.Sc. (B.A.), managing director Pirkanmaan Osuuskauppa cooperative
Member of SOK's Executive Board 2013–
With S Group 1987–

7 Jouko Vehmas

(born 1956) M.Sc. (Econ.), managing director Kymen Seudun Osuuskauppa cooperative
Member of SOK's Executive Board 2001-2003, 2014–
With S Group 1980–

SOK's Corporate Management Team 1 March 2014

1 Harri Miettinen

(born 1962) Executive Vice President
SOK Customer Relationships and Information
M.Sc. (B.A.), with S Group 1986–1987, 1997–

2 Arttu Laine

(born 1970) Executive Vice President
Business operation groups
M.Sc. (B.A.), with S Group 1995–

3 Leena Olkkonen

(born 1962) Executive Vice President
SOK Personnel
M.Sc. (B.A.), with S Group 2007–

4 Jorma Vehviläinen

(born 1967) Executive Vice President
SOK's business trade
M.Sc. (B.A.), with S Group 1991–

5 Taavi Heikkilä

(born 1962) CEO
M.Sc. (B.A.), Member of SOK's Executive Board 2007–2011, 2014–
With S Group 1987–

6 Jari Annala

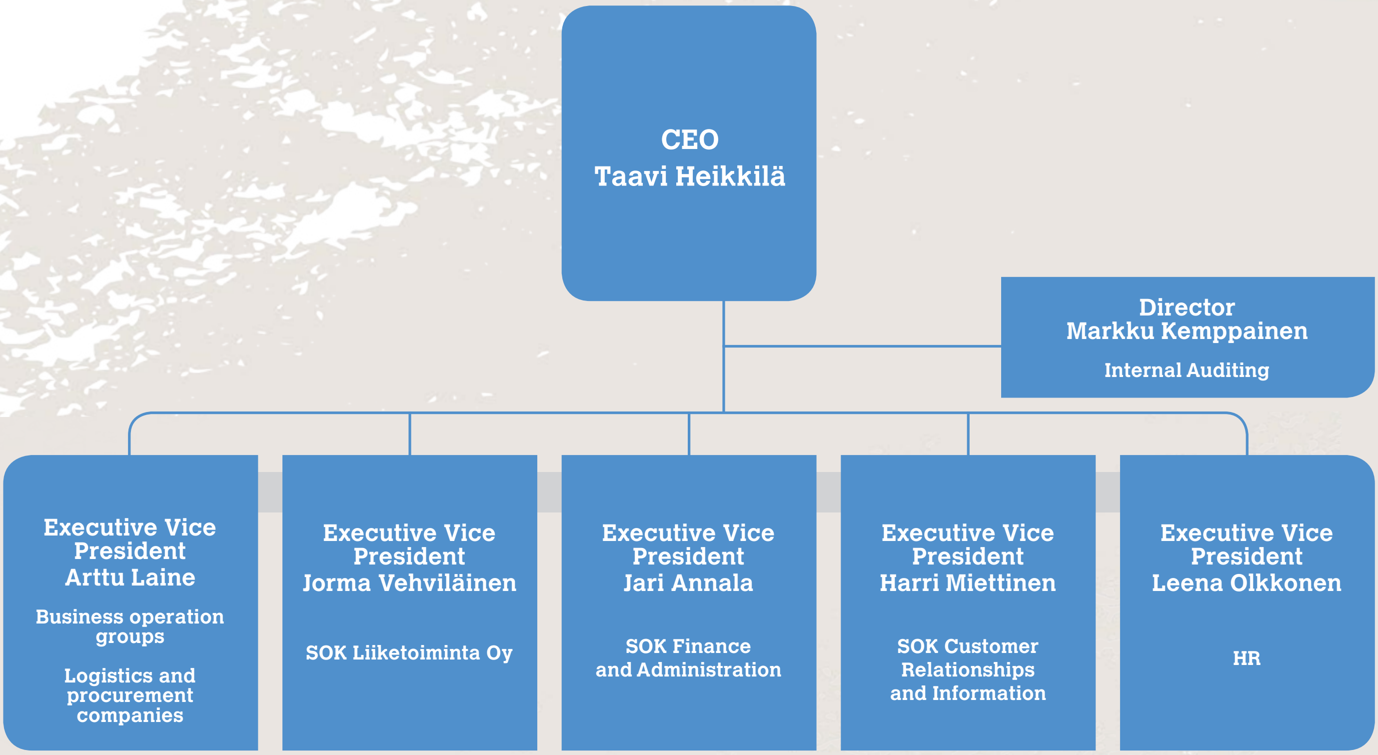
(born 1964) Executive Vice President, CFO
SOK Finance and Administration
M.Sc. (B.A.), with S Group 1989–

7 Seppo Kuitunen

(born 1961) General Counsel
Legal Affairs
LL.M, with S Group 2005–

Introductions of the Corporate Management Team (left to right)

SOK Corporation organisation 1 March 2014



SOK Corporation's Financial Statements 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 [1]	**8 536**	**-19.7**	**-26.4**	**-9.7**
Automotive trade and accessories (a discontinued operation)	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 EUR 24,3 million. Expences has been booked as one of expence after operating profit. Taken into account the termination costs, Automotive Trade ja Accessories operating profit was EUR -39,4 million.

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 LocalTapiola 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 Finnfrost 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 require-ments.

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 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 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 distribut-able 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, IFRS

Consolidated income statement, IFRS

EUR million	Note	**1.1.–31.12.2013**	1.1.–31.12.2012
Continuing operations:			
Revenue		8 538.9	10 634.0
Other operating income	(4)	12.6	2.8
Materials and services		-7 843.9	-9 968.7
Employee benefit expenses	(5)	-302.0	-299.4
Depreciation and impairment losses	(6)	-66.3	-63.4
Other operating expenses	(7)	-360.5	-317.3
Share of results of associated companies and joint ventures (+/-)	(16)	13.3	4.8
Operating loss		**-7.9**	**-7.2**
Financial income and expenses (+/-)	(9)	-5.8	-1.1
Share of results of associated companies and joint ventures (+/-)	(3)	0.5	-0.3
Profit before taxes		**-13.2**	**-8.6**
Income taxes (+/-)	(11)	4.2	4.2
Result for the financial year from continuing operations		**-9.0**	**-4.5**
Result for the period from discontinued operations	(2)	**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		
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	0.0
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	Note	**31.12.2013**	31.12.2012
ASSETS			
Non-current assets			
Property, plant and equipment	(12)	303.9	337.1
Investment properties	(13)	40.9	44.3
Intangible assets	(14)	63.3	65.6
Interests in associated companies and joint ventures	(16)	130.8	116.8
Non-current financial assets	(17)	118.5	98.6
Deferred tax assets	(18)	38.7	34.1
Non-current assets, total		**696.2**	**696.5**
Current assets			
Inventories	(19)	190.1	220.6
Trade receivables and other current non-interest-bearing receivables	(20)	591.4	639.8
Current interest-bearing receivables	(21)	0.0	8.2
Short-term investments	(22)		20.0
Cash and cash equivalents	(3)	156.1	147.8
Current assets, total		**937.5**	**1 036.4**
Assets held for sale	(2)	7.1	321.8
Assets, total		**1 640.8**	**2 054.7**
EQUITY AND LIABILITIES			
Equity			
Cooperative capital	(24)	163.4	156.0
Restricted reserves	(24)	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	(25)	12.8	12.8
Non-current interest-bearing liabilities	(26)	104.8	106.3
Non-current non-interest-bearing liabilities	(27)	36.7	36.2
Provisions	(29)	19.0	6.0
Deferred tax liabilities	(18)	14.3	16.2
Non-current liabilities, total		**187.6**	**177.4**
Current liabilities			
Current interest-bearing liabilities	(26)	46.3	239.6
Current non-interest-bearing liabilities	(27)	126.7	116.3
Trade payables	(27)	676.6	652.1
Provisions	(29)	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	(2)	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 result from continuing and discontinued operations		-0.5	-24.4
Adjustments to operating result	(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	(20)	-0.6	0.7
Interest paid and other financial expenses	(9)	-31.3	-10.6
Interest received and other financial income	(9)	13.8	15.0
Dividends received from business operations	(9)	2.1	1.1
Income taxes paid	(11)	3.0	1.0
Cash flow from business operations		**107.5**	**68.1**
INVESTMENTS			
Acquired shares in subsidiaries net of acquired cash	(2)	-21.9	-2.8
Divested shares in subsidiaries net of cash held by subsidiary	(3)	96.7	5.1
Investments in tangible assets	(12)	-58.0	-98.0
Investments in intangible assets	(12)	-18.8	-23.8
Divestments of tangible fixed assets	(12)	52.9	41.8
Change in other long-term investments	(12)	-6.5	-23.3
Dividends received from investments	(9)	0.1	0.2
Cash flow from investing activities		**44.5**	**-100.7**
FINANCING			
Proceeds from new long-term liabilities	(26)	8.6	300.0
Repayment of long-term liabilities	(26)		-314.5
Increase (+) / decrease (-) in short-term liabilities	(27)	-152.4	43.7
Interest paid	(9)	-2.1	-7.3
Interest received	(9)	7.6	12.7
Changes in bonds and notes and mutual fund shares	(22)	-19.9	19.9
Share of non-controlling interests		-0.9	
Increase in cooperative capital	(24). (25)	7.3	10.4
Interest paid on the cooperative capital	(25)	-0.3	-0.4
Other decrease in equity	(24)	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	(23)	**157.7**	**126.4**
Foreign exchange rate effect on cash and cash equivalents		**0.0**	**-0.5**
Increase / Decrease in cash and cash equivalents		**0.0**	**31.8**
Cash and cash equivalents at the end of the year	(23)	**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

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 flows from both continuing and discontinued operations.

Consolidated statement of changes in equity, IFRS

	Equity attributable to the owners of the parent								
EUR million	Cooperative capital	Fair value reserve	Reserve fund	Supervisory Board's Disposal fund	Translation differences	Retained earnings	Total	Non-controlling interests	**Equity, total**
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
Payment of dividend								-0.3	-0.3
Other changes				0.0		-1.7	-1.7	-3.5	-5.2
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						-0.9	-0.9	-1.1	-2.0
Other changes				0.0		-1.8	-1.8		-1.8
31 Dec 2013	**163.4**	**16.9**	**18.5**	**0.1**	**-2.6**	**397.6**	**593.8**	**0.8**	**594.6**

Notes to the consolidated financial statements

Company information

In accordance with SOK's Statutes, the name 'SOK Corporation' is used for the SOK Group. SOK Corporation comprises Suomen Osuuskauppojen Keskuskunta (SOK) and its subsidiaries. SOK is domiciled in Helsinki and its registered address is Fleminginkatu 34, 00510 Helsinki.

SOK's purpose is to create competitive advantage for S Group's businesses. SOK implements its operational objective by developing and guiding S Group's strategies, value chain, and chain operations in co-operation with the cooperative enterprises. SOK produces the shared, competitiveness-enhancing services S Group requires and engages in profitably growing operations in Finland and its neighbouring countries, with the aim of creating synergies and added economic value for S Group's products.

A copy of the consolidated financial statements is available at www.s-kanava.fi.

Accounting policies for consolidated financial statements

Accounting basis

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), and the IAS and IFRS standards and SIC and IFRIC interpretations in force on 31 December 2013 have been applied in preparing them. 'International Financial Reporting Standards' refer to the standards and interpretations thereof approved for application in the EU in accordance with the procedure stipulated in the Finnish Accounting Act and related regulations in the EU directive (EC) N:o 1606/2002.

The financial statements information is presented in millions of euro and is based on original acquisition costs unless indicated otherwise in the accounting policies below.

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 Group has applied the following new and revised standards and interpreta-tions since 1 January 2013:

– Amendment to IFRS 7 Financial Instruments: Disclosure and Presentation (effective 1 January 2013)
– New IFRS 13 Fair Value Measurement (effective 1 January 2013)
– Amendment to IAS 1 Presentation of Financial Statements (effective 1 Ju-ly 2012)
– Amendment to IAS 19 Employee Benefits (effective 1 January 2013)
– Annual amendments to the IFRS standards.

New or revised standards and interpretations published by IASB in the financial period 2013 did not have a significant effect on the consolidated financial statements. Additional information required by the IFRS 7 and IFRS 13 standards is presented in Notes 17. Non-current financial assets, 28. Fair values and carrying amounts of financial assets and liabilities (fair value hierarchy) and 31. Management of finance risks and price risks of goods (credit risk, deducting financial assets and liabilities from each other in 2013).

Use of estimates

The preparation of the financial statements in compliance with IFRS calls for the making of estimates and for judgement in applying accounting policies. The estimates are based on management's best judgement on the balance sheet date, but it is possible that the actual outcome will differ from the estimates used. Any changes to estimates and assumptions are recognised in the financial period during which the estimate or assumption is corrected.

The main uncertainties in respect of estimates and assumptions concerning the future that cause a risk of significant changes to the carrying values of assets and liabilities in the subsequent financial period concern the determina-tion of the fair value of assets acquired in business combinations and financial instruments, impairment testing, as well as deferred tax assets and provisions.

In significant reorganisations, the Corporation has used an external advisor when evaluating the fair values of tangible and intangible assets, and comparisons with the market prices of equivalent assets have been made in the valuation of such assets. With associated companies and joint ventures, management assessment has been used when determining whether they are treated as subsidiaries, joint ventures or associated companies. Additional information on business combinations is available in Note 3 Acquisitions and establishments of new companies.

Impairment testing is carried out annually on goodwill and possible intangible assets in progress. In addition to these, impairment testing is carried out on unprofitable foreign operations.

The recoverable monetary amount from the operations of a business entity subject to impairment testing is based on value in use calculations or on the fair value less expenses incurred by sales. Value in use has been calculated on the basis of forecast discounted cash flows. Impairment testing on goodwill is described in greater detail in Note 15. Impairment testing.

Assumptions and key uncertainties related to determining the fair value of financial instruments are described in Note 28. Fair values of financial assets and liabilities. Additional information on deferred tax liabilities and provisions are provided in Notes 18. Deferred taxes and 29. Provisions.

Principles of consolidation

The consolidated financial statements include the parent cooperative and all subsidiaries in which the parent cooperative has controlling interest. Controlling interest is generated when the Corporation has the right to control the principles of the company's finances and operations in order to gain benefits from its operations. In addition to Finland, the parent cooperative has subsidiaries in Russia, Estonia, Latvia, and Lithuania.

Acquired subsidiaries are consolidated using the purchase method, according to which all the identifiable assets and liabilities of the acquired company are measured at fair value on the date of acquisition. Goodwill is recognised in the amount by which the combined amount of the consideration given, the share of non-controlling shareholders in the acquired company and the share owned previously exceed the fair value of the acquired net assets. Costs related to the acquisition, excluding borrowing costs, are recognised as expenses.

Joint ventures in which SOK Corporation exercises shared control and associated companies in which the Corporation holds 20–50 per cent of the votes and in which the Corporation has significant influence but does not exercise control have been consolidated using the equity method. The share in accordance with the Corporation's holding of the changes recognised in other comprehensive income items has been recognised in the Corporation's other comprehensive income items. If the Corporation's share of an associate company's or joint venture's losses exceeds the carrying amount of the investment, the investment is entered in the balance sheet at zero value and losses in excess of this amount are not taken into account unless the Corporation has obligations towards the associated companies or joint ventures. The share of the profits of an associated company or joint venture that has been acquired for investment purposes is presented below operating profit, before financial income and expenses. The profit or loss of associated companies and joint ventures serving the Corporation's ordinary operations is, however, presented before the final operating profit.

Companies acquired or established during the financial year have been consolidated from the date of acquisition or establishment. Divested subsidiaries as well as associated companies and joint ventures have been consolidated in the consolidated financial statements up to the date on which the controlling interest, shared controlling interest or significant influence ends. The changes in the parent company's holding in a subsidiary which do not result in losing the controlling interest are treated as transactions concerning shareholders' equity.

Intra-Group transactions, receivables, liabilities, unrealised margins, and internal distribution of profits have been eliminated in the consolidated financial statements. Profit or loss for the financial period as well as the comprehensive income for the financial period have been distributed to the shareholders of the parent company and non-controlling shareholders. The share of non-controlling shareholders is presented as a separate item in the Corporation's shareholders' equity.

Mutual real-estate companies are consolidated (those assets and liabilities the shareholder is responsible for) line by line as jointly controlled assets in proportion to the Corporation's shareholding.

Items denominated in foreign currency

The consolidated financial statements are presented in the euro, which is the functional and presentation currency of SOK Corporation's parent cooperative. The figures concerning the result and financial position of foreign Group companies have been originally given in the currency of each company's operating environment.

Transactions in foreign currency have been recognised at the exchange rate on the date of the transaction. Foreign currency monetary items at the end of the financial year have been translated into euro at the exchange rate quoted by the European Central Bank on the closing day of the financial year and the exchange rate differences have been recognised through profit and loss. Non-monetary items have been translated at the rate on the date of the transaction.

Exchange rate differences arising from the valuation of trade receivables are recognised in revenue, and exchange rate differences arising from the valuation of trade payables are recognised in expenses above the operating profit. The exchange gains and losses of receivables belonging to other financial items in the balance sheet are recognised in financial income and, correspondingly, those belonging to other liabilities, in financial expenses.

The income statements of foreign subsidiaries are translated into euro at the average rate of the financial period, and the balance sheets at the rate on the balance sheet date. An exchange rate difference arising from translating the income statement items and other comprehensive income items according to the average rate and translating balance sheet items according to the balance sheet date and, similarly, a translation difference due to exchange rate changes in the elimination of the subsidiaries' acquisition cost and in share-holders' equity, have been recognised as a separate item in other comprehensive income items. When a foreign subsidiary, associated company or joint venture is divested, the cumulated translation difference is recognised as part of capital gain or loss through profit and loss.

Financial assets and liabilities

Financial assets are included in the following balance sheet items: non-current financial assets, trade receivables and other current non-interest-bearing receivables, current interest-bearing receivables, current investments and cash and cash equivalents.

Non-current financial assets consist of shares, capital loan receivables, other long-term loan receivables and long-term trade receivables Trade receivables and other current non-interest-bearing receivables, which are included in financial assets, comprise trade receivables, derivative receivables, and accrued income in respect of financial items. Current interest-bearing receivables comprise short-term loan receivables and other short-term receivables Cash and cash equivalents consist of cash in hand and very liquid receivables from credit institutions.

Financial liabilities are included in the following balance sheet items: supplementary share capital, non-current interest-bearing liabilities, non-current non-interest-bearing liabilities, current interest-bearing liabilities, current non-interest-bearing liabilities, and trade payables.

Supplementary share capital is treated as a liability because, in accordance with its terms and conditions, the cooperative bears an obligation to return the capital on demand. Non-current interest-bearing liabilities consist of liabilities to financial institutions and others, long-term interest-bearing trade payables and finance lease liabilities. Non-current, non-interest-bearing liabilities, which are included in financial liabilities, comprise the regional cooperative enterprises' funds that have been invested in SOK Corporation's cash-counting service. Trade payables consist of current trade payables. Current interest-bearing liabilities consist of current liabilities to financial institutions, cooperative enterprises and others, as well as current finance lease liabilities. Current non-interest-bearing liabilities, which are included in financial liabilities, comprise derivative liabilities as well as accruals and deferred income related to financial items.

SOK Corporation applies a settlement-date practice in recognising financial assets and liabilities in the balance sheet. Financial assets and liabilities that will not be later measured at fair value through profit and loss are initially measured at fair value plus the immediate acquisition costs.

Financial assets and liabilities are classified as financial assets or liabilities measured at fair value through profit and loss, financial assets held to maturity, available-for-sale financial assets, loans and other receivables, and other financial liabilities. Financial assets and liabilities are measured at fair value or amortised cost using the effective interest method in accordance with their classification.

The fair value of a financial instrument is determined on the basis of prices quoted in active markets or by using measurement methods that are generally applied in the markets. Financial assets and liabilities to be measured at fair value include interest rate swaps, the fair value of which has been determined by discounting future cash flows from the present value using the market interest rates on the balance sheet date. The fair value of interest rate options is determined on the basis of the Black-Scholes pricing model. The fair value of forward exchange contracts, interest rate swaps, and foreign exchange agreements has been calculated by discounting future cash flows from the present value and translating the foreign currency amounts thus obtained into euro using the foreign exchange rates quoted by the ECB on the balance sheet date. Financial assets and liabilities at fair value have been measured using average rates.

Derivative contracts in which hedge accounting is not applied are recognised in financial assets and liabilities to be measured at fair value through profit and loss. Financial assets or liabilities recognised at fair value through profit and loss are measured at the market price of the closing date. The change in fair value is entered in the income statement in such a manner that the difference between the value on the balance sheet date of the financial instruments recognised at fair value in the income statement and the carrying value on the previous balance sheet is entered as the income or expense for the period. If the financial instrument recognised at fair value was acquired during the financial period, the difference between the value of the financial instrument on the balance sheet date and its acquisition cost is entered as the income or expense for the period.

In accounting, derivatives have been measured at fair value and changes in the value, with the exception of hedging, have been recognised through profit and loss. Realised and non-realised gains and losses from derivative contracts made in order to hedge sales and trade receivables are recognised in sales income. Realised and non-realised gains and losses from derivative contracts made in order to hedge other receivables are recognised in financial income. Realised and non-realised gains and losses from derivative contracts made in order to hedge purchases and trade payables are recognised in purchases. Realised gains and losses from derivatives made in order to hedge other receivables are recognised in financial expenses. The majority of electricity derivatives were transferred to S-Voima Oy in 2010. In connection with this, some electricity derivatives remained with SOK and were transferred to S-Voima Oy through contracts with opposite items. The electricity derivatives are measured at fair value but their net effect on earnings is zero.

Held-to-maturity investments include debt securities and other non-derivative financial assets that are connected to fixed or determinable payments and mature on a certain date. SOK Corporation did not have held-to-maturity investments in 2012 or 2013.

The items recognised in available-for-sale financial assets are debt securities and other domestic and foreign securities and participations that are not classified as financial assets at fair value through profit and loss, investments held to maturity, or loans and other receivables. Financial assets available for sale are measured at fair value. The fair value of publicly traded investments is defined on the basis of their market values. The change in fair value is recorded in equity in the fair value reserve through other comprehensive income items. When the financial instrument is sold, the cumulative change in fair value cumulated in equity, together with accrued interest and capital gains or losses, is recognised in the income statement as a change in classification. Investments that are not publicly quoted are measured at cost if their fair values cannot be reliably determined.

Loans and other receivables include such financial assets unquoted on an active financial market, for which the payments are fixed or determinable and which do not belong to financial assets measured at fair value through profit and loss, financial assets held to maturity, or available-for-sale financial assets. The transaction costs of liabilities and receivables are included in the amortised acquisition cost calculated using the effective interest method and amortised through profit and loss for the term-to-maturity of the receivable. After the initial recognition, liabilities and receivables are measured at amortised acquisition cost using the effective interest method.

An item belonging to other financial liabilities is recognised in the balance sheet at its nominal value when its fair value at the time of its entry corresponds to the nominal value. If the debt capital received is less or more than the nominal value of the liability, the debt is measured at the amount that has been received for it. The amount recognised as expense or income for the financial period from the difference between the nominal value of the debt and cost of debt is amortised and recognised as an increase or decrease in the cost of debt. The difference between the nominal value and cost, or a fee or other expense that is associated with the debt and is included in the interest expense related to the debt, is amortised using the effective interest method as an expense for the term-to-maturity of the debt. Other financial liabilities are measured at the amortised cost on the balance sheet date using the effective interest method.

Hedge accounting

The Corporation applies hedge accounting in accordance with IFRS to such derivative contracts hedging variablerate debts or currency-denominated purchases which are effective in terms of the risk being hedged and meet the conditions of hedge accounting stated in IAS 39. The hedge accounting model used is cash flow hedge. The hedging relationship between the hedging derivative and the hedged item as well as the risk management objectives related to hedging have been documented at the inception of hedge accounting. The effectiveness of hedging is tested when hedge accounting begins and thereafter four times per year. A hedge is considered effective when the change in the cash flows of the hedging instrument has eliminated 80 to 125 percent of the change in the cash flows of the contract or position being hedged.

The interest rates of the hedging instrument are amortised in the result based on the time elapsed. The portion of the change in the value of the hedging instrument result caused by the change in market interest rates, on the period after the reviewed date, is recognised in other comprehensive income items to the extent that hedging has been effective, and presented in the fair value reserve of shareholders' equity. When a currency component is subject to hedge accounting, the effective portion of the value change caused by a change in exchange rates is in full recognised in the capital fair value fund through other comprehensive income items.

Hedge accounting has been applied to interest swaps hedging current and planned very probable variable-rate debts as well as to interest rate and currency swaps. Only interest cash flows have been hedged in the interest rate and currency swaps. With interest rate swaps, hedge accounting was discontinued in August–September 2013 when the items to be hedged matured.

In June 2013, hedge accounting began on some of the currency derivatives hedging the Corporation's goods purchases. In these, only the exchange rate risk is being hedged.

The Corporation has derivative contracts outside of hedge accounting which, according to the Corporation's financial policy, are effective economic hedging instruments but to which hedge accounting in accordance with the IAS 39 standard is not applied.

Impairment of financial assets

At the end of the reporting period, the Corporation assesses whether there is any objective evidence that the value of items other than those classified as financial assets at fair value through profit and loss are impaired. Objective evidence is considered to be, for example, a customer's delay in payment, insolvency or bankruptcy, reorganisation or consolidation of debt, as well as a major change in the credit rating. If there is objective evidence of impairment, an impairment loss is recorded.

The amount of an impairment loss on financial assets recorded at amortised cost is determined as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset, including the fair value of any collateral. The discount rate applied is the original effective interest rate of the receivable. The difference is recognised as an impairment loss in the income statement, and the accrual of interest is continued on the lowered balance at the original effective interest rate of the contract.

If the amount of an impairment loss subsequently decreases and the change can be attributed to an event that has taken place after the recognition of the impairment loss, the impairment loss is reversed through profit and loss.

When there is objective evidence of the impairment of debt securities or shares included in available-for-sale financial assets, the cumulative loss that was recognised in equity is recognised in the income statement as an impairment loss. The impairment loss of a share that is not publicly quoted is determined as being the difference between the carrying amount and the present value of estimated future cash flows discounted at the market yield of a similar item on the reporting date. If the fair value of notes or bonds classified as available-for-sale later increases and the increase can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and recognised through profit and loss. If the fair value of a share later increases, the increase in value is recognised in equity through other comprehensive income items.

Principles of income recognition

SOK Corporation's revenue consists of invoicing related to the cooperative enterprises' goods procurement, joint service business operated by SOK in a centralised manner and retail by SOK's subsidiaries. Sales to the cooperative enterprises are invoiced sales. Retail is mainly cash or credit card sales.

The sales of goods and services are included in revenue. In calculating revenue, sales gains are stated less items such as bonus discounts granted to co-op members from centralised purchases and other discounts, value added tax and foreign exchange differences on sales.

Revenue from the sales of goods is recognised when the significant risks, benefits and control related to the ownership of goods have been transferred to the buyer and it is probable that the Corporation will gain the economic benefit related to the sales. As a rule, income from the sales of goods is recognised at the moment the goods are relinquished. Income from services is recognised when the service has been rendered and gaining economic benefit from the rendered service is probable.

Government grants

Grants received from the government or another party are recognised in the income statement when the costs relating to the object of the grant are recorded as an expense. Grants related to the acquisition of tangible and intangible assets are deducted from the carrying amounts of the said commodities. Such grants are recognised as income over the economic life of the asset.

Other operating income

Items presented as other operating income are gains other than those related to the actual sales of goods and services, such as sales gains on fixed assets; capital gains on divestments; damages income and grants received as well as subsidies not granted for funding a certain investment or for participating in a certain expense..

Employee benefit expenses

Pension plans are classified as defined-benefit and defined-contribution plans. Fixed premiums are paid to separate companies under defined-contribution plans without a legal or constructive obligation to make additional contributions, if the recipient cannot pay the pension benefits in question. All plans that do not fulfil these conditions are defined-benefit plans. Payments made for defined-contribution plans are recognised as expenses in the income statement in the financial period in which they are incurred. Pension arrangements are described in Note 32. Related party transactions.

Expenses based on past performance are recognised through profit and loss in the earlier of the following: when the arrangement is changed or reduced, or when the related reorganisation costs or expenses related to the termination of employment are recognised.

Operating profit

Operating profit is generated when other operating income is added to revenue, and when purchases of materials, supplies and goods during the financial period; external services; expenses, depreciation and amortization and possible impairments caused by employee benefits; and other operating expenses are deducted from revenue, and when the result of associated companies and joint ventures serving the Corporation's actual operations is added to or deducted from it. All income statement items other than those mentioned above are presented below operating profit.

Foreign exchange differences and changes in the fair value of derivatives are included in operating profit if they arise from items connected to business operations; otherwise they are recognised in financial income and expenses.

Income taxes

Income taxes in the profit and loss statement include current taxes for the financial period, adjustments of prior year taxes, and changes in deferred taxes. The tax effect of items directly recognised in equity or items in the statement of comprehensive income is nevertheless recognised in the said items. Income tax for the period is calculated using the tax rate in effect in each country on the balance sheet date.

Deferred tax liabilities and assets are recognised on the temporary differences between the carrying amount and tax base of assets and liabilities. No deferred tax liabilities have been calculated on goodwill to the extent that goodwill is not tax deductible. The main temporary differences arise from the differences between the carrying amounts and tax bases of property, plant and equipment, and investment properties (finance leases, depreciation difference, intra-group margins, and gains on the sale of assets), from measurement at fair value and from unutilised tax losses. No deferred tax liability is recognised for undistributed earnings of foreign subsidiaries if profit distribution is not probable in the foreseeable future. Deferred taxes are calculated with the tax rates in effect on the balance sheet date and, if the tax rates change, with the tax rates that have in practice been approved by the ending date of the reporting period.

The deferred tax liability is included in the consolidated balance sheet in its entirety, with the exception of the aforementioned undistributed earnings of subsidiaries, and any deferred tax asset to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, and the recognition prerequisites are assessed on each closing date of the reporting period.

Goodwill and other intangible assets

The goodwill arising from business combinations constitutes the difference between the consideration given measured at fair value and the identifiable net assets acquired, which are measured at fair value, at the time of acquisition. Goodwill is not amortised but is annually tested for impairment. Goodwill is allocated to the cash-generating units. The goodwill of associated companies and joint ventures is included in the acquisition cost of the investment.

Other intangible assets include, for example, software licences and copyrights. Other intangible assets are measured at cost and amortised over their estimated economic lives on a straight-line basis. SOK Corporation does not have such intangible assets, apart from goodwill, which have an indefinite economic life.

The depreciation periods of other intangible assets are:

	Years
Software licence fees	3 to 5
Other intangible assets	3 to 10

Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any impairment losses.

Straight-line depreciation is recorded on property, plant, and equipment in accordance with each item's economic life. Land areas are not depreciated.

The depreciation periods for property, plant, and equipment are:

	Years
Buildings	15 to 35
Lightweight structures and equipment in buildings	5 to 15
Office and warehouse equipment	5 to 10
Warehouse, maintenance, and production machinery	5 to 10
Restaurant and hotel equipment	3 to 10
In-store equipment	3 to 7
Motor vehicles and servers	3 to 5
Renovations of premises	3 to 10

Depreciation on items of property, plant, and equipment is discontinued when the item is classified as held for sale. Gains from the sale or decommissioning of property, plant, and equipment are recognised in other operating income or expenses.

Impairment losses

The carrying amounts of asset items belonging to property, plant, and equipment are assessed annually to determine whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable monetary amount of the asset is determined. The recoverable amount is estimated annually on the following assets, regardless of whether there are indications of impairment or not: goodwill, intangible assets in progress, and intangible assets with an indefinite economic life. An impairment loss is recognised if the carrying amount of the asset or cash-generating unit is greater than its recoverable amount. Impairment losses are recognised in the income statement.

An impairment loss on a cash-generating unit is first allocated as a reduction of the goodwill of the cash-generating unit and thereafter to reduce the carrying amounts of the unit's other assets on a proportionate basis.

The recoverable amount is defined as the higher of fair value less cost to sell and value in use. In determining value in use, estimated future cash flows are discounted to their present value based on discount interest rates reflecting the average cost of capital before tax on the cash-generating unit.

A previously recognised impairment loss is reversed if the assumptions used in estimating the recoverable amount change. An impairment loss is reversed to an amount not greater than the carrying amount of the asset (less depreciation or amortisation) would have been if an impairment loss had not been recorded in previous years. An impairment loss recognised for goodwill is not reversed.

Leases

Leases that substantially transfer all the risks and rewards incidental to ownership of an asset are classified within SOK Corporation as finance leases. Where assets are acquired under a finance lease, the lower of the asset's fair value or the present value of future lease payments is recognised at the inception of the lease in property, plant, and equipment or in investment properties in the balance sheet (details of investment properties are given below) and the obligations under the lease are recognised in interest-bearing liabilities. Lease payments are split between interest expenses and a reduction in lease liabilities. The interest expense is recognised in the income statement during the lease period so as to produce an equal rate of interest on the remaining balance of the liability. Depreciation is recognised and any impairment losses are recognised on assets obtained by a finance lease. Items of property, plant, and equipment are depreciated according to the Corporation's depreciation periods, or if shorter, the lease term.

Leases where substantially all of the risks and rewards incidental to ownership are borne by the lessor are classified as operating leases. Lease payments received or paid on the basis of other leases are recognised as income or expense in the income statement on a straight-line basis over the lease period.

If a finance lease arises as the result of a sale and leaseback agreement, any gain on the sale is recorded as a liability in the balance sheet and is recognised as income during the lease period. Any loss on the sale is immediately recorded in the income statement.

Investment property

Investment properties are properties that are in use in operations outside SOK Corporation's mainline operations and which the Corporation primarily holds in order to obtain rental income and/or an appreciation in the asset value. Investment properties are measured at cost less accumulated depreciation and any impairment losses in accordance with the same principles that are applied to real estate belonging to property, plant, and equipment. Properties classified as investment properties include both owned properties and properties where the operations have been sold but the lease agreement remains with the Corporation.

Both an assessment based on the market value and performed by an external property evaluator and an assessment based on the property's production value and performed by the Corporation are used in determining the fair value of investment properties. Rental income from investment properties is recognised in revenue. Investment properties include four spa hotels acquired through financing leases where the operations have been sold but the lease agreement remains with the Corporation. The fair value of these properties has not been determined since Holiday Club's lease agreements and sales information are not available for the Corporation.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the FIFO method or the weighted average cost method, and includes all the direct expenses incurred in acquiring materials and goods. In ordinary operations, the net realisable value is the estimated selling price less the estimated cost to complete the product and the necessary selling expenses.

Cooperative interest and dividends payable

Cooperative capital interest and dividends paid by SOK Corporation are recognised as a decrease in equity in the period during which the owners approved the cooperative capital interest or dividend for payment. The interest on supplementary cooperative capital is recognised as an interest expense.

Cooperative capital and supplementary cooperative capital

Cooperative capital consists of the combined amount of the cooperative enterprises' share payments to SOK Corporation. The number of each cooperative enterprise's shares is determined based on the number of members and annual purchases in the said cooperative enterprise.

The supplementary cooperative capital consists of the combined amount of voluntary investments made by cooperative enterprises to SOK Corporation. Since the cooperative enterprises are entitled to reimbursement of their supplementary share payments in a manner and according to the prerequisites stipulated in the Cooperatives Act and SOK's Statutes, supplementary cooperative capital is handled in liabilities.

Provisions

A provision is recognised when SOK Corporation has a legal or constructive obligation as the result of a past event, when it is probable that a payment obligation will be realised, and the amount of the obligation can be reliably estimated. Compensation that can be obtained from a third party in connection with the obligation is recognised in the balance sheet as a receivable when it is certain in practice. The amounts of provisions are estimated on every balance sheet date and are adjusted to correspond to the best estimate on the reporting date.

Provisions can be set up for underutilised premises, warranty provisions, and restructuring of operations, for example.

Assets held for sale and discontinued operations

An asset that is part of a plan of sale or a disposal group is classified as an asset held for sale when the recoverable amount primarily comes from the sale of the asset and not from its continuous use. An asset or group of assets classified as held for sale is measured at the lower of its carrying amount or fair value less estimated selling costs. Assets held for sale and the associated liabilities are presented in the balance sheet separately from assets and liabilities connected with continuing operations from the date on which they have been classified as held for sale. Information for the year of comparison is not reclassified.

A discontinued operation is a separate, significant function that has been disposed of (or has been permanently removed from use) or is classified as held for sale. The profit or loss from discontinued operations is presented in the income statement on a separate line after the result from continuing operations. The income statement information for the year of comparison is adjusted accordingly.

Amendments to standards and interpretations published by IASB taking effect later

As of 1 January 2014, the Corporation will apply the new standards concerning the preparation of the consolidated financial statements: IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities, and the revised standard IAS 28 Investments in Associates and Joint Ventures. According to a preliminary assessment, the standards will not materially change the consolidation of companies to be included in the consolidated financial statements. The standard IFRS 12 Disclosure of Interest in Other Entities will increase the requirement concerning additional information requirement subsidiaries, joint ventures and associate companies.

The Corporation will apply the standard IFRS 9 Financial Instruments as of its effective date (as of 1 January 2015; not approved by the EU in its entirety). The IFRS 9 standard will gradually replace the current IAS 39 Financial Instruments: Recognition and Measurement. The first published sections of the standard deal with the classification and valuation of financial assets and liabilities. In the new standard, financial assets are valued either at amortised cost or at fair value after the initial recognition, depending on the business model of the company's management of financial assets and the agreement-based cash flows of financial assets. Equity investments are recognised at fair value after the initial recognition. As for financial liabilities, the rules concerning classification and valuation remain primarily the same. The Corporation estimates that the implementation of the standard may have a significant effect on future financial statements.

The following other new or revised standards and interpretations published by IASB, not yet in effect, will have some impact on the future consolidated financial statements, according to a preliminary estimate. The Corporation will apply them as of the effective date of each standard and interpretation or, if the effective date is not the first day of the financial period, as of the beginning of the financial period following the effective date.

- Amendment to IAS 19 Employee Benefits (effective 1 July 2014)
- Amendment to IAS 32 Financial Instruments: Presentation (effective 1 January 2014)
- Amendment IAS 36 Impairment of Assets (effective 1 January 2014)
- IAS 39 (amended) Financial Instruments: Recognition and Measurement (effective 1 January 2014)
- IFRIC 21 Levies (effective 1 January 2014; not approved by the EU)
- Annual collections of amendments to the IFRS standards

Other standards and interpretations published and taking effect later, as well as amendments to them, are not, according to a preliminary assessment, significant to the Corporation.

1. Segment information

For reporting to top management, SOK Corporation's operations are divided into five business segments. The segments are based on business areas. North European Oil Trade Oy has been handled as a joint venture as a joint venture as of the 2012 financial statements. Hankkija-Maatalous Group has been presented as assets held for sale in the 2012 financial statements. In 2013, the agricultural trade and the automotive trade and accessories were classified as discontinued operations.

SOK Corporation's segments to be reported are

Supermarket trade
SOK Corporation carries on supermarket trade in the Baltic countries and Russia via its subsidiaries. AS Prisma Peremarket has five hypermarkets in Tallinn, one in Narva and two in Tartu, of which one opened in 2012. In 2013, a smaller Prisma Express opened in Tallinn harbour. A/S Prisma Latvija has five hypermarkets in Riga, of which two opened in 2012. UAB Prisma LT has one hypermarket in Vilnius, the capital of Lithuania, and and two Prisma units in Kaunas, of which one opened in 2012. OOO Prisma has eleven supermarkets and six hypermarkets in St. Petersburg. In 2012 five Prisma units were opened of which two supermarkets and three hypermarkets. In 2013 three Prisma units were opened of which two supermarkets and one hypermarket. The Prisma network will be expanded in the Baltic countries and Russia also in coming years.

Tourism and hospitality business
SOK Corporation's tourism and hospitality business is carried on by Sokotel Oy in Finland, AS Sokotel in Estonia and OOO Sokotel in Russia. SOK Corporation's hotels operate under the brands Sokos Hotels and Radisson Blu Hotels. In Finland, Sokotel Oy operates 15 Sokos hotels and six Radisson Blu hotels. Visitors to Tallinn are warmly received at the Sokos Hotel Viru, with its wide choice of restaurants. OOO Sokotel has three Sokos Hotel chain hotels in St. Petersburg, one of which is a spa hotel.

Automotive trade and accessories
SOK Corporation's vehicle and car accessory sales were carried on by SOK Autokauppa Oy (formerly Automaa Oy). At the end of 2012, SOK Autokauppa Oy had a total of 10 car dealerships located in the Helsinki metropolitan area, Tampere, the Turku region, and Hämeenlinna. The brands represented by SOK Autokauppa Oy were Ford, Hyundai, Renault, Dacia, Suzuki and Isuzu. In addition to car sales, SOK Autokauppa Oy took care of service and spare part operations for the brands it represented. In 2013, the Corporation disposed of its automotive trade and accessories business through divestment and outlet closures.

Agricultural trade
Within SOK Corporation, agricultural trade was carried on by the Hankkija-Maatalous Group. The Group comprised Hankkija-Maatalous Oy, Hiven Oy, SIA Baltic Feed, UAB Baltijos Pasarai and Movere Oy. In January 2013, SOK sold 60 per cent of Hankkija-Maatalous Oy's shares to Danish 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.

Procurement and Services Business
Inex Partners Oy offers logistics services for grocery, consumer goods and speciality goods supplied to the retail chains. Meira Nova Oy provides purchasing and logistics services for groceries supplied to locations in the HoReCa sector.

The aim of the service functions provided by SOK Corporation is to develop operational models and processes that generate the maximum added value for the S Group's businesses. The service units develop and maintain business models that increase the competitiveness of the entire S Group, and produce cost-effective services for the S Group. The joint service functions cover all the S Group's service functions that can be organised centrally to yield cost savings and/or a qualitative improvement in operations.

Banking
S-Bank's mission is to provide competitive basic banking services for the S-Group's customer-owners. The supermarket bank will strengthen customer loyalty whilst achieving savings in operating costs. S-Bank Group's result SOK Corporation's share of the consolidated result of the S-Bank Group is reported as banking operations. is reported as banking operations.

Segment reporting principles within SOK Corporation and reconciliation with the IFRS financial statements

The items to be included in the reporting to SOK Corporation's top management are revenue, operating result, operational result, investments, divestments and working capital. Management reporting is based on Finnish accounting legislation and on the principles of management accounting. Each segment is reported with intra-segment items eliminated. For example, revenue from the Procurement and Services Business has been stated eliminating the revenue between the companies in the Procurement and Services segment. Revenue in management reporting is reconciled with the IFRS revenue for continuing operations in the accounts. Financial accounting revenue for both continuing and discontinued operations is external revenue from which all of SOK Corporation's internal items have been eliminated. The differences between management reporting and financial accounting revenue are not material.

In calculating the operating result, valuations in accordance with Finnish accounting legislation are used. The income and expenses according to the matching principle are allocated to the segment. Reconciliation of the operating result with the result before taxes from continuing operations in compliance with IFRS reveals those items which fall outside the operational result. These are, among others, financial income and expenses, gains and losses on the sale of property, plant and equipment as well as non-recurring costs from discontinuing operations..

In SOK Corporation's management reporting, assets are not allocated or reported on, except for working capital.

2013 EUR million	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
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 and reversal of impairment on shares	0.3
Increase in provisions	-23.0
Valuation gains and losses on derivatives	-2.6
Result before taxes for the period from discontinued operations	-8.0
Impairment losses on tangible and intangible assets	-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. Expences has been recognised as non-recurring items 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

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 and reversal of impairment on shares	0.0
Increase in 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 on tangible and intangible assets	-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

2. 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 sold 60% of its shares in its previously wholly owned subsidiary Hankkija 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 settled by 2018. According to IFRS accounting principles Hankkija Oy has been presented as wholly sold since January 2013.

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**

Assets and liabilities related to the automotive trade business were measured at fair value when the function was defined as discontinued. In the income statement, EUR 1.4 million of the impairment loss of EUR 3.0 million is recognised in the Materials and services group and EUR 1.6 million in Other operating income.

Cash flows of the discontinued operations were following:

Cash flow		
Cash flow from business operations	12.9	42.3
Cash flow from investments	64.6	-8.1
Cash flow from financing	-13.7	-28.0
Cash flow, total	**63.8**	**6.2**

The effect of the disposal on the Group's financial position

EUR million	2013	2012
Tangible and intangible assets	0.1	76.6
Non-current financial assets	0.0	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	0.0	-32.8
Non-current non-interest-bearing liabilities		-1.0
Provisions	-2.6	0.0
Deferred tax liabilities	0.0	-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**

* The payment received in the 2013 financial period has been presented concerning the divestment of a 60% share of Hankkija Oy.

3. Acquisitions and establishments of new companies

Acquisitions during the financial year 2013

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% shareholdings. In March, SOK Real Estate Int. Oy purchased the remainder of OOO Itis 3's share capital. In addition to the earlier 85% shareholding, it also purchased the remaining 15% of the shares of OOO Itis 2. In October SOK Real Estate Int. Oy purchased the remaining 15% of the shares of OOO Itis. 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 into 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 bioenergy plants.

Acquisitions during the financial year 2012

The subsidiary SOK Real Estate Int. Oy, which belongs to SOK Corporation, has acquired a 85% share of OOO Itis2. The transaction was completed in two parts: on 29 March 2012, 25% was acquired at a price of EUR 0.2 million, and on 28 September 2012, a 60% share was acquired at a price of EUR 2.4 million. The acquisition generated consolidation asset of EUR 2,6 million, which was allocated to buildings. Assets and liabilities recognised for the acquired company are presented in the table below.

On 30 November 2012, SOK acquired the entire share capital of LB Kiel Tampere Ab from DAL Oy for EUR 0.4 million. In the transaction, SOK Corporation also became the owner of LB Kiel Tampere Ab's wholly owned subsidiary Kiinteistö Oy Tullintorni as well as its wholly owned subsidiary Oy Tammer Ab. As part of the transaction, SOK paid off the companies' debt of EUR 11.8 million to the previous owner, after which the companies owe SOK. The companies own the properties located in Tampere in which Sokotel Oy's hotels Sokos Hotel Tammer and Sokos Hotel Villa are tenants. Previously, the properties were included in SOK Corporation's balance sheet as finance lease items. Assets and liabilities recognised for the acquired company are presented in the table below.

EUR million	Fair values recorded on business combinations
Property, plant and equipment	17.3
Trade receivables and other current non-interest-bearing receivables	0.6
Cash and cash equivalents	0.3
Assets, total	**18.2**
Non-current liabilities and deferred tax liabilities	1.0
Current liabilities	3.4
Liabilities, total	**4.4**
Net assets	13.8
Acquisition cost	14.8
Goodwill	**1.0**
Purchase price paid in cash	-14.8
Cash and cash equivalents of acquired subsidiary	0.3
Cash flow effect	**-14.4**

4. Other operating income

EUR million	2013	2012
Gains on sale of property, plant and equipment	11.9	2.1
Government grants	0.0	0.0
Other income	0.7	0.7
Total	**12.6**	**2.8**

5. Employee benefit expenses

EUR million	2013	2012
Salaries and remuneration	240.0	239.2
Pension expenses, defined contribution plan	44.0	43.3
Other personnel expenses	17.9	16.9
Total	**302.0**	**299.4**

Average number of personnel by segment	**2013**	**2012**
Supermarket trade	3 313	2 689
Tourism and hospitality business	1 772	1 767
Automotive trade and accessories	260	442
Agricultural trade		1 169
Procurement and services business	4 271	4 497
Total	**9 616**	**10 563**

The average number of personnel by segment has been calculated as the average number of personnel at the end of each quarter including both continuing and discontinued operations.

6. Depreciation and impairment

EUR million	2013	2012
Depreciation		
Property, plant and equipment		
Buildings and structures	14.1	13.2
Machinery and equipment	25.0	21.0
Other property, plant and equipment	0.1	0.1
Intangible assets		
Other intangible assets	19.7	24.4
Investment properties	3.7	3.7
Total	**62.6**	**62.4**

EUR million	2013	2012
Impairment		
Property, plant and equipment		
Buildings and structures	0.2	0.9
Machinery and equipment	0.1	0.1
Other tangible assets	0.0	0.0
Intangible assets		
Other intangible assets	3.3	0.0
Total	**3.7**	**1.0**

The impairment of EUR 3.3. million on intangible assets consists in full of the decommissioned information system.

Depreciation and impairment, total	**66.3**	**63.4**

7. Other operating expenses

EUR million	2013	2012
Rental expenses	121.5	102.4
Marketing expenses	3.3	4.3
Administrative expenses	24.4	24.9
Equipment and supplies	133.3	123.8
Property maintenance expenses	59.9	58.5
Other business expenses	18.1	3.4
Total	**360.5**	**317.3**

8. Auditor's fees

EUR million	2013	2012
Audit fees	0.6	0.6
Auditors' statements	0.0	0.0
Tax consulting	0.0	
Other services	0.1	0.1
Total	**0.7**	**0.7**

9. Financial income and expenses

EUR million	2013	2012
Financial income		
Interest income from loans and receivables	2.0	1.0
Dividend income from available-for-sale investments	0.1	0.1
Gains on derivatives held for trading	14.1	9.9
Other financial income	9.0	12.1
Total	**25.2**	**23.1**
Financial expenses		
Interest expenses on financial liabilities measured at amortised cost	7.1	7.7
Expenses on derivatives held for trading	6.3	13.8
Other financial expenses	17.5	2.6
Total	**30.9**	**24.2**
Financial income and expenses, total	**-5.8**	**-1.1**

10. Financial instrument items recognised in the income statement

EUR million	2013	2012
In other operating income		
Capital gain on available-for-sale investments	10.9	0.8
In purchases of materials and services		
Net exchange differences on liabilities measured at amortised cost	0.0	0.1
Net expenses for derivatives held for trading	-1.1	-8.6
In financial income and expenses		
Dividend yields from available-for-sale investments	0.1	0.1
Interest income from available-for-sale investments	5.6	3.7
Interest income on loans and receivables	6.5	4.0
Net exchange differences on loans and receivables	-13.4	0.8
Item transferred from equity in hedge accounting	-3.1	-0.2
Net income from derivatives held for trading	5.3	0.7
Interest expenses on financial liabilities measured at amortised cost	-7.1	-11.1
Net exchange differences on liabilities measured at amortised cost	0.3	-0.9
Total	**4.0**	**-10.5**

Summary by IAS 39 category:	2013	2012
Loans and receivables	-6.9	4.8
Available-for-sale investments	16.6	4.7
Investments and derivatives held for trading	4.2	-7.8
Hedge accounting derivatives	-3.1	-0.2
Liabilities measured at amortised cost	-6.8	-11.9
Total	**4.0**	**-10.5**

Only SOK Corporation's external items are stated as income, expenses, gains and losses.

Net expenses from derivatives held for trading, which has been recognised in purchases of materials and services, consists of derivatives that have been taken out to hedge purchases and sales but to which hedge accounting has not been applied.

Shares and participations not quoted and classified as available-for-sale investments with a net acquisition cost value EUR 0,1 million were realised in 2013. The sales gain recognised was EUR 0,1 million and the sales loss recognised was EUR 0.0 million.

The expenses for liabilites measured at amortised cost also include guarantee commission expenses.

11. Income taxes

EUR million	2013	2012
Current tax	-0.4	-0.7
Taxes for previous financial years	0.1	0.0
Changes in deferred taxes	4.5	4.9
Total	**4.2**	**4.2**

Reconciliation statement between tax expense in the income statement and taxes calculated at the valid Corporation's tax rate in Finland:

EUR million	2013	2012
Profit before taxes	-13.2	-8.6
Taxes at parent company's tax rate	3.2	2.1
Effect of different tax rates in foreign subsidiaries	2.4	1.7
Effect of tax-free income	-2.3	-3.2
Effect of non-deductible expenses	2.3	1.7
Impact of the change in the Finnish tax rate	-3.4	
Other items	1.9	1.8
Taxes for previous financial years	0.1	0.0
Taxes in the income statement	**4.2**	**4.2**

Taxes related to other comprehensive income items

2013

EUR million	Before tax	Tax effect	After tax
Fair value changes during the period on available-for-sale financial assets	-2.3	0.7	-1.5
Total	-2.3	0.7	-1.5

2012

EUR million	Before tax	Tax effect	After tax
Fair value changes during the period on available-for-sale financial assets	9.7	-2.4	7.3
Total	9.7	-2.4	7.3

12. Property, plant and equipment

2013 EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress and advance payments	Total
Acquisition cost						
Acquisition cost, 1 Jan 2013	6.6	359.5	179.2	2.3	7.5	555.1
Translation differences	0.0	-5.3	-5.3	0.0	0.0	-10.6
Increases	3.7	8.1	12.2	0.0	16.4	40.4
Decreases	-0.6	-26.8	-8.2	-0.2	0.0	-35.8
Assets held for sale	0.0	-7.5	-4.0	0.0	0.0	-11.5
Transfers between items	0.0	15.3	8.1	0.0	-22.0	1.3
Acquisition cost, 31 Dec 2013	**9.8**	**343.2**	**181.9**	**2.1**	**1.9**	**538.9**
Accumulated depreciation						
Accumulated depreciation, 1 Jan 2013	0.1	-134.5	-82.7	-1.0		-218.0
Translation differences	0.0	1.1	1.7	0.0		2.8
Assets held for sale	0.0	4.1	2.6	0.0		6.7
Accumulated depreciation on deducted and transferred items	0.0	8.6	7.7	0.2		16.4
Depreciation for the period	0.0	-18.2	-24.4	-0.1		-42.6
Impairment losses	-0.2	0.0	0.0	0.0		-0.3
Accumulated depreciation, 31 Dec 2013	**-0.2**	**-139.0**	**-95.1**	**-0.8**	**0.0**	**-235.0**
Carrying amount, 1 Jan 2013	**6.7**	**225.1**	**96.5**	**1.4**	**7.5**	**337.1**
Carrying amount, 31 Dec 2013	**9.6**	**204.3**	**86.8**	**1.3**	**1.9**	**303.9**

Assets under a finance lease are included in the cost of property, plant and equipment as follows:

31 Dec 2013 EUR million	Buildings and structures	Machinery and equipment	Total
Acquisition cost	86.6	21.7	108.3
Accumulated depreciation	-63.6	-8.0	-71.6
Carrying amount	**23.0**	**13.7**	**36.7**

2012 EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress and advance payments	Total
Acquisition cost						
Acquisition cost, 1 Jan 2012	15.4	387.7	212.6	3.3	7.9	626.9
Translation differences	0.0	1.3	0.8	0.0	0.0	2.1
Increases	0.2	18.8	23.4	0.1	47.2	89.5
Decreases	-5.0	-8.1	-52.5	0.0	-2.6	-68.2
Assets held for sale	-3.9	-57.0	-34.4	-1.0	-0.7	-96.9
Transfers between items	0.0	16.9	29.2	0.0	-44.3	1.8
Acquisition cost, 31 Dec 2012	**6.6**	**359.5**	**179.2**	**2.3**	**7.5**	**555.1**
Accumulated depreciation						
Accumulated depreciation, 1 Jan 2012	-0.2	-153.4	-125.5	-1.6		-280.7
Translation differences	0.0	-0.1	-0.3	0.0		-0.4
Assets held for sale	0.2	36.9	20.0	0.8		57.8
Accumulated depreciation on deducted and transferred items	0.0	2.5	47.8	0.0		50.3
Depreciation for the period	0.0	-19.9	-24.4	0.0		-44.3
Impairment losses	0.0	-0.5	-0.2	-0.1		-0.8
Accumulated depreciation, 31 Dec 2012	**0.1**	**-134.5**	**-82.7**	**-1.0**	**0.0**	**-218.0**
Carrying amount, 1 Jan 2012	**15.2**	**234.3**	**87.1**	**1.6**	**7.9**	**346.1**
Carrying amount, 31 Dec 2012	**6.7**	**225.1**	**96.5**	**1.4**	**7.5**	**337.1**

Assets under a finance lease are included in the cost of property, plant and equipment as follows:

31 Dec 2012 EUR million	Buildings and structures	Machinery and equipment	Total
Acquisition cost	89.9	25.1	115.0
Accumulated depreciation	-61.1	-5.1	-66.1
Carrying amount	28.8	20.0	48.8

13. Investment properties

EUR million	2013	2012
Acquisition cost, 1 Jan	86.4	85.9
Increases	0.0	0.5
Decreases	-0.1	-0.3
Transfers between items	0.4	0.2
Acquisition cost, 31 Dec	**86.7**	**86.4**
Accumulated depreciation, 1 Jan.	-42.0	-38.3
Accumulated depreciation on deducted and transferred items	0.1	0.0
Depreciation for the period	-3.7	-3.7
Accumulated depreciation, 31 Dec	**-45.7**	**-42.0**
Carrying amount, 1 Jan	**44.3**	**47.6**
Carrying amount, 31 Dec	**40.9**	**44.3**
Fair value *	**102.8**	**102.8**

* Investment properties include four spa hotels acquired through financing leases where the operations have been sold but the lease agreement remains with the Corporation. The fair value of these properties cannot be reliably determined since Holiday Club's lease agreements and sales information are not available to Group. The carrying values of the properties amounted to a total of EUR 19.6 million in SOK Group's balance sheet on 31 December 2013 (EUR 22,2 million). The fair value of these properties is not included in the fair value.

14. Intangible assets

2013 EUR million	Goodwill	Other intangible rights	Construction in progress and advance payments	Total
Acquisition cost				
Acquisition cost, 1 Jan 2013	16.7	153.3	8.8	178.8
Translation differences	0.0	-0.4	0.0	-0.4
Increases	0.0	11.5	17.9	29.4
Decreases	-0.2	-17.2	-5.6	-23.0
Assets held for sale	-2.5	-1.8	0.0	-4.3
Transfers between items	0.0	3.2	-4.9	-1.7
Acquisition cost, 31 Dec 2013	**14.0**	**148.7**	**16.2**	**178.9**
Accumulated amortization				
Accumulated amortisation and impairment, 1 Jan 2013	-8.2	-104.9	0.0	-113.2
Translation differences	0.0	0.1	0.0	0.1
Assets held for sale	2.5	1.8	0.0	4.2
Increases	0.0	12.1	0.0	12.1
Impairment losses	0.0	-3.3	0.0	-3.3
Decreases	0.0	-15.5	0.0	-15.5
Accumulated amortisation, 31 Dec 2013	**-5.8**	**-109.8**		**-115.6**
Carrying amount, 1 Jan 2013	**8.4**	**48.4**	**8.8**	**65.6**
Carrying amount, 31 Dec 2013	**8.2**	**38.9**	**16.2**	**63.3**

2012 EUR million	Goodwill	Other intangible rights	Construction in progress and advance payments	Total
Acquisition cost				
Acquisition cost, 1 Jan 2012	50.6	237.4	11.5	299.5
Translation differences				
Increases	1.0	18.0	15.9	34.9
Decreases	-2.2	-103.5	-0.1	-105.8
Assets held for sale	-32.7	-12.8	-2.3	-47.8
Transfers between items		14.2	-16.2	-2.0
Acquisition cost, 31 Dec 2012	**16.7**	**153.3**	**8.8**	**178.8**
Accumulated amortisation				
Accumulated amortisation and impairment, 1 Jan 2012	-8.2	-170.7		-178.9
Assets held for sale		10.3		10.3
Increases		77.5		77.5
Impairment losses		-0.5		-0.5
Decreases		-21.7		-21.7
Accumulated amortization, 31 Dec 2012	**-8.2**	**-104.9**		**-113.2**
Carrying amount, 1 Jan 2012	**42.4**	**66.7**	**11.5**	**120.6**
Carrying amount, 31 Dec 2012	**8.4**	**48.4**	**8.8**	**65.6**

15. Impairment testing

Goodwill has been allocated to SOK Corporation's cash-generating units or to groups of cash-generating units as follows:

EUR million	2013	Discount rate before taxes. % 2013	2012	Discount rate before taxes. % 2012
Sokos Hotels chain	7.4	9.0	7.4	11.7
LB Kiel Tampere Ab / Oy Tammer Ab	0.8		1.0	
Total	**8.2**		**8.4**	

Apart from goodwill, SOK Corporation does not have other intangible assets with an indefinite economic life.

SOK Corporation's cash-generating units are defined for the level below the business segment. As a rule, a cash-generating unit is a legal company. For the Tourism and Hospitality Business, goodwill is monitored and tested at the chain level.

The testing of goodwill generated for Oy Tammer Ab by the acquisition of LB Kiel Tampere Ab on 30 November 2012 is based on fair value less cost of sales incurred in the disposal. A fair value measurement was carried out on the real estate of Sokos Hotel Tammer in Tampere in 2013.

Impairment losses
In the 2012–2013 financial statements no impairment losses of goodwill were recognised.

Testing and sensitivity analysis
In impairment testing, the recoverable amount for the business is based on value-in-use calculations. Value in use has been calculated on the basis of estimated discounted cash flows. The projected cash flows are based on financial plans which have been approved by management and cover a five-year-period. The cash flows after this period have been extrapolated using a 2% growth rate which, according to the estimate, does not exceed the long-term actual growth rate of the business areas. The discount rate applied is the weighted average cost of capital (WACC) that is determined by sector and by country, taking into account the special risks associated with the unit. The required return is based on the average capital structure for the sector and a sector-specific beta.

The main variables in impairment testing are the discount rate, the EBITDA margin (%) as well as the growth rate after the five-year forecasting period. In assessing the goodwill of the Sokos Hotels chain, a possible foreseeable change in any of the key variables does not lead to a situation that would result in the need to recognise an impairment loss.

16. Shares in associated companies and joint ventures

EUR million	2013	2012
Carrying amount, 1 Jan	116.8	78.6
Share of result for the period	13.8	4.5
Dividends received	-2.2	-1.1
Increases/decreases	2.4	34.8
Translation differences	0.0	0.0
Carrying amount, 31 Dec	**130.8**	**116.8**

Most significant associated companies

2013 EUR million	Assets	Liabilities	Revenue	Result	Share holding %
Finnfrost Oy	45.6	41.6	429.3	0.4	50.0 %
Coop Trading A/S	20.2	2.3	11.8	0.0	25.0 %
S-Bank Ltd	3 188.3	2 948.0	56.2 [1)]	21.3	50.0 %
Russian and Baltics Retail Properties Ky	47.4	29.9	1.4	-1.6	20.0 %
Others	4.9	0.2	0.6	0.0	

Joint venture

2013 EUR million	Assets	Liabilities	Revenue	Result	Share holding %
North European Oil Trade	537.5	524.3	4676.3	0.3	50.8 %
North European BioTech Oy	0.0	0.0	0.0	0.0	50.0 %
Kauppakeskus Mylly Oy	103.5	91.8	16.0	5.7	50.0 %

[1)] S-Bank Ltd's net interest income has been presented as revenue.

In December 2013, SOK established North European BioTech Oy together with ST1 Holding Oy. The company is a joint venture of SOK and ST1. The company has been consolidated to the Corporation at the share value (EUR 1.5 million). Since the company was recently established, no financial statements information exists.

SOK Corporation owns 50.8 per cent of North European Oil Trade Oy. SOK Corporation executes shared controlling interest in the company with ST1, based on the shareholder agreement, so the company is treated as a joint venture.

All associated companies and joint ventures of the SOK Corporation are unlisted.

S-Bank and Kauppakeskus Mylly were consolidated as Groups.

Most significant associated companies

2012 EUR million	**Assets**	**Liabilities**	**Revenue**	**Result**	**Share holding %**
Finnfrost Oy	44.3	40.6	385.0	0.3	50.0 %
Coop Trading A/S	21.5	3.7	12.4	-1.8	25.0 %
S-Pankki Oy	3 098.0	2 890.2	49.0 [1]	4.8	50.0 %
Others	34.7	19.8	1.7	0.0	

Joint ventures

2012 EUR million	**Assets**	**Liabilities**	**Revenue**	**Result**	**Share holding %**
North European Oil Trade Oy	408.0	395.4	3642.8	0.1	51.0 %
Kauppakeskus Mylly Oy	104.4	94.4	15.3	4.7	50.0 %

[1] S-Bank Ltd's net interest income has been presented as revenue.

As a result of the change in North European Oil Trade Oy's ownership in De-cember, SOK's holding decreased to approximately 50 per cent. SOK Corpo-ration executes shared controlling interest in the company, based on the shareholder agreement, so the company is treated as a joint venture in the fi-nancial statements. EUR 7.7 million has been recognised in the shares of joint ventures in the Corporation, based on the fair value of the shares. The change in the shareholding of North European Oil Trade Oy did not have an effect on the Corporation's result.

All associated companies and joint ventures of the SOK Corporation are unlisted.

S-Bank and Kauppakeskus Mylly were consolidated as Groups.

17. Non-current financial assets

Available-for-sale financial assets

EUR million	**2013**	**2012**
Shares and participations		
Carrying amount, 1 Jan	15.7	5.2
Increases	2.3	11.7
Decreases	-5.9	-1.2
Carrying amount, 31 Dec	**12.0**	**15.7**

Shares and participations include shares in unlisted companies. Unlisted shares are stated at cost, because their fair values cannot be obtained reliably.

Loans and receivables

EUR million	2013	2012
Non-current trade receivables	0.0	0.0
Receivables sold to the finance companies	0.0	32.1
Receivables from associated companies	27.6	
Capital loan receivables from others	1.6	
Non-current loan receivables	21.7	5.4
Other non-current receivables *	55.6	9.8
Loans and other receivables total	**106.5**	**85.8**

* Receivable of 50,3 EUR million from the sale of Hankkija Oy according to IFRS recognized as other non-current receivables at year end 2013.

Assets held for sale	0.0	
Non-current financial assets, total	**118.5**	**98.6**

18. Deferred taxes

Changes in deferred taxes in 2013

Deferred tax assets

EUR million	1 Jan 2013	Recognised in the income statement	Recognised in equity	Items recognised in the statement of comprehensive income	Foreign exchange differences	Businesses acquired/ divested	Group-ings	Discon-tinued opera-tions	31 Dec 2013
Confirmed losses	20.3	4.3						-1.9	22.7
Provisions and impairment losses	2.3	3.1						-0.5	4.8
Internal margin on inventories and property, plant and equipment	2.7	-0.4					0.0		2.0
Finance lease liabilities	9.4	-2.0					-1.5		5.8
Other items	-0.5	2.4	0.1		0.1		1.5	-0.1	3.4
Total	**34.1**	**7.4**	**0.1**		**0.1**	**-0.5**	**0.0**	**-2.5**	**38.7**

Deferred tax liabilities

EUR million									
Cumulative depreciation difference	5.9	-0.5				-0.8			4.5
Business combinations	4.2	-0.3							2.8
Fair value reserve	1.6			-0.7			0.0		0.8
Other items	4.5	2.8			-0.1	-2.2	1.1		6.2
Total	**16.2**	**2.0**	**0.0**	**-0.7**	**-0.1**	**-3.0**			**14.3**

Changes in deferred taxes in 2012

Deferred tax assets

EUR million	1 Jan 2013	Recognised in the income statement	Recognised in equity	Items recognised in the statement of comprehensive income	Foreign exchange differences	Businesses acquired/ divested	Group- ings	Discon- tinued opera- tions	31 Dec 2013
Confirmed losses	15.3	5.1					-0.2		20.3
Provisions and impairment losses	2.3	0.3					-0.2		2.3
Internal margin on inventories and property, plant and equipment	2.8	0.1					-0.2	0.0	2.7
Finance lease liabilities	16.3	-4.9					-1.8	-0.1	9.4
Other items	-2.6	0.1	-0.1		0.0		2.4	-0.3	-0.5
Total	**34.0**	**0.7**	**-0.1**		**0.0**			**-0.5**	**34.1**

Deferred tax liabilities

EUR million	1 Jan 2013	Recognised in the income statement	Recognised in equity	Items recognised in the statement of comprehensive income	Foreign exchange differences	Businesses acquired/ divested	Group- ings	Discon- tinued opera- tions	31 Dec 2013
Cumulative depreciation difference	9.1	-3.6				1.5	-0.4	-0.7	5.9
Business combinations	11.0	-4.2					0.4	-2.9	4.2
Fair value reserve	-0.8			2.4				0.0	1.6
Other items	**3.7**	**1.6**			**0.0**	**-0.8**		**0.0**	**4.5**
Total	**23.0**	**-6.2**		**2.4**	**0.0**	**0.7**		**-3.7**	**16.2**

On 31 December 2013, the Group had EUR 6.6 million (2.7 million on 31 December 2012) of confirmed losses, for which no deferred tax assets have been recognised, since it is not likely that the Group will accrue taxable income against which the losses could be utilised before the losses expire.

19. Inventories

EUR million	2013	2012
Raw materials and consumables	0.0	0.0
Supplies	189.9	220.5
Other inventories	0.1	0.1
Total	**190.1**	**220.6**

20. Trade receivables and other current non-interest-bearing receivables

EUR million	2013	2012
Trade receivables	525.5	563.8
Non-interest-bearing loan and other receivables	10.9	35.4
Derivative assets	17.1	11.7
Prepayments and accrued income in financial items	0.7	2.4
Other prepayments and accrued income	37.1	26.4
Trade receivables and other current non-interest-bearing receivables, total	**591.4**	**639.8**

21. Current interest-bearing receivables

EUR million	2013	2012
Receivables sold to the finance companies	0.0	8.2
Current interest-bearing receivables, total	**0.0**	**8.2**

22. Short-term investments

EUR million	2013	2012
Bonds and notes	**0.0**	**20.0**

23. Cash and cash equivalents

EUR million	2013	2012
Cash on hand and deposits	**156.1**	**147.8**

Cash and cash equivalents in the statement of cash flows are made up as follows:

EUR million	2013	2012
Cash on hand and deposits	157.7	157.6
Money market investments under 3 months	0.0	0.1
Total	**157.7**	**157.7**

Items categorised as cash and cash equivalents in the statement of cash flows have a maturity of a maximum of three months from the acquisition date.

The statement of cash flows includes the cash on hand and deposits of discontinued operations.

24. Equity

EUR million	2013	2012
Cooperative capital, 1 Jan	156.0	145.7
Cooperative contributions paid	7.3	10.3
Cooperative capital, 31 Dec	**163.4**	**156.0**

Cooperative capital consists of the cooperative contributions paid to Suomen Osuuskauppojen Keskusosuuskunta (SOK) for participations in the cooperative enterprises. The number of participations in a cooperative enterprise is determined on the basis of the number of the members and annual purchases of the cooperative enterprises.

Restricted reserves

Fair value reserve
The fair value reserve includes changes in the fair values of derivative instruments used to hedge available-for-sale investments and cash flow as well as a share of change in S-Bank's fair value reserve. Value of the reserve is EUR 16,9 million on 31 Dec 2013 (EUR 20,3 million on 31 Dec 2012). The share of S-Bank's fair value reserve is EUR 13,6 million on 31 December 2013 (EUR 15,5 million on 31 December 2012).

Reserve fund
The reserve fund comprises the portion of non-restricted equity that can be transferred under the cooperative's statutes. Value of the fund is EUR 18,5 million on 31 Dec 2013 (EUR 18.5 million on 31 Dec 2012).

Supervisory Board's Disposal fund
The Supervisory Board decides on the use of its disposal fund. Value of the fund is EUR 0,1 million on 31 Dec 2013 (EUR 0,1 million on 31 Dec 2012).

25. Supplementary cooperative capital

EUR million	2013	2012
Non-current supplementary cooperative capital	**12.8**	**12.8**

Supplementary cooperative capital consists of voluntary investments in Suomen Osuuskauppojen Keskusosuuskunta (SOK) made by the cooperative enterprises. The cooperative enterprises have the right to have their supplementary cooperative capital contributions returned in the manner and subject to the conditions prescribed in the Cooperatives Act and SOK's statutes.

26. Interest-bearing liabilities

Non-current interest-bearing liabilities

EUR million	2013	2012
Loans from financial institutions	20.2	20.9
Finance lease liabilities	72.3	80.2
Other non-current interest-bearing liabilities	12.3	5.2
Non-current interest-bearing liabilities, total	**104.8**	**106.3**

Current interest-bearing liabilities

EUR million	2013	2012
Loans from financial institutions	0.0	10.0
Finance lease liabilities	17.4	17.2
Other current interest-bearing liabilities	28.9	212.4
Current interest-bearing liabilities, total	**46.3**	**239.6**

Finance lease liabilities

EUR million	2013	2012
Finance lease liabilities – total amount of minimum lease payments		
In one year	21.3	21.5
In one to five years	56.6	59.3
Over five years	28.9	37.5
Minimum lease payments, total	**106.7**	**118.3**
Finance lease liabilities – present value of minimum lease payments		
In one year	17.4	17.2
In one to five years	46.8	47.8
Over five years	25.5	32.4
Present value of minimum lease payments, total	**89.7**	**97.4**
Accrued financial expenses	**17.0**	**20.9**
Lease payments from subleases	**19.9**	**19.7**

Finance lease agreements consist primarily of lease agreements on properties.

27. Non-interest-bearing liabilities

EUR million	2013	2012
Non-current non-interest-bearing liabilities	29.0	29.9
Accruals and deferred income	7.7	6.4
Non-current non-interest-bearing liabilities, total	**36.7**	**36.2**
Trade payables, total	**676.6**	**652.1**
Advances received	1.9	2.0
Current liabilities	25.4	24.6
Derivative financial instruments	12.0	14.0
Accruals and deferred income	87.4	75.7
Current non-interest bearing liabilities, total	**126.7**	**116.3**
Material items included in current accruals and deferred income		
Personnel expenses	51.6	54.1
Financing items	0.6	1.5
Others	42.9	26.4
Current accruals and deferred income, total	**95.1**	**82.0**

The non-interest bearing liabilities of the comparison year contain the liabilities of the discontinued operations.

28. Fair values of financial assets and liabilities

EUR million	Note	Financial assets and liabilities at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Hedge accounting derivatives	Liabilities to be measured at amortised cost	**Carrying amount 2013**	**Fair value 2013**
Financial assets								
Non-current financial assets	(17)							
Shares and participations				7.2			7.2	7.2
Loan receivables			43.3				43.3	44.7
Receivables sold to a finance company			0.0				0.0	0.0
Finance lease receivables			0.0				0.0	0.0
Non-interest-bearing loan receivables			55.6				55.6	55.1
Trade receivables			0.0				0.0	0.0
Trade receivables and other current non-interest-bearing receivables	(20)							
Trade receivables			527.1				527.1	527.1
Loan receivables			0.6				0.6	0.6
Prepayments and accrued income in financial items			0.7				0.7	0.7
Derivatives assets		17.8			0.00		17.8	17.8
Current interest-bearing liabilities	(21)							
Loan receivables			7.5				7.5	7.6
Receivables sold to a finance company			0.00				0.0	0.0
Short-term investments	(22)							
Available-for-sale investments				0.00			0.0	0.0
Cash and cash equivalents	(23)							
Cash in hand and deposits			157.7				157.7	157.7
Financial assets, total		**17.8**	**799.9**	**7.2**	**0.0**		**817.4**	**818.2**
Financial liabilities								
Supplementary cooperative capital	(25)					12.8	12.8	12.8
Non-current interest-bearing liabilities	(26)							
Trade payables						0.0	0.0	0.0
Interest-bearing loans from financial institutions						20.2	20.2	20.2
Interest-bearing loans from others						10.2	10.2	11.5
Finance company liability for sold receivables						0.0	0.0	0.0
Finance lease liabilities						72.3	72.3	66.8
Non-current non-interest-bearing liabilities	(27)							
Cash counting service						25.5	25.5	25.5
Other non-interest-bearing liabilities						0.1	0.1	0.1
Current interest-bearing liabilities	(26)							
Interest-bearing loans from financial institutions						0.0	0.0	0.0
Interest-bearing loans from others						30.3	30.3	30.3
Finance company liability for sold receivables						0.0	0.0	0.0
Finance lease liabilities						17.4	17.4	31.2
Current non-interest-bearing liabilities	(27)							
Accruals and deferred income in financial items						0.6	0.6	0.6
Derivatives liabilities		11.3			0.7		12.0	12.0
Trade payables	(27)					677.3	677.3	677.3
Financial liabilities, total		**11.3**			**0.7**	**866.7**	**878.7**	**888.3**

The fair value of supplementary cooperative capital, EUR 12.8 million (2012: 12.8 million) cannot be determined reliably.

EUR million	Note	Financial assets and liabilities at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Hedge accounting derivatives	Liabilities to be measured at amortised cost	**Carrying amount 2012**	**Fair value 2012**
Financial assets								
Non-current financial assets	(17)							
Shares and participations				12.5			12.5	12.5
Loan receivables			44.0				44.0	45.0
Receivables sold to a finance company			6.0				6.0	5.8
Finance lease receivables			0.0				0.0	0.0
Non-interest-bearing loan receivables			5.3				5.3	5.1
Trade receivables			0.0				0.0	0.0
Trade receivables and other current non-interest-bearing receivables	(20)							
Trade receivables			563.4				563.4	563.4
Loan receivables			0.3				0.3	0.3
Prepayments and accrued income in financial items			2.8				2.8	2.8
Derivatives assets		11.6			0.1		11.7	11.7
Current interest-bearing liabilities	(21)							
Loan receivables							0.0	0.0
Receivables sold to a finance company			8.2				8.2	8.2
Short-term investments	(22)							
Available-for-sale investments				20.0			20.0	20.0
Cash and cash equivalents	(23)							
Cash in hand and deposits			153.7				153.7	153.7
Financial assets, total		**11.6**	**783.7**	**32.5**	**0.1**		**828.0**	**828.5**
Financial liabilities								
Supplementary cooperative capital	(25)					12.8	12.8	12.8
Non-current interest-bearing liabilities	(26)							
Pension loans						0.0	0.0	0.0
Trade payables						20.9	20.9	21.4
Interest-bearing loans from others						0.4	0.4	0.4
Finance company liability for sold receivables						6.0	6.0	5.8
Finance lease liabilities						81.6	81.6	88.3
Non-current non-interest-bearing liabilities	(27)							
Cash counting service						23.1	23.1	23.1
Other non-interest-bearing liabilities						0.1	0.1	0.1
Current interest-bearing liabilities	(26)							
Interest-bearing loans from financial institutions						10.0	10.0	10.0
Pension loans						202.9	202.9	202.9
Interest-bearing loans from others						8.2	8.2	8.2
Finance lease liabilities						18.4	18.4	22.4
Current non-interest-bearing liabilities	(27)							
Accruals and deferred income in financial items						1.5	1.5	1.5
Derivatives liabilities		12.1			1.9		14.0	14.0
Trade payables	(27)					724.4	724.4	724.4
Financial liabilities, total		**12.1**			**1.9**	**1 110.3**	**1 124.3**	**1 135.3**

The fair value hierarchy for financial assets and liabilities

EUR million	Note	Fair Value 2013	Level 1	Level 2	Level 3
Assets measured at fair value					
Non-current financial assets	(17)				
Shares and participations		7.2			7.2
Loan receivables		44.7		44.7	
Receivables sold to a finance company		0.0		0.0	
Finance lease receivables		0.0		0.0	
Non-interest-bearing loan receivables		55.1		55.1	
Trade receivables		0.0		0.0	
Trade receivables and other current non-interest-bearing receivables	(20)				
Loan receivables		0.6		0.6	
Prepayments and accrued income in financial items		0.7		0.7	
Derivatives assets		17.8	3.6	14.2	
Current interest-bearing receivables	(21)				
Loan receivables		7.6		7.6	
Receivables sold to a finance company		0.0		0.0	
Investment properties		102.8			102.8
Assets held for sale		7.1			7.1
Total		**243.4**	**3.6**	**122.8**	**117.1**
Liabilities measured at fair value					
Supplementary cooperative capital	(25)	12.8		12.8	
Non-current interest-bearing liabilities	(26)				
Trade payables		0.0		0.0	
Interest-bearing loans from financial institutions		20.2		20.2	
Interest-bearing loans from others		11.5		11.5	
Finance company liability for sold receivables		0.0		0.0	
Finance lease liabilities		66.8		66.8	
Non-current non-interest-bearing liabilities	(27)				
Cash counting service		25.5		25.5	
Other non-interest-bearing liabilities		0.1		0.1	
Current interest-bearing liabilities	(26)				
Interest-bearing loans from financial institutions		0.0		0.0	
Interest-bearing loans from others		30.3		30.3	
Finance company liability for sold receivables		0.0		0.0	
Finance lease liabilities		31.2		31.2	
Current non-interest-bearing liabilities	(27)				
Derivatives liabilities		12.0	3.6	8.4	
Liabilities associated with assets held for sale		4.1			4.08
Total		**214.4**	**3.6**	**206.8**	**4.1**

The fair value hierarchy level to which an item measured at fair value has been classified in its entirety is determined based on the lowest level inputs that are significant for the entire item in question, measured at fair value. The significance of the input has been estimated in its entirety in relation to the item in question measured at fair value. The moment of transfers between different levels of the fair value hierarchy is determined by the end of the review period.

Fair values on hierarchy level 1 are based on the quoted prices of completely identical asset items or liabilities in an active market. The Group has used valuations by Bloomberg, Reuters and Nasdaq OMX Commodities as pricing sources in determining the fair value of these instruments.

The fair values of level 2 instruments are to a significant extent based on inputs other than quoted prices included in level 1. However they are based on information that is observable for the said asset item either directly or indirectly. In determining the fair value of these instruments, the Group uses generally accepted valuation models in which the input is to a significant extent based on verifiable market information.

The fair values of level 3 instruments are based on inputs concerning the asset item or liability which is not based on verifiable market information.

In 2013, the holdings in Suomen Luotto-osuuskunta cooperative were moved from level 2 back to level 3 due to inaccuracies in the measurement of the fair value. The fair value of the holdings, EUR 5.6 million (2012: EUR 10.8 million) is based on Suomen Luotto-osuuskunta cooperative's preliminary plan regarding the distribution of funds in 2014–2015. In addition to the aforementioned, level 3 also includes EUR 1.6 million of unquoted shares (2012: 1.7 million), for which the fair value cannot be determined and investment properties EUR 102.8 million, their fair value determined primarily by means of appraisal approach. Unquoted shares and holdings presented on level 3 were realised in 2013 at the acquisition cost of EUR 0.1 million.

SOK Corporation's automotive trade has been presented as discontinued operations at the end of 2013. Assets and liabilities associated with the automotive trade with a net value of EUR 3,0 million are presented on level 3. They have been valued at fair value less cost of sale.

Movements in Level 3

EUR million	**2013**
Opening balance, 1 Jan	1.7
Purchases	0.0
Sales	-0.1
Transfers from level 2 to level 3	5.6
Presentation of investment properties on level 3	102.8
Presentation of assets held for sale on level 3	3.0
Closing balance, 31 Dec	113.0

Assets measured at fair value

EUR million	**Note**	**Fair Value 2012**	**Level 1**	**Level 2**	**Level 3**
Non-current financial assets					
Shares and participations		12.5		10.8	1.7
Trade receivables and other current non-interest-bearing receivables					
Derivatives assets		11.7	2.3	9.4	
Short-term investments	(22)				
Available-for-sale investments		20.0		20.0	
Total		**44.2**	**2.3**	**40.2**	**1.7**

Liabilities measured at fair value

Current non-interest-bearing liabilities				
Derivatives liabilities	14.0	2.3	11.7	
Total	**14.0**	**2.3**	**11.7**	

29. Provisions

EUR million	**Unprofitable lease agreements**	**Maintenance provisions of leased facilities**	**Other provisions**	**Total**
Provisions, 1 Jan 2013	6.1	2.1	0.6	8.8
Increases in provisions	19.3	0.0	1.7	21.1
Provisions used	-2.0	-0.3	-1.2	-3.5
Reversals of unused provisions	-0.6	-0.1		-0.7
Provisions, 31 Dec 2013	21.3	1.7	0.8	23.9

Breakdown of provisions	
Non-current	19.0
Current	4.9

EUR million	Unprofitable lease agreements	Maintenance provisions of leased facilities	Other provisions	Total
Provisions, 1 Jan 2012	5.0	2.5	0.1	7.7
Increases in provisions	2.9	0.2		3.9
Provisions used	-1.4	-0.3	-0.4	-2.0
Reversals of unused provisions	-0.4	-0.4		-0.8
Provisions, 31 Dec 2012	**6.1**	**2.1**	**0.6**	**8.8**

Breakdown of provisions	
Breakdown of provisions	6.0
Non-current	2.8
Current	

30. Operating leases

Group as lessee

The Corporation has leased hotel, store and warehouse facilities with lease agreements that cannot be cancelled. The duration of the leases is, as a rule, 3 to 15 years. Most of the leases can be extended at the market price after the lease period ends.

Minimum lease payments on non-cancellable operating leases:

EUR million	2013	2012
In one year	141.6	136.5
In one to five years	522.2	493.9
Over five years	582.0	659.8
Total	**1 245.8**	**1 290.2**

Group as lessor

Minimum lease payments on non-cancellable operating leases:

EUR million	2013	2012
In one year	12.4	11.8
In one to five years	7.5	7.8
Over five years	0.0	0.1
Total	**19.9**	**19.7**

31. Management of financial and commodity price risks

The management of finance and financial risks has been centralised within SOK's Treasury unit. SOK Corporation has a Finance and treasury policy as well as risk management instructions that are established by SOK's Executive Board. These define the principles of managing financial risks and the permissible maximum amounts for financial risks. In addition, numerical targets have been set for the different subareas of financing with the aim of being able to ensure the sufficiency, balance and affordability of financing in all conditions.

Derivatives are used mainly to hedge SOK Corporation's financial risks and the price risks of commodities. Trading in derivatives for other than hedging purposes is done only within the risk limits approved by SOK's Executive Board.

CREDIT RISK

A credit risk is a risk that an agreement counterparty fails to fulfil their payment obligation to SOK Corporation or that a change in the counterparty's creditworthiness affects the market value of the financial instruments it has issued. A credit risk is generated on the moment when a transaction has been completed or an agreement has been entered into, or a decision thereof has been made, containing a risk that S OK Corporation will fail to collect its receivables.

The majority of SOK Corporation's credit risk is related to financial market agreements and trade receivables. SOK Corporation's liquidity is invested in money and currency markets in a productive manner but avoiding unnecessary risks.

Investment activities and trading in derivatives are carried on only with the counterparties approved by SOK's Executive Board and within the framework of the limit approved by the Executive Board.

The management of credit risks associated with commercial operations is part of the daily operations of the business areas.

Rahoitusvarojen luottoriskin enimmäismäärä

EUR million	Note	2013	2012
Non-current financial assets	(17)		
Loan receivables		43.3	44.0
Receivables sold to a finance companies		0.0	6.0
Finance lease receivables		0.0	0.0
Non-interest-bearing loan receivables		55.6	5.3
Trade receivables		0.0	0.0
Trade receivables and other current non-interest-bearing receivables	(20)		
Trade receivables		527.1	563.4
Loan receivables		0.6	0.3
Prepayments and accrued income in financial items		0.7	2.8
Derivatives assets		17.8	11.7
Current interest-bearing liabilities	(21)		
Receivables sold to a finance companies		0.0	8.2
Loan receivables		7.5	0.0
Short-term investments	(22)		
Available-for-sale investments		0.0	20.0
Cash and cash equivalents	(23)	157.7	153.7
Off-balance sheet liabilities	(33)		
Nominal value of warranty liabilities		136.3	181.9
Total		**946.5**	**997.3**

Derivatives assets comprise the positive market values in the accounting of agreements.

Guarantee commitments which increase SOK Corporation's credit risk are presented in Note 33. The guarantee liabilities include guarantees that are not likely to realise made on behalf of companies belonging to S Group.

Items reducing the credit risk
The value of real securities received as counter-guarantees for collaterals given on behalf of the cooperative enterprises was EUR 2.5 million (2012: EUR 2.5 million). In addition, SOK Corporation has received rental guaranty deposits in the form of both bank guaranties and cash to a value of EUR 0.7 million (2012: 0.5 million).

Ageing of loan and trade receivables

EUR million	Note	2013	Of which not reduced in value or due at the balance sheet date	Of which reduced in value at the balance sheet date. but having fallen due in the following periods 1–30 days	31–90 days	yli 90 days	Impairment losses recorded in the financial period
Loan receivables							
due in less than one year	(21)	8.1	8.1				
due in over one year	(17)	98.9	98.9				
Trade receivables							
due in less than one year	(20)	527.1	519.8	4.9	1.1	1.3	
due in over one year	(17)	0.0	0.0				
Total		**634.0**	**626.7**	**4.9**	**1.1**	**1.3**	

EUR million	Note	2012	Of which not reduced in value or due at the balance sheet date	Of which reduced in value at the balance sheet date. but having fallen due in the following periods 1–30 days	31–90 days	yli 90 days	Impairment losses recorded in the financial period
Loan receivables							
due in less than one year	(21)	0.3	0.3				
due in over one year	(17)	49.3	49.3				
Trade receivables							
due in less than one year	(20)	563.4	551.2	10.1	1.1	1.1	
due in over one year	(17)	0.0	0.0				
Total		**613.0**	**600.7**	**10.1**	**1.1**	**1.1**	

Reconciliation of the credit loss accounts

EUR million	2013	2012
Realised credit losses	0.0	0.7
Returned credit losses	0.0	-0.1
Impairment recognised for the financial year		
Closing balance, 31 Dec	**0.0**	**0.6**

Credit losses are due to trade receivables that did not gain interest and that did not have collateral.

Quality analysis of debt securities

EUR million	Note	2013 Value	Share of receivables	2012 Value	Share of receivables
Senior loans	(22)	0.0	0.0 %	20.0	50.0 %
Junior loans	(17)	20.0	100.0 %	20.0	50.0 %
Total		**20.0**	**100.0 %**	**40.0**	**100.0 %**

Debt securities by credit rating [1)]

EUR million	Note	2013 Value	Share of receivables	2012 Value	Share of receivables
AA-	(22)	0.0	0.0 %	20.0	50.0 %
Unclassified, S-Bank	(17)	20.0	100.0 %	20.0	50.0 %
Total		**20.0**	**100.0 %**	**40.0**	**100.0 %**

[1)] The S&P rating has primarily been used. If the S&P rating has not been available, a corresponding Moody's or Fitch rating has been used.

Risk concentrations

Geographical distribution of receivables 2013

EUR million	**Finland**	**Nordic countries**	**Other EU countries**	**Other countries**
Loan receivables	105.3		0.2	1.4
Receivables sold to a finance companies	0.0			
Finance lease receivables	0.0			
Trade receivables	521.3	0.7	3.3	1.7
Available-for-sale investments	0.0			
Cash and cash equivalents	116.2	10.4	13.8	17.3
Other countries	18.5			
Other countries	**761.3**	**11.1**	**17.3**	**20.4**

Other countries

EUR million	Finland	Nordic countries	Other EU countries	Other countries
Other countries	48.0		0.2	1.4
Other countries	14.2			
Finance lease receivables	0.0			
Trade receivables	557.4	0.7	3.6	1.7
Available-for-sale investments	20.0			
Cash and cash equivalents	125.7	0.4	17.3	10.4
Other items	14.5			
Total	**779.8**	**1.1**	**21.1**	**13.5**

Risk concentrations are presented in the tables only for SOK Corporation's external items.

Deducting financial assets and liabilities from each other in 2013

SOK Corporation has not netted its financial assets and liabilities Nevertheless, some derivative contracts are subject to an agreement according to which the derivatives could be netted in case of bankruptcy.

	Recorded in financial assets	**Recorded in finance liabilities**	**Net value**
Derivative contracts			
2013	**7.5**	**-1.7**	**5.8**
2012	**3.4**	**-4.4**	**-1.0**

LIQUIDITY RISK

Liquidity risk is a risk that the liquid assets and unused credit facilities of SOK and its subsidiaries are not sufficient to meet the operational needs or that arranging the liquidity needed causes high additional expenses.

SOK Corporation manages its liquidity risk by maintaining its quick ratio and cash reserve at a sufficient level.

The cash reserve is maintained in order to secure liquidity in all situations, and it contains liquid assets tradeable on the secondary market as well as available funds, including account limits. The cash reserve target is EUR 100 million and achieving this objective is monitored over a monitoring period extending two weeks.

SOK endeavours also to minimise liquidity and refinancing risks by maintaining a balanced maturity distribution for its loans.

SOK Corporation has concluded agreements on committed credit facilities to an amount of EUR 220 million (2011: EUR 270 million). The credit facilities have not been secured by collateral. In 2015 EUR 40 million will fall due; and the remaining EUR 180 million will fall due in 2017. The committed credit limit in use in 2013 amounted to an average of EUR 0.0 (25.1) million. In accounting, a loan taken out from long-term credit facilities is handled as a non-current liability. SOK Corporation did not have any debt taken out from committed credit facilities on the balance sheet date.

The terms and conditions SOK's overdraft facilities contain covenants. The financial covenants used in all overdraft facilities agreements are equity ratio and the gross margin / net interest rates key figure. The covenant terms and conditions were not breached in the financial year.

In addition, the SOK Corporation has an EUR 250 million commercial paper programme of which an average of EUR 66,1 (139.5) million was in use.

Maturity analysis of SOK Corporation's agreement-based cash flows from financial liabilities and derivative contracts

EUR million	Note	2013	Agreement-based cash flows [1]	On demand	Less than 3 mon.	3–12 mon.	1–2 yr	2–5 yr	over 5 yr
Non-derivative financial assets									
Supplementary cooperative capital	(25)	12.8	14.6			0.2	0.1	0.6	13.7
Non-current interest-bearing liabilities	(26)								
Trade payables		0.0	0.0				0.0	0.0	
Interest-bearing loans from financial institutions		20.2	20.7		0.1	0.3	20.3		
Interest-bearing loans to others		10.2	15.8				0.2	15.6	
Finance lease liabilities		72.3	85.5				18.8	37.8	28.9
Non-current non-interest-bearing liabilities	(27)								
Cash counting service		25.5	25.5	25.5					
Other non-interest-bearig liabilities		0.1	0.1				0.1		
Current interest-bearing liabilities	(26)								
Interest-bearing loans from financial institutions		0.0	0.0	0.0					
Interest-bearing loans from others		30.3	30.4		30.2	0.2			
Finance company liability for sold receivables		0.0	0.0		0.0	0.0			
Finance lease liabilities		17.4	21.3		5.5	15.8			
Trade payables	(27)	677.3	677.3		677.1	0.2			
Off-balance liabilities	(33)								
Nominal value of guarantee liabilities		136.3	136.3	136.3					
Non-derivative financial assets, total		**1 002.3**	**1 027.4**	**161.8**	**712.9**	**16.7**	**39.5**	**54.0**	**42.6**
Derivatives liabilities	(23). (27)								
Derivatives included in hedge accounting		0.6	0.0		0.0	0.0	0.0	0.0	
Currency derivatives		1.3	0.6	0.0	0.5	0.1	0.0	0.0	
Interest rate derivatives		5.2	5.2		1.0	2.2	1.5	0.5	
Commodity derivatives		4.4	3.5		0.0	0.0		2.7	0.8
Derivatives assets	(20). (23)								
Derivatives included in hedge accounting		0.4	0.4		0.1	0.1	0.2	0.0	
Currency derivatives		7.9	4.9		0.6	2.2	2.0	0.0	
Interest rate derivatives		4.0	4.5		1.0	2.2	1.3	0.0	
Commodity derivatives		4.4	3.5			0.0		2.7	0.8
							0.0		
Net derivatives liabilites, total		**-5.2**	**-4.0**	**0.0**	**-0.2**	**-2.2**	**-2.1**	**0.5**	**0.0**
Total		**997.1**	**1 023.5**	**161.8**	**712.7**	**14.5**	**37.4**	**54.5**	**42.6**

[1] Expence on financial liabilities + / return on financial assets +

All the instruments in effect on 31 December 2012 and their agreement-based principal amounts and interest are given in the table. Items in foreign currency have been translated into euro, applying the spot rates on the balance sheet date. Floating-rate interest payments on financial liabilities have been defined applying the forward contract interest rate quotations at the balance sheet date. Financial liabilities for which repayment can be claimed before the due date have been presented in a period during which repayment can be made at the earliest.

For derivatives, the net cash flows of each agreement have been presented in the table. For interest rate swaps, the net cash flows of each agreement are shown. Future floating-rate cash flows have been defined applying the quotations at the balance sheet date. For currency derivatives, the net cash flows of each agreement have been presented. The cash flows presented for electricity derivatives are the fair value at the balance sheet date in the maturity corresponding to the due date.

Supplementary Cooperative Capital
Supplementary cooperative capital is a cooperative enterprise's voluntary investment in the cooperative enterprise. Of the aggregate amount of supplementary cooperative contributions corresponding to the supplementary cooperative shares issued, the amount paid to the cooperative enterprise at any given time constitutes the supplementary cooperative capital. The cooperative enterprise has the right to reduce the number of its additional cooperative shares by notifying the Executive Board of the cooperative enterprise thereof in writing. The reduction in the supplementary cooperative shares and the refund of the supplementary cooperative contributions corresponding to them is carried out in accordance with the provisions of the Cooperatives Act and in the manner and subject to the terms of SOK's statutes.

The supplementary cooperative capital contribution is refunded to the cooperative enterprise at a time decided by the Executive Board of the cooperative enterprise, which can be no earlier than six months after the close of the financial period during which a demand for reduction in the supplementary cooperative shares and refund of the supplementary contributions has been presented to the cooperative society and no later than within five years and six months of such demand, counting from the beginning of the next calendar year. The equity to be used for the refund and the amount of the supplementary cooperative contribution to be returned are calculated on the basis of the financial statements to be prepared for the financial period preceding the date of the refund, in accordance with the provisions of the Cooperatives Act.

Maturity analysis of SOK Corporation's agreement-based cash flows from financial liabilities and derivative contracts

EUR million	Note	**2012**	**Agreement-based cash flows** [1]	**On demand**	**Less than 3 mon.**	**3–12 mon.**	**1–2 yr**	**2–5 yr**	**over 5 yr**
Non-derivative financial assets									
Supplementary cooperative capital	25	12.8	13.9			0.3	0.1	0.2	13.3
Non-current interest-bearing liabilities	26								
Trade payables		0.0	0.0					0.0	
Interest-bearing loans from financial institutions		20.9	21.9		0.1	0.4	0.5	21.0	
Interest-bearing loans to others		0.4	0.4				0.2	0.2	
Finance company liability for sold receivables		6.0	6.0				3.9	2.1	
Finance lease liabilities		81.6	97.5				19.3	77.6	0.6
Non-current non-interest-bearing liabilities	27								
Cash counting service		23.1	23.1	23.1					
Other non-interest-bearig liabilities		0.1	0.1				0.1		
Current interest-bearing liabilities	26								
Interest-bearing loans from financial institutions		10.0	10.0	10.0					
Pension loans		202.9	202.9		198.7	4.2			
Finance company liability for sold receivables		8.2	8.2		2.1	6.2			
Finance lease liabilities		18.4	22.5		6.1	16.4			
Trade payables	27	724.4	724.4	723.5	0.9				
Off-balance liabilities	33								
Nominal value of guarantee liabilities		181.9	181.9	181.9					
Non-derivative financial assets, total		**1 290.6**	**1 312.8**	**938.5**	**207.8**	**27.4**	**24.1**	**101.1**	**13.9**
Derivatives liabilities	23. 27								
Derivatives included in hedge accounting		3.7	1.8		0.1	0.3	0.5	0.9	
Currency derivatives		3.1	9.9	2.0	1.7	2.9	2.1	1.1	
Interest rate derivatives		6.1	6.1		0.8	1.3	2.9	1.1	
Commodity derivatives		2.7	2.7					1.8	0.9
Derivatives assets	20. 23								
Currency derivatives		0.9	0.6		0.0	-0.1	-0.1	0.9	
Currency derivatives		3.0	0.4		-0.5	0.9	0.1	0.0	
Interest rate derivatives		6.4	6.3		0.8	1.4	2.9	1.2	
Commodity derivatives		2.7	2.7					1.8	0.9
Net derivatives liabilites, total		2.6	10.4	2.0	2.4	2.3	2.5	1.1	0.0
Total		**1 293.2**	**1 323.2**	**940.5**	**210.2**	**29.7**	**26.6**	**102.2**	**13.9**

[1] Expence on financial liabilities + / return on financial assets +

INTEREST RATE RISK

The interest rate risk means an uncertainty in SOK Corporation's cash flow, result and balance sheet caused by changes in market rates. In principle, the interest rate risk is minimised when the average interest rate tying period of SOK Corporation's interest-bearing items neutralises the sensitivity of the operational activities to the changes in the interest rates.

SOK Corporation's goal in the management of the interest rate risk is to reduce or eliminate the negative effect of the change in market rates on the Corporation's cash flows, result and balance sheet, nevertheless taking the costs of hedging into account.

SOK Finance is in charge of the management of SOK Corporation's interest rate risk in a centralised manner. SOK Corporation's interest rate risk is monitored through the ALM cost centre, which depicts the entire Group's interest rate risk. ALM's interest rate risk position is the net of the Corporation's external and internal interest instruments.

The interest rate risk of SOK Corporation's subsidiaries is managed by financing investments and operational activities in a manner that minimises the interest rate risk of the business operations. When determining the interest rate tying period of the Corporation's internal loans, the repayment and depreciation periods of the investments are taken into consideration. The interest rate tying period is adjusted to match the investment or operational activity by using the Corporation's internal interest derivatives, if needed.

A linear change of one percentage point in market rates must not cause an increase in the net financial expenses that would exceed one per cent of the planned gross margin in euro for each year. The ALM interest rate risk position is monitored over a five-year planning period, and the target of the aforementioned indicator must be met during the first three years of the planning period.

Interest rate sensitivity analysis

The table shows the interest rate sensitivity of SOK Corporation's interest-bearing net liabilities as well as derivatives receivables and liabilities. The effect of a one percentage point change in the interest rate on SOK Corporation's income statement and equity on the balance sheet date is presented as sensitivity. Other variables are assumed to remain constant.

The effect on the income statement and equity is shown without the effect of taxes.

				Effect on the income statement		**Effect on equity**	
2013		Position exposed		1 percentage	1 percentage	1 percentage	1 percentage
EUR million	Note	to risk	Duration	point rise	point fall	point rise	point fall
Interest-bearing receivables	(17). (21)						
EUR		42.3	1.0	0.4	-0.4		
Short-term investments	(22)						
EUR		0.0	0.0	0.0	0.0	0.0	0.0
Derivatives assets and liabilities	(20). (27)						
EUR		55.7	0.3	-0.4	0.4	1.0	-1.0
USD		23.5	0.2	-0.1	0.1		
LTL		-4.9	0.5	0.0	0.0		
RUB		56.7	0.9	0.5	-0.5		
Other currencies		21.3	0.1	0.0	0.0	0.0	0.0
Interest-bearing liabilities	(26)						
EUR		66.1	0.1	-0.6	0.6		
Total		**260.7**		**-0.2**	**0.2**	**1.0**	**-1.0**

The interest rate sensitivity of derivative assets and liabilities is reported as an impact of one percentage point change in the interest rate on the fair value of the derivative. The interest rate sensitivity of short-term investments measured at fair value is reported as the impact of one percentage point change in the interest rate on the fair value and interest cash flows during the next 12 months. The interest rate sensitivity of other interest-bearing receivables and liabilities is reported as the impact of one percentage point change in the interest rate on the interest cash flows during the next 12 months. The calculation assumes that the balance sheet amount will remain the same for the next 12 months.

Cash flow hedging is applied to the interest rate risk of derivatives affecting equity.
The time until the next re-pricing in years is given as the duration.

2012 EUR million	Note	Position exposed to risk	Duration	Effect on the income statement 1 percentage point rise	Effect on the income statement 1 percentage point fall	Effect on equity 1 percentage point rise	Effect on equity 1 percentage point fall
Interest-bearing receivables	(17). (21)						
EUR		52.2	0.1	0.4	-0.4		
Short-term investments	(22)						
EUR		20.0	0.1	0.2	-0.2	0.0	0.0
Derivatives assets and liabilities	(20). (27)						
EUR		78.4	0.9	-0.1	0.2	1.4	-1.5
USD		37.1	0.2	-0.1	0.1		
LVL		-8.0	0.1	0.0	0.0		
LTL		-6.6	0.2	0.0	0.0		
RUB		91.5	1.3	1.1	-1.1		
Other currencies		15.0	0.4	0.0	0.0	0.0	0.0
Interest-bearing liabilities	(26)						
EUR		289.0	0.1	-2.7	2.7		
Total		**568.5**		**-1.2**	**1.2**	**1.4**	**-1.5**

Interest cash flow risk and hedge accounting

SOK Corporation applies hedge accounting to derivatives hedging variable-rate debts and highly probable future purchases. The hedge accounting model used is cash flow hedge. The purpose of hedge accounting is to hedge against the interest cash flow risk and currency risk in currency-denominated purchases.

Hedge accounting is applied to derivatives which are effective for the risk being hedged and meet the conditions set for hedge accounting in the IAS 39 standard. Hedging instruments used include interest rate swaps, interest rate and currency swaps as well as forward exchange contracts. The hedging relationship between the hedging derivative and the hedged item as well as the risk management objectives related to hedging are documented when the hedging begins.

The efficiency of the hedge is assessed at the beginning of the hedging relationship and during the hedge so that the hedge is extremely efficient throughout. A hedge is considered efficient when the change in the cash flows of the hedge instrument eliminates 80 to 125% of the change in the cash flows of the hedged agreement or position.

The efficient portion of hedging is recognised in the fair value reserve.

Fair values of the electricity derivatives used as hedge instruments

EUR million	2013	2012
Derivatives liabilities		
Interest rate swaps	0.0	1.9
Interest rate and currency swaps	0.2	0.0
Forward exchange contracts	0.5	0.0
Total	**0.7**	**1.9**
Derivatives receivables		
Interest rate swaps	0.0	0.0
Interest rate and currency swaps	0.0	0.1
Forward exchange contracts	0.0	0.0
Total	**0.0**	**0.1**

In interest rate and currency swaps, hedge accounting is only applied to the interest cash flow risk of the derivative. Gains and losses from currency risks are recognised directly in the income statement.

Changes recognised in Group equity from cash flow hedge

EUR million	2013	2012
Opening balance, 1 Jan	-4.1	-3.2
Profits and losses from valuing at fair value	-0.1	-1.0
Amount included in the income statement	3.1	0.2
Closing balance, 31 Dec	**1.1**	**-4.1**

Items recognised in equity are shown without the effect of taxes.
Changes in value recognised in equity are recognised in the income statement in the period during which the hedged cash flows are recognised in the income statement, the derivative matures or the hedge accounting prerequisites are no longer met.
In 2012, no inefficiency was recognised in the income statement from cash flow hedging.

The periods during which the cash flows included in hedge accounting are expected to materialise

EUR million	2013	2014	Yhteensä
Expected cash flows of hedged loans	-0.4	-20.3	-20.7
Expected cash flows of derivatives	-0.2	0.2	0.0
Expected cash flows total	**-0.6**	**-20.1**	**-20.7**

The expected cash flows are based on the market prices of the balance sheet date.

CURRENCY RISK

SOK Corporation's revenue still comes mainly from Finland.

A currency risk means an uncertainty in SOK Corporation's cash flow, result and balance sheet caused by changes in exchange rates. The size of SOK Corporation's and its subsidiaries' currency risk is viewed by currency. The objective is to minimise the uncertainty caused by the currency risk of an open position, nevertheless taking the hedging costs into account.

SOK Finance is in charge of the management of SOK Corporation's currency risk in a centralised manner. SOK Corporation's currency risk is monitored through the ALM cost centre, which depicts the entire Group's currency risk. ALM position risk may not exceed EUR 10 million when the exchange rate changes by 10 per cent. The SOK unit or subsidiary entering into an agreement is responsible for the transaction risks. Significant transaction risks are primarily hedged with the Corporation's internal derivatives.

Subsidiaries' currency risk is reduced by financing the operations of the companies in the same currency as the application of funds as well as by means of derivatives. The translation risk associated with the invested equity financing in foreign subsidiaries is reduced by hedging the capitals to the extent that a 20 per cent exchange rate changes would cause a decline of more than 1.0 percentage points in SOK Corporation's equity ratio. The same applies to the holding which the companies plan to return to Finland after more than four years. The holding which the companies plan to return to Finland during the next four years is considered in full.

Currency sensitivity analysis
The currency sensitivity analysis shows the effect on SOK Corporation's profit/loss or equity of a 10% appreciation of depreciation in the euro against other currencies. Other variables are asssumed to remain constant.

The calculation includes the amount of equity in SOK's foreign subsidiaries. Its conversion into euro will have an impact on equity.
The effect on the income statement and equity is shown without the effect of taxes.

2013 EUR million	Position exposed to risk	Effect on the income statement Appreciation of the euro. 10%	Depreciation of the euro. 10%
USD	25.1	-2.3	2.3
LTL	15.3	0.3	-0.3
RUB	190.3	1.2	-1.2
Other currencies	2.0	-0.1	0.1
Total	**232.7**	**-0.9**	**0.9**

2013 EUR million	Position exposed to risk	Effect on equity Appreciation of the euro. 10%	Depreciation of the euro. 10%
LVL	2.6	-0.3	0.3
LTL	1.5	-0.1	0.1
RUB	168.1	-16.8	16.8
Total	**172.2**	**-17.2**	**17.2**

Hedge accounting is not applied to currency derivatives hedging SOK Corporation's equity investments.

In assessing SOK Corporation's total exposure to Lithuanian litas (LTL), account must be taken of the long-term lease agreements of the subsidiaries that operate in these currencies, which are in euros or are currency clause-containing foreign currency-denominated agreements for which the subsidiaries have hedged the currency risk by means of derivatives. The lease agreements are not included in the currency sensitivity analysis.

2012 EUR million	Position exposed to risk	Effect on the income statement Appreciation of the euro. 10%	Depreciation of the euro. 10%
USD	44.3	-4.2	4.2
LVL	21.2	0.6	-0.6
LTL	17.3	0.8	-0.8
RUB	241.3	1.6	-1.6
Other currencies	5.0	0.5	-0.5
Total	**329.1**	**-0.8**	**0.8**

2012 EUR million	Position exposed to risk	Effect on equity Appreciation of the euro. 10%	Depreciation of the euro. 10%
LVL	6.7	-0.7	0.7
LTL	1.8	-0.2	0.2
RUB	5.1	-0.5	0.5
Total	**13.6**	**-1.4**	**1.4**

32. Related party transactions

SOK Corporation's related parties include regional cooperatives, the subsidiaries, joint ventures, the associated companies, CEO and his deputy, SOK's Corporate Management Team, SOK's Executive Board and Supervisory Board and their family members. SOK Corporation is maintaining related parties register.

Paid Management employee benefit expenses	2013	2012
CEO and SOK's Corporate Management Team salaries and remuneration	2.8	2.6
SOK's Executive Board and Supervisory Board salaries and remuneration	0.4	0.3
CEO and SOK's Corporate Management Team supplementary pension costs	0.7	0.6
Total	**3.8**	**3.5**

Management's pension commitments: SOK's Chief Executive Officer, members of the executive board in an emplyment relationship and the Corporate Management Team as well as other management, which complies with the criteria of pension policy are entitled to an additional pension insurance, where the retirement age is 60-62 years. The accrual-based benefits that resigned members of management are entitled to totalled EUR 0.7 million (prev. year EUR 0).

Related-party loans to the subsidiaries, joint ventures as well as associates have been granted for financing normal business operations. Loans have not been granted to regional cooperatives or the management of SOK Corporation's related parties in 2012-2013. Nor have conditional items or other commitments been granted on the behalf of key employees. Persons belonging to management, including their related parties, are not in a material business relationship with SOK Corporation.

Sales to the regional cooperatives primarily consist of the EDI invoicing related to the cooperatives' goods procurement.
In addition, the cooperatives are charged for the service provision related to the normal business operations.

Transactions and balances with associated companies and joint ventures:

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

33. Contingent liabilities

EUR million	**2013**	**2012**
Pledges given and contingent liabilities		
Other liabilities		
Pledges	0.2	0.4
Mortgages		0.4
Guarantees	4.0	4.6
Total	**4.2**	**5.4**
Security given on behalf of others		
Guarantees for liabilities of joint ventures enterprises	103.6	151.5
Guarantees for liabilities of cooperative enterprises	9.2	10.0
Total	**112.7**	**161.5**
Other contingent liabilities		
Guarantees for liabilities of joint ventures enterprises	17.9	13.9
Guarantees for liabilities of cooperative enterprises	0.2	0.4
Guarantees for others' liabilities	1.4	1.4
Total	**19.5**	**15.7**
Other liabilities		
Repurchase liabilities [1)]	26.8	
Underwriting [2)]	12.0	
Total	**38.8**	**0.0**

[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 support for the guarantees granted by SOK-Takaus Oy. The amount of the letters of support 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.

34. Subsidiaries and associated companies

Companies owned by SOK Corporation and SOK 31.12.2013

	Country	SOK Corporation's shareholding %	SOK Corporation's voting rates %	SOK's shareholding %
Group companies				
Commercial				
SOK Autokauppa Oy	Finland	100	100	
A/S Prisma Latvija	Latvia	100	100	
AS Sokotel	Estonia	100	100	
Inex Partners Oy	Finland	100	100	100
Inex Export Oy	Finland	100	100	100
Jollas-Opisto Oy	Finland	100	100	100
Meira Nova Oy	Finland	100	100	100
OOO Real Estate Management	Russia	100	100	
OOO Real Estate 1	Russia	100	100	
OOO Real Estate 2	Russia	100	100	
OOO Otel Plus	Russia	100	100	
OOO Prisma	Russia	100	100	
OOO Sokotel	Russia	100	100	
Prisma Peremarket AS	Estonia	100	100	
Rekla Oy	Finland	100	100	100
SOK-Liiketoiminta Oy	Finland	100	100	100
Sokotel Oy	Finland	100	100	
SOK Real Estate Int Oy	Finland	100	100	99
SOK Retail Int Oy	Finland	100	100	
SOK-Takaus Oy	Finland	100	100	100
Suomen Spar Oy	Finland	100	100	100
UAB Prisma LT	Lithuania	100	100	
S-Verkkopalvelut Oy	Finland	100	100	100
S-Business Oy	Finland	100	100	100
S-Yrityspalvelu Oy	Finland	100	100	100
RB Int Oy	Finland	100	100	100
OOO Itis 2	Russia	100	100	
SOK Fund Management Oy	Finland	100	100	100
Commercial, 28 companies				
Real-estate companies, 18 companies				
Total Group companies, 46 companies				
Joint ventures				
Kauppakeskus Mylly Oy	Finland	50	50	50
Kiinteistö Oy Kuloisten Kauppakeskus	Finland	50	50	
North European BioTech Oy	Finland	50	50	50
North European Oil Trade Oy	Finland	51	51	51
Joint ventures, 4 companies				
Associated companies				
Asunto Oy Kauniaisten Kirkkomäki	Finland	39	39	39
Coop Trading A/S	Denmark	25	25	25
Finnfrost Oy	Finland	50	50	
Keskuskorttelin Huolto Oy	Finland	32	32	32
S-Pankki Oy	Finland	50	50	50
S-Asiakaspalvelu Oy	Finland	50	50	
Kiinteistö Oy Lempäälän Terminaali	Finland	50	50	
Kiinteistö Oy Limingan terminaali	Finland	50	50	
FIM Oyj	Finland	26	26	
FIM Pankki	Finland	26	26	
FIM Kiinteistö Oy	Finland	20	20	
FIM varainhoito Oy	Finland	26	26	
Russian and Baltics Retail Properties Ky	Finland	20	20	20
Total associated companies, 13 companies				

35. Events after the balance sheet date

SOK Corporation's associate company S-Bank Ltd. decided in November 2013 on a merger with LocalTapiola Bank to form the new S-Bank. In the merger, SOK Corporation's shareholding in the new S-Bank will decrease from 50 per cent to 37.5 per cent. The new bank will begin its operations in May 2014. The merger of the banks into the new S-Bank requires a new banking license.

SOK Corporation Key Ratios 2009–2013

SOK Corporation continuing operations	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010	IFRS 2009
Revenue, EUR million	**8 538.9**	10 634.0	11 280.2	9 257.7	8 532.1
Operating profit, EUR million	**-7.9**	-7.2	18.8	48.8	62.8
% of revenue	**-0.1**	-0.1	0.2	0.5	0.7
Profit/loss before taxes, EUR million	**-13.2**	-27.1	19.5	41.2	37.1
% of revenue	**-0.2**	-0.3	0.2	0.4	0.4
SOK Corporation *)					
Return on equity, %	**0.8**	-3.9	2.0	4.4	3.0
Return on investment, %	**3.0**	-0.1	3.2	3.6	2.1
Equity ratio, %	**36.3**	29.3	26.7	28.9	28.0
Gross investments in fixed assets, EUR million	**99.7**	124.4	105.5	98.8	103.5
% of revenue	**1.2**	1.2	0.9	1.1	1.2
Gearing, %	**0.7**	41.7	34.1	9.3	31.3
The average number of the personnel during the financial year	**9 616**	10 563	9 973	9 589	9 395
Converted to full-time personnel	**8 897**	9 732	8 947	8 442	8 574
Non-interest-bearing liabilities, EUR million	**856.5**	821.3	1 233.7	1 145.5	1 027.8

* The key indicators contain both discontinued and continuing operations

CALCULATION OF KEY RATIOS

Return on equity, % $= \dfrac{\text{Profit/loss after financial items - income taxes}}{\text{Equity, average}} \times 100\ \%$

Return on investment, % $= \dfrac{\text{Profit/loss after financial items + interest and other financial expenses}}{\text{Total assets - non-interest-bearing liabilities - provisions, average}} \times 100\ \%$

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

Gross investment in fixed assets = Acquisition costs of subsidiary shares and other fixed assets

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

The average number of the personnel during the financial year

The average number of personnel and the number converted to full-time equivalents has been calculated as the average number of personnel at the end of each quarter.

Parent Cooperative's Financial Statement, FAS

Income statement of SOK, FAS

EUR million	Note		**1.1.–31.12.2013**		1.1.–31.12.2012
Net turnover			**7 544.6**		7 419.6
Other operating income	(1)		**63.5**		0.8
Materials and services					
Raw materials and consumables	(2)	**7 209.9**		7 115.4	
External services		**58.6**	**7 268.5**	55.4	7 170.8
Personnel costs	(3)				
Salaries and remuneration		**87.5**		82.5	
Other personnel costs		**23.1**	**110.6**	21.4	104.0
Depreciation and impairment	(4)		**12.7**		8.6
Other operating expenses					
Facilities rent		**47.7**		30.7	
Other expenses	(5)	**127.9**	**175.6**	109.7	140.4
Operating profit (loss)			**40.8**		-3.4
Financial income and expenses (+/-)	(8)		**12.8**		7.9
Profit before extraordinary items			**53.6**		4.5
Extraordinary items (+/-)	(9)		**-5.8**		-12.0
Profit before appropriations and taxes			**47.8**		-7.5
Appropriations (+/-)	(10)		**0.0**		-0.1
Income taxes (+/-)	(11)		**0.1**		-0.1
Profit for the financial year			**47.8**		-7.8

Balance sheet of SOK, FAS

ASSETS EUR million	Note		**31.12.2013**		31.12.2012
NON-CURRENT ASSETS					
Intangible assets	(12)	**39.5**		38.2	
Tangible assets	(13)	**6.9**		6.3	
Shares in Group companies	(14)	**350.5**		341.9	
Other investments	(14)	**476.4**	**873.3**	484.1	870.5
CURRENT ASSETS					
Inventories	(15)	**129.4**		0.1	
Short-term receivables	(16)	**600.0**		697.2	
Securities	(17)	**0.0**		20.0	
Cash in hand and at bank		**74.2**	**805.9**	70.3	787.6
			1 679.2		1 658.1

LIABILITIES EUR million			**31.12.2013**		31.12.2012
CAPITAL AND RESERVES	(18)				
Cooperative capital		**163.4**		156.0	
Supplementary cooperative capital		**12.8**		12.8	
Fair value reserve		**4.1**		6.4	
Legal reserve		**18.5**		18.5	
Supervisory Board's disposal fund		**0.1**		0.1	
Profit for the previous financial years		**466.0**		474.0	
Profit for the financial year		**47.8**	**712.6**	-7.8	660.0
ACCUMULATED APPROPRIATIONS	(19)		**4.5**		4.4
PROVISIONS	(20)		**19.3**		2.8
LIABILITIES					
Long-term liabilities	(21)	**45.7**		44.2	
Short-term liabilities	(22)	**897.1**	**942.9**	946.6	990.9
			1 679.2		1 658.1

Cash flow statement of SOK, FAS

EUR million	Note	1.1.–31.12.2013	1.1.–31.12.2012
BUSINESS OPERATIONS			
Operating profit		**40.8**	-3.4
Adjustments to operating profit	(1)	**-36.7**	10.4
Change in working capital	(2)	**79.2**	-36.1
Cash flow from business operations before financing and taxes		**83.3**	-29.2
Increase (+) / decrease (-) in short-term receivables		**0.0**	0.0
Change in short-term investments			
Interest paid and other financial expenses		**-24.4**	-33.2
Interest received and other financial income		**25.1**	42.6
Dividends received from business operations		**2.1**	2.9
Direct taxes paid		**0.0**	-2.5
Cash flow from business operations		**86.1**	-19.4
CASH FLOW FROM INVESTMENTS			
Acquisition of fixed assets		**-12.0**	-13.8
Acquisition of shares		**-161.1**	-33.3
Sale of fixed assets		**1.6**	0.0
Sale of shares		**187.8**	6.8
Repayment of capital from associated companies		**0.0**	0.0
Loans issued		**29.2**	20.3
Dividends received from investments		**5.7**	3.8
Cash flow from investments		**51.1**	-16.0
FINANCING			
Increase in long-term loans		**0.0**	0.0
Decrease in long-term loans		**0.0**	-2.0
Increase (+) / decrease (-) in short-term creditors		**-147.8**	29.4
Increase in cooperative capital and supplementary cooperative capital		**7.3**	10.3
Interest paid on the cooperative capital and supplementary cooperative capital		**-0.3**	-0.4
Other decrease in capital and reserves		**0.0**	0.0
Group contributions received		**0.0**	0.0
Group contributions paid		**-12.5**	4.3
Cash flow from financing		**-153.2**	41.5
Increase (+) / decrease (-) in cash and cash equivalents		**-16.0**	6.1
Cash and cash equivalents at the beginning of the year		**90.2**	84.1
Cash and cash equivalents at the end of the year		**74.2**	90.2
Adjustments to operating profit	(1)		
Gains (-) and losses (+) from the sale of fixed assets		**-63.4**	-0.7
Depreciation and value adjustments		**12.7**	8.6
Income and expenses which do not involve payment		**14.0**	2.5
		-36.7	10.4
Change in working capital	(2)		
Change in trade receivables		**108.6**	-9.9
Change in inventories		**-129.3**	0.0
Change in short-term interest-free creditors		**99.9**	-26.3
		79.2	-36.1

The change in cash and cash equivalents differs from the change in cash and cash equivalents calculated from the change in the balance sheet such that measurement gains and losses due to the measurement at fair value of marketable securities have been eliminated from the change in cash and cash equivalents in the cash flow statement.

Notes to SOK's financial statements

Accounting policies

SOK Corporation's financial statements have been prepared pursuant to the Finnish Accounting Act (FAS).

Comparability of the balance sheet

At the end of 2013, the business operations in the goods trade conducted by SOK's wholly owned subsidiary Inex Partners Oy were transferred in an assets deal to SOK through the new operating model implemented. Due to this, the grand total of inventories on 31 December 2013 is considerably higher than on 31 December 2012. The assets deal did not have an impact on the comparability of the income statement.

Foreign currency transactions and derivative contracts

Transactions in foreign currency are recognised at the exchange rate on the transaction date. Foreign currency denominated receivables and liabilities outstanding at the end of the financial period are translated into euro at the exchange rate quoted by the European Central Bank on the closing day of the financial period and the exchange rate differences are recognised through profit and loss.

Exchange rate differences arising from the translation of trade receivables are recognised in revenue, and exchange differences arising from the translation of trade payables are recognised in expenses. The exchange gains and losses of receivables belonging to other financial items in the balance sheet are recognised in financial income and, correspondingly, those belonging to other liabilities, in financial expenses.

Derivative contracts are taken out primarily for hedging but, as a rule, hedge accounting is not applied to them. In accounting, all derivatives, except those included in hedging, have been measured at fair value and changes in the value have been recognised through profit and loss.

Hedge accounting is applied to derivative contracts hedging variable-rate liabilities or currency-denominated purchases which are effective in terms of the risk to be hedged and fulfil the conditions of hedge accounting. The hedge accounting model used is cash flow hedge. The portion of the result of the hedging instrument's interest rate component until the reviewed date is amortised through profit and loss. The portion of the hedging instrument value change caused by the change in market rates in the period after the reviewed date is presented in the fair value reserve of shareholders' equity. When a currency component is subject to hedge accounting, the effective portion of the value change caused by a change in exchange rates is recognised in full in the shareholders' equity fair value reserve.

Realised and non-realised gains and losses from derivative contracts made in order to hedge sales and trade receivables are recognised in sales income. Realised and non-realised gains and losses from derivative contracts made in order to hedge other receivables are recognised in financial income. Realised and non-realised gains and losses from derivative contracts made in order to hedge purchases and trade payables are recognised in purchases. Realised and non-realised gains and losses from derivative contracts not included in hedge accounting in order to hedge other liabilities are recognised in financial income.

Bank cash pool systems

For SOK's subsidiaries, the funds in accounts within bank cash pool systems in Finland are included under 'Cash in hand and at bank' and as other current liabilities to Group companies in SOK's reporting. Funds of SOK's subsidiaries included in cash pool systems of banks operating abroad are not presented as SOK's assets or liabilities.

Revenue and sales recognition principle

Sales are recognised when the goods produced are relinquished. When calculating the operating profit, the discounts given, value added tax and exchange rate differences in sales have been deducted from sales gains.

Other operating income

Sales gains on non-current assets, capital gains on divestment and generally regular gains generated by the operations, other than those related to the actual sales of goods and services, are recognised in other operating income.

Lease payments

In the income statement, lease payments of facilities are presented in facilities rent, and other lease payments are presented in other operating income.

Future expenses and losses

Future expenses and losses which have been committed to or which are likely to materialise have been recognised as expense in the appropriate expense item according to their nature. In the balance sheet, these cost provisions have been presented as mandatory provisions or deferred income, if their accurate amount and materialisation date is known.

Extraordinary items

Such income and expenses that are based on events which deviate from the regular activities are non-recurring and material, such as Group contributions and significant items related to acquisitions, are presented in extraordinary items.

Income taxes

Income taxes include current taxes for the financial period and corrections to taxes for previous periods.

The income statement and balance sheet of SOK do not include deferred tax liability or receivable, but material deferred tax liabilities or receivables have been presented in the itemisation of taxes in the Notes.

Non-current assets and depreciations

Non-current assets have been measured at the acquisition cost according to the variable costs incurred by the acquisition less depreciation according to plan.

Depreciation according to plan has been calculated in accordance with the predefined depreciation plan as straight-line depreciation of the original acquisition cost of the non-current asset. Depreciation has been calculated from the beginning of the month after the asset was placed in use. Depreciation periods are based on estimated economic lives. Revaluations are not included in the balance sheet values of non-current assets.

Depreciation periods according to plan are:	Years
Buildings	20 to 35
Lightweight structures and equipment in buildings	5 to 15
Machinery and equipment	3 to 10
Motor vehicles and servers	3 to 5
Other tangible and intangible assets	within the limits allowed by Business Taxation Act

The change in the depreciation difference is presented under Appropriations in the income statement. The accumulated depreciation difference is presented under Accumulated appropriations in the balance sheet.

Shares and participations belonging to investments of non-current assets are measured at fair value in compliance with the alternative method permitted under the Accounting Act, Section 5, Article 2a, if the fair value can be reliably determined.

Current assets

Financial instruments have been measured at fair value in compliance with the alternative method permitted under the Accounting Act, Section 5, Article 2a. Financial instruments are classified as financial assets or liabilities measured at fair value through profit and loss, available-for-sale financial assets, financial assets held to maturity (in 2012–2013 there were no financial assets held to maturity), loans and receivables and other financial liabilities. A change in the fair value of financial assets and liabilities measured at fair value through profit and loss is recognised in the income statement. The change in the fair value of available-for-sale financial assets is recognised in fair value reserve under shareholders' equity. However, a potential impairment is recog-nised immediately through profit and loss and the fair value reserve is also adjusted. Financial assets held to maturity, loans and receivables as well as other financial liabilities are measured at amortised acquisition cost using the effective interest method. Any impairment loss is recognised through profit and loss and the accrual of interest is continued on the lowered balance at the original effective interest rate of the contract.

Inventories are recognised in the balance sheet in accordance with the lowest value principle at the amount of the variable costs of the purchase or the probable selling price of the probable repurchase price. The value of inventories has been defined using the FIFO method.

EUR million	2013	2012
1. Other operating income		
Profits on sale of fixed assets	**63.4**	0.8
Other operating income	**0.1**	0.0
Total	**63.5**	0.8
2. Raw materials and consumables		
Purchases during the financial year	**7212.2**	7115.4
Change in inventories (+/-)	**-2.3**	0.0
Total	**7209.9**	7115.4
3. Personnel costs		
Salaries and remuneration	**87.5**	82.5
Pension costs	**18.0**	17.0
Other personnel expenses	**5.2**	4.4
Total	**110.6**	104.0
Average number of personnel	**1634**	1710

The average number of personnel has been calculated as the average number of personnel at the end of each quarter.

Management pension liabilities:		
CEO and members of the Executive Board	**0.7**	0.6
Members of the Supervisory Board	**0.3**	0.2

Management pension liabilities:
Management's pension commitments: SOK's Chief Executive Officer and the Corporate Management Team are entitled to retire at the age of 60–62.

4. Depreciation and impairment		
Depreciation according to plan	**12.7**	8.6
Total	**12.7**	8.6

The itemised specifications of the change in depreciation and accelerated depreciation are included under fixed assets and accumulated appropriations in the notes to the balance sheet.

EUR million	2013	2012

5. Other operating expenses

Voluntary indirect employee expenses	**2.5**	3.4
Property, equipment and supplies expenses	**108.5**	89.4
Marketing, administration and other operating expenses	**16.9**	16.9
Total	**127.9**	109.7

Rents for business premises are presented as a separate item in the income statement.

6. Auditor's fees

Audit expenses KPMG Oy Ab	**0.3**	0.2
Other services	**0.1**	0.1
Total	**0.4**	0.3

7. Increase (-) / decrease (+) in provisions for liabilities and charges

Increases related to partially vacant premises	**-17.5**	-2.5
Decreases related to partially vacant premises	**1.5**	0.3
Other mandatory provisions increases	**-1.4**	-0.3
Other mandatory provisions decreases	**0.9**	0.0
Total	**-16.5**	-2.5

8. Financial income and expenses

Dividend income from group companies	**0.0**	1.9
Dividend yield from others and interest on cooperative capital	**7.8**	4.8
Dividend yield and interest on cooperative capital from investments in non-current assets, total	**7.8**	6.7
Interest income from other non-current assets		
From group companies	**6.2**	8.7
From others	**2.3**	0.3
Other interest and financial income		
From group companies	**8.9**	19.9
From others	**14.8**	11.5
Total interest and financial income	**32.2**	40.4
Impairment decrease and increase from investments in non-current assets	**0.3**	-8.3
Interest and other financial expenses		
To group companies	**14.3**	10.3
To others	**13.2**	20.5
Total interest and other financial expenses	**27.6**	30.9
Total financial income and expenses	**12.8**	7.9

9. Extraordinary items

Extraordinary income		
Group contributions received	**9.0**	22.2
Total	**9.0**	22.2

EUR million	2013	2012
Extraordinary expenses		
Group contributions given	**12.4**	34.2
Other extraordinary expenses	**2.4**	0.0
Total	**14.8**	34.2
Total extraordinary items	**-5.8**	-12.0

10. Appropriations

Increase (-) / decrease (+) in accelerated depreciation	**0.0**	-0.1

11. Income taxes

Income taxes on ordinary operations for	**0.8**	3.0
the financial year (+/-)	**-0.1**	0.0
Income taxes for the previous financial years (+/-)	**-0.8**	-2.9
Income taxes on extraordinary items for	**-0.1**	0.1
the financial year (+/-)		
Total	**2.9**	-1.0

Deferred tax liabilities

NOTES CONCERNING ASSETS IN THE BALANCE SHEET

12. Intangible and tangible assets

Intangible assets

Intangible rights		
Acquisition cost at 1 Jan	**44.8**	36.0
Increases	**2.2**	6.8
Decreases	**-11.1**	-0.6
Transfers	**1.9**	2.6
Acquisition cost at 31 Dec	**37.7**	44.8
Accumulated amortisation at 1 Jan	**23.8**	19.0
Accumulated amortisation on decreases and transfers	**-9.8**	-0.6
Amortisation for the financial year	**7.0**	5.4
Impairment	**3.3**	
Accumulated amortisation at 31 Dec	**24.2**	23.8
Book value at 31 Dec	**13.5**	21.0
Other long-term expenditure		
Acquisition cost at 1 Jan	**16.1**	17.6
Increases	**0.2**	0.1
Decreases	**0.0**	-1.7
Transfers	**0.0**	0.1
Acquisition cost at 31 Dec	**16.3**	16.1

EUR million	2013	2012
Accumulated amortisation at 1 Jan	**4.2**	3.9
Accumulated amortisation on decreases and transfers	**0.0**	-1.7
Amortisation for the financial year	**1.2**	1.3
Impairment	**0.0**	0.7
Accumulated amortisation at 31 Dec	**5.4**	4.2
Book value at 31 Dec	**10.8**	11.8
Advance payments of intangible assets		
Acquisition cost at 1 Jan	**5.4**	2.1
Transferred from the merger of SOK Invest Oy	**4.8**	0.0
Increases	**7.7**	6.0
Decreases	**-0.8**	0.0
Transfers	**-1.9**	-2.7
Book value at 31 Dec	**15.1**	5.4
Intangible assets total	**39.5**	38.2

13. Property, plant and equipment

EUR million	2013	2012
Land and water areas		
Acquisition cost at 1 Jan	**2.3**	2.3
Decreases	**0.0**	0.0
Acquisition cost at 31 Dec	**2.3**	2.3
Accumulated impairment at 1 Jan	**0.1**	0.1
Accumulated impairment at 31 Dec	**0.1**	0.1
Book value at 31 Dec	**2.2**	2.2
Buildings and structures		
Acquisition cost at 1 Jan	**6.8**	6.9
Decreases	**-0.1**	-0.1
Acquisition cost at 31 Dec	**6.7**	6.8
Accumulated depreciation at 1 Jan	**5.9**	5.9
Accumulated depreciation on decreases and transfers	**-0.1**	-0.1
Depreciation for the financial year	**0.1**	0.1
Accumulated depreciation at 31 Dec	**6.0**	5.9
Book value at 31 Dec	**0.8**	0.9
Machinery and equipment		
Acquisition cost at 1 Jan	**7.4**	6.5
Increases	**1.9**	0.9
Decreases	**0.0**	0.0
Transfers	**0.0**	0.0
Acquisition cost at 31 Dec	**9.3**	7.4

EUR million	2013	2012
Accumulated depreciation at 1 Jan	**4.8**	3.8
Accumulated depreciation on decreases and transfers	**0.0**	0.0
Depreciation for the financial year	**1.0**	1.0
Accumulated depreciation at 31 Dec	**5.9**	4.8
Book value at 31 Dec	**3.4**	2.6
Other tangible assets		
Acquisition cost at 1 Jan	**0.6**	0.6
Increases	**0.0**	0.0
Acquisition cost at 31 Dec	**0.6**	0.6
Accumulated depreciation at 1 Jan	**0.0**	0.0
Accumulated depreciation at 31 Dec	**0.0**	0.0
Book value at 31 Dec	**0.6**	0.6
Tangible assets total	**6.9**	6.3

14. Investments

Acquisition cost at 1 Jan		
Acquisition cost at 1 Jan	**362.3**	336.1
Increases	**150.1**	32.1
Decreases	**-144.7**	-5.2
Transfers	**-14.7**	-0.7
Acquisition cost at 31 Dec	**352.9**	362.3
Accumulated impairment at 1 Jan	**20.4**	0.0
Accumulated impairment on decreases and transfers	**-18.0**	0.0
Impairment	**0.0**	8.3
Accumulated impairment at 31 Dec	**2.4**	20.4
Book value at 31 Dec	**350.5**	341.9
Shares in Group companies total	**350.5**	341.9
Capital loans from Group companies		
Amount at 1 Jan		1.5
Decreases	0.0	-1.5
Amount at 31 Dec	**0.0**	0.0
Receivables from Group companies		
Amount at 1 Jan	**344.6**	381.3
Increases	**232.4**	113.2
Decreases	**-272.7**	-149.9
Amount at 31 Dec	**304.3**	344.6

EUR million	2013	2012
Participations in participating interest companies		
Acquisition cost at 1 Jan	**95.9**	94.0
Increases	**11.0**	1.2
Decreases	**-6.7**	0.0
Transfers	**14.7**	0.7
Acquisition cost at 31 Dec	**114.9**	95.9
Accumulated impairment at 1 Jan	**6.7**	6.7
Accumulated impairment on decreases and transfers	**-6.7**	0.0
Accumulated impairment at 31 Dec	**0.1**	6.7
Book value at 31 Dec	**114.8**	89.1
Receivables from participating interest companies		
Amount at 1 Jan	**38.0**	20.0
Increases	**20.0**	35.6
Decreases	**-30.5**	-17.6
Amount at 31 Dec	**27.5**	38.0
Receivables from participating interest companies, total	**27.5**	38.0
Other shares and participations		
Acquisition cost at 1 Jan	**12.1**	2.2
Increases	**0.0**	10.8
Decreases	**-10.8**	-1.0
Acquisition cost at 31 Dec	**1.3**	12.1
Measurement at fair value	**5.3**	-0.3
Book value at 31 Dec	**6.6**	11.8
Capital loans from others		
Amount at 1 Jan	**0.6**	0.7
Increases	**1.0**	0.7
Decreases	**0.0**	-0.8
Amount at 31 Dec	**1.6**	0.6
Accumulated value adjustments at 1 Jan	**0.0**	0.0
Accumulated value adjustments at 31 Dec	**0.0**	0.0
Book value at 31 Dec	**1.6**	0.6
Other receivables from others		
Amount at 1 Jan	**28.9**	0.7
Increases	**25.0**	0.0
Decreases	**-32.2**	-0.7
Amount at 31 Dec	**21.7**	0.0
Investments total	**826.9**	826.0

EUR million	2013	2012
15. Inventories		
Other inventories	**129.4**	0.1
Total	**129.4**	0.1
16. Long-term receivables		
Trade receivables	**2.1**	
Total long-term receivables	**2.1**	0.0
17. Short-term receivables		
Trade receivables	**488.6**	508.0
Receivables from group companies		
Trade receivables	**4.8**	7.3
Loan receivables	**0.0**	80.9
Other receivables	**9.0**	22.2
Prepayments and accrued income	**11.1**	19.5
Total	**24.9**	129.8
Receivables from participating interest companies		
Trade receivables	**0.9**	1.0
Prepayments and accrued income	**0.7**	0.3
Total	**1.5**	1.4
Other receivables	**46.7**	39.3
Prepayments and accrued income	**38.4**	18.7
Total short-term receivables	**600.0**	697.2
Specification of prepayments and accrued income		
Financial items	**25.8**	18.6
Other	**28.4**	19.9
Total prepayments and accrued income	**54.2**	38.5
18. Securities		
Money market securities	**0.0**	20.0
Total	**0.0**	20.0

A fair value specification by financial instrument group is given in a separate table.

NOTES CONCERNING LIABILITIES IN THE BALANCE SHEET

19. Capital and reserves

Cooperative capital at 1 Jan	**156.0**	145.7
Increase	**7.3**	10.3
Cooperative capital at 31 Dec	**163.4**	156.0

EUR million	2013	2012

Cooperative capital consists of the cooperative payments which the cooperative societies make to Suomen Osuuskauppojen Keskusosuuskunta (SOK) for cooperative shares. The number of a cooperative society's shares is determined on the basis of the cooperative society's total membership and annual purchases. The amount of cooperative payments as allowed by the SOK Statutes that are unpaid and not fallen due was EUR 2.6 million on 31 December 2013 (3.5 unpaid cooperative payments on 31 December 2012).

On 31 December 2013, the number of cooperative enterprises was 28, and the number of shares was 339,996.
On 31 December 2012, the number of cooperative enterprises was 29, and the number of shares was 325,923.

Supplementary cooperative capital at 1 Jan	**12.8**	12.8
Supplementary cooperative capital at 31 Dec	**12.8**	12.8

The supplementary cooperative capital consists of voluntary investments which the cooperative societies make to Suomen Osuuskauppojen Keskusosuuskunta (SOK). The cooperative societies have the right to a return on their supplementary cooperative capital contributions in the manner and subject to the conditions specified in the Cooperative Societies Act and SOK's statutes.

Fair value reserve at 1 Jan	**6.4**	-3.3
Derivative instruments used to hedge cash flow	**-0.1**	-1.0
Value change during the period	**3.1**	0.2
Amount posted from equity to income statement	**0.0**	0.0
Value change of the financial assets held for sale		
financial assets during the financial period	**-1.2**	10.5
amount excluded from equity and presented in the income statement	**-4.0**	0.0
Fair value reserve at 31 Dec [1]	**4.1**	6.4

[1] Deferred taxes or tax assets are not as a rule presented in the income statements and balance sheets of SOK`s subsidiaries but only as a Note to the Financial Statements if the item is material in amount.

The valuations of derivatives in cash flow hedging relationships have been carried out by discounting future cash flows from the present value. The discounted value for cash flows other than those denominated in the euro has been converted into the euro using exchange rates quoted by the European Central Bank on the balance sheet date.

EUR million	2013	2012

Financial assets available for sale include debt securities for which fair value has been determined by discounting future cash flows from the present value. In addition, financial assets available for sale include shares for which fair value cannot be determined.
In 2012, the fair value of Nets Oy's (Luottokunta) shares was determined for the first time. Their fair value is based on Nets Oy's (Luottokunta) preliminary plan concerning the distribution of assets in 2012-2015.

Legal reserve at 1 Jan	**18.5**	18.5
Legal reserve at 31 Dec	**18.5**	18.5

Supervisory Board's disposal fund at 1 Jan	**0.1**	0.0
Increase	**0.1**	0.1
Decrease	**0.0**	0.0
Supervisory Board's disposal fund at 31 Dec	**0.1**	0.1

Profit for the previous financial years 1 Jan	**466.3**	474.5
Transfer to Supervisory Board's disposal fund	**-0.1**	-0.1
Interest on supplementary cooperative capital	**-0.3**	-0.4
Profit for the previous financial years 31 Dec	**466.0**	474.0
Profit for the financial year	**47.8**	-7.8
Total capital and reserves	**712.6**	660.0

Distributable funds at 31 Dec		
Profit for the previous financial years	**466.0**	474.0
Profit for the financial year	**47.8**	-7.8
Total	**513.8**	466.3

20. Accumulated appropriations

Accelerated depreciation		
Intangible rights	**2.6**	3.0
Other capitalised expenditure	**2.1**	1.8
Buildings and constructions	**-0.3**	-0.2
Machinery and equipment	**0.0**	-0.1
Total	**4.5**	4.4

21. Provisions

Partially vacant premises	**18.5**	2.5
Other mandatory provisions	**0.8**	0.3
Total	**19.3**	2.8

22. Long-term liabilities

Loans from financial institutions	**20.2**	20.9
Other long-term liabilities	**25.5**	23.4
Total long-term liabilities	**45.7**	44.2

23. Short-term liabilities

Loans from financial institutions	**0.0**	10.0
Advances received	**0.0**	0.0
Trade payables	**523.3**	173.4

EUR million	2013	2012
Liabilities to group companies		
Trade payables	**6.9**	277.3
Other short-term liabilities	**202.0**	188.1
Accruals and deferred income	**37.8**	6.2
Total	**246.6**	471.6
Amounts owed to participating interest companies		
Trade payables	**30.5**	29.6
Accruals and deferred income	**1.5**	
Total	**32.0**	29.6
Other short-term liabilities	**34.3**	212.8
Accruals and deferred income	**60.9**	49.2
Total short-term liabilities	**897.1**	946.6
Specification of accruals and deferred income		
Personnel costs	**22.8**	22.3
Financial items	**49.8**	17.8
Other	**26.2**	15.4
Total accruals and deferred income	**98.7**	55.4

SECURED ASSETS AND CONTINGENT LIABILITIES

24. Contingent liabilities

Pledges and contingent liabilities		
Other collateral provided		
Pledges	**0.1**	0.0
Financial guarantees	**0.4**	0.0
Pledges provided as collateral total	**0.4**	0.0
Security given on behalf of Group companies		
Guarantees	**192.2**	217.4
Security given on behalf of others' liabilities		
Financial guarantees on joint ventures' debt	**58.9**	105.9
Total	**58.9**	105.9
Other collateral provided for others		
Financial guarantees on joint	**17.9**	13.9
ventures' responsibilities	**17.9**	13.9
Total		
Other contingent liabilities		
Leasing liabilities:	**24.2**	22.7
Payable next year	**79.7**	70.1
Payable in more than one year	**103.9**	92.8
Total		
	26.8	0.0
Repurchasing liabilities:	**12.0**	0.0
Underwriting	**38.8**	0.0
Total		

In addition, SOK has given letters of support on behalf of SOK-Takaus Oy. The amount of the letters of support was EUR 78.1 million 31.12.2013 (EUR 80.7 milion 31.12.2012).

Other financial liabilities:
The Group is obligated to audit the value added tax depreciations it has made on real estate investments if the taxable use of the property decreases during the period being audited. The maximum amount of the liability is EUR 2.0 million on 31 Dec 2013 (EUR 2.3 million on 31 Dec 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 shares to the acquisition of wind power electricity; and series C shares to the acquisition of nuclear power electricity.

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 (EUR 4.0 million 31 Dec 2012) in total. It is estimated that liabilities financing by the company's shareholders is not needed.

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

Profit indicated in the income statement	47 849 287.56 €
Profit for the previous financial years	465 979 944.04 €
Total	513 829 231.60 €

The Executive Board proposes that the profit for the financial year of EUR 47 849 287,56 be used as follows:

– paid as interest on the supplementary cooperative capital	193 906.25 €
– left in the retained earnings account	47 655 381.31 €

Providing that the Cooperative Meeting approves the above proposal, SOK's capital and reserves will be:

Cooperative capital	163 351 000.00 €
Supplementary cooperative capital	12 750 000.00 €
Legal reserve	18 473 154.85 €
Supervisory Board's disposal fund	68 384.97 €
Profit for the previous financial years	513 635 325.35 €
Total	708 277 865.17 €

Helsinki, 12 February 2014

Taavi Heikkilä

Heikki Hämäläinen

Esko Jääskeläinen

Tapio Kankaanpää

Timo Mäki-Ullakko

Matti Niemi

Jouko Vehmas

Auditor's report

To the members of Suomen Osuuskauppojen Keskuskunta

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Suomen Osuuskauppojen Keskuskunta for the year ended 31 December 2013. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent cooperative's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

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

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the cooperative's accounts and finances, and the Managing Director shall see to it that the accounts of the cooperative are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

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

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

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

Opinion on the consolidated financial statements

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

Opinion on the cooperative's financial statements and the report of the Board of Directors

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

Helsinki, 19 March 2014

KPMG OY AB

Raija-Leena Hankonen
Authorized Public Accountant

Statement by the Supervisory Board

According to Clause 2 of Subsection 1 of Section 13 of the SOK Corporation's statutes, the Supervisory Board has today inspected the financial statements and consolidated financial statements prepared by the Executive Board for 2013, and has familiarised itself with the auditors report.

The Supervisory Board proposes that the cooperative meeting confirm the financial statements and the consolidated financial statements and that the Executive Board's proposal concerning the fiscal year's result and equity be approved.

The following members are resigning from the Supervisory Board due to their three year term ending: Jorma Bergholm, Matti Timonen, Maija-Liisa Lindqvist, Mika Marttila, Jouko Pihlajamaa, Timo Sonninen and Ilkka Ojala. Heikki Hämäläinen, Jukka Kihlman and Olli Vormisto have also requested resignation.

The Supervisory Board proposes that the cooperative meeting choose ten new members to replace the above mentioned for the next three years.

Helsinki, 28 March 2014

SUOMEN OSUUSKAUPPOJEN
KESKUSKUNTA

On behalf of the Supervisory Board

Matti Pikkarainen
Chairman

Seppo Kuitunen
Secretary

Text: Viestintäsalot Oy
Photos: Rami Hanafi, Nina Kaverinen, Petteri Kitti,
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