

PANOSTAJA GROUP'S INTERIM REPORT

November 1, 2014–January 31, 2015 (3 months)

- Net sales increased by 13% and stood at MEUR 39.6 (MEUR 35.1).
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- EBIT remained at the same level and was MEUR 0.7 (MEUR 0.7).
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- Profit for the financial period improved by MEUR 1.5 and was MEUR -0.7 (MEUR -2.3).
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- Operating cash flow improved by MEUR 1.0 and was MEUR 2.6 (MEUR 1.6).
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- After the review period, Panostaja expanded its operations into the oral health care sector by purchasing 75% of the shares in Megaklinikka.

Outlook for the 2015 financial period:

Panostaja keeps its result management issued on February 27, 2015 unaltered. The Group's net sales in the 2015 financial period are expected to be greater than in 2014 (MEUR 154.8). The Group's EBIT is expected to be on the same level as in the 2014 financial period (MEUR 10.2).

CEO Juha Sarsama: A moderate first quarter

Profit development throughout the Group in the first quarter was moderate. The Group's EBIT remained at the same level as the previous year, but differences existed in profit development between segments. The active development of segments continued during the first quarter, which was also reflected in a slight weakening of profit level in some segments.

After the review period, Panostaja expanded its operations into the oral health care sector by purchasing 75% of the shares in Megaklinikka. In the oral health care sector, there is a need to provide services that are genuinely more customer-centered than before, and Megaklinikka's service model offers a solution to this. Megaklinikka has rapidly grown into a significant and renowned player in the capital region and has good prospects for growth. We are also convinced about the effectiveness and duplicability of this revolutionary business concept both at home and abroad.

The Finnish economic situation continues to be uncertain. The crisis in Ukraine and Russia is causing widespread and prolonged uncertainty in European economic development. The general economic situation and atmosphere has remained challenging, which is reflected in almost all the Group's business segments. The segments that serve the construction industry and trade have had to deal with a clear decline in customer demand during the first quarter.

The corporate acquisitions market still offers Panostaja opportunities both for new acquisitions, and later also for divestments as the forecastability of economy improves. The position of Panostaja's business segments in their respective fields is good.

November 1, 2014–January 31, 2015 (Q1)

- Net sales increased by 13% and stood at MEUR 39.6 (MEUR 35.1). The impact of corporate acquisitions on the MEUR 4.5 increase of net sales stood at MEUR 5.2. Net sales increased in three of the eight segments.
- EBIT remained at the same level and was MEUR 0.7 (MEUR 0.7). EBIT in the review period was encumbered by the difference of MEUR -0.5 between the values of Kotisun Oy's additional purchase price and the value on the balance sheet date, which has been recognized in the company's other costs.
- Two segments out of eight exceeded the EBIT for the reference period.
- Profit before taxes was MEUR -0.2 (MEUR -0.3)
- The result for the review period was MEUR -0.7 (MEUR -2.3). The reference period includes the discontinued operations of Takoma, which caused a loss of MEUR 1.3.
- Earnings per share (undiluted) were -2.2 cents (-3.2 cents).
- Operating cash flow improved and was MEUR 2.6 (MEUR 1.6).

Key figures Panostaja Group	3 months	3 months	12
	11/14- 1/15	11/13- 1/14	months 11/13- 10/14
Net sales, MEUR	39.6	35.1	154.8
EBIT, MEUR	0.7	0.7	10.2
Profit before taxes, MEUR	-0.2	-0.3	6.8
Earnings per share, undiluted (EUR)	-0.02	-0.03	0.09
Equity per share (EUR)	0.60	0.54	0.62
Operating cash flow (MEUR)	2.6	1.6	11.4

The income statement for operations discontinued during the reference period has been separated from the income statement for continuing operations and the result for them is presented in accordance with the IFRS standards on row 'Earnings from discontinued operations'. Prior to separating discontinued and sold operations from continuing operations in the income statement, the consolidated net sales for the reference period were MEUR 42.4 and the EBIT was MEUR 0.9.

Key figures by segment
Net sales, MEUR

	Q1	Q1	2014
	11/14- 1/15	11/13- 1/14	11/13- 10/14
Digital Printing Services	13.7	13.6	57.8
Safety	8.0	8.3	33.7
Building Technology Renovation	5.2	-	8.8
Takoma	4.0	3.5	15.3
Ceiling Materials	2.3	2.7	11.0
Fittings	2.4	2.5	10.9
Spare parts for Motor Vehicles	2.6	2.6	10.8
Heat Treatment	1.4	2.0	6.8
Others	0.0	0.0	0.0
Eliminations	-0.1	-0.1	-0.3
Group in total	39.6	35.1	154.8

EBIT, MEUR

	Q1	Q1	2014
	11/14- 1/15	11/13- 1/14	11/13- 10/14
Digital Printing Services	0.8	1.0	7.1
Safety	-0.3	0.1	2.1
Building Technology Renovation	0.7	-	1.1
Takoma	0.0	-0.3	-0.4
Ceiling Materials	0.1	0.1	0.5
Fittings	0.1	0.1	0.8
Spare parts for Motor Vehicles	0.0	0.2	0.7
Heat Treatment	-0.1	0.2	0.2
Others	-0.7	-0.7	-2.1
Group in total	0.7	0.7	10.2

PRESS CONFERENCE

Panostaja will hold a press conference for analysts, investors and the press on the same day March 4, 2015 from 11:30 am to 12:30 pm at Hotel Scandic Simonkenttä, Balsa-Freda 1-2, Simonkatu 9, Helsinki.

The interim report, presentations and other investor information are available at : www.panostaja.fi.

Panostaja Oyj

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PANOSTAJA GROUP INTERIM REPORT November 1, 2014–January 31, 2015

THE ECONOMIC DEVELOPMENT OF THE PANOSTAJA GROUP

	3 months	3 months	Change, %	12 months
Key figures				
Panostaja Group	11/14- 1/15	11/13- 1/14		11/13- 10/14
Net sales, MEUR	39.6	35.1	12.9%	154.8
EBIT, MEUR	0.7	0.7	-1.1%	10.2
Profit before taxes, MEUR	-0.2	-0.3	-34.2%	6.8
Earnings per share, undiluted (EUR)	-0.02	-0.03	-184.6%	0.09
Equity per share (EUR)	0.60	0.54	11.1%	0.62
Operating cash flow (MEUR)	2.6	1.6	62.5%	11.4

NOVEMBER 2014–JANUARY 2015

Net sales for the first quarter increased by 13% to MEUR 39.6 (MEUR 35.1). Export amounted to MEUR 2.3, or 5.8 %, (MEUR 1.0, or 2.8%) of net sales. The impact of corporate acquisitions on the MEUR 4.5 increase in net sales stood at MEUR 5.2. Of the Group's eight business segments, three exceeded the net sales level of the reference period.

EBIT remained at the same level and was MEUR 0.7 (MEUR 0.7). EBIT in the review period was encumbered by the difference of MEUR -0.5 between the values of Kotisun Oy's additional purchase price and the value on the balance sheet date, which has been recognized in the company's other costs. Two segments out of eight exceeded the EBIT for the reference period.

Profit before taxes was MEUR -0.2 (MEUR -0.3) Earnings per share (undiluted) were -2.2 cents (-3.2 cents). Equity per share was EUR 0.60 (EUR 0.54).

Operating cash flow was MEUR 2.6 (MEUR 1.6).

SEGMENT REVIEW

Key figures by segment Net sales, MEUR

	Q1	Q1	Change, %	2014
	11/14- 1/15	11/13- 1/14		11/13- 10/14
Digital Printing Services	13.7	13.6	1.3%	57.8
Safety	8.0	8.3	-3.2%	33.7
Building Technology Renovation	5.2	-		8.8
Takoma	4.0	3.5	14.6%	15.3
Ceiling Materials	2.3	2.7	-12.9%	11.0
Fittings	2.4	2.5	-4.8%	10.9
Spare parts for Motor Vehicles	2.6	2.6	1.0%	10.8
Heat Treatment	1.4	2.0	-31.8%	6.8
Others	0.0	0.0		0.0
Eliminations	-0.1	-0.1		0.0
Group in total	39.6	35.1	12.9%	154.8

EBIT, MEUR

	Q1	Q1	Change, %	2014
	11/14- 1/15	11/13- 1/14		11/13- 10/14
Digital Printing Services	0.8	1.0	-22.3%	7.1
Safety	-0.3	0.1	-290.3%	2.1
Building Technology Renovation	0.7	0.0		1.1
Takoma	0.0	-0.3	109.1%	-0.4
Ceiling Materials	0.1	0.1	21.4%	0.5
Fittings	0.1	0.1	-4.6%	0.8
Spare parts for Motor Vehicles	0.0	0.2	-83.5%	0.7
Heat Treatment	-0.1	0.2	-162.8%	0.2

Others	-0.7	-0.7	-1.1%	-2.1
Group in total	0.7	0.7	-1.1%	10.2

The income statement for operations discontinued during the reference period has been separated from the income statement for continuing operations and the result for them is presented in accordance with the IFRS standards on row 'Earnings from discontinued operations'.

Panostaja Group's business operations for the period under review are reported in nine segments: Digital Printing Services, Safety, Building Technology Renovation, Takoma, Ceiling Materials, Fittings, Spare Parts for Motor Vehicles, Heat Treatment and Other (parent company and associated companies).

Segment-by-segment comments November 2014–January 2015

Net sales during the review period in the Digital Printing Services segment remained at the level of the previous year and were MEUR 13.7 (MEUR 13.6). EBIT in the segment declined slightly from MEUR 1.0 to MEUR 0.8. The consumption of printing and CAD paper has continued to fall by almost 10%. This has an impact on the pricing of offset work, especially, and the downturn in construction affects the CAD business. The segment has begun cost-efficiency measures, the purpose of which is to achieve savings already this year. At the end of the review period, the segment employed 488 (454) persons.

Net sales in the Safety segment decreased slightly MEUR 8.3 to MEUR 8.0. Correspondingly, EBIT dropped from MEUR 0.1 to MEUR -0.3. Growth in the Safety sector is rounding out and the sector, which had been shielded from the impact of economic trends, is starting to see the impact of the financial crisis. The needs of data security in particular, however, maintain demand in the sector. The segment's stock of tenders is on a good level and growing, but at the same time decision-making by customers is being delayed. At the end of the review period, the segment employed 251 (214) persons.

The Building Technology Renovation segment was created when Panostaja acquired a 60% share in KotiSun Oy in May 2014. The company offers consumers conceptualized service water and heating network renovations as a turnkey service. Building Technology Renovation is a new segment, so there is no comparative data on it. During the review period, net sales in the segment developed favourably and were MEUR 5.2 and EBIT MEUR 0.7.

EBIT in the segment was encumbered by the difference of MEUR -0.5 between the values of KotiSun Oy's additional purchase price and the value on the balance sheet date, which has been recognized in the company's other costs.

At the end of the review period, the segment employed 121 persons.

Net sales in the Takoma segment increased from MEUR 3.5 to MEUR 4.0.

Operating loss decreased from MEUR -0.3 to MEUR 0.0.

In the review period, the business of Takoma Gears developed as planned.

The figures for operations discontinued in the reference period are presented in their own row under 'Discontinued Operations'. At the end of the review period, the segment employed 92 (95) persons. M.Sc. (Tech.) Lasse Mannola has been elected new Managing Director of Takoma Oyj and Takoma Gears Oy. Mannola will start in his new position on March 2, 2015.

Net sales in the Ceiling Materials segment declined during the review period as a result of the difficult market situation in construction from MEUR 2.7 to MEUR 2.3.

EBIT, however, remained at the level of the previous year at MEUR 0.1.

Customer-interface competition for installation contracts has been fierce.

Furthermore, in certain product groups fierce price competition has led to a significant fall in prices.

Costs have been adapted and, through efficient purchasing activity, it has been possible to keep the sales margin on a good level. At the end of the review period, the segment employed 13 (14) persons.

Net sales in the Fittings segment decreased slightly during the review period from MEUR 2.5 to MEUR 2.4.

The market situation in the sector continues to be difficult. During the review period, in spite of the difficult market situation, however, EBIT remained at the level of the previous year at MEUR 0.1.

During the review period, an investigation of new business areas was initiated, in search of new customer lines and operating practices to support current operations.

At the end of the review period, the segment employed 34 (37) persons.

EBIT in the Spare Parts for Motor Vehicles segment remained at the level of the previous year at MEUR 2.6. The general market situation has been as expected.

During the review period, the segment expanded both geographically and in terms of range of models, when it opened a new branch in Vantaa and started selling Volvo parts.

EBIT weakened over the previous year, from MEUR 0.2 to MEUR 0.0, reflecting the investments made in business expansion.

At the end of the review period, the segment employed 50 (40) persons.

Net sales in the Heat Treatment segment decreased during the review period from MEUR 2.0 to MEUR 1.4. Correspondingly EBIT weakened from MEUR 0.2 to MEUR -0.1.

The deterioration in net sales and EBIT was attributable to decreased customer demand, both in the furnace business and at energy-sector sites.

In Finland, the market situation in the engineering sector was good during the review period, but in Poland and especially in Sweden it was quiet.

At the end of the review period, the segment employed 53 (60) persons.

There were no significant changes in the net sales of the Other segment. In the review period, two associated companies, Ecosir Group Oy and Spectra Yhtiöt Oy, issued reports to the parent company. The profit/loss of the reported associated companies in the review period was MEUR -0.1 (MEUR -0.3), which is presented on a separate row in the consolidated income statement.

Personnel

	January 31, 2015	January 31, 2014	Change
Average number of employees	1,112	1,258	-12%
Employees at the end of the review period	1,111	1,220	-9%

Employees in each segment at the end of the review period	January 31, 2015	January 31, 2014	Change
Digital Printing Services	488	454	7%
Safety	251	214	17%
Building Technology Renovation	121	-	
Takoma	92	95	-3%
Value-added Logistics	-	298	
Ceilings	13	14	-7%
Fittings	34	37	-8%
Spare parts for Motor Vehicles	50	40	25%
Heat Treatment	53	60	-12%
Others	9	8	13%
Group in total	1,111	1,220	-9%

The number of personnel employed by Panostaja fell compared with one year earlier, mainly as a result of the sale of the Value-added Logistics segment. On the other hand, the new Building Technology Renovation segment established during the financial period increased the number of employees in the Group. At the end of the review period, Panostaja Group employed a total of 1,111 persons, while the average number of

personnel during the period was 1,112. During the review period, Panostaja continued to develop its personnel in line with its strategy.

INVESTMENTS AND FINANCE

Operating cash flow improved and was MEUR 2.6 (MEUR 1.6). Liquidity remained good. The Group's liquid assets were MEUR 19.1 (MEUR 15.4) and interest-bearing net liabilities MEUR 36.0 (MEUR 36.2). Gearing ratio fell and was 79.3% (81.2%). The Group's net financial expenses for the review period were MEUR -0.8 (MEUR -0.7), or 2.0% (2.0%) of net sales.

Panostaja Oyj's convertible subordinated loan amounted to MEUR 15 of the net liabilities (MEUR 15.0). The Group's equity ratio at the end of the review period was 32.2% (32.6%). Return on equity was -6.5% (-19.3 %). Return on investment fell to 2.9% (3.8%).

The Group's gross capital expenditure for the review period were MEUR 2.1 (MEUR 0,8), or 5,3 % (2,3 %) of net sales. Investments were mainly targeted at tangible and intangible assets.

On January 13, 2015, Panostaja Oyj announced that it had made an agreement valued at MEUR 50 for a domestic commercial paper program. Within the framework of the contract, the company can issue commercial papers of a tenor of less than one year, which are used to finance Panostaja's working capital and other current financing needs.

Financial position:

MEUR	January 31, 2015	January 31, 2014
Interest-bearing liabilities	59.5	56.4
Interest-bearing receivables	4.4	4.8
Cash and cash equivalents	19.1	15.4
Interest-bearing net liabilities	36.0	36.2
Equity (belonging to the parent company's shareholders as well as minority shareholders)	45.4	44.6
Gearing ratio, %	79.3	81.2
Equity ratio, %	32.2	32.6
Return on equity, %	-6.5	-19.3
Return on investment, %	2.9	3.8

GROUP STRUCTURE CHANGES

No changes in the Group structure.

SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.81 (lowest quotation) and EUR 0.85 (highest quotation) during the first quarter. During the period under review, a total of 1,682,275 shares were

exchanged, which amounts to 3.3% of the share capital. The January 2015 share closing rate was EUR 0.84. The market value of the company's share capital at the end of January 2015 was MEUR 43.5 (MEUR 38.3). At the end of January 2015, the company had 3,539 shareholders (3,606).

Development of share exchange	1Q/2015	1Q/2014
Shares exchanged, 1,000 pcs	1,682	2,726
% of share capital	3.3	5.3

Share	Jan 31, 2015	Jan 31, 2014
Shares in total, 1,000 pcs	51 733	51,733
Own shares, 1,000 pcs	384	474
Closing rate	0.84	0.74
Market value (MEUR)	43.5	38.3
Shareholders	3,539	3,606

ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on February 5, 2015 in Tampere. The number of Board Members was confirmed at six and Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Jukka Terhonen, Antero (Antti) Virtanen and Hannu Tarkkonen were re-elected to the Board for the term that ends at the end of the Annual General Meeting in 2016.

Authorized Public Accountants PricewaterhouseCoopers Oy and Authorized Public Accountant Markku Launis were elected auditors for the period that ends at the end of the Annual General Meeting in 2016. Authorized Public Accountants PricewaterhouseCoopers Oy has stated that Authorized Public Accountant Lauri Kallaskari will serve as the chief responsible public accountant.

The General Meeting confirmed the financial statements and consolidated financial statements presented for the financial year November 1, 2013–October 31, 2014 and resolved that shareholders be paid EUR 0.04 per share as capital repayment from the invested unrestricted equity fund.

The Meeting also resolved, in accordance with the proposal of the Board of Directors, that the Board be authorized to decide, at its discretion, on the potential distribution of assets to shareholders, should the company's financial status permit this, either as dividends or as repayment of capital from the invested unrestricted equity fund. The maximum distribution of assets performed on the basis of this authorization totals no more than EUR 4,700,000. The Meeting resolved that the authorization include the right of the Board to decide on all other terms and conditions relating to the said asset distribution and that the authorization remain valid until the start of the next Annual General Meeting.

The General Meeting granted exemption from liability to the members of the Board and to the CEO. The General Meeting resolved that the remuneration of the Board of Directors remain unchanged and that Chairman of the Board be paid EUR 40,000 as compensation for the term that ends at the end of the 2016 Annual General Meeting, and that the other members of the Board each be paid compensation of EUR 20,000. It was also resolved that the travel expenses of the Chairman of the Board and the Board members will be paid based on the maximum amount specified in the valid grounds for payment of travel expenses ordained by the Finnish Tax Administration. It was further resolved at the General Meeting that approximately 40% of the compensation remitted to the members of the Board be paid on the basis of the share issue authorization given to the Board, by issuing company shares to each Board member if the Board

member does not own more than one percent of the company's shares on the date of the General Meeting. If the holding of a Board member on the date of the Meeting is over one percent (1%) of all company shares, the compensation will be paid in full in monetary form.

In addition, the Board was authorized to decide on the acquisition of the company's own shares in one or more installments so that the number of the company's own shares to be acquired may not exceed 5,100,000 in total, which corresponds to about 9.86% of the company's total stock of shares. By virtue of the authorization, the company's own shares may be obtained using unrestricted equity only. The company's own shares may be acquired at the date-of-acquisition price in public trade arranged by NASDAQ OMX Helsinki Oy or otherwise at the prevailing market price. The Board of Directors will decide how the company's own shares are to be acquired. The company's own shares may be acquired not following the proportion of ownership of the shareholders (directed acquisition). The authorization issued at the Annual General Meeting on January 29, 2014 to decide on the acquisition of the company's own shares is cancelled by this authorization. The authorization remains valid until August 5, 2016.

The previous Meeting authorized the Board of Directors to decide in one or more stages on the issuance of shares and options rights and other special rights entitling to shares as defined in Section 1 of Chapter 10 of the Limited Liability Companies Act in such a way that the number of shares given by virtue of the authorization may not exceed 30,000,000 shares. The Board of Directors decides on all terms and conditions for share issues and options as well as on the terms and conditions for the granting of special rights providing entitlement to shares. This authorization concerns both the issue of new shares and the selling of the company's own shares. Share issues and the provision of option rights as well as that of other rights providing entitlement to shares as specified in Section 10(1) of the Limited Liability Companies Act may take place deviating from the shareholders' pre-emptive right to subscription (directed issue). The authorization issued at the Annual General Meeting on January 27, 2011 to decide on share issues and the provision of special rights providing entitlement to shares is cancelled by this authorization. The authorization remains valid until February 5, 2020.

Immediately upon the conclusion of the General Meeting, the company's Board held an organizing meeting in which Jukka Ala-Mello was elected Chairman and Eero Eriksson Vice Chairman.

The Board of Directors has not used the authorization granted by the Annual Meeting to acquire the company's own shares during the review period.

SHARE CAPITAL AND THE COMPANY'S OWN SHARES

At the close of the review period, Panostaja Oyj's share capital was EUR 5,568,681.60. The total number of shares is 51,733,110.

The total number of the company's own shares held by the company at the end of the review period was 384,424 individual shares (at the beginning of the financial period: 474,517). The number of the company's own shares corresponded to 0.75% of the number of shares and votes at the end of the entire review period.

In accordance with the decisions by the Annual General Meeting on January 29, 2014 and by the Board, on December 11, 2014 Panostaja Oyj relinquished a total of 30,000 individual shares in share bonuses to company management and a total of 14,634 shares on December 15, 2014 as meeting compensation to the members of the Board.

EQUITY CONVERTIBLE SUBORDINATED LOAN AND HYBRID LOAN

At the end of the review period, EUR 15,000,000 of the 2011 convertible subordinated loan remained. The interest on the loan is 6.5% and the loan period February 7, 2011–April 1, 2016. The original share exchange rate is EUR 2.20, and the loan shares may be exchanged for no more than 6,818,181 company shares. The total number of loan shares is 300, and they are available for public trade on the Nasdaq OMX Helsinki stock exchange. The share exchange rate will be entered into the company's invested unrestricted equity fund.

On May 27, 2013, the Group issued an equity convertible subordinated loan to the value of MEUR 7.5. The equity convertible subordinated loan has not maturity date, but the Group is entitled, but not obliged, to

redeem the loan within four years. Based on the contract, the annual interest is 9.75%. Interest is only paid if the company decides to distribute dividends. If dividends are not distributed, the Group will decide separately on the payment of interest. In the consolidated financial statements, the loan is classified as equity and interest is presented as dividend.

EVENTS AFTER THE REVIEW PERIOD

On February 27, 2015, Panostaja Oyj signed an agreement for the purchase of shares in Megaklinikka Oy, which offers oral health care services. In the transaction, Panostaja will buy a 75% share of the company. As a result of the transaction, Panostaja expands its business operations and establishes within the Group a new business area specializing in oral health care. As part of the arrangement, Megaklinikka's key personnel will continue as minority shareholders with a 25% stake in the company. Panostaja's aim is to build Megaklinikka into a company that revolutionizes practices in the sector, and to expand business both in Finland and internationally.

MARKET PROSPECTS

The Finnish economic situation and atmosphere and the crisis in Russia and Ukraine have kept market prospects weak. The demand for companies operating on the domestic market continues to be low and domestic consumer demand is not expected to recover in the near future. The position of Panostaja's business segments in their respective fields has on average improved. Although the financial situation of companies in the SME sector has tightened due to increasing regulation, finance is however available for good projects. The prolongation of the Russian and Ukrainian crisis and the structural challenges in the Finnish economy are still significant risks to overall economic development in 2015, and are particularly reflected in segments serving the construction industry and trade. On the corporate acquisitions market, activity has increased and this will continue to offer opportunities both for new acquisitions, and later also for divestments as the forecastability of economy improves.

MOST SIGNIFICANT NEAR-FUTURE BUSINESS RISKS AND RISK MANAGEMENT

Risk management is part of the Panostaja Group's management and monitoring systems Panostaja aims to identify and monitor changes in the business environment and general market situation of its segments, to react to them and to utilize the business opportunities that they present. Risk is classified as factors that may endanger or impede Panostaja or the business segments owned by it from achieving strategic objectives, improvement in profit and the financial position or business continuity, or that may otherwise cause significant consequences for Panostaja, its owners, segments, personnel or other stakeholder groups. A more detailed report on Panostaja's risk management policy and the most significant risks was published in the 2014 annual report. Financial risks are discussed in greater detail in the Notes to the 2014 Financial Statements.

Market risks, general: General market risks are mainly tied to the uncertainty resulting from Finland's economic situation and change caused by the crises in Russia and Ukraine, as well as their potential impact on achieving the goals set for the various segments. The change in the financial markets and the tightening on credit issue may hamper the realization of corporate acquisitions and the availability of finance for working capital.

Panostaja prepared for a weak financial market situation in the SME sector and for a continued quiet period in the corporate acquisitions market by taking out a MEUR 7.5 hybrid loan in May 2013. This hybrid loan will enable Panostaja to make new complementary acquisitions in line with the company's strategy and investment criteria, and to give more temporal room for manoeuvre for possible divestments.

Market risks, operating fields of the segments: The instability of the overall economic situation has led to a decline in customer demand as well as the postponement of investments, which may result in a need for

consolidated goodwill write-downs. Economic prospects in the fields of the existing segments are strongly tied to the prospects of customer enterprises. Expectations for the financial situation are still characterized by uncertainty and poor forecastability. In the various segments of Panostaja Group, the prospects still vary from cautiously positive to neutral. Panostaja regularly assesses the risks for each segment and, based on the updated risk assessment, takes the necessary remedial action.

Strategic risks: Panostaja represents the Finnish SME sector extensively. Net sales are divided into five different sectors whose cyclical nature varies. The Group's business structure partially evens out economic fluctuations. In spite of this, general and sector-specific market risks can, however, affect the Group's result and financial development. In the business segments, the expected market situation is taken into account by adapting production and costs to market demand and by safeguarding the financial position. In changes in the global economy, Panostaja also sees opportunities to improve its market position, for example through corporate acquisitions. The crises in Russia and Ukraine do not have direct effects on Panostaja Group, but their protraction is negatively affecting demand on the domestic Finnish market and thereby the development of Panostaja's profit and financial position.

Financial risks: As a consequence of its operations, the Group is exposed to many financial risks. The aim of risk management is to limit the adverse effects of changes in financial markets on the result and financial development of the Group. The Group's revenue and operative cash flows are mainly independent of fluctuations in market interest rates. The interest risk of the Group mainly constitutes borrowing, which is spread over variable and fixed-interest loans. Some of the business segments use interest rate swaps and interest rate ceiling agreements. The Group mainly operates in the eurozone and so is only exposed to foreign exchange risks resulting from changes in exchange rates to a slight degree. Credit loss risks continue to represent a significant uncertainty factor in some of the segments. This risk is increased by the tightness of credit issue to SMEs.

Corporate acquisitions:

Panostaja actively seeks SMEs and endeavors to increase and create value, through organic growth, corporate acquisitions and correctly-timed divestments. The market still provides sufficient opportunities for corporate acquisitions, and Panostaja Group aims to implement its growth strategy by means of controlled acquisitions in current segments, and new potential segments are also being actively studied. Preparation for divestments is being continued as part of the ownership strategies of segments. Risks related to corporate acquisitions are managed by investing carefully according to specific investment criteria, as well as through efficient integration processes. Panostaja Group has specified harmonized guidelines and a corporate acquisitions process for the preparation and implementation of corporate acquisitions.

Non-life risks: Non-life risks are managed in Panostaja Group through insurance and Group guidelines, which set policy for the different areas.

Operative risks: On September 30, 2014, Pirkanmaa District Court confirmed the reorganization programs of Takoma Oyj and Takoma Gears Oy. Confirmation of its program gives Takoma Gears Oy the chance to develop its operations. Changes concerning Takoma may, however, also in future cause needs for one-time write-downs. Takoma's failure to implement the reorganization program is not expected to cause changes to Panostaja Group's operating conditions.

OUTLOOK FOR THE 2015 FINANCIAL PERIOD

In accordance with its business strategy, Panostaja Group focuses on increasing shareholder value in the segments owned by the Group. The development of shareholder value will be constantly monitored as part of a changing operating environment, and decisions on the development or divestment of business areas will be made in order to maximize shareholder value. Active development of shareholder value, the effective allocation of capital and finance opportunities create a solid foundation for operational expansion. The need to exploit ownership arrangements and growth opportunities in SMEs enables both expansion into new segments and growth in existing ones.

Economic prospects in the fields of the existing segments are strongly tied to the prospects of customer enterprises. Expectations for the financial situation are still characterized by uncertainty and poor forecastability. In the various segments of Panostaja Group, the prospects still vary from cautiously positive to neutral. The challenges in forecastability or weakening prospects may create a need for consolidated goodwill write-downs. However, the distribution of ownerships through the existing segments provides protection against changes taking place in the state of the economy.

The market still provides sufficient opportunities for corporate acquisitions, and Panostaja Group aims to implement its growth strategy by means of controlled corporate acquisitions in current segments, and new potential segments are also being actively studied. Preparation for divestments is being continued as part of the ownership strategies of segments.

Panostaja keeps its result management issued on February 27, 2015 unaltered. The Group's net sales in the 2015 financial period are expected to be greater than in 2014 (MEUR 154.8). The Group's EBIT is expected to be on the same level as in the 2014 financial period (MEUR 10.2).

Panostaja Oyj
Board of Directors
For further information, contact CEO Juha Sarsama: tel. +358 40 774 2099.

Panostaja Oyj
Juha Sarsama
CEO

All forecasts and assessments presented in this interim report bulletin are based on the current outlook of the Group and the views of the management of the various business areas with regard to the state of the economy and its development. The results attained may be substantially different.

ACCOUNTING PRINCIPLES

This financial statement bulletin has been prepared in compliance with the IFRS accounting and valuation principle based on the IAS 34 standard.

The financial statement bulletin is unaudited.

INCOME STATEMENT	11/14- 1/15 3 months	11/13- 1/14 3 months	2014 12 months
(EUR 1,000)			
Net sales	39,576	35,065	154,802
Other operating income	147	462	1,560
Costs in total	39,035	34,833	146,193
Depreciations, amortizations and impairment	1,356	1,307	5,408
Operating profit	687	695	10,169
Financial income and expenses	-754	-703	-3,255
Share of associated company profits	-137	-300	-137
Profit before taxes	-203	-309	6,778
Income taxes	-546	-919	-3,763
Profit/loss from continuing operations	-749	-1,228	3,015
Profit/loss from discontinued operations	0	235	6,052
Profit/loss from discontinued operations	0	-1,267	-834
Profit/loss for the financial period	-749	-2,261	8,234
Attributable to			
shareholders of the parent company	-964	-2,043	5,385
minority shareholders	215	-218	2,849
Earnings per share from continuing operations			
EUR, undiluted	-0.022	-0.032	-0.014
Earnings per share from continuing operations			
EUR, diluted	-0.022	-0.032	-0.014
Earnings per share from discontinued operations			
EUR, undiluted	0.000	-0.011	0.108
Earnings per share from discontinued operations			
operations EUR, diluted	-0.022	-0.010	0.095
Earnings per share from continuing and discontinued operations			
EUR, undiluted	-0.022	-0.043	0.094
Earnings per share from continuing and discontinued operations			
EUR, diluted	-0.022	-0.043	0.094
EXTENSIVE INCOME STATEMENT			
Items of the extensive income statement	-749	-2,261	8,234
Translation differences	-4	-51	-79
Extensive income statement for the period	-753	-2,312	8,155
Attributable to			
shareholders of the parent company	-968	-2,094	5,306
minority shareholders	215	-218	2,849

BALANCE SHEET	January 31, 2015	January 31, 2014
(EUR 1,000)		
ASSETS		
Non-current assets		
Goodwill	49,696	41,951
Other intangible assets	8,471	8,970
Property, plant and equipment	9,157	12,620
Interests in associated companies	3,474	3,413
Other non-current assets	10,858	12,309
Non-current assets total	81,656	79,264
Current assets		
Stocks	14,898	14,580
Trade receivables and other non-interest-bearing receivables	25,702	28,112
Financial assets at fair value through profit and loss	8,490	8,463
Cash and cash equivalents	10,592	7,029
Current assets total	59,682	58,185
Held-for-sale non-current asset items		
Assets in total	141,339	137,449
 EQUITY AND LIABILITIES		
Equity attributable to parent company shareholders		
Share capital	5,569	5,569
Share premium account	4,646	4,646
Invested unrestricted equity fund	14,612	14,524
Equity convertible loan	7,390	7,390
Translation difference	-156	-124
Retained earnings	-979	-3,992
Total	31,082	28,013
Minority interest	14,324	16,551
Equity total	45,406	44,564
Liabilities		
Deferred tax liabilities	968	1,244
Equity convertible subordinated loan	14,724	14,590
Non-current liabilities	34,197	27,857

Current liabilities	46,044	48,9194
Liabilities total	95,933	92,885
Equity and liabilities in total	141,339	137,449

CASH FLOW STATEMENT
(EUR 1,000)

	01/2015	01/2014	2014
Operating net cash flow	2,588	1,573	11,394
Investment net cash flow	-1,819	2,142	-9,260
Loans drawn	3,233	1,713	13,638
Loans repaid	-3,262	-5,135	-14,502
Share issue			1,224
Disposal of own shares	37	12	48
Dividends paid and capital repayments	-330	-1,467	0
Finance net cash flow	-322	-4,877	-1,169
Change in cash flows	447	-1,162	965

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	Share capital	Share premium account	Invested unrestrictede equity fund	Translation differences	Profit funds	Other funds	Minority shareholders' interest	Total
Equity	5,569	4,646	14,508	-73	-1,979	7,390	19,016	49,077
Nov 1, 2013								
Profit for the financial period					-2,043		-218	-2,261
Profit and costs recorded during the financial period, total					-2,043		-218	-2,261
Dividends paid							-1,638	-1,638
Repayment of capital								-2,040
Disposal of own shares			12					12
Reward scheme			4					4
Translation differences				-51	30			-21
Other changes								
Changes in minority interest					-609			-609
Other changes in equity, total			16	-51	-2,622		-1,856	-4,513
Equity								
Jan 31, 2014	5,569	4,646	14,524	-124	-4,601	7,390	17,160	44,564
Equity								
Nov 1, 2014	5,569	4,646	14,569	-152	95	7,390	15,378	47,495
Profit for the financial period					-964		215	-749
Profit and costs recorded during the financial period, total					-964		215	-749
Dividends paid							-1,028	-1,028
Interest on equity convertible loan								
Disposal of own shares			37					48
Reward scheme			6					13
Translation differences				-4	12			8
Changes in minority interest					-122		-240	-362

Other changes in equity, total			43	-4	-110		-1,269	-1,340
Equity	5,569	4,646	14,612	-156	-979	7,390	14,324	45,406
Jan 31, 015								

KEY FIGURES

	1/2015	1/2014
Equity per share (EUR)	0.60	0.54
Earnings per share, undiluted (EUR)	-0.02	-0.03
Earnings per share, diluted (EUR)	-0.02	-0.03
Average number of shares during financial period, 1,000 pcs.	51,284	51,195
Number of shares at end of financial period, 1,000 pcs.	51,733	51,733
Share issues/CL exchanges during financial period, 1,000 pcs.	0	0
Number of shares, 1,000, diluted	58,102	58,014
Return on equity,%	-6.5	-19.3
Return on investment,%	2.9	3.8
Gross capital expenditure		
To permanent assets (MEUR)	2.1	0.8
% of net sales	5,3%	2,3%
Interest-bearing liabilities	59.5	56.4
Equity ratio (%)	32.2	32.6
Average number of employees	1,112	1,258

GROUP DEVELOPMENT BY QUARTER

(MEUR)	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14	Q4/13	Q3/13	Q2/13
Net sales	39.6	44.1	38.1	37.5	35.1	38.7	33.0	34.4
Other operating income	0.1	0.3	0.6	0.2	0.5	0.6	0.2	0.2
Costs in total	39.0	40.0	35.9	35.4	34.8	37.5	33.8	34.0
Depreciations, amortizations and impairment	1.4	1.5	1.3	1.3	1.3	1.8	3.9	1.6
EBIT	0.7	4.4	2.8	2.3	0.7	1.8	-0.6	0.7
Finance items	-0.8	-1.1	-0.8	-0.6	-0.7	-0.7	-0.7	-0.7
Share of associated company profits	-0.1	0.2	0.0	0.0	-0.3	-0.2	0.2	0.0
Profit before taxes	-0.2	3.5	1.9	1.7	-0.3	1.0	-1.1	0.0
Taxes	-0.5	-1.6	-0.5	-0.7	-0.9	0.6	-0.6	-0.4
Profit from continuing operations	-0.7	1.9	1.4	1.0	-1.2	1.6	-1.7	-0.5
Profit/loss from discontinued operations	0.0	-0.1	5.6	0.3	0.2	0.9	0.6	0.4
Profit/loss from discontinued operations	0.0	0.6	0.0	-0.2	-1.3	-3.4	-0.7	-0.6
Profit for the financial period	-0.7	2.4	7.0	1.1	-2.3	-1.0	-1.8	-0.7
Minority interest	0.2	1.4	0.7	0.9	-0.2	-0.6	-0.4	0.3
Parent company shareholder interest	-1.0	1.0	6.3	0.2	-2.0	-0.4	-1.4	-1.0

GUARANTEES GIVEN

(EUR 1,000)	01/2015	01/2014	2014
Guarantees given on behalf of Group companies			
Enterprise mortgages	44,819	39,677	44,277
Pledges given	67,486	72,392	67,947
Other liabilities	3,637	2,753	4,562
Other rental agreements			
In one year	5,982	7,876	6,238
In over one year but within five years maximum	12,330	13,940	13,320
In over five years	1,613	2,132	2,006
Total	19,926	23,948	21,564

SEGMENT INFORMATION

NET SALES	11/14-1/15	11/13-1/14	Change
(EUR 1,000)			
Digital Printing Services	13,744	13,570	174
Safety	8,006	8,274	-268
Building Technology Renovation	5,172	-	5,172
Takoma	4,031	3,518	513
Ceiling Materials	2,322	2,667	-344
Fittings	2,409	2,532	-123
Spare parts for Motor Vehicles	2,589	2,563	26
Heat Treatment	1,374	2,016	-642
Others	0	0	0
Eliminations	-71	-75	4
Group in total	39,576	35,065	4,511

OPERATING PROFIT

(EUR 1,000)

Digital Printing Services	801	1,030	-229
Safety	-274	144	-419
Building Technology Renovation	699		699
Takoma	31	-346	377
Ceiling Materials	124	102	22
Fittings	63	66	-3
Spare parts for Motor Vehicles	26	155	-130
Heat Treatment	-127	202	-328
Others	-655	-658	4
Group in total	687	695	-7

SEGMENT INFORMATION BY QUARTER

Net sales, MEUR	1Q/15	4Q/14	3Q/14	2Q/14	1Q/14	4Q/13	3Q/13	2Q/13
Digital Printing Services	13.7	15.8	13.2	15.2	13.6	14.2	12.3	13.4
Safety	8.0	9.3	7.7	8.4	8.3	9.5	7.0	7.8
Building Technology Renovation	5.2	4.9	3.9					
Takoma	4.0	4.6	3.5	3.8	3.5	4.0	3.6	3.5
Ceiling Materials	2.3	2.6	2.9	2.9	2.7	3.2	3.5	3.0
Fittings	2.4	2.6	2.6	3.2	2.5	3.0	2.8	3.1
Spare parts for Motor Vehicles	2.6	2.9	2.7	2.6	2.6	2.7	2.6	2.5
Heat Treatment	1.4	1.6	1.6	1.6	2.0	2.1	1.3	1.2
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	-0.1	-0.1	-0.1	0.0	-0.1	0.0	-0.1	-0.1
Group in total	39.6	44.1	38.1	37.5	35.1	38.7	33.0	34.4
Operating profit (MEUR)	1Q/15	4Q/14	3Q/14	2Q/14	1Q/14	4Q/13	3Q/13	2Q/13
Digital Printing Services	0.8	2.6	1.3	2.2	1.0	1.9	1.7	1.7
Safety	-0.3	1.0	0.9	0.1	0.1	1.0	0.4	0.4
Building Technology Renovation	0.7	0.6	0.5					
Takoma	0.0	0.2	0.0	-0.3	-0.3	-0.3	-2.9	-0.5
Ceiling Materials	0.1	0.0	0.1	0.4	0.1	0.2	0.3	0.1
Fittings	0.1	0.3	0.2	0.3	0.1	0.0	0.2	-0.2
Spare parts for Motor Vehicles	0.0	0.2	0.2	0.1	0.2	0.2	0.3	0.1
Heat Treatment	-0.1	-0.1	0.1	0.0	0.2	-0.7	-0.1	-0.3
Others	-0.7	-0.4	-0.4	-0.6	-0.7	-0.5	-0.6	-0.6
Group in total	0.7	4.4	2.8	2.3	0.7	1.8	-0.6	0.7

Panostaja is an investment company developing Finnish SMEs in the role of an active majority shareholder. The company aims to be the most sought-after partner for business owners selling their companies as well as for the best managers and investors. Together with its partners, Panostaja increases the Group's shareholder value and creates Finnish success stories.

After the Megaklinikka acquisition, Panostaja has nine segments engaging in business operations. Flexim Security Oy (Safety) is a specialist in security technology and services, locking, door automation and access control products and solutions. Grano Oy (Digital Printing Services) forms Finland's largest company offering digital printing services and publication and production services. Heatmasters Group (Heat Treatment) offers metal heat treatment services in Finland and internationally, as well as manufacturing, developing and marketing heat treatment technology. KL-Varaosat (Spare Parts for Motor Vehicles) is an importer, wholesale dealer and retailer of original spare parts and supplies for Mercedes Benz, BMW and Volvo cars. Megaklinikka Oy (Oral Health Care) is a company providing oral health care services. The company is a

dental clinic offering a completely new kind of service concept. Suomen Helakeskus Oy (Fittings) is a major wholesale dealer concentrating on construction and furniture fittings. Selog Oy (Ceiling Materials) is a specialty supplier and wholesaler of ceiling materials. Takoma Oyj (Takoma) is a listed machine shop group. KotiSun Oy (Building Technology Renovation) is Finland's leading company in service water and heating network building technology renovations for detached houses.