

A photograph of children playing on a wooden playground slide. A girl with long blonde hair, wearing a yellow jacket and blue pants, is sliding down. Another child is visible at the top of the slide, and a boy is at the bottom. The background shows green trees and a clear sky.

# Lappset Group Ltd Annual Report 2014



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# Lappset performed better than expected

LAPPSET GROUP'S PERFORMANCE in 2014 was better than expected, despite the challenging situation in the world economy and the realignment of operations in the theme park business.

The Group's turnover was slightly lower compared to the previous year, EUR 50.5 million (2013: EUR 53.1 million). The performance can be regarded as satisfactory, since the targets set for the basic business – sales of playground and exercise facility equipment – were met. The business of Lappset Creative, having responsibility for the theme parks, took a plunge on account of the changed strategy of a key business partner. The new co-operation agreements concluded with HIT Entertainment Ltd and SantaPark Oy will be reflected in the business performance in the coming years.

Lappset Group's financial position was strengthened even further. The Group's equity ratio was 62.4 % in 2014 (2013: 57.5 %). The targets for the operating profit fell short of the previous year, amounting to EUR 2.1 million, i.e. 4.2 % (2013: EUR 3.1 million, 5.8 %). The company's cash flow and liquidity were very strong.

## Key figures for the Group's financial position and performance:

	2014	2013	2012	2011
Turnover, MEUR	50.5	53.1	53.5	46.5
Operating profit, MEUR	2.1	3.1	1.1	1.1
Operating profit as a percentage of turnover	4.2	5.8	2.0	2.4
Return on equity, %	10.7	15.1	4.0	2.9
Equity ratio, %	62.4	57.5	50.0	65.8

## Key figures on personnel:

	2014	2013	2012	2011
Average number of employees during the financial year	350	368	346	308
Salaries and wages for the financial year, MEUR	16.7	15.8	16.5	13.6

The quality and environmental management systems launched at the Estonia works in 2013 were finalised in 2014. The Estonia works were audited and certified by Inspecta Oy. The Lappset Estonia Oü works in Tallinn now have both the ISO 9001 quality management system and the ISO 14001 environmental management system. The production volume of the Estonia works increased in line with the targets, and profitability improved.

No notable changes took place regarding the subsidiary network during 2014. At the end of the financial year, Lappset Group comprised the parent company in Finland and subsidiaries in six countries: Sweden, the UK, Germany, France, the Netherlands and Estonia. No notable changes took place regarding the dealer network during 2014.

A co-operation procedure was instituted at the Pello works of the parent company, resulting in a transfer of operations to Rovaniemi.

## Administration

The company's Board of Directors in 2014 comprised Johanna Ikäheimo as chair and Torkel Tallqvist, Katja Ikäheimo-Länkinen and Kimmo Lautanen as members. After Juha Laakkonen resigned from the position of Managing Director on 1 January 2014, the Board appointed Tero Ylinenpää as Managing Director on 14 January 2014. The Board's Secretary was Irma Kuukasjärvi.

KPMG Oy Ab have served as auditors to the company.

## Financial position and capital expenditure

At the end of the financial year, the Group's balance sheet total was EUR 24.8 million (EUR 27.1 million in 2013). No significant financial arrangements were made during 2014.

### *Board of Directors' proposal concerning the distribution of profits*

The parent company's distributable assets are EUR 12,312,137.33, of which profits for the period account for EUR 836,132.44.

The Board of Directors proposes to the general meeting that the profit for the period be distributed as follows:

- dividend payment of EUR 0.97/share, i.e. a total of EUR 398,089.94
- deposited in the retained earnings account EUR 438,042.50

No notable changes in the company's financial position have taken place since the end of the financial year. The company's liquidity is good, and the Board of Directors does not believe that the proposed distribution of profits endangers the company's solvency.

### *Notable changes since the end of the financial year*

A new management system was deployed in the company's operations in early 2015.

### *Focusing on three cornerstones*

In 2014, Lappset followed the strategy drawn up in the previous year, according to which the business is divided into three cornerstones: basic business, domestic business and thematic activity park business. The thematic park business adopted the name Lappset Creative during the year. Other functions, such as marketing and innovation, order-delivery chain management, finances, HR and legal, support these three cornerstones. The new strategy was finalised by the end of 2013, but it was launched to the staff, subsidiaries and other key stakeholders in early 2014.

Exports to Asia, particularly China, fell slightly short of expectations, but on the other hand, exports to Europe and Russia surpassed targets. In domestic business, the targets were met.

### *Customer orientation and accountability*

In summary, the Group turnover for 2014 was satisfactory considering the global economic situation. In early 2014, the performance was encumbered by the changes that took place in the theme park business (Lappset Creative).

In terms of operating profit, the performance was reasonable.

The overall economic situation of the company is excellent. The balance sheet total strengthened and the equity ratio increased (62.4 %).

Lappset Group's operations can be characterised as responsible business conduct, because it designs, develops and manufactures playground and exercise facility solutions and different types of activity parks that provide excellent conditions for people of all ages to experience the joy of playful and sporting activities. Today's global challenges are intrinsically related to the physical and mental well-being of people at different stages of life, and Lappset is having a positive impact on this through its creative solutions. Investing in meaningful and inspiring environments for play and exercise pays for itself in the form of significantly reduced social service and health care costs.

A dynamic approach, a willingness to change and continuous benchmarking of new business opportunities form the backbone of Lappset Group's operations. The new strategy, based on producing added value to the customer, which the company will continue to implement in the coming years, enables agile solutions that exceed the needs and expectations of customers, not to mention the provision of a cost-efficient production chain and high quality products.

### *The global economic and political situation pose a risk*

Risk factors for 2015 include the global economic situation and the volatile political situation. The economic situation in Russia also affects the Finnish economy, with consequent possible repercussions for domestic markets.

Among the business segments, the theme park business is fraught with uncertainties relating to changes in the global economy. Investments in theme parks are long-term ventures and involve complex production projects. Turmoil in the global economy strongly influences investor decisions.

# Annual Report 2014



# Notes on the financial statements

## *Principles and methods concerning valuation and fiscal periods*

### **Valuation of non-current assets**

Intangible and tangible assets have been entered in the balance sheet at their acquisition cost less planned depreciation. The total acquisition costs include the variable costs arising from acquisition and manufacturing. The computing method used for the planned depreciation was straight-line depreciation based on the useful life of intangible and tangible assets. The period of depreciation commenced during the month the asset was placed in service.

### **Planned depreciation criteria and changes thereof**

Type of asset	Depreciation period
Development costs	5 years
Other long-term expenses	5-10 years
Buildings	25 years
Structures	10 years
Production equipment	7 years
Machinery and equipment	4-7 years
Consolidated goodwill	5 years

The acquisition costs for non-current assets with a probable economic life of less than three years and minor acquisitions (less than EUR 850) have been entered in total under expenses accumulated during the financial year.

### **Valuation of current assets**

Current assets have been valued at the lowest of acquisition cost, replacement cost or estimated net realisable value. Acquisition cost is determined according to the moving average method, which is related to the FIFO principle. The acquisition cost of finished and unfinished products only comprises variable costs.

### **Valuation of financial instruments**

The company uses derivative instruments such as foreign currency forward contracts and interest rate swaps. The foreign currency forward contract is used to hedge against changes in the estimated foreign currency cash flows. Interest rate swaps are used to change a variable interest rate to a fixed rate. The validity period for these foreign currency and interest rate instruments is five years. Financial instruments have not been valued at current value.

### **Product development and long-term costs**

As a rule, R&D costs have been entered as annual costs for the financial year during which they were incurred. Product development costs that have generated revenue for three years or longer have been capitalised in the balance sheet as development costs. The applicable amortisation period is five years.

### **Deferred taxes**

Deferred tax liabilities have been recognised for any temporary difference between the financial statement carrying amount and its tax basis according to the tax rate confirmed for coming years on the balance sheet date. Total deferred tax liabilities are presented in the balance sheet.

### **Foreign currency items**

Foreign currency receivables and liabilities are translated into Finnish currency (Euro) according to the rate in effect on the balance sheet date. This does not include liabilities covered by a forward contract and valued according to the forward (exchange) rate.



# Accounting principles for the consolidated financial statements

## **Scope of the consolidated financial statements**

The consolidated financial statements cover all Group companies.

## **Intra-Group shareholdings**

The consolidated financial statements have been prepared using the acquisition cost method. The difference between the acquisition cost of subsidiaries and the corresponding shareholders' equity has been entered as consolidated goodwill. The amortisation period for consolidated goodwill is five years.

## **Intra-Group transactions and margins**

Intra-Group transactions, unrealised margins on internal deliveries, internal receivables and liabilities, along with intra-Group distributions of profit have been eliminated.

## **Minority interests**

Minority interests have been separated from the consolidated shareholders' equity and operating profit/loss for the financial year and presented as a separate item.

## **Translation differences**

The profit and loss accounts and balance sheets of foreign subsidiaries have been translated into Finnish currency (Euro) according to the rate in effect on the balance sheet date. This translation difference, together with the differences concerning the shareholders' equity of foreign subsidiaries, is presented under 'Retained earnings'.

# Lappset Group Ltd | Consolidated

<b>PROFIT AND LOSS ACCOUNT</b>	<b>01.01.-31.12.2014</b>	<b>01.01.-31.12.2013</b>
Turnover	50 504 695	53 131 995
Increase (+)/ decrease (-) in stocks of finished goods	287 423	-100 167
Production for own use	76 749	137 884
Other operating income	65 816	164 247

## *Materials and services*

Materials and supplies		
Purchases during the financial year	-15 928 832	-16 791 896
Increase (+)/ decrease (-) in stocks	37 080	-425 982
External services	-3 339 552	-3 429 654
Materials and services, total	-19 231 304	-20 647 532

## *Personnel costs*

Personnel costs	-16 699 179	-15 803 011
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## *Depreciation and amortisation*

Planned depreciation	-1 411 397	-1 517 945
Amortisation of consolidated goodwill	-184 111	-225 236
Total depreciation and amortisation	-1 595 508	-1 743 182

## *Other operating costs*

Other operating costs	-11 269 453	-12 051 376
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**Operating profit** **2 139 240** **3 088 858**

## **FINANCIAL INCOME AND EXPENSES**

### *Income from other investments in fixed assets*

From others	195	195
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### *Other interest and financial income*

From others	33 904	58 509
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### *Interest and other financial expenses*

To others	-165 828	-191 136
Exchange rate differences	-51 594	-52 582

**Total financial income and expenses** **-183 323** **-185 014**

**Profit before extraordinary items** **1 955 916** **2 903 845**

**Profit before appropriations and taxes** **1 955 916** **2 903 845**

### *Income taxes*

For the financial year	-432 419	-778 718
Deferred taxes	43 574	32 297
Total income taxes	-388 845	-746 421

Minority interest -243 610 -146 067

**Profit for the financial year** **1 323 462** **2 011 357**



# Lappset Group Ltd | Consolidated

## Balance sheet

Assets	31.12.2014	31.12.2013
<b>NON-CURRENT ASSETS</b>		
<i>Intangible assets</i>		
Development costs	193 556	246 344
Intellectual property rights	116 915	149 182
Goodwill	8 336	28 333
Consolidated goodwill	368 221	552 332
Other long-term expenses	312 892	240 645
Advance payments	151 109	7 058
Total intangible assets	1 151 030	1 223 894
<i>Tangible assets</i>		
Land and water areas	609 785	652 322
Buildings and structures	1 634 374	1 847 168
Machinery and equipment	3 599 963	4 230 175
Other tangible assets	162 345	213 748
Advance payments and acquisitions in progress	62 675	3 879
Total tangible assets	6 069 141	6 947 292
<i>Investments</i>		
Other shares and participations	780 620	780 620
Total investments	780 620	780 620
<b>Total non-current assets</b>	<b>8 000 791</b>	<b>8 951 806</b>
<b>CURRENT ASSETS</b>		
<i>Stock</i>		
Materials and supplies	1 086 497	1 128 026
Unfinished products	145 229	117 956
Finished products	3 763 775	3 353 147
Advance payments	0	56 000
Total stock	4 995 502	4 655 128
<i>Long-term receivables</i>		
Loan receivables	123 664	120 900
Total long-term receivables	123 664	120 900
<i>Short-term receivables</i>		
Accounts receivable	4 784 975	5 290 086
Other receivables	427 913	471 941
Prepayments and accrued income	408 868	341 760
Total short-term receivables	5 621 756	6 103 786
<i>Cash and cash equivalents</i>		
Cash and cash equivalents	6 106 393	7 229 688
<b>Total current assets</b>	<b>16 847 315</b>	<b>18 109 503</b>
<b>Total assets</b>	<b>24 848 106</b>	<b>27 061 309</b>

<b>LIABILITIES</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>Shareholders' equity</b>		
Share capital	814 804	814 804
Retained earnings (loss)	11 119 039	9 934 104
Profit for the financial year	1 323 462	2 011 357
Total shareholders' equity	13 257 305	12 760 265
<i>Minority interest</i>		
Minority interest	1 655 338	1 591 485
<b>Liabilities</b>		
<i>Long-term liabilities</i>		
Subordinated loans	87 500	140 000
Loans from credit institutions	2 707 726	3 771 449
Deferred tax liabilities	154 132	172 599
Total long-term liabilities	2 949 358	4 084 048
<i>Short-term liabilities</i>		
Loans from credit institutions	1 010 833	1 048 013
Advance payments received	944 214	2 105 084
Accounts payable	1 242 065	1 426 234
Other liabilities	613 767	845 286
Accruals and deferred income	3 175 227	3 200 896
Total short-term liabilities	6 986 104	8 625 511
<b>Total liabilities</b>	<b>9 935 463</b>	<b>12 709 559</b>
<b>LIABILITIES, TOTAL</b>	<b>24 848 106</b>	<b>27 061 309</b>

<b>STATEMENT OF THE SOURCE AND APPLICATION OF FUNDS</b>	<b>01.01.-31.12.2014</b>	<b>01.01.-31.12.2013</b>
<i>Cash flow from operating activities</i>		
Operating profit	2 139 240	3 088 858
Adjustments to operating profit	1 573 270	1 497 626
Change in working capital	-1 200 019	1 553 127
Change in stock	-340 373	417 353
Change in short-term receivables	498 830	1 108 658
Change in short-term liabilities	-1 358 475	27 116
Interest payments	-189 913	-188 742
Interest income	33 904	58 509
Dividends received	195	195
Taxes	-676 905	-215 689
Cash flow from operating activities	1 679 772	5 793 884
<i>Cash flow from investments</i>		
Investments in tangible and intangible assets	-779 987	-1 235 237
Proceeds from the disposal of tangible and intangible assets	157 732	243 317
Long-term loans granted	-2 764	0
Repayments of long-term loan receivables	0	2 913
Subsidiaries sold	0	80 000
Cash flow from investments	-625 020	-909 007
<i>Cash flow from financing activities</i>		
Short-term loan repayments	-37 180	0
Long-term loan withdrawals	0	330 708
Long-term loan repayments	-1 116 222	-1 070 254
Dividends paid	-875 082	-410 402
Cash flow from financing activities	-2 028 485	-1 149 948
Translation differences	-149 563	-388 952
Change in cash and cash equivalents	-1 123 295	3 345 977
Cash and cash equivalents at the start of the financial year on 1 January	7 229 688	3 883 711
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR ON 31 DECEMBER</b>	<b>6 106 393</b>	<b>7 229 688</b>

# Lappset Group Oy | Parent company

<b>Profit and loss account</b>	<b>01.01.-31.12.2014</b>	<b>01.01.-31.12.2013</b>
Turnover	36 863 242	39 256 287
Increase (+)/ decrease (-) in stocks of finished goods	279 246	-65 479
Production for own use	74 992	137 884
Other operating income	54 451	19 178
<i>Materials and services</i>		
Materials and supplies		
Purchases during the financial year	-14 032 661	-14 222 187
Increase (+)/ decrease (-) in stocks	151 195	-583 537
External services	-2 400 140	-2 550 978
Materials and services, total	-16 281 607	-17 356 703
<i>Personnel costs</i>		
Personnel costs	-11 064 368	-10 078 146
<i>Depreciation and amortisation</i>		
Planned depreciation	-629 775	-720 759
Total depreciation and amortisation	-629 775	-720 759
<i>Other operating costs</i>		
Other operating costs	-8 282 532	-8 576 479
<b>Operating profit</b>	<b>1 013 649</b>	<b>2 615 784</b>
<b>Financial income and expenses</b>		
Income from participations in group companies	132 986	308 917
<i>Income from other investments in fixed assets</i>		
From others	195	195
<i>Other interest and financial income</i>		
From group companies	144 732	115 934
From others	7 121	15 338
<i>Interest and other financial expenses</i>		
From group companies	-1 094	0
To others	-120 820	-131 940
Exchange rate differences	-30 811	-38 674
<b>Total financial income and expenses</b>	<b>132 309</b>	<b>269 771</b>
<b>PROFIT BEFORE EXTRAORDINARY ITEMS</b>	<b>1 145 958</b>	<b>2 885 554</b>
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>	<b>1 145 958</b>	<b>2 885 554</b>
<i>Appropriations</i>		
Increase (-) / decrease (+) in depreciation difference	-78 115	0
Total appropriations	-78 115	0
<i>Income taxes</i>		
For the financial year	-231 710	-628 753
Total income taxes	-231 710	-628 753
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>836 132</b>	<b>2 256 801</b>

## Balance sheet

Assets	31.12.2014	31.12.2013
<b>Non-current assets</b>		
<i>Intangible assets</i>		
Development costs	193 556	246 344
Intellectual property rights	116 905	148 686
Other long-term expenses	85 143	83 606
Advance payments	151 109	7 058
Total intangible assets	546 713	485 694
<i>Tangible assets</i>		
Land and water areas	142 232	156 433
Buildings and structures	455 324	529 144
Machinery and equipment	1 494 622	1 752 529
Other tangible assets	35 865	35 865
Advance payments and acquisitions in progress	62 675	3 879
Total tangible assets	2 190 719	2 477 850
<i>Investments</i>		
Participations in group companies	3 763 266	3 763 266
Other shares and participations	780 620	780 620
Total investments	4 543 885	4 543 885
<b>Total non-current assets</b>	<b>7 281 317</b>	<b>7 507 429</b>
<b>Current Assets</b>		
<i>Stock</i>		
Materials and supplies	417 304	302 445
Unfinished products	134 705	98 369
Finished products	2 864 254	2 585 009
Total stock	3 416 264	2 985 823
<i>Long-term receivables</i>		
Receivables from group companies	2 169 261	2 507 764
Loan receivables	73 300	73 300
Total long-term receivables	2 242 561	2 581 064
<i>Short-term receivables</i>		
Accounts receivable	2 613 272	2 295 672
Receivables from group companies	502 974	1 269 098
Other receivables	291 071	181 575
Prepayments and accrued income	72 666	116 483
Total short-term receivables	3 479 984	3 862 827
<i>Cash and cash equivalents</i>		
Cash and cash equivalents	3 132 003	4 180 128
<b>Total current assets</b>	<b>12 270 811</b>	<b>13 609 842</b>
<b>Assets, total</b>	<b>19 552 128</b>	<b>21 117 272</b>

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2014	31.12.2013
<i>Shareholders' equity</i>		
Share capital	814 804	814 804
Retained earnings (loss)	11 476 005	10 040 008
Profit for the financial year	836 132	2 256 801
Total shareholders' equity	13 126 941	13 111 613

### Accrued appropriations

Depreciation difference	78 115	0
Total accrued appropriations	78 115	0

### Liabilities

#### Long-term liabilities

Loans from credit institutions	1 821 371	2 731 661
Total long-term liabilities	1 821 371	2 731 661

#### Short-term liabilities

Loans from credit institutions	910 290	910 290
Advance payments received	279 542	1 122 960
Accounts payable	777 819	844 623
Liabilities towards group companies	93 725	34 200
Other liabilities	245 416	379 425
Accruals and deferred income	2 218 909	1 982 501
Total short-term liabilities	4 525 700	5 273 998

**Total liabilities** **6 347 072** **8 005 659**

**Liabilities, total** **19 552 128** **21 117 272**

### STATEMENT OF CASH FLOWS

01.01.-31.12.2014

01.01.-31.12.2013

#### Operating profit

Operating profit	1 013 649	2 615 784
Adjustments to operating profit	618 033	725 064
Change in working capital	-581 895	1 746 245
Change in stock	-430 440	649 512
Change in short-term receivables	387 423	1 858 309
Change in short-term liabilities	-538 878	-761 576
Interest payments	-124 501	-169 222
Interest income	85 113	138 059
Dividends received	133 181	309 112
Taxes	-473 934	-58 088
Cash flow from operating activities	669 646	5 306 953

#### Cash flow from investments

Investments in tangible and intangible assets	-448 121	-955 502
Proceeds from the disposal of tangible and intangible assets	56 200	0
Loss from the disposal of tangible and intangible assets	0	-4 305
Repayments of loan receivables	338 504	19 369
Subsidiaries acquired	0	-1
Subsidiaries sold	0	80 000
Acquired interest on investment	66 740	0
Cash flow from investments	13 323	-860 438

#### Cash flow from financing activities

Long-term loan withdrawals	0	330 708
Long-term loan repayments	-910 290	-881 212
Dividends paid	-820 804	-410 402
Cash flow from financing activities	-1 731 094	-960 906

#### Change in cash and cash equivalents

Change in cash and cash equivalents	-1 048 125	3 485 609
Cash and cash equivalents at the start of the financial year on 1 January	4 180 128	694 518
Cash and cash equivalents transferred in the merger		

**Cash and cash equivalents at the end of the financial year on 31 December** **3 132 003** **4 180 128**

**LAPPSET GROUP LTD**

**Business ID 9126694-6**

SIGNATURES OF FINANCIAL STATEMENT

Date and signature

Helsinki, \_\_\_\_\_ / \_\_\_\_\_ 2015

Johanna Ikäheimo  
Chair of Board of Directors

Tero Ylinenpää  
Managing Director

Torkel Tallqvist

Kimmo Lautanen

Katja Ikäheimo-Länkinen

Auditor's statement

An auditor's report has been issued today on the audit performed.

Rovaniemi, \_\_\_\_\_ / \_\_\_\_\_ 2015

KPMG OY

Tapio Raappana  
KHT (Authorised Public Accountant)

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*English translation of an original document prepared in Finnish. The Finnish original shall prevail.*

## **AUDITOR'S REPORT**

### ***To the Annual General Meeting of Lappset Group Oy***

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Lappset Group Oy for the year ended 31 December, 2014. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

### ***Responsibility of the Board of Directors and the Managing Director***

The Board of Directors and the Managing Director are responsible for the preparation of 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 company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

### ***Auditor's Responsibility***

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

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

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



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***Opinion on the financial statements and the report of the Board of Directors***

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

***Other opinions***

We recommend that the financial statements with consolidated financial statements be adopted. The proposal by the Board of Directors regarding the distribution of the parent company's result for the period is in compliance with the Finnish Limited Liability Companies Act. We recommend that the Members of the Board of Directors of the parent company and the Managing Director be discharged from liability for the financial period audited by us.

Rovaniemi March 16, 2015

KPMG Oy Ab

Tapio Raappana  
*Authorised Public Accountant*





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