



**Ratos Capital Markets Day
14th March 2013**

An introduction to Finnkino

Liisi Jauho, CEO



A leading cinema chain in Finland and the Baltics

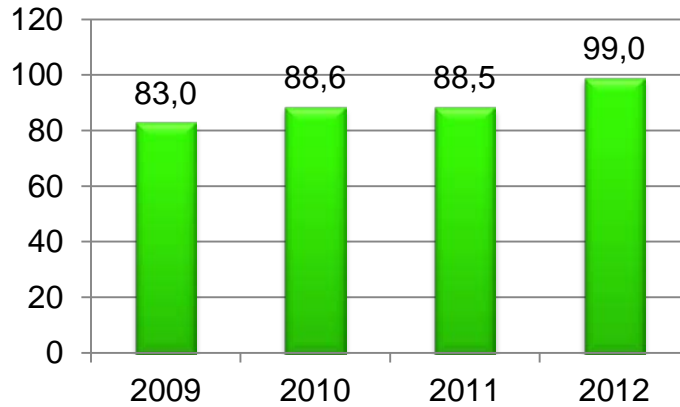
- Founded in 1986, Finnkino is the leading cinema chain in Finland and in the Baltic countries.
 - In Finland the company operates under the Finnkino brand and has 14 cinemas and 88 screens in 11 cities.
 - In the Baltics under the Forum Cinemas brand and has 10 cinemas and 70 screens in 9 cities.
- Finnkino is also engaged in the distribution of movies to cinemas (theatrical distribution) in Finland and the Baltics, and in the distribution of DVDs to retailers in Finland (video distribution)
- Finnkino is owned by Ratos since 2011.



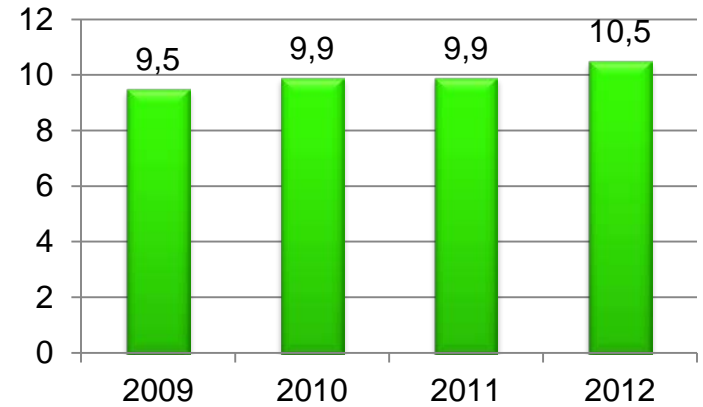


Finnkino in numbers 2009–2012

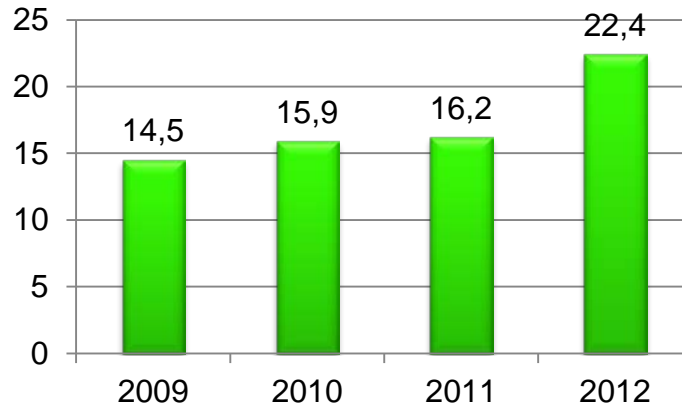
Net sales (EUR million)



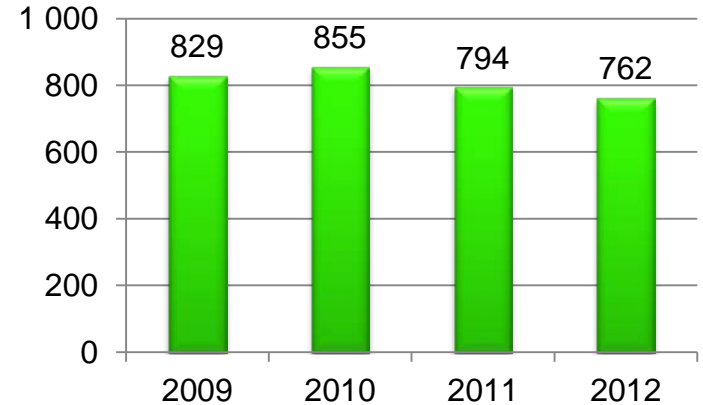
Admissions (EUR million)



EBITDA (EUR million)



Number of employees

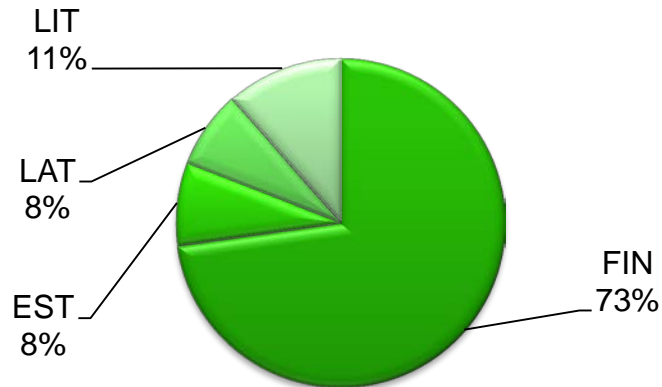


Note: Figures 2009–2011 are Pro Forma.

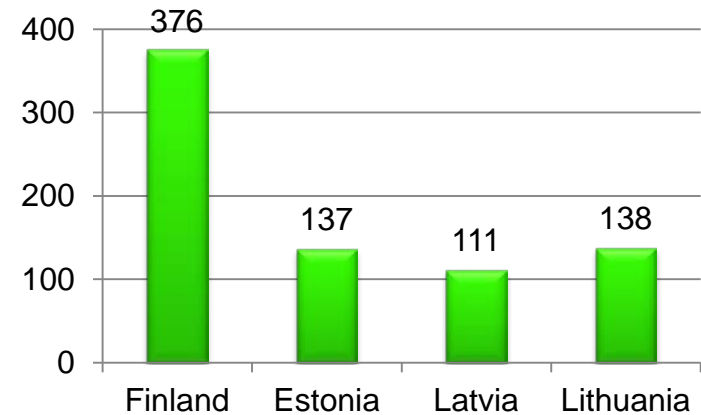


Finnkino by country (2012)

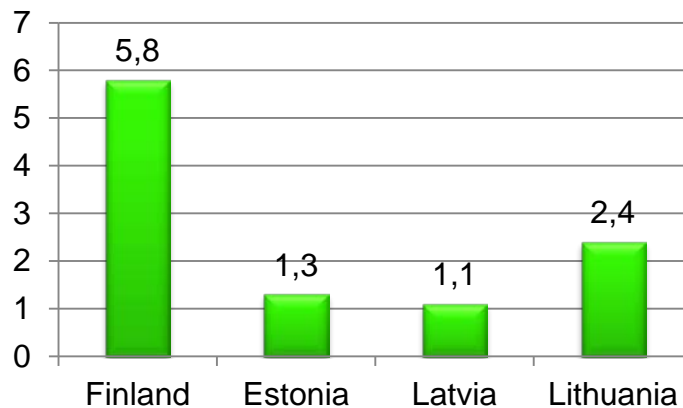
Sales (%)



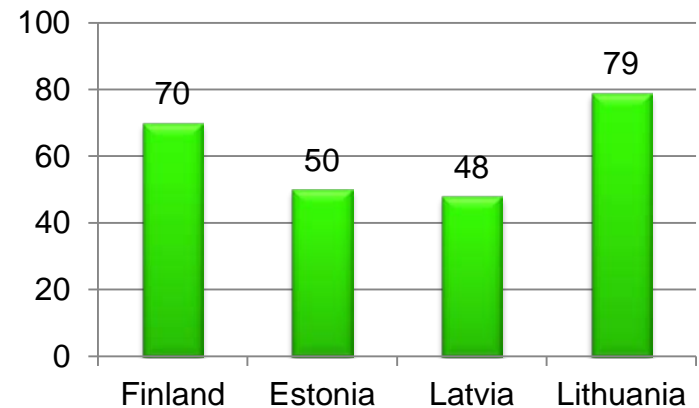
Number of employees



Admissions (EUR million)



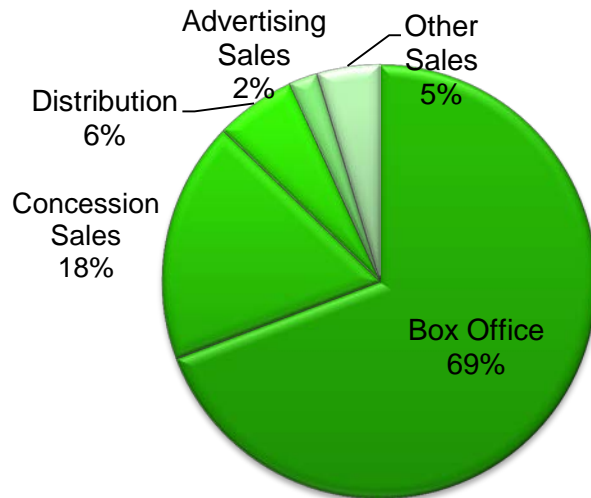
Market position (%)



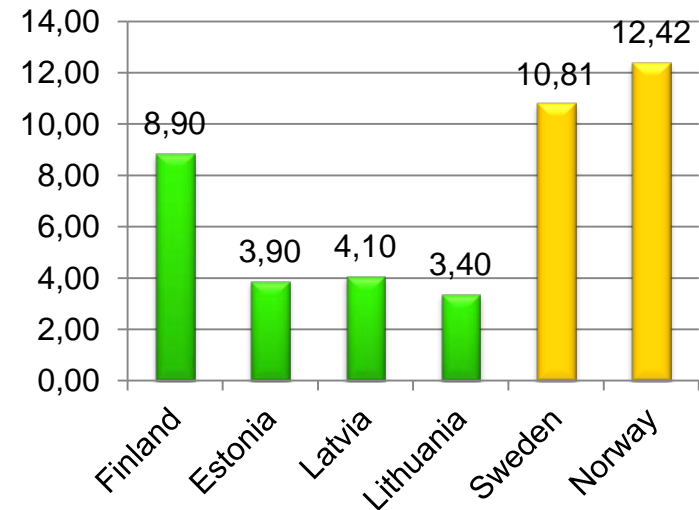


Finnkino's sources of income (2012)

Sales by segment (%)



Average ticket price (EUR)



*Finland, Estonia, Latvia, Lithuania,
Finnkino Group's internal figures*

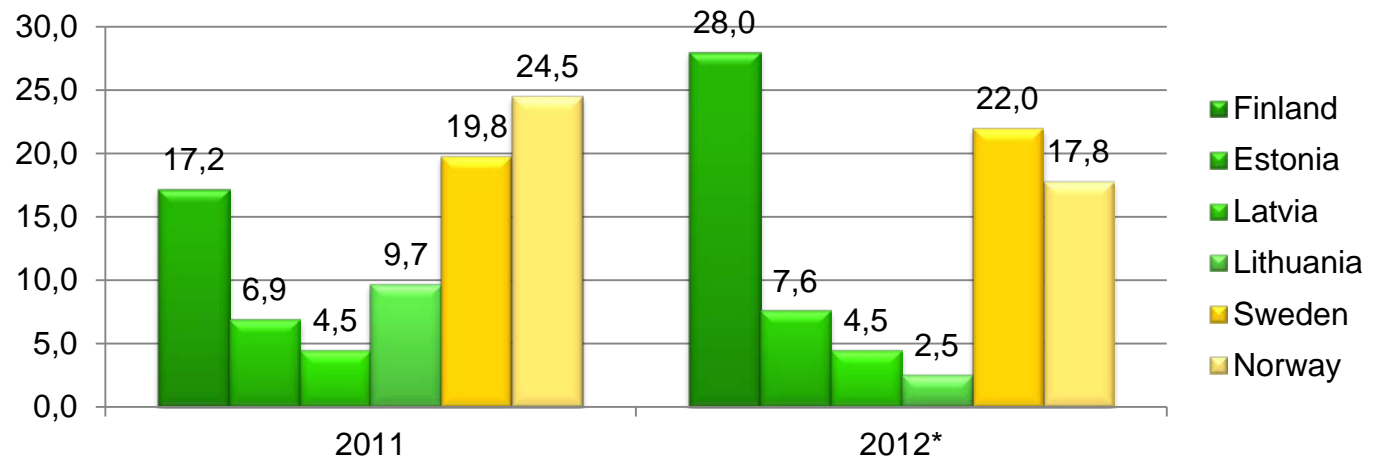
*Sweden and Norway provisional figures
Source: European Audiovisual Observatory,*



Box office sales

- Box office revenues is the largest source of income (69% in 2012)
 - Major studios have important role
 - In 2012, local movies represented 28% of admissions in Finland

Market share of domestic film, Finnkino's countries vs. Europe (%)



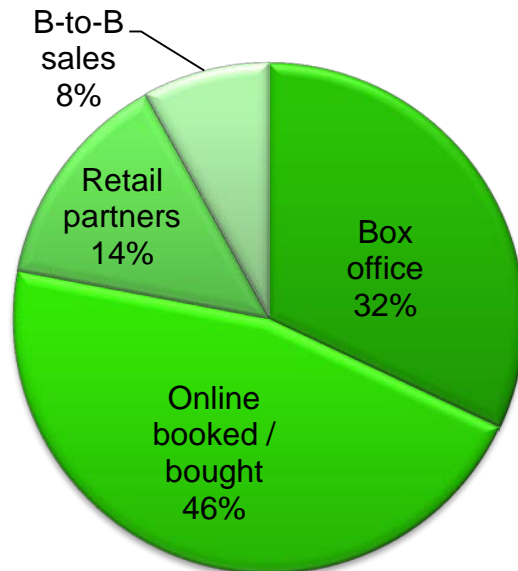
* Provisional

Source: European Audiovisual Observatory



Online becoming extremely important

Share of ticket sales
in Finland 2012 (%)



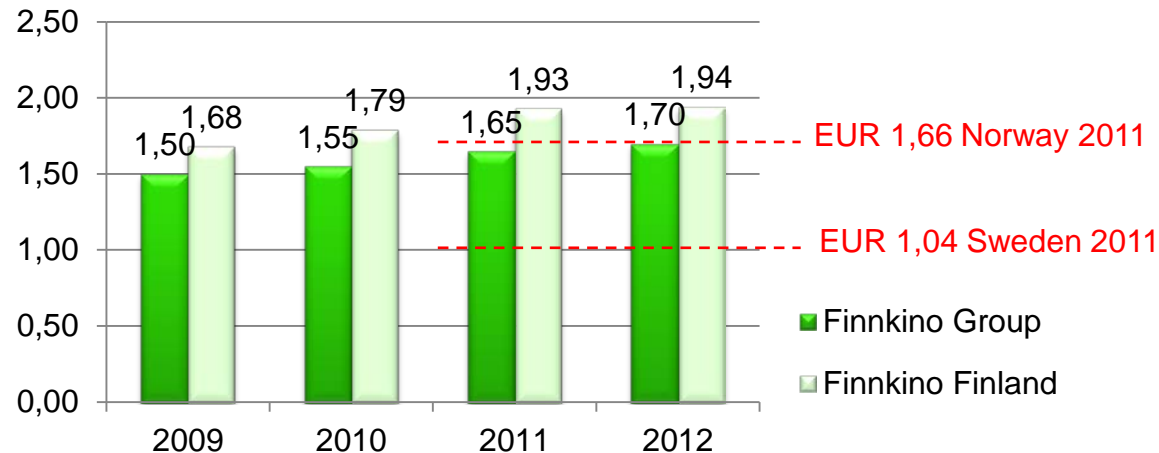
- In the beginning of 2013 53% of all the tickets were booked or bought online
 - www.finnkino.fi ranked among top 25 sites in Finland (*TNS Metrix)
- Average online purchase value EUR 25
- Serial vouchers also valid online since last year
- Mobile ticketing and applications for the main operating systems will be launched H1/2013
- ATM roll out in cinemas 2013



Concession sales

- Concession sales has an increasingly important role as a revenue source (18% in 2012)
- Concession sales concept developed to maximize spend: product development, customer flow, store renewals, etc.

Concession sales per admission (EUR)



Figures for Finnkinno Group and Finnkinno Finland are internal figures. Figures for Sweden and Norway available only for 2011. Source: Dodona Research



Concession sales





Trends within the cinema business

- Digitalization – old news, but still processing
 - Finnkino units in Finland, Estonia and Latvia are fully digitalised, Lithuania will continue Q3/2013
 - Efficiency, cost savings, flexibility, quality
 - Virtual Print Fee (“VPF”) agreement
- New technology
 - 3D, High Frame Rate (HFR), 2K–4K
 - Premium pricing
 - Enhances the image of movie-going
- Alternative content improves utilisation
 - Attracts new customer base
 - Premium pricing





Strategic objectives

- Objectives
 - Leading cinema chain in existing markets
 - Further growth and profitability in the existing markets
 - Develop concession concept & sales channels
 - Increasing advertising sales
 - Enhance organizational resources and competencies

- Planned new units
 - Finland: Kuopio opening May 2013, Lappeenranta opening 2016

 - Number of potential projects in Helsinki capital area and in the Baltics



Stay tuned!



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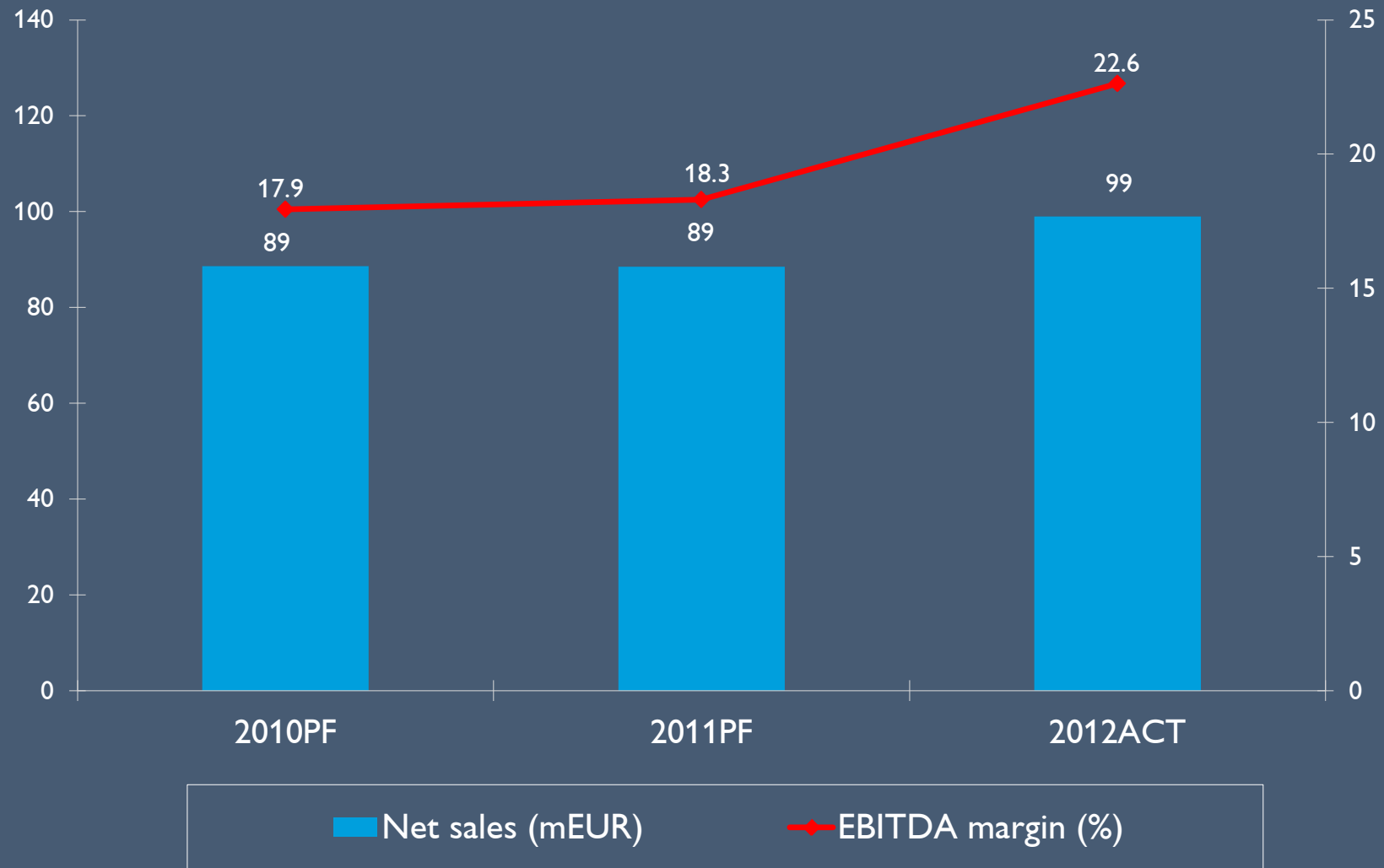
Jan Pomoell

14 March 2013

Ratos's investment in Finnkino

- Acquired from Sanoma in April 2011
 - EV EUR 96.4m
 - Ratos investment EUR 45.1m
 - Ratos owns 98%
- Book value 31 December 2012: SEK 445m
- Ratos team
 - Jan Pomoell (responsible for holding)
 - Lina Arnesson

Finnkino 2010-2012



Investment attractions

- Stable, uncyclical market
- Strong market positions
- Relatively undeveloped markets with room for growth through new cinemas
- Potential to increase concession and advertising sales
- Normalization of the profits in the Baltics

Key value creation opportunities going forward

- Lower film rent
- New distribution channels
- Continued turn-around in the Baltics
- Continued fine-tuning of the operations
- Re-financing and sale-and-leasebacks of real estate

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