# OLVI GROUP'S INTERIM REPORT, 1 JANUARY TO 31 MARCH 2014 (3 MONTHS)

The entire Group's sales volume was almost on a par with the previous year. The consolidated operating profit fell short of the previous year, mainly due to poor performance in Finland. Olvi's position remained strong in all market areas. Olvi Group's business in the Baltic states and Belarus developed well in the first quarter. The weakened performance in Finland was affected by large purchases into stocks in December before the year-end excise tax hikes, the fact that the Easter season was in April, and diminished Russian exports.

January-March in brief:
- The entire Group's sales volume diminished slightly by 3.1 percent to 107.3 (110.7) million litres due to a decline in sales by the parent company
- Sales development in the Baltic states was good: sales improved by 8.5 percent to 59.4 (54.8) million litres, net sales improved by 7.1 percent to 31.7 (29.6) million euro and operating profit improved by 18.2 percent to 2.4 (2.0) million euro
- Sales in Belarus improved by 10.3 percent to 30.0 (27.2) million litres, net sales to 12.7 (12.6) million euro and operating profit to 0.6 (0.1) million euro
- The Group's net sales declined by 10.3 percent to 61.0 (68.0) million euro
- the Group's operating profit declined to 3.5 (5.0) million euro due to weakened performance in the parent company
- the equity to total assets ratio improved to 57.4 (53.6) percent

## KEY RATIOS

| | 1-3/2014 | 1-3/2013 | Change % | 1-12/2013 |
|---|---|---|---|---|
| Net sales, MEUR | 61.0 | 68.0 | -10.3 | 327.3 |
| Operating profit, MEUR | 3.5 | 5.0 | -30.8 | 43.2 |
| Gross capital expenditure, MEUR | 12.7 | 6.0 | +111.2 | 35.7 |
| Earnings per share, EUR | 0.13 | 0.21 | -38.1 | 1.61 |
| Equity per share, EUR | 8.29 | 7.30 | +13.6 | 8.14 |
| Equity to total assets, % | 57.4 | 53.6 | | 58.0 |
| Gearing, % | 35.1 | 36.9 | | 26.4 |

Lasse Aho, Managing Director of Olvi plc, said the following in connection with the disclosure of the annual accounts: "Earnings in the first quarter of the year were as budgeted. Business developed favourably in the Baltic states and Belarus. The decline in performance in Finland was affected by issues such as excise tax hikes at the turn of the year and the preceding purchases into stocks in December, a decline in Russian exports, strong growth in tourist imports, and the fact that the Easter season was in late April this year. The earnings outlook for 2014 presented in connection with the disclosure of the financial statements 2013 remain unchanged: the sales volumes and net sales are expected to grow slightly in 2014 and the operating profit is expected to be on a par with 2013."

## OLVI GROUP'S SALES VOLUME, NET SALES AND EARNINGS IN JANUARY-MARCH 2014

In the first quarter of 2014, Olvi Group's sales volume was 107.3 (110.7) million litres, a change of -3.4 million litres or 3.1 percent on the previous year.

Sales in Finland declined by 8.7 million litres. The decline in Finnish sales was mostly due to diminished sales volumes in exports but domestic sales also declined by almost 10 percent due to purchases into stocks before the tax hikes at the turn of the year and the fact that the Easter season was in April.

Sales in the Baltic states increased clearly by 4.6 million litres or 8.5 percent to 59.4 (54.8) million litres. Sales in Estonia remained almost on a par with the previous year, while sales in Latvia and Lithuania increased clearly.

Sales in Belarus during the reporting period increased by 2.8 million litres or

10.3 percent to 30.0 (27.2) million litres. Intra-Group sales increased by 2.2 million litres on the previous year.

The Group’s net sales from January to March amounted to 61.0 (68.0) million euro. Net sales diminished by 7.0 million euro or 10.3 percent due to the decline in Finnish sales volumes and net sales. Net sales in the Baltic states increased by 7.1 percent to 31.7 (29.6) million euro. Net sales in Belarus were on a par with the previous year at 12.7 (12.6) million euro.

Finnish net sales amounted to 20.9 (29.5) million euro. Net sales declined by 8.6 million euro, mainly due to the decline in net sales from exports, but also domestic net sales were declining. The situation in Finland is described in more detail together with the geographical segments. The overall market position improved slightly.

Olvi Group’s operating profit for January-March stood at 3.5 (5.0) million euro, or 5.7 (7.4) percent of net sales. The Group’s operating profit declined by 1.5 million euro or 30.8 percent due to the decline in Finnish operating profit.

Operating profit in Finland declined by 1.6 million euro. Operating profit in the Baltic states increased by 0.4 million euro, and operating profit in Belarus increased by 0.5 million euro. Eliminations against operating profit increased by 0.8 million euro.

Olvi Group’s profit after taxes in the period under review was 2.7 (4.4) million euro. Earnings per share calculated from the profit belonging to parent company shareholders in January-March declined to 0.13 (0.21) euro per share.

SALES VOLUME, NET SALES AND EARNINGS BY GEOGRAPHICAL SEGMENT IN JANUARY-MARCH 2014

Seasonal nature of the operations

The Group’s business operations are characterised by seasonal variation. The net sales and operating profit from the reported geographical segments do not accumulate evenly but vary according to the time of the year, the conditions and and the variation between seasons. Most of the Group’s earnings is accumulated during the second and third quarters.

PARENT COMPANY OLVI PLC (Olvi)

According to statistics by the Federation of the Brewing and Soft Drinks Industry, the Finnish beverage market in January-March diminished by 10 percent compared to the previous year. Sales declined in all product groups. The greatest reasons for the sales decline were purchases into customer stocks in December 2013 due to the excise tax hikes effective at the beginning of 2014, a constant increase in tourist imports, and the fact that the Easter season this year was in late April. Consumer purchasing power has also weakened due to the poor economic situation and tax hikes.

The decline in alcoholic beverages was almost 9 percent, while sales of non-alcoholic beverages declined by 12 percent. The sales volume of beers declined by 8 percent, in ciders by more than 14 and in long drinks by 8 percent. Total sales of soft drinks declined by 13 percent in January-March and the sales of mineral waters by more than 9 percent. (Federation of the Brewing and Soft Drinks Industry, March 2014).

Olvi’s total sales in January-March declined to 27.8 (36.5) million litres. Sales declined by 8.7 million litres. The greatest reason for the substantial decline in sales was that exports of Angry Birds soft drinks into Russia diminished greatly in comparison to the initial launch in the comparison period. The decline in exports was also affected by a substantial dive of the Russian rouble against both the euro and the dollar. Any decline in the exchange rate of the rouble will increase the retail prices of imported foodstuffs.

In spite of all, the decline in Olvi’s Finnish sales, with the exception of soft drinks, was not as strong as that of the whole industry. Thanks to this, Olvi’s overall market position improved in January-March from 17 percent to 18 percent in comparison with the previous year.

Among Olvi's main product groups in Finland, the sales of beers and ciders declined slightly, less than the industry in whole. The sales of soft drinks declined clearly due to a sales dip in Angry Birds beverages. The sales of mineral waters declined slightly, but less than the industry's overall sales.

According to statistics by the Federation of the Brewing and Soft Drinks Industry, Olvi's market share in alcoholic beverages (beers, ciders and long drinks) in January-March 2014 was 24 (23) percent. The market share in non-alcoholic beverages was 8 (9) percent. The market share improved in mineral waters but declined in soft drinks.

Olvi's exports and tax-free sales declined substantially during the review period, amounting to 1.4 (7.1) million litres. The decline in exports was due to a halt in soft drink exports to Russia, the reasons of which were described in more detail above. Exports and tax-free sales represented 5.1 (19.6) percent of total sales.

Olvi's net sales from January to March declined to 20.9 (29.5) million euro. Net sales declined by 8.6 million euro or 29.1 percent. Above all, the decline in net sales was due to a halt in Russian exports. Domestic net sales also declined due to a lower average price of net sales. The average price of net sales was affected by increased price competition and a change in consumption habits towards a lower price bracket due to a decline in consumer purchasing power.

Olvi's operating profit also declined in the review period. Operating profit stood at 1.3 (2.8) million euro, which was 6.0 (9.6) percent of net sales. The operating profit declined by 1.5 million euro. The decline in operating profit was attributable to the same reasons as the decline in net sales: a dip in profitable export sales, a lower average price of products and a shift in consumption to lower-margin products.

Olvi's operating profit in January-March included 0.7 million euro of sales gains arising from the sales of production machinery to the Lithuanian subsidiary.

AS A. LE COQ (A. Le Coq)

In the Estonian beverage market, the consumption of waters increased. The consumption of beers saw an upturn after a long-lasting downward trend. The sales of soft drinks and juices continued to decrease. (Nielsen, February to March 2014).

The Estonian subsidiary AS A. Le Coq's January-March sales amounted to 25.1 (25.9) million litres. Sales declined by 0.8 million litres or 2.9 percent.

The sales of A. Le Coq waters increased in the domestic market while the sales of beers, long drinks and soft drinks was on a par with the previous year. The sales of ciders and juices declined clearly on the previous year.

A. Le Coq has still retained its good position in the Estonian beverage market. The company is the clear market leader in long drinks and juices. In beers and ciders, the company is in a tight struggle for the number one position, and in soft drinks it is the clear number two player. In waters, the company has a strong hold of the number three position. (Nielsen, February to March 2014).

Exports made 3.9 (3.4) percent of the company's total sales.

A. Le Coq's net sales in the first quarter were on a par with the previous year at 15.8 (15.9) million euro in spite of the decline in sales volume.

Operating profit in January-March also remained at the previous year's healthy level of 2.2 (2.1) million euro, which was 13.7 (13.3) percent of net sales.

A/S CESU ALUS (Cesu Alus)

In the Lithuanian beverage market, total sales of beers and long drinks increased. The decline in cider sales stopped. (Nielsen, February to March 2014).

From January to March, the sales of Cesu Alus operating in Latvia totalled 18.2 (15.5) million litres. Sales increased by 2.7 million litres or 17.7 percent. The sales increase was attributable to internal sales to other Olvi Group companies.

In Cesu Alus's domestic sales for the period, sales of beers were on a par with the previous year in spite of the market decline. The sales of long drinks and soft drinks (including kvass) increased clearly while the sales of ciders declined slightly.

In addition to being a very clear market leader in ciders, Cesu Alus is also a market leader in long drinks. In the beer market, the company has for a long time been in a struggle of equals for the number one position with its largest competitor. (Nielsen, March 2014).

Thanks to good sales development, Cesu Alus's net sales in January-March improved by 1.1 million euro or 15.3 percent to 8.3 (7.2) million euro.

Operating profit for the first quarter of 2014 tripled in comparison with the previous year, amounting to 0.3 (0.1) million euro or 3.8 (1.6) percent of net sales.

AB VOLFAS ENGELMAN (Volfas Engelman)

In the total Lithuanian beverage market, the consumption of beers increased while the sales of long drinks remained on a par with the previous year. The decline in cider consumption was substantial. The soft drinks market (including kvass) declined slightly. (Nielsen, February to March 2014).

The sales of Volfas Engelman developed well in the first quarter. Sales amounted to 16.0 (13.4) million litres, representing an increase of 2.6 million litres or 19.9 percent.

The sales of the company's beers and long drinks in the domestic market increased substantially. The sales of ciders declined slightly in line with the overall market. The sales of soft drinks (including kvass) declined slightly on the previous year.

Volfas Engelman has further improved its position in the Lithuanian beverage market. The company is the clear market leader in long drinks, ciders and kvass, and it has clearly improved its market share in comparison with the previous year. In the beer market, the company shares the number two position with another player. (Nielsen, February to March 2014).

The company's first-quarter net sales amounted to 7.7 (6.6) million euro. Thanks to good sales development, net sales increased by 1.1 million euro or 17.0 percent. In spite of the overall increase in net sales, the average price diminished, due to which the operating result improved by no more than 0.1 million euro on the previous year.

Volfas Engelman's operating result in January—March was in the red by -0.1 (-0.2) million euro.

OAO LIDSKOE PIVO (Lidskoe Pivo)

The overall beverage market in Belarus is growing. From December-January 2013, the consumption of beers increased by some 5 percent compared to December-January 2014. In the same period of time, the sales of juice drinks has increased by more than 27 percent and the sales of soft drinks (including kvass) by more than 16 percent. (Nielsen, December-January 2014).

The January-March 2014 sales of Lidskoe Pivo operating in Belarus amounted to 30.0 (27.2) million litres. Sales increased by 2.8 million litres or 10.3 percent on the previous year.

Lidskoe Pivo’s domestic sales of waters and juice drinks improved substantially. Clear growth was seen also in soft drinks (including kvass). The sales of beers were on a par with the previous year but the sales of ciders declined.

In beers, Lidskoe Pivo’s market share improved to almost 18 (17) percent, and the company is the number three player in the market. The company’s market share in juice drinks increased by two percentage points to 25 (23) percent, and the company has a strong hold of the number two position. The company’s market share in soft drinks declined slightly. (Nielsen, February to March 2014).

Lidskoe Pivo’s exports increased substantially in the review period, by 48 percent. Exports accounted for 14.2 (10.6) percent of total sales. The main destination for exports was Russia.

The company’s January to March net sales increased slightly on the previous year, amounting to 12.7 (12.6) million euro.

Operating profit from January to March improved by 0.5 million euro to 0.6 (0.1) million euro, which is 4.5 (1.0) percent of net sales.

## FINANCING AND INVESTMENTS

Olvi Group’s balance sheet total at the end of March 2014 was 304.2 (286.5) million euro. Equity per share in January-March stood at 8.29 (7.30) euro, an increase of 0.99 euro per share. The equity to total assets ratio increased to 57.4 (53.6) percent. The amount of interest-bearing liabilities was 64.6 (60.5) million euro, including current liabilities of 37.5 (23.5) million euro.

During the period under review, Olvi Group’s gross capital expenditure amounted to 12.7 (6.0) million euro. The parent company Olvi accounted for 7.2 million euro and the subsidiaries in the Baltic states for 3.6 million euro of the total. Lidskoe Pivo’s gross capital expenditure in the first quarter was 1.9 million euro.

The largest investments in Finland in 2014 are an extension and performance improvement in automated picking, the completion of the new high-rise storehouse and installations of related equipment, an extension to the dispatch area, development of packaging options at the production lines, as well as acquisitions of additional product conveyors.

In the Baltic states, A. Le Coq’s largest investments consist of new PET bottle formats, a reception, storage and handling system for glucose syrup, an extension to the cold storage rooms of the juice factory, and replacement of conveyor systems for logistics. Cesu Alus’s largest investments consist of the replacement of the bottle-blowing machine, the acquisitions of pre-mixing equipment for the juicing facility and a machine for laying PET bottles on pallets, as well as investments related to logistics performance improvements. The largest investments in Volfas Engelman consist of the acquisitions of a bottle-blowing machine and a new canning line.

Lidskoe Pivo’s investments in 2014 include extensions to storage and production facilities, the construction of a new boiling room, replacement of pipelines in fermentation and yeast tanks, the acquisition of new pressure tanks, mixing equipment for fermentation tanks, as well as the acquisition of buffer conveyors and new formats.

## PRODUCT DEVELOPMENT

Research and development includes projects to design and develop new products, packages, processes and production methods, as well as further development of existing products and packages. The R&D costs have been recognised as expenses. The main objective of Olvi Group’s product development is to create new products for profitable and growing beverage segments.

## NEW PRODUCTS

Due to the large number of new introductions, a change is made with regard to disclosure practice. At this time and in the future, interim reports and the financial statements bulletin will only focus on the most important novelties. Detailed information on new products is found on the Web pages of each company.

Finland

New products for the spring have already been disclosed in the financial statements bulletin.

Subsidiaries

A. Le Coq in Estonia launched the Hard Lager beer and the Hard Cola alcoholic mixed drink, which is a traditional cola with whisky. A new Brazil concept was introduced in long drinks. The Dynami:t energy drink brand was expanded with a Mate version in Estonia, Latvia and Lithuania. A. Le Coq will introduce a total of 10 new products in the spring.

Cesu Alus of Latvia complemented its last-year special beer family Grãfs von Ziverss with the new introduction of Irish Stout. Other novelties for the spring have been disclosed already in the financial statements bulletin.

In Lithuania, Volfas Engelman also launched Hard Cola. In ciders, the Sherwood brand was expanded with the Blue Plum flavour and the FIZZ brand with the Summer Love flavour. The A. Le Coq Coctail range saw the introduction of Margarita Watermelon. Volfas Engelman will launch a total of 11 new products in the spring.

Lidskoe Pivo in Belarus started to manufacture and sell the German premium beer Warsteiner. The Warsteiner brand has been introduced earlier in other Olvi Group countries. Lidskoe Pivo will launch a total of five novelties during the spring.

PERSONNEL

Olvi Group’s average number of personnel in January-March 2014 was 1,908 (1,935). The Group’s average number of personnel decreased by 27 people or 1.4 percent. The total number of personnel at the end of March was 1,948 (1,976).

Olvi Group’s average number of personnel by country:

| | | |
|---|---|---|
| Finland | 363 | (383) |
| Estonia | 312 | (304) |
| Latvia | 210 | (214) |
| Lithuania | 211 | (211) |
| Belarus | 812 | (823) |
| Total | 1,908 | (1,935) |

GROUP STRUCTURE

There were no changes in the Group structure in January-March 2014.

At the end of March 2014, Olvi Group’s holding in A. Le Coq was 100.0 percent, in Cesu Alus 99.76 percent, in Volfas Engelman 99.58 percent and in Lidskoe Pivo 91.58 percent. Furthermore, A. Le Coq has a 49.0 percent holding in AS Karme and 20.0 percent holding in Verska Mineraalvee OÜ in Estonia.

In the beginning of April 2014, Olvi acquired 2,256 shares from the minority in Lidskoe Pivo, after which Olvi’s holding in the company increased to 94.6 percent.

OLVI A SHARE AND SHARE MARKET

Olvi’s share capital at the end of March 2014 stood at 20.8 million euro. The total number of shares was 20,758,808, of these 17,026,552 or 82.0 percent being Series A shares and 3,732,256 or 18.0 percent Series K shares. Each Series A share carries one (1) vote and each Series K share carries twenty (20) votes. Series A and Series K shares have equal rights to dividends.

The Olvi A share was quoted on Nasdaq OMX Helsinki (Helsinki Stock Exchange) at 24.90 (21.30) euro at the end of March 2014. In January-March, the highest quote for the Series A share was 29.90 (22.50) euro and the lowest quote was 23.94 (19.70) euro. The average price was 27.41 (21.31) euro.

In January-March, a total of 699,171 (662,388) Olvi A shares were traded, representing 4.1 (3.9) percent of the total number of Series A shares. The value of trading was 19.2 (14.1) million euro.

At the end of March 2014, the market capitalisation of Series A shares was 424.0 (362.7) million euro and the market capitalisation of all shares was 516.9 (442.2) million euro.

Olvi had a total of 9,664 (9,350) shareholders at the end of March 2014. Foreign holdings plus foreign and Finnish nominee-registered holdings represented 21.0 (18.6) percent of the total number of book entries and 6.9 (6.3) percent of total votes.

Foreign and nominee-registered holdings are reported in Table 5, Section 8 of the tables attached to this interim report, and the largest shareholders are reported in Table 5, Section 9.

## TREASURY SHARES

There were no changes in the number of treasury shares held by Olvi in January-March 2014. At the end of March 2014, Olvi held 1,124 of its own Series A shares. Treasury shares held by Olvi plc are reported in the tables section of this interim report, in Table 5, Section 5.

## RESOLUTIONS OF OLVI PLC’S ANNUAL GENERAL MEETING

The Annual General Meeting was held on 16 April 2014. A separate stock exchange release was issued on the same day regarding the decisions made and authorisations given by the meeting.

## ORGANISATION OF THE BOARD OF DIRECTORS

At its organising meeting held on 29 April 2014, the Board elected Mr. Heikki Hortling as the Chairman of the Board and Mr. Esa Lager as the Vice Chairman of the Board.

## THE BOARD OF DIRECTORS OF OLVI PLC RESOLVED ON A KEY EMPLOYEE INCENTIVE PLAN

The Board of Directors of Olvi plc has approved a new share-based incentive plan for the Group key employees. The aim of the new plan is to combine the objectives of the shareholders and the key employees in order to increase the value of the company, to commit the key employees to the company, and to offer them a competitive reward plan based on earning the company’s shares.

The new plan includes one three-year performance period, calendar years 2014—2016. The potential reward from the performance period 2014—2016 will be based on Olvi Group’s cumulative operating profit, also known as earnings before interest and taxes (EBIT).

Furthermore, the new plan includes one three-year performance period, beginning on 1 July 2014 and ending on 30 June 2017. The prerequisite for receiving reward on the basis of this performance period is that a key employee purchases the company’s series A shares up to the number determined by the Board of Directors. Furthermore, entitlement to a reward is tied to the continuance of employment or service upon reward payment.

Rewards from both performance periods will be paid partly in the Company's series A shares and partly in cash in 2017. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the key employees. As a rule, no reward will be paid if the key employee's employment or service ends before the reward payment.

The members of the Management Group must hold 50 percent of the shares received on the basis of the performance period 2014—2016. This share ownership should be held during the validity of employment or service.

The plan is directed to approximately 50 people. The rewards to be paid on the basis of the plan are in total an approximate maximum of 40,000 series A shares in Olvi plc and a cash payment needed for taxes and tax-related costs arising from the shares.

BUSINESS RISKS AND THEIR MANAGEMENT

Risk management is a part of Olvi Group's everyday management and operations. It increases corporate security and contributes to the achievement of operational targets. The objective of risk management is to operate proactively and create operating conditions in which business risks are managed comprehensively and systematically in all of the Group companies and all levels of the organisation. In addition to the company itself, risk management benefits its personnel, customers, shareholders and other related groups.

The objective of risk management is to ensure the realisation of the company's strategy and secure the continuity of business. Olvi Group identifies, assesses, manages and monitors its crucial risks regularly. With regard to identified risks, the effects, scope and probability of realisation are assessed together with the means of eliminating or reducing the risk. Furthermore, risk management aims to identify and utilise any business opportunities that may arise.

Strategic and operational risks

Olvi Group's strategic risks refer to risks related to the characteristics of the company's business and strategic choices. The Group's operations are located in several countries that differ substantially in terms of their social and economic situations and the phases and directions of development. For example, strategic risks relate to changes in tax legislation and other regulations, the operating environment and foreign exchange markets. If realised, strategic risks can substantially hamper the company's operational preconditions. The Group's most substantial identified strategic risks relate to Belarus, particularly the situation in the country's economy and politics.

The Group's most substantial identified operational risks relate to the procurement and quality of raw materials, the production process, markets and customers, personnel, information security and systems, as well as changes in foreign exchange rates.

Financing risks

Olvi Group operates internationally, and its business involves risks arising from exchange rate fluctuations. Foreign exchange risks arise from the cash flows of purchases and sales in foreign currency, as well as investments in foreign subsidiaries and the conversion of their balance sheet items into euro. Foreign exchange risk is reduced by the fact that most of the Group's product sales and raw material purchases are denominated in euro.

The objective of financing risk management is to minimise the adverse effects of changes in the financial markets on the Group's financial performance, shareholders' equity and liquidity. The general principles of the Group's risk management are approved by the Board of Directors of the parent company, and the parent company's management together with the management of subsidiaries is responsible for their practical implementation. Responsibility for Olvi Group's financing tasks is centralised in the parent company Olvi. The objectives of centralisation include optimisation of cash flows and financing costs, as well as efficient risk management.

There have not been any significant changes in Olvi Group's business risks since the closing of the accounts 2013. A more detailed description of the risks is provided in the Board of Directors' report and the notes to the financial statements. Financing risks are also described in more detail in the Investors section of the corporate Web site.

BUSINESS RISKS AND UNCERTAINTIES IN THE NEAR TERM

The economic situation in Europe has turned slightly more positive even though instability is still seen in individual countries. However, the unemployment rate is still high. Weakened consumer purchasing power leads to a choice of less expensive products. Demand in Finland is also held back by Europe's highest excise tax rates.

The continuation of the Ukrainian crisis and increased tension affect the development of the Russian rouble and therefore exports to Russia. Olvi is putting effort to increasing exports into Russia particularly from Belarus, which is in a customs union with Russia.

Another substantial factor hampering the predictability of Olvi Group's business still relates to Belarus and its economic outlook for the next few years. The IAS 29 standard "Financial Reporting in Hyperinflationary Economies" will be applied at least until the end of 2014.

NEAR-TERM OUTLOOK

The full-year sales volumes and net sales in 2014 are expected to grow slightly in the current accounting period. The operating profit for 2014 is expected to be on a par with the year 2013.

OLVI PLC
Board of Directors

Further information:

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TABLES:

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- Balance sheet, Table 2
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- Notes to the interim report, Table 5

DISTRIBUTION:

NASDAQ OMX Helsinki Ltd
Key media
www.olvi.fi

OLVI GROUP TABLE 1

INCOME STATEMENT

EUR 1,000

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Net sales | 61003 | 67995 | 327256 |
| Other operating income | 103 | 183 | 983 |
| Operating expenses | -54137 | -59770 | -271391 |
| Depreciation and impairment | -3502 | -3396 | -13627 |
| Operating profit | 3467 | 5012 | 43221 |
| | | | |
| Financial income | 1142 | 2086 | 3105 |
| Financial expenses | -1105 | -2005 | -4501 |
| Share of earnings of associates | 0 | 0 | -11 |
| | | | |
| Earnings before tax | 3504 | 5093 | 41814 |
| Taxes *) | -775 | -697 | -7628 |
| NET PROFIT FOR THE PERIOD | 2729 | 4396 | 34186 |
| | | | |
| Other comprehensive income items: | | | |
| Translation differences related to foreign subsidiaries | -1003 | 1881 | -2858 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 1726 | 6277 | 31328 |
| | | | |
| Distribution of profit: | | | |
| - parent company shareholders | 2701 | 4337 | 33520 |
| - non-controlling interests | 28 | 59 | 666 |
| | | | |
| Distribution of comprehensive profit: | | | |
| - parent company shareholders | 1790 | 6092 | 30886 |
| - non-controlling interests | -64 | 185 | 442 |
| | | | |
| Earnings per share calculated from the profit belonging to parent company shareholders, EUR | | | |
| - undiluted | 0.13 | 0.21 | 1.61 |
| - diluted | 0.13 | 0.21 | 1.61 |

*) Taxes calculated from the profit for the review period.

BALANCE SHEET

EUR 1,000

| | 31.3.2014 | 31.3.2013 | 31.12.2013 |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Tangible assets | 174821 | 149279 | 165783 |
| Goodwill | 17889 | 18262 | 17805 |
| Other intangible assets | 2686 | 2246 | 2701 |
| Interests in associates | 1077 | 1077 | 1077 |
| Financial assets available for sale | 549 | 549 | 549 |
| Loan receivables and other non-current receivables | 349 | 408 | 349 |
| Deferred tax receivables | 228 | 214 | 87 |
| Total non-current assets | 197599 | 172035 | 188351 |
| | | | |
| Current assets | | | |
| Inventories | 47680 | 44062 | 41178 |
| Accounts receivable and other receivables | 55123 | 66200 | 57705 |
| Income tax receivable | 382 | 202 | 848 |
| Other non-current assets available for sale | 4 | 163 | 124 |
| Liquid assets | 3376 | 3876 | 7507 |
| Total current assets | 106565 | 114503 | 107362 |
| TOTAL ASSETS | 304164 | 286538 | 295713 |
| | | | |
| SHAREHOLDERS’ EQUITY AND LIABILITIES | | | |
| Shareholders’ equity held by parent company shareholders | | | |
| Share capital | 20759 | 20759 | 20759 |
| Other reserves | 1092 | 1092 | 1092 |
| Treasury shares | -8 | -8 | -8 |
| Translation differences | -21232 | -15932 | -20321 |
| Retained earnings | 171452 | 145674 | 167420 |
| | 172063 | 151585 | 168942 |
| Share belonging to non-controlling interests | 2579 | 2127 | 2597 |
| Total shareholders’ equity | 174642 | 153712 | 171539 |
| | | | |
| Non-current liabilities | | | |
| Financial liabilities | 27145 | 37021 | 28483 |
| Other liabilities | 0 | 250 | 0 |
| Deferred tax liabilities | 4349 | 3223 | 3761 |
| | | | |
| Current liabilities | | | |
| Financial liabilities | 37495 | 23524 | 24348 |

| | | | |
|---|---|---|---|
| Accounts payable and other liabilities | 60426 | 68568 | 66704 |
| Income tax liability | 107 | 240 | 878 |
| Total liabilities | 129522 | 132826 | 124174 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 304164 | 286538 | 295713 |

OLVI GROUP TABLE 3

CHANGES IN OLVI GROUP'S CONSOLIDATED SHAREHOLDERS' EQUITY

| EUR 1,000 | Share capital | Other reserves | Treasury shares account | Translation differences | Retained earnings | Share of non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| Shareholders' equity 1 Jan 2013 | 20759 | 1092 | -8 | -17687 | 141317 | 1939 | 147412 |
| Adjustments for hyperinflation | | | | | 21 | 2 | 23 |
| Adjusted shareholders' equity 1 Jan 2013 | 20759 | 1092 | -8 | -17687 | 141338 | 1941 | 147435 |
| Comprehensive income: | | | | | | | |
| Net profit for the period | | | | | 4337 | 59 | 4396 |
| Other comprehensive income items: | | | | | | | |
| Translation differences | | | | 1755 | | 126 | 1881 |
| Total comprehensive income for the period | | | | 1755 | 4337 | 185 | 6277 |
| Shareholders' equity 31 Mar 2013 | 20759 | 1092 | -8 | -15932 | 145675 | 2126 | 153712 |

| EUR 1,000 | Share capital | Other reserves | Treasury shares account | Translation differences | Retained earnings | Share of non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| Shareholders' equity 1 Jan 2014 | 20759 | 1092 | -8 | -20321 | 167420 | 2597 | 171539 |
| Adjustments for hyperinflation | | | | | 1331 | 122 | 1453 |
| Adjusted shareholders' equity 1 Jan 2014 | 20759 | 1092 | -8 | -20321 | 168751 | 2719 | 172992 |
| Comprehensive income: | | | | | | | |
| Net profit for the period | | | | | 2701 | 28 | 2729 |
| Other comprehensive income items: | | | | | | | |
| Translation differences | | | | -911 | | -92 | -1003 |
| Total comprehensive income for the period | | | | -911 | 2701 | -64 | 1726 |
| Transactions with shareholders | | | | | | | |
| Payment of dividends | | | | | | -76 | -76 |
| Total transactions with shareholders | | | | | | -76 | -76 |
| Shareholders' equity 31 Mar 2014 | 20759 | 1092 | -8 | -21232 | 171452 | 2579 | 174642 |

Other reserves include the share premium account, legal reserve and other reserves.

OLVI GROUP TABLE 4

CASH FLOW STATEMENT

EUR 1,000

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Net profit for the period | 2729 | 4396 | 34186 |
| Adjustments to profit for the period | 5475 | 6871 | 24214 |
| Change in net working capital | -11088 | -7251 | 2451 |
| Interest paid | -940 | -295 | -4246 |
| Interest received | 77 | 67 | 530 |
| Taxes paid | -395 | -948 | -7126 |
| Cash flow from operations (A) | -4142 | 2840 | 50009 |
| | | | |
| Investments in tangible and intangible assets | -11599 | -6771 | -31975 |
| Sales gains from tangible and intangible assets | -138 | 67 | 220 |
| Expenditure on other investments | 0 | 0 | 0 |
| Cash flow from investments (B) | -11737 | -6704 | -31755 |
| | | | |
| Withdrawals of loans | 13780 | 4129 | 5541 |
| Repayments of loans | -1971 | -2055 | -11180 |
| Dividends paid | 0 | 0 | -10541 |
| Increase (-) / decrease (+) in current interest-bearing business receivables | 1 | 0 | 1 |
| Increase (-) / decrease (+) in long-term loan receivables | 0 | 0 | 55 |
| Cash flow from financing (C) | 11810 | 2074 | -16124 |
| | | | |
| Increase (+)/decrease (-) in liquid assets (A+B+C) | -4069 | -1790 | 2130 |
| | | | |
| Liquid assets 1 January | 7507 | 5698 | 5698 |
| Effect of exchange rate changes | -62 | -32 | -321 |
| Liquid assets 30 Sep/31 Dec | 3376 | 3876 | 7507 |

NOTES TO THE INTERIM REPORT

The accounting policies used for this interim report are the same as those used for the annual financial statements 2013.

The accounting policies are presented in the Annual Report 2013 which was published on 20 March 2014. The information disclosed in the interim report is unaudited.

The information in the interim report is presented in thousands of euros (EUR 1,000). For the sake of presentation, individual figures and totals have been rounded to full thousands, which causes rounding differences in additions.

The Group has adopted the following new or revised standards and interpretations in 2014:

- Amendment to IFRSs 10, 11 and 12 on transition guidance
- IFRS 10 “Consolidated Financial Statements”
- IFRS 11 “Joint Arrangements”
- IFRS 12 “Disclosures of Interests in Other Entities”
- IAS 27 (Revised 2011) “Separate Financial Statements”
- IAS 28 (Revised 2011) “Investments in Associates and Joint Ventures"
- Amendment to IAS 32 “Financial Instruments: Presentation” concerning the offset of assets and liabilities
- Amendment to IAS 36 “Impairment of Assets” concerning the disclosure of recoverable amounts
- Amendment to IAS 39 “Financial Instruments: Recognition and Measurement” concerning the novation of derivatives

The above changes in standards and their interpretations have no substantial effect on the income statement or balance sheet.

Some changes in standards may affect the scope of disclosure of notes.

1. SEGMENT INFORMATION

SALES BY GEOGRAPHICAL SEGMENT (1,000 litres)

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Olvi Group total | 107250 | 110705 | 557232 |
| Finland | 27817 | 36497 | 159909 |
| Estonia | 25124 | 25880 | 129314 |
| Latvia | 18243 | 15505 | 79724 |
| Lithuania | 16032 | 13373 | 69554 |
| Belarus | 29961 | 27161 | 156523 |
| - sales between segments | -9927 | -7711 | -37792 |

NET SALES BY GEOGRAPHICAL SEGMENT (EUR 1,000)

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Olvi Group total | 61003 | 67995 | 327256 |
| Finland | 20917 | 29507 | 123608 |
| Estonia | 15757 | 15870 | 81261 |
| Latvia | 8308 | 7207 | 37571 |
| Lithuania | 7677 | 6562 | 34139 |
| Belarus | 12732 | 12560 | 68319 |
| - sales between segments | -4388 | -3711 | -17642 |

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT (EUR 1,000)

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Olvi Group total | 3467 | 5012 | 43221 |
| Finland | 1256 | 2843 | 12844 |
| Estonia | 2163 | 2118 | 15998 |
| Latvia | 316 | 112 | 2458 |
| Lithuania | -110 | -226 | 1264 |
| Belarus | 576 | 122 | 10665 |
| - eliminations | -734 | 43 | -8 |

| 2. PERSONNEL ON AVERAGE | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Finland | 363 | 383 | 401 |
| Estonia | 312 | 304 | 314 |
| Latvia | 210 | 214 | 215 |
| Lithuania | 211 | 211 | 216 |
| Belarus | 812 | 823 | 853 |
| Total | 1908 | 1935 | 1999 |

3. RELATED PARTY TRANSACTIONS

Employee benefits to management

Salaries and other short-term employee benefits to the Board of Directors and Managing Director

EUR 1,000

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Managing Director | 89 | 83 | 340 |
| Chairman of the Board | 21 | 21 | 85 |
| Other members of the Board | 31 | 33 | 130 |
| Total | 141 | 137 | 555 |

4. SHARES AND SHARE CAPITAL

| | 31.3.2014 | % |
|---|---|---|
| Number of A shares | 17026552 | 82.0 |
| Number of K shares | 3732256 | 18.0 |
| Total | 20758808 | 100.0 |
| | | |
| Total votes carried by A shares | 17026552 | 18.6 |
| Total votes carried by K shares | 74645120 | 81.4 |
| Total number of votes | 91671672 | 100.0 |
| | | |
| Votes per Series A share | | 1 |
| Votes per Series K share | | 20 |

The registered share capital on 31 March 2014 totalled 20,759 thousand euro.

Olvi plc’s Series A and Series K shares received a dividend of 0.65 euro per share for 2013 (0.50 euro per share for 2012), totalling 13.5 (10.4) million euro. The dividends were paid on 30 April 2014. The Series K and Series A shares entitle to equal dividend. The Articles of Association include a redemption clause concerning Series K shares.

5. TREASURY SHARES

Olvi plc held a total of 1,124 of its own Series A shares on 1 January 2014.

Olvi plc has not acquired more treasury shares or transferred them to others in January-March 2014, which means that the number of Series A shares held by the company was unchanged on 31 March 2014. The purchase price of the Series A shares held as treasury shares totalled 8.5 thousand euro.

Series A shares held by Olvi plc as treasury shares represented 0.005 percent of the share capital and 0.001 percent of the aggregate number of votes. The treasury shares represented 0.007 percent of all Series A shares and associated votes.

On 16 April 2014, the General Meeting of Shareholders of Olvi plc decided to revoke any unused authorisations to acquire treasury shares and authorise the Board of Directors of Olvi plc to decide on the acquisition of the company’s own shares using distributable funds. The authorisation is valid for one year starting from the General Meeting and covers a maximum of 500,000 Series A shares.

The Annual General Meeting also decided to revoke all existing unused authorisations for the transfer of own shares and authorise the Board of Directors to decide on the issue of a maximum of 1,000,000 new Series A shares and the transfer of a maximum of 500,000 Series A shares held as treasury shares.

In January-March 2014, the Board of Directors of Olvi plc has not exercised the authorisations granted by the General Meeting.

## 6. NUMBER OF SHARES *)

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| - average | 20757684 | 20757684 | 20757684 |
| - at end of period | 20757684 | 20757684 | 20757684 |

*) Treasury shares deducted.

## 7. TRADING OF SERIES A SHARES ON THE HELSINKI STOCK EXCHANGE

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Trading volume of Olvi A shares | 699171 | 662388 | 2601699 |
| Total trading volume, EUR 1,000 | 19164 | 14111 | 63938 |
| Traded shares in proportion to all Series A shares, % | 4.1 | 3.9 | 15.3 |
| Average share price, EUR | 27.41 | 21.31 | 24.26 |
| Price on the closing date, EUR | 24.90 | 21.30 | 28.60 |
| Highest quote, EUR | 29.90 | 22.50 | 28.75 |
| Lowest quote, EUR | 23.94 | 19.70 | 19.70 |

## 8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 31 MARCH 2014

| | Book entries | | Votes | | Shareholders | |
|---|---|---|---|---|---|---|
| | qty | % | qty | % | qty | % |
| Finnish total | 16398510 | 79,00 | 85367902 | 93.12 | 9620 | 99.55 |
| Foreign total | 535099 | 2,58 | 2478571 | 2.70 | 36 | 0.37 |
| Nominee-registered (foreign) total | 15428 | 0,07 | 15428 | 0.02 | 3 | 0.03 |
| Nominee-registered (Finnish) total | 3809771 | 18,35 | 3809771 | 4.16 | 5 | 0.05 |
| Total | 20758808 | 100,00 | 91671672 | 100.00 | 9664 | 100.00 |

## 9. LARGEST SHAREHOLDERS ON 31 MARCH 2014

| | Series K | Series A | Total | % | Votes | % |
|---|---|---|---|---|---|---|
| 1. Olvi Foundation | 2363904 | 890613 | 3254517 | 15.68 | 48168693 | 52.55 |
| 2. Hortling Heikki Wilhelm *) | 903488 | 103280 | 1006768 | 4.85 | 18173040 | 19.82 |
| 3. The Heirs of Hortling Kalle Einari | 187104 | 25248 | 212352 | 1.02 | 3767328 | 4.11 |
| 4. Hortling Timo Einari | 165824 | 34608 | 200432 | 0.97 | 3351088 | 3.66 |
| 5. Hortling-Rinne Laila Marit | 102288 | 2100 | 104388 | 0.50 | 2047860 | 2.23 |
| 6. Pohjola Bank plc, nominee register | | 1902900 | 1902900 | 9.17 | 1902900 | 2.08 |
| 7. Nordea Bank Finland plc, nominee register | | 1302555 | 1302555 | 6.27 | 1302555 | 1.42 |
| 8. Ilmarinen Mutual Pension Insurance Company | | 821218 | 821218 | 3.96 | 821218 | 0.90 |
| 9. Skandinaviska Enskilda Banken Ab (Publ) Helsinki branch, nominee register | | 552205 | 552205 | 2.66 | 552205 | 0.60 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 10. Varma Mutual Pension Insurance Company | | 461586 | 461586 | 2.22 | 461586 | 0.50 |
| Other | 9648 | 10930239 | 10939887 | 52.70 | 11123199 | 12.13 |
| Total | 3732256 | 17026552 | 20758808 | 100.00 | 91671672 | 100.00 |

*) The figures include the shareholder's own holdings and shares held by parties in his control.

## 10. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000

| | 1-3/2014 | 1-3/2013 | 1-12/2013 |
|---|---|---|---|
| Increase | 11849 | 5790 | 34509 |
| Decrease | -2097 | -378 | -1087 |
| Total | 9752 | 5412 | 33422 |

## 11. CONTINGENT LIABILITIES

EUR 1,000

| | 31.3.2014 | 31.3.2013 | 31.12.2013 |
|---|---|---|---|
| Pledges and contingent liabilities | | | |
| For own commitments | 2715 | 7542 | 2715 |
| | | | |
| Leasing and rental liabilities: | | | |
| Due within one year | 1284 | 1142 | 1238 |
| Due within 1 to 5 years | 703 | 815 | 637 |
| Due in more than 5 years | 5 | 7 | 6 |
| Leasing and rental liabilities total | 1992 | 1964 | 1881 |
| | | | |
| Package liabilities | 1390 | 3101 | 2781 |
| Other liabilities | 2000 | 2000 | 2000 |

## 12. CALCULATION OF FINANCIAL RATIOS

Equity to total assets, % = 100 * (Shareholders' equity held by parent company shareholders + non-controlling interests) / (Balance sheet total – advances received)

Earnings per share = Profit belonging to parent company shareholders / Average number of shares during the period, adjusted for share issues

Equity per share = Shareholders' equity held by parent company shareholders / Number of shares at end of period, adjusted for share issues

Gearing, % = 100 * (Interest-bearing debt – cash in hand and at bank) / (Shareholders' equity held by parent company shareholders + non-controlling interests)