Apetit

financial statements 2015

Information for shareholders

Annual general meeting

Apetit Plc's Annual General Meeting will be held on Wednesday 31 March 2016 at 2.00 p.m. in Apetit Plc's Myllynkivi staff restaurant in Säkylä. Shareholders who on 17 March 2016 are registered in the company's register of shareholders kept by Euroclear Finland Ltd shall have the right to attend the Annual General Meeting.

Shareholders wishing to attend the Annual General Meeting must notify the company of this no later than 4.00 p.m. on Thursday 24 March 2016 either through our website www.apetitgroup.fi, by letter to Apetit Plc/Tuija Österberg, PO Box 100, FI-27801 Säkylä, Finland, or by fax (+358 10 402 4023), phone (+358 10 402 2110/Tuija Österberg) or e-mail tuija.osterberg@apetit.fi. If notice is given by letter, this must arrive before the expiry of the notification period. Any proxy documents should be delivered to the above-mentioned address before the expiry of the notification period.

If a holder of nominee registered shares wishes to attend the Annual General Meeting, he or she must be registered for temporary entry in the company's shareholder register by the asset manager's account management organisation no later than 10.00 a.m. on 24 March 2016.

Dividend payment

The Board of Directors proposes that a dividend of EUR 0.70 per share be paid for the financial year 2015 on the basis of the adopted balance sheet. The dividend will be paid to shareholders who are registered in the company's shareholder register kept by Euroclear Finland Ltd on the record date of 4 April 2016. The Board of Directors will propose to the Annual General Meeting that the dividend be paid on 12 April 2016.

Financial reporting in 2016

Apetit Plc published its financial statements bulletin for 2015 on Wednesday 17 February at 8.30 a.m. The annual report was published on the company's website in the week beginning 7 March 2016.

Interim reports for 2016 will be published as follows:

- Interim Report, January–March, Thursday, 12 May 2016 at 8.30 a.m.
- Interim Report, January–June, Tuesday, 16 August 2016 at 8.30 a.m.
- Interim Report, January–September, Thursday, 3 November 2016 at 8.30 a.m.

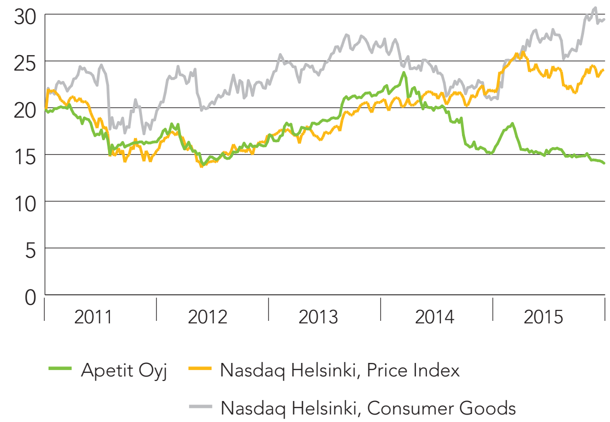
The Annual Report, financial statements bulletin and interim reports will be published in Finnish and English. These will be available on the Apetit Plc website (www.apetitgroup.fi/investors) and can also be downloaded as PDF versions.

The Finnish language version of the printed Annual Publications can be ordered on the company website at (www.apetitgroup.fi/investors) and mailing of the report will start in the week beginning 21 March 2016. The English language version is only available in pdf-format.

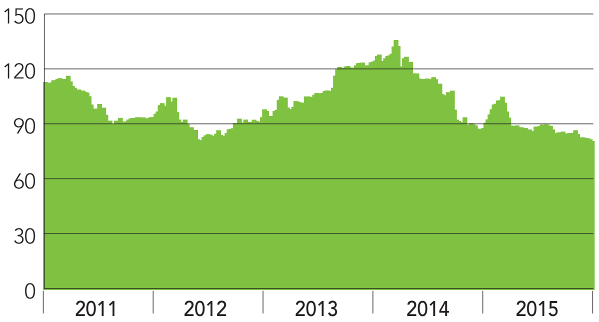
Changes in personal details

Shareholders are requested to give notification of any changes in their personal details to the bank that holds their book-entry account.

SHARE PERFORMANCE
2011–2015, EUR



MARKET CAPITALISATION
2011–2015, EUR million



Creating wellbeing with vegetables

Content

Good food is delightful and enhances wellbeing. The proportion of vegetables in our diet is set to increase in future years, which is a laudable trend. Apetit already has more than 60 years' experience of processing Finnish vegetables, and this helps us take a long-term view of the years ahead.

The vision expressed in Apetit Plc's strategy published on 1 March 2016 is that Apetit wants to be a leader in the vegetable-based food solutions. In order to ensure the new strategy is implemented and monitored as effectively as possible, the company also announced that it is renewing its segment structure. The business segments that will be reported in 2016 are presented below.

Food Solutions

Our Food Solutions comprises frozen vegetable products, frozen ready meals, ready-to-use fresh vegetables and service sales. The aim is to become the leading brand in vegetable-based food solutions. The majority of the vegetables we freeze are grown on the farms of Apetit's contract growers in the Satakunta region of Finland using our unique responsible farming methods. Production of our range of fresh products takes place in Helsinki, home to the largest concentration of customers in the country.

Oilseed Products

We are Finland's most important producer of vegetable oils and oilseed-based feeds. High quality is guaranteed by the environmentally friendly, chemical-free production process. Our oil milling plant at Kirkkonummi uses 99.9 per cent of the oilseeds, producing quality products with a very high added value for human and for animal consumption.

Grain Trade

We operate actively in the grain, oilseed and feed raw material markets. We offer excellent customer service and advanced tools for purchasers and vendors. Our main market is the European Union, and especially Finland, but we also trade in almost every continent. Our success is based on our comprehensive expertise, experience and strong market knowledge.

Seafood

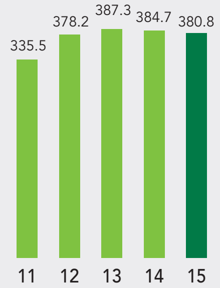
Our fish processing plant in Kuopio is among Finland's largest processors of Norwegian salmon and rainbow trout. The Maritim Food Group, part of the Apetit Group, processes and sells a wide variety of fish and shellfish products in Norway and Sweden. Most of the sales are under retailers' private labels. Our goal in Seafood is to be the preferred partner for customers who value high quality and reliability.

Apetit owns 20% of Finland's only sugar producer, Sucros Ltd, which produces sugar from Finnish sugar beet at its plant in Säkylä. Sucros's subsidiary, Suomen Sokeri Oy, based in Kirkkonummi, produces a range of sugar products for the food industry, the retail trade and other sales.

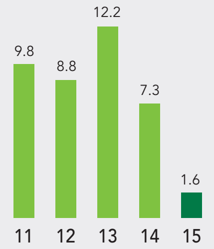
Key indicators 2015

EUR million	2015	2014	2013
Net sales, EUR million			
Food Business	166.2	170.8	178.5
Grains and Oilseeds Business	215.0	214.2	209.0
Other Operations	–	–	–
Intra-group sales	–0.4	–0.3	–0.2
Total	380.8	384.7	387.3
Operating profit, excluding non-recurring items, EUR million			
Food Business	–2.8	0.6	4.0
Grains and Oilseeds Business	7.6	7.8	5.1
Other Operations	–3.2	–1.1	3.1
Total	1.6	7.3	12.2
Operating profit, EUR million			
Food Business	–6.4	–9.7	2.0
Grains and Oilseeds Business	7.6	7.8	5.1
Other Operations	–3.2	–4.0	2.3
Total	–2.0	–5.9	9.4
Investment in non-current assets, EUR million			
Food Business	5.9	1.9	2.0
Grains and Oilseeds Business	3.1	0.5	0.8
Other Operations	0.1	0.1	0.2
Total	9.1	2.5	3.0
Average number of personnel			
Food Business	627	630	699
Grains and Oilseeds Business	88	83	73
Other Operations	10	10	10
Total	725	723	782

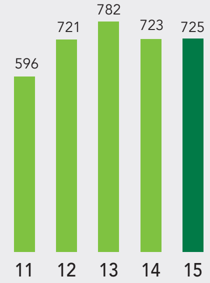
NET SALES
2011–2015, EUR million



OPERATING PROFIT
excl. non-recurring items
2011–2015, EUR million



AVERAGE NUMBER OF PERSONNEL
2011–2015



Net sales 2015

€380.8 M

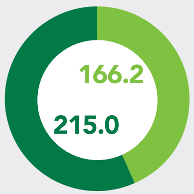
Operating profit, excluding non-recurring items 2015

€1.6 M

Earnings per share, excluding non-recurring items, 2015

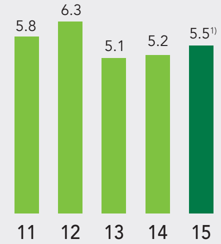
€–0.11

DISTRIBUTION OF SALES IN 2015
EUR million



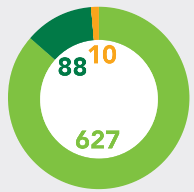
- Food businness
- Grains and Oilseeds Business

EFFECTIVE DIVIDEND YIELD
2011–2015, %



[1] Board's proposal

AVERAGE NUMBER OF PERSONNEL IN 2015



- Food Business
- Grains and Oilseeds Business
- Other Operations

Investments 2015

€9.1M

Equity ratio 31 Dec. 2015

61.1%

Personnel 2015

725

CEO’s review

The year 2015 was a mixed one for the company. The stagnant Finnish economy and the challenging market situation in the Finnish retail sector offered no relief. In the grain trade and in oilseed products we recorded a good result in an operating environment where the outlook remained relatively stable throughout the year. The strategy appraisal was begun in the autumn and the work was completed on schedule. Apetit’s strategic goal is to become a leader in vegetable-based food solutions.

The Apetit Group’s full-year net sales and operating result decreased in comparison to the previous year. The accrual of the operating result was supported by success in the Grains and Oilseeds Business, with the operating result excluding non-recurring items being at the same level as in the comparison period. In the Food Business, the operating result excluding non-recurring items was lower than the previous year. In practice, profitability was at a good level only for the frozen products group. The negative result for the associated company Sucros had a significant effect on the Group’s full-year operating result.

Quality from field to table

Our strengths include the unique quality and traceability of Finnish vegetable raw materials. For example, based on the information provided on a pack of Apetit peas, it is possible trace their farm of origin, the growing conditions and cultivation measures. We are proud of this unique feature, and Apetit’s responsible farming practices were one of the key themes in our marketing efforts in 2015. We provided information about our commitment and our contract growers’ commitment to the continuous improvement of vegetable quality and cultivation methods and to the consideration of responsibility issues. According to the Association for Finnish Work, Finns’ willingness to buy domestic products has increased in recent years. For this reason, the high domestic content of Apetit’s products must be communicated even more effectively to consumers.

Growth in frozen products requires renewal

The consumption of frozen products is markedly lower in Finland than in the other Nordic countries. The value of the market did not increase during 2015, and Finns are still not considering the frozen vegetable and food categories to be a popular or innovative trend. Frozen products are appreciated more in the professional food service sector, particularly in terms of quality and wastage management. As the most significant and best-known manufacturer of frozen products in Finland, we have an obligation to assume responsibility for the development of the entire category. Our fishcakes made with lake fish are a prime example of there always being demand for new products if the products are good.

Potential in fresh products

In fresh products, 2015 did not meet our expectations with regard to profitability. Sales for the product group continued to decrease as a result of the challenging market situation in the professional food service sector, and smaller sales volumes had a negative effect on profitability. We strongly believe that the demand for pre-prepared, ready-to-use vegetables will increase in the future. Based on the market studies we carried out during the year, we are preparing to introduce a new product category, Apetit Tuorekset, in the retail sector during 2016.

Finland's leading rapeseed expert

Our position as the most significant oilseed processing company in Finland is undisputed. Avena Nordic Grain processes more than 90% of Finnish rapeseed into oilseed products, from extremely high-quality special vegetable oils to expeller meal. We make use of 99.9% of the rapeseed. Our goal is to create more added value for oilseed products and strengthen research and product development in vegetable oils.

Significant grain exporter

In 2015, we operated effectively in the Finnish and international grain, oilseed and animal feedstuff markets. Our investment project to build a grain terminal at the Inkoo port was completed in August, which significantly improved our grain export capacity in the southernmost part of Finland. Our share of Finnish grain exports was around 40%. Our success is largely based on our goal to be the preferred partner for both sellers and buyers of grains. We will continue to expand our operations, particularly in the Baltic countries, and will begin purchasing grains and oilseeds in Latvia during the 2016 harvest season.

Profitability programmes completed in the Food Business

We completed our long-term profitability programmes in the Food Business. As part of these programmes, the network of operation units, product selections and production processes in the fish product and fresh product groups were streamlined considerably. We are expecting to achieve our goal of a reduction of EUR 4.5 million in operating costs during 2016.

Leader in vegetable-based food solutions

We began a strategy appraisal within the Apetit Group in August 2015, and the work was completed on schedule. A large number of employees from different parts of our organisation participated in various stages of the process. This facilitated dialogue between business operations and prepared us for effective strategy implementation in a constantly changing operating environment where the pace of change is accelerating. We announced our strategic targets and focus areas for the entire Group and its business operations in early March 2016. In line with our new vision, our goal is to become a leader in vegetable-based food solutions.

Thank you

I started my work as CEO of the Apetit Group in March 2015. In the first months, I was already able to gain a deeper understanding of the strengths of the company and its scope for further development, and I believe we have considerable untapped potential for renewal and profitability improvement. I would like to take this opportunity to thank everyone at Apetit and our customers, shareholders, contract growers and other partners for their trust and cooperation in 2015.

Juha Vanhainen
CEO

Board of Directors' report

Apetit is a Finnish food industry company firmly rooted in Finnish primary production. Our product groups are frozen vegetables and frozen ready meals, fresh fish and fish products, and pre-prepared fresh fruit and vegetable products and grains and oilseed products. The company's businesses are the Food Business, the Grains and Oilseeds Business and Other Operations. These are also the Group's reporting segments. Apetit's shares are quoted on Nasdaq Helsinki Ltd and the company's domicile is Säkylä.

The Food Business comprises the following companies: Apetit Ruoka Oy, Caternet Finland Oy, Apetit Kala Oy and the Maritim Food Group companies in Norway and Sweden. In addition, the segment includes the service company Apetit Suomi Oy. The Grains and Oilseeds Business comprises Avena Nordic Grain Oy and its subsidiaries. The Other Operations segment is made up of the parent company Apetit Plc, Group Administration, items not allocated under any of the business segments, and the associated company Sucros Ltd. During the year, the Apetit Group divested its 30 per cent holding in Taimen Oy, which specialises in fish farming.

NET SALES AND PROFIT

Consolidated full-year net sales decreased to EUR 380.8 (384.7) million in 2015.

The operating profit excluding non-recurring items was EUR 1.6 (7.3) million. EUR 2.8 million of the decrease was attributable to the reduction in profit for the associated company Sucros in comparison to the previous year. The operating profit excluding non-recurring items includes EUR -0.6 (2.2) million as the share of the profits of associated companies. The reported operating profit was EUR -2.0 (-5.9) million, and non-recurring items totalled EUR -3.6 (-13.2) million. The non-recurring items for the period are related to the Food Business, and the non-recurring items for the comparison period were related to the Food Business and the Other Operations segment.

Financial income and expenses came to a total of EUR -1.5 (-2.2) million. Financial income and expenses include EUR -0.3 (-0.8) million in valuation items with no cash flow impact related to changes in foreign exchange rates for internal loans to the Maritim Food Group. Financial expenses also include EUR -0.8 (-0.9) million as the share of the Avena Nordic Grain Group's result attributable to the employee owners of Avena Nordic Grain Oy.

The profit before taxes was EUR -3.5 (-8.1) million. Taxes for the financial year came to EUR -1.1 (-0.7) million. The profit for the period was EUR -4.6 (-8.7) million, and earnings per share were EUR -0.69 (-1.29). Excluding non-recurring items, the profit for the period was EUR -1.0 (3.7) million and earnings per share were EUR -0.11 (0.72).

KEY FIGURES

EUR million	2015	2014	Change	2013
Net sales	380.8	384.7	–1%	387.3
Operating profit	-2.0	-5.9		9.4
Operating profit, %	-0.5	-1.5		2.4
Operating profit before non- recurring items	1.6	7.3		12.2
Operating profit before non-recurring items, %	0.4	1.9		3.2
Profit before taxes	-3.5	-8.1		9.3
Result for the period	-4.6	-8.7		9.3
Earnings per share, EUR	-0.69	-1.29		1.63
Earnings/share before non-recurring items, EUR	-0.11	0.72		1.60
Equity per share, EUR	19.53	20.70		22.90
Equity ratio, %	61.1	69.7		70.3
Return on equity (ROE), %	-3.7	-6.5		6.5
Return on capital employed (ROCE), %	-1.5	-4.2		5.9

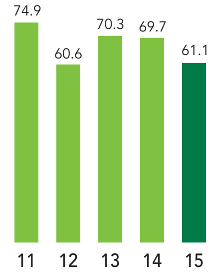
Other key figures are presented in Note 27 of the Notes to the Financial Statements. Calculation of key indicators is presented in Note 28 of the Notes to the Financial Statements.

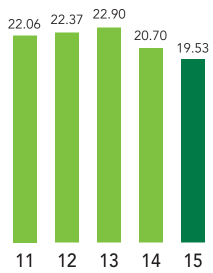
CASH FLOWS, FINANCING AND BALANCE SHEET

The Group's liquidity was good, and its financial position is strong. The cash flow from operating activities after interest and taxes amounted to EUR -17.1 (18.1) million in January–December. The impact of the change in working capital was EUR -21.4 (9.8) million. Working capital increased seasonally in the Grains and Oilseeds Business towards the end of the year due to an increase in stocks.

The net cash flow from investing activities came to EUR -3.0 (2.6) million. The cash flow from financing activities was EUR 19.8 (-9.9) million, including EUR -4.3 (-6.2) million in dividend payments.

At the close of the financial year, the Group had EUR 36.5





NUMBER OF EMPLOYEES IN THE GROUP ON AVERAGE

	2015	2014	Change	2013
Food Business	627	630	0%	699
Grains and Oilseeds Business	88	83	+6%	73
Other Operations	10	10	0%	10
Total	725	723	0%	782

(12.0) million in interest-bearing liabilities and EUR 13.4 (13.7) million in liquid assets. Net interest-bearing liabilities totalled EUR 23.0 (-1.7) million. The consolidated balance sheet total stood at EUR 197.9 (185.7) million. At the end of the period, equity totalled EUR 121.0 (129.4) million. The equity ratio was 61.1 (69.7) per cent, and gearing was 19.0 (-1.3) per cent. The Group's liquidity is secured with committed credit facilities. At the end of the year, EUR 45 (25) million was available in credit. The total of commercial papers issued stood at EUR 32.0 (8.0) million.

INVESTMENT

The Group's gross investment in non-current assets came to EUR 9.1 (2.5) million.

PERSONNEL

The principal themes in human resources management at the Apetit Group are: enhancing individual skills, promoting employee wellbeing and developing leadership.

For the current year, the principal themes from the personnel perspective are strengthening supervisory work and skills and occupational safety. In addition, the growing needs related to change management were taken into consideration in supervisory work and communications.

A new occupational health management and active intervention model was drafted during the year. Because the number of occupational accidents is higher than the industry average at Apetit, accident monitoring has been integrated into the communications and control activities of the company's management. In 2015, there were 41 (51) occupational accidents that lead to at least a one-day absence.

The general goal of training activities was to enhance the professional skills and abilities of every employee.

A two-year training programme known as Apetit Suunta for all Group supervisors was started during the year. The goal of the programme is to strengthen supervisors' managerial and interactive skills, harmonise management styles and practices and to support supervisors in change management. All Group supervisors will take part in the training during 2015 and 2016. In addition, supervisors took part in training on employment relationships at the beginning of the year.

In the employee wellbeing survey conducted in 2015, results improved in nearly all areas on 2014. When processing the results, we paid special attention to both identifying success and defining further development action. At the Group level, the principal areas requiring improvement were physical wellbeing, communications and the meaningfulness of work.

Several changes occurred in the senior management of the Apetit Group in 2015. Juha Vanhainen took up the post of CEO in March and Anu Ora became Vice President, Food Business in August. The Group's management practices and communications were revised during the year toward a more consistent Apetit. In conjunction with the interim reviews, we conducted CEO calls aimed at the entire personnel on matters pertaining to the Group as a whole.

Apetit continued its long-term profitability programmes in its Food Business in Finland, covering the fish products group and the fresh products group. Changes were made during the year to the network of operating units in the Food Business as part of the action to improve profitability and efficiency. In the fish products group operations were centralised in the Kuopio unit and the facilities in Kustavi and Turku were closed. A significant part of the fish processing operation of the Helsinki unit was also transferred to Kuopio. Co-determination negotiations were held at which these changes were negotiated with the personnel of the units affected. Changes concerning operating locations that were part of these programmes were carried out in stages and completed in autumn 2015.

The salaries and other remuneration paid to the Group's employees in 2015 amounted to EUR 30.1 (30.0) million.

Matters concerning the personnel are set out in more detail in the personnel report, which can be downloaded from the corporate responsibility section of the Group's website.

OVERVIEW OF OPERATING SEGMENTS

Food Business

Full-year net sales in the Food Business decreased to EUR 166.2 (170.8) million. Sales were lower than in the comparison period for the fish products groups in Sweden and for the fresh products group.

The operating profit excluding non-recurring items in the Food Business decreased to EUR -2.8 (0.6) million. A decrease in the volume of the harvest compared to the previous year had a seasonal effect of EUR -0.4 (0.5) million on the operating profit, as fewer fixed production costs were capitalised in inventories than a year earlier. The operating profit includes EUR -0.3 million in impairment on intangible assets and other non-current assets. Changes in the fair value of currency hedges had an impact of EUR -0.5 (0.6) million on the operating profit. The share of the profit of the associated company Taimen was EUR 0.4 (0.3) million.

The reported operating profit was EUR -6.4 (-9.7) million. Non-recurring items totalled EUR -3.6 (-10.2) million. On 9 April 2015 and 30 September 2015, Apetit issued stock exchange releases about its decision to sell its holding in the associated company Taimen Ltd. In total, a sales loss of EUR -3.6 million was recorded on the transactions. In the comparison period, non-recurring items consisted of impairment as a result of goodwill testing in the Food Business.

The Food Business employed an average of 627 (630) people. Investment in the Food Business totalled EUR 5.9 (1.9) million. The most significant investments were related to equipment, information systems and property investments to improve production efficiency and quality at the Säkylä frozen vegetables and frozen ready meals plant, the Kuopio fish processing plant and the Helsinki fresh products plant.

Long-term profitability programmes in the Food Business

The long-term profitability programmes in the Food Business aimed at savings of EUR 4.5 million in annual costs after the completion of the measures. The implementation of the programmes progressed as planned in January–December. As part of the programmes, the network of operating units, the product selection and the production processes were streamlined and simplified in the fish products and fresh products groups. Kuopio was developed into the production centre of the fish products group by transferring the operations of the Kustavi and Turku units, as well as most of the fish processing operations of the Kivikko unit in Helsinki, to Kuopio. In the final phase, investment decisions associated with process efficiency improvement were made at our plants in Kuopio and Helsinki.

The measures had a cost saving impact of EUR -2.1 million on the operating costs in January–December 2015 compared to the previous year. The targeted savings of EUR 4.5 million in operating costs are expected to be realised in 2016.

Grains and Oilseeds Business

For the Grains and Oilseeds business, the full-year net sales came to EUR 215.0 (214.2) million. The value and volume of sales were at the previous year's level in the grain trade and in oilseed products.

The operating profit excluding non-recurring items decreased to EUR 7.6 (7.8) million. The relative profitability of the grain trade was higher than in the comparison period. The profitability of oilseed products was good but below the excellent levels of the comparison period.

Unfavourable weather in Finland in the spring and early summer had some impact on the grain crop. According to the preliminary crop statistics of Natural Resources Institute Finland, the grain crop in Finland was 3.7 million tonnes in autumn 2015, down by 10 per cent compared to the previous year. The Finnish rapeseed crop increased to 83,000 (62,000) tonnes.

An average of 88 (83) people were employed in the Grains and Oilseeds Business. The increase comes from enhanced purchasing operations in the grain trade, particularly in the Baltic countries.

Investment in the financial year came to EUR 3.1 (0.5) million and was mainly related to the construction of grain storage capacity at the Inkoo port and development of associated port infrastructure, and to the development of the Kirkkonummi vegetable oil milling plant. The new grain terminal operations in Inkoo were inaugurated in August.

In December 2015, the Finnish Safety and Chemicals Agency (Tukes) granted a special permit, valid for spring 2016 sowing, for the use of seeds treated with neonicotinoids in rapeseed sowing, which ensures the availability of Finnish-grown raw materials for the vegetable oil milling needs of the Grains and Oilseeds Business in the coming crop year. There are currently no alternatives to neonicotinoids. The final report of the Neomehi research project of Natural Resources Institute Finland and Finnish Food Safety Authority Evira was published in December 2015. According to the report, the treatment of seeds does not have a direct effect on bees in Finland.

Other Operations

The full-year operating profit excluding non-recurring items for the segment decreased to EUR -3.2 (-1.1) million. A profit of EUR 0.7 million was recorded for the period on the sale of a property in the Länsi-Säkylä industrial estate. The operating profit includes EUR -1.0 (1.9) million as the share of the profits of the associated company Sucros. A decrease in the market price of sugar had a negative effect on the operating profit. Non-recurring items totalled EUR 0.0 (-2.9) million. In the comparison period, non-recurring items consisted of expenses related to the resolution of the shareholder agreement dispute between Apetit Plc and Nordic Sugar.

A total of 10 (10) people were employed in the Other Operations segment.

The segment's investment totalled EUR 0.1 (0.1) million.

RESEARCH AND DEVELOPMENT

The Group's research and development costs were EUR 0.8 (0.8) million, or 0.2 (0.2) per cent of net sales. Research and development mainly focused on new products.

Apetit improves its products and services and creates new products to offer delightful flavours and service experiences for different meal situations to people who value food that tastes good, is healthy and produced responsibly.

Product development in the Food Business is guided by the product policies adopted. New products are developed to match Finnish preferences and nutritional recommendations, and for convenience in everyday cooking and food preparation. Emphasising the source and Finnishness of food has become very important. In foods with a high vegetable content, we pay special attention to protein and energy content. Fish, vegetables, vegetable oils and whole grains are also an important part of a healthy diet.

One of the most important product development projects in 2015 was the Apetit Järvikalapihvi fish cakes made with lake fish and intended for the professional food service sector. The product was developed within the cooperation network of the Järvikalaa Nam project coordinated by the Pyhäjärvi Institute.

Lake fish are a resource efficient and ecologically sustainable raw material and management of fish stocks improves the quality of our waters. In product development special attention was given to good taste, suitability for a variety of situations and nutritional values.

In the frozen products group Apetit developed and launched the Lohifilee (salmon fillet) and Haukinuggetit (pike nuggets) products with a very high fish content, the Papusekoitus bean mix, high in protein and other nutrients, and a kale product in the Kasvislisäke side dish line. In the pizza product line we launched Papa Dennis Rafkin pizzas, the recipes and tastes of which were created in co-operation with Dennis Rafkin, the restaurateur. The three topping alternatives launched in September have considerably refreshed Apetit's pizza selection and sold very well. The pizzas are made at Apetit's pizza factory in Pudasjärvi.

In the fresh products group development work focused on research in addition to normal product development. The research dealt with managing the shelf-life of pre-prepared vegetables, the requirements for producing excellent quality and the creation of new production capacity. In the autumn we introduced three new salad portions under the Apetit brand.

In the Grains and Oilseeds Business we carried out a comprehensive survey of opportunities for further processing of rapeseed and started in-depth research and development activities. The goal is to develop products with higher added value from rapeseed and to substantially increase the added value of oil milling in the near future. The continuation of domestic oilseed cultivation was also promoted in several ways.

Apetit is participating in the Muuvi project of the Pyhäjärvi Institute, the main goal of which is to secure the outdoor cultivation of vegetables in the Satakunta region by taking proactive measures to adjust farming methods in response to a changing environment and providing farmers with the latest information and expertise. The project looks for alternatives to chemical pesticides and proposes ways to improve growing conditions in Finland. Methods to be tested include optimised crop rotation, use of mulch films and insect nets, drip irrigation and drip fertilisation and mechanical weed separation.

ENVIRONMENT

The operations of the Apetit Group are guided by the Group's operating policies, the goals of which include reducing adverse environmental impacts. The Group's environmental management system is covered by the requirements of the ISO 14001 standard in both the frozen foods and fresh products groups of the Food Business. The aim is efficient and safe production that is in harmony with the environment. The Group's most important environmental impacts are related to organic waste from its production process and water and energy consumption in production, warehousing and storage, transportation and buildings. Apetit is committed to continuous improvement in regard to environmental matters.

The environmental impacts of food production concern energy and water consumption in the processes used and the treatment of by-product flows and waste. In oilseed processing the company uses a chemical-free mechanical method for vegetable oil milling. During vegetable oil milling, the environmental effects are mainly associated with the combustion of odorous gases, the waste from weed separation at raw material reception and the bleaching clay used in processing. In addition, all operations generate a certain amount of packaging waste. Apetit has joined the energy efficiency agreement scheme for Finnish industry and committed itself to implementing the scheme's action programme for the food industry. The concrete target for improving energy efficiency in the food industry in the agreement period 2008-2016 is 9 per cent.

All of Apetit's production plants that are required to have an environmental permit are in possession of a current permit. A new environmental permit decision for the wastewater treatment plant was received in January 2014 but this did not take effect Apetit appealed against some of its terms to the Vaasa Administrative Court. The new environmental permit required Apetit Suomi Oy, alone or with other treatment plants in the area, to investigate an alternative discharge site for wastewater and to apply for an environmental permit for the new discharge site.

Apetit is not aware of any significant individual environmental risks at the time of drawing up the financial statements. The Group's environmental costs in 2015 were EUR 1.1 (1.4) million, or 0.3 (0.3) per cent of net sales.

Environmental matters are presented in more detail in Apetit's environmental report, which can be downloaded from the corporate responsibility section of the Group's website.

SEASONALITY OF OPERATIONS

In accordance with the IAS 2 standard, the historical cost of inventories includes a systematically allocated portion of the fixed production overheads. With production focusing on harvest time, raw materials are processed into finished products mainly during the final quarter of the year, which means that the inventory volumes and balance-sheet values are at their highest at the end of the year. Since the entry of the fixed production overheads included in historical cost as an expense item is deferred until the time of sale, most of the Group's annual profit is accrued in the final quarter. The seasonal nature of operations is most marked in the frozen foods group of the Food Business and in the associated company Sucros, due to the link between production and the crop harvesting season.

Harvests also cause seasonal variation in the amount of working capital tied up in operations. Working capital tied up in the Grains and Oilseeds Business is at its highest towards the end of the year and decreases to its lowest in the summer before the next harvest season. As the production of frozen products is also seasonal and follows the harvest period, the working capital tied up in operations is at its highest around the turn of the year.

In Finland, sales of fish products peak at weekends and in connection with public holidays. In the fish products group in Finland, a significant proportion of the full-year result depends on a successful Christmas season. Net sales in the Grains and Oilseeds Business can vary from one year and quarter to the next quite considerably, depending on demand and supply and on the price level in Finland and other markets.

RISKS, UNCERTAINTIES AND RISK MANAGEMENT

The Board of Directors of Apetit Plc has confirmed the Group's risk management policy and principles. All Group companies and business units regularly assess and report the risks related to their operations and the adequacy of controls and risk management methods. The risk assessments support the strategy work and decision-making and serve to ensure that sufficient measures are taken to control risks. The framework, policies and principles of risk management are regularly assessed and developed as part of the Group's annual planning process. Risk management as a whole is evaluated regularly with the support of external specialists to ensure that its principles and operating models are in accordance with the best practices in the industry.

The Apetit Group's risks are divided into strategic, operational, financial and hazard risks. The Group's most significant strategic risks concern the success of the development of the business portfolio in accordance with strategy, and changes occurring in the Group's business sectors and in its customer relationships. There are significant concentrations of customers in the Group's fish products business in Norway and Finland.

The main operating risks are related to raw material availability, the time lags between purchasing and sale or use, and fluctuations in the market prices of raw materials.

Price risk management is particularly important in the Grains and Oilseeds Business and in fish and fresh products in the Food Business, where raw materials represent 65–85 per cent of net sales. The prices of grains, oilseeds and the main fish raw materials are determined on the world market. In the Grains and Oilseeds Business, limits are defined for open price risks.

The Group operates in international markets and is therefore exposed to exchange rate risks arising from fluctuations in exchange rates. Its main foreign currencies are the US dollar, the Norwegian krone and the Swedish krona. In accordance with the Group's risk management policy, all major open currency positions are hedged, with the exception of the Group's internal long-term loans. Financial risk management is discussed in more detail in Note 23 to the Financial Statements.

Fire, serious process disruptions, and defects in raw materials or final products affecting food safety can lead to major property damage, losses from production interruptions, liabilities and other indirect adverse effects on the company's operations. The Group companies guard against these risks by evaluating their processes through internal control and other systems and by taking corrective action where necessary. Insurance policies are used to cover all risks for which insurance can be justified on financial or other grounds.

SHORT-TERM RISKS

The most significant short-term risks for the Apetit Group are related to the management of raw-material price changes and currency risks, the availability of raw materials, the solvency of customers, the delivery performance of suppliers and service providers, changes in the Group's business sectors and customer relationships.

CORPORATE GOVERNANCE STATEMENT

The 2015 Corporate Governance Statement for Apetit Plc has been considered by the Apetit Plc Board of Directors and is published separately from the Board of Directors' report.

CORPORATE ADMINISTRATION AND AUDITORS

At its organisational meeting on 16 April 2015, Apetit Plc's Supervisory Board appointed Harri Eela as Chairman and Marja-Liisa Mikola-Luoto as Deputy Chairman of the Supervisory Board.

The Supervisory Board decided to elect 6 members to Apetit Plc's Board of Directors. Lasse Aho, Esa Härmälä, Aappo Kontu, Tuomo Lähdesmäki, Veijo Meriläinen and Niko Simula were elected as members of the Board of Directors. Veijo Meriläinen was appointed as Chairman of the Board of Directors and Aappo Kontu as Deputy Chairman.

It was decided that the Chairman of the Board of Directors will receive an annual remuneration of EUR 39,060, the Deputy Chairman will receive EUR 24,120 and the members EUR 19,560. A total of 50 per cent of the annual remuneration will be paid in cash and 50 per cent in the form of Apetit Plc's shares held by the company at the current value of the shares at the time of transfer. The remuneration will be paid in four equal payments in euros in June, September, December and March. It was also decided that the Chairman and members of the Board of Directors will be paid a meeting allowance of EUR 510 and EUR 300, respectively.

Pasi Karppinen, APA, and PricewaterhouseCoopers Oy, Authorised Public Accountants, with Jari Viljanen, APA, as the auditor with principal responsibility, were appointed as the company's auditors at the Annual General Meeting on 25 March 2015.

AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

The Annual General Meeting held on 25 March 2015 authorised the Board of Directors to decide on issuing shares, which would include the right to issue new shares or transfer Apetit shares held by the company.The authorisation covers a maximum total of 761,757 shares, and the maximum number of new shares is 635,470, and the number of Apetit Plcs' shares held by the company 126,287.

The minimum subscription price for each new share will be the nominal value of the share (EUR 2). The minimum transfer price for Apetit shares held by the company will be the market value of the share at the time of transfer, determined by the price quoted in public trading on Nasdaq Helsinki Ltd. The Board of Directors will also have the right to issue shares against consideration other than cash. In share-based incentive schemes, shares can also be issued without consideration.

The authorisation includes the right to deviate from the shareholders' pre-emptive subscription right (targeted issue) if the company has an important financial reason for doing so, such as the development of the company's capital structure, the financing and implementation of corporate acquisitions or other arrangements, or the implementation of a share-based incentive or reward scheme.

The authorisation is valid until the 2018 Annual General Meeting. The authorisation revokes the earlier authorisation to issue shares, given on 28 March 2012, and the authorisation to transfer Apetit Plc shares, given on the same date.

USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

On 28 March 2012, the Annual General Meeting authorised the Board of Directors of Apetit Plc to decide on issuing new shares and on transferring treasury shares held by the company. In accordance with a decision regarding Board members' remuneration, 991 Apetit Plc shares held by the company were transferred to the Board members on 3 March 2015.

On 25 March 2015, the Annual General Meeting authorised the Board of Directors of Apetit Plc to decide on issuing new shares and on transferring treasury shares held by the company. In accordance with a decision regarding Board members' remuneration, 1,295 shares Apetit Plc shares held by the company were transferred to the Board members on 2 June 2015, 1,337 shares on 2 September 2015 and 1,366 shares on 2 December 2015.

SHARES, SHARE CAPITAL AND TRADING

The shares of Apetit Plc are all in one series. All shares carry the same voting and dividend rights. The Articles of Association specify that the number of votes a shareholder is entitled to exercise cannot exceed one tenth of the votes represented at a general meeting. The nominal value of each of the company's shares is EUR 2. At the beginning and the end of the financial year, the total number of shares issued by the company stood at 6,317,576, and the registered and paid share capital totalled EUR 12,635,152. The minimum amount of share capital is EUR 10 million, and the maximum amount is EUR 40 million.

Treasury shares

At the close of the review period, the company had in its possession a total of 122,289 (127,278) of its own shares, with a combined nominal value of EUR 0.24 (0.25) million. These treasury shares represent 1.9 per cent of the company's total number of shares and votes. The company's treasury shares carry no voting or dividend rights.

Share turnover

A total of 695,995 (1,030,508) Apetit Plc shares were traded on the stock exchange during the financial year, representing 11.0 (16.3) per cent of the total number of shares. The highest share price quoted was EUR 16.80 (21.63) and the lowest EUR 12.61 (13.56). The average price of shares traded was EUR 14.12 (16.42). The share turnover for the period was EUR 9.8 (16.9) million. The year-end share price was EUR 12.65 (13.59), and the market capitalisation was EUR 79.9 (85.9) million.

Other share-specific key indicators are presented in Note 27 to the Consolidated Financial Statements.

Distribution of shareholdings

Note 29 to the Financial Statements presents the distribution of shareholdings by sector as well as the major shareholders and the management's ownership.

ASSESSMENT OF EXPECTED FUTURE DEVELOPMENTS

The market situation in the Finnish retail sector is expected to continue to be challenging. The outlook for the Finnish economy is weak. The outlook for the grains and oilseeds market is estimated to be stable.

The Group's full-year operational EBIT* is expected to improve year-on-year (EUR 2.6 million in 2015). Due to the seasonal nature of the Group's operations, a high proportion of the annual profit is accrued in the second half of the year.

Positive profitability performance will be supported by improved cost-efficiency in the Food Business compared to the previous year and by the renewal of the product selection and increased processing value.

Due to the substantial effect of international grain market price fluctuations on the entire Group's net sales, Apetit will not issue any estimates of the expected full-year net sales.

** Due to the forthcoming amendments to the regulations of the European Securities and Markets Authority (ESMA), Apetit will replace the key figure "operating profit excluding non-recurring items" with the key figure "operational EBIT" as of 2016. The operational EBIT does not include restructuring expenses, any significant impairment on goodwill or other balance sheet items or reversal of impairment, the profit of the associated company Sucros or other extraordinary and material items.*

BOARD OF DIRECTORS' PROPOSALS CONCERNING PROFIT MEASURES AND DISTRIBUTION OF OTHER UNRESTRICTED EQUITY

The aim of the Board of Directors of Apetit Plc is to ensure that the company's shares provide shareholders with a good return on investment and retain their value. In line with its policy, the company distributes in dividends at least 40 per cent of the profit for the financial year attributable to shareholders of the parent company.

On 31 December 2015, the parent company's distributable funds stood at EUR 67,285,239.77 after the deduction of the loss for the period, which was EUR 1,741,846.59.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.70 per share be paid. The Board will propose that a total of EUR 4,336,700.90 be distributed in dividends and that EUR 62,948,538.87 be left in equity. No significant changes have taken place in the financial standing of the company since the end of the financial year. The company's liquidity is good and, in the view of the Board, will not be jeopardised by the proposed distribution of dividends.

No dividend will be paid on shares held by the company.

Consolidated Financial Statements, IFRS

CONSOLIDATED INCOME STATEMENT

EUR million	Note	2015	2014
Net sales	(2)	380.8	384.7
Other operating income	(3)	2.2	2.1
Materials and services	(6)	–299.9	–302.2
Employee benefit expenses	(4.25)	–36.6	–36.5
Depreciation	(2.7)	–6.0	–6.4
Impairments	(2.7)	–0.3	–10.4
Other operating expenses	(3.5)	–41.7	–39.4
Share of profits of associated companies	(2)	–0.6	2.2
Operating profit	(2)	–2.0	–5.9
Financial income	(8)	0.1	0.1
Financial expenses	(8)	–1.7	–2.3
Profit before taxes		–3.5	–8.1
Income taxes	(9)	–1.1	–0.7
Profit for the period		–4.6	–8.7
Attributable to			
Equity holders of the parent	(10)	–4.3	–8.0
Non-controlling interests		–0.3	–0.7
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	(10)	–0.69	–1.29

STATEMENT OF COMPREHENSIVE INCOME

EUR million	2015	2014
Profit for the period	–4.6	–8.7
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	0.0	0.5
Taxes related to cash flow hedges	0.0	–0.1
Translation differences	0.1	–0.1
Total comprehensive income	–4.5	–8.5
Attributable to		
Equity holders of the parent	–4.1	–7.7
Non-controlling interests	–0.3	–0.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	31 Dec 2015	31 Dec 2014
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(11)	8.1	8.4
Goodwill	(11)	0.4	0.4
Tangible assets	(11)	43.8	41.1
Investment in associated companies	(12)	22.6	34.9
Available-for-sale investments	(13)	0.1	0.1
Receivables	(14)	1.2	0.4
Deferred tax assets	(9)	2.9	3.1
Total non-current assets		79.1	88.5
CURRENT ASSETS			
Inventories	(16)	74.8	53.8
Income tax receivable		0.3	0.1
Receivables	(15)	30.2	29.6
Cash and cash equivalents	(17)	13.4	13.7
Total current assets		118.8	97.2
Total assets	(2)	197.9	185.7

EUR million	Note	31 Dec 2015	31 Dec 2014
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent			
Share capital		12.6	12.6
Share premium account		23.4	23.4
Own shares		-1.7	–1.7
Translation differences and other reserves		7.1	7.0
Retained earnings		84.1	95.6
Net profit for the period		-4.6	–8.7
Total equity attributable to the equity holders of the parent		121.0	128.1
Non-controlling interests		-	1.2
Total equity	(18)	121.0	129.4
NON-CURRENT LIABILITIES			
Deferred tax liabilities	(9)	4.3	4.7
Long-term financial liabilities	(20)	1.2	2.6
Non-current provisions	(19)	0.2	0.4
Other non-current liabilities	(21)	0.2	2.7
Total non-current liabilities		5.9	10.5
CURRENT LIABILITIES			
Short-term financial liabilities	(20)	35.3	9.4
Income tax payable		0.0	0.6
Current provisions	(19)	0.3	0.1
Trade payables and other liabilities	(21)	35.5	35.7
Total current liabilities		71.0	45.9
Total liabilities	(2)	76.9	56.3
Total equity and liabilities		197.9	185.7

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	2015	2014
Net profit for the period		–4.6	–8.7
Adjustments, total *)		12.8	18.1
Change in net working capital		–21.4	9.8
Interests paid		–1.7	–1.1
Interests received		0.1	0.1
Taxes paid		–2.2	–0.1
Net cash flow from operating activities		–17.1	18.1
Investments in tangible and intangible assets	(11)	–9.1	–2.5
Proceeds from sales of tangible and intangible assets		1.2	0.1
Investments in associated companies		–0.1	–
Proceeds from sales of associated companies		3.8	–
Investments in other assets		–0.7	–
Proceeds from sales of other assets		0.1	–
Dividends received from investing activities		1.9	5.0
Net cash flow from investing activities		–3.0	2.6
Proceeds from/repayments of short-term loans		25.5	–2.3
Proceeds from/repayments of long-term loans		–1.4	–1.4
Payments of finance lease liabilities		–	–0.1
Dividends paid		–4.3	–6.2
Cash flows from financing activities		19.8	–9.9
Net change in cash and cash equivalents		–0.3	10.8
Cash and cash equivalents at the beginning of the period		13.7	2.8
Cash and cash equivalents at the end of the period		13.4	13.7

EUR million	Note	2015	2014
***) Adjustments to cash flow from operating activities:**			
Depreciation and impairments	(11)	6.3	16.8
Gains and losses on sales of fixed assets and shares		2.8	0.0
Share of profits of associated companies		0.6	–2.2
Financial income and expenses	(8)	1.5	2.2
Income taxes	(9)	1.1	0.7
Other adjustments		0.6	0.6
Total		12.8	18.1

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR million	Share capital	Share premium account	Net unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings	Total	Non-controlling interests (NCI)	Total equity
Shareholders' equity 1 Jan. 2015	12.6	23.4	0.2	7.2	–1.7	–0.5	86.8	128.1	1.2	129.4
Dividend distribution	–	–	–	–	–	–	–4.3	–4.3	–	–4.3
Transactions with NCI	–	–	–	–	–	–	0.9	0.9	–0.9	–
Other changes	–	–	–	–	0.1	–	0.3	0.4	–	0.4
Total comprehensive income	–	–	0.0	–	–	0.1	–4.3	–4.1	–0.3	–4.5
Shareholders' equity 31 Dec. 2015	12.6	23.4	0.2	7.2	–1.7	–0.4	79.5	121.0	–	121.0
Shareholders' equity 1 Jan. 2014	12.6	23.4	–0.2	7.2	–1.8	–0.3	100.7	141.7	1.9	143.6
Dividend distribution	–	–	–	–	–	–	–6.2	–6.2	–	–6.2
Other changes	–	–	–	–	0.0	–	0.3	0.4	0.0	0.4
Total comprehensive income	–	–	0.4	–	–	–0.1	–8.0	–7.7	–0.7	–8.5
Shareholders' equity 31 Dec. 2014	12.6	23.4	0.2	7.2	–1.7	–0.5	86.8	128.1	1.2	129.4

Notes to the consolidated financial statements

1. Accounting principles

Company details

Apetit plc is a Finnish public limited company established under Finnish law. Its registered office is in Säkylä and the registered address is PO Box 100, FI-27801 Säkylä, Finland. Business ID is 0197395-5. The company's name is Apetit Oyj, in Swedish Apetit Abp and in English Apetit plc.

On 16 February 2016, the Apetit plc Board of Directors approved the financial statements for publication.

Main operations

Apetit plc is a food industry company listed on the NASDAQ OMX Helsinki Ltd. The trading code of the share is APETI.

Apetit's reportable segments are Food Business, Grains and Oilseeds Business and Other Operations. Apetit's primary market is Finland.

OPERATING SEGMENTS	PRODUCTS AND SERVICES
Food Business	
Apetit Ruoka Oy	Frozen foods
Apetit Kala Oy	Fish products and service sales
Maritim Food AS, Norway	Shellfish and fish products
Maritim Food Sweden AB, Sweden	Shellfish
Sandanger AS, Norway	Fish products
Caternet Finland Oy	Fresh produce and sales of fish, fruit and vegetables
Kiinteistö Oy Kivikonlaita	Holding company of Caternet's real estates
Apetit Suomi Oy	Apetit sales and marketing, IT, HR, financial management and environmental services
Grains and Oilseeds Business	
Avena Nordic Grain Oy	Trade in grains, oil seeds and animal feedstuff
ZAO Avena St. Petersburg, Russia	Trade in grains, oil seeds and animal feedstuff
UAB Avena Nordic Grain, Lithuania	Trade in grains, oil seeds and animal feedstuff
OÜ Avena Nordic Grain, Estonia	Trade in grains, oil seeds and animal feedstuff
TOO Avena Astana, Kazakhstan	Trade in grains, oil seeds and animal feedstuff
OOO Avena-Ukraine, Ukraine	Trade in grains, oil seeds and animal feedstuff
SIA Avena Nordic Grain, Latvia	Trade in grains, oil seeds and animal feedstuff
Mildola Oy	Manufacture of vegetable oils and protein feed
Other Operations	
Apetit plc	Group administration, business structure development and holdings of shares and properties
Associated companies:	
Sucros group	Manufacture, marketing and sales of sugar
Foison Oy	Holding in Avena Nordic Grain Oy

ACCOUNTING PRINCIPLES

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The IAS and IFRS standards and the SIC and IFRIC interpretations complied with are those valid on 31 December 2015. The International Reporting Standards refer to standards and their interpretations approved for adoption within the EU in accordance with the procedure enacted in EC regulation 1606/2002. The notes to the consolidated financial statements are also in accordance with Finnish bookkeeping and company legislation. The consolidated financial statements have been drawn up on the basis of historic acquisition costs, except for those financial assets and liabilities which are recognised in income at fair value and all derivative financial instruments, as they are measured at fair value.

Preparation of the financial statements in accordance with the IFRS standards requires the Group's management to make certain assessments and exercise judgement in applying the accounting principles. Details of the judgements made by the management in applying the accounting principles observed by the Group, and of those aspects which have the greatest impact on the figures reported in the financial statements, are given below under the heading 'Accounting principles requiring executive judgement and the main uncertainties concerning the assessments made'.

Consolidation principles

Subsidiaries are companies over which the Group exercises control. This control derives from the Group holding more than half of the voting rights or otherwise being in a position to exercise control or having the right to stipulate the principles of the company's finances and business operations. Mutual shareholdings have been eliminated using the acquisition cost method. The acquisition consideration, including deferred and contingent consideration, as well as the identifiable assets acquired and liabilities assumed, is measured at the acquisition date fair values. The acquisition related costs are accounted as expenses for the period in which they are incurred. At the acquisition date the non-controlling interests are valued either at the acquisition date fair values or at non-controlling interests' proportionate share in the recognised amounts of the identifiable net assets. Valuation principle is determined separately for each acquisition. Subsidiaries acquired by the Group are consolidated into the financial statements from the time that the Group establishes its control, while subsidiaries disposed of are consolidated up to the time that the Group's control ceases. All intra-group transactions, receivables, liabilities and profits are eliminated on consolidation. Unrealized losses are not eliminated if the loss is due to impairment.

Net income for the period is disclosed in the income statement as an allocation to the shareholders of the parent company and non-controlling interests. The allocation of the comprehensive income to the shareholders of the parent company and non-controlling interests is presented in the statement of comprehensive income. Non-controlling interests are disclosed separately under consolidated total equity.

Associates are companies in which the Group exercises significant influence. Significant influence is exercised when the Group holds more than 20% of the voting rights in the company or otherwise exercises significant influence but not control. The associate companies have been consolidated into the financial statements using the equity method. If the Group's share of the losses of an associate exceeds the book value of the investment, the investment is recognised in the balance sheet at a valuation of zero, and losses that exceed the book value are not consolidated unless the Group has undertaken to meet the obligations of associates. Unrealized gains between the Group companies and associates have been eliminated according to the share of ownership. Any goodwill arising from the acquisition of an investment in an associate is included in the investment.

Foreign currency items

The figures for the financial performance and standing of each of the Group's units are measured in the currency of the unit's principal operating environment ('functional currency'). The consolidated financial statements are presented in euros, which is the functional and reporting currency of the Group's parent company. Foreign currency transactions are recognised as amounts denominated in the functional currency using the rate prevailing on the transaction date. At the balance sheet date, monetary receivables and payables are translated using the closing rate. Exchange differences arising from translation are recognised in the income statement. Exchange gains and losses from operating activities are included in the corresponding items above the operating profit.

The income statements of foreign subsidiaries have been translated into euros using average rates for the reporting period, and their balance sheets translated using the closing rates. The exchange difference due to the use of average rates in the income statement translations and closing rates in the balance sheet translations is recognised as a separate item under shareholders' equity.

In preparing the consolidated financial statements, the translation difference due to exchange rate fluctuations, in regard to the shareholders' equity of the subsidiaries and associates, is recognised as a separate item in the translation differences for the consolidated shareholders' equity. If a foreign subsidiary or associate is disposed of, the accrued translation difference is recognised in the income statement under profit or loss.

Net sales and the principles for recognition as income

Income is recognised on the basis of the fair value of the consideration received or receivable. An item is recognised as income when the risks and benefits of ownership pass to the purchaser. Generally, this occurs when a production item is delivered. When net sales are calculated, indirect taxes and trade discounts are deducted from proceeds.

Interest income is recorded under the effective interest method and dividend income when the right to the dividend has been created.

Pension liabilities

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Provisions

A provision is recognised when the Group has a legal or constructive obligation based on a past event and it is probable that the fulfilment of this obligation will require a contribution, and the amount of the obligation can be reliably estimated. Provisions are valued at the present value of the costs required to cover the obligation.

Provisions are made in connection with operational restructuring, onerous contracts, litigation and environmental and tax risks. A restructuring provision is recognised when a detailed and appropriate plan has been drawn up for it, sufficient grounds have been given to expect that the restructuring will occur and information has been issued on it.

Income taxes

Income taxes recognised in the consolidated income statement comprise taxes levied on an accrual basis on the reporting period results of Group companies, based on the taxable profits calculated for each Group company in accordance with the local tax regulations, as well as tax adjustments from previous periods and changes in deferred tax.

Deferred tax assets and liabilities are calculated on the temporary differences between the taxable values and the book values of assets and liabilities, in accordance with the liability method. Deferred taxes are recognised in the financial statements using the tax rates that apply up to the balance sheet date.

The most material temporary differences arise from fixed assets, consolidation, inventories, unused tax losses and revaluation of derivative financial instruments. Deferred tax assets are recognised up to an amount where it is probable that they can be utilized against future taxable profits. Deferred taxes are not recognised on goodwill which is not tax deductible.

In the case of derivative financial instruments covered by hedge accounting and available-for-sale investments, the deferred taxes related to value adjustments recognised directly under the statement of comprehensive income are also recognised directly under the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash, bank deposits from which withdrawals can be made and other short-term highly liquid investments. Items classified under cash and cash equivalents have a maximum of three months maturity from the acquisition date.

Borrowing costs

Borrowing costs are recognised under the expenses for the period in which they arose. Directly attributable borrowing costs related to the acquisition, construction or production of a qualifying asset, for example, factory building, are capitalised. Where clearly linked to a specific loan, transaction costs arising directly from loans are included in the loan's original amortised cost and divided into a series of interest expenses using the effective interest method.

Key employees' share holdings in Foison Oy are treated as liability instruments in Apetit's Group balance sheet due to certain terms and conditions of repurchase. Foison Oy owns 20% of Avena Nordic Grain Oy's share capital. Group recognises financial expense related to the key employees' dividend right from Avena Group.

Research and development costs
Research and development costs are recognised in the income statement under expenses for the period in which they arose. Development expenses for new products and processes are not recognised as assets because such expenses did not occur to any significant extent during the period between the development stage at which products are already technically feasible and commercially exploitable and the stage at which they are placed on the market. On the balance sheet date the consolidated balance sheet contained no capitalized development costs.

Intangible assets
Goodwill
Goodwill corresponds to that part of the cost of acquiring the company which is in excess of the Group's share of the fair value of the acquired company's net assets on the acquisition date. Goodwill is tested annually for impairment and has been allocated to each of the cash-generating units for this purpose. Goodwill is valued at historic acquisition cost less any impairment. In the case of associated company, goodwill is included in their investment value. Goodwill generated through acquisitions of foreign business combinations is measured in the currency of the foreign operations and translated using the period end rates.

Other intangible assets
An intangible asset is recognised in the balance sheet at the original acquisition cost in a case where the cost can be determined reliably and it is likely that an expected financial benefit derived from the asset will turn out to be to the company's benefit.

Patents, trademarks and other intangible assets with a limited useful life are recognised as expenses in the balance sheet and amortised on a straight-line basis over the period of their useful lives. Intangible assets have not included assets with an unlimited useful life.

Depreciation period for intangible assets:

Customer relationships	15 years
Trademarks	15 years
Other intangible assets	5-10 years

Assets whose useful life has not yet expired and fully depreciated fixed assets that are still used in operating activities are included in the acquisition cost of assets. Similar principles apply to accumulated depreciation.

Subsequent expenditure relating to intangible assets is recognised as an asset only if its financial benefit to the company exceeds the originally estimated level of performance. Otherwise the expenditure is recognised as a cost at the time it is incurred.

Property, plant and equipment
Property, plant and equipment have been measured at historic acquisition cost less depreciation and impairment. These assets are subject to straight-line depreciation over the period of their useful lives. Land is not subject to depreciation. The residual value of the assets and their useful lives are reviewed each time the financial statements are prepared and, when necessary, are adjusted to reflect any change in the economic benefits expected.

The estimated useful lives are as follows:

Property and plant	10-40 years
Machinery and equipment	5-15 years

Property, plant and equipment are no longer depreciated if they are classified as assets held for sale.

Assets whose useful life has not yet expired and fully depreciated fixed assets that are still used in operating activities are included in the acquisition cost of assets. Similar principles apply to accumulated depreciation. Repair and maintenance costs of tangible assets are recognised as expenses when incurred.

Government grants
Government grants received for the acquisition of fixed assets are recognised as deductions in the book values for property, plant and equipment. The grants are released to profit through smaller depreciations during the use of the asset in question.

Leases
Leases in which the risks and benefits inherent in an asset are transferred in all essential respects to the company are classified as finance leases. Finance leases are recognised in the balance sheet at the lesser of the fair value at the inception of the leasing period and the present value of the minimum lease payments. The lease obligations of finance lease assets are included in discounted form under interest-bearing liabilities.

Assets acquired with finance leases are depreciated according to plan, and any impairment losses recognised. Depreciation is charged over the shorter of the relevant fixed asset depreciation period and the lease period. Leases to be paid are divided into financial cost and a decrease in debt during the lease term so that the interest on the remaining debt is the same each financial year. Lease obligations are included in interest-bearing liabilities. During the reporting period there were no situations in which the Group would have been categorized as the lessor of a finance lease asset.

Leases in which risks and rewards incident to ownership are not transferred to the lessee are classified as operating leases. Lease payments related to them are recognised in the income statement on a straight-line basis over the lease term.

Impairment
The book values for assets are assessed for any signs of impairment. If there are signs of impairment, an estimate is determined for the amount recoverable on the asset. An impairment loss is recognised if the balance sheet value of the asset or the cash-generating unit exceeds the recoverab-

le amount. Impairment losses are recognised in the income statement.

The impairment loss of a cash-generating unit is first allocated to reducing the goodwill attributed to the unit, and then to reducing other assets of the unit on a pro rata basis.

The recoverable amount of intangible and tangible assets is determined at the higher of the fair value less costs to sell and the value in use. In determining the value in use, the estimated future cash flows are discounted to their present value on the basis of discount rates applying to the average pre-tax capital costs of the cash-generating unit in question. The discount rates also take into account any special risk associated with the cash-generating units.

Impairment losses on property, plant and equipment and on intangible assets other than goodwill are reversed if a change has occurred in the estimates used in determining the recoverable amount of the asset. The amount by which an impairment loss is reversed is no more than the book value (less depreciation) that would have been determined for the asset if no impairment loss had been recognised on it in previous years. Impairment losses recognised on goodwill are not reversed.

Inventories

Inventories have been measured at the lower of acquisition cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business, after deduction of the estimated costs of completion and the estimated costs necessary to make the sale.

The value of inventories has been determined using the weighted average price method and includes all direct costs of acquisition and other indirect costs to be allocated. The cost of each inventory item produced comprises not only the purchase costs of materials, direct labour costs and other direct costs, but also a proportion of production overheads, but not selling or financing costs. The value of inventories has been reduced for obsolescent assets.

Financial assets and liabilities

Financial assets are classified to four categories: financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, and held-to-maturity investments. The classification is conducted based on the purpose of the financial asset and when the financial asset is originally acquired.

The group of financial assets to be recognised in income at fair value includes assets held for trading. Financial assets held for trading have been acquired primarily for the purpose of making a profit on short-term changes in market prices. Both unrealized and realized gains and losses from changes in fair value are recognised in the income statement for the period in which they occur.

Loans and other receivables are non-derivative assets with fixed or measurable payments, are not publicly quoted and the Group does not held them for trading. These assets are recognised at amortised cost.

Available-for-sale financial assets are not part of the derivative assets but are non-current assets, because the intention is to keep them for longer than 12 months following the balance sheet date. Publicly quoted shares are classified as available-for-sale investments and are measured at fair value, which is the market price on the balance sheet date. Changes in fair value are recognised directly in the statement of comprehensive income until the investment is sold or otherwise disposed of, when the changes in fair value are recognised in the income statement. Permanent impairment of assets is recognised in the income statement. Unquoted shares are presented at their acquisition price, because their fair values are not reliably available.

Financial liabilities are measured at amortised cost except derivative instruments. Financial liabilities are long or short term and can be interest-bearing or interest free. This item includes, for example, trade receivables and loans.

All financial assets and liabilities are recorded in the balance sheet at an acquisition cost corresponding to the original fair value. Transaction costs are deducted only when the item is not valued against the profit at fair value. Purchases and sales of financial assets are recognised using the trade date method.

Fair values are measured using publicly quoted prices. These instruments are mainly investments to funds and mainly all commodity derivatives. If publicly quoted prices are not available, fair value is measured based on discounted cash flows and price quotation of the counterparty. These instruments are usually currency derivatives. Short-term receivables or payables are not discounted.

The carrying amounts of the financial assets are tested to determine whether there is objective evidence of impairment. An impairment is recognised when there is objective evidence that receivables are not fully collectible. The impairment loss is reversed if in a subsequent period the fair value of the financial asset increases and this increase can be related objectively to events occurring after the impairment was recognised.

Derivative financial instruments are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value. The Group applies cash flow hedge accounting to certain forward currency and commodity derivative contracts. The hedged cash flow must be probable and the cash flow must ultimately have an impact on the income statement. The hedge must be effective when examined prospectively and retrospectively. For hedges that meet the terms for hedge accounting, the effective portion of the change in fair value of a hedge is recognised in the statement of comprehensive income, and any residual ineffective portion is recognised for currency derivatives to financial items and for commodity derivatives to other operating income or expenses. The cumulative change in fair value recognised under the statement of comprehensive income is recognised to purchases or sales or financial items based on their nature on the same date that the projected cash flow is recognised in the income statement. If a derivative financial instrument expires, is sold or does not meet the hedge accounting terms, the cumulative change in the fair value of the hedging instrument will remain in the hedge reserve and is recognised in income statement on the same date that the projected cash flow is recognised in the income statement. The cumulative fair values of the hedging instruments are transferred from the hedge reserve to other operating income or expense or financial items based on their nature immediately if the hedged cash flow is no longer expected to occur.

Despite certain hedging relationships fulfil the effective hedging requirements of the Group's risk management policy, the Group does not apply hedge accounting to all transactions done in hedging purpose. These instruments' fair value changes are recognised to other operating income and expense or financial items based on their nature.

Equity

Purchases of own shares are deducted from equity attributable to shareholders of the parent company up till the shares are cancelled or transferred back to circulation.

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

Accounting principles requiring executive judgement and the main uncertainties concerning the assessments made

In preparing the consolidated financial statements in accordance with international accounting practices, the company's management has had to make assessments and assumptions that affect the amount of assets, liabilities, income and expenses recognised in the accounts and the contingencies presented. These assessments and assumptions are based on experience and on other reasonable suppositions that are believed to be realistic in the circumstances that constitute the basis for the estimates of items recognised in the financial statements. The outcome may deviate from these estimates.

The Group tests annually goodwill for possible impairment and assesses any indication of impairment. The recoverable amounts of units that generate cash flow are based on value in use calculations. These calculations require the use of estimates.

Determination of the fair value of tangible and intangible assets acquired in business combinations requires estimations by management and is often based on assessment of asset cash flows.

Other assessments including management judgement are mainly related to restructuring plans, the extent of obsolescent inventories, environmental, litigation and tax risks and the use of deferred tax assets against future taxable profits.

Application of new and updated IFRS

The Group has not in these financial statements applied the following standards, amendments to standards or interpretations which were published by the balance sheet date and the application of which is not yet compulsory at this stage.

The following new standards and interpretations effective in 2016 will not have material effects to the Group's financial statements.

- Amendment to IFRS 10, 'Consolidated Financial Statements'
- Amendment to IFRS 11, 'Joint Arrangements'
- Amendment to IFRS 12, 'Disclosure of Interests in Other Entities'
- IFRS 14, 'Regulatory deferral accounts'
- Amendment to IAS 1, 'Presentation of Financial Statements'
- Amendment to IAS 16, 'Property, plant and equipment'
- Amendment to IAS 19, 'Employee benefits'
- Amendment to IAS 27, 'Separate financial statements'
- Amendment to IAS 28, 'Investments in Associates and Joint Ventures'
- Amendment to IAS 38, 'Intangible assets'
- Amendment to IAS 41, 'Agriculture'
- Annual improvements of different standards by IASB

The Group will adopt 2017 or later the following standards and interpretations:

- IFRS 9, 'Financial Instruments' *)
- IFRS 15 'Revenue from Contracts with Customers' *)
- IFRS 16, 'Leases' *)
- Amendment to IAS 12, 'Income taxes'
- Amendment to IAS 41, 'Agriculture'
- Annual improvements of different standards by IASB

Management is assessing the impact of the revisions and interpretations of 2017 or later years on the financial statements of the Group.

*) not yet endorsed by EU

2. Operating segments

The Group has three reportable segments. The operating segments offer different products or services and are managed separately.

The segment information is based on the Group's orga-ni- sation and management reporting structure. Reportable segments are:

Food Business
Grains and Oilseeds Business
Other Operations

Intra-group sales take place at arm's length prices. The assets and liabilities of a segment are such items of the business operations that the segment uses in its business operations or that can be allocated to a segment on reasonable basis. Tax and financing items together with items common to the whole Group are unallocated assets and liabilities. Reported figures are based on IFRS standards.

OPERATING SEGMENTS 1-12/2015

EUR million	Food Business	Grains and Oilseeds	Other Operations	Total
Total segment sales	166.2	215.0	–	381.2
Intra-group sales	–0.2	–0.2	–	–0.4
Net sales	166.0	214.8	–	380.8
Share of profits of associated companies included in operating profit	0.4	–	–1.0	–0.6
Operating profit	–6.4	7.6	–3.2	–2.0
Assets	83.1	70.5	27.6	181.2
Unallocated				16.6
Total assets				197.9
Liabilities	21.3	11.1	3.8	36.1
Unallocated				40.8
Total liabilities				76.9
Gross investments in non-current assets	5.9	3.1	0.1	9.1
Corporate acquisitions and other share purchases	–	–	0.1	0.1
Depreciations	5.0	0.7	0.3	6.0
Impairments	0.3	–	0.0	0.3
Personnel	627	88	10	725

OPERATING SEGMENTS 1-12/2014

EUR million	Food Business	Grains and Oilseeds	Other Operations	Total
Total segment sales	170.8	214.2	–	385.0
Intra-group sales	–0.2	–0.1	–	–0.3
Net sales	170.6	214.1	–	384.7
Share of profits of associated companies included in operating profit	0.3	–	1.9	2.2
Operating profit	–9.7	7.8	–4.0	–5.9
Assets	90.3	49.0	29.6	168.8
Unallocated				16.9
Total assets				185.7
Liabilities	20.9	11.2	6.8	39.0
Unallocated				17.4
Total liabilities				56.3
Gross investments in non-current assets	1.9	0.5	0.1	2.5
Corporate acquisitions and other share purchases	–	–	0.0	0.0
Depreciations	5.4	0.7	0.3	6.4
Impairments	10.4	–	–	10.4
Personnel	630	83	10	723

GEOGRAPHICAL INFORMATION

EUR million	Revenue 2015	Revenue 2014	**Non-current Assets 2015**	Non-current Assets 2014
Finland	**238.8**	235.7	**70.6**	79.4
Norway	**33.0**	27.0	**4.6**	4.8
Germany	**15.2**	12.9	**–**	–
Sweden	**20.2**	29.8	**1.0**	1.1
Other countries	**73.6**	79.4	**0.0**	0.0
Total	**380.8**	384.7	**76.2**	85.4

Revenues from one customer were EUR 102.1 (96.4) million or 26.8% (25.0%) of the net sales. Revenues from this customer were from all operating segments expect from Other Operations segment.

3. Other operating income and expenses

EUR million	2015	2014
OTHER OPERATING INCOME		
Government grants received	0.2	0.1
Gains from sales of non-current assets	0.8	0.0
Gains from sales of investments	0.1	–
Rental income	0.3	0.4
Fair value change based on derivative instruments, no hedge accounting	0.0	0.7
Other	0.7	0.8
Total	2.2	2.1
OTHER OPERATING EXPENSES		
Rental expenses	3.3	3.7
Administrative expenses	4.2	7.4
Information technology expenses	2.4	2.2
Sales and marketing expenses	18.0	17.4
Maintenance expenses	5.9	5.5
Fair value change based on derivative instruments, no hedge accounting	0.5	–
Loss from sales of associated companies	3.6	–
Other	3.8	3.3
Total	41.7	39.4

Audit fees paid by the Group to its independent auditor PricewaterhouseCoopers

The audit fees relate to the auditing of the annual accounts and to the statutory and obligatory functions closely attached to them. The non-audit fees are caused by services linked to the audit and aimed to assure the correctness of the financial statements and other advice.

AUDIT FEES AND NON-AUDIT FEES

EUR million	2015	2014
Audit fees	0.2	0.2
Non-audit fees	0.0	0.0
Total	0.2	0.2

4. Employee benefits expense

EUR million	2015	2014
Wages and salaries	30.0	29.4
Termination benefits	0.1	0.6
Pensions, defined contribution plans	5.3	5.2
Other personnel costs	1.2	1.3
Total	36.6	36.5

Information on the remuneration and loans granted to the management is presented in Note 25 "Related party transactions". Information on the defined benefit plans is presented in Note 19 "Provisions".

Post employment benefits

Pension coverage in the Group companies is provided in accordance with the rules and practices in the respective countries.

The disability component of Finnish statutory pension system ("TyEL") is recognised in Finland as defined contribution plan. Apetit Oyj and Apetit Ruoka Oy have defined contribution plans.

5. R & D expenses

R & D expenses of the Group amounted to EUR 0.8 (0.8) million, representing 0.2% (0.2%) of the net sales.

6. Materials and services

EUR million	2015	2014
Raw materials and consumables	289.4	287.0
Change in stocks	–4.4	1.7
External services	14.9	13.5
Total	299.9	302.2

Materials and services include foreign currency gains and losses a total of EUR 0.5 (0.0) million.

Net sales include foreign currency losses and gains a total of EUR -0.1 (0.0) million.

The ineffective portion of the change in fair value of hedge instruments totalled EUR 0.0 (0.0) million.

7. Depreciations and impairments

EUR million	2015	2014
DEPRECIATIONS		
Intangible assets	1.3	1.2
Buildings	2.2	2.7
Machinery and equipment	2.4	2.5
Other tangible assets	0.1	0.1
Total	6.1	6.4
IMPAIRMENTS		
Goodwill	-	9.4
Intangible assets	0.0	0.3
Tangible assets	0.2	0.7
Total	0.2	10.4

8. Financial income and expenses

EUR million	2015	2014
FINANCIAL INCOME		
Interest income	0.0	0.0
Foreign currency gains	0.1	0.0
Other financial income	0.0	0.0
Total	0.1	0.1
FINANCIAL EXPENSES		
Interest expenses	-0.4	–0.4
Foreign currency losses	-0.4	–0.9
Avena Nordic Grain minority dividend	-0.8	–0.9
Other financial expenses	-0.1	–0.1
Total	-1.7	–2.3

9. Income taxes

EUR million	2015	2014
Current period taxes	–1.4	–1.6
Previous periods’ taxes	0.0	0.0
Deferred taxes	0.3	1.0
Total	–1.1	–0.7
RECONCILIATION OF INCOME TAXES		
Profit before taxes	–3.5	–8.1
Tax calculated at the tax rate of the parent company 20%	0.7	1.6
Effect of Avena Nordic Grain minority dividend	–0.2	–0.2
Effect of associated company results	–0.3	0.4
Goodwill impairment	–	–1.9
Sale of Taimen ownership	–0.6	–
Unbooked deferred tax receivables on taxable losses	–0.8	–0.7
Other items	0.1	0.0
Tax expenses in the income statement	–1.1	–0.7

RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES TO BALANCE SHEET 2015

EUR million	1 Jan. 2015	Charge in income statement	Charged to other compre-hensive income	31 Dec. 2015
DEFERRED TAX ASSETS				
Carry forward of unused tax losses	2.5	–0.2	0.0	2.3
Derivative instruments	0.2	0.0	–	0.2
Deferred depreciation	0.3	0.0	–	0.3
Other	0.1	0.0	–0.1	0.1
Total	3.1	–0.1	–0.1	2.9
DEFERRED TAX LIABILITIES				
Accumulated depreciation difference	–1.4	–0.1	–	–1.4
Valuation of assets in Mildola's acquisition (netting Mildola's accumulated depreciation difference)	0.6	0.0	–	0.5
Valuation of assets in acquisition cost allocation calculations	–2.2	0.2	0.0	–1.9
Inventories	–0.7	0.1	–	–0.6
Derivative instruments	–0.3	0.1	0.0	–0.2
Goodwill	–0.1	–	–	–0.1
Tangible assets	–0.5	–	–	–0.5
Other	–0.2	0.1	0.0	–0.2
Total	–4.7	0.4	0.0	–4.3

The Group has not recognised deferred tax assets total of EUR 2.1 million at 31 December 2015 related to taxable losses. These taxable losses expire in 2020 - 2025. Recognised deferred tax assets on unused taxable losses EUR 1.3 million will expire in 2020 - 2025. Other unused taxable losses do not expire.

RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES TO BALANCE SHEET 2014

EUR million	1 Jan. 2014	Charge in income statement	Charged to other compre-hensive income	31 Dec. 2014
DEFERRED TAX ASSETS				
Carry forward of unused tax losses	2.1	0.5	–0.1	2.5
Derivative instruments	0.1	0.2	–	0.2
Deferred depreciation	0.2	0.1	–	0.3
Other	0.1	0.0	0.0	0.1
Total	2.5	0.7	–0.1	3.1
DEFERRED TAX LIABILITIES				
Accumulated depreciation difference	–1.5	0.2	–	–1.4
Valuation of assets in Mildola's acquisition (netting Mildola's accumulated depreciation difference)	0.6	0.0	–	0.6
Valuation of assets in acquisition cost allocation calculations	–2.4	0.2	0.0	–2.2
Inventories	–0.9	0.1	0.0	–0.7
Derivative instruments	0.0	–0.2	–0.1	–0.3
Goodwill	–0.1	–	–	–0.1
Tangible assets	–0.5	–	–	–0.5
Other	–0.1	–0.1	0.0	–0.2
Total	–5.0	0.2	0.0	–4.7

The Group has not recognised deferred tax assets total of EUR 1.4 million at 31 December 2014 related to taxable losses. These taxable losses expire in 2020 - 2024. Recognised deferred tax assets on unused taxable losses EUR 1.3 million will expire in 2020 - 2024. Other unused taxable losses do not expire.

10. Earnings per share

Basic earnings per share are calculated by dividing the profit for the financial year attributable to the shareholders of the parent company by weighted average number of the shares outstanding. The outstanding shares do not include treasury shares in possession of the company. Diluted earnings per share are calculated by dividing the profit for the financial year attributable to the shareholders of the parent company by diluted weighted average number of the shares outstanding.

The company has no such instruments that would cause a dilution effect on the earnings per share.

EUR million	2015	2014
Profit attributable to the share-holders of the parent company, basic and diluted	–4.3	–8.0
Weighted average number of outstanding shares (1,000 pcs)	6 192	6 188
Diluted average number of shares outstanding (1,000 pcs)	6 192	6 188
Basic and diluted earnings per share (EUR per share)	–0.69	–1.29

11. Intangible and tangible assets

The cost of assets include the assets, whose useful lives have not ended and fully depreciated assets still used in operating activities. Similar principles apply to accumulated depreciation.

INTANGIBLE ASSETS 2015

EUR million	Goodwill	Customer relationships	Other Intangible rights	Advance payments	Total
Acquisition cost 1 Jan.	20.2	10.7	7.2	0.6	38.7
Additions	–	–	0.7	0.3	1.0
Disposals	–	–	–	–	–
Translation difference and other changes	0.0	–0.1	0.1	–	0.0
Transfers	–	–	0.6	–0.6	–
Acquisition cost 31 Dec.	20.2	10.7	8.5	0.3	39.7
Accumulated depreciation 1 Jan.	–19.9	–3.7	–6.3	–	–29.9
Disposals, accumulated depreciation	–	–	0.0	–	0.0
Depreciation for the period	–	–0.7	–0.5	–	–1.2
Impairments	–	–0.2	0.0	–	–0.2
Accumulated depreciation 31 Dec.	–19.9	–4.6	–6.8	–	–31.2
Book value 31 Dec. 2015	0.4	6.1	1.7	0.3	8.5

INTANGIBLE ASSETS 2014

EUR million	Goodwill	Customer relationships	Other Intangible rights	Advance payments	Total
Acquisition cost 1 Jan.	20.2	10.8	6.8	0.3	38.1
Additions	–	–	0.1	0.5	0.6
Disposals	–	–	–0.1	0.0	–0.1
Translation difference and other changes	0.1	–0.1	0.2	–	0.2
Transfers	–	–	0.2	–0.2	–
Acquisition cost 31 Dec.	20.2	10.7	7.2	0.6	38.7
Accumulated depreciation 1 Jan.	–10.5	–2.8	–5.8	–	–19.1
Disposals, accumulated depreciation	–	–	0.1	–	0.1
Depreciation for the period	–	–0.7	–0.6	–	–1.2
Impairments	–9.4	–0.3	0.0	–	–9.7
Accumulated depreciation 31 Dec.	–19.9	–3.7	–6.3	–	–29.9
Book value 31 Dec. 2014	0.4	7.0	0.9	0.6	8.8

GOODWILL IMPAIRMENT TESTING

Impairment test for cash-generating-units containing goodwill

Goodwill has been allocated to the following cash-generating units or groups of units:

EUR million	2015	2014
Frozen products	0.4	0.4
Total	0.4	0.4

In goodwill impairment testing, the recoverable amount from operating activities is determined on the basis of value in use calculations. Expected future cash flows are based on management-approved forecasts and are given for a five-year period, and cash flows beyond this are extrapolated using a growth factor of 1%-2%.

The key variables in the value in use calculation are the budgeted gross margin, net sales and the discount rate. The pre-tax discount rates used in Frozen products group is 7.0% (7.0%). In Frozen products group the value in use exceeded the carrying amount of the tested assets by a wide margin and significant negative change in any of the key variables would not result to an impairment.

In the comparison period, on the basis of goodwill impairment testing carried out during the period, EUR -10.2 million in impairments was recognised for the Food Business. The company had lowered the expectations of future cash flows in the Food Business with respect to the fish and fresh products groups. In fish products group, the revised view was based on lower expectations regarding gross margins attainable in Norway and Sweden and, in fresh products group, lower expectations regarding the sales performance of the Finnish professional food service sector and the weaker economic outlook for the coming years. On the basis of the goodwill impairment testing, an impairment of EUR -6.4 million was carried out in the fish products group in Norway and Sweden, and the goodwill associated with the product group was impaired in full. In the fresh products group, an impairment of the entire remaining goodwill, EUR -3.0 million, was made, as well as EUR -0.8 million for tangible and intangible assets.

TANGIBLE ASSETS 2015

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress	Total
Acquisition cost 1 Jan.	3.4	51.7	46.7	0.8	0.5	103.1
Additions	–	2.3	3.5	0.2	2.3	8.2
Disposals	–0.1	–2.3	–2.0	–	–	–4.3
Translation differences and other changes	–	0.1	0.3	–	–	0.3
Transfers	–	0.1	0.9	0.2	–1.1	–
Acquisition cost 31 Dec.	3.3	51.8	49.4	1.1	1.6	107.2
Accumulated depreciation 1 Jan.	–0.2	–24.5	–36.8	–0.5	–	–62.3
Accumulated depreciation on disposals and transfers	–	1.9	1.6	–	–	3.5
Depreciation for the period	–	–2.2	–2.5	–0.1	–	–4.8
Impairments	–	–	–0.1	–	–	–0.1
Accumulated depreciation 31 Dec.	–0.2	–24.8	–37.9	–0.5	–	–63.7
Book value 31 Dec. 2015	3.1	27.0	11.5	0.6	1.6	43.8

Machinery and equipment includes assets acquired through finance leases totalling EUR 0.5 million.

TANGIBLE ASSETS 2014

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress	Total
Acquisition cost 1 Jan.	3.4	51.5	45.4	0.7	0.7	102.1
Additions	–	0.3	0.7	0.0	0.8	1.9
Disposals	–	–	–0.4	–	–	–0.4
Translation differences and other changes	0.0	–0.1	–0.1	0.0	–	–0.2
Transfers	–	–	1.0	–	–1.0	–
Acquisition cost 31 Dec.	3.4	51.7	46.7	0.8	0.5	103.1
Accumulated depreciation 1 Jan.	–0.2	–21.1	–34.3	–0.4	–	–56.3
Accumulated depreciation on disposals and transfers	–	–	–	–	–	–
Depreciation for the period	–	–2.7	–2.5	–0.1	–	–5.2
Impairments	–	–0.7	–0.1	–	–	–0.7
Accumulated depreciation 31 Dec.	–0.2	–24.5	–36.8	–0.5	–	–62.3
Book value 31 Dec. 2014	3.2	27.3	9.9	0.3	0.5	41.1

Machinery and equipment includes assets acquired through finance leases totalling EUR 0.5 million.

12. Investment in associated companies

EUR million	2015	2014
Book value 1 Jan.	34.9	37.5
Acquisitions, other additions	0.4	0.3
Share of profits for the period	–0.6	2.2
Sales, deductions	–10.2	–
Dividends	–1.9	–5.0
Book value 31 Dec.	22.6	34.9

Groups associated companies are Sucros group and Foison Oy. Group sold its ownership in Taimen group on May and on September 2015. A loss of EUR 3.6 million was recognised in the sales transactions. Fish products group purchases trout from Taimen group, Apetit does not have significant business relations with the other associated companies. Sucros group's beet factory is situated at Säkylä industrial site where also is situated Forzen products group 's factory. Associated companies are consolidated using the equity method and they do not have public quatations.

INFORMATION ABOUT GROUP'S MATERIAL ASSOCIATED COMPANIES

	Sucros group		Taimen group	
	Group holding 20%		Direct group holding 30%, after cross ownership 23%	
EUR million	2015	2014	2015	2014
Non-current assets	20.7	22.6	–	14.2
Current assets	124.3	123.9	–	27.1
Cash and cash equivalents	2.3	5.0	–	1.9
Non-current financial liabilities	5.4	5.4	–	7.4
Current financial liabilities	17.8	2.8	–	1.3
Other current liabilities	14.8	21.4	–	8.9
Net assets 100%	109.3	122.0	–	25.5
Share in net assets	21.9	24.4	–	5.9
Goodwill	0.0	0.0	–	3.9
Book value, 31 December	21.9	24.4	–	9.8
Net sales	148.7	191.3	22.3	34.4
Other income and expenses	–154.3	–180.5	–20.1	–32.1
Operating profit	–5.6	10.8	2.2	2.3
Interest income and expenses	0.3	0.4	–0.2	–0.2
Taxes	0.5	–2.0	–0.4	–0.6
Profit or loss	–4.9	9.3	1.6	1.4
Book value, 1 January	24.4	27.5	9.8	9.5
Profit or loss	–1.0	1.9	0.4	0.3
Dividends received	–1.6	–4.9	–	–
Sales, deductions	–	–	–10.2	–
Book value, 31 December	21.9	24.4	–	9.8

13. Available-for-sale investments

The shares of unlisted companies are reported at acquisition cost as their values are not reliably available.

EUR million	2015	2014
Investments in shares of unlisted companies	0.1	0.1
Total	0.1	0.1

14. Non-current receivables

EUR million	2015	2014
Capital loan receivable in accordance with the Finnish Limited Liability Companies Act chapter 12	0.6	-
Additional purchase price receivable	0.3	-
Connection fees	0.4	0.4
Total	1.2	0.4

The fair values of the receivables are estimated to correspond to their book values.

15. Current receivables

EUR million	2015	2014
Trade receivables	24.6	24.3
Receivables based on derivative instruments, hedge accounting	0.7	0.5
Receivables based on derivative instruments, no hedge accounting	0.1	0.6
Accrued income and deferred expenses	1.5	1.5
Other receivables	3.1	1.9
Receivables from associated companies and joint ventures		
Trade receivables	0.2	0.3
Other receivables	0.0	0.5
Total	30.2	29.6

The substantial items in the accrued income and deferred espenses and other receivables are related to raw material purchases and accruals of employment benefits. Accrued income and deferred expenses include EUR 2.2 (0.1) million in value added tax receivables related to the Grains and Oilseeds Business.

The fair values of the receivables are estimated to correspond to their book values.

During the financial year the group recorded credit losses of EUR 0.0 (0.0) million on trade receivables.

16. Inventories

EUR million	2015	2014
Materials and consumables	14.9	9.4
Work in progress	5.4	5.8
Finished goods	54.5	38.6
Total	74.8	53.8

A write-down of EUR 2.0 (1.6) million in inventory value was booked to correspond the net realisation value.

17. Cash and cash equivalents

EUR million	2015	2014
Cash and bank receivables	13.4	13.7
Total	13.4	13.7

18. Shareholders' equity

	Number of shares (1,000 pcs)	Share capital EUR million	Share capital EUR million	Total EUR million
31 Dec. 2015	6,195	12.6	23.4	36.0
31 Dec. 2014	6 ,190	12.6	23.4	36.0

The fully paid and registered share capital of the company at the end of the financial year was EUR 12,635,152. The nominal value of a share is EUR 2.

Descriptions of the funds in the equity

Translation differences

Translation differences fund contains the translation differences arising from the translations of the financial statements prepared in foreign currency.

Revaluation reserve

Revaluation reserve consists of two sub-reserves: fair value reserve for available-for-sale financial assets and hedging reserve for the revaluations of the fair values of derivative instruments used for cash flow hedges. Changes on the statement of changes in shareholder's equity relate only the revaluation reserve. Changes in the fair value reserve is null on both reporting periods.

Other reserves

Other reserves consist mainly of contingency reserve accounts. Contingency reserve includes the proportion transferred from retained earnings according to the decision by the Annual General Meeting. Contingency reserve totals EUR 7.2 (7.2) million.

Treasury shares

Treasury shares include the acquisition cost of the own shares that are in the Group's possession. The company possessed 122,289 own shares that have been repurchased during 2000, 2001 and 2008. 7 711 shares have been distibuted as part of the Board of Directors' remuneration in 2015. The treasury shares represent 1.9% of the company's share capital and votes. The acquisition cost of the repurchased shares totals EUR 1.7 million.

Dividends

After the date of the financial statement the Board of Directors has proposed a dividend of EUR 0.70 per share to be paid.

19. Provisions

EUR million	2015	2014
NON-CURRENT		
Provisions 1 Jan.	0.4	0.6
Increases, decreases	–0.2	–0.2
Provisions 31 Dec.	0.2	0.4
CURRENT		
Provisions 1 Jan.	0.1	0.1
Increases, decreases	0.2	0.0
Provisions 31 Dec.	0.3	0.1

Provisions relate mainly to defined benefit pension plans.

Apetit Group's most significant defined benefit plans are in the parent company. Parent company's plans include one employee and about 80 pensioners. Plans are administered in pension companies. Parent company's defined benefit obligation totals to EUR 2.2 (2.7) million and plan assets totals to EUR 2.0 (2.4) million. Net liability total to EUR 0.2 (0.4) million.

EUR million	2015	2014
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	2.2	2.7
Present value of unfunded obligations	-	-
Fair value of plan assets	2.0	2.4
Surplus (-) / deficit (+)	0.2	0.4
Unrecognised actuarial gains (+) and losses (-)	0.0	0.0
Net liability (+) / asset (-)	0.2	0.4
Change in the defined benefit obligation		
Defined benefit obligation in the beginning of the year	2.7	3.7
Current service cost	0.0	0.1
Interest cost	0.1	0.1
Actuarial gains (-) and losses (+)	-0.3	-0.9
Benefits paid	-0.3	-0.3
Defined benefit obligation at the end of the year	2.2	2.7
Change in plan assets		
Plan assets in the beginning of the year	2.3	3.1
Interest income	0.1	0.1
Expected return of plan assets	-0.1	-0.7
Contributions paid into the plans	0.0	0.1
Benefits paid	-0.3	-0.3
Plan assets at the end of the year	2.0	2.4

EUR million	2015	2014
Defined benefit expense in the income statement		
Current service cost	0.0	0.1
Interest cost on pension obligation	0.1	0.1
Interest income on plan assets	–0.1	–0.1
Pension expense recognised in the income statement	0.0	0.1
The amounts recognised in the equity		
Demographic gains and losses	–0.3	0.0
Gains and losses from change of financial assumptions	0.0	0.3
Experience gains and losses	0.0	–1.2
Return on plan assets excluding interest	0.1	0.7
Remeasurements of post employment benefit obligations	–0.1	–0.2
Significant actuarial assumptions		
Discount rate (%)	2.5	2.5
Salary growth rate (%)	2.5	2.5
Pension growth rate (%)	1.9	2.1
Inflation (%)	2.0	2.0

Changes in the assumptions, sensitivity 2015	Obligations Increase %	Decline %
Discount rate, change 0,5%	–3.5	3.8
Salary growth rate, change 0.5%	0.0	0.0
Pension growth rate, change 0.25 %	2.0	–1.9
Life expectancy, change 5%	–2.5	2.7

Changes in the assumptions, sensitivity 2014	Plan assets Increase %	Decline %
Discount rate, change 0,5%	–3.2	3.4
Salary growth rate, change 0.5%	0.0	0.0
Pension growth rate, change 0.25 %	0.0	0.0
Life expectancy, change 5%	–2.4	2.5

20. Financial liabilities

EUR million	2015	2014
NON-CURRENT		
Loans from credit institutions	1.0	2.3
Other loans	0.2	0.3
Total	1.2	2.6

The loans from credit institutions are floating rate. The loan in 'Other loans' carries a fixed rate of 5% p.a. Interest-bearing long-term loans are denominated in euros totalling EUR 0.8 (2.1) million and in Norwegian crowns totalling EUR 0.4 (0.5) million. It is assessed that the book values of the liabilities correspond to their fair values.

EUR million	2015	2014
CURRENT		
Commercial papers and loans from credit institutions	35.1	9.3
Other loans	0.2	0.1
Total	35.3	9.4

The fair values of the liabilities are estimated to correspond to their book values.

21. Trade payables and other liabilities

EUR million	2015	2014
NON-CURRENT		
Payables based on derivative instruments, hedge accounting	0.2	0.1
Other liabilities	0.1	2.7
Total	0.2	2.7

Based on 2015 discontinued ownership arrangement between Apetit Kala Oy and Taimen Oy, under certain terms and conditions, the contracting parties were entitled to terminate the cross ownership at fair value. The liability EUR 2.7 million in any termination of ownership will, on the basis of IAS 32, was recognised under non-current liabilities in the comparison period.

In compasion period, the fair value of the debt has declined from EUR 4.8 million to EUR 2.6 million. Under the applicable IFRS's, the change, EUR 2.2 million, was recognised through profit or loss in financial income. There was no changes in the cross ownership in the comparion period.

EUR million	2015	2014
CURRENT		
Trade payables	22.7	21.7
Payables to associated companies	0.3	0.7
Payables based on derivative instruments, no hedge accounting	0.0	0.1
Payables based on derivative instruments, hedge accounting	0.1	0.0
Accrued expenses and deferred income	8.5	8.8
Other liabilities	4.0	4.4
Total	35.5	35.7

The material items in accrued expenses and deferred income consist of personnel expenses and accruals of material purchases.

22. FINANCIAL RISK MANAGEMENT

The Apetit Group is exposed to various financial risks in its normal business operations. The aim of the Group's risk management is to minimize the adverse effects of changes in the financial markets on its financial performance. The main financial risks are the liquidity risk, currency risk, the interest rate risk and the funding risk. The Group uses derivative financial instruments, among other things, to hedge against currency and interest rate risks.

The financial risk management principles observed by the Group are subject to approval by the Board of Directors of Apetit plc, and the practical implementation of these principles is the responsibility of the Financing Department, which operates under the CFO.

1. MARKET RISKS

Currency Risk

The Group operates in international markets and is thus exposed to currency risks arising from changes in exchange rates. The Group's currency risks concern sales, purchases and balance sheet items denominated in foreign currencies (transaction risk), and also investment in foreign subsidiaries (translation risk). The most significant currency risk is caused by the US dollar, Swedish crowns and Norwegian crowns. Other currencies causing some currency risk is mainly Canadian dollar. Group's largest currency risk is from currency derivatives, cash balances and trade payables denominated in other currency than the operating currency in Maritim Food companies and Group's internal financing to Maritim Food companies.

On 31 December 2015 the most significant net investments to foreign subsidiaries are in Norwegian crowns EUR 0.7 million and Swedish crowns EUR 0.7 million. Apetit plc has intra-group loan receivables in Norwegian crowns EUR 6.8 million and in Swedish crowns EUR 4.3 million. Group's policy is not to hedge balances related to subsidiary ownership such as net investments in foreign operations or intra-group loans. Financial income and expense include foreign currency losses total of EUR -0.3 (-0.8) million related to the intra-group loans.

The principle followed by the Group is to hedge the original transaction risk in the case of all financially significant currency positions. The Group's financial policy is to look on open currency positions with a value in excess of EUR 100,000 as significant. Hedging can also be made against a probable future open currency position. The instruments available in currency hedging are forward currency contracts, currency options and currency swaps. The Group's business units are responsible for currency risk hedging. Currency hedging is guided by the risk management policy specifically defined for the purpose and this is monitored by the Group's Financing Department.

Sensitivity to currency risk arising from financial instruments

Currency risk (or foreign exchange risk) arises from financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this IFRS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

If on 31 December 2015 (31 December 2014) Norwegian crowns would have been 10% stronger/weaker against euro, group's net profit would have increased / decreased by EUR 0.6/-0.5 (0.6/-0.5) million and equity increased/decreased by EUR 0.0/0.0 (0.0/0.0) million. All other variables such as interest rates remain the same on the analyses.

If on 31 December 2015 (31 December 2014) US dollar would have been 10% stronger/weaker against euro, group's net profit would have increased/decreased by EUR 0.2/-0.2 (0.3/-0.2) million and equity decreased/increased by EUR 0.0/-0.0 (0.0/0.0) million. All other variables such as interest rates remain the same on the analyses.

If on 31 December 2015 (31 December 2014) Swedish crowns would have been 10% stronger/weaker against euro, group's net profit would have increased/decreased by EUR 0.4/-0.3 (0.4/-0.3) million and equity increased/decreased by EUR -0.1/0.1 (0.0/0.0) million. All other variables such as interest rates remain the same on the analyses.

Interest rate risk

At the end of the financial year, the Group had a total of EUR 1.2 (2.6) million in long-term floating rate loans from financial institutions, commercial papers EUR 32.0 (8.0) million, EUR 3.3 (1.4) million in other short-term liabilities and EUR 13.4 (13.7) million in liquid cash assets. The Group has hedged against long-term and short-term interest rate risk using interest rate swap with nominal value of EUR 6.6 (3.0) million.

Sensitivity to interest rate risk arising from financial instruments

With the balance sheet structure on 31 December 2015 (31 December 2014), a rise/decrease of one percentage point in interest rates would have decreased / increased Group's net profit by EUR -0.2/0.2 (0.0/0.0) million and equity increased/decreased EUR 0.0/0.0 (0.0/0.0) million.

Commodity risk

The Group is exposed to commodity risks associated with the availability of raw materials, the time difference between procurement and sales, and price fluctuations. The most significant single commodity risks concern Grains and Oil Seeds; wheat, barley, oats, soy and rapeseed. It seeks to reduce these risks by using certain quoted commodity futures, forward agreements and options. The Group's exposure to commodity risk and correspondingly the hedging instruments expire within 12 months. At the end of the year commodity derivatives totalled to EUR 20.9 (13.9) million. In frozen products, fish products and fresh products businesses commodity risk arises from store chains' pricing periods, where prices are fixed for the entire pricing period. Commodity risk is mostly controlled by purchase and sales functions' co-operation. The business units are responsible for managing their commodity risks in accordance with the risk management principles laid down for them. Hedge accounting is mostly applied when hedging the raw material risk.

The Apetit Group hedges against price variations in the electricity it purchases by agreeing power supply and electricity derivative financial instruments of up to three years. Management of the Group's electricity portfolio has been outsourced for Finnish companies. The portfolio management covers both the physical procurement of electricity and the financial hedges. Management of the electricity risk is governed by a separate risk policy for the procurement of the electricity. Hedge accounting is applied for hedging the electricity risk and electricity derivatives totalled EUR 0.8 (0.8) million at the end of the year.

Sensitivity to commodity risk arising from financial instruments

If on 31 December 2015 (31 December 2014) derivative based commodity prices would have been increased/decreased by 10%, Group's net profit would have increased/decreased by EUR -0.1/0.1 (0.0/0.0) million and equity increased/decreased by EUR -1.3/1.3 (0.8/-0.8) million. When cash flow hedge accounting is applied, the change in the fair value of derivative financial instruments is assumed to be recorded fully in equity.

Other market risks information

The sensitivity analysis presented may not be representative, since the Group's exposure to market risks also arises from other balance sheet items than financial instruments. For example, the currency risk analyses only reflect the change in fair value of derivative instruments. Cash flows from derivatives are materially offset by commodity purchase prices denominated in foreign currency even though the Group does not apply IAS 39 hedge accounting to all transactions made in hedging purpose.

2. CREDIT RISK

Derivative financial instruments are only entered into with domestic and foreign banks that have a good credit rating. Commodity derivative instruments can be entered into on the appropriate commodity exchanges if necessary. Liquid assets are invested within the approved limits in targets with a good credit rating.

To minimize the operational credit risk, the business units endeavour to obtain collateral security, as credit insurance, in the event that a customer's credit rating so requires.

The Group's management evaluates that there are no significant customer, geographical or counterparty concentrations in the Group's credit and counterparty risks.

Aging of Group's receivables

EUR million	2015	2014
Not due	30.1	29.5
0 - 3 months past due	0.1	0.1
4 - 6 months past due	0.0	0.0
Over 6 months past due	0.0	0.0
Total	30.2	29.6

3. LIQUIDITY RISK

The liquidity risk is the risk that the company may not have sufficient liquid assets or be unable to acquire enough funds to meet the needs of its business operations. The aim of liquidity risk management is to maintain sufficient liquid funds and credit facilities to ensure that there is always enough financing for the Group's business operations. The cash flows of the Group companies are netted with the aid of the Group's internal bank and Group accounts. To manage liquidity, the Group has a commercial paper programme worth EUR 50 (50) million and also long-term binding credit facilities agreed with financial institutions; a total of EUR 45 (25) million was available in credit on 31 December 2015. Credit facilities expire for EUR 25 million on June 2018, for EUR 15 million on June 2020 and for EUR 5 million on June 2022. The total amount of commercial papers issued were EUR 32.0 (8.0) million. Liquidity risk management is the responsibility of the parent company's Financing Department.

Group's derivative liabilities and interest-bearing loan repayments and interest cash flows on 31 December 2015

EUR million	0–3 months	4-12 months	1–5 years	Over 5 years
Loans from financial institutions and other loans	–32.0	–1.2	–1.2	–0.1
Trade payables	–22.9	–	–	–
Derivative liabilities	0.0	–0.1	–0.2	–
Total	–55.0	–1.3	–1.5	–0.1

Group's derivative liabilities and interest-bearing loan repayments and interest cash flows on 31 December 2014

EUR million	0–3 months	4-12 months	1–5 years	Over 5 years
Loans from financial institutions and other loans	–8.0	–1.4	–4.0	–0.1
Trade payables	–22.4	–	–	–
Derivative liabilities	0.0	–0.1	0.0	–
Total	–30.4	–1.5	–4.0	–0.1

4. CAPITAL RISK MANAGEMENT

The main objective for capital risk management is to secure the Group's operational preconditions in all circumstances. The capital structure of the Group is reviewed by the Board of Directors on a regular basis. Apetit plc does not have a public credit rating.

The amounts of the Group's interest bearing debts fluctuate significantly during the year due to a seasonality of the employed working capital. Normally the employed working capital is at highest level during the last quarter of the year and at lowest level during the spring and summer.

EUR million	2015	2014
Interest bearing liabilities	36.5	12.0
Liquid assets	13.4	13.7
Interest bearing net debt	23.0	-1.7
Equity	121.0	129.4
Interest bearing net debt and equity total	144.0	127.7
Gearing, %	19.0	-1.3
Equity ratio, %	61.1	69.7

23. Collateral, contingent liabilities, contingent assets and other commitments

EUR million	2015	2014
LIABILITIES SECURED BY PLEDGES		
Loans from financial institutions	0.5	0.5
Other	0.3	0.5
Total	0.8	1.0
PLEDGES GIVEN FOR DEBTS		
Real estate mortgages	1.3	1.5
Other securities given	2.8	2.8
Guarantees	9.3	7.9
Other leases, present value of minimum lease payments		
Within one year	3.5	3.1
After one year but not more than five years	2.3	2.7
After more than five years	1.9	1.7
Total	7.8	7.6

The present value of minimum lease payments includes real estate leases a total of EUR 7.0 (6.7) million.

CONTINGENT ASSETS

The present value of proceeds from the sale of shares in the joint book-entry account.	0.7	0.7

INVESTMENT COMMITMENTS

Food business	3.1	0.0
Grains and Oilseeds business	0.7	0.0

OTHER LIABILITIES

Liability to adjust value added tax on property investments

The group is liable to adjust value added tax deductions on 2008 - 2015 property investments, if taxable use of the properties decreases. The maximum value of the liability is EUR 1.8 (2.1) million and liability is valid untill 2025.

Based on 2015 discontinued ownership arrangement between Apetit Kala Oy and Taimen Oy, under certain terms and conditions, the contracting parties were entitled to terminate the cross ownership at fair value. The liability EUR 2.7 million in any termination of ownership will, on the basis of IAS 32, was recognised under non-current liabilities in the comparion period.

24. Fair value hierarchy on financial assets and liabilities valued at fair value

EUR million	Level 1	Level 2	Level 3	Total
ASSETS 2015				
Currency derivatives, no hedge accounting	–	0.1	–	0.1
Commodity derivatives, no hedge accounting	0.0	–	–	0.0
Commodity derivatives, hedge accounting	0.7	–	–	0.7
ASSETS 2014				
Currency derivatives, no hedge accounting	–	0.6	–	0.6
Commodity derivatives, no hedge accounting	0.1	–	–	0.1
Commodity derivatives, hedge accounting	0.5	–	–	0.5
LIABILITIES 2015				
Currency derivatives, hedge accounting	–	0.0	–	0.0
Commodity derivatives, hedge accounting	0.2	-	–	0.2
Interest rate swaps	–	-0.1	–	-0.1
LIABILITIES 2014				
Commodity derivatives, hedge accounting	0.1	–	–	0.1
Interest rate swaps	–	0.0	–	0.0

During the year there has not been any transfers between levels 1 and 2.

Level 1 fair values are based on prices obtained from active markets.

Level 2 fair values are based on other input data and commonly accepted fair value models. The input data is based on observable market prices.

Level 3 fair values are mostly based on other input data that are not for the most part based on observable market prices, instead management estimates and commonly accepted fair value models.

NOMINAL VALUES OF DERIVATIVE INSTRUMENTS

EUR million	2015	2014
Currency derivatives, no hedge accounting	15.1	8.3
Currency derivatives, hedge accounting	1.6	–
Commodity derivatives, no cash flow hedge accounting	0.7	2.9
Commodity derivatives, cash flow hedge accounting	20.9	13.9
Interest rate swaps	6.6	3.0

OTHER INFORMATION RELATED TO CASH FLOW HEDGE

The Group applies cash flow hedge accounting to commodity and currency derivatives. Electricity derivatives expire in three years being more emphasized to the two subsequent years from the balance sheet date. Other derivatives become due within one year. Due to cash flow hedge accounting EUR -0.3 (0.4) million was recognised in equity. Group's derivatives affected the profit and loss statement related to net sales EUR 0.0 (0.0) million, purchases and other operating income and expense EUR 0.3 (0.9) million, financial income and expenses EUR -0.1 (-0.1) million and taxes EUR 0.0 (-0.2) million. Profit and loss statement effects of cash flow hedges are materially netted against the opposing fair value change of the hedged item.

25. Related party transactions

Parent company and subsidiary relations of the Group	Domicile	Group's share of ownership %	Group's share of votes, %
Apetit plc (parent company)	Finland		
Apetit Ruoka Oy	Finland	100.0	100.0
Apetit Kala Oy	Finland	100.0	100.0
Caternet Finland Oy	Finland	100.0	100.0
Kiinteistö Oy Kivikonlaita	Finland	100.0	100.0
Apetit Suomi Oy	Finland	100.0	100.0
Maritim Food AS	Norway	100.0	100.0
Maritim Food Sweden AB	Sweden	100.0	100.0
Sandanger AS	Norway	100.0	100.0
Avena Nordic Grain Oy	Finland	80.0 [1)]	80.0 [1)]
Mildola Oy	Finland	80.0 [1)]	80.0 [1)]
ZAO Avena St. Petersburg	Russia	80.0 [1)]	80.0 [1)]
UAB Avena Nordic Grain	Lithuania	80.0 [1)]	80.0 [1)]
OÜ Avena Nordic Grain	Estonia	80.0 [1)]	80.0 [1)]
TOO Avena Astana	Kazakhstan	80.0 [1)]	80.0 [1)]
OOO Avena-Ukraine	Ukraine	80.0 [1)]	80.0 [1)]
SIA Avena Nordic Grain	Latvia	80.0 [1)]	80.0 [1)]
2 non-operative companies	Finland	100.0	100.0

[1)] In addition Apetit owns indirectly through Foison Oy 6.0%

SALARIES, WAGES AND BENEFITS OF THE ADMINISTRATIVE BODIES OF THE GROUP

The administrative bodies consists of the members of the Supervisory Board, the Board of Directors, the CEO and other members of the corporate management of the parent company.

The chairmen of the Supervisory Board was paid EUR 16,200 (14,541), the deputy chairman EUR 13,380 (13,386) and the members EUR 300 to 1,200 (300 to 1,455) in fees and allowances.

THE MEMBERS OF THE BOARD OF DIRECTORS AND CEO WERE PAID IN SALARIES, WAGES AND FRINGE BENEFITS AS FOLLOWS:

1,000 EUR	2015	2014
Veijo Meriläinen, debuty chairman of the Board until 29 April 2014 and chairman of the Board since 16 April 2015	35	9
Aappo Kontu, chairman of the Board until 16 April 2015 debuty chairman of the Board since 16 April 2015	35	47
Lasse Aho, member of the Board since 16 Aptril 2015	17	–
Esa Härmälä, member of the Board since 11 April 2014	23	16
Tuomo Lähdesmäki, member of the Board	23	23
Samu Pere, member of the Board until 16 April 2015	6	24
Niko Simula, member of the Board since 16 April 2015	18	–
Helena Walldén, member of the Board until 16 April 2015	6	24
Matti Karppinen, CEO until 29 April 2014	–	371
Veijo Meriläinen, CEO since 30 April 2014 until 15 March 2015	75	204
Juha Vanhainen, CEO since 16 Mrach 2015	288	–
Corporate management, five members, one employed since Fall 2015	698	585

The remuneration and incentive plans for management are made up of monetary remuneration, fringe and pension benefits, and performance-related compensation, by which the degree of success for the year is measured. The level of these plans as a whole is compared annually with the general market level. The Board of Directors of Apetit plc decides on the principles for the remuneration and incentive plans for the CEO and other members of the management. The Board also confirms annually the indicators to be used for the plans and their level in relation to the targets set. The indicators also include key figures connected with annual budgets as well as development targets selected on a function-specific basis. In 2015, indicators for the CEO and management were among others the Group´s earnings per share, and applicable business unit's ROCE-%, net sales growth and operating profit before non-recurring items. The maximum amount of performance-related compensation corresponds to 60 per cent of annual salary in the case of the CEO, and 50 per cent of annual salary for other corporate management. The CEO and two members of the corporate management have separate operating profit based compensation scheme for period 2015-2017, where the maximum compensation corresponds to yearly salary in the case of CEO and 8 months salary in the case of other members. Payment will take place at the end of the scheme in shares (50%) and in cash (50%). In addition, the CEO has acquired 10 000 Apetit Oyj shares, and in return Apetit will compensate equivalent amount in shares (50%) and in cash (50%) after three years of employment.

The members of the Board do not have any pension agreements with the Group companies. The agreed retirement age for the CEO is 62 years.

POST–EMPLOYMENT BENEFITS

1,000 EUR	2015	2014
Pension benefits, amount transferred to income statement		
Matti Karppinen, CEO	–	117
Juha Vanhainen, CEO	89	–

The key conditions of the CEO's terms of service are defined in his contract. The period of notice for the CEO is six months. Should the CEO be given notice by the company, he will be entitled to a severance package equivalent to 12 months' pay.

The Group did not have any loan receivables from the group key management during the financial periods.

TRANSACTIONS WITH ASSOCIATED COMPANIES

EUR million	2015	2014
Sales to associated companies	1.1	1.4
Purchases from associated companies	7.8	10.0
Trade receivables and other receivables from associated companies	0.2	0.8
Trade payables and other liabilities to associated companies	0.3	0.7

The sales of goods and services to the associated companies and joint ventures are based on valid market prices.

26. EVENTS SINCE THE END OF THE FINANCIAL YEAR

The Group is not aware of any events of material importance after the balance sheet date that might have affected the preparation of the financial statements.

27. Key indicators

FINANCIAL RATIOS

EUR million	2015	2014	2013	2012	2011
Profitability					
Net sales	380.8	384.7	387.3	378.2	335.5
Exports from Finland	74.7	82.7	64.0	73.0	90.8
Operating profit	–2.0	–5.9	9.4	8.5	8.7
% of net sales	–0.5	–1.5	2.4	2.2	2.6
R & D expenses	0.8	0.8	0.9	1.0	0.9
% of net sales	0.2	0.2	0.2	0.3	0.3
Financial income (+)/expenses(-), net	–1.5	–2.2	–0.2	–1.0	–1.2
Profit before taxes	–3.5	–8.1	9.3	7.5	7.5
% of net sales	–0.9	–2.1	2.4	2.0	2.2
Profit for the period	–4.6	–8.7	9.3	6.7	5.7
% of net sales	–1.2	–2.3	2.4	1.8	1.7
Attributable to					
Shareholders of the parent company	–4.3	–8.0	10.1	6.6	5.7
Non-controlling interests	–0.3	–0.7	–0.8	0.1	0.0
Return on equity, % (ROE)	–3.7	–6.5	6.5	4.8	4.1
Return on capital employed, % (ROCE)	–1.5	–4.2	5.9	5.6	6.7

FINANCE AND FINANCIAL POSITION

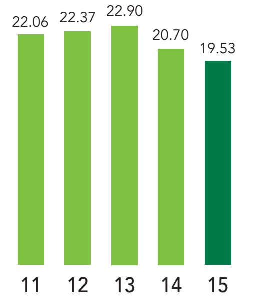
EUR million	2015	2014	2013	2012	2011
Equity ratio, %	61.1	69.7	70.3	60.6	74.9
Net gearing, %	19.0	–1.3	8.4	22.0	–5.1
Non-current assets	79.1	88.5	105.2	110.9	86.3
Inventories	74.8	53.8	64.0	79.4	62.3
Other current assets	44.0	43.4	35.2	42.6	37.2
Shareholders' equity	121.0	129.4	143.6	141.5	139.2
Distributable funds	67.3	73.4	86.0	88.5	87.7
Interest-bearing liabilities	36.5	12.0	14.9	36.4	2.3
Non-interest-bearing liabilities	40.4	44.3	45.8	55.0	44.3
Balance sheet total	197.9	185.7	204.4	232.9	185.8
Other indicators					
Gross investments excluding acquisitions	9.1	2.5	3.0	3.9	5.8
% of net sales	2.4	0.7	0.8	1.0	1.7
Acquisitions and other investments in shares	0.1	0.0	–	9.7	0.2
% of net sales	0.0	0.0	–	2.6	0.1
Average number of personel	725	723	782	721	596

SHARE INDICATORS

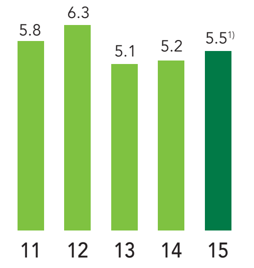
EUR million	2015	2014	2013	2012	2011
Earnings per share, EUR	–0.69	-1.29	1.63	1.07	0.92
Dividend per share, EUR	[1] 0.70	0.70	1.00	0.90	0.85
Dividend per earnings, %	–	–	61.3	84.1	92.4
Effective dividend yield, %	5.5	5.2	5.1	6.3	5.8
P/E ratio			11.9	13.4	16.0
Shareholders' equity per share, EUR	19.53	20.70	22.90	22.37	22.06
Share performance, EUR					
Lowest price during the year	12.61	13.56	14.41	12.38	12.95
Highest price during the year	16.80	21.63	19.64	16.77	18.80
Average price during the year	14.12	16.42	16.77	14.48	15.77
Share price at the end of the year	12.65	13.59	19.45	14.32	14.71
Share turnover					
Share turnover (1,000 pcs)	696	1.031	700	833	687
Turnover ratio, %	11.0	16.3	11.1	13.2	10.9
Share capital, EUR million	12.6	12.6	12.6	12.6	12.6
Market capitalisation, EUR million	79.9	85.9	122.9	90.5	92.9
Dividends, EUR million	[1] 4.3	4.3	6.2	5.6	5.3
Number of shares					
Number of shares	6,317,576	6,317,576	6,317,576	6,317,576	6,317,576
Average adjusted number of shares	6,192,435	6,188,416	6,220,618	6,187,576	6,187,576
Adjusted number of shares at the end of the period	6,195,287	6,190,298	6,187,576	6,187,576	6,187,576

[1] Board's proposal

EQUITY PER SHARE
2011–2015, EUR

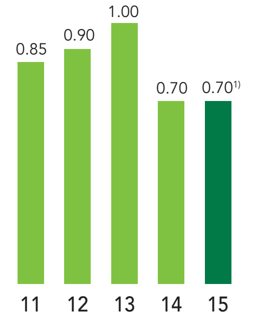


EFFECTIVE DIVIDEND YIELD
2011–2015, %



[1] Board's proposal

DIVIDEND / SHARE
2011–2015, EUR



[1] Board's proposal

28. Calculation of key indicators

Return on equity (ROE), %	=	Profit/loss / Total equity, average for the year	x 100
Return on capital employed (ROCE), %	=	Operating profit + share of profits of associated companies / Capital employed, average for the year	x 100
Equity ratio, %	=	Total equity / Total assets - advance payments received	x 100
Gearing, %	=	Interest-bearing net liabilities / Total equity	x 100
Interest-bearing net liabilities	=	Interest-bearing liabilities - cash and cash equivalents - short term investments	
Earnings per share	=	Profit/loss for the year attributable to the shareholders of the parent company / Weighted average number of outstanding shares	
Dividend per share	=	Dividend for the period / Basic number of outstanding shares on 31 December	
Dividend per earnings, %	=	Dividend per share / Earnings per share	x 100
Effective dividend yield, %	=	Dividend per share / Share price at the end of the period	x 100
Price/earnings ratio (P/E)	=	Share price at the end of the period / Earnings per share	
Shareholders' equity per share	=	Equity attributable to the equity holders of the parent company / Basic number of outstanding shares on 31 December	
Market capitalisation	=	Basic number of outstanding shares x share price at the end of the period	
Operational EBIT	=	EBIT excluding restructuring expenses, any significant impairment on goodwill or other balance sheet items or reversal of impairment, the profit of the associated companies not related to operating segments or other extraordinary and material items.	

29. Shares and shareholders

MAJOR SHAREHOLDERS ON 29 JANUARY 2016

Owner	Number of shares	%	Number of votes	%
Sievi Capital plc	635,596	10.1	635,596	10.3
Valio's Pension Fund	520,108	8.2	520,108	8.4
Eela Esko	392,392	6.2	392,392	6.3
Nordea Nordic Small Cap Fund	347,860	5.5	347,860	5.6
EM Group Oy	314,520	5.0	314,520	5.1
Jussi Capital Oy	188,168	3.0	188,168	3.0
Central Union of Agricultural Producers and Forest Owners	125,485	2.0	125,485	2.0
Jussi Invest Oy	101,000	1.6	101,000	1.6
Norvestia Plc	74,294	1.2	74,294	1.2
Säkylä municipality	59,822	0.9	59,822	1.0
Top 10 sub-total	2,759,245	43.7	2,759,245	44.5
Nominee-registered shares	249,964	4.0	249,964	4.0
Other shareholders	3,186,078	50.4	3,186,078	51.4
External ownership total	6,195,287	98.1	6,195,287	100.0
Shares owned by the company	122,289	1.9		
Total	6,317,576	100.0		

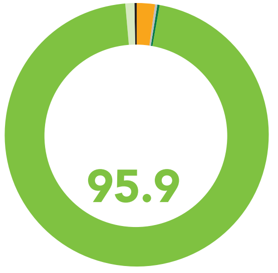
DISTRIBUTION OF SHAREHOLDINGS ON 29 JANUARY 2016

Shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1 – 100	4,904	48.1	238,643	3.8
101 – 500	3,974	39.0	972,835	15.4
501 – 1 000	799	7.8	592,027	9.4
1 001 – 5 000	448	4.4	875,891	13.9
5 001 – 10 000	31	0.3	204,541	3.2
10 001 – 50 000	16	0.2	259,101	4.1
50 001 – 100 000	4	0.0	261,957	4.1
100 001 – 500 000	8	0.1	1,756,877	27.8
500 001 –	2	0.0	1,155,704	18.3
Total	10,186	100.0	6,317,576	100.0

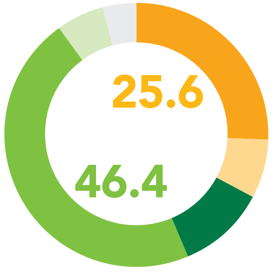
DISTRIBUTION OF OWNERSHIP ON 29 JANUARY 2016

	% of shareholders	% of shares
Companies	2.3	25.6
Financial and insurance institutions	0.2	7.2
Public organisations	0.3	10.8
Private households	95.9	46.4
Non-profit organisations	1.1	5.9
Foreign owners	0.1	0.1
Nominee-registered		4.0
Total	100.0	100.0

DISTRIBUTION OF SHAREHOLDINGS
percentage of shareholders, %



DISTRIBUTION OF SHAREHOLDINGS
percentage of shares, %



Shares owned by the Group administrations

Regular and deputy members of the Supervisory Board and members of the Board of Directors and the CEO and the deputy CEO, and the corporations and foundations under their control owned a total of 36 042 shares on 29 January 2016. This corresponds to 0.6% of the share capital and voting rights.

Parent Company Income Statement, FAS

PARENT COMPANY INCOME STATEMENT, FAS

EUR 1,000	Note	2015	2014
Other operating income	(1)	1 153	564
Personnel expenses	(2)	–1,699	–2,104
Depreciation and impairments	(3)	–292	–280
Other operating expenses	(4)	–1,201	–4,171
Operating loss		–2,039	–5,991
Financial income and expenses	(5)	–993	–5,049
Profit / loss before extraordinary items		–3,033	–11,040
Extraordinary items	(6)	1,237	4,315
Profit / loss before appropriations and taxes		–1,796	–6,725
Change in depreciation difference		–	–10
Income taxes	(7)	54	291
Net profit / loss		–1,742	–6,444

PARENT COMPANY BALANCE SHEET, FAS

EUR 1,000	Note	31.12.2015	31.12.2014
ASSETS			
Non-current assets			
Intangible assets		189	233
Tangible assets	(9)	3,754	3,925
Investments in Group companies	(10,11)	22,780	25,354
Investments in associated companies	(10,11)	12,245	12,126
Other investments and receivables	(10,11)	71	101
Total non-current assets		39,038	41,738
Current assets			
Long-term receivables	(12)	18,183	18,384
Deferred tax assets	(14)	588	534
Current receivables	(13)	70,634	53,119
Cash and cash equivalents		12,814	12,698
Total current assets		102,219	84,735
Total assets		141,257	126,473
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	(15)		
Share capital		12,635	12,635
Share premium account		23,391	23,391
Contingency reserve		7,232	7,232
Retained earnings		61,795	72,573
Profit / loss for the period		–1,742	–6,444
Total equity		103,311	109,387
Accumulated appropriations		10	10
Liabilities	(16)		
Long-term interest bearing liabilities		600	1,800
Current interest bearing liabilities		36,683	14,479
Current non-interest bearing liabilities		653	797
Total liabilities		37,935	17,076
Total equity and liabilities		141,257	126,473

PARENT COMPANY STATEMENT OF CASH FLOWS, FAS

EUR 1,000	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items	–3,033	–11,040
Adjustments*)	556	5,317
Change in working capital		
Change in non-interest-bearing current receivables	1,343	1,013
Change in non-interest-bearing current liabilities	–1,763	3,262
Cash flow from operating activities before financial items and taxes	–2,896	–1,448
Dividends received	5,041	1,989
Interests paid	–229	–233
Interests received	1,050	1,058
Taxes paid	–	547
Cash flow from operating activities (A)	2,966	1,914
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	–108	–125
Proceeds from sales of tangible and intangible assets	790	50
Investments in subsidiaries	–1,729	–
Investments in associated companies	–119	–
Investments in other investments	–	–25
Dividens received from other investments	1,866	5,048
Cash flow from investing activities (B)	701	4,948
Cash flow before financing	3,667	6,862

EUR 1,000	2015	2014
CASH FLOW FROM FINANCING ACTIVITIES		
Change in long-term loans	–1,200	–1,200
Change in short-term loans	24,000	–1,000
Change in long-term subsidiary financing	201	–7,318
Change in short-term subsidiary financing	–26,534	17,129
Dividends paid	–4,334	–6,188
Group contributions, received	4,315	2,150
Cash flow from financing activities (C)	–3,551	3,573
Net increase/decrease in cash and cash equivalents	116	10,435
Cash and cash equivalents at beginning of financial year	12,698	2,263
Cash and cash equivalents at end of financial year	12,814	12,698

Change in receivables and liabilities of the Group account -344 (4,057) is included in the change of the working capital.

*) Adjustments to cash flow from operating activities:		
Depreciation and impairments	292	280
Financial income and expenses	993	5,049
Gains and losses on sales of tangible and intangible assets	–729	–11
Other adjustments	0	–1
Total	556	5,317

ACCOUNTING PRINCIPLES, FAS

Valuation of fixed assets

Fixed assets have been capitalised at their acquisition cost. Fixed assets have been depreciated on a straight line basis according to plan, based on useful economic life.

In 2015 an impairment in subsidiary shares a total of EUR 4.3 million have been recognised on the financial statements of the parent company.

Financial expenses include subsidiary loan conversion to equity a total of EUR 4.1 million.

Foreign currency items

Receivables and payables denominated in foreign currencies have been translated into euros at the European Central Bank middle rate on the closing day. Exchange rate differences caused by short-term receivables and liabilities have been charged to the profit and loss account. Unrealised exchange rate losses and gains of long-term receivables and liabilities have also been charged to the profit and loss account.

Deferred tax assets and liabilities

Deferred tax liabilities and assets are calculated on the basis of the timing differences between the closing date and the taxation date, using the tax rate for subsequent years confirmed on the closing date.

Derivative contracts

In line with its risk management policy, Apetit uses a variety of derivatives for hedging against a number of risks arising from foreign currencies, interest rates and commodity prices. The market values of derivatives are entered under derivative contracts in the other notes to the accounts and indicate what the result would have been if the derivative position had been closed at market prices on the date of closing of the accounts.

Swap contracts and cap agreements have been used against interest rate risks in variable-rate long-term loans. The income or expenses from the contracts are recorded on accrual basis under other financial income or expenses.

Pension arrangements

Statutory pension coverage for corporate personnel is covered by pension insurance. Special pension insurance policies provide additional pension coverage under the Trust rules for former employees and retired staff previously covered by the Lännen Tehtaat Staff Pension Trust.

The retirement age for the parent company's CEO has been set at 62 years.

NOTES TO THE PARENT COMPANY INCOME STATEMENT, FAS

1. Other operating income

EUR 1,000	2015	2014
Gains from sales of non-current assets	729	11
Rental income	267	389
Service fees	145	144
Other	12	20
Total	1,153	564

2. Personnel expenses and average number of personnel

EUR 1,000	2015	2014
PERSONNEL EXPENSES		
Wages and salaries	1,493	1,715
Pension expenses	164	347
Other social security expenses	43	42
Total	1,699	2,104

Salaries, wages and benefits of the administrative bodies are presented in Note 25 of the Notes to the consolidated financial statements.

Average number of personnel	11	10

The pension commitments to the members of the Board of Directors and the CEO

The retirement age of the CEO is 62 years.

3. Depreciation and impairments

Depreciation according to plan has been calculated from the original acquisition cost on a straight-line-basis. Tangible and intangible assets are subject to straight-line depreciation over the period of their useful lives. Deprecitions begin from the month that they are available fo use.

Depreciation periods:

Intangible rights	5 or 10 years
Other capitalised long-term expenses	5 or 10 years
Buildings and structure	20–30 years
Other buildings and constructions	5 or 10 years
Machinery and equipment	5 or 10 years

The basis for depreciations have not changed.

EUR 1,000	2015	2014
DEPRECIATION ACCORDING TO PLAN		
Intangible rights	23	16
Other capitalised long-term expenses	39	14
Buildings and structure	206	231
Machinery and equipment	18	19
Total	286	280
IMPAIRMENTS		
Immaterial goods	6	–
Total	6	–
Depreciation according to plan total	292	280

4. Other operating expenses

EUR 1,000	2015	2014
Rental expenses	20	37
Expenses of administration	529	3,455
Other operating expenses	651	679
Total	1,201	4,171
Audit fees	67	63

In the previous period, total other operating expenses include expenses related to the resolution of the shareholders agreement dispute totalling EUR 2,963 thousands.

5. Financial income and expenses

EUR 1,000	2015	2014
DIVIDEND INCOME		
From Group companies	5,027	1,974
From associated companies	1,866	5,048
From others	14	15
Total	6,907	7,037
INTEREST INCOME FROM LONG-TERM INVESTMENTS		
From Group companies	234	286
OTHER INTEREST AND FINANCIAL INCOME		
From Group companies	814	762
From foreign currency gains	47	–
From others	2	11
Total	863	772
Financial income, total	8,005	8,096
Reduction in value of investments held as non-current assets	4,303	12,137
INTEREST EXPENSES AND OTHER FINANCIAL EXPENSES		
From foreign currency losses	366	774
From interest espense	57	85
From others	172	149
Subsidiary loan convertion to equity	4,100	–
Total	4,694	1,008
Financial expenses total	8,998	13,145
Financial income and expenses, total	-993	-5,049

Foreign currency losses include unrealised currency losses from long-term loan receivables a total of EUR 328 (774) thousands.

6. Extraordinary items

EUR 1,000	2015	2014
Group contributions, received	1,237	4,315

7. Income taxes

EUR 1,000	2015	2014
Income taxes from extraordinary items	–247	–1,057
Income taxes for the financial year	247	1,057
Change in deferred tax assets	54	291
Total	54	291

8. Non-current assets, intangible assets

INTANGIBLE ASSETS 2015

EUR 1,000	Intangible rights	Other capitalised long-term expenses	Assets under construction	Total
Acquisition cost 1 Jan.	108	322	195	624
Additions	–	18	–	18
Disposals	–	–12	–	–12
Transfer difference and other changes	59	136	–195	–
Acquisition cost 31 Dec.	167	463	–	630
Accumulated depreciation 1 Jan.	–94	–297	–	–392
Disposals, accumalated depreciation	–	12	–	12
Depreciation for the period	–23	–39	–	–62
Accumulated depreciation 31 Dec.	–117	–324	–	–442
Book value 31 Dec. 2015	49	139	–	189

INTANGIBLE ASSETS 2014

EUR 1,000	Intangible rights	Other capitalised long-term expenses	Assets under construction	Total
Acquisition cost 1 Jan.	108	311	152	570
Additions	–	11	43	54
Acquisition cost 31 Dec.	108	322	195	624
Accumulated depreciation 1 Jan.	–79	–283	–	–362
Depreciation for the period	–16	–14	–	–30
Accumulated depreciation 31 Dec.	–94	–297	–	–392
Book value 31 Dec. 2014	14	25	195	233

9. Non-current assets, tangible assets

TANGIBLE ASSETS 2015

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan.	2,260	5,868	463	63	8,655
Additions	–	90	–	–	90
Disposals	–	–1,190	–63	–6	–1,258
Acquisition cost 31 Dec.	2,260	4,768	401	57	7,487
Accumulated depreciation 1 Jan.	–	–4,350	–380	–	–4,730
Disposals, accumalated depreciation	–	1,167	54	–	1,222
Depreciation for the period	–	–206	–18	–	–224
Accumulated depreciation 31 Dec.	–	–3,389	–344	–	–3,733
Book value 31 Dec. 2015	2,260	1,380	57	57	3,754

TANGIBLE ASSETS 2014

EUR 1,000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan.	2,260	5,848	452	63	8,623
Additions	–	20	51	–	71
Disposals	–	–	–39	–	–39
Acquisition cost 31 Dec.	2,260	5,868	463	63	8,655
Accumulated depreciation 1 Jan.	–	–4,120	–360	–	–4,480
Depreciation for the period	–	–231	–19	–	–250
Accumulated depreciation 31 Dec.	–	–4,350	–380	–	–4,730
Book value 31 Dec. 2014	2,260	1,517	84	63	3,925

REVALUATION 2014 AND 2015

EUR 1,000	Total
Revaluation includes in book value of land and water areas.	
Land and water areas 1 Jan. and 31 Dec.	1,850

10. Investments

INVESTMENTS, OTHER INVESTMENTS AND RECEIVABLES 2015

EUR 1,000	Holdings in Group companies	Holdings in associated	Other investments	Other receivables	Total
Acquisition cost 1 Jan.	25,354	12,126	69	31	37,580
Additions	1,729	119	–	–	1,848
Disposals	–	–	–	–30	–30
Impairments	–4,303	–	–	–	–4,303
Book value 31 Dec. 2015	22,780	12,245	69	1	35,095

INVESTMENTS, OTHER INVESTMENTS AND RECEIVABLES 2014

EUR 1,000	Holdings in Group companies	Holdings in associated	Other investments	Other receivables	Total
Acquisition cost 1 Jan.	37,491	12,126	44	31	49,692
Additions	–	–	25	–	25
Impairments	–12,137	–	–	–	–12,137
Book value 31 Dec. 2014	25,354	12,126	69	31	37,580

11. Shares of Group companies, associated companies and other shares and receivables

	Domicile	Share of ownership–%
GROUP COMPANIES		
Apetit Ruoka Oy	Säkylä	100.0
Apetit Kala Oy	Kuopio	100.0
Apetit Suomi Oy	Säkylä	100.0
Avena Nordic Grain Oy	Helsinki	80.0
Caternet Finland Oy	Helsinki	100.0
Maritim Food AS	Norway	100.0
1 non-operative company	Säkylä	100.0
ASSOCIATED COMPANIES		
Sucros Oy	Helsinki	20.0
Foison Oy	Helsinki	30.0

OTHER SHARES, HOLDINGS AND RECEIVABLES	Book value 1,000 EUR
Other shares and holdings	69
Connection fees, long-term receivables	1
Total	70

12. Long-term receivables

EUR 1,000	2015	2014
Loans receivables from Group companies	18,183	18,384

13. Current receivables

EUR 1,000	2015	2014
ACCOUNTS RECEIVABLE	8	58
AMOUNTS OWED BY THE GROUP COMPANIES		
Accounts receivable	104	63
Loans receivable	66,211	44,096
Group account receivables	2,905	4,358
Group contribution receivables	1,237	4,315
Other receivables	95	112
Total	70,553	52,944
AMOUNTS OWED BY THE ASSOCIATED COMPANIES		
Accounts receivable	2	16
PRE-PAYMENTS AND ACCRUED INCOME		
Personel expenses	55	56
Other	16	44
Total	71	100
Current receivables total	70,634	53,119

14. Deferred tax assets

EUR 1,000	2015	2014
Deferred tax assets, carry forward of unused tax losses	588	534

Deferred tax asset of EUR 53,7 thousands has been recognised for 2015 taxable loss.

15. Changes in shareholders' equity

EUR 1,000	2015	2014
Share capital 1 Jan.	12,635	12,635
Share capital 31 Dec.	12,635	12,635
Share premium account 1 Jan.	23,391	23,391
Share premium account 31 Dec.	23,391	23,391
Contingency reserve 1 Jan.	7,232	7,232
Contingency reserve 31 Dec.	7,232	7,232
Retained earnings 1 Jan.	72,573	75,739
Transfer from previous year's profit	–6,444	3,021
Dividends paid	–4,334	–6,188
Retained earnings 31 Dec.	61,795	72,573
Profit / loss for the financial year	–1,742	–6,444
Shareholders' equity 31 Dec.	103,311	109,387
DISTRIBUTABLE FUNDS		
Contingency reserve	7,232	7,232
Retained earnings	61,795	72,573
Profit for the financial year	–1,742	–6,444
Distributable funds 31 Dec.	67,285	73,361

16. Liabilities

EUR 1,000	2015	2014
NON-CURRENT LIABILITIES		
Loans from financial institutions	600	1 800
CURRENT LIABILITIES		
Loans from financial institutions	1,200	1,200
Commercial papers and loans from credit institutions	32,000	8,000
Trade payables	178	31
AMOUNTS OWED TO GROUP COMPANIES		
Trade payables	–	1
Other liabilities	74	170
Group account liabilities	3,483	5,279
Total	3,557	5,451
AMOUNTS OWED TO ASSOCIATED COMPANIES		
Trade payables	12	27
OTHER LIABILITIES		
Tax account payable	34	68
ACCRUED EXPENSES AND DEFERRED INCOME		
Personnel expenses	310	403
Accruals of expenses	43	97
Total	354	499
Non-current liabilities, interest-bearing, total	600	1,800
Current liabilities, interest-bearing, total	36,683	14,479
Current liabilities, non-interest-bearing, total	653	797
Total	37,935	17,076

17. Contingent liabilities

EUR 1,000	2015	2014
LEASE LIABILITIES		
Real estate lease liabilities		
Falling due during the following year	200	200
Falling due at later date	–	200
Other lease liabilities		
Falling due during the following year	37	26
Falling due at later date	32	21
OTHER LIABILITIES		
Guarantees	62	62
CONTINGENT LIABILITIES ON BEHALF OF THE GROUP COMPANIES		
Guarantees	9,221	7,621
Liabilities total	9,552	8,130
OUTSTANDING DERIVATIVE INSTRUMENTS		
Commodity derivatives		
Nominal value of underlying instruments	756	745
Market value	–218	–134
Interest rate swaps		
Nominal value of underlying instruments	6,618	3,000
Market value	–60	–43
Currency derivates		
Nominal value of underlying instruments	1,068	–
Market value	–23	–
CONTINGENT ASSETS		
Proceeds from the sale of shares in the joint book-entry account.	720	721

Proposal of the Board of Directors for the distribution of profits

The parent company's distributable funds on 31 December 2015 after deduction of loss of the year, EUR –1,741,846.59, totalled EUR 67,285,239.77.

The Board of Directors proposes to the Annual General Meeting that the distributable funds be used as follows:

– distributed as a dividend of EUR 0.70 per share i.e. a total of	EUR 4,336,700.90
– retained in shareholders' equity	EUR 62,948,538.87
Total	EUR 67,285,239.77

No material changes have taken place in the company's financial position subsequent to the balance sheet date. The company's liquidity is good and, in the Board of Directors' opinion, the proposed dividend distribution will not jeopardise the company's solvency.

Signatures to the Board of Directors' report and Financial Statements

Espoo, 16 February 2016

Veijo Meriläinen	Lasse Aho	Esa Härmälä
Aappo Kontu	Tuomo Lähdesmäki	Niko Simula

Juha Vanhainen
CEO

Auditor’s Report

(Translation from the Finnish Original)

To the Annual General Meeting of Apetit Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Apetit Plc for the year ended 31 December, 2015. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent 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 consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the 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 or the Managing Directors are guilty of an act or negligence which may result in liability in damages towards the company or whether they 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.

Opinion on the Consolidated Financial Statements

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

Opinion on the Company’s Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent 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 support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Supervisory Board, the Members of the Board of Directors, and the Managing Directors of the parent company should be discharged from liability for the financial period audited by us.

Espoo, 16th February, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pasi Karppinen	Jari Viljanen
Authorised Public Accountant	Authorised Public Accountant

Statement by the Supervisory Board

The Supervisory Board has today reviewed Apetit Plc's financial statements 2015 including the consolidated financial statements, the Board of Directors' report and the auditors' report provided by the Company's auditors. The Supervisory Board has no remarks to make on these.

The Supervisory Board proposes that the parent company financial statements and consolidated financial statements be adopted and concurs with the proposal of the Board of Directors concerning the distribution of the profit funds.

The term of the following Supervisory Board members will end on the date of the Annual General Meeting: Heikki Aaltonen, Jussi Hantula, Risto Korpela, Jonas Laxåback, Timo Ruippo and Esa Ruohola.

Säkylä, 18 February 2016

For the Supervisory Board

Harri Eela	Asmo Ritala
Chairman	Secretary

Corporate Governance Statement of Apetit Plc 2015

This Corporate Governance Statement of Apetit Plc has been drawn up in accordance with Securities Market Association's Finnish Corporate Governance Code 2015. The Corporate Governance Statement has been considered by Apetit Plc's Board of Directors and is issued separately from the Board of Directors' report. The company's auditors have confirmed that the Corporate Governance Statement has been issued and that the description it contains of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with the financial statements.

Apetit Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association, which came into effect on 1 January 2016.

The company deviates from recommendation 5 of the Corporate Governance Code concerning the election of the members of the Board of Directors. Recommendation 5 of the Corporate Governance Code states that they shall be elected by the general meeting. Under Apetit Plc's Articles of Association, however, the Supervisory Board elects the members of the Board based on the proposals of the Nomination Committee, and decides on their remuneration. The company has chosen to deviate from the recommendation because the Supervisory Board, as the body that oversees the company's Board of Directors, is best placed to assess the composition of the Board of Directors and the attributes required of Board members.

The company deviates from the Corporate Governance Code recommendation (no. 8) on the composition of the Board of Directors, which states that both sexes shall be represented on the board. Although the company considers it important that its Board of Directors should have a diverse composition, it has been necessary to deviate from the recommendation because in the selection process it was emphasised that candidates should have experience of the retail trade and of primary production. In the future, the company will put more emphasis on the search for representatives of both sexes for membership of the Board of Directors.

The Corporate Governance Code is publicly available on the website of the Securities Market Association, at www.cgfinland.fi.

BOARD OF DIRECTORS

1. Board of Directors election procedure laid down in the Articles of Association

Under Apetit Plc's Articles of Association, the Supervisory Board decides the number of members of the Board of Directors and their remuneration based on the proposals of the Nomination Committee, and elects the members of the Board of Directors.

In accordance with the Articles of Association, Apetit Plc's Board of Directors consists of a minimum of five and a maximum of seven members. Persons who would already have attained the age of 68 at the time of being elected are not eligible for election to the Board of Directors. The Articles of Association do not limit the number of terms served by members of the Board of Directors nor is the Supervisory Board's decision-making power in the election of members of the Board of Directors restricted in any other way.

2. Composition of Board of Directors

Members

In the period up to 15 April 2015, Apetit Plc's Board of Directors comprised the six members elected by the Supervisory Board on 11 April 2014. Esa Härmälä, Aappo Kontu, Tuomo Lähdesmäki, Veijo Meriläinen, Samu Pere and Helena Walldén comprised the Board during 1 January – 15 April 2015.

At a meeting held on 16 April 2015, Apetit Plc's Supervisory Board decided to continue to elect six members to Apetit Plc's Board of Directors. The Board members elected were Lasse Aho, Esa Härmälä, Aappo Kontu, Tuomo Lähdesmäki, Veijo Meriläinen and Niko Simula.

Information on members of the Board of Directors

Veijo Meriläinen, b. 1952, M.Sc. (Agric.), eMBA
Principal occupation: Merive Oy, President
Chairman since 2015, Deputy Chairman since 2013, member since 2012
CEO of Apetit Plc until 15.3.2015
Share ownership 31 December 2015: 1,196 shares

Aappo Kontu, b. 1952, M.Sc. (Tech.)
Principal occupation: Valor Partners Oy, Senior Advisor
Deputy Chairman since 2015, Chairman 2013-2015,
Deputy Chairman 2012, member since 2004
Share ownership 31 December 2015: 2,387 shares

Lasse Aho, b. 1958, M.Soc.Sc
Principal occupation: CEO, Olvi plc, 2004-
member since 2015
Share ownership 31 December 2015: 2,053 shares

Esa Härmälä, b. 1957, M.Sc. (Agric.)
Principal occupation: Metsähallitus, General Director
Member since 2014
Share ownership 31 December 2015: 1,157 shares

Tuomo Lähdesmäki, b. 1957, M.Sc. (Tech.), MBA
Principal occupation: Boardman Ltd, partner
Member since 2013
Share ownership 31 December 2015: 1,657 shares

Niko Simula, b. 1966, Master of Laws
Principal occupation: Farmer
Member since 2015
Share ownership 31 December 2015: 610 shares

Evaluation of independence

The company's Board of Directors has performed an evaluation of the independence of the Board's members in relation to the company and in relation to the major shareholders, in accordance with recommendation 10 of the Corporate Governance Code.

The evaluation found that all the Board members are independent of the company and of significant shareholders as referred to in the Corporate Governance Code recommendation.

3. Description of the operation of the Board of Directors

Main elements of the Board of Directors' rules of procedure

The rules of procedure of the Board of Directors describe the following

- functions of the Board of Directors and the Board's chairman
- planning and assessment of the Board's operation
- establishment of Board committees and temporary working groups, and
- practices for approving the expenses of Board members and the Chief Executive Officer (CEO)

Functions of the Board of Directors

The general function of the Board of Directors is to direct the operations of the company in such a way that in the long run the amount of added value for the capital invested is maximised, taking into account at the same time the expectations of the different stakeholders. The Board of Directors also monitors on a continuous basis the demands placed by shareholders on the Board of Directors and the general development of ownership policy.

For the purpose of performing its functions the Board of Directors:

- monitors the financial statements reporting process and the statutory auditing of the financial statements and consolidated financial statements
- supervises the financial reporting process
- considers the corporate governance statement's description of the main aspects of the internal control and risk management systems pertaining to the financial reporting process
- appoints and releases from duties the CEO and Deputy CEO, determines their duties and decides on their terms of service and their incentive schemes
- sets personal targets for the CEO annually and assesses their realisation
- convenes at least once a year without the operating organisation's management in attendance
- holds a meeting with the auditors at least once a year
- assesses the independence of the auditor and the auditing firm and assesses the additional services provided for the companies to be audited
- prepares a draft resolution on the choice of auditors for submission to the general meeting
- assesses its own performance once a year
- confirms its rules of procedure, which are reviewed annually
- discusses other matters proposed by the Board of Directors chairman or the CEO for inclusion in the meeting agenda.

Members of the Board of Directors are also entitled to have a matter of their choosing discussed by the Board by first notifying the chairman of this.

Based on proposals presented by the CEO, the Board of Directors:

- confirms the company's ethical values and operating policies, and supervises their implementation
- confirms the company's basic strategy and continuously monitors its validity
- defines the company's dividend policy
- approves the annual operating plan and budget on the basis of the strategy, and supervises their implementation
- approves the total annual investment and its distribution among the business areas, and decides on large and strategically important investments, acquisitions and divestments
- confirms the operating guidelines for the company's internal control, ensuring annually that they are kept up-to-date, and monitors the effectiveness of internal control
- confirms the company's risk management policy and principles as well as the risk limits to be confirmed annually, and monitors the effectiveness of the risk management systems
- reviews quarterly the main risks associated with the company's operations and the management of these risks
- discusses and approves interim reports, the Board of Directors' report and the financial statements
- confirms the Group's organisational structure
- where necessary, submits proposals to the general meeting concerning the remuneration systems for management and personnel

- annually monitors issues associated with management successors and draws up the necessary conclusions
- confirms the decisions of the CEO about the choice of the CEO's immediate subordinates, their duties, terms of employment and incentive schemes, and
- monitors the company's working atmosphere and the way in which personnel cope with their tasks

Planning and assessment of the Board's operation

The Board of Directors draws up an operating plan for itself for the ensuing 12 months. The plan includes a schedule of meetings and, for each meeting, the most important issues for discussion.

The Board of Directors assesses its performance annually through a self-evaluation, and the evaluation results are submitted to the Supervisory Board for its information. The evaluation results are taken into consideration in the preparation of proposals for the composition of the new Board of Directors.

Committees of the Board of Directors

The Board of Directors has not elected any committees from among its members.

As the Board of Directors has not elected an audit committee from among its members, the Board itself is managing the audit committee duties laid down in recommendation 16 of the Corporate Governance Code.

Board of Directors' meetings in 2015

In 2015, the Apetit Plc Board of Directors met 12 times. One of these meetings were conducted by telephone. The average attendance rate of members was 94,3 %.

SUPERVISORY BOARD

1. Composition and term

In accordance with the Articles of Association, the Supervisory Board comprises a minimum of 15 and a maximum of 20 members elected by the general meeting. In addition, the personnel choose from among its members a maximum of four Supervisory Board members at a time, and each of these members has a personal deputy.

Persons who have attained the age of 68 are ineligible for election to the Supervisory Board. The members' term of office ends at the close of the third Annual General Meeting following their election.

2. Functions

The Supervisory Board elects the members, chairman and deputy chairman of the Board of Directors based on the proposals of the Nomination Committee, and decides on their remuneration.

The Supervisory Board's functions also include supervision of corporate administration, issuing instructions to the Board of Directors, issuing an opinion on the financial statements, Board of Directors' report and auditor's report, and other duties prescribed for it in the Limited Liability Companies Act.

3. Composition of the Supervisory Board and information on its members

In the period up to 25 March 2015 the Supervisory Board consisted of 18 members elected by the general meeting. On 25 March 2015, the Annual General Meeting decided to elect 18 members to the Supervisory Board.

Members elected by the general meeting 2015:

Harri Eela, b. 1960, wood-products industries technician,
Sales Director, Cursor Oy
Chairman of the Supervisory Board since 2014,
Member since 2012

Marja-Liisa Mikola-Luoto, b. 1971, M.Sc. (Agric.), farmer
Deputy Chairman of the Supervisory Board since 2011,
Member since 2005

Heikki Aaltonen, b. 1956, M.Sc. (Agric.), farmer
Member since 2007

Jaakko Halkilahti, b. 1967, farmer
Member since 2011

Jussi Hantula, b. 1955, farmer
Member since 1995

Laura Hämäläinen, b. 1975, M.Sc. (Agric.), farmer
Member since 2009

Aki Kaivola, s. 1960, M.Sc. (Agric.), farmer
Member since 2015

Risto Korpela, b. 1949, M.Sc. (Econ. & Bus. Adm.),
Commercial Counsellor
Member since 2007

Jonas Laxåback, s. 1973, M.Sc. (Agric.), Secretary General
Member since 2013

Mika Leikkonen, b. 1963, farmer
Member since 2008

Ilkka Markkula, s. 1960, farmer
Member since 2003

Jari Nevavuori, b.1966, M.Sc. (Agric.),
Product Manager, farmer
Member since 2012

Markku Pärssinen, b. 1957, M.Sc. (Agric.), Secretary General
Member since 2012

Petri Rakkolainen, b. 1966, engineer,
Managing Director, farmer
Member since 2014

Timo Ruippo, b. 1968, Agricultural Technician, farmer
Member since 2013
Esa Ruohola, b. 1946, farmer
Member since 1998

Johanna Takanen, b. 1973, BBA, Managing Director
Member since 2015
Mauno Ylinen, b. 1965, M.Sc. (Agric.)
Member since 2005

Members appointed by the personnel:

Jari Heiskanen, b. 1979, shop steward
Member since 2015
Debuty member Kirsi Turunen

Timo Hurme, b. 1959, shop steward
Member since 2015
Debuty member Päivi Hakasuo

Mari Saarinen, b. 1982, shop steward
Member since 2015
Debuty member Marika Palmén

Heikki Vesanto, b. 1949, shop steward
Member since 2012
Debuty member Kirsi Roos

4. Meetings of the Supervisory Board in 2015

The Supervisory Board met four times in 2015. The average attendance rate of members was 83.1 %.

SUPERVISORY BOARD NOMINATION COMMITTEE

1. Composition and tasks

The Supervisory Board's Nomination Committee, which prepares the names for election to the Board of Directors, consists of two members chosen by the Annual General Meeting, the chairman of the Supervisory Board, the deputy chairman of the Supervisory Board and the chairman of the Board of Directors, in accordance with the Articles of Association. The Nomination Committee is chaired by the Supervisory Board's chairman, and in his/her absence, by the Supervisory Board's deputy chairman.

The Nomination Committee has the task of preparing proposals for the Supervisory Board on the number of members of the Board of Directors, the names of the members, chairman and deputy chairman of the Board of Directors and the remuneration payable to them. The Committee's tasks also include searching for successor candidates to replace members of the Board of Directors, as necessary. The Committee asks shareholders with significant voting power for their views concerning the proposals being put to the Supervisory Board.

2. Activity

In 2015 the Nomination Committee convened three times to discuss matters pertaining to the Committee's tasks. The average attendance rate of the Committee's members was 100 %.

3. Information on members of the Nomination Committee

Chairman
Harri Eela, b. 1960, wood-products industries technician, Sales Director, Cursor Oy
Chairman of the Supervisory Board

Veijo Meriläinen, b. 1952, M.Sc. (Agric.), eMBA
Principal occupation: Merive Oy, President
Apetit Plc Chairman of the Board of Directors

Sauli Lähteenmäki, b. 1960, agricultural engineer, dairy farm entrepreneur
Principal occupation: Valio Pension Fund Chairman of the Board of Directors, Valio member of the Board of Directors

Marja-Liisa Mikola-Luoto, b. 1971, M.Sc. (Agric.), farmer
Deputy Chairman of the Apetit Plc Supervisory Board
Jorma Takanen, b. 1946, B.Sc. (Chem. Eng.)
Principal occupation: Sievi Capital Oyj, member of the Board of Directors

CEO

CEO

Juha Vanhainen, b. 1961, M.Sc. (Tech.)
CEO of Apetit Plc since 16 March 2015
Share ownership 31 December 2015: 12,500 shares

Veijo Meriläinen, b. 1952, M.Sc. (Agric.), eMBA
CEO of Apetit Plc until 15 March 2015
Share ownership 31 December 2015: 1,196 shares

CEO's duties

It is the CEO's duty to direct the operations of the company according to the instructions and provisions issued by the Board of Directors and to inform the Board about the development of the company's business operations and financial situation.

The CEO is also responsible for arrangement of the day-to-day management of the company and for seeing that the company's accounts are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

CORPORATE MANAGEMENT

The Group has a corporate management whose chairman is the CEO of Apetit Oyj and members are:

Johanna Heikkilä, b. 1962, M.Sc. (Econ. & Bus. Adm.)
HR Director
Share ownership 31 December 2015: 0 shares

Eero Kinnunen, b. 1970, M.Sc. (Econ. & Bus. Adm.)
Chief Financial Officer, deputy CEO
Share ownership 31 December 2015: 360 shares

Anu Ora, b. 1973, M.Sc. (Econ. & Bus. Adm.)
Vice President, Food Business
Share ownership 31 December 2015: 0 shares

Asmo Ritala, b.1958, OTK
Corporate Councel
Share ownership 31 December 2015: 0 shares

Kaija Viljanen, b. 1952, M.Sc. (Econ. & Bus. Adm.), EMBA
Director of Grains and Oilseeds Business
Share ownership 31 December 2015: 0 shares

The Corporate Management does not exercise powers based on law or the Articles of Association. The Corporate Management is an advisory body appointed by Apetit Plc's CEO and has the task of discussing Group-wide development projects and Group-level principles and procedures as necessary. The CEO is responsible for choosing the members of the Corporate Management.

MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS PERTAINING TO THE FINANCIAL REPORTING PROCESS

1. Internal control operating principles

Apetit Plc's Board of Directors confirms the operating principles for the Apetit Group's internal control and assesses the state of internal control at least once a year.

Internal control refers to all the operating methods, systems and procedures with which the company's management seeks to ensure efficient, economical and reliable operations. Internal control comprises financial and other control. At Apetit, internal control is performed by the company's management and by all other personnel.

Risk management as part of internal control refers to the identification, assessment, restriction and monitoring of risks arising in business activities and risks that are materially related to this.

2. Role of company boards in arranging internal control

Apetit Plc's Board of Directors is responsible for arranging and maintaining sufficient and effective internal control within the Apetit Group.

As part of the arrangement of internal control and risk management, the company's Board of Directors regularly monitors the results and operating risks of the Group and its business units, and decides on the reporting, the procedures and the qualitative and quantitative indicators for assessing the efficiency and profitability of operations. The Group's Board of Directors confirms annually the Group's risk policy, risk management principles and key risk limits.

To ensure implementation of the Group's ownership policy towards the Group companies and to monitor the effectiveness of internal control, the boards of directors of the main Group companies include one or more members of the Group's Corporate Management. Group-level risk management and financial reporting are performed on a centralised basis in the Group Administration, independent of the different business activities. The boards of directors of the Group companies are responsible for the highest level of management duties related to the internal control of their respective companies. The operating organisation's management in each of the Group companies is responsible for the implementation of internal control and risk management in line with the pre-determined principles and operating guidelines, and for reporting on the company's operations, risk-bearing ability and risk situation in accordance the Group's management system.

3. Implementation of internal control within Apetit Plc and the Group companies

The main principles of internal control observed within Apetit Plc and the Group companies are:

Organisational structure and division of tasks

The basis for internal control is the function-specific line organisation that is further divided into departments, units and teams, as necessary. The organisational units are allotted defined tasks and responsibilities required for the company's operations. The task of the operating organisation's management, i.e. the managers of the Group's business areas and operations, is to set quantitative and qualitative targets for the various areas of the business in accordance with the business plan approved by the Board of Directors. For the units, decision-making bodies and people operating within the framework of the organisation there are separately defined decision-making and operating powers set out in work and job specifications, as well as obligations to report to one's superiors or otherwise to a higher organisational level. The task of the operating organisation's management is to ensure that those working under them are familiar with their own duties, and the management are required to create the right conditions for their personnel to be able to perform their work and achieve the targets.

Decision-making and monitoring

Significant commitments or other actions deemed to carry risks are subject to the approval of the Group's Board of Directors. Business units are responsible for formulating proposed decisions and for putting decisions into effect. Reporting on the implementation of decisions is made in connection with the management reporting.

Business activities and processes are guided within the confines of operating guidelines and descriptions, which are monitored to ensure they are complied with and kept up-to-date. All decisions taken are documented and archived. An essential aspect of risk management is the performance of daily controls in the operating chains and processes.

Risk management

The internal and external risks of Apetit Plc and the Group companies that could have an adverse effect on achieving business targets are identified, assessed regularly and reported quarterly to the Group Board of Directors. The risks are contained and the confining limits are monitored.

The Group Administration's risk management has the task of monitoring, measuring and reporting risks and of maintaining, developing and preparing risk management principles for the Board of Directors' approval, and of drafting procedures for use in risk assessment and measurement. Roles and responsibilities are defined in Apetit's risk management policy and risk management principles, which are approved by the Group's Board of Directors.

Data systems

The basis for business and other activities is provided by the accounting, information and business IT systems. The parent company and the Group companies have an IT strategy in accordance with currently assessed needs and sufficient and appropriately organised IT systems. The IT function ensures that the company's data resources can be utilised in the planning, management, execution and monitoring of the company's business.

Responsibility for the effectiveness of internal control

The operating organisation's management has the primary responsibility for ensuring the implementation of practical measures for internal control. The management must constantly monitor the operations it is responsible for and must take the necessary development measures if action contrary to guidelines or decisions or action that is otherwise ineffective or inappropriate is observed. In a transparent and effective organisation the entire personnel are all responsible not only for the appropriate discharging of their own duties but also for the fluency of operations with the rest of the organisation.

4. Reporting and management systems

Internal control is supported by appropriate reporting that allows monitoring of operations, results and risks. Achievement of the business targets and developments in the Group's financial situation are monitored with the aid of a Group-wide management system. The Group's accounting principles, controls and responsibilities are described in the Apetit Group's accounting manual. Reporting guidelines and timetables have been drawn up in writing for monthly reporting and preparation of interim reports and annual financial statements. The company's financial management unit constantly monitors the business units' reporting and develops and produces guidelines on the content of reporting, taking into account the needs of internal control. The Group prepares financial information for publication, complying with the international financial reporting standards (IFRS). Interim reports and annual financial statements are reviewed by the Group's Board of Directors and are subject to its approval.

The business units update the longer term financial estimates each year. The annual budgets are prepared on the basis of these strategic figures. The Group's Board of Directors assesses and approves the business units' annual budgets. In addition, on a quarterly basis or more often, the business units update the profit and balance sheet estimates to cover at least the ensuing 12 months.

The monthly reporting and the related analysis for budgets and estimates constitute a key element of Apetit's management system and internal control. Financial figures are assembled from the business units' data systems every month for the Group's joint accounting system.

The outturn information and up-to-date estimates are reviewed monthly in Group-level results meetings, which are attended by the the Chief Financial Officer (CFO) and those in charge of the Group's accounting. The management system comprises the actual profit and balance sheet information, the key figures and the written management report of those responsible for the businesses. The management report covers the factors that affected the results given in the month's report, the measures planned for the immediate term and an assessment of the operating profit for the current quarter and the full year, consisting of best case, probable and worst case scenarios.

The Group CEO and members of the Corporate Management are issued with the reports, and the Group's Board of Directors is issued with a summary for the Group and summaries of the data for each business unit.

The business units' management groups examine their own financial outturn data at least once a month and compare them with budgets and estimates, and also examine the results of the various units' monitoring measurements used for business management purposes and compare them with estimates and targets, and the reasons for any significant discrepancies between these. In addition, business unit's results, estimates and state of business are reviewed on business unit review meetings where participants are corporate management and responsible persons from the business unit based on the agenda in question. These meetings are held once a month or less frequently in the case of one business unit.

5. Internal audit

The internal audit unit functions objectively and independently in support of the Board of Directors, the CEO and Group Administration, for the purpose of assessing and developing the level of internal control in the Group's different units by providing an independent and objective assessment and advisory service for risk management and monitoring processes within the organisation.

Internal audit is performed on the basis of a pre-determined plan. The internal audit is overseen by the Group's CFO, who submits the annual audit plan to the Group's Board of Directors for its approval.

Internal audit reports annually in writing to the Apetit Plc Board of Directors on the audit findings and areas for improvement in internal control. Where necessary, the internal audit also reports on individual audit findings during the annual planning period to the Board of Directors.

The internal audit is performed by an external service provider, and KPMG Oy Ab was selected to perform the audit.

Remuneration, insider issues

REMUNERATION

Supervisory Board

The Annual General Meeting on 25 March 2015, decided to pay to the members of the Supervisory Board are;

- the monthly remuneration paid to the Supervisory Board's chairman is EUR 1,000 (2014: 1,000)
- the monthly remuneration paid to the deputy chairman is EUR 665 (665)
- the meeting allowance paid to the chairman and the members of the Supervisory Board is EUR 300 (300)
  - the meeting allowance is also paid to the chairman and deputy chairman of the Supervisory Board for their attendance at meetings of the company's Board of Directors.
  - the meeting allowance is also paid to the members of the Supervisory Board's Nomination Committee.

In 2015 the Supervisory Board met four times. The average attendance rate of members was 83.1%. The members of the Supervisory Board were paid a total of EUR 49,380 in remuneration and allowances.

Board of Directors

- the yearly remuneration paid to the chairman of the Board of Directors is EUR 39,060 (39,060)
- the yearly remuneration paid to the deputy chairman EUR is 24,120 (24,120)
- the yearly remuneration paid to the other Board members is EUR 19,560 (19,560)
- a meeting allowance of EUR 510 (510) is also paid to the chairman, and EUR 300 (300) to the members.

A total of 50 per cent of the annual remuneration will be paid in cash and 50 per cent in the form of Apetit Plc's shares held by the company at the current value of the shares at the time of transfer.

In 2015 the Board of Directors met 12 times. One of the meetings were telephone conferences. The average attendance rate of members was 94.3%. In 2015 the members of the Board of Directors received a total of EUR 162,915 in remuneration and allowances. These are itemised in the note 25 to the financial statements.

CEO and deputy CEO

The Board of Directors appoints and releases from duties the CEO and deputy CEO, determines their duties and decides on their terms of service and their incentive schemes . Veijo Meriläinen, CEO up till 15 March 2015, did not have any supplementary pension plans. Juha Vanhainen took up the duties as CEO on 16 March 2015. He has a supplementary defined contribution pension agreement and payments made to the plan amounted to EUR 72,067 in 2015.

The salary and benefits paid to the CEOs in 2015 amounted to EUR 362,773.

The Group's Chief Financial Officer (CFO) Eero Kinnunen, M.Sc. (Econ. & Bus. Adm.), has served as deputy CEO since 1 January 2008.

INSIDER ISSUES

Apetit Plc's insider trading regulations approved by its Board of Directors came into effect on 14 August 2012. They are based on the provisions of the Securities Markets Act (Chapters 12 - 14), the regulations issued by the Financial Supervision Authority (Standard 5.3 on Declarations of Insider Holdings and Insider Registers, 10 June 2013), and the Guidelines for Insider Trading approved by the Board of Directors of Nasdaq Helsinki Ltd, which came into effect on 1 July 2013.The insider trading regulations include guidelines concerning persons in public insider registers, persons in the company-specific permanent insider register and project-specific insiders, and a description of the organisation and procedures concerning insider administration.

The following persons are all categorised as public insiders of Apetit Plc by virtue of their position or duties: the members and deputy members of the company's Board of Directors and Supervisory Board; the CEO and deputy CEO; the auditors and deputy auditors, including the auditing firm's officer with principal responsibility for the auditing of Apetit Plc; the Chief Financial Officer; the Commercial Director, Food Business, the Director of frozen products group, Food Business, the director of fresh products group, Food Business and the Director of Grains and Oilseeds Business.

Apetit Plc's company-specific permanent insider register contains information on persons employed by the company who, by virtue of their position or duties, receive inside information on a regular basis. The company-specific insider register currently lists some 50 persons.

A trading restriction is in force within the company which forbids its permanent insiders from trading in Apetit Plc shares 21 days prior to publication of Apetit Plc's interim reports and the release of its financial statements.

The company maintains its insider register in the SIRE system of Euroclear Finland Ltd. The names and information on shareholdings of those persons listed as public insiders can be viewed on the company web pages at www.apetitgroup.fi/en. The holdings of the members of the Board of Directors and the Group's Corporate Management on 29 January 2016 are presented in conjunction with the presentation of the Board and Corporate Management members on pages 66 - 69 of the Financial Statements publication.

Supervisory Board and Auditors

SUPERVISORY BOARD

Members elected by the Shareholders' meeting

Harri Eela, b. 1960, Wood Industry Technician, Sales Director
Chairman since 2014, Member since 2012
Principal occupation: Cursor Oy, Sales Director
Main simultaneous positions of trust:
Chairman of the Board: Finninno Oy, Scanhomes Ltd. Finland

Marja-Liisa Mikola-Luoto, b. 1971, M.Sc. (Agric.)
Deputy Chairman since 2011, Member since 2005
Principal occupation: Farmer
Main simultaneous positions of trust:
Member of the Board: Säkylän Osuuspankki

Heikki Aaltonen, b. 1956, M.Sc. (Agric.), Farmer
Member since 2007
Membership expires 2016

Jaakko Halkilahti, b. 1967, Farmer
Member since 2011

Jussi Hantula, b. 1955, Farmer
Member since 1995
Membership expires 2016

Laura Hämäläinen, b. 1975, M.Sc. (Agr.), Farmer
Member since 2009

Aki Kaivola, b. 1960, farmer
Member since 2015

Risto Korpela, b. 1949, M.Sc. (Econ. & Bus. Adm.), Commercial Counsellor
Member since 2007
Membership expires 2016

Jonas Laxåback, b. 1973, M.Sc. (Agric.), Executive Director
Member since 2013
Membership expires 2016

Mika Leikkonen, b. 1963, Farmer
Member since 2008

Ilkka Markkula, b. 1960, Farmer
Member since 2003

Jari Nevavuori, b. 1966, M.Sc. (Agric.), Development Manager, Farmer
Member since 2012

Markku Pärssinen, b. 1957, M.Sc. (Agric.), Executive Director
Member since 2012

Petri Rakkolainen, b. 1966, B.Sc. (Eng.), Managing Director, Farmer
Member since 2014

Timo Ruippo, b. 1968, Agricultural Technician, Farmer
Member since 2013
Membership expires 2016

Esa Ruohola, b. 1946, Farmer, Municipal Counsellor
Member since 1998
Membership expires 2016

Johanna Takanen, b. 1973, CEO
Member since 2015

Mauno Ylinen, b. 1965, M.Sc. (Agric.)
Member since 2005

Personnel representatives

Jari Heiskanen, b. 1979
Member since 2015
Personal Deputy Member
Kirsi Turunen

Timo Hurme, b. 1959
Member since 2015
Personal Deputy Member
Päivi Hakasuo

Mari Saarinen, b. 1982
Member since 2015
Personal Deputy Member
Marika Palmén

Heikki Vesanto, b. 1949
Member since 2012
Personal Deputy Member
Kirsi Roos

AUDITORS

Pasi Karppinen
M.Sc. (Econ. & Bus. Adm.), APA

PricewaterhouseCoopers Oy
Authorised Public Accountants
Auditor with Principal Responsibility
Jari Viljanen
M.Sc. (Econ. & Bus. Adm.), APA

Board of Directors

1 Veijo Meriläinen

b. 1952, M.Sc. (Agric.), eMBA
Chairman of the Board since 2015, Member of the Board since 2012

Main simultaneous positions of trust:
Chairman of the Board: HZPC Sadokas, Merive Oy
Member of the Board: HZPC Kantaperuna Oy

Employment history:
Apetit Plc, CEO 2014-2015
Valio Oy, management positions in international operations, international sales and commercialization of innovations 1999-2011, member of the group management team 1990-2011, management positions in production, product acquisition and cheese business 1990-1999, R&D management positions 1978-1990

Shareholding in Apetit: 1,196 shares (29 January 2016)

2 Aappo Kontu

b. 1952, M.Sc. (Tech.), Senior Advisor, Valor Partners Oy
Deputy Chairman of the Board since 2015,
Chairman of the Board 2013-2015,
Deputy Chairman of the Board in 2012,
member of the Board since 2004

Main simultaneous positions of trust:
Chairman of the Board: Vahterus Oy,
Anvia Securi Oy, Kieku Oy
Member of the Board: Anvia Oyj

Employment history:
Empower Group Oy, President, 1999-2012
Pohjolan Voima Oy, Technical Director, PVO-Engineering Oy, Managing Director, 1996-1998
TVS-Tekniikka Oy, Managing Director, 1993-1996
Teollisuuden Voimansiirto Oy, Director of Technical Department, 1989-1993
Teollisuuden Voima Oy, Head of Engineering Office, 1977-1989

Shareholding in Apetit: 6,014 shares (29 January 2016)

3 Esa Härmälä

b. 1954, M.Sc. (Agric.)
Member of the Board since 2014
Principal occupation:
Metsähallitus, General Director, 2014-

Employment history:
Ministry of Employment and the Economy, Director-General of the Energy Department, 2011-2014
Fertilizers Europe, Director General 2006-2010, Chairman of The Central Union of Agricultural Producers and Forest Owners (MTK) 1994-2006, EU accession negotiator, Ministry for Foreign Affairs of Finland 1993-1994, Special Adviser (Economic Policy) for the Prime Minister 1991-1992, Secretary and Head of Department for Trade Policy, The Central Union of Agricultural Producers and Forest Owners (MTK) 1987-1991

Shareholding in Apetit: 1,157 shares (29 January 2016)

4 Tuomo Lähdesmäki

b. 1957, M.Sc. (Eng.), MBA
Member of the Board since 2013
Principal occupation:
Boardman Oy, Partner, 2002-

Main simultaneous positions of trust:
Chairman of the Board: Kitron ASA, Ovenia Group Ltd, Turku University Foundation, Council of Finnish Foundations
Member of the Board: Aspocomp Group Plc, Metsä Tissue Corporation, Vaaka Partners Ltd, University Pharmacy

Employment history:
Elcoteq Network Plc 1997-2001, Leiras Ltd 1991-1997, Managing Director
Swatch Group 1990-1991, Nokia Mobile Phones 1986-1989, Director

Shareholding in Apetit: 1,657 shares (29 January 2016)

5 Niko Simula

b.1966, Master of Laws, Trained on the bench
Member of the Board since 2015
Principal occupation:
Farmer

Main simultaneous positions of trust:
Member of the Board, Finnamyl Oy, Lammaisten Energia Oy
Employment history:
Employed at law offices 1992-2011, attorney-at-law 1995-2011
Asianajotoimisto Niko Simula, 1999-2011
Asianajotoimisto Santala & Simula, 1994-1999
Asianajotoimisto Pekka Santala, 1992-1993
District Court of Kokemäki 1991-1992, notary, acting district court judge
Farmer 1987 –

Shareholding in Apetit: 610 shares (29 January 2016)

6 Lasse Aho

b. 1958, M.Soc.Sc.
Member of the Board since 2015
Principal occupation:
CEO, Olvi plc, 2004-

Main simultaneous positions of trust:
Member of the Board, The Brewers of Europe, Genelec Oy,
The Federation of the Brewing and Soft Drinks Industry, Finnish Food and Drink Industries' Federation

Employment history:
MetroAuto Tampere Ltd, CEO 2000-2004
Linkosuon Leipomo Oy, CEO 1997-2000
Fazer Bakeries Ltd, Sales Director 1993-1997
Fazer Keksit Oy, Marketing Director 1985-1993
Atoy-yhtiöt, Product Manager 1984-1985

Shareholding in Apetit: 2,253 shares (29 January 2016)

CEO and Corporate Management

1 Juha Vanhainen

b. 1961, M.Sc. (Tech.)
CEO since 2015

Main simultaneous positions of trust:
Member of the Board of Directors:
Finnish Food and Drink Industries' Federation
Chairman of the Board of Directors: Ekokem Oyj

Employment history:
Stora Enso Oyj, Member of the Group Leadership Team 2007-2015
Executive Vice President, energy, logistics, IT services and wood supply 2013-2015
Executive Vice President, paper business area 2007-2013
Country Manager Finland 2008-2013
Chairman and Member of the Board of Directors of several international subsidiaries and associated companies
Stora Enso International Office London, Senior Vice President, uncoated fine paper 2003-2007
Stora Enso Oulu Mill, Mill Director 1999-2003
Enso Oy and Veitsiluoto Oy, Oulu Paper Mill, management, project and expert positions 1990-1998
Kemi Oy, department engineer 1988-1990

Shareholding in Apetit: 12,500 shares (29 January 2016)

2 Johanna Heikkilä

b. 1962, M.Sc. (Econ. & Bus. Adm.)
HR Director since 2005

Main simultaneous positions of trust:
Member of the Supervisory Board:
Elo Mutual Pension Insurance Company

Employment history:
Fazer Leipomot Oy, HR Director, 2003-2005
LU Suomi Oy, HR Director, 2002-2003
LU Suomi Oy (earlier Fazer Keksit Oy), HR Manager, 1995-2002
Fazer Suklaa Oy, HR Manager, 1992-1994
Fazer Suklaa Oy, HR specialist 1990-1991

Shareholding in Apetit: – (29 January 2016)

3 Eero Kinnunen

b. 1970, M.Sc. (Econ. & Bus. Adm.)
Chief Financial Officer since 2006, Deputy CEO since 2008

Employment history:
Cloetta Fazer Suklaa Oy, Business Controller, 2004-2006
Cloetta Fazer Makeiset Oy, Category Expert, 2000-2004
Fazer Polska Sp.z.o.o., Business Controller, 1998-2000
Fazer Suklaa Oy, Controller 1996-1998

Shareholding in Apetit: 360 shares (29 January 2016)

4 Asmo Ritala

b. 1958, LL.M.
Corporate Councel since 1995

Employment history:
Avena Ltd, Corporate counsel, 1995-2002
Finnish Grain Board, lawyer, 1990-1994
Oy Esso Ab, superintendent, 1986-1990

Shareholding in Apetit: – (29 January 2016)

5 Kaija Viljanen

b. 1952, M.Sc. (Econ. & Bus. Adm.), B.A., EMBA
Managing Director of Avena Nordic Grain Oy since 1995 and Managing Director of Mildola Oy since 2009

Main simultaneous positions of trust:
Member of the Board and various work groups; Coceral

Employment history:
Finnish Grain Board, Deputy Director, 1992-1995
The Central Union of Agricultural Producers and Forest owners (MTK), Project Manager, 1991-1992
Finnish-Russian Chamber of Commerce Moscow, Director, 1987-1991

Shareholding in Apetit: – (29 January 2016)

6 Anu Ora

b. 1973, M.Sc. (Econ. & Bus. Adm.)
Vice President, Food Business since 2015

Main simultaneous positions of trust:
Member of the Board; Raskone

Employment history:
Suomen Lähikauppa Oy, Vice President, Commercial, 2012-2015
Suomen Lähikauppa Oy, Vice President, Category Management, 2011-2012
Suomen Lähikauppa Oy, Vice President, Category Management Processes, 2010-2011
Suomen Lähikauppa Oy, Purchasing Director, 2010
Boston Consulting Group, Project Leader & Principal, 2001-2009
Boston Consulting Group, Associate Consultant & Consultant, 1997-2001

Shareholding in Apetit: – (29 January 2016)

Shares, dividend policy

Registration and quotation

Apetit Plc's shares are in the book-entry securities system. The shares have been quoted on Nasdaq Helsinki Ltd since 1989. The symbol of the share is APETI and its ISIN code is FI0009003503.

Shares and voting rights

The shares of Apetit Plc are all in one series. All shares carry the same voting and dividend rights. The Articles of Association specify that the number of votes a shareholder is entitled to exercise cannot exceed one tenth of the votes represented at a shareholders' meeting.

Share capital

The minimum amount of share capital is EUR 10 million, and the maximum amount EUR 40 million. The nominal value of each share is EUR 2. At the beginning and end of the year the registered and fully paid share capital was EUR 12,635,152 and the number of shares was 6,317,576.

Authorization for share issue

The Annual General Meeting held on 25 March 2015 authorized the Board of Directors to decide on issuing new shares and the right to transfer Apetit shares held by the company (share issue). The authorisation covers a maximum total of 761,757 shares, consisting of up to 635,470 new shares and 126,287 Apetit shares held by the company.

The subscription price for each new share will be at least the share's nominal value, or EUR 2. The transfer price for Apetit shares held by the company will be at least the market value of the share at the time of transfer, which is determined by the price quoted in public trading on Nasdaq Helsinki Ltd. The Board of Directors will also have the right to issue shares against consideration other than cash. In the case of share-based incentive systems, shares can also be issued without consideration.

The authorisation includes the right to deviate from the shareholders' pre-emptive subscription right (targeted issue) if the company has an important financial reason to do so, such as development of the company's capital structure, financing and implementing corporate acquisitions or other arrangements, or implementing a share-based incentive system.

The authorisation is valid until the 2018 Annual General Meeting. The authorisation cancels a previous authorisation given on 28 March 2012 of issuing new shares and right to transfer Apetit shares held by the company.

By decision of the Apetit Plc Supervisory Board, half of the annual remuneration for the members, chairman and deputy chairman of the Board of Directors will be paid in cash and half in Apetit Plc shares held by the company at their current value at the time of transfer. In 2015 a total of 4,989 shares were transferred as annual remuneration to the Board of Directors.

Option rights

The company's Board of Directors is not authorized to issue share options or other special rights giving entitlement to shares.

Own shares

At the close of the financial year, the company had in its possession a total of 122,289 of its own shares acquired during previous years, with a combined nominal value of EUR 0.24 million. These treasury shares represent 1.9% of the company's total number of shares and total number of votes. The company's treasury shares carry no voting or dividend rights.

Dividend policy

The aim of the Board of Directors of Apetit Plc is that the company's shares should provide shareholders with a good return on investment and retain their value. The dividend policy aims to support this goal. The company will distribute a dividend of at least 40% of the profit for the financial year attributable to shareholders of the parent company.

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