



OLVI PLC

INTERIM REPORT 29 APRIL 2015 at 9:00 am

## OLVI GROUP'S INTERIM REPORT, 1 JANUARY TO 31 MARCH 2015 (3 MONTHS)

### INTERIM REPORT IN BRIEF

Olvi Group's overall performance in the first quarter was good. Sales volume, net sales and operating profit all improved on the previous year.

#### January to March 2015 in brief:

- Olvi Group's sales volume increased by 7.5 percent to 115.3 (107.3) million litres
- The Group's net sales increased by 3.0 percent and amounted to 61.5 (59.7) million euro
- The Group's operating profit increased by 9.9 percent and amounted to 3.8 (3.5) million euro
- Olvi Group's earnings per share stood at 0.07 (0.13) euro per share \*
- The equity ratio remained good at 56.7 (57.4) percent

\* Earnings per share were burdened by unrealised exchange rate differences related to the Belarusian subsidiary, which were recognised in financial items.

Olvi retains the earnings outlook for 2015 presented in connection with the disclosure of the financial statements for 2014, and estimates that the Group's sales volume for 2015 will increase slightly and net sales will remain on a par with the previous year. Operating profit is estimated to be on a par with 2014 or slightly lower.

### CONSOLIDATED KEY RATIOS

	1-3/ 2015	1-3/ 2014	Change % / pp	1-12/ 2014
Sales volume, Mltr	115.3	107.3	7.5	576.5
Net sales, MEUR	61.5	59.7	3.0	320.8
EBITDA, MEUR	7.7	7.0	9.9	55.9
Operating profit, MEUR	3.8	3.5	9.7	41.0
% of net sales	6.2	5.8		12.8
Net profit for the period	1.3	2.7	-50.7	33.1
% of net sales	2.2	4.6		10.3
Earnings per share, EUR	0.07	0.13	-46.2	1.57
Gross capital expenditure, MEUR	6.5	12.7	-48.5	41.6
Equity per share, EUR	9.01	8.29	8.7	9.17
Equity to total assets, %	56.7	57.4	-0.7	57.9
Gearing, %	34.6	35.1	-0.5	29.8

### BUSINESS DEVELOPMENT

#### LASSE AHO, MANAGING DIRECTOR:

Olvi Group's performance in the first quarter can be considered good. In spite of the challenging market situation, we were able to improve the Group's sales volume, net sales and operating profit. In addition to favourable sales development, we achieved cost savings that boosted the performance.

The business environment in Finland remained challenging but we succeeded in improving the comparable operating profit. Sales development was good, with contributing factors including successful launches of new products and the fact that the Easter season was in March. Earnings improvement in Finland has also been sought through cost savings.

In the Baltic states, profitability in Estonia remained on a strong level and Lithuania's performance improved on the previous year. The situation in Latvia has been more challenging compared to the other units in the Baltic states due to diminished intra-Group manufacturing and the overall market situation.

The business in Belarus was successful in spite of the uncertainty over the country's economic situation and the exchange rate fluctuations. The Belarusian currency is no longer considered hyperinflationary, and as a consequence, hyperinflationary accounting under the IAS 29 standard is no longer applied in Belarus.

After the rapid pace of investments in the last few years, capital expenditure declined in the first quarter compared to the previous year. The logistics investment in Finland will be fully completed during the spring and will provide for more efficient operations during the 2015 high season. In Belarus, investments are in progress and will be completed this year, bringing a substantial increase in production capacity.

## SEASONAL NATURE OF THE OPERATIONS

The Group's business operations are characterised by seasonal variation. The net sales and operating profit from the reported geographical segments do not accumulate evenly but vary according to the time of the year and the characteristics of each season.

## SALES DEVELOPMENT

Olvi Group's sales volume increased by 7.5 percent to 115.3 (107.3) million litres.

The strongest growth was seen in Belarus (increase 2.5 million litres), in Finland (increase 2.1 million litres) and in Lithuania (increase 1.5 million litres). Sales volume increased slightly also in the Estonian unit. In contrast, Latvia fell short of the previous year mostly due to a decline in intra-Group sales.

Sales volume, million litres	1-3/ 2015	1-3/ 2014	Change %
Finland (Olvi plc)	29.9	27.8	7.6
Estonia (AS A. Le Coq)	25.2	25.1	0.4
Latvia (A/S Cesu Alus)	13.9	18.2	-23.7
Lithuania (AB Volfas Engelman)	17.5	16.0	9.4
Belarus (OAO Lidskoe Pivo)	32.5	30.0	8.4
Eliminations	-3.8	-9.9	61.5
<b>Total</b>	<b>115.3</b>	<b>107.3</b>	<b>7.5</b>

The Group's net sales from January to March amounted to 61.5 (59.7) million euro. Net sales increased in both Finland and Belarus by 0.7 million euro and in Lithuania by 0.2 million euro. Net sales in Estonia remained almost on a par with the previous year. Net sales in Latvia declined due to diminished sales to other Group entities and a decrease in the average price of net sales.

The comparison figures for net sales have been changed to correspond to the accounting policy adopted as of the beginning of the year, with marketing subsidies to customers now being deducted from net sales as a sales adjustment item similar to discounts.

Net sales, million euro	1-3/ 2015	1-3/ 2014	Change %
Finland (Olvi plc)	21.2	20.5	3.4
Estonia (AS A. Le Coq)	15.2	15.4	-1.3
Latvia (A/S Cesu Alus)	6.0	8.2	-27.3
Lithuania (AB Volfas Engelman)	7.4	7.2	1.5
Belarus (OAO Lidskoe Pivo)	13.4	12.7	5.6
Eliminations	-1.7	-4.4	62.0
<b>Total</b>	<b>61.5</b>	<b>59.7</b>	<b>3.0</b>

## EARNINGS DEVELOPMENT

The Group's operating profit for January-March increased and amounted to 3.8 (3.5) million euro, or 6.2 (5.8) percent of net sales. Earnings in Belarus and in Finland increased by 0.1 million euro, and in Lithuania by 0.2 million euro. The earnings level in Estonia remained strong. Earnings in Latvia declined on the previous year.

<b>Operating profit</b> (comparable) million euro	1-3/ 2015	1-3/ 2014	Change %
Finland (Olvi plc)	0.7	0.6 *)	20.4
Estonia (AS A. Le Coq)	2.2	2.2	0.2
Latvia (A/S Cesu Alus)	0.0	0.3	-85.5
Lithuania (AB Volfas Engelman)	0.1	-0.1	186.1
Belarus (OAO Lidskoe Pivo)	0.7	0.6	26.4
Eliminations	0.1	-0.1 *)	
<b>Total</b>	<b>3.8</b>	<b>3.5</b>	<b>9.7</b>

\*) Reported operating profit in Finland 1-3/2014 stood at 1.3 million euro. The reported operating profit included non-recurring income of 0.7 million euro attributable to an intra-Group sales gain. The country-specific data for 2014 has been adjusted for comparability with the 1-3/2015 figures.

The Group's January-March profit after taxes fell short of the previous year and amounted to 1.3 (2.7) million euro. The decline in profit for the period was affected by unrealised exchange rate differences related to the Belarusian subsidiary, which were recognised in financial items.

Earnings per share calculated from the profit belonging to parent company shareholders in January-March stood at 0.07 (0.13) euro per share.

## **BALANCE SHEET, FINANCING AND INVESTMENTS**

Olvi Group's balance sheet total at the end of March 2015 was 332.9 (304.2) million euro. Equity per share at the end of March 2015 stood at 9.01 (8.29) euro. The equity ratio was 56.7 (57.4) percent and the gearing ratio was 34.6 (35.1) percent. The current ratio, which represents the Group's liquidity, was 1.2 (1.1).

The amount of interest-bearing liabilities at the end of March was 69.5 (64.6) million euro, including current liabilities of 32.9 (37.5) million euro.

Olvi Group's gross capital expenditure in January-March amounted to 6.5 (12.7) million euro. The parent company Olvi accounted for 0.8 million euro, the Baltic subsidiaries for 1.1 million euro and Lidskoe Pivo in Belarus for 4.6 million euro of the total.

## **PRODUCT DEVELOPMENT AND NEW PRODUCTS**

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

### **NEW PRODUCTS**

New launches in Finland during the spring have included the OLVI IPA special beer and the Crook's Head Dram long drinks, among others. Other new products for the spring were presented in the financial statements bulletin.

During the period under review, A. Le Coq of Estonia launched the Alexander Weizen wheat beer in pint-size glass bottles.

In February, Cēsu Alus of Latvia launched the completely new beer brand Brūža, which is a craft beer having the variants Brūža Nefiltrētais unfiltered (5.4%) and Brūža Samtainais (5.4%), as well as the bitter-style Brūža Rūgtais (5.8%). All variants were launched in half-litre bottles as well as pint-size cans.

In March, Volfas Engelman of Lithuania launched the dark wheat beer Volfas Engelman Dunkel Weissbier (5.0%) in pint-size glass bottles. Two new Meister beers were also launched: Meister Premium lager (5.0%) and Meister Tradicinis unfiltered beer (6.0%).

In February, Lidskoe Pivo of Belarus launched a stout version of its Koronet beer brand. Koronet Stout is sold in pint-size glass bottles.

Detailed information on new products can be found on each company's Web site.

## PERSONNEL

Olvi Group's average number of personnel in January-March was 1,873 (1,908). The Group's average number of personnel decreased by 35 people or 1.8 percent. The greatest decrease was seen in Finland, affected by a cut in the number of sales promoters due to a change in the procedures of a retail group implemented in 2014.

Olvi Group's average number of personnel by country:

	1-3/ 2015	1-3/ 2014	Change %
Finland	336	363	-7.4
Estonia	317	312	1.6
Latvia	199	210	-5.2
Lithuania	226	211	7.1
Belarus	795	812	-2.1
<b>Total</b>	<b>1,873</b>	<b>1,908</b>	<b>-1.8</b>

The statutory co-operation negotiations concerning Olvi plc's entire personnel in Finland were completed at the end of January 2015. The aim of the negotiations was to find savings and opportunities for efficiency improvement through reorganisation of operations in order to respond to changes in the Finnish operating environment and improve the company's competitive ability in the long term.

As a consequence of the negotiations, efficiency measures were taken across the organisation in Finland, and procedures were changed. This caused redundancies of 32 people. This was made true through pension arrangements concerning 10 people, temporary layoffs of three people and dismissal of 19 people.

## MANAGEMENT AND AUDITORS

During the period under review, the Chairman of the Board of Olvi plc was Heikki Hortling, M.Sc. (Econ), and the Vice Chairman was Esa Lager, M.Sc. (Econ), LL.M. Other members of the Board of Directors included Heikki Sinnemaa, LL.M., Jaakko Autere, M.Sc. (Econ) and Tarja Pääkkönen, Dr.Tech.

During the period under review, the company's auditor was the authorised public accounting firm PricewaterhouseCoopers Oy, with Sami Posti, Authorised Public Accountant, as auditor in charge.

## MANAGEMENT

The Management Group of Olvi plc during the period under review consisted of Lasse Aho, Managing Director (Chairman), Ilkka Auvola, Sales Director, Olli Heikkilä, Marketing Director, Pia Hortling, Product Development and Purchasing Director, Kati Kokkonen, Chief Financial Officer, Lauri Multanen, Production Director, as well as Marjatta Rissanen, Customer Service and Administrative Director.

The Management Group of each subsidiary consists of the corresponding Managing Director and two to four sector directors reporting to the Managing Director.

The Managing Directors of the subsidiaries are:  
AS A. Le Coq, Tartu, Estonia - Tarmo Noop  
A/S Cēsu Alus, Cēsis, Latvia - Eva Sietiņšone Zatlere  
AB Volfas Engelman, Kaunas, Lithuania - Marius Horbačas  
OAO Lidskoe Pivo, Lida, Belarus - Audrius Mikšys

The Managing Directors of the subsidiaries report to Lasse Aho, the Managing Director of Olvi plc.

## GROUP STRUCTURE

There were no changes in Olvi's holdings in subsidiaries in January-March 2015.

Olvi's holdings in the subsidiaries are

	31 Mar 2015	31 Mar 2014	Change pp
AS A. Le Coq, Estonia	100.00	100.00	-
A/S Cēsu Alus, Latvia	99.86	99.76	0.10
AB Volfas Engelman, Lithuania	99.58	99.58	-
OAo Lidskoe Pivo, Belarus	94.57	91.58	2.99

Furthermore, A. Le Coq has a 49.0 percent holding in AS Karme and 20.0 percent holding in Verska Mineraalvee OÜ in Estonia.

## SHARES

Olvi's share capital at the end of March 2015 stood at 20.8 million euro. The total number of shares was 20,758,808, of these 17,026,552 or 82.0 percent being publicly traded Series A shares and 3,732,256 or 18.0 percent Series K shares.

Each Series A share carries one (1) vote and each Series K share carries twenty (20) votes. Series A and Series K shares have equal rights to dividends.

Detailed information on Olvi's shares and share capital can be found in the tables attached to this interim report, in Table 5, Section 4.

The total trading volume of Olvi A shares on Nasdaq OMX Helsinki in January-March 2015 was 832,730 (699,171) shares, which represented 4.9 (4.1) percent of all Series A shares. The value of trading was 18.9 (19.2) million euro.

The Olvi A share was quoted on Nasdaq OMX Helsinki (Helsinki Stock Exchange) at 23.90 (24.90) euro at the end of March 2015. In January-March, the highest quote for the Series A share was 24.36 (29.90) euro and the lowest quote was 20.51 (23.94) euro. The average price in January-March was 22.71 (27.41) euro.

At the end of March 2015, the market capitalisation of Series A shares was 406.9 (424.0) million euro and the market capitalisation of all shares was 496.1 (516.9) million euro.

The number of shareholders at the end of March 2015 was 10,423 (9,664). Foreign holdings plus foreign and Finnish nominee-registered holdings represented 21.2 (21.0) percent of the total number of book entries and 4.8 (4.8) percent of total votes.

Foreign and nominee-registered holdings are reported in Table 5, Section 9 of the tables attached to this interim report, and the largest shareholders are reported in Table 5, Section 10.

## Treasury shares

There were no changes in the number of treasury shares held by Olvi in January-March 2015. At the end of the reporting period, Olvi held 1,124 Series A shares as treasury shares. Treasury shares held by the company itself are ineligible for voting. Detailed information on treasury shares is provided in Table 5, Section 6 of the tables attached to this interim report.

## **Flagging notices**

During January-March 2015, Olvi has not received any flagging notices in accordance with Chapter 2, Section 10 of the Securities Markets Act.

## **BUSINESS RISKS AND THEIR MANAGEMENT**

### **Risk management**

Risk management is a part of Olvi Group's everyday management and operations. The objective of risk management is to ensure the realisation of the company's strategy and secure its financial development and the continuity of business. The task of risk management is to operate proactively and create operating conditions in which business risks are managed comprehensively and systematically in all of the Group companies and all levels of the organisation.

### **Business risks and uncertainties in the near term**

The most substantial factor hampering the predictability of Olvi Group's business relates to Belarus and its economic and political outlook for the next few years. Furthermore, negative development of the Russian economy may impose challenges on the Belarusian operating environment.

In addition to these challenges, operations in Belarus involve foreign exchange risks arising from the cash flows of purchases and sales in foreign currency, as well as the investment in the Belarusian subsidiary and the conversion of its income statement and balance sheet items into euro. The Group's other foreign exchange risks can be considered minor.

Other short-term risks and uncertainties are related to continuing negative development of the general economic circumstances and the impact it may have on the company's operations.

There have not been any other significant changes in Olvi Group's business risks. A more detailed description of the risks is provided in the Board of Directors' report and the notes to the financial statements, as well as in the Investors/Corporate Governance section of the company's Web site.

## **EVENTS AFTER THE REVIEW PERIOD**

### **Annual General Meeting**

Olvi plc's Annual General Meeting of 16 April 2015 adopted the financial statements and granted discharge from liability to the members of the Board of Directors and Managing Director for the accounting period that ended on 31 December 2014.

In accordance with the Board's proposal, the General Meeting decided that a dividend of 0.65 (0.65) euro be paid on each A and K share for the accounting period 2014. The dividend according to the resolution accounts for 41.4 (40.4) percent of Olvi Group's consolidated earnings per share. The dividend will be paid to shareholders registered in Olvi plc's register of shareholders held by Euroclear Finland Ltd on the record date of the dividend payment, 20 April 2015. The dividends will be paid on 30 April 2015.

The General Meeting decided that the Board of Directors shall have six (6) members. Jaakko Autere, Heikki Hortling and Esa Lager were re-elected Members of the Board. The General Meeting also elected Nora Hortling, Elisa Markula and Heikki Sirviö as new members.

All decisions made at the General Meeting can be found in the bulletin released on 16 April 2015.

### **Organisation of the Board of Directors**

At its organising meeting held on 16 April 2015, the Board elected Heikki Hortling as the Chairman of the Board and Esa Lager as the Vice Chairman of the Board.

## **NEAR-TERM OUTLOOK**

Olvi estimates that the Group's sales volume for 2015 will increase slightly and that net sales will be on a par with the previous year. Operating profit is estimated to be on a par with 2014 or slightly lower.

OLVI PLC

Board of Directors

Further information:

Lasse Aho, Managing Director, Olvi plc

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TABLES:

- Statement of comprehensive income, Table 1
- Balance sheet, Table 2
- Changes in shareholders' equity, Table 3
- Cash flow statement, Table 4
- Notes to the interim report bulletin, Table 5

DISTRIBUTION:

NASDAQ OMX Helsinki Ltd

Key media

[www.olvi.fi](http://www.olvi.fi)

## INCOME STATEMENT

EUR 1,000

	1-3/2015	1-3/2014	1-12/2014
Net sales	61514	59720*)	320785*)
Other operating income	567	103	1626
Operating expenses	-54420	-52854*)	-266504*)
Depreciation and impairment	-3856	-3502	-14907
Operating profit	3805	3467	41000
Financial income	612	1142	3990
Financial expenses	-2812	-1105	-3985
Share of profit in associates	0	0	48
Earnings before tax	1605	3504	41053
Taxes **)	-260	-775	-7974
NET PROFIT FOR THE PERIOD	1345	2729	33079
Other comprehensive income items:			
Translation differences related to foreign subsidiaries	-4971	-1003	-2874
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-3626	1726	30205
Distribution of profit:			
- parent company shareholders	1426	2701	32522
- non-controlling interests	-81	28	557
Distribution of comprehensive income:			
- parent company shareholders	-3315	1790	29879
- non-controlling interests	-311	-64	326
Earnings per share calculated from the profit belonging to parent company shareholders, EUR			
- undiluted	0.07	0.13	1.57
- diluted	0.07	0.13	1.57

\*) The previous year's net sales have been adjusted for comparability with the year 2015.

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



## BALANCE SHEET

EUR 1,000

31 Mar 2015 31 Mar 2014 31 Dec 2014

## ASSETS

## Non-current assets

Tangible assets	189000	174821	192149
Goodwill	17465	17889	18217
Other intangible assets	4471	2686	4562
Shares in associates	1125	1077	1125
Financial assets available for sale	549	549	549
Loans receivable and other non-current receivables	334	349	333
Deferred tax receivables	158	228	163
Total non-current assets	213102	197599	217098

## Current assets

Inventories	46472	47680	43522
Accounts receivable and other receivables	67909	55123	66309
Income tax receivable	831	382	1023
Other non-current assets held for sale	421	4	421
Liquid assets	4192	3376	4382
Total current assets	119825	106565	115657
TOTAL ASSETS	332927	304164	332755

## SHAREHOLDERS' EQUITY AND LIABILITIES

## Shareholders' equity held by parent company shareholders

Share capital	20759	20759	20759
Other reserves	1092	1092	1092
Treasury shares	-8	-8	-8
Translation differences	-27705	-21232	-22964
Retained earnings	192847	171452	191408
	186985	172063	190287
Share belonging to non-controlling interests	1882	2579	2252
Total shareholders' equity	188867	174642	192539

## Non-current liabilities

Financial liabilities	36607	27145	30040
Other liabilities	2	0	2
Deferred tax liabilities	5705	4349	5598

## Current liabilities

Financial liabilities	32938	37495	31652
Accounts payable and other liabilities	68664	60426	72899
Income tax liability	144	107	25
Total liabilities	144060	129522	140216
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	332927	304164	332755

## CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Other reserves	Treasury shares account	Translation differences	Retained earnings	Share of non-controlling interests	Total
Shareholders' equity 1 Jan 2014	20759	1092	-8	-20321	167420	2597	171539
Adjustments for hyperinflation					1331	122	1453
Adjusted shareholders' equity 1 Jan 2014	20759	1092	-8	-20321	168751	2719	172992
Comprehensive income:							
Net profit for the period					2701	28	2729
Other comprehensive income items:							
Translation differences				-911		-92	-1003
Total comprehensive income for the period				-911	2701	-64	1726
Transactions with shareholders:							
Payment of dividends						-76	-76
Total transactions with shareholders						-76	-76
Shareholders' equity 31 Mar 2014	20759	1092	-8	-21232	171452	2579	174642
EUR 1,000	Share capital	Other reserves	Treasury shares account	Translation differences	Retained earnings	Share of non-controlling interests	Total
Shareholders' equity 1 Jan 2015	20759	1092	-8	-22964	191408	2252	192539
Adjustments for hyperinflation					0	0	0
Adjusted shareholders' equity 1 Jan 2015	20759	1092	-8	-22964	191408	2252	192539
Comprehensive income:							
Net profit for the period					1426	-81	1345
Other comprehensive income items:							
Translation differences				-4741		-230	-4971
Total comprehensive income for the period				-4741	1426	-311	-3626
Transactions with shareholders:							
Payment of dividends						-59	-59
Share-based incentives					13		13
Total transactions with shareholders					13	-59	-46
Shareholders' equity 31 Mar 2015	20759	1092	-8	-27705	192847	1882	188867

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

## CASH FLOW STATEMENT

EUR 1,000

	1-3/2015	1-3/2014	1-12/2014
Net profit for the period	1345	2729	33079
Adjustments to profit for the period	7807	5475	25699
Change in net working capital	-7257	-11088	-2358
Interest paid	-2391	-940	-3393
Interest received	40	77	385
Taxes paid	256	-395	-7063
Cash flow from operations (A)	-200	-4142	46349
Investments in tangible and intangible assets	-6459	-11599	-43855
Sales gains from tangible and intangible assets	43	-138	200
Expenditure on other investments	0	0	-298
Cash flow from investments (B)	-6416	-11737	-43953
Withdrawals of loans	10686	13780	32657
Repayments of loans	-3397	-1971	-24542
Dividends paid	0	0	-13531
Increase (-) / decrease (+) in current interest-bearing business receivables	-2	1	-23
Increase (-) / decrease (+) in long-term loan receivables	0	0	16
Cash flow from financing (C)	7287	11810	-5423
Increase (+)/decrease (-) in liquid assets (A+B+C)	671	-4069	-3027
Liquid assets 1 January	4382	7507	7507
Effect of exchange rate changes	-861	-62	-98
Liquid assets 31 Mar/31 Dec	4192	3376	4382

## NOTES TO THE INTERIM REPORT

Except for the changes detailed below, the accounting policies used for this interim report are the same as those used for the annual financial statements 2014. The accounting policies are presented in the Annual Report 2014 which was published on 24 March 2015.

As of the beginning of the accounting period 2015, Olvi Group has redefined the accounting for marketing subsidies granted to customers so that they are deducted from net sales as an sales adjustment item similar to discounts granted. After the change, the presentation corresponds better to the true meaning of marketing subsidies. Previously a part of the marketing subsidies was presented as marketing expenses under other operating expenses.

Olvi Group has discontinued the application of the IAS 29 *Financial Reporting in Hyperinflationary Economies* standard in its Belarusian unit because the Belarusian functional currency is no longer considered hyperinflationary as referred to in the standard.

The Group has adopted the following new or revised standards and interpretations in 2015:

- Annual improvements 2012
- Annual improvements 2013
- Amendment to IAS 19, "Employee benefits" regarding employee or third party contributions to defined benefit plans
- IFRIC 21 Levies

The above changes in standards and their interpretations do not have any substantial effect on the income statement or balance sheet. Some changes in standards may affect the scope of information disclosed in the notes.

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

## 1. SEGMENT INFORMATION

## SALES BY GEOGRAPHICAL SEGMENT (1,000 litres)

	1-3/2015	1-3/2014	1-12/2014
Olvi Group total	115273	107250	576478
Finland	29926	27817	151828
Estonia	25229	25124	131550
Latvia	13924	18243	76096
Lithuania	17541	16032	81054
Belarus	32474	29961	169919
- sales between segments	-3821	-9927	-33969

NET SALES BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	1-3/2015	1-3/2014	1-12/2014
Olvi Group total	61514	59720*)	320785*)
Finland	21190	20493	105329
Estonia	15245	15441	80666
Latvia	5992	8245	34112
Lithuania	7354	7244	36130
Belarus	13399	12685	78554
- sales between segments	-1666	-4388	-14006

\*) The previous year's figures have been adjusted for comparability with the year 2015.

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	1-3/2015	1-3/2014	1-12/2014
Olvi Group total	3805	3467	41000
Finland	694	1256*)	7436*)
Estonia	2167	2163	16504
Latvia	46	316	2058
Lithuania	95	-110	2356
Belarus	728	576	13117
- eliminations	75	-734	-471

\*) The operating profit for Finland includes non-recurring income of 0.7 million euro attributable to an intra-Group sales gain.

2. PERSONNEL ON AVERAGE	1-3/2015	1-3/2014	1-12/2014
Finland	336	363	369
Estonia	317	312	331
Latvia	199	210	214
Lithuania	226	211	214
Belarus	795	812	830
Total	1873	1908	1958

### 3. RELATED PARTY TRANSACTIONS

Employee benefits to management

Salaries and other short-term employee benefits to the Board of Directors and Managing Director  
EUR 1,000

	1-3/2015	1-3/2014	1-12/2014
Managing Director	85	89	361
Chairman of the Board	22	21	84
Other members of the Board	33	31	125
Total	140	141	570

### 4. SHARES AND SHARE CAPITAL

	31 Mar 2015	%
Number of A shares	17026552	82.0
Number of K shares	3732256	18.0
Total	20758808	100.0
Total votes carried by A shares	17026552	18.6
Total votes carried by K shares	74645120	81.4
Total number of votes	91671672	100.0
Votes per Series A share	1	
Votes per Series K share	20	

The registered share capital on 31 March 2015 totalled 20,759 thousand euro.

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

### 5. SHARE-BASED PAYMENTS

On 29 April 2014, Olvi plc's Board of Directors decided on a new share-based incentive plan for the Group's key personnel. The aim of the new plan is to combine the objectives of the shareholders and the key employees in order to increase the value of the company, to commit the key employees to the company, and to offer them a competitive reward plan based on earning the company's shares.

The new share-based incentive plan includes one three-year performance period, calendar years 2014—2016. The potential reward from the performance period 2014—2016 will be based on Olvi Group's cumulative operating profit, also known as earnings before interest and taxes (EBIT). Furthermore, the new plan includes one three-year performance period, beginning on 1 July 2014 and ending on 30 June 2017. The prerequisite for receiving reward on the basis of this performance period is that a key employee purchases the company's series A shares up to the number determined by the Board of Directors. Furthermore, entitlement to a reward is tied to the continuance of employment or service upon reward payment.

Rewards from both performance periods will be paid partly in the company's series A shares and partly in cash in 2017. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the key employees. As a rule, no reward will be paid if the key employee's employment or service ends before the reward payment. Members of the Management Group must hold one half of the shares received on the basis of the performance period 2014–2016 for the entire validity of their employment or service.

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

From January to March 2015, accounting entries associated with the performance period from 1 July 2014 to 30 June 2017 were recognised for a total of 21.0 thousand euro.

Olvi Group does not have any other share-based plans or option plans.

## 6. TREASURY SHARES

Olvi plc held a total of 1,124 of its own Series A shares on 1 January 2015.

Olvi plc has not acquired more treasury shares or transferred them to others in January-March 2015, which means that the number of Series A shares held by the company was unchanged on 31 March 2015. The purchase price of the Series A shares held as treasury shares totalled 8.5 thousand euro.

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

On 16 April 2015, the General Meeting of Shareholders of Olvi plc decided to revoke any unused authorisations to acquire treasury shares and authorise the Board of Directors of Olvi plc to decide on the acquisition of the company's own shares using distributable funds. The authorisation is valid for one year starting from the General Meeting and covers a maximum of 500,000 Series A shares.

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

In January-March 2015, the Board of Directors of Olvi plc has not exercised the authorisations granted by the General Meeting.

7. NUMBER OF SHARES *)	1-3/2015	1-3/2014	1-12/2014
- average	20757684	20757684	20757684
- at end of period	20757684	20757684	20757684

\*) Treasury shares deducted.

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

	1-3/2015	1-3/2014	1-12/2014
Trading volume of Olvi A shares	832730	699171	2174302
Total trading volume, EUR 1,000	18922	19164	54313
Traded shares in proportion to all Series A shares, %	4.9	4.1	12.8
Average share price, EUR	22.71	27.41	25.03
Price on the closing date, EUR	23.90	24.90	21.07
Highest quote, EUR	24.36	29.90	29.90
Lowest quote, EUR	20.51	23.94	20.70

## 9. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 31/03/2015

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	16365830	78.84	87278694	95.21	10359	99.38
Foreign total	395586	1.91	395586	0.43	55	0.53
Nominee-registered (foreign) total	92084	0.44	92084	0.10	4	0.04
Nominee-registered (Finnish) total	3905308	18.81	3905308	4.26	5	0.05
Total	20758808	100.00	91671672	100.00	10423	100.00

## 10. LARGEST SHAREHOLDERS ON 31/03/2015

	Series K	Series A	Total	%	Votes	%
1. Olvi Foundation	2363904	890613	3254517	15.68	48168693	52.54
2. Hortling Heikki Wilhelm *)	903488	103280	1006768	4.85	18173040	19.82
3. The Heirs of Hortling Kalle Einari	187104	25248	212352	1.02	3767328	4.11
4. Hortling Timo Einari	165824	35308	201132	0.97	3351788	3.66
5. Pohjola Bank plc, nominee register		2152900	2152900	10.37	2152900	2.35
6. Hortling-Rinne Laila Marit	102288	2980	105268	0.51	2048740	2.23
7. Nordea Bank Finland plc, nominee register		1414293	1414293	6.81	1414293	1.54
8. Ilmarinen Mutual Pension Insurance Company		849218	849218	4.09	849218	0.93
9. Varma Mutual Pension Insurance Company		828075	828075	3.99	828075	0.90
10. AC Invest Oy		460000	460000	2.22	460000	0.50
Others	9648	10264637	10274285	49.49	10457597	11.42
Total	3732256	17026552	20758808	100.00	91671672	100.00

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



## 11. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000

	1-3/2015	1-3/2014	1-12/2014
Opening balance	192149	165783	165783
Additions	6393	11849	38998
Deductions and transfers	-32	-2097	-818
Depreciation	-3645	-3311	-14139
Exchange rate differences and adjustment for hyperinflation	-5865	2597	2325
Total	189000	174821	192149

## 12. CONTINGENT LIABILITIES

EUR 1,000

	31 Mar 2015	31 Mar 2014	31 Dec 2014
Pledges and contingent liabilities			
For own commitments	2397	2715	2397
Leasing and rental liabilities:			
Due within one year	1140	1284	1143
Due within 1 to 5 years	767	703	758
Due in more than 5 years	5	5	5
Leasing and rental liabilities total	1912	1992	1906
Package liabilities	2598	1390	2496
Other liabilities	2000	2000	2000

## 13. CALCULATION OF FINANCIAL RATIOS

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

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

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

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