



OLVI PLC

INTERIM REPORT 13 AUGUST 2015 at 9:00 am

OLVI GROUP'S INTERIM REPORT, 1 JANUARY TO 30 JUNE 2015 (6 MONTHS)

INTERIM REPORT IN BRIEF

Olvi Group's sales volume increased in January-June, but the operating profit fell short of last year. A substantial part of the operating profit decline was due to the Belarusian exchange rate, which was weaker than last year. Second-quarter earnings were negatively impacted by extraordinarily cool and rainy weather in the summer season.

January to June 2015 in brief:

- Olvi Group's sales volume was 284.1 (278.9) million litres
- The Group's net sales amounted to 152.7 (156.6) million euro
- The Group's operating profit amounted to 17.7 (19.3) million euro
- Olvi Group's earnings per share stood at 0.46 (0.66) euro per share
- The equity ratio remained good at 50.6 (50.5) percent

April to June 2015 in brief:

- Olvi Group's sales volume was 168.8 (171.7) million litres
- The Group's net sales amounted to 91.2 (96.9) million euro
- The Group's operating profit amounted to 13.9 (15.9) million euro
- Olvi Group's earnings per share stood at 0.39 (0.53) euro per share

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

CONSOLIDATED KEY RATIOS

	4-6/ 2015	4-6/ 2014	Change % / pp	1-6/ 2015	1-6/ 2014	Change % / pp	1-12/ 2014
Sales volume, Mltr	168.8	171.7	-1.7	284.1	278.9	1.9	576.5
Net sales, MEUR	91.2	96.9	-5.8	152.7	156.6	-2.5	320.8
EBITDA, MEUR	18.1	19.5	-7.2	25.7	26.4	-2.7	55.9
Operating profit, MEUR	13.9	15.9	-12.4	17.7	19.3	-8.4	41.0
% of net sales	15.2	16.4		11.6	12.4		12.8
Net profit for the period	8.2	11.2	-26.4	9.6	13.9	-31.1	33.1
% of net sales	9.0	11.5		6.3	8.9		10.3
Earnings per share, EUR	0.39	0.53	-26.4	0.46	0.66	-30.3	1.57
Gross capital expenditure, MEUR	9.5	10.8	-11.6	16.1	23.5	-31.6	41.6
Equity per share, EUR				8.63	8.22	5.0	9.17
Equity to total assets, %				50.6	50.5	0.1	57.9
Gearing, %				42.1	38.4	3.7	29.8

BUSINESS DEVELOPMENT

LASSE AHO, MANAGING DIRECTOR:

In the second quarter, Olvi Group fell short of the previous year's result. This was strongly affected by cool and rainy summer weather particularly in Finland and Estonia. Another contributing factor was the weakened exchange rate in Belarus. Our accumulated sales volume is greater than in the previous year and net sales are almost on a par with last year, which can be considered quite good performance in comparison to the general market development.

The market situation in Finland has remained challenging. Weakened consumer purchasing power, pronounced price competition and a decline in the overall market had a negative impact also on business development in Finland. However, we have been able to balance this with cost savings and improvements in production plant performance. The cost savings are also expected to support earnings development in Finland during the rest of the year.

Profitability in Estonia remained on a strong level even though sales fell short of the previous year due to cold weather in the spring and early summer. Lithuania has succeeded in improving its market share and earnings in the first half of the year when compared to 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. However, positive development was seen in Latvia starting in late spring.

Business in Belarus developed favourably during the review period. Sales volume increased clearly, and also net sales and operating profit measured in the local currency increased on the previous year. However, the exchange rate is weaker than in the previous year, and this causes a decline of 0.9 million euro in the January-June earnings denominated in euro. In spite of the uncertainties related to Belarus, the business is expected to develop well also in the rest of the year. The Belarusian subsidiary has started co-operation with PepsiCo, Inc, the second-largest soft drinks company in the world. The co-operation agreement covers the sales, marketing and distribution of PepsiCo-manufactured soft drinks in Belarus. The manufacture of products started during the summer as planned.

A logistics investment in Finland was completed during the spring, making operations even more efficient. Investments that will enable a substantial increase in production capacity in Belarus will be completed towards the end of the current summer season. The total amount of investments in 2015 will be less than in the previous year, which will have a positive effect on the company's cash flow.

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 in January-June by 1.9 percent to 284.1 (278.9) million litres. The sales volume from April to June was 168.8 (171.7) million litres.

The sales volume increased in January-June in Belarus and Lithuania. However, the volume fell short of the previous year in Finland and Estonia due to reasons including cooler spring and summer weather. The volume development in Latvia reflects the decline in sales to other Group entities.

Sales volume development by unit:

Sales volume, million litres	4-6/ 2015	4-6/ 2014	Change %	1-6/ 2015	1-6/ 2014	Change %
Finland (Olvi plc)	39.9	44.6	-10.5	69.8	72.4	-3.6
Estonia (AS A. Le Coq)	37.8	41.5	-8.9	63.1	66.7	-5.4
Latvia (A/S Cēsu Alus)	21.4	24.9	-14.3	35.3	43.2	-18.2
Lithuania (AB Volfas Engelman)	23.8	23.0	3.6	41.3	39.0	6.0
Belarus (OAO Lidskoe Pivo)	54.0	51.2	5.6	86.5	81.1	6.6
Eliminations	-8.1	-13.5		-11.9	-23.5	
Total	168.8	171.7	-1.7	284.1	278.9	1.9

The Group's net sales in January-June amounted to 152.7 (156.6) million euro and in April-June to 91.2 (96.9) million euro. The negative net sales development is affected by declined sales volumes in Finland and Estonia, a decrease in the average price of net sales due to price competition, as well as the weakened exchange rate in Belarus.

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 development by unit:

Net sales, million euro	4-6/ 2015	4-6/ 2014	Change %	1-6/ 2015	1-6/ 2014	Change %
Finland (Olvi plc)	27.3	30.8	-11.3	48.5	51.3	-5.4
Estonia (AS A. Le Coq)	23.5	25.6	-8.1	38.8	41.1	-5.6
Latvia (A/S Cēsu Alus)	9.7	11.3	-14.0	15.7	19.6	-19.6
Lithuania (AB Volfas Engelman)	10.0	10.5	-5.0	17.3	17.7	-2.3
Belarus (OAO Lidskoe Pivo)	24.0	23.9	0.4	37.4	36.6	2.2
Eliminations	-3.3	-5.2		-5.0	-9.6	
Total	91.2	96.9	-5.8	152.7	156.6	-2.5

EARNINGS DEVELOPMENT

The Group's operating profit for January-June stood at 17.7 (19.3) million euro, or 11.6 (12.4) percent of net sales. Operating profit in April-June stood at 13.9 (15.9) million euro, which was 15.2 (16.4) percent of net sales. The decline in profit reflects the negative development in net sales and the Belarusian exchange rate.

Operating profit development by unit:

Operating profit (comparable) million euro	4-6/ 2015	4-6/ 2014	Change %	1-6/ 2015	1-6/ 2014	Change %
Finland (Olvi plc)	2.2	2.9	-26.0	2.8	3.5 *)	-18.3
Estonia (AS A. Le Coq)	5.4	6.1	-10.7	7.6	8.3	-7.8
Latvia (A/S Cēsu Alus)	1.2	1.0	17.3	1.2	1.3	-7.3
Lithuania (AB Volfas Engelman)	0.7	0.7	-5.5	0.8	0.6	26.3
Belarus (OAO Lidskoe Pivo)	4.5	5.1	-12.8	5.2	5.7	-8.8
Eliminations	0.0	0.0		0.1	0.0 *)	
Total	13.9	15.9	-12.4	17.7	19.3	-8.4

*) Reported operating profit in Finland 1-6/2014 stood at 4.2 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 1-6/2015 figures.

The Group's January-June profit after taxes fell short of the previous year and amounted to 9.6 (13.9) million euro. In addition to business development, 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-June stood at 0.46 (0.66) euro, and the April-June figure was 0.39 (0.53) euro.

BALANCE SHEET, FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of June 2015 was 357.5 (341.9) million euro. Equity per share at the end of June 2015 stood at 8.63 (8.22) euro. The equity ratio was 50.6 (50.5) percent and the gearing ratio was 42.1 (38.4) percent. The current ratio, which represents the Group's liquidity, was 1.0 (1.1).

The amount of interest-bearing liabilities at the end of June was 80.8 (72.6) million euro, including current liabilities of 48.7 (36.7) million euro.

Olvi Group's gross capital expenditure in January-June amounted to 16.1 (23.5) million euro. The parent company Olvi accounted for 2.4 million euro, the Baltic subsidiaries for 3.4 million euro and Lidskoe Pivo in Belarus for 10.3 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

Finland

In June, the A. Le Coq Long Drink brand already familiar from tourism to Estonia was introduced into Finnish retail stores. The grapefruit-flavoured A. Le Coq Long Drink is sold in 12-packs. Earlier in the spring, the OLVI IPA special beer and Crook's Head Dram were introduced in Finland.

Subsidiaries

In Estonia, the A. Le Coq company launched the A. Le Coq Extra Lime beer and the A. Le Coq Radler Strawberry and Radler Lemon products. Both radlers have an alcohol content of 2.5%. New flavour variants were launched in ciders, long drinks, soft drinks and mineral waters. A completely new brand of juices was introduced: Aura Fresh Plus, which is a juice drink family complemented with vitamins and has three flavour variants. A new concept in sports beverages is Arctic Sport Fresh, a beverage for aerobic sports that contains slowly absorbed carbohydrates.

In Latvia, Cēsu Alus launched the Vinitto Blanco and Vinitto Rose (5.5%) sparkling wine drinks in glass bottles in April. At the same time, the Lielbāta spring water range was extended with three new products, one of which was the Kids variant for children. In May, a completely new cider brand Ciderman was launched in cans as well as plastic bottles. In June, the company's first juice concentrate was launched. It was introduced under the Limpa brand. At the same time, the Lielbāta spring water range was extended by carbonated versions in three different bottle sizes.

In Lithuania, Volfas Engelman launched three new Volfas Engelman beers. These were the dark beer Volfas Engelman Bohemijos Dark, the special beer Volfas Engelman BA Oak Aged Bourbon, as well as Volfas Engelman Kolekcinis Galaxy Special Limited Edition, which is a beer containing Galaxy special hops and sold in aluminium bottles. In addition to beers, the A. Le Coq Coctails range saw the introduction of Watermelon Margarita, and two new radlers Meister Radler Cranberry and Meister Radler Orange were launched. The VitamineralWater products familiar from Estonia were launched in Lithuania in two flavours. A new premium kvass brand Volfas Engelman Imperial Kvass was introduced.

In the first quarter of the year, Lidskoe Pivo of Belarus launched a stout version of its Koronet beer brand. Lidskoe Pivo did not launch any new products in the second quarter.

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 1,969 (1,985).

The greatest decline in the Group's average number of personnel was seen in Finland, where the figure dropped by 24 people. The decline in Finland reflects the reduction in the number of sales promoters as well as the effects of the efficiency measures and reorganisation carried out after the statutory co-operation negotiations completed in January 2015. The reorganisation resulted in reductions of 32 people, which will partially be reflected in the development of personnel figures towards the end of the year.

The number of personnel in the Baltic states increased by 15 people, while the number in Belarus decreased by 7.

Olvi Group's average number of personnel by country:

	4-6/ 2015	4-6/ 2014	Change %	1-6/ 2015	1-6/ 2014	Change %
Finland	371	394	-5.8	354	378	-6.3
Estonia	364	354	2.8	341	333	2.4
Latvia	218	234	-6.8	208	222	-6.3
Lithuania	241	215	12.1	234	213	9.9
Belarus	870	865	0.6	832	839	-0.8
Total	2,064	2,062	0.1	1,969	1,985	-0.8

MANAGEMENT AND AUDITORS

During the period under review, the Chairman of the Board of Olvi plc has been Heikki Hortling, M.Sc. (Econ), and the Vice Chairman has been Esa Lager, M.Sc. (Econ), LL.M. Other members of the Board of Directors until the Annual General Meeting of Olvi plc held on 16 April 2015 included Heikki Sinnemaa, LL.M., Jaakko Autere, M.Sc. (Econ) and Tarja Pääkkönen, Dr.Tech.

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, M.Sc. (Econ), Elisa Markula, M.Sc. (Econ) and Heikki Sirviö, M.Sc. (Engineering), Industrial Counsellor, as new members.

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.

The company's auditor is 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

ОАО Лидское Пиво, Лиды, Беларусь - 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-June 2015.

Olvi's holdings in the subsidiaries are:

	30 June 2015	31 December 2014	Change
AS A. Le Coq, Estonia	100.00	100.00	-
A/S Cēsu Alus, Latvia	99.86	99.86	-
AB Volfas Engelman, Lithuania	99.58	99.58	-
OA O Lidskoe Pivo, Belarus	94.57	94.57	-

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 June 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-June 2015 was 1,478,324 (1,088,396) shares, which represented 8.7 (6.4) percent of all Series A shares. The value of trading was 35.4 (28.8) million euro.

The Olvi A share was quoted on Nasdaq OMX Helsinki (Helsinki Stock Exchange) at 26.30 (24.81) euro at the end of June 2015. In January-June, the highest quote for the Series A share was 27.20 (29.90) euro and the lowest quote was 20.51 (23.30) euro. The average price in January-March was 23.94 (26.50) euro.

At the end of June 2015, the market capitalisation of Series A shares was 447.8 (422.4) million euro and the market capitalisation of all shares was 546.0 (515.0) million euro.

The number of shareholders at the end of June 2015 was 10,029 (9,973). Foreign holdings plus foreign and Finnish nominee-registered holdings represented 22.5 (20.8) percent of the total number of book entries and 5.1 (4.7) 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-June 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-June 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 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.

OTHER EVENTS DURING 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 dividends were paid on 30 April 2015.

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

NEAR-TERM OUTLOOK

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

OLVI PLC
Board of Directors

Further information:

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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, Table 5

DISTRIBUTION:
NASDAQ OMX Helsinki Oy
Key media
www.olvi.fi

INCOME STATEMENT

EUR 1,000

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Net sales	91228	96893*)	152742	156613*)	320785*)
Other operating income	513	640	1080	743	1626
Operating expenses	-73691	-78080*)	-128111	-130934*)	-266504*)
Depreciation and impairment	-4139	-3575	-7995	-7078	-14907
Operating profit	13911	15878	17716	19344	41000
Financial income	62	962	674	2105	3990
Financial expenses	-2517	-928	-5329	-2033	-3985
Share of profit in associates	0	0	0	0	48
Earnings before tax	11456	15912	13061	19416	41053
Taxes **)	-3241	-4758	-3501	-5534	-7974
NET PROFIT FOR THE PERIOD	8215	11154	9560	13882	33079
Other comprehensive income items:					
Translation differences related to foreign subsidiaries	-2589	-950	-7560	-1954	-2874
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5626	10204	2000	11928	30205
Distribution of profit:					
- parent company shareholders	8104	10938	9530	13639	32522
- non-controlling interests	111	216	30	243	557
Distribution of comprehensive income:					
- parent company shareholders	5635	9991	2320	11779	29879
- non-controlling interests	-9	213	-320	149	326
Earnings per share calculated from the profit belonging to parent company shareholders, EUR					
- undiluted	0.39	0.53	0.46	0.66	1.57
- diluted	0.39	0.53	0.46	0.66	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

	30 June 2015	30 June 2014	31 December 2014
ASSETS			
Non-current assets			
Tangible assets	191317	182189	192149
Goodwill	17064	18081	18217
Other intangible assets	4502	2647	4562
Shares in associates	1125	1077	1125
Financial assets available for sale	549	549	549
Loans receivable and other non-current receivables	333	349	333
Deferred tax receivables	165	189	163
Total non-current assets	215055	205081	217098
Current assets			
Inventories	49354	47110	43522
Accounts receivable and other receivables	87150	83224	66309
Income tax receivable	845	338	1023
Other non-current assets held for sale	421	4	421
Liquid assets	4639	6192	4382
Total current assets	142409	136868	115657
TOTAL ASSETS	357464	341949	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	-30174	-22180	-22964
Retained earnings	187473	171018	191408
	179142	170681	190287
Share belonging to non-controlling interests	1877	1927	2252
Total shareholders' equity	181019	172608	192539
Non-current liabilities			
Financial liabilities	32194	35875	30040
Other liabilities	3	0	2
Deferred tax liabilities	6090	4864	5598
Current liabilities			
Financial liabilities	48652	36683	31652
Accounts payable and other liabilities	89050	91011	72899
Income tax liability	456	908	25
Total liabilities	176445	169341	140216
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	357464	341949	332755

CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Other reserves	Treasury shares reserve	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					2781	160	2941
Adjusted shareholders' equity 1 Jan 2014	20759	1092	-8	-20321	170201	2757	174480
Comprehensive income:							
Net profit for the period					13639	243	13882
Other comprehensive income items:							
Translation differences				-1859		-94	-1953
Total comprehensive income for the period				-1859	13639	149	11929
Transactions with shareholders:							
Payment of dividends					-13492	-72	-13564
Total transactions with shareholders					-13492	-72	-13564
Changes in holdings in subsidiaries:							
Acquisition of shares from non-controlling interests					-237		-237
Change in share belonging to non-controlling interests					907	-907	0
Total changes in holdings in subsidiaries					670	-907	-237
Shareholders' equity 30 June 2014	20759	1092	-8	-22180	171018	1927	172608

EUR 1,000	Share capital	Other reserves	Treasury shares reserve	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					9530	30	9560
Other comprehensive income items:							
Translation differences				-7210		-350	-7560
Total comprehensive income for the period				-7210	9530	-320	2000
Transactions with shareholders:							
Payment of dividends					-13492	-55	-13547

Share-based incentives					27		27
Total transactions with shareholders					-13465	-55	-13520
Shareholders' equity 30 June 2015	20759	1092	-8	-30174	187473	1877	181019

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

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TABLE 4

CASH FLOW STATEMENT

EUR 1,000

	1-6/2015	1-6/2014	1-12/2014
Net profit for the period	9560	13882	33079
Adjustments to profit for the period	13135	12169	25699
Change in net working capital	-10969	-7742	-2358
Interest paid	-560	-1872	-3393
Interest received	82	130	385
Taxes paid	297	-1344	-7063
Cash flow from operations (A)	11545	15223	46349
Investments in tangible and intangible assets	-16201	-22412	-43855
Sales gains from tangible and intangible assets	-92	42	200
Expenditure on other investments	0	-250	-298
Cash flow from investments (B)	-16293	-22620	-43953
Withdrawals of loans	24947	27751	32657
Repayments of loans	-6384	-8024	-24542
Dividends paid	-13516	-13532	-13531
Increase (-) / decrease (+) in current interest-bearing business receivables	0	-15	-23
Increase (-) / decrease (+) in long-term loan receivables	3	0	16
Cash flow from financing (C)	5050	6180	-5423
Increase (+)/decrease (-) in liquid assets (A+B+C)	302	-1217	-3027
Liquid assets 1 January	4382	7507	7507
Effect of exchange rate changes	-45	-98	-98
Liquid assets 30 June/31 December	4639	6192	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)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Olvi Group total	168823	171670	284096	278920	576478
Finland	39915	44612	69841	72429	151828
Estonia	37841	41545	63070	66669	131550
Latvia	21375	24931	35299	43174	76096
Lithuania	23781	22956	41322	38988	81054
Belarus	54010	51164	86484	81125	169919
- sales between segments	-8099	-13538	-11920	-23465	-33969

NET SALES BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Olvi Group total	91228	96893*)	152742	156613*)	320785*)
Finland	27284	30773	48474	51266	105329
Estonia	23534	25617	38779	41058	80666
Latvia	9722	11305	15714	19550	34112
Lithuania	9974	10495	17328	17739	36130
Belarus	24046	23943	37445	36628	78554
- sales between segments	-3332	-5240	-4998	-9628	-14006

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

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Olvi Group total	13911	15878	17716	19344	41000
Finland	2155	2912	2849	4168*)	7436*)
Estonia	5444	6096	7611	8258	16504
Latvia	1180	1006	1226	1322	2058
Lithuania	692	733	787	623	2356
Belarus	4458	5113	5186	5689	13117
- eliminations	-18	18	57	-716	-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

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Finland	371	394	354	378	369
Estonia	364	354	341	333	331
Latvia	218	234	208	222	214
Lithuania	241	215	234	213	214
Belarus	870	865	832	839	830
Total	2064	2062	1969	1985	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

	1-6/ 2015	1-6/ 2014	1-12/ 2014
Managing Director	173	185	361
Chairman of the Board	45	41	84
Other members of the Board	71	64	125
Total	289	290	570

4. SHARES AND SHARE CAPITAL

	30 June 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 30 June 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 2014 (0.65 euro per share for 2013), totalling 13.5 (13.5) million euro. The dividends were paid on 30 April 2015. 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

Olvi Group has an active share-based incentive plan for key personnel. The aim of the share-based incentive plan is to combine the objectives of the shareholders and the key employees in order to increase the value of the company, to make the key employees committed to the company, and to offer them a competitive reward plan based on earning the company's shares.

The bonuses for the performance periods (2014-2016/2017) will be paid in 2017 partially in Olvi plc Series A shares and partially in cash.

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 June 2015, accounting entries associated with the performance period from 1 July 2014 to 30 June 2017 were recognised for a total of 45.0 thousand euro.

Olvi Group has no warrants or options.

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-June 2015, which means that the number of Series A shares held by the company was unchanged on 30 June 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 unrestricted equity. The authorisation is valid for one year starting from the General Meeting and covers a maximum of 500,000 Series A shares. The shares shall be acquired for the purpose of financing or executing any upcoming corporate acquisitions or other arrangements, implementing the company's incentive schemes or for other purposes decided upon by the Board of Directors.

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

7. NUMBER OF SHARES *)	1-6/2015	1-6/2014	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

	1-6/2015	1-6/2014	1-12/2014
Trading volume of Olvi A shares	1478324	1088396	2174302
Total trading volume, EUR 1,000	35420	28834	54313
Traded shares in proportion to all Series A shares, %	8.7	6.4	12.8
Average share price, EUR	23.94	26.50	25.03
Price on the closing date, EUR	26.30	24.81	21.07
Highest quote, EUR	27.20	29.90	29.90
Lowest quote, EUR	20.51	23.30	20.70

9. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 30 JUNE 2015

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	16092981	77.52	87005845	94.91	9964	99.35
Foreign total	399843	1.93	399843	0.44	56	0.56
Nominee-registered (foreign) total	93636	0.45	93636	0.10	4	0.04
Nominee-registered (Finnish) total	4172348	20.10	4172348	4.55	5	0.05
Total	20758808	100.00	91671672	100.00	10029	100.00

10. LARGEST SHAREHOLDERS ON 30 JUNE 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		1817059	1817059	8.75	1817059	1.98
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
Other	9648	9861871	9871519	47.55	10054831	10.98
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

	1-6/2015	1-6/2014	1-12/2014
Opening balance	192149	165783	165783
Additions	15648	22475	38998
Deductions and transfers	-39	-2659	-818
Depreciation	-7570	-6694	-14139
Exchange rate differences and adjustment for hyperinflation	-8871	3284	2325
Total	191317	182189	192149

12. CONTINGENT LIABILITIES

EUR 1,000

	30 June 2015	30 June 2014	31 December 2014
Pledges and contingent liabilities			
For own commitments	2397	3152	2397
Leasing and rental liabilities:			
Due within one year	1219	1209	1143
Due within 1 to 5 years	1123	880	758
Due in more than 5 years	5	5	5
Leasing and rental liabilities total	2347	2094	1906
Package liabilities	3282	3349	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, % = $100 * (\text{Interest-bearing debt} - \text{cash in hand and at bank}) / (\text{Shareholders' equity held by parent company shareholders} + \text{non-controlling interests})$