FINANCIAL STATEMENTS
2015

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FINANCIAL STATEMENTS 2015

BOARD OF DIRECTORS' REPORT

THE YEAR IN BRIEF

Olvi Group's profitability remained on a healthy level in spite of a challenging operating environment and declining markets. Full-year operating profit declined slightly but profitability remained on a strong level. Cash flow from operations increased clearly and the balance sheet became even stronger.

Full year 2015:

- Olvi Group's sales volume was 579.9 (576.5) million litres
- The Group's net sales decreased slightly and totalled 310.5 (320.8) million euro
- The Group's reported operating profit declined slightly, amounting to 38.2 (41.0) million euro
- Net profit amounted to 22.2 million euro (33.1). The decline in profit was affected by 10.5 million euro of intra-Group unrealised exchange rate losses on Belarusian operations, which were recognised in financial items
- Olvi Group's earnings per share stood at 1.08 (1.57) euro per share
- The equity ratio improved again, standing at 59.4 (57.9) percent
- Cash flow from operations clearly increased on the previous year, amounting to 61.7 (46.3) million euro
- The Board proposes a dividend of 0.70 (0.65) euro per share.

CONSOLIDATED KEY RATIOS

	1-12/ 2015	1-12/ 2014
Sales volume, Mltr	579.9	576.5
Net sales, MEUR	310.5	320.8
EBITDA, MEUR	54.5	55.9
% of net sales	17.6	17.4
Operating profit, MEUR	38.2	41.0
% of net sales	12.3	12.8
Net profit for the period	22.2	33.1
% of net sales	7.2	10.3
Earnings per share, EUR	1.08	1.57
Gross capital expenditure, MEUR	26.0	41.6
Equity per share, EUR	8.92	9.17
Equity to total assets, %	59.4	57.9
Gearing, %	18.3	29.8

BUSINESS DEVELOPMENT

The operating environment in 2015 was challenging, and the total markets in Olvi Group's operating area clearly diminished, particularly in the high-season months. Taking this into account, the slight increase in the Group's sales volume and also the earnings development can be considered good performance.

The market decline, and also Olvi Group's performance, were affected by cool and rainy weather in Finland and the Baltic states during the most important high-season months, as well as negative economic and currency development in Belarus. In spite of the overall market decline, operating profits in Finland and the Baltic states improved on the previous year.

Profitability in Finland improved through cost savings, efficiency measures and sales actions particularly in the latter half of the year. Full-year operating profit increased by 16.2 percent. A slight improvement was also seen in market share.

All in all, development in the Baltic states was good in 2015. Profitability in Estonia remained on a very strong level even though sales volume and earnings fell short of the previous year due to a diminishing market. Our Estonian company A. Le Coq retained its clear market leadership within the country's beverage industry. The company was awarded the most competitive food industry company in Estonia for the tenth time. Business in Latvia developed favourably in 2015. Operating profit in Latvia increased by 45.1 percent during 2015, reaching an all-time high along the company's history. In Lithuania, the market share strengthened and sales volume increased during 2015. Operating profit in Lithuania improved by 10.8 percent on the previous year. Our Lithuanian company Volfas Engelman was ranked as the best Lithuanian company in the European Business Awards competition. The primary criteria for the choice were innovation, financial performance and business ethics.

The market situation in Belarus is more difficult compared to other parts of the Group due to challenges coming from the operating environment. Strong devaluation of the local currency in 2015 on the one hand, and a rapid rise of costs on the other, had a negative impact on the company's earnings development measured in euro. The business as such continued to develop favourably and the company's sales volume increased during the year, clearly outperforming the country's market development. One of the most important successes in 2015 is the newly initiated co-operation with PepsiCo, which was reflected as a steady increase in market share in 2015 and which is believed to boost the soft drinks market share of Olvi's Belarusian unit also in upcoming years.

The development of Olvi Group's business is supported by the great appreciation enjoyed by our brands. The parent company's Sandels and Olvi were elected the most appreciated brands of beer in Finland. Lidskoe beer was ranked as the number one brand in the Belarusian market according to two different market surveys. Our Lithuanian subsidiary's beer brand Volfas Engelman was successful in an annual customer survey, ranking second in a comparison of most liked beer brands. Volfas Engelman was also the most popular consumer brand in a competition arranged by the Lithuanian newspaper Verslo žinios.

During 2015, the Group invested 26.0 million euro in capital expenditure. A logistics investment in Finland was completed during the spring, allowing more efficient operations. Investments carried out in 2015 increased the production capacity in Finland. Thanks to substantial investment efforts in recent years, our production facilities are in good shape, allowing efficient operation and growth well into the future.

The Group's balance sheet became even stronger during 2015. The equity ratio improved to 59.4 percent while the gearing ratio dropped to 18.3 percent. Cash flow from operations increased clearly and totalled 61.7 (46.3) million euro.

OLVI GROUP'S AND ITS GEOGRAPHICAL SEGMENTS' SALES VOLUME, NET SALES AND EARNINGS IN 2015

Sales development

Olvi Group's sales volume in 2015 made an all-time high of 579.9 (576.5) million litres. This represents an increase of 3.4 million litres or 0.6 percent.

The strongest growth was seen in Belarus (increase 5.2 million litres) and in Lithuania (increase 3.8 million litres). Sales volumes declined in Finland, Estonia and Latvia particularly due to cool and rainy weather in the high-season months.

Sales volume, million litres	**1-12/ 2015**	**1-12/ 2014**
Finland (Olvi plc)	148.0	151.8
Estonia (AS A. Le Coq)	123.9	131.6
Latvia (A/S Cēsu Alus)	68.1	76.1
Lithuania (AB Volfas Engelman)	84.9	81.1
Belarus (OAO Lidskoe Pivo)	175.1	169.9
Eliminations	-20.1	-34.0
Total	**579.9**	**576.5**

The Group's net sales in 2015 declined by 3.2 percent and amounted to 310.5 (320.8) million euro. The net sales decline reflects a diminishing market, intense price competition and devaluation of the Belarusian exchange rate.

Net sales, million euro	**1-12/ 2015**	**1-12/ 2014**
Finland (Olvi plc)	102.9	105.3
Estonia (AS A. Le Coq)	75.8	80.7
Latvia (A/S Cēsu Alus)	31.2	34.1
Lithuania (AB Volfas Engelman)	35.8	36.1
Belarus (OAO Lidskoe Pivo)	73.6	78.6
Eliminations	-8.7	-14.0
Total	**310.5**	**320.8**

Earnings development

The Group's operating profit for January-December declined by 6.9 percent and amounted to 38.2 (41.0) million euro, or 12.3 (12.8) percent of net sales. In spite of the decline in consolidated operating profit, earnings improved in Finland, Latvia and Lithuania. There was a slight drop in earnings in Estonia but profitability remained on a very strong level. Operating profit in Belarus declined by 32.6 percent or 4.3 million euro due to a diminishing market and devaluation of the exchange rate.

Operating profit, million euro	**1-12/ 2015**	**1-12/ 2014**
Finland (Olvi plc)	7.8	6,7*)
Estonia (AS A. Le Coq)	15.9	16.5
Latvia (A/S Cēsu Alus)	3.0	2.1
Lithuania (AB Volfas Engelman)	2.6	2.4
Belarus (OAO Lidskoe Pivo)	8.8	13.1
Eliminations	-0.0	0,2*)
Total	**38.2**	**41.0**

*) Reported operating profit in Finland 1-12/2014 stood at 7.4 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 1-12/2015 figures.

The Group's full-year profit in 2015 totalled 22.2 (33.1) million euro. Earnings per share calculated from the profit belonging to parent company shareholders in January-December stood at 1.08 (1.57) euro per share.
Net profit for the period and earnings per share were burdened by unrealised exchange rate losses on an intra-Group loan targeted at investments in Belarus. The losses totalled 10.5 million euro and were recognised in financial items.

FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of December 2015 was 314.5 (332.8) million euro. Equity per share at the end of 2015 stood at 8.92 (9.17) euro. The equity ratio improved and stood at 59.4 (57.9) percent. The Group's interest-bearing net liabilities decreased by 23.2 million euro during 2015 and amounted to 34.1 million euro at year-end (57.3). The gearing ratio declined substantially during 2015 and stood at 18.3 (29.8) percent. Cash flow from operations increased clearly and totalled 61.7 (46.3) million euro. The current ratio, which represents the Group's liquidity, was 1.1 (1.1).

Olvi Group's gross capital expenditure in 2015 amounted to 26.0 (41.6) million euro. The parent company Olvi accounted for 3.9 million euro, the Baltic subsidiaries for 7.6 million euro and Lidskoe Pivo in Belarus for 14.5 million euro of the total. Capital expenditure declined clearly on the previous year. The largest investments were targeted at increasing production capacity in Belarus.

CHANGES IN CORPORATE STRUCTURE IN 2015

In August 2015, Olvi Group acquired 26 shares in the subsidiary A/S Cēsu Alus. There were no other changes in Olvi's holdings in subsidiaries in January-December 2015.

At the end of the accounting period, Olvi's shares of holding were:

	2015	2014
AS A. Le Coq, Estonia	100.00	100.00
A/S Cēsu Alus, Latvia	99.87	99.86
AB Volfas Engelman, Lithuania	99.58	99.58
OAO 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.

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. Several new products were launched during 2015 both in Finland and by the subsidiaries. New products have been presented in interim reports released during the accounting period, as well as on each company's Web site.

CORPORATE GOVERNANCE

Olvi plc adheres to responsible and open corporate governance of a high standard. Good corporate governance is based on a combination of laws and decrees issued on the basis of them, as well as self-regulation and other best practices. Open corporate governance supports the value creation of the company and its attractiveness as an investment object.

Olvi plc complies with the Corporate Governance Recommendation for Listed Companies issued by NASDAQ OMX Helsinki Ltd, Finland Chamber of Commerce and the Confederation of Finnish Industries as valid from time to time, explaining any departures. Olvi plc has complied with the recommendation as valid from time to time since it entered into force in 2003.

Until the end of 2015, Olvi plc has operated in compliance with the Corporate Governance Code for Listed Companies published by the Securities Market Association that entered into force on 1 October 2010.

In its reporting for 2015, the company partially complies with the new Corporate Governance Code approved by the Securities Market Association that entered into force on 1 January 2016.

The company's Board of Directors has considered the Corporate Governance Statement 2015. In accordance with the recommendation, Olvi plc has issued a separate corporate governance statement for its accounting period starting 1 January 2015 in connection with the Board of Directors' report and financial statements for 2015.

Olvi's Corporate Governance Statement is available on the company's Web site. The statement is not updated during the accounting period, but up-to-date information on the subject areas included in it is presented on the company's Web site.

Olvi maintains a public and company-specific insider register, as well as project-specific insider registers for individual projects. Public insiders comprise the members of the Board of Directors and Management Group, auditors and their closely related parties.

PERSONNEL

Olvi Group's human resources strategy plays a central role in achieving the Group's business targets. Olvi plc is actively developing its management, training and incentive systems in order to improve well-being at work and provide employees a safe working environment. It is most important to guarantee the attractiveness of Group companies as employers and ensure the availability of personnel and commitment to the Group companies.

Olvi Group has a shared mission statement and vision. The business strategies in all of the operating countries are largely similar and based on the same values.

In implementing the strategies, Olvi plc approves local flexibility in the means used for achieving targets because the operating environments and competitive situations are different.

Olvi Group's business strategies and objectives are put into practice in the organisation through result cards, appraisal discussions and regular feedback. The competence of personnel is maintained through continuous training and development of operations. Olvi issues a separate human resources statement each year for internal use within the company.

Olvi Group's average number of personnel in January-December was 1,940 (1,958). The Group's average number of personnel decreased by 18 people or 0.9 percent. The greatest decline in the Group's average number of personnel was seen in Finland, where the figure dropped by 33 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 aggregate number of personnel in the Baltic states increased by 16 people from January to December. In Belarus, the number of personnel in January-December remained at the previous year's level.

Olvi Group's average number of person-nel by country:

	1-12/ 2015	**1-12/ 2014**
Finland	336	369
Estonia	336	331
Latvia	206	214
Lithuania	233	214
Belarus	829	830
Total	**1,940**	**1,958**

WAGES, SALARIES AND EMOLUMENTS

Wages, salaries and emoluments in the accounting period:

EUR 1,000	**2015**	**2014**
Wages, salaries and emoluments	32,854	33,779

In accordance with the implementing provisions of the Finnish Corporate Governance Code, Olvi has issued a separate remuneration report for its accounting period starting 1 January 2015 in connection with the Board of Directors' report and financial statements for 2015. The report has been prepared in accordance with Recommendations 22 to 24 in the Remuneration section of the revised CG Code.

Olvi's remuneration report is publicly available on the company's Web site at www.olvi.fi.

BONUS SCHEMES

Bonuses based on the achievement of earnings and performance targets are an important incentive for personnel and a management tool.

Performance bonus schemes communicate the targets, will and desire set by the company's Board of Directors. Bonuses based on earnings or performance are a sign of achievements that outperform the target level. Basic wages and salary are compensation for work well done.

The overall objectives of bonuses based on target-setting include clarity, fairness and sufficient effect.

Bonus schemes must not encourage imprudent risk-taking or negligence.

The objectives for long-term bonuses in particular include increasing shareholder value, supporting profitable growth and relative profitability, and making operational management and key employees committed to the company.

Components of remuneration to personnel

The components of remuneration to personnel consist of fixed remuneration as well as short- and long-term incentive schemes.

Olvi's Board of Directors decides on the terms of service of the Managing Director, which are specified in a written directors' contract. The Board of Directors assesses the Managing Director's performance annually. The terms of service of other top management shall be decided by the Board of Directors on the basis of the Managing Director's proposal. The Managing Director and other management executives shall not receive separate remuneration for their work in the management group or other internal management organs within the Group.

Short-term incentives

Short-term incentives are performance bonus schemes in which the monitoring period is one accounting period. The Board of Directors shall decide upon the basis for definition of the incentives. In 2015, the basis for definition of the performance bonus was operating profit. The entire personnel of Olvi is included in the scope of performance bonuses, while in other Group companies, the scope includes the management group members.

Furthermore, Olvi Group's subsidiaries have incentive schemes that cover either the entire personnel or the company's key employees and are based on the achievement of targets specified in performance cards.

Long-term incentives

Long-term incentives are based on programmes confirmed by the company's Board of Directors that are valid for at least two accounting periods. The programmes can be share-based incentive schemes or performance bonus schemes based on Group-level targets.

The Group has an active share-based incentive plan for key personnel in accordance with a resolution made by Olvi plc's Board of Directors on 29 April 2014. The aim of the 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 share-based incentive plan is described in more detail in Note 22 to the financial statements, Share-based payments.

Personnel fund

Olvi has an operational personnel fund that covers Olvi's entire personnel excluding top management.

The basis of making profit-sharing contributions to the personnel fund shall be decided annually by the company's Board of Directors.

MANAGEMENT AND AUDITORS

The Chairman of the Board of Olvi plc is Heikki Hortling, M.Sc. (Econ), Industrial Counsellor, and the Vice Chairman is Esa Lager, M.Sc. (Econ), LL.M. Other members of the Board of Directors include Jaakko Autere, M.Sc. (Econ), Nora Hortling, M.Sc. (Econ) (since 16 April 2015), Elisa Markula, M.Sc. (Econ) (since 16 April 2015) and Heikki Sirviö, M.Sc. (Engineering), Industrial Counsellor (since 16 April 2015). In addition, until the Annual General Meeting of Olvi plc held on 16 April 2015, the members of the Board included Heikki Sinnemaa, LL.M, and Tarja Pääkkönen, Dr. Tech.

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 consists 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 Managing Directors of the subsidiaries are:

- AS A. Le Coq, Tartu, Estonia - Tarmo Noop
- A/S Cēsu Alus, Cēsis, Latvia - Eva Sietiņsone
- AB Volfas Engelman, Kaunas, Lithuania - Marius Horbačauskas
- OAO Lidskoe Pivo, Lida, Belarus - Audrius Mikšys

The Managing Directors of the subsidiaries report to Lasse Aho, the Managing Director of Olvi plc. The Management Group of each subsidiary consists of the corresponding Managing Director and two to four sector directors.

OLVI A SHARE AND SHARE MARKET

Olvi's share capital at the end of December 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.

The total trading volume of Olvi A shares on Nasdaq OMX Helsinki in 2015 was 2,036,830 (2,174,302) shares, which represented 12.0 (12.8) percent of all Series A shares. The value of trading was 48.4 (54.3) million euro.

The Olvi A share was quoted on Nasdaq OMX Helsinki (Helsinki Stock Exchange) at 22.19 (21.07) euro at the end of 2015. In January-December, the highest quote for the Series A share was 27.20 (29.90) euro and the lowest quote was 20.51 (20.70) euro. The average share price in 2015 was 23.76 (25.03) euro. At the end of December 2015, the market capitalisation of Series A shares was 377.8 (358.7) million euro and the market capitalisation of all shares was 460.6 (437.4) million euro.

The number of shareholders at the end of December 2015 was 10,108 (10,021). Foreign holdings plus foreign and Finnish nominee-registered holdings represented 22.4 (20.5) percent of the total number of book entries and 5.1 (4.6) percent of total votes.

Detailed information on Olvi's shares and shareholdings can be found in the notes to the parent company's financial statements.

BOARD OF DIRECTORS' AUTHORISATIONS

On 16 April 2015, the General Meeting of Shareholders of Olvi plc decided to authorise the Board of Directors to decide on the acquisition of a maximum of 500,000 of the company's own Series A shares. The shares were to be acquired in deviation from the pro rata principle among shareholders, using the company's unrestricted equity at the market price at time of acquisition in public trading arranged by NASDAQ OMX Helsinki Ltd.

The Annual General Meeting also decided to 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 ("Issue authorisation").

The new shares were to be issued and the treasury shares transferred in one or more lots either against payment or free of charge.

The new shares were to be issued and the treasury shares transferred to the company's shareholders on a pro rata basis in relation to their existing holdings, or a private placing could have been executed in deviation from shareholders' pre-emptive rights if a weighty economic reason for this existed from the company's viewpoint, such as financing or execution of corporate acquisitions or arrangements, development of the company's equity structure, improvement of share liquidity or implementation of the company's incentive schemes. A private placing can be free of charge only if a particularly weighty economic reason for this exists from the company's viewpoint, taking into consideration the interests of all shareholders. The Board of Directors would have decided upon other matters related to share issues.

It was proposed that the issue authorisation would be valid until the closing of the Annual General Meeting 2015, however no longer than 18 months from the General Meeting's decision of issue authorisation.

At its meeting on 23 December 2015, the Board of Directors of Olvi plc decided to exercise the authorisation to purchase treasury shares given by the Annual General Meeting on 16 April 2015 and acquire a maximum of 10,000 Series A shares. The acquisition of shares started on 28 December 2015. Between 28 December and 31 December 2015, a total of 4,500 Series A shares were acquired for a price of 99,492 euro.

In line with the Board's proposal, the General Meeting of Olvi plc also decided to authorise the Board to decide on the distribution of extra dividends.
The extra dividend to be distributed on the basis of the authorisation, as an aggregate total of any separate decisions of distribution, might amount to a maximum of 0.15 euro for each Series A and Series K share, in total a maximum of 3,113,652.60 euro.

Extra dividends based on the Board of Directors' decision would be paid to shareholders registered in the company's register of shareholders held by Euroclear Finland Ltd on the record date of the dividend payment decided by the Board.

According to the authorisation, the Board of Directors shall decide on the record date of the dividend payment and the payment date, which may be no earlier than the fifth banking day after the record date. The authorisation includes the right of the Board of Directors to decide on all other terms and conditions related to the distribution of extra dividends referred to in the above. The authorisation shall remain valid until the commencement of the next General Meeting of Shareholders. No dividend shall be paid on treasury shares held by the company.

TREASURY SHARES

Olvi plc held a total of 5,624 of its own Series A shares on 31 December 2015, and the total acquisition price was 108.0 thousand euro (on 31 December 2014 1,124 shares, acquisition price 8.5 thousand euro).

Series A shares held by Olvi plc as treasury shares represented 0.027 percent of the share capital and 0.006 percent of the aggregate number of votes. The treasury shares represented 0.033 percent of all Series A shares and associated votes.

FLAGGING NOTICES

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

ENVIRONMENTAL ISSUES

In accordance with its environmental policy, Olvi is strongly committed to procedures and methods that spare the environment, as well as all laws and recommendations related to its business. The objectives for Olvi's environmental policy are defined annually and realised as objectives on the performance cards. The achievement of environmental targets and related indicators are regularly monitored by top management and designated representatives.

Olvi Group's environmental principles:

- We favour efficient reuse and recycling of packages.
- We route by-products and production waste to recovery.
- In the development of products and procedures, we are committed to the efficient use of raw materials and energy, as well as the reduction of environmental impacts.
- Olvi endeavours to spare clean water, purify water for reuse, and to apply efficient pre-processing of waste water to prevent the release of substances that cause environmental load (such as phosphorus and biological oxygen consumers).
- We will change over to an environmentally friendly fuel at our power plant during 2016–2017.
- We favour co-operation partners that show environmental responsibility.
- We openly disclose information on our operations and the environmental impacts of our products.

- We encourage our personnel to take responsibility and show innovation also with regard to their work environment and environmental impacts.
- The production plant's energy efficiency will be improved through a multitude of actions identified in an energy review.

Handling of waste and emissions from production, packaging and transports

- The by-products mash and excess yeast are delivered to cattle farms for use as animal feed.
- We will improve the efficiency of waste recycling in our production process in 2016, with the objective of reducing the amount of landfill waste to zero.
- Raw materials and chemicals are transported to the brewery in tanks and recyclable packages.
- Packaging waste from production, as well as hazardous waste, is sorted at our own waste processing centre and delivered for recycling.
- Olvi's products are packaged exclusively in refillable or recyclable packages. Olvi belongs to nationwide beverage package systems.
- Waste water is routed to the process of the local municipal waste water treatment plant through an equalising tank that reduces biological oxygen-consuming load and a bio-filter. This process will be modernised in 2016–2017.
- Most of the production facility's heat requirement is produced by district heating supplemented by the production of a steam facility. This, as well as the transport of goods, generates flue gas emissions, and the fermentation process at the brewery releases carbon dioxide. The wort-boiling process releases a harmless bread-like sweet smell to the vicinity.

Olvi's environmental measures and objectives are described in more detail on the corporate Web site at www.olvi.fi.

In 2009, Olvi joined a voluntary energy efficiency agreement system for the food industry based on the EU Energy Services Directive. The system is valid until the end of 2016 and replaces the energy-saving agreement that expired at the end of 2007. The system involves agreement on a framework for continuous and systematic improvements in energy efficiency. This shows that Olvi is a serious player in our society's joint effort against climate change.

Olvi's environmental permit was granted on 30 September 2003 and has been valid until further notice. An application to update the environmental permit has been submitted at the end of 2014. An official decision regarding the approval of the update is expected during 2016.

Olvi Group companies have not been involved in any legal or administrative proceedings related to environmental issues, and the company is not aware of any environmental risks that would have a significant effect on the Group's financial position.

BUSINESS RISKS AND THEIR 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.

Strategic risks

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

Operational risks

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

Raw materials

General economic development and annual fluctuations in crop yield affect the prices and availability of major raw materials used within Olvi Group. Disruptions in raw material deliveries and quality may hamper customer relations and business operations. Purchases of major raw materials are made under procurement contracts standardised at the Group level. The Group aims to secure the predictability of purchase prices for critical raw materials through long-term procurement contracts. The company has a hedging policy concerning raw materials and their prices. All units emphasise the significance of the quality of raw materials and other production factors in the overall production chain.

Production process

The aim is to minimise production risks through clear documentation of processes, increasing the degree of automation, compliance with quality management system and the pursuit of clear operating methods in relation to decision-making and supervision. The efficiency and applicability of processes and methods are monitored using internal indicators.

The monitoring and development of production efficiency includes, among other things, the reliability and utilisation rate of production machinery, development of the working environment and factors related to people's work. The Group has a property and loss-of-profits insurance programme covering all of the operating areas, and its coverage is reviewed annually.

Markets and customers

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

Negative changes in the economy may impact consumers' purchasing behaviour and hamper the liquidity of our customers. All Group companies employ efficient credit controls as a major method for minimising credit losses.

Legislative changes and other changes in the operations of authorities, such as changes in excise taxes and marketing restrictions, may affect the demand for the Group's products and their relative competitive position.

Personnel

Risks related to personnel include risks in obtaining labour, employment relationship risks, key person risks, competence risks and risks related to well-being at work and occupational accidents.

Crucial focal points in HR management include maintaining and developing a good employer image, as well as ensuring the availability and commitment of personnel. Other focal points include maintaining and continuously developing well-being and safety at work, improvement of management systems, construction and maintenance of backup personnel systems, as well as training and incentive schemes.

Information security and IT

Olvi Group employs an information security policy pertaining to all of the companies. It defines the principles for implementing information security and provides guidelines for its development.

Risks related to information technology and systems are manifested as operational disruptions and deficiencies, for example. The availability and correctness of data is ensured through the choice of operating methods and various technical solutions. The Group's operations in Finland, the Baltic states and Belarus utilise a common enterprise resource planning system. A risk analysis pertaining to information security and the operation of information systems is carried out annually.

Financing risks

The Group is exposed to financing risks in its normal course of business: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk.

The objective of financing risk management is to minimise the adverse effects of changes in the financial markets on the Group's financial performance, shareholders' equity and liquidity.

The general principles of the Group's risk management are approved by the Board of Directors of the parent company, and the parent company's management together with the management of subsidiaries is responsible for their practical implementation.

Responsibility for Olvi Group's financing tasks is centralised in the parent company Olvi. The objectives of centralisation include optimisation of cash flows and financing costs, as well as efficient risk management.

Financing risks are described in more detail in Note 25 to the consolidated financial statements, Management of financing risks. Financing risks are also described in more detail in the Investors section of the corporate Web site.

BUSINESS RISKS AND UNCERTAINTIES IN THE NEAR TERM

The 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.

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, internal financing and the conversion of the subsidiary's 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, changes in the competitive situation, as well as the impacts these may have on the company's operations.

In addition to the risks described above, there have been no significant changes in Olvi Group's business risks.

NEAR-TERM OUTLOOK

Olvi estimates that the Group's sales volume and net sales for 2016 will increase slightly on the previous year.

Operating profit for 2016 is estimated to be on a par with the previous year or increase slightly.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The parent company Olvi plc had 47.7 (49.5) million euro of distributable funds on 31 December 2015, of which profit for the period accounted for 11.7 (12.5) million euro.

Olvi plc's Board of Directors proposes to the Annual General Meeting that distributable funds be used as follows:

1) A dividend of 0.70 (0.65) euro shall be paid for 2015 on each Series K and Series A share, totalling 14.5 (13.5) million euro. The dividend represents 64.8 (41.4) percent of Olvi Group's 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, 18 April 2016. It is proposed that the dividend be paid on 28 April 2016. No dividend shall be paid on treasury shares.

2) 33.2 million euro shall be retained in the parent company's non-restricted equity.

EVENTS AFTER THE REVIEW PERIOD

Acquisition of treasury shares

The acquisition of Olvi plc's own shares continued according to plan in January 2016. Between 1 January and 7 January 2016, a total of 5,500 Series A shares were acquired. After the completion of the repurchase scheme, Olvi plc holds a total of 11,124 of its own Series A shares. The total purchase price of treasury shares was 228,162 euro.

New incentive plan for key employees

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

The performance period of the incentive scheme is 2016–2017. The prerequisite for receiving reward 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 will be paid partly in the company's Series A shares and partly in cash in 2018. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the key employees. 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 60,000 Series A shares in Olvi plc and a cash payment needed for taxes and tax-related costs arising from the shares.

FINANCIAL REPORTS IN 2016

Olvi Group's financial statements, Board of Directors' report and Corporate Governance Statement 2015 will be published on 24 March 2016. The parent company Olvi plc's remuneration report will also be published at the same time.

The notice to convene Olvi plc's Annual General Meeting, which will be held on 14 April 2016 in Iisalmi, will be published on 24 March 2016. The financial statements, Board of Directors' report and notice to convene the AGM will be available on Olvi plc's Web site on the same day.

The following interim reports will be released in 2016:

- Interim report from January to March on 28 April 2016,
- Interim report from January to June on 25 August 2016, and
- Interim report from January to September on 27 October 2016.

OLVI PLC
Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

	Note	1 JAN TO 31 DEC 2015 EUR 1,000	%	1 JAN TO 31 DEC 2014 EUR 1,000	%
NET SALES	1	**310,494**	**100.0**	**320,785**	**100.0**
Increase (+)/decrease(-) in inventories of finished and unfinished products		253	0.1	-2,813	-0.9
Manufacture for own use		63	0.0	65	0.0
Other operating income	3	1,743	0.6	1,626	0.5
Materials and services		145,304	46.8	148,219	46.2
Personnel expenses	6	41,320	13.3	42,506	13.2
Depreciation and impairment	5	16,348	5.3	14,907	4.6
Other operating expenses	4	71,423	23.0	73,031	22.8
OPERATING PROFIT		**38,157**	**12.3**	**41,000**	**12.8**
Financial income	8	281	0.1	3,990	1.2
Financial expenses	9	-11,641	-3.8	-3,985	-1.2
Share of profit in associates	32	21	0.0	48	0.0
PROFIT BEFORE TAXES		**26,818**	**8.6**	**41,053**	**12.8**
Income taxes	10	-4,598	-1.4	-7,974	-2.5
NET PROFIT FOR THE PERIOD		**22,220**	**7.2**	**33,079**	**10.3**
Other comprehensive income items:					
Translation differences related to foreign subsidiaries		-14,620	-4.8	-2,874	-0.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**7,600**	**2.4**	**30,205**	**9.4**
Distribution of profit:					
- parent company shareholders		22,334	7.2	32,522	10.1
- non-controlling interests		-114	0.0	557	0.2
Distribution of comprehensive income:					
- parent company shareholders		8,358	2.6	29,879	9.3
- non-controlling interests		-758	-0.2	326	0.1
Earnings per share calculated from the profit belonging to parent company shareholders:					
Undiluted earnings per share (EUR)		1.08		1.57	
Diluted earnings per share (EUR)		1.08		1.57	

The notes constitute an essential part of the financial statements.

Consolidated Balance Sheet

	Note	31 DEC 2015 EUR 1,000	%	31 DEC 2014 EUR 1,000	%
ASSETS					
Non-current assets					
Tangible assets	12	185,240		192,149	
Goodwill	13, 14	16,017		18,217	
Other intangible assets	13	4,183		4,562	
Shares in associates		1,146		1,125	
Financial assets available for sale	15	543		549	
Loan receivables and other non-current receivables	16	310		333	
Deferred tax receivables	19	147		163	
Total non-current assets		**207,586**	**66.1**	**217,098**	**65.3**
Current assets					
Inventories	17	42,236		43,522	
Accounts receivable and other receivables	18	51,232		66,309	
Income tax receivable		236		1,023	
Other non-current assets held for sale	2	421		421	
Liquid assets	20	12,786		4,382	
Total current assets		**106,911**	**33.9**	**115,657**	**34.7**
TOTAL ASSETS		**314,497**	**100.0**	**332,755**	**100.0**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity held by parent company shareholders					
Share capital	21	20,759		20,759	
Other reserves	21	1,092		1,092	
Treasury shares	21	-108		-8	
Translation differences		-36,940		-22,964	
Retained earnings		200,415		191,408	
Total shareholders' equity held by parent company shareholders		**185,218**	**58.9**	**190,287**	**57.2**
Share belonging to non-controlling interests		1,447	0.5	2,252	0.7
Total shareholders' equity		**186,665**	**59.4**	**192,539**	**57.9**
Non-current liabilities					
Financial liabilities	23	24,179		30,040	
Other liabilities		4		2	
Deferred tax liabilities	19	6,777		5,598	
Current liabilities					
Financial liabilities	23	22,683		31,652	
Accounts payable and other liabilities	24	74,153		72,899	
Income tax liability		36		25	
Total liabilities		**127,832**	**40.6**	**140,216**	**42.1**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**314,497**	**100.0**	**332,755**	**100.0**

The notes constitute an essential part of the financial statements.

Consolidated Cash Flow Statement

	Note	1-12/2015 EUR 1,000	1-12/2014 EUR 1,000
Cash flow from operations			
Net profit for the period		22,220	33,079
Adjustments:	27		
Depreciation and impairment	5	16,348	14,907
Other adjustments		12,336	10,792
Change in net working capital:			
Increase (-) / decrease (+) in current interest-free accounts receivable and other receivables		11,832	-7,020
Increase (-) / decrease (+) in inventories		-361	-1,952
Increase (+) / decrease (-) in current interest-free liabilities		2,698	6,614
Interest paid		-1,113	-3,393
Interest received		228	385
Taxes paid		-2,520	-7,063
Cash flow from operations (A)		**61,668**	**46,349**
Cash flow from investments			
Investments in tangible and intangible assets		-25,100	-43,855
Capital gains on disposal of tangible and intangible assets		249	200
Expenditure on other investments		-16	-298
Cash flow from investments (B)		**-24,867**	**-43,953**
Cash flow from financing			
Withdrawals of loans		20,360	32,657
Repayments of loans		-35,250	-24,542
Acquisition of treasury shares		-64	0
Dividends paid		-13,514	-13,531
Increase (-)/decrease (+) in current interest-bearing business receivables		-8	-23
Increase (-)/decrease (+) in non-current loan receivables		26	16
Cash flow from financing (C)		**-28,450**	**-5,423**
Increase (+)/decrease (-) in liquid assets (A+B+C)		**8,351**	**-3,027**
Liquid assets 1 January		**4,382**	**7,507**
Effect of exchange rate changes		53	-98
Liquid assets 31 December	20	**12,786**	**4,382**

The notes constitute an essential part of the financial statements.

Changes in Consolidated Shareholders' Equity

	SHAREHOLDERS' EQUITY BELONGING TO PARENT COMPANY SHAREHOLDER						
EUR 1,000	**A**	**B**	**C**	**D**	**E**	**F**	**G**
Shareholders' equity 1 Jan 2014	**20,759**	**1,092**	**-8**	**-20,321**	**167,420**	**2,597**	**171,539**
Adjustments for hyperinflation					4,263	245	4,508
Adjusted shareholders' equity 1 Jan 2014	**20,759**	**1,092**	**-8**	**-20,321**	**171,683**	**2,842**	**176,047**
Comprehensive income							
Net profit for the period					32,522	557	33,079
Other comprehensive income items							
Translation differences				-2,643		-231	-2,874
Total comprehensive income for the period				**-2,643**	**32,522**	**326**	**30,205**
Transactions with shareholders							
Payment of dividends					-13,492	-80	-13,572
Share-based incentives					27		27
Total transactions with shareholders					**-13,465**	**-80**	**-13,545**
Changes in holdings in subsidiaries							
Acquisition of shares from non-controlling interests					-168		-168
Change in share belonging to non-controlling interests					836	-836	0
Total changes in holdings in subsidiaries					**668**	**-836**	**-168**
Shareholders' equity 31 Dec 2014	**20,759**	**1,092**	**-8**	**-22,964**	**191,408**	**2,252**	**192,539**

	SHAREHOLDERS' EQUITY BELONGING TO PARENT COMPANY SHAREHOLDER						
EUR 1,000	**A**	**B**	**C**	**D**	**E**	**F**	**G**
Shareholders' equity 1 Jan 2015	**20,759**	**1,092**	**-8**	**-22,964**	**191,408**	**2,252**	**192,539**
Comprehensive income							
Net profit for the period					22,334	-114	22,220
Other comprehensive income items							
Translation differences				-13,976		-644	-14,620
Total comprehensive income for the period				**-13,976**	**22,334**	**-758**	**7,600**
Transactions with shareholders							
Payment of dividends					-13,492	-46	-13,538
Dividends not withdrawn					109		109
Acquisition of treasury shares			-100				-100
Share-based incentives					56		56
Total transactions with shareholders			**-100**		**-13,327**	**-46**	**-13,473**
Changes in holdings in subsidiaries							
Acquisition of shares from non-controlling interests					0		0
Change in share belonging to non-controlling interests					0	-1	-1
Total changes in holdings in subsidiaries					**0**	**-1**	**-1**
Shareholders' equity 31 Dec 2015	**20,759**	**1,092**	**-108**	**-36,940**	**200,415**	**1,447**	**186,665**

A = Share capital
B = Other reserves
C = Treasury shares reserve
D = Translation differences
E = Retained earnings
F = Share belonging to non-controlling interests
G = Total

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

The notes constitute an essential part of the financial statements.

Consolidated Accounting Policies

Basic information on the Group

Olvi plc ("the company") and its subsidiaries (jointly "the Group") manufacture beers, ciders, long drinks, mineral waters, juices, soft drinks, energy drinks, sports beverages, kvass and other beverages. The companies belonging to Olvi Group are located in Finland, Estonia, Latvia, Lithuania and Belarus.

The Group's parent company is Olvi plc (Business ID 0170318-9), and its Series A shares are quoted on the Nasdaq OMX Helsinki Ltd Main List. The parent company is headquartered in Iisalmi and its registered address is P.O. Box 16, 74101 Iisalmi.

A copy of the consolidated financial statements is available on the Internet at www.olvi.fi or from the headquarters of the Group's parent company at Olvitie I-IV, 74100 Iisalmi.

The accounting period of all Group companies corresponds to the calendar year and ended on 31 December 2015.

Olvi plc's Board of Directors has approved the disclosure of these financial statements at its meeting on 24 February 2016. According to the Finnish Companies Act, shareholders have the option to approve or reject the financial statements at a General Meeting of Shareholders to be held after disclosure. The General Meeting of Shareholders may also decide on amending the financial statements.

Accounting policies

Basis of preparation

The consolidated financial statements have been prepared in compliance with the approved International Financial Reporting Standards (IFRS), observing the IAS and IFRS standards as well as SIC and IFRIC interpretations valid on 31 December 2015. In the Finnish Accounting Act and regulations enacted by virtue of the Act, International Financial Reporting Standards refer to the standards approved for use in the European Union in accordance with the procedure specified in the EU regulation (EC) No 1606/2002. The notes to the financial statements are also in compliance with Finnish legislation concerning accounting and corporate law that supplements the IFRS regulations.

The consolidated financial statements have been prepared on the basis of original cost with the exception of financial assets available for sale, financial assets and liabilities recognised at fair value through profit or loss, derivative contracts, as well as share-based transactions settled in cash, which have been recognised at fair value. The financial statement information 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 may cause rounding differences in additions.

Preparation of financial statements in accordance with IFRS standards requires the Group's management to make certain estimates and considerations. Information on considerations made by management with regard to application of the Group's accounting policies that have the most significant effect on the figures presented in the financial statements is presented in the Section "Accounting policies requiring consideration by management and crucial factors of uncertainty associated with estimates".

Consolidated Accounting Policies

Subsidiaries

Subsidiaries are entities in which the Group exercises control. The consolidated financial statements include the parent company Olvi plc as well as all Finnish and non-Finnish subsidiaries in which the Group directly or indirectly controls more than 50 percent of the voting rights associated with shares or otherwise has the right to define the principles of the entity's finances and business operations in order to gain benefit from its operations.

Intra-Group shareholdings have been eliminated using the purchase method. The consideration given and the acquired entity's identifiable assets and assumed liabilities have been measured at fair value at the time of acquisition.

Acquired subsidiaries are included in the consolidated financial statements as of the date the Group has acquired a position of control, and divested subsidiaries are included until the date the Group's control is discontinued. All intra-Group business transactions, receivables, liabilities, unrealised gains and internal profit distribution are eliminated during the preparation of the consolidated financial statements. Unrealised losses are not eliminated if they are caused by impairment.

The distribution of profit or loss for the financial period between the parent company's shareholders and non-controlling interests is presented in the separate income statement, and the distribution of comprehensive income between the parent company's shareholders and non-controlling interests is presented in connection with the statement of comprehensive income. Comprehensive income is allocated between parent company shareholders and non-controlling interests even if this would lead to a negative share allocated to non-controlling interests. The share of equity belonging to non-controlling interests is presented as a separate balance sheet item under shareholders' equity. Changes in the parent company's holding in a subsidiary that do not lead to loss of control are treated as equity transactions.

Associates

Associates in which the Group holds 20 to 50 percent of voting rights or in which the Group exercises significant power but has no position of control are consolidated using the equity method. A share of profit in associates corresponding to the Group's share of holding has been calculated in accordance with the Group's holding and presented as a separate item in the income statement after financial income and expenses. If the Group's share of an associate's losses exceeds the book value of the investment, the investment is recognised in the balance sheet at zero value, and losses exceeding the book value are not taken into account unless the Group is otherwise committed to the fulfilment of the associate's obligations.

Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible of allocating resources to the operating segments and assessing their performance, is identified to be the Group's Managing Director making strategic decisions together with the parent company's Board of Directors.
Olvi Group's operating segments consist of the Group's geographical operating areas, which are Finland, Estonia, Latvia, Lithuania and Belarus.

The Group's segment information is described in more detail in Note 1 to the consolidated financial statements, Segment information.

Conversion of items in foreign currency

The figures indicating the earnings and financial position of Group entities are determined in the currency of each unit's primary operating environment ("functional currency"). The consolidated financial statements are presented in euro, which is the operating and presentation currency of the Group's parent company.

Transactions denominated in foreign currency have been converted into the functional currency at the exchange rate valid on the transaction date. Monetary items in foreign currency have been converted into the functional currency at the exchange rates valid on the closing date of the reporting period.

Gains and losses originating from business transactions in foreign currency and the conversion of monetary items are recognised through profit and loss. Foreign exchange gains and losses from operations are included in the corresponding items above operating profit. Foreign exchange gains and losses on loans denominated in foreign currency are included in financial income and expenses, with the exception of exchange rate differences on foreign currency items that constitute a part of the net investment made in a foreign unit. These exchange rate differences are recognised in other comprehensive income items, and accumulated exchange rate differences are included in the translation difference presented in shareholders' equity.

The income statements of non-Finnish consolidated companies that use a functional currency other than the Group's presentation currency have been converted into euro at the average exchange rates for the accounting period, and balance sheet items have been converted at the exchange rates on the balance sheet date. The different exchange rates applicable to the conversion of profit or loss on the income statement and balance sheet result in a translation difference recognised in shareholders' equity on the balance sheet, and any change in this difference is recognised in other comprehensive income items. Translation differences arising from the elimination of the acquisition cost of foreign Group companies, as well as translation differences arising from equity items accumulated after the acquisition, are recognised in other comprehensive income items. When a subsidiary is divested in full or in part, accumulated translation differences are recognised in the income statement as part of the sales gain or loss.

Goodwill arising from the acquisition of foreign entities and the fair value adjustments made to the book values of the assets and liabilities of such foreign entities upon acquisition are treated as assets and liabilities belonging to the foreign entities. They are converted into euro at the exchange rates valid on the closing date of the reporting period.

Inflation accounting

As of 1 January 2015, 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.

However, the Belarusian unit's data for the comparison year is presented as previously reported, adhering to the regulations for inflation accounting described below.

Items denominated in BYR currency have been adjusted using the Belarusian general consumer price index. Adjustments have been made monthly starting from December 2008.

The adjustment factors applied from December 2008 to December 2014 were as follows:

12/2008	4.1618
12/2009	3.7886
12/2010	3.4434
12/2011	1.6501
12/2012	1.3560
12/2013	1.1629
12/2014	1.0000

The values do not represent market values, repurchase values or other fair values used in actual transactions.

In the conversion of the 2014 financial statements, monetary receivables and liabilities have not been reassessed using a conversion factor but they have been converted into euro using the exchange rate between BYR and euro valid on the closing date of the reporting period.

The same procedure has also been applied to other non-monetary balance sheet items measured at fair value. On the other hand, other non-monetary balance sheet items as well as income statement items have been converted using the corresponding conversion factor values.

Monthly averages of the conversion factor have been applied to income statement items. The impact of the inflation factor on the company's monetary net position arising from the procedure has been included in financial income and/or expenses as a profit or loss. A change in tax accruals corresponding to the financial statement adjustments has been recognised in deferred tax liabilities.

The income and expense items within OAO Lidskoe Pivo's income statement, as well as the company's balance sheet, have been converted into euro at the mean exchange rate quoted by the Belarusian Central Bank on the balance sheet date.

Property, plant and equipment

Property, plant and equipment are recognised in the balance sheet at original cost deducted by accumulated depreciation and impairment losses.

Asset items are depreciated by the straight-line method over their estimated useful life. Depreciation is not booked on land areas. Estimated useful lives are the following:

Buildings	20 to 40 years
Plant machinery and equipment	15 to 20 years
Other fixed assets	5 years

The residual value and useful life of asset items are reviewed upon each closing of the accounts and adjusted if necessary to reflect any changes in the expected economic benefit.

Depreciation on a property, plant or equipment item will be discontinued when the item is classified as available for sale in accordance with the standard IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Sales gains and losses arising from the decommissioning and transfer of property, plant and equipment items are included in other operating income or other operating expenses.

Borrowing costs

Borrowing costs attributable to the acquisition, construction or manufacture of an item fulfilling the conditions of the revised IAS 23 standard are capitalised as part of the acquisition cost of that item if the item fulfils said conditions and capitalisation is started on or after 1 January 2009. All borrowing costs were previously recognised as immediate expenses. The Group has not had any capitalised borrowing costs up to date.

All borrowing costs other than those falling under IAS 23 are recognised as expenses in the period during which they have arisen.

Government grants

Public subsidies such as government grants associated with the acquisition of property, plant and equipment items are recognised as deductions in the book values of property, plant and equipment items. The subsidies will be recognised as income through reduced depreciation over the useful life of the item.

Subsidies received as compensation for realised costs are recognised on the income statement at the same time as the associated costs are recognised as expenses. Such subsidies are presented in other operating income.

Intangible assets

Goodwill

Goodwill arising from business combinations is recognised at the amount to which the total of consideration given, the share of non-controlling interests in the acquired entity and any previous holding exceed the fair value of net assets acquired.

No regular amortisation is booked on goodwill but it is tested for impairment annually or, if necessary, more frequently. For this purpose, goodwill is allocated to cash generating units that correspond to the management's way of supervising the business and associated goodwill. In the Group, cash generating units correspond to operating segments reported to top management. Goodwill is recognised at original cost deducted by impairment.

Research and development costs

Research and development costs are recognised as expenses in the income statement. Development costs arising from the design of new or more advanced products are capitalised as intangible assets in the balance sheet starting from the time the product is technically feasible, it can be utilised commercially, and future economic benefit is expected from the product.

Development costs previously recognised as expenses will not be subsequently capitalised. Amortisation is booked on an item starting from the time it is ready for use. An item that is not yet ready for use is tested annually for impairment.

Other intangible assets

An intangible asset item is recognised in the balance sheet only if its acquisition cost can be reliably determined and it is probable that the expected economic benefit from the item will be to the Group's advantage. Patents, trademarks and licences with a limited useful life are booked in the balance sheet at original cost and recognised as expenses in the income statement by straight-line amortisation over their known or estimated useful life. No amortisation is booked on intangible assets with an unlimited useful life but they are tested annually for impairment. The Group currently has no intangible assets with an unlimited useful life.

The amortisation periods for intangible assets are the following:

Trademarks and development costs	10 years
Computer software	5 years
Others	5 years

Leases

The Group as a lessee

Leases on tangible assets in which the Group has a significant part of the risks and benefits characteristic of ownership are categorised as finance lease agreements. Asset items acquired on finance lease agreements are recognised in the balance sheet at the fair value of the leased item in the start of the lease period or at a lower present value of minimum rents. Asset items acquired on finance lease agreements are depreciated over the useful life of the item or the lease period, whichever is shorter. Leasing rents payable are divided into financing cost and reduction of debt over the lease period so that the interest rate on the debt remaining in each accounting period is equal. Lease obligations are included in financial liabilities.

Lease agreements in which the risks and benefits characteristic of ownership remain with the lessor are treated as other lease agreements. Leases payable on the basis of other lease agreements are recognised as expenses in the income statement in equal instalments over the lease period.

The Group as a lessor

Items leased out by the Group in which a significant part of the risks and benefits characteristic of ownership have been transferred to the lessee are treated as finance lease agreements and recognised as receivables in the balance sheet. The receivable is recognised at present value.

The financial income on a finance lease agreement is recognised as income during the lease period so that the remaining net investment will produce the same percentage of yield over the lease period. The Group does not currently have any substantial finance lease agreements as a lessor.

Assets leased out on agreements other than finance lease are included in property, plant and equipment items in the balance sheet. They are depreciated over their useful life just as similar property, plant and equipment items in own use. Lease income is recognised in the balance sheet as equal instalments over the lease period.

Impairment

The balance sheet values of non-current tangible and intangible assets are assessed for impairment on the balance sheet date and every time there is evidence that the value of an asset may have been impaired. The impairment test estimates the amount recoverable from an asset. Recoverable amount equals to the fair value of an asset deducted by costs arising from its transfer, or value in use if this is higher.

An impairment loss is recognised in the income statement when the book value of an asset exceeds its recoverable amount. If an impairment loss is attributable to a cash generating unit, it is first allocated to reduce the goodwill attributable to the cash generating unit and then to reduce other asset items within the unit on a pro rata basis. An impairment loss will be reversed if there is a change in the circumstances and the amount recoverable from an asset has changed since the recognition of the impairment loss. However, any impairment loss reversal may not exceed the amount that would be the book value of the asset if the impairment loss was not recognised. Impairment losses recognised on goodwill are not to be reversed in any circumstances.

Impairment testing

The Group carries out annual impairment testing of goodwill as well as unfinished intangible and tangible assets, and any evidence of potential impairment is evaluated as presented above in the accounting policies. Recoverable amounts from cash generating units are determined through calculations based on value in use. The preparation of these calculations requires the use of estimates.

Cash flow estimates are based on forecasts approved by management covering a four-year period. The crucial variables used for the calculation of value in use are budgeted sales volume, budgeted net sales and operating profit. Estimated sales and production volumes are based on existing fixed assets. More information on goodwill and impairment testing is provided in Note 14, Impairment testing of goodwill.

Inventories

Inventories are recognised at acquisition cost or a lower probable net realisable value. The acquisition cost of raw materials and supplies is determined by the weighted average method. The acquisition cost of finished and unfinished products is based on actual costs and manufacturing volumes and comprises raw materials, direct expenses due to work performed, other direct expenses, as well as a proportion of the variable and fixed overheads of manufacturing based on actual manufacturing volumes. Net realisable value refers to estimated sales price available through normal business operations, deducted by estimated costs of finishing the product and costs of sale.

Pension obligations

The Group's pension schemes are defined contribution plans. Contributions paid to defined contribution pension plans are recognised in the income statement during the period to which the charge applies.

Share-based payments

The Group applies the standard IFRS 2 *Share-based Payment* to all share-based business transactions.

Arrangements settled in equity instruments are measured at fair value on the date of granting and recognised as expenses in the income statement in equal instalments over the validity period of the right. Arrangements settled in cash are measured at fair value at each closing of the accounts, and changes in the fair value of the liability are recognised in the income statement. The earnings effect of the arrangement is presented in the income statement under the costs of employee benefits.

The cost determined at the time of granting the share-based bonuses is based on the Group management's estimate of the number of shares that are expected to become vested at the end of the vesting period. The Group updates the expectation of the final number of shares on each balance sheet date. The changes in the estimates are recognised in the income statement.

Provisions

A provision is recognised in the balance sheet when the Group has a legal or factual obligation based on a previous event, it is probable that the fulfilment of the obligation requires payment or causes a financial loss, and the amount of the obligation can be reliably estimated. If there is a possibility to receive compensation for part of the obligation from a third party, the compensation is recognised as a separate asset item but this is only done once the possibility of receiving compensation is practically certain. Provisions are measured at the present value of the costs required to cover the obligation.

A provision is recognised for onerous contracts if the costs necessary for fulfilling the obligations exceed the benefits available from the contract.

A provision for obligations associated with decommissioning and restoration is recognised when the Group has an obligation based on environmental legislation and the Group's environmental responsibility policy that is associated with the decommissioning of a production facility, remedy of environmental damage or transfer of equipment to another location.

Taxes

The tax expenses in the income statement comprise tax based on the taxable income for the period and change in deferred tax. The tax based on the taxable income for the period is calculated on the basis of taxable income in accordance with the tax rate valid in each country. The tax is adjusted by any taxes associated with previous periods.

Deferred taxes are calculated on all temporary differences between book value and tax base. No deferred tax is recognised on impairment losses on goodwill that are not tax deductible, and no deferred tax is recognised on undistributed accrued profits of subsidiaries to the extent that the difference will probably not be eliminated during the foreseeable future. The most substantial temporary differences arise from depreciation on property, plant and equipment, arrangements settled in equity instruments, as well as the fair valuation of derivative contracts.

Deferred taxes are calculated at tax rates enacted or practically approved by the balance sheet date, which are expected to be applicable when the deferred tax receivable is realised or the deferred tax liability is paid.

Deferred tax receivables are recognised up to the probable amount of taxable income in the future against which the temporary difference can be utilised. The amount of deferred tax receivables and the probability of utilisation are assessed at every closing of the accounts.

Deferred tax receivables and liabilities are presented in the balance sheet as separate items under non-current assets or liabilities.

Principles for recognition of income

Net sales consist of consideration received for the sales of beverages and other brewery-related commodities during the course of the Group's ordinary business, measured at fair value.

Income is presented less value-added tax, indirect taxes, refunds and discounts, with intra-Group sales eliminated.

Income is recognised when it can be reliably determined and when it is probable that future economic benefit will be gained.

Products sold

The Group manufactures different kinds of alcoholic and non-alcoholic beverages and sells them, along with other products related to the beverage industry, to customers who have a retail or wholesale licence to sell alcohol for consumption on or off their premises. Product sales are recognised when the Group has delivered the products to the customer and when substantial risks and benefits related to their ownership have been transferred to the customer, and there are no outstanding obligations that could affect the customer's acceptance of the products. Delivery is considered to be realised only once the products have been delivered to the location agreed with the customer, and the risk of non-marketability and damage has been transferred to the customer.

The sales of beverages often carry annual discounts, and customers are entitled to return any defective products. Sales are recognised at the price specified in the sales contract less annual discounts and returns of defective products estimated at the time of sale.

Discounts are estimated and recognised on the basis of actual purchases and expected annual purchases in accordance with the terms and conditions of the sales contracts.

Rental income

The Group rents out beverage-serving equipment to its HoReCa customers and coolers to its retailers. Rental income is recognised in equal instalments over the rental period.

Interest

Interest income is recognised on the basis of elapsed time using the effective interest method. If a loan receivable or other receivable becomes impaired, its book value is reduced to correspond to the recoverable amount. Interest income from impaired loan receivables is recognised in accordance with original effective interest.

Dividends

Dividend income is recognised when the right to dividend becomes vested.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale and assets associated with discontinued operations are classified as assets held for sale and measured at book value or a lower fair value deducted by sales costs if the amount corresponding to the book value is going to be accrued mostly from the sale of the asset instead of continuous use. The prerequisites for classification as an item held for sale are considered to be fulfilled when a sale is highly probable and the asset can be immediately sold in its current condition on usual and conventional terms, management is committed to the sale, and it is expected to be carried out within one year of classification. Depreciation of these assets will be discontinued at the time of classification.

Financial assets and liabilities

Financial assets

The Group's financial assets are classified into the following groups: loans and other receivables, financial assets available for sale and financial assets at fair value through profit or loss (derivatives). The classification is based on the purpose of acquiring the financial assets and carried out upon original acquisition.

All purchases and sales of financial assets are recognised based on the transaction date. Transaction costs are included in the original book value of financial assets.

Financial assets are derecognised once the rights to the investment's cash flows have ceased or have been transferred to another party, and the Group has transferred any substantial risks and benefits of ownership.

Loans and receivables

The group of loans and receivables includes the Group's accounts receivable and other receivables. They are measured at original amortised cost using the effective interest method. On the balance sheet, they are included in current or non-current assets according to their nature. Accounts receivable are originally recognised at fair value and subsequently measured at original amortised cost using the effective interest method, taking any impairment into account. Factors suggesting impairment of an account receivable include the debtor's substantial financial difficulties, a threat of bankruptcy or a payment delay exceeding 60 days.

Financial assets available for sale

The Group's other financial assets, with the exception of derivative contracts, are classified as financial assets available for sale. Financial assets available for sale may comprise equities and interest-bearing investments. They are recognised at fair value or, if the fair value cannot be determined reliably, at purchase price. Changes in the fair value of financial assets available for sale are booked in the fair value reserve within shareholders' equity, taking the tax effect into account. Changes in fair value are transferred from shareholders' equity to the income statement when the investment is sold or its value has reduced so that an impairment loss must be recognised.

Financial assets available for sale are included in non-current assets except if the intention is to hold them for less than 12 months from the balance sheet date, in which case they are included in current assets.

Derivative contracts and hedge accounting

Olvi Group uses derivative contracts that are treated as assets held for trading because the Group does not apply hedge accounting in accordance with the IFRS regulations. Derivatives held for trading are interest rate and currency swaps recognised at fair value. The fair value of interest rate swaps is recognised in other current assets or liabilities. Both realised and unrealised gains and losses arising from changes in fair value are recognised in financial items within the income statement for the accounting period during which they arise.

Liquid assets

Liquid assets comprise cash, bank deposits withdrawable on demand, as well as other short-term very liquid investments. Items classified as liquid assets have a maturity of no more than three months calculated from the date of acquisition. Account overdraft facilities in use are presented under other current liabilities.

Impairment of financial assets

On each balance sheet date, the Group estimates whether there is objective evidence that the value of a financial asset item or financial asset group may have been impaired. If there is evidence of potential impairment, the amount of loss is determined as the difference between the book value of the asset and its fair value or the present value of estimated future cash flows discounted at the original effective interest rate. Impairment losses are recognised in financial items through profit or loss.

Financial liabilities

Financial liabilities are initially recognised at fair value increased by transaction costs arising from the acquisition of debt. Financial liabilities will subsequently be measured at original amortised cost using the effective interest method.

Financial liabilities are divided into non-current and current liabilities on the basis of the period of realisation, and may constitute interest-bearing or interest-free liabilities.

Financial liabilities are derecognised once the liability or a part thereof has ceased to exist – in other words, once the obligation specified in the contract has been fulfilled or annulled or it has ceased to be valid.

Share capital and treasury shares

Outstanding Series K and Series A shares are presented as share capital. Any transaction costs immediately arising from the issuance of new shares or options, after being adjusted for tax effects, are presented in shareholders' equity as a deduction of payments received.

If the Group acquires the company's own shares, the consideration paid and the immediate costs of acquisition are deducted from shareholders' equity until the shares are annulled or re-released to circulation.

If the shares are re-released, the consideration received less immediate transaction costs is included in shareholders' equity.

Payment of dividends

The dividend proposed by the Board of Directors to the General Meeting of Shareholders has not been recognised in these financial statements. Dividends will only be recognised on the basis of the General Meeting's decision.

Operating profit

The standard IAS 1 *Presentation of Financial Statements* does not define the concept of operating profit. The Group has defined it as follows: operating profit is the net amount created by adding other operating income to net sales, subtracting purchase costs adjusted by change in inventories of finished and unfinished products and costs of manufacture for own use, and subtracting costs of employee benefits, depreciation and amortisation, any impairment losses and other operating expenses. All income statement items other than the above are presented below operating profit. Exchange rate differences are included in operating profit if they arise from items associated with business operations, otherwise they are recognised in financial items.

Earnings per share

Earnings per share is calculated by dividing the profit for the period belonging to the parent company's shareholders by the average weighted number of shares outstanding during the accounting period. When calculating the average, the number of treasury shares in the company's possession is deducted from the number of shares.

The average weighted number of shares used for the calculation of diluted earnings per share includes the dilution effect of share-based payments outstanding during the accounting period.

The calculation of the dilution effect includes consideration for the number of treasury shares acquired using funds received from the exchange of options. Olvi Group has no warrants or options on 31 December 2015.

Accounting policies requiring consideration by management and crucial factors of uncertainty associated with estimates

Estimates and assumptions regarding the future have to be made during preparation of the financial statements. These are based on previous experience and expectations of future events, but the outcome may differ from the estimates and assumptions. Furthermore, the application of accounting policies requires choice and consideration.

Management consideration associated with the selection and application of accounting policies

Group management makes consideration-based choices with regard to the selection and application of accounting policies. This applies particularly to cases in which valid IFRS standards provide for alternative methods of recognition, measurement or presentation.

Factors of uncertainty associated with estimates

Estimates made in connection with the preparation of financial statements are based on the management's best understanding on the balance sheet date. The background of the estimates includes previous experience and assumptions concerning the future that are deemed most probable on the balance sheet date with regard to issues such as the expected development of the Group's financial operating environment concerning sales and the level of costs. The Group, regularly and jointly with the management of subsidiaries, assesses the realisation of estimates and assumptions, as well as changes in the underlying factors, by applying several sources of information, both internal and external.

Any changes in the estimates and assumptions are recognised in the accounting period during which the estimates and assumptions are adjusted and in all subsequent accounting periods.

The most important sectors in which management has applied consideration and that require the use of estimates and assumptions are goodwill testing as well as deferred tax receivables and liabilities.

New and upcoming IFRS standards applicable to accounting periods beginning on or after 1 January 2015

The consolidated financial statements have been prepared in accordance with the same accounting policies used in 2014, with the exception of the following new standards, interpretations and revisions to existing standards that the Group has applied since 1 January 2015.

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

Subject	Crucial requirements	Effective date *)
Annual improvements to IFRS 2010–2012 and 2011–2013	The IASB has made the following amendments in December 2013: • IFRS 2 – Clarifying the definition of a "vesting condition" and separately defining "performance condition" and "service condition". • IFRS 3 – Clarifying that an obligation to pay contingent consideration is classified either as a financial liability or equity on the basis of the definitions in IAS 32 and that all non-equity contingent consideration (belonging to financial items or not) is measured at fair value at each reporting date. • IFRS 3 – Clarifying that IFRS 3 is not applied to the formation of joint arrangements in the financial statements of the joint arrangement itself. • IFRS 8 – Amended to require disclosure of the judgments made by management in aggregating operating segments, and clarifying that a reconciliation of segment assets is only required if segment assets are reported.	1 July 2014

	• IFRS 13 – Confirming that current receivables and liabilities can still be measured at invoiced amounts if the effect of discounting is minor. • IFRS 13 – Clarifying that the portfolio exception in IFRS 13 (determination of the fair value of a group of financial assets and liabilities on net terms) applies to all contracts within the scope of IAS 39 or IFRS 9. • IAS 16 and IAS 38 – Clarifying the treatment of gross book value and accumulated depreciation when assets are measured at revalued amount. • IAS 24 – If the entity receives key management personnel services from a third party (management entity), the fees paid for such services must be disclosed in the financial statements but not the compensation that the management entity has paid to its employees or directors. • IAS 40 – Clarifying that IAS 40 and IFRS 3 are not mutually exclusive when distinguishing between investment property and owner-occupied property and determining whether the acquisition of an investment property is a business combination. The amendments have not had any substantial effect on the consolidated financial statements.	
IFRIC 21 *Levies*	The interpretation applies to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.* IAS 37 outlines the recognition criteria for liabilities. One of the criteria is the requirement that the company has an existing liability which is a result of an earlier event (obligating event). The interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The amendment has not had any substantial effect on the consolidated financial statements.	17 June 2014

*) applicable to accounting periods starting on or after the specified date

In addition to the amendments to standards and interpretations described above, 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 a 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.

IFRS standards, interpretations and amendments coming into force later

The following is a list of standards and interpretations that have been published but will enter into force on a date later than 1 January 2015.

Subject	Crucial requirements	Effective date
IFRS 9 *Financial Instruments* and associated amendments to several other standards	IFRS 9 replaces the multiple classification and measurement models in IAS 39 *Financial Instruments: Recognition and Measurement* with a single model that has initially only two classification categories: amortised cost and fair value. Classification of debt instruments will be driven by the business model for managing the financial assets and the contractual cash flow characteristics. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest. All other debt and equity investments, including structured debt and equity instruments, must be recognised at fair value. All changes in the fair value of financial assets are recognised through profit or loss. An exception to this are changes in the fair value of equity investments that are not held for trading: these may be recognised either through profit or loss or in equity reserves (without subsequent relocation to profit or loss). For financial liabilities that are measured under the fair value option, the share of fair value change arising from the entity's own credit risk is not recognised in profit or loss but in other comprehensive income. The new hedge accounting rules (published in December 2013) align hedge accounting more closely with common risk management practices. Generally speaking, the application of hedge accounting will be easier from now on. The new standard also introduces more extensive disclosure requirements and changes in presentation. In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete. The changes include, among others: • A third measurement category (measured at fair value through other comprehensive income) applicable to certain financial assets that belong to debt instruments.	1 January 2018 *)

	• A new expected credit loss model according to which financial assets move through three different stages as the associated credit risk increases. The stage determines how impairment losses are measured and how the effective interest rate method is applied. A simplified approach is permitted for financial assets that do not have a significant financing component (such as accounts receivable). On initial recognition, a loss is recorded corresponding to the expected credit losses for 12 months (or the entire validity period for accounts receivable) unless the financial assets are considered impaired due to credit risk. All of the new rules must be adopted at the same time. The Group assesses the potential effects of the standard.	
IFRS 15 *Revenue from Contracts with Customers* and associated amendments to several other standards	The IASB has published a new standard for revenue recognition. It replaces IAS 18 concerning the sales of goods and services, as well as IAS 11 concerning construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to the customer – so the notion of control replaces the existing notion of risks and rewards. A new five-step process must be applied to revenue recognition: • identify contracts with customers • identify the separate performance obligation • determine the transaction price of the contract • allocate the transaction price to each of the separate performance obligations, and • recognise the revenue as each performance obligation is satisfied. Most significant changes to current practice are: • Any bundled goods or services that are distinct must be separately recognised, and any discounts on the contract price must generally be allocated to the separate elements. • Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, discounts, performance-based fees, royalties, success of an outcome etc.) – minimum amounts must be recognised if they are not at significant risk of reversal.	1 January 2018 *)

	• The point at which revenue is recognised may change: some revenue which is currently recognised at the end of a contract may be recognised during the contract term and vice versa. • Among others, there are new rules on licenses, warranties, non-refundable advance payments and consignment stock. • As with any new standard, there are also new requirements for notes to the financial statements. These accounting changes may have effects on the entity's business practices with regard to systems, processes and controls, compensation and bonus schemes, tax planning and investor relations. The standard may be adopted fully retrospectively, or prospectively with additional disclosures. The Group assesses the potential effects of the standard.	
Sales or contribution of assets between an investor and its associates or joint ventures – amendments to IFRS 10 and IAS 28	The IASB has made limited amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures.* The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the share of other investors in the associate or joint venture. The amendments apply prospectively. The amendment does not have any substantial effect on the consolidated financial statements.	entry into force postponed

Annual improvements to IFRS 2012–2014	The most recent annual improvements clarify the following: • IFRS 5 – when an asset (or disposal group) is reclassified from "held for sale" to "held for distribution," or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. • IFRS 7 – specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. • IFRS 7 – that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. • IAS 19 – that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. • IAS 34 – what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The Group assesses the potential effects of the standard.	1 January 2016
Disclosure Initiative – amendments to IAS 1	The amendments to IAS 1 *Presentation of Financial Statements* relate to the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including: • Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.	1 January 2016

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Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
Notes – confirmation that the notes do not need to be presented in a particular order.
Other comprehensive income arising from investments accounted for under the equity method – the share of other comprehensive income arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards or accounting policies are not required for these amendments.
The Group assesses the potential effects of the standard.
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Notes to the Consolidated Financial Statements

1. Segment information

Olvi Group has five reporting segments corresponding to the Group’s business units. Operating segments are defined on the basis of the management model and internal reporting utilised by the Group's top management for strategic decisions. Olvi Group’s operating segments consist of the Group’s geographical operating areas, which are Finland, Estonia, Latvia, Lithuania and Belarus.

The products and services of the reporting segments are produced in a specific economic environment with risks and profitability deviating from the risks and profitability of the economic environment of other segments. The Group has not aggregated operating segments together to create reporting segments.

Net sales in the reported operating segments are mostly generated from the manufacture and wholesale of various beverages. The net sales also include a minor amount of services to licensed restaurants in relation to beverage-serving equipment.

The Group's management assesses the operating segments' performance through operating profit (EBIT). Interest income and expenses are not allocated to segments because responsibility for the Group's financing tasks is centralised in the parent company Olvi plc.

A segment’s assets and liabilities refer to business items that the segment uses in its business operations or that can be allocated to segments on reasonable grounds. Unallocated items include tax and financial items, as well as items common to the entire Group. Investments include increases in property, plant and equipment items and intangible assets that are used during more than one accounting period.

Pricing between segments is based on fair market terms.

Sales of operating segments in 2015 and 2014

1,000 litres	Finland	Estonia	Latvia	Lithuania	Belarus	Eliminations	Group
Sales in 2015	148,029	123,871	68,122	84,877	175,129	-20,127	579,901
Sales in 2014	151,828	131,550	76,096	81,054	169,919	-33,969	576,478

Operating segments 2015 in accordance with asset locations

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimin-ations	Group
INCOME							
External sales	102,658	70,847	28,669	34,774	73,546		310,494
Internal sales	211	4,943	2,519	1,069	4	-8,746	0
Total net sales	**102,869**	**75,790**	**31,188**	**35,843**	**73,550**	**-8,746**	**310,494**
EARNINGS							
Operating profit for the segment	7,839	15,913	2,987	2,610	8,838	-30	38,157
Financial income							281
Financial expenses							-11,641
Share of profit in associates							21
Income taxes							-4,598
Net profit for the period							**22,220**
OTHER INFORMATION							
Segment assets	155,104	69,133	30,712	38,470	74,485	-66,916	300,988
Unallocated assets							13,509
Total consolidated assets							**314,497**
Segment liabilities	46,831	12,299	4,424	5,550	6,334	-1,566	73,872
Unallocated liabilities							53,960
Total consolidated liabilities							**127,832**
Segment investments	3,855	3,397	1,232	3,011	14,466	0	25,961
Unallocated investments							0
Total investments							**25,961**
Depreciation	5,752	2,989	1,767	1,923	4,099	-182	16,348

Operating segments 2014 in accordance with asset locations

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimin-ations	Group
INCOME							
External sales	105,099	75,308	27,162	34,673	78,543		320,785
Internal sales	230	5,358	6,950	1,457	11	-14,006	0
Total net sales	**105,329**	**80,666**	**34,112**	**36,130**	**78,554**	**-14,006**	**320,785**
EARNINGS							
Operating profit for the segment	7,436	16,504	2,058	2,356	13,117	-471	41,000
Financial income							3,990
Financial expenses							-3,985
Share of profit in associates							48
Income taxes							-7,974
Net profit for the period							**33,079**
OTHER INFORMATION							
Segment assets	176,057	69,108	30,330	38,398	83,636	-66,565	330,964
Unallocated assets							1,791
Total consolidated assets							**332,755**
Segment liabilities	44,567	11,205	4,140	4,705	9,011	-1,152	72,476
Unallocated liabilities							67,740
Total consolidated liabilities							**140,216**
Segment investments	15,591	2,192	2,196	6,311	15,343	0	41,633
Unallocated investments							0
Total investments							**41,633**
Depreciation	4,736	2,856	1,508	1,600	4,372	-165	14,907

Net sales in geographical regions 2015 in accordance with customer locations

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimin-ations	Group
External sales	98,247	69,143	28,233	33,373	62,676	18,822	310,494
Internal sales	1,415	1,624	2,317	2,932	458	-8,746	0
Total net sales	**99,662**	**70,767**	**30,550**	**36,305**	**63,134**	**10,076**	**310,494**

Net sales in geographical regions 2014 in accordance with customer locations

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimin-ations	Group
External sales	99,817	73,716	26,708	33,418	66,468	20,658	320,785
Internal sales	585	1,593	4,380	6,745	703	-14,006	0
Total net sales	**100,402**	**75,309**	**31,088**	**40,163**	**67,171**	**6,652**	**320,785**

2. Non-current assets held for sale

EUR 1,000	2015	2014
Non-current assets held for sale	421	421
Total	**421**	**421**

Non-current assets held for sale consist of equipment decommissioned by the parent company Olvi plc and AB Volfas Engelman.

3. Other operating income

EUR 1,000	2015	2014
Sales gains on property, plant and equipment	353	125
Rental income	146	121
Others	1,244	1,380
Total	**1,743**	**1,626**

Other operating income consists mostly of project grants and energy tax refunds.

4. Other operating expenses

EUR 1,000	2015	2014
Sales losses and scrapping of property, plant and equipment	125	192
Rental costs	3,976	4,197
External services	47,178	51,317
Others	20,144	17,325
Total	**71,423**	**73,031**

Outsourced services include freight costs and other purchased services. Other operating expenses consist mostly of the costs of administration, marketing and sales, energy and repair costs, building maintenance costs, as well as other personnel-related costs.

5. Depreciation and impairment

EUR 1,000	2015	2014
Depreciation on tangible assets:		
Buildings	2,982	2,711
Machinery and equipment	9,209	8,149
Machinery and equipment, finance lease	771	828
Other tangible assets	2,321	2,278
Other tangible assets, finance lease	203	147
Total depreciation on tangible assets	15,486	14,113
Amortisation of intangible assets:		
Intangible assets	862	794
Total amortisation of intangible assets	862	794
Total	**16,348**	**14,907**

6. Costs of employee benefits

EUR 1,000	2015	2014
Wages and salaries	32,854	33,779
Pension costs - defined contribution	2,581	2,687
Benefits exercised and payable in stock	56	27
Benefits payable in cash	32	17
Other personnel expenses	5,797	5,996
Total	**41,320**	**42,506**

Group personnel on average during the period		
Finland	336	369
Estonia	336	331
Latvia	206	214
Lithuania	233	214
Belarus	829	830
Total	**1,940**	**1,958**

Information on employee benefits and loans to management is presented in Note 30, Related party transactions.

7. Research and development costs

The income statement includes 498 thousand euro of R&D costs recognised as expenses in 2015 (412 thousand euro in 2014), which is 0.2 (0.1) percent of net sales.

8. Financial income

EUR 1,000	2015	2014
Dividend income from investments held as fixed assets	3	4
Interest income from bank deposits	129	263
Adjustment for hyperinflation: effect on the company’s monetary net position	0	2,845
Other interest and financial income	149	878
Total	**281**	**3,990**

9. Financial expenses

EUR 1,000	2015	2014
Interest expenses on finance lease contracts	91	100
Interest expenses on financial liabilities measured at original amortised cost	858	1,084
Net gains (-) / losses (+) from interest derivatives	4	-171
Other financial expenses	10,688	2,972
Total	**11,641**	**3,985**

Other financial expenses include unrealised exchange rate losses on an intra-Group loan.

10. Income taxes

EUR 1,000	Note	2015	2014
Tax based on taxable income for the period		3,248	6,316
Taxes from previous accounting periods		-81	-95
Deferred taxes	19	1,431	1,753
Total		**4,598**	**7,974**

Reconciliation between the tax expenses in the income statement and taxes calculated in accordance with the tax rate in the Group's home country 20.0 % (20.0 %):

EUR 1,000	2015	2014
Earnings before tax	26,817	41,053
Taxes calculated at the home country’s rate	5,363	8,211
Effect of different tax rates for foreign subsidiaries	-1,060	-251
Tax effect of tax-free items	-104	-136
Tax effect of non-deductible items	480	245
Taxes from previous accounting period	-81	-95
Taxes in income statement	**4,598**	**7,974**

11. Earnings per share

Undiluted earnings per share are calculated by dividing the profit for the accounting period belonging to the parent company’s shareholders by the weighted average of shares outstanding during the accounting period. When calculating the weighted average, the number of treasury shares in the company’s possession is deducted from the number of shares. Olvi plc held a total of 5,624 of its own Series A shares on 31 December 2015.

Detailed information on treasury shares can be found in Note 21, Notes concerning shareholders’ equity.

	2015	2014
Profit belonging to parent company shareholders (EUR 1,000)	22,334	32,522
Weighted average number of shares during the period (1,000)	20,759	20,759
Effect of treasury shares (1,000)	-1	-1
Weighted average number of shares for the calculation of EPS (1,000)	20,758	20,758
Undiluted/diluted earnings per share (euro per share)	1.08	1.57

In the calculation of earnings per share adjusted for dilution, the weighted average number of shares includes the diluting effect of the conversion of all potential options outstanding during the period. When calculating the weighted average number of shares adjusted for dilution, the number of treasury shares in the company’s possession is deducted from the number of shares. The calculation of the dilution effect includes consideration for the number of treasury shares acquired using funds received from the exchange of options.

During 2014 and 2015, Olvi Group has not had options or any other schemes having a diluting effect, which means that undiluted earnings per share and earnings per share adjusted for dilution have been equal during these years.

12. Property, plant and equipment

EUR 1,000	Land and water properties	Buildings	Machinery and equipment	Machinery and equipment, finance lease	Other tangible assets	Other tangible assets, finance lease	Advance payments and unfinished purchases	Total
Acquisition cost 1 Jan 2015	**1,862**	**101,878**	**235,838**	**7,599**	**17,542**	**1,193**	**42,113**	**408,025**
Additions	0	247	2,168	689	686	150	21,555	25,495
Deductions	0	-113	-3,300	0	-324	0	-6	-3,743
Transfers between items	0	20,682	22,335	-18	1,851	0	-44,952	-103
Exchange rate differences	0	-4,780	-10,496	0	-3,205	0	-4,178	-22,659
Acquisition cost 31 Dec 2015	**1,862**	**117,914**	**246,545**	**8,270**	**16,551**	**1,342**	**14,531**	**407,014**
Accumulated depreciation and impairment 1 Jan 2015	**0**	**46,194**	**154,026**	**4,261**	**10,706**	**690**	**0**	**215,876**
Depreciation	0	2,982	9,219	771	2,320	203	0	15,495
Accumulated depreciation on deductions	0	-36	-3,117	0	-303	0	0	-3,457
Accumulated depreciation on transfers	0	0	0	-48	48	0	0	0
Exchange rate differences	0	-762	-3,419	0	-1,959	0	0	-6,140
Accumulated depreciation and impairment 31 Dec 2015	**0**	**48,378**	**156,708**	**4,984**	**10,812**	**893**	**0**	**221,775**
Book value 1 Jan 2015	**1,862**	**55,684**	**81,811**	**3,338**	**6,837**	**503**	**42,113**	**192,149**
Book value 31 Dec 2015	**1,862**	**69,536**	**89,836**	**3,285**	**5,739**	**449**	**14,531**	**185,240**

Other tangible assets consist mainly of vehicles, equipment included in equipment service, as well as office furniture.

EUR 1,000	Land and water properties	Buildings	Machinery and equipment	Machinery and equipment, finance lease	Other tangible assets	Other tangible assets, finance lease	Advance payments and unfinished purchases	Total
Acquisition cost 1 Jan 2014	**1,862**	**98,813**	**223,252**	**7,502**	**15,646**	**980**	**23,376**	**371,431**
Adjustment for hyperinflation	0	2,277	4,333	0	1,342	0	656	8,607
Additions	0	1,008	1,987	485	991	294	34,233	38,998
Transfer to non-current assets held for sale	0	0	-1,008	0	0	0	0	-1,008
Deductions	0	0	-2,409	-147	-1,834	-84	-99	-4,572
Transfers between items	0	1,170	12,326	-242	2,216	3	-15,473	0
Exchange rate differences	0	-1,389	-2,643	0	-819	0	-580	-5,431
Acquisition cost 31 Dec 2014	**1,862**	**101,878**	**235,838**	**7,599**	**17,542**	**1,193**	**42,113**	**408,025**
Accumulated depreciation and impairment 1 Jan 2014	**0**	**43,383**	**148,200**	**3,778**	**9,658**	**629**	**0**	**205,648**
Adjustment for hyperinflation	0	257	1,273	0	654	0	0	2,184
Depreciation	0	2,711	8,175	828	2,278	147	0	14,139
Transfer to non-current assets held for sale, accumulated depreciation	0	0	-592	0	0	0	0	-592
Accumulated depreciation on deductions	0	0	-2,068	-111	-1,722	-84	0	-3,986
Accumulated depreciation on transfers	0	0	-185	-235	237	-2	0	-185
Exchange rate differences	0	-157	-776	0	-399	0	0	-1,332
Accumulated depreciation and impairment 31 Dec 2014	**0**	**46,194**	**154,026**	**4,261**	**10,706**	**690**	**0**	**215,876**
Book value 1 Jan 2014	**1,862**	**55,430**	**75,052**	**3,724**	**5,988**	**351**	**23,376**	**165,783**
Book value 31 Dec 2014	**1,862**	**55,684**	**81,811**	**3,338**	**6,837**	**503**	**42,113**	**192,149**

Other tangible assets consist mainly of vehicles, equipment included in equipment service, as well as office furniture.

13. Intangible assets

EUR 1,000	Goodwill	Intangible assets	Total
Acquisition cost 1 Jan 2015	**23,194**	**24,714**	**47,908**
Additions	0	466	466
Deductions	0	-1	-1
Transfers between items	0	103	103
Exchange rate differences	-2,200	-128	-2,328
Acquisition cost 31 Dec 2015	**20,994**	**25,153**	**46,147**
Accumulated depreciation and impairment 1 Jan 2015	**4,977**	**20,152**	**25,129**
Depreciation	0	862	862
Accumulated depreciation on deductions	0	-1	-1
Exchange rate differences	0	-42	-42
Accumulated depreciation and impairment 31 Dec 2015	**4,977**	**20,970**	**25,947**
Book value 1 Jan 2015	**18,217**	**4,562**	**22,779**
Book value 31 Dec 2015	**16,017**	**4,183**	**20,200**

Intangible assets consist mainly of trademarks, computer software and leases on land areas.

EUR 1,000	Goodwill	Intangible assets	Total
Acquisition cost 1 Jan 2014	**22,782**	**22,157**	**44,939**
Adjustment for hyperinflation	1,057	57	1,114
Additions	0	2,635	2,635
Deductions	0	-100	-100
Exchange rate differences	-645	-35	-680
Acquisition cost 31 Dec 2014	**23,194**	**24,714**	**47,908**
Accumulated depreciation and impairment 1 Jan 2014	**4,977**	**19,456**	**24,433**
Adjustment for hyperinflation	0	5	5
Depreciation	0	794	794
Accumulated depreciation on deductions	0	-100	-100
Exchange rate differences	0	-3	-3
Accumulated depreciation and impairment 31 Dec 2014	**4,977**	**20,152**	**25,129**
Book value 1 Jan 2014	**17,805**	**2,701**	**20,506**
Book value 31 Dec 2014	**18,217**	**4,562**	**22,779**

Intangible assets consist mainly of trademarks, computer software and leases on land areas.

14. Impairment testing of goodwill

Goodwill allocated to the Estonian segment amounts to 8,146 thousand euro, to the Latvian segment 287 thousand euro, to the Lithuanian segment 2,241 thousand euro and to the Belarusian segment 5,343 thousand euro.

The estimated future cash flows used for impairment testing are based on the financial plans of the operating segments approved by Group management. The cash flow estimates are based on financial plans for the next four years. Cash flow estimates due later than four years are extrapolated using estimated growth rates that do not exceed the estimated long-term growth rates of the cash generating units. The growth rates applied to each segment were as follows: Estonia 2.0 % (2.0 %), Latvia 2.0 % (2.0 %), Lithuania 3.0 % (3.0 %) and Belarus 5.0 % (7.0 %). In the assessment of future cash flows, management has also compared previous financial plans with actual development.

The discount rate is weighted average cost of capital (WACC) before taxes: in Estonia 7.93 (11.12), in Latvia 7.86 (11.70), in Lithuania 8.12 (11.87) and in Belarus 17.71 (17.11) percent. The most significant factor contributing to the drop in the discount rate was the declining risk-free interest rate.

In the management's opinion, any reasonably potential change in any of the variables used for assessing each segment's recoverable amount could not lead into a situation in which the segments' recoverable amounts would be lower than their book values.

According to sensitivity analysis applied to impairment testing, there is currently no need for recognition of impairment. The Board of Directors of Olvi plc is actively monitoring the development of the economic situation in the subsidiary countries and any effects this may have.

15. Financial assets available for sale

Other financial assets consist mostly of unquoted equity investments contributing to the Group company's operations, as well as shares in a housing corporation. Financial assets available for sale are recognised at fair value. If fair value cannot be reliably determined, the assets are recognised at original cost.

EUR 1,000	Note	**2015**	**2014**
Book value 1 January		549	549
Deductions		-6	0
Book value 31 December	26	**543**	**549**

16. Loans receivable and other non-current receivables

EUR 1,000	Note	**2015**	**2014**
Loans receivable	26	169	195
Other non-current receivables	26	141	138
Total		**310**	**333**

Other non-current receivables consist mainly of security deposits.

17. Inventories

EUR 1,000	**2015**	**2014**
Materials and supplies	28,682	29,741
Unfinished products	1,968	2,034
Finished products/goods	8,925	9,169
Other inventories	2,661	2,578
Total	**42,236**	**43,522**

Non-marketability deductions on inventories have been booked for 2,444 thousand euro in 2015 (3,339 thousand euro in 2014).

18. Accounts receivable and other receivables

EUR 1,000	Note	**2015**	**2014**
Accounts receivable	26	43,246	58,867
Prepayments and accrued income	26	4,160	4,341
Other receivables	26	3,826	3,101
Total		**51,232**	**66,309**

Essential items included in prepayments and accrued income are associated with the accruals of rents and the costs of marketing and sales, insurance and administration, as well as discounts and marketing subsidies. During the accounting period, the Group has recognised 151 thousand euro of credit losses on accounts receivable (266 thousand euro in 2014). There are no significant credit risk concentrations associated with receivables.

Maturity distribution of accounts receivable		
EUR 1,000	**2015**	**2014**
Not due	33,240	50,930
Overdue		
Less than 30 days	6,147	6,160
31 to 60 days	2,187	330
61 to 90 days	68	152
91 to 120 days	1,075	735
More than 120 days	529	560
Total	**43,246**	**58,867**

Accounts receivable by currency	**2015**	**2015**	**2014**	**2014**
	Foreign 1,000	**EUR 1,000**	**Foreign 1,000**	**EUR 1,000**
EUR	33,022	33,022	43,248	43,248
LTL	0	0	19,785	5,730
BYR	207,074,239	10,201	142,131,929	9,884
RUB	1,889	23	374	5

19. Deferred tax receivables and liabilities

Changes in deferred taxes during 2015:

Deferred tax receivables					
EUR 1,000	**31 DEC 2014**	**Recognised through profit and loss**	**Recognised in equity**	**Exchange rate differences**	**31 DEC 2015**
Internal margin on inventories and fixed assets	156	-10	0	1	147
Other items	7	-7	0	0	0
Total	**163**	**-17**	**0**	**1**	**147**

Deferred tax liabilities					
EUR 1,000	**31 DEC 2014**	**Recognised through profit and loss**	**Recognised in equity**	**Exchange rate differences**	**31 DEC 2015**
Fair valuation of derivatives	109	10	0	0	119
Property, plant and equipment	4,280	880	0	-234	4,926
A/S Cēsu Alus's tax on depreciation difference and retained losses	1,209	415	0	0	1,624
Exchange rate difference on intra-Group loan	0	108	0	0	108
Total	**5,598**	**1,413**	**0**	**-234**	**6,777**

The Group's unused fiscal losses amounted to 1,161 thousand euro at the end of the accounting period (3,594 thousand euro in 2014). The losses are not subject to any limitation period.

No deferred tax liability has been recognised on the undistributed earnings of AS A. Le Coq, 87,615 thousand euro in 2015, as the parent company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Changes in deferred taxes during 2014:

EUR 1,000	**31 DEC 2013**	**Recognised through profit and loss**	**Recognised in equity**	**Exchange rate differences**	**31 DEC 2014**
Fair valuation of derivatives	47	-47	0	0	0
Internal margin on inventories and fixed assets	33	123	0	0	156
Other items	7	0	0	0	7
Total	**87**	**76**	**0**	**0**	**163**

Deferred tax liabilities					
EUR 1,000	**31 DEC 2013**	**Recognised through profit and loss**	**Recognised in equity**	**Exchange rate differences**	**31 DEC 2014**
Fair valuation of derivatives	0	109	0	0	109
Property, plant and equipment	2,844	1,429	0	7	4,280
A/S Cēsu Alus's tax on depreciation difference and retained losses	917	292	0	0	1,209
Total	**3,761**	**1,830**	**0**	**7**	**5,598**

20. Liquid assets

EUR 1,000	Note	**2015**	**2014**
Cash and bank accounts	26	12,786	4,382
Total		**12,786**	**4,382**

The liquid assets presented in the cash flow statement comprise cash and bank deposits.

21. Notes concerning shareholders' equity

The following specifies changes in the numbers of shares and corresponding changes in shareholders' equity.

EUR 1,000	Number of Series K shares	Number of Series A shares	Share capital	Other reserves	Treasury shares	Total
31 December 2014	3,732,256	17,025,428	20,759	1,092	-8	21,843
Acquisition of treasury shares		-4,500			-100	
31 December 2015	3,732,256	17,020,928	20,759	1,092	-108	21,743

The maximum number of shares is 6.0 million K shares and 24.0 million A shares (6.0 million K shares and 24.0 million A shares in 2014). The minimum number of K shares is 1.5 million. The Group's maximum share capital is 60.0 million euro (60.0 million euro in 2014) and the minimum share capital is 15.0 (15.0) million euro. All issued shares have been paid in full.

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

The following is a description of reserves in shareholders' equity:

Share premium account
The share premium account comprises any subscription price in excess of the par value of shares upon share issues.

Legal reserve
The legal reserve originates from reserve transfers made due to an obligation formerly included in the Articles of Association.

Translation differences
The Translation differences reserve includes translation differences arising from the conversion of the financial statements of foreign subsidiaries.

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

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. The authorisation is valid until the next Annual General Meeting of Olvi plc.

At its meeting on 23 December 2015, the Board of Directors of Olvi plc decided to exercise the authorisation to purchase treasury shares given by the Annual General Meeting on 16 April 2015 and acquire a maximum of 10,000 Series A shares. The share repurchases started on 28 December 2015 and will end no later than 25 January 2016. In December 2015, the company repurchased 4,500 of its own Series A shares for an acquisition price of 99,492 euro.

Olvi plc held a total of 5,624 of its own Series A shares on 31 December 2015, and the total acquisition price was 108.0 thousand euro. Series A shares held by Olvi plc as treasury shares represented 0.027 percent of the share capital and 0.006 percent of the aggregate number of votes. The treasury shares represented 0.033 percent of all Series A shares and associated votes.

Dividends
After the balance sheet date, the Board of Directors has proposed a dividend of 0.70 euro per share for both Series K and Series A shares for 2015, totalling 14.5 million euro. Dividend for 2014 was paid at 0.65 euro per share, totalling 13.5 million euro. The dividends were paid on 30 April 2015.

22. Share-based payments

Olvi plc has a valid share-based incentive plan for key employees in accordance with a decision made on 29 April 2014. The aim of the 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 share-based incentive plan is divided into two parts. The earnings-based plan includes one three-year performance period, calendar years 2014–2016. The potential reward will be based on Olvi Group's cumulative operating profit, also known as earnings before interest and taxes (EBIT) for the performance period 2014–2016. In addition to the EBIT-based part, the Group has a commitment plan with one performance period starting 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 has purchased 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 December 2015, accounting entries associated with the share-based incentive plans referred to in the above were recognised for a total of 88.7 thousand euro (2014: 44.7 thousand euro). Liabilities on 31 December 2015 include 49.7 thousand euro of liabilities associated with share-based payments.

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

23. Financial liabilities

EUR 1,000	Note	Book values 2015	Fair values 2015	Book values 2014	Fair values 2014
Non-current liabilities					
Loans from financial institutions	26	21,573	21,088	27,344	26,418
Finance lease liabilities	26	2,590	2,590	2,680	2,680
Other liabilities	26	16	16	16	16
Total		**24,179**	**23,694**	**30,040**	**29,114**

EUR 1,000	Note	Book values 2015	Fair values 2015	Book values 2014	Fair values 2014
Current liabilities					
Loans from financial institutions	26	21,879	21,879	30,854	30,854
Finance lease liabilities	26	804	804	798	798
Total		**22,683**	**22,683**	**31,652**	**31,652**

The Group's financial liabilities on 31 December 2015 consist of loans from financial institutions, as well as finance lease liabilities. Typical finance lease contracts extend over a period of 36 to 48 months and have a fixed instalment throughout the contract period.

27.0 million euro of the loans from financial institutions have a fixed interest rate or are converted to fixed rate through interest rate swaps. The amount of variable-rate loans was 8.6 million euro.

The fair value of non-current loans is determined by discounting estimated future cash flows to the present using the interest rate at which the Group could get a similar loan on the balance sheet date. Market rates on the balance sheet date stood at –0.131% to 0.061%, and a company-specific margin has been added for discounting.

The book value of current financial liabilities and finance lease liabilities corresponds to their fair value.

Ranges of interest rates on financial liabilities		
	2015	**2014**
Loans from financial institutions	0.57% to 3.55%	0.52% to 3.55%
Interest rate swaps	0.33% to 2.01%	0.67% to 2.63%
Finance lease liabilities	1.55% to 6.75%	1.80% to 6.75%
Other liabilities	0%	0%

Maturities of finance lease liabilities			
EUR 1,000	Note	**2015**	**2014**
Finance lease liabilities - total of minimum rents			
Due within one year		803	798
Within more than one but less than five years		2,009	1,810
Within more than five years		582	870
	26	3,394	3,478
Finance lease liabilities - present value of minimum rents			
Due within one year		803	798
Within more than one but less than five years		2,009	1,810
Within more than five years		582	870
	26	3,394	3,478
Total amount of finance lease liabilities	26	**3,394**	**3,478**

The Group's other interest-bearing liabilities will fall due as follows:		
EUR 1,000	**2015**	**2014**
in 2015		30,855
in 2016	21,879	12,038
in 2017	10,964	8,466
in 2018	7,810	5,299
in 2019	2,785	1,526
Later	30	30
Total	**43,468**	**58,214**

24. Accounts payable and other liabilities

EUR 1,000	Note	**2015**	**2014**
Current			
Accounts payable	26	36,272	35,702
Accrued expenses	26	8,053	8,183
Other liabilities	26	29,828	29,014
Total		**74,153**	**72,899**

Essential items included in accrued expenses are associated with subsequent remuneration and salary obligations. Other liabilities include, among other things, accruals related to indirect taxes.

Distribution of accounts payable by currency				
	2015	**2015**	**2014**	**2014**
	Foreign 1,000	**EUR 1,000**	**Foreign 1,000**	**EUR 1,000**
EUR	34,457	34,457	30,234	30,234
LTL	0	0	7,480	2,166
USD	28	25	86	71
BYR	36,345,079	1,790	45,962,289	3,196
GBP	0	0	1	1
RUB	0	0	2,493	34

25. Management of financing risks

The Group is exposed to financing risks in its normal course of business: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

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

I Market risk

I 1. Foreign exchange risk
Olvi Group operates internationally, and its business involves risks arising from exchange rate fluctuations. Foreign exchange risks arise from commercial transactions, in other words cash flows from purchases and sales, as well as investments in foreign subsidiaries, internal loan receivables and the conversion of the subsidiary's financial statements into euro.

The Group's most significant foreign exchange risk arises from the operations in Belarus. 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, internal financing and the conversion of the subsidiary's income statement and balance sheet items into euro.

The Belarusian currency (BYR) devaluated considerably during 2015. This has had a substantial effect on the Group's income statement and balance sheet for 2015. The weaker currency causes depreciation of the Belarusian subsidiary's operating profit denominated in euro, and financial expenses include 10.5 million euro of unrealised exchange rate losses on an internal loan used for funding investments in Belarus. The translation difference on consolidated shareholders' equity increased by 14.6 million euro in 2015, which has a negative impact on the consolidated key indicators related to equity. The Belarusian currency will continue to carry a risk of devaluation in the future, and if realised, this would result in a decline in Olvi Group's operating profit, net profit and shareholders' equity denominated in euro.

With regard to the net investment in the Belarusian subsidiary, the Group is exposed to balance sheet conversion risk. The translation position (BYR) on 31 December 2015 was EUR 63.0 million (49.1 million in 2014). An exchange rate change of +/- 10 percent would impact consolidated shareholders' equity by approximately +7.0/-5.7 million euro. Intra-Group receivables and liabilities that constitute a part of the net investment made in a foreign operation have been taken into account in the sensitivity analysis.

The Group's other foreign exchange risks can be considered minor. The functional and reporting currency of the Group's other foreign subsidiaries is the euro. The Group has a minor amount of purchases and sales in other currencies. Due to the nature of the business, the time between order and delivery is short, which results in minor operations-related foreign exchange risk. Foreign exchange risk is also reduced by the fact that most of the Group's product sales and purchases of raw materials are denominated in euro. Loans in foreign currencies are fully hedged.
Consolidated financial income and expenses include 53 thousand euro of exchange rate gains (3,605 thousand euro in 2014) and 10,554 thousand euro of exchange rate losses (2,961 thousand euro in 2014).

Olvi Group regularly assesses the exchange rate risks related to operations and financing. Exchange rates can be hedged if this is considered reasonable.

Foreign currency accounts receivable and payable are presented in Notes 18, Accounts receivable and other receivables and 24, Accounts payable and other liabilities.

I 2. Interest rate risk

The Group's interest rate risk arises from non-current liabilities. Most of the Group's income and operational cash flows are independent of market interest rate fluctuations.

The Group has diversified its borrowing between fixed- and variable-rate loans. The Group uses interest rate swaps to reduce interest rate risk if required by the debt market conditions. On the balance sheet date, fixed-rate loans accounted for 75.8 percent (24.5 in 2014) of interest-bearing loans. The principal-weighted average maturity of interest-bearing loans was 2.6 (3.3) years.

Fixed currency swaps taken out for the purpose of hedging against foreign exchange risk associated with loans denominated in foreign currency are recognised at fair value. The Group does not apply hedge accounting in accordance with IFRS.

The amount of payment obligations under finance lease contracts on 31 December 2015 was 3.4 million euro (3.5 million euro in 2014).

The Group aims to optimise financing costs through operational measures and to manage interest rate risk using available means.

The maturity distribution of financial liabilities is presented in Note 23, Financial liabilities.

Sensitivity analysis of interest rate risks according to IFRS 7

The following assumptions have been used when preparing the interest rate risk analysis: The sensitivity analysis represents the pre-tax net earnings effect of a reasonably potential change (= +/- 2%). The effect of a change in the interest rate level is calculated on the amount of interest-bearing variable-rate debt at year-end, in other words, net debt is assumed to remain at the year-end level for the entire accounting period.

Variable-rate net debt on 31 December 2015 amounted to 8,640 thousand euro (21,153). An interest rate increase of two percentage points would increase annual financial expenses by 173 thousand euro. The change does not have any essential effect on consolidated net profit before tax or the consolidated balance sheet.

II Credit risk

The Group's credit risk arises from wholesale and HoReCa (hotel, restaurant, catering) customers with outstanding accounts receivable.

The creditworthiness of the Group's customers is reviewed regularly and always when entering into agreements with new customers. The Group only extends credit to businesses with flawless credit ratings. Furthermore, the Group aims to control credit risks through efficient collection of receivables. The amount of customer-specific accounts receivable is monitored regularly, and the customer's creditworthiness is re-assessed if necessary.

The Group does not have any significant concentrations of credit risk on receivables because its accounts receivable are distributed across a variety of customers and geographical regions. The largest customer accounts for 10.8 percent (10.6 in 2014) of the Group's total sales. The amount of credit losses recognised in 2015 was 151 (266) thousand euro.

The maturity distribution of accounts receivable is presented in Note 18, Accounts receivable and other receivables.

Investments related to cash management are made in liquid money market instruments having a fundamentally low risk.

III Liquidity risk

Olvi Group's parent company and subsidiaries prepare monthly rolling cash flow estimates that the Group uses for assessing the amount of financing required for business operations in order to maintain sufficient liquid assets to fund everyday operations and investments, as well as to repay any loans falling due.

The Group aims to secure the availability and flexibility of funding by centralising the management of the Group's liquid assets with the parent company. The Group uses several banks and several forms of financing. The Group aims to secure the availability and flexibility of funding with an account overdraft facility and credit limits.

On the date of closing the accounts, the Group had 40 million euro of unused binding credit limits and an account overdraft facility of 5 million euro, 5 million euro of which was unused on 31 December 2015. Some of the facilities are valid until further notice, while some are renewed annually. The Group also has 2 million euro of unbinding credit limits.

The parent company Olvi plc has issued a 30 million euro commercial paper programme in order to secure short-term liquidity needs quickly and cost-efficiently. At the time of closing the accounts, Olvi plc had 7 million euro of short-term loans withdrawn under the commercial paper programme.

In order to secure short-term liquidity, operating capital is monitored regularly, and the aim is to reduce the amount of money tied in operating capital. Key factors include monitoring the turnover rate of receivables and improving the efficiency of credit control.

The Group had 12,786 thousand euro of liquid assets on 31 December 2015 (4,382 thousand euro in 2014). The Group’s liquidity on the balance sheet date was good. The current ratio on 31 December 2015 was 1.1 (1.1 in 2014).

Note 23, Financial liabilities, presents the maturity distribution of financial liabilities.

IV Capital risk management

Olvi Group’s long-term objective is to generate the highest possible added value on invested capital, however taking into account the expectations imposed on the Group by various parties and the company’s development in the long term. The main principle of capital management is to maintain Olvi Group’s strong financial position and to ensure that the Group’s financing needs can be fulfilled cost-efficiently also under critical financial market conditions.

Another objective is to maintain an optimal capital structure in order to manage and reduce the cost of capital.

In order to maintain or change its capital structure, the Group may change the amount of dividends paid to shareholders, repay capital to shareholders, issue new shares, acquire treasury shares and annul them, or sell its assets to reduce debt.

Capital is monitored through the equity to total assets ratio and the gearing ratio. Olvi Group’s equity to total assets ratio in 2015 stood at 59.4 (57.9) percent and the gearing ratio was 18.3 (29.8) percent.

26. Fair values of financial assets and liabilities

The fair values of financial liabilities are presented in Note 23, Financial liabilities.

Olvi Group has the following interest rate swaps valid on 31 December 2015:

EUR/other 1,000	Nominal value	Currency	Expiration date	Fair value
Interest rate swap	3,040	EUR	1.4.2016	-40
Interest rate swap	8,750	EUR	29.1.2019	-48
Interest rate swap	1,800	EUR	25.4.2017	-2
Interest rate swap	10,000	EUR	5.5.2020	-102
Interest and exchange rate swap	2,024	GBP	14.3.2017	2,783
Interest and exchange rate swap	2,400	EUR	14.3.2017	-2,452
Interest and exchange rate swap	2,531	GBP	14.3.2017	3,480
Interest and exchange rate swap	3,000	EUR	14.3.2017	-3,066

Financial assets
Unquoted equity investments are recognised at purchase price as they cannot be recognised at fair value using the valuation methods. The original book value of receivables corresponds to their fair value.

Financial liabilities
The fair values of interest rate swaps have been determined using the method of present value of future cash flows, supported by market interest rates and other market information on the balance sheet date. The fair values of loans from financial institutions, finance lease liabilities, accounts payable and other liabilities do not substantially deviate from their balance sheet values. The fair values are presented in Note 23, Financial liabilities.

27. Adjustments to business cash flows

EUR 1,000	2015	2014
Transactions with no associated payment:		
Depreciation	16,348	14,907
Unrealised foreign exchange gains and losses	-4,413	2,388
Financial income	-281	-3,990
Adjustment for hyperinflation	0	-475
Financial expenses	11,641	3,985
Income taxes	4,598	7,974
Other adjustments	791	910
Total	**28,684**	**25,699**

28. Other lease contracts

The Group as a lessee:

EUR 1,000	2015	2014
Minimum rents payable on the basis of other non-cancellable leases:		
Due within one year	1,402	1,143
Within more than one but less than five years	1,179	758
Within more than five years	4	5
Total	**2,585**	**1,906**

The Group has leased operating premises and storage terminal facilities, as well as machinery and equipment.

The Group as a lessor:

EUR 1,000	2015	2014
Minimum rents payable on the basis of other non-cancellable leases:		
Due within one year	1,400	1,058
Within more than one but less than five years		
Within more than five years		
Total	**1,400**	**1,058**

The Group rents out beverage distribution and refrigeration equipment to its customers. The amount of rental income received is not significant to the Group's overall business.

29. Collateral and contingent liabilities

EUR 1,000	2015	2014
Pledges and contingent liabilities		
For own commitments	2,352	2,397
Package liabilities	3,234	2,496
Other liabilities	2,000	2,000

The package liability corresponds to Olvi plc's share of the entire stock of recyclable beverage packages in accordance with proportions determined by Ekopulloyhdistys ry, deducted by packages in Olvi plc's inventory on 31 December 2015. Ekopulloyhdistys ry administers the stock of refillable beverage packages. Every member in the system maintains a stock of packages required for the requirement declared to Ekopulloyhdistys ry for each type of package it uses.

30. Related party transactions

The Group's parent and subsidiary relationships are the following:

	Share of holding (%)	Share of voting rights (%)
Parent company Olvi plc, Iisalmi, Finland		
AS A. Le Coq, Tartu, Estonia	100.00	100.00
AS Karme, Karksi vald, Estonia	49.00	49.00
Verska Mineraalvee OÜ, Värska vald, Estonia	20.00	20.00
A/S Cēsu Alus, Cēsis, Latvia	99.87	99.87
AB Volfas Engelman, Kaunas, Lithuania	99.58	99.58
OAO Lidskoe Pivo, Lida, Belarus	94.57	94.57

Related party transactions and related party receivables and liabilities

Transactions with associated companies, as well as receivables from and liabilities to associated companies:

EUR 1,000	2015	2014
Sales	279	369
Purchases	732	739
Receivables	276	294
Liabilities	53	34

Associated companies are presented in more detail in Note 32, Investments in associated companies.

Employee benefits to management

Wages, salaries and emoluments		
EUR 1,000	**2015**	**2014**
Managing Director		
Salaries and other short-term employee benefits	350	361
Pension commitments, statutory pension cover	61	62
Total	**411**	**423**
Compensation paid to members of the Board of Directors for Board duties		
Hortling Heikki	83	84
Lager Esa	37	36
Autere Jaakko	31	30
Hortling Nora	20	0
Markula Elisa	20	0
Pääkkönen Tarja	11	30
Sinnemaa Heikki	11	30
Sirviö Heikki	20	0
Total	**233**	**209**

No loans have been granted to management.

31. Costs arising from audit

EUR 1,000	2015	2014
Fees for statutory audit	142	102
Other services	85	88
Total	**227**	**190**

32. Shares in associates

Information on the Group’s associated companies and their aggregate assets, liabilities, net sales and profit/loss:

EUR 1,000	Share of holding (%)	2015	2014
AS Karme, Karksi vald, Estonia	**49.00**		
Current assets		303	378
Non-current assets		544	745
Current liabilities		209	335
Non-current liabilities		0	2
Net sales		1,150	1,579
Profit/loss		106	51
Verska Mineraalvee OÜ, Värska vald, Estonia	**20.00**		
Current assets		259	149
Non-current assets		448	440
Current liabilities		160	138
Non-current liabilities		155	171
Net sales		718	584
Profit/loss		103	114

33. Events after the closing date of the reporting period

Acquisition of treasury shares

The acquisition of Olvi plc's own shares continued according to plan in January 2016. Between 1 January and 7 January 2016, a total of 5,500 Series A shares were acquired. After the completion of the repurchase scheme, Olvi plc holds a total of 11,124 of its own Series A shares. The total purchase price of treasury shares was 228,162 euro.

New incentive plan for key personnel

On 24 February 2016, Olvi plc's Board of Directors has decided on a new share-based incentive plan for the Group's key employees. The aim of the new plan is to combine the objectives of the shareholders and the key employees in order to increase the value of the company, to commit the key employees to the company, and to offer them a competitive reward plan based on earning the company's shares.

The performance period of the incentive scheme is 2016–2017. The prerequisite for receiving reward 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 will be paid partly in the company's Series A shares and partly in cash in 2018. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the key employees. 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 60,000 Series A shares in Olvi plc and a cash payment needed for taxes and tax-related costs arising from the shares.

Consolidated Financial Ratios 2013 to 2015

BUSINESS VOLUME AND PROFITABILITY			
EUR 1,000	**2015 IFRS**	**2014 IFRS**	**2013 IFRS**
Net sales	310,494	320,785	321,901
Change, %	-3.2	-0.3	7.5
Operating profit	38,157	41,000	43,221
% of net sales	12.3	12.8	13.4
Financial income and expenses	-11,360	5	-1,396
Profit before tax	26,818	41,053	41,814
% of net sales	8.6	12.8	13.0
Net profit for the period	22,220	33,079	34,186
% of net sales	7.2	10.3	10.6
Balance sheet total	314,497	332,755	295,713
Cash flow ratio, %	12.4	14.6	14.6
Return on investment, % (ROI)	15.8	18.8	21.5
Return on equity, % (ROE)	11.7	18.2	21.4
Equity to total assets, %	59.4	57.9	58.0
Current ratio	1.1	1.1	1.2
Gearing, %	18.3	29.8	26.4
Gross capital expenditure on fixed assets	25,961	41,633	35,691
% of net sales	8.4	13.0	11.1
Net capital expenditure on fixed assets	25,674	41,047	35,484
% of net sales	8.3	12.8	11.0
Average number of personnel:			
Olvi plc	336	369	401
Personnel in Estonia, Latvia, Lithuania and Belarus	1,604	1,589	1,598
Total employees	1,940	1,958	1,999

PER-SHARE RATIOS			
	2015 IFRS	**2014 IFRS**	**2013 IFRS**
Earnings per share (EPS), euro	1.08	1.57	1.61
EPS adjusted for dilution from warrants, euro	1.08	1.57	1.61
Equity per share, euro	8.92	9.17	8.14
*) Pay-out ratio, %	65.1	41.5	40.3
Price/Earnings ratio (P/E)	20.6	13.4	17.7

*) The amount of dividend used for calculating the 2015 ratios is the Board of Directors’ proposal to the Annual General Meeting.

OLVI PLC

Parent Company's Income Statement (FAS)

		1 JAN TO 31 DEC 2015		1 JAN TO 31 DEC 2014	
	Note	EUR 1,000	%	EUR 1,000	%
NET SALES	1	**102,869**	**100.0**	**105,329**	**100.0**
Increase (+)/decrease(-) in inventories of finished and unfinished products		-184	-0.2	-220	-0.2
Manufacture for own use		63	0.1	68	0.1
Other operating income	2	494	0.5	1,415	1.3
Materials and services	3	44,577	43.4	45,683	43.4
Personnel expenses	4	18,116	17.6	18,938	18.0
Depreciation and impairment	8	5,371	5.2	4,232	4.0
Other operating expenses	9	27,620	26.9	30,390	28.8
OPERATING PROFIT		**7,558**	**7.3**	**7,350**	**7.0**
Financial income and expenses	10	9,197	9.0	9,176	8.7
PROFIT BEFORE APPROPRIATIONS AND TAXES		**16,755**	**16.3**	**16,525**	**15.7**
Appropriations	11	-4,761	-4.7	-3,531	-3.4
Income taxes	12	-332	-0.3	-536	-0.5
NET PROFIT FOR THE PERIOD		**11,663**	**11.3**	**12,458**	**11.8**

Parent Company's Balance Sheet (FAS)

	Note	31 DEC 2015 EUR 1,000	%	31 DEC 2014 EUR 1,000	%
ASSETS					
FIXED ASSETS					
Intangible assets	13	1,512		1,737	
Tangible assets	13	63,689		65,014	
Shares in Group companies	14	59,140		59,138	
Other investments	14	535		540	
TOTAL FIXED ASSETS		**124,875**	**56.7**	**126,429**	**56.8**
CURRENT ASSETS					
Inventories	16	12,333		13,620	
Non-current receivables	17	58,187		48,017	
Current receivables	17	16,302		34,013	
Cash in hand and at bank		8,409		525	
TOTAL CURRENT ASSETS		**95,231**	**43.3**	**96,176**	**43.2**
TOTAL ASSETS		**220,106**	**100.0**	**222,605**	**100.0**
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Share capital		20,759		20,759	
Share premium account		857		857	
Legal reserve		127		127	
Retained earnings		36,047		37,072	
Net profit for the period		11,663		12,458	
TOTAL SHAREHOLDERS' EQUITY	18	**69,452**	**31.6**	**71,273**	**32.0**
ACCUMULATED APPROPRIATIONS	19	**21,632**	**9.8**	**16,871**	**7.6**
LIABILITIES					
Non-current liabilities		60,003		58,615	
Current liabilities		69,018		75,846	
TOTAL LIABILITIES	20	**129,022**	**58.6**	**134,461**	**60.4**
TOTAL EQUITY AND LIABILITIES		**220,106**	**100.0**	**222,605**	**100.0**

Parent Company's Cash Flow Statement

	Note	1-12/2015 EUR 1,000	1-12/2014 EUR 1,000
Cash flow from operations			
Profit before extraordinary items		16,423	15,989
Adjustments:			
Depreciation according to plan and impairment	8	5,371	4,232
Financial income and expenses	10	-9,197	-9,176
Other adjustments		318	-412
Cash flow before change in working capital		12,916	10,633
Change in net working capital:			
Increase (-) / decrease (+) in current interest-free accounts receivable and other receivables		17,515	-3,907
Increase (-) / decrease (+) in inventories		1,287	-149
Increase (+) / decrease (-) in current interest-free liabilities		2,243	6,104
Interest paid		-1,011	-926
Interest received		91	118
Dividends received		10,000	10,073
Taxes paid		-153	46
Cash flow from operations (A)		**42,886**	**21,993**
Cash flow from investments			
Investments in tangible and intangible assets		-3,737	-16,013
Capital gains on disposal of tangible and intangible assets		80	874
Expenditure on other investments		4	-710
Cash flow from investments (B)		**-3,653**	**-15,850**
Cash flow from financing			
Withdrawals of loans		26,600	37,700
Repayments of loans		-34,806	-24,091
Acquisition of treasury shares		-64	0
Dividends paid		-13,475	-13,469
Increase (-)/decrease (+) in current interest-bearing business receivables		0	1
Increase (-)/decrease (+) in non-current loan receivables		-9,605	-8,007
Cash flow from financing (C)		**-31,350**	**-7,865**
Increase (+)/decrease (-) in liquid assets (A+B+C)		**7,883**	**-1,722**
Liquid assets 1 January		**525**	**2,248**
Liquid assets 31 December		**8,409**	**525**
Change in liquid assets		**7,883**	**-1,722**

Parent Company's Accounting Policies

Olvi plc's accounting period extends from 1 January to 31 December. The financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

Fixed assets
Intangible and tangible assets have been recognised on the balance sheet at their direct acquisition cost deducted by accumulated depreciation according to plan. Depreciation according to plan has been calculated on a straight-line basis over the expected economic life of the asset item concerned.

Depreciation periods according to plan:

Trademarks and development costs	10 years
Other intangible fixed assets	5 years
Buildings	30 years
Underground shelter	30 years
Plant machinery and equipment	15 years
Tanks and containers	20 years
Wastewater basin, tarpaulin hall	10 years
Other fixed assets	5 years

Inventories
Inventories have been valued in accordance with the FIFO principle at acquisition cost or, if lower, at probable net realisable value. The acquisition cost of raw materials and supplies is determined by the weighted average method. The value of finished and unfinished products includes variable costs and the appropriate proportion of the overheads of acquisition and manufacturing.

Research and development costs
Research and development costs are recognised as expenses in the income statement. Development costs arising from the design of new or more advanced products are capitalised as intangible assets in the balance sheet starting from the time the product is technically feasible, it can be utilised commercially, and future economic benefit is expected from the product. Development costs previously recognised as expenses will not be subsequently capitalised. Amortisation is booked on an item starting from the time it is ready for use.

Pension cover for personnel
Pension cover for personnel has been arranged through a statutory TyEL (EPA) insurance policy with an external pension insurance company. Pension insurance contributions have been allocated to match the salaries booked on an accrual basis in the annual accounts.

Derivative contracts
The parent company's derivative contracts are interest rate swaps measured at fair value. Changes in fair value are recognised in financial items within the income statement.

Deferred taxes
A deferred tax liability or asset has been calculated on temporary differences between taxation and the financial statements using the tax rate for upcoming years confirmed by the balance sheet date. The balance sheet includes deferred tax liabilities in their entirety and deferred tax assets up to the estimated probable amount.

Foreign currency items
Transactions denominated in foreign currency have been recognised during the accounting period at the exchange rate on the transaction date, and any foreign currency receivables and liabilities outstanding on the balance sheet date have been recognised at the mean exchange rate on the balance sheet date.

Treasury shares
Acquired treasury shares are recognised as a reduction in retained earnings.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

Notes to the Income Statement and Balance Sheet (EUR 1,000)

1. Net sales by market area	**2015**	**2014**
Finland	98,253	99,751
Belarus	269	765
Estonia	2,089	2,345
Other exports	2,258	2,469
Total	**102,869**	**105,329**

2. Other operating income	**2015**	**2014**
Capital gains on disposals of fixed assets	56	737
Others	438	678
Total	**494**	**1,415**

3. Materials and services	**2015**	**2014**
Materials and supplies (goods):		
Purchases during the year	40,251	43,876
Change in stocks	1,103	-369
Outsourced services	3,223	2,175
Total	**44,577**	**45,683**

4. Personnel expenses	**2015**	**2014**
Wages, salaries and emoluments	14,488	15,297
Pension expenses	2,581	2,687
Other personnel expenses	1,046	954
Total	**18,116**	**18,938**

5. Management salaries and emoluments	**2015**	**2014**
Managing Director	350	361
Chairman of the Board	83	84
Other members of the Board	150	125
Total	**583**	**570**

6. Parent company’s personnel on average during the period	**2015**	**2014**
Full-time		
clerical employees	125	129
workers	156	177
Part-time		
clerical employees	0	0
workers	55	63
Total	**336**	**369**

7. Auditors’ fees	**2015**	**2014**
Fees for statutory audit	75	47
Other services	61	69
Total	**136**	**116**

8. Depreciation and impairment	**2015**	**2014**
Planned depreciation on tangible and intangible assets	5,371	4,232
Total	**5,371**	**4,232**

9. Other operating expenses	2015	2014
Sales freights	12,749	13,335
Costs of marketing and sales	3,251	3,634
Other operating expenses	11,620	13,422
Total	**27,620**	**30,390**

10. Financial income and expenses	2015	2014
Dividend income from Group companies	10,119	10,073
Total income from long-term investments	3	4
Other interest and financial income		
From Group companies	565	562
From others	140	722
Total	706	1,284
Total dividend income and other interest and financial income	**10,829**	**11,362**
Interest expenses and other financial expenses		
To Group companies	560	516
To others	1,071	1,670
Total interest expenses and other financial expenses	**1,631**	**2,186**
Total financial income and expenses	**9,197**	**9,176**

11. Appropriations	2015	2014
Difference between depreciation according to plan and depreciation applied in taxation	4,761	3,531
Total	**4,761**	**3,531**

12. Income taxes	2015	2014
Income tax on business operations	413	481
Taxes from previous accounting periods	-81	-95
Change in deferred tax	-1	151
Total	**332**	**536**

13. Fixed assets

Intangible assets

	Development costs	Other intangible assets	Total
Acquisition cost 1 Jan 2015	**153**	**19,878**	**20,031**
Additions	0	373	373
Deductions	0	0	0
Acquisition cost 31 Dec 2015	**153**	**20,251**	**20,404**
Accumulated depreciation and impairment 1 Jan 2015	**49**	**18,245**	**18,294**
Depreciation	25	573	598
Accumulated depreciation and impairment 31 Dec 2015	**75**	**18,818**	**18,892**
Book value 1 Jan 2015	**103**	**1,634**	**1,737**
Book value 31 Dec 2015	**78**	**1,434**	**1,512**

Tangible assets

	Land and water properties	Buildings	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Acquisition cost 1 Jan 2015	**1,088**	**30,215**	**111,252**	**60**	**25,267**	**167,881**
Additions	0	11,400	16,029	0	1,746	29,175
Deductions	0	0	-34	0	-25,694	-25,727
Acquisition cost 31 Dec 2015	**1,088**	**41,615**	**127,247**	**60**	**1,319**	**171,329**
Accumulated depreciation and impairment 1 Jan 2015	**0**	**20,922**	**81,946**	**0**	**0**	**102,868**
Depreciation	0	741	4,032	0	0	4,773
Accumulated depreciation and impairment 31 Dec 2015	**0**	**21,663**	**85,978**	**0**	**0**	**107,641**
Book value 1 Jan 2015	**1,088**	**9,293**	**29,306**	**60**	**25,267**	**65,014**
Book value 31 Dec 2015	**1,088**	**19,953**	**41,269**	**60**	**1,319**	**63,689**

	31 DEC 2015	31 DEC 2014
Book value of production machinery and equipment	38,501	26,759

14. Investments

	Shares in Group companies	Other shares	Total investments
Acquisition cost 1 Jan 2015	**59,138**	**540**	**59,678**
Additions	1	0	1
Deductions	0	-5	-5
Acquisition cost 31 Dec 2015	**59,140**	**535**	**59,675**
Book value 31 Dec 2015	**59,140**	**535**	**59,675**

15. Group companies

	Group's holding (%)	Parent company's holding (%)
AS A. Le Coq, Tartu, Estonia	100.00	100.00
AS Karme, Karksi vald, Estonia	49.00	0.00
Verska Mineraalvee OÜ, Värska vald, Estonia	20.00	0.00
A/S Cēsu Alus, Cēsis, Latvia	99.87	99.87
AB Volfas Engelman, Kaunas, Lithuania	99.58	99.58
OAO Lidskoe Pivo, Lida, Belarus	94.57	94.57

16. Inventories	2015	2014
Materials and supplies	8,306	9,410
Unfinished products	746	702
Finished products / goods	3,281	3,509
Total	**12,333**	**13,620**

17. Receivables	**2015**	**2014**
Non-current receivables		
Loans receivable from Group companies	58,048	47,878
Deposits pledged as collateral	119	119
Prepayments and accrued income	20	20
Total non-current receivables	**58,187**	**48,017**
Current receivables		
Receivables from Group companies		
Accounts receivable	491	467
Prepayments and accrued income	93	0
Total receivables from Group companies	584	467
Receivables from non-Group companies		
Accounts receivable	12,835	30,042
Other receivables	0	1
Prepayments and accrued income	2,883	3,504
Total receivables from non-Group companies	15,718	33,547
Total current receivables	**16,302**	**34,013**
Total receivables	**74,489**	**82,030**
Deferred tax receivables		
Deferred tax receivables 1 January	0	47
Change in deferred tax	0	-47
Deferred tax receivables 31 December	**0**	**0**

18. Shareholders' equity	**2015**	**2014**
Share capital 1 January	20,759	20,759
Increase of share capital	0	0
Share capital 31 December	20,759	20,759
Share premium account 1 January	857	857
Bonus issue	0	0
Share premium account 31 December	857	857
Legal reserve 1 January and 31 December	127	127
Retained earnings 1 January	49,530	50,565
Payment of dividends	-13,492	-13,492
Dividends not withdrawn	109	
Acquisition of treasury shares	-99	
Retained earnings 31 December	36,047	37,072
Net profit for the period	11,663	12,458
Total shareholders' equity	**69,452**	**71,273**

Olvi plc's share capital is divided into share series as follows:

	2015 qty	**2015 euro**	**2015 votes**	**2014 qty**	**2014 euro**	**2014 votes**
Series K (20 votes/share), registered	3,732,256	3,732,256	74,645,120	3,732,256	3,732,256	74,645,120
Series K total	3,732,256	3,732,256	74,645,120	3,732,256	3,732,256	74,645,120
Series A (1 vote/share), registered	17,026,552	17,026,552	17,026,552	17,026,552	17,026,552	17,026,552
Series A total	17,026,552	17,026,552	17,026,552	17,026,552	17,026,552	17,026,552
Total 31 December	20,758,808	20,758,808	91,671,672	20,758,808	20,758,808	91,671,672

Votes per Series A share	1
Votes per Series K share	20

The registered share capital on 31 December 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.

Treasury shares

Olvi plc held a total of 5,624 of its own Series A shares on 31 December 2015, and the total acquisition price was 108.0 thousand euro (on 31 December 2014 1,124 shares, acquisition price 8.5 thousand euro).

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.

At its meeting on 23 December 2015, the Board of Directors of Olvi plc decided to exercise the authorisation to purchase treasury shares given by the Annual General Meeting on 16 April 2015 and acquire a maximum of 10,000 Series A shares. The acquisition of shares started on 28 December 2015. Between 28 December and 31 December 2015, a total of 4,500 Series A shares were acquired for a price of 99,492 euro.

Series A shares held by Olvi plc as treasury shares represented 0.027 percent of the share capital and 0.006 percent of the aggregate number of votes. The treasury shares represented 0.033 percent of all Series A shares and associated votes.

19. Accumulated appropriations

Accumulated appropriations consist of accumulated depreciation difference.

20. Liabilities	**2015**	**2014**
Non-current liabilities		
Loans from financial institutions	21,560	27,331
Deferred tax liabilities	103	104
Other liabilities	30	29
Total	21,692	27,464
Liabilities to Group companies		
Other liabilities	38,311	31,151
Total	38,311	31,151
Total non-current liabilities	**60,003**	**58,615**
Current liabilities		
Loans from financial institutions	21,879	30,855
Accounts payable	20,432	18,984
Accrued expenses	5,078	5,004
Other liabilities	21,315	20,852
Total	68,703	75,695
Liabilities to Group companies		
Accounts payable	315	151
Total	315	151
Total current liabilities	**69,018**	**75,846**
Total liabilities	**129,022**	**134,461**
Accrued expenses		
Provisions for personnel costs	2,791	2,917
Provision for interest on loans	248	273
Other accrued expenses	2,040	1,814
Total accrued expenses	5,078	5,004
Interest-free liabilities 31 December	47,139	44,991
Liabilities falling due later than five years from now:		
Loans from financial institutions and other loans	30	29
Deferred tax liabilities		
Deferred tax liabilities 1 January	104	0
Change in deferred tax	-1	104
Deferred tax liabilities 31 December	**103**	**104**

21. Share-based payments

Olvi plc has a valid share-based incentive plan for key employees in accordance with a decision made on 29 April 2014. The aim of the 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 share-based incentive plan is divided into two parts. The earnings-based plan includes one three-year performance period, calendar years 2014—2016. The potential reward will be based on Olvi Group’s cumulative operating profit, also known as earnings before interest and taxes (EBIT) for the performance period 2014–2016. In addition to the EBIT-based part, the Group has a commitment plan with one performance period starting 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 has purchased 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 December 2015, accounting entries associated with the share-based incentive plans referred to in the above were recognised in the parent company for a total of 52.9 thousand euro (2014: 26.4 thousand euro).

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

22. Pledges, contingent liabilities and other commitments	**2015**	**2014**
Pledges and contingent liabilities		
For own commitments		
Mortgages on land and buildings	1,336	1,336
Other off-balance sheet liabilities		
Package liabilities	3,234	2,496
Rental liabilities on business premises and land areas	355	295
Other liabilities	5,047	5,382
Total pledges, contingent liabilities and other commitments	**9,972**	**9,510**

23. Leasing liabilities	**2015**	**2014**
Due within one year	168	274
Due later	172	183
Total	**340**	**457**

24. Derivative contracts

	Nominal value 2015	**Fair value 2015**	**Nominal value 2014**	**Fair value 2014**
Derivatives	28,990	553	17,371	544

The business significance of the derivative contracts is minor. The derivative contracts are interest rate swaps on loans and will reach maturity in 2016, 2017, 2019 and 2020.

OLVI PLC

Shares and share capital 31 December 2015	Shares	%	Votes	%
Series K shares, registered	3,732,256	18.0	74,645,120	81.4
Series A shares, registered	17,026,552	82.0	17,026,552	18.6
Total	**20,758,808**	**100.0**	**91,671,672**	**100.0**

Registered share capital, EUR 1,000 20,759

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.

Votes per Series A share	1
Votes per Series K share	20

The Series K and Series A shares entitle to equal dividend.
The Articles of Association include a redemption clause concerning Series K shares.

DISTRIBUTION OF HOLDINGS AND INFORMATION ON SHAREHOLDERS

Largest shareholders on 31 December 2015

	Series K	Series A	Total	%	Votes	%
1. Olvi Foundation	2,363,904	890,613	3,254,517	15.68	48,168,693	52.54
2. Hortling Heikki Wilhelm *)	903,488	103,280	1,006,768	4.85	18,173,040	19.82
3. The Heirs of Hortling Kalle Einari	187,104	25,248	212,352	1.02	3,767,328	4.11
4. Hortling Timo Einari	165,824	35,308	201,132	0.97	3,351,788	3.66
5. Pohjola Bank plc, nominee register		2,152,900	2,152,900	10.37	2,152,900	2.35
6. Hortling-Rinne Laila Marit	102,288	3,380	105,668	0.51	2,049,140	2.24
7. Nordea Bank Finland plc, nominee register		1,786,906	1,786,906	8.61	1,786,906	1.95
8. Ilmarinen Mutual Pension Insurance Company		849,218	849,218	4.09	849,218	0.93
9. Varma Mutual Pension Insurance Company		828,075	828,075	3.99	828,075	0.90
10. AC Invest Oy		460,000	460,000	2.22	460,000	0.50
11. Fondita Nordic Micro Cap mutual fund		320,000	320,000	1.54	320,000	0.35
12. Laakkonen Hannu Markus		216,072	216,072	1.04	216,072	0.24
13. Lahti Ari		180,000	180,000	0.87	180,000	0.20
14. Skandinaviska Enskilda Banken Ab (publ) Helsinki branch, nominee register		177,575	177,575	0.86	177,575	0.19
15. Aktia Capital mutual fund		164,000	164,000	0.79	164,000	0.18
16. Kamprad Ingvar		153,000	153,000	0.74	153,000	0.17
17. Odin Finland mutual fund		145,845	145,845	0.70	145,845	0.16
18. Veritas Pension Insurance Company		145,845	145,845	0.70	145,845	0.16
19. Etera Mutual Pension Insurance Company		119,274	119,274	0.57	119,274	0.13
20. Aktia Secura mutual fund		111,926	111,926	0.54	111,926	0.12
Others	9,648	8,158,087	8,167,735	39.34	8,351,047	9.10
Total	**3,732,256**	**17,026,552**	**20,758,808**	**100.00**	**91,671,672**	**100.00**

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

Olvi plc had 10,108 (10,021) shareholders registered in the book-entry system on 31 December 2015, 9 (8) of them nominee-registered.

Insiders

Olvi plc adopted the insider guidelines drawn up and recommended by the Nasdaq OMX Helsinki Stock Exchange on 1 September 2005.

Management's interests

The members of the Board of Directors and the Managing Director of Olvi plc held a total of 903,488 Series K shares and 152,911 Series A shares on 31 December 2015, which represent 5.1 percent of the total number of shares and 19.9 percent of the votes.

The share-based incentive scheme for management is described in Note 21, Share-based payments. The company's management does not hold any warrants or options.

Shareholders by size of holding on 31 December 2015

Number of book entries	Number of shareholders	% of share-holders	Number of book entries	% of book entries	Votes	% of votes
1 to 1,000	8,822	87.28	2,071,029	9.98	2,080,757	2.27
1,001 to 10,000	1,163	11.52	3,031,909	14.61	3,169,621	3.46
10,001 to 500,000	117	1.16	5,744,046	27.67	14,429,022	15.74
500,001 to 999,999,999,999	6	0.06	9,872,800	47.57	71,914,032	78.45
On waiting list			2,064	0.01	41,280	0.04
In collective account			36,960	0.18	36,960	0.04
Total	**10,108**	**100.00**	**20,758,808**	**100.00**	**91,671,672**	**100.00**

Shareholders by category on 31 December 2015

	Number of shareholders	% of share-holders	Number of book entries	% of book entries	Nominee registered number of book entries	% of book entries	Votes	% of votes
Businesses	408	4.04	4,680,349	22.55			49,594,525	54.10
Financial institutions and insurance companies	35	0.35	954,922	4.60	4,162,996	20.05	5,117,918	5.58
Public sector organisations	8	0.08	1,992,450	9.60			1,992,450	2.17
Non-profit organisations	84	0.83	423,363	2.04			423,363	0.46
Households	9,513	94.11	8,011,029	38.59			33,970,501	37.06
Non-Finnish shareholders	60	0.59	398,678	1.92	95,997	0.46	494,675	0.54
On waiting list			2,064	0.01			41,280	0.04
In collective account			36,960	0.18			36,960	0.04
Total	**10,108**	**100.00**	**16,499,815**	**79.48**	**4,258,993**	**20.52**	**91,671,672**	**100.00**

Foreign and nominee-registered holdings on 31 December 2015

	Number of shareholders	% of share-holders	Number of book entries	% of book entries	Votes	% of votes
Foreign total	56	0.55	398,678	1.92	398,678	0.43
Nominee-registered (foreign) total	4	0.04	95,997	0.46	95,997	0.10
Nominee-registered (Finnish) total	5	0.05	4,162,996	20.05	4,162,996	4.54
Total	**65**	**0.64**	**4,657,671**	**22.44**	**4,657,671**	**5.08**

OLVI PLC

Parent Company's Financial Ratios 2013 to 2015

BUSINESS VOLUME AND PROFITABILITY			
EUR 1,000	2015	2014	2013
Net sales	102,869	105,329	121,536
Change, %	-2.3	-13.3	8.7
Operating profit	7,558	7,350	12,805
% of net sales	7.3	7.0	10.5
Financial income and expenses	9,197	9,176	9,131
Profit before extraordinary items	16,755	16,525	21,936
% of net sales	16.3	15.7	18.0
Profit before provisions and taxes	16,755	16,525	21,936
% of net sales	16.3	15.7	18.0
Net profit for the period	11,663	12,458	15,823
% of net sales	11.3	11.8	13.0
Balance sheet total	220,106	222,605	199,634
Cash flow ratio, %	21.2	18.8	19.4
Return on investment, % (ROI)	10.5	11.1	15.3
Return on equity, % (ROE)	19.1	19.1	25.7
Equity to total assets, %	39.4	38.1	41.6
Current ratio	0.5	0.6	0.7
Gearing, %	84.7	105	87
Gross capital expenditure on fixed assets	3,855	15,591	19,803
% of net sales	3.7	14.8	16.3
Net capital expenditure on fixed assets	3,821	15,431	19,773
% of net sales	3.7	14.6	16.3
Average number of personnel	336	369	401

PER-SHARE RATIOS			
	2015	2014	2013
Earnings per share (EPS), euro	0.79	0.77	0.97
Equity per share, euro	4.18	4.08	4.00
*) Nominal dividend per share, euro	0.70	0.65	0.65
*) Effective dividend yield, %	3.15	3.08	2.27
*) Pay-out ratio, %	88.5	84.4	67.0
Price/Earnings ratio (P/E)	28.0	27.4	29.5
Price of Series A share			
at year-end, euro	22.19	21.07	28.60
high, euro	27.20	29.90	28.75
low, euro	20.51	20.70	19.70
average price, euro	23.76	25.03	24.26
Trading volume of A shares	2,036,830	2,174,302	2,601,699
% of all A shares outstanding	12.0	12.8	15.3
Market capitalisation of A shares 31 Dec, MEUR	377.8	358.7	487.0
Market capitalisation of K shares 31 Dec, MEUR	82.8	78.6	106.7
Total market capitalisation, MEUR	460.6	437.4	593.7
Number of shares			
year's average number, adjusted for share issues **)	20,757,645	20,757,684	20,757,684
average number of shares adjusted for dilution from warrants **)	20,757,645	20,757,684	20,757,684
number at year-end adjusted for dilution from warrants **)	20,753,184	20,757,684	20,757,684

*) The amount of dividend used for calculating the 2015 ratios is the Board of Directors' proposal to the Annual General Meeting.

**) Treasury shares held by Olvi plc deducted.

Calculation of Financial Ratios

Cash flow ratio, %	= 100 *	Operating profit + depreciation + financial income and expenses + extraordinary income and expenses - taxes / Net sales
Return on investment, % (ROI)	= 100 *	Profit before taxes + interest and other financial expenses / Balance sheet total - interest-free liabilities (average)
Return on equity, % (ROE)	= 100 *	Profit before taxes - taxes / Shareholders' equity + non-controlling interests + voluntary provisions and depreciation difference deducted by deferred tax liability (average during the year)
Equity to total assets, %	= 100 *	Shareholders' equity + non-controlling interests + voluntary provisions and depreciation difference deducted by deferred tax liability / Balance sheet total - advance payments received
Current ratio	=	Liquid assets + inventories / Current liabilities
Gearing, %	= 100 *	Interest-bearing liabilities + advance payments received - cash and other liquid assets / Shareholders' equity + voluntary provisions and depreciation difference deducted by deferred tax liability
Earnings per share (EPS)	=	Profit before taxes - taxes +/- non-controlling interests / Average number of shares during the period adjusted for share issues
Equity per share	=	Shareholders' equity + voluntary provisions and depreciation difference deducted by deferred tax liability and non-controlling interests / Number of shares on 31 December adjusted for share issues
Effective dividend yield, %	= 100 *	Dividend per share adjusted for share issues / Last trading price of the year, adjusted for share issues
Price/Earnings ratio (P/E)	=	Last trading price of the year, adjusted for share issues / Earnings per share
Pay-out ratio, %	= 100 *	Dividend per share / Earnings per share
Market capitalisation at year-end	=	Number of shares at year-end, adjusted for share issues * Price of Series A share at year-end

Board of Directors’ Proposal for the Distribution of Profit

The parent company Olvi plc had 47.7 (49.5) million euro of distributable funds on 31 December 2015, of which profit for the period accounted for 11.7 (12.5) million euro.

Olvi plc’s Board of Directors proposes to the Annual General Meeting that distributable funds be used as follows:

• A dividend of 0.70 (0.65) euro shall be paid for 2015 on each Series K and Series A share, totalling 14.5 (13.5) million euro. The dividend represents 64.8 (41.4) percent of Olvi Group’s 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, 18 April 2016. It is proposed that the dividend be paid on 28 April 2016.

No dividend shall be paid on treasury shares.

• 33.2 million euro shall be retained in the parent company’s non-restricted equity.

Date and Signatures

Signed in Iisalmi, this 24th day of February 2016

Heikki Hortling
Chairman of the Board

Esa Lager
Vice Chairman of the Boar

Jaakko Autere
Member of the Board

Nora Hortling
Member of the Board

Elisa Markula
Member of the Board

Heikki Sirviö
Member of the Board

Lasse Aho
Managing Director

Auditor’s Note

A report of the audit has been submitted today.

Signed in Iisalmi, this 22nd day of March 2016

PricewaterhouseCoopers Oy

Sami Posti
Authorised Public Accountant

Members of Olvi plc's Board of Directors since the Annual General Meeting of 16 April 2015

Heikki Hortling (b. 1951), Chairman of Olvi plc's Board of Directors
Master of Science in Economics
Honorary Industrial Counsellor

Chairman of the Board of Olvi plc since 1998
Vice Chairman of Olvi plc's Board of Directors 1987–1997

Work experience in brief:
- Several positions in Olvi plc, including marketing and materials management

Important positions in other organisations:
- Vice Chairman of the Board of Ponsse Plc

Esa Lager (b. 1959), Vice Chairman of Olvi plc's Board of Directors
Master of Laws
Master of Science in Economics

Member of Olvi plc's Board of Directors since 2002
Chairman of Olvi plc's Board of Directors 14 April 2004 to 2 September 2004
Vice Chairman of Olvi plc's Board of Directors

Work experience in brief:
- Outokumpu Oyj, Chief Financial Officer (CFO), deputy to the CEO
- Outokumpu Oyj, Director of Finance
- Kansallis-Osake-Pankki, various expert and managerial positions in international operations

Important positions in other organisations:
- Chairman of the Board of Finnish Industry Investment Ltd since 4/2015, previously Member of the Board of Finnish Industry Investment Ltd since 2014
- Chairman of the Board of SATO Corporation since 3/2015, previously Vice Chairman of the Board of SATO Corporation and Member of the Board since 2014
- Vice Chairman of the Board of Ilkka-Yhtymä Oyj, Member of the Board since 2011
- Member of the Board of Alma Media Corporation since 2014
- Member of the Board of Fennovoima Ltd since 2014
- Member of the Board of Terrafame Ltd since 2015

Jaakko Autere (b. 1963), Member of Olvi plc's Board of Directors
Master of Science in Economics
Gogrow Oy, CEO

Member of Olvi plc's Board of Directors since 2011

Work experience in brief:
- 2012– Gogrow Oy, CEO
- 2009–2011 President, Fiskars Home Business Area, CEO of Iittala Group Oy Ab
- 2005–2009 Managing Director, Orkla AS, Biscuit Division (Göteborgs Kex, Saetre, Kantolan)
- 2004–2005 Managing Director, L'Oreal Norway
- 2000–2004 General Manager, L'Oreal Sweden
- 1997–2000 Marketing Manager, Kellogg's Marketing & Sales Company UK & ROI Ltd
- 1991–1997 Marketing Manager, Product Manager Nordisk Kellogg's, Denmark
- 1989–1991 Product Group Manager, Olvi plc, Iisalmi

Important positions in other organisations:
- Saarioinen Oy, Member of the Board
- Design Forum Finland, Member of the Board

Elisa Markula (b. 1966), Member of Olvi plc's Board of Directors

Turku School of Economics and Business, Administration, MSc Economics (International Marketing)
Managing Director, Oy Gustav Paulig Ab/Head of Coffee Division at Paulig Group

Member of Olvi plc's Board of Directors since 2015

Work experience in brief:
- 2009– Head of Coffee Division, Paulig Group/Managing Director, Oy Gustav Paulig Ab
- 2006–2009 Senior Vice President, Oy Suomen LEGO Ab
- 2003–2006 Sales Director, Oy Snellman Ab
- 2000–2003 Key Account Manager and Trade Marketing Manager, Oy SCA Hygiene Products Ab
- 1998–2000 Product Manager, Feminine Consumer Products, Oy SCA Hygiene Products Ab
- 1993–1998 Area Marketing Manager, Oy Fazer Chocolates Ab

Important positions in other organisations:
- Member of the Board of the Association of Finnish Advertisers

Heikki Sirviö (b. 1955), Member of Olvi plc's Board of Directors
Master of Science (Engineering)
Honorary Industrial Counsellor
retired

Member of Olvi plc's Board of Directors since 2015

Work experience in brief:
- 2010–2015 Senior Advisor, Yara International ASA
- 2008–2009 CEO, Yara Suomi Oy
- 2004–2007 CEO and President, Kemira GrowHow Oyj
- 2000–2004 CEO, Kemira Agro Oy, Kemira Oy
- 1994–2000 BU Director, Kemphos, KemiraChemicals Oy
- 1991–1993 Project Manager, Kemira Agro, Kemira Oy
- 1988–1989 Operations Manager, Kemira Agro, Kemira Oy
- 1985–1988 Materials Manager, Kemira Agro Finland, Kemira Oy
- 1980–1984 Department Engineer, Siilinjärvi plants, Kemira Oy

Important positions in other organisations:
- 2014 onwards Member of the Board of Olvi Foundation
- 2001–2007 Member of the Board of the Chemical Industry Federation of Finland and Member of the Executive Committee 2006–2007

European Fertilizer Manufacturers Association (EFMA)
- 2001–2005 Chairman of the Agricultural and Environmental Committee
- 2001–2007 Member of the Executive Committee and the Board of the Association
- 2006–2007 Deputy to the Chairman of the Association
- 2007 Acting Chairman of the Association, International Fertilizer Industry Association (IFA)
- 2001–2004 Member of the Finance Committee, 2005–2007 Member of the Executive Committee
- 2005–2007 Vice Precident of West and Central Europe

Administrative positions in other organisations:
- 2000–2010 Siilinjärven Osuuspankki co-operative bank, Member of the Supervisory Board
- 2008–2011 Hankkija Oy, Member of the Board
- 2008–2009 Pellervo Economic Research Institute, Member of the Board

Nora Hortling (b. 1986), Member of Olvi plc's Board of Directors
Master of Science in Economics
Bachelor of Hotel, Restaurant and Tourism Management

Member of Olvi plc's Board of Directors since 2015

Work experience in brief:
- 2014 onwards Kespro Oy, Product Group Manager
- 2011–2013 Olvi plc, Marketing
- 2009–2010 Ravintolakolmio Group, Restaurant Paasi, Shift Manager
- 2007 Radisson Blu Hotel, Paris Boulogne, Receptionist
- 2005–2009 Ravintolakolmio Group, several restaurants, Shift Manager