FINANCIAL STATEMENTS
2014

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FINANCIAL STATEMENTS 2014

BOARD OF DIRECTORS' REPORT

THE YEAR IN BRIEF

Olvi Group's overall performance remained on a healthy level in 2014.

Full year 2014:

- Olvi Group's sales volume increased by 3.5 percent to 576.5 (557.2) million litres
- The Group's net sales increased slightly and totalled 328.2 (327.3) million euro
- The Group's reported operating profit declined slightly, amounting to 41.0 (43.2) million euro
- Olvi Group's earnings per share stood at 1.57 (1.61) euro per share
- The equity ratio remained good at 57.9 (58.0) percent

CONSOLIDATED KEY RATIOS

	1-12/ 2014	1-12/ 2013
Sales volume, Mltr	576.5	557.2
Net sales, MEUR	328.2	327.3
EBITDA, MEUR	55.9	56.8
Operating profit, MEUR	41.0	43.2
% of net sales	12.5	13.2
Net profit for the period	33.1	34.2
% of net sales	10.1	10.4
Earnings per share, EUR	1.57	1.61
Gross capital expenditure, MEUR	41.6	35.7
Equity per share, EUR	9.17	8.14
Equity to total assets, %	57.9	58.0
Gearing, %	29.8	26.4

BUSINESS DEVELOPMENT

Olvi Group's performance in 2014 can be considered quite good, taking into account the decline of the overall market.

We were able to increase our sales volume and net sales, and our market position strengthened in the main market areas. Operating profit fell slightly short of the previous year.

The Baltic states performed well in their business during 2014, and the same is true of Belarus in spite of the devaluation of the local rouble. By contrast, we faced challenges in Finland.

The business environment in Finland changed substantially during 2014. Weakened consumer purchasing power and changes in purchasing patterns, tax hikes effective as of the beginning of 2014, as well as price competition and increased private imports hampered the parent company's profitability.

Olvi initiated reorganisation of the Finnish operations in November with the aim of responding to changes in the operating environment and ensuring our competitive ability in the long term.

However, many positive things were seen during the year also in Finland. According to an extensive study of beer brands commissioned by the Markkinointi&Mainonta trade journal from the Taloustutkimus research agency (10/2014), Sandels and OLVI were regarded the most appreciated brands of beer in Finland.

In a challenging business environment, Olvi was successful in increasing its domestic sales volume and strengthening its market position.

However, domestic growth was insufficient to replace the gap in exports to Russia after extraordinarily good development in 2013.

Overall development of the Baltic operations continued strong. Lithuania was able to clearly improve its performance, and profitability in Estonia was at a very good level. The situation in Latvia has been more challenging compared to the other units in the Baltic states due to diminished intra-Group sales and the weakened overall market situation.

In Belarus, the sales volume, net sales and operating profit increased on the year 2013. The currency devaluation trend that started late in the year imposes uncertainty on the Belarusian operations. This had its impact on the net sales and earnings for 2014. A positive opportunity worth mentioning is the cooperation agreement signed by our Belarusian subsidiary OAO Lidskoe Pivo with PepsiCo, Inc., the second-largest soft drinks company in the world, with regard to the Belarusian market.

Olvi continued on a track of intensive investments in 2014. The logistics investment in Finland proceeded according to plan and will provide for more efficient operations during the 2015 high season.

A canning line was introduced in Lithuania during 2014, and this has contributed to the growth and performance improvements in Lithuania. Investments to further increase production capacity are underway in Belarus. The investments in progress will be completed during the 2015 summer season.

OLVI GROUP'S AND ITS GEOGRAPHICAL SEGMENTS' SALES VOLUME, NET SALES AND EARNINGS IN 2014

Sales development

Olvi Group's sales volume in 2014 made an all-time high of 576.5 (557.2) million litres. This represents an increase of 19.3 million litres or 3.5 percent.

The strongest growth was seen in Belarus (increase 13.4 million litres) and in Lithuania (increase 11.5 million litres). Sales volume increased also in the Estonian unit. Latvia fell short of the previous year mostly due to a decline in intra-Group sales.

The sales volume in Finland increased by 2.7 million litres but exports included in the figures for the Finnish business area declined by 10.8 million litres.

Sales volume, million litres	**1-12/ 2014**	**1-12/ 2013**
Finland (Olvi plc)	151.8	159.9
Estonia (AS A. Le Coq)	131.6	129.3
Latvia (A/S Cēsu Alus)	76.1	79.7
Lithuania (AB Volfas Engelman)	81.1	69.6
Belarus (OAO Lidskoe Pivo)	169.9	156.5
Eliminations	-34.0	-37.8
Total	**576.5**	**557.2**

The Group's net sales in 2014 amounted to 328.2 (327.3) million euro. In 2014, net sales increased in Belarus by 10.5 million euro, in Lithuania by 4.3 million euro and in Estonia by 1.2 million euro. By contrast, net sales for the Finnish business area declined due to diminished exports included in the Finnish figures as well as domestic price competition.

Net sales, million euro	**1-12/ 2014**	**1-12/ 2013**
Finland (Olvi plc)	107.7	123.6
Estonia (AS A. Le Coq)	82.5	81.3
Latvia (A/S Cēsu Alus)	34.9	37.6
Lithuania (AB Volfas Engelman)	38.4	34.1
Belarus (OAO Lidskoe Pivo)	78.8	68.3
Eliminations	-14.0	-17.6
Total	**328.2**	**327.3**

Earnings development

The Group's operating profit for January-December declined slightly and amounted to 41.0 (43.2) million euro, or 12.6 (13.2) percent of net sales. Performance in Belarus improved by 2.4 million euro, in Lithuania by 1.1 million euro and in Estonia by 0.5 million euro. Performance in Finland and Latvia weakened on the previous year.

Operating profit, million euro	**1-12/ 2014**	**1-12/ 2013**
Finland (Olvi plc)	7.4	12.8
Estonia (AS A. Le Coq)	16.5	16.0
Latvia (A/S Cēsu Alus)	2.1	2.5
Lithuania (AB Volfas Engelman)	2.4	1.3
Belarus (OAO Lidskoe Pivo)	13.1	10.7
Eliminations	-0.5	0.0
Total	**41.0**	**43.2**

The Group's profit after taxes in 2014 declined by 3.2 percent on the previous year, amounting to 33.1 (34.2) million euro.

Earnings per share calculated from the profit belonging to parent company shareholders in January-December stood at 1.57 (1.61) euro per share.

FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of December 2014 was 332.8 (295.7) million euro. Equity per share at the end of 2014 stood at 9.17 (8.14) euro. The equity to total assets ratio was 57.9 (58.0) percent. In spite of investments, the gearing ratio remained good at 29.8 (26.4) percent. The current ratio, which represents the Group's liquidity, was 1.1 (1.2).

The amount of interest-bearing liabilities at the end of 2014 was 61.7 (52.8) million euro, including current liabilities of 31.7 (24.3) million euro.

Olvi Group's gross capital expenditure in 2014 amounted to 41.6 (35.7) million euro. The parent company Olvi accounted for 15.6 million euro, the Baltic subsidiaries for 10.7 million euro and Lidskoe Pivo in Belarus for 15.3 million euro of the total. The largest investments included a highly automated logistics centre in Finland, as well as production-related investments in Belarus.

CHANGES IN CORPORATE STRUCTURE IN 2014

During 2014, Olvi increased its holding in the Belarusian subsidiary (OAO Lidskoe Pivo) by a total of 2,256 shares, which increased the proportional holding by 2.99 percent. The holding in the Latvian subsidiary (A/S Cēsu Alus) increased by 284 shares and the proportional holding by 0.10 percent.

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

	2014	**2013**
AS A. Le Coq, Estonia	100.00	100.00
A/S Cēsu Alus, Latvia	99.86	99.76
AB Volfas Engelman, Lithuania	99.58	99.58
OAO Lidskoe Pivo, Belarus	94.57	91.58

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.

CORPORATE GOVERNANCE

Olvi complies with the Finnish Corporate Governance Code issued by the Securities Market Association that entered into force on 1 October 2010.

The aim of the Finnish Corporate Governance Code is that Finnish listed companies apply corporate governance practices that are of a high international standard. The purpose of the Code is to harmonise the practices of listed companies as well as the information given to shareholders and other investors. It is also aimed to improve the transparency of administrative bodies, management remuneration and remuneration policies.

In accordance with the implementing provisions of the Finnish Corporate Governance Code, Olvi has issued a separate corporate governance statement for its accounting period starting 1 January 2014 in connection with the Board of Directors' report and financial statements for 2014. Olvi's corporate governance statement is publicly available on the company's Web site at www.olvi.fi.

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. We are actively developing our management, training and incentive systems in order to improve well-being at work and provide our 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'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 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, we approve local flexibility in the means used for achieving targets because the operating environments and competitive situations are different.

Olvi Group's average number of personnel in January-December was 1,958 (1,999). The Group's average number of personnel decreased by 41 people or 2.1 percent.

The greatest decrease was seen in Finland, affected by a cut in the number of sales promoters due to a change in the procedures of a retail group.

Olvi Group's average number of personnel by country:

	1-12/ 2014	**1-12/ 2013**
Finland	369	401
Estonia	331	314
Latvia	214	215
Lithuania	214	216
Belarus	830	853
Total	**1,958**	**1,999**

WAGES, SALARIES AND EMOLUMENTS

Wages, salaries and emoluments in the accounting period:

EUR 1,000	**2014**	**2013**
Wages, salaries and emoluments	33,779	33,388

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 2014 in connection with the Board of Directors' report and financial statements for 2014. The report has been prepared in accordance with Section 7 (Remuneration), Recommendation 47 of the 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 are as follows:

a) Fixed remuneration

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.

b) 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 2014, 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.

c) 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.

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

The 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), and the Vice Chairman is Esa Lager, M.Sc. (Econ), LL.M. Other members of the Board of Directors include Heikki Sinnemaa, LL.M., Jaakko Autere, M.Sc. (Econ) and Tarja Pääkkönen, Dr.Tech.

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

MANAGEMENT

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

As of 1 January 2015, Kati Kokkonen, M.Sc. (Econ) was appointed Chief Financial Officer (CFO) and member of the Management Group of Olvi plc following the retirement of the previous CFO Tuija Karppanen at the end of 2014.

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

The Managing Directors of the subsidiaries are:

- AS A. Le Coq, Tartu, Estonia - Tarmo Noop
- A/S Cēsu Alus, Cēsis, Latvia - Eva Sietiņsone-Zatlere
- 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.

OLVI A SHARE AND SHARE MARKET

Olvi's share capital at the end of December 2014 stood at 20.8 million euro. The total number of shares was 20,758,808, of these 17,026,552 or 82.0 percent being 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 2014 was 2,174,302 (2,601,699) shares, which represented 12.8 (15.3) percent of all Series A shares. The value of trading was 54.3 (63.9) million euro.

The Olvi A share was quoted on Nasdaq OMX Helsinki (Helsinki Stock Exchange) at 21.07 (28.60) euro at the end of 2014. In January-December, the highest quote for the Series A share was 29.90 (28.75) euro and the lowest quote was 20.70 (19.70) euro. The average share price in 2014 was 25.03 (24.26) euro.

At the end of December 2014, the market capitalisation of Series A shares was 358.7 (487.0) million euro and the market capitalisation of all shares was 437.4 (593.7) million euro.

The number of shareholders at the end of December 2014 was 10,021 (9,522). Foreign holdings plus foreign and Finnish nominee-registered holdings represented 20.5 (21.3) percent of the total number of book entries and 4.6 (6.9) percent of total votes.

Detailed information about Olvi's equity, shares and share capital, largest shareholders as well as foreign and nominee-registered holdings is provided in the notes to the parent company Olvi's financial statements concerning equity, shares and share capital (Note 18 to the parent company's financial statements, Shareholders' equity, and the section on per-share ratios).

BOARD OF DIRECTORS' AUTHORISATIONS

On 16 April 2014, Olvi's General Meeting of Shareholders 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 within one year. 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.

The Board of Directors did not exercise the authorisations granted by the General Meeting during 2014.

TREASURY SHARES

There were no changes in the number of treasury shares held by Olvi in January-September 2014. At the end of the reporting period, Olvi held 1,124 Series A shares as treasury shares. Treasury shares held by the company itself are ineligible for voting.

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

FLAGGING NOTICES

During 2014, 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 prevent the release of substances that cause environmental load (such as phosphorus and biological oxygen consumers) into waste water.
- We aim to increase the use of renewable energy sources whenever technically and economically possible.
- 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.

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.
- 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 the national bottle recycling scheme.
- Wastewater is routed to the process of the local municipal wastewater treatment plant through an equalising tank that reduces biological oxygen-consuming load and a bio-filter.
- 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 administered by the Finnish Food and Drink Industries' Federation and 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 2015.

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 Olvi 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 their liquidity. 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, among others, risks in obtaining labour, employment relationship risks, key person risks, competence risks and risks arising from insufficient well-being and accidents at work.

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 several financing risks in its normal course of business: market risk (including foreign exchange risk as well as interest rate risk on cash flow and fair value), 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.

Foreign exchange risks arise from the cash flows of purchases and sales in foreign currency, as well as the investment in the Belarusian subsidiary and the conversion of its balance sheet items into euro. Financial reporting in Belarus is subject to the IAS 29 standard "Financial Reporting in Hyperinflationary Economies". Furthermore, negative development of the Russian economy may impose challenges on the Belarusian operating environment.

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

There have not been any other significant changes in Olvi Group's business risks.

NEAR-TERM OUTLOOK

Olvi estimates that the Group's sales volume for 2015 will increase slightly and that net sales will be on a par with the previous year. Operating profit is expected to be on a par with 2014 or slightly decline, depending greatly on the stabilisation of the Belarusian economy and exchange rate. Sales volumes in Belarus are expected to develop well.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The parent company Olvi plc had 49.5 (50.6) million euro of distributable funds on 31 December 2014, of which profit for the period accounted for 12.5 (15.8) 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 0.65 (0.65) euro shall be paid for 2014 on each Series K and Series A share, totalling 13.5 (13.5) million euro. The dividend represents 41.4 (40.4) 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, 20 April 2015.

It is proposed that the dividend be paid on 30 April 2015. No dividend shall be paid on treasury shares.

2) 36.0 million euro shall be retained in the parent company's non-restricted equity.

EVENTS AFTER THE REVIEW PERIOD

The statutory co-operation negotiations initiated in November 2014 with regard to the Finnish operations were completed on 29 January 2015. The outcome of the negotiations is that across the organisation in Finland, efficiency measures will be taken and procedures will change. In total, this will call for redundancies of 32 people. This will come true through pension arrangements concerning 10 people, temporary layoffs of three people and dismissal of 19 people.

FINANCIAL REPORTS IN 2015

Olvi Group's financial statements, Board of Directors' report and Corporate Governance Statement 2014 will be published on 24 March 2015. 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 16 April 2015 in Iisalmi, will be published on 24 March 2015. 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 2015:

- Interim report from January to March on 29 April 2015,
- Interim report from January to June on 13 August 2015, and
- Interim report from January to September on 29 October 2015.

OLVI PLC
Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

	Note	1 JAN TO 31 DEC 2014 EUR 1,000	%	1 JAN TO 31 DEC 2013 EUR 1,000	%
NET SALES	1	**328,239**	**100.0**	**327,256**	**100.0**
Increase (+)/decrease(-) in inventories of finished and unfinished products		-2,813	-0.9	-562	-0.2
Manufacture for own use		65	0.0	93	0.0
Other operating income	3	1,626	0.5	983	0.3
Materials and services		148,219	45.2	152,805	46.7
Personnel expenses	6	42,506	12.9	41,734	12.7
Depreciation and impairment	5	14,907	4.5	13,627	4.2
Other operating expenses	4	80,485	24.5	76,383	23.3
OPERATING PROFIT		**41,000**	**12.5**	**43,221**	**13.2**
Financial income	8	3,990	1.2	3,105	1.0
Financial expenses	9	-3,985	-1.2	-4,501	-1.4
Share of profit in associates	32	48	0.0	-11	0.0
PROFIT BEFORE TAXES		**41,053**	**12.5**	**41,814**	**12.8**
Income taxes	10	-7,974	-2.4	-7,628	-2.4
NET PROFIT FOR THE PERIOD		**33,079**	**10.1**	**34,186**	**10.4**
Other comprehensive income items:					
Translation differences related to foreign subsidiaries		-2,874	-0.9	-2,858	-0.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**30,205**	**9.2**	**31,328**	**9.6**
Distribution of profit:					
- parent company shareholders		32,522	9.9	33,520	10.2
- non-controlling interests		557	0.2	666	0.2
Distribution of comprehensive income:					
- parent company shareholders		29,879	9.1	30,886	9.5
- non-controlling interests		326	0.1	442	0.1
Earnings per share calculated from the profit belonging to parent company shareholders:					
Undiluted earnings per share (EUR)		1.57		1.61	
Diluted earnings per share (EUR)		1.57		1.61	

The notes constitute an essential part of the financial statements.

Consolidated Balance Sheet

	Note	31 Dec 2014 EUR 1,000	%	31 Dec 2013 EUR 1,000	%
ASSETS					
Non-current assets					
Tangible assets	12	192,149		165,783	
Goodwill	13, 14	18,217		17,805	
Other intangible assets	13	4,562		2,701	
Shares in associates		1,125		1,077	
Financial assets available for sale	15	549		549	
Loan receivables and other non-current receivables	16	333		349	
Deferred tax receivables	19	163		87	
Total non-current assets		**217,098**	**65.3**	**188,351**	**63.7**
Current assets					
Inventories	17	43,522		41,178	
Accounts receivable and other receivables	18	66,309		57,705	
Income tax receivable		1,023		848	
Other non-current assets held for sale	2	421		124	
Liquid assets	20	4,382		7,507	
Total current assets		**115,657**	**34.7**	**107,362**	**36.3**
TOTAL ASSETS		**332,755**	**100.0**	**295,713**	**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	-8		-8	
Translation differences		-22,964		-20,321	
Retained earnings		191,408		167,420	
Total shareholders' equity held by parent company shareholders		**190,287**	**57.2**	**168,942**	**57.1**
Share belonging to non-controlling interests		2,252	0.7	2,597	0.9
Total shareholders' equity		**192,539**	**57.9**	**171,539**	**58.0**
Non-current liabilities					
Financial liabilities	23	30,040		28,483	
Other liabilities		2		0	
Deferred tax liabilities	19	5,598		3,761	
Current liabilities					
Financial liabilities	23	31,652		24,348	
Accounts payable and other liabilities	24	72,899		66,704	
Income tax liability		25		878	
Total liabilities		**140,216**	**42.1**	**124,174**	**42.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**332,755**	**100.0**	**295,713**	**100.0**

The notes constitute an essential part of the financial statements.

Consolidated Cash Flow Statement

	Note	1-12/2014 EUR 1,000	1-12/2013 EUR 1,000
Cash flow from operations			
Net profit for the period		33,079	34,186
Adjustments:	27		
Depreciation and impairment	5	14,907	13,627
Other adjustments		10,792	10,587
Change in net working capital:			
Increase (-)/decrease (+) in current interest-free accounts receivable and other receivables		-7,020	-3,267
Increase (-)/decrease (+) in inventories		-1,952	0
Increase (+)/decrease (-) in current interest-free liabilities		6,614	5,718
Interest paid		-3,393	-4,246
Interest received		385	530
Taxes paid		-7,063	-7,126
Cash flow from operations (A)		**46,349**	**50,009**
Cash flow from investments			
Investments in tangible and intangible assets		-43,855	-31,975
Capital gains on disposal of tangible and intangible assets		200	220
Expenditure on other investments		-298	0
Cash flow from investments (B)		**-43,953**	**-31,755**
Cash flow from financing			
Withdrawals of loans		32,657	5,541
Repayments of loans		-24,542	-11,180
Dividends paid		-13,531	-10,541
Increase (-)/decrease (+) in current interest-bearing business receivables		-23	1
Increase (-)/decrease (+) in non-current loan receivables		16	55
Cash flow from financing (C)		**-5,423**	**-16,124**
Increase (+)/decrease (-) in liquid assets (A+B+C)		**-3,027**	**2,130**
Liquid assets 1 January		**7,507**	**5,698**
Effect of exchange rate changes		-98	-321
Liquid assets 31 December	20	**4,382**	**7,507**

The notes constitute an essential part of the financial statements.

Changes in Consolidated Shareholders' Equity

EUR 1,000	SHAREHOLDERS' EQUITY BELONGING TO PARENT COMPANY SHAREHOLDERS A	B	C	D	E	F	G
Shareholders' equity 1 Jan 2013	**20,759**	**1,092**	**-8**	**-17,687**	**141,317**	**1,939**	**147,412**
Adjustments for hyperinflation					2,945	271	3,216
Adjusted shareholders' equity 1 Jan 2013	**20,759**	**1,092**	**-8**	**-17,687**	**144,262**	**2,210**	**150,628**
Comprehensive income							
Net profit for the period					33,520	666	34,186
Other comprehensive income items							
Translation differences				-2,634		-224	-2,858
Total comprehensive income for the period				**-2,634**	**33,520**	**442**	**31,328**
Transactions with shareholders							
Payment of dividends					-10,379	-44	-10,423
Total transactions with shareholders					**-10,379**	**-44**	**-10,423**
Changes in holdings in subsidiaries							
Acquisition of shares from non-controlling interests					6		6
Change in shares belonging to non-controlling interests					11	-11	0
Total changes in holdings in subsidiaries					**17**	**-11**	**6**
Shareholders' equity 31 Dec 2013	**20,759**	**1,092**	**-8**	**-20,321**	**167,420**	**2,597**	**171,539**

EUR 1,000	SHAREHOLDERS' EQUITY BELONGING TO PARENT COMPANY SHAREHOLDERS 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 shares 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**

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. Olvi Group operates 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 2014.

Olvi plc's Board of Directors has approved the disclosure of these financial statements at its meeting on 23 February 2015. 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 2014. 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

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 processed 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.

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. The parent company's receivables and debts denominated in foreign currency have been converted into euro at the mean exchange rate quoted by the European Central Bank on the balance sheet date. Receivables and debts of non-Finnish consolidated companies denominated in foreign currency have been converted at the exchange rate of the country in question on the balance sheet date. 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.

The income and expense items within the income statements of non-Finnish consolidated companies that use a functional currency other than the Group's presentation currency (and that do not operate in hyperinflationary economies) have been converted into euro at the average exchange rates for the accounting period, which refers to the averages of the mean exchange rates quoted by the European Central Bank on the last day of each month. Balance sheet items have been converted into euro at the mean exchange rate quoted by the European Central Bank 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

Belarus was listed as a hyperinflationary economy in December 2011. The 2011, 2012, 2013 and 2014 financial statements of the subsidiary OAO Lidskoe Pivo registered in Belarus have been adjusted in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies". 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, in accordance with IAS 29.

OAO Lidskoe Pivo's functional currency is hyperinflationary but because its figures are converted to a non-inflationary currency, the euro, the data for comparison from the previous accounting period and all earlier accounting periods must be the same as presented in the financial statements for the year in question (in other words, they shall not be adjusted to correspond to any subsequent changes in price levels or exchange rates).

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, unfinished intangible and tangible assets and net operating capital, 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 three-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, the risk of non-marketability and damage has been transferred to the customer, and the customer has either accepted the products in accordance with the sales contract, the acceptance-related terms and conditions have expired, or the Group has objective proof that all of the acceptance criteria are fulfilled.

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 in accordance with the standard IAS 39 *Financial Instruments: Disclosure and Presentation.* At present, the Group's financial assets are classified as either loans and receivables or financial assets available for sale. 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.

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 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 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.

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.

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.

Derivative contracts and hedge accounting

Olvi Group treats derivative contracts in the manner prescribed in the standard IAS 39 *Financial Instruments: Disclosure and Presentation.* All interest rate derivatives have been classified as assets held for trading because the Group does not apply hedge accounting in accordance with IAS 39. Derivatives held for trading are interest rate 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.

Fixed currency swaps taken out for the purpose of hedging against foreign exchange risk associated with loans denominated in foreign currency are recognised at original cost.

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 the 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 options 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 2014.

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.

The most important sectors in which management has applied said consideration are goodwill testing and deferred tax receivables.

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.

Those substantial assumptions concerning the future and crucial factors of uncertainty associated with estimates made on the date of closing the accounts that impose a significant risk of substantial changes in the book values of the Group's assets and liabilities during the next accounting period are presented below. The Group's management has considered these sections of the financial statements as being the most crucial because, from the Group's point of view, the applicable accounting policies are the most complex, and their application requires the use of most significant estimates and assumptions in the measurement of assets, for example. Furthermore, it is estimated that the effect of any changes in the assumptions and estimates used in these sections of the financial statements would be the greatest.

Determining the fair value of assets acquired in a business combination

In case of substantial business combinations, the Group has used the services of an external advisor for the assessment of fair values of tangible and intangible assets. With regard to tangible assets, comparisons have been made against the market prices of similar assets, estimating the devaluation of the acquired assets due to age, wear and tear and other similar factors. The determination of fair values for intangible assets is based on estimates of cash flows associated with the assets because no information on transactions concerning similar assets has been available from the markets.

The management believes that the estimates and assumptions used are sufficiently accurate to serve as the basis for determining fair value. Furthermore, at least on each closing of the accounts, the Group reviews any indications of impairment of either tangible or intangible assets.

New and upcoming IFRS standards applicable to accounting periods beginning on or after 1 January 2014

The consolidated financial statements have been prepared in accordance with the same accounting policies used in 2013, with the exception of the following new standards, interpretations and revisions to existing standards that the Group has applied since 1 January 2014.

Subject	Crucial requirements	Effective date
IFRS 10 Consolidated Financial Statements	The aim of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The principles of control are defined, and control is established as the basis for consolidation. The standard sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. The standard also sets out the accounting requirements for the preparation of consolidated financial statements. The standard does not have any effect on the Group's consolidated financial statements.	Applicable in the EU as of 1 January 2014
IFRS 11 Joint Arrangements	IFRS 11 is a more realistic reflection of joint arrangements. It focuses on the rights and obligations arising from the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The standard does not have any effect on the Group's consolidated financial statements.	Applicable in the EU as of 1 January 2014
IFRS 12 Disclosures of Interests in Other Entities	IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group has observed the revised disclosure requirements in its financial statements.	Applicable in the EU as of 1 January 2014
IAS 28 (Revised 2011) Investments in Associates and Joint Ventures	The revised standard includes the accounting requirements for both associates and joint ventures. As a consequence of the publication of IFRS 11, the equity method shall apply to both. The revision does not have any effect on the Group's consolidated financial statements.	Applicable in the EU as of 1 January 2014

Amendments to IFRS 10, IFRS 12 and IAS 27 concerning consolidation for investment entities	These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and that display particular characteristics. Additional requirements regarding notes to the financial statements of investment entities have been added to IFRS 12. The amendment does not have any effect on the Group's consolidated financial statements.	1 January 2014
Amendment to IAS 32 "Financial Instruments: Presentation" concerning the offset of assets and liabilities	The amendments are related to the IAS 32 application guidance. They clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendment does not have any effect on the Group's consolidated financial statements.	1 January 2014
Amendment to IAS 36, "Impairment of Assets" concerning recoverable amount disclosures	This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment does not have any effect on the Group's consolidated financial statements.	1 January 2014
Amendment to IAS 39, "Financial Instruments: Recognition and Measurement" concerning the novation of derivatives	This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. The amendment does not have any effect on the Group's consolidated financial statements.	1 January 2014

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 2014.

Subject	**Crucial requirements**	**Effective date**
Annual improvements 2012	These annual improvements amend standards from the 2010–2012 reporting cycle. Changes to the following standards are included: • IFRS 2 "Share-based Payments": Clarifying the definition of a "vesting condition" and separately defining "performance condition" and "service condition". • IFRS 3 "Business Combinations": Clarifying that an obligation to pay contingent consideration that meets the definition of a financial instrument is classified either as a financial liability or equity on the basis of the definitions in IAS 32, "Financial Instruments: Presentation." It is also clarified that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised through profit and loss.	1 July 2014

Subject	Crucial requirements	Effective date
	• IFRS 8 "Operating Segments": Amended to require disclosure of the judgments made by management in aggregating operating segments. A reconciliation of segment assets against the entity's total assets is also required whenever segment assets are reported. • IFRS 13 "Fair Value Measurement": Amended the basis of conclusions to clarify that it was not intended to remove the ability to measure short term receivables and payables at invoice amounts where the effect of discounting is immaterial. • IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets": Clarifying how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. • IAS 24 "Related Party Disclosures": Related parties also include entities that provide key management personnel services to the reporting entity or to the parent of the reporting entity ("management entities"). Disclosure of the amounts charged to the reporting entity is required. The Group estimates that the revisions to the standards will not have any substantial effect on the consolidated financial statements.	
Annual improvements 2013	These annual improvements amend standards from the 2011-2013 reporting cycle. Changes to the following standards are included: • IFRS 3 "Business Combinations": The amendment clarifies that IFRS 3 does not apply to the formation of any joint venture under IFRS 11. • IFRS 13 "Fair Value Measurement". The standard is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. • IAS 40, "Investment Property": It is clarified that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 helps in distinguishing between investment property and owner-occupied property. The guidance in IFRS 3 must also be considered to determine whether the acquisition of an investment property is a business combination. The Group estimates that the revisions to the standards will not have any substantial effect on the consolidated financial statements.	1 July 2014
Amendment to IAS 19, "Employee benefits" regarding employee or third party contributions to defined benefit plans	The amendment applies to contributions from employees or third parties to defined benefit plans and clarifies the accounting for such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective is to simplify the accounting for contributions that are independent of the number of years of service, for example employee contributions that are calculated according to a fixed percentage of salary.	1 July 2014

Subject	**Crucial requirements**	**Effective date**
	Entities with plans where the contributions vary with duration of service will be required to recognise the benefit of those contributions over the employees' entire period of service. The Group estimates that the revisions to the standards will not have 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 Group estimates that the revisions to the standards will not have any substantial effect on the consolidated financial statements.	17 June 2014
Amendment to IFRS 11, "Joint arrangements" regarding acquisition of an interest in a joint operation	The amendment provides new guidance on how to account for the acquisition of an interest in a joint venture operation that constitutes a business. In such a case the investor has to apply the principles of business combination accounting. The amendment is applicable to both the acquisition of the initial interest and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in joint control. The Group estimates that the revisions to the standards will not have any substantial effect on the consolidated financial statements.	1 January 2016 (not yet endorsed in the EU)
Amendment to IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets" regarding depreciation and amortisation	This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be overruled in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The Group estimates that the revisions to the standards will not have any substantial effect on the consolidated financial statements.	1 January 2016 (not yet endorsed in the EU)

Subject	Crucial requirements	Effective date
Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture	These amendments address an inconsistency between IFRS 10 and IAS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. The Group estimates that the revisions to the standards will not have any substantial effect on the consolidated financial statements.	1 January 2016 (not yet endorsed in the EU)
Annual improvements 2014	These annual improvements amend standards from the 2012-2014 reporting cycle. Changes to the following standards are included: ▪ IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations": The amendment clarifies that 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. This means that the asset (or disposal group) does not need to be reinstated in accounting as if it had never been classified as "held for sale" or "held for distribution" simply because the manner of disposal has changed. The amendment also explains that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not re-classified as held for sale. ▪ IFRS 7 "Financial Instruments: Disclosures": There are two amendments: – Servicing contracts – If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The standard provides guidance about what is meant by continuing involvement. The amendment is prospective with an option to apply retrospectively. There is a consequential amendment to IFRS 1 to give the same relief to first time adopters. – Interim financial statements – The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, "Disclosure – Offsetting financial assets and financial liabilities" is not specifically required for all interim periods unless required by IAS 34. This amendment is retrospective. ▪ IAS 19 "Employee benefits": The amendment clarifies that when determining the discount rate for defined benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.	1 January 2016 (not yet endorsed in the EU)

Subject	Crucial requirements	Effective date
	The amendment is retrospective but limited to the beginning of the earliest period presented. ▪ IAS 34 "Interim Financial Reporting": The amendment clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report." Cross-references between the interim financial statements and the appropriate information are also required. This amendment is retrospective. The Group estimates that the revisions to the standards will not have any substantial effect on the consolidated financial statements.	
IFRS 15 "Revenue from Contracts with Customers"	This is a new converged standard on revenue recognition. It replaces IAS 11, "Construction Contracts" IAS 18, "Revenue" and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: ▪ Step 1: Identify the contract(s) with a customer ▪ Step 2: Identify the performance obligations in the contract ▪ Step 3: Determine the transaction price ▪ Step 4: Allocate the transaction price to the performance obligations in the contract ▪ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of cash flows arising from the entity's contracts with customers. The Group is analysing the effect of the standard on the consolidated financial statements.	1 January 2017 (not yet endorsed in the EU)
IFRS 9 "Financial Instruments"	The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income items and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are measured at fair value through profit or loss with the irrevocable option at initial recognition to present changes in fair value in other comprehensive income items. There is now a new expected losses model that replaces the incurred impairment loss model used in IAS 39.	1 January 2018 (not yet endorsed in the EU)

Subject	Crucial requirements	Effective date
	There were no changes to the classification and measurement of financial liabilities except for the recognition of changes in own credit risk in other comprehensive income, for liabilities recognised at fair value through profit or loss. The requirements for hedge effectiveness are relaxed by replacing the bright line hedge effectiveness tests. IFRS 9 requires an economic relationship between the hedged item and hedging instrument and for the "hedging ratio" to be the same as the one management actually uses for risk management purposes. Documentation is still required but it is different from that currently prepared under IAS 39. The Group is analysing the effect of the standard on the consolidated financial statements.	

Notes to the Consolidated Financial Statements

1. Segment information

Segment information is presented in accordance with the Group's geographical operating segments. Operating segments are defined on the basis of reports 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 geographical segments are produced in a specific economic environment with risks and profitability deviating from the risks and profitability of the economic environment of other geographical 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 market terms.

Sales of geographical segments in 2014 and 2013

1,000 litres	Finland	Estonia	Latvia	Lithuania	Belarus	Eliminations	Group
Sales in 2014	151,828	131,550	76,096	81,054	169,919	-33,969	576,478
Sales in 2013	159,909	129,314	79,724	69,554	156,523	-37,792	557,232

Geographical segments 2014 in accordance with asset locations

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimin-ations	Group
INCOME							
External sales	107,445	77,149	27,986	36,899	78,760		328,239
Internal sales	230	5,358	6,950	1,457	11	-14,006	0
Total net sales	**107,675**	**82,507**	**34,936**	**38,356**	**78,771**	**-14,006**	**328,239**
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

Geographical segments 2013 in accordance with asset locations

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimin-ations	Group
INCOME							
External sales	123,191	75,512	27,872	32,371	68,310		327,256
Internal sales	417	5,749	9,699	1,768	9	-17,642	0
Total net sales	**123,608**	**81,261**	**37,571**	**34,139**	**68,319**	**-17,642**	**327,256**
EARNINGS							
Operating profit for the segment	12,844	15,998	2,458	1,264	10,665	-8	43,221
Financial income							3,105
Financial expenses							-4,501
Share of profit in associates							-11
Income taxes							-7,628
Net profit for the period							**34,186**
OTHER INFORMATION							
Segment assets	162,357	68,490	31,431	30,344	68,619	-66,442	294,799
Unallocated assets							914
Total consolidated assets							**295,713**
Segment liabilities	39,083	11,313	6,006	3,769	8,031	-1,907	66,295
Unallocated liabilities							57,879
Total consolidated liabilities							**124,174**
Segment investments	19,803	2,281	2,140	2,785	8,682	0	35,691
Unallocated investments							0
Total investments							**35,691**
Depreciation	4,199	2,769	1,548	1,410	3,763	-62	13,627

Geographical segments 2014 in accordance with customer locations

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimin-ations	Group
External sales	102,162	75,558	27,532	35,644	66,685	20,658	328,239
Internal sales	585	1,593	4,380	6,745	703	-14,006	0
Total net sales	**102,747**	**77,151**	**31,912**	**42,389**	**67,388**	**6,652**	**328,239**

Geographical segments 2013 in accordance with customer locations

EUR 1,000	Finland	Estonia	Latvia	Lithuania	Belarus	Elimin-ations	Group
External sales	107,527	74,276	27,515	31,509	59,325	27,104	327,256
Internal sales	552	2,418	4,674	8,909	1,089	-17,642	0
Total net sales	**108,079**	**76,694**	**32,189**	**40,418**	**60,414**	**9,462**	**327,256**

2. Non-current assets held for sale

EUR 1,000	2014	2013
Non-current assets held for sale	421	124
Total	**421**	**124**

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	2014	2013
Sales gains on property, plant and equipment	125	64
Rental income	121	124
Others	1,380	795
Total	**1,626**	**983**

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

4. Other operating expenses

EUR 1,000	2014	2013
Sales losses and scrapping of property, plant and equipment	192	631
Rental costs	4,197	3,616
External services	51,317	48,450
Others	24,779	23,686
Total	**80,485**	**76,383**

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	2014	2013
Depreciation on tangible assets:		
Buildings	2,711	2,637
Machinery and equipment	8,149	7,412
Machinery and equipment, finance lease	828	745
Other tangible assets	2,278	1,995
Other tangible assets, finance lease	147	199
Total depreciation on tangible assets	14,113	12,988
Amortisation of intangible assets:		
Intangible rights	296	221
Other intangible assets	498	418
Total amortisation of intangible assets	794	639
Total	**14,907**	**13,627**

6. Costs of employee benefits

EUR 1,000	**2014**	**2013**
Wages and salaries	33,779	33,388
Pension costs - defined contribution	2,687	2,927
Benefits exercised and payable in stock	27	0
Benefits payable in cash	17	0
Other personnel expenses	5,996	5,419
Total	**42,506**	**41,734**
Group personnel on average during the period:		
Finland	369	401
Estonia	331	314
Latvia	214	215
Lithuania	214	216
Belarus	830	853
Total	**1,958**	**1,999**

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 412 thousand euro of R&D costs recognised as expenses in 2014 (345 thousand euro in 2013), which is 0.1 (0.1) percent of net sales.

8. Financial income

EUR 1,000	**2014**	**2013**
Dividend income from investments held as fixed assets	4	6
Interest income from bank deposits	263	8
Adjustment for hyperinflation: effect on the company's monetary net position	2,845	2,575
Other interest and financial income	878	516
Total	**3,990**	**3,105**

9. Financial expenses

EUR 1,000	**2014**	**2013**
Interest expenses on finance lease contracts	100	48
Interest expenses on financial liabilities measured at original amortised cost	1,084	829
Net gains (-) / losses (+) from interest derivatives	-171	387
Other financial expenses	2,972	3,237
Total	**3,985**	**4,501**

10. Income taxes

EUR 1,000	Note	2014	2013
Tax based on taxable income for the period		6,316	7,144
Taxes from previous accounting periods		-95	-74
Deferred taxes	19	1,753	558
Total		**7,974**	**7,628**

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 % (24.5 %):

EUR 1,000	2014	2013
Earnings before tax	41,053	41,814
Taxes calculated at the home country's rate	8,211	10,244
Effect of different tax rates for foreign subsidiaries	-251	-1,898
Tax effect of tax-free items	-136	-63
Tax effect of non-deductible items	245	86
Change in deferred tax - Change in Finnish tax rate	0	-667
Taxes from previous accounting period	-95	-74
Taxes in income statement	**7,974**	**7,628**

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 1,124 of its own Series A shares on 31 December 2014.

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

	2014	2013
Profit belonging to parent company shareholders (EUR 1,000)	32,522	33,520
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)	1.57	1.61

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.

Between 2005 and 2014, 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 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.

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 2013	**1,863**	**97,903**	**215,691**	**7,440**	**13,082**	**1,330**	**6,089**	**343,399**
Adjustment for hyperinflation	0	2,201	4,066	0	1,088	0	62	7,417
Additions	0	1,186	7,793	242	2,434	121	28,772	40,548
Transfer to non-current assets held for sale	0	0	-3,153	0	0	0	0	-3,153
Deductions	0	-523	-519	0	-578	-17	-7,632	-9,270
Transfers between items	0	173	3,315	-180	583	-444	-3,547	-102
Exchange rate differences	-1	-2,128	-3,941	0	-962	-9	-368	-7,409
Acquisition cost 31 Dec 2013	**1,862**	**98,813**	**223,252**	**7,502**	**15,646**	**980**	**23,376**	**371,431**
Accumulated depreciation and impairment 1 Jan 2013	**0**	**40,959**	**144,316**	**2,936**	**7,542**	**898**	**0**	**196,650**
Adjustment for hyperinflation	0	199	1,018	0	431	0	0	1,647
Depreciation	0	2,637	7,412	745	1,995	199	0	12,988
Accumulated depreciation on deductions	0	206	361	278	-131	-17	0	697
Accumulated depreciation on transfers	0	-199	-2,038	-180	669	-444	0	-2,192
Exchange rate differences	0	-420	-2,868	0	-848	-6	0	-4,142
Accumulated depreciation and impairment 31 Dec 2013	**0**	**43,383**	**148,200**	**3,778**	**9,658**	**629**	**0**	**205,648**
Book value 1 Jan 2013	**1,863**	**56,944**	**71,375**	**4,505**	**5,540**	**432**	**6,089**	**146,749**
Book value 31 Dec 2013	**1,862**	**55,430**	**75,052**	**3,724**	**5,988**	**351**	**23,376**	**165,783**

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 rights	Other intangible assets	Total
Acquisition cost 1 Jan 2014	**22,782**	**10,773**	**11,385**	**44,939**
Adjustment for hyperinflation	1,057	57	0	1,114
Additions	0	2,196	439	2,635
Deductions	0	-100	0	-100
Exchange rate differences	-645	-35	0	-680
Acquisition cost 31 Dec 2014	**23,194**	**12,890**	**11,824**	**47,908**
Accumulated depreciation and impairment 1 Jan 2014	**4,977**	**9,605**	**9,851**	**24,433**
Adjustment for hyperinflation	0	5	0	5
Depreciation	0	296	498	794
Accumulated depreciation on deductions	0	-100	0	-100
Exchange rate differences	0	-3	0	-3
Accumulated depreciation and impairment 31 Dec 2014	**4,977**	**9,802**	**10,349**	**25,129**
Book value 1 Jan 2014	**17,805**	**1,168**	**1,534**	**20,506**
Book value 31 Dec 2014	**18,217**	**3,088**	**1,475**	**22,779**

Intangible rights consist mainly of trademarks and leases on land areas. Other intangible assets consist mainly of computer software.

EUR 1,000	Goodwill	Intangible rights	Other intangible assets	Total
Acquisition cost 1 Jan 2013	**22,707**	**10,203**	**10,735**	**43,645**
Adjustment for hyperinflation	173	1	0	174
Additions	0	588	649	1,237
Deductions	0	0	0	0
Transfers between items	0	21	0	21
Exchange rate differences	-98	-41	0	-139
Acquisition cost 31 Dec 2013	**22,782**	**10,773**	**11,385**	**44,939**
Accumulated depreciation and impairment 1 Jan 2013	**4,977**	**9,386**	**9,433**	**23,796**
Adjustment for hyperinflation	0	0	0	0
Depreciation	0	221	418	639
Exchange rate differences	0	-2	0	-2
Accumulated depreciation and impairment 31 Dec 2013	**4,977**	**9,605**	**9,851**	**24,433**
Book value 1 Jan 2013	**17,730**	**817**	**1,303**	**19,849**
Book value 31 Dec 2013	**17,805**	**1,168**	**1,534**	**20,506**

Intangible rights consist mainly of trademarks. Other intangible assets consist mainly of computer software.

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 7,543 thousand euro.

The estimated future cash flows used for impairment testing are based on the financial plans of the geographical 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% (3.5%), Lithuania 3.0% (4.5%) and Belarus 7.0% (8.5%). 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 11.12 (10.80 in 2013), in Latvia 11.70 (11.50), in Lithuania 11.87 (12.02) and in Belarus 17.11 (16.82) percent.

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	**2014**	**2013**
Book value 1 January		549	549
Additions		0	0
Book value 31 December	26	**549**	**549**

16. Loans receivable and other non-current receivables

EUR 1,000	Note	**2014**	**2013**
Loans receivable	26	195	211
Other non-current receivables	26	138	138
Total		**333**	**349**

Other non-current receivables consist mainly of security deposits.

17. Inventories

EUR 1,000	**2014**	**2013**
Materials and supplies	29,741	27,106
Unfinished products	2,034	2,140
Finished products/goods	9,169	9,947
Other inventories	2,578	1,985
Total	**43,522**	**41,178**

Non-marketability deductions on inventories have been booked for 3,339 thousand euro in 2014 (2,256 thousand euro in 2013).

18. Accounts receivable and other receivables

EUR 1,000	Note	**2014**	**2013**
Accounts receivable	26	58,867	51,717
Prepayments and accrued income	26	4,341	4,358
Other receivables	26	3,101	1,630
Total		**66,309**	**57,705**

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 266 thousand euro of credit losses on accounts receivable (552 thousand euro in 2013). There are no significant credit risk concentrations associated with receivables.

Maturity distribution of accounts receivable		
EUR 1,000	**2014**	**2013**
Not due	50,930	46,182
Overdue		
Less than 30 days	6,160	3,361
31 to 60 days	330	1,704
61 to 90 days	152	138
91 to 120 days	735	136
More than 120 days	560	196
Total	**58,867**	**51,717**

Accounts receivable by currency	**2014**	**2014**	**2013**	**2013**
	Foreign 1,000	**EUR 1,000**	**Foreign 1,000**	**EUR 1,000**
EUR	43,248	43,248	35,614	35,614
LVL	0	0	2,253	3,206
LTL	19,785	5,730	16,769	4,857
BYR	142,131,929	9,884	104,987,445	8,027
RUB	374	5	583	13

19. Deferred tax receivables and liabilities

Changes in deferred taxes during 2014:

Deferred tax receivables					
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**

The Group's unused fiscal losses amounted to 3,594 thousand euro at the end of the accounting period (4,500 thousand euro in 2013). 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, 69,028 thousand euro in 2014, as the criteria under IAS 12, 39 are fulfilled.

Changes in deferred taxes during 2013:

Deferred tax receivables					
EUR 1,000	**31 Dec 2012**	**Recognised through profit and loss**	**Recognised in equity**	**Exchange rate differences**	**31 Dec 2013**
Fair valuation of derivatives	57	-10	0	0	47
Internal margin on inventories and fixed assets	20	13	0	0	33
Other items	6	9	0	-8	7
Total	**83**	**12**	**0**	**-8**	**87**

Deferred tax liabilities					
EUR 1,000	**31 Dec 2012**	**Recognised through profit and loss**	**Recognised in equity**	**Exchange rate differences**	**31 Dec 2013**
Property, plant and equipment	2,632	222	0	-10	2,844
A/S Cēsu Alus's tax on depreciation difference and retained losses	568	349	0	0	917
Total	**3,200**	**571**	**0**	**-10**	**3,761**

20. Liquid assets

EUR 1,000	Note	**2014**	**2013**
Cash and bank accounts	26	4,382	7,507
Total		**4,382**	**7,507**

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 sharehold-ers' equity.

EUR 1,000	**Number of Series K shares (1,000)**	**Number of Series A shares (1,000)**	**Share capital**	**Other reserves**	**Treasury shares**	**Total**
31 December 2013	3,732	17,025	20,759	1,092	-8	21,843
31 December 2014	3,732	17,025	20,759	1,092	-8	21,843

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 2013). 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 2013) 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 2014.

Olvi plc has not acquired more treasury shares or transferred them to others in January-December 2014, which means that the number of Series A shares held by the company was unchanged on 31 December 2014.

The purchase price of the Series A shares held as treasury shares totalled 8.5 thousand euro.

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

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

The Annual General Meeting also decided to revoke all existing unused authorisations for the transfer of own shares and authorise the Board of Directors to decide on the issue of a maximum of 1,000,000 new Series A shares and the transfer of a maximum of 500,000 Series A shares held as treasury shares. In January-December 2014, the Board of Directors of Olvi plc has not exercised the authorisations granted by the General Meeting.

Dividends
After the balance sheet date, the Board of Directors has proposed a dividend of 0.65 euro per share for both Series K and Series A shares for 2014, totalling 13.5 million euro. Dividend for 2013 was paid at 0.65 euro per share, totalling 13.5 million euro. The dividends were paid on 30 April 2014.

22. Share-based payments

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

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

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

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

From January to December 2014, accounting entries associated with the performance period from 1 July 2014 to 30 June 2017 were recognised for a total of 44.7 thousand euro.

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

23. Financial liabilities

EUR 1,000	Note	**Book values 2014**	**Fair values 2014**	**Book values 2013**	**Fair values 2013**
Non-current liabilities					
Loans from financial institutions	26	27,344	26,418	25,638	24,582
Finance lease liabilities	26	2,680	2,680	2,829	2,829
Other liabilities	26	16	16	16	16
Total		**30,040**	**29,114**	**28,483**	**27,427**

EUR 1,000	Note	Book values 2014	Fair values 2014	Book values 2013	Fair values 2013
Current liabilities					
Loans from financial institutions	26	30,854	30,854	23,405	23,405
Finance lease liabilities	26	798	798	943	943
Total		**31,652**	**31,652**	**24,348**	**24,348**

The Group's financial liabilities on 31 December 2014 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.

18.0 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 21.2 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 0.018% to 0.325%, 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	**2014**	**2013**
Loans from financial institutions	0.52% - 3.55%	0.61% - 3.55%
Interest rate swaps	0.67% - 2.63%	0.92% - 2.00%
Finance lease liabilities	1.80% - 6.75%	1.84% - 6.45%
Other liabilities	0%	0%

Maturities of finance lease liabilities EUR 1,000	Note	**2014**	**2013**
Finance lease liabilities - total of minimum rents			
Due within one year		798	943
Within more than one but less than five years		1,810	1,750
Within more than five years		870	1,079
	26	3,478	3,772
Finance lease liabilities - present value of minimum rents			
Due within one year		798	943
Within more than one but less than five years		1,810	1,750
Within more than five years		870	1,079
	26	3,478	3,772
Total amount of finance lease liabilities	26	**3,478**	**3,772**

The Group's other interest-bearing liabilities will fall due as follows: EUR 1,000	**2014**	**2013**
in 2014		23,405
in 2015	30,855	9,924
in 2016	12,038	6,810
in 2017	8,466	6,010
in 2018	5,299	2,894
in 2019	1,526	16
Later	30	0
Total	**58,214**	**49,059**

24. Accounts payable and other liabilities

EUR 1,000	Note	**2014**	**2013**
Current			
Accounts payable	26	35,702	34,501
Accrued expenses	26	8,183	9,235
Other liabilities	26	29,014	22,968
Total		**72,899**	**66,704**

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

	2014 Foreign 1,000	**2014 EUR 1,000**	**2013 Foreign 1,000**	**2013 EUR 1,000**
EUR	30,234	30,234	29,155	29,155
LVL	0	0	897	1,277
LTL	7,480	2,166	4,177	1,210
USD	86	71	34	24
CHF	0	0	9	7
BYR	45,962,289	3,196	36,694,720	2,805
GBP	1	1	19	23
RUB	2,493	34	0	0

25. Management of financing risks

The Group is exposed to several financing risks in its normal course of business: market risk (including foreign exchange risk as well as interest rate risk on cash flow and fair value), 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 and the conversion of their balance sheet items into euro.

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. The Group's ordinary operations made 2,961 thousand euro of exchange rate losses in 2014 (3,170 thousand euro in 2013). Financial income includes 3,605 thousand euro of exchange rate gains (2,580 thousand euro in 2013).

The Group has investments in foreign subsidiaries in Estonia, Latvia, Lithuania and Belarus. The Estonian and Latvian currency is the euro, and Lithuania will adopt the euro as of the beginning of 2015. With regard to the investment in Belarus, the Group is exposed to risk arising from the conversion of the subsidiary investment made in BYR into the parent company's functional currency. 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 2014 was EUR 49.1 million (37.3 million in 2013). An exchange rate change of +/- 10 percent would impact consolidated shareholders' equity by approximately +5.9/-4.1 million euro. The Belarusian currency also carries a risk of devaluation; if realised, this would result in a decline in Olvi Group's operating profit denominated in euro. Hyperinflationary accounting in accordance with IAS 29 is observed with regard to Belarus. This is described in the consolidated accounting policies and, along with the risk of devaluation, may have an impact on the Group's operating profit denominated in euro.

Olvi Group regularly assesses the exchange rate risks related to operations and financing. Exchange rates can be hedged if required by the situation at hand.

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 on cash flow and fair value
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 24.5 percent (51.2 in 2013) of interest-bearing loans. Variable-rate loans accounted for 75.5 (48.8) percent of all interest-bearing loans. The principal-weighted average maturity of interest-bearing loans was 3.3 (3.7) 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 IAS 39.

The amount of payment obligations under finance lease contracts on 31 December 2014 was 3.5 million euro (3.8 million euro in 2013).

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 2014 amounted to 21,153 thousand euro (23,930). A change of two (2) percent in the interest rate level would cause a change of +/- 423 thousand euro in financial expenses. 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.

Creditworthiness requirements for the Group's customers are reviewed annually 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 wide and geographically diversified customer base.

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

The largest customer accounts for 10.6 percent (12.1 in 2013) of the Group’s total sales. The amount of credit losses recognised in 2014 was 266 (552) thousand euro.

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

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 24 million euro of unused credit limits and an account overdraft facility of 5 million euro, 3.7 million euro of which was unused. Some of the facilities are valid until further notice, while some are renewed annually. On the balance sheet date, 10 million euro of the limits was binding and was renewed on 25 February 2014 for the next two years. 14 million euro was unbinding.

The parent company Olvi plc issued a 20 million euro commercial paper programme in 2002 in order to secure short-term liquidity needs quickly and cost-efficiently. At the time of closing the accounts, Olvi plc had 17.0 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 4,382 thousand euro of liquid assets on 31 December 2014 (7,507 thousand euro in 2013). The Group’s liquidity on the balance sheet date was good. The current ratio on 31 December 2014 was 1.1 (1.2 in 2013).

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, taking into account the expectations imposed on the Group by various parties. 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 2014 stood at 57.9 (58.0) percent and the gearing ratio was 29.8 (26.4) percent.

26. Fair values of financial assets and liabilities

The fair values of Olvi Group's financial assets and liabilities do not substantially deviate from their book values. The face value of interest rate swaps was 17.4 million euro in 2014 and 24.1 million euro in 2013.

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	2014	2013
Transactions with no associated payment:		
Depreciation	14,907	13,627
Unrealised foreign exchange gains and losses	2,388	2,984
Financial income	-3,990	-3,105
Adjustment for hyperinflation	-475	-2,949
Financial expenses	3,985	4,501
Income taxes	7,974	7,628
Other adjustments	910	1,528
Total	**25,699**	**24,214**

28. Other lease contracts

The Group as a lessee:

EUR 1,000	2014	2013
Minimum rents payable on the basis of other non-cancellable leases:		
Due within one year	1,143	1,238
Within more than one but less than five years	758	637
Within more than five years	5	6
Total	**1,906**	**1,881**

The Group has leased operating premises and storage terminal facilities in different parts of Finland, as well as production machinery and equipment.

The Group as a lessor:

EUR 1,000	2014	2013
Minimum rents receivable on the basis of other non-cancellable leases:		
Due within one year	1,058	1,005
Within more than one but less than five years		
Within more than five years		
Total	**1,058**	**1,005**

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	2014	2013
Pledges and contingent liabilities		
For own commitments	2,397	2,715
Package liabilities	2,496	2,781
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 2014. 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	99.86	99.86
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	2014	2013
Sales	369	408
Purchases	739	558
Receivables	294	368
Liabilities	34	257

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	2014	2013
Managing Director		
Salaries and other short-term employee benefits	361	340
Pension commitments, statutory pension cover	62	57
Total	**423**	**397**

Compensation paid to members of the Board of Directors for Board duties		
Heikki Hortling	84	85
Esa Lager	36	37
Heikki Sinnemaa	30	31
Jaakko Autere	30	31
Tarja Pääkkönen	30	31
Total	**209**	**215**

No loans have been granted to management.

31. Costs arising from audit

EUR 1,000	2014	2013
Fees for statutory audit	102	133
Other services	88	93
Total	**190**	**226**

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 (%)	2014	2013
AS Karme, Karksi vald, Estonia	**49.00**		
Current assets		378	446
Non-current assets		745	779
Current liabilities		335	491
Non-current liabilities		2	8
Net sales		1,579	1,733
Profit/loss		51	-8
Verska Mineraalvee OÜ, Värska vald, Estonia	**20.00**		
Current assets		149	104
Non-current assets		440	442
Current liabilities		138	184
Non-current liabilities		171	196
Net sales		584	438
Profit/loss		114	42

Consolidated Financial Ratios 2012 to 2014

BUSINESS VOLUME AND PROFITABILITY			
EUR 1,000	**2014 IFRS**	**2013 IFRS**	**2012 IFRS**
Net sales	328,239	327,256	304,891
Change, %	0.3	7.3	9.3
Operating profit	41,000	43,221	30,537
% of net sales	12.5	13.2	10.0
Financial income and expenses	5	-1,396	1,778
Profit before tax	41,053	41,814	32,315
% of net sales	12.5	12.8	10.6
Net profit for the period	33,079	34,186	26,164
% of net sales	10.1	10.4	8.6
Balance sheet total	332,755	295,713	269,197
Cash flow ratio, %	14.6	14.6	15.7
Return on investment, % (ROI)	18.8	21.5	18.0
Return on equity, % (ROE)	18.2	21.4	19.0
Equity to total assets, %	57.9	58.0	54.8
Current ratio	1.1	1.2	1.3
Gearing, %	29.8	26.4	35.8
Gross capital expenditure on fixed assets	41,633	35,691	29,832
% of net sales	12.7	10.9	9.8
Net capital expenditure on fixed assets	41,047	35,484	29,351
% of net sales	12.5	10.8	9.6
Average number of personnel:			
Olvi plc	369	401	401
Personnel in Estonia, Latvia, Lithuania and Belarus	1,589	1,598	1,576
Total employees	1,958	1,999	1,977

PER-SHARE RATIOS			
	2014 IFRS	**2013 IFRS**	**2012 IFRS**
Earnings per share (EPS), euro	1.57	1.61	1.24
EPS adjusted for dilution from warrants, euro	1.57	1.61	1.24
Equity per share, euro	9.17	8.14	7.01
*) Pay-out ratio, %	41.49	40.25	40.44
Price/Earnings ratio (P/E)	13.4	17.7	15.9

*) The amount of dividend used for calculating the 2014 ratios is the Board of Directors’ proposal to the Annual General Meeting.

OLVI PLC

Parent Company's Income Statement (FAS)

	Note	1 JAN TO 31 DEC 2014 EUR 1,000	%	1 JAN TO 31 DEC 2013 EUR 1,000	%
NET SALES	1	**107,675**	**100.0**	**123,608**	**100.0**
Increase (+)/decrease(-) in inventories of finished and unfinished products		-220	-0.2	812	0.7
Manufacture for own use		68	0.1	96	0.1
Other operating income	2	1,415	1.3	491	0.4
Materials and services	3	45,683	42.4	53,681	43.4
Personnel expenses	4	18,938	17.6	20,602	16.7
Depreciation and impairment	8	4,232	3.9	3,803	3.1
Other operating expenses	9	32,736	30.4	34,115	27.6
OPERATING PROFIT		**7,350**	**6.8**	**12,805**	**10.4**
Financial income and expenses	10	9,176	8.5	9,131	7.4
PROFIT BEFORE APPROPRIATIONS AND TAXES		**16,525**	**15.3**	**21,936**	**17.7**
Appropriations	11	-3,531	-3.3	-4,302	-3.5
Income taxes	12	-536	-0.5	-1,811	-1.5
NET PROFIT FOR THE PERIOD		**12,458**	**11.6**	**15,823**	**12.8**

Parent Company's Balance Sheet (FAS)

	Note	31 Dec 2014 EUR 1,000	%	31 Dec 2013 EUR 1,000	%
ASSETS					
FIXED ASSETS					
Intangible assets	13	1,737		1,797	
Tangible assets	13	65,014		54,060	
Shares in Group companies	14	59,138		58,428	
Other investments	14	540		540	
TOTAL FIXED ASSETS		**126,429**	**56.8**	**114,825**	**57.5**
CURRENT ASSETS					
Inventories	16	13,620		13,472	
Non-current receivables	17	48,017		39,334	
Current receivables	17	34,013		29,756	
Cash in hand and at bank		525		2,248	
TOTAL CURRENT ASSETS		**96,176**	**43.2**	**84,810**	**42.5**
TOTAL ASSETS		**222,605**	**100.0**	**199,634**	**100.0**
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Share capital		20,759		20,759	
Share premium account		857		857	
Legal reserve		127		127	
Retained earnings		37,072		34,742	
Net profit for the period		12,458		15,823	
TOTAL SHAREHOLDERS' EQUITY	18	**71,273**	**32.0**	**72,307**	**36.2**
ACCUMULATED APPROPRIATIONS	19	**16,871**	**7.6**	**13,340**	**6.7**
LIABILITIES					
Non-current liabilities		58,615		51,090	
Current liabilities		75,846		62,897	
TOTAL LIABILITIES	20	**134,461**	**60.4**	**113,987**	**57.1**
TOTAL EQUITY AND LIABILITIES		**222,605**	**100.0**	**199,634**	**100.0**

Parent Company's Cash Flow Statement

	Note	1-12/2014 EUR 1,000	1-12/2013 EUR 1,000
Cash flow from operations			
Profit before extraordinary items		15,989	21,936
Adjustments:			
Depreciation according to plan and impairment	8	4,232	3,803
Financial income and expenses	10	-9,176	-9,131
Other adjustments		-412	-30
Cash flow before change in working capital		10,633	16,578
Change in net working capital:			
Increase (-) / decrease (+) in current interest-free accounts receivable and other receivables		-3,907	-1,630
Increase (-) / decrease (+) in inventories		-149	527
Increase (+) / decrease (-) in current interest-free liabilities		6,104	2,299
Interest paid		-926	-1,296
Interest received		118	69
Dividends received		10,073	10,098
Taxes paid		46	-1,956
Cash flow from operations (A)		**21,993**	**24,690**
Cash flow from investments			
Investments in tangible and intangible assets		-16,013	-18,525
Capital gains on disposal of tangible and intangible assets		874	131
Expenditure on other investments		-710	-18
Cash flow from investments (B)		**-15,850**	**-18,411**
Cash flow from financing			
Withdrawals of loans		37,700	11,071
Repayments of loans		-24,091	-10,242
Dividends paid		-13,469	-10,361
Increase (-)/decrease (+) in current interest-bearing business receivables		1	1
Increase (-)/decrease (+) in non-current loan receivables		-8,007	5,077
Cash flow from financing (C)		**-7,865**	**-4,453**
Increase (+)/decrease (-) in liquid assets (A+B+C)		**-1,722**	**1,826**
Liquid assets 1 January		**2,248**	**422**
Liquid assets 31 December		**525**	**2,248**
Change in liquid assets		**-1,722**	**1,826**

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	2014	2013
Finland	101,890	106,955
Belarus	765	11,818
Estonia	2,345	3,065
Other exports	2,675	1,770
Total	**107,675**	**123,608**

2. Other operating income	2014	2013
Capital gains on disposals of fixed assets	737	100
Other	678	391
Total	**1,415**	**491**

3. Materials and services	2014	2013
Materials and supplies (goods):		
Purchases during the year	43,876	49,998
Change in stocks	-369	1,339
Outsourced services	2,175	2,344
Total	**45,683**	**53,681**

4. Personnel expenses	2014	2013
Wages, salaries and emoluments	15,297	16,555
Profit-sharing contribution to personnel fund	0	80
Pension expenses	2,687	2,927
Other personnel expenses	954	1,040
Total	**18,938**	**20,602**

5. Management salaries and emoluments	2014	2013
Managing Director	361	340
Chairman of the Board	84	85
Other members of the Board	125	130
Total	**570**	**555**

6. Parent company's personnel on average during the period	2014	2013
Full-time		
clerical employees	129	131
workers	177	189
Part-time		
clerical employees	0	0
workers	63	81
Total	**369**	**401**

7. Auditors' fees	2014	2013
Fees for statutory audit	47	68
Other services	69	49
Total	**116**	**118**

8. Depreciation and impairment	2014	2013
Planned depreciation on tangible and intangible assets	4,232	3,803
Total	**4,232**	**3,803**

9. Other operating expenses	2014	2013
Sales freights	13,335	13,531
Costs of marketing and sales	5,979	6,325
Other operating expenses	13,422	14,259
Total	**32,736**	**34,115**

10. Financial income and expenses	2014	2013
Dividend income from Group companies	10,073	10,195
Total income from long-term investments	4	6
Other interest and financial income		
From Group companies	562	518
From others	722	67
Total	1,284	585
Total dividend income and other interest and financial income	**11,362**	**10,787**
Interest expenses and other financial expenses		
To Group companies	516	409
To others	1,670	1,246
Total interest expenses and other financial expenses	**2,186**	**1,656**
Total financial income and expenses	**9,176**	**9,131**

11. Appropriations	2014	2013
Difference between depreciation according to plan and depreciation applied in taxation	3,531	4,302
Total	**3,531**	**4,302**

12. Income taxes	2014	2013
Income tax on business operations	481	1,875
Taxes from previous accounting periods	-95	-74
Change in deferred tax	151	10
Total	**536**	**1,811**

13. Fixed assets

Intangible assets

	Formation costs	Intangible rights	Development costs	Other intangible assets	Total
Acquisition cost 1 Jan 2014	**6**	**8,774**	**153**	**10,604**	**19,538**
Additions	0	0	0	494	494
Deductions	0	0	0	0	0
Acquisition cost 31 Dec 2014	**6**	**8,774**	**153**	**11,098**	**20,031**
Accumulated depreciation and impairment 1 Jan 2014	**6**	**8,774**	**24**	**8,936**	**17,741**
Depreciation	0	0	25	528	553
Accumulated depreciation and impairment 31 Dec 2014	**6**	**8,774**	**49**	**9,464**	**18,294**
Book value 1 Jan 2014	**0**	**0**	**129**	**1,668**	**1,797**
Book value 31 Dec 2014	**0**	**0**	**103**	**1,634**	**1,737**

Tangible assets

	Land and water properties	Buildings	Machinery and equipment	Other tangible assets	Advance payments and unfinished purchases	Total
Acquisition cost 1 Jan 2014	**1,088**	**29,109**	**108,384**	**60**	**14,609**	**153,248**
Additions	0	1,106	3,060	0	11,750	15,916
Deductions	0	0	-192	0	-1,091	-1,283
Acquisition cost 31 Dec 2014	**1,088**	**30,215**	**111,252**	**60**	**25,267**	**167,881**
Accumulated depreciation and impairment 1 Jan 2014	**0**	**20,464**	**78,725**	**0**	**0**	**99,189**
Depreciation	0	458	3,221	0	0	3,679
Accumulated depreciation and impairment 31 Dec 2014	**0**	**20,922**	**81,946**	**0**	**0**	**102,868**
Book value 1 Jan 2014	**1,088**	**8,645**	**29,658**	**60**	**14,609**	**54,060**
Book value 31 Dec 2014	**1,088**	**9,293**	**29,306**	**60**	**25,267**	**65,014**

	31 Dec 2014	**31 Dec 2013**
Book value of production machinery and equipment	26,759	27,260

14. Investments

	Shares in Group companies	**Other shares**	**Total investments**
Acquisition cost 1 Jan 2014	**58,428**	**540**	**58,968**
Additions	710	0	710
Deductions	0	0	0
Acquisition cost 31 Dec 2014	**59,138**	**540**	**59,678**
Book value 31 Dec 2014	**59,138**	**540**	**59,678**

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	99.86	99.86
AB Volfas Engelman, Kaunas, Lithuania	99.58	99.58
OAO Lidskoe Pivo, Lida, Belarus	94.57	94.57

16. Inventories	2014	2013
Materials and supplies	9,410	9,041
Unfinished products	702	885
Finished products / goods	3,509	3,546
Total	**13,620**	**13,472**

17. Receivables	2014	2013
Non-current receivables		
Loans receivable from Group companies	47,878	39,196
Deposits pledged as collateral	119	119
Prepayments and accrued income	20	20
Total non-current receivables	**48,017**	**39,334**
Current receivables		
Receivables from Group companies		
Accounts receivable	467	466
Prepayments and accrued income	0	112
Total receivables from Group companies	467	578
Receivables from non-Group companies		
Accounts receivable	30,042	25,872
Other receivables	1	4
Prepayments and accrued income	3,504	3,256
Deferred tax receivables	0	47
Total receivables from non-Group companies	33,547	29,178
Total current receivables	**34,013**	**29,756**
Total receivables	**82,030**	**69,090**
Deferred tax receivables		
Deferred tax receivables 1 January	47	57
Fair valuation of derivatives, change in deferred tax	-47	-10
Deferred tax receivables 31 December	**0**	**47**

18. Shareholders' equity	**2014**	**2013**
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	50,565	45,120
Payment of dividends	-13,492	-10,379
Retained earnings 31 December	37,072	34,742
Net profit for the period	12,458	15,823
Total shareholders' equity	**71,273**	**72,307**

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

	2014 qty	**2014 euro**	**2014 votes**	**2013 qty**	**2013 euro**	**2013 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 2014 totalled 20,759 thousand euro.

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

Treasury shares

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

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

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

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

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

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

19. Accumulated appropriations

Accumulated appropriations consist of accumulated depreciation difference.

20. Liabilities	**2014**	**2013**
Non-current liabilities		
Loans from financial institutions	27,331	25,625
Deferred tax liabilities	104	0
Other liabilities	29	29
Total	27,464	25,654
Liabilities to Group companies		
Other liabilities	31,151	25,436
Total	31,151	25,436
Total non-current liabilities	**58,615**	**51,090**
Current liabilities		
Loans from financial institutions	30,855	23,405
Accounts payable	18,984	18,554
Accrued expenses	5,004	5,354
Other liabilities	20,852	15,431
Total	75,695	62,744
Liabilities to Group companies		
Accounts payable	151	153
Total	151	153
Total current liabilities	**75,846**	**62,897**
Total liabilities	**134,461**	**113,987**
Accrued expenses		
Provisions for personnel costs	2,917	3,973
Provision for interest on loans	273	276
Other accrued expenses	1,814	1,105
Total accrued expenses	5,004	5,354
Interest-free liabilities 31 December	44,991	39,492
Liabilities falling due later than five years from now:		
Loans from financial institutions and other loans	104	29
Deferred tax liabilities		
Deferred tax liabilities 1 January	0	0
Fair valuation of derivatives, change in deferred tax	104	0
Deferred tax liabilities 31 December	**104**	**0**

21. Share-based payments

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

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

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

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

From January to December 2014, accounting entries associated with the performance period from 1 July 2014 to 30 June 2017 were recognised in Olvi plc for 26,438.01 euro.

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

22. Pledges, contingent liabilities and other commitments	**2014**	**2013**
Pledges and contingent liabilities		
For own commitments		
Mortgages on land and buildings	1,336	1,336
Other off-balance sheet liabilities		
Package liabilities	2,496	2,781
Rental liabilities on business premises and land areas	295	396
Other liabilities	5,382	5,806
Total pledges, contingent liabilities and other commitments	**9,510**	**10,319**

23. Leasing liabilities	**2014**	**2013**
Due within one year	274	422
Due later	183	248
Total	**457**	**670**

24. Derivative contracts

	Nominal value 2014	**Fair value 2014**	**Nominal value 2013**	**Fair value 2013**
Derivatives	17,371	544	24,100	-235

The business significance of the derivative contracts is minor. The derivative contracts are interest rate swaps on loans and will reach maturity in 2015, 2017 and 2018.

OLVI PLC

Shares and share capital 31 December 2014	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 2013 (0.50 euro per share for 2012), totalling 13.5 (10.4) million euro. The dividends were paid on 30 April 2014.

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 2014

	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. Hortling-Rinne Laila Marit	102,288	2,980	105,268	0.51	2,048,740	2.23
6. Pohjola Bank plc, nominee register		1,902,900	1,902,900	9.17	1,902,900	2.08
7. Nordea Bank Finland plc, nominee register		1,308,666	1,308,666	6.30	1,308,666	1.43
8. Ilmarinen Mutual Pension Insurance Company		849,218	849,218	4.09	849,218	0.93
9. Varma Mutual Pension Insurance Company		788,075	788,075	3.80	788,075	0.86
10. Skandinaviska Enskilda Banken Ab (publ) Helsinki branch, nominee register		481,612	481,612	2.32	481,612	0.53
11. AC Invest Oy		460,000	460,000	2.22	460,000	0.50
12. Fondita Nordic Micro Cap mutual fund		310,000	310,000	1.49	310,000	0.34
13. Laakkonen Hannu Markus		216,072	216,072	1.04	216,072	0.24
14. Aktia Capital mutual fund		196,000	196,000	0.94	196,000	0.21
15. Lahti Ari		180,000	180,000	0.87	180,000	0.20
16. Veritas Pension Insurance Company		147,696	147,696	0.71	147,696	0.16
17. Kamprad Ingvar		146,500	146,500	0.71	146,500	0.16
18. Odin Finland mutual fund		142,796	142,796	0.69	142,796	0.16
19. Aktia Secura mutual fund		111,926	111,926	0.54	111,926	0.12
20. Säästöpankki Kotimaa mutual fund		110,798	110,798	0.53	110,798	0.12
Others	9,648	8,616,864	8,626,512	41.55	8,809,824	9.60
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 10,021 (9,522) shareholders registered in the book-entry system on 31 December 2014, 8 (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 115,140 Series A shares on 31 December 2014, which represent 4.9 percent of the total number of shares and 19.8 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 31 December 2014

Number of book entries	Number of share-holders	% of share-holders	Number of book entries	% of book entries	Votes	% of votes
1 to 1,000	8,651	86.33	2,123,068	10.23	2,132,796	2.33
1,001 to 10,000	1,245	12.43	3,275,257	15.78	3,412,969	3.72
10,001 to 500,000	119	1.19	6,216,899	29.95	14,901,875	16.26
500,001 to 999,999,999,999	6	0.06	9,104,560	43.87	71,145,792	77.61
On waiting list			2,064	0.01	41,280	0.04
In collective account			36,960	0.18	36,960	0.04
Total	**10,021**	**100.00**	**20,758,808**	**100.00**	**91,671,672**	**100.00**

Shareholders by category on 31 December 2014

	Number of share-holders	% of share-holders	Number of book entries	% of book entries	Nominee registered number of book entries	% of book entries	Votes	% of votes
Businesses	413	4.12	4,732,555	22.80			49,646,731	54.16
Financial institutions and insurance companies	39	0.39	1,234,820	5.95	3,794,258	18.28	5,029,078	5.49
Public sector organisations	7	0.07	1,853,062	8.93			1,853,062	2.02
Non-profit organisations	92	0.92	500,922	2.41			500,922	0.55
Households	9,411	93.91	8,140,427	39.21			34,099,899	37.20
Non-Finnish shareholders	59	0.59	434,445	2.09	29,295	0.14	463,740	0.51
On waiting list			2,064	0.01			41,280	0.04
In collective account			36,960	0.18			36,960	0.04
Total	**10,021**	**100.00**	**16,935,255**	**81.58**	**3,823,553**	**18.42**	**91,671,672**	**100.00**

Foreign and nominee-registered holdings on 31 December 2014

	Number of share-holders	% of share-holders	Number of book entries	% of book entries	Votes	% of votes
Foreign total	56	0.56	434,445	2.09	434,445	0.47
Nominee-registered (foreign) total	3	0.03	29,295	0.14	29,295	0.03
Nominee-registered (Finnish) total	5	0.05	3,794,258	18.28	3,794,258	4.14
Total	**64**	**0.64**	**4,257,998**	**20.51**	**4,257,998**	**4.64**

OLVI PLC

Parent Company's Financial Ratios 2012 to 2014

BUSINESS VOLUME AND PROFITABILITY			
EUR 1,000	2014	2013	2012
Net sales	107,675	123,608	113,612
Change, %	-12.9	8.8	0.0
Operating profit	7,350	12,805	9,004
% of net sales	6.8	10.4	7.9
Financial income and expenses	9,176	9,131	6,380
Profit before extraordinary items	16,525	21,936	15,384
% of net sales	15.3	17.7	13.5
Profit before provisions and taxes	16,525	21,936	15,384
% of net sales	15.3	17.7	13.5
Net profit for the period	12,458	15,823	12,599
% of net sales	11.6	12.8	11.1
Balance sheet total	222,605	199,634	185,201
Cash flow ratio, %	18.8	19.4	17.8
Return on investment, % (ROI)	11.1	15.3	11.7
Return on equity, % (ROE)	19.1	25.7	19.0
Equity to total assets, %	38.1	41.6	39.8
Current ratio	0.6	0.7	0.8
Gearing, %	104.9	87.1	98.8
Gross capital expenditure on fixed assets	15,591	19,803	12,246
% of net sales	14.5	16.0	10.8
Net capital expenditure on fixed assets	15,431	19,773	12,089
% of net sales	14.3	16.0	10.6
Average number of personnel	369	401	401

PER-SHARE RATIOS			
	2014	2013	2012
Earnings per share (EPS), euro	0.77	0.97	0.66
Equity per share, euro	4.08	4.00	3.55
*) Nominal dividend per share, euro	0.65	0.65	0.50
*) Effective dividend yield, %	3.08	2.27	2.54
*) Pay-out ratio, %	84.4	67.0	75.8
Price/Earnings ratio (P/E)	27.4	29.5	29.8
Price of Series A share			
at year-end, euro	21.07	28.60	19.65
high, euro	29.90	28.75	20.43
low, euro	20.70	19.70	14.75
average price, euro	25.03	24.26	18.26
Trading volume of A shares	2,174,302	2,601,699	1,793,149
% of all A shares outstanding	12.8	15.3	10.5
Market capitalisation of A shares 31 Dec, MEUR	358.7	487.0	334.6
Market capitalisation of K shares 31 Dec, MEUR	78.6	106.7	73.3
Total market capitalisation, MEUR	437.4	593.7	407.9
Number of shares			
year's average number, adjusted for share issues **)	20,757,684	20,757,684	20,757,684
average number of shares adjusted for dilution from warrants **)	20,757,684	20,757,684	20,757,684
number at year-end adjusted for dilution from warrants **)	20,757,684	20,757,684	20,757,684

*) The amount of dividend used for calculating the 2014 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 49.5 (50.6) million euro of distributable funds on 31 December 2014, of which profit for the period accounted for 12.5 (15.8) million euro.

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

• A dividend of 0.65 euro shall be paid for 2014 on each Series K and Series A share, totalling 13.5 (13.5) million euro. The dividend represents 41.4 (40.4) percent of Olvi Group's earnings per share.

It is proposed that the dividend be paid to shareholders registered in Olvi plc's register of shareholders held by Euroclear Finland Ltd on the record date of the dividend payment, 20 April 2015.
It is proposed that the dividend be paid on 30 April 2015.

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

Date and Signatures

Signed in Iisalmi, this 23th day of February 2015

Heikki Hortling
Chairman of the Board

Esa Lager
Vice Chairman of the Board

Tarja Pääkkönen
Member of the Board

Heikki Sinnemaa
Member of the Board

Jaakko Autere
Member of the Board

Lasse Aho
Managing Director

Auditor's Note

A report of the audit has been submitted today.

Signed in Iisalmi, this 20th day of March 2015

PricewaterhouseCoopers Oy

Sami Posti
Authorised Public Accountant

Olvi plc's Board of Directors 2014

Heikki Hortling
Born 1951
Honorary Industrial Counsellor
Master of Science (Economics)

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

Important positions in other organisations:
Vice Chairman of the Board of Ponsse Plc
Member of the Board of Puhelinosuuskunta IPY (telecom co-operative)

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

Esa Lager
Born 1959
Master of Laws
Master of Science (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

Important positions in other organisations:
Vice Chairman of the Board of SATO Corporation, 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 Finnish Industry Investment Ltd since 2014
Member of the Board of Fennovoima Ltd since 2014

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.

Heikki Sinnemaa
Born 1949
Master of Laws trained on the bench

Member of Olvi plc's Board of Directors since 2004

Important positions in other organisations:
Member of the Board of Olvi Foundation
Chairman of the Board of Puhelinosuuskunta IPY (telecom co-operative)
Member of the Board of T. Makkonen Oy
Member of the Board of Iisalmen Osuuspankki co-operative bank (1987–1995)
Chairman of the Board of Iisalmen Osuuspankki co-operative bank (1995–2000)

Work experience in brief:
Heikki Sinnemaa Attorney's office, attorney-at-law from 1975 to 2012.

Jaakko Autere
Born 1963
Master of Science (Economics)

Gogrow Oy, CEO
Member of Olvi plc's Board of Directors since 2011

Work experience in brief:

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
2000–2005	Managing Director/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.

Tarja Pääkkönen
Born 1962
Doctor of Technology (Business strategy)
Master of Science in Engineering (Construction)
Studies in international marketing

Boardman Oy, partner and the Chair of the Brand Compass management group since 2010
Member of Olvi plc's Board of Directors since 2010

Important positions in other organisations:
Member of the Board of SATO Corporation and member of the audit committee since 2013
Member of the Board of Wulff plc since 2013
Member of the Board of Marimekko Corporation 2006–2011
Member of the Board of Panostaja/Flexim Security Oy since 2011
Member of the Board of Idean Oy since 2011
Member of the Board of Spinverse Oy since 2011
Vice Chairman of the Board of the software company Sunduka Oy since 2010
Member of the Board of Boardman Oy since 2010
Directors' Institute of Finland, DIF, member since 2009
Member of the Board of HYY Group (business operations of the Student Union of the University of Helsinki) since 2008

Work experience in brief:
Member of the Board of Itella and Director of the corporate sales and marketing unit
Nokia Corporation, member of the management group of Nokia Mobile Phones and service in several global Senior Vice President positions in Europe, the USA and Japan
Mecrastor Oy (PricewaterhouseCoopers), Management Consultant
Kienbaum GmbH, Germany, Management Consultant
BE & K, USA, Marketing & Business Manager.