OLVI PLC INTERIM REPORT 26 APR 2012 at 9:00 am

# OLVI GROUP'S INTERIM REPORT, 1 JANUARY TO 31 MARCH 2012 (3 MONTHS)

Olvi Group's sales volume and net sales increased in the first quarter of the year. Operating profit improved clearly in Estonia and Latvia.

January-March in brief:

- The Group's sales volume increased by 3.1 percent to 101.2 (98.1) million litres
- The Group's net sales increased by 4.6 percent to 58.2 (55.7) million euro
- The entire Group's operating profit amounted to 2.7 (3.4) million euro

KEY RATIOS

| | 1-3/2012 | 1-3/2011 | Change % | 1-12/2011 |
|---|---|---|---|---|
| Net sales, MEUR | 58.2 | 55.7 | +4.6 | 285.2 |
| Operating profit, MEUR | 2.7 | 3.4 | -19.0 | 26.7 |
| Gross capital expenditure, MEUR | 14.5 | 13.2 | +10.1 | 43.2 |
| Earnings per share, EUR | 0.11 | 0.11*) | - | 0.65 |
| Equity per share, EUR | 6.36 | 6.06*) | +5.0 | 6.11 |
| Equity to total assets, % | 50.1 | 53.3 | | 50.6 |
| Gearing, % | 50.2 | 37.8 | | 43.2 |

*) The per-share ratios have been adjusted for comparability with the 2012 figures.

Lasse Aho, Managing Director of Olvi plc, said the following in connection with the disclosure of the accounts: "The start to the year 2012 varied across the different operating areas of Olvi Group. The sales volume in Belarus and Lithuania grew well. Domestic sales declined in January-February when customers reduced their beverage stocks acquired in December due to the substantial excise tax hike at the turn of the year. This was a hindrance to comparable earnings development in Finland. Net sales improved in all of our geographical segments. Operating profit improved substantially in Estonia and Latvia. The comparable result in Belarus was hampered by exchange rate difference due to devaluation, a high inflation rate and the effects of hyperinflationary accounting required under IFRS. However, we can look towards the rest of the year with a confident mind".

## OLVI GROUP'S SALES VOLUME, NET SALES AND EARNINGS IN JANUARY-MARCH 2012

In the first quarter of 2012, Olvi Group's sales volume was 101.2 (98.1) million litres, an increase of 3.1 million litres or 3.1 percent.

Sales in Finland declined by 1.3 million litres, and sales in the Baltic states improved by a total of 2.0 million litres mainly thanks to good sales in Lithuania. Ín the reporting period, sales in Belarus improved by 4.3 million litres and intra-Group sales by 2.0 million litres on the previous year.

The Group's net sales from January to March amounted to 58.2 (55.7) million euro. This represents an increase of 2.6 million euro or 4.6 percent. Net sales increased in all of the Group's operating areas.

Net sales in Finland amounted to 23.2 (23.1) million euro, while the aggregate total for the Baltic states was 29.0 (26.1) and the corresponding figure for Belarus was 9.4 (8.7) million euro. Net sales in Finland increased by 0.2 million euro, in the Baltic states by 3.0 million euro or 11.4 percent, and in Belarus by 0.7 million euro or 8.0 percent.

Olvi Group's operating profit for January-March stood at 2.7 (3.4) million euro, or 4.7 (6.1) percent of net sales. The Group's operating profit declined by 0.6

million euro. Comparable operating profit in Finland declined by 0.3 million euro. The previous year’s operating profit included 1.5 million euro of sales gains from the sales of decommissioned production machinery. Operating profit in the Baltic states improved by 0.7 million euro while operating profit in Belarus declined by 1.0 million euro due to the effects of high inflation and hyperinflationary accounting.

Olvi Group’s profit after taxes in the period under review was 2.2 (2.2) million euro. Earnings per share calculated from the profit belonging to parent company shareholders in January—March was on a par with the previous year at 0.11 (0.11) euro per share (the previous year’s figure has been adjusted for comparability).

SALES VOLUME, NET SALES AND EARNINGS BY GEOGRAPHICAL SEGMENT IN JANUARY-MARCH 2012

Seasonal nature of the operations

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

PARENT COMPANY OLVI PLC (Olvi)

According to delivery statistics by the Federation of the Brewing and Soft Drinks Industry, the Finnish beverage market in January-March diminished by 1.4 percent compared to the previous year. The sales decline in alcoholic beverages was almost four percent but there was an increase of 2.4 percent in non-alcoholic beverages.

The sales volume of beers declined by -4.6 and ciders by -1.7 percent while the sales volume of long drinks increased by 1.6 percent. The decline in sales of alcoholic beverages was affected by a substantial excise tax hike in the beginning of 2012, due to which retail and horeca customers filled up their beverage stocks before the turn of the year.

The sales of soft drinks increased in January-March by 3.5 percent and mineral waters by 2.8 percent.

Olvi’s sales in January-March amounted to 27.4 (28.7) million litres. Sales declined by 1.3 million litres or 4.5 percent. In Finland, the sales of all other Olvi product groups increased but the sales of beers and soft drinks declined on the previous year. The excise tax hike in the beginning of the year had the largest impact on the sales of beers and soft drinks.

According to statistics by the Federation of the Brewing and Soft Drinks Industry, Olvi’s market share in alcoholic beverages (beers, ciders and long drinks) in January-March 2012 was 23.3 (24.0) percent.

Olvi’s exports and tax-free sales declined slightly to 1.0 (1.1) million litres. Exports and tax-free sales represented 3.6 (3.8) percent of total sales.

Olvi’s net sales from January to March amounted to 23.3 (23.1) million euro, representing an increase of 0.2 million euro or 0.8 percent.

The operating profit stood at 1.3 (3.2) million euro, which was 5.6 (13.7) percent of net sales. Commensurate operating profit stood at 1.3 (1.6) million euro. Commensurate operating profit fell 0.3 million euro short of the previous year when non-recurring sales gains in the previous year are excluded. The previous year’s operating profit included 1.5 million euro of sales gains from the sales of decommissioned production machinery.

AS A. LE COQ (A. Le Coq)

The Estonian subsidiary AS A. Le Coq’s January-March sales amounted to 27.2 (26.6) million litres. Sales increased by 0.6 million litres or 2.3 percent.

The sales of A. Le Coq beers, long drinks and ciders was approximately on a par with the previous year, the sales of mineral waters improved, but the sales of juices declined slightly.

A. Le Coq has retained its good position in the Estonian beverage market. The company is the clear market leader in long drinks and juices. In beers and ciders, the company has achieved the number one position by a narrow margin, and in soft drinks it is the clear number two player. The market share in mineral waters has also improved little by little (Nielsen December-January 2012).

The company’s exports and tax-free sales declined by 6.7 percent on the previous year. Exports and tax-free sales represented 3.6 (4.0) percent of total sales.

A. Le Coq’s net sales in the first quarter amounted to 15.8 (14.5) million euro. Net sales improved by 1.3 million euro or 9.5 percent thanks to an improvement in the average price of net sales.

Operating profit in January-March stood at 2.0 (1.6) million euro, which was 12.4 (10.9) percent of net sales. This is the best first-quarter figure ever posted by A. Le Coq. The operating profit increased by 0.4 million euro or 23.7 percent compared to the previous year.

A/S CESU ALUS (Cesu Alus)

The sales of Cesu Alus operating in Latvia amounted to 13.6 (13.9) million litres in the first quarter of 2012. Sales declined by 0.3 million litres or 2.4 percent.

The sales of Cesu Alus beers declined, while sales of ciders, long drinks and juices improved and the sales of soft drinks remained on a par with the previous year.

In ciders, Cesu Alus is the clear market leader, and in beers and long drinks the company is competing for the number one position with an equal main competitor (Nielsen December-January 2012).

Cesu Alus’s net sales from January to March amounted to 6.8 (6.1) million euro, representing an increase of 0.7 million euro or 11.7 percent. Net sales improved in spite of declined sales volumes thanks to an improvement in the average price of net sales.

First-quarter operating profit in 2012 improved clearly on the previous year by 0.4 million euro.

AB VOLFAS ENGELMAN (Volfas Engelman)

Volfas Engelman’s sales from January to March amounted to 14.5 (12.8) million litres, representing an increase of 1.7 million litres or 13.3 percent.
The sales of the company’s beers and long drinks improved but the sales of ciders declined slightly. The sales of soft drinks (including kvass) were on a par with last year.

Volfas Engelman has improved its position in the Lithuanian beverage market. The company is a clear market leader in long drinks and kvass, and it has reached the number one position in ciders during the last 12 months. The market share in beers has also improved little by little (Nielsen December-January 2012).

The company’s first-quarter net sales amounted to 6.4 (5.5) million euro. Net sales improved by 0.9 million euro or 16.3 percent. Net sales increased slightly more than the sales volume thanks to improved average price of net sales.

Volfas Engelman’s operating profit in January—March was on a par with the previous year at -0.2 million euro.

OAO LIDSKOE PIVO (Lidskoe Pivo)

The January-March sales of OAO Lidskoe Pivo operating in Belarus amounted to 25.9 (21.6) million litres. Sales increased by 4.3 million litres or 20.1 percent on the previous year. The sales of beers and soft drinks (including kvass) improved clearly, and the sales of mineral waters doubled. The sales of ciders was on a par with the previous year but the sales of juices declined.

Lidskoe Pivo is the clear market leader in kvass, and has achieved the number one position in the cider market during the last 12 months. The market share in beers has also continuously improved. The company has improved its market share in mineral waters, while the market share in soft drinks has remained unchanged.

Lidskoe Pivo’s exports increased by more than 50 percent in the review period. Exports accounted for 7.8 (6.2) percent of total sales.

The company’s net sales from January to March amounted to 9.4 (8.7) million euro. Net sales improved by 0.7 million euro or 8.0 percent.

The operating result in January—March showed a loss at -0.3 (0.7) million euro. The decline in earnings was affected by hyperinflationary accounting under IAS 29 as well as the high inflation in the country, due to which the costs of production and raw materials increased more rapidly than the prices of finished products.

FINANCING AND INVESTMENTS

Olvi Group’s balance sheet total at the end of March 2012 was 266.1 (239.4) million euro. Equity per share in January-March was 6.36 (6.06) euro, the previous year’s figure has been adjusted for comparability. The equity to total assets ratio was 50.1 (53.3) percent. The amount of interest-bearing liabilities was 69.4 (57.9) million euro, including current liabilities of 30.8 (11.6) million euro.

During the period under review, Olvi Group’s gross capital expenditure amounted to 14.5 (13.2) million euro. The parent company Olvi accounted for 5.9 million euro and the subsidiaries in the Baltic states for 1.7 million euro of the total. Lidskoe Pivo’s gross capital expenditure in the first quarter was 6.9 million euro. The largest investments in Finland in 2012 included the completion of a new can filling line and tank cellar extension, as well as modernisation of beer filtering.

A substantial share of the year’s investments will be completed during the second quarter of the year, and the full-year investment level will be clearly lower than in the previous year.

In the Baltic States, A. Le Coq’s largest investments comprise extensions to storage facilities and the pressure tank cellar, as well as a labelling machine for glass bottles. Cesu Alus’s investments include conveyors for the glass bottle line and other small production machinery and equipment. Volfas Engelman’s investments consist of a general renovation of the brewery, a glass bottle reform, wine and kvass mixing equipment and other smaller purchases of machinery and equipment.

The first stage of Lidskoe Pivo’s extensive investment programme is mainly completed. It includes, among other things, storage, filling department and tank cellar buildings, filling line machinery and equipment, an extension to the kvass cellar, a new beer filter and air compressor.

PRODUCT DEVELOPMENT

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

NEW PRODUCTS

Finland

Olvi’s new products for summer 2012 have been presented in the financial statements bulletin disclosed on 23 February 2012.

Subsidiaries

A. Le Coq launched Estonia’s first vegetable-based tomato-carrot juice and a banana-pear nectar in the Aura family of juices. Furthermore, A. Le Coq will be the first player in Estonia to enter the organic beers segment with A. Le Coq Organic. Two new flavours were introduced in ciders: FIZZ Gold Raspberry and FIZZ Gold Pear. The non-carbonated Aura Still Lemon was introduced in waters. The traditional Limonaad soft drink was introduced in a long neck glass bottle.

Volfas Engelman of Lithuania launched the Volfas Engelman Pilzeno beer and the fully non-alcoholic Volfas Engelman beer in January-March. The import beer range was extended by Sandels and Edelweiss beers, Heineken can multi-packs as well as Krušovice Černé and Imperial beers. New launches in ciders included Sherwood Pear and Sherwood Apple, FIZZ Fragolino as well as Fizz Gold Raspberry and Fizz Gold Pear ciders. The G:N long drink range saw two new flavours Cranberry and Tonic, and the 4 FUN long drink range was complemented by the Grapefruit & Juniper and Melon flavours.

Cesu Alus in Latvia and Lidskoe Pivo in Belarus did not launch any new products during the review period.

PERSONNEL

Olvi Group’s average number of personnel in January-March was 1,911 (1,963). The Group’s average number of personnel decreased by 52 people or 2.6 percent. The total number of personnel at the end of March was 1,939 (1,998).

Olvi Group’s average number of personnel by country:

| | | |
|---|---|---|
| Finland | 364 | (354) |
| Estonia | 305 | (309) |
| Latvia | 219 | (209) |
| Lithuania | 206 | (198) |
| Belarus | 817 | (893) |
| Total | 1911 | (1963) |

GROUP STRUCTURE

During the review period, A. Le Coq acquired 49 percent of the stock of the Estonian company AS Karme. Karme owns the Karks brewery that produces beers, ciders and wine. Thanks to the acquisition, A. Le Coq gets access to Karks’s wine production capacity for the manufacture of ciders and other fermented beverages.

At the end of March 2012, Olvi Group’s holding in A. Le Coq was 100.0 percent, in Cesu Alus 99.63 percent, in Volfas Engelman 99.57 percent and in Lidskoe Pivo 91.58 percent.

OLVI A SHARE AND SHARE MARKET

Olvi’s share capital at the end of March 2012 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 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 Olvi A share was quoted on Nasdaq OMX Helsinki (Helsinki Stock Exchange) at 17.47 (18.50) euro at the end of March 2012. In January-March, the highest quote for the Series A share was 17.60 (18.73) euro and the lowest quote was 14.75 (15.30) euro. The average price was 16.18 (16.78) euro.

In January-March, a total of 389,199 (839,814) Olvi A shares were traded, representing 2.3 (4.9) percent of the total number of Series A shares. The value of trading was 6.3 (14.1) million euro (all of the previous year's per-share figures have been adjusted for comparability).

At the end of March 2012, the market capitalisation of Series A shares was 297.5 (315.0) million euro and the market capitalisation of all shares was 362.7 (384.0) million euro.

Olvi had a total of 9,316 (8,352) shareholders at the end of March 2012. Foreign holdings plus foreign and Finnish nominee-registered holdings represented 16.3 (18.2) percent of the total number of book entries and 5.8 (6.2) percent of total votes.

Foreign and nominee-registered holdings are reported in Table 5, Section 8 of the tables attached to this interim report, and the largest shareholders are reported in Table 5, Section 9.

## TREASURY SHARES

There were no changes in the number of treasury shares held by Olvi in January-March 2012. At the end of March 2012, Olvi held 1,124 of its own Series A shares. Treasury shares held by Olvi plc are reported in the tables section of this interim report, in Table 5, Section 5.

## RESOLUTIONS OF OLVI PLC'S ANNUAL GENERAL MEETING

The Annual General Meeting was held on 11 April 2012. A separate stock exchange release was issued on the same day regarding the decisions made and authorisations given by the meeting.

## BUSINESS RISKS AND THEIR MANAGEMENT

Risk management is a part of Olvi Group's everyday management and operations. It increases corporate security and contributes to the achievement of operational targets. The objective 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. In addition to the company itself, risk management benefits its personnel, customers, shareholders and other related groups.

The objective of risk management is to ensure the realisation of the company's strategy and secure the continuity of business. Olvi Group identifies, assesses, manages and monitors its crucial risks regularly. With regard to identified risks, the effects, scope and probability of realisation are assessed together with the means of eliminating or reducing the risk. Furthermore, risk management aims to identify and utilise any business opportunities that may arise.

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.

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 may hamper customer relations and business operations. Purchases of major raw materials are made under procurement contracts standardised at the Group level. The predictability of purchase prices for the most critical raw materials is improved through long-term procurement agreements and potentially derivatives. All units emphasise the significance of the quality of raw materials and other production factors in the overall production chain.

## Production process

The aim is to minimise production risks through clear documentation of processes, increasing the degree of automation, compliance with quality management system and the pursuit of clear operating methods in relation to decision-making and supervision. The efficiency and applicability of processes and methods are monitored using internal indicators. The monitoring and development of production efficiency includes, among other things, the reliability and utilisation rate of production machinery, development of the working environment and factors related to people’s work. The Group has a property and loss-of-profits insurance programme covering all of the operating areas, and its coverage is reviewed annually.

## Markets and customers

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

Negative changes in the economy may impact consumers’ purchasing behaviour and hamper the liquidity of hotel and restaurant customers in particular. 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 developing well-being and safety at work, management, training and incentive schemes, as well as the construction and maintenance of backup personnel systems.

## 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 and the Baltic states utilise a common enterprise resource planning system. The system will be introduced into use in Belarus during the financial year 2012. A risk analysis pertaining to information security and the operation of information systems is carried out annually.

## Financing risks

The Group operates in an international market and is therefore exposed to foreign exchange risk due to changes in exchange rates. Foreign exchange risk consists of sales, purchases and balance sheet items in foreign currency (transaction risk), as well as investments and loans in foreign subsidiaries (valuation risk). Foreign exchange risk is reduced by the fact that most of the Group’s product sales and purchases of raw materials are denominated in euro.

The objective of financing risks management is to protect the Group against unfavourable changes in the financial markets and to secure the Group’s earnings development, liquidity and equity. The parent company’s financial management bears central responsibility for the Group’s financing and the management of financing risks in accordance with principles confirmed by the Group’s Board of Directors. The objectives of centralisation include optimisation of cash flows, cost savings and efficient risk management.
Financing risks are described in more detail in the Investors section of the corporate Web site.

## BUSINESS RISKS AND UNCERTAINTIES IN THE NEAR TERM

The economic situation and future development in Europe is still characterised by uncertainty. However, the outlook for the daily consumer goods market can be considered stable in comparison to many other industries. The economic situation in Estonia is stable, and the economies of Latvia and Lithuania are showing signs of resurrection.

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. The IAS 29 standard “Financial Reporting in Hyperinflationary Economies” will probably be applied at least until 2014.

## NEAR-TERM OUTLOOK

The full-year sales volumes and net sales level are expected to develop favourably in 2012. The full-year operating profit for 2012 is estimated to equal or slightly exceed the previous year’s result.

Further information:

Lasse Aho, Managing Director
Phone +358 17 838 5200 or +358 400 203 600

OLVI PLC
Board of Directors

TABLES:

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

## DISTRIBUTION

NASDAQ OMX Helsinki Ltd
Key media
www.olvi.fi

OLVI GROUP TABLE 1

INCOME STATEMENT

EUR 1,000

| | 1-3/ 2012 | 1-3/ 2011 | 1-12/ 2011 |
|---|---|---|---|
| Net sales | 58239 | 55679 | 285174 |
| Other operating income | 13 | 163 | 522 |
| Operating expenses | -50659 | -47762 | -240376 |
| Depreciation and impairment | -4849 | -4692 | -18637 |
| Operating profit | 2744 | 3388 | 26683 |
| | | | |
| Financial income | 641 | 404 | 8352 |
| Financial expenses | -743 | -1080 | -16596 |
| Financial expenses - net | -102 | -676 | -8244 |
| | | | |
| Earnings before tax | 2642 | 2712 | 18439 |
| Taxes *) | -406 | -524 | -5485 |
| NET PROFIT FOR THE PERIOD | 2236 | 2188 | 12954 |
| | | | |
| Other comprehensive income items: | | | |
| Translation differences related to foreign subsidiaries | 2038 | -4646 | -15170 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 4274 | -2458 | -2216 |
| | | | |
| Distribution of profit: | | | |
| - parent company shareholders | 2258 | 2148 | 13506 |
| - non-controlling interests | -22 | 40 | -552 |
| | | | |
| Distribution of comprehensive profit: | | | |
| - parent company shareholders | 4278 | -2182 | -340 |
| - non-controlling interests | -4 | -276 | -1876 |
| | | | |
| Earnings per share calculated from the profit belonging | | | |
| to parent company shareholders, EUR | | | |
| - undiluted | 0.11 | 0.11 | 0.65 |
| - diluted | 0.11 | 0.11 | 0.65 |

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

OLVI GROUP TABLE 2

BALANCE SHEET

EUR 1,000

| | 31.3.2012 | 31.3.2011 | 31.12.2011 |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Tangible assets | 147070 | 125889 | 142443 |
| Goodwill | 17118 | 16276 | 16761 |
| Other intangible assets | 1548 | 1178 | 1017 |
| Shares in associates | 1000 | 0 | 0 |
| Financial assets available for sale | 552 | 545 | 548 |
| Loan receivables and other non-current receivables | 142 | 138 | 141 |
| Deferred tax receivables | 221 | 1856 | 196 |
| Total non-current assets | 167651 | 145882 | 161106 |
| | | | |
| Current assets | | | |
| Inventories | 42021 | 40966 | 35875 |
| Accounts receivable and other receivables | 53711 | 41316 | 52718 |
| Income tax receivable | 252 | 1218 | 0 |
| Other non-current assets available for sale | 56 | 0 | 56 |
| Liquid assets | 2458 | 9728 | 3836 |
| Total current assets | 98498 | 93228 | 92485 |
| TOTAL ASSETS | 266149 | 239110 | 253591 |
| | | | |
| SHAREHOLDERS’ EQUITY AND LIABILITIES | | | |
| Shareholders’ equity held by parent company shareholders | | | |
| Share capital | 20759 | 20759 | 20759 |
| Other reserves | 1092 | 1092 | 1092 |
| Treasury shares | -8 | -222 | -8 |
| Translation differences | -16228 | -8732 | -18248 |
| Retained earnings | 126347 | 111907 | 123286 |
| Total shareholders’ equity held by parent company shareholders | 131962 | 124804 | 126881 |
| Share belonging to non-controlling interests | 1398 | 1973 | 1341 |
| Total shareholders’ equity | 133360 | 126777 | 128222 |
| | | | |
| Non-current liabilities | | | |
| Loans | 36535 | 44707 | 29436 |
| Other liabilities | 1998 | 1638 | 1513 |
| Deferred tax liabilities | 2152 | 1950 | 2097 |
| | | | |
| Current liabilities | | | |
| Loans | 29730 | 10579 | 27039 |
| Accounts payable and other liabilities | 62374 | 53416 | 64953 |
| Income tax liability | 0 | 43 | 331 |
| Total liabilities | 132789 | 112333 | 125369 |

| | | | |
|---|---|---|---|
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 266149 | 239110 | 253591 |

OLVI GROUP

TABLE 3

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

| EUR 1,000 | Share capital | Other reserves | Treasury shares account | Translation difference | Accrued earnings | Share of non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| Oma pääoma 1.1.2011 | 20759 | 1092 | -222 | -4402 | 109750 | 2277 | 129254 |
| Comprehensive income | | | | | | | |
| Net profit for the period | | | | | 2148 | 40 | 2188 |
| Other comprehensive income items | | | | | | | |
| Translation differences | | | | -3436 | | -316 | -3752 |
| Total comprehensive income for the period | | | | -3436 | 2148 | -276 | -1564 |
| Changes in holdings in subsidiaries | | | | | | | |
| Acquisition of shares from non-controlling interests | | | | | 9 | | 9 |
| Change in share belonging to non-controlling interests | | | | | | -28 | -28 |
| Shareholders' equity 31 March 2011 | 20759 | 1092 | -222 | -7838 | 111907 | 1973 | 127671 |

| EUR 1,000 | Share capital | Other reserves | Treasury shares account | Translation difference | Accrued earnings | Share of non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| Shareholders' equity 1 Jan 2012 | 20759 | 1092 | -8 | -18248 | 123286 | 1341 | 128222 |
| Adjustments for hyperinflation | | | | | 803 | 74 | 877 |
| Adjusted shareholders' equity 1 Jan 2012 | 20759 | 1092 | -8 | -18248 | 124089 | 1415 | 129099 |
| Comprehensive income | | | | | | | |
| Net profit for the period | | | | | 2258 | -22 | 2236 |
| Other comprehensive income items | | | | | | | |
| Translation differences | | | | 2020 | | 18 | 2038 |
| Total comprehensive income for the period | | | | 2020 | 2258 | -4 | 4274 |
| Transactions with shareholders | | | | | | | |
| Payment of dividends | | | | | | -13 | -13 |
| Shareholders' equity 31 Mar 2012 | 20759 | 1092 | -8 | -16228 | 126347 | 1398 | 133360 |

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

CASH FLOW STATEMENT

EUR 1,000

| | 1-3/ 2012 | 1-3/ 2011 | 1-12/ 2011 |
|---|---|---|---|
| Net profit for the period | 2258 | 2188 | 12954 |
| Adjustments to profit for the period | 4147 | 4913 | 32530 |
| Change in net working capital | -5848 | -7904 | -3910 |
| Interest paid | -559 | -213 | -2205 |
| Interest received | 505 | 18 | 151 |
| Taxes paid | -950 | -1336 | -5064 |
| Cash flow from operations (A) | -447 | -2333 | 34456 |
| | | | |
| Investments in tangible assets | -9827 | -8141 | -33358 |
| Investments in intangible assets | -657 | -203 | -295 |
| Capital gains on disposal of tangible and intangible assets | 32 | 617 | 130 |
| Expenditure on other investments | -508 | 0 | -2980 |
| Cash flow from investments (B) | -10960 | -7727 | -36503 |
| | | | |
| Withdrawals of loans | 19810 | 13016 | 30266 |
| Repayments of loans | -9670 | -1119 | -17103 |
| Increase (-) / decrease (+) in current interest-bearing business receivables | 2 | 0 | 0 |
| Dividends paid | 0 | 0 | -10377 |
| Cash flow from financing (C) | 10142 | 11897 | 2785 |
| | | | |
| Increase (+)/decrease (-) in liquid assets (A+B+C) | -1265 | 1837 | 738 |
| | | | |
| Liquid assets 1 January | 3836 | 7891 | 7891 |
| Effect of exchange rate changes | -113 | 0 | -4793 |
| Liquid assets 31 Mar/31 Dec | 2458 | 9728 | 3836 |

OLVI GROUP TABLE 5

NOTES TO THE FINANCIAL STATEMENTS

The accounting policies used for this interim report are the same as those used for the annual financial statements 2011.

The accounting policies are presented in the Annual Report 2011 which was published on 19 March 2012. The information disclosed in the interim report is unaudited.

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

The Group has adopted the following new or revised standards in 2012:

- IFRS 7 (Amendment), Financial Instruments: Disclosures – Derecognition

- IAS 12 (Amendment), Income taxes – Deferred tax

1. SEGMENT INFORMATION

SALES BY GEOGRAPHICAL SEGMENT (1,000 litres)

| | 1-3/2012 | 1-3/2011 | 1-12/2011 |
|---|---|---|---|
| Olvi Group total | 101215 | 98131 | 518211 |
| Finland | 27404 | 28682 | 149084 |
| Estonia | 27237 | 26631 | 133421 |
| Latvia | 13603 | 13932 | 75352 |
| Lithuania | 14519 | 12810 | 67540 |
| Belarus | 25926 | 21586 | 128005 |
| - sales between segments | -7474 | -5510 | -35191 |

NET SALES BY GEOGRAPHICAL SEGMENT (EUR 1,000)

| | 1-3/2012 | 1-3/2011 | 1-12/2011 |
|---|---|---|---|
| Olvi Group total | 58239 | 55679 | 285175 |
| Finland | 23257 | 23066 | 119788 |
| Estonia | 15835 | 14464 | 75964 |
| Latvia | 6784 | 6074 | 35184 |
| Lithuania | 6421 | 5522 | 29495 |
| Belarus | 9352 | 8661 | 39609 |
| - sales between segments | -3410 | -2108 | -14866 |

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT (EUR 1,000)

| | 1-3/2012 | 1-3/2011 | 1-12/2011 |
|---|---|---|---|
| Olvi Group total | 2744 | 3388 | 26683 |
| Finland | 1309 | 3163 | 13239 |
| Estonia | 1958 | 1583 | 12973 |
| Latvia | -46 | -398 | 737 |
| Lithuania | -199 | -185 | 411 |
| Belarus | -271 | 693 | 737 |
| - eliminations | -7 | -1468 | -1414 |

| 2. PERSONNEL ON AVERAGE | 1-3/2012 | 1-3/2011 | 1-12/2011 |
|---|---|---|---|
| Finland | 364 | 354 | 383 |
| Estonia | 305 | 309 | 311 |
| Latvia | 219 | 209 | 217 |
| Lithuania | 206 | 198 | 205 |
| Belarus | 817 | 893 | 916 |
| Total | 1911 | 1963 | 2032 |

3. RELATED PARTY TRANSACTIONS

Employee benefits to management
Salaries and other short-term employee benefits to the Board of Directors and Managing Director

EUR 1,000

| | 1-3/2012 | 1-3/2011 | 1-12/2011 |
|---|---|---|---|
| Managing Directors | 401 | 389 | 1017 |
| Chairman of the Board | 21 | 86 | 150 |
| Other members of the Board | 31 | 28 | 125 |
| Total | 453 | 503 | 1292 |

4. SHARES AND SHARE CAPITAL

| | 31.12.2012 |
|---|---|
| Number of A shares | 17 026 552 |
| Number of K shares | 3 732 256 |
| Total | 20 758 808 |
| | |
| Total votes carried by A shares | 17 026 552 |
| Total votes carried by K shares | 74 645 120 |
| Total number of votes | 91 671 672 |

The registered share capital on 31.03.12 totalled 20,759 thousand euro.

Olvi plc's Series A and Series K shares received a dividend of 0.50 euro per share for 2011 (0.50 euro per share for 2010), totalling 10.4 (10.4) million euro. The dividends were paid on 23 April 2012.

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

5. TREASURY SHARES

Olvi plc held a total of 1,124 of its own Series A shares on 1 January 2012.

Olvi plc has not acquired more treasury shares or transferred them to others in January-March 2012, which means that the number of Series A shares held by the company is unchanged on 31 March 2012. 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 11 April 2012, 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 accordance with the Board of Directors' proposal.

## 6. NUMBER OF SHARES

| qty *) | 1-3/2012 | 1-3/2011 | | 1-12/2011 |
|---|---|---|---|---|
| - average | 20757684 | 20734008 | **) | 20751392 |
| - at end of period | 20757684 | 20734008 | **) | 20757684 |

*) Treasury shares deducted.
**) The per-share ratios have been adjusted for comparability.

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

| | 1-3/2012 | 1-3/2011 | | 1-12/2011 |
|---|---|---|---|---|
| Trading volume of Olvi A shares | 389199 | 839814 | *) | 3208911 |
| Total trading volume, EUR 1,000 | 6298 | 14148 | | 62299 |
| Traded shares in proportion to all Series A shares, % | 2.3 | 4.9 | | 18.8 |
| Average share price, EUR | 16.18 | 16.78 | *) | 16.68 |
| Price on the closing date, EUR | 17.47 | 18.50 | *) | 14.75 |
| Highest quote, EUR | 17.60 | 18.73 | *) | 19.86 |
| Lowest quote, EUR | 14.75 | 15.30 | *) | 13.49 |

*) The numbers of shares have been adjusted for comparability.

## 8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 31 March 2012

| | Book entries | | Votes | | Shareholders | |
|---|---|---|---|---|---|---|
| | qty | % | qty | % | qty | % |
| Finnish total | 17370772 | 83.68 | 86340164 | 94.18 | 9265 | 99.45 |
| Foreign total | 399179 | 1.92 | 2342651 | 2.56 | 43 | 0.46 |
| Nominee-registered (foreign) total | 593 | 0.00 | 593 | 0.00 | 2 | 0.02 |
| Nominee-registered (Finnish) total | 2988264 | 14.40 | 2988264 | 3.26 | 6 | 0.07 |
| Total | 20758808 | 100.00 | 91671672 | 100.00 | 9316 | 100.00 |

## 9. LARGEST SHAREHOLDERS ON 31 MARCH 2012

| | Series K | Series A | Total | % | Votes | % |
|---|---|---|---|---|---|---|
| 1. Olvi Foundation | 2363904 | 896332 | 3260236 | 15.71 | 48174412 | 52.55 |
| 2. Hortling Heikki Wilhelm *) | 901424 | 155124 | 1056548 | 5.09 | 18183604 | 19.84 |
| 3. The Heirs of Hortling Kalle Einari | 187104 | 25248 | 212352 | 1.02 | 3767328 | 4.11 |
| 4. Hortling Timo Einari | 165824 | 34608 | 200432 | 0.97 | 3351088 | 3.66 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 5. Hortling-Rinne Laila Marit | 102288 | 2100 | 104388 | 0.50 | 2047860 | 2.23 |
| 6. Pohjola Bank plc, nominee register | | 1895700 | 1895700 | 9.13 | 1895700 | 2.07 |
| 7. Ilmarinen Mutual Pension Insurance Company | | 1010845 | 1010845 | 4.87 | 1010845 | 1.10 |
| 8. Nordea Bank Finland plc, nominee register | | 861277 | 861277 | 4.15 | 861277 | 0.94 |
| 9. Oy Autocarrera Ab | | 460000 | 460000 | 2.22 | 460000 | 0.50 |
| 10. Fondita Nordic Micro Cap mutual fund | | 335000 | 335000 | 1.61 | 335000 | 0.37 |
| Others | 11712 | 11350318 | 11362030 | 54.73 | 11584558 | 12.63 |
| Total | 3732256 | 17026552 | 20758808 | 100.00 | 91671672 | 100.00 |

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

## 10. PROPERTY, PLANT AND EQUIPMENT

EUR 1,000

| | 1-3/2012 | 1-3/2011 | 1-12/2011 |
|---|---|---|---|
| Increase | 33886 | 13587 | 42937 |
| Decrease | -20085 | -578 | -6436 |
| Total | 13801 | 13009 | 36501 |

## 11. CONTINGENT LIABILITIES

| EUR 1,000 | 31.3.2012 | 31.3.2011 | 31.12.2011 |
|---|---|---|---|
| Pledges and contingent liabilities | | | |
| For own commitments | 7591 | 5566 | 4632 |
| For others | 130 | 809 | 130 |
| Leasing liabilities: | | | |
| Due within one year | 675 | 725 | 644 |
| Due within 1 to 5 years | 597 | 678 | 663 |
| Due in more than 5 years | 0 | 0 | 0 |
| Total leasing liabilities | 1272 | 1403 | 1307 |
| Package liabilities | 3466 | 3000 | 4208 |
| Other liabilities | 1980 | 1980 | 1980 |

## 12. CALCULATION OF FINANCIAL RATIOS

Equity to total assets, % = 100 * (Shareholders' equity + non-controlling interests + voluntary provisions and depreciation difference deducted by deferred tax liability)/(Balance sheet total – advances received)

Earnings per share (EPS) = (Profit before taxes – taxes +/- non-controlling interests)/ Average number of shares during the year, 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 at end of period, adjusted for share issues

Gearing, % = 100 * (Interest-bearing liabilities + advances received – cash and other liquid assets) /(Shareholders' equity + voluntary provisions and depreciation difference deducted by deferred tax liability)