

OLVI GROUP'S INTERIM REPORT, 1 JANUARY TO 30 JUNE 2012 (6 MONTHS)

Olvi's earnings developed favourably. The Group's net sales increased in all geographical areas, and consolidated operating profit improved slightly on the previous year.

January-June in brief:

- Olvi Group's sales volume increased by 2.9 percent to 261.4 (254.0) million litres
- The Group's net sales increased by 8.3 percent to 153.4 (141.7) million euro
- The Group's operating profit stood at 14.7 (13.8) million euro, improving on the previous year by 6.3 percent

KEY RATIOS

	1-6/2012	1-6/2011	Change %	1-12/2011
Net sales, MEUR	153.4	141.7	+8.3	285.2
Operating profit, MEUR	14.7	13.8	+6.3	26.7
Gross capital expenditure, MEUR	21.2	22.2	-4.5	43.2
Earnings per share, EUR	0.59	0.28	+110.7	0.65
Equity per share, EUR	6.41	5.34	+20.4	6.11
Equity to total assets, %	45.4	43.9		50.6
Gearing, %	55.8	54.9		43.2

Lasse Aho, Managing Director of Olvi plc, states the following in connection with the disclosure of the accounts:

"Olvi Group's earnings in January-June were up to expectations, thanks to good performance in the second quarter. The Group's net sales and operating profit improved slightly on the previous year. Performance in Belarus, Latvia and Lithuania improved substantially. Earnings in Finland and Estonia fell slightly short of the previous year due to factors such as the rainy and cool April-June period causing a decline in the overall market, as well as cost increases. Our overall market position remained strong across our operating area, and our financial position remained good."

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

Olvi Group's sales in the first half of the year totalled 261.4 (254.0) million litres, an increase of 7.3 million litres or 2.9 percent. Sales in Finland increased by 1.5 million litres, in the Baltic states by 2.3 million litres and in Belarus by 8.3 million litres. Intra-Group sales increased by 4.8 million litres.

The Group's net sales from January to June amounted to 153.4 (141.7) million euro, representing an increase of 11.7 million euro or 8.3 percent. Net sales growth outperformed the growth in sales volume across all of the Group's operating areas.

Net sales in Finland amounted to 60.0 (58.4) million euro, while the aggregate total for the Baltic states was 76.5 (70.7) and the corresponding figure for Belarus was 27.4 (19.9) million euro. Net sales in Finland increased by 1.6 million euro or 2.7 percent, in the Baltic states by 5.8 million euro or 8.2 percent, and in Belarus by 7.5 million euro or 37.4 percent.

The Group's operating profit for January-June stood at 14.7 (13.8) million euro, or 9.6 (9.8) percent of net sales. The operating profit improved by 0.9 million euro or 6.3 percent on the previous year.

Operating profit in Finland amounted to 5.0 (7.1) million euro. Commensurate operating profit declined by 0.5 million euro. The previous year's operating profit included 1.5 million euro of sales gains from the sales of decommissioned production machinery.

Aggregate operating profit in the Baltic states improved by 1.2 million euro to 7.9 (6.7) million euro, and operating profit in Belarus improved by 0.3 million euro to 1.8 (1.5) million euro. The Belarusian figures are affected by a high inflation rate and hyperinflationary accounting required under IFRS.

The Group's profit after taxes in the period under review improved substantially on the previous year, amounting to 12.4 (5.4) million euro.

Earnings per share calculated from the profit belonging to parent company shareholders in the first half of the year stood at 0.59 (0.28) euro per share. Earnings per share improved by 0.31 euro or 110.7 percent.

OLVI GROUP'S SALES VOLUME, NET SALES AND EARNINGS IN APRIL-JUNE 2012

The Group's sales in the second quarter amounted to 160.1 (155.9) million litres. Sales increased by 4.3 million litres or 2.8 percent. Sales in Finland increased by 2.8 million litres to 46.4 (43.6) million litres and sales in Belarus by 3.9 million litres to 42.5 (38.6) million litres. Sales in the Baltic states remained on a par with the previous year at approximately 87 million litres.

The Group's net sales from April to June amounted to 95.2 (86.0) million euro. Net sales improved by 9.2 million euro or 10.7 percent. Net sales in Finland amounted to 36.7 (35.3) million euro, in the Baltic states to 47.5 (44.7) million euro and in Belarus to 18.0 (11.3) million euro.

The Group's operating profit for the second quarter stood at 12.0 (10.4) million euro, or 12.6 (12.1) percent of net sales. The operating profit increased by 1.5 million euro or 14.6 percent compared to the previous year. Operating profit in Finland amounted to 3.7 (3.9) million euro, in the Baltic states to 6.2 (5.7) million euro and in Belarus to 2.1 (0.8) million euro. Operating profit in Finland declined by 0.2 million euro. Operating profit in the Baltic states increased by 0.5 million euro, and operating profit in Belarus increased by 1.3 million euro.

SALES VOLUME, NET SALES AND EARNINGS BY GEOGRAPHICAL SEGMENT IN JANUARY-JUNE AND APRIL-JUNE 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 the time of the year and the characteristics of each season.

PARENT COMPANY OLVI PLC (Olvi)

January to June 2012

According to the Federation of the Brewing and Soft Drinks Industry, the Finnish beverage market in January-June diminished by a total of 21 million litres or 5.1 percent compared to the previous year. Sales declined in all product groups. The sales decline in beers amounted to six, in long drinks five, in ciders ten, in soft drinks four and in mineral waters approximately two percent.

Olvi's sales in the reporting period increased by 2.1 percent thanks to good sales in the second quarter. Sales in the reporting period amounted to 73.8 (72.3) million litres. Among the product groups, strongest growth was seen in soft drinks. Sales development in juices and mineral waters was also very favourable. The sales of energy drinks declined on the previous year. In alcoholic beverages, the sales of beers and long drinks declined. The sales of ciders increased thanks to a reform of the cider concept.

According to statistics by the Federation of the Brewing and Soft Drinks Industry for January-June 2012, Olvi's market share in alcoholic beverages (beers, ciders and long drinks) was on a par with the previous year at 24 percent. In mineral waters, Olvi's market share increased from 20 to 24 percent, and in soft drinks to 4 (2) percent.

Olvi's exports and tax-free sales increased by 29.8 percent on the previous year, making up 4.4 (3.5) percent of total sales.

Intra-Group sales increased by 1.5 million litres from 0.4 million to 1.9 million litres, thanks to increased capacity created by a new canning line.

The parent company's net sales from January to June amounted to 60.0 (58.4) million euro, representing an increase of 1.6 million euro or 2.7 percent.

Operating profit stood at 5.0 (7.1) million euro, which was 8.4 (12.2) percent of net sales. The operating profit declined by 2.1 million euro. The previous year's operating profit includes 1.5 million euro of sales gains from the sales of decommissioned production machinery. Commensurate operating profit declined by 0.5 million euro or 9.7 percent compared to the previous year.

The decline in operating profit was affected by cost increases that the company was unable to cover in full in a declining overall market situation for brewery products.

April to June 2012

The parent company's sales in the second quarter increased by 2.8 million litres or 6.4 percent to 46.4 (43.6) million litres. Net sales stood at 36.7 (35.3) million euro, an increase of 1.4 million euro or 3.9 percent.

Operating profit in April-June stood at 3.7 (3.9) million euro, or 10.1 (11.1) percent of net sales. The operating profit declined by 0.2 million euro or 6.0 percent in the second quarter. Reasons for the decline in operating profit included cost increases as reported above, as well as a substantially cooler and rainier April-June period compared to the previous year.

AS A. LE COQ (A. Le Coq, Estonia)

January to June 2012

In the Estonian beverage market, the sales of ciders increased by 23 percent in the first half of the year, the sales of long drinks increased by 9 percent and the sales of waters by 5 percent, while the markets for beers and soft drinks remained on a par with the previous year. The industry saw a 10 percent decline in the sales of juices (Nielsen, April-May 2012).

The Estonian subsidiary A. Le Coq retained its strong market position in the Estonian beverage market. The company's sales in January-June were on a par with the previous year at approximately 69 million litres.

The sales of mineral waters increased by 6.2 percent, while the sales of juices and ciders remained on a par with the previous year. The sales of beers declined by one percent and the sales of long drinks by 7.4 percent. The sales of soft drinks (including kvass) declined by 13.0 percent.

In the Estonian beverage market, A. Le Coq is the clear market leader in beers, ciders and long drinks. A. Le Coq has a market share of 41 (39) percent in beers, 42 (44) in ciders and 55 (55) in long drinks (Nielsen, April-May 2012). The company is a market leader also in juices and juice drinks. A. Le Coq's measured market share in juices made an all-time high in April-May 2012 at 38 (32) percent. In soft drinks, the company is the number two player with a market share of 30 (34) percent, and this is also the case in waters with a market share of 16 (15) percent (Nielsen, April-May 2012).

The company's exports and tax-free sales declined by 16.6 percent on the previous year. Exports and tax-free sales represented 3.8 (4.6) percent of total sales. Intra-Group sales increased by 2.3 million litres.

The company's net sales from January to June amounted to 41.0 (38.6) million euro, representing an increase of 2.3 million euro or 6.0 percent. Net sales growth outperformed volume growth thanks to improved average price of net sales.

In spite of increased net sales, operating profit in the first half of the year fell slightly short of the previous year due to increased variable and fixed costs. Operating profit stood at 6.3 (6.5) million euro, which was 15.4 (16.9) percent of net sales.

April to June 2012

A. Le Coq's second-quarter sales declined by 0.8 million litres or 1.8 percent to 41.5 (42.2) million litres. Net sales from April to June amounted to 25.1 (24.2) million euro. Net sales improved by 0.9 million euro or 4.0 percent.

The company's second-quarter operating profit stood at 4.3 (4.9) million euro, or 17.3 (20.4) percent of net sales. The operating profit declined by 0.6 million euro or 11.8 percent due to increased costs.

A/S CESU ALUS (Cesu Alus, Latvia)

January to June 2012

In the Latvian beverage market, the sales of beers remained almost on a par with the previous year but there was substantial growth in other main product groups. In the first half of the year, the cider market increased by approximately 14 and long drinks by approximately 16 percent (Nielsen, April-May 2012).

Cesu Alus's sales in the first half of 2012 were on a par with the previous year at 38 million litres. In the first half of the year, the company's efforts have been focused on profitability improvement instead of volume growth.

The sales of the company's beers declined by 7.8 percent and the sales of ciders declined by 16.8 percent. On the other hand, the sales of long drinks increased by 15.9 percent. The sales of soft drinks (including kvass) declined by 6.8 percent. Fizz cider still holds the number one position in Latvia with an approximate market share of 52 percent.

The company had a market share of approximately 28 (29) percent in beers (Nielsen, May 2012), 52 (53) percent in ciders and 50 (51) percent in long drinks (Nielsen, April-May 2012). The company is the clear market leader in ciders and long drinks and a strong number two player in beers. Intra-Group sales increased by 1.6 million litres.

The company's net sales from January to June amounted to 19.0 (17.8) million euro, representing an increase of 1.2 million euro or 7.0 percent. Net sales growth outperformed volume growth thanks to improved average price of net sales.

Operating profit in January-June improved substantially on the previous year. Operating profit stood at 1.0 (0.4) million euro, which was 5.2 (2.2) percent of net sales. The operating profit increased by 0.6 million euro. The operating profit improvement was attributable to improved profitability as well as cuts in fixed costs and depreciation.

April to June 2012

Cesu Alus's sales in the second half of the year were on a par with the previous year at 24.2 (24.2) million litres. Net sales amounted to 12.2 (11.7) million euro, representing an increase of 0.5 million euro or 4.6 percent on the previous year.

The company's operating profit in April-June increased by 32.8 percent to 1.0 (0.8) million euro. The operating profit represented 8.5 (6.7) percent of net sales.

AB VOLFAS ENGELMAN (Volfas Engelman, Lithuania)

January to June 2012

The Lithuanian beer market declined by 3 percent in the first half of the year, while the sales of long drinks increased substantially by more than 46 percent. The sales of ciders also increased by almost 9 percent (Nielsen, April-May 2012).

The company's position in the Lithuanian beverage market has become stronger. The company's market share in the largest product group, beers, was approximately 14 (11) percent, which is the company's all-time high. The company is the market leader in ciders with a market share of 32 (38) percent and in long drinks with a market share of 24 (38) percent. The strong growth of the long drinks market has attracted several new players. The company is also the clear market leader in kvass with a market share of 30 (29) percent (Nielsen, April-May 2012).

The company's sales in the first half of 2012 amounted to 36.2 (33.3) million litres. Sales increased by 2.9 million litres or 8.6 percent. The sales of beers increased by 15.0 and long drinks by 25.3 percent, while the sales of ciders declined by 13.3 percent. The sales of soft drinks and kvass declined by a total of 13.7 percent.

The company's net sales stood at 16.6 (14.3) million euro, an increase of 2.3 million euro or 15.7 percent. Net sales growth was made possible by good growth of sales volumes and an increased share of branded products in the portfolio. The company's operating profit improved substantially thanks to a successful second quarter. Operating profit in the first half of the year amounted to 0.6 (-0.2) million euro, an increase of 0.8 million euro. Factors contributing to the increased operating profit included, above all, increased total volume, increased share of branded products and cuts in fixed operating expenses.

April to June 2012

The company's sales volumes developed favourably also in the second quarter of the year. Sales from April to June amounted to 21.7 (20.5) million litres, representing an increase of 1.1 million litres or 5.6 percent. Second-quarter net sales stood at 10.2 (8.8) million euro, representing an increase of 1.4 million euro or 15.4 percent.

The company's operating result improved substantially in the second quarter: operating profit stood at 0.8 (0.0) million euro. As reported above, the growth was made possible by increased sales of branded products and cuts in fixed expenses.

OA O LIDSKOE PIVO (Lidskoe Pivo, Belarus)

January to June 2012

After the devaluation in October 2011, the exchange rate of the Belarusian rouble has gradually stabilised and inflation has decelerated. The country's politico-economic situation is still unstable, and consumer purchasing power has weakened. Lidskoe Pivo's financial reporting is still subject to the IAS 29 standard "Financial Reporting in Hyperinflationary Economies".

During the first half of the year, the country's beverage markets declined in all main product groups except kvass. The beer market declined by 17 percent and the sales of ciders by 24 percent. There was a 15-percent decline in the sales of juices and a 6-percent decline in soft drinks. The sales of kvass increased by 11 percent on the previous year (Nielsen, February-May 2012). The company's market position has become stronger. The company is a clear market leader in ciders, kvass and juice drinks. Its market share in kvass was 61 (52), in ciders 60 (60) and in juice drinks 41 (31) percent. The company's market share in beers was 13 (11) percent (Nielsen February-May 2012).

The company's day-to-day operations developed well in the first half of the year in spite of the politico-economic instability of the country. First-half sales

amounted to 68.4 (60.1) million litres, an increase of 8.3 million litres or 13.8 percent. The sales of the company's beers increased by 5.3 percent, soft drinks and kvass by a total of 25.8 percent and mineral waters by 48.8 percent. The sales of ciders declined by 6.7 percent, and the sales of juices declined by 23.6 percent.

In the first half of the year, the company's exports increased substantially. Exports made 10.7 (7.2) percent of the company's total sales. The main destinations for exports were Russia and Lithuania.

The company's net sales stood at 27.4 (19.9) million euro, an increase of 7.5 million euro or 37.4 percent. Factors contributing to net sales growth included favourable development of sales volumes and a sustained good average price of net sales.

Operating profit increased on the previous year by 0.3 million euro to 1.8 (1.5) million euro. The company's relative profitability improved: the operating profit percentage was 12.4 (7.5).

April to June 2012

The company's operations were successful in the second quarter. Sales amounted to 42.5 (38.6) million litres, an increase of 10.2 percent.

Net sales improved by 60.0 percent on the previous year, amounting to 18.0 (11.3) million litres.

Second-quarter operating profit amounted to 2.1 (0.8) million euro. The operating profit improved by 1.3 million euro. In addition to good sales volumes, the favourable earnings development was attributable to profitability improvements in all product groups.

FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of the period under review was 296.8 (254.8) million euro. Equity per share stood at 6.41 (5.34) euro. The equity to total assets ratio improved by 1.5 percentage points to 45.4 (43.9) percent. The amount of interest-bearing liabilities was 77.7 (66.7) million euro, including current liabilities of 31.6 (32.3) million euro.

During the period under review, Olvi Group's gross capital expenditure amounted to 21.2 (22.2) million euro. The parent company Olvi accounted for 9.4 million euro and the subsidiaries in the Baltic states for 2.9 million euro of the total. Lidskoe Pivo's gross capital expenditure in the first half of the year was 8.8 million euro.

The largest investments in Finland in 2012 include the completion of the commissioning of a new can filling line and tank cellar extension, as well as modernisation of beer filtering.

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 major investments are associated with conveyors for the glass bottle line, as well as other 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.

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

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 product launches in the spring of 2012 have received a warm welcome. The spring season's new beer products included OLVI Reino, Sven Tuuva, a less-alcoholic 3.5-percent product in the medium-strength group, as well as Sandels Special Edition in 0.5-litre recyclable glass bottles. Cider novelties were OLVI Aino, OLVI Cider Tropical Fruit and the sparkling-wine-like FIZZ Sparkling Dry. The long drink market saw the introduction of OLVI Leguana.

New soft drinks included the popular brand Angry Birds, launched in the beginning of April with Tropic and Paradise flavours. The range of Angry Birds soft drinks will be expanded in September with two new products: Angry Birds Lagon and Space Comet.

The OLVI family of soft drinks also saw some development. New mineral waters included KevytOlo Aloe Vera, as well as juice-mineral waters KevytOlo Cranberry and Orange-Carrot. The new Super Teho was introduced in the energy drink range. Olvi also entered a completely new product segment through the launch of the TEHO Sport range of sports beverages. The range of juices was supplemented by functional Aura Active juices in the flavours of Multivitamin, Apple-Pear and Cranberry.

The variety of licensed products is also expanded by the new Viivi cider and Wagner beer in packaging designed by the comic strip artist Juba Tuomola himself. Olvi's long drinks segment will see further growth through the launch of another light version in the flavoured drinks range: OLVI Cranberry Light Long Drink will be supplemented by a light version of OLVI Mojito Long Drink. The beer range will be supplemented by the non-alcoholic Bitburger Drive 0.0%, which is manufactured in Germany in compliance with the German purity law.

Subsidiaries

Olvi's English-type Sherwood cider became international in the summer of 2012 when it was launched in apple and pear flavours in Estonia, Latvia and Lithuania. All of the Baltic subsidiaries also made a simultaneous launch of a cocktail drink range including flavours such as Mojito, Cuba Libre, Pina Colada and Cosmopolitan. The Angry Birds soft drinks were also launched in all of the three Baltic states.

A. Le Coq launched the Dynami:t energy drink in Estonia in a new 0.335-litre sleek can. Further launches in Estonia in the spring included the Aura Fruit Green Tea-Peach tea-based beverage, the Premium Extra, Premium Extra Lemon and Alexander the Great beers, as well as the FIZZ Fragolino cider.

Cesu Alus introduced new imported beers to the Latvian market: Krusovice Cerne, Krusovice Imperial and Edelweis. Volfas Engelman was the first to launch a pint-sized single-use glass bottle in the local Lithuanian market. It was first used for the new Bravoro Pinta beer.

PERSONNEL

Olvi Group's average number of personnel in January-June 2012 was 1,991 (2,049). The Group's average number of personnel decreased by 58 people or 2.8 percent. Personnel decreases were seen in Belarus, while in the other operating areas, the number was either unchanged or increased slightly. At the end of June, Olvi Group employed a total of 2,124 (2,193) people.

Olvi Group's average number of personnel by country:

	1-6/2012	1-6/2011
Finland	404	(382)
Estonia	318	(318)
Latvia	223	(224)
Lithuania	211	(205)
Belarus	835	(920)
Total	1,991	(2,049)

GROUP STRUCTURE

During the reporting period, Olvi plc acquired a total of 190 shares in A/S Cesu Alus, corresponding to 0.07 percent of the company's share capital. At the end of the reporting period, Olvi plc's holding in A/S Cesu Alus was 99.60 percent, in AS A. Le Coq 100.0, in AB Volfas Engelman 99.57 and in OAO Lidskoe Pivo 91.58 percent.

ANNUAL GENERAL MEETING

Olvi plc's 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.

OLVI A SHARE AND SHARE MARKET

Olvi's share capital at the end of June 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 Ltd (Helsinki Stock Exchange) at 18.70 (18.60) euro at the end of June. In January-June, the highest quote for the Series A share was 19.94 (19.86) euro and the lowest quote was 14.75 (15.30) euro. The average price was 17.43 (17.67) euro.

In January-June, a total of 943,924 (1,508,059) Series A shares were traded, representing 5.5 (8.9) percent of the total number of Series A shares. The value of trading was 16.5 (35.3) million euro.

At the end of June 2012, the market capitalisation of the entire stock was 388.2 (386.1) million euro and the market capitalisation of Series A shares was 318.4 (316.7) million euro.

The number of shareholders at the end of June 2012 was 9,112 (8,839). Foreign holdings plus foreign and Finnish nominee-registered holdings represented 17.7 (19.0) percent of the total number of book entries and 6.1 (6.4) 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-June 2012. At the end of the reporting period, Olvi plc held 1,124 Series A shares as treasury shares. Treasury shares held by Olvi plc are reported in the tables section of this interim report, in Table 5, Section 5.

FLAGGING NOTICES

On 10 May 2012, Olvi plc received a flagging notice concerning its shares in accordance with Chapter 2, Section 9 of the Securities Markets Act from Ilmarinen Mutual Pension Insurance Company. According to the notice, Ilmarinen Mutual Pension Insurance Company's holding had increased to 5.03 percent of Olvi plc's share capital and 1.14 percent of the votes.

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.

The Group's strategic risks refer to risks related to the characteristics of the Group'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 is estimated to equal or slightly exceed the previous year's result.

Further information:

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OLVI PLC

Board of Directors

TABLES:

- Statement of comprehensive income, Table 1
- Balance sheet, Table 2
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DISTRIBUTION:

NASDAQ OMX Helsinki Ltd

Key media

www.olvi.fi

INCOME STATEMENT

EUR 1,000

	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Net sales	95166	85987	153405	141666	285174
Other operating income	252	88	265	251	522
Operating expenses	-77971	-71225	-	-	-240376
Depreciation and impairment	-5494	-4416	128630	118987	-18637
Operating profit	11953	10434	14697	13822	26683
Financial income	2047	-318	2688	86	8352
Financial expenses	-106	-7246	-849	-8327	-16596
Financial expenses - net	1941	-7564	1839	-8241	-8244
Earnings before tax	13894	2870	16536	5581	18439
Taxes *)	-3712	381	-4118	-142	-5485
NET PROFIT FOR THE PERIOD	10182	3251	12418	5439	12954
Other comprehensive income items:					
Translation differences related to foreign subsidiaries	1066	-7715	3104	-12361	-15170
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11248	-4464	15522	-6922	-2216
Distribution of profit:					
- parent company shareholders	9933	3653	12191	5801	13506
- non-controlling interests	249	-402	227	-362	-552
Distribution of comprehensive profit:					
- parent company shareholders	10956	-3534	15233	-5716	-340
- non-controlling interests	292	-930	289	-1206	-1876
Earnings per share calculated from the profit belonging to parent company shareholders, EUR					
- undiluted	0.48	0.18	0.59	0.28	0.65
- diluted	0.48	0.18	0.59	0.28	0.65

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

BALANCE SHEET

EUR 1,000	30 Jun 2012	30 Jun 2011	31 Dec 2011
ASSETS			
Non-current assets			
Tangible assets	151088	122277	142443
Goodwill	17609	14315	16761
Other intangible assets	1741	1303	1017
Shares in associates	1077	0	0
Financial assets available for sale	549	544	548
Loan receivables and other non-current receivables	160	138	141
Deferred tax receivables	98	2435	196
Total non-current assets	172322	141012	161106
Current assets			
Inventories	47414	41764	35875
Accounts receivable and other receivables	74473	66638	52718
Income tax receivable	101	0	0
Other non-current assets available for sale	56	50	56
Liquid assets	2464	5316	3836
Total current assets	124508	113768	92485
TOTAL ASSETS	296830	254780	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	-8	-8
Translation differences	-15205	-15919	-18248
Retained earnings	126520	104906	123286
Total shareholders' equity held by parent company shareholders	133157	110830	126881
Share belonging to non-controlling interests	1725	1033	1341
Total shareholders' equity	134882	111863	128222
Non-current liabilities			
Loans	44115	32743	29436
Other liabilities	2046	1652	1513
Deferred tax liabilities	2507	1909	2097
Current liabilities			
Loans	30592	31344	27039
Accounts payable and other liabilities	80223	74800	64953
Income tax liability	2465	469	331
Total liabilities	161948	142917	125369
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	296830	254780	253591

CHANGES IN OLVI GROUP'S CONSOLIDATED SHAREHOLDERS'
EQUITY
EUR 1,000

	Share capita l	Other reserve s	Treasury shares reserve	Transl . diff.	Retain ed earnin gs	Share of non- controlling interests	Total
Shareholders' equity 1 Jan 2011	20759	1092	-222	-4402	109750	2277	129254
Comprehensive income							
Net profit for the period					5801	-362	5439
Other comprehensive income items							
Translation differences				-11517		-844	-12361
Total comprehensive income for the period				-11517	5801	-1206	-6922
Transactions with shareholders							
Payment of dividends					-10660		-10660
Transfer of treasury shares			214		-214		0
Gains from transfer of treasury shares					216		216
Total transactions with shareholders			214		-10658		-10444
Changes in holdings in subsidiaries							
Acquisition of shares from non-controlling shareholders					13		13
Change in share belonging to non-controlling interests						-38	-38
Shareholders' equity 30 Jun 2011	20759	1092	-8	-15919	104906	1033	111863
EUR 1,000	Share capita l	Other reserves	Treasury shares account	Transla tion differe nces	Accrued earning s	Share of non- controlling interests	Total
Shareholders' equity 1 Jan 2012	20759	1092	-8	-18248	123286	1341	128222
Adjustments for hyperinflation					1397	128	1525
Adjusted shareholders' equity 1 Jan 2011	20759	1092	-8	-18248	124684	1469	129747
Comprehensive income							
Net profit for the period					12191	227	12418
Other comprehensive income items							
Translation differences				3043		61	3104
Total comprehensive income for the period				3043	12191	288	15522
Transactions with shareholders							
Payment of dividends					-10379	-13	-10392
Changes in holdings in subsidiaries							
Acquisition of shares from non-controlling shareholders					5		5

Change in share belonging to non-controlling interests					19	-19	0
Shareholders' equity							
30 Jun 2012	20759	1092	-8	-15205	126520	1725	134882

OLVI GROUP

TABLE 4

CASH FLOW STATEMENT

EUR 1,000

	1-6/ 2012	1-6/ 2011	1-12/ 2011
Net profit for the period	12418	5439	12954
Adjustments to profit for the period	17359	11373	32530
Change in net working capital	-15796	-12860	-3910
Interest paid	-1304	-874	-2205
Interest received	72	43	151
Taxes paid	-1574	-1972	-5064
Cash flow from operations (A)	11175	1149	34456
Investments in tangible assets	-19106	-15205	-33358
Investments in intangible assets	-974	-502	-295
Sales gains from tangible and intangible assets	54	1712	130
Expenditure on other investments	-582	1	-2980
Cash flow from investments (B)	-20608	-13994	-36503
Withdrawals of loans	41957	32316	30266
Repayments of loans	-23449	-11666	-17103
Increase (-) / decrease (+) in current interest-bearing business receivables	2	2	0
Dividends paid	-10393	-10382	-10377
Cash flow from financing (C)	8118	10270	2785
Increase (+)/decrease (-) in liquid assets (A+B+C)	-1315	-2575	738
Liquid assets 1 January	3836	7891	7891
Effect of exchange rate changes	-58	0	-4793
Liquid assets 30 June/31 December	2464	5316	3836

NOTES TO THE INTERIM REPORT

Olvi Group's interim report for January-June 2012 has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies used for the 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 interim report 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 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)

	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Olvi Group total	160146	155859	261361	254039	518211
Finland	46376	43592	73780	72274	149084
Estonia	41464	42239	68701	68870	133421
Latvia	24189	24161	37792	38142	75352
Lithuania	21683	20537	36202	33347	67540
Belarus	42522	38572	68448	60158	128005
- sales between segments	-16088	-13242	-23562	-18752	-35191

NET SALES BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Olvi Group total	95166	85987	153405	141666	285174
Finland	36723	35347	59980	58413	119788
Estonia	25124	24168	40959	38632	75964
Latvia	12217	11679	19001	17754	35184
Lithuania	10157	8804	16578	14325	29495

Belarus	18028	11266	27380	19927	39609
- sales between segments	-7083	-5277	-10493	-7385	-14866

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	4-6/2012	4-6/2011	1-6/2012	1-6/2011	1-12/2011
Olvi Group total	11953	10434	14697	13822	26683
Finland	3700	3934	5009	7097	13239
Estonia	4354	4938	6311	6521	12973
Latvia	1035	779	989	382	737
Lithuania	837	8	639	-178	411
Belarus	2092	810	1821	1503	737
- eliminations	-65	-35	-72	-1503	-1414

2. PERSONNEL ON AVERAGE	1-6/2012	1-6/2011	1-12/2011
Finland	404	382	383
Estonia	318	318	311
Latvia	223	224	217
Lithuania	211	205	205
Belarus	835	920	916
Total	1991	2049	2032

3. RELATED PARTY TRANSACTIONS

Employee benefits to management

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

EUR 1,000

	1-6/2012	1-6/2011	1-12/2011
Managing Directors	592	665	1017
Chairman of the Board	43	108	150
Other members of the Board	63	61	125
Total	698	834	1292

4. SHARES AND SHARE CAPITAL

	30 Jun 2012	%
Number of A shares	17026552	82.02
Number of K shares	3732256	17.98
Total	20758808	100.00

Total votes carried by A shares	17026552	18.57
Total votes carried by K shares	74645120	81.43
Total number of votes	91671672	100.00
The registered share capital on 30 June 2012 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-June 2012, which means that the number of Series A shares held by the company was unchanged on 30 June 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 January-June 2012, the Board of Directors of Olvi plc has not exercised the authorisations granted by the General Meeting.

6. NUMBER OF SHARES *)	1-6/2012	1-6/2011	1-12/2011
- average	20757684	20744996	20751392
- at end of period	20757684	20757684	20757684

*) Treasury shares deducted.

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

	1-6/2012	1-6/2011	1-12/2011
Trading volume of Olvi A shares	943924	1508059	3208911

Total trading volume, EUR 1,000	16504	35302	62299
Traded shares in proportion to all Series A shares, %	5.5	8.9	18.8
Average share price, EUR	17.43	17.67	16.68
Price on the closing date, EUR	18.70	18.60	14.75
Highest quote, EUR	19.94	19.86	19.86
Lowest quote, EUR	14.75	15.30	13.49

8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 30 JUNE 2012

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	17087566	82.31	86056958	93.88	9063	99.46
Foreign total	404248	1.95	2347720	2.56	41	0.45
Nominee-registered (foreign) total	602	0.00	602	0.00	2	0.02
Nominee-registered (Finnish) total	3266392	15.74	3266392	3.56	6	0.07
Total	20758808	100.00	91671672	100.00	9112	100.00

9. LARGEST SHAREHOLDERS ON 30 JUNE 2012

	Series K	Series A	Total	%	Votes	%
1. Olvi Foundation	2363904	896332	3260236	15.71	48174412	52.55
2. Hortling Heikki Wilhelm *)	901424	155674	1057098	5.09	18184154	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		1066526	1066526	5.14	1066526	1.16
8. Nordea Bank Finland plc, nominee register		863140	863140	4.16	863140	0.94
9. Oy Autocarrera Ab		460000	460000	2.22	460000	0.50
10. Nasdaq OMXBS/Skandinaviska Enskilda Banken AB, nominee register		425200	425200	2.05	425200	0.46
Others	11712	11202024	11213736	54.02	11436264	12.49
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

	1-6/2012	1-6/2011	1-12/2011
Increase	20751	21787	42937
Decrease	-589	-2731	-6436
Total	20162	19056	36501

11. CONTINGENT LIABILITIES	1-6,2012	1-6,2011	1-12,2011
EUR 1,000			

Pledges and contingent liabilities

For own commitments	7744	5184	4632
For others	130	134	130

Leasing liabilities:

Due within one year	673	772	644
Due within 1 to 5 years	821	843	663
Due in more than 5 years	0	0	0
Total leasing liabilities	1494	1615	1307

Package liabilities	4166	4277	4208
Other liabilities	2000	1980	1980

12. CALCULATION OF FINANCIAL RATIOS

Equity to total assets, % = $100 * (\text{Shareholders' equity belonging to parent company shareholders} + \text{non-controlling interests} + \text{voluntary provisions and depreciation difference deducted by deferred tax liability}) / (\text{Balance sheet total} - \text{advances received})$

Earnings per share (EPS) = $(\text{Profit before taxes} - \text{taxes} +/- \text{non-controlling interests}) / \text{Average number of shares during the year, adjusted for share issues}$

Equity per share = $(\text{Shareholders' equity} + \text{voluntary provisions and depreciation difference deducted by deferred tax liability and non-controlling interests}) / \text{Number of shares at end of period, adjusted for share issues}$

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