OLVI GROUP'S FINANCIAL STATEMENTS JANUARY TO DECEMBER 2013

Olvi Group's sales volume, net sales and operating profit developed favourably in 2013. Earnings per share increased to 1.61 euro. The equity to assets ratio improved.

January to December 2013 in brief:

- Olvi Group's sales volume increased by 5.8 percent to 557.2 (526.8) million litres
- The Group's comparable net sales increased by 7.3 percent to 327.3 (304.9)*) million euro
- The Group's reported operating profit made an all-time high of 43.2**) million euro
- The Group's comparable operating profit increased by 8.6 percent to 33.2 (30.5) million euro
- Olvi Group's earnings per share improved by 29.8 percent to 1.61 (1.24) euro per share. The Board proposes a dividend of 0.65 (0.50) euro per share.
- The equity to assets ratio improved to 58.0 (54.8) percent and is clearly over the target level

KEY RATIOS

	1-12/2013	1-12/2012	Change %
Net sales, MEUR	327.3	304.9*)	+7.3
Operating profit, MEUR	43.2**)	30.5	+41.5
Gross capital expenditure, MEUR	35.7	29.8	+19.6
Earnings per share, EUR	1.61	1.24	+29.8
Equity per share, EUR	8.14	7.01	+16.1
Equity to total assets, %	58.0	54.8	
Gearing, %	26.4	35.8	

*) The previous year's net sales in Finland have been adjusted for comparability with the year 2013. Net sales reported in the financial statements bulletin for 2012 amounted to 312.2 million euro.
**) A new depreciation policy has been applied to the income statement for 2013. Diminished depreciation affected the operating profit by approximately 10.1 million euro.

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

"Olvi Group's business has been successful and has developed favourably during 2013. Our financial performance was particularly good in Belarus, Estonia and Finland."

CHANGES IN ACCOUNTING POLICIES STARTING FROM 1 JANUARY 2013

As of the beginning of 2013, the parent company Olvi plc has accounted for marketing subsidies payable to customers as annual discounts under adjustments to sales. The previous year's net sales figures in these financial statements have been adjusted for comparability with the year 2013. These marketing subsidies were previously recognised under other operating expenses. The change did not affect the parent company's or the Group's operating profit. After the change, Olvi Group companies have a uniform policy of accounting for marketing subsidies.

As of the beginning of the year, Olvi Group's depreciation periods for buildings, production machinery and equipment, as well as storage and fermentation tanks, have been extended to better correspond to their actual economic life and the depreciation policies common in the industry. The new depreciation period for buildings is 30 years, and for production machinery and equipment 15 years. The depreciation period for tanks is 20 years. Due to the change, consolidated depreciation in the period under review declined by 10.1 million euro compared to previous depreciation practice.

OLVI GROUP’S SALES VOLUME, NET SALES AND EARNINGS

January to December 2013

Olvi Group’s sales volume in 2013 made an all-time high of 557.2 (526.8) million litres. This represents an increase of 30.4 million litres or 5.8 percent. Sales in Finland increased by 11.1 million litres, in Belarus by 15.0 million litres and in the Baltic states by 0.5 million litres. Intra-Group sales declined by 3.8 million litres.

The Group’s net sales in 2013 totalled 327.3 (304.9)*) million euro. This represents an increase of 22.4 million euro or 7.3 percent. Net sales development outperformed volume growth in all of the Group’s operating areas except Latvia.

Net sales in Finland amounted to 123.6 (113.6)*) million euro, while the aggregate total for the Baltic states was 153.0 (150.5) and the corresponding figure for Belarus was 68.3 (59.0) million euro. Net sales in Finland increased by 10.0 million euro or 8.8 percent, in the Baltic states by 2.5 million euro or 1.7 percent, and in Belarus by 9.3 million euro or 15.7 percent.

Olvi Group’s operating profit for January-December stood at 43.2**) (30.5) million euro, or 13.2 (10.0) percent of net sales. The operating profit improved by 12.7 million euro or 41.5 percent. The change in depreciation practice improved operating profit by 10.1 million euro, which means that comparable operating profit improved by 8.6 percent on the previous year to 33.2 million euro.

Operating profit in Finland amounted to 12.8**) (9.1) million euro. The operating profit improved by 3.7 million euro. Aggregate operating profit in the Baltic states improved by 3.3 million euro to 19.7**) (16.4) million euro, and operating profit in Belarus improved by 5.7 million euro to 10.7**) (5.0) million euro. The effects of the extended depreciation periods on the operating profits of different Group companies are described in connection with performance by geographical segments.

The Group’s profit after taxes in 2013 improved substantially on the previous year, amounting to 34.2 (26.2) million euro.

Earnings per share calculated from the profit belonging to parent company shareholders in January-December stood at 1.61 (1.24) euro per share. Earnings per share improved by 0.37 euro or 29.8 percent.

October to December 2013

Olvi Group’s sales volume from October to December was 123.3 (115.5) million litres. Sales increased by 7.8 million litres or 6.7 percent. Sales in Finland increased by 1.1 million litres to 35.9 (34.8) million litres, sales in the Baltic states increased by 2.7 million litres to 59.6 (56.9) million litres, and sales in Belarus increased by 3.9 million litres to 34.1 (30.2) million litres.

The Group’s net sales from October to December amounted to 70.0 (69.4)*) million euro. Net sales improved by 0.6 million euro or 0.9 percent.

Net sales in Finland amounted to 26.5 (27.6)*) million euro, a decline of 1.1 million euro, net sales in the Baltic states amounted to 31.8 (30.8) million euro, an increase of 1.0 million euro, and net sales in Belarus amounted to 14.4 (13.7) million euro, an increase of 0.7 million euro.

The Group’s fourth-quarter operating profit improved by 0.9 million euro or 18.8 percent to 5.5**) (4.6) million euro, which is 7.8 (6.6) percent of net sales. Operating profit in Finland amounted to 1.9**) (1.9) million euro, in the Baltic states to 2.5**) (2.2) million euro and in Belarus to 1.2**) (0.4) million euro. Operating profit in Finland remained on the previous year's level, while the Baltic states improved by 0.3 million euro and Belarus by 0.8 million euro.

SALES VOLUME, NET SALES AND EARNINGS BY GEOGRAPHICAL SEGMENTS

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 December 2013

According to statistics by the Federation of the Brewing and Soft Drinks Industry, the Finnish beverage market in January-December improved by an approximate total of 4 million litres or 0.5 percent compared to the previous year. The sales of alcoholic products was on a par with the previous year but the sales of non-alcoholic beverages improved by 1.2 percent. Among the alcoholic product groups, the only improvement was seen in beers, 0.9 percent. The sales of ciders declined by 1.6 percent and the sales of long drinks by as much as 6.4 percent. In non-alcoholic products, a clear improvement was made in mineral waters by 5.5 percent but the sales of soft drinks increased only slightly by 0.4 percent. (Federation of the Brewing and Soft Drinks Industry, December 2013).

Olvi's sales in January-December amounted to 159.9 (148.8) million litres. Mostly thanks to increased exports and tax-free sales, the volume improved by 11.1 million litres or 7.5 percent. Among alcoholic products, only the sales of beers increased by a few percent but the sales of ciders and long drinks declined. Olvi retains its position as the market leader in retail sales of long drinks. In non-alcoholic beverages, the sales of soft drinks improved by almost ten percent. For the same reason, the sales of mineral waters improved but the sales of juice drinks declined clearly on the previous year.

According to statistics by the Federation of the Brewing and Soft Drinks Industry for January-December 2013, 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 had a market share of 23 (24), and in soft drinks 5 (5) percent. The total market share in January-December was on a par with the previous year at 18 (18) percent, showing a slight improvement.

In the period under review, Olvi's exports and tax-free sales increased clearly to 19.0 (6.8) million litres, an increase of 12.2 million litres. Olvi's export sales were particularly based on exports of soft drinks to nearby regions. Exports and tax-free sales represented 11.9 (4.6) percent of total sales.

The parent company's net sales in 2013 totalled 123.6 (113.6)*) million euro. Particularly thanks to good development of exports, net sales increased by 10.0 million euro or 8.8 percent.

Olvi's operating profit stood at 12.8**) (9.1) million euro, which was 10.4 (8.0)*) percent of net sales. The operating profit improved by 3.7 million euro or 41.7 percent.

3.6 million euro of the operating profit improvement was attributable to the extended depreciation periods. Comparable operating profit improved by 1.5

percent on the previous year. Olvi’s earnings for January-December include a total of 2.3 million euro attributable to performance bonuses to employees, a profit-sharing contribution to the personnel fund, as well as write-downs on inventories (including 0.33-litre glass beer bottles) which were not included in last year’s earnings.

October to December 2013

The parent company’s sales in the fourth quarter amounted to 35.9 (34.8) million litres. The sales volume increased by 1.1 million litres or 3.1 percent mainly thanks to purchases made into retailer stocks due to the excise tax hikes effective in the beginning of January 2014. Net sales amounted to 26.5 (27.6)*) million euro. Net sales declined by 1.1 million euro or 3.9 percent. In relation to other quarters, the fourth quarter was the main season for sales promotions which lowered the average price of net sales compared to the previous quarters.

Operating profit for October-December was on a par with the previous year at 1.9 **) (1.9) million euro, or 7.0 (6.9)*) percent of net sales.

AS A. LE COQ (A. Le Coq)

January to December 2013

With the exception of ciders and mineral waters, the sales of all other product groups declined in the Estonian beverage market in 2013. The sales of mineral waters increased by 15 percent and ciders by 6 percent. The sales of beers declined by five percent, and the sales of soft drinks and juices by four percent. Sales of long drinks were on a par with the previous year. (Nielsen, October-November 2013).

A. Le Coq retained its strong position in the Estonian beverage market. The company’s domestic sales improved by 2.8 million litres or 2.5 percent in spite of the decline in the overall Estonian market.

The company’s total sales in 2013 amounted to 129.3 (134.0) million litres. Sales declined by 4.7 million litres or 3.5 percent. The sales decline is due to the fact that intra-Group sales diminished by 8.1 million litres.

The greatest growth was seen in the sales of the company’s mineral waters, which increased by 28 percent. The sales of beers and long drinks also increased by a few percent. Sales of ciders were on a par with the previous year. The sales of soft drinks (including kvass) and juices declined.

The company is the clear market leader in long drinks and juices. In beers, the company is in a tight struggle for the number one position, and in ciders and soft drinks it is the number two player. The company has increased its market share in mineral waters and is equal in strength among the top three. (Nielsen, October-November 2013).

The company’s exports and tax-free sales increased by 10.5 percent to 5.6 (5.1) million litres. Exports and tax-free sales represented 4.3 (3.8) percent of total sales.

The company’s net sales from January to December amounted to 81.3 (80.0) million euro, representing an increase of 1.3 million euro or 1.5 percent. Net sales growth outperformed volume growth thanks to improved average price.

A. Le Coq’s financial performance in 2013 was an all-time high. The company’s operating profit improved clearly by 3.0 million euro or 22.9 percent. Operating profit stood at 16.0 (13.0) million euro, which was 19.7 (16.3) percent of net sales. 1.7 million euro of the operating profit improvement was attributable to the extended depreciation periods. In addition to increased average price of net sales, the company has improved its production efficiency.

In a competition arranged by the Estonian Chamber of Commerce and Industry and the Estonian Employers' Confederation, AS A. Le Coq was on 8 October 2013 awarded the most competitive food industry company in Estonia. The purpose of the competition is to identify the most competitive companies in Estonia, to provide them with an opportunity of comparison with similar companies, and to assess their success, achievements and sustainability.

October to December 2013

A. Le Coq's sales in the fourth quarter declined by 1.6 million litres or 5.5 percent to 26.9 (28.5) million litres due to diminished intra-Group manufacturing. In spite of the sales decline, net sales were almost on a par with the previous year at 16.7 (16.9) million euro.

The company's operating profit for October-December stood at 2.4 (2.3) million euro, or 14.5 (13.8) percent of net sales. The operating profit improved by 0.1 million euro or 3.9 percent.

A/S CESU ALUS (Cesu Alus)

January to December 2013

The total sales of beer in Latvia declined by three percent in 2013. The cider market declined by 16 percent but the sales of long drinks increased by approximately seven percent.

During the year 2013, Cesu Alus improved its sales by 7.3 million litres or 10.2 percent, totalling 79.7 (72.4) million litres. The improvement was attributable to increased internal sales to other Olvi Group companies. Domestic sales declined by 2.4 percent.

Among the company's main product groups, an increase of a few percent was seen in long drinks but the sales of beers declined by approximately one percent. The greatest sales decline was seen in ciders, almost 23 percent. However, Fizz cider has retained its strong market share. The sales of soft drinks (including kvass) declined by more than five percent while the sales of juice drinks increased by more than 11 percent in January-December.

The company is a clear market leader in ciders and long drinks (Nielsen October-November 2013). In the Latvian beer market, Cesu Alus has improved its position and its market share falls only a few percent short of the market leader (Nielsen, December 2013).

The company's net sales in 2013 amounted to 37.6 (36.2) million euro, representing an increase of 1.4 million euro or 3.8 percent.

Cesu Alus's operating profit for January-December amounted to 2.5 (1.7) million euro, which is 6.5 (4.6) percent of net sales. The extended depreciation periods had an effect of 1.7 million euro on the operating profit.

October to December 2013

Cesu Alus's sales in October-December amounted to 16.1 (13.9) million litres, representing an increase of 2.2 million litres or 16.1 percent. The increase was attributable to increased intra-Group sales. Net sales amounted to 7.3 (6.7) million euro, representing an increase of 0.6 million euro or 8.4 percent on the previous year.

The company’s operating profit for the fourth quarter was in the red by -0.2 (-0.2) million euro.

AB VOLFAS ENGELMAN (Volfas Engelman)

January to December 2013

The Lithuanian beverage markets declined in 2013 mainly due to stricter alcohol laws and new regulations concerning package sizes: the maximum strength of mild brewery beverages is now limited to 7.5% and the largest single package size to one-litre bottles. The only growth was seen in the sales of long drinks, four percent. The total market in beers declined by seven percent, in ciders as much as 21, and in kvass more than five percent.

Volfas Engelman’s sales improved well in the fourth quarter. Total sales in 2013 amounted to 69.6 (71.7) million litres. Sales declined by 2.1 million litres or 2.9 percent. 75 percent of the sales decline is attributable to diminished intra-Group sales. Domestic sales declined by 1.3 percent.

Among the product groups, the sales of soft drinks (including kvass) increased clearly by more than 19 percent, and the sales of long drinks also increased by almost 18 percent. Correspondingly, the sales of ciders declined by almost 14 percent. The sales of the company’s beers declined by approximately four percent.

Volfas Engelman has improved its market position in the declining Lithuanian beverage market. In the largest product group, beers, the company is the number three player and has succeeded in clearly increasing its market share on the previous year. The company’s market share in beers was 19 (14) percent (Nielsen, October-November 2013). The company is the clear market leader in long drinks and kvass. In ciders it belongs to the top two players. (Nielsen, October-December 2013).

The company’s net sales in 2013 were almost on a par with the previous year at 34.1 (34.2) million euro in spite of the slight decline in sales volume.

Operating profit in January-December declined by 0.5 million euro on the previous year to 1.3 (1.8) million euro. Operating profit came to 3.7 (5.1) percent of net sales. The extended depreciation periods had an effect of 0.9 million euro on the operating profit. The company was unable to adapt its operating expenses to the declined sales volume or make sufficient efficiency improvements.

October to December 2013

Volfas Engelman’s development in the fourth quarter outperformed the previous quarters. The company succeeded to turn its sales volume to an upward track in October-December. Sales amounted to 16.5 (14.5) million litres, representing an increase of 2.0 million litres or 14.0 percent. Fourth-quarter net sales also increased by 0.7 million euro or 9.4 percent to 7.9 (7.2) million euro.

The company’s operating profit for October-December stood at 0.2 (0.01) million euro, or 3.1 (0.1) percent of net sales.

OAO LIDSKOE PIVO (Lidskoe Pivo)

January to December 2013

The Belarusian beer market increased in January-December by approximately 7 percent compared to the previous year. At the same time, the sales of ciders declined by approximately 17 percent. The sales of soft drinks (including kvass) increased by some 16 percent.

The total sales of juices and juice drinks increased by almost 60 percent but sales in PET bottles declined by approximately one percent compared to the previous year (Nielsen, October-November 2013).

Lidskoe Pivo's operations developed favourably in 2013. The company's sales amounted to 156.5 (141.5) million litres, representing an increase of 15.0 million litres or 10.6 percent. Among the main product groups, the greatest sales increase was seen in mineral waters, approximately 49 percent. There was also an increase of 10 percent in beer sales. The sales of ciders declined clearly by more than 16 percent, and the sales of juice drinks declined by 5 percent. The sales of soft drinks (including kvass) were on a par with the previous year.

Lidskoe Pivo has retained its market leadership in ciders, kvass and juice drinks. The company's market share in beers has clearly increased on the previous year. The company's market share in soft drinks and mineral waters is approximately 3 percent (Nielsen October-December 2013). The company is the number two player in the Belarusian beverage industry.

The company's exports increased by 7.0 million litres or 49.3 percent in January-December. Exports made 13.6 (10.1) percent of the company's total sales. The main destinations for exports were Russia, Ukraine, Lithuania and Germany.

The company's net sales stood at 68.3 (59.0) million euro, an increase of 9.3 million euro or 15.7 percent. Factors contributing to net sales growth included favourable development of sales volumes and an improved average price of net sales.

Operating profit increased substantially on the previous year. Operating profit from January to December amounted to 10.7 (5.0) million euro, representing an increase of 5.7 million euro or 114.2 percent. The operating profit represented 15.6 (8.4) percent of net sales. 2.0 million euro of the operating profit improvement was attributable to the extended depreciation periods. Factors contributing to improved operating profit included growth in sales volumes, improved average price of net sales and successful cost control.

October to December 2013

Lidskoe Pivo's sales in the fourth quarter increased to 34.1 (30.2) million litres. This represents an increase of 3.9 million litres or 12.8 percent.

Net sales stood at 14.4 (13.7) million euro, an increase of 0.7 million euro or 5.6 percent.

The company's operating profit for October-December improved to 1.2 (0.4) million euro, or 8.2 (3.0) percent of net sales. The operating profit improved by 0.8 million euro.

FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of December 2013 was 295.7 (269.2) million euro. Equity per share at the end of 2013 stood at 8.14 (7.01) euro. The equity to total assets ratio clearly exceeded Olvi Group's long-term target of 50 percent. The actual figure at the end of December was 58.0 (54.8) percent. The gearing ratio declined clearly on the previous year to 26.4 (35.8) percent. The current ratio, which represents the Group's liquidity, was 1.2 (1.3).

The amount of interest-bearing liabilities at the end of 2013 was 52.8 (58.5) million euro, including current liabilities of 24.3 (16.0) million euro.

Olvi Group's gross capital expenditure in 2013 amounted to 35.7 (29.8) million euro. The parent company Olvi accounted for 19.8 million euro, the Baltic subsidiaries for 7.2 million euro and Lidskoe Pivo for 8.7 million euro of the total.

The largest investments in Finland in 2013 included improving the efficiency of internal logistics, automated warehouse operations and automatic picking, increasing the capacity of the juicing facility and improving the pre-treatment of waste water.

In the Baltic states, A. Le Coq’s largest investments include procurements related to improving canning line efficiency, extensions to conveyor systems and acquisition of a can storage hall. Cesu Alus’s investments mainly consisted of extensions to the tank cellar and filtering department, and the acquisition of a light-duty storage hall. Volfas Engelman’s largest investments consisted of an extension to the boiling room and the associated control equipment, an extension to the tank cellar and the introduction of a PET bottle format.

Lidskoe Pivo’s largest investments in 2013 were the second phase of the fermentation cellar extension, extensions to cooling systems, and the acquisition of a light-duty storage hall.

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 mostly been recognised as expenses. The main objective of Olvi Group’s product development is to create new products for profitable and growing beverage segments.

Finland

In January, we launched Putous Cola in 0.33-litre cans. February saw the launches of the TEHO Sport protein bar (40% protein) in chocolate flavour and the Angry Birds snack drink Chocolate 0.33 L.

April will be the month of launching our novelties for the summer. New non-alcoholic products include KevytOlo Lemon mineral water 0.5 L and 1.5 L, KevytOlo Birch Sap juice mineral water 0.5 L, TEHO Lite Boost energy drink in 0.5-litre cans, OLVI soft drinks Jaffa, Jaffa Light, Cola, Cola Light and Lemon in 0.95-litre bottles, Simpsons JaffaX and Simpsons JaffaX Light in 0.33-litre cans, as well as Angry Birds Go soft drink in 0.33-litre cans. In beers, Sandels Wheat beer will be launched in 0.5-litre cans and 30-litre kegs. Sandels Wheat Beer is an unfiltered top-fermented beer. In other alcoholic drinks, A. Le Coq Alcoholic Coctail Cuba Libre and Pina Colada will be launched in 0.33-litre longneck glass bottles. The OLVI cider Fruit Circus will be launched in 0.45-litre bottles and six-packs of 0.33-litre cans.

Olvi’s distribution agreement with Warsteiner will become effective in April and bring the 260-year-old German premium beer to Finland in three versions manufactured in Germany: Warsteiner Premium Fresh in 0.33-litre longneck glass bottles, Warsteiner Premium Verum as a 4.7% retail trade version in cans and 4.8% strength in longneck glass bottles and as draft beer, as well as König Ludwig Weissbier 5.5% in half-litre glass bottles and as draft beer.

Our own Group’s beers will be imported from Estonia: A. Le Coq Imperial Gold 4.8% and A. Le Coq Imperial Ale 5.0% in 0.4-litre glass bottles.

Subsidiaries

For the Christmas season, A. Le Coq of Estonia launched A. Le Coq Christmas Porter 6.5% in 4-packs of half-litre bottles, as well as FIZZ Winter Cider in 0.33-litre longneck glass bottles.

In Latvia, Cesu Alus launched Miezitis Gaišais 4.7% and Miezitis Stiprais 7.1% beers in 2-litre bottles in January. Launches in February included Cēsu Premium Amber 5.2% in 0.568-litre cans and Cēsu Džons 7% Real Men Cola, which is a whisky and cola-flavoured ready-to-drink alcoholic beverage in 0.5-litre cans. March will see the launch of Cēsu Nefiltrētais Lēnalus 5.6% in 0.5-litre glass bottles and Cēsu Džons Mojito 5% in 0.5-litre cans as well as the energy drink Dynami:t Mate in 0.5-litre bottles. March will also be the month of launching the completely new functional range Vitamineral, which will include Mental Performance and Power Performance versions both in 0.75-litre bottles.

Volfas Engelman of Lithuania launched FIZZ Winter, already familiar from Estonia, in October. November saw the launch of the dark beer Šnekorių Tamsus in one-litre bottles with a strength of 7.5%. November was also the month of launching Gera Kaina, which is a melon-flavoured 4.7% cider in one-litre bottles. Two new versions of the 4Fun cider were launched: strawberry-flavoured 6.5% and cactus-lime-flavoured 7.5%, both in 1.0-litre bottles. The Fortas beer brand was extended in December with the dark beer Tamsusis 7.5% in one-litre bottles, and the FIZZ cider brand saw the introduction of a yellow plum flavour.

In Belarus, Lidskoe Pivo launched a new flavour Pomegranate in the BCE Vitamines range in both one-litre and 1.5-litre bottles. The energy drink Dynami:t was extended with the new flavour Dynami:t Juice in 0.5-litre bottles. The Estonian product A. Le Coq Alcoholic Coctail Cuba Libre, which will come to Finland in April, was already launched in Belarus in December.

PERSONNEL

Olvi Group’s average number of personnel in January-December was 1,999 (1,977). The Group’s average number of personnel increased by 22 people or 1.1 percent. The greatest personnel increase was seen in Belarus due to increased sales volumes. Latvia was the only country where personnel was reduced. The total number of personnel at the end of December 2013 was 1,890 (1,905).

Olvi Group’s average number of personnel by country:

Finland	401	(401)
Estonia	314	(313)
Latvia	215	(217)
Lithuania	216	(212)
Belarus	853	(834)
Total	1,999	(1,977)

CHANGES IN CORPORATE STRUCTURE IN 2013

During 2013, Olvi increased its holding in Cesu Alus by a total of 266 shares, which corresponds to 0.09 percent of the company’s share capital. Olvi’s holding in Cesu Alus at the end of December 2013 was 99.76 percent. In November 2013, Olvi also acquired 1,401 shares in Volfas Engelman, corresponding to 0.01 percent of the share capital. Olvi’s holding in Volfas Engelman at the end of December 2013 was 99.58 percent.

Olvi holds 100.0 percent of AS A. Le Coq and 91.58 percent of Lidskoe Pivo. Furthermore, A. Le Coq has a 49.0 percent holding in AS Karme and 20.0 percent holding in Verska Mineraalvee OÜ in Estonia.

OLVI A SHARE AND SHARE MARKET

Olvi’s share capital at the end of December 2013 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.

Detailed information on Olvi's shares and share capital can be found in the tables attached to this financial statements bulletin, in Table 5, Section 4.

The total trading volume of Olvi A shares on Nasdaq OMX Helsinki in 2013 was 2,601,699 (1,793,149) shares, which represented 15.3 (10.5) percent of all Series A shares. The value of trading was 63.9 (32.8) million euro.

The Olvi A share was quoted on Nasdaq OMX Helsinki (Helsinki Stock Exchange) at 28.60 (19.65) euro at the end of 2013. In January-December, the highest quote for the Series A share was 28.75 (20.43) euro and the lowest quote was 19.70 (14.75) euro. The average share price in 2013 was 24.26 (18.26) euro.

At the end of December 2013, the market capitalisation of Series A shares was 487.0 (334.5) million euro and the market capitalisation of all shares was 593.7 (407.9) million euro.

The number of shareholders at the end of December 2013 was 9,522 (9,091). Foreign holdings plus foreign and Finnish nominee-registered holdings represented 21.3 (17.9) percent of the total number of book entries and 6.9 (6.2) percent of total votes.

Foreign and nominee-registered holdings are reported in Table 5, Section 8 of the tables attached to this financial statements bulletin, 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 during 2013. At the end of the reporting period, Olvi held 1,124 Series A shares as treasury shares. Treasury shares held by the company itself are ineligible for voting. Detailed information on treasury shares is provided in Table 5, Section 5 of the tables attached to this financial statements bulletin.

FLAGGING NOTICES

During 2013, Olvi received one flagging notice in accordance with Chapter 2, Section 10 of the Securities Markets Act when The Family Kamprad Foundation notified on 15 March 2013 that its share of holding had increased to 10.37 percent of Olvi's share capital and 2.35 percent of 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.

Strategic and operational 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 operating 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.

Financing risks

Olvi Group operates internationally, and its business involves risks arising from exchange rate fluctuations. Foreign exchange risks arise from the cash flows of purchases and sales in foreign currency, as well as investments in foreign subsidiaries and the conversion of their balance sheet items into euro. Foreign exchange risk is reduced by the fact that most of the Group’s product sales and raw material purchases are denominated in euro.

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.

There have not been any significant changes in Olvi Group’s business risks. A more detailed description of the risks is provided in the Board of Directors’ report and the notes to the financial statements. 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 economic situation has turned slightly better in Europe. However, the development of the beverage markets in Olvi Group’s operating area still seems challenging. Total consumption in the local markets is still expected to decline slightly, with consumption shifting more and more to less expensive products. An increase in the unemployment rate and the resulting decline in consumer purchasing power may also have a negative effect on the demand for the company’s products.

The most substantial factor hampering the predictability of Olvi Group’s business still relates to Belarus and its economic and political outlook for the next few years.

The IAS 29 standard “Financial Reporting in Hyperinflationary Economies” will be applied in Belarus at least until the end of 2014.

NEAR-TERM OUTLOOK

The full-year sales volumes and net sales in 2014 are expected to grow slightly in the current accounting period. The operating profit for 2014 is expected to be on a par with the year 2013.

BOARD OF DIRECTORS’ PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The parent company Olvi plc had 50.6 (45.1) million euro of distributable funds on 31 December 2013, of which profit for the period accounted for 15.8 (12.6) 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 (0.50) euro shall be paid for 2013 on each Series K and Series A share, totalling 13.5 (10.4) million euro. The dividend represents 40.4 (40.3) 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, 23 April 2014. It is proposed that the dividend be paid on 30 April 2014.

No dividend shall be paid on treasury shares.

2) 37.1 million euro shall be retained in the parent company’s non-restricted equity.

FINANCIAL REPORTS IN 2014

Olvi Group’s financial statements, Board of Directors’ report and Corporate Governance Statement 2013 will be published on 20 March 2014. The notice to convene Olvi plc’s Annual General Meeting, which will be held on 16 April 2014 in Iisalmi, will be published on 20 March 2014. 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 2014:

Interim Report for January-March on 30 April 2014,
Interim Report for January-June on 14 August 2014 and
Interim Report for January-September on 30 October 2014.

Further information:
Lasse Aho, Managing Director, Olvi plc, phone +358 290 00 1050 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 financial statements, Table 5

DISTRIBUTION:
NASDAQ OMX Helsinki Ltd
Key media

OLVI GROUP TABLE 1

INCOME STATEMENT

EUR 1,000

	10-12/2013	10-12/2012	1-12/2013	1-12/2012
Net sales	70043	69403*)	327256	304891*)
Other operating income	332	684	983	1020
Operating expenses	-61368	-59636*)	-271391	-253552*)
Depreciation and impairment	-3524	-5836	-13627	-21822
Operating profit	5483	4615	43221	30537
Financial income	812	1382	3105	4871
Financial expenses	-1718	-1297	-4501	-3093
Share of earnings of associates	-11	0	-11	0
Earnings before tax	4566	4700	41814	32315
Taxes ***)	162	-795	-7628	-6151
NET PROFIT FOR THE PERIOD	4728	3905	34186	26164
Other comprehensive income items:				
Translation differences related to				
foreign subsidiaries	-1459	-1745	-2858	527
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3269	2160	31328	26691
Distribution of profit:				
- parent company shareholders	4707	3807	33520	25668
- non-controlling interests	21	98	666	496
Distribution of comprehensive profit:				
- parent company shareholders	3354	2098	30886	26229
- non-controlling interests	-85	62	442	462
Earnings per share calculated from the profit belonging to parent company shareholders, EUR				
- undiluted	0.23	0.18	1.61	1.24
- diluted	0.23	0.18	1.61	1.24

*) The previous year’s net sales in Finland have been adjusted for comparability with the year 2013.

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

The notes constitute an essential part of the financial statements.

OLVI GROUP TABLE 2

BALANCE SHEET

EUR 1,000	31 Dec 2013	31 Dec 2012
ASSETS		
Non-current assets		
Tangible assets	165783	146749
Goodwill	17805	17730
Other intangible assets	2701	2119
Interests in associates	1077	1077
Financial assets available for sale	549	549
Loan receivables and other non-current receivables	349	408
Deferred tax receivables	87	83
Total non-current assets	188351	168715
Current assets		
Inventories	41178	40583
Accounts receivable and other receivables	57705	53345
Income tax receivable	848	693
Other non-current assets available for sale	124	163
Liquid assets	7507	5698
Total current assets	107362	100482
TOTAL ASSETS	295713	269197
SHAREHOLDERS’ EQUITY AND LIABILITIES		
Shareholders’ equity held by parent company shareholders		
Share capital	20759	20759
Other reserves	1092	1092
Treasury shares	-8	-8
Translation differences	-20321	-17687
Retained earnings	167420	141317
	168942	145473
Share belonging to non-controlling interests	2597	1939
Total shareholders’ equity	171539	147412
Non-current liabilities		
Financial liabilities	28483	42474
Other liabilities	0	250
Deferred tax liabilities	3761	3200
Current liabilities		
Financial liabilities	24348	15996
Accounts payable and other liabilities	66704	58669
Income tax liability	878	1196

Total liabilities	124174	121785
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	295713	269197

The notes constitute an essential part of the financial statements.

OLVI GROUP TABLE 3

CHANGES IN OLVI GROUP'S CONSOLIDATED SHAREHOLDERS' EQUITY

EUR 1,000	Share capital	Other reserves	Treasury shares account	Translation differences	Retained earnings	Share of non-controlling interests	Total
Shareholders' equity 1 Jan 2012	20759	1092	-8	-18248	123286	1341	128222
Adjustments for hyperinflation					2685	247	2932
Adjusted shareholders' equity 1 Jan 2012	20759	1092	-8	-18248	125971	1588	131154
Comprehensive income:							
Net profit for the period					25668	496	26164
Other comprehensive income items:							
Translation differences				561		-34	527
Total comprehensive income for the period				561	25668	462	26691
Transactions with shareholders:							
Payment of dividends					-10379	-14	-10393
Total transactions with shareholders					-10379	-14	-10393
Changes in holdings in subsidiaries:							
Acquisition of shares from							
non-controlling interests					20		20
Change in shares held by							
non-controlling interests					37	-37	0
Reduction of share capital						-60	-60
Total changes in holdings in subsidiaries					57	-97	-40
Shareholders' equity 31 Dec 2012	20759	1092	-8	-17687	141317	1939	147412

EUR 1,000	Share capital	Other reserves	Treasury shares account	Translation differences	Retained earnings	Share of non-controlling interests	Total
Shareholders’ equity 1 Jan 2013	20759	1092	-8	-17687	141317	1939	147412
Adjustments for hyperinflation					2945	271	3216
Adjusted shareholders’ equity 1 Jan 2013	20759	1092	-8	-17687	144262	2210	150628
Comprehensive income:							
Net profit for the period					33520	666	34186
Other comprehensive income items:							
Translation differences				-2634		-224	-2858
Total comprehensive income for the period				-2634	33520	442	31328
Transactions with shareholders:							
Payment of dividends					-10379	-44	-10423
Total transactions with shareholders					-10379	-44	-10423
Changes in holdings in subsidiaries:							
Acquisition of shares from							
non-controlling interests					6		6
Change in shares held by							
non-controlling interests					11	-11	0
Total changes in holdings in subsidiaries					17	-11	6
Shareholders’ equity 31 Dec 2013	20759	1092	-8	-20321	167420	2597	171539

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

The notes constitute an essential part of the financial statements.

OLVI GROUP TABLE 4

CASH FLOW STATEMENT

EUR 1,000

	1-12/2013	1-12/2012
Net profit for the period	34186	26164
Adjustments to profit for the period	24214	29754
Change in net working capital	2451	-8967
Interest paid	-4246	-2077
Interest received	530	315
Taxes paid	-7126	-4900
Cash flow from operations (A)	50009	40289
Investments in tangible and intangible assets	-31975	-23757
Sales gains from tangible and intangible assets	220	125
Expenditure on other investments	0	-582
Cash flow from investments (B)	-31755	-24214
Withdrawals of loans	5541	32738
Repayments of loans	-11180	-36179
Dividends paid	-10541	-10377
Increase (-) / decrease (+) in current interest-bearing business receivables	1	0
Increase (-) / decrease (+) in long-term loan receivables	55	-265
Cash flow from financing (C)	-16124	-14083
Increase (+)/decrease (-) in liquid assets (A+B+C)	2130	1992
Liquid assets 1 January	5698	3836
Effect of exchange rate changes	-321	-130
Liquid assets 31 December	7507	5698

The notes constitute an essential part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The accounting policies used for the financial statements 2013 are the same as those used for the annual financial statements 2012, with the following changes implemented as of 1 January 2013:

1) As of the beginning of 2013, marketing subsidies payable to customers on the basis of litres sold have been accounted for as annual discounts under adjustments to sales. These marketing subsidies were previously recognised under other operating expenses. Due to the change, the consolidated net sales and other operating expenses for the previous year have declined by the amount of the marketing subsidies, 7.3 million euro. The change concerned the parent company Olvi.

2) As of the beginning of 2013, Olvi Group's depreciation periods for buildings, production machinery and equipment, as well as storage and fermentation tanks, have been extended to better correspond to their actual economic life. The depreciation period for buildings was extended from 20 to 30 years and the depreciation period for production machinery and equipment from 8 years to 15 years. The depreciation period for tanks was extended from 8 years to 20 years. Due to the change, depreciation declined by 10.1 million euro in 2013.

The financial statements for 1 January to 31 December 2013 have been prepared in compliance with the International Financial Reporting Standards (IFRS), observing the IAS and IFRS standards as well as the official SIC and IFRIC interpretations valid on 31 December 2013.

The Group has adopted the following new or revised standards and interpretations in 2013:

- Amendment to IAS 12 "Income Taxes" concerning deferred taxes
- Amendment to IAS 1 "Presentation of Financial Statements" concerning other comprehensive income items
- Amendment to IAS 19 "Employee Benefits"
- Amendment to IFRS 7 "Financial Instruments: Disclosures" concerning the offset of assets and liabilities
- IFRS 13 "Fair Value Measurement"

The above changes in standards and their interpretations have not had any substantial effect on the income statement, balance sheet or notes.

The information in the financial statements bulletin is presented in thousands of euros (EUR 1000). For the sake of presentation, individual figures and totals have been rounded to full thousands, which causes rounding differences in additions. The ratios are calculated from exact amounts in euros.

1. SEGMENT INFORMATION

SALES BY GEOGRAPHICAL SEGMENT (1,000 litres)

	10-12/2013	10-12/2012	1-12/2013	1-12/2012
Olvi Group total	123313	115525	557232	526753
Finland	35880	34799	159909	148764
Estonia	26928	28485	129314	134027
Latvia	16099	13868	79724	72358
Lithuania	16532	14504	69554	71661
Belarus	34101	30236	156523	141496
- sales between segments	-6227	-6367	-37792	-41553

NET SALES BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	10-12/2013	10-12/2012	1-12/2013	1-12/2012
Olvi Group total	70043	69403*)	327256	304891*)
Finland	26540	27618*)	123608	113612*)
Estonia	16672	16908	81261	80043
Latvia	7287	6722	37571	36185
Lithuania	7857	7185	34139	34245
Belarus	14413	13653	68319	59030
- sales between segments	-2726	-2683	-17642	-18224

*) The previous year’s figures have been adjusted for comparability with the year 2013.

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	10-12/2013	10-12/2012	1-12/2013	1-12/2012
Olvi Group total	5483	4615	43221	30537
Finland	1859	1908	12844	9066
Estonia	2417	2325	15998	13017
Latvia	-208	-157	2458	1654
Lithuania	243	6	1264	1753
Belarus	1178	406	10665	4979
- eliminations	-6	127	-8	68

2. PERSONNEL ON AVERAGE	1-12/2013	1-12/2012
Finland	401	401
Estonia	314	313
Latvia	215	217
Lithuania	216	212

Belarus	853	834
Total	1999	1977

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

	1-12/2013	1-12/2012
Managing Directors	920	931
Chairman of the Board	85	84
Other members of the Board	130	125
Total	1135	1140

4. SHARES AND SHARE CAPITAL

	31 Dec 2013	%
Number of A shares	17026552	82.0
Number of K shares	3732256	18.0
Total	20758808	100.0
Total votes carried by A shares	17026552	18.6
Total votes carried by K shares	74645120	81.4
Total number of votes	91671672	100.0

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

The registered share capital on 31 December 2013 totalled 20,759 thousand euro.

Olvi plc’s Series A and Series K shares received a dividend of 0.50 euro per share for 2012 (0.50 euro per share for 2011), totalling 10.4 (10.4) million euro. The dividends were paid on 22 April 2013. 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 2013. Olvi plc has not acquired more treasury shares or transferred them to others in January-December 2013, which means that the number of Series A shares held by the company was unchanged on 31 December 2013. 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 10 April 2013, 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 2013, the Board of Directors of Olvi plc has not exercised the authorisations granted by the General Meeting.

6. NUMBER OF SHARES *)	1-12/2013	1-12/2012
- average	20757684	20757684
- at end of period	20757684	20757684

*) Treasury shares deducted.

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

	1-12/2013	1-12/2012
Trading volume of Olvi A shares	2601699	1793149
Total trading volume, EUR 1,000	63938	32789
Traded shares in proportion to all Series A shares, %	15.3	10.5
Average share price, EUR	24.26	18.26
Price on the closing date, EUR	28.60	19.65
Highest quote, EUR	28.75	20.43
Lowest quote, EUR	19.70	14.75

8. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 31 DECEMBER 2013

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Finnish total	16340629	78.72	85310021	93.06	9479	99.55
Foreign total	505069	2.43	2448541	2.67	35	0.37
Nominee-registered (foreign) total	16192	0.08	16192	0.02	3	0.03
Nominee-registered (Finnish) total	3896918	18.77	3896918	4.25	5	0.05
Total	20758808	100.00	91671672	100.00	9522	100.00

9. LARGEST SHAREHOLDERS ON 31 DECEMBER 2013

	Series K	Series A	Total	%	Votes	%
1. Olvi Foundation	2363904	890613	3254517	15.68	48168693	52.54
2. Hortling Heikki Wilhelm *)	903488	144194	1047682	5.05	18213954	19.87
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		1902700	1902700	9.17	1902700	2.08
7. Nordea Bank Finland plc, nominee register		1400693	1400693	6.75	1400693	1.53
8. Ilmarinen Mutual Pension Insurance Company		649518	649518	3.13	649518	0.71
9. Skandinaviska Enskilda Banken Ab (Publ)						
Helsinki branch, nominee register		542249	542249	2.61	542249	0.59
10. Autocarrera Oy Ab		460000	460000	2.22	460000	0.50
Others	9648	10974629	10984277	52.90	11167589	12.18
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

	1-12/2013	1-12/2012
Increase	34509	28197
Decrease	-1087	-1122
Total	33422	27075

11. CONTINGENT LIABILITIES

EUR 1,000

	31 Dec 2013	31 Dec 2012
Pledges and contingent liabilities		
For own commitments	2715	7415
Leasing and rental liabilities:		
Due within one year	1238	1240
Due within 1 to 5 years	637	580
Due in more than 5 years	6	7
Leasing and rental liabilities total	1881	1827

Package liabilities	2781	2265
Other liabilities	2000	2000

12. CALCULATION OF FINANCIAL RATIOS

Equity to total assets, % = 100 * (Shareholders' equity held by parent company shareholders + non-controlling interests) / (Balance sheet total – advances received)

Earnings per share = Profit belonging to parent company shareholders / Average number of shares during the period, adjusted for share issues

Equity per share = Shareholders' equity held by parent company shareholders / Number of shares at end of period, adjusted for share issues

Gearing, % = 100 * (Interest-bearing debt – cash in hand and at bank) / (Shareholders' equity held by parent company shareholders + non-controlling interests)