



Apetit

Apetit Plc

Interim Report Q1/2015

Briefing for Analysts and Media 5 May 2015 at 10:00 a.m.

Juha Vanhainen, CEO
Eero Kinnunen, CFO

Main simultaneous positions of trust

- Member of the Board of Directors: Finnish Food and Drink Industries' Federation
- Chairman of the Board of Directors and Member of the HR and Remuneration Committee, Ekokem Oyj

Employment history

- Stora Enso Oyj, Member of the Group Leadership Team 2007-2015
- Executive Vice President, energy, logistics, IT services and wood supply 2013-2015
- Executive Vice President, paper business area 2007-2013
- Country Manager Finland 2008-2013
- Chairman and Member of the Board of Directors of several international subsidiaries and associated companies
- Stora Enso International Office London, Senior Vice President, uncoated fine paper 2003-2007
- Stora Enso Oulu Mill, Mill Director 1999-2003
- Enso Oy and Veitsiluoto Oy, Oulu Paper Mill, management, project and expert positions 1990-1998
- Kemi Oy, department engineer 1988-1990
- **Shareholding in Appetit:** 10 000 shares

Juha Vanhainen

b. 1961, M.Sc. (Tech.)

CEO since 16 March 2015



KOTIMAINEN

CEO's Review
Q1/2015



Wellness from untainted farmland and waters

The Apetit logo is written in a white, elegant script font on a green background.

Food Business

- Frozen vegetables and frozen ready meals

Fresh fish and fish products

- Pre-prepared fresh fruit and vegetable products

Products are sold mainly under the Apetit brand

Main markets in Finland

Other Operatios

Associated company Sucros (20%) produces, sells and markets sugar products for the food industry, trade and export.

SUCROS OY

The Avena logo features a stylized white 'A' with a grain stalk inside, followed by the word 'AVENA' in a bold, sans-serif font, all on an orange background.

Grains and Oilseeds Business

- Trading of grains, oilseeds and feedstuffs
- Vegetable oils
- Feedstuffs

Oilseed products are sold mainly in Finland to food and feed industries, HoReCa-sector and consumers.

In trading the main markets are Finland, the Baltic Region and the EU.

Profitability was unsatisfactory

Measures to improve profitability are underway



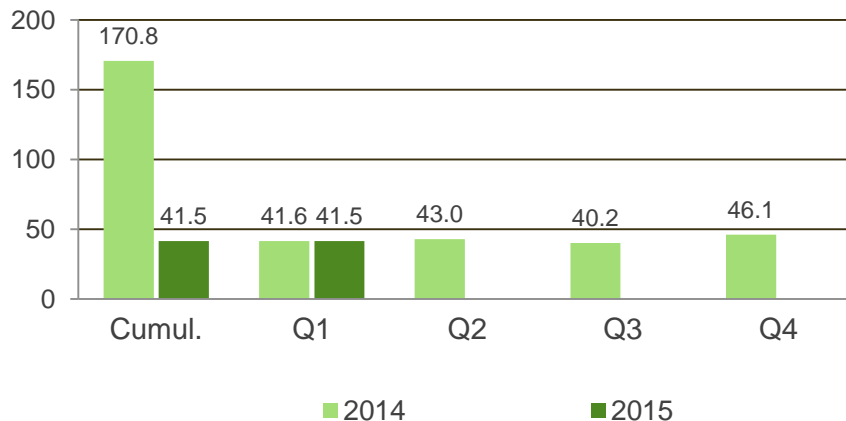
- The profitability programmes progressed as planned. The production structure in fish products group was simplified and the work continues.
- Investment to develop the grain export facilities in Inkoo deep water Port started. The new export capacity will be available already to upcoming harvesting season.
- Net sales rose to EUR 91.5 (88.9) million in the challenging market situation in the food sector.
- Operating profit excluding non-recurring items decreased from the previous year and was EUR -2.3 (-0.2) million.

Food Business

- Sales in the fish products group were up in all countries of operation (Finland, Norway and Sweden).
- Sales of fresh products decreased in the staff restaurant and professional food service sector due to an overall reduction in delivery volumes.
- Sales of the frozen foods group to retailers and the professional food service sector was at the previous year's level.

Food Business net sales

EUR million, comparison 2015/2014

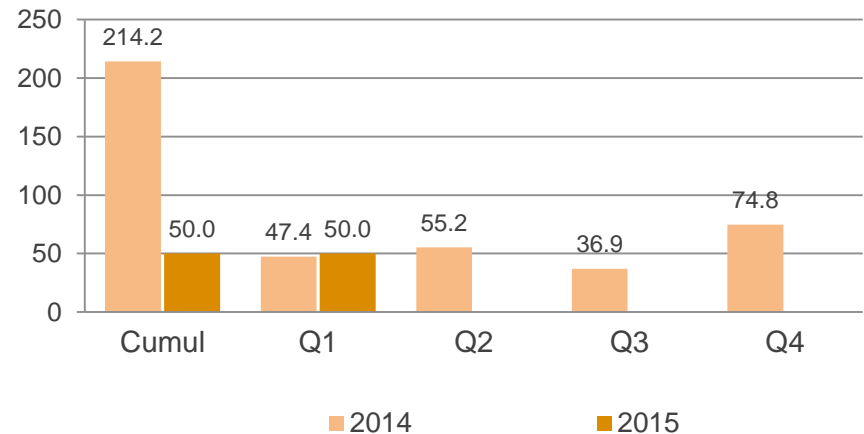


Grains and Oilseeds Business

- Net sales and delivery tonnage increased on the previous year in both the grain trade and oilseed products.
- There was also an increase in the sales of both unpackaged and packaged vegetable oil products.

Grains and Oilseeds Business net sales

EUR million, comparison 2015/2014



The sales of Apetit Kotimainen Domestic product range grew

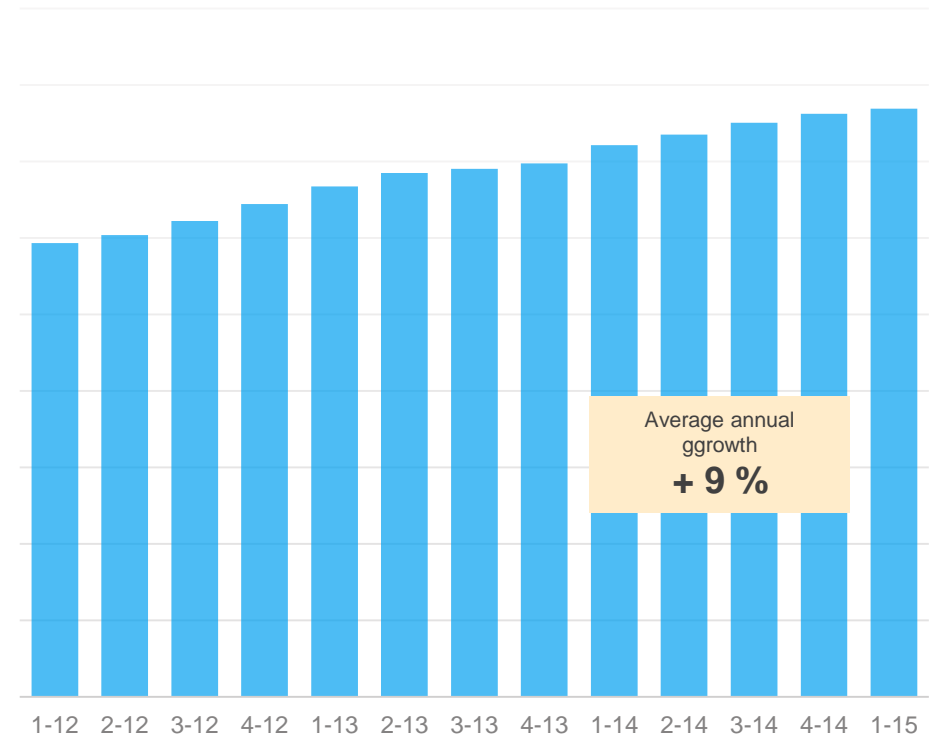
- Sales of the Apetit Kotimainen domestic product range in the frozen foods group grew by 4 per cent on the same period the previous year.
- The frozen food market in Finland has decreased approximately by 1 per cent during the last year.*
- Apetit Kotimainen champignon soup and Apetit Kotimainen lactose-free cream potatoes were introduced in the first quarter.

*Source: Nielsen Homescan, 52 weeks, ending 22 March 2015

Apetit Kotimainen domestic lactose-free mushroom soup was introduced to this soup season.



Apetit Kotimainen domestic frozen product range sales development R12



Food Business EUR -2.4 (-1.5) million

- Significant costs due to marketing and packaging redesign took place in the first quarter.
- In Finland, the profitability of the fish products group and the fresh products group was unsatisfactory.
- The profitability of the fish products group improved in Norway, while in Sweden profitability was still adversely affected by the steep and continued increase in shellfish procurement costs.
- The profitability of the frozen foods group was at a good level.

Grains and Oilseeds Business EUR 1.6 (2.3) million

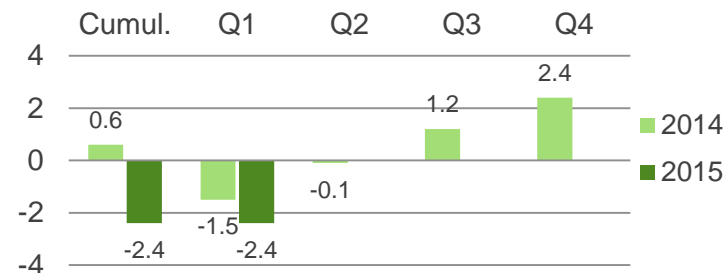
- In the grain trade, profitability improved on the previous year as a result of increased volumes.
- The profitability of oilseed products was lower than the excellent level achieved in the same period a year earlier.

Other Operations EUR -1.4 (-1.0) million

- The result for the associated company Sucros (20% shareholding) was adversely affected by the extremely difficult market situation and a steep decline in the market price of sugar.

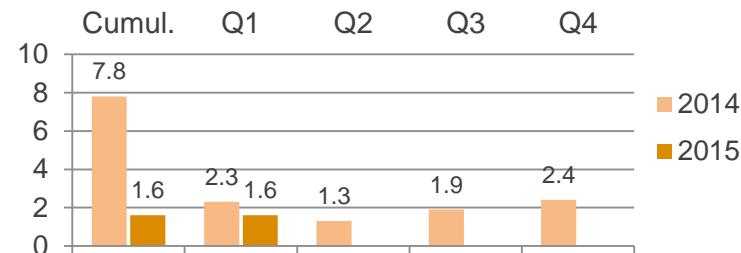
Food Business operating profit

Excluding non-recurring items, EUR million, comparison 2015/2014



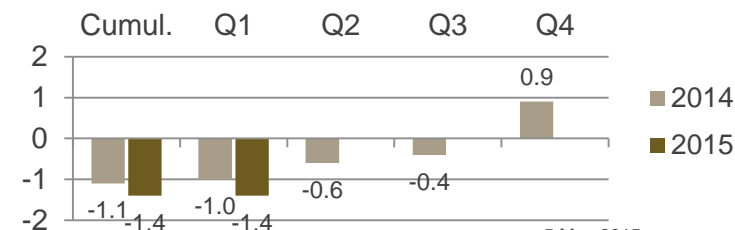
Grains and Oilseeds operating profit

Excluding non-recurring items, EUR million, comparison 2015/2014



Other Operations operating profit

Excluding non-recurring items, EUR million, comparison 2015/2014



Profitability programmes progressed as planned

- The Food Business long-term profitability programmes are the most important projects in Apetit Group in 2014-2015.
 - The aim of the programmes is to achieve a reduction of EUR 4.5 million in annual costs going forward.
 - In addition, the measures to reshape business operations are expected to substantially increase the product groups' competitiveness on the markets.
-
- In the first quarter of the year the production structure was simplified by centralising operations in fish products in the Kuopio and Helsinki.
 - In the first quarter, the impact of these programmes on the cost level of the Food Business was EUR -0.4 million year-on-year.

Profitability programmes

Fish products group, Finland

Fresh products group, Finland

The measures affect

- Sourcing
- Supply Chain
- Production structures
- Sales and product portfolio

Measures to be carried out in 2014 - 2015

Positive effects will start to realize gradually in 2015

Investment in Inkoo grain port underway



- **Avena Nordic Grain Oy, invests EUR 1.8 million in the development of grain reception, storage and export facilities at the Inkoo deepwater port.**
- Three bulk dry stores with a combined total area of 6,120 m².
- Makes grain loading possible into even the largest Panamax-class ships.
- At the initial stage the targeted annual volume is approximately 50,000 tonnes of grain, of which about 80% will be new export volume.
- Centrally located Inkoo will improve the efficiency of grain exporting by allowing direct grain deliveries from farm to port and reducing the need for intermediate storage.
- The investment is scheduled for completion in late summer, allowing to take grain from the autumn harvest.

Expansion of vegetable oil packaging plant

NEITO



- Avena Nordic Grain invests EUR 1.3 million in the expansion of Mildola's vegetable oil packaging plant in Kirkkonummi.
- The expansion will allow further growth in the sales of packaged vegetable oil products and will enable the range of these products to be broadened.
- The higher total capacity at the packaging plant will also improve the utilisation rate of both the production process and the oil milling plant, and thus the overall efficiency of operations.
- Apetit's goal is to become a more important producer of packaged and bulk vegetable oil products in the Baltic region.
- Inauguration of the expanded section of the packaging plant is scheduled for spring 2016.

Outlook for 2015

Outlook was updated on 18 March 2015

The Group's full-year operating profit excluding non-recurring items is expected to fall short of the previous year's level.

Owing to the extremely challenging situation in the sugar market, the associated company Sucros, which is part of the Other Operations segment, is anticipated to make a loss this year.

In Finland, the market situation in the food sector is expected to remain challenging. The aim of the long-term profitability programmes in the Food Business is to improve profitability and competitiveness. The impact of these programmes on the operating profit is expected to be felt in stages during the year as the measures are implemented.

In the Grains and Oilseeds Business, no major change is expected in the prospects for profitability in 2015 compared with the previous year.

Due to the substantial effect of international grain market price fluctuations on the entire Group's net sales, Apetit will not issue any estimates of the expected full-year net sales.

KOTIMAINEN

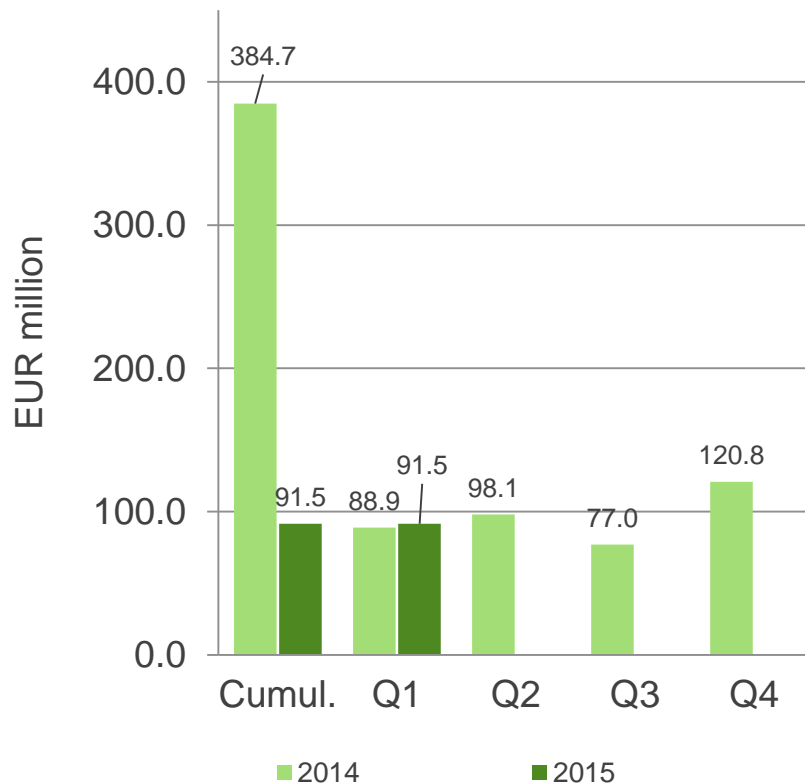


Financials Q1/2015

Apetit Group's net sales and operating profit excluding non- recurring items

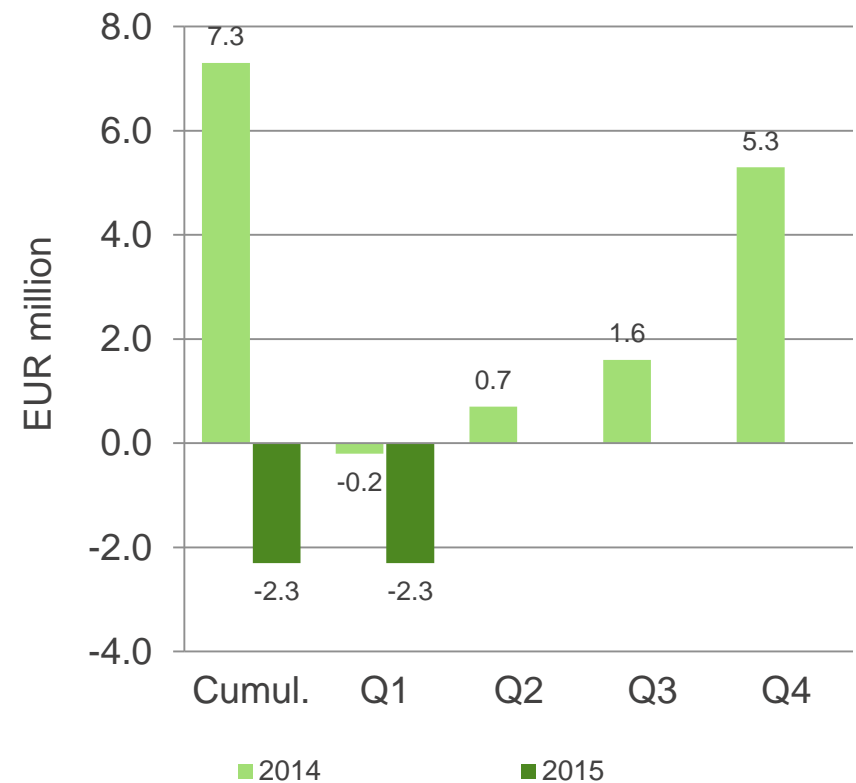
Net sales

Apetit Group, comparison 2015/2014



Operating profit excluding non-recurring items

Apetit Group comparison 2015/2014



Key Figures 1-3/2015

EUR million	Q1/2015	Q1/2014	Muutos	2014
Net sales	91.5	88.9	+3%	384.7
Operating profit excluding non-recurring items	-2.3	-0.2		7.3
Operating profit	-2.3	-0.7		-5.9
Profit before taxes	-2.3	-1.0		-8.1
Profit for the period	-2.3	-1.2		-8.7
Profit for the period, excluding non-recurring items	-2.3	-0.8		3.7
Earnings per share, EUR	-0.31	-0.14		-1.29
Earnings per share, excluding non-recurring items, EUR	-0.31	-0.08		0.72
Equity per share, EUR	19.63	21.77		20.70
Equity ratio, %	68.0	69.5		69.7
Net cash flow from operating activities	0.1	6.4		18.1

Operating profit development by segment

Change Q1/2014 – Q1/2015



Food Business

Changes in the fair value of currency hedges had an impact of EUR -0.2 million

The IAS-2 seasonality effect in the Frozen products group EUR -0.4 million

Impact of the associated company Taimen Oy EUR -0.2 million

Grains and Oilseeds Business

The comparison period included a rebate on energy taxes and a supplementary pension cover refund EUR 0.4 million

Other Operations

The change in the share of the profit of the associated company Sucros EUR -0.5 million



Summary

Apetit's priorities for this year

Profitability in the Food Business is unsatisfactory and measures to improve profitability are underway.

We are investing in Grains and Oilseed Business to develop and grow it's business.

The new CEO's era starts with a comprehensive analysis of the company. The conclusions will follow in the second half of the year.



Herkullista. Kotimaista.
Pakastealtaasta.



Tuoretta kalaa
herkkupöytiin.



Asiantuntevaa vilja- ja
öljykasvikauppaa.



Hyvän aterian ainekset
ammattikeittiöille.

Thank you for your interest!

Contact

Group CEO

Juha Vanhainen

Tel. +358 10 402 00

Firstname.lastname@apetit.fi

www.apetit.fi www.apetitgroup.fi

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