Apetit Plc’s Financial Statements Bulletin for 2014

Fourth quarter (October–December):

- Consolidated net sales amounted to EUR 120.8 (97.3) million, up by 24 per cent.
- Operating profit excluding non-recurring items was EUR 5.3 (5.4) million. The reported operating profit was EUR 5.3 (5.1) million.
- Profit for the period was EUR 3.4 (4.7) million, and earnings per share amounted to EUR 0.57 (0.75).

Financial year (January–December):

- Consolidated net sales amounted to EUR 384.7 (387.3) million, down by 1 per cent.
- Operating profit excluding non-recurring items came to EUR 7.3 (12.2) million. The reported operating profit was EUR -5.9 (9.4) million.
- The non-recurring items included in the reported operating profit were EUR -13.2 (-2.8) million. These consisted of EUR -10.2 million in impairments carried out in the Food Business on the basis of goodwill testing and EUR -3.0 million in expenses related to the arbitration court process between Apetit and Nordic Sugar.
- Profit for the period was EUR -8.7 (9.3) million, and earnings per share amounted to EUR -1.29 (1.63).
- Profit for the period before non-recurring items was EUR 3.7 (9.1) million, and earnings per share before non-recurring items was EUR 0.72 (1.60).
- The equity ratio remained strong and was 69.7 (70.3) per cent.
- Cash flow from operating activities after interest and taxes amounted to EUR 18.1 (24.4) million.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.70 (1.00) per share be paid.

The information in this bulletin is unaudited. The figures in parentheses are the equivalent figures for the same period in 2013, and the comparison period means the corresponding period of the previous year, unless stated otherwise.

Veijo Meriläinen, CEO:

In the last quarter of the year, Apetit’s consolidated operating profit excluding non-recurring items was EUR 5.3 million, which was about the same as a year earlier. Our net sales in the Grains and Oilseeds Business rose sharply on the grain trading side, as a result of the major delivery volumes during the quarter and the general increase in sales.

The profitability figures for the period take account of successes and also areas in which we were unsuccessful. We were especially successful in the Grains and Oilseeds Business, where we managed to increase volumes cost effectively and thus boost profitability, on both the grain markets and in oilseed products. The Food Business picked up thanks to the good profitability of the frozen foods group following the segment's lacklustre earnings trend in the early months of the year, but we cannot be satisfied with the profitability of the fresh products group and the Finnish and Swedish operations of the fish products group. The result for the associated company Sucros was adversely affected by the declining market price of sugar.

In the final quarter, we also continued with the long-term profitability programmes launched in the fish and fresh products groups of the Food Business. The programme measures are being implemented in stages up to the end of 2015, and the aim is to achieve a total reduction of EUR 4.5 million in annual costs. As part of the programme for the fish products group, we focused on simplifying the production structure and concentrating operations at Kuopio and Helsinki during the last quarter of the year.

Aside from the greater or lesser financial successes of the year, 2014 also featured significant changes at Apetit. We continued to put the new, simpler business structure into effect, to implement the Food Business strategy designed to delight consumers and customers, and, in the Grains and Oilseeds Business, to strengthen our position as a grain trade leader in the Baltic region and as a manufacturer and innovator in quality vegetable oil products.

KEY FIGURES

EUR million	Q4/2014	Q4/2013	Change	2014	2013	Change
Net sales	120.8	97.3	+24%	384.7	387.3	-1%
Operating profit excluding non-recurring items	5.3	5.4		7.3	12.2	
Operating profit	5.3	5.1		-5.9	9.4	
Profit before taxes	4.1	4.5		-8.1	9.3	
Profit for the period	3.4	4.4		-8.7	9.3	
Profit for the period excluding non-recurring items	3.4	4.7		3.7	9.1	
Earnings per share, EUR	0.57	0.72		-1.29	1.63	
Earnings per share excluding non-recurring items, EUR	0.57	0.75		0.72	1.60	
Shareholders' equity per share, EUR				20.70	22.90	
Equity ratio, %				69.7	70.3	
Net cash flow from operating activities				18.1	24.4	

NET SALES AND PROFIT

Fourth quarter (October-December):

Consolidated net sales rose to EUR 120.8 (97.3) million. This growth was attributable to the Grains and Oilseeds business.

The operating profit excluding non-recurring items was EUR 5.3 (5.4) million. In the Grains and Oilseeds Business, the profit excluding non-recurring items was up on the comparison period. In the Food Business and Other Operations segments, the operating profit excluding non-recurring items was down on the comparison period. The operating profit excluding non-recurring items includes EUR 1.8 (2.5) million as the share of the profits of associated companies. EUR 0.2 (0.2) million of this is in the Food Business segment and EUR 1.6 (2.3) million is in the Other Operations segment. The non-recurring items totalled EUR 0.0 (-0.3) million.

Financial income and expenses came to a total of EUR -1.3 (-0.6) million. The profit before taxes was EUR 4.1 (4.5) million, and taxes on the profit for the period came to EUR -0.7 (-0.1) million. The result for the period was EUR 3.4 (4.7) million, and earnings per share were EUR 0.57 (0.75).

Financial year (January-December):

Consolidated net sales decreased to EUR 384.7 (387.3) million in 2014. The operating profit excluding non-recurring items was EUR 7.3 (12.2) million. This includes EUR 2.2 (6.2) million as the share of the profits of associated companies. EUR 0.3 (0.6) million of this share is in the Food Business segment, and EUR 1.9 (5.6) million is in the Other Operations segment. The Food Business operating profit for the comparison period included EUR 2.6 million recognised as income in association with the estimated additional purchase price of Caternet Finland Oy. Non-recurring items totalled EUR -13.2 (-2.8) million and were in the Food Business and the Other Operations segment.

Financial income and expenses came to a total of EUR -2.2 (-0.2) million. This includes valuation items of EUR -0.8 (1.0) million with no cash flow implications. The valuation items included EUR -0.8 (-1.2) million in changes in foreign exchange rates for internal loans to the Maritim Food Group. Financial income for the comparison period includes EUR 2.2 million as the change in fair value of the debt concerning the redemption obligation in Apetit Kala Oy’s minority holding, with no cash flow implications. Financial expenses also include EUR -0.9 (-0.6) million as the share of the Avena Nordic Grain Group’s profit attributable to the employee owners of Avena Nordic Grain Oy.

The profit before taxes was EUR -8.1 (9.3) million. Taxes for the financial year came to EUR -0.7 (0,0) million. The profit for the period was EUR -8.7 (9.3) million, and earnings per share amounted to EUR -1.29 (1.63). The profit for the period before non-recurring items was EUR 3.7 (9.1) million, and earnings per share before non-recurring items was EUR 0.72 (1.60).

CASH FLOWS, FINANCING AND BALANCE SHEET

The Group’s liquidity was good and its financial position is strong.

The full-year cash flow from operating activities after interest and taxes was EUR 18.1 (24.4) million. The impact of the change in working capital was EUR 9.8 (17.8) million. Working capital deceased as a result of the market prices in the Grains and Oilseeds business being lower than in 2013 and because of the lower inventory levels.

The net cash flow from investing activities was EUR 2.6 (1.4) million. The cash flow from financing activities came to EUR -9.9 (-28.1) million, and this included EUR -6.2 (-5.6) million in dividend payments.

At the close of the financial year, the Group had EUR 12.0 (14.9) million in interest-bearing liabilities and EUR 13.7 (2.9) million in liquid assets. Net interest-bearing liabilities totalled EUR -1.7 (12.0) million. The consolidated balance sheet total stood at EUR 185.7 (204.4) million. At the end of the period, equity totalled EUR 129.4 (143.6) million. The equity ratio was 69.7 (70.3) per cent and gearing was -1.3 (8.4) per cent. The Group's liquidity is secured with committed credit facilities. EUR 25 (25) million was available in credit at the end of the year. The total of commercial papers issued stood at EUR 8.0 (9.0) million.

INVESTMENT

The Group's gross investment in non-current assets came to EUR 2.5 (3.0) million. Investment in the Food Business totalled EUR 1.9 (2.0) million, in the Grains and Oilseeds Business EUR 0.5 (0.8) million and in Other Operations EUR 0.1 (0.2) million.

PERSONNEL

The Apetit Group employed an average of 723 (782) people in 2014.

SEASONALITY OF OPERATIONS

In accordance with the IAS 2 standard, the historical cost of inventories includes a systematically allocated portion of the fixed production overheads. With production focusing on harvest time, raw materials are processed into finished products mainly during the final quarter of the year, which means that the inventory volumes and balance-sheet values are at their highest at the end of the year. Since the entry of the fixed production overheads included in the historical cost as an expense item is deferred until the time of sale, most of the Group's annual profit is accrued in the final quarter. The seasonal nature of operations is most marked in frozen foods and the operations of the associated company Sucros, where production reflects the crop harvesting season.

In Finland, sales of fish products peak at weekends and in connection with public holidays. In the fish products group in Finland, a significant proportion of the full-year result depends on a successful Christmas season. Due to the growing season for fish, the profit accumulated by the Taimen Group, which is reported as an associated company, is normally smaller during the summer than at other times of the year. Net sales in the Grains and Oilseeds Business vary from one year and quarter to the next, even quite considerably, being dependent on the demand and supply situation and on the price level in Finland and other markets.

OVERVIEW OF OPERATING SEGMENTS

Food Business

EUR million	Q4/2014	Q4/2013	Change	2014	2013	Change
Net sales	46.1	46.0	0 %	170.8	178.5	-4 %
Operating profit excluding non-recurring items	2.0	2.4		0.6	4.0	
Operating profit	2.0	2.4		-9.7	2.0	

Fourth quarter (October-December)

Fourth-quarter net sales in the Food Business amounted to EUR 46.1 (46.0) million. Sales in the fish products group were up in all countries of operation (Finland, Norway and Sweden). Sales of fresh products were down from the same time a year earlier, due to changes in some customer relationships and because of the drop in customer volumes in staff restaurants. In the retail trade, sales of Apetit brand products in the frozen foods group grew by 4 per cent in comparison with the same period a year earlier. This growth was particularly marked in vegetable gratins, soups and potato and chopped vegetable mix for soups. The eye-catching new-look packaging for consumer and professional food service sector products was revealed at the end of the year.

Sales of the Apetit Kotimainen product range continued to grow, and were 4 per cent higher than for the same period in 2013. However, the year-on-year sales growth was slowed by the discontinuation of certain products in the fish products group during 2014. In the frozen foods group, sales growth of the Apetit Kotimainen range continued to be solid. Sales of this range to retailers and professional food service sector customers were up by 7 per cent from the same period the previous year.

The operating profit excluding non-recurring items was lower than a year earlier and came to EUR 2.0 (2.4) million. Profitability in the frozen foods group was good and was also supported by the successful production of the new crop. In Finland, the profitability of the fish products group and the fresh products group was again unsatisfactory. The profitability of the fish products group in Norway improved from a year earlier, while in Sweden profitability was adversely affected by the steep increase in shellfish procurement costs and the delay in transferring these increases to customer prices because of tough competition and long agreement periods.

The fourth-quarter profit impact of the associated company Taimen Oy was EUR 0.2 (0.2) million. Changes in the fair value of currency hedges had an impact of EUR 0.4 (0.0) million on the operating profit. The profit for the period did not include any non-recurring items.

Financial year (January-December)

Full-year net sales in the Food Business decreased to EUR 170.8 (178.5) million in 2014 from the previous year’s level. The decline in net sales is attributable mainly to the lower sales of fresh products. Sales in the fish products group and frozen foods group in euros were at the previous year’s level. In the frozen foods group, sales of Apetit brand products were up, while sales under retailer’s own labels were down.

Sales of the Apetit Kotimainen range grew by 3 per cent overall in 2014, and in the frozen foods group by 8 per cent, in comparison with the previous year. The product group's overall growth was held back by the discontinuation of unprofitable products in the fish products group.

The full-year operating profit excluding non-recurring items in the Food Business was EUR 0.6 (4.0) million. The figure for the comparison period included EUR 2.6 million recognised as income in association with the estimated additional purchase price of Caternet Finland Oy. The share of the profit of the associated company Taimen was EUR 0.3 (0.6) million. The operating profit excluding non-recurring items includes EUR 0.6 million in extraordinary expenses for implementing the profitability programme in the fish products group.

The overhead savings and layoffs that were decided for 2014 in response to the weak state of the market were implemented in the Food Business in Finland. The EUR 1.6 million savings programme in the Food Business for 2014 was fully implemented.

The non-recurring items included in the reported operating profit were EUR -10.2 (-2.0) million. The non-recurring items for the year consisted of impairments recognised on the basis of impairment testing in the third quarter in the fish products group in Norway and Sweden, and in the fresh products group. The non-recurring items in the comparison period consisted of an impairment of EUR 2.0 million recognised on the basis of goodwill testing carried out in the fish products group in Finland.

The average number of people employed in the Food Business decreased from a year earlier, to 630 (699), as a result of the adjustment measures carried out in response to the weak state of the market and unsatisfactory profitability.

Investment in the Food Business amounted to EUR 1.9 (2.0) million and was in replacements at the production plants.

Food Business long-term profitability programmes

Apetit has launched long-term profitability programmes for the fish and fresh products groups of its Food Business in Finland. The measures are to be carried out in stages by the end of 2015 and are expected to have a positive effect on the profitability of the Food Business as of 2015. The aim is to reduce total annual operating costs by EUR 4.5 million in the fish and fresh products groups combined. In addition, the measures to reshape business operations are expected to substantially increase the product groups' competitiveness in the markets.

The measures launched in the fish products group include changes concerning product range optimisation, production structure re-evaluation and a clearer division of responsibilities for production sites in different locations. At the end of November Apetit announced the closure of the Kustavi and Turku sites and the concentration of operations at the larger sites in Kuopio and Helsinki during the first quarter of 2015, as part of the simplification of Apetit's production structure. The immediate impact of this will be reduction of 8 people in the fish products group's personnel.

The long-term profitability programme measures for the fresh products group focus on optimising the product range and raw material procurement, raising operating efficiency to a new level, and developing distribution logistics. These measures will begin in the first half of 2015.

Supreme Administrative Court overturned the recovery decision on Caternet Finland Oy's investment support

In December, the Supreme Administrative Court overturned the decision of the Uusimaa Centre for Economic Development, Transport and the Environment, issued at the start of November 2012, regarding recovery of Caternet Finland Oy's investment support. The Supreme Administrative Court also overturned the Rural Business Appeals Board's decision, issued in May 2013, which had dismissed Caternet Finland Oy's appeal.

The recovery decision by the Uusimaa Centre for Economic Development, Transport and the Environment concerned investment support granted to the Helsinki unit of Caternet Finland Oy in the period 2008–2009. The recovery decision was based on the change of ownership of the company's share capital that occurred on 27 March 2012. The sum claimed for recovery was approximately EUR 2 million. Apetit Plc did not book possible recovery costs during the period 2012–2014, as the appeal process was under way.

Grains and Oilseeds Business

EUR million	Q4/2014	Q4/2013	Change	2014	2013	Change
Net sales	74.8	51.3	+46%	214.2	209.0	+2%
Operating profit excluding non-recurring items	2.4	1.3		7.8	5.1	
Operating profit	2.4	1.3		7.8	5.1	

Fourth quarter (October-December)

Fourth-quarter net sales in the Grains and Oilseeds business were up from a year earlier and totalled EUR 74.8 (51.3) million. The net sales growth was due to the general increase in sales and the delivery tonnage in all markets, and the rescheduling of certain grain deliveries from the third to the fourth quarter. There was also an increase in the sales of unpackaged and packaged vegetable oil products and of expeller.

The fourth-quarter operating profit excluding non-recurring items was EUR 2.4 (1.3) million. Profitability was supported by the steep rise in grain trade volumes, the successful raw material procurement in oilseed products, and the high capacity utilisation rate at the oil milling plant.

Financial year (January-December)

For the Grains and Oilseeds Business, the full-year net sales came to EUR 214.2 (209.0) million. The increase in net sales was due especially to the large grain trade delivery volumes in the final quarter of the year. The increase in comparison with the previous year was restrained by the decline in world market prices in the grain trade.

The operating profit excluding non-recurring items was up from a year earlier, to EUR 7.8 (5.1) million. Profitability was supported by the steep rise in grain trade volumes, the successful raw material procurement in oilseed products, and the strong sales of packaged vegetable oils.

An average of 83 (73) people were employed in the Grains and Oilseeds Business. The increase in personnel was due to the inclusion the Kirkkonummi vegetable oil milling plant's maintenance operation as an in-house activity, and the additional employees needed in grain trade purchasing.

Investment in the financial year came to EUR 0.5 (0.8) million and was mainly replacement investment at the Kirkkonummi vegetable oil milling plant and continued development at the plant. In January 2015, the Grains and Oilseeds Business carried out preparatory work concerning the investment project under way to develop export facilities at the Inkoo deepwater port. The investment project will improve the efficiency and increase the volume of Finnish grain exports from the southern parts of the country to international grain markets and also give a major boost to the export volumes of the Grains and Oilseeds Business. At the initial stage the targeted annual volume at the Inkoo port is approximately 50,000 tonnes of grain, of which about 80 per cent will be new export volume.

Special permit for use of seeds treated with neonicotinoids in rapeseed sowing

In December 2014, the Finnish Safety and Chemicals Agency (Tukes) granted a special permit, valid for spring 2015 sowing, for the use of seeds treated with neonicotinoids in rapeseed sowing, which ensures the availability of Finnish-grown raw materials for the vegetable oil milling needs of the Grains and Oilseeds Business in the coming crop year.

Other Operations

EUR million	Q4/2014	Q4/2013	Change	2014	2013	Change
Net sales	-	-		-	-	
Operating profit excluding non-recurring items	0.9	1.7		-1.1	3.1	
Operating profit	0.9	1.4		-4.0	2.3	

The Other Operations segment comprises the Group Administration, items not allocated under any of the business segments, and the associated company Sucros Ltd (20% holding).

Fourth quarter (October-December)

In Other Operations, the fourth-quarter operating profit excluding non-recurring items was EUR 0.9 (1.7) million. The operating profit includes EUR 1.6 (2.3) million as the share of the profits of associated companies. The result for the associated company Sucros was adversely affected by the decline in the market price of sugar in comparison with the final quarter a year earlier. The non-recurring items totalled EUR 0.0 (-0.3) million.

Financial year (January-December)

The segment's full-year operating profit excluding non-recurring items was down from the previous year, to EUR -1.1 (3.1) million. The operating profit includes EUR 1.9 (5.6) million as the share of the profits of the associated company Sucros. The result for the associated company Sucros was adversely affected by the decline in the market price of sugar and by the exceptionally large post adjustment items for transfer prices in the first quarter. The operating profit excluding non-recurring items takes account of the EUR 0.5 million in expenses related to the change of Apetit Plc's CEO.

Non-recurring items amounted to EUR -3.0 (-0.8) million and comprised expenses paid to external consultants on Apetit Plc's own behalf and those ordered to be paid by it in the arbitration court case, which ended in mid-August, concerning the shareholder agreement dispute between Apetit Plc and Nordic Sugar. The end of the arbitration court case was announced in a stock exchange release on 19 August 2014.

A total of 10 (10) people were employed in the Other Operations segment.

Investment in non-current assets in Other Operations totalled EUR 0.1 (0.2) million.

USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

On 28 March 2012, the Annual General Meeting authorised the Board of Directors of Apetit Plc to decide on issuing new shares and on transferring treasury shares held by the company. In accordance with the decision regarding Board members' remuneration, 797 Apetit Plc shares held by the company were transferred to the Board members on 3 June 2014, and 888 and 1,037 shares held by the company were transferred to the Board members on 3 September 2014 and 2 December 2014, respectively. The transfers were announced in stock exchange releases dated 3 June 2014, 3 September 2014 and 2 December 2014.

SHARE TURNOVER

A total of 1,030,508 (700,132) Apetit Plc shares were traded on the stock exchange during the financial year, representing 16.3 (11.1) per cent of the total number of shares. The highest share price quoted was EUR 21.63 (19.64) and the lowest EUR 13.56 (14.41). The average price of shares traded was EUR 16.42 (16.77). The share turnover for the period was EUR 16.9 (11.7) million. The year-end share price was EUR 13.59 (19.45), and the market capitalisation was EUR 85.9 (122.9) million.

FLAGGING ANNOUNCEMENTS

On 10 November 2014, EM Group Oy announced that it had sold a total of 1,480 Apetit Plc shares, decreasing its holding of Apetit Plc's share capital to less than 5 per cent. Following the share transaction, made on 5 November 2014, the number of Apetit Plc shares owned by EM Group Oy was 314,520. This corresponds to 4.98 per cent of the total number of Apetit Plc shares and 5.08 per cent of the votes.

OWN SHARES

At the close of the financial year, the company had in its possession a total of 127,278 of its own shares acquired during previous years. These treasury shares represent 2.0 per cent of the company's total number of shares and votes. The company's treasury shares carry no voting or dividend rights.

EVENTS AFTER THE END OF THE REVIEW PERIOD

On 13 January 2015, Avena Nordic Grain Oy, which is part of the Apetit Group, announced that it will invest EUR 1.8 million in the development of grain exporting facilities at the Inkoo deepwater port. The investment project will improve the efficiency and increase the volume of Finnish grain exports from the southern parts of the country to international grain markets. At the initial stage the targeted annual volume at the Inkoo port is approximately 50,000 tonnes of grain, of which about 80 per cent will be new export volume.

CORPORATE ADMINISTRATION AND AUDITORS

At its organisational meeting on 11 April 2014, Apetit Plc's Supervisory Board appointed Harri Eela as chairman and Marja-Liisa Mikola-Luoto as deputy chairman of the Supervisory Board.

Esa Härmälä, Aappo Kontu, Tuomo Lähdesmäki, Veijo Meriläinen, Samu Pere and Helena Walldén were elected as members of the Board of Directors. Aappo Kontu was appointed as chairman of the Board of Directors and Veijo Meriläinen as deputy chairman.

It was decided that the Board members will be paid an annual remuneration of EUR 19,560, and that the chairman and deputy chairman will receive an annual remuneration of EUR 39,060 and EUR 24,120, respectively. A total of 50 per cent of the annual remuneration will be paid in cash and 50 per cent in the form of Apetit Plc's shares held by the company at the current value of the shares at the time of transfer.

The remuneration will be paid in euros in four equal share and cash payments in June, September, December and March. It was also decided that the chairman and members of the Board of Directors will be paid a meeting allowance of EUR 510 and EUR 300, respectively. The deputy chairman will not be paid annual remuneration or a meeting allowance while serving as the company's CEO.

Hannu Pellinen, APA, and PricewaterhouseCoopers Oy, Authorised Public Accountants, with Pasi Karppinen, APA, as responsible auditor, were selected as auditors for Apetit Plc by the Annual General Meeting on 26 March 2014.

CEO

On 19 September 2014, the Apetit Plc Board of Directors appointed Juha Vanhainen, M.Sc. (Tech.) (born 1961) as CEO of Apetit Plc. Vanhainen will take up the post of CEO on 16 March 2015. He will be transferring from Stora Enso Oyj.

Until then, deputy chairman of the Board of Directors Veijo Meriläinen, who was appointed CEO of Apetit Plc on 29 April 2014, will continue as CEO while also seeing to his duties as Board duties.

SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for the Apetit Group are related to the management of raw-material price changes and currency risks, the availability of raw materials, the solvency of customers, the delivery performance of suppliers and service providers, changes in the Group's business sectors and customer relationships, and the success of the profitability programmes in the Food Business.

OUTLOOK FOR 2015

The Group's full-year operating profit excluding non-recurring items is expected to improve from the previous year's level. However, it is anticipated that the operating profit excluding non-recurring items for the first quarter of the year will be lower than in the same quarter a year earlier.

The market conditions in the food sector in Finland are 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. In the Other Operations segment, lower market prices for sugar are expected to weaken the result for the associated company Sucros.

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.

BOARD OF DIRECTORS’ PROPOSALS CONCERNING PROFIT MEASURES AND DISTRIBUTION OF OTHER UNRESTRICTED EQUITY

The aim of the Board of Directors of Apetit Plc is to ensure that the company’s shares provide shareholders with a good return on investment and retain their value. In line with its policy, the company distributes in dividends at least 40 per cent of the profit for the financial year attributable to shareholders of the parent company.

After deduction of the loss for the financial year, at EUR -6,433,613.00, the parent company’s distributable funds totalled EUR 73,360,988.66 on 31 December 2014.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.70 per share be paid for 2014. The Board will propose that a total of EUR 4,331,891.27 be distributed in dividends and that EUR 69,029,097.39 be left in equity.

No dividend will be paid on shares held by the company.

No significant changes have taken place in the financial standing of the company since the end of the financial year. The company’s liquidity is good and, in the view of the Board, will not be jeopardised by the proposed distribution of dividends.

PUBLICATION OF ANNUAL REPORT AND ANNUAL GENERAL MEETING

Apetit Plc’s Annual Report for 2014 - including the Board of Directors’ report, the financial statements for 2014 and a separate statement on Apetit Plc’s corporate governance – will be published in the week beginning on 2 March 2014 on the company’s website at www.apetitgroup.fi/investors.

The Annual General Meeting is planned for 25 March 2015 and will be held in Säkylä. The company will publish its interim report for January-March 2015 on Tuesday, 5 May 2015 at 8.30 a.m.

CONSOLIDATED INCOME STATEMENT

EUR million

	Q4 2014	Q4 2013	**Q1-Q4 2014**	Q1-Q4 2013
Net sales	**120.8**	97.3	**384.7**	387.3
Other operating income	**0.9**	0.5	**2.1**	4.1
Operating expenses	**-116.7**	-93.5	**-378.0**	-379.2
Depreciation	**-1.3**	-1.6	**-6.4**	-7.1
Impairments	**0.0**	0.0	**-10.4**	-2.0
Share of profits of associated companies	**1.8**	2.5	**2.2**	6.2
Operating profit	**5.3**	5.1	**-5.9**	9.4
Financial income and expenses	**-1.3**	-0.6	**-2.2**	-0.2
Profit before taxes	**4.1**	4.5	**-8.1**	9.3
Income taxes	**-0.7**	-0.1	**-0.7**	0.0
Profit for the period	**3.4**	4.4	**-8.7**	9.3
Attributable to				
Equity holders of the parent	**3.5**	4.4	**-8.0**	10.1
Non-controlling interests	**-0.1**	0.0	**-0.7**	-0.8
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	**0.57**	0.72	**-1.29**	1.63

STATEMENT OF COMPREHENSIVE INCOME

EUR million

	Q4 2014	Q4 2013	**Q1-Q4 2014**	Q1-Q4 2013
Profit for the period	**3.4**	4.4	**-8.7**	9.3
Other comprehensive income				
Items which may be reclassified subsequently to profit or loss:				
Cash flow hedges	**0.1**	0.5	**0.5**	0.0
Taxes related to cash flow hedges	**0.0**	-0.1	**-0.1**	0.0
Remeasurements of post employment benefit obligations	**-**	-0.3	**-**	-0.3
Translation differences	**-0.1**	-0.3	**-0.1**	-1.4
Total comprehensive income	**3.4**	4.3	**-8.5**	7.6
Attributable to				
Equity holders of the parent	**3.5**	4.3	**-7.7**	8.4
Non-controlling interests	**-0.1**	0.0	**-0.7**	-0.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	31 Dec 2014	31 Dec 2013
ASSETS		
Non-current assets		
Intangible assets	**8.4**	9.3
Goodwill	**0.4**	9.7
Tangible assets	**41.1**	45.8
Investment in associated companies	**34.9**	37.5
Available-for-sale financial assets	**0.1**	0.1
Receivables	**0.4**	0.4
Deferred tax assets	**3.1**	2.5
Non-current assets total	**88.5**	105.3
Current assets		
Inventories	**53.8**	64.0
Receivables	**29.6**	31.0
Income tax receivable	**0.1**	1.3
Financial assets at fair value through profits		0.1
Cash and cash equivalents	**13.7**	2.8
Current assets total	**97.2**	99.2
Total assets	**185.7**	204.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	31 Dec 2014	31 Dec 2013
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent	**128.1**	141.7
Non-controlling interests	**1.2**	1.9
Total equity	**129.4**	143.6
Non-current liabilities		
Deferred tax liabilities	**4.7**	5.0
Long-term financial liabilities	**2.6**	4.0
Non-current provisions	**0.4**	0.6
Other non-current liabilities	**2.7**	2.8
Non-current liabilities total	**10.5**	12.3
Current liabilities		
Short-term financial liabilities	**9.4**	11.0
Income tax payable	**0.6**	0.2
Trade payables and other liabilities	**35.7**	37.1
Short-term provisions	**0.1**	0.1
Current liabilities total	**45.9**	48.5
Total liabilities	**56.3**	60.8
Total equity and liabilities	**185.7**	204.4

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	Q1-Q4 2014	Q1-Q4 2013
Net profit for the period	**-8.7**	9.3
Adjustments, total	**18.1**	0.7
Change in net working capital	**9.8**	17.8
Interests paid	**-1.1**	-1.7
Interests received	**0.1**	0.1
Taxes paid	**-0.1**	-1.9
Net cash flow from operating activities	**18.1**	24.4
Investments in tangible and intangible assets	**-2.5**	-3.0
Proceeds from sales of tangible and intangible assets	**0.1**	0.0
Dividends received from investing activities	**5.0**	4.4
Net cash flow from investing activities	**2.6**	1.4
Proceeds from and repayments of short-term loans	**-2.3**	-20.8
Proceeds from and repayments of long-term loans	**-1.4**	-1.6
Payments of finance lease liabilities	**-0.1**	-0.2
Dividends paid	**-6.2**	-5.6
Cash flows from financing activities	**-9.9**	-28.1
Net change in cash and cash equivalents	**10.8**	-2.4
Cash and cash equivalents at the beginning of the period	**2.8**	5.2
Cash and cash equivalents at the end of the period	**13.7**	2.8

STATEMENT OF CHANGES IN SHAREHOLDERS´EQUITY

A = Shareholders' equity at 1 January
B = Dividend distribution
C = Transactions with NCI
D = Other changes
E = Total comprehensive income
F = Shareholders' equity at 31 Dec

January - December 2014
EUR million

	A	B	C	D	E	F
Share capital	**12.6**					**12.6**
Share premium account	**23.4**					**23.4**
Net unrealised gains	**-0.2**				**0.4**	**0.2**
Other reserves	**7.2**					**7.2**
Own shares	**-1.8**			**0.0**		**-1.7**
Translation differences	**-0.3**				**-0.1**	**-0.5**
Retained earnings	**100.7**	**-6.2**	**0.0**	**0.3**	**-8.0**	**86.8**
Attributable to equity holders of the parent	**141.7**	**-6.2**	**0.0**	**0.4**	**-7.7**	**128.1**
Non-controlling interests (NCI)	**1.9**			**0.0**	**-0.7**	**1.2**
Total equity	**143.6**	**-6.2**	**0.0**	**0.4**	**-8.5**	**129.4**

January - December 2013
EUR million

	A	B	C	D	E	F
Share capital	12.6					12.6
Share premium account	23.4					23.4
Net unrealised gains	-0.2				0.0	-0.2
Other reserves	7.2					7.2
Own shares	-1.8					-1.8
Translation differences	1.1				-1.4	-0.3
Retained earnings	96.0	-5.6	0.0	0.2	10.1	100.7
Attributable to equity holders of the parent	138.4	-5.6	0.0	0.2	8.6	141.7
Non-controlling interests (NCI)	2.8		0.0		-0.8	1.9
Total equity	141.2	-5.6	0.0	0.2	7.8	143.6

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Financial Statement Bulletin has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2013.

SEGMENT INFORMATION
EUR million

A = Food Business
B = Grains and Oilseeds Business
C = Other Operations
D = Total

Operating segments,
January - December 2014
EUR million

	A	**B**	**C**	**D**
Total segment sales	**170.8**	**214.2**		**385.0**
Intra-group sales	**-0.2**	**-0.1**		**-0.3**
Net sales	**170.6**	**214.1**		**384.7**
Share of profits of associated companies included in operating profit	**0.3**		**1.9**	**2.2**
Operating profit	**-9.7**	**7.8**	**-4.0**	**-5.9**
Gross investments in non-current assets	**1.9**	**0.5**	**0.1**	**2.5**
Corporate acquisitions and other share purchases				
Depreciations	**5.4**	**0.7**	**0.3**	**6.4**
Impairments	**10.4**			**10.4**
Average number of personnel	**630**	**83**	**10**	**723**

Operating segments,
January - December 2013
EUR million

	A	B	C	D
Total segment sales	178.5	209.0		387.5
Intra-group sales	-0.2	0.0		-0.2
Net sales	178.3	209.0		387.3
Share of profits of associated companies included in operating profit	0.6		5.6	6.2
Operating profit	2.0	5.1	2.3	9.4
Gross investments in non-current assets	2.0	0.8	0.2	3.0
Corporate acquisitions and other share purchases				
Depreciations	6.0	0.8	0.3	7.1
Impairments	2.0			2.0
Average number of personnel	699	73	10	782

KEY INDICATORS

	31. Dec 2014	31 Dec 2013
Shareholders' equity per share, EUR	**20.70**	22.90
Equity ratio, %	**69.7**	70.3
Gearing, %	**-1.3**	8.4
Gross investments in non-current assets, EUR million	**2.5**	3.0
Corporate acquisitions and other share purchases, EUR million		
Average number of personnel	**723**	782
Average number of shares, 1,000 pcs	**6188**	6188

The key figures in this Interim Report are calculated with same accounting principles than presented in the 2013 annual financial statements.

COLLATERALS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND OTHER COMMITMENTS

EUR million

	31 Dec 2014	31 Dec 2013
Mortgages given for debts		
Real estate and corporate mortgages	**1.5**	2.4
Guarantees	**9.1**	9.5
Non-cancellable other leases, minimum lease payments		
Real estate leases	**6.7**	6.8
Other leases	**0.9**	1.0
DERIVATIVE INSTRUMENTS		
Outstanding nominal values of derivate instruments		
Interest rate swaps	**3.0**	4.2
Forward currency contracts	**8.3**	5.7
Commodity derivative instruments	**14.7**	1.7
CONTINGENT ASSETS		
The present value of proceeds from the sale of shares in the joint entry account	**0.7**	0.7

OTHER COMMITMENTS

Based on the shareholder agreements on the ownership arrangement between Apetit Kala Oy and Taimen Oy, once certain terms and conditions are met the contracting parties are entitled to terminate the cross ownership at fair value. The liability in any termination of ownership EUR 2.7 (2.6) million is, on the basis of IAS 32, recognised under non-current liabilities. The receivable arising in connection with this may not, under IFRS rules, be recognised.

ADDITIONAL PURCHASE PRICE

In the terms for acquiring Caternet Finland Oy it was agreed that the price would include a variable element comprising an additional purchase price of EUR 0-6 million, which would be tied to the operating profit for 2012-2013. The initial estimate of the additional purchase price, which was EUR 3.7 million, was reduced in 2012 by EUR 1.2 million in regard to the element tied to the operating profit for 2012. During 2013 in regard to the element tied to the operating profit for 2013 EUR 2.6 million has been recognised as income under other operating income in the operating profit for Food Business.

MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REVIEW PERIOD

On 13 January 2015, Avena Nordic Grain Oy, which is part of the Apetit Group, announced that it will invest EUR 1.8 million in the development of grain exporting facilities at the Inkoo deepwater port. The investment project will improve the efficiency and increase the volume of Finnish grain exports from the southern parts of the country to international grain markets. At the initial stage the targeted annual volume at the Inkoo port is approximately 50,000 tonnes of grain, of which about 80 per cent will be new export volume.

CHANGES IN TANGIBLE ASSETS

EUR million

	31 Dec 2014	31 Dec 2013
Book value at the beginning of the period	**45.8**	49.8
Additions	**1.9**	2.3
Disposals	**-0.4**	-0.6
Depreciations and impairments	**-6.0**	-5.4
Other changes	**-0.2**	-0.3
Book value at the end of the period	**41.1**	45.8

TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT VENTURES

EUR million

	Q1-Q4 2014	Q1-Q4 2013
Sales to associated companies	**1.4**	1.2
Purchases from associated companies	**10.0**	10.1

	31 Dec 2014	31 Dec 2013
Trade receivables and other receivables from associated companies	**0.8**	0.8
Trade payables and other liabilities to associated companies	**0.7**	0.8

In Espoo, 25 February 2015

APETIT PLC

Board of Directors