

**Apetit Plc**

**Q1**

**2016**



## Operational EBIT improved - strong progress in Seafood

January – March

- Consolidated net sales amounted to EUR 87.5 (91.5) million
- Operational EBITDA was EUR 0.6 (0.2) million
- Operational EBIT was EUR -1.0 (-1.6) million
- The profit for the period came to EUR -2.2 (-2.3) million, and earnings per share amounted to EUR -0.35 (-0.31).

The information in this Interim Report has not been audited. The figures in parentheses are the equivalent figures for the same period in 2015, and the comparison period means the corresponding period of the previous year, unless stated otherwise.

The profit guidance remains unchanged. The Group's full-year operational EBIT is expected to improve year-on-year (EUR 2.6 million in 2015). Due to the seasonal nature of the Group's operations, a high proportion of the annual profit is accrued in the second half of the year.

*Juha Vanhainen, CEO:*

"I am satisfied with the Group's profitability trend compared with the previous year. We will continue to work to improve operational profitability. I am particularly pleased with the improvement in the profitability of the Seafood segment, which has been experiencing difficulties for a long time, in all of its countries of operation. The measures implemented within the profitability programmes are producing results and I anticipate this development to continue. Market prices in grain trading declined at the beginning of the year and this lowered activity and increased uncertainty on the markets.

On our Capital Market Day held on 1 March 2016 we presented our new strategy for the 2016–2018 period. Our strategy is to improve Apetit's profitability and make Apetit the leader in vegetable-based food solutions. Renewal will be accelerated by investing in new food solutions and in product development in current product lines, in increasing added value and in service development, especially by exploiting digitalisation. In Oilseed Products we will focus on strengthening product leadership and increasing the level of added value. In the Grain Trade our goal is to grow in the Baltic region. In

Seafood our goal is to become the most efficient producer of volume and added-value products as a retail trade partner.

The desire to grow and renew are significant drivers of our strategy. At the beginning of March we announced that we would be launching a new food solution, Apetit Tuorekset, on the market in the autumn. We have started piloting these products in over 70 retail trade stores in April. Tuorekset are diverse, consumer-packaged, ready-to-use vegetables. As they are pre-washed, peeled and chopped they are always ready for use in various dishes and meal preparation situations. In the development of the Tuorekset products we focused in particular on retaining freshness and on developing a packaging solution to support this. Based on consumer research and preliminary feedback from shops we believe the new concept has strong sales potential.

In line with our new vision we want to be a leader in creating completely new, digital solutions for food and services for the food supply chain from primary producers to consumers. Our innovation project “Digital services for food” that was planned at the beginning of the year received a positive funding decision from the Finnish Funding Agency for Innovation (Tekes) at the end of April and we have launched work to develop a new type of digital consumer service ecosystem to meet the changing needs of food consumption.”

#### GROUP-LEVEL KEY FIGURES

EUR million	Q1 2016	Q1 2015	Change	2015	Rolling 12 m
Net sales	87.5	91.5	- 4%	380.8	376.9
Operational EBITDA	0.6	0.2		8.5	8.9
Operational EBIT	-1.0	-1.6		2.6	3.2
Operating profit	-1.0	-1.6		-1.0	-0.4
Profit for the period	-2.2	-2.3		-4.6	-4.5
Earnings per share, EUR	-0.35	-0.31		-0.69	-0.73
Equity per share, EUR	18.52	19.63		19.53	
Working capital	62.2	42.5		69.6	52.7
Operational return on capital employed, (ROCE %)				1.2%	1.4%
Net cash flow from operating activities	3.2	0.1		-17.1	
Equity ratio	62.3%	68.0%		61.1%	
Gearing	20.6%	-0.3%		19.0%	
Investment	4.1	1.9		9.1	

On 1 March 2016 Apetit announced the changes made to its segment structure. From the beginning of 2016, the new reporting business segments have been Food Solutions, Oilseed Products, Grain Trade and Seafood.

The Food Solutions business comprises the frozen foods group and fresh products group, and also service sales. The Oilseed Products business includes the processing and sales of vegetable oils and expeller meals. The Grain Trade business comprises the Finnish and international trade in grains, oilseeds and feed raw-materials. The Seafood business comprises the operations of the fish products group in Finland, Sweden and Norway.

As of the beginning of 2016 the associated company Sucros (holding 20%) will be reported after operating profit in the income statement and group administration expenses are allocated evenly to the operating segments.

## SEGMENT COMPARISON

	Net sales			Operational EBIT	
	Q1/2016	Q1/2015	Change	Q1/2016	Q1/2015
Food Solutions	25.0	23.9	+ 5%	-1.2	-0.9
Oilseed Products	16.5	16.0	+ 3%	0.7	0.7
Grain Trade	30.8	37.9	- 19%	0.4	0.5
Seafood	20.5	20.8	- 1%	-0.9	-1.8
Intra-segment net sales	-5.3	-7.2			
Total	87.5	91.5	-4%	-1.0	-1.6

## NET SALES AND PROFIT

### *First quarter (January–March)*

Consolidated net sales declined to EUR 87.5 (91.5) million. Net sales declined in Grain Trade and Seafood and increased in Food Solutions and Oilseeds Products.

Operational EBIT was EUR -1.0 (-1.6) million. The reported operating profit was EUR -1.0 (-1.6) million.

The share of the profit of associated companies was EUR -1.0 (-1.0) million, and during the review period this was formed in full of the profit of the associated company Sucros. The net figure for financial income and expenses was EUR -0.3 (0.0) million. In the comparison period financial income and expenses include EUR 0.3 million in valuation items with no cash flow impact related to changes in foreign exchange rates for internal loans to the Maritim Food Group. Financial expenses also include EUR -0.1 (-0.2) 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 -2.3 (-2.3) million, and taxes on the profit for the period came to EUR 0.1 (0.0) million. Profit for the period came to EUR -2.2 (-2.3) million, and earnings per share amounted to EUR -0.35 (-0.31).

## CASH FLOWS, FINANCING AND BALANCE SHEET

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

The first-quarter cash flow from operating activities after interest and taxes amounted to EUR 3.2 (0.1) million. The impact of the change in working capital was EUR 4.5 (1.9) million.

The net cash flow from investing activities was EUR -3.8 (-1.8) million. The cash flow from financing activities came to EUR -10.0 (-3.6) million.

At the end of the period, the Group had EUR 26.4 (8.0) million in interest-bearing liabilities and EUR 2.8 (8.4) million in liquid assets. Net interest-bearing liabilities totalled EUR 23.7 (-0.3) million. The consolidated balance sheet total stood at EUR 184.2 (180.1) million. At the end of the period, equity totalled EUR 114.8 (122.5) million. The equity ratio was 62.3 (68.0) per cent and gearing was 20.6 (-0.3) per cent. The Group's liquidity is secured with committed credit facilities; EUR 45 (25) million was available in credit at the end of the period. The total of commercial papers issued stood at EUR 22.0 (4.0) million.

## INVESTMENT

The Group's gross investment in non-current assets came to EUR 4.1 (1.9) million and was divided as follows: investment in Food Solutions totalled EUR 2.5 (1.0) million, in Oilseed Products EUR 0.6 (0.1) million, in Grain Trade EUR 0.0 (0.5) million and in Seafood EUR 1.0 (0.3) million.

## PERSONNEL

The Apetit Group employed an average of 704 (695) people in the first quarter.

## 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 the Food Solutions' frozen foods group and in the associated company Sucros, due to the link between production and the crop harvesting season.

Harvest seasons also cause seasonal variation in the amount of working capital tied up in operations. Working capital tied up in the Grain Trade and Oilseed Products Business is at its highest towards the end of the year and decreases to its lowest in the summer before the next harvest season. As the production in Food Solutions' frozen products group is also seasonal and follows the harvest period, the working capital tied in operations is at its highest around the turn of the year.

In Finland, sales of fish products peak at weekends and in connection with public holidays. In the Seafood business in Finland, a significant proportion of the full-year result depends on a successful Christmas season. Net sales in the Grain Trade 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 Solutions

The Food Solutions segment comprises frozen vegetable products and frozen ready meals, fresh products, and also service sales.

EUR million	Q1/2016	Q1/2015	Change	2015	Rolling 12 m
Net sales	<b>25.0</b>	23.9	+ 5%	95.8	96.9
Operational EBITDA	<b>-0.3</b>	-0.1		3.5	3.4
Operational EBITDA %	<b>-1.1%</b>	-0.5%		3.7%	3.5%
Operational EBIT	<b>-1.2</b>	- 0.9		-0.1	-0.3
Operating profit	<b>-1.2</b>	- 0.9		-0.1	-0.3

#### *Operating environment*

According to the Finnish Grocery Trade Association, grocery sales increased 1.5 per cent in January–March on the figure for the corresponding period in 2015. Sales developed in two directions: sales in large super- and hypermarkets increased and declined in small shops. Prices of food items and non-alcoholic beverages declined 1.8 per cent in January–March. According to the preliminary data of the Finnish Hospitality Association (MaRa), the net sales of restaurants in Finland in January–March increased on the comparison period. This growth was focused on food restaurants and fast food restaurants while staff restaurants continued to suffer from the poor financial situation in Finland and the decline in the number of diners. Sales performance in the grocery trade and the restaurant sector was affected by the fact that Easter was in March this year, whereas it was in April in the previous year.

#### *Financial and operational performance in January–March*

January–March net sales in the Food Solutions business amounted to EUR 25.0 (23.9) million. Net sales increased on the comparison period on account of good sales performance in frozen products and also on account of the increase in the number of service counters in service sales. In the frozen products group sales increased in all sales channels, to retailers, the food service sector and industry. Sales of fresh products to staff restaurant and professional food service customers decreased due to a reduction in delivery volumes.

In the Food Solutions business operational EBITDA was EUR -0.3 (-0.1) and operational EBIT was EUR -1.2 (-0.9) million, which was a decline from the comparison period. Profitability in the frozen products group was at the level of the comparison period. The seasonal nature of harvest production causes the profit of the frozen foods group to accumulate towards the second half of the year. The result was reduced by the lower sales volumes in the fresh products group.

Investment in the Food Solutions business totalled EUR 2.5 (1.0) million and were targeted mainly at creating production capacity at the fresh product plant in Helsinki for the consumer-packaged, pre-prepared Tuorekset products, and also at the production equipment at the frozen food plant in Säköylä.

On 1 March 2016 Apetit announced that during the spring it would be introducing a completely new product group of ready-to-use, consumer-packaged vegetables for meal preparation, named Tuorekset. Initially the new product group is brought to market with a limited sales piloting in retail stores in the largest towns in Finland. Tuorekset are pre-washed, peeled and chopped vegetables which make daily meal preparation easier and enhance meals. The full commercial launch will take place after the summer holiday season.

#### *Strategic focus areas of business*

The strategic goals for the Food Solutions business over the period 2016–2018 were announced on 1 March 2016. In the Food Solutions business Apetit's goal is to become the leading brand in vegetable-based food solutions and services. The most important product groups are frozen vegetable products and frozen ready meals, ready-to-use fresh vegetables and service sales. Renewal will be accelerated by focusing on product development, on completely new food solutions and service development, and especially by exploiting digitalisation.

In the Food Solutions segment the goal is to reach 20 per cent organic net sales growth by the end of 2018 (2015: EUR 95.8 million). In terms of profitability, the goal is to achieve 7.5 per cent operational EBITDA margin (2015: 3.7%) in 2018.

## Oilseed Products

The Oilseed Products business includes the processing and sales of vegetable oils and expeller meals.

EUR million	Q1 2016	Q1 2015	Change	2015	Rolling 12 m
Net sales	<b>16.5</b>	16.0	+3%	61.3	61.8
Operational EBITDA	<b>0.9</b>	0.9		3.4	3.3
Operational EBITDA %	<b>5.2%</b>	5.6%		5.5%	5.2%
Packaged and special products of net sales	<b>28.5%</b>	29.8%		28.4%	28.0%
Operational EBIT	<b>0.7</b>	0.7		2.7	2.6
Operating profit	<b>0.7</b>	0.7		2.7	2.6

#### *Operating environment*

Thanks to a successful rapeseed crop the availability of oilseeds was good and the quality of the seed high. Based on the sowing intention survey of the Finnish Cereal Committee, the availability of Finnish raw material in the coming crop season is expected to improve on the previous year. According to the farmer survey conducted in March, Finland's total rapeseed area would grow on 2015 and be 63 000 (57 000) hectares.

### *Financial and operational performance in January–March*

The sales of oilseed products and especially vegetable oils increased positively in January–March on the comparison period in Finland and in the export markets of Sweden and Norway. January–March net sales in the Oilseed Products segment amounted to EUR 16.5 (16.0) million. The net sales and delivery volumes in tonnes increased on the comparison period with the increase coming mainly from vegetable oils. Sales of packaged and special products was on the same level as in the comparison period. Exports accounted for about 38% of net sales.

The January–March operational EBITDA was EUR 0.9 (0.9) and operational EBIT was EUR 0.7 (0.7) million. Profitability was supported by high capacity utilisation at the Kirkkonummi oil milling plant.

Investment in the period totalled EUR 0.6 (0.1) million and was mainly on the expansion of the packaging plant at the Kirkkonummi vegetable oil mill, due to be completed in June. The increase in packaging capacity will allow Apetit to increase the volume of packaged and special products.

Oilseed Products' goal is to enhance the added value of its products. In the beginning of March, Apetit launched a new product for the growing pet food and nutrient market. Named Dogi Oil, the rapeseed-based nutrient oil supports the wellbeing of dog hair and skin.

### *Strategic business objectives*

The strategic goals for the Oilseed Products business over the period 2016-2018 were announced on 1 March 2016. In Oilseed Products our goal is to be the first choice of customers who value high-quality vegetable oils and feeds. We will increase the level of added value in production by investing in product development and in-depth R&D.

We will increase the share of packaged and special products so that in 2018 they will account for 34.0 per cent of net sales (2015: 28.4%). In terms of profitability, the goal is to achieve 7.5 per cent operational EBITDA margin (2015: 5.5%) in 2018



## Grain Trade

The Grain Trade business comprises the Finnish and international trade in grains, oilseeds and feed raw-materials.

EUR million	Q1 2016	Q1 2015	Change	2015	Rolling 12 m
Net sales	<b>30.8</b>	37.9	-19%	170.5	163.4
Operational EBIT	<b>0.4</b>	0.5		3.8	3.7
Sales volume, 1000 tn	<b>150</b>	180		830	800
Operational return on capital employed (ROCE %) *)				13.9%	12.1%
Operating profit	<b>0.4</b>	0.5		3.8	3.7

\*) Calculated based on the average balance-sheet values for each quarter.

### *Operating environment*

The grain market was slower than usual at the beginning of the year and trading volumes were down from 2015. Following several successful crop years, grain stocks were at high level internationally and prices declined in the early part of this year. The price outlook of the grain market is not expected to change significantly before information is received on the success of the coming crop year.

### *Financial and operational performance in January–March*

Grain Trade net sales were down in January–March from the comparison period and amounted to EUR 30.8 (37.9) million. Both the net sales and delivery volumes by tonne declined from the comparison period as a result of the quiet market.

The January–March operational EBIT was EUR 0.4 (0.5) million. The operating profit was reduced by smaller trading volumes. In addition, return on investment was reduced by high working capital. On average, Grain Trade stocks were 30 per cent higher in January–March than in the comparison period due to the timing of deliveries.

The Avena stocks in the Inkoo port, inaugurated in the beginning of the crop year, have been in active use and at the beginning of the year feed wheat was stored there for spring deliveries.

There were no investments during the period, while investments in the comparison period totalled EUR 0.5 million.

### *Strategic business objectives*

The strategic objectives for the Grain Trade business for the period 2016–2018 were published on 1 March 2016. The goal is to increase our market share in the Finnish grain, oilseed and feed raw-material markets and to grow especially in the Baltic countries' grain and oilseed sector. In the capital intensive business we will pay particular attention to the effective use of capital. We seek competitive advantage by offering the best service and tools for grain buyers and sellers alike.

The goal in the Grain Trade segment is to increase sales volume to over 1 million tonnes per year in 2018 (2015: 0.83 million tonnes). The targeted operational ROCE percentage for 2018 is 14.0 per cent (2015: 12.1%). \*)

\*) Calculated based on opening and closing balance sheet average values of the approved financial statements.

## Seafood

The Seafood business comprises the operations of the fish products group in Finland, Sweden and Norway.

EUR million	Q1 2016	Q1 2015	Change	2015	Rolling 12 m
Net sales	<b>20.5</b>	20.8	-1%	82.9	82.6
Operational EBITDA	<b>-0.4</b>	-1.1		-2.4	-1.7
Operational EBITDA %	<b>-2.2%</b>	-5.3%		-2.9%	-2.1%
Operating cash flow (operational EBITDA - investment)	<b>-1.4</b>	-1.4		-4.0	-4.0
Operational EBIT	<b>-0.9</b>	-1.8		-3.8	-2.8
Operating profit	<b>-0.9</b>	-1.8		-7.4	-6.4

### *Operating environment*

The price level of Norwegian salmon continued to increase at the beginning of the year and was substantially higher in January–March than in the comparison period. The high price and price volatility of salmon was the result of globally growing demand for fish and the production problems at Chilean fish farms, which have reduced supply. In Finland the price increase has significantly decreased price-driven campaigns in the retail sector and lowered sales volumes.

### *Financial and operational performance in January–March*

January–March net sales in the Seafood business amounted to EUR 20.5 (20.8) million. Easter sales are important for the product group and took place in March this year. As a result of the increased price level of salmon and fewer retail campaigns, sales volumes were lower in Finland than in the comparison period. In Norway the sales of fish products under retailers' private labels developed positively. In Sweden, where the focus is on shellfish products, sales volumes fell from the comparison period due to prices which have significantly increased in the past two years.

The January-March operational EBIT improved and was EUR -0.9 (-1.8) million. Profitability improved on the comparison period in all operating countries: Finland, Sweden and Norway. The investments in efficiency and process improvements made at the Kuopio fish processing plant at the end of 2015 have improved profitability. The final production investments to improve efficiency that were decided at the end of 2015 will be put into operation during the second quarter of this year.

Changes in the fair value of currency hedges had an impact of EUR -0.1 (-0.2) million on the operating profit.

Investment in non-current assets were EUR 1.0 (0.3) million and focused on equipment investment for the Kuopio fish processing plant to improve its production efficiency.

### *Strategic business objectives*

In Seafood the focus will be on improving the efficiency and competitiveness of operations in volume and added value products in all operating countries: Finland, Norway and Sweden. Operations will be developed to achieve the best efficiency in the sector. The sales focus will be on retailers' private label products.

The Seafood segment does not have a defined strategic growth target. Instead, the goal is positive cash flow during the strategy period 2016–2018 (operational EBITDA minus investment).

### USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

On 25 March 2015, 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 a decision regarding Board members' remuneration, a total of 1,396 Apetit Plc shares held by the company were transferred to the Board members on 2 March 2016. The transfers were announced in stock exchange release dated 2 March 2016.

### TREASURY SHARES

At the close of the review period, the company had in its possession a total of 120,893 of its own shares acquired during previous years. These treasury shares represent 1.9 per cent of the company's total number of shares and votes. The company's treasury shares carry no voting or dividend rights.

### SHARE TURNOVER

The number of Apetit Plc shares traded on the stock exchange during the January–March period was 121,910 (163,488), representing 1.6 per cent (2.6%) of the total number of shares. The highest share price quoted was EUR 13.60 (16.48) and the lowest EUR 11.70 (13.93). The average price of shares traded was EUR 12.64 (15.09). The share turnover for the period was EUR 1.5 (2.5) million. At the end of the period, the share price was EUR 13.45 (14.07) and the market capitalisation was EUR 85.0 (88.9) million.

### DECISIONS OF THE ANNUAL GENERAL MEETING

Apetit Plc's Annual General Meeting was held in Säskylä on 31 March 2016. The AGM approved the parent company's financial statements and the consolidated financial statements, and discharged the members of the Board of Directors and of the Supervisory Board and the Chief Executive Officer from liability for the financial year 2015.

#### Dividend distribution

The Annual General Meeting decided to distribute a dividend of EUR 0.70 per share, in accordance with the Board's proposal. The dividend was paid on 12 April 2016.

#### Amendments to the Articles of Association

Section 4 of the Articles of Association

The Annual General Meeting resolved to remove section 4 of the Articles of Association dealing with share-holders who are sugar beet farmers.

## Sections 5 and 8 of the Articles of Association

The Annual General Meeting resolved to amend Articles 5 and 8 of the Articles of Association so as to remove the upper age limit of 68 for members of the Supervisory Board and Board of Directors. In addition, the Annual General Meeting resolved to amend Section 8 of the Articles of Association so that the number of members on the Supervisory Board is 14–18 and the paragraphs concerning personnel representatives on the Supervisory Board are removed.

The Articles of Association adopted by the Annual General Meeting are available on the company's website at [www.apetitgroup.fi](http://www.apetitgroup.fi).

### Appointment of members of the Supervisory Board and its Nomination Committee and appointment of the auditors and their remuneration

It was confirmed that the Supervisory Board shall have 18 members appointed by the Annual General Meeting. Six persons were appointed to replace members of the Supervisory Board completing their term. The following members were re-appointed to the Supervisory Board: Jussi Hantula, Risto Korpela, Jonas Laxåback and Timo Ruippo. Pekka Perälä and Veli-Pekka Suni were appointed as new members to the Supervisory Board.

Sauli Lähteenmäki and Jorma Takanen were elected as the members of the Supervisory Board's Nomination Committee.

Pasi Karppinen, APA, and PricewaterhouseCoopers Oy, Authorised Public Accountants, with Jari Viljanen, APA, as the auditor with principal responsibility, were appointed as the company's auditors for the period ending with the close of the 2017 Annual General Meeting.

The Annual General Meeting decided that the monthly fee paid to the Supervisory Board's chairman will be EUR 1,000, and to the deputy chairman EUR 665. The meeting allowance paid to the members of the Supervisory Board and the Supervisory Board's Nomination Committee will be EUR 300. Compensation for travelling expenses is paid in accordance with the general travel rules of Apetit Plc. The auditors' fees are paid according to invoice approved by the company.

### ORGANISATIONAL MEETING OF THE SUPERVISORY BOARD AND ELECTION OF THE BOARD OF DIRECTORS

At its organisational meeting on 28 April 2016, Apetit Plc's Supervisory Board appointed Harri Eela as chairman and Marja-Liisa Mikola-Luoto as deputy chairman of the Supervisory Board.

The Supervisory Board decided to elect 6 members to Apetit Plc's Board of Directors. Lasse Aho, Esa Härmälä, Aappo Kontu, Seppo Laine, Veijo Meriläinen and Niko Simula were elected as members of the Board of Directors. Veijo Meriläinen was appointed as Chairman of the Board of Directors and Aappo Kontu as Deputy Chairman.

It was decided that the chairman of the Board of Directors will receive an annual remuneration of EUR 39,060, the deputy chairman will receive EUR 24,120 and the members EUR 19,560. 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 four equal payments in euros 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.

## 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, and changes in the Group's business sectors and customer relationships.

## OUTLOOK FOR 2016

In Finland, the market situation in the retail sector is expected to remain challenging. The growth outlook of the Finnish economy is weak. The decline in grain price levels in the early part of the year reduced activity on the international grain market and the market situation is not expected to materially change before better information becomes available on the new crop year.

The Group's full-year operational EBIT \*) is expected to improve year-on-year (2015: EUR 2.6 million). Due to the seasonal nature of the Group's operations, a high proportion of the annual profit is accrued in the second half of the year.

Positive profit performance will be supported by improved cost-efficiency in the Seafood and Food Solutions businesses compared to the previous year and by the renewal of the product selection and increased processing value. The situation in the international grain market is expected to cause uncertainty in the Grain Trade's segment profit performance in the second quarter.

Due to the significant 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.

*\*) Due to the forthcoming amendments to the regulations of the European Securities and Markets Authority (ESMA), Apetit has replaced the key figure "operating profit excluding non-recurring items" with the key figure "operational EBIT" as of 2016. Operational EBIT does not include restructuring expenses, any significant impairment on goodwill or other balance-sheet items or reversal of impairment, the profit of the associated company Sucros or other extraordinary and material items.*

## PUBLICATION DATES FOR FINANCIAL REPORTS

Interim reports for 2016 will be published as follows: January–June on 16 August 2016 at 8.30 am, and January–September on 3 November 2016 at 8.30 am.

## CONSOLIDATED INCOME STATEMENT

EUR million

	Q1 2016	Q1 2015	Q1-Q4 2015
<b>Net sales</b>	<b>87.5</b>	91.5	380.8
Other operating income	<b>0.4</b>	0.0	2.2
Operating expenses	<b>-87.3</b>	-91.3	-378.2
Depreciation	<b>-1.5</b>	-1.4	-6.0
Impairments	<b>0.0</b>	0.0	-0.3
Share of profits of associated companies		-0.3	0.4
<b>Operating profit</b>	<b>-1.0</b>	-1.6	-1.0
Share of profits of associated companies	<b>-1.0</b>	-0.7	-1.0
Financial income and expenses	<b>-0.3</b>	0.0	-1.5
Profit before taxes	<b>-2.3</b>	-2.3	-3.5
Income taxes	<b>0.1</b>	0.0	-1.1
<b>Profit for the period</b>	<b>-2.2</b>	-2.3	-4.6
<b>Attributable to</b>			
Equity holders of the parent	<b>-2.2</b>	-1.9	-4.3
Non-controlling interests		-0.3	-0.3
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	<b>-0.35</b>	-0.31	-0.69

## STATEMENT OF COMPREHENSIVE INCOME

EUR million

	Q1 2016	Q1 2015	Q1-Q4 2015
<b>Profit for the period</b>	<b>-2.2</b>	-2.3	-4.6
<b>Other comprehensive income</b>			
<b>Items which may be reclassified subsequently to profit or loss:</b>			
Cash flow hedges	<b>0.4</b>	-0.4	0.0
Taxes related to cash flow hedges	<b>-0.1</b>	0.1	0.0
Translation differences	<b>0.0</b>	0.1	0.1
<b>Total comprehensive income</b>	<b>-1.9</b>	-2.5	-4.5
<b>Attributable to</b>			
Equity holders of the parent	<b>-1.9</b>	-2.2	-4.1
Non-controlling interests		-0.3	-0.3

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	<b>31 March 2016</b>	31 March 2015	31 Dec 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	8.2	8.5	8.1
Goodwill	0.4	0.4	0.4
Tangible assets	46.4	41.6	43.8
Investment in associated companies	21.7	33.9	22.6
Available-for-sale financial assets	0.0	0.1	0.1
Receivables	1.2	0.4	1.2
Deferred tax assets	3.3	3.5	2.9
<b>Non-current assets total</b>	<b>81.1</b>	<b>88.5</b>	<b>79.1</b>
<b>Current assets</b>			
Inventories	64.6	49.6	74.8
Trade receivables and other receivables	35.2	33.6	30.2
Income tax receivable	0.5	0.1	0.3
Cash and cash equivalents	2.8	8.4	13.4
<b>Current assets total</b>	<b>103.1</b>	<b>91.6</b>	<b>118.8</b>
<b>Total assets</b>	<b>184.2</b>	<b>180.1</b>	<b>197.9</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	<b>31 March 2016</b>	31 March 2015	31 Dec 2015
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to the equity holders of the parent	114.8	121.6	121.0
Non-controlling interests		0.9	
<b>Total equity</b>	<b>114.8</b>	<b>122.5</b>	<b>121.0</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	4.2	4.4	4.3
Long-term financial liabilities	1.2	2.6	1.2
Non-current provisions	0.3	0.4	0.2
Other non-current liabilities	0.2	2.8	0.2
<b>Non-current liabilities total</b>	<b>5.9</b>	<b>10.1</b>	<b>5.9</b>
<b>Current liabilities</b>			
Short-term financial liabilities	25.2	5.4	35.3
Income tax payable	0.2	1.1	0.0
Trade payables and other liabilities	37.6	40.7	35.5
Short-term provisions	0.5	0.3	0.3
<b>Current liabilities total</b>	<b>63.5</b>	<b>47.5</b>	<b>71.0</b>
<b>Total liabilities</b>	<b>69.4</b>	<b>57.6</b>	<b>76.9</b>
<b>Total equity and liabilities</b>	<b>184.2</b>	<b>180.1</b>	<b>197.9</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	<b>Q1 2016</b>	Q1 2015	Q1-Q4 2015
Net profit for the period	-2.2	-2.3	-4.6
Adjustments, total	2.5	2.2	12.8
Change in net working capital	4.5	1.9	-21.4
Interests paid	-1.2	-1.4	-1.7
Interests received	0.0	0.0	0.1
Taxes paid	-0.4	-0.4	-2.2
<b>Net cash flow from operating activities</b>	<b>3.2</b>	<b>0.1</b>	<b>-17.1</b>
Investments in tangible and intangible assets	-4.1	-1.9	-9.1
Proceeds from sales of tangible and intangible assets	0.3		1.2
Acquisition of associated companies			-0.1
Proceeds from sales of associated companies			3.8
Investments in other investments			-0.7
Proceeds from sales of other investments		0.1	0.1
Dividends received from investing activities			1.9
<b>Net cash flow from investing activities</b>	<b>-3.8</b>	<b>-1.8</b>	<b>-3.0</b>
Proceeds from and repayments of short-term loans	-10.0	-3.6	25.5
Proceeds from and repayments of long-term loans	0.0	0.0	-1.4
Dividends paid			-4.3
<b>Cash flows from financing activities</b>	<b>-10.0</b>	<b>-3.6</b>	<b>19.8</b>
<b>Net change in cash and cash equivalents</b>	<b>-10.6</b>	<b>-5.3</b>	<b>-0.3</b>
Cash and cash equivalents at the beginning of the period	13.4	13.7	13.7
Cash and cash equivalents at the end of the period	2.8	8.4	13.4



## 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 March

### January - March 2016

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				0.3	0.5
Other reserves	7.2					7.2
Own shares	-1.7			0.0		-1.7
Translation differences	-0.4				0.0	-0.4
Retained earnings	79.5	-4.3		0.0	-2.2	73.0
Attributable to equity holders of the parent	121.0	-4.3		0.0	-1.9	114.8

### January - March 2015

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				-0.3	-0.1
Other reserves	7.2					7.2
Own shares	-1.7			0.0		-1.7
Translation differences	-0.5				0.1	-0.4
Retained earnings	86.8	-4.3		-0.1	-1.9	80.5
Attributable to equity holders of the parent	128.1	-4.3		-0.1	-2.2	121.6
Non-controlling interests (NCI)	1.2		0.0		-0.3	0.9
Total equity	129.4	-4.3	0.0	-0.1	-2.5	122.5

## **BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The Interim report 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 2015. New standards and interpretations adopted in 2016 have not had material effect to the interim report.

From the beginning of 2016, Apetit will treat internal loans to Maritim Food as net investments in companies. The exchange rate differences of the loans are recognised as comprehensive income in the statement of comprehensive income, whereas in the comparison year the exchange rate differences were recognised as financial items included in the profit for the period.

Due to the forthcoming amendments to the regulations of the European Securities and Markets Authority (ESMA), Apetit has replaced the key figure "operating profit excluding non-recurring items" with the key figure "operational EBIT" as of 2016. Operational EBIT does not include restructuring expenses, any significant impairment on goodwill or other balance-sheet items or reversal of impairment, the profit of the associated company Sucros or other extraordinary and material items. In other respects Operational EBITDA contains the same income statement items as operational EBIT, apart from the fact that the key figure does not include depreciation, amortisation or associated companies. EBIT in the formula of operational return on capital employed (ROCE %) is replaced by Operational EBIT.

## SEGMENT INFORMATION

A = Food Solutions  
 B = Oilseed Products  
 C = Grain Trade  
 D = Seafood  
 E = Total

### Operating segments, January - March 2016

EUR million

	A	B	C	D	E
Total segment sales	25.0	16.5	30.8	20.5	92.9
Intra-group sales	-0.8	0.0	-2.4	-2.1	-5.3
Net sales	24.2	16.5	28.4	18.4	87.5
Operating profit	-1.2	0.7	0.4	-0.9	-1.0
Gross investments in non-current assets Corporate acquisitions and other share purchases	2.5	0.6		1.0	4.1
Depreciations Impairments	0.9	0.2	0.1	0.4 0.0	1.5 0.0
Personnel	419	39	53	193	704

### Operating segments, January - March 2015

EUR million

	A	B	C	D	E
Total segment sales	23.9	16.0	37.9	20.8	98.6
Intra-group sales	-1.1	0.0	-3.9	-2.1	-7.1
Net sales	22.8	16.0	34.0	18.7	91.5
Share of profits of associated companies included in operating profit				-0.3	-0.3
Operating profit	-0.9	0.7	0.5	-1.8	-1.6
Gross investments in non-current assets Corporate acquisitions and other share purchases	1.0	0.1	0.5	0.3	1.9
Depreciations Impairments	0.8	0.2	0.0	0.4	1.4

Average number of personnel	405	39	50	202	695
<hr/>					
Operating segments, January - December 2015 EUR million					
	A	B	C	D	E
Total segment sales	95.8	61.3	170.5	82.9	410.4
Intra-group sales	-4.9	0.0	-16.7	-8.0	-29.6
Net sales	90.9	61.2	153.7	74.9	380.8
Share of profits of associated companies included in operating profit				0.4	0.4
Operating profit	-0.1	2.7	3.8	-7.4	-1.0
Gross investments in non-current assets Corporate acquisitions and other share purchases	4.3	1.0	2.2	1.6	9.1
			0.1		0.1
Depreciations Impairments	3.5	0.7	0.2	1.8	6.0
Average number of personnel	434	40	53	198	725
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## KEY INDICATORS

	<b>31 March 2016</b>	31 March 2015	31 Dec 2015
Shareholders' equity per share, EUR	18.52	19.63	19.53
Equity ratio, %	62.3	68.0	61.1
Gearing, %	20.6	-0.3	19.0
Gross investments in non-current assets, EUR million	4.1	1.9	9.1
Corporate acquisitions and other share purchases, EUR million			0.1
Average number of personnel	704	695	725
Average number of shares, 1,000 pcs	6196	6191	6192

The key figures in this Interim Report are calculated with same accounting principles than presented in the 2015 annual financial statements.

**COLLATERALS, CONTINGENT LIABILITIES,  
CONTINGENT ASSETS AND OTHER COMMITMENTS**

EUR million

	<b>31 March 2016</b>	31 March 2015	31 Dec 2015
<b>Mortgages given for debts</b>			
Real estate and corporate mortgages	1.3	1.4	1.3
Guarantees	10.9	10.6	12.1
<b>Non-cancellable other leases, minimum lease payments</b>			
Real estate leases	6.1	6.1	7.0
Other leases	0.8	0.7	0.8
<b>DERIVATIVE INSTRUMENTS</b>			
Outstanding nominal values of derivate instruments			
Interest rate swaps	6.6	3.0	6.6
Forward currency contracts	5.9	4.5	16.6
Commodity derivative instruments	23.7	10.5	21.6
<b>CONTINGENT ASSETS</b>			
The present value of proceeds from the sale of shares in the joint entry account			
	0.7	0.7	0.7
<b>INVESTMENT COMMITMENTS</b>			
Food Solutions	2.2	1.1	2.2
Oilseeds Products		0.6	
Grain Trade	0.7		0.7
Seafood	0.9	0.2	0.9

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**CHANGES IN TANGIBLE ASSETS**

EUR million

	<b>31 March 2016</b>	31 March 2015	31 Dec 2015
Book value at the beginning of the period	<b>43.8</b>	41.1	41.1
Additions	<b>3.7</b>	1.6	8.2
Disposals	<b>0.0</b>	0.0	-0.2
Disposals of subsidiaries			-0.2
Depreciations and impairments	<b>-1.2</b>	-1.2	-5.0
Other changes	<b>0.1</b>	0.1	-0.2
<b>Book value at the end of the period</b>	<b>46.4</b>	41.6	43.8

**TRANSACTIONS WITH ASSOCIATED COMPANIES AND  
JOINT VENTURES**

EUR million

	<b>Q1 2016</b>	Q1 2015	Q1-Q4 2015
Sales to associated companies	0.1	0.1	1.1
Purchases from associated companies	0.7	2.4	7.8
Trade receivables and other receivables from associated companies	0.0	0.5	0.2
Trade payables and other liabilities to associated companies	0.2	1.0	0.3

In Espoo, 12 May 2016  
APETIT PLC  
Board of Directors