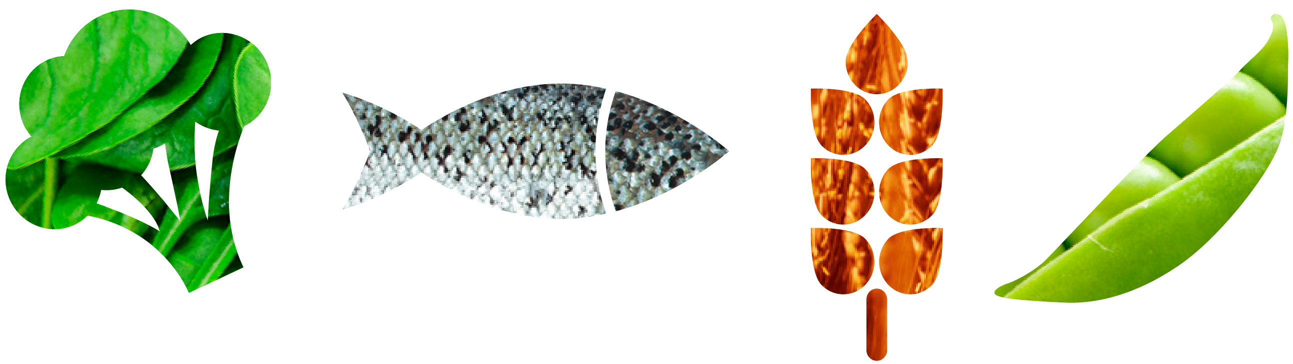
Apetit

Financial Statements 2014



Information for shareholders

Annual general meeting

Apetit Plc's Annual General Meeting will be held on Wednesday 25 March 2014 at 2.00 p.m. in Apetit Plc's Myllynkivi staff restaurant in Säkylä. Shareholders who on 13 March 2014 are registered in the company's register of shareholders kept by Euroclear Finland Ltd shall have the right to attend the Annual General Meeting. Shareholders wishing to attend the Annual General Meeting must notify the company of this no later than 4.00 p.m. on Friday 20 March 2015 either through our website www.apetitgroup.fi, by letter to Apetit Plc/Maija Lipasti, PO Box 100, FI-27801 Säkylä, Finland, or by fax (+358 10 402 4023), phone (+358 10 402 4044/Maija Lipasti) or e-mail maija.lipasti@apetit.fi. Holders of nominee registered shares must be registered in the company's temporary shareholder register by 10.00 a.m. on 20 March 2015.

Dividend payment

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.70 per share be paid for the financial year 2014. The dividend will be paid to shareholders who are registered in the company's shareholder register kept by Euroclear Finland Ltd on the record date 27 March 2015.

The Board of Directors will propose to the Annual General Meeting that the dividend be paid on 8 April 2015.

Financial reporting in 2015

Apetit Plc published its financial statements bulletin for 2014 on Wednesday 25 February at 8.30 a.m. The Annual Report, including consolidated financial statements and parent company financial statements was published on the company's website in the week beginning 2 March 2015.

Interim reports for 2015 will be published as follows:

- Interim Report, January–March, Tuesday, 5 May 2015 at 8.30 a.m.
- Interim Report, January–June, Wednesday, 12 August 2015 at 8.30 a.m.
- Interim Report, January–September, Friday, 30 October 2015 at 8.30 a.m.

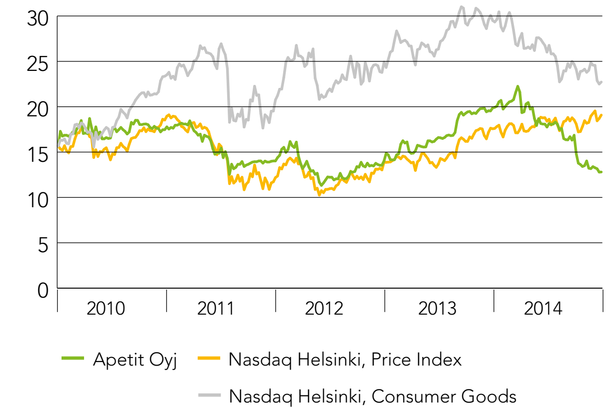
The Annual Report, financial statements bulletin and interim reports will be published in Finnish and English. These will be available on the Apetit Plc website (www.apetitgroup.fi/investors) and can also be downloaded as PDF versions.

The Finnish language version of the printed Annual Publications can be ordered on the company website at (www.apetitgroup.fi/investors) and mailing of the report will start in the week beginning 16 March 2015. The English language version is only available in pdf-format.

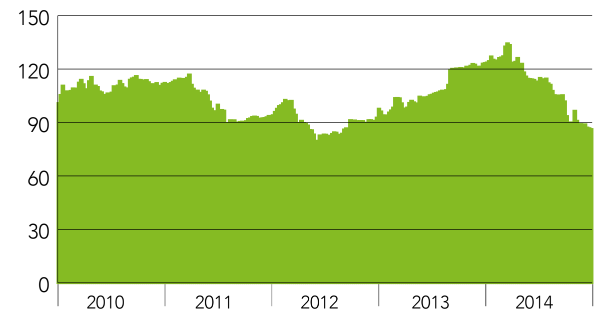
Changes in personal details

Shareholders are requested to give notification of any changes in their personal details to the bank that holds their book-entry account.

SHARE PERFORMANCE
2010–2014, EUR



MARKET CAPITALISATION
2010–2014, EUR million



Apetit in brief

Content

DELIGHTFUL FLAVOURS AND SERVICE EXPERIENCES

Apetit is a Finnish food company with diverse operations and a focus on primary production. Our products and services contribute to wellbeing and enhance people's lives through taste experiences enjoyed at home and elsewhere. We began in the 1950s with sugar beet refining in the Satakunta region of Finland. Apetit's shares are listed on Nasdaq Helsinki.

Food business

Apetit is a leading Finnish food company. Our product groups are frozen vegetables and frozen ready meals, fresh fish and fish products, and pre-prepared fresh fruit and vegetable products. In the fish products group, we also operate in Norway and Sweden with our subsidiary, the Maritim Food Group. The Food Business has a diverse customer base, including consumers, the retail trade, the professional food service sector and the food industry.

Grains and oilseeds business

Avena Nordic Grain, together with its subsidiaries, is part of the Apetit Group and Finland's leading trader in grains, oilseeds and animal feedstuffs, and a manufacturer and supplier of vegetable oils and rapeseed expeller. Avena's main markets are Finland, the Baltic region and the European Union, but it also trades actively in other markets. Customers of the Grains and Oilseeds Business include grain-selling farmers, the food and feed industries, other grain-using industries and trade.

Other operations

The Other Operations segment comprises the Group's parent company and the associated company Sucros Ltd. Sucros produces, sells and markets sugar made from Finnish sugar beet for the food industry, the retail trade and for export.

Key indicators

Net sales, EUR million	2014	2013	2012
Food Business	170.8	178.5	162.7
Grains and Oilseeds Business	214.2	209.0	215.8
Other Operations	–	–	–
Intra-group sales	–0.3	–0.2	–0.3
Total	384.7	387.3	378.2

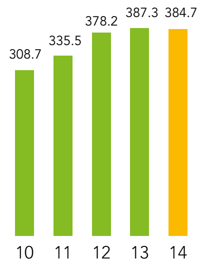
Operating profit, excluding non-recurring items, EUR million	2014	2013	2012
Food Business	0.6	4.0	1.7
Grains and Oilseeds Business	7.8	5.1	6.5
Other Operations	–1.1	3.1	0.6
Total	7.3	12.2	8.8

Operating profit, EUR million	2014	2013	2012
Food Business	–9.7	2.0	1.7
Grains and Oilseeds Business	7.8	5.1	6.5
Other Operations	–4.0	2.3	0.3
Total	–5.9	9.4	8.5

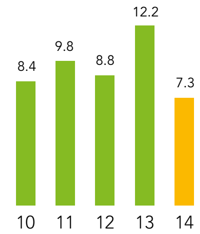
Investment in non-current assets, EUR million	2014	2013	2012
Food Business	1.9	2.0	3.4
Grains and Oilseeds Business	0.5	0.8	0.5
Other Operations	0.1	0.2	0.0
Total	2.5	3.0	3.9

Average number of personnel	2014	2013	2012
Food Business	630	699	641
Grains and Oilseeds Business	83	73	70
Other Operations	10	10	10
Total	723	782	721

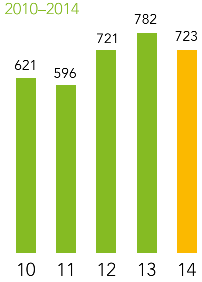
NET SALES
2010–2014, EUR million



OPERATING PROFIT
excl. non-recurring items
2010–2014, EUR million



AVERAGE NUMBER OF PERSONNEL
2010–2014



Successes in grain trade and oilseed products affected positively Apetit Group's financial year 2014.

Net sales and profitability were up in Grains and Oilseeds Business, despite the low level of market prices in grain trading.

The continued economic recession in Finland held down net sales and profitability in the Food Business in both retailing and the professional food service sector. Profitability in frozen products group was good, but in fish and fresh products groups it remained unsatisfactory.

The impairments made in the Food Business contributed negatively to the Group operating result. The equity ratio remained high.

Net sales
€384.7 M

Operating profit, exluding non-recurring items
€7.3 M

Earnings per share, exclu-ding non-recurring items
€0.72

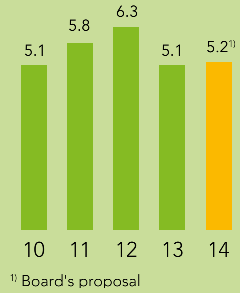
Investments
€2.5 M

Equity ratio
69.7%

Personnel
723

DISTRIBUTION OF SALES IN 2014
EUR MILLION

EFFECTIVE DIVIDEND YIELD, %



AVERAGE NUMBER OF PERSONNEL

CEO'S review

For Apetit, 2014 was moderately successful in both financial and operating terms, especially considering the substantial changes occurring in our business environment and within the Group. The continued economic recession in Finland held down net sales in the Food Business in both retailing and the professional food service sector. Net sales were up in grain trading though, despite the low level of market prices. The Group's net sales amounted to EUR 385 million, which was down slightly on the previous year's figure, and the operating profit excluding non-recurring items decreased to EUR 7.3 million. The impairments made in the Food Business contributed to the Group posting a negative operating profit.

SUCCESSES IN FROZEN FOODS, GRAIN TRADE AND OILSEED PRODUCTS

The year featured a number of successes, but we were also unsuccessful in other areas. In the Grains and Oilseeds Business we succeeded in increasing our sales volumes and improving productivity in the grain markets and in oilseed products, especially packaged vegetable oils. In the Food Business the good profitability of the frozen foods group underpinned the operating profit figures for the whole segment, but we cannot be satisfied with the profitability of the fresh products group or the Finnish and Swedish operations of the fish products group. The result for the associated company Sucros was adversely affected by a decline in the market price of sugar from the high level of the previous year.

IMPROVING PROFITABILITY IN FISH AND FRESH PRODUCTS

Apetit has launched long-term profitability programmes in its Food Business in Finland, covering the fish products group and the fresh products group. The programmes aim to achieve a total reduction of EUR 4.5 million in annual costs, and a consequent improvement in Apetit's market competitiveness. Necessary structural changes have required simplification of our network of operating units and our operating framework and, through this, changes in employment relationships and locations, implemented responsibly and discussed with the personnel.

FROM UNTAINTED FARMLAND AND WATERS

Apetit's operations in its different product groups are firmly rooted in Finnish primary production. We are, for instance, the largest procurer of Finnish-grown field vegetables, and in 2014 our contract growers produced altogether some 29,000 million kilos of vegetables for Apetit products. That equates over 5.0 kilos of delicious, high-quality vegetables per person in Finland. Consumers appreciate our product selection. Sales of the domestic Kotimainen frozen foods range, for example, were up by 8 per cent from the previous year. We produce food products that provide delicious wellbeing using ingredients originating from untainted farmland and waters.

Our contract growers are a large group of Finnish professionals who farm on the basis of ecologically sustainable IP cultivation principles. Farming actions are only undertaken where specific needs exist and are carefully scaled for the purpose. We procure fish domestically from our associated company Taimen, and from northern Norway via long-standing contract partners who operate responsibly. We are Finland's largest miller of rapeseed oil and largest user of Finnish rapeseed.

The quality of our raw materials means we can produce delicious products that are also free of impurities and support wellbeing. We know that this is a competitive advantage for Apetit, and we endeavour to nurture this advantage as fully as possible.

EAT WELL, EVERY DAY

Research shows that a balanced diet is the key to a healthy and enjoyable life. Year by year, Finnish mealtimes feature an ever growing amount of fish and vegetables. High-quality rapeseed oil is also increasingly a key ingredient in Finnish food products and meals. Apetit's product groups together represent the company's promise to offer delicious wellbeing.

Thanks to our product group policies, we are now, and will continue to be, uniquely well placed to expand our market share in Finnish food and to become the preferred food brand for consumers who appreciate wellbeing. With this in mind, we aim to provide delightful flavours and service experiences for consumers and customers alike, on all occasions. Hence our new slogan: Eat well, every day.

We also aim to strengthen awareness of the Apetit brand and to turn it into a unique food brand transcending product group boundaries, a brand that represents food solutions which reliably offer delicious wellbeing to consumers, and a preferred food partner with the best service for the retail trade and the professional food service sector.

The process of transforming Avena Nordic Grain into a leading operator in the grains and oilseeds sector is continuing. Our position on the grain markets is good and we see this gaining strength in the future, especially in the Baltic region. This goal is supported by a new investment project planned in 2014 and begun at the start of 2015 for developing the port of Inkoo as a grain terminal. We are already Finland's principal producer of oilseed products. We will consolidate our position in the future by focusing especially on continuous innovative regeneration of edible oils and other oilseed products.

I THANK OUR STAKEHOLDERS

My term as CEO of the Apetit Group began when I was offered the position by the Board of Directors in April 2014. The time has now come to pass on the baton to my successor, Juha Vanhainen, who will be picking up the pace to join Apetit's Corporate Management in March. May I thank everyone at Apetit and our customers, shareholders, contract growers and other partners for their trust and cooperation in 2014.

Veijo Meriläinen
CEO

Board of Directors' report

Apetit is a Finnish food company known for its frozen vegetables and frozen ready meals, fresh fish and fish products, fresh fruit and vegetable products, and grains and oilseed products. The company's businesses are the Food Business, the Grains and Oilseeds Business and Other Operations. These are also the Group's reporting segments. Apetit's shares are quoted on NASDAQ OMX Helsinki Ltd and the company's domicile is Säkylä.
The Food Business comprises the following companies: Apetit Ruoka Oy, Apetit Kala Oy, Caternet Finland Oy and the associated company Taimen Oy in Finland, and the Maritim Food Group companies in Norway and Sweden. In addition, the segment includes the service company Apetit Suomi Oy. The Grains and Oilseeds Business comprises Avena Nordic Grain Oy and its subsidiaries. The Other Operations segment is made up of the parent company Apetit Plc, Group Administration, items not allocated under any of the business segments, and the associated company Sucros Ltd.

KEY FIGURES

	2014	2013	Change	2012
Net sales, EUR million	384,7	387.3	–1%	378.2
Operating profit, EUR million	–5.9	9.4		8.5
Operating profit, %	–1.5	2.4		2.2
Operating profit before non-recurring items, EUR million	7.3	12.2		8.8
Operating profit before non-recurring items, %	1.9	3.2		2.3
Profit before taxes, EUR million	–8.1	9.3		7.5
Result for the period, EUR million	–8.7	9.3		6.7
Earnings per share, EUR	–1.29	1.63		1.07
Earnings/share before non-recurring items, EUR	0.72	1.60		1.11
Equity per share, EUR	20.70	22.90		22.37
Equity ratio, %	69.7	70.3		60.6
Return on equity (ROE), %	–6.4	6.5		4.8
Return on investment (ROI), %	–3.8	7.0		5.4

Other key figures are presented in Note 29 to the Financial Statements. The formulas for calculating the key figures are presented in Note 30 to the Financial Statements.

NET SALES AND PROFIT

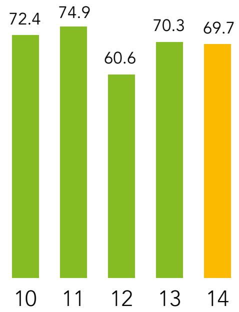
Consolidated net sales decreased to EUR 384.7 (387.3) million in 2014.

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.

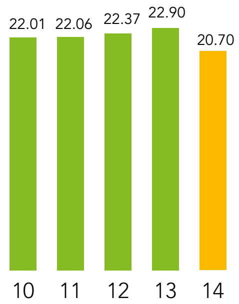
Financial income and expenses came to a total of EUR -2.2 (-0.2) million. This includes valuation items of EUR -0.8 (1.0) million with no cash flow implications. The valuation items included EUR -0.8 (-1.2) million in changes in foreign exchange rates for internal loans to the Maritim Food Group. Financial 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)

EQUITY RATIO
2010–2014, %



EQUITY PER SHARE
2010–2014, EUR



Number of employees in the Group on average

	2014	2013	Change	2012
Food Business	630	699	–10 %	641
Grains and Oilseeds Business	83	73	+14 %	70
Other Operations	10	10	–	10
Total	723	782	-8 %	721

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 main themes in human resources management at the Apetit Group are: enhancing individual skills, promoting employee wellbeing and developing leadership.

The most significant events during the year, affecting a large proportion of the Group's personnel, were the continuation of the project for restructuring the Food Business in Finland. In addition to the structural and operational changes, these also involved a significant cultural transformation, as the previously separate frozen foods, fish products and fresh products and commercial functions were now combined to make a single entity.

In the launch of this Food Business the focus was on working more effectively together and removing barriers to cooperation. On the strategy days and in related workshops, the Group's senior and middle management and experts set about planning the strategy, its implementation and the collaboration needed, and defined the processes involved and the coordination required. The process of putting the strategy into place was begun in the Group's different operations by jointly determining the strategy-based objectives and action plans specific to each function. The new strategy was presented to the personnel at specially organised briefings in the company's various locations.

Apetit 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. During the year, changes were made to the network of operating units in the Food Business as part of the action to improve profitability and efficiency. The Myrskylän Savustamo production plant in the fish products group and the Jyväskylä distribution centre in the fresh products group were closed in 2014, and in the fish products group the decision was also taken towards the end of the year to close the Kustavi and Turku units and concentrate operations at the larger units in Kuopio and Helsinki. Co-determination negotiations were held at which these changes were negotiated with the personnel of the units affected.

The number of people employed in the Group as a whole in 2014 decreased from the previous year's figure and totalled 723 (782). The Food Business employed an average of 630 (691) people, down from the previous year. The reduction in personnel was a result of the adjustment measures carried out in response to the weak state of the market and unsatisfactory profitability. In addition, the average number of employees is very dependent on the scheduling of the harvest-time production activities. The Grains and Oilseeds Business employed an average of 83 (73) people, which was up from the previous year as a result of the inclusion of the Kirkkonummi vegetable oil milling plant's maintenance operation as an in-house activity, and the additional employees needed in grain trade purchasing.

The salaries and other remuneration paid to the Group's employees in 2014 amounted to EUR 30.0 (30.5) million.

Matters concerning the personnel are set out in more detail in the personnel report, which can be downloaded from the corporate responsibility section of the Group's website.

OVERVIEW OF OPERATING SEGMENTS

Food Business

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.

Long-term profitability programmes in Food Business

Apetit has launched long-term profitability programmes in its Food Business in Finland, covering the fish products group and the fresh products group. 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' market competitiveness.

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 units in different locations. At the end of November, Apetit announced the closure of the Kustavi and Turku units and the concentration of operations at the larger units in Kuopio and Helsinki during the first quarter of 2015, as part of the simplification of the Group's production structure.

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

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 grain reception, storage and 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

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.

Shareholder agreement dispute between Apetit Plc and Nordic Sugar ended on 19 August 2014

The arbitration court case between Apetit Plc and Nordic Sugar started in October 2011, when Apetit Plc decided to submit a dispute concerning the shareholder agreement of Sucros Ltd, which is jointly owned by the companies, to the arbitration court. In Apetit's view, the majority owner, Nordic Sugar, had repeatedly violated Apetit's minority rights in Sucros Ltd through its decision-making and actions, and despite the objections made, the majority owner had not rectified its practices. Nordic Sugar filed a counter-claim concerning an alleged breach of the shareholder agreement in connection with the dismissal of Sucros Ltd's managing director.

On 19 August 2014 the arbitration court rejected Apetit Plc's claims and Nordic Sugar's counter-claim regarding the alleged breaches of the shareholder agreement. In accordance with the court's decision, neither party is obliged to pay a contractual penalty to the other party. The arbitration court ordered Apetit Plc to pay part of the process costs of the arbitration court and of the other party, totalling approximately EUR 2.4 million. The costs and compensation were entered as a negative non-recurring item under Other Operations' other operating expenses for the third quarter. Apetit Plc had already entered its own external consultant costs during the process as non-recurring items under Other Operations' other operating expenses for 2012–2014.

RESEARCH AND DEVELOPMENT

The Group's research and development costs were EUR 0.8 (0.9) million, or 0.2 (0.2) per cent of net sales. Research and development mainly focused on new products.

In developing its products and services, Apetit constantly strives to offer delightful flavours and service experiences for different meal situations to people who value food that tastes good, is healthy and is produced responsibly.

Product development in the Food Business is guided by the product policies adopted. New products are developed to match Finnish preferences and nutritional recommendations, and for convenience in everyday cooking and food preparation. In foods with a high vegetable content, we pay special attention to protein and energy content. Fish, vegetables, vegetable oils and whole grains are also an important part of a healthy diet.

The most significant and visible development measure taken in the retail sector of our Food Business during the year was the development and introduction of new-look packaging for the Apetit brand in the autumn. The main aim of the new-look packaging is to improve product visibility on the shelves with a fresh, colourful and different look. The classic packaging for Apetit's frozen soups was also redesigned and a tear strip added to help with opening.

Product development in the frozen foods group was guided by the desire to utilise Finnish raw materials and by the trend in the average size of households. For smaller households, a 350 gram pack was introduced for the popular Apetit Kotimainen potato & chopped vegetable mix for soups. The Apetit Kotimainen range of seasoned, diced potatoes was a welcome addition to the market for frozen potato products, offering an oven-ready, seasoned product that has not been fat-fried.

For the professional food service sector, Apetit presented a new way to deliver and store fresh fish. The Apetit fresh fish box replaces the traditional expanded polystyrene containers with their crushed ice, which produced a considerable amount of waste and melted ice. The lighter fresh fish box is of recyclable packaging material that takes less space, and it features eco-friendly cooling packss. This packaging innovation enables fresh fish sales via wholesale distribution systems. During the autumn, the selection of fish prepared at the production plants was modified and the range was supplied through the largest national wholesalers.

In the fresh products group, development of the Herkkula fresh salad concept continued in collaboration with professional chefs. The aim was to create the best salad products on the market in terms of their ingredients and freshness and extent of the product selection, both for our own service sales and for the retail chains.

Apetit also took part in a project funded by the Finnish Funding Agency for Innovation (Tekes) on food options for older people, which sought to establish a framework for developing new, tailored products for the ever growing elderly population, and thereby to improve the international competitiveness of the Finnish food and packaging industries and retail trade.

In the Grains and Oilseeds Business, development focused on ensuring continuity in rapeseed cultivation in Finland and developing the Finnish rapeseed oil market. Avena sells rapeseed oil based wholly on Finnish rapeseed to the food industry and for consumer needs.

ENVIRONMENT

The operations of the Apetit Group are guided by the Group's operating policies, the goals of which include reducing adverse environmental impacts. The Group's environmental management system is covered by the requirements of the ISO 14001 standard in both the frozen foods and fresh products groups of the Food Business. The aim is efficient and safe production that is in harmony with the environment. The Group's most important environmental impacts are related to organic waste from its production process and water and energy consumption in production, warehousing and storage, transportation and buildings. Apetit is committed to continuous improvement in regard to environmental matters.

The environmental impacts of food production concern energy and water consumption in the processes used and the treatment of by-product flows and waste. In oilseed processing the company uses a chemical-free vegetable oil milling method. During vegetable oil milling, the environmental effects are mainly associated with the combustion of odorous gases, the waste from weed separation at raw material reception and the bleaching clay used in processing. In addition, all operations generate a certain amount of packaging waste. Apetit has joined the energy efficiency agreement scheme for Finnish industry and committed itself to implementing the scheme's action programme for the food industry. The concrete target for improving energy use in the food industry in the agreement period 2008–2016 is 9 per cent.

All of Apetit's production plants that are required to have an environmental permit are in possession of a current permit. An application for review of the current environmental permit conditions that apply to food production, waste management and the wastewater treatment plant at the Säkylä industrial estate was submitted to the authorities at the end of 2012. A new environmental permit decision for the wastewater treatment plant was received in January 2014 but this did not take effect because in February Apetit appealed against the terms to the Vaasa Administrative Court. The new environmental permit required Apetit Suomi Oy, alone or with other treatment plants in the area, to investigate an alternative discharge site for wastewater and to apply for an environmental permit for the new discharge site. In a project that lasted the entire year, Apetit investigated the opportunities for more efficient wastewater treatment and the investment needs for this, as part of its work to ensure constant improvement in environmental matters.

Apetit is not aware of any significant individual environmental risks at the time of drawing up the financial statements. The Group's environmental costs in 2014 were EUR 1.4 (1.3) million, or 0.4 (0.3) per cent of net sales.

Environmental matters are presented in more detail in Apetit's environmental report, which can be downloaded from the corporate responsibility section of the Group's website.

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.

RISKS, UNCERTAINTIES AND RISK MANAGEMENT

The Board of Directors of Apetit Plc has confirmed the Group's risk management policy and principles. All Group companies and business units regularly assess and report the risks related to their operations and the adequacy of controls and risk management methods. The risk assessments support the strategy work and decision-making and serve to ensure that sufficient measures are taken to control risks. The framework, policies and principles of risk management are regularly assessed and developed as part of the Group's annual planning process.

The Apetit Group's risks are divided into strategic, operational, financial and hazard risks. The Group's most significant strategic risks are related to the success of the strategic business portfolio development and as well as changes in the Group's business sectors and customer relationships. There are significant concentrations of customers in the Group's fish products business in Norway and Finland.

The main operating risks are related to raw material availability, the time lags between purchasing and sale or use, and fluctuations in the market prices of raw materials.

Price risk management is particularly important in the Grains and Oilseeds Business and in fish and fresh products in the Food Business, where raw materials represent 65–85 per cent of net sales. The prices of grains, oilseeds and the main fish raw materials are determined on the world market. In the Grains and Oilseeds Business, limits are defined for open price risks.

The Group operates in international markets and is therefore exposed to exchange rate risks arising from fluctuations in exchange rates. Its main foreign currencies are the US dollar, the Norwegian krone and the Swedish krona. In accordance with the Group's risk management policy, all major open currency positions are hedged. Financial risk management is discussed in more detail in Note 23 to the Financial Statements.

Fire, serious process disruptions, and defects in raw materials or final products affecting food safety can lead to major property damage, losses from production interruptions, liabilities and other indirect adverse effects on the company's operations. The Group companies guard against these risks by evaluating their processes through internal control and other systems and by taking corrective action where necessary. Insurance policies are used to cover all risks for which insurance can be justified on financial or other grounds.

SHORT-TERM RISKS

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.

CORPORATE GOVERNANCE STATEMENT

The 2014 Corporate Governance Statement for Apetit Plc has been considered by the Apetit Plc Board of Directors and is published separately from the Board of Directors' report.

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.

AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

The Annual General Meeting held on 28 March 2012 authorised the Board of Directors to decide on the issuing of new shares and the transfer of treasury shares held by the company. In 2012 the authorisation covered a maximum of 761,757 shares, including a maximum of 631,757 new shares and a maximum of 130,000 treasury shares held by the company. In accordance with a decision regarding remuneration of the Apetit Plc Board of Directors, 2,722 treasury shares were transferred to Board members in 2014, as a result of which the authorisation covers a maximum of 759,035 shares, of which 127,278 may be shares held by the company.

The minimum subscription price for each new share will be the nominal value of the share (EUR 2). The minimum transfer price for treasury shares held by the company will be the market value of the share at the time of transfer, determined by the price quoted in public trading on NASDAX OMX Helsinki Ltd. The Board of Directors will also have the right to issue shares against non-cash consideration. In share-based incentive schemes, shares can also be issued without consideration.

The authorisation includes the right to deviate from the shareholders' pre-emptive subscription right (targeted issue) if the company has an important financial reason for doing so, such as the development of the company's capital structure, the financing and implementation of corporate acquisitions or other arrangements, or the implementation of a share-based incentive scheme.

The authorisation is valid until the 2015 Annual General Meeting.

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 a 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.

SHARES, SHARE CAPITAL AND TRADING

The shares of Apetit Plc are all in one series. All shares carry the same voting and dividend rights. The Articles of Association specify that the number of votes a shareholder is entitled to exercise cannot exceed one tenth of the votes represented at a general meeting. The nominal value of each of the company's shares is EUR 2. At the beginning and the end of the financial year, the total number of shares issued by the company stood at 6,317,576, and the registered and paid share capital totalled EUR 12,635,152. The minimum amount of share capital is EUR 10 million, and the maximum amount is EUR 40 million.

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.

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.

Other share-specific key indicators are presented in Note 29 to the Consolidated Financial Statements.

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.

Distribution of shareholdings

Note 31 to the Financial Statements presents the distribution of shareholdings by sector as well as the major shareholders and the management's ownership.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

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 reception, storage and 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. 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.

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 -6 443 613,00, the parent company's distributable funds totalled EUR 73 360 988,06 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.

Consolidated Financial Statements, IFRS

CONSOLIDATED INCOME STATEMENT

EUR million	Note	2014	2013
Net sales	(2)	384.7	387.3
Other operating income	(3)	2.1	4.1
Materials and services	(6)	–302.2	–304.3
Employee benefit expenses	(4,27)	–36.5	–37.3
Depreciation	(2,7)	–6.4	–7.1
Impairments	(2,7)	–10.4	–2.0
Other operating expenses	(3,5)	–39.4	–37.5
Share of profits of associated companies	(2)	2.2	6.2
Operating profit	(2)	–5.9	9.4
Financial income	(8)	0.1	2.4
Financial expenses	(8)	–2.3	–2.6
Profit before taxes		–8.1	9.3
Income taxes	(9)	–0.7	0.0
Profit for the period		–8.7	9.3
Attributable to			
Equity holders of the parent	(10)	–8.0	10.1
Non-controlling interests		–0.7	–0.8
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	(10)	–1.29	1.63

STATEMENT OF COMPREHENSIVE INCOME

EUR million	2014	2013
Profit for the period	–8.7	9.3
Other comprehensive income		
Cash flow hedges	0.5	0.0
Taxes related to cash flow hedges	–0.1	0.0
Remeasurements of post employment benefit obligations	–	–0.3
Translation differences	–0.1	–1.4
Total comprehensive income	–8.5	7.6
Attributable to		
Equity holders of the parent	–7.7	8.4
Non-controlling interests	–0.7	–0.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	31 Dec 2014	31 Dec 2014
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	(11)	8.4	9.3
Goodwill	(11)	0.4	9.7
Tangible assets	(11)	41.1	45.8
Investment in associated companies	(12)	34.9	37.5
Available-for-sale investments	(13)	0.1	0.1
Receivables	(14)	0.4	0.4
Deferred tax assets	(9)	3.1	2.5
Total non-current assets		88.5	105.2
CURRENT ASSETS			
Inventories	(16)	53.8	64.0
Income tax receivable		0.1	1.3
Receivables	(15)	29.6	31.0
Financial assets at fair value through profits	(17)	–	0.1
Cash and cash equivalents	(18)	13.7	2.8
Total current assets		97.2	99.2
Total assets	(2)	185.7	204.4

EUR million	Note	31 Dec 2014	31 Dec 2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital		12.6	12.6
Share premium account		23.4	23.4
Own shares		–1.7	-1.8
Translation differences and other reserves		7.0	7.0
Retained earnings		95.6	91.1
Net profit for the period		–8.7	9.3
Total equity attributable to the equity holders of the parent		128.1	141.7
Non-controlling interests		1.2	1.9
Total equity	(19)	129.4	143.6
NON-CURRENT LIABILITIES			
Deferred tax liabilities	(9)	4.7	5.0
Long-term financial liabilities	(21)	2.6	4.0
Non-current provisions	(20)	0.4	0.6
Other non-current liabilities	(22)	2.7	2.8
Total non-current liabilities		10.5	12.3
CURRENT LIABILITIES			
Short-term financial liabilities	(21)	9.4	11.0
Income tax payable		0.6	0.2
Current provisions	(20)	0.1	0.1
Trade payables and other liabilities	(22,24)	35.7	37.1
Total current liabilities		45.9	48.5
Total liabilities	(2)	56.3	60.8
Total equity and liabilities		185.7	204.4

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	2014	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	(11)	–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/repayments of short-term loans		–2.3	–20.8
Proceeds from/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

EUR million	Note	2014	2013
***) Adjustments to cash flow from operating activities:**			
Depreciation and impairments	(11)	16.8	9.0
Gains and losses on sales of fixed assets and shares		0.0	0.0
Share of profits of associated companies		–2.2	–6.2
Financial income and expenses	(8)	2.2	0.2
Income taxes	(9)	0.7	0.0
Change in additional purchase price		–	–2.6
Other adjustments		0.6	0.3
Total		18.1	0.7

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR million	Share capital	Share premium account	Net unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings	Total	Non-controlling interests (NCI)	Total equity
Shareholders' equity 1 Jan. 2014	12.6	23.4	–0.2	7.2	–1.8	–0.3	100.7	141.7	1.9	143.6
Dividend distribution	–	–	–	–	–	–	–6.2	–6.2	–	–6.2
Other changes	–	–	–	–	0.0	–	0.3	0.4	0.0	0.4
Total comprehensive income	–	–	0.4	–	–	–0.1	–8.0	–7.7	–0.7	–8.5
Shareholders' equity 31 Dec. 2014	12.6	23.4	0.2	7.2	–1.7	–0.5	86.8	128.1	1.2	129.4

EUR million	Share capital	Share premium account	Net unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings	Total	Non-controlling interests (NCI)	Total equity
Shareholders' equity 1 Jan. 2013	12.6	23.4	–0.2	7.2	–1.8	1.1	96.0	138.4	2.8	141.2
Dividend distribution	–	–	–	–	–	–	–5.6	–5.6	–	–5.6
Other changes	–	–	–	–	–	–	0.2	0.2	–0.1	0.1
Total comprehensive income	–	–	0.0	–	–	–1.4	10.1	8.6	–0.8	7.8
Shareholders' equity 31 Dec. 2013	12.6	23.4	–0.2	7.2	–1.8	–0.3	100.7	141.7	1.9	143.6

Notes to the consolidated financial statements

Note 1 Accounting principles

COMPANY DETAILS

Apetit plc is a Finnish public limited company established under Finnish law. Its registered office is in Säkylä and the registered address is PO Box 100, FI-27801 Säkylä, Finland. Business ID is 0197395-5. The company's name is Apetit Oyj, in Swedish Apetit Abp and in English Apetit plc.

On 24 February 2015, the Apetit plc Board of Directors approved the financial statements for publication.

MAIN OPERATIONS

Apetit plc is a food industry company listed on the NASDAQ OMX Helsinki Ltd. The trading code of the share is APETI.

Apetit's reportable segments are Food Business, Grains and Oilseeds Business and Other Operations. Apetit's primary market is Finland.

Operating Segments	Products and Services
Food Business	
Apetit Ruoka Oy	Frozen foods
Apetit Kala Oy	Fish products and service sales
Myrskylän Savustamo Oy	Fish products
Maritim Food AS, Norway	Shellfish and fish products
Maritim Food Sweden AB, Sweden	Shellfish
Sandanger AS, Norway	Fish products
Caternet Finland Oy	Fresh produce and sales of fish, fruit and vegetables
Kiinteistöosakeyhtiö Kivikonlaita	Holding company of real estates
Apetit Suomi Oy	Apetit sales and marketing, IT, HR, financial management and environmental services
Associated company:	
Taimen group	Fish farming and fingerling production
Grains and Oilseeds Business	
Avena Nordic Grain Oy	Trade in grains, oil seeds and animal feedstuff
ZAO Avena St. Petersburg, Russia	Trade in grains, oil seeds and animal feedstuff
UAB Avena Nordic Grain, Lithuania	Trade in grains, oil seeds and animal feedstuff
OÜ Avena Nordic Grain, Estonia	Trade in grains, oil seeds and animal feedstuff
TOO Avena Astana, Kazakhstan	Trade in grains, oil seeds and animal feedstuff
OOO Avena-Ukraine, Ukraine	Trade in grains, oil seeds and animal feedstuff
Mildola Oy	Manufacture of vegetable oils and protein feed
Other Operations	
Apetit plc	Group administration, business structure development and holdings of shares and properties
Associated companies:	
Sucros group	Manufacture, marketing and sales of sugar
Foison Oy	Holding in Avena Nordic Grain Oy

ACCOUNTING PRINCIPLES

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The IAS and IFRS standards and the SIC and IFRIC interpretations complied with are those valid on 31 December 2014. The International Reporting Standards refer to standards and their interpretations approved for adoption within the EU in accordance with the procedure enacted in EC regulation 1606/2002. The notes to the consolidated financial statements are also in accordance with Finnish bookkeeping and company legislation. The consolidated financial statements have been drawn up on the basis of historic acquisition costs, except for those financial assets and liabilities which are recognised in income at fair value and all derivative financial instruments, as they are measured at fair value.

Preparation of the financial statements in accordance with the IFRS standards requires the Group's management to make certain assessments and exercise judgement in applying the accounting principles. Details of the judgements made by the management in applying the accounting principles observed by the Group, and of those aspects which have the greatest impact on the figures reported in the financial statements, are given below under the heading 'Accounting principles requiring executive judgement and the main uncertainties concerning the assessments made'.

Consolidation principles

Subsidiaries are companies over which the Group exercises control. This control derives from the Group holding more than half of the voting rights or otherwise being in a position to exercise control or having the right to stipulate the principles of the company's finances and business operations. Mutual shareholdings have been eliminated using the acquisition cost method. The acquisition consideration, including deferred and contingent consideration, as well as the identifiable assets acquired and liabilities assumed, is measured at the acquisition date fair values. The acquisition related costs are accounted as expenses for the period in which they are incurred. At the acquisition date the non-controlling interests are valued either at the acquisition date fair values or at non-controlling interests' proportionate share in the recognised amounts of the identifiable net assets. Valuation principle is determined separately for each acquisition. Subsidiaries acquired by the Group are consolidated into the financial statements from the time that the Group establishes its control, while subsidiaries disposed of are consolidated up to the time that the Group's control ceases. All intra-group transactions, receivables, liabilities and profits are eliminated on consolidation. Unrealized losses are not eliminated if the loss is due to impairment.

Net income for the period is disclosed in the income statement as an allocation to the shareholders of the parent company and non-controlling interests. The allocation of the comprehensive income to the shareholders of the parent company and non-controlling interests is presented in the statement of comprehensive income. Non-controlling interests are disclosed separately under consolidated total equity.

Associates are companies in which the Group exercises significant influence. Significant influence is exercised when the Group holds more than 20% of the voting rights in the company or otherwise exercises significant influence but not control. The associate companies have been consolidated into the financial statements using the equity method. If the Group's share of the losses of an associate exceeds the book value of the investment, the investment is recognised in the balance sheet at a valuation of zero, and losses that exceed the book value are not consolidated unless the Group has undertaken to meet the obligations of associates. Unrealized gains between the Group companies and associates have been eliminated according to the share of ownership. Any goodwill arising from the acquisition of an investment in an associate is included in the investment.

Joint ventures are companies over which the Group exercises joint control with other parties. Joint venture companies have been consolidated into the financial statements using the equity method.

Foreign currency items

The figures for the financial performance and standing of each of the Group's units are measured in the currency of the unit's principal operating environment ('functional currency'). The consolidated financial statements are presented in euros, which is the functional and reporting currency of the Group's parent company. Foreign currency transactions are recognised as amounts denominated in the functional currency using the rate prevailing on the transaction date. At the balance sheet date, monetary receivables and payables are translated using the closing rate. Exchange differences arising from translation are recognised in the income statement. Exchange gains and losses from operating activities are included in the corresponding items above the operating profit.

The income statements of foreign subsidiaries have been translated into euros using average rates for the reporting period, and their balance sheets translated using the closing rates. The exchange difference due to the use of average rates in the income statement translations and closing rates in the balance sheet translations is recognised as a separate item under shareholders' equity.

In preparing the consolidated financial statements, the translation difference due to exchange rate fluctuations, in regard to the shareholders' equity of the subsidiaries and associates, is recognised as a separate item in the translation differences for the consolidated shareholders' equity. If a foreign subsidiary or associate is disposed of, the accrued translation difference is recognised in the income statement under profit or loss.

Net sales and the principles for recognition as income

Income is recognised on the basis of the fair value of the consideration received or receivable. An item is recognised as income when the risks and benefits of ownership pass to the purchaser. Generally, this occurs when a production item is delivered. When net sales are calculated, indirect taxes and trade discounts are deducted from proceeds.

Interest income is recorded under the effective interest method and dividend income when the right to the dividend has been created.

Pension liabilities

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Provisions

A provision is recognised when the Group has a legal or constructive obligation based on a past event and it is probable that the fulfilment of this obligation will require a contribution, and the amount of the obligation can be reliably estimated. Provisions are valued at the present value of the costs required to cover the obligation.

Provisions are made in connection with operational restructuring, onerous contracts, litigation and environmental and tax risks. A restructuring provision is recognised when a detailed and appropriate plan has been drawn up for it, sufficient grounds have been given to expect that the restructuring will occur and information has been issued on it.

Income taxes

Income taxes recognised in the consolidated income statement comprise taxes levied on an accrual basis on the reporting period results of Group companies, based on the taxable profits calculated for each Group company in accordance with the local tax regulations, as well as tax adjustments from previous periods and changes in deferred tax.

Deferred tax assets and liabilities are calculated on the temporary differences between the taxable values and the book values of assets and liabilities, in accordance with the liability method. Deferred taxes are recognised in the financial statements using the tax rates that apply up to the balance sheet date.

The most material temporary differences arise from fixed assets, consolidation, inventories, unused tax losses and revaluation of derivative financial instruments. Deferred tax assets are recognised up to an amount where it is probable that they can be utilized against future taxable profits. Deferred taxes are not recognised on goodwill which is not tax deductible.

In the case of derivative financial instruments covered by hedge accounting and available-for-sale investments, the deferred taxes related to value adjustments recognised directly under the statement of comprehensive income are also recognised directly under the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash, bank deposits from which withdrawals can be made and other short-term highly liquid investments. Items classified under cash and cash equivalents have a maximum of three months maturity from the acquisition date.

Borrowing costs

Borrowing costs are recognised under the expenses for the period in which they arose. Directly attributable borrowing costs related to the acquisition, construction or production of a qualifying asset, for example, factory building, are capitalised. Where clearly linked to a specific loan, transaction costs arising directly from loans are included in the loan's original amortised cost and divided into a series of interest expenses using the effective interest method.

Key employees' share holdings in Foison Oy are treated as liability instruments in Apetit's Group balance sheet due to certain terms and conditions of repurchase. Foison Oy owns 20% of Avena Nordic Grain Oy's share capital. Group recognises financial expense related to the key employees' dividend right from Avena Group.

Research and development costs

Research and development costs are recognised in the income statement under expenses for the period in which they arose. Development expenses for new products and processes are not recognised as assets because such expenses did not occur to any significant extent during the period between the development stage at which products are already technically feasible and commercially exploitable and the stage at which they are placed on the market. On the balance sheet date the consolidated balance sheet contained no capitalized development costs.

Intangible assets

Goodwill

Goodwill corresponds to that part of the cost of acquiring the company which is in excess of the Group's share of the fair value of the acquired company's net assets on the acquisition date. Goodwill is tested annually for impairment and has been allocated to each of the cash-generating units for this purpose. Goodwill is valued at historic acquisition cost less any impairment. In the case of associated company, goodwill is included in their investment value. Goodwill generated through acquisitions of foreign business combinations is measured in the currency of the foreign operations and translated using the period end rates.

Other intangible assets

An intangible asset is recognised in the balance sheet at the original acquisition cost in a case where the cost can be determined reliably and it is likely that an expected financial benefit derived from the asset will turn out to be to the company's benefit.

Patents, trademarks and other intangible assets with a limited useful life are recognised as expenses in the balance sheet and amortised on a straight-line basis over the period of their useful lives. Intangible assets have not included assets with an unlimited useful life.

Depreciation period for intangible assets:

Customer relationships	15 years
Trademarks	15 years
Other intangible assets	5-10 years

Assets whose useful life has not yet expired and fully depreciated fixed assets that are still used in operating activities are included in the acquisition cost of assets. Similar principles apply to accumulated depreciation.

Subsequent expenditure relating to intangible assets is recognised as an asset only if its financial benefit to the company exceeds the originally estimated level of performance. Otherwise the expenditure is recognised as a cost at the time it is incurred.

Property, plant and equipment

Property, plant and equipment have been measured at historic acquisition cost less depreciation and impairment. These assets are subject to straight-line depreciation over the period of their useful lives. Land is not subject to depreciation. The residual value of the assets and their useful lives are reviewed each time the financial statements are prepared and, when necessary, are adjusted to reflect any change in the economic benefits expected.

The estimated useful lives are as follows:

Property and plant	10-40 years
Machinery and equipment	5-15 years

Property, plant and equipment are no longer depreciated if they are classified as assets held for sale.

Assets whose useful life has not yet expired and fully depreciated fixed assets that are still used in operating activities are included in the acquisition cost of assets. Similar principles apply to accumulated depreciation. Repair and maintenance costs of tangible assets are recognised as expenses when incurred.

Government grants

Government grants received for the acquisition of fixed assets are recognised as deductions in the book values for property, plant and equipment. The grants are released to profit through smaller depreciations during the use of the asset in question.

Leases

Leases in which the risks and benefits inherent in an asset are transferred in all essential respects to the company are classified as finance leases. Finance leases are recognised in the balance sheet at the lesser of the fair value at the inception of the leasing period and the present value of the minimum lease payments. The lease obligations of finance lease assets are included in discounted form under interest-bearing liabilities.

Assets acquired with finance leases are depreciated according to plan, and any impairment losses recognised. Depreciation is charged over the shorter of the relevant fixed asset depreciation period and the lease period. Leases to be paid are divided into financial cost and a decrease in debt during the lease term so that the interest on the remaining debt is the same each financial year. Lease obligations are included in interest-bearing liabilities. During the reporting period there were no situations in which the Group would have been categorized as the lessor of a finance lease asset.

Leases in which risks and rewards incident to ownership are not transferred to the lessee are classified as operating leases. Lease payments related to them are recognised in the income statement on a straight-line basis over the lease term.

Impairment

The book values for assets are assessed for any signs of impairment. If there are signs of impairment, an estimate is determined for the amount recoverable on the asset. An impairment loss is recognised if the balance sheet value of the asset or the cash-generating unit exceeds the recoverable amount. Impairment losses are recognised in the income statement.

The impairment loss of a cash-generating unit is first allocated to reducing the goodwill attributed to the unit, and then to reducing other assets of the unit on a pro rata basis.

The recoverable amount of intangible and tangible assets is determined at the higher of the fair value less costs to sell and the value in use. In determining the value in use, the estimated future cash flows are discounted to their present value on the basis of discount rates applying to the average pre-tax capital costs of the cash-generating unit in question. The discount rates also take into account any special risk associated with the cash-generating units.

Impairment losses on property, plant and equipment and on intangible assets other than goodwill are reversed if a change has occurred in the estimates used in determining the recoverable amount of the asset. The amount by which an impairment loss is reversed is no more than the book value (less depreciation) that would have been determined for the asset if no impairment loss had been recognised on it in previous years. Impairment losses recognised on goodwill are not reversed.

Inventories

Inventories have been measured at the lower of acquisition cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business, after deduction of the estimated costs of completion and the estimated costs necessary to make the sale.

The value of inventories has been determined using the weighted average price method and includes all direct costs of acquisition and other indirect costs to be allocated. The cost of each inventory item produced comprises not only the purchase costs of materials, direct labour costs and other direct costs, but also a proportion of production overheads, but not selling or financing costs. The value of inventories has been reduced for obsolescent assets.

Financial assets and liabilities

Financial assets are classified to four categories: financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, and held-to-maturity investments. The classification is conducted based on the purpose of the financial asset and when the financial asset is originally acquired.

The group of financial assets to be recognised in income at fair value includes assets held for trading. Financial assets held for trading have been acquired primarily for the purpose of making a profit on short-term changes in market prices. Both unrealized and realized gains and losses from changes in fair value are recognised in the income statement for the period in which they occur.

Loans and other receivables are non-derivative assets with fixed or measurable payments, are not publicly quoted and the Group does not held them for trading. These assets are recognised at amortised cost.

Available-for-sale financial assets are not part of the derivative assets but are non-current assets, because the intention is to keep them for longer than 12 months following the balance sheet date. Publicly quoted shares are classified as available-for-sale investments and are measured at fair value, which is the market price on the balance sheet date. Changes in fair value are recognised directly in the statement of comprehensive income until the investment is sold or otherwise disposed of, when the changes in fair value are recognised in the income statement. Permanent impairment of assets is recognised in the income statement. Unquoted shares are presented at their acquisition price, because their fair values are not reliably available.

Financial liabilities are measured at amortised cost except derivative instruments. Financial liabilities are long or short term and can be interest-bearing or interest free. This item includes, for example, trade receivables and loans.

All financial assets and liabilities are recorded in the balance sheet at an acquisition cost corresponding to the original fair value. Transaction costs are deducted only when the item is not valued against the profit at fair value. Purchases and sales of financial assets are recognised using the trade date method.

Fair values are measured using publicly quoted prices. These instruments are mainly investments to funds and mainly all commodity derivatives. If publicly quoted prices are not available, fair value is measured based on discounted cash flows and price quotation of the counterparty. These instruments are usually currency derivatives. Short-term receivables or payables are not discounted.

The carrying amounts of the financial assets are tested to determine whether there is objective evidence of impairment. An impairment is recognised when there is objective evidence that receivables are not fully collectible. The impairment loss is reversed if in a subsequent period the fair value of the financial asset increases and this increase can be related objectively to events occurring after the impairment was recognised.

Derivative financial instruments are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value. The Group applies cash flow hedge accounting to certain forward currency and commodity derivative contracts. The hedged cash flow must be probable and the cash flow must ultimately have an impact on the income statement. The hedge must be effective when examined prospectively and retrospectively. For hedges that meet the terms for hedge accounting, the effective portion of the change in fair value of a hedge is recognised in the statement of comprehensive income, and any residual ineffective portion is recognised for currency derivatives to financial items and for commodity derivatives to other operating income or expenses. The cumulative change in fair value recognised under the statement of comprehensive income is recognised to purchases or sales or financial items based on their nature on the same date that the projected cash flow is recognised in the income statement. If a derivative financial instrument expires, is sold or does not meet the hedge accounting terms, the cumulative change in the fair value of the hedging instrument will remain in the hedge reserve and is recognised in income statement on the same date that the projected cash flow is recognised in the income statement. The cumulative fair values of the hedging instruments are transferred from the hedge reserve to other operating income or expense or financial items based on their nature immediately if the hedged cash flow is no longer expected to occur.

Despite certain hedging relationships fulfil the effective hedging requirements of the Group's risk management policy, the Group does not apply hedge accounting to all transactions done in hedging purpose. These instruments' fair value changes are recognised to other operating income and expense or financial items based on their nature.

Equity

Purchases of own shares are deducted from equity attributable to shareholders of the parent company up till the shares are cancelled or transferred back to circulation.

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

Accounting principles requiring executive judgement and the main uncertainties concerning the assessments made

In preparing the consolidated financial statements in accordance with international accounting practices, the company's management has had to make assessments and assumptions that affect the amount of assets, liabilities, income and expenses recognised in the accounts and the contingencies presented. These assessments and assumptions are based on experience and on other reasonable suppositions that are believed to be realistic in the circumstances that constitute the basis for the estimates of items recognised in the financial statements. The outcome may deviate from these estimates.

The Group tests annually goodwill for possible impairment and assesses any indication of impairment. The recoverable amounts of units that generate cash flow are based on value in use calculations. These calculations require the use of estimates.

Determination of the fair value of tangible and intangible assets acquired in business combinations requires estimations by management and is often based on assessment of asset cash flows.

Other assessments including management judgement are mainly related to restructuring plans, the extent of obsolescent inventories, environmental, litigation and tax risks and the use of deferred tax assets against future taxable profits.

Application of new and updated IFRS

The Group has not in these financial statements applied the following standards, amendments to standards or interpretations which were published by the balance sheet date and the application of which is not yet compulsory at this stage.

The following new standards and interpretations effective in 2015 will not have material effects to the Group's financial statements.

- Amendment to IAS 19, 'Employee benefits'
- IFRIC 21, 'Levies'
- Annual improvements of different standards by IASB

The Group will adopt 2016 or later the following standards and interpretations:

- IFRS 9, 'Financial Instruments' *)
- Amendment to IFRS 10, 'Consolidated Financial Statements' *)
- Amendment to IFRS 11, 'Joint Arrangements' *)
- Amendment to IFRS 12, 'Disclosure of Interests in Other Entities' *)
- IFRS 14, 'Regulatory deferral accounts' *)
- IFRS 15, 'Revenue from contracts with customers' *)
- Amendment to IAS 1, 'Presentation of Financial Statements' *)
- Amendment to IAS 16, 'Property, plant and equipment' *)
- Amendment to IAS 27, 'Separate financial statements' *)
- Amendment to IAS 28, 'Investments in Associates and Joint Ventures' *)
- Amendment to IAS 38, 'Intangible assets' *)
- Amendment to IAS 41, 'Agriculture' *)
- Annual improvements of different standards by IASB *)

Management is assessing the impact of the revisions and interpretations of 2016 or later years on the financial statements of the Group.

*) not yet endorsed by EU

Note 2 Operating segments

The Group has three reportable segments. The operating segments offer different products or services and are managed separately.

The segment information is based on the Group's organisation and management reporting structure. Reportable segments are:

Food Business
Grains and Oilseeds Business
Other Operations

Intra-group sales take place at arm's length prices. The assets and liabilities of a segment are such items of the business operations that the segment uses in its business operations or that can be allocated to a segment on reasonable basis. Tax and financing items together with items common to the whole Group are unallocated assets and liabilities. Reported figures are based on IFRS standards.

OPERATING SEGMENTS 1–12/2014

EUR million	Food Business	Grains and Oilseeds	Other Operations	Total
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
Assets	90.3	49.0	29.6	168.8
Unallocated				16.9
Total assets				185.7
Liabilities	20.9	11.2	6.8	39.0
Unallocated				17.4
Total liabilities				56.3
Gross investments in non-current assets	1.9	0.5	0.1	2.5
Corporate acquisitions and other share purchases	–	–	0.0	0.0
Depreciations	5.4	0.7	0.3	6.4
Impairments	10.4		–	10.4
Personnel	630	83	10	723

OPERATING SEGMENTS 1–12/2013

EUR million	Food Business	Grains and Oilseeds	Other Operations	Total
Total segment sales	178.5	209.0	–	387.5
Intra-group sales	–0.2	–0.1	–	–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
Assets	104.3	60.8	32.7	197.7
Unallocated				6.7
Total assets				204.4
Liabilities	23.1	11.1	6.4	40.6
Unallocated				20.2
Total liabilities				60.8
Gross investments in non-current assets	2.0	0.8	0.2	3.0
Corporate acquisitions and other share purchases	–	–	0.0	0.0
Depreciations	6.0	0.8	0.3	7.1
Impairments	2.0	–	–	2.0
Personnel	699	73	10	782

GEOGRAPHICAL INFORMATION

EUR million	Revenue 2014	Revenue 2013	Non-current Assets 2014	Non-current Assets 2013
Finland	**235.7**	243.9	**79.4**	89.6
Norway	**27.0**	27.2	**4.8**	11.9
Germany	**12.9**	17.0	**–**	–
Sweden	**29.8**	28.4	**1.1**	1.2
Other countries	**79.4**	70.8	**0.0**	0.0
Total	**384.7**	387.3	**85.4**	102.7

Revenues from one customer were EUR 96.4 (99.3) million or 25.0% (25.6%) of the net sales. Revenues from this customer were from all operating segments expect from Other Operations segment.

Note 3 Other operating income and expenses

EUR million	2014	2013
OTHER OPERATING INCOME		
Government grants received	0.1	0.2
Gains from sales of non-current assets	0.0	0.0
Rental income	0.4	0.5
Fair value change based on derivative instruments, no hedge accounting	0.7	0.1
Additional purchase price recognised as income	–	2.6
Other	0.8	0.7
Total	2.1	4.1
OTHER OPERATING EXPENSES		
Rental expenses	3.7	3.8
Administrative expenses	7.4	5.1
Information technology expenses	2.2	2.4
Sales and marketing expenses	17.4	16.1
Maintenance expenses	5.5	6.8
Other	3.3	3.4
Total	39.4	37.5

Audit fees paid by the Group to its independent auditor PricewaterhouseCoopers

The audit fees relate to the auditing of the annual accounts and to the statutory and obligatory functions closely attached to them. The non-audit fees are caused by services linked to the audit and aimed to assure the correctness of the financial statements and other advice.

Audit fees and non-audit fees

EUR million	2014	2013
Audit fees	0.2	0.2
Non-audit fees	0.0	0.0
Total	0.2	0.2

Note 4 Employee benefits expense

EUR million	2014	2013
Wages and salaries	29.4	30.5
Termination benefits	0.6	0.0
Pensions, defined contribution plans	5.2	5.5
Other personnel costs	1.3	1.3
Total	36.5	37.3

Information on the remuneration and loans granted to the management is presented in Note 27 “Related party transactions”.

Post employment benefits

Pension coverage in the Group companies is provided in accordance with the rules and practices in the respective countries. The disability component of Finnish statutory pension system (“TyEL”) is recognised in Finland as defined contribution plan.

Lännen Tehtaat Oyj and Apetit Pakaste Oy have defined contribution plans.

Note 5 R & D expenses

R & D expenses of the Group amounted to EUR 0.8 (0.9) million, representing 0.2% (0.2%) of the net sales.

Note 6 Materials and services

EUR million	2014	2013
Raw materials and consumables	287.0	276.0
Change in stocks	1.7	16.7
External services	13.5	11.6
Total	302.2	304.3

Materials and services include foreign currency gains and losses a total of EUR 0.0 (-0.1) million.

Net sales include foreign currency losses and gains a total of EUR 0.0 (0.0) million.

The ineffective portion of the change in fair value of hedge instruments totalled EUR 0.0 (-0.1) million.

Note 7 Depreciations and impairments

EUR million	2014	2013
DEPRECIATIONS		
Intangible assets	1.2	1.6
Buildings	2.7	2.7
Machinery and equipment	2.5	2.6
Other tangible assets	0.1	0.1
Total	6.4	7.1
IMPAIRMENTS		
Intangible assets	9.4	1.5
Machinery and equipment	0.3	0.1
Total	0.7	0.4
Yhteensä	10.4	2.0

Note 8 Financial income and expenses

EUR million	2014	2013
FINANCIAL INCOME		
Interest income	0.0	0.0
Foreign currency gains	0.0	0.0
Financial assets and liabilities at fair value through profits	–	2.2
Other financial income	0.0	0.1
Total	0.1	2.4
FINANCIAL EXPENSES		
Interest expenses	–0.4	–0.6
Foreign currency losses	–0.9	–1.3
Avena Nordic Grain minority dividend	–0.9	–0.6
Other financial expenses	–0.1	–0.1
Total	–2.3	–2.6

In the previous period financial assets and liabilities at fair value through profits include fair value change of EUR 2.2 million of Apetit Kala Oy's minority ownership termination liability.

Note 9 Income taxes

EUR million	2014	2013
Current period taxes	–1.6	1.0
Previous periods' taxes	0.0	0.1
Deferred taxes	1.0	–1.1
Total	–0.7	0.0

RECONCILIATION OF INCOME TAXES

Profit before taxes	–8.1	9.3
Tax calculated at the tax rate of the parent company 20.0% (24.5%)	–1.6	2.3
Effect of Avena Nordic Grain minority dividend	0.2	0.1
Effect of associated companies	–0.4	–1.5
Goodwill impairment *)	1.9	–0.2
Expenses not deductible for tax purposes	0.7	0.5
Additional purchase price recognised as income	–	–0.6
Change in corporate tax rate in Finland	–	–0.6
Other items	0.0	0.1
Tax expenses in the income statement	0.7	0.0

*) Previous period also includes impairment related tax effect of changes in the fair value of debt related to the redemption obligation.

RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES TO BALANCE SHEET 2014

EUR million	1 Jan. 2014	Charge in income statement	Charged to other comprehensive income	31 Dec. 2014
DEFERRED TAX ASSETS				
Carry forward of unused tax losses	2.1	0.5	–0.1	2.5
Derivative instruments	0.1	0.2	–	0.2
Deferred depreciation	0.2	0.1	–	0.3
Other	0.1	0.0	0.0	0.1
Total	2.5	0.7	–0.1	3.1
DEFERRED TAX LIABILITIES				
Accumulated depreciation difference	–1.5	0.2	–	–1.4
Valuation of assets in Mildola's acquisition (netting Mildola's accumulated depreciation difference)	0.6	0.0	–	0.6
Valuation of assets in acquisition cost allocation calculations	–2.4	0.2	0.0	–2.2
Inventories	–0.9	0.1	0.0	–0.7
Derivative instruments	0.0	–0.2	–0.1	–0.3
Goodwill	–0.1	–	–	–0.1
Tangible assets	–0.5	–	–	–0.5
Other	–0.1	–0.1	0.0	–0.2
Total	–5.0	0.2	0.0	–4.7

The Group has unused taxable losses total of EUR 1.4 million at 31 December 2014 where deferred tax assets have not been recognised. These taxable losses expire in 2020 - 2024. Recognised deferred tax assets on unused taxable losses EUR 1.3 million will expire in 2020 - 2024. Other unused taxable losses do not expire.

RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES TO BALANCE SHEET 2013

EUR million	1 Jan. 2013	Charge in income statement	Charged to other comprehensive income	31 Dec. 2013
DEFERRED TAX ASSETS				
Carry forward of unused tax losses	2.2	–0.1	–	2.1
Derivative instruments	0.0	0.1	–	0.1
Deferred depreciation	0.1	0.1	–	0.2
Other	0.2	–0.1	0.0	0.1
Total	2.5	0.0	0.0	2.5
DEFERRED TAX LIABILITIES				
Accumulated depreciation difference	–2.0	0.5	–	–1.5
Valuation of assets in Mildola's acquisition (netting Mildola's accumulated depreciation difference)	0.8	–0.2	–	0.6
Valuation of assets in acquisition cost allocation calculations	–3.3	0.8	–	–2.4
Inventories	–0.8	–0.1		–0.9
Derivative instruments	0.0	–0.1	0.0	0.0
Goodwill	–0.1	0.0	–	–0.1
Tangible assets	–0.6	0.1	–	–0.5
Other	–0.1	0.0	–	–0.1
Total	–5.9	1.0	0.0	–5.0

The Group has unused taxable losses total of EUR 0.4 million at 31 December 2013 where deferred tax assets have not been recognised. These taxable losses expire in 2020 - 2023. Recognised deferred tax assets on unused taxable losses EUR 1.0 million will expire in 2020 - 2023. Other unused taxable losses do not expire.

Note 10 Earnings per share

Basic earnings per share are calculated by dividing the profit for the financial year attributable to the shareholders of the parent company by weighted average number of the shares outstanding. The outstanding shares do not include treasury shares in possession of the company Diluted earnings per share are calculated by dividing the profit for the financial year attributable to the shareholders of the parent company by diluted weighted average number of the shares outstanding.

The company has no such instruments that would cause a dilution effect on the earnings per share.

EUR million	2014	2013
Profit attributable to the shareholders of the parent company, basic and diluted	–8.0	10.1
Weighted average number of outstanding shares (1,000 pcs)	6,188	6 188
Diluted average number of shares outstanding (1,000 pcs)	6,188	6,188
Basic and diluted earnings per share (EUR per share)	–1.29	1.63

Note 11 Intangible and tangible assets

The cost of assets include the assets, whose useful lives have not ended and fully depreciated assets still used in operating activities. Similar principles apply to accumulated depreciation.

INTANGIBLE ASSETS 2014

EUR million	Goodwill	Customer relation-ships	Other Intangible rights	Advance payments	Total
Acquisition cost 1 Jan.	20.2	10.8	6.8	0.3	38.1
Additions	–	–	0.1	0.5	0.6
Disposals	–	–	–0.1	0.0	–0.1
Translation difference and other changes	0.1	–0.1	0.2	–	0.2
Transfers	–	–	0.2	–0.2	–
Acquisition cost 31 Dec.	20.2	10.7	7.2	0.6	38.7
Accumulated depreciation 1 Jan.	–10.5	–2.8	–5.8	–	–19.1
Disposals, accumulated depreciation	–	–	0.1	–	0.1
Depreciation for the period	–	–0.7	–0.6	–	–1.2
Impairments	–9.4	–0.3	0.0	–	–9.7
Accumulated depreciation 31 Dec.	–19.9	–3.7	–6.3	–	–29.9
Book value 31 Dec. 2014	0.4	7.0	0.9	0.6	8.8

INTANGIBLE ASSETS 2013

EUR million	Goodwill	Customer relation-ships	Other Intangible rights	Advance payments	Total
Acquisition cost 1 Jan.	20.6	11.1	6.5	–	38.2
Additions	–	–	0.3	0.3	0.6
Acquired companies	–	–	–0.1	–	–0.1
Translation difference and other changes	–0.4	–0.3	–	–	–0.7
Acquisition cost 31 Dec.	20.2	10.8	6.8	0.3	38.1
Accumulated depreciation 1 Jan.	–8.5	–2.1	–4.9	–	–15.5
Disposals, accumulated depreciation	–	–	0.0	–	0.0
Depreciation for the period	–	–0.7	–0.9	–	–1.6
Impairments	–2.0	–	–	–	–2.0
Accumulated depreciation 31 Dec.	–10.5	–2.8	–5.8	0.0	–19.1
Book value 31 Dec. 2013	9.7	8.0	1.0	0.3	19.0

Goodwill impairment testing

Impairment test for cash-generating-units containing goodwill

Goodwill has been allocated to the following cash-generating units or groups of units:

EUR million	2014	2013
Frozen products group	0.4	0.4
Finnish fish products group	–	–
Maritim companies - fish products group	–	6.3
Fresh products group	–	3.0
Total	0.4	9.7

In goodwill impairment testing, the recoverable amount from operating activities is determined on the basis of value in use calculations. Expected future cash flows are based on management-approved forecasts and are given for a five-year period, and cash flows beyond this are extrapolated using a growth factor of 1%–2%.

The key variables in the value in use calculation are the budgeted gross margin, net sales and the discount rate. The forecasted gross margin for the Maritim companies is slightly higher than the realised gross margin of the past two years. The pre-tax discount rates used in the calculations are: Maritim companies 7.5% (7.1%), Frozen products group 7.0% (8.0%) and Fresh products group 7.2% (7.9%). In Finnish businesses the decline of discount rates is mainly attributable to the decline in corporate tax rate from 24.5% to 20.0%.

On the basis of goodwill impairment testing carried out during the period, EUR -10.2 (-2.0) million in impairments was recognised for the Food Business. The company has lowered the expectations of future cash flows in the Food Business with respect to the fish and fresh products groups. In fish products group, the revised view is based on lower expectations regarding gross margins attainable in Norway and Sweden and, in fresh products group, lower expectations regarding the sales performance of the Finnish professional food service sector and the weaker economic outlook for the coming years. On the basis of the goodwill impairment testing, an impairment of EUR -6.4 million was carried out in the fish products group in Norway and Sweden, and the goodwill associated with the product group was impaired in full. In the fresh products group, an impairment of the entire remaining goodwill, EUR -3.0 million, was made, as well as EUR -0.8 million for tangible and intangible assets. In the comparison period, a non-recurring EUR -2.0 million impairment was recognised in the Food Business for the fish products group in Finland.

In Frozen products group the value in use exceeded the carrying amount of the tested assets by a wide margin.

Sensitivity of value in use to fluctuations in key variables

In the Frozen products group, the forecast cash flow would match the carrying amount of the tested assets if the gross margin for each year of the expected future cash flows was 7.9% (5.6%) lower, with the other variables remaining unaltered. Correspondingly if the net sales would be 19.9% (15.2%) lower or discount rate used 15.8% (9.4%) higher, the forecast cash flow would match the carrying amount of the tested assets. The changes in sensitivity values are partly related to the change in corporate tax rate from 24.5% to 20.0%.

TANGIBLE ASSETS 2014

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress	Total
Acquisition cost 1 Jan.	3.4	51.5	45.4	0.7	1.0	102.1
Additions	–	0.3	0.7	0.0	0.8	1.9
Disposals	–	–	–0.4	–	–	–0.4
Translation differences and other changes	0.0	–0.1	–0.4	0.0	–	–0.5
Transfers	–	–	1.0	–	–1.0	–
Acquisition cost 31 Dec.	3.4	51.7	46.5	0.8	0.8	103.1
Accumulated depreciation 1 Jan.	–0.2	–21.1	–34.3	–0.4	–0.3	–56.3
Accumulated depreciation on disposals and transfers	–	–	0.3	–	–	0.3
Depreciation for the period	–	–2.7	–2.5	–0.1	–	–5.2
Impairments	–	–0.7	–0.1	–	–	–0.7
Accumulated depreciation 31 Dec.	–0.2	–24.5	–36.6	–0.5	–0.3	–62.0
Book value 31 Dec. 2014	3.2	27.3	9.9	0.3	0.5	41.1

Machinery and equipment includes assets acquired through finance leases totalling EUR 0.5 million.

TANGIBLE ASSETS 2013

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress	Total
Acquisition cost 1 Jan.	3.4	51.6	46.5	0.7	0.7	102.9
Additions	–	0.4	1.5	–	0.4	2.3
Disposals	–	–0.3	–2.5	0.0	–	-2.8
Translation differences and other changes	0.0	–0.3	–0.1	0.0	–	–0.3
Transfers	–	0.0	0.0	–	–0.1	–
Acquisition cost 31 Dec.	3.4	51.5	45.4	0.7	1.0	102.1
Accumulated depreciation 1 Jan.	–0.2	–18.4	–33.8	–0.3	–0.3	–53.1
Accumulated depreciation on disposals and transfers	–	–	2.2	–	–	2.2
Depreciation for the period	–	–2.7	–2.6	–0.1	–	–5.4
Accumulated depreciation 31 Dec.	–0.2	–21.1	–34.3	–0.4	–0.3	–56.3
Book value 31 Dec. 2013	3.2	30.4	11.2	0.3	0.7	45.8

Machinery and equipment includes assets acquired through finance leases totalling EUR 0.6 million.

Note 12 Investment in associated companies

EUR million	2014	2013
Book value 1 Jan.	37.5	35.5
Acquisitions, other additions	0.3	0.2
Share of profits for the period	2.2	6.2
Dividends	–5.0	–4.4
Book value 31 Dec.	34.9	37.5

Groups associated companies are Sucros group, Taimen group and Foison Oy. Fish products group purchases trout from Taimen group, Apetit does not have significant business relations with the other associated companies. Sucros group's beet factory is situated at Säkylä industrial site where also is situated Forzen products group 's factory. Companies share common resources and services at the site benefiting both companies' business operations. Associated companies are consolidated using the equity method and they do not have public quatations.

INFORMATION ABOUT GROUP'S MATERIAL ASSOCIATED COMPANIES

	Sucros group		Taimen group	
	Group holding 20%		Direct group holding 30%, after cross ownership 23%	
EUR million	2014	2013	2014	2013
Non-current assets	22.6	20.0	14.2	13.4
Current assets	123.9	165.7	27.1	28.7
Cash and cash equivalents	5.0	3.0	1.9	1.7
Non-current financial liabilities	5.4	5.4	7.4	4.5
Current financial liabilities	2.8	20.6	1.3	4.9
Other current liabilities	21.4	25.2	8.9	10.3
Net assets, 100%	122.0	137.5	25.5	24.1
Share in net assets (20%, 23%)	24.4	27.5	5.9	5.5
Goodwill	0.0	0.0	3.9	3.9
Book value, 31 December	24.4	27.5	9.8	9.5
Net sales	191.3	259.4	34.4	30.4
Other income and expenses	–180.5	–226.2	–32.1	–26.7
Operating profit	10.8	33.2	2.3	3.6
Interest income and expenses	0.4	0.8	–0.2	–0.3
Taxes	–2.0	–5.9	–0.6	–0.6
Profit / loss	9.3	28.0	1.4	2.7
Book value, 1 January	27.5	26.1	9.5	8.9
Profit / loss	1.9	5.6	0.3	0.6
Dividends received	–4.9	–4.2	0.0	0.0
Book value, 31 December	24.4	27.5	9.8	9.5

Note 13 Available-for-sale investments

The shares of unlisted companies are reported at acquisition cost as their values are not reliably available.

Milj.euroa	2014	2013
Investments in shares of unlisted companies	0.1	0.1
Total	0.1	0.1

Note 14 Non-current receivables

Milj.euroa	2014	2013
Connection fees	0.4	0.4
Total	0.4	0.4

The fair values of the receivables are estimated to correspond to their book values.

Note 15 Current receivables

EUR million	2014	2013
Trade receivables	24.3	27.0
Receivables based on derivative instruments, hedge accounting	0.5	0.0
Receivables based on derivative instruments, no hedge accounting	0.6	0.0
Accrued income and deferred expenses	1.5	1.3
Other receivables	1.9	1.9
Receivables from associated companies		
Trade receivables	0.3	0.2
Other receivables	0.5	0.5
Total	29.6	31.0

The substantial items in the accrued income and deferred espenses and other receivables are related to raw material purchases and accruals of employment benefits.

The fair values of the receivables are estimated to correspond to their book values.

During the financial year the group recorded credit losses of EUR 0.0 (0.3) million on trade receivables.

Note 16 Inventories

EUR million	2014	2013
Materials and consumables	9.4	12.3
Work in progress	5.8	4.9
Finished goods	38.6	46.8
Total	53.8	64.0

A writedown of EUR 1.6 (1.7) million in inventory value was booked to correspond the net realisation value.

Note 17 Financial assets at fair value through profits

EUR million	2014	2013
Short-term fixed income funds	–	0.1
Total	–	0.1

Note 18 Cash and cash equivalents

EUR million	2014	2013
Cash and bank receivables	13.7	2.8
Total	13.7	2.8

Note 19 Shareholders' equity

	Number of shares (1,000 pcs)	Share capital	Share premium account	Total
31 Dec. 2014	6,318	12.6	23.4	36.0
31 Dec. 2013	6,318	12.6	23.4	36.0

The fully paid and registered share capital of the company at the end of the financial year was EUR 12,635,152. The nominal value of a share is EUR 2.

DESCRIPTIONS OF THE FUNDS IN THE EQUITY:

Translation differences

Translation differences fund contains the translation differences arising from the translations of the financial statements prepared in foreign currency.

Revaluation reserve

Revaluation reserve consists of two sub-reserves: fair value reserve for available-for-sale financial assets and hedging reserve for the revaluations of the fair values of derivative instruments used for cash flow hedges. Changes on the statement of changes in shareholder's equity relate only the revaluation reserve. Changes in the fair value reserve is null on both reporting periods.

Other reserves

Other reserves consist mainly of contingency reserve accounts. Contingency reserve includes the proportion transferred from retained earnings according to the decision by the Annual General Meeting. Contingency reserve totals EUR 7.2 (7.2) million.

Treasury shares

Treasury shares include the acquisition cost of the own shares that are in the Group's possession. The company possessed 127,278 own shares that have been repurchased during 2000, 2001 and 2008. 2 722 shares have been distibuted as part of the Board of Directors' remuneration in 2014. The shares represent 2.0% of the company's share capital and votes. The acquisition cost of the repurchased shares totals EUR 1.7 million.

Dividends

After the date of the financial statement the Board of Directors has proposed a dividend of EUR 0.70 per share to be paid.

Note 20 Provisions

EUR million	2014	2013
NON-CURRENT		
Provisions 1 Jan.	0.6	0.4
Increases, decreases	–0.2	0.2
Provisions 31 Dec.	0.4	0.6
CURRENT		
Provisions 1 Jan.	0.1	0.1
Increases, decreases	0.0	0.0
Provisions 31 Dec.	0.1	0.1

Provisions relate mainly to defined benefit pension plans.

Apetit Group's most significant defined benefit plans are in the parent company. Parent company's plans include one employee and about 80 pensioners. Plans are administered in pension companies. Parent company's defined benefit obligation totals to EUR 2.7 (3.7) million and plan assets totals to EUR 2.4 (3.1) million. Net liability total to EUR 0.4 (0.6) million.

EUR million	2014	2013
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	2.8	3.7
Present value of unfunded obligations	0.0	0.0
Fair value of plan assets	2.4	3.1
Surplus (-) / deficit (+)	0.4	0.6
Unrecognised actuarial gains (+) and losses (-)	0.0	0.0
Net liability (+) / asset (-)	0.4	0.6
Change in the defined benefit obligation		
Defined benefit obligation in the beginning of the year	3.7	3.6
Current service cost	0.1	0.1
Interest cost	0.1	0.1
Actuarial gains (-) and losses (+)	–0.9	0.1
Benefits paid	–0.3	–0.3
Defined benefit obligation at the end of the year	2.7	3.7
Change in plan assets		
Plan assets in the beginning of the year	3.1	3.1
Interest income	0.1	0.1
Expected return of plan assets	–0.7	–0.1
Contributions paid into the plans	0.1	0.2
Benefits paid	–0.3	–0.3
Plan assets at the end of the year	2.4	3.1

EUR million	2014	2013
Defined benefit expense in the income statement		
Current service cost	0.1	0.1
Interest cost on pension obligation	0.1	0.1
interest income on plan assets	–0.1	–0.1
Pension expense recognised in the income statement	0.1	0.1
The amounts recognised in the equity		
Gains and losses from change of financial assumptions	0.3	0.0
Experience gains and looses	–1.2	0.2
Return on plan assets excluding interest	0.7	0.1
Remeasurements of post employment benefit obligations	–0.2	0.3
Significant actuarial assumptions		
Discount rate (%)	2.5	4.0
Salary growth rate (%)	2.5	2.5
Pension growth rate (%)	2.1	2.1
Inflation (%)	2.0	2.0

Changes in the assumptions, sensitivity	Obligations Increase %	Decline %
Discount rate, change 0,5%	–3.7	3.9
Salary growth rate, change 0.5%	0.0	0.0
Pension growth rate, change 0.25 %	2.0	–2.0
Life expectancy, change 5%	–2.7	2.9

Changes in the assumptions, sensitivity	Plan assets Increase %	Decline %
Discount rate, change 0,5%	–3.3	–3.5
Salary growth rate, change 0.5%	0.0	0.0
Pension growth rate, change 0.25 %	0.0	0.0
Life expectancy, change 5%	–2.5	–2.6

Note 21 Financial liabilities

EUR million	2014	2013
NON-CURRENT		
Loans from credit institutions	2.3	3.5
Other loans	0.3	0.5
Finance lease liabilities (note 24)	–	0.0
Total	2.6	4.0

The loans from credit institutions are floating rate. The loan in 'Other loans' carries a fixed rate of 5% p.a. Interest-bearing long-term loans are denominated in euros totalling EUR 2.1 (2.9) million and in Norwegian crowns totalling EUR 0.5 (1.1) million. It is assessed that the book values of the liabilities correspond to their fair values.

EUR million	2014	2013
CURRENT		
Commercial papers and loans from credit institutions	9.3	10.8
Other loans	0.1	0.1
Finance lease liabilities (note 24)	–	0.1
Total	9.4	11.0

The fair values of the liabilities are estimated to correspond to their book values.

Note 22 Trade payables and other liabilities

EUR million	2014	2013
NON-CURRENT		
Payables based on derivative instruments, hedge accounting	0.1	0.1
Other liabilities	2.7	2.7
Total	2.7	2.8

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

In 2013 the fair value of the debt has declined from EUR 4.8 million to EUR 2.6 million. Under the applicable IFRS's, the change, EUR 2.2 million, was recognised through profit or loss in financial income. There have been no changes in the cross ownership.

EUR million	2014	2013
CURRENT		
Trade payables	21.7	23.0
Payables to associated companies	0.7	0.8
Payables based on derivative instruments, no hedge accounting	0.1	0.0
Payables based on derivative instruments, hedge accounting	0.0	0.1
Accrued expenses and deferred income	8.8	8.6
Other liabilities	4.4	4.6
Total	35.7	37.1

The material items in accrued expenses and deferred income consist of personnel expenses and accruals of material purchases.

Note 23 Financial risk management

The Apetit Group is exposed to various financial risks in its normal business operations. The aim of the Group's risk management is to minimize the adverse effects of changes in the financial markets on its financial performance. The main financial risks are the liquidity risk, currency risk, the interest rate risk and the funding risk. The Group uses derivative financial instruments, among other things, to hedge against currency and interest rate risks.

The financial risk management principles observed by the Group are subject to approval by the Board of Directors of Apetit plc, and the practical implementation of these principles is the responsibility of the Financing Department, which operates under the CFO.

1. MARKET RISKS

Currency Risk

The Group operates in international markets and is thus exposed to currency risks arising from changes in exchange rates. The Group's currency risks concern sales, purchases and balance sheet items denominated in foreign currencies (transaction risk), and also investment in foreign subsidiaries (translation risk). The most significant currency risk is caused by the US dollar, Swedish crowns and Norwegian crowns. Other currencies causing some currency risk is mainly Canadian dollar. Group's largest currency risk is from currency derivatives, cash balances and trade payables denominated in other currency than the operating currency in Maritim companies and Group's internal financing to Maritim companies.

On 31 December 2014 the most significant net investments to foreign subsidiaries are in Norwegian crowns EUR 1.1 million and Swedish crowns EUR 0.7 million. Apetit plc has intra-group loan receivables in Norwegian crowns EUR 7.2 million and in Swedish crowns EUR 3.1 million. Group's policy is not to hedge balances related to subsidiary ownership such as net investments in foreign operations or intra-group loans.

The principle followed by the Group is to hedge the original transaction risk in the case of all financially significant currency positions. The Group's financial policy is to look on open currency positions with a value in excess of EUR 100,000 as significant. Hedging can also be made against a probable future open currency position. The instruments available in currency hedging are forward currency contracts, currency options and currency swaps. The Group's business units are responsible for currency risk hedging. Currency hedging is guided by the risk management policy specifically defined for the purpose and this is monitored by the Group's Financing Department.

Sensitivity to currency risk arising from financial instruments

Currency risk (or foreign exchange risk) arises from financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this IFRS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

If on 31 December 2014 (31 December 2013) Norwegian crowns would have been 10% stronger/weaker against euro, group's net profit would have increased / decreased by EUR 0.6/- 0.5 (0.6/- 0.5) million and equity increased/decreased by EUR 0.0/0.0 (0.0/0.0) million. All other variables such as interest rates remain the same on the analyses.

If on 31 December 2014 (31 December 2013) US dollar would have been 10% stronger/weaker against euro, group's net profit would have increased/decreased by EUR 0.3/- 0.2 (0.3/- 0.2) million and equity decreased/increased by EUR 0.0/- 0.0 (0.0/0.0) million. All other variables such as interest rates remain the same on the analyses.

If on 31 December 2014 (31 December 2013) Swedish crowns would have been 10% stronger/weaker against euro, group's net profit would have increased/decreased by EUR 0.4/- 0.3 (0.4/- 0.3) million and equity increased/decreased by EUR 0.0/0.0 (0.0/0.0) million. All other variables such as interest rates remain the same on the analyses.

Interest rate risk

At the end of the financial year, the Group had a total of EUR 2.6 (4.0) million in long-term floating rate loans from financial institutions, EUR 9.4 (11.0) million in other short-term liabilities, EUR 13.7 (2.8) million in liquid cash assets and EUR 0.0 (0.1) million in short-term fixed income funds. The Group has hedged against long-term interest rate risk using interest rate swap with nominal value of EUR 3.0 (4.2) million.

Sensitivity to interest rate risk arising from financial instruments

With the balance sheet structure on 31 December 2014 (31 December 2013), a rise/decrease of one percentage point in interest rates would have decreased / increased Group's net profit by EUR 0.0/0.0 (– 0.1/0.1) million and equity increased/decreased EUR 0.0/0.0 (0.0/0.0) million.

Commodity risk

The Group is exposed to commodity risks associated with the availability of raw materials, the time difference between procurement and sales, and price fluctuations. The most significant single commodity risks concern Grains and Oil Seeds; wheat, barley, oats, soy and rapeseed. It seeks to reduce these risks by using certain quoted commodity futures, forward agreements and options. The Group's exposure to commodity risk and correspondingly the hedging instruments expire within 12 months. At the end of the year commodity derivatives totalled to EUR 13.9 (0.9) million. In frozen products group, fish products group and fresh products group commodity risk is mostly controlled by purchase and sales functions' co-operation. The business units are responsible for managing their commodity risks in accordance with the risk management principles laid down for them. Hedge accounting is mostly applied when hedging the raw material risk.

The Apetit Group hedges against price variations in the electricity it purchases by agreeing power supply and electricity derivative financial instruments of up to three years. Management of the Group's electricity portfolio has been outsourced for Finnish companies. The portfolio management covers both the physical procurement of electricity and the financial hedges. Management of the electricity risk is governed by a separate risk policy for the procurement of the electricity. Hedge accounting is applied for hedging the electricity risk and electricity derivatives totalled EUR 0.8 (0.8) million at the end of the year.

Sensitivity to commodity risk arising from financial instruments

If on 31 December 2014 (31 December 2013) derivative based commodity prices would have been increased/decreased by 10%, Group's net profit would have increased/decreased by EUR 0.0/0.0 (0.0/0.0) million and equity increased/decreased by EUR 0.8/– 0.8 (0.0/0.0) million. When cash flow hedge accounting is applied, the change in the fair value of derivative financial instruments is assumed to be recorded fully in equity.

Other market risks information

The sensitivity analysis presented may not be representative, since the Group's exposure to market risks also arises from other balance sheet items than financial instruments. For example, the currency risk analyses only reflect the change in fair value of derivative instruments. Cash flows from derivatives are materially offset by commodity purchase prices denominated in foreign currency even though the Group does not apply IAS 39 hedge accounting to all transactions made in hedging purpose.

2. CREDIT RISK

Derivative financial instruments are only entered into with domestic and foreign banks that have a good credit rating. Commodity derivative instruments can be entered into on the appropriate commodity exchanges if necessary. Liquid assets are invested within the approved limits in targets with a good credit rating.

To minimize the operational credit risk, the business units endeavour to obtain collateral security, as credit insurance, in the event that a customer's credit rating so requires.

The Group's management evaluates that there are no significant customer, geographical or counterparty concentrations in the Group's credit and counterparty risks.

Aging of Group's receivables

EUR million	2014	2013
Not due	29.5	30.4
0 - 3 months past due	0.1	0.3
4 - 6 months past due	0.0	0.0
Over 6 months past due	0.0	0.3
Total	29.6	31.0

Other Group's receivables do not include credit risk.

3. LIQUIDITY RISK

The liquidity risk is the risk that the company may not have sufficient liquid assets or be unable to acquire enough funds to meet the needs of its business operations. The aim of liquidity risk management is to maintain sufficient liquid funds and credit facilities to ensure that there is always enough financing for the Group's business operations. The cash flows of the Group companies are netted with the aid of the Group's internal bank and Group accounts. To manage liquidity, the Group has a commercial paper programme worth EUR 50 (50) million and also long-term binding credit facilities agreed with financial institutions; a total of EUR 25 (25) million was available in credit on 31 December 2014. Credit facilities expire on December 2016 for EUR 15 million and March 2016 for EUR 10 million. The total amount of commercial papers issued were EUR 8.0 (9.0) million. Liquidity risk management is the responsibility of the parent company's Financing Department.

Group's derivative liabilities and interest-bearing loan repayments and interest cash flows on 31 December 2014

EUR million	0–3 months	4-12 months	1–5 years	over 5 years
Loans from financial institutions and other loans	–8.0	–1.4	–4.0	–0.1
Trade payables	–22.4	–	–	–
Derivative liabilities	0.0	–0.1	0.0	–
Total	–30.4	–1.5	–4.0	–0.1

Group's derivative liabilities and interest-bearing loan repayments and interest cash flows on 31 December 2013

EUR million	0–3 months	4-12 months	1–5 years	over 5 years
Loans from financial institutions and other loans	–9.5	–1.5	–4.2	0.0
Finance leasing	0,0	0.0	–	–
Trade payables	–24.5	–	–	–
Derivative liabilities	–0.1	0.0	–0.1	–
Total	–34.1	–1.5	–4.4	0.0

4. CAPITAL RISK MANAGEMENT

The main objective for capital risk management is to secure the Group's operational preconditions in all circumstances. The capital structure of the Group is reviewed by the Board of Directors on a regular basis. Apetit plc does not have a public credit rating. The Group monitors its capital on the basis of equity ratio. The Group has set a long term target of equity ratio of at least 40%. The equity ratio can deviate from the target ratio of the short term. The equity ratio on 31 December 2014 was 69.7% (70.3%). The Group's strong financial position enables to execute the corporation's strategy to grow thorough mergers and acquisitions.

The amounts of the Group's interest bearing debts fluctuate significantly during the year due to a seasonality of the employed working capital. Normally the employed working capital is at highest level during the last quarter of the year and at lowest level during the spring and summer.

EUR million	2014	2013
Interest bearing liabilities	12.0	14.9
Liquid assets	13.7	2.9
Interest bearing net debt	–1.7	12.1
Equity	129.4	143.6
Interest bearing net debt and equity total	127.7	155.7
Gearing, %	–1.3	8.4
Equity ratio, %	69.7	70.3

Note 24 Finance lease liabilities

EUR million	2014	2013
Finance lease liabilities, Total amount of minimum lease payments	–	0.1
Within one year due	–	0.1
After one year but not more than five years	–	0.0
Finance lease liabilities, Present value of minimum lease payments	–	0.1
Within one year due	–	0.1
After one year but not more than five years	–	0.0
Finance charges accruing in the future	–	0.0

Note 25 Collateral, contingent liabilities, contingent assets and other commitments

EUR million	2014	2013
LIABILITIES SECURED BY PLEDGES		
Loans from financial institutions	0.5	0.7
Other	0.5	0.6
Total	1.0	1.3
PLEDGES GIVEN FOR DEBTS		
Real estate mortgages	1.5	1.9
Corporate Mortgages	–	0.5
Other securities given	1.3	1.9
Guarantees	7.9	7.6
OTHER LEASES, PRESENT VALUE OF MINIMUM LEASE PAYMENTS		
Within one year	3.1	3.3
After one year but not more than five years	2.7	2.8
After more than five years	1.7	1.8
Total	7.6	7.8

The present value of minimum lease payments includes real estate leases a total of EUR 6.7 (6.8) million.

CONTINGENT ASSETS

The present value of proceeds from the sale of shares in the joint book-entry account.	0.7	0.7

INVESTMENT COMMITMENTS

Apetit has no material investment commitments on 31 December 2014.

OTHER LIABILITIES

Liability to adjust value added tax on property investments

The group is liable to adjust value added tax deductions on 2008 - 2014 property investments, if taxable use of the properties decreases. The maximum value of the liability is EUR 2.1 (2.5) million and liability is valid untill 2024.

ADDITIONAL PURCHASE PRICE

The acquisition price of Caterenet Finland Oy consists of a fixed element of EUR 6 million and a variable element comprising an additional purchase price of EUR 0-6 million, which is tied to the operating profit for 2012-2013. The fair value of the additional purchase price was set at EUR 3.7 million. The initial additional purchase price has been reduced by EUR 1.2 million in regard to the element tied to the operating profit for 2012 and by EUR 2.6 million in regard to the element tied to the operating profit for 2013. Items have been recognised in 2012 and 2013 as income under other operating income in the operating profit for Food Business.

Note 26 Fair value hierarchy on financial assets and liabilities valued at fair value

EUR million	Level 1	Level 2	Level 3	Total
ASSETS				2014
Currency derivatives, no hedge accounting	–	0.6	–	0.6
Commodity derivatives, no hedge accounting	0.1	–	–	0.1
Commodity derivatives, hedge accounting	0.5	–	–	0.5
ASSETS				2013
Currency derivatives, no hedge accounting	–	0.0	–	0.0
Commodity derivatives, hedge accounting	0.0	–	–	0.0
Fund investments	0.1	–	–	0.1
LIABILITIES				2014
Commodity derivatives, hedge accounting	–0.1	–	–	–0.1
Interest rate swaps	–	0.0	–	0.0
LIABILITIES				2013
Currency derivatives, no hedge accounting	–	0.0	–	0.0
Commodity derivatives, hedge accounting	–0.2	–	–	–0.2
Interest rate swaps	–	0.0	–	0.0

During the year there has not been any transfers between levels 1 and 2.

Level 1 fair values are based on prices obtained from active markets.

Level 2 fair values are based on other input data and commonly accepted fair value models. The input data is based on observable market prices.

Level 3 fair values are mostly based on other input data that are not for the most part based on observable market prices, instead management estimates and commonly accepted fair value models.

Nominal values of derivative instruments

EUR million	2014	2013
Currency derivatives, no hedge accounting	8.3	5.7
Commodity derivatives, no cash flow hedge accounting	2.9	–
Commodity derivatives, cash flow hedge accounting	11.8	1.7
Interest rate swaps	3.0	4.2

Other information related to cash flow hedge

The Group applies cash flow hedge accounting to commodity and currency derivatives. Electricity derivatives expire in three years being more emphasized to the two subsequent years from the balance sheet date. Other derivatives become due within one year. Due to cash flow hedge accounting EUR 0.4 (0.0) million was recognised in equity. Group's derivatives affected the profit and loss statement related to net sales EUR 0,0 (- 0.4) million, purchases and other operating income and expense EUR 0.9 (- 0.6) million, financial income and expenses EUR - 0.1 (0.0) million and taxes EUR - 0.2 (0.2) million. Profit and loss statement effects of cash flow hedges are materially netted against the opposing fair value change of the hedged item.

Note 27 Related party transactions

Parent company and subsidiary relations of the Group	Domicile	Group's share of ownership %	Group's share of votes, %
Apetit plc (parent company)	Finland		
Apetit Pakaste Oy	Finland	100.0	100.0
Apetit Kala Oy	Finland	70.0	70.0
Myrskylän Savustamo Oy	Finland	70.0	70.0
Safu Oy	Finland	70.0	70.0
Caternet Finland Oy	Finland	100.0	100.0
Kiinteistö Oy Kivikonlaita	Finland	100.0	100.0
Apetit Suomi Oy	Finland	100.0	100.0
Maritim Food AS	Norway	100.0	100.0
Maritim Food Sweden AB	Sweden	100.0	100.0
Sandanger AS	Norway	100.0	100.0
Avena Nordic Grain Oy	Finland	80.0 [1]	80.0 [1]
Mildola Oy	Finland	80.0 [1]	80.0 [1]
ZAO Avena St. Petersburg	Russia	80.0 [1]	80.0 [1]
UAB Avena Nordic Grain	Lithuania	80.0 [1]	80.0 [1]
OÜ Avena Nordic Grain	Estonia	80.0 [1]	80.0 [1]
TOO Avena Astana	Kazakhstan	80.0 [1]	80.0 [1]
OOO Avena-Ukraine	Ukraine	80.0 [1]	80.0 [1]
1 non-operative company	Finland	100.0	100.0

[1] In addition Apetit owns indirectly through Foison Oy 2.5% of the shares in Avena Nordic Grain Oy.

Financial information about subsidiaries where is significant non-controlling interest

Apetit Kala subgroup (Apetit Kala Oy, Myrskylän Savustamo Oy and Safu Oy)

EUR million	2014	2013
Non-current assets	14.7	15.2
Current assets	9.9	11.3
Non-current liabilities	0.5	1.0
Current liabilities	18.9	17.1
Net assets	**5.2**	**8.4**
Net sales	71.3	69.8
Profit before taxes	–3.2	–3.5
Taxes	0.0	0.1
Net profit	**–3.2**	**–3.4**
Net cash flow from operating activities	–1.8	0.9
Net cash flow from investing activities	0.0	–0.1
Net cash flow from financial activities	1.8	–1.0
Net change in cash and cash equivalents	**–0.1**	**–0.2**
Cash and cash equivalents at the beginning of the period	0.1	0.3
Cash and cash equivalents at the end of the period	0.0	0.1

Salaries, wages and benefits of the administrative bodies of the Group

The administrative bodies consists of the members of the Supervisory Board, the Board of Directors and the CEO of the parent company.

The chairmans of the Supervisory Board was paid EUR 14,541 (10,745), the deputy chairmans EUR 13,386 (9,460) and the members EUR 255 to 1,455 (255 to 1,020) in fees and allowances.

The members of the Board of Directors and CEO were paid in salaries, wages and fringe benefits as follows:

EUR 1,000	2014	2013
Aappo Kontu, chairman of the Board since 16 April 2013	47	38
Matti Lappalainen, chairman of the Board until 16 April 2013	–	15
Veijo Meriläinen, debuty chairman of the Board since 16 April 2013	9	24
Esa Härmälä, member of the Board since 11 April 2014	16	–
Tuomo Lähdesmäki, member of the Board since 16 April 2013	23	14
Samu Pere, member of the Board	24	22
Jorma J Takanen, member of the Board until 16 April 2013	–	7
Helena Walldén, member of the Board	24	21
Matti Karppinen, CEO until 29 April 2014	371	367
Veijo Meriläinen, CEO since 30 April 2014	204	–

The members of the Board do not have any pension agreements with the Group companies. The agreed retirement age for the CEO is 62 years.

Post–employment benefits (pension benefits, amount transferred to income statement)

EUR 1,000	2014	2013
Matti Karppinen, CEO	117	118

The key conditions of the CEO's terms of service are defined in his contract. The period of notice for the CEO is six months. Should the CEO be given notice by the company, he will be entitled to a severance package equivalent to 12 months' pay.

The Group did not have any loan receivables from the group key management on 31 December 2014 nor on 31 December 2013.

Transactions with associated companies

EUR million	2014	2013
Sales to associated companies	1.4	1.2
Purchases from associated companies	10.0	10.1
Trade receivables and other receivables from associated companies	0.8	0.8
Trade payables and other liabilities to associated companies	0.7	0.8

The sales of goods and services to the associated companies and joint ventures are based on valid market prices.

Note 28 Events since the end of the financial year

Avena Nordic Grain Oy, which is part of the Apetit Group, will invest EUR 1.8 million in the development of grain reception, storage and export facilities at the Inkoo deepwater port. At the initial stage the targeted annual volume at the Inkoo port is approximately 50,000 tonnes of grain, of which about 80% will be new export volume.

Note 29 Key Indicators

Continuing operations EUR million	2014	2013	2012	2011	2010
FINANCIAL RATIOS					
Profitability					
Net sales	384.7	387.3	378.2	335.5	308.7
Exports from Finland	82.7	64.0	73.0	90.8	49.0
Operating profit	–5.9	9.4	8.5	8.7	8.3
% of net sales	–1.5	2.4	2.2	2.6	2.7
R & D expenses	0.8	0.9	1.0	0.9	1.0
% of net sales	0.2	0.2	0.3	0.3	0.3
Financial income (+)/expenses(-), net	–2.2	–0.2	–1.0	–1.2	0.1
Profit before taxes	–8.1	9.3	7.5	7.5	8.4
% of net sales	–2.1	2.4	2.0	2.2	2.7
Profit for the period	–8.7	9.3	6.7	5.7	6.5
% of net sales	–2.3	2.4	1.8	1.7	2.1
Attributable to					
Shareholders of the parent company	–8.0	10.1	6.6	5.7	6.5
Non-controlling interests	–0.7	–0.8	0.1	0.0	–
Return on equity, % (ROE)	–6.4	6.5	4.8	4.1	4.7
Return on investment, % (ROI)	–3.8	7.0	5.4	6.3	6.1

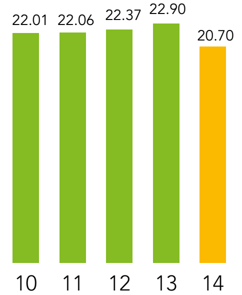
Continuing operations EUR million	2014	2013	2012	2011	2010
FINANCE AND FINANCIAL POSITION					
Equity ratio, %	69.7	70.3	60.6	74.9	72.4
Net gearing, %	–1.3	8.4	22.0	–5.1	–7.7
Non-current assets	88.5	105.2	110.9	86.3	87.5
Inventories	53.8	64.0	79.4	62.3	55.0
Other current assets	43.4	35.2	42.6	37.2	49.4
Shareholders' equity	129.4	143.6	141.5	139.2	138.9
Distributable funds	73.4	86.0	88.5	87.7	84.5
Interest-bearing liabilities	12.0	14.9	36.4	2.3	4.0
Non-interest-bearing liabilities	44.3	45.8	55.0	44.3	49.0
Balance sheet total	185.7	204.4	232.9	185.8	191.9
Other indicators					
Gross investments excluding acquisitions	2.5	3.0	3.9	5.8	3.1
% of net sales	0.7	0.8	1.0	1.7	1.0
Acquisitions and other investments in shares	–	–	9.7	0.2	10.5
% of net sales	–	–	2.6	0.1	3.4
Average number of personel	723	782	721	596	621

Share indicators

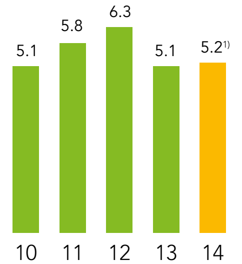
EUR million	2014	2013	2012	2011	2010
Earnings per share, EUR	**–1.29**	1.63	1.07	0.92	1.04
Dividend per share, EUR	[1] **0.70**	1.00	0.90	0.85	0.90
Dividend per earnings, %	**–**	61.3	84.1	92.4	86.5
Effective dividend yield, %	**5.2**	5.1	6.3	5.8	5.1
P/E ratio	**–10.5**	11.9	13.4	16.0	16.8
Shareholders' equity per share, EUR	**20.70**	22.90	22.37	22.06	22.01
Share performance, EUR					
Lowest price during the year	**13.56**	14.41	12.38	12.95	15.51
Highest price during the year	**21.63**	19.64	16.77	18.80	20.00
Average price during the year	**16.42**	16.77	14.48	15.77	17.62
Share price at the end of the year	**13.59**	19.45	14.32	14.71	17.50
Share turnover					
Share turnover (1,000 pcs)	**1,031**	700	833	687	1,035
Turnover ratio, %	**16.3**	11.1	13.2	10.9	16.4
Share capital, EUR million	**12.6**	12.6	12.6	12.6	12.6
Market capitalisation, EUR million	**85.9**	122.9	90.5	92.9	110.6
Dividends, EUR million	[1] **4.3**	6.2	5.6	5.3	5.6
Number of shares					
Number of shares	**6,317,576**	6,317,576	6,317,576	6,317,576	6,317,576
Average adjusted number of shares	**6,188,416**	6,187,576	6,187,576	6,187,576	6,187,576
Adjusted number of shares at the end of the period	**6,188,416**	6,187,576	6,187,576	6,187,576	6,187,576

[1] Board's proposal

EQUITY PER SHARE
2010–2014, EUR

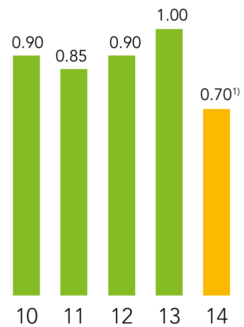


EFFECTIVE DIVIDEND YIELD
2010–2014, %



[1] Board's proposal

DIVIDEND / SHARE
2010–2014, EUR



[1] Board's proposal

Note 30 Calculation of key indicators

Return on equity (ROE), %
$$= \frac{\text{Profit/loss}}{\text{Total equity, average for the year}} \times 100$$

Return on investment (ROI), %
$$= \frac{\text{Profit/loss before taxes + interests and other financial expenses}}{\text{Total assets - non-interest-bearing liabilities, average for the year}} \times 100$$

Equity ratio, %
$$= \frac{\text{Total equity}}{\text{Total assets - advance payments received}} \times 100$$

Gearing, %
$$= \frac{\text{Interest-bearing net liabilities}}{\text{Total equity}} \times 100$$

Interest-bearing net liabilities
$$= \text{Interest-bearing liabilities - cash and cash equivalents - short term investments}$$

Earnings per share
$$= \frac{\text{Profit/loss for the year attributable to the shareholders of the parent}}{\text{Weighted average number of outstanding shares}}$$

Dividend per share
$$= \frac{\text{Dividend for the period}}{\text{Basic number of outstanding shares on 31 December}}$$

Dividend per share
$$= \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield, %
$$= \frac{\text{Dividend per share}}{\text{Share price at the end of the period}} \times 100$$

Price/earnings ratio (P/E)
$$= \frac{\text{Share price at the end of the period}}{\text{Earnings per share}}$$

Shareholders' equity per share
$$= \frac{\text{Equity attributable to the equity holders of the parent company}}{\text{Basic number of outstanding shares on 31 December}}$$

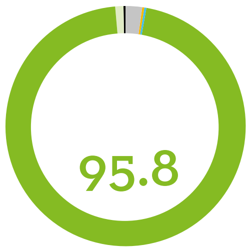
Market capitalisation
$$= \text{Basic number of outstanding shares x share price at the end of the period}$$

Note 31 Shares and shareholders

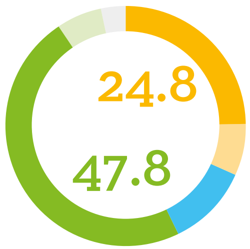
Major Shareholders on 10 February 2015

Shareholder	Number of shares	%	Number of votes	%
Sievi Capital plc	644,229	10.2	644,229	10.4
Valio's Pension Fund	520,108	8.2	520,108	8.4
Eela Esko	392,392	6.2	392,392	6.3
Nordea Nordic Small Cap Fund	347,860	5.5	347,860	5.6
EM Group Oy	314,520	5.0	314,520	5.1
Jussi Capital Oy	188,168	3.0	188,168	3.0
The Central Union of Agricultural Producers and Forest Owners (MTK)	125,485	2.0	125,485	2.0
Takanen Jorma Jussi	101,805	1.6	101,805	1.6
Norvestia Plc	74,294	1.2	74,294	1.2
Säkylä municipality	59,822	0.9	59,822	1.0
10 major shareholders total	2,768,683	43.8	2,768,683	44.6
Nominee-registered shares	205,635	3.3	205,635	3.3
Other shareholders	3,215,980	50.9	3,215,980	52.1
External ownership total	6,190,298	98.0	6,190,298	100.0
Shares owned by the company	127,278	2.0		
Total	6,317,576	100.0		

DISTRIBUTION OF SHAREHOLDINGS
percentage of shareholders, %



DISTRIBUTION OF SHAREHOLDINGS
percentage of shares, %



Distribution of shareholdings on 10 February 2015

Shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1 – 100	5,080	48.3	248,097	3.9
101 – 500	4,138	39.3	1,009,998	16.0
501 – 1 000	800	7.6	591,243	9.4
1 001 – 5 000	441	4.2	851,206	13.5
5 001 – 10 000	31	0.3	205,704	3.3
10 001 – 50 000	14	0.1	259,672	4.1
50 001 – 100 000	4	0.0	241,568	4.2
100 001 – 500 000	8	0.1	1,745,751	27.6
500 001 –	2	0.0	1,164,337	18.4
Total	10,518	100.0	6,317,576	100.0

Distribution of ownership on 10 February 2015

	% of shareholders	% of shares
Companies	2.4	24.8
Financial and insurance institutions	0.2	7.1
Public organisations	0.3	10.9
Private households	95.8	47.8
Non-profit organisations	1.2	6.1
Foreign owners	0.1	0.0
Nominee-registered		3.2
Total	100.0	100.0

Shares owned by the Group administrations

Regular and deputy members of the Supervisory Board and members of the Board of Directors and the CEO and the deputy CEO, and the corporations and foundations under their control owned a total of 22 842 shares on 10 February 2015. This corresponds to 0.4% of the share capital and voting rights.

Parent Company Financial Statements, FAS

PARENT COMPANY INCOME STATEMENT, FAS

EUR 1 000	Note	2014	2013
Other operating income	(1)	564	568
Personnel expenses	(2)	–2,104	–1,746
Depreciation and impairments	(3)	–280	–298
Other operating expenses	(4)	–4,171	–1,886
Operating loss		–5,991	–3 ,361
Financial income and expenses	(5)	–5,049	3,990
Profit / loss before extraordinary items		–11,040	629
Extraordinary items	(6)	4,315	2,150
Profit / loss before appropriations and taxes		–6,725	2,779
Change in depreciation difference		–10	–
Income taxes	(7)	291	243
Net profit / loss		-6,443	3,021

PARENT COMPANY BALANCE SHEET, FAS

EUR 1 000	Note	31 Dec. 2014	31 Dec. 2013
ASSETS			
Non-current assets			
Intangible assets	(8)	233	208
Tangible assets	(9)	3,925	4,142
Investments in Group companies	(10,11)	25,354	37,491
Investments in associated companies	(10,11)	12,126	12,126
Other investments and receivables	(10,11)	101	76
Total non-current assets		41,738	54,043
Current assets			
Long-term receivables	(12)	18,384	11,840
Deferred tax assets	(14)	534	243
Current receivables	(13)	53,119	69,752
Cash and cash equivalents		12,698	2,263
Total current assets		84,735	84,098
Total assets		126,473	138,141
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	(15)		
Share capital		12,635	12,635
Share premium account		23,391	23,391
Contingency reserve		7,232	7,232
Retained earnings		72,573	75,739
Profit / loss for the period		-6,444	3,021
Total equity		109,387	122,018
Accumulated appropriations		10	–
Liabilities	(16)		
Long-term interest bearing liabilities		1,800	3,000
Current interest bearing liabilities		14,479	12,415
Current non-interest bearing liabilities		797	708
Total liabilities		17,076	16,123
Total equity and liabilities		126,473	138,141

PARENT COMPANY STATEMENT OF CASH FLOWS, FAS

EUR 1000	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / loss before extraordinary items	–11,040	629
Adjustments	5,317	–3,692
Change in working capital		
Change in non-interest-bearing current receivables	1,013	–178
Change in non-interest-bearing current liabilities	3,262	–1,833
Cash flow from operating activities before financial items and taxes	–1 448	–5,075
Dividends received	1,989	3 439
Interests paid	–233	–296
Interests received	1,058	1,335
Taxes paid	547	–264
Cash flow from operating activities (A)	**1,914**	-861
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	–125	–179
Proceeds from sales of tangible and intangible assets	50	–
Investments in associated companies	–	–20
Investments in other investments	–25	–
Dividends received	5,048	4,397
Cash flow from investing activities (B)	**4,948**	4,198
Cash flow before financing	**6,862**	3,337

EUR 1000	2014	2013
CASH FLOW FROM FINANCING ACTIVITIES		
Change in long-term loans	–1,200	–1,200
Change in short-term loans	–1,000	–20,000
Change in long-term subsidiary financing	–7,318	1,078
Change in short-term subsidiary financing	17,129	16,610
Dividends paid	–6,188	–5,569
Group contributions, received	2,150	2,820
Cash flow from financing activities (C)	**3,573**	–6,261
Net increase/decrease in cash and cash equivalents (A+B+C)	**10,435**	–2,923
Cash and cash equivalents at beginning of financial year	**2,263**	5,186
Cash and cash equivalents at end of financial year	**12,698**	2,263

Change in receivables and liabilities of the Group account 4,057 (– 1,802) is included in the change of the working capital.

*) Adjustments to cash flow from operating activities:		
Depreciation and impairments	280	298
Financial income and expenses	5,049	–3,990
Other adjustments	–12	0
Total	5,317	–3,692

ACCOUNTING PRINCIPLES, FAS

Valuation of fixed assets

Fixed assets have been capitalised at their acquisition cost. Fixed assets have been depreciated on a straight line basis according to plan, based on useful economic life.

In 2014 an impairment in subsidiary shares a total of EUR 12.1 million have been recognised on the financial statements of the parent company.

Foreign currency items

Receivables and payables denominated in foreign currencies have been translated into euros at the European Central Bank middle rate on the closing day. Exchange rate differences caused by short-term receivables and liabilities have been charged to the profit and loss account. Unrealised exchange rate losses and gains of long-term receivables and liabilities have also been charged to the profit and loss account.

Deferred tax assets and liabilities

Deferred tax liabilities and assets are calculated on the basis of the timing differences between the closing date and the taxation date, using the tax rate for subsequent years confirmed on the closing date.

Derivative contracts

In line with its risk management policy, Apetit uses a variety of derivatives for hedging against a number of risks arising from foreign currencies, interest rates and commodity prices. The market values of derivatives are entered under derivative contracts in the other notes to the accounts and indicate what the result would have been if the derivative position had been closed at market prices on the date of closing of the accounts.

Swap contracts and cap agreements have been used against interest rate risks in variable-rate long-term loans. The income or expenses from the contracts are recorded on accrual basis under other financial income or expenses.

Pension arrangements

Statutory pension coverage for corporate personnel is covered by pension insurance. Special pension insurance policies provide additional pension coverage under the Trust rules for former employees and retired staff previously covered by the Lännen Tehtaat Staff Pension Trust.

The retirement age for the parent company's CEO has been set at 62 years.

Note 1 Other operating income

EUR 1000	2014	2013
Gains from sales of non-current assets	11	–
Rental income	389	380
Service fees	144	139
Other	20	50
Total	564	568

Note 2 Personnel expenses and average number of personnel

EUR 1000	2014	2013
PERSONNEL EXPENSES		
Wages and salaries	1,715	1,374
Pension expenses	347	333
Other social security expenses	42	39
Total	2,104	1,746

Salaries, wages and benefits of the administrative bodies are presented in Note 27 of the Notes to the consolidated financial statements.

Average number of personnel	10	11

The pension commitments to the members of the Board of Directors and the CEO

The retirement age of the CEO is 62 years.

Note 3 Depreciation and impairments

Depreciation according to plan has been calculated from the original acquisition cost on a straight-line-basis. Tangible and intangible assets are subject to straight-line depreciation over the period of their useful lives. Deprecitions begin from the month that they are available fo use.

Depreciation periods:

Intangible rights	5 or 10 years
Other capitalised long-term expenses	5 or 10 years
Buildings and structure	20–30 years
Other buildings and constructions	5 or 10 years
Machinery and equipment	5 or 10 years

The basis for depreciations have not changed.

EUR 1000	2014	2013
DEPRECIATION ACCORDING TO PLAN		
Intangible rights	16	19
Other capitalised long-term expenses	14	15
Buildings and structure	231	238
Machinery and equipment	19	26
Total	280	298

Note 4 Other operating expenses

EUR 1000	2014	2013
Rental expenses	37	65
Expenses of administration	3,455	1,415
Other operating expenses	679	406
Total	4,171	1,886
Audit fees	63	89

Other operating expenses includes total of EUR 2,963 (830) thousands Arbitral Tribunal costs.

Note 5 Financial income and expenses

EUR 1000	2014	2013
DIVIDEND INCOME		
From Group companies	1,974	3,424
From associated companies	5,048	4,397
From others	15	15
Total	7,037	7,836
INTEREST INCOME FROM LONG-TERM INVESTMENTS		
From Group companies	286	335
OTHER INTEREST AND FINANCIAL INCOME		
From Group companies	764	991
From foreign currency gains	–	0
From others	8	9
Total	772	1 000
Financial income, total	8,096	9,171
Reduction in value of investments held as non-current assets	12,137	3,700
INTEREST EXPENSES AND OTHER FINANCIAL EXPENSES		
To Group companies	–	0
To foreign currency losses	774	1 185
To others	233	296
Financial expenses total	1,007	1,481
Financial income and expenses, total	–5,049	3,990

Foreign currency losses include unrealised losses from long-term receivables EUR 774 (1,185) thousands.

Note 6 Extraordinary items

EUR 1000	2014	2013
Group contributions, received	4,315	2,150

Note 7 Income taxes

EUR 1000	2014	2013
Income taxes from extraordinary items	–1,057	–527
Income taxes for the financial year	1,057	527
Change in deferred tax assets	291	243
Total	291	243

Note 8 Non-current assets

INTANGIBLE ASSETS 2014

EUR 1000	Intangible rights	Other capitalised long-term expenses	Assets under construction	Total
Acquisition cost 1 Jan.	108	311	152	570
Additions	–	11	43	54
Acquisition cost 31 Dec.	108	322	195	624
Accumulated depreciation 1 Jan.	–79	–283	–	–362
Depreciation for the period	–16	–14	–	–30
Accumulated depreciation 31 Dec.	–94	–297	–	–392
Book value 31 Dec. 2014	14	25	195	233

INTANGIBLE ASSETS 2013

EUR 1000	Intangible rights	Other capitalised long-term expenses	Assets under construction	Total
Acquisition cost 1 Jan.	106	311	–	417
Additions	2	–	152	154
Acquisition cost 31 Dec.	108	311	152	570
Accumulated depreciation 1 Jan.	–60	–268	–	–328
Depreciation for the period	–19	–15	–	–34
Accumulated depreciation 31 Dec.	–79	–283	–	–362
Book value 31 Dec. 2013	29	27	152	208

Note 9 Non-current assets

TANGIBLE ASSETS 2014

EUR 1000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan.	2,260	5,848	452	63	8,623
Additions	–	20	51	–	71
Disposals	–	–	-39	–	-39
Acquisition cost 31 Dec.	2,260	5,868	463	63	8,655
Accumulated depreciation 1 Jan.	–	–4,120	–360	–	–4,480
Depreciation for the period	–	-231	-19	–	–250
Accumulated depreciation 31 Dec.	–	–4,350	–380	–	–4,730
Book value 31 Dec. 2014	2,260	1,517	84	63	3,925

TANGIBLE ASSETS 2013

EUR 1000	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan.	2,260	5,848	426	63	8,597
Additions	–	–	26	–	26
Acquisition cost 31 Dec.	2,260	5,848	452	63	8,623
Accumulated depreciation 1 Jan.	–	–3,882	–334	–	–4,217
Depreciation for the period	–	–238	–26	–	–264
Accumulated depreciation 31 Dec.	–	–4,120	–360	–	–4,480
Book value 31 Dec. 2013	2,260	1,728	91	63	4,142

REVALUATION 2014 AND 2013

EUR 1000	Total
Revaluation includes in book value of land and water areas.	
Land and water areas 1 Jan. and 31 Dec.	1,850

Note 10 Investments

INVESTMENTS, OTHER INVESTMENTS AND RECEIVABLES 2014

EUR 1000	Holdings in Group companies	Holdings in associated companies	Other investments	Other receivables	Total
Acquisition cost 1 Jan.	37,491	12,126	44	31	49,692
Additions	–		25	–	25
Impairments	–12,137	–	–	–	–12,137
Book value 31 Dec. 2014	25,354	12,126	69	31	37,580

INVESTMENTS, OTHER INVESTMENTS AND RECEIVABLES 2013

EUR 1000	Holdings in Group companies	Holdings in associated companies	Other investments	Other receivables	Total
Acquisition cost 1 Jan.	41,191	12,106	44	31	53,372
Additions	–	20	–	–	20
Impairments	–3,700	–	–	–	–3,700
Book value 31 Dec. 2013	37,491	12,126	44	31	49,692

Note 11 Shares of Group companies, associated companies and other shares and receivables

	Domicile	Holding –%
GROUP COMPANIES		
Apetit Ruoka Oy	Säkylä	100.0
Apetit Kala Oy	Kuopio	70.0
Apetit Suomi Oy	Säkylä	100.0
Avena Nordic Grain Oy	Helsinki	80.0
Caternet Finland Oy	Helsinki	100.0
Maritim Food AS	Norway	100.0
1 non-operative company	Säkylä	100.0
ASSOCIATED COMPANIES		
Sucros Ltd	Helsinki	20.0
Foison Oy	Helsinki	22.5

OTHER SHARES, HOLDINGS AND RECEIVABLES	Book value EUR 1,000
Shares and holdings	69
Connection fees, long-term receivables	31
Total	100

Note 12 Long-term receivables

EUR 1000	2014	2013
Loans receivables from Group companies	18,384	11,840

Note 13 Current receivables

EUR 1000	2014	2013
ACCOUNTS RECEIVABLE	58	43
AMOUNTS OWED BY THE GROUP COMPANIES		
Accounts receivable	63	105
Loans receivable	44,096	61,225
Group account receivables	4,358	5,351
Group contribution receivables	4,315	2,150
Other receivables	112	200
Total	52,944	69,030
AMOUNTS OWED BY THE ASSOCIATED COMPANIES		
Accounts receivable	16	1
PRE-PAYMENTS AND ACCRUED INCOM		
Personel expenses	56	38
Income tax receivables	–	547
Other	44	92
Total	100	677
Current receivables total	53,119	69,752

Note 14 Deferred tax assets

EUR 1000	2014	2013
Deferred tax assets, carry forward of unused tax losses	534	243

Deferred tax asset of EUR 291 thousands has been recognised for 2014 taxable loss.

Note 15 Changes in shareholders' equity

EUR 1000	2014	2013
Share capital 1 Jan.	12,635	12,635
Share capital 31 Dec.	12,635	12,635
Share premium account 1 Jan.	23,391	23,391
Share premium account 31 Dec.	23,391	23,391
Contingency reserve 1 Jan.	7,232	7,232
Contingency reserve 31 Dec.	7,232	7,232
Retained earnings 1 Jan.	75,739	75,192
Transfer from previous year's profit	3,021	6,115
Dividends paid	–6,188	–5,569
Retained earnings 31 Dec.	72,573	75,739
Profit / loss for the financial year	–6,444	3,021
Shareholders' equity 31 Dec.	109,387	122,018
DISTRIBUTABLE FUNDS		
Contingency reserve	7,232	7,232
Retained earnings	72,573	75,739
Profit / loss for the financial year	–6,444	3,021
Distributable funds 31 Dec.	73,361	85,992

Note 16 Liabilities

1 000 euroa	2014	2013
NON-CURRENT LIABILITIES		
Loans from financial institutions	1,800	3,000
CURRENT LIABILITIES		
Loans from financial institutions	1,200	1,200
Commercial papers and loans from credit institutions	8,000	9,000
Trade payables	31	231
AMOUNTS OWED TO GROUP COMPANIES		
Trade payables	1	1
Other liabilities	170	61
Group account liabilities	5,279	2,215
Total	5,451	2,277
AMOUNTS OWED TO ASSOCIATED COMPANIES		
Trade payables	27	31
OTHER LIABILITIES		
Tax account payable	68	–
ACCRUED EXPENSES AND DEFERRED INCOME		
Personnel expenses	403	260
Accruals of expenses	97	123
Total	499	384
Non-current liabilities, interest-bearing, total	1,800	3,000
Current liabilities, interest-bearing, total	14,479	12,415
Current liabilities, non-interest-bearing, total	797	708
Total	17,076	16,123

Note 17 Contingent liabilities

1 000 euroa	2014	2013
LEASE LIABILITIES		
Real estate lease liabilities		
Falling due during the following year	200	150
Falling due at later date	200	400
Other lease liabilities		
Falling due during the following year	26	27
Falling due at later date	21	47
OTHER LIABILITIES		
Guarantees	62	62
CONTINGENT LIABILITIES ON BEHALF OF THE GROUP COMPANIES		
Guarantees	7,621	7,371
Liabilities total	8,130	8,057
OUTSTANDING DERIVATIVE INSTRUMENTS		
Commodity derivatives		
Nominal value of underlying instruments	745	834
Market value	–134	–233
Interest rate swaps		
Nominal value of underlying instruments	3,000	4,200
Market value	–43	–45
CONTINGENT ASSETS		
Proceeds from the sale of shares in the joint book-entry account.	721	723

Proposal of the Board of Directors for the distribution of profits

The parent company's distributable funds on 31 December 2014 after deduction of loss of the year, EUR –6,443,613.00, totalled EUR 73,360,988.66.

The Board of Directors proposes to the Annual General Meeting that the distributable funds be used as follows:

– distributed as a dividend of EUR 0.70 per share i.e. a total of	EUR 4,331,891.27
– retained in shareholders' equity	EUR 69,029,097.39
Total	EUR 73,360,988.66

No material changes have taken place in the company's financial position subsequent to the balance sheet date. The company's liquidity is good and, in the Board of Directors' opinion, the proposed dividend distribution will not jeopardise the company's solvency.

Signatures to the Board of Directors' report and Financial Statements

Espoo, 24 February 2015

Aappo Kontu   Esa Härmälä   Tuomo Lähdesmäki

Samu Pere   Helena Walldén

Veijo Meriläinen
CEO

Auditor's Report *(Translation from the Finnish Original)*

To the Annual General Meeting of Apetit Plc
We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Apetit Plc for the year ended 31 December, 2014. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Directors are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Other Opinions

We support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Supervisory Board, the Members of the Board of Directors, and the Managing Directors of the parent company should be discharged from liability for the financial period audited by us.

Espoo, 24th February, 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Hannu Pellinen Authorised Public Accountant	Pasi Karppinen Authorised Public Accountant

Statement by the Supervisory Board

The Supervisory Board has today reviewed Apetit Plc's financial statements 2014 including the consolidated financial statements, the Board of Directors' report and the auditors' report provided by the Company's auditors. The Supervisory Board has no comments to make on these.

The Supervisory Board proposes that the parent company financial statements and consolidated financial statements be adopted and concurs with the proposal of the Board of Directors concerning the distribution of the profit funds.

The term of the following Supervisory Board members will end on the date of the Annual General Meeting: Harri Eela, Matti Eskola, Laura Hämäläinen, Markku Länninki, Ilkka Markkula, Jari Nevavuori and Markku Pärssinen.

Säkylä, 27 February 2015

For the Supervisory Board

Harri Eela Chairman	Asmo Ritala Secretary

Corporate Governance Statement of Apetit Plc

This Corporate Governance Statement of Apetit Plc has been drawn up in accordance with recommendation 54 of the Finnish Corporate Governance Code. The Corporate Governance Statement has been considered by Apetit Plc's Board of Directors and is issued separately from the Board of Directors' report. The company's auditors have confirmed that the Corporate Governance Statement has been issued and that the description it contains of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with the financial statements.

Apetit Plc complies with the Finnish Corporate Governance Code published by the Securities Market Association, which came into effect on 1 October 2010.

The company deviates from recommendation 8 of the Corporate Governance Code concerning the election of the members of the Board of Directors. Recommendation 8 of the Corporate Governance Code states that they shall be elected by the general meeting. Under Apetit Plc's Articles of Association, however, the Supervisory Board elects the members of the Board based on the proposals of the Nomination Committee, and decides on their remuneration.

The company has chosen to deviate from the recommendation because the Supervisory Board, as the body that oversees the company's Board of Directors, is best placed to assess the composition of the Board of Directors and the attributes required of Board members.

The Corporate Governance Code is publicly available on the website of the Securities Market Association, at www.cgfinland.fi.

BOARD OF DIRECTORS

1. Board of Directors election procedure laid down in the Articles of Association

Under Apetit Plc's Articles of Association, the Supervisory Board decides the number of members of the Board of Directors and their remuneration based on the proposals of the Nomination Committee, and elects the members of the Board of Directors.

In accordance with the Articles of Association, Apetit Plc's Board of Directors consists of a minimum of five and a maximum of seven members. Persons who would already have attained the age of 68 at the time of being elected are not eligible for election to the Board of Directors. The Articles of Association do not limit the number of terms served by members of the Board of Directors nor is the Supervisory Board's decision-making power in the election of members of the Board of Directors restricted in any other way.

2. Composition of Board of Directors

Members

In the period up to 10 April 2014, Apetit Plc's Board of Directors comprised the five members elected by the Supervisory Board on 16 April 2013. Aappo Kontu, Tuomo Lähdesmäki, Veijo Meriläinen, Samu Pere and Helena Walldén comprised the Board during 1 January – 10 April 2014

At a meeting held on 11 April 2014, Apetit Plc's Supervisory Board decided to continue to elect six members to Apetit Plc's Board of Directors. The Board members elected were Esa Härmälä, Aappo Kontu, Tuomo Lähdesmäki, Veijo Meriläinen, Samu Pere and Helena Walldén.

Information on members of the Board of Directors

Aappo Kontu, b. 1952, M.Sc. (Tech.)
Principal occupation: Valor Partners Oy, Senior Advisor
Chairman since 2013, Deputy Chairman 2012, member since 2004

Veijo Meriläinen, b. 1952, M.Sc. (Agric.), eMBA
Principal occupation: Merive Oy, President
Deputy Chairman since 2013, member since 2012
CEO since 30.4.2014

Esa Härmälä, b. 1957, M.Sc. (Agric.)
Principal occupation: Metsähallitus, General Director
Member since 2014

Tuomo Lähdesmäki, b. 1957, M.Sc. (Tech.), MBA
Principal occupation: Boardman Ltd, partner
Member since 2013

Samu Pere, b. 1968, QBA, Agricultural Technician
Principal occupation: Pintos Oy, Administrative Director
Member since 2012

Helena Walldén, b. 1953, M.Sc. (Tech.)
Member since 2011

Evaluation of independence

The company's Board of Directors has performed an evaluation of the independence of the Board's members in relation to the company and in relation to the major shareholders, in accordance with recommendation 15 of the Corporate Governance Code.

The evaluation found that all the Board members are independent of the company and of significant shareholders as referred to in the Corporate Governance Code recommendation. Members of the Board of Directors, Chairman Aappo Kontu and members Esa Härmälä, Tuomo Lähdesmäki, Samu Pere and Helena Walldén are independent of the company. Deputy Chairman Veijo Meriläinen is not independent of the company when serving as temporary CEO.

3. Description of the operation of the Board of Directors

Main elements of the Board of Directors' rules of procedure

The rules of procedure of the Board of Directors describe the following

- functions of the Board of Directors and the Board's chairman
- planning and assessment of the Board's operation
- establishment of Board committees and temporary working groups, and
- practices for approving the expenses of Board members and the Chief Executive Officer (CEO)

Functions of the Board of Directors

The general function of the Board of Directors is to direct the operations of the company in such a way that in the long run the amount of added value for the capital invested is maximised, taking into account at the same time the expectations of the different stakeholders. The Board of Directors also monitors on a continuous basis the demands placed by shareholders on the Board of Directors and the general development of ownership policy.

For the purpose of performing its functions the Board of Directors:

- monitors the financial statements reporting process and the statutory auditing of the financial statements and consolidated financial statements
- supervises the financial reporting process
- considers the corporate governance statement's description of the main aspects of the internal control and risk management systems pertaining to the financial reporting process
- appoints and releases from duties the CEO and Deputy CEO, determines their duties and decides on their terms of service and their incentive schemes
- sets personal targets for the CEO annually and assesses their realisation
  • convenes at least once a year without the operating organisation's management in attendance
- holds a meeting with the auditors at least once a year
- assesses the independence of the auditor and the auditing firm and assesses the additional services provided for the companies to be audited
- prepares a draft resolution on the choice of auditors for submission to the general meeting
- assesses its own performance once a year
- confirms its rules of procedure, which are reviewed annually
- discusses other matters proposed by the Board of Directors chairman or the CEO for inclusion in the meeting agenda.

Members of the Board of Directors are also entitled to have a matter of their choosing discussed by the Board by first notifying the chairman of this.

Based on proposals presented by the CEO, the Board of Directors:

- confirms the company's ethical values and operating policies, and supervises their implementation
- confirms the company's basic strategy and continuously monitors its validity
- defines the company's dividend policy
- approves the annual operating plan and budget on the basis of the strategy, and supervises their implementation
- approves the total annual investment and its distribution among the business areas, and decides on large and strategically important investments, acquisitions and divestments
- confirms the operating guidelines for the company's internal control, ensuring annually that they are kept up-to-date, and monitors the effectiveness of internal control
- confirms the company's risk management policy and principles as well as the risk limits to be confirmed annually, and monitors the effectiveness of the risk management systems
- reviews quarterly the main risks associated with the company's operations and the management of these risks
- discusses and approves interim reports, the Board of Directors' report and the financial statements
- confirms the Group's organisational structure
- where necessary, submits proposals to the general meeting concerning the remuneration systems for management and personnel
- annually monitors issues associated with management successors and draws up the necessary conclusions
- confirms the decisions of the CEO about the choice of the CEO's immediate subordinates, their duties, terms of employment and incentive schemes, and

- monitors the company's working atmosphere and the way in which personnel cope with their tasks

Planning and assessment of the Board's operation

The Board of Directors draws up an operating plan for itself for the ensuing 12 months. The plan includes a schedule of meetings and, for each meeting, the most important issues for discussion.

The Board of Directors assesses its performance annually through a self-evaluation, and the evaluation results are submitted to the Supervisory Board for its information. The evaluation results are taken into consideration in the preparation of proposals for the composition of the new Board of Directors.

Committees of the Board of Directors

The Board of Directors has not elected any committees from among its members.

As the Board of Directors has not elected an audit committee from among its members, the Board itself is managing the audit committee duties laid down in recommendation 27 of the Corporate Governance Code.

Board of Directors' meetings in 2014

In 2014, the Apetit Plc Board of Directors met 16 times. Three of these meetings were conducted by telephone. The average attendance rate of members was 95.1 %.

SUPERVISORY BOARD

1. Composition and term

In accordance with the Articles of Association, the Supervisory Board comprises a minimum of 15 and a maximum of 20 members elected by the general meeting. In addition, the personnel choose from among its members a maximum of four Supervisory Board members at a time, and each of these members has a personal deputy.

Persons who have attained the age of 68 are ineligible for election to the Supervisory Board. The members' term of office ends at the close of the third Annual General Meeting following their election.

2. Functions

The Supervisory Board elects the members, chairman and deputy chairman of the Board of Directors based on the proposals of the Nomination Committee, and decides on their remuneration.

The Supervisory Board's functions also include supervision of corporate administration, issuing instructions to the Board of Directors, issuing an opinion on the financial statements, Board of Directors' report and auditor's report, and other duties prescribed for it in the Limited Liability Companies Act.

3. Composition of the Supervisory Board and information on its members

In the period up to 26 March 2014 the Supervisory Board consisted of 19 members elected by the general meeting. On 26 March 2014, the Annual General Meeting decided to elect 18 members to the Supervisory Board.

Members elected by the general meeting 2014:

Harri Eela, b. 1960, wood-products industries technician, Sales Director, Cursor Oy
Chairman of the Supervisory Board since 2014,
Member since 2012

Marja-Liisa Mikola-Luoto, b. 1971, M.Sc. (Agric.), farmer
Deputy Chairman of the Supervisory Board since 2011,
Member since 2005

Heikki Aaltonen, b. 1956, M.Sc. (Agric.), farmer
Member since 2007

Matti Eskola, b. 1950, B.Sc. (Agric.), farmer
Member since 1991

Jaakko Halkilahti, b. 1967, farmer
Member since 2011

Jussi Hantula, b. 1955, farmer
Member since 1995

Laura Hämäläinen, b. 1975, M.Sc. (Agric.), farmer
Member since 2009

Risto Korpela, b. 1949, M.Sc. (Econ. & Bus. Adm.),
Commercial Counsellor
Member since 2007

Jonas Laxåback, b. 1973, M.Sc. (Agric.),
Secretary General
Member since 2013

Mika Leikkonen, b. 1963, farmer
Member since 2008

Markku Länninki, b. 1949, farmer
Member since 2003

Ilkka Markkula, b. 1960, farmer
Member since 2003

Jari Nevavuori, b. 1966, M.Sc. (Agric.),
Development Manager, farmer
Member since 2012

Markku Pärssinen, b. 1957, M.Sc. (Agric.),
Secretary General
Member since 2012

Petri Rakkolainen, b. 1966, engineer,
Managing Director, farmer
Member since 2014

Timo Ruippo, b. 1968, Agricultural Technician, farmer
Member since 2013

Esa Ruohola, b. 1946, farmer
Member since 1998

Mauno Ylinen, b. 1965, M.Sc. (Agric.)
Member since 2005

Members appointed by the personnel:

Mari Hakanperä, b. 1976, sales invoicer
Member since 2012
Deputy Marko Kulmala

Timo Kaila, b. 1956, shop steward
Member since 2012
Deputy Heikki Kämäräinen

Heikki Vesanto, b. 1949, shop steward
Member since 2012

Kirsi Roos, b. 1972, chief shop steward
Member since 2009
Deputy Janne Pääaho

4. Meetings of the Supervisory Board in 2014

The Supervisory Board met five times in 2014. The average attendance rate of members was 90.7%.

SUPERVISORY BOARD NOMINATION COMMITTEE

1. Composition and tasks

The Supervisory Board's Nomination Committee, which prepares the names for election to the Board of Directors, consists of two members chosen by the Annual General Meeting, the chairman of the Supervisory Board, the deputy chairman of the Supervisory Board and the chairman of the Board of Directors, in accordance with the Articles of Association. The Nomination Committee is chaired by the Supervisory Board's chairman, and in his/her absence, by the Supervisory Board's deputy chairman.

The Nomination Committee has the task of preparing proposals for the Supervisory Board on the number of members of the Board of Directors, the names of the members, chairman and deputy chairman of the Board of Directors and the remuneration payable to them. The Committee's tasks also include searching for successor candidates to replace members of the Board of Directors, as necessary. The Committee asks shareholders with significant voting power for their views concerning the proposals being put to the Supervisory Board.

2. Activity

In 2014 the Nomination Committee convened three times to discuss matters pertaining to the Committee's tasks. The average attendance rate of the Committee's members was 100%.

3. Information on members of the Nomination Committee

Chairman
Harri Eela, b. 1960, wood-products industries technician, Sales Director, Cursor Oy
Chairman of the Supervisory Board

Aappo Kontu, b. 1952
M.Sc. (Tech.), Senior Advisor, Valor Partners Oy
Apetit Plc Chairman of the Board

Heikki Laurinen, b. 1967
M.Sc. (Agric.), Managing Director, Viestilehdet Oy

Marja-Liisa Mikola-Luoto, b. 1971
M.Sc. (Agric.), farmer
Deputy Chairman of the Apetit Plc Supervisory Board

Martti Timgren, b. 1955
Master of Laws, Managing Director, EM Group Oy

CEO

CEO

Veijo Meriläinen, b. 1952, M.Sc. (Agric.), eMBA
CEO of Apetit Plc since 30 April 2014
Matti Karppinen, b. 1958, M.Sc. (Econ. & Bus. Adm.)
CEO of Apetit Plc until 29 April 2014

CEO's duties

It is the CEO's duty to direct the operations of the company according to the instructions and provisions issued by the Board of Directors and to inform the Board about the development of the company's business operations and financial situation.

The CEO is also responsible for arrangement of the day-to-day management of the company and for seeing that the company's accounts are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS PERTAINING TO THE FINANCIAL REPORTING PROCESS

1. Internal control operating principles

Apetit Plc's Board of Directors confirms the operating principles for the Apetit Group's internal control and assesses the state of internal control at least once a year.

Internal control refers to all the operating methods, systems and procedures with which the company's management seeks to ensure efficient, economical and reliable operations. Internal control comprises financial and other control. At Apetit, internal control is performed by the company's management and by all other personnel.

Risk management as part of internal control refers to the identification, assessment, restriction and monitoring of risks arising in business activities and risks that are materially related to this.

2. Role of company boards in arranging internal control

Apetit Plc's Board of Directors is responsible for arranging and maintaining sufficient and effective internal control within the Apetit Group.

As part of the arrangement of internal control and risk management, the company's Board of Directors regularly monitors the results and operating risks of the Group and its business units, and decides on the reporting, the procedures and the qualitative and quantitative indicators for assessing the efficiency and profitability of operations. The Group's Board of Directors confirms annually the Group's risk policy, risk management principles and key risk limits.

To ensure implementation of the Group's ownership policy towards the Group companies and to monitor the effectiveness of internal control, the boards of directors of the main Group companies include one or more members of the Group's Corporate Management. Group-level risk management and financial reporting are performed on a centralised basis in the Group Administration, independent of the different business activities. The boards of directors of the Group companies are responsible for the highest level of management duties related to the internal control of their respective companies. The operating organisation's management in each of the Group companies is responsible for the implementation of internal control and risk management in line with the pre-determined principles and operating guidelines, and for reporting on the company's operations, risk-bearing ability and risk situation in accordance the Group's management system.

3. Implementation of internal control within Apetit Plc and the Group companies

The main principles of internal control observed within Apetit Plc and the Group companies are:

Organisational structure and division of tasks

The basis for internal control is the function-specific line organisation that is further divided into departments, units and teams, as necessary. The organisational units are allotted defined tasks and responsibilities required for the company's operations. The task of the operating organisation's management, i.e. the managers of the Group's business areas and operations, is to set quantitative and qualitative targets for the various areas of the business in accordance with the business plan approved by the Board of Directors. For the units, decision-making bodies and people operating within the framework of the organisation there are separately defined decision-making and operating powers set out in work and job specifications, as well as obligations to report to one's superiors or otherwise to a higher organisational level. The task of the operating organisation's management is to ensure that those working under them are familiar with their own duties, and the management are required to create the right conditions for their personnel to be able to perform their work and achieve the targets.

Decision-making and monitoring

Significant commitments or other actions deemed to carry risks are subject to the approval of the Group's Board of Directors. Business units are responsible for formulating proposed decisions and for putting decisions into effect. Reporting on the implementation of decisions is made in connection with the management reporting.

Business activities and processes are guided within the confines of operating guidelines and descriptions, which are monitored to ensure they are complied with and kept up-to-date. All decisions taken are documented and archived. An essential aspect of risk management is the performance of daily controls in the operating chains and processes.

Risk management

The internal and external risks of Apetit Plc and the Group companies that could have an adverse effect on achieving business targets are identified, assessed regularly and reported quarterly to the Group Board of Directors. The risks are contained and the confining limits are monitored.

The Group Administration's risk management has the task of monitoring, measuring and reporting risks and of maintaining, developing and preparing risk management principles for the Board of Directors' approval, and of drafting procedures for use in risk assessment and measurement. Roles and responsibilities are defined in

Apetit's risk management policy and risk management principles, which are approved by the Group's Board of Directors.

Data systems

The basis for business and other activities is provided by the accounting, information and business IT systems. The parent company and the Group companies have an IT strategy in accordance with currently assessed needs and sufficient and appropriately organised IT systems. The IT function ensures that the company's data resources can be utilised in the planning, management, execution and monitoring of the company's business.

Responsibility for the effectiveness of internal control

The operating organisation's management has the primary responsibility for ensuring the implementation of practical measures for internal control. The management must constantly monitor the operations it is responsible for and must take the necessary development measures if action contrary to guidelines or decisions or action that is otherwise ineffective or inappropriate is observed. In a transparent and effective organisation the entire personnel are all responsible not only for the appropriate discharging of their own duties but also for the fluency of operations with the rest of the organisation.

4. Reporting and management systems

Internal control is supported by appropriate reporting that allows monitoring of operations, results and risks. Achievement of the business targets and developments in the Group's financial situation are monitored with the aid of a Group-wide management system. The Group's accounting principles, controls and responsibilities are described in the Apetit Group's accounting manual. Reporting guidelines and timetables have been drawn up in writing for monthly reporting and preparation of interim reports and annual financial statements. The company's financial management unit constantly monitors the business units' reporting and develops and produces guidelines on the content of reporting, taking into account the needs of internal control. The Group prepares financial information for publication, complying with the international financial reporting standards (IFRS). Interim reports and annual financial statements are reviewed by the Group's Board of Directors and are subject to its approval.

The business units update the longer term financial estimates each year. The annual budgets are prepared on the basis of these strategic figures. The Group's Board of Directors assesses and approves the business units' annual budgets. In addition, on a quarterly basis or more often, the business units update the profit and balance sheet estimates to cover at least the ensuing 12 months.

The monthly reporting and the related analysis for budgets and estimates constitute a key element of Apetit's management system and internal control. Financial figures are assembled from the business units' data systems every month for the Group's joint accounting system.

The outturn information and up-to-date estimates are reviewed monthly in Group-level results meetings, which are attended by the CEO, the Chief Financial Officer (CFO) and those in charge of the Group's accounting. The management system comprises the actual profit and balance sheet information, the key figures and the written management report of those responsible for the businesses. The management report covers the factors that affected the results given in the month's report, the measures planned for the immediate term and an assessment of the operating profit for the current quarter and the full year, consisting of best case, probable and worst case scenarios.

The Group CEO and members of the Corporate Management are issued with the reports, and the Group's Board of Directors is issued with a summary for the Group and summaries of the data for each business unit.

The business units' management groups examine their own financial outturn data at least once a month and compare them with budgets and estimates, and also examine the results of the various units' monitoring measurements used for business management purposes and compare them with estimates and targets, and the reasons for any significant discrepancies between these.

5. Internal audit

The internal audit unit functions objectively and independently in support of the Board of Directors, the CEO and Group Administration, for the purpose of assessing and developing the level of internal control in the Group's different units by providing an independent and objective assessment and advisory service for risk management and monitoring processes within the organisation.

Internal audit is performed on the basis of a predetermined plan. The internal audit is overseen by the Group's CFO, who submits the annual audit plan to the Group's Board of Directors for its approval.

Internal audit reports annually in writing to the Apetit Plc Board of Directors on the audit findings and areas for improvement in internal control. Where necessary, the internal audit also reports on individual audit findings during the annual planning period to the Board of Directors.

The internal audit is performed by an external service provider, and KPMG Oy Ab was selected to perform the audit in the previous year. It was decided in the current financial year that we will not undertake any special audits because the structural changes in the Food Business are still in progress.

Remuneration, insider issues

REMUNERATION

Supervisory Board

The Annual General meeting decides on the remuneration of the Supervisory Board.

The Annual General Meeting on 26 March 2014, decided to leave the remuneration of the Supervisory Board members unchanged. The remuneration paid to the members of the Supervisory Board are;

- the monthly remuneration paid to the Supervisory Board's chairman is EUR 1,000 (until 26 March 2014 yearly remuneration 7,685)
- the monthly remuneration paid to the deputy chairman is EUR 665 (until 26 March 2014 yearly remuneration 5,125)
- the meeting allowance paid to the chairman and the members of the Supervisory Board is EUR 300 (255)
- the meeting allowance is also paid to the chairman and deputy chairman of the Supervisory Board for their attendance at meetings of the company's Board of Directors.
- the meeting allowance is also paid to the members of the Supervisory Board's Nomination Committee.

In 2014 the Supervisory Board met five times. The average attendance rate of members was 90.7%. The members of the Supervisory Board were paid a total of EUR 53,518 in remuneration and allowances.

Board of Directors

- the yearly remuneration paid to the chairman of the Board of Directors is EUR 39,060 (until 11 April 2014 the monthly remuneration 3,100)
- the yearly remuneration paid to the deputy chairman EUR is 24,120 (monthly remuneration 1,915)
- the yearly remuneration paid to the other Board members is EUR 19,560 (monthly remuneration 1,550)
- a meeting allowance of EUR 510 (510) is also paid to the chairman, and EUR 300 (255) to the members.

In 2014 the Board of Directors met 16 times. Three of the meetings were telephone conferences. The average attendance rate of members was 95.1%. In 2014 the members of the Board of Directors received a total of EUR 142,660 in remuneration and allowances. These are itemised in the notes to the financial statements.

CEO and deputy CEO

The Board of Directors appoints and releases from duties the CEO and deputy CEO, determines their duties and decides on their terms of service and their incentive schemes

The term of former CEO Matti Karppinen ended on 29 April 2014. It was agreed that he will retire at the age of 62 and that his retirement pension will be 62 per cent of his TyeL pensionable salary in accordance with 2004 legislation. The supplementary pension payments made to Matti Karppinen in 2014 amounted to EUR 120,189. Juha Vanhainen will take up his duties as CEO on 16 March 2015. He does not yet have a supplementary pension agreement. Until the date when Juha Vanhainen takes up his duties, the role of CEO has been performed by deputy chairman of the Board of Directors Veijo Meriläinen, who began as CEO on 30 April 2014. He has no supplementary pension agreement.

The salary and benefits paid to the CEO in 2014 amounted to EUR 575,332. Matti Karppinen received a total of EUR 256,754 in pay for his notice period and in severance pay in 2014.

The Group's Chief Financial Officer (CFO) Eero Kinnunen, M.Sc. (Econ. & Bus. Adm.), has served as deputy CEO since 1 January 2008.

INSIDER ISSUES

Apetit Plc's insider trading regulations approved by its Board of Directors came into effect on 14 August 2014. They are based on the provisions of the Securities Markets Act (Chapters 12 - 14), the regulations issued by the Financial Supervision Authority (Standard 5.3 on Declarations of Insider Holdings and Insider Registers, 10 June 2013), and the Guidelines for Insider Trading approved by the Board of Directors of NASDAQ OMX Helsinki Ltd, which came into effect on 1 July 2013.The insider trading regulations include guidelines concerning persons in public insider registers, persons in the company-specific permanent insider register and project-specific insiders, and a description of the organisation and procedures concerning insider administration.

The following persons are all categorised as public insiders of Apetit Plc by virtue of their position or duties: the members and deputy members of the company's Board of Directors and Supervisory Board; the CEO and deputy CEO; the auditors and deputy auditors, including the auditing firm's officer with principal responsibility for the auditing of Apetit Plc; the Chief Financial Officer; the Commercial Director, Food Business, the Director of frozen products group, Food Business, the director of fresh products group, Food Business and the Director of Grains and Oilseeds Business.

Apetit Plc's company-specific permanent insider register contains information on persons employed by the company who, by virtue of their position or duties, receive inside information on a regular basis. The company-specific insider register currently lists some 50 persons.

A trading restriction is in force within the company which forbids its permanent insiders from trading in Apetit Plc shares 21 days prior to publication of Apetit Plc's interim reports and the release of its financial statements.

The company maintains its insider register in the SIRE system of Euroclear Finland Ltd. The names and information on shareholdings of those persons listed as public insiders can be viewed on the company web pages at www.apetitgroup.fi/en. The holdings of the members of the Board of Directors and the Group's Corporate Management on 10 February 2014 are presented in conjunction with the presentation of the Board and Corporate Management members on pages 69 and 70 of the Financial Statements publication 2014.

Supervisory Board and Auditors

SUPERVISORY BOARD

Members elected by the Shareholders' meeting

Harri Eela, b. 1960, Wood Industry Technician, Sales Director
Chairman since 2014, Member since 2012
Principal occupation: Cursor Oy, Sales Director
Main simultaneous positions of trust:
Chairman of the Board: Finninno Oy, Scanhomes Ltd. Finland Oy
Membership term expires 2015

Marja-Liisa Mikola-Luoto, b. 1971, M.Sc. (Agric.)
Deputy Chairman since 2011, Member since 2005
Principal occupation: Farmer
Main simultaneous positions of trust:
Member of the Board: Säkylän Osuuspankki

Heikki Aaltonen, b. 1956, M.Sc. (Agric.), Farmer
Member since 2007

Matti Eskola, b. 1950, B.Sc. (Agric.), Farmer
Member since 1991
Membership term expires 2015

Jaakko Halkilahti, b. 1967, Farmer
Member since 2011

Jussi Hantula, b. 1955, Farmer
Member since 1995

Laura Hämäläinen, b. 1975, M.Sc. (Agr.), Farmer
Member since 2009
Membership term expires 2015

Risto Korpela, b. 1949, M.Sc. (Econ. & Bus. Adm.), Commercial Counsellor
Member since 2007

Jonas Laxåback, b. 1973, M.Sc. (Agric.), Executive Director
Member since 2013

Mika Leikkonen, b. 1963, Farmer
Member since 2008

Markku Länninki, b. 1949, Farmer
Member since 2003
Membership term expires 2015

Ilkka Markkula, b. 1960, Farmer
Member since 2003
Membership term expires 2015

Jari Nevavuori, b. 1966, M.Sc. (Agric.), Development Manager, Farmer
Member since 2012
Membership term expires 2015

Markku Pärssinen, b. 1957, M.Sc. (Agric.), Executive Director
Member since 2012
Membership term expires 2015

Petri Rakkolainen, b. 1966, B.Sc. (Eng.), Managing Director, Farmer
Member since 2014

Timo Ruippo, b. 1968, Agricultural Technician, Farmer
Member since 2013

Esa Ruohola, b. 1946, Farmer, Municipal Counsellor
Member since 1998

Mauno Ylinen, b. 1965, M.Sc. (Agric.)
Member since 2005

Personnel representatives

Mari Hakanperä, b. 1976
Member since 2012
Personal Deputy Member
Marko Kulmala

Timo Kaila, b. 1956
Member since 2012
Personal Deputy Member
Heikki Kämäräinen

Heikki Vesanto, b. 1949
Member since 2012

Kirsi Roos, b. 1972
Member since 2009
Personal Deputy Member
Janne Pääaho

Auditors

Hannu Pellinen
M.Sc. (Econ. & Bus. Adm.), APA

PricewaterhouseCoopers Oy
Authorised Public Accountants
Auditor with Principal Responsibility
Pasi Karppinen
M.Sc. (Econ. & Bus. Adm.), APA

Board of Directors

1 Aappo Kontu

b. 1952, M.Sc. (Tech.)
Chairman since 2013, Deputy Chairman in 2012, Member since 2004
Principal occupation: Valor Partners Oy, Senior Advisor

Main simultaneous positions of trust:
Chairman of the Board: Vahterus Oy, Anvia Securi Oy, Kieku Oy
Member of the Board: Anvia Oyj

Employment history:
Empower Group Oy, President 1999–2012
Pohjolan Voima Oy, Technical Director, PVO-Engineering Oy, Managing Director 1996–1998
TVS-Tekniikka Oy, Managing Director 1993–1996
Teollisuuden Voimansiirto Oy, Director of Technical Department 1989–1993
Teollisuuden Voima Oy, Head of Engineering Office 1977–1989
Shareholding in Apetit: 1,406 shares (10 February 2015)

2 Veijo Meriläinen

b. 1952, M.Sc. (Agric.), eMBA
Deputy Chairman since 2013, Member since 2012
Principal occupation: Merive Oy, President

Main simultaneous positions of trust:
Chairman of the Board: HZPC Sadokas, Merive Oy
Member of the Board: HZPC Kantaperuna Oy

Employment history:
Valio Oy, management positions in international operations, international sales and commercialization of innovations 1999–2011, member of the group management team 1990–2011, management positions in production, product acquisition and cheese business 1990–1999, R&D management positions 1978–1990
Shareholding in Apetit: - (10 February 2015)

3 Esa Härmälä

b. 1954, M.Sc. (Agric.)
Member of the Board since 2014
Principal occupation: Metsähallitus, General Director 2014–

Main simultaneous positions of trust:
Member of the Board: Fortum Foundation

Employment history:
Ministry of Employment and the Economy, Director-General of the Energy Department, 2011–2014
Fertilizers Europe, Director General 2006–2010
Chairman of The Central Union of Agricultural Producers and Forest Owners (MTK) 1994–2006
EU membership negotiator, Ministry for Foreign Affairs of Finland 1993–1994
Special Adviser (Economic Policy) for the Prime Minister 1991–1992
Department Manager and Ombudsman, The Central Union of Agricultural Producers and Forest Owners (MTK) 1987–1991
Shareholding in Apetit: 454 (10 February 2015)

4 Tuomo Lähdesmäki

b. 1957, M.Sc. (Tech.), MBA
Member since 2013
Principal occupation: Boardman Oy, partner 2002–

Main simultaneous positions of trust:
Chairman of the Board: Kitron ASA, Ovenia Group, Turku University Foundation, Viafin Oy
Member of the Board: Aspocomp Group Plc, Metsä Tissue Corporation, Vaaka Partners Ltd, University Pharmacy

Employment history:
Elcoteq Network Plc, Managing Director 1997–2001
Leiras Oy, Managing Director 1991–1997
Swatch Group, Director 1990–1991
Nokia Mobile Phones, Director 1986–1989
Shareholding in Apetit: 954 (10 February 2015)

5 Samu Pere

b. 1968, QBA, Agricultural Technician
Member since 2012, Member of the Supervisory Board in 1998–2012
Principal occupation: Pintos Oy, Administrative Director 2006–, Pintopuu Oy, President 1994–, Pintos Svenska AB, President 2014–, Farmer 1992–

Main simultaneous positions of trust:
Chairman of the Board: Pintos Oy, Pintos Svenska AB, Paneliankosken Voima Oy
Member of the Board: Kokemäen Sähkö Oy
Business delegation member: Finnish Family Firms Association
Shareholding in Apetit: 7,008 shares (10 February 2015)

6 Helena Walldén

b. 1953, M.Sc. (Tech.)
Member since 2011, Chairman of the Supervisory Board 2008–2011, Member of the Supervisory Board 1996–2008

Main simultaneous positions of trust:
Chairman of the Board: Fingrid Plc
Member of the Board: Metsähallitus, Raskone Oy

Employment history:
Pohjola Bank plc, Member of the Group's Executive Committee 2006–2008
Pohjola Insurance Ltd., Senior Vice President 2006–2008
A-vakuutus Oy, CEO 2007–2008
Okobank plc, Member of the Board 1994–2006
Okobank plc, different positions 1976–1994
Shareholding in Apetit: 1 454 shares (10 February 2015)

CEO and Corporate Management

1 Veijo Meriläinen

b. 1952, M.Sc. (Agric.), eMBA
CEO, Director of the Food Business until March 15, 2015 and
Managing Director of Apetit Kala Oy
until February 1, 2015
Member of the Board since 2012

Main simultaneous positions of trust:
Chairman of the Board: HZPC Sadokas, Merive Oy
Member of the Board: HZPC Kantaperuna Oy

Employment history:
Valio Oy

- management positions in international operations, international sales and commercialization of innovations 1999–2011
- member of the group management team 1990–2011
- management positions in production, product acquisition and cheese business 1990–1999
- R&D management positions 1978–1990

Shareholding in Apetit: - (10 February 2015)

2 Juha Vanhainen

b. 1961, M.Sc. (Tech.)
CEO, Director of the Food Business from March 16, 2015

Main simultaneous positions of trust:
Member of the Board and Member of the HR and Remuneration Committee: Ekokem Corporation
Vice Chairman of the Board and Member of the Salary and Nomination Committee: Pohjolan Voima Oy
Chairman of the Board: Efora Oy
Member of the Supervisory Board: Ilmarinen Mutual Pension Insurance Company

Employment history:
Stora Enso Oyj, Member of the Group Leadership Team 2007–2015

- Director, energy, logistics, IT services and wood supply 2013–2015
- Director, business area papers 2007–2013
- Country Manager Finland 2008–2013
- Chairman and Member of the Board of several international subsidiaries and associated companies

Stora Enso International Office London, Director, uncoated fine paper 2003–2007
Mill Director, Stora Enso Oulu Mill 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 Apetit: - (10 February 2015)

3 Johanna Heikkilä

b. 1962, M.Sc. (Econ. & Bus. Adm.)
HR Director since 2005

Main simultaneous positions of trust:
Member of the Supervisory Board: Elo Mutual Pension Insurance Company

Employment history:
Fazer Leipomot Oy, HR Director 2003–2005
LU Suomi Oy, HR Director 2002–2003
LU Suomi Oy (earlier Fazer Keksit Oy), HR Manager 1995–2002
Fazer Suklaa Oy, HR Manager 1992–1994
Fazer Suklaa Oy, HR specialist 1990–1991
Shareholding in Apetit: - (10 February 2015)

4 Eero Kinnunen

b. 1970, M.Sc. (Econ. & Bus. Adm.)
Chief Financial Officer since 2006, Deputy CEO since 2008

Employment history:
Cloetta Fazer Suklaa Oy, Business Controller 2004–2006
Cloetta Fazer Makeiset Oy, Category Expert 2000–2004
Fazer Polska Sp. z o.o., Business Controller 1998–2000
Fazer Suklaa Oy, Controller 1996–1998
Shareholding in Apetit: 360 shares (10 February 2015)

5 Asmo Ritala

b. 1958, LL.M.
Corporate Counsel since 1995

Employment history:
Avena Ltd, Corporate counsel 1995–2002
Finnish Grain Board, lawyer 1990–1994
Oy Esso Ab, Manager 1986–1990
Shareholding in Apetit: - (10 February 2015)

6 Kaija Viljanen

b. 1952, M.Sc. (Econ. & Bus. Adm.), B.A., EMBA
Director of Grains and Oilseeds business since 2009
Managing Director of Avena Nordic Grain Oy since 1995 and Managing Director of Mildola Oy since 2009

Main simultaneous positions of trust:
Member of the Board and various working groups: Coceral

Employment history:
Finnish Grain Board, Assistant Director 1992–1995
The Central Union of Agricultural Producers and Forest owners (MTK), Project Manager 1991–1992
Finnish-Russian Chamber of Commerce Moscow, Director 1987–1991
Shareholding in Apetit: - (10 February 2015)

Shares, dividend policy

Registration and quotation

Apetit Plc's shares are in the book-entry securities system. The shares have been quoted on Nasdaq Helsinki since 1989. The symbol of the share is APETI and its ISIN code is FI0009003503.

Shares and voting rights

The shares of Apetit Plc are all in one series. All shares carry the same voting and dividend rights. The Articles of Association specify that the number of votes a shareholder is entitled to exercise cannot exceed one tenth of the votes represented at a shareholders' meeting.

Share capital

The minimum amount of share capital is EUR 10 million, and the maximum amount EUR 40 million. The nominal value of each share is EUR 2. At the beginning and end of the year the registered and fully paid share capital was EUR 12,635,152 and the number of shares was 6,317,576.

Authorization for share issue

The Annual General Meeting held on 28 March 2012 authorized the Board of Directors to decide on issuing new shares and the right to transfer Apetit shares held by the company (share issue). In 2012 the authorisation covered a maximum of 761,757 shares, including a maximum of 631,757 new shares and a maximum of 130,000 treasury shares held by the company. In accordance with a decision regarding remuneration of the Apetit Plc Board of Directors, 2,722 treasury shares were transferred to Board members in 2014, as a result of which the authorisation covers a maximum of 759,035 shares, of which 127,278 may be shares held by the company.

The subscription price for each new share will be at least the share's nominal value, or EUR 2. The transfer price for Apetit shares held by the company will be at least the market value of the share at the time of transfer, which is determined by the price quoted in public trading on NASDAX OMX Helsinki Ltd. The Board of Directors will also have the right to issue shares against consideration other than cash. In the case of share-based incentive systems, shares can also be issued without consideration.

The authorisation includes the right to deviate from the shareholders' pre-emptive subscription right (targeted issue) if the company has an important financial reason to do so, such as development of the company's capital structure, financing and implementing corporate acquisitions or other arrangements, or implementing a share-based incentive system.

The authorisation is valid until the 2015 Annual General Meeting.

By decision of the Apetit Plc Supervisory Board, half of the annual remuneration for the members, chairman and deputy chairman of the Board of Directors will be paid in cash and half in Apetit Plc shares held by the company at their current value at the time of transfer. In 2014 a total of 2,722 shares were transferred as annual remuneration to the Board of Directors.

Option rights

The company's Board of Directors is not authorized to issue share options or other special rights giving entitlement to shares.

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, with a combined nominal value of EUR 0.25 million. These treasury shares represent 2.0% of the company's total number of shares and total number of votes. The company's treasury shares carry no voting or dividend rights.

Proposed dividend

The aim of the Board of Directors of Apetit Plc is that the company's shares should provide shareholders with a good return on investment and retain their value. The dividend policy aims to support this goal. The company will distribute a dividend of at least 40% of the profit for the financial year attributable to shareholders of the parent company.

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