OLVI PLC FINANCIAL STATEMENTS BULLETIN 26 FEB 2009 at 9:45 am

OLVI GROUP'S FINANCIAL STATEMENTS 1 JANUARY 2008 TO 31 DECEMBER 2008

January to December 2008 in brief
+ The Group's net sales increased by 8.3%
+ The market position improved across Olvi Group's entire operating area
+ Substantial investments created required additional capacity
– The rainy summer burdened earnings in Finland as well as the Baltic states
– Scrapping of the obsolete package inventory created costs of 3.8 million euro, which burdened earnings in Finland as the entire industry is changing over to single-use packaging

October to December 2008 in brief
+ Olvi Group expanded to Belarus
+ Net sales increased by 4.1%
– Olvi plc decided to completely abandon the use of refillable PET bottles, which resulted in a write-down of scrapping liabilities for obsolete package inventory; the share of write-downs attributable to Q4 2008 was 2.5 million euro
– The economic downtrend affected the demand for Premium products in the Baltic states

Key ratios:

	1-12/2008	1-12/2007	Change %
Net sales, MEUR	222.1	205.2	+ 8.3
Operating profit, MEUR	17.5	23.1	– 24.3
Gross capital expenditure, MEUR	43.6	25.4	+ 71.3
Earnings per share, EUR	1.22	1.83	– 33.3
Equity per share, EUR	9.07	8.61	+ 5.3
Equity to total assets, %	43.3	47.7	
Gearing, %	62.9	45.6	

"The strengthened market position across our entire operating area and the expansion into Belarus serve as good foundations for Olvi Group's growth," says Lasse Aho, Olvi plc's Managing Director.

CHANGES IN CORPORATE STRUCTURE

On 2 October 2008 Olvi plc signed an agreement to acquire a majority of shares in the Belarusian brewery OAO Lidskoe Pivo. The acquisition was implemented through a private placing directed to Olvi plc by OAO Lidskoe Pivo. The shares received in the private placing were registered on 24 December 2008, resulting in 51 percent of the brewery's stock and voting rights being transferred to Olvi plc. The remaining 49 percent is distributed evenly among the brewery's personnel. The acquisition price was approximately USD 16 million or 12 million euro.

OAO Lidskoe Pivo is consolidated in Olvi Group's balance sheet as of 31 December 2008. The company's consolidation with Olvi Group has no effect on the income statement because Olvi plc only acquired control over the company in late December 2008.

OAO Lidskoe Pivo's net sales in 2008 amounted to 28.9 million euro, while the sales volume was 79.9 million litres (Belarus GAAP).

From October to December, Olvi Group increased its holding in A/S Cesu Alus by 11 shares or 0.04 percent. At the end of December 2008, Olvi plc's holding in A/S Cesu Alus stood at 98.2 percent, in AB Ragutis 99.57 percent and in AS A. Le Coq 100.0 percent.

SALES VOLUME, NET SALES AND EARNINGS

OLVI GROUP

January to December 2008

Olvi Group’s sales volume in January–December was on a par with the previous year at 340.9 (341.8) million litres. The sales volume increased by 0.6 million litres in Finland but decreased by a total of 7.1 million litres in the Baltic states. The decreased sales volumes in the Baltic states were due to rainy and cold weather in the spring and summer, as well as a decrease in demand due to the progressing economic recession in all of the Baltic states.
Internal sales between Group companies decreased by 5.6 million litres as substantial investments carried out in 2008 brought additional capacity to all Group companies.

The Group’s net sales from January to December amounted to 222.1 (205.8) million euro, representing an increase of 16.9 million euro or 8.3 percent. Net sales in Finland improved by 9.7 million euro or 10.1 percent. Net sales in the Baltic states increased by 5.9 million euro or 4.9 percent. The net sales improvement was attributable to an increase in the mean price for products, which in turn is the result of a shift in consumption increasingly towards cans, recyclable plastic deposit bottles and cases. Correspondingly, the costs for these packaging materials are clearly higher in comparison to refillable bottles previously used.

Olvi Group’s operating profit for January–December stood at 17.5 (23.1) million euro, or 7.9 (11.3) percent of net sales. The operating profit declined by 5.6 million euro on the previous year. The operating profit in Finland was 4.3 (8.5) million euro, representing a change of -4.3 million euro on the previous year. The operating profit in the Baltic states amounted to 12.9 (14.7) million euro (excluding eliminations).

The Group’s January–December profit after taxes was 12.7 (18.9) million euro.

October to December 2008

Olvi Group’s sales in the fourth quarter of 2008 amounted to 77.6 (81.9) million litres. The sales volume declined by 5.9 million litres, and sales in the Baltic states declined by a total of 4.3 million litres compared to the previous year. Intra-Group sales declined by 5.9 million litres in the fourth quarter.

Olvi Group’s net sales in the fourth quarter increased by 4.1 percent to 51.5 (49.5) million euro. Net sales in Finland increased by 0.2 million euro, while net sales in the Baltic states declined by 0.5 million euro on the previous year. Intra-Group net sales declined by 2.3 million euro.

Olvi Group’s operating profit for October–December stood at 1.0 (3.2) million euro, or 1.9 (6.4) percent of net sales. The operating result in Finland showed a loss. The operating profit in the Baltic states declined by 0.7 million euro.

PARENT COMPANY OLVI PLC

January to December 2008

The parent company Olvi plc’s sales from January to December amounted to 138.2 (137.6) million litres, representing an increase of 0.6 million litres or 0.4 percent. In terms of litres sold as well as proportional growth, the greatest sales increase was seen in long drinks. The sales of beers in Finland increased by one million litres on the previous year. The sales of mineral waters and ciders remained on the previous year’s level, while a slight decline was seen in soft drinks. Tax-free sales amounted to 3.4 (3.8) million litres and freighted work for the Baltic subsidiaries to 1.5 (6.0) million litres in 2008, totalling 3.6 (4.8) percent of total sales.

For the first half of the year, Olvi plc’s sales development was hindered by a lack of canning capacity. The situation improved substantially in August when a new canning line was introduced to production. The share of canned products has increased to 36 percent of Olvi plc’s aggregate sales in Finland.

From the beginning of 2008, Olvi plc’s market position in Finland has been monitored using statistics from the Federation of the Brewing and Soft Drinks Industry as AC Nielsen market share monitoring is no longer available in Finland. According to the statistics, Olvi plc’s overall market position in the main product groups in the January-December period continued to improve clearly on the previous year. Olvi’s overall market share in the alcoholic product groups: beers, ciders and long drinks, was 20.0 (18.7) percent. Olvi plc’s market share in mineral waters was 19.7 (18.0) percent.

Olvi plc’s net sales from January to December stood at 106.3 (96.5) million euro, representing an increase of 9.7 million euro or 10.1 percent on the previous year. Net sales growth has clearly outperformed the growth in sales volume throughout the year.

Olvi plc’s operating profit in January-December stood at 4.3 (8.5) million euro or 4.0 (8.8) percent of net sales. The operating profit declined by 4.3 million euro.

The most significant factors underlying the decline in profitability include the scrapping costs of obsolete packaging as the industry is changing over to single-use packages, substantially higher-than-expected demand for canned products, as well as lack of canning line capacity in the spring and summer. The efficiency of operations was hampered by the introduction of several simultaneous major investments, as well as a slower-than-expected pace of adopting the new recyclable plastic bottle system and the resulting costs of maintaining two packaging systems simultaneously. The situation was also affected by higher-than-expected cost increases in raw materials, packaging supplies, energy and logistics, which could not be fully transferred to prices during the operating year.

Scrapping of the obsolete package inventory due to the transition to single-use packaging resulted in 3.8 (1.8) million euro of non-recurring write-downs on inventories that burdened the January-December earnings.

October to December 2008

Olvi plc’s sales in the fourth quarter amounted to 31.2 (37.1) million litres, representing a decline of 5.9 million litres on the previous year. The sales of ciders, long drinks and mineral waters increased during the review period.

The parent company’s net sales from October to December increased by 0.7 percent to 25.8 (25.6) million euro. The operating result in the fourth quarter showed a loss of -0.4 million euro (profit of 1.1 million), or -1.7 (4.2) percent of net sales. The fourth-quarter figures include write-downs on package inventories for 2.5 million euro.

AS A. LE COQ

January to December 2008

The total sales of the Estonian subsidiary AS A. Le Coq in January-December amounted to 125.5 (138.2) million litres, representing a decline of 13 million litres or 9.4 percent on the previous year. The total sales include 17.7 (22.4) million litres of freighted work for other Group companies and 0.7 (1.9) million litres of tax-free exports. 7.1 million litres of the sales decline were attributable to domestic sales, while 4.7 million litres were attributable to freighted work for other Group companies. Tax-free exports declined by 1.2 million litres on the previous year.

The sales volume in beers and ciders was on a par with the previous year but declined clearly in mineral waters and well-being beverages, with a slight decline in soft drinks, long drinks and energy drinks. The decline in domestic Estonian sales is attributable to an overall decline in the volumes of all product groups across the Estonian beverage industry.

In spite of the declined sales volume, AS A. Le Coq has strengthened its market position. AS A. Le Coq's market share in beers is approximately 40 percent. AS A. Le Coq is the clear market leader in ciders and long drinks with a share of more than 55 percent. With the exception of mineral waters, AS A. Le Coq's market share has remained on a healthy level also in other product groups.

Net sales from January to December stood at 72.0 (72.5) million euro, representing a decline of 0.5 million euro or 0.7 percent on the previous year.

AS A. Le Coq's operating profit in January-December was 11.6 (10.9) million euro or 16.1 (15.0) percent of net sales. The operating profit improved by 0.8 million euro or 7.2 percent. The operating profit improvement was made possible by production efficiency, an increased share of Premium products and cost control.

October to December 2008

AS A. Le Coq's sales in October-December amounted to 25.9 (31.9) million litres, representing a decline of 6.1 million litres. Fourth-quarter net sales stood at 15.3 (16.8) million euro, representing a decline of 1.5 million euro or 9.1 percent on the previous year. Operating profit for October-December stood at 1.9 (2.1) million euro, or 12.4 (12.2) percent of net sales.

A/S CESU ALUS

January to December 2008

From January to December, the sales of A/S Cesu Alus operating in Latvia totalled 58.7 (54.1) million litres. This represents an increase of 4.6 million litres or 8.6 percent. 1.8 million litres of the sales improvement came from increased intra-Group sales. The growth in Latvian domestic sales volume was attributable to beers that represent approximately 70 percent of total sales. The sales of soft drinks, mineral waters, ciders and long drinks were on a par with the previous year, while the sales of juices declined.

In the primary product group, beers, A/S Cesu Alus's market share is approximately 27 percent, and the brewery is clearly the number two player in the market. A/S Cesu Alus's market share in ciders and long drinks is approximately 40 percent. The overall volumes of the Latvian beverage market declined across all product groups.

The company's net sales from January to December amounted to 31.4 (26.7) million euro, representing an increase of 4.7 million euro or 17.5 percent.

Operating profit for January-December stood at 1.3 (2.3) million euro, or 4.1 (8.6) percent of net sales. The operating profit declined by 1.0 million euro on the previous year.

October to December 2008

A/S Cesu Alus's sales in the fourth quarter were on a par with the previous year at 12.0 (11.9) million litres.

A/S Cesu Alus's net sales increased by 0.3 million euro to 6.2 (5.9) million euro, an increase of 4.5 percent.

The operating result for October-December showed a loss of -0.2 million euro (profit of 0.2 million), which represents a decline of 0.4 million euro on the previous year. The operating profit represented -3.8 (2.5) percent of net sales.

AB RAGUTIS

January to December 2008

The total sales of the Lithuanian subsidiary AB Ragutis in January-December amounted to 44.1 (42.8) million litres, an increase of 1.3 million litres or 3.1 percent on the previous year. The sales increase is attributable to intra-Group sales. Sales to other Group companies amounted to 2.7 (1.0) million litres, an increase of 1.7 million litres. Tax-free exports increased by 0.2 million litres, while domestic sales in Lithuania declined by 0.6 million litres.

The sales of soft drinks and the low-alcoholic Kvass malt beverage purchased from OAO Lidskoe Pivo increased clearly. The sales of beers and long drinks remained on the previous year's level, while the sales of ciders and juices declined.

The market share of AB Ragutis's beers improved to 10.0 (9.2) percent, and the market share of long drinks improved to some 24 (21) percent. The company's market share in ciders is approximately 35 percent.

The company's net sales from January to December amounted to 23.8 (22.1) million euro, representing an increase of 1.7 million euro or 8.0 percent.

Operating profit in January-December stood at 0.03 (1.5) million euro, which was 0.1 (7.0) percent of net sales. Factors hampering the company's profitability include increases in the prices of raw materials and packaging supplies, as well as increased personnel and logistics costs. Problems with commissioning the new plastic bottle filling line delayed the start of production and utilisation of the investment.

October to December 2008

AB Ragutis's sales in the fourth quarter amounted to 10.8 (9.2) million litres, representing an increase of 1.6 million litres or 17.6 percent.

The company's net sales in October-December improved by 0.8 million euro to 5.6 (4.8) million euro, an increase of 16.0 percent. The operating result showed a loss of -0.2 (-0.05) million euro, which was -4.3 (-1.0) percent of net sales.

FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of December was 244.2 (187.0) million euro. Equity per share in January-December stood at 9.07 (8.61) euro. The amount of interest-bearing liabilities was 82.2 (45.0) million euro, including current liabilities of 39.8 (16.4) million euro.

Olvi Group's gross capital expenditure in 2008 was exceptionally high. Capital expenditure increased to 43.6 (25.4) million euro. The parent company Olvi plc accounted for 25.6 million euro and the subsidiaries in the Baltic states for 18.0 million euro of the total.

The parent company Olvi plc's capital expenditure includes the acquisition price for shares in OAO Lidskoe Pivo, 12.0 million euro. The parent company's production investments in 2008 included a filling line for recyclable plastic deposit bottles, an automatic storage facility and a new canning line.

The largest investments in the Baltic subsidiares included a canning line and a storehouse extension in Latvia, as well as a PET plastic bottle filling line and a fermentation cellar extension in Lithuania.

The equity to total assets ratio was 43.3 (47.7) percent and remained good in spite of Olvi Group's substantial investments and the acquisition in Belarus.

TREASURY SHARES

Treasury shares held by Olvi plc are reported in the tables section of the financial statements bulletin, in Appendix 5, Note 6.

PRODUCT DEVELOPMENT

Research and development includes projects to design and develop new products, packages, processes and production methods, as well as further development of existing products and packages. R&D costs in 2008 amounted to a total of 0.5 million euro, of which 0.45 million euro was recognised as expenses and 0.08 million euro was capitalised on the balance sheet.

NEW PRODUCTS

2008 was an active year of product development. Olvi plc introduced products to the well-being and sports beverages segments. While representing only a very small volume up to date, these product groups reflect Olvi's desire of expanding into new product segments and developing healthier products for the beverage market. The recyclable plastic deposit bottle designed for Olvi by the internationally distinguished Finnish designer Harri Koskinen was introduced into use gradually, and in late 2008 it completely replaced the old refillable PET plastic bottle. New package sizes included a pint-size (0.568-litre) can, as well as a 0.95-litre recyclable plastic deposit bottle for soft drinks and mineral waters that was well-received by consumers and trade. The number of new products launched was more than thirty.

Olvi plc brought several novelties to retail stores on 1 January 2009. The most innovative was the TEHO energy drink effervescent tablet. The energy drink packaged in six-tablet tubes was well-received at retailers all over the country. Other new products included the OLVI Fruit soft drink, KevytOlo Sweet Pineapple and Sweet Queen in 0.95-litre packages, OLVI Light Grapefruit Long Drink in 0.5-litre cans and the Sandels 5-litre keg that brought draft beer to the home.

Several new products will be introduced in Finland on 1 April 2009. The soft drinks segment will be strengthened with four new products in 0.95-litre bottles that are sweetened with fruit sugar. This reduces the calorie count without artificial sweeteners.

Olvi plc will also launch the OLVI KevytOlo spring water. The product is a fresh natural product from Suomenselänharju springs. Naturalness is also emphasised in the new TEHO Apple-Citrus Energy Drink, with its 100% natural energising ingredients. The product is free of preservatives. The non-alcoholic segment will also see the introduction of KevytOlo Strawberry-Lemon, which gets its flavour from natural berries and fruits. An old favourite from years past, the OLVI Vaakuna beer, will be re-introduced after a break of approximately 10 years. The OLVI Long Drink range will be supplemented by a new cranberry flavour. The FIZZ Cooler range will be expanded by Tropical and Perry&Grape flavours.

Baltic states

2008 was a year of more intensified product development collaboration in the Baltic states. Several new products were introduced in all of the Baltic subsidiaries with the same content and either a local or Group-wide brand. These were supplemented by a number of local novelties to respond to local consumer demand. The Dynamite energy drink launched in 2007 established its position in 2008 as one of the most significant energy drinks in all of the Baltic states.

New product launches by the Estonian A. Le Coq included the A. Le Coq X-mas Porter beer and Limpa Wild Berry juice in late 2008, as well as the Sweet Orange nectar and a sports beverage with added apple juice in February 2009. New products were also launched for the Christmas season in Latvia, including the Cesu Christmas Porter beer, Cesu Dzins Winter Punch long drink and a Christmas soft drink.

PERSONNEL

Olvi Group's average number of personnel in January-December was 1,256 (1,211), 431 (389) of them in Finland, 388 (409) in Estonia, 231 (211) in Latvia and 206 (202) in Lithuania. The average number of personnel increased by 45 people or 3.7 percent on the previous year. The total number of personnel at the end of December was 2,069 (1,204), of which the Lidskoe Pivo brewery accounted for 927 employees.

BUSINESS RISKS AND UNCERTAINTIES IN THE NEAR TERM

The economy of the Baltic states is in recession. Construction and industrial investments have declined, and unemployment has increased substantially. Devaluation of currencies is a threat to all of the Baltic states, and this would substantially deteriorate the profit-making capacity denominated in euro. The Finnish economy is also in a decline, which is reflected in consumer behaviour.

The markets of the brewing industry are expected to decline in Finland and in the Baltic states. As the consumers' purchasing power is declining and inflation is going up, less expensive products will be in favour instead of Premium products.

The global financial crisis and subsequent economic decline have increased the costs of financing.

NEAR-TERM OUTLOOK

The overall beverage market will decline in Finland and in the Baltic states. However, Olvi Group companies have good opportunities to retain their overall market position also in the prevailing difficult economic situation. Completed investments will guarantee sufficient capacity and enable cost-efficient production across versatile product ranges and packaging alternatives. A crucial target is to fully utilise the completed additional capacity and to improve the entire Olvi Group's profitability and competitive ability.

We expect Olvi Group's profitability to remain at the present level or slightly improve in 2009.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

Olvi plc has pursued an active and earnings-based dividend policy. The aim has been to distribute approximately 40 percent of Olvi Group's annual earnings per share as dividend to the shareholders.

The parent company Olvi plc had 39.9 (45.3) million euro of distributable funds on 31 December 2008, of which profit for the period accounted for 2.2 (8.5) million euro.

Olvi plc's Board of Directors proposes to the Annual General Meeting that distributable funds be used as follows:
- A dividend of 0.50 euro shall be paid for 2008 on each Series K and Series A share, totalling 5.2 million euro. The dividend represents 41.0 percent of Olvi Group's earnings per share. The proposal calls for the payment of dividends in April 2009.
- 34.7 million euro shall be retained in the parent company's non-restricted equity.

The financial statements from 1 January to 31 December 2008 have been prepared in accordance with International Financial Reporting Standards approved for use within the EU. The preparation has been carried out in compliance with the IAS and IFRS standards, as well as their official interpretations, valid on 31 December 2008.

The accounting policies used for the preparation of the financial statements 2008 are the same as those used for the annual financial statements 2007.

The information in this financial statements bulletin is unaudited.

An annual summary of disclosures made by the company in 2008 can be found at www.olvi.fi under “Financial reports”.

FINANCIAL REPORTS IN 2009

Olvi Group’s financial statements and Board of Directors’ report for the year 2008 will be published on the company’s Web site during the week beginning on 30 March 2009. The Annual General Meeting of the shareholders of Olvi plc will be held in Iisalmi, Finland, on 7 April 2009. A notice to convene the meeting will be published in March 2009.

The following interim reports will be released in 2009:
Interim Report 1Q, January to March, on 30 April 2009
Interim Report 2Q, January to June, on 27 August 2009
Interim Report 3Q, January to September, on 29 October 2009

Further information:

Olvi plc
Lasse Aho
Managing Director
Phone +358 17 838 5200 or +358 400 203 600

OLVI PLC
Board of Directors

APPENDICES

- Balance sheet, Appendix 1
- Income statement, Appendix 2
- Changes in consolidated shareholders’ equity, Appendix 3
- Cash flow statement, Appendix 4
- Notes to the financial statements, Appendix 5

DISTRIBUTION:

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BALANCE SHEET
EUR 1,000

	31 Dec 2008	31 Dec 2007
ASSETS		
Non-current assets		
Tangible assets	132028	97706
Goodwill	10743	10679
Other intangible assets	1023	1002
Financial assets available for sale	288	285
Other non-current assets available for sale	429	63
Loan receivables and other non-current receivables	350	118
Deferred tax receivables	1042	362
Total non-current assets	145903	110215
Current assets		
Inventories	33699	30159
Accounts receivable and other receivables	48839	42181
Deferred tax receivables	23	110
Liquid assets	15748	4332
Total current assets	98309	76782
TOTAL ASSETS	244212	186997
SHAREHOLDERS’ EQUITY AND LIABILITIES		
Shareholders’ equity held by parent company shareholders		
Share capital	20759	20759
Other reserves	1092	1092
Treasury shares	-63	-722
Retained earnings	59632	48979
Net profit for the period	12684	18944
	94104	89052
Minority interest	11618	136
Total shareholders’ equity	105722	89188
Non-current liabilities		
Interest-bearing liabilities	42361	28592
Interest-free liabilities	4	0
Deferred tax liabilities	1421	1113
Current liabilities		
Interest-bearing liabilities	39840	16383
Accounts payable and other liabilities	54864	51721
Total liabilities	138490	97809
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	244212	186997

OLVI GROUP Appendix 2

INCOME STATEMENT
EUR 1,000

	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Net sales	51537	49485	222124	205188
Other operating income	353	178	1005	894
Operating expenses	-47104	-43506	-191496	-171222
Depreciation and impairment	-3792	-2992	-14155	-11759
Operating profit	994	3165	17478	23101
Financial income	79	44	247	186
Financial expenses	-1215	-497	-3420	-1953
Earnings before tax	-142	2712	14305	21334
Taxes	-188	-109	-1631	-2354
Net profit for the period	-330	2603	12674	18980
Distribution:				
- parent company shareholders	-313	2604	12684	18944
- minority	-17	-1	-10	36
Ratios calculated from the profit belonging to parent company shareholders:				
- earnings per share, euro			1.22	1.83

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

EUR 1,000	A	B	C	D	E	F	G	H	I
Shareholders' equity 1 Jan 2007	20759	857	127	-290	143	-18	55688	101	77367
Transfer of reserve to retained earnings					-35		35		0
Acquisition of treasury shares				-432					-432
Change in translation difference						9			9
Payment of dividends							-6736		-6736
Net profit for the period							18980		18980
Share of profit belonging to the minority							-35	35	0
Shareholders' equity 31 Dec 2007	20759	857	127	-722	108	-9	67932	136	89188

EUR 1,000	A	B	C	D	E	F	G	H	I
Shareholders' equity 1 Jan 2008	20759	857	127	-722	108	-9	67932	136	89188
Change in translation difference						-14		-1	-15
Transfer of treasury shares				659					659
Payment of dividends							-8291		-8291
Net profit for the period							12674		12674
Change in minority interest due to acquisition of subsidiary								11507	11507
Other changes in minority interest							14	-14	0
Share of profit belonging to the minority							10	-10	0
Shareholders' equity 31 Dec 2008	20759	857	127	-63	108	-23	72339	11618	105722

A = Share capital
B = Share premium account
C = Legal reserve
D = Treasury shares reserve
E = Other reserves
F = Translation differences
G = Retained earnings
H = Minority interest
I = Total

CASH FLOW STATEMENT
EUR 1,000

	1-12/2008	1-12/2007
Net profit for the period	12674	18980
Adjustments to profit for the period	18971	15542
Change in net working capital	-5282	-1597
Interest paid	-2959	-1806
Interest received	234	72
Taxes paid	-3054	-3307
Cash flow from operations (A)	20584	27884
Acquisition of subsidiary less acquired liquid assets	-1601	
Capital expenditure	-30558	-25140
Disposals of fixed assets	245	308
Expenditure on other investments	-1	
Cash flow from investments (B)	-31915	-24832
Withdrawals of loans	78000	16000
Repayments of loans	-46965	-9665
Acquisition of treasury shares	0	-432
Dividends paid	-8288	-6725
Cash flow from financing (C)	22747	-822
Increase (+)/decrease (-) in liquid assets (A+B+C)	11416	2230
Liquid assets 1 January	4332	2102
Liquid assets 31 December *)	15748	4332
Change in liquid assets	11416	2230

*) The Group's liquid assets include the liquid assets of the acquired subsidiary OAO Lidskoe Pivo, amounting to 10.4 MEUR on the date of acquisition 31 December 2008.

OLVI GROUP Appendix 5

NOTES TO THE FINANCIAL STATEMENTS

The accounting policies used for the preparation of the financial statements 2008 are the same as those used for the annual financial statements 2007.

The Group has adopted the interpretation IFRIC 11, Group and Treasury Share Transactions, which entered into force on 1 January 2008. The adoption of the new standard has not had any substantial effect on the consolidated financial statements.

The information in the financial statements bulletin is presented in thousands of euros (EUR 1,000). For the sake of presentation, individual figures and totals have been rounded to full thousands, which causes rounding differences in additions.

1. SEGMENT INFORMATION

SALES BY GEOGRAPHICAL SEGMENT (1,000 litres)

	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Olvi Group total	77597	81945	340938	341765
Finland	31223	37144	138155	137586
Estonia	25891	31946	125170	138163
Latvia	11995	11880	58753	54124
Lithuania	10760	9151	44085	42778
- sales between segments	-2272	-8176	-25225	-30886

NET SALES BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Olvi Group total	51537	49485	222124	205188
Finland	25758	25579	106291	96546
Estonia	15265	16797	71995	72494
Latvia	6195	5927	31366	26686
Lithuania	5568	4798	23824	22069
- sales between segments	-1249	-3616	-11352	-12607

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT (EUR 1,000)

	10-12/2008	10-12/2007	1-12/2008	1-12/2007
Olvi Group total	994	3166	17478	23101
Finland	-450	1080	4252	8514
Estonia	1886	2055	11618	10838
Latvia	-237	151	1281	2294
Lithuania	-238	-49	32	1553
- eliminations	33	-71	295	-98

2. PERSONNEL ON AVERAGE

	1-12/2008	1-12/2007
Finland	431	389
Estonia	388	409
Latvia	231	211
Lithuania	206	202
Belarus *)	927	
Total	2183	1211

*) Number of personnel on 31 December 2008

3. RELATED PARTY TRANSACTIONS

Employee benefits to management
Salaries and other short-term employee benefits to the Board of Directors and the Managing Directors of Group companies

EUR 1,000

	1-12/2008	1-12/2007
Managing Directors	995	577
Chairman of the Board	209	203
Other members of the Board	109	106
Total	1313	886

4. SHARES AND SHARE CAPITAL

	31 Dec 2008
Number of A shares	8513276
Number of K shares	1866128
Total	10379404
Total votes carried by A shares	8513276
Total votes carried by K shares	37322560
Total number of votes	45835836
Registered share capital, EUR 1,000	20759

The Series A and Series K shares received a dividend of 0.80 euro per share for 2007 (0.65 euro per share for 2006), totalling 8.3 (6.7) million euro. The dividends were paid on 22 April 2008.

Nominal value of A and K shares, EUR	2.00
Votes per Series A share	1
Votes per Series K share	20

The shares entitle to equal dividend.
The Articles of Association include a redemption clause concerning Series K shares.

5. SHARE-BASED PAYMENTS

Olvi plc's Board of Directors decided on 26 January 2006 on a share-based incentive scheme for Olvi Group's key personnel. The share-based bonus scheme is a part of the incentive and commitment scheme for the Group's key personnel and its purpose is to combine the objectives of shareholders and key personnel to improve the company's value.

The scheme includes two vesting periods, the first one extending from 1 January 2006 to 31 December 2007 and the second one from 1 January 2008 to 31 December 2010. The amount of bonuses payable out of the scheme is linked to Olvi Group's net sales and the operating profit percentage in relation to net sales.

The bonuses are payable partially in Olvi plc's Series A shares and partially in cash. The proportion payable in cash covers the taxes and other statutory fees arising from the share-based bonuses. The bonuses for the first vesting period were paid in April 2008. The shares carry a ban on transferring them within two years of reception.

On 17 December 2007, Olvi plc's Board of Directors decided on the targets for the second vesting period and the people included in the scheme. At the same time, the maximum number of shares that may be granted on the basis of the share-based incentive scheme was increased from 40,000 to 80,000. Any bonuses for the second vesting period will be paid in April 2011. 50 percent of the shares received as bonus for the second vesting period may be transferred after one year of reception, and 100 percent after two years of reception. The right to dividends begins when the shares are transferred to the key employees' book-entry accounts. On the basis of this incentive scheme, a total of 48,000 Olvi plc Series A shares may become payable in 2011 for the second vesting period if the targets are achieved in full.

The target group of the scheme currently includes 21 key employees.

No accounting entries associated with the 2008-2010 vesting period were recognised in January-December 2008.

Olvi Group has no warrants or options.

6. TREASURY SHARES

On the basis of an authorisation granted by the General Meeting of Shareholders on 10 April 2008, the company's Board of Directors decided to hand over treasury shares acquired in 2006 and 2007 for use as rewards in Olvi Group's share-based incentive system for key personnel for the achievement of targets for 2006 and 2007. A total of 29,600 treasury shares were handed over to the Group's key personnel in April 2008.

On 10 April 2008, the General Meeting of Shareholders of Olvi plc decided to authorise the Board of Directors of Olvi plc to decide on the acquisition of the company's own shares using distributable funds. The authorisation is valid for one year starting from the General Meeting and covers a maximum of 245,000 Series A shares.

From January to December 2008, the Board of Directors of Olvi plc has not exercised the authorisation granted by the General Meeting to acquire treasury shares.

At the end of December 2008, Olvi plc held a total of 2,400 of its own Series A shares acquired for a price of 54 thousand euro. Treasury shares held by Olvi plc represent 0.02 percent of the share capital and 0.01 percent of the aggregate number of votes. The treasury shares represent 0.03 percent of all Series A shares and associated votes.

7. NUMBER OF SHARES *)

	1-12/2008	1-12/2007
- average	10368444	10358296
- at end of period	10377004	10347404

*) Treasury shares deducted.

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

	1-12/2008	1-12/2007
Trading volume of Olvi A shares	1622708	2286279
Total trading volume, EUR 1,000	35436	55328
Traded shares in proportion to all Series A shares, %	19.1	26.9
Average share price, EUR	20.82	24.14
Price on the closing date, EUR	15.59	24.00
Highest quote, EUR	27.00	30.80
Lowest quote, EUR	12.50	19.50

9. LARGEST SHAREHOLDERS ON 31 DECEMBER 2008

	Series K	Series A	Total	%	Votes	%
1. Olvi Foundation	1181952	421286	1603238	15.45	24060326	52.49
2. Hortling Heikki Wilhelm *)	450712	85380	536092	5.16	9099620	19.85
3. The Heirs of Hortling Kalle Einari	93552	12624	106176	1.02	1883664	4.11
4. Hortling Timo Einari	82912	17304	100216	0.97	1675544	3.66
5. Skandinaviska Enskilda Banken, nominee r.		1283944	1283944	12.37	1283944	2,80
6. Hortling-Rinne Marit	51144	1050	52194	0.50	1023930	2.23
7. Nordea Bank Finland plc, nominee register		516393	516393	4.98	516393	1.13
8. Ilmarinen Mutual Pension Insurance Company		515748	515748	4.97	515748	1.13
9. Autocarrera Oy Ab		221891	221891	2.14	221891	0.48
10. Pensionsförsäkringsaktiebolaget Veritas Pension Insurance Company		208000	208000	2.00	208000	0.45
Others	5856	5229656	5235512	50.45	5346776	11.68
Total	1866128	8513276	10379404	100.00	45835836	100.00

*) The figures include the shareholder’s own holdings and shares held by parties in his control.

10. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 31 DECEMBER 2008

	Book entries		Votes		Shareholders	
	qty	%	qty	%	qty	%
Foreign total	275389	2.65	1247125	2.72	33	0.51
Nominee registered (foreign) total	1000	0.01	1000	0.00	1	0.02
Nominee registered (Finnish) total	1908490	18.39	1908490	4.16	6	0.09
Total	2184879	21.05	3156615	6.89	40	100.00

11. PROPERTY, PLANT AND EQUIPMENT
EUR 1,000

	1-12/2008	1-12/2007
Increase	42869	29031
Decrease	-644	-5184
Total	42225	23847

12. CONTINGENT LIABILITIES	31 Dec 2008	31 Dec 2007
EUR 1,000		
Debts for which mortgages have been given as collateral		
- Loans from financial institutions		
- For own commitments	1594	0
- For others	0	0
Pledges and contingent liabilities		
- For own commitments	6227	1134
- For others	5	0
Leasing liabilities:		
- Due within one year	834	882
- Due within 1 to 5 years	1055	1101
- Due in more than 5 years	0	5
Total leasing liabilities	1889	1988
Package liabilities	6402	4604
Other liabilities	1980	1980

13. ACQUIRED BUSINESS OPERATIONS

In early October 2008, Olvi Group acquired a majority holding of the Belarusian brewery OAO Lidskoe Pivo through a private placing. The shares were registered in Olvi plc’s ownership on 24 December 2008. After the transaction, Olvi plc holds 51 percent of OAO Lidskoe Pivo’s share capital and voting rights. The acquisition price of the shares was 11.9 million euro, in addition to which the acquisition cost includes attorneys’ and other experts’ fees for 0.1 million euro. The acquisition was recognised as preliminary in compliance with the one-year limit under IFRS 3.

	EUR 1,000
Price of shares in private placing	11926
Costs incurred from the acquisition	119
Total acquisition cost	12045

The acquisition generated goodwill of 68 thousand euro based on synergy benefits expected from the acquisition of the OAO Lidskoe Pivo brewery.

OAO Lidskoe Pivo is consolidated with Olvi Group as of 31 December 2008, which means that the acquisition has no effect on Olvi Group’s income statement or earnings for 2008. The balance sheet of Lidskoe Pivo is consolidated with Olvi Group as of 31 December 2008 using the purchase method.

OAO Lidskoe Pivo's sales volume in 2008 amounted to 79,928 thousand litres. The brewery's net sales in 2008 stood at 28,893 thousand euro, while the operating profit was 4,512 thousand euro (Belarus GAAP).

The values of acquired assets and assumed liabilities on the date of acquisition stood as follows:

EUR 1,000	Fair values recognised at consolidation	Book values before consolidation
Property, plant and equipment	18230	16997
Financial assets available for sale	2	
Intangible assets	3	1
Deferred tax receivables	1036	
Inventories	3995	8931
Current receivables	5885	1827
Liquid assets	10444	10444
Non-current interest-free liabilities	-4	
Non-current interest-bearing liabilities	-1337	-4687
Current interest-free liabilities	-9914	-5503
Current interest-bearing liabilities	-4854	-1616
Net assets	23486	26394
Minority interest 49%	-11509	
Group's share of net assets	11977	
Acquisition cost	12045	
Goodwill	68	
Sales price paid in cash	12045	
The acquired subsidiary's liquid assets	-10444	
Cash flow effect	1601	

14. CALCULATION OF FINANCIAL RATIOS

Equity to total assets, % = Shareholders' equity held by parent company shareholders + minority interest/100 * balance sheet total - advances received

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

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

Gearing, % = Interest-bearing debt - cash in hand and at bank / Shareholders' equity held by parent company shareholders + minority interest