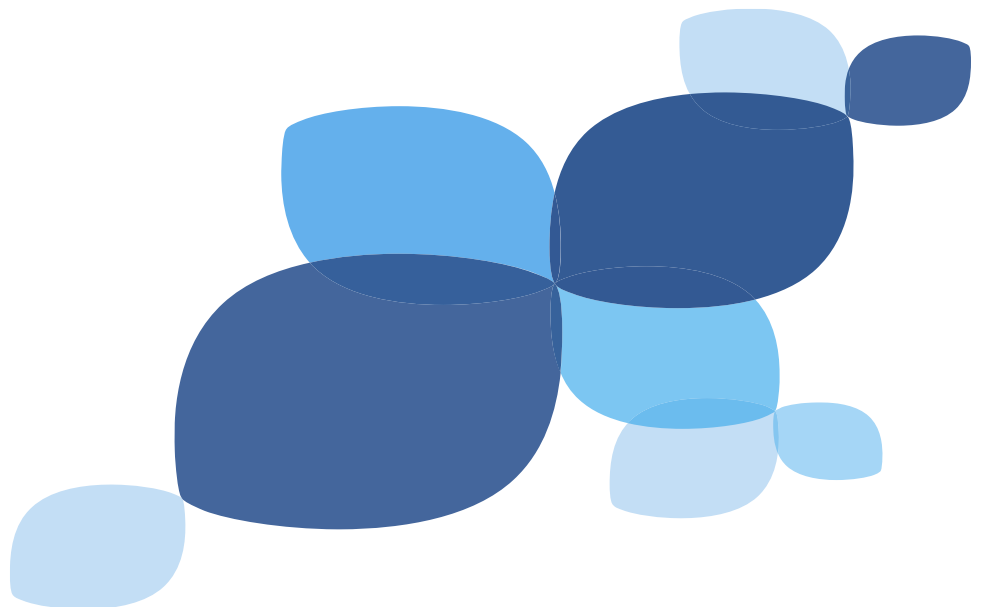




Board of Directors' Report and Financial Statements

1 Jan. – 31 Dec. 2014



Board of Directors' Report 1 Jan. – 31 Dec. 2014

General

Valio's business operations were successful in the first half of the year. The decision to close the Toholampi and Kaitsor plants was taken in order to rationalise the production structure.

The business environment changed in August when the import embargo imposed by Russia halted exports of milk-based products from Finland to Russia. The raw milk had to be forwarded to industrial products, which deliver a lower margin and whose global market prices were falling. At the same time, weaker purchasing power and changes in purchasing behaviour on the part of domestic consumers led to falling prices in Finland. The milk return decreased considerably from its record high in the first half of the year. The situation resulted in a reduction in the number of employees at those plants which primarily manufactured products for Russian export, and at Valio's head office. Valio Russia's organisation was slimmed down to correspond to the scale of the business operations. In September, Valio Ltd's Board of Directors took the decision to decrease the price paid for raw milk to the dairy co-operatives by 6 cents per litre.

During the financial year, Valio's CEO retired and a new CEO was appointed, and the Board of Directors elected a new Chairman.

Valio Ltd took in 1 929 million litres of raw milk in Finland, up 41 million litres on the previous year.

Valio Group net sales stood at EUR 1 950 million (2013: EUR 2 029 million), down 3.9% on 2013. Domestic net sales decreased by 0.8% and international net sales by 9.1%. The milk margin amounted to EUR 974 million (EUR 1 026 million) and the milk return stood at 43.7 cents per litre.

The average price paid for raw milk was 45.4 cents per litre. No after payments were made in 2014. The total price paid for raw milk was EUR 21 million lower compared with the previous year. A total of EUR 885 million (EUR 907 million) was paid to owners, comprising the raw milk price, after payment, dividend and interest.

Valio Group net loss totalled EUR - 36 million (2013: + EUR 65 million).

Shareholders and share capital

Valio Ltd has 17 shareholders, one less than in the previous financial year. The fully paid-up share capital of Valio Ltd stands at EUR 166 127 400. Valio Ltd shares number 48 861. They are all of the same type and confer identical rights to dividends and the company's assets. The shares carry a redemption clause.

Risk management

Risks are identified and managed in the business operations. Valio Group's key risks relate to the development of market prices in the domestic and export markets, the position of key product groups in different markets, exchange rates, and various property damage risks and their ramifications for business operations.

Insurances are employed to protect against risks such as would significantly influence Valio Group's operating capacity. Valio's most significant non-life insurances have been organised into insurance programs covering the whole Group.

Cash flow and balance sheet items denominated in foreign currencies are generally not hedged.

The goal for occupational safety is zero accidents.

Legal proceedings

The decision of the Market Court dated 26 June 2014, regarding the charge presented by the Finnish Competition and Consumer Authority and the related demand for a sanction for abuse of market position in the manufacture and wholesale of basic milks in Finland from 1 March 2010 – 31 August 2012, was handed down to Valio Ltd. The decision of the Market Court involves a sanction of EUR 70 000 000.00 which Valio Ltd has recorded under provisions in the financial statements.

Valio Ltd lodged an appeal with the Supreme Administrative Court against the decision of the Market Court. At the same time, Valio sought from the Supreme Administrative Court a prohibition of measures regarding the sanction imposed by the Market Court, and the Supreme Administrative Court approved the prohibition of measures requested by Valio Ltd.

On the basis of the Market Court's decision, Arla Oy submitted to the District Court of Helsinki on 6 November 2014 a claim for damages invoking competition law. Arla Oy demands from Valio Ltd compensation in the amount of EUR 57 915 582.78. Since the decision of the Market Court is not yet legally binding, Arla Oy has requested the District Court of Helsinki suspend the case regarding the claim for damages until such time as the Supreme Administrative Court has issued a legally binding decision. Furthermore, Osuuskunta Satamaito, Osuuskunta Maitomaa, Osuuskunta Maitokolmio, Juustoportti ILO Oy and Ilmajoen Osuusmeijeri (hereinafter collectively "the small dairies"), announced to Valio Ltd on 18 December 2014 that due to Valio's alleged competition violation the small dairies have incurred damages totalling EUR 43 660 097.00, plus any interest and costs that might result from the handling of the claim, for which if found culpable Valio Ltd would be obliged to compensate them in full. As Valio Ltd considers both the proposition submitted by the Finnish Competition and Consumer Authority to the Market Court and the decision of the Market Court to be unfounded, and the case regarding the abuse of market position is pending in the Supreme Administrative Court, Valio sees no grounds for the claims for damages presented by Arla Oy and the small dairies. Thus, these claims have not been included under provisions in the financial statements.

Research and development

Valio launched a total of 136 new products in 2014 (2013: 120) in Finland, as well as new products in other markets. Five new patent applications were filed in 2014 (2013: 9).

R&D and quality control costs totalled EUR 32.1 million (EUR 30.3 million), or 1.6% of net sales (1.5%).

Personnel

The average number of employees in Valio Group in 2014 was 4 662 (2013: 4 613), and at the end of the financial year the number stood at 4 375 (2013: 4 567). On average, 3 734 employees (2013: 3 683) worked in Finland and 928 (2013: 930) in foreign subsidiaries.

Of the foreign subsidiaries, the highest number of staff was found in Russia, on average 475 employees (2013: 477), and Estonia, on average 367 employees (2013: 367). At the end of the financial year, the number of employees in Russia stood at 354 (2013: 504) and in Estonia 367 (2013: 368).

Personnel distribution by gender in 2014 was 53% male and 47% female (2013: 53% and 47%). The average age of employees in 2014 was 42 years (2013: 40 years).

Personnel cuts resulting from redundancies numbered 172 employees at head office, a total of 49 at the Toholampi and Kaitsor plants, and 219 in Valio Russia's organisation. Some of the redundancies were realised through pension arrangements and some will be implemented during 2015.

The working time salaries paid by Valio Ltd in 2014 amounted to EUR 139.7 million (EUR 135.8 million). Pension costs for the year stood at EUR 9.9 million (EUR 10.1 million). Other labour costs and statutory employee costs including the supplementary insurance premium accounted for 36.5% of total salaries (38.4%).

Environmental protection

Valio's environmental system is certified in accordance with the ISO 14001 standard and covers the company's operations in Finland. No significant deviations from environmental legislation or the requirements of the authorities have been detected in the internal audits that are part of Valio's environmental system, or in inspections conducted by an external auditor.

Significant environmental impacts of operations are caused by the waste water load resulting from production wastage, water and energy consumption as a downside of maintaining a high level of hygiene, and waste management of used packages.

Capital expenditure during the financial year targeted at the reduction of environmental impacts amounted to EUR 2.8 million in Finland, and environmental costs recorded as expense totalled EUR 14.2 million. The key environmental investment was related to the simultaneous reduction of waste water load and recovery of dry matter in milk at the Seinäjoki plant. In addition, production energy efficiency was enhanced by investing a total of EUR 0.4 million in waste heat recovery at the Suonenjoki jam plant.

Within a few years, Valio will incur considerable costs stemming from the renovation of waste water purification plants in a number of locales. Renovation projects at purification plants are in progress in Haapavesi and Suonenjoki.

Finland's amended Environmental Protection Act, Environmental Protection Decree and Water Services Act entered into force in the latter half of 2014. The new regulations will not have significant impacts on Valio's operations.

Valio Group's total energy consumption in 2014 stood at 788 GWh, waste water volume was 6.1 million cubic metres, waste water load directed at water purification plants was 11 100 tonnes calculated in terms of chemical oxygen demand (COD), and Valio Production generated 940 tonnes of waste that was not recycled or reused. Compared with the previous year, the volume of waste that was not recycled or reused decreased considerably and waste water load decreased slightly, while energy consumption and waste water volume both increased considerably.

More detailed environmental information regarding operations in Finland is published separately on Valio Ltd's website at www.valio.com in the Corporate Responsibility Report.

Changes in Group structure

At the end of the financial year, Valio founded the wholly-owned subsidiary Valio Danmark ApS in Denmark.

Net sales

Consolidated net sales totalled EUR 1 950 million (EUR 2 029 million) and domestic net sales stood at EUR 1 264 million (EUR 1 274 million). Net sales from international operations totalled EUR 686 million (EUR 755 million). Valio Ltd net sales totalled EUR 1 714 million (EUR 1 778 million).

Capital expenditure

Consolidated investments totalled EUR 152 million (EUR 118 million), or 7.8% (5.8%) of net sales.

In Finland, the most significant investments were the new ingredients plant and new laboratory building at the Lapinlahti plant; raising production capacity for special milks at the Tampere dairy; the expansion of and raising production capacity at the Oulu dairy; raising quark production capacity at the Seinäjoki plant; the lorry autowash premises and milk producer services at the Haapavesi plant; and the construction of the snacks plant on the new site in Riihimäki.

Finance

Both Group and parent company liquidity remained good throughout the financial year. Cash in hand and at banks and short-term investments totalled EUR 255 million (EUR 266 million) at the year-end. Inventories stood at EUR 180 million at the end of the financial year and EUR 174 million at the beginning. Interest-bearing liabilities totalled EUR 416 million at the end of the financial year and EUR 331 million at the beginning. Loans from financial institutions increased by EUR 96 million. Net financing expenses amounted to EUR 7.8 million (EUR 7.8 million), or 0.4% (0.4%) of consolidated net sales.

Financial performance

Consolidated loss before taxes was EUR -27 million (EUR +78 million). Net taxes for the financial year totalled EUR 9 million (EUR 13 million). Net loss for the financial year stood at EUR -36 million (EUR +65 million).

Parent company loss before taxes and appropriations stood at EUR -39 million (EUR +64 million). Booked depreciation was the maximum permitted under Finland's tax laws. Income taxes for the financial year totalled EUR 1 million (EUR 15 million). Parent company net loss for the financial year stood at EUR -67 million (EUR +45 million).

The Valio Group milk margin stood at EUR 974 million and milk return at 43.7 cents per litre.

Year 2015

The situation that prevailed in Valio's business operations in late 2014 continued in early 2015. The generally weak economic conditions in Finland, and Russia's import embargo, will impact the profitability of Valio's business operations.

The EU's milk quota system is abolished in spring 2015. That may increase milk production in Europe, impact industrial product prices, and further increase pressure on the importation of dairy products into Finland. In Finland, the retail trade is engaging in price competition for market shares in a market where purchasing power has diminished.

The uncertainty factors in the global economy make it difficult to anticipate development in the latter half of the year.

Valio's Board of Directors decided in January 2015 to decrease the price paid for raw milk to dairy co-operatives further, by 4 cents per litre as of 1 February 2015.

The Board of Directors' proposal on the distribution of profit

The Board of Directors proposes to the Annual General Meeting that a dividend of 3.4% on the nominal value of the shares be declared, or EUR 115.60 per share, totalling EUR 5 648 331.60.

Valio Group five-year statistics

	2014	2013	2012	2011	2010
Milk volume taken in from owners, mill. L	1 929	1 888	1 865	1 870	1 899
Sum paid to owners, MEUR ¹⁾	885	907	883	836	787
Price paid for milk to the co-operatives by Valio, per litre total cen	45,4	47,5	46,7	44,1	40,9
Net sales, MEUR	1 950	2 029	2 000	1 929	1 822
Change %	-3,9	1,5	3,7	5,9	2,0
- Domestic, MEUR	1 264	1 275	1 273	1 235	1 168
Change %	-0,8	0,1	3,1	5,7	-5,2
- International operations, MEUR	686	755	727	694	654
Change %	-9,0	3,9	4,7	6,1	18,1
Net sales/milk litre taken in from owners, €/l	1,01	1,07	1,07	1,03	0,96
Average no. of personnel	4 662	4 613	4 600	4 529	4 403
Wages and salaries, MEUR	198	195	193	183	173
R&D expenditure, MEUR	20	18	17	16	16
Book profit, MEUR	-36	65	43	54	39
Balance sheet total, MEUR	1 241	1 228	1 124	1 011	986
Stocks, MEUR	180	174	168	163	145
Investments, MEUR	152	118	105	85	68
Depreciation according to plan, MEUR	80	73	72	70	67
Equity assets ratio, %	42	47	47	48	45
Milk margin, MEUR ³⁾	974	1 026	991	961	901
Milk return, c/l ⁴⁾	43,7	48,0	46,6	44,9	41,1

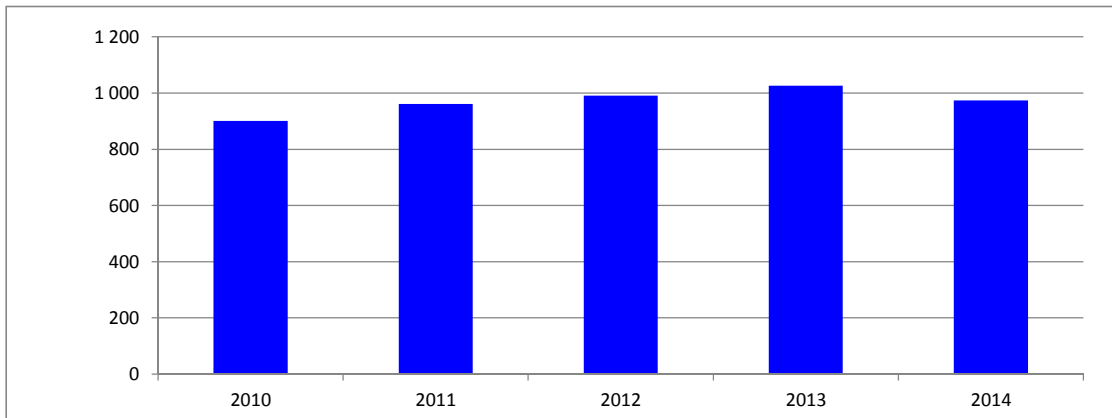
¹⁾ Comprising the raw milk price, after payment, dividend and interest

²⁾ Includes the basic price, and extra payments according to composition and quality; after payment.

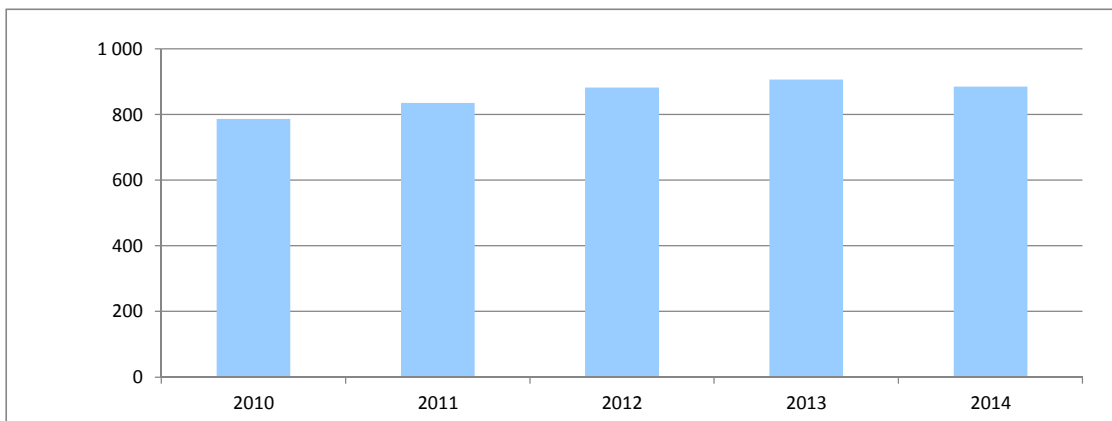
³⁾ Net sales less all other costs excluding the price paid to the owners for raw milk, interest on shareholder loans, depreciation according to plan, supplementary payments to the pension fund, and pension contribution refunds. In addition, the milk margin for 2010–2014 includes taxes for appropriations, and the tax effect of Valio Ltd profit less the tax share of the net profit corresponding to the amount of the average dividend percentage from the share capital.

⁴⁾ Milk margin less estimated required financing for investments, and the figure is divided by the milk volume taken in from the owners of Valio Ltd.

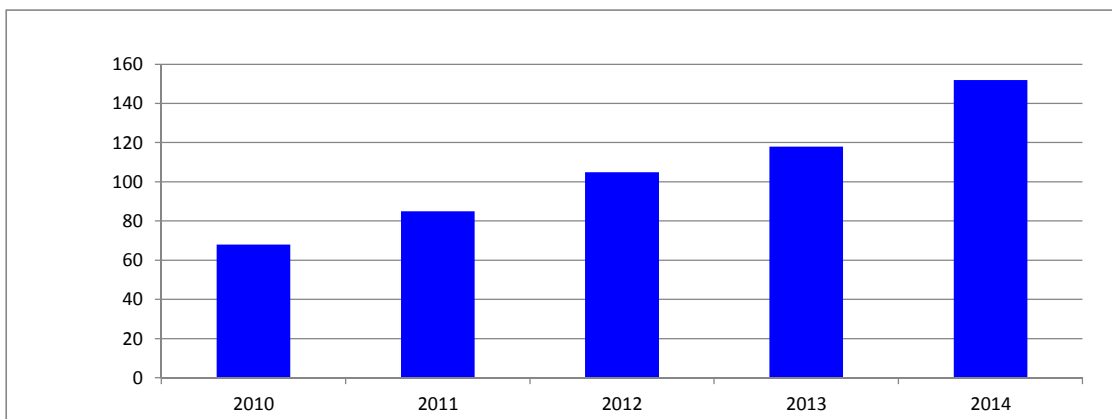
Valio Group milk margin, MEUR



Payments to owners, MEUR



Valio Group investments, MEUR



Consolidated Income Statement

	2014	2013
Net sales	1 950 240	2 029 148
Increase (+) / decrease (-) in stocks of finished goods and in work in progress	6 834	-13
Production for own use	1 177	1 069
Other operating income	40 354	36 522
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	1 231 402	1 277 321
Increase (-) / decrease (+) in stocks	3 604	-7 923
External services	24 352	23 805
	-1 259 358	-1 293 203
Staff expenses		
Wages and salaries	198 098	195 214
Social security expenses		
Pension expenses	12 275	12 394
Other social security expenses	13 279	14 601
	-223 652	-222 209
Depreciation and amortisation		
Depreciation according to plan	76 280	73 339
Amortisation from assets held as non-current assets	3 948	-
	-80 228	-73 339
Other operating expenses	-384 844	-392 259
Operating profit (loss)	50 523	85 716
Financial income and expenses		
Income from other investments held as non-current assets		
From others	14	10
Other interest and financial income		
From others	5 242	2 475
Share of profit of associated companies	456	331
Interest and other financial expenses		
To others	-13 520	-10 598
	-7 808	-7 782
Profit (loss) before extraordinary items	42 715	77 934
Extraordinary expenses	-70 100	-
Profit (loss) before appropriations and taxes	-27 385	77 934
Income taxes		
Income taxes	-4 826	-16 874
Deferred taxes	-4 088	4 000
	-8 914	-12 874
Net profit (loss) for the financial year	-36 299	65 060

All figures in EUR '000s.

Consolidated Cash Flow Statement

	2014	2013
Cash flow from operations		
Operating profit	50 523	85 716
Adjustments		
Depreciation and amortisation	76 280	73 339
Changes in provisions	10 582	-1 332
Other adjustments	-1 944	1 545
Cash flow before change in working capital	135 441	159 268
Change in working capital		
Increase (-) / decrease (+) in current non-interest-bearing receivables	46 565	-31 621
Increase (-) / decrease (+) in stocks	-6 369	-5 650
Increase (+) / decrease (-) in current non-interest-bearing debts	-86 059	38 746
Cash flow from operations before financial items and taxes	89 578	160 743
Interests and expenses paid for other financing costs of operations	-13 761	-10 958
Dividends received	14	10
Interest and other financial income received	5 266	2 477
Direct taxes paid	-7 212	-17 000
Cash flow from operations	73 885	135 272
Cash flow from investments		
Capital expenditure in tangible and intangible assets	-151 370	-117 688
Investment subsidies received	91	60
Proceeds from sale of tangible and intangible assets	3 338	435
Capital expenditure in investments	-892	-248
Proceeds from sale of investments	392	-
Repayment of loan receivables	-152	1 350
Other	-15 246	-5 984
Cash flow from investments	-163 839	-122 075
Cash flow from financing activities		
Increase (+) / decrease (-) in current financing	-11 888	2 678
Proceeds from non-current financing	152 765	67 902
Repayment of non-current financing	-55 821	-46 247
Dividends paid	-5 814	-6 645
Cash flow from investments	79 242	17 688
Change in liquid assets	-10 712	30 885
Liquid assets at beginning of financial year	265 766	234 881
Liquid assets at end of financial year	255 054	265 766

All figures in EUR '000s.

Consolidated Balance Sheet

ASSETS	31 Dec. 2014	31 Dec. 2013
Non-current assets		
Intangible assets		
Intangible rights	7 026	5 557
Other capitalised long-term expenditure	18 539	16 564
	25 565	22 121
Property, plant and equipment		
Land	24 946	22 998
Buildings and constructions	251 469	204 733
Machinery and equipment	246 379	218 210
Other tangible assets	997	1 566
Advance payments and construction in progress	75 142	92 185
	598 933	539 692
Investments		
Shares in Group companies	9	302
Shares in associated companies	2 563	2 107
Other shares and interests	4 581	3 713
	7 153	6 122
Current assets		
Stocks		
Raw materials and supplies	37 995	36 525
Work in progress	18 396	14 587
Finished goods	117 626	119 186
Other stocks	2 719	3 207
Advance payments	3 138	-
	179 874	173 505
Receivables		
Non-current receivables		
Loan receivables	-	20
Other receivables	41	60
Deferred tax receivable	191	-
	232	80
Current receivables		
Trade receivables	127 085	150 807
Deferred tax receivable	3 398	2 411
Other current receivables	11 216	24 418
Accrued income and prepaid expenses	32 513	43 141
	174 212	220 777
Investments		
Other current investments	35 481	25 473
Cash in hand and at banks		
	219 573	240 293
Total assets	1 241 023	1 228 063

All figures in EUR '000s.

Consolidated Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES	31 Dec. 2014	31 Dec. 2013
Shareholders' equity		
Share capital	166 128	166 128
Other reserves		
Other reserves	5 984	5 984
Translation differences	-26 969	-11 723
Retained earnings (losses)	410 075	350 829
Net profit (loss) for the financial year	-36 299	65 060
	518 919	576 278
Provisions		
Other provisions	78 086	1 352
Liabilities		
Non-current liabilities		
Loans from financial institutions	261 637	174 832
Deferred tax liability	29 040	23 900
Other liabilities	78 736	46 546
	369 413	245 278
Current liabilities		
Loans from financial institutions	28 200	18 800
Advances received	519	705
Trade payable	140 517	206 793
Current liabilities to participating interests	98	224
Deferred tax assets	173	137
Other liabilities	54 162	96 802
Accrued expenses and deferred income	50 936	81 694
	274 605	405 155
Total shareholders' equity and liabilities	1 241 023	1 228 063

All figures in EUR '000s.

Parent Company Income Statement

	2014	2013
Net sales	1 714 012 908,29	1 777 886 090,33
Increase (+) / decrease (-) in stocks of finished goods and work in progress	6 181 740,05	-1 920 468,64
Production for own use	1 177 225,93	1 068 535,42
Other operating income	38 041 265,44	35 216 909,17
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	1 100 841 434,06	1 133 992 947,39
Increase (-) / decrease (+) in stocks	114 780,07	-3 697 466,94
External services	19 762 295,45	19 055 069,80
	-1 120 718 509,58	-1 149 350 550,25
Staff expenses		
Wages and salaries	177 979 984,15	174 154 002,95
Social security expenses		
Pension expenses	9 894 903,48	10 064 201,38
Other social security expenses	9 551 497,85	10 831 144,10
	-197 426 385,48	-195 049 348,43
Depreciation and amortisation		
Depreciation according to plan	-68 672 569,65	-66 422 378,52
Amortisation from assets held as non-current assets	-3 948 000,00	-
	-72 620 569,65	66 422 378,52
Other operating expenses	-331 724 948,65	-329 461 888,21
Operating profit (loss)	36 922 726,35	71 966 900,87
Financial income and expenses		
Income from shares in Group companies	992 217,31	-
Income from other investments held as non-current assets		
From others	13 884,43	10 437,78
Other interest and financial income		
From Group companies	67 279,75	66 673,33
From others	3 016 368,00	1 938 145,89
Interest expenses and other financial expenses		
To Group companies	-13 118,48	-22 220,90
To others	-10 039 105,47	-10 302 779,80
	-5 962 474,46	-8 309 743,70
Profit (loss) before extraordinary items	30 960 251,89	63 657 157,17
Extraordinary expenses	-70 100 000,00	-
Profit (loss) before appropriations and taxes	-39 139 748,11	63 657 157,17
Appropriations		
Increase (-) / decrease (+) in depreciation difference	-27 103 307,37	-3 699 143,02
Income taxes		
Income taxes for the financial year	-2 180 442,46	-14 656 294,60
Deferred taxes	1 407 105,05	-292 504,40
Income taxes from previous financial years	-77 787,38	274 477,26
	-851 124,79	-14 674 321,74
Net profit (loss) for the financial year	-67 094 180,27	45 283 692,41

Parent Company Cash Flow Statement

	2014	2013
Cash flow from operations		
Operating profit	36 923	71 967
Adjustments		
Depreciation and amortisation	68 673	66 422
Changes in provisions	6 935	62
Other adjustments	-2 351	1 314
Cash flow before change in working capital	110 180	139 765
Change in working capital		
Increase (-) / decrease (+) in current non-interest-bearing receivables	27 840	-13 024
Increase (-) / decrease (+) in stocks	-6 218	-1 777
Increase (+) / decrease (-) in current non-interest-bearing debts	-68 395	15 020
Cash flow from operations before financial items and taxes	63 407	139 985
Interests and expenses paid for other financing costs of operations	-10 293	-10 685
Dividends received	1 006	10
Interest and other financial income received	3 108	2 007
Direct taxes paid	-4 566	-14 508
Cash flow from operations	52 662	116 809
Cash flow from investments		
Capital expenditure in tangible and intangible assets	-146 451	-114 316
Investment subsidies received	91	60
Proceeds from sale of tangible and intangible assets	3 288	335
Capital expenditure in investments	-892	-248
Proceeds from sale of investments	392	-
Loans granted	-2 000	-8
Cash flow from investments	-145 572	-114 177
Cash flow from financing activities		
New current financing	-	3316
Repayment of current financing	-7 054	-
Proceeds from non-current financing	152 765	67 902
Repayment of non-current financing	-53 821	-34 720
Dividends paid	-5 814	-6 645
Cash flow from financing activities	86 076	29 853
Change in liquid assets	-6 834	32 485
Liquid assets at beginning of financial year	241 252	208 767
Liquid assets at end of financial year	234 418	241 252

All figures in EUR '000s.

Parent Company Balance Sheet

ASSETS	31 Dec. 2014	31 Dec. 2013
Non-current assets		
Intangible assets		
Intangible rights	6 183 873,26	5 149 377,62
Other capitalised long-term expenditure	18 533 277,26	16 459 918,23
	24 717 150,52	21 609 295,85
Property, plant and equipment		
Land	19 867 325,41	16 008 925,41
Connection fees	1 545 354,05	1 405 330,44
Buildings and constructions	227 948 803,07	171 732 351,99
Machinery and equipment	227 578 423,43	195 509 858,70
Other tangible assets	156 760,36	106 760,36
Advance payments and construction in progress	72 626 082,90	90 909 592,94
	549 722 749,22	475 672 819,84
Investments		
Shares in Group companies	114 931 083,07	115 224 732,57
Shares in associated companies	598 865,50	598 865,50
Other shares and interests	4 376 533,02	3 495 922,72
	119 906 481,59	119 319 520,79
Current assets		
Stocks		
Raw materials and supplies	33 004 688,66	33 232 943,76
Work in progress	17 929 949,42	14 575 764,27
Finished goods	88 909 819,61	86 082 264,71
Other stocks	1 131 212,68	1 017 737,65
Advance payments	151 190,54	-
	141 126 860,91	134 908 710,39
Receivables		
Non-current receivables		
Non-current receivables from Group companies	1 200	900
Loan receivables	-	19 705,40
Other non-current receivables	11 900,00	11 900,00
	13 100,00	32 505,40
Current receivables		
Trade receivables	100 563 372,43	92 928 703,75
Current receivables from Group companies	30 347 209,48	58 613 295,50
Deferred tax assets	1 576 616,84	169 511,79
Other current receivables	6 106 389,96	13 784 451,73
Accrued income and prepaid expenses	31 177 504,11	28 821 259,07
	169 771 092,82	194 317 221,84
Investments		
Other current investments	35 480 829,37	25 473 491,96
Cash in hand and at banks	198 937 545,24	215 778 887,72
Total assets	1 239 675 809,67	1 187 112 453,79

Parent Company Balance Sheet

SHAREHOLDERS' EQUITY AND LIABILITIES	31 Dec. 2014	31 Dec. 2013
Shareholders' equity		
Share capital	166 127 400,00	166 127 400,00
Other reserves		
Legal reserve	5 984 101,53	5 984 101,53
Retained earnings (losses)	296 603 217,17	257 133 983,76
Net profit (loss) for the financial year	-67 094 180,27	45 283 692,41
	401 620 538,43	474 529 177,70
Appropriations		
Accumulated depreciation difference	143 771 829,04	116 668 521,67
Provisions	77 883 084,17	847 558,92
Liabilities		
Non-current liabilities		
Loans from financial institutions	261 636 999,00	171 832 142,00
Other liabilities	78 845 927,31	46 800 797,84
	340 482 926,31	218 632 939,84
Current liabilities		
Loans from financial institutions	25 200 000,00	16 800 000,00
Trade payable	130 486 481,00	194 616 668,49
Current liabilities to Group companies	21 640 042,07	16 817 327,26
Current liabilities to participating interests	98 119,43	223 793,16
Other liabilities	54 180 816,16	96 476 362,83
Accrued expenses and deferred income	44 311 973,06	51 500 103,92
	275 917 431,72	376 434 255,66
Total shareholders' equity and liabilities	1 239 675 809,67	1 187 112 453,79

Notes to the Consolidated and Parent Company Financial Statements

ACCOUNTING PRINCIPLES

The consolidated financial statements include the parent company and the subsidiaries in which the parent company holds more than 50% of the voting rights, either directly or indirectly.

Associated companies have been consolidated using the equity method.

The consolidated financial statements have been prepared using the acquisition method. All intercompany accounts and transactions have been eliminated.

The income statements of foreign Group companies have been translated into Finnish currency at the average exchange rate of the financial year, and balance sheets at the exchange rate on the closing day of the financial year. The exchange rate differences generated in the translation and the translation adjustments created in the translation of shareholders' equity of foreign subsidiaries are included in other reserves.

Exchange rate differences resulting from a long-term loan granted to a foreign subsidiary which is comparable to an investment of shareholders' equity are recorded for the Group as translation difference of shareholders' equity.

Intangible assets and property, plant and equipment of non-current assets are recorded in the balance sheet at the acquisition cost less depreciation according to plan. Depreciation according to plan is calculated as straight-line depreciation on the basis of the useful life of the item. The depreciation plan is the same as in the previous year.

Depreciation and amortisation periods are:

Intangible rights and other capitalised long-term expenditure	5–10 years
Buildings and constructions	10–25 years
Machinery and equipment	5–10 years
Computer hardware and software	3–5 years
Transport equipment and some refrigeration equipment	3–5 years

Investments and non-current financial assets have been recorded in the balance sheet at the lower of acquisition price or fair value.

Liquid assets include cash in hand, cash at bank, and short-term investments in securities.

Products manufactured in-house have been valued at the lower of immediate acquisition cost or sales price. Purchased products, raw materials, and packing materials are valued at weighted average price.

Deferred tax liabilities or assets have been calculated on the temporary differences between taxation and the financial statements, and on taxable loss using the prevailing tax base at balance sheet date.

R&D costs have been recorded as expenses.

Extraordinary items include such expenses that are based on one-off events, deviate from the company's regular operations, and are essential in amount.

The accounting of emission rights is performed in accordance with statement 1767/2005 of the Accounting Board. If the realised emission tonnage exceeds the rights granted, the cost of the excess tonnage is booked at the fair value of the day of closing the accounts and provisions are booked as counter-account. If the realised tonnage is below the rights granted, these assets are specified in the notes to the accounts. Trading of emission rights is booked as transactions on an accrual basis.

All figures in EUR '000s.

Notes to the Income Statement

	CONSOLIDATED		PARENT COMPANY	
	2014	2013	2014	2013
1. DISTRIBUTION OF NET SALES				
1.1. NET SALES BY DIVISION				
Fresh dairy products	908 808	929 562	814 730	831 300
Butter and spreads	231 190	252 504	211 911	227 183
Cheese	527 757	566 100	407 927	440 768
Powdered ingredients	169 397	174 981	166 261	172 185
Others	113 088	106 001	113 184	106 450
	1 950 240	2 029 148	1 714 013	1 777 886
1.2. NET SALES BY GEOGRAPHICAL AREA				
Domestic	1 263 840	1 274 519	1 263 840	1 274 519
Foreign	686 400	754 629	450 173	503 367
	1 950 240	2 029 148	1 714 013	1 777 886
2. OTHER OPERATING INCOME				
Logistics income	19 965	19 672	19 704	19 862
Rent income	4 258	3 946	4 216	3 935
Gain on investments under non-current assets	2 648	112	2 427	-
Gain on disposal of non-current assets	105	63	105	63
Sales income from laboratory services	2 513	5 067	2 513	5 067
Subsidies and grants received	828	686	828	672
Income from staff canteen	1 957	1 900	1 957	1 900
Income from energy sales	1 102	1 163	1 102	1 163
Insurance compensation	1 525	96	1 525	50
Other income	5 453	3 817	3 664	2 505
	40 354	36 522	38 041	35 217
3. EXTRAORDINARY INCOME (+) AND EXPENSES (-)				
Expenses of a penal nature	-70 100	-	-70 100	-
	-70 100	-	-70 100	-
4. CHANGE IN PROVISIONS				
INCREASE (-) / DECREASE (+)				
Provision for contingent pension liabilities	-44	240	-343	-54
Provision for cessation	-6 946	-8	-6 976	-8
Other provisions	-69 744	1 100	-69 746	1 100
	-76 734	1 332	-77 065	1 038

Notes to the Income Statement

	CONSOLIDATED		PARENT COMPANY	
	2014	2013	2014	2013
5. OTHER OPERATING EXPENSES				
Energy expenses	46 711	47 394	44 396	44 514
Water expenses	16 823	14 584	16 710	14 506
Transportation expenses	107 834	110 627	102 525	98 460
Rental expenses	17 770	16 374	15 387	14 265
Expenses for maintenance of real estate and machinery	51 192	49 406	49 416	47 546
Marketing expenses	77 050	87 710	53 354	55 827
Sales promotion expenses	-	15	-	-
Travel expenses	6 668	7 361	5 386	5 618
IT expenses	19 409	18 240	18 046	17 131
Administrative expenses	18 192	23 522	15 726	20 966
Voluntary staff expenses	5 891	6 753	4 944	5 117
Credit losses	1 572	-3	113	-3
Other expenses	15 732	10 276	5 722	5 515
	384 844	392 259	331 725	329 462
6. NUMBER OF PERSONNEL, AVERAGE				
Employees	2 196	2 190	1 784	1 779
Technical dairy employees	1 178	1 016	1 126	963
Management staff	653	766	562	673
Clerical staff	635	641	262	268
	4 662	4 613	3 734	3 683
7. STAFF EXPENSES				
Wages and salaries	198 098	195 214	177 980	174 154
Social security expenses				
Pension expenses	12 275	12 394	9 895	10 064
Other social security expenses	13 279	14 601	9 551	10 831
	223 652	222 209	197 426	195 049
8. SALARIES AND BONUSES OF DIRECTORS				
Supervisory Board	200	158	200	158
Board of Directors, CEO, Managing Directors	2 339	1 970	1 099	829
	2 539	2 128	1 299	987
9. AUDITOR'S FEES				
To PricewaterhouseCoopers companies				
Audit	331	366	170	170
Auditor's statements	2	2	2	2
Tax services	49	78	19	23
Other services	57	178	57	172
	438	624	248	366

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2014	2013	2014	2013
10. ACCRUED INCOME AND PREPAID EXPENSES				
Rent of packing machines	186	212	186	212
Accrued income from exports	1 235	1 991	1 235	1 991
Royalties	1 129	1 148	1 129	1 148
Healthcare reimbursement	878	870	878	870
Income tax assets	3 757	15 514	2 862	2 463
Annual refunds	20	18	20	18
Pension expenses	-	35	-	-
Social security costs	22 925	20 175	22 925	20 144
Travel advances	143	133	143	133
Research grants	297	141	297	141
IT maintenance agreements	273	430	273	430
Compensation for damages	213	40	213	40
Other prepayments and accrued income	1 457	2 434	1 017	1 231
	32 513	43 141	31 178	28 821
11 INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost at beginning of year	16 226	15 213	14 778	13 801
Additions 1.1–31.12	3 294	1 376	2 499	1 262
Disposals 1.1–31.12	-513	-288	-377	-285
Acquisition cost at year-end	19 007	16 301	16 900	14 778
Accumulated amortisation at beginning of year	-10 648	-10 005	-9 629	-9 013
Accumulated amortisation on disposals	44	285	44	285
Amortisation for the year	-1 377	-1 024	-1 132	-901
Accumulated amortisation at year-end	-11 981	-10 744	-10 717	-9 629
Book value at year-end	7 026	5 557	6 183	5 149
Other capitalised long-term expenditure				
Acquisition cost at beginning of year	58 181	51 942	56 526	50 144
Additions 1.1–31.12	6 727	7 084	6 727	7 084
Disposals 1.1–31.12	-	-702	-	-702
Acquisition cost at year-end	64 908	58 324	63 253	56 526
Accumulated amortisation at beginning of year	-41 633	-38 658	-40 066	-37 098
Accumulated amortisation on disposals	-	634	-	634
Amortisation for the year	-4 736	-3 736	-4 655	-3 602
Accumulated amortisation at year-end	-46 369	-41 760	-44 721	-40 066
Book value at year-end	18 539	16 564	18 532	16 460
Total intangible assets	25 565	22 121	24 715	21 609

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2014	2013	2014	2013
12. PROPERTY, PLANT AND EQUIPMENT				
Land				
Acquisition cost at beginning of year	20 947	22 978	17 414	17 231
Additions 1.1–31.12	3 999	183	3 999	183
Disposals 1.1–31.12	-	-163	-	-
Acquisition cost at year-end	24 946	22 998	21 413	17 414
Book value at year-end	24 946	22 998	21 413	17 414
Buildings and constructions				
Acquisition cost at beginning of year	525 862	510 213	492 145	465 816
Additions 1.1–31.12	78 927	26 652	78 729	26 338
Disposals 1.1–31.12	-	-184	-	-9
Acquisition cost at year-end	604 789	536 681	570 874	492 145
Accumulated depreciation at beginning of year	-328 949	-309 043	-320 413	-299 526
Accumulated depreciation on disposals	-	8	-	8
Depreciation for the year	-24 371	-22 913	-22 512	-20 895
Accumulated depreciation at year-end	-353 320	-331 948	-342 925	-320 413
Book value at year-end	251 469	204 733	227 949	171 732
Machinery and equipment and other tangible assets				
Acquisition cost at beginning of year	649 516	632 659	605 360	586 961
Additions 1.1–31.12	76 083	40 353	72 709	35 769
Disposals 1.1–31.12	-1 436	-17 938	-322	-17 370
Acquisition cost at year-end	724 162	655 074	677 746	605 360
Accumulated depreciation and write-offs at beginning	-431 096	-406 999	-409 743	-386 085
Accumulated depreciation on disposals	106	17 366	106	17 366
Depreciation for the year	-45 796	-45 665	-40 374	-41 024
Accumulated depreciation and write-offs at year-end	-476 786	-435 298	-450 011	-409 743
Book value at year-end	247 376	219 776	227 735	195 617
Prepayments and construction in progress				
Acquisition cost at beginning of year	92 245	52 421	90 910	49 958
Additions 1.1–31.12	68 697	61 367	66 352	60 174
Disposals 1.1–31.12	-	-170	-	-
Transfer between items	-85 313	-16 837	-84 340	-14 810
Recorded as expense	-296	-4 412	-296	-4 412
Acquisition cost at year-end	75 333	92 369	72 626	90 910
Accumulated depreciation and write-offs at beginning	-191	-184	-	-
Accumulated depreciation and write-offs at year-end	-191	-184	-	-
Book value at year-end	75 142	92 185	72 626	90 910
Total property, plant and equipment	598 933	539 692	549 723	475 673
Depreciation according to plan for the year, total	-76 280	-73 339	-68 673	-66 422
Book value of production machinery and equipment at year-end	255 743	240 658	205 399	175 843

Notes to the Balance Sheet

13. CONSOLIDATED AND PARENT COMPANY HOLDINGS

GROUP COMPANIES

	Consolidated Ownership and voting rights %	Parent Company Ownership and voting rights %
Finlandia Cheese Inc., USA	100	100
SIA Valio International, Latvia	100	100
UAB Valio International, Lithuania	100	100
Nordic Dairy Holding Oy, Finland	100	100
Rushold M Oy, Finland *	100	0
OOO Valio Center Odintsovo, Russia	100	0
OOO Valio, Russia	100	0
AS Valio Baltic, Estonia	100	0
Valio Eesti AS, Estonia	100	0
Võru Juust OÜ, Estonia	100	0
Valio Shanghai Ltd, China	100	100
Valio Sverige AB, Sweden	100	100
Valio Danmark ApS, Denmark	100	100
Jäätelöyhtymä Oy, Finland **	100	100
Pakkasukko Oy, Finland **	100	100
Smeds & Co Oy, Finland **	100	100
Valio International (Poland) Ltd, Poland **	100	100

* Group company Smeds & Co Oy owns one share.

** No business operations

PARTICIPATING INTERESTS

ASSOCIATED COMPANIES

Haapaveden Ympäristöpalvelut Oy, Finland	40,5	40,5
Pakastamo Oy, Finland	50,0	50,0
Suomen NP-Kierrätys Oy, Finland	25,0	25,0

Notes to the Balance Sheet

14. PARENT COMPANY INVESTMENTS

	Shares in Group companies	Shares in participating interests	Other shares
Acquisition cost at beginning of year	120 330	599	3 496
Additions	7	-	885
Disposals	-300	-	-4
Acquisition cost at year-end	120 037	599	4 376
Accumulated depreciation and write-offs at beginning of year	-9 983	-	-
Accumulated depreciation and write-offs at year-end	-9 983	-	-
Reversal of write-offs at beginning of year	4 878	-	-
Reversal of write-offs at year-end	4 878	-	-
Book value at year-end	114 931	599	4 376

15. GROUP INVESTMENTS

	Shares in Group companies	Shares in participating interests	Other shares
Acquisition cost at beginning of year	302	2 142	6 852
Additions	7	456	868
Disposals	-300	-	-
Acquisition cost at year-end	9	2 598	7 720
Accumulated depreciation and write-offs at beginning of year	-	-35	-3 139
Accumulated depreciation and write-offs at year-end	-	-35	-3 139
Book value at year-end	9	2 563	4 581

	CONSOLIDATED		PARENT COMPANY	
	2014	2013	2014	2013
16. SECURITIES				
Other securities	35 481	25 473	35 481	25 473
17. RECEIVABLES FROM GROUP COMPANIES				
Trade receivables	-	-	25 042	55 303
Other receivables	-	-	306	311
Loan receivables	-	-	5 000	3 000
	-	-	30 348	58 614

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2014	2013	2014	2013
18. CHANGES IN SHAREHOLDERS' EQUITY				
Share capital, 1 Jan.	166 128	166 128	166 128	166 128
Share capital, 31 Dec.	166 128	166 128	166 128	166 128
Legal reserves, 1 Jan.	5 984	5 984	5 984	5 984
Legal reserves, 31 Dec.	5 984	5 984	5 984	5 984
Translation difference for equity of foreign subsidiaries 1 Jan.	-11 723	-5 739	-	-
Translation difference for equity of foreign subsidiaries 31 Dec.	-26 969	-11 723	-	-
Retained earnings (losses), 1 Jan.	415 889	357 474	302 417	263 778
Dividends	-5 814	-6 645	-5 814	-6 645
Retained earnings (losses), 31 Dec.	410 075	350 829	296 603	257 133
Net profit (loss) for the financial year	-36 299	65 060	-67 094	45 284
Shareholders' equity 31 Dec.	518 919	576 278	401 621	474 529
Retained earnings (losses) 31 Dec.	410 075	350 829	296 603	257 133
Appropriations included in retained earnings	-115 018	-93 335	-	-
Net profit (loss) for the financial year	-36 299	65 060	-67 094	45 284
	258 758	322 554	229 509	302 417
19. PROVISIONS				
Provision for contingent pension liabilities	1 024	980	823	480
Provision for cessation	6 954	8	6 954	8
Other provisions	70 108	364	70 106	360
	78 086	1 352	77 883	848
20. DEFERRED TAX LIABILITIES AND ASSETS				
Deferred tax assets				
From provisions	1 577	170	1 577	170
From other temporary differences in accounting and tax	935	367	-	-
Taxable loss	1 077	1 874	-	-
	3 589	2 411	1 577	170
Deferred tax liabilities				
From appropriations	29 213	24 037	-	-
	29 213	24 037	-	-

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2014	2013	2014	2013
21. ACCRUED EXPENSES AND DEFERRED INCOME				
Interest	3 131	3 210	3 131	3 177
Holiday accrual including social security	29 953	29 642	29 296	29 451
Rebates granted	3 830	14 650	1 333	-
Wages and salaries including social security	7 880	13 223	7 055	10 943
Royalties and commissions	338	205	338	205
Tax liabilities	1 646	16 243	1 408	3 801
Other accrued expenses and deferred income	4 158	4 521	1 751	3 923
	50 936	81 694	44 312	51 500
22. LIABILITIES THAT FALL DUE OVER FIVE YEARS FROM NOW				
Other loans	39 800	15 800	39 800	15 800
	39 800	15 800	39 800	15 800
23. CURRENT LIABILITIES TO GROUP COMPANIES				
Trade payable	-	-	38	49
Other liabilities	-	-	21 602	16 766
Accrued expenses and deferred income	-	-	-	2
	-	-	21 640	16 817
24. CURRENT LIABILITIES TO PARTICIPATING INTERESTS				
Trade payable	98	224	98	224
	98	224	98	224

Notes to the Balance Sheet

	CONSOLIDATED		PARENT COMPANY	
	2014	2013	2014	2013
25. CONTINGENT LIABILITIES				
For own commitments				
Liabilities for which mortgages and pledges have been given as collateral				
Loans from financial institutions	110 000	95 000	110 000	95 000
Mortgages given	217 139	217 139	217 139	217 139
Mortgages	46 120	46 120	46 120	46 120
Guarantees	11 808	28 861	3 508	20 561
Leasing commitments				
over a period of 12 months	8 819	7 235	8 575	6 975
later	26 066	19 659	25 721	19 204
	34 885	26 894	34 296	26 179
For commitments of Group companies	-	-	8 300	8 300
For others	11 747	13 544	11 747	13 544
For own operations	309 952	319 013	301 063	309 999
For Group companies	-	-	8 300	8 300
For others	11 747	13 544	11 747	13 544
	321 699	332 557	321 110	331 843
26. EMISSION RIGHTS				
Gratuitously acquired emission rights, tCO ₂	38 685	43 964	38 685	43 964
Other increases (CER), tCO ₂	14 136	-	14 136	-
Annual emission volumes, tCO ₂	66 476	53 949	66 476	53 949
Emission rights in possession, tCO ₂	117 091	117 073	117 091	117 073
The company has emission rights assets off balance sheet	364	312	364	312

27. OTHER FINANCIAL LIABILITIES

Real estate investments

The company has made value added tax deductions on real estate investments which involve a possible obligation to re-evaluate the amount of tax deducted if the premises are taken into use where value added taxation is not applicable. Such a change is not, however, in sight.

Proposal by the Board of Directors to the Annual General Meeting

Distributable earnings in the financial statements amount to EUR 229 509 036.90.

There have been no material changes in the company's financial position after the balance sheet date, and neither does the liquidity test referred to in section 13:2 of the Companies Act affect the amount of distributable earnings.

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

Retained earnings	296 603 217,17 €
Net profit for the financial year	-67 094 180,27 €
Total	229 509 036,90 €

The Board of Directors proposes to the Annual General Meeting that a dividend of 3.4% on the nominal value of the shares

i.e. EUR 115.60 per share be declared 5 648 331,60 €

Should the Annual General Meeting approve the above proposal, company shareholders' equity would be as follows:

Share capital	166 127 400,00 €
Legal reserves	5 984 101,53 €
Retained earnings	223 860 705,30 €
Total shareholders' equity	395 972 206,83 €

SIGNATURES TO THE BOARD OF DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

Helsinki, 2 March 2015

Vesa Kaunisto
Chairman of the Board

Pentti Suokannas

Annikka Hurme
CEO

Sauli Lähteenmäki

Jarmo Juutinen

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

Helsinki, 2 March 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Eero Suomela
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Valio Ltd

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Valio Ltd for the year ended 31 December, 2014. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement 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 financial statements and 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 Supervisory Board or of the Board of Directors of the parent company or the Managing Director 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

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 and of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, 2 March, 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Eero Suomela
Authorised Public Accountant

Statement by the Supervisory Board

We have examined the financial statements of Valio Ltd, the consolidated financial statements and the Board of Directors' report for 1 January to 31 December 2014, and the auditors' report.

We recommend approval of the financial statements and consolidated financial statements, and concur with the Board of Directors' proposal for profit distribution.

The term in the Supervisory Board ends this year for the following members: Jan de la Chapelle, Arto Heikkinen, Raimo Kielenniva, Jarno Kämäräinen, Marketta Laukkanen, Pentti Santala, Pentti Suokannas and Päivi Ylä-Outinen.

In addition, a new member shall be elected to the Supervisory Board to replace Timo Neuvonen who resigned from his remaining term.

Helsinki, 9 March 2015

On behalf of the Supervisory Board

Pentti Santala
Chairman

Valio Ltd owners 31 Dec. 2014

Valio Ltd is owned by dairy farmer communities that collect or process milk. Production is primarily based on milk delivered by co-operatives committed to Valio.

The company's owner-management comprises the Annual General Meeting, Supervisory Board, and Board of Directors.

Name	Domicile	No. of shares
		EUR 3 400/share
Evijärven Osuusmeijeri	Evijärvi	72
* Hirvijärven Osuusmeijeri	Jalasjärvi	78
* Hämeenlinnan Osuusmeijeri	Hämeenlinna	1
Härmän Seudun Osuusmeijeri	Alahärmä	140
* Kaustisen Osuusmeijeri	Kaustinen	1
* Kuusamon Osuusmeijeri	Kuusamo	1
* Laaksojen Maitokunta	Ylivieska	1
Osuuskunta ItäMaito	Lapinlahti	13 188
Osuuskunta Länsi-Maito	Tampere	6 336
* Osuuskunta Maitokolmio	Toholampi	245
* Osuuskunta Maitomaa	Suonenjoki	290
Osuuskunta Maitosuomi	Jyväskylä	7 521
Osuuskunta Normilk	Jyväskylä	7
Osuuskunta Pohjolan Maito	Haapavesi	8 489
* Osuuskunta Satamaito	Pori	1
Osuuskunta Tuottajain Maito	Riihimäki	12 437
* Paavolan Osuusmeijeri	Ruukki	53
Total		48 861
Total no. of shareholders 31 Dec. 2014		17
Total share capital		166 127 400 €

* No business relationship with Valio

Supervisory Board

	Term began	Term ends
Pentti Santala Dairy farmer, Kauhajoki Chairman	1997	2015
Jaakko Rouhiainen Dairy farmer, Juva Vice Chairman	2001	2017
Kyösti Anttila Dairy farmer, Jalasjärvi	2005	2017
Jan de la Chapelle Dairy farmer, Raasepori	2009	2015
Anu Fräntilä-Riihonen Dairy farmer, Keuruu	2008	2017
Jukka Hakkarainen Dairy farmer, Valtimo	2013	2017
Arto Heikkinen Dairy farmer, Pyhäntä	2013	2015
Jari Hekkala Dairy farmer, Kalajoki	2012	2016
Hannu Kainu Dairy farmer, Kyyjärvi (member to 4 March 2014)	1997	2014
Raimo Kielenniva Dairy farmer, Kärämäki	2004	2015
Esa Kotala Dairy farmer, Lapua	2010	2016
Jarno Kämäräinen Dairy farmer, Kiuruvesi	2010	2015
Katariina Lampela Dairy farmer, Tervola	2012	2016
Marketta Laukkanen Dairy farmer, Tohmajärvi	2012	2015
Tapio Lehto ¹⁾ Product packer, Seinäjoki	2013	2016
Pekka Lestinen Dairy farmer, Sysmä	1998	2016
Pirjo Louhevirta ¹⁾ Sales representative, Sauvo	2011	2016
Veikko Matikainen Dairy farmer, Kouvola (member to 4 March 2014)	2010	2016
Markku Mäkinen Dairy farmer, Nivala (member as of 4 March 2014)	2014	2017

Timo Neuvonen Dairy farmer, Parikkala	2012	2016
Anne Nykänen Dairy farmer, Mikkeli	2011	2017
Mauri Penttilä Dairy farmer, Vesilahti	2001	2016
Jarkko Pirinen Dairy farmer, Iitti (member as of 4 March 2014)	2014	2016
Päivi Saarentola ¹⁾ Marketing Manager, Helsinki	2011	2016
Anneli Santa-aho Dairy farmer, Lempäälä	2007	2016
Risto Sonninen Dairy farmer, Maaninka	2010	2016
Pentti Suokannas Dairy farmer, Askola (member to 31 December 2014)	2008	2015
Juhani Ylikauma ¹⁾ Coaching expert, Haapavesi	2014	2016
Päivi Ylä-Outinen Dairy farmer, Lappeenranta	2008	2015

¹⁾ Personnel representative

Board of Directors

Antti Rauhamaa Dairy farmer, Kärkölä (member to 31 December 2014) Chairman	2006	2014
Vesa Kaunisto Dairy farmer, Veteli Vice Chairman	2013	2016
Jarmo Juutinen Dairy farmer, Vieremä	2010	2015
Sauli Lähteenmäki Dairy farmer, Rusko	2007	2015

Dairy farmer Pentti Suokannas was elected to replace Antti Rauhamaa on the Board of Directors and Dairy farmer Vesa Kaunisto was elected Chairman of the Board of Directors, both as of the beginning of 2015.

Auditor

PricewaterhouseCoopers Oy
Authorised Public Accountants, Helsinki


Eero Suomela, Authorised Public Accountant

Executive Board

	Member of the Executive Board from	Employed by Valio Ltd since
Pekka Laaksonen CEO to 6 October 2014	2007	2007
Annikka Hurme CEO as of 6 October 2014	2004	1989
Rauno Hiltunen Executive Vice President Strategy and HR	2011	1984
Jyri-Pekka Kinnunen Deputy CEO Executive Vice President Finance and Information Technology	2008	2008
Mika Koskinen Executive Vice President Operations	2012	2005
Tiina Mattila-Sandholm Professor Executive Vice President R&D and Baby Foods	2004	2004
Tuomas Salusjärvi Executive Vice President Product Groups and Marketing	2014	2007
Iiro Wester Executive Vice President Sales, Retail, FS, Ind.	2014	2012
Heikki Halkilahti Executive Vice President Group Administration	1993	1976

Consultative Committee of the Executive Board

	Member of the Consultative Committee from
Professor Jaakko Aspara	2012
Dr Harald Einsmann	2008
Michael Thompson	2008



Made with so
much love you
can taste it