

Raisio's interim report January-March 2014

Matti Rihko, CEO

Raisio plc

8 May 2014

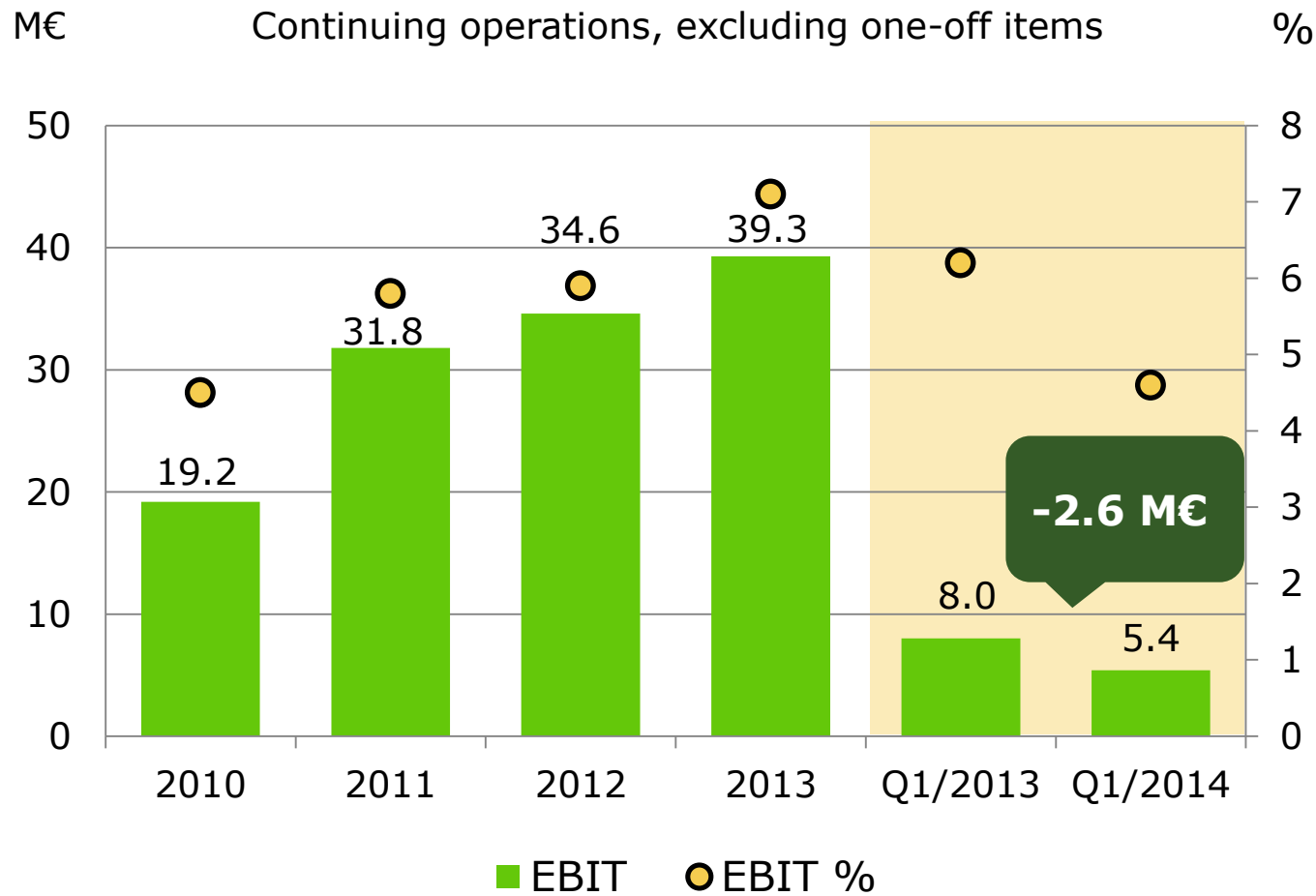
Q1/2014

Q1/2014 in brief

- EBIT as a whole reasonable
 - EBIT EUR 5.4 (8.0) million*
- The situation is different for each business
- Improved performance for Northern Europe, Confectionery and Raisioagro
- EBIT for the UK's Cereals and Snacks weakened, as expected
- Extensive restructuring of activities started at Raisioagro
- Benemilk roadshow successful

* EBIT excluding one-off items

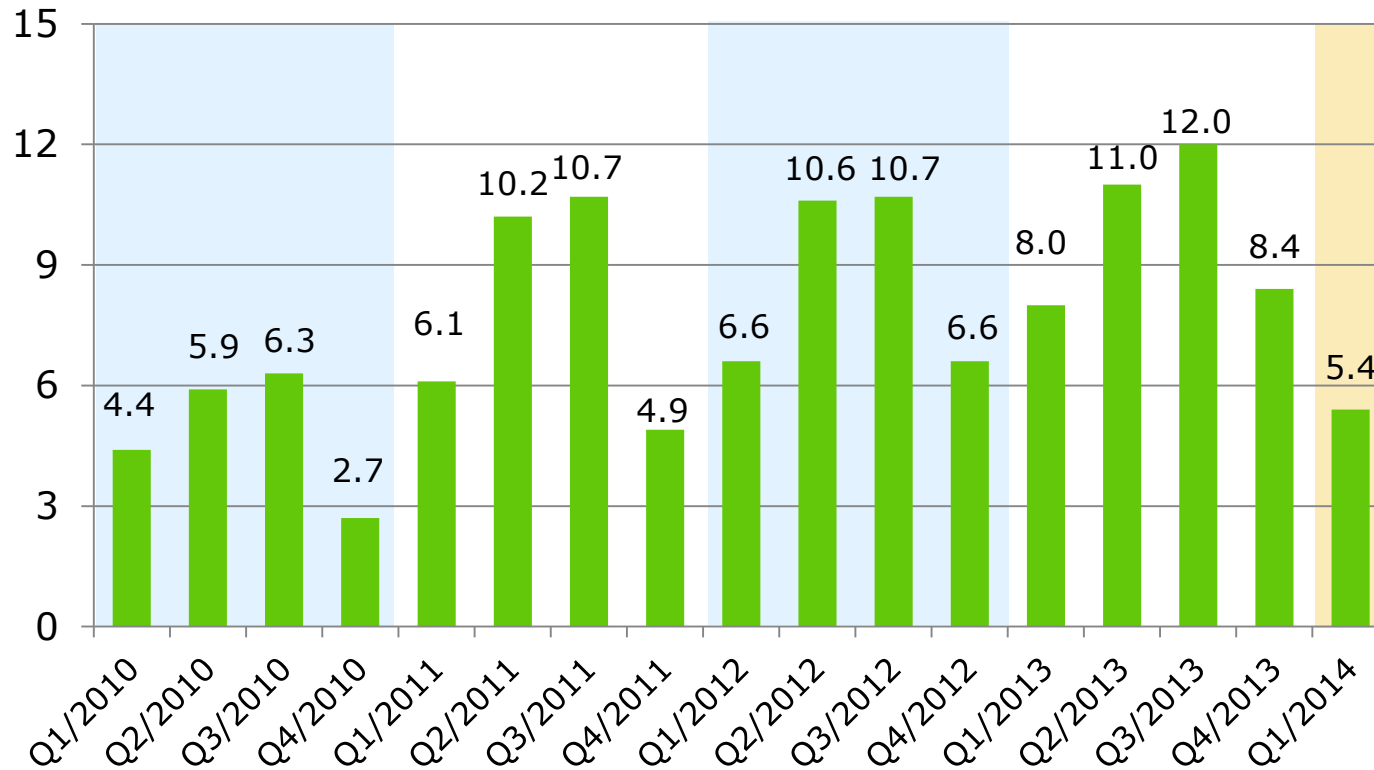
Group's EBIT



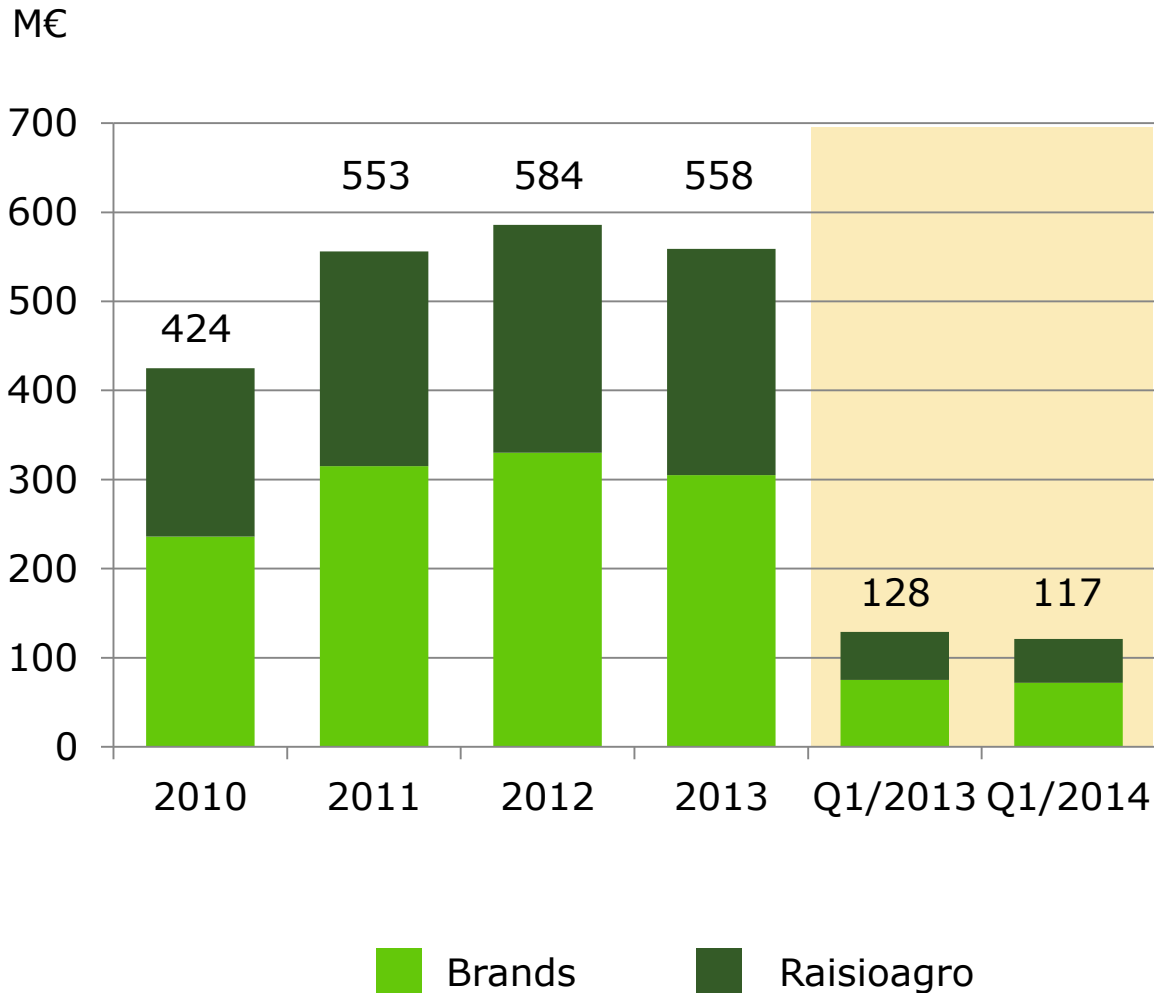
Group's EBIT by quarters

M€

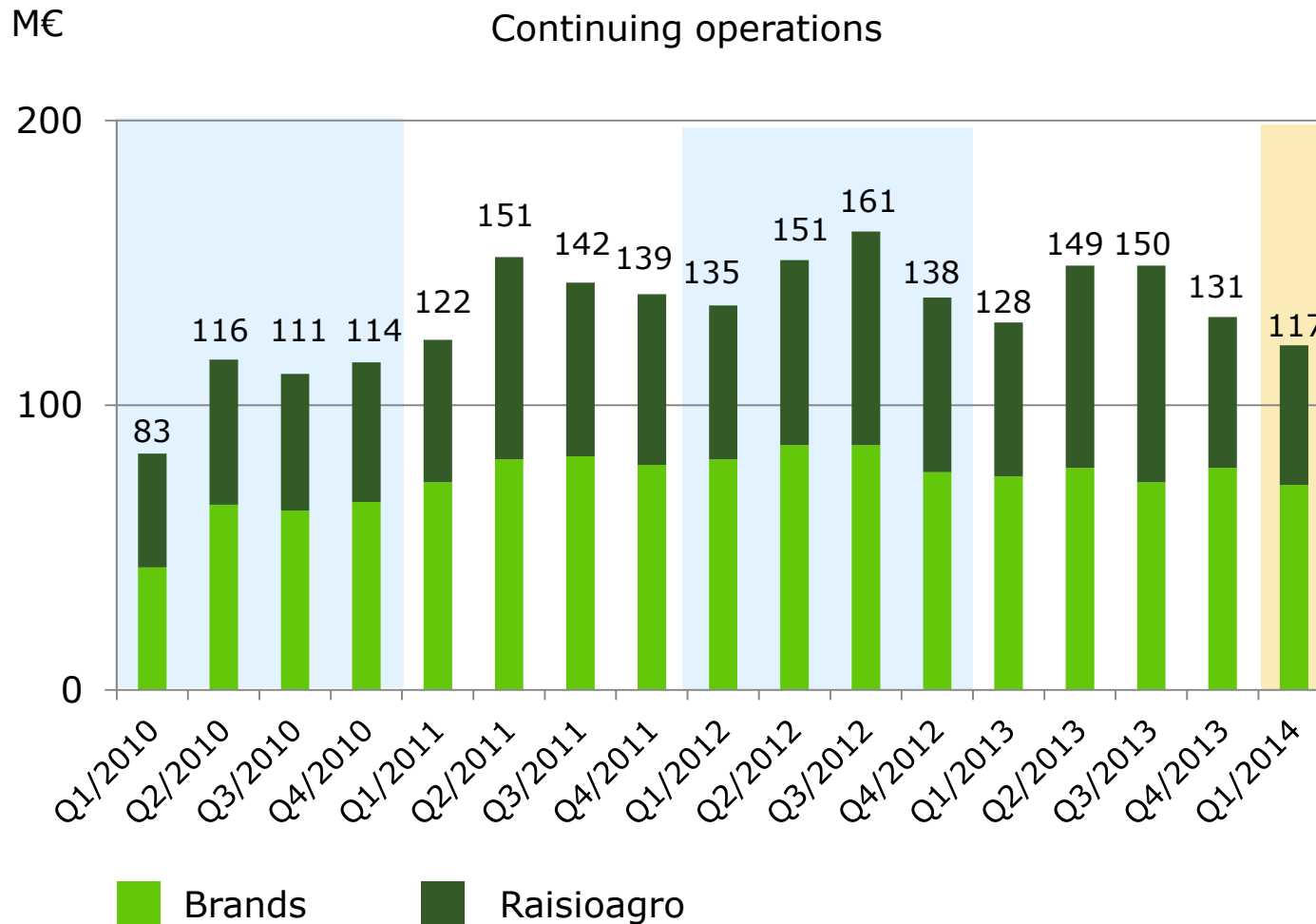
Continuing operations, excluding one-off items



Group's net sales



Group's net sales by quarters



Key figures, result

		Q1/ 2014	Q1/ 2013	2013
Net sales	M€	116.7	128.3	557.6
Change in net sales	%	-9.1	-4.9	-4.5
EBIT	M€	5.4	8.0	39.3
EBIT	%	4.6	6.2	7.1
Depreciation and impairment	M€	3.9	3.9	14.9
EBITDA	M€	9.3	11.9	54.3
Net financial expenses	M€	-0.3	-0.4	-1.8
Earnings per share (EPS)	€	0.03	0.04	0.20

Key figures, balance sheet

		Q1/ 2014	Q1/ 2013	2013
Equity ratio	%	64.7	61.9	68.2
Gearing	%	-4.2	8.4	-8.6
Net-interest bearing debt	M€	-13.3	26.2	-28.5
Equity per share	€	2.00	2.00	2.13
Gross investments	M€	4.8	1.7	16.5
Market capitalisation*	M€	750.3	470.3	683.1
Enterprise value (EV)	M€	737.0	496.5	654.6
EV/EBITDA		14.3	9.5	12.1

* Excluding the shares held by the company



Brands



Consumer brands: Improved performance for Northern Europe and confectionery

- A successful product range renewal resulted in increased sales and improved profitability in Northern European branded products
 - Elovena instant porridges, Elovena snack biscuits and Benecol minidrinks showing good sales growth
- In confectionery, increased net sales and improved profitability
 - Candy Plus' successful integration
- Decreased net sales and EBIT, as expected, for the UK's unit of cereals and snacks
 - Demand for breakfast cereal category down due to, e.g., pressure related to sugar
 - Service level weakened and sales decreased due to challenges related to the centralisation of snack bar production
- Net sales for Eastern European market at the comparison period level
 - Weakening of currencies and marketing investments in Poland



Licensed brands: Benecol[®] + Benemilk Ltd

- Benecol

- Stable demand for Benecol products
- Considerable variations in sales between different countries
- Challenges continued in major European markets
- In Hong Kong, volumes increased to targeted levels

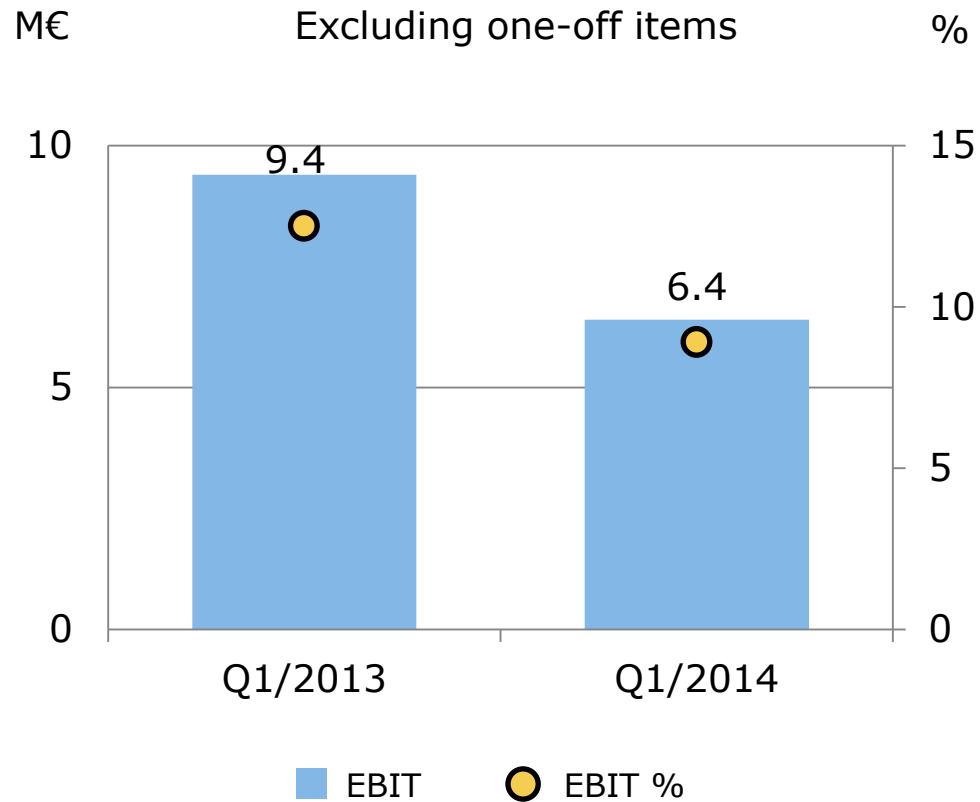


- Benemilk Ltd

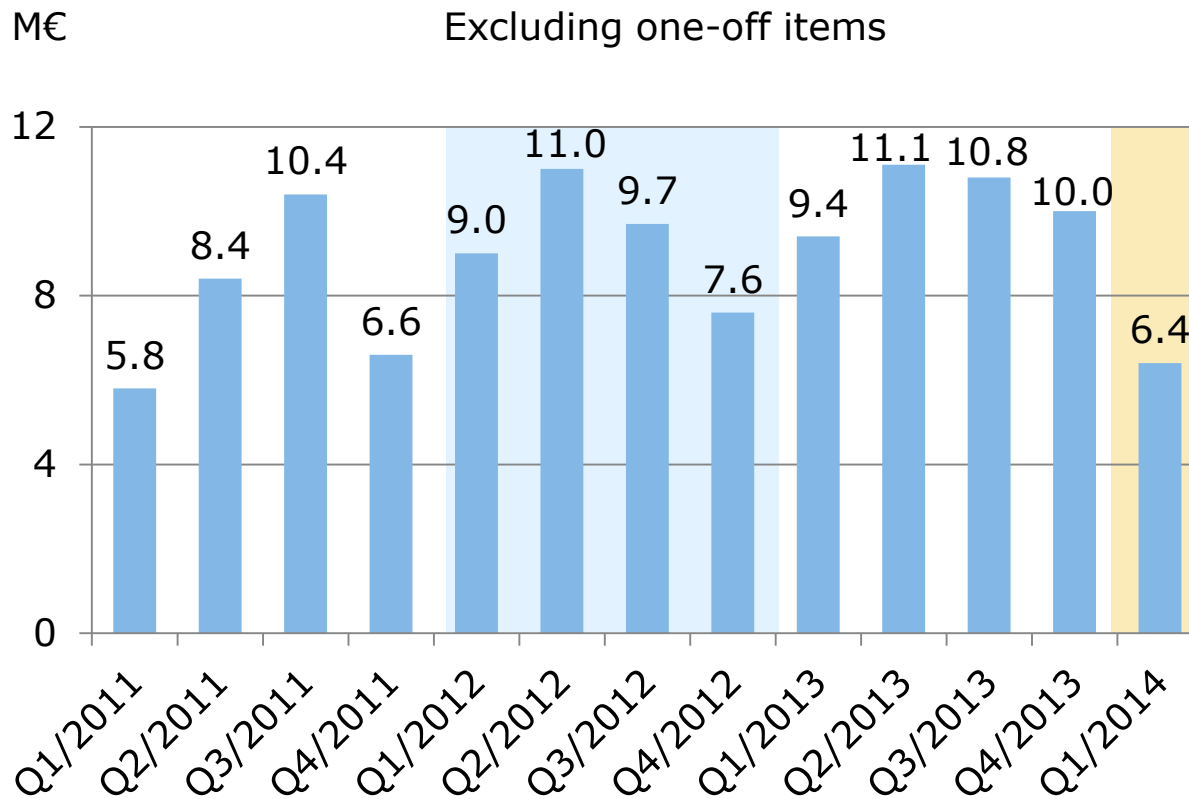
- Benemilk roadshow attracted a lot of interest
- Commercial negotiations with potential licensing partners continuing actively in several countries and continents
- According to the best current estimate, first Benemilk launches possible at the end of 2015



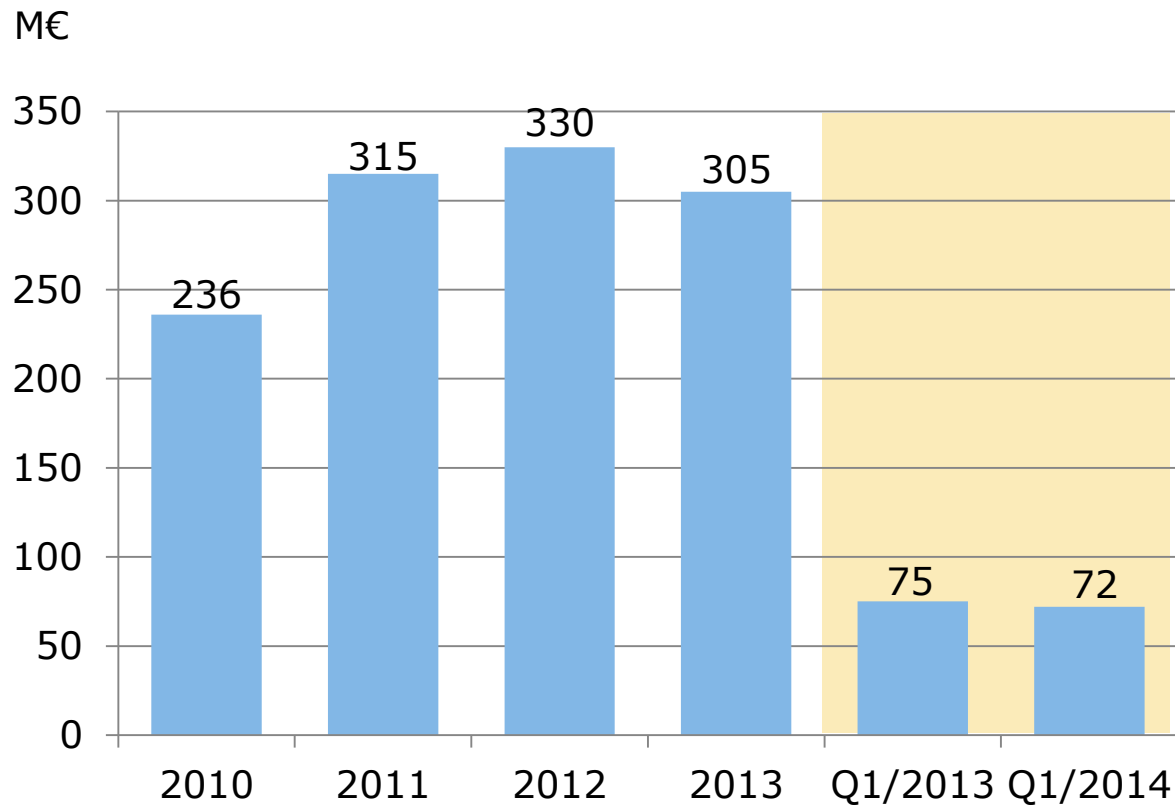
Brands Division's EBIT



Brands Division's EBIT by quarters



Brands Division's net sales





Raisioagro



Changes at Raisioagro

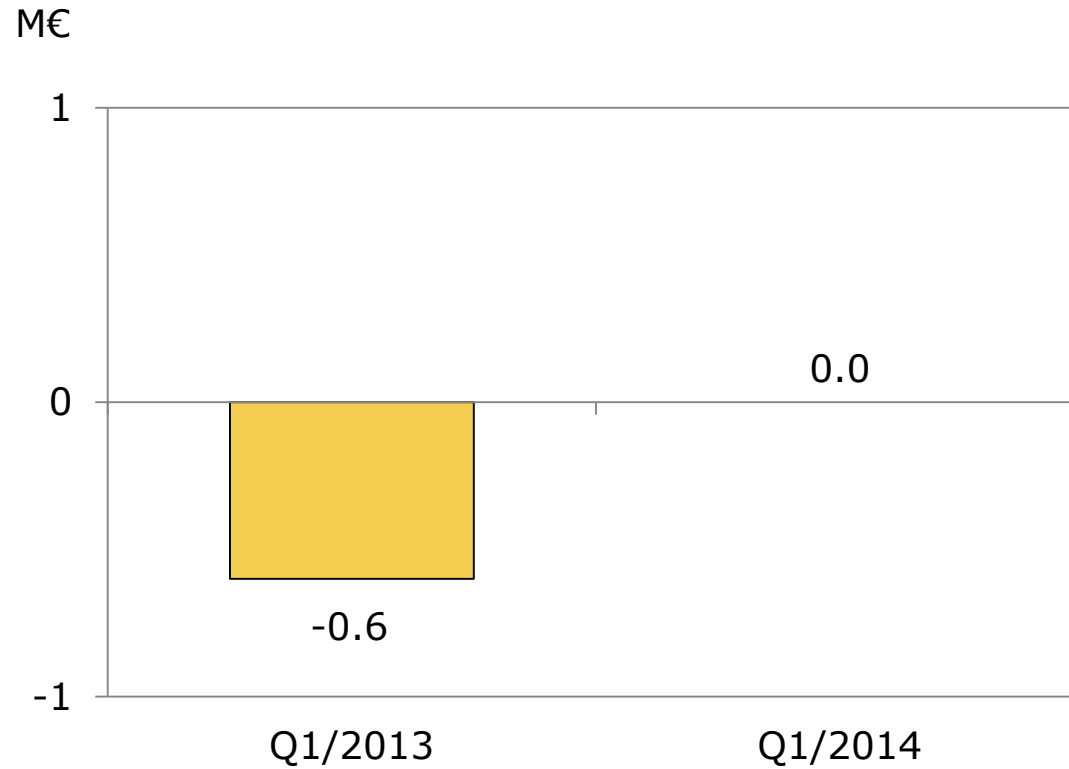
- In cattle feeds, sales volume increased focusing particularly on value-added products, such as Benemilk feeds.
- Sales increased in farming supplies, particularly in fuels and plant protection products
- In pig and poultry feeds, sales were down and profitability weakened
- Despite the improvement, profitability of the business remained weak
 - Profitability improved through sales growth in value-added cattle feeds
 - Cooperation negotiations started in order to adapt fixed costs to future structure
- Fish feed season had a good start
 - Hercules LP Opti widely used by Finnish customers
- Finnish rainbow trout included in the green list of WWF Finland's Seafood Guide



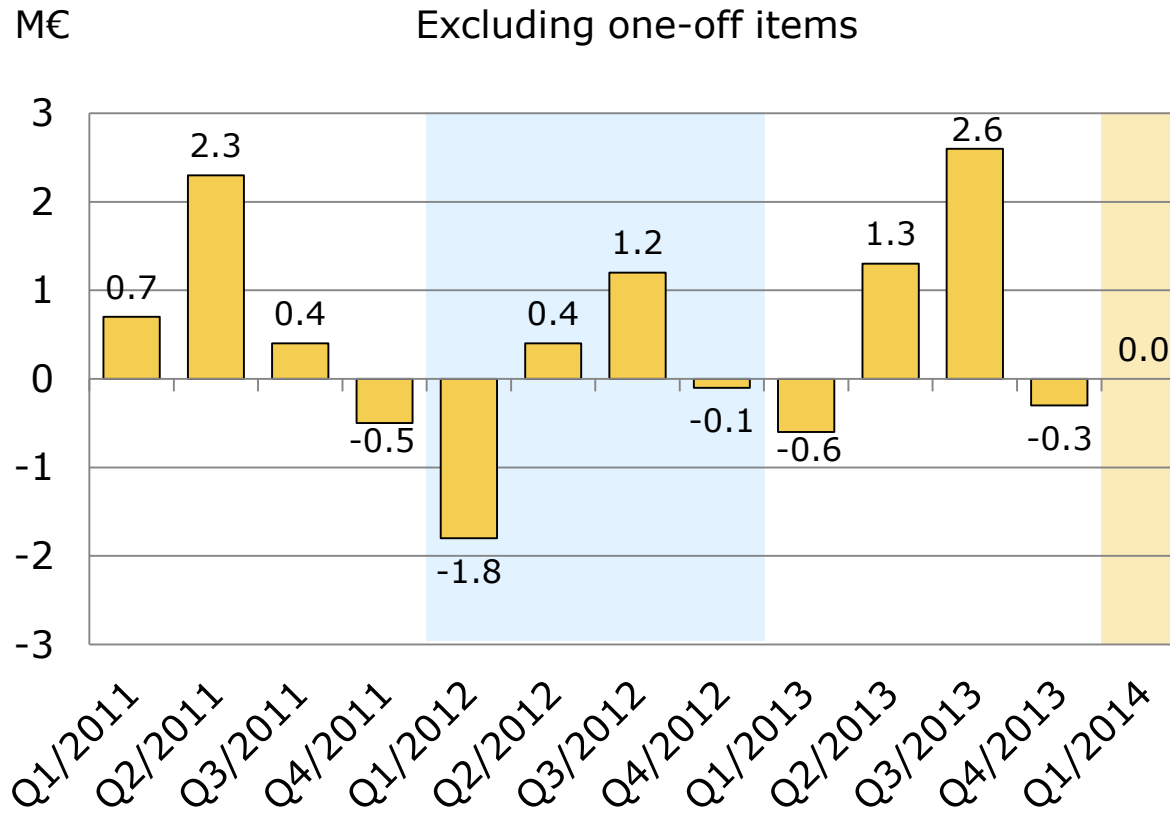
Raisioagro to focus its operations with emphasis on innovations

- Raisioagro will focus on finding growth potential, enhancing operations and improving profitability
- Priority areas are cattle feeds and fish feeds
- For pig and poultry feeds, the company will examine alternatives to down scale, terminate or sell the business
- Raisioagro issued an invitation to the cooperation negotiations on 16 April 2014
 - Negotiations concern approx. 150 employees
 - Possible reduction need is 50 persons
 - Negotiations expected to be completed before the Midsummer
- Raisioagro aims to focus resources on areas in which the added value created through new business and product innovations is the highest

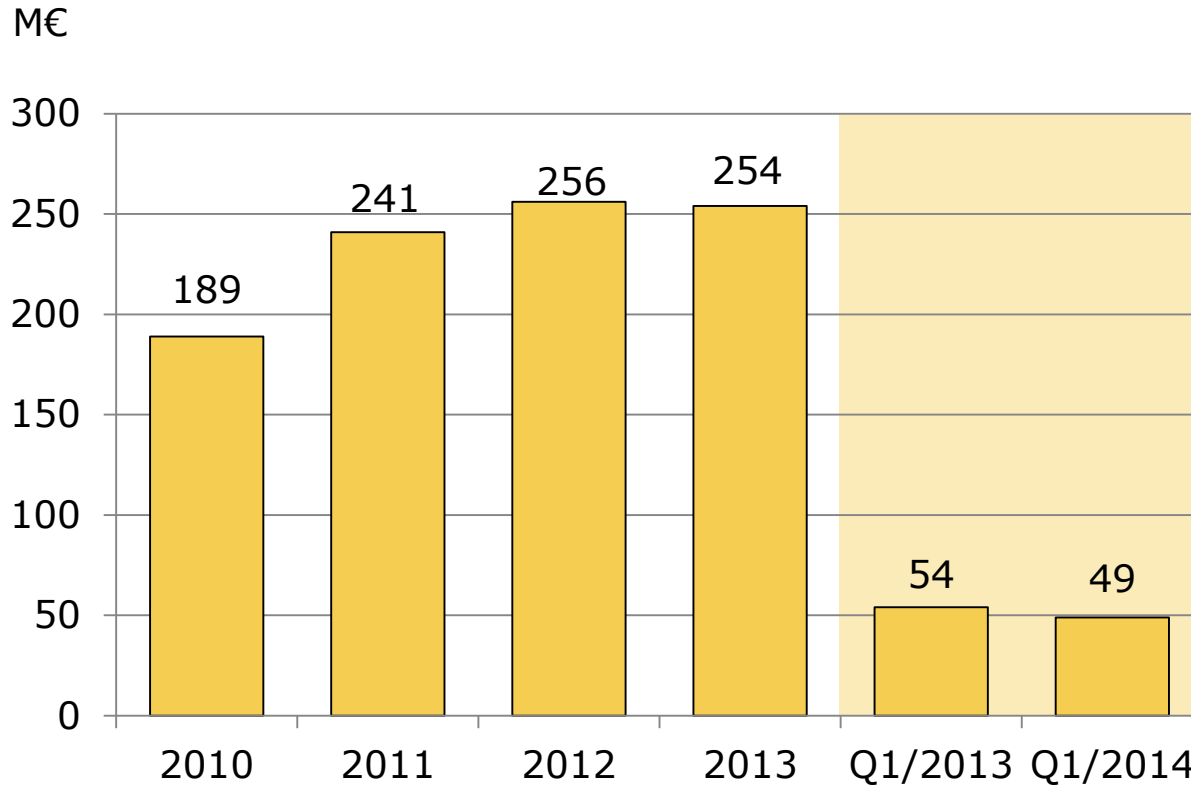
Raisioagro's EBIT



Raisioagro's EBIT by quarters



Raisioagro's net sales



The Group's Guidance 2014

- Raisio's aim to continue the improvement of its EBIT seems more challenging than expected in terms of organic growth, although the improvement was estimated to focus on the second half of 2014 when the ongoing streamlining projects are completed.

Previous guidance in February 2014

- In 2014, Raisio continues to improve its EBIT. The improvement is estimated to focus on the second half of 2014 when the ongoing streamlining projects are completed.