

RAISIO'S TURNOVER INCREASED AND OPERATING RESULT IMPROVED CONSIDERABLY

- Raisio's turnover in January-March increased by more than 20 per cent year-over-year, amounting to EUR 118.9 million (EUR 96.8 million in January-March 2007).
- Operating result was EUR 4.2 million (EUR 1.2 million) and, including one-off items, EUR 8.4 million (EUR 1.2 million). Raisio booked a one-off income item of EUR 4.2 million from the dissolution of joint ventures with Lantmännen, a Swedish corporation.
- With the Food Division turning profitable, all of Raisio's Divisions posted a profitable operating result. The improvement in operating profits resulted from the implementation of flexible pricing systems, growth and cost-effective operations.
- Raisio's forecast for the Group's outlook in 2008 is unchanged. Raisio's turnover is expected to increase and the operating result from continuing operations in 2008, excluding one-off items, is expected to improve from the previous year. All divisions are expected to post profitable annual operating results although the pressure on profitability will continue in feed. The overall operating result in the Food Division is expected to be profitable, although the target operating result rate of 5 per cent will probably not be achieved due to increased marketing inputs, new product launches and preparations for entry into new markets. The Ingredients Division is expected to increase turnover and improve profitability from the previous year.

The figures for the comparison period are given in brackets in the text.

Key figures, result from continuing operations

	1-3/2008	1-3/2007	2007
Turnover, EUR million	118.9	96.8	421.9
Operating result, EUR million	4.2	1.2	9.9
% of turnover	3.5	1.2	2.3
Result before taxes, EUR million	4.2	2.1	8.8
Earnings per share, EUR	0.02	0.01	0.05

The figures do not include one-off items.

Key figures, balance sheet

	31.3.2008	31.3.2007	31.12.2007
Return on investment, %	12.3	3.1	3.6
Equity ratio, %	77.1	74.9	77.9
Gearing, %	-4.3	-11.1	-12.5
Equity per share, EUR	1.70	1.70	1.70

CEO Matti Rihko:

"Raisio's financial performance in the first quarter indicates that the measures the company took last year to improve profitability were the right ones and that their impact is now beginning to show. What most improved the operating result were the divestment of unprofitable operations, enhancement of business model, cost-effectiveness and new, flexible pricing systems. After a long, unprofitable period the Food Division posted a profitable result, which speaks of a healthier cost structure and a new approach in business operations.

Raisio is at the core of the food business, as grain is considered to be a basic ingredient in the field, whether processed into food or feed. The rising standard of living in Asia, climate change, increasing production of biofuels, urbanization and contamination threaten to reduce the size of food production areas. This will make global supply and demand more challenging both ecologically and ethically. The food industry must develop ecological and healthy food without the consumer having to compromise on flavour or convenience.

As a European pioneer, Raisio added a label to its Elovena oat package that shows the CO₂ emissions and created a new labelling indicator. Consumers want information about the environmental impact of foods when making purchasing decisions. Raisio answers this need with the introduction of the CO₂ label. In the future, CO₂ emissions labels that show the environmental impact of the product will become increasingly more common on food packages alongside price and nutritional information labels.

Raisio continues its measures to develop the entire grain chain. The solution to the clear imbalance between food supply and demand lies in plant-based, locally produced food. I believe that Raisio, as a pioneer in ecological, plant-based food and as one of Europe's most innovative grain companies, is in an extremely good position to answer the new challenges facing the food industry."

RESULT FROM CONTINUING OPERATIONS

Raisio's turnover in January–March increased by more than 20% to EUR 118.9 million (EUR 96.8 million). The biggest growth was seen in the feed and malt businesses. The Food Division's turnover amounted to EUR 49.0 million (EUR 49.8 million), while that of Feed & Malt was EUR 64.3 million (EUR 40.4 million) and that of Ingredients EUR 12.7 million (EUR 12.5 million). Turnover from outside Finland represented 36.4% (38.0%) of the total, or EUR 43.3 million (EUR 36.8 million).

The Group's operating result in the first quarter totalled EUR 4.2 million (EUR 2.1 million) and, including one-off items, EUR 8.4 million (EUR 2.1 million). The Food Division's operating result was EUR 0.6 million (EUR -0.9 million) and, including one-off items, EUR 4.8 million (EUR -0.9 million). The operating result of the Feed & Malt Division was EUR 1.7 million (EUR 0.5 million), that of Ingredients EUR 3.3 million (EUR 2.5 million) and that of other operations EUR -0.8 million (EUR -0.8 million). Raisio booked a one-off income item of EUR 4.2 million in the Food Division's operating result from the dissolution of joint ventures with Lantmännen, a Swedish corporation. Depreciation, allocated to operations in the income statement, totalled EUR 4.0 million (EUR 4.3 million) in January–March.

The first-quarter result before taxes was EUR 4.2 million (EUR 2.1 million) and, including one-off items, EUR 8.4 million (EUR 2.1 million). The Group's net financial items in January–March totalled EUR -0.1 million (EUR 1.1 million).

The first-quarter result after taxes was EUR 3.1 million (EUR 1.7 million) and, including one-off items, EUR 7.3 million (EUR 1.7 million). In January–March, earnings per share were EUR 0.02 (EUR 0.01) and, including one-off items, EUR 0.05 (EUR 0.01). Return on investment amounted to 12.3% (3.1%).

BALANCE SHEET AND FINANCIAL POSITION

At the end of March, Raisio's balance sheet total was EUR 346.7 million (EUR 360.3 million on 31 December 2007) and its equity was EUR 266.4 million (EUR 278.8 million on 31 December 2007). Equity per share at the end of March was EUR 1.70 (EUR 1.70 on 31 December 2007).

The Group's interest-bearing debt at the end of March was EUR 6.6 million (EUR 8.7 million on 31 December 2007). Net interest-bearing debt totalled EUR -11.4 million (EUR -34.9 million on 31 December 2007). The equity ratio at the end of March was 77.1% (77.9% on 31 December 2007), and the net gearing ratio -4.3% (-12.5% on 31 December 2007). Cash flow from business operations totalled EUR -10.1 million (EUR -18.7 million) in the first quarter. Working capital rose to EUR 119.0 million (EUR 100.5 million on 31 December 2007), mainly due to the increase in accounts receivables, prepaid expenses and accrued income, as well as the increase in inventories, which aims to ensure the availability of raw materials until the next crop.

Gross investments in January–March totalled EUR 17.3 million (EUR 6.4 million). The biggest single investment was the acquisition of a 25% holding in Melia Ltd from Lantmännen, a Swedish corporation. The most significant production investment was made in the Ylivieska feed plant, which will come on line in summer 2008.

CONTINUING OPERATIONS

Food

The Food Division's turnover in January–March totalled EUR 49.0 million (EUR 49.8 million). The Division implemented a reporting model based on market areas in the first quarter. Turnover is now reported for two market areas. The Nordic market area includes Finland, Sweden and the Baltic countries, while Eastern Europe consists of Poland, Russia and neighbouring regions.

Raisio and Lantmännen, a Swedish corporation, dissolved their joint ventures in January. Lantmännen handed over its 25% holding in Melia Ltd, a Finnish mill, to Raisio. In turn, Raisio handed over its 50% holding in the joint venture company GoGreen AB and its 27% holding in the AS Rigas Dzirnaveiks milling company in Latvia. Full ownership of Melia gives Raisio better opportunities to develop Elovena, one of Finland's most highly valued brands, independently.

The Division continued its systematic development and enhancement of the Finnish product portfolio. To date, the range of branded products has been reduced by nearly 30 per cent and the range of catering and bakery products by some 40 per cent. Despite the reductions and enhancements made to the product range, the sales of branded products increased. A clear emphasis on the main brands – Elovena, Keiju and Sunnuntai – also enabled better targeting of marketing inputs and repositioning of consumer prices.

Margarine sales continued to grow in Poland, as did the sales of Benecol products. Benecol is the uncontested market leader in Poland in cholesterol-lowering functional foods. Flake sales continued to increase in Russia, but so did costs.

Key figures for the Food Division

	1-3/2008	1-3/2007	2007
Turnover, EUR million	49.0	49.8	197.1
Nordic	35.2	36.6	148.1
Eastern Europe	15.5	14.5	53.9
Operating result, EUR million	4.8	-0.9	-11.1
One-off items, EUR million	4.2	0.0	-5.3
Operating result, excluding one-off items, EUR million	0.6	-0.9	-5.8
% of turnover	1.2	-1.8	-2.9
Investments	13.8	3.3	7.2
Net assets	86.0	94.1	85.8

The Food Division's operating result in January–March was EUR 0.6 million (EUR -0.9 million) and, including one-off items, EUR 4.8 million (EUR -0.9 million). The Food Division's profitability improved thanks to cost-effective operations, increased sales of branded products and the implementation of a new, flexible pricing system. Raisio booked a one-off income item of EUR 4.2 million in the Food Division's operating result from the dissolution of joint ventures with Lantmännen, a Swedish corporation.

In early 2008 Raisio introduced an Elovena snack drink, which has already sold over one million consumer packages. The drink is a good example of innovative new products based on consumer needs. A second flavour was introduced at the beginning of May.

Feed & Malt

The Feed & Malt Division's turnover in January–March increased by nearly 60% to EUR 64.3 million (EUR 40.4 million). Turnover was boosted by the growth in feed and malt sales volumes and the transfer of raw material price rises to product prices. Raisio strengthened its position in the feed market.

Key figures for the Feed & Malt division

	1-3/2008	1-3/2007	2007
Turnover, EUR million	64.3	40.4	206.7
Feed	53.0	34.6	175.5
Malt	9.3	5.7	30.1
Other	2.3	0.2	1.7
Operating result, EUR million	1.7	0.5	14.2
One-off items, EUR million	0.0	0.0	6.0
Operating result, excluding one-off items, EUR million	1.7	0.5	8.2
% of turnover	2.6	1.1	4.0
Investments	2.3	1.9	16.7
Net assets	104.0	76.0	86.0

The Feed & Malt Division's operating result in January–March totalled EUR 1.7 million (EUR 0.5 million). Competition in the feed markets remained strong, but good financial performance in the malt business improved the operating result year-over-year.

General restructuring in the feed business has made the market situation tougher. Sharp price rises in all production inputs have affected the liquidity and profitability of farms in the short term. Consolidation continues in the brewery business.

The prices of grains and oil plants have seen big volatility, and the price level is currently around 70 per cent higher than a year before. Raisio is actively developing new pricing models for raw material purchases that take both the buyer's and seller's interests into consideration and improve predictability.

Ingredients

The Ingredients Division's turnover in January–March totalled EUR 12.7 million (EUR 12.5 million). It increased thanks to good growth in volumes, especially in the UK, Poland and Spain.

Key figures for the Ingredients Division

	1-3/2008	1-3/2007	2007
Turnover, EUR million	12.7	12.5	44.9
Operating result, EUR million	3.3	2.5	9.5
One-off items, EUR million	0.0	0.0	0.0
Operating result, excluding one-off items, EUR million	3.3	2.5	9.5
% of turnover	25.9	19.7	21.2
Investments	0.7	2.4	7.5
Net assets	43.9	45.5	46.0

The Division's operating result in January–March rose to EUR 3.3 million (EUR 2.5 million), boosted by improved cost-effectiveness and restructuring project carried out last autumn.

In February 2008, British Biologicals, Raisio's partner in India, launched a nutritional powder containing Benecol plant stanol ester on the Indian market. The Colred-Benecol nutritional powder is the first cholesterol-lowering Benecol product that has been introduced on the Asian market. The launch in India will increase the recognition of the Benecol brand and will pave the way for product launches elsewhere in Asia.

The Ingredients Division aims to be an active player in the growing European, Asian and US markets for cholesterol-lowering functional foods with innovative product applications.

RESEARCH AND DEVELOPMENT

Research and development costs in the first quarter amounted to EUR 1.5 million (EUR 1.7 million), or 1.3% (1.8%) of turnover. Raisio's R&D is based on a consumer- and customer-oriented approach. The development of new products emphasises flavour, convenience, health, well-being and the environment. Raisio has participated for years in research projects focusing on the environmental impacts of individual food products and, as a European pioneer, continues to study and publish the CO₂ emissions and other environmental impacts of its products.

PERSONNEL

Raisio employed 1,050 people at the end of March (1,072 on 31 December 2007), 32.1% of whom worked outside Finland (31.9% on 31 December 2007). At the end of March the Food Division had 658, Feed & Malt 265, Ingredients 64 and service functions 63 employees.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on the OMX Nordic Exchange Helsinki in January–March totalled 8.3 million (13.2 million). The value of trading was EUR 12.3 million (EUR 26.0 million), and the average price was EUR 1.48. The closing price on 31 March 2008 was EUR 1.44.

A total of 0.1 million restricted shares (0.3 million) were traded in January–March. The value of trading was EUR 0.2 million (EUR 0.6 million), and the average price was EUR 1.57. The closing price on 31 March 2008 was EUR 1.48.

On 31 March 2008, the Group had a total of 37,578 registered shareholders (37,873 on 31 December 2007). Foreign ownership of the entire share capital was 14.8% (15.4% on 31 December 2007).

Raisio's market value at the end of March amounted to EUR 239.2 million (EUR 248.4 million on 31 December 2007) and, excluding the shares held by the company, EUR 227.2 million (EUR 235.8 million on 31 December 2007).

At the end of the review period Raisio plc held 8,158,500 free shares and 177,803 restricted shares. The number of free shares accounts for 6.24% of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.52%. In all, the shares held by the company represent 5.05% of the share capital and 1.43% of overall votes.

Raisio plc's subsidiaries do not hold any shares in the parent company. The Raisio plc's Research Foundation, an affiliated association, holds 150,510 restricted shares, which is 0.44% of the restricted shares and the votes they represent and, correspondingly, 0.09% of the whole share capital and 0.37% of the votes it represents.

A company share held by Raisio or its subsidiary does not entitle the holder to participate in the Annual General Meeting.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc's Annual General Meeting held on 27 March 2008 approved the financial statements for the financial year 1 January–31 December 2007 and discharged the members of the Supervisory Board and the Board of Directors, as well as the Chief Executive Officer from liability. The Annual General Meeting decided to distribute a dividend of EUR 0.04 per share. The dividend was paid to shareholders on 8 April 2008.

The AGM decided to remove the reference to food diagnostics in the business definition (Section 3) of the Articles of Association as proposed by the Board of Directors. The amendment to the Articles of Association was entered in the Trade Register on 18 April 2008.

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of a maximum of 6,000,000 free shares and 1,500,000 restricted shares. The authorisation expires on 27 September 2009.

Furthermore, the Annual General Meeting authorised the Board of Directors to decide on share issues by (1) disposing all of the company shares and any repurchased shares – a maximum total of 16,500,000 shares, 2,269,500 of which can be restricted shares, and by (2) issuing a maximum of 16,500,000 new free shares against payment. The share issue authorisations will expire at the latest on 27 March 2013.

Details of the authorisations are available in the stock exchange release issued on 13 February 2008.

The authorisation to repurchase and dispose of company shares (share issue authorisation) given by the Annual General Meeting in 2007 expired on 27 March 2008.

The number of members in the Board of Directors was set at five, and Anssi Aapola, Erkki Haavisto, Satu Lähteenmäki, Simo Palokangas and Michael Ramm-Schmidt were reappointed as members for the term beginning at the now ended Annual General Meeting. At its first meeting the Board of Directors elected Simo Palokangas as its Chairman and Michael Ramm-Schmidt as its Vice Chairman.

The number of Supervisory Board members was set at 25. Members appointed to the Supervisory Board for the term beginning at the now ended Annual General Meeting and continuing until the Annual General Meeting 2011 include Michael Hornborg, Pentti Kalliala, Paavo Myllymäki, Yrjö Ojaniemi, Kari Niemistö, Raine Rekikoski and Hannu Tarkkonen.

Johan Kronberg and Mika Kaarisalo, authorised public accountants, were elected as regular auditors for the financial year 2009. PricewaterhouseCoopers Oy and Kalle Laaksonen, authorised public accountant, will act as deputy auditors.

EVENTS AFTER THE REVIEW PERIOD

As a European pioneer in the sector, Raisio has equipped its Elovena oats with a label indicating the CO₂ emissions of the product and has created a new labelling indicator. Consumers want information about the environmental impact of foods when making purchasing decisions. Raisio answers this need for information with the introduction of its CO₂ label. The company will now determine the CO₂ emissions of its other products and add the label to other consumer items in order to further develop the new indicator. The CO₂ emissions of Elovena oats, from cultivation through processing to store shelves, are only around 37 grams per 100 grams of oats. This is an extremely low emissions level. In other words, Elovena's overall impact on the environment is positive.

RISKS AND SOURCES OF UNCERTAINTY IN THE NEAR FUTURE

Business risks in 2008 were described in greater detail in the financial statements released on 13 February 2008. The biggest challenge in the near future comes from controlling the volatility of raw material prices until the next crop.

According to the decision made by the Assessment Adjustment Board of the Tax Office for Major Corporations in November 2006, the sales profit of the divestment of Raisio Chemicals, totalling approximately EUR 220 million, is free of tax. The case is still under consideration in the Helsinki administrative court. Raisio's stand, supported by the expert statements obtained by the company, remains the same: the sales profit is free of tax.

OUTLOOK

Raisio's forecast for the Group's outlook in 2008 is unchanged. Raisio's turnover is expected to increase and the operating result from continuing operations in 2008, excluding one-off items, is expected to improve from the previous year. All divisions are expected to post profitable annual operating results although the pressure on profitability will continue in feed. The overall operating result in the Food Division is expected to be profitable, although the target operating result rate of 5 per cent will probably not be achieved due to increased marketing inputs, new product launches and preparations for entry into new markets. The Ingredients Division is expected to increase turnover and improve profitability from the previous year.

Raisio, 5 May 2008

RAISIO PLC

Board of Directors

Further information:

Matti Rihko, CEO, tel. +358 400 830 727
Jyrki Paappa, CFO, tel. +358 50 5566 512
Heidi Hirvonen, Communications Manager, tel. +358 50 567 3060

A press and analyst event in Finnish will be arranged on 5 May 2008 at 1:00 p.m. Finnish time in Helsinki. It will be held at Hotel Scandic Simonkenttä, in the Balsa-Freda meeting room. The address is Simonkatu 9, Helsinki

A teleconference in English will be held on 5 May 2008 at 4:00 p.m. Finnish time, tel. +358 (0)9 8248 2831, PIN code 140112.

The Interim Report has not been audited.

The January–June Interim Report will be published on 1 August 2008 and the January–September report on 31 October 2008

INCOME STATEMENT (EUR million)

	1-3/2008	1-3/2007	2007
CONTINUING OPERATIONS:			
Turnover	118.9	96.8	421.9
Expenses corresponding to products sold	-99.1	-81.0	-352.0
Gross profit	19.8	15.9	69.9
Other operating income and expenses, net	-11.3	-14.7	-59.3
Operating result	8.4	1.2	10.6
Financial income	0.8	1.4	2.5
Financial expenses	-0.8	-0.3	-3.2
Share of result of associated companies and joint ventures	0.0	-0.2	-0.3
Result before taxes	8.4	2.1	9.5
Income tax	-1.1	-0.4	-1.2
Result for the period from the continuing operations	7.3	1.7	8.3
DISCONTINUED OPERATIONS:			
Result for the period from discontinued operations	0.0	-1.0	-7.3
RESULT FOR THE PERIOD	7.3	0.7	1.1
Attributable to:			
Equity holders of the parent company	7.2	0.7	1.4
Minority interest	0.1	0.0	-0.4
Earnings per share from the profit attributable to equity holders of the parent company			
Earnings per share from continuing operations (EUR)	0.05	0.01	0.05
Earnings per share from discontinued operations (EUR)	0.00	-0.01	-0.05

BALANCE SHEET (EUR million)

	31.3.2008	31.3.2007	31.12.2007
ASSETS			
Non-current assets			
Intangible assets	11.2	11.5	10.9
Goodwill	1.4	2.6	1.3
Property, plant and equipment	127.3	116.8	127.9
Shares in associated companies and joint ventures	0.7	2.2	1.4
Financial assets available for sale	0.6	0.6	0.6
Receivables	1.0	2.9	1.3
Deferred tax assets	11.1	11.1	11.3
Total non-current assets	153.3	147.6	154.7
Current assets			
Inventories	95.6	92.5	91.7
Accounts receivables and other receivables	79.9	74.6	70.1
Financial assets at fair value through profit or loss	11.4	43.6	27.9
Cash in hand and at banks	6.6	9.9	15.9
Total current assets	193.5	220.6	205.6
Non-current assets available for sale		14.3	
Total assets	346.7	382.5	360.3
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-17.8	-11.4	-17.9
Other equity attributable to equity holders of the parent company	256.3	256.3	256.2
Equity attributable to equity holders of the parent company	266.4	272.7	266.1
Minority interest	0.0	13.3	12.7
Total equity	266.4	286.0	278.8
Non-current liabilities			
Deferred tax liabilities	9.1	8.0	9.1
Pension liabilities	0.2	0.2	0.2
Non-current interest-bearing liabilities	0.4	1.2	0.4
Other non-current liabilities	0.0	1.0	0.0
Total non-current liabilities	9.7	10.3	9.7
Current liabilities			
Accounts payable and other liabilities	62.7	60.6	60.4
Reserves	1.9	2.6	1.9
Financial liabilities at fair value through profit or loss	0.1	0.1	1.5
Current interest-bearing liabilities	6.1	20.2	8.2
Total current liabilities	70.7	83.6	71.9
Debts related to non-current assets held for sale		2.6	
Total liabilities	80.4	96.5	81.5
Total equity and liabilities	346.7	382.5	360.3

CHANGES IN GROUP EQUITY (EUR million)

	Share capital	Share premium reserve	Reserve fund	Own shares	Translation differences	Retained earnings	Total	Minority interest	Total equity
Equity on 31.12.2006	27.8	2.9	88.6	-11.4	-1.2	170.4	277.1	13.3	290.4
Translation differences, generated in the financial period	-	-	-	-	-0.4	-	-0.4	0.0	-0.4
Other changes	-	-	-	-	-	0.0	0.0	-	0.0
Net income recorded directly in shareholders' equity	0.0	0.0	0.0	0.0	-0.4	0.0	-0.3	0.0	-0.3
Result for the financial period	-	-	-	-	-	0.7	0.7	0.0	0.7
Net profit for the financial period	0.0	0.0	0.0	0.0	-0.4	0.7	0.4	0.0	0.4
Dividends	-	-	-	-	-	-4.8	-4.8	-	-4.8
Repurchase of own shares	-	-	-	-	-	-	0.0	-	0.0
Total other changes	0.0	0.0	0.0	0.0	0.0	-4.8	-4.8	0.0	-4.8
Equity on 31.3.2007	27.8	2.9	88.6	-11.4	-1.6	166.3	272.7	13.3	286.0
Equity on 31.12.2007	27.8	2.9	88.6	-17.9	-2.3	167.0	266.1	12.7	278.8
Translation differences, transferred to the income statement on disposal of associated companies and joint ventures	-	-	-	-	0.0	0.1	0.1	-	0.1
Translation differences, generated in the financial period	-	-	-	-	-0.6	-	-0.6	-	-0.6
Other changes	-	-	-	-	0.1	-0.1	0.0	0.0	0.0
Net income recorded directly in shareholders' equity	0.0	0.0	0.0	0.0	-0.5	-0.1	-0.5	0.0	-0.5
Result for the financial period	-	-	-	-	-	7.2	7.2	0.1	7.3
Net profit for the financial period	0.0	0.0	0.0	0.0	-0.5	7.1	6.7	0.1	6.8
Dividends	-	-	-	-	-	-6.3	-6.3	-	-6.3
Repurchase of own shares	-	-	-	0.0	-	-	0.0	-	0.0
Share-based payment	-	-	-	0.2	-	0.0	0.1	-	0.1
Squeeze-out	-	-	-	-	-	-0.2	-0.2	-12.8	-13.0
Total other changes	0.0	0.0	0.0	0.1	0.0	-6.6	-6.4	-12.8	-19.2
Equity on 31.3.2008	27.8	2.9	88.6	-17.8	-2.8	167.6	266.4	0.0	266.4

CASH FLOW STATEMENT (EUR million)

	1-3/ 2008	1-3/ 2007	2007
Operating result	8.4	0.1	3.3
Adjustments to operating result	0.3	4.6	22.3
Cash flow before change in working capital	8.8	4.7	25.6
Change in current receivables	-9.5	-5.1	1.9
Change in inventories	-4.0	-14.7	-12.1
Change in current non-interest-bearing liabilities	-3.5	-4.8	0.2
Total change in working capital	-17.0	-24.7	-9.9
Financial items and taxes	-1.9	1.3	0.0
Cash flow from business operations	-10.1	-18.7	15.6
Investments	-6.2	-5.7	-30.7
Divestment of subsidiaries	0.0	0.0	4.1
Acquisition of subsidiaries	-8.0	-0.2	-0.2
Divestment of associated companies	0.0	0.0	0.7
Proceeds from sale of fixed assets	0.1	0.0	2.9
Loans granted	-1.1	0.0	-0.1
Repayment of loan receivables	1.0	1.1	1.3
Cash flow from investments	-14.2	-4.8	-21.9
Change in non-current loans	-0.6	-1.2	-11.7
Change in current loans	-0.5	0.0	-5.3
Repurchase of own shares	0.0	0.0	-6.5
Dividend paid to equity holders of the parent company	0.0	0.0	-4.8
Dividend paid to minority interests	0.0	0.0	-0.3
Cash flow from financial operations	-1.1	-1.2	-28.6
Adjustment to translation difference	0.1	-0.1	-0.5
Change in liquid funds	-25.4	-24.8	-35.3
Liquid funds at the beginning of the period	43.6	78.8	78.8
Impact of change in market value on liquid funds	-0.2	-0.1	0.1
Liquid funds at the end of the period	18.0	54.0	43.6

NOTES TO THE INTERIM REPORT

This interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting. The same accounting principles and calculating methods has been complied in this interim report as in 2007 annual financial statements. The interim report is shown in EUR millions.

When preparing the interim report, management must make estimates and assumptions that affect the reported assets and liabilities, income and expenses. Actual figures may differ from these estimates.

SEGMENT INFORMATION

TURNOVER BY SEGMENT (EUR million)

	1-3/ 2008	1-3/ 2007	2007
Food	49.0	49.8	197.1
Feed & Malt	64.3	40.4	206.7
Ingredients	12.7	12.5	44.9
Other operations	0.2	0.1	0.4
Interdivisional turnover	-7.4	-5.9	-27.1
Total turnover	118.9	96.8	421.9

OPERATING RESULT BY SEGMENT (EUR million)

	1-3/ 2008	1-3/ 2007	2007
Food	4.8	-0.9	-11.1
Feed & Malt	1.7	0.5	14.2
Ingredients	3.3	2.5	9.5
Other operations	-0.8	-0.8	-2.1
Eliminations	-0.6	-0.1	0.1
Total turnover	8.4	1.2	10.6

NET ASSETS BY SEGMENT (EUR million)

	31.3.2008	31.3.2007	31.3.2007
Food	86.0	94.1	85.8
Feed & Malt	104.0	76.0	86.0
Ingredients	43.9	45.5	46.0
Other operations, discontinued operations and unallocated items	32.5	70.4	60.9
Total net assets	266.4	286.0	278.8

INVESTMENTS BY SEGMENT (EUR million)

	1-3/ 2008	1-3/ 2007	2007
Food	13.8	3.3	7.2
Feed & Malt	2.3	1.9	16.7
Ingredients	0.7	2.4	7.5
Other operations	0.5	0.4	1.6
Eliminations	0.0	-1.6	-1.6
Total turnover	17.3	6.4	31.4

TURNOVER BY MARKET AREA (EUR million)

	1-3/ 2008	1-3/ 2007	2007
Finland	75.6	60.0	263.9
Poland	10.8	10.7	38.5
Russia	9.0	5.7	39.5
Other Europe	21.8	18.7	74.8
ROW	1.7	1.7	5.2
Total	118.9	96.8	421.9

DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE
Discontinued operations

The diagnostics business, food potato businesses and Monäs Feed Oy Ab sold in 2007 are treated as discontinued operations in the Group's reporting.

	1-3/2008	1-3/2007	2007
Result for the discontinued operations			
Income from ordinary operations		6.2	19.3
Expenses		-7.3	-23.7
Result before taxes		-1.1	-4.5
Taxes		0.1	-0.1
Result after taxes		-1.0	-4.6
Result from discontinued operations			-2.9
Taxes			0.1
Result after taxes		0.0	-2.7
Result for the discontinued operations		-1.0	-7.3
Cash flow for the discontinued operations			
Cash flow from business operations		-0.6	1.3
Cash flow from investments		-0.3	5.8
Cash flow from financial operations		-0.1	-0.1
Total cash flow		-1.1	7.0

	31.3.2007
Assets held for sale:	
Tangible assets	2.9
Intangible assets	1.3
Inventories	4.3
Financial assets available for sale	0.9
Accounts receivables and other receivables	4.4
Cash in hand and at banks	0.5
Total assets	14.3
Liabilities held for sale:	
Interest-bearing liabilities	0.6
Accounts payable and other liabilities	2.1
Total liabilities	2.6

TANGIBLE ASSETS

	31.3.2008	31.3.2007	31.12.2007
Acquisition cost at the beginning of the period	430.2	450.5	450.5
Conversion differences	-1.2	-0.4	-1.4
Increase	3.5	6.0	29.4
Decrease	-4.0	-0.8	-48.3
Reclassifications between items	0.0	0.0	0.0
Operations held for sale		-33.8	
Acquisition cost at the end of the period	428.5	421.5	430.2
Accumulated depreciation and write-downs at the beginning of the period	302.3	332.8	332.8
Conversion difference	-0.8	-0.2	-1.0
Decrease and transfers	-4.0	-0.7	-42.8
Depreciation for the period	3.6	3.7	15.1
Write-downs	0.0	0.0	-1.9
Operations held for sale		-31.0	
Accumulated depreciation and write-downs at the end of the period	301.1	304.7	302.3
Book value at the end of the period	127.3	116.8	127.9

RESERVES

	1-3/2008	1-3/2007	2007
At the beginning of the period	1.9	5.1	5.1
Increase in provisions	0.0	0.0	0.0
Provisions used	0.0	-2.5	-3.3
At the end of the period	1.9	2.6	1.9

BUSINESS ACTIVITIES INVOLVING INSIDERS

	31.3.2008	31.3.2007	31.12.2007
Sales to associated companies and joint ventures	3.5	3.3	12.8
Purchases from associated companies and joint ventures	0.0	1.6	3.1
Sales to key employees in management	0.0	0.0	0.0
Purchases from key employees in management	0.4	0.2	0.6
Short-term receivables from associated companies and joint ventures	1.7	3.4	2.3
Liabilities to associated companies and joint ventures	0.1	0.9	0.5

CONTINGENT LIABILITIES (EUR million)

	31.3.2008	31.3.2007	31.12.2007
Assets given for security			
For the company			
Mortgages on real estate	0.0	17.1	0.7
Securities pledged	0.0	0.0	0.0
Corporate mortgages	0.0	34.4	0.0
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	2.6	2.5	2.5
Contingent liabilities for the company	0.0	1.5	1.5
Contingent liabilities for associated companies			
Guarantees	0.0	3.0	0.0
Contingent liabilities for others			
Guarantees	0.1	0.0	0.1
Other liabilities	2.1	2.7	2.0
Commitment to investment payments	1.6	12.8	2.7

DERIVATIVE CONTRACTS (EUR million)

	31.3.2008	31.3.2007	31.12.2007
Nominal values of derivative contracts			
Raw material futures	6.9	3.0	11.2
Currency forward contracts	20.0	26.4	18.6

QUARTERLY PERFORMANCE (EUR million)

	1-3/ 2008	10-12/ 2007	7-9/ 2007	4-6/ 2007	1-3/ 2007
Turnover by segment					
Food	49.0	50.3	48.6	48.5	49.8
Feed & Malt	64.3	54.0	59.3	53.0	40.4
Ingredients	12.7	11.6	10.2	10.7	12.5
Other operations	0.2	0.1	0.1	0.1	0.1
Interdivisional turnover	-7.4	-6.7	-8.4	-6.1	-5.9
Total turnover	118.9	109.2	109.8	106.1	96.8
Operating result by segment					
Food	4.8	-2.7	-5.7	-1.7	-0.9
Feed & Malt	1.7	1.2	9.6	2.9	0.5
Ingredients	3.3	2.4	2.1	2.6	2.5
Other operations	-0.8	-0.4	-0.4	-0.5	-0.8
Eliminations	-0.6	0.2	0.0	0.0	-0.1
Total operating result	8.4	0.6	5.6	3.3	1.2
Financial income and expenses, net	-0.1	-1.0	-0.5	-0.3	1.1
Share of result of associated companies	0.0	0.0	-0.1	-0.1	-0.2
Result before taxes	8.4	-0.4	5.0	2.8	2.1
Income tax	-1.1	2.0	-2.1	-0.8	-0.4
Result for the period from continuing operations	7.3	1.6	2.9	2.1	1.7

ONE-OFF ITEMS (EUR million)

	1-3/ 2008	10-12/ 2007	7-9/ 2007	4-6/ 2007	1-3/ 2007
Food					
Impairment of goodwill			-1.3		
Other impairments		-1.6	-2.0		
Other one-off items	4.2		-0.3		
Feed & Malt					
The reversal of impairment in the Feed & Malt business		0.5	5.5		
Impact on operating result	4.2	-1.2	1.9	0.0	0.0
Financial income and expenses, net					
Share of result of associated companies					
Impact on result before taxes	4.2	-1.2	1.9	0.0	0.0

KEY INDICATORS

	31.3.2008	31.3.2007	31.12.2007
Return on equity, ROE, %	10.7	2.4	2.9
Return on investment, ROI, %	12.3	3.1	3.6
Interest-bearing liabilities at the end of the period, EURm	6.6	22.2	8.7
Gross investments, EURm	17.3	6.4	31.4
% of turnover	14.5	6.6	7.5
Depreciation, EURm	4.0	4.3	18.3
R & D expenses, EURm	1.5	1.7	6.4
% of turnover	1.3	1.8	1.5
Average personnel	1 051	1 170	1 157
Equity ratio, %	77.1	74.9	77.9
Net gearing, %	-4.3	-11.1	-12.5
Earnings/share from continuing operations, EUR	0.05	0.01	0.05
Cash flow from operations/share, EUR	-0.06	-0.12	0.10
Equity/share, EUR	1.70	1.70	1.70
Average number of shares during the period, in 1,000s*)			
Free shares	122 463	125 655	124 553
Restricted shares	34 304	34 522	34 462
Total	156 767	160 177	159 015
Average number of shares at the end of the period, in 1,000s*)			
Free shares	122 516	125 655	122 444
Restricted shares	34 296	34 522	34 316
Total	156 813	160 177	156 760
Market capitalisation of shares at the end of the period, EURm*)			
Free shares	176.4	233.7	183.7
Restricted shares	50.8	64.6	52.2
Total	227.2	298.3	235.8

*) Number of shares without own shares

CALCULATION OF INDICATORS

Return on equity (ROE), %	$\frac{\text{Result before taxes – income taxes}^*)}{\text{Shareholders' equity (average over the period)}} \times 100$
Return on investment (ROI), %	$\frac{\text{Result before taxes + interest and other financial expenses}^*)}{\text{Balance sheet total – non-interest-bearing liabilities (average over the period)}} \times 100$
Equity ratio, %	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total – advances received}} \times 100$
Net interest-bearing liabilities	Interest-bearing liabilities - liquid assets and financial assets recorded at fair value in the income statement
Net gearing, %	$\frac{\text{Net interest-bearing liabilities}}{\text{Shareholders' equity}} \times 100$
Earnings per share ^{*)}	$\frac{\text{Result for the year of parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$
Cash flow from business operations per share	$\frac{\text{Cash flow from business operations}}{\text{Average number of shares for the year, adjusted for share issue}}$
Shareholders' equity per share	$\frac{\text{Equity of parent company shareholders}}{\text{Number of shares at the end of the period adjusted for share issue}}$
Market capitalisation	Closing price, adjusted for issue x number of shares without own shares at the end of the period

^{*)}The calculation of key indicators uses continuing operations result