RAISIO

Q2/2013

RAISIO PLC

Interim Report

1 January –
30 June 2013

RAISIO'S RESULTS IMPROVED

April-June 2013, continuing operations

- Group net sales totalled EUR 148.6 million (Q2/2012: EUR 150.6 million).
- Group EBIT excluding one-off items was EUR 11.0 million (Q2/2012: EUR 10.6 million) accounting for 7.4% (7.1%) of net sales.
- Brands Division's profitability improved, EBIT 14.2% (12.8%) of net sales.
- Raisioagro's EBIT was clearly positive.
- Raisio's 2013 EBIT guidance remains unchanged. Due to the lower market price level of grains and oilseeds, net sales forecast has been lowered.

January-June 2013, continuing operations

- Group net sales totalled EUR 276.9 million (H1/2012: EUR 285.6 million).
- Group EBIT excluding one-off items was EUR 19.0 million (H1/2012: EUR 17.3 million) accounting for 6.9% (6.1%) of net sales.
- Brands Division's profitability was good, EBIT 13.4% (12.0%) of net sales.
- Raisioagro's EBIT improved more than EUR 2 million from the comparison period.

Raisio Group's key figures excluding one-off items

		4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Results from continuing operations						
Net sales	M€	148.6	150.6	276.9	285.6	584.1
Change in net sales	%	-1.3	0.1	-3.0	4.9	5.7
EBIT	M€	11.0	10.6	19.0	17.3	34.6
EBIT	%	7.4	7.1	6.9	6.1	5.9
Depreciation and impairment	M€	3.7	4.2	7.6	8.3	16.6
EBITDA	M€	14.7	14.8	26.6	25.6	51.2
Net financial expenses	M€	-0.8	-0.6	-1.2	-0.9	-2.5
Earnings per share (EPS)	€	0.05	0.05	0.09	0.08	0.18
Balance sheet						
Equity ratio	%		-	63.9	58.1	64.1
Gearing	%		-	8.0	2.4	4.9
Net interest-bearing debt	M€		-	25.5	7.5	16.2
Equity per share	€		-	2.04	2.05	2.10
Gross investments*	M€	3.0	1.8	4.8	6.0	24.6
Share						
Market capitalisation**	M€		-	542.1	391.3	479.3
Enterprise value (EV)	M€		-	567.6	398.8	495.5
EV/EBITDA			-	10.9	8.0	9.7

* Including acquisitions
** Excluding the company shares held by the Group

CEO Matti Rihko's review

"The second-quarter 2013 EBIT was current Raisio's all-time best quarterly result. Improved result in the economically challenging times and rapidly changing markets requires commitment and strong expertise from all of us at Raisio.

Moreover, Raisioagro's clear profit improvement was very positive. In the extremely competitive Finnish feed and farming supplies market, this achievement is the result of hard work.
Our Benemilk feeds are well established in the Finnish market and in the autumn, we are going to expand Benemilk's product range and customer potential. Several international operators have also shown interest in the Benemilk feeds.

Co-operation between Raisio and Intellectual Ventures is proceeding well, as expected.
Our scientific co-operation during the second quarter spawned a significant amount of inventions strengthening and further developing Benemilk concept. We are filing patent applications for some of these inventions. After the review period, Raisio announced that Benemilk patent process is proceeding on schedule as certain initial Benemilk-related patent applications became public on 1 August 2013. Benemilk Oy has filed a total of 10 new international patent applications related to the Benemilk invention by 31 July 2013. New patent applications will complement the already pending applications filed in early 2012. Benemilk Oy also has plans to file further patent applications by the end of 2013. This could potentially double the number of patent applications."

Operating environment in April-June

In the review period, Raisioagro maintained its position in the Finnish feed market and sales in both feeds and farming supplies increased substantially. Benemilk feeds are well established in the Finnish market; sales almost doubled from the comparison period. Finland is still an important test and home market for Benemilk feeds.

On 17 April 2013, Raisio and Invention Development Fund, managed by Intellectual Ventures, agreed to establish a joint venture called Benemilk Oy. The joint venture aims to start commercialising of the invention internationally as well as to develop and strengthen the Benemilk innovation related IPR portfolio, of which our new patent applications are a good indicator.

Slow reduction of the economy in the EU area has continued while in the UK, Poland and Russia the economy has probably remained on the rise also in the second quarter of the year. Nevertheless, it was difficult to maintain margins also in Raisio's operations in rapidly changing market conditions.

Raisio continued to improve its operating efficiency and cost-cutting measures in the second quarter. We also continued the efforts to better benefit from the Brands Division's internal synergies. In Northern European food operations, Raisio proceeded as planned with the measures to improve profitability and competitiveness and also with the removal of less profitable products from the product portfolio. In the Western European markets, Raisio performed well, although the market remained tough. In Eastern European operations, net sales increased significantly in Poland due to Raisio's takeover of the Benecol margarine sale.

GROUP'S CONTINUOUS OPERATIONS

Financial reporting

Raisio Group reports on its performance in line with the continuing operations and all figures mentioned in this review are comparable. The Divisions that are reported in line with continuing operations include Brands and Raisioagro.

The Brands Division includes Consumer brands and Licensed brands units. In the text, Consumer brands unit is examined by key market areas, which are Western Europe, Northern Europe and Eastern Europe. The divested non-dairy business is included in the Northern European figures until 9 May 2013. In the review period, the Licensed brands unit includes only Benecol business. As of 1 July 2013, the joint venture Benemilk Oy will be reported together with Benecol in the Licensed brands unit.

The Raisioagro Division includes feeds, farming supplies, grain trade, protein meals and vegetable oils.

Comparison figures in brackets refer to the corresponding date or period one year earlier unless otherwise stated.

Net sales

Raisio Group's net sales in *April-June* totalled EUR 148.6 (150.6) million. Net sales for the Brands Division were EUR 78.1 (85.6) million and for the Raisioagro Division EUR 70.9 (65.3) million. Net sales for other operations amounted to EUR 0.3 (0.5) million. Net sales for the Consumer brands unit declined by almost 40 per cent in Northern European markets as Raisio focused on the product lines with higher profits. In Eastern European markets, net sales increased by almost 80 per cent due to Raisio's takeover of the Benecol margarine sale in Poland and through strong organic growth in Russia and Ukraine. Raisioagro's net sales were boosted by a sales increase of over 20 per cent in feeds and farming supplies.

The Group's *January-June* net sales were EUR 276.9 (285.6) million. Net sales for the Brands Division totalled EUR 153.3 (166.8) million and for the Raisioagro Division EUR 124.4 (119.4) million. Net sales for other operations amounted to EUR 0.6 (0.9) million. The Brands Division accounted for some 55 per cent and Raisioagro 45 per cent of Raisio's net sales. Net sales from outside Finland represented 49.5 (50.8) per cent of the Group's total in January-June, amounting to EUR 137.1 (145.1) million.

Result

In *April-June*, Raisio Group's EBIT totalled EUR 10.4 and, excluding one-off items, 11.0 (10.6) million, which is 7.0 and, excluding one-off items, 7.4 (7.1) per cent of net sales. A one-off item of EUR -0.6 million, resulting from asset write-downs and charges from the non-dairy business divestment, has been recorded in the Brands Division's second-quarter EBIT. EBIT for the Brands Division totalled EUR 10.5 and, excluding one-off items, 11.1 (11.0) million. EBIT for Raisioagro was EUR 1.3 (0.4) million and for other operations EUR -1.4 (-0.7) million.

In *January-June*, the Group's EBIT amounted to EUR 18.4 and, excluding one-off items, 19.0 (17.3) million, which is 6.6 and, excluding one-off items, 6.9 (6.1) per cent of net sales. January-June EBIT for the Brands Division was EUR 19.9 and, excluding one-off items, 20.5 (20.0) million. EBIT for the Raisioagro Division totalled EUR 0.7 (-1.4) million and for other operations EUR -2.3 (-1.3) million.

Depreciation and impairment, allocated to operations in the income statement, amounted to EUR 3.7 (4.2) million in April-June and to EUR 7.6 (8.3) million in January-June.

The Group's net financial expenses in *April-June* totalled EUR -0.8 (-10.7 and, excluding one-off items, -0.6) million. The Group's net financial expenses in *January-June* totalled EUR -1.2 (-11.0 and, excluding one-off items -0.9) million.

The review period's second-quarter financial items include a one-off item of EUR 10.1 million resulting from the difference between the confirmed purchase price of Raisio UK Ltd's non-controlling interest and the estimated purchase price previously recorded in the balance sheet.

In *April-June,* the pre-tax result was EUR 9.5 and, excluding one-off items, 10.2 (0.0 and, excluding one-off items, 10.0) million. *January-June* pre-tax result was EUR 17.2 and, excluding one-off items, 17.9 (6.3 and, excluding one-off items, 16.4) million.

The Group's post-tax result in *April-June* totalled EUR 7.3 and, excluding one-off items 7.8 (-2.5 and, excluding one-off items 7.6) million. *January-June* post-tax result totalled EUR 13.2 and, excluding one-off items, 13.7 (2.2 and, excluding one-off items, 12.3) million.

The Group's earnings per share for continuing operations for *April-June* were EUR 0.05 (-0.02 and, excluding one-off items, 0.05) and for *January-June* 0.09 (0.02 and, excluding one-off items, 0.08).

Balance sheet, cash flow and financing

At the end of June, Raisio Group's balance sheet totalled EUR 501.0 (31 December 2012: 517.6) million. Shareholders' equity was EUR 318.1 (31 December 2012: 327.3) million, while equity per share was EUR 2.04 (31 December 2012: 2.10).

At the end of June, the Group's interest-bearing debt was EUR 85.0 (31 December 2012: 78.0) million. Net interest-bearing debt was EUR 25.5 (31 December 2012: 16.2) million.

On 30 June 2013, the Group's equity ratio totalled 63.9 (31 December 2012: 64.1) per cent and net gearing 8.0 (31 December 2012: 4.9) per cent. Return on investment was 9.1 and, excluding one-off items 9.4 (31 December 2012: 4.5 and, excluding one-off items, 8.3) per cent.

Cash flow from business operations in January-June was EUR 6.6 (4.2) million.

At the end of June, working capital amounted to EUR 97.9 million. During the review period, working capital was released from current assets in particular, even though the amount of working capital tied up is still higher than in the comparison period.

Divested operations

Raisio sold fixed assets and brands of its non-dairy business to Norwegian Kavli. The contract was signed on 5 March 2013. Operations were transferred to the new owner on 9 May 2013. At Raisio, the non-dairy business had annual net sales of approximately EUR 7 million. The divestment was part of Raisio's decision to focus on its core activities.

A one-off item of EUR -0.6 million, resulting from asset write-downs and charges of the non-dairy business divestment, has been recorded in the second-quarter EBIT of the Brands Division.

Raisio sold and transferred its US-based esterification plant to American Avoca Inc. The agreement was signed on 18 April 2013. Raisio's Summerville plant operated as a reserve plant with low volumes. In 2012, net sales of the factory totalled approximately EUR 3.2 million excluding the plant stanol ester production. With the transaction, the production of plant stanol ester will be centralised to the Raisio-based factory and profitability will improve in line with the objective.

Investments

The Group's gross investments in April-June totalled EUR 3.0 (1.8) million. Gross investments of the Brands Division were EUR 1.9 (1.0) million, those of Raisioagro EUR 0.7 (0.4) million and those of other operations EUR 0.5 (0.4) million. The investments made were ordinary replacement and streamlining investments.

The Group's gross investments in January-June totalled EUR 4.8 (6.0) million, or 1.7 (2.1) per cent of net sales.

Research and development

The Group's April-June research and development expenses were EUR 2.1 (1.7) million. In January-June, research and development expenses totalled EUR 3.5 (3.5) million, or 1.3 (1.2) per cent of net sales.

Several scientific studies related to the Benemilk feed innovation have been carried out in 2013 at universities and research institutes in Holland, Sweden and France. Based on the preliminary research results, we can conclude that the Benemilk concept works in cow feeding based on both grass and corn silage as well as with various breeds of cattle. In all of these studies, energy corrected milk yield has increased by 1.7-2.7 kg per cow per day.

In addition to the international studies, Raisioagro has conducted feeding studies on Finnish farms with the aim of expanding the range of Benemilk products.

SEGMENT INFORMATION

BRANDS DIVISION

		4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Net sales	M€	78.1	85.6	153.3	166.8	329.5
Consumer brands	M€	68.8	74.5	135.6	142.9	286.1
Licensed brands	M€	10.8	11.2	21.0	24.0	45.0
EBIT	M€	10.5	11.0	19.9	20.0	34.9
One-off items	M€	-0.6	0.0	-0.6	0.0	-2.5
EBIT, excluding one-off items	M€	11.1	11.0	20.5	20.0	37.4
EBIT, excluding one-off items	%	14.2	12.8	13.4	12.0	11.3
Investments	M€	1.9	1.0	2.7	4.6	7.2*
Net assets	M€	-	-	254.8	249.7	271.7

* Excluding one-off items

Financial review

<u>April-June</u>

Net sales for the Brands Division totalled EUR 78.1 (85.6) million in April-June. Net sales for the Consumer brands unit totalled EUR 68.8 (74.5) million. Net sales for the Licensed brands unit, or Benecol, were EUR 10.8 (11.2) million.

Net sales for Western European food operations increased slightly from the comparison period. Net sales in breakfast and snack products declined from the comparison period, since Raisio decreased its share in low-profitable promotional activities. Confectionery sales were up by 40 per cent on the comparison period. Raisio's acquisition of the confectionery company Candy Plus in November 2012 is not included in the comparison period figures. Confectionery sales were down in the UK, but net sales in the Czech Republic increased more than 25 per cent. In Consumer brands unit, confectionery accounts for over a third of net sales.

In Northern European food operations, net sales were markedly lower than in the comparison period. Net sales decreased according to plan, as the comparison period's net sales included intermediary sales of margarines produced by Bunge in Finland and Sweden, which ended in October 2012. Furthermore, net sales were decreased from the comparison period because Raisio reduced its product portfolio, discontinued low-profit products and divested its non-dairy business. Despite the decline in net sales, the result improved significantly.

Net sales for Eastern European food operations increased by almost 80 per cent on the comparison period. Some 90 per cent of the growth came from Poland, where Raisio took over the sale of Benecol margarines. Net sales in Russia and Ukraine increased through strong organic growth. Eastern European food operations already account for more than 10 per cent of the Consumer brands unit's net sales.

Benecol of the Licensed brands unit showed a slight net sales decrease from the comparison period. Net sales declined due to decreased volume in contract manufactured esterification as a result of the US factory sale. Sales volume of plant stanol ester, a Benecol product ingredient, showed growth.

In the Brands Division, EBIT for the second quarter 2013 was at the comparison period level. EBIT amounted to EUR 10.5 and, excluding one-off items, 11.1 (11.0) million, which is 13.4 and, excluding one-off items, 14.2 (12.8) per cent of net sales.

In Western European operations, EBIT remained at a good level, although it was lower than in the exceptionally strong comparison period. EBIT for Northern European operations improved significantly on the comparison period with improved efficiency and the renewed product portfolio. EBIT for Eastern European operations was also higher than in the comparison period. EBIT for the Benecol business did not quite meet the comparison period level, but remained at its ordinary good level.

January-June

Net sales for the Brands Division totalled EUR 153.3 (166.8) million in January-June. Net sales for the Consumer brands unit were EUR 135.6 (142.9) million and for the Licensed brands unit, or Benecol business, EUR 21.0 (24.0) million. The UK, Brands Division's largest market area, accounted for more than 40 per cent of the Division's net sales, Finland some 20 per cent and the rest of the world less than 40 per cent.

In January-June, EBIT for the Brands Division amounted to EUR 19.9 and, excluding one-off items, 20.5 (20.0) million, which is 13.0 and, excluding one-off items, 13.4 (12.0) per cent of net sales.

Businesses

Consumer brands, Western Europe

Sales in breakfast and snack products declined from the comparison period, since Raisio decreased, as planned, its share in retailers' low-profitable promotional activities. At the same time, the pricing of Honey Monster products was reformed. At the end of the year, Raisio will increase its activities in breakfast products with new product prices. Growth was seen in products made under our partner brands. In the autumn, Raisio will focus on the marketing of its new products Harvest Yogurteee and Fruiteee as well as Honey Monster Stix bars.

In the UK, sales in confectionery declined from the comparison period. Sales in our branded products decreased in the stores of Cash & Carry sector and Raisio's participation in promotional activities was at a lower level than before. In confectionery, we will focus on "every day low price" mechanisms. Tight control of large retail chains weakened consumer sales in Raisio's own products as well as in products made for our partners with intensifying competition in the confectionery sector at the same time.

Confectionery company Candy Plus became part of Raisio in November 2012 and showed good sales development. Sales grew especially well in soft gums for children and products of a new line manufacturing fruit liquorice. Good sales growth also led to an improvement in EBIT.

Consumer brands, Northern Europe

The change of practices, which we started last autumn, and the measures taken to improve competitiveness have proceeded as planned in Northern European operations. As a result of the reduced product range and discontinued low-profit products, Raisio has been able to focus on product lines that genuinely interest consumers and on the improvement of product availability.

Sales developed well especially in Elovena instant porridges, biscuits and snack drinks. Furthermore, sales in Benecol minidrinks and margarines increased significantly on the comparison period. Focusing measures and changed practices can now be seen in clearer activities and cost savings.

Changed practices and the renewed product range in the Baltic Countries and Sweden have resulted in a positive EBIT in both market areas.

Consumer brands, Eastern Europe

In Poland, Russia and Ukraine, sales volume grew in all product lines Raisio represents. In addition to Benecol margarines, sales in Sulma pasta products were up in Poland. Moreover, sales in premium products sold under the Nordic brand grew significantly in Russia and Ukraine.

Licensed brands, Benecol

Sales in plant stanol ester of Benecol products to our EU-based partners increased on the comparison period. In April-June, the strongest percent increases in Benecol products were seen in Chile, Indonesia and Ecuador. In sales of Benecol products, the share of emerging markets of Asia and South America is still low, but our partners' activity and investments are shown in good sales growth.

Intensified competition in one of the largest Benecol countries, Poland, reduced the sales development in Benecol margarines. Raisio took over the sale of Benecol margarines in February-March. We believe that the situation will level off as a result of our own marketing activities.

Raisio will actively continue its efforts to launch Benecol products into new markets, especially in Asia.

RAISIOAGRO DIVISION

The Raisioagro Division includes feeds, farming supplies, grain trade, protein meals and vegetable oils.

		4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Net sales	M€	70.9	65.3	124.4	119.4	255.7
EBIT	M€	1.3	0.4	0.7	-1.4	-0.7
One-off items	M€	0.0	0.0	0.0	0.0	-0.4
EBIT, excluding one-off items	M€	1.3	0.4	0.7	-1.4	-0.3
EBIT, excluding one-off items	%	1.9	0.7	0.6	-1.2	-0.1
Investments	M€	0.7	0.4	1.3	0.7	2.0
Net assets	M€	-	-	88.8	82.1	74.3

Financial development

April-June

Raisioagro Division's net sales increased by almost 9 per cent, amounting to EUR 70.9 (65.3) million. Net sales in feeds and farming supplies increased by more than 20 per cent on the comparison period. Sales in farming supplies developed in line with the objectives. Net sales in feed protein business were clearly lower than in the comparison period due to the production adjustment.

Raisioagro's EBIT was EUR 1.3 (0.4) million accounting for 1.9 (0.7) per cent of net sales. EBIT was boosted by increased sales in further processed feeds and farming supplies and through efficiency improvements.

January-June

Raisioagro's net sales were EUR 124.4 (119.4) million, or over 4 per cent more than in the comparison period. Feeds and farming supplies accounted for some 85 per cent, protein meals, vegetable oils and grains for some 15 per cent of Raisioagro's net sales.

In January-June, the Division's EBIT was EUR 0.7 (-1.4) million accounting for 0.6 (-1.2) per cent of net sales.

Businesses

During the review period, no significant changes occurred in the Raisioagro’s market position regarding feeds. In the pork and poultry feed market, Raisioagro’s volume remained at the comparison period level. In cattle feeds, volume slightly declined from the comparison period but sales focused on further processed feeds, such as Benemilk. Raisioagro strengthened its position in farming supplies.

In April, in addition to feeds with non-GMO soy, Raisioagro introduced production of GMO-soy containing pig and poultry feeds in its Raisio-based factory. Raisioagro's customers can choose between GMO and non-GMO soy containing pig and poultry feeds, although the alternatives are not yet available with all our products. In Finland, our competitors have been selling GMO soy feeds for many years already. Raisio’s cattle feeds are GMO-free and in Finland, milk production is based exclusively on GMO-free feeding.

Fish feed sales season was the busiest in the second quarter of 2013 and net sales in fish feeds increased 15 per cent on the comparison period. All Raisioagro’s fish feeds are GMO-free. More than half of Raisio-produced fish feed is exported. Our main export market is North-West Russia, but during the spring we also started exports to Sweden, where rainbow trout farming is growing fast. Raisioagro is a clear market leader both in Finland and North-West Russia.

Benemilk feeds are well established in the Finnish market. Sales of Benemilk feeds almost doubled from the comparison period. There are approximately 600 Finnish farms that use Benemilk feeds regularly. Raisio will expand its product range of Benemilk feeds in the autumn. This enables the use of Benemilk feeds with almost all feeding solutions, which significantly increases the number of potential users. At the same time, we will launch a new Benemilk campaign that makes new products and feeding alternatives familiar to producers.

Nearly 3,000 producers have already logged in Raisioagro’s online store and their daily visits on the store are constantly growing. Raisioagro’s entire product range is now available online.

Raisioagro has adjusted its feed protein production to meet market conditions and taken steps to improve production flexibility at its Raisio-based factory. The running period of the factory is scheduled to October-March, so the factory was not running during the review period.

The EU's decision to ban the use of neonicotinoids in oilseed cultivation will significantly increase the challenges of the industry and is a setback to the Finnish protein self-sufficiency. Access to domestic rapeseed will become increasingly difficult, since Finnish raw material accounted for only about a fifth of the Finnish industry’s need during the last harvest season. Extensive use of imported seed will further weaken the profitability of the business due to additional logistics costs.

<u>Grains</u>

In 2013-2014, the world’s grain harvest is expected to be the biggest ever. This has also affected the price development of grains, which has been falling in recent weeks. Harvest in the northern hemisphere is still in progress and yield information will be specified gradually. The world balance sheet for wheat is still tight and stocks are not expected to grow. Moreover, corn stocks in the US are low and future corn yield will have a strong impact on the price development of other grains. Finnish grain harvest is expected to be at least reasonable and higher than the previous. The first estimate on the harvest volume, released by Statictics Finland in July, was 3.9 billion kg. Especially feed grains are expected to grow compared to the last harvest season.

Personnel and administration

Raisio Group's continuing operations employed 1,967 people at the end of June (31 December 2012: 1,885 people).78 (31 December 2012: 78) per cent of the personnel were working outside Finland. At the end of the review period, the Brands Division had 1,716, Raisioagro Division 191 and service functions 60 employees. The figures include summer workers.

Anssi Aapola, a member of Raisio's Board of Directors since 2006, passed away on 6 July 2013. The number of members of the Board of Directors has been confirmed to be five by the Annual General Meeting and the Board is quorate even when there are four members present.

Shares and shareholders

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-June totalled EUR 16.2 (14.0) million. The value of trading was EUR 53.7 (33.9) million and the average price EUR 3.31 (2.41). The closing price on 30 June 2013 was EUR 3.51.

A total of 0.6 (0.4) million restricted shares were traded in January-June. The value of trading was EUR 1.9 (1.1) million and the average price EUR 3.27 (2.47). The closing price on 30 June 2013 was EUR 3.41.

On 30 June 2013, the company had a total of 34,697 (31 December 2012: 35,414) registered shareholders. Foreign ownership of the entire share capital was 13.0 (31 December 2012: 9.3) per cent.

Raisio plc's market capitalisation at the end of June amounted to EUR 576.3 (31 December 2012: 509.3) million and, excluding the shares held by the company, to EUR 557.8 (31 December 2012: 493.1) million.

During the review period, a total of 19,138 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 131,121,002 while the number of restricted shares was 34,028,028. The share capital entitled to 811,681,562 votes.

At the end of the review period, Raisio plc held 5,054,690 free shares and 212,696 restricted shares acquired in 2005-2012 based on the authorisations given by the Annual General Meetings. The management-owned Reso Management Oy of which, on the basis of the agreements, Raisio plc is seen to have the control, and which is thus regarded as a subsidiary, owns 4,482,740 free shares. The number of free shares held by Raisio plc and Reso Management Oy accounts for 7.3 per cent of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.6 per cent. In all, the company shares held by these companies represent 5.9 per cent of the entire share capital and 1.7 per cent of overall votes. Other Group companies hold no Raisio plc shares. A share in Raisio held by the company itself or by its subsidiary does not entitle the holder to participate in the AGM.

The repurchase of own shares initiated in June 2012 ended on 22 March 2013.

Raisio plc and its subsidiaries do not have any shares as collateral and did not have any in the review period.

In the review period, a total of 4,543 free shares were assigned to the Chairman and members of the Board as part of the compensation for managing their duties, in line with the decision taken by the AGM in 2013.

The Raisio Group Research Foundation holds 150,510 restricted shares, which is 0.44 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.37 per cent of the votes it represents.

Authorisations to repurchase own shares and issue shares

On 27 March 2013, the Annual General Meeting (AGM) authorised the Board of Directors to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. The authorisation will be valid until 30 April 2014.

Furthermore, the AGM authorised the Board of Directors to decide on the share issues (1) by disposing of all of the company shares and any potentially repurchased own shares, a maximum total of 11 521,929 shares, 1,462,696 of which can be restricted shares, and (2) by issuing a maximum of 20,000,000 new free shares against payment. The share issue authorisations will expire on 27 March 2018 at the latest.

The details of the authorisations are available in the stock exchange release published on 12 February 2013.

In the review period, the Board has not exercised its authorisation to issue shares, repurchase own shares or accept own shares as collateral.

The authorisation to repurchase own shares and to issue shares given by the AGM in 2012 expired on 27 March 2013.

Decisions made at the Annual General Meeting

Raisio plc's AGM held on 27 March 2013 approved the financial statements for the financial year 1 January - 31 December 2012 and granted the members of the Board of Directors and the Supervisory Board as well as the Chief Executive Officer discharge from liability. The AGM approved the Board of Directors' proposal to pay a dividend of EUR 0.12 per share, which was paid to the shareholders on 10 April 2013.

A Stock Exchange Release was published on 27 March 2013 concerning the decisions made by the Meeting, in addition to which the decisions were described in the Interim Report of January-March.

Events after the review period

<u>Protection of Benemilk patent applications complemented by 10 new patent applications</u>

Raisio published a stock exchange release on 1 August 2013 stating that Benemilk's patenting process is proceeding on schedule as certain initial Benemilk-related patent applications became public on 1 August 2013. These applications are related to Benemilk compound feeds and concentrates as well as to improved milk composition.

Benemilk Oy has filed a total of 10 new international patent applications related to the Benemilk invention by 31 July 2013. New patent applications will complement the already pending applications filed in early 2012. Several of the newly filed patent applications are for new innovations and all related to the Benemilk invention.

Raisio and Intellectual Ventures anticipate that Benemilk Oy will file additional patent applications by the end of 2013. This could potentially double the number of patent applications. The company also has plans to file further patent applications related to the Benemilk invention in 2014.

In the UK, snack bar production streamlined

Raisio continues to improve efficiency in its Western European operations. After the review period, in August 2013, Raisio decided to centralise the snack bar production of Tywyn factory to Newport site. It is currently estimated that the reorganisation will result in a one-off item of about EUR 3 million for the third quarter of the year. Annual cost savings are expected to be approximately EUR 1.4 million.

Risks and sources of uncertainty in the near future

Uncertainty in the international economic development will continue. Last year, the eurozone economy contracted and a slow decline continued at the beginning of 2013. Finding sustainable solutions to the states' debt problems is probably continuing to maintain the situation uncertain and growth can be expected in 2014 at the earliest. Despite the generally uncertain situation, we believe that the grocery trade will remain relatively stable compared to many other industries.

Volatility in raw material prices is estimated to remain at a high level. Slowing economic growth and potentially good harvests may calm down the price development but, on the other hand, extreme weather events resulting from climate warming may cause sudden changes in harvest expectations and price levels of various agricultural commodities. Importance of risk management, both for value and volume, will remain significant in terms of profitability also in future.

Raisio’s growth phase is a period of changes, during which several of the company's activities are developed and business management is considerably more challenging than in ordinary circumstances. Growth and rationalisation projects may still cause substantial costs in relation to the company size.

EBIT guidance unchanged

Raisio continues to expect solid improvement in EBIT over 2012. In the next harvest season, grain and oilseed price levels appear to remain at lower levels than in the comparison year, which directly affects particularly Raisioagro’s net sales. The Group’s net sales are estimated to be slightly lower than last year.

Guidance for 2013 given in the Financial Statements Bulletin 2012

Raisio anticipates moderate net sales growth and expects solid improvements in EBIT over 2012.

In Raisio, 13 August 2013

RAISIO PLC

Board of Directors

Further information:
Matti Rihko, CEO, tel. +358 400 830 727
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Heidi Hirvonen, Communications and IR Manager, tel. +358 50 567 3060

A press and analyst event in Finnish will be arranged on 13 August 2013 at 2:00 p.m. Finnish time in Helsinki. It will be held at Hotel Scandic Simonkenttä, in the Espa meeting room. The address is Simonkatu 9, Helsinki.

CEO's video, where he sums up Raisio's second quarter, will be made available in English at our web site at www.raisio.com**.**

The interim report has not been audited.

CONDENSED FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT (M€)

	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	2012
CONTINUING OPERATIONS:					
Net sales	148.6	150.6	276.9	285.6	584.1
Expenses corresponding to products sold	-122.1	-124.3	-226.7	-237.0	-488.8
Gross profit	26.5	26.3	50.2	48.6	95.2
Other operating income and expenses, net	-16.2	-15.7	-31.8	-31.3	-63.6
EBIT	10.4	10.6	18.4	17.3	31.7
Financial income	0.0	0.5	0.5	1.3	1.9
Financial expenses	-0.8	-11.1	-1.6	-12.4	-17.9
Share of result of associates and joint ventures	0.0	0.0	0.0	0.0	-0.1
Result before taxes	9.5	0.0	17.2	6.3	15.6
Income taxes	-2.2	-2.5	-4.0	-4.1	-4.0
RESULT FOR THE PERIOD	7.3	-2.5	13.2	2.2	11.7
Attributable to:					
Equity holders of the parent company	7.4	-2.4	13.4	2.5	12.0
Non-controlling interests	-0.1	-0.1	-0.2	-0.2	-0.3
Earnings per share from the profit attributable to equity holders of the parent company (€)					
Undiluted earnings per share	0.05	-0.02	0.09	0.02	0.08
Diluted earnings per share	0.05	-0.02	0.09	0.02	0.08

COMPREHENSIVE INCOME STATEMENT (M€)

	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	2012
Result for the period	7.3	-2.5	13.2	2.2	11.7
Other comprehensive income items after taxes					
Items that may be subsequently transferred to profit or loss					
Hedging of net investments	0.0	-0.2	0.0	-0.2	-0.5
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Cash flow hedge	0.1	-0.1	0.5	0.0	0.1
Translation differences	-1.6	2.7	-4.3	2.5	1.4
Comprehensive income for the period	5.8	-0.2	9.4	4.5	12.7
Components of comprehensive income:					
Equity holders of the parent company	5.8	-0.1	9.5	4.7	13.0
Non-controlling interests	-0.1	-0.1	-0.2	-0.2	-0.3

BALANCE SHEET (M€)

	30.6.2013	30.6.2012	31.12.2012
ASSETS			
Non-current assets			
Intangible assets	37.4	39.3	39.7
Goodwill	106.0	106.9	111.2
Property, plant and equipment	113.3	116.2	123.4
Shares in associates and joint ventures	0.8	0.9	0.7
Available-for-sale financial assets	2.7	2.3	2.3
Receivables	0.1	2.2	0.2
Deferred tax assets	2.8	2.7	2.4
Total non-current assets	263.0	270.5	279.9
Current assets			
Inventories	94.1	89.6	92.7
Accounts receivables and other receivables	80.7	78.5	82.0
Financial assets at fair value through profit or loss	48.2	93.7	56.3
Cash in hand and at banks	15.0	22.6	6.8
Total current assets	238.0	284.4	237.7
Total assets	501.0	555.0	517.6
SHAREHOLDER'S EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Company shares	-20.5	-20.1	-20.5
Other equity attributable to equity holders of the parent company	309.6	310.5	319.0
Equity attributable to equity holders of the parent company	316.9	318.2	326.3
Non-controlling interests	1.2	1.4	1.0
Total shareholder's equity	318.1	319.6	327.3
Non-current liabilities			
Deferred tax liabilities	13.7	16.7	14.1
Pension contributions	0.2	0.2	0.2
Provisions	0.2	0.3	0.2
Non-current financial liabilities	43.8	66.3	55.5
Derivative contracts	1.2	1.8	1.7
Other non-current liabilities	0.1	0.1	0.1
Total non-current liabilities	59.1	85.4	71.8
Current liabilities			
Accounts payable and other liabilities	82.4	89.0	95.6
Provisions	0.0	0.3	0.0
Derivative contracts	0.2	3.5	0.3
Current financial liabilities	41.2	57.2	22.6
Total current liabilities	123.8	149.9	118.5
Total liabilities	182.9	235.4	190.3
Total shareholder's equity and liabilities	501.0	555.0	517.6

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Re-serve fund	Com-pany shares	Trans-lation diffe-rences	Other re-serves	Re-tained ear-nings	Total	Non-con-trolling interests	Total equity
Equity on 31.12.2011	27.8	2.9	88.6	-19.5	-0.7	0.2	232.5	331.7	1.1	332.9
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	2.5	2.5	-0.2	2.2
Other comprehensive income items (adusted for tax effects)										
Hedging of net investment	-	-	-	-	-0.2	-	-	-0.2	-	-0.2
Financial assets available for sale	-	-	-	-	-	0.0	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-	0.0	-	0.0	-	0.0
Translation differences	-	-	-	-	2.5	-	-	2.5	-	2.5
Total comprehensive income for the period	0.0	0.0	0.0	0.0	2.3	-0.1	2.5	4.7	-0.2	4.5
Business activities involving shareholders										
Dividends	-	-	-	-	-	-	-17.6	-17.6	0.5	-17.1
Repurchase of company shares	-	-	-	-0.7	-	-	-	-0.7	-	-0.7
Share-based payment	-	-	-	0.0	-	-	0.0	0.1	-	0.1
Total business activities involving shareholders	0.0	0.0	0.0	-0.6	0.0	0.0	-17.6	-18.2	0.5	-17.7
Equity on 30.6.2012	27.8	2.9	88.6	-20.1	1.5	0.1	217.4	318.2	1.4	319.6
Equity on 31.12.2012	27.8	2.9	88.6	-20.5	0.2	0.2	227.0	326.3	1.0	327.3
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	13.4	13.4	-0.2	13.2
Other comprehensive income items (adusted for tax effects)										
Available-for-sale financial assets	-	-	-	-	-	0.0	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-	0.5	-	0.5	-	0.5
Translation differences	-	-	-	-	-4.3	-	-	-4.3	-	-4.3
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-4.3	0.5	13.4	9.5	-0.2	9.4
Business activities involving shareholders										
Dividends	-	-	-	-	-	-	-19.1	-19.1	0.4	-18.6
The share acquired from the non-controlling interest	-	-	-	-	-	-	-	0.0	0.0	0.0
Share-based payment	-	-	-	0.0	-	-	0.1	0.1	-	0.1
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	-19.0	-19.0	0.4	-18.5
Equity on 30.6.2013	27.8	2.9	88.6	-20.5	-4.1	0.7	221.5	316.9	1.2	318.1

CASH FLOW STATEMENT (M€)

	1-6/2013	1-6/2012	2012
Result before taxes, continuing operations	17.2	6.3	15.6
Adjustments	8.6	19.3	33.0
Cash flow before change in working capital	25.8	25.6	48.6
Change in accounts receivables and other receivables	-1.1	-3.7	-4.6
Change in inventories	-2.4	-8.8	-8.3
Change in current non-interest-bearing liabilities	-10.9	-5.6	-4.7
Total change in working capital	-14.4	-18.1	-17.7
Financial items and taxes	-4.8	-3.3	-10.0
Cash flow from business operations	6.6	4.2	20.9
Investments in fixed assets	-5.0	-6.1	-10.0
Divestment of subsidiaries	0.0	0.0	0.0
Acquisition of subsidiaries	0.0	0.0	-46.2
Proceeds from sale of fixed assets	5.6	0.1	0.1
Investments on marketable securities	-0.3	-0.1	-0.1
Sales of securities	0.0	0.0	0.2
Loans granted	0.0	-0.4	-0.8
Repayment of loan receivables	0.1	0.2	0.2
Cash flow from investments	0.4	-6.3	-56.6
Change in non-current loans	-11.5	-4.6	-23.2
Change in current loans	20.5	-0.3	-2.0
Repurchase of company shares	0.0	-0.7	-1.0
Dividend paid to equity holders of the parent company	-18.5	-17.0	-17.0
Cash flow from financial operations	-9.5	-22.7	-43.2
Change in liquid funds	-2.5	-24.8	-78.9
Liquid funds at the beginning of the period	61.9	140.5	140.5
Effects of changes in foreign exchange rates	0.1	0.4	0.7
Impact of change in market value on liquid funds	-0.1	-0.1	-0.4
Liquid funds at end of period	59.4	116.0	61.9

NOTES TO THE FINANCIAL STATEMENTS REPORT

This interim report has been prepared in compliance with IAS 34 Interim Financial Reporting according to the same principles and calculation methods as used in financial statements 2012 with the exception of the EU approved amendments to existing IFRS standards introduced on 1 January 2013. The standard amendments have not affected the consolidated financial statements.

Amendment to IAS 1 Presentation of Items of Other Comprehensive Income
Amendment to IAS 12 Treatment of Deferred Tax
Amendment to IAS 19 Employee Benefits
Amendment to IFRS 7 Financial instruments: Disclosures
IFRS 13 Fair Value Measurement
Annual Improvements to IFRSs

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual figures may differ from these estimates.

Interim report is shown in EUR millions.

SEGMENT INFORMATION

The reported segments are Brands and Raisioagro. Brands segment consists of Licensed brands unit and Consumer brands unit. Under the segment, the Group reports Benecol business as well as Northern, Western and Eastern European food operations. Raisioagro includes feeds, grain trade, protein meals, vegetable oils, farming supplies.

NET SALES BY SEGMENT (M€)

	4-6/2013	4-6/2012	1-6/2013	1-6/2012	2012
Brands	78.1	85.6	153.3	166.8	329.5
Raisioagro	70.9	65.3	124.4	119.4	255.7
Other operations	0.3	0.5	0.6	0.9	2.0
Interdivisional net sales	-0.7	-0.8	-1.5	-1.5	-3.1
Total net sales	148.6	150.6	276.9	285.6	584.1

EBIT BY SEGMENT (M€)

	4-6/2013	4-6/2012	1-6/2013	1-6/2012	2012
Brands	10.5	11.0	19.9	20.0	34.9
Raisioagro	1.3	0.4	0.7	-1.4	-0.7
Other operations	-1.4	-0.7	-2.3	-1.3	-2.5
Eliminations	0.0	0.0	0.0	0.0	0.0
Total EBIT	10.4	10.6	18.4	17.3	31.7

NET ASSETS BY SEGMENT (M€)

	30.6.2013	30.6.2012	31.12.2012
Brands	254.8	249.7	271.7
Raisioagro	88.8	82.1	74.3
Other operations and unallocated items	-25.5	-12.1	-18.8
Total net assets	318.1	319.6	327.3

INVESTMENTS BY SEGMENT (M€)

	4-6/2013	4-6/2012	1-6/2013	1-6/2012	2012
Brands	1.9	1.0	2.7	4.6	21.2
Raisioagro	0.7	0.4	1.3	0.7	2.0
Other operations	0.5	0.4	0.7	0.7	1.4
Eliminations	0.0	0.0	0.0	0.0	0.0
Total investments	3.0	1.8	4.8	6.0	24.6

NET SALES BY MARKET AREA (M€)

	4-6/2013	4-6/2012	1-6/2013	1-6/2012	2012
Finland	73.0	73.9	139.7	140.5	296.0
Great Britain	34.2	41.1	65.0	76.2	149.8
Rest of Europe	38.7	30.1	66.3	61.6	127.3
ROW	2.6	5.6	5.9	7.2	10.9
Total	148.6	150.6	276.9	285.6	584.1

ACQUIRED BUSINESS OPERATIONS

In 2012

Candy Plus

On 13 November 2012, Raisio plc announced the acquisition of a Czech Candy Plus s.a. confectionery company. The company has four subsidiaries.

Candy Plus is a company founded in 2000 and owned by private investors. Confectionery brands of the company in its home market, Czech, include brands such as Juicee Gummee, Fundy, Pedro and Cuksy. The product range includes the faster growing product categories of soft-eating and higher-fruit jellies, liquorice and functional confectionery.

Results of Candy Plus' companies have been reported as part of Raisio's Brands segment as from 13 November 2012.

The purchase price paid was 14.1 M€. The fees of lawyers, advisors and outside valuators related to the deal amounted to a total of 0.6 M€, which has been recorded as administration costs of the Brands segment in the income statement of 2012.

The acquisition resulted in goodwill of 5.5 M€. Goodwill is resulted from the income expectations of the local operations, based on the business entity's historical earning power and view of maintaining and improving the level of earnings. The goodwill recognised is not deductible for tax purposes in any respect.

Receivables acquired in conjunction of operations do not include irrecoverable items.

Raisio Group's net sales for January-December 2012 would have been 605.4 M€ and pre-tax result excluding one-off items 34.3 M€ if the acquisition of business operations completed during the financial year had been combined with the consolidated financial statement from the beginning of the financial year 2012. Post-acquisition net sales of subgroup Candy Plus totalled 3.2 M€ and pre-tax result was -0.2 M€.

The accounting treatment for the consolidation of Candy Plus business has not yet been completed at the closing date.

Sulma

On 20 March 2012, Raisio announced the acquisition of Polish Sulma Sp. z o.o's pasta and grit operations. The operations were acquired by Raisio's Group company in Poland, Raisio sp. z o.o. The value of the deal was 2.4 M€ (PLN 9.8 million). In connection with the deal, pasta and grits operations including intellectual property rights as well as fixed and current assets were transferred to Raisio. Raisio did not assume liabilities as part of the acquisition. The acquisition did not generate any goodwill.

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

	Candy Plus	Sulma	Yhteensä
Property, plant and equipment	11.2	1.9	13.0
Trade marks	0.0	0.1	0.1
Other intangible assets	1.4		1.4
Deferred tax assets	0.3		0.3
Inventories	3.8	0.4	4.2
Accounts receivables and other receivables	5.1		5.1
Cash in hand and at banks	0.7		0.7
Total assets	22.4	2.4	24.8
Deferred tax liabilities	0.9		0.9
Non-current financial liabilities	2.9		2.9
Other non-current liabilities	0.0		0.0
Current interest-bearing liabilities	4.2		4.2
Other liabilities	5.8		5.8
Total liabilities	13.8	0.0	13.8
Net assets	8.6	2.4	11.0
Cash paid	14.0	2.4	16.4
Liabilities at the closing date	0.1		0.1
Acquisition price	14.1	2.4	16.5
Goodwill	5.5	0.0	5.5
Purchase price paid in cash	14.0	2.4	16.4
Financial assets of the acquired subsidiary	0.7		0.7
Cash flow generation	13.3	2.4	15.7

Changes in goodwill

	1-6/2013	1-6/2012	2012
Carrying amount of goodwill at the beginning of the review period	111.2	103.3	103.3
Translation differences	-5.2	3.6	2.5
Business combinations	0.0	0.0	5.5
Carrying amount of goodwill at the end of the review period	106.0	106.9	111.2

TANGIBLE ASSETS (M€)

	30.6.2013	30.6.2012	31.12.2012
Acquisition cost at the beginning of the period	410.7	386.9	386.9
Conversion differences	-3.9	2.9	1.2
Increase	4.3	5.1	24.2
Decrease	-32.6	-0.5	-1.6
Acquisition cost at end of period	378.4	394.4	410.7
Accumulated depreciation and impairment at the beginning of the period	287.3	269.8	269.8
Conversion difference	-1.9	1.6	0.5
Increase	0.0	0.0	3.7
Decrease and transfers	-27.3	-0.5	-1.3
Depreciation for the period	6.9	7.2	14.6
Accumulated depreciation and impairment at end of period	265.0	278.2	287.3
Book value at end of period	113.3	116.2	123.4

PROVISIONS (M€)

	30.6.2013	30.6.2012	31.12.2012
At the beginning of the period	0.2	1.4	1.4
Increase in provisions	0.0	0.0	0.0
Provisions used	0.0	-0.8	-1.2
At end of period	0.2	0.6	0.2

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	30.6.2013	30.6.2012	31.12.2012
Sales to associates and joint ventures	0.0	5.3	9.5
Purchases from associates and joint ventures	0.0	0.1	0.1
Sales to key employees in management	0.1	0.0	0.2
Purchases from key employees in management	0.5	0.4	0.9
Receivables from associates and joint ventures	0.0	0.9	0.4
Liabilities to associates and joint ventures	0.0	0.0	0.1
Receivables from the key persons in the management	10.8	11.7	10.6

CONTINGENT LIABILITIES (M€)

	30.6.2013	30.6.2012	31.12.2012
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	6.5	7.8	7.3
Contingent liabilities for the company			
Contingent liabilities for others			
Guarantees	0.0	0.0	0.0
Other liabilities	2.5	2.6	2.5
Commitment to investment payments	0.2	0.7	0.5

DERIVATIVE CONTRACTS (M€)

	30.6.2013	30.6.2012	31.12.2012
Nominal values of derivative contracts			
Currency forward contracts	94.6	56.8	65.1
Interest rate swaps	39.4	55.0	48.2
Raw material futures	0.8		

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES:

The table shows carrying amounts and fair values for each item. Carrying amounts correspond the consolidated balance sheet values. The principles used by the Group for measuring the fair value of all financial instruments are presented below.

	Carrying amount 30.6.2013	Fair value 30.6.2013	Carrying amount 31.12.2012	Fair value 31.12.2012
Financial assets				
Financial assets available for sale*)	2.7	2.7	2.3	2.3
Loan receivables	0.1	0.1	0.2	0.2
Accounts receivables and other receivables	72.8	72.8	74.0	74.0
Investments recorded at fair value through profit or loss*)	44.4	44.4	55.1	55.1
Liquid funds	15.0	15.0	6.8	6.8
Derivatives*)	3.8	3.8	1.2	1.2
Financial liabilities				
Bank loans	64.1	65.6	77.7	78.9
Financial liabilities recorded at fair value through profit or loss*)	20.0	20.0	0.0	0.0
Other loans	0.9	0.9	0.3	0.3
Financial leasing liabilities	0.0	0.0	0.0	0.0
Accounts payable and other liabilities	69.2	69.2	76.0	76.0
Derivatives*)	1.4	1.4	2.0	2.0

Fair value hierarchy of financial assets and liabilities measured at fair value
With the exception of the financial assets available for sale, all other financial assets and liabilities measured at fair value *) are on level 2. Fair value of the items on level 2 is defined by valuation techniques using valuations provided by the service provider’s market pricing. Financial assets available for sale are on level 3 because their fair value is not based on observable market data.

QUARTERLY PERFORMANCE (M€)

	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
Net sales by segment						
Brands	78.1	75.2	76.5	86.2	85.6	81.1
Raisioagro	70.9	53.5	61.3	75.0	65.3	54.1
Other operations	0.3	0.3	0.5	0.5	0.5	0.5
Interdivisional net sales	-0.7	-0.8	-0.8	-0.7	-0.8	-0.7
Total net sales	148.6	128.3	137.5	161.0	150.6	135.0
EBIT by segment						
Brands	10.5	9.4	5.7	9.2	11.0	9.0
Raisioagro	1.3	-0.6	-0.5	1.2	0.4	-1.8
Other operations	-1.4	-0.8	-0.8	-0.4	-0.7	-0.6
Eliminations	0.0	0.0	0.0	0.0	0.0	0.0
Total EBIT	10.4	8.0	4.5	9.9	10.6	6.6
Financial income and expenses, net	-0.8	-0.4	-2.7	-2.3	-10.7	-0.3
Share of result of associates	0.0	0.0	0.0	-0.1	0.0	0.0
Result before taxes	9.5	7.7	1.8	7.5	0.0	6.3
Income tax	-2.2	-1.8	0.1	0.1	-2.5	-1.6
Result for the period from continuing operations	7.3	5.9	1.9	7.6	-2.5	4.7

KEY INDICATORS

	30.6.2013	30.6.2012	31.12.2012
Net sales, M€	276.9	285.6	584.1
Change of net sales, %	-3.0	4.9	5.7
Operating margin, M€	25.9	25.6	48.3
Depreciation and impairment, M€	7.6	8.3	16.6
EBIT, M€	18.4	17.3	31.7
% of net sales	6.6	6.1	5.4
Result before taxes, M€	17.2	6.3	15.6
% of net sales	6.2	2.2	2.7
Return on equity, ROE, %	8.2	1.4	3.5
Return on investment, ROI, %	9.1	3.7	4.5
Interest-bearing financial liabilities at end of period, M€	85.0	123.6	78.0
Net interest-bearing financial liabilities at end of period, M€	25.5	7.5	16.2
Equity ratio, %	63.9	58.1	64.1
Net gearing, %	8.0	2.4	4.9
Gross investments, M€	4.8	6.0	24.6
% of net sales	1.7	2.1	4.2
R & D expenses, M€	3.5	3.5	6.9
% of net sales	1.3	1.2	1.2
Average personnel	1,962	1,512	1,587
Earnings/share from continuing operations, €	0.09	0.02	0.08
Cash flow from operations/share, €	0.04	0.03	0.13
Equity/share, €	2.04	2.05	2.10
Average number of shares during the period, in 1,000s*)			
Free shares	121,575	121,672	121,568
Restricted shares	33,819	34,000	33,967
Total	155,395	155,671	155,535
Average number of shares at end of period, in 1,000s*)			
Free shares	121,584	121,544	121,560
Restricted shares	33,815	33,987	33,834
Total	155,399	155,531	155,394
Market capitalisation of shares at end of period, M€*)			
Free shares	426.8	306.3	374.4
Restricted shares	115.3	85.0	104.9
Total	542.1	391.3	479.3
Share price at end of period			
Free shares	3.51	2.52	3.08
Restricted shares	3.41	2.50	3.10

*) Number of shares, excluding the shares held by the company and shares held by Reso Management Oy

CALCULATION OF INDICATORS

Return on equity (ROE), %	Result before taxes – income taxes*) --- x 100 Shareholders' equity (average over the period)
Return on investment (ROI), %	Result before taxes + financial expenses*) --- x 100 Shareholders' equity + interest-bearing financial liabilities (average over the period)
Equity ratio, %	Shareholders' equity -- x 100 Balance sheet total – advances received
Net interest-bearing financial liabilities	Interest-bearing financial liabilities - liquid funds and liquid financial assets at fair value through profit or loss
Net gearing, %	Net interest-bearing financial liabilities -- x 100 Shareholders' equity
Earnings per share*)	Result for the year of parent company shareholders -- Average number of shares for the year, adjusted for share issue**)
Cash flow from business operations per share	Cash flow from business operations --- Average number of shares for the year, adjusted for share issue
Shareholders' equity per share	Equity of parent company shareholders --- Number of shares at end of period adjusted for share issue***)
Market capitalisation	Closing price, adjusted for issue x number of shares without company shares at the end of the period***)

*)The calculation of key indicators uses continuing operations result
**)Excluding shares with a potential return obligation and shares held by Reso Management Oy
***)Shares held by Reso Management Oy have been subtracted from the total number of shares