

RAISIO'S OPERATING RESULT DEEP IN THE RED

- Turnover from continuing operations increased slightly in 2006, amounting to EUR 436.3 million (2005: EUR 434.6 million).
- Operating result from continuing operations, excluding one-off items, amounted to EUR -6.0 million (2005: EUR 9.1 million). Operating result as reported in the financial statements amounted to EUR -38.5 million (EUR -10.9 million).
- Earnings per share (EPS) from continuing operations, excluding one-off items, was EUR -0.03 (EUR 0.05). Reported EPS was EUR -0.28 (EUR -0.04). The Board of Directors proposes a dividend of EUR 0.03 per share.
- Raisio's main target in 2007 is to improve profitability. Measures to streamline business operations have also been adopted.
- Operating result for 2007, excluding one-off items, is expected to improve and be clearly profitable thanks to the implemented enhancing and rationalisation measures and structural policies.

Figures for the comparison period are given in brackets.

Key figures, result from continuing operations

	10-12/ 2006	10-12/ 2005	7-9/ 2006	4-6/ 2006	1-3/ 2006	2006	2005
Turnover, EUR million	107.8	112.9	113.8	115.3	99.3	436.3	434.6
Operating result, EUR million*	-6.3	-1.7	2.1	-0.3	-1.5	-6.0	9.1
% of turnover*	-5.8	-1.5	1.9	-0.3	-1.5	-1.4	2.1
Result before taxes, EUR million*	-5.6	-1.7	2.3	0.1	-0.9	-4.2	10.9
Earnings per share, EUR*	-0.03	0.00	0.01	0.00	-0.01	-0.03	0.05

* excluding one-off items

Key figures, balance sheet, continuing operations

	31.12.06	30.9.06	30.6.06	31.3.06	31.12.05
Return on investment, %	-12.2	1.6	1.0	-0.5	-1.3
Equity ratio, %	75.0	77.9	79.5	76.9	76.8
Gearing, %	-19.1	-21.6	-14.7	-19.7	-25.0
Equity per share, EUR	1.73	2.02	1.99	1.99	2.06

Matti Rihko, Chief Executive Officer

"A year of many changes in Raisio, was concluded with efforts to improve profitability. Significant changes also took place in senior management and the Board of Directors in 2006.

Raisio's Food Division's operations have been scattered, which has made it difficult to manage performance. Despite rationalisation measures, the Food Division's result was deeply unprofitable as well as the result of the Diagnostics Division. Exceptions to these are the Feed & Malt and Ingredients Divisions, which are clearly structured and have performed well.

Raisio's main target for 2007 is to improve profitability by streamlining, focusing and enhancing operations."

FOURTH QUARTER

Raisio's fourth-quarter turnover in 2006 was down on the comparison period, totalling EUR 107.8 million (EUR 112.9 million). Turnover from the Food Division was EUR 53.6 million (EUR 55.8 million), Feed & Malt EUR 46.7 million (EUR 47.2 million), Ingredients EUR 10.1 million (EUR 12.9 million) and Diagnostics EUR 2.4 million (EUR 2.3 million).

Turnover for business operations, EUR million

	10-12/ 2006	10-12/ 2005	7-9/ 2006	4-6/ 2006	1-3/ 2006	2006	2005
Food	53.6	55.8	53.2	54.3	50.7	211.8	210.2
Margarines and soy-oat products	29.2	31.9	29.9	30.6	28.8	118.6	117.9
Milling products	20.8	20.7	19.7	18.0	19.6	78.1	77.0
Potato products	3.6	4.0	3.7	4.9	3.4	15.6	18.5
Other	-	-	-	0.1	-	-	-
Internal sales	-0.1	-0.7	-0.1	0.7	-1.1	-0.4	-3.1
Feed & Malt	46.7	47.2	50.9	50.3	38.6	186.5	186.2
Feeds	42.9	40.5	45.6	40.8	36.1	165.3	163.6
Malt	3.9	6.7	5.3	8.5	2.3	20.0	21.4
Other	0.1	0.1	0.2	1.2	0.3	1.7	2.0
Internal sales	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5	-0.8
Ingredients	10.1	12.9	12.6	13.8	13.2	49.7	50.2
Diagnostics	2.4	2.3	2.1	2.3	2.2	9.0	8.8
Other	0.2	0.6	0.2	0.1	0.2	0.6	1.3
Other inter-division	-5.0	-5.7	-5.2	-5.5	-5.6	-21.3	-22.2
Total	107.8	112.9	113.8	115.3	99.3	436.3	434.6

Business profitability decreased clearly and considerable write-downs on fixed assets, goodwill and investments pushed the result deep into the red. The operating result reported for the fourth quarter was EUR -40.6 million (EUR -21.6 million), including one-off expenses of EUR 34.3 million (EUR 19.9 million). The report of the Board of Directors describe the write-downs and their background in more detail.

Excluding one-off items, the fourth-quarter operating result amounted to EUR -6.3 million (EUR -1.7 million). The Food Division's losses deepened and ended at EUR -5.5 million (EUR -1.8 million), excluding one-off items. The most significant performance drops were registered in the soy-oat, milling and Polish businesses. Raisio's margarine sales in Sweden also continued to decrease. The operating result in Ingredients was EUR 1.5 million (EUR 2.7 million), and in Feed & Malt EUR 0.5 million (EUR 1.2 million) excluding one-off items. The Diagnostics Division's operating result, excluding one-off items, amounted to EUR -0.6 million (EUR -0.9 million). The shortage of domestic grain raw material still caused price pressures for Raisio.

Research and development expenses in the fourth quarter totalled EUR 3.0 million (EUR 2.6 million), or 2.8% of turnover. Investments were EUR 9.6 million (EUR 15.5 million), or 8.9% of turnover.

The post-tax result reported for the fourth quarter amounted to EUR -46.6 million (EUR -15.6 million) and, excluding one-off items, to EUR -5.4 million (EUR 0.5 million).

EVENTS AFTER THE REVIEW PERIOD

In January 2007 Raisio's Board of Directors decided that the company would divest its diagnostics business.

According to the resolution made by the Assessment Adjustment Board of the Tax Office for Major Corporations in November 2006, the sales profit from the divestment of Raisio's chemicals business, totalling some EUR 220 million, are free of tax. In January 2007, Raisio was requested to submit a rejoinder to the appeal filed by the tax agent concerning the said resolution. Raisio's stand, supported by the expert statements obtained by the company, remains the same: the sales profit is free of tax.

No auditors' report has been issued concerning the financial review.

Raisio stated in February 2007 that the company divests its food potato business in Vihanti. The transaction is to be completed in the first half of 2007.

As a result of assessment of foreign investment projects started in December 2006, Raisio stated in February 2007 that the company has initiated negotiations on a withdrawal from a currently planned project concerning the construction of a flake mill in Burunduk, Russia. The decision is based on a considerable increase in investment costs, which is expected to result in the project no longer meeting the original revenue requirements. To cover the probable risks related to changes to be made to the project agreements, the company will include a write-down of approximately EUR 5.8 million in the financial statements for 2006.

RAISIO PLC

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A press and analyst event will be organised on Monday, 12 February 2007, at 3:00 p.m. Finnish time in the Helsinki WTC, at Aleksanterinkatu 17, Helsinki.

A teleconference in English will be held on 12 February 2007 at 4:30 p.m. Finnish time, tel. +358 (0)9 8248 2010, Pin code 0989.

Raisio plc's annual report will be published week 11, and the Annual General Meeting will be held on Friday, 30 March 2007. The interim report for January–March will be published on 3 May 2007, for January–June on 2 August 2007 and for January–September on 30 October 2007.

The Financial Review has not been audited.

REPORT OF THE BOARD OF DIRECTORS 2006

Raisio's vision is to be a forerunner and specialist in plant-based nutrition with leading brands. The Group's priorities are profitability, focusing, internationalisation and growth. The home market in foods consists of Finland and the Baltic Sea region, while in feeds and malt it includes Finland, Russia and the Baltic countries. Functional ingredients have global markets.

Year 2006 was characterised by slight growth in turnover and a steep downturn in profitability, despite the enhancing measures adopted in the company. Turnover decreased in all other operations except the feed, milling and diagnostics businesses. Raisio's most important investment decision in 2006 was to build a feed plant to Ylivieska. After taking the new plant into use the production will be closed down in Oulu. The joint venture of Raisio and Lännen Tehtaat, aiming to initiate production in north-western Russia, fell through due to the vendor withdrawing from the deal. Raisio will continue to study different alternatives to establish feed business in Russia. Raisio strengthened its market position in the Finnish retail trade, but its market position weakened, especially in Sweden and Poland. The shortage of domestic grain raw material caused price pressures for Raisio.

A strong balance sheet, good products and well-known brands provide a good ground to develop Raisio as a forerunner and specialist in plant-based nutrition.

TURNOVER

The Group's turnover from continuing operations in 2006 was EUR 436.3 million (EUR 434.6 million). Turnover increased in the Food, Diagnostics and Feed & Malt Divisions, while the Ingredients Division fell short of the comparison period.

Turnover from outside Finland represented 38.5% (37.3%) of the total, or EUR 168.1 million (EUR 162.0 million).

RESULT

The Group's operating result from continuing operations, excluding one-off items, amounted to EUR -6.0 million (EUR 9.1 million). The Food Division's operating result, excluding one-off items, was deep in the red. The operating results of both the Ingredients and Feed & Malt Divisions

were down on the comparison period. The Diagnostics Division remained in the red. Research and development expenses increased. Other operations were burdened, for example, by one-off items resulting from changes in management, as well as expenses of external specialists.

Depreciation, allocated to operations in the income statement, totalled EUR 22.5 million (EUR 24.5 million), excluding the one-off depreciation generated by write-downs.

The Group's result from continuing operations before taxes, excluding one-off items, totalled EUR -4.2 million (EUR 10.9 million), while earnings per share amounted to EUR -0.03 (EUR 0.05).

The reported result does not lend itself well to comparisons due to the considerable one-off items in the financial statements for both 2005 and 2006. The operating result from continuing operations in the review period was EUR -38.5 (EUR -10.9 million) and cash flow from business operations was EUR 15.1 million (EUR 5.6 million). The Group's net financial items, excluding one-off items, totalled EUR 2.2 million (EUR 2.7 million), and EUR -3.1 million (EUR 4.4 million) including one-off items. The associates' performance was strained by depreciation of goodwill totalling EUR 2.2 million.

Reported result after taxes for the period from continuing operations totalled EUR -44.7 million (EUR -5.4 million), while earnings per share amounted to EUR -0.28 (EUR -0.04). The period's taxes were EUR -0.5 million. No significant tax assets are recognised for write-downs. Return on investment amounted to -12.2% (-1.3%).

ONE-OFF ITEMS IN THE FINANCIAL STATEMENTS

Raisio's balance sheet items have been measured in compliance with the IFRS, using updated business plans and forecasts based on them. The measurements resulted in write-downs totalling EUR 31.8 million of which EUR 19.4 million involved tangible assets and EUR 11.3 million goodwill. The most significant write-downs concerned the goodwill of the Diagnostics business and margarine businesses in Finland, Sweden and Russia, as well as the machinery and equipment of the Finnish and Russian margarine plants, the soy-oat plant in Turku and the pure oats plant in Kokemäki.

Write-downs resulted from poor business profitability and weakened future forecasts with the exception that in soy-oat products' market is expected to grow.

As a result of assessment of foreign investment projects started in December 2006, Raisio stated in February 2007 that the company has initiated negotiations on a withdrawal from a currently planned project concerning the construction of a flake mill in Burunduk, Russia. To cover the probable risks related to changes to be made to the project agreements, Raisio included a write-down of EUR 5.8 million in the financial statements for 2006. The write-down is based on a considerable increase in investment costs, which is expected to result in the project no longer meeting the original revenue requirements.

The financial result includes one-off items consisting of a partial composition arrangement amounting to EUR 4.3 million concerning interest-bearing receivables related to the previously ceased sterol project, as well as EUR 1.0 million in write-downs concerning a stock investment and loan receivable related to the Diagnostics business.

The write-downs were split among the divisions as follows: Food EUR 23.9 million, Feed & Malt EUR 1.1 million, Diagnostics EUR 5.8 million.

In addition to these one-off expense items, Raisio recognised a one-off income item of EUR 1.8 million resulting from the contractual lease transfer of the plot that Raisio's feed plant in Oulu is currently located on. A one-off income item of EUR 3.6 million was also recognised in discontinued operations from the compensation related to Raisio's divested Chemicals business.

ONE-OFF ITEMS (EUR million)

	2006	2005
CONTINUING OPERATIONS:		
Food		
Write-downs	-21.7	-7.5
Withdrawal from the investment project	-5.8	-
Feed & Malt		
Write-downs	-1.1	-8.4
One-off income item	1.8	
Ingredients	-	-
Diagnostics		
Write-downs	-5.8	-5.1
Other operations	-	1.0
Impact on the operating result of continuing operations	-32.5	-19.9
Performance of associates	-2.2	-
Financial items	-5.3	1.7
Impact of one-off items on the result from continuing operations before taxes	-40.0	-18.2

INVESTMENTS

The Group's gross investments in 2006 totalled EUR 30.3 million (EUR 49.3 million), or 7.0% (11.3%) of turnover. Gross investments in the Food Division were EUR 16.2 million (EUR 31.2 million), in Feed & Malt EUR 5.5 million (EUR 5.0 million), Ingredients EUR 4.3 million (EUR 5.3 million), Diagnostics EUR 1.5 million (EUR 1.1 million) and other operations EUR 3.2 million (EUR 10.3 million).

BALANCE SHEET AND FINANCIAL POSITION

Raisio's balance sheet total was EUR 387.4 million (EUR 452.5 million) and shareholders' equity totalled EUR 290.4 million (EUR 347.3 million).

The Group's interest-bearing debt at the end of the financial period was EUR 23.2 million (EUR 36.1 million). The net interest-bearing debt totalled EUR -55.6 million (EUR -86.6 million). The equity ratio at the end of the year was 75.0% (76.8%), and the gearing ratio -19.1% (-25.0 %).

Working capital increased to EUR 96.7 million (EUR 86.6 million) due to an increase in inventory volumes.

DIVISIONS
Food

The turnover of Raisio's Food Division was up 0.8% on the previous year, amounting to EUR 211.8 million (EUR 210.2 million). Turnover increased in the milling business and in Russia. Raisio's margarine and potato sales continued to decrease in Finland. The same was true of margarine sales in Sweden and Poland.

The plant for soy and oat-based fresh products came on line in Turku in January. The sales of GoGreen products did not reach targets outside the Nordic countries in the first year, but the segment's sales in Finland and Europe are growing faster than sales in retail trade, at an approximate annual rate of 20%. In retail products, Raisio increased its market share, especially in yellow fats, flakes and pasta products. Raisio and Finn Cereal initiated joint production of Provena pure oats products in Kokemäki.

Operations were rationalised to pave the way for future profitability. Production at the margarine plant in Finland was adjusted through staff lay-offs. Business and material flow control was developed in all operations.

Turnover, EUR million

	2006	2005
Food	211.8	210.2
Margarines and soy-oat products	118.6	117.9
Milling products	78.1	77.0
Potato products	15.6	18.5
Other	-	-
Internal sales	-0.4	-3.1

The Food Division's operating result, excluding one-off items, amounted to EUR -11.9 million (EUR -0.4 million). It was strained by a weak steering process and underused production capacity. The division's reported operating result amounted to EUR -39.3 million (EUR -7.9 million), including a total of EUR 27.4 million (EUR 7.5 million) in write-downs. The most significant write-downs concerned the goodwill of margarine businesses in Finland, Sweden and Russia as well as the machinery and equipment of the soy-oat plant, the margarine plants in Finland and Russia, as well as pure oats production. The write-downs resulted from poor business profitability. In addition Raisio has initiated negotiations on a withdrawal from a currently planned project concerning the construction of a flake mill in Burunduk, Russia.

Raisio was not able to transfer the steep price increase in grain- and plant-based raw materials to consumer prices in the latter half of 2006. In Poland Raisio's market position weakened in yellow fats, and the commission sales of yoghurt drinks produced by Raisio's associate Obory did not meet the targets set for which reason the commission sales will be ceased during spring 2007.

In November, Raisio and Valio agreed on cooperation related to nutrition research.

Feed & Malt

The Feed & Malt Division's turnover totalled EUR 186.5 million (EUR 186.2 million). The feed business accounted for EUR 165.3 million and malt business for EUR 20.0 million. The overall market for farm feeds experienced a slight decrease in Finland, most of it taking place in cattle feeds. Fish feed exports to Russia saw steep growth. Malt markets were still characterised by intense price competition in the early part of the year. Bankruptcies and close-downs of malting plants did away with overcapacity in the field, which had a favourable impact on malt prices.

No auditors' report has been issued concerning the financial review.

Turnover, EUR million

	2006	2005
Feed and malt	186.5	186.2
Feeds	165.3	163.6
Malt	20.0	21.4
Other	1.7	2.0
Internal sales	-0.5	-0.8

Operating result, excluding one-off items, amounted to EUR 5.6 million (EUR 8.9 million). The reported operating result was EUR 6.3 million (EUR 0.5 million), including a write-down of EUR 1.1 million (EUR 8.4 million) and a one-off income item of EUR 1.8 million.

ZAO Scandic Feed, the 50/50 owned joint venture of Raisio and Lännen Tehtaat, was not able to carry through its plans to start production in Russia as the owner of ZAO Tosno Feed Factory withdrew from the deal.

Raisio invested in a new feed plant in Ylivieska. The construction work of the new plant in a key milk production area has started and the factory is expected to be completed in 2008.

Finnish grain crops fell short of the previous year's volumes, which raised the price of grain raw material at the end of the year. Raisio was unable to fully transfer the rise in expenses to the prices of the end products. A weak malt barley crop contributed to an increase in malt prices throughout the EU region, underscoring the importance of the availability of high-quality raw material up to the next crop season.

Ingredients

The Ingredients Division's turnover decreased to EUR 49.7 million (EUR 50.2 million). While the volume of ingredients sales increased, the sales prices in some geographic areas were lower than those in the comparison period.

Turnover, EUR million

	2006	2005
Ingredients	49.7	50.2

Operating result dropped to EUR 7.8 million (EUR 9.7 million). The large input of resources into jointly strengthening the Benecol brand with partners led to weaker profitability but will strengthen the brand's position in the future. Additional capacity was completed in Raisio and rationalisation measures were carried out at the Charleston plant.

Activities focused on ensuring future growth in Europe, South America and especially in Asia, where processes for obtaining sales permits are underway. The market for sterol-based ingredients is growing over 10% annually.

Raisio's partner, Ülker, launched Benecol products in Turkey. Raisio also began a trial marketing of Benecol margarine in Russia. The Frost & Sullivan research institute granted Benecol the "Brand Strategy Leadership Award" for high-quality development work of the Benecol brand.

Diagnostics

The Diagnostics Division's turnover increased, amounting to EUR 9.0 million (EUR 8.8 million).

Turnover, EUR million

	2006	2005
Diagnostics	9.0	8.8

The operating result of the Diagnostics Division, excluding one-off items, amounted to EUR -2.1 million (EUR -2.2 million). The reported operating result was EUR -7.9 million (EUR -7.3 million), including a goodwill write-down of EUR 5.8 million (EUR 5.1 million). As a separate unit and with current size Diagnostics has limited preconditions for profitable operation which constituted the reason for write-down.

The overall market for food diagnostics is growing by nearly 10% annually. Considerably faster growth has been recorded in the focal areas of food diagnostics: the markets for modern DNA and rapid testing. Raisio's speciality has been innovative food diagnostics methods that provide added value to customers. The first of these were launched at the end of 2006.

RESEARCH AND DEVELOPMENT

Research and development is one of Raisio's strategic priorities. In 2006, the Group focused on increasing the share of value-added products in its food range and on developing new, competitive products and feeding solutions for feed customers.

Raisio decentralised research and development last year, making R&D activities part of other businesses. The new operating model meets the needs of business areas better than before and offers cost savings. The company gave up its research centre in Viikki, and all research and development activities are now centrally located in Raisio.

The Group's research and development expenses in 2006 totalled EUR 11.2 million (EUR 10.3 million), or 2.6% (2.4%) of turnover.

Research and development expenses in the Food Division were EUR 5.6 million (EUR 2.8 million), in Feed & Malt EUR 1.5 million (EUR 1.0 million), in Ingredients EUR 2.9 million (EUR 2.1 million) and in Diagnostics EUR 1.1 million (EUR 1.2 million). The Group's strategic R&D, the expenses of which were recorded for other operations, amounted to EUR 0.1 million (EUR 3.2 million).

CORPORATE RESPONSIBILITY

Raisio is committed to taking responsibility for its operating environment. The target is for operations to stand on an ecologically, socially and financially solid basis now and in the future. Raisio's Corporate Responsibility Report will be published in conjunction with the Annual Report in March.

Raisio has no financial environmental risks recorded in the financial statements.

GOVERNANCE, MANAGEMENT AND PERSONNEL

In 2006, the Board of Directors had seven members until 29 November 2006 when the

Supervisory Board dropped the number to five and renewed the composition for the remainder of 2006, as well as for 2007. The Board of Directors consists of Simo Palokangas (Chairman), Anssi Aapola, Erkki Haavisto, Satu Lähteenmäki and Michael Ramm-Schmidt. The Board members are independent of the company and of significant shareholders.

The Chairman of Raisio's Supervisory Board is Juha Saura and its Vice Chairman is Holger Falck.

Rabbe Klemets acted as Raisio plc's Chief Executive Officer until November 2006. Matti Rihko, who took up the post as President of the Ingredients Division in August 2006 was appointed CEO of the Group as of 29 November 2006. He also continues to be in charge of the Ingredients Division. No deputy CEO was appointed.

Denis Mattsson was appointed President of Raisio's Food Division and member of the Executive Committee in May. Similarly, Leif Liedes, President of the Feed & Malt Division, was appointed member of the Executive Committee in May.

On the Executive Committee, three members left Raisio: Olavi Kuusela, Executive Vice President and Deputy CEO, in April 2006; Jukka Lavi, Executive Vice President, in September 2006; and Taru Narvanmaa, Executive Vice President, in December 2006.

On 31 December 2006, Raisio had 1,330 employees (1,396 in 2005 and 1,412 in 2004). Employees working abroad accounted for 34.5% (33.0%) of the personnel at the end of the year. The headcount was reduced by the streamlining programmes in the Food Division and service functions. At the end of the year, the Food Division had 825 employees, the Feed & Malt Division 285 employees, the Ingredients Division 72 employees, the Diagnostics Division 69 employees and Group administration 79 employees.

The wages and fees in 2006 totalled EUR 48.2 million (EUR 46.5 million in 2005 and EUR 48.2 million in 2004).

Personnel matters are reported in greater detail in Raisio's Corporate Responsibility Report.

SHARES AND SHAREHOLDERS

The number of Raisio V shares traded in 2006 totalled 64.3 million (109.6 million), which equals some 49% of the total volume. The value of share trading was EUR 121.1 million (EUR 250.4 million). The closing price of free shares on 29 December 2006 was EUR 1.79, while the average price over the year was EUR 1.88 (EUR 2.28). The price of the series V shares decreased by 21% from the beginning of the year.

A total of 1.5 million of Raisio's restricted shares (1.5 million) were traded over the year. The value of share trading was EUR 2.8 million (EUR 3.5 million). The closing price of the K shares on 29 December 2006 was EUR 1.80, while the average price over the year was EUR 1.91 (EUR 2.33). The price of the Series K shares decreased by 21% from the beginning of the year.

The share capital, including the company shares held by Raisio, had a market value of EUR 296.0 million at the end of 2006 (EUR 373.9 million).

At the end of the year, Raisio had 40,822 registered shareholders (42,953 registered shareholders). Approximately 0.5% of the shares remain outside the book-entry system.

Share repurchases made Raisio the largest owner of the company.

Raisio has no share-based incentive systems at the moment.

A description of the factors that are likely to have a material effect on a public offer to acquire the shares of the company, as provided in Chapter 2, section 6b of the Securities Market Act, is included in the notes to the Financial Statements.

REPURCHASE OF COMPANY SHARES

In August 2005, the Board of Directors initiated share repurchases based on the authorisation given by the Annual General Meeting. Share repurchases ended in March 2006 at the expiry of the authorisation.

Shares were repurchased in order to develop the capital structure of the company, to fund or implement corporate acquisitions or other arrangements, or to be otherwise further assigned or cancelled.

The maximum number of shares the Board was authorised to repurchase corresponded to 5% of the company's share capital and votes. Share

repurchasing was carried out at the price determined in the open market on the Helsinki Stock Exchange and did not follow the shareholders' holding ratios.

Repurchases in January–March 2006 accounted for a total of 1,192,500 free shares at an average price of EUR 2.20 and 11,000 restricted shares at an average price of EUR 2.23. The trade price totalled EUR 2,645,080.

From 10 August 2005 to 29 March 2006, share repurchases accounted for a total of 4,930,500 free shares at an average price of EUR 2.28 and 41,200 restricted shares at an average price of EUR 2.32. The number of repurchased free shares accounts for 3.78% of all free shares and the votes they represent, while the corresponding percentage for restricted shares is 0.12%. In all, the shares acquired by the company represent 3.01% of the company's share capital and 0.70% of overall votes. The book counter value of repurchased free shares is EUR 829,251 and that of restricted shares EUR 6,929, or a total of EUR 836,180. The trade price for free shares was EUR 11,256,303 and for restricted shares EUR 95,643, or a total of EUR 11,351,946.

Prior to these purchases, the company and its subsidiaries did not hold Raisio plc's shares. A share in Raisio or its subsidiary does not entitle the holder to participate in the Annual General Meeting.

According to estimates, the share repurchases have not had a significant impact on the distribution of share holdings or voting rights in the company. Since the shares were repurchased in the open market on the Helsinki Stock Exchange with no information about the vendors, it is impossible to determine the portion that any shares purchased from insiders, as defined in Section 8:6.2 of the Companies Act, may represent of the company's share capital and voting rights.

The Annual General Meeting held in March 2005 authorised the Board of Directors to dispose of repurchased shares. This authorisation was not exercised during its period of validity, which ended on 29 March 2006.

The Annual General Meeting held in spring 2006 granted the Board of Directors new authorisation to dispose of all of the company shares held by Raisio, that is, 4,930,500 free shares and 41,200 restricted shares. This authorisation was not exercised in the review period, and it is valid until the Annual General Meeting of 2007.

No auditors' report has been issued concerning the financial review.

DIVIDEND PROPOSAL

The Board of Directors will propose a dividend of EUR 0.03 per share at the Annual General Meeting on 30 March 2007.

EVENTS AFTER THE REVIEW PERIOD

In January 2007, Raisio's Board of Directors decided that the company would divest its Diagnostics business. Raisio has started a process to find a new owner that can ensure the growth of Diagnostics business. The aim is to complete the transaction in the first half of 2007.

According to the resolution made by the Assessment Adjustment Board of the Tax Office for Major Corporations in November 2006, the sales profit from the divestment of Raisio Chemicals, totalling some EUR 220 million, are free of tax. In January 2007, Raisio was requested to submit a rejoinder to the appeal filed by the tax agent concerning the said resolution. Raisio's stand, supported by the expert statements obtained by the company, remains the same: the sales profit is free of tax.

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will include a write-down of approximately EUR 5.8 million in the financial statements for 2006.

OUTLOOK FOR 2007

Raisio's main target in 2007 is to improve profitability. Structural measures to streamline business operations have also been adopted. These include clarifying the organisation structure, focusing on clear, measurable targets and enhancing operations.

Competition in the food markets around the Baltic Sea is expected to increase stiff as centralisation continues in trade. New bioethanol projects and other changes in the competition environment will set new challenges for the feed market. The European malt market is beginning to pick up as overcapacity falls off. Competition on the European market for functional foods will increase, and product launches in new market areas will be slowed down, for example, by the different permit procedures of various countries. Increased costs of grain raw material and energy put pressure for price increases. The collective agreements in the food industry are about to expire and the new agreements under negotiations are expected to raise salaries in the sector.

Operating result for 2007, excluding one-off items, is expected to improve and to be clearly profitable thanks to the implemented streamlining and rationalisation measures and structural policies. The first-quarter operating result, however, will still be slightly negative. Turnover is expected to grow slightly compared to 2006.

Raisio, 12 February 2007

Raisio plc
Board of Directores

No auditors' report has been issued concerning the financial review.

INCOME STATEMENT (EUR million)

	2006	2005
CONTINUING OPERATIONS:		
Turnover	436.3	434.6
Expenses corresponding to products sold	-385.2	-363.4
Gross profit	51.1	71.2
Other operating income and expenses, net	-89.5	-82.1
Operating result	-38.5	-10.9
Financial income and expenses, net	-3.1	4.4
Share of result of associated companies and joint ventures	-2.7	-0.8
Result before taxes	-44.2	-7.3
Income tax	-0.5	1.9
Result for the period from the continuing operations	-44.7	-5.4
DISCONTINUED OPERATIONS:		
Result for the period from discontinued operations	3.6	0.0
RESULT FOR THE PERIOD	-41.1	-5.4
Attributable to:		
Equity holders of the parent company	-41.7	-6.0
Minority interest	0.5	0.6
Earnings per share from the profit attributable to equity holders of the parent company (EUR)		
Earnings per share from continued operations (EUR)	-0.28	-0.04
Earnings per share from discontinued operations (EUR)	0.02	0.00
ONE-OFF ITEMS (EUR million)		
	2006	2005
CONTINUING OPERATIONS:		
Food Division		
Write-downs	-21.7	-7.5
Withdrawal from the investment	-5.8	0.0
Feed & Malt Division		
Write-downs	-1.1	-8.4
Compensation resulting from the contractual lease transfer	1.8	0.0
Diagnostics Division		
Write-downs	-5.8	-5.1
Other operations	0.0	1.0
Impact on result for the period	-32.5	-19.9
Financial items	-5.3	1.7
Share of result of associated companies and joint ventures	-2.2	0.0
Impact on result from the continuing operations before taxes	-40.0	-18.2

No auditors' report has been issued concerning the financial review.

BALANCE SHEET (EUR million)

	31.12.06	31.12.05
Non-current assets		
Intangible assets	13.0	13.4
Goodwill	2.6	11.6
Tangible assets	117.7	130.5
Shares in associated companies and joint ventures	2.4	4.9
Financial assets available for sale	1.5	2.2
Receivables	3.1	6.2
Deferred tax assets	10.7	12.3
Current assets		
Inventories	82.1	73.9
Accounts receivables and other receivables	75.4	74.7
Financial assets at fair value through profit or loss	64.4	117.0
Cash in hand and at banks	14.5	5.8
Total assets	387.4	452.5
Equity attributable to equity holders of the parent company		
Share capital	27.8	27.8
Own shares	-11.4	-8.7
Other equity attributable to equity holders of the parent company	260.7	312.9
Minority interest	13.3	15.3
Deferred tax liabilities	7.9	8.7
Pension liabilities	0.2	0.4
Non-current interest-bearing liabilities	1.4	12.9
Other non-current liabilities	1.0	0.0
Accounts payable and other liabilities	59.8	60.5
Reserves	5.1	0.0
Current interest-bearing liabilities	21.6	22.8
Total equity and liabilities	387.4	452.5

No auditors' report has been issued concerning the financial review.

CHANGES IN GROUP EQUITY (EUR million)

	Share capital	Share premium reserve	Reserve fund	Other reserves	Own shares	Translation differences	Fair value reserve	Retained earnings	Total	Minority interest	Total
Equity at 1.1.2005	27.8	2.9	88.6	0.0	0.0	-2.2	0.0	261.0	378.1	14.7	392.8
Effects of adopting IAS 32 and IAS 39	-	-	-	-	-	-	0.3	-0.3	0.0	-	0.0
Dividends paid	-	-	-	-	-	-	-	-34.7	-34.7	-	-34.7
Changes in translation differences	-	-	-	-	-	3.8	-	-	3.8	0.0	3.8
Repurchase of own shares	-	-	-	-	-8.7	-	-	-	-8.7	-	-8.7
Exchange differences from receivables considered to be net investments from a foreign unit	-	-	-	-	-	-0.4	-	-	-0.4	-	-0.4
Tax of previous	-	-	-	-	-	0.1	-	-	0.1	-	0.1
Cash flow hedges											
Transferred to income statement with taxes deducted	-	-	-	-	-	-	-0.1	-	-0.1	-	-0.1
Investments available for sale											
Transferred to income statement with taxes deducted	-	-	-	-	-	-	-0.2	-	-0.2	-	-0.2
Net profit for review period	-	-	-	-	-	-	-	-6.0	-6.0	0.6	-5.4
Other changes	-	-	-	-	-	-	-	0.1	0.1	0.0	0.1
Equity at 31.12.2005	27.8	2.9	88.6	0.0	-8.7	1.3	0.0	220.1	332.0	15.3	347.3

No auditors' report has been issued concerning the financial review.

	Share capital	Share premium reserve	Reserve fund	Other reserves	Own shares	Translation differences	Fair value reserve	Retained earnings	Total	Minority interest	Total
Equity at 1.1.2006	27.8	2.9	88.6	0.0	-8.7	1.3	0.0	220.1	332.0	15.3	347.3
Dividend paid	-	-	-	-	-	-	-	-8.0	-8.0	-2.5	-10.5
Changes in translation differences	-	-	-	-	-	-2.6	-	-	-2.6	0.0	-2.6
Repurchase of own shares	-	-	-	-	-2,6	-	-	-	-2,6	-	-2,6
Exchange differences from receivables considered to be net investments from a foreign unit	-	-	-	-	-	0.1	-	-	0.1	-	0.1
Tax of previous	-	-	-	-	-	0.0	-	-	0.0	-	0.0
Cash flow hedges											
Transferred to the equity with taxes deducted	-	-	-	-	-	-	0.0	-	0.0	-	0.0
Transferred to income statement with taxes deducted	-	-	-	-	-	-	-	-	0.0	-	0.0
Net profit for review period	-	-	-	-	-	-	-	-41.7	-41.7	0.5	-41.1
Other changes	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Equity at 31.12.2006	27.8	2.9	88.6	0.0	-11.4	-1.2	-0.0	170.4	277.1	13.3	290.4

No auditors' report has been issued concerning the financial review.

CASH FLOW STATEMENT (EUR million)

	2006	2005
Cash flow before change in working capital		
Change in working capital	20.8	34.5
Financial items and taxes	-7.3	-27.0
Cash flow from business operations	1.7	-1.9
	15.1	5.6
Investments	-33.7	-48.6
Proceeds from sale of fixed assets	0.4	8.3
Cash flow from investments	-33.3	-40.3
Change in non-current loans	-12.6	-14.0
Change in current loans	0.8	-0.3
Repurchase of own shares	-2.6	-8.6
Dividends paid to equity holders of the parent company	-8.0	-34.5
Dividends paid to minority interests	-2.5	0.0
Cash flow from financial operations	-24.9	-57.4
Adjustment to translation difference	0.1	-0.3
Change in liquid funds	-43.0	-92.4
Liquid funds at the beginning of the period	122.9	214.1
Impact of change in market value on liquid funds	-1.0	1.2
Liquid funds at the end of the period	78.8	122.9

No auditors' report has been issued concerning the financial review.

TURNOVER BY SEGMENT (EUR million)

	2006	2005
Food	211.8	210.2
Feed & Malt	186.5	186.2
Ingredients	49.7	50.2
Diagnostics	9.0	8.8
Other operations	0.6	1.3
Interdivisional turnover	-21.3	-22.2
Total turnover	436.3	434.6

OPERATING RESULT BY SEGMENT (EUR million)

	2006	2005
Food	-39.3	-7.9
Feed & Malt	6.3	0.5
Ingredients	7.8	9.7
Diagnostics	-7.9	-7.3
Other operations	-5.3	-5.8
Eliminations	0.0	0.0
Total operating result	-38.5	-10.9

NET ASSETS BY SEGMENT (EUR million)

	31.12.06	31.12.05
Food	90.7	114.7
Feed & Malt	65.3	52.6
Ingredients	44.5	46.2
Diagnostics	5.3	10.8
Other operations and unallocated items	84.6	123.0
Total net assets	290.4	347.3

INVESTMENTS BY SEGMENT (EUR million)

	2006	2005
Food	16.2	31.2
Feed & Malt	5.5	5.0
Ingredients	4.3	5.3
Diagnostics	1.5	1.1
Other operations	3.2	10.3
Eliminations	-0.2	-3.6
Total investments	30.3	49.3

TURNOVER BY MARKET AREA (EUR million)

	2006	2005
Finland	268.2	272.5
Poland	41.1	36.6
Russia	33.4	31.3
Other Europe	86.1	86.4
ROW	7.4	7.6
Total	436.3	434.6

No auditors' report has been issued concerning the financial review.

QUARTERLY PERFORMANCE (EUR million)

	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-3/ 2006	10-12/ 2005	7-9/ 2005	4-6/ 2005	1-3/ 2005
Turnover by segment								
Food	53.6	53.2	54.3	50.7	55.8	52.3	52.1	50.1
Feed & Malt	46.7	50.9	50.3	38.6	47.2	48.9	50.6	39.5
Ingredients	10.1	12.6	13.8	13.2	12.9	12.3	13.8	11.3
Diagnostics	2.4	2.1	2.3	2.2	2.3	2.1	2.4	2.1
Other operations	0.2	0.2	0.1	0.2	0.6	0.3	0.2	0.3
Interdivisional turnover	-5.0	-5.2	-5.5	-5.6	-5.7	-5.2	-6.1	-5.2
Total turnover	107.8	113.8	115.3	99.3	112.9	110.7	112.9	98.1
Gross profit	-5.3	18.9*	19.3*	18.2*	3.1	22.7	23.7	21.6
Operating result by segment								
Food	-33.0	-2.0	-2.4	-1.9	-9.3	0.2	0.4	0.9
Feed & Malt	-0.5	2.7	3.6	0.5	-7.2	3.2	2.8	1.7
Ingredients	1.5	2.2	2.3	1.8	2.7	2.1	2.1	2.7
Diagnostics	-6.4	-0.5	-0.5	-0.5	-6.0	-0.4	-0.4	-0.5
Other operations	-2.3	-0.1	-1.5	-1.4	-1.8	-1.5	-2.0	-0.6
Eliminations	0.1	-0.1	0.0	0.0	-0.1	0.2	0.0	-0.1
Total operating result	-40.6	2.1	1.5	-1.5	-21.6	3.8	2.9	4.1
Share of result of associated companies	-2.3	-0.2	-0.1	0.0	-0.5	-0.3	0.0	-0.1
Segment results	-42.9	1.9	1.4	-1.5	-22.1	3.5	2.9	4.0
Financial income and expenses, net	-4.6	0.4	0.5	0.6	0.5	2.1	1.0	0.8
Result before taxes	-47.5	2.3	1.9	-0.9	-21.7	5.6	3.9	4.8
Income tax	0.9	-0.9	-0.6	0.0	6.1	-1.5	-1.4	-1.3
Result for the period from continuing operations	-46.6	1.4	1.3	-0.9	-15.6	4.1	2.5	3.5

* Figures published in the interim reports for 2006 have been adjusted as a result of revised expense distribution among operations.

No auditors' report has been issued concerning the financial review.

KEY INDICATORS

	31.12.06	31.12.05
Return on equity, ROE, %	-14.0*	-1.5
Return on investment, ROI, %	-12.2*	-1.3
Interest-bearing liabilities at the end of the period, EURm	23.2	36.1
Gross investments, EURm	30.3	49.3
% of turnover	7.0	11.3
Depreciation, EURm	22.5	24.5
R & D expenses, EURm	11.2	10.3
% of turnover	2.6	2.4
Average personnel	1,401	1,414
Equity ratio, %	75.0	76.8
Gearing, %	-19.1	-25.0
Earnings/share from continuing operations, EUR**	-0.28	-0.04
Earnings/share from discontinued operations, EUR**	0.02	0.00
Cash flow from operations/share, EUR**	0.09	0.03
Equity/share, EUR**	1.73	2.06
Average number of shares during the period, in 1,000s**		
Free shares	125,843	129,694
Restricted shares	34,524	34,556
Total	160,367	164,250
Average number of shares at the end of the period, in 1,000s**		
Free shares	125,655	126,848
Restricted shares	34,522	34,533
Total	160,177	161,381
Market capitalisation of shares at the end of the period, EURm**		
Free shares	224.9	286.7
Restricted shares	62.1	78.7
Total	287.1	365.4

*Based on continuing operations result

**Number of shares without own shares

CONTINGENT LIABILITIES (EUR million)

	31.12.06	31.12.05
Assets given for security		
For the company		
Mortgages on real estate	16.9	16.9
Securities pledged	0.0	0.0
Corporate mortgages	34.4	33.8
Contingent off-balance sheet liabilities		
Non-cancellable other leases		
Minimum lease payments	2.7	2.8
Contingent liabilities for the Company	1.5	1.5
Contingent liabilities for associated companies		
Guarantees	3.0	0.0
Contingent liabilities for others		
Guarantees	0.0	0.0
Other liabilities	2.8	1.6

DERIVATIVE CONTRACTS (EUR million)

	31.12.06	31.12.05
Nominal values of derivative contracts		
Raw material futures	5.4	2.6
Currency forward contracts	25.5	34.9