

RAISIO PLC, FINANCIAL STATEMENTS BULLETIN 2016**January-December 2016**

- Raisio Group's comparable EBIT amounted to EUR 50.7 (51.7) million, accounting for 11.6 (9.9)% of net sales.
- Brands Division's comparable EBIT totalled EUR 50.5 (55.4) million, accounting for 15.8 (14.4)% of net sales.
- Raisioagro's comparable EBIT was EUR 3.7 (2.8) million, accounting for 2.9 (1.9)% of net sales.
- The Group's net sales totalled EUR 436.3 (521.2) million.
- The Board's dividend proposal is EUR 0.17 (0.16) per share.

October-December 2016

- Raisio Group's comparable EBIT amounted to EUR 12.0 (12.0) million, accounting for 12.6 (9.8)% of net sales.
- Brands Division's comparable EBIT totalled EUR 13.8 (13.9) million, accounting for 18.9 (14.3)% of net sales.
- Raisioagro's comparable EBIT totalled EUR 0.0 (0.0) million.
- The Group's net sales totalled EUR 95.4 (122.7) million.

CEO'S REVIEW FOR 2016

"I would like to thank Raisio's employees for their dedication and work well done. The first few weeks as Raisio's CEO have clearly shown me the key resources that affect Raisio's success: professional and determined personnel, active partnerships with the customers, consumer- and customer-oriented approach and healthy products supporting sustainable development.

Raisio's Board of Directors has initiated strategy work which, once completed in May 2017, shows clearly the company's direction. One key theme is to turn the Brands Division's net sales decline back to growth path. In order to carry out Raisio's objectives, strengthen the brands and ensure business growth, we need expertise, ideas, commitment and open cooperation of all Raisio employees. With determined and target-oriented work, we can ensure Raisio's future success and continue to create value for our shareholders.

Raisio's Board of Directors will propose the Annual General Meeting a dividend of 17 cents per share for 2016. If the proposal is approved by the Meeting, Raisio has increased its dividend for ten consecutive years.

Raisio's comparable EBIT of EUR 50.7 million was a good performance in a situation where the exchange rate changes of the British pound had a negative impact of almost EUR 3 million on our EBIT and some EUR 20 million on net sales. With comparable exchange rates, Raisio would have reached clearly better comparable EBIT than in 2015. Raisio's relative profitability and comparable return on investment continued to clearly improve with the structural changes and enhanced operations completed during the year.

Benecol's market share strengthened in the UK, which is by far the largest market for Benecol products. Elovena products continued to show good growth in Finland.

The performance of the Czech confectionery business remained strong and in the UK, Nimbus, a producer of inclusions and toppings, also continued to perform well. As a result of production challenges at the Leicester plant, the result of the UK's confectionery business was down from the comparison period.

Over the last few years, Raisioagro has carried out changes resulting in wide range of value-added products and services, and in improved operational efficiency and business profitability.”

FINANCIAL REPORTING

The reported divisions are Brands and Raisioagro. In 2016, the Brands Division included Healthy Snacking, Benecol, Confectionery and Benemilk. Healthy Snacking business markets were Northern, Eastern and Western Europe. The Western Europe's divested snack bar business is included in Raisio's figures until 12 July 2016. Benecol business includes the Benecol product ingredient sales to licensing partners globally and Benecol consumer product sales in Raisio's home markets. Confectionery includes operations in the UK and Czech Republic. Benemilk business includes the international commercialisation and protection of the innovation. Raisioagro Division includes cattle and fish feeds, farming supplies and grain trade.

Figures mentioned in this Financial Statements Bulletin are comparable. Comparison figures in brackets refer to the corresponding date or period one year earlier unless otherwise stated.

The Financial Statements Bulletin has not been audited.

RAISIO GROUP'S KEY FIGURES

		Q4/ 2016	Q4/ 2015	Q3/ 2016	Q2/ 2016	Q1/ 2016	2016	2015
Result								
Net sales	M€	95.4	122.7	102.8	124.1	114.0	436.3	521.2
Change in net sales	%	-22.3	4.2	-23.5	-12.3	-6.9	-16.3	5.5
EBIT	M€	11.5	5.7	13.9	-6.2	9.7	28.9	42.4
EBIT	%	12.1	4.7	13.6	-5.0	8.5	6.6	8.1
Items affecting comparability	M€	0.5	6.3	0.1	21.2	0.0	21.8	9.2
Comparable EBIT	M€	12.0	12.0	14.0	15.0	9.7	50.7	51.7
Comparable EBIT	%	12.6	9.8	13.6	12.1	8.5	11.6	9.9
-Depreciations	M€	-2.6	-2.5	-2.6	-3.1	-3.1	-11.3	-14.1
-Impairment	M€	0.3	-4.7	0.5	-17.0	0.0	-16.1	-7.0
Depreciations and impairment, in total	M€	-2.3	-7.1	-2.1	-20.0	-3.1	-27.4	-21.1
Items affecting comparable depreciations and impairment	M€	-0.3	3.7	-0.5	17.0	0.0	16.1	4.7
Comparable depreciations and impairment	M€	-2.6	-3.5	-2.6	-3.1	-3.1	-11.3	-16.5
EBITDA	M€	13.8	12.8	16.0	13.9	12.7	56.3	63.6
Items affecting comparable EBITDA	M€	0.9	2.6	0.6	4.2	0.0	5.7	4.6
Comparable EBITDA	M€	14.6	15.4	16.6	18.1	12.7	62.0	68.1
Financial items	M€	0.2	-1.0	-0.5	-0.9	-0.9	-2.2	-2.5
Earnings per share (EPS)	€	0.06	0.04	0.07	-0.05	0.05	0.12	0.22
Comparable earnings per share (EPS)	€	0.06	0.06	0.07	0.07	0.05	0.25	0.26
Balance sheet								
Equity ratio	%	-	-	-	-	-	66.8	62.3
Gearing	%	-	-	-	-	-	8.5	12.1
Net interest-bearing debt	M€	-	-	-	-	-	26.7	42.2
Equity per share	€	-	-	-	-	-	1.99	2.23
Dividend per share	€	-	-	-	-	-	0.17*	0.16
Investments	M€	5.0	3.3	5.1	4.3	4.0	18.3	11.0

* Board of Directors' proposal to the Annual General Meeting

FINANCIAL REVIEW, OCTOBER-DECEMBER 2016

Net sales

Raisio Group's net sales totalled EUR 95.4 (122.7) million. Brands Division's net sales totalled EUR 73.3 (97.6) million and Raisioagro's EUR 24.7 (28.3) million. Net sales for other operations were EUR 0.2 (0.2) million. Exchange rates had a clearly negative impact on the review period net sales.

Net sales for the comparison period include the UK's cereal sales of Honey Monster brand licensed to a third party until 30 June 2016 as well as the operations of the snack bar business until the divestment completed on 12 July 2016.

Result

The Raisio Group's comparable EBIT was EUR 12.0 (12.0) million and EBIT EUR 11.5 (5.7) million. Comparable EBIT was 12.6 (9.8) per cent and EBIT 12.1 (4.7) per cent of net sales. Exchange rates had a clearly negative impact on the review period's EBIT.

The Brands Division's comparable EBIT was EUR 13.8 (13.9) million and EBIT totalled EUR 13.7 (6.9) million. Raisioagro's comparable EBIT totalled EUR 0.0 (0.0) million and EBIT was EUR 0.0 (-0.4) million. Comparable EBIT for other operations was EUR -1.8 (-1.9) million and EBIT was EUR -2.2 (-0.8) million. Items affecting comparability are presented in the table below.

Comparable depreciations and impairment totalled EUR 2.6 (3.5) million. Depreciations and impairment totalled EUR 2.3 (7.1) million. The Group's net financial expenses were EUR 0.2 (-1.0) million.

Comparable pre-tax result was EUR 12.2 (11.0) million, and pre-tax result EUR 11.7 (4.8) million.

The Group's comparable post-tax result was EUR 9.4 (9.6) million and post-tax result EUR 8.9 (6.8) million. The Group's comparable earnings per share were EUR 0.06 (0.06) and earnings per share EUR 0.06 (0.04).

INVESTMENTS

The Group's investments totalled EUR 5.0 (3.3) million, or 5.2 (2.7) per cent of net sales. Investments of the Brands Division totalled EUR 2.1 (2.7) million, those of Raisioagro EUR 0.5 (0.2) million and those of other operations EUR 2.4 (0.5) million.

SEGMENT INFORMATION October-December 2016**BRANDS DIVISION****Financial review**

Net sales for the Brands Division totalled EUR 73.3 (97.6) million. Net sales for the Healthy Snacks business totalled EUR 17.2 (32.0) million, for Benecol EUR 31.4 (37.3) million, for Confectionery EUR 24.8 (28.5) million and for Benemilk EUR 0.0 (0.0) million.

The Brands Division's comparable EBIT totalled EUR 13.8 (13.9) million, accounting for 18.9 (14.3) per cent of net sales. EBIT was EUR 13.7 (6.9) million, accounting for 18.7 (7.1) per cent of net sales.

Business operations**Healthy Snacks****Northern Europe**

EBIT increased due to good sales development of Elovena snack products. Net sales slightly decreased mainly due to the sales increase in retailers' affordable private label flake and flour products.

Good sales were seen in Elovena quarks, biscuits and bars that are easy, naturally healthy snacks in line with consumer needs. Nalle brand was renewed; the product range now offers healthy and tasty breakfast and snack products for families with children.

Raisio and Vaasan Suomi Oy developed together a new cooperation model for rye procurement, which will be introduced in 2017. By entering into a specific agreement, Raisio's contract farmers can have their rye processed by Raisio into flour used for Vaasan Ruispalat products.

Eastern Europe

Net sales and EBIT for the Eastern European operations remained at the comparison period level. Implemented price increases reduced the sales volume of Nordic products.

Benecol

Exchange rate changes were the main factor behind the net sales decline of the Benecol business. EBIT remained at the comparison year's level even though changes in exchange rates had a clearly negative impact. On the other hand, the company's enhancement measures in Benecol operations affected EBIT positively.

In the UK, the market share of Benecol yogurt drinks clearly improved despite intense competition. In Finland, Benecol yogurt drinks showed increased sales at the end of 2016. Competition further intensified in Poland.

At the end of the year, sales for the Benecol ingredient were at the comparison period level. Raisio's new Benecol partner Allgen launched a food supplement Benecol Soft Chew in Holland.

Confectionery

Sales volume in the Czech confectionery business increased by over ten per cent. Sales to a Polish retail chain almost doubled and sales also increased in local distributor's soft gums. In addition, Raisio's Pedro brand showed clear growth.

In the UK, sales in Raisio's confectionery brands did not reach the level of the strong comparison period. Nimbus, producer of industrial inclusions and toppings, continued to show strong sales growth. Sales were down in the private label confectionery made for retailers.

RAISIOAGRO DIVISION**Financial review**

Raisioagro's net sales totalled EUR 24.7 (28.3) million. Despite the net sales decline, the Division clearly improved its relative profitability. The decline resulted from milk farmers' shift to the use of more affordable cattle feeds and from clearly declined sales in fertilisers and fuels.

Raisioagro's comparable EBIT totalled EUR 0.0 (0.0) million and EBIT was EUR 0.0 (-0.4) million. The profitability of cattle feeds improved as Raisioagro streamlined and extended its product mix to better meet customer needs. Fish feed supplies were very low during the last quarter of 2016.

More effective management of raw materials and stocks in fish and cattle feeds reduced Raisioagro's net working capital.

Business operations**Cattle feeds**

In Finland, dairy farms are facing a challenging economic situation, which has intensified price competition and increased the demand for more affordable cattle feeds. Raisioagro did not get involved in the aggressive price competition but focused to provide the farmers with feeding expertise. Game feeds were launched.

Fish feeds

Sales season of sustainably produced, environmentally friendly Benella fish started in September. Benella is Raisioaqua's brand and its use requires the farmer to use the Baltic Blend fish feeds throughout the farming period. Benella product line was expanded with three new products. Kesko started as a new Benella distribution partner.

Other operations

In 2017, Raisioagro will continue its Pink Bales campaign that was very popular during the summer 2016. The company has also launched a new campaign, Blue Bales, to support men diagnosed with prostate cancer. At the end of 2016, preservatives and net wraps were sold in advance more than in the comparison year.

BOARD OF DIRECTORS' REPORT FOR 2016

Operating environment

In Finland, retail sales slightly increased and growth is expected to continue at a moderate pace in 2017 due to slow growth in purchasing power and jobs. Retailers continued their so called food cheapening. Changing eating habits increased the demand for healthy, plant-based snacks.

The UK voted to leave the European Union in the referendum of June 2016. Brexit details are still unclear and referendum-related uncertainty is expected to weaken growth prospects for the UK and eurozone and to continue to cause high volatility in the British pound exchange rate.

Sales volatility of cholesterol-lowering foods in Raisio's European markets continued and the entire category decreased slightly. In the UK, Benecol was the only brand to improve its position despite the decrease of the whole spread category. Intense competition among retailers, and consumers' price-conscious purchasing behaviour continued in the UK. Demand for products with less sugar and salt increased due to the lively public debate in the UK.

In Poland, volume in cholesterol-lowering spreads increased as a result of extensive promotional sales. Polish consumers value traditional spreads with butter. In Asia - potential new markets for Benecol products - regulation processes for foods vary greatly from country to country, and some countries have tightened their processes. Raisio has carried out several successful regulation processes with its licencing partners.

In the UK confectionery market, consumer demand remained stable for the product categories in which Raisio is present. In the European markets, retail chains were actively launching new soft gum products under private labels.

There were no major changes in the Finnish cattle feed market because the number of dairy cows did not reduce in the same proportion as that of dairy farms. Lower prices paid for milk and farmers' challenging financial position increased the demand for more affordable feeds and tightened competition. Russia is actively developing its own milk chain, which opens up new opportunities for consultative feed sales.

Fish feed market in the Baltic Sea region remained stable. Changes were more due to growth conditions. Global price increases in oily fish were also seen in Finland. Difficulties in the Chilean salmon farming collapsed the country's production, which resulted in price increases. The shortfall of farmed fish has been compensated with Norwegian salmon, the main product also in the Finnish market. The rise in the Norwegian salmon price also increased the price of Finnish rainbow trout. Raisioaqua is a responsible pioneer in fish feeds in Finland.

Net sales

The Group's net sales totalled EUR 436.3 (521.2) million, almost 16 per cent down from the comparison year. Net sales for the comparison year include the UK's cereal sales of Honey Monster brand licensed to a third party until 30 June 2016 as well as the operations of the UK's snack bar business until the divestment completed on 12 July 2016. Impact of the weakened pound on full-year net sales was approximately EUR 20 million.

Brands Division's net sales totalled EUR 320.1 (385.1) million and Raisioagro's EUR 126.6 (145.9) million. Net sales for other operations were EUR 0.8 (3.4) million. The Brands Division accounted for 73 per cent and Raisioagro for 27 per cent of Raisio's net sales.

Net sales from outside Finland represented 64.0 (66.3) per cent of the Group's total, amounting to EUR 279.4 (345.7) million. Raisio's largest market outside Finland is the UK and it accounted for more than 30 per cent of the Group's net sales.

Result

The Group's comparable EBIT was EUR 50.7 (51.7) million and EBIT EUR 28.9 (42.4) million. Comparable EBIT was 11.6 (9.9) and EBIT 6.6 (8.1) per cent of net sales. Exchange rate changes of the pound had an impact of almost EUR 3 million on Raisio's EBIT.

The Brands Division's comparable EBIT was EUR 50.5 (55.4) million and EBIT was EUR 30.2 (45.4) million. Raisioagro's comparable EBIT totalled EUR 3.7 (2.8) million and EBIT was EUR 3.7 (2.4) million. Comparable EBIT for other operations was EUR -3.5 (-6.5) million and EBIT was EUR -4.9 (-5.3) million.

Comparable depreciations and impairment amounted to EUR 11.3 (16.5) million. Depreciations and impairment totalled EUR 27.4 (21.1) million. Net financial expenses totalled EUR -2.2 (-2.5) million.

Comparable pre-tax result was EUR 48.5 (49.1) million, and pre-tax result EUR 26.8 (39.9) million. Comparable post-tax result was EUR 39.2 (40.4) million, and post-tax result EUR 19.0 (35.0) million.

The Group's comparable earnings per share were EUR 0.25 (0.26) and earnings per share EUR 0.12 (0.22).

Items affecting comparable EBIT

		Q4/ 2016	Q4/ 2015	Q3/ 2016	Q2/ 2016	Q1/ 2016	2016	2015
Brands								
Write-down of Dormen and Fruitus brands	M€	-0.1		-0.1	3.9		3.7	
Halo Foods Ltd's saleable assets valued at fair value	M€			-0.4	15.1		14.7	
Restructuring costs of the UK snack business	M€			1.1	0.7		1.7	
Reorganisation costs, Southall site, UK	M€		11.3					11.3
Streamlining projects	M€	0.2	-0.1				0.2	1.4
Capital loss for the Sulma divestment	M€		0.0					1.5
Sale of Carlshamn Mejeri trade mark	M€		-4.1					-4.1
Raisioagro								
Restructuring of activities	M€		0.4					0.4
Common								
Other expenses and legal fees	M€	0.4		-0.5	1.5		1.4	
Subsequent one-off compensation related to a divested business	M€		-1.1					-1.1
Impact on EBIT	M€	0.5	6.3	0.1	21.2	0.0	21.8	9.2

Balance sheet, cash flow and financing

At the end of 2016, the Raisio Group's balance sheet totalled EUR 470.0 (563.6) million. Shareholders' equity was EUR 313.2 (350.0) million, while equity per share was EUR 1.99 (2.23). Changes in equity are described in detail in the Table section below.

At the end of December, working capital amounted to EUR 44.2 (40.8) million. From 30 September 2016, other inventories include factory buildings that are being developed and prepared for sale in the ordinary course of business. From 1 January 2016, working capital does not include derivative assets and liabilities related to loan hedging.

Cash flow from business operations was EUR 47.6 (65.0) million.

The Group's investments totalled EUR 18.3 (11.0) million, or 4.2 (2.1) per cent of net sales. Investments of the Brands Division totalled EUR 8.9 (9.1) million, those of Raisioagro EUR 1.9 (0.7) million and those of other operations EUR 7.5 (1.2) million. The most significant investment was the bioenergy plant built in Raisio's industrial area. The plant will be introduced in the spring 2017. For the Brands Division, the most significant investment was the enhancement of production efficiency of the Leicester plant. In addition, Raisio invested in the upgrading of its ERP system. Raisioagro invested in the heat recovery system at the fish feed factory, and started to build a new fish feed line. The new line will be introduced during the spring 2017.

The Group's interest-bearing debt totalled EUR 88.6 (110.1) million at the end of December. Net interest-bearing debt was EUR 26.7 (42.2) million.

At the end of December, the Group's equity ratio totalled 66.8 (62.3) per cent and net gearing was 8.5 (12.1) per cent.

Comparable return on investment was 11.6 (11.3) per cent, and return on investment 6.6 (9.2) per cent.

In 2016, Raisio plc paid EUR 25.0 (22.0) million in dividends for 2015.

ACQUISITIONS AND LICENSINGS

Raisio Group signed an agreement to license its Honey Monster brand to The Brecks Company Limited on 13 April 2016. From the beginning of July 2016, Brecks has produced, sold and marketed Honey Monster products in the UK. Breakfast cereals were not at the core of Raisio's strategy. The license agreement does not have a significant impact on the Raisio Group's earnings.

Raisio sold its UK snack bar business to the Dutch equity investor Nimbus. The factories in Newport and Swindon as well as the personnel and Dormen brand were transferred to the new owner with the agreement signed on 12 July 2016. With the divestment, Raisio discontinued the production of snack bars made under its partner brands and will focus on the development and marketing of the company's own branded products. Net sales for the divested business totalled EUR 18 million in January-June 2016.

DISPUTES

In November 2014, Raisio won a case against US-based Oat Solutions LLC in an arbitration proceeding held in Finland. At the beginning of 2015, Oat Solutions LLC filed an action for annulment of the arbitration award with The District Court of Varsinais-Suomi. The arbitration award is final and not subject to appeal, but Oat Solutions LLC filed an action for annulment based on alleged procedural errors. Oat Solutions LLC's action was rejected in November 2015. In January 2016, Oat Solutions LLC filed an appeal against the rejection of the action with the Turku Court of Appeal. After the review period in January 2017, The Turku Court of Appeal rejected the Oat Solutions' appeal.

Already in 2014, Oat Solutions LLC filed a civil action with the American court for the dispute already dealt with by the arbitral tribunal in Finland. The defendants in the US dispute were Raisio plc as well as the former CEO Matti Rihko and Vincent Poujardieu, VP, Benecol business and business development. Oat Solutions claimed for damages of at least USD 25 million from Raisio through legal proceedings. Throughout the process, Raisio considered the claims to be completely unfounded. In November 2016, the Supreme Court of Los Angeles accepted Raisio's application to dismiss the civil action brought by Oat Solutions LLC. Oat Solutions announced that it will appeal against the US Court decision.

Raisio has won in all four proceedings. Throughout the process, Raisio has considered, and continues to consider, Oat Solutions LLC's claims completely unfounded.

RESEARCH AND DEVELOPMENT

The Group's research and development expenses were EUR 3.6 (5.5) million, accounting for 0.8 (1.1) per cent of net sales.

Brands

According to its objective, Northern Europe's Healthy Snacks business launched healthier snacks for active everyday life.

Elovena bars were launched in Finland. Their success is based on the criteria defined by consumers: convenient, portable, tasty, practical package, ready-to-use, nutritious, energy-rich, delicious and authentic raw materials, well-being and allowed pleasure eating.

Elovena quarks were launched in Finland in August. Elovena quarks are the first option with toppings in the quark shelf. Quark is an ideal snack in line with consumer wishes - it keeps hunger at bay and gives good, long-lasting energy. Elovena quarks combine the key food trends: convenience, portability and high protein and fibre content.

Raisio's aim is to continue to launch healthier snacks for active everyday life, snacks that represent new product categories for Raisio.

Raisioagro

Raisioagro continued its strong investment in digital services and their development. Raisioagro received funding from Tekes for its Internet Of Farming (IOF) project, which aims to improve the data collection and use of information generated in agriculture and aquaculture by means of digital solutions. A more accurate input-output monitoring and related guidance enhance the utilization of nutrients, reduce the environmental impacts of production and improve the financial results of farms.

Raisioagro has developed a milking robot monitoring service for dairy farmers. The service is a good example of new services and it is a significant part of Raisioagro's online strategy. With the monitoring programme, the average milk yield of cows has already increased by some six per cent.

In 2016, three new Benemilk products were launched and targeted at TMR feeding increasingly common at dairy milk farms. In addition, Maituri and Opti product lines were expanded with new products in line with farmers' needs. In the autumn, Raisioagro launched completely new feeds for horses and for additional feeding of deer.

The R&D of Raisioaqua, Raisioagro's fish feed business, focused on the development of quality, use of potential new raw materials and studies of their digestibility. The development and launch of the Baltic Blend feed were Raisioaqua's most significant investments in 2016. The Baltic Sea feed is a fish feed using fishmeal and oil from herring and sprat of the Baltic Sea. Fishmeal and oil for Raisioaqua's feeds are produced by Raisio's partner in Kasnäs, Finland.

SEGMENT INFORMATION January-December 2016
BRANDS DIVISION

Raisio's Brands Division includes Healthy Snacks, Benecol, Confectionery businesses and Benemilk business as its own company.

		Q4/ 2016	Q4/ 2015	Q3/ 2016	Q2/ 2016	Q1/ 2016	2016	2015
Net sales	M€	73.3	97.6	68.4	88.2	90.2	320.1	385.1
Healthy Snacks	M€	17.2	32.0	18.8	29.4	30.1	95.4	138.9
Benecol	M€	31.4	37.3	26.6	32.2	34.4	124.6	140.3
Benemilk	M€	0.0	0.0	0.0	0.2	0.2	0.4	0.0
Confectionery	M€	24.8	28.5	23.1	26.6	25.8	100.2	105.4
EBIT	M€	13.7	6.9	10.5	-5.4	11.4	30.2	45.4
EBIT	%	18.7	7.1	15.4	-6.1	12.6	9.4	11.8
Items affecting comparability	M€	0.1	7.0	0.6	19.6	0.0	20.3	10.0
Comparable EBIT	M€	13.8	13.9	11.1	14.2	11.4	50.5	55.4
Comparable EBIT	%	18.9	14.3	16.2	16.1	12.6	15.8	14.4
Investments	M€	2.1	2.7	2.1	2.4	2.4	8.9	9.1
Net assets	M€	-	-	-	-	-	303.4	360.3

Financial review

Net sales for the Brands Division totalled EUR 320.1 (385.1) million. Net sales for the Healthy Snacks business totalled EUR 95.4 (138.9) million, for Benecol EUR 124.6 (140.3) million, for Confectionery EUR 100.2 (105.4) million and for Benemilk EUR 0.4 (0.0) million.

The Brands Division's comparable EBIT totalled EUR 50.5 (55.4) million, accounting for 15.8 (14.4) per cent of net sales. EBIT was EUR 30.5 (45.4) million, accounting for 9.4 (11.8) per cent of net sales.

Exchange rate changes had a clear negative impact on the Brands Division's net sales and EBIT.

Business operations
Healthy Snacks
Northern Europe

EBIT for the Northern European operations was slightly lower than in the comparison period due to investments in brand renewals. In the largest market, Finland, retail sales remained at the comparison period level but, as a whole, net sales for the Northern European operations were slightly down from the comparison year.

Sales in Elovena products increased particularly due to new snack products in line with consumer needs. Elovena product range was expanded successfully into new product groups, such as quarks, snack bars and mueslis. The success of new products increased Elovena's net sales by almost ten per cent. Consumer interest in the good properties of oats boosted sales.

Sales in gluten-free Provena oat products remained at the last year's level, as did sales to industrial and bakery customers. Finland and Sweden are the largest markets for Provena products.

Finnish retailers focused strongly on sales of affordable private labels, which decreased the sales of Nalle flakes and Sunnuntai flours. Nalle brand was renewed at the end of 2016 to provide families with healthy and tasty breakfast and snack brand.

Eastern Europe

Eastern European operations continued good performance in the challenging market situation. In Russia, economic situation remained unstable as a result of exchange rate volatility, among other things. Net sales for the Russian operations increased slightly in local currencies, but decreased in the euro. EBIT decreased measured in the euro and local currency but remained clearly positive. Raisio exports premium flakes made in Finland to Russia. Raisio successfully adjusted its product prices to exchange rate changes. With the implemented price increases, sales volume decreased as there was no improvement in consumers' purchasing power.

Western Europe

Raisio discontinued its unprofitable UK snack business by licencing the Honey Monster brand and by divesting its snack bar business. In July 2016, Raisio divested the UK snack bar business to focus on the development and marketing of its key brands.

The UK's share of Raisio's net sales is still significant as it is the largest market for Benecol products and Raisio has own confectionery production in the UK. Raisio also owns the Southall factory located in one of the most important urban development areas in London.

Benecol

Benecol business includes two business models: 1) licencing of the Benecol brand and sale of plant stanol ester, the Benecol product ingredient, to licencing partners, and 2) sale and marketing of consumer products in Raisio's own markets. In the licencing model, Raisio's partners have a license to use the Benecol brand and to sell Benecol products in their markets. Benecol products are available in some 30 countries. Plant stanol ester, the Benecol product ingredient, is a top Finnish innovation, which is made in Finland.

EBIT for the Benecol business remained at the comparison year level even though changes in exchange rates had a clear negative impact on EBIT. On the other hand, EBIT was positively impacted by the streamlining of operations.

Net sales for the Benecol business were clearly down from the comparison year. The net sales decline was due to the volatility of currency and consumer product sales volume in Raisio's home markets. The UK is Raisio's largest market for the Benecol consumer products so the sales price and volume of the products have an important effect on the figures of the whole business. Benecol ingredient sales to licensing partners were up from the comparison year.

Wood-based sterols are a significant raw material in the manufacture of the Benecol product ingredient. Their world market price and growth in demand increased the raw material costs of Benecol ingredient also in 2016. These costs were offset by favourable exchange rates in the past few years.

Home markets for Raisio's Benecol consumer products include the UK, Poland, Finland, Ireland, Belgium and Hong Kong. In Ireland and Hong Kong, Benecol product sales were nearly at the comparison year's level whereas in Belgium, sales clearly decreased.

Intense competition between the UK retail chains continued and retailers renewed their promotional sales practices. Due to the Brexit referendum, Raisio negotiated price increases with retailers at the end of 2016 to compensate the profitability weakened by exchange rate changes. Sales in Benecol yogurt drinks were at the comparison period level. Sales volume for Benecol spreads increased.

Benecol Buttery spread launched in Poland became the second most popular Benecol product. As its competitors, Raisio invested in promotional sales, which are very important in Poland. Sales volume of the Benecol products increased and Benecol maintained its market leader position in Poland.

In Finland, sales in Benecol yogurt drinks remained at the comparison year level while sales in spreads slightly decreased. In Finland, Raisio launched a food supplement, Benecol Soft Chew.

Sales volume of the Benecol ingredient to licensing partners showed clear growth. The growth was driven by the good sales development in Asia. Benecol consumer product sales to retailers increased by almost 20 per cent in Asia. Benecol ingredient sales to Europe for consumer products used in Raisio's markets and for partners were almost at the comparison year level while sales declined clearly in the USA. The Benecol product sales of Raisio's licensing partners increased significantly in Indonesia, the Philippines and Thailand.

Confectionery

Raisio produces confectionery in the UK and Czech Republic. The UK-made confectionery is largely sold in the UK market while the Czech-made confectionery is exported to more than 30 countries in addition to sales in the Czech Republic. Raisio has well-known brands of its own and the company is a versatile, cost-effective producer of branded products for its contract partners and retailers.

Net sales for the confectionery business were down from the comparison year. Net sales for the Czech operations increased by almost 15 per cent. The Czech volume growth was driven by increasing demand for soft gums. In the UK, net sales of operations in pounds were at the comparison year level but declined clearly when converted in euros. A producer of industrial inclusions and toppings Nimbus clearly increased its sales. The UK accounts for approximately 60 per cent of net sales for the confectionery business.

EBIT of the confectionery business was down from the comparison year. Good profitability of the Czech operations generated almost fifty per cent of the confectionery business EBIT. Challenges with service levels at the Leicester factory continued, which negatively affected the results. In the UK, the higher raw material prices could not be entirely incorporated in the selling prices.

In the Czech Republic, sales continued to increase in Raisio's Pedro brand. Expanded product range and enhanced distribution supported sales growth. Sales in the branded products of licensing partners and retailers showed significant growth.

The UK-based Leicester factory focused to ensure the supply of private label and brand products made for partners. Sales for Raisio's own branded products did not reach the comparison period level as fewer campaigns were carried out than before.

Benemilk

Benemilk feeds and their manufacturing method were granted a patent in Finland on 30 December 2016. After a thorough investigation, the Finnish Patent Authority determined that the Benemilk innovation meets the criteria for patentability; it is new, inventive and industrially applicable. In Finland, the first patent applications related to the Benemilk innovation were filed in January 2012.

Furthermore, patent authorities in New Zealand have examined the patent applications and granted patents for the Benemilk feeds and their manufacturing method as well as for the milk produced by Benemilk fed cows.

So far, Benemilk has been granted patents in Finland, New Zealand, Australia and South Africa, which is a strong indication of the patentability of the innovation in various markets. Now that Raisio has been granted with the first important Benemilk patents, the company will not publicly analyse its Benemilk patent portfolio.

In November 2015, Benemilk Ltd launched a process to examine the conditions and opportunities to obtain new financing. Based on the completed assessment, Benemilk Ltd's Board of Directors concluded in June 2016 that it is not justified to implement the equity financing scheme as the company valuation indicated by potentially interested investors was not satisfactory in terms of current owners.

Benemilk Ltd's operations were significantly reduced in the autumn 2016 and the investment to internationally commercialise the innovation was minimised in accordance with the decision taken by Raisio's Board in August. Global crisis in the milk market and potential customers' unwillingness to change their feeding models were factors behind the decision, and for these reasons, the company's short-term prospects for the international expansion of the business were not favourable. The office in Seattle, USA, was closed. Benemilk Ltd was founded in the spring 2013, and Raisio holds 57 per cent of its shares.

In Finland and Russia, Benemilk feeds are sold and marketed by Raisioagro that has an exclusive licence to the Benemilk innovation.

RAISIOAGRO DIVISION

Raisioagro Division includes cattle and fish feeds, farming supplies and grain trade.

		Q4/ 2016	Q4/ 2015	Q3/ 2016	Q2/ 2016	Q1/ 2016	2016	2015
Net sales	M€	24.7	28.3	37.1	37.7	27.1	126.6	145.9
EBIT	M€	0.0	-0.4	2.3	1.4	0.0	3.7	2.4
EBIT	%	0.0	-1.4	6.1	3.8	-0.1	2.9	1.6
Items affecting comparability	M€	0.0	0.4	0.0	0.0	0.0	0.0	0.4
Comparable EBIT	M€	0.0	0.0	2.3	1.4	0.0	3.7	2.8
Comparable EBIT	%	0.0	-0.1	6.1	3.8	-0.1	2.9	1.9
Investments	M€	0.5	0.2	0.1	0.8	0.4	1.9	0.7
Net assets	M€	-	-	-	-	-	25.7	31.7

Financial review

Raisioagro's net sales totalled EUR 126.6 (145.9) million. Despite the net sales decline, the Division clearly improved its relative profitability. Net sales were down primarily due to lower fertiliser sales, milk farmers' shift to more affordable feeds and lower grain exports.

Raisioagro's comparable EBIT was EUR 3.7 (2.8) million. EBIT totalled EUR 3.7 (2.4) million. The key factors behind the EBIT improvement were the successful development and launch of new products in line with customer needs, and improved production and material efficiency.

Raisioagro's net working capital at the turn of the year decreased by almost 50 per cent, totalling EUR 5.8 (11.3) million. Decrease in net working capital was particularly due to improved raw material and stock management in both the fish feed business and cattle feed business. Raisioagro's average return on capital employed increased to 11.4 per cent due to decreased net working capital and improved profitability.

Business operations
Cattle feeds

Although the number of dairy farms in Finland has fallen at a faster rate than in previous years, Raisioagro's sales of ordinary cattle feeds remained at the comparison year level. Raisioagro did not get involved in the aggressive price competition but focused on the extension of sales staff expertise, targeted marketing efforts, development of the product range to meet customer needs, and digital services. A new brand OMA was launched alongside the existing brands.

Despite the lowering number of Finnish milk farms, the number of dairy cows did not substantially decrease because some of the farms carried out extension investments. The key change impacting the feed market was that the number of TMR feeding farms and robotic milking farms continued to grow. TMR feeding means that all feed components are mixed with silage and a cow is given only one feed mixture.

Sales in Benemilk's added value feeds fell from the comparison period as milk farms shifted to the use of more affordable feeds with lower added value while the challenging economic situation continued. At the end of 2016, some six per cent of all Finnish dairy cows were fed with Benemilk feeds. The main reasons for the milk farmers' challenging economic situation are the Russian ban on imports of dairy products and the subsequent drop in the producer price of milk in Finland. Benemilk feeds are mainly used at the robotic milking farms where farmers are satisfied with the added value of their milk production.

Russia's economic challenges and weakening liquidity of dairy farms reduced Raisioagro's cattle feed sales in Russia. Despite the decline in sales, the profitability of exports improved. Russia is investing in its own milk chain, which means that the need to improve the quality of milk and to raise the yield levels will increase the demand for feeding expertise consultation.

Raisioagro continued its strong investment in the development of digital services. As part of the Internet of Farming project, Raisioagro changed its robotic milking monitoring into Tuotostutka®. At the end of 2016, already 130 farms with over 10,000 cows were in the monitoring programme. With Raisioagro's real-time optimisation of cattle feeding, the average milk yield has increased by almost six per cent.

Fish feeds

In the summer 2016, Raisioagro's fish feed business Raisioaqua launched its Baltic Blend fish feeds and strengthened its position as a forerunner in the environmentally friendly fish farming in Finland and Northwest Russia. Fishmeal and fish oil made from herring and sprat fished from the Baltic Sea are used as a raw material in Baltic Blend feeds. Fishmeal and oil are processed in Finland by Raisioaqua's partner. With Baltic Blend feeds, nutrients will not be brought to the Baltic Sea from elsewhere.

Fish are cold-blooded, so growth conditions play a key role in the farming. Raisioaqua's range has fish feeds for many different species but the feeds for rainbow trout are by far the largest segment. The year 2016 was extremely challenging for Raisioaqua due to the measures taken by Russian authorities early spring and the heat wave of the summer. The season for fish feeds is from spring to autumn as fish are virtually not fed in winter.

Raisioaqua is the only Finnish fish feed manufacturer. Raisioaqua's key markets are Finland and Northwest Russia. Exports account for about 60 per cent of all fish feed manufactured. Raisioaqua's forerunner position in fish feeds is based on the close cooperation with fish farmers as well as on sustainable innovations, which have significantly reduced the environmental impacts from fish farming.

Sales season of sustainably produced, environmentally friendly Benella fish started in September. Benella fish are farmed using Raisioaqua's feeds, and the high-quality fish ensure the future of fish farming industry.

The entry of Benella rainbow trout to the Finnish kitchens was boosted significantly as Kesko started to distribute Benella in October 2016. After a successful pilot period, Kesko quickly made its Benella distribution nationwide. Benella product line was expanded with three new products. Raisioaqua has developed a contract farmer model for Benella farming and as a result, consumers get to know the name of the Benella farmer at the fish counter.

Other operations

In the summer 2016, Raisioagro carried out a Pink Bales campaign which had wide attention in Finland. A total of 9,300 euros of the proceeds was donated to The Finnish Breast Cancer Association. The campaign is continued in 2017 and a new campaign Blue Bales has been launched to support men diagnosed with prostate cancer. Preservatives and net wraps were sold in advance more than in the comparison year.

Sales of high-volume fertilisers and fuels were significantly down from the comparison year. Raisioagro continues its investments in the sales of farming supplies used on milk and grain farms as part of its service package.

The relative share of the online store in Raisioagro's net sales increased. Online customers value the opportunity to shop 24/7. Raisioagro continues the project to renew its online store.

Grain exports were clearly lower than in the comparison year. The global grain market was oversupplied, which significantly weakened grain export and its profitability.

PERSONNEL

Raisio Group employed 1,405 (1,787) people at the end of 2016. The average number of employees was 1,582 (1,798). At the end of 2016, 77 (81) per cent of the employees were working outside Finland.

The Brands Division had 1,248 (1,627), Raisioagro 98 (104) and the service functions 59 (56) employees at the end of 2016.

The decision to terminate the Southall site was made at the end of 2015 and related staff reductions were realised during the first quarter of 2016 in the UK. The plant closing resulted in an employment loss for 106 employees. In the summer 2016, Raisio divested its UK-based Newport snack bar factory as well as its plant manufacturing nibbles in Swindon. A total of 322 employees of these plants were transferred to a new owner. In Finland, Raisio adjusted its operations to the market condition changes, which resulted in the termination of a few employments.

Raisio's wages and fees in 2016 totalled EUR 58.0 (77.2 in 2015, 68.6 in 2014 and 64.7 in 2013) million, including other personnel expenses.

All Raisioagro's employees attended Lean training events where the company's processes were developed to enhance operational efficiency. The ideas generated in the training are actively being introduced.

MANAGEMENT AND ADMINISTRATIONBoard of Directors and Supervisory Board

The number of members of the Board of Directors was confirmed to be five, and Erkki Haavisto, Matti Perkonoja, Michael Ramm-Schmidt, Ann-Christine Sundell and Antti Tiitola were reappointed; all for the term commencing at the closing of the AGM. Matti Perkonoja served as Chairman of the Board of Directors and Michael Ramm-Schmidt as Deputy Chairman, both throughout 2016. All Board members were independent of the company and significant shareholders.

Paavo Myllymäki served as Chairman of the Supervisory Board and Holger Falck as Deputy Chairman in 2016.

Group Management Team

In addition to CEO Matti Rihko, Raisioagro's Managing Director Jarmo Puputti, Vice President of Benecol Vincent Poujardieu, CFO Antti Elevuori, Vice President of Legal Affairs Sari Koivulehto-Mäkitalo and Vice President of HR Merja Lumme served as the Raisio Group Management Team members in 2016. Vice Presidents Tomi Järvenpää and Mikko Laavainen resigned from the company at the beginning of 2016.

After the review year, on 3 January 2017, CEO Matti Rihko resigned. The composition of the Group Management Team was extended by appointing Pia Kakko, Vice President of Healthy Snacks business, and Sakari Kotka, Vice President of Confectionery business, as the Group Management Team members from 1 February 2017.

CORPORATE RESPONSIBILITY

Raisio Group has an ambitious sustainability programme that sets objectives and indicators for important, selected sustainability themes.

In 2016, Raisio began the determined implementation of its three-year Responsibility Programme. The programme applies to all the Group's operations and is structured around three themes material for Raisio and its stakeholders: sustainable food chain, healthier food, and occupational safety and wellbeing. Objectives of the Responsibility Programme support the implementation of Raisio's business strategy. The staff and management are committed to the implementation of the programme.

During the first year, the focus of the programme was on the harmonisation of processes and data management, the development of sustainable procurement and healthy foods.

As part of the process harmonising, the Raisio Code of Conduct was updated and the responsibility data management system was renewed. Raisio developed its processes of responsible procurement. Ethical principles required from the suppliers were strengthened at the Group level and the certification of critical raw materials was promoted. Healthiness criteria were defined for foods; the criteria help Raisio develop products to meet consumer needs.

Raisio committed to the UN Global Compact's sustainability initiative and its ten principles concerning human rights, labour practices, environment and corruption.

Raisio's Corporate Responsibility Report will be published with the Annual Report in week 10.

CHANGES IN GROUP STRUCTURE

On 12 July 2016, Raisio divested its UK snack bar business to the Dutch equity investor Nimbus and, at the same time, discontinued its subsidiaries Halo Foods Ltd, Cabin Confectionery Ltd and

Several UK subsidiaries that had already stopped trading were dissolved during 2016.

DIRECTED SHARE ISSUE

In February 2013, Raisio plc's Board of Directors decided on the Group's key employees' share-based incentive scheme for the period that started on 1 January 2013 and ended on 31 December 2015. On 17 March 2016, the Board of Directors approved the bonuses paid under the share reward scheme and, in order to convey the part paid in shares to key employees, decided to implement a directed share issue without payment based on the authorisation granted to the Board by the Annual General Meeting of 26 March 2015.

In the share issue, a total of 295,405 Raisio plc's free shares held by the company were conveyed without consideration to the key employees within the share reward scheme, with deviation from the shareholders' pre-emptive subscription rights. The conveyed 295,405 free shares correspond to 0.18 per cent of all Raisio plc's shares and 0.04 per cent of all votes.

There is an especially weighty financial reason for the deviation from the shareholders' pre-emptive right in the directed share issue without payment through the assignment of the company's own shares from the company's point of view and taking into account the best interests of all of its shareholders, since the purpose of the share reward scheme is to combine the objectives of owners and key employees in order to increase the company value as well as to commit the key employees to the company through direct share ownership. Direct share ownership is a way to further commit key employees to the company and to strengthen the alignment of shareholders and key employees' goals and interests.

The shares were conveyed to key employees on 13 April 2016. The right to dividend and other shareholder rights begin on the day on which the shares have been registered in the key employee's book-entry account.

The Board recommends that the key employees within the share reward scheme hold a substantial part of all shares they have received based on the scheme as long as the value of their holdings corresponds to their six months' gross salary.

EVENTS AFTER THE REVIEW PERIOD

Raisio's Board has initiated work to renew the Group's strategy. The strategy creates a foundation for Raisio's future growth and success. The Board aims to complete the strategy work in May 2017.

Raisio plc's CEO Matti Rihko resigned from his position on 3 January 2017. He acted as Raisio plc's CEO from November 2006. The Board of Directors has begun the search process for a new CEO. The Board appointed Jarmo Puputti, M. Sc. (Eng.), MBA, as Raisio plc's interim CEO.

RISKS AND SOURCES OF UNCERTAINTY IN THE NEAR FUTURE

The eurozone economy is expected to grow moderately in 2017. The growth is based on private consumption and revival of investments, supported by low interest rates. The UK voted to leave the European Union in the referendum of June 2016. All details related to Brexit are still unclear. The uncertainty arising from the decision is expected to weaken the growth prospects of, not only the UK, but the entire eurozone and to continue to cause significant volatility in the external value of the pound. In addition, the upcoming elections in major EU countries, France and Germany, as well as the threat of rising protectionism in the United States cause uncertainty to growth prospects.

In Finland, economy is expected to continue its moderate growth. The growth is based on private consumption supported by low interest rates and burdened by rising inflation. The unemployment rate is expected to fall.

The business environment in Russia and Ukraine is estimated to remain challenging.

Changes in exchange rates significantly affect Raisio's net sales and EBIT, directly and indirectly. Uncertainty related to the referendum outcome has caused volatility in the British pound, which impacts Raisio's net sales and EBIT as considerable part of them is generated in the UK. Volatility in the rouble's external value affects the exports of feeds and flakes. It may also have an impact on the utilisation rates of production plants in Finland.

The price and availability of agricultural raw materials are a major challenge for Raisio's businesses. Global warming and extreme weather events will rapidly affect the crop expectations, supply, demand and price of these commodities. Changes in supply, demand and price of other key raw materials are also possible. In terms of business profitability, the role of risk management remains essential both for value and volume.

Raisio expects the grocery market to remain fairly stable compared to other sectors. Changes and competition in retail trade are a challenge for the food industry too, through sales prices and sales terms in all Raisio's main markets. Profitability and liquidity problems in the Finnish agriculture and livestock farming weaken the purchasing power of the sector and put pressure on Raisioagro's profitability. Due to the crisis in Ukraine and Crimea, the EU's sanctions of 2014 and Russia's counter-sanctions, especially the import ban of dairy products, will directly and indirectly hamper Raisioagro's operations.

In 2017, preparing for and adapting to Brexit is a key challenge for Raisio's operations.

To ensure growth and profitability of its operations, Raisio may carry out corporate restructuring which, as rationalisation projects, may result in significant one-off expenses.

GUIDANCE FOR 2017

In 2017, Raisio will invest in brands, product concepts, sales and marketing and in the enhancement of its operations. This will pave the way for future growth and success. Raisio estimates its comparable EBIT for 2017 to fall slightly short of comparable EBIT for 2016. Exchange rates will continue to significantly affect Raisio's EBIT.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The parent company's distributable assets based on the balance sheet on 31 December 2016 totalled EUR 128,562,651.45.

The Board proposes that a dividend of EUR 0.17 per share be distributed, or a total of EUR 28,075,335.10, and that EUR 100,487,316.35 be left in the profit account. No dividends will be paid on the shares held by the company on the record date 27 March 2017. The dividend payment date is 3 April 2017.

No significant changes have taken place in the company's financial position after the end of the financial year. The company's liquidity is good, and the Board's view is that the proposed dividend payout does not endanger the company's solvency.

In Raisio, 13 February 2017

Raisio plc
Board of Directors

Further information:

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Raisio's financial reports in 2017

- Raisio's Online Annual Report 2016 will be published in week 10 at www.raisio.com
- Financial report for January-March on 10 May 2017
- Half-Year Financial Report for January-June on 9 August 2017
- Financial report for January-September on 8 November 2017

This release contains forward-looking statements that are based on assumptions, plans and decisions known by Raisio's senior management. Although the management believes that the forward-looking assumptions are reasonable, there is no certainty that these assumptions will prove to be correct. Therefore, the actual results may materially differ from the assumptions and plans included in the forward-looking statements due to, e.g., unanticipated changes in market and competitive conditions, the global economy as well as in laws and regulations.

CONDENSED FINANCIAL STATEMENTS AND NOTES
INCOME STATEMENT (M€)

	10-12/ 2016	10-12/ 2015	2016	2015
Net sales	95.4	122.7	436.3	521.2
Expenses corresponding to products sold	-69.1	-100.6	-337.6	-403.2
Gross profit	26.3	22.2	98.7	118.0
Other operating income and expenses, net	-14.8	-16.5	-69.7	-75.6
EBIT	11.5	5.7	28.9	42.4
Financial income	0.4	0.0	1.8	1.0
Financial expenses	-0.2	-1.0	-4.0	-3.6
Share of result of associates and joint ventures	0.0	0.0	0.0	0.0
Result before taxes	11.7	4.8	26.8	39.9
Income taxes	-2.8	2.1	-7.8	-4.9
RESULT FOR THE PERIOD	8.9	6.8	19.0	35.0
Attributable to:				
Equity holders of the parent company	8.9	6.8	19.0	35.0
Non-controlling interests	0.0	0.0	0.0	0.0
Earnings per share from the profit attributable to equity holders of the parent company (€)				
Undiluted earnings per share	0.06	0.04	0.12	0.22
Diluted earnings per share	0.06	0.04	0.12	0.22

COMPREHENSIVE INCOME STATEMENT (M€)

	10-12/ 2016	10-12/ 2015	2016	2015
Result for the period	8.9	6.8	19.0	35.0
Other comprehensive income items after taxes				
Items that may be subsequently transferred to profit or loss				
Available-for-sale financial assets	-0.2	0.0	-0.2	0.1
Cash flow hedge	-2.1	-0.4	-3.7	-1.0
Translation differences	1.7	1.4	-27.2	11.9
Comprehensive income for the period	8.3	7.8	-12.2	45.9
Components of comprehensive income:				
Equity holders of the parent company	8.3	7.8	-12.2	45.9
Non-controlling interests	0.0	0.0	0.0	0.0

BALANCE SHEET (M€)

	31.12.2016	31.12.2015
ASSETS		
Non-current assets		
Intangible assets	62.0	74.4
Goodwill	154.1	178.9
Property, plant and equipment	78.7	98.8
Shares in associates and joint ventures	0.7	0.7
Available-for-sale financial assets	2.3	2.6
Deferred tax assets	5.4	5.7
Total non-current assets	303.3	361.1
Current assets		
Inventories	52.1	64.3
Accounts receivables and other receivables	51.0	68.4
Financial assets at fair value through profit or loss	37.7	58.8
Cash in hand and at banks	25.9	11.0
Total current assets	166.7	202.5
Non-current assets available for sale	0.0	0.0
Total assets	470.0	563.6
SHAREHOLDER'S EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent company		
Share capital	27.8	27.8
Company shares	-19.8	-20.4
Other equity attributable to equity holders of the parent company	305.2	342.6
Equity attributable to equity holders of the parent company	313.2	350.0
Non-controlling interests	0.0	0.0
Total shareholder's equity	313.2	350.0
Non-current liabilities		
Deferred tax liabilities	8.2	10.9
Provisions	0.2	0.1
Non-current financial liabilities	45.8	91.6
Derivative contracts	0.0	0.0
Other non-current liabilities	0.0	0.1
Total non-current liabilities	54.3	102.6
Current liabilities		
Accounts payable and other liabilities	55.8	89.8
Provisions	2.4	2.1
Derivative contracts	1.6	0.6
Current financial liabilities	42.8	18.6
Total current liabilities	102.6	111.0
Debts related to non-current assets available for sale	0.0	0.0
Total liabilities	156.8	213.5
Total shareholder's equity and liabilities	470.0	563.6

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Reserve fund	Invested unrestricted equity fund	Other reserves	Company shares	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 31.12.2014	27.8	2.9	88.6	8.0	2.9	-20.4	2.2	213.3	325.3	0.0	325.3
Comprehensive income for the period											
Result for the period	-	-	-	-	-	-	-	35.0	35.0	-	35.0
Other comprehensive income items (adjusted for tax effects)											
Financial assets available for sale	-	-	-	-	0.1	-	-	-	0.1	-	0.1
Cash flow hedge	-	-	-	-	-1.0	-	-	-	-1.0	-	-1.0
Translation differences	-	-	-	-	-	-	11.9	-	11.9	-	11.9
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-0.9	0.0	11.9	35.0	45.9	0.0	45.9
Business activities involving shareholders											
Dividends	-	-	-	-	-	-	-	-22.0	-22.0	-	-22.0
Unclaimed dividends	-	-	-	-	-	-	-	0.1	0.1	-	0.1
Transfer from retained earnings to other reserves	-	-	-	0.7	-	-	-	-0.7	0.0	-	0.0
Share-based payment	-	-	-	-	-	0.0	-	0.6	0.6	-	0.6
Total business activities involving shareholders	0.0	0.0	0.0	0.7	0.0	0.0	0.0	-22.0	-21.3	0.0	-21.3
Equity on 31.12.2015	27.8	2.9	88.6	8.8	2.0	-20.4	14.2	226.2	350.0	0.0	350.0
Comprehensive income for the period											
Result for the period	-	-	-	-	-	-	-	19.0	19.0	-	19.0
Other comprehensive income items (adjusted for tax effects)											
Available-for-sale financial assets	-	-	-	-	-0.2	-	-	-	-0.2	-	-0.2
Cash flow hedge	-	-	-	-	-3.7	-	-	-	-3.7	-	-3.7
Translation differences	-	-	-	-	-	-	-27.2	-	-27.2	-	-27.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-3.9	0.0	-27.2	19.0	-12.2	0.0	-12.2
Business activities involving shareholders											
Dividends	-	-	-	-	-	-	-	-25.1	-25.1	-	-25.1
Unclaimed dividends	-	-	-	-	-	-	-	0.1	0.1	-	0.1
Transfer from retained earnings to other reserves	-	-	-	0.1	-	-	-	-0.1	0.0	-	0.0
Share-based payment	-	-	-	-	-	0.6	-	-0.2	0.4	-	0.4
Total business activities involving shareholders	0.0	0.0	0.0	0.1	0.0	0.6	0.0	-25.3	-24.6	0.0	-24.6
Equity on 31.12.2016	27.8	2.9	88.6	8.9	-1.9	-19.8	-13.1	219.9	313.2	0.0	313.2

CASH FLOW STATEMENT (M€)

	2016	2015
Result before taxes	26.8	39.9
Adjustments	31.8	20.9
Cash flow before change in working capital	58.6	60.8
Change in accounts receivables and other receivables	3.6	3.3
Change in inventories	15.1	1.2
Change in current non-interest-bearing liabilities	-20.2	7.4
Total change in working capital	-1.6	11.9
Financial items and taxes	-9.4	-7.6
Cash flow from business operations	47.6	65.0
Investments in fixed assets	-17.3	-10.9
Divestment of subsidiaries	2.2	0.0
Proceeds from sale of fixed assets	0.2	5.8
Sale of securities	0.4	0.0
Cash flow from investments	-14.4	-5.1
Financial items and taxes	-3.7	0.0
Change in non-current loans	-8.6	-14.4
Change in current loans	0.0	-10.0
Dividend paid to equity holders of the parent company	-25.0	-21.9
Cash flow from financial operations	-37.2	-46.3
Change in liquid funds	-4.0	13.7
Liquid funds at the beginning of the period	67.9	53.6
Effects of changes in foreign exchange rates	-2.0	0.5
Impact of change in market value on liquid funds	0.0	0.2
Liquid funds at end of period	61.9	67.9

NOTES TO THE FINANCIAL STATEMENTS BULLETIN

This financial statements bulletin has been prepared in compliance with IAS 34 Interim Financial Reporting according to the same principles and calculation methods as used in financial statements 2015 with the exception of the EU approved new and renewed IFRS standards introduced on 1 January 2016. The standard amendments have not had a material impact on the consolidated financial statements.

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Although these estimates are based on the management's best knowledge of current events, actual results may differ from the estimates.

Financial statements bulletin is shown in EUR millions.

SEGMENT INFORMATION

The reported segments are Brands and Raisioagro. The Brands segment includes Healthy Snacking, Benecol, Confectionery and Benemilk. Raisioagro segment includes cattle and fish feeds, farming supplies and grain trade

NET SALES BY SEGMENT (M€)

	10-12/ 2016	10-12/ 2015	2016	2015
Brands	73.3	97.6	320.1	385.1
Raisioagro	24.7	28.3	126.6	145.9
Other operations	0.2	0.2	0.8	3.4
Interdivisional net sales	-2.8	-3.3	-11.2	-13.2
Total net sales	95.4	122.7	436.3	521.2

EBIT BY SEGMENT (M€)

	10-12/ 2016	10-12/ 2015	2016	2015
Brands	13.7	6.9	30.2	45.4
Raisioagro	0.0	-0.4	3.7	2.4
Other operations	-2.2	-0.8	-4.9	-5.3
Total EBIT	11.5	5.7	28.9	42.4

NET ASSETS BY SEGMENT (M€)

	31.12.2016	31.12.2015
Brands	303.4	360.3
Raisioagro	25.7	31.7
Other operations and unallocated items	-15.9	-42.0
Total net assets	313.2	350.0

INVESTMENTS BY SEGMENT (M€)

	10-12/ 2016	10-12/ 2015	2016	2015
Brands	2.1	2.7	8.9	9.1
Raisioagro	0.5	0.2	1.9	0.7
Other operations	2.4	0.5	7.5	1.2
Total investments	5.0	3.3	18.3	11.0

NET SALES BY MARKET AREA (M€)

	10-12/ 2016	10-12/ 2015	2016	2015
Finland	35.3	40.2	156.9	175.5
Great Britain	27.8	50.4	141.5	192.5
Rest of Europe	29.5	29.1	125.6	142.4
ROW	2.8	3.0	12.2	10.7
Total	95.4	122.7	436.3	521.2

ACQUIRED BUSINESS OPERATIONS

No business acquisitions in the period 1 January - 31 December 2016 or in 2015.

TANGIBLE ASSETS (M€)

	31.12.2016	31.12.2015
Acquisition cost at the beginning of the period	400.5	398.7
Conversion differences	-11.0	5.1
Increase	15.2	8.6
Decrease	-14.1	-11.9
Transfers between items	-9.7	0.0
Acquisition cost at end of period	380.9	400.5
Accumulated depreciation and impairment at the beginning of the period	301.7	289.6
Conversion difference	-6.3	2.2
Decrease and transfers	-14.0	-9.7
Depreciations and impairment for the period	20.8	19.5
Accumulated depreciation and impairment at end of period	302.2	301.7
Book value at end of period	78.7	98.8

PROVISIONS (M€)

	31.12.2016	31.12.2015
At the beginning of the period	2.1	2.4
Increase in provisions	0.5	0.0
Provisions used	0.0	-0.3
At end of period	2.6	2.1

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	31.12.2016	31.12.2015
Sales to associates and joint ventures	0.0	0.0
Purchases from associates and joint ventures	0.1	0.0
Sales to key employees in management	0.4	0.1
Purchases from key employees in management	1.6	0.3
Liabilities to associates and joint ventures	0.0	0.0
Receivables from the key persons in the management	0.0	0.0
Payables to key management personnel	0.2	0.0

CONTINGENT LIABILITIES (M€)

	31.12.2016	31.12.2015
Contingent off-balance sheet liabilities		
Non-cancelable other leases		
Minimum lease payments	1.5	8.3
Other liabilities	1.9	2.3
Commitment to investment payments	5.9	1.1

DERIVATIVE CONTRACTS (M€)

	31.12.2016	31.12.2015
Nominal values of derivative contracts		
Currency forward contracts	190.3	242.5
Interest rate swaps	0.0	7.7

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 31.12.2016	Fair value 31.12.2016	Carrying amount 31.12.2015	Fair value 31.12.2015
Financial assets				
Financial assets available for sale*)	2.3	2.3	2.6	2.6
Accounts receivables and other receivables	45.3	45.3	61.2	61.2
Investments recorded at fair value through profit or loss*)	36.0	36.0	56.9	56.9
Liquid funds	25.9	25.9	11.0	11.0
Derivatives*)	1.7	1.7	1.9	1.9
Financial liabilities				
Bank loans	88.5	90.0	110.1	112.6
Financial leasing liabilities	0.2	0.2	0.0	0.0
Accounts payable and other liabilities	39.9	39.9	52.2	52.2
Derivatives*)	1.6	1.6	0.6	0.6

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€)

	10-12/ 2016	7-9/ 2016	4-6/ 2016	1-3/ 2016	10-12/ 2015	7-9/ 2015	4-6/ 2015	1-3/ 2015
Net sales by segment								
Brands	73.3	68.4	88.2	90.2	97.6	95.9	97.8	93.7
Raisioagro	24.7	37.1	37.7	27.1	28.3	40.3	44.7	32.6
Other operations	0.2	0.2	0.2	0.2	0.2	0.3	2.6	0.3
Interdivisional net sales	-2.8	-2.8	-2.0	-3.5	-3.3	-2.1	-3.7	-4.1
Total net sales	95.4	102.8	124.1	114.0	122.7	134.5	141.5	122.5
EBIT by segment								
Brands	13.7	10.5	-5.4	11.4	6.9	15.8	11.3	11.3
Raisioagro	0.0	2.3	1.4	0.0	-0.4	1.3	1.4	0.1
Other operations	-2.2	1.1	-2.2	-1.7	-0.8	-1.2	-1.6	-1.8
Total EBIT	11.5	13.9	-6.2	9.7	5.7	16.0	11.1	9.6
Financial income and expenses, net	0.2	-0.5	-0.9	-0.9	-1.0	-0.7	-0.4	-0.5
Share of result of associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result before taxes	11.7	13.4	-7.1	8.7	4.8	15.2	10.7	9.2
Income tax	-2.8	-2.3	-1.4	-1.3	2.1	-2.9	-2.3	-1.7
Result for the period	8.9	11.1	-8.4	7.4	6.8	12.3	8.4	7.5

KEY INDICATORS

	31.12.2016	31.12.2015
Net sales, M€	436.3	521.2
Change of net sales, %	-16.3	5.5
Operating margin, M€	56.3	63.6
Depreciation and impairment, M€	27.4	21.1
EBIT, M€	28.9	42.4
% of net sales	6.6	8.1
Result before taxes, M€	26.8	39.9
% of net sales	6.1	7.6
Return on equity, ROE, %	5.7	10.4
Return on investment, ROI, %	6.6	9.2
Interest-bearing financial liabilities at end of period, M€	88.6	110.1
Net interest-bearing financial liabilities at end of period, M€	26.7	42.2
Equity ratio, %	66.8	62.3
Net gearing, %	8.5	12.1
Gross investments, M€	18.3	11.0
% of net sales	4.2	2.1
R & D expenses, M€	3.6	5.5
% of net sales	0.8	1.1
Average personnel	1,582	1,798
Earnings/share, €	0.12	0.22
Cash flow from operations/share, €	0.30	0.41
Equity/share, €	1.99	2.23
Average number of shares during the period, in 1,000s		
Free shares	124,898	124,428
Restricted shares	32,486	32,735
Total	157,384	157,163
Average number of shares at end of period, in 1,000s		
Free shares	125,004	124,641
Restricted shares	32,470	32,528
Total	157,474	157,169
Market capitalisation of shares at end of period, M€		
Free shares	446.3	528.5
Restricted shares	125.0	137.9
Total	571.3	666.4
Share price at end of period		
Free shares	3.57	4.24
Restricted shares	3.85	4.24

CALCULATION OF INDICATORS

Return on equity (ROE), %	$\frac{\text{Result before taxes – income taxes}}{\text{Shareholders' equity (average over the period)}} \times 100$
Return on investment (ROI), %	$\frac{\text{Result before taxes + financial expenses}}{\text{Shareholders' equity + interest-bearing financial liabilities (average over the period)}} \times 100$
Equity ratio, %	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total – advances received}} \times 100$
Net interest-bearing financial liabilities	Interest-bearing financial liabilities - liquid funds and liquid financial assets at fair value through profit or loss
Net gearing, %	$\frac{\text{Net interest-bearing financial liabilities}}{\text{Shareholders' equity}} \times 100$
Earnings per share	$\frac{\text{Result for the year of parent company shareholders}}{\text{Average number of shares for the year, adjusted for share issue}}$
Comparable earnings per share	$\frac{\text{Profit for the period attributable to the parent company shareholders +/- items affecting comparability}}{\text{Average number of shares during the period adjusted for issues}}$
Cash flow from business operations per share	$\frac{\text{Cash flow from business operations}}{\text{Average number of shares for the year, adjusted for share issue}}$
Shareholders' equity per share	$\frac{\text{Equity of parent company shareholders}}{\text{Number of shares at end of period adjusted for share issue}}$
Market capitalisation	Closing price, adjusted for issue x number of shares without company shares at the end of the period
Comparable EBIT	EBIT +/- items affecting comparability
Comparable EBIT, %	$\frac{\text{EBIT +/- items affecting comparability}}{\text{Net sales}}$
EBITDA	EBIT + depreciations and impairment
Comparable EBITDA	EBIT +/- items affecting comparability + depreciations and impairment