Interim Report January-September 2018

RAISIO PLC

RAISIO'S Q3 DOWN BY RUSSIAN IMPORT BAN ON FISH FEEDS

July-September 2018, continuing operations

- The Group's net sales totalled EUR 63.1 (67.7) million.
  EBIT was EUR 7.8 (10.3, and comparable EBIT 10.8) million,
  accounting for 12.3 (15.3, and comparable EBIT 15.9) % of net sales.
- The Healthy Food Division's net sales totalled EUR 51.9 (48.9) million,
  while comparable net sales remained at the last year level.
  EBIT was EUR 7.3 (9.3) million, accounting for 14.1 (19.0) % of net sales.
- The Raisioaqua Division's net sales totalled EUR 10.9 (18.4) million.
  EBIT was EUR 0.9 (2.7) million, accounting for 8.6 (14.8) % of net sales.

January-September 2018, continuing operations

- The Group's net sales totalled EUR 172.6 (180.9) million.
  Comparable EBIT was EUR 20.6 (29.2) million, accounting for 11.9 (16.1)% of net sales.
  EBIT was EUR 18.6 (56.4) million, accounting for 10.8 (31.2)% of net sales.
  The comparison period EBIT includes sales profits of EUR 28.3 million for
  the Southall factory property.
- The Healthy Food Division's net sales totalled EUR 147.8 (150.8) million.
  Comparable EBIT was EUR 22.5 (29.8) million, accounting for 15.2 (19.8)% of net sales.
  EBIT was EUR 22.3 (29.8) million, accounting for 15.1 (19.8)% of net sales.
- The Raisioaqua Division's net sales totalled EUR 23.9 (29.2) million.
  EBIT was EUR 0.2 (3.1) million, accounting for 1.0 (10.5)% of net sales.

CEO'S REVIEW

"The divestment of our cattle feed business, reviewed by the Competition and Consumer Authority for the entire review period, was completed after the review period. The business transferred to the new owner on 1 November 2018 at the enterprise value of EUR 34 million. Raisio's sales profit will total some EUR 12.5 million. With the sale of the cattle feed business, Raisio continues to focus on healthy, plant-based food and fish feeds. Strong megatrends support both of these businesses.

EBIT for Raisio's Q3 was down from the comparison period, particularly due to the interrupted export of Raisioaqua's fish feeds to Russia. The Division's EBIT decreased by EUR 1.8 million and net sales by EUR 7.6 million from the comparison period. Active work is continued to lift the Russian import ban. At the moment, it is not possible to determine the exact date for the reopening of the Russian border.

Raisio also increased, as planned, marketing investments in its key brands Benecol and Elovena by some EUR 1 million to boost the sales of new products.

In line with our plans, we have initiated corrective measures in the markets where the development of net sales and profitability did not meet the expectations in the first half of the year. Thanks to the price increases carried out in Russia, net sales and profitability in local currency already returned to the comparison period level. In Poland, we have focused on our core business and carried out reorganisation measures. As a result, the net sales decline has been stopped and the negative performance of the first half of the year reversed. The Irish business previously run by an external distributor was taken over by Raisio's own organisation in September. This change in the operating model allows the growth focus in the market where the Benecol brand already has a strong position.

An exceptionally dry growth season resulted in the lowest Finnish grain harvest in over 30 years. The grain harvest in Europe was also down from last year. In Finland, the grain price has significantly increased since last spring. With our strong brands, we can shift higher raw material costs to product prices.

Consumer interest in plant-based food continues to grow. Oat demand also continues to boom. At the end of August, Raisio launched a new oat innovation. Elovena Muru Oat Mince is a convenient product with plenty of oat, protein and fibre. Elovena Muru can be used in the same way as minced meat in all cooking, which multiplies its growth potential. Consumers have welcomed the novelty enthusiastically, and Elovena Muru has quickly gained a position where it can compete for the market leadership of the category."

RAISIO GROUP'S KEY FIGURES

	7-9/2018			7-9/2017		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Income statement						
Net sales, M€	63.1	15.5	78.7	67.7	41.1	108.8
Change in net sales, %	-6.7	-	-	10.6	-	-
Comparable EBIT, M€	7.8	1.0	8.8	10.8	2.2	13.0
Comparable EBIT of net sales, %	12.3	6.6	11.2	15.9	5.4	12.0
EBIT, M€	7.8	0.9	8.7	10.3	2.7	13.0
EBIT of net sales, %	12.3	5.9	11.0	15.3	6.5	12.0
Comparable EBITDA, M€	9.2	1.0	10.2	12.4	3.4	15.8
EBITDA, M€	9.2	0.9	10.1	11.9	3.4	15.4
Financial income and expenses, M€	-0.1	0.00	-0.1	-0.7	-0.1	-0.8
Comparable earnings per share, €	0.04	0.01	0.04	0.05	0.01	0.06
Earnings per share, €	0.04	0.00	0.04	0.05	0.01	0.06
Balance sheet						
Investments, M€	1.2	0.2	1.4	0.9	0.9	1.7

	1-9/2018			1-9/2017			2017		
	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total
Income statement									
Net sales, M€	172.6	52.0	224.6	180.9	124.6	305.5	234.6	168.3	402.8
Change in net sales, %	-4.6	-	-	-11.8	-	-	-9.1	-	-
Comparable EBIT, M€	20.6	3.3	23.9	29.2	7.5	36.7	35.9	10.0	45.9
Comparable EBIT of net sales, %	11.9	6.3	10.6	16.1	6.0	12.0	15.3	5.9	11.4
EBIT, M€	18.6	3.1	21.8	56.4	-21.4	35.0	54.1	-57.3	-3.2
EBIT of net sales, %	10.8	6.0	9.7	31.2	-17.2	11.5	23.0	-34.1	-0.8
Comparable EBITDA, M€	24.8	3.8	28.6	33.8	11.1	44.8	42.2	14.8	57.0
EBITDA, M€	22.9	3.6	26.5	61.0	11.1	72.1	68.1	-23.7	44.4
Financial income and expenses, M€	-0.1	0.0	-0.1	-1.1	-0.4	-1.4	-1.4	-0.3	-1.7
Comparable earnings per share, €	0.10	0.02	0.12	0.14	0.04	0.18	0.17	0.05	0.22
Earnings per share, €	0.09	0.02	0.11	0.28	-0.15	0.14	0.26	-0.37	-0.11

	1-9/2018			1-9/2017			2017		
	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total
Balance sheet									
Equity ratio, %	76.7	-	-	69.6	-	-	73.4	-	-
Net gearing, %	-30.0	-	-	-3.9	-	-	-39.8	-	-
Net interest-bearing debt, M€	-76.4	-	-	-11.9	-	-	-105.1	-	-
Equity per share, €	1.62	-	-	1.93	-	-	1.68	-	-
Investment, M€	3.7	0.3	4.0	8.4	2.9	11.3	10.1	5.7	15.8

FINANCIAL REPORTING

At the beginning of 2018, Raisio renewed its organisational structure. On 4 May 2018, the company announced that it had signed an agreement to sell its cattle feed business to Lantmännen Agro Oy; the business was transferred to the buyer on 1 November 2018. Therefore, the company has changed its financial reporting and reportable segments. Raisio's strategic segments reported as continuing operations are Healthy Food (previously Brands), Raisioaqua (previously part of Raisioagro) and Other Operations.

The Healthy Food segment consists of the following operating segments: Northern and Eastern Europe, Western Europe and the Rest of the World (previously Healthy Food, Benecol, Confectionery until 29 December 2017, and Benemilk). The Grain Trade business was reported as part of the Raisioagro segment in 2017. As from 1 January 2018, it has been reported as part of the Northern and Eastern European operations of the Healthy Food Division.

The Raisioaqua segment consists of fish feed business reported as a continuing operation and as a separate operating segment. Raisio's cattle feed business sold to Lantmännen Agro, previously reported in the Raisioagro segment, is now reported as a discontinued operation in accordance with IFRS 5. Assets and liabilities of the cattle feed business have been classified as available for sale.

As from 1 January 2018, Benemilk has been reported as part of the Other Operations segment.

The confectionery business, divested by the Raisio Group at the end of 2017, was reported as a discontinued operation in the 2017 financial statements in accordance with IFRS 5. Comparative figures for 2017 have been adjusted as regards the income statement, cash flow statement and key figures.

The financial figures for the comparison periods have been adjusted to correspond to the new structure of Raisio's financial reporting. In this report, the comparison figures in brackets refer to the corresponding date or period one year earlier.

FINANCIAL REVIEW, JULY-SEPTEMBER 2018

Net sales, continuing operations

Raisio Group's net sales for continuing operations totalled EUR 63.1 (67.7) million. Net sales of the Healthy Food Division totalled EUR 51.9 (48.9) million, those of Raisioaqua EUR 10.9 (18.4) million and those of Other Operations EUR 0.4 (0.3) million. Net sales were primarily decreased by Raisioaqua's discontinued exports to Russia from 4 August 2018. As a result of the GMO case in June-July 2018, Russian authorities closed the border.

As a result of structural arrangement, net sales for the grain trade were up by EUR 3 million from the comparison period, because the grain trade business, moved to the Healthy Food Division's Northern European operations in early 2018, purchased grain also for the divested cattle feed business treated as a discontinued operation. For this reason, the grain purchased for cattle feed production is seen as external sales increasing net sales. In 2017, the grain trade business was part of Raisioagro, so the grain purchased for the production of foods sold in in Finland, Russia and Ukraine was internal trade for the Group.

The conversion impact of the British pound on the net sales of the Group and Healthy Food Division was EUR 0.1 million. The conversion impact refers to the effect that arises when the subsidiaries' net sales in pounds is converted into euros as part of the consolidated financial statements.

Results, continuing operations

Raisio Group's EBIT totalled EUR 7.8 (10.3, and comparable EBIT 10.8) million, accounting for 12.3 (15.3, and comparable EBIT 15.9) per cent of net sales. EBIT was primarily decreased by the impact of Raisioaqua's discontinued exports to Russia and the planned increase in marketing investments in Raisio's key brands.

The Healthy Food Division's EBIT was EUR 7.3 (9.3) million and Raisioaqua's EBIT totalled EUR 0.9 (2.7) million. EBIT for other operations was EUR -0.5 (-1.7, and comparable EBIT -1.3) million. EBIT for Other Operations improved as a result of lower Group costs and cost savings brought by the cooperation negotiations.

Comparable EBIT of the Group and Healthy Food Division was not affected by the conversion impact of the British pound. The conversion impact refers to the effect arising when subsidiaries' EBIT in pounds is converted into euros as part of the consolidated financial statements.

Depreciations and impairment totalled EUR 1.5 (1.6) million. The Group's net financial expenses were EUR -0.1 (-0.7) million.

Pre-tax result was EUR 7.6 (9.6, and comparable pre-tax result 10.0) million. The Group's post-tax result was EUR 5.9 (7.6, and comparable post-tax result 7.9) million. The Group's earnings per share were EUR 0.04 (0.05, and comparable earnings per share 0.05).

FINANCIAL REVIEW, JANUARY-SEPTEMBER 2018

Net sales, continuing operations

Raisio Group's net sales for continuing operations totalled EUR 172.6 (180.9) million. Net sales of the Healthy Food Division totalled EUR 147,8 (150.8) million, those of Raisioaqua EUR 23.9 (29.2) million and those of Other Operations EUR 1.1 (1.0) million. The conversion impact of the British pound on net sales of the Group and Healthy Food Division was EUR -0.6 million. The conversion impact refers to the effect that arises when the subsidiaries' net sales in pounds is converted into euros as part of the consolidated financial statements.

Net sales from outside Finland were EUR 109.1 (120.4) million of the Group's total, representing 63.2 (66.5) per cent of net sales. Finland accounted for over 35 per cent, the UK for less than 30 per cent, the rest of Europe over 30 per cent and the rest of the world clearly below 5 per cent of the Raisio Group's net sales.

Results, continuing operations

The Group's comparable EBIT was EUR 20.6 (29.2) million and EBIT 18.6 (56.4) million. Comparable EBIT was 11.9 (16.1) and EBIT 10.8 (31.2) per cent of net sales. The comparison period EBIT includes sales profits of EUR 28.3 million for the Southall factory property.

The Healthy Food Division's comparable EBIT was EUR 22.5 (29.8) million and EBIT 22.3 (29.8) million. Raisioaqua's EBIT totalled EUR 0.2 (3.1) million. Comparable EBIT for Other Operations was EUR -2.1 (-3.7) and EBIT -3.9 (23.6) million.

The conversion impact of the British pound on EBIT of the Group and Healthy Food Division was some EUR -0.1 million. The conversion impact refers to the effect arising when subsidiaries' EBIT in pounds is converted into euros as part of the consolidated financial statements.

Depreciations and impairment totalled EUR 4.3 (4.5) million. Net financial expenses totalled EUR -0.1 (-1.1) million.

Comparable pre-tax result was EUR 20.5 (28.1), and pre-tax result 18.5 (55.4) million. Comparable post-tax result was EUR 15.9 (22.3), and post-tax result 14.4 (44.4) million. The Group's comparable earnings per share were EUR 0.10 (0.14), and earnings per share 0.09 (0.28).

ITEMS AFFECTING COMPARABLE EBIT
continuing and discontinued operations, EUR million

	7-9/2018			7-9/2017		
	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total
Comparable EBIT	7.8	1.0	8.8	10.8	2.2	13.0
+ capital gain	-	-	-	-0.4	-	-0.4
- capital loss	-	-	-	-	-	-
- impairment, tangible and intangible assets	-	-	-	-	0.4	0.4
- impairment, inventories	-	-	-	-	-	-
+/- structural arrangements and streamlining projects	-	-0.1	-0.1	0.0	-	0.0
+/- other items	-	-	-	-	-	-
Items affecting comparability, in total	0.0	-0.1	-0.1	-0.4	0.4	0.0
EBIT	7.8	0.9	8.7	10.3	2.7	13.0

	1-9/2018			1-9/2017			2017		
	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total
Comparable EBIT	20.6	3.3	23.9	29.2	7.5	36.7	35.9	10.0	45.9
+ capital gain	-	-	-	28.3	-	28.3	28.0	-	28.0
- capital loss	-	-	-	-	-	-	-	-38.4	-38.4
- impairment, tangible and intangible assets	-	-	-	-	-28.9	-28.9	-7.8	-28.7	-36.5
- impairment, inventories	-	-	-	-	-	-	-0.7	-	-0.7
+/- structural arrangements and streamlining projects	-1.9	-0.2	-2.1	-1.1	-	-1.1	-1.3	-0.1	-1.5
+/- other items	-	-	-	-	-	-	-0.1	-	-0.1
Items affecting comparability, in total	-1.9	-0.2	-2.1	27.2	-28.9	-1.6	18.1	-67.3	-49.1
EBIT	18.6	3.1	21.8	56.4	-21.4	35.0	54.1	-57.3	-3.2

ITEMS AFFECTING COMPARABLE EBITDA
continuing and discontinued operations, reconciliation to EBIT, EUR million

	7-9/2018			7-9/2017		
	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total
Comparable EBITDA	9.2	1.0	10.2	12.4	3.4	15.8
+/- Depreciations and impairment	-	-	-	-	-0.4	-0.4
+/- Items affecting EBIT	-	-0.1	-0.1	-0.4	0.4	0.0
Items affecting comparability, in total	0.0	-0.1	-0.1	-0.4	0.0	-0.4
EBITDA	9.2	0.9	10.1	11.9	3.4	15.4
+/- Impairment	-	-	-	-	1.4	1.4
+/- Depreciations	-1.5	0.0	-1.5	-1.6	-2.1	-3.7
EBITDA	7.8	0.9	8.7	10.3	2.7	13.0

	1-9/2018			1-9/2017			2017		
	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total	Con-tinuing	Discon-tinued	Total
Comparable EBITDA	24.8	3.8	28.6	33.8	11.1	44.8	42.2	14.8	57.0
+/- Depreciations and impairment	-	-	-	-	28.9	28.9	7.8	28.7	36.5
+/- Items affecting EBIT	-1.9	-0.2	-2.1	27.2	-28.9	-1.6	18.1	-67.3	-49.1
Items affecting comparability, in total	-1.9	-0.2	-2.1	27.2	0.0	27.2	25.9	-38.5	-12.5
EBITDA	22.9	3.6	26.5	61.0	11.1	72.1	68.1	-23.7	44.4
+/- Impairment	-	-	-	-	-28.9	-28.9	-8.0	-28.7	-36.7
+/- Depreciations	-4.3	-0.4	-4.7	-4.5	-3.6	-8.2	-6.0	-4.9	-10.9
EBITDA	18.6	3.1	21.8	56.4	-21.4	35.0	54.1	-57.3	-3.2

BALANCE SHEET, CASH FLOW AND FINANCING, continuing operations

At the end of September, the Raisio Group's balance sheet totalled EUR 332.1 (31 December 2017: 361.3) million. Equity was EUR 254.7 (31 December 2017: 264.0) million, while equity per share totalled EUR 1.62 (31 December 2017: 1.68). Changes in equity are described in detail in the Table section below.

Cash flow from business operations in January-September was EUR 4.0 (29.0) million. At the end of September, working capital amounted to EUR 35.2 (31 December 2017: 18.0 and 30 September 2017: 16.7) million. The increase in working capital from the year-end was primarily due to the planned increase in current assets related to raw material stocks.

At the end of September, the Group's interest-bearing financial liabilities were EUR 34.4 (31 December 2017: 45.9) million. Net interest-bearing debt totalled EUR -76.4 (31 December 2017: -105.1) million.

At the end of September, Raisio's financial assets recognised at fair value through profit or loss, and cash and cash equivalents totalled EUR 110.8 million. In addition, the company has a binding, undrawn revolving credit facility of EUR 50.0 million. Cash reserves are diversified into deposits in Nordic banks or otherwise low-risk investments.

At the end of September, the Group's equity ratio was 76.7 (31 December 2017: 73.4) per cent, and net gearing -30.0 (31 December 2017: -39.8) per cent.

Comparable return on investment was 9.4 (31 December 2017: 10.0), and return on investment 8.6 (31 December 2017: 15.1) per cent.

INVESTMENTS, continuing operations

In July-September, the Group's investments totalled EUR 1.2 (0.9) million, or 1.9 (1.3) per cent of net sales. Investments of the Healthy Food Division totalled EUR 0.6 (0.4) million, those of Raisioaqua EUR 0.4 (-0.1) million and those of Other Operations EUR 0.3 (0.5) million.

The Group's investments in January-September totalled EUR 3.7 (8.4) million, or 2.1 (4.6) per cent of net sales. Investments of the Healthy Food Division totalled EUR 1.6 (0.9) million, those of Raisioaqua EUR 1.3 (2.0) million and those of Other Operations EUR 0.8 (5.5) million.

RESEARCH AND DEVELOPMENT, continuing operations

The Group's July-September research and development expenses were EUR 0.8 (0.6) million, accounting for 1.3 (0.8) per cent of net sales. R&D investments of the Healthy Food Division totalled EUR 0.5 (0.4) million, those of Raisioaqua EUR 0.3 (0.1) million and those of Other Operations EUR 0.0 (0.1) million.

In January-September, R&D expenses were EUR 2.1 (1.9) million, accounting for 1.2 (1.0) per cent of net sales. R&D investments of the Healthy Food Division totalled EUR 1.4 (1.4) million, those of Raisioaqua EUR 0.6 (0.3) million and those of Other Operations EUR 0.1 (0.3) million.

<u>Healthy Food</u>

The product development in Raisio’s consumer brands is guided by the principles defined in Raisio's Purpose: good taste, healthiness, heart health, overall well-being and sustainable development.

Raisio launched a new oat innovation. Elovena Muru Oat Mince is a convenient product with plenty of protein and fibre. It contains 41 per cent of oat, which is clearly more than in other plant protein products. Elovena Muru is rich in fibre and contains as much protein as minced meat.

Elovena Muru has a neutral flavour and can be used quite in the same way as minced meat; it is ideal to anyone who wants to increase the share of vegetarian food in their diet. With its competitive price and ease of use, Muru is a real plant protein for all. The product is made in Finland.

<u>Raisioaqua</u>

Raisioaqua, Raisio’s fish feed business, focuses on products and services that further ensure the fish well-being and production efficiency while promoting responsible fish farming.

Raisioaqua continued its strong investment in the further development of digital Kasvuluotain (Growth Radar) application. The development of its computer and mobile applications has been clearly faster than expected as our customers have provided us with good ideas, which we have implemented. Furthermore, Kasvuluotain’s functionalities will be much more versatile than anticipated, which means that Kasvuluotain can be called a feeding control system for fish farming plants. Kasvuluotain is available for customers in Finland, Russia and Estonia.

SEGMENT INFORMATION

HEALTHY FOOD DIVISION

The Healthy Food Division includes all Raisio's businesses related to food.

Operating environment

Consumer behaviour is affected by global phenomena, such as climate change, raw material scarcity, demographic change, technological breakthroughs and faster information flow. This can also be seen in the food industry: the demand for healthy products and services enhancing well-being continues to grow.

Healthy, responsibly produced food interests consumers in all Raisio’s markets. Food and health related trends guiding consumers are, for example, natural healthiness, stomach health, good carbohydrates, plant-based raw materials and protein.

In Finland, the long-lasting growth in snacking has slowed down. In addition, meals and eating together are becoming more and more important. In busy everyday life, convenience is considered important with snacks and breakfast products. Consumers prefer reliable brands and products made of natural raw materials.

Finnish grain crop

Due to an exceptionally dry growth season in Finland, the grain harvest totalled 2.7 million tons, which is the lowest yield in over 30 years. Grain yields per hectare were below normal levels throughout the country but the worst situation was in Southern Finland. Harvest levels were far from normal throughout Europe. Grain prices have risen by several tens of percent since the summer.

In Finland, the yields of all grains were below their annual domestic use. The worst situation is with rye. The Finnish rye yield is enough to cover about half of the use of Finnish mills. Wheat quality is good and largely meets the quality criteria for milling wheat. Drought most affected oats but it seems that import is probably not needed. Raisio aims to secure the Finnish raw material for its wheat and oat products.

Healthy Food Division’s key figures, continuing operations

	7-9/2018	**7-9/2017**	**1-9/2018**	**1-9/2017**	**2017**
	Continuing	Continuing	Continuing	Continuing	Continuing
Net sales, M€	51.9	48.9	147.8	150.8	201.4
Northern and Eastern Europe, M€	27.5	24.4	74.4	74.7	98.1
Western Europe, M€	16.0	16.1	49.4	51.3	68.2
Rest of the World, M€	8.3	8.4	24.0	24.8	35.2
Comparable EBIT, M€	7.3	9.3	22.5	29.8	39.3
Comparable EBIT, %	14.1	19.0	15.2	19.8	19.5
Items affecting comparability, M€	-	-	-0.2	-	-0.9
EBIT, M€	7.3	9.3	22.3	29.8	38.4
EBIT, %	14.1	19.0	15.1	19.8	19.0
Investments, M€	0.6	0.4	1.6	0.9	1.5
Net assets, M€	123.6	115.0	123.6	115.0	116.7

EUR million	7-9/2018 Continuing	7-9/2017 Continuing	1-9/2018 Continuing	1-9/2017 Continuing	2017 Continuing
Comparable EBIT	7.3	9.3	22.5	29.8	39.3
+ capital gain	-	-	-	-	-
- capital loss	-	-	-	-	-
- impairment, tangible and intangible assets	-	-	-	-	-0.2
- impairment, inventories	-	-	-	-	-0.7
+/- structural arrangements and streamlining projects	-	-	-0.2	-	-
+/- other items	-	-	-	-	-
Items affecting comparability, in total	-	-	-0.2	-	-0.9
EBIT	7.3	9.3	22.3	29.8	38.4

Financial review for July-September, continuing operations

The Healthy Food Division’s net sales totalled EUR 51.9 (48.9) million. Net sales for Northern and Eastern Europe were EUR 27.5 (24.4) million, for Western Europe EUR 16.0 (16.1) million and for the Rest of the World EUR 8.3 (8.4) million

As a result of the structural arrangement, net sales for the grain trade were up by EUR 3 million from the comparison period, because the grain trade business, moved to the Healthy Food Division’s Northern European operations in early 2018, purchased grain also for the divested cattle feed business treated as a discontinued operation. For this reason, the grain purchased for cattle feed production is shown as external sales increasing net sales. In 2017, the grain trade business was part of Raisioagro, so the grain purchased for the production of foods sold in in Finland, Russia and Ukraine was internal trade for the Group.

Over 50 per cent of the Healthy Food Division’s net sales were generated in Northern and Eastern Europe, where Raisio’s key brands are Elovena, Benecol, Nordic, Sunnuntai, Nalle and Torino. Over 30 per cent of net sales were generated from the sale of Benecol products in Western European markets, the UK, Ireland and Belgium. The rest, over 15 per cent came from the Rest of the World business. Its net sales consisted mainly of the sale of plant stanol ester, the Benecol product ingredient.

The Healthy Food Division’s EBIT amounted to EUR 7.3 (9.3) million, accounting for 14.1 (19.0) per cent of net sales. Raisio increased its marketing investments by EUR 1 million to support the growth of Benecol and Elovena brands. The significant increase in grain prices is also a challenge for the profitability of Raisio’s grain-based foods.

The conversion impact of the British pound on net sales was EUR 0.1 million while it had no effect on EBIT. The conversion impact refers to the effect that arises when the subsidiaries’ net sales in pounds is converted into euros as part of the consolidated financial statements.

Financial review for January-September, continuing operations

The Healthy Food Division’s net sales totalled EUR 147.8 (150.8) million. Net sales for Northern and Eastern Europe were EUR 74.4 (74.7) million, for Western Europe EUR 49.4 (51.3) million and for the Rest of the World EUR 24.0 (24.8) million.

The Healthy Food Division's comparable EBIT amounted to EUR 22.5 (29.8) million, accounting for 15.2 (19.8) per cent of net sales. EBIT was EUR 22.3 (29.8) million, accounting for 15.1 (19.8) per cent of net sales. The comparison period EBIT included the refund of pension payments of some EUR 0.7 million paid to Raisio's Swedish subsidiary.

The conversion impact of the British pound on net sales was EUR -0.6 million and EUR -0.1 million on EBIT. The conversion impact refers to the effect that arises when the subsidiaries' net sales in pounds are converted into euros as part of the consolidated financial statements.

Business operations, July-September, continuing operations

Northern and Eastern Europe

Raisio's main markets in Northern and Eastern Europe are Finland, Poland, Russia and Ukraine. Net sales for the Northern and Eastern Europe were EUR 27.5 (24.4) million.

In Finland, the sale of Benecol and Elovena brands remained at a good, comparison period level. Strong sales growth continued in Benecol yogurt drinks and Torino pastas. Sales in other consumer brands and industrial products were down from the comparison period. An extensive launch campaign for Raisio's new oat innovation, Elovena Muru Oat Mince, encouraged consumers to try the novelty and built brand recognition. Elovena Muru Oat Mince is a plant-based, Finnish alternative for minced meat.

Raisio's main products in Russia and Ukraine are Nordic flakes. Thanks to the price increase carried out in Russia, net sales in local currency remained at the comparison period level. Net sales in euros were slightly down from the comparison period due to the negative impact of the currency. Raisio continues its efforts to turn the Russian business into growth and improve its profitability. In Ukraine, Nordic flakes continued to show strong sales growth.

In Poland, Raisio focuses on the Benecol consumer products. The organisation and cost structure have been renewed to support the company's focus on its core business. Net sales were significantly lower than in the comparison period, but the worst slide has been stopped. Poland accounts for less than five per cent of the Healthy Food Division's net sales. EBIT was negative. Raisio continues its measures to streamline the business and to improve its profitability. We have set an ambitious but realistic time-frame for these measures.

Western Europe

The markets in the Western European business include the UK, Ireland and Belgium. Net sales for these markets consist of the sale of Benecol consumer products. Net sales for the Western European operations amounted to EUR 16.0 (16.1) million.

In the UK, net sales were at the comparison period level. Sales in Benecol spreads were slightly down from the comparison period while the yogurt drink sales showed growth. In the review period, Raisio continued to expand the distribution coverage of new Benecol products in existing and new distribution channels. New categories and products reinforce the brand and interest both current and new Benecol product users. In the UK, the most important market for the Benecol brand, advertising campaigns for the new products increased brand awareness and consumers' desire to try the products.

At the beginning of September, Raisio's own organisation took over the Benecol business in Ireland. At the same time, Raisio's cooperation with a long-term distributor ended. The change was carefully planned and the implementation went smoothly. In Ireland, net sales were at the comparison period level. Sales in Benecol spreads and yogurt drinks remained steady and at the comparison period level.

In Belgium, net sales decreased as the sales in Benecol yogurt drinks and spreads were down from the comparison period. Belgium accounted for slightly over five per cent of the Western Europe's net sales. After Ireland, Belgium is the next priority area with the aim of turning net sales into growth.

Rest of the World

The Rest of the World business includes the deliveries of plant stanol ester, the Benecol product ingredient, for the production of consumer products sold in Raisio's own markets as well as the Benecol product ingredient sales to licensing partners. The figures of the Rest of the World business also include Raisio's food exports to other than the company's own main markets.

Net sales for the Rest of the World totalled EUR 8.3 (8.4) million. Benecol product ingredient deliveries for the production of consumer products sold in Raisio's own markets, the UK, Ireland, Belgium, Finland, Poland and Hong Kong, were up from the comparison period.

Licensing partners are responsible for the production, sales and marketing of Benecol consumer products in other than Raisio's own markets. Plant stanol ester sales to licensing partners were significantly down from the comparison period in all markets, partly due to the periodicity of deliveries. The most significant net sales decline was seen in Asia. As part of its strategy work, Raisio is assessing the functioning of the current licensing model in different markets.

RAISIOAQUA DIVISION

The Raisioaqua Division includes fish feeds.

Operating environment

In Finland, the fish feed market has stabilised. Demand for fish farmed in Finland is growing, but new fish farming licences and licences to increase the current quotas are rarely granted. Thanks to Raisioaqua's environmentally friendly Baltic Blend feeds, farmers still believe in positive licensing processes. In Northwest Russia, the Baltic Countries and Sweden, innovative feed producers, such as Raisioaqua, have opportunities to increase their business.

The heatwave started in July raised the water temperatures in Finland and Northwest Russia so high that living conditions of the fish significantly deteriorated. Fish stop eating when the water temperature is too high. The quick rise in water temperature resulted in fish deaths, especially in the fish farms of the interior regions of Finland.

Raisioaqua Division's key figures, continuing operations

	7-9/2018	**7-9/2017**	**1-9/2018**	**1-9/2017**	**2017**
	Continuing	Continuing	Continuing	Continuing	Continuing
Net sales, M€	10.9	18.4	23.9	29.2	31.8
Comparable EBIT, M€	0.9	2.7	0.2	3.1	2.4
Comparable EBIT, %	8.6	14.8	1.0	10.5	7.5
Items affecting comparability, M€	-	-	-	-	-
EBIT, M€	0.9	2.7	0.2	3.1	2.4
EBIT, %	8.6	14.8	1.0	10.5	7.5
Investments, M€	0.4	0.0	1.3	2.0	3.0
Net assets, M€	13.1	6.8	13.1	6.8	8.5

Financial review for July-September

Raisioaqua's net sales totalled EUR 10.9 (18.4) million. Fish feed sales were significantly down from the comparison period due to the GMO case and the subsequent interruption of Russian exports on 4 August 2018. The long heatwave in the summer raised the water temperature also in Finland so high that fish stopped eating. This affected the demand for fish feeds.

Raisioaqua's EBIT was EUR 0.9 (2.7) million, accounting for 8.6 (14.8) per cent of net sales. Before the GMO case and the heatwave, Raisio's fish feeds had sold better than in the comparison period.

Financial review for January-September

Raisioaqua's net sales totalled EUR 23.9 (29.2) million. Finland accounted for some 40 per cent, Russia some 60 per cent of net sales. Raisioaqua's EBIT totalled EUR 0.2 (3.1) million.

Business operations, July-September

The analysis conducted by the Russian border authorities showed genetically modified soybean in some of the fish feeds made and delivered by Raisioaqua between 11 June and 10 July 2018. Genetically modified material was found at levels exceeding the labelling limit established in the EU labelling legislation and the limit established in the Russian legislation. This concerned only a part of the truck loads while most of them were in order. The soy product Raisioaqua uses in its fish feeds was supplied by a Finnish supplier who is responsible for the ensuring that the product is in line with the agreement.

As a result of exceeded GMO values, the Russian authorities interrupted the export of fish feeds from 4 August 2018. At the end of the review period in September and on the publication date of this report, the Russian board was still closed. Active work is continued to lift the Russian import ban. At the moment, it is not possible to determine the exact date for the reopening of the Russian border. Raisio continues to negotiate with the supplier on the damage compensation.

Contract producers for the Benella fish have changed their production cycle so that especially rainbow trout is available throughout the year. Demand for the Benella fish has increased as the restaurants included it in their selections in Finland and Sweden. Already some 60 restaurants in Stockholm serve Benella. The Swedish retail chains are also showing interest in Benella, and our work to open retail sales continues. In Finland, our Benella cooperation with Kesko has further intensified.

DISCONTINUED OPERATIONS, cattle feed business

On 4 May 2018, Raisio announced that it had signed an agreement to sell its cattle feed business to Lantmännen Agro Oy. Raisio reports the cattle feed business as a discontinued operation; the business is not included in the figures of the Group's continuing operations. Comparative figures for 2017 have been adjusted as regards the income statement, cash flow statement and key figures.

Financial review for July-September

Net sales for the cattle feed business totalled EUR 15.5 (17.5) million. Comparable EBIT totalled EUR 1.0 (0.5) million and EBIT was EUR 0.9 (0.5) million. No depreciation is made of the business classified as held for sale.

Financial review for January-September

Net sales in January-September totalled EUR 52.0 (53.9) million. Comparable EBIT totalled EUR 3.3 (1.1) million and EBIT was EUR 3.1 (1.1) million.

PERSONNEL AND MANAGEMENT

At the end of September, Raisio Group's continuing operations employed 332 (343) people. A total of 24 (22) per cent of personnel worked outside Finland. The Healthy Food Division had 254 (253), Raisioaqua 28 (27) and Other Operations 50 (63) employees. The review period figures include summer workers.

Change in the Executive Committee

Raisio's CFO Antti Elevuori resigned from his position on 2 August 2018. He began with a new employer at the beginning of November 2018.

Toni Rannikko (M.Sc.Econ) was appointed as Chief Financial Officer (CFO) and a member of Executive Committee of Raisio plc on 28 September 2018. He will start in his new position at the beginning of January 2019. Toni Rannikko will transfer to Raisio from Cargotec plc's Kalmar Mobile Equipment division, where he held the position of CFO.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares that were traded on NASDAQ OMX Helsinki Ltd in January-September totalled 28.6 million (28.9 million). The value of trading was EUR 105.4 (102.6) million and the average price EUR 3.69 (3.55). The closing price on 30 September 2018 was EUR 2.82.

A total of 1.6 (0.9) million restricted shares were traded in January-September. The value of trading was EUR 5.5 (3.2) million and the average price EUR 3.49 (3.56). The closing price on 30 September 2018 was EUR 2.80.

On 30 September 2018, the company had a total of 36,763 (31 December 2017: 38,532) registered shareholders. Foreign ownership of the entire share capital was 23.5 (31 December 2017: 21.9) per cent.

Raisio plc's market capitalisation at the end of September amounted to EUR 464.4 (31 December 2017: 634.2) million and, excluding the company shares held by the Group, to EUR 442.4 (31 December 2017: 604.1) million.

During the review period, a total of 414,678 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 133,060,071 while the number of restricted shares was 32,088,959. The share capital entitled to 774,839,251 votes.

In the review period, a total of 4,705 free shares were assigned to the Chairman and members of the Board as part of the compensation for managing their duties, in line with the decision taken by the AGM in 2018.

At the end of the review period, Raisio plc held 7,602,356 free shares and 212,696 restricted shares acquired between 2005 and 2012 based on the authorisations given by the AGM or obtained through the subsidiary merger in August 2014 or transferred to the company because the right to receive a merger consideration has expired. The number of free shares held by Raisio plc accounts for 5.7 per cent of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.7 per cent. In all, these shares represent 4.7 per cent of the entire share capital and 1.5 per cent of overall votes. Other Group companies hold no Raisio plc shares. A share held in Raisio or its subsidiary does not entitle the holder to participate in the AGM.

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

Raisio plc's Research Foundation holds 150,510 restricted shares, which is 0.47 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.39 per cent of the votes it represents.

The Board of Directors has an authority to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. The authorisation will be valid until 30 April 2019. Furthermore, the Board of Directors has the authority to decide on share issues by disposing of a maximum of 14,000,000 free shares and a maximum of 1,460,000 restricted shares held by the company as well as by issuing a maximum of 20,000,000 new free shares. The share issue authorisation will be valid until 30 April 2019. The authorisations have not so far been exercised and related details on both are available in the Stock Exchange Release published on 12 February 2018.

The authorisation to repurchase own shares and to issue shares given by the 2017 AGM expired on 21 March 2018.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc's Annual General Meeting (AGM) held on 21 March 2018 approved the financial statements for the financial year 1 January - 31 December 2017 and granted the members of the Board of Directors and the Supervisory Board as well as the CEO discharge from liability.

As proposed by the Board of Directors, the AGM decided to pay a dividend of EUR 0.17 for each restricted and free share. The dividend was paid to shareholders on 5 April 2018.

The number of members of the Board of Directors was confirmed to be five, and Erkki Haavisto, Ilkka Mäkelä, Leena Niemistö and Ann-Christine Sundell were reappointed and Kari Kauniskangas was appointed as a new member; all for the term commencing at the closing of the AGM.
At its meeting held after the AGM, the Board of Directors elected Ilkka Mäkelä as its Chairman and Kari Kauniskangas as its Vice Chairman.

A Stock Exchange Release concerning the decisions made by the Meeting was published on 21 March 2018, in addition to which the decisions were described in the Interim Report for January-March.

DIRECTED SHARE ISSUE

In December 2014, 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 2015 and ended on 31 December 2017.

On 15 March 2018, 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 AGM of 23 March 2017.

In the share issue, a total of 10,266 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 10,266 free shares correspond to 0,006 per cent of all Raisio plc's shares and 0,001 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 11 April 2018. 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.

CHANGES IN GROUP STRUCTURE

Raisioagro Ltd was divided on 30 September 2018. Before the division, it included fish feed and cattle feed businesses. After the division, Raisioagro Ltd includes the cattle feed business only. The fish feed business is included in Raisio plc's new subsidiary, Raisioaqua Ltd.

RISKS AND SOURCES OF UNCERTAINTY IN THE NEAR FUTURE

As an international food operator, Raisio's operations are influenced by the overall economic development and consumer demand. Raisio expects the grocery market to remain fairly stable compared to other sectors. Changes and tightening competition in retail trade are challenging for the food industry too, through sales prices and sales terms in all Raisio's main markets.

Raisio's main markets are expected to show economic growth through the end of 2018, but the anticipated development of the economy varies in different countries. In Finland and the euro zone, economic growth is expected to remain strong, with a slight slowdown though. In the UK, the uncertainty resulting from Brexit overshadows growth prospects. However, growth is still is expected to continue.

The price and availability of agricultural raw materials are a major challenge for Raisio's businesses. Global warming and other extreme weather events rapidly affect the crop expectations, supply, demand and price of these commodities. Changes are also possible in supply, demand, quality and price of other key raw materials, such as sterols and soy products, thus creating short-term risks for Raisio.

Preparing for and adapting to Brexit remains a key challenge for Raisio's businesses, and for example in the Benecol business, this may lead to changes in subcontracting arrangements. International raw material chain and contract manufacturing of consumer products expose the Benecol business, in particular, to the availability, price and currency risks.

Changes in exchange rates considerably affect Raisio's net sales and EBIT, directly and indirectly. The Group's most significant operative currency risks consist of changes in the exchange rates between the euro, UK pound, US dollar, Swiss franc and Russian rouble. Volatility in the external values of euro, dollar and franc impacts the earnings of Raisio's foreign and Finnish subsidiaries, mainly through the purchases made by the Benecol business.

Furthermore, volatility in the rouble's external value affects the exports of fish feeds and flake products. It may also have an impact on the utilisation rates of production plants in Finland. In addition, currency conversions affect Raisio's reported net sales and EBIT. Particularly the volatility in the British pound due to currency conversion is significant as the subsidiaries based in the UK generate a considerable part of net sales and EBIT.

To ensure growth and profitability of its operations, Raisio may carry out corporate restructuring, significant investments and rationalisation projects that may result in significant items affecting comparability.

EVENTS AFTER THE REVIEW PERIOD

Raisio's cattle feed business transferred to the new owner on 1 November 2018

The divestment of Raisio's cattle feed business to Lantmännen Agro Oy was completed and the business transferred to the buyer on 1 November 2018. The transaction was subject to approval by the Finnish Competition and Consumer Authority. The enterprise value was EUR 34 million. Raisio's sales profit will be some EUR 12.5 million. After the completion of the transaction, the equity ratio of Raisio's continuing operations will be almost 79 per cent and the balance sheet some EUR 343 million.

The divested cattle feed business included two production plants located in Ylivieska and Kouvola, as well as the brands, of which Maituri and Melli are the best-known. Raisioagro's Benemilk licence was also transferred to the buyer. The employees of the cattle feed business moved to Lantmännen Agro as serving employees. For the time being, Raisio continues to supply feed grains to Lantmännen.

Russian factory property divested

On 26 October 2018, Raisio signed an agreement to sell its margarine factory, vacant since 2007, near Moscow in Russia. Raisio will record sales profits of over EUR 1 million for the transaction.

OUTLOOK UNCHANGED

Raisio expects net sales of the Group's continuing operations to total some EUR 230 million in 2018. The company estimates that the comparable EBIT for the Group's continuing operations is some 12 per cent of net sales. Exchange rates will continue to significantly affect Raisio's net sales and EBIT.

In addition to foods and fish feed sales, Raisio's net sales for continuing operations consist of grain trade. Raisio has identified the problem areas and initiated corrective measures in the markets where the net sales development did not meet expectations in early 2018.

Raisio's key strategic target is to grow its Healthy Food business both organically and through acquisitions. With its structural reforms completed, Raisio has targeted all the resources to support its new Healthy Food Division's medium-term organic growth. Raisio also seeks growth through acquisitions. The company is net debt free and has a strong balance sheet, which allows acquisitions that suit the company's core business.

In Raisio, 7 November 2018

Raisio plc's Board of Directors

Further information:
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CEO's video in English will be available on Raisio's web site at www.raisio.com.

Raisio will publish its 2018 Financial Statements Bulletin on 12 February 2019.

The interim report has not been audited.

CONDENSED FINANCIAL STATEMENTS AND NOTES

THE GROUP'S INCOME STATEMENT (M€)

	1-9/2018			1-9/2017			2017		
	Conti-nuing	**Discon-tinued**	**Total**	**Conti-nuing**	**Discon-tinued**	**Total**	**Conti-nuing**	**Continu-ing**	**Total**
Net sales	172.6	52.0	224.6	180.9	124.6	305.5	234.6	168.3	402.8
Cost of sales	-120.8	-44.5	-165.4	-122.3	-105.7	-228.0	-159.0	-142.2	-301.2
Gross profit	51.8	7.5	59.3	58.6	19.0	77.6	75.6	26.0	101.6
Other operating income and expenses, net	-33.1	-4.4	-37.5	-2.2	-40.4	-42.5	-21.5	-83.4	-104.9
EBIT	18.6	3.1	21.8	56.4	-21.4	35.0	54.1	-57.3	-3.2
Financial income	1.3	-	1.3	1.1	0.0	1.1	1.3	0.1	1.4
Financial expenses	-1.4	-	-1.4	-2.2	-0.4	-2.5	-2.7	-0.4	-3.1
Share of result of associates and joint ventures	-	0.1	0.1	-	0.0	0.0	-	0.0	0.0
Result before taxes	18.5	3.2	21.7	55.4	-21.8	33.6	52.7	-57.6	-5.0
Income taxes	-4.2	-0.6	-4.8	-11.0	-1.2	-12.2	-12.3	0.0	-12.4
Result for the period	14.4	2.6	16.9	44.4	-23.0	21.4	40.4	-57.7	-17.3
Attributable to:									
Equity holders of the parent company	14.4	2.6	16.9	44.4	-23.0	21.4	40.4	-57.7	-17.3
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	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	0.09	0.02	0.11	0.28	-0.15	0.14	0.26	-0.37	-0.11
Diluted earnings per share	0.09	0.02	0.11	0.28	-0.15	0.14	0.26	-0.37	-0.11

THE GROUP'S COMPREHENSIVE INCOME STATEMENT (M€)

	1-9/2018			1-9/2017			2017		
	Conti-nuing	Discon-tinued*	Total	Conti-nuing	Discon-tinued*	Total	Conti-nuing	Discon-tinued*	Total
Result for the period	14.4	2.6	16.9	44.4	-23.0	21.4	40.4	-57.7	-17.3
Other comprehensive income items									
Items that will not be reclassified to profit or loss									
Change in equity investments	0.2	-	0.2	-0.2	-	-0.2	-0.2	-	-0.2
Change in tax impact	0.0	-	0.0	0.0	-	0.0	0.0	-	0.0
Items that may be subsequently transferred to profit or loss									
Change in value of cash flow hedging	-0.2	-	-0.2	0.9	0.1	1.1	0.5	-	0.5
Change in translation differences related to foreign companies	-0.3	-	-0.3	-2.9	-1.6	-4.5	-5.2	-0.2	-5.4
Change in tax impact	0.0	-	0.0	-0.2	0.0	-0.2	-0.1	-	-0.1
Comprehensive income for the period	14.0	2.6	16.5	42.1	-24.5	17.5	35.4	-57.9	-22.5
Components of comprehensive income:									
Equity holders of the parent company	14.0	2.6	16.5	42.1	-24.5	17.5	35.4	-57.9	-22.5
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

* The Confectionery business was reported as a discontinued operation in the 2017 Financial Statements.
The cattle feed business is reported as discontinued operation in this interim report.

THE GROUP'S BALANCE SHEET (M€)

ASSETS	**30/09/2018**	**30/09/2017**	**31/12/2017**
Non-current assets			
Intangible assets	42.5	61.0	42.9
Goodwill	46.5	121.4	46.5
Property, plant and equipment	34.8	80.2	50.1
Shares in associates and joint ventures	-	0.7	0.7
Equity investments	2.2	2.2	2.2
Deferred tax assets	2.2	4.8	2.7
Total non-current assets	128.2	270.2	145.0
Current assets			
Inventories	33.9	42.9	30.5
Accounts receivables and other receivables	30.4	54.1	34.6
Financial assets at fair value through profit or loss	21.0	1.0	2.2
Cash in hand and at banks	89.8	69.3	149.0
Total current assets	175.1	167.3	216.3
Non-current assets available for sale	28.8	-	-
Total assets	332.1	437.5	361.3
SHAREHOLDER'S EQUITY AND LIABILITIES	**30/09/2018**	**30/09/2017**	**31/12/2017**
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-19.8	-19.8	-19.8
Other equity attributable to equity holders of the parent company	246.7	296.0	256.1
Equity attributable to equity holders of the parent company	254.7	303.9	264.0
Non-controlling interests	0.0	0.0	0.0
Total shareholder's equity	254.7	303.9	264.0
Non-current liabilities			
Deferred tax liabilities	5.7	8.5	5.1
Provisions	1.1	0.2	1.1
Non-current financial liabilities	11.5	34.4	23.0
Total non-current liabilities	18.4	43.2	29.2
Current liabilities			
Accounts payable and other liabilities	28.0	84.5	42.8
Provisions	-	2.1	2.1
Derivative contracts	-	0.8	0.2
Current financial liabilities	22.9	3.0	22.9
Total current liabilities	50.9	90.4	68.1
Debts related to non-current assets available for sale	8.2	-	-
Total liabilities	77.4	133.5	97.2
Total shareholder's equity and liabilities	332.1	437.5	361.3

CONSOLIDATED STATEMENT OF CHANGES IN 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 1.1.2017	27.8	2.9	88.6	8.9	-1.9	-19.8	-13.1	219.9	313.2	0.0	313.2
Comprehensive income for the period											
Result for the period	-	-	-	-	-	-	-	21.4	21.4	-	21.4
Other comprehensive income items											
Equity investments	-	-	-	-	-0.2	-	-	-	-0.2	-	-0.2
Cash flow hedge	-	-	-	-	1.1	-	-	-	1.1	-	1.1
Translation differences	-	-	-	-	-	-	-4.5	-	-4.5	-	-4.5
Tax impact	-	-	-	-	-0.2	-	-	-	-0.2	-	-0.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.7	0.0	-4.5	21.4	17.5	0.0	17.5
Business activities involving shareholders											
Dividends	-	-	-	-	-	-	-	-26.8	-26.8	-	-26.8
Transfer from retained earnings to other reserves	-	-	-	0.1	-	-	-	-0.1	0.0	-	0.0
Share-based payment	-	-	-	-	-	0.0	-	0.0	0.0	-	0.0
Total business activities involving shareholders	0.0	0.0	0.0	0.1	0.0	0.0	0.0	-26.9	-26.8	0.0	-26.8
Equity on 30.9.2017	27.8	2.9	88.6	8.9	-1.2	-19.8	-17.6	214.4	303.9	0.0	303.9
Equity on 1.1.2018	27.8	2.9	88.6	8.9	-1.6	-19.8	-18.5	175.8	264.0	0.0	264.0
Impact of new IFRS 2 standard	-	-	-	-	-	-	-	0.7	0.7	-	0.7
Adjusted opening balance 1.1.2018	27.8	2.9	88.6	8.9	-1.6	-19.8	-18.5	176.5	264.7	0.0	264.7
Comprehensive income for the period											
Result for the period	-	-	-	-	-	-	-	16.9	16.9	-	16.9
Other comprehensive income items											
Equity investments	-	-	-	-	0.2	-	-	-	0.2	-	0.2
Cash flow hedge	-	-	-	-	-0.2	-	-	-	-0.2	-	-0.2
Translation differences	-	-	-	-	-	-	-0.3	-	-0.3	-	-0.3
Tax impact	-	-	-	-	0.0	-	-	-	0.0	-	0.0
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	16.9	16.5	0.0	16.5
Business activities involving shareholders											
Dividends	-	-	-	-	-	-	-	-26.7	-26.7	-	-26.7
Share-based payment	-	-	-	-	-	0.0	-	0.1	0.2	-	0.2
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-26.6	-26.6	0.0	-26.6
Equity on 30.9.2018	27.8	2.9	88.6	8.9	-1.7	-19.8	-18.9	166.8	254.7	0.0	254.7

CONSOLIDATED CASH FLOW STATEMENT (M€)

	1-9/2018			1-9/2017			1-12/2017		
	Continu-ing	Discon-tinued	Total	Continu-ing	Discon-tinued	Total	Continu-ing	Discon-tinued	Total
CASH FLOW FROM BUSINESS OPERATIONS									
Result before taxes	18.5	3.2	21.7	55.4	-21.8	33.6	52.7	-57.6	-5.0
Adjustments									
Planned depreciations	4.3	0.4	4.7	4.6	3.6	8.2	6.3	4.9	11.1
Financial income and expenses	0.1	-	0.1	1.1	0.4	1.4	1.4	0.3	1.7
Share of results of associates and joint ventures	-	-0.1	-0.1	-	0.0	0.0	-	0.0	0.0
Other adjustments	0.1	-0.3	-0.1	-28.2	28.9	0.6	-20.2	67.5	47.3
Total adjustments	4.6	0.1	4.7	-22.6	32.8	10.3	-12.5	72.6	60.2
Cash flow before change in working capital	23.1	3.3	26.4	32.7	11.2	43.9	40.2	15.0	55.2
Change in working capital									
Increase (-) / decrease (+) in current receivables	-0.8	-0.2	-0.9	-1.6	-1.1	-2.7	-1.7	-0.5	-2.2
Increase (-) / decrease (+) in inventories	-10.8	-0.5	-11.2	1.4	-2.0	-0.6	1.1	-1.9	-0.8
Increase (+) / decrease (-) in current interest-free liablities	-1.3	-3.3	-4.7	3.8	1.4	5.2	0.9	1.4	2.3
Total change in working capital	-12.9	-4.0	-16.9	3.5	-1.6	1.9	0.3	-0.9	-0.6
Cash flow from business operations before financial items and taxes	10.2	-0.7	9.6	36.2	9.5	45.7	40.4	14.1	54.5
Interest paid and payments for other financial expenses from business operations	-1.3	-	-1.3	-1.6	-0.3	-1.9	-2.0	-0.4	-2.4
Dividends received from business operations	0.2	-	0.2	0.2	0.0	0.2	0.2	0.0	0.2
Interest received and other financial income from business operations	0.4	-	0.4	0.8	0.0	0.8	0.8	0.0	0.9
Other financial items, net	0.6	-	0.6	-0.3	-0.1	-0.4	-0.2	-	-0.2
Income taxes paid	-6.0	-0.6	-6.7	-6.2	-1.0	-7.2	-6.0	-1.8	-7.8
Net cash flow from business operations	4.0	-1.3	2.7	29.0	8.2	37.2	33.3	11.8	45.1
CASH FLOW FROM INVESTMENTS									
Additional acquisition of associates shares	-	-	-	-	0.0	0.0	-	0.0	0.0
Investment in tangible assets	-3.6	-0.3	-3.8	-8.6	-2.7	-11.3	-9.1	-5.5	-14.6
Investment in intangible assets	-0.8	-	-0.8	-1.7	-	-1.7	-2.0	-0.1	-2.0
Income from the sale of the Group companies' shares adjusted for cash at the time of transfer	-	-	-	-	-	-	-	89.4	89.4
Income from intangible and tangible commodities	0.1	-	0.0	39.2	0.1	39.3	39.2	0.1	39.3
Net cash flow from investments	-4.3	-0.3	-4.5	28.9	-2.7	26.3	28.2	83.8	112.0
Cash flow after investments	-0.3	-1.6	-1.9	58.0	5.5	63.5	61.6	95.4	157.1
CASH FLOW FROM FINANCIAL OPERATIONS									
Other financial items, net	0.0	-	-	0.9	-	0.9	0.8	-	0.8
New non-current loans	-	-	-	0.0	-	0.0	0.0	-	0.0
Repayment of non-current loans	-11.4	-	-11.4	-31.1	-	-31.1	-42.6	-	-42.6
Dividends and other profit distribution paid to shareholders of the parent company	-26.6	-	-26.6	-26.6	-	-26.6	-26.6	-	-26.6
Net cash flow from financial operations	-38.0	0.0	-38.0	-56.8	0.0	-56.8	-68.4	0.0	-68.4
CHANGE IN LIQUID FUNDS	-38.3	-1.6	-39.9	1.1	5.5	6.6	-6.8	95.4	88.7
Liquid funds at the beginning of the period	151.0			61.9			61.9		
Impact of changes in exchange rates	-0.3			0.9			0.5		
Impact of changes in market value on liquid funds	0.0			-0.1			-0.1		
Liquid funds at end of period	110.8			69.3			151.0		

NOTES TO THE INTERIM REPORT

Accounting principles and presentation of figures

Raisio plc’s Interim Report for January-September 2018 has been prepared in accordance with IAS 34, Interim Financial Reporting. It should be read together with Raisio plc’s Financial Statements published on 12 February 2018. In the preparation of the Interim Report, Raisio plc has followed the same accounting principles as in the 2017 Financial Statements with the exception of the standard amendments and interpretations concerning Raisio plc that came into effect in 2018.

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.

Compared to the 2017 Financial Statements, there have been no significant changes in the accounting principles and in the uncertainties included in the estimates requiring the management’s judgement with the exception of the estimates made when the cattle feed business was classified as a discontinued operation.

The Interim Report is shown in EUR millions.

Impacts of new and revised standards

At the beginning of the financial period, Raisio plc adopted the new standards introduced by International Accounting Standards Board (IASB), IFRS 9 *Financial instruments* and IFRS 15 *Revenue from Contracts with Customers*, as well as amendments to IFRS 2 *Share-based payments*, all effective from 1 January 2018. The Group’s opening balance sheet of 1 January 2018 has been adjusted due to the amended IFRS 9 and IFRS 2. The IFRS 15 does not have a material impact on the consolidated financial statements and no impact on the opening balance sheet of 1 January 2018.

The impacts of the standard amendments on the Group’s opening balance and shareholders’ equity as well as the changes in accounting principles are presented below.

Impacts of new and revised standards on the Group’s opening balance sheet (M€)

	Balance sheet 31.12.2017	Adjust-ments	Opening balance 1.1.2018
ASSETS			
Non-current assets			
Equity investments	-	-	2.2
Avaivable-for-sale finacial assets	2.2	-2.2	0.0
Total assets	2.2	-2.2	2.2
SHAREHOLDER'S EQUITY AND LIABILITIES			
Equity	264.0	0.7	264.7
Total shareholder's equity	264.0	0.7	264.7
Current liabilities			
Accounts payable and other liabilities	42.8	-0.7	42.1
Total current liabilities	42.8	-0.7	42.1

IFRS 15 Revenue from Contracts with Customers

The Group adopted the IFRS 15 *Revenue from Contracts with Customers* on 1 January 2018. The standard superseded the previous IAS 11 *Construction contracts* and IAS 18 *Revenue* as well as related interpretations. *Revenue from Contracts with Customers* includes a five-step model for the recognition of sales revenue: how much and when revenue is recognised. The standard requires revenue to be recognised when the customer acquires control over the product or service.

The Raisio Group's sales to customers are primarily sale of products. The Group records sales revenue when the customer acquires control over the products. Control is seen to be transferred at a point in time according to the delivery terms. The Raisio Group has no contracts to be recognised as income by reference to the stage of completion. Revenue from services is recognised over a period of time when the service has been completed. Possible variable consideration is recorded to its most likely amount. The transaction price of a product or service does not include a significant financing component since the time between the transfer and payment of the goods or services is no more than one year. The Raisio Group adopted the standard in full retroactively. The adoption of the standard did not have a material impact on the consolidated financial statements, and the principles of revenue recognition have not been changed. Therefore, the adoption of the standard had no effect on the volume or timing of sales revenue from customer contracts. Minor changes have been made to the SAP ERP system due to the recognition and presentation requirements of the IFRS 15.

IFRS 9 Financial instruments

The Group has adopted the IFRS 9 prospectively. The impact of the change in the accounting principles has been adjusted to the opening balance sheet on 1 January 2018. The standard deals with the classification and measurement of financial assets and liabilities, and with hedge accounting.

With the adopted IFRS 9, the Group's financial assets have been reclassified in three measurement categories: financial assets recorded at amortised cost, financial assets recorded at fair value in other comprehensive income and financial assets recorded at fair value through profit or loss.

Financial assets recorded at amortised cost include the financial assets that are to be held until the end of the contract and whose cash flows consist solely of capital and interest. The Group has classified sales receivable and other receivables held to maturity at amortised cost. Equity investments previously included in the financial assets available-for-sale have been classified at fair value in the financial assets recorded through items of other comprehensive income. In accordance with IFRS 9, only dividends are recognised through profit or loss of these investments. Possible subsequent sales are not recognised through profit or loss and the fair value changes recognised in the fair value reserve are not reclassified through profit or loss. Certificates of deposits and commercial papers, which are, in accordance with Raisio's business model, held for trading and mainly aimed at short-term returns on market price changes, are classified in the financial assets recognised at fair value through profit or loss. Financial liabilities are classified at amortised cost. Derivatives are classified either as financial assets or liabilities at fair value through profit or loss, or if hedge accounting is applied, to be recorded at fair value through other comprehensive income items.

IFRS 9 requires hedge accounting to be in line with the company's risk management strategy and instead of the retrospective hedging relationship efficiency testing under former IAS 39, the effectiveness of hedging is assessed largely forward on the basis of qualitative criteria. In line with its financial risk management policy, the Raisio Group may use various derivatives to hedge against interest rate and currency risks.

The Raisio Group currently uses currency forward contracts to hedge receivables and liabilities in foreign currencies as well as future commercial cash flows. Future foreign currency items are forecast monthly to the following year.

On the basis of these items, the Group makes foreign exchange derivative contracts and monitors hedging efficiency. Profit effects of changes in the value of such derivative contracts, to which hedge accounting is applied and which are effective hedging instruments, are presented consistently with the hedged item. When a derivative contract is entered into, the Group processes it as hedging of a highly probable forecast transaction (cash flow hedging).

Hedge accounting is discontinued in case its conditions cease to meet the qualifying criteria, the hedged item is derecognized from the balance sheet, the hedging instrument expires or it is sold or exercised or the forecast transaction is no longer expected to occur. When initiating hedge accounting, the Group documents the relationship between the hedged item and hedging instrument as well as the Group's risk management objectives and strategy for undertaking the hedge. When initiating hedging and at least in connection of each financial statements, the Group documents and assesses the effectiveness of hedging relationships by examining the hedging instrument's ability to offset the changes in fair value of hedged item or in cash flows. Change in fair value of the effective portion of derivative instruments meeting the conditions of cash flow hedging are recognised through items of other comprehensive income and presented in the equity hedge fund. Gains and losses accrued in equity from the hedging instrument are transferred to profit or loss when the hedged item affects profit or loss. The ineffective portion for profit or loss on the hedging instrument is recorded in the income statement either in other operating income or expenses, or in financial income or expenses, depending on its nature.

The new impairment model of the IFRS 9 requires impairments to be recognised based on expected credit losses. Earlier, impairments were recognised when there was evidence of impairment. Raisio plc applies the simplified approach included in the IFRS 9, under which impairments are recognised at an amount corresponding to the expected impairments for the entire effective period. The model Raisio plc applies is in line with the standard. The model calculates the average from the credit losses for the previous three years for continuing operations in relation to the receivables for the end of the financial period preceding each year. The model is applied to the reporting period by calculating the minimum credit loss provision for the year-end receivables corresponding to the previous three-year average. Using the management's judgement, Raisio plc makes a credit loss provision higher than the minimum mentioned above. With the adoption of the standard, the Group's impairment entries will not significantly increase.

Classification of financial assets and liabilities

Financial assets	**IAS 39**	**IFRS 9**
Forward exchange contracts, for hedging purposes	Fair value through other comprehensive income	Fair value through other comprehensive income
Other forward exchange contracts	Fair value through profit and loss	Fair value through profit and loss
Commercial papers	Fair value through profit and loss	Fair value through profit and loss
Equity securities	Financial assets available-for-sale	Fair value through other comprehensive income
Accounts receivables and other receivables	Loans and other receivables	Amortised cost
Liquid funds	Loans and other receivables	Amortised cost
Financial liabilities	**IAS 39**	**IFRS 9**
Forward exchange contracts, for hedging purposes	Fair value through other comprehensive income	Fair value through other comprehensive income
Other forward exchange contracts	Fair value through profit and loss	Fair value through profit and loss
Bank loans	Amortised cost	Amortised cost
Financial leasing liabilities	Amortised cost	Amortised cost
Accounts payable and other liabilities	Amortised cost	Amortised cost

IFRS 2 Share-based payments

The Group adopted the amendments to IFRS 2 *Share-based payments* on 1 January 2018. The amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* clarify the accounting process of certain type of arrangements. They concern three areas: measurement of cash-settled payments, share-based payments less withholding tax, and changing of share-based payments from cash-settled to equity-settled.

Due to the amendments, the Raisio Group has reclassified the cash-settled shares under the share reward schemes as part of the share-based payments payable in shares. Changes in the accounting principles have been adjusted to the opening balance sheet on 1 January 2018. The change concerns the share reward schemes of 2015-2017, 2016-2018 and 2017-2019. Possible rewards of the Group's schemes are paid partly in the company's free shares and partly in cash. The cash payment is made to cover the key employee's taxes and fiscal fees arising from the reward. The standard amendment had a minor impact on the Raisio Group's interim financial statements.

New and revised standards applicable to future financial periods

IFRS 16 *Leases* is applicable in periods starting on or after 1 January 2019. The new standard will replace the IAS 17 and related interpretations. As a result, nearly all rental agreements will be entered as fixed assets on the balance sheet, excluding short-term contracts of less than 12 months and contracts with low value. Operative rental agreements and finance leases are no longer separated. This change moves off-balance sheet liabilities to the balance sheet, which results in increased amounts of fixed assets and liabilities. There will be no significant changes in the accounting treatment applied by lessors. The Raisio Group has started to prepare for the adoption of the standard. The Group's balance sheet will include new entries for assets and liabilities that are mainly land, business premises and vehicles included in other current leases. The nature of costs related to these contracts will change as the IFRS 16 replaces rental expenses by depreciation of fixed assets and by interest expense arising from lease liability. The interest expense is reported as part of financial expenses. The amendment affects the key figures based on the balance sheet, such as gearing ratio. The adoption of the standard has no cash flow impact. IFRS 16 will not have a material impact on Raisio plc's consolidated financial statements.

Alternative key figures and items affecting comparability

The Group presents alternative key figures to describe the financial performance and position of its businesses as well as cash flows to improve the comparability between different periods and to increase understanding of the formation of the company's earnings and its financial position.

The alternative key figure is derived from the IFRS financial statements. The alternative key figures should not be considered as substitute indicators compared to the key figures defined in the IFRS. It is possible to present items affecting comparability and to calculate alternative key figures without items affecting comparability in the Board of Directors' report, Financial Statements Bulletin, Half-Year and Interim Reports.

Items affecting comparability are income or expenses arising as a result of one or rare events. Significant expenses of outside experts related to business acquisitions and business expansion, expenses related to business reorganisation and expenses related to the impairment of assets and their possible repayment are presented as items affecting comparability.

Items affecting comparability are recorded in the income statement according to the matching principle under the income or expense category.

The Raisio Group presents, for example, following alternative key figures: gross profit, EBIT, comparable EBIT, EBITDA, comparable EBITDA, pre-tax result, comparable earnings / share, return on equity %, return on investments %, comparable return on investments %, equity ratio %, net gearing %, net interest-bearing debt, interest-bearing debt, cash flow from operations, cash flow from operations per share, equity per share, dividend per share, dividend per earnings.

SEGMENT INFORMATION

The reportable segments of Raisio Group are Healthy Food (previously Brands), Raisioaqua (previously part of Raisioagro) and other operations. Healthy Food and Raisioaqua segments are the Group's strategic operating units that are managed as separate units and whose performance is regularly reviewed by the top management. The products of the reportable segments are different and require different distribution channels and marketing strategies.

The Healthy Food segment consists of the following operating segments: Northern and Eastern Europe, Western Europe and the Rest of the World (previously Healthy Food, Benecol, Confectionery until 29 December 2017, and Benemilk).

The Raisioaqua Division includes the fish feed business.

For the continuing operations, the comparison figures for previous periods have been adjusted in terms of the income statement, cash flow statement and some key figures.

Net sales by segment (M€)

	1-9/2018	1-9/2017	1-12/2017
Healthy Food			
Northern and Eastern Europe	74.4	74.7	98.1
Western Europe	49.4	51.3	68.2
Rest of the world	24.0	24.8	35.2
Total Healthy Food	147.8	150.8	201.4
Raisioaqua	23.9	29.2	31.8
Other operations*	1.1	1.0	1.3
Interdivisional net sales	-0.2	0.0	0.0
Total net sales	172.6	180.9	234.6

*As of 1 January 2018 includes revenue of licensed food brand of Great Britain

EBIT by segment (M€)

	1-9/2018	1-9/2017	1-12/2017
Healthy Food	22.3	29.8	38.4
Raisioaqua	0.2	3.1	2.4
Other operations*	-3.9	23.6	13.3
Total EBIT	18.6	56.4	54.1

*As of 1 January 2018 includes revenue of licensed food brand of Great Britain

Net assets by segment (M€)

	30/09/2018	30/09/2017	31/12/2017
Healthy Food	123.6	115.0	116.7
Raisioagro	13.1	6.8	8.5
Other operations and unallocated items	118.0	182.1	138.8
Total net assets	254.7	303.9	264.0

Investment by segment (M€)

	30/09/2018	30/09/2017	31/12/2017
Healthy Food	1.6	0.9	1.5
Raisioaqua	1.3	2.0	3.0
Other operations	0.8	5.5	5.6
Total investments	3.7	8.4	10.1

REVENUE

Net sales by market (M€)

	1-9/2018	1-9/2017	1-12/2017
Finland	63.5	60.5	78.3
Great Britain	49.7	43.5	57.8
Rest of Europe	56.5	72.4	92.4
Rest of world	2.9	4.5	6.1
Total	172.6	180.9	234.6

Net sales by category (M€)

	1-9/2018	1-9/2017	1-12/2017
Sales of goods	171.3	179.7	232.7
Sales of services	0.8	0.7	1.1
Royalties	0.5	0.5	0.7
Total net sales	172.6	180.9	234.6

ACQUIRED BUSINESSES, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Acquired businesses

In the period of 1 January - 30 June 2018 and in 2017, there were no acquired businesses.

Discontinued operations

On 4 May 2018, Raisio announced that it had signed an agreement to sell its cattle feed business to Lantmännen Agro Oy. The cattle feed business to be divested is reported as a discontinued operation in this Interim Report. Assets and liabilities of the cattle feed business are shown in consolidated balance sheet as assets held for sale.

The Raisio Group’s Confectionery business transferred to Valeo Foods Ltd on 29 December 2017. The Confectionery business included in the Healthy Food (previously Brands) was reported as a discontinued operation in the 2017 financial statements.

For the continuing operations, the comparison figures for previous periods have been adjusted in terms of the income statement, cash flow statement and some key figures.

Income statement, discontinued operations (M€)

	1-9/2018	1-9/2017			1-12/2017		
	Farms	Farms	Confec-tionery	Total	Farms	Confec-tionery	Total
Net sales	52.0	53.9	70.7	124.6	72.3	96.0	168.3
Cost of sales	-44.5	-48.1	-57.5	-105.7	-63.9	-78.3	-142.2
Gross profit	7.5	5.8	13.2	19.0	8.3	17.7	26.0
Income and expenses from business operations	-4.4	-4.7	-6.8	-11.5	-6.5	-9.8	-16.2
Write-down on goodwill before the transfer	-	-	-28.9	-28.9	-	-28.7	-28.7
EBIT	3.1	1.1	-22.5	-21.4	1.9	-20.8	-18.9
Financial income and expenses	0.0	0.0	-0.4	-0.4	0.0	-0.3	-0.3
Share of results of associates and joint ventures	0.1	0.0	-	0.0	0.0	-	0.0
Result before taxes	3.2	1.0	-22.8	-21.8	1.9	-21.1	-19.2
Income taxes	-0.6	-0.2	-1.0	-1.2	-0.4	0.3	0.0
Result of discontinued operations after taxes	2.6	0.8	-23.8	-23.0	1.5	-20.8	-19.3
Result of the transfer of discontinued operations after taxes	-	-	-	-	-	-38.4	-38.4
Result for the period from discontinued operations	2.6	0.8	-23.8	-23.0	1.5	-59.2	-57.7
Taxes of discontinued operations							
Taxes from result of discontinued operations	-0.6	-0.2	-1.0	-1.2	-0.4	-1.3	-1.6
Taxes from result of the transfer of discontinued operations	-	-	-	-	-	1.6	1.6
Taxes discontinued operations total	-0.6	-0.2	-1.0	-1.2	-0.4	0.3	0.0

Cash flow of discontinued operations (M€)

	1-9/2018	1-9/2017	1-9/2017	1-12/2017	1-12/2017
	Farms	Farms	Confec-tionery	Farms	Confec-tionery
Cash flow from business operations	-1.3	1.5	6.7	4.2	7.6
Cash flow from investments	-0.3	-0.2	-2.5	-0.2	71.4
Cash flow from financing activities, change in loan receivables	-	-	-	-	-5.6
Cash flow in total	-1.6	1.3	4.3	4.0	73.4

Impact of the discontinued operations on the Group's financial position, Confectionery (M€)

	31/12/2017
Impact of the discontinued operations on the Group's financial position:	
Non-current assets	116.4
Inventories	11.8
Short-term receivables	17.5
Loans receivables (cash pool)	-15.4
Liquid funds	2.8
Assets in total	133.2
Non-current liabilities	2.3
Current liabilities	17.5
Liabilities in total	19.8
Divested net assets	113.4
Accumulated translation differences	-1.5
Capital gain/loss on the divested business including accumulated translation differences	-36.5
Transaction expenses allocated to the divestment	-0.8
Guaranteed reserve of receivables directed at sales	-1.1
Profit impact on EBIT	-38.4
Enterprise value	100.0
Investment debt related to factories and other non-interest-bearing items related to net debt	10.6
Interest-bearing net financial liability of the divested subsidiaries at the time of transfer	12.6
Enterprise value of the shares	76.8
Enterprise value of the shares	76.8
Net interest-bearing debt of the divested subsidiaries at the time of transfer	-12.6
Subsidiary divestments adjusted for cash at the time of transfer	89.4
Cash flow from sales including expenses	86.0
In the cash flow statement	
Subsidiary divestments adjusted for cash at the time of transfer	89.4
Cash flow from investments	-5.4
Cash flow from business operations	7.6
Change in loans receivables	-5.6
Cash flow effect of the divested operation in total and repayments of loan receivables	86.0

Assets held for sale, Farms (M€)

	30/09/2018
Non-current assets	15.3
Inventories	7.8
Short-term receivables	5.7
Assets in total	28.8
Current liabilities	8.2
Liabilities in total	8.2
Assets held for sale, net assets	20.6

PROPERTY, PLANT AND EQUIPMENT (M€)

	30/09/2018	30/09/2017	31/12/2017
Acquisition cost at the beginning of the period	310.7	371.8	371.8
Conversion differences	-0.2	-0.3	-0.1
Increase	3.3	9.5	13.8
Decrease	-0.7	-11.3	-74.7
Assets held for sale	-87.7	-	-
Acquisition cost at end of period	225.5	369.7	310.7
Accumulated depreciation and impairment at the beginning of the period	260.6	283.3	283.3
Conversion difference	-0.1	-0.4	-0.4
Decrease and transfers	-0.1	-0.2	-31.3
Depreciations and impairment for the period	3.6	6.8	9.0
Assets held for sale	-73.3	-	-
Accumulated depreciation and impairment at end of period	190.6	289.5	260.6
Book value at end of period	34.8	80.2	50.1

PROVISIONS (M€)

	30/09/2018	30/09/2017	31/12/2017
At the beginning of the period	3.2	2.6	2.6
Increase in provisions	0.0	0.1	1.1
Provisions used	-2.1	-0.4	-0.5
At end of period	1.1	2.3	3.2

RELATED PARTY TRANSACTIONS (M€)

	30/09/2018	30/09/2017	31/12/2017
Sales to key employees in management	0.2	0.1	0.1
Purchases from key employees in management	0.9	0.6	1.0
Receivables from the key persons in the management	0.0	0.0	0.0
Payables to key management personnel	0.0	0.1	0.1

CONTINGENT LIABILITIES (M€)

	30/09/2018	30/09/2017	31/12/2017
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	1.9	1.3	1.4
Other liabilities	3.2	2.3	2.3
Guarantee liabilities on the Group companies' commitments	29.2	0.0	33.1
Commitment to investment payments	1.4	1.4	1.1

DERIVATIVE CONTRACTS (M€)

	30/09/2018	30/09/2017	31/12/2017
Nominal values of derivative contracts			
Currency forward contracts	84.0	109.0	82.1

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (M€)

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

	Carrying amount 30/09/2018	Fair value 30/09/2018	Carrying amount 31/12/2017	Fair value 31/12/2017
Financial assets				
Equity investments*)	2.3	2.3	2.2	2.2
Accounts receivables and other receivables	33.5	33.5	32.7	32.7
Investments recorded at fair value through profit or loss*)	21.0	21.0	2.0	2.0
Liquid funds	89.8	89.8	149.0	149.0
Derivatives*)	0.0	0.0	0.2	0.2
Financial liabilities				
Bank loans	34.3	34.6	45.8	46.5
Financial leasing liabilities	0.1	0.1	0.1	0.1
Accounts payable and other liabilities	26.2	26.2	32.5	32.5
Derivatives*)	0.0	0.0	0.2	0.2

Fair value hierarchy of financial assets and liabilities measured at fair value

Of the financial assets and liabilities measured at fair value *), all except the equity investments are on the level 2. The fair value of the level 2 items is defined by valuation techniques using market pricing valuations provided by the service provider. Equity investments are on the level 3 as their fair value is not based on observable market data.

RECONCILIATIONS RELATED TO CASH FLOW STATEMENT

Adjustments to business cash flows (M€)

	1-9/2018	1-9/2017	1-12/2017
Impairment for intangible and tangible fixed assets	-	28.9	36.5
Impairment for current assets	-	-	0.7
Divestment losses of subsidiary shares	-	-	38.4
Capital gains and losses of fixed assets	0.0	-28.2	-28.1
Costs of share rewards	0.2	0.0	0.0
Other	-0.3	0.0	-0.3
Total adjustments in cash flow statement	-0.1	0.6	47.3

Income statement items containing no payment transaction and items presented elsewhere in the cash flow statement are adjusted.

Acquisitions and disposals of fixed assets of cash flow from investing (M€)

	1-9/2018	1-9/2017	1-12/2017
Acquisitions of fixed assets in total	-4.0	-11.4	-15.9
Payments for investments of earlier financial periods (change in accounts payable)	-0.6	-1.7	-0.7
Investments funded by finance lease or other non-interest-bearing debt	0.0	0.0	0.0
Fixed asset acquisitions funded by cash payments	-4.6	-13.0	-16.6
Capital gain and loss on fixed assets in the income statement	0.0	28.2	28.1
Balance sheet value of disposed asset	0.1	11.1	11.2
Consideration received from fixed asset divestments in the cash flow statement	0.1	39.3	39.3

Net assets of divested subsidiaries (M€)

	1-12/2017
Capital gain or loss in the income statement excluding sales expenses directed at sales	-36.5
Non-current assets	116.4
Inventories	11.8
Receivables	17.5
Liquid funds incl. loans receivables (group cash pool)	-12.6
Non-current liabilities	2.3
Current liabilities	17.5
Total net assets sold	113.4
Sales price	76.8
Proceeds in the cash flow statement adjusted by cash at the date of transfer	89.4

Reconciliation of liabilities related to financing activities (M€)

	31/12/2017	Cash flows	Non cash flow influenced changes			30/09/2018
			Forward exchange contracts	Changes in exchange rates	Changes in fair value	
Non-current liabilities	45.7	-11.4	-	-	0.0	34.2
Current liabilities	0.0	-	-	-	-	0.0
Lease liability	0.1	-0.1				0.1
Net assets / liabilities used to hedge non-current liabilities	0.0	0.0	-	-	-	0.0
Total liabilities for financing activities	45.9	-11.5	-	-	0.0	34.4

QUARTERLY EARNINGS FROM CONTINUING OPERATIONS (M€)

	7-9/ 2018	**4-6/ 2018**	**1-3/ 2018**	**10-12/ 2017**	**7-9/ 2017**	**4-6/ 2017**	**1-3/ 2017**
Net sales by segment							
Healthy Food	51.9	47.8	48.1	50.6	48.9	51.6	50.3
Raisioaqua	10.9	11.7	1.3	2.7	18.4	9.4	1.3
Other operations	0.4	0.4	0.4	0.4	0.3	0.3	0.3
Interdivisional net sales	0.0	-0.2	0.0	0.0	0.0	0.0	0.0
Total net sales	63.1	59.7	49.7	53.7	67.7	61.4	51.8
EBIT by segment							
Healthy Food	7.3	6.8	8.1	8.5	9.3	10.7	9.8
Raisioaqua	0.9	0.3	-1.0	-0.7	2.7	1.1	-0.7
Other operations	-0.5	-0.6	-2.8	-10.2	-1.7	27.8	-2.6
Total EBIT	7.8	6.5	4.4	-2.4	10.3	39.6	6.5
Financial income and expenses, net	-0.1	-0.1	0.1	-0.3	-0.7	-0.3	0.0
Share of result of associates	-	-	-	-	-	-	-
Result before taxes	7.6	6.4	4.5	-2.7	9.6	39.3	6.5
Income tax	-1.7	-1.4	-1.1	-1.3	-2.0	-7.8	-1.2
Result for the period	5.9	5.0	3.4	-4.0	7.6	31.5	5.3

KEY FIGURES

Key figures have been calculated from continuing operations, including the items affecting comparability.

	30/09/2018	30/09/2017	31/12/2017
Net sales, M€	172.6	180.9	234.6
Change of net sales, %	-4.6	-11.8	-9.1
Operating margin, M€	22.9	61.0	68.1
Comparable operating margin, M€	24.8	33.8	42.2
Depreciation and impairment, M€	4.3	4.6	14.0
EBIT, M€	18.6	56.4	54.1
% of net sales	10.8	31.2	23.0
Comparable EBIT, M€	20.6	29.2	35.9
% of net sales	11.9	16.1	15.3
Result before taxes, M€	18.5	55.4	52.7
% of net sales	10.7	30.6	22.5
Return on equity, ROE, %	7.4	19.2	14.0
Return on investment, ROI, %	8.6	19.7	15.1
Comparable return on investment, ROI, %	9.4	10.1	10.0
Interest-bearing financial liabilities at end of period, M€	34.4	57.4	45.9
Net interest-bearing financial liabilities at end of period, M€	-76.4	-11.9	-105.1
Equity ratio, %	76.7	69.6	73.4
Net gearing, %	-30.0	-3.9	-39.8
Gross investments, M€	3.7	8.4	10.1
% of net sales	2.1	4.6	4.3
R & D expenses, M€	2.1	1.9	2.9
% of net sales	1.2	1.0	1.2
Average personnel	340	346	342
Earnings/share, €	0.09	0.28	0.26
Comparable earnings/share, €	0.10	0.14	0.17
Cash flow from operations/share, €	0.03	0.18	0.21
Equity/share, €	1.62	1.93	1.68
Average number of shares during the period, in 1,000s			
Free shares	125 338	124 921	124 927
Restricted shares	31 989	32 459	32 436
Total	157 327	157 379	157 363
Average number of shares at end of period, in 1,000s			
Free shares	125 458	124 896	125 028
Restricted shares	31 876	32 418	32 291
Total	157 334	157 313	157 319
Market capitalisation of shares at end of period, M€			
Free shares	353.2	458.4	480.1
Restricted shares	89.3	117.7	124.0
Total	442.4	576.0	604.1
Share price at end of period			
Free shares	2.82	3.67	3.84
Restricted shares	2.80	3.63	3.84

FORMULAS FOR KEY FIGURES

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