RAISIO

Q1/2014

RAISIO PLC

Interim Report

1 January –
31 March 2014

RAISIO'S EBIT EUR 5.4 MILLION

January-March 2014

- The Group's net sales totalled EUR 116.7 million (Q1/2013: EUR 128.3 million).
- The Group's EBIT excluding one-off items was EUR 5.4 million (EUR 8.0 million) accounting for 4.6% (6.2%) of net sales.
- The Brands Division's EBIT excluding one-off items was EUR 6.4 million (EUR 9.4 million) accounting for 8.9% (12.5%) of net sales.
- Raisioagro's EBIT totalled EUR 0.0 (-0.6) million.
- Raisio's guidance more challenging than previously.

Raisio Group's key figures excluding one-off items

		Q1/ 2014	Q1/ 2013	2013
Results				
Net sales	M€	116.7	128.3	557.6
Change in net sales	%	-9.1	-4.9	-4.5
EBIT	M€	5.4	8.0	39.3
EBIT	%	4.6	6.2	7.1
Depreciation and impairment	M€	3.9	3.9	14.9
EBITDA	M€	9.3	11.9	54.3
Net financial expenses	M€	-0.3	-0.4	-1.8
Earnings per share (EPS)	€	0.03	0.04	0.20
Balance sheet				
Equity ratio	%	64.7	61.9	68.2
Gearing	%	-4.2	8.4	-8.6
Net interest-bearing debt	M€	-13.3	26.2	-28.5
Equity per share	€	2.00	2.00	2.13
Gross investments	M€	4.8	1.7	16.5
Share				
Market capitalisation*	M€	750.3	470.3	683.1
Enterprise value (EV)	M€	737.0	496.5	654.6
EV/EBITDA		14.3	9.5	12.1

* Excluding the company shares held by the Group

CEO Matti Rihko's review

"The Group's all-year target is to improve EBIT. However, it is clear that this is challenging as at the year beginning, we are EUR 2.6 million behind last year. As a whole, Raisio's EBIT was reasonable, but the situation differed from business to business. As expected, the situation in the UK's unit of cereals and snacks undermined the Brands Division's performance; on the one hand, breakfast cereals suffered from strongly declining market and on the other, technical difficulties during the snack bar production transfer impaired our service level. However, Northern Europe and confectionery showed further improvement, so the overall picture of the Brands Division is twofold.

In April, Raisioagro started an extensive restructuring of activities with the aim of focusing resources on areas in which the added value created through new business and product innovations is the highest. Raisioagro's priority areas were defined to be, above all, cattle feeds and fish feeds. For pig and poultry feeds, the company will examine alternatives to down scale, terminate or sell the business as the sector is in deep transition. Statutory cooperation negotiations related to the restructuring are expected to end by the Midsummer.

In accordance with its objective, Benemilk Ltd continues the efforts to commercialise the innovations internationally. The company is involved in active negotiations in several countries and continents and is already proceeding to the NDA stage with a number of major operators. Of the companies encountered during the Roadshow, all but one have expressed their willingness to continue the negotiations, which shows that interest in the innovation is strong. According to the best current estimate, it is possible that the first Benemilk launches could be finalised at the end of 2015, since the entire process from the agreement to the market entry of products can easily take a year."

Operating environment

Russian and Ukrainian currencies fell sharply due to the economic situation and political crisis. Prices of Raisio's export products sold in local currencies have been raised to maintain the margins. So far, there are no changes in product demand in sight. Prices will be reassessed and we will carefully monitor the development of the situation.

Economic situation in Europe continued unstable and it became even more challenging for the companies to maintain margins. The grocery trade was not subject of the strongest pressure, but Raisio, however, needs to take measures in different markets and product categories.

In Finland, demand for Raisio's branded products remained good. Significance of healthy nutrition will continue to grow and cholesterol lowering, as part of heart health, is increasingly important to consumers. Furthermore, the appreciation of local food is on the rise; both food industry and retailers are expanding their supply of Finnish products. Raisio's product range, adapted to meet consumer needs, responds well to today's consumer trends.

The UK and Czech confectionery markets are mature and well-developed and consumer demand has remained stable. In order to succeed in competitive markets, all confectionery producers frequently launch new products and develop new packaging solutions. Particularly in the UK, consumers prefer such campaigns and sales channels that offer affordable prices every day. Czech consumers prefer conventional campaigns offering more of a product at a lower price.

In the UK, the decline of the entire breakfast cereal category continued and, for example, sales in cereals for children decreased by almost 15 per cent. The drop resulted mainly from decreased promotional sales, which used to be the driver of cereals sales, as well as from changes in consumer buying behaviour. On the other hand, sales volume in snack bars slightly increased. As a result of active promotional sales, British consumers buy snack bars more and more frequently.

In Finland, due to a long-term trend of constant increase in farm size, livestock and grain farmers have become increasingly more professional operators. At the same time, the structure of the agricultural trade and feed industry has changed dramatically and new capacity in the feed industry has further intensified the competition. Raisioagro aims to add value to the customers through cost-effective operations and through investments in feeding expertise and customer needs-based product range. Increased price competitiveness requires efforts from the company to enhance its operations. At Raisioagro, we have started the reassessment of activities in order to adapt to changed market conditions.

GROUP'S CONTINUOUS OPERATIONS

Financial reporting

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

The Brands Division includes Consumer brands and Licensed brands units. In the text, Consumer brands unit is examined by key market areas that are Western Europe, Northern Europe and Eastern Europe. Non-dairy business is included in Northern European operations' comparison period figures until 9 May 2013. Licensed brands unit includes Benecol business and a joint venture called Benemilk Ltd from 1 July 2013.

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

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

Net sales

Raisio Group's net sales in January-March totalled EUR 116.7 (128.3) million. Net sales for the Brands Division were EUR 72.3 (75.2) million and for Raisioagro EUR 49.1 (53.5) million. Net sales for other operations amounted to EUR 0.3 (0.3) million.

January-March net sales from outside Finland represented 52.2 (48.0) per cent of the Group's total, amounting to EUR 60.9 (61.5) million.

Result

Raisio Group's January-March EBIT was EUR 3.9 and, excluding one-off items, 5.4 (8.0) million, which is 3.3 and, excluding one-off items, 4.6 (6.2) per cent of net sales. In the review period, the Brands Division recorded a one-off expense of EUR 1.5 million for the rent liability of the unused property as a result of the streamlining projects in the UK. EBIT for the Brands Division totalled EUR 4.9 and, excluding one-off items, 6.4 (9.4) million and for Raisioagro EUR 0.0 (-0.6) million and for other operations EUR -1.1 (-0.8) million. EBIT for the Northern European Brands operations, Western European confectionery business and Raisioagro improved.

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 3.9 (3.9) million in January-March.

The Group's net financial items for January-March totalled EUR -0.3 (-0.4) million.

The pre-tax result was EUR 3.6 and, excluding one-off items, 5.1 (7.7) million.

The Group's post-tax result in January-March totalled EUR 2.7 and, excluding one-off items, 3.9 (5.9) million.

The Group's earnings per share for continuing operations in January-March were EUR 0.02 and, excluding one-off items, 0.03 (0.04).

Balance sheet, cash flow and financing

At the end of March, the Raisio Group's balance sheet totalled EUR 489.1 (31 December 2013: 491.2) million. Shareholders' equity was EUR 314.5 (31 December 2013: 331.7) million, while equity per share was EUR 2.00 (31 December 2013: 2.13).

At the end of March 2014, the Group's interest-bearing debt was EUR 53.3 (31 December 2013: 55.4) million. Net interest-bearing debt was EUR -13.3 (31 December 2013: -28.5) million.

On 31 March 2014, the Group's equity ratio totalled 64.7 (31 December 2013: 68.2) per cent and net gearing -4.2 (31 December 2013: -8.6) per cent. Return on investment was 4.2 and, excluding one-off items, 5.5 (31 December 2013: 8.6 and, excluding one-off items, 12.7) per cent.

Cash flow from business operations was EUR -10.9 (-9.2) million in January-March.

At the end of March, working capital amounted to EUR 68.0 (31 December 2013: 52.8) million. Working capital was boosted by the increase in current assets and accounts receivables. Compared to the situation on 31 March 2013, almost EUR 38 million of working capital was released mainly from inventories and accounts receivables.

Investments

The Group's gross investments in January-March were EUR 4.8 (1.7) million. Gross investments of the Brands Division were EUR 4.3 (0.8) million, those of Raisioagro EUR 0.4 (0.7) million and those of other operations EUR 0.1 (0.2) million.

The review period's largest investments were related to the streamlining and centralisation of the Western European snack and confectionery operations. The snack bar production was centralised to the Newport factory where the implementation of transferred production lines continued. The transfer of the confectionery production in Skegness continued; in the UK, the production was moved to Leicester and in the Czech Republic, to Rohatec. At the Leicester factory, test runs have been started with the transferred production lines. The production transfer to Rohatec has begun.

Disputes

In 2013, Raisio initiated arbitration proceedings related to the termination of a contractual relationship with a foreign company. The counterparty made a counterclaim to be dealt with in the same arbitral proceedings. Raisio regards the claim for damages entirely unfounded and has recorded no reserve due to it.

Research and development

The Group's January-March research and development expenses were EUR 1.6 (1.5) million.

Raisioagro's R&D focused on the development of new applications related to the Benemilk feed innovation. Furthermore, the extensive production monitoring project of Benemilk customers continued. Experiences received from our customer farms confirm the results of scientific studies on increased milk yields and improved fat and protein contents of milk. Raisioagro will continue to further develop the Benemilk feeds and to conduct scientific studies related to the feeds.

In Finland, Raisio launched, e.g., milk-based Elovena instant porridges developed last year. R&D of the branded products in Finland is already focused to develop new products for 2015. R&D's priority areas are healthy and ecological snacks and breakfast products as well as effectively cholesterol-lowering Benecol products. Raisio also makes consumer surveys to support the development of brands, concepts and products.

In Western Europe, R&D in confectionery, cereals and snacks focused to ensure product quality as part of the ongoing and partly implemented production transfers to new locations. Furthermore, the finalising of new products launched at the end of 2014 was continued.

SEGMENT INFORMATION

BRANDS DIVISION

		Q1/2014	Q1/2013	2013
Net sales	M€	72.3	75.2	304.7
Consumer brands	M€	64.5	66.8	271.4
Licensed brands	M€	9.7	10.3	41.3
EBIT	M€	4.9	9.4	35.7
One-off items	M€	-1.5	0.0	-5.7
EBIT, excluding one-off items	M€	6.4	9.4	41.4
EBIT, excluding one-off items	%	8.9	12.5	13.6
Investments	M€	4.3	0.8	13.4
Net assets	M€	261.4	265.9	254.2

Net sales

The January-March net sales of the Brands Division totalled EUR 72.3 (75.2) million. Net sales for Consumer brands were EUR 64.5 (66.8) million. Net sales for the Licensed brands amounted to EUR 9.7 (10.3) million.

Net sales for the Western European confectionery business increased by approximately 10 per cent on the comparison period. Confectionery accounts for over a third of the Consumer brands unit's net sales. Particularly good sales growth was seen in the confectionery produced under retailers' private labels as well as in our partners' branded products. In the UK, sales in Raisio's own confectionery brands was at the comparison year level while in the Check Republic, sales showed growth in soft gums.

Sales in Western European cereal and snack business were significantly lower than in the comparison period. Sales in breakfast cereals continued to suffer from external pressures related to sugar and from weakening consumer demand. The centralisation of snack bar production to the Newport factory as well as challenges related to the transferred lines undermined service level and decreased sales.

Comparable net sales of Northern European operations were at the level of the same period last year. The comparison period's figures include the non-dairy business. Sales in branded products increased and profitability improved as a result of a successful product range renewal.

Net sales for Eastern European operations were at the comparison period level.
In Poland, net sales in Benecol margarines increased from the comparison period.

Comparable net sales for the Licensed brands unit's Benecol business were up from the comparison period, even though the reportable net sales fell by approximately 6 per cent. The comparison period's net sales include the contract manufacturing of the US-based esterification plant divested in April 2014. Sales in plant stanol ester, a Benecol product ingredient, improved on the comparison period due to, for example, good sales development of Benecol minidrinks in the largest markets of Europe.

Result

January-March EBIT for the Brands Division amounted to EUR 4.9 and, excluding one-off items, 6.4 (9.4) million, which is 6.8 and, excluding one-off items, 8.9 (12.5) per cent of net sales.

EBIT for Western European confectionery business improved by some 20 per cent on the comparison period. Sales growth improved EBIT, but the profitability of soft gums also improved as a result of enhanced raw material procurement.

EBIT for Western European breakfast and snack business weakened, as expected. In addition, the implementation of the bar production transfer to the Newport factory has been delayed more than planned. Considerably decreased sales volume of breakfast cereals also reduced profitability.

EBIT for Northern Europe improved by over 30 per cent as sales focused on branded products, which are significantly more profitable than low-margin bulk products. Sales in our focus brands, Elovena and Benecol, increased and resulted in improved profitability. In addition, costs were moderate in relation to the scale of operations.

EBIT for Eastern Europe was slightly negative due to the weakened currencies of Ukraine and Russia and to our strong marketing investments in Poland.

EBIT for Benecol was at the comparison period's and its ordinary good level.

Consumer brands

Western Europe

Confectionery

In the Czech Republic, sales in confectionery sold under the Juicee Gummee brand increased as a result of the extended product range. In the UK, sales in our own branded products, such as Poppets and Fox's, remained good in the highly competitive market. Sales in confectionery produced under our partners' brands were at the comparison period level. Raisio's customers include, among others, international confectionery giants.

The major investment of 2014 is progressing on schedule. The Skegness factory was closed at the end of March; the machines and equipment were transferred to the Leicester factory in the UK and to the Rohatec factory in the Czech Republic. Machinery and equipment installations are in progress. At the new locations, production is expected to run at full speed during the third quarter of 2014.

In the short-term, the confectionery business aims to take advantage of the growth potential, enabled by additional capacity, and to implement savings through production transfers.

Cereals and snacks

In the UK, external pressure related to sugar continued to impact Raisio's breakfast cereals, which decreased sales and undermined profitability. Raisio has initiated measures to improve the situation; we have, for example, strengthened our brand expertise with new employees and increased investments in brands. The improvement priority is to turn breakfast cereals sales into new growth with the product range based on consumer needs.

Northern Europe

Sales in Elovena instant porridges and snack biscuits increased significantly from the comparison period. Demand for easy and quick porridges and for healthy and tasty snack biscuits is rising significantly. Raisio responded to the consumer demand by launching new Elovena products in both the categories at the beginning of May.

Sales growth in Benecol minidrinks continued in the review period. Minidrinks already account for about a third of the Benecol product sales in Finland. Competition continued intense in cholesterol-lowering functional margarines while consumers are switching from margarines to minidrinks.

Gluten-free Provena products showed steady growth even though the category is still relatively small in terms of net sales. Apart from Finland, Provena products are sold, e.g., in Sweden, Estonia, Russia and Ukraine.

In Northern European operations, the aim is to support good sales growth of our focus brands, Elovena and Benecol, with launches of new products based on customer needs, and to continue investments in advertising and marketing communication. Gluten-free diet is a growing food trend, so Provena products have good growth prospects.

Eastern Europe

In Poland, sales in Benecol margarines developed well, but competition in cholesterol-lowering foods further intensified.

In Russia, sales in products sold under the Nordic brand were down on the comparison period due to, for example, changes in the product range. Moreover, the decline in currencies undermined profitability.

In the Eastern European markets, Raisio aims at organic growth and improved business profitability. Raisio is monitoring the development of sales and currencies in Russia and Ukraine; the company is able to adapt its operations quickly if necessary. The products sold under the Nordic brand in Russia and Ukraine are produced in Finland.

Licensed brands

Benecol

Consumer demand for Benecol products was stable as a whole, although sales differences between the countries were still considerable. In Spain, Benecol products were included again, after a long break, in the selection of a major retail chain, which increased sales immediately. Sales were also up in Indonesia due to our partner’s investments in marketing. On the other hand, political situation in Thailand made the distribution of Benecol products difficult.

Benecol business aims to establish sales of the current markets on a solid growth track, to enter new markets, especially in Asia, and to launch new product applications complementing the product range.

Benemilk Ltd

Operations of Benemilk Ltd, the joint venture between Raisio and Intellectual Ventures (IV), will be steered so that, in addition to the Benemilk innovation, the company will also commercialise other innovations and related IPR for the food and agriculture sector. Together with academia, we aim to innovate solutions for the global challenges facing the food and agriculture sector.

Raisioagro has a permanent, royalty free license to the Benemilk innovation and its future applications in Finland. Sale of Benemilk feeds in Finland is included in Raisioagro’s figures. In Finland, Benemilk feeds have an established market share of around 10 per cent in dairy cattle feeds.

RAISIOAGRO DIVISION

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

		Q1/2014	Q1/2013	2013
Net sales	M€	49.1	53.5	254.2
EBIT	M€	0.0	-0.6	3.1
One-off items	M€	0.0	0.0	0.0
EBIT, excluding one-off items	M€	0.0	-0.6	3.1
EBIT, excluding one-off items	%	0.0	-1.1	1.2
Investments	M€	0.4	0.7	2.3
Net assets	M€	62.3	91.2	52.4

Net sales

In January-March, Raisioagro Division's net sales totalled EUR 49.1 (53.5) million, approximately 8 per cent less than in the comparison period. Sales volume in cattle feeds increased and focused particularly on the value-added products, such as Benemilk feeds. In farming supplies, sales increased on the comparison period especially in fuels and plant protection products. Net sales decline was mainly due to the decreased sales volume in pig and poultry feeds as well as to the impact of raw material prices on sales prices.

Result

Raisioagro's EBIT totalled EUR 0.0 (-0.6) million. The profitability of operations remained weak even though EBIT improved on the comparison period. Cattle feed sales focused on value-added products. This, together with the implemented cost savings, improved profitability.

Loss in the oil milling production decreased from the comparison period. The factory operations were interrupted in January 2014, and the staff are laid off until further notice.

Business operations

<u>Farm feeds</u>

Sales volume of Benemilk feeds increased considerably from the comparison period. Practical experience gained from the farms confirms the results shown in the scientific studies on Benemilk feeds. Benemilk feeding plan adapted to the farm's own silage quality together with the correct dosage of Benemilk feeds are key factors for increased milk yields. Raisioagro aims to increase the share of Benemilk feeds, particularly on the pioneer farms that benefit most from the added value provided by the Benemilk feeds.

Raisioagro has maintained its position as the leading producer of cattle feeds in Finland. Raisioagro's market share in cattle feeds is almost 40 per cent.

Due to intensified competition and additional capacity built in the sector, Raisioagro's sales volumes in pig and poultry feeds have significantly declined and the profitability of activities has weakened.

Fish feeds

New fish feed season started in the spring and will be focused on the second and third quarter of 2014. Almost all Raisioagro's Finnish customers have started with Hercules LP Opti concept launched in 2013, since well-managed environmental issues and sustainable feeds help ensure the future of the entire sector. Raisioagro's market share in Finnish fish feeds is more than 50 per cent. Northwest Russia is the key export market for fish feeds.

In the WWF Finland's recently updated consumer guide on seafood, Finnish rainbow trout was included in the green list of recommended and sustainable fish choices. Together with the Finnish Game and Fisheries Research Institute and fish farmers, Raisioagro has been involved in the long-term development work to reduce environmental impacts of rainbow trout feeds and to ensure sustainable development of the sector. In addition, rainbow trout fed on Finnish feed is high-quality health food with fatty acid composition meeting nutritional recommendations.

Online store

Raisio's online sales increased more than 20 per cent on the comparison period. Bulk feed and packed feed are the most purchased products in the online store. Sales are increasing in fertilisers, liquid fuels, seeds and plant protection products.

Open-to-all online store, launched at the beginning of 2014, is also a marketing tool for Raisioagro. It supports electronic marketing and new customer acquisition. Raisioagro's target is to increase online store trade as well as the share of online sales of the Division's total net sales. We are continuing the development of our online store as it is an important part of modern services offered to agricultural producers.

Grains

Raisio has some 2,500 Finnish contract farmers that provide the company with grain for its food and feed businesses. Cooperation with the contract farmers ensures the availability and quality of raw material and enables the long-term development of Raisio's expertise. Raisio is entering into grain and rapeseed contracts for the new harvest season.

Events after the review period

Raisioagro to focus its operations with emphasis on innovations

As part of its programme related to the identification of new growth potential and improvement of operations and profitability, Raisioagro issued an invitation to the cooperation negotiations due to production and financial reasons on 16 April 2014. With the arrangement, Raisioagro aims to focus its resources on areas in which the added value created through new business and product innovations is the highest. The priority areas are, above all, cattle feeds and fish feeds. In addition, Raisioagro will focus on export activity to the neighbouring countries, particularly in fish and cattle feeds.

The competitive situation in Finland has intensified due to new operators and additional capacity built in the industry at the same time as farm size is growing and livestock farms are transferring from complete feeds to component feeding. Sales volume in Raisioagro's pig and poultry feeds has decreased and profitability weakened due to years of intense price competition.

The initiated cooperation negotiations concern all Raisioagro's functions excluding the Ylivieska-based feed factory producing cattle feeds as well as sales of fish feeds and feed export. For pig and poultry feeds, the company will examine alternatives to reduce, terminate or sell the business. Approximately 150 employees are in scope of the negotiations. The possible reduction need is estimated to be 50 persons. The negotiations are expected to be completed before the Midsummer.

Personnel

At the end of March, Raisio Group's continuing operations employed 1,947 (31 December 2013: 1,896) people. 80 (31 December 2013: 79) per cent of the personnel were working outside Finland. At the end of the review period, the Brands Division had 1,728, Raisioagro Division 166 and service functions 53 employees.

Changes in Group structure

In March 2014, a plan of merger was signed; the subsidiaries entirely owned by Raisio plc, called Reso Management Oy and Raision Konsernipalvelut Oy, will be merged into Raisio plc. The mergers are expected to come into effect during the third quarter of 2014. No merger consideration is paid in subsidiary mergers.

Shares and shareholders

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-March totalled 6.4 (6.1) million. The value of trading was EUR 30.2 (19.2) million and the average price EUR 4.72 (3.15). The closing price on 31 March 2014 was EUR 4.80.

A total of 0.4 (0.2) million restricted shares were traded in January-March. The value of trading was EUR 1.8 (0.8) million and the average price EUR 4.65 (3.15). The closing price on 31 March 2014 was EUR 4.68.

On 31 March 2014, the company had a total of 34,770 (31 December 2013: 35,007) registered shareholders. Foreign ownership of the entire share capital was 17.0 (31 December 2013: 16.1) per cent.

Raisio plc's market capitalisation at the end of March totalled EUR 788.7 (31 December 2013: EUR 725.7) million and, excluding the company shares held by the company, EUR 771.8 (31 December 2013: EUR 702.7) million.

During the review period, a total of 60,781 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 131,477,140 while the number of restricted shares was 33,671,890. The share capital entitled to 804,914,940 votes.

On 25 February 2014, Raisio plc, on the one side, and Raisio plc's CEO and five members of the Group's management team (hereinafter: Management), on the other, agreed on and completed a share exchange, through which Raisio plc acquired the management-owned Reso Management Oy's shares held by Management and the shareholders of Reso Management Oy received Raisio plc free shares as consideration. To implement the share exchange, Raisio plc's Board of Directors decided, 25 February 2014, on a targeted share issue where the company offered, in deviation from the shareholders' pre-emptive subscription rights,1,751,330 free shares held by the company against share consideration to Management as the shareholders of Reso Management Oy.

The subscription price (assignment price) of a free share was the trade volume weighted average quotation of the company's free share on the NASDAQ OMX Helsinki Ltd in the period between 27 January and 21 February 2014, i.e. EUR 4.589.

The 1,751,330 free shares transferred in connection of the share exchange have entitled to the use of shareholder rights in the company since the shares were registered in the subscriber's book-entry account, which took place on 25 February 2014.

The decision to issue shares is based on the authorisation granted to the Board of Directors by the Annual General Meeting (AGM) of 27 March 2013. Prior to the implementation of the share exchange, Raisio plc held 22.2% of the Reso Management Oy shares and Management 77.8%; after the implementation, Raisio plc is the sole owner of the Reso Management Oy's share capital. A stock exchange release concerning the share exchange, through which an incentive scheme established in the summer 2010 for Management was decided, was published on 25 February 2014.

At the end of the review period, Raisio plc held 3,300,390 free shares and 212,696 restricted shares acquired between 2005 and 2012 based on the authorisation given by the AGM. The subsidiary Reso Management Oy holds 4,482,740 free shares. The number of free shares held by Raisio plc and Reso Management Oy accounts for 5.9 per cent of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.6 per cent. In all, the company shares held by these companies represent 4.8 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 in Raisio plc held by the company itself or by 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.

The Raisio Group Research Foundation holds 150,510 restricted shares, which is 0.45 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.37 per cent of the votes it represents.

The authorisation to repurchase own shares and to issue shares given by the AGM in 2013 expired on 27 March 2014.

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 2015.

Furthermore, the Board of Directors has the authority to decide on share issues by disposing of a maximum of 11,500,000 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 authorisation will expire, at the latest, on 27 March 2019. The authorisations have not so far been exercised and related details on both are available in the stock exchange release published on 13 February 2014.

Decisions made at the Annual General Meeting

Raisio plc's Annual General Meeting (AGM) held on 27 March 2014 approved the financial statements for the financial year 1 January - 31 December 2013 and granted the members of the Board of Directors and the Supervisory Board as well as the Chief Executive Officer discharge from liability.

As proposed by the Board of Directors, the AGM decided to pay a dividend of EUR 0.13 for each restricted and free share. The dividend was paid on 8 April 2014 to a shareholder who was entered in the shareholders' register on the record date 1 April 2014. No dividend, however, was paid on the shares that at the time were held by the company.

The number of members of the Board of Directors was confirmed to be five, and Erkki Haavisto, Matti Perkonoja, Michael Ramm-Schmidt and Pirkko Rantanen-Kervinen were reappointed and Antti Tiitola 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 Perkonoja as its Chairman and Ramm-Schmidt as its Vice Chairman.

The Chairman of the Board will be paid a monthly fee of EUR 5,000 and the members a monthly fee of EUR 2,000. Approximately 20 per cent of the fee will be paid with the company's own shares and approximately 80 per cent in cash. The fees are paid in two equal instalments during the term so that the first payment will be made on 15 June and the second on the 15 December. In addition, a fee of EUR 400 will be paid to the Chairman and members of the Board for each meeting as well as EUR 200 for each teleconference and the same fee will be also paid for the meetings of committees elected by the Board of Directors among its members. Meeting fees are paid in cash. Moreover, they will receive a daily allowance for the meeting days and they will be reimbursed for travel expenses according to the Company's travel policy.

The number of members in the Supervisory Board was confirmed to be 25. Vesa Harjunmaa, Panu Kallio, Timo Könttä, Juha Marttila, Paavo Myllymäki, Kari Niemistö and Yrjö Ojaniemi were elected as the members of the Supervisory Board for the term commencing at the closing of the AGM. Panu Kallio is a new member in the Supervisory Board.

The annual remuneration payable to the Chairman of the Supervisory Board will be EUR 12,000. The Chairman and the members of the Supervisory Board will receive a payment of EUR 300 for each meeting, in addition to which their travel expenses will be compensated and they will receive a daily allowance for the meeting days according to the Company's travel policy. The Meeting also decided to pay the Chairman of the Supervisory Board a fee of EUR 300 for each attended meeting of the Board of Directors.

Authorised public accountants Mika Kaarisalo and Kalle Laaksonen were elected as regular auditors. Authorised public accountants PricewaterhouseCoopers Ltd and Tuomo Korte were elected as deputy auditors. The auditors' term began at this Meeting and will end at the end of the next AGM.

The AGM authorised the Board of Directors to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. The authorisation will be valid until 30 April 2015.

Furthermore, the AGM authorised the Board of Directors to decide on the share issues (1) by disposing of a maximum of 11,500,000 free shares and a maximum of 1,460,000 restricted shares held by the company, and (2) by issuing a maximum of 20,000,000 new free shares. The share issue authorisations will expire on 27 March 2019 at the latest.

The details of the authorisations are available in the stock exchange release published on 13 February 2014.

Risks and sources of uncertainty in the near future

Uncertainty in the international economic development is continuing. Despite the long-lasting debt recovery, economic growth remains generally at low levels and inflation has been on a downward trend. Growth is expected to accelerate first in the USA that has started gradually to reduce the debt recovery. Strong euro has kept economic growth low and uneven in Europe. Despite the generally uncertain situation, we believe that the grocery trade will remain relatively stable compared to many other industries.

Due to the crisis in Ukraine, Ukrainian and Russian currencies remain very weak. In these countries, the prices of imported products have already risen and will be rising. Price rises may have impacts on consumption habits. Possible expansion of the crisis cannot be entirely ruled out. In such a case, there could be economic impacts also through official decisions, not only through changes in consumer behaviour.

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

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

Guidance

Raisio’s aim to continue the improvement of its EBIT seems more challenging than expected in terms of organic growth, although the improvement was estimated to focus on the second half of 2014 when the ongoing streamlining projects are completed.

Previous guidance in February 2014

In 2014, Raisio continues to improve its EBIT. The improvement is estimated to focus on the second half of 2014 when the ongoing streamlining projects are completed.

In Raisio, 5 May 2014

RAISIO PLC

Board of Directors

Further information:
Matti Rihko, CEO, tel. +358 400 830 727
Jyrki Paappa, CFO, tel. +358 50 556 6512
Heidi Hirvonen, Communications and IR Manager, tel. +358 50 567 3060

Chief Executive’s video in English will be available on Raisio’s web site at www.raisio.com.

The interim report has not been audited.

CONDENSED FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT (M€)

	1-3/2014	1-3/2013	2013
Net sales	116.7	128.3	557.6
Expenses corresponding to products sold	-94.7	-104.6	-456.8
Gross profit	22.0	23.7	100.8
Other operating income and expenses, net	-18.1	-15.7	-67.2
EBIT	3.9	8.0	33.6
Financial income	0.2	0.4	1.0
Financial expenses	-0.5	-0.8	-2.8
Share of result of associates and joint ventures	0.0	0.0	0.0
Result before taxes	3.6	7.7	31.8
Income taxes	-0.9	-1.8	-6.0
RESULT FOR THE PERIOD	2.7	5.9	25.9
Attributable to:			
Equity holders of the parent company	2.7	6.0	26.2
Non-controlling interests	0.0	-0.1	-0.3
Earnings per share from the profit attributable to equity holders of the parent company (€)			
Undiluted earnings per share	0.02	0.04	0.17
Diluted earnings per share	0.02	0.04	0.17

COMPREHENSIVE INCOME STATEMENT (M€)

	1-3/2014	1-3/2013	2013
Result for the period	2.7	5.9	25.9
Other comprehensive income items after taxes			
Items that may be subsequently transferred to profit or loss			
Hedging of net investments	0.0	0.0	0.0
Available-for-sale financial assets	0.0	0.0	0.1
Cash flow hedge	0.1	0.4	0.4
Translation differences	0.2	-2.7	-3.6
Comprehensive income for the period	3.0	3.6	22.8
Components of comprehensive income:			
Equity holders of the parent company	3.0	3.7	23.1
Non-controlling interests	0.0	-0.1	-0.3

BALANCE SHEET (M€)

	31.3.2014	31.3.2013	31.12.2013
ASSETS			
Non-current assets			
Intangible assets	43.4	38.1	41.3
Goodwill	109.2	107.4	108.5
Property, plant and equipment	113.7	118.2	114.5
Shares in associates and joint ventures	0.8	0.8	0.8
Available-for-sale financial assets	2.6	2.4	2.6
Receivables	0.1	0.2	0.1
Deferred tax assets	2.4	2.9	2.2
Total non-current assets	272.1	269.9	269.9
Current assets			
Inventories	78.0	106.4	70.9
Accounts receivables and other receivables	72.3	81.0	66.5
Financial assets at fair value through profit or loss	55.0	34.4	73.6
Cash in hand and at banks	11.6	17.1	10.3
Total current assets	217.0	239.1	221.3
Non-current assets held for sale		2.0	
Total assets	489.1	510.9	491.2
SHAREHOLDER'S EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Company shares	-20.4	-20.5	-20.4
Other equity attributable to equity holders of the parent company	307.1	303.6	323.3
Equity attributable to equity holders of the parent company	314.5	311.0	330.6
Non-controlling interests	0.0	1.3	1.1
Total shareholder's equity	314.5	312.3	331.7
Non-current liabilities			
Deferred tax liabilities	12.7	13.8	12.6
Pension contributions	0.0	0.2	0.0
Provisions	1.6	0.2	0.2
Non-current financial liabilities	27.6	47.6	34.2
Derivative contracts	0.6	1.3	0.9
Other non-current liabilities	0.1	0.1	0.1
Total non-current liabilities	42.5	63.2	48.0
Current liabilities			
Accounts payable and other liabilities	104.4	108.6	88.2
Provisions	0.9	0.0	1.2
Derivative contracts	1.1	0.2	0.9
Current financial liabilities	25.7	26.7	21.1
Total current liabilities	132.1	135.5	111.4
Total liabilities	174.6	198.7	159.5
Total shareholder's equity and liabilities	489.1	510.9	491.2

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Re-serve fund	Com-pany shares	Trans-lation diffe-rences	Other re-serves	Re-tained ear-nings	Total	Non-con-trolling interests	Total equity
Equity on 31.12.2012	27.8	2.9	88.6	-20.5	0.2	0.2	227.0	326.3	1.0	327.3
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	6.0	6.0	-0.1	5.9
Other comprehensive income items (adjusted for tax effects)										
Financial assets available for sale	-	-	-	-	-	0.0	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-	0.4	-	0.4	-	0.4
Translation differences	-	-	-	-	-2.7	-	-	-2.7	-	-2.7
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-2.7	0.4	6.0	3.7	-0.1	3.6
Business activities involving shareholders										
Dividends	-	-	-	-	-	-	-19.1	-19.1	0.4	-18.6
Share-based payment	-	-	-	-	-	-	0.0	0.0	-	0.0
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	-19.0	-19.0	0.4	-18.6
Equity on 31.3.2013	27.8	2.9	88.6	-20.5	-2.5	0.6	214.0	311.0	1.3	312.3
Equity on 31.12. 2013	27.8	2.9	88.6	-20.4	-3.4	0.7	234.5	330.6	1.1	331.7
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	2.7	2.7	0.0	2.7
Other comprehensive income items (adjusted for tax effects)										
Available-for-sale financial assets	-	-	-	-	-	0.0	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-	0.1	-	0.1	-	0.1
Translation differences	-	-	-	-	0.2	-	-	0.2	-	0.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.2	0.1	2.7	3.0	0.0	3.0
Business activities involving shareholders										
Dividends	-	-	-	-	-	-	-20.4	-20.4	-	-20.4
Unclaimed dividends	-	-	-	-	-	-	-	0.0	-	0.0
The share acquired from the non-controlling interest	-	-	-	-	-	8.0	-6.9	1.1	-1.1	0.0
Share-based payment	-	-	-	-	-	-	0.1	0.1	-	0.1
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	8.0	-27.2	-19.2	-1.1	-20.3
Equity on 31.3.2014	27.8	2.9	88.6	-20.4	-3.1	8.8	209.9	314.5	0.0	314.5

CASH FLOW STATEMENT (M€)

	1-3/2014	1-3/2013	2013
Result before taxes	3.6	7.7	31.8
Adjustments	5.8	4.3	19.4
Cash flow before change in working capital	9.4	11.9	51.2
Change in accounts receivables and other receivables	-6.2	-0.7	13.3
Change in inventories	-7.0	-14.4	21.0
Change in current non-interest-bearing liabilities	-5.0	-4.1	-7.3
Total change in working capital	-18.2	-19.1	27.0
Financial items and taxes	-2.1	-2.0	-6.4
Cash flow from business operations	-10.9	-9.2	71.8
Investments in fixed assets	-4.3	-2.3	-15.0
Proceeds from sale of fixed assets	0.0	0.0	5.6
Investments on marketable securities	0.0	0.0	-0.3
Repayment of loan receivables	0.0	0.0	0.1
Cash flow from investments	-4.3	-2.3	-9.5
Change in non-current loans	-6.7	-6.9	-21.9
Change in current loans	4.5	4.7	0.1
Repurchase of company shares	0.0	0.0	0.0
Dividend paid to equity holders of the parent company	0.0	0.0	-18.5
Cash flow from financial operations	-2.2	-2.2	-40.3
Change in liquid funds	-17.4	-13.7	22.0
Liquid funds at the beginning of the period	83.9	61.9	61.9
Effects of changes in foreign exchange rates	0.1	0.1	0.0
Impact of change in market value on liquid funds	0.0	-0.2	0.1
Liquid funds at end of period	66.6	48.1	83.9

NOTES TO THE INTERIM REPORT

This interim report has been prepared in compliance with IAS 34 Interim Financial Reporting according to the same principles and calculation methods as used in financial statements 2013 with the exception of the EU approved amendments to existing IFRS standards introduced on 1 January 2014. The standard amendments have not had a material impact on the consolidated financial statements.

IFRS 10 Consolidated financial statements
IFRS 11 Corporate restructuring
IFRS 12 Disclosure of Interests in Other Entities
Revised IAS 27 Separate Financial Statements
Revised IAS 28 Shares in associates and joint ventures
Amendment to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendment to IAS 36: Impairment of Assets - The recoverable amount
Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Novation of derivatives
Amendment to IFRS 10, 11 and 12 on transition guidance
Amendment to IFRS 10, IFRS 12 and IAS 27 on controlled investees

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

Interim report is shown in EUR millions.

SEGMENT INFORMATION

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

NET SALES BY SEGMENT (M€)

	1-3/2014	1-3/2013	2013
Brands	72.3	75.2	304.7
Raisioagro	49.1	53.5	254.2
Other operations	0.3	0.3	1.3
Interdivisional net sales	-5.0	-0.8	-2.6
Brands	116.7	128.3	557.6

EBIT BY SEGMENT (M€)

	1-3/2014	1-3/2013	2013
Brands	4.9	9.4	35.7
Raisioagro	0.0	-0.6	3.1
Other operations	-1.1	-0.8	-5.1
Eliminations	0.0	0.0	0.0
Total EBIT	3.9	8.0	33.6

NET ASSETS BY SEGMENT (M€)

	31.3.2014	31.3.2013	31.12.2013
Brands	261.4	265.9	254.2
Raisioagro	62.3	91.2	52.4
Other operations and unallocated items	-9.2	-44.9	25.2
Total net assets	314.5	312.3	331.7

INVESTMENTS BY SEGMENT (M€)

	1-3/2014	1-3/2013	2013
Brands	4.3	0.8	13.4
Raisioagro	0.4	0.7	2.3
Other operations	0.1	0.2	1.0
Eliminations	0.0	0.0	-0.1
Total investments	4.8	1.7	16.5

NET SALES BY MARKET AREA (M€)

	1-3/2014	1-3/2013	2013
Finland	55.7	66.8	283.7
Great Britain	29.2	30.8	132.5
Rest of Europe	28.2	27.5	130.6
ROW	3.6	3.2	10.8
Total	116.7	128.3	557.6

TANGIBLE ASSETS (M€)

	31.3.2014	31.3.2013	31.12.2013
Acquisition cost at the beginning of the period	386.6	410.7	410.7
Conversion differences	0.2	-1.9	-3.4
Increase	2.7	1.6	12.6
Decrease	-1.1	-0.3	-33.3
Acquisition cost at end of period	388.3	410.0	386.6
Accumulated depreciation and impairment at the beginning of the period	272.2	287.3	287.3
Conversion difference	0.0	-0.6	-1.6
Decrease and transfers	-0.9	-0.3	-27.8
Depreciation for the period	3.4	3.5	14.2
Accumulated depreciation and impairment at end of period	274.6	289.9	272.2
Book value at end of period	113.7	120.1	114.5

PROVISIONS (M€)

	31.3.2014	31.3.2013	31.12.2013
At the beginning of the period	1.4	0.2	0.2
Increase in provisions	1.5	0.0	1.2
Provisions used	-0.5	0.0	0.0
At end of period	2.5	0.2	1.4

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	31.3.2014	31.3.2013	31.12.2013
Sales to associates and joint ventures	0.0	0.0	0.0
Purchases from associates and joint ventures	0.0	0.0	0.1
Sales to key employees in management	0.0	0.0	0.3
Purchases from key employees in management	0.2	0.3	0.8
Receivables from associates and joint ventures	0.0	0.1	0.0
Liabilities to associates and joint ventures	0.0	0.0	0.0
Receivables from the key persons in the management		10.7	10.6

CONTINGENT LIABILITIES (M€)

	31.3.2014	31.3.2013	31.12.2013
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	7.2	6.8	7.1
Contingent liabilities for the company			
Contingent liabilities for others			
Guarantees		0.0	0.0
Other liabilities	3.0	3.0	3.5
Commitment to investment payments	0.9	0.5	0.7

DERIVATIVE CONTRACTS (M€)

	31.3.2014	31.3.2013	31.12.2013
Nominal values of derivative contracts			
Currency forward contracts	83.2	89.7	73.6
Interest rate swaps	27.2	39.9	33.7
Raw material futures			0.0

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 31.3.2014	Fair value 31.3.2014	Carrying amount 31.12.2013	Fair value 31.12.2013
Financial assets				
Financial assets available for sale*)	2.6	2.6	2.6	2.6
Loan receivables	0.1	0.1	0.1	0.1
Accounts receivables and other receivables	64.3	64.3	60.5	60.5
Investments recorded at fair value through profit or loss*)	55.0	55.0	73.6	73.6
Liquid funds	11.6	11.6	10.3	10.3
Derivatives*)	0.1	0.1	0.0	0.0
Financial liabilities				
Bank loans	48.4	49.4	54.9	56.1
Other loans	4.9	4.9	0.4	0.4
Financial leasing liabilities	0.0	0.0	0.0	0.0
Accounts payable and other liabilities	95.0	95.0	76.0	76.0
Derivatives*)	1.7	1.7	1.8	1.8

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€)

	1-3/ 2014	10-12/ 2013	7-9/ 2013	4-6/ 2013	1-3/ 2013
Net sales by segment					
Brands	72.3	78.0	73.3	78.1	75.2
Raisioagro	49.1	53.4	76.4	70.9	53.5
Other operations	0.3	0.3	0.3	0.3	0.3
Interdivisional net sales	-5.0	-0.5	-0.6	-0.7	-0.8
Total net sales	116.7	131.2	149.5	148.6	128.3
EBIT by segment					
Brands	4.9	7.9	7.9	10.5	9.4
Raisioagro	0.0	-0.3	2.6	1.3	-0.6
Other operations	-1.1	-1.4	-1.5	-1.4	-0.8
Eliminations	0.0	0.0	0.0	0.0	0.0
Total EBIT	3.9	6.3	9.0	10.4	8.0
Financial income and expenses, net	-0.3	-0.4	-0.2	-0.8	-0.4
Share of result of associates	0.0	0.0	0.0	0.0	0.0
Result before taxes	3.6	5.9	8.8	9.5	7.7
Income tax	-0.9	-0.1	-1.8	-2.2	-1.8
Result for the period from continuing operations	2.7	5.7	6.9	7.3	5.9

KEY INDICATORS

	31.3.2014	31.3.2013	31.12.2013
Net sales, M€	116.7	128.3	557.6
Change of net sales, %	-9.1	-4.9	-4.5
Operating margin, M€	7.8	11.9	49.1
Depreciation and impairment, M€	3.9	3.9	15.5
EBIT, M€	3.9	8.0	33.6
% of net sales	3.3	6.2	6.0
Result before taxes, M€	3.6	7.7	31.8
% of net sales	3.1	6.0	5.7
Return on equity, ROE, %	3.3	7.4	7.9
Return on investment, ROI, %	4.2	8.3	8.6
Interest-bearing financial liabilities at end of period, M€	53.3	74.3	55.4
Net interest-bearing financial liabilities at end of period, M€	-13.3	26.2	-28.5
Equity ratio, %	64.7	61.9	68.2
Net gearing, %	-4.2	8.4	-8.6
Gross investments, M€	4.8	1.7	16.5
% of net sales	4.1	1.3	3.0
R & D expenses, M€	1.6	1.5	6.3
% of net sales	1.3	1.1	1.1
Average personnel	1,946	1,958	1,946
Earnings/share from continuing operations, €	0.02	0.04	0.17
Cash flow from operations/share, €	-0.07	-0.06	0.46
Equity/share, €	2.00	2.00	2.13
Average number of shares during the period, in 1,000s*)			
Free shares	122,570	121,571	121,619
Restricted shares	33,501	33,823	33,778
Total	156,071	155,394	155,397
Average number of shares at end of period, in 1,000s*)			
Free shares	123,694	121,579	121,882
Restricted shares	33,459	33,815	33,520
Total	157,153	155,394	155,402
Market capitalisation of shares at end of period, M€*)			
Free shares	593.7	367.2	532.6
Restricted shares	156.6	103.1	150.5
Total	750.3	470.3	683.1
Share price at end of period			
Free shares	4.80	3.02	4.37
Restricted shares	4.68	3.05	4.49

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

CALCULATION OF INDICATORS

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

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