RAISIO

Q2/2012

RAISIO PLC

Interim Report

1 January –
30 June 2012

RAISIO'S EBIT IMPROVED

April-June 2012, continuing operations excluding one-off items

- Net sales totalled EUR 150.6 (Q2/2011: EUR 150.5 million).
- EBIT EUR 10.6 million (Q2/2011: EUR 10.2 million) accounting for 7.1% (6.8%) of net sales.
- Good profitability for the Brands Division, EBIT 12.8% (10.3%) of net sales.
- Raisioagro's EBIT remains weak due to market conditions in feed protein business.
- Redemption process of Raisio UK's non-controlling interest in the final stage.

Raisio Group's key figures

		Q2/ 2012	Q2/ 2011	Q1-Q2/ 2012	Q1-Q2/ 2011	2011
Results from continuing operations						
Net sales	M€	150.6	150.5	285.6	272.2	552.6
Change in net sales	%	0.1	30.0	4.9	37.0	30.5
EBIT	M€	10.6	10.2	17.3	16.2*	31.8*
EBIT	%	7.1	6.8	6.1	6.0*	5.8*
Depreciation and impairment	M€	4.2	4.1	8.3	8.0	17.0
EBITDA	M€	14.8	14.2	25.6	24.2*	48.8*
Net financial expenses	M€	-0.6*	-0.9	-0.9*	-1.0*	-1.5*
Earnings per share (EPS)	€	0.05*	0.05	0.08*	0.08*	0.16*
Balance sheet						
Equity ratio	%	-	-	58.1	60.7	60.2
Gearing	%	-	-	2.4	13.5	-7.5
Net interest-bearing debt	M€	-	-	7.5	42.7	-24.8
Equity per share	€	-	-	2.05	2.02	2.13
Gross investments	M€	1.8	1.3	6.0**	66.8**	71.2**
Share						
Market capitalisation***	M€	-	-	391.3	379.0	372.3
Enterprise value (EV)	M€	-	-	398.8	421.7	347.5
EV/EBITDA		-	-	8.0	10.3	7.1

* Excluding one-off items
** Including acquisitions
*** Excluding the company shares held by the Group

Chief Executive's review

"Raisio's second quarter went as expected. Brands Division's net sales growth and profitability developed in accordance with the objective. In the UK, business performance has been enhanced to meet the level of major branded houses.

In the first half of 2012, Raisioagro's new business model and extended product range were well received by customers. In June, we started sales of Neste Oil's liquid fuels. In addition to feeds, Raisio's goal is to provide Finnish grain and livestock farms with sufficiently wide range of the most common farming supplies at competitive prices. We are looking for new solutions to the profitability problem in vegetable oil crushing.

Raisio continues implementing its growth phase. This can be seen in our activeness on the acquisition front and in closer integration of the acquired companies. Our growth also brings added value to owners.
Our acquisitions have been successful and the acquired companies are now in better shape than they were at the time of acquisition."

GROUP'S CONTINUOUS OPERATIONS

Financial reporting

Raisio Group reports on its performance in line with continuing operations. 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 local and international brands. Local brands are examined by key market areas in the text. Big Bear Group is included in the Western Europe's comparison figures starting from 4 February 2011. Sulma operations became part of Eastern European operations on 20 March 2012. Our international brands include Benecol.

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

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

Operating environment

No significant changes occurred in Raisio's operating environment compared to the beginning of the year.

Brands Division's profitability was at the target level. Sales increased and profitability improved especially in the Western European food operations. Profitability of the UK operations is now at better level than at the time of the acquisitions although tight market conditions continue due to the economic situation in the country. In the Eastern European operations in Russia, Ukraine and Poland, organic growth and the acquisition of Sulma operations almost doubled net sales from the comparison period. Sales in plant stanol ester of Benecol products was at last year's level in the first half of 2012 even though there were variations between the quarters due to periodic nature of deliveries.

Low crushing margin of feed protein business together with scarce supply of Finnish rapeseed seeds undermined Raisioagro's profitability from the comparison period. Raisio is actively looking at options to reorganise the business and to improve profitability. Sales in Raisio's feeds and farming supplies were up from the comparison period. Raisioagro's new business model and extended product range have been well received by customers.

Grain prices have risen sharply during the summer all around the world. The outlook for new harvest season is uncertain as the world's major grain-growing areas have been affected by extreme weather events. In Finland, the first harvest estimates are forecasting an average yield.

Net sales

Raisio Group's net sales in April-June 2012 totalled EUR 150.6 (150.5) million. Net sales of the Brands Division were EUR 85.6 (81.1) million and those of the Raisioagro Division EUR 65.3 (71.0) million. Net sales of other operations totalled EUR 0.5 (0.2) million.

The Group's January-June net sales were EUR 285.6 (272.2) million, or 5 per cent more than in the comparison period. The Brands Division accounted for some 58 per cent and Raisioagro for some 42 per cent of the Group's net sales in the first half of 2012. January-June net sales from outside Finland represented 51 (43) per cent of the Group's total, amounting to EUR 145.1 (117.2) million.

Result

Raisio Group's April-June EBIT was EUR 10.6 (10.2) million accounting for 7.1 (6.8) per cent of net sales. EBIT of the Brands Division totalled EUR 11.0 (8.4) million and that of Raisioagro EUR 0.4 (2.3) million. EBIT of other operations was EUR -0.7 (-0.2) million.

The Group’s EBIT in January-June was EUR 17.3 (15.1 and, excluding one-off items, 16.2) million. The Brands Division’s EBIT for the first half of 2011 included a one-off item of EUR 1.1 million resulting from the Big Bear Group acquisition costs following the due diligence process. January-June EBIT of the Brands Division was EUR 20.0 (13.1 and, excluding one-off items, 14.2) million and that of the Raisioagro Division EUR -1.4 (3.0) million.

Depreciation and impairment, allocated to operations in the income statement, amounted to EUR 4.2 (4.1) million in April-June and to EUR 8.3 (8.0) million in January-June.

The Group's net financial expenses in April-June totalled EUR -10.7 and, excluding one-off items, -0.6 (-0.9) million. The Group's net financial expenses in January-June totalled EUR -11.0 and, excluding one-off items, -0.9 (-3.2 and, excluding one-off items -1.0) million. Financial items include a one-off item of EUR 10.1 million resulting from the difference between the confirmed purchase price of Raisio UK Ltd’s non-controlling interest and the estimated purchase price previously recorded in the balance sheet. Additional purchase price debt to Raisio UK’s non-controlling interest of a total of EUR 2.2 million, resulting from the acquisition of Big Bear Group, has been recorded in the comparison period’s financial items.

The pre-tax result for the second quarter was EUR 0.0 and, excluding one-off items, 10.0 (9.3) million and in January-June EUR 6.3 and, excluding one-off items, 16.4 (11.9 and, excluding one-off items 15.2) million.

The Group's post-tax result in April-June totalled EUR -2.5 and, excluding one-off items 7.6 (7.1) million. January-June post-tax result totalled EUR 2.2 and, excluding one-off items, 12.3 (8.4 and, excluding one-off items, 11.7) million. The Group’s earnings per share for continuing operations for April-June were EUR -0.02 and, excluding one-off items 0.05 (0.05) and for January-June EUR 0.02 and, excluding one-off items, 0.08 (0.06 and, excluding one-off items, 0.08).

Raisio acquired the share capital of Glisten Ltd in spring 2010. At the same time, it was agreed with Glisten’s senior management that they would be a non-controlling interest in Raisio’s operations in Great Britain through Raisio UK Ltd up to the autumn of 2012. Redemption terms of that non-controlling interest were also agreed. Based on the redemption obligation, Raisio has recorded a debt in the balance sheet, the amount of which was EUR 20.5 million on 31 December 2011. Key criteria for the purchase price were the subgroup Glisten’s (Glisten and Big Bear Group) EBIT and net debt. Determination period ended on 30 June 2012.

Balance sheet, cash flow and financing

At the end of June, the Raisio Group’s balance sheet totalled EUR 555.0 (31 December 2011: 561.8) million. Shareholders’ equity was EUR 319.6 (31 December 2011: 332.9) million, while equity per share was EUR 2.05 (31 December 2011: 2.13).

At the end of June 2012, the Group’s interest-bearing debt was EUR 123.6 (31 December 2011: 115.7) million. Net interest-bearing debt was EUR 7.5 (31 December 2011: -24.8) million.

On 30 June 2012, the Group’s equity ratio totalled 58.1 (31 December 2011: 60.2) per cent and net gearing was 2.4 (31 December 2011: -7.5) per cent. Return on investment was 3.7 and, excluding one-off items 8.2 (31 December 2011: 7.3 and, excluding one-off items, 8.1) per cent.

Cash flow from business operations in January-June was EUR 4.2 (-7.6) million.

During the quarter, need for working capital decreased by EUR 16.0 million. At the end of June, working capital amounted to EUR 77.7 million. A year earlier, a total of EUR 99.1 million of working capital was tied up.

Investments

The Group's gross investments in April-June totalled EUR 1.8 (1.3) million, or 1.2 (0.9) per cent of net sales. Gross investments of the Brands Division were EUR 1.0 (0.3) million, those of Raisioagro EUR 0.4 (0.8) million and those of other operations EUR 0.4 (0.2) million. The Group’s gross investments for January-June amounted to EUR 6.0 (66.8 and, excluding acquisitions, 3.5) million.

SEGMENT INFORMATION

BRANDS DIVISION

		Q2/ 2012	Q2/ 2011	Q1-Q2/ 2012	Q1-Q2/ 2011	2011
Net sales	M€	85.6	81.1	166.8	154.0	314.6
Local brands	M€	74.5	68.5	142.9	130.4	269.2
International brands	M€	11.2	12.7	24.0	23.8	45.7
EBIT	M€	11.0	8.4	20.0	13.1	30.1
One-off items	M€	0.0	0.0	0.0	-1.1	-1.1
EBIT, excluding one-off items	M€	11.0	8.4	20.0	14.2	31.2
EBIT, excluding one-off items	%	12.8	10.3	12.0	9.2	9.9
Investments	M€	1.0	0.3	4.6	65.2*	67.8*
Net assets	M€	-	-	249.7	237.3	245.8

* Including acquisitions

Net sales

In April-June, the Brands Division's net sales increased almost 6 per cent on the comparison period amounting to EUR 85.6 (81.1) million. Net sales generated by local brands were EUR 74.5 (68.5) million. Net sales for international brands, or Benecol operations, were EUR 11.2 (12.7) million.

Net sales for Western European food operations increased 16 per cent on the comparison period due to e.g. strong sales in our new products. The second quarter was strong in all businesses, i.e. in breakfast and snack products, in confectionery and in business-to-business sector's product applications.

Net sales for Northern European food operations were slightly down on the comparison period. This was mainly due to lower flour sales for industrial and catering customers as a result of declined bread consumption and exceptionally aggressive price competition. Raisio's main brands, Elovena, Benecol and Sunnuntai, performed well in the Finnish retail trade.

Net sales for Eastern European food operations almost doubled from the comparison period because of organic growth and Raisio's acquisition of Sulma pasta operations. Net sales for Raisio's Eastern European operations account for less than 10 per cent of Raisio's local brands net sales.

Net sales for international brands, or Benecol, were down on the comparison period due to periodic nature of deliveries of plant stanol ester. In January-March, exceptionally large plant stanol ester deliveries were made to Benecol partners and total supply levelled off as expected in April-June.

In January-June, net sales for the Brands Division totalled EUR 166.8 (154.0) million, which is over 8 per cent higher than in the comparison period. Our largest market UK accounted for almost 46 per cent of net sales, while Finland's share was 29 per cent and rest of the world's some 25 per cent.

Result

EBIT of the Brands Division for the second quarter improved over 30 per cent on the comparison period amounting to EUR 11.0 (8.4) million, which is 12.8 (10.3) per cent of net sales.

Western European operations had a strong second quarter. UK operations that became part of Raisio through acquisitions are now in better shape than at the time of the acquisitions. EBIT for Northern European food operations did not quite reach the comparison period level mainly because of lower flour sales for industrial and catering sector and intense price competition. Sales in our main brands developed well.

EBIT of Eastern European food operations improved along with increased net sales. Benecol's EBIT was at its ordinary good level.

EBIT in January-June was EUR 20.0 (13.1 and, excluding one-off items, 14.2) million. A one-off item of EUR -1.1 million resulting from the acquisition costs has been entered in EBIT of the first half of the comparison period 2011.

Local brands

Western Europe

Western European operations had a strong second quarter. The UK's economic uncertainty did not affect Raisio's sales as we are able to quickly adapt our activities to meet the needs of consumers and customers. In retail, the level of promotional sales remained high. However, a change in shape of sales was seen in certain sales channels and sales became more selling price focused. For example, retail chains that sell all items at one pound further increased their sales. One of Raisio's strengths is a wide and diverse customer base. Furthermore, our products are sold in many different sales channels.

Raisio's innovative new products sold well and renewals of our familiar branded ranges were enthusiastically received by consumers. In confectionery, new packs and pack sizes of Poppets brand provide a good example of this. In addition, we have been able to make effective use of cost effectiveness and synergies delivered by restructured operations.

Sales in pasta-based snack products for children launched in the spring under the brands Bob the Builder, Fireman Sam and Thomas the Tank Engine exceeded expectations. Moreover, strong sales were seen in Raisio partner's bars for weight control launched in the spring under the brand Rocky Road. Consumer interest in healthier and pleasure-bringing foods continued.

Raisio continues strong investment in product development aiming to launch innovative new snack products, confectionery and product applications suiting business-to-business customers. In the UK, retailers take new products to their selections three times a year. This year, Raisio has successfully used all these opportunities.

Northern Europe

Raisio continued the launch of Honey Monster brand in Finland and in Sweden. In Sweden, these products have already been on sale for several years and they are known by the name Kalaspuffar. In Finland, the launch was supported by a visible campaign on TV, in other media as well as in with retailers. Launch of a new brand usually takes several years.

Finnish retail chains carried out campaigns more than before and affordable private label products got a lot of shelf space. However, Benecol minidrinks, Sunnuntai baking products, Elovena snacks and organic products showed increased sales.

Raisio renewed the range of Hetki porridges by launching new flake combinations and flavours as well as new pack and serving sizes. Consumers can now choose porridges in our new series to meet the needs of different moments of the day. The launch was widely supported with tasting events.

The brand change of non-dairy products from Keiju to Nordic continued. The next step will be a renewal of drinks in the autumn. So far, soygurts and creams have got new striped packs.

Sales in organic products increased also in the catering sector. Suppliers are invited to tender by the HoReCa sector for an increasing range of goods. Such a principal of one supplier has intensified price competition. Another new phenomenon in the Finnish catering sector is new operators' private label products and so called lot deals. Demand for baking products has still not started to rise, which was also seen in Raisio's flour sales.

In Sweden, Raisio's sales as a whole slightly increased on the comparison period. Sales in soygurts, i.e. yoghurt-type non-dairy snacks, and in milk-free drinks continued to grow.

With organic growth in Eastern European markets, especially in Russia, Finnish food exports grew since almost all Raisio's products sold in Eastern European markets are made in Finland.

Eastern Europe

Raisio's Eastern European operations in Russia, Ukraine and Poland showed a strong second quarter through organic growth. The most significant growth was seen in Russia with Nordic and Elovena products as well as in Poland with Elovena porridges and biscuits. Due to organic growth and the acquisition of Sulma operations, sales volume almost doubled on the comparison period.

Despite intensified price competition in Russia, Raisio's growth was boosted by marketing efforts with Elovena and Nordic brands. In Poland, gluten free Provena products have established their market position and Raisio is preparing brand launches also in Russia and Ukraine.

Integration of Sulma operations as part of Raisio proceeded according to plan. The renewal of Sulma pasta product range to better meet consumer needs is under way.

International brands

In the second quarter, sales in plant stanol ester of Benecol products to our partners were slightly down on the comparison period. This was due to exceptionally large deliveries during the first quarter. Periodic deliveries are characteristic of the business.

Sales in effectively cholesterol-lowering Benecol products increased in our major market areas in Europe as well as in Finland. Strong sales development further continued in the UK, the largest market for Benecol products, with new product launches and marketing activities. This year, Benecol brand's market leadership has further strengthened in the UK. Furthermore, continued strong sales growth was seen in Poland and Ireland. In Finland, Raisio carried out an extensive Benecol marketing campaign and sales especially in Benecol minidrinks were up.

Outside Europe, our partners' marketing activities and product launches boosted sales in Benecol products particularly well in Chile and Columbia. Economic uncertainty in certain European countries has led to the situation that sales in cholesterol-lowering functional foods have not increased. There are still significant differences between the countries regarding the sales development of Benecol products. Experience has shown that Benecol partners' strong investment in marketing, distribution and sales enables growth even in a challenging market.

Research and development

Raisio's R&D in foods focuses on healthier, ecological and convenient snacks and on specialty products tailored to customers.

European Food Safety Authority issued a positive opinion on a strong disease risk reduction health claim for Benecol products containing plant stanol ester (Article 14.1). This new opinion confirms that a higher dose of plant stanol provides a better cholesterol-lowering efficacy. Before the new health claim can be used, the EU Commission's approval is still required. During the review period, the Commission also issued lists of approved and rejected functional health claims. The list of approved ones also includes a health claim according to which oat beta-glucan helps blood cholesterol levels remain normal.

The Brands Division's R&D expenses in April-June totalled EUR 1.3 (1.4) million.

In January-June, R&D expenses of the whole Group amounted to EUR 3.5 (3.6) million accounting for 1.2 (1.3) per cent of the Group's net sales. R&D expenses of the Brands Division were EUR 2.8 (3.0) million.

RAISIOAGRO DIVISION

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

		Q2/ 2012	Q2/ 2011	Q1-Q2/ 2012	Q1-Q2/ 2011	2011
Net sales	M€	65.3	71.0	119.4	120.5	241.1
EBIT	M€	0.4	2.3	-1.4	3.0	2.9
One-off items	M€	0.0	0.0	0.0	0.0	0.0
EBIT, excluding one-off items	M€	0.4	2.3	-1.4	3.0	2.9
EBIT, excluding one-off items	%	0.7	3.2	-1.2	2.5	1.2
Investments	M€	0.4	0.8	0.7	1.3	2.5
Net assets	M€	-	-	82.1	95.4	63.1

Net sales

Raisioagro Division's April-June net sales decreased 8 per cent on the comparison period totalling EUR 65.3 (71.0) million. Net sales decrease was due to production adjustments in feed protein business since sales in feeds and farming supplies increased on the comparison period.

Raisioagro's January-June net sales totalled EUR 119.4 (120.5) million. Feeds and farming supplies accounted for some 73 per cent, protein meals, vegetable oils and grains for some 27 per cent of net sales. The share of exports in Raisioagro's net sales rose significantly.

Result

Raisioagro Division's second-quarter EBIT was EUR 0.4 (2.3) million accounting for 0.7 (3.2) per cent of net sales. In the second quarter, profitability of feeds and farming supplies improved on the comparison period, but feed protein business was at a loss. The price increase of grain raw materials could not be fully passed on to end product prices.

In January-June, the Division's EBIT was EUR -1.4 (3.0) million.

Business

Feeds and farming supplies

In Finland, milk and meat production were at the previous year's level. Poultry production increased while pork production decreased. In pork sector, considerable production cuts may even lead to underproduction. The consumption of butter increased considerably. The Finns use about 4 kilos of butter per person per year. With increased meat consumption, the average Finn eats almost 80 kg of meat a year.

Raisio's sales in cattle and fish feeds were at the previous year's level. Growth in demand increased poultry feed sales while sales in chicken and pig feeds decreased. There have been no significant changes in the Finnish feed market and Raisio's market position remains strong. Slight decline in Finland's total production as well as market entry of new operators have intensified competition in both feed trade and farming supplies trade.

Sales season of fish feeds is going well. The weather has been positive in regards to fish farming both in Finland and Northwest Russia, which is the most important export market of fish feeds. Cheap import of Norwegian salmon poses a challenge to profitability of Finnish rainbow trout farming.

Raisioagro's new straightforward concept and active hold on input trade have changed the field and the change has also challenged our competitors. Net sales for Raisio's feeds and farming supplies were up 10 per cent from the comparison period.

Protein meals and oils

Protein meal is the key product of Raisio's feed protein business. All protein meal from rapeseed crushing is used in the production of Raisio's feeds. Vegetable oil, a by-product of the crushing process, is used as raw material by food and feed industry. Raisio's oil exports increased in the review period.

Feed protein business remained negative due to low crushing margin of rapeseed seeds and limited availability of Finnish raw material; net sales halved from the comparison year in the first half of 2012. In the review period, rapeseed crushing was adapted to a level significantly below normal. Raisio is looking at options to reorganise the business and to improve profitability.

With the employee negotiations ended at the beginning of June, Raisio decided to terminate the development project of technical bio-oils. The project has been running for almost three years. Sufficient markets were not found for technical bio-oils. Thus it was not possible to ensure business profitability and conditions for continuing. As a result of the employee negotiations, the employments of project personnel were also terminated.

Grains

There has been high volatility in international grain and protein plant prices throughout the first half of 2012. Extreme weather events have undermined harvest prospects in several major grain-producing countries. Global wheat and barley balances are expected to tighten. In recent weeks, grain and protein plant prices have risen sharply.

Research and development

Raisioagro Division's R&D expenses in April-June totalled EUR 0.3 (0.3) million. Our new Maituri E series feeds have been well received by customers. Raisio continues its strong investment in the R&D of new generation feeds.

In January-June, R&D expenses of the whole Group amounted to EUR 3.5 (3.6) million, or 1.2 (1.3) per cent of the Group's net sales. R&D expenses of the Raisioagro Division were EUR 0.6 (0.6) million.

Group personnel

Raisio Group's continuing operations employed 1,569 people at the end of June (31 December 2011: 1,432 people). 69 (31 December 2011: 69) per cent of the personnel were working outside Finland. At the end of the review period, the Brands Division had 1,285, Raisioagro Division 213 and service functions 71 employees. The figures include summer workers.

Vice President of Raisio Brands Division's Northern European food operations and the member of the Group Management Team, Markku Krutsin, resigned on 31 July 2012.

Shares and shareholders

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-June totalled 14.0 (15.7) million. The value of trading was EUR 33.9 (40.7) million and the average price EUR 2.41 (2.58). The closing price on 30 June 2012 was EUR 2.52.

A total of 0.4 (0.4) million restricted shares were traded in January-June. The value of trading was EUR 1.1 (1.1) million and the average price EUR 2.47 (2.64). The closing price on 30 June 2012 was EUR 2.50.

On 30 June 2012, the company had a total of 36,251 (31 December 2011: 36,366) registered shareholders. Foreign ownership of the entire share capital was 7.7 (31 December 2011: 9.8) per cent.

Raisio plc's market capitalisation at the end of June amounted to EUR 415.5 (31 December 2011: 394.7) million and, excluding the company shares held by the Group, to EUR 402.6 (31 December 2011: 383.1) million.

During the review period, a total of 57,190 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 130,951,163 while the number of restricted shares was 34,197,867. The share capital entitled to 814,908,503 votes.

At the end of the review period, Raisio plc held 4,924,193 free shares and 211,396 restricted shares acquired in 2005-2012 based on the authorisations given by the Annual General Meetings. The management-owned Reso Management Oy of which, on the basis of the agreements, Raisio plc is seen to have the control, and which is thus regarded as a subsidiary, owns 4,482,740 free shares. The number of free shares held by Raisio plc and Reso Management Oy accounts for 7.2 per cent of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.6 per cent. In all, the company shares held by these companies represent 5.8 per cent of the entire share capital and 1.7 per cent of overall votes. Other Group companies hold no Raisio plc shares. A share in Raisio held by the company itself or by its subsidiary does not entitle the holder to participate in the AGM.

During the review period, a total of 266,994 free shares and 2,885 restricted shares were purchased and the purchases were made, on the one hand, in the process that started in July 2011 and ended on 27 March 2012 and, on the other, in the process that started on 11 June 2012.The purchases started in June are based on the decision made by the Board on 31 May 2012, on the basis of the authorisation given by the AGM, to acquire a maximum of 5,000,000 free shares and a maximum of 1,250,000 restricted shares. The purchase of the shares is carried out in the public trading organised by NASDAQ OMX Helsinki Ltd and it continues until the amounts above mentioned are acquired or until further notice.

In the review period, a total of 7,830 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 2012.

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 0.44 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.37 per cent of the votes it represents.

Authorisations to repurchase own shares and to share issues

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 29 September 2013.

Furthermore, the AGM authorised the Board of Directors to decide on the share issues (1) by disposing of all of the company shares and any potentially repurchased own shares, a maximum total of 15,386,123 shares, 2,451,295 of which can be restricted shares, and (2) by issuing a maximum of 20,000,000 new free shares against payment. The share issue authorisations will expire on 29 March 2017 at the latest.

The details of the authorisations are available in the stock exchange release published on 14 February 2012.

The Board has not used its share issue authorisation in the review period. The Board has exercised the authorisation to repurchase own shares, as described above.

Decisions made at the Annual General Meeting

Raisio plc’s Annual General Meeting (AGM) held on 29 March 2012 approved the financial statements for the financial year 1 January – 31 December 2011 and granted the members of the Board of Directors and the Supervisory Board as well as the Chief Executive Officer discharge from liability. The AGM approved the Board of Directors' proposal to pay a dividend of EUR 0.11 per share, which was paid to the shareholders on 12 April 2012.

A Stock Exchange Release was published on 29 March 2012 concerning the decisions made by the Meeting, in addition to which the decisions were described in the Interim Report of January-March.

Short-term risks and uncertainties

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. The growth project may still cause substantial costs in relation to the company size.

To ensure competitiveness and profitability in all Raisio’s operations, management of price volatility in raw materials will remain essential.

Raisio believes that its short-term risks and uncertainties are unchanged. More information on the matter can be found in the Financial Statement Review dated 14 February 2012.

Targets and outlook

In the Brands Division, Raisio continues its efforts to ensure profitable growth, both organic and through acquisitions. Raisio aims to be the leading player in European snack markets.

Growth in the UK market for branded products is expected to continue. Raisio UK will continue as planned to extend its range of branded products with innovative new products into new product segments and new sales channels as well as to enhance its operations. Promotion-driven sales are expected to continue at current high levels also in the future.

In Northern and Eastern European food markets, our target is to deliver profitable organic growth with our innovative branded products meeting the needs of consumers and customers. Raisio focuses on enhancing the product availability particularly in Finnish retail trade and for industrial customers. In catering industry, we aim to improve the supply of plant-based, ecological and organic products.

Raisio continues to work actively to strengthen the Benecol brand’s expert role, to establish new partnerships and to enter new markets with our partners mainly in Asia and South America. Our product range will be extended with new products and flavours in co-operation with our partners to suit different markets.

Raisioagro's key target is to improve profitability. We aim to maintain Raisioagro's strong market position in feed and grain trade in Finland and to improve its comprehensive services for grain and feed customers. The range of farming supplies will be expanded and diversified. In new product segments, Raisio aims to grow and strengthen its market position.

Maituri 12000 E is a feed innovation that has proven effective as a commercial product in the Finnish market. Raisio believes that Maituri is able to bring a significant additional margin to the milk chain by offering higher efficiency and higher quality milk compared to ordinary feed. If international patenting and commercialising of our feed innovation succeed, it will significantly affect the company's activities over the next few years.

Guidance unchanged

Raisio continues the implementation of its growth strategy both organically and through acquisitions. We expect EBIT to further improve annually.

In Raisio,14 August 2012

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

Events:
A press and analyst event in Finnish will be arranged in Helsinki on Tuesday 14 August 2012 starting at 1.00 p.m. Finnish time. It will be held at Hotel Scandic Simonkenttä, in the Pavilion meeting room. The address is Simonkatu 9, Helsinki.

Chief Executive's review in English will be published on Raisio's web site at www.raisio.com.

The interim report has not been audited.

CONDENSED FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT (M€)

	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
CONTINUING OPERATIONS:					
Net sales	150.6	150.5	285.6	272.2	552.6
Expenses corresponding to products sold	-124.3	-125.1	-237.0	-225.2	-461.6
Gross profit	26.3	25.3	48.6	47.0	91.0
Other operating income and expenses, net	-15.7	-15.1	-31.3	-31.9	-60.3
EBIT	10.6	10.2	17.3	15.1	30.7
Financial income	0.5	0.4	1.3	1.2	3.0
Financial expenses	-11.1	-1.3	-12.4	-4.5	-6.7
Share of result of associates and joint ventures	0.0	0.0	0.0	0.0	0.0
Result before taxes	0.0	9.3	6.3	11.9	27.0
Income taxes	-2.5	-2.2	-4.1	-3.5	-5.7
Result for the period for continuing operations	-2.5	7.1	2.2	8.4	21.3
DISCONTINUED OPERATIONS: **Result for the period for discontinued operations**	0.0	4.6	0.0	4.3	4.2
RESULT FOR THE PERIOD	-2.5	11.7	2.2	12.7	25.5
Attributable to:					
Equity holders of the parent company	-2.4	11.9	2.5	12.9	25.8
Non-controlling interests	-0.1	-0.2	-0.2	-0.2	-0.3
Earnings per share from the profit attributable to equity holders of the parent company (€)					
CONTINUING OPERATIONS:					
Undiluted earnings per share	-0.02	0.05	0.02	0.06	0.14
Diluted earnings per share	-0.02	0.05	0.02	0.06	0.14
DISCONTINUED OPERATIONS:					
Undiluted earnings per share	0.00	0.03	0.00	0.03	0.03
Diluted earnings per share	0.00	0.03	0.00	0.03	0.03

COMPREHENSIVE INCOME STATEMENT (M€)

	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Result for the period	-2.5	11.7	2.2	12.7	25.5
Other comprehensive income items					
Hedging of net investments	-0.2	0.2	-0.2	0.5	-0.3
Available-for-sale financial assets	0.0	0.0	0.0	0.0	-0.1
Cash flow hedge	-0.1	-0.6	0.0	-0.7	-1.1
Translation differences recognised in profit and loss on disposal of foreign operations	0.0	0.0	0.0	0.0	0.0
Gains and losses arising from translating the financial statements of foreign operations	2.7	-1.4	2.5	-3.6	2.0
Comprehensive income for the period	-0.2	9.9	4.5	8.9	25.9
Components of comprehensive income:					
Equity holders of the parent company	-0.1	10.1	4.7	9.1	26.2
Non-controlling interests	-0.1	-0.2	-0.2	-0.2	-0.3

BALANCE SHEET (M€)

	30.6.2012	30.6.2011	31.12.2011
ASSETS			
Non-current assets			
Intangible assets	39.3	36.4	38.4
Goodwill	106.9	95.5	103.3
Property, plant and equipment	116.2	119.2	117.1
Shares in associates and joint ventures	0.9	0.8	0.8
Available-for-sale financial assets	2.3	2.5	2.4
Receivables	2.2	2.4	3.0
Deferred tax assets	2.7	5.5	4.0
Total non-current assets	270.5	262.4	268.9
Current assets			
Inventories	89.6	85.1	80.2
Accounts receivables and other receivables	78.5	107.0	71.7
Financial assets at fair value through profit or loss	93.7	64.2	121.6
Cash in hand and at banks	22.6	8.6	19.4
Total current assets	284.4	264.8	292.9
Total assets	555.0	527.2	561.8
SHAREHOLDER’S EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Company shares	-20.1	-17.8	-19.5
Other equity attributable to equity holders of the parent company	310.5	306.1	323.4
Equity attributable to equity holders of the parent company	318.2	316.1	331.7
Non-controlling interests	1.4	1.3	1.1
Total shareholder’s equity	319.6	317.4	332.9
Non-current liabilities			
Deferred tax liabilities	16.7	16.3	16.4
Pension contributions	0.2	0.2	0.2
Provisions	0.3	0.7	0.5
Non-current financial liabilities	66.3	98.3	76.3
Derivative contracts	1.8	1.3	1.8
Other non-current liabilities	0.1	0.1	0.1
Total non-current liabilities	85.4	116.8	95.2
Current liabilities			
Accounts payable and other liabilities	89.0	76.6	90.7
Provisions	0.3	1.6	0.9
Derivative contracts	3.5	0.2	2.7
Current financial liabilities	57.2	14.6	39.5
Total current liabilities	149.9	93.1	133.8
Total liabilities	235.4	209.8	228.9
Total shareholder’s equity and liabilities	555.0	527.2	561.8

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Re-serve fund	Com-pany shares	Translati-on diffe-rences	Other re-serves	Re-tained ear-nings	Total	Non-con-trolling interests	Total equity
Equity on 31.12.2010	27.8	2.9	88.6	-17.8	-2.4	1.4	222.5	323.0	1.0	324.0
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	12.9	12.9	-0.2	12.7
Other comprehen-sive income items (adusted for tax effects)										
Hedging of net investment	-	-	-	-	0.5	-	-	0.5	-	0.5
Financial assets available for sale						0.0		0.0		0.0
Cash flow hedge	-	-	-	-	-	-0.7	-	-0.7	-	-0.7
Gains and losses arising from trans-lating the financial statements of foreign operations	-	-	-	-	-3.6	-	-	-3.6	-	-3.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-3.1	-0.8	12.9	9.1	-0.2	8.9
Business activities involving shareholders										
Dividends	-	-	-	-	-	-	-16.1	-16.1	0.4	-15.7
Share-based payment	-	-	-	0.0	-	-	0.1	0.1	-	0.1
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	-16.0	-16.0	0.4	-15.5
Equity on 30.6.2011	27.8	2.9	88.6	-17.8	-5.5	0.6	219.4	316.1	1.3	317.4
Equity on 31.12.2011	27.8	2.9	88.6	-19.5	-0.7	0.2	232.5	331.7	1.1	332.9
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	2.5	2.5	-0.2	2.2
Other comprehensive income items (ad-justed for tax effects)										
Hedging of net investments	-	-	-	-	-0.2	-		-0.2	-	-0.2
Available-for-sale financial assets	-	-	-	-	-	0.0	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-	0.0	-	0.0	-	0.0
Translation differ-ences arising from disposals of foreign operations	-	-	-	-	0.0	-	-	0.0	-	0.0
Gains and losses arising from trans-lating the financial statements of foreign operations	-	-	-	-	2.5	-	-	2.5	-	2.5
Total comprehensive income for the period	0.0	0.0	0.0	0.0	2.3	-0.1	2.5	4.7	-0.2	4.5
Business activities involving shareholders										
Dividends	-	-	-	-	-	-	-17.6	-17.6	0.5	-17.1
Repurchase of company shares	-	-	-	-0.7	-	-	-	-0.7	-	-0.7
Share-based payment	-	-	-	0.0	-	-	0.0	0.1	-	0.1
Total business activities involving shareholders	0.0	0.0	0.0	-0.6	0.0	0.0	-17.6	-18.2	0.5	-17.7
Equity on 30.6.2012	27.8	2.9	88.6	-20.1	1.5	0.1	217.4	318.2	1.4	319.6

CASH FLOW STATEMENT (M€)

	1-6/2012	1-6/2011	2011
Result before taxes, continuing operations	6.3	11.9	27.0
Result before taxes, discontinued operations	0.0	4.3	4.2
Adjustments	19.3	6.9	16.6
Cash flow before change in working capital	25.6	23.1	47.8
Change in accounts receivables and other receivables	-3.7	-14.6	1.4
Change in inventories	-8.8	1.4	8.3
Change in current non-interest-bearing liabilities	-5.6	-17.9	-6.5
Total change in working capital	-18.1	-31.1	3.1
Financial items and taxes	-3.3	0.4	-0.9
Cash flow from business operations	4.2	-7.6	50.0
Investments in fixed assets	-6.1	-4.0	-8.3
Divestment of subsidiaries	0.0	-3.6	11.1
Acquisition of subsidiaries	0.0	-63.1	-63.1
Proceeds from sale of fixed assets	0.1	0.1	2.5
Investments on marketable securities	-0.1	0.0	0.0
Sales of securities	0.0	10.1	10.1
Loans granted	-0.4	-0.7	-1.1
Repayment of loan receivables	0.2	0.3	3.3
Cash flow from investments	-6.3	-61.0	-45.5
Change in non-current loans	-4.6	16.7	12.5
Change in current loans	-0.3	-2.0	0.3
Repurchase of company shares	-0.7	0.0	-1.7
Dividend paid to equity holders of the parent company	-17.0	-15.6	-15.6
Cash flow from financial operations	-22.7	-0.8	-4.5
Change in liquid funds	-24.8	-69.4	0.0
Liquid funds at the beginning of the period	140.5	140.1	140.1
Effects of changes in foreign exchange rates	0.4	-0.1	0.2
Impact of change in market value on liquid funds	-0.1	-0.4	0.3
Liquid funds at end of period	116.0	70.2	140.5

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 2011 with the exception of the EU approved amendments to existing IFRS standards introduced on 1 January 2012. These standard amendments have not affected the consolidated financial statements.

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 reportable Divisions are Brands and Raisioagro. The Brands Division is composed of international brands - Benecol, and local brands. Under the Division, the Group reports Benecol unit as well as Northern, Western and Eastern European food operations. Big Bear Group acquired in the beginning of 2011 was combined in the figures of Western European food operations as of 4 February 2011. Raisioagro includes feeds, grain trade, protein meals and vegetable oils, farming supplies and bioenergy.

NET SALES BY SEGMENT (M€)

	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Brands	85.6	81.1	166.8	154.0	314.6
Raisioagro	65.3	71.0	119.4	120.5	241.1
Other operations	0.5	0.2	0.9	0.4	1.4
Interdivisional net sales	-0.8	-1.9	-1.5	-2.7	-4.6
Total net sales	150.6	150.5	285.6	272.2	552.6

EBIT BY SEGMENT (M€)

	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Brands	11.0	8.4	20.0	13.1	30.1
Raisioagro	0.4	2.3	-1.4	3.0	2.9
Other operations	-0.7	-0.2	-1.3	-0.8	-2.4
Eliminations	0.0	-0.3	0.0	-0.3	0.0
Total EBIT	10.6	10.2	17.3	15.1	30.7

NET ASSETS BY SEGMENT (M€)

	30.6.2012	30.6.2011	31.12.2011
Brands	249.7	237.3	245.8
Raisioagro	82.1	95.4	63.1
Other operations, discontinued operations and unallocated items	-12.1	-15.4	24.0
Total net assets	319.6	317.4	332.9

INVESTMENTS BY SEGMENT (M€)

	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Brands	1.0	0.3	4.6	65.2	67.8
Raisioagro	0.4	0.8	0.7	1.3	2.5
Other operations	0.4	0.2	0.7	0.3	0.8
Eliminations	0.0	0.0	0.0	0.0	0.0
Total investments	1.8	1.3	6.0	66.8	71.2

NET SALES BY MARKET AREA (M€)

	4-6/2012	4-6/2011	1-6/2012	1-6/2011	2011
Finland	73.9	83.9	140.5	155.0	313.5
Great Britain	41.1	35.2	76.2	65.3	135.0
Rest of Europe	30.1	29.1	61.6	47.9	95.5
ROW	5.6	2.2	7.2	4.0	8.5
Total	150.6	150.5	285.6	272.2	552.6

ACQUIRED BUSINESS OPERATIONS

In 2012

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

Assets acquired:

	Preliminary fair values recorded in the business combination
Property, plant and equipment	1.9
Intangible assets	0.1
Inventories	0.4
Total	2.4

The acquisition did not generate any goodwill.

In 2011

On 4 February 2011, Raisio plc announced its acquisition of British Big Bear Group plc with two subsidiaries. Big Bear Group was founded in 2003 and it has acquired traditional, well-known brands in Britain.
In breakfast category, the company has the brands Honey Monster, Honey Waffles and Sugar Puffs as well as Harvest Cheweee in snack bars and Fox's in confectionery. The product range includes breakfast cereal products mainly for children's category as well as healthy snack bars and cereal products with no artificial flavours or colours.

The acquisition supports Raisio´s target to become the leading provider of healthy snacks in Europe. Raisio will gain a stronger foothold in the branded snack and breakfast markets in the UK and Western Europe and strengthen its position in the confectionery market.

The purchase price paid totalled 63.3 M€ (53.7 M£). The fees of lawyers, advisors and outside valuators related to the deal amounted to a total of 1.7 M€. Of this amount, a total of 1.1 M€ has been recognised as administration costs of the Brands Division in the income statement of 2011. Cost of 0.6 M€ was recognised in 2010.

Goodwill resulting from the acquisition was 49.0 M€ (41.6 M£). Goodwill is resulted from the income expectations of the local operations, based on the business entity's historical earning power and view of maintaining and improving the level of earnings.

Raisio Group's net sales for January-December 2011 would have been 556.8 M€ and pre-tax result from continuing operations excluding one-off items 30.8 M€ if the acquisition of business operations completed during the financial year had been combined with the consolidated financial statement from the beginning of the financial year 2011. Post-acquisition net sales of subgroup Big Bear Group was 51.0 M€ and pre-tax result 5.8 M€.

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

	Fair valuea entered in the business combination	Carrying values before business combination
Property, plant and equipment	21.7	21.7
Trade marks	28.3	0.0
Deferred tax assets	0.1	0.1
Inventories	6.5	6.4
Accounts receivables and other receivables	9.3	9.3
Cash in hand and at banks	0.2	0.2
Total assets	66.1	37.7
Deferred tax liabilities	9.5	1.8
Non-current financial liabilities	30.1	30.1
Other non-current liabilities	0.4	0.4
Current interest-bearing liabilities	2.0	2.0
Other liabilities	9.9	9.9
Total liabilities	51.9	44.2
Net assets	14.3	-6.5
Acquisition cost	63.3	
Goodwill	49.0	
Purchase price paid in cash	63.3	
Financial assets of the acquired subsidiary	0.2	
Cash flow generation	63.1	

Changes in goodwill

	1-6/2012	1-6/2011	2011
Carrying amount of goodwill at the beginning of the review period	103.3	51.9	51.9
Translation differences	3.6	-5.3	2.4
Business combinations	0.0	49.0	49.0
Carrying amount of goodwill at the end of the review period	106.9	95.5	103.3

DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

Discontinued operations

Raisio sold its malt business included in the Raisioagro Division to Viking Malt Ltd at the end of June 2011. Income of the malt business and income resulting of the divestment are both presented in the Group's discontinued operations in 2011.

	1-6/2012	1-6/2011	2011
Result for the discontinued operations (M€)			
Income from ordinary activities		11.8	11.8
Expenses		-12.4	-12.1
Result before taxes		-0.6	-0.3
Taxes		0.0	0.0
Result after taxes		-0.6	-0.3
Earnings due to discontinuation		4.8	4.5
Taxes		0.0	0.0
Result after taxes		4.9	4.5
Result for discontinued operations		4.3	4.2
Cash flow for the discontinued operations (M€)			
Cash flow from business operations		-2.2	-2.2
Cash flow from investments		-3.8	16.0
Cash flow from financial operations		3.0	3.0
Total cash flow		-2.9	16.8
Impact of divested operations on the Group's financial position (M€)			
Divested net assets		12.0	12.3
Transaction price (available on 30 June 2011)		17.0	17.0
Transaction expenses		0.2	0.2
Impact on earnings		4.8	4.5
Impact on cash flow		-3.6	13.2

TANGIBLE ASSETS (M€)

	30.6.2012	30.6.2011	31.12.2011
Acquisition cost at the beginning of the period	386.9	373.9	373.9
Conversion differences	2.9	-3.0	1.5
Increase	5.1	31.3	37.4
Decrease	-0.5	-22.9	-25.9
Acquisition cost at end of period	394.4	379.3	386.9
Accumulated depreciation and impairment at the beginning of the period	269.8	267.5	267.5
Conversion difference	1.6	-2.1	1.2
Increase	0.0	7.8	8.4
Decrease and transfers	-0.5	-20.5	-22.3
Depreciation for the period	7.2	7.3	15.0
Accumulated depreciation and impairment at end of period	278.2	260.1	269.8
Book value at end of period	116.2	119.2	117.1

PROVISIONS (M€)

	30.6.2012	30.6.2011	31.12.2011
At the beginning of the period	1.4	2.8	2.8
Increase in provisions	0.0	0.0	0.0
Provisions used	-0.8	-0.5	-1.5
At end of period	0.6	2.3	1.4

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	30.6.2012	30.6.2011	31.12.2011
Sales to associates and joint ventures	5.3	5.2	10.7
Purchases from associates and joint ventures	0.1	0.1	0.1
Sales to key employees in management	0.0	0.0	0.2
Purchases from key employees in management	0.4	0.5	0.8
Receivables from associates and joint ventures	0.9	1.0	1.1
Liabilities to associates and joint ventures	0.0	0.0	0.1
Receivables from the key persons in the management	11.7	11.6	11.6

CONTINGENT LIABILITIES (M€)

	30.6.2012	30.6.2011	31.12.2011
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	7.8	9.0	9.3
Contingent liabilities for others			
Guarantees	0.0	0.0	0.0
Other liabilities	2.6	6.4	13.8
Commitment to investment payments	0.7	0.9	0.4

DERIVATIVE CONTRACTS (M€)

	30.6.2012	30.6.2011	31.12.2011
Nominal values of derivative contracts			
Currency forward contracts	56.8	72.9	65.8
Interest rate swaps	55.0	80.2	56.2

QUARTERLY PERFORMANCE (M€)

	4-6/2012	1-3/2012	10-12/2011	7-9/2011	4-6/2011	1-3/2011
Net sales by segment						
Brands	85.6	81.1	79.1	81.5	81.1	72.9
Raisioagro	65.3	54.1	60.1	60.5	71.0	49.5
Other operations	0.5	0.5	0.5	0.5	0.2	0.2
Interdivisional net sales	-0.8	-0.7	-1.0	-0.9	-1.9	-0.8
Total net sales	150.6	135.0	138.7	141.7	150.5	121.7
EBIT by segment						
Brands	11.0	9.0	6.6	10.4	8.4	4.7
Raisioagro	0.4	-1.8	-0.5	0.4	2.3	0.7
Other operations	-0.7	-0.6	-1.2	-0.4	-0.2	-0.5
Eliminations	0.0	0.0	0.0	0.3	-0.3	0.0
Total EBIT	10.6	6.6	4.9	10.7	10.2	4.9
Financial income and expenses, net	-10.7	-0.3	-0.3	-0.2	-0.9	-2.3
Share of result of associates	0.0	0.0	0.0	0.0	0.0	0.0
Result before taxes	0.0	6.3	4.6	10.5	9.3	2.6
Income tax	-2.5	-1.6	0.4	-2.6	-2.2	-1.3
Result for the period from continuing operations	-2.5	4.7	5.0	7.9	7.1	1.3

KEY INDICATORS

	30.6.2012	30.6.2011	31.12.2011
Net sales, M€	285.6	272.2	552.6
Change of net sales, %	4.9	37.0	30.5
Operating margin, M€	25.6	23.1	47.7
Depreciation and impairment, M€	8.3	8.0	17.0
EBIT, M€	17.3	15.1	30.7
% of net sales	6.1	5.5	5.6
Result before taxes, M€	6.3	11.9	27.0
% of net sales	2.2	4.4	4.9
Return on equity, ROE, %	1.4	5.2	6.5
Return on investment, ROI, %	3.7	6.7	7.3
Interest-bearing financial liabilities at end of period, M€	123.6	112.9	115.7
Net interest-bearing financial liabilities at end of period, M€	7.5	42.7	-24.8
Equity ratio, %	58.1	60.7	60.2
Net gearing, %	2.4	13.5	-7.5
Gross investments, M€	6.0	66.8	71.2
% of net sales	2.1	24.5	12.9
R & D expenses, M€	3.5	3.6	6.8
% of net sales	1.2	1.3	1.2
Average personnel	1,512	1,451	1,454
Earnings/share from continuing operations, €	0.02	0.06	0.14
Cash flow from operations/share, €	0.03	-0.05	0.32
Equity/share, €	2.05	2.02	2.13
Average number of shares during the period, in 1,000s*)			
Free shares	121,672	122,460	122,283
Restricted shares	34,000	34,054	34,052
Total	155,671	156,514	156,334
Average number of shares at end of period, in 1,000s*)			
Free shares	121,544	122,464	121,746
Restricted shares	33,987	34,054	34,047
Total	155,531	156,518	155,793
Market capitalisation of shares at end of period, M€*)			
Free shares	306.3	297.6	291.0
Restricted shares	85.0	81.4	81.4
Total	391.3	379.0	372.3
Share price at end of period			
Free shares	2.52	2.43	2.39
Restricted shares	2.50	2.39	2.39

*) 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