Q2/2015

RAISIO PLC

Interim Report

1 January –
30 June 2015

RAISIO'S EBIT EUR 14.0 MILLION, RAISED OUTLOOK FOR THE FINANCIAL YEAR

April-June 2015, excluding one-off items

- The Group EBIT amounted to EUR 14.0 (8.5) million, accounting for 9.9 (6.4)% of net sales.
- The Brands Division's EBIT totalled EUR 14.3 (8.2) million, accounting for 14.6 (11.1)% of net sales.
- Raisioagro's EBIT was EUR 1.4 (1.4) million, accounting for 3.1 (2.2)% of net sales.
- Net sales for the Group totalled EUR 141.5 (132.5) million.
- One of the world's strongest cattle feed patent portfolios developed for Benemilk during 2015.
- New guidance: Raisio expects its EBIT to return on its long-term upward trend. Raisio estimates its net sales of 2015 to increase from last year and EBIT margin, excluding one-off items, to be clearly higher than the 7.0 per cent of 2014.

January-June 2015, excluding one-off items

- The Group EBIT amounted to EUR 23.7 (13.8) million, accounting for 9.0 (5.6)% of net sales.
- The Brands Division's EBIT totalled EUR 25.6 (14.6) million, accounting for 13.4 (10.0)% of net sales.
- Raisioagro's EBIT was EUR 1.5 (1.4) million, accounting for 1.9 (1.2)% of net sales.
- The Group's net sales totalled EUR 264.0 (249.1) million.

Raisio Group's key figures excluding one-off items

		4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Results						
Net sales	M€	141.5	132.5	264.0	249.1	493.9
Change in net sales	%	6.8	-10.9	6.0	-10.0	-11.4
EBIT	M€	14.0	8.5	23.7	13.8	34.8
EBIT	%	9.9	6.4	9.0	5.6	7.0
Depreciation and impairment	M€	5.9	3.6	9.5	7.5	14.6
EBITDA	M€	20.0	12.1	33.2	21.4	49.5
Net financial expenses	M€	-0.4	0.0	-0.8	-0.3	-1.5
Earnings per share (EPS)	€	0.07	0.04	0.12	0.07	0.18
Balance sheet						
Equity ratio	%	-	-	57.5	68.1	60.2
Gearing	%	-	-	22.4	2.0	22.2
Net interest-bearing debt	M€	-	-	75.6	6.4	72.2
Equity per share	€	-	-	2.15	2.03	2.07
Investments*	M€	3.0	6.0	5.1	10.8	104.9

* Including acquisitions

CEO Matti Rihko's review

"Raisio continued its strong performance in an intense competitive situation. Raisio's EBIT of EUR 14 million is the fourth consecutive quarterly result better than the comparison period and also the best quarterly result for the current Raisio.

The most significant part of the improved EBIT results from the acquisition of Benecol consumer product business in the UK, Ireland and Belgium in November 2014. In Poland, profitability of the Benecol business improved due to our streamlining efforts. Benecol's launch in China, in turn, opened the door to the market of the world's most populated country. It also supports Benecol's strategically important expansion to new and growing markets of Asia after the South-Korean launch in February 2015.

EBIT for the UK Cereal & Snack business was positive and clearly better than in the comparison period. We continue to assess the operating conditions for the UK cereal business so that we could improve its profitability and study its future alternatives. In the review period, the production of savoury snacks was discontinued at the Southall factory, which will ensure better focus on the product range in line with the strategy.

During 2015, we have carried out significant development work at Benemilk to expand and strengthen its IPR. Currently, the portfolio contains nearly 30 patent applications, which makes it one of the world's strongest patent portfolios in cattle feed. With the Science Advisory Board that started in spring 2015, Benemilk team involves some of the world's best scientific experts. Our good activity level with partner candidates continued and Benemilk is preparing to carry out a number of feeding trials by the end of 2015."

OPERATING ENVIRONMENT

The euro area is continuing its improvement and conditions for economic recovery are better than in years. Recovery is supported by the weakening euro, low oil prices and the European Central Bank's monetary policy.

In Finland, consumer confidence has improved and private consumption has slightly increased even though, among other things, the employment situation remains poor.

The UK economy has grown continuously since the beginning of 2013 and growth has been stronger than in the euro area. The economic outlook is bright and private consumption is expected to grow further.

FINANCIAL REPORTING

Figures mentioned in this review are comparable. The reported divisions are Brands and Raisioagro.

The Brands Division's businesses are reported according to the organisational structure renewed in December 2014. The Brands Division includes Snack & Cereal, Benecol, Benemilk and Confectionery. The markets for the Snack & Cereal business include the UK, Northern Europe and Russia. The Benecol business acquired from the affiliates of Johnson & Johnson is included in the Benecol's figures from 19 November 2014. Benemilk business includes the international commercialisation and protection of the innovation, that is, the operations of Benemilk Ltd.

Raisioagro Division includes cattle and fish feeds, farming supplies and grain trade. As part of the reorganisation programme, Raisioagro terminated its pig and poultry feed production at the end of September 2014 and its vegetable oil business at the beginning of November 2014.

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

FINANCIAL REVIEW, APRIL-JUNE 2015

Net sales

Raisio Group's net sales in April-June were EUR 141.5 (132.5) million. Net sales for the Brands Division totalled EUR 97.8 (73.7) million and for Raisioagro EUR 44.7 (62.6) million. Net sales for other operations were EUR 2.6 (0.3) million.

Result

In April-June, Raisio Group's EBIT totalled EUR 11.1 (0.8) and, excluding one-off items, 14.0 (8.5) million, which is 7.8 (0.6) and, excluding one-off items, 9.9 (6.4) per cent of net sales. EBIT for the Brands Division totalled EUR 11.3 and, excluding one-off items, 14.3 (8.2) million. Raisioagro's EBIT was EUR 1.4 (-6.1 and, excluding one-off items 1.4) million. EBIT for other operations EUR -1.6 (-1.2 and, excluding one-off items, -1.1) million. EBIT was primarily improved by the integration of the business acquired from Johnson & Johnson into Raisio. One-off items affecting EBIT are specified under the heading One-off items in the table below.

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 6.9 (9.8) and, excluding one-off items, 5.9 (3.6) million. The Group's net financial expenses totalled EUR -0.4 (0.0) million.

The pre-tax result was EUR 10.7 (0.8) and, excluding one-off items, 13.6 (8.5) million.

The Group's post-tax result was EUR 8.4 (0.7) and, excluding one-off items, 11.0 (6.8) million. The Group's earnings per share were EUR 0.05 (0.00) and, excluding one-off items, EUR 0.07 (0.04).

Changes in exchange rates had a clear positive effect on the Raisio Brands Division's net sales and EBIT in April-June 2015.

FINANCIAL REVIEW, JANUARY-JUNE 2015

Net sales

The Group's January-June net sales were EUR 264.0 (249.1) million. Net sales for the Brands Division totalled EUR 191.6 (146.0) million and for Raisioagro EUR 77.3 (111.6) million. Net sales for other operations were EUR 2.9 (0.6) million.

The Brands Division accounted for some 72 per cent, Raisioagro some 27 per cent and other operations some 1 per cent of Raisio's net sales. Net sales from outside Finland represented 65.2 (51.4) per cent of the Group's total in January-June, amounting to EUR 172.2 (128.0) million.

Result

In January-June, the Group's EBIT amounted to EUR 20.7 (4.7) and, excluding one-off items, 23.7 (13.8) million, which is 7.9 (1.9) and, excluding one-off items, 9.0 (5.6) per cent of net sales. EBIT for the Brands Division totalled EUR 22.7 (13.1) and, excluding one-off items, 25.6 (14.6) million. EBIT for Raisioagro was EUR 1.5 (-6.1 and, excluding one-off items, 1.4) million and for other operations EUR -3.4 (-2.3 and, excluding one-off items, -2.1) million.

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 10.5 (13.7) and, excluding one-off items, 9.5 (7.5) million. The Group's net financial expenses totalled EUR -0.8 (-0.3) million.

The pre-tax result was EUR 19.9 (4.4) and, excluding one-off items, 22.8 (13.6) million.

The Group’s post-tax result was EUR 15.8 (3.4) and, excluding one-off items, 18.5 (10.7) million. The Group’s earnings per share were EUR 0.10 (0.02) and, excluding one-off items, EUR 0.12 (0.07).

Exchange rate changes had a clear positive effect on the Raisio Brands Division’s net sales and EBIT in January-June 2015.

One-off items, million euros

	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Brands					
Streamlining projects UK	-1.4	0.0	-1.4	-1.5	-3.5
Write-down of Honey Monster brand's book value	0.0	0.0	0.0	0.0	-10.1
Write-down of the divestment of Sulma pasta plant	-1.5	0.0	-1.5	0.0	0.0
Other	0.0	0.0	0.0	0.0	-1.8
Raisioagro					
Restructuring of activities	0.0	-7.5	0.0	-7.5	-12.3
Common					
Other	0.0	-0.2	0.0	-0.2	-0.3
Impact on EBIT	-2.9	-7.7	-2.9	-9.2	-27.9

Balance sheet, cash flow and financing

At the end of June, Raisio Group’s balance sheet totalled EUR 587.7 (31 December 2014: 544.3) million. Shareholders’ equity was EUR 337.4 (31 December 2014: 325.3) million, while equity per share totalled EUR 2.15 (31 December 2014: 2.07).

Working capital at the end of the review period amounted to EUR 50.6 million (31 December 2014: 53.8 and 30 June 2014: 63.1) million. Working capital was down from the beginning of the financial period as the increase in account and other payables compensated the growth of current assets and sales receivables. Current assets were the most significant item in the working capital reduction from the comparison period.

Cash flow from business operations in January-June was EUR 26.3 (-5.1) million.

The Group's investments in January-June totalled EUR 5.1 (10.8) million, or 2.0 (4.3) per cent of net sales. Investments of the Brands Division totalled EUR 4.2 (9.8) million, those of Raisioagro EUR 0.5 (0.8) million and those of other operations EUR 0.5 (0.2) million. The largest investments were related to IT applications and efficiency improvements.

At the end of June, the Group’s interest-bearing debt was EUR 140.3 (31 December 2014: 125.7) million. Net interest-bearing debt was EUR 75.6 (31 December 2014: 72.2) million.

At the end of June, the Group’s equity ratio totalled 57.5 (31 December 2014: 60.2) per cent and net gearing 22.4 (31 December 2014: 22.2) per cent. Return on investment was 9.0 (31 December 2014: 1.7) and, excluding one-off items, 10.3 (8.3) per cent.

DIVESTMENT

On 24 June 2015, Raisio's Polish subsidiary signed a contract to divest Sulma pasta business and related assets to a consortium consisting of the factory management and an outside investor. The business was transferred to the new owner as the contracts were signed. All 41 factory employees transferred to the new owner. A write-down of EUR 1.5 million related to the transaction has been entered to burden the second quarter EBIT of the Brands Division and is treated as a one-off item.

In March 2012, Raisio acquired the Sulma pasta factory, which accounted for about 15 per cent of net sales in Poland. In Poland, Raisio will focus on its Benecol products that have significantly better growth opportunities than pasta products.

DISPUTES

In November 2014, Raisio won a case against a foreign company in an arbitration proceeding. At the beginning of 2015, the counterparty filed an action for the annulment of the arbitration award. Raisio considers the action to be completely unfounded.

RESEARCH AND DEVELOPMENT

The Group's April-June research and development expenses were EUR 1.4 (1.7) million. In January-June, R&D expenses totalled EUR 2.6 (3.3) million, or 1.0 (1.3) per cent of net sales. In April-June, a total of EUR 0.5 (0.1) and in January-June, 0.8 (0.2) million of Benemilk's development expenses were activated on the balance sheet.

Scientific studies related to the Benemilk feeds were continued both in Finland and abroad. In Finland, the extensive farm monitoring programme also continued and related practices were further developed. Raisioagro launched a development project on milk production which, using the internet, effectively utilises real time yield data collected by milking robots. Based on the information obtained, feeding programmes can be adjusted to the needs of each dairy farm, which in turn improves productivity. Customers from around Finland are involved in the project.

The Brands Division's R&D focused on healthy snacks. In the review period, the Division launched Elovena instant porridges containing 50 per cent less sugar, Elovena and Provena snack biscuits as well as confectionery with real fruit juice and with FreeFrom labels, such as gluten-free, nut-free or no artificial flavour. British consumers prefer FreeFrom labelled products.

PERSONNEL AND ADMINISTRATION

At the end of June, Raisio Group employed 1,804 (31 December 2014: 1,937) people. 79 (80) per cent of the personnel were working outside Finland. At the end of the review period, the Brands Division had 1,615, Raisioagro Division 129 and service functions 60 employees. The figures include summer workers.

SEGMENT INFORMATION

BRANDS DIVISION

		4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Net sales	M€	97.8	73.7	191.6	146.0	306.1
Snack & Cereal	M€	36.3	35.6	70.2	70.3	141.7
Benecol	M€	36.0	13.9	70.5	27.1	62.3
Benemilk	M€	0.0	0.0	0.0	0.0	0.0
Confectionery	M€	25.3	23.7	50.2	47.5	100.6
EBIT	M€	11.3	8.2	22.7	13.1	20.6
One-off items	M€	-2.9	0.0	-2.9	-1.5	-15.3
EBIT, excluding one-off items	M€	14.3	8.2	25.6	14.6	35.9
EBIT, excluding one-off items	%	14.6	11.1	13.4	10.0	11.7
Investments*	M€	2.5	5.5	4.2	9.8	103.1
Net assets	M€		-	377.3	271.6	359.0

* Including acquisitions

Financial review

April-June

Net sales for the Brands Division totalled EUR 97.8 (73.7) million in April-June. The Division includes Snack & Cereal, Benecol, Confectionery and activities related to the international commercialisation of the Benemilk innovation. Net sales for the Snack & Cereal business totalled EUR 36.3 (35.6) million, for Benecol EUR 36.0 (13.9) million and for Confectionery EUR 25.3 (23.7) million. Benemilk did not have licensing income in the review period.

EBIT for the Brands Division amounted to EUR 11.3 (8.2) and, excluding one-off items, 14.3 (8.2) million, which is 11.6 (11.1) and, excluding one-off items, 14.6 (11.1) per cent of net sales. The Brands Division’s EBIT improved significantly with the acquisition of Benecol business from the affiliates of Johnson & Johnson in the UK, Ireland and Belgium.

Snack & Cereal

Markets for the Snack & Cereal business include the UK, Northern Europe and Russia. Net sales for Snack & Cereal were at the comparison period level and EBIT was approximately one million euros higher than in the comparison period.

The UK Cereal & Snack business improved its performance and its EBIT was slightly positive. Net sales were at the comparison period level. The UK business includes Cereals and Snack Bars. For Cereals, EBIT remained negative but was at the comparison period level as a result of the production enhancement.

Net sales for Snack Bars increased. EBIT was positive and higher than in the comparison period. Profitability improved at the Newport and Swindon factories.

Net sales for the Northern European markets were slightly up and EBIT increased clearly. EBIT was improved especially by the sales volume growth of industrial products. Sales increased clearly in gluten-free Provena products.

In Russia, pricing of Nordic products was amended following the changes in exchange rates. Products made in Finland and sold in euros are now more expensive in Russia, which has resulted in a clear decrease in sales volume and net sales. EBIT for the Russian business was positive but lower than in the comparison period. Eastern Europe accounts for about 10 per cent of the Snack & Cereal's net sales.

Benecol

Due to the acquisition completed, Benecol consumer product sales increased significantly from the comparison period in Raisio's home markets. Net sales for the Benecol business accounted for almost 40 per cent of the Brands Division's net sales and well over half of the Division's EBIT. Home markets for Benecol consumer products include the UK, Poland, Finland, Ireland, Belgium, Hong Kong and Portugal.

Sales of plant stanol ester, a Benecol product ingredient, to licensing partners remained at the comparison period level and the production efficiency of plant stanol ester was further improved. The business acquired from Johnson & Johnson in the UK, Ireland and Belgium increased Benecol's net sales by almost EUR 20 million and improved EBIT significantly. The UK remains the largest market for Benecol products. Last year, the business in Poland weakened momentarily and improved significantly due to the streamlining measures completed. In Finland, sales in Benecol products increased.

Confectionery

Net sales for the Confectionery business grew while EBIT decreased due to the above-average advertising and marketing expenses. In the UK and Czech Republic, declined production volume of the products made under retailers' private labels was offset by good sales development of Raisio's own branded products. Main raw materials of confectionery are more affordable than in the comparison period, which has lowered consumer product prices.

January-June

Net sales for the Brands Division were EUR 191.6 (146.0) million in January-June. Net sales for the Snack & Cereal business totalled EUR 70.2 (70.3) million, for Benecol EUR 70.5 (27.1) million and for Confectionery EUR 50.2 (47.5) million. Benemilk did not have any licensing income. The UK accounted for almost 50 per cent of the Brands Division's net sales, Finland over 15 per cent, the rest of Europe more than 30 per cent and the rest of the world below 5 per cent.

In January-June, EBIT for the Brands Division amounted to EUR 22.7 (13.1) and, excluding one-off items, 25.6 (14.6) million, which is 11.8 (9.0) and, excluding one-off items, 13.4 (10.0) per cent of net sales.

Exchange rate changes had a clear positive effect on the Brands Division's net sales and EBIT in January-June 2015.

Business operations

Snack & Cereal

At the Newport snack bar factory, the enhancement programme proceeded as planned. Factory service level has stabilised at its ordinary good level and the streamlining efforts completed improved profitability, particularly in respect to labour and material costs. Demand for healthy snack products continued to grow while demand for weight management bars declined further.

Demand for healthy nibbles produced at the Swindon factory showed growth. The renewal of Dormen, Raisio's own nut brand, resulted in new UK listings.

The streamlining programme at the Southall cereal factory continued according to plan. The termination of savoury snack production enables lower fixed costs and more effective and flexible use of human resources. To improve business profitability at the Southall factory, Raisio continues to assess its operating conditions.

The UK's overall cereal market continued to decline and sales in Honey Monster cereals were down from the comparison period. At the end of the review period, a limited edition with Minion characters was launched on Honey Monster packaging. After the review period, Raisio will launch its new Honey Monster multigrain cereal containing 22 per cent sugar. To meet consumer needs, both novelties contain considerably less sugar.

In Finland, especially instant porridges are rising in popularity and the range is expanding. Sugar level of foods is a rising topic of debate now also in Finland. To celebrate its 90th anniversary, Elovena launched two instant porridges, in which the amount of sugar is halved. Two novelties were added to the range of well-selling Elovena snack biscuits. Gluten-free is a global consumer trend and gluten-free products are also in Finland increasingly used by health-conscious consumers, not only by people with celiac disease. The Provena range was expanded with two new biscuits.

In Russia, distributors were actively completing their product inventories during the first quarter of 2015. In the second quarter, consumer demand fell and sales volume of Nordic products declined due to distributors' oversized stocks and clearly higher prices of products made in Finland compared to local products.

Benecol

Sale of plant stanol ester, a Benecol ingredient, to licensing partners remained at the comparison period level. There were considerable differences in sales development between the European countries. The market environment remained challenging especially in Spain and Greece. In South Korea, sales of Benecol products in the first months after the launch have been good. In Brazil, Raisio's partner is expanding its distribution network of Benecol products launched at the end of 2014.

In June 2015, Raisio's new Benecol partner Neptunus launched a Benecol powdered drink in China. This expansion to the world's most populated country supports Raisio's aim to open up new markets for Benecol products together with its licensing partners. Benecol powdered drink will be first available at approximately 1,700 Nepstar stores. The aim is to expand to hospital shops and sales channels of health care professionals. Raisio has worked determinedly to open markets for Benecol products, particularly in Asia and South America.

The integration of the Benecol business acquired at the end of 2014 continued as planned and operating models were developed. In the UK, market for cholesterol-lowering functional foods was challenging, especially when retailers tightened their selection criteria and price competition further intensified. Yogurt drinks and spreads are Raisio's biggest product groups. Raisio is a clear market leader in cholesterol-lowering yogurt drinks in the UK and Ireland.

In Poland, Benecol maintained its leading market position despite intense competition and a new competitor. Raisio continued to intensify its marketing campaigns. As a whole, Benecol product sales were stable and at the comparison period level even though sales varied between different retail chains. Sales volumes of Benecol products increased clearly in Finland and Hong Kong.

Benemilk

In the review period, the team responsible for Benemilk's international commercialisation focused to identify new business opportunities. Considerable development work has been carried out during 2015 to expand and strengthen Benemilk's IPR. The portfolio currently contains almost 30 patent applications, which makes it one of the world's strongest patent portfolios in cattle feed. With the Science Advisory Board that started in spring 2015, Benemilk team involves some of the world's best scientific experts.

In addition to the licensing model, an ingredient business model has been developed. The model is based on various feeding concepts used on dairy farms. By building capacities for the sale of Primafat ingredient, Benemilk will be able to cover all important, highly-developed milk chains. Benemilk Ltd also aims at closer cooperation with globally operating palmitic acid producers to which livestock feeds are a significant strategic growth area. Benemilk's strong IPR would provide added value to palmitic acid producers and on the other hand, a significant partner could ensure reliable availability and effective distribution of the ingredient and to secure production methods taking environmental aspects into account.

Together with its partner candidates, Benemilk is preparing to carry out several feeding trials that take local raw material base, production methods and operating model of the milk chain into account. The trials are based on local lactation cycles and carried out together with research institutes. The analysis of partner candidates' feeding trial results continues as there is a need for more information and understanding concerning the functioning of production processes in the Benemilk feed manufacturing. Raisio continues its efforts to internationally commercialise the Benemilk innovation.

Confectionery

In the UK, sales growth in Poppets continued strong. Sales were particularly increased by the popularity of one-pound gift boxes, enhanced distribution of sharing bags and new retail listings. Furthermore, sales increased significantly in XXX and Just products while the UK's consumer demand remained stable. Intense industrial competition for orders in the production of retailers' private labels continued and Raisio's production volumes were clearly down from last year. Raisio continues its measures to improve the production efficiency and service levels at the Leicester factory.

In the Czech Republic, an extensive advertising campaign supported sales growth of confectionery sold under the Pedro brand. In addition, sales increased in Juicee Gummee, also Raisio's own brand. At the Czech factories, confectionery exports to Asia and Russia as well as confectionery contract manufacturing for partners declined.

In confectionery, FreeFrom products have become a new consumer trend. In the UK, overall sales of FreeFrom confectionery have increased by 50 per cent in two years. Up to half of British consumers prefer FreeFrom products that are also included in Raisio's product range. In the highly developed UK confectionery market, demand for soft gums continues to grow.

Raisio continues to focus on expanding the product range of its own brands by launching interesting consumer novelties. At the end of the review period, Fox's Candy Bear product family was launched in the UK. The Czech-made range includes soft gums containing real fruit juice. Novelties have got good retail listings. Through production efficiency and good price competitiveness, Raisio aims to increase its exports and the amount of products made for partners.

RAISIOAGRO DIVISION

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

		4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	1-12/ 2014
Net sales	M€	44.7	62.6	77.3	111.6	201.6
EBIT	M€	1.4	-6.1	1.5	-6.1	-8.9
One-off items	M€	0.0	-7.5	0.0	-7.5	-12.3
EBIT, excluding one-off items	M€	1.4	1.4	1.5	1.4	3.4
EBIT, excluding one-off items	%	3.1	2.2	1.9	1.2	1.7
Investments	M€	0.3	0.4	0.5	0.8	1.1
Net assets	M€	-	-	43.8	57.0	33.0

Financial review

April-June

Raisioagro's net sales was cut by 28 per cent amounting to EUR 44.7 (62.6) million. The comparison period figure includes vegetable oils as well as pig and poultry feeds the productions of which Raisioagro terminated in the autumn 2014. Impact of terminated operations on the declined net sales was significant. Net sales were increased by sales growth in farming supplies for dairy farms and grain export deals. Fish feed season started later than usual due to cold spring and Raisioaqua's net sales were lower than in the comparison period.

Raisioagro's EBIT totalled EUR 1.4 (1.4) million. Relative profitability of the business improved as sales increased in highly processed specialty products and the range of farming supplies was successfully renewed. Cost adjustments proceeded as planned. Due to the operating environment, the cattle feed market remained cautious.

Raisioagro's working capital was approximately EUR 9 million lower than in the comparison period as a result of streamlining efforts carried out.

January-June

Raisioagro's net sales totalled EUR 77.3 (111.6) million. Finland accounted for over 80 per cent, Russia some 10 per cent and other markets some 10 per cent of Raisioagro's net sales in the first half of 2015.

In January-June, the Division's EBIT was EUR 1.5 (1.4) million.

Business operations

Cattle feeds

In Finland, the milk producer price decreased by 16 per cent during the first half of the year. This has increased dairy farmers' interest to improve productivity by enhancing their feeding activities but, on the other hand, some of the farms try to adjust to the situation by cutting costs. At the end of June, slightly over 10 per cent of Finnish dairy cows are already Benemilk-fed. Benemilk product range, extended in the spring, meets farmers' needs.

Especially concentrates and protein concentrates have increased in popularity as component feeding is becoming increasingly common. As the Russian import ban on dairy products continues, some of the farms have started to use more affordable feeds. Raisioagro maintained its position in the Finnish cattle feed market.

Export of Benemilk feeds and Melli minerals increased as a result of long-term sales work. In addition, many farms are currently testing Benemilk feeds.

Fish feeds

Fish feed season started late due to cold spring and cool waters, and net sales and sales volume were down from the comparison period. Fish feeds bought by customers in the first quarter lasted well into May as fish grew slowly in cold water.

Raisioaqua launched a new feed called Hercules Plus, a feed innovation for rainbow trout farming. An international patent has been filed for the innovation. The new feed improves fish growth and increases egg production. Raisioaqua's many feed innovations have speeded up the growth in Finland, which in turn has strengthened the company's position as the market and product leader in effective and environmentally friendly fish feeds.

Farming supplies and online store

Sales in farming supplies to dairy farms increased. In certain product groups, increase in farm size has created new markets for special products. The highly competitive fertiliser and fuel market remained tight and Raisioagro's sales were down from the comparison period. In these product groups, the role of sales at Raisioagro has been to provide customers with the opportunity to acquire everything they need in one stop shop principle and the volatility of sales does not significantly affect profitability.

Both the customer base and order volume of our online store were significantly higher than in the comparison year and comparable sales increased by over 50 per cent. The product range available online was also expanded by some 200 items. Raisioagro continues to develop the online store providing its customers with competitive prices, comprehensive product range and easy shopping.

In April 2015, Raisioagro opened its first Raisioagro.com shop, combining online store and pick-up store services, near the Ylivieska feed factory. Ylivieska feed factory is located in the heart of Finland's largest milk production area and the new store enables even better customer service.

Grain trade

In Finland, the grain price trend was moderate as it had been from the beginning of the year. Export trade in grain was brisk. A new application was launched for contract farmers who can now enter their stock levels online.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-June totalled EUR 12.9 (14.5) million. The value of trading was EUR 53.8 (66.0) million and the average price EUR 4.19 (4.54). The closing price on 30 June 2015 was EUR 4.04.

A total of 0.7 (0.8) million restricted shares were traded in January-June. The value of trading was EUR 2.8 (3.6) million and the average price EUR 4.13 (4.50). The closing price on 30 June 2015 was EUR 3.98.

On 30 June 2015, the company had a total of 36,277 (31 December 2014: 35,354) registered shareholders. Foreign ownership of the entire share capital was 15.9 (31 December 2014: 16.0) per cent.

Raisio plc's market capitalisation at the end of June amounted to EUR 665.2 (31 December 2014: 690.3) million and, excluding the shares held by the company, to EUR 633.0 (31 December 2014: 656.8) million.

During the review period, a total of 433,509 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 132,211,262 while the number of restricted shares was 32,937,768. The share capital entitled to 790,966,622 votes.

In the review period, a total of 4,479 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 2015.

At the end of the review period, Raisio plc held 7,771,435 free shares and 212,696 restricted shares, which were, on the one hand, acquired between 2005 and 2012 based on the authorisation given by the AGM and, on the other, obtained through the merger of the subsidiary Reso Management Oy into Raisio plc in August 2014 (4,482,740 free shares). The number of free shares held by Raisio plc accounts for 5.9 per cent of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.7 per cent. In all, the shares held by the company 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 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.

Raisio plc's Research Foundation holds 150,510 restricted shares, which is 0.46 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.38 per cent of the votes it represents.

The authorisation to repurchase own shares and to issue shares given by the AGM in 2014 expired on 26 March 2015.

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 2016. Furthermore, the Board of Directors has the authority to decide on share issues by disposing of a maximum of 14,200,000 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 26 March 2020. The authorisations have not so far been exercised and related details on both are available in the stock exchange release published on 12 February 2015.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc’s Annual General Meeting (AGM) held on 26 March 2015 approved the financial statements for the financial year 1 January - 31 December 2014 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 0.14 per share, which was paid to the shareholders on 8 April 2015.

The number of members of the Board of Directors was confirmed to be six, and Erkki Haavisto, Matti Perkonoja, Michael Ramm-Schmidt, Pirkko Rantanen-Kervinen and Antti Tiitola were reappointed and Ann-Christine Sundell 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.

A Stock Exchange Release was published on 26 March 2015 concerning the decisions made by the Meeting, in addition to which the decisions were described in the Interim Report of January-March.

CHANGES IN GROUP STRUCTURE

In March 2015, a plan of merger was signed; the subsidiary Proteinoil Oy entirely owned by Raisio plc will be merged into Raisio plc. Proteinoil Oy’s operations ended in the autumn 2014. The merger is expected to come into force during the third quarter. No merger consideration is paid in the subsidiary merger.

RISKS AND SOURCES OF UNCERTAINTY IN THE NEAR FUTURE

Global economic growth is expected to strengthen despite the sluggish development during the first half of the year. Markedly weakened euro is accelerating the recovery in the euro area but the most important source of growth is private consumption. In Finland, prospects for private comsumption are slightly better, and consumer confidence and expectations are improving. In the UK, economic growth is continuing and private consumption is growing. Weakening of the Russian economy continues. Raisio expects the grocery market to remain relatively stable compared to other sectors.

In Russia and Ukraine, operating environment remains challenging. Raisio is closely monitoring the situation and the Group has the ability to rapidly adjust its operations to changing situations.

Volatility in raw material prices is estimated to remain at a high level. Good harvests may calm down the price development but on the other hand, economic recovery and extreme weather events resulting from climate warming may cause sudden changes in harvest expectations and price levels of agricultural commodities. In terms of profitability, the role of risk management remains essential both for value and volume.

Changes in exchange rates may considerably affect Raisio's results, directly and indirectly, as a significant part of the Group’s net sales and EBIT is generated in the UK.

GUIDANCE 2015

Raisio expects its EBIT to return on its long-term upward trend. Raisio estimates its net sales of 2015 to increase from last year and EBIT margin, excluding one-off items, to be clearly higher than the 7.0 per cent of 2014.

Previous guidance in February 2015

Raisio expects its EBIT to return on its long-term upward trend.

In Raisio, 11 August 2015

RAISIO PLC

Board of Directors

Further information:
Matti Rihko, CEO, tel. +358 400 830 727
Antti Elevuori, CFO, tel. +358 40 560 4148
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.

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

CONDENSED FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT (M€)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	2014
Net sales	141.5	132.5	264.0	249.1	493.9
Expenses corresponding to products sold	-108.6	-115.3	-201.3	-210.0	-407.9
Gross profit	32.9	17.2	62.7	39.2	86.1
Other operating income and expenses, net	-21.8	-16.4	-42.0	-34.5	-79.1
EBIT	11.1	0.8	20.7	4.7	6.9
Financial income	0.4	0.5	0.8	0.7	0.7
Financial expenses	-0.8	-0.5	-1.6	-1.0	-2.3
Share of result of associates and joint ventures	0.0	0.0	0.0	0.0	0.0
Result before taxes	10.7	0.8	19.9	4.4	5.4
Income taxes	-2.3	-0.1	-4.0	-1.0	0.2
RESULT FOR THE PERIOD	8.4	0.7	15.8	3.4	5.6
Attributable to:					
Equity holders of the parent company	8.4	0.7	15.8	3.4	5.6
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
Earnings per share from the profit attributable to equity holders of the parent company (€)					
Undiluted earnings per share	0.05	0.00	0.10	0.02	0.04
Diluted earnings per share	0.05	0.00	0.10	0.02	0.04

COMPREHENSIVE INCOME STATEMENT (M€)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	2014
Result for the period	8.4	0.7	15.8	3.4	5.6
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	0.0	0.0
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.1
Cash flow hedge	-1.9	0.1	-0.4	0.2	2.2
Translation differences	4.2	3.0	18.2	3.2	5.6
Comprehensive income for the period	10.6	3.8	33.7	6.8	13.4
Components of comprehensive income:					
Equity holders of the parent company	10.6	3.8	33.7	6.8	13.4
Non-controlling interests	0.0	0.0	0.0	0.0	0.0

BALANCE SHEET (M€)

	30.6.2015	30.6.2014	31.12.2014
ASSETS			
Non-current assets			
Intangible assets	75.9	45.5	69.7
Goodwill	184.3	112.7	168.7
Property, plant and equipment	105.9	110.0	109.0
Shares in associates and joint ventures	0.7	0.8	0.8
Available-for-sale financial assets	2.7	2.6	2.7
Receivables	0.0	0.0	0.0
Deferred tax assets	4.9	3.4	3.9
Total non-current assets	374.5	275.0	354.7
Current assets			
Inventories	71.2	79.9	64.2
Accounts receivables and other receivables	75.7	75.7	69.4
Financial assets at fair value through profit or loss	44.6	31.0	30.4
Cash in hand and at banks	21.7	8.5	25.6
Total current assets	213.2	195.1	189.6
Total assets	587.7	470.1	544.3
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	-20.4	-20.4
Other equity attributable to equity holders of the parent company	330.1	311.1	318.0
Equity attributable to equity holders of the parent company	337.4	318.4	325.3
Non-controlling interests	0.0	0.0	0.0
Total shareholder's equity	337.4	318.4	325.3
Non-current liabilities			
Deferred tax liabilities	12.1	13.2	10.9
Provisions	0.1	0.0	0.0
Non-current financial liabilities	107.2	24.5	94.2
Derivative contracts	0.2	0.6	0.4
Other non-current liabilities	0.1	0.1	0.1
Total non-current liabilities	119.6	38.5	105.7
Current liabilities			
Accounts payable and other liabilities	88.9	87.5	77.9
Provisions	2.1	1.1	2.3
Derivative contracts	6.6	3.4	1.6
Current financial liabilities	33.1	21.2	31.5
Total current liabilities	130.6	113.2	113.3
Total liabilities	250.2	151.7	219.0
Total shareholder's equity and liabilities	587.7	470.1	544.3

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Reserve fund	Invested unrestricted equity fund	Other reserves	Company shares	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 31.12.2013	27.8	2.9	88.6	0.0	0.7	-20.4	-3.4	234.5	330.6	1.1	331.7
Comprehensive income for the period											
Result for the period	-	-	-	-	-	-	-	3.4	3.4	0.0	3.4
Other comprehensive income items (adjusted for tax effects)											
Financial assets available for sale	-	-	-	-	0.0	-	-	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	0.2	-	-	-	0.2	-	0.2
Translation differences	-	-	-	-	-	-	3.2	-	3.2	-	3.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.3	0.0	3.2	3.4	6.8	0.0	6.8
Business activities involving shareholders											
Dividends	-	-	-	-	-	-	-	-20.4	-20.4	-	-20.4
The share acquired from the non-controlling interest	-	-	-	8.0	-	-	-	-6.9	1.1	-1.1	0.0
Share-based payment	-	-	-	-	-	0.0	-	0.3	0.3	-	0.3
Total business activities involving shareholders	0.0	0.0	0.0	8.0	0.0	0.0	0.0	-27.0	-19.0	-1.1	-20.1
Equity on 30.6.2014	27.8	2.9	88.6	8.0	1.0	-20.4	-0.2	210.8	318.4	0.0	318.4
Equity on 31.12.2014	27.8	2.9	88.6	8.0	2.9	-20.4	2.2	213.3	325.3	0.0	325.3
Comprehensive income for the period											
Result for the period	-	-	-	-	-	-	-	15.9	15.9	-	15.9
Other comprehensive income items (adjusted for tax effects)											
Available-for-sale financial assets	-	-	-	-	0.0	-	-	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-0.4	-	-	-	-0.4	-	-0.4
Translation differences	-	-	-	-	-	-	18.2	-	18.2	-	18.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-0.3	0.0	18.2	15.9	33.7	0.0	33.7
Business activities involving shareholders											
Dividends	-	-	-	-	-	-	-	-22.0	-22.0	-	-22.0
Share-based payment	-	-	-	-	-	0.0	-	0.4	0.4	-	0.4
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-21.6	-21.6	0.0	-21.6
Equity on 30.6.2015	27.8	2.9	88.6	8.0	2.6	-20.4	20.4	207.5	337.4	0.0	337.4

CASH FLOW STATEMENT (M€)

	1-6/2015	1-6/2014	2014
Result before taxes	19.9	4.4	5.4
Adjustments	11.3	14.3	35.9
Cash flow before change in working capital	31.2	18.6	41.3
Change in accounts receivables and other receivables	-2.4	-8.6	-1.6
Change in inventories	-5.1	-8.4	7.7
Change in current non-interest-bearing liabilities	5.1	-3.6	-8.7
Total change in working capital	-2.4	-20.5	-2.6
Financial items and taxes	-2.5	-3.2	-12.6
Cash flow from business operations	26.3	-5.1	26.2
Investments in fixed assets	-5.7	-8.8	-106.8
Proceeds from sale of fixed assets	0.2	0.1	0.1
Investments on marketable securities	0.0	0.0	0.0
Repayment of loan receivables	0.0	0.1	0.1
Cash flow from investments	-5.5	-8.6	-106.6
Change in non-current loans	-3.5	-10.3	59.5
Change in current loans	16.0	-0.4	9.6
Dividend paid to equity holders of the parent company	-21.9	-20.3	-20.3
Cash flow from financial operations	-9.4	-31.0	48.7
Change in liquid funds	11.4	-44.7	-31.6
Liquid funds at the beginning of the period	53.6	83.9	83.9
Effects of changes in foreign exchange rates	-0.4	0.4	1.4
Impact of change in market value on liquid funds	0.1	-0.3	-0.2
Liquid funds at end of period	64.7	39.3	53.6

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 2014 with the exception of the EU approved amendments to existing IFRS standards introduced on 1 January 2015. The standard amendments have not had a material impact on the consolidated financial statements.

Amendment to IAS 19 Employee Benefits
Annual improvements to IFRSs 2010-2012 and 2011-2013

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. The Brands segment includes Snack & Cereal, Benecol, Confectionery and activities related to the commercialisation of the Benemilk innovation. Raisioagro segment includes cattle and fish feeds, farming supplies and grain trade

NET SALES BY SEGMENT (M€)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	2014
Brands	97.8	73.7	191.6	146.0	306.1
Raisioagro	44.7	62.6	77.3	111.6	201.6
Other operations	2.6	0.3	2.9	0.6	1.2
Interdivisional net sales	-3.7	-4.2	-7.8	-9.1	-15.0
Total net sales	141.5	132.5	264.0	249.1	493.9

EBIT BY SEGMENT (M€)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	2014
Brands	11.3	8.2	22.7	13.1	20.6
Raisioagro	1.4	-6.1	1.5	-6.1	-8.9
Other operations	-1.6	-1.2	-3.4	-2.3	-4.7
Total EBIT	11.1	0.8	20.7	4.7	6.9

NET ASSETS BY SEGMENT (M€)

	30.6.2015	30.6.2014	31.12.2014
Brands	377.3	271.6	359.0
Raisioagro	43.8	57.0	33.0
Other operations and unallocated items	-83.7	-10.2	-66.7
Total net assets	337.4	318.4	325.3

INVESTMENTS BY SEGMENT (M€)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	2014
Brands	2.5	5.5	4.2	9.8	103.1
Raisioagro	0.3	0.4	0.5	0.8	1.1
Other operations	0.2	0.1	0.5	0.2	0.6
Total investments	3.0	6.0	5.1	10.8	104.9

NET SALES BY MARKET AREA (M€)

	4-6/ 2015	4-6/ 2014	1-6/ 2015	1-6/ 2014	2014
Finland	49.0	65.4	91.8	121.1	219.1
Great Britain	48.4	31.0	93.5	60.2	130.8
Rest of Europe	41.9	33.4	73.1	61.7	130.9
ROW	2.1	2.6	5.7	6.1	13.2
Total	141.5	132.5	264.0	249.1	493.9

ACQUIRED BUSINESS OPERATIONS

In 2015
No acquired business operations in the first half of 2015.

In 2014
Benecol business in the UK, Ireland and Belgium

On 19 November 2014, Raisio acquired Cilag GmbH International's Benecol business in the UK, Ireland and Belgium, and amended the agreement on the Northern American markets of Benecol. As a business buyer, the Group had established a company called Benecol Limited in the UK for acquisition purposes. The company is Raisio UK Limited's subsidiary. Product range of the acquired business includes margarines, drinks and yogurts sold under the Benecol brand.

Benecol Limited's results have been reported as part of Raisio's Brands segment from 19 November 2014.

The purchase price of EUR 88.5 million for the business and stocks was paid when the object of the deal was transferred to Raisio. Majority of the purchase price was allocated to intangible assets. The fees of lawyers, advisors and outside valuators related to the deal amounted to a total of EUR 1.5 million, which was recorded as administration costs of the Brands segment in the income statement of 2014. In connection with the deal, rights to the Benecol brand and plant stanol ester patents held by Cilag as well as current assets were returned to Raisio. Raisio did not assume liabilities as part of the acquisition.

The acquisition resulted in goodwill of EUR 52.6 million (GBP 41.2 million). Goodwill is based on the opportunity to develop the Benecol business on Raisio's own terms. In terms of Benecol products, Raisio's strategic goal is to enhance competitiveness in the existing markets, to expand into new markets as well as to innovate new Benecol products. Recorded goodwill is deductible for tax purposes. A deferred tax liability is recorded for deducted tax.

Post-acquisition net sales for Benecol Limited totalled EUR 7.3 million and EBIT excluding one-off items EUR 1.5 million. The acquisition is estimated to increase Raisio's EBIT by some EUR 9 million annually.

The values of acquired assets at the acquisition date were as follows:

	Fair values recorded in the business combination
Trade marks	31.1
Other intangible assets	2.7
Inventories	2.2
Total assets	36.0
Deferred tax liabilities	0.2
Net assets	35.8
Acquisition price	88.5
Goodwill	52.6

Changes in goodwill

	1-6/2015	1-6/2014	2014
Carrying amount of goodwill at the beginning of the review period	168.7	108.5	108.5
Translation differences	15.6	4.2	7.5
Business combinations			52.6
Carrying amount of goodwill at the end of the review period	184.3	112.7	168.7

TANGIBLE ASSETS (M€)

	30.6.2015	30.6.2014	31.12.2014
Acquisition cost at the beginning of the period	398.7	386.6	386.6
Conversion differences	8.1	2.7	3.0
Increase	3.9	7.4	14.4
Decrease	-9.1	-1.3	-5.3
Acquisition cost at end of period	401.6	395.4	398.7
Accumulated depreciation and impairment at the beginning of the period	289.6	272.2	272.2
Conversion difference	4.0	1.4	1.0
Decrease and transfers	-7.7	-1.0	-5.0
Depreciation for the period	9.7	12.9	21.4
Accumulated depreciation and impairment at end of period	295.7	285.4	289.6
Book value at end of period	105.9	110.0	109.0

PROVISIONS (M€)

	30.6.2015	30.6.2014	31.12.2014
At the beginning of the period	2.4	1.4	1.4
Increase in provisions	0.0	0.5	2.1
Provisions used	-0.3	-0.9	-1.2
At end of period	2.5	1.1	2.4

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	30.6.2015	30.6.2014	31.12.2014
Sales to associates and joint ventures	0.0	0.0	0.0
Purchases from associates and joint ventures	0.0	0.1	0.1
Sales to key employees in management	0.1	0.1	0.3
Purchases from key employees in management	0.2	0.4	0.5
Liabilities to associates and joint ventures	0.0	0.0	0.0

CONTINGENT LIABILITIES (M€)

	30.6.2015	30.6.2014	31.12.2014
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	14.4	7.1	8.3
Other liabilities	2.5	4.7	3.4
Commitment to investment payments	1.2	0.2	1.3

DERIVATIVE CONTRACTS (M€)

	30.6.2015	30.6.2014	31.12.2014
Nominal values of derivative contracts			
Currency forward contracts	205.8	89.5	129.4
Interest rate swaps	15.8	28.1	21.7

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

	Carrying amount 30.6.2015	Fair value 30.6.2015	Carrying amount 31.12.2014	Fair value 31.12.2014
Financial assets				
Financial assets available for sale*)	2.7	2.7	2.7	2.7
Accounts receivables and other receivables	67.5	67.5	63.5	63.5
Investments recorded at fair value through profit or loss*)	43.0	43.0	27.9	27.9
Liquid funds	21.7	21.7	25.6	25.6
Derivatives*)	1.6	1.6	2.5	2.5
Financial liabilities				
Bank loans	114.3	114.3	115.8	119.0
Other loans	26.0	26.0	10.0	10.0
Financial leasing liabilities	0.0	0.0	0.0	0.0
Accounts payable and other liabilities	54.2	54.2	70.3	70.3
Derivatives*)	6.8	6.8	2.0	2.0

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€)

	4-6/ 2015	1-3/ 2015	10-12/ 2014	7-9/ 2014	4-6/ 2014	1-3/ 2014
Net sales by segment						
Brands	97.8	93.7	84.5	75.5	73.7	72.3
Raisioagro	44.7	32.6	35.6	54.4	62.6	49.1
Other operations	2.6	0.3	0.3	0.3	0.3	0.3
Interdivisional net sales	-3.7	-4.1	-2.5	-3.3	-4.2	-5.0
Total net sales	141.5	122.5	117.8	126.9	132.5	116.7
EBIT by segment						
Brands	11.3	11.3	-3.3	10.8	8.2	4.9
Raisioagro	1.4	0.1	-2.4	-0.3	-6.1	0.0
Other operations	-1.6	-1.8	-1.4	-1.0	-1.2	-1.1
Total EBIT	11.1	9.6	-7.2	9.4	0.8	3.9
Financial income and expenses, net	-0.4	-0.5	-1.0	-0.3	0.0	-0.3
Share of result of associates	0.0	0.0	0.0	0.0	0.0	0.0
Result before taxes	10.7	9.2	-8.1	9.1	0.8	3.6
Income tax	-2.3	-1.7	2.6	-1.4	-0.1	-0.9
Result for the period	8.4	7.5	-5.5	7.8	0.7	2.7

KEY INDICATORS

	30.6.2015	30.6.2014	31.12.2014
Net sales, M€	264.0	249.1	493.9
Change of net sales, %	6.0	-10.0	-11.4
Operating margin, M€	31.2	18.4	39.8
Depreciation and impairment, M€	10.5	13.7	32.9
EBIT, M€	20.7	4.7	6.9
% of net sales	7.9	1.9	1.4
Result before taxes, M€	19.9	4.4	5.4
% of net sales	7.5	1.8	1.1
Return on equity, ROE, %	9.6	2.1	1.7
Return on investment, ROI, %	9.0	2.8	1.7
Interest-bearing financial liabilities at end of period, M€	140.3	45.7	125.7
Net interest-bearing financial liabilities at end of period, M€	75.6	6.4	72.2
Equity ratio, %	57.5	68.1	60.2
Net gearing, %	22.4	2.0	22.2
Gross investments, M€	5.1	10.8	104.9
% of net sales	2.0	4.3	21.2
R & D expenses, M€	2.6	3.3	6.6
% of net sales	1.0	1.3	1.3
Average personnel	1,829	1,934	1,915
Earnings/share, €	0.10	0.02	0.04
Cash flow from operations/share, €	0.17	-0.03	0.17
Equity/share, €	2.15	2.03	2.07
Average number of shares during the period, in 1,000s*)			
Free shares	124,284	123,157	123,524
Restricted shares	32,877	33,458	33,365
Total	157,161	156,615	156,888
Average number of shares at end of period, in 1,000s*)			
Free shares	124,440	123,782	124,002
Restricted shares	32,725	33,375	33,159
Total	157,165	157,157	157,160
Market capitalisation of shares at end of period, M€*)			
Free shares	502.7	544.6	520.8
Restricted shares	130.2	143.5	136.0
Total	633.0	688.2	656.8
Share price at end of period			
Free shares	4.04	4.40	4.20
Restricted shares	3.98	4.30	4.10

*) Number of shares, excluding the company shares held by the Group and the shares held by Reso Management Oy in the comparison periods

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*)

*) When calculating the key figures for the comparison period, the number does not include the Raisio plc's shares held by Reso Management Oy