RAISIO

Q3/2014

RAISIO PLC

Interim Report

1 January –
30 September 2014

RAISIO'S EBIT EUR 12.1 MILLION

July-September 2014 excluding one-off items

- The Group EBIT was EUR 12.1 (12.0) million, accounting for 9.5 (8.0)% of net sales.
- The Brands Division's EBIT totalled EUR 10.8 (10.8) million, accounting for 14.2 (14.8)% of net sales.
- Raisioagro's EBIT was EUR 2.0 (2.6) million, accounting for 3.7 (3.4)% of net sales.
- The Group net sales totalled EUR 126.9 (149.5) million.

January-September 2014 excluding one-off items

- The Group EBIT was EUR 25.9 (31.0) million, accounting for 6.9 (7.3)% of net sales.
- The Brands Division's EBIT totalled EUR 25.3 (31.3) million, accounting for 11.4 (13.8)% of net sales.
- Raisioagro's EBIT was EUR 3.4 (3.3) million accounting for 2.1 (1.7)% of net sales.
- The Group net sales totalled EUR 376.1 (426.4) million.

Raisio Group's key figures excluding one-off items

		7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
Results						
Net sales	M€	126.9	149.5	376.1	426.4	557.6
Change in net sales	%	-15.1	-7.1	-11.8	-4.5	-4.5
EBIT	M€	12.1	12.0	25.9	31.0	39.3
EBIT	%	9.5	8.0	6.9	7.3	7.1
Depreciation and impairment	M€	3.8	3.7	11.3	11.2	14.9
EBITDA	M€	15.8	15.6	37.2	42.2	54.3
Net financial expenses	M€	-0.3	-0.2	-0.6	-1.4	-1.8
Earnings per share (EPS)	€	0.06	0.06	0.13	0.15	0.20
Balance sheet						
Equity ratio	%	-	-	69.8	64.5	68.2
Gearing	%	-	-	0.1	-2.6	-8.6
Net interest-bearing debt	M€	-	-	0.3	-8.4	-28.5
Equity per share	€	-	-	2.10	2.10	2.13
Gross investments	M€	3.4	4.0	14.2	8.7	16.5
Share						
Market capitalisation*	M€	-	-	599.3	664.8	683.1
Enterprise value (EV)	M€	-	-	599.6	656.5	654.6
EV/EBITDA		-	-	12.2	12.4	12.1

* Excluding the company shares held by the Group

CEO Matti Rihko's review

"The Group's EBIT rose to 12.1 million euros, which was slightly higher than in the comparison period; EBIT improved by 3.6 million euros from the second quarter. This is a good performance in challenging market conditions given that our businesses are not in identical situations.

The Brands Division's strong areas further improved their performance and our UK's cereals and snacks business returned to profit. Service level of the extended Newport snack bar factory has continued to improve but is still not at its normal level. Sales volume in Honey Monster cereals has levelled off after the earlier decrease. We are now on the right track but there is still much work to be done to achieve profitability levels and sales consistent with our objectives.

Import restrictions imposed by Russia do not currently apply to Raisio's products. Weakening of the rouble has been compensated by price rises without a decrease in volumes. Raisio's most important export products are Nordic flakes and feeds for fish and cattle. We started the export of Benemilk feeds to St.Petersburg area in August. Northwest Russia is the first market outside Finland for our Benemilk feeds. Raisioagro will continue to focus on increasing the exports of feeds. As part of an extensive restructuring of Raisioagro's activities, the Division's net sales decreased as planned and at the same time, the relative profitability of the business improved.

The number of commercial negotiations for the international commercialisation of the Benemilk innovation has increased and this work is proceeding as expected."

OPERATING ENVIRONMENT IN JULY-SEPTEMBER

Europe's economic development remained uncertain, growth slowed down and inflation fell further. The euro weakened against the dollar and the decline accelerated towards the end of the period.

Consumer demand for confectionery remained stable in the UK. Demand for soft gums continued to grow. In the UK, tight price competition in the confectionery market continued, as did consumer interest in smaller, less expensive purchases.

Finnish consumers preferred foods made of Finnish raw materials more than before and the offering of such products expanded in retail stores. Public debate on the healthiness of foods intensified in Finland. Weak economic conditions continued in Finland and clearly affected the development of retail sales.

The consolidation in the Nordic agricultural sector continued and the effects were also seen in Finland. Competition remained tight in the Finnish feed market and agricultural sector.

Russia's bans on imports of dairy products have raised uncertainty among Finnish milk producers while producer prices based on milk quantity have already been lowered. Despite the current challenges, the future of milk production looks promising.

FINANCIAL REPORTING

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

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

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

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

FINANCIAL REVIEW, JULY-SEPTEMBER 2014

Net sales

Raisio Group's net sales in July-September amounted to EUR 126.9 (149.5) million. Net sales for the Brands Division totalled EUR 75.5 (73.3) million and for the Raisioagro Division EUR 54.4 (76.4) million. Net sales for other operations were EUR 0.3 (0.3) million.

Result

Raisio Group's July-September EBIT was EUR 9.4 (9.0) and, excluding one-off items, 12.1 (12.0) million, which is 7.4 (6.0) and, excluding one-off items, 9.5 (8.0) per cent of net sales. EBIT for the Brands Division totalled EUR 10.8 (7.9 and, excluding one-off items, 10.8) million. Raisioagro's EBIT was EUR -0.3 and, excluding one-off items 2.0 (2.6) million. EBIT for other operations was EUR -1.0 and, excluding one-off items, -0.7 (-1.5) million. 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 3.8 (3.7) million.

The Group's net financial expenses totalled EUR -0.3 (-0.2) million. The pre-tax result was EUR 9.1 (8.8) and, excluding one-off items, 11.8 (11.7) million. The Group's post-tax result was EUR 7.8 (6.9) and, excluding one-off items, 9.9 (9.2) million. The Group's earnings per share were EUR 0.05 (0.04) and, excluding one-off items, 0.06 (0.06).

FINANCIAL REVIEW, JANUARY-SEPTEMBER 2014

Net sales

In January-September, the Group's net sales amounted to EUR 376.1 (426.4) million. Net sales for the Brands Division totalled EUR 221.5 (226.7) million and for the Raisioagro Division EUR 166.0 (200.8) million. Net sales for other operations were EUR 0.9 (1.0) million.

The Brands Division accounted for some 59 per cent and Raisioagro for some 41 per cent of Raisio's net sales. January-September net sales from outside Finland represented 53.3 (49.1) per cent of the Group's total, amounting to EUR 200.4 (209.2) million.

Result

In January-September, the Group's EBIT amounted to EUR 14.1 (27.3) and, excluding one-off items, 25.9 (31.0) million, which is 3.7 (6.4) and, excluding one-off items, 6.9 (7.3) per cent of net sales. EBIT for the Brands Division totalled EUR 23.8 (27.7) and, excluding one-off items, 25.3 (31.3) million. EBIT for the Raisioagro Division was EUR -6.5 (3.3) and, excluding one-off items, 3.4 (3.3) million and for other operations EUR -3.3 and, excluding one-off items, -2.8 (-3.7) million.

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 17.5 and, excluding one-off items, 11.3 (11.2) million.

The Group's net financial expenses totalled EUR -0.6 (-1.4) million. The pre-tax result was EUR 13.5 (26.0) and, excluding one-off items, 25.3 (29.6) million. The Group's post-tax result was EUR 11.1 (20.1) and, excluding one-off items, 20.6 (22.9) million. The Group's earnings per share were EUR 0.07 (0.13) and, excluding one-off items, 0.13 (0.15).

One-off items, million euros

	7-9/2014	7-9/2013	1-9/2014	1-9/2013
Brands:				
Streamlining projects UK	0.0	-3.0	-1.5	-3.0
Divestments	0.0	0.0	0.0	-0.6
Raisioagro				
Restructuring of activities	-2.4	0.0	-9.9	0.0
Other operations				
Growth projects	-0.3	0.0	-0.4	0.0
Impact on EBIT	**-2.6**	**-3.0**	**-11.8**	**-3.6**

Balance sheet, cash flow and financing

At the end of September, the Raisio Group's balance sheet totalled EUR 474.8 (31 December 2013: 491.2) million. Shareholders' equity was EUR 330.1 (31 December 2013: 331.7) million, while equity per share was EUR 2.10 (31 December 2013: 2.13).

At the end of September, the Group's interest-bearing financial liabilities were EUR 40.6 (31 December 2013: 55.4) million. Net interest-bearing debt was EUR 0.3 (31 December 2013: -28.5) million.

On 30 September 2014, the Group's equity ratio totalled 69.8 (31 December 2013: 68.2) per cent and net gearing 0.1 (31 December 2013: -8.6) per cent. Return on investment was 5.2 and, excluding one-off items, 9.3 (31 December 2013: 8.6 and, excluding one-off items, 10.0) per cent.

Cash flow from business operations in January-September was EUR 4.6 (44.7) million.

At the end of September, working capital amounted to EUR 67.0 (67.3) million. Sales receivables decreased and the value of current assets increased compared to the situation at the end of September a year ago. As a whole, however, the amount of working capital was almost the same.

INVESTMENTS

The Group's gross investments in July-September totalled EUR 3.4 (4.0) million. Gross investments of the Brands Division were EUR 3.1 (3.5) million, those of Raisioagro EUR 0.1 (0.3) million and those of other operations EUR 0.2 (0.1) million.

The largest investments during the review period were related to the centralisation and streamlining of confectionery production in the UK and Czech Republic and to the centralisation of the UK’s snack bar production.

The Group's gross investments in January-September totalled EUR 14.2 (8.7) million, or 3.8 (2.0) per cent of net sales.

DISPUTES

In 2013, Raisio initiated arbitration proceedings in Finland related to the termination of a contractual relationship with a foreign company. The counterparty made a counterclaim to be dealt with in the same arbitral proceedings.Raisio regards the claim for damages entirely unfounded and has recorded no reserve due to it. Raisio is expecting the arbitral tribunal's decision during the end of 2014.

RESEARCH AND DEVELOPMENT

The Group's research and development expenses in July-September were EUR 1.5 (1.2) million. In January-September, R&D expenses totalled EUR 4.8 (4.7) million, or 1.3 (1.1) per cent of net sales.

The product range of Benecol feeds was renewed so that they now better complement different quality silages that, in addition to grain and industrial feeds, are an integral part of dairy cattle nutrition. Scientific studies related to the Benemilk feeds are continued both in Finland and abroad and farm monitoring in Finland. We also carry on our cooperation with fisheries research institutes.

Western European operations focused on ensuring the high product quality throughout the production transfers. At the same time, we finalised the renewal and expansion of our own branded products, and developed new products meeting customer needs.

R&D of the Northern European operations focused on the development and finalisation of future new products. In September, Raisio launched new Benecol yogurts that successfully complement the Benecol product range.

PERSONNEL AND ADMINISTRATION

Raisio Group employed 1,913 people at the end of September (31 December 2013: 1,896 people). 81 (31 December 2013: 79) per cent of the personnel were working outside Finland. At the end of the review period, the Brands Division had 1,720, Raisioagro Division 137 and service functions 56 employees. The figures include summer workers.

SEGMENT INFORMATION

BRANDS DIVISION

		7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
Net sales	M€	75.5	73.3	221.5	226.7	304.7
Consumer brands	M€	66.7	65.6	196.0	201.2	271.4
Licensed brands	M€	10.9	10.6	31.6	31.6	41.3
EBIT	M€	10.8	7.9	23.8	27.7	35.7
One-off items	M€	0.0	-3.0	-1.5	-3.6	-5.7
EBIT, excluding one-off items	M€	10.8	10.8	25.3	31.3	41.4
EBIT, excluding one-off items	%	14.2	14.8	11.4	13.8	13.6
Investments	M€	3.1	3.5	12.9	6.3	13.4
Net assets	M€	-	-	282.6	254.6	254.2

Financial review

July-September

In July-September, net sales for the Brands Division totalled EUR 75.5 (73.3) million. Net sales for the Consumer brands unit were EUR 66.7 (65.6) million. Net sales for the Licensed brands unit amounted to EUR 10.9 (10.6) million.

Third-quarter EBIT for the Brands Division amounted to EUR 10.8 (7.9 and, excluding one-off items,10.8) million, which is 14.2 (10.7 and, excluding one-off items, 14.8) per cent of net sales. The Brands Division’s third-quarter EBIT was clearly better than in the previous quarters of 2014.

The third quarter for the Western European cereals and snacks business was the best of this year. The unit delivered a positive EBIT and net sales grew from the comparison period. Centralisation of the snack bar production to the Newport factory is now completed and the service level of the factory improved from the summer.

EBIT for Raisio’s confectionery business improved and net sales increased. UK sales of Raisio’s own branded products were up by some 10 per cent due to promotional activity and to new products and gift boxes. Sales also increased in confectionery sold under our partners’ brands.

EBIT for the Northern European operations improved and net sales increased. Elovena, Benecol and new products sold well. Sales also increased in catering, bakery and industrial products. Non-dairy business divested in the spring 2013 is not included in the comparison period figures so the figures are comparable.

EBIT for the Eastern European operations was at the comparison period level, although net sales were slightly below the comparison period. Russia and Ukraine achieved positive EBIT. In Russia, sales in Nordic flakes increased by almost 10 per cent.

EBIT for the Benecol business was at the comparison period level while net sales were slightly higher than in the comparison period.

January-September

In January-September, net sales for the Brands Division totalled EUR 221.5 (226.7) million. Net sales for the Consumer brands unit were EUR 196.0 (201.2) million and for the Licensed brands unit, or Benecol business, EUR 31.6 (31.6) million. Brands Division's largest market area, the UK, accounts for more than 40 per cent, Finland some 20 per cent and the rest of the world less than 40 per cent.

In January-September, EBIT for the Brands Division amounted to EUR 23.8 (27.7) and, excluding one-off items, 25.3 (31.3) million, which is 10.8 (12.2) and, excluding one-off items, 11.4 (13.8) per cent of net sales.

Business operations

Consumer brands, Western Europe

CEREALS AND SNACKS

Supported by promotional sales, the sales volume in Honey Monster cereals was at the comparison period level. After the review period in October, Raisio announced plans to renew its Sugar Puffs brand. New Honey Monster Puffs cereals contain less sugar and more honey. The cereals were renewed to meet consumer needs and they will be in stores later this year. Their relaunch will be supported with an extensive advertising campaign.

Centralisation of the snack bar production to the Newport factory in South Wales will increase manufacturing flexibility and enhance cost efficiency. During the introduction phase, the factory service level declined, but it has improved from the early summer as a result of personnel training and corrective measures taken.

The Newport factory is one of the largest snack bar manufacturers in Europe. Sales in snack bars sold under our partners' brands increased by some 20 per cent from the comparison period. Demand for healthy snack bars, in particular, is on the rise and Raisio, together with its partners, is well positioned to respond to the consumer demand with new products.

CONFECTIONERY

During the current year, Raisio has implemented a significant investment to enhance operational efficiency by transferring the production of the closed Skegness confectionery factory to the Leicester factory in the UK and to the Czech Rohatec factory. Through the centralisation and enhancement investments, Raisio's price competitiveness will improve, production capacity and flexibility will be increased and high product quality can be ensured. After the test runs and finalisations during the summer and early autumn, the aim is to take advantage of the new capacity and to increase sales.

The UK factory produces boils, toffees and mint and chocolate candies. All Raisio's soft gum production is centralised in the Czech Republic. For example, the production line of filled liquorice at the Rohatec factory introduced in late 2012 is running at full capacity. Confectionery made in the Czech Republic is exported to more than 40 countries. In addition to our own branded products, Raisio produces confectionery sold under our partners' brands.

Consumer brands, Northern Europe

Results from the restructuring of our Northern European operations started at the end of 2012 have shown in good sales development, particularly in our focus brands. In the review period, sales in Elovena, Benecol and Provena products increased significantly. Sales in Elovena novelties, such as instant porridges and Moumin snack biscuits launched in the spring, were also at good levels and accordant with our objective. Elovena Porridge Bar introduced in late summer strengthened the new popularity of porridge.

Raisio's branded products sold in Finland meet consumer needs and are in accordance with consumer trends and nutrition recommendations. At the end of September, Raisio launched new Benecol yogurts complementing the Benecol product range.

Consumer brands, Eastern Europe

Raisio decreased its flake import to Ukraine and reduced its accounts receivables and credit loss risk. Products were supplied to those Ukrainian customers whose liquidity is good. In Russia, Raisio raised product prices in order to maintain margins. Sales in Nordic flakes were up in the review period.

Tight price competition in cholesterol-lowering functional spreads continued in Poland. Benecol products clearly maintained their market leader position, although sales in spreads were down from the comparison period as two retail chains merged and removed the products from their offerings.

Licensed brands, Benecol

The market for cholesterol-lowering functional foods as a whole remained steady, as in the previous quarters in 2014. There are still significant differences between the countries regarding the sales development of Benecol products.

In the UK and Spain, sales in Benecol yogurt drinks were up due to enhanced product distribution. In Thailand, political instability was reflected in reduced sales. In Hong Kong, Benecol product sales increased as a result of TV advertising and enhanced distribution. In general, Benecol product sales grow when a partner focuses on advertising, marketing and product distribution.

Licensed brands, Benemilk

Benemilk is conducting numerous commercial negotiations in Asia, North America, Oceania and Europe. With some partner candidates, we have proceeded to the planning and implementation phase of feeding trials, which are conducted together with independent research institutes.

Benemilk aims at international commercialisation of the innovation and building a successful business. With the Benemilk innovation, it is possible to dramatically enhance the productivity and efficiency of the global dairy industry. According to the best current estimate, the first Benemilk launches could take place at the end of 2015.

RAISIOAGRO DIVISION

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

		7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
Net sales	M€	54.4	76.4	166.0	200.8	254.2
EBIT	M€	-0.3	2.6	-6.5	3.3	3.1
One-off items	M€	-2.4	0.0	-9.9	0.0	0.0
EBIT, excluding one-off items	M€	2.0	2.6	3.4	3.3	3.1
EBIT, excluding one-off items	%	3.7	3.4	2.1	1.7	1.2
Investments	M€	0.1	0.3	0.9	1.6	2.3
Net assets	M€	-	-	49.4	68.8	52.4

Financial development

<u>July-September</u>

Raisioagro's net sales totalled EUR 54.4 (76.4) million. Sales volume of Benemilk feeds increased. The most significant factor decreasing Raisioagro's net sales from the comparison period was the reduced sales volume in pig and poultry feeds as a result of the decision to terminate the production. The shutdown at the oil milling factory started in January 2014 also decreased Raisioagro's net sales from the comparison period, when the factory was still operating. Net sales were also decreased by the impact of reduced raw material prices on selling prices. Sales volumes in fertilisers and liquid fuels declined after the strong growth in the early summer. Sales for Raisioagro's online store were up by almost 40 per cent.

Raisioagro's EBIT, excluding one-off items, was EUR 2.0 (2.6) and, including one-off items, -0.3 million. The impact of net sales of almost 30 per cent lower than in the comparison period on EBIT was small, since the share of low-margin products in the range decreased substantially and the whole Division's relative profitability improved. EBIT excluding one-off items was 3.7 (3.4) per cent of net sales.

A total of EUR 2.4 million was recorded in Raisioagro's review period EBIT as expenses related to the termination of pig and poultry feed production. In January-September the business restructuring has resulted in a one-off cost of some EUR 10 million. The cost benefits resulting from the termination of pig and poultry feed production will be realised with a delay.

<u>January-September</u>

Raisioagro's net sales totalled EUR 166.0 (200.8) million. Feeds and farming supplies accounted for some 85 per cent of Raisioagro's net sales while protein meals, vegetable oils and grains accounted for some 15 per cent.

In January-September, the Division's EBIT was EUR 3.4 (3.3) and, including one-off items, -6.5 million. EBIT excluding one-off items was 2.1 (1.7) per cent of net sales.

Business operations

Raisioagro continued to implement its focusing strategy. The company invested in the development of Benemilk and other cattle feeds and in grass farming and silage production. The export of cattle and fish feeds was enhanced, particularly to Northwest Russia. In addition, the termination of pig and poultry feeds was prepared at the end of September.

Through its special expertise, Raisioagro improves its customers' possibilities to produce healthy food economically and sustainably.

Cattle feeds

Raisioagro renewed the product range of Benemilk feeds, continued to focus its efforts on the Benemilk feed sales and on the farm-level monitoring and developed a unique milk solids index.

The milk solids index is a new meter for measuring the efficacy of feeds. We have filed an international patent application for the meter. The index shows that all the energy that a cow receives is not equal. It can be used to anticipate the feed efficacy on an individual farm. The milk solids index is calculated based on the composition of a feed. If the index of a feed is high, a cow's protein and fat yield is better, which raises the producer's milk income compared to a feed with a low index. The milk solids index of Benemilk feeds is high.

Results from a long-term follow-up study carried out on the farms using Benemilk feeds confirm the results of Finnish and international scientific studies. Three of the six independent scientific studies have been conducted in Finland, others in Sweden, Holland and France. In Finland, the farm-level monitoring of 12-24 months has included a total of 1,760 cows. The scientific studies and farm monitoring have shown that a Benemilk-fed cow produces 2.6 kilos more of energy-corrected milk (ECM) including the increase of milk's fat and protein contents. Benemilk feeding also improved feed efficiency by 9 per cent, which means that the producer gets more milk protein and energy with the same amount of feed. Sales volume in Benemilk feeds increased in the review period while in other cattle feeds, volumes were almost at the comparison period level. During hot weather, a cow's daily consumption is below the average.

Raisioagro has a strong market share of about 40 per cent in the Finnish cattle feed market. Benemilk feeds have a market share of approximately 10 per cent of dairy cattle feeds in Finland. Raisioagro aims to significantly increase the market share of its Benemilk feeds. In late 2014, Raisioagro will arrange feeding seminars and focus on providing the farms with feeding plans helping to choose the right Benemilk feed based on the farm's own silage. This will improve the farmer's yields.

In August 2014, the first batch of the Benemilk feed was exported to St. Petersburg area. Now already several Benemilk feed batches have been delivered and the customer feedback has been positive. Raisioagro will increase its investments to increase the exports of Benemilk feeds to Northwest Russia, which is also an important market for our fish feeds. Restrictions imposed by Russia have not applied to cattle and fish feeds.

Fish feeds

Exports of fish feeds to Northwest Russia increased from the comparison period and conditions were favourable for the rainbow trout farming. About 50 per cent of Raisioagro's fish feeds are used at the fish farms in Northwest Russia.

Late summer heatwave was difficult for Finnish fish farming; as the water became warmer than normally, fish were no longer eating as usual. Due to hot weather, Raisioagro's fish feed sales in Finland were clearly down from the comparison period. Due to warm autumn, however, growing season of farmed fish is still continuing. Raisioagro is the only Finnish fish feed producer and the company's market share is above 50 per cent.

Almost 70 per cent of Raisioagro's fish feeds sold in Finland are feeds called Hercules LP and Hercules LP Opti, which reduce phosphorus emissions from rainbow trout farming by over a quarter and protect wild fish stocks. This is possible because in the Opti feeding concept about 50 per cent of fish oil used in feeds is replaced by rapeseed oil. Finnish rainbow trout is top-class health food and it was added in the green list of recommended, sustainable fish choices in the WWF's Seafood Guide.

Grains and grain trade

Raisio buys traditional contract plants, such as wheat, rye and oat for both its own use and to be resold. Kouvola and Ylivieska factories are receiving grains for feed use as before.

With the termination of pig and poultry feed production, Raisio will have grain for feed use purchased from its contract farmers, which is now released to be sold to other grain users both in Finland and export markets. Raisioagro also continues to provide its contract partners with malting barley and oilseeds.

Farming supplies and online store

Online sales of feeds and other farming supplies increased by almost 40 per cent from the comparison period. We have extended and improved features in our online store, which has, together with targeted marketing activities, significantly increased purchase events. Raisioagro will continue to develop its online store and other online services as part of the company's comprehensive customer service.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-September totalled 19.7 (23.5) million. The value of trading was EUR 86.3 (81.3) million and the average price EUR 4.38 (3.46). The closing price on 30 September 2014 was EUR 3.82.

A total of 1.1 (0.9) million restricted shares were traded in January-September. The value of trading was EUR 4.9 (3.0) million and the average price EUR 4.35 (3.39). The closing price on 30 September 2014 was EUR 3.79.

On 30 September 2014, the company had a total of 35,775 (31 December 2013: 35,007) registered shareholders. Foreign ownership of the entire share capital was 15.6 (31 December 2013: 16.1) per cent.

Raisio plc's market capitalisation at the end of September amounted to EUR 629.9 (31 December 2013: 725.7) million and, excluding the company shares held by the Group, to EUR 599.3 (31 December 2013: 702.7) million.

During the review period, a total of 299,664 restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 131,716,023 while the number of restricted shares was 33,433,007. The share capital entitled to 800,376,163 votes.

On 25 February 2014, Raisio plc on the other side and Raisio plc's Managing Director and five members of the Group's management team (hereinafter: Management), on the other, agreed on and completed a share exchange, through which Raisio plc acquired the management-owned Reso Management Oy's shares held by Management and the shareholders of Reso Management Oy received Raisio plc free shares as consideration. To implement the share exchange, Raisio plc's Board of Directors decided, 25 February 2014, on a targeted share issue where the company offered, in deviation from the shareholders' pre-emptive subscription rights,1,751,330 free shares held by the company against share consideration to Management as the shareholders of Reso Management Oy. The subscription price (assignment price) of a free share was the trade volume weighted average quotation of the company's free share on the NASDAQ OMX Helsinki Ltd in the period between 27 January and 21 February 2014, i.e. EUR 4.589.

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

The decision to issue shares is based on the authorisation granted to the Board of Directors by the Annual General Meeting of 27 March 2013. Prior to the implementation of the share exchange, Raisio plc held 22.2 per cent of the Reso Management Oy's shares and Management 77.8 per cent; after the implementation, Raisio plc is the sole owner of the Reso Management Oy's share capital. A stock exchange release concerning the share exchange, through which an incentive scheme established in the summer 2010 for Management was decided, was published on 25 February 2014. As a result of the merger entered into force on 31 August 2014, Reso Management Oy was merged into Raisio plc and dissolved.

In the review period, a total of 3,434 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 2014.

At the end of the review period, Raisio plc held 7,779,696 free shares and 212,696 restricted shares. Own shares were acquired in 2005-2012 based on the authorisations given by the Annual General Meetings, in addition to which a total of 4,482,740 free shares were transferred to Raisio plc due to the merger of Reso Management Oy on 31 August 2014. 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 0.6 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 in Raisio or its subsidiary does not entitle the holder to participate in the AGM.

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

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

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

The Board of Directors has an authority to decide on the repurchase and/or on the acceptance as collateral of a maximum of 5,000,000 free shares and 1,250,000 restricted shares. The authorisation will be valid until 30 April 2015. Furthermore, the Board of Directors has the authority to decide on share issues by disposing of a maximum of 11,500,000 free shares and a maximum of 1,460,000 restricted shares held by the company as well as by issuing a maximum of 20,000,000 new free shares. The authorisation will expire, at the latest, on 27 March 2019. The authorisations have not so far been exercised and related details on both are available in the stock exchange release published on 13 February 2014.

DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc’s Annual General Meeting (AGM) held on 27 March 2014 approved the financial statements for the financial year 1 January - 31 December 2013 and granted the members of the Board of Directors and the Supervisory Board as well as the Chief Executive Officer discharge from liability. The AGM approved the Board of Directors' proposal to pay a dividend of EUR 0.13 per share, which was paid to the shareholders on 8 April 2014.

The number of members of the Board of Directors was confirmed to be five, and Erkki Haavisto, Matti Perkonoja, Michael Ramm-Schmidt and Pirkko Rantanen-Kervinen were reappointed and Antti Tiitola was appointed as a new member; all for the term commencing at the closing of the AGM. At its meeting held after the AGM, the Board of Directors elected Perkonoja as its Chairman and Ramm-Schmidt as its Vice Chairman.

A Stock Exchange Release was published on 27 March 2014 concerning the decisions made by the AGM, in addition to which the decisions are described in the January-March Interim Report.

CHANGES IN GROUP STRUCTURE

On 31 August 2014, Reso Management Oy and Raision Konsernipalvelut Oy entirely owned by Raisio plc were merged into the parent company and dissolved. No merger consideration is paid in subsidiary mergers.

EVENTS AFTER THE REVIEW PERIOD

Raisio to end the oil milling business

The oil milling factory personnel have been laid off and production has been suspended since January 2014. According to the decisions made during the cooperation negotiations conducted back in 2012, rapeseed was crushed for only part of the year. The outlook for the sector’s better profitability is weaker than before, as the availability of Finnish seed is limited and crushing of exported seeds is not economically viable.

At the beginning of September 2014, Raisio started cooperation negotiations concerning the possible termination of oil milling business. The negotiations concerned all personnel groups, a total of 14 persons. The cooperation negotiations ended on 3 November 2014. As a result, Raisio has decided to end the oilseed crushing, close its Raisio-based oil milling factory and terminate the employments of employees on temporary layoff. Raisio will record a one-off item of some EUR 2.5 million to the last quarter of 2014 as expenses related to the termination of oil milling business.

RISKS AND SOURCES OF UNCERTAINTY IN THE NEAR FUTURE

During the period, there was no significant change in risks and sources of uncertainty in the near future.

The development of the global economy has been cautiously hopeful, especially outside the euro area. The clearest growth is seen in the US economy, supported by loose monetary policy. The UK economy is also growing, but food inflation is at rock bottom. Uncertainty in the euro area, Russia and Ukraine is rather on the increase, but we still believe that the grocery trade will remain relatively stable compared to many other industries.

Economic slowdown in Russia and Ukraine as well as fluctuations in currency values have increased the risks but, on the other hand, we have managed to decrease the amount of sales receivables. Raisio is closely monitoring the development of the situation; the company has the ability to adjust its operations to rapidly changing situations.

The EU zone’s milk quota system will come to an end in 2015. The milk quota regulates the total quantity of milk produced in Europe keeping the milk price volatility under control. The current milk quota system is considered to be a major obstacle for the competitiveness, development and efficiency in the EU dairy sector in the situation where demand for dairy products is growing globally. Reports by various parties have introduced scenarios of the impacts of the quota system removal on the Finnish milk production. Raisio sees that the dairy chain operators’ ability to innovate products in line with consumer needs and to improve the efficiency of milk production will be an essential success factor in the future. Raisio is an active innovator developing solutions for the global challenges of the food chain. Raisio’s top innovation Benemilk increases milk yields and improves the contents of milk. In addition, it enhances the efficiency of milk production by some 10 per cent. Raisioagro is continuing its determined efforts in Finland to promote Benemilk feeds, whereas the joint venture Benemilk Ltd is responsible for international commercialisation of the innovation.

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

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

GUIDANCE

Raisio estimates its EBIT for 2014 to remain below the level of 2013.

In Raisio, 4 November 2014

RAISIO PLC

Board of Directors

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

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

The interim report has not been audited.

CONDENSED FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT (M€)

	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	2013
Net sales	126.9	149.5	376.1	426.4	557.6
Expenses corresponding to products sold	-101.9	-122.8	-311.9	-349.5	-456.8
Gross profit	25.0	26.8	64.2	76.9	100.8
Other operating income and expenses, net	-15.6	-17.8	-50.1	-49.6	-67.2
EBIT	9.4	9.0	14.1	27.3	33.6
Financial income	0.2	0.3	0.8	0.8	1.0
Financial expenses	-0.4	-0.5	-1.4	-2.2	-2.8
Share of result of associates and joint ventures	0.0	0.0	0.0	0.0	0.0
Result before taxes	9.1	8.8	13.5	26.0	31.8
Income taxes	-1.4	-1.8	-2.4	-5.8	-6.0
RESULT FOR THE PERIOD	7.8	6.9	11.1	20.1	25.9
Attributable to:					
Equity holders of the parent company	7.8	7.0	11.1	20.4	26.2
Non-controlling interests	0.0	-0.1	0.0	-0.2	-0.3
Earnings per share from the profit attributable to equity holders of the parent company (€)					
Undiluted earnings per share	0.05	0.04	0.07	0.13	0.17
Diluted earnings per share	0.05	0.04	0.07	0.13	0.17

COMPREHENSIVE INCOME STATEMENT (M€)

	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	2013
Result for the period	7.8	6.9	11.1	20.1	25.9
Other comprehensive income items after taxes					
Items that may be subsequently transferred to profit or loss					
Hedging of net investments	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.1
Cash flow hedge	0.7	-0.1	0.9	0.4	0.4
Translation differences	3.0	1.9	6.2	-2.5	-3.6
Comprehensive income for the period	11.5	8.7	18.3	18.1	22.8
Components of comprehensive income:					
Equity holders of the parent company	11.5	8.8	18.3	18.3	23.1
Non-controlling interests	0.0	-0.1	0.0	-0.2	-0.3

BALANCE SHEET (M€)

	30.9.2014	30.9.2013	31.12.2013
ASSETS			
Non-current assets			
Intangible assets	46.9	39.0	41.3
Goodwill	116.0	108.6	108.5
Property, plant and equipment	110.3	113.6	114.5
Shares in associates and joint ventures	0.7	0.8	0.8
Available-for-sale financial assets	2.7	2.6	2.6
Receivables	0.0	0.1	0.1
Deferred tax assets	4.7	3.5	2.2
Total non-current assets	281.3	268.2	269.9
Current assets			
Inventories	74.7	71.1	70.9
Accounts receivables and other receivables	77.3	83.1	66.5
Financial assets at fair value through profit or loss	32.6	63.7	73.6
Cash in hand and at banks	8.9	23.1	10.3
Total current assets	193.5	241.0	221.3
Total assets	474.8	509.2	491.2
SHAREHOLDER'S EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Company shares	-20.4	-20.5	-20.4
Other equity attributable to equity holders of the parent company	322.8	318.5	323.3
Equity attributable to equity holders of the parent company	330.1	325.8	330.6
Non-controlling interests	0.0	1.2	1.1
Total shareholder's equity	330.1	327.0	331.7
Non-current liabilities			
Deferred tax liabilities	13.7	14.0	12.6
Pension contributions	0.0	0.2	0.0
Provisions	0.0	0.2	0.2
Non-current financial liabilities	17.7	37.7	34.2
Derivative contracts	0.4	0.9	0.9
Other non-current liabilities	0.1	0.1	0.1
Total non-current liabilities	31.9	53.0	48.0
Current liabilities			
Accounts payable and other liabilities	86.2	87.7	88.2
Provisions	2.4	0.1	1.2
Derivative contracts	1.3	0.7	0.9
Current financial liabilities	22.8	40.7	21.1
Total current liabilities	112.7	129.2	111.4
Total liabilities	144.7	182.2	159.5
Total shareholder's equity and liabilities	474.8	509.2	491.2

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Re-serve fund	Com-pany shares	Trans-lation diffe-rences	Other re-serves	Re-tained ear-nings	Total	Non-con-trolling interests	Total equity
Equity on 31.12.2012	27.8	2.9	88.6	-20.5	0.2	0.2	227.0	326.3	1.0	327.3
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	20.4	20.4	-0.2	20.1
Other comprehensive income items (adjusted for tax effects)										
Financial assets available for sale	-	-	-	-	-	0.0	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-	0.4	-	0.4	-	0.4
Translation differences	-	-	-	-	-2.5	-	-	-2.5	-	-2.5
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-2.5	0.4	20.4	18.3	-0.2	18.1
Business activities involving shareholders										
Dividends	-	-	-	-	-	-	-19.1	-19.1	0.4	-18.6
Unclaimed dividends	-	-	-	-	-	-	0.1	0.1	-	0.1
The share acquired from the non-controlling interest	-	-	-	-	-	-	-	0.0	0.0	0.0
Share-based payment	-	-	-	0.0	-	-	0.2	0.2	-	0.2
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	-18.8	-18.8	0.4	-18.4
Equity on 30.9.2013	27.8	2.9	88.6	-20.5	-2.3	0.7	228.6	325.8	1.2	327.0
Equity on 31.12.2013	27.8	2.9	88.6	-20.4	-3.4	0.7	234.5	330.6	1.1	331.7
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	11.1	11.1	0.0	11.1
Other comprehensive income items (adjusted for tax effects)										
Available-for-sale financial assets	-	-	-	-	-	0.0	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-	0.9	-	0.9	-	0.9
Translation differences	-	-	-	-	6.2	-	-	6.2	-	6.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	6.2	1.0	11.1	18.3	0.0	18.3
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	-	-	0.5	0.5	-	0.5
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	8.0	-26.8	-18.8	-1.1	-19.9
Equity on 30.9.2014	27.8	2.9	88.6	-20.4	2.8	9.7	218.7	330.1	0.0	330.1

CASH FLOW STATEMENT (M€)

	1-9/2014	1-9/2013	2013
Result before taxes	13.5	26.0	31.8
Adjustments	18.5	12.9	19.4
Cash flow before change in working capital	32.1	38.8	51.2
Change in accounts receivables and other receivables	-10.2	-3.1	13.3
Change in inventories	-2.6	21.0	21.0
Change in current non-interest-bearing liabilities	-5.1	-8.7	-7.3
Total change in working capital	-17.9	9.2	27.0
Financial items and taxes	-9.5	-3.3	-6.4
Cash flow from business operations	4.6	44.7	71.8
Investments in fixed assets	-12.6	-8.3	-15.0
Proceeds from sale of fixed assets	0.1	5.6	5.6
Investments on marketable securities	0.0	-0.3	-0.3
Repayment of loan receivables	0.1	0.1	0.1
Cash flow from investments	-12.4	-2.9	-9.5
Change in non-current loans	-17.0	-18.4	-21.9
Change in current loans	0.8	19.7	0.1
Repurchase of company shares	0.0	0.0	0.0
Dividend paid to equity holders of the parent company	-20.3	-18.5	-18.5
Cash flow from financial operations	-36.5	-17.2	-40.3
Change in liquid funds	-44.3	24.6	22.0
Liquid funds at the beginning of the period	83.9	61.9	61.9
Effects of changes in foreign exchange rates	0.9	0.2	0.0
Impact of change in market value on liquid funds	-0.2	0.1	0.1
Liquid funds at end of period	40.3	86.7	83.9

NOTES TO THE INTERIM REPORT

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

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

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

Interim report is shown in EUR millions.

SEGMENT INFORMATION

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

NET SALES BY SEGMENT (M€)

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	2013
Brands	75.5	73.3	221.5	226.7	304.7
Raisioagro	54.4	76.4	166.0	200.8	254.2
Other operations	0.3	0.3	0.9	1.0	1.3
Interdivisional net sales	-3.3	-0.6	-12.4	-2.1	-2.6
Total net sales	126.9	149.5	376.1	426.4	557.6

EBIT BY SEGMENT (M€)

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	2013
Brands	10.8	7.9	23.8	27.7	35.7
Raisioagro	-0.3	2.6	-6.5	3.3	3.1
Other operations	-1.0	-1.5	-3.3	-3.7	-5.1
Total EBIT	9.4	9.0	14.1	27.3	33.6

NET ASSETS BY SEGMENT (M€)

	30.9.2014	30.9.2013	31.12.2013
Brands	282.6	254.6	254.2
Raisioagro	49.4	68.8	52.4
Other operations and unallocated items	-1.9	3.5	25.2
Total net assets	330.1	327.0	331.7

INVESTMENTS BY SEGMENT (M€)

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	2013
Brands	3.1	3.5	12.9	6.3	13.4
Raisioagro	0.1	0.3	0.9	1.6	2.3
Other operations	0.2	0.1	0.4	0.9	1.0
Eliminations	0.0	0.0	0.0	0.0	-0.1
Total investments	3.4	4.0	14.2	8.7	16.5

NET SALES BY MARKET AREA (M€)

	7-9/2014	7-9/2013	1-9/2014	1-9/2013	2013
Finland	54.5	77.5	175.6	217.2	283.7
Great Britain	32.4	27.6	92.6	92.6	132.5
Rest of Europe	37.1	42.2	98.8	108.5	130.6
ROW	2.9	2.2	9.0	8.1	10.8
Total	126.9	149.5	376.1	426.4	557.6

TANGIBLE ASSETS (M€)

	30.9.2014	30.9.2013	31.12.2013
Acquisition cost at the beginning of the period	386.6	410.7	410.7
Conversion differences	4.4	-2.4	-3.4
Increase	10.3	7.1	12.6
Decrease	-5.2	-32.7	-33.3
Acquisition cost at end of period	396.2	382.7	386.6
Accumulated depreciation and impairment at the beginning of the period	272.2	287.3	287.3
Conversion difference	2.1	-1.1	-1.6
Decrease and transfers	-4.8	-27.3	-27.8
Depreciation for the period	16.4	10.3	14.2
Accumulated depreciation and impairment at end of period	285.9	269.1	272.2
Book value at end of period	110.3	113.6	114.5

PROVISIONS (M€)

	30.9.2014	30.9.2013	31.12.2013
At the beginning of the period	1.4	0.2	0.2
Increase in provisions	2.3	0.0	1.2
Provisions used	-1.2	0.0	0.0
At end of period	2.5	0.3	1.4

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	30.9.2014	30.9.2013	31.12.2013
Sales to associates and joint ventures	0.0	0.0	0.0
Purchases from associates and joint ventures	0.1	0.0	0.1
Sales to key employees in management	0.2	0.2	0.3
Purchases from key employees in management	0.4	0.6	0.8
Receivables from associates and joint ventures	0.0	0.0	0.0
Liabilities to associates and joint ventures	0.0	0.0	0.0
Receivables from the key persons in the management		10.5	10.6

CONTINGENT LIABILITIES (M€)

	30.9.2014	30.9.2013	31.12.2013
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	5.7	6.3	7.1
Other liabilities	4.7	3.8	3.5
Commitment to investment payments	0.4	0.3	0.7

DERIVATIVE CONTRACTS (M€)

	30.9.2014	30.9.2013	31.12.2013
Nominal values of derivative contracts			
Currency forward contracts	146.7	79.8	73.6
Interest rate swaps	21.7	33.6	33.7
Raw material futures		2.0	0.0

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

	Carrying amount 30.9.2014	Fair value 30.9.2014	Carrying amount 31.12.2013	Fair value 31.12.2013
Financial assets				
Financial assets available for sale*)	2.7	2.7	2.6	2.6
Loan receivables	0.0	0.0	0.1	0.1
Accounts receivables and other receivables	70.2	70.2	60.5	60.5
Investments recorded at fair value through profit or loss*)	31.4	31.4	73.6	73.6
Liquid funds	8.9	8.9	10.3	10.3
Derivatives*)	1.2	1.2	0.0	0.0
Financial liabilities				
Bank loans	39.4	39.9	54.9	56.1
Other loans	1.2	1.2	0.4	0.4
Financial leasing liabilities	0.0	0.0	0.0	0.0
Accounts payable and other liabilities	77.8	77.8	76.0	76.0
Derivatives*)	1.6	1.6	1.8	1.8

Fair value hierarchy of financial assets and liabilities measured at fair value
With the exception of the financial assets available for sale, all other financial assets and liabilities measured at fair value *) are on level 2. Fair value of the items on level 2 is defined by valuation techniques using valuations provided by the service provider's market pricing. Financial assets available for sale are on level 3 because their fair value is not based on observable market data.

QUARTERLY PERFORMANCE (M€)

	7-9/ 2014	4-6/ 2014	1-3/ 2014	10-12/ 2013	7-9/ 2013	4-6/ 2013	1-3/ 2013
Net sales by segment							
Brands	75.5	73.7	72.3	78.0	73.3	78.1	75.2
Raisioagro	54.4	62.6	49.1	53.4	76.4	70.9	53.5
Other operations	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Interdivisional net sales	-3.3	-4.2	-5.0	-0.5	-0.6	-0.7	-0.8
Total net sales	126.9	132.5	116.7	131.2	149.5	148.6	128.3
EBIT by segment							
Brands	10.8	8.2	4.9	7.9	7.9	10.5	9.4
Raisioagro	-0.3	-6.1	0.0	-0.3	2.6	1.3	-0.6
Other operations	-1.0	-1.2	-1.1	-1.4	-1.5	-1.4	-0.8
Total EBIT	9.4	0.8	3.9	6.3	9.0	10.4	8.0
Financial income and expenses, net	-0.3	0.0	-0.3	-0.4	-0.2	-0.8	-0.4
Share of result of associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result before taxes	9.1	0.8	3.6	5.9	8.8	9.5	7.7
Income tax	-1.4	-0.1	-0.9	-0.1	-1.8	-2.2	-1.8
Result for the period from continuing operations	7.8	0.7	2.7	5.7	6.9	7.3	5.9

KEY INDICATORS

	30.9.2014	30.9.2013	31.12.2013
Net sales, M€	376.1	426.4	557.6
Change of net sales, %	-11.8	-4.5	-4.5
Operating margin, M€	31.5	38.6	49.1
Depreciation and impairment, M€	17.5	11.2	15.5
EBIT, M€	14.1	27.3	33.6
% of net sales	3.7	6.4	6.0
Result before taxes, M€	13.5	26.0	31.8
% of net sales	3.6	6.1	5.7
Return on equity, ROE, %	4.5	8.2	7.9
Return on investment, ROI, %	5.2	9.1	8.6
Interest-bearing financial liabilities at end of period, M€	40.6	78.4	55.4
Net interest-bearing financial liabilities at end of period, M€	0.3	-8.4	-28.5
Equity ratio, %	69.8	64.5	68.2
Net gearing, %	0.1	-2.6	-8.6
Gross investments, M€	14.2	8.7	16.5
% of net sales	3.8	2.0	3.0
R & D expenses, M€	4.8	4.7	6.3
% of net sales	1.3	1.1	1.1
Average personnel	1,926	1,953	1,946
Earnings/share from continuing operations, €	0.07	0.13	0.17
Cash flow from operations/share, €	0.03	0.29	0.46
Equity/share, €	2.10	2.10	2.13
Average number of shares during the period, in 1,000s*)			
Free shares	123,380	121,589	121,619
Restricted shares	33,418	33,808	33,778
Total	156,798	155,396	155,397
Average number of shares at end of period, in 1,000s*)			
Free shares	123,936	121,647	121,882
Restricted shares	33,220	33,752	33,520
Total	157,157	155,399	155,402
Market capitalisation of shares at end of period, M€*)			
Free shares	473.4	523.1	532.6
Restricted shares	125.9	141.8	150.5
Total	599.3	664.8	683.1
Share price at end of period			
Free shares	3.82	4.30	4.37
Restricted shares	3.79	4.20	4.49

*) 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