RAISIO

RAISIO PLC

Interim Report 1 January – 30 September 2011

RAISIO'S EBIT EUR 10.7 MILLION, IMPROVEMENT OF +70%

July-September 2011, continuing operations

- Net sales growth +28%, net sales EUR 141.7 million (Q3/2010: EUR 111.0 million).
- EBIT EUR 10.7 million (Q3/2010: EUR 6.3 million) accounting for 7.5% (5.7%) of net sales.
- Due to strong cash flow, Raisio is again a net debt free company.
- Good profitability in the Brands Division, EBIT 12.8% (10.3%) of net sales.
- Business to Business Division is now Raisioagro following the renewal of legal and operational structures. Raisioagro includes feeds, grain trade, protein meals and plant oils, production inputs and bioenergy.
- Raisioagro's profitability improved slightly, EBIT 0.7% (0.5%) of net sales.

Outlook remains unchanged

Raisio continues implementing its growth phase according to plan. We expect net sales growth for 2011, especially for the Brands Division. In terms of the Group's development, it remains essential to pay attention to the impact of raw material price volatility on net sales. Activeness in growth projects brings extensive costs in relation to the company size, thus undermining profitability in the short term. The Group's target is to maintain the earlier profitability level of 4-5% also during the growth phase.

Raisio Group's key figures

		Q3/ 2011	Q3/ 2010	Q1-Q3/ 2011	Q1-Q3/ 2010	2010
Results from continuing operations						
Net sales	M€	141.7	111.0	413.9	309.7	423.6
Change in net sales	%	27.6	22.2	33.6	17.0	21.0
EBIT	M€	10.7	6.3	26.9*	16.6	19.2
EBIT	%	7.5	5.7	6.5*	5.3	4.5
Depreciation and impairment	M€	4.5	4.0	12.5	11.2	15.1
EBITDA	M€	15.2	10.2	39.4*	27.7	34.3
Net financial expenses	M€	-0.2	0.8	-1.2*	-2.2	-1.9
Earnings per share (EPS)	€	0.05	0.03	0.13*	0.07	0.08
Earnings per share (EPS), diluted	€	0.05	0.03	0.13*	0.07	0.08
Balance sheet						
Equity ratio	%	-	-	60.5	69.0	67.6
Gearing	%	-	-	-0.2	-18.3	-22.5
Net interest-bearing debt	M€	-	-	-0.7	-58.7	-72.9
Equity per share	€	-	-	2.08	2.04	2.06
Gross investments	M€	1.9	3.2	68.6**	45.8**	48.5**
Share						
Market capitalisation***	M€	-	-	374.4	470.7	439.1
Enterprise value (EV)	M€	-	-	373.7	397.0	356.1
EV/EBITDA		-	-	8.1	11.4	10.4

* Excluding one-off items
** Including acquisitions
*** Excluding the company shares held by the Group
The figures for the comparison period are given in brackets in the text.

Chief Executive's review

”Raisio reported all-time best quarterly result in the third quarter of 2011. The Brands Division's EBIT improved by over 60% from the comparison period. Raisio has grown through the acquisitions completed in the UK. In Finland, the market situation is tight, which is also reflected in profitability. Despite the global economic instability, Benecol's profitability remained at its ordinary, good level.

After the three first quarters of 2011, the Brands Division's EBIT was at its normal, full-year target level, or 10% of net sales. Raisioagro's profit target, EUR 10 million annually, will not be achieved this year, but the direction is correct.

After the acquisition of Big Bear Group carried out last February and the divestment of malt business completed last summer, Raisio is again a net debt free company due to our strong cash flow. This further strengthens our ability to continue the growth phase through acquisitions. After the first quarter, our interest bearing net debt amounted to EUR 50.7 million, now it is EUR -0.7 million.

As a significant partner for Finnish livestock and grain farms, we have been looking for ways to improve competitive conditions and profitability in the long term. Raisio renewed its operational and legal structures by centralising feeds and feed components, grain trade, inputs and bioenergy under the same Division. At the same time, Raisio Feed Ltd became Raisioagro Ltd. Officially, the new company name will be introduced on 1 January 2012, but our new way to operate, centralised production and reformed organisation are already in use. With the restructuring, we aim at cost-effective services and close customer cooperation.

Raisio continues the implementation of the growth phase according to plan. Our target is to become the leading snack company in Northern Europe. With the completed acquisitions, Raisio has shown its ability to grow profitably in line with its strategy.”

RESULT FROM THE GROUP'S CONTINUING OPERATIONS

Financial reporting

Raisio Group reports on its performance in line with continuing operations. All figures mentioned in this review are comparable. The malt business divested in the summer 2011 is reported under discontinued operations. The Divisions reported in line with continuing operations include Brands and Raisioagro.

The Brands Division includes international brands (Benecol) and local brands. Local brands are examined by key market areas in the text. Western European operations have been reported as part of the local brands from the second quarter of 2010, after the completed Glisten acquisition. Big Bear Group is included in the figures of Western Europe starting from 4 February 2011.

Raisioagro Division includes feeds, grain trade, protein meals and plant oils, production inputs and bioenergy.

Net sales

Raisio Group's net sales in July-September totalled EUR 141.7 million (Q3/2010: EUR 111.0 million), which is 27.6% more than in the comparison period. Net sales of the Brands Division were EUR 81.5 million (EUR 63.0 million), those of the Raisioagro Division EUR 60.5 million (EUR 48.4 million) and those of other operations EUR 0.5 million (EUR 0.2 million). The Group's net sales were boosted particularly by the good quarter in the UK and feed sales.

The Group's January-September net sales were EUR 413.9 million (EUR 309.7 million), 33.6% more than in the comparison period. The Brands accounted for 56% and Raisioagro 44% of the Group's January-September net sales.

At the end of September 2011, net sales from outside Finland represented 43.4% (42.1%) of the total, amounting to EUR 179.8 million (EUR 130.5 million). The UK further strengthened its position as the largest market area of Raisio's branded products.

Result

Raisio Group's July-September EBIT was EUR 10.7 million (EUR 6.3 million) accounting for 7.5% (5.7%) of net sales. The EBIT of the Brands Division totalled EUR 10.4 million (EUR 6.5 million), that of the Raisioagro Division EUR 0.4 million (EUR 0.2 million) and that of other operations, including eliminations, EUR -0.2 million (EUR -0.4 million).

In January-September, the Group's EBIT was EUR 26.9 million and, including one-off items, EUR 25.8 million (EUR 16.6 million). The Brands Division's EBIT for the first half of 2011 included a one-off item of EUR 1.1 million resulting from acquisition costs following the due diligence process. In January-September, the Brands Division's EBIT was EUR 24.6 million and, including one-off items, EUR 23.5 million (EUR 17.1 million). Correspondingly, Raisioagro's EBIT was EUR 3.4 million (EUR 1.5 million).

Depreciation and impairment, allocated to operations in the income statement, amounted to EUR 4.5 million (EUR 4.0 million) in July-September and to EUR 12.5 million (EUR 11.2 million) in January-September.

The Group's net financial items totalled EUR -0.2 million (EUR 0.8 million) in July-September. Net financial items for January-September totalled EUR -1.2 million and, including one-off items, EUR -3.4 million (EUR -2.2 million). Additional purchase price debt of EUR 2.2 million to Raisio UK's non-controlling interest, resulting from the acquisition of Big Bear Group, has been entered in financial items in the first quarter of 2011.

The fourth-quarter pre-tax result was EUR 10.5 million (EUR 7.1 million). The pre-tax result for January-September was EUR 25.7 million and, including one-off items, EUR 22.4 million (EUR 14.4 million).

The Group's post-tax result totalled EUR 7.9 million in July-September (EUR 5.1 million). The post-tax result for January-September totalled EUR 19.6 million and, including one-off items, EUR 16.3 million (EUR 10.4 million). The Group's earnings per share for July-September were EUR 0.05 (EUR 0.03) and for January-September EUR 0.13 and, including one-off items, EUR 0.11 (EUR 0.07).

Balance sheet and cash flow

Raisio's balance sheet total at the end of September amounted to EUR 542.4 million (31 December 2010: EUR 487.2 million). Shareholders' equity totalled EUR 326.4 million (31 December 2010: EUR 324.0 million), while equity per share was EUR 2.08 (31 December 2010: EUR 2.06).

The Group's interest-bearing debt was EUR 115.7 million at the end of September (31 December 2010: EUR 67.2 million). Net interest-bearing debt was EUR -0.7 million (31 December 2010: EUR -72.9 million).

The equity ratio totalled 60.5% (31 December 2010: 67.6%) and net gearing was -0.2% (31 December 2010: -22.5%). Return on investment was 8.1% (31 December 2010: 5.0%).

Cash flow from business operations in January-September was EUR 20.9 million (EUR 10.3 million).

Working capital amounted to EUR 80.2 million at the end of the review period (31 December 2010: EUR 79.3 million).

Investments

The Group's gross investments in July-September totalled EUR 1.9 million (EUR 3.2 million), or 1.3% (2.9%) of net sales. Gross investments of the Brands Division were EUR 1.2 million (EUR 1.9 million), those of Raisioagro EUR 0.5 million (EUR 1.1 million) and those of other operations EUR 0.2 million (EUR 0.2 million). This year Raisio has renewed, e.g., the control system of the flake mill in Nokia.

The Group’s gross investments in January-September were EUR 68.6 million (EUR 45.8 million). Big Bear Group acquisition is included in the investments of the first half of 2011. Investments of the comparison period include the acquisition of Glisten shares. Raisio’s maintenance investments have stabilised at a moderate level.

Research and development

Raisio’s R&D in foods focuses on healthy, ecological and convenient snacks and on tailor-made specialty products.

In the review period, Raisioagro renewed its cattle feed range, which includes three product series for various needs of dairy farms. The series Maituri 12 000 enables high yields and ensures the well-being of animals. The Pro Maituri series aims in particular at a good protein content of milk. The Opti series optimises feeding costs, ease of feeding and effective production.

Moreover, a new concept Kunto for broiler feeding was introduced. The reform improves the growth, feed efficiency and health of birds. A protein-rich breeding concentrate was developed for young chickens grown for egg laying. Moreover, Raisioagro entered into a cooperation agreement with HKScan Ab regarding the feeds and feeding methods used in rapeseed fed pork concept in Sweden.

Raisio has developed a concept called Closed Circuit Cultivation CCC ® measuring environmental impacts. With the measured data provided by this tool, it is possible to reduce environmental impacts in the primary production. Raisio provides its contract farmers with a tool called CarbonPlus so that farmers can have detailed information on the factors affecting the carbon footprint of field cultivation, and estimate the impact of different farming measures on the carbon footprint at their own farms. It is important to increase the awareness of measured environmental impacts also in primary production in order to reduce the impacts generated during the lifecycle of products and the entire chain.

Raisio Group’s investment in R&D in July-September totalled EUR 1.4 million (EUR 1.4 million) accounting for 1.0% (1.3%) of the Group’s net sales. R&D investments of the Brands Division amounted to EUR 1.1 million (EUR 1.2 million) and those of Raisioagro EUR 0.2 million (EUR 0.2 million). Raisio’s investments in R&D in January-September were EUR 4.9 million (EUR 4.1 million) accounting for 1.2% (1.3%) of net sales.

SEGMENT INFORMATION

BRANDS DIVISION

In July-September, net sales of the Brands Division increased by over 29% from the comparison period amounting to EUR 81.5 million (EUR 63.0 million). Net sales were boosted by the acquisitions the Group completed in the UK and by good business development in the largest market area for Raisio's branded products. In January-September, net sales totalled EUR 235.5 million (EUR 170.9 million). The Division accounted for some 56% of the Group's net sales.

The Brands Division's third-quarter EBIT increased by over 60% from the comparison period amounting to EUR 10.4 million (EUR 6.5 million), or 12.8% (10.3%) of net sales. With good acquisitions, Raisio has grown and is able to generate added value for its shareholders.
In January-September, the Division's EBIT was EUR 24.6 million and, including one-off items, EUR 23.5 million (EUR 17.1 million). A one-off item of EUR -1.1 million resulting from the acquisition costs has been entered in the EBIT of the first half of 2011.

As a result of the acquisition, Big Bear Group became part of the Brands Division's Western European operations from 4 February 2011. Glisten is included in the figures of the comparison period starting from the second quarter of 2010.

Local brands

July-September net sales of the local brands were up by almost 37% from the comparison period amounting to EUR 70.2 million (EUR 51.3 million). Net sales increased through good acquisitions but also organically in the company's Western and Eastern European food markets. January-September net sales totalled EUR 200.6 million (EUR 134.0 million).

Western Europe

The UK already accounts for nearly 45% of Raisio's Brands Division's net sales. In the third quarter, net sales in Western European operations increased and EBIT clearly improved from the comparison period despite the further tightened market situation in retail products.

Raisio's own brands, such as Honey Monster and Dormen, and Raisio UK's partner-brands, such as Weight Watchers, performed well with increased sales. As a result of new customers gained earlier this year, net sales in confectionery increased and EBIT improved. Sales were up in confectionery and various confectionery mixes for industrial customers.

Promotion-driven sales remained high in the UK market, which is putting some pressure on many manufactures' margins. Raisio UK's situation remained good, due to tight cost controls, interesting novelties and seasonal products. E.g., savoury snacks sold under the Dormen brand and a 'Honey Monster is Missing' promotion in Sugar Puffs generated high interest in consumers; over 100,000 took part in the website competition.

In consumer products, the market remained challenging as retailers enter the peak Christmas period. There were considerable differences in the sales development between the retail chains. Raisio's situation, however, was balanced by broad but targeted customer base and product range.

In the review period, Raisio UK also continued consolidating its production operations and announced the closure of the Park Royal site. Savoury snack production will be transferred to Southall site and most staff will be transferring to the new location as the sites are situated near to each other in London. The production transfer will be carried out during this year.

Northern Europe

Net sales in Raisio's Northern European operations rose slightly from the comparison period. In Sweden, net sales increased by some 27% from the comparison period. The growth was highest in the sales of non-dairy products. The market situation in Finnish retail trade was tight, which was reflected in profitability.

In the review period, Raisio launched a gluten-free Provena product series in Finland, Sweden, Denmark and the Baltic Countries. Demand for gluten-free products is growing strongly in Europe. The product family includes, e.g., flour mixes, flakes, instant porridges and muesli products.

Honey Monster breakfast cereal and muesli bars were launched in Finland. The range will be extended in 2012. Honey Monster cereal is also sold in Sweden and Denmark. In the first stage, Sugar Puffs honey flavoured cereal and chocolate muesli bar were launched in Finland. Honey Monster offers delicacies and variety in snacks.

Elovena snack drinks had a new seasonal flavour, velvety chocolate. Within a few weeks, the new flavour became the best-selling Elovena snack drink. Huge success considerably increased the sales in Elovena drinks. Additionally, sales in Elovena snack biscuits rose well, as especially the seasonal flavour and chocolate biscuit gained more and more consumers.

Raisio extended its range of organic products in Finland. At the moment, we already have 20 organic products; an organic version is available for all our major products. Sales in added value pasta products with fibre and whole grain have increased strongly, and Torino is the market leader in added value pasta in Finland. Sales in Benecol drinks also increased in Finland during the review period.

In Sweden, Raisio's market position further strengthened in non-dairy products sold under the Carlshamn brand. In soy-based yoghurts, Raisio's position as market second was strengthened as our market share rose to 35%.

Eastern Europe

In the third quarter of 2011, net sales of Raisio's Eastern European operations increased by 25% from the comparison period. Poland, Russia and Ukraine together still represent just a small share of the Brands Division's net sales, but Raisio aims at strong growth in its current Eastern European markets. The third quarter EBIT was positive and better than in the comparison period.

In Poland, sales in Benecol products marketed by Raisio continued to grow well and the company strengthened its position in Benecol drinks as market second of the category. Gluten free Provena products were also launched in Poland. Sales in Nordic flakes increased in Russia and Ukraine. To support organic growth, Raisio is preparing to expand into new product segments and to extend its product range.

International brands - Benecol

July-September net sales in Benecol business totalled EUR 11.4 million (EUR 11.8 million). Sales volume of plant stanol ester, the ingredient in Benecol products, rose slightly from the comparison period and profitability remained at its ordinary good level. January-September net sales were EUR 35.2 million (EUR 37.0 million) and sales volume of plant stanol ester remained at the comparison period's level.

Strong sales trend in Benecol products continued in the UK also during the third quarter. Growth in sales of Benecol products has remained strong throughout the year, and the position of the UK as the largest market of Benecol products has further strengthened. In the review period, Raisio's partner carried out an advertising campaign and various promotions boosting the growth. Moreover, the range of Benecol drinks was extended with new flavours, and spoonable snacks were launched.

In Poland, our partner's promotional activities and investments in the brand turned sales into growth. Customer awareness of Benecol products is good in Poland, although economic uncertainty together with intensified competition affected sales volume in the first half of 2011. The launch of feta type Benecol cheese was successful in Greece, and Benecol products sales increased by almost a third in the review period from the comparison period.

In Asia and South America, sales in Benecol products is growing in the markets where our partner is investing in the brand and implementing promotional campaigns. Competition remains tight in the market of cholesterol-lowering functional foods.

Global economic uncertainty has not affected the overall demand for Benecol products in the review period despite considerable differences in sales between the countries. The earlier global recession did not affect the overall demand for Benecol products either.

Key figures for the Brands Division

		Q3/2011	Q3/2010	Q1-Q3/ 2011	Q1-Q3/ 2010	2010
Net sales	M€	81.5	63.0	235.5	170.9	236.4
International brands - Benecol	M€	11.4	11.8	35.2	37.0	47.8
Local brands	M€	70.2	51.3	200.6	134.0	188.7
EBIT	M€	10.4	6.5	23.5	17.1	20.0
One-off items	M€	0.0	0.0	-1.1	0.0	0.0
EBIT, excluding one-off items	M€	10.4	6.5	24.6	17.1	20.0
EBIT	%	12.8	10.3	10.5	10.0	8.5
Investments	M€	1.2	1.9	66.4*	42.6*	43.4*
Net assets	M€	-	-	245.8	144.4	143.6

* Including acquisitions

Targets and outlook

Raisio continues its efforts in the Brands Division to ensure profitable organic growth and growth through acquisitions. The company is preparing major new product launches and expansion of sales channels in all its food markets. Raisio's target is to be the leading European operator in healthy, ecological snacks.

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

The growth in branded products in the UK is estimated to continue despite very challenging market conditions. Raisio UK continues, according to plan, to enhance its operations and to extend its brands with new products into new product segments and new sales channels. Promotion-driven sales are expected to continue at the current high level also in the future.

In the Northern European market, especially in Finland and Sweden, our target is to deliver profitable organic growth in new products meeting the customer needs, and to expand in new sales channels.

Raisio continues to work actively to strengthen the expert role of the Benecol brand, to establish new partnerships and to enter new markets with our partners mainly in Asia and South America. It is not possible to estimate the schedule for entering new markets as each country has its own regulations and authorisation policies. Regarding functional foods, these processes may take years, even for a forerunner. We are also preparing to extend our product range with new products and flavours suitable for different markets.

Raisio is intensifying cooperation with Benecol partners, e.g., in marketing measures for health care professionals, to provide the partners with the best possible support in the development of internationally top-class expert brand.

RAISIOAGRO DIVISION

Raisioagro Division includes feeds, grain trade, protein meals and plant oils, inputs and bioenergy.

July-September net sales for the Raisioagro Division increased by 25% from the comparison period totalling EUR 60.5 million (EUR 48.4 million). Net sales were mainly boosted by the impact of higher raw material prices on sales prices. In January-September, net sales totalled EUR 181.0 million (EUR 139.8 million). The Division accounted for some 44% of the Group's net sales.

The third quarter EBIT for the Raisioagro Division was EUR 0.4 million (EUR 0.2 million) accounting for 0.7% (0.5%) of net sales. In feeds, profitability improved and was clearly positive, although not yet at the target level. Our cooperation with Yara on fertilisers had a good start and Raisio is investing heavily in the development of this segment. In the review period, Raisio had to import almost 80% of seeds of rapeseed, raw material in feed protein production, as harvest in Finland was significantly below the needs of Finnish industry. Seed imports increased costs in feed protein production and reduced profitability in spite of the Finnish use of rapeseed oil for bioenergy. Freight and other premiums on top of the Matif, used as a reference price, were significant.
The Division's January-September EBIT was EUR 3.4 million (EUR 1.5 million) accounting for 1.9% (1.1%) of net sales.

In the review period, Raisio restructured the operational and legal structures of its Business to Business Division and grain trade unit by forming Raisioagro Ltd. With the new structure, Raisio has a competitive advantage, which customers can see as cost-effective and comprehensive service. Moreover, Raisioagro provides new customers with an effective and cost-competitive agro trade concept; the traditional product range in feed and grain trade has been expanded to include inputs and farming supplies that create added value for customers without heavy logistics and cost structures. With the new structure, Raisio is clarifying customer responsibilities to improve service in all areas of its operations.

Sales volume of industrial feeds remained at the comparison period's level in Finland. Raisio's total volume declined slightly. Competition in Finland was further tightened due to the internationalisation of traditional agricultural trade and the expansion of a new operator in Finland. Sales in Raisio's fish and poultry feed were up, those in pig and cattle feed slightly down.
Milk quantity received by dairies fell in the review period, but meat production increased.
In meat consumption, broiler products showed the most considerable growth. There was no significant change in Raisio's market position during the review period.

The difficult situation in Finnish pork sector continues and there is still no quick relief in sight even if the export opportunities of pork improved. Demand for dairy products is growing also internationally. At the moment, demand for Finnish milk exceeds supply and the production cannot be increased very quickly. For the whole processing chain, demand for GMO-free livestock products has grown in Finland. An increasing number of environmentally aware consumers want to know how and where the products they buy are produced. This gives responsible operators in processing industry a new opportunity to stand out from competitors. All raw materials used at Raisio are GMO-free.

Sales in fish feed rose last year by about one-fifth. Sales increased both in Finland and in exports. Heat period of the summer did not crucially affect the fish ability to eat. Due to warm autumn, growing season for fish continued longer than usual.

Key figures for the Raisioagro Division

		Q3/2011	Q3/2010	Q1-Q3/ 2011	Q1-Q3/ 2010	2010
Net sales	M€	60.5	48.4	181.0	139.8	188.8
EBIT	M€	0.4	0.2	3.4	1.5	1.9
One-off items	M€	0.0	0.0	0.0	0.0	0.0
EBIT, excluding one-off items	M€	0.4	0.2	3.4	1.5	1.9
EBIT	%	0.7	0.5	1.9	1.1	1.0
Investments	M€	0.5	1.1	1.8	2.4	3.8
Net assets	M€	-	-	78.1	73.6	71.0

Targets and outlook

Raisioagro aims to maintain its strong market position in feeds and grain trade in Finland and to improve its comprehensive service for grain and feed customers. Trade in production inputs and farming supplies will be expanded and diversified. In the new product segments, Raisio aims to grow and strengthen its market position. Raisioagro continues long-term efforts to improve the profitability of the Division.

Raisioagro's comprehensive services provide both our current and new customers with a cost-effective solution for various needs of the farms without heavy structures of agro trade. Contact persons assigned to each farm and Raisio's experts in feeding and cultivation will continue to support the customers. Specialisation of production plants allows better customised services and products.

In the short term, no significant changes are expected in volumes of industrial feed used in Finnish livestock production. Milk production is estimated to increase with growing international demand, but pork sector is still troubled by EU's overproduction.

Sufficient supply of Finnish seeds of rapeseed will continue to be a major challenge for the processing industry. At the end of the year, imports of rapeseed seeds are estimated to continue since the domestic supply is below the needs of processing industry. In feed protein business, significant imports of seeds have a negative impact on profitability and market situation if the price level does not substantially decrease.

Management of volatility in raw material prices in Raisioagro's operations continues to be essential in order to ensure the Division's competitiveness and profitability.

Grain market

Globally, the new season grain crop is sufficient to meet the demand. The US harvest remained weaker than expected which, together with the overall economic uncertainty, has made grain exchanges volatile. In recent months, Russia has been the largest operator in the global wheat trade due to this year's good crop in the Black Sea region. Global wheat crop is estimated to slightly exceed consumption but, e.g., crops of durum wheat do not meet the demand. Grain prices are at somewhat lower level compared to the same period last year.

Average and good-quality crops were harvested in Finland despite difficult harvesting conditions. Finnish grain crops cover the domestic use. In Finland, grain raw material prices remained at the level of the same period last year. Farmers have invested in grain storage capacity. Over 95% of the grain Raisio uses is from Finland. At the moment, only special grains need to be imported.

Finnish rapeseed crop was significantly lower than last year. The yield per hectare was average and arable land only a half of the comparison period. Some two-thirds of pressed seed will have to be imported. Finnish protein self-sufficiency in protein meals will be less than 15% of this year's oil plant harvest. Price volatility is expected to continue. Rapeseed cultivation should be increased considerably in Finland in the next harvest season so that protein self-sufficiency could be improved.

In the review period, Raisio and Yara Suomi Oy agreed on a cooperation project that aims to reduce environmental impacts of Raisio's contract farming and to ensure a good harvest yield with correct fertilisation. Targets and indicators provided by Raisio's Closed Circuit Cultivation CCC® concept help farmers to optimise both harvest and environmental impacts of their own farms. Raisio started the sale of Yara's low carbon footprint fertilizers.

Furthermore, Raisio and Viking Malt entered into a long-term cooperation agreement on the procurement of malting barley. According to the agreement, Raisio delivers Finnish malting barley to all Viking Malt production plants in the Baltic Sea region. The agreement ensures the development of Finnish malting barley cultivation to meet the needs of malt houses and breweries.

Personnel

Raisio Group's continuing operations employed 1,439 people at the end of September (31 December 2010: 1,234 people). 68% of the personnel (31 December 2010: 61%) were working outside Finland. At the end of the review period, the Brands Division had 1,177, Raisioagro Division 206 and service functions 56 employees.

The employee co-operation negotiations, which were started at Raisio in August 2011, ended in September. Altogether 165 employees were in the scope of the negotiations concerning the Business to Business Division and grain trade unit. A total of 14 employments were terminated for financial and production-related reasons and due to restructuring of operations.

Shares and shareholders

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-September totalled 25.2 million (34,0 million). The value of trading was EUR 62.2 million (EUR 93.5 million) and the average price EUR 2.47 (EUR 2.75). The closing price on 30 September 2011 was EUR 2.40.

A total of 0.6 million restricted shares (0.9 million) were traded in January-September. The value of trading was EUR 1.5 million (EUR 2.4 million) and the average price EUR 2.54 (EUR 2.76). The closing price on 30 September 2011 was EUR 2.39.

On 30 September 2011, the company had a total of 36,585 registered shareholders (31 December 2010: 36,174 shareholders). Foreign ownership of the entire share capital was 10.2% (31 December 2010: 12.2%).

Raisio plc's market capitalisation at the end of September amounted to EUR 396.0 million (31 December 2010: EUR 463.4 million) and, excluding the company shares held by the Group, to EUR 385.1 million (31 December 2010: EUR 451.7 million).

During the review period, no restricted shares were converted into free shares.

At the end of the review period, the number of issued free shares was 130,893,973 while the number of restricted shares was 34,255,057. The share capital entitled to 815,995,113 votes.

At the end of the review period, Raisio plc held 4,329,313 free shares and 205,245 restricted shares acquired in 2005-2009 and 2011 based on the authorisations given by the Annual General Meetings. The management-owned Reso Management Oy of which, on the basis of the agreements, Raisio plc is seen to have the control, and which is thus regarded as a subsidiary, owns 4,482,740 free shares. The number of free shares held by Raisio plc and Reso Management Oy accounts for 6.7% of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.6%. In all, the company shares held by these two companies represent 5.5% of the entire share capital and 1.6% of overall votes. Other Group companies hold no Raisio plc shares.

A share in Raisio held by the company itself or by its subsidiary does not entitle the holder to participate in the Annual General Meeting.

A total of 382,129 free shares and 3,950 restricted shares were acquired during the review period. The repurchases began on 11 July 2011 based on the authorisation given by the Annual General Meeting, by the decision made on 1 July 2011 to acquire a maximum of 4,000,000 free shares and a maximum of 1,000,000 restricted shares. The repurchase of the shares is carried out in the public trading organised by NASDAQ OMX Helsinki Ltd and it continues until the amounts above mentioned are acquired or until further notice.

In the review period, a total of 7,704 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 Annual General Meeting in 2011.

A total of 5,000 free shares assigned on the basis of the share-based incentive scheme were returned to the company according to the conditions of the scheme related to the ending of employment or contract.

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

The Raisio Group Research Foundation holds 150,510 restricted shares, which is 0.44% of the restricted shares and the votes they represent and, correspondingly, 0.09% of the whole share capital and 0.37% of the votes it represents.

Authorisations to repurchase own shares and to share issues

The Annual General Meeting (AGM) authorised the Board of Directors to decide on the repurchase of a maximum of 6,000,000 free shares and 1,500,000 restricted shares. The authorisation will be valid until 24 September 2012. Furthermore, the AGM authorised the Board of Directors to decide on the share issues by disposing of all of the company shares and any potentially repurchased own shares, a maximum total of 11,651,183 shares, 1,701,295 of which can be restricted shares at the maximum, and by issuing a maximum of 20,000,000 new free shares against payment.
The share issue authorisations will expire, at the latest, on 24 March 2016. The details of the authorisations are available in the stock exchange release published on 10 February 2011.

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

Decisions made at the Annual General Meeting

Raisio plc's Annual General Meeting (AGM) held on 24 March 2011 approved the financial statements for the financial year 1 January – 31 December 2010 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 0.10 per share, which was paid to the shareholders on 5 April 2011.

A Stock Exchange Release was published on 24 March 2011 concerning the decisions made by the Meeting, in addition to which the decisions were described, e.g., in the Interim Report of January-March.

Risks and sources of uncertainty in the near future

The growth phase is a period of changes for Raisio. During this phase, several of the company's activities are developed and business management is considerably more challenging than in ordinary circumstances. Growth projects bring costs that can be substantial in relation to the company size and it is challenging to maintain profitability at the level stated in the outlook. So far Raisio has, however, been able to exceed the set 4-5% profitability level during the growth phase despite the changes in the market environment.

Raisio sees that companies' multiples have remained high despite the recession. This means that much work will be needed so that acquisitions can be made at the multiples accordant with Raisio's objectives during the growth phase. Continuing economic crisis is expected to open up interesting prospects in the acquisition front. On the other hand, general instability in financial markets may complicate acquisition financing. These circumstances can, however, create a competitive advantage for a stable Nordic operator.

After the divestment of the malt business, Raisio has no product groups in which the price of energy, water or wastewater would be the key driver of profitability. Nevertheless, Raisioagro has activities that face major cost impacts through energy taxes and tax-related fees.

Profitability problems in livestock farms, especially in pig farms, may lead to payment failures and credit losses.

Raisio was among the first to anticipate high price volatility and a permanent upturn in the long-term fall of grain real price. Our vision is still topical since the grain raw material prices have been and will continue to be volatile. As the company's focus changed, our raw material procurement with new raw materials such as nuts, cocoa and sugar will be more diverse. In terms of the Group profitability, risk management of raw material prices will be essential also in the future, regarding both value and volume.

The risks and outlook of the businesses in the near future are further examined in the Segment Information of this Interim Report.

Raisio, 8 November 2011

RAISIO PLC

Board of Directors

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

Events:
A press and analyst event in Finnish will be arranged in Helsinki on 8 November 2011 starting at 1.00 p.m. Finnish time. It will be held Hotel Scandic Simonkenttä, in the Pavilion meeting room. The address is Simonkatu 9, Helsinki.

A teleconference in English will be held on 8 November 2011 at 3.00 p.m. Finnish time. Participants are requested to call the number +358 (0)9 8248 6281, PIN code 9745.

The interim report has not been audited.

CONDENSED FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT (M€)

	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	2010
CONTINUING OPERATIONS:					
Net sales	141.7	111.0	413.9	309.7	423.6
Expenses corresponding to products sold	-118.2	-92.4	-343.4	-255.0	-351.2
Gross profit	23.5	18.6	70.5	54.7	72.4
Other operating income and expenses, net	-12.8	-12.3	-44.7	-38.1	-53.1
EBIT	10.7	6.3	25.8	16.6	19.2
Financial income	0.9	0.8	2.1	-0.2	1.0
Financial expenses	-1.1	0.0	-5.5	-2.0	-2.9
Share of result of associated companies and joint ventures	0.0	0.0	0.1	0.0	0.0
Result before taxes	10.5	7.1	22.4	14.4	17.4
Income tax	-2.6	-2.0	-6.1	-4.1	-5.1
Result for the period from continuing operations	7.9	5.1	16.3	10.4	12.3
DISCONTINUED OPERATIONS: **Result for the period from discontinued operations**	-0.1	-0.2	4.2	-0.3	-0.1
RESULT FOR THE PERIOD	7.8	4.9	20.5	10.1	12.2
Attributable to:					
Equity holders of the parent company	7.9	5.0	20.8	10.2	12.3
Non-controlling interests	-0.1	-0.1	-0.3	-0.1	-0.1
Earnings per share from the profit attributable to equity holders of the parent company (€)					
CONTINUING OPERATIONS:					
Undiluted earnings per share	0.05	0.03	0.11	0.07	0.08
Diluted earnings per share	0.05	0.03	0.11	0.07	0.08
DISCONTINUED OPERATIONS:					
Undiluted earnings per share	0.00	0.00	0.03	0.00	0.00
Diluted earnings per share	0.00	0.00	0.03	0.00	0.00

COMPREHENSIVE INCOME STATEMENT (M€)

	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	2010
Result for the period	7.8	4.9	20.5	10.1	12.2
Other comprehensive income items					
Protection of net investments	-0.4	0.5	0.1	-0.2	-0.2
Financial assets available for sale	0.0		0.0		1.4
Cash flow hedge	-0.4		-1.1		0.0
Translation differences recognised in profit and loss on disposal of foreign operations	0.0	0.0	0.0	0.0	0.0
Gains and losses arising from translating the financial statements of foreign operations	2.8	-2.6	-0.8	1.2	1.6
Comprehensive income for the period	9.8	2.8	18.7	11.1	14.9
Components of comprehensive income:					
Equity holders of the parent company	9.9	2.8	19.0	11.1	15.1
Non-controlling interests	-0.1	0.0	-0.3	0.0	-0.1

BALANCE SHEET (M€)

	30.9.2011	30.9.2010	31.12.2010
ASSETS			
Non-current assets			
Intangible assets	37.4	10.9	10.7
Goodwill	99.5	51.3	51.9
Property, plant and equipment	118.3	107.4	106.4
Shares in associated companies and joint ventures	0.9	0.8	0.8
Financial assets available for sale	2.5	0.6	2.5
Receivables	2.5	0.4	1.7
Deferred tax assets	5.6	6.2	5.3
Total non-current assets	266.7	177.6	179.3
Current assets			
Inventories	75.2	72.8	88.2
Accounts receivables and other receivables	83.7	67.3	69.0
Financial assets at fair value through profit or loss	106.2	136.1	131.8
Cash in hand and at banks	10.6	12.1	18.9
Total current assets	275.7	288.3	307.9
Total assets	542.4	465.8	487.2
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-18.6	-17.8	-17.8
Other equity attributable to equity holders of the parent company	316.0	308.8	313.0
Equity attributable to equity holders of the parent company	325.2	318.8	323.0
Non-controlling interests	1.2	1.1	1.0
Total equity	326.4	319.9	324.0
Non-current liabilities			
Deferred tax liabilities	16.7	7.0	7.6
Pension liabilities	0.2	0.2	0.2
Reserves	0.5	1.4	1.1
Non-current financial liabilities	75.0	59.1	53.1
Derivative contracts	1.6		
Other non-current liabilities	0.1	0.1	0.1
Total non-current liabilities	94.1	67.8	62.1
Current liabilities			
Accounts payable and other liabilities	79.2	62.1	85.1
Reserves	1.4	1.6	1.7
Derivative contracts	0.5	0.0	0.1
Current financial liabilities	40.8	14.5	14.1
Total current liabilities	121.9	78.2	101.1
Total liabilities	216.0	146.0	163.2
Total equity and liabilities	542.4	465.8	487.2

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Reserve fund	Own shares	Translation differences	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 31.12.2009	27.8	2.9	88.6	-18.5	-3.7	0.0	225.0	322.0	0.0	322.0
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	10.2	10.2	-0.1	10.1
Other comprehensive income items										
Protection of net investment	-	-	-	-	-0.2	-	-	-0.2	-	-0.2
Translation differences arising from disposals of foreign operations	-	-	-	-	0.0	-	-	0.0	-	0.0
Gains and losses arising from translating the financial statements of foreign operations	-	-	-	-	1.2	-	-	1.2	-	1.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	1.0	0.0	10.2	11.2	-0.1	11.1
Dividends	-	-	-	-	-	-	-14.1	-14.1	-	-14.1
Management's holding company				-1.0				-1.0	1.2	0.2
Share-based payment	-	-	-	1.7	-	-	-1.1	0.6	-	0.6
Equity on 30.9.2010	27.8	2.9	88.6	-17.8	-2.7	0.0	220.0	318.8	1.1	319.9
Equity on 31.12.2010	27.8	2.9	88.6	-17.8	-2.4	1.4	222.5	323.0	1.0	324.0
Comprehensive income for the period										
Result for the period	-	-	-	-	-	-	20.8	20.8	-0.3	20.5
Other comprehensive income items (adjusted for tax effects)										
Protection of net investments	-	-	-	-	0.1	-	-	0.1	-	0.1
Financial assets available for sale	-	-	-	-	-	0.0	-	0.0	-	0.0
Cash flow hedge	-	-	-	-	-	-1.1	-	-1.1	-	-1.1
Gains and losses arising from translating the financial statements of foreign operations	-	-	-	-	-0.8	-	-	-0.8	-	-0.8
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-0.7	-1.2	20.8	19.0	-0.3	18.7
Dividends	-	-	-	-	-	-	-16.1	-16.1	0.4	-15.7
Unclaimed dividends								0.0		0.0
Management's holding company								0.0		0.0
Repurchase of company shares				-0.9				-0.9		-0.9
Share-based payment	-	-	-	0.0	-	-	0.2	0.2	-	0.2
Equity on 30.9.2011	27.8	2.9	88.6	-18.6	-3.1	0.2	227.4	325.2	1.2	326.4

CASH FLOW STATEMENT (M€)

	1-9/2011	1-9/2010	2010
Result before taxes, continuing operations	22.4	14.3	17.6
Result before taxes, discontinued operations	4.2	-0.3	-0.4
Adjustments	12.0	13.2	18.4
Cash flow before change in working capital	38.7	27.2	35.5
Change in accounts receivables and other receivables	-11.1	-3.0	-3.9
Change in inventories	11.9	-9.1	-24.5
Change in current non-interest-bearing liabilities	-18.5	-0.9	21.3
Total change in working capital	-17.7	-13.1	-7.1
Financial items and taxes	-0.1	-3.9	-5.4
Cash flow from business operations	20.9	10.3	23.0
Investments in fixed assets	-6.0	-8.7	-11.0
Divestment of subsidiaries	11.1	3.5	3.5
Acquisition of subsidiaries	-63.1	-22.2	-22.2
Proceeds from sale of fixed assets	2.4	0.1	0.1
Investments on marketable securities	0.0	-25.0	-25.1
Sales of securities	10.1	17.5	22.4
Loans granted	-0.9	-0.4	-0.7
Repayment of loan receivables	3.5	0.3	0.3
Cash flow from investments	-43.0	-35.0	-32.8
Change in non-current loans	16.7	-35.6	-42.6
Change in current loans	-2.0	-6.9	-6.9
Investment of related parties	0.0	1.2	1.2
Repurchase of own shares	-0.9	-1.0	-1.0
Dividend paid to equity holders of the parent company	-15.6	-14.0	-14.0
Cash flow from financial operations	-1.7	-56.3	-63.3
Change in liquid funds	-23.8	-81.0	-73.1
Liquid funds at the beginning of the period	140.1	213.0	213.0
Effects of changes in foreign exchange rates	0.2	0.5	0.5
Impact of change in market value on liquid funds	-0.1	-0.2	-0.3
Liquid funds at period-end	116.4	132.2	140.1

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 that were used in financial statements 2010 with the exception of the amendments to the principles mentioned below.

The Group has adopted the following IFRS standards or their amendments as of 1 January 2011:

Revised IAS 24 *Information concerning related parties in the financial statements*
Amendment to IAS 32 *Financial Instruments*: *Presentation – Classification of Rights Issues*
Improvements to IFRSs (May 2010)
Amended IFRIC 14 *Prepayments of a Minimum Funding Requirement*
IFRIC 19 *Extinguishing Financial liabilities with Equity Instruments*

The amendments of the standards and interpretations mentioned above have not affected the figures presented for the review period.

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

Interim report is shown in EUR millions.

SEGMENT INFORMATION

The reportable Divisions are Brands and Raisioagro (former Business to Business Division). The Brands Division is composed of international brands - Benecol, and local brands. Under the Division, the Group reports Benecol unit as well as Northern, Western and Eastern European food operations. Big Bear Group acquired in the beginning of 2011 was combined in the figures of Western European food operations as of 4 February 2011. Raisioagro includes feeds, grain trade, protein meals and plant oils, production inputs and bioenergy. The figures of the malt business sold in the end of June 2011 are reported under discontinued operations. The figures for previous periods presented in the interim report have been adjusted accordingly.

NET SALES BY SEGMENT (M€)

	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	2010
Brands	81.5	63.0	235.5	170.9	236.4
Raisioagro	60.5	48.4	181.0	139.8	188.8
Other operations	0.5	0.2	0.9	0.7	0.9
Interdivisional net sales	-0.9	-0.7	-3.6	-1.6	-2.5
Total net sales	141.7	111.0	413.9	309.7	423.6

EBIT BY SEGMENT (M€)

	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	2010
Brands	10.4	6.5	23.5	17.1	20.0
Raisioagro	0.4	0.2	3.4	1.5	1.9
Other operations	-0.4	-0.4	-1.2	-2.1	-2.8
Eliminations	0.3	0.0	0.0	0.0	0.0
Total EBIT	10.7	6.3	25.8	16.6	19.2

NET ASSETS BY SEGMENT (M€)

	30.9.2011	30.9.2010	31.12.2010
Brands	245.8	144.3	143.6
Raisioagro	78.1	73.6	71.0
Other operations, discontinued operations and unallocated items	2.5	101.8	109.4
Total net assets	326.4	319.9	324.0

INVESTMENTS BY SEGMENT (M€)

	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	2010
Brands	1.2	1.9	66.4	42.6	43.4
Raisioagro	0.5	1.1	1.8	2.4	3.8
Other operations	0.2	0.2	0.5	0.8	1.3
Eliminations	0.0	0.0	0.0	0.0	0.0
Total investments	1.9	3.2	68.6	45.8	48.5

NET SALES BY MARKET AREA (M€)

	7-9/ 2011	7-9/ 2010	1-9/ 2011	1-9/ 2010	2010
Finland	79.1	59.8	234.1	179.2	248.2
Great Britain	37.1	21.9	102.4	46.8	68.4
Rest of Europe	23.4	27.1	71.3	77.3	99.0
ROW	2.1	2.1	6.1	6.3	7.9
Total	141.7	111.0	413.9	309.7	423.6

ACQUIRED BUSINESS OPERATIONS

In 2011

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

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

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

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

Raisio Group's net sales for January-September 2011 would have been 418.1 M€ and pre-tax result from continuing operations excluding one-off items 26.2 M€ if the acquisition of business operations completed during the financial year had been combined with the consolidated financial statement from the beginning of the financial year 2011. Post-acquisition net sales of subgroup Big Bear Group was 37.8 M€ and pre-tax result 3.9 M€.

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

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

In 2010

Raisio plc made a public purchase offer for the entire share capital of British Glisten plc. The shareholders of Glisten plc approved Raisio's purchase offer on 12 March 2010, and the deal became legally valid on 8 April 2010.

Raisio UK Ltd, founded for the purpose of the acquisition, acquired the share capital of Glisten plc. After the closing of the deal, Raisio plc owned 85% and the senior management of Glisten 15% of Raisio UK Ltd's share capital. Later it was agreed to amend the shareholder agreement so that Glisten's senior management increased its ownership in Raisio UK Ltd up to 21.3%. Since Raisio is obligated to redeem the part of the management's shares, the company has been consolidated to the Group according to the shareholding of 100% and the redemption price has been treated as a liability.

The acquisition price was thus comprised of the share paid in cash and the purchase price liability later paid to Glisten management for the ownership of Raisio UK Ltd's. The part of the purchase price paid in cash was 22.2 M€ (19.5 M£). The amount of the purchase price liability was estimated to be 16.0 M€ (14.0 M£) at the time of the acquisition and it was entered on the balance sheet as a liability. The payment time of the purchase price liability is estimated to be during the third quarter of 2012.

The fees of lawyers, advisors and outside valuators related to the deal amounted to a total of administration costs of 1.1 M€ recognised in the income statement

Goodwill resulting from the acquisition was 50.9 M€ (44.6 M£). Goodwill is resulted from the income expectations of the local operations, based on the business entity's historical earning power and view of maintaining and improving the level of earnings.

Raisio Group's net sales for January-December 2010 would have been 462.8 M€ and pre-tax result excluding one-off items 17.7 M€ if the acquisition of business operations completed during the financial year had been combined with the consolidated financial statement from the beginning of the financial year 2010. The post-acquisition net sales of subgroup Glisten was 65.5 M€ and pre-tax result 4.3 M€.

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

	Fair values entered in the business combination	Carrying values before business combination
Property, plant and equipment	14.0	14.0
Trade marks	4.6	0.0
Deferred tax assets	0.2	0.0
Inventories	8.4	8.2
Accounts receivables and other receivables	14.7	14.7
Cash in hand and at banks	0.0	0.0
Total assets	42.0	37.0
Deferred tax liabilities	2.1	0.7
Reserves	0.9	0.9
Financial liabilities	32.3	32.3
Financial liabilities at fair value through profit or loss	5.1	5.1
Other liabilities	14.3	14.3
Total liabilities	54.7	53.3
Net assets	-12.7	-16.3
Acquisition cost	38.2	
Goodwill	50.9	
Purchase price paid in cash	22.2	
Financial assets of the acquired subsidiary	0.0	
Cash flow generation	22.2	

Changes in goodwill

	1-9/2011	1-9/2010	2010
Carrying amount of goodwill at the beginning of the review period	51.9	0.0	0.0
Translation differences	-1.4	1.0	0.9
Business combinations	49.0	50.3	50.9
Carrying amount of goodwill at the end of the review period	99.5	51.3	51.9

DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

Discontinued operations

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

Raisio sold its margarine business to Bunge in 2009. After the deal, the adjustment items of the purchase price as well as other items related to the sold operations have been recognised under discontinued operations in the income statement. Raisio still continues margarine sales as Bunge's distributor, in Finland and Sweden. This is presented under continuing operations for the Brands Division in the income statement.

	1-9/2011	1-9/2010	2010
Result for the discontinued operations (M€)			
Income from ordinary activities	11.8	15.7	19.6
Expenses	-12.1	-15.8	-19.4
Result before taxes	-0.3	-0.1	0.2
Taxes	0.0	0.0	-0.1
Result after taxes	-0.3	-0.1	0.1
Earnings due to discontinuation	4.5	-0.3	-0.4
Taxes	0.0	0.2	0.2
Result after taxes	4.5	-0.1	-0.2
Result for discontinued operations	4.2	-0.2	-0.1
Cash flow for the discontinued operations (M€)			
Cash flow from business operations	-2.2	-4.6	-2.5
Cash flow from investments	16.0	3.1	2.8
Cash flow from financial operations	3.0	0.0	0.0
Total cash flow	16.8	-1.5	0.4
Impact of divested operations on the Group's financial position (M€)			
Divested net assets	12.3		
Transaction price	17.0		
Transaction expenses	0.2		
Impact on earnings	4.5		
Impact on cash flow	13.2		

TANGIBLE ASSETS (M€)

	30.9.2011	30.9.2010	31.12.2010
Acquisition cost at the beginning of the period	373.9	332.7	332.7
Conversion differences	-0.7	1.3	1.9
Increase	34.1	37.6	39.9
Decrease	-23.2	-0.6	-0.5
Acquisition cost at period-end	384.1	370.9	373.9
Accumulated depreciation and impairment at the beginning of the period	267.5	237.4	237.4
Conversion difference	-0.5	1.0	1.4
Increase	8.1	15.7	15.8
Decrease and transfers	-20.7	0.0	0.0
Depreciation for the period	11.3	9.6	13.0
Accumulated depreciation and impairment at period-end	265.8	263.6	267.5
Book value at period-end	118.3	107.4	106.4

RESERVES (M€)

	30.9.2011	30.9.2010	31.12.2010
At the beginning of the period	2.8	3.1	3.1
Increase in provisions	0.0	0.9	1.1
Provisions used	-0.9	-1.0	-1.3
At period-end	1.9	3.0	2.8

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	30.9.2011	30.9.2010	31.12.2010
Sales to associated companies and joint ventures	8.1	8.2	10.8
Purchases from associated companies and joint ventures	0.1	0.0	0.2
Sales to key employees in management	0.0	0.0	0.0
Purchases from key employees in management	0.6	0.6	0.8
Receivables from associated companies and joint ventures	1.6	1.6	1.2
Liabilities to associated companies and joint ventures	0.0	0.0	0.1
Receivables from the key persons in the management	11.4	10.5	11.5

CONTINGENT LIABILITIES (M€)

	30.9.2011	30.9.2010	31.12.2010
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	8.9	9.6	9.1
Contingent liabilities for the company	0.2		
Contingent liabilities for others			
Guarantees	0.0	0.0	0.0
Other liabilities	4.0	6.6	7.0
Commitment to investment payments	0.6	1.0	0.5

DERIVATIVE CONTRACTS (M€)

	30.9.2011	30.9.2010	31.12.2010
Nominal values of derivative contracts			
Currency forward contracts	63.1	60.3	58.2
Interest rate swaps	80.2	36.0	30.8

QUARTERLY PERFORMANCE (M€)

	7-9/ 2011	4-6/ 2011	1-3/ 2011	10-12/ 2010	7-9/ 2010	4-6/ 2010	1-3/ 2010
Net sales by segment							
Brands	81.5	81.1	72.9	65.5	63.0	64.5	43.4
Raisioagro	60.5	71.0	49.5	49.0	48.4	51.4	39.9
Other operations	0.5	0.2	0.2	0.2	0.2	0.2	0.2
Interdivisional net sales	-0.9	-1.9	-0.8	-0.8	-0.7	-0.4	-0.5
Total net sales	141.7	150.5	121.7	113.9	111.0	115.7	83.0
EBIT by segment							
Brands	10.4	8.4	4.7	2.9	6.5	5.8	4.8
Raisioagro	0.4	2.3	0.7	0.4	0.2	1.2	0.1
Other operations	-0.4	-0.2	-0.5	-0.7	-0.4	-1.1	-0.6
Eliminations	0.3	-0.3	0.0	0.0	0.0	0.0	0.0
Total EBIT	10.7	10.2	4.9	2.7	6.3	5.9	4.4
Financial income and expenses, net	-0.2	-0.9	-2.3	0.3	0.8	-2.9	-0.1
Share of result of associated companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result before taxes	10.5	9.3	2.6	2.9	7.1	3.0	4.4
Income tax	-2.6	-2.2	-1.3	-1.0	-2.0	-0.8	-1.3
Result for the period from continuing operations	7.9	7.1	1.3	1.9	5.1	2.2	3.0

KEY INDICATORS

	30.9.2011	30.9.2010	31.12.2010
Net sales, M€	413.9	309.7	423.6
Change of net sales, %	33.6	17.0	21.0
Operating margin, M€	38.3	27.7	34.3
Depreciation and impairment, M€	12.5	11.2	15.1
EBIT, M€	25.8	16.6	19.2
% of net sales	6.2	5.3	4.5
Result before taxes, M€	22.4	14.4	17.4
% of net sales	5.4	4.7	4.1
Return on equity, ROE, %	6.7	4.3	3.8
Return on investment, ROI, %	8.1	5.5	5.0
Interest-bearing financial liabilities at period-end, M€	115.7	73.5	67.2
Net interest-bearing financial liabilities at period-end, M€	-0.7	-58.7	-72.9
Equity ratio, %	60.5	69.0	67.6
Net gearing, %	-0.2	-18.3	-22.5
Gross investments, M€	68.6	45.8	48.5
% of net sales	16.6	14.8	11.4
R & D expenses, M€	4.9	4.1	5.9
% of net sales	1.2	1.3	1.4
Average personnel	1 460	1 039	1 086
Earnings/share from continuing operations, €	0.11	0.07	0.08
Cash flow from operations/share, €	0.13	0.07	0.15
Equity/share, €	2.08	2.04	2.06
Average number of shares during the period, in 1,000s*)			
Free shares	122 409	123 656	122 226
Restricted shares	34 053	34 248	34 217
Total	156 462	157 904	156 443
Average number of shares at period-end, in 1,000s*)			
Free shares	122 082	126 790	122 461
Restricted shares	34 050	34 207	34 054
Total	156 132	160 997	156 515
Market capitalisation of shares at period-end, M€*)			
Free shares	293.0	371.5	344.1
Restricted shares	81.4	99.2	95.0
Total	374.4	470.7	439.1
Share price at period-end			
Free shares	2.40	2.93	2.81
Restricted shares	2.39	2.90	2.79

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

CALCULATION OF INDICATORS

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

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