RAISIO

RAISIO PLC

Interim Report 1 January – 31 March 2011

NET SALES OF RAISIO'S BRANDS DIVISION INCREASED 68%

January-March 2011

- Net sales grew by nearly 47% from the comparison period amounting to EUR 126.6 million (Q1/2010: EUR 86.4 million).
- The EBIT excluding one-off items was EUR 5.7 million (Q1/2010: EUR 4.3 million) accounting for 4.5% (5.0%) of net sales.
- Raisio's growth continued with the acquisition of British Big Bear Group in February.
- Net sales of the Brands Division increased by 68% year-over-year.
- The market situation in feed and malt businesses continued challenging. EBIT of the feed protein business was profitable.
- New research evidence showed that plant stanol ester in Benecol products has double LDL-cholesterol-lowering efficacy compared to plant sterol ester.

Outlook remains unchanged

Raisio continues implementing the 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. Our 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

		Q1/2011	Q1/2010	2010
Results from continuing operations				
Net sales	M€	126.6	86.4	443.0
Change in net sales	%	46.5	-5.2	17.9
EBIT	M€	5.7*	4.3	19.4
EBIT	%	4.5*	5.0	4.4
Depreciation and impairment	M€	4.1	3.5	15.9
EBITDA	M€	9.8*	7.8	35.3
Net financial expenses	M€	-0.1*	-0.1	-1.9
Earnings per share (EPS)	€	0.03*	0.02	0.08
Earnings per share (EPS), diluted	€	0.03*	0.02	0.08
Balance sheet				
Equity ratio	%	56.7	70.5	67.6
Gearing	%	16.5	-40.2	-22.5
Net interest-bearing debt	M€	50.7	-125.4	-72.9
Equity per share	€	1.95	2.00	2.06
Gross investments	M€	65.5**	1.5	49.1**
Share				
Market capitalisation***	M€	411.3	435.2	439.1
Enterprise value (EV)	M€	451.8	280.0	356.1
EV/EBITDA		12.1	7.6	10.1

* 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 is in the middle of the growth phase and our key targets are now net sales increase and internationalisation. During the growth phase, we have acquired two companies in the UK. According to outside estimates, both the companies were affordable in relation to their profit level since EBITDA multiples were at the level seven. With the acquisitions and through organic growth, the Group's net sales have increased by nearly 50% in a year. At the same time, we have been able to maintain our earlier profitability level in rapidly changing markets.

With the acquisitions, we have gained a solid foothold in the British breakfast and snack market as well as in the confectionery market although sweets are not in Raisio's core strategy. Big Bear acquired in February 2011 complements our earlier acquisition of Glisten extremely well and brings the necessary critical mass for the future in the UK market.

Raisio will continue to be active in the acquisition front and to carry out the growth phase as planned. The Group's strong balance sheet provides a good foundation for growth as far as there are suitable companies available fitting Raisio's strategy and meeting our preset criteria. Carefully considered acquisitions ensure profitable growth and target achievement in the long run. They also create shareholder value.

The first quarter of 2011 went as expected although our operations were also impacted by rapid market changes and, additionally, the outlook did not improve in all our businesses from the year-end situation. Sales of plant stanol ester of Benecol products did not reach the level of unexceptionally strong comparison period but remained at the level characteristic of the business. Sales of consumer products continued their upward trend in the UK. Food sales in Russia, Ukraine and Poland developed well and the rise in grain raw material prices could be passed on to product prices.

Business environment of the Business-to-Business Division remained unchanged. Deliveries of rapeseed oil surplus from the food chain to Neste Oil are in full swing. The oil is used as raw material for renewable diesel. Price competition in the feed and malt markets remained tight."

RESULT FROM THE GROUP'S CONTINUING OPERATIONS

Financial reporting

Raisio reports on its performance in line with the Group's continuing operations. The reportable Divisions are Brands and Business to Business. The Brands Division includes international brands (Benecol) and local brands. Western European operations have been reported as part of the local brands from the second quarter of 2010. Big Bear Group is included in the figures of Western European operations starting from 4 February 2011. The Business to Business Division is comprised of feed, malt and feed protein businesses.

Net sales

Raisio Group's net sales in January-March totalled EUR 126.6 million (Q1/2010: EUR 86.4 million), which is 46.5% more than in the comparison period. Net sales from outside Finland represented 41.9% (31.9%) of the total, amounting to EUR 53.0 million (EUR 27.6 million). The UK portion in the Group's net sales rose with the acquisitions to 23.8%, Finnish portion being 58.1% (68.1%).

Net sales of the Brands Division were EUR 72.9 million (EUR 43.4 million), those of the Business to Business Division EUR 54.3 million (EUR 43.3 million) and those of other operations EUR 0.2 million (EUR 0.2 million).

Major part of the net sales growth was achieved through acquisitions. Considerably higher raw material prices than in the previous year also increased net sales, which was especially seen in the Business to Business Division.

Result

Raisio's EBIT in January-March was EUR 5.7 million and, including one-off items, EUR 4.5 million (EUR 4.3 million). EBIT excluding one-off items was 4.5% (5.0%) of net sales. The Brands Division's EBIT of the first quarter included a one-off item of EUR 1.2 million resulting from acquisition costs following the due diligence process. The EBIT of the Brands Division amounted to EUR 5.8 million (EUR 4.8 million), that of the Business to Business Division EUR 0.4 million (EUR 0.1 million) and that of other operations EUR -0.5 million (EUR -0.6 million). The company's EBIT reached the target set in the outlook despite Europe's unstable economic development and its impact on food demand, expenses of other growth projects and tough price competition in feed and malt businesses.

Depreciation and impairment, allocated to operations in the income statement, totalled EUR 4.1 million (EUR 3.5 million) in January-March.

The first-quarter pre-tax result was EUR 5.6 million and, including one-off items, EUR 2.3 million (EUR 4.3 million). The Group's net financial items totalled EUR -0.1 million in January-March and, including one-off items, EUR -2.3 million (EUR -0.1 million). Additional purchase price debt to Raisio UK's non-controlling interest of EUR 2.2 million resulting from the acquisition of Big Bear Group has been recognised in financial items. Raisio's post-tax result totalled EUR 4.4 million in January-March and, including one-off items, EUR 1.0 million (EUR 3.0 million). Earnings per share for January-March were EUR 0.03 and, including one-off items, EUR 0.01 (EUR 0.02).

Balance sheet and cash flow

Raisio's balance sheet total amounted to EUR 547.0 million at the end of March (31 December 2010: EUR 487.2 million). Shareholders' equity totalled EUR 307.4 million (31 December 2010: EUR 324.0 million), while equity per share post-dividend was EUR 1.95 (31 December 2010: EUR 2.06).

The Group's interest-bearing debt was EUR 125.0 million at the end of March (31 December 2010: EUR 67.2 million). Net interest-bearing debt was EUR 50.7 million (31 December 2010: EUR -72.9 million). The equity ratio totalled 56.7% (31 December 2010: 67.6%). During the review period, a long-term credit of GBP 45 million (EUR 52 million) was raised to finance the acquisition of Big Bear Group. Raisio's net gearing was 16.5% (31 December 2010: -22.5%). Return on investment was 3.0% (31 December 2010: 5.1 %).

Cash flow from business operations in January-March was EUR -25.2 million (Q1/2010: EUR -6.3 million).

Working capital amounted to EUR 116.3 million at the end of the review period (31 December 2010: EUR 79.3 million). It was increased from the turn of the year as Big Bear Group was made part of the Group in February 2011. The value of current assets inventory also grew significantly due to increased raw material prices. Furthermore, receivables increased and payables decreased.

Raisio's interest-bearing financial assets amounted to EUR 74.4 million at the end of the review period. Including securities investments, the Group's financial assets totalled EUR 84.6 million.

Investments

Raisio's investments excluding the acquisitions have stabilised at a moderate level. The company aims to use existing capacity by controlling it more efficiently on the basis of customer information and to keep utilisation rates of the factories high.

The Group's Gross investments in January-March were EUR 65.5 million (EUR 1.5 million). The acquisition of Big Bear Group totalled EUR 64.0 million and other investments EUR 1.6 million. Investments excluding acquisitions account for 1.2% (1.7%) of net sales. Gross investments, including the acquisition, of the Brands Division were EUR 64.9 million (EUR 0.6 million), those of the Business to Business Division EUR 0.5 million (EUR 0.6 million) and those of other operations EUR 0.1 million (EUR 0.3 million).

Acquisition criteria

Growth through acquisitions offers us interesting opportunities to build international brands and expand into new product categories and new market areas, among other things. Raisio remains active in the acquisition front as far as there are suitable companies available fitting our strategy.

We have defined strict criteria that potential acquisition targets have to meet.
1) Raisio aims to enter small and growing product segments.
2) The target's consumer brand has to be strong and well-known in its own segment and market area.
3) Raisio also seeks a ready customer base and effective distribution channels.
4) Raisio will not make the acquisition if the purchase price is not at the right level, even if all other acquisition criteria were met.

Research and development

In February, a respected science journal Prostaglandins, Leukotrienes, and Essential Fatty Acids published a meta-analysis showing double efficacy of Benecol products' plant stanol ester in LDL-cholesterol lowering compared to plant sterol ester (Musa-Veloso et al. 2011).Furthermore, only plant stanol ester provides additional LDL-cholesterol lowering effect when examining higher than currently recommended daily intake. This new meta-analysis shows that the maximal LDL-cholesterol lowering efficacy is 18.2% with plant stanol ester and 9.1% with plant sterol ester. The meta-analysis is based on earlier clinical studies and it includes a total of 182 research data. In the cholesterol-lowering functional food markets consumer choices are greatly influenced by efficacy of products. These excellent research results enable us to further strengthen the position of the Benecol brand.

Raisio's R&D in foods focuses on grain and non-dairy based, healthy snacks. R&D in feeds studies, e.g., animals' nutrient needs to increase animal well-being and to improve profitability of livestock production with correctly chosen feeds. This also contributes to reduced environmental impacts of livestock production.

Technical bio-oils developed by Raisio are widely in pilot use, but greater use of these environmentally friendly products is slown down due to, e.g. current Finnish taxation. Some European forerunner countries have already taken measures that enable extensive use of bio-oils. Together with its partners, Raisio is studying possibilities to use side cuts generated in grain processing as bioenergy.

Raisio Group's investment in R&D in January-March totalled EUR 2.0 million (EUR 1.2 million), or 1.5% (1.4 %) of net sales. R&D investments of the Brands Division were EUR 1.6 million (EUR 0.9 million) and those of the Business to Business Division EUR 0.4 million (EUR 0.4 million).

SEGMENT INFORMATION

Brands division

In January-March, net sales of the Brands Division increased by nearly 68% year-over-year amounting to EUR 72.9 million (EUR 43.4 million). The Division accounted for some 57% of the Group's net sales. With 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.

EBIT of the Brands Division grew by some 21% year-over-year amounting to EUR 5.8 million (EUR 4.8 million), which is 8.0% (11.2%) of net sales. Moreover, a one-off item of EUR -1.2 million resulting from acquisition expenses was recognised in the EBIT.

Local brands

Net sales generated by local brands more than doubled year-over-year amounting to EUR 61.8 million (EUR 30.4 million). Raisio's strong consumer brands include, e.g.:

- Products under Benecol brand sold in 30 countries
- Honey Monster, Sugar Puffs, The Dormen, Harvest Cheweee and Fox's in the UK,
- Elovena, Nalle, Sunnuntai and Provena in Finland,
- Carlshamn in Sweden as well as
- Nordic in Russia and Ukraine.

Western Europe

The upward trends of Raisio's sales volume and profitability in consumer products continued in the highly volatile and promotion-driven UK market. Promotional levels in major retailers remained high, but the effectiveness of promotions did not reach the level of the comparison period due to volatile consumer demand. Increased sales were especially seen in savoury snacks for weight control and in healthy snack bars, both with our own and our customers' brands. Sales to catering and industrial customers also grew. Profitability improved despite the strong price volatility in raw materials, such as cocoa, sugar and nuts.

With the acquisition of Big Bear Group, Raisio strengthened its footprint in the UK and Western European markets. Net sales of Raisio's Western European food operations are estimated to reach some EUR 150 million, which makes the area clearly the largest of the company's food market areas. Nearly all Big Bear sales are branded and the brands have a strong market position in interesting categories of suitable size. Big Bear complements our earlier acquisition of Glisten extremely well and brings the necessary critical mass for the development of operations. We are continuing the integration of Big Bear Group to Raisio's Western European food operations.

As an example of novelty, Fox's Confectionery developed a new royal wedding pack launched in unique premium flavours and carrying the Union Jack, into all retailers. The products were well received and sold out rapidly. During this spring, Raisio has a strong programme of new product development and in-store promotional activity.

Northern Europe

At the beginning of the year, both the Benecol brand and product range were renewed. Benecol products now stand out on shop shelves in their turquoise packets. The most significant step of the spring is the expansion of product range into children's foods. Our Nalle brand now also includes delicious porridges for children. Sales of the Elovena brand grew and Raisio continues investing in breakfast and snack products by, e.g., expanding the selection of Elovena snack biscuits at the beginning of the summer.

Considerable price increases of grain raw materials and commodities, such as energy and water, have been passed on to end product prices. As a result of declined bread sales, flour sales to bakeries decreased from the comparison period.

In Sweden, sales of non-dairy products sold under the Carlshamn brand nearly doubled year-over-year. Distribution coverage of Carlshamn non-dairy products has improved and Raisio has grown faster than the market and strengthened its position as the market second in soyghurts.

Eastern Europe

In the Eastern European operations, in Russia and Ukraine, sales developed well in the first quarter of the year and sales prices were increased to match price rise of grain raw materials. In Russia, the company started using a new external logistics centre, which makes distribution and storage easier. Raisio's operations were profitable despite the price volatility in raw materials.

Spoonable Benecol snacks were successfully launched in Poland. As an expert in cholesterol lowering, Raisio continues to participate in seminars and congresses arranged for health-care professionals and to deliver information on cholesterol lowering by dietary means. Sales volumes of Elovena and Provena products increased. Raisio is preparing to expand the product families of Elovena and Benecol in Poland.

International brands - Benecol

The January-March net sales of Benecol totalled EUR 11.2 million (EUR 13.0 million). Net sales of the comparison period were exceptionally strong because of significant orders at the beginning of 2010.
In the review period, there were remarkable differences between the markets. In the UK, sales growth in Benecol products continued whereas in Poland and Spain, Benecol lost some volume due to tough competition. Profitability of the first quarter of the year was at the ordinary level of Benecol.

Together with its partners, Raisio continued to strengthen the expert role of Benecol brand. Raisio's Benecol partners carried out several marketing and sales promotion campaigns at the beginning of the year. Especially new market areas in Asia and South-America were active, which was also seen in the development of sales. Results of a meta-analysis published in an international scientific journal in February provide Raisio the opportunity to develop and market new Benecol products.

Key figures for Brands Division

		Q1/2011	Q1/2010	2010
Net sales	M€	72.9	43.4	236.4
International brands – Benecol	M€	11.2	13.0	47.8
Local brands	M€	61.8	30.4	188.7
EBIT including one-off items	M€	4.7	4.8	20.0
One-off items	M€	-1.2	0.0	0.0
EBIT	M€	5.8	4.8	20.0
EBIT	%	8.0	11.2	8.5
Investments	M€	64.9	0.6	43.4
Net assets	M€	245.4	70.1	143.6

Targets

Raisio is growing by combining ecology and health into a whole that meets consumer needs. In the Brands Division's operations, Raisio continues its efforts to increase net sales and to ensure profitable growth. The target is the same in all current and new market areas. Cooperation between Raisio's food operations continues according to already established practices. Product launches in new markets and new categories are being prepared in all the company's market areas.

Clinical studies showing the efficacy of Raisio's cholesterol-lowering Benecol products will make product launches into new markets easier and support the company's organic growth.

BUSINESS TO BUSINESS DIVISION

January-March net sales of the Business to Business Division totalled EUR 54.3 million (EUR 43.3 million). Substantial rise in raw material prices year-over-year affected net sales growth although the rise could not be passed on to sales prices of feeds in full. The Division accounted for some 43% of the Group's net sales.

The first quarter EBIT of the Business to Business Division was EUR 0.4 million (EUR 0.1 million) accounting for 0.7% (0.1 %) of net sales. Sales of rapeseed oil surplus from the food chain as raw material for renewable diesel improved the profitability of the feed protein business. On the other hand, tough price competition and breweries' increased use of raw materials substituting malt as an extract source undermined utilisation rates and profitability. In addition to the rise in raw material prices, profitability was impacted by considerably increased energy costs as well as higher costs of other products and services.

In the review period, sales volume of feeds did not reach the level of the comparison period. The company lost market share particularly in poultry feeds as a result of, e.g., price advantage of GMO feed used by a competitor. Rapeseed pork, developed by HK Ruokatalo and Raisio together, is an interesting new kind of product concept for the difficult market situation.

Raisio made a cooperation agreement with Danish DLA. The purpose of the cooperation is to increase competitiveness in the procurement of growing input range and imported raw materials.

Meat producer prices did not rise with soaring costs. Pig farms faced particularly serious difficulties as they suffered from European-wide overproduction. Due to this, freezer warehouse clearances in Germany caused further market disruptions in the relatively small Finnish market. Meat producers' predicament led to closures and temporary production brakes on farms.

Together with Boreal Plant Breeding Ltd, Raisio and Neste Oil started a project focusing on the development of higher-yielding spring rapeseed varieties suitable for renewable diesel production. By improving oil and protein content of rapeseed, a raise of up to 40% in crop yield is possible by 2020. Rapeseed is the best oil plant to use as raw material for renewable diesel in Finland. It is also the optimal choice in economic terms.

Key figures for Business to Business Division

		Q1/2011	Q1/2010	2010
Net sales	M€	54.3	43.3	208.3
Feeds	M€	46.4	38.1	180.8
Malt	M€	4.9	3.5	19.6
Other	M€	3.1	1.8	8.0
EBIT including one-off items	M€	0.4	0.1	2.1
One-off items	M€	0.0	0.0	0.0
EBIT	M€	0.4	0.1	2.1
EBIT	%	0.7	0.1	1.0
Investments	M€	0.5	0.6	4.5
Net assets	M€	111.9	87.7	84.0

Targets

Business to Business Division aims to maintain its strong market position in Finland and to improve profitability. The Division's target is also to increase the input trade to feed customers. For malt and special feeds, the aim is to increase exports.

No significant changes are expected in the Finnish livestock production. Price competition in malt is expected to remain tight. Raisio's objective is to keep the attained market position. Volatility in raw material prices is expected to continue.

Rapeseed oil deliveries to Neste Oil bring security and stability to feed protein business. Farmers are not as willing to grow rapeseed as much as in the previous year, which increases the need for seed imports. Wide pilot use of technical bio-oils continues and the products have raised a lot of interest. However, state measures are required in order to have the use of bio-oils more common. Some European forerunner countries have already taken the needed steps.

Grain market

Grain market has been extremely volatile during the whole crop year 2010-2011. Price level of grain has almost doubled all over the world compared to the crop year 2009-2010. After a few months' steady period, grain prices started rising rapidly in January 2011. The peak was reached at the beginning of February. After that prices came down 20% in less than a month, only to rise again. Price development has been similar in other agricultural commodities, such as soya, rapeseed, sugar and cocoa.

The weather has been a major factor contributing to unstable grain market. Global grain stocks are still at a moderate level, but another year of weak crop would be difficult with rapidly growing consumption demand in emerging economies. We estimate that the grain market will remain volatile until the harvest of the next crop.

Finnish grain market has developed in line with the international market. In this challenging market situation, contract farming has proven its effectiveness in Raisio's grain procurement.

Changes in group structure

Big Bear Group plc, now Ltd, with its subsidiaries became part of the Raisio Group on 4 February 2011. A total of EUR 64.0 million was paid for the Big Bear Group plc's share capital, in addition to which Raisio financed the repayment of credits of the target at the time of acquisition, granted by financial institutions and shareholders, in a total amount of EUR 30.1 million. Purchase price of the shares is not yet final and the amount may still change slightly as the determination process of final price is still underway. The acquisition resulted in new goodwill of EUR 49.6 million for the Group.

Personnel

Raisio's continuing operations employed 1,509 people at the end of March (31 December 2010: 1,257 people) with 66% (31 December 2010: 60%) of the staff employed outside Finland. At the end of the review period, the Brands Division had 1,210, the Business to Business Division 242 and the service functions 57 employees.

Shares and shareholders

The number of Raisio plc's free shares traded on NASDAQ OMX Helsinki Ltd in January-March totalled 10.4 million (12.5 million). The value of trading was EUR 27.7 million (EUR 35.0 million) and the average price EUR 2.67 (EUR 2.80). The closing price on 31 March 2011 was EUR 2.63.

A total of 0.3 million (0.3 million) restricted shares were traded in January-March. The value of trading was EUR 0.7 million (EUR 1.0 million) and the average price EUR 2.75 (EUR 2.80). The closing price on 31 March 2011 was EUR 2.62.

On 31 March 2011, the company had a total of 37,198 registered shareholders (31 December 2010: 36,174 shareholders). Foreign ownership of the entire share capital was 11.5% (31 December 2010: 12.2%).

Raisio plc's market capitalisation at the end of March amounted to EUR 434.0 million (31 December 2010: EUR 463.4 million). Excluding the company shares held by the Group, the company's market capitalisation was EUR 423.1 million (31 December 2010: EUR 451.7 million).

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

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 3,949,888 free shares and 201,295 restricted shares acquired from 2005 to 2009 based on the authorisations given by the Annual General Meeting. The management's holding company Reso Management Oy of which, on the basis of the agreements, Raisio plc is deemed 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 6.4% 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 companies represent 5.2% of the entire share capital and 1.5% 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 Annual General Meeting.

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.

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 and it was paid to the shareholders on 5 April 2011.

In the second handling in accordance with the Articles of Association, the AGM approved the Board of Directors' proposal for amending the section 9.3 of the Articles of Association to read as follows: "In the General Meeting, no shareholder's shares are entitled to vote with more votes than one tenth of the total number of votes of the shares represented at the Meeting." Furthermore, the AGM approved the Board of Directors' proposal to delete the section 17.3 which means that from now on, the term of an auditor and a deputy auditor will start at the closing of the General Meeting in which they were elected and end at the closing of the next Annual General Meeting. The amendments of the Articles of Association were entered in the Trade Register on 7 April 2011 and thus, have taken into effect.

The proposal of Osakesäästäjien Keskusliitto ry for abolition of the Supervisory Board and for amending the respective parts of the Articles of Association was rejected in the vote.

The 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 be valid until 24 March 2016 at the latest. The details of the authorisations are available in the stock exchange release published on 10 February 2011. The authorisation to repurchase own shares and to issue shares given by the AGM in 2010 expired on 24 March 2011.

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

The Chairman of the Board will be paid a monthly fee of EUR 5,000 and the members a monthly fee of EUR 2,000. Approximately 20% of the fee will be paid with the company's own shares and approximately 80% in cash.

The number of members of the Supervisory Board was confirmed to be 25. Vesa Harjunmaa, Michael Hornborg, Timo Könttä, Paavo Myllymäki, Kari Niemistö, Yrjö Ojaniemi and Hannu Tarkkonen were elected as the members of the Supervisory Board for the term commencing at the closing of the AGM and ending at the Annual General Meeting of 2014. Two of the elected members, Harjunmaa and Könttä, are new in the Supervisory Board.

The annual remuneration payable to the Chairman of the Supervisory Board will be EUR 12,000. The Chairman and the members will receive a payment of EUR 300 for each meeting. The Meeting also decided to pay the Chairman of the Supervisory Board a fee of EUR 300 for each attended Board Meeting.

Authorised public accountant Kalle Laaksonen, who was elected as a deputy auditor at the AGM of spring 2010, was now elected as a regular auditor for the financial year 2011 and he replaces Mika Kaarisalo then elected as a regular auditor. Authorised public accountant Vesa Halme was elected as a deputy auditor to replace Kalle Laaksonen. Furthermore, authorised public accountant Johan Kronberg is the other regular auditor and PricewaterhouseCoopers Ltd is the other deputy auditor in the financial year 2011.

Authorised public accountants Johan Kronberg and Kalle Laaksonen were elected as regular auditors for the financial year 2012. Authorised public accountants PricewaterhouseCoopers Ltd and Vesa Halme were elected as deputy auditors.

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, despite the changes in the market environment, Raisio has been able to maintain the set 4-5% profitability level during the growth phase.

During the growth phase implemented with acquisitions, Raisio sees that companies' multiples have remained high despite the global recession. This means that much work will be needed so that acquisitions are possible with the multiples accordant with Raisio's objectives. There is a risk that economic recovery accelerates the rise of multiples and slows down growth through acquisitions. Furthermore, general instability in financial markets may complicate acquisition financing. These circumstances can, however, create a competitive advantage for a stable Nordic player.

Raisio has product groups in which the price of energy is a significant cost factor. In the international competition, price changes do not have equal impacts on all parties in different markets. Through a competitive situation, this increases uncertainty in profitability of the product groups in question.

Raisio anticipated among the first, already in 2007, 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, both for 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.

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. Our 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, 10 May 2011

RAISIO PLC

Board of Directors

Further information:
Matti Rihko, CEO, tel. +358 400 830 727
Jyrki Paappa, CFO, tel. +358 50 5566 512
Heidi Hirvonen, Communications and IR Manager, tel. +358 50 5673 060

A press and analyst event will be arranged in Helsinki on 10 May 2011 starting at 1.00 p.m. Finnish time. It will be held at Hotel Scandic Simonkenttä, in the Pavilion meeting room. The address is Simonkatu 9, Helsinki.

A teleconference in English will be held on 10 May 2011 at 2:30 p.m. Finnish time. Participants are requested to call the number +358 9 8248 2842, PIN code 27929.

The interim report has not been audited.

CONDENSED FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT (M€)

	1-3/2011	1-3/2010	2010
CONTINUING OPERATIONS:			
Net sales	126.6	86.4	443.0
Expenses corresponding to products sold	-105.0	-70.8	-370.8
Gross profit	21.6	15.6	72.3
Other operating income and expenses, net	-17.1	-11.3	-52.9
EBIT	4.5	4.3	19.4
Financial income	0.8	0.9	1.0
Financial expenses	-3.1	-0.9	-2.9
Share of result of associated companies and joint ventures	0.0	0.0	0.0
Result before taxes	2.3	4.3	17.6
Income tax	-1.2	-1.3	-5.1
Result for the period from continuing operations	1.0	3.0	12.4
DISCONTINUED OPERATIONS: **Result for the period from discontinued operations**	0.0	0.1	-0.2
RESULT FOR THE PERIOD	1.0	3.1	12.2
Attributable to:			
Equity holders of the parent company	1.1	3.1	12.3
Non-controlling interests	-0.1	0.0	-0.1
Earnings per share from the profit attributable to equity holders of the parent company			
CONTINUING OPERATIONS:			
Undiluted earnings per share	0.01	0.02	0.08
Diluted earnings per share	0.01	0.02	0.08
DISCONTINUED OPERATIONS:			
Undiluted earnings per share	0.00	0.00	0.00
Diluted earnings per share	0.00	0.00	0.00

COMPREHENSIVE INCOME STATEMENT (M€)

	1-3/2011	1-3/2010	2010
Result for the period	1.0	3.1	12.2
Other comprehensive income items			
Protection of net investments	0.3		-0.2
Financial assets available for sale	0.0		1.4
Cash flow hedge	-0.1		0.0
Translation differences recognised in profit and loss on disposal of foreign operations	0.0	0.0	0.0
Gains and losses arising from translating the financial statements of foreign operations	-2.2	0.6	1.6
Comprehensive income for the period	-1.1	3.7	14.9
Components of comprehensive income:			
Equity holders of the parent company	-1.0	3.7	15.1
Non-controlling interests	-0.1	0.0	-0.1

BALANCE SHEET (M€)

	31.3.2011	31.3.2010	31.12.2010
ASSETS			
Non-current assets			
Intangible assets	37.4	7.1	10.7
Goodwill	98.1	0.0	51.9
Property, plant and equipment	124.3	94.0	106.4
Shares in associated companies and joint ventures	0.8	0.8	0.8
Financial assets available for sale	2.6	0.6	2.5
Receivables	2.1	0.1	1.7
Deferred tax assets	5.5	6.3	5.3
Total non-current assets	270.8	108.9	179.3
Current assets			
Inventories	113.4	69.3	88.2
Accounts receivables and other receivables	76.1	50.2	69.0
Financial assets at fair value through profit or loss	67.8	189.8	131.8
Cash in hand and at banks	18.9	28.9	18.9
Total current assets	276.2	338.2	307.9
Total assets	547.0	447.1	487.2
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-17.8	-18.6	-17.8
Other equity attributable to equity holders of the parent company	296.0	302.7	313.0
Equity attributable to equity holders of the parent company	306.0	311.8	323.0
Non-controlling interests	1.4	0.0	1.0
Total equity	307.4	311.8	324.0
Non-current liabilities			
Deferred tax liabilities	16.6	4.8	7.6
Pension liabilities	0.2	0.2	0.2
Reserves	0.9	1.2	1.1
Non-current financial liabilities	105.7	48.6	53.1
Derivative contracts	0.3		
Other non-current liabilities	0.1	0.0	0.1
Total non-current liabilities	123.8	54.8	62.1
Current liabilities			
Accounts payable and other liabilities	94.8	64.3	85.1
Reserves	1.6	1.6	1.7
Derivative contracts	0.1	0.2	0.1
Current financial liabilities	19.4	14.5	14.1
Total current liabilities	115.8	80.5	101.1
Total liabilities	239.6	135.3	163.2
Total equity and liabilities	547.0	447.1	487.2

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Reserve fund	Own shares	Translation differences	Retained earnings	Total	Non-controlling interests	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	-	-	-	-	-	-	3.1	3.1	-	3.1
Other comprehensive income items										
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	-	-	-	-	0.6	-	-	0.6	-	0.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.6	-	3.1	3.7	0.0	3.7
Dividends	-	-	-	-	-		-14.1	-14.1	-	-14.1
Share-based payment	-	-	-	0.0	-	-	0.1	0.1	-	0.1
Equity on 31.3.2010	27.8	2.9	88.6	-18.5	-3.1	0.0	214.1	311.8	0.0	311.8
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	-	-	-	-	-	-	1.1	1.1	-0.1	1.0
Other comprehensive income items (adjusted for tax effects)										
Protection of net investments	-	-	-	-	0.3	-	-	0.3	-	0.3
Cash flow hedge	-	-	-	-	-	-0.1	-	-0.1	-	-0.1
Gains and losses arising from translating the financial statements of foreign operations	-	-	-	-	-2.2	-	-	-2.2	-	-2.2
Total comprehensive income for the period	0.0	0.0	0.0	0.0	-1.9	-0.1	1.1	-1.0	-0.1	-1.1
Dividends	-	-	-	-	-		-16.1	-16.1	0.4	-15.7
Share-based payment	-	-	-	-	-	-	0.1	0.1	-	0.1
Equity on 31.3.2011	27.8	2.9	88.6	-17.8	-4.3	1.3	207.5	306.0	1.4	307.4

CASH FLOW STATEMENT (M€)

	1-3/2011	1-3/2010	2010
Result before taxes, continuing operations	2.3	4.3	17.6
Result before taxes, discontinued operations	0.0	0.0	-0.4
Adjustments	6.6	3.4	18.4
Cash flow before change in working capital	8.8	7.7	35.5
Change in accounts receivables and other receivables	-0.1	0.7	-3.9
Change in inventories	-19.2	-14.2	-24.5
Change in current non-interest-bearing liabilities	-15.0	2.3	21.3
Total change in working capital	-34.2	-11.2	-7.1
Financial items and taxes	0.2	-2.8	-5.4
Cash flow from business operations	-25.2	-6.3	23.0
Investments in fixed assets	-2.2	-2.3	-11.0
Divestment of subsidiaries	0.0	3.5	3.5
Acquisition of subsidiaries	-63.7	0.0	-22.2
Proceeds from sale of fixed assets	0.0	0.0	0.1
Investments on marketable securities	0.0	-20.0	-25.1
Sales of securities	0.0	0.0	22.4
Loans granted	-0.4	0.0	-0.7
Repayment of loan receivables	0.3	0.3	0.3
Cash flow from investments	-66.0	-18.5	-32.8
Change in non-current loans	22.6	0.0	-42.6
Change in current loans	3.0	0.0	-6.9
Investment of related parties	0.0	0.0	1.2
Repurchase of own shares	0.0	0.0	-1.0
Dividend paid to equity holders of the parent company	0.0	0.0	-14.0
Cash flow from financial operations	25.6	0.0	-63.3
Change in liquid funds	-65.6	-24.9	-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	0.1	0.5
Impact of change in market value on liquid funds	-0.2	0.2	-0.3
Liquid funds at period-end	74.4	188.4	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 Business to Business. 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 review period was combined in the figures of Western European food operations as of 4 February 2011. Business to Business Division includes the feed, malt and feed protein businesses.

NET SALES BY SEGMENT (M€)

	1-3/2011	1-3/2010	2010
Brands	72.9	43.4	236.4
Business to Business	54.3	43.3	208.3
Other operations	0.2	0.2	0.9
Interdivisional net sales	-0.8	-0.5	-2.5
Total net sales	126.6	86.4	443.0

EBIT BY SEGMENT (M€)

	1-3/2011	1-3/2010	2010
Brands	4.7	4.8	20.0
Business to Business	0.4	0.1	2.1
Other operations	-0.5	-0.6	-2.8
Eliminations	0.0	0.0	0.0
Total EBIT	4.5	4.3	19.4

NET ASSETS BY SEGMENT (M€)

	31.3.2011	31.3.2010	31.12.2010
Brands	245.4	70.1	143.6
Business to Business	111.9	87.7	84.0
Other operations and unallocated items	-49.9	154.0	96.4
Total net assets	307.4	311.8	324.0

INVESTMENTS BY SEGMENT (M€)

	1-3/2011	1-3/2010	2010
Brands	64.9	0.6	43.4
Business to Business	0.5	0.6	4.5
Other operations	0.1	0.3	1.3
Eliminations	0.0	0.0	0.0
Total investments	65.5	1.5	49.1

NET SALES BY MARKET AREA (M€)

	1-3/2011	1-3/2010	2010
Finland	73.6	58.8	256.8
Great Britain	30.1	2.3	68.4
Rest of Europe	20.5	23.3	105.5
ROW	2.4	1.9	12.4
Total	126.6	86.4	443.0

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 64.0 M€ (54.3 M£). The price now paid is not yet final. Raisio is still negotiating with the seller for the adjustment items of purchase price related to the company's balance sheet at the time of trading. The purchase price is expected to be lower than the price paid.

The fees of lawyers, advisors and outside valuators related to the deal amounted to a total of 1.8 M€. Of this amount, a total of 1.2 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 49.6 M€ (42.1 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-March 2011 would have been 130.9 M€ and pre-tax result excluding one-off items 6.1 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 9.4 M€ and pre-tax result 0.5 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	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	37.6
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	9.7	9.7
Total liabilities	51.7	44.0
Net assets	14.4	-6.4
Acquisition cost	64.0	
Goodwill	49.6	
Purchase price paid in cash	64.0	
Financial assets of the acquired subsidiary	0.2	
Cash flow generation	63.7	

The business combinations of the acquisition is not finished because of the ongoing negotiations for the final purchase price.

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

	1-3/2011	1-3/2010	2010
Carrying amount of goodwill at the beginning of the review period.	51,9	0,0	0,0
Translation differences	-3,3		0,9
Business combinations	49,6	0,0	50,9
Carrying amount of goodwill at the end of the review period	98,1	0,0	51,9

DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

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 in the income statement.

	1-3/2011	1-3/2010	2010
Result for the discontinued operations (M€)			
Earnings due to discontinuation	0.0	0.0	-0.4
Taxes	0.0	0.1	0.2
Result after taxes	0.0	0.1	-0.2
Result for discontinued operations	0.0	0.1	-0.2
Cash flow for the discontinued operations (M€)			
Cash flow from business operations	0.0	-2.3	-3.6
Cash flow from investments	0.0	3.5	3.5
Cash flow from financial operations	0.0	0.0	0.0
Total cash flow	0.0	1.2	-0.2

TANGIBLE ASSETS (M€)

	31.3.2011	31.3.2010	31.12.2010
Acquisition cost at the beginning of the period	373.9	332.7	332.7
Conversion differences	-2.0	1.8	1.9
Increase	30.1	1.1	39.9
Decrease	-0.1	0.0	-0.5
Acquisition cost at period-end	401.8	335.6	373.9
Accumulated depreciation and impairment at the beginning of the period	267.5	237.4	237.4
Conversion difference	-1.4	1.4	1.4
Increase	8.0	0.0	15.8
Decrease and transfers	-0.1	0.0	0.0
Depreciation for the period	3.6	2.8	13.0
Accumulated depreciation and impairment at period-end	277.5	241.5	267.5
Book value at period-end	124.3	94.0	106.4

RESERVES (M€)

	31.3.2011	31.3.2010	31.12.2010
At the beginning of the period	2.8	3.1	3.1
Increase in provisions	0.0	0.0	1.1
Provisions used	-0.3	-0.2	-1.3
At period-end	2.5	2.9	2.8

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	31.3.2011	31.3.2010	31.12.2010
Sales to associated companies and joint ventures	2.7	3.0	10.8
Purchases from associated companies and joint ventures	0.0	0.1	0.2
Sales to key employees in management	0.0	0.0	0.0
Purchases from key employees in management	0.4	0.3	0.8
Receivables from associated companies and joint ventures	1.3	1.5	1.2
Liabilities to associated companies and joint ventures	0.0	0.1	0.1
Receivables from the key persons in the management	11.5		11.5

CONTINGENT LIABILITIES (M€)

	31.3.2011	31.3.2010	31.12.2010
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	12.5	1.3	9.1
Contingent liabilities for the company		22.6	
Contingent liabilities for others			
Guarantees	0.0	0.0	0.0
Other liabilities	6.9	4.1	7.0
Commitment to investment payments	1.1	1.8	0.5

DERIVATIVE CONTRACTS (M€)

	31.3.2011	31.3.2010	31.12.2010
Nominal values of derivative contracts			
Currency forward contracts	75.3	7.0	58.2
Interest rate swaps	83.7	39.4	30.8

QUARTERLY PERFORMANCE (M€)

	1-3/2011	10-12/ 2010	7-9/ 2010	4-6/ 2010	1-3/ 2010
Net sales by segment					
Brands	72.9	65.5	63.0	64.5	43.4
Business to Business	54.3	53.0	56.3	55.6	43.3
Other operations	0.2	0.2	0.2	0.2	0.2
Interdivisional net sales	-0.8	-0.8	-0.7	-0.4	-0.5
Total net sales	126.6	117.8	118.9	120.0	86.4
EBIT by segment					
Brands	4.7	2.9	6.5	5.8	4.8
Business to Business	0.4	0.7	0.0	1.3	0.1
Other operations	-0.5	-0.7	-0.4	-1.1	-0.6
Eliminations	0.0	0.0	0.0	0.0	0.0
Total EBIT	4.5	3.0	6.1	6.0	4.3
Financial income and expenses, net	-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
Result before taxes	2.3	3.3	6.8	3.1	4.3
Income tax	-1.2	-1.1	-1.9	-0.8	-1.3
Result for the period from continuing operations	1.0	2.2	4.9	2.3	3.0

KEY INDICATORS

	31.3.2011	31.3.2010	31.12.2010
Net sales, M€	126.6	86.4	443.0
Change of net sales, %	46.5	-5.2	17.9
Operating margin, M€	8.7	7.8	35.4
Depreciation and impairment, M€	4.1	3.5	15.9
EBIT, M€	4.5	4.3	19.4
% of net sales	3.6	5.0	4.4
Result before taxes, M€	2.3	4.3	17.6
% of net sales	1.8	5.0	4.0
Return on equity, ROE, %	1.3	3.8	3.9
Return on investment, ROI, %	3.0	5.1	5.1
Interest-bearing financial liabilities at period-end, M€	125.0	63.0	67.2
Net interest-bearing financial liabilities at period-end, M€	50.7	-125.4	-72.9
Equity ratio, %	56.7	70.5	67.6
Net gearing, %	16.5	-40.2	-22.5
Gross investments, M€	65.5	1.5	49.1
% of net sales	51.8	1.7	11.1
R & D expenses, M€	2.0	1.2	6.3
% of net sales	1.5	1.4	1.4
Average personnel	1,419	601	1,111
Earnings/share from continuing operations, €	0.01	0.02	0.08
Cash flow from operations/share, €	-0.16	-0.04	0.15
Equity/share, €	1.95	2.00	2.06
Average number of shares during the period, in 1,000s*)			
Free shares	122,461	121,897	122,226
Restricted shares	34,054	34,250	34,217
Total	156,515	156,147	156,443
Average number of shares at period-end, in 1,000s*)			
Free shares	122,461	121,900	122,461
Restricted shares	34,054	34,250	34,054
Total	156,515	156,150	156,515
Market capitalisation of shares at period-end, M€*)			
Free shares	322.1	341.3	344.1
Restricted shares	89.2	93.8	95.0
Total	411.3	435.2	439.1
Share price at period-end			
Free shares	2.63	2.80	2.81
Restricted shares	2.62	2.74	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