

Financial Statements Bulletin 2015

RAISIO PLC

RAISIO PLC, FINANCIAL STATEMENTS BULLETIN 2015
January-December 2015 excluding one-off items

- The Group's EBIT excluding one-off items improved by 48% and was EUR 51.7 million (EUR 34.8 million in 2014) accounting for 9.9% (7.0%) of net sales.
- The Brands Division's EBIT excluding one-off items was EUR 55.4 million (EUR 35.9 million) accounting for 14.4% (11.7%) of net sales.
- Raisioagro's EBIT excluding one-off items was EUR 2.8 million (EUR 3.4 million).
- The Group's net sales totalled EUR 521.2 million (EUR 493.9 million).
- Cash flow from operations was EUR 65.0 million (EUR 26.2 million)
- The Board's dividend proposal is EUR 0.16 (EUR 0.14) per share, +14%.

October-December 2015 excluding one-off items

- The Group's EBIT excluding one-off items was EUR 12.0 million (Q4/2014: EUR 8.9 million), accounting for 9.8% (7.6%) of net sales.
- The Brands Division's EBIT excluding one-off items was EUR 13.9 million (EUR 10.6 million), accounting for 14.3% (12.5%) of net sales.
- Raisioagro's EBIT excluding one-off items was EUR 0.0 million (EUR 0.0 million).
- The Group's net sales totalled EUR 122.7 million (EUR 117.8 million).

Raisio Group's key figures

| | | Q4 2015 | Q4/ 2014 | Q3/ 2015 | Q2/ 2015 | Q1 2015 | 2015 | 2014 |
|---|----|------------|-------------|-------------|-------------|------------|-------|-------|
| Result | | | | | | | | |
| Net sales | M€ | 122.7 | 117.8 | 134.5 | 141.5 | 122.5 | 521.2 | 493.9 |
| Change in net sales | % | 4.2 | -10.2 | 5.9 | 6.8 | 5.0 | 5.5 | -11.4 |
| EBIT | M€ | 5.7 | -7.2 | 16.0 | 11.1 | 9.6 | 42.4 | 6.9 |
| EBIT, excluding one-off items | M€ | 12.0 | 8.9 | 16.0 | 14.0 | 9.6 | 51.7 | 34.8 |
| EBIT, excluding one-off items | % | 9.8 | 7.6 | 11.9 | 9.9 | 7.9 | 9.9 | 7.0 |
| Depreciation and impairment | M€ | 7.1 | 15.4 | 3.5 | 6.9 | 3.6 | 21.1 | 32.9 |
| Depreciation and impairment, excluding one-off items | M€ | 3.5 | 3.4 | 3.5 | 5.9 | 3.6 | 16.5 | 14.6 |
| EBITDA | M€ | 12.8 | 8.3 | 19.5 | 18.0 | 13.2 | 63.6 | 39.8 |
| EBITDA excluding one-off items | M€ | 15.4 | 12.3 | 19.5 | 20.0 | 13.2 | 68.1 | 49.5 |
| Financial items | M€ | -1.0 | -1.0 | -0.7 | -0.4 | -0.5 | -2.5 | -1.5 |
| Earnings per share (EPS) | € | 0.04 | -0.04 | 0.08 | 0.05 | 0.05 | 0.22 | 0.04 |
| Earnings per share (EPS) excluding one-off items | € | 0.06 | 0.05 | 0.08 | 0.07 | 0.05 | 0.26 | 0.18 |
| Balance sheet | | | | | | | | |
| Equity ratio | % | - | - | - | - | - | 62.3 | 60.2 |
| Gearing | % | - | - | - | - | - | 12.1 | 22.2 |
| Net interest-bearing debt | M€ | - | - | - | - | - | 42.2 | 72.2 |
| Equity per share | € | - | - | - | - | - | 2.23 | 2.07 |
| Dividend per share | € | - | - | - | - | - | 0.16* | 0.14 |
| Investments** | M€ | 3.3 | 90.7 | 2.6 | 3.0 | 2.1 | 11.0 | 104.9 |

* Board of Directors' proposal to the Annual General Meeting

** Including acquisitions

Figures for the comparison period are given in brackets. The financial statements review has not been audited.

CHIEF EXECUTIVE'S REVIEW FOR 2015

"Raisio achieved EBIT of EUR 51.7 million excluding one-off items in 2015. At the same time, the Group's EBIT margin excluding one-off items rose to 9.9 per cent. EBIT improved by nearly 17 million euros and EBIT margin by almost three percentage points, which is a strong performance in a difficult market situation.

Good results together with efficient net working capital management ensured operating cash flow of EUR 65 million.

The key factor in Raisio's profit improvement was the acquisition of Benecol consumer product business in the UK, Ireland and Belgium in November 2014. The largest market for Benecol products is the UK, where Raisio increased its marketing efforts according to plan and, as a result, Benecol product sales turned into organic growth. The growth is expected to continue this year.

At the end of 2015, Benemilk had its first Primafat order. Benemilk is no longer a pre-revenue company. In addition, the first patents were obtained in 2015."

FINANCIAL REPORTING

The reported divisions are Brands and Raisioagro.

The Brands Division includes Snack & Cereal, Benecol, Benemilk and Confectionery. Markets for the Snack & Cereal business include the UK, Northern Europe and Eastern Europe. Benecol business includes the sale of Benecol product ingredient to licensing partners and Benecol consumer product sales in home markets. Sales of Benecol consumer products in the UK, Ireland and Belgium are included in the Benecol figures from 19 November 2014. Benemilk business includes the international commercialisation and protection of the innovation, that is, the operations of Benemilk Ltd. Confectionery business includes operations in the UK and Czech Republic.

Raisioagro Division includes cattle and fish feeds, farming supplies and grain trade. At the end of September 2014, production of pig and poultry feeds was terminated as part of the restructuring of Raisioagro's activities. Vegetable oil business was terminated at the beginning of November 2014.

Figures mentioned in this review are comparable. Comparison figures in brackets refer to the corresponding date or period one year earlier unless otherwise stated.

FINANCIAL REVIEW, OCTOBER-DECEMBER 2015

NET SALES

Raisio Group's net sales totalled EUR 122.7 (117.8) million. Net sales for the Brands Division totalled EUR 97.6 (84.5) million, for Raisioagro EUR 28.3 (35.6) million and for other operations EUR 0.2 (0.3) million.

RESULT

Raisio Group's EBIT amounted to EUR 5.7 (-7.2) and, excluding one-off items, 12.0 (8.9) million, which is 4.7 (-6.1) and, excluding one-off items, 9.8 (7.6) per cent of net sales. EBIT for the Brands Division totalled EUR 6.9 (-3.3) and, excluding one-off items, 13.9 (10.6), for Raisioagro -0.4 (-2.4) and, excluding one-off items, 0.0 (0.0) million. EBIT for other operations was EUR -0.8 (-1.4) and, excluding one-off items, -1.9 (-1.6) million. One-off items affecting EBIT are specified in the Board of Directors' Report under the heading One-off items.

Exchange rates had a clear positive impact on Raisio's Brands Division net sales and EBIT also in the last quarter of 2015.

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 7.1 (15.4) and, excluding one-off items, 3.5 (3.4) million.

The Group's net financial items totalled EUR -1.0 (-1.0) million.

The Group's pre-tax result was EUR 4.8 (-8.1) and, excluding one-off items, 11.0 (8.0) million.

The Group's post-tax result totalled EUR 6.8 (-5.5) and, excluding one-off items, 9.6 (7.3) million. The Group's earnings per share were EUR 0.04 (-0.04) and, excluding one-off items, 0.06 (0.05).

INVESTMENTS

The Group's investments were EUR 3.3 (90.7 and, excluding acquisitions, 3.7) million, which is 2.7 (76.9 and, excluding acquisitions, 3.1) per cent of net sales. Investments for the Brands Division totalled EUR 2.7 (90.2 and, excluding acquisitions, 3.2), for Raisioagro EUR 0.2 (0.2) and for other operations EUR 0.5 (0.3) million.

SEGMENT INFORMATION

BRANDS DIVISION

Financial review

In the last quarter of 2015, the Brands Division's net sales totalled EUR 97.6 (84.5) million, which is more than 15.5 per cent higher than in the comparison period. Net sales for the Snack & Cereal business totalled EUR 32.0 (34.7), for Benecol EUR 37.3 (21.4) and for Confectionery EUR 28.5 (28.5) million.

EBIT for the Brands Division amounted to EUR 6.9 (-3.3) and, excluding one-off items, 13.9 (10.6) million, which is 7.1 (-3.9) and, excluding one-off items, 14.3 (12.5) per cent of net sales. Net sales and EBIT were primarily increased by the Benecol consumer product business acquired in the UK in November 2014.

Exchange rates had a clear positive impact on the Brands Division's net sales and EBIT also in the last quarter of 2015. The positive effect of exchange rates is shown especially in Raisio's UK operations generating a considerable part of the Brands Division's net sales and EBIT.

Business operations

Benecol

The last quarter of 2015 was good in the UK, the largest market for Benecol consumer products. Sales in Benecol spreads and yoghurt drinks increased from the comparison period. In the last quarter of 2015, Raisio carried out its first TV campaign after the acquisition. The campaign was designed on Raisio's own terms and resulted in increased sales also in Finland, Poland and Ireland.

Spreads with a renewed brand design were launched in the UK, Belgium and Ireland. A new Benecol Max spread was launched in Poland and Greece. In Finland, spread sales were up by the popularity of Benecol buttery spread launched at the beginning of 2015. Tough competition in the European markets of Benecol products continued. However, the conditions varied greatly in different markets.

In Asia, Benecol consumer product sales through Raisio's partners increased by almost 50 per cent. Asia's share of all Benecol product sales is still small, but the partners' brand investments have increased sales. In South Korea, Raisio's partner expanded its product range with a launch of Benecol powder supplement. In the USA, Raisio's new Benecol partner Olivio began its spread sales, and the partnership with Johnson & Johnson ended.

Snack & Cereal

UK

Raisio's Newport factory produced snack bars clearly less than in the comparison period as the orders of some key partners were lower than expected and some of the orders were rescheduled to January.

The Swindon site manufacturing nibbles reported good fourth-quarter results. Raisio launched new fruit and oat bites under the company's own Harvest Cheweee brand. Good sales continued also in nibbles made under the partners' brands.

In December, Raisio completed negotiations on the future of its UK-based Southall site. At the beginning of 2016, part of the Southall production will be transferred to Raisio's Newport site and part will be outsourced. Related to the closure of the Southall site, Raisio recorded an impairment of some EUR 4.5 million and a one-off item of some EUR 7 million affecting the Brands Division's EBIT.

Northern Europe

Elovena snack bars and porridge cups were launched in Finland. These healthy, convenient snacks meeting consumer needs are an excellent complement to Elovena product range.

New Elovena snack bars, snack biscuits and instant porridges as well as Provena products showed good sales. Sale of Sunnuntai baking products remained at the comparison period level and sales in Torino pasta products were up from the comparison period. Sales in bakery and industrial flours were significantly up from the comparison period due to a major Finnish customer. Internal sales to Russia and Ukraine declined.

Eastern Europe

In Russia, where economic uncertainty continued, consumer demand focused clearly on less expensive products, since consumer purchasing power was lower than in the comparison period. Sales in Raisio's premium flakes were clearly down as a result of price increases following exchange rates. However, EBIT remained positive also in the last quarter of 2015.

Benemilk

Benemilk has received the first Primafat order and continues efforts to expand its commercial activities. In November 2015, Raisio announced that Benemilk Ltd is examining conditions and opportunities to obtain new financing for, on the one hand, launching of the ingredient business created during 2015 and, on the other, developing its licensing business. The assessment related to new financing options is expected to be completed in such a way that Benemilk could decide on, and also carry out, the financing arrangements by summer 2016.

Confectionery

In the UK, sales in Fox's confectionery increased significantly due to promotions carried out by the discount sector. Christmas sales in Raisio's other branded products were down from the comparison period. Sales decreased in retailers' private label products as a result of intense industrial competition. In the last quarter of 2015, Raisio's commercial activities in the UK and Czech Republic were combined into one organisation. This enhances operations and the use of resources.

A clear sales increase was seen in Raisio's Czech-made branded products. Sales in confectionery sold under the Pedro brand doubled from the comparison period and sales volume of confectionery sold under the Juicee Gumme brand showed a clear increase. Raisio received significant new orders from its export customers as the company is a desired partner in the Czech-made soft gums thanks to its wide product range and cost-effectiveness.

RAISIOAGRO DIVISION

Financial review

In the last quarter of 2015, Raisioagro's net sales totalled EUR 28.3 (35.6) million. Raisioagro's EBIT was EUR -0.4 (-2.4) and, excluding one-off items, 0.0 (0.0) million.

Business operations

Raisioagro introduced a new business-driven organisation model and formed business units called Farms and Raisioaqua. With this reform, Raisioagro wants to ensure a management and operating model that rapidly responds to customer needs.

Cattle feeds

In the review period, milk producer prices were on average 18 per cent lower than in the comparison period. Milk farmers' difficulties resulted in further intensified price competition, and farmers switched to less expensive feeds. Sales volume of Raisioagro's cattle feeds declined, focusing on feeds in the Maituri and Melli product lines.

Raisioagro's representatives met with more than 800 customers in events held in 25 places around Finland. The theme of these events was profitable milk production, and presentations explored several issues such as cow yields and fertility.

Fish feeds

In fish farming, the summer 2015 was particularly good. As a result, the average weight in fish was above normal exceptionally early, both in Finland and Northwest Russia. Due to the situation, the fish gutting stage started earlier, but the market could not fully absorb all fish available. This resulted in the decline in producer prices. Raisioaqua's fish feed sales were down from the comparison period due to tough competitive situation and the fish gutting stage that started earlier than usual.

Raisioaqua succeeded with the control of sales receivables better than ever before. At the end of 2015, export customers' outstanding accounts receivable showed a zero balance.

The partners started the sale of sustainably farmed Finnish Benella Rainbow Trout in November. Raisioagro has received very positive customer feedback for its Benella Rainbow Trout.

Other activities

Sales in fertilisers and liquid fuels were significantly down from the comparison period due to the deliberate focusing of farming supplies sales on more profitable product groups. Grain exports were clearly down from the comparison period due to good grain harvest and lower grain market prices in Europe.

BOARD OF DIRECTORS' REPORT FOR 2015

Operating environment

Economic growth in the euro area remained slower than in the USA and UK. It increased by 1.5 per cent which is, however, clearly higher than in 2014. Growth was supported by declining crude oil prices and low-remaining interest rates. World economic growth in 2015 was slower than expected, but still above 3 per cent.

The UK economy grew by 2.5 per cent, mainly driven by household consumption. Consumer confidence, good salary and employment trends, as well as low inflation supported the growth.

In Finland, economic growth was extremely slow and GDP among the worst in the euro area. Retail sales clearly declined and a new phenomenon in the trade was the price reduction campaigns focusing especially on food products.

The Polish economy grew by some 3.5 per cent with growing investments and consumer demand. The sharp decline in Russia's economy continued, mainly due to the falling crude oil price trend.

Net sales

Raisio Group's net sales totalled EUR 521.2 (493.9) million in 2015. Net sales for the Brands Division were EUR 385.1 (306.1) million, for the Raisioagro Division EUR 145.9 (201.6) million and for other operations EUR 3.4 (1.2) million.

The Brands Division accounted for some 74 per cent and Raisioagro for some 26 per cent of the Group's net sales. Net sales from outside Finland represented 66.3 (55.6) per cent of the Group's total, amounting to EUR 345.7 (274.9) million.

Result

Raisio Group's EBIT amounted to EUR 42.4 (6.9) and, excluding one-off items, 51.7 (34.8) million, which is 8.1 (1.4) and, excluding one-off items, 9.9 (7.0) per cent of net sales. EBIT for the Brands Division was EUR 45.4 (20.6) and, excluding one-off items, 55.4 (35.9) million, for Raisioagro EUR 2.4 (-8.9) and, excluding one-off items, 2.8 (3.4) million. EBIT for other operations totalled EUR -5.3 (-4.7) and, excluding one-off items, -6.5 (-4.5) million. Exchange rates had a clear positive effect on net sales and EBIT of Raisio's Brands Division. One-off items of the business are specified under the heading One-off items in the table below.

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 21.1 (32.9) and, excluding one-off items, EUR 16.5 (14.6) million. The Group's financial items totalled EUR -2.5 (-1.5) million.

The pre-tax result was EUR 39.9 (5.4) and, excluding one-off items, 49.1 (33.3) million.

The Group's post-tax result was EUR 35.0 (5.6) and, excluding one-off items, 40.4 (27.9) million. The Group's earnings per share were EUR 0.22 (0.04) and, excluding one-off items, 0.26 (0.18).

One-off items

| | | Q4 2015 | Q4 2014 | Q3 2015 | Q2 2015 | Q1/ 2015 | 2015 | 2014 |
|--|-----------|-------------|--------------|------------|-------------|-------------|-------------|--------------|
| Brands | | | | | | | | |
| Restructuring costs, Southall site, UK | M€ | -11.3 | 0.0 | 0.0 | 0.0 | 0.0 | -11.3 | 0.0 |
| Streamlining projects UK | M€ | 0.1 | -2.0 | 0.0 | -1.4 | 0.0 | -1.3 | -3.5 |
| Write-down of Honey Monster brand's book value | M€ | 0.0 | -10.1 | 0.0 | 0.0 | 0.0 | 0.0 | -10.1 |
| Loss on disposal of Sulma pasta factory | M€ | 0.0 | 0.0 | 0.0 | -1.5 | 0.0 | -1.5 | 0.0 |
| Acquisitions and divestments | M€ | 0.0 | -1.5 | 0.0 | 0.0 | 0.0 | 0.0 | -1.5 |
| Sale of Carlshamn Mejeri trade mark | M€ | 4.1 | 0.0 | 0.0 | 0.0 | 0.0 | 4.1 | 0.0 |
| Other | M€ | 0.0 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | -0.3 |
| Raisioagro | | | | | | | | |
| Restructuring of activities | M€ | -0.4 | 0.0 | 0.0 | 0.0 | 0.0 | -0.4 | -9.9 |
| Termination of vegetable oil business | M€ | 0.0 | -2.4 | 0.0 | 0.0 | 0.0 | 0.0 | -2.4 |
| Common | | | | | | | | |
| Subsequent one-off compensation related to a divested business | M€ | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 1.1 | 0.0 |
| Other | M€ | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | -0.3 |
| Impact on EBIT | M€ | -6.3 | -16.1 | 0.0 | -2.9 | 0.0 | -9.2 | -27.9 |

Balance sheet, cash flow and financing

On 31 December 2015, Raisio Group's balance sheet totalled EUR 563.6 (544.3) million. Shareholders' equity was EUR 350.0 (325.3) million, while equity per share was EUR 2.23 (2.07).

Working capital was EUR 42.0 (53.8) million on 31 December 2015. Cash flow from business operations was EUR 65.0 (26.2) million.

The Group's investments totalled EUR 11.0 (104.9 and, excluding acquisitions, 17.9) million. Investments for the Brands Division totalled EUR 9.1 (103.1 and, excluding acquisitions, 16.1), for Raisioagro 0.7 (1.1) and for other operations 1.2 (0.6) million. The largest investments were related to IT applications and production efficiency improvements.

On 31 December 2015, the Group's interest-bearing financial liabilities were EUR 110.1 (125.7) million. Net interest-bearing debt was EUR 42.2 (72.2) million.

On 31 December 2015, the Group's equity ratio totalled 62.3 (60.2) per cent and net gearing was 12.1 (22.2) per cent. Return on investment was 9.2 (1.7) and, excluding one-off items, 11.3 (8.3) per cent.

In 2015, Raisio plc paid EUR 22.0 (21.0) million in dividends for 2014.

Divestments

In December 2015, Raisio sold the Carlshamn Mejeri trademark and some related rights to Bunge Finland Ltd that had licenced the trademark since the margarine business divestment completed in 2009. Raisio recorded a one-off item of EUR 4.1 million for the divestment in the Brands Division's EBIT.

In June 2015, Raisio's Polish subsidiary signed a contract to divest Sulma pasta business and related assets to a consortium consisting of the factory management and an outside investor. Capital loss of EUR 1.5 million arising from the transaction was entered to burden the second quarter EBIT of the Brands Division and is treated as a one-off item. Raisio acquired the Sulma pasta factory in March 2012.

Disputes

In November 2014, Raisio won a case against a foreign company in an arbitration proceeding. At the beginning of 2015, the counterparty filed an action for the annulment of the arbitration award. The counterparty's claim was dismissed in November 2015. In January 2016, the counterparty filed an appeal to a higher court for the dismissal of the claim. Raisio considers the appeal to be completely unfounded.

Research and development

The Group's research and development expenses were EUR 5.5 (6.6) million, accounting for 1.1 (1.3) per cent of net sales. R&D expenses for the Brands Division totalled EUR 5.0 (5.7) million and for Raisioagro EUR 0.5 (0.8) million. Benemilk related development costs of EUR 1.5 million have been capitalised on the balance sheet in this financial period and a total of EUR 0.6 million in the comparison period.

Sustainable development is at the core of Raisioagro's operations. The company aims to help its customers produce healthy food effectively, profitably and sustainably, and ensure animal welfare. In 2015, Raisioagro's R&D developed new Benemilk products for the Finnish market. The R&D's focus was on studying the effect of feeding on the fertility and resilience in dairy cows. In addition, the range of Melli minerals was expanded to better meet the needs of TMR feeding.

The range of Hercules fish feeds was expanded with a feed called Hercules Plus providing more fish and roe with lower amount of feed. The new feed quickly became one of the most popular Hercules products together with Hercules Opti.

R&D of foods and confectionery focused on expanding the brand product range into new product categories, and on extending the range with new products and flavours. The 2016 novelties were being finalised.

SEGMENT INFORMATION
BRANDS DIVISION

The Brands Division includes Snack & Cereal, Benecol, Confectionery and Benemilk business as its own company.

| | | Q4 2015 | Q4 2014 | Q3/ 2015 | Q2/ 2015 | Q1/ 2015 | 2015 | 2014 |
|-------------------------------|----|------------|------------|-------------|-------------|-------------|-------|-------|
| Net sales | M€ | 97.6 | 84.5 | 95.9 | 97.8 | 93.7 | 385.1 | 306.1 |
| Snack & Cereal | M€ | 32.0 | 34.7 | 36.8 | 36.3 | 33.9 | 138.9 | 141.7 |
| Benecol | M€ | 37.3 | 21.4 | 32.5 | 36.0 | 34.5 | 140.3 | 62.3 |
| Confectionery | M€ | 28.5 | 28.5 | 26.7 | 25.3 | 24.9 | 105.4 | 100.6 |
| Benemilk | M€ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | M€ | 6.9 | -3.3 | 15.8 | 11.3 | 11.3 | 45.4 | 20.6 |
| One-off items | M€ | -7.0 | -13.8 | 0.0 | -2.9 | 0.0 | -10.0 | -15.3 |
| EBIT, excluding one-off items | M€ | 13.9 | 10.6 | 15.8 | 14.3 | 11.3 | 55.4 | 35.9 |
| EBIT, excluding one-off items | % | 14.3 | 12.5 | 16.5 | 14.6 | 12.1 | 14.4 | 11.7 |
| Investments * | M€ | 2.7 | 90.2 | 2.2 | 2.5 | 1.6 | 9.1 | 103.1 |
| Net assets | M€ | - | - | - | - | - | 360.3 | 359.0 |

* Including acquisitions

Financial review

Net sales for the Brands Division totalled EUR 385.1 (306.1) million. Net sales for the Snack & Cereal business totalled EUR 138.9 (141.7) million, for Benecol EUR 140.3 (62.3) million and for Confectionery EUR 105.4 (100.6) million. Benemilk did not generate net sales in the review period.

EBIT for the Brands Division amounted to EUR 45.4 (20.6) and, excluding one-off items, 55.4 (35.9) million, which is 11.8 (6.7) and, excluding one-off items, 14.4 (11.7) per cent of net sales. Net sales and EBIT were primarily increased by the Benecol consumer product business acquired in the UK, Ireland and Belgium.

Exchange rates had a clear positive effect on the Brands Division's net sales and EBIT. The positive effect of exchange rates is shown especially in Raisio's UK operations generating a considerable part of the Brands Division's net sales and EBIT.

As a whole, EBIT of the Snack & Cereal business was slightly up from the comparison year whereas net sales were slightly down.

For the Northern European Snack & Cereal business, EBIT was clearly higher than in the comparison year while net sales remained at the comparison year level. EBIT improvement was driven by retail sales growth of branded products and increased sales of industrial products. Sales in Elovena and Provena snacks were clearly up from the comparison period. The Group's internal sales to Russia and Ukraine declined.

The year was challenging in many ways for the UK's Cereal & Snack business. Competition in the cereal and snack bar markets further intensified at the same time as retailers were adjusting their operations to market conditions. Retailers, for example, renewed their promotion models and tightened their selection criteria. EBIT remained negative but the loss was clearly lower than in the comparison year. Net sales were almost at the comparison year level.

In the Eastern European Snack & Cereal business in Russia and Ukraine, sales volume decreased as product prices were adjusted to exchange rate changes. For the Eastern European operations, EBIT was clearly positive and at the comparison period level, even though net sales were down.

Net sales and EBIT for the Benecol business improved significantly through the consumer product business acquisition in the UK, Ireland and Belgium completed in November 2014. In the UK, Benecol products showed increased sales in the last quarter of 2015 after a weak third quarter. Organic growth is expected to continue. Sales were down from the comparison year in Ireland and Belgium. In Poland, business profitability improved, but net sales decreased. In Finland, sales in Benecol spreads increased. Sales in plant stanol ester, the Benecol product ingredient, remained at the comparison year level.

Net sales and EBIT for the Confectionery business were at the comparison year level. In the UK, production of retailers' private label products decreased while Raisio's own branded products showed a slight increase both in the UK and Czech Republic. A significant price decline of sugar and glucose used as raw material in confectionery resulted in lower prices of consumer products.

Business operations

Snack & Cereal

UK

Sales in cereals made at the Southall site were clearly down from the comparison year. In December, Raisio completed negotiations on the future of its UK-based Southall site. At the beginning of 2016, part of the Southall production will be transferred to Raisio's Newport site and part will be outsourced.

Raisio is centralising its snack bar production to the Newport site specialised in these products. This allows further enhancement of the Newport production and more versatile product solutions. The Southall site production will cease during the end of the first quarter of 2016, resulting in termination of 99 employments. Raisio is assessing alternatives regarding the future of its Southall property near London.

Sales clearly increased in healthy and natural snack bars made at the Newport site under partners' brands while demand for weight management bars continued to decline. At the end of 2015, some partners adapted their orders to market conditions. Newport successfully decreased waste, adjusted its personnel costs to the production volume and further improved its service level.

The year was good for the nibbles producing Swindon site. The plant achieved a positive EBIT every quarter of 2015. Sales in Dormen nuts increased as a result of the brand renewal, novelties and new listings. Launch of Harvest Cheweee fruit bites opens new opportunities for the conventional children's bar brand and shows the company's ability to launch new products meeting consumer needs.

British consumers want more value for money and retailers' promotional sales have grown in importance. Consumers are also more health conscious partly as a result of a long-lasting public sugar debate. Sugar levels in children's products, in particular, are closely monitored.

Northern Europe

Retail sales clearly increased in Elovena products. Particularly good sales were seen in the Elovena line's new products, i.e., snack bars, snack biscuits and instant porridges. Elovena products accounted for almost 50 per cent of Raisio's Finnish retail sales. A clear sales increase was also seen in Provena products. The largest markets for Provena products are Finland, Sweden and Poland. International demand for gluten-free Provena products continues to grow.

Sales in bakery and industrial flours significantly increased due to a major Finnish customer. International demand for various oat products is growing and Raisio has good opportunities for exports of processed oat products, such as oatbran, organic oats and pure oats.

Eastern Europe

Economic uncertainty continued in Russia. Raisio managed well to price its products in line with the exchange rates. The share of less expensive products in the range grew, and the number of both producers and products in the markets increased. Competition continued intense in consumer goods markets.

Benecol

Home markets for Raisio's Benecol consumer products include the UK, Poland, Finland, Ireland, Belgium and Hong Kong. As for plant stanol ester, the Benecol product ingredient markets are global. Benecol products are available in some 30 countries. In 2015, the Benecol brand had its 20th anniversary.

In the last quarter of 2015, Raisio carried out its first TV campaign after the acquisition. The campaign was designed on Raisio's own terms. The practice in many countries has shown that by investing in the brand, sales of Benecol products increase.

The UK is still by far the largest market for Benecol products. The integration of Benecol business acquired in 2014 as part of Raisio was completed according to plan. In the UK, retailers tightened their selection criteria, which intensified competition and further emphasized the importance of promotions. Benecol performed well in changing market conditions. In the UK, sales increased in Benecol yoghurt drinks and spreads.

In Poland, Raisio withdrew from unprofitable promotions and improved its cost-effectiveness. These measures resulted in clearly improved profitability and lower sales. Distribution of Benecol spreads expanded thanks to new customers. Sales in Benecol Max spread launched at the end of 2015 had a good start.

In Finland, sales in Benecol products increased by some 10 per cent. Most of the sales growth came from Benecol buttery spread launched in early 2015. Price competition further intensified also in Finland.

Performances of Raisio's Benecol partners varied greatly in different markets. Sales of Benecol products showed strong growth in Switzerland whereas in Spain and Greece, markets remained challenging. Benecol products sales increased particularly well in Indonesia. Growth was also seen in Chile and Columbia. In 2015, Benecol products were launched in China and South Korea. At the end of 2015, Olivio started as Raisio's new partner in the USA. A new Benecol partner started in Portugal at the beginning of 2016, so Portugal is no longer home market for Raisio's consumer products.

Confectionery

Confectionery markets in the UK and Czech Republic are mature and total consumption growth is modest. Raisio has a strong foothold in the market, especially in soft gums and in its actively developed own brands. In 2015, Raisio continued to expand its range of branded products with new product innovations and package options, providing consumers with interesting novelties and partners with cost-effectiveness.

In the second half of 2015, the renewed Fox's brand had good visibility in the UK through extensive promotional campaigns carried out by the discount sector. With the successful campaigns, sales clearly increased for Fox's as well as for Poppets and XXX brands. The Leicester site continued its projects to improve cost-effectiveness and service levels.

In the Czech Republic, strong growth in Pedro brand was driven by an extensive advertising campaign. In addition, sales increased in soft gums sold under the Juicee Gumme brand. Major partners continued their agreements, providing good opportunities for business growth.

Benemilk

Development work to expand and strengthen Benemilk's IPR continued. Benemilk portfolio already has almost 30 patent applications. Benemilk's initial patents were granted first in South Africa. Elsewhere, patents applications are still pending, as the usual interim decisions and requests for further information lengthen processing times. Processing of patent applications is, however, progressing as planned.

In addition to the Benemilk's licensing model, a new business model based on Primafat ingredient sales was established in the spring 2015. The model is based on various feeding concepts. The ingredient business is based on the sale and marketing of palm oil based raw material under the Primafat trade mark and related IPR. The licensing business includes the development, commercialisation and licensing of IPR based on the Benemilk innovation.

In November 2015, Raisio announced that Benemilk Ltd is examining conditions and opportunities to obtain new financing for, on the one hand, launching of the ingredient business created in 2015 and, on the other, developing its licensing business. Taking into account the latest trends in the dairy chain, the ingredient business is considered to have wider opportunities than the licensing business to succeed in global markets. The assessment concerns both debt and equity alternatives. The assessment related to new financing options is expected to be completed in such a way that Benemilk could decide on the implementation of the financing arrangements, and also carry out possible arrangements, by the summer 2016.

If the assessments lead to a financing arrangement involving equity in part or in full, it could mean that Raisio's Benemilk holding would decrease below 50 per cent. Furthermore, Benemilk would no longer be part of Raisio Group as a subsidiary. Raisio currently holds 57 per cent of Benemilk shares.

RAISIOAGRO DIVISION

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

| | | Q4/ 2015 | Q4/ 2014 | Q3/ 2015 | Q2/ 2015 | Q1/ 2015 | 2015 | 2014 |
|-------------------------------|----|-------------|-------------|-------------|-------------|-------------|-------|-------|
| Net sales | M€ | 28.3 | 35.6 | 40.3 | 44.7 | 32.6 | 145.9 | 201.6 |
| EBIT | M€ | -0.4 | -2.4 | 1.3 | 1.4 | 0.1 | 2.4 | -8.9 |
| One-off items | M€ | -0.4 | -2.4 | 0.0 | 0.0 | 0.0 | -0.4 | -12.3 |
| EBIT, excluding one-off items | M€ | 0.0 | 0.0 | 1.3 | 1.4 | 0.1 | 2.8 | 3.4 |
| EBIT, excluding one-off items | % | -0.1 | -0.1 | 3.3 | 3.1 | 0.2 | 1.9 | 1.7 |
| Investments | M€ | 0.2 | 0.2 | 0.0 | 0.3 | 0.2 | 0.7 | 1.1 |
| Net assets | M€ | - | - | - | - | - | 31.7 | 33.0 |

Financial review

Raisioagro's net sales totalled EUR 145.9 (201.6) million. Fish feed sales remained at the comparison period level. Exceptionally good fish farming season meant that fish grew well, which resulted in earlier gutting stage and in reduced feeding earlier than usual, both in Finland and export markets. In farming supplies, Raisioagro focused on more profitable product groups, which significantly lowered sales of fertilisers and fuels. Good harvests in Europe considerably reduced opportunities for profitable grain exports. Difficulties in dairy farming were seen in the switch to less expensive feeds with lower added value.

Finland accounted for over 80 per cent, Russia over 10 per cent and other markets clearly less than 10 per cent of Raisioagro's net sales.

Raisioagro's EBIT was EUR 2.4 (-8.9) and, excluding one-off items, 2.8 (3.4) million. Particularly dairy farmers' transfer to less expensive products with lower added value affected negatively Raisioagro's EBIT. In feeds with lower added value, Raisioagro's share in cattle feed market is smaller since, in recent years, the company has strongly invested in value added innovations, such as Benemilk. Raisioagro's return on capital employed improved.

The 2014 figures include the terminated production of pork and poultry feeds and vegetable oils. The terminated operations had a significant impact on the net sales decrease but almost no significance in terms of EBIT.

Business operations

Cattle feeds

The effects of Russia's ban on imports of dairy products are indirect and can be seen throughout the milk chain. In Finland, the decline in milk prices accelerated dairy farmers' switch to less expensive feeds with lower added value at the end of 2015. In the changing market, Raisioagro launched new feeds in its Maituri and Melli lines suitable to be used with farmers' own high-quality silage. The company also adjusted its cost structure to changing conditions. In cattle feeds with lower added value, Raisioagro's market share is not as strong as in feeds with higher added value, in which the company has strongly invested recently.

Raisioagro continued the monitoring of customer farms with milking robots and milking stations. At the end of 2015, there were more than 50 farms in the monitoring programme. Through the programme, milk producers and Raisioagro are together identifying opportunities to improve yields with correct feed choices, to ensure animal welfare and to measure the results.

Fish feeds

Summer 2015 was one of the best seasons in the fish farming history, both in Finland and Northwest Russia. However, total volume of fish production did not rise significantly due to the summer of 2014, when a considerable part of fry farmed for 2015 was lost due to hot weather. In the summer 2015, fish grew fast and the gutting stage started earlier than usual. The market could not absorb all the available fish, which resulted in a rapid decline in producer prices.

Domestic and export sales volumes were at the comparison year level. Feed deliveries remained stable during the summer as there were no long-lasting heat waves that would have warmed waters too much, and fish ate well throughout the season. Raisioaqua's key export regions are Northwest Russia, Latvia and Estonia. Russia accounts for more than 90 per cent of the company's exports despite the exchange rate movements. Raisioaqua had particularly good results with its accounts receivable management.

Together with its partners, Raisioaqua launched Benella Rainbow Trout to consumers in September 2015. Now sustainably farmed, healthy rainbow trout stands out in supermarket fish counters. Raisioaqua's unique feed innovation is used in the Benella Rainbow Trout feeding. The innovative feed reduces nutrient loads in water bodies and its rapeseed oil partly replaces fish oil obtained from the wild fish stocks. Benella is healthy and it has been granted the Finnish Heart Association's Heart Symbol. By following Raisioaqua's Hercules Opti feeding concept, the fish farmer is entitled to use the Benella brand. Benella Rainbow Trout has had plenty of positive consumer feedback, and now many fish farmers want to become Benella fish producers.

Other activities

Sales in fertilisers and liquid fuels decreased significantly from the comparison year since Raisioagro focused on sales of more profitable product groups due to the intensified competition. This changed the sales structure of Raisioagro's farming supplies and lowered credit loss risk. Raisioagro's major growth opportunities are in grass seeds, biological preservatives and in wrap films and net wraps used on the farms.

Comparable online sales increased. Focus on farming supplies used on dairy farms as well as the development of product range improved the profitability of online store. The role of fertiliser and fuel sales in the online store profitability was not significant.

The Finnish grain exports were exceptionally high in the spring 2015. Grain trade slowed down for the summer. In the autumn, the grain trade picked up again, because of the low levels of Finnish inventories. Good harvests in Europe significantly weakened profitable grain export opportunities at the end of 2015.

PERSONNEL

Raisio Group employed 1,787 (1,862) people at the end of 2015. The average number of employees was 1,798 (1,915). At the end of 2015, a total of 81 (82) per cent of personnel worked outside Finland.

The Brands Division had 1,627 (1,700), Raisioagro 104 (106) and the service functions 56 (56) employees at the end of 2015.

Most of the change in the number of employees is related to the divestment of Raisio's Polish subsidiary's pasta business in the summer 2015. Some 40 factory employees transferred to the new owner. The number of employees in the UK snack bar business decreased by some 30 people as the operations stabilised after the production transfer. In Finland, Raisio adjusted its operations to changing market conditions, which led to the termination of some employments. The decision to terminate the Southall site was made at the end of 2015 and related staff reductions will be realised during the first quarter of 2016.

Raisio's wages and fees in 2015 totalled EUR 77.2 million (EUR 68.6 million in 2014 and EUR 64.7 million in 2013) including other personnel expenses.

MANAGEMENT AND ADMINISTRATION

Board of Directors and Supervisory Board

The number of members of the Board of Directors was confirmed to be six, and Erkki Haavisto, Matti Perkonoja, Michael Ramm-Schmidt, Pirkko Rantanen-Kervinen and Antti Tiitola were reappointed and Ann-Christine Sundell was appointed as a new member; all for the term commencing at the closing of the AGM. Matti Perkonoja served as Chairman of the Board of Directors and Michael Ramm-Schmidt as Deputy Chairman, both throughout 2015. All Board members were independent of the company and significant shareholders.

Paavo Myllymäki served as Chairman of the Supervisory Board and Holger Falck as Deputy Chairman in 2015.

Group Management Team

Group Management Team members are CEO Matti Rihko, CFO Antti Elevuori, Vice President of Cereal & Snack business Tomi Järvenpää, Vice President of Legal Affairs Sari Koivulehto-Mäkitalo, Vice President of Benecol business Mikko Laavainen, Vice President of HR Merja Lumme, Vice President of Business Development and Confectionery business Vincent Poujardieu and Vice President of Raisioagro Jarmo Puputti. There were no changes in the Management Team composition in 2015.

CORPORATE RESPONSIBILITY

Responsibility is an integral part Raisio's strategy and vision. Raisio is an ecological forerunner with a decade's track record in long-term efforts to promote a sustainable food chain. The Group has grown and internationalised in recent years and responsibility issues have become increasingly complex. Different markets and different business models focus on different types of responsibility themes.

To provide a practical tool for responsibility management, Raisio prepared a Group-wide responsibility programme for 2016 – 2018. Based on the views of Raisio's all businesses and major stakeholders, key responsibility aspects were identified and prioritised. Clear targets and indicators were set for the aspects. All Raisio's businesses are committed to the implementation of the programme.

The corporate responsibility programme is structured around three themes essential for Raisio and its stakeholders: sustainable food chain, healthier food and occupational safety and wellbeing. Responsibility programme objectives support the implementation of Raisio's business strategy.

In addition to the development of responsibility management and processes, Raisio continued in 2015 its determined efforts to improve energy efficiency, promote responsible purchasing and commercialise innovations supporting sustainable development, among other things.

Raisio's Corporate Responsibility Report will be published with the Annual Report in week 10.

CHANGES IN GROUP STRUCTURE

On 31 August 2015, the subsidiary Proteinoil Oy entirely owned by Raisio plc was merged into Raisio plc and dissolved. Proteinoil Oy's operations were terminated in the autumn 2014.

EVENTS AFTER THE REVIEW PERIOD

On 27 January 2016, Raisio published a stock exchange release in which the company announced to build a bioenergy plant in Finland. With the bioenergy plant built in Raisio's industrial area, industrial steam and district heating used in the company's operations and sold to other operators in the area will be generated with wood chips. The value of the investment is approximately eight million euros and the employment effect throughout the value chain 30-40 jobs. With its own bioenergy plant, Raisio will take a big step toward carbon neutrality.

Construction of the bioenergy plant for the production of steam and district heating used in Raisio's industrial area is part of the company's goal to replace fossil fuels with renewable energy whenever it is ecologically and economically viable. Construction work is scheduled to begin in winter 2016 and the facility will be launched during the spring 2017. With the investment, carbon dioxide emissions from the products made using heat energy generated in Raisio's industrial area will be reduced significantly.

RISKS AND SOURCES OF UNCERTAINTY IN THE NEAR FUTURE

The world economy is expected to grow moderately in 2016 and the growth is generated primarily by private consumption. The euro area economy is also expected to grow moderately in 2016. The recovery is still based on private consumption, supported by low oil prices, low interest rates and the weakened euro. European refugee crisis continues and its effects may extend not only to politics but also to the economy.

The Finnish economy is growing very slowly. Growth expectations are based on domestic demand, supported by low interest rates, low inflation and reduced energy prices. The unemployment rate is expected to remain high. Consumers' confidence in their own economy started to decline in the autumn 2015. In the UK, economic outlook remains strong, and both employment and earnings are expected to grow positively. In Russia and Ukraine, business environment is likely to remain difficult.

Changes in exchange rates may considerably affect Raisio's net sales and EBIT, directly and indirectly, as a significant part of the Group's net sales and EBIT is generated in the UK. Volatility in the ruble's external value affects the export of feeds and oat products to Russia. It may also have an impact on the utilisation rates of production plants.

The price and availability of agricultural raw materials are a major challenge for Raisio's businesses. Global warming and extreme weather events rapidly affect the crop expectations, supply, demand and price of these commodities. In addition, changes in supply, demand, availability and price of other key raw materials are possible. In terms of business profitability, the role of risk management remains essential both for value and volume.

In Europe, setting of various taxes for public health purposes is discussed and sugar will be one of the possibly taxed raw materials. In case these initiatives result in new taxes, they will probably affect Raisio's businesses.

The UK will arrange a referendum on Britain's membership of the European Union possibly already in 2016, 2017 at the latest. If the UK leaves the Union, it would eventually affect Raisio's local operations, taking into account, however, that the majority of production and sales takes place in local markets.

Raisio expects the grocery market to remain fairly stable compared to other sectors. However, retailers' activities create pressure on the food industry too, through prices and sales terms.

Profitability problems in the Finnish agriculture and livestock farming are weakening purchase power in the field and create pressure on Raisioagro's profitability. In 2014, due to the crisis in Ukraine and Crimea, the EU's sanctions and Russia's counter-sanctions, especially the import ban of dairy products, will directly and indirectly hamper Raisioagro's operations.

To ensure growth and profitability of its operations, Raisio may carry out corporate restructuring which, as rationalisation projects, may result in significant one-off expenses.

OUTLOOK 2016

Despite the weakened visibility and difficult market conditions, Raisio expects its EBIT to improve in 2016.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The parent company's distributable assets based on the balance sheet on 31 December 2015 were 140,635,366.57 euros.

The Board proposes that a dividend of EUR 0.16 per share be distributed, i.e., a total of EUR 26,423,844.80, and that EUR 114,211,521.77 be left in the profit account. No dividends will be paid on the shares held by the company on the record date 29 March 2016. The payable date is 5 April 2016.

No significant changes have taken place in the company's financial position after the end of the financial year. The company's liquidity is good, and the Board's view is that the proposed dividend payout does not endanger the company's solvency.

In Raisio, 15 February 2016

Raisio plc
Board of Directors

Further information:

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Raisio's financial reviews in 2016

- Raisio's Online Annual Report 2015 will be published in week 10 at www.raisio.com
- Interim Report January-March on 10 May 2016
- Interim Report January-June on 10 August 2016
- Interim Report January-September on 9 November 2016

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

CONDENSED FINANCIAL STATEMENTS AND NOTES
INCOME STATEMENT (M€)

| | 10-12/ 2015 | 10-12/ 2014 | 2015 | 2014 |
|--|----------------|----------------|--------|--------|
| Net sales | 122.7 | 117.8 | 521.2 | 493.9 |
| Expenses corresponding to products sold | -100.6 | -96.0 | -403.2 | -407.9 |
| Gross profit | 22.2 | 21.9 | 118.0 | 86.1 |
| Other operating income and expenses, net | -16.5 | -29.0 | -75.6 | -79.1 |
| EBIT | 5.7 | -7.2 | 42.4 | 6.9 |
| Financial income | 0.0 | -0.1 | 1.0 | 0.7 |
| Financial expenses | -1.0 | -0.9 | -3.6 | -2.3 |
| Share of result of associates and joint ventures | 0.0 | 0.0 | 0.0 | 0.0 |
| Result before taxes | 4.8 | -8.1 | 39.9 | 5.4 |
| Income taxes | 2.1 | 2.6 | -4.9 | 0.2 |
| RESULT FOR THE PERIOD | 6.8 | -5.5 | 35.0 | 5.6 |
| Attributable to: | | | | |
| Equity holders of the parent company | 6.8 | -5.5 | 35.0 | 5.6 |
| Non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings per share from the profit attributable to equity holders of the parent company (€) | | | | |
| Undiluted earnings per share | 0.04 | -0.04 | 0.22 | 0.04 |
| Diluted earnings per share | 0.04 | -0.04 | 0.22 | 0.04 |

COMPREHENSIVE INCOME STATEMENT (M€)

| | 10-12/ 2015 | 10-12/ 2014 | 2015 | 2014 |
|--|----------------|----------------|------|------|
| Result for the period | 6.8 | -5.5 | 35.0 | 5.6 |
| Other comprehensive income items after taxes | | | | |
| Items that may be subsequently transferred to profit or loss | | | | |
| Available-for-sale financial assets | 0.0 | 0.0 | 0.1 | 0.1 |
| Cash flow hedge | -0.4 | 1.2 | -1.0 | 2.2 |
| Translation differences | 1.4 | -0.6 | 11.9 | 5.6 |
| Comprehensive income for the period | 7.8 | -4.9 | 45.9 | 13.4 |
| Components of comprehensive income: | | | | |
| Equity holders of the parent company | 7.8 | -4.9 | 45.9 | 13.4 |
| Non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 |

BALANCE SHEET (M€)

| | 31.12.2015 | 31.12.2014 |
|---|--------------|--------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 74.4 | 69.7 |
| Goodwill | 178.9 | 168.7 |
| Property, plant and equipment | 98.8 | 109.0 |
| Shares in associates and joint ventures | 0.7 | 0.8 |
| Available-for-sale financial assets | 2.6 | 2.7 |
| Deferred tax assets | 5.7 | 3.9 |
| Total non-current assets | 361.1 | 354.7 |
| Current assets | | |
| Inventories | 64.3 | 64.2 |
| Accounts receivables and other receivables | 68.4 | 69.4 |
| Financial assets at fair value through profit or loss | 58.8 | 30.4 |
| Cash in hand and at banks | 11.0 | 25.6 |
| Total current assets | 202.5 | 189.6 |
| Total assets | 563.6 | 544.3 |
| SHAREHOLDER'S EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent company | | |
| Share capital | 27.8 | 27.8 |
| Company shares | -20.4 | -20.4 |
| Other equity attributable to equity holders of the parent company | 342.6 | 318.0 |
| Equity attributable to equity holders of the parent company | 350.0 | 325.3 |
| Non-controlling interests | 0.0 | 0.0 |
| Total shareholder's equity | 350.0 | 325.3 |
| Non-current liabilities | | |
| Deferred tax liabilities | 10.9 | 10.9 |
| Provisions | 0.1 | 0.0 |
| Non-current financial liabilities | 91.6 | 94.2 |
| Derivative contracts | 0.0 | 0.4 |
| Other non-current liabilities | 0.1 | 0.1 |
| Total non-current liabilities | 102.6 | 105.7 |
| Current liabilities | | |
| Accounts payable and other liabilities | 89.8 | 77.9 |
| Provisions | 2.1 | 2.3 |
| Derivative contracts | 0.6 | 1.6 |
| Current financial liabilities | 18.6 | 31.5 |
| Total current liabilities | 111.0 | 113.3 |
| Total liabilities | 213.5 | 219.0 |
| Total shareholder's equity and liabilities | 563.6 | 544.3 |

CHANGES IN GROUP EQUITY (M€)

| | Share capital | Share premium reserve | Reserve fund | Invested unrestricted equity fund | Other reserves | Company shares | Translation differences | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---------------|-----------------------|--------------|-----------------------------------|----------------|----------------|-------------------------|-------------------|-------|---------------------------|--------------|
| Equity on 31.12.2013 | 27.8 | 2.9 | 88.6 | 0.0 | 0.7 | -20.4 | -3.4 | 234.5 | 330.6 | 1.1 | 331.7 |
| Comprehensive income for the period | | | | | | | | | | | |
| Result for the period | - | - | - | - | - | - | - | 5.6 | 5.6 | 0.0 | 5.6 |
| Other comprehensive income items (adjusted for tax effects) | | | | | | | | | | | |
| Financial assets available for sale | - | - | - | - | 0.1 | - | - | - | 0.1 | - | 0.1 |
| Cash flow hedge | - | - | - | - | 2.2 | - | - | - | 2.2 | - | 2.2 |
| Translation differences | - | - | - | - | - | - | 5.6 | - | 5.6 | - | 5.6 |
| Total comprehensive income for the period | 0.0 | 0.0 | 0.0 | 0.0 | 2.2 | 0.0 | 5.6 | 5.6 | 13.4 | 0.0 | 13.4 |
| Business activities involving shareholders | | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | - | -20.4 | -20.4 | - | -20.4 |
| Unclaimed dividends | - | - | - | - | - | - | - | 0.1 | 0.1 | - | 0.1 |
| The share acquired from the non-controlling interest | - | - | - | 8.0 | - | - | - | -6.9 | 1.1 | -1.1 | 0.0 |
| Share-based payment | - | - | - | - | - | 0.0 | - | 0.5 | 0.5 | - | 0.5 |
| Total business activities involving shareholders | 0.0 | 0.0 | 0.0 | 8.0 | 0.0 | 0.0 | 0.0 | -26.8 | -18.7 | -1.1 | -19.8 |
| Equity on 31.12.2014 | 27.8 | 2.9 | 88.6 | 8.0 | 2.9 | -20.4 | 2.2 | 213.3 | 325.3 | 0.0 | 325.3 |
| Comprehensive income for the period | | | | | | | | | | | |
| Result for the period | - | - | - | - | - | - | - | 35.0 | 35.0 | - | 35.0 |
| Other comprehensive income items (adjusted for tax effects) | | | | | | | | | | | |
| Available-for-sale financial assets | - | - | - | - | 0.1 | - | - | - | 0.1 | - | 0.1 |
| Cash flow hedge | - | - | - | - | -1.0 | - | - | - | -1.0 | - | -1.0 |
| Translation differences | - | - | - | - | - | - | 11.9 | - | 11.9 | - | 11.9 |
| Total comprehensive income for the period | 0.0 | 0.0 | 0.0 | 0.0 | -0.9 | 0.0 | 11.9 | 35.0 | 45.9 | 0.0 | 45.9 |
| Business activities involving shareholders | | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | - | -22.0 | -22.0 | - | -22.0 |
| Unclaimed dividends | - | - | - | - | - | - | - | 0.1 | 0.1 | - | 0.1 |
| Transfer from retained earnings to other reserves | - | - | - | 0.7 | - | - | - | -0.7 | 0.0 | - | 0.0 |
| Share-based payment | - | - | - | - | - | 0.0 | - | 0.6 | 0.6 | - | 0.6 |
| Total business activities involving shareholders | 0.0 | 0.0 | 0.0 | 0.7 | 0.0 | 0.0 | 0.0 | -22.0 | -21.3 | 0.0 | -21.3 |
| Equity on 31.12.2015 | 27.8 | 2.9 | 88.6 | 8.8 | 2.0 | -20.4 | 14.2 | 226.2 | 350.0 | 0.0 | 350.0 |

CASH FLOW STATEMENT (M€)

| | 2015 | 2014 |
|---|-------|--------|
| Result before taxes | 39.9 | 5.4 |
| Adjustments | 20.9 | 35.9 |
| Cash flow before change in working capital | 60.8 | 41.3 |
| Change in accounts receivables and other receivables | 3.3 | -1.6 |
| Change in inventories | 1.2 | 7.7 |
| Change in current non-interest-bearing liabilities | 7.4 | -8.7 |
| Total change in working capital | 11.9 | -2.6 |
| Financial items and taxes | -7.6 | -12.6 |
| Cash flow from business operations | 65.0 | 26.2 |
| Investments in fixed assets | -10.9 | -106.8 |
| Proceeds from sale of fixed assets | 5.8 | 0.1 |
| Investments on marketable securities | 0.0 | 0.0 |
| Repayment of loan receivables | 0.0 | 0.1 |
| Cash flow from investments | -5.1 | -106.6 |
| Change in non-current loans | -14.4 | 59.5 |
| Change in current loans | -10.0 | 9.6 |
| Dividend paid to equity holders of the parent company | -21.9 | -20.3 |
| Cash flow from financial operations | -46.3 | 48.7 |
| Change in liquid funds | 13.7 | -31.6 |
| Liquid funds at the beginning of the period | 53.6 | 83.9 |
| Effects of changes in foreign exchange rates | 0.5 | 1.4 |
| Impact of change in market value on liquid funds | 0.2 | -0.2 |
| Liquid funds at end of period | 67.9 | 53.6 |

NOTES TO THE FINANCIAL STATEMENTS REPORT

This financial statements report has been prepared in compliance with IAS 34 Interim Financial Reporting according to the same principles and calculation methods as used in financial statements 2014 with the exception of the EU approved amendments to existing IFRS standards introduced on 1 January 2015. The standard amendments have not had a material impact on the consolidated financial statements.

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

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

Financial statements is shown in EUR millions.

SEGMENT INFORMATION

The reported segments are Brands and Raisioagro. The Brands segment includes Snack & Cereal, Benecol, Benemilk and Confectionery. Raisioagro segment includes cattle and fish feeds, farming supplies and grain trade

NET SALES BY SEGMENT (M€)

| | 10-12/ 2015 | 10-12/ 2014 | 2015 | 2014 |
|---------------------------|----------------|----------------|-------|-------|
| Brands | 97.6 | 84.5 | 385.1 | 306.1 |
| Raisioagro | 28.3 | 35.6 | 145.9 | 201.6 |
| Other operations | 0.2 | 0.3 | 3.4 | 1.2 |
| Interdivisional net sales | -3.3 | -2.5 | -13.2 | -15.0 |
| Total net sales | 122.7 | 117.8 | 521.2 | 493.9 |

EBIT BY SEGMENT (M€)

| | 10-12/ 2015 | 10-12/ 2014 | 2015 | 2014 |
|------------------|----------------|----------------|------|------|
| Brands | 6.9 | -3.3 | 45.4 | 20.6 |
| Raisioagro | -0.4 | -2.4 | 2.4 | -8.9 |
| Other operations | -0.8 | -1.4 | -5.3 | -4.7 |
| Total EBIT | 5.7 | -7.2 | 42.4 | 6.9 |

NET ASSETS BY SEGMENT (M€)

| | 31.12.2015 | 31.12.2014 |
|--|------------|------------|
| Brands | 360.3 | 359.0 |
| Raisioagro | 31.7 | 33.0 |
| Other operations and unallocated items | -42.0 | -66.7 |
| Total net assets | 350.0 | 325.3 |

INVESTMENTS BY SEGMENT (M€)

| | 10-12/ 2015 | 10-12/ 2014 | 2015 | 2014 |
|-------------------|----------------|----------------|------|-------|
| Brands | 2.7 | 90.2 | 9.1 | 103.1 |
| Raisioagro | 0.2 | 0.2 | 0.7 | 1.1 |
| Other operations | 0.5 | 0.3 | 1.2 | 0.6 |
| Total investments | 3.3 | 90.7 | 11.0 | 104.9 |

NET SALES BY MARKET AREA (M€)

| | 10-12/ 2015 | 10-12/ 2014 | 2015 | 2014 |
|----------------|----------------|----------------|-------|-------|
| Finland | 40.2 | 43.4 | 175.5 | 219.1 |
| Great Britain | 50.4 | 38.1 | 192.5 | 130.8 |
| Rest of Europe | 29.1 | 32.1 | 142.4 | 130.9 |
| ROW | 3.0 | 4.2 | 10.7 | 13.2 |
| Total | 122.7 | 117.8 | 521.2 | 493.9 |

ACQUIRED BUSINESS OPERATIONS
In 2015

No acquired business operations at the period of 1 January-31 December 2015.

In 2014
Benecol business in the UK, Ireland and Belgium

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

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

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

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

Post-acquisition net sales for Benecol Limited totalled EUR 7.3 million and EBIT excluding one-off items EUR 1.5 million.

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

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

Changes in goodwill

| | 2015 | 2014 |
|---|-------|-------|
| Carrying amount of goodwill at the beginning of the review period | 168.7 | 108.5 |
| Translation differences | 10.2 | 7.5 |
| Business combinations | | 52.6 |
| Carrying amount of goodwill at the end of the review period | 178.9 | 168.7 |

TANGIBLE ASSETS (M€)

| | 31.12.2015 | 31.12.2014 |
|--|------------|------------|
| Acquisition cost at the beginning of the period | 398.7 | 386.6 |
| Conversion differences | 5.1 | 3.0 |
| Increase | 8.6 | 14.4 |
| Decrease | -11.9 | -5.3 |
| Acquisition cost at end of period | 400.5 | 398.7 |
| Accumulated depreciation and impairment at the beginning of the period | 289.6 | 272.2 |
| Conversion difference | 2.2 | 1.0 |
| Decrease and transfers | -9.7 | -5.0 |
| Depreciation for the period | 19.5 | 21.4 |
| Accumulated depreciation and impairment at end of period | 301.7 | 289.6 |
| Book value at end of period | 98.8 | 109.0 |

PROVISIONS (M€)

| | 31.12.2015 | 31.12.2014 |
|--------------------------------|------------|------------|
| At the beginning of the period | 2.4 | 1.4 |
| Increase in provisions | 0.0 | 2.1 |
| Provisions used | -0.3 | -1.2 |
| At end of period | 2.1 | 2.4 |

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

| | 31.12.2015 | 31.12.2014 |
|--|------------|------------|
| Sales to associates and joint ventures | 0.0 | 0.0 |
| Purchases from associates and joint ventures | 0.0 | 0.1 |
| Sales to key employees in management | 0.1 | 0.3 |
| Purchases from key employees in management | 0.3 | 0.5 |
| Liabilities to associates and joint ventures | 0.0 | 0.0 |
| Receivables from the key persons in the management | 0.0 | 0.0 |

CONTINGENT LIABILITIES (M€)

| | 31.12.2015 | 31.12.2014 |
|--|------------|------------|
| Contingent off-balance sheet liabilities | | |
| Non-cancelable other leases | | |
| Minimum lease payments | 8.3 | 8.3 |
| Other liabilities | 2.3 | 3.4 |
| Commitment to investment payments | 1.1 | 1.3 |

DERIVATIVE CONTRACTS (M€)

| | 31.12.2015 | 31.12.2014 |
|--|------------|------------|
| Nominal values of derivative contracts | | |
| Currency forward contracts | 242.5 | 129.4 |
| Interest rate swaps | 7.7 | 21.7 |

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

| | Carrying amount 31.12.2015 | Fair value 31.12.2015 | Carrying amount 31.12.2014 | Fair value 31.12.2014 |
|---|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| Financial assets | | | | |
| Financial assets available for sale*) | 2.6 | 2.6 | 2.7 | 2.7 |
| Accounts receivables and other receivables | 61.2 | 61.2 | 63.5 | 63.5 |
| Investments recorded at fair value through profit or loss*) | 56.9 | 56.9 | 27.9 | 27.9 |
| Liquid funds | 11.0 | 11.0 | 25.6 | 25.6 |
| Derivatives*) | 1.9 | 1.9 | 2.5 | 2.5 |
| Financial liabilities | | | | |
| Bank loans | 110.1 | 112.6 | 115.8 | 119.0 |
| Other loans | 0.0 | 0.0 | 10.0 | 10.0 |
| Financial leasing liabilities | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounts payable and other liabilities | 52.2 | 52.2 | 70.3 | 70.3 |
| Derivatives*) | 0.6 | 0.6 | 2.0 | 2.0 |

Fair value hierarchy of financial assets and liabilities measured at fair value

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

QUARTERLY PERFORMANCE (M€)

| | 10-12/ 2015 | 7-9/ 2015 | 4-6/ 2015 | 1-3/ 2015 | 10-12/ 2014 | 7-9/ 2014 | 4-6/ 2014 | 1-3/ 2014 |
|------------------------------------|----------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|
| Net sales by segment | | | | | | | | |
| Brands | 97.6 | 95.9 | 97.8 | 93.7 | 84.5 | 75.5 | 73.7 | 72.3 |
| Raisioagro | 28.3 | 40.3 | 44.7 | 32.6 | 35.6 | 54.4 | 62.6 | 49.1 |
| Other operations | 0.2 | 0.3 | 2.6 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Interdivisional net sales | -3.3 | -2.1 | -3.7 | -4.1 | -2.5 | -3.3 | -4.2 | -5.0 |
| Total net sales | 122.7 | 134.5 | 141.5 | 122.5 | 117.8 | 126.9 | 132.5 | 116.7 |
| EBIT by segment | | | | | | | | |
| Brands | 6.9 | 15.8 | 11.3 | 11.3 | -3.3 | 10.8 | 8.2 | 4.9 |
| Raisioagro | -0.4 | 1.3 | 1.4 | 0.1 | -2.4 | -0.3 | -6.1 | 0.0 |
| Other operations | -0.8 | -1.2 | -1.6 | -1.8 | -1.4 | -1.0 | -1.2 | -1.1 |
| Total EBIT | 5.7 | 16.0 | 11.1 | 9.6 | -7.2 | 9.4 | 0.8 | 3.9 |
| Financial income and expenses, net | -1.0 | -0.7 | -0.4 | -0.5 | -1.0 | -0.3 | 0.0 | -0.3 |
| Share of result of associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Result before taxes | 4.8 | 15.2 | 10.7 | 9.2 | -8.1 | 9.1 | 0.8 | 3.6 |
| Income tax | 2.1 | -2.9 | -2.3 | -1.7 | 2.6 | -1.4 | -0.1 | -0.9 |
| Result for the period | 6.8 | 12.3 | 8.4 | 7.5 | -5.5 | 7.8 | 0.7 | 2.7 |

KEY INDICATORS

| | 31.12.2015 | 31.12.2014 |
|---|------------|------------|
| Net sales, M€ | 521.2 | 493.9 |
| Change of net sales, % | 5.5 | -11.4 |
| Operating margin, M€ | 63.6 | 39.8 |
| Depreciation and impairment, M€ | 21.1 | 32.9 |
| EBIT, M€ | 42.4 | 6.9 |
| % of net sales | 8.1 | 1.4 |
| Result before taxes, M€ | 39.9 | 5.4 |
| % of net sales | 7.6 | 1.1 |
| Return on equity, ROE, % | 10.4 | 1.7 |
| Return on investment, ROI, % | 9.2 | 1.7 |
| Interest-bearing financial liabilities at end of period, M€ | 110.1 | 125.7 |
| Net interest-bearing financial liabilities at end of period, M€ | 42.2 | 72.2 |
| Equity ratio, % | 62.3 | 60.2 |
| Net gearing, % | 12.1 | 22.2 |
| Gross investments, M€ | 11.0 | 104.9 |
| % of net sales | 2.1 | 21.2 |
| R & D expenses, M€ | 5.5 | 6.6 |
| % of net sales | 1.1 | 1.3 |
| Average personnel | 1,798 | 1,915 |
| Earnings/share, € | 0.22 | 0.04 |
| Cash flow from operations/share, € | 0.41 | 0.17 |
| Equity/share, € | 2.23 | 2.07 |
| Average number of shares during the period, in 1,000s | | |
| Free shares | 124,428 | 123,524 |
| Restricted shares | 32,735 | 33,365 |
| Total | 157,163 | 156,888 |
| Average number of shares at end of period, in 1,000s | | |
| Free shares | 124,641 | 124,002 |
| Restricted shares | 32,528 | 33,159 |
| Total | 157,169 | 157,160 |
| Market capitalisation of shares at end of period, M€ | | |
| Free shares | 528.5 | 520.8 |
| Restricted shares | 137.9 | 136.0 |
| Total | 666.4 | 656.8 |
| Share price at end of period | | |
| Free shares | 4.24 | 4.20 |
| Restricted shares | 4.24 | 4.10 |

CALCULATION OF INDICATORS

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