RAISIO

# 2012

RAISIO PLC

# *Financial Statements Review*

# RAISIO'S RESULTS IMPROVED

**January-December 2012:**

- Raisio's net sales increased to EUR 584.1 million (EUR 552.6 million in 2011), growth of 5.7%.
- Raisio Group's EBIT, excluding one-off items, rose to EUR 34.6 million (EUR 31.8 million) accounting for 5.9% (5.8%) of net sales, growth of 8.8%.
- Brands Division showed good profitability, EBIT 11.3%.
- Raisioagro's profitability was low due to losses in feed protein business. Improved profitability already during 2013 through Raisio's investments in production flexibility and efficiency.
- Return on investment, excluding one-off items, rose to 8.3 (8.1)%.
- Equity ratio rose to 64.1 (60.2)%.
- Earnings per share for continuing operations, excluding one-off items, were EUR 0.18 (EUR 0.16).
- Board of Directors proposes a dividend of EUR 0.12 (EUR 0.11) per share.

## Raisio Group's key figures excluding one-off items

| | | Q4/ 2012 | Q4/ 2011 | Q3/ 2012 | Q2/ 2012 | Q1/ 2012 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|
| **Results from continuing operations** | | | | | | | | |
| Net sales | M€ | 137.5 | 138.7 | 161.0 | 150.6 | 135.0 | 584.1 | 552.6 |
| Change in net sales | % | -0.9 | 21.8 | 13.6 | 0.1 | 10.9 | 5.7 | 30.5 |
| EBIT | M€ | 6.6 | 4.9 | 10.7 | 10.6 | 6.6 | 34.6 | 31.8 |
| EBIT | % | 4.8 | 3.5 | 6.6 | 7.1 | 4.9 | 5.9 | 5.8 |
| Depreciation and impairment | M€ | 4.1 | 4.5 | 4.2 | 4.2 | 4.1 | 16.6 | 17.0 |
| EBITDA | M€ | 10.8 | 9.4 | 14.8 | 14.8 | 10.8 | 51.2 | 48.8 |
| Net financial expenses | M€ | -0.4 | -0.3 | -1.2 | -0.6 | -0.3 | -2.5 | -1.5 |
| Earnings per share (EPS) | € | 0.04 | 0.03 | 0.06 | 0.05 | 0.03 | 0.18 | 0.16 |
| **Balance sheet** | | | | | | | | |
| Equity ratio | % | - | - | - | - | - | 64.1 | 60.2 |
| Gearing | % | - | - | - | - | - | 4.9 | -7.5 |
| Net interest-bearing debt | M€ | - | - | - | - | - | 16.2 | -24.8 |
| Equity per share | € | - | - | - | - | - | 2.10 | 2.13 |
| Dividend per share | € | - | - | - | - | - | 0.12* | 0.11 |
| Gross investments** | M€ | 17.0 | 2.5 | 1.7 | 1.8 | 4.1 | 24.6 | 71.2 |
| **Share** | | | | | | | | |
| Market capitalisation*** | M€ | - | - | - | - | - | 479.3 | 372.3 |
| Enterprise value (EV) | M€ | - | - | - | - | - | 495.5 | 347.5 |
| EV/EBITDA | | - | - | - | - | - | 9.7 | 7.1 |

* Board of Directors' proposal to the Annual General Meeting
** Including acquisitions
*** Excluding the company shares held by the Group

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

## CHIEF EXECUTIVE'S REVIEW OF 2012

"During Raisio's growth phase, we have carried out four acquisitions, the last two in Central Europe in 2012. All acquisitions have rapidly proven to be profitable also in practice and the acquired companies have been systematically integrated into the Raisio Group. We have worked with determination and managed to buy good companies at a good price. At the moment, all the acquired companies are in better shape than at the time of acquisition and Raisio has grown to become a truly global company with a foothold in the Nordic Countries, the UK, continental and Eastern Europe.

Raisio's net sales have increased by about EUR 240 million over three years during the Group's growth phase. At the same time, our EBIT has doubled. We have maintained our balance sheet strong with positive cash flow, the company is almost net debt free and the equity ratio is 64 per cent. We have achieved this even though, over the same period, the company has paid EUR 48 million in dividends. Total accumulated investments including acquisitions on debt free basis amounted to EUR 206 million.

Raisio's new feed innovation Benemilk has attracted great interest. Not only milk producers, but also investors and potential partners have shown interest in the feeds that increase milk yield and improve fat and protein contents. Dairy farmers benefit from higher milk income and healthier animals. The first feed developed on the basis of the new innovation was known as Maituri 12000 E. After the name change, it is now called Benemilk Black. At the moment, the new feed is used at about 600 dairy farms in Finland.

Feeds in the Benemilk product line were launched in January 2013 and, for the being, are sold in Finland only. We want to build a strong home market for our innovation before entering international markets. Finland is an important test and home market for Benemilk feeds. We filed an international patent application at the beginning of 2012. The patent process is not transparent and, therefore, our best estimate is that within a year we will know whether we have the patent."

## GROUP'S CONTINUOUS OPERATIONS

### Financial reporting

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

The Brands Division includes Consumer brands and Licensed brands units. Consumer brands unit is examined by key market areas in the text. Candy Plus is included in the Western European figures from 13 November 2012. Sulma's pasta and grit business became part of the Eastern European operations on 20 March 2012. Licensed brands unit includes Benecol.

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

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

# FINANCIAL REVIEW OF OCTOBER-DECEMBER 2012

### October-December 2012, continuing operations excluding one-off items

- Group net sales totalled EUR 137.5 million (Q4/2011: EUR 138.7 million).
- EBIT was EUR 6.6 million (EUR 4.9 million) accounting for 4.8 (3.5)% of net sales.

### Net sales

Raisio Group's net sales in October-December totalled EUR 137.5 (138.7) million. Net sales for the Brands Division were EUR 76.5 (79.1) million and for the Raisioagro Division EUR 61.3 (60.1) million. Net sales for other operations totalled EUR 0.5 (0.5) million.

### Result

Raisio Group's October-December EBIT was EUR 4.5 and, excluding one-off items, 6.6 (4.9) million, which is 3.2 and, excluding one-off items, 4.8 (3.5) per cent of net sales. In the last quarter, Raisio recorded a one-off item of EUR -2.2 million that mainly includes expenses from the statutory cooperation negotiations ended in November 2012 and from the Candy Plus acquisition. EBIT of the Brands Division totalled EUR 5.7 and, excluding one-off items, 7.6 (6.6) million and that of Raisioagro EUR -0.5 and, excluding one-off items -0.1 (-0.5) million. EBIT for other operations was EUR -0.8 and, excluding one-off items, -0.9 (-1.2) million.

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 4.1 (4.5) million in October-December.

The Group's net financial expenses in October-December totalled EUR -2.7 and, excluding one-off items, -0.4 (-0.3) million. In the fourth quarter, Raisio recorded a one-off item of EUR -2.3 million due to impairment for interest-bearing loan receivable.

The pre-tax result for October-December was EUR 1.8 and, excluding one-off items, 6.2 (4.6) million.

The Group's post-tax result for October-December was EUR 1.9 and, excluding one-off items, 5.4 (5.0) million. The Group's earnings per share for continuing operations in October-December were EUR 0.01 and, excluding one-off items, 0.04 (0.03).

### Investments

The Group's gross investments for October-December were EUR 17.0 and, excluding acquisitions, EUR 2.9 (2.5) million, which is 12.3 and, excluding acquisitions, 2.1 (1.8) per cent of net sales. Gross investments of the Brands Division were EUR 15.4 and, excluding acquisitions EUR 1.4 (1.5) million, those of Raisioagro EUR 1.0 (0.7) million and those of other operations EUR 0.5 (0.3) million.

The biggest investment in the last quarter was the acquisition of the Czech confectionery company Candy Plus.

### Brands Division

In the fourth quarter of 2012, net sales for the Brands Division increased with comparable figures. As the intermediary trade of margarines in Finland and Sweden ceased, reportable net sales decreased from EUR 79.1 million in the comparison period to EUR 76.5 million.

EBIT of the Brands Division totalled EUR 5.7 and, excluding one-off items, 7.6 (6.6) million. A one-off item of EUR -1.9 million, resulting from the costs related to the cooperation negotiations and the Candy Plus acquisition, was recorded in the fourth quarter EBIT. Profitability improved due to confectionery sales growth in the UK and Czech Republic, good sales development in Eastern European markets and cost-effectiveness of all operations.

Business operations

Confectionery net sales increased in the UK by almost 25 per cent from the comparison period. Economic uncertainty and high promotional activity weakened the UK sales of breakfast and snack products, as Raisio decreased the share of promotional sales with low margin. Sales in snacks produced under partners' brands developed well in the UK as a result of major new contracts. Candy Plus' confectionery sales increased in the fourth quarter due to new international private label contracts and good sales development of its own retail trade in the Czech market.

Net sales for Eastern European markets increased due to good sales development. In Russia, the Nordic brand remains strong and showed good profitability.

In Northern European food markets, Raisio focused on measures to improve competitiveness and cost-effectiveness and to renew the product portfolio. In Finland, sales in Benecol margarines and minidrinks and in Elovena products performed well. Price competition in industrial and catering products was unhealthy and Raisio did not seek to maintain the poorly performing market share.

Volume in Benecol's stanol ester, reported in the Licensed brands unit, showed positive development. Volume in contract manufactured sterol esters decreased, which was seen in the net sales development reported in the Licensed brands unit.

## Raisioagro Division

In the fourth quarter, Raisioagro's net sales rose to EUR 61.3 (60.1) million. Net sales for feeds and farming supplies were up by over 20 per cent. Net sales for feed protein business decreased due to lower production volume.

EBIT improved from the comparison period totalling EUR -0.5 and, excluding one-off items, -0.1 (-0.5) million. A one-off item of EUR -0.4 million, resulting from the cooperation negotiations costs, was recorded in Raisioagro's fourth quarter EBIT.

Business operations

The business model of feed protein business was renewed in order to improve profitability. The production of the factory will be adjusted to better meet the availability of Finnish rapeseed and demand for Finnish rapeseed oil. Moreover, the company is investing to increase production flexibility and efficiency.

Raisioagro brought organic cattle feed to national distribution in the autumn. Feeds are manufactured under contract in the Liperi-based cooperative ItäMaito's feed factory. The share of organic feed in the cattle feed market remains small, but demand is expected to grow as the demand for organic milk is growing and more farmers are starting organic production.

# REPORT OF THE BOARD OF DIRECTORS 2012
# Group's continuing operations

## Operating environment

The economic situation in Europe except for Russia is unstable and the ability to maintain margins is increasingly challenging. Weak growth and rising costs have forced companies in different industries to intensify their operations. Although the strongest pressure is not on grocery trade, Raisio has responded by stepping up its operations and reducing costs. Despite the weakened market conditions, profitability of Raisio's brands remained good especially in the UK, the largest market of Raisio brands, and in Russia.

The competitive situation in the Finnish feed market changed considerably when 60 per cent of Hankkija Agriculture Ltd, owned by Finnish cooperatives, was sold to the Danish DLA Group. At the same time, Raisioagro became the largest Finnish-owned feed producer. In 2012, Raisioagro maintained its strong market position in the Finnish feed market despite the intensifying competition. Raisio continues to be the market leader in dairy cattle feed. Finnish milk producers have shown great interest in the new Benemilk feeds as, according to the research results and user experience, milk contents are improving and farmers' income increasing. Raisio filed an international patent application for the innovation at the beginning of 2012.

Despite the increased demand for poultry feeds, feed producers' margins have not reached a satisfactory level and there is plenty of excess capacity in Finland. In 2012, Raisioagro continued to use only the non-GMO (not genetically modified) soy as protein source in feed mixes. In Finland, the poultry and pork chains are already GMO contaminated by some feed companies. Like its competitors, Raisio is considering the use of GMO soy now that the price difference between non-GMO and GMO soy is increasingly greater and the area under GMO soybean cultivation is diminishing. Many of the customers and processing industry hope to see more affordable feed options to maintain competitiveness. The EU approved GMO varieties are found safe by authorities. The Finnish milk chain is completely non-GMO, which is unique at the European level.

## Net sales

Raisio Group's 2012 net sales totalled EUR 584.1 (552.6) million. Net sales of the Brands Division were EUR 329.5 (314.6) million, those of the Raisioagro Division EUR 255.7 (241.1) million and those of other operations EUR 2.0 (1.4) million. Brands Division net sales were increased through acquisitions, good sales performance in the UK confectionery and increased food sales in Eastern Europe. Raisioagro's net sales were boosted by the impact of increased raw material prices on product prices, good sales performance in farming supplies and increased fish feed exports.

The Brands Division accounted for some 56 per cent and Raisioagro 44 per cent of the Group's net sales. Net sales from outside Finland represented 49.3 (43.3) per cent of the Group's total, amounting to EUR 288.0 (239.0) million.

## Result

Raisio Group's 2012 EBIT amounted to EUR 31.7 and, excluding one-off items, 34.6 (30.7 and, excluding one-off items, 31.8) million, which is 5.4 and, excluding one-off items, 5.9 (5.6 and, excluding one-off items, 5.8) per cent of net sales. Group's EBIT includes a one-off item of EUR -2.9 million resulting from expenses of the cooperation negotiations and acquisitions. In the comparison period, the Brands Division's EBIT included a one-off item of EUR -1.1 million resulting from the Big Bear Group acquisition costs following the due diligence process.

EBIT of the Brands Division totalled EUR 34.9 and, excluding one-off items, 37.4 (30.1 and, excluding one-off items, 31.2) million and that of Raisioagro EUR -0.7 and, excluding one-off items -0.3 (2.9) million. EBIT of other operations was EUR -2.5 (-2.4) million.

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 16.6 (17.0) million.

The Group's net financial expenses totalled EUR -16.0 and, excluding one-off items, -2.5 (-3.7 and, excluding one-off items, -1.5) million. Financial items include one-off items of EUR -13.5 million, of which EUR -11.2 million resulted from the difference between the confirmed purchase price of Raisio UK Ltd’s non-controlling interest and the estimated purchase price previously recorded in the balance sheet. As the acquired company performed better than expected, the purchase price rose, according to the purchase price mechanism agreed beforehand. In the last quarter, a total of EUR -2.3 million was also recorded in impairment for interest-bearing loan receivable. Additional purchase price debt to Raisio UK’s non-controlling interest of a total of EUR -2.2 million, resulting from the acquisition of Big Bear Group, has been recorded as a one-off item in the comparison period’s financial items.

The pre-tax result was EUR 15.6 and, excluding one-off items, 32.0 (27.0 and, excluding one-off items, 30.3) million.

The Group’s post-tax result was EUR 11.7 and, excluding one-off items, 27.0 (21.3 and, excluding one-off items, 24.6) million. The Group’s earnings per share for continuing operations were EUR 0.08 and, excluding one-off items, 0.18 (0.14 and, excluding one-off items, 0.16).

## Balance sheet, cash flow and financing

On 31 December 2012, the Raisio Group’s balance sheet totalled EUR 517.6 (561.8) million. Shareholders’ equity was EUR 327.3 (332.9) million, while equity per share was EUR 2.10 (2.13).

On 31 December 2012, the Group’s interest-bearing financial liabilities were EUR 78.0 (115.7) million. Net interest-bearing debt was EUR 16.2 (-24.8) million.

On 31 December 2012, the Group’s equity ratio totalled 64.1 (60.2) per cent and net gearing was 4.9 (-7.5) per cent. Return on investment was 4.5 and, excluding one-off items 8.3 (7.3 and, excluding one-off items, 8.1) per cent.

Cash flow from business operations was EUR 20.9 (50.0) million. On 31 December 2012, working capital was EUR 84.9 million. A year earlier, the amount tied up in working capital was EUR 65.6 million. Working capital grew due to increased inventories and receivables.

In 2012, Raisio plc paid EUR 17.6 million in dividends and purchased its own shares for EUR 1.0 million.

## Investments and acquisitions

The Group’s gross investments totalled EUR 24.6 and, excluding one-off items 8.5 (71.2 and, excluding acquisitions, 7.9) million. Gross investments of the Brands Division were EUR 21.2 and, excluding acquisitions 7.2 (67.8 and, excluding one-off items, 4.5) million, those of Raisioagro EUR 2.0 (2.5) million and those of other operations EUR 1.4 (0.8) million.

On 20 March 2012, Raisio acquired Polish Sulma sp. z o.o.’s pasta and grits operations, its intellectual property rights as well as fixed and current assets. The value of the deal was EUR 2.4 million. Raisio paid the purchase price in cash and Raisio did not assume liabilities.

With the Sulma acquisition, Raisio strengthens its position both in the Polish markets and in pasta products.

On the 13 November 2012, Raisio acquired the Czech confectionery company Candy Plus. The enterprise value was EUR 20.5 million including liabilities arising from a new capital investment of EUR 2.3 million in fruit-liquorice capability. Raisio paid the consideration from its cash reserves. The acquisition complements Raisio's existing and successful confectionery activities in the UK.

### Research and development

The Group's research and development expenses were EUR 6.9 (6.8) million accounting for 1.2 (1.2) per cent of net sales.

Raisioagro's research and development activities focused on the expansion of Benemilk product line. The Benemilk line with three complete feeds and one semi-concentrate was launched in the Finnish market in January 2013. To strengthen the IPR portfolio, it is important for Raisio that Benemilk products are further studied also with different cattle breeds and feeding models.

New breakfast and snack products were actively developed in the UK and will be launched in the first half of 2013. In confectionery, especially new packaging solutions with Poppets and the Fox's brand extension to traditional flavours have boosted sales growth. In Finland, R&D in foods focused on the development of healthy, ecological and natural snacks. For example, Raisio introduced new products to the breakfast table. Furthermore, the position of oats as the leading healthy grain was strengthened, when the European Food Safety Authority, EFSA, approved the health claim on the cholesterol-lowering effect of oat fibre, beta-glucan.

Benecol business cooperated extensively with Finnish and international research institutes and universities. In 2012, clinical researches were conducted in five different countries. The research focus was on showing the cholesterol-lowering efficacy of Benecol products in different populations, particularly in Asian countries. It was an important achievement for Raisio when the European Food Safety Authority, EFSA, issued a positive opinion for Raisio's health claim, which showed that the cholesterol-lowering effect is enhanced with a higher daily intake (3 grams).

## SEGMENT INFORMATION

### BRANDS DIVISION

Raisio's Brands Division has been divided into two units: Consumer brands and Licensed brands. Consumer brands unit includes all food operations in the Western, Northern and Eastern European market areas. Licensed brands unit includes Benecol and the IPR of the new Benemilk feed innovation.

| | | Q4/2012 | Q3/2012 | Q2/2012 | Q1/2012 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|
| Net sales | M€ | 76.5 | 86.2 | 85.6 | 81.1 | 329.5 | 314.6 |
| Consumer brands | M€ | 69.3 | 74.0 | 74.5 | 68.4 | 286.1 | 269.2 |
| Licensed brands | M€ | 8.5 | 12.5 | 11.2 | 12.8 | 45.0 | 45.7 |
| EBIT, excluding one-off items | M€ | 7.6 | 9.7 | 11.0 | 9.0 | 37.4 | 31.2 |
| EBIT, excluding one-off items | % | 10.0 | 11.3 | 12.8 | 11.1 | 11.3 | 9.9 |
| One-off items | M€ | -1.9 | -0.6 | 0.0 | 0.0 | -2.5 | -1.1 |
| EBIT | M€ | 5.7 | 9.2 | 11.0 | 9.0 | 34.9 | 30.1 |
| Investments* | M€ | 15.4 | 1.2 | 1.0 | 3.6 | 21.2 | 67.8 |
| Net assets | M€ | - | - | - | - | 271.7 | 245.8 |

* Including acquisitions

## Net sales

Net sales of the Brands Division totalled EUR 329.5 (314.6) million. Net sales for Consumer brands totalled EUR 286.1 (269.2) million. Net sales for Licensed brands, or Benecol, were EUR 45.0 (45.7) million.

The UK is the largest market area of Raisio's Brands Division. In 2012, its net sales increased to over 45 per cent of the Division's total. The acquisitions of Sulma and Candy Plus completed in 2012 increased net sales of Western European operations in addition to organic growth. Confectionery sales in the UK grew almost 15 per cent from 2011. Raisio also won major new private label contracts. Uncertainty in the economy affected the buying behaviour of British consumers, which is why sales in breakfast and snack products did not reach the comparison year's level. Sales in snacks produced by Raisio under the partner brands grew in tough competitive conditions.

In the second half of 2012, Raisio started a reorganisation programme in the Northern European markets due to changed operating environment and intensifying competition. The programme aims at improved profitability and increased competitiveness in Finnish, Swedish and Estonian markets. Sales in Benecol and Elovena products increased in Finland. Volume in Finnish industrial and HoReCa sales was clearly lower compared to 2011.

Net sales for Eastern European food sales increased by 50 per cent. Sales showed steady increase in all markets of Russia, Ukraine and Poland.

Net sales for Benecol were at previous year's level despite the fall in the volume of contract manufactured sterol ester. In terms of Benecol product sales, there are considerable differences between the markets. Sales grew particularly well in Asian and South American new markets and in Finland. The UK further strengthened its position as the largest market for cholesterol-lowering Benecol products. In Finland, Raisio has been responsible for sales and marketing of Benecol minidrinks for almost five years and our active investments have doubled the sales growth. In 2012, Benecol spreads were transferred to be managed by Raisio and their sales have had a good start.

## Result

Brands Division's 2012 EBIT amounted to EUR 34.9 and, excluding one-off items, 37.4 (30.1 and, excluding one-off items, 31.2) million, which is 10.6 and, excluding one-off items, 11.3 (9.6 and, excluding one-off items, 9.9) per cent of net sales.

As a result of improved profitability in confectionery, breakfast and snack products, adjustment of production, improved cost-effectiveness and the acquisition completed, EBIT for Western European operations improved by over 40 per cent from 2011. Profitability in Northern European food operations was not satisfactory against the target. Raisio has already taken steps to improve profitability. EBIT for Eastern European operations was clearly profitable. Benecol's EBIT was at its ordinary good level.

## Consumer brands

### Western Europe

Sales in snack bars developed well in 2012. Raisio's diverse product range includes, for instance, grain, fruit and berry based snack bars, bars for weight management as well as low-fat and functional snack bars. Sales growth in premium nuts and savoury snacks sold under the Dormen brand slowed down because of higher raw material prices. In spring 2012, the product range was extended with pasta-based snack products for children sold under the licensed brands Bob the Builder, Fireman Sam and Thomas the Tank Engine.

In Raisio's breakfast and snack products, our own and licensed brands accounted for some 60 per cent of net sales, partners' brands for approximately 30 per cent and private labels for the remaining 10 per cent. Our portfolio mainly consists of children's products while weight management and slimming products have the second place.

In confectionery, the new packaging format of Poppets products raised consumer interest and increased sales by almost 25 per cent. The Fox's product line expanded with the launch of traditional confectionery. Raisio signed several major new delivery contracts in private label confectionery. For the second consecutive year, customers chose Raisio to be a winner of The Grocer magazine's "Own Label Confectionery Supplier of the Year" award, which is an indication of customer confidence.

Raisio is the UK's second largest supplier of private label sugar and chocolate based confectionery. Raisio's customers include all major retailers, which provides us a wide customer base. In confectionery, Raisio's own branded sales account for some 60 per cent and private labels for some 40 per cent of net sales.

With the Candy Plus acquisition completed in November 2012, Raisio gained a foothold in the Central European confectionery market. The acquisition complements Raisio's profitable confectionery business in the UK. Candy Plus is a profitable and growing company with a wide customer base across east and west Europe and other parts of the world. Candy Plus' product range includes the faster growing product categories of soft-eating and higher-fruit jellies, liquorice and functional confectionery. The acquisition provided Raisio with interesting growth opportunities.

### Northern Europe

Increased consumer demand for cholesterol-lowering functional products significantly increased sales in Benecol margarines and minidrinks compared to 2011. A particularly strong sales increase was seen in the last quarter of the year.

In the consumption of healthy breakfast and snack products, consumers switched from Raisio's traditional products to added-value products with higher degree of processing. Sales in Elovena Hetki porridges, snack drinks and snack biscuits increased compared to previous year as consumers were looking for solutions that make their everyday life easier.

In terms of traditional grain products, rise in raw material prices led to a strong upward pressure on the customer and consumer product pricing. Raisio's strong traditional brands were able to carry the price premium well. In Finnish industrial and bakery sectors, profitability decreased due to intense competition and higher raw material prices. Raisio did not seek to maintain this market share with low profitability.

At the end of 2012, Raisio's catering product sales were transferred to be managed by Raisio's own organisation and the operations of Ateriamestarit Oy, previously responsible for sales, were discontinued.

Eastern Europe

In 2012, Raisio showed strong growth in the Eastern European markets. Sales in our branded products increased in all market areas. Sales in premium grain products sold under the Nordic brand increased by some 30 per cent in Russia and Ukraine. Russian and Ukrainian consumers value products made in Finland and trust the Finnish brand. In Russia, Raisio's products are sold in the regions of Moscow, St. Petersburg and Vladivostok.

Raisio took the sale of Benecol margarines in Poland back into its own hands. This will increase the company's opportunities to develop the Benecol brand comprehensively. Poland in one of the largest markets of the effectively cholesterol-lowering Benecol products.

In spring 2012, Sulma's pasta and grit business was integrated into Raisio's Polish operations. As part of Raisio, sale of Sulma products has expanded to cover the whole country.

### Licensed brands

Sales and market position of Benecol products strengthened particularly in Asia and South America. Sales increased considerably in Indonesia, Columbia and Chile, where the Benecol brand has only recently been launched.

In 2012, there were significant differences in sales between the countries. The demand was affected by the ongoing difficult economic situation in several European countries. In Greece and Spain, for example, sales in Benecol products did not meet the comparison period level. On the other hand, in the largest market of Benecol products, the UK, the successful product line extension brought new users for Benecol. Sales also increased in Ireland where consumer confidence in the brand is strong. More than 90 per cent of Benecol's net sales come from Europe.

## RAISIOAGRO DIVISION

Raisioagro Division includes feeds, grain trade, protein meals and vegetable oils, farming supplies and bioenergy. 2012 was Raisioagro's first year of operations. Raisioagro is a modern agricultural trader and producers' familiar and safe partner.

| | | Q4/2012 | Q3/2012 | Q2/2012 | Q1/2012 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|
| Net sales | M€ | 61.3 | 75.0 | 65.3 | 54.1 | 255.7 | 241.1 |
| EBIT, excluding one-off items | M€ | -0.1 | 1.2 | 0.4 | -1.8 | -0.3 | 2.9 |
| EBIT, excluding one-off items | % | -0.2 | 1.6 | 0.7 | -3.4 | -0.1 | 1.2 |
| One-off items | M€ | -0.4 | 0.0 | 0.0 | 0.0 | -0.4 | 0.0 |
| EBIT | M€ | -0.5 | 1.2 | 0.4 | -1.8 | -0.7 | 2.9 |
| Investments | M€ | 1.0 | 0.3 | 0.4 | 0.3 | 2.0 | 2.5 |
| Net assets | M€ | - | - | - | - | 74.3 | 63.1 |

## Net sales

Raisioagro's net sales increased by six per cent amounting to EUR 255.7 (241.1) million. Net sales for feeds and farming supplies increased by over 20 per cent from the comparison year. Net sales were boosted by the feed pricing to meet higher raw material costs and favourable sales trend in fish feeds. Online store increased its popularity as a purchasing channel. To discontinue unprofitable vegetable oil exports, the feed protein business was adjusted to market conditions, which led to a considerable fall in its net sales.

Feeds and farming supplies account for almost 80 per cent of Raisioagro's net sales, while protein meals, vegetable oils and grains represent less than 20 per cent.

## Result

Raisioagro's EBIT was EUR -0.7 and, excluding one-off items -0.3 (2.9) million. In the last quarter of 2012, Raisioagro recorded a one-off item of EUR -0.4 million resulting from the cooperation negotiations costs. Full-year EBIT was slightly negative due to the loss of approximately EUR -2.5 million in feed protein business and the weakened profitability of grain trade. Profitability in feeds and farming supplies remained satisfactory. Feed sales volume was almost at the previous year's level and sales volume in farming supplies increased.

In November 2012, as part of the statutory cooperation negotiations, Raisio decided on measures to improve the profitability of feed protein business. Raisio is adjusting the running period of the factory to better meet the Finnish rapeseed availability. The company is also investing in production flexibility and efficiency. Increased imports of foreign rapeseed and unprofitable exports of surplus oil from Finnish use have had an unreasonable impact on business profitability in 2012.

## Business

Feeds and farming supplies

In terms of net sales and proceeds, milk production is the most significant branch in Finnish agriculture. Milk production remained at the previous year's level despite the declining number of dairy farms. Raisioagro is the market leader in dairy cattle feed. Due to the imbalance of pork market, producer prices did not rise in line with increased production costs. A decline of about five per cent in pork production had a direct impact on the demand for pig feed. Demand for eggs increased by some five per cent and for poultry by some four per cent. Despite many factors affecting livestock production and the competitive situation, Raisioagro maintained its position in the Finnish feed market.

In early spring, Raisiagro complemented its customer services with an online store for professional farmers. Contract customers can order feeds and farming supplies easily and conveniently online using their personal contract terms. Online store is always the cheapest option. Net sales for online store increased steadily during the year and the company is investing strongly in service development and product line extension.

Feed production was divided by factories. At the moment, Kouvola and Ylivieska factories make cattle feed only while Raisio-based plant specialises in pig, poultry and fish feed production. This arrangement led to longer production series, improved production efficiency and even more uniform product quality.

Conditions in 2012 were favourable for fish farming in Finland and Russia. Raisioagro retained its market-leading position in Finland and Russian Karelia, and the exports of fish feed increased. Raisioagro supplies more than half of the fish feed used in Finland.

As Raisioagro was formed, the company decided to invest strongly in grain and feed trade, but also in sales of other main farming supplies. Yara Suomi fertilisers and Neste Oil fuel oils and diesel are now sold through Raisioagro. Raisioagro operates with a lighter cost structure than traditional agricultural trade and the company's intermediary product sales are showing strong growth.

Benemilk

In dairy cattle feeding, Raisioagro invested strongly in the launch of Benemilk feeds in Finland. Benemilk feeds are products that are developed on the basis of Raisio’s own innovation. The feeds improve milk yield and increase fat and protein contents of milk. Maituri 12000 E complete feed launched at the beginning of 2012 is now called Benemilk Black. At the moment, already some 600 Finnish dairy farms are using Benemilk feeds.

The new Benemilk product line was launched on the cruise for Raisioagro’s customers in January 2013. The Benemilk line includes four products: complete feeds Benemilk Black, Benemilk Red and Benemilk Blue as well as a semi-concentrate Benemilk Amino Black. With the extended product line, milk producers now have more options to choose feeds suitable for the yield level of their own cattle.

Based on research results and user experience on the farms, Raisioagro provides a satisfaction guarantee for Benemilk customers. In 2013, Raisio continues its strong investment in the commercialisation of the Benemilk innovation and focuses to achieve a strong market position in Finland. Processing of the international patent takes time, which Raisio will use by conducting feeding studies with different cattle breeds and feeding models and by assessing international business models.

Protein meals and vegetable oils

For Raisio’s own feed factories, protein meal is the key product of feed protein business. Vegetable oil, a by-product of the oilseed crushing process, is used as raw material in food, feed and bioenergy industries. In Finland, there is currently not enough demand for all the crushed vegetable oil.

Raisio is improving feed protein business performance by adjusting production to better meet the availability of Finnish rapeseed. By reducing the production, the company can also avoid unprofitable exports of rapeseed oil generated in the crushing process of imported seed.
The company’s own diminishing meal production will be replaced by imports. Raisio is making investments in order to increase flexibility and efficiency in the Raisio-based factory.
During periodic production shutdowns, personnel are provided with other process functions in Raisio’s industrial area.

Grains and oil plants

Price level of grains, oil plants and protein plants remained high during the whole 2012.
Total volume of Raisio’s grain trade was at the previous year’s level. More than half of the grain used annually by Raisio is processed into feeds and less than half into foods. Raisio is the biggest industrial grain processor in Finland.

Growing season was exceptional in Finland due to rainy and cold summer, which delayed the threshing of grains and oil plants as well as the market entry of the new crop. Raisio has around 2,500 contract farmers that provide the company with most of the needed grains and oil plants.

Finnish oilseed harvest of the past season accounts for only about a quarter of the processing capacity of Finnish oilseed processing industry. Due to decreased arable land and poor harvests, Finnish self-sufficiency in oil plants has declined to some 15 per cent. Raisio is planning the future harvest period together with the contract farmers and encourages them to increase oilseed area with particular attention to the choice of crop varieties.

## CORPORATE RESPONSIBILITY

Raisio’s sustainable food chain is based on good nutrition, safe products, well-being at work, animal welfare and locality as well as good management of environmental and financial responsibility in the company’s own operations. Significance of nutrition and locality were emphasised in the corporate responsibility trends of 2012.

In 2012, Raisio grew through acquisitions carried out in Poland and the Czech Republic. Despite the internationalisation, Raisio is also a very local operator. Raisio's branded products for the company's largest markets in the UK and Finland are mainly produced locally, in the consumer's home country. With the acquisition, the products of Sulma pasta factory in Poland are available for a growing number of Polish households.

As a food producer and significant plant-based raw materials user, Raisio has the desire and opportunity to make the food chain more sustainable. Raw materials used by Raisio are mainly local. Grain is still Raisio’s main raw material although the selection of raw materials has considerably widened as a result of internationalisation. Raisio is the largest industrial grain processor in Finland with top-notch traceability of grain raw materials.

In addition to the improvement of our own production chain, we provide our customers with tools to develop their operations paying special attention to environmental aspects. In 2012, Raisio continued to work on promoting more environmentally friendly cultivation. The competition Huippufarmari haussa (Raisio’s Next Top Farmer) will make Raisio’s Closed Circuit Cultivation CCC® concept more widely known. By means of Raisioagro’s farming guidance service and CCC®, we are looking for better and more environmentally friendly ways to produce a good harvest.

Raisio develops ecological and healthy products and solutions to meet consumer and customer needs with a focus on the conservation of natural resources. The company is not aware of any significant financial environmental risks.

## Management and administration

<u>Board of Directors and Supervisory Board</u>

Raisio’s Board of Directors had six members in 2012. The members are Simo Palokangas (Chairman), Michael Ramm-Schmidt (Deputy Chairman), Anssi Aapola, Erkki Haavisto, Pirkko Rantanen-Kervinen and Matti Perkonoja. All Board members are independent of the company and significant shareholders.

Raisio’s Supervisory Board is chaired by Michael Hornborg, MA (Agriculture &Forestry) and farmer, while Holger Falck, agronomist, is the Deputy Chairman.

Changes in management

Markku Krutsin, Vice President Food Division Northern European operations and Group Management Team member, resigned in July 2012.

As Raisio reorganised its Brands Division into two units in August 2012, Paul Simmonds was appointed Vice President for Consumer brands unit. Simmonds was previously responsible for Raisio's Western European food operations. At the same time, Vincent Poujardieu was appointed Vice President for the Licensed brands unit. At first, Licensed brands unit includes Benecol, for which Poujardieu has already earlier been responsible. He is also continuing as Vice President for the Group's business development.

Pasi Lähdetie, Vice President for grain trade and Group management team member, left the company in November 2012.

Group Management Team

Raisio renewed the composition of the Group Management Team as of 1 January 2013. CEO Matti Rihko, CFO Jyrki Paappa, Vice President HR Merja Lumme, Vice President Consumer brands Paul Simmonds, Vice President Licensed brands Vincent Poujardieu and Vice President Raisioagro Division Leif Liedes will continue to serve as Group Management Team members.

A new member of the Management Team, Sari Koivulehti-Mäkitalo, Vice President of Legal Affairs, started on 1 January 2013. She will also continue as Management Team secretary.

## Personnel

Raisio Group's continuing operations employed 1,885 people at the end of 2012 (31 December 2011: 1,432 people). The average number of employees was 1,587 (1,454). The number of employees outside Finland increased due to the acquisitions. At the end of 2012, a total of 78 (31 December 2011: 69) per cent of personnel worked outside Finland. Most of Raisio people work in the UK. Raisio operates in 10 countries and has production in five countries in 17 locations.

The Brands Division had 1,643, Raisioagro 184 and the service functions 58 employees at the end of 2012.

Raisio's wages and fees from continuing operations in 2012 totalled EUR 65.7 (62.0 in 2011 and 48.9 in 2010) million including other personnel expenses.

On 8 October 2012, Raisio Group started the statutory cooperation negotiations concerning mainly its Brands Division's Finnish operations, Raisioagro's feed protein business and the Group's support functions. The negotiations were largely related to the need to improve the declining competitiveness and profitability of the Brands Division's Finnish operations. The company looked for solutions for the low profitability in the feed protein business and the production of the factory crushing rapeseed was adjusted to market conditions.

Raisio completed most of the cooperation negotiations on 28 November 2012. During the negotiations, the reduction need was confirmed to be a total of 56 persons, which meant that 40 employees were made redundant. Other staff reductions took place through natural attrition. The reductions concerned all personnel groups. After the completed cooperation negotiations, cost savings and reorganisation of activities realised and Raisio expects to improve its profitability by more than EUR 4 million.

## Changes in Group structure

Raisio Feed Ltd's company name was changed to Raisioagro Ltd on 1 January 2012. Sulma sp. z o.o's pasta and grits business in Poland was integrated to the Raisio Group through the acquisition on 20 March 2012. In August 2012, Raisio redeemed Raisio UK Ltd's non-controlling interest and, at the same time, the company became Raisio plc's 100 per cent owned subsidiary. A Czech confectionery manufacturer Candy Plus became part of the Raisio Group on 13 November 2012. Operations of Ateriamestarit Oy, a joint venture of Raisio and Lännen Tehtaat, were closed down at the end of 2012.

## Events after the review period

FDA acknowledged new GRAS status of plant stanol ester in Benecol products

The American Food and Drug Administration, FDA, acknowledged the new GRAS (Generally recognized as safe) status of Raisio's cholesterol-lowering ingredient, plant stanol ester, for use of multiple food products. This means that a wider range of foods with added plant stanol ester can be marketed in the USA with a disease risk reduction health claim. The status concerns such new food products as beverages and various milk and grain products. The earlier GRAS status of plant stanol ester concerned only a limited number of food products.

The GRAS procedure included a comprehensive review of the scientific safety documentation for plant stanol ester. The statement signed by an external expert panel was submitted to the FDA for review in summer 2012, and in January 2013, the FDA acknowledged a GRAS status for plant stanol ester to be used in a wide range of food products.

Benemilk product line launched in Finland

At the beginning of 2012, Raisio introduced in Finland a complete feed improving milk yield and the contents of milk. The feed was known by the name of Maituri 12000 E. In January 2013, Raisio launched Benemilk product line in the Finnish market. The line is based on the same feed innovation. All Benemilk feeds have very high energy levels and a strong impact on the volume and on fat and protein contents of milk. Benemilk product line includes three complete feeds and one semi-concentrate. The feeds are easily identified on the basis of colour, as colours Black, Red and Blue on the product names relate to the product properties.

Already over 600 Finnish farms have user experiences of Benemilk Black feeds. Milk producers have confirmed that milk yield has increased and contents of milk have risen. Milk yield on the farms has typically increased by 2-3 litres per cow per day. Milk protein content typically rises by 1-3 tenths of a percent, fat may increase by 3-5 tenths of a percent and, at best, even higher increases have been recorded. The feeding test conducted in the Maaninka research barn of MTT Agrifood Research Finland in spring 2012 confirmed scientifically the user experience.

## Risks and sources of uncertainty in the near future

Uncertainty in the international economic development will continue. European economic growth continues to be slow and unemployment is growing. Seeking sustainable solutions to the sovereign debt problems is likely to maintain the uncertainty. Despite the general situation, we believe that the grocery trade will remain relatively stable compared to many other industries.

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

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

## Guidance 2013

Raisio anticipates a moderate growth in net sales and expects solid EBIT improvement from 2012.

## Board of Directors' proposal for the distribution of profits

The parent company's distributable equity was EUR 174,826,175.05 on 31 December 2012. At the Annual General Meeting held on 27 March 2013, the Board of Directors will propose a dividend of EUR 0.12 per share, not, however, on the shares held by the Company.

The record date is 3 April 2013 and the payment date 10 April 2013.

In Raisio, 12 February 2013

Raisio plc
Board of Directors

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

**Event related to the financial statements publication on 12 February 2013**

- Event in Finnish for analysts and media will be arranged in Helsinki starting at 2.00 p.m. Finnish time. It will be held at Hotel Scandic Simonkenttä. The address is Simonkatu 9, Helsinki
- CEO Matti Rihko's video in English for 2012 will be published on the company website at www.raisio.com.

**Release dates of Raisio's financial reviews in 2013**

- Raisio's Annual Report 2012 will be released online during the week 11 at http://vuosikertomus2012.raisio.com/. Corporate responsibility report is part of the online Annual Report.
- The Annual General Meeting will be held on 27 March 2013.
- Interim Report for January-March will be published on 7 May 2013.
- Interim Report for January-June will be published on 13 August 2013.
- Interim Report for January-September will be published on 5 November 2013.

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€)

| | 10-12/2012 | 10-12/2011 | 2012 | 2011 |
|---|---|---|---|---|
| CONTINUING OPERATIONS: | | | | |
| **Net sales** | 137.5 | 138.7 | 584.1 | 552.6 |
| Expenses corresponding to products sold | -115.7 | -118.2 | -488.8 | -461.6 |
| | | | | |
| **Gross profit** | 21.8 | 20.5 | 95.2 | 91.0 |
| Other operating income and expenses, net | -17.3 | -15.6 | -63.6 | -60.3 |
| **EBIT** | 4.5 | 4.9 | 31.7 | 30.7 |
| | | | | |
| Financial income | 0.2 | 0.9 | 1.9 | 3.0 |
| Financial expenses | -2.8 | -1.2 | -17.9 | -6.7 |
| Share of result of associates and joint ventures | 0.0 | 0.0 | -0.1 | 0.0 |
| | | | | |
| **Result before taxes** | 1.8 | 4.6 | 15.6 | 27.0 |
| Income taxes | 0.1 | 0.4 | -4.0 | -5.7 |
| | | | | |
| **Result for the period for continuing operations** | 1.9 | 5.0 | 11.7 | 21.3 |
| | | | | |
| DISCONTINUED OPERATIONS: **Result for the period for discontinued operations** | 0.0 | -0.1 | 0.0 | 4.2 |
| | | | | |
| **RESULT FOR THE PERIOD** | 1.9 | 4.9 | 11.7 | 25.5 |
| | | | | |
| Attributable to: | | | | |
| Equity holders of the parent company | 1.9 | 5.0 | 12.0 | 25.8 |
| Non-controlling interests | -0.1 | -0.1 | -0.3 | -0.3 |
| | | | | |
| **Earnings per share from the profit attributable to equity holders of the parent company (€)** | | | | |
| CONTINUING OPERATIONS: | | | | |
| Undiluted earnings per share | 0.01 | 0.03 | 0.08 | 0.14 |
| Diluted earnings per share | 0.01 | 0.03 | 0.08 | 0.14 |
| DISCONTINUED OPERATIONS: | | | | |
| Undiluted earnings per share | 0.00 | 0.00 | 0.00 | 0.03 |
| Diluted earnings per share | 0.00 | 0.00 | 0.00 | 0.03 |

## COMPREHENSIVE INCOME STATEMENT (M€)

| | 10-12/2012 | 10-12/2011 | 2012 | 2011 |
|---|---|---|---|---|
| **Result for the period** | 1.9 | 4.9 | 11.7 | 25.5 |
| | | | | |
| **Other comprehensive income items** | | | | |
| Hedging of net investments | 0.0 | -0.4 | -0.5 | -0.3 |
| Available-for-sale financial assets | 0.0 | -0.1 | 0.0 | -0.1 |
| Cash flow hedge | 0.1 | 0.0 | 0.1 | -1.1 |
| Translation differences recognised in profit and loss on disposal of foreign operations | 0.0 | 0.0 | 0.0 | 0.0 |
| Gains and losses arising from translating the financial statements of foreign operations | -1.7 | 2.8 | 1.4 | 2.0 |
| | | | | |
| **Comprehensive income for the period** | 0.2 | 7.2 | 12.7 | 25.9 |
| | | | | |
| Components of comprehensive income: | | | | |
| Equity holders of the parent company | 0.3 | 7.3 | 13.0 | 26.2 |
| Non-controlling interests | -0.1 | -0.1 | -0.3 | -0.3 |

**BALANCE SHEET (M€)**

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| **ASSETS** | | |
| Non-current assets | | |
| Intangible assets | 39.7 | 38.4 |
| Goodwill | 111.2 | 103.3 |
| Property, plant and equipment | 123.4 | 117.1 |
| Shares in associates and joint ventures | 0.7 | 0.8 |
| Available-for-sale financial assets | 2.3 | 2.4 |
| Receivables | 0.2 | 3.0 |
| Deferred tax assets | 2.4 | 4.0 |
| Total non-current assets | 279.9 | 268.9 |
| | | |
| Current assets | | |
| Inventories | 92.7 | 80.2 |
| Accounts receivables and other receivables | 82.0 | 71.7 |
| Financial assets at fair value through profit or loss | 56.3 | 121.6 |
| Cash in hand and at banks | 6.8 | 19.4 |
| Total current assets | 237.7 | 292.9 |
| | | |
| **Total assets** | 517.6 | 561.8 |
| | | |
| **SHAREHOLDER'S EQUITY AND LIABILITIES** | | |
| Equity attributable to equity holders of the parent company | | |
| Share capital | 27.8 | 27.8 |
| Company shares | -20.5 | -19.5 |
| Other equity attributable to equity holders of the parent company | 319.0 | 323.4 |
| Equity attributable to equity holders of the parent company | 326.3 | 331.7 |
| Non-controlling interests | 1.0 | 1.1 |
| Total shareholder's equity | 327.3 | 332.9 |
| | | |
| Non-current liabilities | | |
| Deferred tax liabilities | 14.1 | 16.4 |
| Pension contributions | 0.2 | 0.2 |
| Provisions | 0.2 | 0.5 |
| Non-current financial liabilities | 55.5 | 76.3 |
| Derivative contracts | 1.7 | 1.8 |
| Other non-current liabilities | 0.1 | 0.1 |
| Total non-current liabilities | 71.8 | 95.2 |
| | | |
| Current liabilities | | |
| Accounts payable and other liabilities | 95.6 | 90.7 |
| Provisions | 0.0 | 0.9 |
| Derivative contracts | 0.3 | 2.7 |
| Current financial liabilities | 22.6 | 39.5 |
| Total current liabilities | 118.5 | 133.8 |
| | | |
| Total liabilities | 190.3 | 228.9 |
| | | |
| **Total shareholder's equity and liabilities** | 517.6 | 561.8 |

## CHANGES IN GROUP EQUITY (M€)

| | Share capital | Share premium reserve | Re-serve fund | Com-pany shares | Trans-lation diffe-rences | Other re-serves | Re-tained ear-nings | Total | Non-con-trolling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| Equity on 31.12.2010 | 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 | - | - | - | - | - | - | 25.8 | 25.8 | -0.3 | 25.5 |
| Other comprehensive income items (adusted for tax effects) | | | | | | | | | | |
| Hedging of net investment | - | - | - | - | -0.3 | - | - | -0.3 | - | -0.3 |
| Financial assets available for sale | | | | | | -0.1 | | -0.1 | | -0.1 |
| Cash flow hedge | - | - | - | - | - | -1.1 | - | -1.1 | - | -1.1 |
| Gains and losses arising from translating the financial statements of foreign operations | - | - | - | - | 2.0 | - | - | 2.0 | - | 2.0 |
| Total comprehensive income for the period | 0.0 | 0.0 | 0.0 | 0.0 | 1.6 | -1.2 | 25.8 | 26.3 | -0.3 | 25.9 |
| Business activities involving shareholders | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | -16.1 | -16.1 | 0.4 | -15.7 |
| Unclaimed dividends | - | - | - | - | - | - | 0.0 | 0.0 | - | 0.0 |
| Repurchase of company shares | - | - | - | -1.7 | - | - | - | -1.7 | - | -1.7 |
| Share-based payment | - | - | - | 0.0 | - | - | 0.2 | 0.3 | - | 0.3 |
| Total business activities involving shareholders | 0.0 | 0.0 | 0.0 | -1.7 | 0.0 | 0.0 | -15.8 | -17.5 | 0.4 | -17.1 |
| Equity on 31.12.2011 | 27.8 | 2.9 | 88.6 | -19.5 | -0.7 | 0.2 | 232.5 | 331.7 | 1.1 | 332.9 |
| | | | | | | | | | | |
| Comprehensive income for the period | | | | | | | | | | |
| Result for the period | - | - | - | - | - | - | 12.0 | 12.0 | -0.3 | 11.7 |
| Other comprehensive income items (adusted for tax effects) | | | | | | | | | | |
| Hedging of net investments | - | - | - | - | -0.5 | - | | -0.5 | - | -0.5 |
| Available-for-sale financial assets | - | - | - | - | - | 0.0 | - | 0.0 | - | 0.0 |
| Cash flow hedge | - | - | - | - | - | 0.1 | - | 0.1 | - | 0.1 |
| Translation differences arising from disposals of foreign operations | - | - | - | - | 0.0 | - | - | 0.0 | - | 0.0 |
| Gains and losses arising from translating the financial statements of foreign operations | - | - | - | - | 1.4 | - | - | 1.4 | - | 1.4 |
| Total comprehensive income for the period | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 | 0.1 | 12.0 | 13.0 | -0.3 | 12.7 |
| Business activities involving shareholders | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | -17.6 | -17.6 | 0.5 | -17.1 |
| Unclaimed dividends | - | - | - | - | - | - | 0.1 | 0.1 | - | 0.1 |
| Repurchase of company shares | - | - | - | -1.0 | - | - | - | -1.0 | - | -1.0 |
| The share acquired from the non-controlling interest | - | - | - | - | - | - | 0.0 | 0.0 | -0.3 | -0.3 |
| Share-based payment | - | - | - | 0.0 | - | - | 0.0 | 0.1 | - | 0.1 |
| Total business activities involving shareholders | 0.0 | 0.0 | 0.0 | -1.0 | 0.0 | 0.0 | -17.4 | -18.4 | 0.2 | -18.2 |
| Equity on 31.12.2012 | 27.8 | 2.9 | 88.6 | -20.5 | 0.2 | 0.2 | 227.0 | 326.3 | 1.0 | 327.3 |

**CASH FLOW STATEMENT (M€)**

| | 2012 | 2011 |
|---|---|---|
| Result before taxes, continuing operations | 15.6 | 27.0 |
| Result before taxes, discontinued operations | 0.0 | 4.2 |
| Adjustments | 33.0 | 16.6 |
| Cash flow before change in working capital | 48.6 | 47.8 |
| Change in accounts receivables and other receivables | -4.6 | 1.4 |
| Change in inventories | -8.3 | 8.3 |
| Change in current non-interest-bearing liabilities | -4.7 | -6.5 |
| Total change in working capital | -17.7 | 3.1 |
| Financial items and taxes | -10.0 | -0.9 |
| Cash flow from business operations | 20.9 | 50.0 |
| | | |
| Investments in fixed assets | -10.0 | -8.3 |
| Divestment of subsidiaries | 0.0 | 11.1 |
| Acquisition of subsidiaries | -46.2 | -63.1 |
| Proceeds from sale of fixed assets | 0.1 | 2.5 |
| Investments on marketable securities | -0.1 | 0.0 |
| Sales of securities | 0.2 | 10.1 |
| Loans granted | -0.8 | -1.1 |
| Repayment of loan receivables | 0.2 | 3.3 |
| Cash flow from investments | -56.6 | -45.5 |
| | | |
| Change in non-current loans | -23.2 | 12.5 |
| Change in current loans | -2.0 | 0.3 |
| Repurchase of company shares | -1.0 | -1.7 |
| Dividend paid to equity holders of the parent company | -17.0 | -15.6 |
| Cash flow from financial operations | -43.2 | -4.5 |
| | | |
| Change in liquid funds | -78.9 | 0.0 |
| | | |
| Liquid funds at the beginning of the period | 140.5 | 140.1 |
| Effects of changes in foreign exchange rates | 0.7 | 0.2 |
| Impact of change in market value on liquid funds | -0.4 | 0.3 |
| Liquid funds at end of period | 61.9 | 140.5 |

**NOTES TO THE FINANCIAL STATEMENTS REPORT**

This financial statements has been prepared in compliance with IAS 34 Interim Financial Reporting according to the same principles and calculation methods as used in financial statements 2011 with the exception of the EU approved amendments to existing IFRS standards introduced on 1 January 2012. These standard amendments have not affected the consolidated financial statements.

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

Interim report is shown in EUR millions.

## SEGMENT INFORMATION

The reported segments are Brands and Raisioagro. Brands segment consists of Licensed brands unit and Consumer brands unit. Under the segment, the Group reports Benecol business as well as Northern, Western and Eastern European food operations. Big Bear Group acquired at the beginning of 2011 has been consolidated into figures of the Western European food operations; the same was done with Candy Plus acquired in November 2012. Raisioagro includes feeds, grain trade, protein meals and vegetable oils, farming supplies and bioenergy.

## NET SALES BY SEGMENT (M€)

| | 10-12/2012 | 10-12/2011 | 2012 | 2011 |
|---|---|---|---|---|
| Brands | 76.5 | 79.1 | 329.5 | 314.6 |
| Raisioagro | 61.3 | 60.1 | 255.7 | 241.1 |
| Other operations | 0.5 | 0.5 | 2.0 | 1.4 |
| Interdivisional net sales | -0.8 | -1.0 | -3.1 | -4.6 |
| Total net sales | 137.5 | 138.7 | 584.1 | 552.6 |

## EBIT BY SEGMENT (M€)

| | 10-12/2012 | 10-12/2011 | 2012 | 2011 |
|---|---|---|---|---|
| Brands | 5.7 | 6.6 | 34.9 | 30.1 |
| Raisioagro | -0.5 | -0.5 | -0.7 | 2.9 |
| Other operations | -0.8 | -1.2 | -2.5 | -2.4 |
| Eliminations | 0.0 | 0.0 | 0.0 | 0.0 |
| Total EBIT | 4.5 | 4.9 | 31.7 | 30.7 |

## NET ASSETS BY SEGMENT (M€)

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| Brands | 271.7 | 245.8 |
| Raisioagro | 74.3 | 63.1 |
| Other operations, discontinued operations and unallocated items | -18.8 | 24.0 |
| Total net assets | 327.3 | 332.9 |

## INVESTMENTS BY SEGMENT (M€)

| | 10-12/2012 | 10-12/2011 | 2012 | 2011 |
|---|---|---|---|---|
| Brands | 15.4 | 1.5 | 21.2 | 67.8 |
| Raisioagro | 1.0 | 0.7 | 2.0 | 2.5 |
| Other operations | 0.5 | 0.3 | 1.4 | 0.8 |
| Eliminations | 0.0 | 0.0 | 0.0 | 0.0 |
| Total investments | 17.0 | 2.5 | 24.6 | 71.2 |

## NET SALES BY MARKET AREA (M€)

| | 10-12/2012 | 10-12/2011 | 2012 | 2011 |
|---|---|---|---|---|
| Finland | 71.8 | 79.5 | 296.0 | 313.5 |
| Great Britain | 35.2 | 32.7 | 149.8 | 135.0 |
| Rest of Europe | 29.5 | 24.2 | 127.3 | 95.5 |
| ROW | 1.0 | 2.4 | 10.9 | 8.5 |
| Total | 137.5 | 138.7 | 584.1 | 552.6 |

**ACQUIRED BUSINESS OPERATIONS**

**In 2012**

Candy Plus

On 13 November 2012, Raisio plc announced the acquisition of a Czech Candy Plus s.a. confectionery company. The company has four subsidiaries.

Candy Plus is a company founded in 2000 and owned by private investors. Confectionery brands of the company in its home market, Czech, include brands such as Juicee Gummee, Fundy, Pedro and Cuksy. The product range includes the faster growing product categories of soft-eating and higher-fruit jellies, liquorice and functional confectionery.

Results of Candy Plus' companies have been reported as part of Raisio's Brands segment as from 13 November 2012.

The purchase price paid was 14.1 M€. The fees of lawyers, advisors and outside valuators related to the deal amounted to a total of 0.6 M€, which has been recorded as administration costs of the Brands segment in the income statement of 2012.

The acquisition resulted in goodwill of 5.5 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. The goodwill recognised is not deductible for tax purposes in any respect.

Receivables acquired in conjunction of operations do not include irrecoverable items.

Raisio Group's net sales for January-December 2012 would have been 605.4 M€ and pre-tax result excluding one-off items 34.3 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 2012. Post-acquisition net sales of subgroup Candy Plus totalled 3.2 M€ and pre-tax result was -0.2 M€.

The accounting treatment of Candy Plus operations has not yet been completed at the closing date.

Sulma

On 20 March 2012, Raisio announced the acquisition of Polish Sulma Sp. z o.o's pasta and grit operations. The operations were acquired by Raisio's Group company in Poland, Raisio sp. z o.o. The value of the deal was 2.4 M€ (PLN 9.8 million). In connection with the deal, pasta and grits operations including intellectual property rights as well as fixed and current assets were transferred to Raisio. Raisio did not assume liabilities as part of the acquisition. The acquisition did not generate any goodwill.

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

| | Candy Plus | Sulma | Total |
|---|---|---|---|
| Property, plant and equipment | 11.2 | 1.9 | 13.0 |
| Trade marks | 0.0 | 0.1 | 0.1 |
| Other intangible assets | 1.4 | | 1.4 |
| Deferred tax assets | 0.3 | | 0.3 |
| Inventories | 3.8 | 0.4 | 4.2 |
| Accounts receivables and other receivables | 5.1 | | 5.1 |
| Cash in hand and at banks | 0.7 | | 0.7 |
| Total assets | 22.4 | 2.4 | 24.8 |
| | | | |
| Deferred tax liabilities | 0.9 | | 0.9 |
| Non-current financial liabilities | 2.9 | | 2.9 |
| Other non-current liabilities | 0.0 | | 0.0 |
| Current interest-bearing liabilities | 4.2 | | 4.2 |
| Other liabilities | 5.8 | | 5.8 |
| Total liabilities | 13.8 | 0.0 | 13.8 |
| | | | |
| Net assets | 8.6 | 2.4 | 11.0 |
| | | | |
| Cash paid | 14.0 | 2.4 | 16.4 |
| Liabilities at the closing date | 0.1 | | 0.1 |
| Acquisition price | 14.1 | 2.4 | 16.5 |
| | | | |
| Goodwill | 5.5 | 0.0 | 5.5 |
| | | | |
| Purchase price paid in cash | 14.0 | 2.4 | 16.4 |
| Financial assets of the acquired subsidiary | 0.7 | | 0.7 |
| Cash flow generation | 13.3 | 2.4 | 15.7 |

**In 2011**

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

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

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

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

Raisio Group's net sales for January-December 2011 would have been 556.8 M€ and pre-tax result from continuing operations excluding one-off items 30.8 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 51.0 M€ and pre-tax result 5.8 M€.

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

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

**Changes in goodwill**

| | 2012 | 2011 |
|---|---|---|
| Carrying amount of goodwill at the beginning of the review period | 103.3 | 51.9 |
| Translation differences | 2.5 | 2.4 |
| Business combinations | 5.5 | 49.0 |
| Carrying amount of goodwill at the end of the review period | 111.2 | 103.3 |

## DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

### Discontinued operations

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

| | 2012 | 2011 |
|---|---|---|
| **Result for the discontinued operations (M€)** | | |
| Income from ordinary activities | | 11.8 |
| Expenses | | -12.1 |
| Result before taxes | | -0.3 |
| Taxes | | 0.0 |
| Result after taxes | | -0.3 |
| | | |
| Earnings due to discontinuation | | 4.5 |
| Taxes | | 0.0 |
| Result after taxes | | 4.5 |
| | | |
| Result for discontinued operations | | 4.2 |
| | | |
| **Cash flow for the discontinued operations (M€)** | | |
| Cash flow from business operations | | -2.2 |
| Cash flow from investments | | 16.0 |
| Cash flow from financial operations | | 3.0 |
| Total cash flow | | 16.8 |
| | | |
| **Impact of divested operations on the Group's financial position (M€)** | | |
| Divested net assets | | 12.3 |
| Transaction price | | 17.0 |
| Transaction expenses | | 0.2 |
| Impact on earnings | | 4.5 |
| Impact on cash flow | | 13.2 |

**TANGIBLE ASSETS (M€)**

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| Acquisition cost at the beginning of the period | 386.9 | 373.9 |
| Conversion differences | 1.2 | 1.5 |
| Increase | 24.2 | 37.4 |
| Decrease | -1.6 | -25.9 |
| Acquisition cost at end of period | 410.7 | 386.9 |
| | | |
| Accumulated depreciation and impairment at the beginning of the period | 269.8 | 267.5 |
| Conversion difference | 0.5 | 1.2 |
| Increase | 3.7 | 8.4 |
| Decrease and transfers | -1.3 | -22.3 |
| Depreciation for the period | 14.6 | 15.0 |
| Accumulated depreciation and impairment at end of period | 287.3 | 269.8 |
| | | |
| Book value at end of period | 123.4 | 117.1 |

**PROVISIONS (M€)**

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| At the beginning of the period | 1.4 | 2.8 |
| Increase in provisions | 0.0 | 0.0 |
| Provisions used | -1.2 | -1.5 |
| At end of period | 0.2 | 1.4 |

## BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| Sales to associates and joint ventures | 9.5 | 10.7 |
| Purchases from associates and joint ventures | 0.1 | 0.1 |
| Sales to key employees in management | 0.2 | 0.2 |
| Purchases from key employees in management | 0.9 | 0.8 |
| Receivables from associates and joint ventures | 0.4 | 1.1 |
| Liabilities to associates and joint ventures | 0.1 | 0.1 |
| Receivables from the key persons in the management | 10.6 | 11.6 |

## CONTINGENT LIABILITIES (M€)

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| Contingent off-balance sheet liabilities | | |
| Non-cancelable other leases | | |
| Minimum lease payments | 7.3 | 9.3 |
| Contingent liabilities for the company | | |
| Contingent liabilities for others | | |
| Guarantees | 0.0 | 0.0 |
| Other liabilities | 2.5 | 13.8 |
| | | |
| Commitment to investment payments | 0.5 | 0.4 |

## DERIVATIVE CONTRACTS (M€)

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| Nominal values of derivative contracts | | |
| Currency forward contracts | 65.1 | 65.8 |
| Interest rate swaps | 48.2 | 56.2 |

## QUARTERLY PERFORMANCE (M€)

| | 10-12/ 2012 | 7-9/ 2012 | 4-6/ 2012 | 1-3/ 2012 | 10-12/ 2011 | 7-9/ 2011 | 4-6/ 2011 | 1-3/ 2011 |
|---|---|---|---|---|---|---|---|---|
| Net sales by segment | | | | | | | | |
| Brands | 76.5 | 86.2 | 85.6 | 81.1 | 79.1 | 81.5 | 81.1 | 72.9 |
| Raisioagro | 61.3 | 75.0 | 65.3 | 54.1 | 60.1 | 60.5 | 71.0 | 49.5 |
| Other operations | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.2 | 0.2 |
| Interdivisional net sales | -0.8 | -0.7 | -0.8 | -0.7 | -1.0 | -0.9 | -1.9 | -0.8 |
| **Total net sales** | 137.5 | 161.0 | 150.6 | 135.0 | 138.7 | 141.7 | 150.5 | 121.7 |
| | | | | | | | | |
| EBIT by segment | | | | | | | | |
| Brands | 5.7 | 9.2 | 11.0 | 9.0 | 6.6 | 10.4 | 8.4 | 4.7 |
| Raisioagro | -0.5 | 1.2 | 0.4 | -1.8 | -0.5 | 0.4 | 2.3 | 0.7 |
| Other operations | -0.8 | -0.4 | -0.7 | -0.6 | -1.2 | -0.4 | -0.2 | -0.5 |
| Eliminations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | -0.3 | 0.0 |
| **Total EBIT** | 4.5 | 9.9 | 10.6 | 6.6 | 4.9 | 10.7 | 10.2 | 4.9 |
| | | | | | | | | |
| Financial income and expenses, net | -2.7 | -2.3 | -10.7 | -0.3 | -0.3 | -0.2 | -0.9 | -2.3 |
| Share of result of associates | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Result before taxes** | 1.8 | 7.5 | 0.0 | 6.3 | 4.6 | 10.5 | 9.3 | 2.6 |
| | | | | | | | | |
| Income tax | 0.1 | 0.1 | -2.5 | -1.6 | 0.4 | -2.6 | -2.2 | -1.3 |
| **Result for the period from continuing operations** | 1.9 | 7.6 | -2.5 | 4.7 | 5.0 | 7.9 | 7.1 | 1.3 |

**KEY INDICATORS**

| | 31.12.2012 | 31.12.2011 |
|---|---|---|
| Net sales, M€ | 584.1 | 552.6 |
| Change of net sales, % | 5.7 | 30.5 |
| Operating margin, M€ | 48.3 | 47.7 |
| Depreciation and impairment, M€ | 16.6 | 17.0 |
| EBIT, M€ | 31.7 | 30.7 |
| % of net sales | 5.4 | 5.6 |
| Result before taxes, M€ | 15.6 | 27.0 |
| % of net sales | 2.7 | 4.9 |
| Return on equity, ROE, % | 3.5 | 6.5 |
| Return on investment, ROI, % | 4.5 | 7.3 |
| | | |
| Interest-bearing financial liabilities at end of period, M€ | 78.0 | 115.7 |
| Net interest-bearing financial liabilities at end of period, M€ | 16.2 | -24.8 |
| Equity ratio, % | 64.1 | 60.2 |
| Net gearing, % | 4.9 | -7.5 |
| | | |
| Gross investments, M€ | 24.6 | 71.2 |
| % of net sales | 4.2 | 12.9 |
| R & D expenses, M€ | 6.9 | 6.8 |
| % of net sales | 1.2 | 1.2 |
| Average personnel | 1,587 | 1,454 |
| | | |
| Earnings/share from continuing operations, € | 0.08 | 0.14 |
| Cash flow from operations/share, € | 0.13 | 0.32 |
| Equity/share, € | 2.10 | 2.13 |
| Average number of shares during the period, in 1,000s*) | | |
| Free shares | 121,568 | 122,283 |
| Restricted shares | 33,967 | 34,052 |
| Total | 155,535 | 156,334 |
| Average number of shares at end of period, in 1,000s*) | | |
| Free shares | 121,560 | 121,746 |
| Restricted shares | 33,834 | 34,047 |
| Total | 155,394 | 155,793 |
| Market capitalisation of shares at end of period, M€*) | | |
| Free shares | 374.4 | 291.0 |
| Restricted shares | 104.9 | 81.4 |
| Total | 479.3 | 372.3 |
| Share price at end of period | | |
| Free shares | 3.08 | 2.39 |
| Restricted shares | 3.10 | 2.39 |

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

## CALCULATION OF INDICATORS

| | |
|---|---|
| Return on equity (ROE), % | Result before taxes – income taxes*)<br>-------------------------------------------------------------- x 100<br>Shareholders' equity (average over the period) |
| Return on investment (ROI), % | Result before taxes + financial expenses*)<br>---------------------------------------------------------------------------- x 100<br>Shareholders' equity + interest-bearing financial liabilities<br>(average over the period) |
| Equity ratio, % | Shareholders' equity<br>--------------------------------------------------------------- x 100<br>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<br>------------------------------------------------------------- x 100<br>Shareholders' equity |
| Earnings per share*) | Result for the year of parent company shareholders<br>----------------------------------------------------------------------------------------<br>Average number of shares for the year, adjusted for share issue**) |
| Cash flow from business operations per share | Cash flow from business operations<br>--------------------------------------------------------------------------------------<br>Average number of shares for the year, adjusted for share issue |
| Shareholders' equity per share | Equity of parent company shareholders<br>----------------------------------------------------------------------------------<br>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***) |

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