RAISIO IMPROVED ITS PROFITABILITY

October–December 2009, continuing operations
- Net sales totalled EUR 91.5 million (EUR 118.5 million).
- EBIT was EUR 4.2 million (EUR 3.8 million), accounting for 4.6% (3.2%) of net sales.
- Cash flow from operations was EUR 23.9 million (EUR 26.4 million).

January–December 2009, continuing operations
- Raisio's net sales in 2009 were EUR 375.9 million (EUR 463.2 million).
- EBIT, excluding one-off items, was EUR 20.5 million (EUR 20.2 million), or 5.5% (4.4%) of net sales.
- Cash flow from operations was EUR 51.5 million (EUR 52.7 million).
- Earnings per share, excluding one-off items, were EUR 0.09 (EUR 0.10).
- The Board of Directors proposes raising the dividend to EUR 0.09 (EUR 0.07) per share.

Outlook for 2010

- In 2010–2011, Raisio will move to a growth phase. We expect a considerable increase in net sales in 2010. The cost of growth projects is predicted to impact the Group's profitability, especially in the early part of the year. The target EBIT of 10 per cent for the Brands Division and 5 per cent for the Business to Business Division will not yet be achieved in 2010. Our target is to maintain the existing level of profitability at the beginning of the growth phase.

Raisio Group's key figures

		10-12/2009	10-12/2008	2009	2008
Results from continuing operations					
Net sales	M€	91.5	118.5	375.9	463.2
Change in net sales	%	-22.8	-	-18.8	-
EBIT	M€	4.2	3.8	19.5	24.4
One-off items	M€	0.0	0.0	-1.1	+4.2
EBIT, excluding one-off items	M€	4.2	3.8	20.5	20.2
EBIT	%	4.6	3.2	5.5	4.4
Depreciation and impairment *	M€	5.4	5.7	17.0	18.0
EBITDA *	M€	9.6	9.4	37.5	38.2
Net financial expenses *	M€	0.3	-0.2	-0.5	-0.4
Earnings per share (EPS) *	€	0.02	0.03	0.09	0.10
Earnings per share (EPS), diluted *	€	0.02	0.03	0.09	0.10
Balance sheet					
Equity ratio	%	-	-	73.4	77.9
Gearing	%	-	-	-46.6	-20.8
Net interest-bearing debt	M€	-	-	-150.2	-58.2
Equity per share	€			2.06	1.79
Dividend per share	€	-	-	0.09**	0.07
Gross investments	M€	3.0	4.0	10.0	26.9
Share					
Market capitalisation	M€	-	-	417.4	234.8
Enterprise value (EV)	M€	-	-	257.1	176.6
EV/EBITDA				6.9	4.6

* Excluding one-off items
** Board of Directors' proposal to the Annual General Meeting
Figures for the comparison period are given in brackets.

Chief Executive's review

"In line with its strategy, Raisio is now moving to a growth phase after turnaround and improved profitability. Raisio's main target in 2010 is to increase net sales. This will be sought through organic growth in the home market and through acquisitions in Europe.

The company's decision to divest the margarine business was a very profitable one, but also a responsible from shareholders point of view. Rather than a high selling price, however, the main reason for the divestment was the fact that margarine consumption is not increasing in Europe or Finland and there is more and more competition. A company of Raisio's size is better to focus on small and growing product categories and reduce business risk in mature categories, in which the company cannot be actively involved in the consolidation process due to its size. Margarine would not have been a growth engine for Raisio, so we decided to let go of it in order to grow elsewhere.

The Group's 2009 EBIT was very good. Under difficult circumstances, the Business to Business Division reported a positive result, which was well done. The strong positive undertone for the Brands Division lies in the daily renewal of orders also in the future as people are eating daily. Basic demand is stable, and a company that offers pleasure, healthiness, environmental friendliness, high quality and an attractive price has excellent future prospects.

Consumers are showing an increasing need for information, which has put strong emphasis on the ecological aspects of products and responsible business operations. This development trend proves that Raisio, as a pioneer, is heading in the right direction. The Group's Business to Business Division boosts the competitiveness of the Finnish food chain by offering more environmentally friendly solutions to the milk and meat chain in order to meet the consumers' growing needs, thus making the entire Finnish farm animal chain more competitive against international imports. Raisio grows by combining ecology, healthiness and nutrition suitable for a mobile lifestyle in a way that satisfies the needs of consumers and customers."

RAISIO PLC

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A press and analyst event will be arranged on 11 February 2010 at 2:00 p.m. in Helsinki. It will be held at Hotel Scandic Simonkenttä, in the Bulsa-Freda meeting room. The address is Simonkatu 9, Helsinki.

A teleconference in English will be held on 11 February 2010 at 4.00 p.m. Participants are requested to call the number +358 (0)9 8244 0576, PIN code 248784.

Financial releases in 2010

Raisio plc's annual report will be published week 10, and the Annual General Meeting will be held on Thursday, 25 March 2010. The interim report for January–March will be published on 4 May 2010, for January–June on 17 August 2010 and for January–September on 2 November 2010.

The financial statements review has not been audited.

Financial reporting

Raisio reports on its performance in line with the Group's continuing operations. The reportable Divisions are Brands and Business to Business. The Brands Division includes international brands (Benecol) and local brands, while the Business to Business Division includes the feed, malt and oil milling businesses. Discontinued operations had a considerable impact on the Group's performance in the review period.

Financial performance in October–December 2009

Net sales

Raisio Group's net sales from continuing operations in October–December totalled EUR 91.5 million (Q4/2008: EUR 118.5 million). The October–December net sales of the Brands Division were EUR 45.5 million (EUR 50.8 million), those of the Business to Business Division EUR 46.3 million (EUR 70.8 million) and those of other operations EUR 0.3 million (EUR 0.3 million). Net sales from outside Finland amounted to EUR 28.5 million (EUR 43.5 million) in the fourth quarter, accounting for 31.1 per cent (36.7%) of net sales.

Result

The Group's EBIT from continuing operations in October–December totalled EUR 4.2 million (EUR 3.8 million). The EBIT of the Brands Division amounted to EUR 2.8 million (EUR 2.5 million), that of the Business to Business Division to EUR 2.0 million (EUR 2.0 million) and that of other operations to EUR -0.8 million (EUR -0.9 million).

Depreciation, allocated to operations in the income statement, totalled EUR 3.4 million (EUR 4.4 million).

The fourth-quarter pre-tax result was EUR 4.5 million (EUR 3.5 million). The Group's net financial expenses totalled EUR 0.3 million (EUR -0.2 million).

Group's post-tax result from continuing operations was EUR 3.0 million (EUR 4.3 million). Earnings per share in the fourth quarter amounted to EUR 0.02 (EUR 0.03).

Financial review of 2009

Operating environment

Solid competence, efficient operations and good management have enabled Raisio to solidify its position as a forerunner and expert in the food industry. As predicted, Raisio's strong brands grew even stronger during the difficult times of 2009. The global recession had a bigger impact on the demand for products offered by the Business to Business Division. Despite the rapid changes in the operating environment, Raisio managed to further improve its efficiency and profitability in the review period. Rather than creating threats, the changes in the global operating environment offer Raisio new alternatives and opportunities.

Following the turnaround and profitability improvement phases, Raisio's operations have stabilised at a satisfactory level in three years. The company will now move to a growth phase, which in practice means acquisitions, seeing as organic growth in the current market areas will not suffice to reach the company's targets.

Raisio is looking for growth through acquisitions that offer good opportunities for success and support the achievement of the company's strategy. Acquisitions ensure business growth and the achievement of targets in the long term, as well as create added value for owners. Raisio has already made preparations for the following phases. The Group aims to grow through acquisitions in Europe and expand into new market areas and new product categories. The divestment of the margarine business supported the company's growth target, as it was carried out at the right time amid strong consolidation in the sector.

Ecology, responsibility and consumer orientation form the foundation for Raisio's operations. The only way for companies to ensure their operating conditions in the future is by acting responsibly, in line with the principles of sustainable development and by saving environmental resources. The consumers' readiness and wish to make a difference through sustainable consumption choices are increasing fast. This emphasises the importance of, for example, products' carbon footprint label and the information it offers. Thanks to its sufficient land area and water supplies, Finland will also offer good opportunities for versatile food production in the future. Finland is a small country in terms of its national economy, which is why the joint efforts of the national food chain and the development of operating conditions are necessary to secure the future.

Net sales

Raisio Group's net sales from continuing operations in January–December totalled EUR 375.9 million (2008: EUR 463.2 million), down 18.8 per cent on the previous year. Net sales were primarily affected by the drop in raw material prices. Net sales from outside Finland represented 33.1% (35.0%) of the total, amounting to EUR 124.4 million (EUR 162.2 million).

The January–December net sales of the Brands Division were EUR 177.6 million (EUR 195.4 million), those of the Business to Business Division EUR 205.6 million (EUR 282.7 million) and those of other operations EUR 0.9 million (EUR 1.0 million).

Result

The Group's EBIT from continuing operations in January–December totalled EUR 20.5 million (EUR 20.2 million) and, including one-off items, EUR 19.5 million (EUR 24.4 million). The EBIT of the Brands Division amounted to EUR 20.5 million (EUR 11.5 million and, including one-off items, EUR 15.7 million), that of the Business to Business Division EUR 3.0 million (EUR 12.3 million), that of other operations EUR -3.3 million and, including one-off items, EUR -4.3 million (EUR -3.4 million).

In 2009, Raisio recognised a total of EUR 1.1 million in one-off expenses for other operations, resulting from an unrealised acquisition and donation. The figures for the comparison period include a one-off item of EUR 4.2 million from the dissolution of the joint venture with Lantmännen.

Depreciation, allocated to operations in the income statement, totalled EUR 14.8 million (EUR 16.8 million) in January–December.

The pre-tax result for 2009 was EUR 20.1 million (EUR 19.8 million) and, including one-off items, EUR 18.9 million (EUR 24.0 million). The Group's net financial items in January–December totalled EUR -0.5 million and, including one-off items, EUR -0.6 million (EUR -0.4 million).

Raisio's post-tax result from continuing operations was EUR 14.2 million (EUR 15.2 million) and, including one-off items, EUR 13.4 million (EUR 19.5 million).

In January–December, earnings per share were EUR 0.09 (EUR 0.10 and, including one-off items, EUR 0.12).

Balance sheet and cash flow

Raisio's balance sheet total at the end of December amounted to EUR 444.2 million (31 December 2008: EUR 364.0 million). Shareholders' equity totalled EUR 322.0 million (EUR 279.4 million), while equity per share at the end of the year was EUR 2.06 (EUR 1.79).

Raisio's interest-bearing debt was EUR 62.8 million at the end of December (EUR 19.7 million). Net interest-bearing debt was EUR -150.2 million (EUR -58.2 million). The equity ratio at the end of the year totalled 73.4 per cent (77.9%), and gearing was -46.6 per cent (-20.8%). Return on investment was 6.1 per cent (8.4%).

Cash flow from operations in January–December was EUR 51.5 million (EUR 52.7 million). Working capital amounted to EUR 66.1 million at the end of the review period (EUR 88.9 million). The company has successfully managed its working capital, which decreased by some EUR 23 million from the previous year. The biggest impact on working capital came from the decrease in inventories thanks to an enhanced control process.

Raisio plc paid EUR 10.8 million in dividends in 2009.

Discontinued operations

The divestment of Raisio's margarine business to Bunge was concluded on 16 October 2009. The price of the transaction was EUR 80 million. The transaction included the margarine business in Finland and Poland. The result from discontinued operations, including the divestment of the margarine business, was EUR 39.7 million. The final, specified transaction price was still under review at the date of the financial statements.

Investments

Raisio makes investments that target real needs. It aims to use existing capacity more efficiently by controlling it on the basis of customer information, as well as to raise utilisation rates. Raisio's partners assume responsibility for production and related investments on their own behalf. The Group's gross investments in 2009 totalled EUR 10.0 million (EUR 26.9 million), or 2.7 per cent (5.8%) of net sales. The gross investments of the Brands Division amounted to EUR 3.3 million (EUR 15.6 million), that of the Business to Business Division to EUR 5.4 million (EUR 9.3 million) and that of other operations to EUR 1.3 million (EUR 1.9 million).

The main investment in 2009 targeted the feed plant in the production site in Raisio. Investments in the comparison period included the acquisition cost of Melia Ltd's shares, totalling EUR 12.7 million.

Research and development

Raisio follows a consumer- and customer-oriented approach. R&D in foods develops plant-based, ecological, healthy, tasty and convenient products. The Benecol business carries out broad-based co-operation with research institutes and universities in clinical trials. R&D in feeds develops new feed mixes and feeding solutions that improve the efficiency and profitability of livestock production, ensure the animals' well-being and health and reduce the environmental load of livestock production.

The Group's research and development inputs in 2009 totalled EUR 6.1 million (EUR 5.8 million), or 1.6 per cent (1.3%) of net sales. The R&D expenses of the Brands Division were EUR 4.9 million (EUR 4.8 million) and those of the Business to Business Division EUR 1.2 million (EUR 1.0 million).

Segment information

Brands Division

The January–December net sales of the Brands Division totalled EUR 177.6 million (EUR 195.4 million). The net sales of international brands increased by 2.7 per cent to EUR 47.0 million (EUR 44.3 million). The net sales generated by local brands were EUR 136.3 million (EUR 158.8 million). The Division accounted for around 47 per cent of the Group's net sales.

The Division's January–December EBIT was EUR 20.5 million (EUR 11.5 million, and, including one-off items, EUR 15.7 million). This represents 11.5 per cent (5.9%) of net sales, which exceeds the Division's target of 10 per cent. As predicted, Raisio's strong brands grew even stronger during difficult times. The increase in the sales volumes of Benecol products, as well as the sales growth of products sold under the Elovena and Sunnuntai brands especially in Finland, contributed to the considerable improvement in EBIT.

International brands - Benecol

The recession has not affected the overall demand for Benecol products. Their sales volumes increased in several European countries. In Great Britain, Benecol sales outpaced market growth. The sales promotion measures taken in Poland further strengthened the position of the Benecol brand. Bunge became a new, important partner for Raisio. In addition, Benecol products were launched on the Colombian market.

Plant stanol ester, the cholesterol-lowering ingredient in Benecol products, was one of the first products in Europe to obtain approval for the use of a disease-risk-reduction health claim under the Nutrition and Health Claim Regulation in autumn 2009. The following health claim is permitted in the marketing of Benecol foods containing plant stanol ester: "Plant stanol esters have been shown to lower blood cholesterol. High cholesterol is a risk factor in the development of coronary heart disease."

Clinical studies carried out in the Netherlands and Finland showed that a high daily intake of plant stanol ester, the Benecol ingredient, is safe for use and reduces cholesterol more effectively. The European Journal of Clinical Nutrition nominated plant stanol ester as one of the world's top ten nutritional innovations in the past thirty years.

Local brands

The Elovena, Sunnuntai and Carlshamn brands have strengthened during the recession, even though it has affected consumers' purchasing behaviour. Inexpensive everyday food and home baking grew more popular. Elovena products achieved record sales in Finland last year. The recession made 2009 a tough year in the HoReCa sector, which encompasses the catering business, bakeries and other food industry companies.

In 2009, Raisio completed its brand and product range optimisation and a profound customer co-operation development process, as well as raised the efficiency of its order-supply process and improved availability, especially in Finland, to correspond to those of the best companies. The divestment of the margarine business to Bunge completed in October 2009. The deal included the Finnish and Polish margarine businesses. Raisio will continue to sell margarine as a distributor of Bunge in Finland, Sweden and Estonia. Non-dairy products were launched under the Carlshamn brand on the Swedish market. A new company, Raisio Sp. z o.o., was established in Poland. Its product range includes Benecol snacks and grain products.

As a pioneering company, Raisio expanded the use of carbon footprint labelling of its products and was the world's first food company to indicate the overall water consumption of one of its consumer products on the package.

Key figures for the Brands Division

		10-12/2009	10-12/2008	2009	2008
Net sales	M€	45.5	50.8	177.6	195.4
International brands	M€	12.4	10.5	47.0	44.3
Local brands	M€	34.3	42.1	136.3	158.8
EBIT	M€	2.8	2.5	20.5	15.7
One-off items	M€	0.0	0.0	0.0	4.2
EBIT, excluding one-off items	M€	2.8	2.5	20.5	11.5
EBIT	%	6.2	4.9	11.5	5.9
Investments	M€	1.1	0.6	3.3	15.6
Net assets	M€	-	-	69.6	85.3

Targets

The targets for international brands are related to developing and expanding business worldwide, utilising new research information and developing new ingredients in order to broaden the product portfolio. Raisio still sees big opportunities in Asia and South America, where consumers have grown concerned about the rising cholesterol levels.

The target for Elovena, Sunnuntai and Carlshamn brands aim at profitable, organic growth in current market areas. The objective of organic growth and acquisitions in Europe is to expand into new product categories and customer groups. Another target is to expand the product range of plant-based, ecological foods in the home market by introducing new, innovative products. Raisio will expand the use of carbon footprint label in its products.

Business to Business Division

The net sales of the Business to Business Division totalled EUR 205.6 million (EUR 282.7 million). The reduction resulted from the declining market prices of malt and vegetable oil caused by the global recession, from the drop in raw material prices being transferred to product prices, as well as from the reduced volumes in all operations. The Division accounted for around 53 per cent of the Group's net sales.

The EBIT of the Business to Business Division totalled EUR 3.0 million (EUR 12.3 million), or 1.4 per cent (4.3%) of net sales. Thanks to reacting quickly and adjusting its operations, the Division managed to report a profitable EBIT in each quarter of the exceptionally difficult year, even though the result decreased clearly year-over-year.

The volume of cattle feeds increased year-over-year. The Ylivieska plant met the efficiency and volume targets set for it, which led to a clearly stronger market position in the plant's operating region. One contributing factor was the confidence that customers showed in the Ylivieska plant as a local feed supplier.

Exports of fish feeds increased over the previous year, while the volumes of pig and broiler feeds were down as a result of the overall market decreasing. The good domestic grain crop led to farms using more of their own grain as feed, while the additional capacity built in the field led to stiffer competition in the feed market. The recovery of the feed business is linked to the recovery of markets on the whole and to the profitability of livestock production.

The recession had a major impact on the operating environment of sectors dependent on global demand, such as malt and oil milling. The world market price of malt plunged in the review period and demand diminished in the vegetable oil market. Raisio adjusted its operations to the market situation.

Key figures for the Business to Business Division

		10-12/2009	10-12/2008	2009	2008
Net sales	M€	46.3	70.8	205.6	282.7
Feed	M€	40.0	61.4	176.1	235.9
Malt	M€	6.2	9.5	26.3	43.5
Other	M€	0.1	0.2	3.6	4.1
EBIT	M€	2.0	2.0	3.0	12.3
One-off items	M€	0.0	0.0	0.0	0.0
EBIT, excluding one-off items	M€	2.0	2.0	3.0	12.3
EBIT	%	4.3	2.8	1.4	4.3
Investments	M€	1.3	2.8	5.4	9.3
Net assets	M€	-	-	79.2	81.7

Targets

With the traceability and safety of raw materials becoming increasingly important in the grain chain, Business to Business operations will continue to develop versatile co-operation with raw material producers. The main goal in the feed business is to strengthen the market position in Finland and to increase export. Raisio wants to be the most cost-effective partner of livestock producers. The company develops and introduces products and feeding solutions that improve the environmental efficiency of farms. The malt business aims to strengthen its position in the domestic market and in exports, as well as to increase co-operation with strategic partners.

Raisio has launched a development project to increase the use of vegetable oil for bioenergy and industrial solutions. Work on increasing the cultivation area of rapeseed in Finland is also ongoing. The goal is to ensure the competitiveness of the Finnish oil milling business on global markets, as well as to increase Finland's self-sufficiency in feed protein.

Management and administration

Raisio's Board of Directors had five members in 2009: Simo Palokangas (Chairman), Michael Ramm-Schmidt (Deputy Chairman), Anssi Aapola, Erkki Haavisto and Satu Lähteenmäki. The Board members are independent of the company and of significant shareholders.

Raisio's Supervisory Board is chaired by Michael Hornborg, MA (Agriculture & Forestry) and farmer, as of May 2009, while Holger Falck, agronomist, is the Deputy Chairman.

Vesa Kurula, Vice President, Operations, and a member of Raisio's management team, left the company in September 2009.

Personnel

Raisio's continuing operations employed 593 people at year-end (31 December 2008: 625 people), with 14.3 per cent (31 December 2008: 14.7%) of the staff employed outside Finland. The Brands Division had 288, the Business to Business Division 244 and the service functions 61 employees on 31 December 2009.

In 2009, Raisio's wages and fees from continuing operations totalled EUR 41.7 million (EUR 46.3 million in 2008 and EUR 46.1 million in 2007) including other personnel expenses.

Personnel-related matters are reported in greater detail in the corporate responsibility report published in conjunction with the annual report.

Corporate responsibility

Raisio is committed to taking responsibility for its operating environment, environmental matters and personnel, developing its operations in line with the principles of sustainable development. The company is closely involved in dealing with global changes that affect the food supply chain by developing ecological and healthy products and solutions that preserve natural resources and satisfy customer needs. Raisio is not aware of any significant financial environmental risks related to its operations. The company's operations are on an ecologically, ethically and financially solid foundation.

Raisio's corporate responsibility report is included in the annual report. The company reports on its corporate responsibility in compliance with the international GRI guidelines on sustainable development.

Changes in group structure

The divestment of the margarine business included the Polish company Raisio Polska Foods Sp. z o.o. Raisio established a new company in Poland, Raisio Sp. z o.o. Its product range includes Benecol snacks and grain products.

Company shares

At the end of the review period, Raisio plc held 8,803,109 free shares and 201,295 restricted shares, which were acquired from 2005 to 2009 based on the authorisation given by the Annual General Meeting. The number of free shares held by the company accounts for 6.7 per cent of all free shares and the votes they represent, while the corresponding figure for restricted shares is 0.6 per cent. In all, the company shares held by the Group represent 5.5 per cent of the company's share capital and 1.6 per cent of overall votes. The company does not have any shares as collateral and did not have any in the review period. Since all of the shares were purchased in public trading, the company does not know what proportion of them may have been purchased from close associates of the company.

Of the shares held by the company, 3,487 restricted shares were purchased from January to March 2009 based on the authorisation given by the 2008 Annual General Meeting. The shares were purchased in public trading at the going price at the time of acquisition. A total of EUR 5,689 was paid for them. The number of restricted shares purchased in the review period accounts for 0.1 per cent of all restricted shares and the votes they represent. The number of all shares acquired in the period accounts for 0.002 per cent of the share capital and 0.008 per cent of overall votes.

Based on the authorisation given by the 2008 Annual General Meeting, 355,391 free shares were assigned in the review period. Of these, 334,500 were assigned as a part of the 2008 share-based incentive scheme in August 2009, and a total of 20,891 were assigned monthly, as of 1 April 2009, as rewards to the Chairman and members of the Board of Directors for handling their duties. The share-based rewards for April and May, however, were assigned in May. The value of free shares assigned as a part of the share-based incentive scheme was EUR 696,764 at the time of assignment, while the value of free shares assigned as rewards to the Board of Directors totalled EUR 45,190. The number of assigned shares equals 0.02 per cent of the share capital and 0.04 per cent of the votes it represents.

Of the 13 individuals who received shares based on the 2008 share-based incentive scheme, Jacek Dziekonski, Markku Krutsin, Leif Liedes, Merja Lumme, Pasi Lähdetie, Jyrki Paappa, Vincent Puojardieu and Matti Rihko belonged to the close associates of the company.

The Board of Directors was authorised by the Annual General Meeting in 2009 to dispose of all company shares. According to the Companies Act, the Board of Directors is also entitled to annul them. No shares were annulled in the review period.

As recognition of and reward for the successfully completed divestment of the margarine business, the company has decided to assign 168,000 Raisio plc free shares to 51 individuals in March 2011. The shares to be assigned at that time account for 0.1 per cent of the share capital and 0.02 per cent of the votes it represents, and their value will be determined at the time of assignment.

Subsidiaries do not and did not hold parent company shares, and they do not and did not hold them as collateral. The Raisio Group Research Foundation holds 150,510 restricted shares, which is 0.44 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the whole share capital and 0.37 per cent of the votes it represents. The Foundation does not and did not hold Raisio plc shares as collateral. A share in Raisio or its subsidiary does not entitle the holder to participate in the Annual General Meeting.

Events after the review period

The proceedings concerning the sales profit from the divestment of Raisio's chemical business in 2004 have concluded favourably for Raisio on Tuesday, 9 February 2010. The Tax Administration's Tax Recipients' Legal Services Unit was not granted the leave to appeal by the Supreme Administrative Court. Raisio has considered the sales profit of approximately EUR 220 million to be free of tax and has handled it accordingly in its accounting. This was also the opinion of the Tax Office for Major Corporations in regular taxation, the Assessment Adjustment Board, the Helsinki Administrative Court and now the Supreme Administrative Court.

On Wednesday, 10 February 2010 Raisio announced a public offer to acquire the entire issued ordinary share capital of Glisten plc valuing the entire issued ordinary share capital at approximately EUR 22.8 million. Raisio offers EUR 1.61 per share. Glisten plc is a public company listed on the AIM market of the London Stock Exchange operating in the health, nutrition and premium snacking sectors. The completion of the acquisition process is expected to take place at the beginning of the second quarter of 2010 if the shareholders of Glisten support Raisio's offer. Raisio has a significant support from Glisten shareholders including senior management to accept the offer. The acquisition supports Raisio's strategy and provides both companies good opportunities for growth.

Risks and sources of uncertainty in the near future

Economic growth may lead to an increase in the valuation of acquisitions. Uncertainty in the global economy may cause higher volatility in raw material and product prices, and business management will continue to be challenging.

Based on an appeal made by livestock producers, the Finnish Competition Authority will examine the legality of closed chains to determine the possibility of slaughterhouses to restrict the independence of livestock producers by imposing demands on feed contracts. If such activities are found to be legal, they will limit the independence of feed customers and restrict their freedom to choose their feed supplier based on competitive bidding.

The current EU health care claim process should create opportunities for Raisio, and on the other side it may also represent some risks as some claims are still under scrutiny by the EU parliament and as the implementation of the approved health claims are not yet totally clear.

Outlook for 2010

In 2010–2011, Raisio will move to a growth phase. We expect a considerable increase in net sales in 2010. The cost of growth projects is predicted to impact the Group's profitability, especially in the early part of the year. The target EBIT of 10 per cent for the Brands Division and 5 per cent for the Business to Business Division will not yet be achieved in 2010. Our target is to maintain the existing level of profitability at the beginning of the growth phase.

Board of directors' proposal for the distribution of profits

The parent company's distributable equity was EUR 199,519,488.14 on 31 December 2009. The Board of Directors will propose a dividend of EUR 0.09 per share at the Annual General Meeting on 25 March 2010.

The ex-dividend date is 26 March 2010, and the record date is 30 March 2010. The payable date is 8 April 2010.

Raisio, 11 February 2010
Raisio plc
Board of Directors

CONDENSED FINANCIAL STATEMENTS AND NOTES

INCOME STATEMENT (M€)

	10-12/2009	10-12/2008	2009	2008
CONTINUING OPERATIONS:				
Net sales	91.5	118.5	375.9	463.2
Expenses corresponding to products sold	-79.2	-101.3	-313.3	-394.5
Gross profit	12.3	17.2	62.6	68.7
Other operating income and expenses, net	-8.1	-13.5	-43.2	-44.3
EBIT	4.2	3.8	19.5	24.4
Financial income	0.9	0.9	3.1	2.4
Financial expenses	-0.6	-1.1	-3.7	-2.8
Share of result of associated companies and joint ventures	0.0	0.0	0.1	0.1
Result before taxes	4.5	3.5	18.9	24.0
Income tax	-1.5	0.8	-5.6	-4.5
Result for the period from continuing operations	3.0	4.3	13.4	19.5
DISCONTINUED OPERATIONS: **Result for the period from discontinued operations**	37.2	1.5	39.7	2.8
RESULT FOR THE PERIOD	40.3	5.9	53.1	22.2
Attributable to:				
Equity holders of the parent company	40.3	5.9	53.1	22.1
Minority interest	0.0	0.0	0.0	0.1
Earnings per share from the profit attributable to equity holders of the parent company				
CONTINUING OPERATIONS:				
Undiluted earnings per share	0.02	0.03	0.09	0.12
Diluted earnings per share	0.02	0.03	0.09	0.12
DISCONTINUED OPERATIONS:				
Undiluted earnings per share	0.24	0.01	0.26	0.02
Diluted earnings per share	0.24	0.01	0.25	0.02

COMPREHENSIVE INCOME STATEMENT (M€)

	10-12/2009	10-12/2008	2009	2008
Result for the period	40.3	5.9	53.1	22.2
Other comprehensive income items				
Translation differences recognised in profit and loss on disposal of foreign operations	-0.3	0.0	-0.3	0.1
Gains and losses arising from translating the financial statements of foreign operations	0.1	-1.7	-0.3	-1.0
Comprehensive income for the period	40.1	4.2	52.6	21.3
Components of comprehensive income:				
Equity holders of the parent company	40.1	4.2	52.6	21.2
Minority interest	0.0	0.0	0.0	0.1

BALANCE SHEET (M€)

	31.12.2009	31.12.2008
ASSETS		
Non-current assets		
Intangible assets	7.5	10.0
Goodwill	0.0	1.2
Property, plant and equipment	95.3	124.2
Shares in associated companies and joint ventures	0.8	0.7
Financial assets available for sale	0.6	0.6
Receivables	0.4	0.6
Deferred tax assets	6.5	7.9
Total non-current assets	111.0	145.2
Current assets		
Inventories	55.0	73.3
Accounts receivables and other receivables	54.9	66.0
Financial assets at fair value through profit or loss	215.3	66.8
Cash in hand and at banks	8.0	12.8
Total current assets	333.2	218.9
Total assets	444.2	364.0
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent company		
Share capital	27.8	27.8
Own shares	-18.5	-19.3
Other equity attributable to equity holders of the parent company	312.8	271.0
Equity attributable to equity holders of the parent company	322.0	279.4
Minority interest	0.0	0.0
Total equity	322.0	279.4
Non-current liabilities		
Deferred tax liabilities	7.6	7.4
Pension liabilities	0.2	0.2
Reserves	1.4	0.0
Non-current financial liabilities	48.6	14.3
Other non-current liabilities	0.0	0.1
Total non-current liabilities	57.8	22.0
Current liabilities		
Accounts payable and other liabilities	48.4	55.6
Reserves	1.6	1.1
Financial liabilities at fair value through profit or loss	0.1	0.4
Current financial liabilities	14.2	5.5
Total current liabilities	64.4	62.6
Total liabilities	122.1	84.6
Total equity and liabilities	444.2	364.0

CHANGES IN GROUP EQUITY (M€)

	Share capital	Share premium reserve	Reserve fund	Own shares	Translation differences	Retained earnings	Total	Minority interest	Total equity
Equity on 31.12.2007	27.8	2.9	88.6	-17.9	-2.3	167.0	266.1	12.7	278.8
Comprehensive income for the period	-	-	-	-	-0.9	22.1	21.2	0.1	21.3
Dividends	-	-	-	-	-	-6.3	-6.3	-	-6.3
Repurchase of own shares	-	-	-	-1.6	-	-	-1.6	-	-1.6
Share-based payment	-	-	-	0.2	-	0.1	0.2	-	0.2
Squeeze-out	-	-	-	-	-	-0.2	-0.2	-12.8	-13.0
Equity on 31.12.2008	27.8	2.9	88.6	-19.3	-3.2	182.7	279.4	0.0	279.4
Comprehensive income for the period	-	-	-	-	-0.6	53.1	52.6	0.0	52.6
Dividends	-	-	-	-	-	-10.9	-10.9	-	-10.9
Repurchase of own shares	-	-	-	0.0	-	-	0.0	-	0.0
Share-based payment	-	-	-	0.9	-	0.1	1.0	-	1.0
Equity on 31.12.2009	27.8	2.9	88.6	-18.5	-3.7	225.0	322.0	0.0	322.0

CASH FLOW STATEMENT (M€)

	2009	2008
Result before taxes, continuing operations	18.9	24.0
Result before taxes, discontinued operations	39.3	3.5
Adjustments	-24.1	17.3
Cash flow before change in working capital	34.1	44.8
Change in current receivables	4.2	-0.7
Change in inventories	16.3	18.1
Change in current non-interest-bearing liabilities	-2.6	-5.7
Total change in working capital	17.9	11.7
Financial items and taxes	-0.5	-3.8
Cash flow from business operations	51.5	52.7
Investments in fixed assets	-10.0	-17.1
Divestment of subsidiaries	47.1	0.1
Acquisition of subsidiaries	0.0	-8.0
Proceeds from sale of fixed assets	23.6	1.3
Investments on marketable securities	-10.0	0.0
Loans granted	-0.1	-1.9
Repayment of loan receivables	0.3	1.8
Cash flow from investments	50.9	-23.8
Change in non-current loans	43.9	15.7
Change in current loans	-0.7	-3.2
Repurchase of own shares	0.0	-1.6
Dividend paid to equity holders of the parent company	-10.8	-6.3
Cash flow from financial operations	32.4	4.5
Change in liquid funds	134.8	33.4
Liquid funds at the beginning of the period	77.9	43.6
Effects of changes in foreign exchange rates	0.1	0.5
Impact of change in market value on liquid funds	0.1	0.4
Liquid funds at period-end	213.0	77.9

NOTES TO THE FINANCIAL STATEMENTS

This financial statements review has been prepared in compliance with IAS 34 Interim Financial Reporting according to the same accounting principles and calculation methods used in financial statements 2008. The Group adopted the following IFRSs or amendments to them on 1 January 2009:

Revised IAS 1, Presentation of Financial Statements: Amendments have been made to the presentation of the income statement and the statement of changes in equity.

IFRS 8, Operating Segments, states that segment information must be based on internal reporting submitted to management and on the principles followed in reporting. Since Raisio's segment information is already based on internal reports submitted to management, the new standard has not caused any changes to segment reporting.

IAS 23, Borrowing Costs: The amended standard requires that the acquisition cost of an asset that meets the conditions shall include borrowing costs incurred from the acquisition, construction or production of the asset in question.

The adopted standards have not affected the Group's results.

When preparing the financial statements, management must make estimates and assumptions that affect the reported assets and liabilities, income and expenses. Actual figures may differ from these estimates. The financial statements review is shown in EUR millions.

SEGMENT INFORMATION

Raisio has modified its segment reporting in conjunction with its Q2 2009 reporting to match its management model in place after the divestment of the margarine business. The new reportable segments are Brands and Business to Business. The Brands segment includes Benecol and local brands, and the reported figures are those of the Benecol business and of the Northern and Eastern European operations, which belonged to the former Food Division. The Business to Business segment corresponds to the former Feed & Malt segment, and includes the feed, malt and oil milling businesses.

An agreement on the divestment of the margarine business was signed with Bunge in May. The deal was concluded on 16 October 2009. The figures for Raisio Polska Foods Sp, formerly part of the Food Division, are reported under discontinued operations.

The figures for previous periods presented in this financial statements review have been adjusted accordingly.

NET SALES BY SEGMENT (M€)

	10-12/2009	10-12/2008	2009	2008
Brands	45.5	50.8	177.6	195.4
Business to Business	46.3	70.8	205.6	282.7
Other operations	0.3	0.3	0.9	1.0
Interdivisional net sales	-0.6	-3.5	-8.1	-16.0
Total net sales	91.5	118.5	375.9	463.2

EBIT BY SEGMENT (M€)

	10-12/2009	10-12/2008	2009	2008
Brands	2.8	2.5	20.5	15.7
Business to Business	2.0	2.0	3.0	12.3
Other operations	-0.8	-0.9	-4.3	-3.4
Eliminations	0.2	0.1	0.3	-0.2
Total EBIT	4.2	3.8	19.5	24.4

NET ASSETS BY SEGMENT (M€)

	31.12.2009	31.12.2008
Brands	69.6	85.3
Business to Business	79.2	81.7
Other operations, assets held for sale and unallocated items	173.2	112.4
Total net assets	322.0	279.4

INVESTMENTS BY SEGMENT (M€)

	10-12/2009	10-12/2008	2009	2008
Brands	1.1	0.6	3.3	15.6
Business to Business	1.3	2.8	5.4	9.3
Other operations	0.6	0.6	1.3	1.9
Eliminations	0.0	0.0	0.0	0.0
Total investments	3.0	4.0	10.0	26.9

NET SALES BY MARKET AREA (M€)

	10-12/2009	10-12/2008	2009	2008
Finland	63.0	75.0	251.5	301.0
Rest of Europe	26.6	41.9	117.4	156.3
ROW	1.9	1.7	7.1	5.8
Total	91.5	118.5	375.9	463.2

DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

Discontinued operations

On 14 May 2009, Raisio announced it had signed an agreement on the divestment of its margarine business to Bunge. The divestment was concluded on 16 October 2009. Discontinued operations in the income statement include the result of Raisio Polska Foods Sp's margarine business, as well as the impact that the divestment of the margarine business had on results. The result of the Finnish margarine business is still reported under continuing operations, since Raisio will continue to sell margarines in Finland, Sweden and Estonia as a distributor of Bunge. The comparative information for 2008 has been amended correspondingly.

	2009	2008
Result for the discontinued operations (M€)		
Income from ordinary operations	32.7	48.6
Expenses	-28.9	-45.1
Result before taxes	3.7	3.5
Taxes	-0.7	-0.7
Result after taxes	3.1	2.8
Earnings due to discontinuation	35.6	
Taxes	1.1	
Result after taxes	36.7	
Result for discontinued operations	39.7	
Cash flow for the discontinued operations (M€)		
Cash flow from business operations	7.3	5.4
Cash flow from investments	70.7	0.7
Cash flow from financial operations	-1.0	-4.3
Total cash flow	77.0	1.8

TANGIBLE ASSETS (M€)

	31.12.2009	31.12.2008
Acquisition cost at the beginning of the period	417.1	430.2
Conversion differences	-1.1	-1.8
Increase	9.4	14.2
Decrease	-92.6	-25.6
Reclassifications between items	0.0	0.0
Acquisition cost at period-end	332.7	417.1
Accumulated depreciation and write-downs at the beginning of the period	292.8	302.3
Conversion difference	-0.7	-1.0
Decrease and transfers	-73.4	-24.7
Depreciation for the period	12.5	14.9
Write-downs	6.2	1.3
Accumulated depreciation and write-downs at period-end	237.4	292.8
Book value at period-end	95.3	124.2

RESERVES (M€)

	31.12.2009	31.12.2008
At the beginning of the period	1.1	1.9
Increase in provisions	2.3	0.0
Provisions used	-0.4	-0.8
At period-end	3.1	1.1

BUSINESS ACTIVITIES INVOLVING INSIDERS (M€)

	31.12.2009	31.12.2008
Sales to associated companies and joint ventures	12.1	13.6
Purchases from associated companies and joint ventures	0.1	0.1
Sales to key employees in management	0.2	1.1
Purchases from key employees in management	0.7	0.9
Receivables from associated companies and joint ventures	1.2	1.4
Liabilities to associated companies and joint ventures	0.2	0.2

CONTINGENT LIABILITIES (M€)

	31.12.2009	31.12.2008
Contingent off-balance sheet liabilities		
Non-cancelable other leases		
Minimum lease payments	1.3	1.8
Contingent liabilities for others		
Guarantees	0.0	0.0
Other liabilities	2.8	1.7
Commitment to investment payments	0.6	0.8

DERIVATIVE CONTRACTS (M€)

	31.12.2009	31.12.2008
Nominal values of derivative contracts		
Currency forward contracts	7.5	28.9
Interest rate swaps	39.4	10.0

QUARTERLY PERFORMANCE (M€)

	10-12/ 2009	7-9/ 2009	4-6/ 2009	1-3/ 2009	10-12/ 2008	7-9/ 2008	4-6/ 2008	1-3/ 2008
Net sales by segment								
Brands	45.5	43.5	44.2	44.5	50.8	49.1	46.7	48.7
Business to Business	46.3	54.2	55.8	49.3	70.8	78.7	68.9	64.3
Other operations	0.3	0.2	0.2	0.2	0.3	0.3	0.2	0.2
Interdivisional net sales	-0.6	-2.4	-2.4	-2.7	-3.5	-4.2	-4.3	-4.0
Total net sales	91.5	95.5	97.8	91.2	118.5	123.9	111.6	109.2
EBIT by segment								
Brands	2.8	7.3	4.6	5.8	2.5	3.6	2.1	7.5
Business to Business	2.0	0.3	0.6	0.1	2.0	4.3	4.2	1.7
Other operations	-0.8	-0.8	-1.6	-1.1	-0.9	-1.0	-0.7	-0.8
Eliminations	0.2	0.2	0.2	-0.3	0.2	-0.3	0.3	-0.4
Total EBIT	4.2	7.0	3.7	4.5	3.8	6.7	5.9	8.0
Financial income and expenses, net	0.3	-0.3	-0.3	-0.3	-0.2	-0.1	-0.1	0.0
Share of result of associated companies	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Result before taxes	4.5	6.8	3.4	4.2	3.5	6.7	5.8	8.0
Income tax	-1.5	-1.8	-1.0	-1.4	0.8	-2.0	-2.3	-1.1
Result for the period from continuing operations	3.0	5.0	2.5	2.9	4.3	4.7	3.5	6.9

KEY INDICATORS

	31.12.2009	31.12.2008
Net sales, M€	375.9	463.2
Change of net sales, %	-18.8	19.7
Operating margin, M€	36.4	42.4
Depreciation and write-downs, M€	17.0	18.0
EBIT, M€	19.5	24.4
% of net sales	5.2	5.3
Result before taxes, M€	18.9	24.0
% of net sales	5.0	5.2
Return on equity, ROE, %	4.5	7.0
Return on investment, ROI, %	6.1	8.4
Interest-bearing financial liabilities at period-end, M€	62.8	19.7
Net interest-bearing financial liabilities at period-end, M€	-150.2	-58.2
Equity ratio, %	73.4	77.9
Net gearing, %	-46.6	-20.8
Gross investments, M€	10.0	26.9
% of net sales	2.7	5.8
R & D expenses, M€	6.1	5.8
% of net sales	1.6	1.3
Average personnel	627	719
Earnings/share from continuing operations, €	0.09	0.12
Cash flow from operations/share, €	0.33	0.34
Equity/share, €	2.06	1.79
Average number of shares during the period, in 1,000s*)		
Free shares	121,666	122,310
Restricted shares	34,268	34,294
Total	155,934	156,605
Average numer of shares at period-end, in 1,000s*)		
Free shares	121,894	121,516
Restricted shares	34,250	34,276
Total	156,145	155,793
Market capitalisation of shares at period-end, M€*)		
Free shares	324.2	178.6
Restricted shares	93.2	56.2
Total	417.4	234.8

*) Number of shares without own shares

CALCULATION OF INDICATORS

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

*)The calculation of key indicators uses continuing operations result
**)Excluding shares with a potential return obligation