Interim report 1 January – 31 March 2008

- Net sales for the Group's continuing operations totalled EUR 90.9 (71.5) million, up 27% on the same quarter in 2007
- Continuing operations showed a first-quarter profit of EUR 5.0 (0.1) million, and earnings per share came to EUR 0.78 (0.01)
- Operating profit in continuing operations (excluding non-recurring items) was EUR 0.6 (0.1) million

The figures for this interim report have not been audited.

CEO Matti Karppinen:

"Net sales growth in our continuing operations has remained high, and growth occurred in all segments. The operating profit in continuing operations, excluding non-recurring items, was higher than in the same quarter a year ago. The January-March profit was boosted by the recognition of substantial one-off items from the associated company Sucros Ltd.

We've achieved good results with the measures to improve productivity, cost-efficiency and operational quality, and we'll be making a determined effort to continue this work.

The Group carried out a number of restructuring measures in support of its business strategy during January-March. In line with the Frozen Foods strategy, Apetit Pakaste sold its jams business to Saarioisten Säilyke Oy. In Grain Trading, a commitment plan was introduced for personnel in Avena Nordic Grain, giving them the opportunity to obtain a stake in the ownership of Avena Nordic Grain Oy.

The international raw material and food markets are becoming increasingly volatile. Higher world demand for raw materials and low raw material stocks have resulted in rapid increases in both raw material and product prices. At the same time, the global economy is slowing down and there is a great deal of uncertainty about the future. In this kind of uncertainty, where significant changes can occur very quickly, it is essential to be ready to react.

The current economic situation has put more pressure on the food industry to consolidate. There are more companies on offer on the acquisitions market and buyers are now in a stronger position than before."

KEY INDICATORS, EUR million

Continuing operations	Q1/2008	Q1/2007
Net sales	0.9	71.5
Operating profit	5.4	0.2
Operating profit without non-recurring items	0.6	0.1
Profit before taxes	5.0	0.1
Profit for the period	5.0	0.1
Earnings per share, EUR	0.78	0.01

RESTRUCTURING

Ownership arrangements in Avena Nordic Grain Oy

In February, Lännen Tehtaat plc decided to offer Avena Nordic Grain personnel the chance to become indirect owners of their company. The offer was part of the commitment plan for Avena Nordic Grain personnel. The arrangement was put into effect by setting up a new company Foison Oy, which acquired 20% of the shares in Avena Nordic Grain Oy from Lännen Tehtaat. Nearly all Avena Nordic Grain's personnel joined the scheme, subscribing 73.1% of the new company's shares. The remaining 26.9% of the shares was subscribed by Lännen Tehtaat plc. The Foison shares owned by Lännen Tehtaat can be used for share-based commitment arrangements covering new Avena staff should Lännen Tehtaat plc so decide. Following the arrangements, Lännen Tehtaat plc owns, directly and indirectly, 85.4% of Avena Nordic Grain's shares. There are restrictions concerning the transfer of Foison Oy's shares as they may only be sold to Lännen Tehtaat plc. At the same time, Lännen Tehtaat plc has a buy-back obligation on the shares. Under the arrangement, Avena's profits will be distributed to shareholders as dividends each year. Consequently, the ownership of Foison Oy will appear as a liability in the consolidated financial statements and the obligation to pay dividends on the basis of the financial year's results to Foison Oy will be treated as a financing cost.

The arrangements referred to above had no other impact on the profits of the Lännen Tehtaat Group.

Sale of the jams business

In March, Apetit Pakaste Oy concluded an agreement with Saarioisten Säilyke Oy on the sale of the Apetit Pakaste jams business. Under the agreement, the development, production, sales and marketing of jams and marmalades will be transferred to Saarioisten Säilyke Oy in autumn 2008. The deal also includes transfer of the Dronningholm trademark.

CHANGE IN REPORTING PRACTICE

Lännen Tehtaat has decided to alter its reporting practice in respect of the way in which it presents its share of the profit/loss of associated companies from the start of 2008. Under the new practice, the share of the profit/loss of associated companies related to the food businesses will be included in the operating profit, and the share of the profit/loss of associated companies not forming part of Lännen's core businesses will be shown below the operating profit. The share of the profit/loss from Sucros Ltd and Ateriamestarit Oy is included in Other Operations. The figures for the previous year have been adjusted accordingly. The share of the profit/loss from Sandanger AS from 1 March to 31 August 2007 is reported above the operating profit for the Fish business.

Lännen Tehtaat's share of the profit from the associated company Suomen Rehu is shown below the operating profit.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

In the consolidated balance sheet the assets and liabilities directly associated with discontinued operations and with assets held for sale are presented separately from other assets and liabilities as non-current assets held for sale and as liabilities associated with non-current assets held for sale. In the balance sheet and income statement for the first quarter of the previous year the Suomen Rehu Group was reported under discontinued operations. In the balance sheet for the first quarter 2008, the assets of the jams business sold to Saarioinen are disclosed as assets held for sale.

NET SALES AND PROFIT

The January-March profit for continuing and discontinued operations totalled EUR 5.0 (1.9) million, and earnings per share amounted to EUR 0.78 (0.31).

Continuing operations

January-March net sales for the Group's continuing operations totalled EUR 90.9 (71.5) million, which was 27% higher than in the first quarter the previous year. There was growth in all business segments.

The operating profit of the continuing operations came to EUR 5.4 (0.2) million. The operating profit without non-recurring items was 0.6 (0.1) million. Non-recurring items amounted to EUR 4.8 (0.1) million. The reported operating profit includes EUR 4.9 (-0.4) million as the share of associated companies' profits/losses. The figure of EUR 4.9 million consists of non-recurring items received as compensation for the sale of sugar and isoglucose quotas in connection with the sugar reform.

The net financial expenses of the continuing operations totalled EUR 0.7 (0.1) million. Included in this total is Foison Oy's EUR 0.2 million share of Avena Nordic Grain's first-quarter profit. Lännen Tehtaat's share of the associated company Suomen Rehu's profits came to EUR 0.3 million. Profit before taxes amounted to EUR 5.0 (0.1) million, and the profit for the period came to 5.0 (0.1) million.

Discontinued operations

Net sales of discontinued operations totalled EUR 0.0 (47.2) million, and the profit for the period was 0.0 (1.8) million.

FINANCING AND CASH FLOW

The Group's financial position and liquidity remained good throughout the period. Cash flow from operations in January-March, after interest and taxes, totalled EUR –7.4 (5.5) million. The impact of the change in working capital was EUR –7.2 (7.3) million. Net cash flow from investments totalled EUR 3.6 (-10.2) million, and cash flow from financing activities was EUR 4.2 (3.3) million. The cash flows of the previous year include those of the discontinued operations.

At the end of the first quarter, interest-bearing liabilities came to EUR 37.8 (59.2) million, and liquid assets amounted to EUR 9.5 (6.0) million. Net interest-bearing liabilities totalled EUR 28.4 (53.2) million. The figures for the first quarter a year earlier include the interest-bearing liabilities and liquid assets of the discontinued operations. The consolidated balance sheet total stood at EUR 207.6 (235.8) million and equity ratio was 64.0 (49.1)%. Commercial papers issued for the Group's short-term financing totalled EUR 32.0 (28.0) million at the end of the quarter. Liquidity is secured with committed credit facilities, and at the end of the quarter, the credit facilities available totalled EUR 25 (23) million.

INVESTMENT

In the period January-March, gross investment in non-current assets in continuous operations came to EUR 1.3 (0.8) million.

PERSONNEL

The average number of personnel in continuing operations in January-March totalled 746 (617). The number of personnel working in Frozen Foods was 220 (224), in Fish 448 (317), in Vegetable Oils 35 (36), in Grain Trading 30 (29) and in Other Operations 13 (11). The personnel at Apetit Suomi Oy are allocated under both Frozen Foods and Fish in proportion to the services charged. The increase in the number of personnel in the Fish business is mainly due to the acquisition of Maritim Food.

BUSINESS SEGMENTS

Frozen Foods

Net sales of Frozen Foods in January-March totalled EUR 13.5 (13.3) million, which was about 2% up on the first quarter of the previous year. Sales of retail products grew by about one per cent overall, and at the same time there was a further decline in the sales of retailers' private label brands. The number of sales days in the first quarter of the previous year was two more than in the quarter under review. New products and active marketing gave a further boost to the sales of Apetit frozen potato products. Apetit's creamed potatoes have gained in popularity and the new, larger pack of traditional mashed potato has also been well received. Furthermore, new frozen vegetable products, such as potatoes and chopped vegetables for soup, are also selling well. Sales in the hotel, restaurant and catering sector were 7% up on the figure for the same quarter the previous year, adjusted to allow accurate comparison, while sales to the food industry were unchanged. Exports of peas to other European countries continued during the early months of the year. Total exports were up 30% from the same quarter in 2007.

Excluding non-recurring items, the Frozen Foods business posted an operating profit of EUR 0.4 (0.5) million, which was almost the same as a year earlier. Higher raw material and energy prices have resulted in substantial increases in production costs. Lännen Tehtaat has been able to soften the impact of these by raising sales prices and by keeping fixed costs under tight control.

In order to ensure that operations in the Frozen Foods business area are more customer-oriented and demand-driven, the sales and product development functions were reorganized. As part of these changes, the sales and product development staff were transferred from the service company Apetit Suomi Oy to Apetit Pakaste Oy.

In March, Apetit Pakaste and Saarioisten Säilyke Oy concluded an asset deal under which the development, production, sales and marketing of jams and marmalades will be transferred to Saarioisten Säilyke Oy in autumn 2008. The deal also includes transfer of the Dronningholm trademark. The sale will generate a one-off sales profit of approximately EUR 2.5 million, which will be entered in the third quarter results. As a consequence of the sale, Apetit Pakaste can, in accordance with its strategy, focus on frozen foods. The net sales of the jams and marmalades business in 2007 totalled about EUR 6 million and had a slightly positive impact on the operating profit.

The facilities used for jam production will be converted to handle the frozen food production transferred from Turku. Moving this production from Turku will generate almost thirty new jobs in Säkylä. Most of these jobs will be taken up by former jam production employees now offered jobs in frozen food production.

Construction of the packaging plant required as part of the transfer of production from Turku continued during the period under review. The Turku production is scheduled for transfer to Säkylä by the end of 2008. The centralization of production is expected to result in greater productivity and cost-efficiency and, consequently, an increase of about EUR 0.9 million in operating profits from 2009.

The project to introduce a new enterprise resource planning system continued during the first quarter. The aim is to introduce the new system in Frozen Foods during 2008.

Investment in the Frozen Foods business in January-March totalled EUR 0.8 (0.2) million. The most important investment concerned the construction of new facilities at Säkylä required for the production transfer from Turku and the updating of the enterprise resource planning system.

Fish

The net sales of the Fish business totalled EUR 21.5 (16.4) million, which was 31% higher than the same quarter in 2007. Maritim Food and Sandanger, incorporated into the Group in March and September 2007, respectively, increased the segment's net sales by EUR 6.5 million.

The operating profit of the Fish business (excluding non-recurring items) totalled EUR –0.5 (-0.2) million. Non-recurring items amounted to EUR –0.1 (0.0) million. The non-recurring items resulted from the organizational changes carried out during the period under review. The Fish business did not achieve its result targets on the Finnish market. However, the results of the Maritim Food Group were in line with expectations.

The first-quarter net sales of the Fish business in Finland were down on those for the same period a year earlier, primarily as a result of a decline in prices for salmon and rainbow trout and the consequent drop in the sales prices of fresh-fish products. Since autumn, sales have also been affected by poor availability of wild fish and the raw material for hot-smoked whitefish. The shellfish products produced by Maritim Food and sold under the Apetit Maritim brand, introduced on the Finnish market in autumn, have been selling better than expected. There was tougher price competition in low value-added consumer-packs of salmon and rainbow trout fillets and in salmon and rainbow trout fillets sold at service counters. Measures aimed at improving productivity and price competitiveness in this product category were started during the period under review.

The work to improve internal efficiency and processes at Apetit Kala, which was started in the autumn, has proceeded as planned. Labour and raw-material productivity have improved and delivery reliability has remained at targeted levels. The reorganization of sales, production, product development and logistics continued, with the aim of clarifying responsibilities, achieving higher reaction speeds and increasing cost-efficiency. As part of the organizational changes, the staff responsible for product sales and customer accounts at Apetit Kala were transferred from Apetit Suomi Oy to Apetit Kala Oy. The aim is to ensure that operations are more customer-oriented and demand-driven.

Apetit Kala has signed an agreement with Saarioinen Oy concerning cooperation in the hotel, restaurant and catering sector, starting on 1 September 2008. The aim is to achieve substantial improvements in the availability of Apetit Kala and Maritim Food products for customers in the catering sector.

Regarding the Kalatori service counters, Apetit Kala has decided to take over those sales points previously run under the franchise model, in order to expand sales and introduce greater standardization. Most of these franchised Kalatori sales points were taken over by Apetit Kala in April 2008.

The net sales of Maritim Food Group increased compared with the same period in 2007. Sales of Maritim Food in Norway remained at the previous year's level. On the Norwegian market the product group posting the strongest growth in sales was shellfish products. A drop in the sales prices of salmon products led to a fall in net sales of fish products. With Easter occurring in March, there were two sales days fewer in the first quarter than a year ago, which had a negative impact on sales. On the Swedish market, first-quarter sales grew by about one third from the previous year's figure. This growth occurred in sales to both existing and new customers.

Delivery reliability of the Norwegian and Swedish companies has remained good. Work productivity has improved, raw-material losses have decreased and short-term absenteeism has dropped, particularly at the end of the period. To achieve further improvements in productivity and to ensure adequate service levels for HoReCa customers, the Swedish company will make investments in production lines and packaging machinery during 2008.

The integration of Maritim Food into Lännen Tehtaat has continued as planned and its operations have now been largely separated from those of the previous owner group. Key resources such as procurement and financial administration, which until now have been provided by the previous owner as outsourced services, are now part of Maritim Food.

Sami Haapasalmi, appointed to head the Fish business, took up his duties in mid-April. He is responsible for the profitability of the Fish business and for developing and expanding the business through organic growth and acquisitions.

Investment in the Fish business totalled EUR 0.3 (0.5) million. The most important investments concerned the renewal of the company's enterprise resource planning system, and productivity improvements in Maritim Food.

Vegetable Oils
In Vegetable Oils, net sales totalled EUR 14.2 (10.0) million, up 42% on the first quarter figure for the previous year. The increase was due to higher sales prices, higher volumes of rapeseed oil and rapeseed expeller, and the higher added value of products sold.

Operating profit totalled EUR 0.2 (0.4) million. The drop was caused by a decline in the refining margin and higher energy and wage costs compared with the same period in 2007. The rapid rise in the prices of rapeseed and rapeseed oils that began a year ago continued in January-February. Since then, the market has been characterized by sharply fluctuating prices.

Investment in the Vegetable Oils business totalled EUR 0.0 (0.1) million and consisted of small replacement investments.

Grain Trading
The strong growth in Grain Trading continued during the first quarter. Net sales totalled EUR 42.1 (32.1) million, which was 32% more than a year earlier. The growth was the result of higher prices. Grain Trading posted higher net sales in both exports and in trading between third countries. In Finland, however, sales were slightly lower than in the same quarter of 2007.

Poorer than expected harvests in the most important grain production areas, low stocks and growing demand led to sharp increases in the world prices of grain, oilseeds and feed raw materials during the autumn. Prices remained at fairly high levels during the early part of the first quarter, but, in anticipation of the new harvest and with larger areas now under cultivation, started declining at the end of the first quarter.

Grain Trading was successful in seizing opportunities in different markets and, as a result, was able to increase its first-quarter operating profit to EUR 1.7 (0.8) million.

Other Operations
The Other Operations segment is made up of the service company Apetit Suomi Oy, Group Administration, items not belonging to any of the other business segments, and the associated companies Sucros Oy and Ateriamestarit Oy. The cost effect of services produced by Apetit Suomi Oy is an encumbrance on the operating result in proportion to the use of services. Apetit Suomi's sales and product development staff were transferred to the Frozen Foods and Fish businesses at the end of the period under review.

The first-quarter net sales of the Other Operations segment were unchanged from the previous year, totalling EUR 1.0 (1.0) million.

The operating profit of the segment (excluding non-recurring items) was EUR –1.2 (-1.5) million. The non-recurring items amounted to EUR 4.9 (0.1) million. The operating profit for January-March contains a share of the associated companies' profits/losses amounting to EUR 4.9 (-0.4) million. The sum of EUR 4.9 million consists of non-recurring items received as compensation in connection with the EU sugar reform. About EUR 3.5 million of this total is related to the EU restructuring aid in connection with the closure of the Salo sugar factory, and now all the compensation for the closure of the Salo factory has been recognized in the accounts. Other non-recurring items, totalling about EUR 1.5 million, are compensation granted in March under the EU sugar reform for the sale of sugar quota of the Säkylä factory and isoglucose quota of the Jokioinen plant. Excluding the non-recurring items, Lännen Tehtaat's share of the associated company's profits/losses totalled EUR 0.0 (-0.4) million.

Investment in Other Operations totalled EUR 0.1 (0.0) million.

DECISIONS BY THE ANNUAL GENERAL MEETING
The Annual General Meeting of Lännen Tehtaat plc, held on 2 April 2008, approved the financial statements of the parent company and the consolidated financial statements and discharged the members of the Supervisory Board and the Board of Directors and the CEO from liability for the 2007 financial year.

Dividend
The Annual General Meeting decided to distribute as dividend EUR 0.85 per share on the financial year 2007. The AGM decided to pay the dividend on 15 April 2008.

Amending the Articles of Association

The Annual General Meeting approved the Board of Directors' proposal concerning an increase in the maximum age at which a person may be elected to the Board of Directors and to the Supervisory Board. Under the decision, a member of the Board of Directors or the Supervisory Board who has attained the age of 68 is ineligible for re-election to the post.

Authorization to acquire Lännen Tehtaat shares

The Annual General Meeting authorized the Board of Directors to decide on the acquisition of a maximum total of 250,878 Lännen Tehtaat shares for the company using non-restricted equity, under the following conditions:

Shares may be acquired for the purpose of developing the company's capital structure, financing or implementing corporate acquisitions or other arrangements, implementing share-based incentive systems, or for onward transfer or annulment.

Shares may be acquired in one or more lots, to a maximum total of 250,878 shares. The combined number of Lännen Tehtaat shares held by the company following this acquisition must not, however, exceed five (5) per cent of the total number of Lännen Tehtaat shares. The Board is entitled to decide on how to proceed in acquiring shares.

The shares will be acquired in public trading on the OMX Nordic Exchange Helsinki, and the current value at the time of the transaction will be paid for the shares. During the validity of the authorization, the minimum price of the shares shall be the lowest price quoted in public trading, and the maximum price correspondingly shall be the highest price quoted in public trading. The acquisition price will be paid to the parties selling the shares within the period of payment specified by the rules of the OMX Nordic Exchange Helsinki and the Finnish Central Securities Depository.

Because this acquisition will be performed by buying shares in public trading, the shares will not be acquired in accordance with the holding percentages of the shareholders. The share acquisition will decrease the company's distributable non-restricted equity. The Board was authorized to decide on any other terms and conditions related to the company's acquisition of its own shares.

The authorization is valid until the next AGM.

Authorization for share issue

The Annual General Meeting authorized the Board of Directors to decide on the issuing of new shares and on the transfer of Lännen Tehtaat shares held by the company in one or more lots in a share issue, to a total of no more than 947,635 shares, under the following conditions:

The share issue authorization covers all the Lännen Tehtaat shares already held by the company (65,000 shares). The authorization further covers all the Lännen Tehtaat shares to be acquired by the company under the authorization, given on 2 April 2008, to acquire Lännen Tehtaat shares. The maximum number of Lännen Tehtaat shares that may be acquired under this authorization is 250,878. The maximum number of new shares that can be issued is 631,757, and the maximum number of Lännen Tehtaat shares held by the company that can be issued is 315,878.

The subscription price for each of the new shares must be at least the nominal share value of EUR 2. The transfer price for Lännen Tehtaat shares held by the company must be at least the current value of the share at the time of transfer, which is determined by the price quoted in public trading on the OMX Nordic Exchange Helsinki. However, in the case of share-based incentive systems, shares can be issued without remuneration.

The authorization includes the right:
to deviate from the shareholders' pre-emptive subscription right (targeted issue) if the company has a substantial financial reason to do so, such as development of the company's capital structure, financing and implementing corporate acquisitions or other arrangements, or building a share-based incentive system;

to offer shares not only against money payment but also against capital consideration in kind or under other specified terms or by exercising right of set-off; and

to decide on the subscription price of shares and other conditions of and matters related to the share issue.

The authorization is valid until the next AGM. The authorization will revoke the earlier authorization to issue shares, given on 29 March 2007, and the authorization to transfer Lännen Tehtaat shares held by the company given on the same date.

SHARES AND TRADING

During the period under review, a total of 383,666 (322,015) company shares, or 6.1 (5.1)% of the total number of shares, were traded in the stock exchange. The highest share price was EUR 16.46 (24.50) and the lowest EUR 13.20 (22.20). Share turnover in January-

March totalled EUR 5.4 (7.7) million. At the end of the period, the market value of the share stock stood at EUR 94.6 (145.3) million.

FLAGGING ANNOUNCEMENTS

No flagging announcements were made during the period under review.

GOVERNANCE

In its organizational meeting on 7 April 2008, the Supervisory Board of Lännen Tehtaat plc elected Helena Walldén as its chairman and Juha Nevavuori as deputy chairman.

At the same meeting, the Supervisory Board elected Harri Eela, Heikki Halkilahti, Aappo Kontu, Matti Lappalainen, Hannu Simula, Soili Suonoja and Tom v. Weymarn as members of the Board of Directors of the company. Tom v. Weymarn was elected chairman and Hannu Simula as vice chairman of the Board of Directors.

SEASONAL NATURE OF OPERATIONS

Under the IAS 2 standard, the acquisition cost of inventories includes a systematically allocated portion of the fixed production overheads. In production based on seasonal harvests, raw materials are mostly processed into finished products during the final quarter, which means that inventories and their balance-sheet values peak at the end of the year. As fixed production overheads included in acquisition costs are not entered as an expense until the time of sale, the Group generates most of its annual profits during the final quarter. Because of the emphasis on seasonal harvests, the seasonal nature of Lännen Tehtaat's operations is most marked in the Frozen Foods business and the operations of the associated company Sucros Ltd.

Apetit Kala generates a considerable proportion of its sales during weekends and public holidays. The full-year result for the Fish business depends to a great extent on the success of Christmas sales.

Annual and quarterly net sales in the Grain Trading business depend very much on demand and supply factors and on the price level in Finland and other markets.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The most significant near-future risks for the Lännen Tehtaat Group are connected with the management of changes in raw material prices, changes occurring in the Group's business sectors and in customer relationships, the transfer of production from the Turku plant, the introduction of the new enterprise resource planning system, corporate acquisitions and the integration of acquired operations.

IMPORTANT EVENTS AFTER THE PERIOD UNDER REVIEW

On 2 April 2008, the Lännen Tehtaat plc Board of Directors decided to introduce a share reward scheme as part of a long-term commitment plan for the Group's key personnel. Under the plan, key personnel will have the opportunity to receive company shares as a reward for achieving defined targets for the earning period. The earning period is 1 January 2008 to 31 December 2008. Any reward paid on this 2008 earning period will be paid during 2009 partly in company shares and partly in cash. The aim is that the amount paid in cash would cover the taxes and tax-related charges incurred on the reward. Transfer of all or any of the shares within the restriction period of two years after the end of earning period is prohibited. If a key personnel member terminates his or her employment contract or contract of engagement during the restriction period, any shares the person has received under the reward scheme must be returned to the company without compensation. The amount of any reward available under the scheme for the 2008 earning period will be based on the Group's earnings per share for its continuing operations (EPS). A maximum of 17,000 Lännen Tehtaat plc shares and additionally a maximum cash payment equal to the total value of these shares will be paid on the 2008 earning period. A quota equal to a maximum 14,300 shares had been allocated to 13 key staff members by the end of the period under review.

In early April, Apetit Kala signed an agreement with Saarioinen Oy concerning cooperation in the hotel, restaurant and catering (HoReCa) sector. Under the agreement, Saarionen will, as of 1 September 2008, sell and market Apetit Kala and Maritim Food products to customers in the Finnish HoReCa sector. The aim of the arrangement is to achieve substantial improvements in the availability of the products in the HoReCa sector.

OUTLOOK FOR 2008

The full-year net sales for the continuing operations are expected to be up and the operating profit excluding non-recurring items is expected to improve on the previous year.

Following the sale of the jams business, the net sales of Frozen Foods are expected to remain at the previous year's level. Sales of Apetit's own brands are expected to grow, while sales to the hotel, restaurant and catering sector and to the food industry are likely to remain steady and exports are expected to decline. Apetit Pakaste's financial performance will be adversely affected by higher raw material and energy costs and by the overlapping and non-recurring expenses from the transfer of production from Turku to Säkylä and the introduction of the enterprise resource planning system. The positive impact of production centralization will begin to show in 2009.

The net sales of the Fish business are expected to grow with the first full year of the added net sales of Maritim Food and Sandanger. Apetit Kala's net sales are expected to increase through livelier demand and improved delivery performance, and as existing Kalatori franchises are transferred to Apetit Kala. The performance of the Fish business is expected to improve and to end up significantly in profit as a result of process development and productivity-improving measures. The operating profit will also improve with the first full year of Maritim Food being part of the Group.

Higher product prices are expected to increase the net sales of the Vegetable Oils business compared with 2007. Because of higher raw material prices and market volatility during the early part of the year, the segment's operating profit is expected to remain at previous year's level.

With good performance during the early months of 2008, Grain Trading is expected to post higher net sales and operating profits than in 2007.

The use of IFRS reporting standards means that the Group will generate most of its profits during the final months of the year.

8 May 2008

Lännen Tehtaat plc
Board of Directors

Consolidated income statement

EUR million	1-3/2008 3 mths	1-3/2007 3 mths	1-12/2007 12 mths
Continuing operations			
Net sales	**90.9**	71.5	309.6
Other operating income	**0.3**	0.3	1.4
Operating expenses	**-89.4**	-70.2	-302.3
Depreciation	**-1.3**	-1.1	-5.0
Impairments	-	-	-0.5
Share of profit/loss of associated companies	**4.9**	-0.4	2.1
Operating profit	**5.4**	0.2	5.3
Financial income and expenses	**-0.7**	-0.1	-0.8
Share of profit of associated companies	**0.3**	0.0	1.4
Profit before taxes	**5.0**	0.1	6.0
Income taxes	**0.0**	0.0	-0.4
Profit for the period, continuing operations	**5.0**	0.1	5.6
Discontinued operations			
Profit for the period, discontinued operations	**-**	1.8	7.8
Profit for the period	**5.0**	1.9	13.4
Attributable to:			
Equity holders of the parent	**4.9**	1.9	13.3
Minority interests	**0.1**	-	0.1
Earnings per share, calculated of the profit attributable to the shareholders of the parent company			
Basic and diluted earnings per share, EUR, total	**0.78**	0.31	2.13
Basic and diluted earnings per share, EUR, continuing operations	**0.78**	0.01	0.88
Basic and diluted earnings per share, EUR, discontinued operations	**-**	0.29	1.25

Consolidated balance sheet

EUR million	March 31 2008	March 31 2007	Dec 31 2007
ASSETS			
Non-current assets			
Intangible assets	**4.8**	3.3	4.7
Goodwill	**7.0**	6.2	7.0
Tangible assets	**43.1**	38.0	43.5
Investment in associated companies	**44.9**	23.4	39.2
Available-for-sale investments	**0.1**	0.1	0.1
Receivables	**4.5**	5.7	4.6
Deferred tax assets	**0.6**	0.2	0.3
Non-current assets total	**105.0**	76.9	99.4
Current assets			
Inventories	**63.2**	24.3	64.4
Receivables	**28.3**	10.1	28.6
Income tax receivable	**0.4**	0,9	0.4
Financial assets at fair value through profit and loss	**4.0**	-	8.1
Cash and cash equivalents	**5.5**	4.6	5.1
Current assets total	**101.4**	39.9	106.6
Non-current assets classified as held for sale	**1.2**	119.0	-
Total assets	**207.6**	235.8	205.9
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	**132.1**	115.6	127.3
Minority interest	**0.8**	-	0.7
Total equity	**132.9**	115.6	128.0
Non-current liabilities			
Deferred tax liabilities	**4.1**	4.5	4.8
Long-term financial liabilities	**5.0**	3.2	5.3
Non-current provisions	**0.1**	0.2	0.1
Non-current liabilities total	**9.2**	7.9	10.2
Current liabilities			
Short-term financial liabilities	**32.8**	12.6	28.2
Income tax payable	**1.2**	0.6	0.7
Trade payables and other liabilities	**31.4**	23.9	38.7
Current liabilities total	**65.4**	37.1	67.6
Liabilities directly associated with non-current assets classified as held for sale	**0.0**	75.3	-
Total liabilities	**74.7**	120.3	77.9
Total equity and liabilities	**207.6**	235.8	205.9

Consolidated cash flow statement

EUR million	1-3/2008 3 mths	1-3/2007 3 mths	1-12/2007 12 mths
Net profit for the period	**5.0**	1.9	13.4
Adjustments, total	**-4.4**	-2.6	-1.5
Change in net working capital	**-7.2**	7.3	-3.3
Interests paid from operating activies	**-0.6**	-0.8	-2.8
Interest received from operating activities	**0.3**	0.2	0.7
Taxes paid	**-0.4**	-0.4	-1.2
Net cash flow from operating activities	**-7.4**	5.5	5.3
Investments in tangible and intangible assets	**-1.3**	-1.1	-7.6
Proceeds from sales of tangible and intangible assets	**0.1**	0.0	0.2
Acquisition of subsidiaries deducted by cash	**-0.4**	-8.1*)	-9.9
Proceeds from sales of subsidiaries	**-**	-	42.0
Transactions with minority	**1.5**	-	-
Acquisition of associated companies	**-0.4**	-1.1*)	0.0
Proceeds from sales of associated companies	**-**	-	0.6
Purchases of other investments	**0.0**	-	-35.1
Proceeds from sales of other investments	**4.0**	-	27.0
Dividends received from investing activities	**-**	-	5.3
Net cash flow from investing activities	**3.6**	-10.2	22.5
Raising of short-term loans	**4.5**	5.0	-
Repayments of short-term loans	**-**	-	-16.7
Repayments of long-term loans	**-0.2**	-1.7	-8.1
Payment of financial lease liabilities	**0.0**	0.0	-0.1
Dividends paid	**-**	-	-5.3
Cash flows from financing activities	**4.2**	3.3	-30.2
Net change in cash and cash equivalents	**0.4**	-1.5	-2.4
Cash and cash equivalents at the beginning of the period	**5.1**	7.5	7.5
Cash and cash equivalents at the end of the period	**5.5**	6.0	5.1

*) Control over Sandanger AS was obtained during the third quarter in 2007 when share ownership raised to 51% after additional share acquisition.

Statement of changes in shareholder´s equity

EUR million	Share capital	Share premium account	Net unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings	Total	Minority interest	Total equity
	Attributable to equity holders of the parent									
Shareholders' equity at 1 Jan. 2007	12.6	23.4	0.4	7.3	-0.8	-0.2	76.5	119.2	0.0	119.2
Cash flow hedges:										
gains/losses recorded in equity	-	-	-0.1	-	-	-	-	-0.1	-	-0.1
Taxes related to items entered										
into equity and removed from equity	-	-	-	-	-	-	-	0.0	-	0.0
Translation differences	-	-	-	-	-	-0.1	-	-0.1	-	
Other changes	-	-	-	-	-	-	-0.1	-0.1	-	-0.1
Profit for the period	-	-	-	-	-	-	2.0	2.0	-	2.0
Total recognised income and expense	-	-	-0.1	-	-	-0.1	1.9	1.7	-	1.8
Dividend distribution	-	-	-	-	-	-	-5.3	-5.3	-	-5.3
Shareholders' equity at 31 March 2007	12.6	23.4	0.3	7.3	-0.8	-0.3	73.2	115.6	0.0	115.6
Shareholders' equity at 1 Jan. 2008	12.6	23.4	0.4	7.2	-0.8	0.1	84.5	127.3	0.7	128.0
Cash flow hedges:										
gains recorded in equity	-	-	-0.4	-	-	-	-	-0.4	-	-0.4
Taxes related to items entered										
into equity and removed from equity	-	-	0.1	-	-	-	-	0.1	-	0.1
Increase / decrease in subsidiary	-	-	-	-	-	-	0.4	0.4	-	0.4
Translation differences	-	-	-	-	-	-0.1	-	-0.1	-	-0.1
Other changes	-	-	-	-	-	-	-0.1	-0.1	-	-0.1
Profit for the period	-	-	-	-	-	-	4.9	4.9	0.1	5.0
Total recognised income and expense	-	-	-0.3	-	-	-0.1	5.2	4.8	0.1	4.9
Dividend distribution	-	-	-	-	-	-	-	-	-	-
Shareholders' equity at 31 March 2008	12.6	23.4	0.1	7.2	-0.8	0.0	89.7	132.1	0.8	132.9

Segment information

Basis of preparation and accounting policies

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2007.

Business segments 1–3/2008

EUR million	Frozen Foods	Fish	Vegetable Oils	Grain Trading	Other Operations	Continuing operations total	Discontinued operations	Group total
Total external sales	13.5	21.5	14.2	42.1	1.0	**92.2**	-	92.2
Intra-group sales	0.0	0.0	0.0	-0.4	-0.9	**-1.3**	-	-1.3
Net sales	13.5	21.5	14.2	41.7	0.1	**90.9**	-	90.9
Share of results of associated companies included in operating profit/loss	-	-	-	-	4.9	**4.9**	-	4.9
Operating profit/loss	0.4	-0.5	0.2	1.7	3.7	**5.4**	-	5.4
Share of results of associated companies	-	-	-	-	0.3	**0.3**	-	0.3
Gross investments in non-current assets	0.8	0.3	0.0	-	0.1	**1.3**	-	1.3
Corporate acquisitions and other share purchases	-	-	-	-	-	-	-	-
Depreciations	0.4	0.6	0.2	0.0	0.1	**1.3**	-	1.3
Impairments	-	-	-	-	-	-	-	-
Personnel	220	448	35	30	13	**746**	-	746

Business segments 1–3/2007

EUR million	Frozen Foods	Fish	Vegetable Oils	Grain Trading	Other Operations	Continuing operations total	Discontinued operations	Group total
Total external sales	13.3	16.4	10.0	32.1	1.0	**72.8**	47.2	120.0
Intra-group sales	0.0	0.0	0.0	-0.4	-0.9	**-1.3**	-6.3	-7.6
Net sales	13.3	16.4	10.0	31.7	0.1	**71.5**	40.9	112.4
Share of results of associated companies included in operating profit/loss	-	0.0	-	-	-0.4	**-0.4**	-	-0.4
Operating profit/loss	0.5	-0.2	0.4	0.8	-1.4	**0.2**	2.7	2.8
Share of results of associated companies	-	-	-	-	-	**-**	0.1	0.1
Gross investments in non-current assets	0.2	0.5	0.1	-	0.0	**0.8**	0.3	1.1
Corporate acquisitions and other share purchases	-	10.5	-	-	-	**10.5**	-	10.5
Depreciations	0.4	0.2	0.1	0.0	0.3	**1.1**	0.2	1.3
Impairments	-	-	-	-	-	-	-	-
Personnel	224	317	36	29	11	**617**	294	911

Business segments 1-12/2007

EUR million	Frozen Foods	Fish	Vegetable Oils	Grain Trading	Other Operations	Continuing operations total	Discontinued operations	Group total
Total external sales	49.3	81.7	46.0	132.8	4.4	**314.2**	78.8	393.0
Intra-group sales	-0.1	-0.1	0.0	-1.2	-3.2	**-4.6**	-11.6	-16.2
Net sales	49.2	81.6	46.0	131.6	1.2	**309.6**	67.2	376.8
Share of results of associated companies included in operating profit/loss	0.0	0.1	-	-	2.0	**2.1**	-	2.1
Operating profit/loss	3.3	-1.7	0.9	3.9	-1.0	**5.3**	9.1	14.5
Share of results of associated companies	-	-	-	-	1.4	**1.4**	0.1	1.5
Gross investments in non-current assets	1.6	4.1	0.4	-	0.8	**6.9**	0.6	7.5
Corporate acquisitions and other share purchases	-	11.6	-	-	-	**11.6**	-	11.6
Depreciations	1.7	1.6	0.6	0.1	1.0	**5.0**	0.2	5.2
Impairments	0.2	0.3	-	-	-	**0.5**	-	0.5
Personnel	248	379	36	29	11	**705**	123	827

Geographical segments

Net sales

EUR million	1-3/2008 3 mths	1-3/2007 3 mths	1-12/2007 12 mths
Finland	**46.9**	47.0	189.2
Scandinavia	**19.9**	7.1	45.8
Baltic states and Russia	**1.0**	1.1	10.0
Other countries	**23.1**	16.3	64.6
Continuing operations total	**90.9**	71.5	309.6
Discontinued operations	**-**	40.9	67.2
Total	**90.9**	112.4	376.8

Discontinued operations

The sale of the majority holding in Suomen Rehu Ltd was completed at the start of June 2007, when Suomen Rehu and its subsidiaries were transferred to Hankkija-Maatalous Oy. Suomen Rehu Ltd is presented as discontinued operations apart from continuing operations of Lännen Tehtaat till the point of sale. In 2007 the net profit from discontinued operations includes a sale profit related to the sold 51% share ownership totalling EUR 5.6 million. From the beginning of June 2007 Lännen Tehtaat's 49% ownership in Suomen Rehu Ltd is presented as an associated company.

In connection with the sale of the majority shareholding an option scheme has also been agreed under which Lännen Tehtaat will, if it wishes, have the right to sell the remaining 49% of the shares in Suomen Rehu Ltd to Hankkija-Maatalous. The latter, for its part, has a purchasing option for the remaining shares, which it will be able to put into effect at the earliest 15 months after the purchase of the majority holding.

In the case of option exercise, Lännen Tehtaat receives the same price per share for the remaining 49% ownership as for the sold majority shareholding in Suomen Rehu Ltd, including the share price adjustment. In addition, the sale price is affected by the financial result of Suomen Rehu Ltd from the beginning of June 2007.

Non-current assets held of sale

Lännen Tehtaat's group company Apetit Pakaste Oy sells its jams and marmelades business to Saarioinen group's Saarioinen Säilyke Oy. The sale transaction is executed in fall 2008. Assets held for sale are presented separately on the balance sheet apart from continuing operations' assets and liabilities.

Non-current assets held for sale in the comparison period include Suomen Rehu group.

Key indicators

	31 March 2008	31 March 2007	31 Dec 2007
Shareholders' equity per share, EUR	**21.12**	18.50	20.36
Equity ratio, %	**64.0 %**	49.1 %	62.1 %
Gearing, %	**21.3 %**	46.0 %	16.0 %
Gross investments in non-current assets, EUR million, continuing operations	**1.3**	0.8	6.9
Corporate acquisitions and other share purchases, EUR million, continuing operations	**-**	10.5	11.6
Average number of personnel, continuing operations	**746**	617	705
Average number of shares, 1,000 pcs	**6,253**	6,253	6,253

The key figures in this interim financial report are calculated with same accounting principles than presented in year 2007 annual financial statements.

Contingent liabilities

EUR million	31 March 2008	31 March 2007	31 Dec 2007
Mortgages given for debts:			
Real estate mortgages	**9.6**	37.5	7.3
Corporate mortgages	**1.3**	51.4	1.3
Shares pledged	**-**	13.0	-
Other quarantees	**5.5**	-	7.7
Guarantees	**5.1**	1.6	5.1
Additional purchase price, estimate	**-**	0,0 - 2,0	-
Non-cancellable other leases, minimum lease payments:			
Real estate leases	**4.7**	5.5	5.3
Other leases	**0.8**	1.0	0.8

SUOMEN REHU – OPTION SCHEME

The calculatory unrecognised value for the result based component included in the option scheme as 31 March 2008 is approximately EUR 0.2.

DERIVATIVE INSTRUMENTS

Outstanding nominal values of derivate instruments			
Forward currency contracts	**6.4**	0.8	5.0
Commodity derivative instruments	**4.4**	3.1	2.6
Interest rate swaps	**15.0**	25.0	25.0

INVESTMENT COMMITMENTS

Lännen Tehtaat has investment commitments in Frozen Foods segment a total of EUR 4,2 million as of 31 March 2008.

Tangible assets

EUR million	1-3/ 2008 3 mths	1-3/ 2007 3 mths	1-12/ 2007 12 mths
Book value at the beginning of the period	**43.5**	67.4	67.4
Acquisitions	**0.9**	1.1	6.5
Acquisitions of operations	-	3.2	7.6
Disposals	**-0.1**	0.0	-0.2
Disposals of operations	**-**	-	-32.6
Depreciations and impairments	**-1.2**	-1.2	-5.1
Other changes	**0.0**	-0.1	-0.1
Book value at the end of the period	**43.1**	70.4	43.5

Transactions with associated companies and joint ventures

EUR million	1-3/ 2008 3 mths	1-3/ 2007 3 mths	1-12/ 2007 12 mths
Sales to associated companies	**3.7**	0.7	14.3
Sales to joint ventures	**2.2**	2.3	8.1
Purchases from associated companies	**0.0**	0.1	12.0
Purchases from joint ventures	**0.0**	2.7	0.1
Long-term receivables from associated companies	**3.8**	5.2	3.9
Trade receivabes and other receivables from associated companies	**3.0**	2.9	3.1
Trade receivabes and other receivables from joint ventures	**0.7**	0.8	0.8
Trade payables and other liabilities to associated companies	**0.1**	0.0	0.0

The sales of goods and services to the associated companies and joint ventures are based on valid price catalogues of the Group.