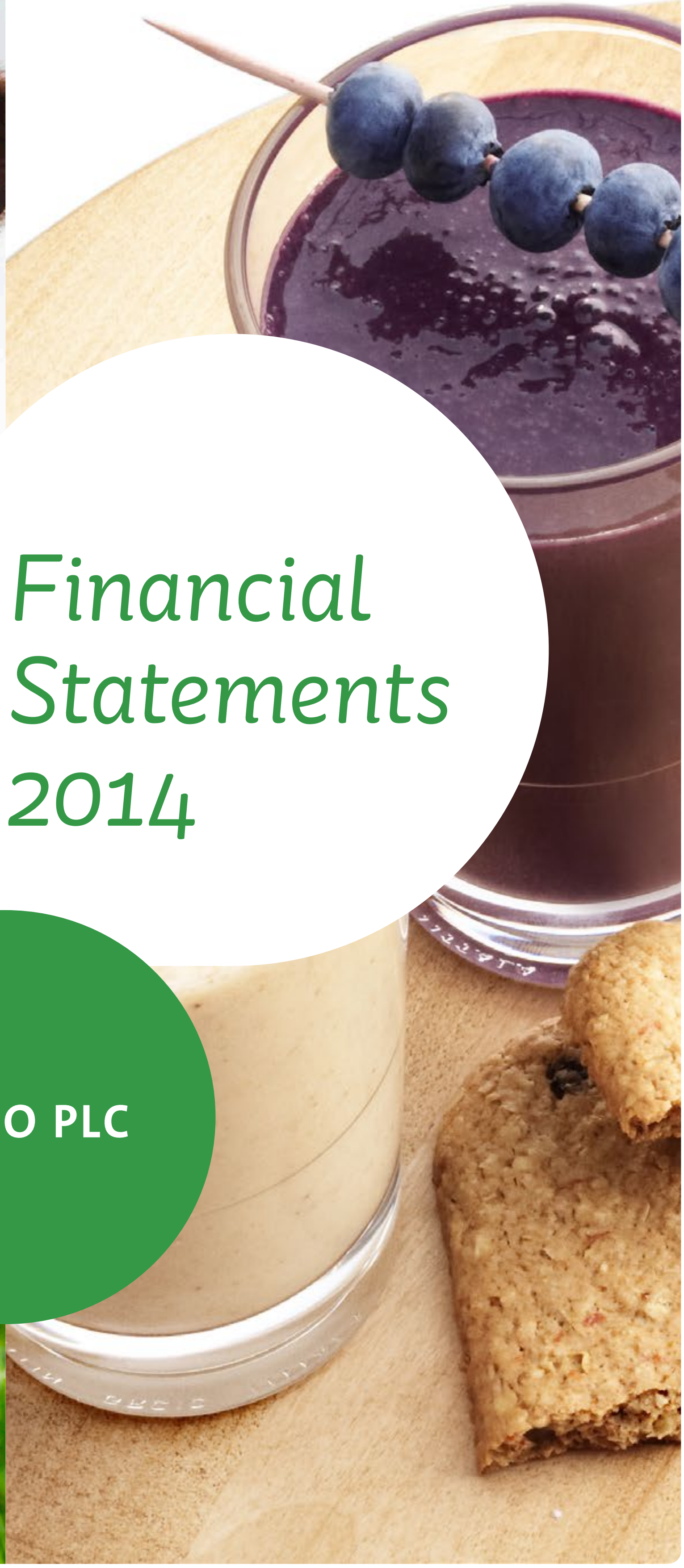
RAISIO



Financial Statements 2014

RAISIO PLC

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Financial reporting

All figures mentioned in this review are comparable. The reported divisions are Brands and Raisioagro.

The Brands Division includes Consumer brands and Licensed brands units. In the text, Consumer brands unit is examined by key market areas that are Western Europe, Northern Europe and Eastern Europe. The Benecol business acquired from the affiliates of Johnson & Johnson is included in the Western Europe figures from 19 November 2014. The non-dairy business is included in the Northern European comparison year's figures until 9 May 2013. Licensed brands unit includes Benecol and Benemilk businesses.

Raisioagro Division includes cattle and fish feeds, farming supplies and grain trade. In connection with the reorganisation of Raisioagro's activities, the company terminated the pig and poultry feed production at the end of September 2014 and oilseed crushing at the beginning of November 2014.

Report of the Board Of Directors 2014

Operating environment

The eurozone economy grew slightly in 2014; growth was broad-based and private consumption did not weaken. Economic growth was modest in Finland but strong in the UK.

The ongoing crisis in Ukraine overshadowed the whole year and there is no sign of détente. The crisis resulted in the spiral of sanctions and counter-sanctions between the West and Russia, which resulted in a significant decline in the West's exports to Russia. Finland was particularly severely affected by the Russian import ban on dairy products. As Russian and Ukrainian currencies weakened and the state regulated consumer prices in Russia, the food industry needed to respond rapidly.

The Finnish feed market competition further intensified with new operators and additional capacity built in the industry. As farm sizes are growing, farmers are moving from compound feeds to TMR feeding, which Raisioagro has taken into consideration in its new strategy.

Russia's ban on imports of dairy products increased uncertainty among the Finnish milk producers. The decline in milk producer prices in 2014, as a result of the crisis in Russia and Ukraine, as well as the expected change in milk pricing for early 2015 have increased the milk producers' need to reduce costs and to postpone investments. Milk producers are interested in alternatives that help improve the milk production efficiency and farm profitability. Despite the current challenges, the future of milk production looks promising.

At the end of 2014, the rapid weakening of the rouble obstructed exports of feeds as purchasing power decreased in Russia. Increased fish prices in Russia weakened the demand for farmed fish in the situation where the Norwegian salmon is under the import ban.

Net sales

Raisio Group's net sales in 2014 totalled EUR 493.9 (557.6) million, which is more than 11 per cent lower than in the comparison period. Net sales of the Brands Division were EUR 306.1 (304.7) million, those of Raisioagro Division EUR 201.6 (254.2) million and those of other operations EUR 1.2 (1.3) million.

Most significant factors decreasing the Group's net sales from the comparison year were Raisioagro's decision to terminate its pig and poultry production at the end of September 2014, declined sales of cereals in the UK and challenges related to the centralisation of snack bar production and weakened service levels.

The Brands Division accounted for some 62 per cent and Raisioagro for some 38 per cent of the Group's net sales. Net sales from outside Finland represented 55.6 (49.1) per cent of the Group's total, amounting to EUR 274.9 (273.9) million.

Result

Raisio Group's EBIT amounted to EUR 6.9 (33.6) and, excluding one-off items, 34.8 (39.3) million, which is 1.4 (6.0) and, excluding one-off items, 7.0 (7.1) per cent of net sales. EBIT for the Brands Division totalled EUR 20.6 (35.7) and, excluding one-off items, 35.9 (41.4) million, for Raisioagro EUR -8.9 (3.1) and, excluding one-off items, 3.4 (3.1) million and for other operations EUR -4.7 (-5.1) and, excluding one-off items, -4.5 (-5.1) million. One-off items affecting the business operations are specified under the heading One-off items in the table below.

One-off items, million euros

	2014	2013
Brands		
Streamlining projects, Cereals and Snacks, UK	-3.5	-4.9
Other streamlining projects	0.0	-0.1
Write-down of Honey Monster brand's book value	-10.1	0.0
Acquisitions and divestments	-1.5	-0.6
Other	-0.3	0.0
Raisioagro		
Reorganisation of activities	-9.9	0.0
Termination of oil milling business	-2.4	0.0
Common		
Other	-0.3	0.0
Impact on EBIT	-27.9	-5.7

Key figures, result

		Q4/2014	Q3/2014	Q2/2014	Q1/2014	2014	2013
Net sales	M€	117.8	126.9	132.5	116.7	493.9	557.6
Change in net sales	%	-10.2	-15.1	-10.9	-9.1	-11.4	-4.5
EBIT	M€	8.9	12.1	8.5	5.4	34.8	39.3
EBIT	%	7.6	9.5	6.4	4.6	7.0	7.1
Depreciation and impairment	M€	3.4	3.8	3.6	3.9	14.6	14.9
EBITDA	M€	12.3	15.8	12.1	9.3	49.5	54.3
Net financial expenses	M€	-1.0	-0.3	0.0	-0.3	-1.5	-1.8
Earnings per share (EPS)	€	0.05	0.06	0.04	0.03	0.18	0.20

Excluding one-off items

Depreciations and impairment, allocated to operations in the income statement, amounted to EUR 32.9 (15.5) and, excluding one-off items, to EUR 14.6 (14.9) million. The Group's net financial expenses totalled EUR -1.5 (-1.8) million.

The pre-tax result was EUR 5.4 (31.8) and, excluding one-off items, 33.3 (37.6) million.

The Group's post-tax result was EUR 5.6 (25.9) and, excluding one-off items, 27.9 (30.2) million. The Group's earnings per share were EUR 0.04 (0.17) and, excluding one-off items, 0.18 (0.20).

Balance sheet, cash flow and financing

On 31 December 2014, Raisio Group's balance sheet totalled EUR 544.3 (491.2) million. Shareholders' equity was EUR 325.3 (331.7) million, while equity per share was EUR 2.07 (2.13).

On 31 December 2014, the Group's interest-bearing financial liabilities were EUR 125.7 (55.4) million. Net interest-bearing debt was EUR 72.2 (-28.5) million. In November, Raisio plc raised a long-term euro-denominated loan of 80 million that was used to finance the acquisition of the Benecol business.

On 31 December 2014, the Group's equity ratio totalled 60.2 (68.2) per cent and net gearing was 22.2 (-8.6) per cent. Return on investment was 1.7 (8.6) and, excluding one-off items,8.3 (10.0) per cent.

Cash flow from business operations was EUR 26.2 (71.8) million. Working capital was EUR 59.7 (52.8) million on 31 December 2014.The most significant item in the increase of working capital was decreased payables.

In 2014, Raisio plc paid EUR 21.0 (19.2) million in dividends for 2013.

Investments

The Group's gross investments totalled EUR 104.9 (16.5) and, excluding acquisitions, 17.9 (16.5) million. Gross investments of the Brands Division were EUR 103.1 (13.4) and, excluding acquisitions EUR 16.1 (13.4) million, those of Raisioagro EUR 1.1 (2.3) million and those of other operations EUR 0.6 (1.0) million.

The largest investments of 2014 were the acquisition of Benecol business from the affiliates of Johnson & Johnson and the centralisation of snack bar and confectionery production.

Acquisitions

On 19 November 2014, Raisio acquired the Benecol business from the affiliates of Johnson & Johnson in the UK, Ireland and Belgium and amended the agreement on the Northern American markets of Benecol.

The acquisition is estimated to increase Raisio's EBIT by some 9 million euros annually. In 2013, net sales for the J&J's Benecol business in Europe and the USA amounted to almost EUR 76 million, of which the UK and Ireland accounted for some 85 per cent. The purchase price of EUR 88.5 million for the business and stocks was paid when the object of the deal was transferred to Raisio. Majority of the purchase price was allocated to intangible assets. Through the deal, Raisio's goodwill increased by approximately EUR 53 million.

Cilag GmbH International had the exclusive right to sell and market Benecol products in the UK, Ireland and Belgium. With the acquisition, rights to the Benecol trademark and plant stanol ester patents held by Cilag GmbH International were returned to Raisio. The US business is included in the deal, but McNEIL-PPC, Inc. continues as Raisio's licence partner for the time being. The agreement amendment allows the return of the US Benecol business to Raisio or to Raisio's potential new license partner. Both Cilag GmbH International and McNEIL-PPC are part of Johnson & Johnson.

This arrangement fully met the criteria that Raisio has set on its acquisitions and is in line with the company's vision focusing on healthy and ecological snacks. EV/EBITDA multiple is also in accordance with the target level set in Raisio's acquisition policy. Raisio's growth strategy for its branded business is strongly supported by the acquisition of Benecol business in the UK, Ireland and Belgium as well as by the amendment of the US-related agreement. In terms of Benecol products, Raisio's long-term strategic goal is to enhance competitiveness in the existing markets, to expand into new markets as well as to innovate new products.

The integration of the acquired business as part of Raisio was completed according to plan. Benecol product deliveries continued without interruptions and sales were at good levels.

Key figures, balance sheet

		31.12.2014	30.9.2014	30.6.2014	31.3.2014	31.12.2013
Equity ratio	%	**60.2**	**69.8**	**68.1**	**64.7**	68.2
Gearing	%	**22.2**	**0.1**	**2.0**	**-4.2**	-8.6
Net interest-bearing debt	M€	**72.2**	**0.3**	**6.4**	**-13.3**	-28.5
Equity per share	€	**2.07**	**2.10**	**2.03**	**2.00**	2.13
Gross investments *	M€	**104.9**	**14.2**	**10.8**	**4.8**	16.5
Share						
Market capitalisation **	M€	**656.8**	**599.3**	**688.2**	**750.3**	683.1
Enterprise value (EV)	M€	**728.9**	**599.6**	**694.6**	**737.0**	654.6
EV/EBITDA		**14.7**	**12.2**	**14.8**	**14.3**	12.1

* Including acquisitions ** Excluding the company shares held by the Group

Disputes

In 2013, Raisio initiated arbitration proceedings related to the termination of a contractual relationship with a foreign company. The counterparty raised a counterclaim against Raisio in the same arbitral proceedings. In November 2014, the Arbitral Tribunal approved of Raisio's claim in full and dismissed the counterparty's counterclaim in its entirety.

Research and development

The Group's research and development expenses were EUR 6.6 (6.4) million accounting for 1.3 (1.1) per cent of net sales. R&D expenses of the Brands Division were EUR 5.7 (4.9) million, those of Raisioagro EUR 0.8 (0.5) million and those of other operations EUR 0.0 (0.9) million. Benemilk related development costs of EUR 0.6 (0.3) million have been capitalised on the balance sheet.

Raisioagro

Raisioagro's R&D focused on Benemilk feeds. In the autumn 2014, the product range of Benemilk feeds was renewed to better complete different quality silages. Scientific tests and the farm monitoring programme show that Benemilk feeds increase milk yields and improve milk contents. The results from the monitoring programme were consistent with the results obtained in scientific studies. Raisioagro continues Benemilk-related scientific studies in Finland and abroad, the farm monitoring programme and development of new Benemilk product applications.

The efficacy and performance of Hercules LP Opti feeds were verified on the customers' fish farms. The feeds reduce phosphorous emissions from rainbow trout farming by more than a quarter and protect wild fish stocks, because in the Opti feeding concept, approximately 50 per cent of fish oil in the feed is replaced by rapeseed oil. In the fish feed sector, research activities focus to study the feasibility of new protein raw materials.

Benecol

Recent study results confirm, more clearly than before, the objectives related to LDL-cholesterol: the lower, the better and the sooner, the better. The EU Commission approved Raisio's health claim application on products containing 3 grams of plant stanol ester. According to the claim, a daily dose of 2.5–3.0 grams of plant stanol lowers cholesterol by 10.5–12.0 per cent.

After long regulation processes, Raisio received new authorisations to add plant stanol ester in foods in some countries in Asia. For years, Raisio has been actively working to expand into new markets in Asia and we are continuing, with our partners, to prepare new launches of Benecol products.

Consumer products

In Finland, the product development focused on the development of new consumer-driven snacks and breakfast products for Northern European markets. Protein-rich products have been one of the most significant consumer trends in recent years. Studies have shown that adequate protein intake at breakfast plays an important role in comprehensive weight management. Elovena Plus protein instant porridge portions were developed to meet this consumer trend.

Together with the Moumin brand, Elovena launched new healthy snack biscuits and instant porridges designed specifically for children. Benecol yogurts, launched in the autumn, brought new alternatives in the range of cholesterol-lowering functional foods.

Research activities focused on the studies of new raw materials and specific characteristics of oat. Study results are used in our product development projects to achieve better product properties and to ensure a longer shelf life for an end product.

SEGMENT INFORMATION

Brands Division

Financial review

Net sales for the Brands Division totalled EUR 306.1 (304.7) million. Net sales for the Consumer brands unit were EUR 271.4 (271.4) million. Net sales for the Licensed brands unit amounted to EUR 42.4 (41.3) million. The UK is the largest single market for the Brands Division accounting for more than 43 per cent of the whole Division's net sales.

EBIT for the Brands Division amounted to EUR 20.6 (35.7) and, excluding one-off items, 35.9 (41.4) million, which is 6.7 (11.7) and, excluding one-off items, 11.7 (13.6) per cent of net sales.

Net sales for confectionery business were at the comparison year's level and EBIT improved. Sales in the

Key figures for the Brand Division

		Q4/2014	Q3/2014	Q2/2014	Q1/2014	2014	2013
Net sales	M€	**84.5**	**75.5**	**73.7**	**72.3**	**306.1**	304.7
Consumer brands	M€	**75.4**	**66.7**	**64.8**	**64.5**	**271.4**	271.4
Licensed brands	M€	**10.8**	**10.9**	**11.0**	**9.7**	**42.4**	41.3
EBIT, excluding one-off items	M€	**10.6**	**10.8**	**8.2**	**6.4**	**35.9**	41.4
EBIT, excluding one-off items	%	**12.5**	**14.2**	**11.1**	**8.9**	**11.7**	13.6
One-off items	M€	**-13.8**	**0.0**	**0.0**	**-1.5**	**-15.3**	-5.7
EBIT	M€	**-3.3**	**10.8**	**8.2**	**4.9**	**20.6**	35.7
Investments *	M€	**90.2**	**3.1**	**5.5**	**4.3**	**103.1**	13.4
Net assets	M€	-	-	-	-	**359.0**	254.2

* Including acquisitions

Czech-made branded products increased. Sales in gums and jellies increased particularly well. In the UK, sales in confectionery sold under the Poppets and Just brands increased as a result of successful novelty launches although sales in branded products were at the comparison year's level when taking exchange rate changes into account.

Net sales for Western European Snacks and Cereals business decreased significantly from the comparison year due to the declined sales of Honey Monster cereals. The whole UK cereal market remained competitive and continued to decline. Net sales in snack bar business remained at the comparison period level despite the challenges related to the centralisation investment at the Newport factory. Over the last five months, the Newport factory delivered positive EBIT every month, excluding one-off items. As a whole, EBIT for the Snacks and Cereals business was negative and clearly weaker than in 2013.

On 19 November, Raisio acquired the Benecol business in the UK, Ireland and Belgium from the affiliates of Johnson & Johnson. The integration of the business as part of Raisio has proceeded as planned. The acquired Benecol business generated net sales of some 7 million euros for Raisio.

Net sales for Northern European operations were at the comparison year's level, i.e., over EUR 70 million. Comparable net sales increased since the comparison year figures included the non-dairy business divested in May 2013. Raisio focused on its main brands, which was shown in the sales growth of Elovena, Benecol and Provena products as well as in the increased share of further processed products. Manufacturing price competitiveness was also improved, which resulted in the growth of sales volume in catering and industrial products. EBIT for Northern European operations was significantly higher than in the comparison year.

In Russia, sales volume in Nordic products increased despite the economic uncertainty. Due to the weakened rouble, euro-denominated net sales slightly decreased despite Raisio's price increases. As a result of the crisis in Ukraine, Raisio significantly reduced its sales and gradually decreased the country risk in Ukraine. In Poland, net sales and sales volume declined, which was largely due to the consolidation of retail sector and further intensifying competition. As a result of declined net sales, EBIT also weakened from the comparison year.

Net sales for the Benecol business grew from the comparison period and business profitability remained at its normal good level. Sales of plant stanol ester in, e.g., Finland, Spain, Indonesia and Hong Kong increased being at the comparison year's level in the markets acquired from the affiliates of Johnson & Johnson.

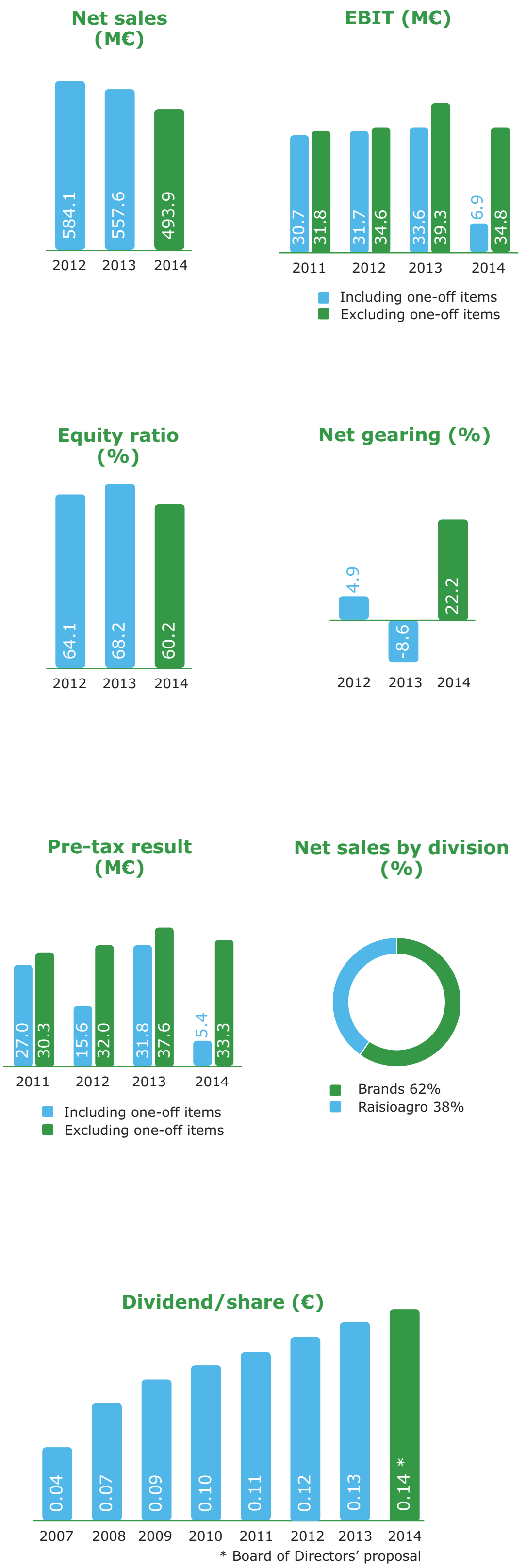
Business operations

Consumer brands, Western Europe

Cereals and Snacks

Raisio's snack bar production was centralised to the Newport factory in the UK. The Tywyn factory was closed and its production lines were transferred to Newport. The existing lines were operated as normally as possible in spite of the ongoing construction and installation work. As a result of the problems related to the start-up of transferred lines and

Raisio Group's key figures



new employees' training, the factory service levels declined significantly. In the second half of the year, the issues were resolved, service levels improved back to their normal levels and customer confidence began to return. Now it is possible for Raisio to realise its objective to become one of the most significant snack bar producers in Europe. The production flexibility of the Newport factory and high quality of its products are opening new opportunities for completely new products matching consumer needs.

The problems that started in Raisio's cereal business in 2013 continued in 2014, mainly due to the continuing negative sugar-related media visibility. Sales in Sugar Puffs cereals were clearly below the comparison year and fixed costs of the business also weakened profitability. Raisio launched the renewed cereals under the Honey Monster Puffs brand at the end of 2014. The cereal recipe was modified, the amount of sugar was reduced. Raisio has taken steps to assess the future of the business and wrote down the book value of the Honey Monster brand by 10 million euros in the last quarter of 2014.

Confectionery

Raisio manufactures confectionery in three factories in the UK and in two factories in the Czech Republic. With the closure of the UK-based Skegness factory, the production of gums and jellies was centralised to the Czech Republic. Raisio has carried out investments that provide the company with good growth opportunities as gums and jellies are the fastest growing confectionery segment. The range of Raisio's branded products sold in the Czech market was expanded. Raisio is also a significant partner for international confectionery giants. Confectionery is exported to more than 40 countries from the Czech Republic.

The Leicester factory's product range was expanded with boiled sweets in the centralisation project. The factory also makes mints, toffees and chocolate candies. Total demand for confectionery remained stable in the UK market.

Consumer brands, Northern Europe

Raisio's product range meets well Finnish consumer trends that emphasise healthiness, domestic origin, protein and gluten-free foods. Our Porridge Bar concept successfully increased the popularity of porridge and encouraged consumers to enjoy their porridge with trendy toppings. Raisio continues its efforts to make porridge a phenomenon to celebrate Elovena's 90th anniversary.

Sales in Benecol, Elovena and Provena products increased significantly from the comparison year. Sales growth was supported by new products that were an excellent complement to Raisio's product range. New Benecol yogurts, new flavour of Elovena snack biscuits and Elovena Plus protein porridges were well received by consumers. Raisio is increasing the coverage of its Elovena Moumin biscuits and porridges for children.

Consumer brands, Eastern Europe

In Poland, the competition is intensifying and promotions play an important role in the sale of cholesterol-lowering functional products. Benecol maintained its market leader position. At the end of 2014, the merger of two major retail chains resulted in a listing break that decreased sales volume of Benecol products from the comparison year.

In Russia, good demand for Nordic flakes continued and Raisio increased prices due to the exchange rate change. Raisio managed to decrease the country risk in Ukraine and to tighten payment terms, which resulted in lower deliveries.

Licensed brands, Benecol

As a whole, demand for Benecol products was stable and at the comparison year's level. Big differences between the sales in different countries continued. Sales in Benecol minidrinks and yogurt drinks increased in several markets.

Benecol milk was launched in Brazil. The UK is still by far the largest market for Benecol products and Benecol is the market leader. Poland, Spain, Finland, Ireland and Belgium are also major markets for Benecol products. In Indonesia, sales in Benecol products increased while in Thailand, for example, the uncertain political situation and low marketing efforts decreased sales considerably. In Hong Kong, Benecol product sales increased due to TV campaigns.

After the acquisition completed in November, Benecol product home markets administered by Raisio itself include the UK, Ireland, Belgium, Poland, Finland, Portugal and Hong Kong. Raisio subcontracts Benecol products containing the unique ingredient, plant stanol ester, and is responsible for their sales and marketing in the markets mentioned above.

Raisio continues its efforts to open new Benecol markets, particularly in Asia.

Licensed brands, Benemilk

The commercial Benemilk organisation started its operations in Seattle on 1 July 2014. The organisation aims to find partner candidates and to create operating models while continuing negotiations with potential partners in Asia, Europe, North America and Oceania. Potential partner candidates include innovative feed companies, mega farms and dairy companies.

With some partner candidates, we have proceeded to the planning and implementation of feeding trials. The first feeding tests commissioned by partner candidates from external research institutes have shown that it easily takes several months to complete a feeding test and analyse the results. At the early stage of the project, it is important for the partner candidates to carry out their own production and feeding tests with locally used feeding concepts. Negotiations with potential partners have helped us to better position the Benemilk innovation and to show the advantages of Benemilk feeds compared to other technologies.

According to the best current estimate, the first Benemilk launches could take place already 2015. The processing of dozens of Benecol innovation related patent applications is proceeding normally. At the end of 2014, all patent applications are still pending.

Raisioagro Division

Financial review

Raisioagro's net sales totalled EUR 201.6 (254.2) million. Net sales decreased from the comparison period mainly due to the terminations of pig and poultry feed production and oil milling business. As a result of hot summer in Finland, net sales in fish feeds decreased from the comparison year. Net sales in cattle feeds decreased mainly due to the fall in main raw material prices. Successful grain import deals, however, increased net sales.

Feeds and farming supplies account for almost 85 per cent of Raisioagro's net sales. 85 per cent of Raisioagro's net sales come from Finland. Russia is the largest export market for fish feeds.

Raisioagro's EBIT was EUR -8.9 (3.1) and, excluding one-off items, 3.4 (3.1) million. One-off items total EUR -12.3 million, of which EUR -9.9 million results from expenses related to the termination of the pig and poultry production and EUR -2.4 million from the termination of the oil milling business. As the pig and poultry production was terminated, Raisioagro's relative profitability improved and a significant amount of working capital was released in the second half of 2014. A good product mix in cattle feeds and a growing share of further processed products also improved EBIT. The shutdown of the oil milling plant from the beginning of 2014 significantly decreased losses from the comparison period.

Business operations

Cattle feeds

At the end of 2014, Benemilk feed sales accounted for some 10 per cent of the Finnish cattle feeds and some 20 per cent of Raisioagro's cattle feeds.

In the autumn of 2014, Raisioagro launched a unique milk solids index, a meter for measuring the feed efficacy. An international patent application has been filed for the milk solids index. The index is calculated based on the feed composition and it shows that all the energy that a cow receives is not equal. Farmers can use the index to anticipate the feed efficacy in their own feeding. If the index of a feed is high, a cow's protein and fat yield is better, which raises the producer's milk income compared to a feed with a low index. The milk solids index of Benemilk feeds is high.

Raisioagro complemented the range of Benemilk feeds with products suitable with different quality silages. The performance and profitability of Benemilk feeding were verified using the profitability calculations based on the results of our farm monitoring programme. In addition, Raisioagro focused on active and determined sales of Benemilk feeds and in November 2014, the company started the use of a pricing model based on customer value. Raisioagro continues its active efforts to promote Benemilk feed sales in Finland and Northwest Russia.

Fish feeds

Raisioagro's fish feed export to Northwest Russia increased and our market share strengthened while the total production of fish farming slightly decreased. Exports account for over 50 per cent of net sales for Raisioagro's fish feeds. Hot weather in the middle of the fish farming season decreased net sales in the second half of 2014; fish eat less and in the worst case, stop eating all together when the water becomes warmer than usual.

In Finland, Raisioagro's market share remained at around 50 per cent and we continue as a clear market leader in farmed rainbow trout feeds with our sustainable and environmentally friendly feeds, of which a product concept called Hercules LP Opti is already widely used.

With the Hercules LP Opti concept, WWF Finland included Finnish farmed rainbow trout among the sustainable fish choices.

Farming supplies and online store

Raisioagro's online store sales increased by almost one third during the review period. Visits in the online store increased by almost 50 per cent from the comparison year. Online sales of fish feeds grew sharply. Sales in farming supplies as a whole slightly decreased while sales in liquid fuels grew significantly. At the end of 2014, fertiliser sales fell sharply as a result of rapid price increases.

At the beginning of 2014, Raisioagro opened its online store open to all. The store has an important role in Raisioagro's customer-driven strategy: the store is designed to serve as a customers' service and information channel. In the future, it will also function as a user interface for digital services. Online store provides competitive advantage that is based on the identification of customer needs and purchasing behaviour.

Vegetable oils

In November 2014, Raisioagro decided to terminate oilseed crushing as a result of the employee cooperation negotiations. The oil milling plant had been shut down and personnel temporarily laid off since January 2014.

Grains

In Finland, demand for grain in relation to feed consumption is unchanged, but since Raisioagro terminated its pig and poultry feed production, the Division's need for feed grains decreased. However, feed grain purchasing continues as usual at our sites in Kouvola and Ylivieska.

Key figures for the Raisioagro Division

		Q4/2014	Q3/2014	Q2/2014	Q1/2014	2014	2013
Net sales	M€	35.6	54.4	62.6	49.1	201.6	254.2
EBIT, excluding one-off items	M€	0.0	2.0	1.4	0.0	3.4	3.1
EBIT, excluding one-off items	%	-0.1	3.7	2.2	0.0	1.7	1.2
One-off items	M€	-2.4	-2.4	-7.5	0.0	-12.3	0.0
EBIT	M€	-2.4	-0.3	-6.1	0.0	-8.9	3.1
Investments	M€	0.2	0.1	0.4	0.4	1.1	2.3
Net assets	M€	-	-	-	-	33.0	52.4

Raisio exported grains almost 30 per cent more than in 2013. Spain and Sweden were our most important export countries. Quantitatively, malt barley and wheat were the most exported grains.

Personnel

Raisio Group employed 1,862 (1,896) people at the end of 2014. The average number of employees was 1,915 (1,946). At the end of 2014, a total of 82 (79) per cent of personnel worked outside Finland.

The Brands Division had 1,700 (1,667), Raisioagro 106 (176) and the service functions 56 (53) employees at the end of 2014.

Raisio's wages and fees in 2014 totalled EUR 68.6 million (EUR 64.7 million in 2013 and EUR 65.7 million in 2012) including other personnel expenses.

With the acquired Benecol business in Europe, Raisio had a few new employees in the UK.

Raisioagro's cooperation negotiations related to the reorganisation of activities were completed in June. The negotiations resulted in the termination of 43 employments, of which 27 through redundancies. Some of the ended employments were temporary and some cuts were made through natural attrition. The redundancies concerned all personnel groups. Approximately 150 employees were in scope of the negotiations concerning all Raisioagro's activities except the Ylivieska feed factory, fish feed sales and feed export. The company expects that these personnel reductions will result in annual savings of approximately EUR 2.5 million. The cooperation negotiations that Raisio started in September concerning the possible termination of oil milling business were completed at the beginning of November.

The negotiations concerned all personnel groups, a total of 14 persons. As a result, Raisio decided to end oilseed crushing, closed its Raisio-based vegetable oil factory and terminated the employments of people on temporary layoff.

In the UK, the centralisation investments carried out the in snack bar and confectionery production as well as the streamlining project in the cereal business resulted in the termination of over 200 employments. Raisio, however, recruited some 200 new employees to the Newport and Leicester factories, to which the production lines of discontinued factories were transferred.

Management and administration

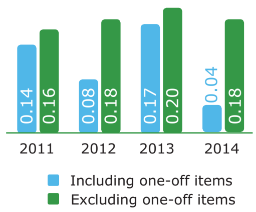
Board of Directors and Supervisory Board

In 2014, the Board had five members, but it worked with four members from July 2013 to the end of March 2014. In 2014, all the Board members were independent of the company and its major shareholders.

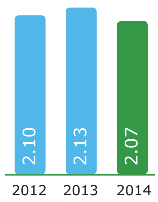
The number of members of the Board of Directors was confirmed to be five, and Erkki Haavisto, Matti Perkonoja, Michael Ramm-Schmidt and Pirkko Rantanen-Kervinen were reappointed and Antti Tiitola was appointed as a new member; all for the term commencing at the closing of the AGM. Matti Perkonoja has served as Chairman of the Board of Directors and Michael Ramm-Schmidt as Deputy Chairman, both throughout 2014.

Raisio Group's key figures

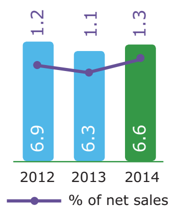
Earnings/share EPS (€)



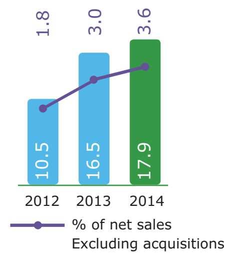
Equity per share (€)



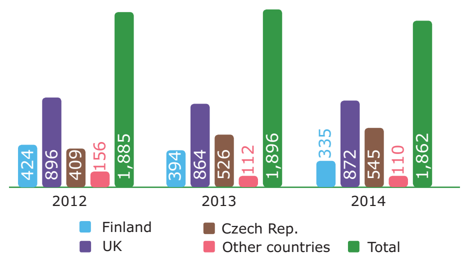
R&D expenses (M€)



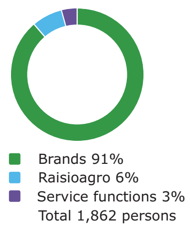
Investments (M€)



Personnel, 31 December (persons)



Number of employees by businesses (%)



Paavo Myllymäki has served as Chairman of the Supervisory Board and Holger Falck as Deputy Chairman in 2014.

Group Management Team

Raisio Group renewed the organisation of its Brands Division on 18 December 2014. The Division includes Snack, Benecol, Benemilk and Confectionery.

Tomi Järvenpää M.Sc. (Econ.) is responsible for the Snack unit and he also started as a Group Management Team member. The unit includes consumer products in the UK, Finland and Russia. Tomi Järvenpää has worked for Raisio since the autumn of 2012 and he was first responsible for Northern European Consumer brands business.

Benecol business is headed by Mikko Laavainen. Benecol business includes consumer products on the markets where Raisio itself is responsible for the sale and marketing of products, as well as the licensing and sale of plant stanol ester, the Benecol product ingredient.

Vincent Poujardieu is responsible for Business Development and the Confectionery business.

Jyrki Paappa, CFO and Group Management Team member, resigned on 20 November 2014. On 3 December, Antti Elevuori M.Sc. (Econ.) was appointed as new CFO and Raisio Group Management Team member. He has served in different positions in the Raisio Group's financial administration and business development since 2003. He comes from Raisio's Consumer brands unit where he served as CFO in the UK.

As of 18 December 2014, Matti Rihko, Merja Lumme, Sari Koivulehto-Mäkitalo, Antti Elevuori, Jarmo Puputti, Vincent Poujardieu, Tomi Järvenpää, Mikko Laavainen and Leif Liedes serve as Raisio Group Management Team members.

Corporate responsibility

As a significant user of grain and other plant-based raw materials, Raisio has the desire and opportunity to build sustainable food chain. Responsibility impacts of Raisio's products extend outside our direct control, for example, to primary production, other industry and consumption. Raisio operates together with its stakeholders, such as customers, personnel, raw material suppliers, academia and organisations to promote sustainable development throughout the food chain.

Raisio signed the third two-year cooperation agreement with WWF Finland. The cooperation aims to promote the environmental responsibility in the food chain and thus to reduce humanity's ecological footprint. During the period extending to 2016, Raisio will be working together with WWF Finland on matters concerning the responsibility of environmental education of secondary pupils, nutrition, fish farming and milk production chain.

Significance of the responsibility related to raw materials, such as palm oil, soy and sugar, increased in Raisio's operations in 2014. Consumer and customer requirements vary in different parts of Europe, but for example in the UK, we have already taken more stringent customer requirements into account in the business.

In 2014, palm oil continued to raise a lot of social debate. Palm oil accounts for less than one per cent of all Raisio's raw materials. Raisio is committed to moving to the exclusive use of certified palm oil produced in line with the principles of sustainable development. The cereal and snack bar factories as well as confectionery plants based in the UK were RSPO certified in 2014. In Finland, Raisio purchases palm oil as part of fat mixtures and we acquire GreenPalm certificates supporting the sustainable RSPO verified palm oil production. Raisio has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011.

As Raisioagro terminated its production of pig and poultry feeds, the use of GMO soy in feeds also ended. Raisio has always used only GMO-free soy in its foods.

Respecting natural resources, Raisio develops ecological and healthy products and solutions to meet consumer and customer needs. The company is not aware of any significant financial environmental risks. In 2015, Raisio aims to develop particularly its responsibility management processes.

Raisio's Corporate Responsibility Report will be published with the Annual Report in week 11.

Changes in group structure

On 31 August 2014, Reso Management Oy and Raision Konsernipalvelut Oy entirely owned by Raisio plc were merged into the parent company and dissolved.

Raisio established a new subsidiary, Benecol Limited, in the UK for the Benecol business acquired during the financial period. Benemilk Ltd established a subsidiary called Benemilk US Limited in the USA.

Events after the review period

Benecol products launched in South Korea

Lotte Foods Co.Ltd. launched Benecol® yogurt drinks in South Korea in February 2015.The products sold in South Korea combine the Benecol brand with Lotte's own dairy brand Pasteur. Lotte Food is part of the Lotte Group, one of the largest consumer goods companies in Asia.

Disputes

In November 2014, Raisio won a case against a foreign company in an arbitration proceedings. At the beginning of 2015, the counterparty filed an action for the annulment of the arbitration award. Raisio considers the action to be completely unfounded.

Risks and sources of uncertainty in the near future

Global economic growth in 2015 is expected to be moderate but broad-based. Markedly weakened euro is accelerating the recovery in the euro area but the most important source of growth is private consumption. In Finland, prospects of private consumption are, however, grim; consumer purchasing power is weakening and cautiousness continues. In the UK, economic growth is continuing and private consumption is growing. Weakening of the Russian economy continues. Raisio expects the grocery market to remain relatively stable compared to other sectors.

The crisis in Russia and Ukraine has increased the risks of our operations in the area, but we have managed, for example, to decrease the amount of sales receivables. Raisio is closely monitoring the development of the situation; the company has the ability to rapidly adjust its operations to changing situations.

The EU zone's milk quota system will come to an end in March 2015. As the demand for milk products is globally growing, it becomes more and more important that dairy chain operators are able to innovate products in line with consumer needs and to improve the efficiency of milk production. Raisio sees that top innovations, such as Benemilk, are the key to future success.

Volatility in raw material prices is estimated to remain at a high level. Low economic growth and potentially good harvests may calm down the price development but, on the other hand, extreme weather events resulting from climate warming will probably cause sudden changes in harvest expectations and price levels of various agricultural commodities. In terms of profitability, the role of risk management, both for value and volume, remains essential.

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

Outlook 2015

Raisio expects its EBIT to return on its long-term upward trend.

Board of Directors' proposal for the distribution of profits

The parent company's distributable equity was EUR 144,307,816.91 on 31 December 2014. At the Annual General Meeting held on 26 March 2015, the Board of Directors will propose a dividend of EUR 0.14 per share, not, however, on the shares held by the company.

The record date will be 30 March 2015 and the payment date 8 April 2015.

In Raisio, 12 February 2015

Raisio plc
Board of Directors

Information required in the Companies Act and Decree of the Ministry of Finance on the regular duty of disclosure of an issuer of a security, such as information regarding share classes, shareholders and share trading, close associates, company shares held by the company and their acquisitions and transfers as well as key figures, is presented in the notes to the financial statements.

The company's Corporate Governance Statement has been issued as a separate report.

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

Consolidated income statement

(EUR million)	Note	1.1.–31.12.2014	1.1.–31.12.2013
NET SALES	1	**493.9**	557.6
Cost of sales		**-407.9**	-456.8
Gross profit		**86.1**	100.8
Sales and marketing expenses		**-48.0**	-35.3
Administration expenses		**-26.4**	-27.0
Research and development expenses		**-6.6**	-6.3
Other income and expenses from business operations	3	**1.8**	1.5
EBIT	4. 5. 19	**6.9**	33.6
Financial income	6	**0.7**	1.0
Financial expenses	6	**-2.3**	-2.8
Share of results of associates and joint ventures		**0.0**	0.0
RESULT BEFORE TAXES		**5.4**	31.8
Income taxes	7	**0.2**	-6.0
RESULT FOR THE FINANCIAL PERIOD		**5.6**	25.9
ATTRIBUTABLE TO:			
Equity holders of the parent company		**5.6**	26.2
Non-controlling interests		**0.0**	-0.3
		5.6	25.9
EARNINGS PER SHARE CALCULATED FROM THE RESULT OF EQUITY HOLDERS OF THE PARENT COMPANY	8		
Earnings per share (EUR)			
Undiluted earnings per share		**0.04**	0.17
Diluted earnings per share		**0.04**	0.17

Comprehensive income statement

(EUR million)	Note	1.1.–31.12.2014	1.1.–31.12.2013
RESULT FOR THE PERIOD		**5.6**	25.9
OTHER COMPREHENSIVE INCOME ITEMS AFTER TAXES			
Items that may be subsequently transferred to profit or loss			
Available-for-sale financial assets		**0.1**	0.1
Cash flow hedge		**2.2**	0.4
Gains and losses arising from translating the financial statements of foreign operations		**5.6**	-3.6
COMPREHENSIVE INCOME FOR THE PERIOD		**13.4**	22.8
COMPONENTS OF COMPREHENSIVE INCOME:			
Equity holders of the parent company		**13.4**	23.1
Non-controlling interests		**0.0**	-0.3
		13.4	22.8

Figures in the above calculation have been presented including tax effect.
Income taxes related to other comprehensive income are presented in notes 7.

Notes are an essential part of the financial statements.

Consolidated balance sheet

(EUR million)	Note	31.12.2014	31.12.2013
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	**69.7**	41.3
Goodwill	9, 10	**168.7**	108.5
Tangible assets	9	**109.0**	114.5
Shares in associates and joint ventures	12	**0.8**	0.8
Available-for-sale financial assets	13	**2.7**	2.6
Long-term receivables	14	**0.0**	0.1
Deferred tax assets	21	**3.9**	2.2
		354.7	269.9
CURRENT ASSETS			
Inventories	15	**64.2**	70.9
Accounts receivables and other receivables	16	**69.4**	66.5
Financial assets at fair value through profit or loss	17	**30.4**	73.6
Cash in hand and at banks	18	**25.6**	10.3
		189.6	221.3
TOTAL ASSETS		**544.3**	491.2
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	19, 20		
Equity attributable to equity holders of the parent company			
Share capital		**27.8**	27.8
Premium fund		**2.9**	2.9
Reserve fund		**88.6**	88.6
Invested unrestricted equity fund		**8.0**	0.0
Other funds		**2.9**	0.7
Company shares		**-20.4**	-20.4
Translation differences		**2.2**	-3.4
Retained earnings		**213.3**	234.5
		325.3	330.6
Non-controlling interests		**0.0**	1.1
TOTAL SHAREHOLDERS' EQUITY		**325.3**	331.7
LIABILITIES			
Non-current liabilities			
Deferred tax liability	21	**10.9**	12.6
Provisions	23	**0.0**	0.2
Non-current financial liabilities	24	**94.2**	34.2
Derivative contracts	25	**0.4**	0.9
Other non-current liabilities		**0.1**	0.1
		105.7	48.0
Current liabilities			
Accounts payable and other liabilities	26	**76.9**	86.3
Tax liability based on the taxable income for the period		**1.1**	1.8
Provisions	23	**2.3**	1.2
Derivative contracts	25	**1.6**	0.9
Current financial liabilities	24	**31.5**	21.1
		113.3	111.4
TOTAL LIABILITIES		**219.0**	159.5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**544.3**	491.2

Notes are an essential part of the financial statements

Changes in shareholders' equity in the financial period ended 31 December 2014

(EUR million)	Share capital	Share premium reserve	Reserve fund	Invested unrestricted equity fund	Other reserves	Company shares	Translation differences	Retained earnings	Total	Non-controlling interests	Total shareholders' equity
	Equity attributable to equity holders of the parent company										
SHAREHOLDERS' EQUITY ON 31.12.2012	27.8	2.9	88.6		0.2	-20.5	0.2	227.0	326.3	1.0	327.3
Comprehensive income for the period											
Result for the period								26.2	26.2	-0.3	25.9
Other comprehensive income items (adjusted for tax effects)											
Available-for-sale financial assets					0.1				0.1		0.1
Cash flow hedge					0.4				0.4		0.4
Translation differences							-3.6		-3.6		-3.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	0.5	0.0	-3.6	26.2	23.1	-0.3	22.8
Business activities involving shareholders											
Dividends								-19.1	-19.1	0.4	-18.6
Unclaimed dividends								0.1	0.1		0.1
The share acquired from the non-controlling interest									0.0	0.0	0.0
Share-based payment						0.0		0.2	0.2		0.2
Total business activities involving shareholders	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-18.8	-18.8	0.4	-18.3
SHAREHOLDERS' EQUITY ON 31.12.2013	**27.8**	**2.9**	**88.6**	**0.0**	**0.7**	**-20.4**	**-3.4**	**234.5**	**330.6**	**1.1**	**331.7**
Comprehensive income for the period											
Result for the period								5.6	5.6	0.0	5.6
Other comprehensive income items (adjusted for tax effects)											
Available-for-sale financial assets					0.1				0.1		0.1
Cash flow hedge					2.2				2.2		2.2
Translation differences							5.6		5.6		5.6
Total comprehensive income for the period	0.0	0.0	0.0	0.0	2.2	0.0	5.6	5.6	13.4	0.0	13.4
Business activities involving shareholders											
Dividends								-20.4	-20.4		-20.4
Unclaimed dividends								0.1	0.1		0.1
The share acquired from the non-controlling interest				8.0				-6.9	1.1	-1.1	0.0
Share-based payment						0.0		0.5	0.5		0.5
Total business activities involving shareholders	0.0	0.0	0.0	8.0	0.0	0.0	0.0	-26.8	-18.7	-1.1	-19.8
SHAREHOLDERS' EQUITY ON 31.12.2014	27.8	2.9	88.6	8.0	2.9	-20.4	2.2	213.3	325.3	0.0	325.3

Consolidated cash flow statement

(EUR million)	2014	2013
CASH FLOW FROM BUSINESS OPERATIONS		
Result before taxes	**5.4**	31.8
Adjustments		
Depreciation and impairment	**32.9**	15.5
Financial income and expenses	**1.5**	1.8
Share of results of associates and joint ventures	**0.0**	0.0
Other income and expenses not involving disbursement	**1.5**	2.2
Other adjustments [1]	**0.0**	-0.1
Cash flow before change in working capital	**41.3**	51.2
Change in accounts receivables and other receivables	**-1.6**	13.3
Change in inventories	**7.7**	21.0
Change in accounts payable and other liabilities	**-8.7**	-7.3
Change in working capital	**-2.6**	27.0
Cash flow from business operations before financial items and taxes	**38.7**	78.2
Interest paid	**-2.4**	-2.8
Dividends received	**0.1**	0.1
Interest received	**0.8**	0.8
Other financial items, net	**-4.6**	3.2
Income taxes paid	**-6.5**	-7.7
CASH FLOW FROM BUSINESS OPERATIONS	**26.2**	71.8
CASH FLOW FROM INVESTMENTS		
Investments on marketable securities	**0.0**	-0.3
Investments in tangible assets	**-14.3**	-12.8
Investments in intangible assets	**-92.5**	-2.1
Proceeds from sale of securities	**0.0**	0.0
Income from tangible and intangible assets	**0.1**	5.6
Repayment of loan receivables	**0.1**	0.1
CASH FLOW FROM INVESTMENTS	**-106.6**	-9.5
Cash flow after investments	**-80.4**	62.3
CASH FLOW FROM FINANCIAL OPERATIONS		
Drawdown of non-current loans	**80.0**	0.0
Repayment of non-current loans	**-20.5**	-21.9
Change in current loans	**9.6**	0.1
Dividends paid	**-20.3**	-18.5
CASH FLOW FROM FINANCIAL OPERATIONS	**48.7**	-40.3
Change in liquid funds	**-31.6**	22.0
Liquid funds at the beginning of the period	**83.9**	61.9
Impact of changes in exchange rates	**1.4**	0.0
Impact of change in market value on liquid funds	**-0.2**	0.1
Liquid funds at end of period [2]	**53.6**	83.9

[1] Adjustments resulting from divestment of fixed assets.
[2] Specifications in the note 18

Accounting policies for the consolidated financial statements

Basic information

The Group is an international specialist in plant-based nutrition, which develops, manufactures and markets foods, functional food ingredients and animal feeds. In addition, the Group is engaged in the grain trade and supplies farming supplies to the agricultural sector. The Group operates in nine countries. Raisio's organisation consists of two profit centres, Brands and Raisioagro, and service functions supporting the Group's business areas.

The Group's parent company is Raisio plc. The parent company is domiciled in Raisio, Finland, and its registered address is Raisionkaari 55, FI-21200 Raisio.

Raisio's shares are listed on NASDAQ OMX Helsinki Ltd.

Copies of the financial statements are available on the internet at www.raisio.com or at the parent company's head office in Raisio.

These consolidated financial statements were authorised for issue by Raisio plc's Board of Directors on 12 February 2015. Under the Finnish Companies Act, shareholders are entitled to adopt or reject the financial statements at the Annual General Meeting held after the publication of the financial statements. The Annual General Meeting may also decide to amend the financial statements.

Basis of presentation

Raisio's consolidated financial statements have been prepared according to the International Financial Reporting Standards (IFRS) and following the IAS and IFRS standards as well as SIC and IFRIC interpretations in effect on 31 December 2014. The International Accounting Standards refer to the standards and their interpretations approved for application within the EU according to the procedure governed by EU Regulation (EC) No. 1606/2002. Notes to the consolidated financial statements also comply with the Finnish Accounting and Community Legislation that supplements the IFRS provisions. The currency used in the financial statements is the euro, and the statements are shown in EUR millions.

The consolidated financial statements have been prepared based on original purchase costs with the exception of available-for-sale financial assets, financial assets and liabilities entered at fair value through profit or loss, derivative contracts as well as cash-settled share-based payment transactions measured at fair value. Non-current assets held for sale have been valued at the lower of the following: fair value less costs to sell or book value.

The Group has adopted the following revised or amended standards and interpretations as of 1 January 2014:

- Amendment to IFRS 10, 11 and 12 on transition guidance (applicable in the EU in periods beginning on or after 1 January 2014). The amendments provide additional transition relief to these IFRSs, limiting the requirement to provide adjusted comparative information on only one financial period. For disclosures related to unconsolidated structured entities, it is no longer required to present comparative information for periods before IFRS 12 is first applied. The standard amendment has had no impact on the consolidated financial statements.
- IFRS 10 *Consolidated financial statements* (applicable in the EU in periods beginning on or after 1 January 2014). The standard sets the rules for presenting and preparing consolidated financial statements when an entity controls one or more other entities. The standard defines the principle of control and establishes control as the basis for consolidation. The standard sets out how to apply the principle of control to identify whether an investor controls the investee and therefore must consolidate the investee. The standard also includes the accounting requirements for the preparation of consolidated financial statements. The standard has not affected the consolidated financial statements.
- IFRS 11 *Joint arrangements* (applicable in the EU in periods beginning on or after 1 January 2014). The standard provides guidance on how joint arrangements are treated. According to this standard, the arrangement is based on its rights and obligations rather than its legal form. There are two types of joint arrangements: a joint operation and a joint venture. The joint operator has rights to the assets and obligations related to the arrangement, and it accounts for its share of assets, liabilities, revenues and expenses. The parties in joint ventures have rights to the net assets of the arrangement, and the parties account their interest using the equity method. Proportional consolidation of joint ventures is no longer permitted. The standard has not affected the consolidated financial statements.
- IFRS 12 *Disclosure of Interests in Other Entities* (applicable in the EU in periods beginning on or after 1 January 2014). The standard includes disclosure requirements for all forms of interests. It applies to joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard expanded disclosures that the Group presents for its holdings in other entities.
- Revised IAS 27 *Separate Financial Statements* (applicable in the EU in periods on or after the 1 January 2014). The revised standard now only deals with the requirements for separate financial statements. The revised standard has no impact on the consolidated financial statements.
- Revised IAS 28 *Investments in Associates and Joint Ventures* (applicable in the EU in periods beginning on or after 1 January 2014). The revised standard includes the requirements for joint ventures and associates to be equity accounted following the issue of IFRS 11. The standard has not affected the consolidated financial statements.
- Amendment to IAS 32 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (applicable in periods beginning on or after 1 January 2014). The amended standard provides guidance on the presentation of financial assets and liabilities in net terms on the balance sheet. The amendment clarifies some requirements for offsetting financial assets and financial liabilities on the balance sheet. The standard amendment has had no material impact on the consolidated financial statements.

- Amendment to IFRS 10, IFRS 12 and IAS 27 on investment entities (applicable in periods beginning on or after 1 January 2014). If the entity fits the investment entity definition of the standard and it measures all of its subsidiaries at fair value, it is no longer required to present consolidated financial statements. The amendments of the standards have not affected the consolidated financial statements.
- Amendment to IAS 36: *Impairment of Assets - The recoverable amount* (applicable in periods beginning on or after 1 January 2014). The amendment concerns the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The standard amendment has not had a material impact on the consolidated financial statements.
- Amendment to IAS 39 *Financial Instruments: Recognition and Measurement - Novation of derivatives* (applicable in periods beginning on or after 1 January 2014). The amendment concerns the requirements of hedge accounting in situations in which a derivative contract is transferred to a central counterparty. Due to this amendment, hedge accounting can be continued if specific conditions are met in the transfer situations in question. The standard amendment has had no material impact on the consolidated financial statements.

When preparing the financial statements in accordance with the IFRSs, Group management must make certain estimates and judgements concerning the application of accounting principles. Information about the estimates and judgements that the management has used when applying the Group's accounting principles and that have the biggest impact on figures presented in the financial statements, as well as about future-related assumptions and key assumptions related to the estimates, are presented in conjuction with the accounting principles under 'Critical accounting judgements and key sources of estimation uncertainty'.

Scope and accounting policies of consolidated financial statements

Subsidiaries

Raisio's consolidated financial statements include the parent company, Raisio plc, and such directly or indirectly owned subsidiaries over which it has control. Control is acquired when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the consolidated financial statements, mutual shareholding is eliminated using the acquisition method. The consideration transferred and the acquired company's identifiable assets and assumed liabilities are measured at fair value at the acquisition date. Costs related to the acquisition are recognised as an expense. Purchase price debt is measured at fair value at the acquisition date and classified as a liability. The liability is measured at fair value at the end of each reporting period, and gains and losses arising from the valuation are recognised through profit or loss.

Subsidiaries acquired during the financial period are included in the consolidated financial statements from the moment the Group acquires control, and the disposed subsidiaries until such control ends.

Business transactions between Group companies, internal receivables and liabilities, as well as internal distribution of profits and unrealised profits from internal deliveries are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss is due to impairment.

Allocation of profit between parent company shareholders and the non-controlling interest is presented in a separate income statement. Allocation of comprehensive income between parent company shareholders and the non-controlling interest is presented in the statement of comprehensive income. The non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Measurement principle is determined separately for each acquisition. Comprehensive income for the period is allocated to parent company shareholders and the non-controlling interest even if the non-controlling interest was negative. The non-controlling interest in the shareholders' equity is presented as a separate item in the balance sheet under shareholders' equity. Changes in the parent company's ownership interest in its subsidiary that do not result in a loss of control, are treated as equity transactions.

In a business combination completed in stages, the prior ownership interest is measured at fair value, and gain or loss arising from this is recognised through profit or loss. When the Group loses control of a subsidiary, any remaining investment is measured at fair value at the date when control is lost and the difference arising is recognised through profit or loss.

Company founded for a special purpose

Executives' holding company Reso Management Oy has been combined to the consolidated financial statements in 2010–2013 in a manner similar to used with subsidiaries. The company's entire share capital was owned by the Group management at the beginning of the arrangement. Management Team's incentive scheme was carried out through this company. The purpose of the scheme was to commit the members of the Management Team to the company by encouraging them to acquire and hold company shares, and this way to increase the company's shareholder value in the long run, as well as to support the achievement of the company's strategic objectives. The company was combined with Raisio's consolidated financial statements because Raisio had control of the company on the basis of shareholder and loan agreements. Control resulted from the terms stated in the agreements, such as the prohibition of transfer or pledge of Raisio plc's shares held by Reso Management Oy. Moreover, several operations of Reso Management Oy required an approval from Raisio plc's Board of Directors.

The employments of two Group Management Team members in the Group company ended during 2012. Raisio plc used its right given to it in the agreement related to the scheme to redeem the Reso Management Oy shares held by these Management Team members. Thus, Raisio plc held 22.22 per cent of the company in question on the closing date, 31 December 2013.

Reso Management Oy's income statement and balance sheet were combined in the consolidated financial statements from the beginning of the arrangement. Raisio plc's shares held by the company were deducted from shareholders' equity in the consolidated financial statements and were presented in a separate reserve for own shares.

On 25 February 2014, Raisio plc and Management agreed on and completed a share exchange, through which Raisio plc acquired Reso Management Oy shares held by Management. After the share exchange, Raisio plc held 100 per cent of the company in question. Earlier, the Management's investment in Reso Management Oy has been treated as the non-controlling interest in the consolidated financial statements.

Reso Management Oy was merged into Raisio plc on 31 August 2014. In connection with the merger, Raisio plc's shares held by Reso Management Oy were transferred to Raisio plc's direct ownership as the company's own shares.

The accounting treatment of the arrangement is examined in detail under the share-based payments.

Associates and joint ventures

Associates are companies in which the Group owns 20-50% of the voting rights or over which it has considerable influence but no control. Joint ventures are companies where, according to an agreement-based arrangement, the Group is committed to sharing the control of financial and business principles with one or more parties. Associates and joint ventures are consolidated using the equity method. A holding equivalent to the Group ownership is eliminated from the unrealised profits between the Group and its associates companies or joint ventures. The Group investment in associates and joint ventures includes goodwill generated by the acquisition. Application of the equity method is discontinued when the book value of the investment has decreased to zero, unless the Group has acquired liabilities related to its associates or joint ventures or has guaranteed their liabilities. The Group's share of the associates and joint ventures' profit for the period, calculated on the basis of its ownership, is presented as a separate item after EBIT. Similarly, the Group's share of the changes recognised in other comprehensive income of associates and joint ventures have been recognised in the Group's other comprehensive income. The Group's associates and joint ventures had no such items in this or previous period.

Segment reporting

Segment information is presented in a manner similar to internal reporting reviewed by the chief operating decision-maker. The Group's Management Team has been nominated as the chief operating decision-maker at Raisio, and it is responsible for allocating resources to operating segments and for evaluating their results.

Foreign currency transactions and translations

Figures representing the Group entities' performance and financial position are measured in the currency used in the primary economic environment of each entity ('functional currency'). The functional and presentation currency of the Group's parent company is the euro, and consolidated financial statements are presented in euros.

Business transactions in foreign currency

Business transactions in foreign currency are entered in the functional currency by using the transaction date exchange rate. It is customary to use exchange rate, which roughly corresponds to that of the transaction date. Monetary items in foreign currency are converted into the functional currency using exchange rates of the fair value measurement date. Non-monetary items are valued at the transaction date exchange rate.

Profits and losses from transactions in foreign currency and the conversion of monetary items have been recognised through profit or loss. Exchange rate profits and losses related to the main business are included in the corresponding items above EBIT. Foreign currency exchange differences are entered under financial income and expenses except for the exchange differences of the liabilities that have been determined to hedge the net investments in foreign operations and that are effective in it. These exchange differences are entered in other comprehensive income and accumulated foreign exchange differences are presented as a separate line item in equity until the foreign entity is partially or completely disposed of.

Conversion of financial statements in foreign currency

Comprehensive income and separate income statements for foreign Group companies, where the valuation or closing currency is not the euro, are converted to the euro using the average exchange rates of the reporting period and balance sheets using the exchange rates of the reporting period's end date. Converting income and comprehensive income of the accounting period by using different exchange rates in the income statement and statement of comprehensive income on the one hand, and in the balance sheet on the other, result in a translation difference recorded under shareholders' equity in the balance sheet, the change of which is recorded in other comprehensive income. Translation differences arising from the elimination of the acquisition cost of foreign entities and the conversion of items of equity accrued post-acquisition are recorded in other comprehensive income. If a foreign entity is disposed of during the reporting period, the accumulated translation differences are recorded through profit or loss as part of the sales profit or loss when recording the corresponding disposal proceeds.

Goodwill generated by the acquisition of a foreign entity and adjustments related to fair values are treated as assets and liabilities in the local currency of the entity in question and converted using the reporting period's closing date exchange rates.

Property, plant and equipment

Property, plant and equipment are valued at the original purchase cost minus accumulated depreciations and value impairment.

The purchase cost includes the costs resulting directly from the acquisition of tangible fixed asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, such as a production plant, shall be capitalised when it is likely that they will generate future financial benefit and when the costs can be determined reliably. Other borrowing costs are recorded as an expense in the period in which they are incurred. Since the Group did not acquire any qualifying assets, no borrowing costs are capitalised.

When part of an item of property, plant and equipment is treated as a separate item, costs related to the replacement of the part are activated. Otherwise, any costs generated later are included in the carrying amount of the property, plant and equipment only if it is likely that any future financial benefit related to the item will benefit the Group and that the purchase cost of the item can be determined reliably. Other repair and maintenance costs are recorded through profit or loss when they are realised.

Straight-line depreciations are made from tangible assets within the estimated useful life. No depreciations are made from land. The estimated useful lives are as follows:

- buildings and structures 10–25 years
- machinery and equipment 4–15 years

Estimated useful lives are reviewed each closing date, and the depreciation periods are adjusted accordingly if they differ significantly from the previous estimates. If the carrying amount of a commodity is greater than the recoverable amount, the carrying amount is immediately reduced to the recoverable level of the amount. Impairment is discussed in greater detail under 'Impairment of tangible and intangible assets'.

Depreciations on property, plant and equipment are discontinued when the item is classified as available for sale according to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Property, plant and equipment held for sale are valued at their book value or at the lower fair value less costs to sell.

Sales profits and losses are determined as the difference between the selling price and the book value, and they are included in the income statement under other operating income and expenses.

Intangible assets

Goodwill

For the business combinations, goodwill represents the amount by which the transferred consideration, non-controlling interest and previously held interest combined exceed the acquisition-date fair value of acquired net assets.

Goodwill is not depreciated. It is tested for impairment annually and always when there is an indication of impairment. For testing, goodwill is allocated to the cash-generating units. In the case of an associate or a joint venture, goodwill is included in the carrying amount of the associate or joint venture in question. Goodwill is valued at the original purchase cost less impairment.

Research and development costs

Research costs are recognised through profit or loss in the year they are generated. Research costs related to new or significantly improved products are capitalised in the balance sheet as intangible assets from the date after which the costs of the research phase can be reliably determined, the product can be technically implemented, commercially utilised and it is expected to generate financial benefit and the Group has the intention and resources to complete the research work and use or sell the product. Research costs previously entered as expenses cannot be recognised as assets in later accounting periods.

In the Group's Benemilk Division, expenses related to the development of new products have been activated in 2013 and 2014. In previous years, the Group has not capitalised research expenses.

An item is depreciated from the time it is ready for use. An item not yet ready for use is tested for impairment annually. After initial recognition, capitalised development expenses are measured at cost less accumulated depreciation and impairment losses. Depreciations of development expenses activated in 2013 and 2014 have not yet been made.

Other intangible assets

An intangible asset is recognised in the balance sheet at original cost if it can be reliably measured and it is probable that the economic benefits attributable to the asset will flow to the Group.

The intangible assets with finite useful lives are entered in the income statement as an expense based on the straight-line depreciation method over their known or estimated useful lives. Depreciations are not recorded for the intangible assets with indefinite useful lives. Instead, these assets are tested annually for possible impairment.

The depreciation of other intangible assets is based on the following estimated useful lives:

- intangible rights 5–10 years
- other intangible assets 5–20 years

In connection of the business combinations of the acquisitions included in the Brands segment, the recognised brands have been estimated to have indefinite useful lives. The reputation and long history of the brands support the Management's view that the brands will generate cash flows for an indefinite time.

The estimated useful lives and residual values of assets are reviewed at each closing date, and when necessary, adjusted to reflect the expectation of future economic benefit. Impairment is discussed in greater detail under 'Impairment of tangible and intangible assets'.

Government grants and assistance

Government grants related to the purchase of tangible and intangible fixed assets are entered as deductions from the carrying amount when the Group has reasonable assurance of receiving the grants. Grants are recognised as lower depreciations within the asset's useful life. Other public subsidies are recognised through profit or loss under income for the accounting periods in which the related expenses and the right to receive the subsidy are generated.

Inventories

Inventories are measured at the lower of cost and net realisable value. The acquisition cost is determined by using the FIFO method or alternatively by the equivalent weighted average cost. The acquisition cost of finished products and work in progress consists of raw materials, direct work-related costs, other direct costs and the appropriate part of variable and fixed production overheads based on the normal capacity of the production facilities. The acquisition cost does not include borrowing costs. A net realisable value is estimated sales price in normal business operations, with the estimated product completion costs and sales-related costs deducted.

Assets held for sale and discontinued operations

Non-current assets and liabilities related to discontinued operations are classified as held for sale if a value corresponding to their carrying amount will mainly be accumulated from the sale of the asset instead of from continuing use. In this case, the sale is considered to be highly probable, the asset is available for immediate sale in its current condition, management is committed to a plan to sell, and the sale is expected to take place within 12 months of classification. Assets held for sale and assets related to discontinued operations classified as held for sale are valued at the lower of the following: the carrying amount or the fair value less costs to sell. Depreciations from these assets are discontinued at the time of classification.

A discontinued operation is a part of the Group, which has been disposed of or is classified as available for sale and meets one of the following requirements:

- It represents a separate major line of business or geographical area of operations;
- It is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
- It is a subsidiary acquired exclusively with a view to resale

The result from discontinued operations is presented in the statement of comprehensive income as a separate item. Assets available for sale together with the related liabilities are presented as a separate item in the balance sheet.

Rental agreements

Group as a lessee

Rental agreements on tangible and intangible assets, where the Group has an essential share of the risks and benefits characteristic of ownership, are classified as financial leasing agreements. Assets acquired by a financial leasing agreement are entered on the balance sheet at the fair value of the leased asset at the commencement date of the rental agreement or at a lower current value of minimum rents. Payable leasing rents are divided into leasing costs and debt deductions. Financing interest is entered in the income statement during the leasing agreement in such a manner that the remaining debt will carry equal interest in each financial period. Depreciations from goods acquired via a financial leasing agreement are made within the useful life of the goods or a shorter rental period. Rental obligations are included in financial liabilities.

Rental agreement that leave the risks and rewards incident to ownership to the lesser are treated as other rental agreements. Rents determined by any other rental agreement are recorded as an expense through profit or loss as fixed charge items within the rental period.

Group as lesser

Rental agreements with the Group as a lessor are all other rental agreements, and the goods are included in the Group's property, plant and equipment.

Impairment of tangible and intangible assets

On each closing date, the Group assesses whether there are any indications of impairment of any asset. If indications are found, the recoverable amount of the asset is estimated. For the assessment of impairment, assets are divided into units at the lowest level, which is mostly independent of other units and with a cash flow that can be differentiated. Irrespective of whether or not there are indications of impairment, impairment tests are always carried out annually for goodwill, for intangible assets with indefinite useful lives as well as for unfinished intangible assets.

The recoverable amount from tangible and intangible assets is the asset's fair value less costs to sell, or a higher value in use. When determining the value in use, estimated future cash flows approved by the management are discounted to their present value at the average cost of the capital, which reflects the time value of the money and the risk for the entity in question.

Impairment losses are entered when the carrying amount of assets is higher than the recoverable amount. Impairment loss is recorded through profit or loss. The impairment loss of an entity producing a cash flow is first allocated to reduce the goodwill of an entity producing the cash flow and then, symmetrically, the values of other assets of the entity. In conjunction with the recognition of impairment losses, the useful life of the asset subjected to depreciation is re-evaluated. The impairment loss of property, plant and equipment and of intangible assets, apart from impairment loss of goodwill, is cancelled if conditions have changed and the recoverable amount of assets has changed since the time the impairment loss was entered. However, the impairment loss will not be cancelled to a greater extent than the carrying amount of the assets would amount to without entering the impairment loss. Impairment losses recognised for goodwill are not reversed under any circumstances.

Employee benefits

Pension obligations

Pension schemes are classified as defined contribution and benefit schemes. Under a defined contribution scheme, the Group makes payments to separate units. The Group has no legal or constructive obligation to make further payments if the payment recipient does not have sufficient assets to pay the post-employment benefits. All arrangements not meeting these conditions are defined benefit schemes.

The Group's pension schemes comply with the local regulations of each country. Pension schemes are usually managed by separate pension insurance companies. Most of the foreign schemes, as well as the Finnish TyEL scheme, are defined contribution systems. Payments made to defined contribution pension schemes are recorded through profit or loss in the accounting period the charge applies to. The Group has no material defined benefit schemes.

Share-based payments

The Group has set up some incentive and reward schemes. In the schemes, the rewards are paid as company shares previously acquired for the parent company, as cash or as a combination of these two. The shares issued under the schemes are measured at fair value at grant date and recognised as employee benefit expenses on a straight line over the vesting period. Cash-settled transactions are estimated using the share price of each closing date and amortised through profit or loss as employee benefit expenses from the grant date to the date on which the earnings period or a longer commitment period ends. Equity-settled transactions are recorded in shareholders' equity and cash-settled transactions in liabilities.

In 2010, some of the Management Team members were granted a share-based incentive and commitment scheme implemented through Reso Management Oy. The grant date of the arrangement was 23 June 2010. At the beginning of the arrangement, fair value of the arrangement was estimated using Black & Scholes options pricing model and it was amortised through profit or loss as employee benefit expenses from the grant date to the date the obligation to work ended according to the scheme, i.e. 31 March 2014.

Provisions

Provisions are entered when the Group has a legal or actual liability due to a previous transaction, the realisation of the payment liability is likely and the amount of the liability can be reliably estimated. If part of the liability can be compensated by a third party, the compensation is entered as a separate asset, but only when the receipt of the compensation is virtually certain. Provisions are valued at the present value of expenditure required to settle the liability. The present value is calculated using a discount factor that has been selected to reflect the markets' view of the time value of money at the time of calculation and the risk related to the liability.

A rearrangement is entered when the Group has prepared a detailed rearrangement plan and started the implementation of the plan or informed on the matter. The rearrangement plan shall include at least the following: arrangement-related business operations, main offices affected by the arrangement, the workplace location, tasks and estimated number of employees to whom compensations will be made for redundancy, expenses to be realised and implementation time of the plan.

A provision is entered for loss-making agreements when the necessary expenses required to fulfil the liabilities exceed the benefits to be obtained from the agreement.

A provision is entered for liabilities related to write-offs and restoration to an original state when, according to environmental legislation and the Group environmental responsibility principles, the Group has a liability related to the writing off of a production plant, rectification of environmental damage or the transportation of equipment from one place to another.

Dividends payable

The dividends paid by the Group are recorded in the financial period during which the shareholders have approved the dividends for payment.

Income taxes

Tax expense consists of current tax and the change in deferred tax. Taxes are recorded through profit or loss except when they relate to the statement of comprehensive income or items directly recorded in shareholders' equity. In this case, tax effects are also recorded in the corresponding items. Current tax is calculated from the taxable income according to the valid tax rate of each country. The tax is adjusted by possible taxes related to previous accounting periods. The Group deducts current tax assets and tax liabilities from each other if, and only if, the Group has a legally enforceable right to set off the recognised items from each other.

Deferred taxes are calculated from temporary differences between the carrying value and the tax base. The most significant temporary differences arise from the depreciation of tangible and intangible assets, measurement of derivative contracts at fair value and adjustments based on fair values made in connection with business combinations. No deferred tax is entered for non-deductible goodwill.

No deferred tax is entered for the investments in subsidiaries, associates or joint ventures if the Group can determine the date of dissolution of the temporary difference and the difference is not expected to be dissolved in the foreseeable future.

Deferred taxes have been calculated using the tax rates set by the date of the financial statements or tax rates whose approved content has been announced by the date of the financial statements.

A deferred tax asset has been recorded to the extent that it is probable that taxable income will be generated in the future, against which the temporary difference can be used. The recognition requirements for deferred tax assets are assessed on the closing date of each reporting period.

Revenue recognition principles

The Group sells foods and functional ingredients as well as feeds and vegetable oils. Revenues from the sale of goods are recorded when any significant risks, benefits and control related to the ownership of the goods have been transferred to the purchaser. When volume discounts are related to the sale of products, they are assessed and recorded at the time of sale. Revenues from services are recorded when the service has been completed.

Revenues from licences and royalties are recorded in accordance with the actual contents of the agreement. Interest income is recorded using the effective interest method and dividend income when the right to receive payment is established.

Income statement by function of expense

The Group's income statement is presented using the function of expense method. Separate functions include sales and marketing expenses, administrative expenses and R&D expenses. Costs of goods sold include wage, material, acquisition and other expenses incurred from the production and acquisition of products. Administrative expenses include general administrative costs and Group management costs. Administrative expenses have been allocated to functions according to the matching principle.

Other operating income and expenses

Asset sales profits and losses related to continuing operations, returns unrelated to actual sales of deliverables, such as rental income, are presented as other operating income and expenses.

EBIT

IAS 1 *Presentation of financial statements* does not define the concept of EBIT. The Group has defined it as follows: EBIT is the net amount, which is formed when costs of goods sold and operations expenses are deducted from net sales as well as other operating income and expenses are added/deducted. All other except the above mentioned income statement items are presented below EBIT. Exchange rate differences, results due to derivatives and changes in their fair values are included in EBIT if they are incurred from business-related items. Otherwise, they are presented under financial items.

Financial assets and liabilities

Financial assets

The Group's financial assets are classified into the following categories: financial assets entered at fair value through profit or loss, loans and other receivables as well as financial assets held for sale. The classification is based on the purpose of acquisition of financial assets, and it is carried out in connection with the original purchase.

Financial assets are derecognised in the balance sheet when the Group has forfeited its contractual right to cash flows or when it has transferred a significant share of risks and revenues outside the Group.

Financial assets recorded at fair value through profit or loss are financial assets held for trading. Financial assets held for trading have mainly been acquired to generate short-term profit from changes in market prices. This group includes bonds, certificates of deposit, commercial papers and fund units. Derivatives, which do not meet the terms of hedge accounting, have been classified as held for trading. All assets held for trading are current assets.

Loans and other receivables are non-derivative assets with fixed or determinable payments, which are not quoted in the active market or held for trading by the Group. This group includes sales and loans receivables as well as financial instruments included in accrued income. They are measured at amortised cost and included in current and non-current financial assets; in the latter if they fall due after 12 months.

Available-for-sale financial assets are non-derivative assets specifically allocated to this group. The group includes mainly companies' shares and similar rights of ownership. They are included in non-current assets.

Changes in the fair value of available-for-sale financial assets are recorded in other comprehensive income and presented in the fair value reserve, including the tax effect. Changes in fair value are transferred from shareholders' equity and recognised through profit or loss as a reclassification adjustment when the investment is sold or it has been impaired to the extent that an impairment loss must be recognised.

Liquid funds

Liquid funds consist of cash, bank deposits to be paid on demand and other current, liquid investments. Items classified as liquid funds have an average maturity of three months during the year.

Financial liabilities

Financial liablilites are classified as financial liabilities recorded at fair value through profit or loss or as other financial liabilities. Financial liabilities are recorded at fair value on the basis of the compensation originally received. Transaction costs have been included in the original carrying amount of the financial liabilities when treating an item not measured at fair value through profit or loss. Financial liabilities recognised at fair value through profit or loss are liabilities from derivative contracts that do not meet the terms of hedge accounting. Other financial liabilities are measured at amortised cost using the effective interest method. Financial debts are included in current and non-current debts and may be either interest-bearing or non-interest-bearing.

Impairment of financial assets

At each closing date, the Group assesses whether there is objective evidence of impairment of a financial asset or a group of financial assets. The impairment loss for liabilities and other receivables entered at amortised cost in the balance sheet is measured as the difference between the carrying amount of the item and the present value of estimated future cash flows discounted at the initial effective interest rate. The impairment of available-for-sale financial assets is entered through profit or loss if there is objective evidence of impairment. These impairment losses are not reversed through profit or loss.

The Group recognises impairment loss for accounts receivables, when there is objective evidence that the receivable cannot be recovered in full. Considerable financial difficulties of a debtor, probability of bankruptcy and payment default are evidence of impairment of accounts receivables. Credit losses are recorded through profit or loss. If an impairment loss decreases in a subsequent period, the recognised loss is reversed through profit or loss.

Derivative financial instruments and hedge accounting

Derivative contracts are originally recorded at acquisition cost representing their fair value. Following the purchase, derivative contracts are measured at fair value. Profits and losses generated from the measurement at fair value are treated according to the purpose of use of the derivative contract.

According to its financial risk management policy, the Group may use various derivates to hedge against interest rate, currency and commodity price risks. Interest rate swaps are used to hedge agaist changes in market interest rates. Currency forward contracts are used to hedge receivables and debts in foreign currencies as well as future commercial cash flows. Exchange-traded commodity futures can be used to hedge against the price risk caused by raw material purchases.

Profit effects of changes in value of such derivative contracts, to which hedge accounting is applied and which are effective hedging instruments, are presented consistently with the hedged item. When a derivative contract entered into, the Group processes it as hedging of a highly probable forecast transaction (cash flow hedging). Hedge accounting is discontinued in case its conditions cease to meet the qualifying criteria, the hedged item is derecognized from the balance sheet, the hedging instrument expires or it is sold or exercised, the forecast transaction is no longer expected to occur or the management decides to discontinue hedge accounting.

When initiating hedge accounting, the Group documents the relationship between the hedged item and hedging instrument as well as the Group's risk management objective and strategy for undertaking the hedge. When inititiating hedging and at least in connection of each financial statements, the Group documents and assesses the effectiveness of hedging relationships by examining the hedging instrument's ability to offset the changes in fair value of hedged item or in cash flows.

Cash flow hedging

Change in fair value of the effective portion of derivative instruments meeting the conditions of cash flow hedging are entered in other comprehensive income and presented in the equity hedge fund. Gains and losses accrued in equity from the hedging instrument are transferred to profit or loss when the hedged item affects profit or loss. The ineffective portion for profit or loss on the hedging instrument is recorded in the income statement.

Hedges of a net investment in a foreign operation

Profits and losses accumulated from the hedging of a net investment are transferred to profit or loss when the net investment is partially or completely disposed of.

Other hedge instruments to which hedge accounting is not applied

Hedge accounting is not applied to certain hedging relationships, despite the fact that they meet effective hedging requirements set by the Group's risk management. These are, among others, certain derivatives hedging interest risk and currency risk. Of these, changes in the fair values of interest rate swaps are entered under financial income and expenses. Changes in fair values of forward foreign exchange contracts are recorded in other operating income and expenses when used to hedge actual business operations, and in financial income and expenses when they are hedging financial items. Effects of the interest element of the forward exchange contract are recorded in financial income and expenses.

Accounting policies calling for management's judgement and main uncertainties related to the assessments

When preparing the consolidated financial statements, estimates and assessments must be made concerning the future. These may affect assets and liabilities at the time of balance sheet preparation, as well as income and expenses in the reporting period. Actual figures may differ from those used in the financial statements. The estimates are based on the Management's best judgement on the closing date. Any changes to estimates are entered in the period in which the estimates are adjusted. Additionally, judgement is needed in the application of accounting policies for the financial statements.

The Group Management may have to make judgement-based decisions relating to the choice and application of accounting policies for the financial statements. This particularly concerns the cases when effective IFRSs allow alternative valuation, recording and presenting manners. No significant judgement-based decisions have been needed.

Most of the Group management's estimates are related to the valuation and useful lives of assets, to the determination of fair values of acquired assets resulting from the business combination and to the use of deferred tax assets against future taxable income.

Estimates made in the preparation of the financial statements are based on the management's best judgement on the closing date. They are based on previous experience and future expectations considered to be most likely on the closing date. These include, in particular, factors related to the Group's financial operating environment affecting sales and the cost level. The Group monitors the realisation of these estimates and assumptions. Any changes in estimates and assumptions are entered in the period in which they have been detected.

Impairment testing

The Group performs regular annual tests on goodwill, intangible assets with indefinite useful lives and unfinished intangible assets for possible impairment. The value of identifiable tangible and intangible assets and goodwill are also assessed whenever events and changes in circumstances indicate that the recoverable amount no longer corresponds to the book value. The recoverable amounts of cash-generating units have been estimated using calculations based on value in use. Estimates are needed in the preparation of such calculations. The main variables in cash flow calculations are the discount rate and the number of years that cash flow estimates are based on, as well as the assumptions and estimates used to determine cash flows. The estimated income and expenses may differ considerably from actual figures.

Determination of fair value of acquired assets in the business combination

When determining the fair value of tangible assets in the business combination, the Group has compared the market prices of similar assets realised in previous similar acquisitions. The Group has also assessed the impairment of acquired assets due to age, wear and other similar factors. In some cases, the Group has also relied on the views of external evaluators on the valuation of assets. Determination of the fair value of intangible assets is based on estimates on cash flows related to assets, since there has not been information available on transactions of similar assets.

The Management believes that the estimates and assumptions are sufficiently accurate for the determination of fair value.

Deferred tax assets

Management is required to make estimates when calculating the amount of deferred tax assets and the extent to which tax assets can be recognised in the balance sheet. If the estimates differ from the actual figures, the deviations are entered in the profit or loss and deferred tax assets of the period in which the deviation was determined.

Application of new and amended IFRS standards

IASB has published the following new or amended standards and interpretations, which have not yet taken effect and which the Group has not yet applied. The Group plans to adopt each standard and interpretation when it enters into effect, or, if the standard or interpretation takes effect during the accounting period, in the accounting period following the entry into effect.

- Amendment to IAS 19 *Employee benefits - Defined benefit pension plans: employee or third party contributions* (applicable in periods beginning on or after 1 July 2014). The amendments have clarified the accounting treatment when contributions are required from employees or third parties in defined benefit plans. The amendment is not expected to affect the consolidated financial statements. The amendment has not yet been approved in the EU.
- Annual improvements to IFRSs 2010–2012 and 2011–2013 (applicable mainly in periods beginning on or after 1 July 2014) as well as to 2012–2014 (applicable in periods beginning on or after 1 January 2016). In the Annual Improvements process, minor or less urgent standard amendments are compiled and implemented once a year. The effects of amendments vary by standard, but are not relevant for the Group. The amendments (2012–2014) have not yet been endorsed by the EU.
- Amendment to IAS 27 S*eparate Financial Statements - Equity Method in Separate Financial Statements* (applicable in periods beginning on or after 1 January 2016). The standard amendment allows the companies to use the equity method for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment does not affect the consolidated financial statements. The amendment has not yet been approved in the EU.
- Amendments to IAS 16 *Property, Plant and Equipment and IAS 41 Agriculture:* Amended by *Bearer Plants* (applicable in periods starting on or after 1 January 2016). The amendment allows the recognition of productive biological assets alternatively at their acquisition cost, when the standard earlier required them to be recognised at fair value. Products derived from these productive biological assets are, however, still measured in accordance with IAS 41 at fair value less costs to sell. The amendment does not affect the future consolidated financial statements. The amendment has not yet been approved in the EU.
- Amendment to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets: Amended by Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable in periods beginning on or after 1 January 2016). The amendment prohibits the use of a revenue-based method to calculate depreciation of intangible assets. The revenue-based method can only be used if revenue and the consumption of economic benefits of the intangible asset are highly correlated. The revenue-based

depreciation method cannot be applied for tangible assets either. The amendment is not expected to affect the consolidated financial statements. The amendment has not yet been approved in the EU.

- Amendment to IFRS 11 *Joint arrangements* Amended by *Accounting for Acquisitions of Interests in Joint Operations* (applicable in periods beginning on or after 1 January 2016). The amendment requires the application of the principles of accounting for business combinations for the acquisition of joint operations when the activity constitutes a business. The amendment is not expected to affect the future consolidated financial statements. The amendment has not yet been approved in the EU.
- IFRS 14 *Regulatory Deferral Accounts* (applicable in periods starting on or after 1 January 2016). The new standard includes specific guidance, for an entity which is a first-time adopter of IFRSs, how to take certain effects due to regulated markets into account. The amendment does not affect the consolidated financial statements. The amendment has not yet been approved in the EU.
- Amendments to IFRS 10 *Consolidated Financial Statements* and to IAS 28 *Investments in Associates and Joint Ventures: Amended by Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.* The amendments clarify the guidance conserning the sale or contribution of assets between the investor and its associate or joint venture. The amendment does not affect the future consolidated financial statements. The amendment has not yet been approved in the EU.
- IFRS 15 *Revenue from Contracts with Customers* (applicable in periods starting on or after 1 January 2017). The new standard includes a five-step model for the recognition of sales returns based on contracts with customers. This standard supersedes the current standards IAS 18 *Revenue* and IAS 11 *Construction contracts* and related interpretations. Sales recognition may occur at a point in time or over time, with the transfer of control as the key criterion. In addition, the standard also requires more disclosures. The Group Management is assessing the impact of the standard on the consolidated financial statements. The amendment has not yet been approved in the EU.
- IFRS 9 *Financial instruments* (applicable in periods beginning on or after 1 January 2018). The new standard replaces most of the guidance included in the current standard IAS 39 *Financial instruments: Recognition and Measurement*. The IFRS 9 has retained but simplified different valuation bases by establishing three primary measurement categories for financial assets: amortised cost, fair value presented in other comprehensive income and fair value through profit or loss. The classification depends on the entity's business model and contractual cashflow characteristics of financial assets. Classification and measurement of financial liabilities largely correspond to the current requirements of IAS 39. Hedge effectiveness requirements will be alleviated when the requirement for exact hedge effectiveness testing is eliminated. The documentation is still required but it differs from the documentation required by IAS 39. The Group Management is assessing possible impacts of the standard on the consolidated financial statements. The amendment has not yet been approved in the EU.
- IFRIC 21 *Levies* (applicable in periods starting on or after 17 July 2014). The interpretation applies to standard IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'.* It deals with the recognition of an obligation of a levy possibly arising to the paying party. The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy in accordance with the relevant legislation. The interpretation is not expected to affect the consolidated financial statements.

Consolidated notes

1. SEGMENT INFORMATION

The Group consists of two reportable segments, Brands and Raisioagro, and other operations. Brands and Raisioagro segments are the Group's strategic business units that are lead as separate units. Their products are different and require different distribution channels and market strategies. Brands segment consists of Consumer brands unit and Licensed brands unit. Under the segment, the Group reports Benecol and Benemilk businesses as well as Northern, Eastern and Western food operations. Raisioagro segment includes feeds, grain trade and farming supplies and, at the beginning of the year, also protein meals and vegetable oils.

The segment information presented by the Group is based on the management's internal reporting prepared according to the IFRS standards.

The Group assesses the business performance of the segments according to their EBIT, and decisions on the resource allocation to the segments are also based on EBIT. Moreover, EBIT is considered a good meter when the segment performance is compared with other companies' similar segments. The Group's Management Team is the chief decision-maker and as such, is responsible for allocating resources to operating segments and for evaluating their results.

The assets and liabilities of the segments are items that the segment uses for its business operations or that can be allocated to segments on reasonable grounds. Unallocated items include tax and financial items, as well as items common to the Group. Intra-segment pricing is carried out at fair market value. Investments consist of increases in property, plant and equipment and intangible assets used for more than one accounting period.

	Brands		Raisioagro		Other operations		Eliminations		Total	
(EUR million)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
External sales										
Services	**0.2**	0.1	**0.0**	0.0	**1.2**	1.3			**1.4**	1.4
Goods	**302.9**	300.5	**188.3**	254.1	**0.0**	0.0			**491.2**	554.7
Royalties	**1.3**	1.4	**0.0**	0.0					**1.3**	1.5
Total external sales	**304.3**	302.1	**188.4**	254.2	**1.2**	1.3			**493.9**	557.6
Internal sales	**1.8**	2.6	**13.2**	0.0			**-15.0**	-2.6	**0.0**	0.0
Net sales	**306.1**	304.7	**201.6**	254.2	**1.2**	1.3	**-15.0**	-2.6	**493.9**	557.6
Depreciation	**9.1**	9.2	**3.8**	4.2	**1.5**	1.6			**14.4**	15.0
Value impairments	**10.3**	0.5	**8.2**		**0.0**	0.0			**18.5**	0.5
Segment EBIT	**20.6**	35.7	**-8.9**	3.1	**-4.7**	-5.1			**6.9**	33.6
Share of results of associates and joint ventures			**0.0**	0.0					**0.0**	0.0
Segment assets	**414.3**	305.9	**56.2**	85.8	**15.8**	15.3	**-3.3**	-2.3	**483.0**	404.8
Including:										
Shares in associates and joint ventures	**0.0**	0.0	**0.8**	0.8					**0.8**	0.8
Increase in non-current assets	**103.1**	13.4	**1.1**	2.3	**0.6**	1.0	**0.0**	-0.1	**104.9**	16.5
Segment liabilities	**55.2**	51.7	**23.2**	33.4	**3.8**	4.5	**-3.3**	-2.3	**79.0**	87.4

(EUR million)	2014	2013
RECONCILIATION		
Reconciliation of results		
Segment EBIT	**6.9**	33.6
Share of results of associates and joint ventures	**0.0**	0.0
Financial income and expenses	**-1.5**	-1.8
Result before tax and discontinued operations	**5.4**	31.8
Reconciliation of assets to Group assets		
Segment assets	**483.0**	404.8
Deferred tax assets	**3.9**	2.2
Loans receivable and other receivables related to financing	**0.0**	0.1
Tax assets	**1.4**	0.2
Financial assets at fair value through profit or loss	**30.4**	73.6
Liquid funds	**25.6**	10.3
Recognised assets	**544.3**	491.2
Reconciliation of liabilities to Group liabilities		
Segment liabilities	**79.0**	87.4
Deferred tax liability	**10.9**	12.6
Financial liabilities	**125.7**	55.4
Financial liabilities at fair value through profit or loss	**2.0**	1.8
Tax liability	**1.1**	1.8
Dividend liability	**0.3**	0.3
Liabilities related to financing	**0.0**	0.1
Recognised liabilities	**219.0**	159.5
GEOGRAPHICAL INFORMATION		
Revenue from external customers		
Finland	**219.1**	283.7
Great Britain	**130.8**	132.5
Rest of Europe	**130.9**	130.6
Rest of the world	**13.2**	10.8
Total	**493.9**	557.6
Non-current assets, excluding deferred tax assets and financial instruments		
Finland	**60.4**	71.6
Great Britain	**265.3**	173.3
Rest of Europe	**22.5**	20.2
Rest of the world	**0.0**	0.0
Total	**348.1**	265.0

Information about major customers:
In 2014 and 2013, the Group had no major customers, as defined in IFRS 8, whose revenue to the Group would have exceeded 10% of the Group's net sales.

2. ACQUIRED BUSINESS OPERATIONS

IN 2014

Benecol business in the UK, Ireland and Belgium

On 19 November 2014, Raisio announced its acquisition of Cilag GmbH International's Benecol business in the UK, Ireland and Belgium. At the same time, Raisio amended its agreement with McNEIL-PPC, Inc. regarding the Benecol markets in North America. As a business buyer, the Group had established a company called Benecol Limited in the UK for acquisition purposes. The company is Raisio UK Limited's subsidiary. Product range of the acquired business includes margarines, drinks and yogurts sold under the Benecol brand.

Benecol Limited's results have been reported as part of Raisio's Brands segment from 19 November 2014. The purchase price paid was EUR 88.5 million. The fees of lawyers, advisors and outside valuators related to the deal amounted to a total of EUR 1.5 million, which has been recorded as administration costs of the Brands segment in the income statement of 2014.

In connection with the deal, rights to Benecol brand and plant stanol ester patents held by Cilag as well as current assets were returned to Raisio. Raisio did not assume liabilities as part of the acquisition.

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

Post-acquisition net sales of Benecol Limited totalled 7.3 million euros and EBIT excluding one-off items 1.5 million euros. The acquired business is expected to improve the Group's EBIT by some 9 million euros annually.

Since the seller did not follow the target of acquisition as its own unit, it is not possible to determine what the Group's net sales and results would have been in 2014 if the business acquisition completed during the financial year had been combined with the consolidated financial statements from the beginning of the financial year 2014.

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

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

3. OTHER INCOME AND EXPENSES FROM BUSINESS OPERATIONS

(EUR million)	2014	2013
Excise duty refund	**0.5**	0.7
Other income and expenses from business operations	**1.3**	0.7
Total	**1.8**	1.5
Auditors' remuneration		
Audit	**0.3**	0.3
Certificates and reports	**0.0**	0.0
Tax guidance	**0.0**	0.0
Other services	**0.0**	0.0
Total	**0.3**	0.3

4. DEPRECIATION AND IMPAIRMENT

(EUR million)	2014	2013
Depreciation by asset group		
Depreciation on intangible assets		
Intangible rights	**0.7**	0.7
Other intangible assets	**0.4**	0.6
Total	**1.1**	1.3
Depreciation on tangible assets		
Buildings	**4.0**	4.0
Machinery and equipment	**9.2**	9.6
Other tangible assets	**0.1**	0.1
Total	**13.3**	13.7
Impairment by asset group		
Intangible rights	**10.1**	0.0
Other intangible assets	**0.0**	0.0
Buildings	**3.1**	0.0
Machinery and equipment	**5.3**	0.5
Other tangible assets	**0.0**	0.0
Total	**18.5**	0.5
Total depreciation and impairment	**32.9**	15.5
Depreciation by activity		
Cost of sales	**12.4**	12.7
Sales and marketing	**0.4**	0.5
Administration	**1.5**	1.5
Research and development	**0.2**	0.3
Total	**14.4**	15.0
Impairment and their returns		
Expenses corresponding to products sold	**8.4**	0.0
Sales and marketing	**10.1**	
Administration	**0.0**	0.6
Research and development	**0.0**	0.0
Total	**18.5**	0.5

5. EXPENSES FROM EMPLOYMENT BENEFITS

(EUR million)	2014	2013
Salaries	**58.4**	54.9
Termination benefits	**0.5**	0.0
Pension expenses – defined contribution plans	**4.8**	4.7
Share-based rewards	**1.1**	0.9
Other indirect personnel costs	**3.9**	4.2
Total	**68.6**	64.7

Details about the management's employee benefits are provided in Notes 31 Related party transactions.

Details about assigned company shares are provided in Notes 20 Share-based payments.

AVERAGE NUMBER OF PEOPLE EMPLOYED BY THE GROUP IN THE FINANCIAL PERIOD

	2014	2013
Brands	**1 712**	1 709
Raisioagro	**148**	181
Joint operations	**55**	56
Total	**1 915**	1 946

6. FINANCIAL INCOME AND EXPENSES

(EUR million)	2014	2013
Dividend income from available-for-sale financial assets	**0.1**	0.1
Interest income from financial assets at fair value through profit or loss	**-0.1**	0.1
Interest earnings from financial assets at fair value through profit or loss	**0.5**	0.5
Interest income from loan receivables	**0.0**	0.0
Other interest income	**0.3**	0.4
Total financial income	**0.7**	1.0
Interest expenses from loans	**-1.5**	-1.9
Other interest expenses	**-0.5**	-0.6
Exchange rate differences, net	**-0.2**	-0.1
Other financial expenses	**-0.1**	-0.2
Total financial expenses	**-2.3**	-2.8

Items comprising the EBIT include exchange rate gains and losses amounting to EUR 1.2 million in 2014 (EUR 0.3 million in 2013).

7. INCOME TAXES

(EUR million)	2014	2013
Tax based on the taxable income for the financial period	-4.5	-6.6
Taxes paid in previous financial periods	0.0	-0.5
Deferred taxes	4.7	1.1
Total	0.2	-6.0
Reconciliation between tax expense of the income statement and the Group's tax calculated at the Finnish tax rate 20.0% (24.5% in 2013).		
Taxes calculated on the basis of the domestic tax rate	-1.1	-7.8
Impact of a deviating tax rate used in foreign subsidiaries	-0.2	-0.1
Change in tax rate	0.4	1.1
Returns exempt from tax	0.1	0.2
Non-deductible expenses	-0.5	-0.4
Losses for the period, for which no tax assets have been recognised	-0.3	-0.2
Utilisation of tax refund receivable from previously unrecognised tax losses	0.2	0.0
Other previously unrecognised tax assets	0.0	0.6
Depreciation of previously recognised tax liabilities	0.2	0.0
Adjustment of previously recorded tax assets	-0.1	0.0
Additional tax deductions	1.6	1.0
Tax from previous years	0.0	-0.5
Other items	-0.1	0.0
Total	0.2	-6.0

(EUR million)	Before taxes	Tax impact	After taxes
Taxes related to the items of other comprehensive income:			
Year 2014			
Available-for-sale financial assets	0.1	0.0	0.1
Cash flow hedge	2.7	-0.5	2.2
Translation differences	5.6	0.0	5.6
	8.4	-0.6	7.8
Year 2013			
Available-for-sale financial assets	0.0	0.1	0.1
Cash flow hedge	0.5	-0.2	0.4
Translation differences	-3.6	0.0	-3.6
	-3.0	-0.1	-3.1

8. EARNINGS PER SHARE

(EUR million)	2014	2013
Undiluted earnings per share have been calculated by dividing the profit for the period for equity holders of the parent company with the weighted average number of outstanding shares over the financial period.		
Profit for the period for equity holders of the parent company, continuing operations (EUR million)	5.6	26.2
Undiluted weighted average of shares in the financial period	155,396,939	155,396,939
Dilution resulting from share-based compensation	612,545	277,192
Diluted weighted average of shares in the financial period	156,009,484	155,674,131
Undiluted earnings per share, continuing operations (EUR/share)	0.04	0.17
Earnings per share adjusted by the dilution effect, continuing operations (EUR/share)	0.04	0.17

When calculating the diluted earnings per share in the weighted average number of shares, the dilutive effect due to change of all dilutive potential shares into shares is taken into account.

9. INTANGIBLE ASSETS 2014

(EUR million)	Intangible rights	Goodwill	Other long-term expenditure	Advances paid and incomplete acquisitions	Intangible assets total
Acquisition cost 1.1.	46.9	111.7	17.6	2.3	178.5
Exchange rate differences	2.3	7.2	0.1	0.0	9.6
Increase	0.3		0.1	3.2	3.5
Business combination	34.0	53.0			87.0
Divestments and other decreases	0.0				0.0
Reclassifications between items	0.3	0.0	0.2	-0.4	0.0
Acquisition cost 31.12.	83.7	171.9	18.0	5.0	278.6
Accumulated depreciation and write-downs 1.1.	10.0	3.2	15.4	0.0	28.7
Exchange rate differences	0.3	0.0	0.0	0.0	0.3
Accumulated depreciation of decrease and transfers	0.0	0.0	0.0	0.0	0.0
Depreciation for the financial period	0.7	0.0	0.4	0.0	1.1
Write-downs and their returns	10.1	0.0	0.0	0.0	10.1
Accumulated depreciation 31.12.	21.1	3.2	15.9	0.0	40.2
Book value 31.12.2014	62.6	168.7	2.1	5.0	238.4

9. TANGIBLE ASSETS 2014

(EUR million)	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and incomplete acquisitions	Tangible assets total
Acquisition cost 1.1.	13.0	131.5	240.6	0.8	0.8	386.7
Exchange rate differences	0.5	-0.2	2.6	0.0	0.0	3.0
Increase	0.1	2.7	8.3	0.2	3.2	14.4
Business combination						0.0
Divestments and other decreases	0.0	-0.1	5.3	0.1	0.0	5.3
Reclassifications between items	0.0	0.5	2.8	0.0	-3.2	0.0
Acquisition cost 31.12.	13.6	134.6	248.9	0.9	0.7	398.7
Accumulated depreciation and write-downs 1.1.	0.0	87.8	184.1	0.3	0.0	272.2
Exchange rate differences	0.0	-0.4	1.4	0.0	0.0	1.0
Business combination						0.0
Accumulated depreciation of decrease and transfers	0.0	0.0	4.9	0.1	0.0	5.0
Depreciation for the financial period	0.0	4.0	9.2	0.1		13.3
Write-downs and their returns	0.0	3.1	5.0	0.0	0.0	8.1
Accumulated depreciation 31.12.	0.0	94.4	194.9	0.3	0.0	289.6
Book value 31.12.2014	13.6	40.2	54.0	0.6	0.7	109.0

Intangible rights include trademarks whose useful life is considered to be indefinite. Their carrying value was EUR 56.8 million.

In the UK's Brands segment, Raisio wrote down the book value of the Honey Monster brand by EUR 10.1 million, due to weakened sales and profitability in the breakfast cereal category. The write-down is recorded as impairment of the sales and marketing function.

The carrying amount of tangible assets includes assets of EUR 0.1 million acquired via financial lease.

Raisioagro segment made write-downs due to the terminations of pig and poultry feed production and oil milling business. Related to the termination of pig and poultry feed production, the company made a write-down of EUR 2.3 million in buildings and that of EUR 3.9 million in machinery. For the vegetable oil business, the company made a write-down of EUR 1.2 million in buildings and that of EUR 0.7 million in machinery. The items are recorded as impairment of the production costs.

The book value of tangible assets includes machinery and equipment purchased via financial leasing to the value of EUR 0.1 million.

9. INTANGIBLE ASSETS 2013

(EUR million)	Intangible rights	Goodwill	Other long-term expenditure	Advances paid and incomplete acquisitions	Intangible assets total
Acquisition cost 1.1.	47.6	114.4	17.6	0.0	179.7
Exchange rate differences	-0.9	-2.7	0.0	0.0	-3.6
Increase	0.0		1.3	2.5	3.9
Divestments and other decreases	0.1		1.3		1.5
Reclassifications between items	0.3	0.0	0.0	-0.3	0.0
Acquisition cost 31.12.	46.9	111.7	17.6	2.3	178.5
Accumulated depreciation and write-downs 1.1.	9.5	3.2	16.1	0.0	28.8
Exchange rate differences	-0.1	0.0	0.0	0.0	-0.1
Accumulated depreciation of decrease and transfers	0.1	0.0	1.2	0.0	1.3
Depreciation for the financial period	0.7	0.0	0.6	0.0	1.3
Write-downs and their returns	0.0	0.0	0.0	0.0	0.0
Accumulated depreciation 31.12.	10.0	3.2	15.4	0.0	28.7
Book value 31.12.2013	36.9	108.5	2.2	2.3	149.8

9. TANGIBLE ASSETS 2013

(EUR million)	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and incomplete acquisitions	Tangible assets total
Acquisition cost 1.1.	13.9	135.2	259.1	0.6	1.8	410.7
Exchange rate differences	-0.2	-0.9	-2.1	0.0	0.0	-3.4
Increase	0.1	0.1	8.1	0.2	4.2	12.6
Divestments and other decreases	0.8	4.1	27.9	0.0	0.5	33.3
Reclassifications between items	0.0	1.2	3.5	0.0	-4.7	0.0
Acquisition cost 31.12.	13.0	131.5	240.6	0.8	0.8	386.7
Accumulated depreciation and write-downs 1.1.	0.0	86.6	199.9	0.2	0.5	287.3
Exchange rate differences	0.0	-0.3	-1.2	0.0	0.0	-1.6
Accumulated depreciation of decrease and transfers	0.0	2.5	24.8		0.5	27.8
Depreciation for the financial period	0.0	4.0	9.6	0.1		13.7
Write-downs and their returns	0.0	0.0	0.5	0.0	0.0	0.6
Accumulated depreciation 31.12.	0.0	87.8	184.1	0.3	0.0	272.2
Book value 31.12.2013	13.0	43.7	56.5	0.5	0.8	114.5

The book value of tangible assets includes machinery and equipment purchased via financial leasing to the value of EUR 0.1 million.

Intangible rights include trademarks whose useful life is considered to be indefinite. Their carrying value was EUR 33.6 million.

10. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

In the Group, goodwill is allocated to the cash-generating units defined by business segments. The acquisition of the European Benecol business completed in November 2014 resulted in goodwill of EUR 52.6 million. The Candy Plus acquisition completed at the end of the financial period 2012 resulted in goodwill of EUR 5.5 million and the acquisitions completed in 2010 and 2011 in the UK resulted in goodwill of EUR 105.7 million. All goodwill has been allocated to Western European operations of the Brands segment.

On the closing date, the book value of all goodwill totalled EUR 168.7 million.

A brand value of EUR 31.1 million was recorded in connection with the Benecol business acquisition completed in November 2014. The book value of the brands acquired in connection with the 2010 and 2011 acquisitions totalled EUR 25.5 million on the closing date. The management has considered that the useful lives of these brands are indefinite. The brands have been allocated in their entirety to Western European operations of the Brands segment. The value of the brands has been tested. As a result of testing, Raisio wrote down the book value of the Honey Monster brand by 10.1 million euros in November 2014. For the other brands, the recoverable amount exceeds their carrying amount.

In the impairment testing, the recoverable amounts are determined based on the value in use. Cash flow forecasts are based on estimates approved by management covering the next four years. The cash flows after the forecast period approved by management are extrapolated by using estimated growth factors, presented below, which do not exceed the average long-term growth rates of the Division's business.

Basic assumptions used in the determination of use in value of goodwill are as follows:

	2014	2013
Goodwill/Brands: Western Europe		
UK operations		
Estimated EBIT percentage *)	**8%**	14%
Growth percentage **)	**2%**	2%
Discount rate	**5.7%**	6.1%
Candy Plus		
Estimated EBIT percentage *)	**16%**	11%
Growth percentage **)	**2%**	2%
Discount rate	**6.1%**	6.5%

*) Estimated average EBIT percentage used in calculations
**) In the cash flows after the forecast period

The management has determined the EBIT of forecasts based on the previously realised results and on the expectations that the management has in terms of the market development. Discount rate has been determined before taxes and it reflects the risks related to the business segment in question.

Sensitivity analysis of impairment testing:

Goodwill/Brands: Western Europe

UK operations
The entity's recoverable amount is well above the book value of assets. The recoverable amount is less than the book value of assets when the discount rate increases above 7.3 per cent (before taxes) or when the EBIT level falls permanently more than 29 per cent of the management's estimates.

Candy Plus
The entity's recoverable amount is well above the book value of assets. The recoverable amount is less than the book value of assets when the discount rate increases above 22.4 per cent (before taxes) or when the EBIT level falls permanently more than 80 per cent of the management's estimates.

11. SUBSIDIARIES AND THE NON-CONTROLLING INTEREST

The Group structure on the closing date:

	Number of wholly-owned subsidiaries		Number of partly-owned subsidiaries	
	2014	2013	2014	2013
Brands	**39**	39	**3**	2
Raisioagro	**2**	2		
Other operations	**2**	3		1

The Brands segment's partly owned subsidiaries are related to the Benemilk business. The non-controlling interest in Benemilk Ltd and Benemilk US Ltd is 43%. A significant part of the Brands segment's companies, i.e. 27 companies, are located in the UK. Nine of the companies are operating, 18 are inactive. A list of all the Group's subsidiaries is presented in Note 31 Related Party transactions

12. SHARES IN ASSOCIATES AND JOINT VENTURES

(EUR million)	2014	2013
ASSOCIATES		
The Group has one associate company, Vihervakka Oy, which is part of the Raisioagro segment.		
Book value 1.1.	**0.8**	0.7
Decrease	**0.0**	0.0
Share of result for the financial period	**0.0**	0.0
Book value 31.12.	**0.8**	0.8
The book value of associates does not include goodwill.		
Total assets, liabilities, net sales and profit/loss of associates:		
Assets	**2.5**	2.2
Liabilities	**0.6**	0.2
Net sales	**1.0**	1.0
Profit/loss	**0.0**	0.1

The Group received dividends of EUR 7.7 thousand from the associate company in both 2014 and 2013.

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(EUR million)	2014	2013
Unquoted equity investments and participations	**2.7**	2.6
Total	**2.7**	2.6
At beginning of financial period	**2.6**	2.3
Increase	**0.1**	0.3
Decrease	**0.0**	0.0
At end of period	**2.7**	2.6

In the recognition at fair value of unquoted equity investments and participations, the Group has applied, for instance, recent transactions completed between independent parties. If fair values are not reliably available, available-for-sale financial assets have been recognised at acquisition cost. Changes in the fair value reserve are presented in Note 19 Shareholders' equity

14. LONG-TERM RECEIVABLES

(EUR million)	2014	2013
Loan assets from third parties	**0.0**	0.1
Total long-term receivables	**0.0**	0.1

Fair values of long-term receivables are presented in Note 28.

15. INVENTORIES

(EUR million)	2014	2013
Materials and supplies	**34.4**	39.2
Production in progress	**5.0**	3.5
Finished products and goods	**24.8**	28.2
Advances paid	**0.1**	0.0
Total inventories	**64.2**	70.9

The book value of inventories does not include essential entries, with which the value of inventories would have been reduced to correspond to their net realisation value.

16. ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

(EUR million)	2014	2013
Accounts receivables	**62.9**	59.9
Prepaid expenses and accrued income	**4.1**	4.8
Other receivables	**2.4**	1.8
Total accounts receivable and other receivables	**69.4**	66.5

At the reporting date, about 36.5% of the Group's accounts receivables were denominated in euro, about 45.1% in pound and the rest in other currencies.

At the reporting date, the Group had accounts receivables that had matured over 60 days earlier and whose value had not decreased: EUR 0.5 million (EUR 0.2 million in 2013) The overdue receivables have the following age distribution:

(EUR million)	2014	2013
Undue	**52.5**	53.8
Overdue 1-60 days	**10.0**	5.9
Overdue 61–180 days	**0.4**	0.2
Overdue more than 180 days	**0.1**	0.0
	62.9	59.9
Impairment of sales receivable:		
Value on 1.1.	**0.8**	1.9
Increase	**0.4**	0.2
Decrease	**-0.4**	-1.4
Value on 31.12.	**0.7**	0.8

The Group recognised a total of EUR 0.1 million (EUR 0.1 million in reporting period 2013) in credit losses from accounts receivables in the reporting period.

Substantial items included in prepaid expenses and accrued income consist of accrued business income and expenses, financial items and taxes. In compliance with IAS 39, the fair values of receivables included in financial assets are presented in Note 28.

The balance sheet values correspond best to the amount equal to the maximum credit risk, excluding the fair value of collateral, in case other contracting parties cannot meet their obligations related to financial instruments. The receivables involve no significant credit risk concentrations.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(EUR million)	2014	2013
Securities under financial assets	**27.9**	73.6
Derivative contracts	**2.5**	0.0
Total financial assets at fair value in the income statement	**30.4**	73.6

Financial assets recognized at fair value through profit or loss include certificates of deposit and commercial papers, held for trading, maturing within 12 months issued by banks and companies as well as derivatives held for trading. Financial assets at fair value through profit or loss are denominated in euro.

The balance sheet values correspond best to the amount equal to the maximum credit risk in the event that other contracting parties are unable to meet their obligations related to financial instruments. Investments in items belonging to financial assets at fair value through profit or loss are carefully diversified and involve no significant credit risk concentrations.

Changes in the fair value of financial assets held for trading purposes are presented in the income statement under financial income and expenses.

Principles used in the determination of fair value are presented in Note 28. Profits and losses for these items are presented in Note 6.

18. LIQUID FUNDS

(EUR million)	2014	2013
Bank deposits	**0.0**	2.0
Cash in hand and at bank accounts	**25.6**	8.3
Total liquid funds	**25.6**	10.3

Liquid funds according to the cash flow statement are composed as follows:

Liquid funds	**25.6**	10.3
Financial securities	**27.9**	73.6
Total	**53.6**	83.9

Financial securities classified in liquid funds in the cash flow statement have an average maturity of some three months during the year.

19. SHAREHOLDERS' EQUITY

(EUR million)	1,000 shares	Share capital	Company shares
The parent company's share capital is divided by share types as follows:			
31 December 2012			
Restricted shares (20 votes/share)	34,047	5.7	
Restricted shares, company shares	-213		-0.4
Free shares (1 vote/share)	131,102	22.1	
Free shares, company shares	-9,542		-20.0
Total	155,394	27.8	-20.5
Restricted shares converted into free shares	314		
Disposal of company shares, free shares	-8		0.0
31 December 2013			
Restricted shares (20 votes/share)	33,733	5.7	
Restricted shares, company shares	-213		-0.4
Free shares (1 vote/share)	131,416	22.1	
Free shares, company shares	-9,534		-20.0
Total	155,402	27.8	-20.4
Restricted shares converted into free shares	**361**		
Disposal of company shares, free shares	**-1,759**		**0.0**
31 December 2014			
Restricted shares (20 votes/share)	**33,371**	**5.6**	
Restricted shares, company shares	**-213**		**-0.4**
Free shares (1 vote/share)	**131,778**	**22.2**	
Free shares, company shares	**-7,776**		**-20.0**
Total	**157,160**	**27.8**	**-20.4**

Translation differences:
The translation differences fund includes the translation differences arising from the conversion of financial statements of independent foreign units. Profits and losses arising from the hedging of net investments in independent foreign units are also included in the translation differences when the requirements for hedge accounting is met.

Other funds:
Other funds includes the fair value reserve for financial assets held for sale as well as a hedge fund. The hedge fund includes the effective portion of accrued fair value changes of derivative instruments used for cash flow hedge.

Company shares:
Company shares include purchasing cost of own shares held by the Group. Over the period 2005-2012, own shares acquired through the stock exchange total 10,576,297, of which 10,363,601 are free shares and 212,696 restricted shares.

Over the financial years 2008-2013, a total of 1,117,556 free shares were assigned to the management and key personnel as reward and based on the share-based schemes of 2008 and 2009 as well as a total of 74,325 shares to the members of the Board of Directors as part of their reward. In 2014, a total of 7,216 free shares were assigned to the members of the Board of Directors as part of their rewards.

In 2010, a total of 4,120,000 free shares held by the company were assigned to Reso Management Oy in the directed share issue against payment. In the share exchange of February 2014, Raisio plc acquired Reso Management Oy shares held by the management by transferring 1,751,330 free shares held by the company. In August 2014, Raisio plc merged Reso Management Oy, and Raisio plc's 4,482,740 free shares held by Reso Management Oy became Raisio plc's company shares. A total of 4,482,740 Raisio plc shares held by Reso Management Oy were previously treated as company shares in the consolidated financial statements.

At the end of the financial year 2014, there were a total of 7,988,610 company shares of which 7,775,914 were free shares and 212,696 restricted shares in the consolidated financial statements. The remaining cost of own shares is a total of EUR 20.4 million and it is presented as a deduction from equity.

Dividends:
The per-share dividend in 2014 was EUR 0.13, which amounted to a total of EUR 21.0 million (in 2013 EUR 0.12 per share and a total of EUR 19.2 million). After the date of the financial statements, the parent company's Board of Directors proposed a dividend of EUR 0.14 per share, or a total of EUR 23.1 million.

(EUR million)	2014	2013
Accumulated translation differences:		
Translation differences 1.1.	-3.4	0.2
Change in translation difference	5.6	-3.6
Translation differences 31.12.	2.2	-3.4
Other reserves:		
Fair value reserve	1.4	1.4
Hedge fund	1.5	-0.7
Other reserves in total	2.9	0.7

20. SHARE-BASED PAYMENTS

In 2010, Raisio tplc's Board decided on an incentive scheme for the members of the Group Management Team. Through the scheme, the management invested in Raisio's free shares. For this purpose, the management acquired a company called Reso Management Oy, the share capital of which they owned completely in the beginning. They funded their investment partly by themselves and partly through a loan provided by Raisio. Reso Management Oy held a total of 4,482,740 Raisio's free shares. Fair value of the share was determined using the market prices of the directed share issue and valuation date, and it was EUR 2.59 per share. Expected dividends or other features related to issue of equity instruments were not considered in the determination of fair value.

On 25 February 2014, Raisio plc and the management agreed on and completed a share exchange, through which Raisio plc acquired Reso Management Oy shares held by the management. A total of 1,751,330 Raisio plc free shares were transferred as consideration to the management in the share exchange. The number of shares was determined by Reso Management Oy's net assets and calculated, concerning both the shares transferred as consideration and the Raisio plc shares held by Reso Management Oy, using the trade volume weighted average quotation of the company's free share during the period 27 January – 21 February 2014 (EUR 4.589 per share).

In December 2011, the Board of Directors decided on a synthetic share-based incentive and commitment scheme for the management and key employees of the British subgroup Raisio UK. The earnings period of the scheme was 1 January 2012 – 31 December 2014. On the basis of the scheme, a cash reward corresponding to a maximum total of 400,000 Raisio plc free shares will be paid by the end of April 2015. The amount of the reward was tied to the EBIT of Raisio's Brands segment and a prerequisite for receipt of the reward for each person appointed to the scheme is that he/she will still be employed by Raisio Group on 28 February 2015.

In August 2014, the incentive scheme was modified concerning four persons: it was agreed that their rewards are tied solely to the 2014 EBIT of the confectionery business and that the scheme is extended so that their potential rewards will not be paid until March 2016, provided they are still employed by the Raisio Group. On the closing date 31 December 2014, the reward equalled to 55,000 Raisio plc free shares.

In February 2013, the Board decided on a new share-based incentive scheme for the Group's key employees. The earnings period of the share incentive scheme started on 1 January 2013 and will end on 31 December 2015. As for a new possible earnings period, the Board decides annually on its beginning, length as well as criteria and targets set for the criteria. Based on this, the Board decided, in December 2013, on the second earnings period for the share-based incentive scheme for 2014 – 2016 and, in December 2014, on the third period for 2015-2017.

In all three schemes, potential reward for each earnings period is based on the company's Total Shareholder Return (TSR). Reward payment is dependent on the achievement of the Group's cumulative profit target (EBT, earnings before taxes) in the relevant period. Potential rewards are paid in April in the year following the ending of each earnings period and they are paid partly in the company's free shares and partly in cash. The cash payment is made to cover the key employee's taxes and fiscal fees arising from bonus. In case the employment or service of a person ends before the bonus payment, as a rule no bonus is paid.

According to the decision made at the General Meetings of 2009-2014, the members of the Board of Directors have been paid some 20% of their reward by assigning them company shares held by the company. A total of 66,812 shares were assigned during 2009-2012, a total of 7,513 shares in 2013 and a total of 7,216 shares in 2014.

Share-based payments:

(EUR million)	Share-based incentive scheme 2013–2015	2014–2016	2015–2017
Original number of shares	1,000,000	1,000,000	1,000,000
Original grant date	22.03.2013	13.01.2014	19.01.2015
Exercise date	30.04.2016	30.04.2017	30.04.2018
Vesting period, years	3.1	3.3	3.3
Remaining vesting period, years	1.3	2.3	3.3
Number of persons at the end of the period	27	33	0
Payment method	Shares and cash	Shares and cash	Shares and cash
Changes in 2014			
1 January 2014			
Number of shares at the beginning of the reporting period	940,000	0	
In reserve at the beginning of the reporting period	60,000	1,000,000	0
Changes during the reporting period			
Granted	0	1,025,000	0
Cancelled	155,000	110,000	0
31 December 2014			
Number of shares at the end of the reporting period	785,000	915,000	0
In reserve at the end of the reporting period	215,000	85,000	1,000,000

Determination of fair value

Fair value of the part paid in shares is determined at the grant date and amortised to the exercise date. Fair value of the cash part is determined at each reporting date until the potential bonus is paid. Thus, the amount of debt will change as Raisio's share price changes.

Parameters used in the calculation of share-based incentive schemes granted during the period:

	2014	2013
Share price at grant date, euros	**4.71**	3.19
Share price on the closing date, euros	**4.20**	4.37
Share price increase assumption, p.a	**8.0%**	8.0%
Expected dividends before bonus payment, euros	**0.58**	0.48
Discount rate	**6.4%**	6.6%
Years to maturity	**3.2**	3.1

Costs from employee benefits include cash- and equity-settled share-based payments:

(EUR million)	2014	2013
Equity-settled	**0.5**	0.2
Cash-settled	**0.6**	0.7
Total	**1.1**	0.9
Debt from cash-settled share-based plans	**1.5**	0.9

21. DEFERRED TAXES

Changes in deferred taxes in 2014:

(EUR million)	1.1.2014	Recognised in the income statement	Recorded in other comprehensive income	Exchange rate differences	Acquired/ divested subsidiaries	31.12.2014
Deferred tax assets:						
Internal margin of inventories	0.1	-0.1				0.1
Internal margin of fixed assets	0.0	0.0				0.0
Provisions	0.5	0.6		0.0		1.1
Confirmed fiscal losses	0.0	0.2				0.2
Derivative contracts	0.2		-0.1			0.0
Depreciation not deducted in taxation	0.3	1.1		0.0		1.3
Other items	1.1	0.0		0.0		1.2
Total	2.2	1.8	-0.1	0.0	0.0	3.9
Deferred tax liability:						
Accumulated depreciation difference	2.4	-0.5		0.0		1.9
Investments available for sale	0.3		0.0			0.4
Derivative contracts			0.4			0.4
Financial assets and liabilities at fair value	0.0	0.0		0.0		0.1
Valuation at fair value of intangible and tangible assets in business combination	7.1	-2.6		0.4	0.2	5.1
Other items	2.8	0.2		0.1		3.1
Total	12.6	-2.9	0.4	0.6	0.2	10.9

Changes in deferred taxes in 2013:

(EUR million)	1.1.2013	Recognised in the income statement	Recorded in other comprehensive income	Exchange rate differences	Acquired/ divested subsidiaries	31.12.2013
Deferred tax assets:						
Internal margin of inventories	0.1	0.0				0.1
Internal margin of fixed assets	0.0	0.0				0.0
Provisions	0.7	-0.2		0.0		0.5
Confirmed fiscal losses	0.0	0.0				0.0
Derivative contracts	0.3		-0.2			0.2
Pension contributions	0.0	0.0				0.0
Depreciation not deducted in taxation	0.6	-0.3		0.0		0.3
Other items	0.6	0.6		-0.1		1.1
Total	2.4	0.0	-0.2	-0.1	0.0	2.2
Deferred tax liability:						
Accumulated depreciation difference	2.4	0.1		-0.1		2.4
Investments available for sale	0.4		-0.1			0.3
Financial assets and liabilities at fair value	0.0	0.0				0.0
Valuation at fair value of intangible and tangible assets in business combination	8.2	-1.0		-0.2		7.1
Other items	3.1	-0.2		0.0		2.8
Total	14.1	-1.1	-0.1	-0.3	0.0	12.6

Deferred tax assets corresponding to fiscal losses to be used at a later time have been recognised to the extent that it is probable that a tax benefit will be realised in the future. The Group's accumulated losses totalled EUR 50.8 million (31 December 2013: EUR 47.9 million). Most of the losses will be discounted over a period in excess of five years.

Deferred tax assets and liabilities are mutually deducted when legal off-setting rights exist and when the deferred taxes are related to one and the same individual. Sums netted in the consolidated balance sheet:

(EUR million)	2014	2013
Deferred tax assets	**3.9**	2.2
Deferred tax liability	**10.9**	12.6
Deferred net liability	**7.1**	10.5

No deferred tax liability has been recorded for undistributed earnings of foreign subsidiaries, since the assets have been invested permanently in the countries in question.

22. PENSION CONTRIBUTIONS

Changes in the liabilities recorded in the balance sheet:

(EUR million)	2014	2013
Beginning of financial period	**0.0**	0.2
Pension expenses in the income statement	**0.0**	-0.2
End of financial period	**0.0**	0.0

23. PROVISIONS

(EUR million)	2014	2013
Provisions 1.1.	**1.4**	0.2
Exchange rate differences	**0.1**	0.0
Increase in provisions	**2.1**	1.2
Provisions used	**-1.2**	0.0
Provisions 31.12.	**2.4**	1.4
Non-current provisions	**0.0**	0.2
Current provisions	**2.3**	1.2
Total	**2.4**	1.4

Increase in provisions is mainly related to the reorganisation of Raisioagro segment's activities.

24. FINANCIAL LIABILITIES

(EUR million)	2014	2013
Long-term financial liabilities valued at amortised acquisition cost		
Bank loans	**94.2**	34.2
Financial leasing liabilities	**0.0**	0.0
Total	**94.2**	34.2
Current financial liabilities recorded at amortised cost:		
Repayments of non-current loans	**21.5**	20.7
Financial leasing liabilities	**0.0**	0.0
Other interest-bearing liabilities	**10.0**	0.4
Total	**31.5**	21.1
Non-current liabilities (incl. finance leases), will mature as follows:		
Year 2015	**21.5**	20.5
Year 2016	**25.6**	20.5
Year 2017	**23.0**	13.7
Year 2018	**22.9**	
Year 2019	**22.9**	

Of the bank loans, some 85 per cent are euro-denominated and 15 per cent pound-denominated debt. Other financial liabilities are mainly euro-denominated. Bank loans carry both variable and fixed interest rates. Interest rate of the bank loan of GBP 16.9 million (EUR 21.7 million) is tied to the Libor rates. Interest rates of the bank loans of EUR 14 and 80 million are fixed.

The fair values of interest-bearing liabilities are presented in Note 27.

25. DERIVATIVE CONTRACTS

(EUR million)	2014	2013
Total	**2.0**	1.8

Derivative contracts are commodity, interest rate and currency derivatives held for hedging and trading. All derivatives are cash flow hedges that are measured at fair value.

26. ACCOUNTS PAYABLE AND OTHER LIABILITIES

(EUR million)	2014	2013
Non-current		
Other liabilities	**0.1**	0.1
Current		
Accounts payable	**44.5**	53.7
Liabilities to associates	**0.0**	0.0
Accrued liabilities and deferred income	**22.9**	20.4
Advances paid	**3.5**	5.4
Other liabilities	**5.9**	6.7
Total	**76.9**	86.3

Accrued liabilities and deferred income include accrued business expenses, financial items and taxes. The most significant of these are accrued salaries and fees and other personnel expenses, which totalled EUR 7.6 million in 2014 (EUR 7.6 million in 2013).

27. FINANCIAL RISK MANAGEMENT

INTRODUCTION

Financial risk management aims to protect the Group against unfavourable developments in the financial markets and thus contribute to safeguarding and ensuring the Group's performance. Financing and financial risk management have been assigned to the Group Finance department, operating under the Chief Financial Officer, in order to ensure sufficient expertise, as well as comprehensive and cost-effective operations. The Divisions report their key risks to the Finance department that, in turn, collects all of the Group's risks and reports the risk exposures to finance and business management on a monthly and quarterly basis. The Finance department's operations are governed by the financial risk management policy approved by the Board of Directors (the Board). All major borrowing decisions are taken by the Board based on proposals made by the Finance department.

FINANCIAL RISKS AND THEIR MANAGEMENT

Credit risks

Counterparty risk

Counterparty risk refers to a situation in which a contracting party is unable or unwilling to fulfil its obligations. Raisio exposes itself to the counterparty risk when the Finance department makes investments in the financial market and uses derivatives. The Finance department is responsible for the counterparty risk related to investments, loan assets and derivative contracts. The main approaches to managing this risk include a careful selection of counterparties with a good credit rating, the use of counterparty-specific limits, as well as diversification.

Investment activities

The financial risk management policy regulates the sum, maturity and counterparties of invested assets. In addition to direct long- or short-term interest-bearing investments, assets can be invested in fixed-income funds, alternative investment funds, as well as shares and equity funds. The CFO has the right to decide on the counterparties for the Group's investments as defined in the policy. In principle, counterparties may be member states of the European Monetary Union, large Finnish municipalities and alliances formed by them, financial institutions engaged in corporate banking in Finland and companies with a good credit rating, registered in a member state of the European Monetary Union. At the balance sheet date, EUR 27.9 million (EUR 73.6 million in the comparison year) of the Group's financial assets were invested in Finnish commercial papers and certificates of deposit.

Credit risk in sales

Following the guidelines issued by the Group, Divisions make independent decisions on counterparty risk, such as the criteria used to approve customers, the applicable terms and conditions for sales and the required collateral. They also assume responsibility for the credit risk related to accounts receivable. Accounts receivable can also be secured with credit insurance policies.

Liquidity risks

Liquidity risk

Liquidity risk refers to a situation in which the Group's financial assets and additional financing options do not cover the future needs of business operations. In line with the policy, the Finance department strives to maintain good liquidity in all circumstances, keeping it at a level that guarantees strategic operating freedom to the management. The Group's liquid assets consist of invested financial assets, as well as remaining credits and overdraft facilities agreed with investors. Investments in alternative investment funds or equity funds are not included in liquid financial assets. The liquidity reserve also includes the agreed 90-million-euro commercial paper programme. Funding risks are diversified by acquiring funding from various sources.

Market risk

Interest rate risk

Interest rate risk refers to the impact of interest rate fluctuations on the Group's net financial income and expenses, as well as on the market values of interest-bearing investments and derivatives, over the following 12 months. Interest rate risk is managed by controlling the structure and duration of the loan portfolio and interest-bearing investments within the limits allowed by the policy. The goal is to keep financial expenses as low and financial income as high as possible. The interest rate profile can be modified using interest rate swaps, forward rate agreements and interest rate options. A sterling denominated interest rate swap corresponding with loan terms was signed to hedge against interest rate risk resulting from the bank loan of GBP 45 million that the Group took out in 2011. Hedge accounting is applied to this interest swap. The hedged item is cash flows arising from interest rates. Interest rates were fixed on the bank loans of EUR 35 million, drawn down in the same year, and of EUR 80 million drawn down in 2014.The Group's interest rate risk is monitored by calculating the impact that a one-percentage-point change in market rates has on the interest income and expenses of interest-bearing investments and debt over the following 12 months. The maximum interest rate risk is determined in the financial risk management policy.

Interest rate risk (EUR million)	31.12.2014	31.12.2013
Impact of 1-ppt increase in market rates:		
on interest income	**0.3**	1.0
on interest expenses	**-0.3**	-0.3
change in market values	**0.1**	0.3
Net impact on interest income and expenses	**0.2**	1.0

Raisio's sensitivity to interest rate fluctuations is determined by calculating how much a change of one percentage point, constant over the entire interest rate curve, affects net interest rate expenses and income. The examination takes into account Raisio's interest-bearing investments and liabilities. In the financial period, Raisio's interest-bearing investments have focused on investments with a short term to maturity. The interest rates of financial liabilities are tied to the variable Euribor rate (3-6 months) or to the variable Libor rate of British pound (6 months). At the balance sheet date, 31 December 2014, Raisio's sensitivity to a one-percentage-point rise in interest rates was approximately EUR 0.2 million (EUR 1.0 million) and to an interest rate decrease approximately EUR 0.1 million (EUR 0.3 million) Had the interest rate been 1 percentage point higher on the closing date 31 December 2014, Raisio's result after taxes would have been EUR 0.1 million (EUR 0.8 million) higher. Had the interest rate been 1 percentage point lower on the closing date 31 December 2014, Raisio's result after taxes would have been EUR 0.0 million (EUR 0.2 million) lower.

Currency risk

Currency risk refers to the insecurity related to result, balance sheet and cash flow as a result of changes in exchange rates. Raisio hedges against currency exposure arising from foreign currency receivables and liabilities, off-balance-sheet purchase and sales agreements and, partly, from budgeted cash flows. Funding risk is mainly composed of the Group's foreign-currency-denominated financial items. Currency risk is managed using currency forwards, which are rarely continuously open for more than 12 months.

The Group's currency risk policy defines the maximum amount for an open net position, mainly consisting of the domestic Group companies' commercial and financial items and the derivatives hedging them. Exposure to currency risk arises mainly from items denominated in pounds sterling, Russian ruble, Swedish crown, Polish zloty, Czech Koruna and US dollar.

The Group's currency risk on 31 December 2014 was EUR 0.1 million (EUR 0.1 million) if other currencies weaken by 5 per cent against the euro. The impact on Raisio's result after taxes would be EUR 0.1 million (EUR 0.1 million). At the balance sheet date, the 1–12 months currency forward contracts in CHF, CZK, GBP, RUB, SEK and USD had a nominal value of EUR 129.7 million.

Currency risks 31.12.2014 (EUR million)						Currency risks 31.12.2013 (EUR million)					
Currency risk, net position						**Currency risk, net position**					
GBP	**RUB**	**SEK**	**USD**	**PLN**	**CZK**	GBP	RUB	SEK	USD	PLN	CZK
-0.6	**0.0**	**-0.5**	**0.1**	**-2.2**	**0.0**	-0.9	0.0	0.1	-0.1	-2.9	-0.5
5% weakening in currency against the euro:											
GBP	**RUB**	**SEK**	**USD**	**PLN**	**CZK**	GBP	RUB	SEK	USD	PLN	CZK
0.0	**0.0**	**0.0**	**0.0**	**-0.1**	**0.0**	0.0	0.0	0.0	0.0	0.1	0.0

DERIVATIVES

Nominal values of derivatives (EUR million)	31.12.2014	31.12.2013
Interest rate derivatives, cash flow hedging	**21.7**	33.7
Currency derivatives, no hedge accounting	**113.6**	64.1
Currency derivatives, hedge accounting	**16.1**	9.6

Interest rate derivative used for cash flow hedging matures in equal instalments within three years. Other interest rate and currency derivatives mature in less than one year.

CAPITAL MANAGEMENT

The Group's capital management aims to use a strong equity structure to safeguard the Group's ability to do business and to increase owner value by aiming at the highest possible return. The development of the equity structure is monitored using the equity ratio. At the end of 2014, the Group's equity was EUR 325.3 million (EUR 331.7 million) and equity ratio was 60.2% (68.3%). The equity ratio is calculated by dividing shareholders' equity with the balance sheet total less advances received.

	31.12.2014	31.12.2013
Equity, EUR million	**325.3**	331.7
Balance sheet total, EUR million	**544.3**	491.2
Equity ratio	**60.2%**	68.3%

28. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the book values and fair values for each item. The book values correspond to the consolidated balance sheet values. The principles used to calculate the consolidated fair values of all financial instruments are presented below.

(EUR million)	Note	Book value 2014	Fair value 2014	Book value 2013	Fair value 2013
Financial assets					
Available-for-sale financial assets*	13	**2.7**	**2.7**	2.6	2.6
Loan receivables	14	**0.0**	**0.0**	0.1	0.1
Sales receivables and other receivables	16	**63.5**	**63.5**	60.5	60.5
Investments recognised at fair value in the income statement*	17	**27.9**	**27.9**	73.6	73.6
Liquid assets	18	**25.6**	**25.6**	10.3	10.3
Derivatives*	17	**2.5**	**2.5**	0.0	0.0
Financial liabilities					
Bank loans	24	**115.8**	**119.0**	54.9	56.1
Other loans	24	**10.0**	**10.0**	0.4	0.4
Financial leasing liabilities	24	**0.0**	**0.0**	0.0	0.0
Accounts payable and other liabilities	26	**70.3**	**70.3**	76.0	76.0
Derivatives*	25	**2.0**	**2.0**	1.8	1.8

The above price quotations, assumptions and valuation models have been used to determine the fair values of the financial assets and liabilities presented in the table:

Investments in shares and securities under financial assets:
Publicly quoted shares available for sale are valued at the NASDAQ OMX Helsinki Ltd's purchase price of the closing date. Part of unquoted share investments have been recognised at fair value by applying, for instance, recent transactions between independent parties. If the valuation at fair value by using valuation methods has not been possible and fair value has not been reliably available, the assets held for sale have been valuated at their acquisition cost. Financial assets at fair value through profit or loss are marketable and market prices at closing date or market interests corresponding to the length of the agreement have been used in their valuation.

RECONCILIATION STATEMENT ACCORDING TO THE LEVEL 3 FOR FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

(EUR million)	31.12.2014	31.12.2013
	Financial assets recognisable through the items of other comprehensive income Available-for-sale financial assets	
At beginning of financial period	**2,6**	2,3
Profits and losses		
In the income statement under financial income and expenses		0,0
In the items of other comprehensive income	**0,1**	0,0
Purchases		0,3
At end of period	**2,7**	2,6

Derivatives
The fair values of interest rate, currency and commodity derivatives are determined using publicly quoted market prices at the closing date.

Loan receivables, loans and financial leasing liabilities:
The fair values of loan receivables and bank and pension loans are based on discounted cash flows. The discount rate corresponds to the market rates that correspond to the rates determined in the said contracts. The fair value of financial leasing liabilities has been estimated by discounting future cash flows by the rate that corresponds to the rate of similar leasing contracts.

Accounts payable and other liabilities or
sales receivables and other receivables
The original book value of accounts payable and other liabilities or sales receivables and other receivables corresponds to their fair value, because the impact of discounting is not significant taking into consideration the maturity of liabilities or receivables.

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

29. OTHER LEASES

(EUR million)	2014	2013
Group as lessee:		
Minimum leases paid on the basis of other non-cancellable leasing contracts:		
Within 12 months	**0.6**	0.5
After 12 months but before five years	**2.4**	1.7
After five years	**5.3**	4.9
Total	**8.3**	7.1

The Group has leased cars, production facilities and land areas.

The 2014 income statement includes a total of EUR 4.0 million (EUR 4.3 million in 2013) in rent expenses paid based on other rental agreements.

30. CONTINGENT AND OTHER LIABILITIES

(EUR million)	2014	2013
Other liabilities		
Other financial liabilities	**3.4**	3.5
Commitment to investment payments		
Commitments to investment payments effective at the reporting date	**1.3**	0.7

31. RELATED PARTY TRANSACTIONS

Associates belong to the Group's related parties. In addition, related parties include the Supervisory Board, Board of Directors, Managing Director and other members of the Group's Management Team.

	Group holding, %	Parent company holding, %
SUBSIDIARY COMPANIES		
Brands		
Anytime Food and Drink Limited, UK	100.00	
Benecol Limited, UK	100.00	
Benemilk Ltd, Turku	57.00	
Benemilk US Ltd., USA	57.00	
Big Bear Confectionery Limited, UK	100.00	
Big Bear Group Limited, UK	100.00	
Bright Foods Limited, UK	100.00	
Cabin Confectionery Limited, UK	100.00	
Candy Plus, a.s., Czech Republic	100.00	
Candy Plus Polska Sp. z o.o., Poland	100.00	
The Candy Plus Sweet Factory, s.r.o., Czech Republic	100.00	
Carlshamn Mejeri Produktion AB, Sweden	100.00	
Chartnatural Limited, UK	100.00	
Dormen Foods Limited, UK	100.00	
OOO Ecomilk, Russia	100.00	
FDS Informal Foods Limited t/a Snacks Unlimited, UK	100.00	
F. Fravigar Limited, UK	100.00	
Food and Drink Solutions Limited, UK	100.00	
Fox's Confectionery Limited, UK	100.00	
Glisten Limited, UK	100.00	
The Glisten Confectionery Company Limited, UK	100.00	
Glisten Finance Limited, UK	100.00	
Glisten Snacks Limited, UK	100.00	
Halo Foods Limited, UK	100.00	
Health Bars Limited, UK	100.00	
Holgates Nutritional Foods Limited, UK	100.00	
Honey Monster Foods Limited, UK	100.00	
Jester Food Products Limited, UK	100.00	
The Lindum Snack Company Limited, UK	100.00	
Lyme Regis Fine Foods Limited, UK	100.00	
Nimbus Foods Limited, UK	100.00	
Nordic Feed Innovations Oy, Turku	76.00	76.00
The Original Welsh Pantry Company Limited, UK	100.00	
Raisio Eesti AS, Estonia	100.00	
OOO Raisio Nutrition, Russia	100.00	
Raisio Sp. z o.o., Poland	100.00	
Raisio Staest US Inc., USA	100.00	
Raisio Sverige AB, Sweden	100.00	
Raisio UK Limited, UK	100.00	100.00
TOV Raisio Ukraina, Ukrain	100.00	
Raisio Nutrition Ltd, Raisio	100.00	100.00
Shepherd Boy Limited, UK	100.00	
Raisioagro		
Proteinoil Oy, Raisio	100.00	100.00
Raisioagro Ltd., Raisio	100.00	100.00
Others		
Raisio Finance NV, Belgium	100.00	99.99
Raisionkaari Industrial Park Ltd., Raisio	100.00	50.00
ASSOCIATES		
Raisioagro		
Vihervakka Oy, Pöytyä	38.50	38.50

(EUR million)	2014	2013
Business activities involving insiders:		
Sales to associates and joint ventures	**0.0**	0.0
Purchases from associates and joint ventures	**0.1**	0.1
Sales to key employees in management	**0.3**	0.3
Purchases from key employees in management	**0.5**	0.8
Liabilities to associates and joint ventures	**0.0**	0.0
Sales to associates and joint ventures are carried out at fair market value.		
Management's employee benefits:		
Wages and fees	**2.4**	2.2
Compensation paid in conjunction with termination of employment	**0.2**	0.0
Share-based payments	**0.7**	0.4
Total	**3.3**	2.6
Members of the Supervisory Board:	**0.0**	0.0
Members of the Board of Directors:	**0.2**	0.1
Managing Director and members of Management Team:		
Matti Rihko	**0.8**	0.9
Other members of Management Team	**2.3**	1.4
Total	**3.1**	2.4

Pension and other benefits:

Members of the management have the right and obligation to retire at the age of 62.

The Managing Director's contract may be terminated by both sides with six months' notice. If the contract is terminated by the company, the Managing Director is entitled to compensation corresponding to 12 months' pay in addition to the pay for the period of notice.

CEO and other members of Raisio Group's Management Team are covered by a group pension insurance for the management. Insurance is a contribution-based savings insurance with vested rights. Payment is 15–20% of basic annual salary.

For the CEO, the cost of the group pension insurance amounted to EUR 0.1 million in 2014 and for other Management Team members EUR 0.2 million, all totalling EUR 0.3 million. (In 2013, for the CEO EUR 0.1 million and for other Management Team members EUR 0.2 million, all totalling EUR 0.3 million.)

For the CEO, the expenses of statutory pension insurances amounted to EUR 0.1 million in 2014 and for other Management Team members, EUR 0.3 million, all totalling EUR 0.4 million. (In 2013, for the CEO EUR 0.1 million and for other Management Team members EUR 0.2 million, all totalling EUR 0.3 million.)

(EUR million)	2014	2013
Loans to related party:		
Loans to Reso Management Oy:		
At beginning of financial period	**10,6**	10,6
Charged interest rates	**0,1**	0,3
Received interest payments	**-0,3**	-0,3
Repayments of loans	**-10,4**	0,0
At end of period	**0,0**	10,6

The interest rate is 3.25%. The loan has been repaid in full.

Financial indicators

(EUR million)	2014	2013	2012
Result and profitability			
Net sales, M€	**493.9**	557.6	584.1
change, %	**-11.4**	-4.5	5.7
International net sales, M€	**274.9**	273.9	288.0
% of net sales	**55.6**	49.1	49.3
Operating margin, M€	**39.8**	49.1	48.3
% of net sales	**8.1**	8.8	8.3
Depreciation and write-downs, M€	**32.9**	15.5	16.6
EBIT, M€	**6.9**	33.6	31.7
% of net sales	**1.4**	6.0	5.4
Result before taxes, M€	**5.4**	31.8	15.6
% of net sales	**1.1**	5.7	2.7
Return on equity, ROE, %	**1.7**	7.9	3.5
Return on investment, ROI, %	**1.7**	8.6	4.5
Financial and economical position			
Shareholders' equity, M€	**325.3**	331.7	327.3
Interest-bearing financial liabilities, M€	**125.7**	55.4	78.0
Net interest-bearing financial liabilities, M€	**72.2**	-28.5	16.2
Balance sheet total, M€	**544.3**	491.2	517.6
Equity ratio, %	**60.2**	68.2	64.1
Net gearing, %	**22.2**	-8.6	4.9
Cash flow from business operations, M€	**26.2**	71.8	20.9
Other indicators			
Gross investments, M€	**104.9**	16.5	24.6
% of net sales	**21.2**	3.0	4.2
R&D expenses, M€	**6.6**	6.3	6.9
% of net sales	**1.3**	1.1	1.2
Average personnel	**1,915**	1,946	1,587

Share indicators

	2014	2013	2012
Earnings/share, continuing operations (EPS), € [1]	**0.04**	0.17	0.08
Cash flow from business operations/share, € [1]	**0.17**	0.46	0.13
Equity/share, € [1]	**2.07**	2.13	2.10
Dividend/share, €	**0.14** [2]	0.13	0.12
Dividend/earnings, %	**391.4**	77.2	155.4
Effective dividend yield, %			
Free shares	**3.3**	3.0	3.9
Restricted shares	**3.4**	2.9	3.9
P/E ratio			
Free shares	**117.4**	25.9	39.9
Restricted shares	**114.6**	26.7	40.2
Adjusted average quotation, €			
Free shares	**4.26**	3.66	2.65
Restricted shares	**4.22**	3.66	2.69
Adjusted lowest quotation, €			
Free shares	**3.32**	2.94	2.12
Restricted shares	**3.25**	2.95	2.08
Adjusted highest quotation, €			
Free shares	**5.04**	4.68	3.10
Restricted shares	**4.95**	4.60	3.10
Adjusted quotation 31.12., €			
Free shares	**4.20**	4.37	3.08
Restricted shares	**4.10**	4.49	3.10
Market capitalisation 31.12., M€ [1]			
Free shares	**520.8**	532.6	374.4
Restricted shares	**136.0**	150.5	104.9
Total	**656.8**	683.1	479.3
Trading, EURm			
Free shares	**110.0**	110.0	78.8
Restricted shares	**4.7**	4.7	2.9
Total	**114.7**	114.7	81.6
Number of shares traded			
Free shares, 1,000 shares	**26,651**	30,063	29,758
% of total	**20.2**	22.9	22.7
Restricted shares, 1,000 shares	**1,591**	1,281	1,069
% of total	**4.8**	3.8	3.1
Average adjusted number of shares, 1,000 shares [1]			
Free shares	**123,524**	121,619	121,568
Restricted shares	**33,365**	33,778	33,967
Total	**156,888**	155,397	155,535
Adjusted number of shares 31.12., 1,000 shares [1]			
Free shares	**124,002**	121,882	121,560
Restricted shares	**33,159**	33,520	33,834
Total	**157,160**	155,402	155,394

[1] Number of shares, excluding the company shares held by the Group and the shares held by Reso Management Oy in the comparison periods

[2] According to the Board of Directors' proposal EUR 0.14 per share.

Calculation of key financial development indicators

Return on equity (ROE), %	Result before taxes – income taxes / Shareholders' equity (average over the period)	x 100
Return on investment (ROI), %	Result before taxes + financial expenses / Shareholders' equity + interest-bearing financial liabilities (average over the period)	x 100
Equity ratio, %	Shareholders' equity / Balance sheet total – advances received	x 100
Net interest-bearing financial liabilities	Interest-bearing financial liabilities - liquid funds and liquid financial assets at fair value through profit or loss	
Net gearing, %	Net interest-bearing financial liabilities / Shareholders' equity	x 100

Calculation of key share indicators

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 adjusted for share issue on 31 December*	
Dividend per share	Dividend distributed in the period / Number of shares at end of period	
Dividend per earnings	Dividend per share / Profit per share	x 100
Effective dividend yield, %	Dividend per share, adjusted for share issue / Closing price, adjusted for share issue	x 100
Price per earnings (P/E ratio)	Closing price, adjusted for share issue / Profit per share	
Market capitalisation	Closing price, adjusted for issue x number of shares without company shares on 31 December*	

* When calculating the key figures for the comparison period, the number does not include the Raisio plc's shares held by Reso Management Oy

Shares and shareholders

Raisio pls's shares are listed on NASDAQ QMX Helsinki Ltd. Raisio's market value at the end of 2014 was EUR 690,3 million. Overall trading totalled EUR 120,1 million. The closing price of free shares on 31 December 2014 was EUR 4.20, and that of restricted shares EUR 4.10. The Board of Directors will propose a dividend of EUR 0.14 at the Annual General Meeting in spring 2015.

Share capital and share classes

The fully paid-up share capital of Raisio plc is EUR 27,776,072.91, which on 31 December 2014 was divided into 33,371,277 restricted shares (series K) and 131,777,753 free shares (series V). No nominal value is quoted for the shares. Restricted shares accounted for 20.2% of the share capital and 83.5% of the votes, while the corresponding figures for free shares were 79.8% and 16.5% (31 December 2014). The company's minimum share capital is EUR 25,000,000 and maximum share capital EUR 100,000,000. The share capital can be raised or lowered within these limits without amending the Articles of Association. There were no changes in the share capital during 2014. The company has not issued securities that entitle the holder to shares.

Raisio plc's shares are listed in the market place maintained by NASDAQ OMX Helsinki Ltd (hereafter: Stock Exchange) in the public trading under the sector Consumer Goods and sub-industry of Food Products. The company's free shares are quoted in the Mid Cap segment and its restricted shares on the Prelist. The trading code for free shares is RAIVV and the ISIN code FI 0009002943, and for restricted shares RAIKV and FI 0009800395. The company's shares have been entered into the book-entry system.

Free and restricted shares have an equal entitlement to equity and profits. At the Annual General Meeting (AGM), each restricted share entitles the holder to 20 votes and each free share to one vote. At the AGM, no shareholder's shares are entitled to vote with more votes than one tenth of the total number of votes of the shares represented at the Meeting.

The assignment of restricted shares must be approved by the Board of Directors (Board). The approval is required even if the party who the shares are assigned to already owns restricted shares in the company. The approval must be given if the share recipient is a natural person whose primary occupation is farming. If the approval is not given, the Board must convert the assigned restricted share into a free share.

The Board may also convert restricted shares into free shares on request and likewise give advance information on whether the applicant will be granted permission to acquire restricted shares. In 2014, a total of 361,394 restricted shares were converted into free shares.

In the book-entry system, restricted shares for which the approval procedure is in progress or the approval has not been sought, will be retained on the waiting list until they are entered as restricted shares in the share register following approval, assigned to another shareholder or converted into free shares. There were 7.3 million restricted shares on the waiting list on 31 December 2014.

Ownership structure

At the end of 2014, Raisio plc had 35,354 registered shareholders (31 December 2013: 35,007).

In 2014, foreign ownership in the Company amounted to 17.1 per cent at its highest, to 15.5 per cent at its lowest and was 16.0 per cent at the end of the year (31 December 2013: 16.1%).

0.3 per cent of free shares and 1.8 per cent of restricted shares remain outside the book-entry system.

Company shares

At the end of the financial period 2014, Raisio plc held 7,775,914 free shares and 212,696 restricted shares, which were, on the one hand, acquired between 2005 and 2012 based on the authorisation given by the AGM and, on the other, obtained through the merger of the subsidiary Reso Management Oy into Raisio plc on 31 August 2014 (4,482,740 free shares). The number of free shares held by Raisio plc accounts for 5.9 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 shares held by the company represent 4.8 per cent of the entire share capital and 1.5 per cent of overall votes.

Other Group companies hold no Raisio plc shares. A share in Raisio or its subsidiary does not entitle the holder to participate in the AGM.

Raisio plc and its subsidiaries do not have any shares as collateral and did not have any during the financial period.

The Raisio Group Research Foundation holds 150,510 restricted shares, which is 0.45 per cent of the restricted shares and the votes they represent and, correspondingly, 0.09 per cent of the entire share capital and 0.38 per cent of the votes it represents. The Foundation does not or did not hold Raisio plc shares as collateral.

Shares held by management

The members of the Board of Directors and Supervisory Board and Managing Director as well as the companies and foundations of which they have control held a total of 1,269,875 restricted shares and 3,428,541 free shares on 31 December 2014. This equals 2.8 per cent of all shares and 3.6 per cent of overall votes.

Structure of share capital on 31 December 2014

	Number of shares	% of total shares	% of total votes
Free shares	**131,777,753**	**79.8**	**16.5**
Restricted shares	**33,371,277**	**20.2**	**83.5**
Total	**165,149,030**	**100.0**	**100.0**

Shareholders on 31 December 2014	%
Households	**48.7**
Foreign owners [2]	**16.0**
Private enterprises [3]	**10.0**
Financial and insurance institutions [1]	**6.4**
Non-profit organizations	**6.4**
Waiting list and joint account	**5.0**
Public corporations	**7.5**

[1] excluding nominee-registered
[2] including nominee-registered
[3] including the shares held by the company

Shareholder agreements

The Board is not aware of any valid agreements related to the ownership of the company's shares and the use of voting power.

Flagging notifications

In 2014, the company has not received any notifications of significant changes in holding and voting rights referred to in section 9 of the Securities Markets Act.

Raisio shares traded on Stock Exchange in 2014

The highest price of the series V share was EUR 5.04, the lowest EUR 3.32 and the average price EUR 4.26. The year-end price of the V share was EUR 4.20. A total of 26.7 million V shares were traded (30.1 million in 2013), which equals some 20 per cent of the total volume of V shares. The value of share trading was EUR 113.4 (EUR 110.0 million).

The highest price of the series K share was EUR 4.95 and the lowest EUR 3.25. The average price was EUR 4.22. The year-end price of the K share was EUR 4.10. A total of 1.6 million K shares were traded (1.3 million), and the value of share trading was EUR 6.7 million (EUR 4.7 million).

At the end of 2014, the share capital had a market value of EUR 690.3 million (EUR 725.7 million) and EUR 656.8 million (EUR 702.7 million) excluding the shares held by the company.

Dividend policy and dividend

Raisio aims to generate added value for all its shareholders by developing its business operations, improving its business profitability and following a long-range dividend policy. The target is to annually distribute half of the per-share earnings generated by continuing operations, provided the dividend payment does not compromise the company's ability to meet its strategic objectives.

The AGM held in March 2014 decided on a dividend of EUR 0.13 per share, which was paid on 8 April 2014. No dividend, however, was paid on the shares held by the company. The Board will propose a per-share dividend of EUR 0.14 at the AGM in spring 2015. The record date is 30 March 2015 and the payable date 8 April 2015.

Acquisition and conveyance of own shares

Based on the authorisation given by the AGM 2014, the Board can purchase and/or accept as collateral a maximum of 5,000,000 free shares and 1,250,000 restricted shares. The authorisation will be valid until 30 April 2015. The number of own shares that can be purchased and/or accepted as collateral based on this authorisation totals 3.8 per cent of all shares and 3.8 per cent of the votes they represent.

The shares may be acquired in order to develop the capital structure of the company, to finance or carry out acquisitions or other arrangements, to implement share-based incentive schemes or to be otherwise further assigned or cancelled.

The Board has the right to repurchase own shares otherwise than in proportion to the share classes and to decide on the order of repurchase of the shares. The shares may be purchased otherwise than in proportion to the holdings of the shareholders.

During the financial period, the Board has not exercised its authorisation to repurchase own shares or accept own shares as collateral. Furthermore, the Board has not purchased or accepted as collateral any shares during the financial period based on the authorisation granted by AGM 2013 and expired on 27 March 2014.

In the review period, a total of 7,216 free shares were assigned to the Chairman and members of the Board as part of the compensation for managing their duties, in line with the decision taken by the AGM in 2014. The value of free shares assigned as fees to the Board was EUR 30,691 at the time of the assignment.

Under the Companies Act, the Board is also entitled to annul all the own shares held by the Company. No shares were annulled in the financial period.

Directed share issue 25 February 2014

On 25 February 2014, Raisio plc on the other side and Raisio plc's Managing Director and five members of the Group management (hereinafter: Management), on the other, agreed on and completed a share exchange, through which Raisio plc acquired the management-owned Reso Management Oy's shares held by Management and the shareholders of Reso Management Oy received Raisio plc free shares as consideration. To implement the share exchange, Raisio plc's Board of Directors decided, 25 February 2014, on a targeted share issue where the company offered, in deviation from the shareholders' pre-emptive subscription rights,1,751,330 free shares held by the company against share consideration to Management as the shareholders of Reso Management Oy. The subscription price (assignment price) of a free share was the trade volume weighted average quotation of the company's free share on the NASDAQ OMX Helsinki Ltd in the period between 27 January and 21 February 2014, i.e. EUR 4.589.

The 1,751,330 free shares transferred in connection of the share exchange have entitled to the use of shareholder rights in the company since the shares were registered in the subscriber's book-entry account, which took place on 25 February 2014.

The decision to issue shares was based on the authorisation granted to the Board of Directors by the AGM of 27 March 2013. Prior to the implementation of the share exchange, Raisio plc held 22.2 per cent of the Reso Management Oy shares and Management 77.8 per cent; after the implementation, Raisio plc is the sole owner of the Reso Management Oy's share capital. On 25 February 2014, the company published a stock exchange release concerning the share exchange through which an incentive scheme established in the summer 2010 for Management was decided. As a result of the merger entered into force on 31 August 2014, Reso Management Oy was merged into Raisio plc and dissolved.

Share issue authorisation

The AGM of 2014 authorised the Board to decide on the share issues by disposing of all the shares held by the Company and any potentially repurchased own shares, a maximum total of 11,500,000 shares, 1,460,000 of which can be restricted shares at the maximum, and by issuing a maximum of 20,000,000 new free shares against payment.

Based on the authorisation, the number of the shares to be assigned and held by the Company on 31 December 2014 equals 4.8 per cent of the share capital and 1.5 per cent of the votes it represents. Furthermore, based on the authorisation, the number of issued new shares equals 12.1 per cent of the share capital and 2.5 per cent of the votes it represents.

The Board has been authorised to decide to whom and in what order the Company's own shares are assigned and new shares given.

The Board can decide on the assignment of own shares and giving new shares in another proportion than that in which the shareholder has a preferential right to acquire the Company's shares if there is a weighty financial reason for a deviation from the Company's point of view. Development of the Company's capital structure, financing or implementation of company acquisitions or other arrangements and realisation of share-based incentive schemes can be considered weighty financial reasons from the Company's point of view.

The Board can also decide on the assignment of own shares in public trading on the NASDAQ OMX Helsinki Ltd (the Stock Exchange) for raising funds for the financing of investments and possible company acquisitions.

The shares can also be assigned against compensation other than money, against receipt or otherwise on certain terms and conditions.

The share issue authorisations will expire on 27 March 2019 at the latest.

The Board has not used its share issue authorisation of 2014 during the financial period.

Corporate Governance

Annual General Meeting and Company Management

The Annual General Meeting (AGM) is the Company's highest decision-making body. It meets annually by the end of April to decide on the matters within its responsibilities, such as the adoption of the financial statements and consolidated financial statements, dividend distribution, discharge from liability, election of Board and Supervisory Board members and auditors, and the fees payable to them. Extraordinary General Meetings can be held if necessary.

The Board is responsible for the Company's administration and the proper organization of its operations. The Board is responsible for ensuring that the monitoring of the Company's accounting and asset management has been properly arranged.

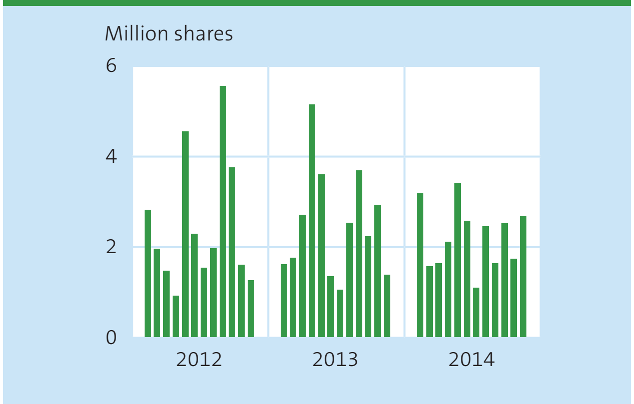
The Board consists of a minimum of five and a maximum of eight members elected by the AGM. Their term begins at the end of the AGM at which the election takes place and lasts until the end of the following AGM.

The Supervisory Board supervises the corporate administration run by the Board and Managing Director and gives the AGM a statement on the financial statements and auditor's report.

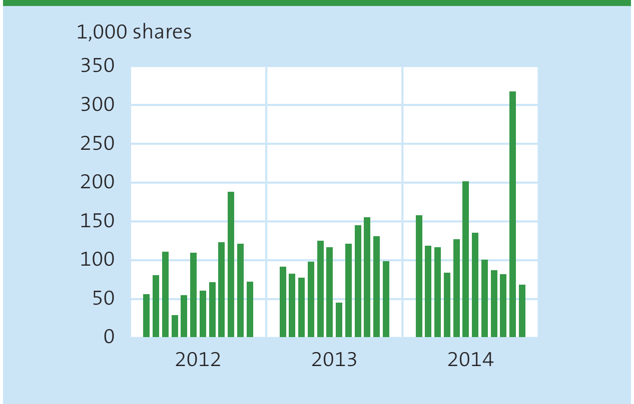
The members of the company's Supervisory Board, who number 15 as a minimum and 25 as a maximum, are elected by the AGM, with the exception of personnel group representatives, for a term that begins at the AGM at which the election takes place and lasts until the end of the third AGM following the election. One-third of the members are replaced every year. The Supervisory Board also includes three members whom the personnel groups, formed by Raisio's employees in Finland, have elected as their representatives. Their term is approximately three years.

The body that elects the members of the Supervisory Board

Trading volume, free share



Trading volume, restricted share



Share price development, EUR, free share

Raisio's free share OMX Helsinki GI

Share price development, EUR, restricted share

Average quotation

and the Board of Directors may make a new appointment decision at any time, meaning that the duties of a member or all members may be terminated before the term comes to an end.

Managing Director runs the company's day-to-day administration in accordance with the Board's guidelines and regulations and in line with the targets set by the Board (general authority), and is responsible for ensuring that the company's accounting complies with legislation and asset management arrangements are reliable.

The Managing Director is appointed and discharged by the Board. The Managing Director is appointed for an indefinite term.

Amendments to the Articles of Association

As a rule, the amendment of the Articles of Association requires that the proposed amendment is supported by at least two-thirds of the votes given and the shares represented at the meeting. In order to change sections 6, 7, 8, 9 and 18 of the Articles of Association, such a decision is required which is made at two successive General Meetings, held with an interval of at least 20 days, by a majority of three fourths of the votes given and of the shares represented. In certain matters, the Companies Act requires a vote by classes of shares and shareholder approval.

The Articles of Association have not been amended or proposed to be amended during 2014.

Shareholders

25 major shareholders on 31 December 2014, according to shareholders register

	Series K, no.	Series V, no.	Total, no.	%	Votes, no.	%
Ilmarinen Mutual Pension Insurance Company		4,502,178	4,502,178	2.73	4,502,178	0.56
The Central Union of Agricultural Producers and Forest Owners (MTK)	3,733,980	199,000	3,932,980	2.38	74,878,600	9.37
Niemistö Kari		2,840,000	2,840,000	1.72	2,840,000	0.36
Varma Mutual Pension Insurance Company		2,553,454	2,553,454	1.55	2,553,454	0.32
OP-Delta Fund		1,807,260	1,807,260	1.09	1,807,260	0.23
Veritas Pension Insurance Company Ltd.		1,672,202	1,672,202	1.01	1,672,202	0.21
Relander Harald		1,611,945	1,611,945	0.98	1,611,945	0.20
OP-Finland Value Fund		1,448,829	1,448,829	0.88	1,448,829	0.18
OP-Finland Small Firms Fund		1,349,889	1,349,889	0.82	1,349,889	0.17
The State Pension Fund		1,300,000	1,300,000	0.79	1,300,000	0.16
Elo Pension Company		1,260,000	1,260,000	0.76	1,260,000	0.16
Säästöpankki Kotimaa		1,237,211	1,237,211	0.75	1,237,211	0.15
Sijoitusrahasto Aktia Capital		1,065,475	1,065,475	0.65	1,065,475	0.13
FIM Fenno Sijoitusrahasto		1,009,885	1,009,885	0.61	1,009,885	0.13
Evli Finnish Small Cap Fund		1,001,014	1,001,014	0.61	1,001,014	0.13
Maa- ja Vesitekniikan Tuki ry.		1,000,000	1,000,000	0.61	1,000,000	0.13
Oy Etra Invest Ab		1,000,000	1,000,000	0.61	1,000,000	0.13
Brotherus Ilkka	42,540	784,500	827,040	0.50	1,635,300	0.20
Laakkonen Mikko		826,823	826,823	0.50	826,823	0.10
Etera Mutual Pension Insurance Company		818,400	818,400	0.50	818,400	0.10
The central union of Swedish-speaking agricultural producers in Finland (SLC)						
Langh Hans	772,500		772,500	0.47	15,450,000	1.93
Keskitien Tukisäätiö	679,980		679,980	0.41	13,599,600	1.70
Haavisto Maija	100,000	500,000	600,000	0.36	2,500,000	0.31
Haavisto Heikki	393,120	195,099	588,219	0.36	8,057,499	1.01
Haavisto Heikki	574,374		574,374	0.35	11,487,480	1.44

Shares registered under foreign ownership, including nominee registrations, totalled 26,355,575 on 31 December 2014, or 15.96% of the total and 20.0% of free shares. At the end of the year, Raisio plc owned 7,988,610 company shares, which represents 4.8% of the total.

Split of shareholdings on 31 December 2014

	Free shares				Restricted shares			
Shares	Shareholders		Shares		Shareholders		Shares	
no.	no.	%	no.	%	no.	%	no.	%
1–1,000	22,262	67.0	10,152,474	7.7	3,201	58.0	1,133,567	3.4
1,001–5,000	8,789	26.4	20,591,243	15.6	1,480	26.8	3,553,834	10.6
5,001–10,000	1,360	4.1	10,054,407	7.6	435	7.9	3,122,985	9.4
10,001–25,000	558	1.7	8,668,235	6.6	284	5.1	4,434,837	13.3
25,001–50,000	136	0.4	4,834,364	3.7	81	1.5	2,610,457	7.8
50,001–	126	0.4	77,128,860	58.5	42	0.8	10,562,724	31.7
waiting list			0	0.0			7,345,343	22.0
joint account			179,720	0.1			607,530	1.8
special accounts			168,450	0.1			0	0.0
total	33,231	100.0	131,777,753	100.0	5,523	100.0	33,371,277	100.0

31 December 2014 Raisio plc had a total of 35,354 registered shareholders.

Parent company income statement

(EUR million)	Note	1.1.–31.12.2014	1.1.–31.12.2013
NET SALES		**2.02**	2.14
Other income from business operations		**0.28**	0.00
Materials and services	1	**-0.04**	-0.04
Personnel expenses	2	**-4.83**	-1.54
Depreciation and write-downs	3	**-0.05**	-0.03
Other expenses from business operations	4	**-1.22**	-6.15
EBIT		**-3.85**	-5.63
Financial income and expenses	5	**-1.24**	-1.16
RESULT BEFORE EXTRAORDINARY ITEMS		**-5.09**	-6.79
Extraordinary items	6	**+22.59**	+14.23
RESULT BEFORE APPROPRIATIONS AND TAXES		**17.49**	7.44
Appropriations	7	**+0.00**	+0.02
Income taxes	8	**-3.45**	-1.79
RESULT FOR THE FINANCIAL PERIOD		**14.04**	5.67

Parent company balance sheet

(EUR million)	Note	31.12.2014	31.12.2013
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	**0.02**	0.02
Tangible assets	9	**0.54**	0.38
Holdings in Group companies	10	**371.15**	283.48
Other investments	10	**66.03**	72.93
		437.74	356.81
CURRENT ASSETS			
Inventories	11	**0.01**	0.02
Current receivables	12	**47.01**	18.37
Securities under financial assets	13	**27.80**	75.32
Cash in hand and at banks		**78.94**	50.62
		153.76	144.33
TOTAL ASSETS		**591.50**	501.14
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY	14		
Share capital		**27.78**	27.78
Premium fund		**2.91**	2.91
Reserve fund		**88.59**	88.59
Invested unrestricted shareholders' equity fund		**18.66**	10.62
Retained earnings		**111.61**	145.11
Result for the year		**14.04**	5.67
		263.58	280.67
ACCUMULATED APPROPRIATIONS	15	**0.00**	0.01
LIABILITIES			
Non-current liabilities	16	**94.22**	34.24
Current liabilities	17	**233.69**	186.22
		327.91	220.46
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**591.50**	501.14

Parent company cash flow statement

(EUR million)	2014	2013
CASH FLOW FROM BUSINESS OPERATIONS		
Result before extraordinary items	**-5.09**	-6.79
Adjustments:		
Planned depreciation	**0.05**	0.03
Unrealised foreign exchange gains and losses	**-1.66**	-0.78
Other income and expenses not involving disbursement	**-0.24**	0.07
Financial income and expenses	**2.91**	1.94
Cash flow before change in working capital	**-4.04**	-5.53
Increase (–)/decrease (+) in current receivables	**-1.37**	+1.47
Increase (–)/decrease (+) in inventories	**+0.01**	+0.00
Increase (+)/decrease (–) in current interest-free liabilities	**+0.63**	+0.40
Change in working capital	**-0.73**	1.87
Cash flow from business operations before financial items and taxes	**-4.77**	-3.65
Interest paid and payments for financial expenses from business operations	**-7.97**	-3.89
Dividends received	**0.01**	0.01
Interest and other financial income	**3.27**	1.83
Income taxes paid	**-3.21**	-1.68
CASH FLOW FROM BUSINESS OPERATIONS	**-12.67**	-7.39
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	**-0.25**	0.00
Proceeds from divestments of tangible and intangible assets	**0.04**	0.02
Investments in shares of Group companies	**-88.11**	-0.01
Repayment of capital	**0.00**	21.00
Loans granted	**-11.85**	-20.00
Repayment of loan receivables	**8.30**	27.83
CASH FLOW FROM INVESTMENTS	**-91.87**	28.84
Cash flow after investments	**-104.54**	21.45
CASH FLOW FROM FINANCIAL OPERATIONS		
Increase (+)/decrease (–) in non-current loans	**+59.51**	-21.90
Increase (+)/decrease (–) in current liabilities	**+48.04**	+46.33
Increase (–)/decrease (+) in loan receivables	**-16.31**	+8.53
Group contributions received and paid	**14.23**	9.29
Dividend paid and other distribution of profit	**-20.89**	-19.07
CASH FLOW FROM FINANCIAL OPERATIONS	**84.58**	23.18
Change in liquid funds	**-19.96**	44.63
Liquid funds at beginning of period	**125.94**	81.31
Liquid funds at end of period	**106.74**	125.94
Liquid assets from mergers	**0.76**	

Parent company's accounting principles

The parent company's financial statements are drawn up in compliance with the Finnish Accounting and Companies Acts. The financial statements are prepared in euros.

Valuation of non-current assets

Tangible and intangible assets are entered in the balance sheet at their acquisition cost less planned depreciation. Planned depreciation is calculated using straight line depreciation method based on the useful life of tangible and intangible assets. Depreciation is made from the month of introduction of the asset.

The depreciation periods are as follows:

• buildings and structures	10–25 years
• machinery and equipment	4–10 years
• intangible rights	5–10 years
• other long-term expenses	5–20 years.

Acquisition cost of non-current assets, whose probable useful life is less than three years, as well as small purchases (below EUR 850) are recorded as an expense in their entirety.

Sales profits and losses are determined by comparing the sales profit to the carrying amount. Sales profits and losses are included in the income statement under other operating income and expenses.

Shares and investments in subsidiaries in the company's fixed asset investments are valued at the acquisition cost or at the lower fair value.

Valuation of inventories

Inventories are entered in the balance sheet at their acquisition cost or repurchase price lower than that or probable selling price. Acquisition cost is determined by the weighted average cost.

Valuation of receivables and liabilities

Receivables are measured at their acquisition cost or their probable value lower than acquisition cost. Liabilities are measured at their nominal value.

Pension arrangements

Statutory and voluntary pension security for the company personnel is arranged through pension insurance companies. Pension expenditure is entered as an expense in the year it is accrued. The company's managing director has the right and obligation to retire at the age of 62.

Provisions

Provisions are entered when the Group has a legal or constructive obligation following an event, the realisation of the obligation is likely and the amount of the obligation can be reliably estimated. If part of the obligation can be compensated by a third party, the compensation is entered as a separate asset, but only when it is virtually certain that the compensation will be received.

A rearrangement is entered when the Group has prepared a detailed rearrangement plan and started its implementation or made an announcement of the issue.

Net sales

Net sales consist of product sales as well as income from the services that the parent company provides to Group companies.

Other operating income

Profit from asset sales and other income not related to actual sales of goods and services are presented as other operating income.

Extraordinary income and expenses

Extraordinary income and expenses consist of received and paid Group subsidies.

Dividends payable

The dividends paid by the Group are recorded in the financial period during which the shareholders have approved the dividend payment.

Income taxes

Taxes in the Company's income statement include taxes paid in the financial period, calculated on the basis of the taxable profit, and taxes paid in previous financial periods. The financial statements show accumulated appropriations in full on the balance sheet, and the included tax liability is not treated as debt. Deferred taxes are not recorded.

Borrowing costs

Borrowing costs are entered as an expense in the period in which they occur.

Foreign currency items

Foreign currency transactions are recorded using the exchange rate at the transaction date. Foreign currency receivables and liabilities are translated into euro at the average exchange rates quoted at the balance sheet date. Realised exchange rate differences as well as gains and losses arising from the valuation of receivables and liabilities are recorded in the income statement. Exchange rate gains and losses related to actual business operations are treated as adjustment items on sales and purchases, and those related to financing are presented under financing income and expenses.

Changes in the value of foreign currency loans are recorded in the income statement under financial income and expenses.

Derivative contracts

In line with its risk management policy, the company uses derivatives to hedge against currency and interest rate risks. Currency forward contracts are used to hedge receivables and liabilities in foreign currencies as well as future commercial cash flows. Exchange rate differences arising from them are entered through profit or loss.

Interest rate swaps are used to hedge the company's interest-bearing loans and receivables against changes in market interest rates. The accrued interest from swaps is recorded under financial income or expenses to adjust interest expenses or income resulting from the portfolio of loans and receivables below. Fair value of the swaps has not been recorded.

Company shares

Acquisition of the company shares and related costs are presented in the company's financial statements as deduction from retained earnings. Conveyance of the company shares is presented as an addition to earnings except for the company shares assigned in the directed share issue. The subscription price of these shares is entered in the invested unrestricted equity fund and their acquisition cost is still presented in the earnings.

Cash flow statement

Cash flows for the financial period are categorised into cash flows from business operations, investments and financing.

The cash flow statement is prepared using the indirect method.

Notes to the parent company income statement

(EUR million)	2014	2013
1. MATERIALS AND SERVICES		
Materials, supplies and goods		
Purchases in the period	**0.02**	0.02
Change in inventories	**0.01**	0.00
	0.03	0.03
External services	**0.01**	0.02
Total	**0.04**	0.04
2. PERSONNEL EXPENSES		
Wages and fees	**3.62**	1.24
Pension expenses	**0.76**	0.07
Other personnel expenses	**0.46**	0.23
Total	**4.83**	1.54
WAGES AND FEES PAID TO MANAGEMENT		
Managing Director	**0.84**	0.68
Members of the Board of Directors	**0.18**	0.14
Members of the Supervisory Board	**0.04**	0.04
AVERAGE NUMBER OF PARENT COMPANY PERSONNEL		
Office workers	**41**	3
PENSION LIABILITY		
Pension liability for members of the Board of Directors and the Managing Director		
The parent company's Managing Director is entitled and obligated to retire upon turning 62.		
3.DEPRECIATION AND WRITE-DOWNS		
Planned depreciation	**0.05**	0.03
4. OTHER EXPENSES FROM BUSINESS OPERATIONS		
Auditors' remuneration:		
PricewaterhouseCoopers Oy		
Audit	**0.06**	0.07
Certificates and reports	**0.00**	0.00
Total	**0.06**	0.07

(EUR million)	2014	2013
5. FINANCIAL INCOME AND EXPENSES		
Dividend received		
From participating interest companies	**0.01**	0.01
Total	**0.01**	0.01
Total interest received from long-term investment		
From Group companies	**0.93**	1.17
Total income from long-term investment	**0.94**	1.18
Other interest and financial income		
From Group companies	**0.10**	0.06
From others	**0.50**	0.56
Total	**0.60**	0.61
Total financial income	**1.54**	1.79
Exchange rate differences		
To Group companies	**6.54**	-2.20
To others	**-6.36**	2.31
Total	**0.18**	0.10
Interest paid and other financial expenses		
To Group companies	**-0.85**	-0.82
To others	**-2.11**	-2.24
Total	**-2.96**	-3.05
Total financial expenses	**-2.78**	-2.95
Total financial income and expenses	**-1.24**	-1.16
6. EXTRAORDINARY INCOME AND EXPENSES		
Extraordinary income		
Group subsidies received	**23.27**	16.08
Total	**23.27**	16.08
Extraordinary expenses		
Group subsidies paid	**-0.68**	-1.85
Total	**-0.68**	-1.85
Total extraordinary income and expenses	**22.59**	14.23
7. APPROPRIATIONS		
Difference between planned depreciation and depreciation made in taxation	**0.00**	0.02
8. INCOME TAXES		
Income tax on extraordinary items	**-4.52**	-3.49
Income tax on ordinary operations	**1.06**	1.70
Taxes on previous financial years	**0.00**	0.00
Total	**-3.45**	-1.79

Notes to the parent company balance sheet

9. INTANGIBLE ASSETS 2014

(EUR million)	Intangible rights	Other long-term expenditure	Intangible assets total
Acquisition cost 1.1.	0.26	0.37	0.63
Increase 1.1.–31.12.	0.00		0.00
Decrease 1.1.-31.12.			0.00
Transfers between items			0.00
Acquisition cost 31.12.	0.26	0.37	0.64
Accumulated depreciation and write-downs 1.1.	0.24	0.37	0.61
Accumulated depreciation of decrease and transfers			0.00
Depreciation for the financial period	0.00		0.00
Accumulated depreciation 31.12.	0.24	0.37	0.62
Book value 31.12.2014	0.02	0.00	0.02
Book value 31.12.2013	0.02	0.00	0.02

9. TANGIBLE ASSETS 2014

(EUR million)	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advance payments and assets under construction	Tangible assets total
Acquisition cost 1.1.	0.00	0.70	0.29	0.26	0.00	1.25
Increase 1.1.–31.12.	0.09		0.13		0.02	0.25
Decrease 1.1.-31.12.			0.09			0.09
Transfers between items						0.00
Acquisition cost 31.12.	0.09	0.70	0.34	0.26	0.02	1.42
Accumulated depreciation and write-downs 1.1.	0.00	0.65	0.22	0.00	0.00	0.87
Accumulated depreciation of decrease and transfers			0.04			0.04
Depreciation for the financial period		0.01	0.04			0.05
Accumulated depreciation 31.12.	0.00	0.66	0.21	0.00	0.00	0.88
Book value 31.12.2014	0.09	0.04	0.12	0.26	0.02	0.54
Book value 31.12.2013	0.00	0.05	0.07	0.26	0.00	0.38
Book value of the production machinery and equipment						
31.12.2014			0.00			
31.12.2013			0.00			

10. INVESTMENT 2014

(EUR million)	Group company shares	Participating interest company shares	Other shares	Receivables, Group companies	Total investment
Acquisition cost. 1.1.	283.48	0.03	0.03	72.88	356.41
Increase 1.1.-31.12.	96.01			11.85	107.86
Decrease 1.1.-31.12.	8.34			18.75	27.09
Acquisition cost 31.12.	**371.15**	**0.03**	**0.03**	**65.98**	**437.18**
Book value 31.12.2014	**371.15**	**0.03**	**0.03**	**65.98**	**437.18**
Book value 31.12.2013	**283.48**	**0.03**	**0.03**	**72.88**	**356.41**

SHARES AND HOLDINGS 2014

	Group holding, %	Parent company holding, %
GROUP COMPANIES		
Proteinoil Oy, Raisio	**100.00**	100.00
Raisio Finance NV, Belgium	**100.00**	99.99
Raisionkaari Industrial Park Ltd, Raisio	**100.00**	50.00
Raisio UK Limited, UK	**100.00**	100.00
Glisten Limited, UK	**100.00**	0.00
Raisio Nutrition Ltd, Raisio	**100.00**	100.00
Raisioagro Ltd., Raisio	**100.00**	100.00
Nordic Feed Innovations Oy, Turku	**76.00**	76.00
ASSOCIATES		
Vihervakka Oy, Pöytyä	**38.50**	38.50

11. INVENTORIES

(EUR million)	2014	2013
Materials and supplies	**0.01**	0.01
Finished products and goods	**0.01**	0.01
	0.01	0.02

12. RECEIVABLES

(EUR million)	2014	2013
Current receivables		
Receivables from Group companies		
Accounts receivables	**1.35**	0.03
Loan receivables	**16.59**	0.28
Other receivables	**23.30**	16.12
Prepaid expenses and accrued income	**5.17**	1.68
	46.40	18.10
Other receivables	**0.11**	0.07
Prepaid expenses and accrued income	**0.50**	0.20
Total current receivables	**47.01**	18.37

Prepaid expenses and accrued income include items related to the timing of operational income and expenses, financial items and taxes..

13. MARKETABLE SECURITIES

(EUR million)	2014	2013
Repurchase price	**27.95**	75.63
Book value	**27.80**	75.32
Difference	**0.15**	0.31

14. SHAREHOLDERS' EQUITY

(EUR million)	2014	2013
Restricted shareholders' equity		
Share capital 1.1.	**27.78**	27.78
Share capital 31.12.	**27.78**	27.78
Premium fund 1.1.	**2.91**	2.91
Premium fund 31.12.	**2.91**	2.91
Reserve fund 1.1.	**88.59**	88.59
Reserve fund 31.12.	**88.59**	88.59
Total restricted shareholders' equity	**119.27**	119.27
Unrestricted shareholders' equity		
Invested unrestricted shareholders' equity fund 1.1.	**10.62**	10.62
Increase, share exchange	**8.04**	0.00
Invested unrestricted shareholders' equity fund 31.12.	**18.66**	10.62
Retained earnings 1.1.	**150.78**	164.20
Dividend distributed	**-21.01**	-19.19
Unclaimed dividends	**0.08**	0.07
Disposal of company shares	**0.03**	0.03
Recovery of company shares	**-18.27**	0.00
Retained earnings 31.12.	**111.61**	145.11
Result for the year	**14.04**	5.67
Total unrestricted shareholders' equity	**144.31**	161.40
Total shareholders' equity	**263.58**	280.67
Distributable equity	**144.31**	161.40

Company share capital dividend by share series as follows:

	2014		2013	
	shares	EUR 1,000	shares	EUR 1,000
Restricted shares (20 votes/share)	**33,371,277**	**5,613**	33,732,671	5,673
Free shares (1 vote/share)	**131,777,753**	**22,163**	131,416,359	22,103
Total	**165,149,030**	**27,776**	165,149,030	27,776

Company shares held by Raisio:

	2014		2013	
	shares	Acquisition cost EUR 1,000	shares	Acquisition cost EUR 1,000
Restricted shares (20 votes/share)	**212,696**	**416**	212,696	416
Free shares (1 vote/share)	**7,775,914**	**37,291**	5,051,720	19,037
Total	**7,988,610**	**37,707**	5,264,416	19,453

The probable assignment price of company shares held by the Group on the date of the financial statements was EUR 33.5 million (EUR 23.0 million in 2013).

15. ACCUMULATED APPROPRIATIONS

Accumulated appropriations consist of the accumulated depreciation difference.

16. NON-CURRENT LIABILITIES

(EUR million)	2014	2013
Loans from credit institutions	**94.22**	34.24
Total non-current liabilities	**94.22**	34.24

17. CURRENT LIABILITIES

(EUR million)	2014	2013
Loans from credit institutions	**90.52**	68.95
Accounts payable	**0.26**	0.23
Liabilities to Group companies		
Accounts payable	**0.01**	0.02
Other liabilities	**128.59**	114.20
Accrued liabilities and deferred income	**0.16**	0.24
	128.76	114.47
Other liabilities	**10.52**	0.42
Accrued liabilities and deferred income	**3.64**	2.15
Total current liabilities	**233.69**	186.22
Accrued liabilities and deferred income include accrued business expenses, financial items and taxes.		
Interest-free debts		
Current	**5.51**	4.91

Other notes to the parent company accounts

18. CONTINGENT AND OTHER LIABILITIES AND PLEDGED ASSETS

(EUR million)	2014	2013
CONTINGENT OFF-BALANCE SHEET LIABILITIES:		
Leasing liabilities		
Amounts outstanding on leasing contracts		
Falling due in 2014	**0.09**	0.00
Payables at a later date	**0.04**	0.00
Total	**0.13**	0.00
Leasing contracts do not include substantial liabilities related to termination and redemption terms.		
Contingent liabilities for Group companies		
Guarantees	**41.16**	35.88

19. DERIVATIVE CONTRACTS:

(EUR million)	2014	2013
The company uses derivative contract for hedging. The values of underlying instruments for derivative contracts, stated below, indicate the scope of hedging measures. The fair values of derivative contracts show the result had the derivative position been closed at market price on the closing day.		
Currency forward contracts:		
Fair value	**1.12**	0.91
Value of underlying instrument	**129.42**	73.58
The value of the underlying instrument in currency forward contracts is the sum of open forward contracts, converted into euros at the exchange rate of the closing day.		
Interest rate swaps:		
Fair value	**-0.39**	-0.90
Value of underlying instrument	**21.67**	33.74
The value of interest rate swaps is the nominal amount of open contracts.		

Board's proposal for the disposal of profit

Shareholders' equity according to the balance sheet at 31 December 2014 is EUR 144,307,816.91. The Board of Directors proposes that a dividend of EUR 0.14 per share be paid from the parent company's earnings

totalling	EUR 23,120,864.20
carried over on the retained earnings account	EUR 121,186,952.71
Total	EUR 144,307,816.91

However, dividend will not be paid on the shares which are held by the company at the record date 30 March 2015.

There has not been any essential changes in the Group's financial condition since the end of the financial period. The Group's liquidity is good and the payment of the proposed dividend does not, in our opinion, endanger the company's liquidity.

Raisio, 12 February 2015

Matti Perkonoja
Michael Ramm-Schmidt — Antti Tiitola
Erkki Haavisto — Matti Rihko
Pirkko Rantanen-Kervinen — *CEO*

Auditors' report

To the Annual General Meeting of Raisio Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Raisio Oyj for the year ended 31 December 2014. The financial statements comprise statement of comprehensive income, the consolidated statement of financial position, statement of changes in equity and statement of cash flow, and notes to the consolidated financial statements, as well as the parent company's income statement, balance sheet, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Supervisory Board and the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Raisio, 12 February 2015

Mika Kaarisalo	Kalle Laaksonen
Authorised Public Accountant	*Authorised Public Accountant*

Statement of the Supervisory Board

At its meeting today, the Supervisory Board studied the financial statement, the consolidated financial statement and auditors' report for the financial period 1 January – 31 December 2014.

The Supervisory Board gives its assent to the approval of the financial statements and the consolidated financial statements and concurs with the Board of Directors' proposal for the allocation of profits.

Naantali, 25 February 2015

For the Supervisory Board

Paavo Myllymäki
chairman

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