

## RAISIO'S SECOND-QUARTER RESULT IMPROVED OVER THE EARLY PART OF THE YEAR

- Raisio's turnover in April–June totalled EUR 107.0 million (EUR 108.1 million in April–June 2006).
- Operating result was up on the comparison period, amounting to EUR 2.5 million (EUR 0.1 million and, including one-off items, EUR 2.0 million).
- Raisio's operating result for 2007, excluding one-off-items, is expected to be clearly profitable. The Food Division is expected to report a break-even result in the last quarter of 2007, but this may be put at risk by the impact that Europe's exceptional weather conditions have on grain prices. Also the Ingredients and Feed & Malt Divisions are expected to record better operating results than last year. Turnover is expected to grow slightly compared to 2006.

Figures for the comparison period are given in brackets.

### Key figures, continuing operations result

	4-6/2007	4-6/2006	1-6/2007	1-6/2006	2006
Turnover, EUR million	107.0	108.1	204.4	201.9	411.8
Operating result, EUR million	2.5	0.1	3.9	-0.9	-2.5
% of turnover	2.4	0.1	1.9	-0.4	-0.6
Result before taxes, EUR million	2.6	0.6	4.3	0.1	-0.7
Earnings per share, EUR	0.01	0.00	0.02	0.00	-0.01

Figures for 2006 excluding one-off items

### Key figures, balance sheet

	30.6.2007	30.6.2006	31.12.2006
Return on investment, %	3.3	1.5	-9.3
Equity ratio, %	78.2	79.5	75.0
Gearing, %	-10.1	-14.7	-19.1
Equity per share, EUR	1.71	1.99	1.73

### CEO Matti Rihko:

"Raisio's turnover and operating result improved in the second quarter compared to the early part of the year. Despite the price increases carried out by the company, the grain raw material price volatility hampered the improvement of profitability of the Food and the Feed & Malt Divisions.

The exceptional weather conditions in Europe will also affect the price level of the next grain crop in Finland even though the volume and quality of the Finnish crop are expected to be good. The increasing demand for grain to be used for bioenergy and to meet Asian needs will, as such, raise prices, but the uncommon weather will increase fluctuations. This will further emphasise the need to develop the pricing structure used for purchases and sales.

The potato business was transferred to its new owner at the beginning of June. The divestment of Diagnostics has entered its final stretch, and I expect the deal to be concluded in the current quarter. Raisio will continue to implement rationalisation measures and adjust business to the prevailing market situation according to plans, the goal being to improve profitability."

### RESULT FROM CONTINUING OPERATIONS

The Group's turnover in April–June totalled EUR 107.0 million (EUR 108.1 million). The Food Division's turnover amounted to EUR 48.5 million (EUR 49.5 million), while that of Feed & Malt was EUR 53.6 million (EUR 50.3 million) and that of Ingredients EUR 10.7 million (EUR 13.8 million).

Raisio's turnover for January–June amounted to EUR 204.4 million (EUR 201.9 million), of which turnover from outside Finland represented 39.4% (40.4%), or EUR 80.6 million (EUR 81.6 million).

Operating result for April–June improved compared to the early part of the year and the comparison period, amounting to EUR 2.5 million (EUR 0.1 million and, including one-off items, EUR 2.0 million). The operating result of the Food Division was EUR -1.7 million (EUR -2.3 million), the Feed & Malt Division EUR 2.2 million (EUR 1.8 million and, including one-off items, EUR 3.6 million), the Ingredients Division EUR 2.6 million (EUR 2.3 million) and other operations EUR -0.5 million (EUR -1.5 million).

Depreciations, allocated to operations in the income statement, amounted to EUR 4.5 million (EUR 5.5 million) in April–June and to EUR 8.8 million (EUR 10.8 million) in January–June. Operating result in January–June was EUR 3.9 million (EUR -0.9 million and, including one-off items, EUR 0.9 million).

The second-quarter result before taxes was EUR 2.6 million (EUR 0.6 million and, including one-off items, EUR 2.4 million). The result before taxes in January–June was EUR 4.3 million (EUR 0.1 million and, including one-off items, EUR 1.9 million). Raisio's net financial income in April–June totalled EUR 0.1 million (EUR 0.5 million), and EUR 0.7 million in January–June (EUR 1.1 million).

The second-quarter result after taxes was EUR 1.9 million (EUR 0.5 million and, including one-off items, EUR 1.8 million). The result after taxes in January–June was EUR 3.3 million (EUR 0.1 million and, including one-off items, EUR 1.4 million). Earnings per share in April–June amounted to EUR 0.01 (EUR 0.00 and, including one-off items, EUR 0.01). In January–June EPS were EUR 0.02 (EUR 0.00 and, including one-off items, EUR 0.01). Return on investment amounted to 3.3% (1.5%).

## BALANCE SHEET AND FINANCIAL POSITION

At the end of June, Raisio's balance sheet total was EUR 366.5 million (EUR 387.4 million on 31 December 2006) and shareholders' equity amounted to EUR 285.9 million (EUR 290.4 million on 31 December 2006). Equity per share at the end of June was EUR 1.71 (EUR 1.73 on 31 December 2006).

The Group's interest-bearing debt at the end of June was EUR 14.9 million (EUR 23.2 million on 31 December 2006). Net interest-bearing debt totalled EUR -28.8 million (EUR -55.6 million on 31 December 2006).

The equity ratio at the end of June was 78.2% (75.0% on 31 December 2006), and the gearing ratio was -10.1% (-19.1% on 31 December 2006).

Cash flow from operating activities in the second quarter was EUR 7.5 million (EUR 0.8 million) and EUR -11.2 million (EUR -6.7 million) in January–June.

Working capital amounted to EUR 116.7 million at the end of the review period (EUR 96.7 million on 31 December 2006). It grew as a result of the increase in inventories, the goal of which is to ensure the availability of raw materials for the coming crop season, and the continued rise in grain raw material prices. Raisio's gross investments in April–June totalled EUR 5.8 million (EUR 6.6 million), and in January–June EUR 12.2 million (EUR 13.7 million). The biggest single investments targeted the expansion to the stanol ester plant in Raisio and the construction of the feed plant in Ylivieska.

## CONTINUING OPERATIONS

### Food

The Food Division's turnover in April–June dropped slightly from the comparison period, totalling EUR 48.5 million (EUR 49.5 million). This was mainly due to the distributor sales of products made by Obory, Raisio's associate, ending in Poland. Excluding the impact of Obory, the Food Division's turnover improved slightly. Growth was recorded in the soy-oat and milling businesses, the Finnish margarine business and Russian operations. Flake sales in Russia increased considerably from the comparison period, while margarine sales decreased. The company's market position continued to deteriorate in Sweden, but development measures have already been adopted. Their impact will begin to show in 2008. Benecol margarine sales increased in Poland.

Raisio increased its market share in yellow fats to some 17 per cent in Finnish retail. In the margarine market, Raisio's market share rose to 31 per cent. The market share increased in flake products but decreased in pasta products. Growth in the sales of GoGreen products developed stronger than the markets in Finland and Sweden.

Raisio discontinued unprofitable sales to a few major customers, and codetermination talks were initiated at the mill in Nokia to adapt production to the changing market situation. The talks will continue in mid-August and may lead to the mill being closed down.

The Food Division's turnover in January–June totalled EUR 98.3 million (EUR 96.9 million).

## Key figures for the Food Division

	4-6/2007	4-6/2006	1-6/2007	1-6/2006	2006
Turnover, EUR million	48.5	49.5	98.3	96.9	196.5
Margarines and soy-oat products	28.0	30.6	56.9	59.4	118.6
Milling products	20.5	18.0	41.5	37.6	78.1
Other	0.0	0.1	0.0	0.0	0.0
Internal sales	0.0	0.8	-0.1	-0.1	-0.1
Operating result, EUR million	-1.7	-2.3	-2.6	-4.3	-37.9
% of turnover	-3.6	-4.7	-2.7	-4.5	-19.3
One-off items, EUR million	0.0	0.0	0.0	0.0	-27.4
Operating result, excluding one-off items, EUR million	-1.7	-2.3	-2.6	-4.3	-10.5
Investments	1.0	3.9	4.4	7.9	15.3
Net assets	-	-	97.8	118.8	85.5

The Food Division's operating result in April–June totalled EUR -1.7 million (EUR -2.3 million). The year-over-year decrease in operating loss resulted mainly from cost cutting and process enhancement. Particular attention has been paid to sales and marketing inputs. The January–June operating result totalled EUR -2.6 million (EUR -4.3 million).

Grain raw material prices and the company's ability to transfer price rises to the prices of its end products have a great impact on profitability. Raisio has managed to transfer some of the ongoing increase in raw material prices to sales prices.

Raisio will increase its focus on the Russian market and has initiated business reorganisation. The focus in Russian operations is on distribution chain development and marketing. As a result, margarine production will be transferred to a subcontractor at the beginning of September, and operations at the Istra plant will be closed down. Raisio will also transfer some of its flake packaging to a Russian subcontractor in order to reduce production expenses.

The objective of the new brand portfolio, which will be published at the end of August, is to improve consumer availability, as well as product and customer profitability, by focusing marketing efforts on fewer brands. Consumers will begin to see the effects of the gradual concentration in January 2008.

## Feed & Malt

The Feed & Malt Division's turnover in April–June increased by 6.7% to EUR 53.6 million (EUR 50.3 million). The year-over-year increase in turnover resulted from the rise in raw material prices being transferred to end product prices and from the development of the oil milling business. Feed sales volumes were slightly down on the comparison period, but no significant changes took place in the market position. Turnover in January–June totalled EUR 94.6 million (EUR 88.9 million).

## Key figures for the Feed & Malt division

	4-6/2007	4-6/2006	1-6/2007	1-6/2006	2006
Turnover, EUR million	53.6	50.3	94.6	88.9	186.5
Feeds	44.1	40.8	79.2	76.9	165.3
Malt	8.7	8.5	14.4	10.8	20.0
Other	1.0	1.2	1.2	1.4	1.7
Internal sales	-0.1	-0.1	-0.3	-0.2	-0.5
Operating result, EUR million	2.2	3.6	2.8	4.2	6.3
% of turnover	4.1	7.2	3.0	4.7	3.4
One-off items, EUR million	0.0	1.8	0.0	1.8	0.7
Operating result, excluding one-off items, EUR million	2.2	1.8	2.8	2.3	5.6
Investments	2.7	1.7	4.7	2.6	5.5
Net assets	-	-	80.0	63.3	65.3

The Feed & Malt Division's operating result in April–June was EUR 2.2 million (EUR 1.8 million and, including one-off items, EUR 3.6 million). It improved over the comparison period thanks to a better performance in malt. The considerable rise in the price of malt results from the growth of malt markets and last year's weak crop throughout the EU region. The increase in feed raw material prices has been transferred to end product prices. Operating result in January–June was EUR 2.8 million (EUR 2.3 million and, including one-off items, EUR 4.2 million).

The restructuring that has taken place in the Finnish feed industry will lead to new forms of cooperation in both the feed and grain trades. As an addition to traditional invoicing methods, Raisio has adopted direct invoicing of feed mixes for farms. The objective is to use the most cost-effective method to ensure competitiveness and improve service. The overall feed volume is expected to remain at last year's level or to decrease slightly.

The utilisation rate of production capacity in Raisio's malt business, as well as the market situation, are good this year. The steep increase in market prices and the related fluctuations will change the pricing structure in the malt trade.

Raisio and Neste Oil signed an agreement in June according to which Raisio will supply Neste Oil with 10,000 metric tonnes of rapeseed oil refined in Finland for use as biodiesel raw material in 2007. The companies are also negotiating about raw material cooperation in the coming years.

## Ingredients

The Ingredients Division's turnover in April–June fell short of the comparison period, totalling EUR 10.7 million (EUR 13.8 million). The drop resulted from exceptionally strong seasonal fluctuation in partners stocks and the decreased volumes in US and German markets. Of the growth markets, Turkey developed slower than expected because the use of health claims was prohibited in marketing. Turnover in January–June totalled EUR 23.1 million (EUR 27.0 million).

### Key figures for the Ingredients Division

	4-6/2007	4-6/2006	1-6/2007	1-6/2006	2006
Turnover, EUR million	10.7	13.8	23.1	27.0	49.7
Operating result, EUR million	2.6	2.3	5.0	4.1	7.8
% of turnover	24.1	16.4	21.8	15.1	15.6
One-off items, EUR million	0.0	0.0	0.0	0.0	0.0
Operating result, excluding one-off items, EUR million	2.6	2.3	5.0	4.1	7.8
Investments	1.8	0.5	4.1	1.7	4.3
Net assets	-	-	45.5	40.9	44.5

Operating result in April–June totalled EUR 2.6 million (EUR 2.3 million). The increase resulted from enhanced cost-effectiveness. The operating result remained over 20 per cent of turnover. Operating result in January–June totalled EUR 5.0 million (EUR 4.1 million).

The major market potential, in geographical terms, is in Asia. Raisio is preparing market entry with local partners.

## DISCONTINUED OPERATIONS

Raisio concluded the divestment of its potato business, which was transferred to Profood Oy at the beginning of June.

The divestment of Diagnostics has entered its final stretch and the deal is expected to be concluded in the third quarter.

## RESEARCH AND DEVELOPMENT

As a result of more clearly focused operations, research and development costs amounted to EUR 1.3 million (EUR 2.5 million) in the second quarter and to EUR 3.0 million (EUR 4.8 million) in the January–June period, representing 1.5% (2.4%) of turnover. This is clearly higher than average in the sector. Research and development costs decreased from the comparison period due to the company giving up its research centre in Viikki, among other things.

## PERSONNEL

Raisio employed 1,249 people at the end of June (1,214 on 31 December 2006), 29.7% of whom worked outside Finland (32.8% on 31 December 2006). The headcount includes summer workers but not the people employed in discontinued operations.

At the end of June, the Food Division had 794, Feed & Malt 317, Ingredients 75 and service functions 63 employees.

## CHANGES IN COMPANY MANAGEMENT

Kirsi Swanljung, LL.M. with court training and M.Sc. (Econ.), has been appointed Raisio's Executive Vice President, Legal Affairs, and member of the Group's Executive Committee from 1 September 2007. She succeeds Mikko Korttila in these duties.

Vincent Poujardieu, M.Sc. (Econ.), has been appointed Executive Vice President, Business Development, and member of the Group's Executive Committee from 1 September 2007. He will be based in Brussels.

Vesa Kurula, M.Sc. (Eng.), has been appointed Executive Vice President, Production, and member of the Group's Executive Committee. He will take up his post later this autumn.

## SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on the Helsinki Stock Exchange in January–June totalled 23.9 million (28.1 million). The value of trading was EUR 47.4 million (EUR 58.3 million), and the average price was EUR 1.98. The closing price on 30 June 2007 was EUR 2.05.

A total of 0.6 million restricted shares (0.9 million) were traded in January–June. The value of trading was EUR 1.2 million (EUR 1.8 million), and the average price was EUR 1.96. The closing price on 30 June 2007 was EUR 2.00.

On 30 June 2007, Raisio had 39,231 registered shareholders (40,822 on 31 December 2006). Foreign holding accounted for 16.3% (15.5% on 31 December 2006) of shares.

Raisio's market capitalisation at the end of June amounted to EUR 325.3 million (EUR 287.1 million on 31 December 2006), excluding the company shares held by the Group.

At the end of the review period, Raisio plc held 5,553,996 of the company's free shares and 59,499 of its restricted shares. The shares were acquired from 2005 to 2007. The company's free shares account for 4.25% of all free shares and their votes. The corresponding figure for restricted shares is 0.17%. In all, the company shares held by the Group represent 3.4 per cent of the company's overall share capital and 0.82 per cent of overall votes. The book value of free shares is EUR 934,115 and that of restricted shares EUR 10,007, or a total of EUR 944,122. Of the company shares held by the Group, 623,496 free shares and 18,299 restricted shares have been acquired since April 2007 on the basis of the authorisation granted by the Annual General Meeting.

Raisio plc's subsidiaries did not hold any shares in the parent company. A share in Raisio or its subsidiary does not entitle the holder to participate in the Annual General Meeting.

## DECISIONS MADE AT THE ANNUAL GENERAL MEETING

Raisio plc's Annual General Meeting approved the financial statements for the financial year 1 January – 31 December 2006 and discharged the members of the Supervisory Board and the Board of Directors, as well as the Chief Executive Officers. The Annual General Meeting decided to distribute a dividend of EUR 0.03 per share.

The dividend was paid to shareholders on 13 April 2007.

The Board's proposal to amend sections 12, 13, 14, 15 and 17 and repeal section 20 of the Articles of Association was approved as presented. According to section 10, approved by the Meeting, the Annual and Extraordinary General Meetings will be held in Raisio or Turku. The main amendment to the Articles of Association transfers the appointment of Board members from the Supervisory Board to the Annual General Meeting, which will make its first election of Board members in spring 2008.

The Annual General Meeting authorised the Board of Directors to decide on the acquisition of a maximum of 3,300,000 free shares and 875,000 restricted shares. The authorisation expires, at the latest, on 30 September 2008. In April, the Board of Directors decided to initiate repurchases of shares through public trading arranged by the Helsinki Stock Exchange beginning on 10 April 2007. Repurchases will continue until further notice.

The Annual General Meeting also authorised the Board of Directors to decide on the disposal of company shares. The authorisation encompasses the 4,930,500 free shares and 41,200 restricted shares already held by the company, as well as any shares that the company may acquire based on the new authorisation. The disposal authorisation expires, at the latest, on 30 March 2012 and has not been used to date.

Detailed information regarding the amendments to the Articles of Association, as well as the authorisations, is provided in the stock exchange release dated 12 February 2007. A stock exchange release regarding the decisions made by the Annual General Meeting was published on 30 March 2007.

#### **RISKS AND UNCERTAINTIES IN THE NEAR FUTURE**

Considerable price fluctuations in grain raw materials caused by exceptional weather conditions in Europe, the quality and volume of domestic crop, as well as the adaptation of production capacity to the prevailing market situation in order to improve profitability are risks and uncertainties related to the Group's business in the near future.

According to the resolution made by the Assessment Adjustment Board of the Tax Office for Major Corporations in November 2006, the sales profit from the divestment of Raisio Chemicals, totalling some EUR 220 million, is free of tax. In February 2007, Raisio submitted a rejoinder to the appeal filed by the representative of the Tax Office. The case is still under consideration in the Helsinki administrative court. Raisio's stand, supported by the expert statements obtained by the company, remains the same: the sales profit is free of tax.

#### **OUTLOOK**

Raisio's operating result for 2007, excluding one-off-items, is expected to be clearly profitable. The Food Division is expected to report a break-even result in the last quarter of 2007, but this may be put at risk by the impact that Europe's exceptional weather conditions have on grain prices. Also the Ingredients and Feed & Malt Divisions are expected to record better operating results than last year. Turnover is predicted to grow slightly compared to 2006.

Raisio, 2 August 2007

RAISIO PLC

Board of Directors

#### **Further information:**

Matti Rihko, CEO, tel. +358 400 830 727  
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A press and analyst event in Finnish will be organised on 2 August 2007 at 10:00 a.m. The event will be held at the Scandic Simonkenttä hotel, in the Balsa-Freda meeting room, at Simonkatu 9, Helsinki.

A teleconference in English will be held on 2 August 2007 at 3:30 p.m. We ask participants to call the number +358 20 699 121.

The interim report has not been audited.

**INCOME STATEMENT (EUR million)**

	4-6/07	4-6/06	1-6/07	1-6/06	2006
<b>CONTINUING OPERATIONS:</b>					
<b>Turnover</b>	107.0	108.1	204.4	201.9	411.8
Expenses corresponding to products sold	-89.8	-90.6	-171.6	-167.7	-365.7
<b>Gross profit</b>	17.2	17.5	32.8	34.1	46.1
Other operating income and expenses, net	-14.6	-15.6	-29.0	-33.2	-75.3
<b>Operating result</b>	2.5	2.0	3.9	0.9	-29.2
Financial income	0.5	0.9	1.4	1.9	4.8
Financial expenses	-0.4	-0.4	-0.8	-0.8	-6.9
Share of result of associated companies and joint ventures	-0.1	-0.1	-0.2	-0.1	-2.7
<b>Result before taxes</b>	2.6	2.4	4.3	1.9	-33.9
Income tax	-0.7	-0.5	-1.0	-0.4	-0.7
<b>Result for the period from the continuing operations</b>	1.9	1.8	3.3	1.4	-34.6
<b>DISCONTINUED OPERATIONS:</b>					
<b>Result for the period from discontinued operations</b>	-0.4	-0.5	-1.1	-1.0	-6.6
<b>RESULT FOR THE PERIOD</b>	1.5	1.3	2.2	0.5	-41.1
Attributable to:					
Equity holders of the parent company	1.4	1.3	2.2	0.2	-41.7
Minority interest	0.0	0.1	0.0	0.3	0.5
<b>Earnings per share from the profit attributable to equity holders of the parent company (EUR)</b>					
Earnings per share from continuing operations (EUR)	0.01	0.01	0.02	0.01	-0.22
Earnings per share from discontinued operations (EUR)	0.00	0.00	-0.01	-0.01	-0.04

**BALANCE SHEET (EUR million)**

	30.6.07	30.6.06	31.12.06
<b>ASSETS</b>			
Non-current assets			
Intangible assets	11.0	13.8	13.0
Goodwill	2.6	11.7	2.6
Property, plant and equipment	118.3	131.9	117.7
Shares in associated companies and joint ventures	2.0	4.8	2.4
Financial assets available for sale	0.6	2.2	1.5
Receivables	2.6	8.0	3.1
Deferred tax assets	11.1	13.2	10.7
Total non-current assets	148.2	185.5	151.0
Current assets			
Inventories	87.4	77.5	82.1
Accounts receivables and other receivables	78.9	81.4	75.4
Financial assets at fair value through profit or loss	32.5	64.6	64.4
Cash in hand and at banks	10.6	9.5	14.5
Total current assets	209.4	233.0	236.4
Non-current assets held for sale	8.9		
<b>Total assets</b>	<b>366.5</b>	<b>418.4</b>	<b>387.4</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-12.6	-11.4	-11.4
Other equity attributable to equity holders of the parent company	257.6	302.4	260.7
Equity attributable to equity holders of the parent company	272.8	318.8	277.1
Minority interest	13.1	13.1	13.3
Total equity	285.9	331.8	290.4
Non-current liabilities			
Deferred tax liabilities	8.2	9.1	7.9
Pension liabilities	0.2	0.4	0.2
Non-current interest-bearing liabilities	1.1	5.4	1.4
Other non-current liabilities	1.0		1.0
Total non-current liabilities	10.5	14.9	10.4
Current liabilities			
Accounts payable and other liabilities	52.5	52.3	59.8
Reserves	1.9		5.1
Current interest-bearing liabilities	13.1	19.4	21.6
Total current liabilities	67.5	71.7	86.6
Liabilities related to non-current assets held for sale	2.6		
Total liabilities	80.6	86.6	97.0
<b>Total equity and liabilities</b>	<b>366.5</b>	<b>418.4</b>	<b>387.4</b>



**CHANGES IN GROUP EQUITY (EUR million)**

	Share capital	Share premium reserve	Reserve fund	Other reserves	Own shares	Translation differences	Fair value reserve	Retained earnings	Total	Minority interest	Total
Equity at 1.1.2006	27.8	2.9	88.6	0.0	-8.7	1.3	0.0	220.1	332.0	15.3	347.3
Dividend paid	-	-	-	-	-	-	-	-8.0	-8.0	-2.5	-10.5
Changes in translation differences	-	-	-	-	-	-2.5	-	-	-2.5	0.0	-2.5
Repurchase of own shares	-	-	-	-	-2.6	-	-	-	-2.6	-	-2.6
Exchange differences from receivables considered to be net investments from a foreign unit	-	-	-	-	-	0.1	-	-	0.1	-	0.1
Tax of previous	-	-	-	-	-	0.0	-	-	0.0	-	0.0
Cash flow hedges											
Transferred to the equity with taxes deducted	-	-	-	-	-	-	-0.2	-	-0.2	-	-0.2
Transferred to income statement with taxes deducted	-	-	-	-	-	-	0.0	-	0.0	-	0.0
Net profit for review period	-	-	-	-	-	-	-	0.2	0.2	0.3	0.5
Other changes	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Equity at 30.6.2006	27.8	2.9	88.6	0.0	-11.4	-1.2	-0.2	212.3	318.8	13.1	331.8
Equity at 1.1.2007	27.8	2.9	88.6	0.0	-11.4	-1.2	0.0	170.4	277.1	13.3	290.4
Dividend paid	-	-	-	-	-	-	-	-4.8	-4.8	-0.3	-5.1
Changes in translation differences	-	-	-	-	-	-0.4	-	-	-0.4	0.0	-0.4
Repurchase of own shares	-	-	-	-	-1.2	-	-	-	-1.2	-	-1.2
Net profit for review period	-	-	-	-	-	-	-	2.2	2.2	0.0	2.2
Other changes	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Equity at 30.6.2007	27.8	2.9	88.6	0.0	-12.6	-1.6	0.0	167.8	272.8	13.1	285.9

## CASH FLOW STATEMENT (EUR million)

	1-6/07	1-6/06	2006
Cash flow before change in working capital	11.9	9.5	20.8
Change in working capital	-23.8	-17.5	-7.3
Financial items and taxes	0.6	1.4	1.7
Cash flow from business operations	-11.2	-6.7	15.1
Investments	-13.2	-16.5	-32.2
Proceeds from sale of fixed assets	2.8	0.0	0.3
Loans granted	0.0	-0.6	-1.5
Repayment of loan receivables	1.4	0.0	0.1
Cash flow from investments	-8.9	-17.1	-33.3
Change in non-current loans	-7.5	-9.3	-12.6
Change in current loans	-1.2	-1.3	0.8
Repurchase of own shares	-1.2	-2.6	-2.6
Dividends paid to equity holders of the parent company	-4.8	-8.0	-8.0
Dividends paid to minority interests	-0.3	-2.5	-2.5
Cash flow from financial operations	-14.9	-23.7	-24.9
Adjustment to translation difference	-0.2	-0.5	0.1
Change in liquid funds	-35.2	-47.9	-43.0
Liquid funds at the beginning of the period	78.8	122.9	122.9
Impact of change in market value on liquid funds	0.1	-0.9	-1.0
Liquid funds at the end of the period	43.7	74.1	78.8

## NOTES TO THE INTERIM REPORT

This interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting. The same accounting principles and calculating methods has been complied in this interim report as in 2006 annual financial statements. The financial statements are shown in EUR millions.

The Group has adopted the amendment to IAS 1 (Presentation of Financial Statements – Capital Disclosures). The amendments to the standard introduce requirements concerning note disclosures about the company's capital management. Raisio estimates that the adoption of the standard will mainly affect the notes to the consolidated financial statements.

The preparation of interim reports requires company management to use estimates and assumptions that affect the amounts of reported assets and liabilities, as well as income and expenses. Actual results may differ from these estimates.

## SEGMENT INFORMATION

### TURNOVER BY SEGMENT (EUR million)

	4-6/07	4-6/06	1-6/07	1-6/06	2006
Food	48.5	49.5	98.3	96.9	196.5
Feed & Malt	53.6	50.3	94.6	88.9	186.5
Ingredients	10.7	13.8	23.1	27.0	49.7
Other operations	0.1	0.1	0.2	0.3	0.6
Interdivisional turnover	-5.9	-5.5	-11.7	-11.2	-21.5
Total turnover	107.0	108.1	204.4	201.9	411.8

### OPERATING RESULT BY SEGMENT (EUR million)

	4-6/07	4-6/06	1-6/07	1-6/06	2006
Food	-1.7	-2.3	-2.6	-4.3	-37.9
Feed & Malt	2.2	3.6	2.8	4.2	6.3
Ingredients	2.6	2.3	5.0	4.1	7.8
Other operations	-0.5	-1.5	-1.2	-2.9	-5.3
Eliminations	0.0	0.0	-0.1	-0.1	0.0
Total operating result	2.5	2.0	3.9	0.9	-29.2

### NET ASSETS BY SEGMENT (EUR million)

	30.6.07	30.6.06	31.12.06
Food	97.8	118.8	85.5
Feed & Malt	80.0	63.3	65.3
Ingredients	45.5	40.9	44.5
Other operations, discontinued operations and unallocated items	62.5	108.9	95.0
Total net assets	285.9	331.8	290.4

### INVESTMENTS BY SEGMENT (EUR million)

	4-6/07	4-6/06	1-6/07	1-6/06	2006
Food	1.0	3.9	4.4	7.9	15.3
Feed & Malt	2.7	1.7	4.7	2.6	5.5
Ingredients	1.8	0.5	4.1	1.7	4.3
Other operations	0.3	0.6	0.6	1.5	3.2
Eliminations	0.0	0.0	-1.6	0.0	0.0
Total investments	5.8	6.6	12.2	13.7	28.2

### TURNOVER BY MARKET AREA (EUR million)

	4-6/07	4-6/06	1-6/07	1-6/06	2006
Finland	63.2	62.0	123.9	120.3	252.9
Poland	10.0	11.7	20.7	22.0	41.1
Russia	12.8	11.5	18.5	16.6	33.3
Other Europe	20.1	21.0	38.8	39.8	77.6
ROW	0.9	1.8	2.6	3.2	6.9
Total	107.0	108.1	204.4	201.9	411.8

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

**Discontinued operations**

The Group announced its intention to divest the diagnostics business on 16 January 2007. The goal is to complete the deal by the end of the first half of 2007.

On 7 February 2007, the Group signed a preliminary agreement on the divestment of its food potato business. The contract of sale was signed on 15 March 2007. The divestment of the potato business was concluded in the review period and the business was transferred to the new owner at the beginning of June 2007.

Both the diagnostics and the food potato businesses are treated as discontinued operations in the Group's income statement. Assets and liabilities of the diagnostics business, classified as held for sale, are presented separately in the balance sheet for the review period.

	1-6/07	1-6/06	2006
<b>Result for the discontinued operations</b>			
Income from ordinary operations	11.2	12.6	29.3
Expenses	-12.3	-13.5	-34.8
Result before taxes	-1.0	-0.9	-5.5
Taxes	-0.1	-0.1	-1.1
Result after taxes	-1.1	-1.0	-6.6
Result from discontinued operations	0.0		
Taxes	0.0		
Result after taxes	0.0		
Result for the discontinued operations	-1.1		
<b>Cash flow for the discontinued operations</b>			
Cash flow from business operations	-0.5	-2.9	3.1
Cash flow from investments	2.1	-1.2	-3.0
Cash flow from financial operations	-0.2	-0.1	0.1
Total cash flow	1.4	-4.2	0.2
	30.6.07		
<b>Assets classified as held for sale</b>			
Property, plant and equipment	0.8		
Intangible assets	1.4		
Inventories	1.1		
Financial assets available for sale	0.9		
Accounts receivables and other receivables	4.2		
Cash in hand and at banks	0.6		
Total assets	8.9		
<b>Liabilities classified as held for sale</b>			
Interest-bearing liabilities	0.5		
Accounts payable and other liabilities	2.1		
Total liabilities	2.6		

**TANGIBLE ASSETS**

	30.6.07	30.6.06	31.12.06
Acquisition cost at the beginning of the period	450.5	430.0	430.0
Conversion differences	-0.3	-2.5	-2.5
Increase	13.0	12.0	26.3
Decrease	-33.1	-0.4	-2.9
Reclassifications between items	0.0	-0.1	-0.3
Operations held for sale	-3.5		
Acquisition cost at the end of the period	426.6	439.0	450.5
Accumulated depreciation and write-downs at the beginning of the period	332.8	299.5	299.5
Conversion difference	-0.2	-1.4	-1.5
Decrease and transfers	-29.1	-0.3	-2.0
Depreciation for the period	7.5	9.4	19.1
Write-downs	0.0	0.0	17.7
Operations held for sale	-2.7		
Accumulated depreciation and write-downs at the end of the period	308.3	307.1	332.8
Book value at the end of the period	118.3	131.9	117.7

**RESERVES**

	1-6/07	1-6/06	2006
Provision for the disposal of the Russian flake mill project			
At the beginning of the period	5.1		
Increase in provisions			5.1
Provisions used	-3.3		
At the end of the period	1.9		5.1

**BUSINESS ACTIVITIES INVOLVING INSIDERS**

	30.6.07	30.6.06	31.12.06
Sales to associated companies and joint ventures	6.1	6.0	12.6
Purchases from associated companies and joint ventures	2.6	5.1	10.3
Sales to key employees in management	0.0	0.0	0.1
Purchases from key employees in management	0.4	0.3	0.4
Short-term receivables from associated companies and joint ventures	2.3	2.5	3.7
Liabilities to associated companies and joint ventures	0.8	1.9	1.5

**CONTINGENT LIABILITIES (EUR million)**

	30.6.07	30.6.06	31.12.06
Assets given for security			
For the company			
Mortgages on real estate	18.0	16.9	16.9
Securities pledged	0.0	0.0	0.0
Corporate mortgages	33.5	34.2	34.4
Contingent off-balance sheet liabilities			
Non-cancelable other leases			
Minimum lease payments	2.3	2.3	2.7
Contingent liabilities for the company	1.5	1.5	1.5
Contingent liabilities for associated companies			
Guarantees	3.1	0.0	3.0
Contingent liabilities for others			
Guarantees	0.0	0.0	0.0
Other liabilities	2.4	2.1	2.8
<b>Commitment to investment payments</b>	<b>11.4</b>	<b>7.2</b>	<b>16.6</b>

**DERIVATIVE CONTRACTS (EUR million)**

	30.6.07	30.6.06	31.12.06
Nominal values of derivative contracts			
Raw material futures	3.3	2.6	5.4
Currency forward contracts	17.6	35.8	25.5

## QUARTERLY PERFORMANCE (EUR million)

	4-6/ 2007	1-3/ 2007	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-3/ 2006
Turnover by segment						
Food	48.5	49.8	50.1	49.6	49.5	47.4
Feed & Malt	53.6	40.9	46.7	50.9	50.3	38.6
Ingredients	10.7	12.5	10.1	12.6	13.8	13.2
Other operations	0.1	0.1	0.2	0.2	0.1	0.2
Interdivisional turnover	-5.9	-5.9	-5.1	-5.3	-5.5	-5.6
<b>Total turnover</b>	<b>107.0</b>	<b>97.5</b>	<b>101.9</b>	<b>108.0</b>	<b>108.1</b>	<b>93.8</b>
Operating result by segment						
Food	-1.7	-0.9	-32.2	-1.4	-2.3	-2.0
Feed & Malt	2.2	0.6	-0.5	2.7	3.6	0.5
Ingredients	2.6	2.5	1.5	2.2	2.3	1.8
Other operations	-0.5	-0.8	-2.3	-0.1	-1.5	-1.4
Eliminations	0.0	-0.1	0.1	-0.1	0.0	0.0
<b>Total operating result</b>	<b>2.5</b>	<b>1.3</b>	<b>-33.4</b>	<b>3.3</b>	<b>2.0</b>	<b>-1.0</b>
Financial income and expenses, net	0.1	0.5	-3.5	0.4	0.5	0.6
Share of result of associated companies	-0.1	-0.2	-2.3	-0.2	-0.1	0.0
<b>Result before taxes</b>	<b>2.6</b>	<b>1.7</b>	<b>-39.3</b>	<b>3.5</b>	<b>2.4</b>	<b>-0.5</b>
Income tax	-0.7	-0.3	0.8	-1.0	-0.5	0.1
<b>Result for the period from continuing operations</b>	<b>1.9</b>	<b>1.5</b>	<b>-38.5</b>	<b>2.5</b>	<b>1.8</b>	<b>-0.4</b>

## ONE-OFF ITEMS (EUR million)

	4-6/ 2007	1-3/ 2007	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-3/ 2006
Food						
Write-downs			-21.7			
Withdrawal from the investment			-5.8			
Feed & Malt						
Write-downs			-1.1			
Compensation resulting from the contractual lease transfer					1.8	
Impact on result for the period	0.0	0.0	-28.5	0.0	1.8	0.0
Financial income and expenses, net			-4.3			
Share of result of associated companies and joint ventures			-2.2			
Impact on result before taxes	0.0	0.0	-35.0	0.0	1.8	0.0

**KEY INDICATORS**

	30.6.07	30.6.06	31.12.06
Return on equity, ROE, %	2.3	0.9	-10.8
Return on investment, ROI, %	3.3	1.5	-9.3
Interest-bearing liabilities at the end of the period, EURm	14.9	25.2	23.2
Gross investments, EURm	12.2	13.7	28.2
% of turnover	6.0	6.8	6.8
Depreciation, EURm	8.8	10.8	21.8
R & D expenses, EURm	3.0	4.8	9.8
% of turnover	1.5	2.4	2.4
Average personnel	1,194	1,288	1,277
Equity ratio, %	78.2	79.5	75.0
Gearing, %	-10.1	-14.7	-19.1
Earnings/share from continuing operations, EUR	0.02	0.01	-0.22
Cash flow from operations/share, EUR	-0.07	-0.04	0.09
Equity/share, EUR	1.71	1.99	1.73
Average number of shares during the period, in 1,000s*)			
Free shares	125,442	126,034	125,843
Restricted shares	34,517	34,526	34,524
Total	159,959	160,560	160,367
Average number of shares at the end of the period, in 1,000s*)			
Free shares	125,032	125,655	125,655
Restricted shares	34,504	34,522	34,522
Total	159,536	160,177	160,177
Market capitalisation of shares at the end of the period, EURm*)			
Free shares	256.3	208.6	224.9
Restricted shares	69.0	55.9	62.1
Total	325.3	264.5	287.1

\*)Number of shares without own shares



**CALCULATION OF INDICATORS**

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

\*)The calculation of key indicators uses continuing operations result