

RAISIO'S RESULT IMPROVED DESPITE THE RISE IN RAW MATERIAL PRICES
July-September 2007

- Turnover increased by 5.5%
- Operating result improved in the period, amounting to EUR 4.2 million, excluding rationalisation expenses
- Cash flow from operating activities was positive, totalling EUR 25.6 million
- Equity ratio high at 76.9%
- New start for Benecol following the return of rights

- Raisio's third-quarter turnover was up 5.5% on the previous quarter, amounting to EUR 112.9 million (EUR 107.0 million in April–June 2007).
- In the third quarter, operating result improved over the previous quarter despite the record fast rise in raw material prices and the rationalisation expenses of EUR 1.2 million. Operating result was EUR 3.0 million (EUR 2.5 million) and, including one-off items, EUR 2.8 million.
- Working capital has been turned downward. At the end of September, working capital amounted to EUR 96.5 million, which is nearly EUR 20 million less than at the end of June 2007.
- Raisio, McNeil Nutritionals LLC and Cilag GmbH International have signed an amendment to their agreement that will return the rights to the plant stanol ester compound to Raisio in the United States, Great Britain, France, Ireland, and Benelux countries. In addition, Raisio will gain rights to the Benecol brand in France and the United States in categories in which McNeil and Cilag are not currently active.
- Raisio's operating result for 2007, excluding one-off-items, is expected to be clearly profitable. In the last quarter the Food Division's loss is expected to be in line with the previous quarters in 2007 and full-year operating result to improve clearly over the previous year but to continue in the red. The Ingredients and Feed & Malt Divisions are expected to record better operating results than last year.

The figures for the comparison period are given in brackets in the text.

Key figures, continuing operations result

	7-9/2007	4-6/2007	7-9/2006	1-9/2007	1-9/2006	2006
Turnover, EUR million	112.9	107.0	108.0	317.3	309.9	411.8
Operating result, EUR million	3.0	2.5	3.3	6.9	2.4	-2.5
% of turnover	2.7	2.4	3.1	2.2	0.8	-0.6
Result before taxes, EUR million	3.1	2.6	3.5	7.4	3.6	-0.7
Earnings per share, EUR	0.01	0.01	0.01	0.03	0.01	-0.01

The figures do not include one-off items

Key figures, balance sheet

	30.9.2007	30.9.2006	31.12.2006
Return on investment, %	3.6	2.4	-9.3
Equity ratio, %	76.9	77.9	75.0
Gearing, %	-16.6	-21.6	-19.1
Equity per share, EUR	1.70	2.02	1.73

CEO Matti Rihko:

“The measures that Raisio has taken to enhance and adjust operations to the market situation in order to improve profitability have been effective, improving the Group’s performance in each quarter despite the prices of grain raw material rising at a record pace in the third quarter.

To make performance less dependent on grain price volatility, Raisio has added predictability to purchase prices and flexibility to sales prices. The flexible pricing model will also be applied to retail trade from January 2008 onwards.

Raisio has adopted a new business model for operations, in which brands and business-to-business processes are managed separately. The new business model ensures consumer- and customer-based operations as well as cost-effectiveness. Furthermore, the organisation has been made more efficient and less hierarchic, operations have been centralised and overcapacity in production has been cut.

The diagnostics business was transferred to its new owner at the beginning of September. The divestment of diagnostics will enable Raisio to focus more clearly on plant-based, healthy and natural nutrition. I believe that the increasing global demand for grain will make the food industry into a growth business.”

RESULT FROM CONTINUING OPERATIONS

Raisio’s turnover increased in July–September and totalled EUR 112.9 million (EUR 108.0 million). The biggest turnover growth was seen in the feed and malt businesses. The Food Division’s turnover amounted to EUR 48.6 million (EUR 49.6 million), while that of Feed & Malt was EUR 61.7 million (EUR 50.9 million) and that of Ingredients EUR 10.2 million (EUR 12.6 million).

The January–September turnover was also up on the comparison period amounting to EUR 317.3 million (EUR 309.9 million). Turnover from outside Finland represented 38.7% (39.8%) of the total, or EUR 122.8 million (EUR 123.3 million).

The Group’s operating result in July–September was EUR 3.0 million (EUR 3.3 million) and, including one-off items, EUR 2.8 million. The operating result of the Food Division was EUR -2.1 million (EUR -1.4 million) and, including one-off items, EUR -5.7 million, that of the Feed & Malt Division EUR 3.4 million (EUR 2.7 million) and, including one-off items, EUR 6.8 million, that of the Ingredients Division EUR 2.1 million (EUR 2.2 million) and that of other operations EUR -0.4 million (EUR -0.1 million). Depreciations, allocated to operations in the income statement, amounted to EUR 5.0 million (EUR 5.6 million) in July–September and to EUR 13.8 million (EUR 16.4 million) in January–September. Raisio made write-downs and reversed the write-down of tangible asset in the malting business, which had only a minor impact on the result. Operating result in January–September was EUR 6.9 million (EUR 2.4 million) and, including one-off items, EUR 6.6 million (EUR 4.3 million).

The third-quarter result before taxes was EUR 3.1 million (EUR 3.5 million) and, including one-off items, EUR 2.9 million. Result before taxes in January–September was EUR 7.4 million (EUR 3.6 million) and, including one-off items, EUR 7.2 million (EUR 5.4 million). Raisio’s net financial income in July–September totalled EUR 0.2 million (EUR 0.4 million), and EUR 0.9 million in January–September (EUR 1.5 million).

The third-quarter result after taxes was EUR 2.0 million (EUR 2.5 million) and, including one-off items, EUR 1.4 million. Result after taxes in January–September was EUR 5.3 million (EUR 2.6 million) and, including one-off items, EUR 4.7 million (EUR 3.9 million). Earnings per share in July–September totalled EUR 0.01 (EUR 0.01) and, including one-off items, EUR 0.01. In January–September earnings per share were EUR 0.03 (EUR 0.01) and, including one-off items, EUR 0.03 (EUR 0.02). Return on investment amounted to 3.6% (2.4%).

BALANCE SHEET AND FINANCIAL POSITION

At the end of September, Raisio's balance sheet total was EUR 367.1 million (EUR 387.4 million on 31 December 2006) and shareholders' equity amounted to EUR 282.1 million (EUR 290.4 million on 31 December 2006). Equity per share at the end of September was EUR 1.70 (EUR 1.73 on 31 December 2006).

The Group's interest-bearing debt at the end of September was EUR 11.2 million (EUR 23.2 million on 31 December 2006). Net interest-bearing debt totalled EUR -46.8 million (EUR -55.6 million on 31 December 2006).

The equity ratio at the end of September was 76.9% (75.0% on 31 December 2006), and the gearing ratio was -16.6% (-19.1% on 31 December 2006).

Cash flow from operating activities in July-September totalled EUR 25.6 million (EUR 29.3 million) and in January-September EUR 14.4 million (EUR 22.6 million).

In the third quarter, working capital was released from inventories and from an increase in accounts payable. It amounted to EUR 96.5 million at the end of the review period (EUR 96.7 million on 31 December 2006). Raisio's gross investments in July-September totalled EUR 9.2 million (EUR 5.9 million), and in January-September EUR 21.4 million (EUR 19.6 million). The biggest single investments targeted the feed plant in Ylivieska and the expansion to the stanol ester plant in Raisio.

CONTINUING OPERATIONS

Food

The Food Division's turnover in July-September was EUR 48.6 million (EUR 49.6 million). The turnover remained nearly the same as that in the comparison period, despite the discontinuation of loss-making domestic bakery flour sales and the end of weakly profitable distributor sales in Finland and Poland. Turnover grew in the soy-oat business, the Finnish margarine business and Russian operations. Raisio's flake sales in Russia increased considerably from the comparison period.

In August Raisio introduced a new brand portfolio with products divided into three consumer worlds: spreads, breakfast and snacks, as well as baking. The concept will be tested and finalised in Finland, after which it can be copied into other market areas. The goal of the reform is to improve availability to consumers, as well as to enhance product and customer profitability, by focusing marketing inputs on the Elovena, Keiju and Sunnuntai brands. In 2007 Raisio has reduced the number of SKUs (stock keeping units) by some 30 per cent from last year.

Raisio's margarine sales in Finland outpaced general market growth, and the market share of Keiju products rose to 18 per cent. Flake markets are growing, with Elovena in particular acting as a growth engine. Elovena holds a 43% share of the Finnish flake market. The Sunnuntai brand has maintained its market share.

In January-September the Food Division's turnover totalled EUR 146.8 million (EUR 146.5 million).

Key figures for the Food Division

	7-9/2007	7-9/2006	1-9/2007	1-9/2006	2006
Turnover, EUR million	48.6	49.6	146.8	146.5	196.5
Margarines and soy-oat products	27.6	29.9	84.5	89.3	118.6
Milling products	21.0	19.7	62.4	57.3	78.1
Other	0.0	-0.1	0.0	0.0	0.0
Internal sales	0.0	0.0	-0.1	-0.1	-0.1
Operating result, EUR million	-5.7	-1.4	-8.3	-5.7	-37.9
% of turnover	-11.7	-2.8	-5.7	-3.9	-19.3
One-off items, EUR million	-3.6	0.0	-3.6	0.0	-27.4
Operating result, excluding one-off items, EUR million	-2.1	-1.4	-4.7	-5.7	-10.5
Investments	1.5	3.3	5.8	11.2	15.3
Net assets	-	-	88.4	112.2	85.5

The Food Division's operating result in July–September was EUR -2.1 million (EUR -1.4 million) including EUR 0.9 million of rationalisation expenses and, including one-off items, EUR -5.7 million. Improvement in the Food Division's profitability was slowed down by a record fast increase in raw material prices in all markets. Raisio and the domestic daily consumer goods trade have agreed on the adoption of a new, flexible pricing model from January 2008 onwards.

At the beginning of September, Raisio transferred the production of its margarines sold in Russia to a subcontractor. The focus of Russian operations is on developing marketing and distribution channels. Raisio will reduce overcapacity by closing down the wheat and rye mills in Nokia. Related to this, the Group entered a EUR 2.0 million depreciation on machinery and a EUR 1.3 million depreciation on the goodwill of the milling business. Flake production will continue in Nokia. The sizable rationalisation measures carried out in the Food Division are expected to have a positive impact on operating result in 2008.

Feed & Malt

The Feed & Malt Division's turnover in July–September increased from the comparison period by more than 20% to EUR 61.7 million (EUR 50.9 million). The year-to-year growth in turnover resulted from increases in feed and malt prices. The sales volumes of feed and malt corresponded to those of the comparison period. No considerable changes took place in market position. The structural changes in the Finnish feed industry have led to new forms of co-operation at the customer interface. Turnover in January–September totalled EUR 156.2 million (EUR 139.8 million).

Key figures for the Feed & Malt Division

	7-9/2007	7-9/2006	1-9/2007	1-9/2006	2006
Turnover, EUR million	61.7	50.9	156.2	139.8	186.5
Feeds	50.9	45.6	130.1	122.4	165.3
Malt	10.7	5.3	25.1	16.1	20.0
Other	0.2	0.2	1.4	1.6	1.7
Internal sales	-0.1	-0.1	-0.4	-0.4	-0.5
Operating result, EUR million	6.8	2.7	9.6	6.8	6.3
% of turnover	11.0	5.2	6.1	4.9	3.4
One-off items, EUR million	3.4	0.0	3.4	1.8	0.7
Operating result, excluding one-off items, EUR million	3.4	2.7	6.2	5.0	5.6
Investments	5.8	1.1	10.5	3.7	5.5
Net assets	-	-	78.9	57.9	65.3

The operating result of the Feed & Malt Division improved to EUR 3.4 million in July–September (EUR 2.7 million) and, including one-off items, EUR 6.8 million. The write-down made in December 2005 on the malt business working capital has been reversed, and the value of working capital has been increased to EUR 5.5 million as a result of an improved market situation and changes in the pricing structure. A write-down of EUR 2.1 million was made in the assets of the special feed plant due to a weaker outlook for business profitability. Good performance development in the malt business improved the operating result

over the comparison period. The operating result of feed dropped slightly from the comparison period because the increase of raw material prices could not be fully transferred to product prices.

The increase in feed prices may weaken the profitability of livestock farms and lead to a decrease in production volumes. In the malt business, raw material prices are not expected to significantly affect volumes.

Ingredients

The Ingredients Division's turnover in July–September decreased from the comparison period, totalling EUR 10.2 million (EUR 12.6 million). The drop resulted from exceptionally strong seasonal fluctuation in partners stocks and the decreased volumes in the US and German markets. Sales in Turkey developed slower than expected because the use of health claims is prohibited in marketing. Turnover is expected to return to the previous, normal level in the last quarter. Turnover in January–September totalled EUR 33.3 million (EUR 39.6 million).

Key figures for the Ingredients Division

	7-9/2007	7-9/2006	1-9/2007	1-9/2006	2006
Turnover, EUR million	10.2	12.6	33.3	39.6	49.7
Operating result, EUR million	2.1	2.2	7.1	6.2	7.8
% of turnover	20.7	17.2	21.4	15.7	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	2.1	2.2	7.1	6.2	7.8
Investments	1.6	0.8	5.7	2.6	4.3
Net assets	-	-	43.8	40.2	44.5

Operating result in July–September was EUR 2.1 million (EUR 2.2 million) including EUR 0.3 million of rationalisation expenses. The operating result remained over 20 per cent of turnover.

To ensure a good foundation for future growth, Raisio has reorganised the Ingredients business, revised the sales concept to focus on consumer applications and increased production capacity to enhance efficiency. Raisio will regain rights to stanol ester and the Benecol brand from McNeil, its long-term partner. This will enable the development of the business from a new starting point. Raisio aims to be an active player in the growing European, Asian and US markets for cholesterol-lowering functional foods by introducing innovative product applications. The Group continues its preparations to enter the Asian market with local partners.

DISCONTINUED OPERATIONS

The divestment of the diagnostics business was completed, and the business was transferred to US-based BioControl at the beginning of September.

RESEARCH AND DEVELOPMENT

All of Raisio's divisions engage in their own research and development, which is based on a customer- and consumer-oriented approach. In 2008 Raisio will introduce many important new products. Research and development costs amounted to EUR 1.3 million (EUR 2.4 million) in the third quarter, and to EUR 4.3 million (EUR 7.2 million) in January–September, representing 1.4% (2.3%) of turnover.

PERSONNEL

Raisio employed 1,132 people at the end of September (1,214 on 31 December 2006), 30.7% of whom worked outside Finland (32.8% on 31 December 2006). The headcount decreased as a result of the close down of margarine production in Russia.

At the end of September, the Food Division had 713, Feed & Malt 288, Ingredients 74 and service functions 57 employees.

Pasi Lähdetie, MA (Agriculture and Forestry), has been appointed director of Raisio's new grain trade operations from 1 December 2007.

SHARES AND SHAREHOLDERS

The number of Raisio plc's free shares traded on the OMX Nordic Exchange in Helsinki in January–September totalled 38.9 million (36.1 million). The value of trading was EUR 79.0 million (EUR 70.5 million), and the average price was EUR 2.03. The closing price on 30 September 2007 was EUR 1.94.

A total of 1.0 million restricted shares (1.0 million) were traded in January–September. The value of trading was EUR 2.0 million (EUR 2.0 million), and the average price was EUR 2.00. The closing price on 30 September 2007 was EUR 1.94.

On 30 September 2007, Raisio had 38,334 registered shareholders (40,822 on 31 December 2006). Foreign holding accounted for 16.6% (15.5% on 31 December 2006) of shares.

Raisio's market capitalisation at the end of September amounted to EUR 307.3 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 6,630,000 of the company's free shares and 91,319 of its restricted shares. The shares were acquired from 2005 to 2007. The company's free shares account for 5.07% of all free shares and their votes. The corresponding figure for restricted shares is 0.26%. In all, the company shares held by the Group represent 4.07% of the company's share capital and 1.03% of overall votes. The book value of free shares is EUR 1,115,086 and that of restricted shares EUR 15,359, or a total of EUR 1,130,445.

Of the company shares held by the Group, 1,699,500 free shares and 50,119 restricted shares have been acquired since April 2007 on the basis of the authorisation granted by the Annual General Meeting. The authorisation concerning free shares had been exercised in full in October, and the purchase of free shares has ended. Repurchases of restricted shares will continue until further notice.

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 starting on 10 April 2007.

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 about the decisions made by the Annual General Meeting was published on 30 March 2007.

EVENTS AFTER THE REVIEW PERIOD

In October Raisio divested its 25% holding in Obory Sp. z o.o., a Polish dairy company. The divestment does not have a significant impact on the Group's result. Obory will continue to produce Benecol drinks for Raisio.

According to the amendment to the agreement signed in October Raisio is to gain additional rights to plant stanol ester and Benecol brand from McNeil.

Following the reorganisation of Raisio's business, the Group's commercial and production operations were separated at the beginning of October. In practical terms, this means that production will be made into a service function alongside other functions currently in place to serve and support business.

The Group's legal structure will be reformed stepwise starting in October. Reorganisation aims to enhance the cost-effectiveness of operations, clarify the Group structure, streamline services and arrange production to reflect the new organisation structure.

At the beginning of October, Raisio plc transferred its administrative service function to the newly founded group service function, Raision Konsernipalvelut Oy. The Group is planning to transfer all of its premises and production facilities to Raisionkaaren Teollisuuspuisto Oy on 1 January 2008. The only exception to this is Melia Ltd, whose premises and production facilities will be transferred to Melian Kiinteistöpalvelut Oy. The new companies will own, administer and rent out food and feed production facilities, as well as laboratory and office facilities, including machinery and equipment. Raisionkaaren Teollisuuspuisto Oy will be a subsidiary of Raisio plc, while Melian Kiinteistöpalvelut Oy will be a Raisio Nutrition Ltd subsidiary in which Lantmännen Mills AB has a 25% holding.

As of 1 January 2008, Raisio's commercial operations will be managed by the new Raisio Nutrition Ltd, Raisio Feed Ltd and Melia Ltd. Raisio Staest Ltd will be dissolved at the end of December when it merges with Raisio Benecol Ltd, which, in turn, will become part of the new Raisio Nutrition Ltd.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The main challenge to Raisio's profitability comes from the management of the volatility of raw material prices. Managing the changes affecting the grain chain calls for co-operation and new operating models from all those involved. The work to improve the predictability of raw material prices and the flexibility of sales prices continues. Raisio's grain chain operations will be reorganised in this conjunction.

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. 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. In the last quarter the Food Division's loss is expected to be in line with the previous quarters in 2007 and full-year operating result to improve clearly over the previous year but to continue in the red. The Ingredients and Feed & Malt Divisions are expected to record better operating results than last year.

Raisio, 30 October 2007

RAISIO PLC

Board of Directors

Further information:

Matti Rihko, CEO, tel. +358 400 830 727
Jyrki Paappa, CFO, tel. +358 50 5566 512
Heidi Hirvonen, Communications Manager, tel. +358 50 567 3060

A press and analyst event in Finnish will be organised on 30 October 2007 at 10:00 a.m. at Hotel President, in the Juho-Kusti meeting room, at Eteläinen Rautatiekatu 4, Helsinki.

A teleconference in English will be held on 30 October 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)

	7-9/07	7-9/06	1-9/07	1-9/06	2006
CONTINUING OPERATIONS:					
Turnover	112.9	108.0	317.3	309.9	411.8
Expenses corresponding to products sold	-93.6	-89.8	-265.2	-257.6	-365.7
Gross profit	19.2	18.2	52.1	52,3	46.1
Other operating income and expenses, net	-16.5	-14.9	-45.4	-48.1	-75.3
Operating result	2.8	3.3	6.6	4.3	-29.2
Financial income	0.5	0.8	1.9	2.7	4.8
Financial expenses	-0.2	-0.4	-1.0	-1.2	-6.9
Share of result of associated companies and joint ventures	-0.1	-0.2	-0.3	-0.3	-2.7
Result before taxes	2.9	3.5	7.2	5.4	-33.9
Income tax	-1.5	-1.0	-2.5	-1.5	-0.7
Result for the period from the continuing operations	1.4	2.5	4.7	3.9	-34.6
DISCONTINUED OPERATIONS:					
Result for the period from discontinued operations	-2.5	2.5	-3.6	1.5	-6.6
RESULT FOR THE PERIOD	-1.1	5.0	1.1	5.4	-41.1
Attributable to:					
Equity holders of the parent company	-0.8	4.8	1.4	4.9	-41.7
Minority interest	-0.3	0.2	-0.3	0.5	0.5
Earnings per share from the profit attributable to equity holders of the parent company (EUR)					
Earnings per share from continuing operations (EUR)	0.01	0.01	0.03	0.02	-0.22
Earnings per share from discontinued operations (EUR)	-0.02	0.02	-0.02	0.01	-0.04

BALANCE SHEET (EUR million)

	30.9.07	30.9.06	31.12.06
ASSETS			
Non-current assets			
Intangible assets	10.7	13.9	13.0
Goodwill	1.3	11.7	2.6
Property, plant and equipment	123.7	132.7	117.7
Shares in associated companies and joint ventures	1.9	4.6	2.4
Financial assets available for sale	0.6	2.2	1.5
Receivables	2.6	8.1	3.1
Deferred tax assets	11.6	13.5	10.7
Total non-current assets	152.2	186.7	151.0
Current assets			
Inventories	79.4	74.5	82.1
Accounts receivables and other receivables	77.6	75.9	75.4
Financial assets at fair value through profit or loss	47.4	87.0	64.4
Cash in hand and at banks	10.5	9.6	14.5
Total current assets	214.9	246.9	236.4
Total assets	367.1	433.6	387.4
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	27.8	27.8	27.8
Own shares	-14.8	-11.4	-11.4
Other equity attributable to equity holders of the parent company	256.3	307.7	260.7
Equity attributable to equity holders of the parent company	269.3	324.1	277.1
Minority interest	12.8	13.3	13.3
Total equity	282.1	337.4	290.4
Non-current liabilities			
Deferred tax liabilities	9.6	9.5	7.9
Pension liabilities	0.2	0.4	0.2
Non-current interest-bearing liabilities	0.5	4.4	1.4
Other non-current liabilities	0.0	1.0	1.0
Total non-current liabilities	10.3	15.3	10.4
Current liabilities			
Accounts payable and other liabilities	62.0	62.0	59.8
Reserves	2.3		5.1
Current interest-bearing liabilities	10.5	19.0	21.6
Total current liabilities	74.8	81.0	86.6
Total liabilities	85.0	96.3	97.0
Total equity and liabilities	367.1	433.6	387.4

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	-	-	-	-	-	-2.2	-	-	-2.2	0.0	-2.2
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	-	-	-	-	-	-	0.0	-	0.0	-	0.0
Transferred to income statement with taxes deducted	-	-	-	-	-	-	0.0	-	0.0	-	0.0
Net profit for review period	-	-	-	-	-	-	-	4.9	4.9	0.5	5.4
Other changes	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Equity at 30.9.2006	27.8	2.9	88.6	0.0	-11.4	-0.9	0.0	217.1	324.1	13.3	337.4
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
Translation differences, transferred to income statement on disposal of subsidiaries	-	-	-	-	-	0.4	-	-	0.4	-	0.4
Other change in translation differences	-	-	-	-	-	-1.3	-	-	-1.3	0.0	-1.3
Repurchase of own shares	-	-	-	-	-3.4	-	-	-	-3.4	-	-3.4
Net profit for review period	-	-	-	-	-	-	-	1.4	1.4	-0.3	1.1
Other changes	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Equity at 30.9.2007	27.8	2.9	88.6	0.0	-14.8	-2.2	0.0	167.0	269.3	12.8	282.1

CASH FLOW STATEMENT (EUR million)

	1-9/07	1-9/06	2006
Cash flow before change in working capital	19.9	22.2	20.8
Change in working capital	-6.0	-0.5	-7.3
Financial items and taxes	0.5	1.0	1.7
Cash flow from business operations	14.4	22.6	15.1
Investments	-23.1	-23.2	-32.2
Divestment of subsidiaries	4.1	0.0	0.0
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	-14.8	-23.7	-33.3
Change in non-current loans	-8.7	-9.3	-12.6
Change in current loans	-3.1	-1.6	0.8
Repurchase of own shares	-3.4	-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	-20.4	-24.3	-24.9
Adjustment to translation difference	-0.5	-0.5	0.1
Change in liquid funds	-21.2	-25.9	-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	0.3	-0.4	-1.0
Liquid funds at the end of the period	58.0	96.5	78.8

NOTES TO THE INTERIM REPORT

This interim report has been prepared in accordance with the IFRS accounting policies. The report does not comply with all of the requirements laid out in 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)

	7-9/07	7-9/06	1-9/07	1-9/06	2006
Food	48.6	49.6	146.8	146.5	196.5
Feed & Malt	61.7	50.9	156.2	139.8	186.5
Ingredients	10.2	12.6	33.3	39.6	49.7
Other operations	0.1	0.2	0.3	0.5	0.6
Interdivisional turnover	-7.6	-5.3	-19.4	-16.4	-21.5
Total turnover	112.9	108.0	317.3	309.9	411.8

OPERATING RESULT BY SEGMENT (EUR million)

	7-9/07	7-9/06	1-9/07	1-9/06	2006
Food	-5.7	-1.4	-8.3	-5.7	-37.9
Feed & Malt	6.8	2.7	9.6	6.8	6.3
Ingredients	2.1	2.2	7.1	6.2	7.8
Other operations	-0.4	-0.1	-1.7	-3.0	-5.3
Eliminations	0.0	0.0	-0.1	-0.1	0.0
Total operating result	2.8	3.3	6.6	4.3	-29.2

NET ASSETS BY SEGMENT (EUR million)

	30.9.07	30.9.06	31.12.06
Food	88.4	112.2	85.5
Feed & Malt	78.9	57.9	65.3
Ingredients	43.8	40.2	44.5
Other operations, discontinued operations and unallocated items	71.0	127.1	95.0
Total net assets	282.1	337.4	290.4

INVESTMENTS BY SEGMENT (EUR million)

	7-9/07	7-9/06	1-9/07	1-9/06	2006
Food	1.5	3.3	5.8	11.2	15.3
Feed & Malt	5.8	1.1	10.5	3.7	5.5
Ingredients	1.6	0.8	5.7	2.6	4.3
Other operations	0.3	0.6	1.0	2.1	3.2
Eliminations	0.0	0.0	-1.6	0.0	0.0
Total investments	9.2	5.9	21.4	19.6	28.2

TURNOVER BY MARKET AREA (EUR million)

	7-9/07	7-9/06	1-9/07	1-9/06	2006
Finland	70.7	66.3	194.5	186.6	252.9
Poland	9.8	11.2	30.5	33.2	41.1
Russia	14.8	10.2	33.3	26.8	33.3
Other Europe	16.1	18.2	54.9	58.0	77.6
ROW	1.5	2.1	4.1	5.3	6.9
Total	112.9	108.0	317.3	309.9	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 contract of sale was signed and the divestment of the diagnostics business was concluded at the beginning of September 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 May 2007 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. There are no assets and liabilities classified as held for sale in the balance sheet for the review period.

	1-9/07	1-9/06	2006
Result for the discontinued operations			
Income from ordinary operations	11.2	18.6	29.3
Expenses	-12.3	-16.0	-34.8
Result before taxes	-1.1	2.7	-5.5
Taxes	-0.1	-1.2	-1.1
Result after taxes	-1.2	1.5	-6.6
Result from discontinued operations	-2.4		
Taxes	0.0		
Result after taxes	-2.4		
Result for the discontinued operations	-3.6	1.5	-6.6
Cash flow for the discontinued operations			
Cash flow from business operations	-0.5	4.1	3.1
Cash flow from investments	6.1	-2.0	-3.0
Cash flow from financial operations	-0.1	0.0	0.1
Total cash flow	5.5	2.1	0.2

TANGIBLE ASSETS

	30.9.07	30.9.06	31.12.06
Acquisition cost at the beginning of the period	450.5	430.0	430.0
Conversion differences	-1.4	-2.1	-2.5
Increase	20.3	17.6	26.3
Decrease	-36.6	-0.7	-2.9
Reclassifications between items	0.0	-0.1	-0.3
Acquisition cost at the end of the period	432.8	444.7	450.5
Accumulated depreciation and write-downs at the beginning of the period	332.8	299.5	299.5
Conversion difference	-0.9	-1.2	-1.5
Decrease and transfers	-32.5	-0.6	-2.0
Depreciation for the period	11.3	14.4	19.1
Write-downs	-1.5	0.0	17.7
Accumulated depreciation and write-downs at the end of the period	309.2	312.0	332.8
Book value at the end of the period	123.7	132.7	117.7

RESERVES

	1-9/07	1-9/06	2006
At the beginning of the period	5.1		
Increase in provisions	0.4		5.1
Provisions used	-3.3		
At the end of the period	2.3		5.1

CONTINGENT LIABILITIES (EUR million)

	30.9.07	30.9.06	31.12.06
Assets given for security			
For the company			
Mortgages on real estate	17.1	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	2.2	2.8	2.7
Contingent liabilities for the company	1.5	1.5	1.5
Contingent liabilities for associated companies			
Guarantees	3.1	2.9	3.0
Contingent liabilities for others			
Guarantees	0.2	0.0	0.0
Other liabilities	2.2	1.9	2.8

DERIVATIVE CONTRACTS (EUR million)

	30.9.07	30.9.06	31.12.06
Nominal values of derivative contracts			
Raw material futures	2.3	1.2	5.4
Currency forward contracts	24.4	30.7	25.5

QUARTERLY PERFORMANCE (EUR million)

	7-9/ 2007	4-6/ 2007	1-3/ 2007	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-3/ 2006
Turnover by segment							
Food	48.6	48.5	49.8	50.1	49.6	49.5	47.4
Feed & Malt	61.7	53.6	40.9	46.7	50.9	50.3	38.6
Ingredients	10.2	10.7	12.5	10.1	12.6	13.8	13.2
Other operations	0.1	0.1	0.1	0.2	0.2	0.1	0.2
Interdivisional turnover	-7.6	-5.9	-5.9	-5.1	-5.3	-5.5	-5.6
Total turnover	112.9	107.0	97.5	101.9	108.0	108.1	93.8
Operating result by segment							
Food	-5.7	-1.7	-0.9	-32.2	-1.4	-2.3	-2.0
Feed & Malt	6.8	2.2	0.6	-0.5	2.7	3.6	0.5
Ingredients	2.1	2.6	2.5	1.5	2.2	2.3	1.8
Other operations	-0.4	-0.5	-0.8	-2.3	-0.1	-1.5	-1.4
Eliminations	0.0	0.0	-0.1	0.1	-0.1	0.0	0.0
Total operating result	2.8	2.5	1.3	-33.4	3.3	2.0	-1.0
Financial income and expenses, net	0.2	0.1	0.5	-3.5	0.4	0.5	0.6
Share of result of associated companies	-0.1	-0.1	-0.2	-2.3	-0.2	-0.1	0.0
Result before taxes	2.9	2.6	1.7	-39.3	3.5	2.4	-0.5
Income tax	-1.5	-0.7	-0.3	0.8	-1.0	-0.5	0.1
Result for the period from continuing operations	1.4	1.9	1.5	-38.5	2.5	1.8	-0.4

ONE-OFF ITEMS (EUR million)

	7-9/ 2007	4-6/ 2007	1-3/ 2007	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-3/ 2006
Food							
Impairments	-3.6			-21.7			
Withdrawal from the investment				-5.8			
Feed & Malt							
Impairments	-2,1			-1,1			
Reversal of impairments	5,5						
Compensation resulting from the contractual lease transfer						1.8	
Impact on operating result	-0.3	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				-2,2			
Impact on result before taxes	-0,3	0,0	0,0	-35,0	0,0	1,8	0,0

KEY INDICATORS

	30.9.07	30.9.06	31.12.06
Return on equity, ROE, %	2.2	1.5	-10.8
Return on investment, ROI, %	3.6	2.4	-9.3
Interest-bearing liabilities at the end of the period, EURm	11.2	23.8	23.2
Gross investments, EURm	21.4	19.6	28.2
% of turnover	6.7	6.3	6.8
Depreciation, EURm	13.8	16.4	21.8
R & D expenses, EURm	4.3	7.2	9.8
% of turnover	1.4	2.3	2.4
Average personnel	1,197	1,296	1,277
Equity ratio, %	76.9	77.9	75.0
Gearing, %	-16.6	-21.6	-19.1
Earnings/share from continuing operations, EUR	0.03	0.02	-0.22
Cash flow from operations/share, EUR	0.09	0.14	0.09
Equity/share, EUR	1.70	2.02	1.73
Average number of shares during the period, in 1,000s*)			
Free shares	125,184	126,906	125,843
Restricted shares	34,502	34,525	34,524
Total	159,686	160,431	160,367
Average number of shares at the end of the period, in 1,000s*)			
Free shares	125,045	125,655	125,655
Restricted shares	34,383	34,522	34,522
Total	158,428	160,177	160,177
Market capitalisation of shares at the end of the period, EURm*)			
Free shares	240.6	183.5	224.9
Restricted shares	66.7	51.8	62.1
Total	307.3	235.2	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