



Interim Report January 1 – June 30, 2007

April–June

- Second quarter profit totalled EUR 4.4 million (Q2 2006: 2.0 million).
- Earnings per share came to EUR 0.71 (0.34).
- Second quarter net sales for the Group's continuing operations came to EUR 68.0 (63.5) million, up 7.1% on Q2 2006.
- The continuing operations showed an operating profit/loss of EUR –0.5 (0.6) million; the effect of non-recurring items was EUR 0.0 (0.3) million.
- The sale of the majority holding in Suomen Rehu Ltd was completed at the start of June.

January–June

- Profit for January–June was EUR 6.3 (2.5) million.
- Earnings per share were EUR 1.01 (0.37).
- Net sales of continuing operations amounted to EUR 139.5 (120.7) million, which is 15.6% up on the comparison period.
- The operating profit/loss of the continuing operations was EUR 0.0 (–0.6) million; the effect of non-recurring items on the operating profit was EUR +0.1 (–0.4) million.

The information in the report is unaudited.

CHANGES IN GROUP STRUCTURE AND CORPORATE TRANSACTIONS IN THE SECOND QUARTER

On January 19, 2007 Lännen Tehtaat plc and SOK subsidiary Hankkija-Maatalous Oy signed a share-purchase agreement under which 51% of the shares in Suomen Rehu Ltd and Avena Nordic Grain would be transferred to the ownership of Hankkija-Maatalous Oy. When the competition authorities studied the agreement, it was evident that the integration of Avena Nordic Grain's business with the grain trading business of Hankkija-Maatalous would, under competition legislation, be viewed as leading to the creation of a strong market position, and so both parties to the agreement decided to omit Avena Nordic Grain from the deal.

The sale of the majority holding in Suomen Rehu Ltd was completed at the start of June, when Suomen Rehu and its subsidiaries were transferred to Hankkija-Maatalous Oy. Following this deal, Suomen Rehu Ltd is now an associated company of Lännen Tehtaat, which retains a 49% holding in the company. More details of the deal are given in the notes to the interim report.

Avena Nordic Grain was not part of the deal and will be reported as a separate segment of the continuing operations.

The dismantling of the feed company ZAO Scandic Feed, jointly owned with Raisio Nutrition, was completed at the end of the quarter. This had no significant impact on the financial performance of Lännen Tehtaat.

KEY INDICATORS, EUR million

	4-6/2007	4-6/2006	1-6/2006	1-6/2006
Group total				
Net sales	94.3	102.8	206.7	199.7
Operating profit	4.5	2.5	7.8	2.0
Profit before taxes	.5	2.7	7.0	3.7
Profit for the period	4.4	2.0	6.3	2.5
Earnings per share, EUR	0.71	0.34	1.01	0.37
Continuing operations				
Net sales	68.0	63.5	139.5	120.7
Operating profit/loss	- 0.5	0.6	0.0	-0.6
Discontinued operations				
Net sales	31.6	44.6	78.8	90.3
Operating profit	5.0	1.9	7.8	2.6

NET SALES AND PROFIT

April-June

In April-June, the operating profit for the Group totalled EUR 4.5 (2.5) million. The profit before taxes was EUR 4.5 (2.7) million and the profit for the period EUR 4.4 (2.0) million. Earnings per share were EUR 0.71 (0.34).

In April-June, net sales for the Group's continuing operations totalled EUR 68.0 (63.5) million, up 7.1% on the same quarter the previous year. The increase in net sales was attributable to the Group's Grain Trading and Fish Products Business. Net sales of the Frozen Foods Business were lower than in the comparison period, while those of the Vegetable Oil Business were at the level of the comparison period. Following the acquisition of Maritim Food, net sales of the Fish Products Business increased by EUR 6.6 million.

Second quarter operating profit/loss for continuing operations, excluding non-recurring items, was EUR -0.5 (0.3) million. Non-recurring items totalled EUR 0.0 (0.3) million. The operating result in the Frozen Foods Business and in Grain Trading was up on the figure for the same quarter a year earlier, whereas the Fish Products Business and the Vegetable Oil Business recorded a poorer result than in 2006. In Other Operations, the profit was at the level of the comparison period.

January-June

In January-June, the operating profit for the Group totalled EUR 7.8 (2.0) million. The profit before taxes was EUR 7.0 (3.7) million and the profit for the period EUR 6.3 (2.5) million. Earnings per share were EUR 1.01 (0.37).

January-June net sales for the Group's continuing opera-

tions amounted to EUR 139.5 (120.7) million, up 15.6% on the same period a year earlier. Maritim Food accounted for EUR 9.3 million of this total. Net sales in Grain Trading were up by EUR 12.5 million.

Operating profit/loss for continuing operations, excluding non-recurring items, was EUR -0.1 (-0.2) million. Non-recurring items totalled EUR 0.1 (-0.4) million. Frozen Foods and Jams, Grain Trading and Other Operations all turned in an improved result on the same quarter a year earlier, whereas the opposite was true for the Fish Products Business and the Vegetable Oil Business.

DISCONTINUED OPERATIONS

The Suomen Rehu Group has been included under discontinued operations. To allow comparison with the same period a year earlier, the latter has been divided into continuing and discontinued operations as if Suomen Rehu had been discontinued from the start of 2006.

The result of the discontinued operations includes that of the Suomen Rehu Group from the beginning of January 1 until the beginning of June, 2007 and the fixed sales price component of the sales proceeds from the majority shareholding in Suomen Rehu Ltd, and the expenses incurred in the transaction. The tax-free sales profit on the majority shareholding recognised in the second quarter amounted to EUR 4.1 million. The parties to the deal are still determining the adjustment item affecting the final sales price. The adjustment for the majority shareholding will be no more than EUR 1.8 million and will be reported in the third quarter. In accordance with IFRS rules, no depreciation according to plan has been recorded on discontinued operations after January 19, 2007. This unrecorded depreciation improved the profit for the first part of the year in the Suomen Rehu Group by EUR 1.0 million and

correspondingly reduced the profit made on the share deal by about EUR 0.5 million.

For the Group's discontinued operations, a profit of EUR 4.6 (1.1) million was recorded in April-June and EUR 6.4 (1.3) million in January-June.

INVESTMENT

Gross investment in non-current assets in January-June, excluding corporate acquisitions, amounted to EUR 3.1 (2.8) million. Investment by the Frozen Foods Business was EUR 1.1 (0.5) million, by the Fish Products Business EUR 1.1 (0.1) million, by the Vegetable Oil Business EUR 0.3 (0.2) million and by the Feeds segment, now sold, EUR 0.6 (2.1) million.

Investment in shares in January-June totalled EUR 11.1 (1.5) million. This entire sum was for the purchase of shares in the Norwegian fish products company Maritim Food AS. More details about this are given in the notes to the interim report.

FINANCING

The Group's financial position and liquidity continued to be good throughout the period.

Cash flow from operations after interest and taxes stood at EUR 4.8 (4.9) million for April-June. Net cash flow from investments was EUR 23.0 (-2.6) million. A total of EUR 5.3 (4.6) million was paid in dividends.

For January-June, cash flow from operations after interest and taxes totalled EUR 10.3 (9.6) million. Cash flow from investments was EUR 12.8 (0.1) million.

The Group's financing structure changed at the start of June as a result of the sale of the majority shareholding in Suomen Rehu Ltd. At the end of the review period, the Group's interest-bearing liabilities came to a total of EUR 29.9 (40.5) million and liquid assets to EUR 25.2 (10.9) million. Net interest-bearing liabilities amounted to EUR 4.7 (29.6) million. The consolidated balance sheet total stood at EUR 177.2 (201.2) million. The equity ratio was 67.9 (55.3)%. Commercial papers issued for the Group's short-term financing stood at EUR 23.0 (19.0) million at the end of the period under review. Liquidity is secured with committed credit facilities. At the end of the period under review there were no credit facilities in use.

The net financial income of the Group's continuing operations came to EUR 0.0 (0.3) million in April-June and EUR 0.0 (2.7) million in January-June. The financial income for the corresponding period a year earlier included sales profits of approximately EUR 2.6 million on the sale of shares not comprising part of the Group's business operations.

SHARE OF ASSOCIATED COMPANIES' PROFITS

The profit recorded for the Group's continuing operations

in April-June includes a proportion of the profits of associated companies. This proportion amounted to a total of EUR 0.2 (0.2) million. In January-June the corresponding figure was EUR -0.2 (-0.2) million. This includes a 49% share of the Suomen Rehu Group profit for June 2007.

TAXES AND PROFIT FOR THE PERIOD

In April-June, the Group's continuing operations recorded a figure of EUR -0.3 (1.1) million as profit/loss before taxes and EUR -0.2 (0.9) million as profit for the period. The taxes on the profit/loss for the period totalled EUR 0.1 (-0.2) million. In January-June, profit/loss before taxes came to EUR -0.2 (1.8) million and the profit/loss for the period was EUR -0.1 (1.1) million. The taxes on the profit/loss for the period were EUR 0.1 (-0.7) million.

The April-June result for continuing and discontinued operations showed a profit of EUR 4.4 (2.0) million. The corresponding figure for January-June was EUR 6.3 (2.5) million.

PERSONNEL

The average number of personnel in the Group's continuing operations in January-June was 673 (650). The number of people working in the Frozen Foods Business was an average of 246 (259), in the Fish Products Business (including the staff of Maritim Food AS as of March 1, 2007) 351 (306), in the Vegetable Oil Business 36 (35), in Grain Trading 29 (28) and in Other Operations 11 (21). The number of people working in the Feeds segment, now sold, during January-May was an average of 298 (324). In calculating the number of personnel, the figure for personnel at Apetit Suomi Oy has been divided up between the Frozen Foods Business and Fish Products Business in relation to the services charged. The figure given for personnel in Other Operations in the same period in 2006 includes the personnel at Harviala Oy up to February 28.

SEASONAL NATURE OF OPERATIONS

The transition to IFRS reporting has had a noticeable impact on the accrual of Lännen Tehtaat's profits over the financial year. With production linked to the harvesting season and with inventories being valued in accordance with IAS 2, most of the Group's annual profit accrues during the final quarter of the year. The focus on the harvesting season means that the seasonality of operations is most marked in the Frozen Foods Business and in the operations of the associated company Sucros.

Apetit Kala's sales depend to a great extent on seasonal holidays. A major proportion of the entire year's profit depends on the success of Christmas sales.

The net sales of Grain Trading vary both annually and quarterly, depending on supply and demand and on prices in Finland and on other markets.

BUSINESS SEGMENTS

Frozen Foods Business

Net sales of the Frozen Foods Business in April-June were down EUR 2.6 million to EUR 11.8 (14.4) million. The drop in sales was the result of the transfer of sugar beet contract farming and associated sales of supplies to Sucros. Food sales were at the same level as the previous year.

Sales of retail products were down about 7% on the previous period. Sales were up in the potato and frozen pizza product groups. Sales of frozen foods and vegetables remained at the previous level. Sales in the hotel, restaurant and catering sector showed a positive trend with a growth of about 10%. Industrial sales grew by around 20%, while exports remained at the previous level.

The Frozen Foods Business showed an operating profit of EUR 0.3 (0.2) million for the period April-June.

Net sales for the period January-June were down EUR 2.1 million to EUR 25.1 (27.2) million. Sales of agricultural supplies were down EUR 2.6 million. Food sales grew by over 1%.

The drop in sales of retail products was around 2.5% for the period January-June. Most of the drop was in retailers' own brands. Sales in the hotel, restaurant and catering sector grew by over 10% as too did industrial sales. Exports were at the same level as the previous period.

The Frozen Foods Business showed an operating profit/loss of EUR 0.8 (-0.6) million for the period January-June. Results were improved by changes in the sales product structure and as a result of improvements in productivity and cost efficiency.

Investments in the Frozen Foods Business were EUR 1.1 (0.5) million during the period January-June, the most important ones being associated with the renewal of freezing lines.

Fish Products Business

Net sales of the Fish Products Business for the period April-June were EUR 20.5 (15.6) million. Net sales were increased by acquiring the Maritim Food Group, which became part of the Fish Products Business. Net sales of Apetit Kala were down EUR 1.7 million.

The Fish Products Business made a loss of EUR -1.1 million (-0.0) in the second quarter, mostly because of Apetit Kala. The Maritim Food Group made a small loss as expected. Apetit Kala operations were affected in the second quarter by machinery breakdowns at the Kuopio production plant, which caused delivery problems and sales losses, and extra costs in production and logistics. There were also delays from the planned timetable in starting up production

transferred to Kuopio from Kustavi causing overlapping costs in production. Furthermore, preparing for the threat of a strike in the food industry at the start of the period also caused extra costs.

Net sales of the Fish Products Business for the period January-June were EUR 36.9 (29.0) million. The increase in net sales brought by the Maritim Food Group was EUR 9.3 million. Net sales by Maritim Food grew a little under 10% compared with the previous year. Net sales by Apetit Kala were down a little under 5% compared with the same period the previous year. The Fish Products Business made a loss of EUR -1.3 million (profit 0.4) for the period January-June.

Investments in the Fish Products Business were EUR 1.1 (0.1) million during the period January-June. They were associated with the factory extension and replacement of the smoke ovens in Kuopio in line with the centralized production programme.

Concentrating Apetit Kala production in Kuopio was implemented as far as the transfer from Kustavi is concerned. The codetermination negotiations related to the transfer of production and packaging operations from Kerava were concluded in June. The aim of concentrating production is to generate substantial improvements in production and cost efficiency.

Human resources in domestic fish operations were strengthened on August 1, 2007 with the appointment of Ari Laarne as managing director of Apetit Kala. He will have special responsibility for developing the company's core processes and operational management. Heljä Mänterä was appointed as director in charge of the company's production, productivity development and quality.

The integration of Maritim Food to Lännen Tehtaat has proceeded according to plan, and at the beginning of April Anders Ahlberg started to work as director in charge of Maritim Food Sweden and the integration work.

Vegetable Oil Business

Net sales for the Vegetable Oil Business for the period April-June increased by over 2% to EUR 10.7 (10.5) million. The comparable operating profit was EUR 0.6 (0.9) million. The fall is the result of an expected drop in the refining margin.

Net sales for the period January-June were EUR 20.7 (20.6) million, and the comparable operating profit was EUR 1.0 (1.6) million.

Investments in the Vegetable Oil Business were EUR 0.3 (0.2) million. The most important investment was the renewal of the ERP-system.

Grain Trading

The favourable development in the Grain Trading Business continued strongly in the second quarter too. Net sales were EUR 25.1 (23.2) million, showing growth of 8%. Exports grew substantially, and domestic sales were at the same level as the previous period. Operating profit doubled on the previous period to EUR 0.9 (0.4) million.

Net sales for the period January-June grew 28% to EUR 57.2 (44.7) million. Net sales were up in all market sectors, though mostly in exports. Growth in net sales was also affected by the rise in market prices of grain. Operating profit was EUR 1.7 (0.8) million.

Other Operations

The Other Operations segment is made up of the service company Apetit Suomi, group administration, and various items that do not come under any particular segment. The cost effect of services produced by Apetit Suomi is an encumbrance on the operating result in proportion to the use of services.

Net sales for the segment for the period April-June were EUR 0.9 (0.0) million and the operating loss was EUR -1.2 (-1.2) million.

Net sales for the period January-June were EUR 1.9 (0.0) million, and the operating loss without one-off items was EUR -2.3 (-2.5) million. Non-recurring items for the period totalled EUR +0.1 (-0.6) million.

RESOLUTIONS BY THE ANNUAL GENERAL MEETING

Dividend

The Annual General Meeting of Lännen Tehtaat plc on March 29, 2007 approved the distribution of a dividend of EUR 0.84 per share in line with the proposal of the Board. The total amount of the dividend, EUR 5.3 million, was transferred from retained earnings to short-term non-interest-bearing liabilities in the balance sheet at the end of March. The dividend was paid out on April 12, 2007.

Authorizations by the Annual General Meeting

The Annual General Meeting authorized the Board to decide on a new share issue and to sell the company's own shares held by the company either together or in several lots in the form of a rights issue. The maximum number of new shares that can be issued is 631,757, and the maximum number of shares held by the company that can be sold is 65,000. The issue price of the new shares will be at least the nominal share value, i.e. two (2) euros. The sales price of the company's own shares will be at least the market price at the moment of sale, defined on the basis of the trading price determined by public trading on the Helsinki Stock Exchange (OMX). The authorization covers the right to depart from the subscription priority of existing share-

holders if there is a pressing financial reason for so doing from the company's point of view; the right to offer shares rather than money against apportionment as well, or on some other specific condition or using right-of-setoff; and the right to decide the issue price of the shares and any other conditions or matters associated with the share issue.

The authorization will be in force until the next Annual General Meeting. This authorization supersedes the share issue authorization given on March 29, 2006 and the authorization to sell the company's own shares given on the same date.

The Board has not, as yet, exercised the share issue authorization granted by the Annual General Meeting.

SHARES AND SHARE TRADING

At the end of the period under review, the total number of the company's shares in circulation was 6,317,576, and the registered share capital was EUR 12,635,152. The company held 65,000 of its own shares, i.e. 1.0% of the entire share stock. The nominal value of the company's own shares was EUR 130,000. No changes in the share capital or in the number of the company's own shares held by the company took place in the year under review or the previous year.

During the year under review, 478,925 (945,386) of the company's shares were traded on the stock exchange, i.e. 7.6% (15.0%) of the entire share stock. The highest share price was EUR 24.50 (24.19) and the lowest EUR 21.00 (15.26). Share trading during the period totalled EUR 11.2 (18.7) million. At the end of the period, the market value of the entire share stock was EUR 132.7 (122.9) million.

ANNOUNCEMENTS PURSUANT TO CHAPTER 2 SECTION 9 OF THE SECURITIES MARKET ACT

Lännen Tehtaat received no notices of disclosure pursuant to chapter 2 section 9 of the Securities Market Act during the period under review.

GOVERNANCE

At a meeting of the Supervisory Board of Lännen Tehtaat held on April 11, 2007, the following were appointed members of the Board of Directors: Harri Eela, Aappo Kontu, Matti Lappalainen, Hannu Simula, Soili Suonoja and Tom v. Weymarn. Tom v. Weymarn was elected Chairman of the Board and Hannu Simula Deputy Chairman.

IMPORTANT OCCURRENCES AFTER THE END OF THE PERIOD UNDER REVIEW

Where were no important occurrences after the end of the period under review.

SHORT-TERM RISKS AND UNCERTAINTIES

The major risks for the Lännen Tehtaat Group are connected with the volume and quality of the autumn harvests, the control of price changes of raw materials, the success of

the planned production transfer operations and the success of the integration of the Maritim Group.

In the Fish Product Business and the Vegetable Oil Business, and in Grain Trading, the most important raw material prices are determined by the global markets. These raw materials include salmon, rainbow trout, shellfish, rape-seed, soy beans and grain. Because of the tight competition on the markets, it is not possible to pass on all rises in raw material prices to sales prices in full, which would have a negative effect on Group profits.

FUTURE PROSPECTS

Third quarter

Net sales from continuing operations are expected to rise somewhat above the 2006 level during the third quarter because of the growth in net sales of the Fish Products Business. Operating profit before non-recurring items is expected to fall short of the level for the previous period and show a loss.

The profit of the Frozen Foods Business and Grain Trading is expected to remain at the level of the comparison period in the third quarter. The results for domestic fish operations will be encumbered by non-recurring costs stemming from overlapping costs in production caused by the reconstruction. The positive effect of concentrating production will still not be realised in the third quarter. Results in the Vegetable Oil Business are being weakened by the fall in the refining margin, which is due to the rise in raw material prices.

The year as a whole

The net sales of the Group's continuing operations are expected to increase over 2006 as a result of growth in the Fish Products Business and Grain Trading. The operating profit of the continuing operations for the entire year, excluding non-recurring items, is expected to be at the level of the comparison year.

Net sales for the Frozen Food Business are expected to be at the same level as the previous year. Product sales are expected to grow about 5%. The transfer of sugar beet cultivation to Sucros will cut sales of supplies by something approaching EUR 3 million. Sales of own brands are expected to grow due to volume growth and due to changes in the product mix. Favourable development in the hotel, restaurant and catering sector and in industrial sales is expected to continue. Sales of retailers' own brands and exports are expected to fall. Operating profit before non-recurring items of the Frozen Food Business for the year as a whole is expected to be better than in the previous year.

The market for industrially packaged fish is growing at an annual rate of about 10%. Because of delivery problems

in the second quarter, Apetit Kala sales for the entire year are expected to be at the previous year's level. It is estimated that linking the Maritim Food Group with the Lännen Tehtaat Fish Products Business at the beginning of March will have increased net sales for the Fish Products Business for the year by more than EUR 20 million. Due to Apetit Kala's weak first half-year and third quarter, the Fish Products Business before non-recurring items is expected to remain weaker than the in previous year.

Net sales in the Vegetable Oil Business are expected to grow slightly from the 2006 level due to growth in volume and rises in product prices. As raw material prices rose clearly more than product prices, the refining margin and operating profit before non-recurring items are expected to remain below the exceptionally good levels of 2005 and 2006.

In Grain Trading, net sales for the whole year are expected to grow to over EUR 100 million due to the growth in volumes and market prices. Because of the growth in sales, the operating profit for Avena Nordic Grain is expected to improve on the 2006 level.

Lännen Tehtaat's vision is to be one of the leading Finnish food companies. In order to realize the vision, Lännen Tehtaat continues to evaluate potential structural arrangements and acquisition targets within the food industry.

August 9, 2007

LÄNNEN TEHTAAT PLC

Board of Directors

Consolidated income statement

	4-6/2007 3 mths	4-6/2006 3 mths	1-6/2007 6 mths	1-6/2006 6 mths	1-12/2006 12 mths
EUR million					
Continuing operations					
Net sales	68.0	63.5	139.5	120.7	244.5
Other operating income	0.3	0.4	0.6	1.0	2.0
Operating expenses	-67.6	-60.9	-137.8	-119.8	-236.3
Depreciation	-1.2	-2.4	-2.3	-2.5	-4.7
Impairments	-	-	-	-	-0.2
Operating profit / loss	-0.5	0.6	0.0	-0.6	5.3
Financial income and expenses	0.0	0.3	0.0	2.7	3.2
Share of profit of associate companies	0.2	0.2	-0.2	-0.2	1.6
Profit / loss before taxes	-0.3	1.1	-0.2	1.8	10.2
Income taxes	0.1	-0.2	0.1	-0.7	-2.7
Profit / loss for the period, continuing operations	-0.2	0.9	-0.1	1.1	7.5
Discontinued operations					
Profit / loss for the period, discontinued operations	4.6	1.1	6.4	1.3	5.6
Profit / loss for the period	4.4	2.0	6.3	2.5	13.1
Attributable to:					
Equity holders of the parent	4.4	2.1	6.3	2.4	13.1
Minority interests	-	-0.1	-	0.1	-
Earnings per share, calculated of the profit / loss attributable to the shareholders of the parent company					
Basic and diluted earnings per share, EUR, continuing operations	-0.03	0.17	-0.02	0.16	1.20
Basic and diluted earnings per share, EUR, discontinued operations	0.73	0.17	1.03	0.21	0.90

Consolidated balance sheet

EUR million	June 30, 2007	June 30, 2006	Dec 31, 2006
ASSETS			
Non-current assets			
Tangible assets	38.8	71.0	67.4
Goodwill	6.7	17.4	17.4
Other intangible assets	3.4	1.6	1.5
Investment in associated companies	41.9	21.3	23.1
Available-for-sale investments	0.1	0.3	0.1
Receivables	4.5	5.7	5.8
Deferred tax assets	0.9	1.0	0.3
	96.3	118.3	115.6
Current assets			
Inventories	32.1	37.1	65.3
Receivables	23.5	34.9	49.0
Financial assets at fair value through profit and loss	20.1	-	-
Cash and cash equivalents	5.2	10.9	7.5
	80.9	83.0	121.9
Total assets	177.2	201.2	237.5
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	120.3	108.8	119.2
Minority interest	-	2.3	-
Total equity	120.3	111.1	119.2
Non-current liabilities			
Long-term financial liabilities	3.0	10.6	7.0
Deferred tax liabilities	4.4	6.7	7.0
Non-current provisions	0.1	0.9	-
Non-current liabilities total	7.5	18.2	14.0
Current liabilities			
Trade payables and other liabilities	22.5	41.0	55.2
Short-term financial liabilities	26.9	29.9	49.1
Short-term provisions	-	0.9	-
Current liabilities total	49.4	71.9	104.3
Total liabilities	56.9	90.1	118.3
Total equity and liabilities	177.2	201.2	237.5

Consolidated cash flow statement

EUR million	1-6/2007 6 mths	1-6/2006 6 mths	1-12/2006 12 mths
Net profit for the period	6.3	2.5	13.1
Adjustments, total	-11.4	4.5	8.5
Change in net working capital	17.0	6.0	-23.1
Interests paid from operating activities	-1.5	-0.9	-1.9
Interest received from operating activities	0.5	0.1	0.3
Taxes paid	-0.6	-2.6	-3.2
Net cash flow from operating activities	10.3	9.6	-6.4
Investments in tangible and intangible assets	-3.1	-2.8	-7.7
Proceeds from sales of tangible and intangible assets	0.1	0.0	4.6
Acquisition of subsidiaries deducted by cash	-8.8	-1.3	-2.8
Proceeds from sales of subsidiaries	45.1	0.9	0.0
Acquisition of associated companies	-1.1	-0.1	-0.2
Proceeds from sales of associated companies	0.6	0.0	0.0
Purchases of other investments	-20.0	0.0	-0.1
Proceeds from sales of other investments	0.0	3.4	3.4
Dividends received from investing activities	0.0	0.0	0.0
Net cash flow from investing activities	12.8	0.1	-2.7
Raising of long-term loans	0.0	0.0	1.9
Raising of short-term loans	0.0	0.0	19.1
Repayments of short-term loans	-18.5	0.0	0.0
Repayments of long-term loans	-1.7	-5.4	-10.8
Payment of financial lease liabilities	0.0	-0.1	-0.1
Dividends paid	-5.3	-4.6	-4.6
Cash flows from financing activities	-25.5	-10.0	5.5
Net change in cash and cash equivalents	-2.3	-0.3	-3.7
Cash and cash equivalents at the beginning of the period	7.5	11.2	11.2
Cash and cash equivalents at the end of the period	5.2	10.9	7.5

Statement of changes in shareholders' equity

EUR million	Attributable to equity holders of the parent							Total	Minority interest	Total equity
	Share capital	Net premium account	unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings			
Shareholders' equity at Jan. 1, 2006	12.6	23.4	1.9	7.3	-0.8	-0.2	68.3	112.4	3.7	116.1
Available-for-sale financial assets: transferred to income statement on sale	-	-	-2.1	-	-	-	-	-2.1	-	-2.1
Cash flow hedges: gains recorded in equity	-	-	0.6	-	-	-	-	0.6	-	0.6
Taxes related to items entered into equity and removed from equity	-	-	0.4	-	-	-	-	0.4	-	0.4
Other changes	-	-	-	-	-	-	-0.2	-0.2	-	-0.2
Business combinations	-	-	-	-	-	-	0.0	0.0	-1.5	-1.5
Dividend distribution	-	-	-	-	-	-	-4.6	-4.6	-	-4.6
Profit for the period	-	-	-	-	-	-	2.4	2.4	0.1	2.5
Shareholders' equity at June 30, 2006	12.6	23.4	0.8	7.3	-0.8	-0.2	65.9	108.8	2.3	111.1
Shareholders' equity at Jan. 1, 2007	12.6	23.4	0.4	7.3	-0.8	-0.2	76.5	119.2	-	119.2
Cash flow hedges: gains recorded in equity	-	-	0.0	-	-	-	-	0.0	-	0.0
Taxes related to items entered into equity and removed from equity	-	-	-	-	-	-	-	-	-	-
Translation differences	-	-	-	-	-	0.3	-	0.3	-	0.3
Other changes	-	-	-	-0.1	-	-	-0.1	-0.2	-	-0.2
Dividend distribution	-	-	-	-	-	-	-5.3	-5.3	-	-5.3
Profit for the period	-	-	-	-	-	-	6.3	6.3	-	6.3
Shareholders' equity at June 30, 2007	12.6	23.4	0.4	7.2	-0.8	0.1	77.4	120.3	-	120.3

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2006.

Lännen Tehtaat has adopted the following new amendments and interpretations to published standards as well as new standards from January 1, 2007:

- IFRS 7 Financial Instruments: Disclosures.
- IAS 1 (Amendment) Capital Disclosures.
- IFRIC 9 Reassessment of Embedded derivatives
- IFRIC 10 Interim Financial Reporting and Impairment.

The adopted standards and interpretations have not had any significant effects on this interim report.

Segment information

Business segments 1-6/2007

EUR million	Frozen Foods	Fish	Grain Trading	Vegetable Oil	Other Operations	Continuing operations total	Discontinued operations	Group total
External sales								
Product sales	25.2	36.7	54.3	20.7	-	136.9	78.8	215.7
Services sold	-	0.2	2.9	-	1.9	5.0	-	5.0
Total external sales	25.2	36.9	57.2	20.7	1.9	141.9	78.8	220.7
Intra-group sales	-0.1	-0.1	-0.5	0.0	-1.7	-2.4	-11.6	-14.0
Net sales	25.1	36.8	56.7	20.7	0.2	139.5	67.2	206.7
Operating profit/loss	0.8	-1.3	1.7	1.0	-2.2	0.0	7.8	7.8
Share of profit/losses of associated companies	0.0	0.1	-	-	-0.3	-0.2	0.1	-0.1
Assets	25.0	36.2	16.8	7.5	22.9	108.4	-	108.4
Unallocated								68.8
Total assets								177.2
Liabilities	4.3	7.0	5.3	2.7	2.3	21.4	-	21.4
Unallocated								35.5
Total liabilities								56.9
Gross investments in non-current assets	1.1	1.1	-	0.3	0.1	2.6	0.6	3.1
Corporate acquisitions and other share purchases	-	-	-	-	11.1	11.1	-	11.1
Depreciations	0.8	0.6	0.1	0.3	0.5	2.3	0.2	2.5
Impairments	-	-	-	-	-	-	-	-
Personnel	246	351	29	36	11	673	250	923

Business segments 1-6/2006

EUR million	Frozen Foods	Fish	Grain Trading	Vegetable Oil	Other Operations	Continuing operations total	Discontinued operations	Group total
External sales								
Product sales	27.2	29.0	41.6	20.6	0.0	118.4	90.3	208.7
Services sold	-	-	3.1	-	-	3.1	-	3.1
Total external sales	27.2	29.0	44.7	20.6	0.0	121.5	90.3	211.8
Intra-group sales	-0.1	0.0	-0.7	0.0	0.0	-0.8	-11.3	-12.1
Net sales	27.1	29.0	44.0	20.6	0.0	120.7	79.0	199.7
Operating profit/loss	-0.6	0.4	0.8	1.9	-3.1	-0.6	2.6	2.0
Share of profit/losses of associated companies	0.0	0.0	0.0	0.0	-0.2	-0.2	0.0	-0.2
Assets	31.2	16.9	9.0	10.6	20.1	87.8	79.5	167.3
Unallocated								33.9
Total assets								201.2
Liabilities	5.2	6.0	4.2	2.0	5.1	22.5	19.6	42.1
Unallocated								48.0
Total liabilities								90.1
Gross investments in non-current assets	0.5	0.1	0.0	0.2	0.0	0.8	2.1	2.8
Corporate acquisitions and other share purchases	-	-	-	-	0.1	0.1	1.3	1.5
Depreciations	1.3	0.4	0.1	0.3	0.3	2.5	1.7	4.1
Impairments	-	-	-	-	-	-	-	-
Personnel	259	306	28	35	21	650	324	974

Business segments 1-12/2006

EUR million	Frozen Foods	Fish	Grain Trading	Vegetable Oil	Other Operations	Continuing operations total	Discontinued operations	Group total
External sales								
Product sales	50.2	58.8	90.2	40.6	0.0	239.8	173.5	413.3
Services sold	0.0	0.1	6.1	-	-	6.2	-	6.2
Total external sales	50.2	58.9	96.3	40.6	0.0	246.0	173.5	419.5
Intra-group sales	-0.1	0.0	-1.4	0.0	0.0	-1.5	-9.3	-10.8
Net sales	50.1	58.9	94.9	40.6	0.0	244.5	164.2	408.7
Operating profit/loss	1.7	1.6	2.0	3.0	-3.0	5.3	9.2	14.5
Share of profit/losses of associated companies	0.0	0.0	-	-	1.6	1.6	0.1	1.7
Assets	28.0	25.2	30.0	14.2	18.1	115.5	90.5	206.0
Unallocated								31.5
Total assets								237.5
Liabilities	6.7	8.4	8.8	3.1	1.8	28.8	25.5	54.3
Unallocated								64.0
Total liabilities								118.3
Gross investments in non-current assets	0.8	0.6	0.0	0.4	0.1	1.9	5.7	7.6
Corporate acquisitions and other share purchases	-	-	-	-	3.0	3.0	-	3.0
Depreciations	2.7	0.8	0.1	0.6	0.5	4.7	3.5	8.2
Impairments	-	0.2	-	-	-	0.2	-	0.2
Personnel	275	303	29	36	19	662	319	981

Unallocated items include tax and financing items together with items common to the whole Group.

Geographical segments 1-6/2007

EUR million	Finland	Scandinavia	Baltic countries and Russia	Other countries	Continuing operations total	Discontinuing operations	Group total
Net sales	92.9	17.0	3.2	26.4	139.5	67.2	206.7
Assets	158.9	18.3	-	-	177.2	-	177.2
Gross investments in non-current assets	2.5	0.1	-	-	2.6	0.6	3.1
Corporate acquisitions and other share purchases	-	11.1	-	-	11.1	-	11.1

Geographical segments 1-6/2006

EUR million	Finland	Scandinavia	Baltic countries and Russia	Other countries	Continuing operations total	Discontinuing operations	Group total
Net sales	95.5	4.8	1.0	19.4	120.7	79.0	199.7
Assets	121.7	-	-	-	121.7	79.5	201.2
Gross investments in non-current assets	0.7	-	-	-	0.7	2.1	2.8
Corporate acquisitions and other share purchases	-	-	0.1	-	0.1	1.3	1.5

Geographical segments 1-12/2006

EUR million	Finland	Scandinavia	Baltic countries and Russia	Other countries	Continuing operations total	Discontinuing operations	Group total
Net sales	188.6	22.4	2.3	31.2	244.5	164.2	408.7
Assets	116.0	-	0.0	-	116.0	121.5	237.5
Gross investments in non-current assets	1.9	-	-	-	1.9	5.7	7.6
Corporate acquisitions and other share purchases	3.0	-	-	-	3.0	-	3.0

Discontinued operations

On January 19, 2007 Lännen Tehtaat plc and SOK subsidiary Hankkija-Maatalous Oy signed a share-purchase agreement under which 51% of the shares in Suomen Rehu Ltd and Avena Nordic Grain would be transferred to the ownership of Hankkija-Maatalous Oy. When the competition authorities studied the agreement, it was evident that the integration of Avena Nordic Grain's business with the grain trading business of Hankkija-Maatalous would, under competition legislation, be viewed as leading to the creation of a strong market position, and so both parties to the agreement decided to omit Avena Nordic Grain from the deal. The sale of the majority holding in Suomen Rehu Ltd was completed at the start of June, when Suomen Rehu and its subsidiaries were transferred to Hankkija-Maatalous Oy.

The price for the 51% of the shares was EUR 23.6 million and group's profit on the sale was EUR 4.1 million.

Lännen Tehtaat is entitled to share price adjustment based on the change in Suomen Rehu Ltd's assets and liabilities. The determination process is still incomplete at the time the interim report is published and due to this Lännen Tehtaat has not been able to determine the share price adjustment reliably. The adjustment has not been recognized in the book-keeping and it is at the most + 1.8 million euros related to the sold 51 % shareholding.

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

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

Suomen Rehu Ltd is presented as discontinued operations apart from continuing operations of Lännen Tehtaat till the point of sale. From the beginning of June Lännen Tehtaat's 49 % ownership in Suomen Rehu Ltd is presented as an associated company.

EUR million	1-5/ 2007 5 mths	1-6/ 2006 6 mths	1-12/ 2006 12 mths
Profits	83.6	91.1	176.7
Costs	-76.4	-89.2	-169.1
Profit before taxes	7.2	1.9	7.6
Income taxes	-0.8	-0.5	-2.0
Profit for the period	6.4	1.3	5.6

EUR million	1-5/ 2007 5 mths	1-6/ 2006 6 mths	1-12/ 2006 12 mths
Cash flows from operating activities	7.6	3.0	5.4
Cash flows from investing activities	-0.6	-3.4	1.4
Cash flows from financing activities	-6.9	-2.8	-10.5
Total financing activities	0.1	-3.2	-3.7

The change in the net working capital has a significant effect on the operating cash flows.

Acquisitions

Lännen Tehtaat did not have business combinations during the second interim period.

The purchase price calculation presented in the first interim report of 2007 did not have material changes as the final fair values were determined during the second quarter.

An additional purchase price affected by the audited development of the assets and liabilities between June 30, 2006 and the date of closing was 0.6 million euros and it increased the goodwill. The final purchase price of the shares will still be affected by the 2007 financial results of Maritim Food and Sandanger AS, which has an effect between EUR 0 - 1.3 million. The effects of this additional purchase price element has not yet been able to be determined reliably and it is not included in the acquisition cost.

EUR million	Fair value Feb 28,2007	Acquiree's carrying amounts Feb 28,2007
Intangible assets	2.8	0.0
Tangible assets	4.2	3.6
Deferred tax assets	0.0	0.0
Inventories	3.6	3.1
Trade receivables and other receivables	2.6	2.6
Cash and cash equivalents	1.3	1.3
Total assets	14.5	10.7
Deferred tax liabilities	1.0	0.0
Long-term liabilities	5.7	5.7
Short-term liabilities	2.8	2.8
Total liabilities	9.5	8.6
Acquired portion of the net assets	5.0	2.2
Acquisition cost	11.1	
Goodwill	6.1	
Purchase consideration settled in cash	11.1	
Cash and cash equivalents in subsidiary acquired	1.3	
Cash outflow on acquisition	9.8	

The goodwill mainly comprises of synergies related sales, logistics, raw material purchases and planned savings on the fixed costs.

The turnover of Lännen Tehtaat between 1.1 - 30.6.2007 would have increased by 4.5 million euros if Maritim Food acquisition would have taken place on 1.1.2007. The corresponding effect to the net result would have been 0.0 million euros when taking into account the depreciations on fair value allocations and calculatory interest expense to purchase cost starting from 1.1 2007.

Key indicators

	June 30, 2007	June 30, 2006	Dec 31, 2006
Shareholders' equity per share, EUR	19.25	17.77	19.06
Equity ratio, %	67.9 %	55.3 %	50.3 %
Gearing, %	3.9 %	26.6 %	40.7 %
Gross investments in non-current assets, EUR million	3.1	2.8	7.6
Corporate acquisitions and other share purchases, EUR million	11.1	1.5	3.0
Average number of personnel	923	974	981
Average number of shares, 1,000 pcs	6,253	6,253	6,253

The key figures in this interim financial report are calculated with same accounting principles than presented in year 2006 annual financial statements.

Contingent liabilities

EUR million	June 30, 2007	June 30, 2006	Dec 31, 2006
Mortgages given for debts:			
Real estate mortgages	27.1	40.7	37.5
Corporate mortgages	31.4	51.4	51.4
Shares pledged	9.4	3.6	3.6
Other securities given for own commitments:			
Non-cancellable other leases, minimum lease payments:			
Real estate leases	5.4	2.6	2.8
Other leases	0.8	1.1	1.1
Contingent liabilities for own commitments:			
Repurchasing commitments	0.0	0.1	0.0
Estimated additional share purchase price, Martim	0.0-1.3	-	-
Contingent liabilities on behalf of the Group companies:			
Guarantees	1.6	0.1	-
CONTINGENT ASSETS			
Suomen Rehu, purchase price adjustment, change in assets and liabilities	0.0-1.8	-	-

SUOMEN REHU - OPTION SCHEME

The calculatory unrecognised value for the result based component included in the option scheme as at June 30, 2007 is approximately 0.1 million euros.

DERIVATIVE INSTRUMENTS

Outstanding nominal values of derivate instruments			
Forward currency contracts	0.8	0.4	4.5
Commodity derivative instruments	3.5	3.3	4.6
Interest rate swaps	25.0	25.0	25.0

INVESTMENT COMMITMENTS

Lännen Tehtaat has investment commitments in fish and frozen foods segments total of 2.0 million euros as of June 30, 2007.

Tangible assets

EUR million	1-6/ 2007 6 mths	1-6/ 2006 6 mths	1-12/ 2006 12 mths
Book value at the beginning of the period	67.4	72.2	72.2
Acquisitions	3.1	2.8	7.3
Acquisitions of operations	3.2	-	-
Disposals	0.0	0.0	-4.2
Disposals of operations	-32.6	-0.4	-0.4
Depreciations and impairments	-2.2	-3.8	-7.7
Other changes	-0.1	0.2	0.2
Book value at the end of the period	38.8	71.0	67.4

Transactions with associated companies and joint ventures

EUR million	1-6/ 2007 6 mths	1-6/ 2006 6 mths	1-12/ 2006 12 mths
Sales of goods to associated companies	0.9	0.1	1.0
Sales of goods to joint ventures	4.8	3.9	7,6
Sales of services to associated companies	0.4	0.3	0.1
Sales of services to joint ventures	0.1	0.0	0.1
Purchase of goods from associated companies	0.2	3.5	7.1
Purchase of services from associated companies	5.7	7.6	12.2
Purchase of services from joint ventures	0.0	0.0	0.3
Long-term receivables from associated companies	4.5	5.0	5.2
Trade receivables and other receivables from associated companies	3.5	1.4	5.0
Trade receivables and other receivables from joint ventures	0.7	0.8	0.6
Trade payables and other liabilities to associated companies	0.1	2.8	3.7

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