



Interim report 1 January – 30 June 2008

January–June

- Profit for the period was EUR 6.3 (6.3) million
- Earnings per share came to EUR 0.98 (1.01)
- Net sales for the continuing operations increased by 38% to EUR 191.9 (139.5) million
- Operating profit for the continuing operations without non-recurring items was EUR 2.3 (-0.4) million, non-recurring items were EUR 4.9 (0.1) million
- Profit for continuing operations was EUR 6.3 (-0.1) million

April–June:

- Net sales for the continuing operations increased by 49% to EUR 101.0 (68.0) million
- The operating profit was EUR 1.8 (-0.4) million

The information in the interim report has not been audited.

CEO Matti Karppinen:

"All the business operations continued to increase their net sales in the second quarter. There was particularly strong growth in Grain Trading, where volumes and market prices were considerably higher than in the comparative period. The greatest success was achieved by Avena Nordic Grain on international markets.

"The operating profit of the continuing operations was much better than the comparative period as a result of the excellent performance by Grain Trading and the improved performance by the Fish business.

"The growth rate of the world economy has slowed down, and a great deal of uncertainty surrounds future economic development. The effects of this slowdown and the deterioration in consumer confidence are expected to effect on customers' purchasing behaviour. However, these effects on Lännen Tehtaat's business operations are expected to be small."

KEY INDICATORS

EUR million	4-6/2008	4-6/2007	1-6/2008	1-6/2007	1-12/2007
Continuing operations					
Net sales	101.0	68.0	191.9	139.5	309.6
Operating profit	1.8	-0.4	7.2	-0.2	5.3
Operating profit without non-recurring items	1.8	-0.4	2.3	-0.4	5.6
Profit before taxes	1.5	-0.3	6.5	-0.2	6.0
Profit for the period	1.3	-0.2	6.3	-0.1	5.6
Earnings per share, EUR	0.20	-0.03	0.98	-0.02	0.88
Discontinued operations					
Profit for the period	-	4.6	-	6.4	7.8
Earnings per share	-	0.73	-	1.03	1.25

RESTRUCTURING AND CORPORATE ACQUISITIONS

The ownership arrangements of Avena Nordic Grain Oy and the sale of the jams business agreed by Apetit Pakaste Oy, which have been carried out in the period under review, are explained in the interim report for the first quarter.

CHANGE IN REPORTING PRACTICE

Lännen Tehtaat has altered its reporting practice in respect of the way in which it presents its share of the profit/loss of associated companies from the start of 2008. Under the new practice the share of the profit/loss of associated companies related to the food businesses will be included in the operating profit, and the share of the profit/loss of other associated companies will be shown below the operating profit. The share of the profit/loss from Sucros Ltd and Ateriamestarit Oy is included in Other Operations. The figures for the previous year have been adjusted accordingly. The share of the profit/loss from Sandanger AS from 1 March to 31 August 2007 is reported above the operating profit for the Fish business.

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

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

In the consolidated balance sheet the assets and liabilities directly associated with the discontinued operations and with assets held for sale are presented separately from other assets and liabilities as non-current assets held for sale and as liabilities associated with non-current assets held for sale.

In the balance sheet for the reporting period, the assets of Apetit Pakaste's jams business are disclosed as non-current assets held for sale. The Suomen Rehu Group has been presented in the income statement for the comparative period under discontinued operations.

NET SALES AND PROFIT

January–June:

Continuing operations

Net sales of the continuing operations were EUR 191.9 (139.5) million in January–June, an increase of 38%.

The operating profit reported in the period under review was EUR 7.2 (-0.2) million. The operating profit without non-recurring items was EUR 2.3 (-0.4) million. Non-recurring items totalled EUR 4.9 (0.1) million. The reported operating profit includes EUR 5.4 (-0.3) million as the share of the associated companies' profit/loss, which includes non-recurring items of EUR 5.0 (0.0) million relating to the EU's sugar reform.

The net financial expenses of the continuing operations amounted to EUR 1.1 (0.0) million. Included in this total is the dividend right belonging to the key employees of Avena Nordic Grain Oy, EUR 0.4 million, based on Avena Nordic Grain group's profit for the period.

The share of the profit of the associated company Suomen Rehu was EUR 0.4 (0.1) million. Only the figure for June is shown for the comparative period.

The profit before taxes amounted to EUR 6.5 (-0.2) million, and the profit for the period was EUR 6.3 (-0.1) million.

Discontinued operations

During the comparative period, the discontinued operations included the Suomen Rehu Group. The net sales of the discontinued operations in the comparative period amounted to EUR 78.8 million and the profit for the period was EUR 6.4 million, including the profit from Suomen Rehu for January–May (EUR 2.3 million) and the profit on the sale of majority shareholding (EUR 4.1 million).

The profit for the period for the continuing and discontinued operations in January–June was EUR 6.3 (6.3) million and the earnings per share EUR 0.98 (1.01).

April-June:

Net sales for the continuing operations in April-June were EUR 101.0 (68.0) million, an increase of 49% over the comparative period. Growth took place in all the business operations.

The operating profit of the continuing operations was EUR 1.8 (-0.4) million in April-June. The financial performance of the Fish business, Grain Trading and the Other Operations segment was better than in the comparative period, whereas in the Frozen Foods business and Vegetable Oils it was worse.

FINANCING AND CASH FLOW

The Group's financial position and liquidity remained good. The cash flow from business operations, after interest and taxes, totalled EUR 17.5 (14.9) million in January-June. The effect of the change in working capital was EUR 14.6 (17.0) million. The net cash flow from investments totalled EUR 1.0 (8.2) million. The cash flows from loans were EUR -16.3 (-25.5) million. Dividends paid amounted to EUR 5.3 (5.3) million. The cash flows in the previous year include those of discontinued operations. The net change in cash and cash equivalents was EUR 2.2 (-2.3) million.

At the end of the period under review interest-bearing liabilities came to EUR 23.4(29.9) million and liquid assets to EUR 11.3 (25.2) million. Net interest-bearing liabilities totalled EUR 12.1 (4.7) million. The consolidated balance sheet total stood at EUR 183.9 (177.2) million. The equity ratio was 69.7 (67.9)%. Commercial papers issued for the Group's short-term financing totalled EUR 18.0 (23.0) million. The liquidity is secured with committed credit facilities, and at the end of the period under review the credit facilities available totalled EUR 25 (23) million.

INVESTMENT

In the period under review gross investment in non-current assets in the continuous operations came to EUR 3.8 (2.6) million.

PERSONNEL

The average number of personnel in the continuing operations in the period under review was 767 (652). The number of personnel working in Frozen Foods was 228 (228), in Fish 461 (348), in Vegetable Oils 35 (36), in Grain Trading 30 (29) and in Other Operations 13 (11). The personnel at Apetit Suomi Oy are allocated under both Frozen Foods and Fish in proportion to the services charged. The increase in the number of personnel in the Fish business is mainly due to the acquisition of Maritim Food and to the increase in the Kalatori personnel after the transfer of the Kalatori service counters, which had previously been operating under the franchise model, to the charge of Apetit Kala's own personnel.

BUSINESS SEGMENTS

Frozen Foods

EUR million	4-6/2008	4-6/2007	1-6/2008	1-6/2007	1-12/2007
Net sales	12.5	11.8	26.0	25.1	49.3
Operating profit without non-recurring items	0.2	0.3	0.6	0.8	3.5
Operating profit for the period	0.2	0.3	0.5	0.8	3.3

The net sales of Frozen Foods in April-June grew by 6% on the comparative period. Sales went up in all the distribution channels. Sales of retail products rose by about 7%. The growth in the hotel, restaurant and catering sector and sales to the food industry were about 5%. The growth in bakery sales was about 15% and in exports 12%.

The operating profit for Frozen Foods in April-June was as predicted. Price increases to compensate for the rise in raw-material and energy costs were implemented as planned.

The net sales for January-June grew by 4%. The growth in sales of retail products was about 3.5%. The proportion

of retailers' private label brands fell slightly. The biggest increases in the Apetit's product groups came in the frozen berry and potato products, jams and marmalades. In the frozen products a new product (potato and soup vegetables) as well as creamed potatoes and mashed potatoes were particularly successful. Sales in the hotel, restaurant and catering sector, as in bakery sales and sales to the food industry, rose by about 3%. The growth in exports was more than 20% because of the exports of peas.

The slight fall in the operating profit for the first half of the year was as forecast.

Investment by Frozen Foods came to EUR 2.6 (1.1) million in January-June, most of it being related to the investment required by the transfer of production at the Turku plant to Säkylä and the renewal of the enterprise resource planning system.

Fish

EUR million	4-6/2008	4-6/2007	1-6/2008	1-6/2007	1-12/2007
Net sales	23.1	20.5	44.6	36.9	81.7
Operating profit without non-recurring items	-0.1	-1.1	-0.6	-1.2	-1.5
Operating profit for the period	-0.1	-1.1	-0.6	-1.2	-1.8

Net sales by the Fish business in April-June grew by 13% on the comparative period. The business operations in Norway and Sweden had an effect of more than EUR 3 million on the growth in net sales.

The financial performance was, as expected, an improvement on the comparative period, but it still remained a slight loss. The financial performance was better in Apetit Kala and the Maritim Food Group, a result in Finland of an improvement in labour and raw-material productivity and delivery reliability. The increase in the relative gross margin improved the financial performance of the Maritim Group's Norwegian companies. In the Swedish business operations, the financial performance deteriorated as a result of expensive shrimp raw material and an increase in costs.

In order to increase sales and coordinate the operating model, most of the Kalatori service counters, which had previously been operating under the franchise model, were transferred to the charge of Apetit Kala at the beginning of April.

At the beginning of April, Apetit Kala Oy and Saarioinen Oy agreed on starting cooperation in the hotel, restaurant and catering industry. According to the agreement, from 1 September 2008 Saarioinen will sell and market products made by Apetit Kala and Maritim Food on the Finnish market. The aim of the cooperation is to increase the sale of products in the sector by a considerable number.

Net sales by the Fish business in January-June increased by 21%. The growth in net sales was generated by operations abroad. The effect of Maritim Foods, which became part of the Lännen Tehtaat Group in March last year, and of Sandanger, which joined the Group at the beginning of September, on the increase in net sales was close to EUR 10 million. In Finland net sales fell by EUR 1.7 million compared with the same period in the previous year as a result of lower purchase and sales prices for salmon and rainbow trout than in the comparative period and the poor availability of natural fish and whitefish.

As a result of a better second quarter, the financial performance of the Fish business in January-June was much improved compared with corresponding figure in the previous year.

In July, the European Union repealed the EC Regulation concerning a minimum import price for Norwegian farmed salmon. In addition, the removal of the anti-dumping duty on Norwegian rainbow trout is expected in the near future. This could lead to lower raw-material prices for salmon and rainbow trout in Finland. Reduced raw-material prices are expected to increase the overall market for fish.

In the middle of April, Sami Haapasalmi started as head of the Group's Fish business with responsibility for its profitability and the development and expansion of the business through organic growth and acquisitions.

Investment by the Group's Fish business in January-June was EUR 1.0 (1.1) million. In Finland, this mainly concerned the renewal of Apetit Kala's enterprise resource planning system. Foreign units invested in machines and equipment that improve productivity.

Vegetable Oils

EUR million	4-6/2008	4-6/2007	1-6/2008	1-6/2007	1-12/2007
Net sales	15.9	10.7	30.1	20.7	46.0
Operating profit without non-recurring items	0.1	0.6	0.2	1.0	0.8
Operating profit for the period	0.1	0.6	0.2	1.0	0.9

Vegetable Oils' net sales in April-June grew by 49% on the comparative period. That resulted mainly from the dramatic increase in oil and protein feed prices. Demand for Mildola products remained good, and the volume went up compared with the previous year. The prices of vegetable oil raw materials were much higher than in the comparative period. Because of the small stocks, the prices of the old harvest rose in Europe, which increased the raw-material costs for Mildola at the end of the period. The operating profit for the period went down because it was not possible to fully absorb the increased raw-material costs in the sales prices. Increased energy costs also reduced the profit.

The raw-material market for vegetable oils is still unsettled because prices are being affected not only by harvest prospects and the demand situation in the food industry but also by the price trend in bio-fuels and crude oil and price speculation.

Net sales in January-June grew by 45% on the comparative period. That resulted from higher raw-material and product prices than in the comparative period and an increased volume.

Vegetable Oils' financial performance in January-June was much worse than in the comparative period.

The area for cultivating domestic rapeseed has decreased from 90,000 hectares to 65,000 hectares, which will reduce the percentage of domestic seed in the present harvest season. The increase in the proportion of imported rapeseed will raise freight costs.

Vegetable Oils' profitability will be improved by developing new operating models on the end-product and raw-materials market.

Erkki Lepistö was appointed head of the Vegetable Oils operations and managing director of Mildola Oy as of 1 July 2008.

Investment by the Vegetable Oils business came to EUR 0.1 (0.3) million, consisting of small replacement investments.

Grain Trading

EUR million	4-6/2008	4-6/2007	1-6/2008	1-6/2007	1-12/2007
Net sales	49.6	25.1	91.7	57.2	132.8
Operating profit without non-recurring items	2.3	0.9	4.0	1.7	3.9
Operating profit for the period	2.3	0.9	4.0	1.7	3.9

The strong growth in Grain Trading continued in the second quarter, and Avena Nordic Grain's position strengthened on the market abroad in particular. Net sales for April-June doubled compared with the previous year, the growth being the result of the almost 50% increase in volume and higher prices than in the comparative period. The business grew especially on international markets – in trade between third countries and exports. Sales in Finland were slightly above the level for the corresponding period in the previous year. The net profit for the period showed a marked improvement and was EUR 2.3 (0.9) million.

The financial performance for the period showed a marked improvement on the comparative period.

Net sales for January–June grew 60% that occurred in all the market areas, but in particular in the trade between third countries and exports.

The financial performance in the period under review was a considerable improvement on the comparative period and better than the level for all of 2007.

In the latest harvest season, the market prices for grain, oilseeds and feed raw materials remained high because of the smaller harvests in the main grain production areas, low stock levels and increased demand. Prices at the beginning of the second quarter came down on world markets in the positive atmosphere created by the first forecasts for the new harvest. At this moment, the harvests are expected to be very good in several important production areas, which, with the start of the harvesting season, has brought prices down. However, stock levels remain at a historical low in this harvest period too, because demand continues to be strong. Regional harvest and price differences will create opportunities for international grain traders such as Avena.

Other Operations

EUR million	4-6/2008	4-6/2007	1-6/2008	1-6/2007	1-12/2007
Net sales	0.4	0.9	1.4	1.9	4.4
Operating profit without non-recurring items	-0.6	-1.1	-1.9	-2.6	-1.8
Operating profit for the period	-0.6	-1.1	3.1	-2.5	-0.9

The Other Operations segment is made up of the service company Apetit Suomi Oy, Group Administration, items not belonging to any of the other business segments, and the associated companies Sucros Ltd and Ateriamestarit Oy. The cost effect of services produced by Apetit Suomi Oy has a negative effect on the financial performance in proportion to the use of services.

The segment's net sales reduced in April–June. The reduction is a consequence of the termination of the service obligations of the sales and product development operations with the transfer of these activities from Apetit Suomi Oy to the business units. The operating loss of EUR -0.6 million for the period includes shares of associated companies' profit amounting to EUR 0.5 (0.1) million.

The operating profit of EUR 3.1 million reported for January–June includes shares in the associated companies' profit of EUR 5.4 (-0.3) million.

Investment by the segment of EUR 0.1 (0.1 million) was concentrated on renewal the Group's enterprise resource management and reporting systems and on environmental investment at the Säkylä industrial estate.

DECISIONS BY THE ANNUAL GENERAL MEETING

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

Dividend

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

Amending the Articles of Association

The Annual General Meeting approved the Board of Directors' proposal concerning an increase in the maximum age at which a person may be elected to the Board of Directors and to the Supervisory Board.

Authorization to acquire Lännen Tehtaat shares

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

The authorization is valid until the next AGM.

Authorizations for share issue

The Annual General Meeting authorized the Board of Directors to decide on the issuing of new shares and on the transfer of Lännen Tehtaat shares held by the company in one or more lots in a share issue to a total of no more than 947,635 shares. The share issue authorization covers all the Lännen Tehtaat shares already held by the company (65,000 shares). The authorization further covers all the Lännen Tehtaat shares to be acquired by the company under the authorization, given on 2 April 2008, to acquire Lännen Tehtaat shares. The maximum number of Lännen Tehtaat shares that may be acquired under this authorization is 250,878.

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

Information about the decisions of the Annual General Meeting is given in more detail in a stock exchange release dated 2 April 2008 and in an interim report published on 8 May 2008.

USE OF BOARD OF DIRECTORS' AUTHORIZATIONS

Share issue authorizations

The Board of Directors has not as yet used the authorization granted to it for issuing new shares or for transferring Lännen Tehtaat shares held by the company.

Acquisition of Lännen Tehtaat shares

On 8 May 2008, the Board of Directors of Lännen Tehtaat plc decided, on the basis of the authorization granted on 2 April 2008, to acquire between 19 May 2008 and 29 August 2008 a maximum of 65,000 of the company's own shares using non-restricted equity.

During the period under review, a total of 29,224 Lännen Tehtaat shares were acquired in trading organized by OMX Nordic Exchange Helsinki Oy. The acquisition cost was EUR 0.45 million. The average price of the acquired shares was EUR 15.27 per share. The highest acquisition price was EUR 15.89 and the lowest EUR 14.35 per share.

At the end of the period under review, the company held 94,224 its own shares acquired in the period under review and earlier at a nominal value of EUR 0.188 million. Lännen Tehtaat's own shares represent 1.5% of the number of shares and votes.

SHARES AND TRADING

During the period under review, a total of 762,832 (478,925) its own shares, or 12.1% (7.6)% of the total number of shares, were traded on the stock exchange. The highest share price was EUR 16.46 (24.50) and the lowest EUR 13.20 (21.00). The share turnover in January-June totalled EUR 10.9 (11.2) million. At the end of the period, the market capitalization stood at EUR 94.8 (132.7) million.

FLAGGING ANNOUNCEMENTS

No flagging announcements were made during the period under review.

GOVERNANCE

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

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

SEASONAL NATURE OF OPERATIONS

Under the IAS 2 standard, the acquisition cost of inventories includes a systematically allocated portion of the fixed production overheads. In production based on seasonal harvests, raw materials are mostly processed into finished products during the final quarter, which means that inventories and their balance-sheet values peak at the end of the year. Because of the emphasis on seasonal harvests, the seasonal nature of Lännen Tehtaat's operations is most marked in the Frozen Foods business and the operations of the associated company Sucros Ltd. In these business operations most of the profit accumulates towards the end of the year.

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

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

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The most significant near-future risks for the Lännen Tehtaat Group are connected with the amount and quality of the domestic harvest of vegetables, grain and oilseeds, the management of changes in raw material prices, changes in customer relationships, the transfer operation of production at the Turku plant, the introduction of the new enterprise resource planning system, and corporate acquisitions and takeovers.

IMPORTANT EVENTS AFTER THE PERIOD UNDER REVIEW

The German company Nordzucker AG is in the process of becoming the principal owner of Sucros Ltd, an associated company of Lännen Tehtaat. According to a stock exchange release issued by Danisco A/S on 14 July 2008, it has agreed on the sale of the sugar company Danisco Sugar A/S to Nordzucker AG. Danisco Sugar A/S has a majority shareholding (80%) in Sucros Ltd. Lännen Tehtaat owns 20% of the Sucros Group.

OUTLOOK FOR 2008

The net sales are expected to increase on the previous year because of the growth in Grain Trading, Vegetable Oils and Fish businesses.

The operating profit excluding non-recurring items is expected to increase on the previous year because of the good performance in Grain Trading and improved profitability in Fish business. The financial performance for the period is also favourably affected by the non-recurring items of the associated company Sucros Ltd (EUR 5.0 million) recognized in the first quarter and the profit (about EUR 2.5 million before taxes) on the sale of the jams business that will be recognized in the third quarter.

12 August 2008

Lännen Tehtaat plc
Board of Directors

Consolidated income statement

EUR million	4-6/2008 3 mths	4-6/2007 3 mths	1-6/2008 6 mths	1-6/2007 6 mths	1-12/2007 12 mths
Continuing operations					
Net sales	101.0	68.0	191.9	139.5	309.6
Other operating income	0.3	0.3	0.6	0.6	1.4
Operating expenses	-98.7	-67.6	-188.1	-137.8	-302.3
Depreciation	-1.3	-1.2	-2.6	-2.3	-5.0
Impairments	-	-	-	-	-0.5
Share of profit/loss of associated companies	0.5	0.1	5.4	-0.3	2.1
Operating profit	1.8	-0.4	7.2	-0.2	5.3
Financial income and expenses	-0.4	0.0	-1.1	0.0	-0.8
Share of profit of associated companies	0.1	0.1	0.4	0.1	1.4
Profit before taxes	1.5	-0.3	6.5	-0.2	6.0
Income taxes	-0.3	0.1	-0.3	0.1	-0.4
Profit for the period, continuing operations	1.3	-0.2	6.3	-0.1	5.6
Discontinued operations					
Profit for the period, discontinued operations	-	4.6	-	6.4	7.8
Profit for the period	1.3	4.4	6.3	6.3	13.4
Attributable to:					
Equity holders of the parent	1.3	4.4	6.2	6.3	13.3
Minority interests	0.0	-	0.1	-	0.1
Earnings per share, calculated of the profit attributable to the shareholders of the parent company					
Basic and diluted earnings per share, EUR, total	0.20	0.70	0.98	1.01	2.13
Basic and diluted earnings per share, EUR, continuing operations	0.20	-0.03	0.98	-0.02	0.88
Basic and diluted earnings per share, EUR, discontinued operations	-	0.73	-	1.03	1.25

Consolidated balance sheet

EUR million	30 June 2008	30 June 2007	31 Dec 2007
ASSETS			
Non-current assets			
Intangible assets	5.5	3.4	4.7
Goodwill	7.1	6.7	7.0
Tangible assets	43.7	38.8	43.5
Investment in associated companies	45.2	41.9	39.2
Available-for-sale investments	0.1	0.1	0.1
Receivables	3.3	4.5	4.6
Deferred tax assets	1.2	0.9	0.3
Non-current assets total	106.1	96.3	99.4
Current assets			
Inventories	40.4	32.1	64.4
Receivables	25.3	22.8	28.6
Income tax receivable	0.1	0.7	0.4
Financial assets at fair value through profit and loss	4.0	20.1	8.1
Cash and cash equivalents	7.2	5.2	5.1
Current assets total	77.1	80.9	106.6
Non-current assets classified as held for sale	0.8	-	-
Total assets	183.9	177.2	205.9
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	127.7	120.3	127.3
Minority interest	0.6	-	0.7
Total equity	128.3	120.3	128.0
Non-current liabilities			
Deferred tax liabilities	4.1	4.4	4.8
Long-term financial liabilities	4.9	3.0	5.3
Non-current provisions	0.1	0.1	0.1
Non-current liabilities total	9.2	7.5	10.2
Current liabilities			
Short-term financial liabilities	18.5	26.9	28.2
Income tax payable	1.3	1.1	0.7
Trade payables and other liabilities	26.8	21.4	38.7
Current liabilities total	46.5	49.4	67.6
Liabilities directly associated with non-current assets classified as held for sale	0.0	-	-
Total liabilities	55.7	56.9	77.9
Total equity and liabilities	183.9	177.2	205.9

Consolidated cash flow statement

EUR million	1-6/2008 6 mths	1-6/2007 6 mths	1-12/2007 12 mths
Net profit for the period	6.3	6.3	13.4
Adjustments, total	-1.7	-6.8	-1.5
Change in net working capital	14.6	17.0	-3.3
Interests paid from operating activities	-1.2	-1.5	-2.8
Interest received from operating activities	0.3	0.5	0.7
Taxes paid	-0.9	-0.6	-1.2
Net cash flow from operating activities	17.5	14.9	5.3
Investments in tangible and intangible assets	-3.8	-3.1	-7.6
Proceeds from sales of tangible and intangible assets	0.1	0.1	0.2
Acquisition of subsidiaries deducted by cash	-0.4	-8.8 *)	-9.9
Proceeds from sales of subsidiaries	-	40.5	42.0
Transactions with minority	1.5	-	-
Acquisition of associated companies	-0.4	-1.1 *)	0.0
Proceeds from sales of associated companies	-	0.6	0.6
Purchases of other investments	0.0	-20.0	-35.1
Proceeds from sales of other investments	4.0	-	27.0
Dividends received from investing activities	-	-	5.3
Net cash flow from investing activities	1.0	8.2	22.5
Raising of short-term loans	-	-	-
Repayments of short-term loans	-9.8	-18.5	-16.7
Repayments of long-term loans	-0.5	-1.7	-8.1
Payment of financial lease liabilities	-0.1	0.0	-0.1
Purchases of own shares	-0.4	-	-
Dividends paid to minority	-0.3	-	-
Dividends paid	-5.3	-5.3	-5.3
Cash flows from financing activities	-16.3	-25.5	-30.2
Net change in cash and cash equivalents	2.2	-2.3	-2.4
Cash and cash equivalents at the beginning of the period	5.1	7.5	7.5
Cash and cash equivalents at the end of the period	7.2	5.2	5.1

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

Statement of changes in shareholder's equity

EUR million	Attributable to equity holders of the parent								Minority interest	Total equity
	Share capital	Share premium account	Net unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings	Total		
Shareholders' equity at 1 Jan. 2007	12.6	23.4	0.4	7.3	-0.8	-0.2	76.5	119.2	0.0	119.2
Cash flow hedges:										
gains/losses recorded in equity	-	-	0.0	-	-	-	-	0.0	-	0.0
Taxes related to items entered into equity and removed from equity	-	-	0.0	-	-	-	-	0.0	-	0.0
Translation differences	-	-	-	-	-	0.3	-	0.3	-	0.3
Other changes	-	-	-	-0.1	-	-	-0.1	-0.2	-	-0.2
Profit for the period	-	-	-	-	-	-	6.3	6.3	-	6.3
Total recognised income and expense	-	-	0.0	-0.1	-	0.3	6.2	6.4	-	6.4
Dividend distribution	-	-	-	-	-	-	-5.3	-5.3	-	-5.3
Shareholders' equity at 30 June 2007	12.6	23.4	0.4	7.2	-0.8	0.1	77.4	120.3	0.0	120.3
Shareholders' equity at 1 Jan. 2008	12.6	23.4	0.4	7.2	-0.8	0.1	84.5	127.3	0.7	128.0
Cash flow hedges:										
gains recorded in equity	-	-	0.0	-	-	-	-	0.0	-	0.0
Taxes related to items entered into equity and removed from equity	-	-	0.0	-	-	-	-	0.0	-	0.0
Increase / decrease in subsidiary	-	-	-	-	-	-	0.4	0.4	-	0.4
Translation differences	-	-	-	-	-	-0.1	-	-0.1	-	-0.1
Other changes	-	-	-	-	-0.4	-	-0.4	-0.8	-	-0.8
Profit for the period	-	-	-	-	-	-	6.2	6.2	0.1	6.3
Total recognised income and expense	-	-	0.0	-	-0.4	-0.1	6.2	5.6	0.1	5.8
Dividend distribution	-	-	-	-	-	-	-5.3	-5.3	-0.3	-5.6
Shareholders' equity at 30 June 2008	12.6	23.4	0.4	7.2	-1.2	0.0	85.3	127.6	0.6	128.3

Basis of preparation and accounting policies

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

Segment information

Business segments 1-6/2008

EUR million	Frozen Foods	Fish Vegetable Oils	Grain Trading	Other operations	Continuing operations total	Discontinued operations	Total	
Total external sales	26.0	44.6	30.1	91.7	1.4	193.8	-	193.8
Intra-group sales	-0.1	-0.1	0.0	-0.6	-1.1	-1.9	-	-1.9
Net sales	26.0	44.6	30.1	91.1	0.3	191.9	-	191.9
Share of profit/loss of associated companies included in operating profit/loss	-	-	-	-	5.4	5.4	-	5.4
Operating profit/loss	0.5	-0.6	0.2	4.0	3.1	7.2	-	7.2
Share of results of associated companies	-	-	-	-	0.4	0.4	-	0.4
Gross investments in non-current assets	2.6	1.0	0.1	0.0	0.1	3.8	-	3.8
Corporate acquisitions and other share purchases	-	-	-	0.4	-	0.4	-	0.4
Depreciations	0.7	1.1	0.3	0.0	0.5	2.6	-	2.6
Impairments	-	-	-	-	-	-	-	-
Personnel	228	461	35	30	13	767	-	767

Business segments 1-6/2007

EUR million	Frozen Foods	Fish Vegetable Oils	Grain Trading	Other operations	Continuing operations total	Discontinued operations	Total	
Total external sales	25.2	36.9	20.7	57.2	1.9	141.9	78.8	220.7
Intra-group sales	-0.1	-0.1	0.0	-0.5	-1.7	-2.4	-11.6	-14.0
Net sales	25.1	36.8	20.7	56.7	0.2	139.5	67.2	206.7
Share of profit/loss of associated companies included in operating profit/loss	-	0.1	-	-	-0.3	-0.3	-	-0.3
Operating profit/loss	0.8	-1.2	1.0	1.7	-2.5	-0.2	7.8	7.5
Share of results of associated companies	-	-	-	-	0.1	0.1	0.1	0.1
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	0.3	0.1	0.5	2.3	0.2	2.5
Impairments	-	-	-	-	-	-	-	-
Personnel	228	348	36	29	11	652	245	897

Business segments 1-12/2007

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

Geographical segments

Net sales

EUR million	1-6/2008 6 mths	1-6/2007 6 mths	1-12/2007 12 mths
Finland	100.3	92.9	189.2
Scandinavia	39.7	17.0	45.8
Baltic states and Russia	3.7	3.2	10.0
Other countries	48.1	26.4	64.6
Continuing operations total	191.9	139.5	309.6
Discontinued operations	-	67.2	67.2
Total	191.9	206.7	376.8

Discontinued operations

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

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

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

Non-current assets held of sale

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

Key indicators

	30 June 2008	30 June 2007	31 Dec 2007
Shareholders' equity per share, EUR	20.51	19.25	20.36
Equity ratio, %	69.7 %	67.9 %	62.1 %
Gearing, %	9.5 %	3.9 %	16.0 %
Gross investments in non-current assets, EUR million, continuing operations	3.8	2.6	6.9
Corporate acquisitions and other share purchases, EUR million, continuing operations	0.4	11.1	11.6
Average number of personnel, continuing operations	767	652	705
Average number of shares, 1,000 pcs	6,249	6,253	6,253

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

Contingent liabilities

EUR million	30 June 2008	30 June 2007	31 Dec 2007
Mortgages given for debts:			
Real estate mortgages	9.5	27.1	7.3
Corporate mortgages	1.3	31.4	1.3
Shares pledged	-	9.4	-
Other quarantees	4.9	-	7.7
Guarantees	5.2	1.6	5.1
Additional purchase price, estimate	-	0.0 - 1.3	-
Non-cancellable other leases, minimum lease payments:			
Real estate leases	4.4	5.4	5.3
Other leases	0.7	0.8	0.8

CONTINGENT ASSETS

Suomen Rehu, purchase price adjustment, change in assets and liabilities	-	0.0 - 1.8	-
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SUOMEN REHU – OPTION SCHEME

The calculatory unrecognised value for the result based component included in the option scheme as 30 June 2008 is approximately EUR 0.6 million.

DERIVATIVE INSTRUMENTS

Outstanding nominal values of derivate instruments			
Forward currency contracts	5.0	0.8	5.0
Commodity derivative instruments	6.7	3.5	2.6
Interest rate swaps	-	25.0	25.0

INVESTMENT COMMITMENTS

Lännen Tehtaat has investment commitments in Frozen Foods segment a total of EUR 3.1 million as of 30 June 2008.

Tangible assets

EUR million	1-6/ 2008 6 mths	1-6/ 2007 6 mths	1-12/ 2007 12 mths
Book value at the beginning of the period	43.5	67.4	67.4
Acquisitions	2.9	3.1	6.5
Acquisitions of operations	-	3.2	7.6
Disposals	-0.2	0.0	-0.2
Disposals of operations	-	-32.6	-32.6
Depreciations and impairments	-2.4	-2.2	-5.1
Other changes	-0.1	-0.1	-0.1
Book value at the end of the period	43.7	38.8	43.5

Transactions with associated companies and joint ventures

EUR million	1-6/ 2008 6 mths	1-6/ 2007 6 mths	1-12/ 2007 12 mths
Sales to associated companies	8.8	1.3	14.3
Sales to joint ventures	4.0	4.9	8.1
Purchases from associated companies	0.3	5.9	12.0
Purchases from joint ventures	0.1	0.0	0.1
Long-term receivables from associated companies	2.6	4.5	3.9
Trade receivables and other receivables from associated companies	2.7	3.5	3.1
Trade receivables and other receivables from joint ventures	0.8	0.7	0.8
Trade payables and other liabilities to associated companies	0.1	0.1	0.0

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