



## INTERIM REPORT 1 January – 30 June 2011

### April-June:

- Consolidated net sales amounted to EUR 93.5 (80.0) million, up by 17%
- Operating profit, excluding non-recurring items, was EUR 2.1 (1.0) million
- EUR 1.7 million in non-recurring expenses related to cost-efficiency improvement measures in the Seafood business were recognised for the second quarter
- Net sales in the Grains and Oilseeds business and in the Seafood business grew substantially
- The second-quarter profit for the Grains and Oilseeds business was excellent

### January-June:

- Consolidated net sales amounted to EUR 177.5 (154.9) million, up by 15%
- Operating profit, excluding non-recurring items, was EUR 3.0 (1.9) million; non-recurring items totalled EUR -1.7 (0.0) million

The assessment of profit performance for the full year is unchanged.

The information in this Interim Report has not been audited.

### Matti Karppinen, CEO:

"The Group's business and profitability improved as forecast. Due to the best quarterly result in the history of the Grains and Oilseeds business and the improved performance of the Seafood business, the second-quarter operating profit, excluding non-recurring items, was better than the same quarter a year ago and better than the first quarter of this year, as had been expected. Consolidated net sales were up 17% year on year. Net sales increased substantially not only in the Grains and Oilseeds business, but also in the Seafood business.

As a result of the decisions made in April to improve the efficiency of the Seafood business in Finland and Norway, non-recurring expenses of EUR 1.7 million were recognised in the second-quarter profit. The efficiency improvement measures aim at an annual profit increase of approximately EUR 1.4 million starting from the third quarter.

By improving our efficiency and concentrating our operations, and by strengthening our position in the fresh fish trade in Finland and carrying out essential price rises, we believe we will make our Seafood business profitable."

## KEY FIGURES ILLUSTRATING PERFORMANCE

EUR million	Q2/ 2011	Q2/ 2010	Q1-Q2/ 2011	Q1-Q2/ 2010	Q1-Q4/ 2010
Net sales	93.5	80.0	177.5	154.9	308.7
Operating profit, excluding non-recurring items	2.1	1.0	3.0	1.9	8.3
Operating profit	0.4	1.0	1.3	1.9	8.3
Profit before taxes	-0.1	0.9	0.4	2.1	8.4
Profit for the period	-0.2	0.6	0.0	1.4	6.5
Earnings per share, EUR	-0.02	0.10	0.03	0.24	1.04

## NET SALES AND PROFIT

### April-June:

Consolidated net sales in the second quarter amounted to EUR 93.5 (80.0) million, an increase of 17% on the same quarter in 2010. This was a result of net sales increases in both the Grains and Oilseeds business and the Seafood business.

The Group's operating profit, excluding non-recurring items, was EUR 2.1 (1.0) million. Non-recurring items totalled EUR -1.7 (0.0) million. The operating profit includes EUR 0.3 (0.3) million as the share of the profits of associated companies. The profit, excluding non-recurring items, for both the Seafood business and the Grains and Oilseeds business was up on the second-quarter figures of a year earlier. The corresponding figures for the Frozen Foods business and Other Operations segment were slightly down year on year.

### January-June:

Consolidated net sales in January-June amounted to EUR 177.5 (154.9) million, up by 15%.

The operating profit, excluding non-recurring items, was EUR 3.0 (1.9) million. The operating profit includes EUR 0.1 (0.2) million as the share of the profits of associated companies. Non-recurring items totalled EUR -1.7 (0.0) million. The non-recurring items for the review period were related to the Seafood business.

Net financial income and expenses were EUR -0.9 (0.1) million. This figure includes valuation items of EUR -0.1 (0.7) million with no cash flow implications. Financial expenses also include EUR -0.6 (-0.5) million as the share of the Avena Nordic Grain Group's profit attributable

to the employee owners of Avena Nordic Grain Oy. Due to changes in ownership during the review period, the employee owners' holding in Avena Nordic Grain Oy rose from 14.6% to 17.1%.

Profit before taxes was EUR 0.4 (2.1) million. The profit for the period was EUR 0.0 (1.4) million, and earnings per share amounted to EUR 0.03 (0.24).

## FINANCING AND BALANCE SHEET

The Group's liquidity was good and its financial position is strong.

The cash flow from operating activities after interest and taxes amounted to EUR 15.5 (8.6) million in January-June. The impact of the change in working capital was EUR 14.2 (5.6) million. Working capital was released mainly from the Grains and Oilseeds business.

The net cash flow from investing activities was EUR -7.9 (-7.3) million. Deposits and withdrawals of cash assets invested in short-term fixed income funds had an impact of EUR -6.0 (-1.0) million. The cash flow from financing activities was EUR -8.1 (-5.3) million, including EUR -2.6 (-0.5) million in loan withdrawals and repayments and EUR -5.6 (-4.7) million in dividend payments. The net change in cash and cash equivalents was EUR -0.6 (-4.0) million.

At the end of the period, the Group had EUR 2.8 (2.7) million in interest-bearing liabilities and EUR 20.1 (22.2) million in liquid assets. Net interest-bearing liabilities totalled EUR -17.3 (-19.4) million. The consolidated balance sheet total stood at EUR 172.1 (169.9) million. At

the end of the review period, equity totalled EUR 134.2 (134.0) million. The equity ratio was 78.0% (78.9%). The Group's liquidity is secured with committed credit facilities allowing withdrawals of up to EUR 25 (25) million. The credit and commercial papers raised during the period to finance working capital had been repaid by the end of the period.

## INVESTMENT

Investment in non-current assets during the review period was EUR 2.7 (1.7) million.

## PERSONNEL

The average number of personnel in the review period was 607 (603).

## OVERVIEW OF OPERATING SEGMENTS

### Frozen Foods

EUR million	Q2/ 2011	Q2/ 2010	Q1-Q2/ 2011	Q1-Q2/ 2010	Q1-Q4/ 2010
Net sales	11.2	11.0	23.8	23.8	45.1
Operating profit, excluding non-recurring items	0.0	0.3	0.3	0.6	3.4

Second-quarter net sales in the Frozen Foods business were slightly up on the figure for the same quarter of 2010. Sales were up in all distribution channels with the exception of retail sector sales, which were slightly lower than in the comparison period. Owing to new products, the best sales performance was in frozen ready meals and frozen vegetables and berries to the hotel, restaurant and catering sector.

The second-quarter operating profit was down year on year due to the product mix in sales and a significant rise in the raw material and energy prices, which had only been partly compensated by price rises carried out early in the year. Due to increased costs, there are still pressures for price increases. Second-quarter overhead costs were increased by marketing inputs in the Apetit Finnishness campaign.

Net sales in January-June were on a par with the same period in 2010. Sales of frozen vegetables and berries

were up year on year. Due to decreased sales of frozen potato products and frozen pizza, retail trade product sales were down on the previous year's figure. Strong growth continued in the hotel, restaurant and catering sector.

The operating profit for January-June was slightly below the figure of a year earlier.

Due to the favourable weather conditions of the growing season, the harvest outlooks of Finnish contract farms look good at the moment. The first spinach crop harvested at the end of June was excellent. Pea threshing and processing is in progress, and the targeted quantity of good-quality peas will be deep-frozen. The potato and root crop growing season is continuing in Finland.

The exceptionally warm and dry weather of the spring and early summer caused losses in several vegetable crops in parts of Europe. Due to high demand, the market prices of, for instance, sweet peppers and maize have risen significantly. In Europe, the coming root crop is forecast to correspond to demand.

The average number of personnel in Frozen Foods during January-June was 193 (181).

Investment totalled EUR 1.3 (0.6) million during the period. The most significant items were replacement investments in frozen vegetable production and energy efficiency improvements.

### Seafood

EUR million	Q2/ 2011	Q2/ 2010	Q1-Q2/ 2011	Q1-Q2/ 2010	Q1-Q4/ 2010
Net sales	22.3	18.4	41.6	37.4	80.9
Operating profit, excluding non-recurring items	-0.2	-1.1	-0.7	-1.1	-1.8

The second-quarter net sales of the Seafood business were up by 21% on the figure for the same quarter in 2010. Net sales were up in the Finnish, Norwegian and Swedish Seafood businesses.

The approximate 35% increase in the net sales of the Finnish Seafood business was a result of increased volumes, price increases and the integration of Myrskylän Savustamo into the Group at the start of June 2010. Unlike the previous year, Easter sales occurred in the second quarter. Net sales were reduced by the lower number of Kalatori service counters compared with the previous year.

In the Norwegian and Swedish Seafood businesses, net sales were up slightly both in euro terms and measured in local currencies. The removal of the unprofitable smoked fish product segment was compensated by 8-12% growth in other product groups. Sales of dressings grew by over 30%, an exception among the product groups.

Due to the improved performance of the Finnish Seafood business, the Seafood business's second-quarter operating result, excluding non-recurring items, was up by EUR 0.9 million year on year. However, the Seafood business's result, excluding non-recurring items, was a loss of EUR -0.2 million.

The Finnish Seafood business's second-quarter operating profit, excluding non-recurring items, improved year on year as a result of an increased gross margin and decreased overhead costs. The Taimen Group's effect on the quarterly result was minor. The Finnish Seafood business's profit performance was adversely affected by the poor availability and high price of rainbow trout raw materials at the start of the period, and the price of Norwegian salmon, which fluctuated substantially during the spring and summer. The bankruptcy of a company that provided logistics services led to a temporary deterioration in delivery reliability in May-June. Delivery performance returned to normal at the end of the review period.

The Norwegian and Swedish Seafood's second-quarter operating profit, excluding non-recurring items, was at the level of the same quarter in 2010. A decrease in overhead costs compensated for the weakening in gross margin that resulted from higher raw material and packaging material prices than the year before. For the time being, increased costs have been only partially offset by increased sales prices. Product redesigns and measures to improve profitability and cost-effectiveness are continuing in the Norwegian and Swedish units.

The second-quarter non-recurring items totalled EUR -1.7 (0.0) million. A cost-efficiency programme was implemented at Apetit Kala Oy to cut overheads. Maritim Food AS decided to concentrate Norwegian production at one plant in Fredrikstad. These measures aim at achieving annual savings of about EUR 1.4 million, starting from the third quarter. The Seafood business's efficiency improvement measures are described in greater detail in the stock exchange releases dated 6 April 2011 and 15 April 2011 and in the Interim Report published on 5 May 2011.

Seafood's net sales for January-June were up by 11% on the same period in 2010. Net sales of the Finnish

Seafood business were up by 20%. Net sales of Seafood's Norwegian and Swedish operations in euros were at about the level of a year earlier. Measured in local currencies, net sales were down due to the removal of smoked fish products from the product selection. Due to product redesigns, good performance continued in the other product groups.

Seafood's January-June operating result, excluding non-recurring items, was up on the previous year's level, but loss-making. The Finnish Seafood business improved its result, year on year. The share of the profit of associated companies was EUR 0.1 (-0.1) million. The January-June operating profit of the Norwegian and Swedish Seafood businesses, excluding non-recurring items, was lower than in the previous year due to the poor first quarter.

The number of personnel in the Seafood business averaged 346 (352).

Investment in the Seafood business totalled EUR 0.4 (0.6) million. The main items during the period were replacement investments at different production plants in Finland, Norway and Sweden.

## Grains and Oilseeds

EUR million	Q2/ 2011	Q2/ 2010	Q1-Q2/ 2011	Q1-Q2/ 2010	Q1-Q4/ 2010
Net sales	60.0	50.5	111.9	93.5	181.9
Operating profit, excluding non- recurring items	2.8	2.2	5.3	4.1	7.2

Second-quarter net sales in the Grains and Oilseeds business were up by 19% year on year. This growth was attributable to large deliveries and higher market prices than the year before. The majority of the net sales originated from exports and trading outside Finland.

The second-quarter operating profit of the Grains and Oilseeds business was better than a year before and the best of all time. The good result was attributable to the large deliveries and the realisation of synergy benefits from combining the Grains and Vegetable Oil businesses.

The net sales in January-June were up by 20% year on year due to increased market prices. Operating profit was EUR 1.2 million better than a year earlier.

During the review period, Avena Nordic Grain Oy decided to expand its area of supply by establishing a subsidiary in Ukraine. The aim is to increase Avena's trading opportunities by expanding the acquisition of

grains and oilseeds from the Ukrainian market. Avena already has subsidiaries in Estonia, Lithuania, Russia and Kazakhstan.

In the early summer, the prices of grains and oilseeds decreased substantially compared with the spring. The reason for this is more favourable weather conditions as the growing season progressed, and especially the activation of the Black Sea export market after Russia removed the export ban that had been in force during the last crop year, and after Ukraine had replaced export quotas with export duties. The EU's grain crop is anticipated to be at last year's level, but the oilseed crop is expected to decline by 1.5 million tonnes from last year, and to remain at 26.5 million tonnes. In Finland, the growing season has, on average, been favourable, and grains' crop outlooks are generally good. The oilseeds crop is estimated to decline in Finland by 30% from the record-breaking previous year. Hardly any surplus grains and oilseeds are on sale anymore. The new crop is expected to bring plenty of trading opportunities as available production quantities and qualities vary in the different market areas.

The Grains and Oilseeds business employed an average of 58 (60) people in the first six months of the year.

Investment totalled EUR 1.0 (0.4) million in January-June and focused on the packaging plant being constructed at the Kirkkonummi vegetable oil mill.

### Other Operations

EUR million	Q2/ 2011	Q2/ 2010	Q1-Q2/ 2011	Q1-Q2/ 2010	Q1-Q4/ 2010
Net sales	0.4	0.5	0.9	0.9	2.6
Operating profit, excluding non- recurring items	-0.5	-0.4	-2.0	-1.6	-0.5

The Other Operations segment comprises the service company Apetit Suomi Oy, Group Administration, items not allocated under any of the business segments, and the associated companies Sucros Ltd and Ateriamestarit Oy. The cost of services produced by Apetit Suomi Oy is an encumbrance on the operating profit of the Group's businesses in proportion to their use of the services.

Net sales from the sale of services were at the previous year's level.

The EUR -0.5 (-0.4) million operating profit for April-June includes EUR 0.3 (0.4) million as the share of the profits of associated companies.

The EUR -2.0 (-1.6) million operating profit for January-June includes EUR 0.1 (0.3) million as the share of the profits of associated companies.

The segment's investment totalled EUR 0.0 (0.1) million.

## DECISIONS OF THE ANNUAL GENERAL MEETING

### Dividend distribution

The Annual General Meeting of Lännen Tehtaat plc held on 31 March 2011 resolved that a dividend of EUR 0.90 per share be distributed from the profits of the financial year 2010, in accordance with the proposal of the Board of Directors. EUR 5.6 million was paid out in dividends on 12 April 2011.

More detailed information on the decisions of the Annual General Meeting and the share issue authorisations granted to the Board of Directors are given in the stock exchange release dated 31 March 2011 and in the Interim Report published on 5 May 2011.

## USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

### Authorisations to issue shares

The company's Board of Directors has not exercised the authorisation granted to it by the Annual General Meeting on 31 March 2011 to issue new shares or to transfer Lännen Tehtaat plc shares held by the company.

## SHARES AND TRADING

The number of Lännen Tehtaat plc shares traded on the stock exchange during January-June was 348,359 (498,118), representing 5.5% (7.9%) of the total number of shares. The euro-denominated share turnover was EUR 5.9 (8.6) million. The highest share price quoted was EUR 18.80 (20.00) and the lowest EUR 14.75 (15.51). The average price of shares traded was EUR 16.90 (17.25).

At the end of June, the market capitalisation totalled EUR 95.3 (104.9) million.

At the end of June, the company held 130,000 of its own shares, with a combined nominal value of EUR 0.26 million. These treasury shares represent 2.1% of the company's total number of shares and of the total number of votes.

## FLAGGING ANNOUNCEMENTS

No flagging announcements were made during January-June.

## CORPORATE ADMINISTRATION AND AUDITORS

At its organisational meeting on 14 April 2011, Lännen Tehtaat plc's Supervisory Board elected Timo Miettinen as Chairman of the Supervisory Board and Marja-Liisa Mikola-Luoto as Deputy Chairman.

The Supervisory Board elected the following as members of the company's Board of Directors: Heikki Halkilahti, Aappo Kontu, Matti Lappalainen, Hannu Simula, Jorma J. Takanen and Helena Walldén. Matti Lappalainen was elected as Chairman of the Board of Directors and Hannu Simula was elected as Deputy Chairman.

Hannu Pellinen, APA, and PricewaterhouseCoopers Oy Authorized Public Accountants, with Tomi Moisio, APA, CPFA as responsible auditor, were appointed as auditors for Lännen Tehtaat plc by the Annual General Meeting on 31 March 2011.

## SEASONALITY OF OPERATIONS

In accordance with the IAS 2 standard, the historical cost of inventories includes a systematically allocated portion of the fixed production overheads. In production that focuses on seasonal crops, raw materials are processed into finished products mainly during the final quarter of the year, which means that the inventory volumes and their balance-sheet values are at their highest at the end of the year. Since the entry of the fixed production overheads included in the historical cost as an expense item is deferred until the time of sale, most of the Group's annual profit is accrued in the final quarter. The seasonal nature of operations is most marked in Frozen Foods and in the associated company Sucros, due to the link between production and the crop harvesting season.

In the Seafood business, the sales of Apetit Kala Oy and Myrskylän Savustamo Oy peak at weekends and on holidays. A significant proportion of the entire year's profit in the Seafood business depends on the success of the Christmas season. Due to the growing season for fish, only a small amount of the profit accumulated for the Taimen Group, which reports as an associated company, normally accrues during the summer months. As Easter can take place in either the first or the second quarter, this can affect the comparability of net sales and profit in the Frozen Foods and Seafood businesses between different years. Net sales in the Grains and Oilseeds business vary from one year and quarter to the next to a greater extent than in the other businesses, being dependent on the demand and supply situation and on the price levels domestically and on other markets.

## SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for the Lännen Tehtaat Group concern the following: the management of raw material price changes and currency risks; availability of raw materials; the impact of the rise in energy prices; the price competition of the seafood market; the change in the production plant structure of the Norwegian company; the solvency of customers and the delivery performance of suppliers and service providers; changes in the Group's business sectors and customer relationships; and corporate acquisitions and the subsequent integration processes.

## SIGNIFICANT EVENTS SINCE THE END OF THE REVIEW PERIOD

There have been no significant events since the end of the review period.

## ASSESSMENT OF PROBABLE FUTURE DEVELOPMENT

The Group's net sales will be affected particularly by the level of activity in the grain and oilseed markets and by changes in the price level of grains and oilseeds.

Thanks to the measures taken to develop the Group's different businesses, and thanks to the corporate acquisitions made in 2010, the full-year operating profit, excluding non-recurring items, is expected to be better than the previous year's level. Profit accrual is expected to be weighted heavily towards the last quarter of the year, as in 2010.

The profit for the financial year will be depressed by non-recurring costs associated with the Seafood business's efficiency improvement measures reported in the second quarter. There were no non-recurring costs in 2010.

## Consolidated income statement

EUR million	Q2/ 2011	Q2/ 2010	Q1-Q2/ 2011	Q1-Q2/ 2010	Q1-Q4/ 2010
<b>Net sales</b>	<b>93.5</b>	80.0	<b>177.5</b>	154.9	308.7
Other operating income	<b>0.2</b>	0.2	<b>0.4</b>	0.6	1.4
Operating expenses	<b>-92.2</b>	-78.2	<b>-173.9</b>	-151.0	-299.4
Depreciation	<b>-1.4</b>	-1.3	<b>-2.9</b>	-2.6	-5.3
Impairments	<b>0.0</b>	0.0	<b>0.0</b>	0.0	-0.1
Share of profits of associated companies	<b>0.3</b>	0.3	<b>0.1</b>	0.2	3.0
<b>Operating profit</b>	<b>0.4</b>	1.0	<b>1.3</b>	1.9	8.3
Financial income and expenses	<b>-0.5</b>	-0.2	<b>-0.9</b>	0.1	0.1
<b>Profit before taxes</b>	<b>-0.1</b>	0.9	<b>0.4</b>	2.1	8.4
Income taxes	<b>-0.1</b>	-0.3	<b>-0.4</b>	-0.7	-1.9
<b>Profit for the period</b>	<b>-0.2</b>	0.6	<b>0.0</b>	1.4	6.5
<b>Attributable to</b>					
Equity holders of the parent	<b>-0.1</b>	0.6	<b>0.2</b>	1.5	6.5
Non-controlling interests	<b>-0.1</b>	-0.1	<b>-0.2</b>	-0.1	
<b>Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR</b>	<b>-0.02</b>	0.10	<b>0.03</b>	0.24	1.04

## Statement of comprehensive income

EUR million	Q2/ 2011	Q2/ 2010	Q1-Q2/ 2011	Q1-Q2/ 2010	Q1-Q4/ 2010
<b>Profit for the period</b>	<b>-0.2</b>	0.6	<b>0.0</b>	1.4	6.5
<b>Other comprehensive income</b>					
Cash flow hedges	<b>0.4</b>	-0.4	<b>1.4</b>	-0.7	1.1
Taxes related to cash flow hedges	<b>-0.1</b>	0.1	<b>-0.4</b>	0.2	-0.3
Translation differences	<b>0.0</b>	0.0	<b>0.0</b>	0.5	0.8
<b>Total comprehensive income</b>	<b>0.1</b>	0.3	<b>1.0</b>	1.4	8.1
<b>Attributable to</b>					
Equity holders of the parent	<b>0.2</b>	0.4	<b>1.2</b>	1.4	8.1
Non-controlling interests	<b>-0.1</b>	-0.1	<b>-0.2</b>	-0.1	



## Consolidated statement of financial position

EUR million	30 June 2011	30 June 2010	31 Dec 2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	5.7	6.3	6.0
Goodwill	8.7	8.5	8.6
Tangible assets	37.1	38.0	37.0
Investment in associated companies	33.7	32.3	33.9
Available-for-sale investments	0.1	0.1	0.1
Receivables	0.5	0.5	0.7
Deferred tax assets	1.6	1.2	1.4
<b>Non-current assets total</b>	<b>87.2</b>	<b>87.0</b>	<b>87.5</b>
<b>Current assets</b>			
Inventories	39.2	30.7	55.0
Receivables	25.6	30.1	34.5
Income tax receivable	0.1	0.0	0.2
Financial assets at fair value through profits	13.1	18.3	7.1
Cash and cash equivalents	7.0	3.9	7.5
<b>Current assets total</b>	<b>84.9</b>	<b>83.0</b>	<b>104.4</b>
<b>Total assets</b>	<b>172.1</b>	<b>169.9</b>	<b>191.9</b>
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EUR million	30 June 2011	30 June 2010	31 Dec 2010
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to the equity holders of the parent	131.7	131.5	136.2
Non-controlling interests	2.5	2.6	2.7
<b>Total equity</b>	<b>134.2</b>	<b>134.0</b>	<b>138.9</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3.7	3.7	4.4
Long-term financial liabilities	2.0	2.6	2.1
Non-current provisions	0.0	0.2	0.0
Other non-current liabilities	4.6	4.5	4.6
<b>Non-current liabilities total</b>	<b>10.3</b>	<b>11.0</b>	<b>11.1</b>
<b>Current liabilities</b>			
Short-term financial liabilities	0.8	0.2	1.8
Income tax payable	1.0	2.4	1.0
Trade payables and other liabilities	25.8	22.3	39.1
<b>Current liabilities total</b>	<b>27.6</b>	<b>24.9</b>	<b>41.9</b>
<b>Total liabilities</b>	<b>37.9</b>	<b>35.9</b>	<b>53.0</b>
<b>Total equity and liabilities</b>	<b>172.1</b>	<b>169.9</b>	<b>191.9</b>

## Consolidated statement of cash flows

EUR million	Q1-Q2 2011	Q1-Q2 2010	Q1-Q4 2010
Net profit for the period	0.0	1.4	6.5
Adjustments, total	4.2	2.8	4.9
Change in net working capital	14.2	5.6	-7.4
Interests paid	-1.4	-0.8	-1.1
Interests received	0.1	0.1	0.3
Taxes paid	-1.5	-0.5	-2.6
<b>Net cash flow from operating activities</b>	<b>15.5</b>	<b>8.6</b>	<b>0.6</b>
Investments in tangible and intangible assets	-2.7	-1.7	-3.1
Proceeds from sales of tangible and intangible assets	0.0	0.5	0.5
Acquisition of associated companies	-0.1	-8.0	-8.1
Proceeds from sales of associated companies	0.5		
Transactions with non-controlling interests		2.7	2.7
Purchases of other investments	-13.0	-1.0	-32.9
Proceeds from sales of other investments	7.0	0.0	43.0
Dividends received from investing activities	0.3	0.2	1.5
<b>Net cash flow from investing activities</b>	<b>-7.9</b>	<b>-7.3</b>	<b>3.5</b>
Proceeds from and repayments of short-term loans	-2.6	-0.2	0.6
Proceeds from and repayments of long-term loans	0.0	-0.3	-0.3
Dividends paid	-5.6	-4.7	-4.7
<b>Cash flows from financing activities</b>	<b>-8.1</b>	<b>-5.3</b>	<b>-4.4</b>
<b>Net change in cash and cash equivalents</b>	<b>-0.6</b>	<b>-4.0</b>	<b>-0.3</b>
Cash and cash equivalents at the beginning of the period	7.5	7.9	7.9
Cash and cash equivalents at the end of the period	7.0	3.9	7.5

Purchases of other investments and proceeds from sales of other investments are cash flows related to short-term fixed income funds.

## Statement of changes in shareholders' equity

A = Shareholders' equity at 1 January

B = Dividend distribution

C = Transactions with NCI

D = Other changes

E = Total comprehensive income

F = Shareholders' equity at 30 June

### January – June 2011

EUR million	A	B	C	D	E	F
Share capital	12.6					12.6
Share premium account	23.4					23.4
Net unrealised gains	-0.8				1.0	0.2
Other reserves	7.2					7.2
Own shares	-1.8					-1.8
Translation differences	0.3				0.0	0.3
Retained earnings	95.3	-5.6	-0.2	0.0	0.2	89.6
<b>Attributable to equity holders of the parent</b>	<b>136.2</b>	<b>-5.6</b>	<b>-0.2</b>	<b>0.0</b>	<b>1.2</b>	<b>131.7</b>
Non-controlling interests (NCI)	2.7				-0.2	2.5
<b>Total equity</b>	<b>138.9</b>	<b>-5.6</b>	<b>-0.2</b>	<b>0.0</b>	<b>1.0</b>	<b>134.2</b>

### January – June 2010

EUR million	A	B	C	D	E	F
Share capital	12.6					12.6
Share premium account	23.4					23.4
Net unrealised gains	0.0				-0.5	-0.5
Other reserves	7.2				0.0	7.2
Own shares	-1.8					-1.8
Translation differences	-0.5				0.5	0.0
Retained earnings	96.4	-4.7	-2.3	-0.2	1.5	90.6
<b>Attributable to equity holders of the parent</b>	<b>137.3</b>	<b>-4.7</b>	<b>-2.3</b>	<b>-0.2</b>	<b>1.4</b>	<b>131.5</b>
Non-controlling interests (NCI)			2.6		-0.1	2.6
<b>Total equity</b>	<b>137.3</b>	<b>-4.7</b>	<b>0.3</b>	<b>-0.2</b>	<b>1.4</b>	<b>134.0</b>

## Basis of preparation and accounting policies

The Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2010. New standards and interpretations adopted in 2011 did not have any material effect on this Interim Report.

## Segment information

### Operating segments, January – June 2011

EUR million	Frozen Foods	Seafood	Grains and Oilseeds	Other Operations	Total
Total segment sales	23.8	41.6	111.9	0.9	<b>178.2</b>
Intra-group sales	0.0	0.0	0.0	-0.7	<b>-0.7</b>
Net sales	23.8	41.6	111.9	0.2	<b>177.5</b>
Share of profits of associated companies included in operating profit		0.1		0.1	<b>0.1</b>
Operating profit	0.3	-2.4	5.3	-2.0	<b>1.3</b>
Gross investments in non-current assets	1.3	0.4	1.0	0.0	<b>2.7</b>
Corporate acquisitions and other share purchases				0.1	<b>0.1</b>
Depreciations	1.1	1.0	0.4	0.5	<b>2.9</b>
Impairments		0.0			<b>0.0</b>
Personnel	193	346	58	11	<b>607</b>

### Operating segments, January – June 2010

EUR million	Frozen Foods	Seafood	Grains and Oilseeds	Other Operations	Total
Total segment sales	23.8	37.4	93.5	0.9	155.6
Intra-group sales	0.0	0.0	0.0	-0.7	-0.7
Net sales	23.8	37.4	93.5	0.2	154.9
Share of profits of associated companies included in operating profit		-0.1		0.3	0.2
Operating profit	0.6	-1.1	4.1	-1.6	1.9
Gross investments in non-current assets	0.6	0.6	0.4	0.1	1.7
Corporate acquisitions and other share purchases		10.5			10.5
Depreciations	1.1	0.9	0.3	0.3	2.6
Impairments		0.0			0.0
Personnel	181	352	60	10	603

## Operating segments, January - December 2010

EUR million	Frozen Foods	Seafood	Grains and Oilseeds	Other Operations	Total
Total segment sales	45.1	80.9	181.9	2.6	310.5
Intra-group sales	0.0	0.0	0.0	-1.7	-1.8
Net sales	45.1	80.9	181.9	0.9	308.7
Share of profits of associated companies included in operating profit		0.6		2.4	3.0
Operating profit	3.4	-1.8	7.2	-0.5	8.3
Gross investments in non-current assets	1.2	1.1	0.7	0.2	3.1
Corporate acquisitions and other share purchases		10.5			10.5
Depreciations	2.2	1.9	0.7	0.6	5.3
Impairments		0.1			0.1
Personnel	199	351	61	10	621

## Key indicators

	30 June 2011	30 June 2010	31 Dec 2010
Shareholders' equity per share, EUR	21.28	21.25	22.01
Equity ratio, %	78.0	78.9	72.4
Gearing, %	-12.9	-14.5	-7.7
Gross investments in non-current assets, EUR million	2.7	1.7	3.1
Corporate acquisitions and other share purchases, EUR million	0.1	10.5	10.5
Average number of personnel	607	603	621
Average number of shares, 1,000 pcs	6,188	6,188	6,188

The key figures in this Interim Report are calculated with same accounting principles than presented in year 2010 annual financial statements.

## Contingent liabilities

EUR million	30 June 2011	30 June 2010	31 Dec 2010
Mortgages given for debts			
Real estate mortgages	2.7	2.8	2.8
Guarantees	11.4	11.0	12.1
Non-cancellable other leases, minimum lease payments			
Real estate leases	4.4	5.3	5.9
Other leases	0.6	0.8	0.7
<b>DERIVATIVE INSTRUMENTS</b>			
Outstanding nominal values of derivate instruments			
Forward currency contracts	8.4	3.3	6.6
Commodity derivative instruments	7.0	9.4	13.9
<b>CONTINGENT ASSETS</b>			
The present value of proceeds from the sale of shares in the joint entry account	0.7	0.7	0.7
<b>INVESTMENT COMMITMENTS</b>			
Frozen Foods	0.4		
Grains and Oilseeds	1.3		

### OTHER COMMITMENTS

Based on the shareholder agreements on the ownership arrangement between Apetit Kala Oy and Taimen Oy, once certain terms and conditions are met the contracting parties are entitled to terminate the cross ownership at fair value. The liability in any termination of ownership is, on the basis of IAS 32, recognised under non-current liabilities. The receivable arising in connection with this may not, under IFRS rules, be recognised.

## Changes in tangible assets

EUR million	30 June 2011	30 June 2010	31 Dec 2010
Book value at the beginning of the period	<b>37.0</b>	37.9	37.9
Additions	<b>2.4</b>	1.4	2.6
Additions through acquisitions		0.7	0.7
Disposals	<b>0.0</b>	-0.2	-0.3
Depreciations and impairments	<b>-2.3</b>	-2.2	-4.4
Other changes	<b>0.0</b>	0.4	0.5
Book value at the end of the period	<b>37.1</b>	38.0	37.0

## Transactions with associated companies and joint ventures

EUR million	30 June 2011	30 June 2010	31 Dec 2010
Sales to associated companies	<b>0.2</b>	0.2	1.1
Sales to joint ventures	<b>4.0</b>	3.7	7.3
Purchases from associated companies	<b>5.5</b>	1.6	6.6
Long-term receivables from joint ventures		0.1	0.1
Trade receivables and other receivables from associated companies	<b>0.7</b>	1.4	1.6
Trade receivables and other receivables from joint ventures	<b>0.5</b>	0.8	0.7
Trade payables and other liabilities to associated companies	<b>0.0</b>	0.1	0.4

Espoo, 11 August 2011

LÄNNEN TEHTAAT PLC  
Board of Directors