

Apetit Plc

Q3

2016



Apetit Plc Interim Report, January–September 2016

Operational EBIT was unsatisfactory – Seafood's performance continued to improve

Third quarter (July–September)

- Consolidated net sales amounted to EUR 91.9 (75.3) million
- Operational EBITDA was EUR 3.1 (2.9) million
- Operational EBIT*) was EUR 1.4 (1.8) million
- Profit for the period came to EUR 1.8 (-4.0) million, and earnings per share amounted to EUR 0.29 (-0.64)

January–September

- Consolidated net sales amounted to EUR 286.4 (267.0) million
- Operational EBITDA was EUR 4.1 (4.0) million
- Operational EBIT*) was EUR -0.7 (-0.1) million
- Profit for the period came to EUR -1.2 (-6.8) million, and earnings per share amounted to EUR -0.19 (-1.05)

The information has not been audited. The figures in parentheses are the equivalent figures for the same period in 2015, and the comparison period means the corresponding period of the previous year, unless stated otherwise.

The profit guidance was changed on 19 October 2016. The Group's operational EBIT* for the full year is estimated to be positive but to fall short of the comparison year's level (2015: EUR 2.6 million). Due to the seasonal nature of the Group's operations, most of the annual profit is accrued in the second half of the year.

**) Due to the new amendments to the regulations of the European Securities and Markets Authority (ESMA), Apetit has replaced the key figure "operating profit excluding non-recurring items" with the key figure "operational EBIT" as of 2016. Operational EBIT does not include restructuring expenses, any significant impairment on goodwill or other balance-sheet items or reversal of impairment, the profit of the associated company Sucros or other extraordinary and material items.*

Juha Vanhainen, CEO:

"When examined on the basis of operations, there were ups and downs in the Apetit Group's performance in July–September. From the perspective of the company's strategic development, I can see that by focusing on renewal we are going in the right direction. Unfortunately, based on our clarified outlook for the rest of the year, we do not expect to achieve an actual turnaround in results this year.

I am pleased with the continued good performance of the Seafood segment. Improvements in operational efficiency have boosted the profitability of operations, even though the volume has been reduced by the higher raw material prices of Norwegian salmon. The efficiency boosting investments and improvements in processes carried out in Kuopio have achieved the expected results.

The vegetable oil packaging plant extension that was opened in June quickly enabled to increase the share of packaged vegetable oil products in net sales. As a result, we were able to increase delivery volumes of packaged products, particularly to the export markets, in this quarter.

During the year, we have faced difficulties on the international grain market. The grain prices and margins, which have remained low, weakened profit also in July–September despite increased sales volumes. The volume of grain crops in the latest crop year is lower than the previous year in our area of supply, while crops in the rest of the world have correspondingly grown. This will also affect the market dynamics during the remainder of the year.

The Food Solutions segment has not yet achieved a turnaround in profitability. Sales in frozen foods have improved. The Tuorekset product family that was launched in August is helping us to generate new growth in in retail stores' fruit and vegetable sections. However, sales volumes of fresh products to professional food service sector customers have not performed as anticipated so our aim is to improve operating efficiency and our market share.

From the perspective of renewal and growth, our strategy implementation has proceeded as planned. We have increased resources in product development and boosted the organisation's speed of renewal. I am expecting these efforts to produce results and to increase Apetit's market position in the future."

GROUP-LEVEL KEY FIGURES

EUR million	Q3 2016	Q3 2015	Change	Q1–Q3 2016	Q1–Q3 2015	Change	2015	Rolling 12 m
Net sales	91.9	75.3	+22 %	286.4	267.0	+7 %	380.8	400.2
Operational EBITDA	3.1	2.9		4.1	4.0		8.5	8.6
Operational EBIT	1.4	1.8		-0.7	-0.1		2.6	2.0
Operating profit	1.4	-2.5		-0.7	-3.7		-1.0	2.0
Share of profit of associated company Sucros	-0.1	-0.3		-0.7	-1.4		-1.0	-0.3
Profit for the period	1.8	-4.0		-1.2	-6.8		-4.6	1.0
Earnings per share, EUR	0.29	-0.64		-0.19	-1.05		-0.69	0.17
Equity per share, EUR				18.70	19.07		19.53	
Working capital				56.3	57.1		69.6	58.3
Return on capital employed, (ROCE %)							1.2 %	1.2 %
Net cash flow from operating activities				14.5	-8.4		-17.1	
Equity ratio				64.3 %	60.2 %		61.1 %	
Gearing				17.3 %	13.0 %		19.0 %	
Investment				7.9	7.1		9.1	

SEGMENT COMPARISON

The Apetit Group's reporting business segments are Food Solutions, Oilseed Products, Grain Trade and Seafood.

- The Food Solutions business comprises the frozen foods group and fresh products group, as well as service sales.
- The Oilseed Products business includes the processing and sale of vegetable oils and expeller meals.
- The Grain Trade business comprises Finnish and international trade in grains, oilseeds and feed raw-materials.
- The Seafood business comprises the operations of the fish products group in Finland, Sweden and Norway.

Sucros (20% holding) has been reported after operating profit in the income statement as of the beginning of 2016 and Group Administration costs have been allocated equally between the segments.

NET SALES	Q3 2016	Q3 2015	Change	Q1-Q3 2016	Q1-Q3 2015	Change	2015	Rolling 12 m
Food Solutions	22.8	22.8	0 %	72.1	70.5	2 %	95.8	97.5
Oilseed Products	17.6	14.8	19 %	52.3	46.3	13 %	61.3	67.3
Grain Trade	38.9	28.3	37 %	119.9	111.4	8 %	170.5	178.9
Seafood	20.4	20.4	0 %	63.7	61.7	3 %	82.9	84.9
Intra-segment net sales	-7.8	-11.0		-21.6	-22.9		-29.6	-28.4
Total	91.9	75.3	22 %	286.4	267.0	7 %	380.8	400.2

Operational EBIT	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	2015	Rolling 12 m
Food Solutions	0.2	0.3	-2.5	-1.9	-0.1	-0.8
Oilseed Products	0.8	0.9	2.1	2.4	2.7	2.5
Grain Trade	0.6	0.7	1.1	2.6	3.8	2.3
Seafood	-0.2	-0.1	-1.4	-3.2	-3.8	-2.0
Total	1.4	1.8	-0.7	-0.1	2.6	2.0

GROUP-LEVEL NET SALES AND PROFIT

Third quarter (July-September)

Consolidated net sales rose to EUR 91.9 (75.3) million with net sales increases in the Grain Trade and Oilseed Products segments.

Operational EBIT was EUR 1.4 (1.8) million. The operational EBIT in the comparison period includes EUR 0.4 million profit from the associated company Taimen Oy. The reported operating profit was EUR 1.4 (-2.5) million.

The share of the profit of the associated company Sucros was EUR -0.1 (-0.3) million.

The profit before taxes was EUR 1.1 (-3.8) million, and taxes on the profit for the period came to EUR 0.7 (-0.2) million. Apetit recognised a total of EUR 1.1 million in deferred tax assets on previously not recognised taxable losses. The taxable losses has aroused mainly in the Finnish Seafood business. The receivables were recognised based on the improved profit outlook of the Seafood business combined with changes in the Group structure that makes it easier for the group companies to use the Group contribution. The Group still has a total of EUR 1.4 million unrecognised deferred tax assets from taxable losses.

The profit for the period came to EUR 1.8 (-4.0) million, and earnings per share amounted to EUR 0.29 (-0.64).

January–September

Consolidated net sales rose to EUR 286.4 (267.0) million. Net sales grew in all of the Group's business segments in January–September.

Operational EBIT was EUR -0.7 (-0.1) million. The operational EBIT in the comparison period was improved by EUR 0.7 million in profit made from the sale of a property in the Länsi-Säkylä industrial estate and EUR 0.4 million in associated company profit from Taimen Oy.

The reported operating profit was EUR -0.7 (-3.7) million. The reported operating profit for the comparison period includes a loss of EUR -3.6 million from ownership arrangements made with the associated company Taimen Oy.

The share of the profit of the associated company Sucros was EUR -0.7 (-1.4) million.

The net figure for financial income and expenses was EUR -0.7 (-1.3) million. Financial expenses included EUR -0.4 (-0.6) million as the share of the Avena Nordic Grain Group's profit attributable to the employee owners of Avena Nordic Grain Oy. In the comparison period, financial income and expenses included valuation items of EUR -0.4 million with no cash flow implications resulting from changes in foreign exchange rates regarding internal loans to the Maritim Food Group.

The profit before taxes was EUR -2.1 (-6.3) million, and taxes on the profit for the period came to EUR 0.9 (-0.5) million. The profit for the period came to EUR -1.2 (-6.8) million, and earnings per share amounted to EUR -0.19 (-1.05).

CASH FLOWS, 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 14.5 (-8.4) million in January–September. The impact of the change in working capital was EUR 13.6 (-8.2) million. The effect of seasonality to the change of working capital is presented below under 'Seasonality of operations'.

The net cash flow from investing activities was EUR -7.2 (-4.1) million. The cash flow from financing activities was EUR -19.7 (11.7) million, including EUR -4.3 (-4.3) million in dividend payments, -20.4 (withdrawals 16.0) million in loan repayments and a long-term loan of EUR 5 million taken out in the review period.

At the end of the period, the Group had EUR 21.1 (28.3) million in interest-bearing liabilities and EUR 1.1 (12.9) million in liquid assets. Net interest-bearing liabilities totalled EUR 20.0 (15.4) million.

The consolidated balance sheet total stood at EUR 180.3 (196.1) million. At the end of the period, equity totalled EUR 115.9 (118.0) million. The equity ratio was 64.3 (60.2) per cent and gearing was 17.3 (13.0) per cent. The Group's liquidity is secured with committed credit facilities; EUR 40 (40) million was available in credit at the end of the period. The total of commercial papers issued stood at EUR 13.0 (25.0) million.

INVESTMENT

The Group's gross investment in non-current assets came to EUR 7.9 (7.1) million and was divided as follows: Investment in Food Solutions totalled EUR 4.7 (3.2) million, in Oilseed Products EUR 1.5 (0.5) million, in Grain Trade EUR 0.1 (2.0) million and in Seafood EUR 1.5 (1.2) million.

PERSONNEL

The Apetit Group employed an average of 725 (726) people in January–September.

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. With production focusing on harvest time, raw materials are processed into finished products mainly during the final quarter of the year, and more fixed production overheads are recognised to the balance sheet. Due to this accounting principle, most of the Group's annual profit is accrued in the final quarter. The seasonal nature of profit accumulation is most marked in Food Solutions' frozen foods group and in the associated company Sucros, due to the link between production and the crop harvesting season.

Harvest seasons also cause seasonal variation in the amount of working capital tied up in operations. Working capital tied up in Grain Trade and Oilseeds Products is at its highest towards the end of the year and decreases to its lowest in the summer before the next harvest season. As the production of frozen products is also seasonal and follows the harvest period, the working capital tied in operations is at its highest around the turn of the year in the Food Solutions segment.

In Finland, sales of fish products peak at weekends and in connection with public holidays. In the Seafood segment in Finland, a significant proportion of the full-year result depends on a successful Christmas season. Net sales in Grain Trade vary from one year and quarter to the next, even quite considerably, being dependent on the demand and supply situation and on the price level in Finland and other markets.

OVERVIEW OF OPERATING SEGMENTS

Food Solutions

The Food Solutions segment comprises frozen vegetable products and frozen ready meals, fresh products, and also service sales.

EUR million	Q3 2016	Q3 2015	Change	Q1-Q3 2016	Q1-Q3 2015	Change	2015	Rolling 12 m
Net sales	22.8	22.8	0 %	72.1	70.5	+2 %	95.8	97.5
Operational EBITDA	1.2	1.2		0.3	0.7		3.5	3.1
Operational EBITDA %	5.3 %	5.4 %		0.4 %	1.0 %		3.7 %	3.2 %
Operational EBIT	0.2	0.3		-2.5	-1.9		-0.1	-0.8
Operating profit	0.2	0.3		-2.5	-1.9		-0.1	-0.8

Operating environment

Grocery store sales grew in Finland and the average price declined from the previous year. According to the Statistics Finland, the value of grocery sales increased 0.4 per cent and volumes 1.2 per cent in January–September on the corresponding period in 2015.

Implementation of strategic projects

Tuorekset, Apetit's new ready-to-use vegetables product group, was launched in the second half of August. Building awareness of the new product concept started successfully and good results have been achieved with the marketing. After the first month, 50 per cent of respondents already recognised Tuorekset based on its name or visual appearance, and the product's store coverage has grown as expected.

Financial and operational performance in July–September

July–September net sales in the Food Solutions business amounted to EUR 22.8 (22.8) million. Sales by the frozen foods group to the retail trade, the professional food service sector and industry improved on the comparison period. Sales by Service Sales also grew on the comparison period. Sales of fresh products to the professional food service sector were lower than in the comparison period. The launch of the new Tuorekset product group in retail stores took place in the second half of August and the product has gained good store coverage on a national scale in the largest retail store chains.

In the Food Solutions segment, operational EBITDA was EUR 1.2 (1.2) million and Operational EBIT was EUR 0.2 (0.3) million. Profitability improved in the frozen foods group as a result of growing sales and improved relative profitability. In fresh products, reduced sales volumes to professional food service sector customers lowered the profitability of the entire segment.

Crops of Finnish-grown field vegetable were good. Harvest-time production was started earlier this year, and production volumes during the period were clearly up on the comparison period. The earlier start and greater volume of the harvest compared with the previous year meant that the amount of

fixed costs that were activated in inventories in July–September was EUR 0.6 million higher than in the corresponding period in 2015.

Summary of January–September

Net sales in Food Solutions rose to EUR 72.1 (70.5) million. Sales grew in both the frozen foods group and service sales. Sales declined in fresh products.

In the Food Solutions segment, operational EBITDA was EUR 0.3 (0.7) million and Operational EBIT was EUR -2.5 (-1.9) million, which was a decline from the comparison period.

Investments in Food Solutions totalled EUR 4.7 (3.2) million and were targeted mainly at the construction of production lines at the production plant in Kivikko in Helsinki for the consumer-packaged, pre-prepared Tuorekset vegetables, and also at the production equipment at the frozen food plant in Säkylä.

Strategic focus areas of business

In the Food Solutions business *Apetit's* goal is to be the leading brand in vegetable-based food solutions and services. The most important product groups are frozen vegetable products and frozen ready meals, ready-to-use fresh vegetables and service sales. Renewal will be accelerated by focusing on product development, on completely new food solutions and service development, and especially by exploiting digitalisation.

In the Food Solutions segment the goal is to reach 20 per cent organic net sales growth by the end of 2018 (2015: EUR 95.8 million). In terms of profitability, the goal is to achieve 7.5 per cent operational EBITDA margin (2015: 3.7%) in 2018.

Oilseed Products

The Oilseed Products business includes the processing and sale of vegetable oils and expeller meals.

EUR million	Q3 2016	Q3 2015	Change	Q1-Q3 2016	Q1-Q3 2015	Change	2015	Rolling 12 m
Net sales	17.6	14.8	+19 %	52.3	46.3	+13 %	61.3	67.3
Operational EBITDA	1.0	1.0		2.7	2.9		3.4	3.2
Operational EBITDA %	5.5 %	7.0 %		5.2 %	6.2 %		5.5 %	4.8 %
Packaged and special products of net sales	31.6 %	27.6 %					28.4 %	28.3 %
Operational EBIT	0.8	0.9		2.1	2.4		2.7	2.5
Operating profit	0.8	0.9		2.1	2.4		2.7	2.5

Operating environment

The oilseed growing season was mostly favourable in Finland and the crops will be better than in the previous years. According to the yield estimate of the Natural Resources Institute Finland (LUKE) published at the end of August, the total area under cultivation of rapeseed increased to 62,100 hectares (+17%). LUKE estimates that the yield of Finnish oilseed will be 89,700 tonnes (+15%). The availability and quality of Finnish oilseeds is good in the current harvest season and the per-hectare

yield is average when assessed over the long-term. According to an estimate by Coceral, the total output of oilseed within the EU decreased a little to 30.5 million tonnes.

Implementation of strategic projects

The vegetable oil packaging plant extension that was opened in June quickly enabled to increase the share of packaged vegetable oil products of the segment's net sales. As a result, it was possible to increase delivery volumes of packaged products, particularly to the export markets, in this quarter. Production efficiency and flexibility will also be improved with longer production runs.

Financial and operational performance in July–September

The delivery volume of oilseed products in tonnes in July–September was higher than in the comparison period and this increased the segment's net sales to EUR 17.6 (14.8) million. The packaging plant extension that was taken into use in June has increased the share of packaged and special products of the segment's net sales according to the strategy. The sales of packaged and special products exceeded those of the comparison period and made up 31.6 (27.8) per cent of the segment's net sales. The main export markets were Norway and Sweden and exports' share of net sales was 31 per cent.

The July–September operational EBITDA was EUR 1.0 (1.0) million and operational EBIT was EUR 0.8 (0.9) million. The sales margin in July–September was lower than that of the comparison period. Profitability was boosted by high capacity utilisation and higher production volumes at the Kirkkonummi oil milling plant.

Summary of January–September

In January–September, net sales increased to EUR 52.3 (46.3) million, boosted by increased delivery volumes. Operational EBITDA was EUR 2.7 (2.9) million and Operational EBIT was EUR 2.1 (2.4) million.

Investment in the period totalled EUR 1.5 (0.5) million and was mainly focused on the construction work for the expansion of the packaging plant at the Kirkkonummi vegetable oil mill.

Strategic business objectives

In Oilseed Products, our goal is to be the first choice of customers who value high-quality vegetable oils and feeds. We will increase the level of added value in production by investing in product development and in-depth R&D.

We will increase the share of packaged and special products so that in 2018 they will account for 34.0 per cent of net sales (2015: 28.4%). In terms of profitability, the goal is to achieve 7.5 per cent operational EBITDA margin (2015: 5.5%) in 2018.

Grain Trade

The Grain Trade business comprises the Finnish and international trade in grains, oilseeds and feed raw-materials.

EUR million	Q3 2016	Q3 2015	Change	Q1-Q3 2016	Q1-Q3 2015	Change	2015	Rolling 12 m
Net sales	38.9	28.3	+37 %	119.9	111.4	+8 %	170.5	178.9
Operational EBIT	0.6	0.7		1.1	2.6		3.8	2.3
Sales volume, 1000 tn	186	117	+60 %	610	533	+14 %	833	910
Return on capital employed, (ROCE %) *)							13.9 %	6.7 %
Operating profit	0.6	0.7		1.1	2.6		3.8	2.3

*) Operational EBIT divided by the average capital employed for each quarter

Operating environment

The price level on the international grain market was at a relatively low level on account of the high levels of grain stocks. The International Grains Council (IGC) did not change its forecast of the global wheat yield and estimated that grain stocks will increase as the current crop year progresses. Crop outlooks have improved, particularly in Australia, Canada, China, Kazakhstan and Russia. Coceral, the European association representing the trade in cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply, estimated a decrease in the grain crop, especially in France and the Baltic Countries. According to LUKE's evaluation, the grain crop in Finland will decline by 2 per cent from the previous year, to 3.6 million tonnes. The EU countries are a key area of supply for the Grain Trade business.

Implementation of strategic projects

The new subsidiary, SIA Avena Nordic Grain, has successfully started purchases for the new crop year in Latvia and has signed the necessary logistics agreements with the ports in Liepāja and Riga. The grain store investment completed in Inkoo port in August 2015 has been in effective use.

Financial and operational performance in July–September

Grain Trade net sales in July–September were up on the comparison period and amounted to EUR 38.9 (28.3) million. Both the net sales and delivery volumes by tonne clearly exceeded those of the comparison period. Of total net sales, 25 per cent was exported from Finland to the international markets.

The July–September operational EBIT was EUR 0.6 (0.7) million, representing a decline from the comparison period. Despite increased delivery volumes, EBIT did not increase on the comparison period as a result of the lower price levels and margins of the international grain market. Our own stock levels and consequently the amount of tied capital were at a higher level throughout the period which lowered return on capital employed from that of the comparison period.

Summary of January–September

Net sales in January–September increased on the comparison period as a result of the rapid growth in delivery volumes and came to EUR 119.9 (111.4) million. The reduced margins resulting from the ample supply of international grain markets lowered the segment's operational EBIT to EUR 1.1 (2.6) million.

The Grain Trade segment's investments totalled EUR 0.1 (2.0) million.

Strategic business objectives

In the Grain Trade the goal is to increase our market share in the Finnish grain, oilseed and feed raw-material markets and to grow especially in the Baltic countries' grain and oilseed sector. In the capital intensive business, we will pay particular attention to the effective use of capital. We seek competitive advantage by offering the best service and tools for grain buyers and sellers alike.

The goal in the Grain Trade segment is to increase sales volume to over 1 million tonnes per year in 2018 (2015: 0.83 million tonnes). The targeted ROCE^{*)} percentage for 2018 is 14.0 per cent (2015: 12.1%).

^{*)}Operational EBIT divided by the opening and closing balance sheet average values of the approved financial statements.

Seafood

The Seafood business comprises the operations of the fish products group in Finland, Sweden and Norway.

EUR million	Q3 2016	Q3 2015	Change	Q1-Q3 2016	Q1-Q3 2015	Change	2015	Rolling 12 m
Net sales	20.4	20.4	0 %	63.7	61.7	+3 %	82.9	84.9
Operational EBITDA	0.2	-0.2		-0.1	-2.4		-2.4	-0.2
Operational EBITDA %	1.1 %	-0.8 %		-0.2 %	-3.8 %		-2.9 %	-0.2 %
Operating cash flow (Operational EBITDA - investment)	0.1	-0.7		-1.6	-3.6		-4.0	-2.1
Operational EBIT	-0.2	-0.1		-1.4	-3.2		-3.8	-2.0
Operating profit	-0.2	-4.5		-1.4	-6.8		-7.4	-2.0

Operating environment

The price of Norwegian salmon during 2016 has been at a higher level than that of the comparison period. The high price of salmon is the result of globally growing demand for fish and the production problems at Chilean fish farms, which have reduced supply. In Finland, the price increase has significantly lowered sales volumes in retail stores.

Financial and operational performance in July–September

Net sales in the Seafood segment were at the level of the comparison period and amounted to EUR 20.4 (20.4) million. The price of Norwegian salmon that was higher than in the comparison period slightly reduced the segment's sales in Finland. In Norway, the trend in sales of higher-quality fishcakes and shellfish products was favourable.

The segment's operational EBITDA in July–September was EUR 0.2 (-0.2) million. The change in the fair value of currency hedges had an impact of EUR -0.2 (0.2) million on the operational EBITDA. The profit impact from the hedges are materially offset by commodity purchase prices denominated in foreign currency. Operational EBIT was EUR -0.2 (-0.1) million. The operational EBIT in the

comparison period includes EUR 0.4 million associated company profit from the associated company Taimen Oy.

The segment's operating efficiency improved on the comparison period. The biggest improvement took place in Finland where the production investments implemented at the Kuopio fish processing plant have improved the operating efficiency of production according to plan. In Norway, profitability is boosted by good sales development and good production efficiency. When the investment programme to improve profitability at the Kuopio fish processing plant was completed operating cash flow improved in July–September and was EUR 0.1 (-0.7) million.

Summary of January–September

The segment's net sales in January–September came to a total of EUR 63.7 (61.7) million. The price of Norwegian salmon that was higher than in the comparison year has lowered sales volumes in Finland.

Improvements in production efficiency improved profitability. The improvement in profitability has been slowed down by the market effects of the high raw materials prices for Norwegian salmon. In January–September the segment's operational EBITDA was EUR -0.1 (-2.4) million and operational EBIT was EUR -1.4 (-3.2) million. The operational EBIT in the comparison period includes EUR 0.4 million associated company profit from the associated company Taimen Oy.

Investment in non-current assets was EUR 1.5 (1.2) million and focused on equipment investments for the Kuopio fish processing plant to improve its production efficiency.

Strategic business objectives

In Seafood, the focus will be on improving the efficiency and competitiveness of operations in volume and added value products in all operating countries: Finland, Norway and Sweden. Operations will be developed by becoming the most efficient in the sector. The sales focus will be on retailers' private label products.

The Seafood segment does not have a defined strategic growth target. Instead, the goal is positive cash flow during the strategy period 2016–2018 (EBITDA minus investment).

USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

On 25 March 2015, the Annual General Meeting authorised the Board of Directors of Apetit Plc to decide on issuing new shares and on transferring treasury shares held by the company. In accordance with a decision regarding Board members' remuneration, 1,396 Apetit Plc shares held by the company were transferred to the Board members on 2 March 2016, and a further 1,389 shares on 2 June 2016 and a further 1,346 on 2 September 2016. The transfers were announced in stock exchange releases on date of transfer.

TREASURY SHARES

At the close of the review period, the company had in its possession a total of 118,158 of its own shares acquired during previous years. These treasury shares represent 1.9 per cent of the company's total number of shares and votes. The company's treasury shares carry no voting or dividend rights.

SHARE TURNOVER

The number of Apetit Plc shares traded on the stock exchange during the review period was 316,665 (412,238), representing 5.0 per cent (6.5%) of the total number of shares. The highest share price quoted was EUR 13.79 (16.80) and the lowest EUR 11.64 (13.00). The average price of shares traded was EUR 12.78 (14.55). The share turnover for the period was EUR 4.0 (7.1) million. At the end of the period, the share price was EUR 13.60 (13.46) and the market capitalisation was EUR 85.9 (85.0) million.

SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for the Apetit Group are related to the management of raw-material price changes and currency risks, the availability of raw materials, the solvency of customers, the delivery performance of suppliers and service providers, and changes in the Group's business sectors and customer relationships.

PROFIT GUIDANCE FOR 2016

The profit guidance was amended with a stock exchange release published on 19 October 2016.

The Group's operational EBIT* for the full year is estimated to be positive but to fall short of the comparison year's level (2015: EUR 2.6 million). Due to the seasonal nature of the Group's operations, most of the annual profit is accrued in the second half of the year.

The new harvest season has clarified the Grain Trade segment's outlook for the remaining part of the year. Supply is plentiful, which is expected to keep the price level and margins in international grain markets at a low level.

The profitability of the Food Solutions segment has not improved as expected. The outlook for the remainder of the year is weakened by lower-than-expected volume of fresh product sales to the professional food service sector.

The improved operating efficiency of the Seafood segment is estimated to continue to support the improvement of the segment's profitability in the remaining part of 2016.

The Oilseed Products segment's outlook for the rest of 2016 is estimated to be stable.

**) Due to the new amendments to the regulations of the European Securities and Markets Authority (ESMA), Apetit has replaced the key figure "operating profit excluding non-recurring items" with the key figure "operational EBIT" as of 2016. Operational EBIT does not include restructuring expenses, any significant impairment on goodwill or other balance-sheet items or reversal of impairment, the profit of the associated company Sucros or other extraordinary and material items.*

CONSOLIDATED INCOME STATEMENT

EUR million

	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Q1-Q4 2015
Net sales	91.9	75.3	286.4	267.0	380.8
Other operating income	0.3	0.4	0.9	1.8	2.2
Operating expenses	-89.1	-77.1	-283.1	-268.5	-378.2
Depreciation	-1.7	-1.5	-4.8	-4.4	-6.0
Impairments	0.0	0.0	0.0	0.0	-0.3
Share of profits of associated companies		0.4		0.4	0.4
Operating profit	1.4	-2.5	-0.7	-3.7	-1.0
Share of profits of associated companies	-0.1	-0.3	-0.7	-1.4	-1.0
Financial income and expenses	-0.2	-0.9	-0.7	-1.3	-1.5
Profit before taxes	1.1	-3.8	-2.1	-6.3	-3.5
Income taxes	0.7	-0.2	0.9	-0.5	-1.1
Profit for the period	1.8	-4.0	-1.2	-6.8	-4.6
Attributable to					
Equity holders of the parent	1.8	-4.0	-1.2	-6.5	-4.3
Non-controlling interests				-0.3	-0.3
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	0.29	-0.64	-0.19	-1.05	-0.69

STATEMENT OF COMPREHENSIVE INCOME

EUR million

	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Q1-Q4 2015
Profit for the period	1.8	-4.0	-1.2	-6.8	-4.6
Other comprehensive income					
Items which may be reclassified subsequently to profit or loss:					
Cash flow hedges	0.5	0.1	0.3	-0.4	0.0
Taxes related to cash flow hedges	-0.1	0.0	-0.1	0.1	0.0
Translation differences	0.0	0.0	0.0	0.0	0.1
Total comprehensive income	2.2	-3.9	-1.0	-7.1	-4.5
Attributable to					
Equity holders of the parent	2.2	-3.9	-1.0	-6.8	-4.1
Non-controlling interests				-0.3	-0.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	30 Sept 2016	30 Sept 2015	31 Dec 2015
ASSETS			
Non-current assets			
Intangible assets	7.8	8.2	8.1
Goodwill	0.4	0.4	0.4
Tangible assets	47.6	43.5	43.8
Investment in associated companies	21.7	22.1	22.6
Available-for-sale financial assets	0.0	0.1	0.1
Receivables	1.2	0.4	1.2
Deferred tax assets	4.6	3.5	2.9
Non-current assets total	83.5	78.2	79.1
Current assets			
Inventories	64.5	67.1	74.8
Trade receivables and other receivables	30.3	34.0	30.2
Income tax receivable	0.9	0.0	0.3
Cash and cash equivalents	1.1	12.9	13.4
Current assets total	96.8	114.0	118.8
Assets classied as held for sale		3.9	
Total assets	180.3	196.1	197.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	30 Sept 2016	30 Sept 2015	31 Dec 2015
EQUITY AND LIABILITIES			
Non-controlling interests	115.9	118.0	121.0
Total equity	115.9	118.0	121.0
Non-current liabilities			
Deferred tax liabilities	4.2	4.2	4.3
Long-term financial liabilities	5.6	1.9	1.2
Non-current provisions	0.1	0.4	0.2
Other non-current liabilities	0.2	0.2	0.2
Non-current liabilities total	10.1	6.6	5.9
Current liabilities			
Short-term financial liabilities	15.5	26.4	35.3
Income tax payable	0.0	0.6	0.0
Trade payables and other liabilities	38.5	44.0	35.5
Short-term provisions	0.3	0.4	0.3
Current liabilities total	54.3	71.5	71.0
Total liabilities	64.4	78.1	76.9
Total equity and liabilities	180.3	196.1	197.9

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	Q1-Q3 2016	Q1-Q3 2015	Q1-Q4 2015
Net profit for the period	-1.2	-6.8	-4.6
Adjustments, total	4.9	9.6	12.8
Change in net working capital	13.6	-8.2	-21.4
Interests paid	-1.5	-1.6	-1.7
Interests received	0.1	0.0	0.1
Taxes paid	-1.3	-1.4	-2.2
Net cash flow from operating activities	14.5	-8.4	-17.1
Investments in tangible and intangible assets	-7.9	-7.1	-9.1
Proceeds from sales of tangible and intangible assets	0.0	1.1	1.2
Acquisition of associated companies		-0.1	-0.1
Proceeds from sales of associated companies			3.8
Investments in other investments			-0.7
Proceeds from sales of other investments	0.3	0.1	0.1
Dividends received from investing activities	0.3	1.9	1.9
Net cash flow from investing activities	-7.2	-4.1	-3.0
Proceeds from and repayments of short-term loans	-19.8	16.7	25.5
Proceeds of long-term loans	5.0		
Repayments of long-term loans	-0.6	-0.7	-1.4
Dividends paid	-4.3	-4.3	-4.3
Cash flows from financing activities	-19.7	11.7	19.8
Net change in cash and cash equivalents	-12.3	-0.8	-0.3
Cash and cash equivalents at the beginning of the period	13.4	13.7	13.7
Cash and cash equivalents at the end of the period	1.1	12.9	13.4

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 September

January - September 2016

EUR million

	A	B	C	D	E	F
Share capital	12.6					12.6
Share premium account	23.4					23.4
Net unrealised gains	0.2				0.3	0.5
Other reserves	7.2					7.2
Own shares	-1.7			0.1		-1.6
Translation differences	-0.4				0.0	-0.4
Retained earnings	79.5	-4.3		0.2	-1.2	74.1
Attributable to equity holders of the parent	121.0	-4.3		0.2	-1.0	115.9

January - September 2015

EUR million

	A	B	C	D	E	F
Share capital	12.6					12.6
Share premium account	23.4					23.4
Net unrealised gains	0.2				-0.3	-0.1
Other reserves	7.2					7.2
Own shares	-1.7			0.1		-1.7
Translation differences	-0.5				0.0	-0.5
Retained earnings	86.8	-4.3	0.9	0.1	-6.5	77.0
Attributable to equity holders of the parent	128.1	-4.3	0.9	0.1	-6.8	118.0
Non-controlling interests (NCI)	1.2		-0.9		-0.3	
Total equity	129.4	-4.3		0.1	-7.1	118.0

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 2015. New standards and interpretations adopted in 2016 have not had material effect to the interim report.

From the beginning of 2016, Apetit will treat internal loans to Maritim Food as net investments in companies. The exchange rate differences of the loans are recognised as comprehensive income in the statement of comprehensive income, whereas in the comparison year the exchange rate differences were recognised as financial items included in the profit for the period.

Due to the amendments to the regulations of the European Securities and Markets Authority (ESMA) effective on 3rd July 2016 regarding terminology of financial ratios, Apetit has replaced the key figure "operating profit excluding non-recurring items" with the key figure "operational EBIT" as of 2016. Operational EBIT does not include restructuring expenses, any significant impairment on goodwill or other balance-sheet items or reversal of impairment, the profit of the associated company Sucros or other extraordinary and material items. In other respects Operational EBITDA contains the same income statement items as operational EBIT, apart from the fact that the key figure does not include depreciation, amortisation or associated companies. EBIT in the formula of operational return on capital employed (ROCE %) is replaced by Operational EBIT.

RECONCILIATION OF OPERATIONAL EBIT AND OPERATING PROFIT

EUR million

	Q1-Q3 2016	Q1-Q3 2015	Q1-Q4 2015
Operational EBIT	-0.7	-0.1	2.6
Taimen ownership arrangements		-3.6	-3.6
Operating profit	-0.7	-3.7	-1.0

SEGMENT INFORMATION

A = Food Solutions
 B = Oilseed Products
 C = Grain Trade
 D = Seafood
 E = Total

Operating segments, January - September 2016

EUR million

	A	B	C	D	E
Total segment sales	72.1	52.3	119.9	63.7	308.0
Intra-group sales	-0.7	-0.2	-11.9	-8.9	-21.6
Net sales	71.4	52.1	108.0	54.8	286.4
Operating profit	-2.5	2.1	1.1	-1.4	-0.7
Gross investments in non-current assets	4.7	1.5	0.1	1.5	7.9
Corporate acquisitions and other share purchases			0.0		0.0
Depreciations	2.8	0.6	0.2	1.3	4.8
Impairments	0.0	0.0	0.0	0.0	0.0
Personnel	446	42	55	183	725

Operating segments, January - September 2015

EUR million

	A	B	C	D	E
Total segment sales	70.5	46.3	111.4	61.7	289.9
Intra-group sales	-2.2	-0.2	-12.9	-7.6	-22.9
Net sales	68.3	46.1	98.5	54.1	267.0
Share of profits of associated companies included in operating profit				0.4	0.4
Operating profit	-1.9	2.4	2.6	-6.8	-3.7
Gross investments in non-current assets	3.2	0.5	2.0	1.2	7.1
Corporate acquisitions and other share purchases	0.0	0.1			0.1
Depreciations	2.6	0.5	0.1	1.2	4.4
Impairments					
Average number of personnel	433	41	52	200	726

Operating segments,
January - December 2015
EUR million

	A	B	C	D	E
Total segment sales	95.8	61.3	170.5	82.9	410.4
Intra-group sales	-2.6	-0.2	-16.7	-10.1	-29.6
Net sales	93.3	61.1	153.7	72.8	380.8
Share of profits of associated companies included in operating profit				0.4	0.4
Operating profit	-0.1	2.7	3.8	-7.4	-1.0
Gross investments in non-current assets	4.3	1.0	2.2	1.6	9.1
Corporate acquisitions and other share purchases			0.1		0.1
Depreciations	3.5	0.7	0.2	1.8	6.0
Impairments	0.0				0.0
Average number of personnel	434	40	53	198	725

KEY INDICATORS

	30 Sept 2016	30 Sept 2015	31 Dec 2015
Shareholders' equity per share, EUR	18.70	19.07	19.53
Equity ratio, %	64.3	60.2	61.1
Gearing, %	17.3	13.0	19.0
Gross investments in non-current assets, EUR million	7.9	7.1	9.1
Corporate acquisitions and other share purchases, EUR million	0.0	0.1	0.1
Average number of personnel	725	726	725
Average number of shares, 1,000 pcs	6197	6192	6192

The key figures in this Interim Report are calculated with same accounting principles than presented in the 2015 annual financial statements.

**COLLATERALS, CONTINGENT LIABILITIES,
CONTINGENT ASSETS AND OTHER COMMITMENTS**

EUR million

	30 Sept 2016	30 Sept 2015	31 Dec 2015
Mortgages given for debts			
Real estate and corporate mortgages	2.4	2.1	2.3
Guarantees	11.3	9.6	11.2
Non-cancellable other leases, minimum lease payments			
Real estate leases	10.1	6.3	7.0
Other leases	0.8	0.8	0.8
DERIVATIVE INSTRUMENTS			
Outstanding nominal values of derivate instruments			
Interest rate swaps	6.0	2.4	6.6
Forward currency contracts	7.3	10.0	16.6
Commodity derivative instruments	31.1	16.1	21.6
CONTINGENT ASSETS			
The present value of proceeds from the sale of shares in the joint entry account	0.7	0.7	0.7
INVESTMENT COMMITMENTS			
Food Business	1.4	0.2	2.2
Oilseed Products		0.8	
Grain Trade			0.7
Seafood	0.1	0.0	0.9

CHANGES IN TANGIBLE ASSETS

EUR million

	30 Sept 2016	30 Sept 2015	31 Dec 2015
Book value at the beginning of the period	43.8	41.1	41.1
Additions	7.6	6.5	8.2
Disposals	0.0	-0.2	-0.2
Disposals of subsidiaries		-0.2	-0.2
Depreciations and impairments	-3.9	-3.6	-5.0
Other changes	0.1	-0.2	-0.2
Book value at the end of the period	47.6	43.5	43.8

**TRANSACTIONS WITH ASSOCIATED COMPANIES AND
JOINT VENTURES**

EUR million

	Q1-Q3 2016	Q1-Q3 2015	Q1-Q4 2015
Sales to associated companies	0.3	0.2	1.1
Purchases from associated companies	2.1	6.7	7.8
Trade receivables and other receivables from associated companies	0.0	0.5	0.2
Trade payables and other liabilities to associated companies	0.3	0.9	0.3

In Espoo, 3 November 2016

APETIT PLC

Board of Directors