



# Apetit

## Interim Report Q1/2017



## Apetit Plc Interim Report, January-March 2017

# New products introduced – work continues to improve profitability

First quarter (January-March)

- Consolidated net sales amounted to EUR 91.9 (87.5) million
- Operational EBITDA was EUR 0.5 (0.6) million
- Operational EBIT was EUR -1.2 (-1.0) million
- The profit for the period was EUR -1.8 (-2.2) million, and earnings per share were EUR -0.29 (-0.35).

The information has not been audited. The figures in parentheses are the equivalent figures for the same period in 2016, and the comparison period means the corresponding period of the previous year, unless stated otherwise.

The profit guidance remains unchanged. The Group's full-year operational EBIT is expected to improve year-on-year (EUR 0.9 million in 2016). Due to the seasonal nature of the Group's operations, most of the annual profit is accrued in the second half of the year.

Juha Vanhainen, CEO:

“Our first quarter was characterised by the introduction of many new products, which is in line with our strategy. Our product development activities now produce solid, new vegetable products with good commercial potential more efficiently than before. The most significant product launches in the first quarter include the Apetit Kasvisjauhis patties and balls, Apetit Vegepops ice lollies and Apetit Finnish rapeseed oil. In April, we launched Apetit Kasvisjauhis products in the retail stores' ready meal section.

Consolidated net sales increased in all segments, with the exception of Seafood, where the high raw-material price of Norwegian salmon and rainbow trout has lowered sales volumes in Finland. In Food Solutions sales performance was good in both frozen and fresh products. In fresh products, we continued to develop the sales structure according to plan to focus on wholesale organisations and retail stores, and this produced new sales during the quarter. A welcome piece of good news was that the Tuorekset product family, which was launched last autumn, continued its good sales performance in January-March.

In Seafood, profitability improved thanks to better operational efficiency. In the Grain Trade sales grew year-on-year but the low prices and margins resulting from a high level of supply in the grain markets lowered our profitability. In Oilseed Products profitability was reduced by the temporarily lower margins of the oil agreements delivered in the quarter than in the comparison period.

In January-March we continued to establish our position as a leader in vegetable-based food solutions with the help of interesting new products for consumers. In addition, we are now accelerating the research and development of more highly processed oilseed products. We have launched a new R&D project on the use of rapeseed as an advanced vegetable protein and have received backing for the project from Tekes.

We aim for profitable growth in 2017. We will continue to work on improving profitability by increasing sales and improving operational efficiency throughout our operations.”

## CONSOLIDATED KEY FIGURES

EUR million	Q1 2017	Q1 2016	Change	2016	Rolling 12 m
Net sales	91.9	87.5	+5.0%	386.5	390.9
Operational EBITDA	0.5	0.6		7.5	7.4
Operational EBIT	-1.2	-1.0		0.9	0.6
Operating profit	-1.3	-1.0		0.6	0.2
Share of profit of associated company Sucros	-0.6	-1.0		0.7	1.1
Profit for the period	-1.8	-2.2		1.2	1.5
Earnings per share, EUR	-0.29	-0.35		0.19	0.25
Equity per share, EUR	18.08	18.52		19.00	
Working capital	50.1	62.2		52.9	53.5
Operational return on capital employed, (ROCE %)				1.2%	1.3%
Net cash flow from operating activities	-0.5	3.2		21.9	
Equity ratio, %	62.2%	62.3%		64.1%	
Gearing, %	14.9%	20.6%		12.4%	
Investment	1.6	4.1		9.7	

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

The associated company Sucros (holding 20%) will be reported after operating profit in the income statement as of the beginning of 2016.

NET SALES, EUR million	Q1 2017	Q1 2016	Change	2016	Rolling 12 m
Food Solutions	25.8	25.0	+3.0%	97.8	98.5
Oilseed Products	16.8	16.5	+1.9%	68.2	68.5
Grain Trade	33.0	30.8	+7.0%	159.7	161.9
Seafood	20.3	20.5	-1.1%	87.8	87.6
Intra-group net sales	-3.9	-5.3		-27.0	-25.6
Total	91.9	87.5	+5.0%	386.5	390.9

OPERATIONAL EBIT, EUR million	Q1 2017	Q1 2016	2016	Rolling 12 m
Food Solutions	-1.1	-1.2	-2.6	-2.6
Oilseed Products	0.3	0.7	2.7	2.3
Grain Trade	0.2	0.4	1.4	1.1
Seafood	-0.5	-0.9	-0.6	-0.2
Total	-1.2	-1.0	0.9	0.6

## CONSOLIDATED NET SALES AND PROFIT

### *First quarter (January-March)*

Consolidated net sales were up on the previous year and amounted to EUR 91.9 (87.5) million. Net sales increased in all segments, with the exception of Seafood.

Operational EBIT was EUR -1.2 (-1.0) million. The reported operating profit was EUR -1.3 (-1.0) million. The result of the associated company Sucros in January-March was EUR -0.6 (-1.0) million. The net figure for financial income and expenses was EUR -0.2 (-0.3) million. Financial expenses included EUR -0.1 (-0.1) million as the share of the Avena Nordic Grain Group's profit attributable to the employee owners of Avena Nordic Grain Oy.

The profit before taxes was EUR -2.1 (-2.3) million, and taxes on the profit for the period came to EUR 0.3 (0.1) million. The profit for the period was EUR -1.8 (-2.2) million, and earnings per share were EUR -0.29 (-0.35).

## CASH FLOWS, FINANCING AND BALANCE SHEET

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

The first-quarter cash flow from operating activities after interest and taxes amounted to EUR -0.5 (3.2) million. The impact of the change in working capital was EUR 0.0 (4.5) million. The effect of seasonality on the change in working capital is presented below under 'Seasonality of operations'.

The net cash flow from investing activities was EUR -1.6 (-3.8) million. The cash flow from financing activities came to EUR 2.8 (-10.0) million.

At the end of the period, the Group had EUR 22.0 (26.4) million in interest-bearing liabilities and EUR 5.3 (2.8) million in liquid assets. Net interest-bearing liabilities totalled EUR 16.7 (23.7) million. The consolidated balance sheet total stood at EUR 180.2 (184.2) million. At the end of the period, equity totalled EUR 112.1 (114.8) million. The equity ratio was 62.2 (62.3) per cent, and gearing was 14.9 (20.6) per cent. The Group's liquidity is secured with committed credit facilities, with EUR 40 (45) million being available in credit at the end of the period. The total of commercial papers issued stood at EUR 14.0 (22.0) million.

## INVESTMENT

The Group's gross investment in non-current assets came to EUR 1.6 (4.1) million and was divided as follows: EUR 1.3 (2.5) million in Food Solutions, EUR 0.1 (0.6) million in Oilseed Products, EUR 0.0 (0.0) million in Grain Trade and EUR 0.2 (1.0) million in Seafood.

## PERSONNEL

The Apetit Group employed an average of 699 (704) people in the first quarter.

## 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 mainly processed into finished products during the final quarter of the year. This means that more fixed production overheads are recognised on the balance sheet in the fourth quarter than during the other quarters of the year. Due to this accounting practice, most of the Group's annual profit is accrued in the final quarter. The seasonal nature of profit accumulation is most marked in the frozen foods group of the Food Solutions segment and in the associated company Sucros, where production reflects the crop harvesting season.

Harvesting seasons also cause seasonal variation in the amount of working capital tied up in operations. Working capital tied up in Grain Trade and Oilseed 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 up 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, frozen ready meals, fresh products and service sales.

EUR million	Q1 2017	Q1 2016	Change	2016	Rolling 12 m
Net sales	<b>25.8</b>	25.0	+3.0%	97.8	98.5
Operational EBITDA	<b>-0.1</b>	-0.3		1.3	1.5
Operational EBITDA %	<b>-0.3%</b>	-1.1%		1.3%	1.5%
Operational EBIT	<b>-1.1</b>	-1.2		-2.6	-2.6
Operating profit	<b>-1.1</b>	-1.2		-2.6	-2.6

#### *Financial and operational performance in January–March*

Net sales in the Food Solutions segment improved in January-March and amounted to EUR 25.8 (25.0) million. There was growth in all product groups. In fresh products, we continued to develop the sales structure to focus on wholesale organisations and retail stores, and this produced new sales during the quarter. In the frozen foods group, good sales performance continued in all channels. New products, particularly vegetable patties and balls, boosted growth in frozen foods, and the Apetit Kasvisjauhis products and Apetit Vegepops fruit and vegetable ice lollies launched in the period were well received. The sales of the Tuorekset family continued to develop favourably.

In Food Solutions, operational EBITDA was EUR -0.1 (-0.3) million, and operational EBIT was EUR -1.1 (-1.2) million. The profitability of the frozen foods group was good.

Food Solutions' investment totalled EUR 1.3 (2.5) million. Investment focused mainly on developing production at the Säkylä frozen food factory.

#### *Implementation of strategic projects*

During the first quarter of 2017 progress was made in the strategic target of increasing sales of the frozen food group by focusing on completely new products and concepts. Apetit presented its new Kasvisjauhis patties and balls at Helsingin Vegemessut at the end of January. These vegan, easy-to-prepare, delicious and protein-rich products were well received at retail stores and sales got off to an excellent start. The Kasvisjauhis product range was introduced in the retail stores' ready meal section in April.

Apetit also entered the world of healthier treats with a new concept for the ice cream freezer. At the beginning of March the completely vegan Apetit Vegepops vegetable and fruit ice lollies, which are made with responsibly-grown, Finnish vegetables, were launched in stores. The products contain no added sugar and they are free from dairy and additives.

The good media and social media exposure achieved by Kasvisjauhis and Vegepops products have supported the products' sales and strengthened the profile of the Apetit brand among consumers who are interested in a vegetable-based diet.

### Strategic focus areas of business

With regard to Food Solutions, Apetit aims to be a 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 investing in product development and completely new food solutions, and in service development by means of digitalisation in particular.

In the Food Solutions segment, the goal is to reach an organic growth rate of 20 per cent in net sales by the end of 2018 in comparison with 2015. In terms of profitability, the target is to achieve an operational EBITDA margin of 7.5 per cent in 2018.

## Oilseed Products

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

EUR million	Q1 2017	Q1 2016	Change	2016	Rolling 12 m
Net sales	<b>16.8</b>	16.5	+1.9%	68.2	68.5
Operational EBITDA	<b>0.4</b>	0.9		3.5	3.1
Operational EBITDA, %	<b>2.6%</b>	5.2%		5.1%	4.5%
Packaged and special products of net sales	<b>34.8%</b>	28.5%		29.5%	31.1%
Operational EBIT	<b>0.3</b>	0.7		2.7	2.3
Operating profit	<b>0.3</b>	0.7		2.7	2.3

### Financial and operational performance in January–March

The delivery volume in tonnes of Oilseed Products was at the previous year's level in January–March. The segment's net sales increased to EUR 16.8 (16.5) million. The sales of packaged and special products were higher than in the comparison period and represented 34.8 (28.5) per cent of the segment's net sales. The main export markets were Norway and Sweden, with exports representing 33 per cent of net sales.

The operational EBITDA in January–March was EUR 0.4 (0.9) million and operational EBIT was EUR 0.3 (0.7) million. In Oilseed Products profitability was reduced by the temporarily lower margins of the oil agreements delivered in the quarter. Rapeseed expeller accounted for a large part of the sales and its price was reduced by the ample supply of alternative expeller meals.

Investment during the period totalled EUR 0.1 (0.6) million.

### Operating environment

The outlook for the forthcoming harvest season regarding oilseeds is good in Finland. Based on a survey of farmers commissioned by the Finnish Cereal Committee (VYR) in February, the area under rapeseed cultivation is expected to grow slightly in Finland in the coming harvest season. According to COCERAL, the European association representing the trade in cereals, oilseed crops in the European Union will slightly increase.

The successful growing of rapeseed in Finland requires effective protection against flea beetles, which may cause significant damage in rapeseed fields. The Finnish Safety and Chemicals Agency (Tukes) has issued a special permit to use oilseed treatments to protect seedlings at the beginning of the growing season in 2017.

### Implementation of strategic projects

In the Oilseed Products segment, projects with the aim of increasing the added value of products will be continued. At the beginning of March, Apetit rapeseed oil extracted at the Kirkkonummi oil milling plant from 100% Finnish rapeseed was launched in stores. This new product means that the vegetable brand Apetit is now represented on the vegetable oil shelf.

An R&D project connected with the processing potential of the rapeseed was launched in the period. The target of the project is to develop a new functional vegetable protein ingredient from the rapeseed. Tekes has agreed to support the project during the period 2017-2018.

### Strategic business objectives

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

Our goal is to increase the share of packaged and special products to 34.0 per cent of net sales in 2018. In terms of profitability, the target is to achieve an operational EBITDA margin of 7.5 per cent in 2018.

## Grain Trade

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

EUR million	Q1 2017	Q1 2016	Change	2016	Rolling 12 m
Net sales	<b>33.0</b>	30.8	+7.0%	159.7	161.9
Sales volume, 1,000 tonnes	<b>187</b>	153		853	887
Operational return on capital employed, (ROCE %)*				4.1%	3.5%
Operational EBIT	<b>0.2</b>	0.4		1.4	1.1
Operating profit	<b>0.2</b>	0.4		1.4	1.1

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

### Financial and operational performance in January–March

Grain Trade net sales in January–March were up on the comparison period and amounted to EUR 33.0 (30.8) million. Both net sales and delivery volumes in tonnes increased on the comparison period. Exports accounted for about 41 per cent of net sales.

The reduced grain trade margins resulting from the ample supply of international grain markets lowered profit on the review period. Operational EBIT was EUR 0.2 (0.4) million. Stock levels and, consequently, the amount of tied-up working capital decreased in January–March from the comparison period.

Investment in the Grain Trade segment totalled EUR 0.0 (0.0) million

### Operating environment

World grain stocks are at high levels as we enter the new harvest season and there is ample supply on the markets. The International Grains Council is expecting grain production in the 2016–2017 harvest season to rise to its highest ever level and is expecting stock levels to increase further.

## Strategic business objectives

In Grain Trade, our goal is to increase our market share in the Finnish grain, oilseed and feed raw-materials market and to grow in the grain and oilseed sector in the Baltic countries in particular. In this capital-intensive business, we will pay special attention to the effective use of capital. We seek to gain a competitive edge by offering the best service and tools for the sellers and buyers of grains.

In the Grain Trade segment, the target is to increase sales volumes to more than 1 million tonnes per year in 2018. The targeted ROCE<sup>1)</sup> percentage for 2018 is 14.0 per cent.

<sup>1)</sup> 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	Q1 2017	Q1 2016	Change	2016	Rolling 12 m
Net sales	<b>20.3</b>	20.5	-1.1%	87.8	87.6
Operational EBITDA	<b>-0.1</b>	-0.4		1.1	1.5
Operational EBITDA %	<b>-0.3%</b>	-2.1%		1.3%	1.7%
Operating cash flow (operational EBITDA investment)	<b>-0.3</b>	-1.4		-0.8	0.3
Operational EBIT	<b>-0.5</b>	-0.9		-0.6	-0.2
Operating profit	<b>-0.6</b>	-0.9		-0.9	-0.6

### Financial and operational performance in January–March

Net sales in the Seafood segment were at the level of the comparison period and amounted to EUR 20.3 (20.5) million. The high price of Norwegian salmon and the reduced availability of rainbow trout lowered sales volumes in Finland. In Norway, sales of fishcakes and shellfish products were good, but in Sweden, sales declined as a result of the high prices of shellfish products. This year Easter, which is an important sales period, was in April.

The segment's operational EBITDA in January–March was EUR -0.1 (-0.4) million. The change in the fair value of currency hedges had an effect of EUR 0.0 (-0.1) million on the operational EBITDA. Operational EBIT was EUR -0.5 (-0.9) million. The reported operating profit was EUR -0.6 (-0.9) million, including EUR -0.1 million in expert fees related to the development of the business structure of the segment. The reduction in volume, which was caused by the high raw materials prices for Norwegian salmon and reduced availability of rainbow trout, slowed the improvement of the segment's result.

The segment's operating efficiency in Finland was higher than in the comparison period and overhead costs were lower. The production investments implemented at the Kuopio fish processing plant and measures to improve process efficiency have improved the operational efficiency of production according to plan. Operating cash flow increased as a result of the improved operational efficiency and was EUR -0.3 (-1.4) million in January-March.

Investment in non-current assets was EUR 0.2 (1.0) million and was mainly related to equipment to improve production efficiency.

### Operating environment

The price level of Norwegian salmon was higher than in the comparison period and this has decreased the demand. Demand of rainbow trout has increased and this has weakened the supply and increased the price of rainbow trout. The prevailing high price resulted in fewer retail campaigns.

### *Strategic business objectives*

In Seafood, the focus will be on improving the efficiency and competitiveness of operations with regard to volume and added value products in all operating countries: Finland, Norway and Sweden. Operations will be developed by striving to achieve the highest level of efficiency in the sector. In sales, the focus will be on retailers' private label products.

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

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

In accordance with a decision made by the Supervisory Board regarding the remuneration of the Board members, a total of 1,244 Apetit Plc shares held by the company were transferred to the Board members on 2 March 2017. The transfer was announced in a stock exchange release issued on the date of transfer.

### TREASURY SHARES

At the end of the review period, the company had in its possession a total of 115,561 of its own shares acquired during previous years. These treasury shares represent 1.8 per cent of the company's total number of shares and votes. The 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 296,757 (121,910), representing 4.7 (1.6) per cent of the total number of shares. The highest share price quoted was EUR 14.36 (13.60), and the lowest was EUR 12.91 (11.70). The average price of shares traded was EUR 13.76 (12.64). The share turnover for the period was EUR 4.1 (1.5) million. At the end of the period, the share price was EUR 13.43 (13.45), and the market capitalisation was EUR 84.8 (85.0) million.

### DECISIONS OF THE ANNUAL GENERAL MEETING

Apetit Plc's Annual General Meeting was held in Säskylä on 24 March 2017. The AGM approved the parent company's financial statements and the consolidated financial statements, and discharged the members of the Board of Directors and of the Supervisory Board and the Chief Executive Officer from liability for the financial year 2016. The Board of Directors' proposals to the AGM were approved without changes.

#### *Dividend distribution*

The AGM decided to distribute a dividend of EUR 0.70 per share, in accordance with the Board's proposal. The dividend was paid on 4 April 2017.

#### *Appointment of members of the Supervisory Board and its Nomination Committee and appointment of the auditors and their remuneration*

It was confirmed that the Supervisory Board shall have 18 members appointed by the AGM. Five members completing their term were re-appointed to the Supervisory Board. The re-appointed members are Jaakko Halkilahti, Mika Leikkonen, Marja-Liisa Mikola-Luoto, Petri Rakkolainen and Mauno Ylinen.

Sauli Lähteenmäki and Jorma Takanen were elected as the members of the Supervisory Board's Nomination Committee.

Pasi Karppinen, APA, and PricewaterhouseCoopers Oy, Authorised Public Accountants, with Jari Viljanen, APA, as the auditor with principal responsibility, were appointed as the company's auditors for the period ending with the close of the 2018 AGM.

The AGM decided that the monthly fee paid to the Supervisory Board's Chairman will be EUR 1,000, and to the Deputy Chairman EUR 665. The meeting allowance paid to the members of the Supervisory Board and the Supervisory Board's Nomination Committee will be EUR 300. Compensation for travelling expenses is paid in accordance with the general travel rules of Apetit Plc. The auditors' fees are paid according to invoice approved by the company.

## ORGANISATIONAL MEETING OF THE SUPERVISORY BOARD AND ELECTION OF THE BOARD OF DIRECTORS

At its organisational meeting on 12 April 2017, Apetit Plc's Supervisory Board appointed Harri Eela as Chairman and Marja-Liisa Mikola-Luoto as Vice Chairman.

The Supervisory Board decided to elect six members to Apetit Plc's Board of Directors. Lasse Aho, Annikka Hurme, Esa Härmälä, Seppo Laine, Veijo Meriläinen and Niko Simula were elected as members of the Board of Directors. Veijo Meriläinen was appointed as Chairman of the Board of Directors and Esa Härmälä as Deputy Chairman.

It was decided that the Board members will be paid an annual remuneration of EUR 19,560 and that the Chair and Deputy Chair will receive an annual remuneration of EUR 39,060 and EUR 24,120, respectively. A total of 60 per cent of the annual remuneration will be paid in cash and 40 per cent in the form of Apetit Plc's shares held by the company at the current value of the shares at the time of transfer. The remuneration will be paid once a year in December. It was also decided that the chairman and members of the Board of Directors will be paid a meeting allowance of EUR 510 and EUR 300, respectively.

## AUDIT COMMITTEE

On 4 May 2017, Apetit Plc's Board of Directors elected members to its Audit Committee from among its members until the end of the Board's term of office. Seppo Laine was elected as Chairman of the Audit Committee, and Lasse Aho and Esa Härmälä were elected as its members.

## 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 2017

Sales in the Finnish retail sector and professional food service sector are expected to pick up in comparison to the previous year, but the price competition is expected to remain intensive. Ample supply is expected to continue to prevail in the global grains market, keeping prices and margins at a low level. This situation is not expected to change significantly before a more specific outlook is available for the new harvest season.

The Group's full-year operational EBIT is expected to improve year-on-year (EUR 0.9 million in 2016). Due to the seasonal nature of the Group's operations, most of the annual profit is accrued in the second half of the year.

With regard to profitability, favourable development will be supported by higher added value and positive sales development in Food Solutions, improved operational efficiency in Seafood and increased sales volumes in Grain Trade in comparison to the previous year.

Due to the substantial effect of international grain market price fluctuations on the Group's net sales, Apetit will not issue any estimates of its expected full-year net sales.

#### PUBLICATION DATES FOR FINANCIAL REPORTS

The following financial reports will be published during the year as follows: The half year financial report for January-June on 11 August 2017 at 8.30 am, and the interim report for January-September on 2 November 2017 at 8.30 am.

## CONSOLIDATED INCOME STATEMENT

EUR million

	Q1 2017	Q1 2016	Q1-Q4 2016
<b>Net sales</b>	<b>91.9</b>	87.5	386.5
Other operating income	<b>0.2</b>	0.4	1.6
Operating expenses	<b>-91.7</b>	-87.3	-380.9
Depreciation	<b>-1.8</b>	-1.5	-6.6
Impairments	<b>0.0</b>	0.0	0.0
<b>Operating profit</b>	<b>-1.3</b>	-1.0	0.6
Share of profits of associated companies	<b>-0.6</b>	-1.0	0.7
Financial income and expenses	<b>-0.2</b>	-0.3	-0.9
Profit before taxes	<b>-2.1</b>	-2.3	0.3
Income taxes	<b>0.3</b>	0.1	0.8
<b>Profit for the period</b>	<b>-1.8</b>	-2.2	1.2
<b>Attributable to Equity holders of the parent</b>	<b>-1.8</b>	-2.2	1.2
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	<b>-0.29</b>	-0.35	0.19

## STATEMENT OF COMPREHENSIVE INCOME

EUR million

	Q1 2017	Q1 2016	Q1-Q4 2016
<b>Profit for the period</b>	<b>-1.8</b>	-2.2	1.2
<b>Other comprehensive income</b>			
<b>Items which may be reclassified subsequently to profit or loss:</b>			
Cash flow hedges	<b>0.7</b>	0.4	-0.2
Taxes related to cash flow hedges	<b>-0.1</b>	-0.1	0.0
Translation differences	<b>-0.1</b>	0.0	0.1
<b>Total comprehensive income</b>	<b>-1.4</b>	-1.9	1.1
<b>Attributable to Equity holders of the parent</b>	<b>-1.4</b>	-1.9	1.1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	31 March 2017	31 March 2016	31 Dec 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	7.6	8.2	7.7
Goodwill	0.4	0.4	0.4
Tangible assets	47.7	46.4	47.7
Investment in associated companies	22.5	21.7	23.1
Available-for-sale financial assets	0.1	0.0	0.1
Receivables	0.3	1.2	0.3
Deferred tax assets	4.6	3.3	4.3
<b>Non-current assets total</b>	<b>83.2</b>	<b>81.1</b>	<b>83.6</b>
<b>Current assets</b>			
Inventories	57.0	64.6	65.3
Trade receivables and other receivables	34.4	35.2	30.1
Income tax receivable	0.3	0.5	0.1
Cash and cash equivalents	5.3	2.8	4.6
<b>Current assets total</b>	<b>97.0</b>	<b>103.1</b>	<b>100.1</b>
<b>Total assets</b>	<b>180.2</b>	<b>184.2</b>	<b>183.7</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	31 March 2017	31 March 2016	31 Dec 2016
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to the equity holders of the parent	112.1	114.8	117.7
<b>Total equity</b>	<b>112.1</b>	<b>114.8</b>	<b>117.7</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3.6	4.2	3.7
Long-term financial liabilities	4.8	1.2	4.9
Non-current provisions	0.3	0.3	0.3
Other non-current liabilities	0.2	0.2	0.2
<b>Non-current liabilities total</b>	<b>8.9</b>	<b>5.9</b>	<b>9.0</b>
<b>Current liabilities</b>			
Short-term financial liabilities	17.2	25.2	14.2
Income tax payable	0.1	0.2	0.0
Trade payables and other liabilities	41.3	37.6	42.5
Short-term provisions	0.7	0.5	0.2
<b>Current liabilities total</b>	<b>59.2</b>	<b>63.5</b>	<b>57.0</b>
<b>Total liabilities</b>	<b>68.0</b>	<b>69.4</b>	<b>66.0</b>
<b>Total equity and liabilities</b>	<b>180.2</b>	<b>184.2</b>	<b>183.7</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	Q1 2017	Q1 2016	Q1-Q4 2016
Net profit for the period	-1.8	-2.2	1.2
Adjustments, total	2.3	2.5	5.7
Change in net working capital	0.0	4.5	17.5
Interests paid	-0.7	-1.2	-1.7
Interests received	0.0	0.0	0.1
Taxes paid	-0.3	-0.4	-0.9
<b>Net cash flow from operating activities</b>	<b>-0.5</b>	<b>3.2</b>	<b>21.9</b>
Investments in tangible and intangible assets	-1.6	-4.1	-9.7
Proceeds from sales of tangible and intangible assets	0.0	0.3	0.0
Proceeds from sales of other investments			0.3
Dividends received from investing activities			0.3
<b>Net cash flow from investing activities</b>	<b>-1.6</b>	<b>-3.8</b>	<b>-9.0</b>
Proceeds from and repayments of short-term loans	2.9	-10.0	-21.0
Proceeds of long-term loans	0.1		5.0
Repayments of long-term loans	-0.2	0.0	-1.3
Dividends paid			-4.3
<b>Cash flows from financing activities</b>	<b>2.8</b>	<b>-10.0</b>	<b>-21.6</b>
<b>Net change in cash and cash equivalents</b>	<b>0.7</b>	<b>-10.6</b>	<b>-8.8</b>
Cash and cash equivalents at the beginning of the period	4.6	13.4	13.4
Cash and cash equivalents at the end of the period	5.3	2.8	4.6

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

A = Shareholders' equity at 1 January

B = Dividend distribution

C = Other changes

D = Total comprehensive income

E = Shareholders' equity at 31 March

### January - March 2017

EUR million

	A	B	C	D	E
Share capital	12.6				12.6
Share premium account	23.4				23.4
Net unrealised gains	0.1			0.6	0.6
Other reserves	7.2				7.2
Own shares	-1.6		0.0		-1.6
Translation differences	-0.3			-0.1	-0.4
Retained earnings	76.3	-4.3	0.0	-1.8	70.2
Attributable to equity holders of the parent	117.7	-4.3	0.1	-1.4	112.1

### January - March 2016

EUR million

	A	B	C	D	E
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				-1.7
Translation differences	-0.4		0.0	0.0	-0.4
Retained earnings	79.5	-4.3	0.0	-2.2	73.0
Attributable to equity holders of the parent	121.0	-4.3	0.0	-1.9	114.8

## 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 2016. New standards and interpretations adopted in 2017 have not had material effect to the interim report.

## RECONCILIATION OF OPERATIONAL EBIT AND OPERATING PROFIT

EUR million

	Q1 2017	Q1 2016	Q1-Q4 2016
Operational EBIT	-1.2	-1.0	0.9
Expert fees related to the development of the business structure of Seafood segment	-0.1		-0.3
Operating profit	-1.3	-1.0	0.6

## SEGMENT INFORMATION

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

### Operating segments, January - March 2017

EUR million

	A	B	C	D	E
Total segment sales	25.8	16.8	33.0	20.3	95.9
Intra-group sales	-0.2	-0.1	-0.9	-2.8	-3.9
Net sales	25.6	16.8	32.1	17.5	91.9
Operating profit	-1.1	0.3	0.2	-0.6	-1.3
Gross investments in non-current assets Corporate acquisitions and other share purchases	1.3	0.1		0.2	1.6
Depreciations Impairments	1.1	0.2	0.1	0.5	1.8 0.0
Personnel	423	43	56	177	699

### Operating segments, January - March 2016

EUR million

	A	B	C	D	E
Total segment sales	25.0	16.5	30.8	20.5	92.9
Intra-group sales	-0.8	0.0	-2.4	-2.1	-5.3
Net sales	24.2	16.5	28.4	18.4	87.5
Operating profit	-1.2	0.7	0.4	-0.9	-1.0
Gross investments in non-current assets Corporate acquisitions and other share purchases	2.5	0.6		1.0	4.1
Depreciations Impairments	0.9	0.2	0.1	0.4 0.0	1.5 0.0
Average number of personnel	419	39	53	193	704

Operating segments,  
January - December 2016  
EUR million

	A	B	C	D	E
Total segment sales	97.8	68.2	159.7	87.8	413.5
Intra-group sales	-0.9	-0.2	-13.3	-12.6	-27.0
Net sales	96.9	68.0	146.4	75.2	386.5
Operating profit	-2.6	2.7	1.4	-0.9	0.6
Gross investments in non-current assets	5.7	1.9	0.1	2.0	9.7
Corporate acquisitions and other share purchases			0.0		0.0
Depreciations	3.8	0.8	0.2	1.7	6.6
Impairments	0.0	0.0	0.0	0.0	0.0
Average number of personnel	452	42	55	180	729

#### KEY INDICATORS

	31 March 2017	31 March 2016	31 Dec 2016
Shareholders' equity per share, EUR	<b>18.08</b>	18.52	19.00
Equity ratio, %	<b>62.2</b>	62.3	64.1
Gearing, %	<b>14.9</b>	20.6	12.4
Gross investments in non-current assets, EUR million	<b>1.6</b>	4.1	9.7
Corporate acquisitions and other share purchases, EUR million			0.0
Average number of personnel	<b>699</b>	704	729
Average number of shares, 1,000 pcs	<b>6201</b>	6196	6198

The key figures in this Interim Report are calculated with same accounting principles than presented in the 2016 annual financial statements.

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

EUR million

	<b>31 March 2017</b>	31 March 2016	31 Dec 2016
<b>Mortgages given for debts</b>			
Real estate and corporate mortgages	<b>2.5</b>	2.3	2.5
Guarantees	<b>11.2</b>	9.9	11.6
<b>Non-cancellable other leases, minimum lease payments</b>			
Real estate leases	<b>9.5</b>	6.1	9.6
Other leases	<b>1.0</b>	0.8	1.0
<b>DERIVATIVE INSTRUMENTS</b>			
Outstanding nominal values of derivate instruments			
Interest rate swaps	<b>5.4</b>	6.6	5.4
Forward currency contracts	<b>6.0</b>	5.9	8.1
Commodity derivative instruments	<b>20.6</b>	23.7	14.9
<b>CONTINGENT ASSETS</b>			
The present value of proceeds from the sale of shares in the joint entry account	<b>0.7</b>	0.7	0.7
<b>INVESTMENT COMMITMENTS</b>			
Food Business	<b>0.7</b>	2.2	1.0
Oilseed Products		0.7	
Seafood		0.9	

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**CHANGES IN TANGIBLE ASSETS**

EUR million

	<b>31 March 2017</b>	31 March 2016	31 Dec 2016
Book value at the beginning of the period	<b>47.7</b>	43.8	43.8
Additions	<b>1.4</b>	3.7	8.9
Disposals	<b>0.0</b>	0.0	0.0
Depreciations and impairments	<b>-1.4</b>	-1.2	-5.3
Other changes	<b>0.0</b>	0.1	0.3
<b>Book value at the end of the period</b>	<b>47.7</b>	46.4	47.7

## TRANSACTIONS WITH ASSOCIATED COMPANIES

EUR million

	<b>31 March 2017</b>	31 March 2016	31 Dec 2016
Sales to associated companies	<b>0.1</b>	0.1	0.8
Purchases from associated companies	<b>0.8</b>	0.7	3.0
Trade receivables and other receivables from associated companies	<b>0.1</b>	0.0	0.1
Trade payables and other liabilities to associated companies	<b>0.2</b>	0.2	0.3

In Helsinki, 5 May 2017

APETIT PLC

Board of Directors