



LÄNNEN TEHTAAT PLC INTERIM REPORT, JANUARY-MARCH 2012

- Consolidated net sales amounted to EUR 79.4 (84.0) million, down by 5 per cent
- Operating profit, excluding non-recurring items, was EUR -0.5 (0.8) million; non-recurring items totalled EUR -0.1 (0.0) million
- The Group acquired Caternet Finland Oy during the first quarter; EUR -0.5 million in transaction expenses related to this acquisition are included in the consolidated operating profit
- The estimate of full-year profit performance has been updated. It is forecast that the full-year operating profit, excluding non-recurring items will reach at the best the level of 2011, due to the lacklustre profit performance in early part of the year.

The information in this Interim Report has not been audited. The figures in parentheses are the equivalent figures for the same period a year earlier, unless stated otherwise.

Matti Karppinen, CEO:

“In order to strengthen its future profit performance, Lännen Tehtaat acquired Caternet Finland Oy at the end of March. Caternet has a strong position in Finland as a supplier of ready-to-use fresh products to the hotel, restaurant and catering sector. Caternet’s fresh products are very suitable additions to Lännen Tehtaat’s current product selection, which focuses on great taste, healthiness and light choices. The acquisition supports Lännen Tehtaat’s growth strategy and will bring plenty of synergy benefits to the business. Caternet has modern production facilities that are excellently located in terms of logistics and will provide good potential for increasing sales. Caternet’s and Lännen Tehtaat’s product selections and customer relationships complement each other well, and together we will be able to further improve customer service and utilise our expertise and product sales channels more effectively. “

“The consolidated operating profit excluding non-recurring items for the first quarter was down year on year, and was reported as a loss. The result for the Grains and Oilseeds business was weaker than a year earlier, as grain sales were significantly slower and the vegetable oil refining margin was down year on year. The result for the Seafood business was down from a year earlier, while in the Frozen Foods business the result was unchanged, and in Other Operations the associated company Sucros improved its result.”

KEY FIGURES

EUR million	Q1/2012	Q1/2011	Change	2011
Net sales	79.4	84.0	-5%	335.5
Operating profit, excluding non-recurring items	-0.5	0.8		9.8
Operating profit	-0.6	0.8		8.7
Profit before taxes	-0.7	0.5		7.5
Profit for the period	-0.7	0.2		5.7
Earnings per share, EUR	-0.09	0.04		0.92

CORPORATE TRANSACTIONS AND CHANGES IN GROUP STRUCTURE

On 27 March 2012, Lännen Tehtaat plc acquired the entire share capital of Caternet Finland Oy. The company's net sales in 2011 were approximately EUR 29 million and its EBITDA figure was EUR 0.6 million.

Caternet prepares ready-to-use fresh products for the professional kitchen sector in a modern production plant with the highest standards of food hygiene at Kivikko in Helsinki. The premises also include a logistics centre and a test kitchen. The company also has business locations in Oulu and Jyväskylä.

Caternet's product selection is composed of fresh and ready-to-use vegetable and fruit and products and fresh, freshly smoked and frozen fish. The majority of the company's net sales are generated by vegetable and fruit products. Its customers are staff restaurants, hotels, public sector food services, the retail trade and the food industry in Finland. The company employs a total of about 120 people.

Caternet will be reported as part of Lännen Tehtaat's Other Operations segment. The Caternet Group's balance sheet was consolidated into the Lännen Tehtaat Group's balance sheet at the end of March, and Caternet's profit will be reported as part of Lännen Tehtaat from the second quarter onwards. More information on the acquisition is provided on page 16 of this Interim Report.

NET SALES AND PROFIT

Consolidated net sales in January-March were down compared with the same period a year earlier. Net sales in the Grains and Oilseeds business were down, but in all the other businesses net sales were up.

The operating profit, excluding non-recurring items, was EUR -0.5 (0.8) million. Non-recurring items totalled EUR -0.1 (0.0) million. The operating profit for the Grains and Oilseeds business and for the Seafood business was down from the previous year. Profit in the Frozen Foods business was around the same as in the first quarter of 2011. Profit from Other Operations was slightly higher than in the previous year. The operating profit includes EUR 0.3 (-0.2) million as the share of the profits of associated companies.

The net figure for financial income and expenses was EUR -0.1 (-0.4) million. This includes valuation items of EUR 0.1 (0.0) million with no cash flow implications. Financial expenses also include EUR -0.2 (-0.3) million as the share of the Avena Nordic Grain Group's profit attributable to the employee owners of Avena Nordic Grain Oy.

Profit before taxes was EUR -0.7 (0.5) million. The profit for the quarter was EUR -0.7 (0.2) million, and earnings per share amounted to EUR -0.09 (0.04).

FINANCING AND BALANCE SHEET

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

The first-quarter cash flow from operating activities after interest and taxes amounted to EUR -2.5 (-19.8) million. The impact of the change in working capital was EUR -2.4 (-21.2) million. The net cash flow from investing activities was EUR -6.3 (6.4) million. Deposits and withdrawals of cash assets invested in short-term fixed income funds had an impact of EUR 0.0 (7.0) million on the net cash flow from investing activities. The cash flow from financing activities came to EUR 4.2 (15.0) million, and this included EUR 4.1 (15.0) million in short-term loan withdrawals and repayments. The net change in cash and cash equivalents was EUR 4.6 (1.6) million.

At the end of the period the Group had EUR 17.0 (18.9) million in interest-bearing liabilities and EUR 4.8 (9.3) million in liquid assets. Net interest-bearing liabilities totalled EUR 12.3 (9.7) million. The consolidated balance sheet total stood at EUR 208.5 (197.7) million and shareholders' equity amounted to EUR 133.4 (134.4) million. The equity ratio was 64.0% (68.0%) and gearing was 9.2% (7.2%). Commercial papers issued for the Group's short-term financing stood at a total value of EUR 0.0 (4.0) million at the end of the period. The Group's liquidity is being secured with committed credit facilities; a total of EUR 22 (15) million was available in credit at the end of the first quarter. A total of EUR 3.0 (10.0) million of credit was in use.

INVESTMENT

Investment in non-current assets during January-March totalled EUR 0.8 (0.6) million. Investments in shares totalled EUR 9.7 (0.0) million and concerned the purchase of Caternet Finland Oy's shares.

PERSONNEL

The average number of personnel in the review period was 600 (585).

OVERVIEW OF OPERATING SEGMENTS

Frozen Foods

EUR million	Q1/2012	Q1/2011	Change	2011
Net sales	12.7	12.6	1%	45.3
Operating profit, excluding non-recurring items	0.2	0.3		3.3
Operating profit	0.2	0.3		3.3

First-quarter net sales in Frozen Foods business were at the level of a year earlier.

Sales increased to the hotel, restaurant and catering sector, to the food industry and for export, while sales to retailers declined slightly compared to the same period a year earlier. Sales of frozen berries were up substantially year on year. Sales of the Apetit Kotimaiset range grew by 17 per cent compared with the same period in 2011.

The operating profit of Frozen Foods business, excluding non-recurring items, was at the level of the first quarter of 2011.

The fire occurred at the fryer of the frozen ready meals factory towards the end of the review period did not interrupt deliveries of frozen ready meals to customers.

Apetit will continue to develop its Kotimaiset range. New products will be introduced to this range in the autumn, when Finnish leek and cauliflower production will start. Beginning in the autumn, the production of Apetit potatoes and vegetables for soups, for example, will use only Finnish raw materials. The Apetit Kotimainen marketing campaign is also continuing this year.

The average number of personnel in Frozen Foods business in January-March was 177 (187).

Investment totalled EUR 0.5 (0.2) million during the period. The most significant investments concerned frozen vegetable production.

Seafood

EUR million	Q1/2012	Q1/2011	Change	2011
Net sales	20.1	19.3	4%	84.3
Operating profit, excluding non-recurring items	-0.8	-0.5		0.2
Operating profit	-0.8	-0.5		-1.0

The first-quarter net sales of the Seafood business were up on the figure for the same quarter a year earlier. Net sales of the Seafood business in Finland were up. In Norway, the Seafood business's net

sales declined, but in Sweden they increased. As in the previous year, sales for the Easter period took place mostly in the second quarter.

Net sales of the Finnish Seafood business grew in January-March, despite the fact that the price of salmon and rainbow trout was lower and Apetit had fewer service counters than in the first quarter of the previous year. The growth in sales came mostly from sales of fresh salmon and fresh fillets. In Norway, sales of salad dressings and pizza sauces continued to grow, but sales of fish meal components declined. In Sweden, sales of shellfish in brine performed extremely well due to new customer relationships, among other things.

The Seafood business's operating profit, excluding non-recurring items, was lower than in the previous year. Profit performance in the Finnish Seafood business continued to be positive. The profit of the Seafood business in Norway and Sweden was burdened by the high prices of raw materials. The operating profit included a change in the fair value of currency hedges, amounting to EUR -0.3 (-0.1) million. The share in the profit of associated company Taimen Oy was EUR -0.1 (0.0) million.

The average number of personnel in the Seafood business totalled 343 (329).

Investment in the Seafood business totalled EUR 0.2 (0.1) million.

Grains and Oilseeds

EUR million	Q1/2012	Q1/2011	Change	2011
Net sales	46.5	51.9	-10%	204.9
Operating profit, excluding non-recurring items	1.4	2.5		8.4
Operating profit	1.4	2.5		8.4

First-quarter net sales in the Grains and Oilseeds business were down compared to the same period a year earlier. The grain trading volume was below that of the first quarter in the previous year. The first two months of the year, in particular, were quiet in the grain market, leaving sales volume low. The market price level was also slightly lower than in the same quarter a year earlier. The sales volume of oilseed products was up year on year, but the market price level was lower than in the same period in 2011. Thanks to the company's own vegetable oil packaging plant, the sales of oils in cans and containers grew substantially.

First-quarter operating profit in the Grains and Oilseeds business, excluding non-recurring items, was below the same figure a year earlier. The grains market was quiet early in the year, which lowered sales volumes. Despite good sales volumes, the profitability of oilseed products was lower than in the same period a year earlier, due to a weaker refining margin. The refining margin was encumbered by a prolonged imbalance between the prices of raw materials and the market prices of end products, as well as the scarcity of domestic raw materials.

The grains market picked up towards the end of the first quarter. Uncertainty concerning the overwintering of autumn grains in Europe and the Black Sea region maintained the prices of grains at a relatively high level. The prices of oilseeds were affected by a drought in the soybean growing regions in

South America, as well as China's strong demand for imports. During the second quarter, the market will be affected by spring sowing acreages, the weather conditions in the sowing and growing seasons, and the expectations for the new crop.

The Grains and Oilseeds business employed an average of 70 (59) people.

Investment in the Grains and Oilseeds business totalled EUR 0.0 (0.3) million.

Other Operations

EUR million	Q1/2012	Q1/2011	Change	2011
Net sales	0.5	0.5	0%	2.7
Operating profit, excluding non-recurring items	-1.4	-1.5		-2.0
Operating profit	-1.5	-1.5		-2.0

The Other Operations segment comprises the service company Apetit Suomi Oy, Group Administration, Caternet Finland Oy, 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 profit of the Group's businesses in proportion to their use of the services.

Net sales from the sale of services in the Other Operations segment were at the previous year's level. The segment's operating profit, excluding non-recurring items, was EUR -1.4 (-1.5) million. Non-recurring items amounted to EUR -0.1 (0.0) million and comprised expenses paid to external consultants in the arbitration court case. The segment's operating profit includes transaction expenses of EUR -0.5 million from the acquisition of Caternet Finland Oy. The share of the profits of associated companies was up year on year, totalling EUR 0.4 (-0.2) million.

Investment in non-current assets in Other Operations totalled EUR 0.1 (0.0) million. Investments in shares totalled EUR 9.7 (0.0) million and concerned the acquisition of Caternet Finland Oy's shares.

Dispute between Lännen Tehtaat and Nordic Sugar concerning breaches of shareholder agreement

Lännen Tehtaat plc (20%) and Nordic Sugar Oy (80%) are joint owners of Sucros Ltd. The shareholder agreement that was drawn up when Sucros Ltd was established includes special minority owner protection for Lännen Tehtaat plc as the minority owner.

Lännen Tehtaat plc is of the opinion that its minority rights have been repeatedly violated by the majority owner. Despite the objections made, the majority owner has not rectified its practices that are in breach of the shareholder agreement, and therefore Lännen Tehtaat plc decided to submit the issue to arbitration in October 2011.

According to Lännen Tehtaat, Nordic Sugar has committed a total of three breaches of agreement. Under the terms and conditions of the shareholder agreement, one proven breach will incur a contractual penalty of EUR 8.9 million per breach, and so the contractual penalty could total a maximum of almost EUR 27 million. In response, Nordic Sugar requested the Central Chamber of Commerce's Arbitration

Tribunal to impose a contractual penalty of EUR 4.5 million on Lännen Tehtaat on the grounds that the latter committed a breach of shareholder agreement in connection with the dismissal of Sucros Ltd's managing director. Both parties have denied the breaches of agreement claimed by the other party.

As a separate process from the arbitration case, Lännen Tehtaat has submitted to the Regional State Administrative Agency for Southern Finland an application requesting a special audit of the accounts of Sucros Ltd in connection with matters including the mutual business of Nordic Sugar Group companies and Sucros.

The Central Chamber of Commerce has appointed a chairman to the arbitration court. Once the chairman has been appointed and the court's organisational session held, the case proceedings will commence.

The costs of the arbitration and any related external consultants' fees, as well as any contractual penalties, will be reported as non-recurring items.

DECISIONS OF THE ANNUAL GENERAL MEETING

Lännen Tehtaat plc's Annual General Meeting was held in Säkyä on 28 March 2012. The Annual General Meeting adopted 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 2011.

Appointment of members of the Supervisory Board and members of the Supervisory Board's Nomination Committee

It was decided that the Supervisory Board shall have 19 members appointed by the AGM. Seven persons were elected to replace members completing their term and Samu Pere, who resigned from the Supervisory Board. Matti Eskola, Laura Hämäläinen, Markku Länninki and Ilkka Markkula were re-elected. Harri Eela, Jari Nevavuori and Markku Pärssinen were elected as new members to the Supervisory Board.

Heikki Laurinen and Tauno Uitto were re-elected as members of the Supervisory Board's Nomination Committee. The other members of the Nomination Committee are the Chairman and the Deputy Chairman of the Supervisory Board and the Chairman of the Board of Directors.

Dividend distribution

The AGM resolved to distribute a dividend of EUR 0.85 per share, in accordance with the Board of Director's proposal. The dividend was paid on 11 April 2012.

Authorisations to issue shares

The Annual General Meeting authorised the Board of Directors to decide on issuing new shares and on the transfer of Lännen Tehtaat plc shares held by the company, in one or more lots as a share issue of a total of no more than 761,757 shares. The share issue authorisation covers all Lännen Tehtaat plc shares in the company's possession, i.e. 130,000 shares. The maximum number of new shares that can be issued is 631,757.

The subscription price for each new share shall be at least the share's nominal value, or EUR 2. The transfer price for Lännen Tehtaat plc shares held by the company must be at least the current value of the share at the time of transfer, determined by the price quoted in public trading arranged by NASDAQ OMX Helsinki Ltd, but when implementing share-based incentive plans shares can also be issued without consideration.

The authorisation concerns the right to deviate from the shareholders' pre-emptive subscription right (targeted issue) if the company has an important financial reason to do so, such as developing the company's capital structure, financing and implementing corporate acquisitions or other arrangements, or implementing a share-based incentive plan. This authorisation also includes the right to offer shares instead of money, also against capital consideration in kind or otherwise under certain conditions or by using right of set-off; and the right to decide on the share subscription price and other terms and circumstances concerning the share issue.

The authorisation is valid until the 2015 Annual General Meeting.

SHARES AND TRADING

The number of Lännen Tehtaat plc shares traded on the stock exchange during the January-March period was 356,323 (176,545), representing 5.6% (2.8%) of the total number of shares. The highest share price quoted was EUR 16.77 (18.80) and the lowest EUR 14.37 (17.50). The average price of shares traded was EUR 15.42 (17.95). The share turnover for the period was EUR 5.5 (3.2) million. At the end of March, the market capitalisation totalled EUR 91.6 (118.6) million.

At the close of the first quarter, the company had in its possession a total of 130,000 of its own shares acquired during previous years, 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 total number of votes.

CORPORATE ADMINISTRATION AND AUDITORS

At its organisational meeting on 13 April 2012, Lännen Tehtaat plc's Supervisory Board elected Timo Miettinen as Chairman of the Supervisory Board and Marja-Liisa Mikola-Luoto as Deputy Chairman.

Aappo Kontu, Matti Lappalainen, Veijo Meriläinen, Samu Pere, Jorma J. Takanen and Helena Walldén were elected as members of the company's Board of Directors. Matti Lappalainen was elected as Chairman of the Board of Directors and Aappo Kontu as Deputy Chairman.

Hannu Pellinen, APA, and PricewaterhouseCoopers Oy Authorised Public Accountants, with Tomi Moisio, APA, CPFA as responsible auditor, were appointed as auditors for Lännen Tehtaat plc by the Annual General Meeting on 28 March 2012.

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. The profit accumulated by the Taimen Group, which reports as an associated company, is normally smaller during the summer months than at other times of the year, due to the growing season for fish. 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 solvency of customers and the delivery performance of suppliers and service providers; changes in the Group's business sectors and customer relationships; the arbitration court case; and the integration processes following corporate acquisitions.

ASSESSMENT OF EXPECTED FUTURE DEVELOPMENTS

The short-term outlook, which contains a great deal of uncertainty, is weaker than that of the same period last year. The second-quarter operating profit, excluding non-recurring items, is expected to be weaker than that for the same period in 2011, due to the more moderate profit expectations for the Grains and Oilseeds business.

In the financial statements bulletin issued in February, it was stated that the Group's full-year operating profit in 2012, excluding non-recurring items, is expected to be higher than the previous year.

It is forecast that the full-year operating profit, excluding non-recurring items will reach at the best the level of 2011, due to the lacklustre profit performance in early part of the year. The profit performance in the second half of the year will be influenced substantially by the extent of activity in the grain and oilseed markets, which at this stage of the year is still difficult to assess.

PUBLICATION DATES FOR FINANCIAL REPORTS IN 2012

The following Interim Reports will be published during 2012: January-June on 15 August at about 8.30 a.m. and January-September on 9 November at about 8.30 a.m.

CONSOLIDATED INCOME STATEMENT

EUR million

	Q1 2012	Q1 2011	Q1-Q4 2011
Net sales	79.4	84.0	335.5
Other operating income	0.3	0.2	1.8
Operating expenses	-79.1	-81.7	-324.1
Depreciation	-1.5	-1.4	-5.8
Impairments	0.0	0.0	0.0
Share of profits of associated companies	0.3	-0.2	1.3
Operating profit	-0.6	0.8	8.7
Financial income and expenses	-0.1	-0.4	-1.2
Profit before taxes	-0.7	0.5	7.5
Income taxes	0.1	-0.3	-1.8
Profit for the period	-0.7	0.2	5.7
Attributable to			
Equity holders of the parent	-0.6	0.3	5.7
Non-controlling interests	-0.1	-0.1	0.0
Basic and diluted earnings per share. calculated of the profit attributable to the shareholders of the parent company, EUR	-0.09	0.04	0.92

STATEMENT OF COMPREHENSIVE INCOME

EUR million

	Q1 2012	Q1 2011	Q1-Q4 2011
Profit for the period	-0.7	0.2	5.7
Other comprehensive income			
Cash flow hedges	-0.3	1.0	0.5
Taxes related to cash flow hedges	0.1	-0.3	-0.1
Translation differences	0.2	0.0	0.1
Total comprehensive income	-0.7	1.0	6.1
Attributable to			
Equity holders of the parent	-0.6	1.1	6.1
Non-controlling interests	-0.1	-0.1	0.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	31 March 2012	31 March 2011	31 Dec 2011
ASSETS			
Non-current assets			
Intangible assets	11.4	5.7	5.2
Goodwill	11.8	8.7	8.7
Tangible assets	51.4	36.4	37.5
Investment in associated companies	33.2	33.8	32.9
Available-for-sale investments	0.1	0.1	0.1
Receivables	0.5	0.5	0.4
Deferred tax assets	2.1	1.3	1.5
Non-current assets total	110.3	86.4	86.3
Current assets			
Inventories	57.3	66.8	62.3
Receivables	35.9	35.1	27.8
Income tax receivable	0.2	0.1	0.1
Financial assets at fair value through profits	0.1	0.1	-
Cash and cash equivalents	4.7	9.2	9.3
Current assets total	98.1	111.3	99.5
Total assets	208.5	197.7	185.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	31 March 2012	31 March 2011	31 Dec 2011
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	130.7	131.8	136.5
Non-controlling interests	2.7	2.6	2.7
Total equity	133.4	134.4	139.2
Non-current liabilities			
Deferred tax liabilities	5.7	4.0	4.0
Long-term financial liabilities	11.7	2.1	1.9
Non-current provisions	0.1	0.0	0.1
Other non-current liabilities	8.5	4.6	4.7
Non-current liabilities total	26.0	10.7	10.8
Current liabilities			
Short-term financial liabilities	5.3	16.8	0.4
Income tax payable	0.6	1.5	0.3
Trade payables and other liabilities	43.0	34.2	35.0
Current provisions	0.2	0.0	0.2
Current liabilities total	49.1	52.5	35.8
Total liabilities	75.1	63.3	46.6
Total equity and liabilities	208.5	197.7	185.8

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	Q1	Q1	Q1-Q4
	2012	2011	2011
Net profit for the period	-0.7	0.2	5.7
Adjustments, total	1.5	1.5	7.1
Change in net working capital	-2.4	-21.2	-2.2
Interests paid	-0.1	-0.1	-1.7
Interests received	0.0	0.0	0.3
Taxes paid	-0.7	-0.2	-3.1
Net cash flow from operating activities	-2.5	-19.8	6.1
Investments in tangible and intangible assets	-0.8	-0.6	-5.8
Proceeds from sales of tangible and intangible assets	0.1	0.0	0.1
Acquisition of associated companies	-	-	-0.2
Proceeds from sales of associated companies	-	-	0.5
Acquisition of subsidiaries deducted by cash	-5.6	-	-
Purchases of other investments	-3.0	-	-22.0
Proceeds from sales of other investments	3.0	7.0	29.1
Dividends received from investing activities	-	-	2.5
Net cash flow from investing activities	-6.3	6.4	4.2
Proceeds from and repayments of short-term loans	4.1	15.0	-2.9
Proceeds from and repayments of long-term loans	0.0	-	0.0
Dividends paid	-	-	-5.6
Cash flows from financing activities	4.2	15.0	-8.4
Net change in cash and cash equivalents	-4.6	1.6	1.8
Cash and cash equivalents at the beginning of the period	9.3	7.5	7.5
Cash and cash equivalents at the end of the period	4.7	9.2	9.3

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 31 March

January - March 2012

EUR million	A	B	C	D	E	F
Share capital	12.6	-	-	-	-	12.6
Share premium account	23.4	-	-	-	-	23.4
Net unrealised gains	-0.4	-	-	-	-0.3	-0.7
Other reserves	7.2	-	-	-	-	7.2
Own shares	-1.8	-	-	-	-	-1.8
Translation differences	0.4	-	-	-	0.2	0.7
Retained earnings	95.0	-5.3	-	0.1	-0.6	89.2
Attributable to equity holders of the parent	136.5	-5.3	-	0.1	-0.6	130.7
Non-controlling interests (NCI)	2.7	-	0.0	-	-0.1	2.7
Total equity	139.2	-5.3	0.0	0.1	-0.7	133.4

January - March 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	-	-	-	0.8	-0.1
Other reserves	7.2	-	-	-	0.0	7.2
Own shares	-1.8	-	-	-	-	-1.8
Translation differences	0.3	-	-	-	0.0	0.3
Retained earnings	95.3	-5.6	-	0.0	0.3	90.0
Attributable to equity holders of the parent	136.2	-5.6	-	0.0	1.1	131.8
Non-controlling interests (NCI)	2.7	-	-	-	-0.1	2.6
Total equity	138.9	-5.6	-	0.0	0.9	134.4

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 2011. New standards and interpretations adopted in 2012 did not have any material effect to this Interim Report.

ACQUISITIONS

On 27 March 2012, Lännen Tehtaat plc acquired from private individuals the entire share capital of Caternet Finland Oy, a company supplying the food service sector and specialising in preparing fresh vegetable, fruit and fish products and in logistics. The company's real estate assets comprise the wholly-owned Kivikonlaita property company. The total acquisition price of the share capital is EUR 6–12 million. The acquisition price consists of a fixed element of EUR 6 million and a variable element comprising an additional purchase price of EUR 0–6 million, which is tied to the operating profit for 2012–2013.

Lännen Tehtaat plc has recorded a total of EUR 0.5 million in consultancy and expert expenses and transfer taxes under other operating expenses.

EUR million	Fair value	Acquiree's carrying amounts
Intangible assets	6.4	0.1
Tangible assets	14.2	11.7
Deferred tax assets	0.3	0.0
Inventories	0.8	0.8
Trade receivables and other receivables	3.5	3.6
Cash and cash equivalents	0.4	0.4
Assets total	25.6	16.6
Deferred tax liabilities	2.3	0.0
Long-term liabilities	9.9	9.6
Short-term liabilities	6.7	6.5
Liabilities total	18.9	16.1
Acquired portion of the net assets	6.7	0.4
Acquisition cost	9.7	
Goodwill	3.0	
Purchase consideration settled in cash	6.0	
Additional purchase, fair value	3.7	
Cash and cash equivalents in subsidiary acquired	0.4	
Cash outflow on acquisition	9.2	

The fair value of the additional purchase price was set at EUR 3.7 million. The goodwill mainly comprises synergy benefits in sales and raw material procurements and planned savings in fixed costs. Since determination of the fair values of the company's assets and liabilities was still pending on the reporting date, the acquisition has been recognised on a preliminary basis as 31 March 2012, and adjustments are possible to the values of acquired net assets and goodwill until the determination of fair values has been completed. Lännen Tehtaat's net sales for 1 January – 31 March 2012 would have increased by EUR 7.7 million if Caternet had been acquired on 1 January 2012. The corresponding effect on net profit would have been about EUR -0.4 million when taking into account the depreciations on fair value allocations and calculatory interest expense to purchase cost from 1 January 2012.

SEGMENT INFORMATION

A = Frozen Foods
B = Seafood
C = Grains and Oilseeds
D = Other Operations
E = Total

Operating segments, January - March 2012

EUR million

	A	B	C	D	E
Total segment sales	12.7	20.1	46.5	0.5	79.8
Intra-group sales	0.0	0.0	0.0	-0.4	-0.4
Net sales	12.7	20.1	46.5	0.1	79.4
Share of profits of associated companies included in operating profit	-	-0.1	-	0.4	0.3
Operating profit	0.2	-0.8	1.4	-1.5	-0.6
Gross investments in non-current assets	0.5	0.2	0.0	0.1	0.8
Corporate acquisitions and other share purchases	-	-	-	9.7	9.7
Depreciations	0.6	0.5	0.2	0.2	1.5
Impairments	-	0.0	-	-	0.0
Average number of personnel	177	343	70	11	600

Operating segments,
January - March 2011
EUR million

	A	B	C	D	E
Total segment sales	12.6	19.3	51.9	0.5	84.4
Intra-group sales	-	0.0	0.0	-0.4	-0.4
Net sales	12.6	19.3	51.9	0.1	84.0
Share of profits of associated companies included in operating profit	-	0.0	-	-0.2	-0.2
Operating profit	0.3	-0.5	2.5	-1.5	0.8
Gross investments in non-current assets	0.2	0.1	0.3	0.0	0.6
Corporate acquisitions and other share purchases	-	-	-	-	-
Depreciations	0.5	0.5	0.2	0.2	1.4
Impairments	-	0.0	-	-	0.0
Average number of personnel	187	329	59	11	585

Operating segments,
January - December 2011
EUR million

	A	B	C	D	E
Total segment sales	45.3	84.3	204.9	2.7	337.1
Intra-group sales	0.0	0.0	0.0	-1.6	-1.7
Net sales	45.3	84.2	204.9	1.1	335.5
Share of profits of associated companies included in operating profit	-	0.6	-	0.7	1.3
Operating profit	3.3	-1.0	8.4	-2.0	8.7
Gross investments in non-current assets	1.9	0.7	3.0	0.1	5.8
Corporate acquisitions and other share purchases	-	-	-	0.2	0.2
Depreciations	2.2	1.9	0.7	0.9	5.8
Impairments	0.0	0.0	-	0.0	0.0
Average number of personnel	204	320	62	10	596

KEY INDICATORS

	31 March 2012	31 March 2011	31 Dec 2011
Shareholders' equity per share, EUR	21.13	21.30	22.06
Equity ratio, %	64.0	68.0	74.9
Gearing, %	9.2	7.2	-5.1
Gross investments in non-current assets, EUR million	0.8	0.6	5.8
Corporate acquisitions and other share purchases, EUR million	9.7	-	0.2
Average number of personnel	600	585	596
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 the 2011 Annual Financial Statements.

COLLATERAL, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND OTHER COMMITMENTS

EUR million	31 March 2012	31 March 2011	31 Dec 2011
Mortgages given for debts			
Real estate and corporate mortgages	18,5	2,8	2,7
Guarantees	11,2	15,5	10,7
Non-cancellable other leases, minimum lease payments			
Real estate leases	6,5	5,6	3,9
Other leases	1,4	0,5	0,8
DERIVATIVE INSTRUMENTS			
Outstanding nominal values of derivate instruments			
Forward currency contracts	12,0	7,8	14,3
Commodity derivative instruments	16,6	10,1	14,1
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			
Frozen Foods	0,4	0,8	-
Seafood	0,0	-	-
Grains and Oilseeds	-	1,7	-
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.

DISPUTES

In October 2011, Lännen Tehtaat decided to take its dispute with Nordic Sugar concerning breaches of shareholder agreement to arbitration. According to Lännen Tehtaat, Nordic Sugar has committed a total of three breaches of agreement. Under the terms and conditions of the shareholder agreement, one proven breach will incur a contractual penalty totalling about EUR 8.9 million. Therefore the penalty could total a maximum of nearly EUR 27 million.

Nordic Sugar expressed the view that Lännen Tehtaat committed a breach of shareholder agreement in connection with the dismissal of Sucros Ltd's managing director, and requested the arbitration court to confirm the breach of shareholder agreement and order Lännen Tehtaat to pay a contractual penalty of EUR 4.5 million. Lännen Tehtaat's view is that the shareholder agreement was complied with in the dismissal of Sucros Ltd's managing director, and so the compensation claim is unfounded.

Compensation claims related to breaches of agreement have not been recorded in income or expenses. The costs of the arbitration and any related external consultants' fees will be recognised as expenses on an accrual basis.

CHANGES IN TANGIBLE ASSETS

EUR million

	31 March 2012	31 March 2011	31 Dec 2011
Book value at the beginning of the period	37,5	37,0	37,0
Additions	0,8	0,6	5,5
Additions through acquisitions	14,2	-	-
Disposals	0,0	0,0	-0,3
Depreciations and impairments	-1,2	-1,2	-4,7
Other changes	0,1	0,0	0,0
Book value at the end of the period	51,4	36,4	37,5

TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT VENTURES

EUR million

	Q1 2012	Q1 2011	Q1-Q4 2011
Sales to associated companies	0,1	0,1	1,5
Sales to joint ventures	2,4	2,2	8,5
Purchases from associated companies	3,6	3,2	13,9
Purchases from joint ventures	0,0	0,0	0,0

	31 March 2012	31 March 2011	31 Dec 2011
Long-term receivables from joint ventures	0,0	0,1	0,0
Trade receivables and other receivables from associated companies	0,0	1,5	0,8
Trade receivables and other receivables from joint ventures	1,0	1,0	0,8
Trade payables and other liabilities to associated companies	0,4	0,7	0,2
Trade payables and other liabilities from joint ventures	0,0	-	0,0

In Helsinki, 4 May 2012

LÄNNEN TEHTAAT PLC

Board of Directors