Financial Statements bulletin 1 January – 31 December 2009

Fourth quarter (October–December), continuing operations:

- Consolidated net sales amounted to EUR 71.7 million (Q4 2008: EUR 80.9 million), which was a year-on-year drop of 11%.
- Operating profit, excluding non-recurring items, came to EUR 5.4 (2.8) million; non-recurring items totalled EUR 0.0 (1.2) million
- Profit for the period came to EUR 4.2 (2.5) million, and earnings per share amounted to EUR 0.67 (0.41).

Financial year (January–December), continuing operations:

- Consolidated net sales amounted to EUR 266.0 (349.1) million, which was a year-on-year drop of 24%.
- Operating profit, excluding non-recurring items, amounted to EUR 7.7 (5.4) million; non-recurring items totalled EUR -0.8 (+8.5) million.
- The profit for the year came to EUR 5.8 (10.0) million, and the earnings per share amounted to EUR 0.94 (1.60).

The Board will propose a dividend of EUR 0.76 (0.85) per share to the Annual General Meeting.

The information in this bulletin has not been audited.

Matti Karppinen, CEO:

"The performance of our businesses improved towards the end of the year, and thanks to this fourth-quarter surge the full-year operating profit, excluding non-recurring items, was considerably up on the previous year's figure.

The profitability trend in the Lännen Tehtaat Group's business operations was favourable, and the operating profit, excluding non-recurring items, rose to 2.9% of net sales. This was a positive development and was satisfactory in view of the circumstances, even though there is still some way to go to achieve our long-term profitability target. It was especially gratifying to see a turnaround in the profitability of the Seafood business during the final quarter of the year, and a significantly stronger and robust level of profitability in the Grains and Oilseeds business. The development measures taken in the Frozen Foods business also improved the segment's earnings. The year therefore saw an improvement in the ability of all our businesses to perform well. The profit for the financial year was nevertheless short of the previous year's level as a consequence of the inclusion of a number of sizeable, positive non-recurring items in the 2008 result."

KEY FIGURES ILLUSTRATING PERFORMANCE,

Continuing operations

EUR mill.	Q4/ 2009	Q4/ 2008	Jan-Dec/ 2009	Jan-Dec/ 2008
Net sales	71.7	80.9	266.0	349.1
Operating profit	5.4	4.0	6.8	13.9
Operating profit, excl. non-recurring items	5.4	2.8	7.7	5.4
Profit before taxes	5.2	2.4	7.3	10.7
Profit for the period	4.2	2.5	5.8	10.0
Profit for the period, excl. non-recurring items	4.2	1.0	6.4	1.7
Earnings per share, EUR	0.67	0.41	0.94	1.60
Earnings per share, excl. non-recurring items, EUR	0.67	0.17	1.04	0.28

Continuing and discontinued operations, total

EUR mill.	Q4/ 2009	Q4/ 2008	Jan-Dec/ 2009	Jan-Dec/ 2008
Profit for the period	4.2	2.5	5.8	17.1
Earnings per share, EUR	0.67	0.41	0.94	2.73

NET SALES AND PROFIT

Fourth quarter (October–December):

The net sales from continuing operations in October-December totalled EUR 71.7 (80.9) million, a decrease of 11% on the same quarter in 2008. This decrease was largely attributable to the Grains and Oilseeds business.

The continuing operations' fourth-quarter operating profit, excluding non-recurring items, was EUR 5.4 (2.8) million. The non-recurring items totalled EUR 0.0 (1.2) million. The result for the Seafood business and for the Grains and Oilseeds business was up from the fourth-quarter figures of a year earlier. In Frozen Foods, the profit was slightly down year-on-year, while in the Other Operations segment, the profit was about the same as a year earlier.

Financial income and expenses in October-December came to EUR -0.2 (-1.6) million. Profit before taxes was EUR 5.2 (2.4) million, and taxes on the profit for the quarter came to EUR -1.1 (+0.2) million. The profit from continuing operations was EUR 4.2 (2.5) million, and the earnings per share amounted to EUR 0.67 (0.41).

Financial year (January–December):

Continuing operations

Consolidated net sales in January-December amounted to EUR 266.0 (349.1) million, a decrease of EUR 83.1 million, or 24%, on the previous year. Most of this decrease was from the Grains and Oilseeds business, where market prices were at a significantly lower level than a year earlier.

The operating profit, excluding non-recurring items, was EUR 7.7 (5.4) million. The non-recurring items totalled EUR -0.8 (+8.5) million, of which EUR -0.7 million was in the Seafood business and EUR -0.1 million in the Grains and Oilseeds business. The most significant non-recurring items in the previous year, 2008, concerned the business activities of the associated company Sucros Ltd and the sale of the jams and marmalades business. The operating profit includes the share of the profits of associated companies, which, excluding non-recurring items, totalled EUR 2.0 (1.6) million.

Financial income and expenses came to EUR +0.5 (-3.3) million. This figure includes valuation items of EUR +0.5 (-1.0) million with no cash flow implications. The financial expenses also include EUR -0.7 (-0.5) million as the share of the profit of Avena Nordic Grain Oy and

Mildola Oy attributable to the employee shareholders of Avena Nordic Grain Oy.

Profit before taxes from the continuing operations was EUR 7.3 (10.7) million. This includes EUR -0.8 (+8.5) million as the effect of non-recurring items. Taxes for the financial year came to EUR -1.5 (–0.7) million. The continuing operations' profit for the year came to EUR 5.8 (10.0) million, and the earnings per share amounted to EUR 0.94 (1.60). The effect of non-recurring items on the earnings per share was EUR -0.10 (+1.32).

Discontinued operations

No business transfers reportable as discontinued operations took place during the financial year. In 2008, the share of the profit of the associated company Suomen Rehu and the profit from the sale of the minority holding in Suomen Rehu were both included under discontinued operations. The profit from discontinued operations came to EUR 0.0 (7.1) million, and the earnings per share amounted to EUR 0.00 (1.13).

Profit for the year

The profit for the financial year from the continuing and discontinued operations together came to a total of EUR 5.8 (17.1) million, and the earnings per share amounted to EUR 0.94 (2.73). The effect of non-recurring items on the earnings per share was EUR -0.10 (+2.37).

FINANCING AND BALANCE SHEET

The Group's financial position strengthened and its liquidity improved further.

The cash flow from operating activities in the financial year after interest and taxes amounted to EUR +25.8 (-0.4) million. The impact of the change in working capital was EUR +14.9 (-5.1) million. The cash flow from investing activities came to EUR -10.4 (+30.3) million. The impact of liquid asset investments in short-term fixed income funds on the cash flow from investing activities was, in terms of net value, EUR -13.0 (+4.1) million. The cash flow from financing activities came to EUR -17.5 (-25.1) million, and included EUR -5.3 (-5.6) million in dividend payments. The net change in cash and cash equivalents was EUR -2.0 (+4.8) million.

At the end of the financial year, the Group had EUR 3.3 (15.2) million in interest-bearing liabilities and EUR 25.0 (13.7) million in liquid assets. Net interest-bearing liabilities totalled EUR -21.7 (+1.5) million. The consolidated balance sheet total stood at EUR 176.1 (192.3) million. Equity totalled EUR 137.3 (135.6) million at the end of the financial year, and the equity ratio was 78.0% (70.5%). Commercial papers issued for the Group's short-term financing stood at a total value of EUR 0.0 (9.0) million at the end of the year. The Group's short-term liquidity over the next few years is secured with committed credit facilities; a total of EUR 25.0 (25.0) million was available in credit at the end of the financial year. No credit facilities were used during the financial year.

INVESTMENT

Gross investment in non-current assets excluding corporate acquisitions came to EUR 2.7 (8.1) million. Investment by Frozen Foods totalled EUR 1.9 (6.0) million, by Seafood EUR 0.6 (1.5) million, by Grains and Oilseeds EUR 0.3 (0.5) million and by Other Operations EUR 0.0 (0.2) million.

Investments in shares during the financial year totalled EUR 1.2 (0.5) million and concerned the purchase of Sandanger AS shares.

PERSONNEL

The average number of personnel in the continuing operations during the financial year was 657 (755). The average number of personnel in Frozen Foods was 205 (237), in Seafood 379 (441), in Grains and Oilseeds 62 (65) and in Other Operations 11 (12).

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, the accumulation of consolidated profit occurs especially in the final quarter of the year. 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.

Apetit Kala's sales peak at weekends and on seasonal holidays. A major proportion of the entire year's profit in the Seafood business depends on the success of Christmas sales.

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.

OVERVIEW OF OPERATING SEGMENTS

Frozen Foods

EUR mill	Q4/ 2009	Q4 2008	Jan-Dec 2009	Jan-Dec/ 2008
Net sales	11.4	11.5	46.0	49.3
Operating profit, excl. non-recurring items	1.4	1.6	3.4	3.1

Fourth quarter (October–December):
The fourth-quarter net sales of Frozen Foods, adjusted for the effects of the sale of the jams and marmalades business, were about the same as the like-for-like figure for the same quarter in 2008. Sales of retail products were up by about 2% and were highest in December. Demand focused to a greater extent than before on basic food products. The most positive trend was in sales of frozen potato products and frozen pizzas. Sales to the hotel, restaurant and catering sector and the food industry were at the level of the last quarter of 2008. Export sales fell as a result of the good crop in central Europe in 2009.

Frozen Foods' fourth-quarter profit, excluding non-recurring items, fell slightly short of the previous year's figure. The non-recurring items totalled EUR 0.0 (-0.5) million.

With weather conditions being favourable, the autumn harvest and processing went well, and the targeted volumes of good quality raw materials were obtained for storage. Due to the large volume of Finnish—grown raw materials, there was more capital tied up in storage than a year earlier.

Financial year (January–December):
Like-for-like net sales in the Frozen Foods business were up by about 3% for the full financial year, adjusted for the effects of the sale of the jams and marmalades business. This growth came from retail frozen foods. Sales to the hotel, restaurant and catering sector were at the level of 2008, while sales to the food industry and export sales were down, year-on-year. In retailing, active marketing campaigns and new product launches boosted sales of Apetit products. The biggest sales growth was in frozen pizzas. There was also above-average growth in sales of frozen ready meals sold under the Apetit brand. Apetit Pakaste launched a number of new frozen products on the retail market during the year. In the spring, the new product launches included Apetit spring vegetables and Apetit summer carrots. Autumn launches included Apetit domestic onions. The domestic origin of raw materials was emphasised in the marketing, including the renaming of Apetit peas as Apetit domestic peas. New varieties were added to the Quick&Tasty range, and several new products were added to the frozen soups, including a completely new range of family soups. Two products launched in 2008, namely lactose-free spinach soup and Apetit potato & chopped vegetables for soups, proved very successful and generated sales growth for the company.

Frozen Foods' full-year operating profit, excluding non-recurring items, improved on the previous year's figure as a result of higher productivity, centralisation of production and more efficient operations. The improved profit was also in part attributable to the price increases introduced to compensate for higher costs, though there was a time lag before these were visible in the profit performance.

Refurbishment of the production facilities and investment in machinery and equipment were continued at the Säkylä plant during the year. The soups and frozen ready meals departments were reorganised during the year. The aim of these investment projects was to improve productivity and ensure product quality. In the spring, Apetit Pakaste began using the new enterprise resource planning (ERP) system. The system covers the broad range of Apetit Pakaste's functions, including its financial management. During the summer, the contract grower data system developed for Apetit Pakaste was linked up to the ERP system, thereby adding contract growing functions to the system, from growing contracts to raw material accounting.

The number of personnel in Frozen Foods was an average of 205 (237). The reduction in personnel from the previous year's figure was a result of the sale of the jams and marmalades business in early autumn 2008 and the discontinuation of the Turku factory and centralisation of functions at Säkylä at the end of 2008.

Investment in the Frozen Foods business totalled EUR 1.9 (6.0) million. This investment was mainly in information systems, reorganisation of the ready meals and soups departments and completion of the investment at Säkylä following the transfer of production from the

Seafood

EUR mill.	Q4/ 2009	Q4/ 2008	Jan-Dec 2009	Jan-Dec/ 2008
Net sales	21.0	23.8	75.9	89.7
Operating profit, excl. non-recurring items	0.5	-0.3	-1.8	-1.6

Fourth quarter (October–December):
The fourth-quarter net sales of the Seafood business were down by 11%. The drop in sales occurred in both the Finnish and foreign operations of the Seafood business.

In the Finnish Seafood business the drop in sales was due to the contraction in the network of Kalatori service counters, the decrease in sales to the hotel, restaurant and catering sector, and the strong emphasis on low priced, lower added value salmon and rainbow trout products in the latter part of the year. Christmas sales went well, with the exception of a few small delivery problems.

In the foreign Seafood business, Maritim Food's withdrawal from Christmas sales of unprofitable smoked fish contributed to the drop in sales in Norway, though the sales growth for shellfish in brine products and for dressings continued. In Sweden, retail sales of shellfish were up, but sales to the hotel, restaurant and catering sector were down, year-on-year. The export of products to the Finnish market was up substantially.

With a successful Christmas season, the fourth-quarter profit, excluding non-recurring items, was significantly higher than the figure of a year earlier. Both the Finnish and foreign operations of the Seafood business saw a turnaround in their performance, posting an operating profit for the quarter. The non-recurring items totalled EUR 0.0 (-0.7) million.

Financial year (January–December):
The net sales of the Seafood business were down by 15%, year-on-year. This drop in net sales occurred in both the Finnish and foreign operations.

In Finland, price competition in consumer-packaged retail products was unhealthily intense, with retailers focusing on lower added value fillets of salmon and rainbow trout, which kept prices low. A further factor adversely affecting net sales in the Finnish Seafood business was the fewer number of Kalatori service counters than in 2008. With salmon and rainbow trout fillets being used by retailers as special offer products, the market of these products grew.

Calculated in local currencies, the like-for-like net sales of Seafood's foreign operations were down by about 6%. This was due to the discontinuation of unprofitable products and the lower sales of fresh fish products and minced fish products compared with a year earlier. The strong sales growth for shellfish in brine on the Norwegian market continued during the year. There was also considerable growth in the redesigned range of dressings. The growth in retail sector sales compensated for the drop in sales to the hotel, restaurant and catering sector, and on the Swedish market shellfish sales as a whole were almost at the level of the previous year. Export sales to the Finnish market were up substantially.

The full-year operating result, excluding non-recurring items, for the Seafood business was slightly down year-on-year, and was posted as an operating loss. The non-recurring items totalled EUR -0.7 (-0.8) million. These items concerned the sale of Apetit Kala's Kerava property in June, and the organisational changes following the acquisition of the minority holding in Sandanger AS.

In the Finnish Seafood business, the result was up on the previous year's figure, but it still recorded a loss. The retail trade continued its aggressive campaigning based on low priced, low added value salmon and rainbow trout fillets, which steered demand towards these products, weakening the profitability of Seafood's consumer-packaged fillet products and the Kalatori sales points. The prices of salmon and Finnish rainbow trout rose as a result of the reduction in the supply of Chilean salmon, and were on average 10% higher in 2009 than the previous year. The tough competition made it impossible to transfer these price rises in full to the sales prices.

Updating of the strategy for the Finnish Seafood business in the spring 2009 highlighted the key importance of working more closely with customers and revitalising the present operations by increasing efficiency. As part of the efficiency improvements, the decision was taken in June to outsource the logistics functions to SwanLine Oy and to sell the Kerava-based logistics centre. The property deal took effect at the end of November, releasing a considerable amount of capital. The aim of the property sale and the outsourcing of the logistics functions was to achieve improved profits of around EUR 0.4 million annually. This figure will be achieved in full from 2010. Productivity investments in line with the Group's strategic plans were undertaken at the Kuopio production plant during the summer. The investment programme includes a new layout for the packaging, filleting and trimming departments and investment in the packaging line to allow redesign of consumer packages. These investments will also enable a further improvement in production quality. All the main supplier contracts were put out to tender in 2009, and the benefits achieved with the new contracts will materialise during 2010.

In the foreign operations, the result improved towards the end of the year, but the full-year result was a loss, due to the weak performance in the early months of 2009. The performance in the first months of the year was adversely affected by the rise in raw material prices for shellfish products caused by exchange-rate fluctuations, and the sales emphasis on lower margin products. The situation improved from the end of the first quarter, when the pressure on raw material prices began to ease, and it was possible to raise sales prices to compensate for the increase in the price of raw materials.

The number of personnel in the Seafood business was an average of 379 (441). The reduction in personnel was a result of the outsourcing of functions in the Finnish Seafood business and the contraction in the network of Kalatori service counters. Organisational and personnel development continued in both the Finnish and foreign operations of the Seafood business.

Investment in the Seafood business during the financial year totalled EUR 0.6 (1.5) million. In the Finnish Seafood business, the investment was mainly in the enterprise resource planning system and packaging machinery, while in Seafood's foreign operations it was in the redesign of the dressings department and cooling equipment to ensure product quality.

Grains and Oilseeds business

EUR mill.	Q4/ 2009	Q4/ 2008	Jan-Dec/ 2009	Jan-Dec/ 2008
Net sales	38.7	45.0	143.4	209.3
Operating profit, excl. non-recurring items	2.6	0.7	7.4	5.4

Fourth quarter (October–December):
Fourth-quarter net sales in the Grains and Oilseeds business were down by 14% year-on-year, due to the lower sales prices, though delivery volumes were up. One third of net sales was from retail sales abroad, as this trade was very brisk in comparison with previous quarters.

Fourth-quarter operating profit, excluding non-recurring items, was significantly above the previous year's level. The non-recurring items totalled EUR 0.0 (-0.1) million. This good result was due to the successful grain trading, especially between third countries, and the good refining margin in oilseed operations.

Financial year (January–December):
Full-year net sales were down by 31% year-on-year, as a result of considerably lower market prices for grains and oilseeds than a year earlier and smaller volumes in both grain sales and vegetable oil exports.

In the 2008/2009 crop year, the total global crop, at 1,763 million tonnes, exceeded expectations. Combined with the 353 million tonnes in storage at the start of the season, this led to plentiful supplies on the market, pushing down world market prices significantly in comparison with the level of the previous crop year. For example, the average price of European wheat on the MATIF futures market was EUR 135 per tonne, compared with about EUR 200 per tonne in 2008. Finland's grain crop in the autumn was also significantly above average for the third year in a row.

The amount of rapeseed harvested across the EU in 2009 was 21.2 million tonnes, an increase of about 10% on the previous year. In Finland the area of rapeseed under cultivation was up by 27%. Thanks to this, and coupled with high per-hectare yields, the rapeseed crop totalled 140,000 (86,000) tonnes, which was 60% more than in the previous year. Rapeseed prices during the year were affected mainly by prices for soybeans. In 2009, the average price of European rapeseed on the MATIF futures market was EUR 282 per tonne, down from EUR 400 per tonne in 2008. The market prices of rapeseed oil and expeller meal followed the changes in raw material prices and were around the long-term average.

In the Grains and Oilseeds business the operating profit, excluding non-recurring items, amounted to EUR 7.4 (5.4) million. The non-recurring items for the year totalled EUR -0.1 (-0.1) million and arose from the reorganisation of Avena's and Mildola's procurement, administration and sales functions and the integration of operations. The improved result was a consequence of success in managing changes in market prices and in developing processes, operating methods and the organisation in general, and the good oil-refining yield.

In an intra-Group ownership arrangement by the Lännen Tehtaat Group on 13 August 2009, Lännen Tehtaat plc sold the entire share capital of its vegetable oils company, Mildola Oy, to Avena Nordic Grain Oy, which is a grains, oilseeds and animal feedstuffs trader. The aim of this arrangement was to combine the commodity market expertise of Avena with Mildola's expertise in oil milling and to achieve synergy benefits from combining these operations. The new ownership arrangement was introduced in two stages. At the first stage, in early September, the administration, purchasing, sales and logistics functions of Mildola Oy were transferred to Avena Nordic Grain Oy. This outsourcing of Mildola's functions entailed the transfer of nine of its employees to Avena. The second stage of the arrangement was the asset deal that took place at the end of the year, when Mildola Oy's vegetable oils business, excluding its oil milling operation, was transferred to Avena Nordic Grain Oy. Mildola Oy will continue its oil milling operations as a production unit of Avena. The Grains and Oilseeds business is the responsibility of Avena Nordic Grain Oy's Managing Director, Kaija Viljanen, who, since 14 August 2009, has also been Managing Director of Mildola Oy.

To improve the efficiency of grains and oilseeds procurement, Avena set up a subsidiary company, OÜ Avena Nordic Grain, at Türi in Estonia during the summer. In Finland, a new branch office was established at Porvoo to serve the region's growers.

The average number of personnel employed was 62 (65). The figure was boosted by the establishment of the Estonian subsidiary. The integration of Avena's and Mildola's operations resulted in five fewer jobs.

Investment in the Grains and Oilseeds business totalled EUR 0.3 (0.5) million. This concerned the renewal of the enterprise resource planning system and of Avena's on-line marketplace (Avenakauppa) and minor investment in replacements at Mildola. The aim of this investment was to take advantage of the benefits of integration and to improve the operating processes and the management of these processes.

Other Operations

EUR mill.	Q4/ 2009	Q4/ 2008	Jan-Dec/ 2009	Jan-Dec/ 2008
Net sales	1.1	1.2	2.4	3.0
Operating profit, excl. non-recurring items	0.8	0.8	-1.3	-1.6

Fourth quarter (October–December):
Fourth-quarter net sales from the sale of services were at almost the previous year's level.

The operating profit, excluding non-recurring items, included EUR 1.3 (0.9) million as the share in the profits of associated companies. The non-recurring items totalled EUR 0.0 (2.5) million.

Financial year (January–December):
The Other Operations segment comprises the service company Apetit Suomi Oy, Group Administration, items not allocated under any of the business segments, and the associated companies Sucros Ltd and Ateriamestarit Oy. The cost impact of the services produced by Apetit Suomi Oy is an encumbrance on the operating result of the Group's businesses in proportion to their use of the services. The net sales in this segment were down year-on-year as a result of the decrease in Apetit Suomi Oy's service sales due to the transfer of sales and product development personnel to the Frozen Foods and Seafood businesses at the start of April 2008, and the decrease in environmental management invoicing.

The full-year operating profit, excluding non-recurring items, totalled EUR -1.3 (-1.6) million. This figure includes EUR 2.0 (1.6) million as the share of the profits of associated companies. The non-recurring items for the year totalled EUR 0.0 (7.4) million. EUR 0.0 (7.5) million in non-recurring items is reported under the profit of associated companies.

Investment in Other Operations totalled EUR 0.0 (0.2) million.

AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

The Lännen Tehtaat plc Annual General Meeting of 2 April 2009 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 authorisation is valid until the next Annual General Meeting.

The decisions of the Annual General Meeting are given in more detail in the stock exchange release dated 2 April 2009 and in the Interim Report published on 7 May 2009.

USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

Authorisations to issue shares

By 16 February 2010, the Board of Directors had not exercised the authorisations granted to it to issue new shares or to transfer Lännen Tehtaat plc shares held by the company.

SALE OF SHARES IN JOINT ACCOUNT

Lännen Tehtaat plc shares that were in the joint book-entry account and not transferred to the book-entry system were sold on behalf of the respective holders on 23 February 2009 in trading on the NASDAQ OMX Helsinki Ltd exchange. The assets from the sale, less the expenses of notification and selling, were deposited with the State Provincial Office of Western Finland. The assets are redeemable on or before 17 March 2019. At the end of the year, the unredeemed assets totalled EUR 0.8 million.

SHARES AND TRADING

At the close of the financial year, 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 shares represented 2.1% of the company's total number of shares and of the total number of votes. The company's own shares in its possession carry no voting or dividend rights.

The number of Lännen Tehtaat plc shares traded on the stock exchange during the financial year was 1,997,857 (962,862), representing 31.6% (15.2%) of the total number of shares. The highest share price quoted was EUR 15.99 (17.00) and the lowest EUR 11.90 (13.00). The average price of shares traded was EUR 13.71 (14.49). The share turnover was EUR 27.4 (14.0) million. The year-end share price was EUR 15.65 (13.49), and the market capitalisation was EUR 98.9 (85.2) million.

FLAGGING ANNOUNCEMENTS

On 28 May 2009, Nordea Investment Fund Company Finland Ltd announced that on 27 May 2009 the level of ownership in Lännen Tehtaat plc held by investment funds managed by Nordea Investment Fund Company Finland Ltd rose to over 5%; the proportion of the votes and share capital at the time of flagging was 5.46%, or 345,325 shares.

The investment funds managed by ODIN Forvaltning AS announced on 27 November 2009 that they had sold 100,000 Lännen Tehtaat plc shares and that their level of ownership in Lännen Tehtaat plc had consequently dropped to below 5%, to a total of 264,909 Lännen Tehtaat plc shares; this corresponded to 4.19% of the share capital and votes.

On 1 December 2009, Scanfil plc announced that, following share trading on 1 December 2009, its level of ownership exceeded one twentieth of the total number of Lännen Tehtaat plc shares and of the total number of votes. At the time of flagging, Scanfil plc held 495,687 Lännen Tehtaat plc shares, corresponding to 7.85% of the total number of Lännen Tehtaat plc shares and votes.

CORPORATE ADMINISTRATION AND MANAGEMENT

At its organisational meeting on 9 April 2009, Lännen Tehtaat plc's Supervisory Board elected Helena Walldén as its chairman and Juha Nevavuori as its deputy chairman.

The company's Board of Directors elected by the Supervisory Board on 9 April 2009 comprises Harri

Eela, Heikki Halkilahti, Aappo Kontu, Matti Lappalainen, Hannu Simula, Soili Suonoja and Tom v. Weymarn. Tom v. Weymarn was elected chairman of the Board of Directors and Matti Lappalainen was elected deputy chairman.

Matti Karppinen has served as CEO of Lännen Tehtaat plc since 1 September 2005. Eero Kinnunen, Chief Financial Officer of the Lännen Tehtaat Group, was appointed Deputy CEO as of 1 January 2008.

SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for the Lännen Tehtaat Group are: the effects of a prolonged economic downturn on demand from consumers and customers; the solvency of customers and the delivery performance of suppliers; the management of raw material price changes and currency risks; changes in the Group's businesses and customerships; and corporate acquisitions and the subsequent integration processes.

In many sectors the collective agreements have either expired or will expire in the near future. Any industrial action taken in the transportation sector, the food industry or the retail sector will have an immediate effect on net sales and profits in Lännen Tehtaat's businesses.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Lännen Tehtaat has revised its mission statement and specified its long-term growth target. The Group's mission is to offer consumers food products that are healthy, flavoursome and based on locally sourced raw materials, and to produce added value for its shareholders on a long-term basis. The long-term target is purposeful and profitable growth in the Group's business. The other targets – an operating profit of at least 5% of net sales, an equity ratio of at least 40%, and a return on equity (ROE) of at least 12% - remain unchanged.

OUTLOOK FOR 2010

A prolonged economic downturn and rise in unemployment could affect Lännen Tehtaat's businesses during the year. Consumer demand for food products is increasingly being channelled towards basic foodstuffs and low added value products.

The net sales from Lännen Tehtaat's continuing operations will be affected particularly by the market activity and by changes in the price level of grains and oilseeds.

The Group's profit outlook for the first few months is better than it was a year ago. The profit performance in the second half of the year will depend particularly on the market activity on the grains and oilseeds markets, which is difficult to estimate at this early stage of the year. Thanks to the development measures undertaken in the Group's businesses, the full-year operating profit, excluding non-recurring items, is expected to be at least at the level of 2009.

PROPOSED DIVIDEND

The aim of the Board of Directors of Lännen Tehtaat plc is that the company's shares provide shareholders with a good return on investment and retain their value. It is the company's policy to distribute in dividends at least 40% of the profit for the financial year attributable to shareholders of the parent company.

The parent company's distributable funds totalled EUR 82,664,541.83 on 31 December 2009, of which EUR 9,035,217.05 is profit for the financial year.

The Board of Directors will propose to the Annual General Meeting that EUR 0.38 per share be distributed for 2009 as a dividend in accordance with the dividend policy, plus an additional dividend of EUR 0.38 per share, bringing the total dividend to EUR 0.76 per share. The Board of Directors will propose that a total of EUR 4,702,557.76 be distributed in dividends and that EUR 77,961,984.07 be left in its equity. The proposed dividend is 80.9% of the earnings per share.

No significant changes have taken place in the financial standing of the company since the end of the financial year. The company's liquidity is good, and in the view of the Board of Directors this will not be jeopardized by the proposed distribution of dividends.

Consolidated income statement

EUR million	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Continuing operations				
Net sales	**71.7**	80.9	**266.0**	349.1
Other operating income	**0.6**	0.3	**1.5**	3.8
Operating expenses	**-66.9**	-79.3	**-257.3**	-342.8
Depreciation	**-1.3**	-1.2	**-5.3**	-5.1
Impairments	**0.0**	-	**-0.1**	-0.2
Share of profits of associated companies	**1.3**	3.5	**2.0**	9.1
Operating profit	**5.4**	4.0	**6.8**	13.9
Financial income and expenses	**-0.2**	-1.6	**0.5**	-3.3
Profit before taxes	**5.2**	2.4	**7.3**	10.7
Income taxes	**-1.1**	0.2	**-1.5**	-0.7
Profit for the period, continuing operations	**4.2**	2.5	**5.8**	10.0
Discontinued operations				
Profit for the period, discontinued operations	**-**	-	**-**	7.1
Profit for the period	**4.2**	2.5	**5.8**	17.1
Attributable to				
Equity holders of the parent	**4.2**	2.6	**5.8**	17.0
Minority interests	**-**	0.1	**-**	0.1
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR				
Continuing operations	**0.67**	0.41	**0.94**	1.60
Discontinued operations	**-**	-	**-**	1.13
Total	**0.67**	0.41	**0.94**	2.73

Statement of comprehensive income

EUR million	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Profit for the period	**4.2**	2.5	**5.8**	17.1
Other comprehensive income				
Cash flow hedges	**1.0**	-0.2	**1.1**	-1.6
Taxes related to cash flow hedges	**-0.3**	0.1	**-0.3**	0.4
Translation differences	**0.2**	-1.6	**1.4**	-2.1
Total comprehensive income	**5.1**	0.8	**8.0**	13.8
Attributable to				
Equity holders of the parent	**5.1**	0.8	**8.0**	13.8
Minority interests	**-**	0.0	**-**	0.0

Consolidated balance sheet

EUR million	31 Dec 2009	31 Dec 2008
ASSETS		
Non-current assets		
Intangible assets	**5.6**	5.3
Goodwill	**6.9**	5.9
Tangible assets	**37.9**	43.5
Investment in associated companies	**24.0**	25.0
Available-for-sale investments	**0.1**	0.1
Receivables	**1.8**	3.1
Deferred tax assets	**1.1**	1.4
Non-current assets total	**77.4**	84.3
Current assets		
Inventories	**48.1**	55.1
Receivables	**25.5**	38.7
Income tax receivable	**0.1**	0.7
Financial assets at fair value through profits	**17.2**	3.8
Cash and cash equivalents	**7.9**	9.9
Current assets total	**98.7**	108.0
Total assets	**176.1**	192.3

EUR million	**31 Dec 2009**	31 Dec 2008
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent	**137.3**	135.1
Minority interest	**-**	0.5
Total equity	**137.3**	135.6
Non-current liabilities		
Deferred tax liabilities	**4.1**	4.5
Long-term financial liabilities	**2.4**	4.5
Non-current provisions	**0.2**	0.1
Other non-current liabilities	**-**	0.2
Non-current liabilities total	**6.6**	9.3
Current liabilities		
Short-term financial liabilities	**0.9**	10.7
Income tax payable	**1.5**	0.7
Trade payables and other liabilities	**29.7**	36.1
Current liabilities total	**32.1**	47.4
Total liabilities	**38.8**	56.8
Total equity and liabilities	**176.1**	192.3

Consolidated cash flow statement

EUR million	**1-12/2009**	1-12/2008
Net profit for the period	**5.8**	17.1
Adjustments, total	**6.5**	-8.5
Change in net working capital	**14.9**	-5.1
Interests paid	**-1.8**	-2.4
Interests received	**1.0**	0.4
Taxes paid	**-0.6**	-1.8
Net cash flow from operating activities	**25.8**	-0.4
Investments in tangible and intangible assets	**-2.7**	-8.1
Proceeds from sales of tangible and intangible assets	**3.2**	3.0
Acquisition of subsidiaries deducted by cash	**-**	-0.4
Transactions with minority	**-1.2**	1.5
Acquisition of associated companies	**-**	-0.4
Proceeds from sales of associated companies	**-**	27.0
Purchases of other investments	**-22.0**	-14.0
Proceeds from sales of other investments	**9.0**	18.1
Dividends received from investing activities	**3.3**	3.6
Net cash flow from investing activities	**-10.4**	30.3
Repayments of short-term loans	**-9.5**	-18.4
Repayments of long-term loans	**-2.7**	-0.1
Payment of financial lease liabilities	**0.0**	-0.1
Purchase of own shares	**-**	-1.0
Dividends paid to minority	**-**	-0.3
Dividends paid	**-5.3**	-5.3
Cash flows from financing activities	**-17.5**	-25.1
Net change in cash and cash equivalents	**-2.0**	4.8
Cash and cash equivalents at the beginning of the period	**9.9**	5.1
Cash and cash equivalents at the end of the period	**7.9**	9.9

Statement of changes in shareholders' equity

EUR million	Share capital	Share premium account	Net unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings	Total	Minority interest	Total equity
	Attributable to equity holders of the parent									
Shareholders' equity at 1 Jan 2008	12.6	23.4	0.4	7.2	-0.8	0.1	84.5	127.3	0.7	128.0
Transactions with minority	-	-	-	-	-	-	0.4	0.4	-	0.4
Dividend distribution	-	-	-	-	-	-	-5.3	-5.3	-0.3	-5.6
Other changes	-	-	-	-	-1.0	-	-0.1	-1.1	-	-1.1
Total comprehensive income	-	-	-1.2	-	-	-2.1	17.0	13.7	0.0	13.8
Shareholders' equity at 31 Dec 2008	12.6	23.4	-0.8	7.2	-1.8	-1.9	96.6	135.1	0.5	135.6
Shareholders' equity at 1 Jan 2009	12.6	23.4	-0.8	7.2	-1.8	-1.9	96.6	135.1	0.5	135.6
Transactions with minority	-	-	-	-	-	-	-0.7	-0.7	-0.5	-1.2
Dividend distribution	-	-	-	-	-	-	-5.3	-5.3	-	-5.3
Other changes	-	-	-	-	-	-	0.2	0.2	-	0.2
Total comprehensive income	-	-	0.8	-	-	1.4	5.8	8.0	-	8.0
Shareholders' equity at 31 Dec 2009	12.6	23.4	0.0	7.2	-1.8	-0.5	96.4	137.3	-	137.3

Basis of preparation and accounting policies

The year-end 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 2008.

At the beginning of the year the new IFRS 8 did not change the information shown in these segments because the Group's earlier segment-based reporting was based on the Group's internal reporting structures. In August 2009 the Group decided on a new intra-group ownership arrangement, where vegetable oils business including administration, purchasing, sales and logistics functions, excluding oil milling operations, are transferred to Avena Nordic Grain Oy. Since the vegetable oils business will no longer form a separate entity for monitoring purposes, the former Grain Trading and Vegetable Oils segments are reported under a new segment name, Grains and Oilseeds.

The amendment of IAS 1 has an impact on the presentation method of the profit and loss account and the changes in equity.

Segment information

Operating segments 1–12/2009

EUR million	Frozen Foods	Seafood	Grains and Oilseeds	Other Operations	**Continuing operations total**	Discontinued operations	**Total**
Total external sales	46.0	75.9	143.4	2.4	**267.8**	-	267.8
Intra-group sales	-0.1	0.0	0.0	-1.6	**-1.7**	-	-1.7
Net sales	46.0	75.9	143.4	0.8	**266.0**	-	266.0
Share of profits of associated companies included in operating profit	-	-	-	2.0	**2.0**	-	2.0
Operating profit	3.4	-2.5	7.3	-1.3	**6.8**	-	6.8
Gross investments in non-current assets	1.9	0.6	0.3	-	**2.7**	-	2.7
Corporate acquisitions and other share purchases	-	1.2	-	-	**1.2**	-	1.2
Depreciations	2.0	2.0	0.7	0.7	**5.3**	-	5.3
Impairments	-	-	0.1	-	**0.1**	-	0.1
Personnel	205	379	62	11	**657**	-	657

Operating segments 1–12/2008

EUR million	Frozen Foods	Seafood	Grains and Oilseeds	Other Operations	**Continuing operations total**	Discontinued operations	Total
Total external sales	49.3	89.7	209.3	3.0	**351.3**	-	351.3
Intra-group sales	-0.1	0.0	0.0	-2.1	**-2.2**	-	-2.2
Net sales	49.2	89.7	209.3	0.9	**349.1**	-	349.1
Share of profis of associated companies included in operating profit	-	-	-	9.1	**9.1**	-	9.1
Operating profit	5.1	-2.4	5.4	5.8	**13.9**	6.6	20.5
Share of profits of associated companies	-	-	-	-	**-**	0.5	0.5
Gross investments in non-current assets	6.0	1.5	0.5	0.2	**8.1**	-	8.1
Corporate acquisitions and other share purchases	-	0.1	0.4	-	**0.5**	-	0.5
Depreciations	1.4	2.1	0.7	0.8	**5.1**	-	5.1
Impairments	-	0.2	-	-	**0.2**	-	0.2
Personnel	237	441	65	12	**755**	-	755

Net sales by geographical segment

EUR million	**1-12/2009**	**1-12/2008**
Finland	**187.3**	209.9
Scandinavia	**43.3**	65.8
Baltic countries and Russia	**3.9**	7.6
Other countries	**31.6**	65.9
Continuing operations total	**266.0**	349.1

Discontinued operations

The sale of the majority holding of 51% in Suomen Rehu Ltd was completed at the start of June 2007, when Suomen Rehu and its subsidiaries were transferred to Hankkija-Maatalous Oy. Lännen Tehtaat plc and SOK subsidiary Hankkija-Maatalous Oy signed an agreement on 1 September 2008, transferring the remaining 49% of shares owned by Lännen Tehtaat in Suomen Rehu Ltd to Hankkija-Maatalous Oy. Lännen Tehtaat recognized a non-recurring tax-free profit of EUR 6.6 million for the sale of these minority shares in its financial performance for the 2008 third quarter.

Key indicators

	31 Dec 2009	31 Dec 2008
Shareholders' equity per share, EUR	**22.19**	21.83
Equity ratio, %	**78.0**	70.5
Gearing, %	**-15.8**	1.1
Gross investments in non-current assets, EUR million, continuing operations	**2.7**	8.1
Corporate acquisitions and other share purchases, EUR million, continuing operations	**1.2**	0.5
Average number of personnel, continuing operations	**657**	755
Average number of shares, 1,000 pcs	**6,188**	6,221

The key figures in this year-end report are calculated with same accounting principles than presented in year 2008 annual financial statements.

Contingent liabilities

EUR million	31 Dec 2009	31 Dec 2008
Mortgages given for debts		
Real estate mortgages	**2.0**	8.6
Guarantees	**11.1**	10.8
Non-cancellable other leases, minimum lease payments		
Real estate leases	**4.3**	5.0
Other leases	**0.8**	0.9
DERIVATIVE INSTRUMENTS		
Outstanding nominal values of derivate instruments		
Forward currency contracts	**4.0**	6.3
Commodity derivative instruments	**9.2**	13.3
CONTINGENT ASSETS		
Proceeds from the sale of shares in the joint book-entry account	**0.8**	-

INVESTMENT COMMITMENTS

Lännen Tehtaat has no material investment commitments as of 31 December 2009.

Changes in tangibles assets

EUR million	**1-12/2009**	**1-12/2008**
Book value at the beginning of the period	**43.5**	43.5
Acquisitions	**2.0**	5.9
Disposals and transfers to assets classified as held for sale	**-4.0**	-0.2
Depreciations and impairments	**-4.5**	-4.8
Other changes	**0.9**	-1.0
Book value at the end of the period	**37.9**	43.5

Transactions with associated companies and joint ventures

EUR million	**1-12/2009**	**1-12/2008**
Sales to associated companies	**1.0**	13.4
Sales to joint ventures	**6.7**	8.2
Purchases from associated companies	**2.2**	0.7
Purchases from joint ventures	**0.0**	0.0
Long-term receivables from associated companies	**1.3**	2.7
Long-term receivables from joint ventures	**0.1**	-
Trade receivables and other receivables from associated companies	**1.6**	1.6
Trade receivables and other receivables from joint ventures	**0.7**	0.6
Trade payables and other liabilities to associated companies	**0.2**	0.0
Trade payables and other liabilities to joint ventures	**0.0**	0.0

Espoo 17 February 2010

LÄNNEN TEHTAAT PLC
Board of Directors