



Lännen Tehtaat plc

FINANCIAL STATEMENTS BULLETIN 2012

Briefing for analysts and media

14 February 2013 at 10.00

Matti Karppinen

CEO



Lännen Tehtaat Group

Business Segments



Frozen Foods



Seafood



**Associated company:
Taimen Oy (30%)**

Grains and Oilseeds



Other Operations

**Lännen Tehtaat plc
Group management**

Apetit Suomi Oy

Caternet Finland Oy

**Associated company:
Sucros Ltd (20%)**

Lännen Tehtaat

Key figures



EUR million	Q4/ 2012	Q4/ 2011	Change	2012	2011	Change
Net sales	115.0	80.4	43 %	378.2	335.5	13 %
Operating profit, excl. non.- recurring items	5.1	4.6	12 %	8.8	9.8	-10 %
Operating profit	5.1	5.1		8.5	8.7	
Profit before taxes	4.6	5.1		7.5	7.5	
Profit for the period	4.0	4.4		6.7	5.7	
Earnings per share, EUR	0.64	0.69	-7 %	1.07	0.92	16 %
Shareholders' equity per share, EUR				22.41	22.06	
Equity ratio, %				60.7	74.9	
Return on equity (ROE), %				4.8	4.1	
Return on investment (ROI), %				5.4	6.3	

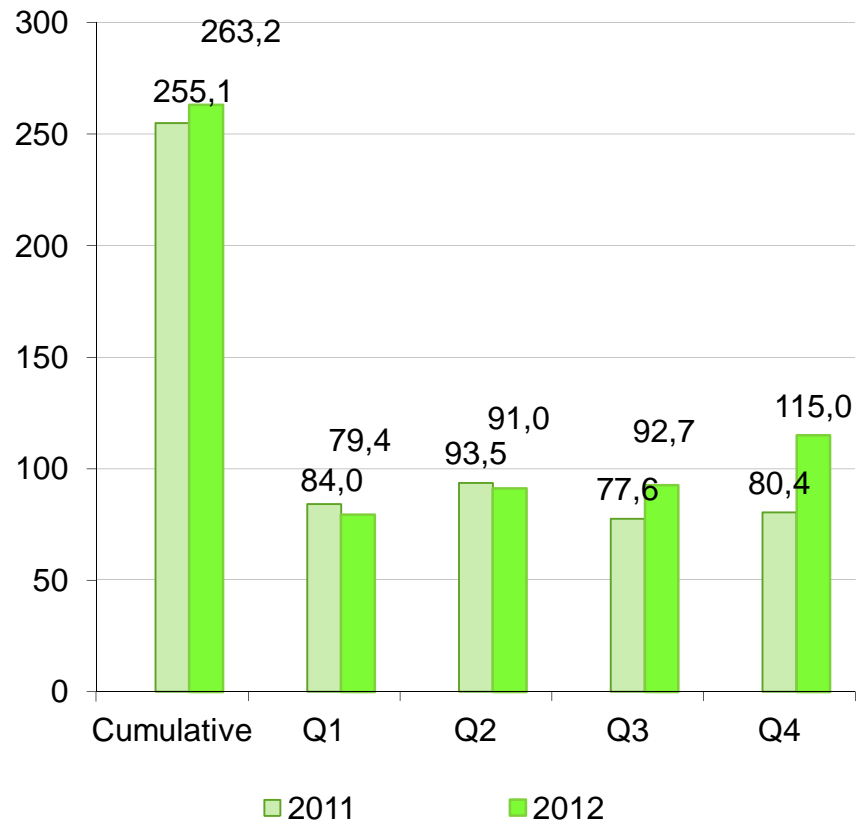


Lännen Tehtaat

Net sales



EUR mill.

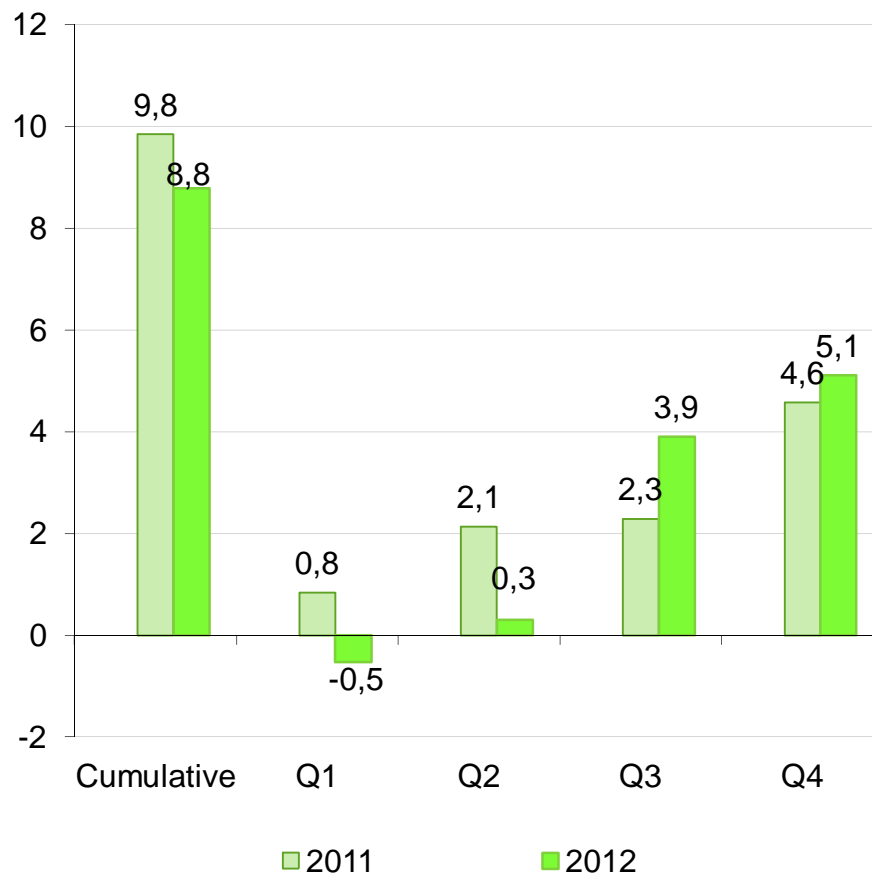


- The Group's fourth-quarter net sales were up by more than 40% year on year.
- Net sales grew in all of the Group's businesses, but the year-on-year growth was especially high in Seafood and Grains and Oilseeds, and, thanks to Caternet, in the Other Operations segment.
- The Group's net sales for 2012 were up by almost 13% year on year. Net sales also grew considerably in the second half of 2012.
- Caternet Finland Oy boosted net sales by EUR 23 million in April-December 2012.



Operating profit, excl. non-recurring items was higher in October –December year on year

EUR mill.

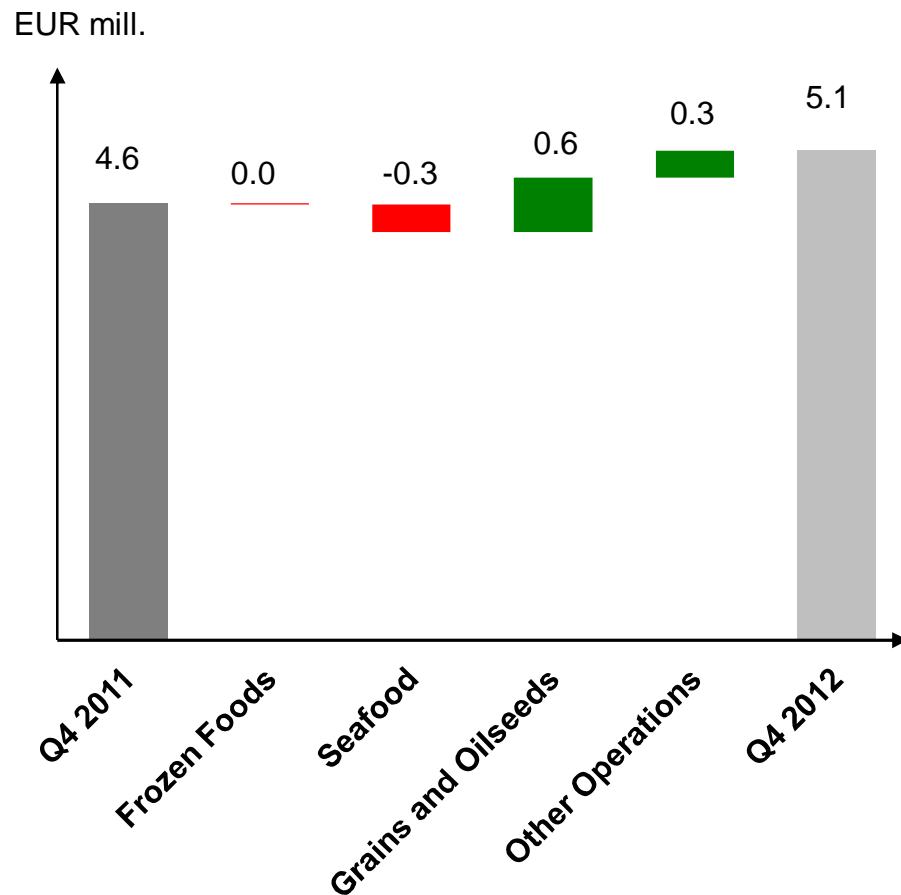


- After the fairly weak operating profit for the first six months, July-December showed a year-on-year improvement.
- Full-year operating profit, excluding non-recurring items, was down year-on-year.



Operating profit, excl. non-recurring items

Change – Q4/2012 vs. Q4/2011



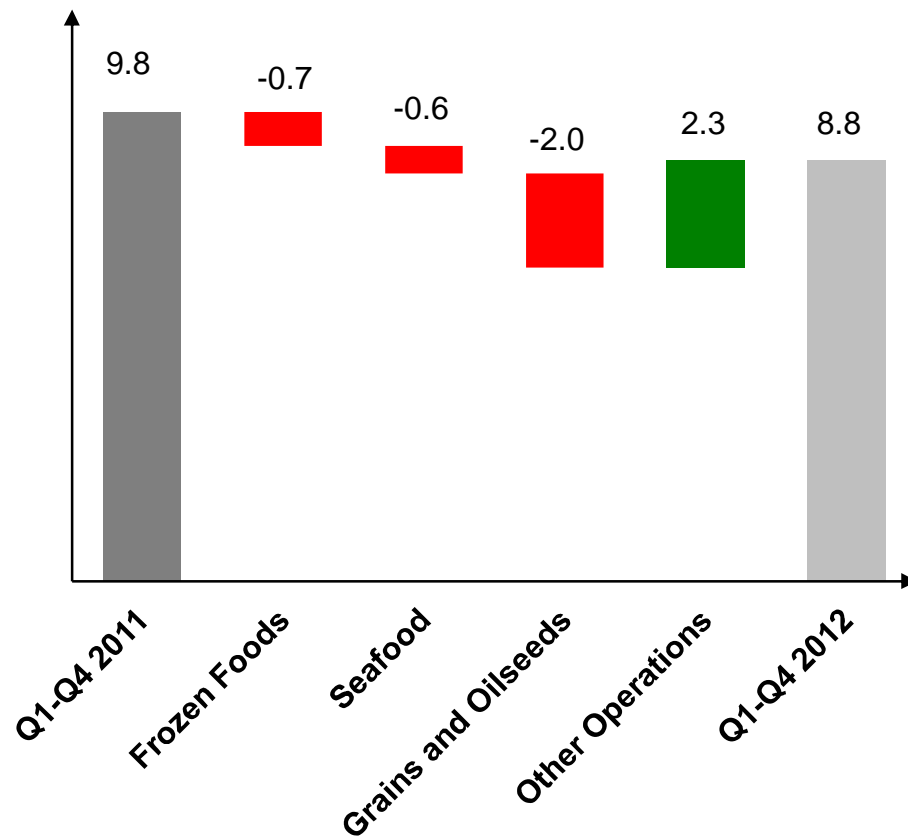
- In October-December, the operating profit, excluding non-recurring items, was up year on year.
- In Frozen Foods, the operating profit, excluding non-recurring items, was unchanged.
- In Seafood, the operating profit, excluding non-recurring items, was down year on year.
- In Grains and Oilseeds and in Other Operations, the operating profit, excluding non-recurring items, was up on the same period a year earlier.



Operating profit, excl. non-recurring items

Change – 2012 vs. 2011

EUR mill.



- In 2012 , the operating profit, excluding non-recurring items, was down year on year.
- Frozen Foods, Seafood and Grains and Oilseeds were down year on year.
- Other Operations operating profit, excluding non-recurring items was up year on year.

Frozen Foods

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Frozen Foods



Apetit – Locally produced food, straight from the freezer.



Apetit Pakaste Oy is the leading Finnish producer of frozen vegetables and frozen ready meals. Under its Apetit brand, it develops, produces, sells and markets frozen foods that are mainly produced using Finnish raw materials.

Apetit's expertise covers the entire chain, from field to table. Vegetable raw materials are sourced from Apetit's contract growers, which are committed to Apetit's quality targets.

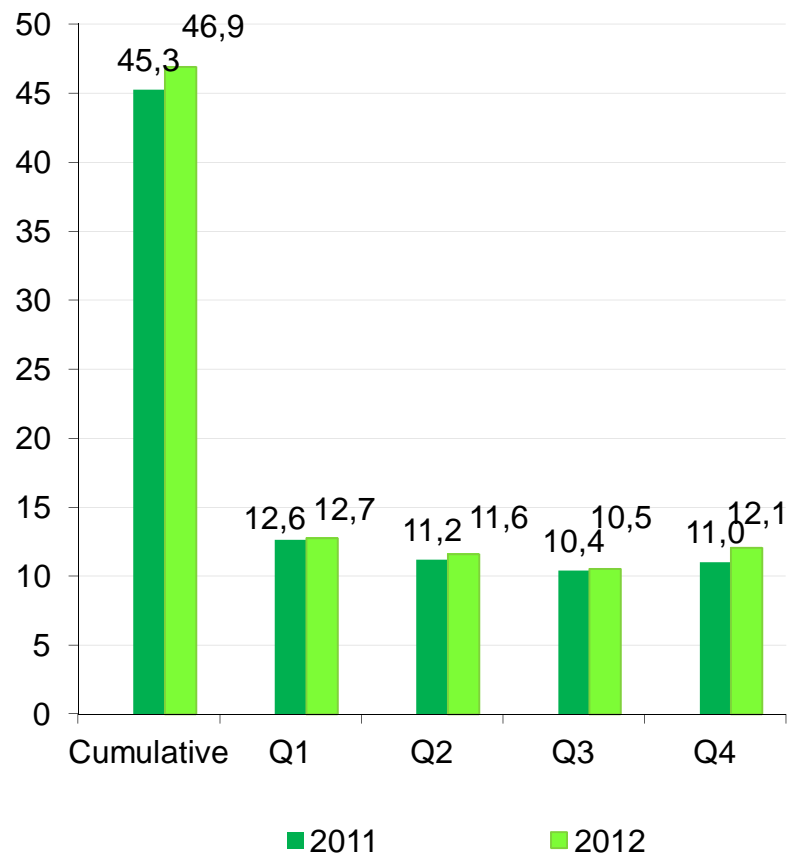
Apetit is the best-known frozen foods brand in Finland.



Frozen Foods

October-December net sales increased year on year

EUR mill.



October-December

- Sales to retailers, to the professional food service sector and for export were up, while sales to the food industry were at the same level as a year earlier.
- Sales of Apetit brand frozen potato products and frozen pizzas to retailers grew during the quarter, thanks to the sales campaigns undertaken.
- Made in Finland' sticker was added to the pizza packaging.

Year 2012

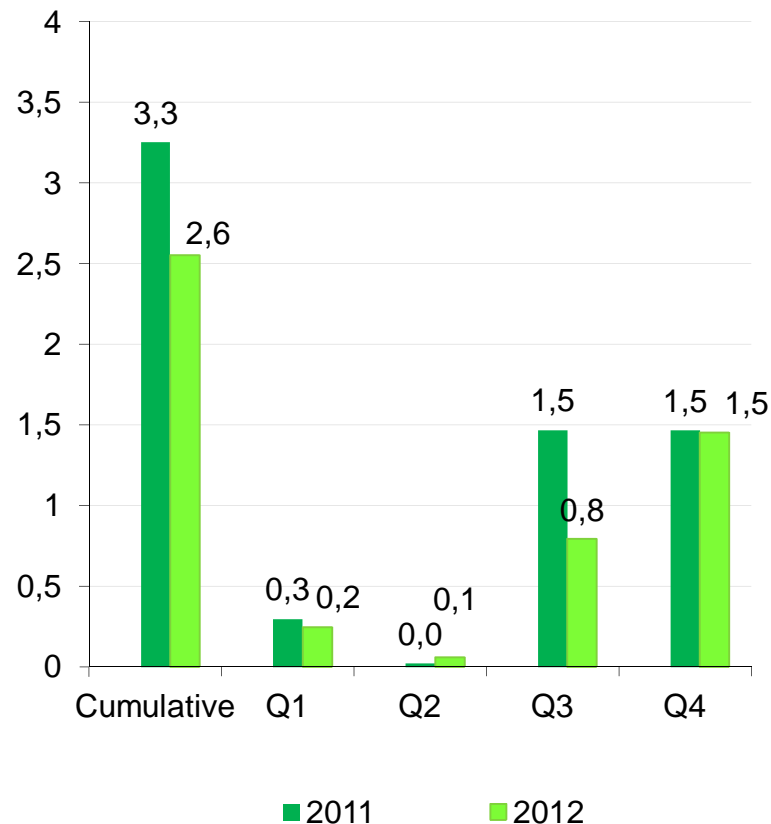
- Net sales in 2012 were up slightly year on year.
- Kotimainen – home grown product range expanded with three new products.



Frozen Foods

October-December operating profit, excl. non-recurring items, was at the same level year on year

EUR mill.



- The 2012 operating profit, excluding non-recurring items, was below the previous year's level.
- With fewer fixed production costs activated in the inventory value due to the reduced volume of frozen vegetable production, the operating profit, excluding non-recurring items, was weakened by about EUR 0.8 million compared with the previous year.
- Part of the carrot and potato crop had to be left in waterlogged fields. The crop will be supplemented with additional purchases, which means that prices will have to be raised due to the higher transportation costs. The higher costs will be covered by the price increases.
- The needs of the Apetit Kotimainen home-grown product range will be covered by Finnish raw material.

Frozen Foods

Apetit Kotimaiset range expanded and sales were up by 15% from the previous year



- Apetit has 14 products in its Kotimaiset product range at the moment.
- Home-grown content is the guiding principle throughout the field to table chain. Summer 2012 saw leeks added to the range, which allows the popular Apetit Peruna & keittokasvikset (potato & chopped vegetables for soups) to be of 100% Finnish origin from the end of 2012.
- During 2012, the Kotimainen home-grown product range was expanded to include fish products as well.

Seafood



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Seafood



Seafood segment focuses on tasty products , fresh fish and other seafood.



Lännen Tehtaat's Seafood business operates in Finland, Norway and Sweden.

Apetit Kala Oy and its subsidiary Myrskylän Savustamo are Finland's leading seafood companies. Apetit Kala sells fish, fish products and other fresh products through its own managed service counters under the shop-in-shop principle. The associated company Taimen Oy specialises in fish farming and fry and fingerling production.

Maritim Food AS and its subsidiaries develop, produce and sell shellfish and fish products in Norway and Sweden.



Seafood

Fresh and delicious fish and other mouth-watering seafood

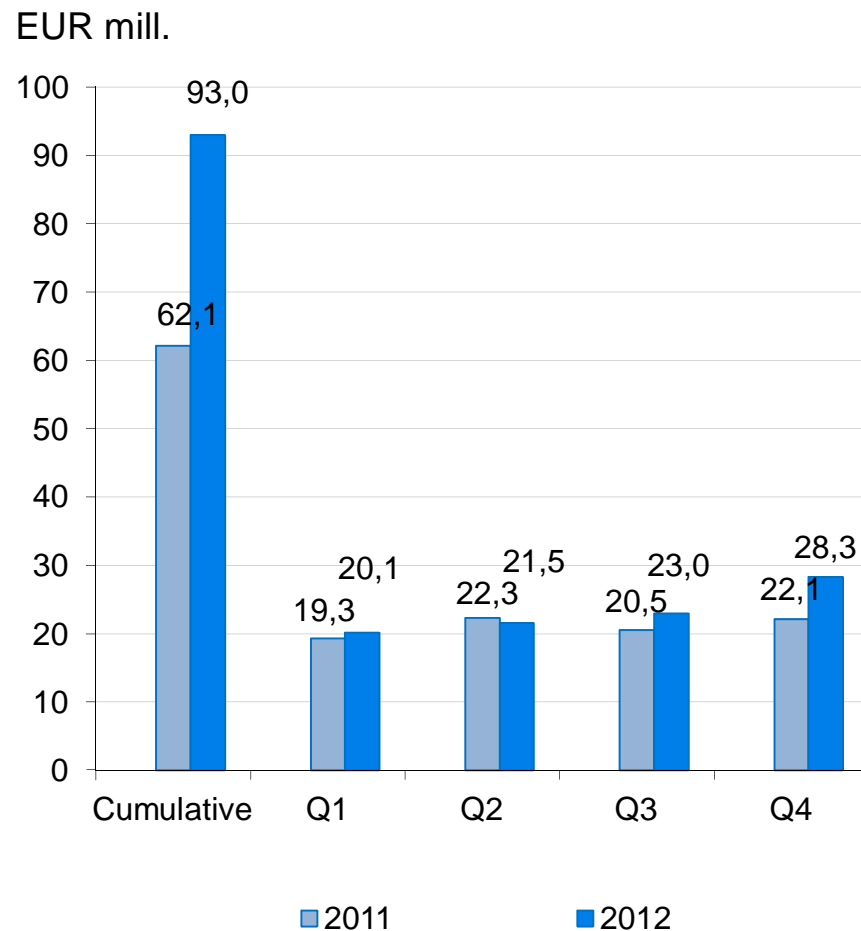


- Product development at Apetit Kala, Myrskylän Savustamo and Maritim Food focuses on producing fish products with winning flavours.
- 2012 saw the development of an alternative to our marinated rainbow trout strips. The marinade is replaced with a flavoured oil, which comes in three delicious varieties.
- The key factors in developing Seafood's product range in Finland are taste, freshness and domestic content. The first fish products to join the Kotimainen home-grown range were launched at the end of 2012.



Seafood

Net sales increased significantly in Finland and in Sweden, and decreased in Norway in October-December



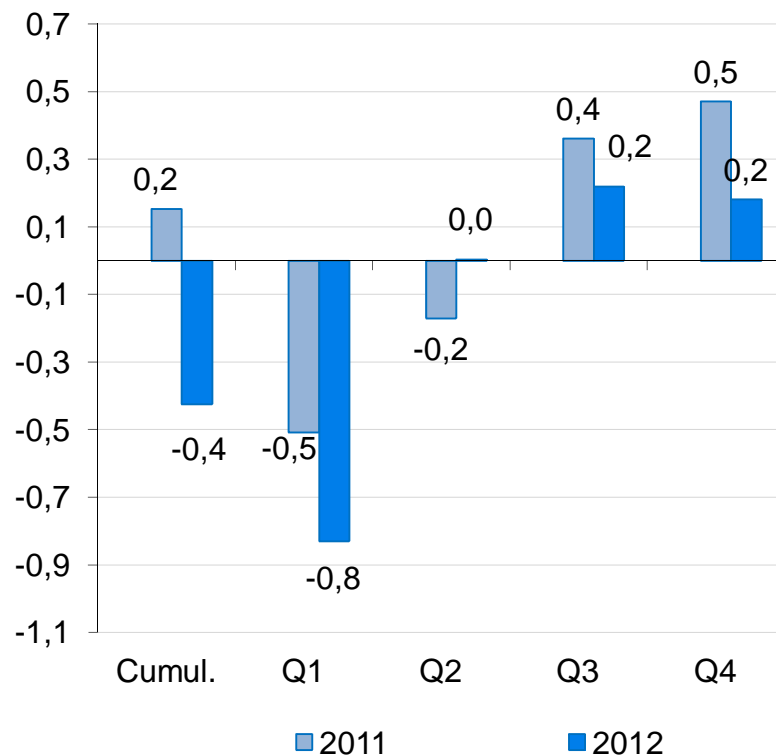
- In October-December, the delivery volumes increased in Finland and in Sweden.
- In Finland, the new logistics model introduced in Seafood during the summer boosted sales significantly in the third quarter, and the impact on fourth-quarter sales was strong also. The Christmas sales period was very successful.
- In Sweden, sales of shellfish in brine products continued to grow, thanks to the acquisition of new customers. In Norway the sales were down year on year.
- Net sales of the Seafood business in 2012 were up on the previous year, despite the lower market prices for salmon and rainbow trout.



Seafood

Year-on-year decrease in October-December operating profit, excluding non-recurring items

EUR mill.



- Impact of associated company Taimen on Q4 operating profit, excl. non-recurring items, was EUR -0.2 (0.2) million. Taimen's profit was affected by high cost of fish feed and low market price of rainbow trout.
- Impact of associated company Taimen on the full-year operating profit, excl. non-recurring items, was EUR 0.0 (0.6) million.
- Sales mix changed since previous year: major growth in sales of fresh salmon products, and drop in sales of fish products.
- Seafood's full-year operating cash flow (EBITDA/investment) improved by EUR 0.6 million and was positive, as it also was the previous year.
- With the sales growth, more working capital was tied up than the previous year.

Grains and Oilseeds



14 February 2013



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Grains and Oilseeds



Avena Nordic Grain is active in the trading of grains, oilseeds and animal feedstuffs in Finland and internationally.

It also markets and sells vegetable oils and expeller, which are produced at its Mildola oil milling plant in Kirkkonummi.

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Grains and Oilseeds

Grain trading in many markets



- Avena Nordic Grain Oy has subsidiaries in Estonia, Lithuania, Russia, Ukraine, and Kazakhstan.
- Avena engages in the trading of grains, oilseeds and animal feedstuffs in numerous markets. Trading is especially active in the Baltic Sea region and in the rest of Europe.
- Grain flows vary from year to year, depending on crops and market conditions.
- Avena's strengths are its diverse grain trading expertise, individualised customer service and flexible operation in the rapidly changing markets.

Grains and Oilseeds

Mildola extracts vegetable oil and expeller from rapeseed

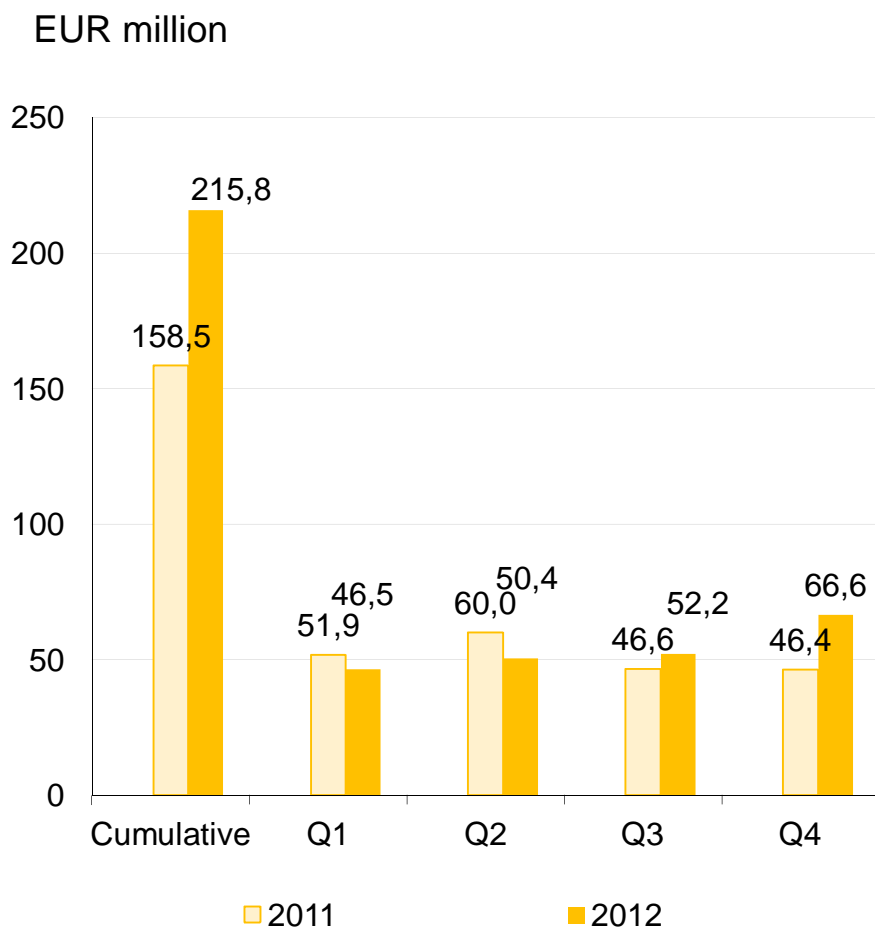


- Mildola's main raw material is Finnish rapeseed.
- Mildola's production process is environmentally friendly and chemical free, therefore the healthy microcomponents of the rapeseeds remain in the oil. Over 99.9% of the seed is used in the process.
- Vegetable oil is used by the food industry, food service sector and consumers.
- Protein feed created in the refining process is a valuable ingredient in farm animal feed.



Grains and Oilseeds

The net sales in October-December were up year on year



- In October-December delivery volumes were greater and prices were also higher than a year earlier.
- Net sales in 2012 were up on the previous year's figure, although delivery volumes were down a little.
- Thanks to our own vegetable oil packaging plant, the delivery volume of packaged vegetable oil products was almost double the previous year's total.

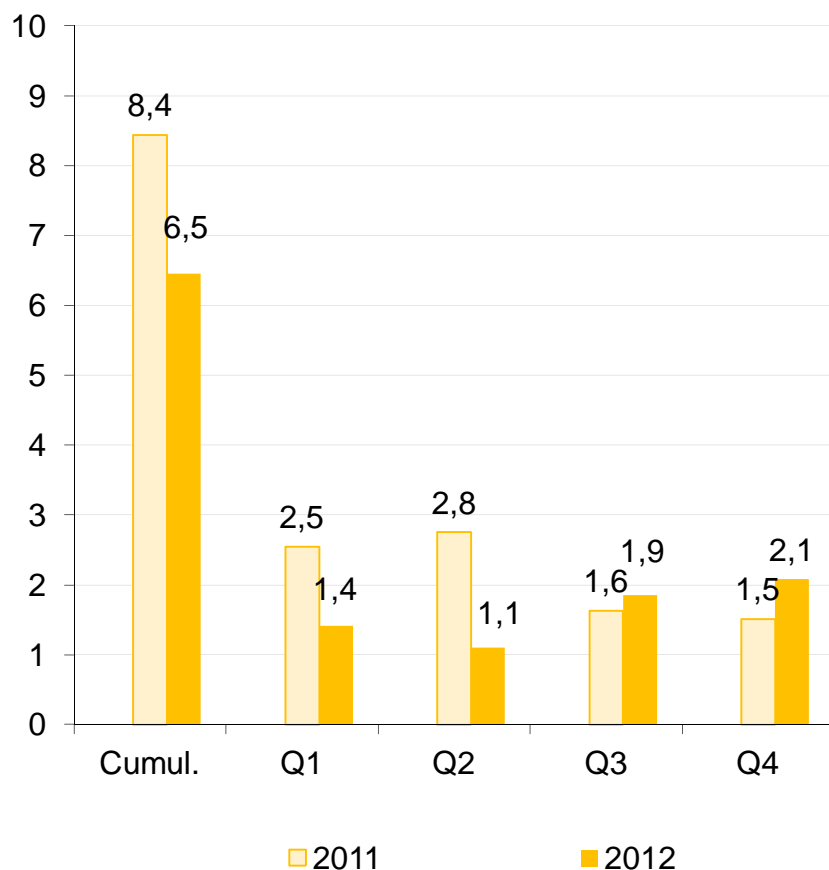


Grains and Oilseeds

Highest quarterly operating profit in 2012 posted in Q4



EUR mill.



- In 2012, October-December was the best quarter. The year-on-year increase in operating profit excluding non-recurring items was due to higher sales and the slight improvement in the ratio of oilseed and expeller market prices.
- In the second half-year, more working capital was tied up in Grains and Oilseeds than in the same period a year earlier due to the high market price level.
- The full-year operating profit fell short of the record year of 2011 due to the sluggish first six months of 2012.



Lännen Tehtaat

Other Operations



The parent company, **Lännen Tehtaat plc**, is responsible for Group administration, development of the Group structure and management of shareholdings and real estate.



Apetit Suomi Oy is responsible for marketing Apetit products. In addition, Apetit Suomi produces personnel, IT and financial administration services for the companies of the Lännen Tehtaat Group, and environmental administration services for all operators at the Säkylä industrial estate.



Caternet Finland Oy produces ready-to-use fresh vegetable and fruit products and fresh, smoked and frozen fish for professional kitchen sector.



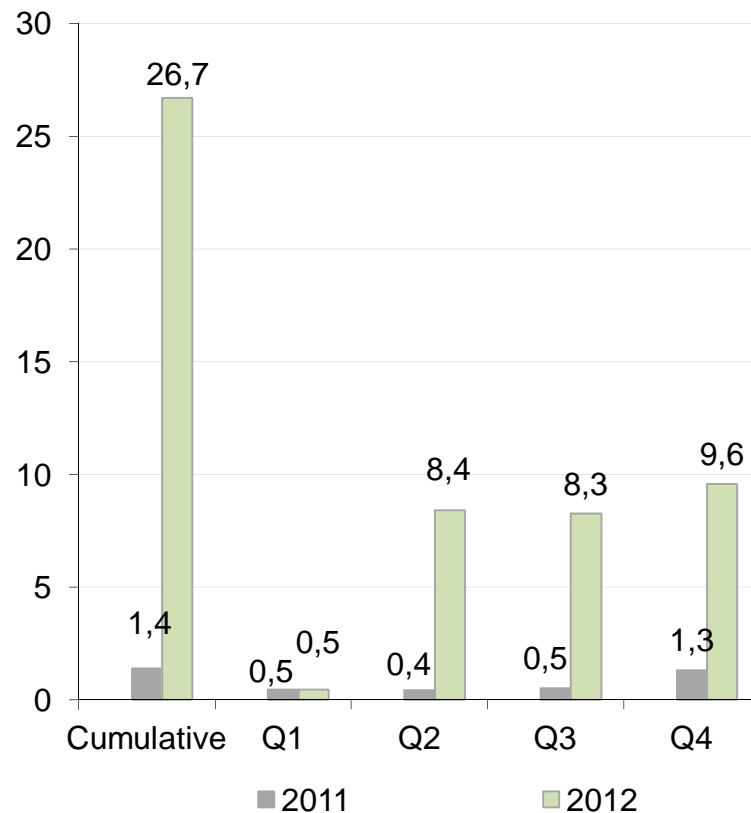
The associated company **Sucros Ltd** (20%) produces, sells and markets sugar products for the food industry and the retail trade, and for export.



Other Operations

Other Operations' net sales boosted by Caternet

EUR million



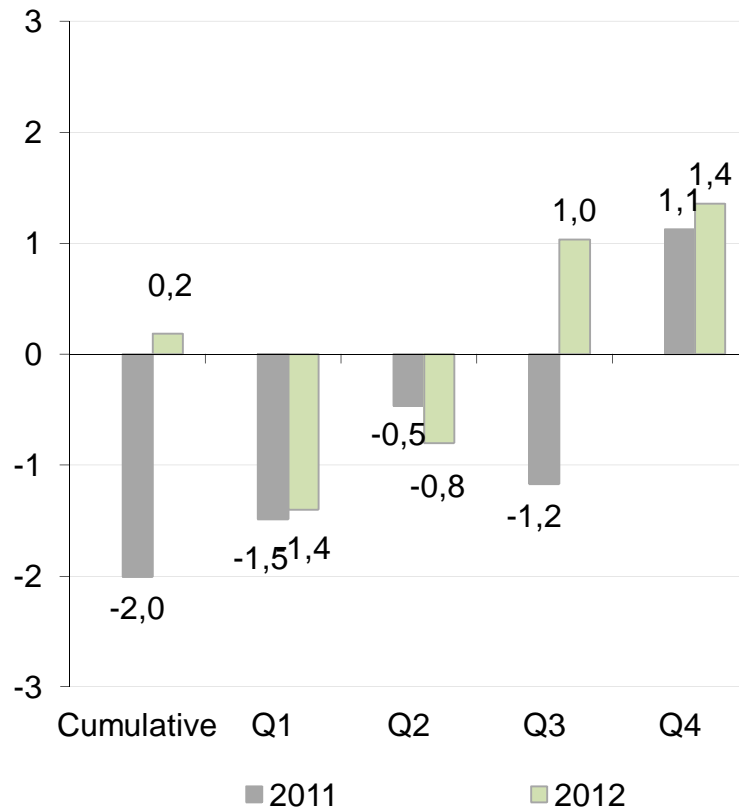
- Caternet's net sales increased by almost 20% compared to 2011. Growth was strongest in pre-prepared fruit and vegetable products, as it was already in the third quarter.
- The development of Caternet has proceeded according to plan. The commercial operations of Ateriamestarit Oy were discontinued at the end of the year and Caternet's commercial organisation – Apetit Ammatilaiset – took responsibility for sales of Apetit Pakaste and Apetit Kala products to the professional food service sector.



Other Operations

October-December operating profit, excluding non-recurring items, was better year on year

EUR million



- October-December operating profit includes EUR 2.1 (1.2) million as the share of the profits of associated companies.
- In 2012 operating profit, excluding non-recurring items, was significantly better year on year. The share of the profit of associated companies was EUR 3.7 (0.7) million.
- The segment's operating profit in 2012 includes EUR 1.2 million income recognition of the additional purchase price related to the acquisition of Caternet Finland Oy that did not realise in 2012.
- Non-recurring items amounted to EUR -0.4 (0.0) million and comprised expenses paid to external consultants in the arbitration court case between Lännen Tehtaat and Nordic Sugar.



Lännen Tehtaat

2012 in brief



- Increase in consolidated net sales.
- Improved earnings per share.
- The net sales of Seafood increased and cash flow improved.
- Development of product range in Frozen Foods and Seafood guided more strongly by product taste and domestic content.
- Grains and Oilseeds posted a strong profit in second half-year. Own vegetable oil packaging plant allowed development and sales growth in tailored vegetable oils packaged for specific customers.
- Development of Caternet, that was acquired in late March 2012, proceeded as planned. Sales of frozen and seafood products to the professional food service sector were transferred to Caternet's Apetit Ammattilaiset organisation at the end of 2012.



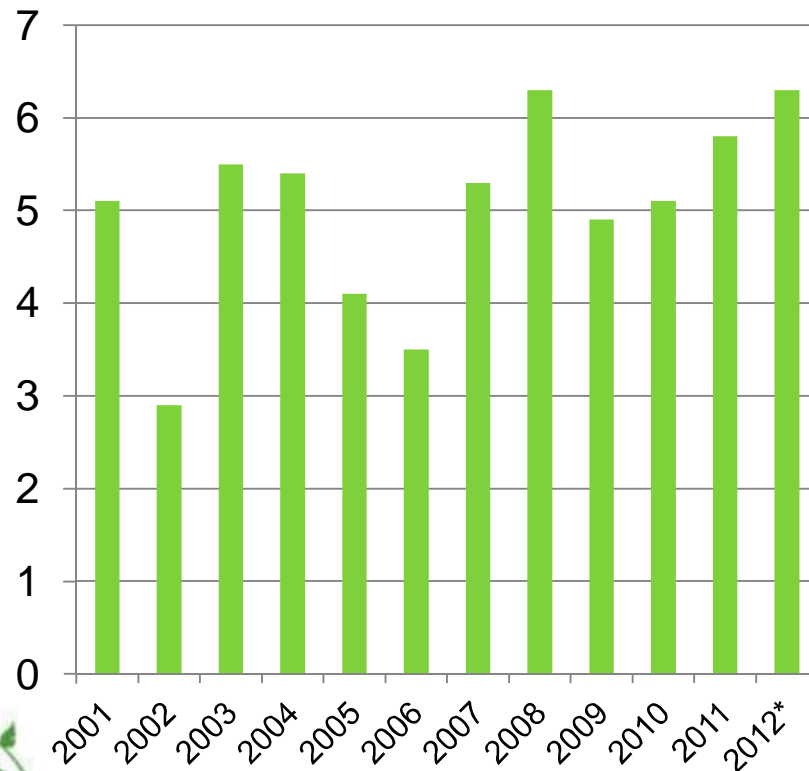
Lännen Tehtaat

Dividend proposal for 2012



The Board of Directors' dividend proposal to the AGM is EUR 0.90 (0.85) per share.

Effective dividend yield, %



The aim of the Lännen Tehtaat plc Board is to ensure that the share generates a good return and retains its value.

Dividend policy supports this goal. The company will distribute a dividend of no less than 40% of the proportion of the profit for the financial year that is assigned to parent company shareholders.



Lännen Tehtaat


Outlook for 2013



Net sales for 2013 are expected to show a year-on-year increase as a result of the acquisition made in 2012 and the achievement of organic growth. The Group's net sales will be affected particularly by the level of activity in the grain and oilseed markets and by changes in the price level of grains and oilseeds

As a result of growth and the development measures undertaken in the Group's businesses, the 2013 consolidated operating profit, excluding non-recurring items, is expected to improve on the 2012 figure. The profit improvement is expected to be strongest in the first six months of the year. The accrual of Lännen Tehtaat's annual profit is typically weighted towards the end of the year, due to the nature of operations in the Frozen Foods business, the Seafood business and the associated company Sucros.

The 2013 result could also be affected significantly by the outcome of the shareholder agreement dispute concerning Sucros, which is expected to be announced in the second half of 2013.





Lännen Tehtaat

Shareholder agreement dispute between Lännen Tehtaat and Nordic Sugar



According to Lännen Tehtaat, Nordic Sugar has committed 3 breaches against the agreement. According to the terms and conditions of the shareholder agreement, one proven breach will incur a contractual penalty totalling EUR 8.9 million per breach. Therefore the penalty could total a maximum of close to EUR 27 million.

In return, Nordic Sugar has called for a contractual penalty of EUR 4.5 million to be imposed on Lännen Tehtaat for a breach of shareholder agreement in connection with the dismissal of Sucros's managing director.

More detailed information has been given in Financial Statements Bulletin (16 February 2012), Interim Report January-March (4 May 2012) and Interim Report January – June (15 August 2012) and in their Briefing material.

The arbitration proceeding is expected to continue into the second half of 2013.



Thank you.