Apetit Plc Interim Report, January-September 2013

Third quarter (July-September):

- Consolidated net sales amounted to EUR 91.6 (92.7) million, down by about 1 per cent.
- Operating profit, excluding non-recurring items, was EUR 3.1 (3.9) million; reported operating profit was EUR 1.0 (3.8) million.
- The non-recurring items included in the reported operating profit were EUR -2.1 (-0.1) million, including a EUR -2.0 million impairment with no cash flow implications carried out in the Finnish Seafood business on the basis of goodwill impairment testing.
- Financial income includes a EUR 2.2 million reduction, with no cash flow implications, of the debt related to the redemption obligation in Apetit Kala's minority holding.
- The profit for the period was EUR 2.5 (3.3) million, and earnings per share came to EUR 0.48 (0.52).

January-September:

- Consolidated net sales amounted to EUR 290.0 (263.2) million, up by about 10 per cent.
- Operating profit, excluding non-recurring items, was EUR 6.8 (3.7) million; reported operating profit was EUR 4.3 (3.4) million.
- The non-recurring items included in the reported operating profit were EUR -2.5 (-0.3) million.
- The profit for the period was EUR 4.9 (2.7) million, and earnings per share amounted to EUR 0.91 (0.43).

The outlook for the year 2013 is unchanged.

The information in this Interim Report has not been audited. The figures in parentheses are the equivalent figures for the same period in 2012, unless stated otherwise.

Matti Karppinen, CEO:

"The Group's third-quarter operating profit, excluding non-recurring items, performed as expected and was lower than it was in the corresponding period of 2012. Net sales were about the same as the previous year. The January-September operating profit, excluding non-recurring items, showed a year-on-year improvement, especially due to the good result posted by Frozen Foods and the Other Operations segment. Despite the expected sales growth, the third-quarter operating profit, excluding non-recurring items, for the Seafood business was weak, and we will continue to implement efficiency improving measures. We updated our outlook regarding the future cash flow of the Finnish Seafood business based on the revitalising measures and objectives prepared for the strategy period, and we carried out a EUR 2.0 million impairment during the period on the basis of goodwill impairment testing.

“Consumers value domestic food, and this is reflected in purchasing behaviour. In Frozen Foods, sales of the Apetit Kotimainen range continued to grow, and increased 9 per cent from the beginning of the year compared with the previous year. Seafood products have been complemented by new products from the Apetit Kotimainen range.

“We have made progress in the restructuring project, which looks at combining into an integrated entity the company’s present Finnish-based consumer businesses. By revising the structure and operating procedures of the consumer businesses, the aim is to further boost Apetit’s standing among consumers in selected product groups as their preferred, healthy and responsible domestic food solution and to be the preferred partner for our customers in the retail and professional food service sectors. The restructuring project aims at boosting growth and enhancing profitability.”

KEY FIGURES

EUR million	Q3 2013	Q3 2012	Change	Q1-Q3 2013	Q1-Q3 2012	Change	2012
Net sales	91.6	92.7	- 1%	290.0	263.2	+ 10%	378.2
Operating profit, excluding non-recurring items	3.1	3.9		6.8	3.7		8.8
Operating profit	1.0	3.8		4.3	3.4		8.5
Profit before taxes	2.7	3.8		4.7	3.0		7.5
Profit for the period	2.5	3.3		4.9	2.7		6.7
Earnings per share, EUR	0.48	0.52		0.91	0.43		1.07

NET SALES AND PROFIT

Third quarter (July-September):

The Group’s third-quarter net sales were EUR 91.6 million and were about the same as a year earlier. Net sales increased in the Frozen Foods and Seafood businesses, and decreased in the Grains and Oilseeds business and in the Other Operations segment.

Consolidated operating profit, excluding non-recurring items, was EUR 3.1 (3.9) million. Non-recurring items totalled EUR -2.1 (-0.1) million. The non-recurring items in the period were from the EUR -2.0 million impairment with no cash flow implications carried out in the Finnish Seafood business on the basis of goodwill impairment testing, and from the Other Operations segment. The operating profit, excluding non-recurring items, showed a year-on-year improvement in the Frozen Foods business, and was down in the Seafood business, the Grains and Oilseeds business and Other Operations. The operating profit includes EUR 1.3 (1.2) million as the share of the profits of associated companies. The operating profit for the comparison period takes into account EUR 0.8 million in profit as the reduction in the estimate of the additional purchase price of Caternet Finland Ltd.

January-September:

Consolidated net sales for January-September came to EUR 290.0 million, up by about 10 per cent compared with the same period a year earlier. In all our operating segments the net sales showed a year-on-year improvement.

The operating profit, excluding non-recurring items, was EUR 6.8 (3.7) million. The non-recurring items in the period were EUR -2.5 (-0.3) million and were from the EUR -2.0 million impairment with no cash flow implications carried out in the Finnish Seafood business on the basis of goodwill impairment testing, and from the Other Operations segment. The operating profit includes EUR 3.7 (1.8) million as the share of the profits of associated companies and EUR 2.6 (1.2) million as the reduction in the estimate of the additional purchase price of Caternet Finland Oy, which is recognised under other operating income. In January-September of the previous year, the result included EUR -0.5 million in transaction expenses from the acquisition of Caternet.

The net figure for financial income and expenses was EUR 0.4 (-0.4) million. This includes valuation items of EUR -1.0 (0.5) million with no cash flow implications. The valuation items included a EUR -0.9 (0.6) million change in the foreign exchange rates of internal loans related to Maritim Food Group. Financial income includes a EUR 2.2 million change in the fair value, with no cash flow implications, of the debt related to the redemption obligation in Apetit Kala Oy's minority holding. Financial expenses also include EUR -0.4 (-0.5) 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 4.7 (3.0) million. The profit for the period was EUR 4.9 (2.7) million, and earnings per share amounted to EUR 0.91 (0.43), which includes the effect of the impairment carried out on the basis of goodwill impairment testing and the effect of the change of the debt related to the redemption obligation, totalling EUR 0.14 per share.

FINANCING AND BALANCE SHEET

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

The cash flow from operating activities after interest and taxes amounted to EUR 16.7 (-16.8) million in January-September. The impact of the change in working capital was EUR 14.6 (-21.0) million. Working capital was released in the Grains and Oilseeds business during the period, especially due to normal seasonal variation and the change in the market price level.

The net cash flow from investing activities was EUR 2.3 (-7.9) million. The cash flow from financing activities was EUR -22.1 (28.7) million, including EUR -16.3 (withdrawals 34.0) million in loan repayments and EUR -5.6 (-5.3) million in dividend payments. The net change in cash and cash equivalents was EUR -3.0 (4.0) million.

At the end of the period, the Group had EUR 21.1 (46.1) million in interest-bearing liabilities and EUR 2.2 (13.4) million in liquid assets. Net interest-bearing liabilities totalled EUR 18.8 (32.8) million. The consolidated balance sheet total stood at EUR 206.5 (245.6) million. At the end of the period, shareholders' equity amounted to EUR 139.2 (137.0) million. The equity ratio was 67.4 per cent

(55.8%). The Group’s liquidity is secured with committed credit facilities; a total of EUR 25.0 (11.0) million was available in credit at the end of the third quarter.

INVESTMENT

Investment in non-current assets during January-September totalled EUR 2.1 (2.9) million.

PERSONNEL

The Group employed an average of 774 (702) people during the period. The year-on-year increase was mainly due to the acquisition of Caternet Finland Oy at the end of March 2012, and its subsequent incorporation into the Other Operations segment.

OVERVIEW OF OPERATING SEGMENTS

Frozen Foods

EUR million	Q3 2013	Q3 2012	Change	Q1-Q3 2013	Q1-Q3 2012	Change	2012
Net sales	10.9	10.5	+ 3%	35.6	34.9	+ 2%	46.9
Operating profit, excluding non-recurring items	1.6	0.8		1.9	1.1		2.6
Operating profit	1.6	0.8		1.9	1.1		2.6

Third quarter (July-September):

The third-quarter net sales of Frozen Foods were up year on year. Sales to retailers and the professional food service sector were up, sales to the food industry were down, and exports were up year on year.

The third-quarter operating profit, excluding non-recurring items, was up year on year. This year, harvesting was started earlier than in 2012, and production volumes during the period were clearly up on the previous year. The earlier start and greater volume of the frozen vegetable production compared with the previous year raised the third-quarter operating profit by EUR 0.5 million, as more fixed production costs were recognised in inventories than a year earlier. The capacity utilization rate, which was higher than in the previous year, also improved production efficiency.

January-September:

Net sales in January-September were higher than a year earlier. Sales to retailers and for export increased, while sales to the professional food service sector and to the food industry were down year on year.

By product group, sales of frozen ready meals grew the most. In frozen ready meals, sales of Apetit Kotimainen spinach soup and Apetit gratin products grew, in particular. The sweet potato & root vegetable au gratin and the cauliflower & broccoli au gratin, which were launched in September 2012, have been popular with consumers. Sales of Apetit frozen vegetables and pizzas were also up year on year. The previous season's poor potato crop limited the opportunities for sales campaigns with frozen potato products.

The significance of domestic content in purchasing decisions has increased further, and sales of the Apetit Kotimainen range grew by 9 per cent in January-September compared with the previous year. Kotimainen beetroot gratin, Kotimainen cream of fresh pea soup, and Kotimainen pea patties were launched at the end of September as new products in the Kotimainen range. Lactose-free spinach soup and frozen root vegetables for soups will be added to the Kotimainen range before the end of the year.

The January-September operating profit, excluding non-recurring items, was up on the previous year's level due to the success of the frozen vegetable production. The average number of personnel in Frozen Foods during the period was 195 (190).

Investment during the period totalled EUR 0.3 (1.7) million. The investment was in development of processing of Finnish leeks and in renovation projects for the frozen foods factory.

Seafood

EUR million	Q3 2013	Q3 2012	Change	Q1-Q3 2013	Q1-Q3 2012	Change	2012
Net sales	25.8	23.0	+ 12%	77.4	64.7	+ 20%	93.0
Operating profit, excluding non-recurring items	-0.1	0.2		-1.0	-0.6		-0.4
Operating profit	-2.1	0.2		-3.0	-0.6		-0.4

Third quarter (July-September):

The third-quarter net sales in the Seafood business showed a substantial year-on-year improvement. The net sales of the Seafood business were up in all markets, i.e. Finland, Norway and Sweden. The net sales increase of the Seafood business was attributable especially to the sale of fresh salmon products in Finland and the sale of shellfish in Sweden.

Seafood's third-quarter operating profit, excluding non-recurring items, was down year on year. The profitability of the Finnish Seafood business declined on the previous year as the unfavourable relationship between raw material prices and sales prices of end products which started in the first half of the year continued during the third quarter. Necessary price increases were applied to improve profitability. They have also resulted in losing some listings.The profitability of the Seafood business in Norway and Sweden continued to improve year on year in the third quarter. The share of the profit of associated companies was EUR 0.3 (0.3) million. The operating profit took account of a change in the fair value of currency hedges, amounting to EUR -0.2 (-0.2) million.

January-September:

January-September net sales in the Seafood business were up considerably year on year. Net sales were up in all markets, i.e. Finland, Norway and Sweden. The operating profit, excluding non-recurring items, for January-September was a loss, and was down year on year. The profitability of Finnish Seafood operations is unsatisfactory, and to develop it, the overhead costs of operations have been reduced, and the efficiency of production has been improved. The share of the profit of associated companies was EUR 0.5 (0.3) million.

The product range of the Seafood business was renewed in Finland during the period, and an Apetit Perinteinen seafood product range was launched in early September. The products passed the taste tests which required them to be ranked as best in class flavours. The delicious flavours are obtained using traditional production methods, such as surface salting with sea salt and smoking using Finnish alder wood. The products in the Perinteinen seafood product range are also always prepared from fresh fish rather than frozen fish.

The average number of personnel in the Seafood business during the period was 354 (343).

Investment in the Seafood business totalled EUR 0.6 (0.6) million. The main investment items during the period were replacement investments at different production plants.

Impairment testing of Seafood business

The company's outlook regarding the future cash flows of the Finnish Seafood business has been reduced due to the pressure on gross margins caused by the competitive situation. Due to the goodwill impairment testing that was consequently carried out, an impairment of EUR 2.0 million was recognised in the Finnish Seafood business as a non-recurring item for the third quarter. As a result of the impairment, the goodwill of the Finnish Seafood business, EUR 1.5 million, was impaired in full, in addition to which an impairment of EUR 0.4 million was recognised in tangible and intangible assets. The impairments have no cash flow implications. The reduced cash flow expectations of the Finnish Seafood business will also change the fair value of the debt related to the redemption obligation in Apetit Kala Oy's minority holding. Further details of this effect are given in the review of the Other Operations segment.

Grains and Oilseeds

EUR million	Q3 2013	Q3 2012	Change	Q1-Q3 2013	Q1-Q3 2012	Change	2012
Net sales	49.0	52.2	- 6%	157.7	149.1	+ 6%	215.8
Operating profit, excluding non-recurring items	1.2	1.9		3.8	4.4		6.5
Operating profit	1.2	1.9		3.8	4.4		6.5

Third quarter (July-September):

Third-quarter net sales were down in the Grains and Oilseeds business due to the lower market prices compared with the same period a year earlier. Tonnage sales were at the same level as in the same quarter a year earlier. The delivery volume of packaged vegetable oil products rose to a new high during the period.

In the Grains and Oilseeds business, third-quarter operating profit, excluding non-recurring items, was down compared with the same period a year earlier. Profitability was adversely affected by lower margins in the grain trade than in the same quarter of the previous year. In the oilseeds business, profitability was enhanced by the successful purchase of rapeseed through Baltic subsidiaries, and the favourable profitability of expeller.

January-September:

January-September net sales in the Grains and Oilseeds business were up year on year. The operating profit was down year on year. Due to the good crop year, international grain trading remained slow in the third quarter of the year and global market prices remained at a substantially lower level than the previous crop year. The availability of Finnish rapeseed from the new crop was mostly good, and the good demand for Finnish vegetable oil products supports demand for Finnish rapeseed also in the coming crop year.

As the crop year progresses, estimates of world grain production have been raised further, and grain stocks are expected to grow compared with the previous year. The autumn sowing in the EU-28 countries has taken place mainly in good conditions, but wet weather has affected sowing somewhat in Russia and Ukraine.

The conditions for rapeseed growing in Finland may be changing due to a decision by the EU to ban the use of seed treatments containing neonicotinoids for two years as of 1 December 2013. The availability of Finnish rapeseed is an important factor for the Apetit Group's Grains and Oilseeds business, which is why we are closely monitoring the conditions for growing oilseeds in Finland in the future.

To manage the purchasing risks associated with Finnish rapeseed, the Apetit Group's Grains and Oilseeds business has pursued a strategy that aims to ensure profitable growth by investing in production with a very high utilisation rate in the refining of oilseeds, and by focusing on expertise in refining and purchasing. This will allow us to engage in profitable vegetable oil milling with greater volumes of imported rapeseed than at present, if necessary. Despite the new regulations, increasing demand for Finnish rapeseed creates a long-term foundation for the continuation and development of rapeseed growing in Finland.

An average of 72 (70) people were employed in the Grains and Oilseeds business in January-September.

Investment during January-September amounted to EUR 0.7 (0.3) million. Investment was mainly in improvement of operations and replacements at the vegetable oil mill.

Other Operations

EUR million	Q3 2013	Q3 2012	Change	Q1-Q3 2013	Q1-Q3 2012	Change	2012
Net sales	7.7	8.3	- 7%	23.6	17.1	+38%	26.7
Operating profit, excluding non-recurring items	0.4	1.0		2.1	-1.2		0.2
Operating profit	0.3	1.0		1.6	-1.5		-0.1

Third quarter (July-September):

Other Operations comprise the service company Apetit Suomi Oy, Group Administration, Caternet Finland Oy, items not allocated under any of the business segments, and the associated company Sucros Ltd. The commercial operations of Ateriamestarit Oy, which was part of Other Operations, were discontinued at the end of 2012. The cost of services produced by Apetit Suomi Oy has been allocated to the Group's businesses in proportion to their use of the services.

Third-quarter net sales in the segment were down year on year. Caternet Finland Oy's net sales were lower than in the same period of 2012. Finland's poor economic situation continues to be reflected in the professional food service sector as a reduction in the number of diners and meals sold. According to estimates collected from wholesalers, the market of the professional food service sector contracted by 10 per cent in August compared with the same period a year earlier due to a reduction in the number of diners in staff restaurants. Furthermore, some customers have at least temporarily switched to using whole and unrefined products instead of pre-prepared products.

The segment's third-quarter operating profit, excluding non-recurring items, was down year on year. The sales of Caternet Finland Oy were adversely affected by high raw material purchase prices and the decline in demand in the professional food service sector. The profitability of its business was unsatisfactory in the third quarter and was down year on year, but improved compared with the first half of the year. The operating profit includes EUR 1.0 (1.0) million as the share of the profits of associated companies. Non-recurring items amounted to EUR -0.1 (-0.1) million and comprised expenses paid to external consultants in the arbitration court case concerning the shareholder agreement dispute between Apetit Plc and Nordic Sugar. The operating profit for the comparison period takes into account a sum of EUR 0.8 million under the terms of the acquisition of Caternet Finland Oy that was recognised in the operating profit under other income from business activities as the reduction in the estimate of the additional purchase price tied to the operating profit for 2012.

January-September:

January-September net sales in the Other Operations segment were up year on year. The net sales of Caternet Finland Oy in the previous year are only given from the second quarter onwards, as it was integrated with the Other Operations segment in early April 2012.

The January-September operating profit, excluding non-recurring items, was significantly better than a year earlier. The share of the profits of associated companies amounted to EUR 3.3 (1.6) million. Non-recurring items affecting operating profit amounted to EUR -0.5 (-0.3) million and comprised expenses paid to external consultants in the arbitration court case concerning the shareholder agreement dispute between Apetit Plc and Nordic Sugar. The operating profit takes into account EUR 2.6 (1.2) million recognised as income in association with the reduction in the estimate of the additional purchase price of Caternet Finland Oy. According to the estimate, the additional purchase price is not expected to be realised on the basis of the operating profit for 2013. In January-September of the previous year, the operating profit included EUR -0.5 million in transaction expenses from the acquisition of Caternet.

The average number of personnel in Other Operations during the period was 153 (98). The year-on-year increase was due to the acquisition of Caternet at the end of March 2012, and its subsequent incorporation into the Other Operations segment.

Investment in non-current assets in Other Operations totalled EUR 0.5 (0.3) million. Investment was mainly in the Group's IT projects and in Caternet Finland Oy's production facilities and equipment, of which the most substantial individual investment was a new ready-made salad department.

Change in the fair value of the debt related to the redemption obligation in Apetit Kala Oy's minority holding

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.

The fair value of the debt has declined in the third quarter from EUR 4.8 million to EUR 2.6 million. Under the applicable IFRS's, the change, EUR 2.2 million, was recognised through profit or loss in financial income. The change in the fair value of the debt is due to the reduced estimate of the value of the Apetit Kala Oy's shares, and is based on the reduced expectations regarding the future cash flow of the Finnish Seafood business. There have been no changes in the cross ownership.

Decision regarding Caternet Finland Oy's claim for recovery of investment support

At the beginning of November 2012, Caternet Finland Oy received from the Uusimaa Centre for Economic Development, Transport and the Environment a decision regarding a claim for recovery of part of the investment support that was granted to Caternet's Kivikko plant in 2008-2009. The claim for recovery is due to the change of ownership of the company's share capital that occurred on 27 March 2012. The proposed sum claimed for recovery is approximately EUR 2 million.

Caternet Finland Oy considers the claim for recovery to be unfounded and appealed against the decision regarding the claim for recovery. The Rural Businesses Appeals Board has dismissed the company's appeal and retained in force the recovery decision of the Uusimaa Centre for Economic Development, Transport and the Environment.

The company has submitted an appeal against the decision to the Supreme Administrative Court and requests that the Supreme Administrative Court rescind the issued decision. Any claim for recovery will not come into force before the Supreme Administrative Court has dealt with the case and issued its judgement. If the decision regarding the claim for recovery is not rescinded, the cost impact of this is estimated to be EUR 1.3 million. The final profit impact of the claim for recovery will depend on the judgement of the Supreme Administrative Court and the seller's warranties.

The profit for the period does not include the cost impact of the decision regarding the claim for recovery.

Shareholder agreement dispute between Apetit Plc and Nordic Sugar

Apetit 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 Apetit Plc as the minority owner.

Apetit Plc asserts that the majority shareholder has repeatedly violated Apetit Plc's minority rights. In October 2011, Apetit Plc decided to submit the issue to the arbitration court, because despite the objections made the majority owner had not rectified its practices that are in breach of the shareholder agreement.

Apetit Plc considers that Nordic Sugar has committed a total of three breaches of the agreement. Under the terms of the shareholder agreement each proven breach will incur a contractual penalty of EUR 8.9 million, and so the contractual penalty could total a maximum of almost EUR 27 million. For its part, Nordic Sugar has requested the Central Chamber of Commerce's Arbitration Tribunal to impose a contractual penalty of EUR 4.5 million on Apetit Plc 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.

Because of the timetable for the process, the decision of the arbitration court in the case is not expected to be obtained until 2014.

USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

Authorisations to issue shares

The Board of Directors has not exercised the authorisation granted to it by the Annual General Meeting on 28 March 2013 to issue new shares or to transfer Apetit Plc shares held by the company.

SHARES AND TRADING

The number of Apetit Plc shares traded on the stock exchange during the January-September period was 567,499 (580,937), representing 9.0 per cent (9.2%) of the total number of shares. The euro-denominated share turnover was EUR 9.2 (8.5) million. The highest share price quoted was EUR 19.30 (16.77) and the lowest EUR 14.41 (12.38). The average price of shares traded was EUR 16.22 (14.63).

At the end of September, the market capitalisation totalled EUR 120.7 (86.9) million.

At the close of the third quarter, the company had in its possession a total of 130,000 of its own shares, with a combined nominal value of EUR 0.26 million. These treasury shares represent 2.1 per cent of the company's total number of shares and total number of votes.

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 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 level in Finland and other markets.

SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for the Apetit Group concern the following: the management of raw material price changes and currency risks; availability of raw materials; 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; the recovery of investment subsidies; and the integration processes following corporate acquisitions.

OUTLOOK FOR 2013

Net sales for 2013 are expected to show a year-on-year increase as a result of the Caternet acquisition made in 2012 and 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.

The 2013 consolidated operating profit, excluding non-recurring items, is expected to show an improvement on the 2012 figure especially due to the good profitability of the Frozen Foods business and the good result posted by the Other Operations segment.

A decision in the shareholder agreement dispute regarding Sucros is expected to be obtained in 2014. This will not affect the profit for the 2013 financial year, with the exception of non-recurring expert costs.

CONSOLIDATED INCOME STATEMENT

EUR million

	Q3 2013	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	Q1-Q4 2012
Net sales	**91.6**	92.7	**290.0**	263.2	378.2
Other operating income	**0.2**	1.0	**3.6**	1.9	2.5
Operating expenses	**-88.4**	-89.3	**-285.7**	-258.4	-368.6
Depreciation	**-1.8**	-1.8	**-5.4**	-5.1	-7.0
Impairments	**-2.0**	0.0	**-2.0**	0.0	-0.3
Share of profits of associated companies	**1.3**	1.2	**3.7**	1.8	3.7
Operating profit	**1.0**	3.8	**4.3**	3.4	8.5
Financial income and expenses	**1.7**	-0.1	**0.4**	-0.4	-1.0
Profit before taxes	**2.7**	3.8	**4.7**	3.0	7.5
Income taxes	**-0.3**	-0.5	**0.1**	-0.3	-0.8
Profit for the period	**2.5**	3.3	**4.9**	2.7	6.7
Attributable to					
Equity holders of the parent	**2.9**	3.2	**5.6**	2.7	6.6
Non-controlling interests	**-0.5**	0.1	**-0.8**	0.0	0.1
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	**0.48**	0.52	**0.91**	0.43	1.07

STATEMENT OF COMPREHENSIVE INCOME

EUR million

	Q3 2013	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	Q1-Q4 2012
Profit for the period	**2.5**	3.3	**4.9**	2.7	6.7
Other comprehensive income					
Items which may be reclassified subsequently to profit or loss:					
Cash flow hedges	**-0.1**	-0.1	**-0.6**	0.2	0.3
Taxes related to cash flow hedges	**0.1**	0.1	**0.1**	0.0	-0.1
Translation differences	**-0.3**	0.2	**-1.2**	0.7	0.7
Total comprehensive income	**2.1**	3.6	**3.2**	3.5	7.6
Attributable to					
Equity holders of the parent	**2.6**	3.5	**4.0**	3.5	7.6
Non-controlling interests	**-0.5**	0.1	**-0.8**	0.0	0.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	30 Sept 2013	30 Sept 2012	31 Dec 2012
ASSETS			
Non-current assets			
Intangible assets	**9.6**	11.0	10.6
Goodwill	**9.9**	12.1	12.1
Tangible assets	**46.5**	50.5	49.8
Investment in associated companies	**35.0**	33.6	35.5
Available-for-sale financial assets	**0.1**	0.1	0.1
Receivables	**0.4**	0.4	0.4
Deferred tax assets	**3.5**	2.7	2.5
Non-current assets total	**104.8**	110.3	111.0
Current assets			
Inventories	**61.5**	79.1	79.4
Receivables	**37.1**	42.3	36.9
Income tax receivable	**0.8**	0.5	0.4
Financial assets at fair value through profits	**0.1**		0.1
Cash and cash equivalents	**2.2**	13.4	5.2
Current assets total	**101.7**	135.3	122.0
Total assets	**206.5**	245.6	233.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	30 Sept 2013	30 Sept 2012	31 Dec 2012
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	**137.3**	134.3	138.4
Non-controlling interests	**1.9**	2.7	2.8
Total equity	**139.2**	137.0	141.2
Non-current liabilities			
Deferred tax liabilities	**5.4**	5.8	5.9
Long-term financial liabilities	**4.7**	6.4	5.6
Non-current provisions	**0.4**	0.0	0.4
Other non-current liabilities	**2.7**	7.8	7.5
Non-current liabilities total	**13.2**	20.0	19.5
Current liabilities			
Short-term financial liabilities	**16.4**	39.8	30.8
Income tax payable	**0.5**	1.3	0.2
Trade payables and other liabilities	**36.9**	47.2	41.2
Short-term provisions	**0.3**	0.3	0.1
Current liabilities total	**54.1**	88.6	72.3
Total liabilities	**67.2**	108.6	91.8
Total equity and liabilities	**206.5**	245.6	233.0

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012
Net profit for the period	**4.9**	2.7	6.7
Adjustments, total	**0.4**	5.2	5.4
Change in net working capital	**14.6**	-21.0	-24.2
Interests paid	**-1.2**	-1.7	-1.9
Interests received	**0.1**	0.1	0.2
Taxes paid	**-2.0**	-2.0	-2.3
Net cash flow from operating activities	**16.7**	-16.8	-16.1
Investments in tangible and intangible assets	**-2.1**	-2.9	-3.9
Proceeds from sales of tangible and intangible assets	**0.0**	0.1	0.1
Acquisition of subsidiaries deducted by cash		-6.1	-6.1
Purchases of other investments		-8.0	-8.0
Proceeds from sales of other investments		8.0	8.1
Dividends received from investing activities	**4.4**	1.1	1.0
Net cash flow from investing activities	**2.3**	-7.9	-8.8
Proceeds from and repayments of short-term loans	**-15.4**	39.5	29.2
Proceeds from and repayments of long-term loans	**-0.9**	-5.5	-3.0
Payments of finance lease liabilities	**-0.2**	-0.1	-0.2
Dividends paid	**-5.6**	-5.3	-5.3
Cash flows from financing activities	**-22.1**	28.7	20.8
Net change in cash and cash equivalents	**-3.0**	4.0	-4.1
Cash and cash equivalents at the beginning of the period	**5.2**	9.3	9.3
Cash and cash equivalents at the end of the period	**2.2**	13.4	5.2

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 = Adoption of IAS 19R
C = Revised shareholders' equity at 1 January
D = Dividend distribution
E = Transactions with NCI
F = Other changes
G = Total comprehensive income
H = Shareholders' equity at 30 Sept (previous year revised)

January - September 2013
EUR million

	A	B	C	D	E	F	G	H
Share capital			**12.6**					**12.6**
Share premium account			**23.4**					**23.4**
Net unrealised gains			**-0.2**				**-0.4**	**-0.6**
Other reserves			**7.2**					**7.2**
Own shares			**-1.8**					**-1.8**
Translation differences			**1.1**				**-1.2**	**-0.1**
Retained earnings			**96.0**	**-5.6**	**0.0**	**0.4**	**5.6**	**96.4**
Attributable to equity holders of the parent			**138.4**	**-5.6**	**0.0**	**0.4**	**4.0**	**137.3**
Non-controlling interests (NCI)			**2.8**				**-0.8**	**1.9**
Total equity			**141.2**	**-5.6**	**0.0**	**0.4**	**3.2**	**139.2**

January - September 2012
EUR million

	A	B	C	D	E	F	G	H
Share capital	12.6		12.6					12.6
Share premium account	23.4		23.4					23.4
Net unrealised gains	-0.4		-0.4				0.1	-0.3
Other reserves	7.2		7.2					7.2
Own shares	-1.8		-1.8					-1.8
Translation differences	0.4		0.4				0.7	1.1
Retained earnings	95.0	-0.2	94.8	-5.3	0.0	-0.2	2.7	92.0
Attributable to equity holders of the parent	136.5	-0.2	136.3	-5.3	0.0	-0.2	3.5	134.3
Non-controlling interests (NCI)	2.7		2.7				0.0	2.7
Total equity	139.2	-0.2	139.0	-5.3	0.0	-0.2	3.5	137.0

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2012.

Amendment to IAS 19 'Employee Benefits' eliminates the possibility to use the corridor approach and actuarial gains and losses relating to defined benefit obligations are recognised in the statement of other comprehensive income as they occur. Net interest cost has replaced interest expense and expected return on plan assets. Cost relating to work performed during the period is presented in employment expenses, while net interest is presented in the financing expenses. Previously all defined benefit obligation expenses were presented in the employment expenses. The amendment has been applied retrospectively on the opening balance sheet 2012. Application has increased Group's defined benefit liability by EUR 0.3 million, deferred tax assets by EUR 0.1 million and decreased retained earnings by EUR 0.2 million.

Amendment to IAS 1 'Presentation of Financial Statements' affected the presentation of the statement of other comprehensive income.

SEGMENT INFORMATION

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

Operating segments,
January - September 2013
EUR million

	A	B	C	D	E
Total segment sales	**35.6**	**77.4**	**157.7**	**23.6**	**294.3**
Intra-group sales	**-0.1**	**-2.0**	**0.0**	**-2.2**	**-4.3**
Net sales	**35.5**	**75.4**	**157.7**	**21.4**	**290.0**
Share of profits of associated companies included in operating profit		**0.5**		**3.3**	**3.7**
Operating profit	**1.9**	**-3.0**	**3.8**	**1.6**	**4.3**
Gross investments in non-current assets	**0.3**	**0.6**	**0.7**	**0.5**	**2.1**
Corporate acquisitions and other share purchases					
Depreciations	**1.8**	**1.4**	**0.6**	**1.6**	**5.4**
Impairments		**2.0**		**0.0**	**2.0**
Personnel	**195**	**354**	**72**	**153**	**774**

Goodwill impairment testing for the Finnish Seafood business has been carried out, and as a result, a non-recurring impairment of EUR 2.0 million has been recognised in the Finnish Seafood business for the third quarter. As a result of the impairment, the goodwill of the Finnish Seafood business, EUR 1.5 million, was impaired in full, in addition to which an impairment of EUR 0.4 million was recognised in tangible and intangible assets.

Operating segments,
January - September 2012
EUR million

	A	B	C	D	E
Total segment sales	34.9	64.7	149.1	17.1	265.8
Intra-group sales	-0.1	-0.9	0.0	-1.6	-2.6
Net sales	34.0	64.6	149.1	15.6	263.2
Share of profits of associated companies included in operating profit		0.3		1.6	1.8
Operating profit	1.1	-0.6	4.4	-1.5	3.4
Gross investments in non-current assets	1.7	0.6	0.3	0.3	2.9
Corporate acquisitions and other share purchases				8.5	8.5
Depreciations	1.8	1.5	0.6	1.3	5.1
Impairments		0.0			0.0
Personnel	190	343	70	98	702

Operating segments,
January - December 2012
EUR million

	A	B	C	D	E
Total segment sales	46.9	93.0	215.8	26.7	382.4
Intra-group sales	-0.2	-1.5	0.0	-2.5	-4.2
Net sales	46.7	91.5	215.7	24.3	378.2
Share of profits of associated companies included in operating profit		0.0		3.7	3.7
Operating profit	2.6	-0.4	6.5	-0.1	8.5
Gross investments in non-current assets	1.8	1.1	0.5	0.6	3.9
Corporate acquisitions and other share purchases				9.7	9.7
Depreciations	2.4	1.9	0.9	1.8	7.0
Impairments	0.0	0.1		0.2	0.3
Personnel	195	345	70	111	721

KEY INDICATORS

	30 Sept 2013	30 Sept 2012	31 Dec 2012
Shareholders' equity per share, EUR	**22.19**	21.40	22.37
Equity ratio, %	**67.4**	55.8	60.6
Gearing, %	**13.5**	23.9	22.0
Gross investments in non-current assets, EUR million	**2.1**	2.9	3.9
Corporate acquisitions and other share purchases, EUR million		8.5	9.7
Average number of personnel	**774**	702	721
Average number of shares, 1,000 pcs	**6188**	6188	6188

The key figures in this Interim Report are calculated with same accounting principles than presented in the 2012 annual financial statements.

COLLATERALS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND OTHER COMMITMENTS

EUR million

	30 Sept 2013	30 Sept 2012	31 Dec 2012
Mortgages given for debts			
Real estate and corporate mortgages	**2.4**	2.7	2.7
Guarantees	**10.2**	11.5	10.9
Non-cancellable other leases, minimum lease payments			
Real estate leases	**6.8**	7.4	6.6
Other leases	**0.9**	1.2	1.4
DERIVATIVE INSTRUMENTS			
Outstanding nominal values of derivate instruments			
Interest rate swaps	**4.8**	6.0	5.4
Forward currency contracts	**8.6**	9.3	9.3
Commodity derivative instruments	**21.0**	47.0	9.3
CONTINGENT ASSETS			
The present value of proceeds from the sale of shares in the joint entry account	**0.7**	0.7	0.7

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 EUR 2.6 (4.7) million 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, Apetit decided to take its dispute with Nordic Sugar concerning breaches of shareholder agreement to arbitration. According to Apetit, 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 totaling about EUR 8.9 million. Therefore the penalty could total a maximum of nearly EUR 27 million.

Nordic Sugar expressed the view that Apetit 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 Apetit to pay a contractual penalty of EUR 4.5 million. Apetit'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. Expenses arising from litigation will be recognised as expenses on an accrual basis.

At the beginning of November 2012, Caternet Finland Oy has received a decision from the Uusimaa Centre for Economic Development, Transport and the Environment regarding a claim for recovery of investment support that was granted to Caternet's Kivikko plant in 2008-2009. The claim for recovery is due to the change of ownership of the company's share capital on 27 March 2012. Caternet Finland Oy considered the claim for recovery to be unfounded and decided to appeal against the decision on the claim for recovery. The Rural Businesses Appeals Board has dismissed the company's appeal and retained in force the recovery decision of the Uusimaa Centre for Economic Development, Transport and the Environment.
The company has appealed against the decision now issued and is consequently submitting a further appeal to the Supreme Administrative Court. The claim for recovery of the support will not be executed before the Supreme Administrative Court has dealt with the case and issued its judgement. If the decision regarding the claim for recovery is not rescinded, the cost impact of this is estimated to be EUR 1.3 million.

ADDITIONAL PURCHASE PRICE

In the terms for acquiring Caternet Finland Oy it was agreed that the price would include a variable element comprising an additional purchase price of EUR 0-6 million, which would be tied to the operating profit for 2012-2013. The initial estimate of the additional purchase price, which was EUR 3.7 million, was reduced in 2012 by EUR 1.2 million in regard to the element tied to the operating profit for 2012. During the review period in regard to the element tied to the operating profit for 2013 EUR 2.6 million has been recognised as income under other operating income in the operating profit for Other Operations.

CHANGES IN TANGIBLE ASSETS

EUR million

	30 Sept 2013	30 Sept 2012	31 Dec 2012
Book value at the beginning of the period	**49.8**	37.5	37.5
Additions	**1.8**	2.6	3.5
Additions through acquisitions		14.2	14.2
Disposals	**-0.1**	0.0	0.0
Depreciations and impairments	**-4.6**	-4.0	-5.5
Other changes	**-0.4**	0.3	0.2
Book value at the end of the period	**46.5**	50.5	49.8

TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT VENTURES

EUR million

	Q1-Q3 2013	Q1-Q3 2012	Q1-Q4 2012
Sales to associated companies	**0.3**	0.4	1.7
Sales to joint ventures		6.5	8.6
Purchases from associated companies	**7.2**	9.8	13.1
Purchases from joint ventures		0.0	0.0

	30 Sept 2013	30 Sept 2012	31 Dec 2012
Trade receivables and other receivables from associated companies	**0.5**	0.6	0.7
Trade receivables and other receivables from joint ventures		1.2	0.5
Trade payables and other liabilities to associated companies	**1.1**	0.0	0.0
Trade payables and other liabilities to joint ventures		0.0	0.0

In Espoo, 6 November 2013
APETIT PLC
Board of Directors