Apetit

Apetit Plc Interim Report, January-June 2013

Second quarter (April-June):

- Consolidated net sales amounted to EUR 98.4 (91.0) million, up by about 8 per cent.
- Operating profit, excluding non-recurring items, was EUR 2.4 (0.3) million; non-recurring items totalled EUR -0.3 (-0.2) million.
- The profit for the period was EUR 1.7 (0.0) million, and earnings per share came to EUR 0.28 (0.01).

January-June:

- Consolidated net sales amounted to EUR 198.4 (170.5) million, up by about 16 per cent.
- Operating profit, excluding non-recurring items, was EUR 3.8 (-0.2) million; non-recurring items totalled EUR -0.5 (-0.2) million.
- The profit for the period was EUR 2.4 (-0.6) million, and earnings per share came to EUR 0.44 (-0.09).

The estimate of full-year profit performance has been updated.

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:

“In the first six months of 2013, net sales were up in all segments, and growth was robust especially in the Seafood business and in the Grains and Oilseeds business. Operating profit, excluding non-recurring items, was also up considerably year on year due to the strong result posted by the Other Operations segment. Despite the strong growth in net sales, the operating profit of the Frozen Foods, Seafood and Grains and Oilseeds businesses, excluding non-recurring items, was at the previous year’s level in each case. Earnings per share rose to EUR 0.44.

“Domestic content still appeals to consumers. In Frozen Foods, sales of the Apetit Kotimainen range were up by 13 per cent during the first six months in comparison with the same period in the previous year.

“In the second half of the year, we will continue the restructuring project, which will look 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 food solution and to be the preferred partner for our customers. The restructuring project aims at boosting growth and enhancing profitability.”

KEY FIGURES

EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	98.4	91.0	8%	198.4	170.5	16%	378.2
Operating profit, excluding non-recurring items	2.4	0.3		3.8	-0.2		8.8
Operating profit	2.1	0.2		3.3	-0.4		8.5
Profit before taxes	1.3	-0.1		2.0	-0.8		7.5
Profit for the period	1.7	0.0		2.4	-0.6		6.7
Earnings per share, EUR	0.28	0.01		0.44	-0.09		1.07

NET SALES AND PROFIT

Second quarter (April-June):

The Group's second-quarter net sales grew by over 8 per cent year on year, and were EUR 98.4 million. Net sales remained at the same level in the Frozen Foods business, increased substantially in the Seafood business, increased in the Grains and Oilseeds business, and decreased in the Other Operations segment.

Consolidated operating profit, excluding non-recurring items, was EUR 2.4 (0.3) million. Non-recurring items totalled EUR -0.3 (-0.2) million. The non-recurring items in the period were from the Other Operations segment. The operating profit, excluding non-recurring items, for the Frozen Foods and the Grains and Oilseeds businesses was down year on year. The operating profit, excluding non-recurring items, for the Seafood business was at the same level as a year earlier. The operating profit for the Other Operations segment was significantly better than in the same period of 2012. The operating profit includes EUR 1.9 (0.3) million as the share of the profits of associated companies and EUR 1.5 (0.4) million as the reduction of the additional purchase price, which is recognised under other operating income.

January-June:

Consolidated net sales for January-June came to EUR 198.4 million. Net sales were up by over 16 per cent compared with the same period a year earlier. The growth in net sales was attributable to the Seafood business, the Grains and Oilseeds business and the Other Operations segment.

The operating profit, excluding non-recurring items, was EUR 3.8 (-0.2) million. Non-recurring items totalled EUR -0.5 (-0.2) million during the period and were from the Other Operations segment. The operating profit includes EUR 2.4 (0.6) million as the share of the profits of associated companies and EUR 2.6 (0.4) million as the reduction of the additional purchase price, which is recognised under other operating income. In 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 -1.3 (-0.4) million. This includes valuation items of EUR -0.8 (0.2) million with no cash flow implications. Financial expenses also include EUR -0.3 (-0.3) million as the share of the Avena Nordic Grain Group's profit attributable to the employee owners of Avena Nordic Grain Oy.

Profit before taxes was EUR 2.0 (-0.8) million. The profit for the period was EUR 2.4 (-0.6) million, and earnings per share amounted to EUR 0.44 (-0.09).

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 35.5 (16.4) million in January-June. The impact of the change in working capital was EUR 35.5 (16.7) million.

The net cash flow from investing activities was EUR -1.1 (-9.1) million. Deposits and withdrawals of cash assets invested in short-term fixed income funds had an impact of EUR 0.0 (-1.0) million on the net cash flow from investing activities. The cash flow from financing activities was EUR -36.4 (-7.6) million, including EUR -30.7 (-2.3) million in loan repayments and EUR -5.6 (-5.3) million in dividend payments. The net change in cash and cash equivalents was EUR -2.0 (-0.3) million.

At the end of the period, the Group had EUR 6.4 (10.3) million in interest-bearing liabilities and EUR 3.3 (10.1) million in liquid assets. Net interest-bearing liabilities totalled EUR 3.2 (0.2) million. The consolidated balance sheet total stood at EUR 187.4 (187.3) million. At the end of the period, shareholders' equity amounted to EUR 137.0 (133.5) million. The equity ratio was 73.1 per cent (71.3%). The Group's liquidity is secured with committed credit facilities; a total of EUR 25 (23) million was available in credit at the end of the second quarter.

INVESTMENT

Investment in non-current assets during January-June totalled EUR 1.3 (2.3) million.

PERSONNEL

The Group employed an average of 764 (659) 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	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	11.5	11.6	-1%	24.8	24.4	2%	46.9
Operating profit, excluding non-recurring items	-0.1	0.1		0.4	0.3		2.6
Operating profit	-0.1	0.1		0.4	0.3		2.6

Second quarter (April-June):

The second-quarter net sales of Frozen Foods were at the same level as in the same quarter a year earlier. Sales to retailers and the professional food service sector were almost unchanged, sales to the food industry were down slightly, and exports were up year on year.

The second-quarter operating profit, excluding non-recurring items, was down year on year. Raw material costs were up due to higher transportation costs as a result of the slightly weak potato and carrot crop. The increases in product prices to compensate for the rise in costs will be made at a later date because of customers' long pricing periods.

January-June:

Net sales in January-June were slightly higher than a year earlier. Sales to retailers and exports increased, sales to the professional food service sector were almost unchanged, and sales to the food industry were down year on year.

By product group, sales of frozen ready meals grew the most. In frozen ready meals, year-on-year growth occurred particularly in sales of gratin products, vegetable patties and fish balls under the Apetit brand. Sales of Apetit frozen vegetables and frozen potato products also grew slightly, while sales of frozen pizzas were down. Sales of the Apetit Kotimainen range grew by 13 per cent in comparison with the same period a year earlier.

The January-June operating profit, excluding non-recurring items, was up slightly on the previous year's level.

The spring field work was started later than usual, but warm weather in the early summer accelerated plant growth to such an extent that the harvesting of spinach was started at the normal time, and pea threshing was started a few days earlier than normal. Apetit contract growers' plants are growing at a good rate on average, and the crops that have been harvested so far have met the quality and quantity targets.

During the autumn, new products in the Apetit Kotimainen range will become available to consumers, and will include Kotimainen beetroot gratin, Kotimainen cream of fresh pea soup, and Kotimainen pea patties. Among existing products, lactose-free spinach soup and frozen root vegetables for soups will be added to the Kotimainen range.

The average number of personnel in Frozen Foods during the period was 189 (179).

Investment during the period totalled EUR 0.1 (1.5) million. The investment was in equipment that allows Finnish leeks to be processed and in renovation projects for the frozen foods factory.

Seafood

EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	26.6	21.5	23%	51.7	41.7	24%	93.0
Operating profit, excluding non-recurring items	0.0	0.0		-0.9	-0.8		-0.4
Operating profit	0.0	0.0		-0.9	-0.8		-0.4

Second quarter (April-June):

The second-quarter net sales in the Seafood business were up substantially compared with the same quarter a year earlier. This increase occurred in Finland and Sweden, while in Norway sales remained unchanged. 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 products in Sweden.

Seafood's second-quarter operating profit, excluding non-recurring items, was about the same as a year earlier. The share of the profit of associated companies was EUR 0.3 (0.1) million. The operating profit took account of a change in the fair value of currency hedges, amounting to EUR 0.1 (0.1) million. The profitability of the Finnish Seafood business declined on the previous year. The unfavourable relationship between raw material prices and sales prices of end products, which had begun in the first quarter, continued during the second quarter of the year. Essential price increases will continue to be applied during the autumn. The profitability of the Seafood business in Norway and Sweden continued to improve year on year in the second quarter.

January-June:

January-June net sales in the Seafood business were up considerably year on year. The net sales of the Seafood business were up in Finland, Norway and Sweden.

The January-June operating profit for the Seafood business, excluding non-recurring items, was down slightly year on year. The share of the profit of associated companies was EUR 0.1 (0.0) million.

The product range of the Seafood business is being renewed in Finland. In early September, the Apetit Perinteinen seafood product range for consumers will be launched. The products in this range are always prepared from fresh fish using traditional methods. Raw pickled products and cold-smoked products are surface salted with sea salt, and the smoking process uses Finnish alder wood.

The average number of personnel in the Seafood business during the period was 352 (342).

Investment in the Seafood business totalled EUR 0.3 (0.4) million. The main investment items during the period were replacement investments at different production plants in Finland. In Norway and Sweden, investment focused mainly on efficiency improvement and the renewal of the enterprise resource planning system.

Grains and Oilseeds

EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	53.8	50.4	7%	108.7	96.9	12%	215.8
Operating profit, excluding non-recurring items	0.9	1.1		2.6	2.5		6.5
Operating profit	0.9	1.1		2.6	2.5		6.5

Second quarter (April-June):

In the Grains and Oilseeds business, second-quarter net sales were up and operating profit, excluding non-recurring items, was down compared with the same period a year earlier. Less grain was delivered, but at a higher price compared with the same period a year earlier. The lacklustre sales volume of the grain trade was mainly due to the subdued nature of the international grain market owing to the expectations of good new crops and falling market prices in various parts of the world. The sales volume of vegetable oil products was up year on year. Sales of packaged vegetable oils, in particular, were up during the second quarter in comparison with the corresponding period in 2012.

The relative profitability of the grain trade fell short of the same period a year earlier. The improvement in the price ratio between vegetable oil raw materials and expeller, which began during the first quarter, enhanced the profitability of oilseed products in the second quarter as well.

January-June:

Net sales in January-June were up and the operating profit, excluding non-recurring items, was on a par with the same period a year earlier. International grain trading slackened off during the second quarter and global market prices started to decline.

The crop outlook is good in Europe and elsewhere in the world. The grain and oilseeds crops of the EU 28 countries are forecast to be larger than in 2012. Crops are expected to be larger in Russia and Ukraine as well.

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

Investment during January-June totalled EUR 0.5 (0.2) million, and was mainly investment in improvement of operations and replacements at the vegetable oil mill.

Other Operations

EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	7.9	8.4	-7%	15.9	8.9	79 %	26.7
Operating profit, excluding non-recurring items	1.6	-0.8		1.7	-2.2		0.2
Operating profit	1.3	-1.0		1.2	-2.4		-0.1

Second quarter (April-June):

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.

Net sales in the second quarter were down year on year. Caternet Finland Oy's net sales were lower than in the same period of 2012. Finland's uncertain economic situation is reflected in the professional food service sector as a reduction in the number of diners and meals sold. According to statistics collected by the food service sector, the number of portions sold in staff restaurants in the first three months of the year declined by nearly 10 per cent compared with the same period a year earlier, which correspondingly affects the delivery volumes of professional food service partners, such as Caternet.

The segment's second-quarter operating profit, excluding non-recurring items, was an improvement on the same period a year earlier. The operating profit includes EUR 1.5 (0.2) million as the share of the profits of associated companies. Non-recurring items amounted to EUR -0.3 (-0.2) million and comprised expenses paid to external consultants in the arbitration court case concerning the shareholder agreement dispute between Apetit Plc and Nordic Sugar. Caternet's operative profitability was unsatisfactory during the second quarter due to the decline in sales, high raw material prices and the temporary availability problems in vegetable raw materials caused by the late spring in Central Europe. A sum of EUR 1.5 (0.4) million under the terms of the acquisition of Caternet Finland Oy 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 2013. According to the updated estimate, the additional purchase price is not expected to be realised on the basis of the operating profit for 2013.

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 considers the claim for recovery to be unfounded and decided to appeal against the decision regarding the claim for recovery. The Rural Businesses Appeals Board has dismissed the company's appeal and upheld 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. The 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.

January-June:

Net sales in January-June were significantly higher than a year earlier. For the January-June 2012 comparison period, Caternet's net sales figures are only given for the second quarter, because Caternet was not included in Other Operations until the end of March 2012.

The January-June operating profit, excluding non-recurring items, was significantly better than a year earlier. The share of the profits of associated companies amounted to EUR 2.3 (0.6) million. Non-recurring items amounted to EUR -0.5 (-0.2) 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 profit takes into account EUR 2.6 (0.4) million recognised as income in association with the additional purchase price of Caternet Finland Oy. In January-June of the previous year, the result 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 (68). The year-on-year increase was mainly 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 0.4 (0.2) million and was mainly in Caternet Finland Oy's production facilities and equipment and in the Group's IT projects.

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 will be obtained no sooner than at the end of 2013.

DECISIONS OF THE ANNUAL GENERAL MEETING

Dividend distribution

The Annual General Meeting of Apetit Plc, held on 26 March 2013, decided to distribute a dividend of EUR 0.90 per share from the profits of the 2012 financial year, in accordance with the proposal of the Board of Directors. A total of EUR 5.6 million was paid out in dividends on 9 April 2013.

The other decisions of the Annual General Meeting are given in more detail in the stock exchange release dated 26 March 2013 and in the Interim Report published on 8 May 2013.

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-June period was 428,025 (475,239), representing 6.8 per cent (7.5%) of the total number of shares. The euro-denominated share turnover was EUR 6.7 (7.1) million. The highest share price quoted was EUR 17.00 (16.77) and the lowest EUR 14.41 (12.38). The average price of shares traded was EUR 15.70 (14.95).

At the end of June, the market capitalisation totalled EUR 105.2 (83.8) million.

At the close of the second 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.

CORPORATE ADMINISTRATION AND AUDITORS

At its organisational meeting on 16 April 2013, Apetit Plc's Supervisory Board appointed Timo Miettinen as chairman and Marja-Liisa Mikola-Luoto as deputy chairman of the Supervisory Board.

Aappo Kontu, Tuomo Lähdesmäki, Veijo Meriläinen, Samu Pere, Matti Tikkakoski and Helena Walldén were appointed as members of the company's Board of Directors. Aappo Kontu was appointed as chairman of the Board of Directors and Veijo Meriläinen as deputy chairman.

Matti Tikkakoski requested to be released from membership of Apetit Plc's Board of Directors due to other obligations as of 4 May 2013.

Hannu Pellinen, APA, and PricewaterhouseCoopers Oy Authorised Public Accountants, with Tomi Moisio, APA, CPFA as responsible auditor, were appointed as auditors for Apetit Plc by the Annual General Meeting on 26 March 2013.

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 business 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 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. The third-quarter operating profit, excluding non-recurring items, is not expected to reach the level of the exceptionally strong corresponding period in 2012, due to the more moderate profit expectations for the Grains and Oilseeds business and for the associated company Sucros.

The 2013 result could also be affected significantly by the outcome of the shareholder agreement dispute concerning Sucros, if a solution is reached during 2013.

CONSOLIDATED INCOME STATEMENT

EUR million

	Q2 2013	Q2 2012	**Q1-Q2 2013**	Q1-Q2 2012	Q1-Q4 2012
Net sales	**98.4**	91.0	**198.4**	170.5	378.2
Other operating income	**1.8**	0.6	**3.4**	0.9	2.5
Operating expenses	**-98.1**	-90.0	**-197.3**	-169.1	-368.6
Depreciation	**-1.8**	-1.8	**-3.7**	-3.3	-7.0
Impairments	**0.0**	0.0	**0.0**	0.0	-0.3
Share of profits of associated companies	**1.9**	0.3	**2.4**	0.6	3.7
Operating profit	**2.1**	0.2	**3.3**	-0.4	8.5
Financial income and expenses	**-0.8**	-0.3	**-1.3**	-0.4	-1.0
Profit before taxes	**1.3**	-0.1	**2.0**	-0.8	7.5
Income taxes	**0.4**	0.1	**0.4**	0.2	-0.8
Profit for the period	**1.7**	0.0	**2.4**	-0.6	6.7
Attributable to					
Equity holders of the parent	**1.7**	0.0	**2.7**	-0.5	6.6
Non-controlling interests	**0.0**	0.0	**-0.3**	-0.1	0.1
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	**0.28**	0.01	**0.44**	-0.09	1.07

STATEMENT OF COMPREHENSIVE INCOME

EUR million

	Q2 2013	Q2 2012	**Q1-Q2 2013**	Q1-Q2 2012	Q1-Q4 2012
Profit for the period	**1.7**	0.0	**2.4**	-0.6	6.7
Other comprehensive income					
Items which may be reclassified subsequently to profit or loss:					
Cash flow hedges	**-0.3**	0.6	**-0.4**	0.3	0.3
Taxes related to cash flow hedges	**0.0**	-0.1	**0.1**	-0.1	-0.1
Translation differences	**-0.6**	0.2	**-0.9**	0.4	0.7
Total comprehensive income	**0.8**	0.7	**1.1**	0.0	7.6
Attributable to					
Equity holders of the parent	**0.8**	0.7	**1.4**	0.1	7.6
Non-controlling interests	**0.0**	0.0	**-0.3**	-0.1	0.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	30 June 2013	30 June 2012	31 Dec 2012
ASSETS			
Non-current assets			
Intangible assets	**10.0**	11.3	10.6
Goodwill	**11.6**	11.9	12.1
Tangible assets	**47.6**	51.2	49.8
Investment in associated companies	**37.8**	33.2	35.5
Available-for-sale financial assets	**0.1**	0.1	0.1
Receivables	**0.4**	0.4	0.4
Deferred tax assets	**3.3**	2.4	2.5
Non-current assets total	**110.7**	110.5	111.0
Current assets			
Inventories	**40.3**	40.1	79.4
Receivables	**31.9**	26.0	36.9
Income tax receivable	**1.0**	0.7	0.4
Financial assets at fair value through profits	**0.1**	1.0	0.1
Cash and cash equivalents	**3.2**	9.1	5.2
Current assets total	**76.6**	76.8	122.0
Total assets	**187.4**	187.3	233.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	30 June 2013	30 June 2012	31 Dec 2012
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	**134.6**	130.9	138.4
Non-controlling interests	**2.4**	2.6	2.8
Total equity	**137.0**	133.5	141.2
Non-current liabilities			
Deferred tax liabilities	**5.3**	5.7	5.9
Long-term financial liabilities	**4.8**	1.9	5.6
Non-current provisions	**0.4**	0.4	0.4
Other non-current liabilities	**5.0**	7.4	7.5
Non-current liabilities total	**15.5**	15.4	19.5
Current liabilities			
Short-term financial liabilities	**1.7**	8.4	30.8
Income tax payable	**0.4**	0.5	0.2
Trade payables and other liabilities	**32.5**	29.3	41.2
Short-term provisions	**0.3**	0.2	0.1
Current liabilities total	**34.9**	38.5	72.3
Total liabilities	**50.4**	53.8	91.8
Total equity and liabilities	**187.4**	187.3	233.0

CONSOLIDATED STATEMENT OF CASH FLOWS
EUR million

	Q1-Q2 2013	Q1-Q2 2012	Q1-Q4 2012
Net profit for the period	**2.4**	-0.6	6.7
Adjustments, total	**0.1**	3.4	5.4
Change in net working capital	**35.5**	16.7	-24.2
Interests paid	**-1.1**	-1.5	-1.9
Interests received	**0.1**	0.0	0.2
Taxes paid	**-1.5**	-1.6	-2.3
Net cash flow from operating activities	**35.5**	16.4	-16.1
Investments in tangible and intangible assets	**-1.3**	-2.3	-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		-4.0	-8.0
Proceeds from sales of other investments		3.0	8.1
Dividends received from investing activities	**0.2**	0.2	1.0
Net cash flow from investing activities	**-1.1**	-9.1	-8.8
Proceeds from and repayments of short-term loans	**-29.9**	2.0	29.2
Proceeds from and repayments of long-term loans	**-0.8**	-4.3	-3.0
Payments of finance lease liabilities	**-0.1**	-0.1	-0.2
Dividends paid	**-5.6**	-5.3	-5.3
Cash flows from financing activities	**-36.4**	-7.6	20.8
Net change in cash and cash equivalents	**-2.0**	-0.3	-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	**3.2**	9.1	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 June (previous year revised)

January - June 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**				**-0.3**	**-0.5**
Other reserves			**7.2**					**7.2**
Own shares			**-1.8**					**-1.8**
Translation differences			**1.1**				**-0.9**	**0.2**
Retained earnings			**96.0**	**-5.6**	**0.0**	**0.2**	**2.7**	**93.3**
Attributable to equity holders of the parent			**138.4**	**-5.6**	**0.0**	**0.2**	**1.5**	**134.6**
Non-controlling interests (NCI)			**2.8**				**-0.4**	**2.4**
Total equity			**141.2**	**-5.6**	**0.0**	**0.2**	**1.1**	**137.0**

January - June 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				0.2	-0.2
Other reserves	7.2		7.2					7.2
Own shares	-1.8		-1.8					-1.8
Translation differences	0.4		0.4				0.3	0.8
Retained earnings	95.0	-0.2	94.8	-5.3	-0.2	0.0	-0.5	88.8
Attributable to equity holders of the parent	136.5	-0.2	136.3	-5.3	-0.2	0.0	0.0	130.9
Non-controlling interests (NCI)	2.7		2.7		0.0		-0.1	2.6
Total equity	139.2	-0.2	139.0	-5.3	-0.1	0.0	-0.1	133.5

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

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

Operating segments,
January - June 2013
EUR million

	A	B	C	D	E
Total segment sales	**24.8**	**51.7**	**108.7**	**15.9**	**201.0**
Intra-group sales	**-0.1**	**-1.1**	**0.0**	**-1.3**	**-2.6**
Net sales	**24.7**	**50.5**	**108.6**	**14.6**	**198.4**
Share of profits of associated companies included in operating profit		**0.1**		**2.3**	**2.4**
Operating profit	**0.4**	**-0.9**	**2.6**	**1.2**	**3.3**
Gross investments in non-current assets	**0.1**	**0.3**	**0.5**	**0.4**	**1.3**
Corporate acquisitions and other share purchases					
Depreciations	**1.2**	**1.0**	**0.4**	**1.1**	**3.7**
Impairments		**0.0**		**0.0**	**0.0**
Personnel	**189**	**352**	**70**	**153**	**764**

Operating segments,
January - June 2012
EUR million

	A	B	C	D	E
Total segment sales	24.4	41.7	96.9	8.9	171.8
Intra-group sales	0.0	-0.5	0.0	-0.9	-1.4
Net sales	24.3	41.2	96.9	8.0	170.5
Share of profits of associated companies included in operating profit		0.0		0.6	0.6
Operating profit	0.3	-0.8	2.5	-2.4	-0.4
Gross investments in non-current assets	1.5	0.4	0.2	0.2	2.3
Corporate acquisitions and other share purchases				9.7	9.7
Depreciations	1.2	1.0	0.4	0.7	3.3
Impairments		0.0			0.0
Personnel	179	342	70	68	659

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 June 2013	30 June 2012	31 Dec 2012
Shareholders' equity per share, EUR	**21.80**	21.15	22.37
Equity ratio, %	**73.1**	71.3	60.6
Gearing, %	**2.3**	0.1	22.0
Gross investments in non-current assets, EUR million	**1.3**	2.3	3.9
Corporate acquisitions and other share purchases, EUR million		9.7	9.7
Average number of personnel	**764**	659	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 June 2013	30 June 2012	31 Dec 2012
Mortgages given for debts			
Real estate and corporate mortgages	**2.5**	3.3	2.7
Guarantees	**10.4**	12.6	10.9
Non-cancellable other leases, minimum lease payments			
Real estate leases	**6.0**	6.2	5.8
Other leases	**1.0**	1.0	1.4
DERIVATIVE INSTRUMENTS			
Outstanding nominal values of derivate instruments			
Interest rate swaps	**4.8**	6.0	5.4
Forward currency contracts	**8.3**	11.2	9.3
Commodity derivative instruments	**7.1**	28.5	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 4.8 (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 group decided to take its dispute with Nordic Sugar concerning breaches of shareholder agreement to arbitration. According to Apetit group, 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 group 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 group 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 June 2013	30 June 2012	31 Dec 2012
Book value at the beginning of the period	**49.8**	37.5	37.5
Additions	**1.1**	2.1	3.5
Additions through acquisitions		14.2	14.2
Disposals	**0.0**	0.0	0.0
Depreciations and impairments	**-2.8**	-2.6	-5.5
Other changes	**-0.5**	0.0	0.2
Book value at the end of the period	**47.6**	51.2	49.8

TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT VENTURES
EUR million

	Q1-Q2 2013	Q1-Q2 2012	Q1-Q4 2012
Sales to associated companies	**0.2**	0.3	1.7
Sales to joint ventures		4.3	8.6
Purchases from associated companies	**6.1**	6.9	13.1
Purchases from joint ventures		0.0	0.0

	30 June 2013	30 June 2012	31 Dec 2012
Long-term receivables from joint ventures		0.0	
Trade receivables and other receivables from associated companies	**0.5**	0.1	0.7
Trade receivables and other receivables from joint ventures		0.8	0.5
Trade payables and other liabilities to associated companies	**1.9**	1.1	0.0
Trade payables and other liabilities to joint ventures		0.0	0.0

Espoo, 14 August 2013

APETIT PLC

Board of Directors