Apetit Plc Interim Report, January-March 2014

First quarter (January-March)

- Consolidated net sales in the first quarter amounted to EUR 88.9 (100.0) million, down 11 per cent on the same quarter in 2013.
- Operating profit excluding non-recurring items came to EUR -0.2 (1.3) million, and the reported operating profit was EUR -0.7 (1.2) million.
- Profit for the period was EUR -1.2 (0.7) million, and earnings per share amounted to EUR -0.14 (0.16).
- The company's estimate of its full-year profit performance for 2014 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 2013 and the comparison period means the corresponding quarter of the previous year, unless stated otherwise.

Veijo Meriläinen, CEO:

"Net sales and the operating profit excluding non-recurring items for the first quarter were down on the previous year's figures. The operating profit excluding non-recurring items was unsatisfactory, with a year-on-year decline. In the Grains and Oilseeds Business there was an improvement in profitability as a result of our focused efforts on oilseed product raw material purchasing, highly refined vegetable oils and our Finnish vegetable oil products. In Food Business, the profitability of our fish product group and fresh product group in Finland was poor and suffered from a year-on-year decrease in sales. The result for the associated company Sucros, which is part of Other Operations, was adversely affected by the declining market price of sugar and by the exceptionally large post adjustment items for transfer prices in the period.

During the first quarter we launched profitability improvement programmes in fish product group and fresh product group, and took the decision to introduce one-off savings measures in Finland in 2014 in the form of temporary lay-offs of white-collar personnel and other savings in overheads.

Our chosen strategic goals will support Apetit's success in the current market conditions too. The goal in the Food Business is to achieve a significant improvement in profitability, strengthen the Apetit brand and significantly increase its share of the food eaten by Finnish consumers. In the Food Business we aim to ensure that the Apetit brand is the preferred food solution for consumers who value wellbeing. In the Grains and Oilseeds Business, we want to lead the way in grain trading in the Baltic region and to be an innovator in edible oils."

KEY FIGURES

EUR million	Q1/2014	Q1/2013	Change	2013
Net sales	88.9	100.0	-11%	387.3
Operating profit excl. non-recurring items	-0.2	1.3		12.2
Operating profit	-0.7	1.2		9.4
Profit before taxes	-1.0	0.7		9.3
Profit for the period	-1.2	0.7		9.3
Earnings per share, EUR	-0.14	0.16		1.63

NET SALES AND PROFIT

First quarter (January-March)

Consolidated net sales for the first quarter amounted to EUR 88.9 (100.0) million, down by 11 per cent on the comparison period. Net sales in the Food Business and in the Grains and Oilseeds Business were down year on year.

The first-quarter operating profit excluding non-recurring items was EUR -0.2 (1.3) million. In the Food Business and in Other Operations, the operating profit excluding non-recurring items was down from the previous year. The Food Business operating profit in the comparison period included EUR 1.1 million recognised as income in association with the additional purchase price of Caternet Finland Oy. In the Grains and Oilseeds Business, the profit excluding non-recurring items was up on the comparison period. Non-recurring items totalled EUR -0.4 (-0.2) million and were related to the Other Operations segment.

The operating profit includes EUR -0.3 (0.6) million as the share of the profits of associated companies.

Financial income and expenses came to a total of EUR -0.3 (-0.5) million in the first quarter. This includes valuation items of EUR 0.1 (-0.1) million with no cash flow implications. The valuation items included EUR 0.1 (-0.1) million in changes in foreign exchange rates for internal loans to the Maritim Food Group. Financial expenses also included EUR -0.3 (-0.2) 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 -1.0 (0.7) million, and taxes on the profit for the period came to EUR -0.2 (-0.0) million. The profit for the period was EUR -1.2 (0.7) million, and earnings per share amounted to EUR -0.14 (0.16).

CASH FLOWS, FINANCING AND BALANCE SHEET

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

The first-quarter cash flow from operating activities after interest and taxes amounted to EUR 6.4 (10.6) million. The impact of the change in working capital was EUR 5.8 (8.4) million. There was a decrease in working capital in the Grains and Oilseeds Business.

The net cash flow from investing activities was EUR -0.3 (-0.5) million. The cash flow from financing activities came to EUR -3.5 (-12.9) million.

At the close of the period, the Group had EUR 11.4 (26.3) million in interest-bearing liabilities and EUR 5.5 (2.5) million in liquid assets. Net interest-bearing liabilities totalled EUR 5.9 (23.7) million. The consolidated balance sheet total stood at EUR 196.1 (214.9) million. At the end of the period, equity totalled EUR 136.4 (136.2) million. The equity ratio was 69.5 (63.3) per cent and gearing was 4.3 (17.4) per cent. The Group's liquidity is secured with committed credit facilities. EUR 25 (25) million was available in credit at the end of the period. The total of commercial papers issued stood at EUR 6.0 (19.0) million.

INVESTMENT

The Group's gross investment in non-current assets came to EUR 0.3 (0.5) million. Investment in the Food Business totalled EUR 0.2 (0.2) million, in the Grains and Oilseeds Business EUR 0.1 (0.3) million and in Other Operations EUR 0.1 (0.0) million.

PERSONNEL

The Apetit Group employed an average of 746 (755) people in the first quarter. The average number of personnel in the Food Business was 655 (675), in the Grains and Oilseeds Business 80 (69) and in Other Operations 10 (10).

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 the operations of the associated company Sucros, where production reflects the crop harvesting season.

In Finland, sales of fish products peak at weekends and in connection with public holidays. In the fish products group in Finland, a significant proportion of the full-year result depends on a successful Christmas season. Due to the growing season for fish, the profit accumulated by the Taimen Group, which is reported as an associated company, is normally smaller during the summer than at other times of the year. Net sales in the Grains and Oilseeds Business vary from one year and quarter to the next, even quite considerably, being dependent on the demand and supply situation and on the price level in Finland and other markets.

OVERVIEW OF OPERATING SEGMENTS

Food Business

EUR million	Q1/2014	Q1/2013	Change	2013
Net sales	41.6	45.2	-8 %	178.5
Operating profit excl. non-recurring items	-1.5	-0.3		4.0
Operating profit	-1.5	-0.3		2.0

First quarter (January-March)

First-quarter net sales in the Food Business were lower than a year earlier and amounted to EUR 41.6 (45.2) million. In Finland, surveys by the Federation of Finnish Commerce show that sales in the retail sector fell in 2013 by about one per cent, and the trend in the current year has also been negative. First-quarter sales of frozen vegetables and frozen ready meals were below the level for the comparison period. Sales volumes of fresh product group and fish product group were down year on year. The drop in sales of fish product group in Finland was partly the result of the significant Easter sales period occurring in April in the current year compared with March in 2013. The positive development of the Apetit Kotimainen (Home-grown Apetit) product range continued, and sales were 13 per cent higher than in the comparison period.

The Food Business operating profit excluding non-recurring items was EUR -1.5 (-0.3) million. The operating profit for the comparison period included the positive effect of a EUR 1.1 million as the reduction in the estimate of the additional purchase price of Caternet Finland Oy.

The profitability of frozen foods product group was up from the comparison period figure. The profitability of fresh product group and fish product group in Finland was unsatisfactory. As a consequence of the weak state of the market and the unsatisfactory profit performance, it was decided during the first quarter that savings in overheads should be made in the Food Business in Finland through cost cutting measures and temporary lay-offs. It is anticipated that these measures will reduce overhead costs in 2014 by EUR 1.6 million in comparison with the figures for 2013. Savings of EUR 0.2 million towards this total were made in January-March.

In addition, programmes aimed at achieving a significant profitability improvement were launched in Finland in the fish and fresh products groups, covering all areas of operations. The aims of the programmes are to bring changes in operating methods in order to achieve a lasting competitive edge. The financial impact of these programmes will be examined later in the year.

Changes in the fair value of currency hedges had an impact of EUR 0.0 (-0.3) million on the operating profit. The share in the profit of associated company Taimen was EUR -0.1 (-0.2) million.

The Food Business employed an average of 655 (675) people.

Investment in the Food Business totalled EUR 0.2 (0.2) million.

Decision on claim for recovery of investment support granted to Caternet Finland Oy

At the beginning of November 2012, Caternet Finland Oy received a decision from the Uusimaa Centre for Economic Development, Transport and the Environment regarding a partial 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 that occurred on 27 March 2012. The proposed sum claimed for recovery is approximately EUR 2 million.

Caternet Finland Oy considered the claim for recovery to be unfounded and appealed against the decision. On 30 May 2013, the Rural Businesses Appeals Board 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 Court rescind the decision. Any claim for recovery will not take effect before the Supreme Administrative Court has processed the case and issued its decision. If the decision on the claim for recovery remains in force, its cost impact is estimated to be EUR 1.3 million. The final profit impact of the claim for recovery will depend on the seller's warranties and the judgement of the Supreme Administrative Court. The profit for the period and for the comparison period does not include the cost impact of the decision on the claim for recovery.

Grains and Oilseeds Business

EUR million	Q1/2014	Q1/2013	Change	2013
Net sales	47.4	54.8	-14%	209.0
Operating profit excl. non-recurring items	2.3	1.7		5.1
Operating profit	2.3	1.7		5.1

First quarter (January-March)

Net sales in the Grains and Oilseeds Business totalled EUR 47.4 (54.8) million, falling as a result of the decrease in world market prices. The grain trading sales volumes in tonnes were up on the comparison period. Sales volumes of oilseed product group were also up.

The operating profit excluding non-recurring items amounted to EUR 2.3 (1.7) million, which was higher than the previous year particularly as a result of the favourable trend in the refining margin for oilseed products. The positive trend in profitability was supported by successful raw material purchasing and by the steady volume growth for packaged rapeseed oil. The profit for the period includes a refund on energy taxes and a defined benefit plan refund, totalling altogether EUR 0.4 (0.0) million.

In grain trading, the level of activity increased in world markets at the start of the year, but in the latter part of the first quarter attention was increasingly turning to the new crop. In the coming months, world market prices for grain will be affected of course by the weather but also by sowing forecasts around the world. In the EU, autumn grains are expected to have overwintered well for the most part, although some areas did see winter damage and drought. The EU's grain production in the crop year 2014/2015 is expected to be down by approximately 6 million tonnes, to a total of 295 million tonnes, while the oilseed crop is expected to be at almost the level of the previous crop year, at 31 million tonnes. In Finland, a survey of growers revealed that the area under grain cultivation is expected to be almost unchanged, but the area under rapeseed is expected to grow in the 2014/2015 crop year by about 15 per cent to over 61,000 hectares. The increase in the area under rapeseed cultivation may, however, be limited by the availability of treated seeds for sowing.

As of 1 December 2013, the EU has banned the use of seed treatments that contain neonicotinoids in rapeseed sowing for two years. The possible effects of these treatments on pollinating insects will be studied during that time. The Finnish Safety and Chemicals Agency (Tukes) has granted a special permit, valid for spring 2014, for the sale, marketing and use in Finland of seeds that were already treated earlier. However, new seeds must not be treated with the prohibited substances. To manage the purchasing risks related to 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 oilseed products and by focusing on expertise in refining and purchasing. This enables vegetable oil milling to be profitable even if it becomes necessary to use greater volumes of imported rapeseed.

An average of 80 (69) people were employed in the Grains and Oilseeds Business. The increase in the number of employees is due to the inclusion of the previously outsourced maintenance function at the vegetable oil mill and the strengthening of the grain trade purchasing team.

First-quarter investment in the Grains and Oilseeds Business totalled EUR 0.1 (0.3) million.

Other Operations

EUR million	Q1/2014	Q1/2013	Change	2013
Net sales	-	-		-
Operating profit excl. non-recurring items	-1.0	-0.1		3.1
Operating profit	-1.5	-0.2		2.3

The Other Operations segment comprises the Group Administration, items not allocated under any of the business segments, and the associated company Sucros Ltd.

First quarter (January-March)

The segment's first-quarter operating profit excluding non-recurring items was down from the previous year, to EUR -1.0 (-0.1) million. The share in the profit of associated company Sucros was EUR -0.2 (0.8) million. The result for the associated company Sucros was adversely affected by the declining market price of sugar and by the exceptionally large post adjustment items for transfer prices in the period. Non-recurring items amounted to EUR -0.4 (-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.

A total of 10 (10) people were employed in the Other Operations segment.

Investment in non-current assets in Other Operations totalled EUR 0.1 (0.0) million.

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 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 arbitration, 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 three breaches of the agreement.
Under the terms and conditions of the shareholder agreement, each single 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. In response, Nordic Sugar requested the Arbitration Institute of the Finland Chamber of Commerce 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. The Arbitral Tribunal is expected to issue its decision on the matter during 2014.

MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REVIEW PERIOD

The Board of Directors of Apetit Plc released CEO Matti Karppinen from his duties on 29 April 2014 and decided to begin the search for a new CEO immediately. Deputy chairman of the Board Veijo Meriläinen, M.Sc. (Agric.), eMBA, is appointed as the CEO until the new CEO takes up the post.

USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

The company's Board of Directors has not exercised the authorisation granted to it to issue new shares or to transfer Apetit Plc shares held by the company.

DECISIONS OF THE ANNUAL GENERAL MEETING

Apetit Plc's Annual General Meeting was held in Säkylä on 26 March 2014. The Annual General Meeting adopted the parent company's financial statements and the consolidated financial statements, and discharged the members of the Board of Directors and of the Supervisory Board and the Chief Executive Officer from liability for the financial year 2013.

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

It was confirmed that the Supervisory Board shall have 18 members appointed by the Annual General Meeting. Five persons were appointed to replace members of the Supervisory Board completing their term. Jaakko Halkilahti, Mika Leikkonen, Marja-Liisa Mikola-Luoto and Mauno Ylinen were re-appointed. Petri Rakkolainen was appointed as a new member of the Supervisory Board.

Heikki Laurinen and Martti Timgren were appointed as members of the Supervisory Board's Nomination Committee, which makes preparations regarding the selection of members for the Board of Directors. In addition, the Nomination Committee includes the Supervisory Board's chairman and deputy chairman, and the chairman of the Board of Directors.

Dividend distribution

The Annual General Meeting decided to distribute a dividend of EUR 1.00 per share, in accordance with the Board's proposal. The dividend was paid on 7 April 2014.

SHARE TURNOVER

The number of Apetit Plc shares traded on the stock exchange during the review period was 220,439 (235,431), representing 3.5 (3.7) per cent of the total number of shares. The highest share price quoted was EUR 21.63 (16.63) and the lowest EUR 18.50 (14.41). The average price of shares traded was EUR 20.08 (15.46). The share turnover for the period was EUR 4.4 (3.6) million. At the end of the period, the share price was EUR 19.70 (14.32) and the market capitalisation was EUR 124.4 (98.0) million.

OWN SHARES

At the close of the first quarter, the company had in its possession a total of 130,000 of its own shares acquired during previous years, with a combined nominal value of EUR 0.26 million. These treasury shares represent 2.1 per cent of the company's total number of shares and votes. The company's treasury shares carry no voting or dividend rights.

CORPORATE ADMINISTRATION AND AUDITORS

At its organisational meeting on 11 April 2014, Apetit Plc's Supervisory Board appointed Harri Eela as chairman and Marja-Liisa Mikola-Luoto as deputy chairman of the Supervisory Board.

Esa Härmälä, Aappo Kontu, Tuomo Lähdesmäki, Veijo Meriläinen, Samu Pere and Helena Walldén were elected as members of the Board of Directors. Aappo Kontu was appointed as chairman of the Board of Directors and Veijo Meriläinen as deputy chairman.

It was decided that the Board members will be paid an annual remuneration of EUR 19,560 and that the chairman and deputy chairman will receive an annual remuneration of EUR 39,060 and EUR 24,120, respectively. A total of 50 per cent of the annual remuneration will be paid in cash and 50 per cent in the form of Apetit Plc's shares held by the company at the current value of the shares at the time of transfer. The remuneration will be paid in four equal value share and cash payments in June, September, December and March. It was also decided that the chairman and members of the Board of Directors will be paid a meeting allowance of EUR 510 and EUR 300, respectively. The deputy chairman will not be paid annual remuneration or a meeting allowance while serving as the company's CEO.

Hannu Pellinen, APA, and PricewaterhouseCoopers Oy, Authorised Public Accountants, with Pasi Karppinen, APA, as responsible auditor, were selected as auditors for Apetit Plc by the Annual General Meeting on 26 March 2014.

SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for the Apetit Group are related to the management of raw-material price changes and currency risks, the availability of raw materials, the solvency of customers, the delivery performance of suppliers and service providers, changes in the Group's business sectors and customer relationships, the arbitration case, the recovery of business subsidies, and the integration processes following corporate acquisitions.

OUTLOOK FOR 2014

The Apetit Group is aiming to achieve organic growth in its Food Business and Grains and Oilseeds Business. 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. Net sales for the first half of 2014 are expected to be lower than in the previous year as a result of lower market prices for grains.

The company's estimate of its full-year profit performance for 2014 has been updated. On 25 February 2014, Apetit stated in its financial statements bulletin that the Group's full-year operating profit excluding non-recurring items is not expected to exceed the previous year's level. The company's new assessment is that the Group's full-year operating profit excluding non-recurring items is expected to fall short of the previous year's level.

In the Other Operations segment, lower market prices for sugar are expected to weaken the result for the associated company Sucros. In the Food Business and the Grains and Oilseeds Business, the company is seeking an improvement in profitability from the figures for 2013. The second half of the year is expected to be more significant in terms of the total result than in 2013. The operating profit before non-recurring items for the first half of the year is expected to be lower than in the previous year.

In addition, the outcome of the shareholder agreement dispute concerning Sucros may have a significant effect on the result for 2014. The decision is expected to be issued during 2014.

PUBLICATION DATES FOR FINANCIAL REPORTS

Interim reports for 2014 will be published as follows: January-June on 14 August at 8.30 am, and January-September on 6 November at 8.30 am.

CONSOLIDATED INCOME STATEMENT
EUR million

	Q1 2014	Q1 2013	Q1-Q4 2013
Net sales	**88.9**	100.0	387.3
Other operating income	**0.2**	1.6	4.1
Operating expenses	**-87.8**	-99.1	-379.2
Depreciation	**-1.8**	-1.8	-7.1
Impairments	**0.0**	0.0	-2.0
Share of profits of associated companies	**-0.3**	0.6	6.2
Operating profit	**-0.7**	1.2	9.4
Financial income and expenses	**-0.3**	-0.5	-0.2
Profit before taxes	**-1.0**	0.7	9.3
Income taxes	**-0.2**	0.0	0.0
Profit for the period	**-1.2**	0.7	9.3
Attributable to			
Equity holders of the parent	**-0.9**	1.0	10.1
Non-controlling interests	**-0.3**	-0.3	-0.8
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	**-0.14**	0.16	1.63

STATEMENT OF COMPREHENSIVE INCOME
EUR million

	Q1 2014	Q1 2013	Q1-Q4 2013
Profit for the period	**-1.2**	0.7	9.3
Other comprehensive income			
Items which may be reclassified subsequently to profit or loss:			
Cash flow hedges	**0.1**	-0.1	0.0
Taxes related to cash flow hedges	**0.0**	0.0	0.0
Remeasurements of post employment benefit obligations			-0.3
Translation differences	**0.0**	-0.2	-1.4
Total comprehensive income	**-1.1**	0.4	7.6
Attributable to			
Equity holders of the parent	**-0.8**	0.6	8.4
Non-controlling interests	**-0.3**	-0.3	-0.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	31 March 2014	31 March 2013	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	**9.0**	10.2	9.3
Goodwill	**9.7**	11.9	9.7
Tangible assets	**44.6**	48.7	45.8
Investment in associated companies	**37.3**	36.1	37.5
Available-for-sale financial assets	**0.1**	0.1	0.1
Receivables	**0.4**	0.4	0.4
Deferred tax assets	**2.9**	2.8	2.5
Non-current assets total	**104.0**	110.2	105.3
Current assets			
Inventories	**54.9**	67.2	64.0
Receivables	**30.3**	34.4	31.0
Income tax receivable	**1.4**	0.5	1.3
Financial assets at fair value through profits	**0.1**	0.1	0.1
Cash and cash equivalents	**5.5**	2.5	2.8
Current assets total	**92.1**	104.7	99.2
Total assets	**196.1**	214.9	204.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EUR million

	31 March 2014	31 March 2013	31 Dec 2013
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	**134.7**	133.6	141.7
Non-controlling interests	**1.6**	2.5	1.9
Total equity	**136.4**	136.2	143.6
Non-current liabilities			
Deferred tax liabilities	**4.8**	5.6	5.0
Long-term financial liabilities	**4.0**	5.5	4.0
Non-current provisions	**0.6**	0.4	0.6
Other non-current liabilities	**2.8**	5.0	2.8
Non-current liabilities total	**12.1**	16.5	12.3
Current liabilities			
Short-term financial liabilities	**7.5**	20.8	11.0
Income tax payable	**0.7**	0.5	0.2
Trade payables and other liabilities	**39.1**	41.0	37.1
Short-term provisions	**0.4**	0.1	0.1
Current liabilities total	**47.6**	62.3	48.5
Total liabilities	**59.8**	78.8	60.8
Total equity and liabilities	**196.1**	214.9	204.4

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	Q1 2014	Q1 2013	Q1-Q4 2013
Net profit for the period	-1.2	0.7	9.3
Adjustments, total	2.7	3.0	0.7
Change in net working capital	5.8	8.4	17.8
Interests paid	-0.7	-1.0	-1.7
Interests received	0.0	0.0	0.1
Taxes paid	-0.4	-0.5	-1.9
Net cash flow from operating activities	6.4	10.6	24.4
Investments in tangible and intangible assets	-0.3	-0.5	-3.0
Proceeds from sales of tangible and intangible assets		0.0	0.0
Dividends received from investing activities			4.4
Net cash flow from investing activities	-0.3	-0.5	1.4
Proceeds from and repayments of short-term loans	-3.4	-10.0	-20.8
Proceeds from and repayments of long-term loans	0.0	-2.8	-1.6
Payments of finance lease liabilities	-0.1	-0.1	-0.2
Dividends paid			-5.6
Cash flows from financing activities	-3.5	-12.9	-28.1
Net change in cash and cash equivalents	2.6	-2.8	-2.4
Cash and cash equivalents at the beginning of the period	2.8	5.2	5.2
Cash and cash equivalents at the end of the period	5.5	2.5	2.8

STATEMENT OF CHANGES IN SHAREHOLDERS´EQUITY

A = Shareholders' equity at 1 January
B = Dividend distribution
C = Transactions with NCI
D = Other changes
E = Total comprehensive income
F = Shareholders' equity at 31 March

January - March 2014
EUR million

	A	B	C	D	E	F
Share capital	**12.6**					**12.6**
Share premium account	**23.4**					**23.4**
Net unrealised gains	**-0.2**				**0.0**	**-0.2**
Other reserves	**7.2**					**7.2**
Own shares	**-1.8**					**-1.8**
Translation differences	**-0.3**				**0.0**	**-0.3**
Retained earnings	**100.7**	**-6.2**	**0.0**	**0.0**	**-0.9**	**93.6**
Attributable to equity holders of the parent	**141.7**	**-6.2**	**0.0**	**0.0**	**-0.8**	**134.7**
Non-controlling interests (NCI)	**1.9**		**0.0**		**-0.3**	**1.6**
Total equity	**143.6**	**-6.2**	**0.0**	**0.0**	**-1.1**	**136.4**

January - March 2013
EUR million

	A	B	C	D	E	F
Share capital	12.6					12.6
Share premium account	23.4					23.4
Net unrealised gains	-0.2				-0.1	-0.3
Other reserves	7.2					7.2
Own shares	-1.8					-1.8
Translation differences	1.1				-0.2	0.9
Retained earnings	96.0	-5.6	0.0	0.1	1.0	91.5
Attributable to equity holders of the parent	138.4	-5.6	0.0	0.1	0.6	133.6
Non-controlling interests (NCI)	2.8				-0.3	2.5
Total equity	141.2	-5.6	0.0	0.1	0.4	136.2

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 2013. New standards and interpretations adopted in 2014 have not had material effect to the interim report.

SEGMENT INFORMATION
EUR million
A = Food Business
B = Grains and Oilseeds Business
C = Other Operations
D = Total

Operating segments,
January - March 2014
EUR million

	A	**B**	**C**	**D**
Total segment sales	**41.6**	**47.4**		**88.9**
Intra-group sales	**0.0**	**0.0**		**-0.1**
Net sales	**41.5**	**47.4**		**88.9**
Share of profits of associated companies included in operating profit	**-0.1**		**-0.2**	**-0.3**
Operating profit	**-1.5**	**2.3**	**-1.5**	**-0.7**
Gross investments in non-current assets	**0.2**	**0.1**	**0.0**	**0.3**
Corporate acquisitions and other share purchases				
Depreciations	**1.5**	**0.2**	**0.1**	**1.8**
Impairments	**0.0**			**0.0**
Personnel	**655**	**80**	**10**	**746**

Operating segments,
January - March 2013
EUR million

	A	B	C	D
Total segment sales	45.2	54.8		100.1
Intra-group sales	-0.1	0.0		-0.1
Net sales	45.2	54.8		100.0
Share of profits of associated companies included in operating profit	-0.2		0.8	0.6
Operating profit	-0.3	1.7	-0.2	1.2
Gross investments in non-current assets	0.2	0.3	0.0	0.5
Corporate acquisitions and other share purchases				
Depreciations	1.5	0.2	0.1	1.8
Impairments	0.0		0.0	0.0
Average number of personnel	675	69	10	755

Operating segments,
January - December 2013
EUR million

	A	B	C	D
Total segment sales	178.5	209.0		387.5
Intra-group sales	-0.2	0.0		-0.2
Net sales	178.3	209.0		387.3
Share of profits of associated companies included in operating profit	0.6		5.6	6.2
Operating profit	2.0	5.1	2.3	9.4
Gross investments in non-current assets	2.0	0.8	0.2	3.0
Corporate acquisitions and other share purchases				
Depreciations	6.0	0.8	0.3	7.1
Impairments	2.0			2.0
Average number of personnel	699	73	10	782

KEY INDICATORS

	31 March 2014	31 March 2013	31 Dec 2013
Shareholders' equity per share, EUR	**21.77**	**21.60**	22.90
Equity ratio, %	**69.5**	**63.3**	70.3
Gearing, %	**4.3**	**17.4**	8.4
Gross investments in non-current assets, EUR million	**0.3**	**0.5**	3.0
Corporate acquisitions and other share purchases, EUR million			
Average number of personnel	**746**	**755**	782
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 2013 annual financial statements.

COLLATERALS, CONTINGENT LIABILITIES,
CONTINGENT ASSETS AND OTHER COMMITMENTS

EUR million

	31 March 2014	31 March 2013	31 Dec 2013
Mortgages given for debts			
Real estate and corporate mortgages	**2.6**	**2.6**	2.4
Guarantees	**9.1**	**10.9**	9.5
Non-cancellable other leases, minimum lease payments			
Real estate leases	**8.0**	**6.9**	6.8
Other leases	**1.0**	**1.4**	1.0
DERIVATIVE INSTRUMENTS			
Outstanding nominal values of derivate instruments			
Interest rate swaps	**4.2**	**5.4**	4.2
Forward currency contracts	**5.1**	**8.5**	5.7
Commodity derivative instruments	**7.3**	**4.1**	1.7
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 Food Business.

MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REVIEW PERIOD

The Board of Directors of Apetit Plc released CEO Matti Karppinen from his duties on 29 April 2014 and decided to begin the search for a new CEO immediately. Deputy chairman of the Board Veijo Meriläinen, M.Sc. (Agric.), eMBA, is appointed as the CEO until the new CEO takes up the post.

CHANGES IN TANGIBLE ASSETS

EUR million

	31 March 2014	31 March 2013	31 Dec 2013
Book value at the beginning of the period	**45.8**	**49.8**	49.8
Additions	**0.2**	**0.5**	2.3
Disposals		**0.0**	-0.6
Depreciations and impairments	**-1.4**	**-1.4**	-5.4
Other changes	**0.0**	**-0.2**	-0.3
Book value at the end of the period	**44.6**	**48.7**	45.8

TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT VENTURES

EUR million

	Q1 2014	Q1 2013	Q1-Q4 2013
Sales to associated companies	**0.2**	0.1	1.2
Purchases from associated companies	**2.3**	2.5	10.1

	31 March 2014	31 March 2013	31 Dec 2013
Trade receivables and other receivables from associated companies	**0.5**	0.5	0.8
Trade payables and other liabilities to associated companies	**0.9**	0.7	0.8

In Espoo, 13 May 2014
APETIT PLC
Board of Directors