



Interim Report January 1 – September 30, 2007

July-September

- Third quarter profit totalled EUR 3.1 million (Q3 2006: 3.5 million).
- Earnings per share came to EUR 0.49 (0.56).
- Net sales of continuing operations amounted to EUR 73.6 (51.9) million, or 42% more than in the comparison period.
- The continuing operations showed an operating profit of EUR 0.3 (1.0) million (excluding non-recurring items); the impact of non-recurring items amounted to EUR -0.2 (0.5) million.

January-September

- Profit for January-September totalled EUR 9.4 (5.8) million.
- Earnings per share came to EUR 1.51 (0.92).
- Net sales of continuing operations amounted to EUR 213.1 (172.6) million, which was 23.5% more than in the comparison period.
- The operating profit of the continuing operations was EUR 0.2 (0.8) million (without non-recurring items); the impact of non-recurring items was EUR -0.1 (0.1) million.

The figures in this interim report have not been audited.

CHANGES IN GROUP STRUCTURE AND CORPORATE TRANSACTIONS IN THE THIRD QUARTER

Maritim Food AS, the Norwegian subsidiary of Lännen Tehtaat plc, exercised a call option concerning the shares of the fish processing company Sandanger AS in August and acquired a 3.5 per cent share in the company, as laid down in the option. As a result, Maritim Food now owns 51% of Sandanger AS. Sandanger AS was made part of Maritim Food and the Lännen Tehtaat Group at the end of August.

KEY INDICATORS, EUR million

	7-9/2007	7-9/2006	1-9/2007	1-9/2006
All operations total				
Net sales	73.6	91.6	280.3	291.3
Operating profit	1.6	4.5	9.3	6.4
Profit before taxes	3.1	4.3	10.1	7.8
Profit for the period	3.1	3.5	9.4	5.8
Earnings per share, EUR	0.49	0.56	1.51	0.92
Continuing operations				
Net sales	73.6	51.9	213.1	172.6
Operating profit without non-recurring items	0.3	1.0	0.2	0.8
Operating profit	0.1	1.5	0.1	0.9
Profit before taxes	1.7	1.6	1.4	3.4
Profit for the period	1.6	1.6	1.5	2.6
Discontinued operations				
Net sales	0.0	45.4	78.8	135.7
Operating profit	1.5	2.9	9.2	5.5

NET SALES AND PROFIT

July–September

In July–September, the operating profit of the Group totalled EUR 1.6 (4.5) million. The profit before taxes was EUR 3.1 (4.3) million and the profit for the period EUR 3.1 (3.5) million. Earnings per share amounted to EUR 0.49 (0.56).

In July–September, net sales of the continuing operations totalled EUR 73.6 (51.9) million, up 42% on the same quarter the previous year. The increase in net sales was mainly attributable to Grain Trading and Fish Products Business. Incorporation of Maritim Food into the Group boosted the net sales of the Fish Products Business by EUR 7.1 million. At the same time, the net sales of Frozen Foods Business and Vegetable Oil Business were slightly higher than in the comparison period.

Third quarter operating profit for continuing operations, excluding non-recurring items, was EUR 0.3 (1.0) million. The impact of non-recurring items was EUR -0.2 (0.5) million. The operating profit in the Frozen Foods Business and in Grain Trading and Other Operations was up on the figure for the same quarter a year earlier, whereas the Fish Products Business and the Vegetable Oil Business posted poorer results.

For the Group's continuing operations, profit before taxes in the period July–September came to EUR 1.7 (1.6) million and profit for the period EUR 1.6 (1.6) million. Taxes corresponding to the profit amounted to EUR 0.0 (-0.1) million. The profits include a share of EUR 1.6 (0.0) million of the associated companies' profits.

January–September

In January–September, the operating profit of the Group totalled EUR 9.3 (6.4) million. Profit before taxes was EUR 10.1 (7.8) million and the profit for the period EUR 9.4 (5.8) million. The figure includes the sales profit of EUR 5.5 million accumulated from the sale of the majority holding in Suomen Rehu. Earnings per share were EUR 1.51 (0.92).

January–September net sales for the Group's continuing operations amounted to EUR 213.1 (172.6) million, up EUR 40.5 million or 23.5% on the same period a year earlier. Maritim Food and Grain Trading accounted for EUR 16.4 million and EUR 27.1 million of this total, respectively.

Operating profit for continuing operations, excluding non-recurring items, was EUR 0.2 (0.8) million. The impact of non-recurring items was EUR -0.1 (0.1) million. Frozen Foods, Grain Trading and Other Operations all posted improved results on the same quarter a year earlier, whereas the opposite was true for the Fish Products Business and the Vegetable Oil Business.

Profit before taxes for the Group's continuing operations came to EUR 1.4 (3.4) million in January–September, while

the profit for the period was EUR 1.5 (2.6) million. In January–September, taxes corresponding to the profit amounted to EUR 0.1 (-0.8) million. The profits include a share of EUR 1.3 (-0.3) million of the associated companies' profits.

DISCONTINUED OPERATIONS

The Suomen Rehu Group has been included in discontinued operations. To allow comparison with the same period a year earlier, the latter has been divided into continuing and discontinued operations as if Suomen Rehu had been discontinued from the start of 2006.

The profit of the discontinued operations includes that of the Suomen Rehu Group from the beginning of January to the beginning of June 2007 and the sales profit for the sale of majority holding in Suomen Rehu less the expenses incurred in the transaction. The tax-free sales profit of EUR 4.1 million for the transaction based on fixed sales price was entered in the second quarter. The final sales price was determined on the basis of the balance sheet value at the time of the transaction of the majority shareholding. The EUR 1.5 million adjustment for the transaction of the majority of shareholding was reported in the third quarter.

For the discontinued operations, a profit of EUR 1.5 (1.9) million was recorded in July–September and EUR 7.9 (3.2) million in January–September.

The 49% share of the associated company Suomen Rehu's profits retained after the sale of the majority holding in early June is included in the profit for continuing operations.

FINANCING

The Group's financial position and liquidity continued to be good throughout the period.

For January–September, cash flow from operations after interest and taxes totalled EUR 0.0 (11.2) million. Effect of the change in the net working capital is EUR -4.7 (0.2) million. Cash flow from investments was EUR 23.2 (-5.1) million. Cash flow from loans was EUR -21.8 (-8.4) million. A total of EUR 5.3 (4.6) million was paid in dividends.

At the end of the review period, the Group's interest-bearing liabilities came to a total of EUR 36.8 (37.6) million and liquid assets to EUR 18.7 (4.3) million. Net interest-bearing liabilities amounted to EUR 18.1 (33.2) million. The consolidated balance sheet total stood at EUR 204.6 (207.7) million. The equity ratio was 60.9 (54.2)%. Commercial papers issued for the Group's short-term financing stood at EUR 27.0 (17.0) million at the end of the period under review. Liquidity is secured with committed credit facilities. At the end of the period under review there were no credit facilities in use.

The net financial income of the Group's continuing operations came to EUR 0.0 (0.1) million in July–September. Net

financial income for January–September stood at EUR –0.1 (2.8) million. The financial income for the comparison period included sales profits of approximately EUR 2.6 million on the sale of shares not comprising part of the Group's business operations.

SHARE OF ASSOCIATED COMPANIES' PROFITS

The profit recorded for the Group's continuing operations in July–September includes a proportion of the profits of associated companies, amounting to EUR 1.6 (0.0) million. A transitional aid to full-time refiners amounting to EUR 0.7 million received on the basis of the 2006 sugar reform is included in the share of profits for the associated company Sucros.

The share of the associated companies' profits in the period January–September amounted to EUR 1.3 (–0.3) million. The figure includes the 49% share of profits of the Suomen Rehu Group for June–September (EUR 0.5 million).

INVESTMENT

Gross investment in non-current assets in January–September, excluding corporate acquisitions, amounted to EUR 4.1 (5.4) million. Investment by the Frozen Foods Business totalled EUR 1.6 (0.7) million, by the Fish Products Business EUR 1.5 (0.3) million, by the Vegetable Oil Business EUR 0.3 (0.4) million and by Other Operations EUR 0.1 (0.1) million. The investment by the Feeds segment totalled EUR 0.6 (4.0) million at the time of the sale of the majority holding.

Investment in shares in January–September totalled EUR 11.3 (3.0) million. This entire sum was for the purchase of shares in the Norwegian fish processing company Maritim Food AS and Sandanger AS. More details about this are given in the notes to the interim report.

PERSONNEL

The average number of personnel in the Group's continuing operations in January–September was 696 (663). The average number of people working in the Frozen Foods Business was 259 (272), in the Fish Products Business it was 361 (307), including the impact of the staff (71) at Maritim Food Group, as of March 1, 2007, in the Vegetable Oil Business it was 36 (35), in Grain Trading 29 (29) and in Other Operations 11 (19). The figure for personnel at Apetit Suomi Oy has been divided up between the Frozen Foods Business and Fish Products Business in relation to the services charged. The figure given for personnel in Other Operations in the same period in 2006 includes the personnel at Harviala Oy up to February 28.

SEASONAL NATURE OF OPERATIONS

The transition to IFRS reporting has had a noticeable impact on the accrual of Lännen Tehtaat's profits over the financial year. With production linked to the harvesting season and with inventories being valued in accordance with IAS 2, most of the Group's annual profit accrues during the fi-

nal quarter of the year. The focus on the harvesting season means that the seasonality of operations is most marked in the Frozen Foods Business and in the operations of the associated company Sucros.

The sales of the Fish Products Business depend to a great extent on seasonal holidays. A major proportion of the entire year's profit depends on the success of Christmas sales.

The net sales of Grain Trading vary both annually and quarterly, depending on supply and demand and on prices in Finland and on other markets.

BUSINESS SEGMENTS

Frozen Foods Business

Net sales of the Frozen Foods Business in July–September totalled EUR 11.0 (10.5) million, which was about 5% more than a year before. Net sales increased in all sales channels.

Sales of frozen retail products, jams and marmalades increased by more than 6% on the comparison period. Growth was strongest in the frozen pizza product group. Active campaigning in August boosted the overall market for pizzas and the market share of Apetit by well over ten per cent. There was also strong growth in the sales of frozen potato products. The increase was a result of strong sales of the new 'Kermaperunat' (cream potatoes) product both in summer and in autumn and the active campaigning for Apetit mashed potatoes on television and in shops at the start of the school year. Sales of frozen foods and vegetables remained at the level of the comparison period. Tikka Masala Shrimps and Green Curry Chicken, two new products in the Apetit Quick&Tasty range, were launched at the start of September. The new items were put on sale in a number of major Finnish grocery chains and, with the help of advertising and active input by the retail sector, helped to bring about a slight increase in the market share of frozen foods.

According to a survey conducted in August on brand awareness, Apetit is Finland's best known frozen food brand. Overall spontaneous awareness of the brand was 52%.

Net sales of the Horeca sector grew by more than 10%. The growth was due to the fact that domestic vegetables have become more competitive vis-a-vis imported produce. In relative terms, the growth was strongest in exports. As a result of a good harvest, peas were also exported to Central Europe where the harvest was unusually poor due to bad weather.

The autumn harvest is still being processed. In addition to peas, the spinach harvest was also good, both in terms of quantity and quality. The harvest of root vegetables also

seems to be good, in both quantity and quality, except for the potato, which has been affected by the wet autumn weather.

The Frozen Foods Business posted an operating profit of EUR 1.0 (0.8) million for the period July-September. The figure does not include non-recurring items. A non-recurring write-off of EUR 0.2 million on disused non-current assets affected the profit for the period.

Net sales for the period January-September amounted to EUR 36.1 (37.7) million. The figure for the comparison period includes EUR 2.7 million in sales of supplies for sugar beet contract farming and associated operations. These operations became the responsibility of the associated company Sucros as of January 1, 2007. Food sales grew by over 3% on the comparison period.

The Frozen Foods Business posted an operating profit of EUR 1.8 (0.4) million for the period January-September (excluding non-recurring items). Non-recurring items had an impact of EUR -0.2 (-0.1) million. Results were improved by higher product sales and changes in the product mix. Systematic improvements in productivity and higher cost efficiency have also contributed to the improved profits of Apetit Pakaste. In order to further improve productivity and cost efficiency, Apetit Pakaste has decided to move the production of its Turku plant to Säskylä. The plans have been finished and the necessary earth-moving work in Säskylä has started. The intention is to move the production of the Turku plant to Säskylä by the end of 2008.

Investments in the Frozen Foods Business in the period January-September amounted to EUR 1.6 (0.7) million. The most important investments concerned the upgrading of the freezing technology, which will help to make energy use more efficient, improve production logistics and boost product quality. Increased automation also made packaging more efficient.

Fish Products Business

Net sales of the Fish Products Business for the period July-September totalled EUR 19.8 (14.0) million, a growth of more than 40%. Maritim Food contributed about EUR 7 million to this increase.

In May, Apetit Kala launched two new sliced hot-smoked fish products. Newspaper advertising during the summer months, together with active campaigning by the retail sector helped to boost the hot-smoked fish market, compared with summer 2006. The launching of the new products also helped Apetit to increase its market share in hot-smoked products. Sales of shellfish products made by the Maritim Food Group started in Finland in early September under the Apetit Maritim brand.

According to a survey conducted in August on brand awareness, Apetit is Finland's best known fresh-fish brand. Overall spontaneous awareness of the brand is 24%.

The Fish Products Business made a loss of EUR 0.8 million (+0.1) in the third quarter. The performance of Maritim Food Group was, as expected, slightly positive. Machinery breakdowns and disruptions during the second quarter still had a negative impact on Apetit Kala's sales and profits during the third quarter. As expected, the transfer of production from Kerava to Kuopio in August-September resulted in overlapping costs. The movement of production and packaging from Kerava to Kuopio proceeded as planned. The targeted cost savings are estimated to become reality from the beginning of 2008.

The domestic Fish Products Business has been able to substantially improve its operations in the late summer and autumn. The focus has been on improvements in delivery reliability and work and raw-material productivity. Improvements have been achieved in all focus areas. Deliveries have become more reliable and, as a result of more efficient production control, productivity has improved.

At the start of August, Ari Laarne became managing director of the company, while Heljä Mantere was appointed as production director. The managing director concentrates in particular on the development of the company's core processes and operational control, while the production director is responsible for production, productivity improvements, and quality.

Net sales of the Fish Products Business for the period January-September amounted to EUR 56.7 (43.0) million, up 32%. Maritim Food contributed about EUR 16 million to this increase. Net sales of Maritim Food and Sandanger AS, which was made part of the Group at the end of August, have been as expected. Operating profit of the Fish Products Business in January-September (excluding non-recurring items) was EUR -2.1 (0.6) million. Non-recurring items had an impact of EUR 0.0 (0.4) million. The costs arising from the movement of production in Kustavi and Kerava have not been categorized as non-recurring items. Performance in the early months of the year were affected by lower sales margins, a result of high raw material prices.

Investments in the Fish Products Business were EUR 1.5 (0.3) million during the period January-September. The most important investments were connected with the expansion of the Kuopio plant, which is in accordance with the concentration of Apetit Kala's production, upgrading of the smoking furnaces and improvement of filleting procedures.

Vegetable Oil Business

Net sales of the Vegetable Oil Business for the period July-September amounted to EUR 10.6 (10.1) million. This was

5% more than in the comparison period. Operating profit was EUR -0.2 (0.5) million. The fall is the result of a drop in the processing margin, which was expected. Sales prices for vegetable oils and protein feeds have risen more slowly than the prices of raw materials, which has weakened processing margins, particularly during the third quarter.

Net sales for the period January-September amounted to EUR 31.3 (30.7) million, and the comparable operating profit was EUR 0.7 (2.1) million.

Investments in the Vegetable Oil Business totalled EUR 0.3 (0.4) million. The most important investment was the introduction of the ERP enterprise research planning.

Grain Trading

The favourable development in the Grain Trading Business continued strongly in the third quarter. Net sales were EUR 32.1 (17.5) million, showing growth of almost 85%. The growth was a result of exceptionally high grain prices and higher volumes.

The third quarter was unusually brisk on the grain market.

Domestic sales were slightly below those of the comparison period, while exports and sales between third countries increased substantially.

Avena Nordic Grain opened an office in Salo in September so that it can increase domestic grain purchases.

Operating profit for July-September more than doubled on the comparison period, and totalled EUR 0.9 (0.4) million.

Net sales for the period January-September grew 44%, to EUR 89.3 (62.2) million. Operating profit was EUR 2.6 (1.2) million.

Other Operations

The Other Operations segment is made up of the service company *Apetit Suomi*, group administration, and various items that do not come under any particular segment. The cost effect of the services produced by *Apetit Suomi* is an encumbrance on the operating result in proportion to the use of services.

Net sales for the segment for the period July-September totalled EUR 1.0 (0.0) million and the operating loss was EUR 0.6 (0.9) million.

Net sales for the period January-September totalled EUR 2.9 (0.0) million, and the operating loss without non-recurring items EUR 2.9 (-3.4) million. Non-recurring items for the period totalled EUR 0.1 (-0.6) million.

Lännen Tehtaat has decided to introduce an ERP system covering the Frozen Foods Business, the Fish Products

Business and the group administration. The project was launched in September and the new system will be introduced in stages during 2008.

AUTHORIZATIONS BY THE ANNUAL GENERAL MEETING

The Annual General Meeting authorized the Board to decide on a new share issue and to sell the company's own shares held by the company either together or in several lots in the form of a rights issue. The maximum number of new shares that can be issued is 631,757, and the maximum number of shares held by the company that can be sold is 65,000. The issue price of the new shares will be at least the nominal share value, i.e. two (2) euros. The sales price of the company's own shares will be at least the market price at the moment of sale, defined on the basis of the trading price determined by public trading on the Helsinki Stock Exchange. The authorization covers the right to depart from the subscription priority of existing shareholders if there is a pressing financial reason for so doing from the company's point of view; the right to offer shares rather than money against apportionment as well, or on some other specific condition or using right-of-setoff; and the right to decide the issue price of the shares and any other conditions or matters associated with the share issue.

The authorization will be in force until the next Annual General Meeting. This authorization supersedes the share issue authorization given on March 29, 2006 and the authorization to sell the company's own shares given on the same date.

The Board has not, as yet, exercised the share issue authorization granted by the Annual General Meeting.

SHARES AND TRADING

At the end of the period under review, the total number of the company's shares in circulation was 6,317,576, and the registered share capital was EUR 12,635,152. The company held 65,000 of its own shares, i.e. 1.0% of the entire share stock. The nominal value of the company's own shares was EUR 130,000. No changes in the share capital or in the number of the company's own shares held by the company took place in the year under review or the previous year.

During the period under review, 739,417 (1,379,454) of the company's shares were traded on the stock exchange, i.e. 11.7% (21.8%) of the entire share stock. The highest share price was EUR 24.50 (24.19) and the lowest EUR 17.65 (15.26). Share trading during the period totalled EUR 16.2 (27.6) million. At the end of the period, the market value of the share stock was EUR 114.3 (132.2) million.

FLAGGING ANNOUNCEMENTS

No flagging announcements were made in the review period. After the end of the review period, on October 19, 2007, Skagen Funds, administered by Skagen AS, announced in accordance with chapter 2, section 9 of the

Securities Markets Act, that it had bought some shares of Lännen Tehtaat plc and that on October 18, 2007 it owned a total of 318,200 shares or 5.04% of all company shares and voting rights.

GOVERNANCE

After the auditor appointed as the accountable auditor of Lännen Tehtaat plc resigned from PricewaterhouseCoopers Oy, authorized public accountants, PricewaterhouseCoopers appointed Tomi Moisio, authorized public accountant, as the new accountable auditor of Lännen Tehtaat plc.

IMPORTANT OCCURRENCES AFTER THE END OF THE REVIEW PERIOD

There were no important occurrences after the end of the period under review.

SHORT-TERM RISKS AND UNCERTAINTIES

The major risks for the Lännen Tehtaat Group are connected with the control of fluctuations in raw material prices, volume and quality of harvests, and supply of raw materials.

In the Fish Products Business and the Vegetable Oil Business, and in Grain Trading, the most important raw material prices are determined on the world market. These raw materials include salmon, rainbow trout, shellfish, rapeseed, soya beans and grain. World grain prices, for example, are now exceptionally high because of brisk demand.

Because of the tight competition on the market, it may not be possible to pass on all rises in raw material prices to sales prices, as this would have a negative impact on Group profits.

Sugar

On September 26, 2007, the agricultural ministers of the European Union approved the proposals put forward by the European Commission to cut down sugar production. According to the decisions, further cuts in production should be achieved through voluntary abandonment of production by growers and the industry.

Lännen Tehtaat owns 20% of Sucros Oy, which produces sugar in Finland. After the dividend of EUR 5.3 million paid by Sucros in September and the entry of the results for the third quarter, the value of Sucros-ownership in the balance sheet of the Lännen Tehtaat Group is about EUR 18 million. If Sucros were to give up its complete production quota and the Säkylä sugar factory were to close, the closure compensation Sucros would be entitled to because of the sales of its sugar quota and the present value of Sucros' expected cash flow would at least equal the balance sheet value of the Sucros ownership.

PROSPECTS FOR THE ENTIRE YEAR

Net sales of continuing operations for the year as whole are expected to rise above the 2006 level because of the strong growth in the Fish Products Business and Grain Trading. Operating profit of the continuing operations (excluding non-recurring items) is expected to be at the same level as in the comparison year.

Growth in the Frozen Foods Business and Grain Trading will boost the operating profit of continuing operations. Profits will be affected by production interruptions in the domestic Fish Products Business, costs arising from production restructuring and lower processing margins in the Vegetable Oil Business.

Lännen Tehtaat's vision is to be one of the leading Finnish food companies. In order to realize the vision, Lännen Tehtaat continues to evaluate potential structural arrangements and acquisition targets within the food industry.

November 1, 2007

LÄNNEN TEHTAAT PLC

Board of Directors

Consolidated income statement

	7-9/2007 3 mths	7-9/2006 3 mths	1-9/2007 9 mths	1-9/2006 9 mths	1-12/2006 12 mths
EUR million					
Continuing operations					
Net sales	73.6	51.9	213.1	172.6	244.5
Other operating income	0.3	1.0	0.9	2.0	2.0
Operating expenses	-72.3	-49.9	-210.1	-169.7	-236.3
Depreciation	-1.3	-1.3	-3.6	-3.8	-4.7
Impairments	-0.2	-0.2	-0.2	-0.2	-0.2
Operating profit	0.1	1.5	0.1	0.9	5.3
Financial income and expenses	0.0	0.1	-0.1	2.8	3.2
Share of profit of associate companies	1.6	0.0	1.3	-0.3	1.6
Profit before taxes	1.7	1.6	1.4	3.4	10.2
Income taxes	0.0	-0.1	0.1	-0.8	-2.7
Profit for the period, continuing operations	1.6	1.6	1.5	2.6	7.5
Discontinued operations					
Profit for the period, discontinued operations	1.5	1.9	7.9	3.2	5.6
Profit for the period	3.1	3.5	9.4	5.8	13.1
Attributable to:					
Equity holders of the parent	3.1	3.5	9.4	5.8	13.1
Minority interests	0.0	0.0	0.0	0.0	-
Earnings per share, calculated of the profit attributable to the shareholders of the parent company					
Basic and diluted earnings per share, EUR, continuing operations	0.26	0.26	0.25	0.42	1.20
Basic and diluted earnings per share, EUR, discontinued operations	0.23	0.30	1.26	0.50	0.90

Consolidated balance sheet

EUR million	Sept 30, 2007	Sept 30, 2006	Dec 31, 2006
ASSETS			
Non-current assets			
Tangible assets	42.5	71.6	67.4
Goodwill	7.5	17.4	17.4
Other intangible assets	3.6	1.5	1.5
Investment in associated companies	37.0	21.3	23.1
Available-for-sale investments	0.1	0.2	0.1
Receivables	4.5	5.7	5.8
Deferred tax assets	1.4	2.4	0.3
	96.4	120.0	115.6
Current assets			
Inventories	58.4	46.8	65.3
Receivables	31.2	36.6	49.0
Financial assets at fair value through profit and loss	15.0	-	-
Cash and cash equivalents	3.7	4.3	7.5
	108.2	87.8	121.9
Total assets	204.6	207.7	237.5
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	123.9	112.4	119.2
Minority interest	0.8	-	-
Total equity	124.6	112.4	119.2
Non-current liabilities			
Long-term financial liabilities	6.0	9.7	7.0
Deferred tax liabilities	4.5	7.0	7.0
Non-current provisions	0.1	0.9	-
Non-current liabilities total	10.6	17.6	14.0
Current liabilities			
Trade payables and other liabilities	38.5	48.9	55.2
Short-term financial liabilities	30.9	27.9	49.1
Short-term provisions	-	0.9	-
Current liabilities total	69.4	77.7	104.3
Total liabilities	80.0	95.3	118.3
Total equity and liabilities	204.6	207.7	237.5

Consolidated cash flow statement

EUR million	1-9/2007 9 mths	1-9/2006 9 mths	1-12/2006 12 mths
Net profit for the period	9.4	5.8	13.1
Adjustments, total	-3.2	8.3	8.5
Change in net working capital	-4.7	0.2	-23.1
Interests paid from operating activities	-2.2	-1.4	-1.9
Interest received from operating activities	0.9	0.2	0.3
Taxes paid	-0.3	-1.8	-3.2
Net cash flow from operating activities	0.0	11.2	-6.4
Investments in tangible and intangible assets	-4.1	-5.4	-7.7
Proceeds from sales of tangible and intangible assets	0.1	0.0	4.6
Acquisition of subsidiaries deducted by cash	-9.9	-2.8	-2.8
Proceeds from sales of subsidiaries	46.3	0.0	0.0
Acquisition of associated companies	0.0	-0.2	-0.2
Proceeds from sales of associated companies	0.6	0.0	0.0
Purchases of other investments	-35.0	-0.1	-0.1
Proceeds from sales of other investments	20.0	3.4	3.4
Dividends received from investing activities	5.3	0.0	0.0
Net cash flow from investing activities	23.2	-5.1	-2.7
Raising of long-term loans	0.0	0.0	1.9
Raising of short-term loans	0.0	0.0	19.1
Repayments of short-term loans	-14.4	-2.1	0.0
Repayments of long-term loans	-7.3	-6.2	-10.8
Payment of financial lease liabilities	-0.1	-0.1	-0.1
Dividends paid	-5.3	-4.6	-4.6
Cash flows from financing activities	-27.0	-13.0	5.5
Net change in cash and cash equivalents	-3.8	-6.9	-3.7
Cash and cash equivalents at the beginning of the period	7.5	11.2	11.2
Cash and cash equivalents at the end of the period	3.7	4.3	7.5

Statement of changes in shareholders' equity

EUR million	Attributable to equity holders of the parent							Total	Minority interest	Total equity
	Share capital	Net premium account	unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings			
Shareholders' equity at Jan. 1, 2006	12.6	23.4	1.9	7.3	-0.8	-0.2	68.3	112.4	3.7	116.1
Available-for-sale financial assets: transferred to income statement on sale	-	-	-2.1	-	-	-	-	-2.1	-	-2.1
Cash flow hedges: gains recorded in equity	-	-	0.8	-	-	-	-	0.8	-	0.8
Taxes related to items entered into equity and removed from equity	-	-	0.3	-	-	-	-	0.3	-	0.3
Other changes	-	-	-	-	-	-	-0.2	-0.2	-	-0.2
Business combinations	-	-	-	-	-	-	-	-	-3.7	-3.7
Dividend distribution	-	-	-	-	-	-	-4.6	-4.6	-	-4.6
Profit for the period	-	-	-	-	-	-	5.8	5.8	-	5.8
Shareholders' equity at Sept 30, 2006	12.6	23.4	0.9	7.3	-0.8	-0.2	69.3	112.4	-	112.4
Shareholders' equity at Jan. 1, 2007	12.6	23.4	0.4	7.3	-0.8	-0.2	76.5	119.2	-	119.2
Cash flow hedges: gains recorded in equity	-	-	0.0	-	-	-	-	0.0	-	0.0
Taxes related to items entered into equity and removed from equity	-	-	-	-	-	-	-	-	-	-
Increase / decrease in subsidiary	-	-	-	-	-	0.2	-	0.2	0.8	1.0
Translation differences	-	-	-	-	-	0.5	-	0.5	-	0.5
Other changes	-	-	-	-0.1	-	-	-0.1	-0.2	-	-0.2
Dividend distribution	-	-	-	-	-	-	-5.3	-5.3	-	-5.3
Profit for the period	-	-	-	-	-	-	9.4	9.4	-	9.4
Shareholders' equity at Sept 30, 2007	12.6	23.4	0.4	7.2	-0.8	0.5	80.5	123.8	0.8	124.6

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial statements have 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 2006.

Lännen Tehtaat has adopted the following new amendments and interpretations to published standards as well as new standards from January 1, 2007:

- IFRS 7 Financial Instruments: Disclosures.
- IAS 1 (Amendment) Capital Disclosures.
- IFRIC 9 Reassessment of Embedded derivatives
- IFRIC 10 Interim Financial Reporting and Impairment.

The adopted standards and interpretations have not had any significant effects on this interim report.

Segment information

Business segments 1-9/2007

EUR million	Frozen Foods	Fish	Grain Trading	Vegetable Oil	Other Operations	Continuing operations total	Discontinued operations	Total
Total external sales	36.1	56.7	89.3	31.3	2.9	216.3	78.8	295.1
Intra-group sales	-0.1	-0.1	-0.7	0.0	-2.4	-3.2	-11.6	-14.8
Net sales	36.0	56.6	88.6	31.3	0.5	213.1	67.2	280.3
Operating profit/loss	1.6	-2.1	2.6	0.7	-2.8	0.1	9.2	9.3
Share of profit/losses of associated companies	0.0	0.1	-	-	1.2	1.3	0.1	1.4
Gross investments in non-current assets	1.6	1.5	-	0.3	0.1	3.5	0.6	4.1
Corporate acquisitions and other share purchases	-	11.3	-	-	-	11.3	-	11.3
Depreciations	1.3	0.9	0.1	0.5	0.7	3.6	0.2	3.8
Impairments	0.2	-	-	-	-	0.2	-	0.2
Personnel	259	361	29	36	11	696	167	863

Business segments 1-9/2006

EUR million	Frozen Foods	Fish	Grain Trading	Vegetable Oil	Other Operations	Continuing operations total	Discontinued operations	Total
Total external sales	37.7	43.0	62.2	30.7	0.0	173.6	135.7	309.3
Intra-group sales	-0.2	0.0	-0.8	0.0	0.0	-1.0	-17.0	-18.0
Net sales	37.5	43.0	61.4	30.7	0.0	172.6	118.7	291.3
Operating profit/loss	0.3	1.0	1.2	2.4	-4.0	0.9	5.5	6.4
Share of profit/losses of associated companies	0.0	-	-	-	-0.3	-0.3	0.1	-0.2
Gross investments in non-current assets	0.7	0.3	0.0	0.4	0.1	1.5	3.9	5.4
Corporate acquisitions and other share purchases	-	1.7	-	1.3	0.1	3.0	-	3.0
Depreciations	2.1	0.6	0.1	0.4	0.4	3.8	2.4	6.2
Impairments	-	0.2	-	-	-	0.2	-	0.2
Personnel	272	307	29	35	19	663	323	986

Business segments 1-12/2006

EUR million	Frozen Foods	Fish	Grain Trading	Vegetable Oil	Other Operations	Continuing operations total	Discontinued operations	Total
Total external sales	50.2	58.9	96.3	40.6	0.0	246.0	173.5	419.5
Intra-group sales	-0.1	0.0	-1.4	0.0	0.0	-1.5	-9.3	-10.8
Net sales	50.1	58.9	94.9	40.6	0.0	244.5	164.2	408.7
Operating profit/loss	1.7	1.6	2.0	3.0	-3.0	5.3	9.2	14.5
Share of profit/losses of associated companies	0.0	0.0	-	-	1.6	1.6	0.1	1.7
Gross investments in non-current assets	0.8	0.6	0.0	0.4	0.1	1.9	5.7	7.6
Corporate acquisitions and other share purchases	-	1.7	-	1.3	0.1	3.0	-	3.0
Depreciations	2.7	0.8	0.1	0.6	0.5	4.7	3.5	8.2
Impairments	-	0.2	-	-	-	0.2	-	0.2
Personnel	275	303	29	36	19	662	319	981

Geographical segments

Net sales

EUR million	1-9/2007 9 mths	1-9/2006 9 mths	1-12/2006 12 mths
Finland	134.6	140.4	188.6
Scandinavia	29.4	7.5	22.4
Baltic states and Russia	7.3	1.7	2.3
Other countries	41.8	23.0	31.2
Continuing operations total	213.1	172.6	244.5
Discontinued operations	67.2	118.7	164.2
Total	280.3	291.3	408.7

Discontinued operations

The sale of the majority holding in Suomen Rehu Ltd was completed at the start of June, when Suomen Rehu and its subsidiaries were transferred to Hankkija-Maatalous Oy. Suomen Rehu Ltd is presented as discontinued operations apart from continuing operations of Lännen Tehtaat till the point of sale. From the beginning of June Lännen Tehtaat's 49% ownership in Suomen Rehu Ltd is presented as an associated company.

Based on the change in Suomen Rehu Ltd's assets and liabilities share price adjustment was determined during the third interim period and EUR +1.5 million was recognised in the bookkeeping related to the sold 51% shareholding.

In connection with the sale of the majority shareholding an option scheme has also been agreed under which Lännen Tehtaat will, if it wishes, have the right to sell the remaining 49% of the shares in Suomen Rehu Ltd to Hankkija-Maatalous. The latter, for its part, has a purchasing option for the remaining shares, which it will be able to put into effect at the earliest 15 months after the purchase of the majority holding.

In the case of option exercise, Lännen Tehtaat receives the same price per share for the remaining 49% ownership as for the sold majority shareholding in Suomen Rehu Ltd, including the share price adjustment. In addition, the sale price is affected by the financial result of Suomen Rehu Ltd from the beginning of June 2007.

EUR million	1-5/ 2007 5 mths	1-9/ 2006 6 mths	1-12/ 2006 12 mths
Profits	85.2	119.8	176.7
Costs	-76.5	-115.5	-169.1
Profit before taxes	8.7	4.3	7.6
Income taxes	-0.8	-1.2	-2.0
Profit for the period	7.9	3.2	5.6

Profits 1-5/2007 include revenue from the sale of Suomen Rehu Ltd shares totalling EUR 5.8 million.

EUR million	1-5/ 2007 5 mths	1-9/ 2006 9 mths	1-12/ 2006 12 mths
Cash flows from operating activities	7.6	2.0	5.4
Cash flows from investing activities	-0.6	-5.3	1.4
Cash flows from financing activities	-6.9	3.7	-10.5
Total financing activities	0.1	0.4	-3.7

The change in the net working capital has a significant effect on the operating cash flows.

Acquisitions

Maritim Food AS, a Norwegian subsidiary of Lännen Tehtaat plc, decided to exercise an option to purchase shares in the fish-processing company Sandanger AS. Maritim Food AS purchased 3.5% of Sandanger AS's shares in accordance with the option agreement. The transaction made Maritim Food the majority shareholder in Sandanger AS, with its holding rising to 51%. Sandanger AS was incorporated into the Lännen Tehtaat Group on August 31, 2007.

The purchase price for the 51% ownership was EUR 1.1 million and resulted to goodwill of EUR 0.5 million. The acquisition has been recognised on a preliminary basis in the manner permitted by IFRS 3. Determination of the fair value of the company's assets and liabilities was still incomplete at the time the interim report was published.

Key indicators

	Sept 30, 2007	Sept 30, 2006	Dec 31, 2006
Shareholders' equity per share, EUR	19.81	17.98	19.06
Equity ratio, %	60.9 %	54.2 %	50.3 %
Gearing, %	14.3 %	29.6 %	40.7 %
Gross investments in non-current assets, EUR million	4.1	5.4	7.6
Corporate acquisitions and other share purchases, EUR million	11.3	3.0	3.0
Average number of personnel	863	986	981
Average number of shares, 1,000 pcs	6,253	6,253	6,253

The key figures in this interim financial report are calculated with same accounting principles than presented in year 2006 annual financial statements.

Contingent liabilities

EUR million	Sept 30, 2007	Sept 30, 2006	Dec 31, 2006
Mortgages given for debts:			
Real estate mortgages	33.4	40.7	37.5
Corporate mortgages	31.4	51.4	51.4
Shares pledged	9.4	3.6	3.6
Other securities given for own commitments:			
Non-cancellable other leases, minimum lease payments:			
Real estate leases	5.6	2.8	2.8
Other leases	0.8	1.1	1.1
Contingent liabilities for own commitments:			
Repurchasing commitments	0.0	0.0	0.0
Estimated additional share purchase price, Martim	0 - 1,3	-	-
Contingent liabilities on behalf of the Group companies:			
Guarantees	4.9	0.0	-

SUOMEN REHU – OPTION SCHEME

The calculatory unrecognised value for the result based component included in the option scheme as at September 30, 2007 is approximately EUR 0.2 million.

DERIVATIVE INSTRUMENTS

Outstanding nominal values of derivate instruments			
Forward currency contracts	4.4	7.5	4.5
Commodity derivative instruments	6.4	6.4	4.6
Interest rate swaps	25.0	25.0	25.0

INVESTMENT COMMITMENTS

Lännen Tehtaat has investment commitments in fish and frozen foods segments a total of EUR 2.3 million as of September 30, 2007.

Tangible assets

EUR million	1-9/ 2007 9 mths	1-9/ 2006 9 mths	1-12/ 2006 12 mths
Book value at the beginning of the period	67.4	72.2	72.2
Acquisitions	3.7	5.4	7.3
Acquisitions of operations	7.5	-	-
Disposals	0.0	-0.2	-4.2
Disposals of operations	-32.6	-0.4	-0.4
Depreciations and impairments	-3.6	-5.7	-7.7
Other changes	0.1	0.2	0.2
Book value at the end of the period	42.5	71.6	67.4

Transactions with associated companies and joint ventures

EUR million	1-9/ 2007 9 mths	1-9/ 2006 9 mths	1-12/ 2006 12 mths
Sales to associated companies	9.6	0.4	1.1
Sales to joint ventures	6.2	5.8	7.7
Purchases from associated companies	17.7	14.4	19.3
Purchases from joint ventures	0.1	0.0	0.3
Long-term receivables from associated companies	3.9	5.0	5.2
Trade receivables and other receivables from associated companies	2.8	2.2	5.0
Trade receivables and other receivables from joint ventures	1.1	0.5	0.6
Trade payables and other liabilities to associated companies	0.6	1.5	3.7

The sales of goods and services to the associated companies and joint ventures are based on valid price catalogues of the Group.