



Interim Report 1 January – 30 June 2010

April–June

- Consolidated net sales amounted to EUR 80.0 (65.5) million, up 22%
- Operating profit, excluding non-recurring items, came to EUR 1.0 (1.6) million; non-recurring items totalled EUR 0.0 (–0.5) million
- Profit for the period came to EUR 0.6 (0.8) million, and earnings per share amounted to EUR 0.10 (0.12)

January–June

- Net sales amounted to EUR 154.9 (130.2) million, a year-on-year growth of 19%.
- Operating profit, excluding non-recurring items, came to EUR 1.9 (0.9) million; non-recurring items totalled EUR 0.0 (–0.5) million
- Profit for the period came to EUR 1.4 (0.5) million, and earnings per share amounted to EUR 0.24 (0.08)

Assessment of profit performance for the full year is unchanged.

The information in this Interim Report has not been audited.

Matti Karppinen, CEO:

"Thanks to the good level of sales in Grains and Oilseeds, the Group's net sales were up by more than 20% year on year. The second quarter was expected to be more challenging than a year earlier, in terms of the profit outlook, and the consolidated operating profit, excluding non-recurring items, was in fact down year on year. The Group's profit was nevertheless at the same level as the first quarter.

The labour market dispute in the food industry in Finland in the spring had a disruptive impact on our Finnish business, and this continued to be felt until June. The measures taken in the dispute affected our Frozen Foods, Seafood, and Grains and Oilseeds businesses. The worst impact was in fresh fish production, which has the fastest turnover of stocks.

In continuing to develop and strengthen the Finnish Seafood business in line with our adopted strategy, the company agreed an ownership arrangement with Taimen Oy in June. This integration with fish farming will allow us to create the most efficient fresh-product supply chain for rainbow trout on the Finnish market. The arrangement will also allow the introduction of new business models."

KEY FIGURES ILLUSTRATING PERFORMANCE

EUR million	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Net sales	80.0	65.5	154.9	130.2	266.0
Operating profit	1.0	1.1	1.9	0.4	6.8
Operating profit, excluding non-recurring items	1.0	1.6	1.9	0.9	7.7
Profit before taxes	0.9	1.0	2.1	0.6	7.3
Profit for the period	0.6	0.8	1.4	0.5	5.8
Earnings per share, EUR	0.10	0.12	0.24	0.08	0.94

CHANGES IN GROUP STRUCTURE AND CORPORATE TRANSACTIONS

In June, Lännen Tehtaat plc and Taimen Oy entered into an arrangement whereby the Lännen Tehtaat plc's subsidiary Apetit Kala Oy acquired a 30% holding in Taimen Oy and Taimen Oy acquired a 30% holding in Apetit Kala Oy. As part of this arrangement, Taimen Oy transferred to Apetit Kala Oy the share capital of its fish-processing subsidiary Myrskylän Savustamo Oy and the share capital of Myrskylän Savustamo Oy's subsidiary, Safu Oy. Lännen Tehtaat's share of the Taimen Group's profits is reported in Lännen Tehtaat Group's segment reporting as associated company profit for Seafood above the operating profit as from the start of June.

The Taimen Group has a total of 28 fish farming units in Finland and Sweden and also three gutting facilities. The company specialises in farming rainbow trout, trout, whitefish and Saimaa Arctic char, as well as fry and fingerling production. The Taimen Group's total annual production is approximately eight million kilos, and its market share is about half of total rainbow trout production in Finland. The Taimen Group's net sales in 2009 amounted to EUR 29.5 million, and its operating profit was EUR 4.4 million.

Myrskylän Savustamo Oy produces and markets fish products under the Safu brand. Myrskylän Savustamo Oy's net sales in 2009 totalled EUR 3.8 million, and its operating profit was EUR 0.3 million.

NET SALES AND PROFIT

April-June:

Consolidated net sales for the second quarter amounted to EUR 80.0 (65.5) million, an increase of 22% on the same quarter in 2009. This increase was principally due to the year-on-year growth in sales volumes in Grains and Oilseeds.

The Group's second-quarter operating profit, excluding non-recurring items, was EUR 1.0 (1.6) million. The non-recurring items totalled EUR 0.0 (-0.5) million. The operating profit includes EUR 0.3 (0.4) million as the share of the profits of associated companies. In Other Operations, the profit was up, while in Grains and Oilseeds and in Frozen Foods the profit was at about the same level as the previous year. In the Seafood business, the result, excluding non-recurring items, was down year on year.

January-June:

Consolidated net sales for January-June came to EUR 154.9 (130.2) million, up by 19%.

The January-June operating profit, excluding non-recurring items, was EUR 1.9 (0.9) million. The operating profit includes EUR 0.2 (0.4) million as the share of the profits of associated companies. The non-recurring items totalled EUR 0.0 (-0.5) million. The non-recurring items a year earlier were connected with the Seafood business.

Financial income and expenses came to a total of EUR 0.1 (0.2) million. This figure includes valuation items of EUR 0.7 (0.5) million with no cash flow implications. Financial expenses also include EUR -0.5 (-0.3) million of Avena Nordic Grain Group's profit as the share attributable to the Avena Nordic Grain Oy employee shareholders.

Profit before taxes was EUR 2.1 (0.6) million. Profit for the period came to EUR 1.4 (0.5) million, and earnings per share amounted to EUR 0.24 (0.08).

FINANCING AND BALANCE SHEET

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

The cash flow from operating activities in January–June after interest and taxes amounted to EUR 8.6 (21.2) million. The impact of the change in working capital was EUR 5.6 (17.6) million, most of this being in the Grains and Oilseeds business. The net cash flow from investing activities came to EUR -7.3 (-11.1) million. Deposits and withdrawals of liquid assets into and from short-term fixed income funds had an impact of EUR -1.0 (-9.0) million on the cash flow from investing activities. The cash flow from financing activities came to EUR -5.3 (-11.9) million, and this included EUR -4.7 (-5.3) million in dividend payments.

At the end of the period, the Group had EUR 2.7 (10.1) million in interest-bearing liabilities and EUR 22.2 (21.0) million in liquid assets. Net interest-bearing liabilities totalled EUR -19.4 (-10.9) million. The consolidated balance sheet total stood at EUR 169.9 (170.7) million. At the end of June, equity totalled EUR 134.0 (130.7) million. The equity ratio was 78.9% (76.7%). Commercial papers issued for the Group's short-term financing stood at a total value of EUR 0.0 (3.0) million at the end of the period. The Group's liquidity over the next few years is secured with committed credit facilities; a total of EUR 25 (25) million was available in credit at the end of June. No credit facilities were used during the January–June period.

INVESTMENT

Gross investment in non-current assets in January–June came to EUR 1.7 (1.5) million.

PERSONNEL

The average number of personnel during January–June was 610 (658). Most of the reduction in personnel occurred in the Seafood business.

OVERVIEW OF OPERATING SEGMENTS

Frozen Foods

EUR million	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Net sales	11.0	11.4	23.8	24.2	46.0
Operating profit	0.3	0.5	0.6	0.8	3.4
Operating profit, excluding non- recurring items	0.3	0.5	0.6	0.8	3.4

Second-quarter net sales in Frozen Foods were down by about 3% year on year. This decrease was mainly a result of the undelivered retail products due to the labour market dispute in the food industry. Hotel, restaurant and catering sector sales, food industry sales and exports were all at the same level as a year earlier.

Operating profit almost reached the level of the previous year. The labour market dispute in the food industry had a negative impact on the quarterly result. The dispute meant that production was at a standstill for eight days. The disruptive effects of the dispute were seen in lost sales and increased costs as depleted product stocks were refilled. Product shortages and problems in production were resolved during June, when stocks returned to normal levels.

In January–June, net sales in Frozen Foods fell by about 2% overall. Sales of retail products were favourable. Growth occurred in sales of basic products in particular, such as frozen vegetable and potato products and soups sold under the Apetit brand. Sales of new products also increased, including Finnish-grown Apetit vegetables launched in the autumn under the 'domestic content' theme, and the Apetit Muurikka pan-fry vegetables launched in the spring. Sales of frozen pizzas and private label products were down year on year. Sales to the hotel, restaurant and catering sector fell slightly, as did export sales, while sales to the food industry were at the level of the same period in 2009.

The operating profit for January–June was slightly below the figure of a year earlier.

The average number of personnel in Frozen Foods during January–June was 181 (188).

The investment of EUR 0.6 (1.2) million made in the first six months of the year consisted mainly of expenditure on replacements in crop-season production facilities and in the frozen ready meals factory.

Seafood

EUR million	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Net sales	18.4	18.3	37.4	36.8	75.9
Operating profit	-1.1	-1.0	1.1	-1.9	-2.5
Operating profit, excluding non- recurring items	-1.1	-0.5	-1.1	-1.4	-1.8

In June, Lännen Tehtaat entered into an ownership arrangement with Taimen Oy, in line with the strategy for the Finnish Seafood business. The arrangement allows the creation of the most efficient fresh-product supply chain for rainbow trout on the Finnish market. It will also produce synergy benefits, for instance in production, logistics and sales. The arrangement will, furthermore, open up opportunities for introducing new business models.

The second-quarter net sales of the Seafood business were up by about 1% on the figure for the same quarter in 2009.

Net sales in the Finnish Seafood business were at about the level of a year earlier. Sales received a boost with the incorporation of Myrskylän Savustamo into the Group at the start of June, and with the growth in service sales, though sales also suffered the adverse effects of the labour market dispute in the food industry and the consequent disruptions that occurred in deliveries of fish products. The dispute meant that production of fish products was at a standstill for ten days. With Easter sales occurring partly at the end of the first quarter, in contrast to the previous year, the contribution of Easter to second-quarter sales was correspondingly down in 2010.

In the foreign Seafood business, euro-denominated net sales were up slightly. Measured in local currencies, net sales were down year on year by about 10%. In Norway, the drop in sales was attributable mainly to the discontinuation of an unprofitable product segment. Sales volumes of the Swedish unit were at the level of a year earlier, but average prices were down year on year.

Seafood's second-quarter operating profit, excluding non-recurring items, was below that of the same quarter in 2009.

The result for the Finnish Seafood business was down year on year. This was due to the considerable increase in salmon and rainbow trout prices that began during the winter and has since continued, keeping raw material costs at an exceptionally high level. Due to the

competitive environment and the retail trade's pricing periods, it has only been possible to pass on a proportion of the higher raw material costs to sales prices. The labour market dispute in the food industry interfered with production efficiency and led to an increase in wastage and a deterioration in delivery reliability. Production did not return to normal until June.

In foreign operations the second-quarter result was at the level of a year earlier. The result was boosted by the improvement in labour and raw material productivity and in cost efficiency. On the negative side, the result was affected by the considerable rise in the market price of salmon raw material in Norway.

Net sales in January-June were up by about 2% year on year. Net sales of the Finnish Seafood business were at about the level of a year earlier. Euro-denominated net sales of the foreign Seafood business grew by about 4%. Measured in local currencies, net sales fell by 10% as a result of the changes made to the product range and the fall in average prices in certain product groups. The favourable trend in dressings and shellfish products continued.

The January-June operating result, excluding non-recurring items, was slightly up year on year, but was nevertheless a loss. The result for the Finnish Seafood business was lower than a year earlier. The result for the foreign Seafood business showed significant growth year on year.

The number of personnel in the Seafood business totalled 359 (398). The drop in personnel numbers was mainly a consequence of the reduction in the number of Kalatori service counters and the outsourcing of logistics functions that took place in summer 2009 in the Finnish Seafood business.

Investment in the Seafood business totalled EUR 0.6 (0.2) million. Most of this was in completing the productivity investment programme at the Kuopio production plant.

Grains and Oilseeds

EUR million	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Net sales	50.5	35.8	93.5	69.0	143.4
Operating profit	2.2	2.2	4.1	3.1	7.3
Operating profit, excluding non- recurring items	2.2	2.2	4.1	3.1	7.4

Second-quarter net sales in the Grains and Oilseeds business were up by 41% year on year. The increase in net sales was due to the growth in volumes.

The operating profit in Grains and Oilseeds was at the level of a year earlier. The good result was a consequence of higher grain trade sales volumes and the good oil-refining yield and high-quality Finnish rapeseed crop.

Net sales in January-June were up by 36% year on year as a result of volume growth, and the operating profit was EUR 1.0 million greater than a year earlier.

There was a plentiful supply of grain on the world market during the first six months of the year. This was attributable not only to the good crop harvests around the world but also the high level of stocks transferred from the previous season, which together kept market prices low. The price of rapeseed in relation to grain prices was attractive from the grower's viewpoint. The rapeseed price level was maintained at the start of the period by the scarce supply of soybeans and the price of mineral oil.

The July weather conditions were unfavourable in parts of Europe and in some countries of the former Soviet Union, and this led to a downward revision of crop forecasts and to rising prices. In Finland, too, grain crop expectations are below those of 2009 as a result of the smaller areas under cultivation and the drop in per-hectare yield forecasts. By contrast, areas under rapeseed have almost doubled year on year.

The Grains and Oilseeds business employed an average of 60 (62) people in the first six months of the year.

In January-June, investment came to EUR 0.4 (0.2) million and focused on the renewal of Avena's Internet marketplace (Avenakauppa) and replacement equipment for the Kirkkonummi vegetable oil mill.

Other Operations

EUR million	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Net sales	0.5	0.4	0.9	0.8	2.4
Operating profit	-0.4	-0.6	-1.6	-1.6	-1.3
Operating profit, excluding non- recurring items	-0.4	-0.6	-1.6	-1.6	-1.3

Other Operations comprise the service company Apetit Suomi Oy, Group Administration, items not allocated under any of the business segments, and the associated

companies Sucros Ltd and Ateriamestarit Oy. The cost impact of the services produced by Apetit Suomi Oy is an encumbrance on the operating result of the Group's businesses in proportion to their use of the services.

Net sales from the sale of services were at the previous year's level.

The second-quarter operating result totalled EUR -0.4 (-0.6) million, which includes EUR 0.4 (0.4) million as the share of the profits of associated companies.

The January-June operating profit, excluding non-recurring items, totalled EUR -1.6 (-1.6) million. This figure includes EUR 0.3 (0.4) million as the share of the profits of associated companies.

Investment in Other Operations totalled EUR 0.1 (0.0) million.

DECISIONS OF THE ANNUAL GENERAL MEETING

Dividend distribution

The Annual General Meeting resolved that a dividend of EUR 0.76 per share, totalling EUR 4.7 million, be distributed from the profits of the financial year 2009, in accordance with the proposal of the Board of Directors. The dividend was paid on 13 April 2010.

Other decisions of the Annual General Meeting are given in the stock exchange release dated 30 March 2010 and in the Interim Report published on 6 May 2010.

USE OF THE AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS

Authorisations to issue shares

The Board of Directors has not yet exercised the authorisation granted to it by the Annual General Meeting on 30 March 2010 to issue new shares or to transfer Lännen Tehtaat plc shares held by the company.

SHARES AND TRADING

The number of Lännen Tehtaat plc shares traded on the stock exchange during January-June was 498,118 (692,388), representing 7.9% (11.0%) of the total number of shares. The euro-denominated share turnover was EUR 8.6 (8.4) million. The highest share price quoted was EUR 20.00 (14.43) and the lowest EUR 15.51 (11.90). The average price of shares traded was EUR 17.25 (12.17).

At the end of June, the market capitalisation totalled EUR 104.9 (77.0) million.

At the end of June the company possessed a total 130,000 of its own shares, with a nominal value totalling EUR 0.26 million. The shares in the company's possession represent 2.1% of the company's total number of shares and of the total number of votes.

FLAGGING ANNOUNCEMENTS

On 7 May 2010, EM Group Oy announced that its holding of Lännen Tehtaat plc shares had, on 6 May 2010, exceeded 5% of the total number of Lännen Tehtaat plc shares and votes. At the time of the announcement, EM Group Oy owned 316,000 Lännen Tehtaat plc shares, equating to 5.002% of the total number of Lännen Tehtaat plc shares and 5.107% of the votes.

SEASONALITY OF OPERATIONS

In accordance with the IAS 2 standard, the historical cost of inventories includes a systematically allocated portion of the fixed production overheads. In production that focuses on seasonal crops, raw materials are processed into finished products mainly during the final quarter of the year, which means that the inventory volumes and their 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.

Apetit Kala's sales peak at weekends and on seasonal holidays. As Easter can take place in either the first or the second quarter, this can affect the comparability of Seafood's net sales and profit between different years. A significant proportion of Apetit Kala's profit depends on the success of Christmas sales.

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 levels domestically and on other markets.

SHORT-TERM RISKS AND UNCERTAINTIES

The most significant short-term risks for the Lännen Tehtaat Group concern the following: the effects of a prolonged economic downturn on demand from consumers and customers; the solvency of customers and the delivery performance of suppliers; availability of raw materials; the impact of seafood price rises on consumer demand; the management of raw material price changes and currency risks; changes in the Group's businesses and customerships; introduction of a new enterprise resource planning (ERP) system in Seafood's foreign operations; and corporate acquisitions and the subsequent integration processes.

SIGNIFICANT EVENTS SINCE THE END OF THE REVIEW PERIOD

There have been no significant events since the end of the review period.

FUTURE OUTLOOK

The Group's net sales will be affected particularly by the level of activity in grain and oilseed markets and by changes in the price level of grains and oilseeds.

The Group's full-year operating profit, excluding non-recurring items, is expected to be at least at the level of 2009. Profit accrual is expected to be weighted heavily towards the last quarter of the year, as in 2009.

Raw material prices have risen considerably and the adverse impact of this on the profit-earning capacity of the Seafood business is expected to continue in the third quarter. The lower grain crop expectations than a year earlier and abrupt price changes will mean a more challenging operating environment for Grains and Oilseeds in the second half of the year than in 2009.

Consolidated income statement

EUR million	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Net sales	80.0	65.5	154.9	130.2	266.0
Other operating income	0.2	0.3	0.6	0.7	1.5
Operating expenses	-78.2	-63.8	-151.0	-128.2	-257.3
Depreciation	-1.3	-1.4	-2.6	-2.6	-5.3
Impairments	0.0	0.0	0.0	-	-0.1
Share of profits of associated companies	0.3	0.4	0.2	0.4	2.0
Operating profit	1.0	1.1	1.9	0.4	6.8
Financial income and expenses	-0.2	-0.1	0.1	0.2	0.5
Profit before taxes	0.9	1.0	2.1	0.6	7.3
Income taxes	-0.3	-0.2	-0.7	-0.1	-1.5
Profit for the period	0.6	0.8	1.4	0.5	5.8
Attributable to					
Equity holders of the parent	0.6	0.7	1.5	0.5	5.8
Non-controlling interests	-0.1	0.1	-0.1	-	-
Basic and diluted earnings per share, calculated of the profit attributable to the shareholders of the parent company, EUR	0.10	0.12	0.24	0.08	0.94

Statement of comprehensive income

EUR million	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2009
Profit for the period	0.6	0.8	1.4	0.5	5.8
Other comprehensive income					
Cash flow hedges	-0.4	-0.3	-0.7	0.6	1.1
Taxes related to cash flow hedges	0.1	0.1	0.2	-0.2	-0.3
Translation differences	0.0	-0.1	0.5	0.6	1.4
Total comprehensive income	0.3	0.6	1.4	1.5	8.0
Attributable to					
Equity holders of the parent	0.4	0.5	1.4	1.5	8.0
Non-controlling interests	-0.1	0.1	-0.1	-	-

Consolidated statement of financial position

EUR million	30 June 2010	30 June 2009	31 Dec 2009
ASSETS			
Non-current assets			
Intangible assets	6.3	6.1	5.6
Goodwill	8.5	6.4	6.9
Tangible assets	38.0	38.3	37.9
Investment in associated companies	32.3	25.4	24.0
Available-for-sale investments	0.1	0.1	0.1
Receivables	0.5	1.7	1.8
Deferred tax assets	1.2	1.5	1.1
Non-current assets total	87.0	79.4	77.4
Current assets			
Inventories	30.7	42.0	48.1
Receivables	30.1	24.4	25.5
Income tax receivable	0.0	0.3	0.1
Financial assets at fair value through profits	18.3	12.9	17.2
Cash and cash equivalents	3.9	8.1	7.9
Current assets total	83.0	87.7	98.7
Non-current assets held for sale	-	3.6	-
Total assets	169.9	170.7	176.1

EUR million	30 June 2010	30 June 2009	31 Dec 2009
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent	131.5	130.7	137.3
Non-controlling interests	2.6	-	-
Total equity	134.0	130.7	137.3
Non-current liabilities			
Deferred tax liabilities	3.7	3.8	4.1
Long-term financial liabilities	2.6	3.7	2.4
Non-current provisions	0.2	0.1	0.2
Other non-current liabilities	4.5	0.1	-
Non-current liabilities total	11.0	7.7	6.6
Current liabilities			
Short-term financial liabilities	0.2	6.5	0.9
Income tax payable	2.4	1.1	1.5
Trade payables and other liabilities	22.3	24.7	29.7
Current liabilities total	24.9	32.3	32.1
Total liabilities	35.9	40.0	38.8
Total equity and liabilities	169.9	170.7	176.1

Consolidated statement of cash flows

EUR million	Jan-Jun 2010	Jan -Jun 2009	Jan-Dec 2009
Net profit for the period	1.4	0.5	5.8
Adjustments, total	2.8	4.1	6.5
Change in net working capital	5.6	17.6	14.9
Interests paid	-0.8	-1.1	-1.8
Interests received	0.1	0.4	1.0
Taxes paid	-0.5	-0.3	-0.6
Net cash flow from operating activities	8.6	21.2	25.8
Investments in tangible and intangible assets	-1.7	-1.5	-2.7
Proceeds from sales of tangible and intangible assets	0.5	0.4	3.2
Acquisition of associated companies	-8.0	-	-
Transactions with non-controlling interests	2.7	-1.2	-1.2
Purchases of other investments	-1.0	-9.0	-22.0
Proceeds from sales of other investments	0.0	-	9.0
Dividends received from investing activities	0.2	0.2	3.3
Net cash flow from investing activities	-7.3	-11.1	-10.4
Repayments of short-term loans	-0.2	-6.5	-9.5
Repayments of long-term loans	-0.3	-0.2	-2.7
Payment of financial lease liabilities	-	0.0	0.0
Dividends paid	-4.7	-5.3	-5.3
Cash flows from financing activities	-5.3	-11.9	-17.5
Net change in cash and cash equivalents	-4.0	-1.7	-2.0
Cash and cash equivalents at the beginning of the period	7.9	9.9	9.9
Cash and cash equivalents at the end of the period	3.9	8.1	7.9

Statement of changes in shareholders' equity

EUR million	Attributable to equity holders of the parent							Total	Non-controlling interest (NCI)	Total equity
	Share capital	Share premium account	Net unrealised gains	Other reserves	Own shares	Translation differences	Retained earnings			
Shareholders' equity at 1 Jan 2010	12.6	23.4	0.0	7.2	-1.8	-0.5	96.4	137.3	-	137.3
Dividend distribution	-	-	-	-	-	-	-4.7	-4.7	-	-4.7
Other changes	-	-	-	-	-	-	-0.2	-0.2	-	-0.2
Transactions with NCI	-	-	-	-	-	-	-2.3	-2.3	2.6	0.3
Total comprehensive income	-	-	-0.5	0.0	-	0.5	1.5	1.4	-0.1	1.4
Shareholders' equity at 30 June 2010	12.6	23.4	-0.5	7.2	-1.8	0.0	90.6	131.5	2.6	134.0
Shareholders' equity at 1 Jan 2009	12.6	23.4	-0.8	7.2	-1.8	-1.9	96.6	135.1	0.5	135.6
Dividend distribution	-	-	-	-	-	-	-5.3	-5.3	-	-5.3
Transactions with NCI	-	-	-	-	-	-	-0.7	-0.7	-0.5	-1.2
Total comprehensive income	-	-	0.4	-	-	0.6	0.5	1.6	-	1.6

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 2009.

Segment information

Operating segments, January–June 2010

EUR million	Frozen Foods	Seafood	Grains and Oilseeds	Other Operations	Total
Total segment sales	23.8	37.4	93.5	0.9	155.6
Intra-group sales	0.0	0.0	0.0	-0.7	-0.7
Net sales	23.8	37.4	93.5	0.2	154.9
Share of profits of associated companies included in operating profit	-	-0.1	-	0.3	0.2
Operating profit	0.6	-1.1	4.1	-1.6	1.9
Gross investments in non-current assets	0.6	0.6	0.4	0.1	1.7
Corporate acquisitions and other share purchases	-	10.5	-	-	10.5
Depreciations	1.1	0.9	0.3	0.3	2.6
Impairments	-	0.0	-	-	0.0
Personnel	181	359	60	10	610

Operating segments, January–June 2009

EUR million	Frozen Foods	Seafood	Grains and Oilseeds	Other Operations	Total
Total segment sales	24.2	36.8	69.0	0.8	130.9
Intra-group sales	0.0	0.0	0.0	-0.7	-0.7
Net sales	24.2	36.8	69.0	0.1	130.2
Share of profits of associated companies included in operating profit	-	-	-	0.4	0.4
Operating profit	0.8	-1.9	3.1	-1.6	0.4
Gross investments in non-current assets	1.2	0.2	0.2	-	1.5
Corporate acquisitions and other share purchases	-	1.2	-	-	1.2
Depreciations	0.9	1.0	0.3	0.4	2.6
Impairments	-	0.0	-	-	-
Personnel	188	398	62	10	658

Operating segments, January–December 2009

EUR million	Frozen Foods	Seafood	Grains and Oilseeds	Other Operations	Total
Total segment sales	46.0	75.9	143.4	2.4	267.8
Intra-group sales	-0.1	0.0	0.0	-1.6	-1.7
Net sales	46.0	75.9	143.4	0.8	266.0
Share of profits of associated companies included in operating profit	-	-	-	2.0	2.0
Operating profit	3.4	-2.5	7.3	-1.3	6.8
Gross investments in non-current assets	1.9	0.6	0.3	-	2.7
Corporate acquisitions and other share purchases	-	1.2	-	-	1.2
Depreciations	2.0	2.0	0.7	0.7	5.3
Impairments	-	-	0.1	-	0.1
Personnel	205	379	62	11	657

Acquisitions

On 7 June 2010, Apetit Kala Oy acquired the entire share capital of fish-processing companies Myrskylän Savustamo Oy and Safu Oy from Taimen Oy. The purchase price was EUR 2.5 million and was paid by transferring to Taimen Oy 58 new Apetit Kala Oy shares, representing 15% of the total number of shares and voting interests in Apetit Kala Oy. The fair value of Apetit Kala Oy's shares at the acquisition date was based on the fair value of the businesses of Myrskylän Savustamo Oy and Safu Oy transferred to Apetit Kala Oy as capital contribution. In connection with the deal, Taimen Oy acquired an additional 15% of Apetit Kala Oy's shares from Lännen Tehtaat plc for a cash payment of EUR 2.5 million. At the same time, Apetit Kala Oy acquired a 30% holding in Taimen Oy. Due to cross ownership, both the non-controlling interests' share of Apetit Kala's profit and balance sheet total and Apetit Kala Oy's share of associated company Taimen's profits are consolidated on the basis of a 23% share.

The carrying amounts of the assets and liabilities acquired prior to the amalgamation totalled EUR 0.7 million. EUR 0.8 million was recognised for customer relationships and EUR 0.2 million recognised as deferred tax liabilities. The amount of non-tax-deductible goodwill recognised on the acquisition was EUR 1.3 million, which is based on synergy benefits in production, logistics and sales. Of the transaction costs of the share transaction made with the non-controlling interests, EUR 0.1 million was recognised directly in equity. The Group's net sales would have been EUR 1.4 million greater and net profit EUR 0.1 million smaller had the acquisition been consolidated from 1 January 2010. Net sales in June, after the acquisition, were EUR 0.5 million and net profit EUR 0.0 million.

Key indicators

	30 June 2010	30 June 2009	31 Dec 2009
Shareholders' equity per share, EUR	21.25	21.12	22.19
Equity ratio, %	78.9	76.7	78.0
Gearing, %	-14.5	-8.3	-15.8
Gross investments in non-current assets, EUR million	1.7	1.5	2.7
Corporate acquisitions and other share purchases, EUR million	10.5	1.2	1.2
Average number of personnel	610	658	657
Average number of shares, 1,000 pcs	6,188	6,188	6,188

The key figures in this interim financial report are calculated with same accounting principles than presented in year 2009 annual financial statements.

Contingent liabilities, contingent assets and other commitments

EUR million	30 June 2010	30 June 2009	31 Dec 2009
Mortgages given for debts			
Real estate mortgages	2.8	7.7	2.0
Guarantees	11.0	10.0	11.1
Non-cancellable other leases, minimum lease payments			
Real estate leases	5.3	4.8	4.3
Other leases	0.8	0.7	0.8
DERIVATIVE INSTRUMENTS			
Outstanding nominal values of derivate instruments			
Forward currency contracts	3.3	3.8	4.0
Commodity derivative instruments	9.4	10.4	9.2
CONTINGENT ASSETS			
The present value of proceeds from the sale of shares in the joint entry account	0.7	0.7	0.7

INVESTMENT COMMITMENTS

Lännen Tehtaat has no significant investment commitments at 30 June 2010.

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 will, on the basis of IAS 32, be recognised under non-current liabilities. The receivable arising in connection with this may not, under IFRS rules, be recognised.

Changes in tangible assets

EUR million	30 June 2010	30 June 2009	31 Dec 2009
Book value at the beginning of the period	37.9	43.5	43.5
Additions	1.4	0.8	2.0
Additions through acquisitions	0.7	-	-
Disposals	-0.2	-4.0	-4.0
Depreciations and impairments	-2.2	-2.3	-4.5
Other changes	0.4	0.4	0.9
Book value at the end of the period	38.0	38.3	37.9

Transactions with associated companies and joint ventures

EUR million	Jan-Jun 2010	Jan-Jun 2009	Jan-Dec 2010
Sales to associated companies	0.2	0.2	1.0
Sales to joint ventures	3.7	3.9	6.7
Purchases from associated companies	1.6	1.3	2.2
Long-term receivables from associated companies	-	0.0	1.3
Long-term receivables from joint ventures	0.1	0.0	0.1
Trade receivables and other receivables from associated companies	1.4	1.5	1.6
Trade receivables and other receivables from joint ventures	0.8	0.6	0.7
Trade payables and other liabilities to associated companies	0.1	0.0	0.2

Espoo, 12 August 2010

LÄNNEN TEHTAAT PLC
Board of Directors